

Thesis Report on Financial Performance Analysis of Listed Cement Companies of Dhaka Stock Exchange



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Thesis Report on Financial Performance Analysis of Listed Cement Companies of Dhaka Stock Exchange

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Letter of Transmittal

April 03, 2021

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Subject: **Submission of Thesis Report.**

Dear Sir,

This is to inform you that I have completed the thesis paper topic “Financial Performance Analysis of Listed Cement Companies of Dhaka Stock Exchange” which has been prepared as a requirement for the completion of the BBA program of the Department of Business Administration, Daffodil International University. I have tried my best to make this report a comprehensive and informative one. I hope you will appreciate my endeavor and find the report up to your expectation.

It has to be mentioned further than without your advice and cooperation it would not be possible for me to complete this report. I shall be gratified to answer any sort of queries you think necessary regarding this report.

Sincerely



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Approval Certificate

This is certify that **Md. Kazim ID# 171-11-5497, BBA (Finance)**, is a regular student of Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University. He has successfully completed his thesis report on “**Financial Performance Analysis of Listed Cement Companies of Dhaka Stock Exchange**” and has prepared this report under my direct supervision. I think that this research paper is worthy of fulfilling the partial requirements of BBA program. I also declare that the study has been prepared for academic purposes only and this paper may not be used in actual market scenario.

I have gone through the thesis report and found it a well written. He has completed the report by himself. I wish him every success in life.



Md. Kamruzzaman Didar

Assistant Professor of Finance

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Acknowledgment

In the name of Allah the beneficent the merciful. This paper would not have been possible without the guidance and the help of several individuals who in one way or another contributed and extended their valuable assistance in the preparation and completion of this study.

I started this thesis report and finally it has been completed. The special thanks to my helpful supervisor Md. Kamruzzaman Didar, Assistant Professor of Finance, and Department of Business Administration.

I would like to express my gratitude towards my supervisor and experienced in online of observe impact of firms profitability on stock price return for kind encouragement which has helped me in completion of this thesis report. This report is an essential part of BBA program as one cannot gather educational knowledge and experience without observing & doing work at chosen this topic.

I would like to express my special gratefulness and thanks to the all online platform for finding anything so easily. This report makes me realized the value of working as a new experience from online platform.

Abstract

Cement is the basic raw materials for the building constructions. Cement manufacturing is an energy and resource intensive process with both local and global environmental, health and safety impacts. Because of these impacts, ensuring health& safety working conditions for employees is one of the most significant issues for the cement industry. The main raw material of cement is clinker. In our country maximum raw materials to imports from other country. As a result cement production cost increase day by day. In this report I have discusses about the financial Performance analysis of cement industry. Financial performance given that to know the company present situation and to identify the problems and to identify the best possible way for recover the problems. Here includes Ratio Analysis (Liquidity ratio, Operating Efficiency ratio, Profitability ratio and DuPont Analysis. 60% of the total sales during the first half in a year and rest of the second half. Seasonality of cement demand decrease but government cement demand increase for the ongoing infrastructure project. Public to purchase nearly 35% of cement manufactured and three-fourth of cement produce is purchase in Chittagong and Dhaka division.

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Chapter: 01

Introduction

1.1 Introduction

Cement industry in Bangladesh is playing a very important role in the development of infrastructure as the economy is growing over the years. Cement industry play role for country economic growth. In 1990, about 95 percent of country demand for cement had been met through import. In 2010 local entrepreneurs started cement factory around 100 but currently 45 factories are in operation with multinational companies. Many small factories have shut down. In Bangladesh, only one type of cement (Ordinary Portland Cement) available which to flow the American Standard Method. Many types of cement became available in Bangladesh which has helped the cement industry provide differentiated and improved products to customers. Two types of raw materials use for the cement production first one is calcium or calcareous materials such as limestone, chalk etc and other one is silica or argillaceous materials. In Bangladesh, any cement factory not under the private ownership up to the year 1994. After getting some positive government initiative multinational manufacturers and local entrepreneurs jointly invested to establish the cement industry that increasing day by day.

1.1.1 Background of the study:

As a prerequisite for the Bachelor of Business Administration (BBA) degree from Daffodil International University (DIU).I have completed thesis report and prepared report name is “Financial Performance Analysis of Cement Industry in Bangladesh by using annual report of cement factory.

1.1.2 Scope of the study:

The scope of the study to covers general activities and financial performance analysis of cement industry in Bangladesh.

Major focus of this report to analysis:

- Industry analysis using Porter’s 5 forces model
- Ratio Analysis
- DuPont Analysis

1.1.3 Objectives of the study:

Main Objectives:

- ❖ To analysis the financial statements of listed cement companies in Bangladesh with key focus of its overall financial performance.

Specific Objectives:

- I. To analyze the cement industry of Bangladesh using Porter's 5 forces model.
- II. To know the five years financial performance of cement companies in Bangladesh.
- III. To find out the problems of cement companies in Bangladesh.
- IV. To give some possible recommendations for overcome the problems of listed cement companies of Bangladesh.

1.1.4 Methodology of the study:

Sources of data:

The data used for the complete of report that has been collected from the secondary sources.

Secondary Sources:

1. Annual report of Premier cement mills ltd (2015-2019)
2. Annual report of Confidence cement limited (2015-2019)
3. Annual report of Lafarge Holcim Bangladesh ltd (2018 & 2019)
4. Annual report of Heidelberge cement Bangladesh ltd (2015-2019)
5. Annual Report of Meghna Cement Mills ltd (2015-2019)
6. Annual report of Aramid cement ltd (2017-2019)
7. Annual report of M.I cement factory ltd (2017-2019)
8. <http://lankabd.com/cenemnt> companies

Data Analysis:

- MS Excel has been used for the data analysis.

1.1.5 Limitations of the Study:

There were face some limitation for completing the report .Some of the limitation are given below-

- The company website was not update.
- Necessary information was not available.
- It is very complex to collect actual information.
- Some activity or policy was difficult to understand.
- Company does not disclosing confidential data and information.
- Some cases assumption adopted for the limited information. So some mistake in assuming.
- The company people are so much busy as a result it was very difficult to co-operate with me, which is a barrier for the report.

Chapter: 02
About of Cement Sector & Listed Companies of Cement
Sector of Bangladesh

2.1 Overview of Cement Sector of Bangladesh

In Bangladesh, Cement industry is one of the fastest growing cements markets in the world, grew at approximately 11.5% CAGR last seven years and demand double 14.6 million MT to 31.3 million MT in year. Per capita cement purchase in Bangladesh double from 95 KG in 2011 to 187 KG in 2018. But in Bangladesh still lowest customers of cement in the world. Approximately almost 81% market share of total market share is held by the top ten cement manufacturing company. Now Bangladesh is a cement exporting nation. Bangladesh to export cement worth US\$12.59 million during fiscal year 2017-2018. On the back of massive infrastructure investment by the government, increasing remittance, growing urban population and GDP growth, cement demand is expected to grow at even higher than historical rate. We know that raw materials of cement are import from others country. Almost all of raw materials used in cement manufacture which import from others country. As a result increase raw material price and intense price war for profit margin for the cement company. Now changes tax laws, higher fuel and transportation cost & cost of fund have added more suffering for the industry players. Hence, although the outlook for cement demand growth is very robust profitability still remains a concern for all. First half of 1990s, 95% country's cement demand were by the import. After getting positive nod from government, multinational manufacturers and local entrepreneurs into the industry in late 90's. In 1994 more than 120 company registered for cement manufacturer but 75 company to continue operation. In 2003, Bangladesh to start cement exporting for the very first time. LafargeHolcim ltd and Heidelberge Cement ltd along with 30 local & Multinational manufacturers are operating cement industry in Bangladesh and seven company's are listed under stock exchanges. Global cement market expected to increase over US\$ 725 billion by 2025. According to the survey of Daily Star in February 2019, local cement selling price BDT 395-420 per bag. But cement of multinational brand cost BDT 418-450. 60% of the total sales during the first half in a year and rest of the second half. Seasonality of cement demand decrease but government cement demand increase for the ongoing infrastructure project. Public to purchase nearly 35% of cement manufactured and three-fourth of cement produce is purchase in Chittagong and Dhaka division.

2.2 Premier Cement Mills limited

Premier cement mills limited is the big company in our country. Premier cement mills ltd to produce building manufacturing Cement and to leading cement manufacturer in Bangladesh. Premier cement mills limited established in 2004. This Company to make construction materials like Ready mix concrete, pipe, block and other pre-stressed concrete units to the Government, Builders & Manufacturers. Premier cement mills limited is the listed company in Bangladesh. Premier cement mills limited growth faster than others competitors cement company. In 2012, Premier cement mills limited started production with 3rd& 4th units. The company production capacity is 1.2 million in a year. This company future target 8 million in a year. Now the company annual production capacity 2.4 million tons (8,000 tons per day) for the additional market demand with 700 employees involved for the operation at both home and abroad. Premier cement mills limited to used latest technology for increased production capacity which are most environmental friendly and cost effective. This company to produce high quality products by maintaining European Standers & use best materials and provide technical excellence for our customers. Premier cement mills to promote CSR activities to address social issues as well as to create value to the society.

2.3 Confidence Cement Ltd.

Confidence Cement Limited is the promoter cement making company in privet cement sector in Bangladesh inside the government industrial policy of 1991. The company was founded in May 2, 1991 is form of public limited company. Confidence Cement Company is one of the large producers (creator) in the country. Confidence cement limited to leading both Dhaka stock exchange and Chittagong stock exchange. This company under top 20 Company for last 29 years in Bangladesh as a top performing company. It is certified cement manufacturing company in Bangladesh by the ISO 9002. The mission of the confidence cement limited is to manufacturer & sells cement with no compromise to quality. Confidence cement limited have still position and continuing high quality cement for the customers. Now the company production capacity are (750000) 480000 Metric Tons annually. The company aims to be best manufacturing company in Bangladesh by the development and maintain high quality.

Confidence cement limited company annually produce 480000 metric tons .it is certified by ISO 9002.and it is the first certified cement company in Bangladesh confidence cement limited making high quality cement for the customers and this company sales procurements, management system is unique from the others company or competitor

Mission of the company is produce and services that ensure the best value for the customers.The company believes that that “can do” In every targeting goals.

Vision the vision of the confidence cement company limited is went top three (3) in position among the others company, another vision is to provide best quality product so that the customers respect the brand.

2.4 Lafarge Holcim Bangladesh ltd

LafargeHolcim Bangladesh limited has the most unique activities in Bangladesh,clearly setting the company apart from the rest of the cement companies and other industries in Bangladesh. The Company’s cement plant in Chattak is the only fully integrated cement plant in Bangladesh where clinker and cement of high premium quality are produced. Clinker is the most important for making the cement because clinker is the first raw material for the cement .Clinker is not a finished product ,it is a half finished product. Other cement company in Bangladesh to imports primary raw materials “clinker” from others country and different typrs of source based on price and availability.But Lafarge Holcim Bangladesh limited only produce own clinker as a result Lafarge Holcim Bangladesh ltd can guarantees and premiumness of the clinker’s quality. We know that clinker is the primary raw materials for the cement ,so cement company can guaranteed when cement quality and clinker quality are positive relationship. This characteristic only for the Lafarge holcim Bangladesh limited. This company to maintain modern technology and international standerd quality and monitoring system. This company to produce finished product through quality control 24/7. Lafarge Holcim Bangladesh limited to supplying for the others cement producers into the market and import substitution of clinker,as a result this company can save USD 45 million foreign currency in a year.Lafarge Holcim Bangladesh ltd is a public limited company. The Company is listed in Dhaka and Chittagong Stock Exchanges.

2.5 Heidelberg Cement Bangladesh Ltd.

Heidelberg Cement Bangladesh Ltd is the one of the group company. Heidelberg Cement Company founded in 1873 in Germany with core products cement, aggregates, ready-mixed and related activities. It is one of the producers of building manufacturing material worldwide. Heidelberg Cement Company 60000 employs 3000 locations in 60 countries.

Heidelberg Cement Bangladesh limited is the big manufacturers cement in Bangladesh, and represent of two reputed brands ScanCement and RubyCement. This company to produce top quality cement for the building manufacturer. Heidelberg Cement founded in 1998 in Bangladesh with onboard packing facilities in Chittagong. In 1999 Heidelberg Cement group to create better position in Bangladesh and to established Greenfield plan in Kanchpur, Dhaka name scanCement international Ltd. In 2000 Heidelberg cement to purchase small position in Chittagong cement Clinker Grinding company limited (CCCGCL). Two company merged in 2003, and name of the company Heidelberg cement Bangladesh Limited. In 2004, This company to diversify and introduce the product Portland Composite Cement (PCC) and Ordinary Portland Cement (OPC) into the market. Heidelberg Cement Company can produce 2.4 million tonnes in a year. In October 2019 new grinding mill in Kanchpur which to increase the capacity of production 0.4 million tons in a year.

Mission of the company:

- Marker strategy: Building our growth on a solid base of earnings
- Customers Philosophy: Building customers satisfaction, because their success is our success
- Quality Standard: Building on quality products to build our reputation

Vision of the company:

- Corporate Image: Building worldwide growth by building a better world
- Business Culture: Building on local responsibility for international success
- Employee Policy: Building our business on the knowledge of our people

2.6 Meghna Cement Mills limited

Meghna cement mills limited is the part of the Bashundhara group. This group to produce building manufacturing cement. Meghna cement mills limited is the large cement producing company in the country. Meghna cement mills limited established in 1992. This company can produce nearly one million metric tons in a year. Meghna cement mills ltd certified by the ISO (International Standard Organization 9001:2008). This company to supply cement into the market and rest of the cement to export into the international market. This company listed by the Dhaka and Chittagong stock exchanges .this company trade mark registered under product “king brand cement”.

Mission of the company: To be the leader in the cement sector of the country by rendering quality products and services through maintaining high standards in business operations and to bring fullest satisfaction to our valued shareholders.

Vision of the company: To significantly contribute to the sustainable development and growth of our country towards its journey for a better & prosperous future.

2.7 Aramid Cement limited

Aramid cement limited company was established in 1995, and started 1999. It produce cement for commercial purpose and also attained international ISO (international standard organization) 9002 certificate. Aramid cement company enter the share market in 1999. this company to produce 700 metric tone per day which refers that this company accur high brand name and among the customers .Aramid cement limited is a sister concerns types company .This company produce building manufacturing products. This company head office is located at chitagong, Bangladesh. In 2017 total production was 612000 metric tons this year. Aramid cement company to imported raw materials from Iran, Thailand, China, Japan, Indonesia, and Vietnam. This company first to pleasure native customers and after provide this product to export international market.

Mission: Aramid cement limited mission is first choice for customers in the market.

Vision: Aramid cement limited vision is provide the best cement quality by the using product quality ,new innovation, management, technology, modern management. Another vision of the company is to contribute social development of the country.

Health: Aramid cement limited checkups beginning employment and at the end of the year. If also occupation hazart performed reating the employment health.

Safety: Aramid cement limited performed some safety related activity for the employee. These are ...

- Every worker must were PPE in working time.
- This company to arrange safety related training program.
- This company to provide accident and fire prevention.

2.8M.I Cement Factory

M.I cement factory limited is a public limited company. M.I cement factory is the popular cement manufacturers company in our country. This company established on 31 December 1994. M.I cement factory can produce with high quality under the brand name “Crown Cement” that has already won renown both at home & abroad. Firstly, the plant was installed with a capacity of production 600 MT/Day than to increase cement demand day to day and started new unit for fulfill the demand. The total unit of M.I cement is 5th and total production capacity is 11000 Metric Ton day and 3.3 million Metric Ton in a year. It is hopefully expected that these new growth platforms will facilitate creation of new dimensions and frontiers to the mother company,M.I cement factory ltd. Crown cement export in 2003 that is way for earning foreign currency. Crown cement achieved the national export Trophy thrice for attaining the top most place among the cement exporters in Bangladesh. It was located in Mukterpur, Munshigangj on the bank of the river of Dhaleswary. M.I cement factory limited has been listed both Dhaka stock exchange and Chittagong stock exchange in 2011.

Mission: As a modern cement company, we manufacture cement (Crown Cement) to meet the needs of clients through innovative products and services that create value for all of our stakeholders.

Vision: Vision is to make a contribution to the nation by creating opportunities in the arena of industrial growth and development of Bangladesh, and to provide a solid foundations for society's future.

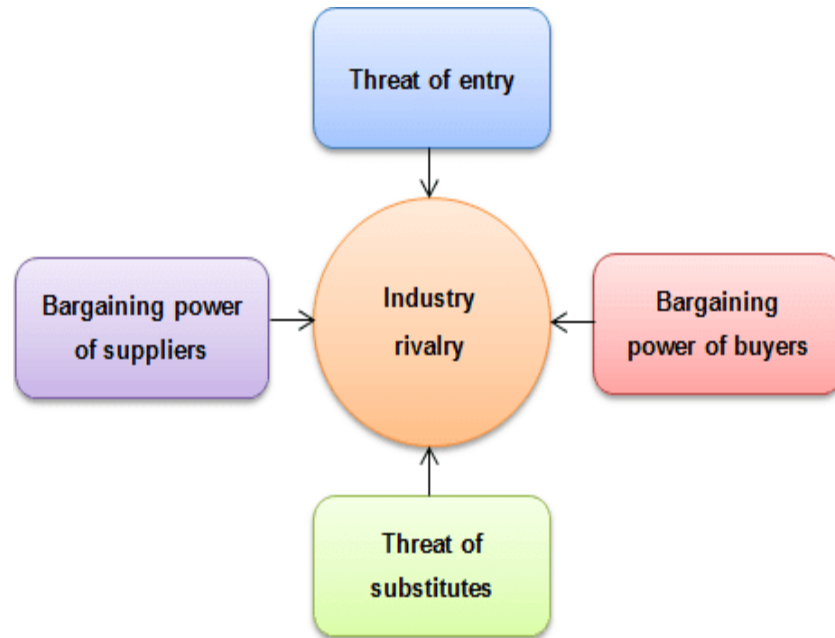
Major goals:

- To contribute the national economy.
- Be partner with best suppliers, delivering value for both the company and customers.
- Attractive company and an employee first choice.
- Provide career opportunity by the competitive pay and benefits, training and development.
- To buildup good network with all of employees.
- Achieve long term financial performance.
- Investment opportunity into the company.
- Earn foreign currency by the export.

Chapter: 03
Industry Analysis & Theoretical Analysis

3.1 Industry Analysis

Industry analysis is a vital responsibility of any business analyst. It is a study of a specific industry to understand its future outlook based on past trends and its demand-supply mechanics. Businesses use industry analysis to help them understand how companies, including their own, compete within an industry. Industry analysis gives a company an idea of where they stand within their industry. It also provides insight into new opportunities or threats that could affect the company.



Threat of new Entry:

The threat of new entrants is low. Cement company is not a small types of business. Firstly huge amount of capital needs for opening the business. High production cost, huge numbers of labors, production machine and equipments are also appeared in the cement company. Cement company has to pay high tax and freight cost. Availability of raw materials is low for producing cement in our country.

Bargaining Power of Suppliers:

Bargaining power of supply is high. Because all of cement company depend on imported raw materials. Main elements of cement production clinker price fluctuate.

Bargaining Power of Buyers:

Bargaining power of buyer is high. In Bangladesh maximum cement product with different types of quantity & price. As a result customers can purchase another company's cement easily.

Threat of Substitutes:

The threat of substitutes cement product is low. Because no substitutes product of cement.

Rivalry among the existing competitors:

The threat of rivalry among the existing competitors is high. Now 85% of total market share control by top ten manufacturers.

3.2 Financial Performance Analysis

Financial Performance Analysis is a method of to measure a company's performance & to make recommendations about future improve going. Financial performance analysis find out their work in Excel by using historical data and make projections of how company will perform in the future. This guide will cover the most common types of financial performance analysis performed through professionals.

3.3 Ratio Analysis

We know that ratio analysis is very important for the all of organization. Ratio analysis is a study which relationship with financial variables. Ratio analysis is used for the evaluation of a company for the financial performance like liquidity ratio, operating ratio, profitability ratio. Ratio analysis is used for the financial statement analysis. As a result problems can identify by the ratio analysis and organization can take action against the problems. Different types of users like investor, management, creditors and bankers use ratio analysis for knowing financial position of the company for decision making purpose. Here used most common ratio and analysis to evaluate financial performance of cement industry in Bangladesh years 2015,2016,2017,2018 and 2019.

1. Liquidity Ratio
2. Operating Efficiency Ratio
3. Profitability Ratio
4. Dupont Analysis

3.1.1 Liquidity Ratio

Liquidity ratio used to determine a debtor's ability to pay off current debt obligations without increasing external capital. Liquidity ratio to show the cash level of the company which ability to meet short-term debt obligations and cash flow. Liquidity ratio analysis is an important for the future performance. Company can funding requirements for the liquidity ratio analysis. If company does not meet current obligations than company continue will doubtful into the market.

- Current Ratio: $\frac{\text{Current Asset}}{\text{Current Liability}}$
- Cash Ratio: $\frac{\text{Cash \& Cash Equivalents}}{\text{Current Liability}}$
- Quick Ratio: $\frac{\text{Current Asset} - \text{Inventory}}{\text{Current Liability}}$

3.1.2 Operating Efficiency Ratio

- Total Asset Turnover: $\frac{\text{Net Sales}}{\text{Total Assets}}$
- Equity Turnover: $\frac{\text{Net Sales}}{\text{Total Equity}}$
- Current Asset Turnover: $\frac{\text{Net Sales}}{\text{Current Asset}}$

3.1.3 Profitability Ratio

Profitability ratio is a financial metrics that measure a company's ability to generate earning or cash flow relative to its associated expenses. Profitability ratio used for fundamental analysis that investigates the financial position of the companies. Profitability refers to a company ability to

earn an adequate return based on investment capital. Profitability is related with solvency. Profitability ratio show that how company can achieve well profit from their operation.

- Gross Profit Margin: $\frac{\text{Gross Profit}}{\text{Sales}}$
- Operating Profit Margin: $\frac{\text{Operating Profit}}{\text{Sales}}$
- Net Profit Margin: $\frac{\text{Net Profit}}{\text{Sales}}$
- Return on Assets: $\frac{\text{Net Income}}{\text{Total Asset}}$
- Return on Equity: $\frac{\text{Net Income}}{\text{Common Equity}}$

3.1.4 Dupont Analysis: A DuPont analysis is used to evaluate the component parts of a company's return on equity (ROE). This allows an investor to determine what financial activities are contributing the most to the changes in ROE. An investor can use analysis like this to compare the [operational efficiency](#) of two similar firms. Managers can use DuPont analysis to identify strengths or weaknesses that should be addressed.

Chapter: 04
Financial Performance of Listed Cement Industry

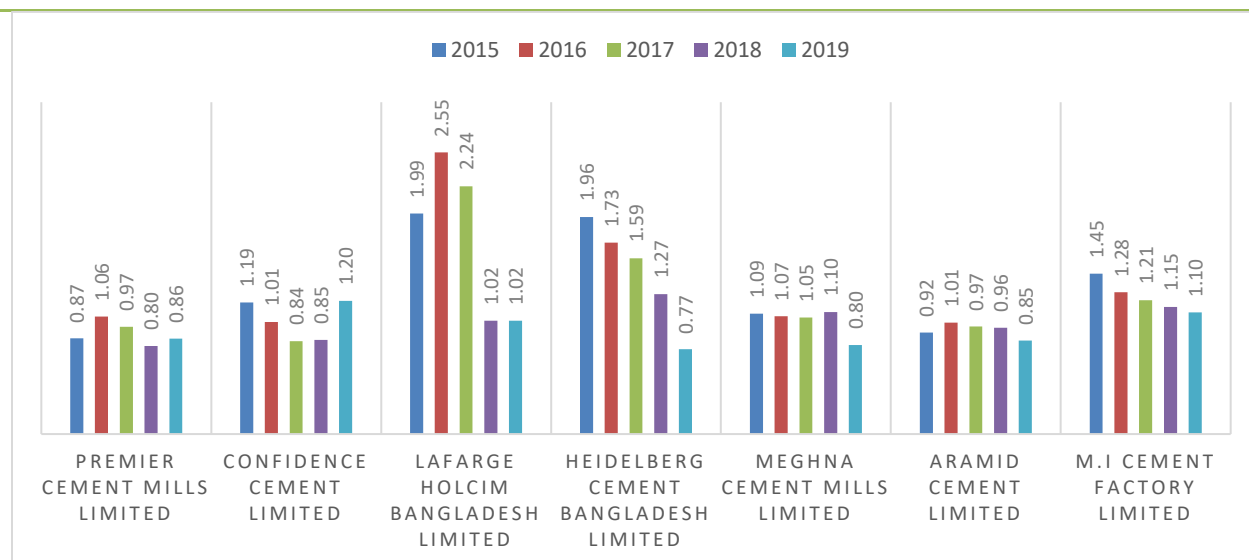
Financial Performance Analysis

Financial Performance Analysis is a method of to measure a company's performance & to make recommendations about future improve going. Financial performance analysis find out their work in Excel by using historical data and make projections of how company will perform in the future. This guide will cover the most common types of financial performance analysis performed through professionals.

4.1 Ratio Analysis

4.1.1 Current Ratio

Company Name	2015	2016	2017	2018	2019
Premier Cement Mills Limited	0.87	1.06	0.97	0.80	0.86
Confidence Cement Limited	1.19	1.01	0.84	0.85	1.20
Lafarge Holcim Bangladesh Limited	1.99	2.55	2.24	1.02	1.02
Heidelberg Cement Bangladesh Limited	1.96	1.73	1.59	1.27	0.77
Meghna Cement Mills Limited	1.09	1.07	1.05	1.10	0.80
Meghna Cement Mills Limited	0.92	1.01	0.97	0.96	0.85
M.I Cement Factory Limited	1.45	1.28	1.21	1.15	1.10

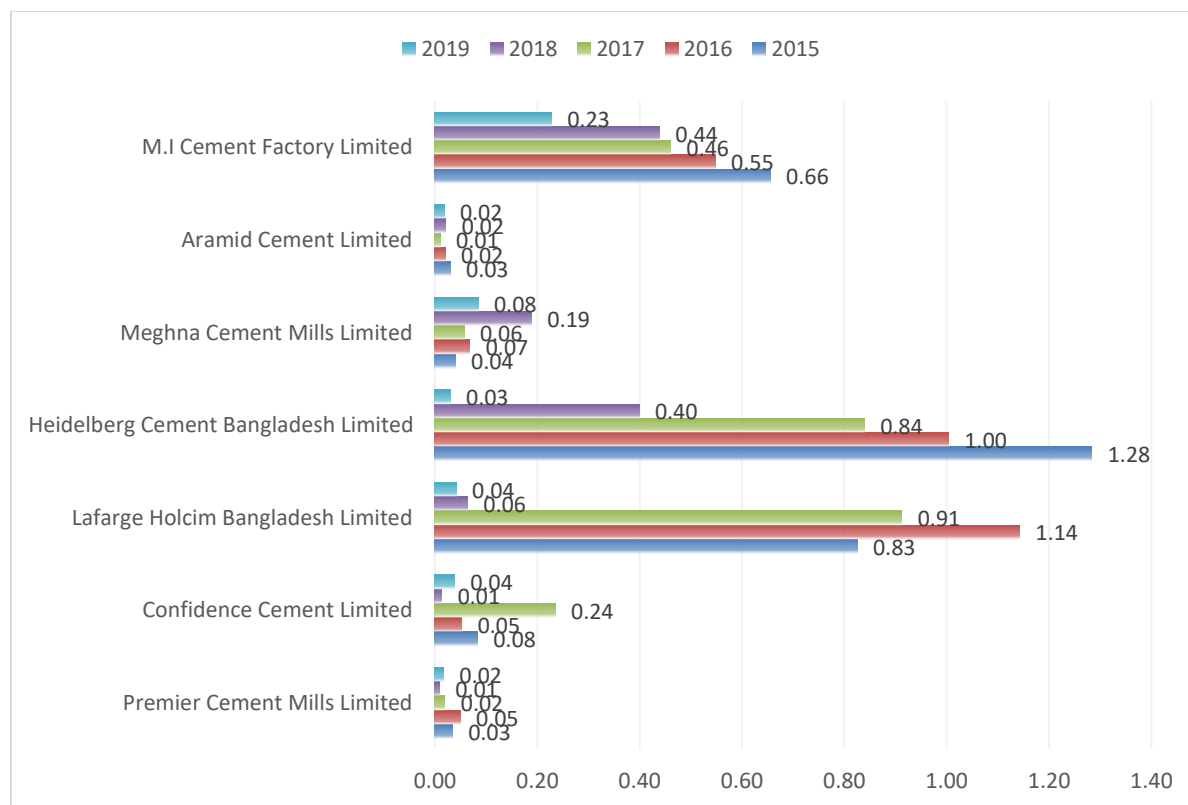


Interpretation:

The Current Ratio is the value of marketable security and cash divided by the current liability. Current Ratio of Premier Cement Mills Ltd 2015 was 0.87 and 2016 to increase 1.06 but 2017-2019 to decrease current ratio. Confidence cement ltd 2015 was 1.19 and 2016-2018 to decrease and 2019 further increase. Lafarge Holcim Bangladesh ltd 2016 was 2.55 that are very good but others years to decrease current ratio. Heidelberge cement Bangladesh ltd 2015 was 1.95 but 2016-2019 to decrease current ratio. Meghna cement limited 1015 was 1.09 and 2016,2017 to decrease and 2018 to increase than decrease 2019. Aramid cement ltd 2016 was 1.01 and decrease 2017-2019. M.I cement factory 2015 was 1.45 and decrease 2016-2019.

4.1.2 Cash Ratio

Company Name	2015	2016	2017	2018	2019
Premier Cement Mills Limited	0.03	0.05	0.02	0.01	0.02
Confidence Cement Limited	0.08	0.05	0.24	0.01	0.04
Lafarge Holcim Bangladesh Limited	0.83	1.14	0.91	0.06	0.04
Heidelberg Cement Bangladesh Limited	1.28	1.00	0.84	0.40	0.03
Meghna Cement Mills Limited	0.04	0.07	0.06	0.19	0.08
Aramid Cement Limited	0.03	0.02	0.01	0.02	0.02
M.I Cement Factory Limited	0.66	0.55	0.46	0.44	0.23

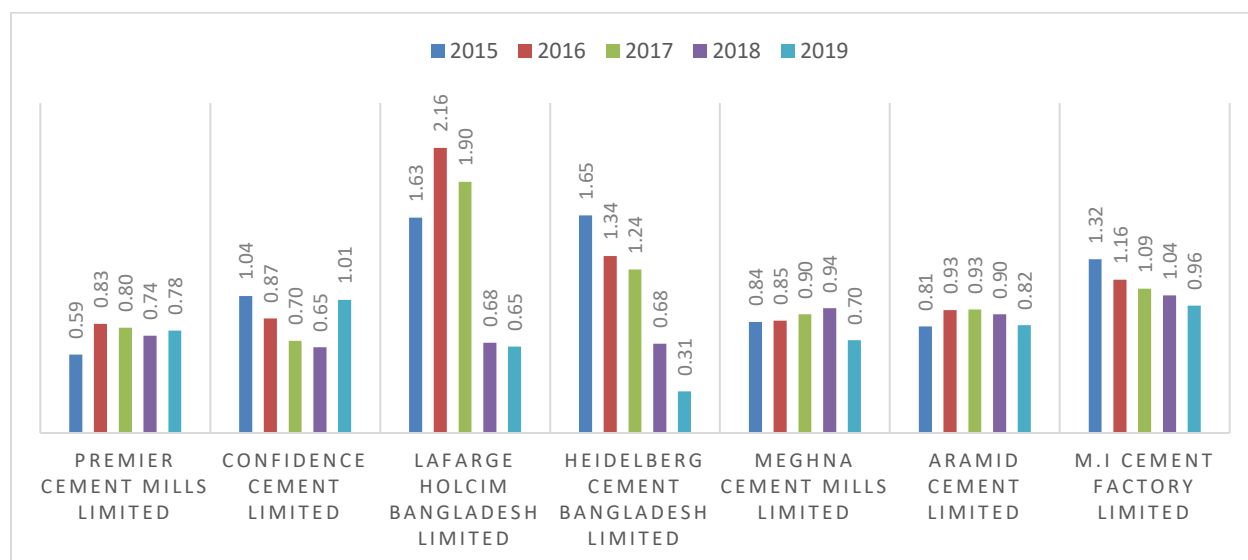


Interpretation: Cash Ratio is the liquidity ratio which to measure the company ability to pay current liability. Cash ratio of Premier cement mills ltd cash ratio up and down from 2015-2019 it was 0.03,0.05,0.02,0.01,0.02 that are very bad for the company. Confidence cement ltd 2017 was 0.24 but 2018 and 2019 was 0.01,0.04. Lafarge Holcim Bangladesh ltd 2016 was 1.14 and 2017-2019 to decrease. Heidelberg cement Bangladesh ltd 2015 was 1.28 and 2016-2019 to decrease. Meghna cement ltd 2018 0.19 that was increase from previous years but 2019 to decrease cash ratio. Aramid cement ltd 2015 was 0.03 and decrease two years than others two years was same position 0.02. M.I cement factory 2015 was 0.66 and 2016-2019 to decrease but ratio was higher than others company. So M.I Company best from others Competitor Company.

4.1.3 Quick Ratio

Company Name	2015	2016	2017	2018	2019
Premier Cement Mills Limited	0.59	0.83	0.80	0.74	0.78
Confidence Cement Limited	1.04	0.87	0.70	0.65	1.01
Lafarge Holcim Bangladesh Limited	1.63	2.16	1.90	0.68	0.65

Heidelberg Cement Bangladesh Limited	1.65	1.34	1.24	0.68	0.31
Meghna Cement Mills Limited	0.84	0.85	0.90	0.94	0.70
Aramid Cement Limited	0.81	0.93	0.93	0.90	0.82
M.I Cement Factory Limited	1.32	1.16	1.09	1.04	0.96

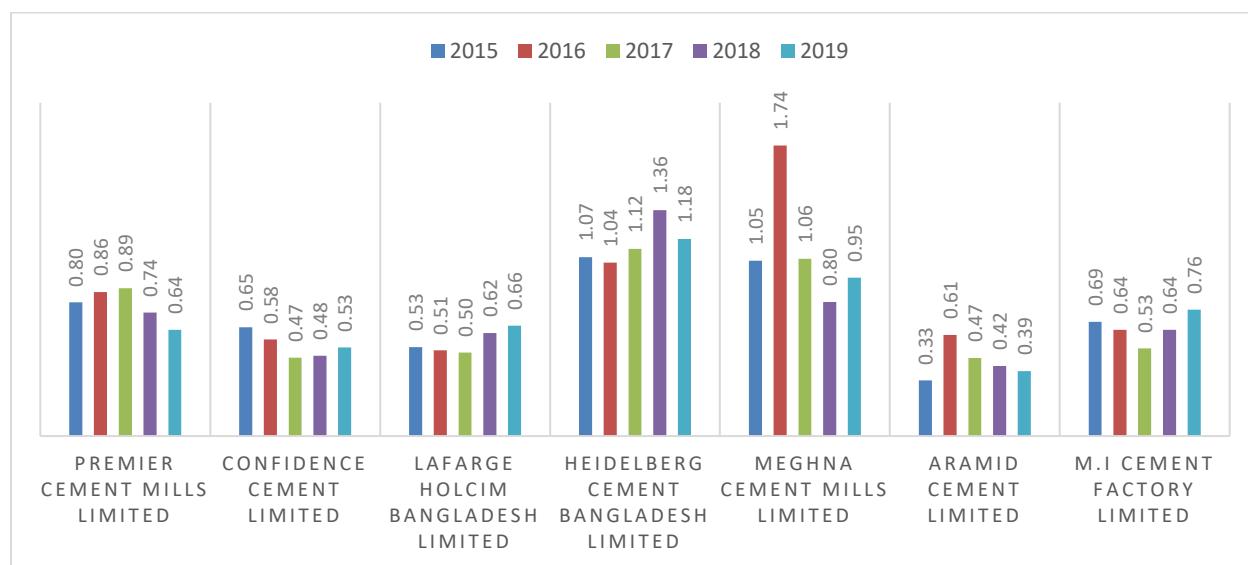


Interpretation: Quick ratio of premier cement mills limited 2015 was 0.59 2016 was 0.83 others two years to decrease and 2019 increase. Confidence cement ltd 2015 was 1.04 and 2016-2018 decrease and 2019 further increase 1.01. Lafarge Holcim Bangladesh ltd 2016 was 2.16 and others years 2017-2019 to decrease. Heidelberg cement 2015 was 1.65 and 2016-2019 to decrease quick ratio. Meghna cement mills ltd 2015 was 0.84 and 2016-2018 to increase but 2019 further decrease. Aramid cement ltd to decrease from 2016-2019. M.I cement factory 2015 was 1.32 and rest of the year to fall but the ratio higher than others company.

4.2.1 Total Asset Turnover

Company Name	2015	2016	2017	2018	2019
Premier Cement Mills Limited	0.80	0.86	0.89	0.74	0.64
Confidence Cement Limited	0.65	0.58	0.47	0.48	0.53
Lafarge Holcim Bangladesh Limited	0.53	0.51	0.50	0.62	0.66
Heidelberg Cement Bangladesh Limited	1.07	1.04	1.12	1.36	1.18

Meghna Cement Mills Limited	1.05	1.74	1.06	0.80	0.95
Aramid Cement Limited	0.33	0.61	0.47	0.42	0.39
M.I Cement Factory Limited	0.69	0.64	0.53	0.64	0.76

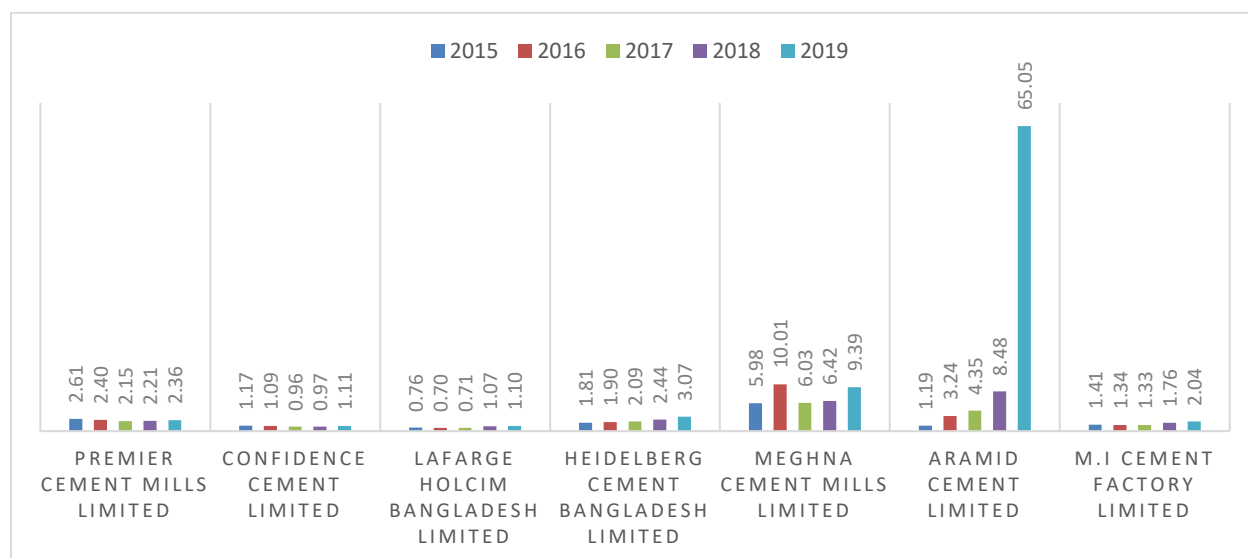


Interpretation:Total assets turnover of premier cement mills limited 2015 was .80 and decrease 2016-2019. Confidence cement ltd and Lafarge holcim Bangladesh ltd decrease from 2015-2017 and increase last two years. Heidelberg cement decrease 2016 from 2015 and increase 2016 & 2017, in 2019 again decrease. Meghna cement increase 2016 from 2015 and two years decrease and 2019 again increase. Aramid cement decrease total asset turnover from 2016-2019. M.I cement decrease two years from 2015 and last two years increase. So M.I cement and confidence cement total asset turnover good from others company.

4.2.2 Equity Turnover

Company Name	2015	2016	2017	2018	2019
Premier Cement Mills Limited	2.61	2.40	2.15	2.21	2.36
Confidence Cement Limited	1.17	1.09	0.96	0.97	1.11
Lafarge Holcim Bangladesh Limited	0.76	0.70	0.71	1.07	1.10

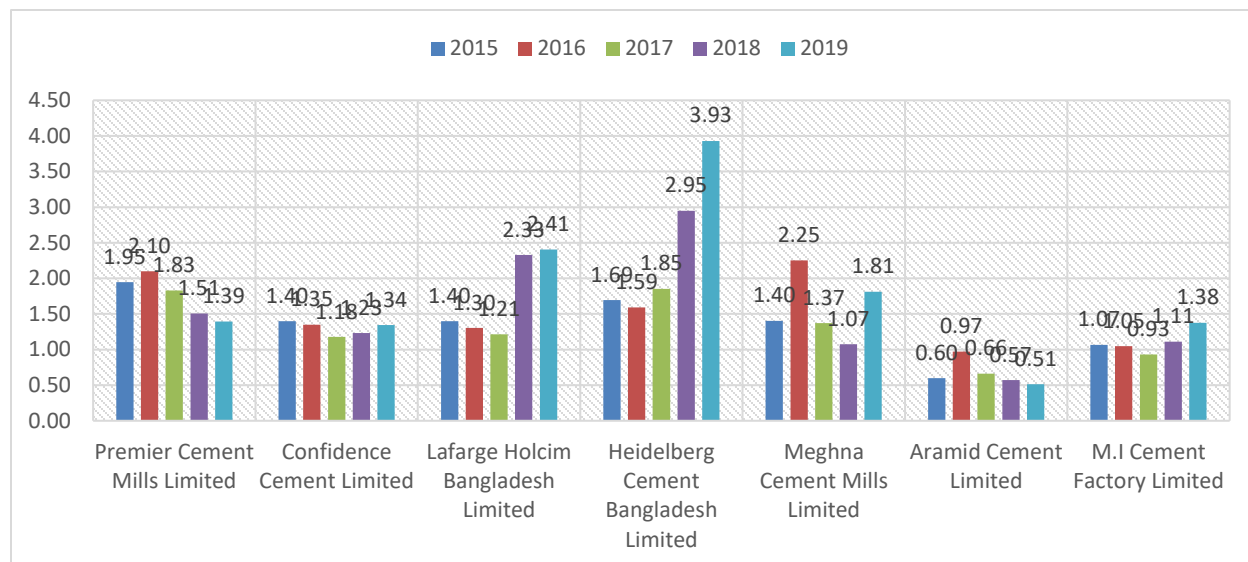
Heidelberg Cement Bangladesh Limited	1.81	1.90	2.09	2.44	3.07
Meghna Cement Mills Limited	5.98	10.01	6.03	6.42	9.39
Aramid Cement Limited	1.19	3.24	4.35	8.48	65.05
M.I Cement Factory Limited	1.41	1.34	1.33	1.76	2.04



Interpretation: Equity turnover of premier cement limited and confidence cement ltd and lafarge decrease 2015-2017 and last two years increase. Heidelberg cement Bangladesh limited increase equity turnover from 2015-2019. Meghna cement mills ltd 2016 was 10.01 and decrease 2017-2019. Aramid cement increase 2015-2019. M.I cement 2015 was 1.41, 2016 & 2017 was decrease last two years again increase.

4.2.3 Current Asset Turnover

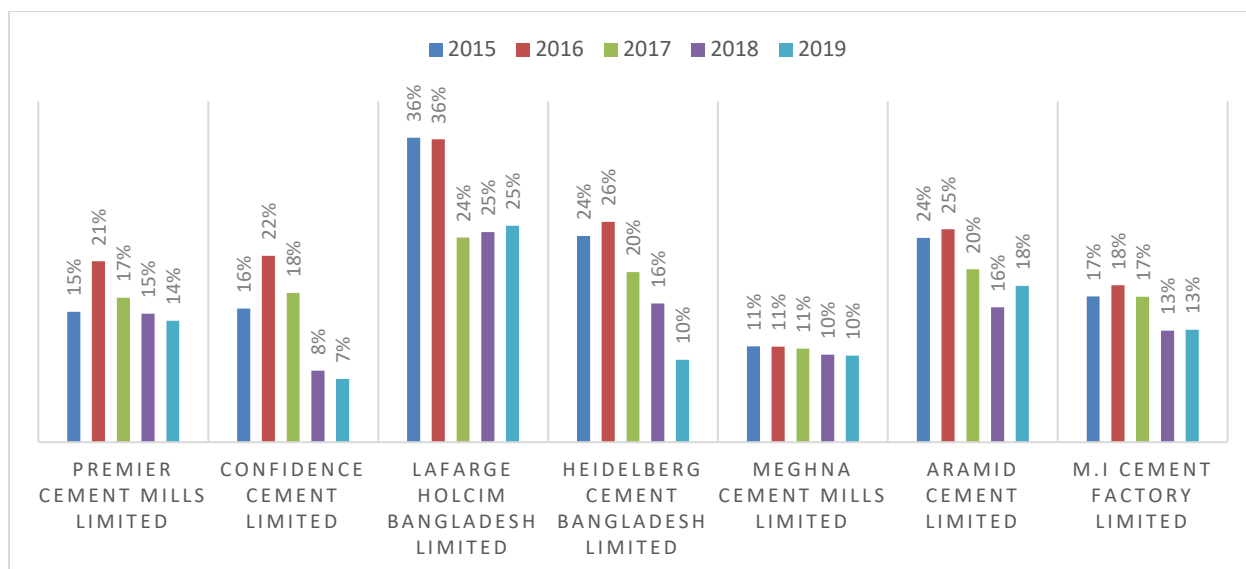
Company Name	2015	2016	2017	2018	2019
Premier Cement Mills Limited	1.95	2.10	1.83	1.51	1.39
Confidence Cement Limited	1.40	1.35	1.18	1.23	1.34
Lafarge Holcim Bangladesh Limited	1.40	1.30	1.21	2.33	2.41
Heidelberg Cement Bangladesh Limited	1.69	1.59	1.85	2.95	3.93
Meghna Cement Mills Limited	1.40	2.25	1.37	1.07	1.81
Aramid Cement Limited	0.60	0.97	0.66	0.57	0.51
M.I Cement Factory Limited	1.07	1.05	0.93	1.11	1.38



Interpretation: Current asset turnover increase 2016 and decrease 2017-2019. Confidence cement ltd and lafargr holcim was decrease 2015-2017 and increase 2018 & 2019. Heidelberg cement Bangladesh ltd decrease 2016 and increase 2017-2019. Meghna cement ltd was increase 2015-2017, 2018 decrease and 2019 again increase. Aramid cement decrease 2016-2019. M.I cement decrease 2016 & 2017 and again increase 2018 & 2019.

4.3.1 Gross Profit Margin

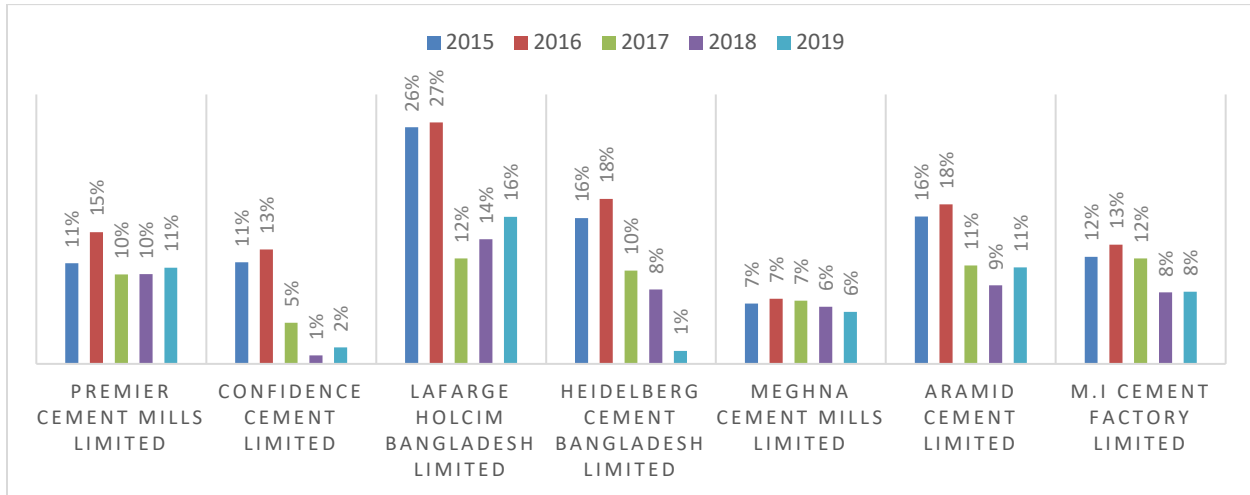
Company Name	2015	2016	2017	2018	2019
Premier Cement Mills Limited	15%	21%	17%	15%	14%
Confidence Cement Limited	16%	22%	18%	8%	7%
Lafarge Holcim Bangladesh Limited	36%	36%	24%	25%	25%
Heidelberg Cement Bangladesh Limited	24%	26%	20%	16%	10%
Meghna Cement Mills Limited	11%	11%	11%	10%	10%
Aramid Cement Limited	24%	25%	20%	16%	18%
M.I Cement Factory Limited	17%	18%	17%	13%	13%



Interpretation: Gross profit margin is the relationship with income statement. Gross profit margin show the financial position of a company. Gross profit margin of Premier cement mills ltd 2015 was 15% and 2016 to increase 21%. But again 2017-2019 decrease. Confidence cement ltd 2016 was 22% but 2017-2019 again decrease. Lafarge holcim 2015 & 2016 was 36% and 2017 decrease and 2018 & 2019 was 25%. Heidelberg cement Bangladesh ltd 2015 was 24%, 2016 increase and others years to decrease. Meghna cement first three years was same 11% and last two years was 10%. Aramid cement limited 2016 was 25% than 2017 & 2018 decrease and again increase 2019. M.I cement 2015 & 2017 was 17% and 2016 18% and last two years same 13%. In this chart show that Lafarge holcim Bangladesh ltd gross profit higher than others cement company.

4.3.2 Operating Profit Margin

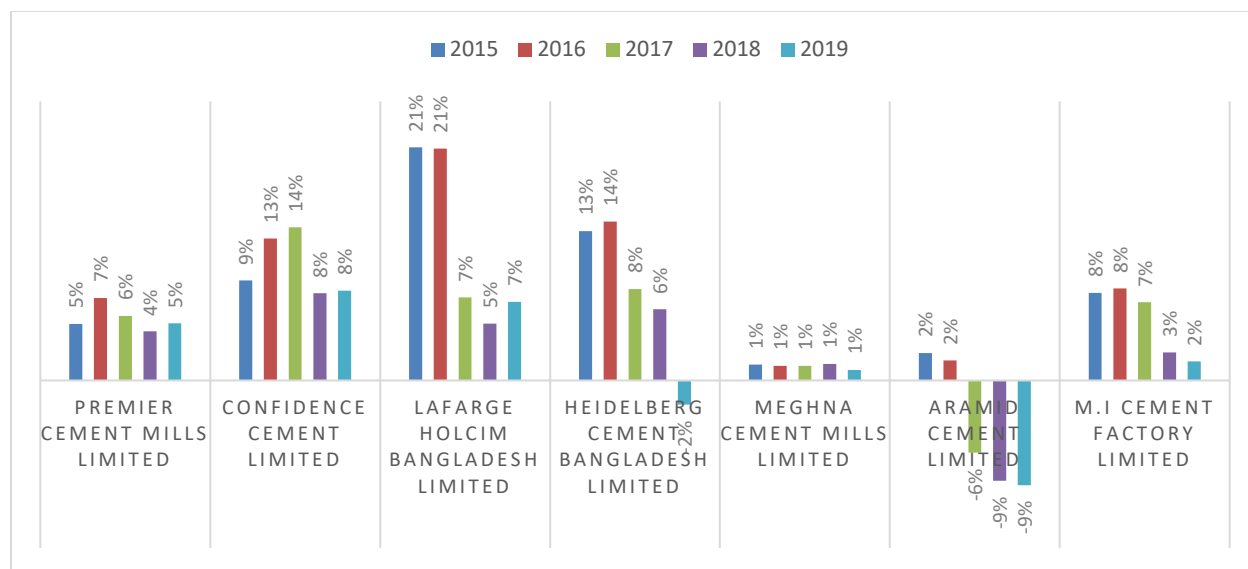
Company Name	2015	2016	2017	2018	2019
Premier Cement Mills Limited	11%	15%	10%	10%	11%
Confidence Cement Limited	11%	13%	5%	1%	2%
Lafarge Holcim Bangladesh Limited	26%	27%	12%	14%	16%
Heidelberg Cement Bangladesh Limited	16%	18%	10%	8%	1%
Meghna Cement Mills Limited	7%	7%	7%	6%	6%
Aramid Cement Limited	16%	18%	11%	9%	11%



Interpretation: Premier cement mills ltd 2015 & 2019 was 11% 2016 was 15% and 2017 & 2018 was same 10%. Confidence cement limited 2015 was 11% and 2016 increase than 2017-2019 again decrease. Lafarge Holcim 2016 increase from 2015 and last three years to decrease. Heidelberg cement 2015 was 16% ,2016 18% than 2017-2019 decrease. Meghna cement ltd 2015-2017 was 7% but 2018 & 2019 was 6%. Aramid cement 2016 was 18% which increase from previous years and 2017 & 2018 decrease and 2019 again increase. M.I cement decrease operating profit margin from 2016. So Lafarge Holcim Bangladesh limited operating profit margin higher than others competitor.

4.3.3 Net Profit Margin

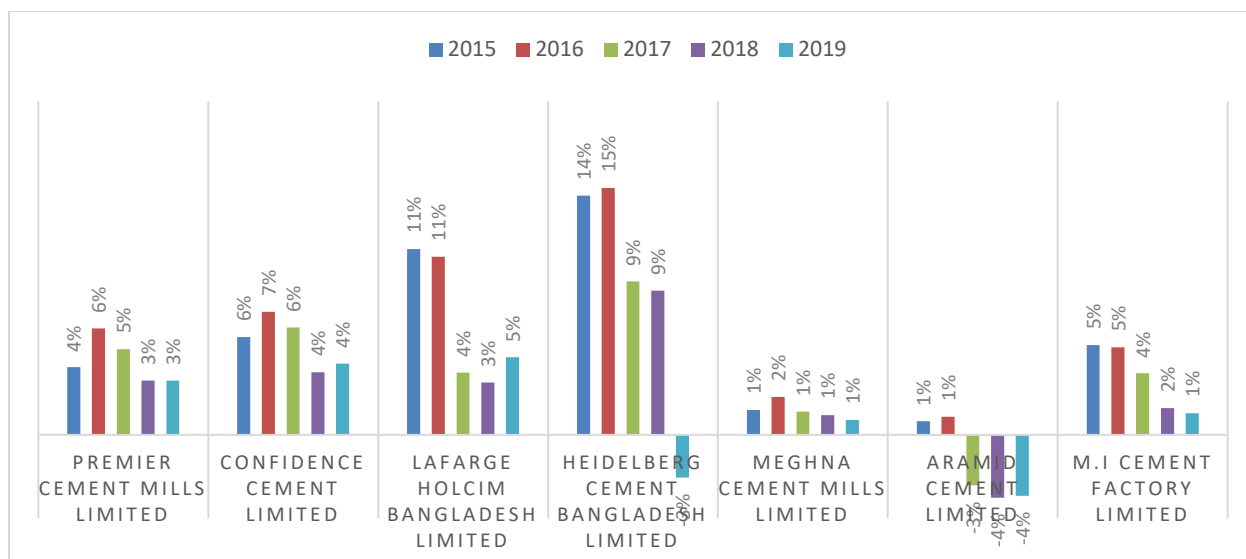
Company Name	2015	2016	2017	2018	2019
Premier Cement Mills Limited	5%	7%	6%	4%	5%
Confidence Cement Limited	9%	13%	14%	8%	8%
Lafarge Holcim Bangladesh Limited	21%	21%	7%	5%	7%
Heidelberg Cement Bangladesh Limited	13%	14%	8%	6%	-2%
Meghna Cement Mills Limited	1%	1%	1%	1%	1%
Aramid Cement Limited	2%	2%	-6%	-9%	-9%
M.I Cement Factory Limited	8%	8%	7%	3%	2%



Interpretation: We know that net profit is very important for the all of organization without profit any organization can't continue into the market. We can see that premier cement mills ltd 2015 was 5% and 2016 7% and decrease two years than again increase. Confidence cement limited 2015 was 9% ,2016 & 2017 13%,14% and last two years was same 8%. Lafarge Holcim Bangladesh ltd 2015 & 2016 was Same 21% but last three years to decrease net profit margin. Heidelberg cement Bangladesh ltd 2015 & 2016 was 13%, 14% and 2017 & 2018 to decrease and 2019 company can't earn profit. Meghna cement 2015-2019 was 1%. Aramid cement ltd first two years was 2% and 2017-2019 company was loss position. M.I cement factory 2015 & 2016 was 8% and 2017-2019 decrease net profit of the company. Now confidence cement ltd net profit margin good from others.

4.3.4 Return on Assets

Company Name	2015	2016	2017	2018	2019
Premier Cement Mills Limited	4%	6%	5%	3%	3%
Confidence Cement Limited	6%	7%	6%	4%	4%
Lafarge Holcim Bangladesh Limited	11%	11%	4%	3%	5%
Heidelberg Cement Bangladesh Limited	14%	15%	9%	9%	-3%
Meghna Cement Mills Limited	1%	2%	1%	1%	1%
Aramid Cement Limited	1%	1%	-3%	-4%	-4%
M.I Cement Factory Limited	5%	5%	4%	2%	1%



Interpretation: Return on Asset is a financial ratio that show the percentage of a company earns in relation to its overall resource .Its calculate by the net income divided total asset.Return on Assets of Premier cement mills limited 2015 was 4% and 2016 was 6% and last three years 2017-2019 to decrease.Confidence cement ltd 2015 & 2016 was 6%,7% and 2017-2019 to decrease.Lafarge Holcim Bangladesh ltd 2015 & 2016 was same 11% and 2017-2019 decrease of ROA.Heidelberge cement 2015 & 2016 was 14%,15% and two years was same 9% than 2019 company can't earn profit.Meghna cement ltd 2016 was 2% and last three years was 1%.Aramid cement ltd first two years 1% and 2017-2019 company have loss position.M.I cement factory 2015 & 2016 was same 5% and 2017-2019 decrease.

4.3.5 Return on Equity

Company Name	2015	2016	2017	2018	2019
Premier Cement Mills Limited	39%	66%	51%	42%	58%
Confidence Cement Limited	72%	102%	111%	57%	60%
Lafarge Holcim Bangladesh Limited	20%	19%	7%	7%	11%
Heidelberg Cement Bangladesh Limited	248%	267%	142%	126%	-46%
Meghna Cement Mills Limited	28%	46%	29%	36%	29%
Aramid Cement Limited	39%	73%	-259%	-398%	-450%
M.I Cement Factory Limited	44%	50%	45%	21%	17%



Interpretation: The return on Equity is the profitability ratio that measure ability of the firms to generate profit from its shareholders investments in the company. Return on equity of premier cement mills ltd 2015 and 2016 was 39%, 66% and two years decrease than again increase in 2019. Confidence cement ltd 2015 was 72% ,2016 & 2017 increase and 2018 again decrease and last year to increase. Lafarge Holcim 2015 was 20% and 2016-2018 decrease and 2019 again increase. Heidelberg cement 2015 was 248%, 2016 to increase 267% and 2017 & 2018 to decrease finally 2019 was -46%. Meghna cement 2015 & 2016 was 28%, 46% and 2017 decrease 2018 again increase 2019 further decrease. Aramid cement 2015 & 2016 was 39%, 73% and last three years negative .M.I cement 2015 was 44% and 2016 to 2019 decrease.

4.43-Factor DuPont Analysis

3-Factor DuPont Analysis of Premier Cement Mills Ltd					
Particular	2015	2016	2017	2018	2019
NPM	5%	7%	6%	4%	5%
TAT	0.80	0.86	0.89	0.74	0.64
EM	10	10	10	13	18
ROE	39%	66%	51%	42%	58%

3-Factor DuPont Analysis of Confidence Cement Ltd					
Particular	2015	2016	2017	2018	2019
NPM	9%	13%	14%	8%	8%
TAT	0.65	0.58	0.47	0.48	0.53
EM	12	14	17	15	14
ROE	72%	102%	111%	57%	60%

3-Factor DuPont Analysis of Lafarge Holcim Bangladesh Ltd					
Particular	2015	2016	2017	2018	2019
NPM	21%	21%	7%	5%	7%
TAT	0.53	0.51	0.50	0.62	0.66
EM	2	2	2	2	2
ROE	20%	19%	7%	7%	11%

3-Factor DuPont Analysis of Heidelberg Cement Bangladesh Ltd					
Particular	2015	2016	2017	2018	2019
NPM	13%	14%	8%	6%	-2%
TAT	1.07	1.04	1.12	1.36	1.18
EM	17	18	15	15	18
ROE	248%	267%	142%	126%	-46%

3-Factor DuPont Analysis of Meghna Cement Mills Ltd					
Particular	2015	2016	2017	2018	2019
NPM	1%	1%	1%	1%	1%
TAT	1.05	1.74	1.06	0.80	0.95
EM	19	20	21	31	33
ROE	28%	46%	29%	36%	29%

3-Factor DuPont Analysis of Aramid Cement Ltd					
Particular	2015	2016	2017	2018	2019

NPM	2%	2%	-6%	-9%	-9%
TAT	0.33	0.61	0.47	0.42	0.39
EM	48	67	86	106	123
ROE	39%	73%	-259%	-398%	-450%

3-Factor DuPont Analysis of M.I Cement					
Particular	2015	2016	2017	2018	2019
NPM	8%	8%	7%	3%	2%
TAT	0.69	0.64	0.53	0.64	0.76
EM	8	10	12	13	13
ROE	44%	50%	45%	21%	17%

Interpretation: 3 Factor Dupont Analysis to help find out which factor to affect in Return on Equity (ROE). First of all Premier cement decrease ROE from 2016-2018 and increase 2019. Confidence cement ltd to increase ROE from 2015-2017 and 2018 decrease in 2019 again increase. Lafarge holcim Bangladesh decrease 2015-2018 only 2019 increase. Heidelberge cement, Aramid cement ltd and M.I cement decrease ROE from 2015-2019 but Meghna cement fluctuate return on equity.

Chapter: 05
Problems, Recommendations & Conclusion

5.1 Problems Identified:

All of problems based on grand total of the year

- The current ratio of Premier Cement, Lafarge, Heidelberge cement, Meghna and M.I decrease last years.
- The cash ratio of all company was decreased from 2015-2019.
- The quick ratio of Lafarge, Heidelberge, Meghna, Aramid and M.I decrease from 2017-2019.
- The total asset turnover of Premier cement Heidelberge, Aramid decrease last year. Current asset turnover was fluctuating from 2015-2019.
- Gross profit margin of all cement company increase in 2016 and again decrease GPM from 2017-2019.
- Operating profit margin of confidence cement, Heidelberge, Meghna and M.I cement decrease 2016 & 2019.
- Premier cement, confidence cement, Heidelberge, Meghna and Aramid cement decrease cement decrease net profit from 2017-2019 which very bad for the companies.
- All of company return on assets decrease from 2015-2019.
- Return on Equity of premier cement, Confidence cement, Lafarge and M.I decrease from 2016-2018. Heidelberge and Aramid cement decrease from 2015-2019.
- 3 Factor DuPont analysis affected by the total assets turnover.

5.2 Recommendations for Cement Industry in Bangladesh:

- PremierCement, LafargeHolcim, Heidelberg Cement Bangladesh Limited Meghna Cement Mills Limited M.I Cement Factory Limited should to focus on current ratio.
- All of company should focus on cash ratio.
- Lafarge Holcim Bangladesh Limited Heidelberg Cement Bangladesh Limited Meghna Cement Mills Limited M.I Cement Factory Limited quick ratio to identify best possible way to increase it. If cement industry face liquidity problems, it will not repay current obligations.
- The cement companies should focus proper utilization of assets in future coming years so that total assets turnover increase in future coming years.
- The Companies should increase gross profit by reducing cost of goods sold.To increase operation profit by decreasing expenses.
- To identify best possible way for increasing Net profit by the all companies of selected cement companies.
- ROA refers to generate returns against the asset, So cement companies need to increase ROA.
- ROE decrease from 2015-2019 that very bad for the cement industry. Companies should focus on their ROE.
- Company should focus on 3 FactorDuPont analysis and to find out which factor to affect the ROE.

5.3 Conclusion

It has been discussed about the general activity and financial performance analysis of cement industry in Bangladesh for the period of 2015-2019. I tried to analysis the performance by the liquidity, profitability of the cement industry. Finally show that financial performance of cement industry in Bangladesh is not good for the period of 2015-2019. I believe that to know the financial position and its share situation and EPS (Earning per share) the financial performance analysis is important. All of analysis helps to find out the strength, weakness and company opportunity. As a result organization can take actions, expand business in future and contribute in the GDP of Bangladesh. The total production capacity of cement factory in Bangladesh around 35 million tons in a year, but current demand of cement is half of total capacity. Cement industry to produce cement more than its demand as a result company performance is not good. In Bangladesh, almost all the cement company importing Clinker from others country like China, Indonesia. If our local manufacturers can produce these raw materials locally than production cost will be low and customers will be interested for cement purchase.

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