

April 2016

The ACME Laboratories Ltd.

Issue Manager: ICB Capital Management Limited

Trading inception: 7th June 2016

Company Profile:

- **Incorporation:** 17 March 1976
- **Reporting Period:** July– June
- **Total Employees:** 6,711
- **Nature of the Business:** The company is engaged in manufacturing and marketing of generic pharmaceuticals formulation products which includes human drugs, herbal, and veterinary. The products of the company are sold in domestic and international markets.

Use of IPO Proceeds

Details	%	Amount (BDT mn)
Steroid and Hormone	31.6%	1358.0
Oncology	26.6%	1141.0
Herbal	40.7%	1745.5
IPO Expenses	1.1%	47.4
Total	100.0%	4291.9

Sales breakdown

Export Sales	3.3%
Local Sales	96.7%

Shareholding Pattern

Entity	Sponsor/Directors Institution/Public (IPO)
% of Holdings	76.4 23.6
No. of Shares (mn)	161.6 50.0

Latest 9 months (July 2015- March 2016) (BDT mn)

Details	9M FY15	9M FY16
Revenue	8,157.94	9,057.09
Net profit after tax	656.08	724.14
Post IPO Diluted EPS (BDT)	3.10	3.42

NAVPS

Details	FY15
BVPS (post ipo)	53.75
BVPS (post ipo) w/o revaluation	28.60

Effective Tax rate

	Beximco	Square	ACME (non listed)
Effective tax rate	20.70%	25.70%	35.40%

For listed companies, the tax rate is 25%. For ACME, the effective tax rate could be lower if it brings all the new projects as subsidiaries for which it will receive tax holiday.

Key IPO Information

Face Value per share (BDT)	10
Premium per share (BDT)	67
Offer price per share (BDT)	77
Authorized Capital (BDT mn)	5,000
Pre- IPO Paid-up Capital (BDT mn)	1,616.02
Lot size (no. of shares)	100
IPO Size (No. of shares in mn)	20
IPO Size (BDT mn)	1,540
Post- IPO Paid-up Capital (BDT mn)	2116.02

Income Statement Summary (BDT mn)

Details	FY 12	FY 13	FY 14	FY15
Revenue	8,838.09	8,973.32	10,217.93	11,496.41
<i>Growth</i>	<i>26.3%</i>	<i>1.5%</i>	<i>13.9%</i>	<i>12.51%</i>
Gross Profit	3,140.61	3,252.30	3,980.14	4,301.41
Operating Profit	1,369.36	1,390.03	2,042.00	2,358.52
Net Profit	476.13	505.70	893.89	921.92
<i>Growth</i>	<i>38.3%</i>	<i>6.2%</i>	<i>76.8%</i>	<i>3.14%</i>
Diluted EPS (Pre- IPO)*	2.95	3.13	5.53	5.70
Diluted EPS (Post- IPO)*	2.25	2.39	4.22	4.36

Balance Sheet Summary (BDT mn)

Details	FY 12	FY 13	FY 14	FY15
Total Asset	12,732.36	16,573.64	22,179.57	23,259.77
Shareholder's Equity	6,609.45	9,517.45	10,692.16	11,372.63
Cash & Cash Equivalent	165.48	452.65	413.43	432.27
Total Debt	4,355.76	5,002.01	8,907.08	9,439.28
Paid- up Capital	1,160.00	1,556.31	1,616.02	1,616.02
Revaluation Reserve	4,559.56	4,488.70	5,429.80	5,320.07

Financial metrics

Details	FY12	FY13	FY14	FY15
Current Ratio	1.05	1.33	0.79	1.03
Quick Ratio	0.72	1.01	0.52	0.63
Debt/Equity	0.66	0.53	0.83	0.83
RoAE	7.70%	6.30%	8.80%	8.36%
RoAA	4.20%	3.50%	4.60%	4.06%
Avg. Cash Conversion Cycle	81.83	98.77	109.87	-
Gross profit margin	35.50%	36.20%	39.00%	37.42%
Operating profit margin	15.50%	15.50%	20.00%	20.51%
Net profit margin	5.40%	5.60%	8.70%	8.02%

Disclaimer

Unless otherwise stated, all information contained in this document (the "Publication") shall not be reproduced, in whole or in part, without the specific written permission of Shanta Securities Limited.

Shanta Securities Limited makes its best effort to ensure that the content in the Publication is accurate and up to date at all times. Shanta Securities Limited makes no warranty, representation or undertaking whether expressed or implied, nor does it assume any legal liability, whether direct or indirect, or responsibility for the accuracy, completeness, or usefulness of any information that contain in the Publication. It is not the intention of the publication to be used or deemed as recommendation, option or advice for any action(s) that may take place in future.

