

Basic info:	
Company Name	Bangladesh Submarine Cables PLC.
Current Price	123.70
52 weeks range	98.50 - 167.50
Authorized Cap. (BDT mn.)	10,000.00
Paid-up Cap. (BDT mn.)	1,870.38
Shares outstanding	187,038,843
Current P/E	13.03
Current RSI	53.52
Recent support level	122.60
Recent resistance level	125.20
Recent EPS	4.74
Recent NAVPS	87.85

Company Overview:
Bangladesh Submarine Cable Company Limited (BSCCL) is a core telecommunications service provider and international submarine cable operator of Bangladesh. It also operates as an International Internet Gateway (IIG) service provider.

Business Profile:
BSCCL is a member in both SEA-ME-WE-4/ SMW4 (South East Asia–Middle East–Western Europe 4) and SEA-ME-WE-5/ SMW5 (South East Asia–Middle East–Western Europe 5) consortiums that provide more capacity and redundancy in submarine cables for Bangladesh. BSCCL has signed the Construction and Maintenance Agreement (C&MA) with SMA6 consortium members and agreements with the suppliers on September 23, 2021.

Shareholding Structure:			
Govt.	Institute	Foreign	Public
76.94%	14.89%	2.09%	6.08%

Particulars	Financial highlight:						BDT mn.		
	Full year			6 Months			Q2		
	2022-2023	2023-2024	Growth %	2023-2024	2024-2025	Growth %	2023-2024	2024-2025	Growth %
Revenue	5,154.91	3,985.48	-22.69%	2,410.93	1,950.48	-19.10%	1,159.38	981.63	-15.33%
Direct Cost of Operation	876.99	834.00	-4.90%	422.13	432.75	2.52%	217.48	219.16	0.77%
Gross Profit	4,277.92	3,151.49	-26.33%	1,988.79	1,517.73	-23.69%	941.90	762.47	-19.05%
Operating Profit	3,672.44	2,304.92	-37.24%	1,665.23	1,072.15	-35.62%	771.54	524.81	-31.98%
Profit Before Taxation	3,581.65	2,359.38	-34.13%	1,644.49	1,191.64	-27.54%	773.73	565.16	-26.96%
Net Profit After Tax	2,790.30	1,829.92	-34.42%	1,277.76	922.11	-27.83%	590.00	433.05	-26.60%
Non-Current Assets	13,140.59	13,865.36	5.52%	13,240.11	13,674.00	3.28%	13,240.11	13,674.00	3.28%
Current Assets	7,688.62	8,173.85	6.31%	9,220.49	8,925.70	-3.20%	9,220.49	8,925.70	-3.20%
TOTAL ASSETS	20,829.21	22,039.22	5.81%	22,460.60	22,599.70	0.62%	22,460.60	22,599.70	0.62%
Shareholders' Equity	14,025.51	15,346.00	9.41%	14,793.14	15,600.32	5.46%	14,793.14	15,600.32	5.46%
Non Current Liabilities	4,511.99	4,747.12	5.21%	5,054.25	4,763.50	-5.75%	5,054.25	4,763.50	-5.75%
Current Liabilities	2,291.70	1,946.10	-15.08%	2,613.21	2,235.88	-14.44%	2,613.21	2,235.88	-14.44%
TOTAL Liabilities	6,803.69	6,693.22	-1.62%	7,667.46	6,999.38	-8.71%	7,667.46	6,999.38	-8.71%

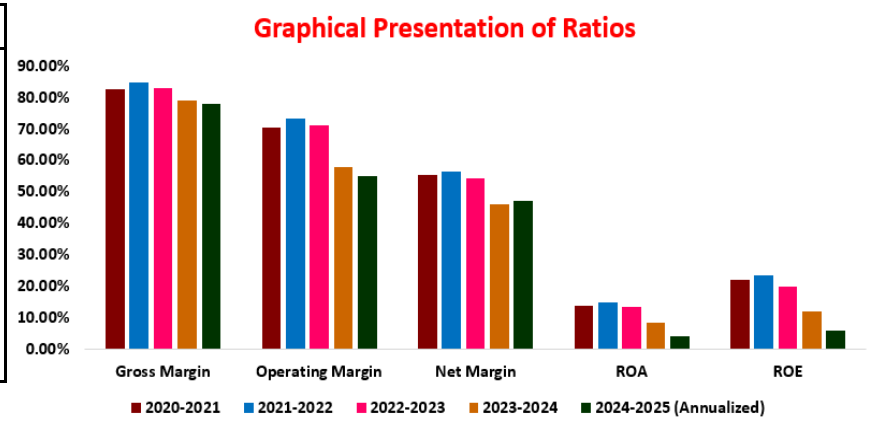
Dividend pattern:

Note: C= Cash dividend

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	Dividend yield 2023-2024
20% C	37% C	46% C	51% C	40% C	3.23%

Ratios:					
Particulars	2021-2021	2021-2022	2022-2023	2023-2024	2024-2025 (Annualized)
Gross Margin	82.60%	84.84%	82.99%	79.07%	77.81%
Operating Margin	70.46%	73.18%	71.24%	57.83%	54.97%
Net Margin	55.31%	56.60%	54.13%	45.91%	47.28%
ROA	13.72%	14.82%	13.40%	8.30%	4.08%
ROE	22.03%	23.45%	19.89%	11.92%	5.91%

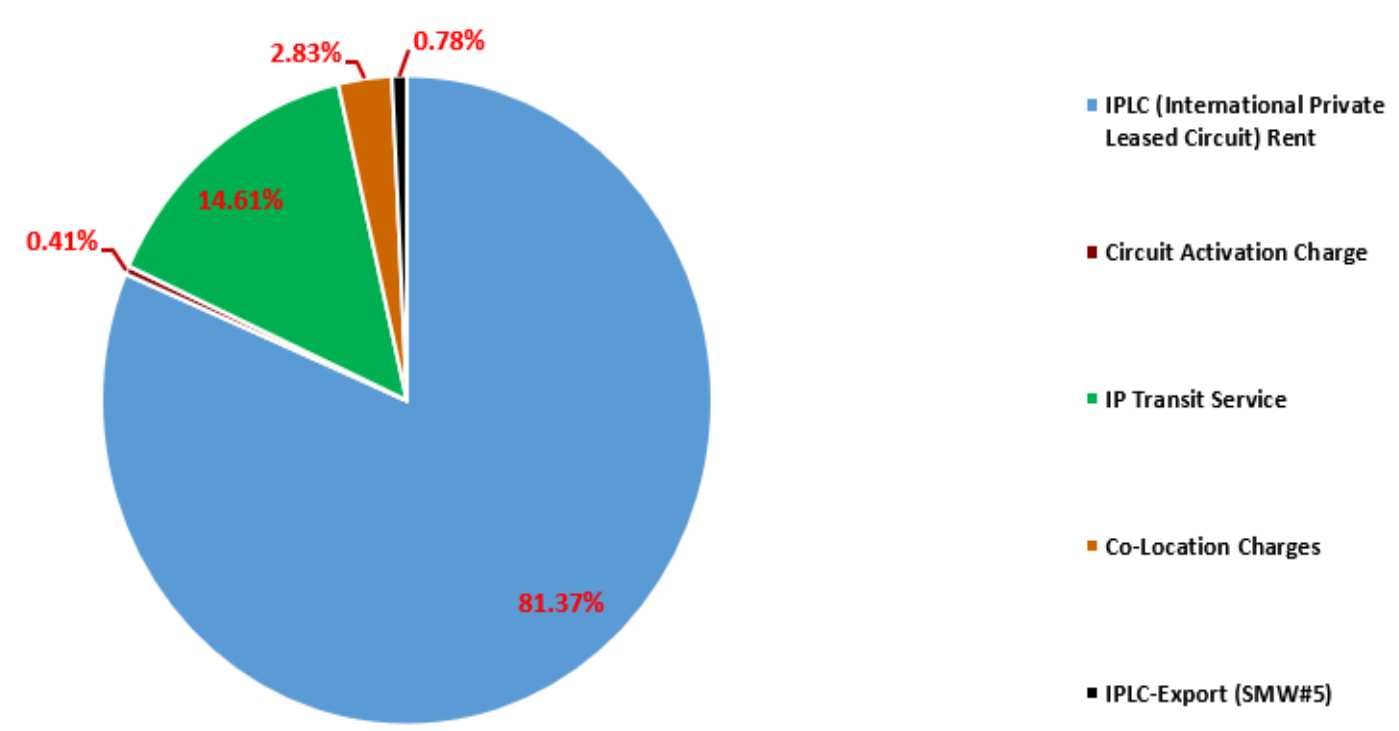
- Services:**
- ◆ IPLC and IP Transit services
 - ◆ IPLC service
 - ◆ IP Transit service
 - ◆ IPLC service
 - ◆ Cross Border Lease of IPLC and Internet Bandwidth
 - ◆ Co-Location Services (Space, power, technical assistance etc.)



Future Plan:

Considering the future plan of the government, necessary measures have already been taken to connect Bangladesh to its 3rd submarine cable with a new submarine cable consortium titled “South East Asia-Middle East-Western Europe-6 (SEA-ME-WE 6 or SMW6)”. Following through, BSCPLC signed the Construction and Maintenance Agreement (C&MA) with SMW6 consortium members and agreements with the suppliers on September 23, 2021. It may be expected that the 3rd submarine cable will be commissioned by the year 2025.

Revenue Breakdown as % of Total Revenue



Investment Insights:

- ⇒ The CAGR of this company's revenue was 17.58% in last five years.
- ⇒ BSCCL has signed the Construction & Maintenance Agreement with the SMW6 submarine cable consortium in order to get connected with the SMW6 submarine cable system which will strengthen BSCCL further in terms of bandwidth capacity as well as redundancy and diversity.
- ⇒ Telecom operators of Bangladesh commercially launch 5G internet.
- ⇒ SMW-6 is expected to come into operation in the last quarter of 2025 and will add 13,200 Gbps in the BSCCL's capacity. As the bandwidth consumption is growing rapidly, the launch of this new submarine cable will help BSCCL cater to this demand for years to come and also to grow its revenue.
- ⇒ The amount of bandwidth used in the country in June 2024 from BSCPLC's Submarine Cable systems was around 2696 Gbps excluding IPLC Export to STC, Orange & Telecom Malaysia amounting 863.00 Gbps.
- ⇒ In the year 2012 BTRC issued International Terrestrial Cable (ITC) licenses to six private operators of which four are now in active commercial operation. The ITC license holders offer IPLC service from the neighboring country (India) through International Terrestrial cables connecting the landing stations of India with Bangladesh. Hence, ITC license holders are the main competitors of BSCPLC till date and they sometimes offer lower tariff to attract customers. To remain competitive in the market, BSCPLC sometimes needs to revise its tariff of the IPLC and IP Transit services downward, which may impact the revenue of the company.
- ⇒ In 2014 BSCPLC joined SEA-ME-WE 5 (SMW5) submarine cable consortium. The SMW5 submarine cable landed at Kuakata of Patuakhali district and was commissioned in Bangladesh in early 2017. According to initial designed capacity, the total capacity of SMW5 cable system was 24 Tbps out of which BSCPLC could achieve 1500 Gbps. In the SMW5 submarine cable system there is a provision of total capacity enhancement through use of future advanced optical transmission technology.
- ⇒ BSCPLC again exported 20GBPS IP Transit Service to BSNL of India for Tripura state and BSCPLC is expecting to export 100 GBPS IP Transit Service to a state-owned entity named Assam Electronics Development Corporation Limited of India for Assam State. Efforts are going on to implement plans to sell some of the surplus submarine cable capacity in the international market. In this regard, BSCPLC is working intensively to sell the unused capacity of the western end of SMW5 submarine cable and to provide bandwidth to the provinces of North Eastern region of India as well as Bhutan. Above all, BSCPLC strives to play a leading role in making Bangladesh a bandwidth hub in the region.

Income Statement:					BDT mn.
	2020- 2021	2021- 2022	2022- 2023	2023- 2024	2024-2025 (Annualized)
Revenue	3,448.53	4,417.44	5,154.91	3,985.48	3,900.96
Direct Cost of Operation					
Electricity and Generator Fuel	14.13	16.39	20.90	26.96	31.31
Landing Station and Cable Route Repair	2.51	3.96	4.05	2.28	1.77
Backhaul, Data Connectivity Charge and Revenue Sharing	83.67	125.77	280.29	306.26	309.39
IP Transit Cost	66.63	84.66	104.62	82.71	88.69
Lease Rent	0.35	0.34	0.39	0.39	-
Amortization of License Fee	-	-	5.75	5.75	5.75
Depreciation of Core Machinery and Right of Use Assets	432.62	438.53	460.99	409.65	428.60
Total Direct Cost of Operation	599.91	669.66	876.99	834.00	865.51
Gross Profit	2,848.61	3,747.78	4,277.92	3,151.49	3,035.46
Operating Expenses					-
Operation and Maintenance Expenses	189.55	171.53	227.10	281.13	510.49
General and Administrative Expenses	221.72	277.17	293.72	265.46	264.15
Provision for Bad & Doubtful Debts	(26.72)	34.62	40.43	196.64	88.13
Depreciation on Property, Plant and Equipment	34.35	33.66	38.39	104.04	32.47
Exchange Fluctuation Loss/(Gain)	(0.09)	(2.01)	5.84	(0.70)	(4.08)
Total Operating Expenses	418.81	514.97	605.48	846.57	891.15
Operating Profit	2,429.80	3,232.82	3,672.44	2,304.92	2,144.31
Non-operating Income/(Expenses)					-
Bank Interest and Other Income	220.94	264.07	215.04	289.12	459.06
Financial and Other charges	(147.74)	(136.51)	(126.11)	(113.15)	(102.66)
Amortization of License Fee	-	(1.13)			-
Gain on Sale of Property, Plant and Equipment	0.16	0.33	-	0.13	-
Gain/(Loss) on Investment in Shares	16.66	1.57	(0.64)	(3.67)	1.75
Total Non-operating Income/(Expenses)	90.02	128.32	88.29	172.43	358.15
Profit before WPPF & WF	2,519.82	3,361.13	3,760.73	2,477.35	2,502.45
Provision for Contribution to WPPF & WF	119.99	160.05	179.08	117.97	119.16
Profit Before Taxation	2,399.83	3,201.08	3,581.65	2,359.38	2,383.29
Current Tax Expenses	465.46	690.33	802.88	582.49	571.01
Deferred Tax (Income)/Expenses	27.03	10.53	(11.52)	(53.03)	(31.94)
Totax Tax	492.50	700.86	791.36	529.46	539.07
Net Profit After Tax	1,907.33	2,500.22	2,790.30	1,829.92	1,844.22
Earnings Per Share (EPS) - Basic	11.57	15.00	16.92	11.10	10.38
Earnings Per Share (EPS) - Diluted	10.61	13.67	13.75	9.02	9.48

Financial Position:					BDT mn.
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025 (Annualized)
ASSETS					
Property, Plant and Equipment	6,816.46	6,441.93	6,021.29	5,981.96	11,528.48
Capital Work in Progress SMW-6	4.05	1,591.35	6,650.60	7,752.07	15,586.77
Right of Use Assets	-	-	51.47	27.71	31.67
Capital Work in Progress SMW-4	-	-	307.75	-	-
Intangible Assets	-	113.87	109.48	103.62	201.09
Total Non-Current Assets	6,820.50	8,147.15	13,140.59	13,865.36	27,348.01
Trade and Other Receivables	1,943.56	2,758.77	3,598.17	2,612.76	5,253.79
Advances and Deposits	23.41	79.77	123.66	71.74	151.26
Advance Income Tax	1,169.72	820.91	1,022.87	992.46	2,430.80
Advance VAT	-	-	30.33	18.77	17.82
Investment in Shares	29.50	31.07	30.43	26.76	55.27
Cash and Cash Equivalents	354.64	210.80	229.96	565.20	1,684.33
Investment in FDR	3,565.28	4,820.08	2,653.20	3,886.16	8,258.13
Total Current Assets	7,086.12	8,721.40	7,688.62	8,173.85	17,851.40
TOTAL ASSETS	13,906.62	16,868.55	20,829.21	22,039.22	45,199.41
EQUITY AND LIABILITIES					
Share Capital	1,649.06	1,649.06	1,649.06	1,649.06	3,740.78
Equity Money from GoB	1,660.00	1,909.60	2,522.36	2,852.36	2,549.72
Share Premium	723.29	723.29	723.29	723.29	4,317.95
Tax Holiday Reserve	788.91	847.74	876.41	876.41	1,752.83
Revaluation Reserve	1,037.29	1,032.36	996.93	990.24	1,974.55
Retained Earnings	2,798.12	4,500.52	7,257.46	8,255	16,864.83
Total Equity	8,656.67	10,662.57	14,025.51	15,346.00	31,200.65
Liabilities					
Deferred Tax Liabilities	606.11	613.20	629.16	574.55	1,115.45
Lease Liability	-	-	14.47	2.13	-
Security Deposits Received from Clients	357.07	451.26	484.41	337.49	646.01
Employees' Pension, Gratuity, LE & Provident Fund	15.39	32.22	30.97	39.52	83.62
Long Term Loan-net Off Current Portion	2,186.42	2,482.86	3,352.98	3,793.43	7,681.92
Total Non Current Liabilities	3,164.99	3,579.54	4,511.99	4,747.12	9,527.00
Lease Liability-Current Portion	-	-	11.62	12.34	16.79
Long Term Loan-Current Portion	192.25	301.50	319.86	229.56	472.88
Sundry Creditors	84.17	528.47	299.63	385.28	702.41
Unearned Revenue	-	-	390.72	384.17	667.59
Provision for Income Tax	1,037.42	821.81	960.27	739.88	2,050.77
Provision for WPPF and WF	119.99	160.05	179.08	117.97	142.76
VAT payable	(25.40)	(29.41)	-	-	-
Liabilities for Expenses	57.44	79.63	125.95	71.94	137.32
Amount to be distributed as dividend (Proposed)	610.15	758.57	-	-	-
Dividend Payable	8.94	5.83	4.55	4.96	281.24
Total Current Liabilities	2,084.96	2,626.44	2,291.70	1,946.10	4,471.76
Total Liabilities	5,249.95	6,205.98	6,803.69	6,693.22	13,998.76
TOTAL EQUITY AND LIABILITIES	13,906.62	16,868.55	20,829.21	22,039.22	45,199.41
Net Asset Value (NAV) per Share	52.49	64.66	85.05	93.06	175.70