

**Offer Price (BDT): 24.0**

**IPO Issue Size (BDT Mn): 3,500.00**  
**IPO Issue Size (No. of Shares) (Mn): 125.06**

**IPO Information**

|  |   |
|--|---|
| Face Value                                 | 10.0  |
| Offer Price                                | 24.0  |
| Authorized Capital (BDT Mn)                | 15,000.0  |
| Pre IPO-Paid up Capital (BDT Mn)           | 9,255.8   |
| Post IPO Paid up Capital (BDT Mn)          | 12,755.8  |
| Retained Earnings (BDT Mn)                 | 4,472.2   |
| IPO Issue Size (No. of shares) (Mn)        | 125.1   |
| IPO Issue Size (BDT Mn)                    | 3,500.0   |
| 1 <sup>st</sup> Day Free Float Shares (Mn) | 106.3   |
| Issue managers                             | ICB Capital Management Limited<br>Shanta Equity Limited |
| Auditor                                    | ARTISAN, Chartered Accountants                          |

**Company Overview**

Best Holdings Limited (BESTHLDNG) is primarily involved in providing hospitality services. The company is also engaged in national infrastructure development, agricultural projects and rental service of commercial spaces. BESTHLDNG is the owner company of hotel Le Méridien, a 15 storied 5 Star Hotel with 304 guest rooms.

- **Incorporation:** October 31, 2006
- **Commercial Operation:** 2009
- **Key Personnel:** Mr. Amin Ahmad (Chairman; 23.16%), Mr. Hasan Ahmad (Managing Director; 2.86%), Mrs. Afra Anjum (Director; 2.87%)
- **Office Location:** 79/A, Commercial Area, Airport Road, Nikunja 2, Khilkhet, Dhaka 1229

**Subsidiaries**

**Iconx Hotels Limited (51.61% Ownership)**

Iconx Hotels Limited started its journey as a private limited company on January 18, 2010. The company is primarily engaged in the construction of commercial and residential buildings and conduct the business of Hotel, Restaurant, Café and Rest house. The company is currently constructing a five-star hotel (Marriott Bhaluka) and a commercial complex (Marriott Complex) by investing BDT 15,886.18 Mn and BDT 2,701.36 Mn at Bhaluka, Mymensingh. As per the prospectus, the company has made 65.0% and 30.0% progress for Marriott Bhaluka and Marriott Complex, respectively. Marriott Bhaluka is expected to commence its commercial operation from July 2024, while Marriott Complex is expected to initiate its commercial operation from December, 2024.

**Dhamshur Economic Zone Limited (51.22% Ownership)**

Dhamshur Economic Zone Limited was incorporated as a private limited company in November 16, 2017 with the intention of establishing an economic zone in Bhaluka, Mymensingh specifically for fully export oriented industries. The area of the economic zone encompasses approximately 846.30 acre of land and the company is going to invest more than BDT 22,500.00 Mn for establishing the economic zone. The project is expected to be completed by December 2025.

**Notable Projects of BESTHLDNG**

- Le Méridien, Dhaka
- Third Karnaphuli Bridge
- Teesta Bridge
- Dharala Bridge
- Kanchan Bridge
- Daratana & Monigonj Bridge
- Dhaleswari 1 & 2 Bridge
- Luxury Private Suite, Bashundhara
- Marriott Bhaluka (**Expected Completion Date:** July, 2024; **Completion Percentage:** 65%)
- Marriott Complex (**Expected Completion Date:** December, 2024; **Completion Percentage:** 30%)
- The Muslin, a Luxury Collection Resort (**Expected Completion Date:** December 2025; **Completion Percentage:** 25%)

|  | FY'21  | FY'22  | FY'23  | Q1'24 (An.) |
|--|--------|--------|--------|-------------|
| <b>Financial Information (BDT Mn):</b> |        |        |        |             |
| Net Revenue                            | 1,153  | 2,390  | 2,992  | 3,019       |
| Gross Profit                           | 766    | 1,875  | 2,370  | 2,313       |
| Operating Profit                       | 155    | 1,037  | 1,330  | 1,247       |
| Interest Expense                       | 50     | 23     | 25     | 41          |
| Pretax Profit                          | 271    | 1,083  | 1,303  | 1,355       |
| Net Profit                             | 408    | 1,017  | 1,143  | 1,264       |
| Assets                                 | 78,816 | 70,002 | 73,314 | 74,062      |
| Debt                                   | 12,301 | 13,074 | 15,312 | 15,823      |
| Equity                                 | 59,471 | 51,340 | 52,199 | 52,522      |
| Retained Earnings                      | 2,407  | 3,206  | 4,185  | 4,472       |
| Cash & Cash Equ.                       | 64     | 325    | 117    | 124         |
| <b>Margin:</b>                         |        |        |        |             |
| Gross Profit                           | 66.4%  | 78.5%  | 79.2%  | 76.6%       |
| Operating Profit                       | 13.5%  | 43.4%  | 44.4%  | 41.3%       |
| Pretax Profit                          | 23.5%  | 45.3%  | 43.5%  | 44.9%       |
| Net Profit                             | 35.4%  | 42.5%  | 38.2%  | 41.9%       |
| <b>Growth:</b>                         |        |        |        |             |
| Net Revenue                            | -55.5% | 107.3% | 25.2%  | 0.9%        |
| Gross Profit                           | -64.1% | 144.8% | 26.4%  | -2.4%       |
| Operating Profit                       | -86.9% | 568.3% | 28.2%  | -6.2%       |
| Pretax Profit                          | -76.7% | 299.7% | 20.3%  | 4.0%        |
| Net Profit                             | -57.7% | 159.6% | 12.5%  | 10.7%       |
| <b>Profitability:</b>                  |        |        |        |             |
| ROA                                    | 0.5%   | 1.4%   | 1.6%   | 1.7%        |
| ROE                                    | 0.7%   | 1.8%   | 2.2%   | 2.4%        |
| Res. EPS (Post IPO)                    | 0.3    | 0.8    | 0.9    | 1.0         |
| NAVPS (Basic)                          | 64.3   | 55.5   | 56.4   | 56.7        |
| <b>Leverage:</b>                       |        |        |        |             |
| Debt Ratio                             | 0.2    | 0.2    | 0.2    | 0.2         |
| Debt-Equity                            | 0.2    | 0.3    | 0.3    | 0.3         |
| Interest Coverage                      | 3.1    | 45.4   | 53.7   | 30.2        |

**Post IPO Securities Holding**

| Shareholder Type   | No. of Shares (Mn) | % Holding     | Lock In Period |
|--------------------|--------------------|---------------|----------------|
| Sponsors/Directors | 692.1              | 65.9%         | 3 Years        |
| Individuals        | 233.5              | 22.2%         | 3 Years        |
| Employees          | 18.8               | 1.8%          | 2 Years        |
| Eligible Investors | 26.6               | 2.5%          | Lock-In Free   |
| General Public     | 74.4               | 7.1%          |                |
| NRB                | 5.3                | 0.5%          |                |
| <b>Total</b>       | <b>1,050.6</b>     | <b>100.0%</b> |                |

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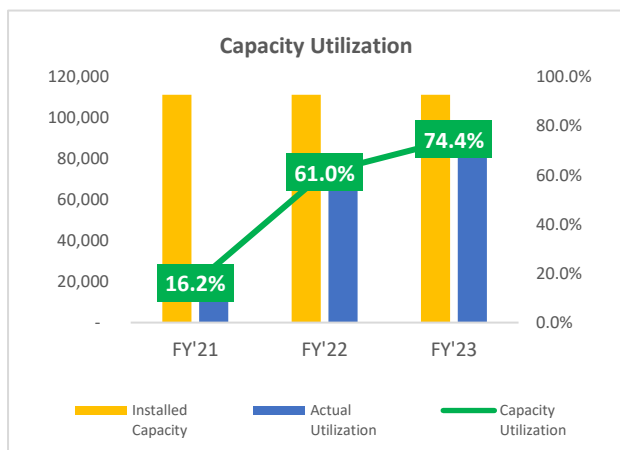
### Revenue Decomposition

| Revenue Decomposition               | FY'23          | %             | Q1'24 (An.)    | %             |
|-------------------------------------|----------------|---------------|----------------|---------------|
| Le Méridien Dhaka                   | 2,222.2        | 74.3%         | 2,662.0        | 78.0%         |
| Bhaluka Agro Project                | 258.4          | 8.6%          | 208.8          | 6.1%          |
| Noakhali Agro Project               | 414.0          | 13.8%         | 434.4          | 12.7%         |
| Rental & Maintenance                | 88.1           | 2.9%          | 97.5           | 2.9%          |
| Infrastructure Construction & Other | 9.5            | 0.3%          | 8.9            | 0.3%          |
| <b>Net Revenue</b>                  | <b>2,992.3</b> | <b>100.0%</b> | <b>3,411.6</b> | <b>100.0%</b> |

In Q1'24, BESTHLDNG derived major portion (78.0%) of its revenue from Le Méridien, Dhaka. In addition, agro projects contributed 18.8% of net revenue for the period of Q1'24. Rest of the sources of revenue made up 3.2% of net revenue during Q1'24.

### Capacity Utilization

Le Méridien, Dhaka has the capacity of 304 rooms and occupancy ratio stood at 74.4% as of FY'23 compared to 61.0% in FY'22. To meet the growing demand, Le Méridien, Dhaka is installing an additional 58 rooms for enhancing its capacity.



### Competitors

#### Listed Companies

- Unique Hotel & Resorts Limited (The Westin Dhaka)
- Bangladesh Services Limited (InterContinental Dhaka)

#### Non-Listed Companies

- Radisson Blu Dhaka Water Garden
- Amari Dhaka
- Six Seasons Hotel
- Pan Pacific Sonargaon
- Dhaka Regency Hotel and Resort

### IPO Fund Utilization Plan

| Particulars                       | Amount (BDT Mn) | %             |
|-----------------------------------|-----------------|---------------|
| Building & Other Civil Works      | 1,760.92        | 50.3%         |
| Local Machinery & Equipment       | 450.00          | 12.9%         |
| Repayment of Existing Liabilities | 1,156.08        | 33.0%         |
| Estimated IPO Expenses            | 133.00          | 3.8%          |
| <b>Total</b>                      | <b>3,500.00</b> | <b>100.0%</b> |

BESTHLDNG plans to allocate 63.2% (BDT 2,210.92 Mn) of the IPO proceeds for the construction of "The Muslin, A Luxury Collection", a five-star resort in Bhaluka, Mymensingh. The estimated project cost is BDT 15,886.18 Mn, where 48.0% of the cost will be funded through equity and the remaining portion will be funded through bank loan. The company is planning to secure a 15-year long-term loan, including a moratorium period of 60 months to make principal and interest

payments. The resort will have facilities of 221 rooms which will consist of various types of guest rooms & villas. The project is expected to be completed by December 2025, with an initial capacity utilization rate of 40.0%, projected to gradually increase to 65.0% over the subsequent five years. The company is expecting NPV of BDT 5.17 Mn and IRR of 13.72% (Cost of capital:13.0%) from this project, contingent upon the generation of the projected cash flows from the project. Projected revenue and earnings from the project over the five years are as follows:

| Particulars         | Year 1       | Year 2  | Year 3  | Year 4  | Year 5  |
|---------------------|--------------|---------|---------|---------|---------|
| <b>BDT/USD</b>      | <b>115.0</b> |         |         |         |         |
| Revenue (USD Mn)    | 18.4         | 24.1    | 27.8    | 31.9    | 36.3    |
| Revenue (BDT Mn)    | 2,111.4      | 2,771.5 | 3,201.6 | 3,667.4 | 4,171.1 |
| Net Profit (USD Mn) | 3.9          | 8.2     | 3.0     | 6.5     | 10.3    |
| Net Profit (BDT Mn) | 443.9        | 941.9   | 348.5   | 751.0   | 1,178.8 |

Furthermore, the company will utilize 33.0% (BDT 1,156.08 Mn) of the IPO proceed for repayment of interest-bearing debt, while the residual portion of the IPO proceed will cover IPO expenses. According to the prospectus, the project of five-star resort will be implemented within 25-30 months of obtaining the IPO proceed and interest-bearing debt will be repaid within 3 months after receiving the IPO proceeds.

### Features of Convertible Bond

| Issue Type        | Secured, Convertible, Fixed Coupon Bearing Bond  |
|-------------------|--|
| Issue Size        | BDT 12,000 mn  |
| Face Value        | BDT 100,000  |
| No. of Bonds      | 120,000  |
| Coupon Rate       | 10.00%   |
| Frequency         | Semi-annual  |
| Mode of Placement | Private Placement  |
| Conversion Price  | (Face Value of the share + Average market value of the share)/2  |
| Tenure            | 8 Years from the date of issue, including 2 years moratorium period for both principal and interest payment. |
| Purpose           | To refinance the syndicated loan against Le Meridien, Dhaka.   |

RACE Portfolio & Issue Management Limited and Agrani Bank Limited converted their BDT 2,000 mn and BDT 1,250 mn of investment, respectively into equity. BDT 6,500 mn of convertible debt currently remain outstanding for the company.

### Capital Raising History

| Allotment       | Date of Allotment | Amount (BDT Mn) | Form  |
|-----------------|-------------------|-----------------|-------|
| 1 <sup>st</sup> | 06-05-07          | 10.00           | Cash  |
| 2 <sup>nd</sup> | 25-03-10          | 0.01            | Cash  |
| 3 <sup>rd</sup> | 15-04-13          | 0.10            | Cash  |
| 4 <sup>th</sup> | 18-05-17          | 0.70            | Cash  |
| 5 <sup>th</sup> | 06-08-19          | 77.50           | Cash  |
| 6 <sup>th</sup> | 14-08-19          | 2,000.00        | Bonus |
| 7 <sup>th</sup> | 06-05-07          | 2,075.85        | Cash  |
| 8 <sup>th</sup> | 15-09-19          | 700.00          | Cash  |
| 9 <sup>th</sup> | 23-09-19          | 461.54          | Cash  |

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| Allotment                          | Date of Allotment | Amount (BDT Mn) | Form            |
|------------------------------------|-------------------|-----------------|-----------------|
| 10 <sup>th</sup>                   | 01-10-19          | 335.84          | Cash            |
| 11 <sup>th</sup>                   | 18-11-19          | 576.92          | Cash            |
| 12 <sup>th</sup>                   | 05-01-20          | 769.23          | Cash            |
| 13 <sup>th</sup> -22 <sup>nd</sup> | 22-01-20          | 368.02          | Other than Cash |
| 23 <sup>th</sup>                   | 03-02-20          | 769.23          | Cash            |
| 24 <sup>th</sup>                   | 10-09-20          | 200.00          | Cash            |
| 25 <sup>th</sup>                   | 30-09-20          | 425.00          | Cash            |
| 26 <sup>th</sup>                   | 17-10-20          | 139.67          | Cash            |
| 27 <sup>th</sup>                   | 20-10-20          | 153.85          | Cash            |
| 28 <sup>th</sup>                   | 30-06-22          | 192.31          | Other than Cash |
| <b>Total</b>                       |                   | <b>9,255.77</b> |                 |

**Lock-In Free Share (Trading Date: 6<sup>th</sup> February, 2024)**

| Trading Day       | Lock-In Free Shares (In mn) | Tradable Shares (In mn) | Lock-In for         |
|-------------------|-----------------------------|-------------------------|---------------------|
| February 06, 2024 | 106.30                      | 106.30                  | 1 <sup>st</sup> day |
| February 06, 2026 | 18.76                       | 125.06                  | 2 Years             |
| February 06, 2027 | 925.58                      | 1,050.63                | 3 Years             |

**Distribution of IPO**

|                 | Eligible Investors | General Public |        | Employees |
|-----------------|--------------------|----------------|--------|-----------|
|                 |                    | RB             | NRB    |           |
| Allocation      | 21.3%              | 59.5%          | 4.2%   | 15.0%     |
| Price           | 35.00              | 24.00          | 24.00  | 35.00     |
| Shares (BDT Mn) | 26.57              | 74.41          | 5.31   | 18.76     |
| Amount (BDT Mn) | 930.10             | 1,785.80       | 127.56 | 656.54    |

**Peer Firms' Positions in the Capital Market**

There are 4 travel & hospitality sector companies are listed in the capital market. The following chart shows the peer firms' positions in the capital market:

| Company   | Paid up (Mn) | Revenue (Mn) | NPAT (Mn) | EPS   | P/E  | Current Price |
|-----------|--------------|--------------|-----------|-------|------|---------------|
| BESTHLDNG | 12,755.8     | 3,018.5      | 1,265.0   | 1.0   | -    | -             |
| UNIQUEHRL | 2,944.0      | 2,799.8      | 509.6     | 1.7   | 36.5 | 63.5          |
| SEAPEARL  | 1,207.5      | 2,143.1      | 670.8     | 5.6   | 18.4 | 102.3         |
| PENINSULA | 1,186.7      | 411.3        | (25.0)    | (0.2) | n/a  | 24.2          |
| BDSERVICE | 977.9        | 1,753.8      | (792.6)   | (8.1) | n/a  | 5.2           |

\*Revenue and NPAT of all companies except BDSERVICE (Q1 Financial Data) have been shown based on latest 6-month annualized data of FY 2023-24. PE & Current Prices are as on 5<sup>th</sup> February, 2024.

**Comparison among Recently listed Companies**

| Scripts    | Post IPO Paid Up (Mn) | Issue Size (mn Shares) | Re. EPS (Listing) | 1st Day CLSPRC | P/E (Listing Day) | Current Price* |
|------------|-----------------------|------------------------|-------------------|----------------|-------------------|----------------|
| UNIONBANK  | 9,869                 | 428                    | 1.7               | 11             | 6.5               | 8.6            |
| JHRML      | 1,252                 | 35                     | 1.9               | 22             | 11.9              | 75             |
| MEGHNAINS  | 400                   | 16                     | 2.7               | 11             | 12.1              | 40.6           |
| NAVANAPHAR | 1074                  | 27                     | 2.4               | 26.4           | 11.1              | 96.7           |
| CLICL      | 375                   | 15                     | n/a               | 11             | n/a               | 58             |
| GIB        | 9,404                 | 425                    | 2.1               | 9              | 7.9               | 8.8            |
| ICICL      | 507                   | 20                     | 1.1               | 13.3           | 15.8              | 34.5           |
| MIDLANDBNK | 6,397                 | 70                     | 0.4               | 10.2           | 25.5              | 15.4           |
| TILIL      | 400                   | 16                     | n/a               | 11.0           | n/a               | 54.7           |
| SICL       | 400                   | 16                     | 1.6               | 11.0           | 7.1               | 23.3           |
| BESTHLDNG  | 12,756                | 125                    | 1.0               | -              | -                 | -              |

\*Current Prices are as on February 5, 2024

**Investment Insight**

**Investment Positive**

- BESTHLDNG reported 32.9% YoY growth to BDT 754.63 mn of revenue and 7.5% YoY growth to BDT 316.26 mn of net profit for the period of Q1'24, where 78.0% of the revenue was contributed from Le Méridien, Dhaka (23.7% YoY growth) and 12.7% of total revenue was generated from Noakhali Agro Project (113.9% YoY growth). The company registered a 5-year CAGR of 4.0% in net profit during the period from FY'19 to FY'23, with an average net profit margin of 33.0%.
- BESTHLDNG intends to utilize 63.2% (BDT 2,210.92 mn) of the IPO proceeds for the construction of "The Muslin, A Luxury Collection", a five-star resort in Bhaluka, Mymensingh. The project is expected to be completed by December 2025 and the company is expected to utilize 40% of rated capacity in the first year of operation which will gradually increase over the time span of the project. Assuming BDT/USD=115.0, the project is anticipated to generate incremental revenue of BDT 2,111.4 mn (USD 18.4 mn) and net profit of BDT 443.9 mn (USD 3.9 mn) in the first year which is expected to grow to BDT 4,171.1 mn (USD 36.3 mn) of revenue and net profit of BDT 1,178.8 mn (USD 10.3 mn) over the next five years after the commencement of commercial operation.
- Hazrat Shahjalal International Airport's Terminal 3 is scheduled to commence full-fledged operation by December 2024 and expected to double the passenger and cargo handling capacity of Hazrat Shahjalal International Airport. Le Méridien Dhaka has the competitive edge of situating nearest to the airport and has short to medium term contracts with airlines like Etihad Airways, Emirates Airways etc. It is predicted that the hotel will experience surge in demand once Terminal 3 is fully operational and elevate the revenue and earnings of BESTHLDNG in the upcoming years. Le Méridien Dhaka contributed 78.0% of the gross revenue of BESTHLDNG in the period of Q1'24.
- IconX Hotels Limited is constructing Marriott Bhaluka, a 5-star hotel in an industrial zone to host the industrialists and foreign buyers who come to place export orders, by investing BDT 11,726.98 mn and the hotel is expected to

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commence full-scale commercial operation from June 2024.

- Dhamshur Economic Zone Limited, where BESTHLDNG owns 51.22% stake, is building an economic zone on 846.30-acre of land in Bhaluka, Mymensingh by investing more than BDT 22,500.00 mn. As of September 2023, 25% of the project of the company has been completed and the company is expected to initiate contribution in the revenue and earnings of Best Holdings Limited from January 2026 and increase the revenue and earnings of the BESTHLDNG further.
- Current corporate tax rate for BESTHLDNG is 30.0% which will be reduced at 22.5% after listing in stock exchange.

**Investment Concern**

- BESTHLDNG might encounter challenges in completing the construction of its ongoing projects within the specified timeframe, as the projects may face delay owing to the difficulties in opening LCs for importing machinery and equipment caused by the prevailing shortage of US dollars. The cost of the projects may also increase if the prices of construction material are further hiked as well as local currency further depreciating within the construction period.
- BESTHLDNG holds BDT 7,475.08 mn of bank loan as on Q1'24, and the company is willing to take approximately BDT 8,260.81 mn of additional bank loan for the construction of the five-star resort in Bhaluka, Mymensingh. As the lending rate has been increasing, the company may have to take out loans at a relatively higher interest rate.
- BESTHLDNG has BDT 6,500.00 mn of outstanding convertible coupon-bearing bonds, and the company is scheduled to pay coupon payments at a rate of 10.0% per annum. The company is in negotiations to restructure the bond by reducing the coupon payment rate to 7.0% per annum. Although the company is currently not making any coupon payments, it will have to bear the burden of paying BDT 455.00 mn in coupon payments annually going forward even if the coupon rate is reduced to 7.0%, which will have a serious adverse impact on its profitability.
- Tourism & Hospitality sector is highly sensitive to the macroeconomic environment and any unfavorable circumstances in the macroeconomic environment may lead to lower-than-expected occupancy ratio and generate lower revenues and earnings than projected.
- Return on Equity (RoE) for BESTHLDNG was 2.2% in FY'23 which is significantly below than the cost of capital incurred by investors. This suggests BESTHLDNG has so far been unable to generate sufficient return for its equity investors.

**Recent Financial Performance**

The company registered 39.3% YoY growth in EPS and reported Pre-IPO EPS BDT 0.78 (Post-IPO EPS: BDT 0.69) for the period of H1'24 as against Pre-IPO EPS of BDT 0.56 (Post-IPO EPS: BDT 0.49) in H1'23. NAV of the company stood at BDT 58.14 as of H1'24.

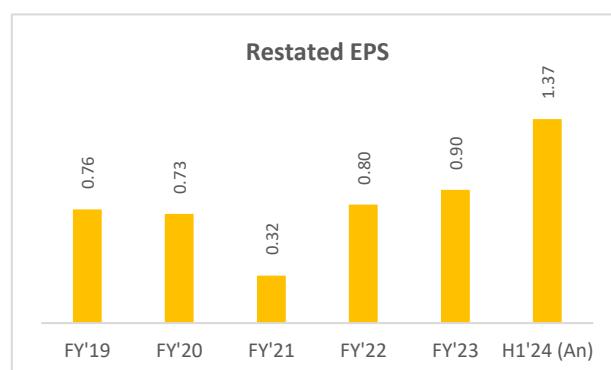
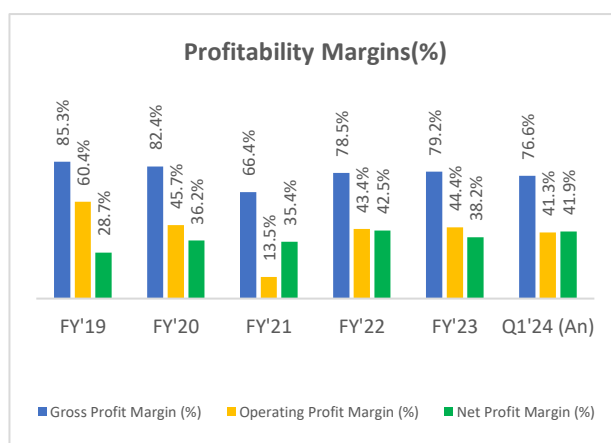
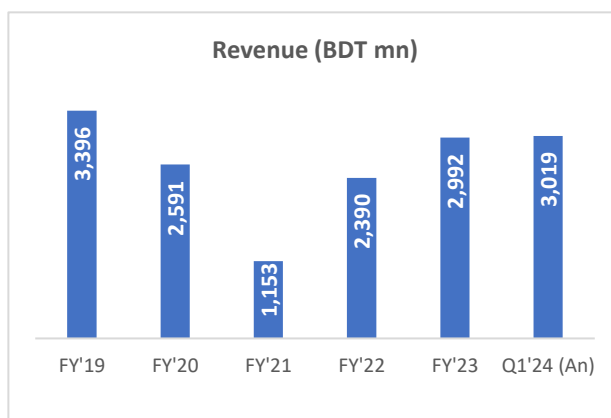
**Relative Valuation and Pricing**

| Pricing Based on Relative Valuation |       |          |       |
|-------------------------------------|-------|----------|-------|
| Particulars                         | EPS*  | Multiple | Value |
| Sector Forward P/E                  | 1.37  | 29.09    | 39.97 |
| Sector Forward P/B                  | 58.14 | 0.64     | 37.06 |
| Sensitivity Analysis                |       |          |       |
| Price @20(x)PE                      | 1.37  | 20.00    | 27.49 |
| Price @25(x)PE                      | 1.37  | 25.00    | 34.36 |
| Price @30(x)PE                      | 1.37  | 30.00    | 41.23 |

\*EPS is FY'24's H1 Annualized EPS. NAVPS is as on 31st December, 2023.

**Highest price range and P/E for the first 3 trading days:**

| Day             | Circuit Breaker | Price | P/E  |
|-----------------|-----------------|-------|------|
| 1 <sup>st</sup> | 10%             | 24.0  | 17.5 |
| 2 <sup>nd</sup> | 10%             | 26.4  | 19.2 |
| 3 <sup>rd</sup> | 10%             | 29.0  | 21.1 |



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### Income Statement (BDT mn)

|   | FY'19           | FY'20           | FY'21           | FY'22           | FY'23           | Q1'24 (An)      |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Gross Revenue</b>                      | <b>3,738.92</b> | <b>2,840.07</b> | <b>1,239.55</b> | <b>2,623.91</b> | <b>3,364.69</b> | <b>3,411.63</b> |
| VAT                                       | 342.67          | 249.39          | 86.44           | 233.57          | 372.43          | 393.09          |
| <b>Net Revenue</b>                        | <b>3,396.25</b> | <b>2,590.68</b> | <b>1,153.11</b> | <b>2,390.35</b> | <b>2,992.26</b> | <b>3,018.54</b> |
| Cost of Goods Sold                        | 498.51          | 457.10          | 387.14          | 514.89          | 622.06          | 705.60          |
| <b>Gross Profit</b>                       | <b>2,897.74</b> | <b>2,133.58</b> | <b>765.97</b>   | <b>1,875.45</b> | <b>2,370.20</b> | <b>2,312.94</b> |
| Operating Expenses                        | 847.32          | 948.49          | 610.80          | 838.49          | 1,040.29        | 1,065.74        |
| <b>Operating Profit</b>                   | <b>2,050.42</b> | <b>1,185.09</b> | <b>155.17</b>   | <b>1,036.96</b> | <b>1,329.91</b> | <b>1,247.20</b> |
| Non-Operating Income/(Expenses)           | 14.67           | 142.37          | 178.43          | 123.55          | 63.16           | 217.16          |
| Interest Expenses                         | 227.80          | 105.00          | 50.00           | 22.83           | 24.76           | 41.33           |
| <b>Profit Before Contribution to WPPF</b> | <b>1,837.29</b> | <b>1,222.46</b> | <b>283.60</b>   | <b>1,137.69</b> | <b>1,368.31</b> | <b>1,423.03</b> |
| WPPF Contribution                         |                 | 57.57           | 12.53           | 54.26           | 65.26           | 67.89           |
| <b>Pretax Profit</b>                      | <b>1,837.29</b> | <b>1,164.90</b> | <b>271.07</b>   | <b>1,083.43</b> | <b>1,303.04</b> | <b>1,355.13</b> |
| Income Tax Expense                        | (861.50)        | (226.73)        | 139.97          | (67.72)         | (160.90)        | (91.42)         |
| <b>Net Profit</b>                         | <b>975.78</b>   | <b>938.16</b>   | <b>411.04</b>   | <b>1,015.71</b> | <b>1,142.15</b> | <b>1,263.72</b> |
| Non-controlling Interest                  |                 | 1.22            | 2.55            | (0.91)          | (1.08)          | (1.33)          |
| <b>Net Profit (Equity holders)</b>        | <b>975.78</b>   | <b>936.94</b>   | <b>408.48</b>   | <b>1,016.61</b> | <b>1,143.23</b> | <b>1,265.05</b> |

### Balance Sheet (BDT mn)

|  | FY'19            | FY'20            | FY'21            | FY'22            | FY'23            | Q1'24            |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Property, Plant &amp; Equipment</b> | <b>46,317.90</b> | <b>65,044.94</b> | <b>65,941.65</b> | <b>53,876.11</b> | <b>54,784.37</b> | <b>54,930.10</b> |
| Capital Work-In-Progress               | 632.92           | 4,745.91         | 7,483.63         | 7,867.53         | 11,022.10        | 11,751.42        |
| Investments                            | 274.79           | 2,998.11         | 1,369.42         | 615.13           | 325.16           | 326.42           |
| <b>Non-Current Asset</b>               | <b>47,225.61</b> | <b>72,788.96</b> | <b>74,794.70</b> | <b>62,358.77</b> | <b>66,131.63</b> | <b>67,007.94</b> |
| Inventories                            | 287.85           | 98.02            | 72.78            | 65.01            | 70.64            | 60.45            |
| Accounts & Other Receivables           | 1,450            | 792              | 931              | 903              | 823              | 887.92           |
| Advances, Deposits & Prepayments       | 6,119.92         | 3,760.65         | 2,932.63         | 6,247.24         | 5,997.39         | 5,754.47         |
| Preliminary Expenses                   |                  | 1.98             | 1.98             | 1.98             | 1.98             | 1.98             |
| Unallocated Revenue Expenditure        |                  | 0.87             | 3.44             | 29.58            | 73.67            | 86.75            |
| Biological Assets                      |                  |                  | 15.69            | 71.60            | 98.93            | 139.07           |
| Cash & Cash Equivalents                | 631.59           | 284.37           | 63.51            | 324.67           | 117.18           | 123.80           |
| <b>Current Asset</b>                   | <b>8,489.61</b>  | <b>4,937.67</b>  | <b>4,020.91</b>  | <b>7,643.56</b>  | <b>7,182.30</b>  | <b>7,054.44</b>  |
| <b>Asset</b>                           | <b>55,715.22</b> | <b>77,726.64</b> | <b>78,815.61</b> | <b>70,002.34</b> | <b>73,313.93</b> | <b>74,062.38</b> |
| Long Term Loan-Non-Current Portion     | 4,504.08         | 1,174.91         | 3,915.98         | 4,504.33         | 5,922.74         | 6,536.04         |
| Convertible Secured Bond               | 12,000.00        | 7,366.67         | 7,637.50         | 7,956.71         | 8,192.02         | 8,306.71         |
| Deferred Tax Liabilities               | 4,468.52         | 6,662.77         | 6,445.83         | 4,854.53         | 4,911.52         | 4,912.88         |
| <b>Non-Current Liabilities</b>         | <b>20,972.60</b> | <b>15,204.35</b> | <b>17,999.31</b> | <b>17,315.56</b> | <b>19,026.29</b> | <b>19,755.63</b> |
| Account Payables                       | 3,910.11         | 688.16           | 488.85           | 619.34           | 758.73           | 665.78           |
| Short Term Loan                        | 685.64           | 255.24           | 281.09           | 173.08           | 569.92           | 351.90           |
| Advance from Different Parties         | 21.86            | 144.60           | 23.51            | 106.85           | 45.53            | 41.54            |
| Long Term Loan-Current Portion         | 2,219.42         | 1,501.56         | 443.19           | 333.12           | 581.39           | 587.15           |
| Accruals & Provisions                  | 1,353.44         | 172.17           | 108.60           | 114.44           | 132.62           | 137.98           |
| <b>Current Liabilities</b>             | <b>8,190.48</b>  | <b>2,761.73</b>  | <b>1,345.24</b>  | <b>1,346.84</b>  | <b>2,088.19</b>  | <b>1,784.35</b>  |
| <b>Liabilities</b>                     | <b>29,163.08</b> | <b>17,966.08</b> | <b>19,344.55</b> | <b>18,662.41</b> | <b>21,114.48</b> | <b>21,539.98</b> |
| Share Capital                          | 88.31            | 8,769.94         | 9,063.46         | 9,255.77         | 9,255.77         | 9,255.77         |
| Share Premium                          |                  | 14,522.19        | 15,268.35        | 16,326.04        | 16,326.04        | 16,326.04        |
| Accumulated Reserve & Fund             | 19,862.97        | 31,497.21        | 29,706.56        | 22,550.16        | 22,384.35        | 22,420.03        |
| Advance against Share                  | 3,371.50         |                  |                  |                  |                  |                  |
| Share Money Deposits                   | 277.00           | 1,250.00         | 1,250.00         |                  |                  |                  |
| Retained Earnings                      | 2,952.36         | 1,948.49         | 2,407.28         | 3,206.10         | 4,184.62         | 4,472.22         |
| Non-Controlling Interest               |                  | 1,772.72         | 1,775.41         | 1.86             | 48.67            | 48.34            |
| <b>Equity</b>                          | <b>26,552.14</b> | <b>59,760.56</b> | <b>59,471.06</b> | <b>51,339.93</b> | <b>52,199.45</b> | <b>52,522.40</b> |
| <b>Liabilities &amp; Equity</b>        | <b>55,715.22</b> | <b>77,726.64</b> | <b>78,815.61</b> | <b>70,002.34</b> | <b>73,313.93</b> | <b>74,062.38</b> |

**Offer Price (BDT): 24.0**

**IPO Issue Size (BDT Mn): 3,500.00**  
**IPO Issue Size (No. of Shares) (Mn): 125.06**

### Ratio Analysis

| Particulars                      | FY'19       | FY'20       | FY'21       | FY'22       | FY'23       | Q1'24 An'   |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Liquidity Ratios</b>          |             |             |             |             |             |             |
| Current Ratio                    | 1.04        | 1.79        | 2.99        | 5.68        | 3.44        | 3.95        |
| Quick Ratio                      | 1.00        | 1.75        | 2.93        | 5.63        | 3.41        | 3.92        |
| Cash Ratio                       | 0.08        | 0.10        | 0.05        | 0.24        | 0.06        | 0.07        |
| <b>Efficiency Ratios</b>         |             |             |             |             |             |             |
| Inventory Turnover Ratio         | 1.73        | 2.37        | 4.53        | 7.47        | 9.17        | 46.05       |
| Days of Inventory on Hand        | 210.76      | 154.06      | 80.52       | 48.84       | 39.80       | 7.93        |
| Receivables Turnover Ratio       | 2.34        | 2.31        | 1.34        | 2.61        | 3.47        | 3.53        |
| Days of Sales Outstanding        | 155.86      | 157.94      | 272.64      | 140.05      | 105.27      | 103.41      |
| Payables Turnover Ratio          | 0.13        | 0.66        | 0.79        | 0.83        | 0.82        | 0.99        |
| No of Days of Payables           | 2,862.91    | 549.51      | 460.90      | 439.04      | 445.19      | 368.44      |
| Asset Turnover                   | 0.06        | 0.04        | 0.01        | 0.03        | 0.04        | 0.04        |
| <b>Profitability Ratios</b>      |             |             |             |             |             |             |
| Gross Profit Margin              | 85.3%       | 82.4%       | 66.4%       | 78.5%       | 79.2%       | 76.6%       |
| Operating Profit Margin          | 60.4%       | 45.7%       | 13.5%       | 43.4%       | 44.4%       | 41.3%       |
| Pre-Tax Margin                   | 54.1%       | 45.0%       | 23.5%       | 45.3%       | 43.5%       | 44.9%       |
| Net Profit Margin                | 28.7%       | 36.2%       | 35.4%       | 42.5%       | 38.2%       | 41.9%       |
| Return on Asset                  | 3.5%        | 1.4%        | 0.5%        | 1.4%        | 1.6%        | 1.7%        |
| Return on Equity                 | 7.3%        | 2.2%        | 0.7%        | 1.8%        | 2.2%        | 2.4%        |
| <b>Leverage Ratios</b>           |             |             |             |             |             |             |
| Debt-Asset Ratio                 | 0.35        | 0.13        | 0.16        | 0.19        | 0.21        | 0.21        |
| Debt-Equity Ratio                | 0.73        | 0.17        | 0.21        | 0.25        | 0.29        | 0.30        |
| Interest Coverage Ratio          | 9.00        | 11.29       | 3.10        | 45.43       | 53.70       | 30.18       |
| <b>Valuation Ratios</b>          |             |             |             |             |             |             |
| EPS (Restated, Post IPO)         | 0.76        | 0.73        | 0.32        | 0.80        | 0.90        | 0.99        |
| NAVPS (Basic)                    | 28.69       | 64.57       | 64.25       | 55.47       | 56.40       | 56.75       |
| <b>Growth Rates</b>              |             |             |             |             |             |             |
| Revenue                          |             | -55.5%      | 107.3%      | 25.2%       | -23.7%      | 0.9%        |
| Gross Profit                     |             | -64.1%      | 144.8%      | 26.4%       | -26.4%      | -2.4%       |
| Operating Profit                 |             | -86.9%      | 568.3%      | 28.2%       | -42.2%      | -6.2%       |
| Pre-Tax Profit                   |             | -76.7%      | 299.7%      | 20.3%       | -36.6%      | 4.0%        |
| Net Profit                       |             | -57.7%      | 159.6%      | 12.5%       | -5.1%       | 10.7%       |
| <b>DUPONT ANALYSIS:</b>          |             |             |             |             |             |             |
| Net Profit Margin                | 28.7%       | 36.2%       | 35.4%       | 42.5%       | 38.2%       | 41.9%       |
| Asset Turnover Ratio             | 0.06        | 0.04        | 0.01        | 0.03        | 0.04        | 0.04        |
| Financial Leverage Ratio         | 2.10        | 1.55        | 1.31        | 1.34        | 1.38        | 1.41        |
| <b>ROE</b>                       | <b>3.7%</b> | <b>2.2%</b> | <b>0.7%</b> | <b>1.8%</b> | <b>2.2%</b> | <b>2.4%</b> |
| <b>Extended DUPONT ANALYSIS:</b> |             |             |             |             |             |             |
| Tax Burden (%)                   | 53.1%       | 80.4%       | 150.7%      | 93.8%       | 87.7%       | 93.4%       |
| Interest Burden (%)              | 89.6%       | 103.2%      | 182.8%      | 109.7%      | 102.9%      | 108.7%      |
| Operating Profit Margin (%)      | 60.4%       | 45.7%       | 13.5%       | 43.4%       | 44.4%       | 41.3%       |
| Asset Turnover Ratio (x)         | 0.06        | 0.04        | 0.01        | 0.03        | 0.04        | 0.04        |
| Financial Leverage Ratio (x)     | 2.10        | 1.55        | 1.31        | 1.34        | 1.38        | 1.41        |
| <b>ROE</b>                       | <b>3.7%</b> | <b>2.3%</b> | <b>0.7%</b> | <b>1.9%</b> | <b>2.3%</b> | <b>2.4%</b> |

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