

# Corporate Briefing Session

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***Wednesday, November 23<sup>th</sup>, 2022 | 4:00 PM***

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# PROFILE OF COMPANY

# COMPANY OVERVIEW

Aisha Steel Mills Limited (“ASML”) is a public limited company, incorporated in Pakistan. The shares of the Company are listed on Pakistan Stock Exchange. ASML is a part of Arif Habib group and is one of the largest private sector investments in the value added flat-rolled steel industry in Pakistan. The principal activity of the Company is manufacturing and selling cold rolled and hot dipped galvanized coils.

ASML is one of the major producers of Flat Steel Products i.e. Cold Rolled steel coils and Hot Dipped Galvanized steel coils in Pakistan. It is a state-of-the-art steel rolling complex with the name-plate capacity of 700,000 tons per annum.

# Vision & Mission

## *Vision*

To be a global leader in the flat steel industry, acknowledged by its customers for quality and service excellence.

## *Mission*

To provide an environment of motivated employees focused on continuous improvement in product and quality, highest business and work ethics, add value to our customers and ensure sustained return on investment to our shareholders.



# Our Products

## *Cold Rolled Coils*

- Annual Capacity: 450,000 Tons
- Size (mm): 0.15mm – 3mm
- Surface Finish: Matt / Bright

## *Hot Dipped Galvanized Coils*

- Annual Capacity: 250,000 Tons
- Size (mm): 0.15mm – 3mm
- Spangle: Zero / Regular
- Coating Thickness: Z06 – Z27



# Domestic Presence

Regional Office

**Rawalpindi**

**Lahore**

Regional Office

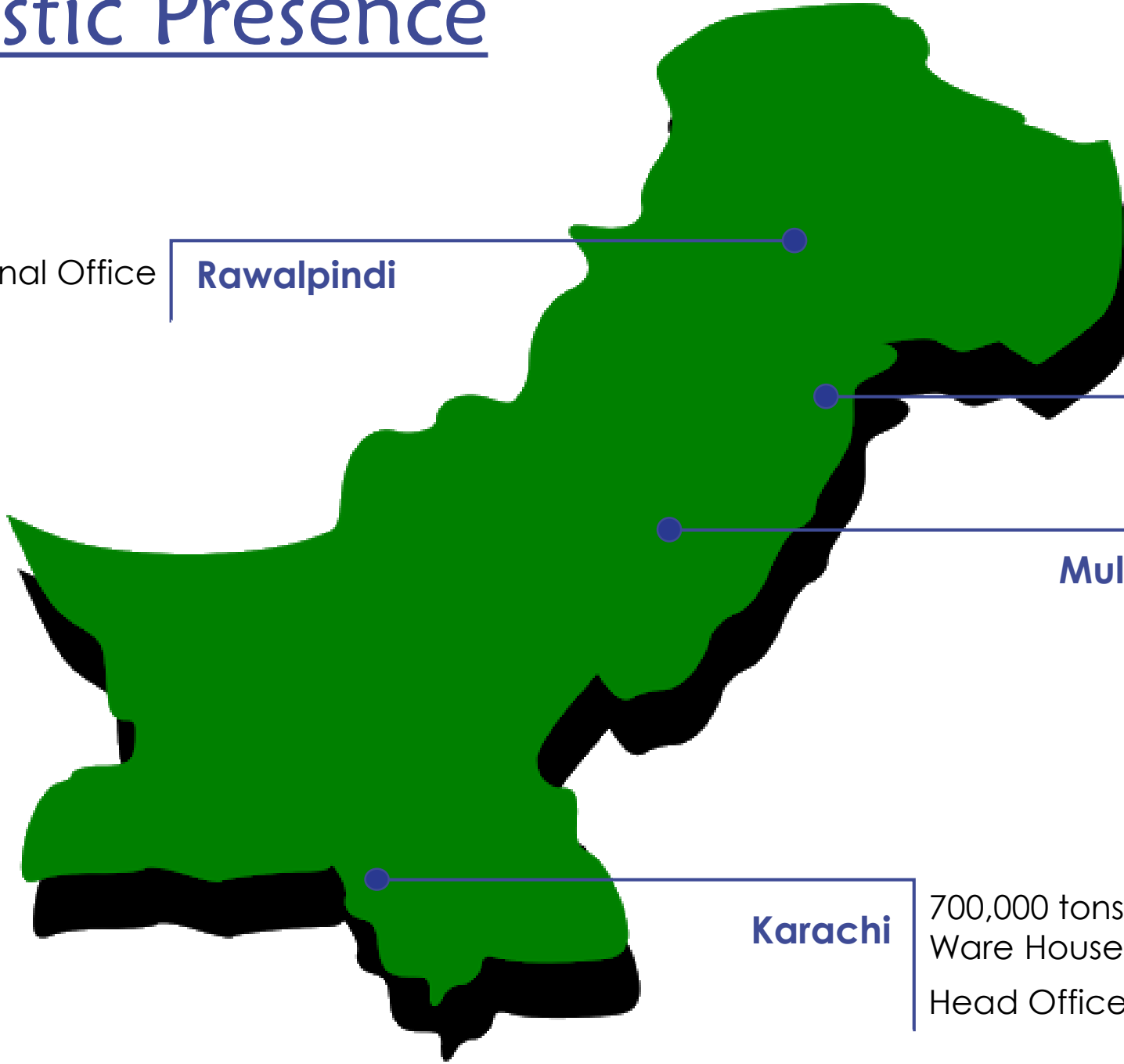
**Multan**

Regional Office

**Karachi**

700,000 tons Production Facility &  
Ware House

Head Office and Factory



# STRATEGIC / OPERATIONAL DEVELOPMENTS



# Steel Market Overview

From the beginning of financial year 2021-22, HRC price gradually declined from the peak of US\$ 1,050 per ton, FOB China, observed in May 2021 to US\$ 830 FOB China in December 2021. The declining trend reversed briefly in the period between Jan 2022 to March 2022 due to Russia and Ukraine war. However, the decline continued after March 2022 and prices since have come down to levels of US\$ 600 FOB China in September 2022.

# International Economic Scenario

The financial year 2022-23 commenced with several unprecedented events, both at the international as well as local level. The world economies started to slow down and adjusted to new realities. Industrial commodities in general, and steel in particular, lost shine and the prices declined substantially and continue to slide further. Several advance economies fear onset of recession.

# Local Market Overview

- On the local front, in addition to political instability, declining rupee, high interest rates etc., parts of the country were inundated following the monsoon rains, causing extensive damage to the infrastructure and agriculture. Sindh province in particular, was hit hard and cut off from northern parts of the country for several weeks. Businesses reeling under high inflation stressed further.

# Local Market Overview

- The automotive industry is currently facing head winds due to high car prices, financing cost, depreciating rupee and restriction on CKD imports. The exchange rate, however, is showing signs of stability and some import restrictions relaxed. The auto sector is expected to make modest recovery in the coming quarters. GI sales are showing some signs of improvement.

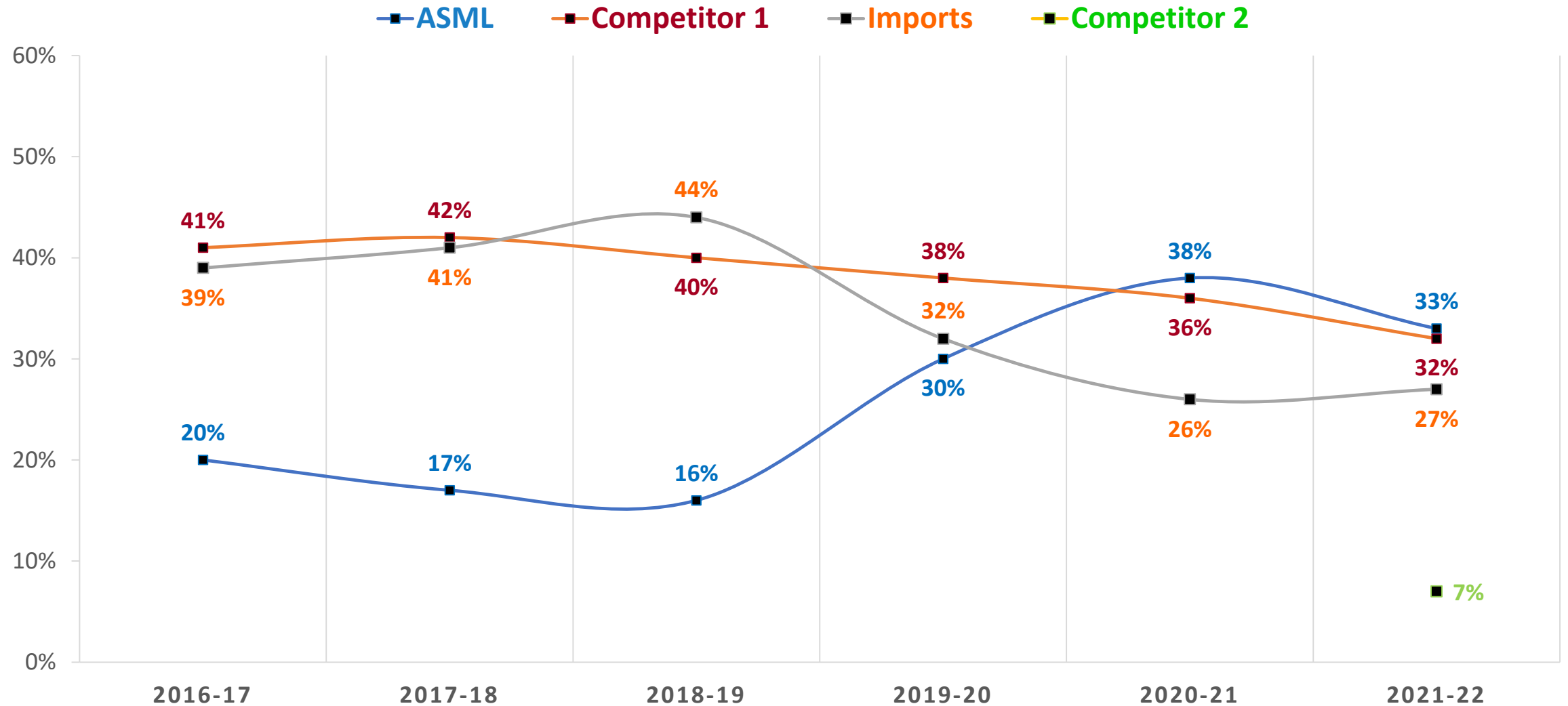
# Local Market Overview

- Imports of CRC and GI have increased slightly in FY22 to 27% from 26% in FY21.
- Sunset review which was filed last year for anti-dumping duty on imports from China and Ukraine, resulted in favorable decision.
- Furthermore, Anti-dumping proceedings against South Korea, European Union, Taiwan and Vietnam have resulted in favorable decision.

# Macroeconomic Factors

|          | Kibor 3 M | USD    | EURO   | JPY   | CNY    | HRC     |
|----------|-----------|--------|--------|-------|--------|---------|
| Jul-21   | 7.38      | 162.40 | 193.26 | 1.48  | 25.43  | \$950   |
| Aug-21   | 7.37      | 166.45 | 197.01 | 1.52  | 26.02  | \$950   |
| Sep-21   | 7.74      | 170.95 | 198.72 | 1.53  | 26.70  | \$950   |
| Oct-21   | 8.33      | 172.75 | 202.07 | 1.52  | 27.35  | \$950   |
| Nov-21   | 9.95      | 176.20 | 198.56 | 1.55  | 27.61  | \$880   |
| Dec-21   | 10.54     | 177.51 | 200.87 | 1.54  | 27.87  | \$830   |
| Jan-22   | 10.36     | 176.77 | 196.86 | 1.53  | 27.79  | \$830   |
| Feb-22   | 10.61     | 177.60 | 198.41 | 1.54  | 28.29  | \$880   |
| Mar-22   | 11.95     | 183.20 | 204.84 | 1.50  | 28.97  | \$980   |
| Apr-22   | 14.65     | 186.10 | 197.19 | 1.43  | 28.30  | \$980   |
| May-22   | 14.49     | 199.55 | 214.96 | 1.56  | 30.06  | \$850   |
| Jun-22   | 15.16     | 206.00 | 215.75 | 1.51  | 30.93  | \$740   |
| Jul-22   | 15.69     | 240.40 | 246.08 | 1.81  | 35.83  | \$650   |
| Aug-22   | 15.92     | 220.60 | 221.76 | 1.59  | 32.15  | \$640   |
| Sep-22   | 15.77     | 229.95 | 225.84 | 1.59  | 32.50  | \$600   |
| % Change | 113.69%   | 41.59% | 16.86% | 7.14% | 27.80% | -36.84% |

# Market Share





# DETAILS OF FINANCIAL INFORMATION

# Aisha Steel Highlights

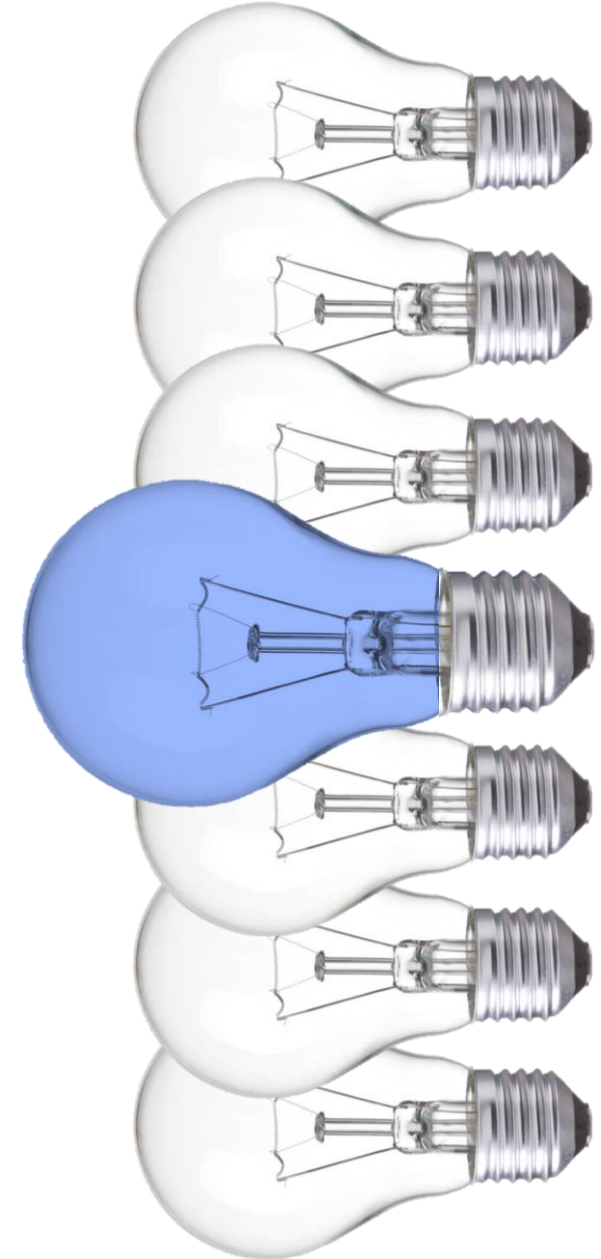
**2.1+** million tons production-to-date

**750+** Employees

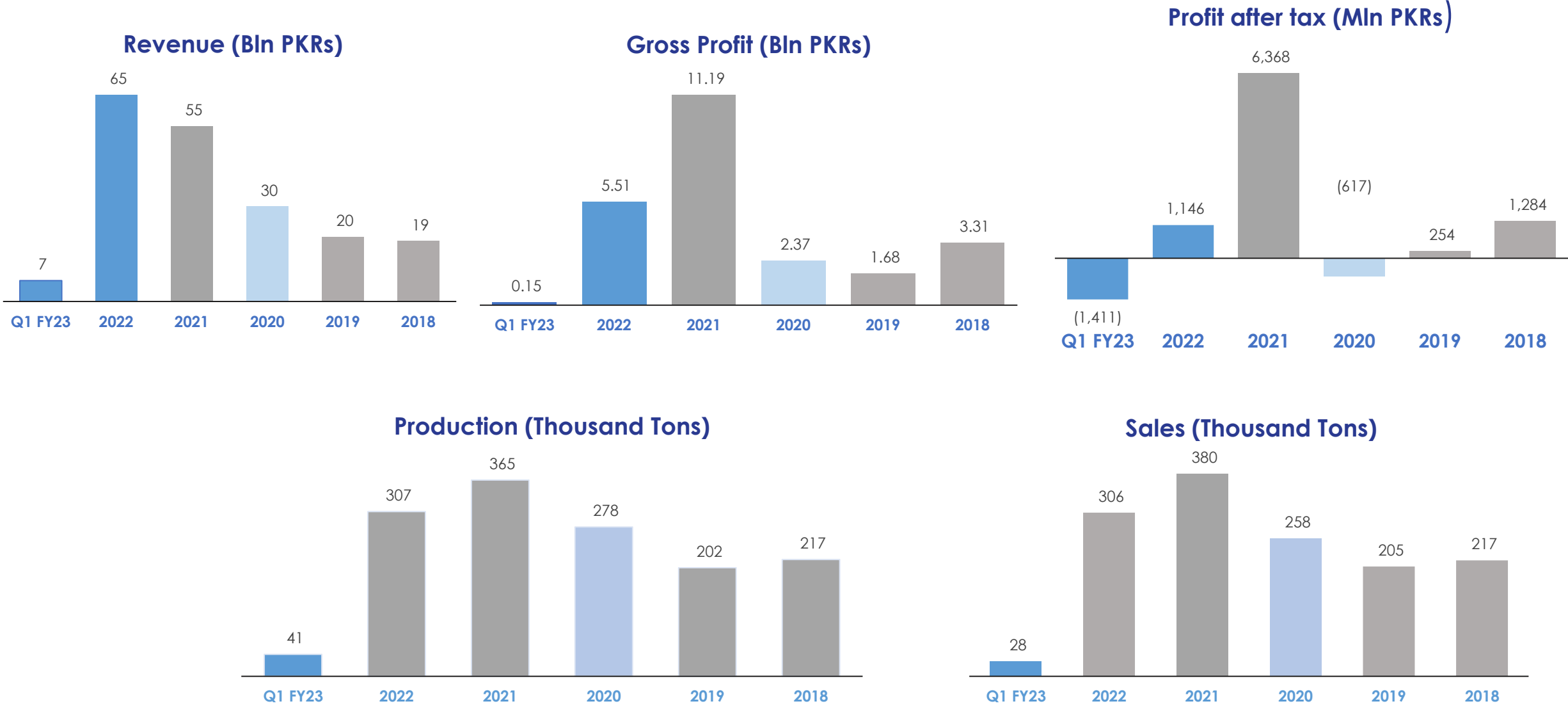
**242+** Billions (PKR) turnover generated

**700,000** Tons production capacity

**46+** Billions (PKR) contribution to National ex-chequer



# Aisha Steel's Trendline



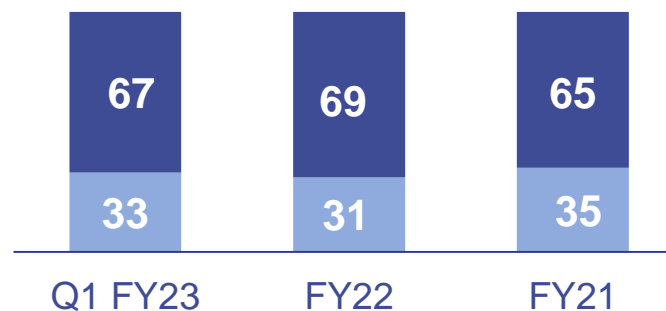
# Ratios

### Current Ratio (Times)

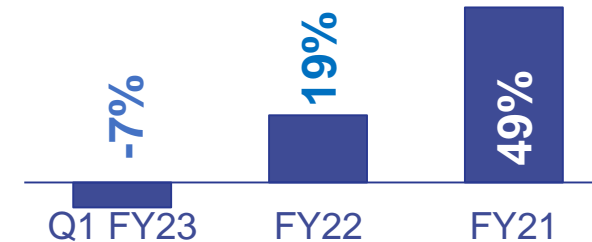


### Debt to Equity

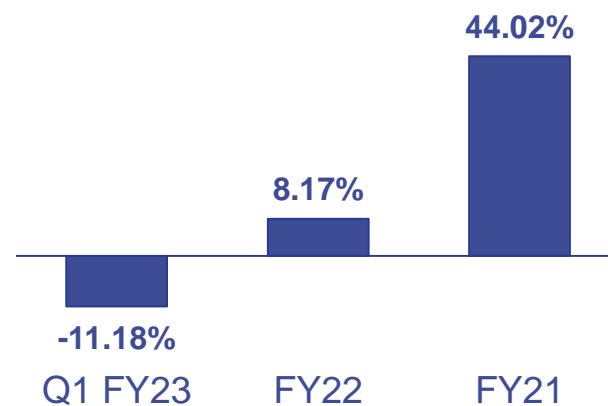
■ Equity ■ Debt



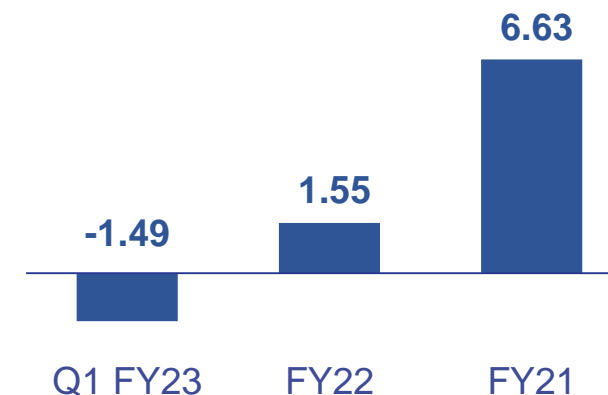
### Return on Capital Employed



### Return on Equity Ratio



### Interest Coverage Ratio (Times)



# Results (PKR in '000)

|  | Q1 FY 2023         | FY 2022          | FY 2021           |
|--|--------------------|------------------|-------------------|
| Sales                                  | 6,542,516          | 64,830,418       | 55,116,371        |
| Cost of sales                          | (6,389,897)        | (59,316,732)     | (43,931,004)      |
| <b>Gross profit</b>                    | <b>152,619</b>     | <b>5,513,686</b> | <b>11,185,367</b> |
|  |                    |                  |                   |
| Selling and distribution cost          | (24,041)           | (421,489)        | (239,061)         |
| Administrative expenses                | (93,387)           | (395,401)        | (356,703)         |
| <b>Operating profit</b>                | <b>35,191</b>      | <b>4,696,796</b> | <b>10,589,603</b> |
|  |                    |                  |                   |
| Other expenses                         | (1,254,697)        | (1,208,394)      | (977,020)         |
| Finance costs                          | (809,773)          | (2,298,850)      | (1,524,103)       |
| Other income                           | 13,007             | 85,584           | 499,368           |
| <b>(Loss) / Profit before taxation</b> | <b>(2,016,272)</b> | <b>1,275,136</b> | <b>8,587,848</b>  |
| Income tax credit / (expense)          | 604,934            | (129,023)        | (2,219,500)       |
|  |                    |                  |                   |
| <b>(Loss) / Profit after taxation</b>  | <b>(1,411,338)</b> | <b>1,146,113</b> | <b>6,368,348</b>  |

# Dividend

- Final cash dividend on ordinary shares (ASL) of **Rs. Nil** per share (2021: Rs. 2 per share) for the year ended June 30, 2022.
- Dividend on cumulative preference shares (ASLPS and ASLCPS) for the year ended June 30, 2022 amounting to **Rs. 52.2** million and **Rs. 0.2** million respectively.
- Paid up capital of the company (ASL) as at June 30, 2022 for 924.8 million shares amounted to **Rs. 9,248 million**.

# QUESTION & ANSWER SESSION



# Thank You

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Corporate Briefing Session