

SQUARE PHARMACEUTICALS LIMITED

Company Overview

Square Pharmaceuticals Limited (SPL), the flagship company, was established on November 10, 1964. The Company is engaged in manufacturing and marketing of generic pharmaceuticals products, basic chemical products, agrovet products, pesticide products, small volume parental opthalmic products and insulin products. Since 1985, the Company has been leading the pharma market among all national and multinational pharmaceuticals companies in Bangladesh - currently holding 17% of market share (Source: IMS 2018 Q1).

As per annual report 2017-18, the Company had 847 presentations (consist of 664 pharma, 129 agrovet, 32 pesticide, 14 pellet products and 8 basic chemicals) in the form of tablet, capsule, liquid, injectable, infusion etc.

Some of the flagship products are Ace[®], Ace Plus[®], Ceporin[®], Dermasol[®], Ermox[®], Imotil[®], Tusca[®] etc. The Company has two GMP compliant production sites – one is at Pabna and other one at Gazipur.

Square Formulation Ltd. (SFL) (99.50% holding) is a subsidiary of the Company which commenced its commercial production from 1st April 2014. The Company is engaged in manufacturing and marketing of generic pharmaceuticals products.

Square Pharmaceuticals Kenya EPZ Ltd. (fully owned) is another subsidiary of SPL incorporated on 7th June 2017 at Nirobi, Kenya. The Company is registered in manufacturing, marketing and distribution of pharmaceuticals products.

Moreover, Square Pharma has 3 associates, namely Square Textiles Ltd. (46.36% holding), Square Hospitals Ltd. (49.94% holding) and Square Fashions Ltd. (48.63% holding).

Capacity & Utilization of SPL:

	2014-15	2015-16	2016-17	2017-18
Capacity (in mn)				
Tablets (PCS)	10,547	11,279	10,283	7,887
Capsules (PCS)	2,228	2,211	1,253	1,205
Capacity Utilization				
Tablets (PCS)	52%	59%	48%	58%
Capsules (PCS)	63%	54%	40%	42%

Operations of Chemical Plant:

	2014-15	2015-16	2016-17	2017-18
No. of Products	22	22	22	22
Production (MT)	624	768	627	761
Own Use*	73.9%	61.3%	42.3%	38.3%
Revenue (million)	239	122	420	512

*The change in own usage tonnage is due to variation in product mix according to marketing and value addition strategies.

Revenue & Growth:

	(BDT mn)	Growth	Composition	
Particulars	2017-18	2017-18	2016-17	2017-18
Sq. Pharmaceuticals	34,573	3.8%	78.8%	75.3%
Local Sales	33,123	3.8%	95.8%	95.8%
Export	1,451	4.6%	4.2%	4.2%
Sq. Formulations	11,314	25.9%	21.2%	24.7%

During the year 2017-18, the Company introduced 45 new products to the market. Constant longing to introduce new products in local and international market along with several blockbusters ensured sustainability of profit margins.

Narket Cap (BDT nn) 216,030.5 Market veight 6.0% Sector Weight 40.1% No. of Share Outstanding (in nn) 7.890.0 Free-float Shares (Institute + Foreign + Public) 65.6% Paid-up Capital (BDT m) 7.890.1 3-month Average Turrver (BDT m) 51.6 3-month Return 7.890.1 3-month Return 7.3.9% Current Price (BDT) 2016-17 2017-18 2018-19 Sector's Forward P/E 2015-16 (Jul-Jun) 2018-19 Sector's Forward P/E 2015-16 2016-17 2017-18 2018-19 Sector's Forward P/E 2015-16 2016-17 2017-18 2018-19 Sector's Forward P/E 2015-16 2017-18 2018-19 10.00 Sector's Forward P/E 2015-17 2017-18 2018-19 10.01 Sector's Forward P/E 2015-17 2017-18 2018-19 10.105 Gross Profit 10.797 12.266 12.759 10.54 Operating Profit 32.6% 32.6% <t< th=""><th>Company Fundamen</th><th>tals</th><th></th><th></th><th></th></t<>	Company Fundamen	tals							
Market weight6.0%Sector Weight789.0Sree-float Shares (Institut + Foreiger + Public)789.0Pree-float Shares (Institut + Foreiger + Public)789.0Samoth Average Turover (BDT with sector and sector		tul3			216.030.5				
Sector Weight\(\end{light})\(\end{light})No. of Share Qutstanlie ((In m.)\(\end{light})Free-float Shares (Instruct + Foreign + Public)\(\end{light})Bread-up Capital ((BDT m.)\(\end{light})3-month Return\(\end{light})3-month Return\(\end{light})Soctor's Forward P/E\(\end{light})2015.62016-172017.8Soctor's Forward P/E2016-172017.8Sales33,07436,54339,654Gross Profit15,99118,26819,5641079712,29612,78114,111Profit After Tax8,2873,16111,806Assets44,30452,53161,612Capex (aptic gent)3Short Term Debt3Sales2,6582,5773,16711,818Long Term Debt3Short Term Debt3Short Term Debt3.6432,25833,174Pretax Profit32,65433,65432,258Gross Profit48,43450,00449,39Pretax Profit32,65432,65832,757SalesSalesSalesSalesSalesSalesSalesSalesSales <td< td=""><td></td><td></td><td></td><td></td><td></td></td<>									
Free-float Shares (Institute + foreign + Public)565.6%Paid-up Capital (BDT >>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>									
Paid-up Capital (BDT m)S.800.13-month Average Turner (BDT m)S.800.1Surrent Price (BDT)S.800.1S2-week price range (BDT m)S.2012-12S2-week price range (BDT m)S.2012-12Sector's Forward P/ES.2015-16Quital (BDT matter m):S.2012-12Salses33,074Gross Profit15,974Gross Profit10,797Ital (SA)9,719Operating Profit10,797Chafter Tax8,287Operating Profit10,797Sasets44,304Sasets4,304CAPEX2,658Short Term Debt3Short Term Debt3Short Term Debt3Short Serofit48,404Suss Profit33,604Again33,604Short Term Debt3Pretax Profit33,604Stort Term Debt3Short Term Debt3Suss Profit48,404Suss Profit33,604Again33,604Operating Profit31,604Stort Term Debt3Suss Profit41,404Suss Profit11,605Again34,694Again31,604Operating Profit11,604Suss Profit11,604Suss Profit11,604Suss Profit11,604Suss Profit11,604Suss Profit11,604Again11,604<									
3-month Average Turrorr (BDT mn)151.63-month Return3.9%Current Price (BDT)213.8S2-week price range (BDT)2016.12015.162016.1S2-week price range (BDT)2017.1Sales33,074Corrent Price2015.1Sales33,074Sales33,074Sales33,074Gross Profit15,99118,26819,564Qapting Profit10,79712,29612,781Assets44,304SAssets2,551Gross Profit2,658Qapting Profit3CAPEX2,658Qapting Profit3Cong Term Debt-Sales3,074Assets40,577Assets40,573Gross Profit32.6%Assets3,074Gross Profit32.6%Assets3,074Assets3,074Assets40,57Assets40,57Assets40,57Assets3,074Assets3,074Assets3,074Assets40,57Assets40,57Assets3,06Assets3,074Assets3,074Assets3,074Assets3,074Assets3,074Assets3,074Assets3,074Assets3,074Assets3,074A			h + Public)						
3-month Average Turrier (BDT min)151.63-month Return3.9%Current Price (BDT)24.71-320.5Sector's Forward P/E19.02102015-16 (ulun)2017-18 (ulun)2018-19 (ulun)Sector's Forward P/E33.07436.54339.65442.637Gross Profit15.99118.26819.56421.759Operating Profit10.79712.29612.78114.111Profit After Tax8.2879.71911.60612.605Assets44.30452.51761.7886.443Long Term DebtShort Term Debt31.188Long Term DebtStoss Profit48.4%50.0%49.34051.0%Operating Profit32.6%33.6%32.2%33.1%Pretax Profit32.6%33.6%32.2%33.1%Pretax Profit25.1%26.6%29.3%29.6%Operating Profit-14.2%7.1%11.2%Operating Profit-1.3.9%3.9.5%45.1%Net Profit-13.9%3.9.5%10.4%Net Profit-1.3.9%3.9.6%10.4%Operating Profit-1.3.9%3.9.5%10.4%Net Profit-1.3.9%3.9.6%10.4%Net Profit-1.3.9%3.9.6%10.4%Net Profit-1.3.9%3.9.6%10.4%Net Profit<	•	0	,		7,890.1				
3-month Return3.9.%Current Price (BDT)2.7.3.852-week price range (BCT)2.7.1.3.8Sector's Forward P/E3.0.1.2Sector's Forward P/E2.015-16 (Jul-Jun)2.017-18 (Jul-Jun)2.018-18 (Jul-Jun)Financial Information2.015-16 (Jul-Jun)2.017-18 (Jul-Jun)2.018-18 (Jul-Jun)2.018-18 (Jul-Jun)Sales3.0.0718.2.683.9.6544.2.637Gross Profit10.79712.29612.78114.111Profit After Tax8.2879.71911.60612.605Assets44.30452.53161.2736.7118CAPEX2.6582.5773.1671.188Long Term Debt3Short Term Debt3-6.718Equity40.55749.04057.84161.493Pretax Profit3.2.6%33.6%32.2%33.167Operating Profit2.6.6%33.6%32.2%33.167Pretax Profit32.6%33.6%32.6%33.6%Operating Profit2.6.6%33.6%32.6%33.6%Operating Profit-14.2%7.1%11.2%Operating Profit-14.2%7.1%11.2%Operating Profit-14.2%7.1%11.2%Operating Profit-14.2%7.1%11.2%Operating Profit-14.2%7.1%11.2%Operating Profit-14.2%7.1%11.2% <td< td=""><td></td><td>-</td><td>ı)</td><td></td><td>151.6</td></td<>		-	ı)		151.6				
<th colspace<="" t<="" td=""><td></td><td></td><td></td><td></td><td>3.9%</td></th>	<td></td> <td></td> <td></td> <td></td> <td>3.9%</td>					3.9%			
Sector's Forward P/E19.0Zotar-16 (Jul-Jun)Zol17-18 (Jul-Jun)Zol18-19 (Jul-Jun)Financial information (BUT mu:Sales33,07436,54339,65442,637Gross Profit15,99118,2689,54621,759Operating Profit10,79712,29612,78114,111Profit After Tax8,2879,71911,60612,605Assets44,30452,53161,27367,118CAPEX2,6582,5773,16714,884Long Term DebtEquity40,55749,04057,84161,498Margin:Gross Profit32.6%33.6%32.2%33.1%Operating Profit32.6%33.6%32.2%33.1%Operating Profit32.6%33.6%32.2%33.1%Pretax Profit33.0%34.9%37.7%38.1%Operating Profit-11.2%7.1%11.2%Operating Profit-13.9%3.9%10.4%Net Profit-13.9%3.9%10.4%Net Profit-13.9%3.9%10.4%Net Profit-13.9%3.9%10.4%Net Profit-13.9%3.9%10.4%Net Profit-13.9%3.9%10.4%Note Profit-13.9%3.9%10.4%Note Profit-13.9%3.9%10.4%Note Profit <t< td=""><td colspan="9">Current Price (BDT) 273.8</td></t<>	Current Price (BDT) 273.8								
2015-16 (Jul-Jun) 2016-17 (Jul-Jun) 2017-18 (Jul-Jun) 2018-19 (Jul-Jun) Financial Information (BDT mn): Sales 33,074 36,543 39,654 42,637 Gross Profit 15,991 18,268 19,564 21,759 Operating Profit 10,797 12,296 12,781 14,111 Profit After Tax 8,287 9,719 11,606 12,605 Assets 44,304 52,531 61,273 67,118 CAPEX 2,658 2,577 3,167 1,188 Long Term Debt - - - Stort Term Debt 3 - - - Gross Profit 48.4% 50.0% 49.3% 51.0% Operating Profit 32.6% 33.6% 32.2% 33.1% Pretax Profit 25.1% 26.6% 29.3% 20.6% Gross Profit - 14.2% 7.1% 11.2% Operating Profit - 13.3%	52-week price range (BI	DT)		24	7.1 – 320.5				
(Jul-Jun)(Jul-Jun)(Jul-Jun)(Jul-Jun)Financial Information (BDT mr):Sales33,07436,54339,65442,637Gross Profit15,99118,26819,56421,759Operating Profit10,79712,29612,78114,111Profit After Tax8,2879,71911,60612,605Assets44,30452,53161,27367,118CAPEX2,6582,5773,1671,188Long Term DebtShort Term Debt3Gross Profit40,55749,04057,84161,498Operating Profit32.6%33.6%43.2%33.1%Operating Profit32.6%33.6%32.2%33.1%Net Profit25.1%26.6%29.3%29.6%Gross Profit48.4%50.0%49.3%7.7%Sales10.5%8.5%7.5%Gross Profit11.2%7.1%11.2%Operating Profit13.9%3.9%10.4%Net Profit13.9%3.9%10.4%Net Profit11.3%20.4%10.6%ROA20.8%20.1%20.4%19.6%ROE23.1%21.7%21.1%21.1%Inventory Turnover9.49.89.79.5Receivable Turnover6.023.829.437.6A/C Payable Turnover18.81.92.1%21.1% <tr< td=""><td>Sector's Forward P/E</td><td></td><td></td><td></td><td>19.0</td></tr<>	Sector's Forward P/E				19.0				
Sales 33,074 36,543 39,654 42,637 Gross Profit 15,991 18,268 19,564 21,759 Operating Profit 10,797 12,296 12,781 14,111 Profit After Tax 8,287 9,719 11,606 12,605 Assets 44,304 52,531 61,273 67,118 CAPEX 2,658 2,577 3,167 1,188 Long Term Debt - - - Short Term Debt 3 - - Equity 40,557 49,040 57,841 61,498 Margin: E - - - Gross Profit 48.4% 50.0% 49.3% 51.0% Operating Profit 32.6% 33.6% 32.2% 33.1% Pretax Profit 33.0% 34.9% 37.7% 38.1% Net Profit - 13.3% 3.9% 10.4% Operating Profit - 13.3% 20.4% 11.2%									
Gross Profit 15,99 18,268 19,564 21,759 Operating Profit 10,797 12,296 12,781 14,111 Profit After Tax 8,287 9,719 11,606 12,605 Assets 44,304 52,531 61,273 67,118 CAPEX 2,658 2,577 3,167 1,188 Long Term Debt - - - - Short Term Debt 3 - - - Equity 40,557 49,040 57,841 61,498 Margin: - - - - Gross Profit 48.4% 50.0% 49.3% 51.0% Operating Profit 32.6% 33.6% 32.2% 33.1% Pretax Profit 33.0% 34.9% 37.7% 38.1% Pretax Profit 25.1% 26.6% 29.3% 20.6% Gross Profit - 17.3% 19.4% 8.6% Profit - 17.3% 19.4% 8	Financial Information (BDT mn):							
Operating Profit 10,797 12,296 12,781 14,111 Profit After Tax 8,287 9,719 11,606 12,605 Assets 44,304 52,531 61,273 67,118 CAPEX 2,658 2,577 3,167 1,188 Long Term Debt - - - - Short Term Debt 3 - - - Equity 40,557 49,040 57,841 61,498 Margin: - - - - Gross Profit 26.6% 33.6% 32.2% 33.1% Pretax Profit 33.0% 34.9% 37.5% 26.6% Gross Profit - 14.2% 7.1% 11.2% Operating Profit - 13.9% 3.9% 10.4% Net Profit - 13.9% 3.9% 10.4% Operating Profit - 17.3% 19.4% 20.4% 20.1% 20.1% 20.1% 20.1% 20.1% 20.4%	Sales	33,074	36,543	39,654	42,637				
Operating Profit 10,797 12,296 12,781 14,111 Profit After Tax 8,287 9,719 11,606 12,605 Assets 44,304 52,531 61,273 67,118 CAPEX 2,658 2,577 3,167 1,188 Long Term Debt - - - - Short Term Debt 3 - - - Equity 40,557 49,040 57,841 61,498 Margin: - - - - Gross Profit 32.6% 33.1% 34.9% 37.7% 38.1% Net Profit 23.0% 34.9% 37.7% 38.1% Operating Profit 2.1% 21.6% 29.3% 29.6% Gross Profit 11.2% 71.1% 11.2% Operating Profit 13.9% 3.9% 10.4% Net Profit 13.9% 20.4% 21.1% Operating Efficiency Batis 21.7% 21.7%	Gross Profit	15,991	18,268	19,564	21,759				
Profit After Tax 8,287 9,719 11,606 12,605 Assets 44,304 52,531 61,273 67,118 CAPEX 2,658 2,577 3,167 1,188 Long Term Debt - - - - Equity 40,557 49,040 57,841 61,498 Margin: - - - - Gross Profit 48.4% 50.0% 49.3% 51.0% Operating Profit 32.6% 33.6% 32.2% 33.1% Pretax Profit 33.0% 34.9% 37.7% 38.1% Net Profit 25.1% 26.6% 29.3% 29.6% Gross Profit 14.2% 7.1% 11.2% Operating Profit 17.3% 19.4% 8.6% Profitability: - 17.3% 19.4% 8.6% QA 20.8% 20.1% 20.4% 19.6% Robe 23.1% 21.7% 21.1% 21.1%	Operating Profit	10,797	12,296	12,781					
Assets44,30452,53161,27367,118CAPEX2,6582,5773,1671,188Long Term DebtShort Term Debt3Equity40,55749,04057,84161,498Margin:Gross Profit48.4%50.0%49.3%51.0%Operating Profit32.6%33.6%32.2%33.1%Pretax Profit33.0%34.9%37.7%38.1%Net Profit25.1%26.6%29.3%29.6%Gross Profit-10.5%8.5%7.5%Gross Profit-13.9%39.4%10.4%Operating Profit-13.9%3.9%10.4%Net Profit-17.3%19.4%8.6%Profitability:-13.9%20.4%19.6%ROA20.8%20.1%20.4%19.6%ROE23.1%21.7%21.7%21.1%Operating Efficiency Ratio0.023.829.437.6Inventory Turnover9.49.89.79.5Receivable Turnover29.720.620.825.6A/C Payable Turnover38.9.20.7Fixed Asset Turnover0.80.80.70.7Fixed Asset Turnover0.80.80.0%0.0%Debt Ratio0.0%0.0%0.0%0.0%0.0%Debt-Equity0.0%0.0%0.0%0.0%0.0% </td <td>Profit After Tax</td> <td>8,287</td> <td>9,719</td> <td>11,606</td> <td></td>	Profit After Tax	8,287	9,719	11,606					
CAPEX 2,658 2,577 3,167 1,188 Long Term Debt - - - Short Term Debt 3 - - Equity 40,557 49,040 57,841 61,498 Margin: - - - - Gross Profit 48.4% 50.0% 49.3% 51.0% Operating Profit 32.6% 33.6% 32.2% 33.1% Pretax Profit 33.0% 34.9% 37.7% 38.1% Net Profit 25.1% 26.6% 29.3% 29.6% Gross Profit - 14.2% 7.1% 11.2% Operating Profit - 13.9% 3.9% 10.4% Net Profit - 17.3% 19.4% 8.6% Profitability: - 17.3% 19.4% 8.6% ROA 20.8% 20.1% 20.4% 21.1% 21.1% Inventory Turnover 9.4 9.8 9.7 9.5 24.6 2	Assets				67,118				
Short Term Debt 3 - - Equity 40,557 49,040 57,841 61,498 Margin: Gross Profit 48,4% 50.0% 49,3% 51.0% Operating Profit 32.6% 33.6% 32.2% 33.1% Pretax Profit 33.0% 34.9% 37.7% 38.1% Net Profit 25.1% 26.6% 29.3% 29.6% Growth*: . 10.5% 8.5% 7.5% Gross Profit 14.2% 7.1% 11.2% Operating Profit 17.3% 3.9% 10.4% Net Profit 17.3% 19.4% 8.6% ROA 20.8% 20.1% 20.4% 19.6% ROE 23.1% 21.7% 21.1% 21.1% Profitability: . 12.1% 21.1% 21.1% ROA 20.8% 20.1% 20.4% 36.0% 20.6% 20.4%	CAPEX								
Equity40,55749,04057,84161,498Margin:Gross Profit48.4%50.0%49.3%51.0%Operating Profit32.6%33.6%32.2%33.1%Pretax Profit33.0%34.9%37.7%38.1%Net Profit25.1%26.6%29.3%29.6%Growth*:Sales10.5%8.5%7.5%Gross Profit14.2%7.1%11.2%Operating Profit17.3%19.4%8.6%Profitability:-17.3%19.4%8.6%ROA20.8%20.1%20.4%19.6%ROE23.1%21.7%21.1%21.1%Operating Efficiency Ratio:17.3%19.4%Inventory Turnover9.49.89.79.5Receivable Turnover29.720.620.825.6A/C Payable Turnover36.023.829.437.6Cash Conversion Cycle40.338.942.142.4Total Asset Turnover1.81.92.02.1Everage:Debt Ratio0.0%0.0%0.0%0.0%Dividend History2.03779,644136,551188,794Dividend Yield0.4%1.2%1.2%-/-Dividend Yield0.4%1.2%1.2%-/-Dividend Yield0.4%1.2%1.2%-/-Dividend Yield0.4%<	Long Term Debt	-	-	-	-				
Margin: Second Sec	Short Term Debt	3	-	-	-				
Gross Profit 48.4% 50.0% 49.3% 51.0% Operating Profit 32.6% 33.6% 32.2% 33.1% Pretax Profit 33.0% 34.9% 37.7% 38.1% Net Profit 25.1% 26.6% 29.3% 29.6% Growth*: 2 10.5% 8.5% 7.5% Gross Profit 14.2% 7.1% 11.2% Operating Profit 17.3% 3.9% 10.4% Net Profit 17.3% 3.9% 10.4% Operating Profit 17.3% 20.4% 19.6% ROA 20.8% 20.1% 20.4% 19.6% ROE 23.1% 21.7% 21.7% 21.1% Operating Efficiency Ratio: 10.1% 20.4% 19.6% ROE 23.1% 20.1% 20.4% 19.6% A/C Payable Turnover 9.4 9.8 9.7 9.5 Receivable Turnover 1.8 1.9 2.0	Equity	40,557	49,040	57,841	61,498				
Operating Profit32.6%33.6%32.2%33.1%Pretax Profit33.0%34.9%37.7%38.1%Net Profit25.1%26.6%29.3%29.6%Growth*:Sales10.5%8.5%7.5%Gross Profit14.2%7.1%11.2%Operating Profit13.9%3.9%10.4%Net Profit17.3%19.4%8.6%Profitability:-17.3%19.4%8.6%ROA20.8%20.1%20.4%19.6%ROE23.1%21.7%21.7%21.1%Operating Efficiency Ratio:-20.620.825.6A/C Payable Turnover9.49.89.79.5Receivable Turnover29.720.620.825.6A/C Payable Turnover29.720.620.825.6Cash Conversion Cycle40.338.942.142.4Total Asset Turnover0.80.80.70.7Fixed Asset Turnover1.81.92.02.1Debt Ratio0.0%0.0%0.0%0.0%0.0%Int. Coverage2,03779.644136,551188.794Dividend History0.335/7.536/7-/-Dividend Yield0.4%1.2%1.2%-/-Dividend Payout32.1%24.3%24.5%-/-Dividend Yield0.4%1.2%1.2%-/-Dividend Payout	Margin:								
Pretax Profit 33.0% 34.9% 37.7% 38.1% Net Profit 25.1% 26.6% 29.3% 29.6% Growth*: 26.6% 29.3% 29.6% Growth*: 10.5% 8.5% 7.5% Gross Profit 14.2% 7.1% 11.2% Operating Profit 13.9% 3.9% 10.4% Net Profit 17.3% 19.4% 8.6% Profitability: 17.3% 19.4% 8.6% ROA 20.8% 20.1% 20.4% 19.6% ROE 23.1% 21.7% 21.7% 21.1% Operating Efficiency Ratio: 20.6 20.8 25.6 A/C Payable Turnover 9.4 9.8 9.7 9.5 Receivable Turnover 0.8 0.8 0.7 0.7 Total Asset Turnover 0.8 0.8 0.7 0.7	Gross Profit	48.4%	50.0%	49.3%	51.0%				
Net Profit 25.1% 26.6% 29.3% 29.6% Growth*:	Operating Profit	32.6%	33.6%	32.2%	33.1%				
Growth*: Instant Instant <thinstant< th=""> <t< td=""><td>Pretax Profit</td><td>33.0%</td><td>34.9%</td><td>37.7%</td><td>38.1%</td></t<></thinstant<>	Pretax Profit	33.0%	34.9%	37.7%	38.1%				
Sales 10.5% 8.5% 7.5% Gross Profit 14.2% 7.1% 11.2% Operating Profit 13.9% 3.9% 10.4% Net Profit 17.3% 19.4% 8.6% Profitability: 17.3% 19.4% 8.6% ROA 20.8% 20.1% 20.4% 19.6% ROE 23.1% 21.7% 21.7% 21.1% Operating Efficiency Ratio: 9.8 9.7 9.5 Receivable Turnover 9.4 9.8 9.7 9.5	Net Profit	25.1%	26.6%	29.3%	29.6%				
Gross Profit 14.2% 7.1% 11.2% Operating Profit 13.9% 3.9% 10.4% Net Profit 17.3% 19.4% 8.6% Profitability: 17.3% 19.4% 8.6% Profitability: 17.3% 20.4% 19.6% ROE 23.1% 21.7% 21.7% 21.1% Operating Efficiency Ratio: 17.8 9.7 21.5% Roceivable Turnover 9.4 9.8 9.7 9.5 Receivable Turnover 29.7 20.6 20.8 25.6 A/C Payable Turnover 36.0 23.8 29.4 37.6 Cash Conversion Cycle 40.3 38.9 42.1 42.4 Total Asset Turnover 1.8 1.9 2.0 2.1 Leverage: - - 0.0% 0.0% 0.0% Debt Ratio 0.0% 0.0% 0.0% 0.0% 1.88,794 Dividend History	Growth*:								
Operating Profit 13.9% 3.9% 10.4% Net Profit 17.3% 19.4% 8.6% Profitability: 17.3% 19.4% 8.6% Profitability: 20.8% 20.1% 20.4% 19.6% ROE 23.1% 21.7% 21.7% 21.1% Operating Efficiency Ratio: 17.8 9.7 20.5 Inventory Turnover 9.4 9.8 9.7 9.5 Receivable Turnover 29.7 20.6 20.8 25.6 A/C Payable Turnover 36.0 23.8 29.4 37.6 Cash Conversion Cycle 40.3 38.9 42.1 42.4 Total Asset Turnover 0.8 0.8 0.7 0.7 Fixed Asset Turnover 1.8 1.9 2.0 2.1 Leverage: - - 136,551 188,794 Debt Ratio 0.0% 0.0% 0.0% 0.0% Int. Coverage 2,037 <td>Sales</td> <td></td> <td>10.5%</td> <td>8.5%</td> <td>7.5%</td>	Sales		10.5%	8.5%	7.5%				
Net Profit 17.3% 19.4% 8.6% Profitability: 17.3% 19.4% 8.6% Profitability: 20.8% 20.1% 20.4% 19.6% ROE 23.1% 21.7% 20.4% 19.6% Operating Efficiency Ratio: 21.7% 21.7% 21.1% Operating Efficiency Ratio: 9.8 9.7 9.5 Receivable Turnover 9.4 9.8 9.7 9.5 Receivable Turnover 29.7 20.6 20.8 25.6 A/C Payable Turnover 36.0 23.8 29.4 37.6 Cash Conversion Cycle 40.3 38.9 42.1 42.4 Total Asset Turnover 0.8 0.8 0.7 0.7 Fixed Asset Turnover 1.8 1.9 2.0 2.1 Leverage: 188.794 Debt Ratio 0.0% 0.0% 0.0% 0.0% Div	Gross Profit		14.2%	7.1%	11.2%				
Profitability: ROA 20.8% 20.1% 20.4% 19.6% ROE 23.1% 21.7% 21.7% 21.1% Operating Efficiency Ratio: 1 1 1 1 Inventory Turnover 9.4 9.8 9.7 9.5 Receivable Turnover 29.7 20.6 20.8 25.6 A/C Payable Turnover 36.0 23.8 29.4 37.6 Cash Conversion Cycle 40.3 38.9 42.1 42.4 Total Asset Turnover 0.8 0.8 0.7 0.7 Fixed Asset Turnover 1.8 1.9 2.0 2.1 Leverage: U 0.0% 0.0% 0.0% Debt Ratio 0.0% 0.0% 0.0% 0.0% Int. Coverage 2,037 79,644 136,551 188,794 Dividend History U 35/7.5 36/7 -/- Dividend Yield 0.4% 1.2% 1.2% -/- Dividend Yield	Operating Profit		13.9%	3.9%	10.4%				
ROA 20.8% 20.1% 20.4% 19.6% ROE 23.1% 21.7% 21.7% 21.1% Operating Efficiency Ratio : 21.7% 21.7% Inventory Turnover 9.4 9.8 9.7 9.5 Receivable Turnover 29.7 20.6 20.8 25.6 A/C Payable Turnover 36.0 23.8 29.4 37.6 Cash Conversion Cycle 40.3 38.9 42.1 42.4 Total Asset Turnover 0.8 0.8 0.7 0.7 Fixed Asset Turnover 1.8 1.9 2.0 2.1 Leverage: 2.0 2.1 1.6 Debt Ratio 0.0% 0.0% 0.0% 0.0% Debt-Equity 0.0% 0.0% 0.0% 0.0% Dividend History 79,644 136,551 188,794 Dividend Yield 0.4% 1.2% 1.2% -/- Dividend Yield 0.4% 1.2%	Net Profit		17.3%	19.4%	8.6%				
ROE 23.1% 21.7% 21.7% 21.7% Operating Efficiency Ratio:	Profitability:								
Operating Efficiency Ratio: Inventory Turnover 9.4 9.8 9.7 9.5 Receivable Turnover 29.7 20.6 20.8 25.6 A/C Payable Turnover 36.0 23.8 29.4 37.6 Cash Conversion Cycle 40.3 38.9 42.1 42.4 Total Asset Turnover 0.8 0.8 0.7 0.7 Fixed Asset Turnover 1.8 1.9 2.0 2.1 Leverage: 0.0% 0.0% 0.0% Debt Ratio 0.0% 0.0% 0.0% 0.0% 0.0% Debt-Equity 0.0% 0.0% 0.0% 0.0% 0.0% Int. Coverage 2,037 79,644 136,551 188,794 Dividend History -/- Dividend Yield 0.4% 1.2% 1.2% -/- Dividend Yield 0.4% 1.2% 1.2% -/- Dividend Payout 32.1% 24.3% <t< td=""><td>ROA</td><td></td><td>20.1%</td><td>20.4%</td><td>19.6%</td></t<>	ROA		20.1%	20.4%	19.6%				
Inventory Turnover 9.4 9.8 9.7 9.5 Receivable Turnover 29.7 20.6 20.8 225.6 A/C Payable Turnover 36.0 23.8 29.4 37.6 Cash Conversion Cycle 40.3 38.9 42.1 42.4 Total Asset Turnover 0.8 0.8 0.7 0.7 Fixed Asset Turnover 1.8 1.9 2.0 2.1 Leverage: 0.0% 0.0% 0.0% Debt Ratio 0.0% 0.0% 0.0% 0.0% 0.0% Debt-Equity 0.0% 0.0% 0.0% 0.0% 0.0% Debt-Equity 0.0% 0.0% 0.0% 0.0% 0.0% Dividend History 35/7.5 36/7 -/- Dividend Yield 0.4% 1.2% 1.2% -/- Dividend Payout 32.1% 24.3% 24.5% -/- Dividend Payout 32.1% 20.3 18.6 17.2			21.7%	21.7%	21.1%				
Receivable Turnover 29.7 20.6 20.8 25.6 A/C Payable Turnover 36.0 23.8 29.4 37.6 Cash Conversion Cycle 40.3 38.9 42.1 42.4 Total Asset Turnover 0.8 0.8 0.7 0.7 Fixed Asset Turnover 1.8 1.9 2.0 2.1 Leverage: 0.0% 0.0% 0.0% Debt Ratio 0.0% 0.0% 0.0% 0.0% 0.0% Debt-Equity 0.0% 0.0% 0.0% 0.0% 0.0% Debt-Equity 0.0% 0.0% 0.0% 0.0% 0.0% Int. Coverage 2,037 79,644 136,551 188,794 Dividend History -/- Dividend Yield 0.4% 1.2% 1.2% -/- Dividend Payout 32.1% 24.3% 24.5% -/- Dividend Payout 32.1% 20.3 18.6 17.2					0.5				
A/C Payable Turnover 36.0 23.8 29.4 37.6 Cash Conversion Cycle 40.3 38.9 42.1 42.4 Total Asset Turnover 0.8 0.8 0.7 0.7 Fixed Asset Turnover 1.8 1.9 2.0 2.1 Leverage: 0.0% 0.0% 0.0% Debt Ratio 0.0% 0.0% 0.0% 0.0% 0.0% Debt-Equity 0.0% 0.0% 0.0% 0.0% 0.0% Debt-Equity 0.0% 0.0% 0.0% 0.0% 0.0% Int. Coverage 2,037 79,644 136,551 188,794 Dividend History -/- 12% -/- Dividend Yield 0.4% 1.2% 1.2% -/- Dividend Payout 32.1% 24.3% 24.5% -/- Dividend Payout 32.1% 24.3% 24.5% -/- Dividend Payout 32.1% 20.3 18.6 17.2 <td>•</td> <td></td> <td></td> <td></td> <td></td>	•								
Cash Conversion Cycle 40.3 38.9 42.1 42.4 Total Asset Turnover 0.8 0.8 0.7 0.7 Fixed Asset Turnover 1.8 1.9 2.0 2.1 Leverage: 0.0% 0.0% 0.0% Debt Ratio 0.0% 0.0% 0.0% 0.0% 0.0% Debt-Equity 0.0% 0.0% 0.0% 0.0% 0.0% Debt-Equity 0.0% 0.0% 0.0% 0.0% 0.0% Debt-Equity 0.0% 0.0% 0.0% 0.0% 0.0% Int. Coverage 2,037 79,644 136,551 188,794 Dividend History -/- Dividend Yield 0.4% 1.2% 1.2% -/- Dividend Yield 0.4% 1.2% 1.2% -/- Dividend Payout 32.1% 24.3% 24.5% -/- Price/Earnings 23.5 20.3 18.6 17.2 <									
Total Asset Turnover 0.8 0.8 0.7 Fixed Asset Turnover 1.8 1.9 2.0 2.1 Leverage:									
Fixed Asset Turnover 1.8 1.9 2.0 2.1 Leverage: <									
Leverage: Debt Ratio 0.0% 0.0% 0.0% Debt-Equity 0.0% 0.0% 0.0% Debt-Equity 0.0% 0.0% 0.0% Int. Coverage 2,037 79,644 136,551 188,794 Dividend History 136,551 188,794 Dividend History -/- Dividend Yield 0.4% 1.2% 1.2% Dividend Payout 32.1% 24.3% 24.5% Valuation: -/- Price/Earnings 23.5 20.3 18.6 17.2 Price/BV 5.3 4.4 3.7 3.5 EPS (BDT) 11.7 13.5 14.7 16.0									
Debt Ratio 0.0% 0.0% 0.0% 0.0% Debt-Equity 0.0% 0.0% 0.0% 0.0% Int. Coverage 2,037 79,644 136,551 188,794 Dividend History 136,551 188,794 Dividend History Dividend Yield 0.4% 1.2% 1.2% Dividend Yield 0.4% 1.2% 1.2% Dividend Yield 0.4% 1.2% 24.5% Dividend Payout 32.1% 24.3% 24.5% Valuation:		1.8	1.9	2.0	2.1				
Debt-Equity 0.0% 0.0% 0.0% 0.0% Int. Coverage 2,037 79,644 136,551 188,794 Dividend History U U U U Dividend Yield 0.4% 1.2% 36/7 -/- Dividend Yield 0.4% 1.2% 1.2% -/- Dividend Yield 0.4% 24.3% 24.5% -/- Dividend Payout 32.1% 24.3% 24.5% -/- Valuation: U U U U U Price/Earnings 23.5 20.3 18.6 17.2 Price/BV 5.3 4.4 3.7 3.5 EPS (BDT) 11.7 13.5 14.7 16.0		0.001	0.004	0.00/	0.00/				
Int. Coverage 2,037 79,644 136,551 188,794 Dividend History									
Dividend History Dividend (C/B)% 40/10 35/7.5 36/7 -/- Dividend Yield 0.4% 1.2% 1.2% -/- Dividend Yield 0.4% 1.2% 1.2% -/- Dividend Payout 32.1% 24.3% 24.5% -/- Valuation: - - - - Price/Earnings 23.5 20.3 18.6 17.2 Price/BV 5.3 4.4 3.7 3.5 EPS (BDT) 11.7 13.5 14.7 16.0									
Dividend (C/B)% 40/10 35/7.5 36/7 -/- Dividend Yield 0.4% 1.2% 1.2% -/- Dividend Yield 0.4% 1.2% 1.2% -/- Dividend Payout 32.1% 24.3% 24.5% -/- Valuation: - - - - Price/Earnings 23.5 20.3 18.6 17.2 Price/BV 5.3 4.4 3.7 3.5 EPS (BDT) 11.7 13.5 14.7 16.0	•	2,037	79,644	136,551	188,794				
Dividend Yield 0.4% 1.2% 1.2% -/- Dividend Payout 32.1% 24.3% 24.5% -/- Valuation:		10/10	25/75	20/7	1				
Dividend Payout 32.1% 24.3% 24.5% -/- Valuation: <th< th=""> <th< th=""> <th< th=""> <!--</td--><td></td><td>-</td><td></td><td>-</td><td></td></th<></th<></th<>		-		-					
Valuation: Price/Earnings 23.5 20.3 18.6 17.2 Price/BV 5.3 4.4 3.7 3.5 EPS (BDT) 11.7 13.5 14.7 16.0									
Price/Earnings 23.5 20.3 18.6 17.2 Price/BV 5.3 4.4 3.7 3.5 EPS (BDT) 11.7 13.5 14.7 16.0	•	52.1%	24.3%	24.3%	-/-				
Price/BV 5.3 4.4 3.7 3.5 EPS (BDT) 11.7 13.5 14.7 16.0		23.5	20.3	18.6	17.2				
EPS (BDT) 11.7 13.5 14.7 16.0									
NAVPS (BDT) 51.4 62.2 73.3 77.9									
	NAVPS (BDT)	51.4	62.2	73.3	77.9				

*Growth for 2015-16 is not calculated due to unavailability of data.

N.B. The Company has changed the reporting period to July-June from April-March.



Shareholding Structure

The Company was listed in both the DSE & the CSE in 1995. Historical shareholding pattern are shown in the following table:

As on	Sponsor	Govt.	Instt.	Foreign	Public
31-Dec-18	34.43%	0.00%	10.01%	17.80%	37.76%
31-Dec-17	34.43%	0.00%	10.35%	19.46%	35.76%
31-Dec-16	53.52%	0.00%	12.34%	15.39%	18.75%
31-Dec-15	53.52%	0.00%	12.41%	15.39%	18.68%

Directors Shares Holding

Name of Directors	Position	Shares Held (mn)	% of Total
Mr. Samuel S Chowdhury	Chairman	52.08	7.06%
Mrs. Ratna Patra	Vice Chairman	49.92	6.77%
Mr. Tapan Chowdhury	Managing Director	53.22	7.22%
Mr. Anjan Chowdhury	Director	53.89	7.31%
Mr. Kazi Iqbal Harun	Director	44.72	6.07%

Industry Overview

Pharmaceutical Industry is one of the most developed manufacturing industries in Bangladesh which is considered second largest sector in terms of contribution of government exchequer. Moreover, this industry contributes nearly 1% of the total GDP. In 2017-18, the market size of pharmaceutical products in Bangladesh was BDT 201.7 billion and the market is growing by double digit for the last few years. Currently, there are more than 439 registered pharmaceutical manufacturers in Bangladesh.

According to IMS Report, top 10 companies occupy 70% of the total market share and top 20 manufacturers grabbed 87.01% of total market.



Export is a promising but untapped segment for the country's pharmaceutical sector. According to DGDA (Directorate General of Drug Administration), Bangladesh exports drugs to 87 countries. In 2017-18, the Country exported \$103.46 million pharmaceutical products which were 16.03% higher than that of 2016-17.

However, supply side of this industry mostly depends on import. Around 80% of required raw materials are imported from China and India whereas some local companies – Beximco Pharmaceuticals Ltd., Square Pharmaceuticals Ltd., Opsonin Chemicals Ltd. Drug International Ltd., Globe Pharmaceuticals Ltd., Gonoshashtaya Pharmaceuticals Ltd, Sunipun Pharmaceuticals Ltd. etc. – produce certain APIs on smaller scale for mainly in-house use.

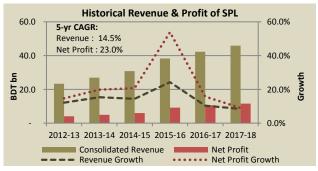
Meanwhile, construction of 200-acre API Park is in progress. A total of 42 industries would be set up under the project; expected total cost is BDT 4.39 billion. Upon operational of the plant, the raw material imports are expected to come down to 30% and the costs of APIs are estimated to decrease by around 20%. The API industrial park promises to propel Bangladesh to the next level as a

drug exporter since it is expected to help the local pharma companies gain more export orders with a competitive edge and maintain stable prices in the domestic market.

WTO (World Trade Organization) member countiers have extended the deadline to comply with the TRIPS (Trade-Related Aspects of Intellectual Property Rights) agreement, allowing LDCs to avoid applying and enforcing IP (Intellectual Property) rights on pharmaceutical products until 2033. Bangladesh will get more benefit from the extension of drug patent waiver as the country is more capable of manufacturing pharmaceutical products than any other LDCs.

Investment Positives

Square Pharmaceuticals has been in operation in the pharma industry since 1964 and maintaining undisputed Goodwill in both the local and international markets. The Company is leading the pharma market of Bangladesh since 1985 and currently holding around 17% of market share (Source: IMS 2018 Q1).



 Square Formulation Ltd. (SFL), a subsidiary of SPL (99.50% holding), has been posting a remarkable growth since its inception in April 2014. The revenue and net profit of SFL are shown in the following table:

Particulars (BDT mn)	2015-16	2016-17	2017-18
Gross Turnover of SFL	4,714	8,985	11,314
Turnover Growth	754%	91%	26%
Contribution to SPL's Turnover	12%	21%	25%
Gross Profit Margin	41%	47%	45%
Operating Profit Margin	21%	30%	29%
Net Profit Margin	16%	24%	22%

- Square Pharmaceuticals Kenya EPZ Ltd., a subsidiary of Square Pharmaceuticals Ltd (SPL), has started construction of its manufacturing plant in Nairobi, Kenya in January 2018. The plant will be capable of manufacturing two billion tablets and capsules and 60 million bottles of liquid formulations. Commercial production is expected to begin from the first quarter of 2020. The plant is a benchmark for the Bangladeshi industry's achievements as SPL would be the first to build its own plant abroad.
 - The initial estimated total project cost for SPL Kenya plant will be US\$ 20.00 million. Of this, US\$ 8.00 million would be financed by equity investment for which Bangladesh Bank has given permission and the balance would be from debt financing.
 - Square Pharmaceuticals Kenya EPZ aims to fulfill the unmet demands of medicine in Kenya, Tanzania, Rwanda, Burundi, Uganda and South Sudan and the products will be pre-qualified through World Health Organization.



- SPL started exporting to Kenya in 2005 and registered 117 products with the Pharmacy and Poison Board, Kenya's drug regulatory agency.
- Kenya's prescription pharmaceuticals market is worth over \$500 million and is expected to grow at a compound annual growth rate (CAGR) of 11.8% till 2020. Prescription drugs account for around 78% of the market. However, the fastest growth in the coming years is expected in the over-the-counter (OTC) product sales. Kenyan manufacturers can supply only 30 percent of the country's demand while the rest is met through imports. Kenya spends about 8% of its GDP on health. (Source: Africa Business Pages)
- The associates' contribution to the profit of the Company is in increasing trend which is expected to continue in the coming years. The profit from associates are shown below:

Particulars	2013-	2014-	2015-	2016-	2017-
(BDT mn)	14	15	16	17	18
Square Textiles	269	248	227	117	135
Square Fashions	180	379	611	665	822
Square Hospitals	159	169	79	147	159
Total	608	795	916	929	1,115
Growth	31%	31%	15%	1%	20%
% of Consolidated Net Profit	14.3%	15.3%	10.0%	8.7%	9.6%

 In 2017-18, consolidated gross profit & net profit margin was 49.3% & 29.3% respectively. The subsidiaries contribution has aided to maintain these superb profit margins for the consolidated business. Meanwhile, the Company (standalone) has been maintaining higher profit margins over the years compared to its competitors.

	BDT mn	Margin			
Company	Net	Gross	Operating	Pretax	Net
Name	Revenue	Profit	Profit	Profit	Profit
SQURPHARMA	30,005	48.0%	25.7%	36.1%	27.4%
BXPHARMA	17,717	46.8%	22.7%	19.0%	14.3%
ACMELAB	14,814	39.6%	21.3%	13.2%	9.6%
RENATA	18,604	50.2%	25.6%	23.3%	17.2%

Data has been derived from 2017-18 annual reports of respective company.

 Square Pharma has been investing a considerable amount as capital expenditure to upgrade its capacity, technological process, research and training. The major part of the investments was made from internally generated funds. The Company has also approved BDT 2,000 million & BDT 2,020 million in October 2018 & 2017 respectively for BMRE, Capital Machineries and Lands for future expansion.

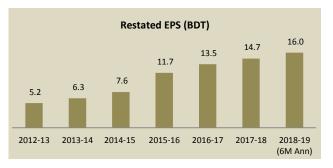


As per DSE news published on 24 October 2017, Square Formulations Ltd. and Square Herbal & Nutraceuticals Ltd. will merge with Square Pharmaceuticals Ltd. subject to approval of the shareholders and sanction by the Hon'ble High Court Division of the Supreme Court of Bangladesh. It will enable the Company to bring efficiency in operation and economies of scale which will have positive impact on the profitability of the Company.

- As per DSE news published on 11 June 2017, the Board of Directors has approved agreements with M/s. NAAFCO Pharma Ltd. and M/s. Sharif Pharmaceuticals Ltd., Dhaka, Bangladesh for contract manufacturing (Production of goods by one firm, under the label or brand of another firm) of some products to meet increased demand of existing products and to introduce new products.
- The Company has given a thrust for increasing the export volume. In 2017-18, export revenue has increased by 4.5% over last year and is expected to rise in the coming years. Present export market covers over 42 countries including UK, South Africa, Mauritius, Jamica, Malaysia, Singapore, Fiji etc. In April 2018, the Company received approval of first ANDA of Valsartan for US market and GMP approval of manufacturing facilities from NPRA, Malaysia. It has also focused on contract manufacturing options for USA and UK to increase the export volume.
- Credit Rating Information and Services Limited (CRISL) has rated the Company as "AAA" in the long term and "ST-1" in the short term along with a stable outlook in consideration of its audited financials up to June 30, 2018, unaudited financials up to September 30, 2018.

Investment Negatives

- The Company is exposed to foreign exchange risk as around 86% of raw materials and 35% of packing materials are imported. As majority of the Company's foreign currency transactions are denominated in USD, unfavorable foreign exchange movement may affect the profitability of the Company. However, cost of raw materials is expected to reduce considerably upon being operational of the country's API Park.
- The Company will use the debt financing of USD 12 million for establishment of the Kenya plant for which it will have to bear the finance expenses.
- The Government is considering further increase in price of gas and fuel & power which will push up the factory overhead cost that will have a negative impact on the profit margins. In 2017-18, electricity & gas bill was 1.1% of consolidated turnover which was 0.95% in 2016-17.







Consolidated Latest Quarter Update - December 2018 (Q 2)

Particulars	Jul-Dec	Jul-Dec	Oct-Dec	Oct-Dec
(BDT mn)	2018	2017	2018	2017
Net Turnover	21,318	19,721	10,776	9,853
Growth	8.1%		9.4%	
Sq. Pharmaceuticals	15,970	14,834	8,000	7,385
Growth	7.7%		8.3%	
Sq. Formulations	5,348	4,886	2,777	2,468
Growth	9.4%		12.5%	
Gross Profit	10,880	9,823	5,453	4,840
Margin	51.0%	49.8%	50.6%	49.1%
Growth	10.8%		12.7%	
Operating Profit	7,055	6,490	3,412	3,073
Margin	33.1%	32.9%	31.7%	31.2%
Growth	8.7%		11.0%	
Net Profit	6,295	5,864	3,126	2,856
Margin	29.5%	29.7%	29.0%	28.9%
Growth	7.3%		9.5%	

- Consolidated turnover of the Company has increased by 8% in the Jul-Dec of 2018-19 over the same period of last year due to increased contribution from the subsidiary. The subsidiary's turnover has increased by 9.4% in the period than that of last year where the pharma business grew by 7.7% in the reported period. The subsidiary contributed 25.0% to the consolidated turnover.
- Gross profit margin has slightly increased due to the decrease in materials consumption in percentage of total sales.
- Net profit margin has slightly decreased because of increase in operating expenses and lower contribution of

profit from associates in the reported period over the same period of last year.



Pricing Based on Relative Valuation:

	Multiple	Value (BDT)
Peer Forward P/E	18.6	297.2
Sector Forward P/E	19.0	303.5

Note: BXPHARMA, IBNSINA, RENATA and ACMELAB have been considered as the peer group for comparison.

Concluding Remark

Square Pharmaceuticals Ltd. is a leading business house in the country. Financial performance over the years reflected its strong fundamental base in operation as well as seasoned management. In line with its steady business growth, it was also able to maintain stable profit margins over the years. Many of its brands remain consistent leaders in their respective therapeutic categories. The Company's continuous effort for BMRE and expansion program will drive strong growth in future.

Source: Annual Reports, The Company's Website, DSE website, DGDA, the Financial Express, the Daily Star and ILSL Research

ILSL Research Team:

Name Rezwana Nasreen Towhidul Islam Kishan Saha Designation Head of Research Sr. Research Analyst Executive - Research

To access research through *Bloomberg* use <ILSL> ILSL research is also available on *Thomson Reuters* products and on *FactSet* and *Sentieo* platform For any Queries: research@ilslbd.com **Disclaimer:** This document has been prepared by International Leasing Securities Limited (ILSL) for information only of its clients on the basis of the publicly available information in the market and own research. This document has been prepared for information purpose only and does not solicit any action based on the material contained herein and should not be construed as an offer or solicitation to buy or sell or subscribe to any security. Neither ILSL nor any of its directors, shareholders, member of the management or employee represents or warrants expressly or impliedly that the information or data of the sources used in the documents are genuine, accurate, complete, authentic and correct. However all reasonable care has been taken to ensure the accuracy of the contents of this document. ILSL will not take any responsibility for any decisions made by investors based on the information herein.