



**RESULTS FOR THE FOURTH QUARTER AND YEAR ENDED  
30 JUNE 2021**

13 August 2021



# HIGHLIGHTS

FY 20-21

DECLINE IN EXCHANGE RATE

DECLINE & STABILTY IN KIBOR

DEFERMENT OF LOANS

INCREASE IN INTERNATIONAL SCRAP PRICES

INCREASE IN DEMAND OF CONSTRUCTION MATERIALS

CONSTRUCTION PACKAGE, HOUSING LOANS & TAX AMNESTY

CHANGE OF DEPRECIATION EST. AND ACCOUNTING  
POLICY FOR INVENTORY VALUATION

CUSTOM VALUATION CHANGED FROM 301 TO 360, LATER TO LMB

CA BALANCE, HEALTHY FX RESERVES, ROSHAN DIGITAL A/C etc.

INCENTIVE IN ELECTRICTY COST, FCA, DISCOUNT ON INCREMENTAL UNITS



# FINANCIAL YEAR 2020-2021

**SALES  
REVENUE**  
**Rs. 39 Bn**

Up by  
48%

**GROSS  
PROFIT**  
**Rs.4.5 Bn**

Margin  
Up by  
4.7%

**OPR.  
PROFIT**  
**Rs. 3.0 Bn**

Margin  
Up by  
6.3%

**NET PROFIT**  
**Rs. 1.3 Bn**

Margin  
Up by  
8.1%

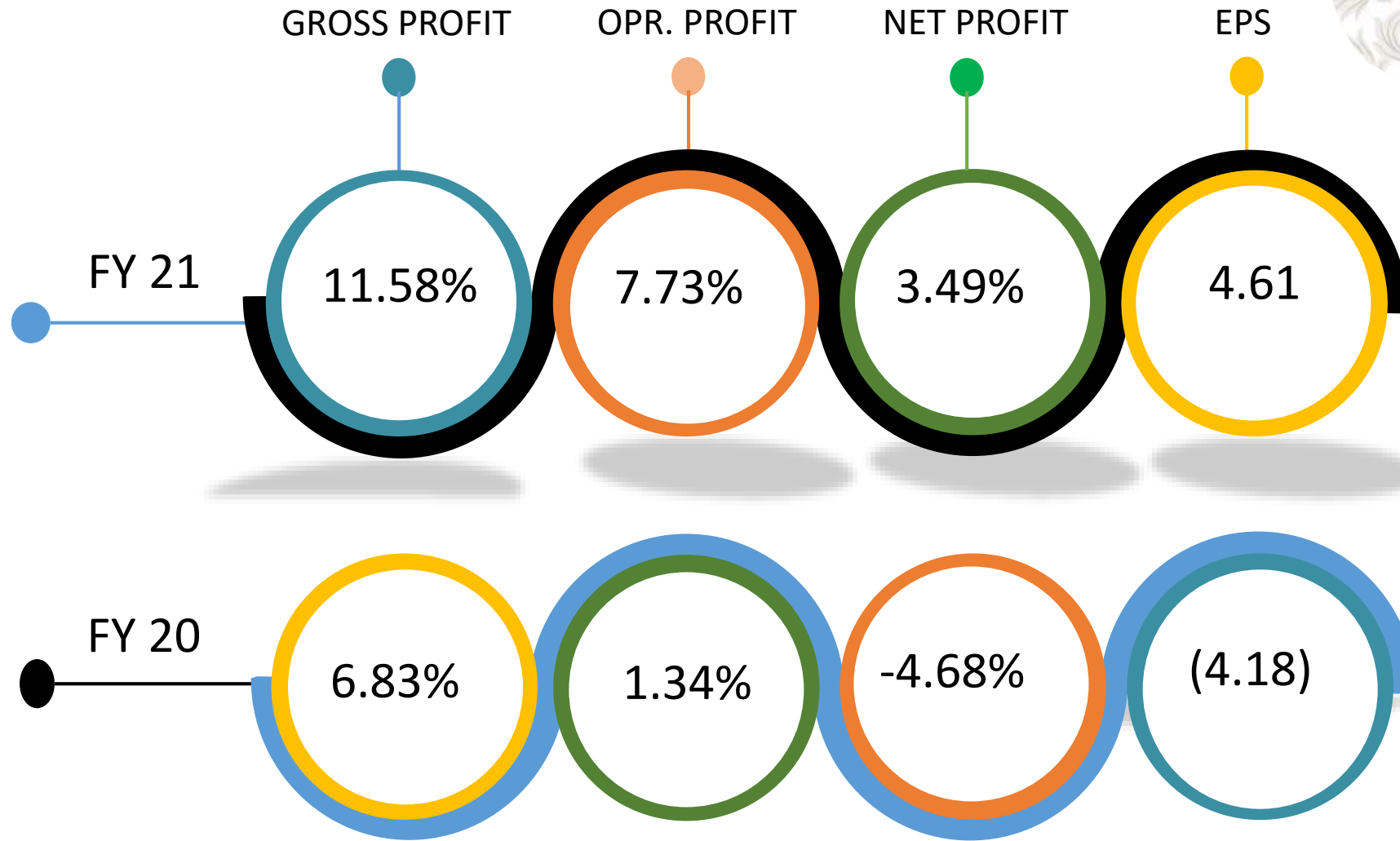
**EPS**  
**Rs. 4.61**

Times  
Up by  
2.0

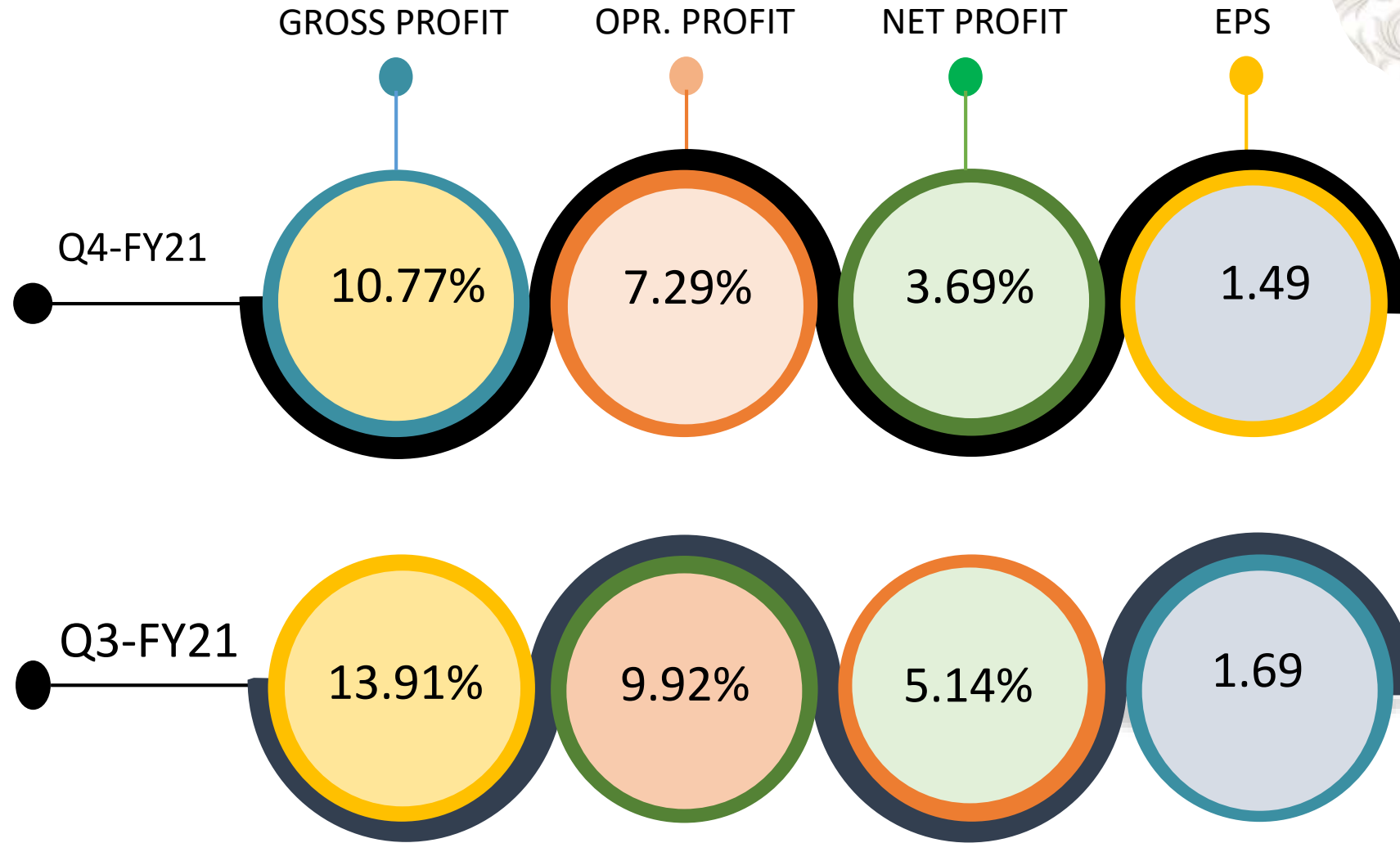
**QTY SOLD**  
**362,949 MT**

Up by  
33%

# MARGINS & EPS



# MARGINS & EPS



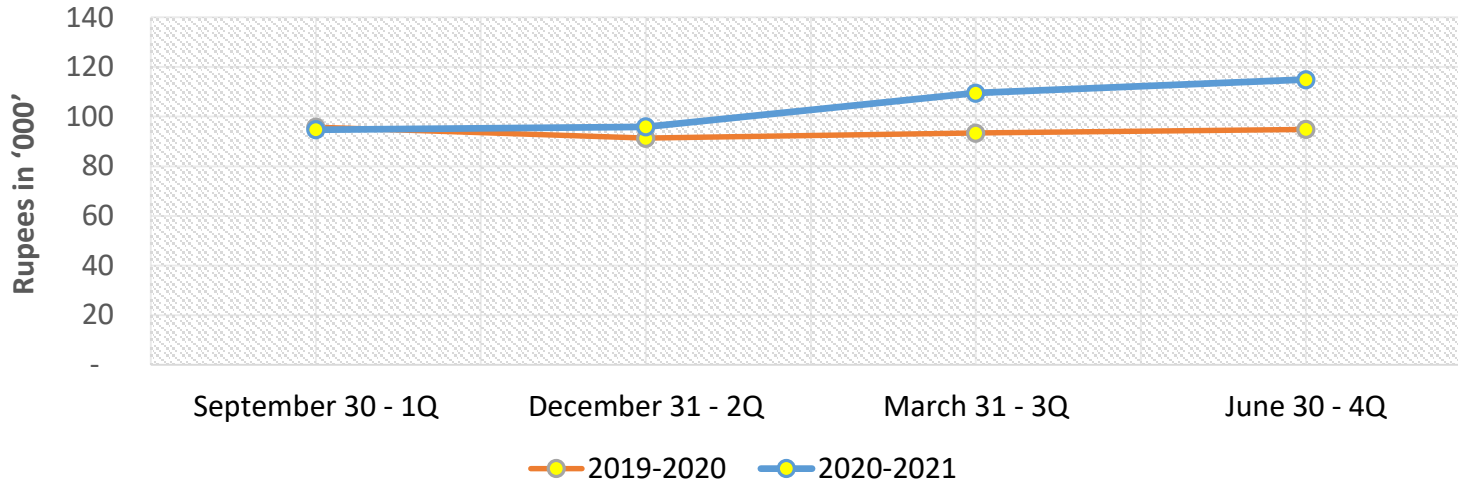
## RECONCILIATION OF PROFIT AFTER TAX

QUANTITY AND PRICE VARIANCE	IMPACT	Rs. '000'	REMARKS
GROSS PROFIT	Decrease	(68,858)	As explained in above slide
DISTRIBUTION COST	Increase	(69,582)	Mainly increased due to advertisement sales & promotion Rs. 44 million, Salaries and wages Rs. 14 million in 4th quarter FY21
ADMINISTRATIVE COST	Increase	(30,960)	Mainly due to increase in salaries and wages Rs. 36 million (bonus & arrears) and decrease rent, rates & taxes by 5.6 million in 4th Quarter FY 21.
EXPECTED CREDIT LOSS	Decrease	40,556	The reversal of ECL in 4th quarter was due to better collection efforts and robust follow-up of receivable as the fall due and primarily in the receivables of more than a year which eventually resulted in improvement in loss rate (LGD).
OTHER CHARGES	Decrease	16,949	Mainly decreased due to WPPF/WWF Rs. 11.5 million because of lower profits in 4th quarter and also reduction in donations by Rs. 6.2 million.
OTHER OPERATING INCOME	Increase	17,030	Due to increase in scrap materials sales in 4th quarter FY21 and due to government grant on subsidized loan.
FINANCE COST	Increase	(23,453)	Mainly increased due to increase in short term borrowings due to increased working capital needs of the Company primarily because of continuous increase in international scrap prices.
TAXATION	Decrease	58,116	Due to decrease in profitability as compared to 3rd quarter.
<b>NET VARIANCE</b>		<b>(60,202)</b>	
PAT FOURTH QUARTER FY 21 LESS THIRD QUARTER FY21		<b>(60,202)</b>	
UNRECONCILED AMOUNT		-	

<b>RATIO ANALYSIS</b>			
	<b>UoM</b>	<b>FY 21</b>	<b>FY 20 (Restated)</b>
<b>PROFITABILITY RATIOS</b>			
Gross Profit ratio	Percentage	11.58	6.83
Net profit / (loss) to sales ratio	Percentage	3.49	(4.68)
Return on Equity	Percentage	9.8	(11.30)
<b>INVESTMENT/ MARKET RATIOS</b>			
Earning / (Loss) per Share	Times	4.61	(4.18)
Interest Cover	Times	1.86	0.16
<b>TURNOVER RATIOS</b>			
Total Asset Turnover	Times	1.08	0.42
Fixed Asset Turnover	Times	1.95	0.79
<b>LIQUIDITY RATIOS</b>			
Current Ratio	Times	0.97:1	0.96:1
Quick / Acid test Ratio	Times	0.60:1	0.53:1
Debtor turnover	Days	45	49
Break value per share	Rupees	46.94	36.87
<b>CAPITAL STRUCTURE RATIOS</b>			
Long-term Debt / Equity Ratio	Times	0.43:1	0.57:1
Financial Leverage Ratio	Times	1.34:1	1.83:1

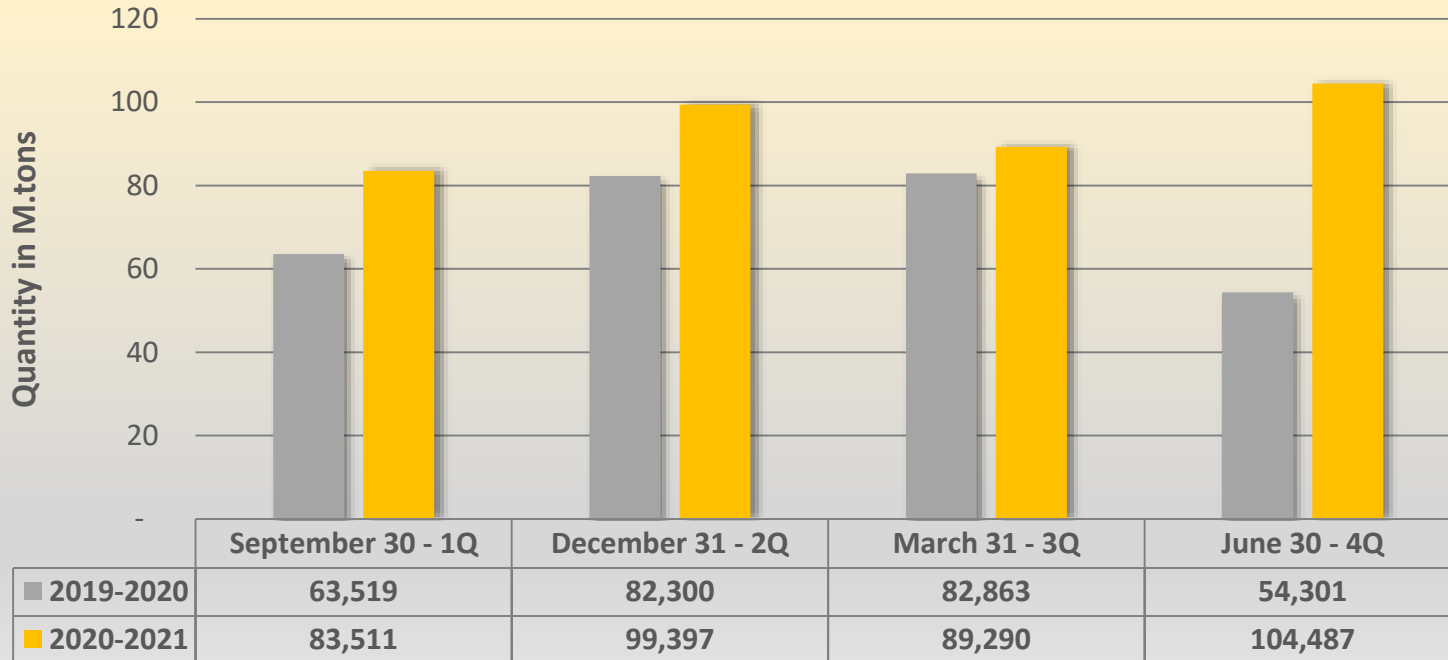
# SALES ANALYSIS

## SALE PRICE PER TON



## REASON FOR VARIANCE - YoY

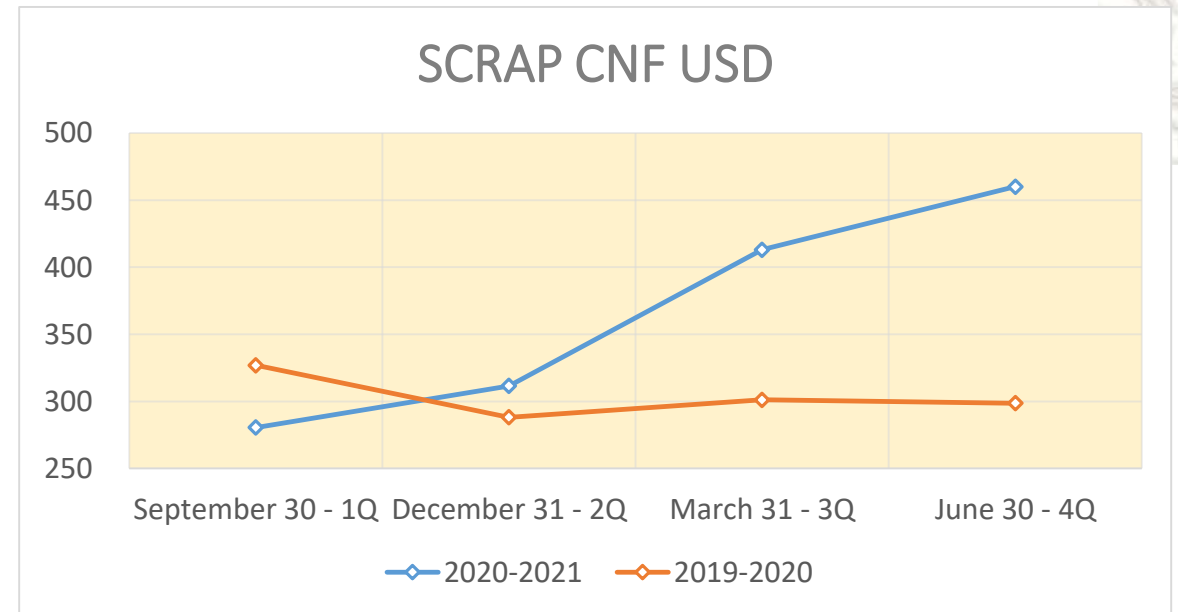
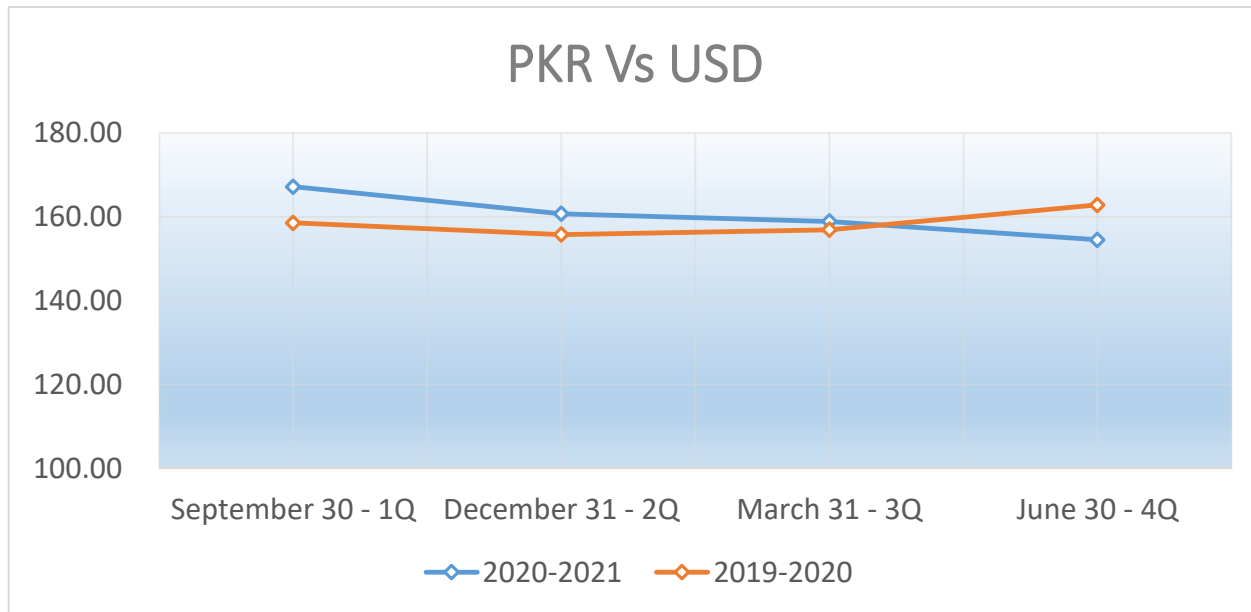
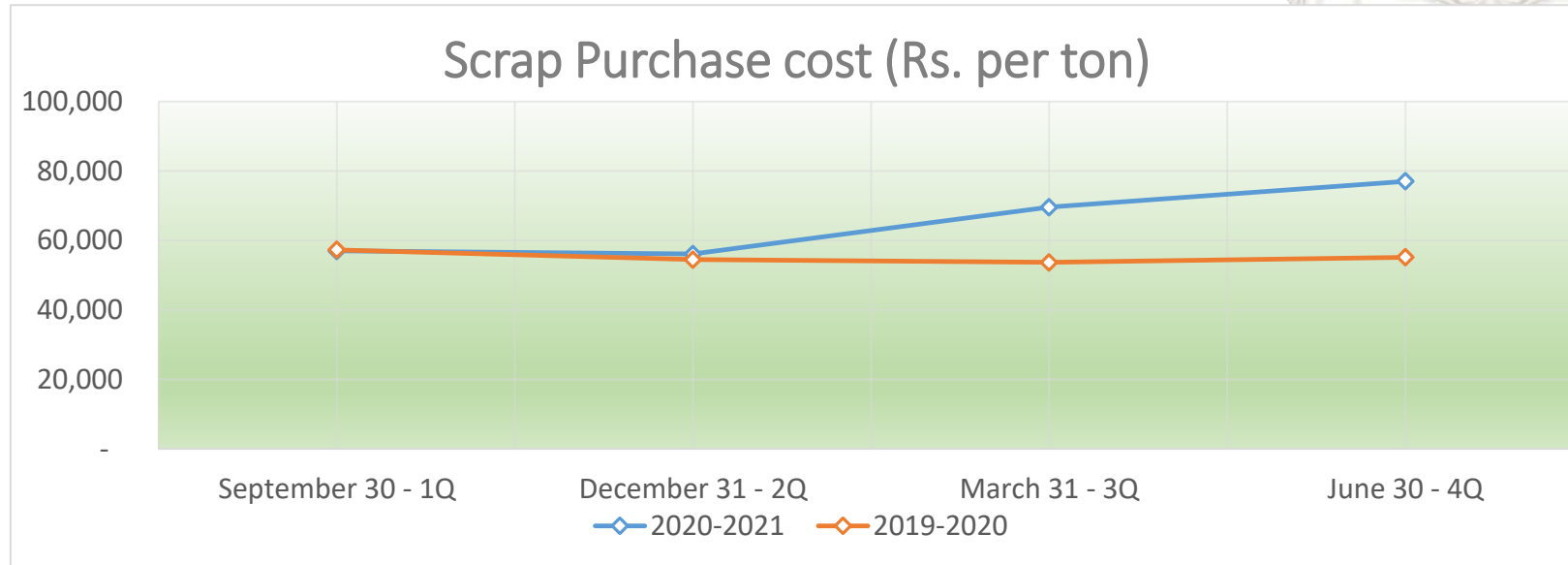
Sales revenue observed an inclining trajectory during the ended of FY 21. The sales revenue increased by 48% and sales quantity increased by 33% when compared to same period of last year. Prices also increased by 11% YoY due to uptick in demand and increase in international scrap prices. The overall increase in revenue was resulted from various incentives taken by GoP and SBP in shape of reduce rate housing loans, tax amnesty, construction packages, increased PSDP spent, start of various high rise projects and controlled macro-economic factors i.e. inflation, exchange rate, interest rate which increases business community confidence and generated liquidity in the economy. Retail sector witnessed a growth of 32% which also resulted in increase of Retail's share in pie from 59% to 64% due to increased in dealers (Direct) network from 113 to 157.



**4<sup>TH</sup> Vs 3<sup>RD</sup> QUARTER:** The Company achieved revenue growth of 27% including volume grew by 17% due to robust demand and prices increased by 9% due to continuous increase in international scrap prices. Further, the Company has made record-breaking re-bar sales of 42,911 tons in the month of June-21 only.

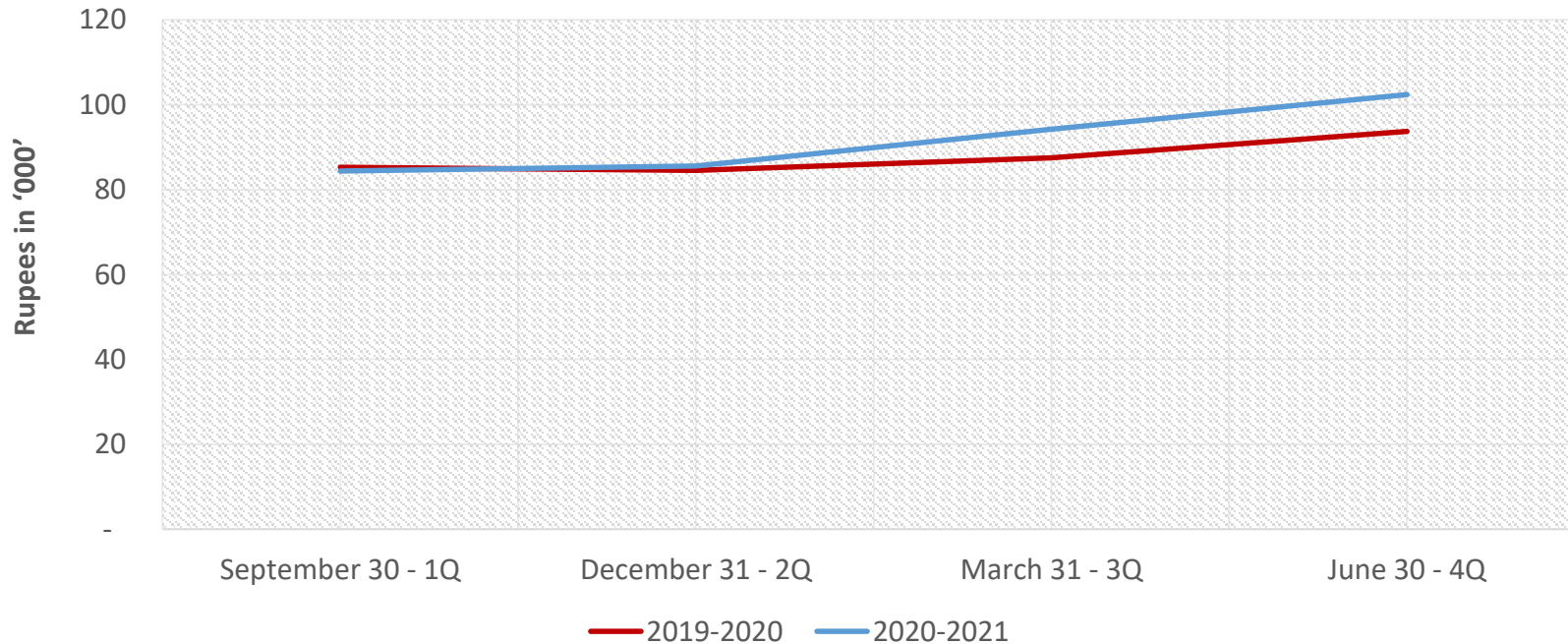


# SCRAP COST



# COST OF SALES ANALYSIS

## Cost of sale – Per ton

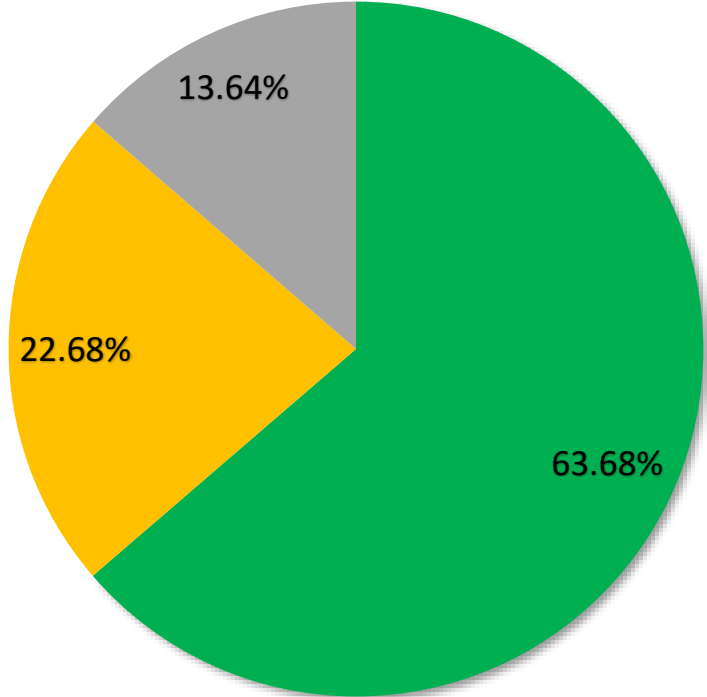


**4<sup>TH</sup> QUARTER:** Cost when compared with 3rd quarter increased due to increased scrap prices (4th: 460 \$ Vs 3rd: 413 \$). The cost was also increased due to charge of FCA from Feb-21 till May-21 amounting to Rs. 21 million. Further, the increase was set-off by Rs. 43 million due to change of valuation method of scrap from FIFO To moving average.

**Cost of sale** on YoY basis increased by 5% on per ton basis . The increase pertains to provision for FCA (July-19 to May-21), significant increase in scrap prices, increase in electricity tariff by Rs. 2.89 per kwh and Rs. 1.95/kwh in September-20 and February-21 respectively. However this tariff increase was later off-set in by discounted power rate later in 2nd quarter. The positive impact in cost were change in custom valuation ruling from 360 \$ to 301 \$ for the first six months of FY-21 and later changed to LMB prices in the month of March-21, improved yield, increased hot charging of billets to DRM approx. 98% (FY20: 64%), change of depreciation estimates, saving in Ferro alloys unit consumption, reduction in RLNG prices from Rs. 1600 MMBTU to Rs. 1200 MMBTU and increased capacity utilization resulting in economies of scale.

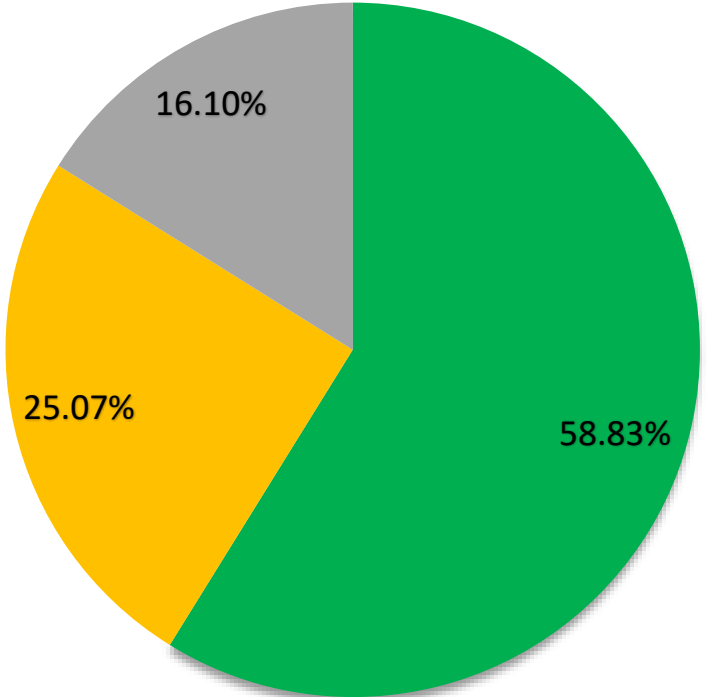
# SEGMENT WISE SALES

## FY 21



■ Retail   ■ Corporate   ■ Government & PFC

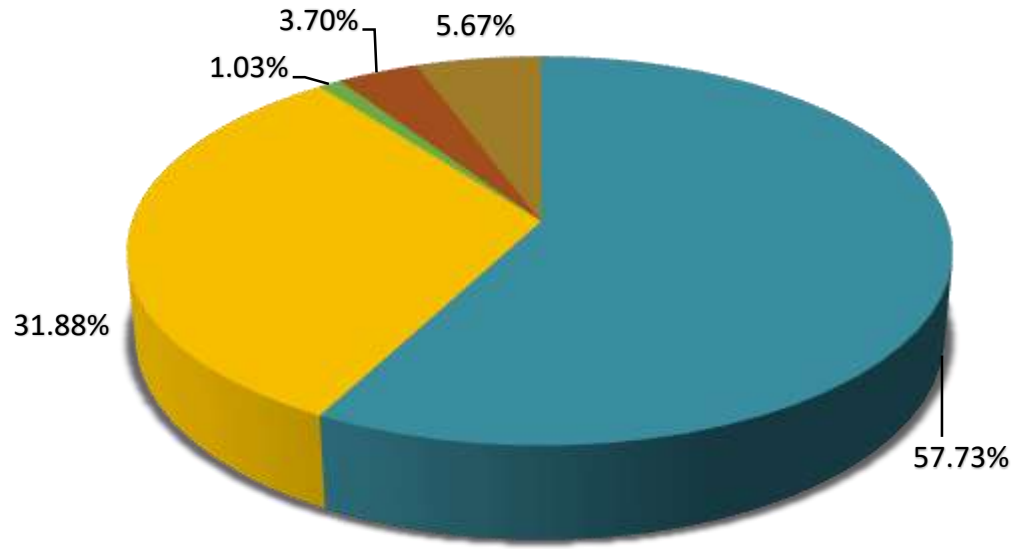
## FY 20



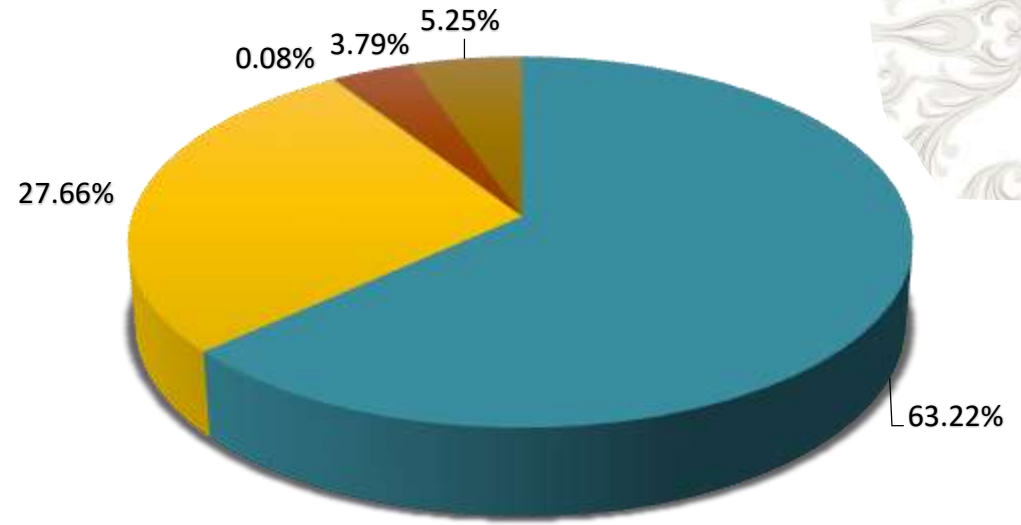
■ Retail   ■ Corporate   ■ Government & PFC

# PROVINCE WISE SALES

## FY 21



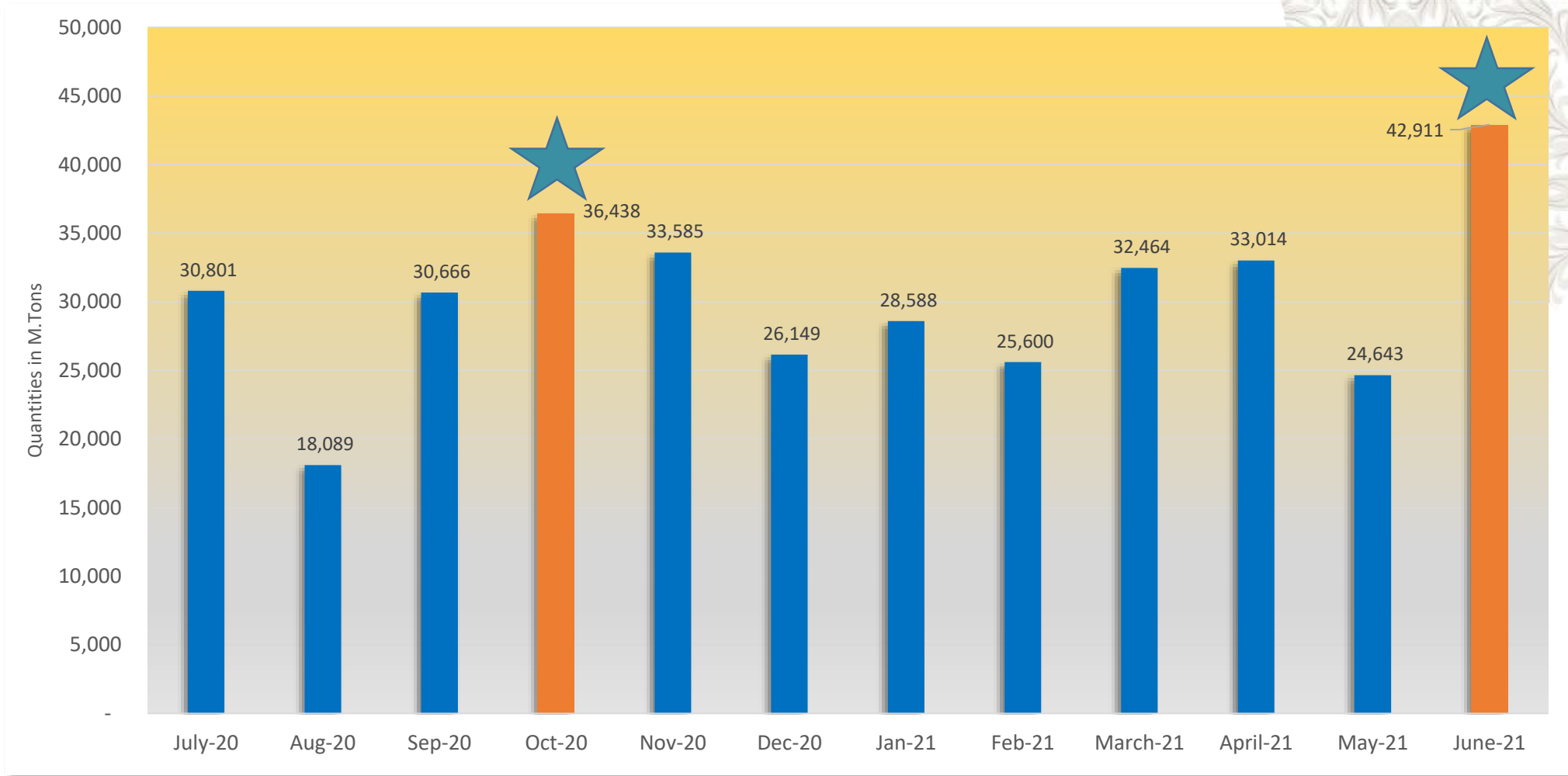
## FY 20



■ Sindh ■ Punjab ■ Gilgit-Baltistan ■ KPK ■ Balochistan

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# SALES QUANTITIES

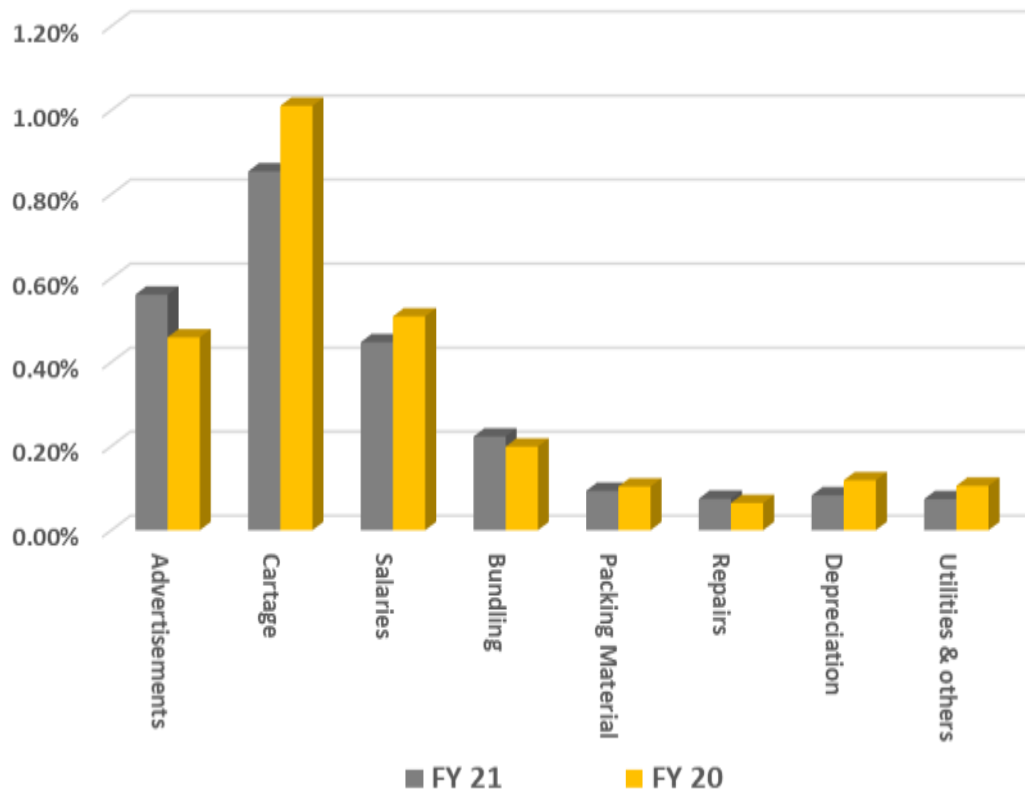


# ADMINISTRATIVE & DISTRIBUTION EXPENSES

## DISTRIBUTION EXPENSES

In FY 21, distribution expense represents 2.41% of sales revenue.

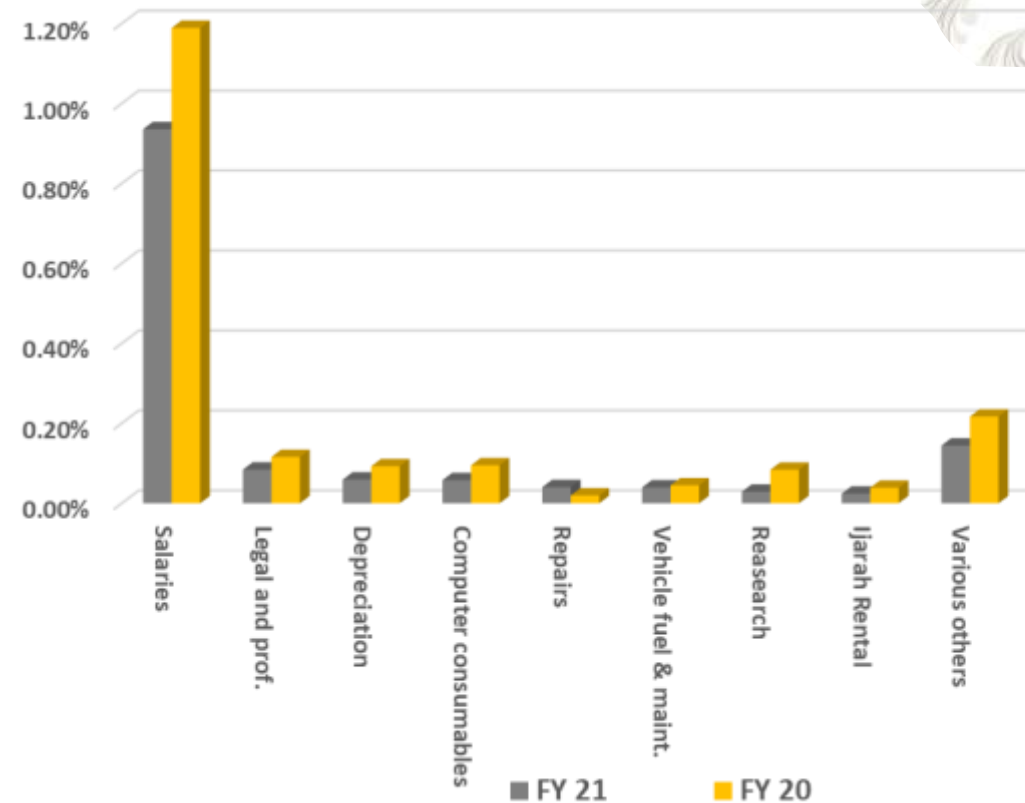
In FY 20, distribution expense represents 2.57% of sales revenue.



## ADMINISTRATIVE EXPENSES

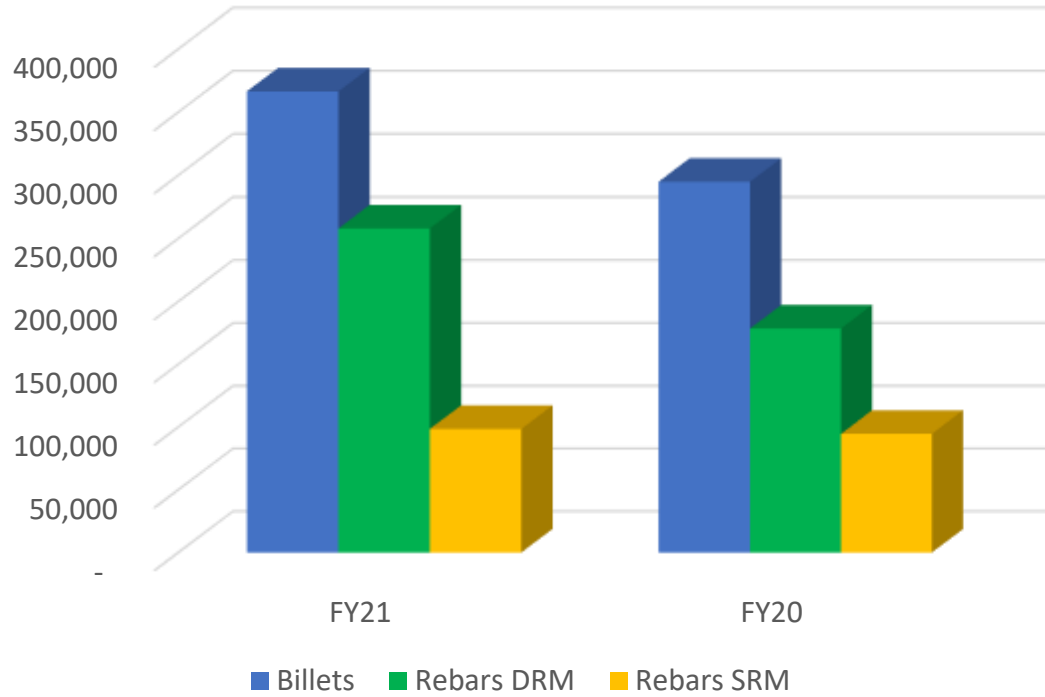
In FY 21, Admn. expense represents 1.41% of sales revenue.

In FY 20, Admn. expense represents 1.90% of sales revenue.



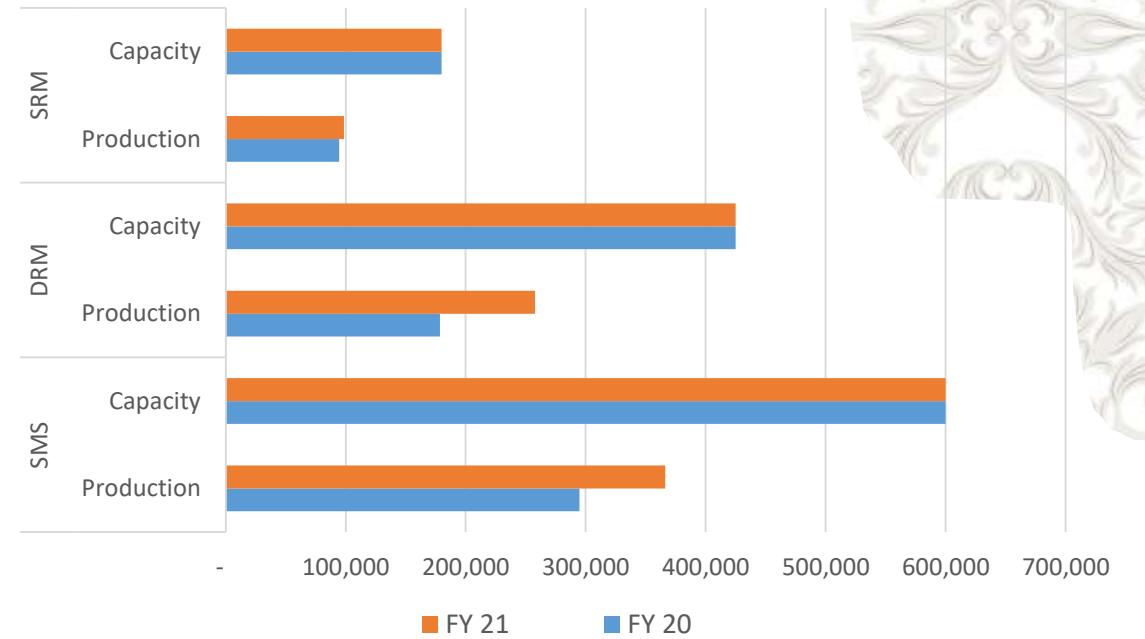
# PRODUCTION AND CAPACITY UTILIZATION

## PRODUCTION QUANTITIES



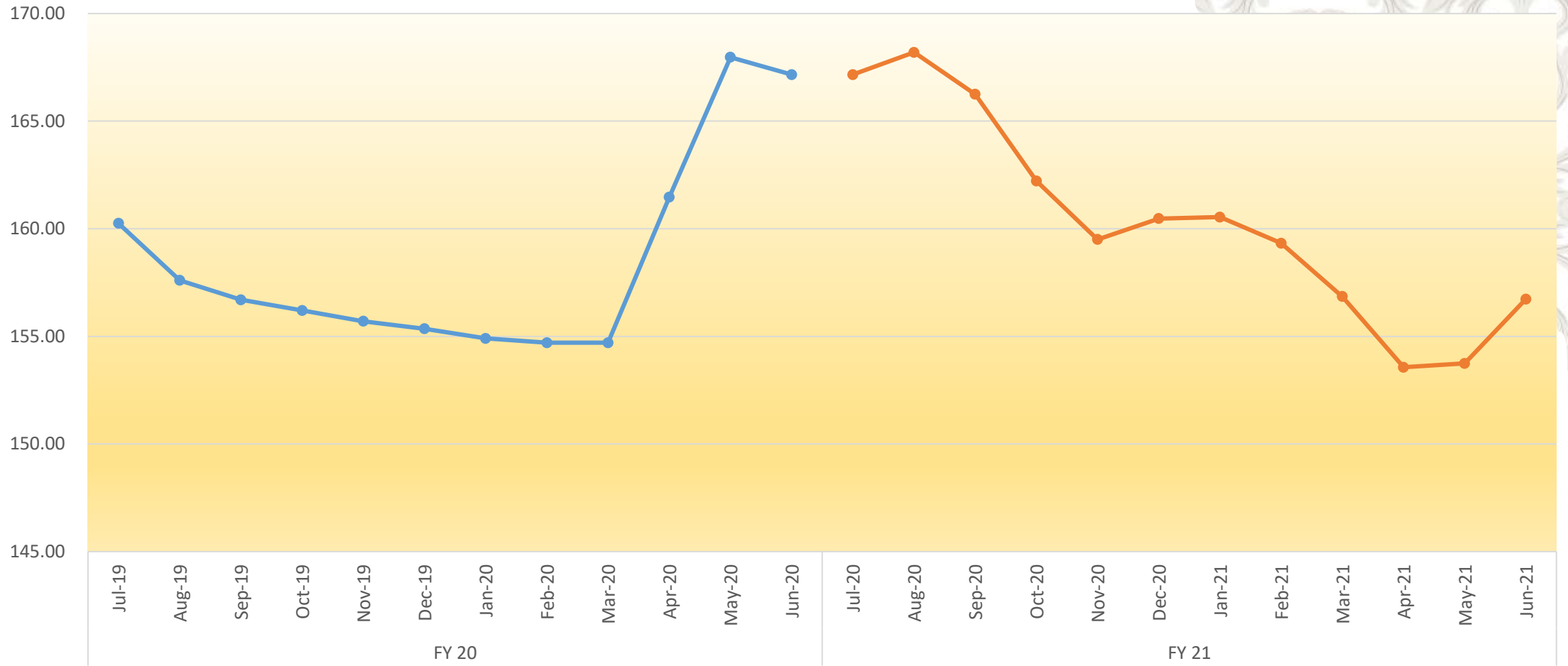
	SMS		DRM		SRM	
QTY -FY 21 (MT)	366,400	24% ↑	257,809	44% ↑	98,507	4% ↑
QTY -FY 20 (MT)	294,882		178,548		94,555	

## CAPACITY UTILIZATION



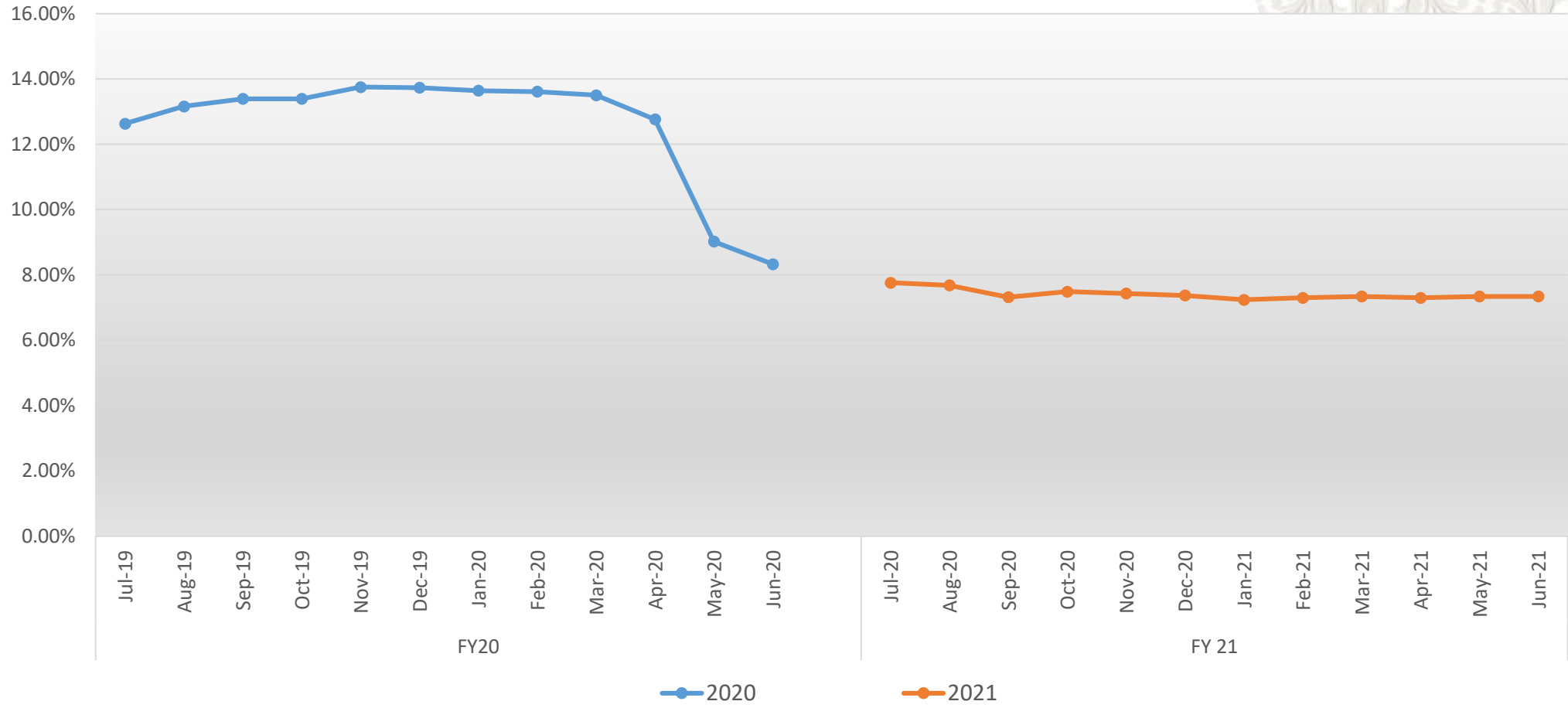
	SMS	DRM	SRM
FY 21	61%	61%	55%
FY 20	49%	42%	53%

# FOREIGN EXCHANGE RATE





# KIBOR %



*Thank you*