

PHENIX HATCHERY LTD.

Ratings are based on Unaudited Financial Statement up to 30th June, 2012 along with the other relevant Quantitative as well as Qualitative information provided by Bank and Client up to the Date of Rating Declaration.

Followed Corporate Rating Methodology and Bank Loan Rating Methodology of NCR published in our website.

Website: www.ncrbd.com

ENTITY RATING				
Date of Rating Declaration	Long Term		Short Term	
29.08.2013	A- (Single A Minus)		ST-3	
Valid Till	28.08.2014		28.02.2014	
Outlook	Stable			
BANK LOAN RATINGS				
Name of Bank	Nature of Facility	Limit (TK. In Million)	Outstanding (TK. In Million)	BLR ^a
BASIC Bank Ltd.	Cash Credit	40.00	37.98*	BBB+
	LTR	10.08	11.31*	
	Loan General	16.00	18.06*	
	Short Term Loan	15.89	16.90*	
	Term Loan	81.00	86.24*	
National Bank of Pakistan	TR	Case to Case	64.20**	BBB
Bank Asia Limited	Term Loan	13.04	8.64**	A-
People's Leasing and Financial Services Ltd.	Lease Finance	12.81	11.64**	

* Outstanding as on 19th August, 2013

** Outstanding as on 30th June, 2013

^a BLR is valid for one year for long term loan and for short term loan up to 365 days or according to the tenure of the loan whichever is earlier.

RATING RATIONALE

The above ratings of Phenix Hatchery Ltd. reflect the satisfactory track record, rich experience of the promoters, established production facilities and good financial profile characterized by good profit margin, adequate liquidity position & coverage indicators and low leverage. The ratings of the company also get benefit from the association with Phenix Group. The ratings are, however, constrained by the long cash cycle and risk associated with the nature of business. The Bank Loan Ratings (BLR) has been notched at par or below with the underlying borrower's entity ratings considering factors such as security coverage and recovery prospects.

FINANCIAL DATA

TK. (million)

	June-12	June-11
Total Assets	1319.13	1250.53
Equity	1101.49	1003.35
Operating Margin	22.03%	7.96%
Net Profit Margin	17.26%	3.24%
Net Turnover	636.87	548.60
EBITDA	152.71	57.46
ROE	10.44%	3.55%
ROA	8.56%	2.85%
Current Ratio	4.38	3.81
DSCR (X)	4.47	1.96
Net Debt/(Net Debt + Equity)%	15.93%	19.32%

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ASSESSMENT

- The turnover of PHL has increased to TK. 636.87 million in FY 2012 against TK. 548.60 million in FY 2011, registering a growth of 16.09% in FY 2012.
- The gross margin increased to 23.86% in FY 2012 from 12.36% in FY 2011. The operating margin also increased to 22.03% in FY 2012 from 7.96% in FY 2011.
- The EBITDA has increased to TK.152.71 million in FY 2012 from TK. 57.46 million in FY 2011, registering a growth of 165.77%. The impact of positive working capital also eventually interprets the liquidity position. The current ratio was found adequate and increased to 4.38 times in FY 2012 against 3.81 times in FY 2011.
- The debt service coverage was found adequate and increased to 4.47 times in FY 2012 from 1.96 times as FY 2011. The debt payback periods became shorter to 1.37 times in FY 2012 from 4.18 times in the previous year.
- The financial structure of PHL was composed of 15.93% debt and 84.07% equity in FY 2012. The asset turnover ratio has slightly decreased to 0.50 times in FY 2012 from 0.88 times in FY 2011. The equity multiplier declined to 1.22 times in FY 2012 from 1.25 times in FY 2011. The asset base of the company increased to TK. 1319.13 million in FY 2012 against TK. 1250.53 million in FY 2011.

PROFILE

- Phenix Hatchery Ltd. (hereinafter referred as 'PHL' or The Company) is a sister concern of Phenix Group, a renowned concern of Bangladesh. It was incorporated as a Private Limited Company on 28 February 1993 under the Companies Act, 1994. The company is engaged to Produce Day-Old-Chicks (Boiler & layer), Eggs and Culled birds. PHL is running its operation with modern technology and equipments.
- The corporate office of PHL is located at 34, Purana Paltan, Dhaka and the farm is located at Baniarchara, Memberbari, Gazipur. The farm is built on a piece of own land measuring 68 Bigha. PHL has 10 sheds with 16000 sqft each. The yearly production capacity of the company is around 32.85 million DOC, 5 million eggs and 60000 kg Culled birds.

DISCLAIMER

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