



Corporate Briefing Presentation

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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 with the largest share of the local market while fostering the culture of responsible production and consumption to be eventually acknowledged by its customers for quality and service excellence.

Mission

To supply the highest quality products to our clients utilizing sustainable and environmentally responsible procedures. We believe in the power of human capital in accomplishing our goal of responsible production with sustained return to our shareholders and strive to be the supplier and employer of choice in the flat steel industry.

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

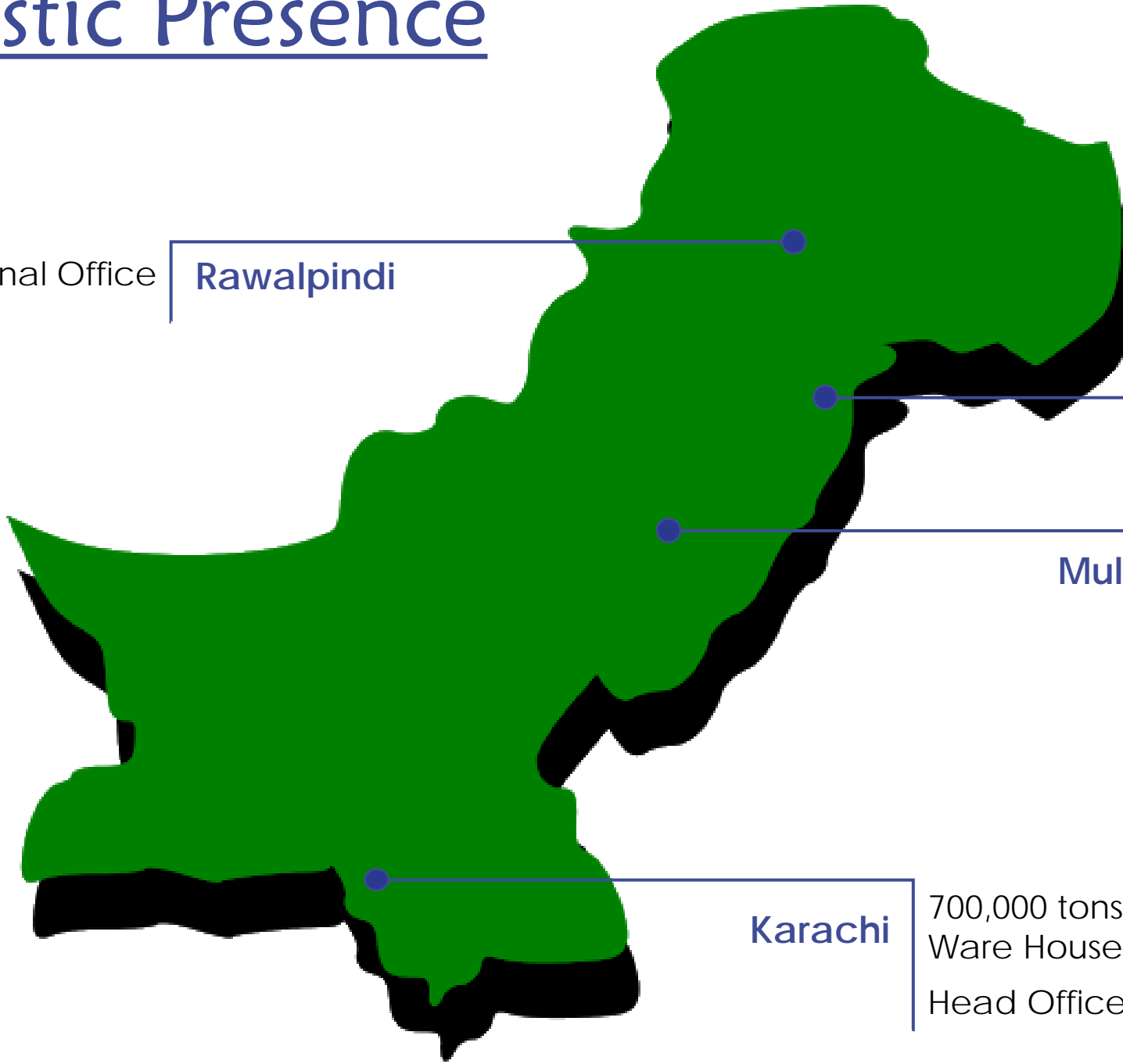
Multan

Regional Office

Karachi

700,000 tons Production Facility &
Ware House

Head Office and Factory



STRATEGIC / OPERATIONAL
DEVELOPMENTS

International Market Overview

- The HRC prices gradually declined from US\$ 1,000, FOB China present in April 2022 to US\$ 550 in October 2022. The prices gradually increased from November 2022 to March 2023 reaching US\$ 725 on the back of post COVID demand push. However, the declining trend resumed after March reaching US\$ 600 by June 2023.
- The international steel market remained more or less stable during the first quarter of the financial year 2023-24. The HRC price remained around US\$ 600, C&F Pakistan. The market is expected to remain at these levels as demand remains sluggish in China and America as well as in Europe.

Local Market Overview

- During the year 2022-23, the country, faced multiple challenges on both political and economic fronts. Political instability perpetuated, leading to severe economic crises. The rupee depreciated by over 25% and interest rate rose above 20%. The acute balance of payment crises made default risk eminent. The situation, unfortunately, deteriorated further when large areas of the country flooded following monsoon rains, causing extensive damage to the infrastructure and agriculture.

Local Market Overview

- In order to manage the precarious situation, abrupt policy changes were enforced by the government. Amongst the measures taken, included mandatory requirement of depositing 100% cash margin for opening letter of credit. It remained in force from April 2022 to March 2023, causing serious disruption in material flow, leading to slow down and in some cases stoppage of operations. The import restrictions and payment issues impacted the entire value chain across the sectors. The auto sector in particular was hit hard resulting in slow offtake of CRC and GI coils by all the major OEM's.

Local Market Overview

- The expensive HRC consignments, booked by ASML in May/June 2022, arrived at Karachi Port in July/August 2022. However, these consignments could not be released due to non-payment on account of foreign exchange restrictions imposed by the central bank. This resulted in production loss, accumulation of financial charges, exchange loss, demurrage etc. The sharp devaluation of rupee against foreign currencies increased local taxes when the consignments were ultimately released. Delay in payment shattered confidence of major suppliers who restrained from offering fresh cargoes, making procurement difficult.

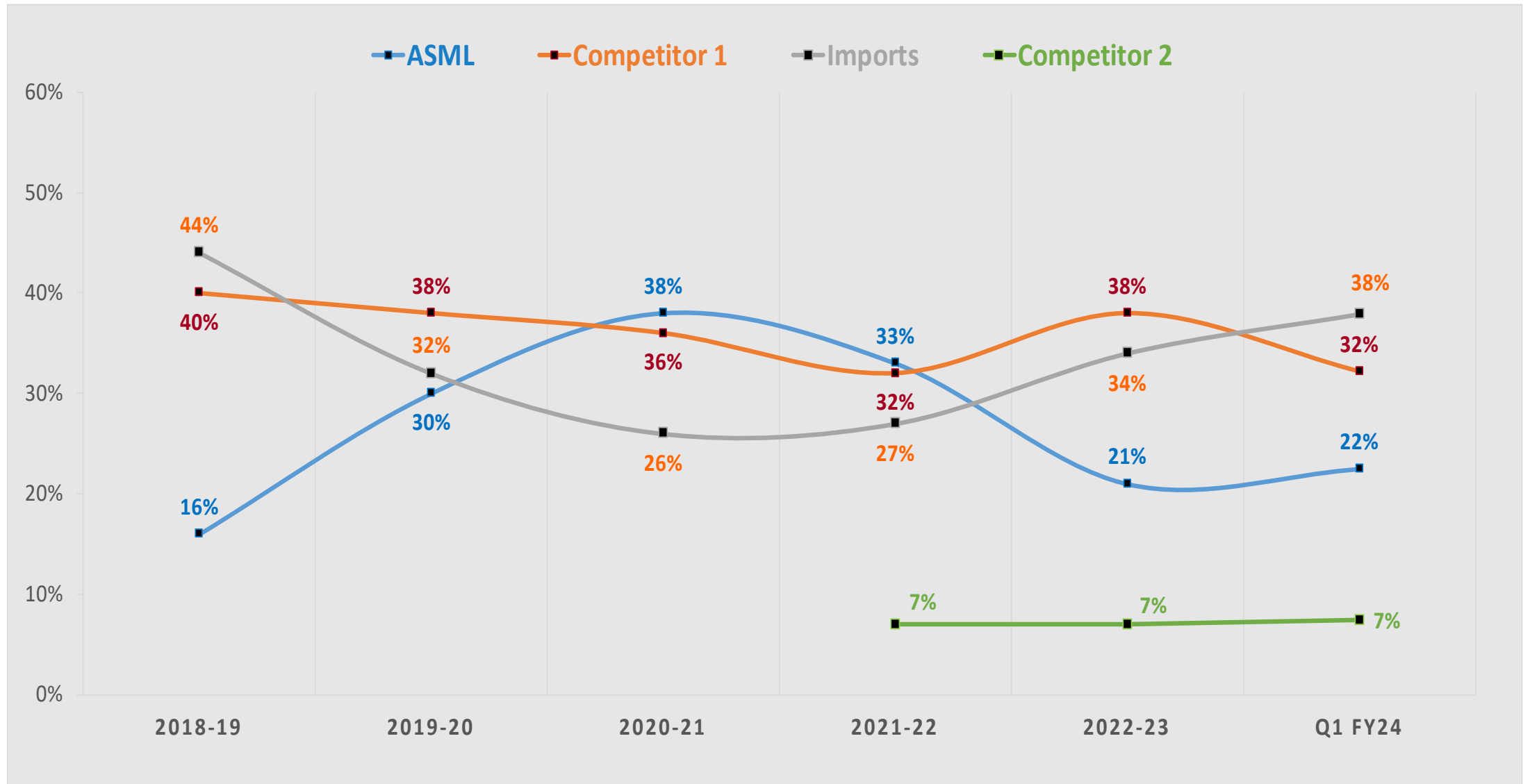
Local Market Overview

- The tough economic situation continued to bite in the first quarter of the current financial year. However, the situation is showing some signs of improvement. Recently few key administrative and financial measures were introduced to control rupee devaluation. The rupee started to recover against US\$ from its weakest point of PKR 308 to a dollar, (September 5, 2023) to PKR 287 as on 30 September 2023. The stable and fairly valued rupee shall be helpful in putting the economy back on track.

Macroeconomic Factors

	Kibor 3 M	USD	EURO	JPY	CNY	HRC
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
Oct-22	15.76	222.90	222.54	1.51	30.78	\$560
Nov-22	16.92	224.40	232.70	1.62	31.58	\$580
Dec-22	17.00	226.90	242.33	1.71	32.70	\$650
Jan-23	17.87	270.10	293.53	2.07	40.17	\$680
Feb-23	19.85	260.30	276.19	1.91	37.62	\$662
Mar-23	21.98	284.10	310.38	2.14	41.61	\$660
Apr-23	22.05	284.35	313.96	2.13	41.28	\$670
May-23	22.19	285.80	306.38	2.04	40.37	\$625
Jun-23	22.91	287.10	314.27	2.00	39.98	\$600
Jul-23	23.14	286.90	316.49	2.02	40.33	\$600
Aug-23	23.17	304.90	333.64	2.09	42.00	\$600
Sep-23	22.66	289.10	304.21	1.93	39.74	\$600
% Change	44.42%	20.26%	23.62%	6.63%	10.91%	-7.69%

Market Share



DETAILS OF FINANCIAL INFORMATION

Aisha Steel Highlights

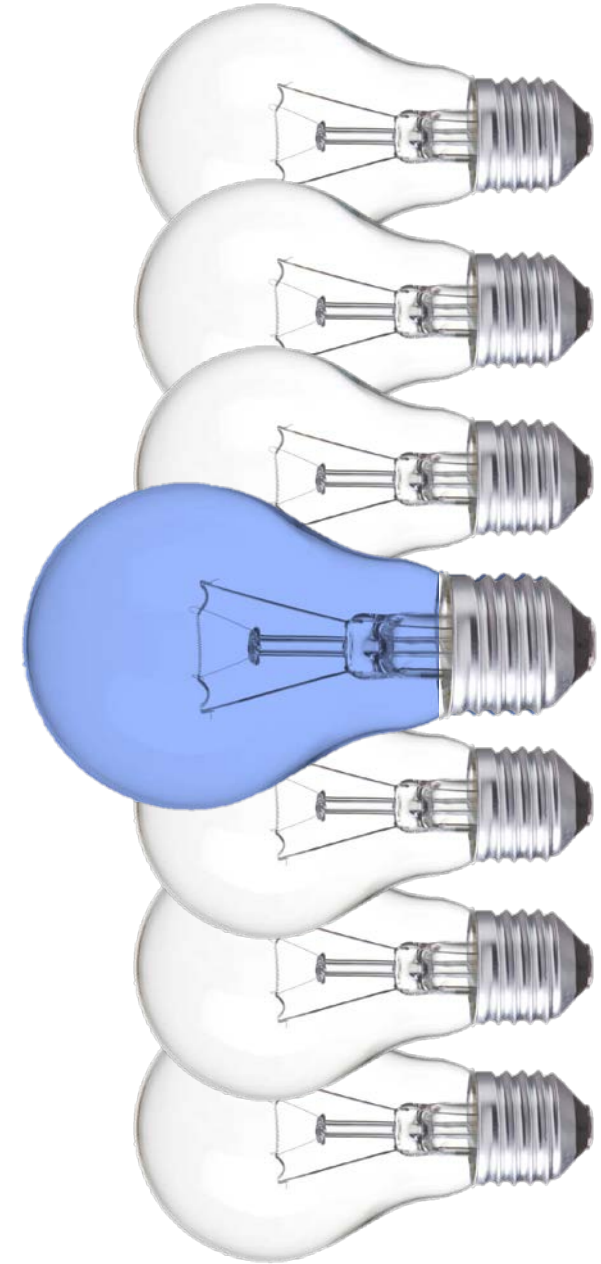
2.26+ million tons production-to-date

674+ Employees

277+ Billions (PKR) turnover generated

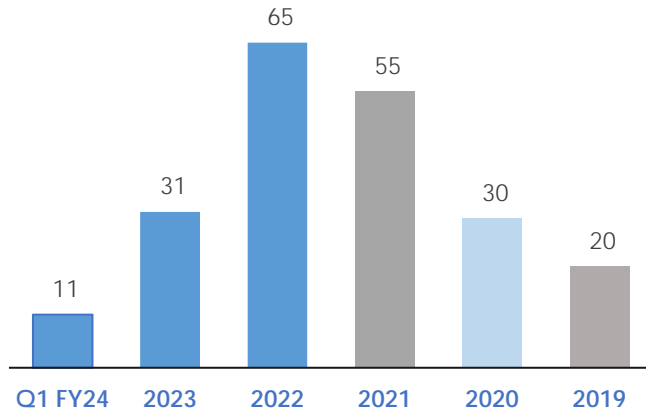
700,000 Tons production capacity

56+ Billions (PKR) contribution to National ex-chequer

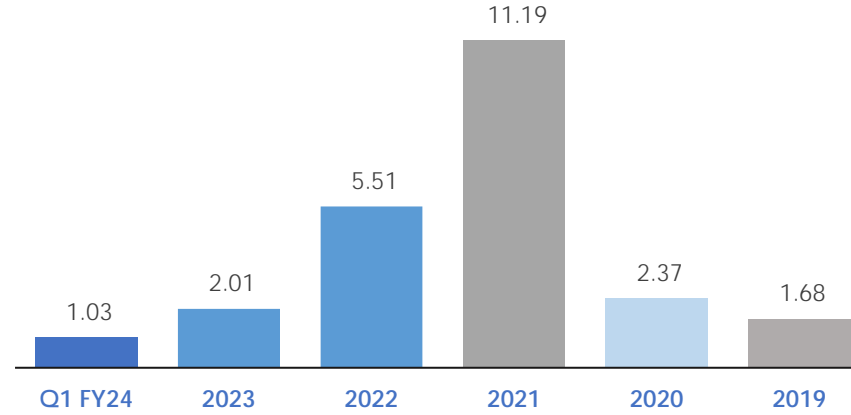


Aisha Steel's Trendline

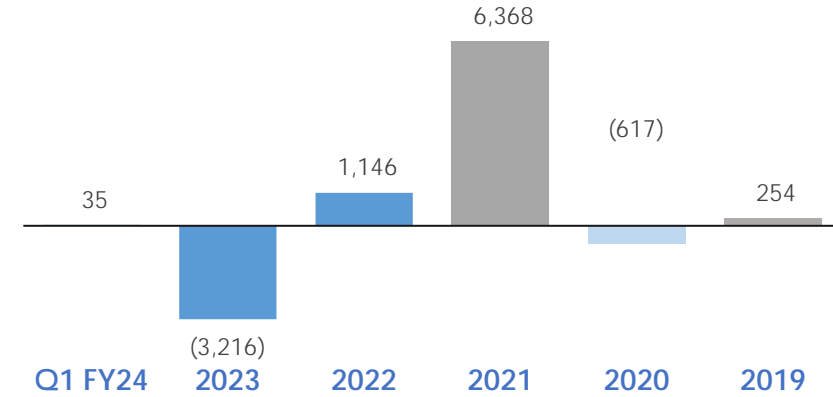
Revenue (Bln PKRs)



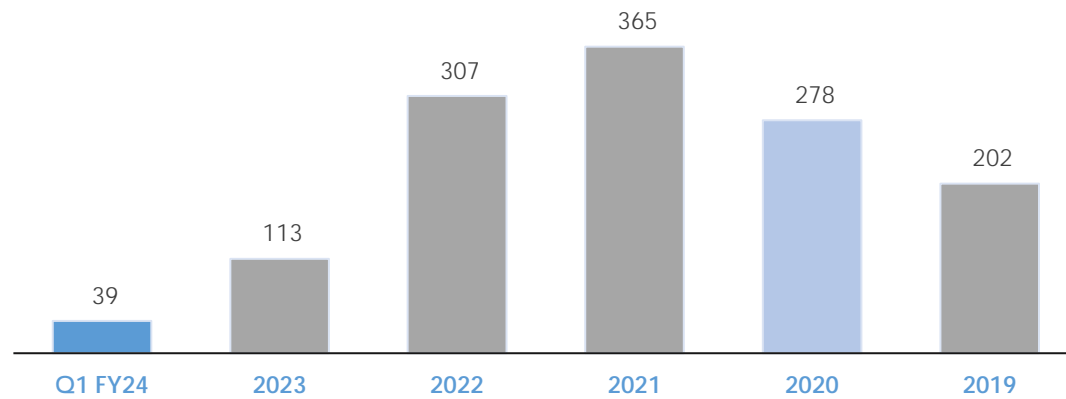
Gross Profit (Bln PKRs)



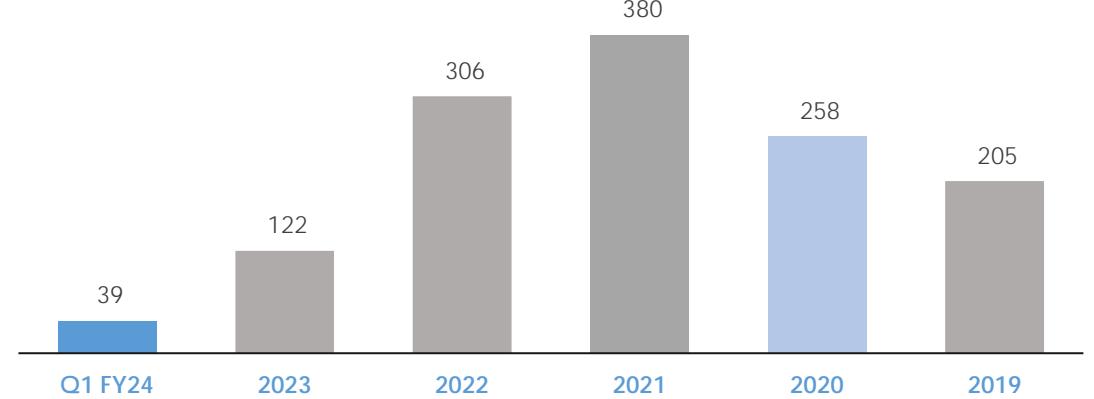
Profit after tax (Mln PKRs)



Production (Thousand Tons)

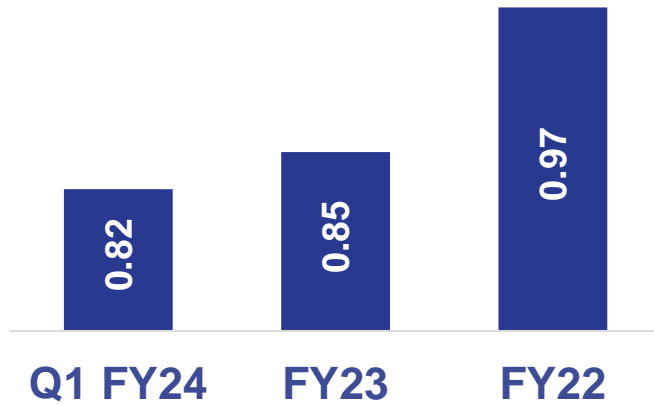


Sales (Thousand Tons)

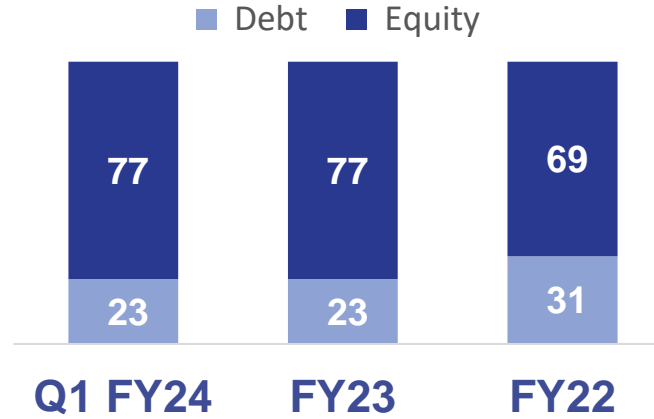


Ratios

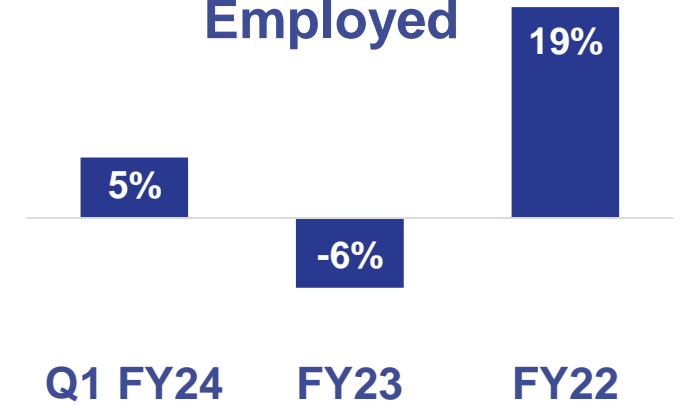
Current Ratio (Times)



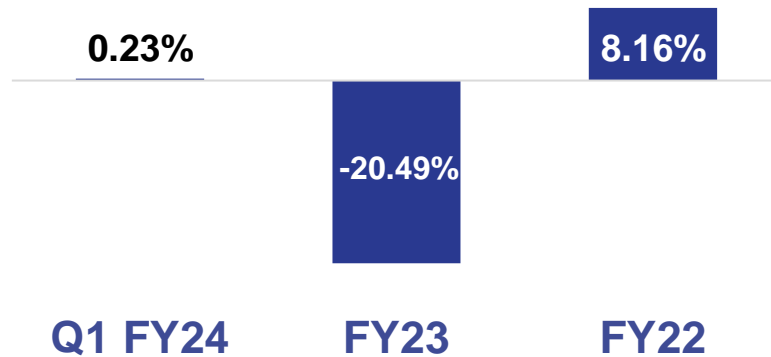
Debt to Equity



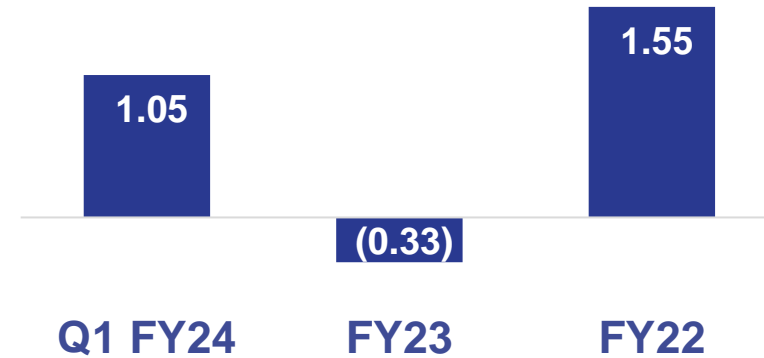
Return on Capital Employed



Return on Equity Ratio



Interest Coverage Ratio (Times)



Results (PKR in '000)

	Q1 FY 2024	FY 2023	FY 2022
Sales	10,599,480	31,102,382	64,830,418
Cost of sales	(9,565,914)	(29,088,829)	(59,316,732)
Gross profit	1,033,566	2,013,553	5,513,686
Selling and distribution cost	(66,377)	(141,786)	(421,489)
Administrative expenses	(100,970)	(413,221)	(395,401)
Operating profit	866,219	1,458,546	4,696,796
Other income / (expenses)	135,970	(2,801,462)	(1,208,394)
Finance costs	(971,612)	(3,637,516)	(2,298,850)
Other income	19,059	139,128	85,584
(Loss) / Profit before taxation	49,636	(4,841,304)	1,275,136
Income tax (expense) / credit	(14,395)	1,625,651	(129,023)
Profit / (Loss) after taxation	35,241	(3,215,653)	1,146,113

QUESTION & ANSWER SESSION



Thank You

Corporate Briefing Session