

**PAKISTAN'S
LARGEST
SELLING**
BRAND OF STEEL BARS

Results For The Quarter and Half Year Ended 31 December 2019



AMRELI STEELS
Building for Life

Key Highlights

HALF YEAR ENDED 31 DEC. 2019

Gross Profit Margin 9.26%

Operating Profit Margin 4.58%

Net Loss Margin 2.30%

Loss Per Share 1.06

HALF YEAR ENDED 31 DEC. 2018

Gross Profit Margin 12.38%

Operating Profit Margin 8.02%

Net Profit Margin 4.19%

Earning Per Share 1.74

Key Highlights

QUARTER ENDED 31 DEC. 2019

Gross Profit Margin 7.87%

Operating Profit Margin 3.36%

Net Loss Margin 3.08%

Loss Per Share 0.78

QUARTER ENDED 30 SEPT. 2019

Gross Profit Margin 10.99%

Operating Profit Margin 6.09%

Net Loss Margin 1.33%

Loss Per Share 0.27

Profit or loss statement

	Half year 31 Dec. 2019	%	Half year 31 Dec. 2018	%	Qtr. Ended 31 Dec. 2019	%	Qtr. Ended 30 Sep. 2019	%
	Rs.000		Rs.000		Rs.000		Rs.000	
Sales	13,642,337	100	12,317,227	100	7,555,356	100	6,086,982	100
Cost Of Sales	(12,378,447)	90.74	(10,791,903)	87.62	(6,960,699)	92.13	(5,417,748)	89.01
Gross Profit	1,263,890	9.26	1,525,324	12.38	594,657	7.87	669,234	10.99
Distribution Cost	(327,481)	2.40	(284,927)	2.31	(156,570)	2.07	(170,912)	2.81
Administrative Cost	(310,025)	2.27	(236,682)	1.92	(178,958)	2.37	(131,067)	2.15
Other Charges	(10,287)	0.08	(45,480)	0.37	(6,605)	0.09	(3,681)	0.06
Other Opr. Income	8,639	0.06	29,398	0.24	1,465	0.02	7,175	0.12
Operating Profit	624,736	4.58	987,633	8.02	253,989	3.36	370,749	6.09
Finance Cost	(1,213,839)	8.90	(489,638)	3.98	(667,141)	8.83	(546,698)	8.98
(Loss) / Profit Before Tax	(589,103)	(4.32)	497,995	4.04	(413,152)	(5.47)	(175,950)	(2.89)
Taxation	275,624	2.02	18,338	0.15	180,732	2.39	94,892	1.56
(Loss) / Profit After Tax	(313,478)	(2.30)	516,333	4.19	(232,420)	(3.08)	(81,057)	(1.33)

QUANTITY AND PRICE VARIANCE – 1st Half Dec-19 VS 1st Half Dec-18

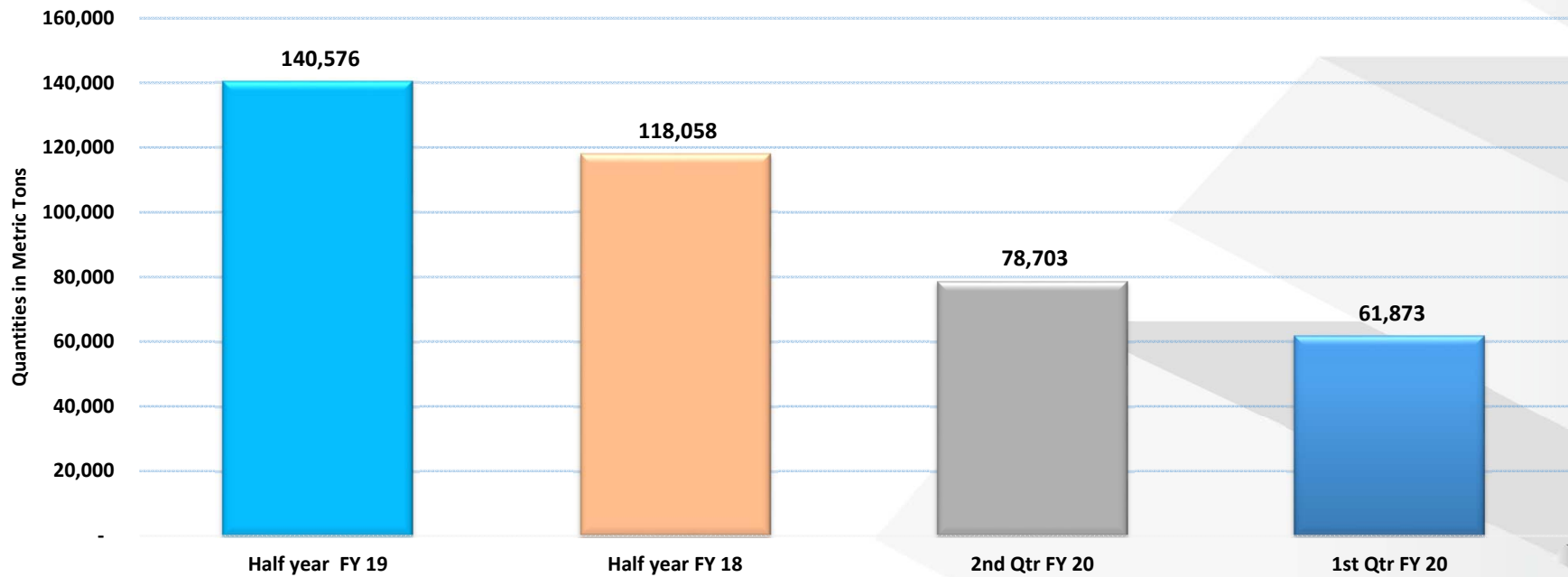
	July Dec-19	July Dec-18	Variance		Amount (Rs.000)
SALES					
Quantity	145,819	125,586	20,233	98.08	1,984,365
Price (in thousands)	93.56	98.08	(4.52)	145,819	(659,255)
Net sales variance					1,325,110
COST OF SALES					
Quantity	145,819	125,586	20,233	(85.93)	(1,738,628)
Price (in thousands)	(84.89)	(85.93)	1.04	145,819	152,085
Net COGS variance					(1,586,543)
Net change in gross profit					(261,433)
GROSS PROFIT					
Quantity	145,819	125,586	20,233	12.15	245,737
Price (in thousands)	8.67	12.15	(3.48)	145,819	(507,170)
Net GP variance					(261,433)

QUANTITY AND PRICE VARIANCE – 2nd quarter FY20 VS 1st quarter FY 20

	Dec-19	Sept-19	Variance		Amount (Rs'000')
SALES					
Quantity	82,300	63,519	18,781	95.83	1,799,807
Price (in thousands)	91.80	95.83	(4.03)	82,300	(331,433)
Net sales variance					1,468,374
COST OF SALES					
Quantity	82,300	63,519	18,781	(85.29)	(1,601,927)
Price (in thousands)	(84.58)	(85.29)	0.72	82,300	58,976
Net COGS variance					(1,542,952)
Net change in gross profit					(74,578)
GROSS PROFIT					
Quantity	82,300	63,519	18,781	10.54	197,880
Price (in thousands)	7.23	10.54	(3.31)	82,300	(272,458)
Net GP variance					(74,578)

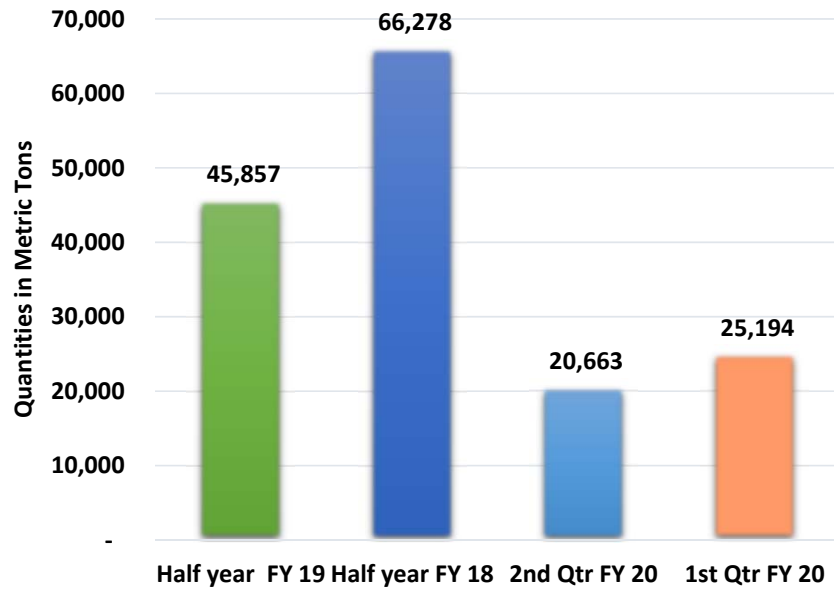
Sale Quantities

Prime Bars

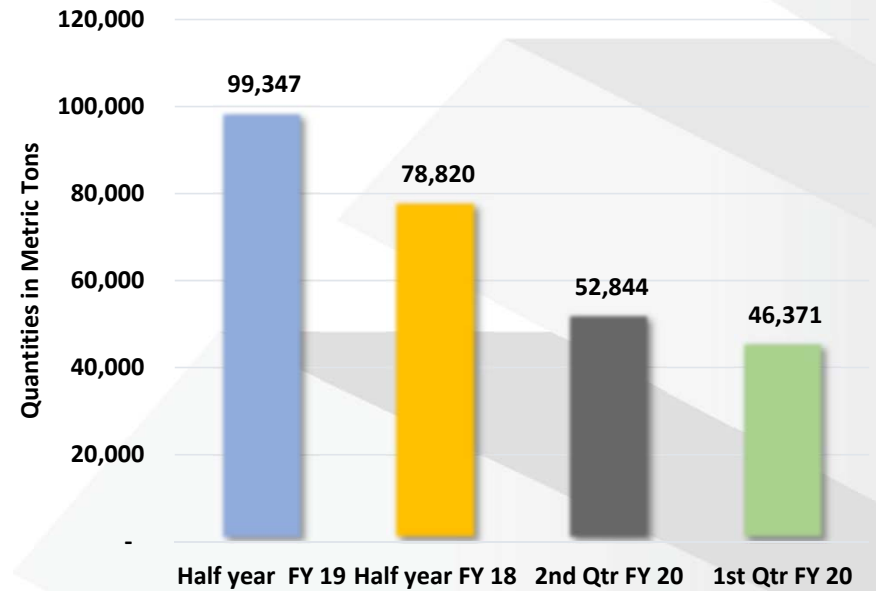


Production Quantities

Shershah Rolling Mill

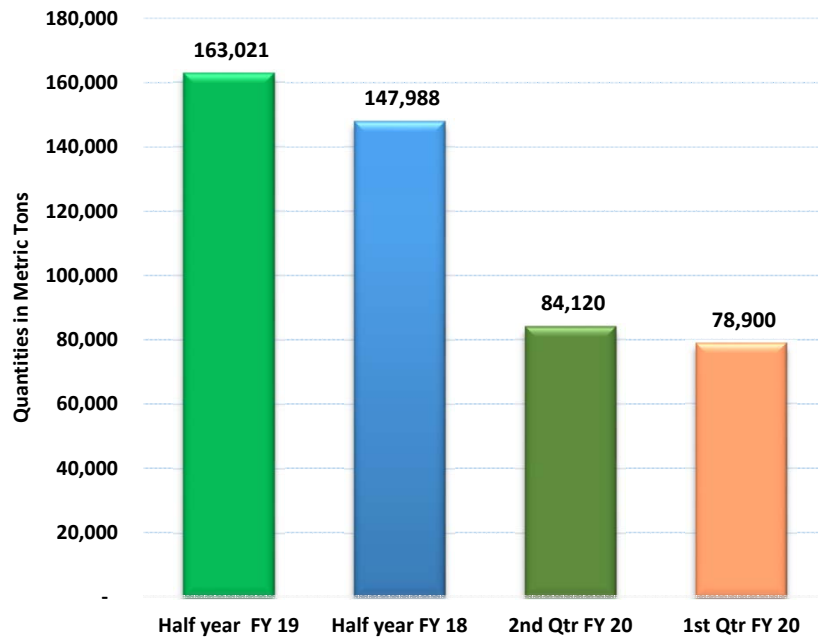


Dhabeji Rolling Mill

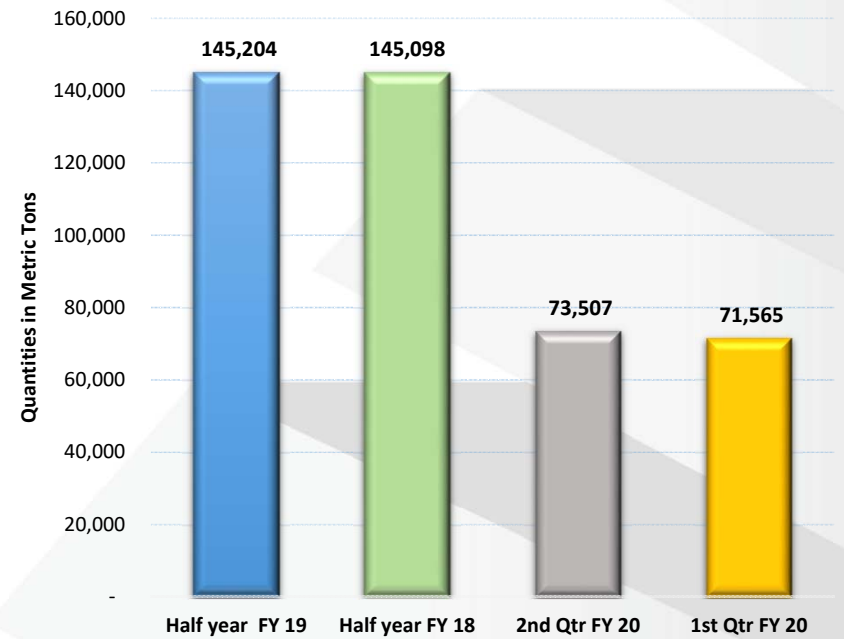


Production Quantities

Steel Melt Shop

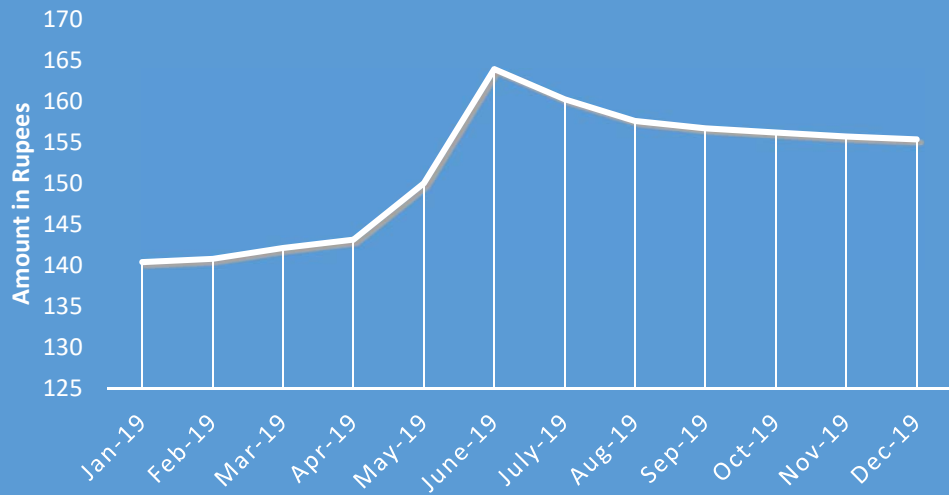


SRM & DRM Production

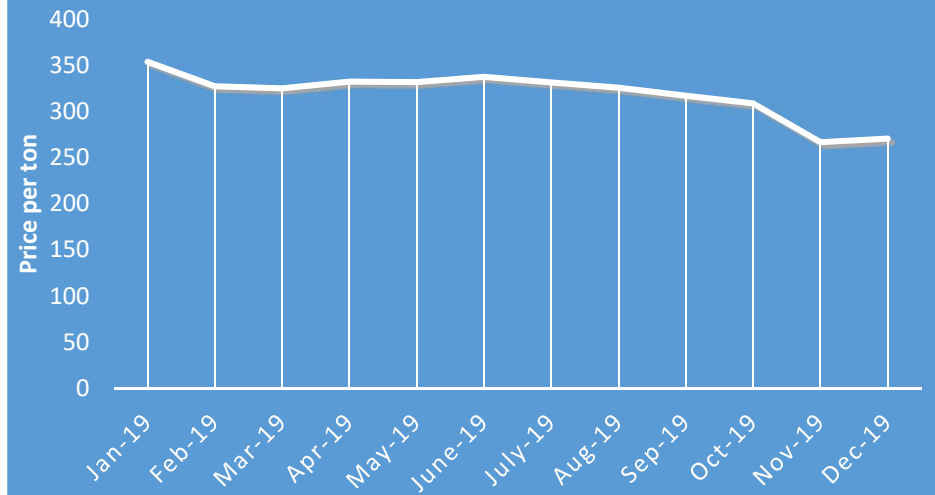


Rupee Dollar Parity & Scrap Prices

USD VS PKR

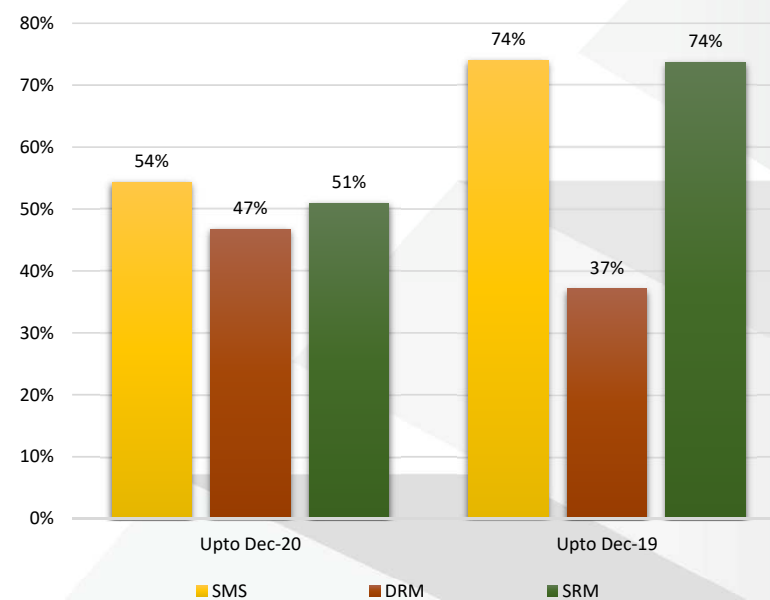


SCRAP PER TON - USD



Capacity Utilization

	Up to Dec-19	Up to Dec-18
Steel Melt Shop		
Capacity (MT)	300,000	200,000
Production (MT)	163,021	147,988
Utilization - %	54%	74%
Dhabeji Rolling Mill		
Capacity (MT)	212,500	212,500
Production (MT)	99,347	78,820
Utilization - %	47%	37%
Shershah Rolling Mill		
Capacity (MT)	90,000	90,000
Production (MT)	45,857	66,278
Utilization - %	51%	74%



IFRS Updates

FY -20

During the half year ended December 31, 2019 we have adopted IFRS-16 “Leases”

FY -19

During the half year ended December 31, 2018 we have adopted following two IFRSs;

- **IFRS – 9 “Financial Instruments”**
- **IFRS -15 “Revenue from contracts with Customers”**



Future Outlook



Thank you