

# ANALYSTS' BRIEFING



**RESULTS FOR THE 3<sup>RD</sup> QUARTER & NINE MONTHS ENDED  
31 MARCH 2022**

**21 April 2022**



## HIGHLIGHTS FOR THE 3<sup>RD</sup> QUARTER & UP TO NINE MONTHS FY 22

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- ◆ WIDENING CURRENT ACCOUNT DEFICIT AND DECLINING FX RESERVES
- ◆ INCREASE IN EXCHANGE RATE, INFLATION AND INTEREST RATES
- ◆ INCREASE IN INTERNATIONAL SCRAP PRICES AND OTHER INPUT COST
- ◆ UKRAINE CRISIS AND DISRUPTION OF GLOBAL SUPPLY CHAIN
- ◆ NATIONAL POLITICAL UNCERTAINTY
- ◆ ROSHAN DIGITAL ACCOUNT CROSSED \$4 BILLION MARK

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- ◆ 3% FURTHER TAX ON UNREGISTERED PERSON, LATER WITHDRAWN
- ◆ REDUCTION IN MINIMUM TAX FROM 1.25% TO 0.25% FOR RETAILERS
- ◆ INCREASE IN MINIMUM VALUE OF SALE TAX
- ◆ CUSTOM VALUATION CHANGED TO LMB
- ◆ INCREASE IN ELECTRICITY COST DUE TO FUEL CHARGES ADJUSTMENT AND CEASATION OF DISCOUNTS



# NINE MONTHS FY 21-22

**SALES  
REVENUE**  
Rs.42.5 Bn

Up by  
56%

**GROSS  
PROFIT**  
Rs.5.09 Bn

Margin  
Up by  
0.05%

**OPR.  
PROFIT**  
Rs.3.61 Bn

Margin  
Up by  
0.58%

**NET PROFIT**  
Rs.1.83 Bn

Margin  
Up by  
0.91%

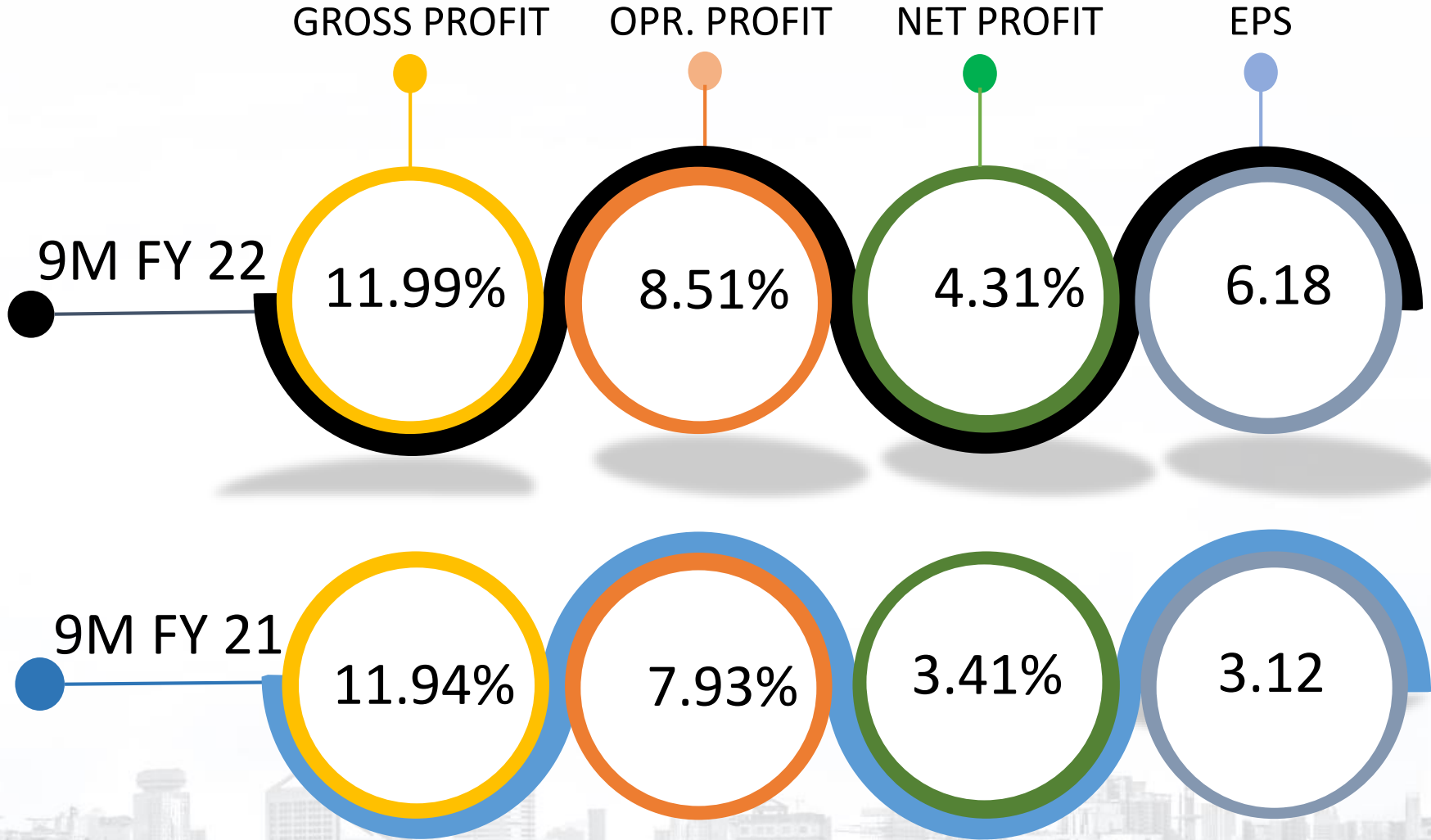
**EPS**  
Rs.6.18

Up by  
2 Times

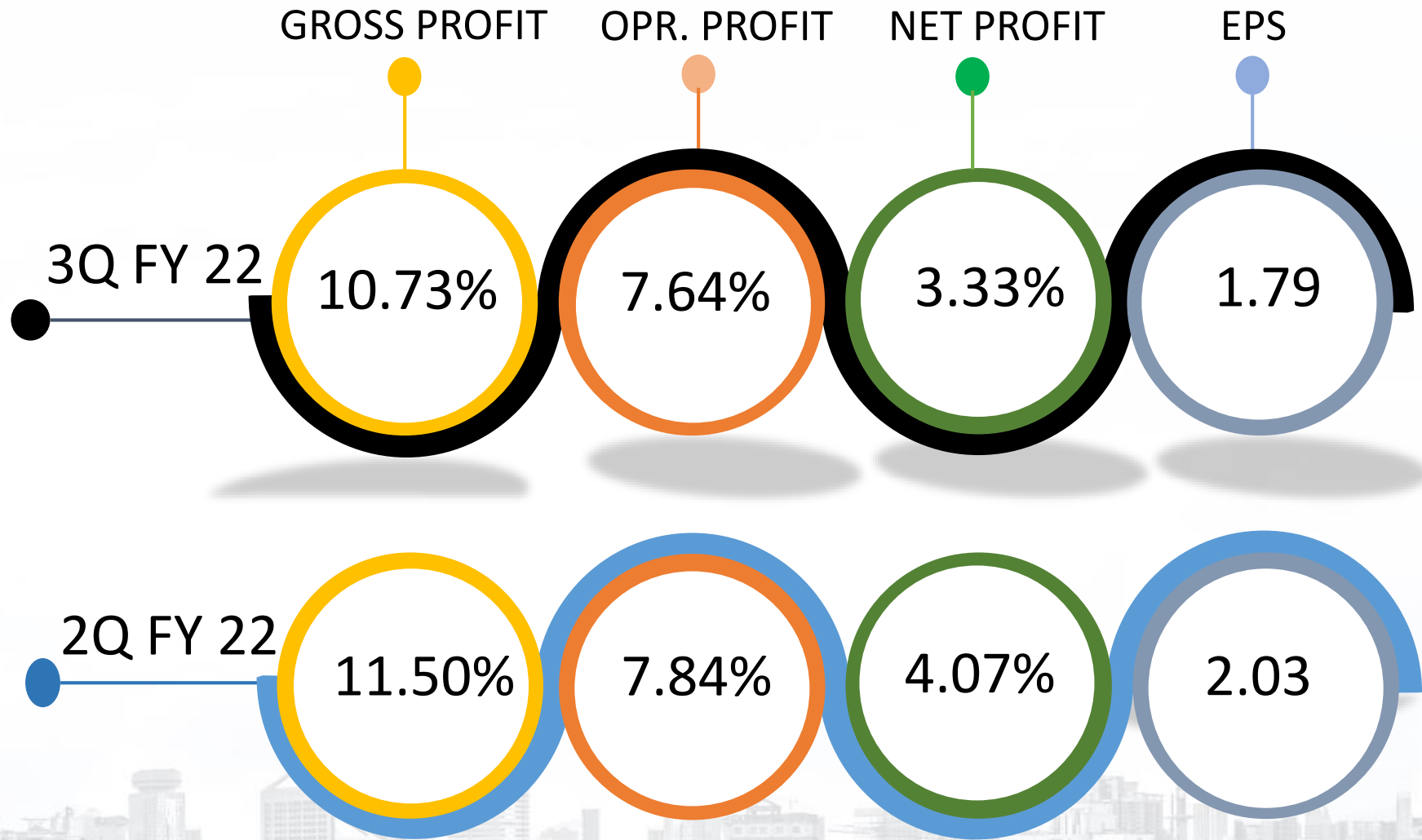
**PRIME BAR  
SOLD**  
275,549 MT

Up by  
5.0%

# MARGINS & EPS



# MARGINS & EPS



# PROFIT OR LOSS STATEMENT

	Nine months 31 Mar. 2022		Nine months 31 Mar. 2021		Qtr. Ended 31 Mar. 2022		Qtr. Ended 31 Dec. 2021	
	Rs. '000	%	Rs. '000	%	Rs. '000	%	Rs. '000	%
Sales	42,537,223	100	27,227,909	100	15,915,681	100	14,777,840	100
Cost Of Sales	(37,438,087)	88.01	(23,977,040)	88.06	(14,208,036)	89.27	(13,078,541)	88.50
<b>Gross Profit</b>	<b>5,099,135</b>	<b>11.99</b>	<b>3,250,869</b>	<b>11.94</b>	<b>1,707,645</b>	<b>10.73</b>	<b>1,699,299</b>	<b>11.50</b>
Distribution Cost	(810,584)	1.91	(660,419)	2.43	(307,667)	1.93	(264,028)	1.79
Administrative Cost	(511,289)	1.20	(390,855)	1.44	(156,826)	0.99	(176,873)	1.20
ECL (Allowance)/Reversal	(10,618)	0.02	26,789	0.10	17,144	0.11	(47,127)	0.32
Other Charges	(170,668)	0.40	(88,891)	0.33	(45,844)	0.29	(54,496)	0.37
Other Opr. Income	23,329	0.05	21,367	0.08	2,004	0.01	5,508	0.04
<b>Operating Profit</b>	<b>3,619,305</b>	<b>8.51</b>	<b>2,158,859</b>	<b>7.93</b>	<b>1,216,456</b>	<b>7.64</b>	<b>1,162,283</b>	<b>7.87</b>
Finance Cost	(1,504,100)	3.54	(1,231,389)	4.52	(650,236)	4.09	(470,602)	3.18
Profit Before Tax	2,115,205	4.97	927,471	3.41	566,220	3.56	<b>691,681</b>	<b>4.68</b>
Taxation	(281,155)	0.66	(1,738)	0.01	(35,653)	0.22	(90,053)	0.61
<b>Profit After Tax</b>	<b>1,834,050</b>	<b>4.31</b>	<b>925,733</b>	<b>3.40</b>	<b>530,567</b>	<b>3.33</b>	<b>601,628</b>	<b>4.07</b>



# QUANTITY AND PRICE VARIANCE – 9M FY22 Vs. 9M FY21

	Nine months FY 22	Nine months FY 21	VARIANCE		AMOUNT '000
<b>SALES</b>					
QUANTITY	281,735	272,198	9,537	100.03	953,943
PRICE (IN THOUSANDS)	150.98	100.03	50.95	281,735	14,355,371
<b>NET SALES VARIANCE</b>					<b>15,309,314</b>
<b>COST OF SALES</b>					
QUANTITY	281,735	272,198	9,537	(88.09)	(840,047)
PRICE (IN THOUSANDS)	(132.88)	(88.09)	(44.80)	281,735	(12,621,000)
<b>NET SALES VARIANCE</b>					<b>(13,461,047)</b>
<b>NET CHANGE IN GROSS PROFIT</b>					<b>1,848,267</b>
<b>GROSS PROFIT</b>					
QUANTITY	281,735	272,198	9,537	11.94	113,896
PRICE (IN THOUSANDS)	18.10	11.94	6.16	281,735	1,734,371
<b>NET GROSS PROFIT VARIANCE</b>					<b>1,848,267</b>

## QUANTITY AND PRICE VARIANCE – 3Q Vs. 2Q FY22

	3Q-FY 22	2Q-FY 22	VARIANCE		AMOUNT '000
<b>SALES</b>					
QUANTITY	98,492	95,239	3,253	155.17	504,756
PRICE (IN THOUSANDS)	161.59	155.17	6.43	98,492	633,085
<b>NET SALES VARIANCE</b>					<b>1,137,841</b>
<b>COST OF SALES</b>					
QUANTITY	98,492	95,239	3,253	(137.32)	(446,697)
PRICE (IN THOUSANDS)	(144.26)	(137.32)	(6.93)	98,492	(683,780)
<b>NET SALES VARIANCE</b>					<b>(1,129,495)</b>
<b>NET CHANGE IN GROSS PROFIT</b>					<b>8,347</b>
<b>GROSS PROFIT</b>					
QUANTITY	98,492	95,239	3,253	17.84	58,042
PRICE (IN THOUSANDS)	17.34	17.84	(0.50)	98,492	(49,695)
<b>NET GROSS PROFIT VARIANCE</b>					<b>8,347</b>



# STATEMENT OF FINANCIAL POSITION

ASSETS	31 MAR. 2022	%	30 JUNE 2021	%
	-----Rs. '000'-----		-----Rs. '000'-----	
<b>Non-current assets</b>				
Property, Plant & Equipment	21,290,588	47.67	20,146,267	55.40
Intangibles	13,797	0.18	18,624	0.05
Long-term Investment	14,289	0.03	15,289	0.04
Long term deposits	166,506	0.03	152,349	0.42
Right of use assets	82,379	0.37	100,334	0.28
	<b>21,567,560</b>	<b>48.29</b>	<b>20,432,863</b>	<b>56.19</b>
<b>Current assets</b>				
Stores and spares	2,951,994	6.61	1,455,826	4.00
Stock in-trade	12,113,998	27.12	5,992,162	16.48
Trade debts	5,857,090	13.11	6,320,346	17.38
Loans and advances	79,552	0.18	34,044	0.09
Trade deposits and prepayments	28,366	0.06	21,072	0.06
Other receivables	34,191	0.08	275,213	0.76
Taxation - net	1,763,300	3.95	1,456,362	4.00
Cash and bank balances	266,951	0.60	378,573	1.04
	<b>23,095,443</b>	<b>51.71</b>	<b>15,933,598</b>	<b>43.81</b>
<b>TOTAL ASSETS</b>	<b>44,663,003</b>	<b>100.00</b>	<b>36,366,461</b>	<b>100.00</b>

<b>EQUITIES AND LIABILITIES</b>	<b>31 MAR. 2022</b>	<b>%</b>	<b>30 JUNE 2021</b>	<b>%</b>
	-----Rs. '000'-----		-----Rs. '000'-----	
<b>Share capital &amp; reserves</b>	<b>15,774,670</b>	<b>35.32</b>	<b>13,940,630</b>	<b>38.33</b>
<b>Non-current liabilities</b>				
Long-term finances	4,668,914	10.45	4,820,910	13.26
Lease liabilities	72,611	0.16	84,963	0.23
Long-term provision	159,641	0.36	166,963	0.46
Loan from related party	341,333	0.76	341,333	0.94
Deferred taxation	295,678	0.66	213,003	0.59
Government grant	155,237	0.35	925	0.00
Deferred liability	338,506	0.76	309,193	0.85
	<b>6,031,920</b>	<b>13.51</b>	<b>5,937,290</b>	<b>16.33</b>
<b>Current liabilities</b>				
Trade and other payables	5,834,529	13.06	5,077,126	13.96
Contract liabilities	916,259	2.05	499,708	1.37
Accrued Interest	529,706	1.19	267,271	0.73
Short term finance - secured	14,341,486	32.11	9,474,081	26.05
Current portion of long term finance	1,168,413	2.62	1,129,289	3.11
Current portion of lease liabilities	21,965	0.05	22,854	0.06
Current portion of government grant	38,419	0.09	12,494	0.03
Unclaimed dividend	5,637	0.01	5,718	0.02
	<b>22,856,413</b>	<b>51.18</b>	<b>16,488,541</b>	<b>45.34</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>44,663,003</b>	<b>100.00</b>	<b>36,366,461</b>	<b>100.00</b>

# CASHFLOW STATEMENT

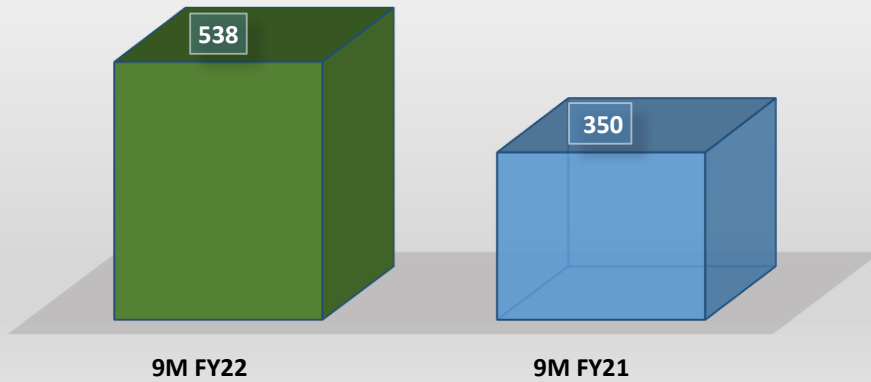
	31 MAR. 2022	31 MAR. 2021
<b>Cash generated before working capital changes</b>	<b>4,148,652</b>	<b>2,589,083</b>
<b>Cash (used) / generated from operations</b>	<b>(2,212,346)</b>	<b>1,291,767</b>
Gratuity Paid	(23,359)	(24,048)
Long term deposits - net	(14,157)	(16,815)
Income tax paid	(505,422)	(325,037)
<b>Net cash (used) / generated from operating activities</b>	<b>(2,755,284)</b>	<b>925,867</b>
Fixed capital expenditure	(1,673,787)	(794,457)
Addition to intangible assets	(891)	(2,679)
Proceeds from sale of operating assets	19,168	26,402
<b>Net cash used in investing activities</b>	<b>(1,655,510)</b>	<b>(770,734)</b>
Short-term borrowings – net	6,946,144	648,072
Long-term financing – net	67,362	235,970
Long-term investment	1,000	-
Dividend paid	(80)	(233)
Finance cost paid	(1,234,621)	(1,487,895)
Lease rentals paid	(20,234)	(22,892)
<b>Net cash generated from / (used in) financing activities</b>	<b>5,759,571</b>	<b>(626,978)</b>
Net increase in cash and cash equivalents	1,348,777	(471,845)
Cash and cash equivalent at the beginning of the year	(1,845,682)	(1,458,892)
Cash and cash equivalents at the end of period	(496,905)	(1,930,737)

# RATIO ANALYSIS

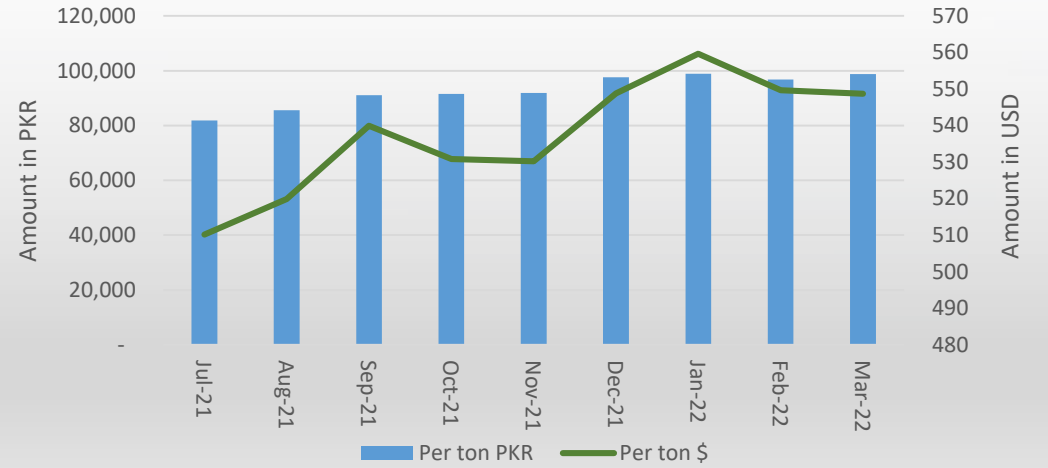
	UoM	NINE MONTHS FY 22	NINE MONTHS FY 21
<b>PROFITABILITY RATIOS</b>			
Gross profit ratio	Percentage	11.99	11.94
Net profit to sales ratio	Percentage	4.31	3.40
Return on equity (annualized)	Percentage	14.9	8.10
<b>INVESTMENT/ MARKET RATIOS</b>			
Earning per share	Times	6.18	3.12
Interest cover	Times	2.50	1.82
<b>TURNOVER RATIOS</b>			
Total asset turnover	Times	0.95	0.75
Fixed asset turnover	Times	2.00	1.35
<b>LIQUIDITY RATIOS</b>			
Current ratio	Times	1.01 : 1	0.97 : 1
Quick / acid test ratio	Times	0.48 : 1	0.60 : 1
Debtor turnover	Days	39	51
Break value per share	Rupees	53.11	46.94
<b>CAPITAL STRUCTURE RATIOS</b>			
Long-term debt / equity ratio	Times	0.37 : 1	0.43 : 1
Financial leverage ratio	Times	1.52 : 1	1.34 : 1

# SCRAP COST - NINE MONTHS FY22 AND FY 21

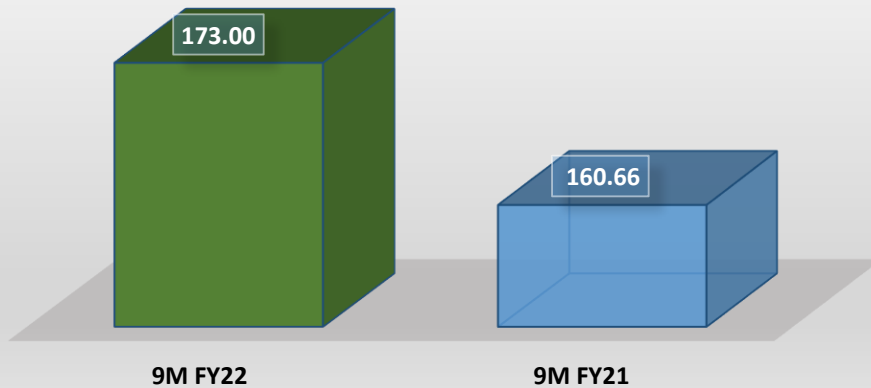
## SCRAP (CNF- $\text{\$}$ )



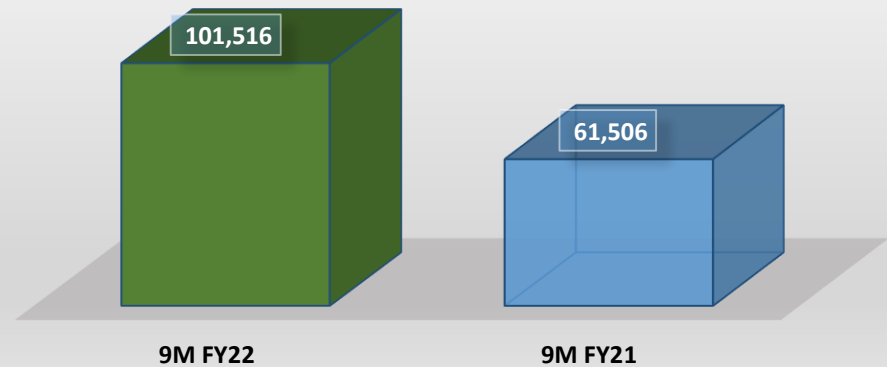
## MONTHLY SCRAP PRICES



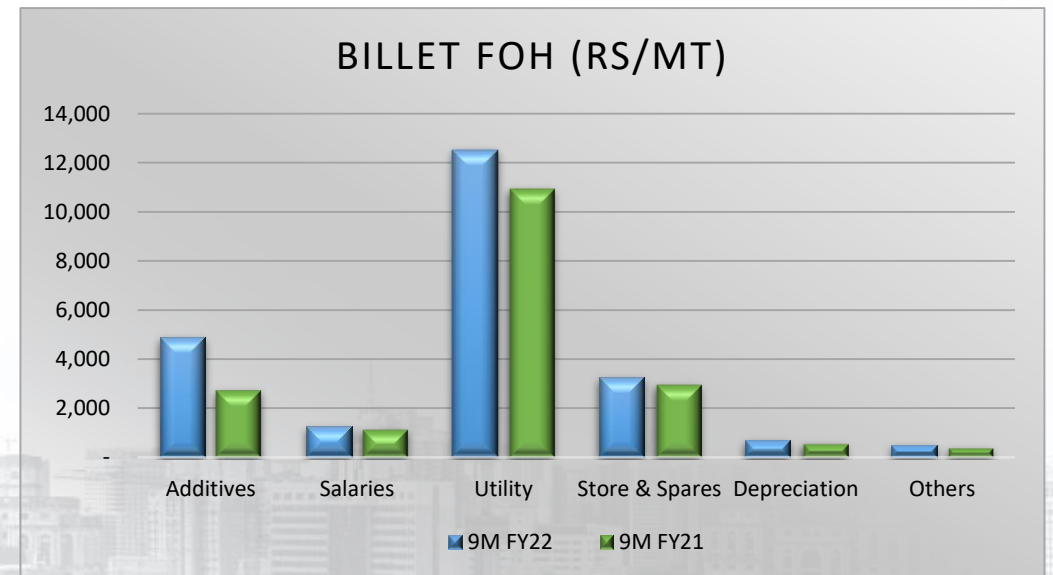
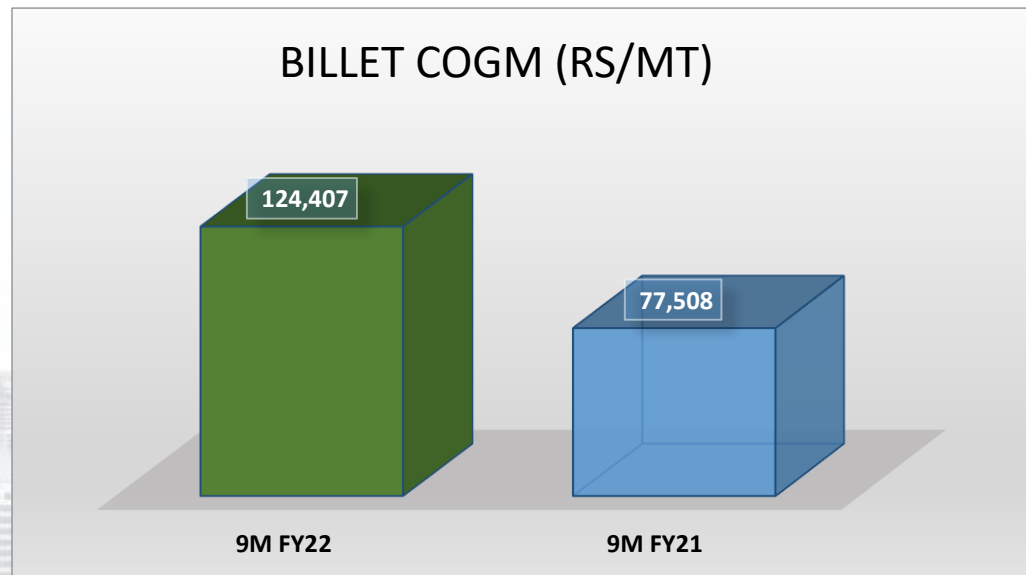
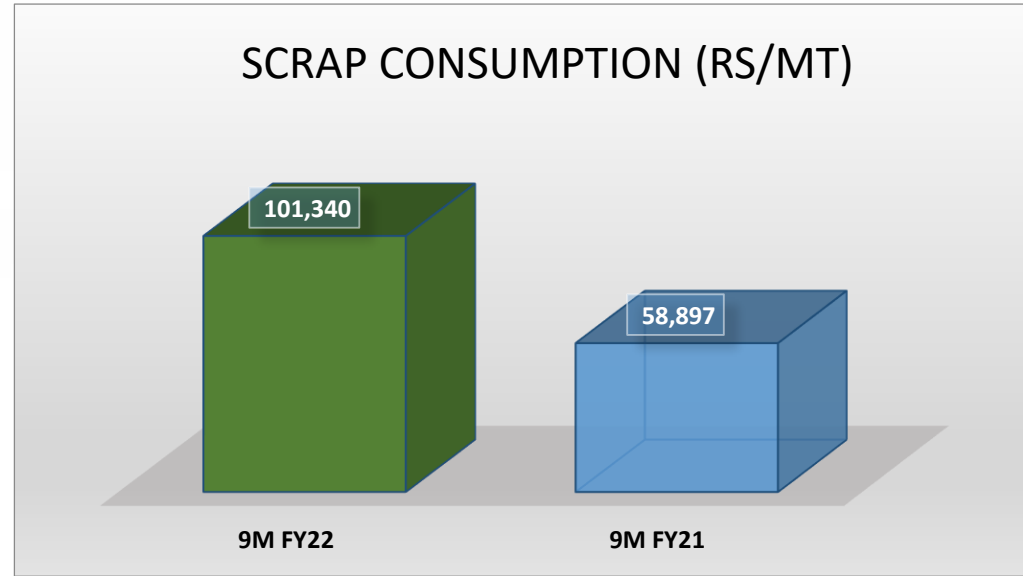
## USD VS PKR



## SCRAP COST (LANDED)

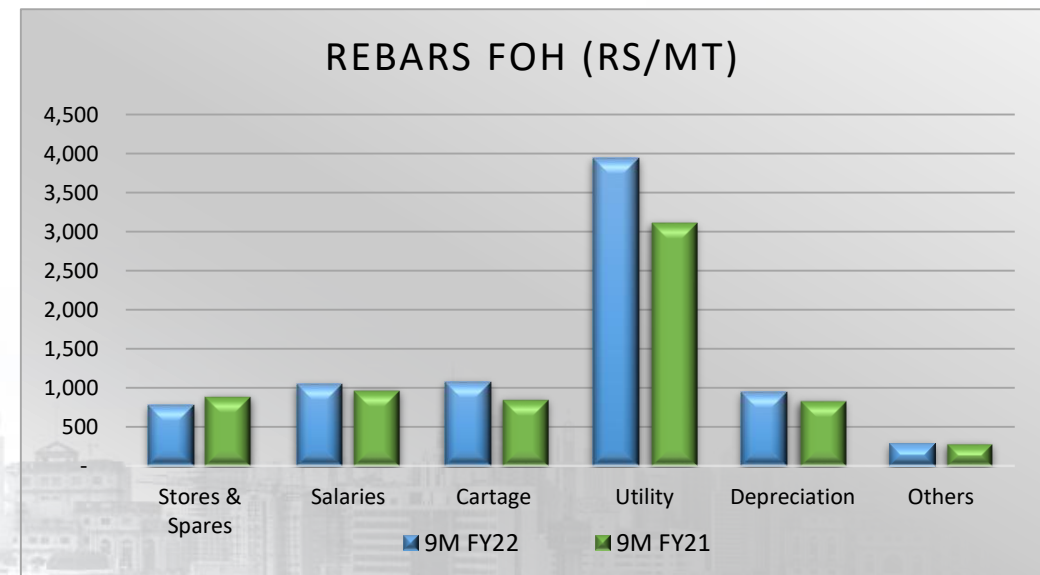
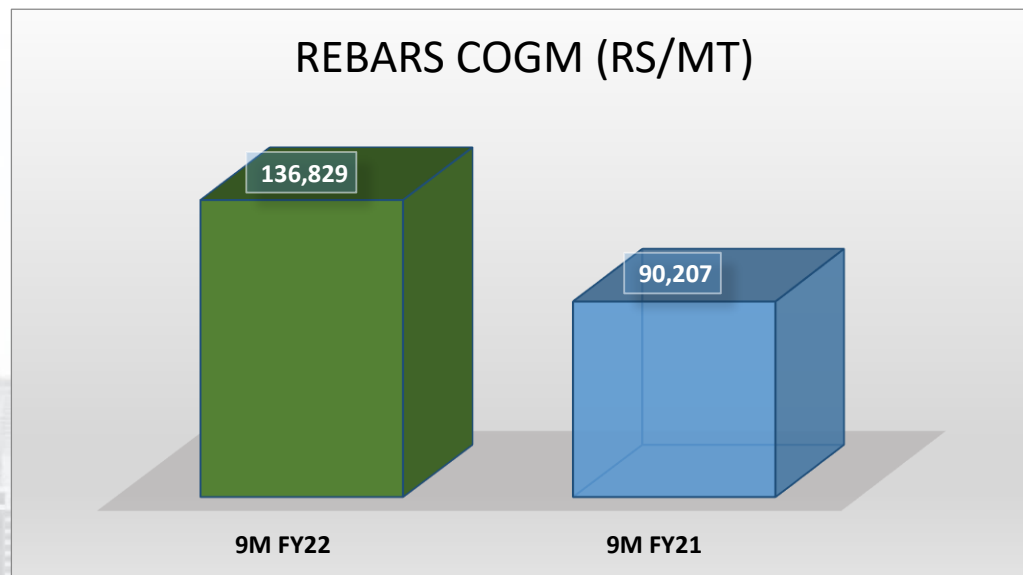
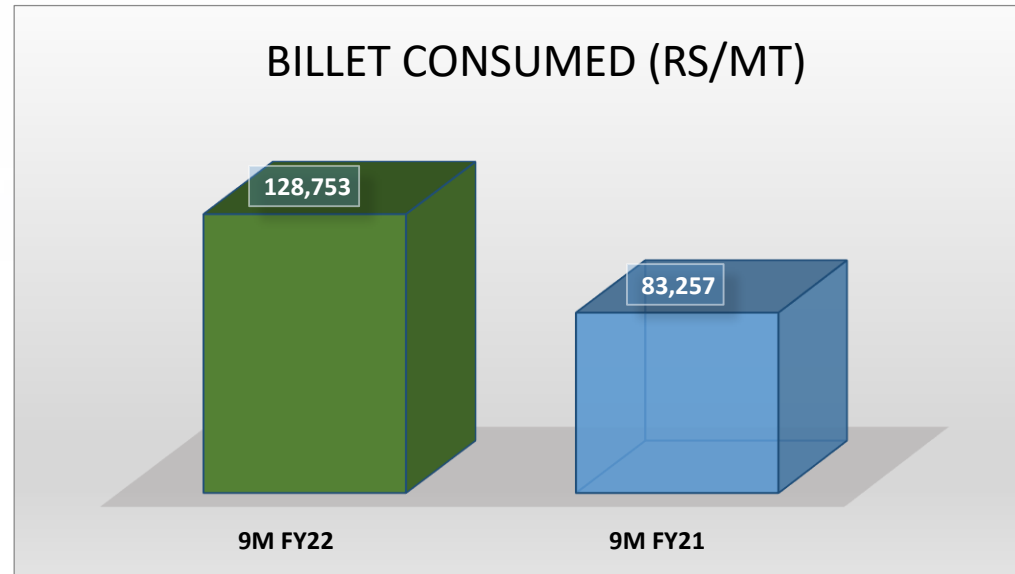


# BILLETS COST - NINE MONTHS FY 22 AND FY 21

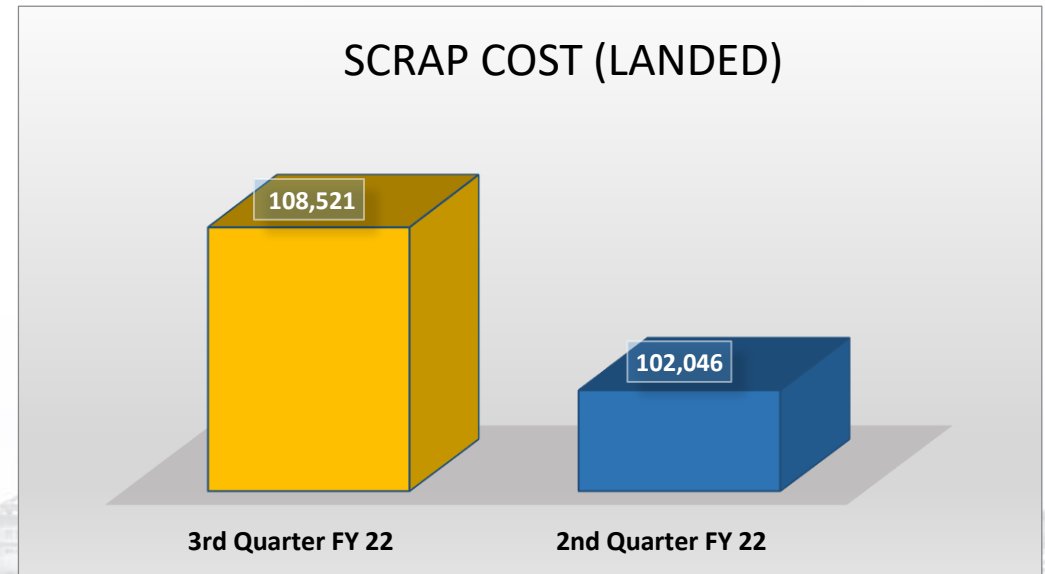
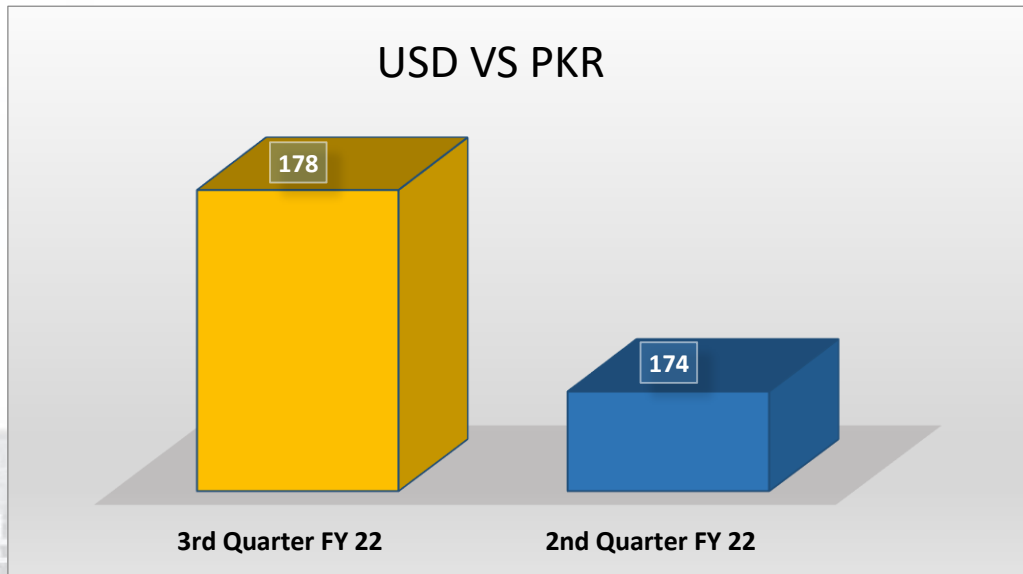
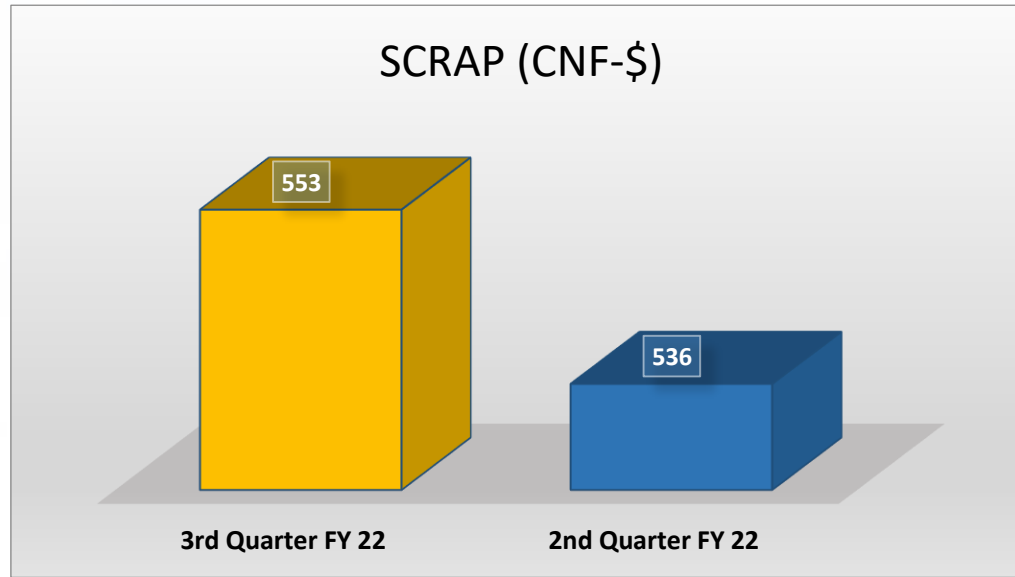




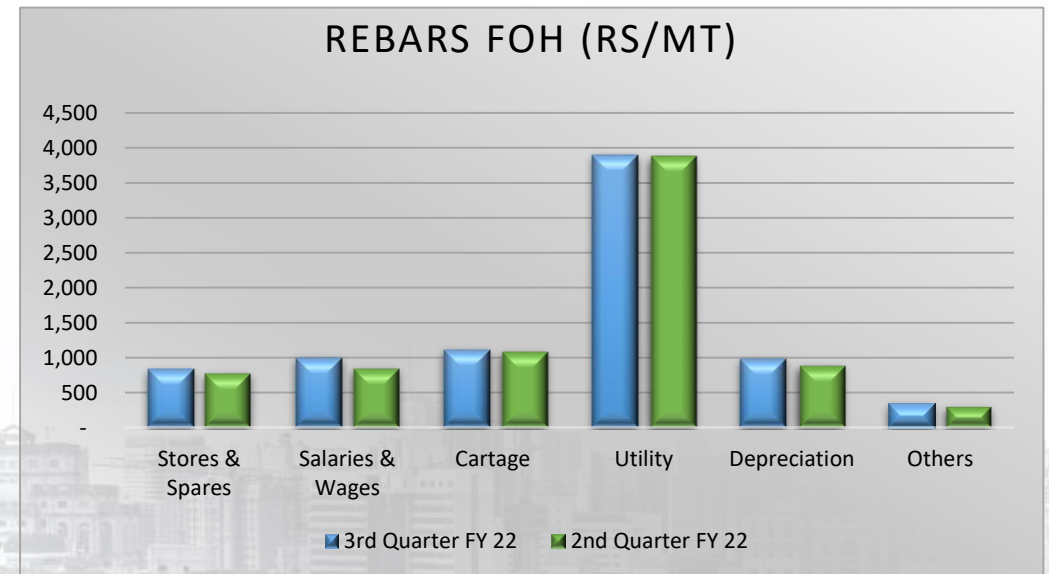
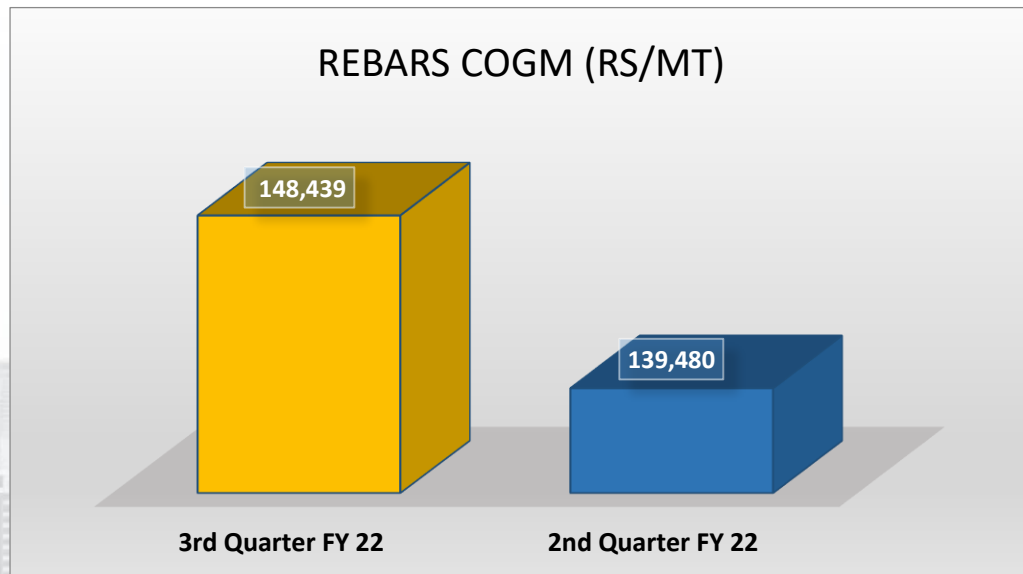
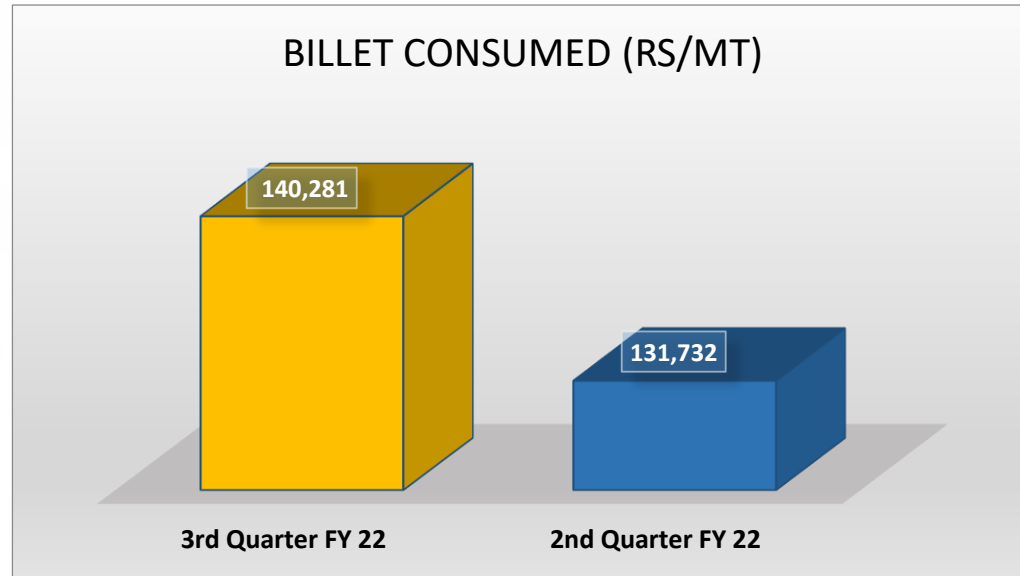
# REBARS COST – NINE MONTHS FY 22 AND FY 21



# SCRAP COST - 3<sup>RD</sup> QUARTER FY22 AND 2<sup>ND</sup> QUARTER FY 22

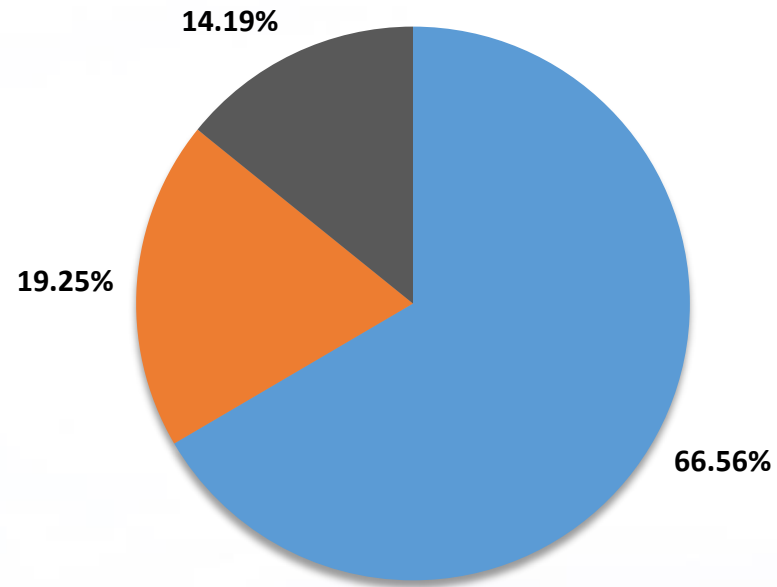


# REBAR COST – 3<sup>RD</sup> QUARTER AND 2<sup>ND</sup> QUARTER FY22

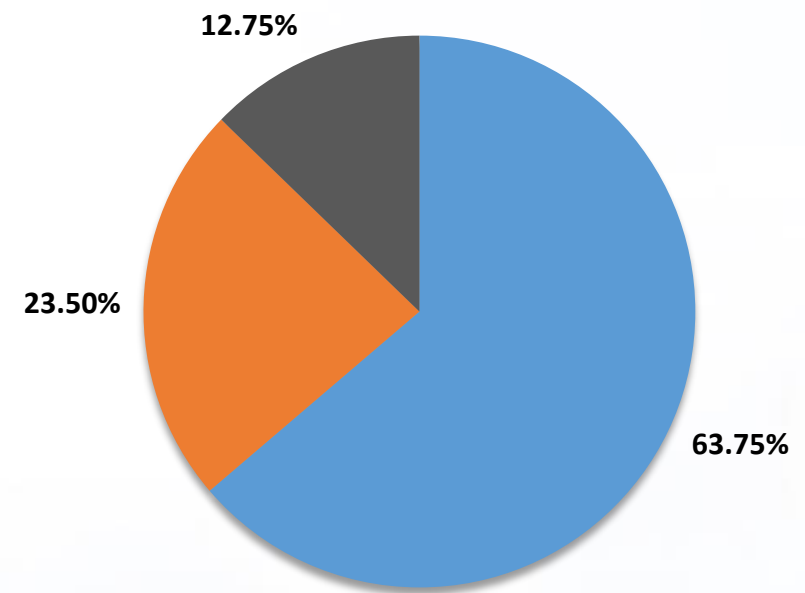



# SEGMENT WISE SALES

## NINE MONTHS - FY 22




## NINE MONTHS - FY 21



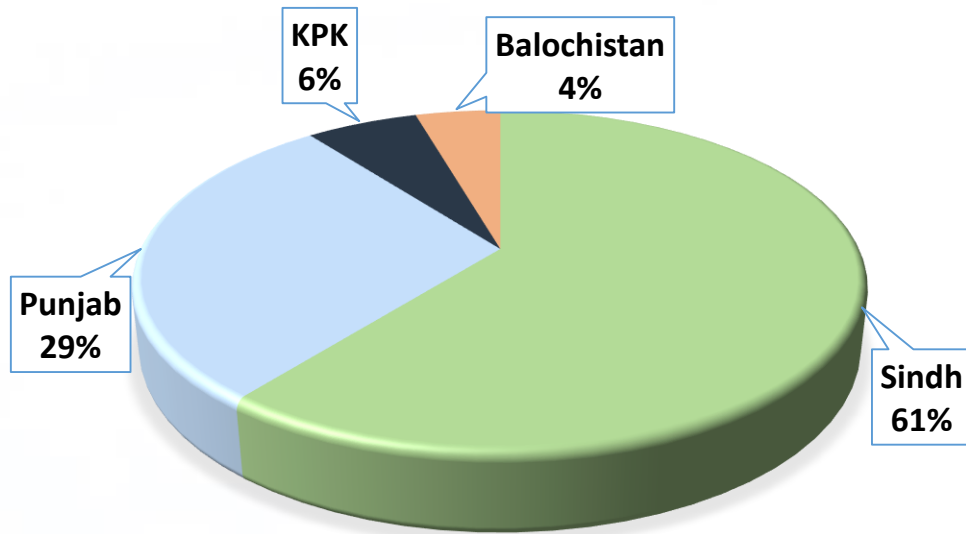
 Retail

 Corporate

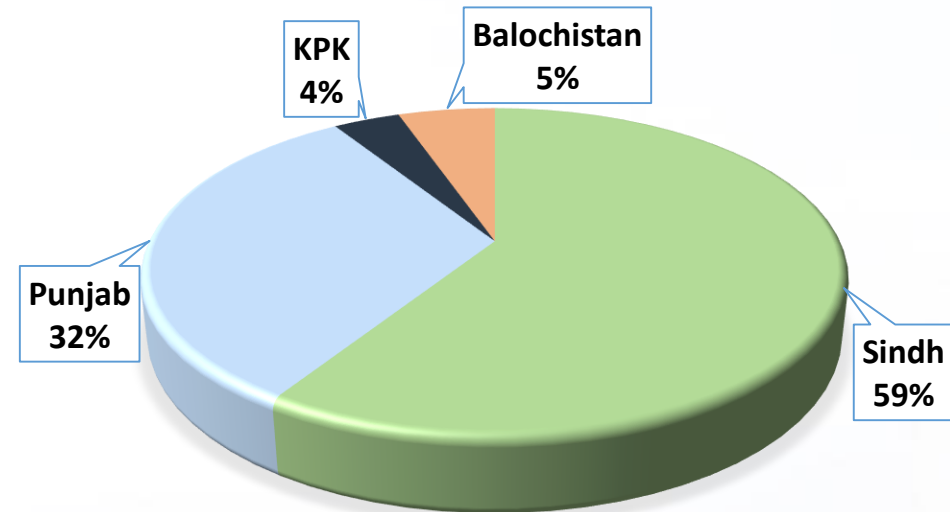
 Government & PFC

# PROVINCE WISE SALES

## NINE MONTHS - FY 22



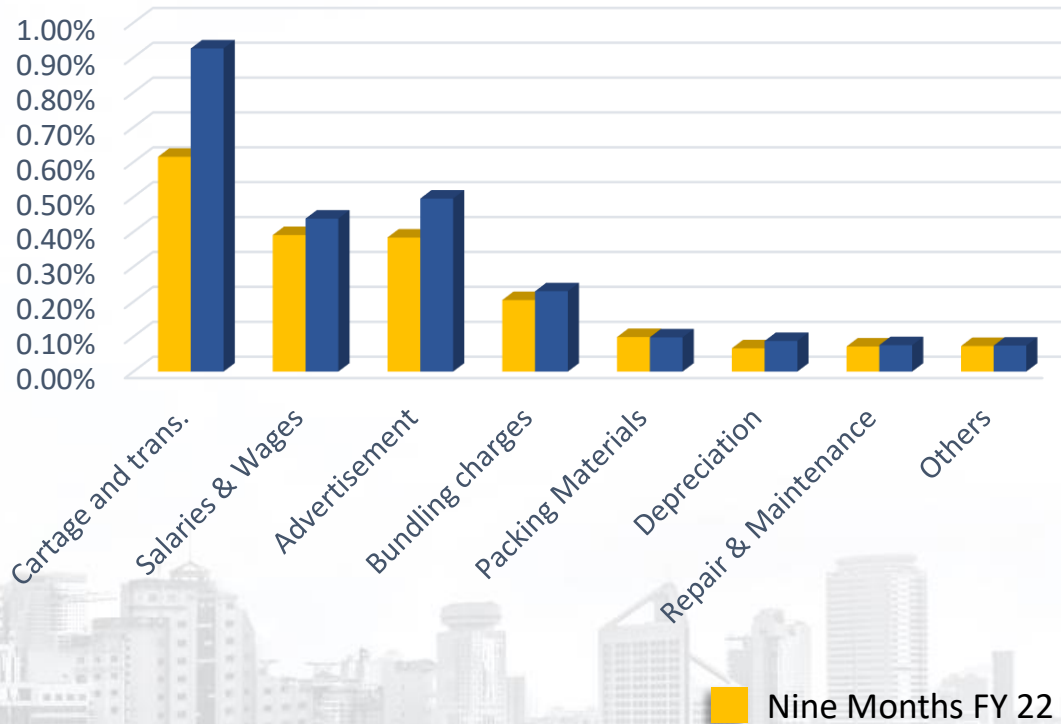
## NINE MONTHS - FY 21



## DISTRIBUTION EXPENSES

In 9M FY 22, Distribution expenses represents 1.91% of sales revenue.

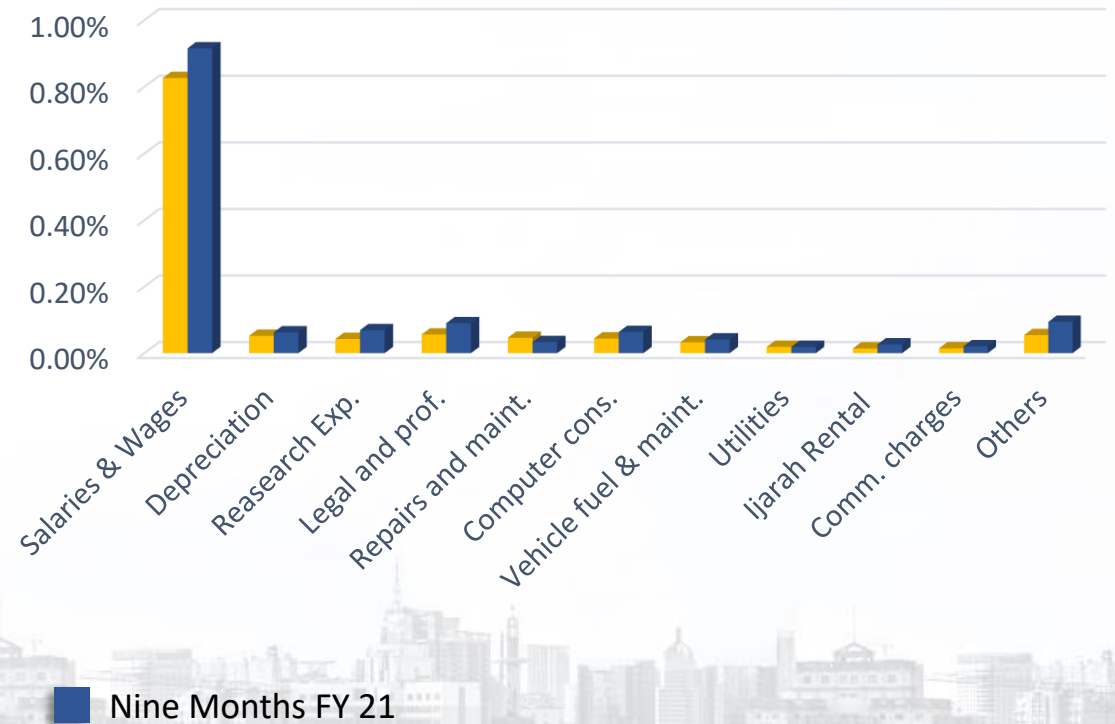
In 9M FY 21, Distribution expenses represents 2.43% of sales revenue.



## ADMINISTRATIVE EXPENSES

In 9M FY 22, Administration expenses represents 1.20% of sales revenue.

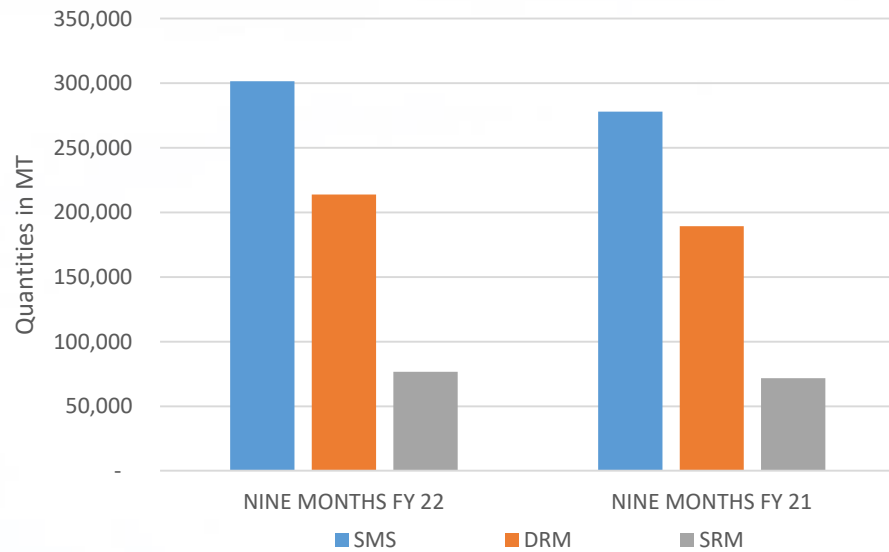
In 9M FY 21, Administration expenses represents 1.44% of sales revenue.



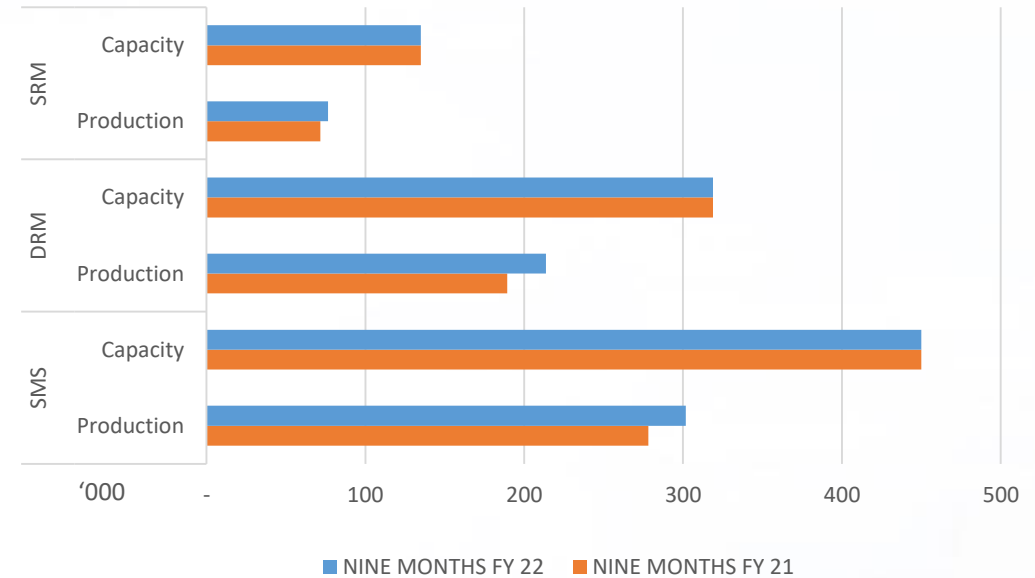


# PRODUCTION AND CAPACITY UTILIZATION

## PRODUCTION QUANTITIES



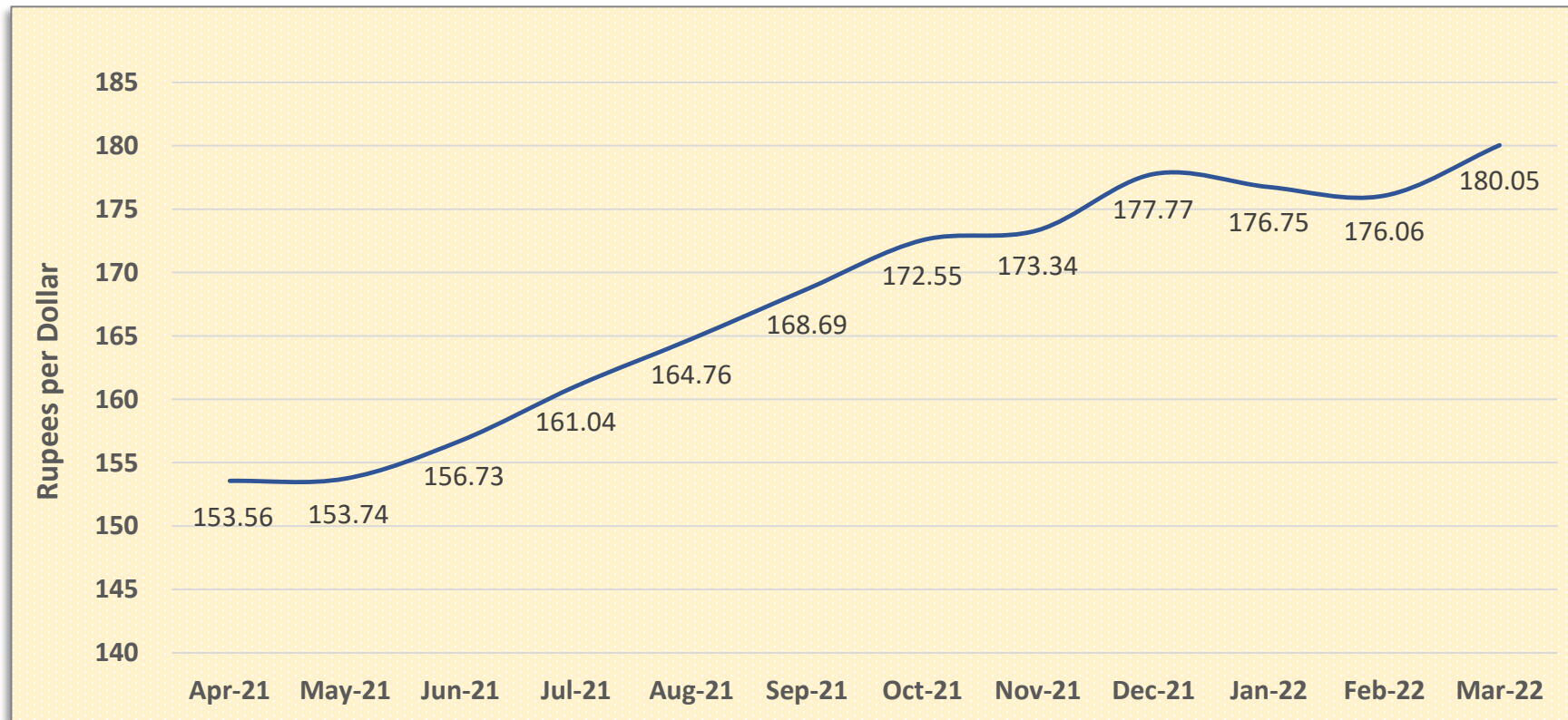
## CAPACITY UTILIZATION



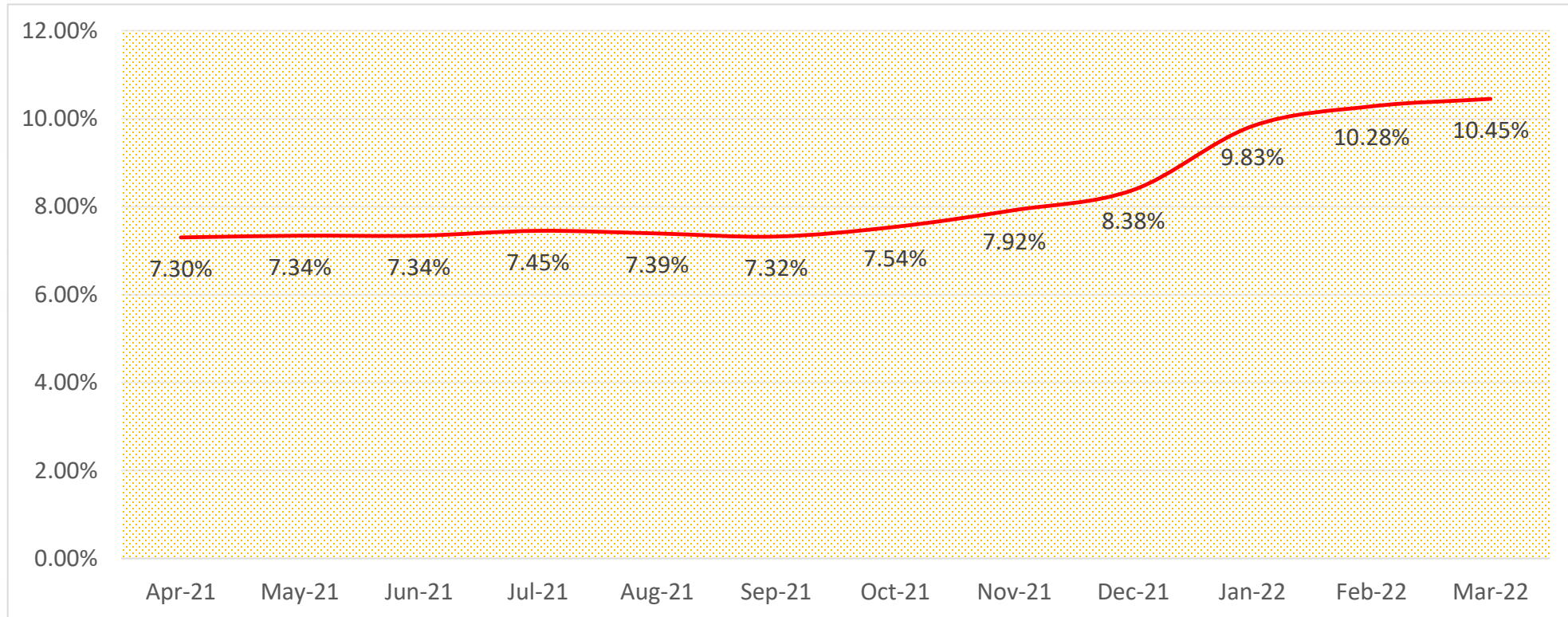
	SMS		DRM		SRM	
QTY -9MFY 22 (MT)	301,623	08%↑	213,788	13%↑	76,529	07%↑
QTY -9MFY 21 (MT)	278,074		189,396		71,737	

	SMS	DRM	SRM
9M-FY 22	67%	67%	57%
9M-FY 21	62%	59%	53%

# FOREIGN EXCHANGE RATE



# KIBOR %



MP 7.25%

MP 8.75%

MP 9.75%

*Thank you*

