



Key Particulars of the IPO

Ticker	SSSTEEL
Face Value (Tk.)	10.00
Offer Price per share (Tk.)	10.00
No. of Share (IPO)	25,000,000
No. of Pre-IPO Share	220,000,000
No. of Post-IPO Share	245,000,000
Issue Size (Offer Price) (Tk)	250,000,000
Pre-IPO Paid-up Capital (TK)	2,200,000,000
Post-IPO Paid UP (Tk)	2,450,000,000
Authorized Capital (Tk)	2,500,000,000
No. of Free Float Shares on Debut	18,750,000
Pre-IPO EPS (3m, Sep 30, 2018)	0.36
Post-IPO EPS (3m, Sep 30, 2018)	0.32
Annualized EPS (12m, 2018-19)	1.28
NAVPs (as on June, 2018)	16.53
PE at Tk 10 (Post-IPO)	7.81

Company Overview

SS Steel Limited was incorporated and started their commercial operation in December 2001. The principal activities of the company are manufacturing of 500W MS-Deformed Rod, MS-Ingot, Billet, steel for the reinforcement of concrete.

Name of Sponsors and Directors

Name	Position	Pre IPO %
Javed Opgenhaffen	Chairman	31.45%
Mohammad Shirajul Islam	Managing Director	2.28%
NJ Holdings Ltd	Director	2.27%

Top Five Private Placement Shareholders

Sl.	Name	No. of Share	Lock In
1.	Nabiha Yasmeen	23,320,688	3 Yrs.
2.	Md. Ahsan	10,000,000	1 Yr.
3.	Shorecap Holding Limited	9,991,000	1 Yr.
4.	Al Dewan Technical Services LLC	8,541,212	3 Yrs.
5.	BMSL Investment Limited	8,151,000	1 Yr.

Details of the Company

S. S. Steel Limited has been set up to produce different types of MS-Bar (Rod). At present there are different varieties of products in relation to thickness and in category. The company is not totally reliant on one set of customers or suppliers for their products or source of revenue.

The company has already two sister concerns which are already enlisted on the stock exchanges namely Gernation Next Fashions Limited and Fu-Wang Ceramic Industry. Mr. Javed Opgenhaffen, Managing Director retired from Generation Next Fashions Limited on dated August 26, 2015.

S. S. Steel Limited used Induction furnace technology because of induction furnace is a clean, energy-efficient and well-controllable melting process compared to most other means of metal melting.

The products of S. S. Steel Limited have been marketed locally. There is a huge demand of the product in our country due to increase of manufacturing both commercial and residential buildings. Most of the demands are being met up by our local manufacturers. Each and every year the demand of the product is increasing rapidly.

S. S. Steel Limited used two different plants. One is steel plant which produce intermediate finished goods namely billets and ingot. Other plant is Rolling plant which produce finished goods namely MS-BAR (Rod). They used three induction furnace and one Continius Casting Machine (CCM) for the production of MS Billets and one reheating furnace and one fully auto Re-Rolling Mill for the production of MS-BAR (Rod).

Industry Overview

The steel industry plays a fundamental role in not only driving economic growth, but also other complementary industries such as transportation, energy, heavy engineering and construction. Steel industry is an established and growing industry in Bangladesh. Predominantly based in the port city of Chittagong, the industry has emerged as a major contributor to the national economy. According to the experts, the growth of steel industry in Bangladesh is mainly induced by the rapid expansion of the country's shipbuilding and real estate sector, as well as the major investments in various infrastructure projects throughout the country.

IPO PROFILE OF SS STEEL LIMITED



Financing of IPO fund

Particulars		%	No. of Ordinary Shares	Issue price	Issue Amount (Taka)
Eligible investor (EI)	EI	40%	10,000,000	10	100,000,000
	Mutual Funds and CIS	10%	2,500,000		25,000,000
General public (GP)	GP	40%	10,000,000		100,000,000
	NRB	10%	2,500,000		25,000,000
Total		100%	25,000,000		250,000,000

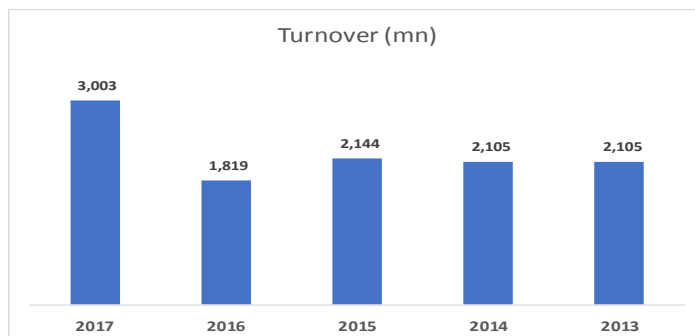
Financial Indicators

Ratio	2017	2016	2015	2014	2013
Current Ratio	1.66	2.32	1.23	0.81	0.77
ROA	4.77%	2.38%	0.41%	1.10%	0.94%
ROE	7.76%	3.03%	0.89%	4.12%	3.51%
Debt-Equity	0.54	0.41	0.92	2.57	2.28
Gross Profit Margin	22.6%	22.1%	21.1%	17.7%	16.8%
Operating Profit Margin	15.9%	16.3%	17.1%	13.6%	13.2%
Net Profit Margin	8.82%	5.25%	0.54%	1.31%	1.07%

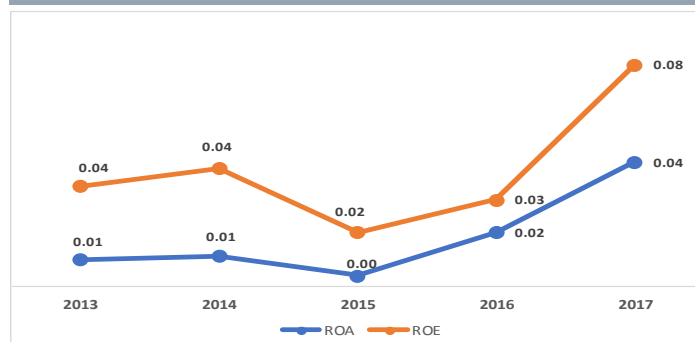
Key Observations

- SS Steel Limited has CAGR of sales growth of **9.30%** over the course of the last five financial years. During the same period the company had a staggering CAGR of **85.15%** for the Net profit After Tax.
- Javed Opgenhaffen, the chairman of SS Steel Limited is also the current chairman of Fu-Wang Ceramic Industry Limited.
- With infrastructure developments going ahead in full pace, the per capita steel consumption is expected to increase from 45Kgs in 2017 to 73 Kgs in 2022, indicating a significant growth opportunity for the sector.
- The Company has no subsidiary nor it is operated under a holding company nor does it have any associate company.

Revenue Earned During Last Five Financial Years



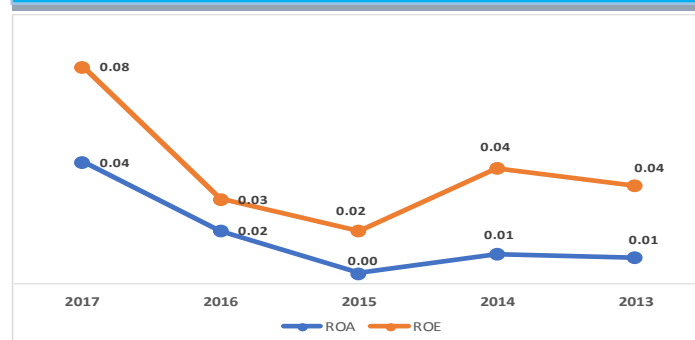
Operating Profit Margin & Net Profit Margin



Capacity Utilization (monthly)

Year	Installed Capacity (M Ton)	Capacity Utilization (M Ton)	Actual Capacity Utilization (%)
2018	108,000	70,780	66.54%
2019	108,000	85,220	78.90%
2020	120,000	90,350	75.29%

Return on Assets & Return on Equity



IPO PROFILE OF SS STEEL LIMITED



Use of the Proceeds of IPO (in mn)

Particulars	Amount	%
Plant & Machinery	214,312,500	85.73%
Construction of new 4 storied building & 60 feet height steel structure shed	15,120,000	6.05%
IPO expenses	20,567,500	8.22%

The major portion of IPO amount will be used for purchasing new machineries and equipment for the plant the rest of the amount collected through the IPO will be used to pay off civil construction expenses and the IPO expenses.

PE of SS Steel Ltd. relative to other companies

Market PE	16.00
Sector (Engineering) PE	15.30
PE – BSRMSTEEL	12.28
PE – RSRMSTEEL	7.81

Other IPO Details

Issue Date of Prospectus: October 03, 2018

Year End: June

Issue Manager: Citizen Securities and Investments Limited

Auditor: MABS & J Partners Chartered Accountants

Implication Schedule of IPO Proceeds

Particulars	Approximate period of project completion & commercial operation
Purchase of plant & machinery	Acquisition of Plant & Machineries, Erection, Electrical Fittings and Installation will be completed within 18 months of receiving the IPO fund and commercial operation will start 3 months following the completion of the project.
civil construction	Civil construction will be completed and up and running within 21 months of from IPO date.

Disclaimer

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Prepared by

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Dividends Declaration

Year	2017	2016	2015	2014	2013
Cash (%)	Nil	Nil	Nil	Nil	Nil
Stock (%)	Nil	Nil	Nil	49%	Nil

Lock-in Free Period for EI: (from Issue Date of Prospectus)

Period	On Debut	6-months	9-months
Portion	Initial 50%	Next 25%	Last 25%
Date	17.01.2019	03.04.2019	03.07.2019

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Price of SS Steel Ltd. relative to different prices

PE	20	25	30	35	40	45
Price	25.6	32	38.4	44.8	51.2	57.6