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Evaluating the Performance of Some Selected Cement Companies of Bangladesh

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Abstract- This aim of this study is to investigate the financial performance among the selected cement companies of Bangladesh. This study also includes comparative performance evaluation through financial ratio analysis. This study is based on five leading cement companies, which are Aramit Cement Ltd., Confidence Cement Ltd., Heidelberg Cement Ltd., Premier Cement Ltd., and Crown Cement Ltd. This research is based upon five years of analysis, from 2015 to 2019, and carried by secondary information, and to produce ratio analysis, data has been taken from annual reports, articles, and publications, etc. This study reveals the financial position of selected cement companies which is very important for the industry because of its growth and role in development. Financial Ratios such as Current Ratio, Return on Assets (ROA),Return on Equity (ROE),Net Profit Margin, inventory Turnover Ratio, Total Asset Turnover Ratio , Earnings per share , Debt to Equity Ratio were used for comparing performance of these cement companies.

Keywords: current ratio, return on assets (ROA), return on equity (ROE), net profit margin, inventory turnover ratio, total asset turnover ratio, earnings per share , debt to equity ratio.

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EVALUATINGTHEPERFORMANCEOFSOMESELECTEDCEMENTCOMPANIESOFBANGLADESH

Strictly as per the compliance and regulations of:

Evaluating the Performance of Some Selected Cement Companies of Bangladesh

Mohammad Arafat Uddin Bappi [α], Md. Shahnur Azad Chowdhury [σ], Mrs. Sultana Akter [ρ] & Mohammad Nahid Imtiaz [Ѡ]

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I. Introduction

At Present Cement industry is one of the most promising sectors in Bangladesh. Bangladesh cement industry is the 40th largest market in the world. Currently, there are more than 125 cement manufacturing companies in Bangladesh. And among those 125 firms, 45 cement suppliers, including five multinationals, are in operation, along with 63 grinding plants throughout Bangladesh. Also, there is a domestic demand of over 18 million metric tons per year. The enormity of cement demanded by a country is an exponent of the development of the construction sector, which points towards the economic growth. The economic growth of Bangladesh express by the expansion of urban development, road connectivity, public services, housing building, apartment blocks, etc. Recently, there is a rise in urbanizing, which has boosted the need for building materials and cement. Even then, the development of the cement industry began just about a decade ago. The production of Bangladesh's cement industry dates back to the early 1950s. Dramatically, the country has been experiencing an increase in cement production for the last 6 to 7 years. The growth rates of GDP and population are correlative over time, and the demand for cement is maintaining almost a positive growth rate. Also, the GDP (In billion USD) and per capita consumption of cement (in kg) have been increasing over time. The export of cement has started its journey in 2003 in Bangladesh, and the export rate is continuously getting upward every year. The highest amount of cement exported in 2010, and Bangladesh earned more than 21 million USD that year.

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II. Literature Review

Nagarajrao B.S & Chandra K- (1980): Dissected the financial effectiveness of cement companies for the chosen time of the investigation 1970 - 71 to 1977-78. It tends to be investigated productivity of chosen cement companies, It has been discovered descending pattern from 1970-71 to 1974-75 because the explanation of inflation, ascending of manufacturing cost, persistent fall in capacity utilization because of numerous reasons.

Kumar B. Das-(1987): Has made an investigation of the monetary performance of the cement industry. It very well may be investigated that the net fixed assets as a percentage of total assets have diminished for the time frame 1970-71 to 1977-78 that was 553.5% to 44.04 % individually. Current liabilities have expanded than the current assets. The Liquidity performance of the cement industry isn't solid at the time of the study. The Debt Asset ratio has to descend during the time of the examination, and the Debt Equity ratio has somewhat expanded while total assets proportion has diminished throughout the long term.

Dr. Dinesh A. Patel- (1992): Reviewed Financial Research, a report of India's cement industry from 1979-80 to 1988-89. He should have dissected the profitability of the cement industry, investigated the short-term monetary strength of the cement industry by analyzing the administration of working capital, and evaluated the long-term monetary strength by researching the building of capital.

Niarn. K.-(1991): Focused on the production efficiency part of the Cement Industry of India. This study showed that cement which is a development material, involved in an essential spot in the economy of India. This research also uncovered that, in 1990-91, the industry production capacity was 60 million tons but 48 million tons were produced. In this research, the cement industry was estimated to have a product development of around 100 million tons by the year 2000. To identify the major problem areas and the possibilities, this report also examined the productivity and financial output ratios of the cement industry.

Haq & Sohail & Zaman & Alam-(2011): The relationship between Working Capital Management and Profitability: A Pakistan Cement Industry Case Study were analyzed. The relationship between managing working capital and profitability was explored in this report. In the Khyber Pakhtunkhwa Province (KPK) of Pakistan, researchers picked 14 firms in the cement industry. The analysis is focused entirely on secondary data obtained from the audited financial statements of the companies listed on the Karachi Stock Exchange for the 2004-2009 period. The data was analyzed using the correlation coefficient and multiple regression analysis statistical techniques.

Subir Cokavn and Rajendra Vaidha-(1993): the output of the cement industry after decontrol was evaluated for evaluation. They noticed that the cement industry's success after decontrol was marked by results that were relatively competitive and improved health. This research showed that the composition of the market had shifted dramatically, with many new entrants in the industry producing a vast amount of relative technical and superior ability. This report also noted that substantial actual price rises and a related rise in profitability were observed. For businesses running comparatively new plants, the output of companies in the strategic community was different and big plants seemed to have an edge. Also, the report discussed the essence and impact of inter-company heterogeneity in the cement industry.

Hajihassani- (2012): A financial results comparison of the cement industry in Iran. This study showed a review of the financial results of the 2006-2009 study period. An analysis of the financial results of selected cement companies can be evaluated using different financial measures and metrics of cement companies operating in Iran. Financial ratios are divided into three categories. This concludes that the output of cement companies is distinct from that of the liquidity ratio and the debt ratio based on profitability ratios.

Dharmendra S-(2011): Liquidity, relative to solvency ratios such as Net Assets Ratio, Turnover Ratio (Inventory), Debt to Equity Ratio, and Operating Expenses Ratio, is closely linked to the profitability of the Indian Cement Industry.

Dr. Abdul Ghafoor Awan. Parvez Shahid, Jahanzeb Hassan, Waqas Ahmed- (2014): The effect of Working Capital Management on the output of the cement sector in Pakistan has been analyzed. The research period represented the period from 2009 to 2013.The analysis is solely focused on secondary data obtained from these firms' audited financial statements that are listed on the Karachi Stock Exchange. To measure the effect of Management of working capital on the performance of the business, the return was used as the dependent variable, and independent variables were, Inventory Turnover in Days, Cash Payment Cycle, Current Ratio, and Quick Ratio. The Public Sector Growth Scheme, Total Working Capital, Average Payment, business size, and Government Approved Funds. The panel data tool is used to research the influence of Working Capital Management on the competitiveness of Pakistan's cement industry. He should infer that the duration of cash transfer, product turnover of days, and average payment length have a negative association with business output and are important in their likelihood. In this analysis, the current ratio has proven to be statistically negligible and hurts return on equity.

Chandrasekaran N- (1993): Attempts to assess profitability in the cement industry were made by CHANDRASEKARAN N. He has observed that institutional and behavioral factors have defined profitability. He also observed that the company's growth, working capital management, capital turnover ratio, inventory turnover, etc., were other variables that impacted profitability. During 1980's some main changes in the cement industry environment has been found in this study which was: Total power for decontrol, new entrants and major capability additions, from inefficient wet process to produce dry process, and from conditions of cement shortage to close gloat throughout the sector, are transforming technology.

Nand Kishore Sharma- (2002): In its report on the financial evaluation of the cement industry in India, it was found that the liquidity situation, current ratio, and rapid ratio showed a downward trend, and these ratios also differed from time to time. Six companies scored better in contrast between the current ratio and the quick ratio of the cement industry, and Four companies were found to be lower than the industry average. In the first four years, the solvency position - debt-equity ratio showed a decreasing pattern, after which the trend rose. More than 100% of the fixed assets and gross debt ratios indicated that the outsiders' claims were covered by the cement companies' fixed assets.

Raja Mohan S. & Vijayaragavan T. - (2008): The output of the production of madras cement Ltd has been evaluated. He used the statistical tool Mann Whitney U-test to evaluate the comparative production output of Madras cement and all other cement firms in India. The study results revealed that the production performance of the chosen unit was comparable to the production performance of all other cement units in India.

III. Objectives of the Study

The primary objective of this study is to assess comparative output among Bangladeshi cement companies. The basic objectives of the review are as follows: -

- To describe the cement industry of Bangladesh.
- To access the financial performance of sample cement companies for the period of 2015 to 2019.
- To draw a comparative analysis of selected cement companies of Bangladesh for the period of 2015 to 2019.

IV. Methodology

The methodology of the research was stated in the following sections based on data collection, sample, and data analysis, and study design.

a) Sample

Conducting this study, five cement companies of Chittagong have been chosen as sample cement companies purposively, namely Aramit Cement Ltd., Confidence Cement Ltd., Heidelberg Cement Ltd., Premier Cement Ltd., and Crown Cement Ltd. Reason for choosing those companies are the data availability on financial performance.

b) Data Collection

This research is primarily focused on secondary data. The quantitative information for this analysis is taken from the respective websites and annual reports of the company. The financial data for a total of five companies were used in this study. The following are the sources:

- Annual reports of Aramit Cement Ltd.
- Annual reports of Heidelberg Cement Ltd.
- Annual reports of Confidence Cement Ltd.
- Annual reports of Premier Cement Ltd.
- Annual reports of Crown Cement Ltd.
- Various reports related to the study.

c) Analysis of Data

To perform the comparative analysis I have used different financial ratios for this study because they are designed to evaluate a financial statement. Different ratios such as Liquidity Ratio, Profitability Ratio, Solvency Ratio, Market Value Ratio, and Asset Turnover Ratio. Ratio analysis is used based on essential variables to include indications regarding a company's past results.

d) Data Analysis Variables

This research uses the following different variables for comparative financial performance analysis:

e) Current Ratio

It represents the relation between the current assets of the company and its current liabilities. A higher current ratio is often more desirable than a lower current ratio because it illustrates that current debt payments can be made more efficiently by the company.

Current Ratio=Current assets/Current liabilities

Return on Assets (ROA): This offers an analysis of how successful the management is in making income using its assets.

Return on Assets (ROA)= Net income/Average Total assets

Return on Equity (ROE): The amount of net profits returned as a percentage of the shareholder's equity is presented here. It also tests a corporation's profitability by concentrating on how much profit a business will produce with the investment of the shareholder.

Return on Equity (ROE)= Net income/Shareholder's equity

Net Profit Margin: Once all costs and expenditures, including interest and taxes, have been deducted, the net profit margin calculates the amount of each revenue dollar left. The higher the net profit margin for companies, the better it is.

Net Profit Margin=Net Profit after Tax/Sales

Inventory Turnover Ratio: Stock turnover is a ratio showing how many times a business's product is sold and replaced over a lifetime.

Inventory turnover ratio=Cost of goods sold/Inventory

Total Asset Turnover: The absolute turnover of resources demonstrates the efficiency with which the organization uses its resources for production deals. The higher the absolute resource turnover of the organization, the more efficiently its resources are used.

Total Asset Turnover= Sales/Total Asset

Earnings per share: This calculation does not in any way represent the market price of the stock of a company, but can be used by investors to derive the price they feel is worth the shares.

Earnings per share=Total Earnings/Outstanding shares

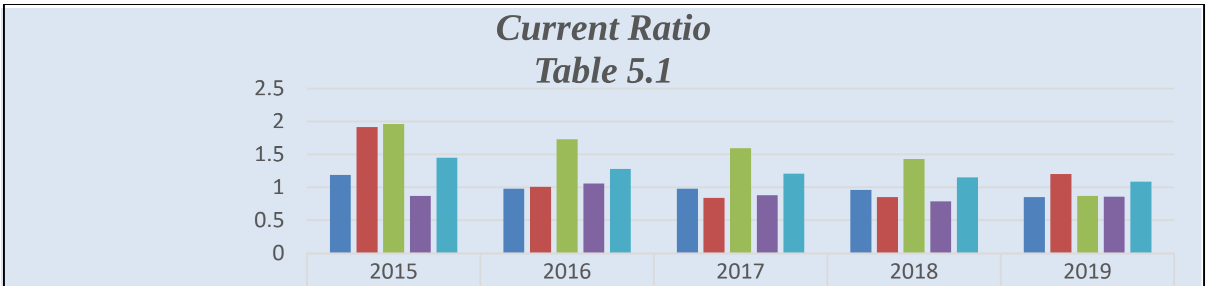
Debt to Equity Ratio: The debt-to-equity ratio represents the proportion of lenders and owners with corporate capital. A higher debt to equity ratio means that more borrower finance (bank loans) is used than lender funding (shareholders).

Debt to Equity Ratio = Total Liabilities/Total Equity

V. Analysis of the Study

a) Liquidity Ratio

Liquidity refers to a company's ability to satisfy its short-term financial commitments when and when they are due. The primary purpose of the liquidity ratio is to determine the willingness of companies to satisfy their short-term maturing obligations.

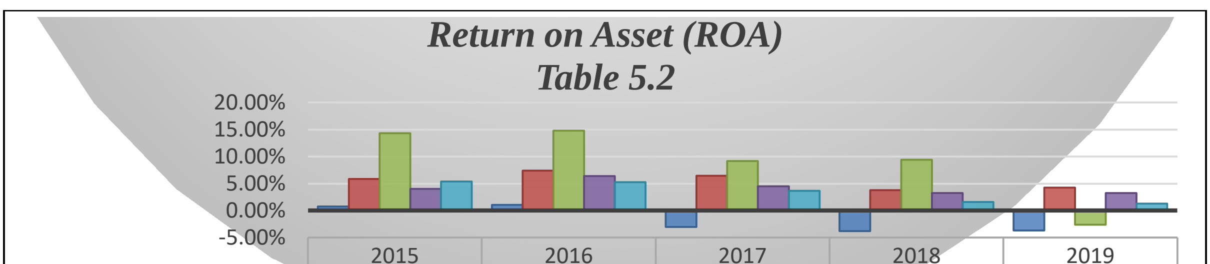


	2015	2016	2017	2018	2019
Aramit Cement ltd	1.19	0.98	0.98	0.96	0.85
Confidence Cement ltd	1.91	1.01	0.84	0.85	1.2
Heidelberg Cement ltd	1.96	1.73	1.59	1.43	0.87
Premier Cement ltd	0.87	1.06	0.88	0.79	0.86
Crown Cement ltd	1.45	1.28	1.21	1.15	1.09

In the above table the short-term financial solvency of Heidelberg Cement Ltd. Crown Cement Ltd. is in good condition in past five years with an average of 1.52& 1.24respectively. Besides, Confidence Cement Ltd. had ups and downs of current ratio with an average rate of 1.16. On the other side, Aramit Cement Ltd. & Premier Cement Ltd. are very lower than other cement companies over the last five years with an average rate of 0.99 & 0.89 accordingly.

b) Profitability Ratios

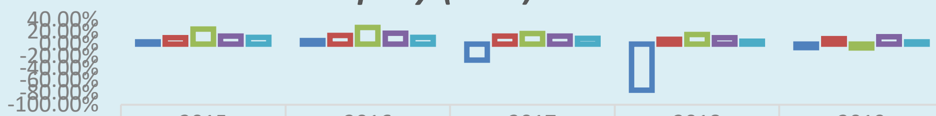
The capacity of an organization to gain profit over some time is profitability. Although the profit figure is the starting point for any cash flow calculation, as already indicated, due to lack of cash, successful businesses may still fail.



	2015	2016	2017	2018	2019
Aramit Cement ltd	0.76%	1.09%	-3.01%	-3.77%	-3.65%
Confidence Cement ltd	5.86%	7.38%	6.45%	3.76%	4.28%
Heidelberg Cement ltd	14%	15%	9.20%	9.40%	-2.60%
Premier Cement ltd	4.05%	6.37%	4.51%	3.26%	3.26%
Crown Cement ltd					

In the above table, Heidelberg &Confidence Cement Ltd. had the highest ROA in 2016 and the lowest in 2018 & 2019 with an average of 9% & 5.55% mutually compared to other cement companies. On the other side, Premier Cement Ltd. had the highest ROA in 2016 & the lowest in 2019 with an average rate of 4.29%. Moreover, The Rate of Aramit Cement Ltd is declining dramatically over the years. Also, Crown Cement had fluctuated over the years with an average rate of 3.45%.

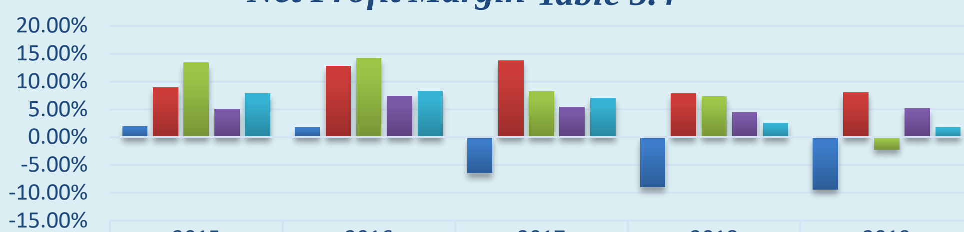
Return on Equity (ROE) Table 5.3



	2015	2016	2017	2018	2019
Aramit Cement ltd	3.25%	5.84%	-26.64%	-76.08%	-6.10%
Confidence Cement ltd	10.51%	13.86%	13.16%	7.60%	8.94%
Heidelberg Cement ltd	24.30%	27.00%	17.10%	15.60%	-6.70%
Premier Cement ltd	13.21%	18%	13.09%	10.10%	12.06%
Crown Cement ltd	11.04%	11.07%	9.31%	4.43%	3.51%

In table 5.3, in 2016 all cement companies had highest ROE percentage. On the other side, Aramit Cement Ltd. 's ROE is declining from 2017 to 2018. but in 2019 they had have recovered their ROE rate by 69.98%. Moreover, the average rate of Heidelberg Cement Ltd. 15.46%, Premier Cement Ltd.13.29%, Confidence Cement Ltd. 10.81%, and Crown Cement Ltd.7.87%, respectively.

Net Profit Margin Table 5.4



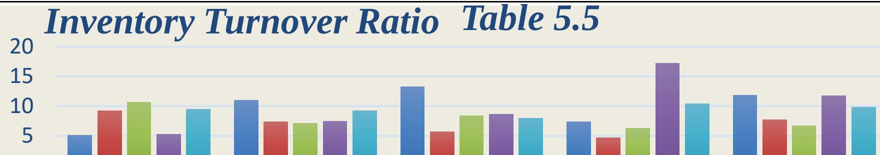
	2015	2016	2017	2018	2019
Aramit Cement ltd	1.90%	1.80%	-6.46%	-8.97%	-9.37%
Confidence Cement ltd	8.97%	12.72%	13.72%	7.81%	8.05%
Heidelberg Cement ltd	13.37%	14.22%	8.19%	7.26%	-2.20%
Premier Cement ltd	5.05%	7.38%	5.44%	4.40%	5.11%
Crown Cement ltd	7.85%	8.25%	7.00%	2.51%	1.72%

In table 5.4, all the cement companies except Aramit Cement managed to put them within an acceptable limit between 5% to 10%. But the net profit margin of Aramit Cement Ltd. was declining rapidly over the years and ended up with a negative rate in 2019 (9. 37%). This implies that during the time, Aramit cement ltd was not productive in sales performance and did not achieve the cost-effectiveness of operations. Furthermore, the average data of Net Profit Margin for Confidence Cement Ltd. 10.25%, Heidelberg Cement Ltd 8.17%, Premier Cement Ltd. 5.48%, Crown Cement Ltd. 5.47% .

c) Asset Management ratio

The asset management ratio is a collection of ratios that determines how efficiently a business manages its assets.

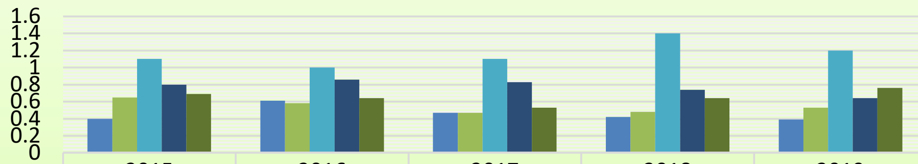
Inventory Turnover Ratio Table 5.5



	2015	2016	2017	2018	2019
Aramit Cement ltd	5.08	10.94	13.3	7.38	11.88
Confidence Cement ltd	9.23	7.4	5.71	4.74	7.69
Heidelberg Cement ltd	10.7	7.1	8.4	6.3	6.7
Premier Cement ltd	5.26	7.47	8.67	17.23	11.72
Crown Cement ltd	9.49	9.22	7.99	10.37	9.78

In table 5.5, we see that all the cement companies faced ups & downs in inventory turnover ratio over the last five years. Considering above average data, Premier Cement Ltd. had the highest average inventory turnover rate of 10.07 times compared to other cement companies, while Aramit Cement Ltd. had the 2nd highest average rate of 9.72 times. It signals of the efficiency for sales of inventory is good of these two companies. Adding to this, the average rate for Crown Cement Ltd. 9.37 times, Heidelberg Cement Ltd. 7.84 times & Confidence Cement Ltd. 6.95 times, respectively.

Total Asset Turnover Ratio
Table 5.6



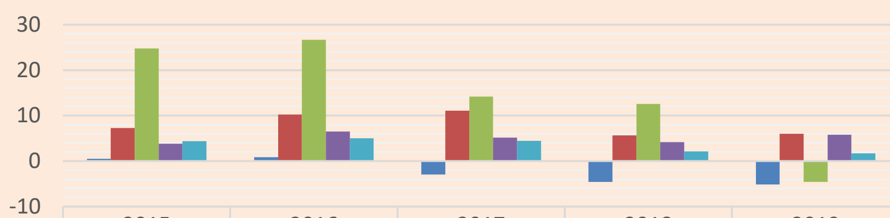
	2015	2016	2017	2018	2019
Aramit Cement ltd	0.4	0.61	0.47	0.42	0.39
Confidence Cement ltd	0.65	0.58	0.47	0.48	0.53
Heidelberg Cement ltd	1.1	1	1.1	1.4	1.2
Premier Cement ltd	0.8	0.86	0.83	0.74	0.64
Crown Cement ltd	0.69	0.64	0.53	0.64	0.76

In table 5.6. Generally, for large companies, the appropriate total asset turnover ratio is 2 (two) times. But none of the cement companies could maintain it. Considering the average data, Heidelberge Cement Ltd (1.16) & Premier Cement Ltd. (0.77) are a better position compared to other cement companies. On the other hand, the average total asset turnover rate of Aramit Cement Ltd. (0.49), Confidence Cement Ltd. (0.54) & Crown Cement Ltd. (0.65) are below one time which suggests that total assets are not used effectively in the span to produce revenue.

d) Market Value Ratios

Calculating the current share price of the stock of a publicly traded firm, market value ratios are used. Present and prospective investors use these ratios to determine if the shares of a company are overpriced or underpriced.

Earning Per Share (EPS)
Table 5.7



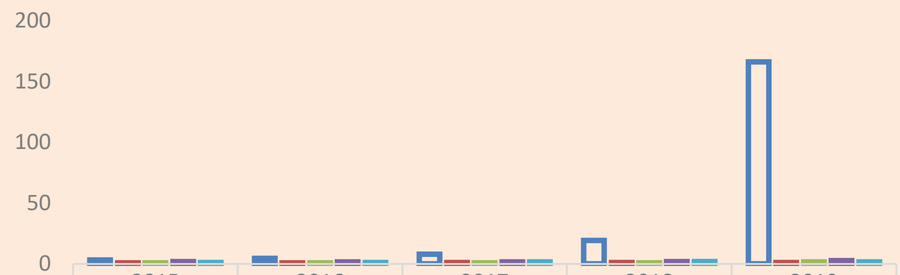
	2015	2016	2017	2018	2019
Aramit Cement ltd	0.49	0.84	-2.97	-4.56	-5.15
Confidence Cement ltd	7.25	10.22	11.07	5.67	6.01
Heidelberg Cement ltd	24.8	26.7	14.2	12.6	-4.6
Premier Cement ltd	3.83	6.48	5.17	4.19	5.81
Crown Cement ltd	4.37	5.01	4.45	2.13	1.69

From table 5.7, we can see the EPS of Heidelberg Cement Ltd. is better than the other three cement companies with an average of 14.74. Diversely, the EPS of Aramit Cement Ltd. faces a declining trend with a negative EPS rate of 2.97, 4.56 & 5.15 from 2017 to 2019. Moreover, Confidence Cement Ltd. managed a satisfactory average EPS rate of 8.04 compared to Premier Cement, Crown Cement & Aramit Cement Ltd. The average EPS rates of Aramit Cement (2.27), Premier Cement (5.10) &Crown Cement (3.53).

e) Solvency Ratio

Solvency is a company's ability to fulfill its long term financial commitments. Solvency ratios, also known as leverage ratios, measure the willingness of a business to indefinitely continue operations by contrasting debt levels with equity, assets, and profits. Solvency ratios reflect the ability of a corporation to make payments and pay off creditors, bondholders, and banks for its long-term obligations. In the long-term, better solvency ratios suggest a more creditworthy and financially stable company.

Debt to Equity Ratio Table 5.8



	2015	2016	2017	2018	2019
Aramit Cement ltd	3.26	4.35	7.86	19.18	166.22
Confidence Cement ltd	0.79	0.88	1.04	1.02	1.09
Heidelberg Cement ltd	0.69	0.82	0.86	0.69	1.46
Premier Cement ltd	1.97	1.59	1.71	1.97	2.69
Crown Cement ltd	1.05	1.11	1.52	1.77	1.69

In table 5.8, the debt to equity ratio of Aramit Cement Ltd. shows an upward trend over the years with an average ratio of (40.17), compared to the other five cement companies, which tells that more creditors funds (bank loans) are being used. Contrarily, Heidelberg Cement Ltd. and Confidence Cement Ltd. had the lowest average debt to equity ratio, which are (0.90) & (0.96). Moreover, Both Premier Cement Ltd. & Crown Cement Ltd. face ups and downs with an average rate of (1.99) & (1.43) respectively.

f) Findings on comparative analysis of financial ratio: Liquidity

Although the liquidity position of Heidelberg Cement Ltd. is showing a downtrend up to 2018, considering average, they are in the best position among the five companies. Besides, Crown Cement Ltd. also maintained a good liquidity position along with Heidelberg Cement Ltd. This shows that these two companies are capable of pay off their current liabilities more immediately in comparison with Premier Cement Ltd., Aramit Cement Ltd & Confidence cement ltd.

Profitability: Heidelberg Cement Ltd. had the best profitability ratio performance with an average percentage of 9% in ROA &15.46% in ROE among five cement companies. That means this company can generate earnings as compared to its expenses and other relevant costs. Confidence Cement Ltd. was also close with an average rate of 5.55% in ROA but could not manage to get the second-best ROE rate where the average ROE of Premier Cement Ltd. is 13.29%. This indicates that Premier Cement Ltd. has a better capacity of the total equity in generating net profit than Confidence Cement Ltd. But Premier Cement Ltd., lacks behind in the ROA rate compared to Confidence Cement Ltd. Apparently, Aramit Cement Ltd. has the poorest average negative rate of ROA (1.72%) & ROE (19.95%) among five cement companies.

Considering net profit margin, Confidence Cement Ltd. has obtained the best average net profit margin of 10.25%. This indicates that the cost of goods sold is rightly managed by them, which produced a sufficient net profit margin ratio. On the contrary, Heidelberg Cement Ltd. achieved the second best average of 8.17% in net profit margin. In addition, Premier Cement, Crown Cement & Aramit Cement Ltd. have taken second, third & fourth place in terms of profitability out of five companies.

Inventory Turnover: Premier Cement Ltd. is in the best position in inventory turnover among the five companies which indicates the good efficiency of their salespersons. On the other case, the average inventory turnover of Heidelberg Cement Ltd. is 7.8 times closer than the average turnover rate of Aramit Cement Ltd. 9.72 times. In Addition, Confidence Cement Ltd. has the lowest average rate of inventory turnover of 7.10 times out of five cement companies.

Asset Turnover: Furthermore, Heidelberg Cement Ltd. has the highest total asset turnover rate compared to five cement companies with an average of 1.16. This represents better efficiency in total asset utilization of Heidelberg Cement Ltd. Besides; Premier Cement Ltd. also managed the second rank in utilizing total assets turnover efficiently. Moreover, Crown Cement, Confidence Cement & Aramit Cement Ltd. have third, fourth & fifth appealing positions in utilizing total assets.

Marketability: In terms of EPS, Heidelberg Cement Ltd. is taking a solid ground than among five cement companies with an average rate of 14.74 in EPS. Confidence Cement Ltd. comes to a second better place with an average EPS of 8.04. In Addition to, Premier Cement Ltd. has third a favorable average rate of EPS 5.10. Moreover, Aramit Cement Ltd. has the least appealing average rate with a negative EPS of (2.27) among five cement companies.

Solvency: Heidelberg Cement Ltd. had the best solvency ratio performance out of five cement companies. The average debt to equity ratio of Heidelberg Cement Ltd., which is 0.90, indicates less creditor financing (bank loans) is used than investor financing. Confidence Cement Ltd. also maintained lower debt to equity ratio of Heidelberg Cement Ltd. with an average rate of 0.96 which is better than Premier Cement, Crown Cement & Aramit Cement Ltd. On the contrary, the average debt to equity ratio of Aramit Cement Ltd. is the highest among five cement companies. This represents higher use of creditors financing, which comes with higher interest expense that would reduce net profit. Moreover, Premier Cement Ltd. is taking the second position, and Crown Cement Ltd. is taking the third position in terms of the firm's solvency situation compared to other cement companies.

i. *Recommendations for Liquidity position*

- Aramit Cement Ltd. can increase its liquidity by getting rid of its useless asset and paying off its liabilities as early as possible.
- Premier Cement Ltd. can raise its liquidity by enhancing more cash sales and improving the invoice collection period.

ii. *Recommendations for Profitability position*

- Aramit Cement Ltd., Premier Cement Ltd., and Crown Cement Ltd. can enhance their earnings by managing their operating costs efficiently.
- Aramit Cement Ltd. can increase its income by using more financial leverage. Furthermore, Confidence Cement Ltd. and Crown Cement Ltd. should provide more effort to get a better return from the money invested.
- Aramit Cement Ltd. Also, should try hard to intensify its efficiency in utilizing the firm's assets to generate adequate profitability. Also Premier Cement Ltd., and Crown Cement Ltd. should take effective steps to accelerate the current return on asset.
- Aramit Cement Ltd., Premier Cement Ltd. and Crown Cement Ltd. should amplify their management ability to operate the business by enhancing sales with the cost price effectiveness of the operation.

iii. *Recommendations for the Turnover position*

- Confidence Cement Ltd. should take steps to increase sales to improve its inventory turnover ratio.
- Both Crown Cement Ltd. and Heidelberg Cement Ltd. need to ensure sales growth to improve its sales performance and maintain a good inventory turnover ratio.
- All the companies should enhance asset turnover at a satisfactory level. Especially, Aramit Cement Ltd., Confidence Cement Ltd., and Crown Cement Ltd. can increase efficiency to improve asset turnover by increasing sales via more promotion and advertisement.

iv. *Recommendation for Market Value position*

- Aramit Cement Ltd. needs to take proper actions to increase its EPS.
- Aramit Cement Ltd., Premier Cement Ltd. And Crown Cement Ltd. can improve their EPS more by managing operating activities more efficiently and decreasing outstanding shares.

v. *Recommendation for Solvency position*

- Aramit Cement Ltd. can reduce its high debt to equity ratio by managing inventory more effectively.
- Premier Cement Ltd. And Crown Cement Ltd. also needs to take the necessary steps to improve the debt to equity ratio.

VI. Conclusion

At the end of this analysis, it is very much clear that the study is prepared based on the comparative financial performance of five selected cement companies in Bangladesh. Moreover, Financial ratios are also used to compare the performance of these cement companies, which is an important part of financial performance analysis, and through this, we can know the five companies' past and present performance. Most importantly it gives us an idea that which company's performance is the best among the five and which one is the worst.

Throughout the study, Aramit Cement Ltd., Trust Cement Ltd., Heidelberg Cement Ltd., Premier Cement Ltd., and Crown Cement Ltd. were made aware of the financial power, organizational effectiveness and efficacy of the analysis.

From the above analysis, we can say that Heidelberg Cement Ltd. is the best performing company among the five companies. On the other hand, Aramit Cement Ltd. is in the worst position than four other cement companies in financial performance. But some threats are increasing recently. If those risks or threats can be handled properly, then they can survive successfully. If we look at financial performance, we can see that Confidence Cement Ltd. maintained an average position compared to four cement companies. They just need to improve financial performance such as total asset turnover and inventory turnover by following the recommendations. In addition to, Premier Cement Ltd. had an outstanding position in financial performance except the debt to equity and liquidity ratio. Such as their liquidity position, and solvency position should be improved to perform better than other cement companies.

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