

Equity Notes
Of
Square Pharmaceuticals Limited

Square Pharmaceuticals Limited, the largest pharmaceuticals company in the Country, is a trusted name in the pharmaceuticals sector of Bangladesh. Like most indigenous concern it made its debut in a humble way in 1958 as a Partnership Firm under the leadership of Late Samson H Chowdhury. The products of Square Pharmaceuticals Limited are available in different forms like tablet, capsule, injection, infusion, dry powder, ENT preparation, Ophthal preparation, suppository, insulin, pellet etc.

Subsidiary & Associate Companies of Square Pharmaceuticals Limited

Subsidiary Companies	Percentage of Holding	Country of Incorporation
Square Formulations Ltd	99.50%	Bangladesh
Square Pharmaceuticals Kenya EPZ Ltd	100%	Kenya
Associate Companies	Percentage of Holding	Country of Incorporation
Square Textiles Ltd	46.36%	Bangladesh
Square Fashions Ltd	48.63%	Bangladesh
Square Hospitals Ltd	49.94%	Bangladesh

Industry Analysis

The pharmaceutical sector providing about 98% of the total medicine requirement of the local market and exports to more than 125 countries. The pharmaceutical sector attained a Growth of 7.71% during the year 2018 as against 10.94% during the previous year. From 2014 to 2018 the Compound Annual Growth Rate (CAGR) of National Market Growth Rate and Company's Growth Rate was 15.63% and 12.85 respectively as per report of IMS Plus (MAT), 4Q 2018. The Pharmaceutical sector of Bangladesh has the potential to grow at 15 percent for the next five years riding on the expanded domestic market as well as new export frontiers, according to a new research. The growth of the economy at 7.65% during FY 2017-18 offers scope for further growth in investment for expansion in pharmaceuticals sector. This sector is the second highest contributor to national exchequer of Bangladesh. Bangladesh is currently entitled to TRIPS waiver until 2032, which is an opportunity for them to expand in the foreign market. Developed countries want to take pharma product from developing countries and want to remove

pharmaceutical plant from their country due to health and environment concern. This gives opportunity for Pharmaceuticals Companies of Bangladesh to heavily expand their sales to foreign countries.

Corporate Operational Results				
Square Pharmaceuticals Ltd.(standalone)			Figures in'000	
Particulars	2017-2018	2016-2017	2015-2016	2014-2015
Gross Revenue	34,573,391	33,299,672	33,611,741	36,191,595
Gross Profit	30,004,975	28,885,939	29,058,349	31,298,688
Net Profit (After Tax)	8,219,526	7,792,498	7,510,265	6,523,933
Net Asset Value	46,662,876	41,201,962	35,597,063	28,031,892
Total Assets	53,329,313	45,763,246	39,174,686	31,354,182
Total Bank Borrowing	-	-	-	121,599
Total Current Assets	27,196,589	22,268,597	17,053,295	9,739,782
Total Current Liabilities	5,539,791	3,505,604	2,581,822	2,390,848
Current Ratio	4.91	6.35	6.61	4.07
Share Outstanding	737391090	685945200	623586546	554299152
Net Asset Value per share(NAV)	63.28	55.88	48.27	38.01
Net Operating Cash Flow Per Share	12.97	9.45	11.98	10.98
EPS -Earning Per Share (SPL)	11.15	10.57	10.18	8.85
EPS -Earning Per Share (Consolidated)	15.72	14.43	12.48	8.11

Cumulative PAT vs. Cumulative NOCF

Square Pharmaceuticals Ltd.(standalone)		Figures in'000		
Particulars	Total	2017-2018	2016-2017	2015-2016
PAT	23,522,289	8,219,526	7,792,498	7,510,265
NOCF	25,963,462	9,562,512	8,274,276	8,126,674

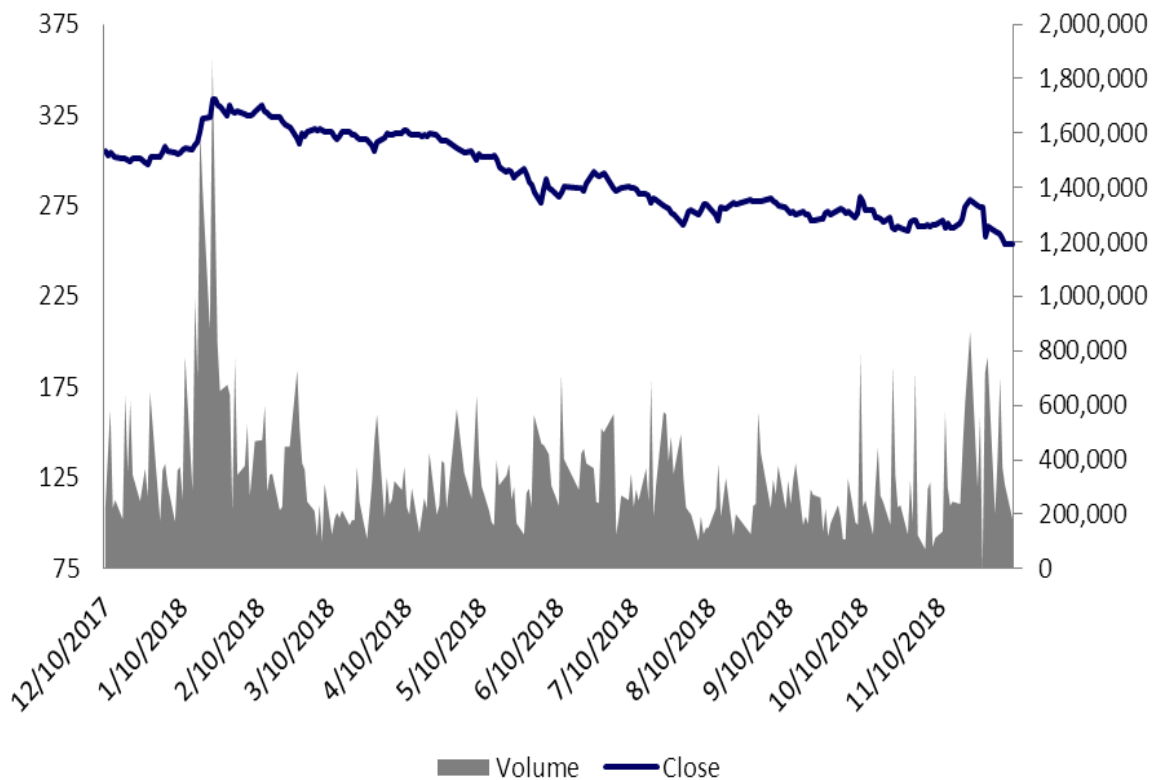
Key Highlights of the Operations of Square Pharma (Consolidated)	
Percentage	Particulars
8.52%	Gross Revenue BDT 45,887 million
8.51%	Net Revenue BDT 39,654 million
4.59%	Export BDT 1,451 million
3.99%	Contribution to National Exchequer BDT 7,687 million
7.09%	Gross Profit BDT 19,564 million
9.00%	Net Profit BDT 11,606 million
8.94%	EPS BDT 15.72

17.93%	Net Asset Value BDT 57,817 million
10.57%	Dividend Payout (cash) BDT 2,655

Dividend History

Year	Cash Dividend (%)	Stock Dividend (%)
2013	25	30
2014	30	15
2015	30	12.5
2016	40	10
2017	35	7.50
2018	36	7

Price Movement & Turnover



Shareholding Pattern					
Share Holding Percentage [as on Jun 30, 2017]	Sponsor/Director:	Govt:	Institute:	Foreign:	Public:
	36.34	0	9.82	19.75	34.09
Share Holding Percentage [as on Oct 31, 2018]	Sponsor/Director:	Govt:	Institute:	Foreign:	Public:
	34.43	0	9.89	19.71	35.97
Share Holding Percentage [as on Nov 30, 2018]	Sponsor/Director:	Govt:	Institute:	Foreign:	Public:
	34.43	0	12.75	16.94	35.88

Board of Directors	
Mr. Samuel S. Chowdhury	Chairman
Mrs. Ratna Patra	Vice-Chairman
Mr. Tapan Chowdhury	Managing Director
Mr. Anjan Chowdhury	Director
Mr. kazi iqbal Harun	Director
Mrs. Nihad Kabir	Independent Director
Mr. Syed Afzal Hasan Uddin	Independent Director

Source: Annual Reports 2017-2018, DSE website, Company website, The Financial Express, the Daily Star, OSLResearch Department

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