

COMPANY INSIGHT			
Market Price	BDT		71.20
52 Week Price Range	BDT		50.00 - 77.50
Market Capitalization	BDT (MN)		26,767.82
Category			A
Sector			Engineering
Paid Up Capital	BDT (MN)		3,759.53
Reserve & Surplus	BDT (MN)		30,273.50
EPS (Annualized)	BDT		15.32
Company P/E	Times		4.65
Sector Median P/E	Times		41.23
NAV	BDT		97.36
Free Float	%		27.94%
Free Float Shares	MN		105.04
Shareholding (%)	%	Director	72.06%
		Foreign	0.60%
		Inst.	19.20%
		Public	8.14%
Year End			JUN

COMPANY BACKGROUND				
Date of Incorporation			20-Jun-02	
Registered Office		Ali Mansion, 1207/1099 Sadarghat Road, Chattogram, Bangladesh		
INTERIM UPDATE (2025)				
Particulars	FY 25-26		FY 24-25	
	Q3		Q3	
Turnover (MN)	101,014.94		74,202.76	
Net Profit (MN)	4,320.26		3,429.79	
EPS	11.49		9.12	
NAV	97.36		90.52	
Capacity Utilization				
Particulars	Production-Billet		Production-Rolling	
	FY 24	FY 23	FY 24	FY 23
Installed Capacity(M.t)	1,000,000	1,000,000	1,400,000	800,000
Actual Production(M.t)	928,769	925,202	1,230,578	907,480
Capacity Utilization (%)	92.88%	92.52%	87.90%	113.44%

5 YEARS PERFORMANCE HIGHLIGHT					
Particulars	FY '25-'26(Q3 Cumulative)	FY '24-'25	FY '23-'24	FY '22-'23	FY '21-'22
Turnover	101,014.94	103,665.21	82,706.10	84,524.77	67,121.06
Growth (%)	25.3%	25.3%	-2.15%	25.93%	0.00%
Gross Profit	9,745.34	11,504.58	9,175.61	8,113.88	7,045.54
Growth (%)	25.38%	25.38%	13.09%	15.16%	
Operating Profit	8,017.07	8,999.03	6,752.45	6,460.55	5,427.69
Growth (%)	33.27%	33.27%	4.52%	19.03%	
Net Profit (MN)	4,320	5,176.04	3,796.57	2,979.40	3,278.50
EPS	11.49	13.77	10.10	7.92	8.72
NAV	97.36	90.52	80.93	73.32	68.99
Current Ratio	1.50	1.50	0.99	0.98	1.14
ROA	4.85%	5.89%	3.91%	3.87%	4.00%
ROE	11.80%	15.21%	12.48%	10.81%	12.64%
Debt to Equity Ratio	1.11	1.34	1.96	1.48	1.91

INDUSTRY OVERVIEW
The global steel industry is entering a period of stabilization, with the World Steel Association projecting demand to remain flat in 2025 before a modest 1.3% recovery in 2026 as economic conditions improve. While developed nations may see slight declines in the near term, growth is expected to be driven by developing economies—particularly India, where demand is forecast to rise by over 3%—and supported by infrastructure spending in the US and EU. In Bangladesh, the sector remains resilient despite domestic macroeconomic headwinds such as inflation and foreign exchange risks, buoyed by ongoing national mega-projects and urbanization. BSRM maintains its leadership in this landscape with a 30% market share, recently expanding its capacity by 500,000 metric tons of rebar and 100,000 metric tons of wire rod to meet rising demand. Strategically, the industry is shifting toward sustainability, with major players prioritizing decarbonization, energy efficiency, and scrap recycling to align with global environmental standards.

NATURE OF THE BUSINESS
As Bangladesh's leading steel manufacturer, BSRM Steels Limited specializes in producing high-quality construction steel, including rebar (Xtreme500W) and wire rods. Founded in 1952, the company operates fully automatic re-rolling and melting plants with an annual rolling capacity of 1.4 million MT. Its business model integrates scrap recycling and energy-efficient technologies to drive sustainable, national infrastructure growth.

Revenue Breakdown				
Type of goods	FY '24-'25	% of Total	FY '23-'24	% of Total
Xtreme DWR	90,637	87.43%	71,525	86.48%
Xtreme CWR	4,081	3.94%	4,980	6.02%
Ultima 420D	4,415	4.26%	4,554	5.51%
Maxima 500	298	0.29%	91	0.11%
Wire Rod	1,962	1.89%	0	0.00%
Others	2,273	2.19%	1,556	1.88%
<b>Total revenue</b>	<b>103,665</b>	<b>100.00%</b>	<b>82,706</b>	<b>100.00%</b>

## FINANCIAL PERFORMANCE

Figure in MN except EPS, NAV

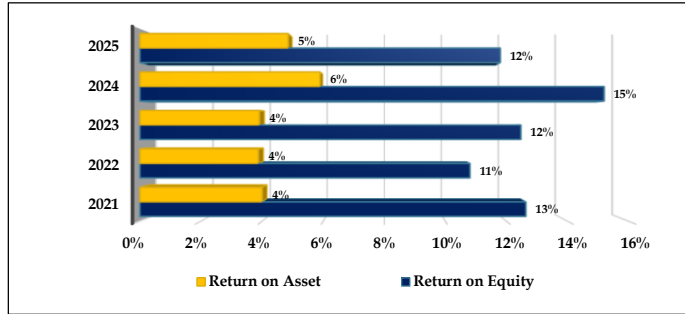
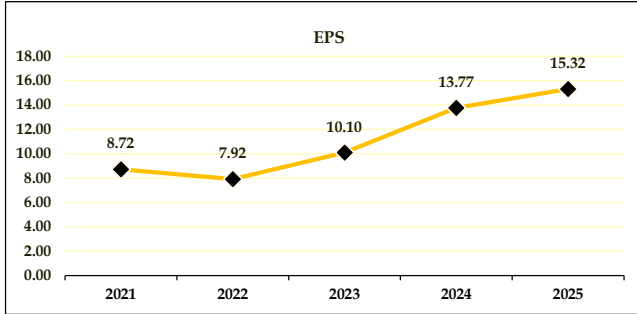
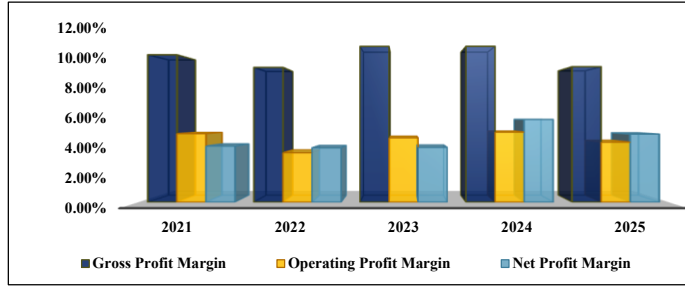
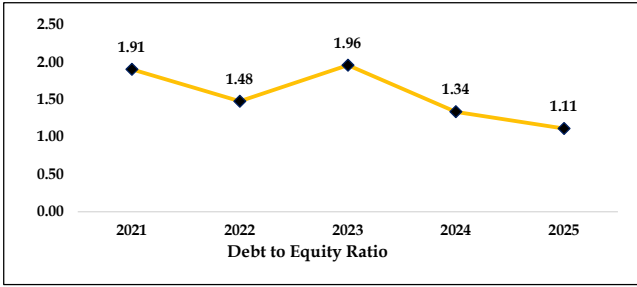
Particulars	FY '25-'26(Q3 Cumulative)	FY '24-'25	FY '23-'24	FY '22-'23	FY '21-'22
Turnover	101,014.94	103,665.21	82,706.10	84,524.77	67,121.06
COGS	91,269.60	92,160.63	73,530.49	76,410.89	60,075.52
Gross Profit	9,745.34	11,504.58	9,175.61	8,113.88	7,045.54
Operating Profit	8,017.07	8,999.03	6,752.45	6,460.55	5,427.69
Net Financial (Expenses)/Income	2,215.54	2,139.66	1,479.81	2,591.76	798.73
Other Income/Expenses	8,808.26	25.77	19.82	19.97	13.11
Net Profit	4,320.26	5,176.04	3,796.57	2,979.40	3,278.50
EPS	11.49	13.77	10.10	7.92	8.72
Property, Plant & Equipment	40,025.03	40,453.03	25,815.53	22,253.52	22,188.79
Account Receivable	8,341.50	7,131.09	7,181.10	7,143.05	7,142.83
Inventories	23,116.65	24,919.10	24,907.28	18,501.68	26,717.54
Current Asset	43,935.32	43,960.34	55,733.64	41,930.03	55,500.23
Total Asset	89,046.22	87,824.29	97,168.53	76,899.12	82,021.39
Paid up Capital	3,759.53	3,759.53	3,759.53	3,759.53	3,759.53
Retained Earnings	23,821.27	21,363.68	17,365.36	14,480.53	12,614.18
Shareholders' Equity	36,602.10	34,033.02	30,427.58	27,564.55	25,935.18
Total Debt	40,767.86	45,488.22	59,686.75	40,759.19	49,433.36
Current Liabilities	29,381.02	29,393.92	56,239.49	42,857.73	48,890.92
Total Liabilities	52,444.12	53,791.27	66,740.95	49,334.57	56,086.21
Non-Current Liabilities	23,063.09	24,397.35	10,501.46	6,476.84	7,195.30
Total Equity & Liabilities	89,046.22	87,824.29	97,168.53	76,899.12	82,021.39
NAV	97.36	90.52	80.93	73.32	68.99
Dividend		50% C	32% C	25% C	30% C
Turnover Growth		25.34%	-2.15%	25.93%	
Gross Profit Margin	9.6%	11.10%	11.09%	9.60%	10.50%
Operating Profit Margin	7.94%	8.68%	8.16%	7.64%	8.09%
Net Profit Margin	4.28%	4.99%	4.59%	3.52%	4.88%
Return on Asset	4.85%	5.89%	3.91%	3.87%	4.00%
Return on Equity	11.80%	15.21%	12.48%	10.81%	12.64%
Current Ratio	1.50	1.50	0.99	0.98	1.14
Total Assets Turnover	1.14	1.12	0.95	1.06	
Inventory Turnover	3.80	3.70	3.39	3.38	
Debt-To- Equity Ratio	1.11	1.34	1.962	1.479	1.906
EPS (Annualized)	15.32	13.77	10.10	7.92	8.72

## INVESTMENT POSITIVES

1. Net profit rose by 36.33% to BDT 5,176 million in FY 2024-25, supported by higher sales volumes and optimized production.
2. The company maintained a strong ROE of 15.21% in FY 2024-25, demonstrating management's effectiveness at generating profits from shareholders' capital.
3. The company successfully operationalized a new rolling mill, adding 500,000 MT of rebar and 100,000 MT of wire rod capacity to meet growing infrastructure demand.
4. The company's P/E ratio of 6.78 is significantly lower than the sector median P/E of 28.68.
5. The board proposed a higher cash dividend of BDT 5.00 per share (50%) for FY 2024-25, up from BDT 3.20 in the prior year.
6. Despite macroeconomic challenges, the net profit ratio improved from 4.59% to 4.99% year-over-year, indicating better cost control and higher-margin product sales.

## INVESTMENT NEGATIVES

1. The company carries substantial debt; as of the latest reports, total liabilities and financing costs remain high due to massive capital expenditures.
2. Dependence on consistent natural gas and electricity is a vulnerability, as any supply disruptions or price hikes directly impact production costs.
3. BSRM relies heavily on imported scrap and billets, making it susceptible to global commodity price swings and shipping disruptions.
4. A vast majority of revenue is derived from the construction sector, making the company highly sensitive to any slowdown in real estate or government infrastructure spending.



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