

Aisha Steel Mills Limited  
Corporate Briefing Session  
November 25, 2019



**Current Year So Far**

**Events**

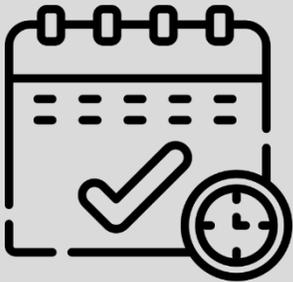
**Operational Data**

**Financials 2019**

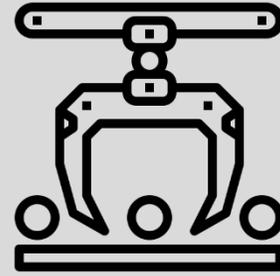
**Agenda**



- Key matters in the financial statements
- Analysis of significant items



- Major events during FY:2019

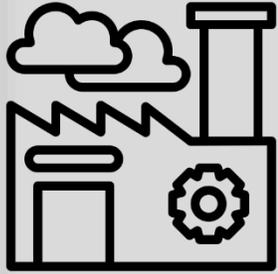


- Operational Performance of FY:2019
- Monthly operational data



- Operational performance of current year and outlook

# Balance Sheet



## Property, Plant & Equipment

2019: Rs. 20 bn | 2018: Rs. 13 bn

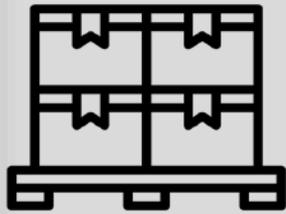
- Expansion Project capitalized amounting to Rs. 8.8 bn
- Depreciation 2019: Rs. 506 mn



## Deferred Tax Asset

2019: Rs. 1.35 bn | 2018: Rs. 0.9 bn

- Tax credit u/s 65B: Rs. 0.6 bn



## Stock-in-Trade

2019: Rs. 7 bn | 2018: Rs. 4.3 bn

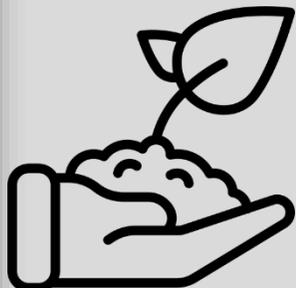
- Stock-in-transit: 2019: Rs. 1.4 bn | 2018: Rs. 0.7 bn
- Raw Material – HRC: 2019: 40,985 Tons (Rs. 81,704 / Ton) | 2018: 23,678 Tons (Rs. 74,773 / Ton)



## IT & ST Receivable

Income Tax Recv. 2019: Rs. 1.1 bn | 2018: Rs. 0.7 bn

Sales Tax Recv. 2019: Rs. 0.9 bn | 2018: Rs. 0.3 bn



## Shareholders' Equity

2019: Rs. 8.8 bn | 2018: Rs. 8.5 bn

- Capital Reduction Reserve Rs. 668 mn



## Loans

2019: Rs. 7.7 bn | 2018: Rs. 5.4 bn

- Loan for expansion project received Rs. 2.7 bn
- Loan repaid Rs. 500 mn

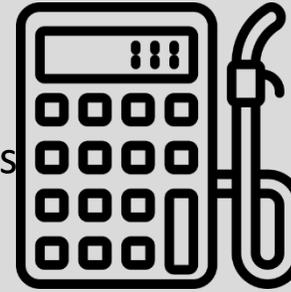
# Profit & Loss



## Revenue

2019:Rs. 20 bn | 2018: Rs. 19 bn

- CRC Sale in 2019: 205,456 tons | 2018: 217,043 tons
- GI Sale in 2019: 27,017 tons
- Avg. SP 2019: Rs. 98,467 / Ton | 2018: Rs. 87,096 / Ton



## Cost of Sales

2019:Rs. 18.6 bn | 2018:Rs. 15.6 bn

- HRC Consumed 2019: 202,167 tons | 2018: 217,370 tons
- Avg. HRC cost 2019: Rs. 81,261 / ton | 2018: Rs. 62,715 / ton



## Finance Cost

2019:Rs. 1.9 bn | 2018: Rs. 1.1 bn

- Short term 2019: Rs. 0.9 bn | 2018: Rs. 0.3 bn
- Exchange Loss 2019: Rs. 360 mn | 2018: Rs. 249 mn
- 3M KIBOR June 30, 2019: 12.97% | June 30, 2018: 6.92%



## Taxation

2019:Rs. (0.7) bn | 2018:Rs. 0.7 mn

- Current tax 2019: Rs. nil | 2018: Rs. 0.3 bn
- Deferred tax 2019: Rs. (0.4) bn | 2018: Rs. 0.3 bn
- Tax credit u/s 65B recorded Rs. 0.8 bn.

# Quarterly Performance

Current Year So Far

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## Quarter 1

Revenue: Rs. 3.1 bn  
Sold 30,764 tons  
GP: Rs. 497 mn  
| 16.13%  
NP: Rs. 121 mn

- Capacity Utilization 60% (33,148 tons)
- Govt. change
- Uncertain Economic Conditions

## Quarter 2

Revenue: Rs. 4.5 bn  
Sold 44,246 tons  
GP: Rs. 140 mn  
| 3.1%  
NL: Rs. (172) mn

- Capacity Utilization 99% (54,901 tons)
- Sharp PKR devaluation
- Rise in KIBOR rates to 10.55%

## Quarter 3

Revenue: Rs. 5.9 bn  
Sold 59,737 tons  
GP: Rs. 241 mn | 4%  
NL: Rs. 100 mn

- Capacity Utilization 103% (56,411 tons)
- Stable exchange rate and mark-up rate

## Quarter 4

Revenue: Rs. 6.7 bn  
Sold 70,709 tons  
GP: Rs. 798 mn  
| 11.9%  
NP: Rs. 405 mn

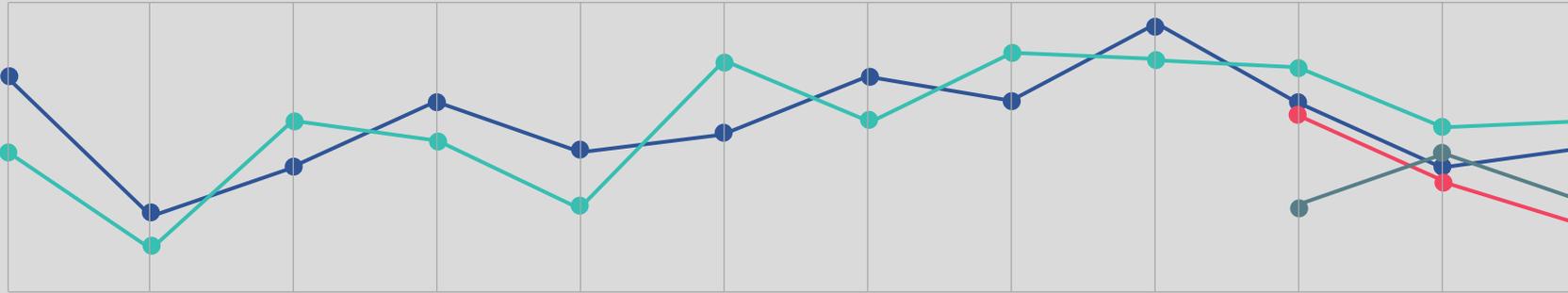
- COD of Expansion Project
- GI added to product line
- Capacity Utilization 105% (57,707 tons)

Financials 2019

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# Monthly Production & Sales (Tons)

Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19
18,032	5,097	10,019	16,044	12,397	12,894	18,099	17,519	22,918	29,706	20,777	19,013
11,742	4,753	14,269	13,835	9,214	21,198	17,423	22,281	20,032	23,704	24,750	22,280



Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19
18,032	5,097	10,019	16,044	12,397	12,894	18,099	17,519	22,918	14,762	10,641	12,273
11,742	4,753	14,269	13,835	9,214	21,198	17,423	22,281	20,032	15,889	13,836	13,992
									14,944	10,136	6,740
									7,815	10,914	8,288



CRC Production



CRC Sales



GI Production



GI Sales



Total Production



Total Sales

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# Quarterly Production & Sales (Tons)

## Quarter

1

CRC Produced:  
33,148 tons

CRC Sold:  
30,764 tons

Avg. SP of CRC:  
Rs. 100,466 / ton

## Quarter

2

CRC Produced:  
54,901 tons

CRC Sold:  
44,246 tons

Avg. SP of CRC:  
Rs. 101,922 / ton

## Quarter

3

CRC Produced:  
56,411 tons

CRC Sold:  
59,737 tons

Avg. SP of CRC:  
Rs. 99,461 / ton

## Quarter

4

**CRC**  
Produced: 24,487  
Sold: 43,962  
Avg. SP: Rs. 107,400

**GI**  
Produced: 33,223  
Sold: 27,017  
Avg. SP: Rs. 114,323

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# Operational Parameters

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Capacity Utilization	Dealers to End Users Ratio	Geographical Sale	Annealed to Full Hard	Avg. Thickness of CRC Sold	Avg. Thickness of GI Sold
2019: 92%	2019: 81:19	2019: South 61%   North 39%	2019: 80:20	2019: 1.3 mm	2019: 0.97 mm
2018: 99%	2018: 73:27	2018: South 51%   North 49%	2018: 85:15	2018: 1.2 mm	

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# Macroeconomic Factors

	KIBOR	USD	EURO	JPY	CNY	HRC
July 18	6.93%	121.54	141.66	1.09	18.28	\$575
August 18	7.92%	124.22	145.00	1.12	18.17	\$574
September 18	7.92%	124.25	144.19	1.09	18.05	\$560
October 18	8.88%	132.49	150.34	1.17	19.00	\$532
November 18	9.00%	139.06	158.17	1.23	20.02	\$478
December 18	10.55%	138.86	158.84	1.27	20.19	\$483
January 19	10.52%	138.23	158.85	1.27	20.60	\$497
February 19	10.73%	138.82	158.16	1.25	20.76	\$527
March 19	10.99%	140.78	158.04	1.27	20.97	\$530
April 19	11.10%	141.39	158.52	1.27	20.99	\$526
May 19	12.88%	147.93	164.91	1.36	21.43	\$501
June 19	12.97%	160.05	182.32	1.49	23.31	\$503

Increased by **87%**    **32%**    **29%**    **37%**    **28%**    **(13%)**

Current Year So Far

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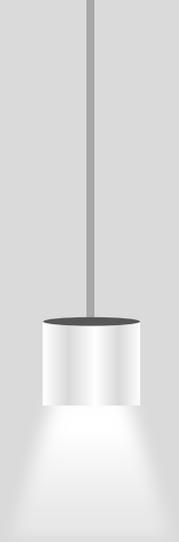
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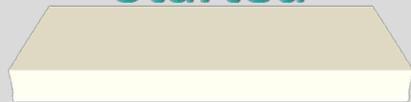
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# Steel Market Overview

- US-China trade war dominated the business scene keeping the international market under stress.
- The HRC prices gradually declined from US\$ 570 per ton to US\$ 480 FOB China from July to December 2018.
- In the January-June 2019 period, however, the prices recovered to US\$ 503.
- The above trend influenced local market sentiments and sales in the second half of the year were better compared to the first.
- Local market sentiments were affected by political environment and introduction of new regulations to document the economy.
- CRC imports 2019 : 296,000 tons | 2018 : 236,000 tons
- GI imports 2019 : 207,000 tons | 2018 : 288,000 tons

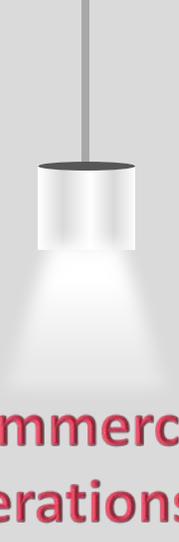


**Commercial  
Operations of GI  
Started**



**May 10, 2019**

Product Mix  
Diversified

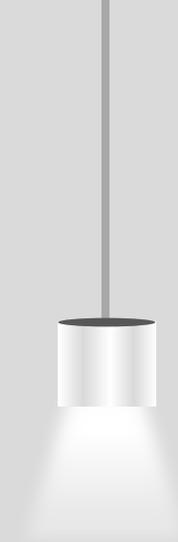


**Commercial  
Operations of  
New Rolling  
Mill Started**

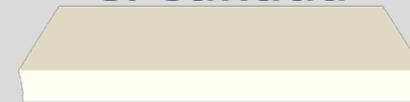


**June 26, 2019**

Rolling Capacity  
Enhanced to 700,000  
tons per annum



**Imposition of  
Preliminary  
ADD on Russia  
& Canada**



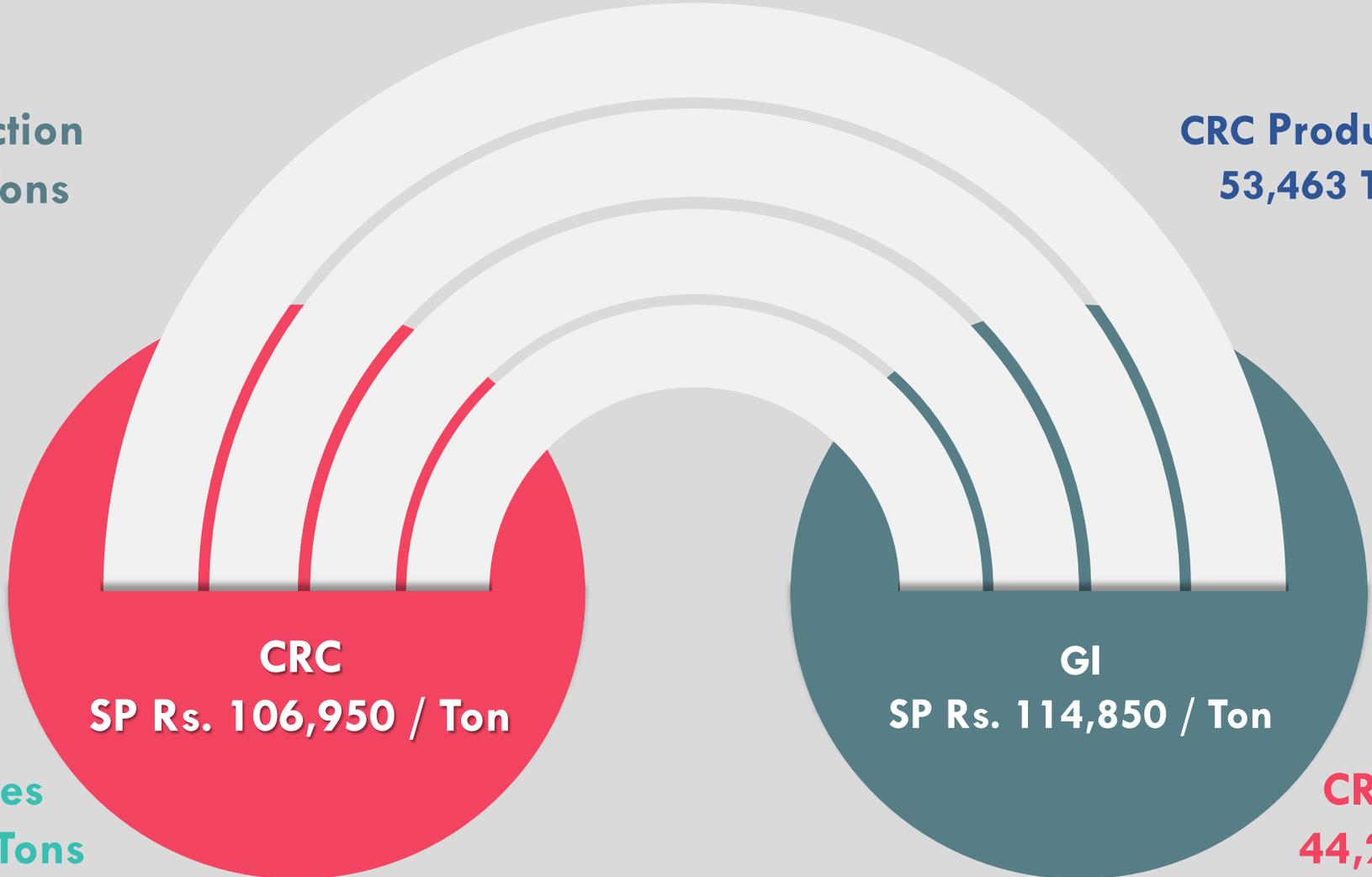
**September 20, 2019**

ADD @ 13.94 %  
imposed CRC & GI

# Production & Sale (July to Oct FY20)

GI Production  
45,170 Tons

CRC Production  
53,463 Tons



GI Sales  
35,941 Tons

CRC Sales  
44,261 Tons

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