

GENERATION NEXT FASHION LIMITED (GNFL)

Public Offer of 30 Million Shares @ Tk. 10.00 Last Update: 27/11/2012

Company Snapshots

Offer Price	: Tk. 10.00
Sector	: Textile
Business	: Knitwear and Woven
Paid Up Capital (Pre-IPO)	: Tk. 871.65 Million
Paid Up Capital (Pre-IPO)	: Tk. 1171.65 Million
Reserve (Without Rev Reserve)	: Tk. 344.90 Million
Yearly Turnover	: Tk. 1393.63 Million (2011)
NAV	: Tk. 22.64
Annualized EPS (Pre-IPO)	: Tk. 2.50
EPS (Post-IPO)	: Tk. 1.89
Forward P/E (Sector)	: 12.21 Times
IPO Proceed Utilization	: Repayment of term Loan

Company Summary:

Generation Next Fashions Ltd. (GNFL) serves as a fully vertical knit fabric and apparel manufacturing setup in Bangladesh (yarn-final product) producing approx. 3 million units per month and 500,000 KGs of knit fabric per month for various retailers across Europe and North America. Our vertical integration assists us in providing competitive prices, robust development services, and quick turnarounds to achieve significant economic of scale for our customers.

The Company has 17 state-of-the-art LKM machines and 4-track knitting machines with Full Lycra Feeders from Memminger, Germany. On the other hand the dye house consists of the machinery with a capacity of processing and dyeing 5000 MT per year. The plant also has a versatile and flexible finishing range for tubular fabrics as well as open-width fabrics.

The core business of **GNFL** is to carry out business in spinning, knitting, weaving, manufacturing of textile and various types of ready-made garments of international standard and design.

The woven garment products of GNFL are categorized in two broad categories which are ladies wear and men's wear. Among the entire product line, 70% are ladies wear, of which 50% are camis and rest are short sleeve tops, 10% are men's t-shirt and 20% are polo shirt.

Financials (BDT)	31-Dec-11	31-Dec-10	31-Dec-09	31-Dec-08	31-Dec-07
Sales Revenue	1,393,627,887	1,289,543,519	1,014,538,165	601,118,585	343,193,871
Cost of Goods Sold	1,082,489,912	1,021,092,324	807,425,529	443,409,375	279,642,969
Gross Profit	311,137,975	268,451,195	207,112,636	157,709,210	63,550,902
Administrative Expenses	95,186,547	98,747,472	79,651,392	49,791,947	51,398,322
Operating Profit	215,951,428	169,703,723	127,461,244	107,917,263	12,152,580
Financial Expenses	153,988,754	169,149,917	164,891,128	123,378,056	53,788,597
Other Income	156,542,529	112,505,521	115,397,056	71,356,802	69,849,761
Net Profit /(Loss) before tax	218,505,203	113,059,327	77,967,172	55,896,009	28,213,744
Provision for Income tax	36,093,138	19,269,786	8,491,050	4,818,732	4,424,603
Net Profit (Loss) after Tax	182,412,065	93,789,541	69,476,122	51,077,277	23,789,141

Per share (BDT)	31-Dec-11	31-Dec-10	31-Dec-09	31-Dec-08	31-Dec-07
Diluted EPS	2.09	2.68	14.72	10.82	5.04
NAV	2.26	2.91	14.31	13.08	1.26

Other Important Ratios	31-Dec-11	31-Dec-10	31-Dec-09	31-Dec-08	31-Dec-07
Gross profit margin	22.00%	21.00%	20.00%	26.00%	18.00%
Operating profit margin	15.00%	13.00%	13.00%	18.00%	3.00%
Net Profit Margin	13.00%	7.00%	7.00%	8.00%	7.00%
Return on Assets (ROA)	5.00%	4.00%	3.00%	3.00%	3.00%
Return on Equity (ROE)	9.00%	9.00%	8.00%	8.00%	40.00%