

Analyst

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**Table : IPO Snapshot**

IPO Size (BDT mn)	300
IPO Size (Shares mn)	30
Face Value Per Share (BDT)	10
Offer Price Per Share (BDT)	10
Year End	June
Sector	Fuel & Power
Revenue in 2016 (BDT mn)	993.35
Net Profit in 2016 (BDT mn)	64
Latest Annualized EPS (Post IPO) (BDT) (9M'18)	0.57
Issue Date of Prospectus	18-Feb-18
Subscription Open Date	18-Mar-18
Subscription Close Date	27-Mar-18

Source: LBSL Research and Company Prospectus

**Table : Capital Structure of the Company**

Particulars	Amount (BDT mn)
Paid-up Capital (Prior to IPO)	45.00
Capital to be issued as IPO	30.00
Paid-up Capital (after IPO)	75.00

Source: LBSL Research and Company Prospectus

**Table : Annual Production Capacity of CNG Refueling (in MT)**

Particulars	Existing: July'16 to June'17	July'16 to Projected Jul'17 to June'18
Installed Capacity	8,100,180	8,181,182
Actual Production	6,701,994	6,708,569
Capacity Utilization (%)	82.7%	82.0%

Source: LBSL Research and Company Prospectus

**Table : Annual Production Capacity of LPG Refueling (in MT)**

Particulars	Existing: July'16 to June'17	Projected: July'18 to June'19
Installed Capacity	0	9,600,000
Actual Production	0	3,888,000
Capacity Utilization (%)	0.00%	40.50%

Source: LBSL Research and Company Prospectus

\*Currently the company has no establishment for LPG. The company is planning to install capacity for LPG by June'19.

### Company Overview

Intraco Refueling Station Limited (IRSL), is a sister concern of the well renowned Intraco Group. NTRACO Refueling Stations Limited works for a better, cleaner, and healthier environment. The company promotes natural gas as Egypt's environmental transportation fuel that contributes to improving the environment and public health. The policy of the company is maintain an accident free workplace and take a leadership position in the protection of environment. The company currently has 8 CNG refueling stations across the country. Since the start of its operation, the company has accumulated over 170 millions cubic meters of gas sales up to March 31, 2015. Besides the refueling service the company provides all kinds of support for installation and commissioning of CNG re-fueling station 24 hours backup service. This maintenance service is provided in 8 maintenance centers of the company. All the maintenance services relating to Car gas's CNG equipment and refueling stations are delivered by highly skilled technicians and engineers. The company is also engaged in the business of locally blended and imported lubricants under the license of from Omera (MJL-Bangladesh). The lubricants are useable in both Diesel and Gasoline powered engines. IRSL operates and maintains the most modern computerized Cylinder Re-Test technology in its plants in Bangladesh. IRSL ensures 100% cylinder safety applying international procedure for Re-test of cylinders. Re-Test plants are located in Dhaka and Chittagong.

**Table : Subsidiary Overview**

SL.	Company	Core areas of Business	% Holding
1	Good CNG Refueling Station Ltd.		95.0%
2	M Hye & Co CNG Refueling Station Ltd.		95.0%
3	Nessa & Sons Ltd.	Selling gas through CNG re-fueling stations	95.0%
4	Absar & Elias Enterprise Ltd.		95.0%
5	East End Automobiles Ltd.		95.0%

Source: LBSL Research and Company Prospectus

**Table : Principal Suppliers of Raw Material**

Name of Principal Suppliers	Name of Raw Materials	Address	Country of Origin
Titans Gas Transmission & Distribution Company Limited	Gas	105, Kazi Najrul Islam Avenue, Kawran Bazar Commercial Area, Dhaka-1215	Bangladesh
Bakhrabad Gas Systems Limited	Gas	Chapapur, P.O Box No Comilla, Bangladesh	Bangladesh

Source: LBSL Research and Company Prospectus

## Principal Products and Services

The principal product of the company is the natural gas that it supplies from the refueling stations. The company is planning to introduce LPG in its product portfolio by June 2019. Lubricant in another promising product line of the company. The company also provides installation and maintenance services to CNG stations across the country.

**Table : Use of IPO Proceeds**

Particulars	Use of IPO Proceeds in BDT mn	Use of IPO Proceeds in %
4 x 50 MT LPG Satellite Plant with filling hall	97.49	32.50%
Cylinder (12.5 kg)	118.08	39.36%
Road Tanker	9.84	3.28%
Mover	6.84	2.28%
Weighting Bridge	5.50	1.83%
Truck (Nitol Tata)-6	14.92	4.97%
Truck Fabrication-6	2.22	0.74%
Diesel Generator ( 250 KVA)	3.04	1.01%
Sub-station (400 KVA)	1.61	0.54%
Factory Shed, Store Room and Office Building	12.55	4.18%
Freight & Clearing Charge	5.00	1.67%
Electrical Work (main/sub/motor, panes, DB, Controls etc.	2.51	0.84%
IPO Expenses	20.40	6.80%
<b>Total</b>	<b>300.00</b>	<b>100.00%</b>

Source: LBSL Research and Company Prospectus

**Table : Source and Requirement of Utilities**

Particulars	Source
Power	Source of power is depending on basis of different location like that DPDC, DESCO, PDB & BREB. To ensure uninterrupted continuing activities IRSL procured and implemented Gas Generator having capacity of 64 KW besides this the company has Diesel generators having capacity of 150 KVA.
Gas	The fuel of electricity producing generators is natural gas. IRSL has the connection of Titas Gas Transmission & Distribution Company Limited and Bakhrabad Gas Systems Limited.
Water	IRSL uses water for daily office operation from WASA.
Contingency Plan	To tackle the disruption of utilities, Company has installed generators i.e. as mentioned in above.

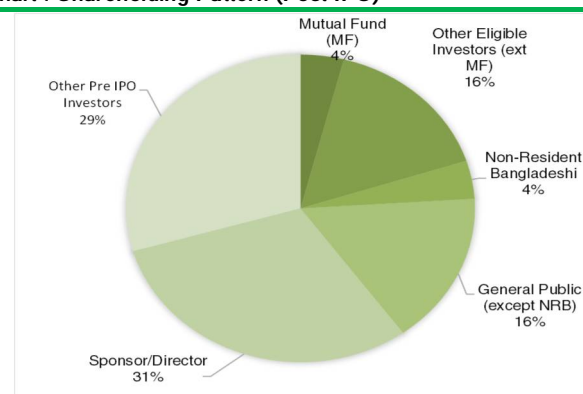
Source: LBSL Research and Company Prospectus

## Lock-in Period

22,881,800 shares held by Sponsors/Directors are locked-in until February 17, 2021. 22,118,200 shares held by private placement in Pre-IPO period is locked-in until February 17, 2019.

25% shares of Mutual Fund and Eligible Investors (3,750,000 shares) are locked-in until August 17, 2018, another 25% is locked-in until November 17, 2018. 30% of the total post IPO shares (22,500,000 shares) have no lock-in provision.

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



Source: LBSL Research and Company Prospectus

**Table : Number of Securities to be Entitled for Each Category of Applicants**

Particulars	Number of Shares	Percentage
Eligible Institutional Investors	12,000,000	40.0%
Mutual Funds	3,000,000	10.0%
Non-Resident Bangladeshi	3,000,000	10.0%
General Public	12,000,000	40.0%
	<b>30,000,000</b>	<b>100.0%</b>

Source: LBSL Research and Company Prospectus

## Business Highlights

- Company's historical financial statements shows that its sales, gross profit, operating profit, net profit has been growing for till 2016. During the year of 2017 has experienced significant de-growth in Revenue, Gross Profit, Operating Profit and Net Profit of the company. In spite of the de-growth in the latest year the Revenue, Gross Profit, Operating Profit and Net Profit has grown at a CAGR of 64.94%, 100.36%, 235.72%, and 625.64% respectively.
- As against consolidated profit after tax of BDT 47.95 million and consolidated basic EPS for the company has been calculated as BDT 1.07 for the period of June 2017. The said consolidated basic EPS has been calculated using the pre-IPO number of shares (45,000,000 shares ) in both 2018 and 2017. However, considering Post-IPO 75,000,000 number of shares the Company's consolidated basic EPS for the 3 (three) months period ended on 31 March 2018, would be BDT 0.17. For the 9 (nine) Months period (July 2017- March 2018) ended on 31 March 2018 consolidated profit after tax was BDT 32.35 million and consolidated basic EPS was BDT 0.72.
- The Company has reported its consolidated profit after tax BDT 13.11 million and consolidated basic EPS BDT 0.29 for the 3 (three) months period ended on 31 March 2018(January March, 2018) as against consolidated profit after tax of BDT 16.47 million and consolidated basic EPS of BDT 0.37 for the same period of the previous year. It is to be noted that consolidated basic EPS has been calculated based on weighted average Pre-IPO paid-up number .
- The company has the current capacity utilization rate of 82.74% in the CNG Refueling Stations. The company is expecting to increase this level up-to 83% by 2020. The company has projected that the capacity utilization for LPG will be increased over the time after installation. The targeted capacity utilizations for new project are 52%-66% between 2020 and 2021.

**Table : Consolidated Income Statements (Amount in BDT mn)**

Particulars	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
<b>Sales Revenue</b>	<b>993.35</b>	<b>1,125.35</b>	<b>745.17</b>	<b>637.63</b>	<b>402.56</b>
Cost of Sales	842.86	961.16	640.69	545.21	349.84
<b>Gross Profit</b>	<b>150.49</b>	<b>164.18</b>	<b>104.47</b>	<b>92.42</b>	<b>52.73</b>
Operating Expenses:	0	0	0	0	0
Administrative & selling Expenses	37.31	35.02	24.64	14.25	5.22
Financial Expenses	10.04	15.94	14.87	16.41	16.29
<b>Profit from Operation</b>	<b>103.14</b>	<b>113.22</b>	<b>64.96</b>	<b>61.76</b>	<b>31.21</b>
Non Operating Income	0	0.34	0.08	0.08	0.1
<b>Net Profit before tax</b>	<b>103.14</b>	<b>113.56</b>	<b>65.04</b>	<b>61.84</b>	<b>31.32</b>
Workers Profit Participation Fund (WPPF)	4.91	5.41	0	0	0
Net Profit After WPPF	98.23	108.15	65.04	61.84	31.32
Income Tax Expenses	34.38	37.85	24.39	22.14	10.95
Current Tax	17.06	16.95	12.73	22.14	10.95
Deferred Tax	17.32	20.91	11.66	0	0
<b>Net profit after tax</b>	<b>63.85</b>	<b>70.3</b>	<b>40.65</b>	<b>39.7</b>	<b>20.37</b>
Non-Controlling Interest	2.56	2.76	0	1.77	0.84
Profit for Ordinary Shareholders	61.29	67.54	38.95	37.93	19.53
Earnings per Share (EPS)*	0.85	0.94	0.54	0.53	0.27

Source: LBSL Research and Company Prospectus

\*EPS has been calculated based on Post IPO number of shares

**Table : Consolidated Statement of Financial Position (Amount in BDT mn)**

	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
<b>NON-CURRENT ASSETS</b>					
Property, Plant & Equipment	740.28	514.67	365.28	318.92	203.09
Stock of Machineries	89.62	89.62	112.25	112.25	76.15
Capital Work-In-Progress	30.08	40.26			
<b>Total Non-Current Assets</b>	<b>859.98</b>	<b>644.55</b>	<b>477.53</b>	<b>431.17</b>	<b>279.24</b>
Investment in Share					
<b>CURRENT ASSETS</b>					
Inventories	11.02	5.59	2.94	4.44	5.15
Trade Receivables	11.48	11.46	12.3	10.17	3.35
Dividend Receivable					
Advance, Deposit & Pre-payments	43.17	177.8	25.13	20.85	35.93
Cash & cash equivalent	17.12	22.1	10.1	11.45	11.81
<b>Total Current Assets</b>	<b>82.79</b>	<b>216.94</b>	<b>50.47</b>	<b>46.91</b>	<b>56.24</b>
<b>TOTAL ASSETS</b>	<b>942.78</b>	<b>861.49</b>	<b>528</b>	<b>478.08</b>	<b>335.48</b>
<b>SHARE HOLDERS EQUITY</b>					
Share Capital	450	450	0.3	0.3	0.3
Retained Earnings	174.23	112.94	58.56	19.61	-13.58
<b>Equity attributable to owners of the Company</b>	<b>624.23</b>	<b>562.94</b>	<b>58.86</b>	<b>19.91</b>	<b>-13.28</b>
Non Controlling Interest	13.52	10.96	5.7	4	1.9
<b>Total Equity</b>	<b>637.75</b>	<b>573.9</b>	<b>64.55</b>	<b>23.91</b>	<b>-11.39</b>
<b>NON-CURRENT LIABILITIES</b>					
Share Money Deposit			249.71	249.71	182.05
Deferred Tax Liability	82.09	64.77	43.86	32.2	
Long Term Borrowings	51.72	63.19	76.57	81.43	90.02
	<b>133.81</b>	<b>127.96</b>	<b>370.15</b>	<b>363.35</b>	<b>272.08</b>
<b>CURRENT LIABILITIES</b>					
Current portion of Long Term Borrowings	19.71	17.32	6.77	5.6	10.74
Trade & Others Payables	57.33	61.55	44.06	51.29	23.57
Liabilities for expenses	8.43	7.4	7.4	6.45	4.04
Workers Profit Participation fund	8.76	7.94			
Current Account with Sister Concern				5.16	13.3
Dividend Payable		2.8			
Provision for Tax	76.98	62.63	35.06	22.32	23.15
<b>TOTAL CURRENT LIABILITIES</b>	<b>171.21</b>	<b>159.63</b>	<b>93.29</b>	<b>90.83</b>	<b>74.8</b>
<b>TOTAL LIABILITIES</b>	<b>305.02</b>	<b>287.59</b>	<b>463.44</b>	<b>454.17</b>	<b>346.87</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>942.78</b>	<b>861.49</b>	<b>528</b>	<b>478.08</b>	<b>335.48</b>

Source: LBSL Research and Company Prospectus

**Table : Key Ratios (consolidated basis)**

Particulars	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
Gross Profit Margin	15.15%	14.59%	14.02%	14.49%	13.10%
Operating Profit Margin	10.38%	10.06%	8.72%	9.69%	7.75%
Net Profit Margin	6.43%	6.25%	5.45%	6.23%	5.06%
ROAE	0.66%	0.70%	37.82%	-25.94%	-12.42%
ROAA	0.47%	0.50%	0.86%	0.92%	1.24%
Debt to Equity	8.11%	11.01%	118.62%	340.63%	-790.52%

Source: LBSL Research and Company Prospectus

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