

Dominage Steel Building System Ltd

Public Issue Details

No. of Shares	: 30,000,000 @ Tk. 10
Issue Manager	: Shahjalal Equity Management Limited
Auditor	: Ashraf Uddin & Co.
IPO Proceeds	: Tk. 300.00 Million

Usage of IPO Proceeds:

Particulars	Amount (Tk. In ML)
Building and other construction	90.42
Electrical Installation	22.69
Acquisition of new plant & machinery	167.31
IPO Expense	19.58
Total	300.00

Capital Structure

Particulars	Amount (Tk. In ML)
Authorized Capital	1000.00
Paid-up Capital (Pre IPO)	650.00
Capital to be issued as IPO	300.00
Paid up Capital (Post IPO)	950.00

Company Snapshot

Sector	: Engineering
Paid Up Capital (Post IPO)	: 950.00 (Tk in ML)
No. of Directors, Sponsor & Shares	: 65,000,000 Shares
Lock- In Shares	: 28,685,750 Shares (Free 03 Years) : 36,314,250 Shares (Free 02 Year)
EPS (Pre IPO)	: 1.49 (as on June, 2019)
EPS (Post IPO)	: (Q)
NAV (with revaluation)	: 19.81 (as on June, 2019)
Year End	: June

Company Insight

Date of Incorporation	: March 08, 2007
Date of Commercial Operation	: September 01, 2007
Nature of Business	: The main activities of the company are to manufacture of various Pre-Engineered Steel Buildings Structure according to the designs and provide full pledge architectural and consultancy services and marketing of the Pre-Engineered Steel Building under "DSBSL" brand. Simultaneously to expedite this race DSBSL Product Research and Development Department works to innovate or introduce new concept and machinery in the production line for the diversified demand of their reverence clients. This is a local own steel base construction company engaged in local development and construction of commercial buildings and factories and also engaged in fabrication, erection of steel parts.

Corporate Office

:J. R Casero Tower. 11th Floor, 46, Mohakhali
C/A, Dhaka-1212

Existing Capacity & Utilization

Total manpower

: 136 nos. person

Factory

: Factory -01 at Fulbaria, Parulia, Palash, Narshingdi,
Factory -02 at Holding # 31/8, Road # 03, Block # D,
Aukpara, Ashulia, Savar, Dhaka, Bangladesh

SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> ➤ Low labour cost ➤ Experienced Management ➤ Modern Machinery ➤ Quality Products ➤ Be the preferred business partner of the customer and suppliers by offering quality products; providing best and timely service before and after the business transaction ➤ Strong Distribution Chanel 	<ul style="list-style-type: none"> ➤ Lack of skilled design engineer as well as labor in the manufactured building industry is a prevalent issue. Information technology is not comprehensively utilized compared to other industries ➤ Cost evaluation: ➤ As the cost of fund for borrowing from banks is very high, profitability reduces. The situation worsens if imported raw materials are in stock for long time ➤ Raw material sourcing ➤ Instances of unsuitable site conditions for the movement and transportation of manufactured building components which causes cost increase and delays project implementation.
Opportunities	Threats
<ul style="list-style-type: none"> ➤ The goal of the Company is to make life of the people secured and safe by providing quality products at a cheaper price and to be a partner in the nation building activities. ➤ Government policy favoring the industry ➤ Reasonable Labor price 	<ul style="list-style-type: none"> ➤ Lack of knowledge about the pre-fab structures often discourages potential customers to use this kind of buildings. The sense of familiarity with conventional RCC building is greater than the desire for experimentation with this type of buildings ➤ Taxation and exchange rate: ➤ Competition ➤ The pre-fabricated building industry is largely depended on the growth of other industry. A decline in the growth of other industry will have a negative impact of the use of this type of buildings and hence may limit the growth.

Subsidiary/Associated Company

Dominage Steel Building Systems Ltd. has no subsidiary nor it is operated under a holding company nor does it have an associate company.

Competitive Condition

Sl. No	Name of the Company
1	Bangladesh Building Systems Ltd
2	Steel mark Buildings Ltd
3	Tiger Steel Bangladesh Ltd
4	Peb Steel Alliance Ltd

Seasonality

There is no significant seasonal aspect on the Company's business.

Director, Sponsor & Other Shareholdings

Sl. No	Name of Shareholder	Position	No. of Shares	Pre IPO Shareholding (%)	Lock-in Period (Year)
1	Muhammad Shamsul Islam	Chairman	11,149,989	17.15%	3 Years
2	Mohammad Rafiqul Islam	Managing Director	11,149,989	17.15%	3 Years
3	Sujit Saha	Director	2,437,522	3.75%	3 Years
4	Rakibul Islam	Director	1,974,125	3.04%	3 Years
5	Abul Kalam Bhyian	Shareholder	1,974,125	3.04%	3 Years
6	Others	Shareholder	36,314,250	54.70%	2 Years
Total			65,000,000	100%	

Financial Performance

(TK in Million)

Particulars	Jun-19	Jun-18	Jun-17	Jun-16	Jun-15
Revenue	631.43	585.79	520.61	498.34	462.31
Cost of Goods Sold	435.66	403.58	371.40	356.88	330.50
Gross Profit	195.77	182.22	149.21	141.46	131.82
Operating Profit	168.09	156.31	122.18	116.65	107.47
Financial Expenses	12.08	15.73	10.63	7.54	8.93
Net Profit	96.72	90.12	98.07	94.53	79.44
EPS	1.49	1.39	1.51	1.45	1.22
Paid-up Capital	650.00	98.32	0.17	0.17	0.17
Long Term	6.10	9.15	19.17	25.04	20.21
Short Term Loan	47.93	76.41	113.14	62.31	65.47
Retained Earnings	637.48	540.76	508.83	410.76	316.22
Property, Plant & Equipment	694.57	510.68	422.03	427.75	451.74
Total Asset	1,530.15	1,234.22	1,202.92	451.74	922.97
Total Equity	1,287.48	1,006.21	916.09	818.01	723.48
Dividend	0	0	5819040 B	0	0

Ratio:

Particulars	Jun-19	Jun-18	Jun-17	Jun-16	Jun-15
Gross Profit Margin (%)	31.00	31.46	28.66	28.39	28.51
Operating Profit Margin (%)	26.62	27.06	23.47	23.4	23.25
Net Profit Margin (%)	15.32	15.31	18.84	18.97	17.18
Return on Asset (%)	7.00	7.40	8.76	9.66	9.75
Return on Equity (%)	8.43	9.38	11.31	12.27	16.5
Current Ratio (Times)	3.82	3.21	2.64	2.98	2.50
Debt to Equity Ratio (Times)	0.04	0.09	0.14	0.11	0.12
Acc. Receivable Turnover	3.65	4.17	4.48	4.81	4.82
Inventory Turnover (Times)	1.40	1.48	1.54	1.73	2.63
Assets Turnover Ratio	0.46	0.48	0.47	0.47	0.51

PAT

(TK in Million)

Particulars	Total	Jun-19	Jun-18	Jun-17	Jun-16	Jun-15
PAT	458.88	96.72	90.12	98.07	94.53	79.44

Valuation

Method	Price
Method-1 Net Asset Value (NAV) per share without revaluation reserve	19.81
Method 2- Earnings based value per share	16.56
Method-3 Average market price of similar stock based valuation	17.20

Size of the present issue, with break-up

Description	Particulars		%	Break up of Securities	Nominal Value (BDT)	Issue Amount (BDT)
Offer price BDT 10.00 each at par, total size of fund to be raised BDT 300,000,000	Eligible Investors (EI)	Mutual Funds & CIS	10%	3,000,000	10	30,000,000
		EI excluding mutual funds & CIS	30%	9,000,000		90,000,000
	General Public (GP)	NRB	10%	3,000,000		30,000,000
		NRB GP excluding	50%	15,000,000		150,000,000
Total			100%	30,000,000		300,000,000

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