



Internship Report

“A quantitative study on the Cement companies of DSE listed firms of Bangladesh for the period of 2010 to 2015.”

Course Code:	BUS400
Course Name:	Internship
Semester:	Spring 2017
Internship Advisor (University)	Mr. Jubairul Islam Shaown Lecturer BRAC Business School, BRAC University
Internship Supervisor (Workplace)	Mr. Ahmed Irtiza Research Associate, Capital Market Research
Report Details	Internship Report
Submission Date	27 th November, 2017

Submitted by:

Rashidul Haque Dhrubo

13304002



27th November 2017

Mr. Jubairul Islam Shaown

Lecturer, BRAC Business School

BRAC University

Subject: Letter of Transmittal

Dear Sir,

It is my immense pleasure that I have the opportunity to submit my internship Report on “**A quantitative study on the Cement companies of DSE listed firms of Bangladesh (2010-2015).**” I have completed my internship on behalf of BBA curriculum and observed closely the different aspects of capital market especially of the cement and engineering sector. My tenure of 3 months as an intern has given me the opportunity to explore the practical aspects of business and during these periods I have learned a lot from industry experts and adapted to organizational culture.

It was a great experience to conduct the internship program under your supervision as per your guideline. The accumulated task of report writing and research work to complete this report is a good learning experience for me.

The internship program and writing this report has been a great pleasure and an extremely interesting and rewarding experience. It has enabled me to get an insight into the practical arena of NBFIs. Though I have put much effort and determination in preparing the report without your active supervision I could not have done it flawlessly. Therefore, your assistance is highly acknowledged and I am thankful for the opportunity to work under your active supervision.

Sincerely Yours,

Rashidul Haque Dhrubo
ID: 13304002
BRAC Business School
BRAC University

Acknowledgement

At the very beginning I want to thank the Almighty Allah. I am extremely thankful to my University Supervisor Mr. Jubairul Islam Shaown, Lecturer of BRAC Business School, BRAC University. His cooperation and knowledgeable insight has added to the adequacy of the report.

I would also like to express my gratitude to Mr. Ahmed Irtiza, Research Associate of LankaBangla Research Department. His active on sight supervision as made my internship period easy and enjoyable. Not to mention his active guidance has taught me a lot about capital market.

I would also like to express my heartfelt gratitude to Mr. Mahfuzur Rahman, Manager and Head of Research Department for giving me the opportunity to work for the research team. Mr. Debashish, Mr. Rezwan, Mr. Salman, Mrs. Salma and all the others in the research team has helped me a lot in this short span of time. I would like to thank BRACU OCSAR for availing me with the organization of my choice. Last but not the least; I want to thank my parents and my beloved teachers who have supported me all through my life.

It has been a great experience to work with knowledgeable people who has made this short period of time extremely fruitful and prepared me for the challenges ahead.

Executive Summary

LankaBangla Securities is one of the top brokerage houses of Bangladesh. LankaBangla is the leader in terms of customer transactions and has been crowned yet again as the largest brokerage house in terms of transaction value for the 11th consecutive time in DSE and 12th in CSE. The Research Department is the heart of the organization where the most capable people work with large chunks of information every day. During my tenure at the research team I have worked with the information available from secondary sources especially the annual reports. The cement industry of Bangladesh is booming and yet has potentialities to grow even further. The current per capita consumption of cement in Bangladesh approximately 120 kgs (as of December 2016) is one of the lowest in the world is expected to grow in the coming days. The Industry is dominated by local companies where the top 10 companies have 6 local companies in respect to production per annum. The report mainly focuses on the comparative analysis of the DSE listed cement firms in Bangladesh. The report mainly comprises of industry overview, financial statement analysis, and ratio analysis which gives a brief about the cement industry from 2010 to 2015. 2016 data was excluded because there has been a change in the year ending from December to June. To avoid variability in data I have excluded year 2016 from the report. The calculation and graphical representations are basically done with Microsoft Excel.

Contents

Introduction.....	8
Basis of Internship	9
Corporate Profile.....	10
Business Philosophy	11
Vision.....	11
Mission.....	11
Values.....	11
Branches.....	12
Board of Directors.....	12
Products and Services:	13
Products	13
Services:	14
Shareholder Information:	14
An overview on.....	18
the listed Cement companies of	18
Bangladesh.....	18
Introduction.....	19
Objective of the report	19
Scope of the report.....	20
Types and sources of information.....	20
Limitation.....	20
Industry overview	21
Production capacity and utilization.....	23
Financial statement Analysis	24
Revenue Comparison	25
Gross Profit Comparison.....	26
Net Profit Comparison	27
Ratio Analysis.....	28
Quick Ratio	29
Debt Equity Ratio	30
Earnings per Share	31

ROE	32
ROA	Error! Bookmark not defined.
Conclusion	33
Bibliography	34
Appendix:.....	35

Introduction

Basis of Internship

A Non-banking financial institution (NBFI) is an institution that does not have a full banking license and cannot accept deposits from the public. Though, NBFIs do promote elective monetary administrations; for example, venture (both group and individual) risk pooling, financial consulting, brokering, money transmission, and check cashing. NBFIs are a source of consumer credit NBFIs are a wellspring of purchaser credit. Non-Banking Financial Institution There is 33 non-banking financial institutes (NBFIs) is currently operating and regulated under Financial Institution Act, 1993 and controlled by Bangladesh Bank.

As a student of Bachelor in business administration with Finance and Marketing major, Lankabangla Securities is one of the best places to learn about banking operation and core financial marketing activity.

According to BRAC University internship policy, Student are required to have entry level position programs with a view to getting field involvement and getting a shot for utilize hypothetical ideas in down to earth life circumstance. There would be 10 weeks of authoritative period. Amid this entry level position report planning, an understudy can apply his/her hypothetical information and also his/her efficient and basic capacities on a given theme. At last, these encounters amid entry level position period can include an additional edge in understudies' profession.

Corporate Profile

LankaBangla Securities began as Vanik Bangladesh Securities Ltd in 1997 with activities confined only within the Chittagong Stock Exchange (CSE) Ltd. A year later, it made a step ahead and introduced itself to the Dhaka Stock Exchange (DSE). It rebranded itself as LankaBangla Securities Ltd. in 2005 following a restructuring of the company.

At LankaBangla Securities Ltd., It specializes in developing the country's most efficient stock brokerage workforce with unmatched skills and consummate perfectionism. Also, whichever corner of Bangladesh you are in, It has got you covered as you can find its ten branches spread in the leading cities and towns countrywide.

LankaBangla is the leader in terms of customer transactions. That's why LankaBangla is again crowned as the largest brokerage house in terms of transaction value for the 11th consecutive time in DSE and 12th in CSE.

Quality, convenience, and reliability are certain things that it provides you at the highest level you can expect from its broker and that are the key to such a strong network of key clients all over the world. Furthermore, the local and international recognitions from financial institutions, custodian banks, corporations, international fund managers, and other fellow brokers for its professionalism has laid the foundation of its future growth and further success.

LankaBangla is a 90.91% owned subsidiary of LankaBangla Finance Limited (LBFL) which is one of the leading listed non-banking financial institutions in Bangladesh engaged in Leasing, Credit Card Services, Merchant Banking, Corporate Financing, and Financial Consultancy. LBFL is owned by a group of highly successful local business entrepreneurs of Bangladesh, the Sampath Bank Limited of Sri Lanka, the One Bank Limited of Bangladesh, and the general public. With all these on the back, its house LBSL is undoubtedly a global one which knows its preferences, acts on its choice, and guarantees you the most comfortable investment environment while you choose to invest in Bangladesh. (Lankabanla securities, 2017)

Business Philosophy

Vision

Growing together with our stakeholders by implementing the most comprehensive, efficient and state of the art brokerage platform to maintain the excellence and maximize the wealth of shareholders.

Mission

- Providing Quality Product and Services
- Ensuring the Use of State of the Art Technology
- Being the Hub of International Investment
- Demonstrating Comprehensive Integrity with Market
- Maintaining Corporate Governance
- Promoting Research and Analysis
- Involving in Continuous Process Improvement

Values

- Diversity: As inclusive as our services
- Integrity: Being real with task and work force with highest ethical standards and fairness in every event
- Leadership: The courage to shape a better future
- Quality: Ensuring the service with commitment
- Respect: We honor the rights and beliefs of our fellow associates, our investors, key stakeholders and our community. We treat others with the highest degree of dignity, equality and trust.
- Accountability: Ensure accountability and conformity.
- Teamwork: We promote and support a diverse, yet unified, team. We work together to meet our common goals. (Lankabangla securities, 2017)

Branches

Currently LankaBangla Securities have 6 branches inside Dhaka and another 6 outside Dhaka.

<i>Dhaka Based Branches</i>	<i>Outside Dhaka Branches</i>
A.A. Bhaban(Level-5),23 Motijheel C/A, Dhaka- 1000	Hazi Plaza(2nd Floor), 53/1, S.M. Maleh Road, Tan Bazar, Narayanganj
DSE Annex Building(1st Floor) 9/E, Motijheel C/A, Dhaka-1000	HAL'S ASTER ANWAR (13th Floor), 1398(Old), 1728 (New), Sk.Mujib Road, Agrabad, Chittagong
Eunoos Trade Center(15th Floor), 52-53 Dilkusha C/A, Dhaka-1000	Asma Chamber, 1016(Old), Ram Joy Mohajan Lane, Khatungonj, Chittagong
Assurance Nazir Tower(Level-6), 65/B, Kemal Attaturk Avenue, Banani, Dhaka-1213	Rahima Centre(5th Floor), 1839, CDA Avenue, Nasirabad, Chittagong
4th Floor (Level-6), Uttara tower, Plot No #1, Jashimuddin Avenue, Sector No #3 Uttara C/A, Uttara	JR Tower (3rd floor), Holding No: 1469, Jail Road, Sylhet-3100
MIDAS Centre(8th Floor), House No #05, Road No #16(New), 27(Old), Dhanmondi, Dhaka-1209	Nahar Plaza(1st Floor), 67/58, Nazrul Islam Avenue, Kandirpar, Comilla

(Lankabangla securities, 2017)

Board of Directors

Mr. Mohammad A. Moyeen	Chairman
Mr. B. W. Kundanmal	Director
Mr. Al-Mamoon Md. Sanaul Huq	Director
Mr. Mahbubul Anam	Director
Mr. I. W. Senanayake	Director
Mr. Mohammed Nasir Uddin Chowdhury	Director
Mr. Khandoker Saffat Reza	Chief Executive Officer & Director
Mr. S.A.R. MD. Muinul Islam	Chief Technology Officer & Director

(Lankabangla securities, 2017)

Products and Services:

Products

1. Non Resident Investors Taka Account (NITA)

Non-resident portfolio investors have to open a Non-resident Investors Taka Account (NITA) with any authorized dealer in Bangladesh funding the purchase and easy repatriation of the sales and income proceeds. Securities can be purchased only through a member/registered broker of the stock exchange. E.g. LankaBangla Securities Ltd. (LBSL).

2. Beginner

Equity is an important asset class to participate in the underlying growth story of the country, industry and company. But investment in equity requires in depth knowledge and analysis about different variables which an investor finds difficult to process.

Despite being a beginner with a small amount to invest, one will still be able to benefit from clear and simple information tools for the understanding, demonstrations to help when get started and research re-written in easier language. LBSL will hold regular seminars and in house knowledge sessions for the beginners.

3. Halal:

LBSL Halal has been designed to accommodate the value of your special circumstances. Many investors want to make the stock market investment sharia compliant and we will facilitate you a list of Sharia Compliant Companies where you can only invest.

It is only cash trading account. Margin loan is not available for LBSL Halal. Exclusive access to the Sharia stocks list selected based on extensive research.

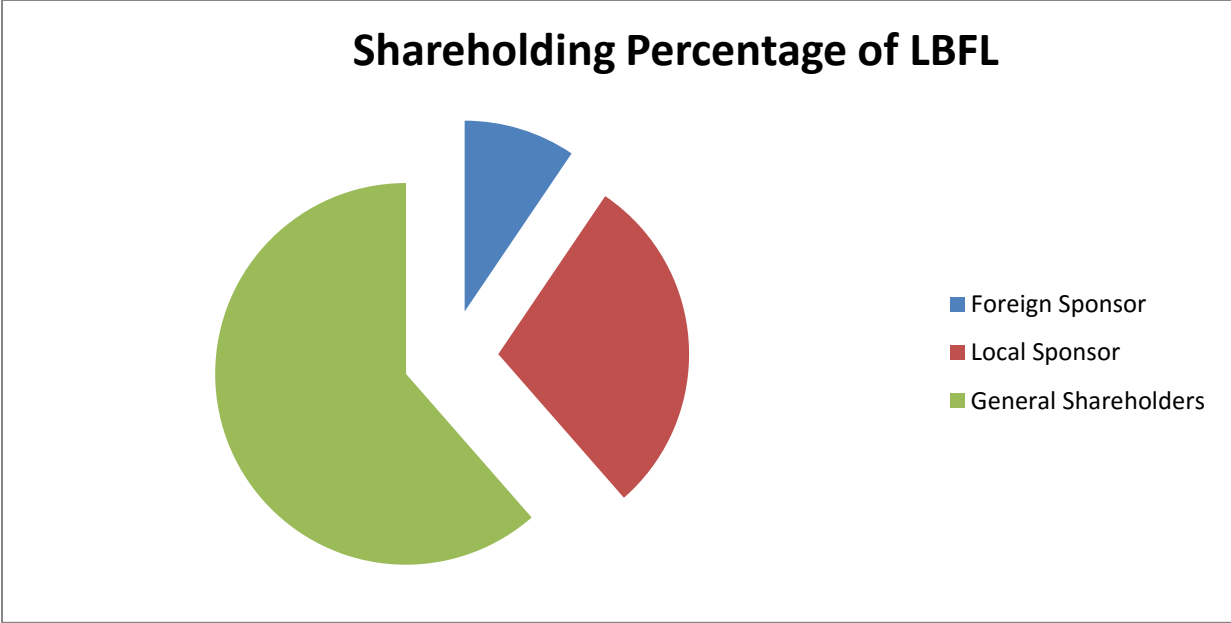


Figure: Shareholding Percentage of LankaBangla Finance

Responsibilities as an Intern at LankaBangla Securities

After the successful completion of all the courses at BRAC Business School, I was fortunate to have been selected at LankaBangla Securities as an intern after the initial interview process. My journey as an intern began in the early days of June 2017 in their corporate office at Motijheel adjacent to Bangladesh Bank. They have a very friendly organizational culture and welcomed us (me along with one of the other intern from North South University) cordially.

The first day began by submitting the official letter from BRACU OCSAR to their HR Department and by collecting my joining letter. My on duty supervisor Mr. Ahmed Irtiza who is a research associate showed me my cubicle and told me to have a look at some annual reports of listed Engineering companies. I was quickly introduced what to do and my responsibilities afterwards. These were some of the tasks I had to do throughout my whole Internship period of 4 months.

- Extract financial information from the annual and quarterly reports of the listed cement and engineering companies of Bangladesh.
- In the morning after arriving I had to collect key financial news from the dailies and summarize and send it to my supervisor.
- Prepare balance sheet, income statements and cash flow statement from the downloaded annual reports of company website.
- Interpret the data collected from the annual report and arrange the data for further research purpose
- Sometimes I had to write a company overview and submit it to my supervisors
- I had to do ratio analysis, financial analysis after collecting data of engineering and cement industry over the period of 2014-2016.

It was a learning experience for me to see how an organization works and mostly how the research team works as a whole to give valuable insight to the investors. I have always followed the organizational culture and maintained a healthy relationship with my coworkers and supervisors.

**An overview on
the listed Cement companies of
Bangladesh**

Introduction

The rise of the cement industry in Bangladesh is the result of industrialization. Historically, urbanization is linked with industrialization. Though the process of urbanization dates back to the time when Bangladesh was still a part of Pakistan, the process gained substantial pace in the last two decades. During this period, Bangladesh has experienced extremely high rate of urbanization which is two to three times higher than that of the national population growth rate. In 1961, we had only 5% of the total population living in urban areas whereas according to the census report of 1991 about 22% is reported to be urban population which is believed to have increased to 26% by 2011 (Urbanization in Bangladesh, 2017). Rapid urbanization causes shift in rural livelihood base and often induces migration into cities. Therefore, this migration has given place to high rise building structure which inevitably pushed up the use of cements. A faster growth in the use of cement has been observed since mid-1980s, especially with the implementation of larger infrastructural projects, construction of buildings and larger apartments, multistoried shopping malls, convention centers, etc. This study will basically look over the recent trends of the Dhaka Stock Exchange (DSE) listed cement companies of Bangladesh and give a comparative picture among the different companies.

Objective of the report

The main objectives of the report are:

- To gain insight on the cement industry of Bangladesh
- To analyze the financial performance of the Dhaka Stock Exchange (DSE) listed cement companies of Bangladesh
- To find out the total production of cement in respect to the current demands for cement
- Analyze and create a comparative picture among different cement companies listed in DSE.

Scope of the report

The report provides a descriptive overview of the Dhaka Stock Exchange (DSE) listed seven cement companies of Bangladesh. The report emphasizes on the financial aspects of the companies and will provide valuable insight about the prospect of cement industry in Bangladesh.

Types and sources of information

The report has incorporated my theoretical knowledge along with the secondary information available through different mediums. Sources of secondary information mainly comprises of financial statements mainly collected from the annual reports of respective company websites. Other sources of information include websites, newspaper, online business magazines, etc.

Limitation

Although the report provides valuable insight on the cement companies it has its limitations as well. Time is one of the many limitations that I faced while preparing the report. The report is based on the financial statements and other secondary sources only. Due to lack of time and resources primary sources have not been taken into account.

Industry overview

Cement is one of the major ingredients for construction industry. The production of cement is highly dependent on energy. The process requires limestone shell and clay to be procured beforehand. Later these raw materials are crushed and heated at a temperate over 1000 degree celsiu to produce clinker. Afterward clinker is mixed with gypsum and grinded to fine powder. The cost of the entire process accounts to 29% energy, 27% raw material, 32% labor and 12% depreciation. As mentioned earlier, the industry boomed in Bangladesh due to an upsurge of urbanization but till 1990, 95% of the total demands were met through imports. The pioneers of this industry ventured into setting up cement plants during 1997 to 2000 which opened up a new age in this sector. Consequently, the import of cement decreased over the following years.

Although Bangladesh has seen an overwhelming growth of cement industry in the past decades it is still far below than that of many developing countries. Further growth of cement industry in Bangladesh is expected. The average per capita consumption of cement in the world is 500Kg

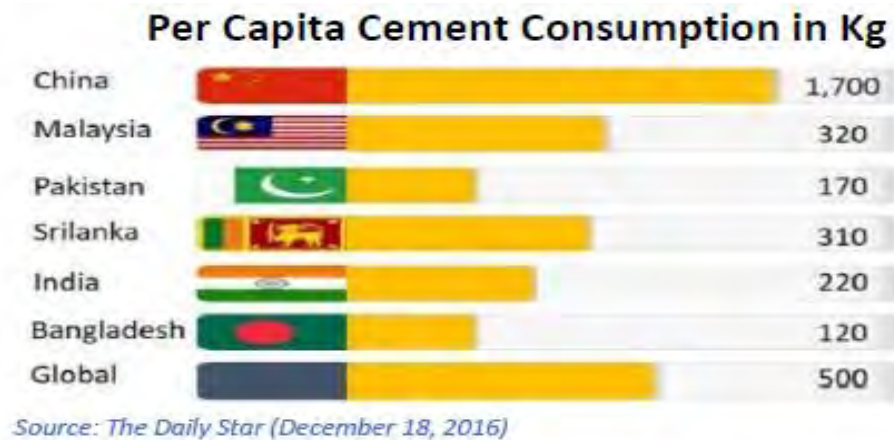


Figure: Per Capita Consumption (Kg)

whereas in Bangladesh it is only 120 making it one of the lowest consumers of cement in the South – east Asia Region. However, Bangladesh has witnessed a lucrative growth of per capita cement consumption over the past few years.

Production capacity and utilization

At present, installed capacity of Bangladesh cement industry is about 25 Million Metric tons (Mn MT), the demand on the other hand is 15 Mn MT. The total market size is nearly US\$1.74 bn. Average capacity utilization rate is 65-75% though some of the prominent companies are producing above 100% capacity utilization level through sub contract.

Key Statistics	
Installed Capacity (Mn MT)	25.00
Industry Average Utilization Rate (%)	70.0%
Consumer Demand (Mn MT)	15.00
Total Population (Mn)	160.00
Per Capita Consumption in June, 2013 (Kg)	93.75
Currently Plants in Operation	45.00
Factories Exporting Cement to India	8.00
Construction as % of GDP (2012-2013)	9.1%

Source: The Financial Express and Research, IDLC Investments Ltd.

Figure: Capacity and Utilization

The cement industry in Bangladesh is known for its variability of demand due to the typical weather condition of the country. During the monsoon construction activities slow down for heavy rainfall. The industry is in a state of oligopoly where the top ten players alone are controlling over 85% of the total industry capacity and pricing. Local dominance is clearly visible as 6 out of top 10 are local cement manufacturers.



Figure: Local vs. Foreign Manufacturers

Financial statement Analysis

Revenue Comparison

	2010	2011	2012	2013	2014	2015
CEMENT	3902.642	4483.038	6065.685	6270.432	6516.474	6690.538
ARAMITCEM	917.6335	978.1932	1102.098	871.4052	623.6989	863.4843
CONFIDCEM	1718.921	2240.791	3271.923	3481.284	3634.989	3637.271
HEIDELBCEM	8321.77	8516.2	10885.15	9956.635	10504.5	10485.08
LAFSURCEML	5655.374	6098.478	10640.06	11330.37	11583.03	10967.95
MEGHNACEM	5715.17	6097.247	6613.816	5006.965	3738.883	4517.035
MICEMENT	3127.353	4022.271	5657.601	6829.697	7990.643	8264.241
PREMIERCEM	1862.271	3428.084	4289.148	6416.662	7539.575	8098.701

Table: Revenue Comparison

Apart from Meghna and Aramit Cement all the listed companies has seen a consistent growth in revenue from 2010 to 2015. The industry grew significantly during 2010 to 2012 but growth slowed down from 2013. Premier Cement has seen the most growth in terms of revenue having an average growth rate of 36% since 2010.

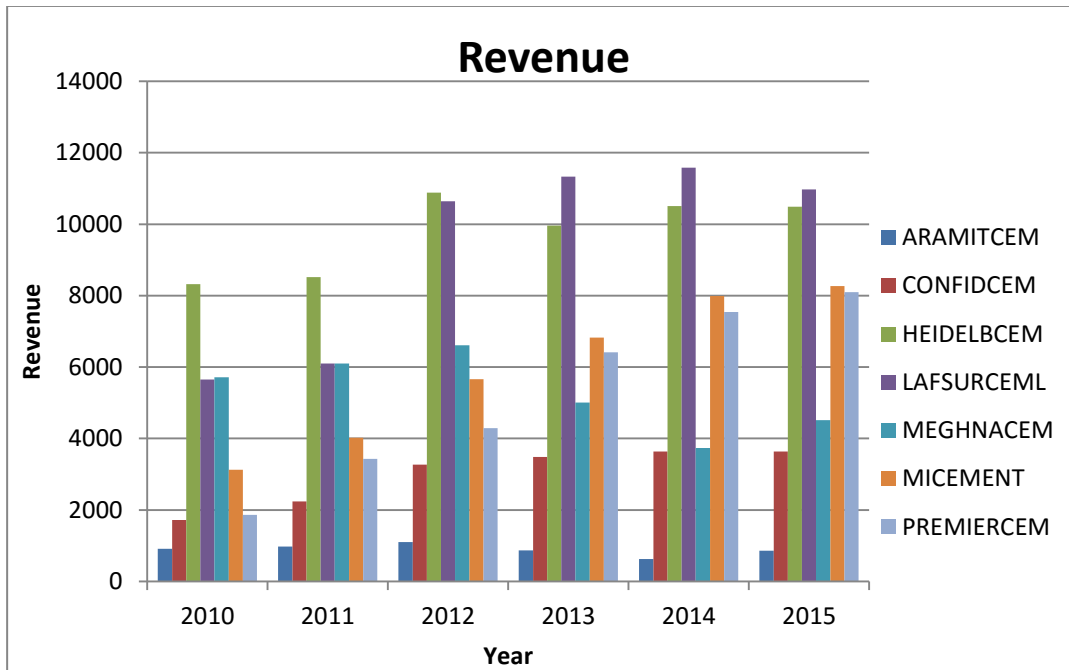


Figure: Projection of Revenue in Bar Diagram

Gross Profit Comparison

	2010	2011	2012	2013	2014	2015
CEMENT	800.2625	766.9877	1452.445	1726.978	1674.722	1709.394
ARAMITCEM	223.3413	210.4441	237.0809	218.3775	178.4223	234.0333
CONFIDCEM	287.9595	375.5782	639.1237	812.6459	701.6565	679.8346
HEIDELBCEM	2169.733	1506.252	2257.636	2488.046	2205.102	2746.612
LAFSURCEML	1107.942	1100.28	4729.113	5249.151	5013.83	4471.487
MEGHNACEM	592.1311	650.597	806.0061	652.2865	551.1851	631.2261
MICEMENT	759.6305	823.7524	895.8687	1357.588	1510.697	1677.43
PREMIERCEM	461.0998	702.0099	602.2856	1310.752	1562.162	1525.135

Table: Gross profit comparison

Gross profit is the profit that a company makes after deducting the costs associated with making and selling its product. For a cement company the main cost of production is raw material. As mentioned earlier clinker and gypsum is the main raw material. Other than raw material, packaging and factory overhead costs are also excluded from revenue. Like, revenue Premier cement has also has significant gross profit to support its operating and financial expenses

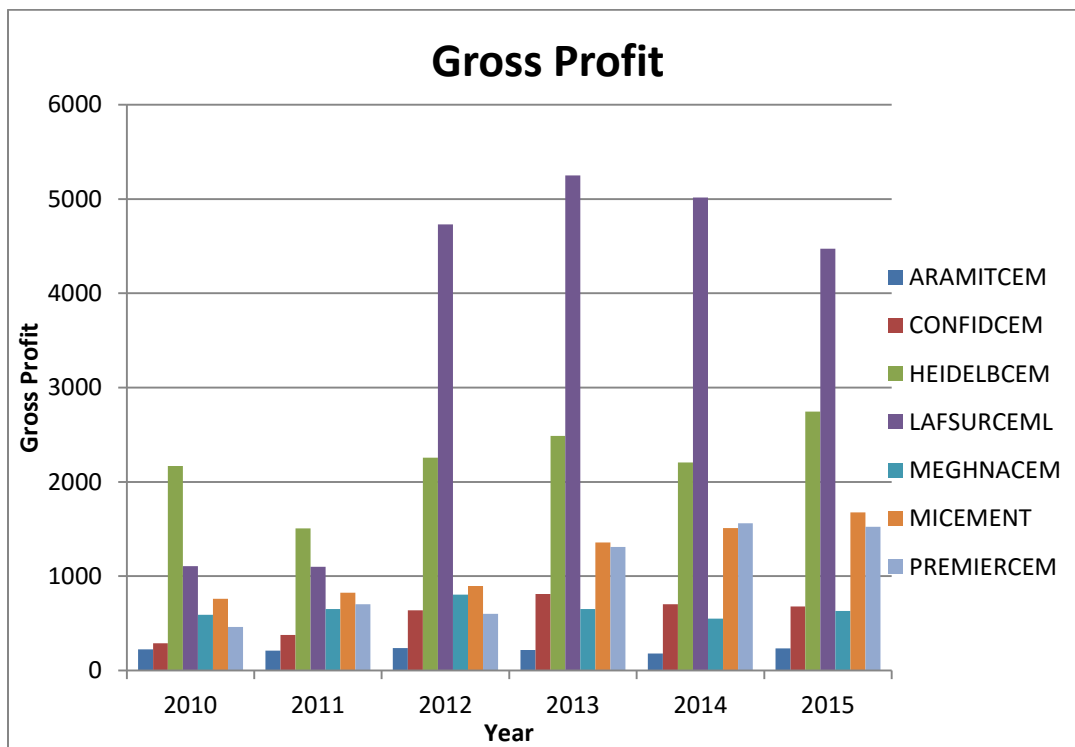


Figure: Gross profit projection

Net Profit Comparison

	2010	2011	2012	2013	2014	2015
CEMENT	28.47021	286.9195	645.8583	810.9548	791.2313	736.5348
ARAMITCEM	79.35546	50.77323	51.25259	43.44193	15.23062	16.48702
CONFIDCEM	263.3449	246.588	443.7984	331.0729	239.2791	326.1401
HEIDELBCEM	999.047	748.983	1291.083	1474.078	1179.383	1401.983
LAFSURCEML	-1697.36	133.124	1853.434	2546.099	2819.798	2289.534
MEGHNACEM	45.63706	66.51977	141.3582	117.6495	100.7601	63.84098
MICEMENT	332.1079	435.9358	565.7606	665.1747	674.3892	648.841
PREMIERCEM	177.1622	326.5125	174.3215	499.1676	509.7791	408.9176

Table: Net profit comparison

Net profit also known as net income/ net earnings is the remaining currency after all operating expenses, taxes, and preferred dividends are paid. From the above statistics we can clearly see that Lafarge Surma Cement has emerged as the top listed company to grow its net profit significantly. They have an average net profit growth rate of 286% over the 6 years.

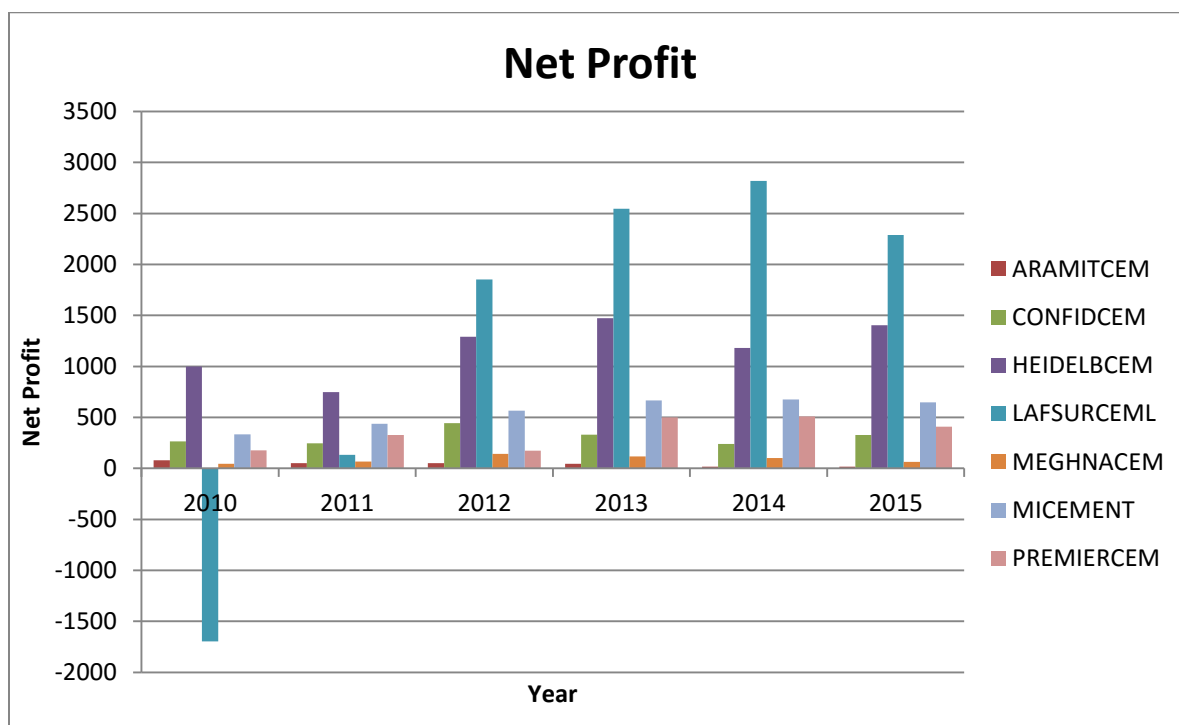


Figure: Net Profit Projection

Ratio Analysis

Quick Ratio

	2010	2011	2012	2013	2014	2015
CEMENT	0.82	1.14	1.10	1.24	1.15	1.18
ARAMITCEM	0.73	0.69	0.68	0.67	0.92	1.19
CONFIDCEM	0.72	0.88	0.99	1.34	1.16	1.04
HEIDELBCEM	1.74	1.61	2.08	2.46	1.96	1.65
LAFSURCEML	0.11	0.23	0.27	0.59	1.08	1.63
MEGHNACEM	0.81	0.86	1.07	0.97	0.90	0.87
MICEMENT	0.89	3.04	2.08	2.06	1.51	1.32
PREMIERCEM	0.78	0.62	0.52	0.56	0.51	0.59

Table: Quick Ratio

Quick ratio otherwise known as acid test indicates how quickly a company can meet its short term obligation using its most liquid assets or current assets (excluding inventory). Apart from Premier and Meghna cement all of the companies have a quick ratio over 1 in 2015. A quick ratio less than 1 means it cannot meet its short term obligations so the investors need to consider before investing in these two companies.

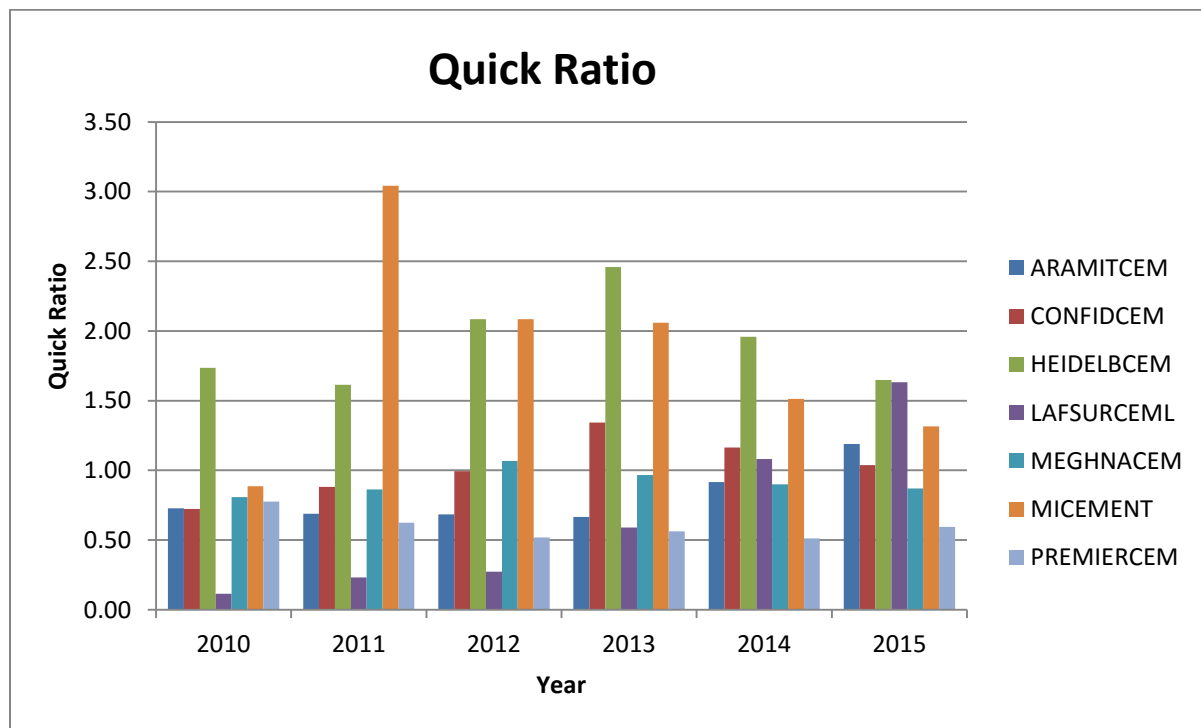


Figure: Quick Ratio in bar diagram

Debt Equity Ratio

	2010	2011	2012	2013	2014	2015
CEMENT	1.831666	1.465948	1.381434	1.225713	1.168205	1.313972
ARAMITCEM	4.387462	3.577455	2.971111	2.731577	1.915492	2.71
CONFIDCEM	0.149393	0.255737	0.37303	0.453804	0.586811	0.62
HEIDELBCEM	0.006428	0.009421	0.011485	0.003136	0.007808	0.002197
LAFSURCEML	4.483302	1.514434	0.817472	0.332107	0.12936	0.075605
MEGHNACEM	3.04679	3.858391	3.2766	3.223545	3.026799	3.21
MICEMENT	0.143019	0.228177	0.63846	0.614532	0.816362	0.87
PREMIERCEM	0.605269	0.818017	1.581881	1.221288	1.6948	1.71

Table: D/E ratio comparison

The ratio is used to measure financial leverage of a company by dividing the total debt by total shareholder equity. The D/E ratio indicates how much debt a company is using to finance its assets relative to the value of shareholders' equity. The above table shows Meghna cement is highly leveraged which means the company is using more debt to support its assets than equity and bears more risk to its creditors.

The D/E ratio is one of the many metrics that investors use before investing in a stock.

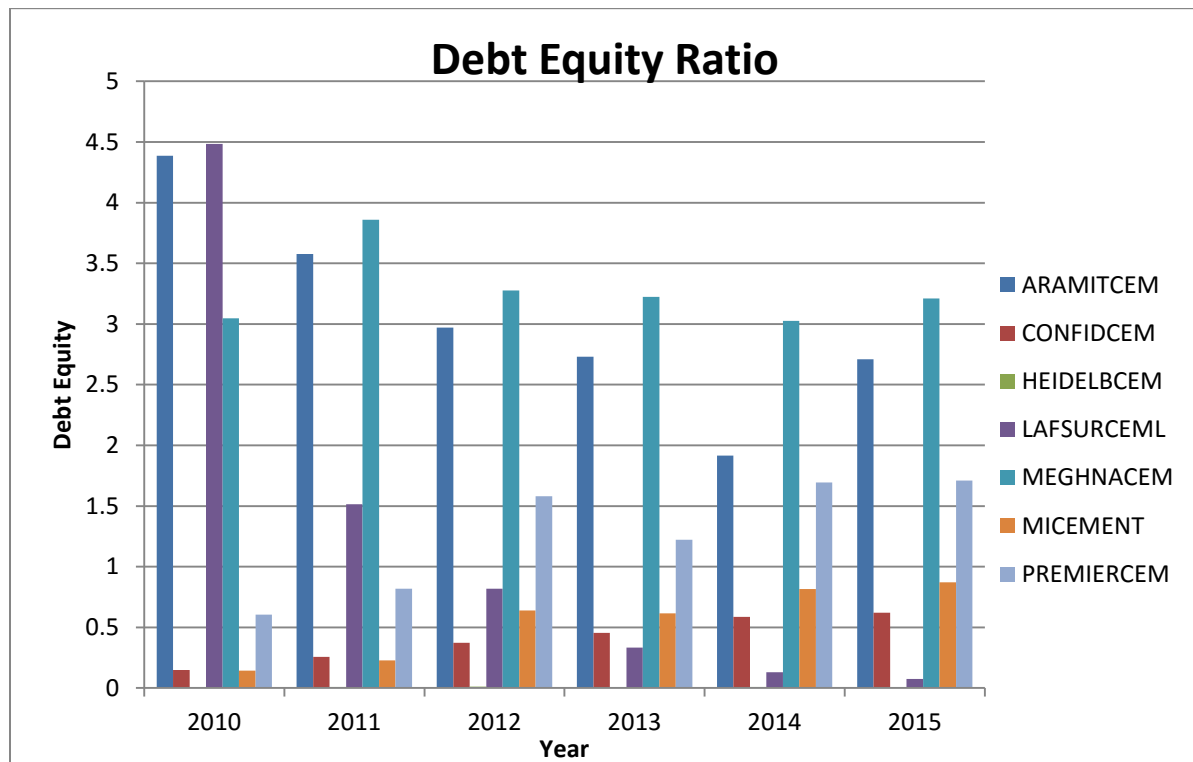


Figure: D/E ratio projection

Earnings per Share

	2010	2011	2012	2013	2014	2015
Aramitcem	5.67	3.30	3.03	2.56	0.45	0.49
Confidcem	8.08	6.58	9.86	7.36	5.32	7.25
Heidelbcm	17.68	13.26	22.85	26.09	20.87	24.81
Meghnacem	2.03	2.96	6.28	5.23	4.48	2.84
MICement	4.74	4.36	4.19	4.48	4.54	4.37
Premiercem	4.43	3.67	1.87	4.73	4.83	3.88
Lafsurceml	-2.92	0.12	1.60	2.19	2.43	1.97
Ind. Avg.	5.67	4.89	7.10	7.52	6.13	6.52

Table: EPS comparison

EPS is one of the stock market ratio most commonly used by investors. It is derived by dividing net profit by total number of common shares outstanding. The above table shows that only Confidence and Heidelberg has an EPS over the industry but because Hielderberg has very high EPS it has also pushed the overall industry average higher. So we cannot say for sure whether the other companies are not doing well in terms of earning. Only Aramit has lower earning since its Net income has dropped over the years.

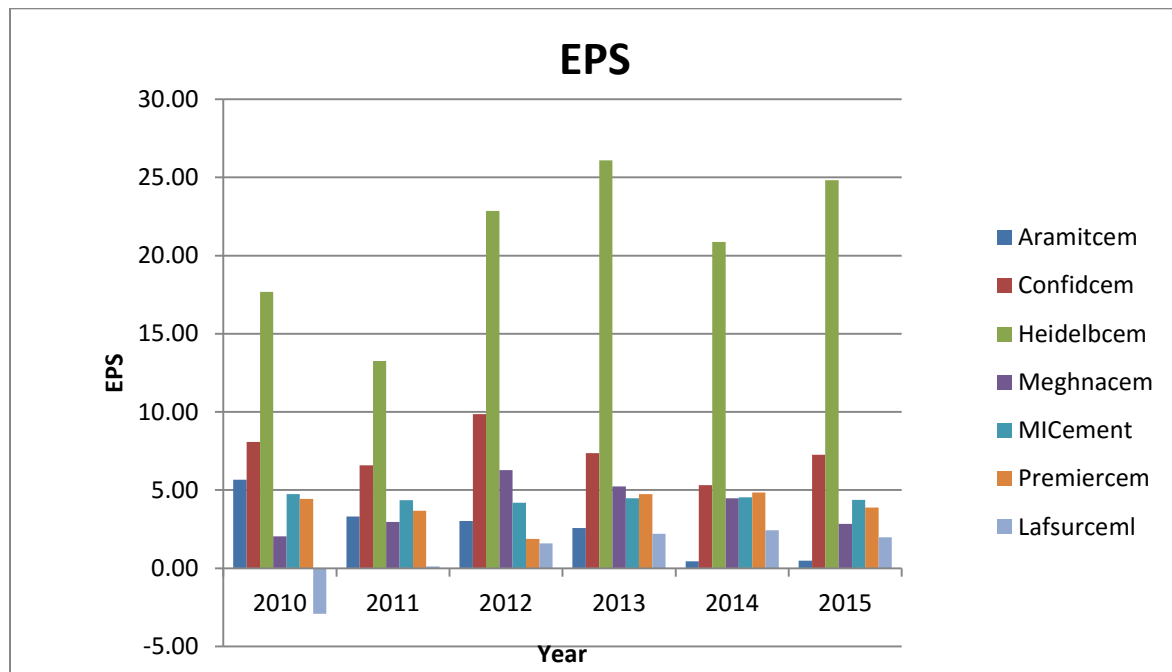


Figure: EPS projection

ROE

	2010	2011	2012	2013	2014	2015
CEMENT	11%	13%	17%	16%	13%	13%
ARAMITCEM	60%	28%	22%	16%	3%	3%
CONFIDCEM	10%	10%	17%	12%	8%	11%
HEIDELBCEM	21%	14%	20%	20%	18%	23%
LAFSURCEML	-61%	2%	22%	23%	21%	17%
MEGHNACEM	7%	10%	19%	16%	12%	16%
MICEMENT	25%	9%	10%	12%	12%	11%
PREMIERCEM	18%	16%	8%	16%	15%	12%

Table: ROE comparison

The ratio indicates how profitable a company is to its investors. It indicates how much the shareholder of a company will earn for every 100 taka invested in the company. The industry average in 2015 is 13. Only Hiedelberg, Lafarge and Megha Cement give more than the industry average. Investors can take this into consideration and think of investing in the profitable but there are of course other factors that come into the equation.

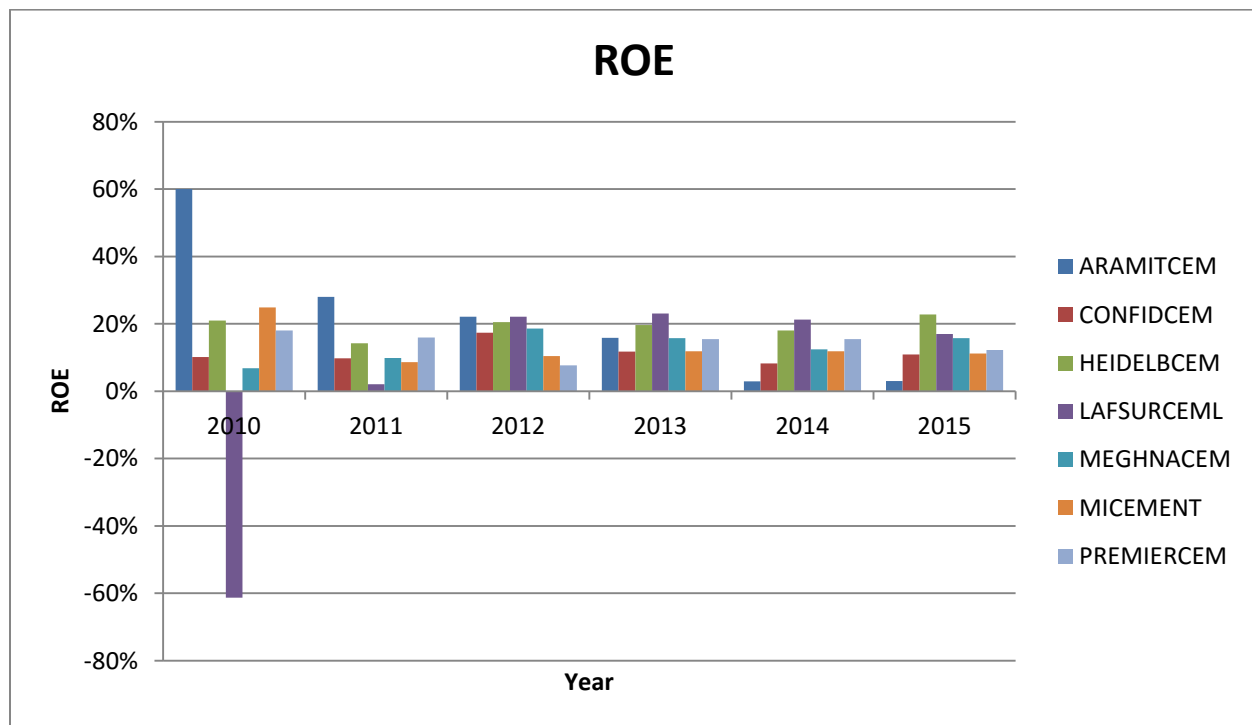


Figure: ROE Projection

Conclusion

The opportunity for cement industry is immense as Bangladesh emerges as the new “Asian Tigers” with per capita income now rises to approximately 1650 USD. The per capita cement consumption is still below 200kgs which could rise up to 500 kgs in the coming years. Rapid urbanization, industrialization and infrastructural development will increase the consumption of cement in the coming days. Huge projects like Padma multipurpose bridge, metro rail, Purbachal satellite city will only add more fuel to the existing demand. Local companies will have the upper hand, as they outnumber the foreign companies in the top 10 most productive companies. Not only it will fuel the economy it will create employment opportunities, earn foreign currency through import and make a mark in the cement industry around the world. By using our geographical advantages new factories can be established on the banks of rivers if raw materials like the clinkers and gypsum can be ensured.

Bibliography

(2017). Retrieved from Lankabangla securities: http://www.lbsbd.com/SitePages/corporate_profile.aspx

lankabangla securities. (2017). Retrieved from <http://www.lbsbd.com/SitePages/Home.aspx#>

Lankabangla securities. (2017). Retrieved from http://www.lbsbd.com/SitePages/business_philosophy.aspx

Lankabangla securities. (2017). Retrieved from http://www.lbsbd.com/SitePages/contact_us.aspx

Lankabangla securities. (2017). Retrieved from <http://www.lbsbd.com/SitePages/directors.aspx>

Lankabangla securities. (2010-2015). *Annual report*. Dhaka: Lankabangla securities.

Urbanization in Bangladesh. (2017). Retrieved from <https://sites.google.com/site/bdguiber/home/6-english/bangladesh/emerging-bangladesh/-urbanization-in-bangladesh>

Appendix:

Revenue

	2010	2011	2012	2013	2014	2015
CEMENT	3902.642	4483.038	6065.685	6270.432	6516.474	6690.538
ARAMITCEM	917.6335	978.1932	1102.098	871.4052	623.6989	863.4843
CONFIDCEM	1718.921	2240.791	3271.923	3481.284	3634.989	3637.271
HEIDELBCEM	8321.77	8516.2	10885.15	9956.635	10504.5	10485.08
LAFSURCEML	5655.374	6098.478	10640.06	11330.37	11583.03	10967.95
MEGHNACEM	5715.17	6097.247	6613.816	5006.965	3738.883	4517.035
MICEMENT	3127.353	4022.271	5657.601	6829.697	7990.643	8264.241
PREMIERCEM	1862.271	3428.084	4289.148	6416.662	7539.575	8098.701

Gross Profit Comparison

	2010	2011	2012	2013	2014	2015
CEMENT	800.2625	766.9877	1452.445	1726.978	1674.722	1709.394
ARAMITCEM	223.3413	210.4441	237.0809	218.3775	178.4223	234.0333
CONFIDCEM	287.9595	375.5782	639.1237	812.6459	701.6565	679.8346
HEIDELBCEM	2169.733	1506.252	2257.636	2488.046	2205.102	2746.612
LAFSURCEML	1107.942	1100.28	4729.113	5249.151	5013.83	4471.487
MEGHNACEM	592.1311	650.597	806.0061	652.2865	551.1851	631.2261
MICEMENT	759.6305	823.7524	895.8687	1357.588	1510.697	1677.43
PREMIERCEM	461.0998	702.0099	602.2856	1310.752	1562.162	1525.135

Net Profit Comparison

	2010	2011	2012	2013	2014	2015
CEMENT	28.47021	286.9195	645.8583	810.9548	791.2313	736.5348
ARAMITCEM	79.35546	50.77323	51.25259	43.44193	15.23062	16.48702
CONFIDCEM	263.3449	246.588	443.7984	331.0729	239.2791	326.1401
HEIDELBCEM	999.047	748.983	1291.083	1474.078	1179.383	1401.983
LAFSURCEML	-1697.36	133.124	1853.434	2546.099	2819.798	2289.534
MEGHNACEM	45.63706	66.51977	141.3582	117.6495	100.7601	63.84098
MICEMENT	332.1079	435.9358	565.7606	665.1747	674.3892	648.841
PREMIERCEM	177.1622	326.5125	174.3215	499.1676	509.7791	408.9176

Debt Equity Ratio

	2010	2011	2012	2013	2014	2015
CEMENT	1.831666	1.465948	1.381434	1.225713	1.168205	1.313972
ARAMITCEM	4.387462	3.577455	2.97111	2.731577	1.915492	2.71
CONFIDCEM	0.149393	0.255737	0.37303	0.453804	0.586811	0.62
HEIDELBCEM	0.006428	0.009421	0.011485	0.003136	0.007808	0.002197
LAFSURCEML	4.483302	1.514434	0.817472	0.332107	0.12936	0.075605
MEGHNACEM	3.04679	3.858391	3.2766	3.223545	3.026799	3.21
MICEMENT	0.143019	0.228177	0.63846	0.614532	0.816362	0.87
PREMIERCEM	0.605269	0.818017	1.581881	1.221288	1.6948	1.71

ROE

	2010	2011	2012	2013	2014	2015
CEMENT	11%	13%	17%	16%	13%	13%
ARAMITCEM	60%	28%	22%	16%	3%	3%
CONFIDCEM	10%	10%	17%	12%	8%	11%
HEIDELBCEM	21%	14%	20%	20%	18%	23%
LAFSURCEML	-61%	2%	22%	23%	21%	17%
MEGHNACEM	7%	10%	19%	16%	12%	16%
MICEMENT	25%	9%	10%	12%	12%	11%
PREMIERCEM	18%	16%	8%	16%	15%	12%

ROA

	2010	2011	2012	2013	2014	2015
CEMENT	7%	5%	7%	8%	6%	7%
ARAMITCEM	8%	4%	3%	3%	1%	1%
CONFIDCEM	8%	7%	11%	7%	5%	6%
HEIDELBCEM	14%	9%	14%	14%	12%	13%
LAFSURCEML	-9%	1%	10%	13%	14%	14%
MEGHNACEM	1%	2%	3%	3%	3%	4%
MICEMENT	15%	6%	6%	7%	6%	6%
PREMIERCEM	9%	8%	3%	6%	5%	4%

Quick Ratio

	2010	2011	2012	2013	2014	2015
CEMENT	0.82	1.14	1.10	1.24	1.15	1.18
ARAMITCEM	0.73	0.69	0.68	0.67	0.92	1.19
CONFIDCEM	0.72	0.88	0.99	1.34	1.16	1.04
HEIDELBCEM	1.74	1.61	2.08	2.46	1.96	1.65
LAFSURCEML	0.11	0.23	0.27	0.59	1.08	1.63
MEGHNACEM	0.81	0.86	1.07	0.97	0.90	0.87
MICEMENT	0.89	3.04	2.08	2.06	1.51	1.32
PREMIERCEM	0.78	0.62	0.52	0.56	0.51	0.59

EPS

	2010	2011	2012	2013	2014	2015
Aramitcem	5.67	3.30	3.03	2.56	0.45	0.49
Confidcem	8.08	6.58	9.86	7.36	5.32	7.25
Heidelbcm	17.68	13.26	22.85	26.09	20.87	24.81
Meghnacem	2.03	2.96	6.28	5.23	4.48	2.84
MICement	4.74	4.36	4.19	4.48	4.54	4.37
Premiercem	4.43	3.67	1.87	4.73	4.83	3.88
Lafsurceml	-2.92	0.12	1.60	2.19	2.43	1.97
Ind. Avg.	5.67	4.89	7.10	7.52	6.13	6.52