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**Table 1: IPO Snapshot**

IPO Size (BDT mn)	170
IPO Size (Shares mn)	17
Face Value Per Share (BDT)	10
Offer Price Per Share (BDT)	10
Year End	December
Sector	Textile
Revenue (BDT mn)	2337.28
Net Profit (BDT mn)	190.39
Latest EPS (Post IPO) (BDT)	1.59

Source: LBSL Research and Company Prospectus

**Table 2: Description of Products**

Product Segmentation	Product Type
By Fabric Effect	Basic Denim
	Ring Denim
	Slub Denim
	Cross Slub Denim
By Composition	Cotton Stretch Denim
	Cotton Polyester Stretch Denim
	Cotton Denim
	Tencel Denim
	Cotton Polyester Denim
By Color	Cotton Jute Denim
	Indigo
	Blue Black
	Black
	Olive
By Weaving	Ecu
	2/1 RHT
	3/1 RHT, 3/1 LHT
	Broken Twill
	Satin

Source: LBSL Research and Company Prospectus

### Company Overview and Business Model

Evince Textiles Ltd. (ETL) is concentrated in Manufacturing, Dyeing & Finishing of 100% yarn dyed woven fabric and exporting the same as a deemed exporter. The Factory is situated at Joydevpur, Gazipur. The commercial operations of the company started on May 02, 2003.

### Principal Products and Services

product range includes 100% cotton yarn dyed shirting fabrics comprised of a variety of yarn counts: 30's, 40's, 50's, 60's, 70's, 80/2's and 100/2's with a wide range of dobby designs as well as different types of weaves.

**Table 3: Competitive conditions in the business**

Name of Market Players	Volume of Market share in mn Yds	Percentage of Market Share
Thermax Textiles Limited	24.00	19.42%
Paramount Textiles Ltd.	24.00	19.42%
Zaber & Zubair	18.00	14.56%
Akij Textile Mills Ltd.	12.00	9.71%
Silver Line Composite Textile Mills Ltd.	12.00	9.71%

Source: LBSL Research and Company Prospectus

**Table 4: Principal Suppliers of Raw Material**

Name of Principal Suppliers	Country of Origin	Name of Raw Materials
Nitin Spinning Ltd	India	Grey Yarn
Sportking India Limited	India	
Nahar Spinning Mills Ltd	India	
Prasuna Vamsikrishna Spinning	India	
Vardhman Textiles Ltd	India	
GTN Industries Limited	India	
Zschimmer & Schwarz Mohsdorf Gmbh & Co KG, Germany	Germany	
Huntsman (Singapore) Pte. Ltd	Singapore	
Be Fuwell Enterprise Co. Ltd	Taiwan	
OH Young Industrial co. Ltd, Korea	Korea	
New Look Chem (Singapore) Pte.	Singapore	Dyes Chemicals
Dystar, Singapore	Singapore	
Rudolf, GmbH	Germany	
Avocet Dye and Chemical Co. Ltd,	West Yorkshire	
EHM International Co. Ltd	Thailand	
Archroma Singapore, Pte. Ltd	Singapore	
Sailtex My SDN BHD	Malaysia	
Rhyme (BD) Singapore Pte. Ltd.	Singapore	
Textilchemie Dr. Petry GmbH	Germany	

Source: LBSL Research and Company Prospectus

**Table 5: Historical Capacity Figures**

Products	Unit in mn	Installed Capacity			Capacity utilization for this Products			Utilization (%)		
		2013	2014	2015	2013	2014	2015	2013	2014	2015
Dyeing	Kg	2.11	2.70	2.70	1.91	2.26	2.31	90.28%	83.57%	85.66%
Weaving	Yds	9.60	15.07	15.07	8.66	11.52	11.81	90.23%	76.45%	78.36%
Finishing	Yds	12.00	14.40	14.40	10.80	10.83	11.10	90.00%	75.21%	77.09%

Source: LBSL Research and Company Prospectus

**Table 6: Capital Structure of the Company**

Particulars	Amount (BDT mn)
Paid-up capital (prior to IPO)	1030.00
Paid-up capital (after IPO)	1200.00

Source: LBSL Research and Company Prospectus

**Table 7: Use of IPO Proceeds**

Particulars	Amount (BDT mn)	Implementation date	Projected date of full commercial operation
Civil Construction of Two Storied Ware House	25.58	Within 18 month from receiving IPO proceeds	Within three months of the completion of the project
Machineries, Erection, Installation and Others.	114.29	Within 18 month from receiving IPO proceeds	Within three months of the completion of the project
Working Capital	15.43	Within 30 days from receiving IPO proceeds	N/A
IPO Expenses	14.70	-	-
Total	170.00	-	-

Source: LBSL Research and Company Prospectus

**Table 8: Subsidiary Profile**

Name	Relationship	Area of Business	% of Holdings
Evitex Fashions Limited	Subsidiary	The main activities of the company is concentrated in Manufacturing, Dyeing and Finishing of 100% cotton woven Fabric and export oriented readymade garments.	95.0%

Source: LBSL Research and Company Prospectus

**Table 9: Customers who purchase 10% or more of the Company's products**

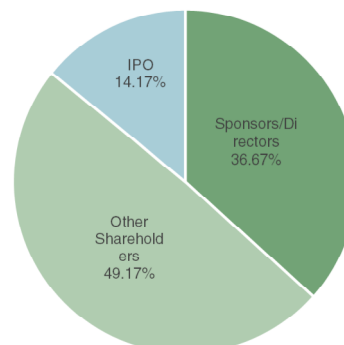
Name	Amount in BDT mn	Percentage of Total Revenue
Elit Garments Ltd.	484.59	31.28%
Vision Apparels Pvt. Ltd.	238.93	15.42%

Source: LBSL Research and Company Prospectus

## Lock in Provision

All shares held, at the time of according consent to the public offer, by sponsors, directors and shareholders holding 5% or more shares, other than alternative investment funds, for 03 (three) years.

**Chart 1: Shareholding Pattern (Post IPO)**



Source: LBSL Research and Company Prospectus

**Table 10: Consolidated Balance Sheet Position (Amounts in BDT mn except noted)**

	Dec 2015	Dec 2014	Dec 2013	Dec 2012	Dec 2011
<b>PROPERTY &amp; ASSETS</b>					
<b>NON-CURRENT ASSETS</b>	<b>2,081.81</b>	<b>1,997.44</b>	<b>1,605.50</b>	<b>1,633.92</b>	<b>1,496.02</b>
Property, Plant and Equipment	2,028.22	1,974.15	1,605.50	1,626.92	1,466.40
Capital Work-in-Progress	53.59	23.29	-	7.00	29.62
Investment in Shares	-	-	-	-	-
<b>CURRENT ASSETS</b>	<b>1,678.04</b>	<b>1,284.08</b>	<b>1,292.55</b>	<b>1,120.86</b>	<b>983.98</b>
Fixed Deposit	44.55	34.83	29.80	-	-
Inventories	602.79	463.52	463.94	439.48	363.33
Accounts Receivable	820.52	639.83	492.25	569.14	516.20
Advance, Deposit and Prepayments	199.44	117.08	286.70	109.48	100.05
Cash and cash equivalents	10.73	28.82	19.86	2.76	4.39
<b>TOTAL</b>	<b>3,759.85</b>	<b>3,281.51</b>	<b>2,898.06</b>	<b>2,754.78</b>	<b>2,480.00</b>
<b>CAPITAL &amp; LIABILITIES</b>					
Shareholder's Equity	1,814.38	1,637.42	896.21	650.07	439.49
Paid-up Capital	1,030.00	1,030.00	440.00	110.50	110.50
Share Money Deposit	-	-	14.00	-	-
Retained earnings	418.91	231.47	55.24	141.00	94.82
Revaluation Surplus	365.47	375.95	386.97	398.58	234.17
Non-Controlling Interest	8.94	7.77	6.63	-	-
<b>NON-CURRENT LIABILITIES</b>	<b>883.05</b>	<b>315.24</b>	<b>401.56</b>	<b>811.08</b>	<b>731.37</b>
Long term loan	863.00	303.77	400.35	761.29	716.22
Obligation under Finance Lease	4.51	2.11	-	-	-
Rent Received In Advance	-	-	-	49.78	15.15
Deferred Tax Liabilities	15.55	9.36	1.22	-	-
<b>CURRENT LIABILITIES</b>	<b>1,053.48</b>	<b>1,321.08</b>	<b>1,593.65</b>	<b>1,293.63</b>	<b>1,309.14</b>
Short term loan	769.47	1,021.48	1,407.23	1,230.74	1,252.99
Current Maturity of Long Term Loan	94.90	102.29	-	-	-
Accounts Payable	64.15	80.27	100.83	10.25	7.25
Liabilities for Expenses	63.69	54.09	34.91	18.12	21.42
Provision for Tax	61.26	62.96	50.69	34.53	27.48
<b>TOTAL</b>	<b>3,759.85</b>	<b>3,281.51</b>	<b>2,898.06</b>	<b>2,754.78</b>	<b>2,480.00</b>
Net Asset Value (NAV) per Share	17.62	15.90	20.05	58.83	39.77

Source: LBSL Research and Company Prospectus

**Table 11: Consolidated Income Statement Position (Amounts in BDT mn)**

Particulars	2015	2014	2013	2012	2011
Turnover	2123.83	2337.28	1517.66	1500.84	1499.58
Less: Cost of goods sold	1664.9	1869.82	1121.19	1110.91	1122.97
Gross Profit	458.93	467.46	396.47	389.92	376.61
Less: Administrative, Selling & Other Expenses	97.79	101.73	64.36	67.4	57.91
Operating Profit	361.14	365.73	332.1	322.53	318.7
Less: Financial Expenses	173.52	178.37	213.7	278.71	232.45
Profit Before Other Income	187.62	187.35	118.4	43.82	86.24
Add. Other Income	7.29	3.04	43.75	1.44	1.44
Net Profit Before Tax	194.9	190.39	162.14	45.26	87.68
Less: Provision for Tax	27.18	24.04	13.6	7.05	13.41
Current Tax	20.99	15.89	12.38	7.05	13.41
Deferred Tax	6.19	8.15	1.22	-	-
Net Profit after Tax	167.73	166.35	148.54	38.21	74.27
EPS	1.62	1.88	4.16	3.46	6.72
EPS with post IPO no of share	1.40	1.39	1.24	0.32	0.62

Source: LBSL Research and Company Prospectus

**Table 12: Ratios**

Particulars	2015	2014	2013	2012	2011
Gross Profit Margin	21.6%	20.0%	26.1%	26.0%	25.1%
Operating Profit Margin	17.0%	15.6%	21.9%	21.5%	21.3%
Net Profit Margin	7.9%	7.1%	9.8%	2.5%	5.0%
ROAA	4.8%	5.4%	5.3%	1.5%	3.0%
Debt to Equity	0.95	0.87	2.02	3.06	4.48

Source: LBSL Research and Company Prospectus

### Latest Quarterly Performance

Evince Textiles Ltd. registered 11.57% YOY in Q1 2016 earnings. Considering post IPO 120.00 mn number of shares, Q1 2016 EPS stands at BDT 0.31. In Q1 2016, the company's NPAT stood at BDT 36.93 mn which was BDT 33.10 mn for the same period of previous year.

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### Recommendation Interpretation

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Overweight	Stock is expected to give positive return over 20% in one year horizon.
Add	Stock expected to give a return of 0-10%+ in one year horizon
Neutral	Current price of the stock reasonably reflects fundamental value.
Reduce	Stock is expected to fall up to 10% in one year horizon.
Underweight	Stock is expected to fall by more than 10% in one year horizon.

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