

**PHENIX POULTRY LTD.**

Ratings are based on Unaudited Financial Statement up to 30<sup>th</sup> June, 2013 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](http://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 <sup>a</sup>
Shahjalal Islami Bank Limited	Bai Muazzal Term	300.00	290.34	A-
	Hire Purchase	212.33	149.36	
National Bank of Pakistan	TR	Case to case	62.76	BBB

\* Outstanding as on 30th June, 2013

<sup>a</sup> 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 Poultry Ltd. reflect the satisfactory track record, rich experience of the promoters, established production facilities and good financial profile characterized by good profit margins, moderate liquidity position and coverage indicators. 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 associate 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.

**ASSESSMENT**

- The turnover of PPL has increased to TK. 543.44 million in FY 2013 against TK. 400.03 million in FY 2012, registering a growth rate of 35.85%.
- The gross profit margin has also increased to 20.53 % in FY 2013 from (64.84) % in FY 2012. The operating profit margin increased to 18.34% in FY 2013 from (67.32)% in FY 2012.
- The EBITDA was recorded TK. 117.33million in FY 2013 from TK. (253.64) million in FY 2012. The net profit margin increased to 9.99% in FY 2013 from (78.26) % in FY 2012. The current ratio was found moderate and slightly increased to 1.15 times in FY 2013 against 1.13 times in FY 2012.
- The debt service coverage was recorded 1.37 times in FY 2013 against (4.42) times in FY 2012. The debt payback periods became longer to 4.33 times in FY 2013 from (1.85) times in the previous year.
- The Financial structure of PPL is composed of 48.44% of debt and 51.56% of equity in FY 2013. The asset turnover ratio increased to 0.54 times in FY 2013 from 0.37 times in FY 2012. The equity multiplier increased to 1.96 times in FY 2013 from 1.70 times in FY 2012. The asset size of the firm has increased significantly to TK 1051.74 million in FY 2013 against of TK 955.16 million in FY 2012.

**PROFILE**

- Phenix Poultry Limited (hereinafter referred as 'PPL' or 'The Company') a sister concern of Phenix Group, was incorporated as a Private Limited Company on 27<sup>th</sup> September, 1978 under the Companies Act 1913. The company is engaged to produce commercial broiler, Eggs and Culled birds.
- The Head Office of the company is located at 34, Purana Paltan, Nurjahan Sharif Plaza, Dhaka 1000 and the firm is operates its business with two units. The unit-1 is located at Paradogar, Matuail, Demra, Dhaka built on 12 acres land. The unit-2 is located at Baniarchara, Memberbari, Gazipur built on 22.67 acres land. The yearly production capacity of the firm is around 30 million eggs, 5 million DOC and 80,000 KG Layer birds.

**FINANCIAL DATA**

TK. (million)

	June-13	Jun-12
Total Assets	1051.74	955.16
Equity	540.27	485.98
Operating Margin	18.34%	-67.32%
Net Profit Margin	9.99%	-78.26%
Net Turnover	543.44	400.03
EBITDA	117.33	(253.64)
ROE	10.58%	-48.72%
ROA	5.41%	-28.74%
Current Ratio	1.15	1.13
DSCR (X)	1.37	(4.42)
Net Debt/( Net Debt + Equity)%	48.44%	49.08%

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