

### Industry average ratio comparison with Brain Station 23 PLC

Sl.	Financial Ratio	30-Sep-23		30-Jun-23		30-Jun-22		30-Jun-21		30-Jun-20		30-Jun-19	
		BS23	Industry Avg.	BS23	Industry Avg.	BS23	Industry Avg.	BS23	Industry Avg.	BS23	Industry Avg.	BS23	Industry Avg.
Liquidity Ratios													
1	Current Ratio	3.56	2.29	3.39	2.30	3.29	3.43	2.17	3.48	2.62	2.52	3.00	6.09
2	Quick Ratio	3.42	1.21	3.25	1.12	2.37	1.75	1.97	2.00	2.34	1.24	2.51	4.46
Operating Efficiency Ratios													
1	Accounts Receivable Turnover Ratio (In times)	1.79	0.61	8.15	2.38	7.49	2.53	7.21	3.02	5.99	4.68	7.61	5.74
2	Inventory Turnover Ratio (In times)	403.92	29.75	801.71	110.26	76.49	119.31	30.40	42.52	118.15	68.16	48.94	63.72
3	Asset Turnover Ratio (In times)	0.31	0.10	1.42	0.30	1.57	0.30	1.74	0.29	2.01	0.28	3.40	0.28
Profitability Ratios													
1	Gross Margin Ratio %	31%	29%	29%	33%	28%	35%	26%	37%	25%	40%	26%	43%
2	Operating Profit Ratio %	19%	22%	17%	22%	17%	23%	13%	25%	11%	27%	10%	32%
3	Net Profit Ratio %	25%	17%	23%	19%	20%	20%	20%	22%	13%	24%	9%	30%
4	Return on Assets Ratio (ROA) %	7.74%	1.6%	32.33 %	5.7%	31.90 %	5.9%	34.55 %	6.4%	26.32%	6.6%	32.17 %	8.3%
5	Return on Equity Ratio (After Tax) %	9.96%	1.9%	36.29 %	6.5%	39.55 %	6.6%	46.82 %	6.7%	35.36%	7.0%	36.77 %	8.8%
6	Earnings Per Share Ratio (EPS)	1.92	0.45	6.42	1.45	4.36	1.43	3.09	1.40	1.31	1.24	0.89	1.45
7	EBITDA Margin	29%	30%	27%	34%	25%	36%	23%	43%	16%	47%	11%	53%
Solvency Ratios													
1	Debt to total Assets Ratio	0.08	0.12	0.10	0.11	0.06	0.07	0.15	0.09	0.11	0.09	N/A	0.05
2	Debt to Equity Ratio	0.11	0.14	0.13	0.13	0.09	0.08	0.26	0.10	0.20	0.10	N/A	0.05
3	Times Interest Earned Ratio	58.37	5.27	54.13	6.62	72.70	7.68	90.06	8.71	N/A	8.38	N/A	37.40
4	Debt Service Coverage Ratio	2.36	5.09	6.91	6.31	9.98	7.45	3.85	8.05	4.65	8.07	N/A	36.33
Cash Flow Ratios													
1	Net Operating Cash Flow Per Share	1.03	(0.78)	10.80	1.41	4.06	2.12	15.81	0.03	17.62	1.35	35.97	1.93
2	Net Operating Cash Flow Per Share/Earnings Per Share (EPS)	0.54	(1.73)	1.68	0.97	0.93	1.48	5.12	0.02	13.46	0.87	40.31	1.06

eGeneration Limited has been taken as industry peer because of its nature of business and relativity. Industry average ratios are calculated on the basis of financial data collected from Quarterly report as on 30 September 2023 and Annual Report for the year ended 30 June 2023, 2022, 2021, 2020 and 2019.

#### Note:

1. The company considered as peer of BS23 is listed in the Stock Exchanges of Bangladesh, which are Dhaka Stock Exchange Limited and Chittagong Stock Exchange PLC.
2. We have considered the company listed under IT Sector only to make the comparison more relevant.
3. Data used here is taken from Dhaka Stock Exchange Limited and last published annual Financial Statements, available on 11 January, 2024.
4. Negative as well as outlier figures have not been considered to avoid distortion.
5. Annually published data of the company has been considered.

## Analysis:

Sl.	Financial Ratio	30-Sep-23		
		BS23	Industry Avg.	Remark/ Explanation
Liquidity Ratios				
1	Current Ratio	3.56	2.29	BS23L'S Current Ratio is higher than the industry average current ratio because of relatively lower current liabilities.
2	Quick Ratio	3.42	1.21	BS23'S Ratio is higher than the industry average ratio as quick assets are relatively higher.
Operating Efficiency Ratios				
1	Accounts Receivable Turnover Ratio (In times)	1.79	0.61	BS23'S Ratio is higher as collection period is lower than the average industry.
2	Inventory Turnover Ratio (In times)	403.92	29.75	BS23'S Ratio is higher because of relatively low inventory level.
3	Asset Turnover Ratio (In times)	0.31	0.10	BS23'S Ratio is better than the industry average ratio as BS23 generates sales with a relatively small amount of fixed assets. This indicates that the company has ability to generate more revenue by using one unit of asset.
Profitability Ratios				
1	Gross Margin Ratio %	31%	29%	BS23'S Ratio is higher than the industry average ratio because of lower cost of sales.
2	Operating Profit Ratio %	19%	22%	BS23'S Ratio is lower than the industry average ratio because of higher operating expenses.
3	Net Profit Ratio %	25%	17%	BS23'S Ratio is higher than the industry average ratio because of higher non-operating income.
4	Return on Assets Ratio (ROA) %	7.74%	1.6%	BS23'S Ratio is higher than the industry average ratio because of higher net profit.
5	Return on Equity Ratio (After Tax) %	9.96%	1.9%	BS23'S Ratio is better than the industry average ratio because of higher net profit implying that the management of the company is using it's net assets more effectively than that of competitors.
6	Earnings Per Share Ratio (EPS)	1.92	0.45	BS23'S Ratio is higher than the industry average ratio because of higher net profit.
7	EBITDA Margin	29%	30%	BS23'S Ratio is lower than the industry average ratio because of higher operating expenses.
Solvency Ratios				
1	Debt to total Assets Ratio	0.08	0.12	BS23'S Ratio is lower because of relatively low debt.
2	Debt to Equity Ratio	0.11	0.14	BS23'S Ratio is lower because of relatively lower debt.
3	Times Interest Earned Ratio	58.37	5.27	BS23'S Ratio is higher than the industry average ratio as operating profit is relatively high and the company is near to debt free.
4	Debt Service Coverage Ratio	2.36	5.09	BS23'S Ratio is lower because of relatively higher debt service.
Cash Flow Ratios				
1	Net Operating Cash Flow Per Share	1.03	(0.78)	BS23'S Ratio is higher than the industry average ratio as net operating cash flow is relatively higher.
2	Net Operating Cash Flow Per Share/Earnings Per Share (EPS)	0.54	(1.73)	BS23'S Ratio is higher than the industry average ratio as net operating cash flow is relatively higher.

Sl.	Financial Ratio	30-Jun-23		
		BS23	Industry Avg.	Remark/ Explanation
Liquidity Ratios				
1	Current Ratio	3.39	2.30	BS23L'S Current Ratio is higher than the industry average current ratio because of relatively lower current liabilities.
2	Quick Ratio	3.25	1.12	BS23'S Ratio is higher than the industry average ratio as quick assets are relatively higher.
Operating Efficiency Ratios				
1	Accounts Receivable Turnover Ratio (In times)	8.15	2.38	BS23’S Ratio is higher as collection period is lower than the average industry.

Sl.	Financial Ratio	30-Jun-23		
		BS23	Industry Avg.	Remark/ Explanation
2	Inventory Turnover Ratio (In times)	801.71	110.26	BS23'S Ratio is higher because of relatively low inventory level.
3	Asset Turnover Ratio (In times)	1.42	0.30	BS23'S Ratio is better than the industry average ratio as BS23 generates sales with a relatively small amount of fixed assets. This indicates that the company has ability to generate more revenue by using one unit of asset.
<b>Profitability Ratios</b>				
1	Gross Margin Ratio %	29%	33%	BS23'S Ratio is lower than the industry average ratio because of higher cost of sales.
2	Operating Profit Ratio %	17%	22%	BS23'S Ratio is lower than the industry average ratio because of lower operating profit.
3	Net Profit Ratio %	23%	19%	BS23'S Ratio is higher than the industry average ratio because of higher net profit.
4	Return on Assets Ratio (ROA) %	32.33%	5.7%	BS23'S Ratio is higher than the industry average ratio because of higher net profit.
5	Return on Equity Ratio (After Tax) %	36.29%	6.5%	BS23'S Ratio is better than the industry average ratio because of higher net profit implying that the management of the company is using it's net assets more effectively than that of competitors.
6	Earnings Per Share Ratio (EPS)	6.42	1.45	BS23'S Ratio is higher than the industry average ratio because of higher net profit.
7	EBITDA Margin	27%	34%	BS23'S Ratio is lower than the industry average ratio because of lower operating profit.
<b>Solvency Ratios</b>				
1	Debt to total Assets Ratio	0.10	0.11	BS23'S Ratio is lower because of relatively low debt.
2	Debt to Equity Ratio	0.13	0.13	BS23'S Ratio is in line with the industry average ratio.
3	Times Interest Earned Ratio	54.13	6.62	BS23'S Ratio is higher than the industry average ratio as operating profit is relatively high and the company is near to debt free.
4	Debt Service Coverage Ratio	6.91	6.31	BS23'S Ratio is higher because of relatively low debt service.
<b>Cash Flow Ratios</b>				
1	Net Operating Cash Flow Per Share	10.80	1.41	BS23'S Ratio is higher than the industry average ratio as net operating cash flow is relatively higher.
2	Net Operating Cash Flow Per Share/Earnings Per Share (EPS)	1.68	0.97	BS23'S Ratio is higher than the industry average ratio as net operating cash flow is relatively higher.

Sl.	Financial Ratio	30-Jun-22		
		BS23	Industry Avg.	Remark/ Explanation
Liquidity Ratios				
1	Current Ratio	3.29	3.43	BS23L'S Current Ratio is lower than the industry average current ratio because of relatively higher current liabilities.
2	Quick Ratio	2.37	1.75	BS23'S Ratio is higher than the industry average ratio as quick assets are relatively higher.
Operating Efficiency Ratios				
1	Accounts Receivable Turnover Ratio (In times)	7.49	2.53	BS23'S Ratio is higher as collection period is lower than the average industry.
2	Inventory Turnover Ratio (In times)	76.49	119.31	BS23'S Ratio is lower because of relatively higher inventory level.
3	Asset Turnover Ratio (In times)	1.57	0.30	BS23'S Ratio is better than the industry average ratio as BS23 generates sales with a relatively small amount of fixed assets. This indicates that the company has ability to generate more revenue by using one unit of asset.
Profitability Ratios				
1	Gross Margin Ratio %	28%	35%	BS23'S Ratio is lower than the industry average ratio because of higher cost of sales.
2	Operating Profit Ratio %	17%	23%	BS23'S Ratio is lower than the industry average ratio because of lower operating profit.

Sl.	Financial Ratio	30-Jun-22		
		BS23	Industry Avg.	Remark/ Explanation
3	Net Profit Ratio %	20%	20%	BS23'S Ratio is in line with the industry average ratio.
4	Return on Assets Ratio (ROA) %	31.90%	5.9%	BS23'S Ratio is higher than the industry average ratio because of higher net profit.
5	Return on Equity Ratio (After Tax) %	39.55%	6.6%	BS23'S Ratio is better than the industry average ratio because of higher net profit implying that the management of the company is using it's net assets more effectively than that of competitors.
6	Earnings Per Share Ratio (EPS)	4.36	1.43	BS23'S Ratio is higher than the industry average ratio because of higher net profit.
7	EBITDA Margin	25%	36%	BS23'S Ratio is lower than the industry average ratio because of lower operating profit.
<b>Solvency Ratios</b>				
1	Debt to total Assets Ratio	0.06	0.07	BS23'S Ratio is lower because of relatively low debt.
2	Debt to Equity Ratio	0.09	0.08	BS23'S Ratio is lower because of relatively lower debt.
3	Times Interest Earned Ratio	72.70	7.68	BS23'S Ratio is higher than the industry average ratio as operating profit is relatively high and the company is near to debt free.
4	Debt Service Coverage Ratio	9.98	7.45	BS23'S Ratio is higher because of relatively low debt service.
<b>Cash Flow Ratios</b>				
1	Net Operating Cash Flow Per Share	4.06	2.12	BS23'S Ratio is higher than the industry average ratio as net operating cash flow is relatively higher.
2	Net Operating Cash Flow Per Share/Earnings Per Share (EPS)	0.93	1.48	BS23'S Ratio is lower than the industry average ratio as net operating cash flow is relatively low.

Sl.	Financial Ratio	30-Jun-21		
		BS23	Industry Avg.	Remark/ Explanation
Liquidity Ratios				
1	Current Ratio	2.17	3.48	BS23L'S Current Ratio is lower than the industry average current ratio because of relatively higher current liabilities.
2	Quick Ratio	1.97	2.00	BS23'S Ratio is lower than the industry average ratio as quick assets are relatively low.
Operating Efficiency Ratios				
1	Accounts Receivable Turnover Ratio (In times)	7.21	3.02	BS23'S Ratio is higher as collection period is lower than the average industry.
2	Inventory Turnover Ratio (In times)	30.40	42.52	BS23'S Ratio is lower because of relatively higher inventory level.
3	Asset Turnover Ratio (In times)	1.74	0.29	BS23'S Ratio is better than the industry average ratio as BS23 generates sales with a relatively small amount of fixed assets. This indicates that the company has ability to generate more revenue by using one unit of asset.
Profitability Ratios				
1	Gross Margin Ratio %	26%	37%	BS23'S Ratio is lower than the industry average ratio because of higher cost of sales.
2	Operating Profit Ratio %	13%	25%	BS23'S Ratio is lower than the industry average ratio because of lower operating profit.
3	Net Profit Ratio %	20%	22%	BS23'S Ratio is lower than the industry average ratio because of lower net profit.
4	Return on Assets Ratio (ROA) %	34.55%	6.4%	BS23'S Ratio is higher than the industry average ratio because of higher net profit.
5	Return on Equity Ratio (After Tax) %	46.82%	6.7%	BS23'S Ratio is better than the industry average ratio because of higher net profit implying that the management of the company is using it's net assets more effectively than that of competitors.
6	Earnings Per Share Ratio (EPS)	3.09	1.40	BS23'S Ratio is higher than the industry average ratio because of higher net profit.
7	EBITDA Margin	23%	43%	BS23'S Ratio is lower than the industry average ratio because of lower operating profit.
Solvency Ratios				

Sl.	Financial Ratio	30-Jun-21		
		BS23	Industry Avg.	Remark/ Explanation
1	Debt to total Assets Ratio	0.15	0.09	BS23'S Ratio is higher because of relatively high debt.
2	Debt to Equity Ratio	0.26	0.10	BS23'S Ratio is higher because of relatively higher debt.
3	Times Interest Earned Ratio	90.06	8.71	BS23'S Ratio is higher than the industry average ratio as operating profit is relatively high and the company is near to debt free.
4	Debt Service Coverage Ratio	3.85	8.05	BS23'S Ratio is lower because of relatively high debt service.
<b>Cash Flow Ratios</b>				
1	Net Operating Cash Flow Per Share	15.81	0.03	BS23'S Ratio is higher than the industry average ratio as net operating cash flow is relatively higher.
2	Net Operating Cash Flow Per Share/Earnings Per Share (EPS)	5.12	0.02	BS23'S Ratio is higher than the industry average ratio as net operating cash flow is relatively high.

Sl.	Financial Ratio	30-Jun-20		
		BS23	Industry Avg.	Remark/ Explanation
Liquidity Ratios				
1	Current Ratio	2.62	2.52	BS23L'S Current Ratio is higher than the industry average current ratio because of relatively lower current liabilities.
2	Quick Ratio	2.34	1.24	BS23'S Ratio is higher than the industry average ratio as quick assets are relatively higher.
Operating Efficiency Ratios				
1	Accounts Receivable Turnover Ratio (In times)	5.99	4.68	BS23'S Ratio is higher as collection period is lower than the average industry.
2	Inventory Turnover Ratio (In times)	118.15	68.16	BS23'S Ratio is higher because of relatively lower inventory level.
3	Asset Turnover Ratio (In times)	2.01	0.28	BS23'S Ratio is better than the industry average ratio as BS23 generates sales with a relatively small amount of fixed assets. This indicates that the company has ability to generate more revenue by using one unit of asset.
Profitability Ratios				
1	Gross Margin Ratio %	25%	40%	BS23'S Ratio is lower than the industry average ratio because of higher cost of sales.
2	Operating Profit Ratio %	11%	27%	BS23'S Ratio is lower than the industry average ratio because of lower operating profit.
3	Net Profit Ratio %	13%	24%	BS23'S Ratio is lower than the industry average ratio because of lower net profit.
4	Return on Assets Ratio (ROA) %	26.32%	6.6%	BS23'S Ratio is higher than the industry average ratio because of higher net profit.
5	Return on Equity Ratio (After Tax) %	35.36%	7.0%	BS23'S Ratio is better than the industry average ratio because of higher net profit implying that the management of the company is using it's net assets more effectively than that of competitors.
6	Earnings Per Share Ratio (EPS)	1.31	1.24	BS23'S Ratio is higher than the industry average ratio because of higher net profit.
7	EBITDA Margin	16%	47%	BS23'S Ratio is lower than the industry average ratio because of lower operating profit.
Solvency Ratios				
1	Debt to total Assets Ratio	0.11	0.09	BS23'S Ratio is higher because of relatively high debt.
2	Debt to Equity Ratio	0.20	0.10	BS23'S Ratio is higher because of relatively higher debt.
3	Times Interest Earned Ratio	N/A	8.38	The ratio cannot be compared as BS23 had no interest expense
4	Debt Service Coverage Ratio	4.65	8.07	BS23'S Ratio is lower because of relatively high debt service.
Cash Flow Ratios				
1	Net Operating Cash Flow Per Share	17.62	1.35	BS23'S Ratio is higher than the industry average ratio as net operating cash flow is relatively higher.
2	Net Operating Cash Flow Per Share/Earnings Per Share (EPS)	13.46	0.87	BS23'S Ratio is higher than the industry average ratio as net operating cash flow is relatively high.