

2018

# CFC Project DAR AI DAWA



Hazim JALOUKH

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## List of Acronyms

<b>DADI</b>	Dar Al Dawa Development and Investment Co. Ltd
<b>MENA</b>	Middle East and North Africa
<b>MOH</b>	Ministry of Health
<b>JFDA</b>	Jordanian Food and Drug Association
<b>SWOT</b>	Strengths, Weaknesses, Opportunities, and Threats
<b>PESTEL</b>	Political, Economic, Social, Technological, Legal and Environmental
<b>WAAC</b>	Weighted Average Cost of Capital
<b>WHO</b>	World Health Organization
<b>MHRA</b>	Medicines and Healthcare Products Regulatory Agency
<b>ASE</b>	Amman Stock Exchange

## Investment Summery

Dar Al-Dawa occupies a prominent position in the Jordanian market, the Arabian Gulf and North Africa and in many export markets, characterized by high quality and reputation. The markets of Jordan, Algeria and the Arabian Gulf are the main markets of the company.

The net sales that DADI achieved during the last five years amounted for 28,090,988 JOD, Net profit realized for the same period was 16,434,521 JOD.

The value of current assets amounted to 61,445,739 JOD, while the current liabilities amounted to 32,793,434 JOD and the ratio becoming (1.87 to 1), working capital amounted to 28,652,305 JOD.

The company's net sales for 2016 was 60,876,997 JOD, and the total profit of 28,839,023 after deducting the sales cost which was 32,037,974 JOD, Net profit for the year 2016 attributable to the shareholders of the company amounted to 5,011,909 JOD compared to net profit of 4,100,443 JOD in 2015.

With the expected growth of the market, and DADI operating revenues growth of 1.19, the net sales will reach 72,443,626 JOD in 2017 and 86,207,915 JOD 2018 and with gross profit growth of 1.18 the gross profit will reach 40,155,455 JOD in 2018 compared to 28,839,023 JOD in 2016

Below are some financial ratios for 2016:

Ratio/Year	2016	Ratio/Year	2016
Current Ratio	1.87	Return on Assets	0.05
Gross Profit Margin	0.47	Return on Equity	0.09
Profit Margin on Sales	0.08	Debt Ratio	0.43

With constant changes in the economies around the world the company planned important future developments for the coming years which include:

The focus is on rebuilding and renovating all policies, instructions, procedures and organizational structure of the company in order to increase its efficiency, and flexibility at all levels of management, as well as deepen the organizational culture.

Reduction of the cost of inputs to the production process, while maintaining the application of the highest industrial quality standards to meet both the increasing competition, and the global tendency to reduce the prices of medicine, especially the generic ones, which is the company's field of work.

The focus on increasing the number of new pharmaceuticals products and the value of sale and gross profit, as well as arriving to new markets, in addition to the expanding in the current

markets, and build derived by the real demand, and the elevation of the method and standards of scientific promotion and marketing.

To retain the highly qualified staff of the company, and improve the level of its staff to reach the best levels of efficiency and effectiveness.

The derived valuation of Dar Al DAWA shares is 2.37 JD per share. Stock closed at 2.15 JD on December 31, 2016 in Amman Stock Exchange. We recommend our “BUY” on DADI’s stock at its current price levels.

## Introduction

The Pharmaceutical industry is part of the healthcare sector which focuses on developing and producing medicines, in general the pharmaceuticals field consist of drug manufacturing, marketing and biotechnological companies.

The core role of pharmaceutical industry is to deliver medications that prevent infections, cure diseases, and improve the quality of life. Given the fact that this field have a direct impact on people worldwide, the field undergone monitoring through international regulatory bodies, to control the safety and quality of the drugs such as World Health Organization (WHO), Medicines and Healthcare Products Regulatory Agency (MHRA).

The recent focus of this industry was on research and development, which made a great impact on the advancement of the industry that led to upgraded technologies, advanced infrastructures, and improved research in various fields, thanks to all this. Hundreds of cures have been developed.

## Global Overview

The pharmaceutical industry plays a significant role in developing medications and vaccines to reduce and enhance the quality of life. The industry's main contribution is engaging in technological advancements through innovative research and development to meet the complex healthcare demands of populations.

The global pharmaceutical industry was worth an estimated \$1 trillion in 2014. In 2013, global pharmaceutical markets generated revenues of \$980.1 billion. That year, North America (the US and Canada) contributed 41% of sales, while Europe contributed 27.4%.

According to Forbes in 2017, the World's 10 Most Reputable Pharmaceutical Companies <sup>1</sup>mostly contain pharmaceuticals companies form America and Europe which indicates the great influence these regions have on the sector.

<b>Rank</b>	<b>Company</b>	<b>Rank</b>	<b>Company</b>
<b>1</b>	AbbVie	<b>6</b>	Gilead Sciences
<b>2</b>	Novo Nordisk	<b>7</b>	Bayer
<b>3</b>	Takeda Pharmaceuticals	<b>8</b>	Merck Sharp & Dohme
<b>4</b>	Roche	<b>9</b>	Sanofi
<b>5</b>	Janssen Pharmaceuticals	<b>10</b>	Eli Lilly

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<sup>1</sup> Karsten Strauss,2017, The World's Most Reputable Pharmaceutical Companies In 2017,Forbes.com

The US is one of the major contributor to the pharmaceutical industry, as they are leading the market both in consumption and development making this sector very vital to US economy, in 2013, the industry saw over 6,000 sponsored clinical trials in the US, involving 1.1 million volunteer participants in this endeavor, US biopharmaceutical companies directly provide, jobs to more than 810,000 Americans and indirectly support the jobs of 3.5 million Americans, Overall, the economic output of this work was valued at approximately US\$1.2 trillion in 2014 and in 2016 medicine spending in the US was projected to reach \$450 billion total. Which makes the US the world leaders in relation to this field

As for Europe some of the top pharmaceutical companies that were included in Forbes list resides in Switzerland, France, and the UK, such as Novartis and Sanofi.

Between 2010 – 2015, Europe projected 17.5 % of worldwide pharmaceuticals sales of new medicines, as production of pharmaceutical products reached €202,000 million in 2016 according to the European Federation of Pharmaceutical Industries and Association.

The pharmaceutical industry is considered to be one of the top five economy globally, and the growth in the pharmaceutical industry will be driven by increasing wealth across the world, as the GDP across the world increases the expenditures of health will increase which includes pharmaceuticals expenses, as major innovations will continue to drive the size and growth of the industry with positive implications for the health of the global population.

The global market for pharmaceuticals is expected to grow at an annual rate of 4.9% to \$1.3 trillion by 2020. The U.S pharma market is expected to grow to \$320 billion by 2020. The Japan market, the third largest pharmaceutical market, has a forecasted growth of 3%.

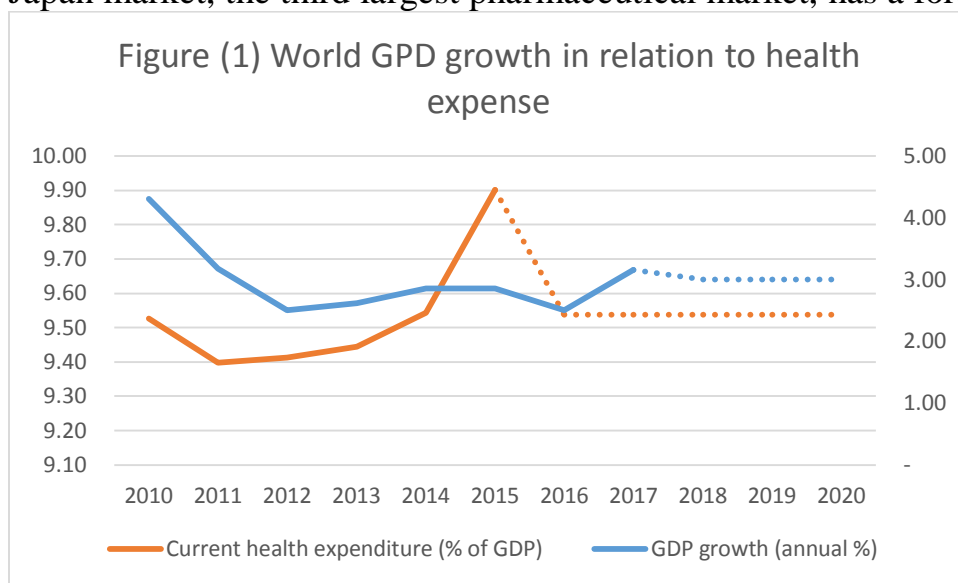


Figure 1 Source: World Development Indicators, <https://data.worldbank.org>, Forecast done by author

## Region overview

Analysts expect the pharmaceutical market in the Middle East and North Africa (MENA) region to grow to around \$50 billion by 2025, up from \$32 billion in 2017 contributing about 2% of global pharmaceutical sales.

These solid development estimates come notwithstanding local weights, for example, low oil costs, which have caused a stoppage out in the open area development and increased weight on drugs costs.

Increased privatization, in aggregate with a continued dependence on drug importation has seen local organizations partnering with pharmaceutical agencies in developed countries to market and distribute medications.

Those symptoms of trade inside the region point to an underlying fantastic sentiment, supported by means of traits consisting of compulsory health insurance schemes and increasing treatment tourism.

Governments within the region have also financed a lot in infrastructure and access to revolutionary drug treatments, driven with the aid of unmet clinical desires and multiplied public consciousness.

While pharmaceutical companies generally tend to gravitate in the direction of the mature markets, they're additionally eager to pick out funding opportunities elsewhere. In spite of everything, income outside of Europe, United States of America and Japan account for approximately 20% of the worldwide medicines market.

After the turn of the century, the BRICS region - comprising Brazil, Russia, India, China, and later South Africa - was proclaimed as the future area of development.

Interest in the BRICS proceeds, however the honorific has lost a portion of its sparkle.

Political unrest has weakened Brazil and Russia, development in India and China has lessened, and South Africa, currently possessing low credit rating, presumably never ought to have been incorporated in the cluster.

For financial specialists and business strategists in the business, an all the more intriguing wager as of now might be the Middle East and North Africa (MENA) - a district brimming with assorted variety, blended business openings, and an inexorably hearty reputation of development.



Whereas geographically coherent, the MENA nations are as traditionally and economically varied as those of the BRICS - pharmaceutical businesses should not regard this as a sole market, approachable with an incorporated strategy.

In the last decade, a native pharmaceutical manufacturing commerce has developed in the region, focusing mainly in Saudi Arabia, Egypt, Algeria, Iran Jordan and UAE, creating an amplified level of competition for international businesses.

Indigenous manufacturing is, for the moment limited to traditional medication products that are easy to produce, such as pills and syrups, rather than more innovative pharmaceutical products.

UAE has started a project to endorse the implementation of innovative technologies and trade practices, with the purpose of forming a stage to export products into Africa and Asia.

Medicine research in the area is in its beginnings, initial research remains narrow because the settings for scientific research remains evolving.

The region is as yet confronting difficulties and dangers, like political vulnerability. Lately, in some nations political and civil conflict caused economies to fall, while others have been exhausted by war.

This eccentric requires a level of readiness from traditional pharmaceutical corporations that might be more contented with conventional short term planning and long forecasting.

To greater extent challenges might be the shortage of work force, producing a dependence on expertise from other continents, and accompanying complications retaining personnel that are on the lookout for enhancing their economic standing and income.

Regardless of the considerable number of difficulties and dangers that the area is under, Demographic changes indicate strong growth in the future market. With the young and expanding populace, combined with an ageing population starting to demand advanced treatments for illnesses.

With a projected growth between 9% and 11% annually, MENA can be viewed as the upcoming border of medical investment and development.

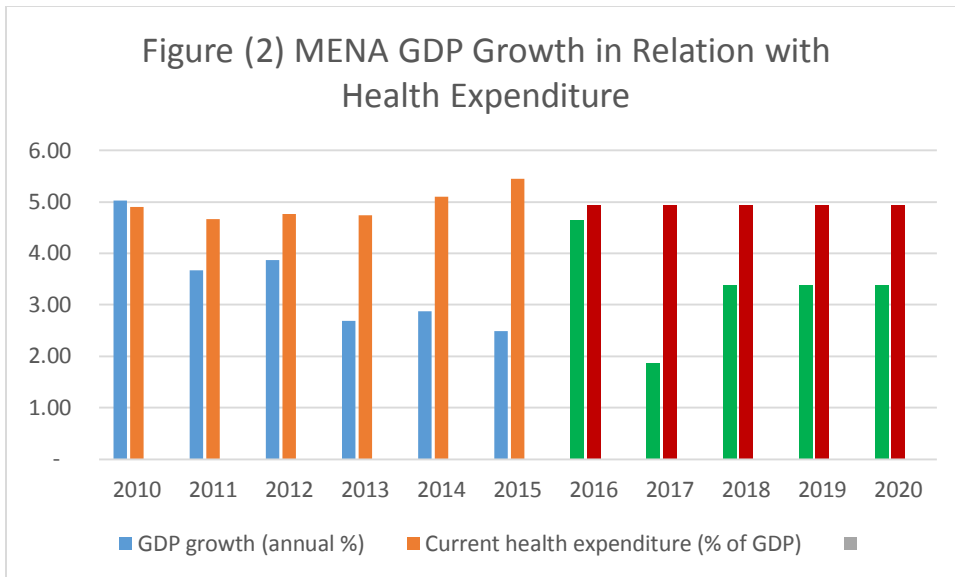


Figure 2 Source World Development Indicators, <https://data.worldbank.org>, Forecast done by author

## Local Overview

The pharmaceutical industry in Jordan is regulated by the Ministry of Health (MoH) and overseen by the Jordanian Food and Drug Association (JFDA). Under the support of these entities, the reflection is seen by the regulatory laws of this sector, including those administering the import of pharmaceuticals products and registration prerequisites.

Jordan health segment is viewed as one of the progressive segments in the area, with a lot of people coming for treatment from the region, and the expanding of treatment tourism.

Jordan have solid local manufacturers which are generics manufacturers, though still a significant portion of the local demand is still imported.

The pharmaceutical industry in Jordan has qualified local human resources, with Jordanian government acting to create an open international market with free trade agreements and tax and customs exemptions, like Jordan-US Free Trade Agreement, Jordan-EU Association Agreement.

The pharmaceuticals sector in Jordan is among the highest exporters in the country as 70% of this sectors sale is exported where it's concentrated in KSA in Gulf and Algeria in North Africa

These strengths will act as attractors to draw pharmaceutical investment in Jordan, given the fact that MENA region is forecasted as a fast-growing market.

Despite being advanced sector, it's still facing significant challenges, such as low market demands given the small pharmaceutical market in the country, in addition to the high labor

costs, the public perception of local medication is low, and the preference remained towards foreign and imported medications.

Jordan geographic location makes it exposed to the significances of frequent conflicts in the region for nearly all its neighboring countries have suffered from internal and external crises.

The political stability and security in the country allowed the hosting numerous amounts of refugees from neighboring countries such as Iraq, Syria, and refugee influxes are nonetheless in succession causing an increase population growth rates and producing extensive weigh on the health system, affecting the pharmaceutical industry.

Even with the challenges that Jordan is facing, the pharmaceutical sector is advanced and one step ahead of regional compatriot with favorable business environment, there is still room for expansion given growth in the regional market with the government support in terms of cost reduction and supporting local production, newly found manufacturers will notice increasing in performances.

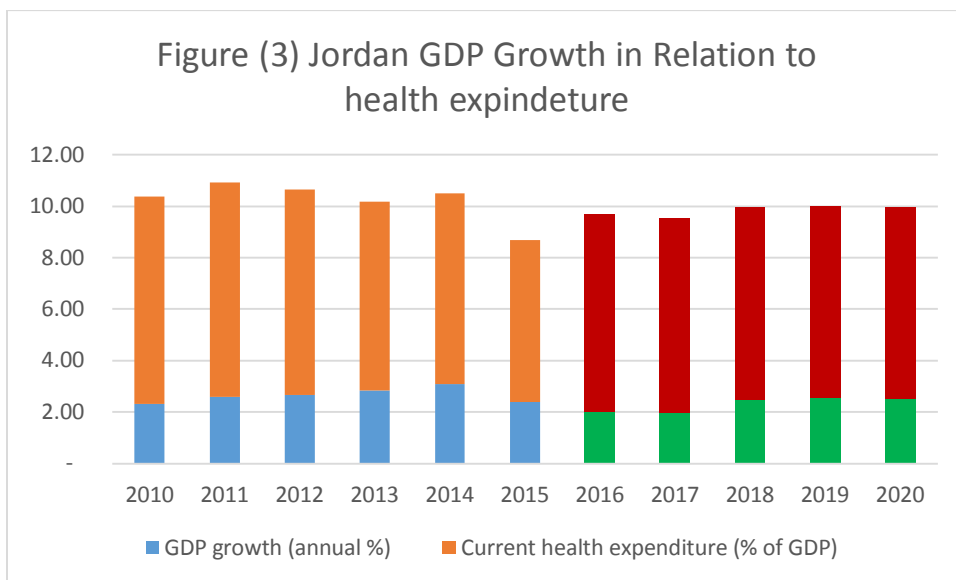


Figure 3 Source World Development Indicators, <https://data.worldbank.org>, Forecast done by author

## **Company Overview**

Dar Al Dawa Development and Investment Co. Ltd (DADI) is a MENA-wide leader in pharmaceutical and consumer health products. Founded in 1975 it's an integrated pharmaceutical company, develops, produces, markets, and commercializes medicines and wellness consumer products.

With a history of more than 40 years, the company offers products in the therapeutic areas of anti-infective, cardiovascular and diabetes, dermatology, eye-ear preparations, gastroenterology and metabolism, genitourinary system and sex hormones, musculo-skeletal system, nervous system, ophthalmological/ontological, and respiratory system, as well as vitamins.

DADI have a long-established customer-centered approach to developing, producing, marketing and commercializing high-quality affordable medicines and wellness consumer products in emerging markets, with more than 900 people serving patients in more than 40 countries throughout Middle East, North Africa and Europe.

The company is focused on four core therapy areas – anti-infective, respiratory, musculoskeletal and increasingly on CNS and CVS, with the goal to develop and commercialize their compounds and of their collaboration partners in selected markets where the company can compete successfully for targeted disease states.

Committed to building a high growth business by constantly developing new products and creating new distribution channels, to make its specialty medicines available.

DADI is considered Jordan's second largest producer of high-quality generic and branded pharmaceuticals and regional leader in anti-infectives and differentiated products.

# SWOT & PESTEL Analysis

## Strength

High production capacity

Well maintained production lines

Stable and experienced top management team

## Weaknesses

Weak tax compliance procedures

Company bad debts and debts collection from agents & distributors

## Opportunities

Expanding into new Markets in the region

The reorganization of all contractual relationships to promote the interests of the company

## Threats

Damaged reputation in GULF

Delays in import permits issuance, resulting in lower sales

Recalls of drugs due to changes in regulation and drugs registrations

P

- Unstability and growing conflicts in the region.
- The growing political focus to control and reduce the prices of available pharmaceutical products.

E

- The changes in individuals disposable income.
- High labor costs.

S

- The increasing aging population with their changing expectations becoming more demanding.
- The world population is growing which will increase the need of medications.

T

- The continuous increase in complexity and costs of R&D, with fast technological advancement there is higher demand to keep R&D structure up to date.
- The introduction of Social media with new advertisement opportunities and strategies.

L

- Food and Drug Administration Law
- Drug & Pharmacy Law
- Narcotic Drugs and Psychotropic substance Law

E

- Effects of environmental changes on people health like, air pollution, creating demand for treatments.

## Financial Ratios Analysis

Ratio analysis is one the way investors use to investigate corporate data. Looking at ratios is more involved than simply comparing different figures from the balance sheet, income statement and cash flow statement. It requires relating these calculated ratios against previous years, other companies, the industry the company is in, and even the economy at large.

Ratios can give you a glimpse into the relationships among and between individual values that relate to a company's operations and link them to how a company has performed in the past, and how it might perform in the future. The result is a potentially strong method of valuing the shares of a company.

Looking at DADI liquidity Ratios we can notice that the current ratio for 2016 is 1.87 and an average of 1.71 for the period between 2013 – 2016, 2016 being the highest shows that there is an improvement which indicates that they are well-positioned to cover their current or short-term liabilities and it is expected to be 1.35 in average up to 2019.

Quick ratio has increased from .83 in 2013 to 1.05 in 2016 make the company likely experiencing revenue growth, collecting its accounts receivable and turning them into cash quickly and likely turning over its inventories quickly, with the increasing of company quick ratio is its considered in line with the industry the ratio will be maintained for the next 3 years.

Moving to profitability ratios DADI ROA was stable with no notable changes at 5%, which is higher than the industry average 3.25%, indicating that DADI have been steadily profitable to its total assets, while being efficient using its assets to generate earnings compared to the industry. This trend is expected to continue with ROA being at 6%.

DADI has deploying their shareholders' capital well also generating profits without much increase capital having their ROE ratio at 9% relatively higher than the industry ratio which is 7.69%. ROE is expected to reach 11% in 2019

Discussing Asset Management Ratios DADI is failing behind in Inventory turnover compared to industry ratio which being 2.76 compared to 7.7, there is room for improvement to reach the industry average with focusing on inventory management

Finishing with leverage ratios DADI Debt ratio which measures the amount of leverage that they have. Reached 43% in 2016, which is reasonable considered to be less risky. This means that DADI has around twice as many assets as liabilities.

# Ratios Gallery

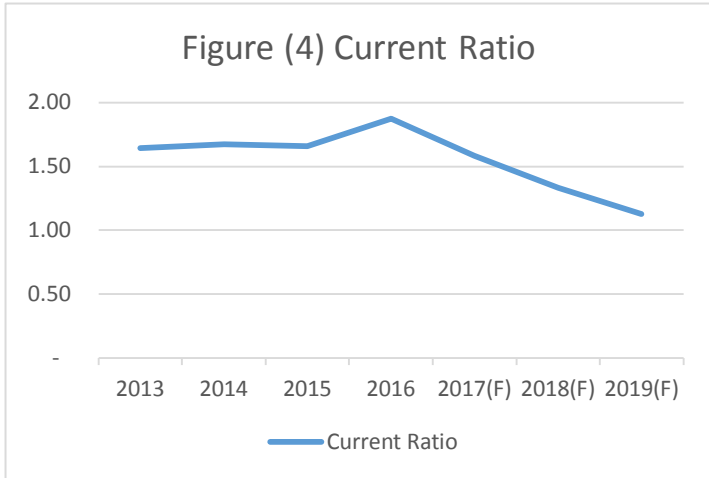


Figure 4 Source ASE, <https://www.ase.com.jo>

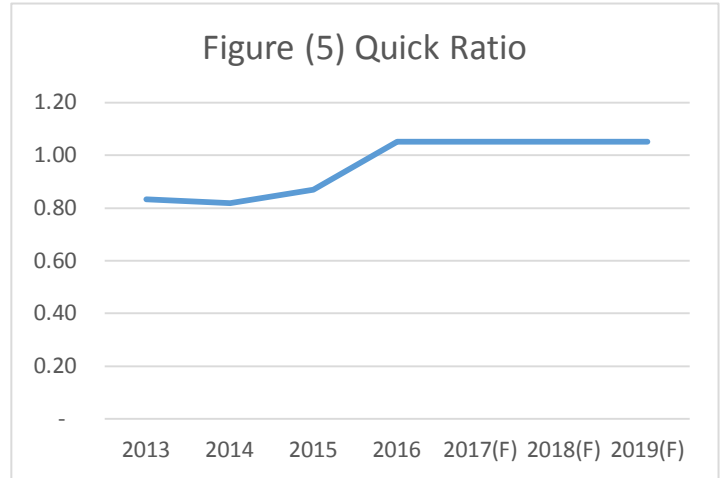


Figure 5 Source ASE, <https://www.ase.com.jo>

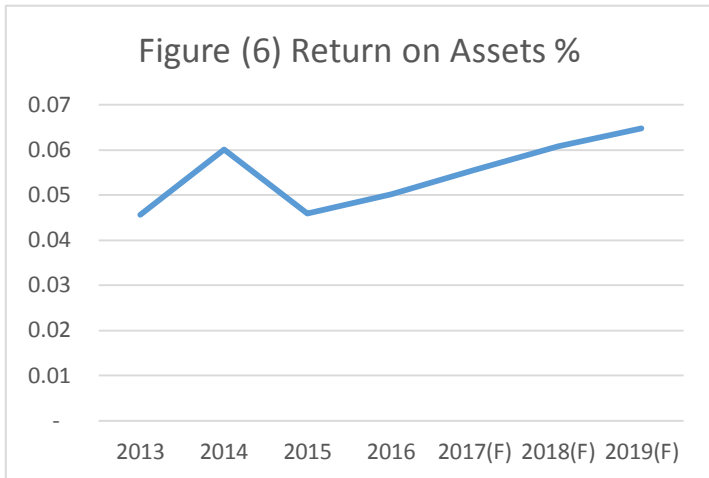


Figure 6 Source ASE, <https://www.ase.com.jo>

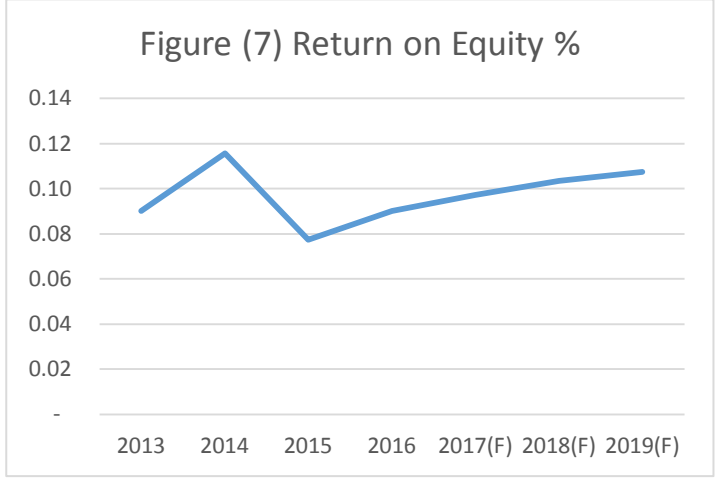


Figure 7 Source ASE, <https://www.ase.com.jo>

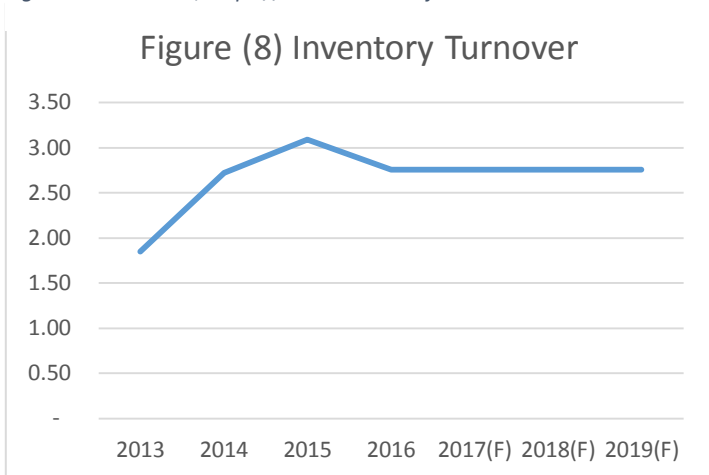


Figure 8 Source ASE, <https://www.ase.com.jo>

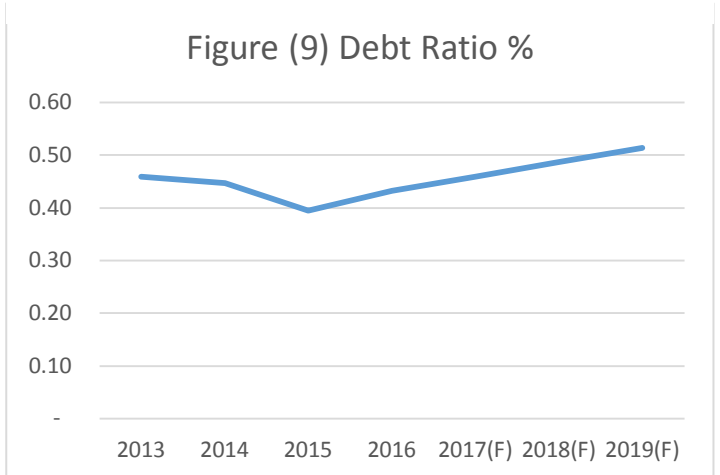


Figure 9 Source ASE, <https://www.ase.com.jo>



## Outlook & Valuation

The following assumptions have been made in order to arrive at the intrinsic value of Dar Al Dawa:

- Weighted Average Cost of Capital (WACC) 2%
- Tax rate of 14.0%
- Cash Flow constant growth rate of 13.3 % has been assumed.

<b>FCF Valuation JOD 000</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017 (F)</b>	<b>2018 (F)</b>	<b>2019 (F)</b>
<b>EBIT</b>	6737	8886	6079	7087	8190	9373	10614
<b>Tax Rate</b>	0	0	0	0	0	0	0

<b>NOPAT</b>	6403	8581	5949	6731	7043	8061	9128
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<b>Net Operating Working Capital</b>	35850	35512	32159	39331	46848	55800	66463
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<b>Fixed Assets,Net</b>	23501	23289	27175	25622	30490	36283	43176
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<b>Total Operating Capital</b>	59351	58801	59334	64953	77338	92083	109640
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<b>NOPAT</b>		8581	5949	6731	7043	8061	9128
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<b>Net Operating Capital</b>		(550)	533	5619	12385	14746	17556
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<b>Free Cash Flow</b>		9131	5416	1112	(5341)	(6685)	(8428)
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## Valuation of DADI

Based on our future earnings projections and the above assumptions, the value Dar Al DAWA comes out to be 2.37 JD per share.

(JOD 000)

Value of Operations at the end of 2016	76,622
Add: Value of Non-Operating Assets	0
<b>Total Corporate Value</b>	<b>76,622</b>
Less: Value of interest Bearing Debt	17,363
<b>Intrinsic Value of Firm Equity</b>	<b>59,259</b>
Number of Shares Outstanding	25,000
<b>Intrinsic Value per Share</b>	<b>2.37</b>

Stock closed at 2.15 JD on December 31, 2016 in Amman Stock Exchange. We recommend our "BUY" on DADI's stock at its current price levels.

## References

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<sup>1</sup> Karsten Strauss,2017, The World's Most Reputable Pharmaceutical Companies In 2017,Forbes.com

<b>Income Statement (JD) 000</b>							
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017 (F)</b>	<b>2018 (F)</b>	<b>2019 (F)</b>
Operating Revenues	49,378	68,969	62,115	60,877	72,444	86,208	102,587
Operating Expenses	23,861	33,655	32,524	32,038	38,414	46,052	55,204
<b>Gross Profit</b>	<b>25,516</b>	<b>35,315</b>	<b>29,590</b>	<b>28,839</b>	<b>34,030</b>	<b>40,155</b>	<b>47,383</b>
General and Administrative Expenses	3,527	4,587	4,328	4,831	5,215	5,629	6,075
Selling and Distribution Expenses	11,416	17,518	14,714	14,207	17,522	21,611	26,654
Depreciation (period)	1,696	2,272	2,760	2,866	3,115	3,387	3,681
Other Operating Expenses	2,323	2,701	0	229	235	240	245
<b>Net Operating Income</b>	<b>8,250</b>	<b>10,509</b>	<b>10,548</b>	<b>9,572</b>	<b>11,059</b>	<b>12,676</b>	<b>14,408</b>
Other Revenues	1,339	716	2,687	665	680	696	712
Other Expenses	2,852	2,339	7,156	3,150	3,549	3,999	4,506
<b>Income Before Interest &amp; Tax</b>	<b>6,737</b>	<b>8,886</b>	<b>6,079</b>	<b>7,087</b>	<b>8,190</b>	<b>9,373</b>	<b>10,614</b>
Interest Expenses	1,833	2,606	1,743	1,667	1,742	1,742	1,742
<b>Net Income before Tax</b>	<b>4,904</b>	<b>6,280</b>	<b>4,336</b>	<b>5,421</b>	<b>6,448</b>	<b>7,631</b>	<b>8,872</b>
Income Tax (Period)	243	215	93	273	311	354	404
Board of Directors Remuneration	45	45	45	45	45	45	45
<b>Net Income</b>	<b>4,616</b>	<b>6,019</b>	<b>4,198</b>	<b>5,103</b>	<b>6,093</b>	<b>7,232</b>	<b>8,423</b>
Non-controlling Interest	(248)	(26)	98	91			
<b>Net Income Pertains to Shareholders</b>	<b>4,864</b>	<b>6,045</b>	<b>4,100</b>	<b>5,012</b>			

## Balance Sheet JD 000

Assets	2013	2014	2015	2016	2017 (F)	2018 (F)	2019 (F)
Cash on Hand & at Banks	3,992	2,915	4,412	3,666	4,362	5,191	6,178
Account Receivables, Net	27,537	27,442	23,325	30,826	36,683	43,653	51,947
Post Dated Cheques	9,939	12,673	10,049	8,878	10,172	11,656	13,355
Inventory	12,889	12,378	10,521	11,622	13,935	16,706	20,026
<b>Total Current Assets</b>	<b>62,138</b>	<b>62,037</b>	<b>52,859</b>	<b>61,446</b>	<b>61,710</b>	<b>61,975</b>	<b>62,241</b>
Long Term Investments	2,607	2,721	2,448	2,373	2,824	3,361	4,000
Fixed Assets, Net	23,501	23,289	27,175	25,622	30,490	36,283	43,176
Projects in Progress	7,333	7,749	4,089	7,308	8,697	10,349	12,316
<b>Total Fixed Assets</b>	<b>30,834</b>	<b>31,038</b>	<b>31,265</b>	<b>32,930</b>	<b>39,187</b>	<b>46,632</b>	<b>55,492</b>
Other Assets	5,725	4,493	5,019	5,014	5,967	7,100	8,449
<b>Total Assets</b>	<b>101,304</b>	<b>100,290</b>	<b>91,590</b>	<b>101,763</b>	<b>109,687</b>	<b>119,068</b>	<b>130,182</b>
Liabilities	2013	2014	2015	2016	2017 (F)	2018 (F)	2019 (F)
Accounts and Notes Payable	8,567	7,223	6,098	6,783	8,133	9,750	11,688
Credit Banks	11,441	7,941	5,311	11,589	13,790	16,411	19,529
Accrued Part of Long Term Loans	2,797	3,808	3,910	3,148	3,279	3,279	3,279
<b>Total Current Liabilities</b>	<b>37,824</b>	<b>37,060</b>	<b>31,896</b>	<b>32,793</b>	<b>39,024</b>	<b>46,439</b>	<b>55,262</b>
Long Term Loans & Notes Payable	8,276	7,201	3,704	10,580	10,657	10,657	10,657
Other Liabilities	421	504	525	603	718	854	1,016
<b>Total Liabilities</b>	<b>46,520</b>	<b>44,765</b>	<b>36,125</b>	<b>43,976</b>	<b>50,398</b>	<b>57,949</b>	<b>66,935</b>
Shareholders Equity							
Authorized Capital	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Subscribed Capital	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Paid-in Capital	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Compulsory Reserves	9,261	9,261	9,261	9,261	9,261	9,261	9,261
Voluntary Reserve	9,373	9,373	9,373	9,373	9,373	9,373	9,373
Other Reserves	6,418	6,885	7,251	7,251	7,251	7,251	7,251
Issuance Premium	0	0	0	0	0	0	0
Issuance Discount	0	0	0	0	0	0	0
Treasury Stocks	3,461	3,461	0	0	0	0	0
Cash Dividends	2,500	3,125	2,500	2,500	2,500	2,500	2,500
Stock Dividends	0	0	0	0	0	0	0

Accumulated Change in Fair Value	(186)	(3,345)	(6,010)	(6,252)	(6,252)	(6,252)	(6,252)
Retained Earnings	2,328	5,281	6,989	9,501	15,593	22,825	31,248
Total Shareholders Equity	51,232	52,119	54,363	56,633	62,726	69,957	78,381
Non-controlling Interest	3,552	3,406	1,102	1,154	1,278	1,425	1,597
Total Liabilities & Shareholders Equity	101,304	100,290	91,590	101,763	114,402	129,332	146,912

## Ratio Analysis Results 2013-2019

Year		2013	2014	2015	2016	2017(F)	2018(F)	2019(F)
<b>Liquidity Ratios</b>								
Current Ratio		1.64	1.67	1.66	1.87	1.58	1.33	1.13
Quick Ratio		0.83	0.82	0.87	1.05	1.05	1.05	1.05
<b>Profitability Ratios</b>								
Gross Profit Margin		0.52	0.51	0.48	0.47	0.47	0.47	0.46
Profit Margin on Sales		0.09	0.09	0.07	0.08	0.08	0.08	0.08
Return on Assets		0.05	0.06	0.05	0.05	0.06	0.06	0.06
Return on Equity		0.09	0.12	0.08	0.09	0.10	0.10	0.11
<b>Asset Management Ratios</b>								
Days Sales Outstanding		203.55	145.23	137.06	184.82	184.82	184.82	184.82
Account Receivables Turnover		1.79	2.51	2.66	1.97	1.97	1.97	1.97
Inventory Turnover		1.85	2.72	3.09	2.76	2.76	2.76	2.76
Days Inventory		197.16	134.24	118.07	132.41	132.41	132.41	132.41
Asset Turnover		3.83	5.57	5.90	5.24	5.20	5.16	5.12
<b>Leverage Ratios</b>								
Debt Ratio		0.46	0.45	0.39	0.43	0.46	0.49	0.51
Times Interest Earned		3.67	3.41	3.49	4.25	4.70	5.38	6.09

## Global Equity Ratings Definitions

Global	Rating Definition
<b>Buy</b>	Fair value of the stock is >10% from the current market price
<b>Hold</b>	Fair value of the stock is between +10% and -10% from the current market price
<b>Reduce</b>	Fair value of the stock is between -10% and -20% from the current market price
<b>Sell</b>	Fair value of the stock is < -20% from the current market price

## DADI Profile

<b>Code:</b>	141012		
<b>Symbol:</b>	DADI		
<b>Address:</b>	NA'UR		
<b>Telephone:</b>	5727132		
<b>P.O. Box:</b>	(9364) Amman 11191		
<b>Email:</b>	admin.dad@dadgroup.com		
<b>Fax:</b>	5727776		
<b>Established Date :</b>	17-08-1975		
<b>Listing Date:</b>	01-01-78		
<b>No. of Branches:</b>	Local 1 - Abroad 0		
<b>Main Objectives:</b>	Manufacturing, producing and marketing medical pharmaceutical for human usage.		
<b>Board of Directors</b>			
<b>General Manager:</b>	Amer Al-Khatib		
<b>No. of Employees</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
<b>Jordanian</b>	506	283	789
<b>Non Jordanian</b>	1	2	3
<b>Total</b>	507	285	792
<b>Source</b> Amman Stock exchange			