

## Financial Information of BATBC:

<b>British American Tobacco Bangladesh Company Limited (BATBC)</b>			
<b>Information</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>Taka '000s</b>	<b>Taka '000s</b>	<b>Taka '000s</b>
Cost of goods sold	17,501,330	19,332,215	21,212,511
Average inventory	6,626,703	18,416,773	8,825,787
Credit sales	244,645	1,067,947	817,017
Average accounts receivables	770,917	1,268,867	1,047,165
Credit purchase	1,552,406	3,262,797	3,405,933
Average accounts payable	3,473,783	5,286,155	7,497,446
Net sales	92,080,380	107,482,387	122,499,153
Average working capital	9,561,749	12,503,538	15,491,130
Sales	109,581,710	126,804,602	143,711,664
Average fixed asset	8,513,167	10,265,872	12,841,796
Total asset	18,463,798	27,075,019	29,590,831

## Financial Information of CCL:

<b>Confidence Cement Limited (CCL)</b>			
<b>Information</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Cost of goods sold	2,765,198,852	3,028,576,709	4,633,055,191
Average inventory	296,834,041	314,857,993	388,992,591
Credit sales	137,307,229	172,214,943	4,379,153
Average accounts receivables	514,516,970	661,111,208	750,870,626
Credit purchase	32,122,440	95,939,136	66,158,654
Average accounts payable	183,827,541	132,076,001	177,731,332
Net sales	716,085,536	606,412,471	897,057,376
Average working capital	1,652,864,912	2,198,749,310	2,559,434,489
Sales	3,481,284,388	3,634,989,180	5,530,112,567
Average fixed asset	2,682,674,264	2,587,131,910	3,077,497,095
Total asset	4,587,102,041	5,061,452,990	6,245,999,864

## Activity Ratio Analysis:

Ratio Analysis				
	Name of Ratios	2013	2014	2015
BATBC	Inventory Turnover	2.641031	1.049707	2.4034696
	Average Holding Period	138.2036	347.7161	151.86379
	Receivable Turnover	0.317343	0.841654	0.780218
	Average Collection Period	1150.176	433.6699	467.81796
	Payable Turnover	0.446892	0.617234	0.4542791
	Payable Deferral Period	816.7521	591.3474	803.47082
	Working Capital Turnover	9.630077	8.596158	7.9076964
	Fixed Asset Turnover	12.87203	12.35205	11.190932
	Total Asset Turnover	5.93495	4.683454	4.8566282
CCL	Inventory Turnover	9.315639	9.618866	11.910394
	Average Holding Period	39.18142	37.94626	30.645501
	Receivable Turnover	0.266866	0.260493	0.0058321
	Average Collection Period	1367.726	1401.188	62584.655
	Payable Turnover	0.174742	0.726393	0.3722397
	Payable Deferral Period	2088.791	502.4825	980.55103
	Working Capital Turnover	0.433239	0.275799	0.3504905
	Fixed Asset Turnover	1.297692	1.405027	1.7969514
	Total Asset Turnover	0.758929	0.718171	0.8853847

## Activity Ratios:

Activity ratios measure a firm's ability to convert different accounts within its balance sheets into cash or sales. Activity ratios measure the relative efficiency of a firm based on its use of its assets, leverage or other such balance sheet items and are important in determining whether a company's management is doing a good enough job of generating revenues and cash from its resources.

Companies typically try to turn their production into cash or sales as fast as possible because this will generally lead to higher revenues, so analysts perform fundamental analysis by using common ratios such as the total assets turnover ratio and inventory turnover.

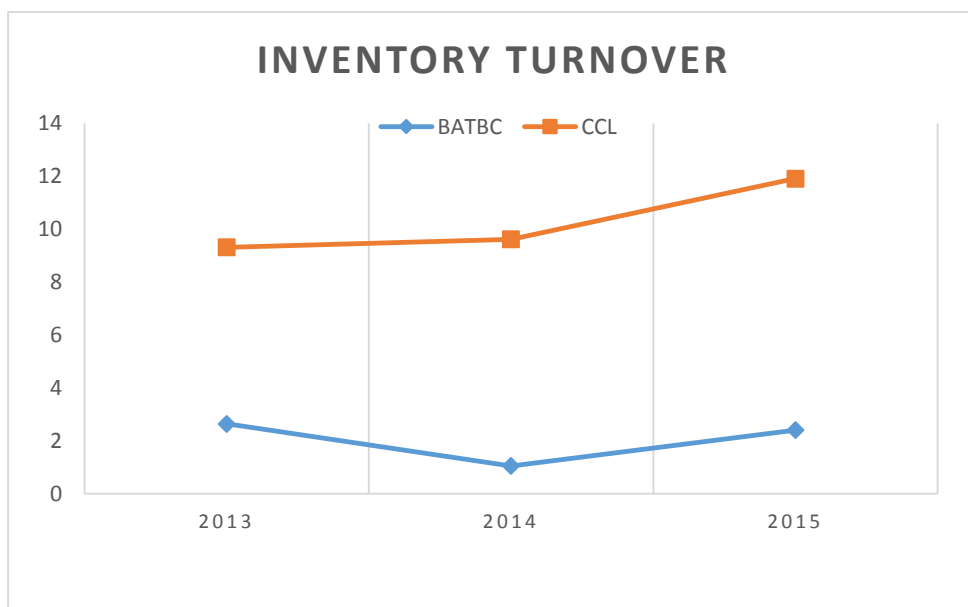
Activity ratios measure the amount of resources invested in a company's collection and inventory management. Because businesses typically operate using materials, inventory and debtors, activity ratios determine how well an organization manages these areas. Activity ratios are one major category in which a ratio may be classified; other ratios may be classified as measurements of liquidity, profitability or leverage.

Activity ratios gauge an organization's operational efficiency and profitability. Activity ratios are most useful when compared to competitor or industry to establish whether an entity's processes are favorable or unfavorable. Activity ratios can form a basis of comparison across multiple reporting periods to determine changes over time.

## Inventory Turnover:

Inventory turnover is a ratio showing how many times a company's inventory is sold and replaced over a period of time. The days in the period can then be divided by the inventory turnover formula to calculate the days it takes to sell the inventory on hand. It is calculated as sales divided by average inventory.

Inventory turnover measures how fast a company is selling inventory and is generally compared against industry averages. A low turnover implies weak sales and, therefore, excess inventory. A high ratio implies either strong sales and/or large discounts.



### BATBC

Inventory turnover of BATBC was 2.6410313 in 2013; 1.04970697 in 2014 and 2.40346963 in 2015, which is good.

### CCL

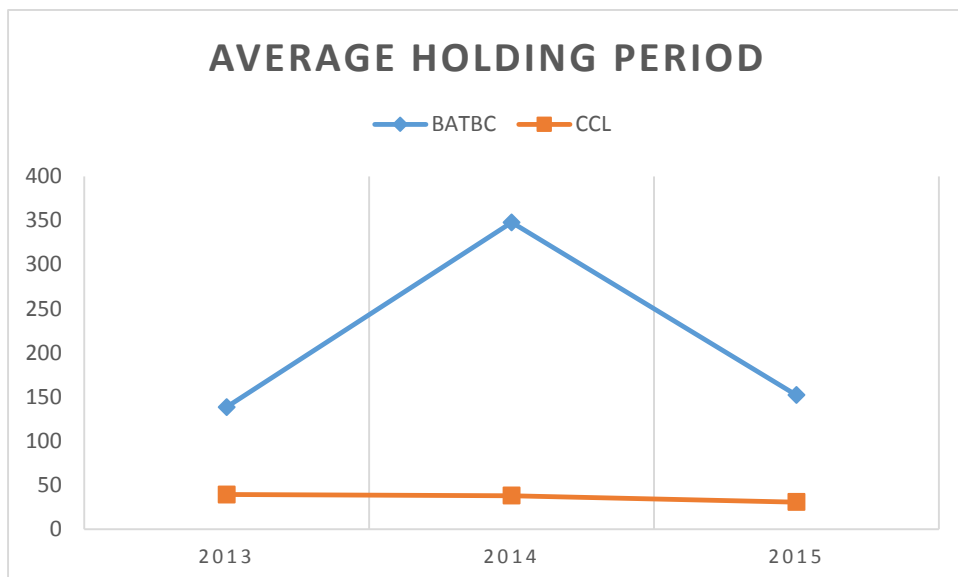
Inventory turnover of CCL was 9.3156393 in 2013; 9.61886557 in 2014 and 11.9103944 in 2015, which is good.

Comparatively CCL is in a better condition than BATBC.

### Average Holding Period:

The average holding period is the average number of days it takes for a firm to sell off inventory. The formula to calculate the average holding period is  $C/G \times 365$ , where C is the average cost of inventory at its present level, and G is the cost of goods sold (COGS).

Also referred to as days' sales in inventory (DSI), the average holding period is a metric that analysts use to determine the efficiency of sales. It tells the analyst how fast inventory is turning over at one company compared to another. The faster a company can sell inventory for a profit, the more profitable it is. However, a company could employ a strategy of maintaining higher levels of inventory for discounts or long-term planning efforts. While the metric can be used as a measure of efficiency, it should be confirmed with other measures of efficiency, such as gross profit margin, before making any conclusions.



#### BATBC

Average holding period of BATBC was 138.20359 in 2013; 347.716087 in 2014 and 151.863787 in 2015, which is not good.

#### CCL

Average holding period of CCL was 39.181423 in 2013; 37.9462627 in 2014 and 30.6455006 in 2015, which is good.

Comparatively CCL is in better position than BATBC.

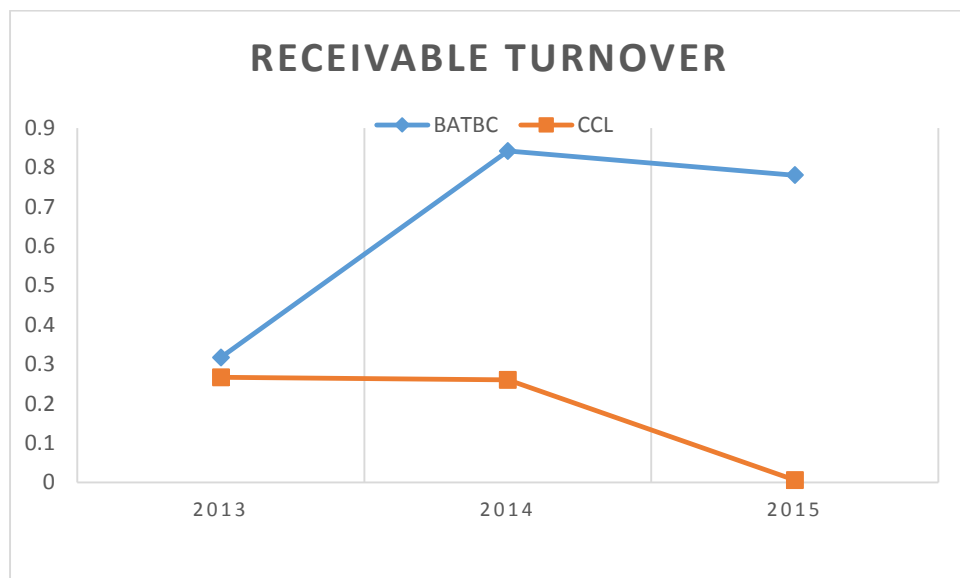
## Receivable Turnover:

An accounting measure used to quantify a firm's effectiveness in extending credit and in collecting debts on that credit. The receivables turnover ratio is an activity ratio measuring how efficiently a firm uses its assets.

Receivables turnover ratio can be calculated by dividing the net value of credit sales during a given period by the average accounts receivable during the same period. Average accounts receivable can be calculated by adding the value of accounts receivable at the beginning of the desired period to their value at the end of the period and dividing the sum by two.

The receivables turnover ratio is most often calculated on an annual basis, though this can be broken down to find quarterly or monthly accounts receivable turnover as well.

In essence, the receivables turnover ratio indicates the efficiency with which a firm manages the credit it issues to customers and collects on that credit. Because accounts receivable are moneys owed on a credit agreement without interest, by maintaining accounts receivable firms are indirectly extending interest-free loans to their clients. As such, because of the time value of money principle, a firm loses more money the longer it takes to collect on its credit sales.



### BATBC

Receivable turnover of BATBC was 0.3173429 in 2013; 0.84165401 in 2014 and 0.78021802 in 2015, which is good.

### CCL

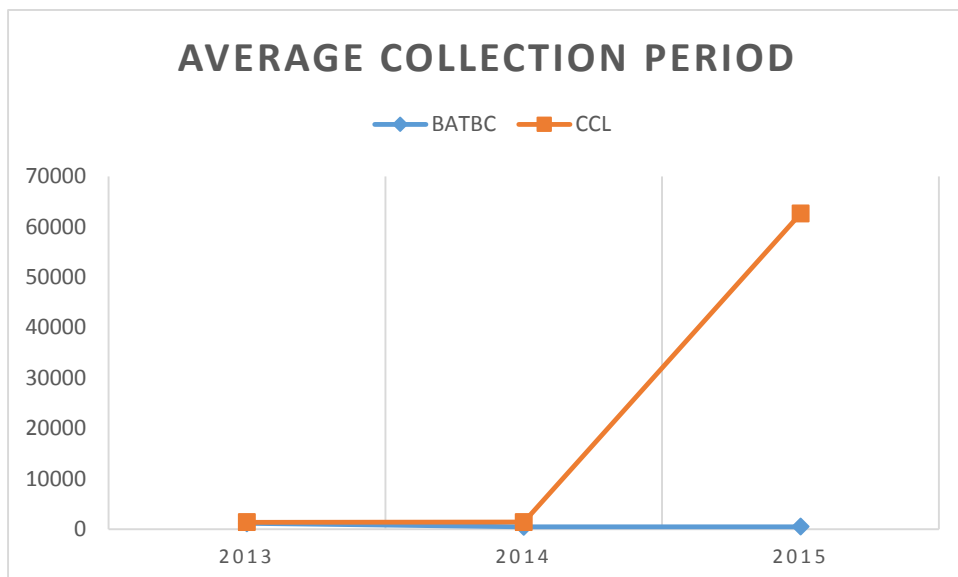
Receivable turnover of CCL was 0.2668663 in 2013; 0.26049315 in 2014 and 0.0058321 in 2015, which is not good

Comparatively BATBC is better than CCL.

## Average Collection Period:

The average collection period is the approximate amount of time that it takes for a business to receive payments owed in terms of accounts receivable. The average collection period is calculated by dividing the average balance of accounts receivable by total net credit sales for the period and multiplying the quotient by the number of days in the period.

The average collection period represents the average number of days between the date a credit sale is made and the date payment is received from the credit sale. The average balance of accounts receivable is calculated by adding the beginning balance in accounts receivable and ending balance in accounts receivable and dividing the total by 2. When calculating the average collection period for an entire year, 360 may be used as the number of days in one year for simplicity.



### BATBC

Average collection period of BATBC was 1150.1756 in 2013; 433.669887 in 2014 and 467.817959 in 2015, which is good.

### CCL

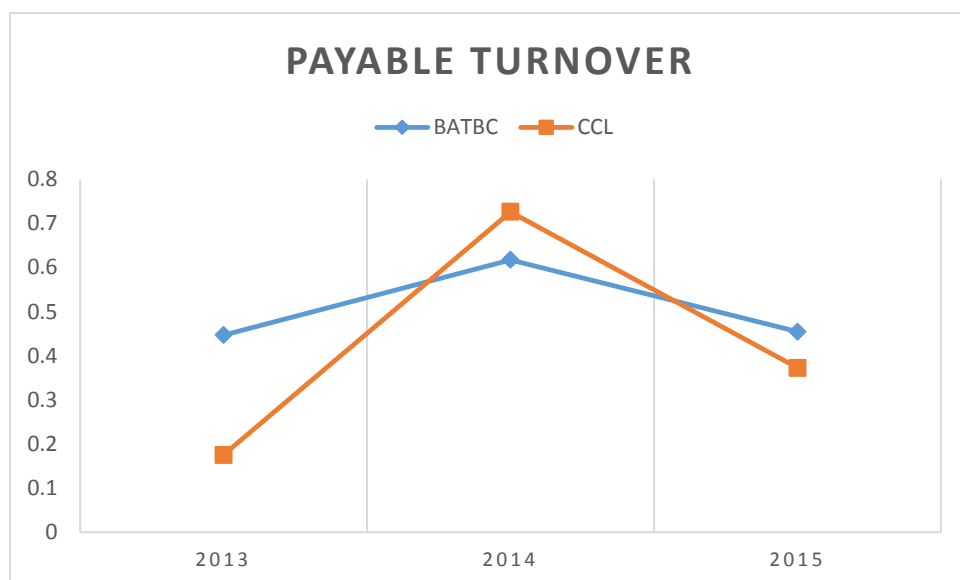
Average collection period of CCL was 1367.7262 in 2013; 1401.18846 in 2014 and 62584.6547 in 2015, which is not good.

Comparatively BATBC is in better condition than CCL.

## Payable Turnover:

The accounts payable turnover ratio is a short-term liquidity measure used to quantify the rate at which a company pays off its suppliers. Accounts payable turnover ratio is calculated by taking the total purchases made from suppliers, or cost of sales, and dividing it by the average accounts payable amount during the same period.

The measure shows investors how many times per period the company pays its average payable amount. Accounts payable, also known as payables, represents short-term debt obligations that a company must pay off. The accounts payable is listed under a company's current liabilities on its balance sheet. Accounts payable are also part of households because people may be subject to pay off their short-term debt provided by creditors, such as credit card companies.



### BATBC

Payable turnover of BATBC was 0.446892 in 2013; 0.61723445 in 2014 and 0.4542791 in 2015, which is good.

### CCL

Payable turnover of CCL was 0.1747423 in 2013; 0.7263934 in 2014 and 0.37223968 in 2015, which is good.

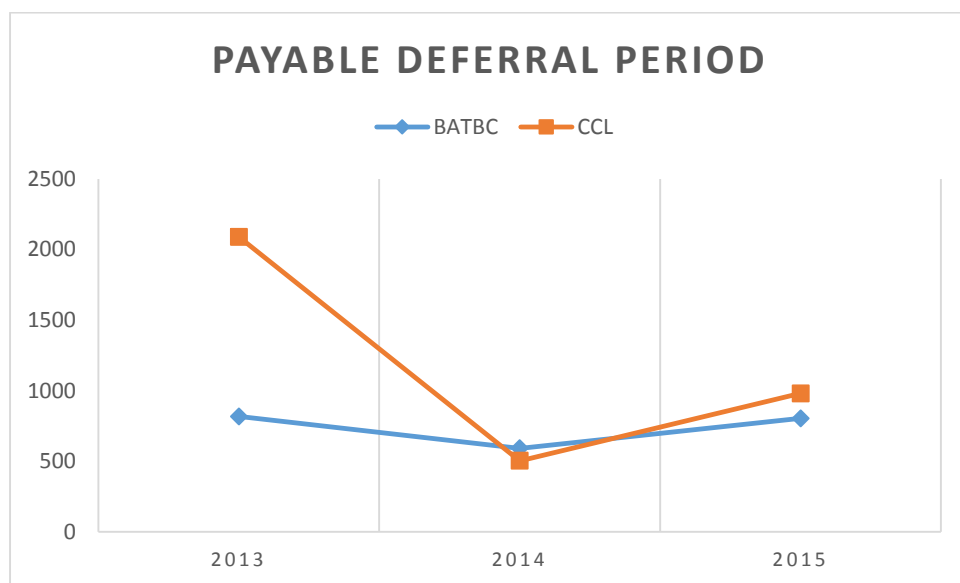
Comparatively CCL is in better condition than BATBC.



## Payable Deferral Period:

Days payable outstanding (DPO) is a company's average payable period. Days payable outstanding tells how long it takes a company to pay its invoices from trade creditors, such as suppliers. DPO is typically looked at either quarterly or yearly.

Companies must strike a delicate balance with DPO. The longer they take to pay their creditors, the more money the company has on hand, which is good for working capital and free cash flow. But if the company takes too long to pay its creditors, the creditors will be unhappy. They may refuse to extend credit in the future, or they may offer less favourable terms. Also, because some creditors give companies a discount for timely payments, the company may be paying more than it needs to for its supplies. If cash is tight, however, the cost of increasing DPO may be less than the cost of foregoing that cash earlier and having to borrow the shortfall to continue operations.



### BATBC

Payable deferral period of BATBC was 816.75206 in 2013; 591.347416 in 2014 and 803.470823 in 2015, which is good.

### CCL

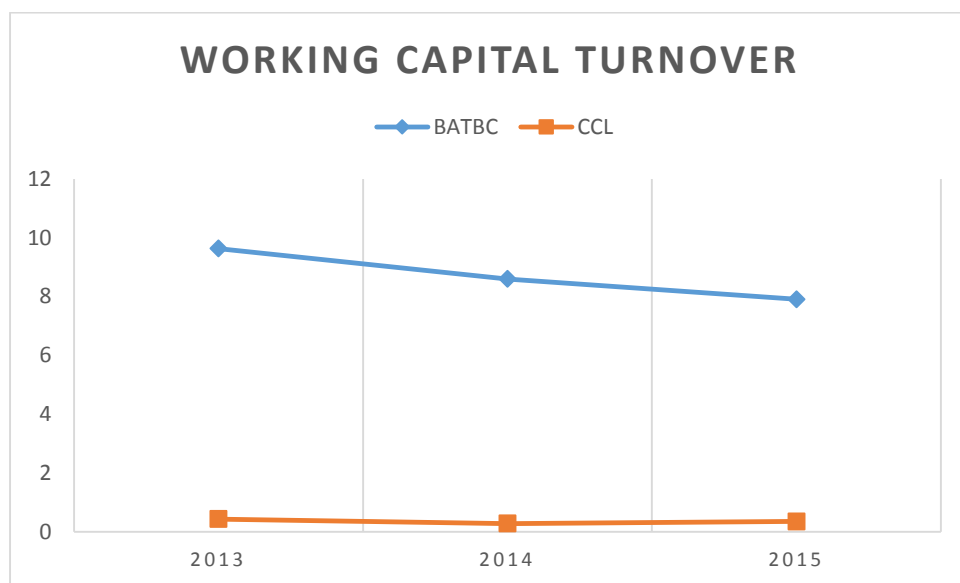
Payable deferral period of CCL was 2088.7907 in 2013; 502.482536 in 2014 and 980.551028 in 2015, which is good.

Comparatively CCL is in better condition than BATBC.

## Working Capital Turnover:

Working capital turnover is a measurement comparing the depletion of working capital used to fund operations and purchase inventory, which is then converted into sales revenue for the company. The working capital turnover ratio is used to analyze the relationship between the money that funds operations and the sales generated from these operations.

The working capital turnover ratio measures how well a company is utilizing its working capital for supporting a given level of sales. Because working capital is current assets minus current liabilities, a high turnover ratio shows that management is being very efficient in using a company's short-term assets and liabilities for supporting sales. In contrast, a low ratio shows a business is investing in too many accounts receivable (AR) and inventory assets for supporting its sales. This may lead to an excessive amount of bad debts and obsolete inventory.



### BATBC

Working capital turnover of BATBC was 9.6300771 in 2013; 8.5961579 in 2014 and 7.9076964 in 2015, which is good.

### CCL

Working capital turnover of CCL was 0.433239 in 2013; 0.27579882 in 2014 and 0.35049046 in 2015, which is not good.

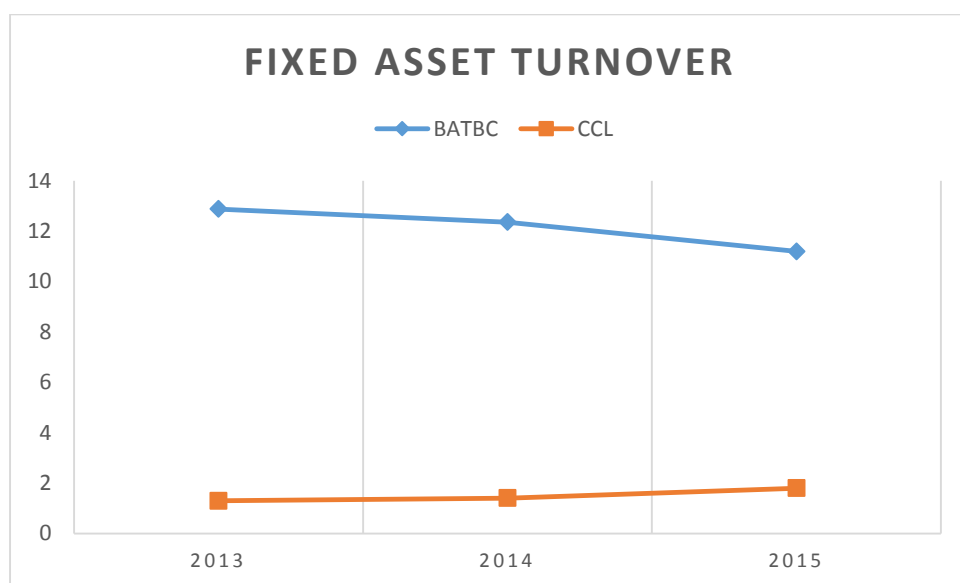
Comparatively BATBC is in better condition than CCL.

## Fixed Asset Turnover:

The fixed-asset turnover ratio is, in general, used by analysts to measure operating performance. It is a ratio of net sales to fixed assets. This ratio specifically measures how able a company is to generate net sales from fixed-asset investments, namely property, plant and equipment (PP&E), net of depreciation. In a general sense, a higher fixed-asset turnover ratio indicates that a company has more effectively utilized investment in fixed assets to generate revenue.

The fixed-asset turnover ratio is commonly used as a metric in manufacturing industries that make substantial purchases for PP&E in order to drive up output. When a company makes such significant purchases, wise investors closely monitor this ratio in subsequent years, to observe the effectiveness of such an investment in fixed assets.

In general, investments in fixed assets are representative of the sole, largest component of the company's total assets. The ratio, calculated on an annual basis, is constructed in a way that is purposeful in reflecting how efficiently a company, primarily the company's management team, has used these substantial assets to generate revenue for the firm.



### BATBC

Fixed asset turnover of BATBC was 12.872026 in 2013; 12.3520537 in 2014 and 11.1909319 in 2015, which is good.

### CCL

Fixed asset turnover of CCL was 1.2976918 in 2013; 1.40502661 in 2014 and 1.79695135 in 2015, which is good.

Comparatively BATBC is in good condition than CCL.

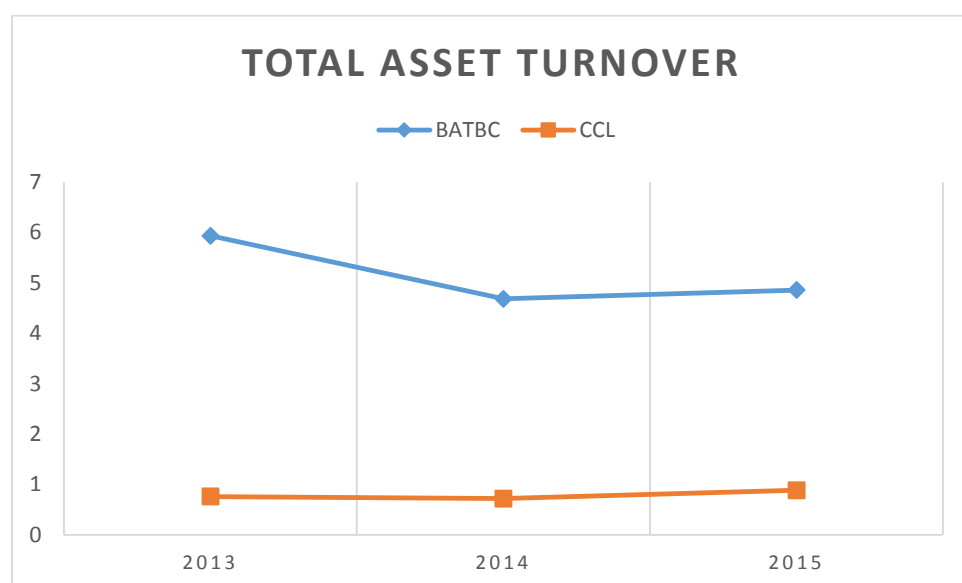
## Total Asset Turnover:

Asset turnover ratio is the ratio of the value of a company's sales or revenues generated relative to the value of its assets. The Asset Turnover ratio can often be used as an indicator of the efficiency with which a company is deploying its assets in generating revenue.

Asset Turnover = Sales or Revenues / Total Assets

Generally speaking, the higher the asset turnover ratio, the better the company is performing, since higher ratios imply that the company is generating more revenue per dollar of assets. Yet, this ratio can vary widely from one industry to the next. As such, considering the asset turnover ratios of an energy company and a telecommunications company will not make for an accurate comparison. Comparisons are only meaningful when they are made for different companies within the same sector.

Asset turnover is typically calculated over an annual basis using either the fiscal or calendar year. The total assets number used in the denominator can be calculated by taking the average of assets held by a company at the beginning of the year and at the year's end.



### BATBC

Total asset turnover of BATBC was 5.9349496 in 2013; 4.68345385 in 2014 and 4.85662819 in 2015, which is good.

### CCL

Total asset turnover of CCL was 0.7589289 in 2013; 0.71817108 in 2014 and 0.88538468 in 2015, which is good.

Comparatively BATBC is in good condition than CCL.

## Liquidity Ratios

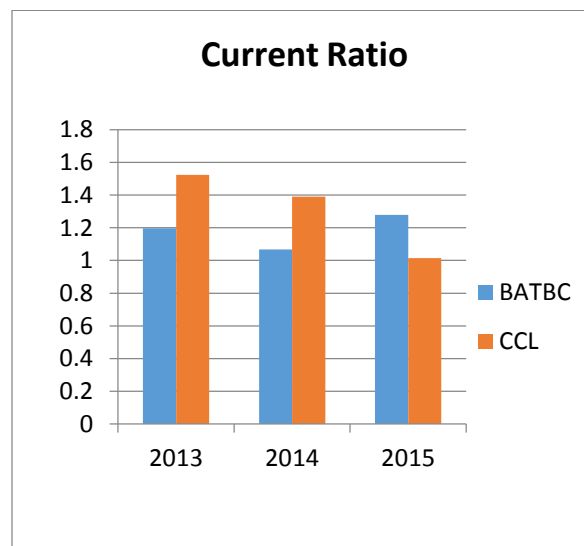
The liquidity of a firm is measured by its ability to satisfy its short term obligations as they come due. Liquidity refers to the solvency of the firm's overall financial position- the ease with which it can pay its bills. In general, the greater the coverage of liquid assets to short-term liabilities the better as it is a clear signal that a company can pay its debts that are coming due in the near future and still fund its ongoing operations. On the other hand, a company with a low coverage rate should raise a red flag for investors as it may be a sign that the company will have difficulty meeting running its operations, as well as meeting its obligations.

There are four ratios to measure the liquidity of a firm. They are Current Ratio, Quick Ratio, Cash Ratio and Cash Conversion Ratio. We have shown graphical presentation to compare these ratios between two companies: British American Tobacco Bangladesh Company Limited (BATBC) and Confidence Cement Limited (CCL).

## Current Ratio:

The current ratio is a liquidity ratio that measures a company's ability to pay short-term and long-term obligations. To gauge this ability, the current ratio considers the current total assets of a company (both liquid and illiquid) relative to that company's current total liabilities. The current ratio is mainly used to give an idea of the company's ability to pay back its liabilities (debt and accounts payable) with its assets (cash, marketable securities, inventory, accounts receivable). The higher the current ratio, the more capable the company is of paying its obligations, as it has a larger proportion of asset value relative to the value of its liabilities.

Company Name	Ratio Name	2013	2014	2015
BATBC	Current Ratio	1.196741725	1.067618173	1.279152623
CCL	Current Ratio	1.524084858	1.389746952	1.01387808

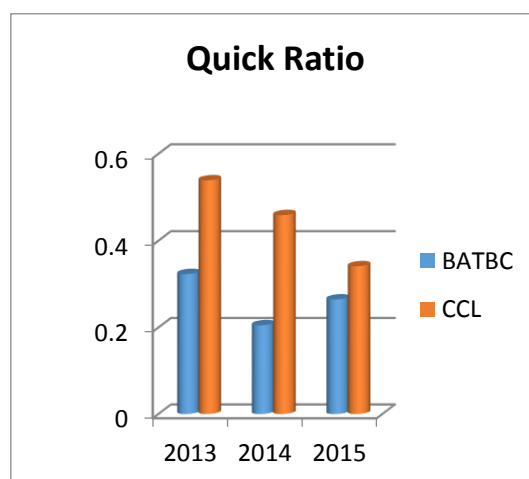


**Interpretation:** In this graph we can see, the current ratio of CCL is better than the current ratio of BATBC.

### Quick Ratio:

The **quick ratio** is a measure of how well a company can meet its short-term financial liabilities. Also known as the acid-test ratio, the *quick ratio* is a more conservative version of another well-known liquidity metric -- the current ratio. Although the two are similar, the quick ratio provides a more rigorous assessment of a company's ability to pay its current liabilities.

Company Name	Ratio Name	2013	2014	2015
BATBC	Quick Ratio	0.323405617	0.205197947	0.264874237
CCL	Quick Ratio	0.539150752	0.459091115	0.34141412

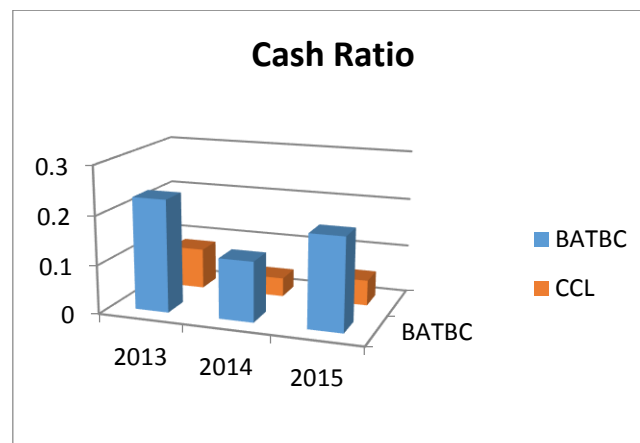


**Interpretation:** In this graph we can see, current ratio of CCL is better than the current ratio of BATBC.

## Cash Ratio:

The cash ratio is an indicator of a company's liquidity that further refines both the current ratio and the quick ratio by measuring the amount of cash, cash equivalents or invested funds there are in current assets to cover current liabilities. All else equal, the higher the ratio, the greater the liquidity of the firm.

Company Name	Ratio Name	2013	2014	2015
BATBC	Cash Ratio	0.230689031	0.123400854	0.189313081
CCL	Cash Ratio	0.084303151	0.038742173	0.052419065



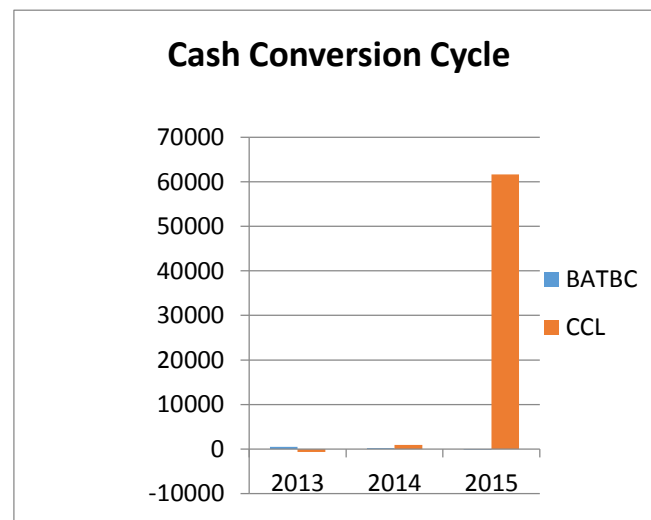
**Interpretation:** In this graph we can see, BATBC has the better cash ratio than CCL.



## Cash Conversion Ratio:

The cash conversion cycle (CCC) is a metric that expresses the length of time, in days, that it takes for a company to convert resource inputs into cash flows. The cash conversion cycle attempts to measure the amount of time each net input dollar is tied up in the production and sales process before it is converted into cash through sales to customers. This metric looks at the amount of time needed to sell inventory, the amount of time needed to collect receivables and the length of time the company is afforded to pay its bills without incurring penalties. It gives us an indication as to how long it takes a company to collect cash from sales of inventory.

Company Name	Ratio Name	2013	2014	2015
BATBC	Cash Conversion Cycle	471.6271	190.0386	-183.789
CCL	Cash Conversion Cycle	-681.883	936.6522	61634.75



**Interpretation:** In this graph, BATBC has the lower cash conversion cycle than CCL which is better for the company.

## Solvency Ratios

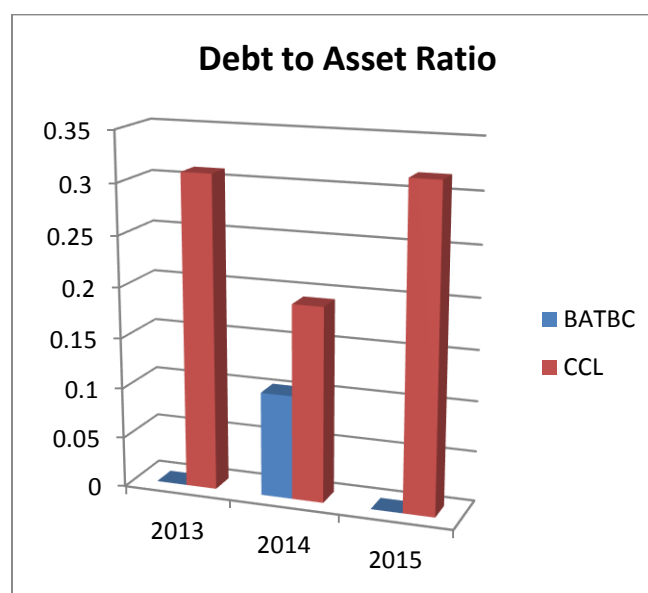
Solvency ratios, also called leverage ratios, measure a company's ability to sustain operations indefinitely by comparing debt levels with equity, assets, and earnings. In other words, solvency ratios identify going concern issues and a firm's ability to pay its bills in the long term. Many people confuse solvency ratios with liquidity ratios. Although they both measure the ability of a company to pay off its obligations, solvency ratios focus more on the long-term sustainability of a company instead of the current liability payments. Better solvency ratios indicate a more creditworthy and financially sound company in the long-term.

There are six ratios to measure the solvency of a firm. They are Debt to Asset Ratio, Debt to Equity Ratio, Debt to Capital Ratio, Financial Leverage, Interest Coverage Ratio and Fixed Charge Coverage. Here, we have shown the graphical presentation to compare these ratios between two companies (BATBC and CCL).

## Debt to Asset:

Total debt to total assets is a leverage ratio that defines the total amount of debt relative to assets. This enables comparisons of leverage to be made across different companies. All else equal, the higher the ratio, the higher the degree of leverage, and consequently, financial risk. This is a broad ratio that includes long-term and short-term debt (borrowings maturing within one year), as well as all assets – tangible and intangible.

Company Name	Ratio Name	2013	2014	2015
BATBC	Debt to Asset Ratio	Not Available	0.103416363	Not Available
CCL	Debt to Asset Ratio	0.310046524	0.192761789	0.317480564

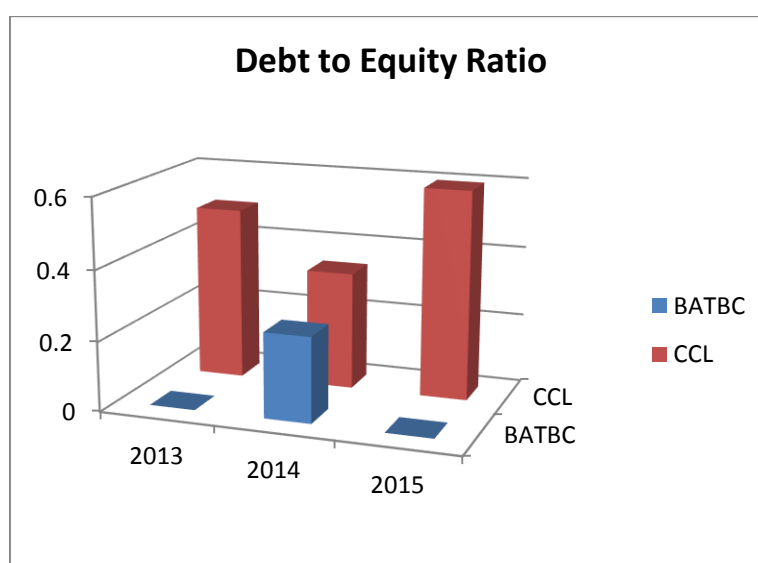


**Interpretation:** In this graph, we can see CCL has the more financial risk than BATBC because CCL has the greater debt to asset ratio than BATBC.

## Debt to Equity:

Debt/Equity Ratio is a debt ratio used to measure a company's financial leverage, calculated by dividing a company's total liabilities by its stockholders' equity. The D/E ratio indicates how much debt a company is using to finance its assets relative to the amount of value represented in shareholders' equity. A high debt/equity ratio generally means that a company has been aggressive in financing its growth with debt. Aggressive leveraging practices are often associated with high levels of risk. This may result in volatile earnings as a result of the additional interest expense.

Company Name	Ratio Name	2013	2014	2015
BATBC	Debt to Equity Ratio	Not Available	0.244253266	Not Available
CCL	Debt to Equity Ratio	0.496208474	0.336636385	0.597532652

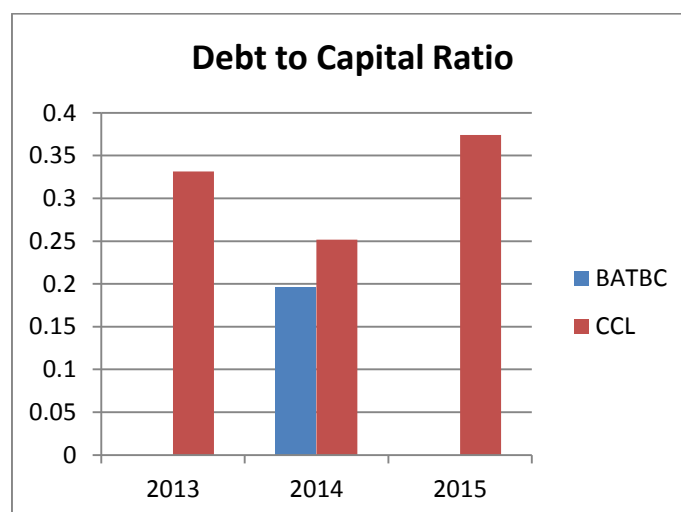


**Interpretation:** In this graph we can see, CCL has the higher level of risk than BATBC. Because CCL has the higher debt to equity ratio than BATBC.

## Debt to Capital Ratio:

The debt-to-capital ratio is calculated by taking the company's debt, including both short- and long-term liabilities and dividing it by the total capital. Total capital is all debt plus shareholders' equity, which may include items such as common stock, preferred stock and minority interest. The debt-to-capital ratio gives analysts and investors a better idea of a company's financial structure and whether or not the company is a suitable investment. All else equal, the higher the debt-to-capital ratio, the riskier the company.

Company Name	Ratio Name	2013	2014	2015
BATBC	Debt to Capital Ratio	Not Available	0.196305103	Not Available
CCL	Debt to Capital Ratio	0.331643941	0.251853375	0.374034704

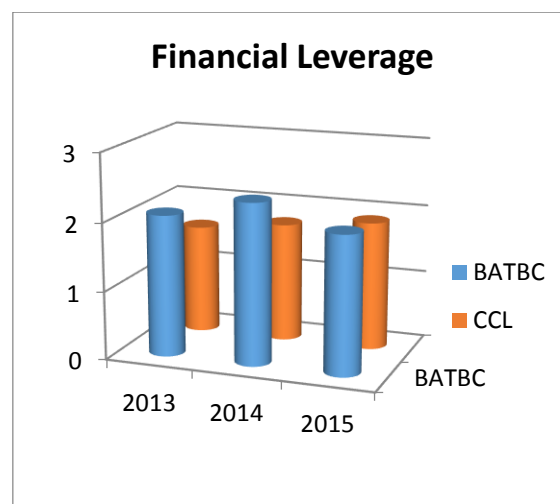


**Interpretation:** In this graph we can see CCL has a higher risk than BATBC. Because, CCL has the greater debt to capital ratio.

## Financial Leverage:

Financial leverage is defined as total assets divided by total shareholders' equity. The higher the ratio, the more debt a company uses in its capital structure.

Company Name	Ratio Name	2013	2014	2015
BATBC	Financial Leverage	2.074213483	2.361843505	2.025448682
CCL	Financial Leverage	1.600432308	1.746385454	1.882107821

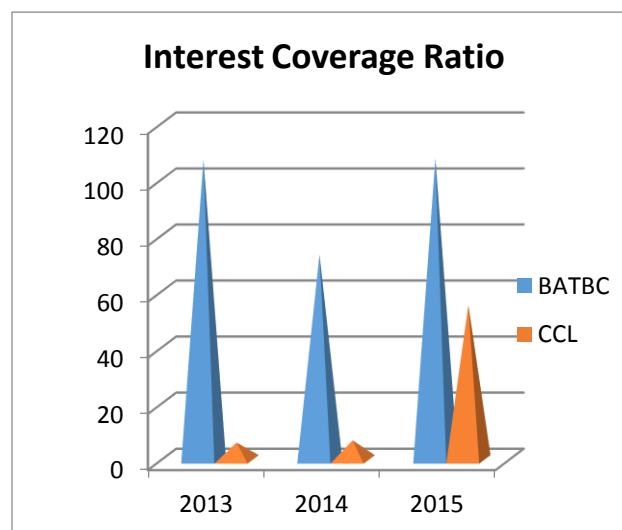


**Interpretation:** According to this graph, BATBC has more financial leverage than CCL. Because, BATBC uses more debt in their capital structure.

### Interest Coverage Ratio:

The interest coverage ratio is used to determine how easily a company can pay interest expenses on outstanding debt. The ratio is calculated by dividing a company's earnings before interest and taxes (EBIT) by the company's interest expenses for the same period. The lower the ratio, the more the company is burdened by debt expense. When a company's interest coverage ratio is only 1.5 or lower, its ability to meet interest expenses may be questionable.

Company Name	Ratio Name	2013	2014	2015
BATBC	Interest Coverage Ratio	107.0359926	73.09690318	107.4716433
CCL	Interest Coverage Ratio	6.015309017	6.82352092	55.08641372



**Interpretation:** BATBC has the higher interest coverage ratio than CCL. So BATBC has the capacity to take more loan than CCL.

### Fixed Charge Coverage:

The fixed charge coverage ratio is a financial ratio that measures a firm's ability to pay all of its fixed charges or expenses with its income before interest and income taxes.

Company Name	Ratio Name	2013	2014	2015
BATBC	Fixed Charge Coverage	95.87684982	Not Available	Not Available
CCL	Fixed Charge Coverage	Not Available	Not Available	Not Available

In 2013, Fixed charge coverage is 95.87684982 in BATBC. There is no information about lease payment inflow and lease payment outflow for 2014 and 2015 in BATBC and CCL has no information about lease inflow and outflow in 2013, 2014, 2015. So we could not show any comparison chart.



## Financial information of BATBC

<b>British American Tobacco Bangladesh Company Limited (BATBC)</b>			
<b>Information</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>Taka '000s</b>	<b>Taka '000s</b>	<b>Taka '000s</b>
Sales	109,581,710	126,804,602	143,711,664
Gross profit	13,724,107	16,309,771	18,682,383
Net profit	4,868,649	6,281,922	5,846,008
Operating profit	9,504,368	11,534,652	13,200,527
Total asset	18,463,798	27,075,019	29,590,831
Total equity	8,901,590	11,463,511	14,609,519

## Financial information of CCL

<b>Confidence Cement Limited (CCL)</b>			
<b>Information</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Sales	3,481,284,388	3,634,989,180	5,530,112,567
Gross profit	716,085,536	606,412,471	897,057,376
Net profit	364,000,408	239,276,307	665,985,110
Operating profit	506,376,748	443,602,779	660,069,628
Total asset	4,587,102,041	5,061,452,990	6,245,999,864
Total equity	2,929,474,547	2,898,245,046	3,318,619,578

## Profitability Ratio Analysis

Profitability Ratio Analysis				
	Name of Ratios	2013	2014	2015
BATBC	Gross Profit Margin	0.1252409	0.1286213	0.1299991
	Net Profit Margin	0.0444294	0.0495402	0.0406787
	Operating Profit Margin	0.0867332	0.090964	0.0918542
	Return on Asset (ROA)	0.2636862	0.2320191	0.1975615
	Return on Equity	0.5469415	0.5479928	0.4001506
	ROE (DU Pont)	0.5469415	0.5479928	0.4001506
Ratio Analysis				
	Name of Ratios	2013	2014	2015
CCL	Gross Profit Margin	0.2056958	0.1668265	0.1622132
	Net Profit Margin	0.1045592	0.0658259	0.1204289
	Operating Profit Margin	0.1454569	0.1220369	0.1193592
	Return on Asset (ROA)	0.079353	0.0472742	0.1066259
	Return on Equity	0.1242545	0.082559	0.2006814
	ROE (DU Pont)	0.1242545	0.082559	0.2006814

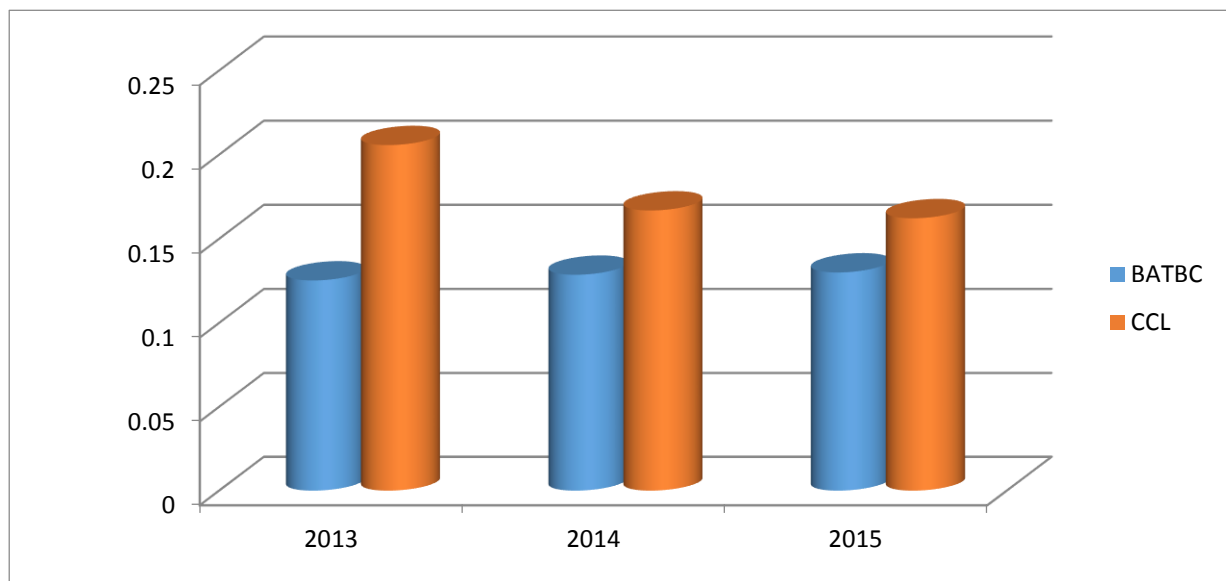
## Profitability Ratios

Profitability ratios are a class of financial metrics that are used to assess a business's ability to generate earnings compared to its expenses and other relevant costs incurred during a specific period of time. For most of these ratios, having a higher value relative to a competitor's ratio or relative to the same ratio from a previous period indicates that the company is doing well.

Some industries experience seasonality in their operations. The retail industry, for example, typically experiences higher revenues and earnings for the Christmas season. It would not be useful to compare a retailer's fourth-quarter profit margin with its first-quarter profit margin. Comparing a retailer's fourth-quarter profit margin with the profit margin from the same period a year before would be far more informative

## Gross Profit Margin

Gross profit margin is a financial metric used to assess a company's financial health and business model by revealing the proportion of money left over from revenues after accounting for the cost of goods sold (COGS).



### BATBC

Gross Profit Margin of BATBC was 0.1252409 in 2013; 0.1286213 in 2014 & 0.1299991 in 2015.

The higher gross profit margin earned by BATBC was 0.1299991 in 2015. It is good.

### CCL

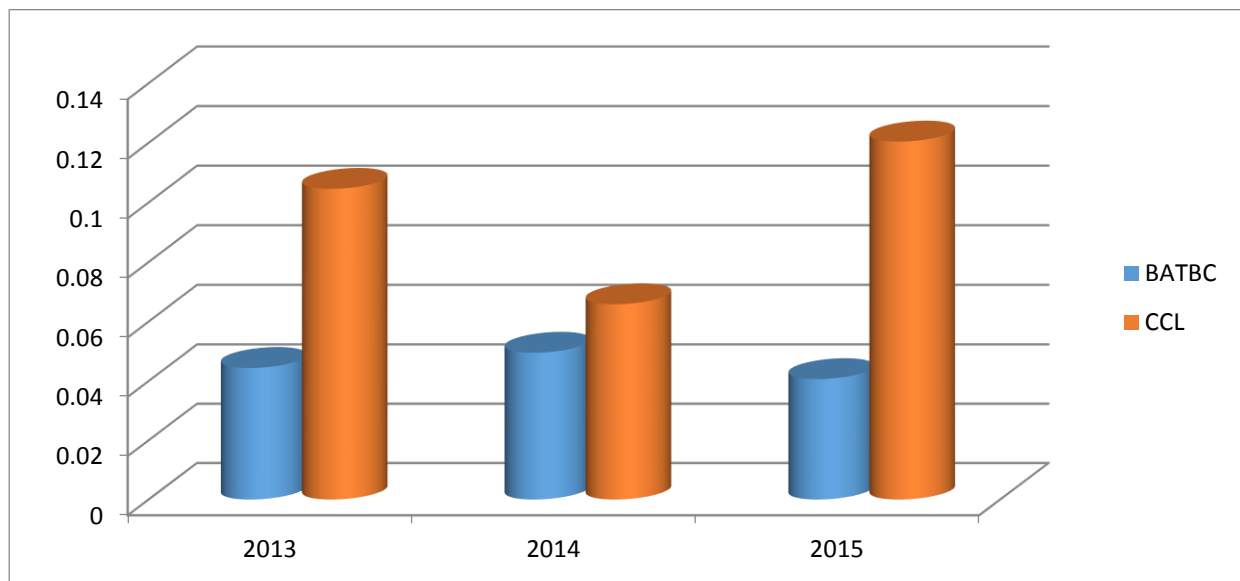
Gross Profit Margin of CCL was 0.2056958 in 2013; 0.1668265 in 2014 & 0.1622132 in 2015.

The higher gross profit margin earned by CCL was 0.2056958 in 2013. It is good.

Comparative with these two Company CCL is in the good position.

## Net Profit Margin

Higher operating margin is good for the firm.



### BATBC

Net Profit Margin of BATBC was 0.0444294 in 2013; 0.0495402 in 2014 & 0.0406787 in 2015.

The higher net profit margin earned by BATBC was 0.0495402 in 2014. It is good.

### CCL

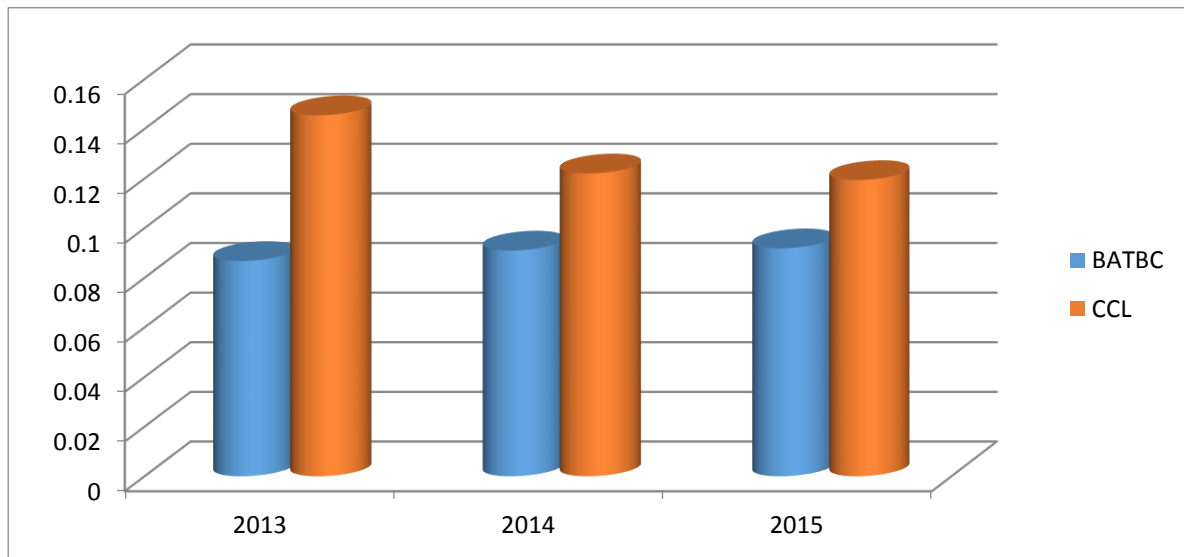
Net Profit Margin of CCL was 0.1045592 in 2013; 0.0658259 in 2014 & 0.1204289 in 2015. The

higher net profit margin earned by CCL was 0.1204289 in 2015. It is good.

Comparative with these two Company CCL is in the good position.

## Operating Profit Margin

Higher operating margin is good for the firm.



### BATBC

Operating Profit Margin of BATBC was 0.0867332 in 2013; 0.090964 in 2014 & 0.0918542 in 2015. The higher operating profit margin earned by BATBC was 0.0918542 in 2015. It is good.

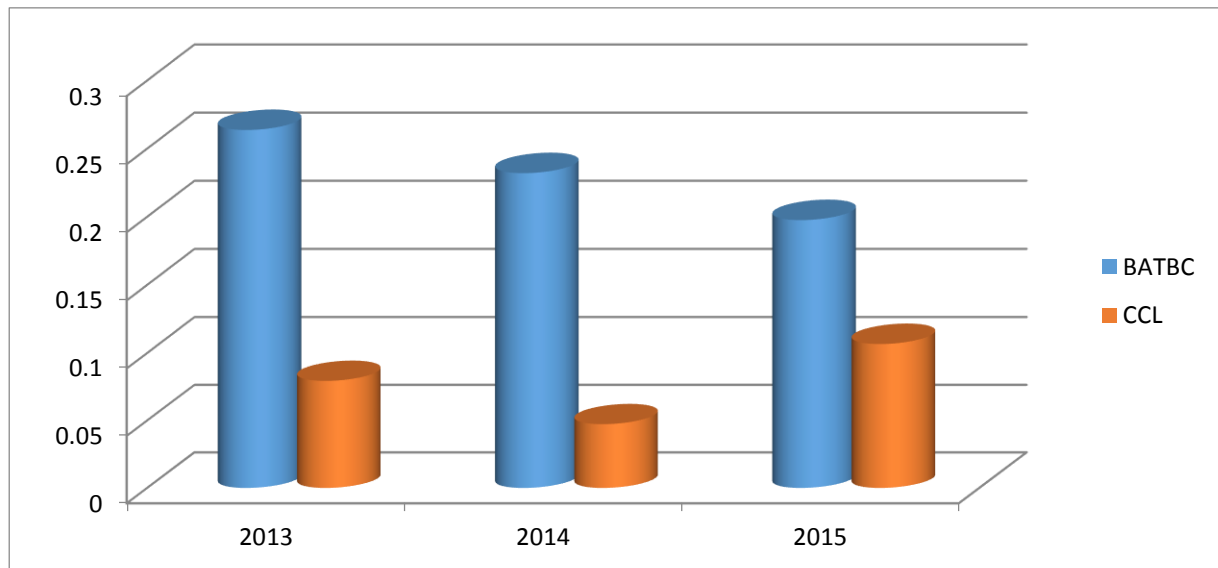
### CCL

Operating Profit Margin of CCL was 0.1454569 in 2013; 0.1220369 in 2014 & 0.1193592 in 2015. The higher operating profit margin earned by CCL was 0.1454569 in 2013. It is good.

Comparative with these two Company CCL is in the good position.

## Return on Asset

It is primarily an indicator of managerial efficiency. It indicates how capable management has been in converting assets into net earnings.



### BATBC

Return on Asset of BATBC was 0.2636862 in 2013; 0.2320191 in 2014 & 0.1975615 in 2015.

The high percentage of how profitable a BATBC's assets are in generating revenue was 0.2636862 in 2013. So it is good.

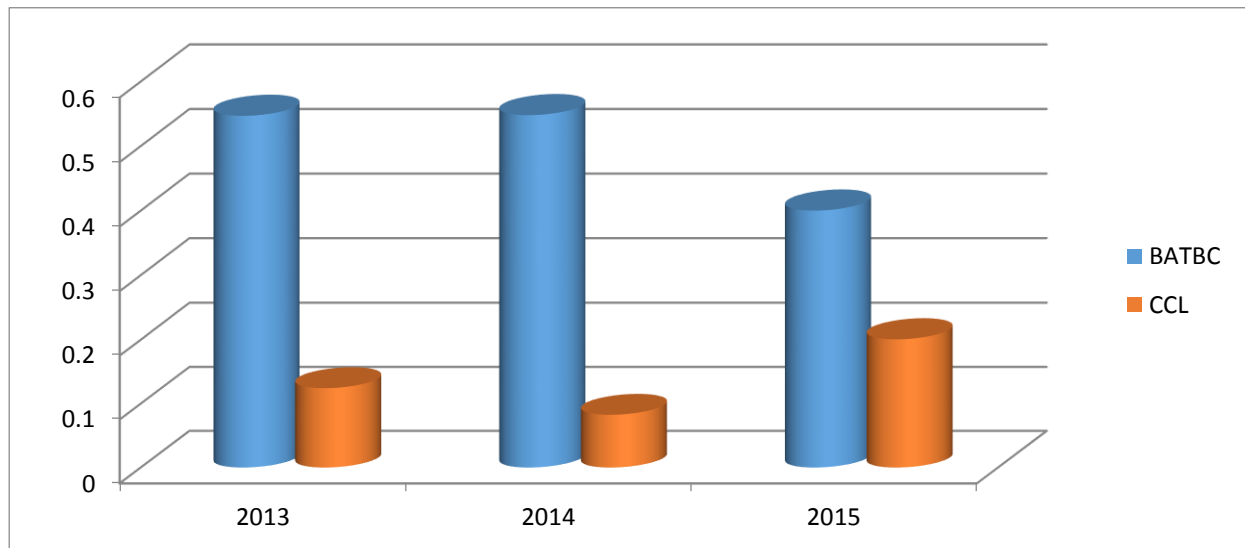
### CCL

Return on Asset of CCL was 0.079353 in 2013; 0.0472742 in 2014 & 0.1066259 in 2015. The high percentage of how profitable a CCL's assets are in generating revenue was 0.1066259 in 2015. So it is good.

Comparative with these two Company BATBC is in the good position. They asset generate a higher revenue each time than CCL.

## Return on Equity

More ROE is efficient for investor's choice for investment



### BATBC

Return on Equity of BATBC was 0.5469415 in 2013; 0.5479928 in 2014 & 0.4001506 in 2015.

The high amount of net income returned as a percentage of shareholder's equity of BATBC was 0.5479928 in 2014. So it is good.

### CCL

Return on Equity of CCL was 0.1242545 in 2013; 0.082559 in 2014 & 0.2006814 in 2015. The high amount of net income returned as a percentage of shareholder's equity of CCL was 0.2006814 in 2015. So it is good.

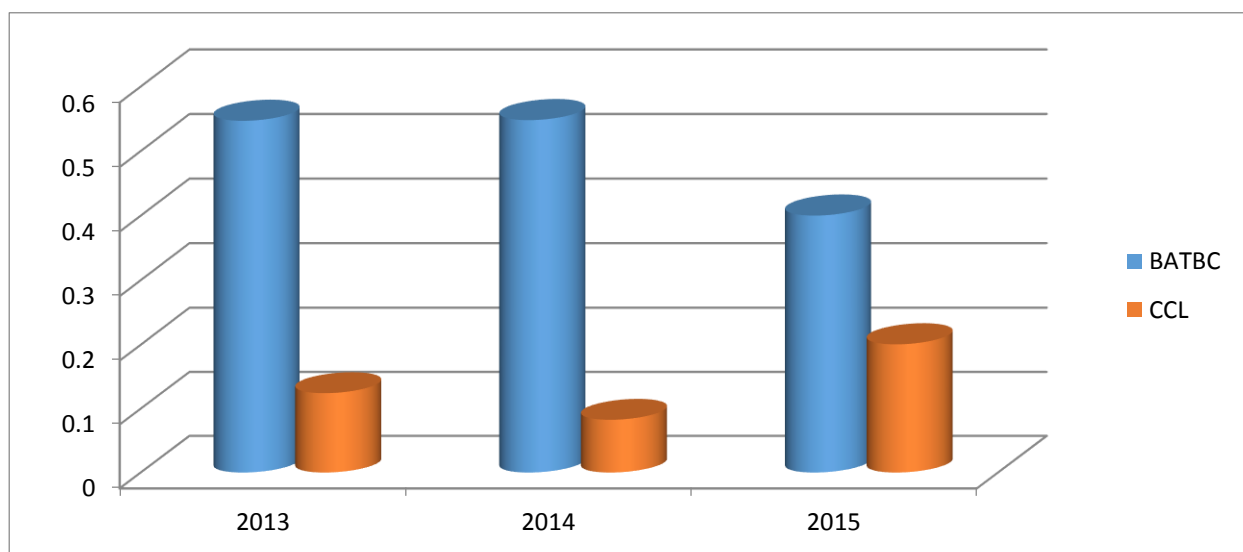
Comparative with these two Company BATBC is in the good position. They provide high amount of net income returned as a percentage of shareholder's equity.



## ROE DuPont

ROE is affected by three things: operating efficiency, which is measured by profit margin; asset use efficiency, which is measured by total asset turnover; and financial leverage, which is measured by the equity multiplier.

$ROE = \text{Profit Margin} \times \text{Asset Turnover Ratio} \times \text{Equity Multiplier}$ .



### BATBC

DuPont of BATBC was 0.5469415 in 2013; 0.5479928 in 2014 & 0.4001506 in 2015. The high amount of DuPont of BATBC was 0.5479928 in 2014. So it is good.

### CCL

DuPont of CCL was 0.1242545 in 2013; 0.082559 in 2014 & 0.2006814 in 2015. The high amount of DuPont of CCL was 0.2006814 in 2015. So it is good.

Comparative with these two Company BATBC is in the good position.

## Financial Information of BATBC:

<b>British American Tobacco Bangladesh Company Limited (BATBC)</b>			
Information	2013	2014	2015
	Taka'000s	Taka '000s	Taka '000s
Price Per Share	10	10	10
earnings Per Share	81.14	104.70	97.43
Cash flow Per Share	100.4	79.41	151.68
Sales Per Share	1826.36	2113.41	2395.19
Net Income	4,924,127	6,281,922	5,874,074
Book Value Per Share	148.36	191.06	243.49
Return on Equity	0.553174	0.547993	0.402072
Total Dividend	3,000,000	3,720,000	2,700,000

## Financial Information of CCL:

<b>Confidence Cement Limited (CCL)</b>			
Information	2013	2014	2015
	Taka'000s	Taka '000s	Taka '000s
Price Per Share	10	10	10
earnings Per Share	8.09	6.32	14.8
Cash flow Per Share	3.77	0.95	5.7
Sales Per Share	34.81	36.35	55.3
Net Income	331,172,448	239,276,307	665,985,110
Book Value Per Share	29.29	28.98	28.65
Return on Equity	0.113048	0.083527	0.200681
Total Dividend	89987040	123732180	112483800

## Valuation Ratio Analysis:

<b>valuation Ratio</b>			
<b>British American Tobacco Bangladesh Company Limited (BATBC)</b>			
Name of Ratios	2013	2014	2015
P/E Ratios	0.1232	0.0955	0.1026
P/CF Ratios	0.0996	0.1259	0.0659
P/S Ratios	0.0055	0.0047	0.0042
P/BV Ratios	0.0674	0.0523	0.0411
Dividend per share	62	55	55
Dividend Payout Ratio	0.6092	0.5922	0.4596
Retention Ratio	0.3908	0.4078	0.5404
Sustainable Growth Rate	0.2162	0.2235	0.2173

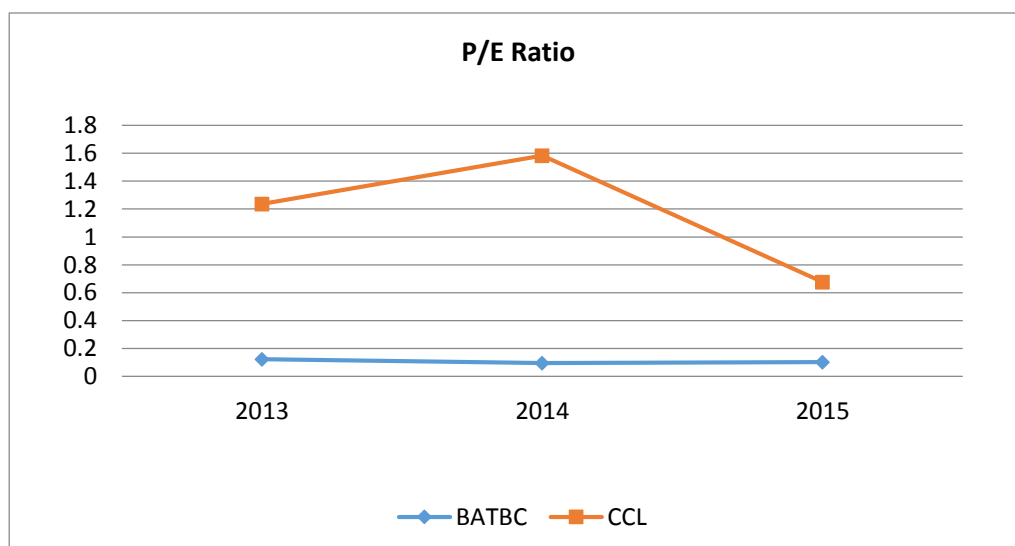
<b>Confidence Cement Limited (CCL)</b>			
Name of Ratios	2013	2014	2015
P/E Ratios	1.2361	1.5823	0.6757
P/CF Ratios	2.6525	10.5263	1.7544
P/S Ratios	0.2873	0.2751	0.1808
P/BV Ratios	0.3414	0.3451	0.3490
Dividend per share	38	25	28
Dividend Payout Ratio	0.2717	0.5171	0.1689
Retention Ratio	0.7283	0.4829	0.8311
Sustainable Growth Rate	0.0823	0.0403	0.1668

## Valuation Ratio:

Company valuation ratios. Valuation is the financial process of determining what a company is worth. Valuation ratios put that insight into the context of a company's share price, where they serve as useful tools for evaluating investment potential.

### P/E Ratio:

The price/earnings ratio (PER) is the most widely used method for determining whether shares are “correctly” valued in relation to one another. But the PER does not in itself indicate whether the share is a bargain. The PER depends on the market’s perception of the risk and future growth in earnings. A company with a low PER indicates that the market perceives it as lower risk or lower growth or both as compared to a company with a higher PER. The PER of a listed company’s share is the result of the collective perception of the market as to how risky the company is and what its earnings growth prospects are in relation to that of other companies. Investors use the PER to compare their own perception of the risk and growth of a company against the market’s collective perception of the risk and growth as reflected in the current PER.



Year 2013

BATBC - 0.1232

CCL- 1.2360

BATBC is good

Year 2014

BATBC-0.0955

CCL-1.5822

BATBC is good

Year 2015

BATBC-0.1026

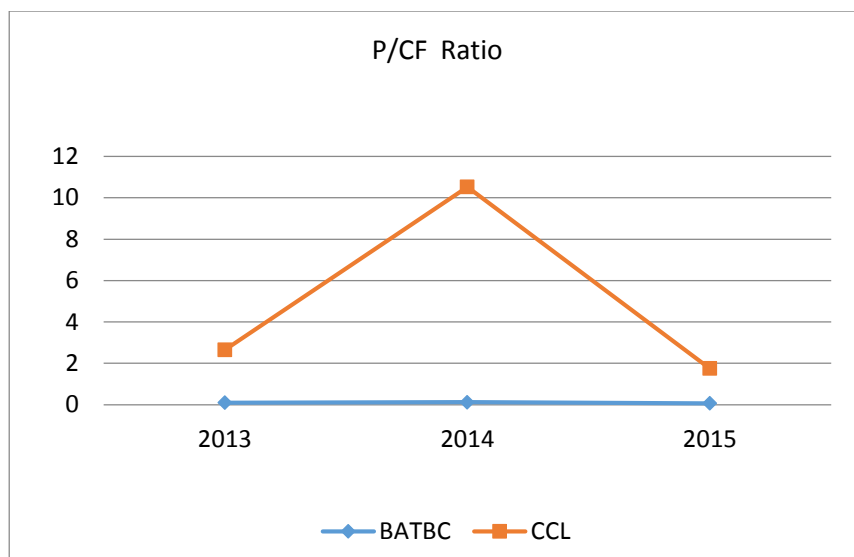
CCL-0.6756

BATBC is good

### P/CF Ratio:

P/CF ratio is a ratio used to compare a company's market value to its cash flow. It is calculated by dividing the company's market cap by the company's operating cash flow in the most recent fiscal year (or the most recent four fiscal quarters); or, equivalently, divide the per-share stock price by the per-share operating cash flow. In theory, the lower a stock's price/cash flow ratio is, the better value that stock.

A high P/CF ratio indicated that the specific firm is trading at a high price but is not generating enough cash flows to support the multiple - sometimes this is OK, depending on the firm, industry, and its specific operations. Smaller price ratios are generally preferred, as they may reveal a firm generating ample cash flows that are not yet properly considered in the current share price. Holding all factors constant, from an investment perspective, a smaller P/CF is preferred over a larger multiple.



Year 2013

BATBC – 0.0996

CCL-2.6525

BATBC is good

Year 2014

BATBC- 0.1259

CCL-10.5263

BATBC is good

Year 2015

BATBC-0.0659

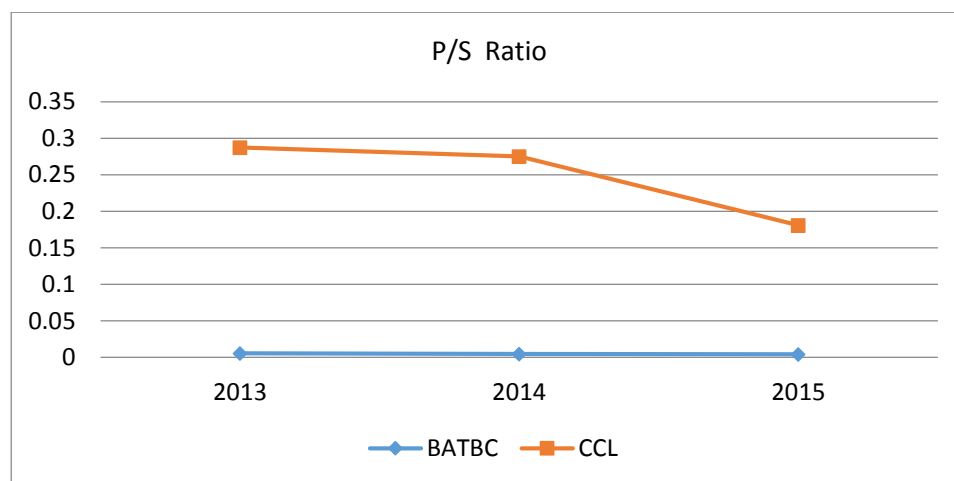
CCL-1.7543

BATBC is good

## P/S Ratio:

PSR, is a valuation metric for stocks. It is calculated by dividing the company's market cap by the revenue in the most recent year; or, equivalently, divide the per-share stock price by the per-share revenue.

The smaller this ratio (i.e. less than 1.0) is usually thought to be a better investment since the investor is paying less for each unit of sales. However, sales do not reveal the whole picture, as the company may be unprofitable with a low P/S ratio. Because of the limitations, this ratio is usually used only for unprofitable companies, since they don't have a price–earnings ratio (P/E ratio). The metric can be used to determine the value of a stock relative to its past performance. It may also be used to determine relative valuation of a sector or the market as a whole.



### Year 2013

BATBC- 0.0054

CCL-0.2872

BATBC is good

### Year 2014

BATBC-0.0047

CCL-0.2751

BATBC is good

### Year 2015

BATBC-0.0041

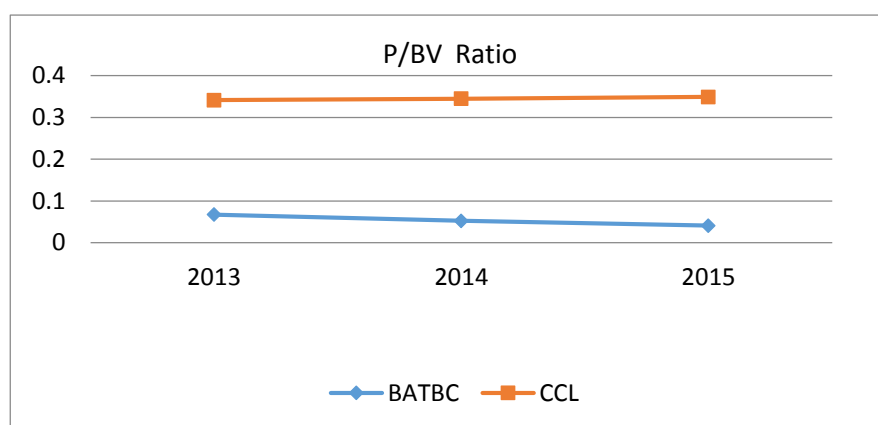
CCL-0.1808

BATBC is good

## P/BV Ratio:

P/B ratio, is a financial ratio used to compare a company's current market price to its book value. It is also sometimes known as a Market-to-Book ratio. The calculation can be performed in two ways, but the result should be the same each way. In the first way, the company's market capitalization can be divided by the company's total book value from its balance sheet. The second way, using per-share values, is to divide the company's current share price by the book value per share

This ratio also gives some idea of whether an investor is paying too much for what would be left if the company went bankrupt immediately. For companies in distress, the book value is usually calculated without the intangible assets that would have no resale value. In such cases, P/B should also be calculated on a "diluted" basis, because stock options may well vest on sale of the company or change of control or firing of management.



### Year 2013

BATBC-0.0674

CCL-0.3414

CCL is good

### Year 2014

BATBC-0.0523

CCL-0.3450

CCL is good

### Year 2015

BATBC-0.0410

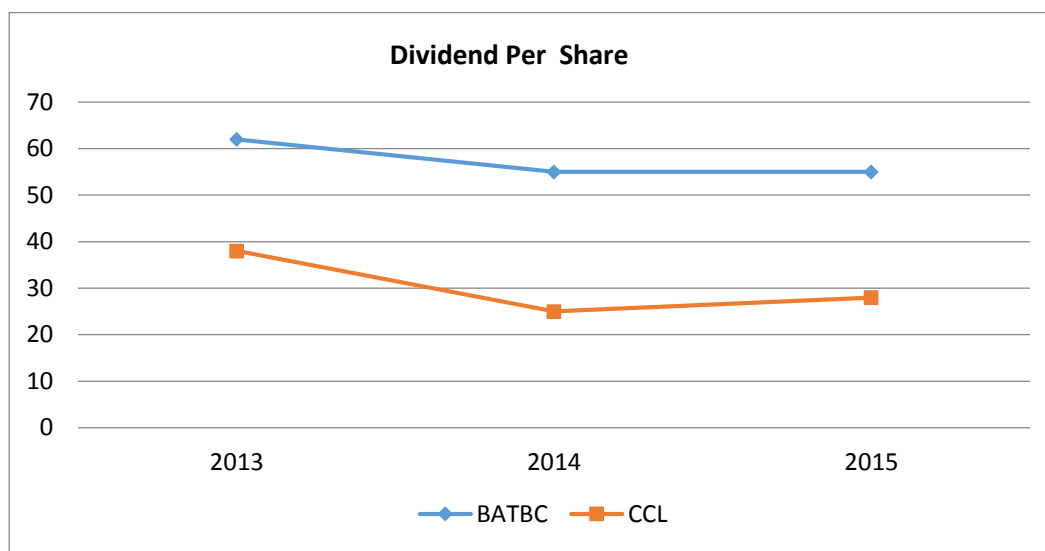
CCL-0.3490

CCL is good



## Dividend Per Share:

Dividend per share (DPS) is the sum of declared dividends issued by a company for every ordinary share outstanding. Dividend per share (DPS) is the total dividends paid out by a business, including interim dividends, divided by the number of outstanding ordinary shares issued. A company's DPS is usually derived using the dividend paid in the most recent quarter, which is also used to calculate the dividend yield.



Year 2013

BATBC- 62

CCL-38

Year 2014

BATBC-55

CCL-25

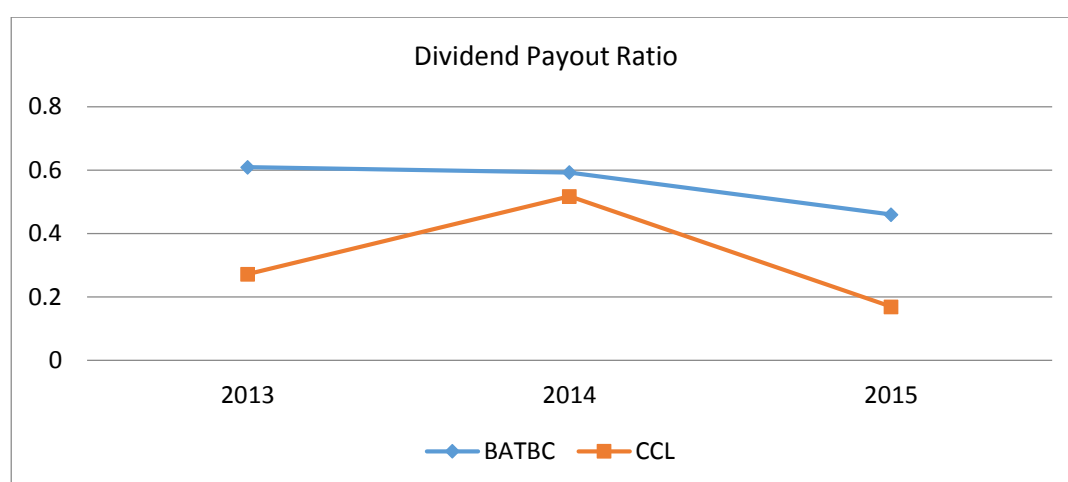
Year 2015

BATBC-55

CCL-28

## Dividend Pay-out Ratio:

The part of the earnings not paid to investors is left for investment to provide for future earnings growth. Investors seeking high current income and limited capital growth prefer companies with high Dividend payout ratio. However investors seeking capital growth may prefer lower payout ratio because capital gains are taxed at a lower rate. High growth firms in early life generally have low or zero payout ratios. As they mature, they tend to return more of the earnings back to investors.



### Year 2013

BATBC- 0.60924505

CCL-0.271722604

BATBC is good

### Year 2014

BATBC-0.592175452

CCL-0.517110037

BATBC is good

### Year 2015

BATBC-0.459646916

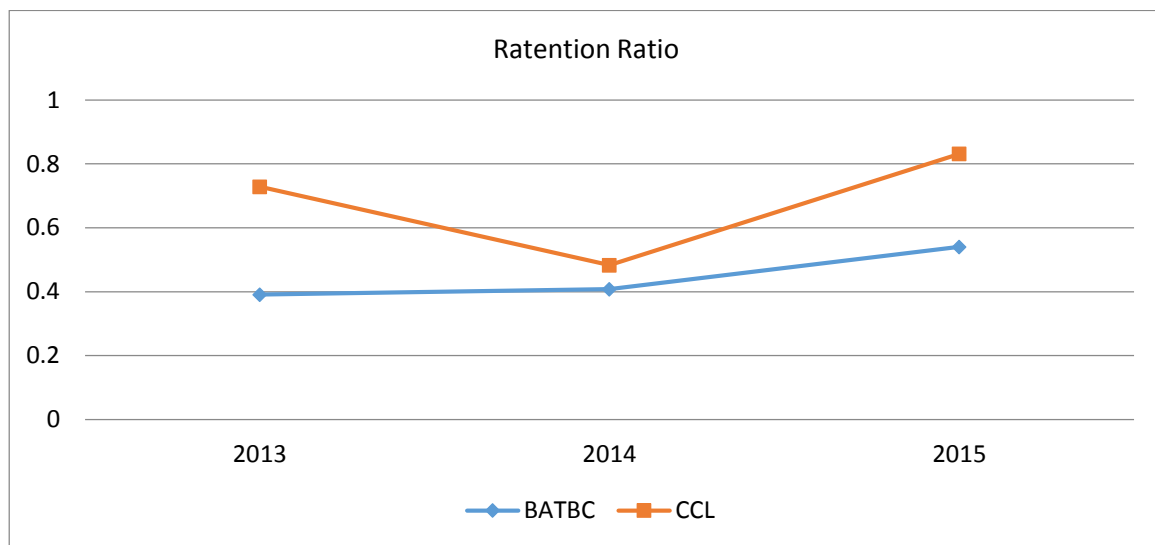
CCL-0.168898371

BATBC is good

## Retention Ratio:

Retention Ratio indicates the percentage of a company's earnings that are not paid out in dividends but credited to retained earnings. It is the opposite of the dividend payout ratio, so that also called the retention rate.

The payout ratio is the amount of dividends the company pays out divided by the net income. This formula can be rearranged to show that the retention ratio plus payout ratio equals 1, or essentially 100%. That is to say that the amount paid out in dividends plus the amount kept by the company comprises all of net income.



### Year 2013

BATBC- 0.3907

CCL-0.7282

CCL is good

### Year 2014

BATBC-0.4078

CCL-0.4828

CCL is good

### Year 2015

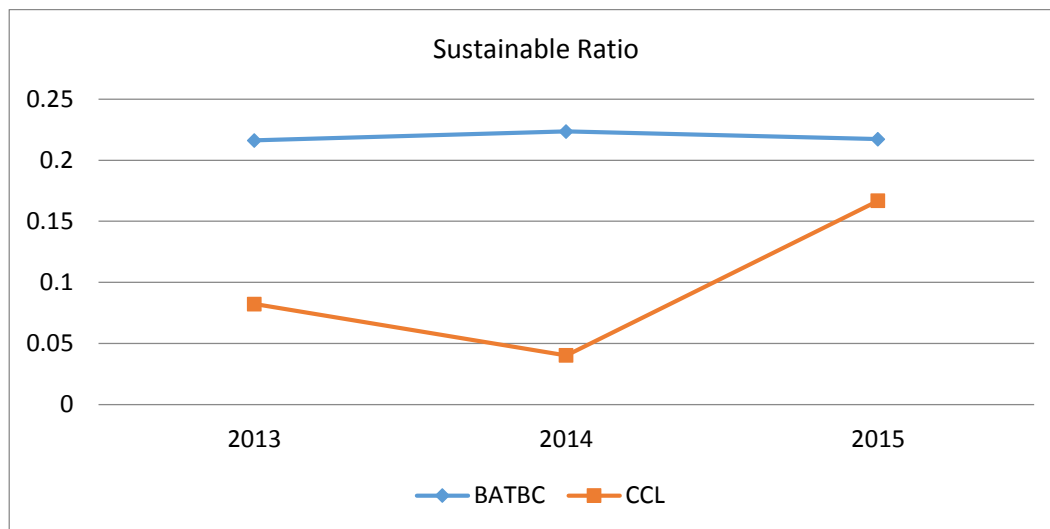
BATBC-0.5403

CCL-0.8311

CCL is good

## Sustainable Growth Rate:

The sustainable growth rate (SGR) is the maximum rate of growth that a firm can sustain without having to increase financial leverage or look for outside financing. The SGR is a measure of how large and how quickly a firm can grow without borrowing more money. After a firm has passed this rate, its growth will decline in the long term, and it must borrow funds to facilitate additional growth.



### Year 2013

BATBC- 0.2161

CCL-0.0823

BATBC is good

### year 2014

BATBC-0.2234

CCL-0.0403

BATBC is good

### Year 2015

BATBC-0.2172

CCL-0.1667

BATBC is good