



# Service Global Footwear Limited

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SGFL/PSX/CS/46  
May 21, 2024

**BY PUCARS & T.C.S**

**The General Manager,**  
Pakistan Stock Exchange Limited,  
Stock Exchange Building,  
Stock Exchange Road,  
**Karachi.**

**SUBJECT: CORPORATE BRIEFING SESSION OF SERVICE GLOBAL FOOTWEAR LIMITED**

Dear Sir,

This is to inform you that Corporate Briefing Session ("CBS") of Service Global Footwear Limited in respect of Annual Audited Accounts for the year ended December 31, 2023 will be held as per below schedule:

Date: May 24, 2024 (Friday)  
Time: 03:30 p.m.  
Venue: Shalimar Tower Hotel, Adjacent Servis House, 2 - Main Gulberg, Lahore.

Video link facility will also be available for the analysts and shareholders who wish to attend the CBS electronically. The interested participants are required to email their following credentials at [shareholders@servis.com](mailto:shareholders@servis.com) by or before 5:00 p.m. on May 23, 2024. The video link and login credentials will be shared with the registered participants.


Name	Institution represents or Shareholder	Subject matter	Contact Number
		Registration for Corporate Briefing Session - SGF	

You may please inform the TRE Certificate Holders of the Exchange and all concerned accordingly.

Thanking You.

Yours truly,

For **SERVICE GLOBAL FOOTWEAR LIMITED**

  
**Waheed Ashraf**

Company Secretary





# SERVICE GLOBAL FOOTWEAR LIMITED

CORPORATE BRIEFING SESSION

FOR THE YEAR ENDED  
DECEMBER 31, 2023

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# COMPANY PROFILE

- SERVICE GLOBAL FOOTWEAR LIMITED (SGFL) is a subsidiary of SERVICE INDUSTRIES LIMITED – SERVIS GROUP.
- SGFL has incorporated a wholly owned subsidiary by the name of DONGGUAN SERVICE GLOBAL LIMITED (DSGL) to undertake procurement, marketing and product development activities.
- SGFL was operating as an integrated unit of Service Industries Limited (“SIL”) since 1988 which was demerged in 2019 into a separate entity.
- Export oriented unit.
- Largest footwear exporter of Pakistan accounting over 40% of the total leather footwear exports. SGFL exports almost 98% of its total sales to 20+ countries over 5 continents.
- First solar powered shoe manufacturer in Asia with a total solar electricity generation capacity of 2 MW.
- Listed on Pakistan Stock Exchange in 2021.
- Total market capitalization as on May 20, 2024 is around PKR 15 billion.



Manufacturing & Selling  
of Footwear



Largest footwear  
exporter of Pakistan



Export to more than 20+  
countries over the  
5 continents

# COMPANY PROFILE (CONT.)

## DETAILS OF SUBSIDIARY – DONGGUAN SERVICE GLOBAL LIMITED (DSGL)

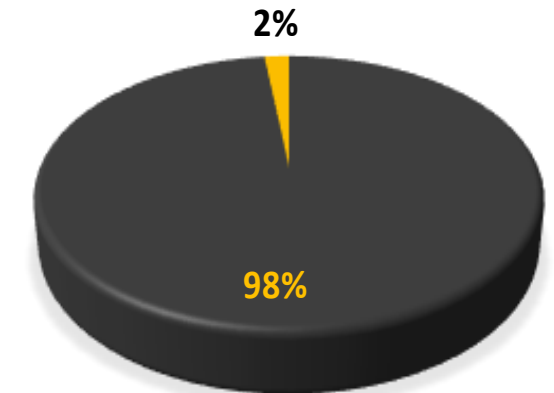
DSGL has become an important hub for SGFL to perform following function for SGFL :

- All order booking and product development discussion happens in this office with regard to majority of US customers.
- All procurement of SGFL from China is routed now through this office.
- New technology transfer from China to Pakistan is carried out through this office.
- To develop new customers, there is a strong sales wing sitting in this office to visit new customers time to time.
- This office serves as SGFL international face for all clients who visit China or they have offices in China.

# COMPANY PROFILE (CONT.)

- Total revenue of around PKR 15.06 Billion (US\$ 55M) comes from the following streams:
  - Exports - 98% of total sales
  - Local - 2% of total sales
  - ◆ Export sales amounted to PKR 14.78 Billion (US\$ 54M) in the year 2023.
  - ◆ Domestic Footwear sales amounted to PKR 282 Million (US\$ 1M) in the year 2023.
- Total production during the year 2023 is 3.5 million pairs.

■ Export Sales   ■ Local Sales

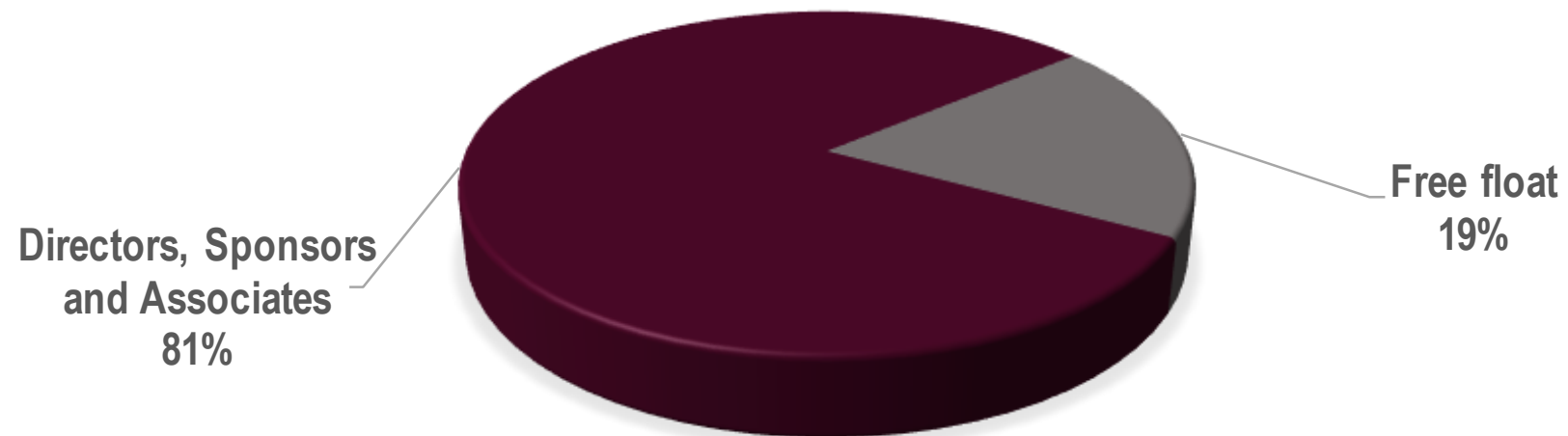


Exported – 3.3 Million Pairs

Domestic – 0.24 Million Pairs

# COMPANY PROFILE (CONT.)

- Free float shares are 39,185,480 out of total paid up share capital of 205,917,500 which make up 19%.



# COMPANY PROFILE (CONT.)

SGFL has been formed with the vision to become a socially conscious business following its Parent Group's tradition of corporate giving.

The newly established SGFL envisions to take forward the Group's CSR activities within its current factory catchment i.e., Muridke, Sheikhupura.

- Environment
- Industrial Relations
- Equal opportunity employment
- Consumer protection measures
- Contribution to national exchequer

Company contributed PKR 267 million to the Government's nation building efforts in FY 2023.



# CORPORATE SOCIAL RESPONSIBILITY

## ENVIRONMENT

SGFL houses Asia's first solar powered footwear manufacturing facility. It is spread over four acres of land, consisting of 3,125 solar panels with an annual power generation of 2 MW, becoming the first solar powered footwear factory in Asia. The initiative is equivalent to planting 100 trees daily, reducing carbon dioxide emissions by 730 tons annually.



## INDUSTRIAL RELATIONS

SGFL is Business Social Compliance Initiative (BSCI) certified, promoting workplace conditions in accordance with human rights, ILO conventions and national labor law. Additionally, SGFL is a member of SEDEX, ensuring our dedication to driving improvements in responsible and ethical business practices in the global supply chain, providing our family the best working conditions for increased productivity

## INCLUSION AND DIVERSITY

SGFL is proud to be an equal opportunity employer and encourages the participation of females and persons with special needs in the workforce. SGFL has taken steps to create a work environment conducive to females by dedicating separate production lines employing ~135 females.



## SOCIAL

SGFL is endeavoring to ensuring a Quality Management System focused on consistently providing products that meet the requirements of customers and applicable statutory and regulatory rules. We are certified by various government bodies like SEDEX (Supplier Ethical Data Exchange), BSCI (Business Social Compliance Initiative), SLCP (Social & Labor Convergence Program), HIGG FSLM (Facility Social & Labor module).

Apart from these, we are certified by stringent COC (Code of Conduct) of various international brands. We always welcome all kinds of audits related to social compliance and keeps open door policy for suggestions on areas of improvement whereby we can safeguard interests and safety of our workforce.

# FINANCIAL HIGHLIGHTS

		2023	2022	2021	2020	2019 *
EXPORT SALES	Rs. (millions)	14,780	11,496	6,521	6,597	3,531
LOCAL SALES	Rs. (millions)	282	257	519	298	120
REVENUE	Rs. (millions)	15,062	11,753	7,040	6,895	3,651
GROSS PROFIT	Rs. (millions)	3,301	2,186	1,238	1,369	816
NET PROFIT	Rs. (millions)	1,182	342	403	709	493
GROSS PROFIT RATIO	%	22%	19%	18%	20%	22%
NET PROFIT RATIO	%	8%	3%	6%	10%	14%
CASH DIVIDEND	Rs. Per Share	5**	3.5	2	-	-
PAID UP SHARE CAPITAL	No.	205,917,500	205,087,500	204,437,500	163,550,000	5,050,000
EARNING PER SHARE	Rs.	5.75	1.67	2.10	8.25	46.75
INTEREST COVER	Times	2.58	2.47	4.11	6.54	9.48
CURRENT RATIO		1.04	1.01	1.16	1.45	1.41
GEARING RATIO	%	05 : 95	06 : 94	04 : 96	09 : 91	11 : 89
SHAREHOLDER'S EQUITY	Rs. (millions)	6,501	6,165	6,729	4,231	2,512
RETURN ON EQUITY	%	18%	6%	6%	17%	20%
MARKET PRICE	Rs.	60.32	33.14	46.36	-	-
TOTAL ASSETS	Rs. (millions)	18,955	14,365	12,562	10,522	7,402

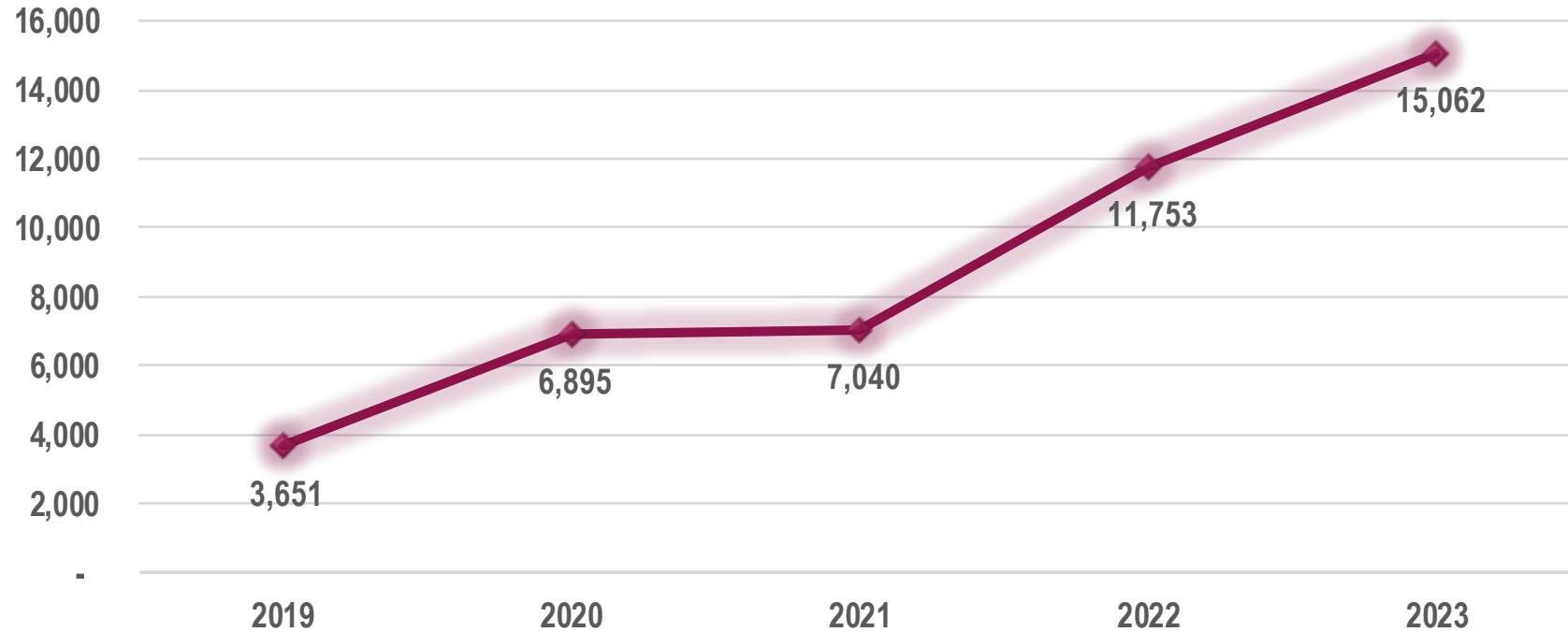
\* SGFL was incorporated on July 19, 2019 and figures of FY 2019 represents six months results.

\*\* Interim cash dividend of Rs. 3 per shares has been approved in the December 2023 and Final cash dividend of Rs.2 per share was approved in the AGM meeting held on April 26, 2024.

# FINANCIAL HIGHLIGHTS

## REVENUE TREND

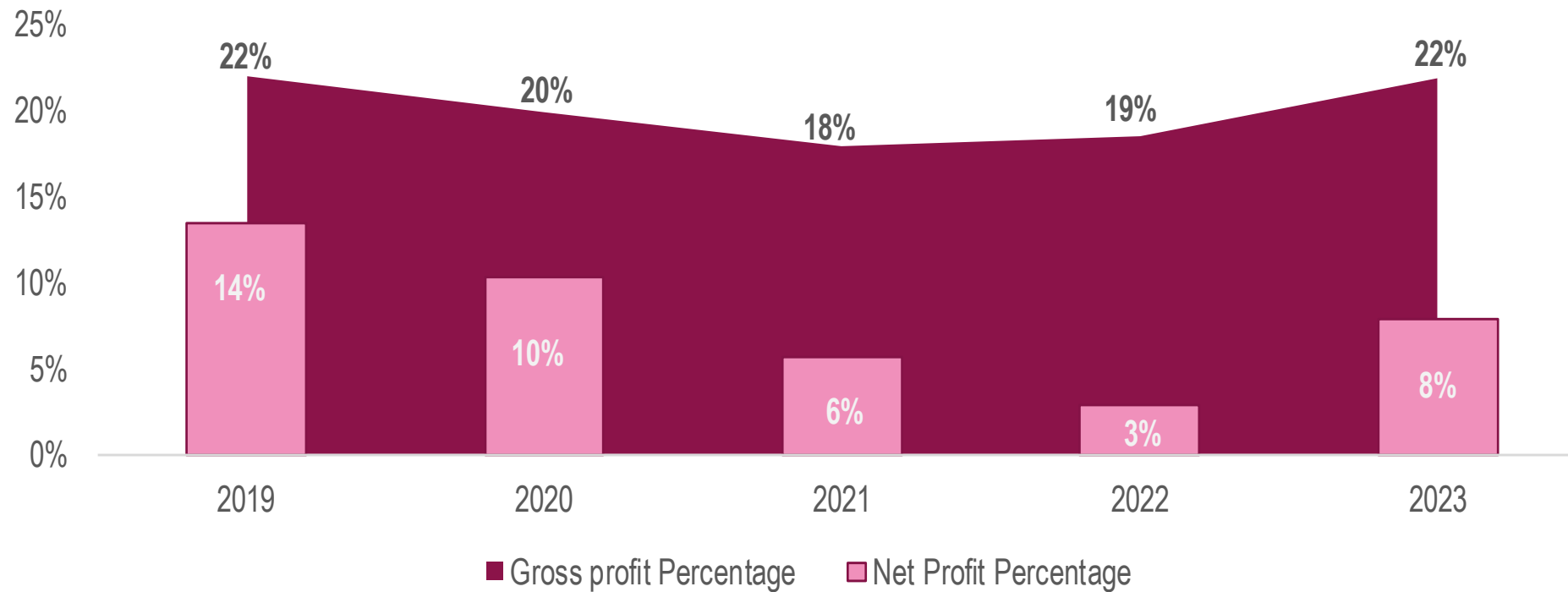
Rs. In Million



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# FINANCIAL HIGHLIGHTS

## GROSS PROFIT AND PROFIT AFTER TAX TO REVENUE RATIO



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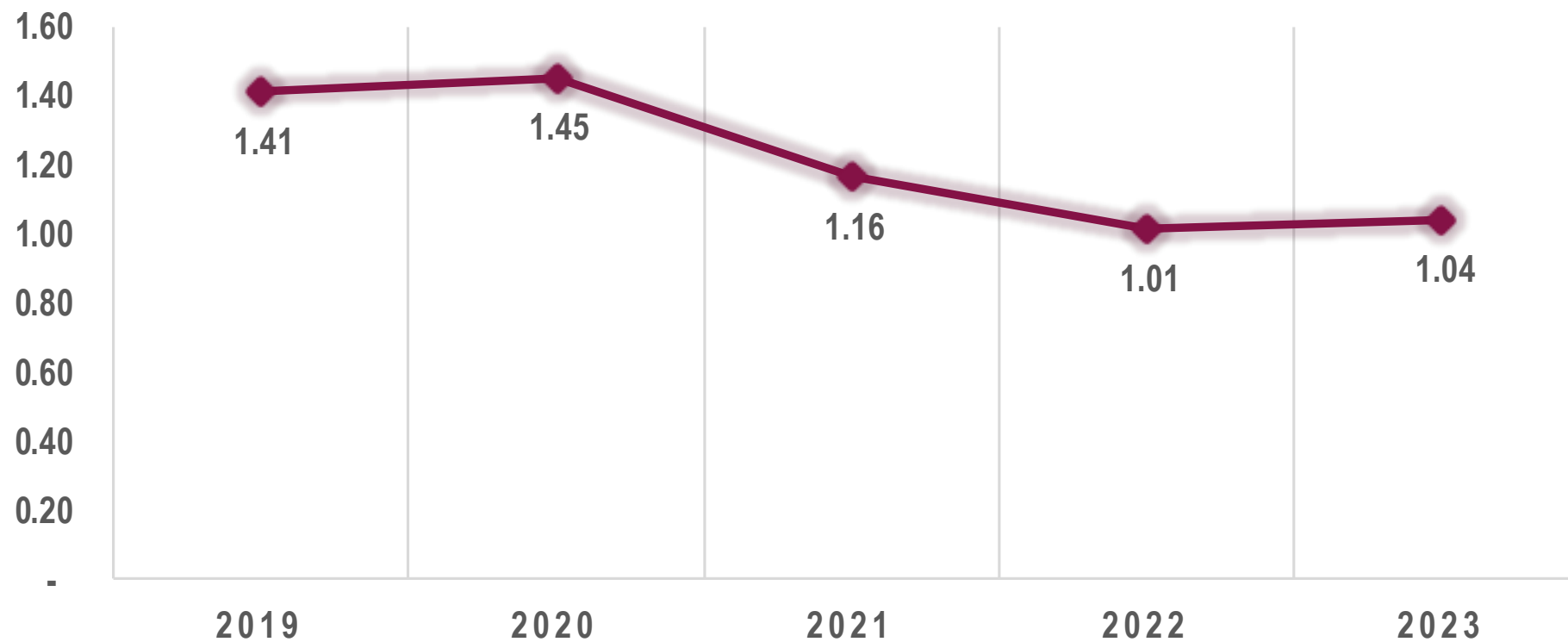
# FINANCIAL HIGHLIGHTS



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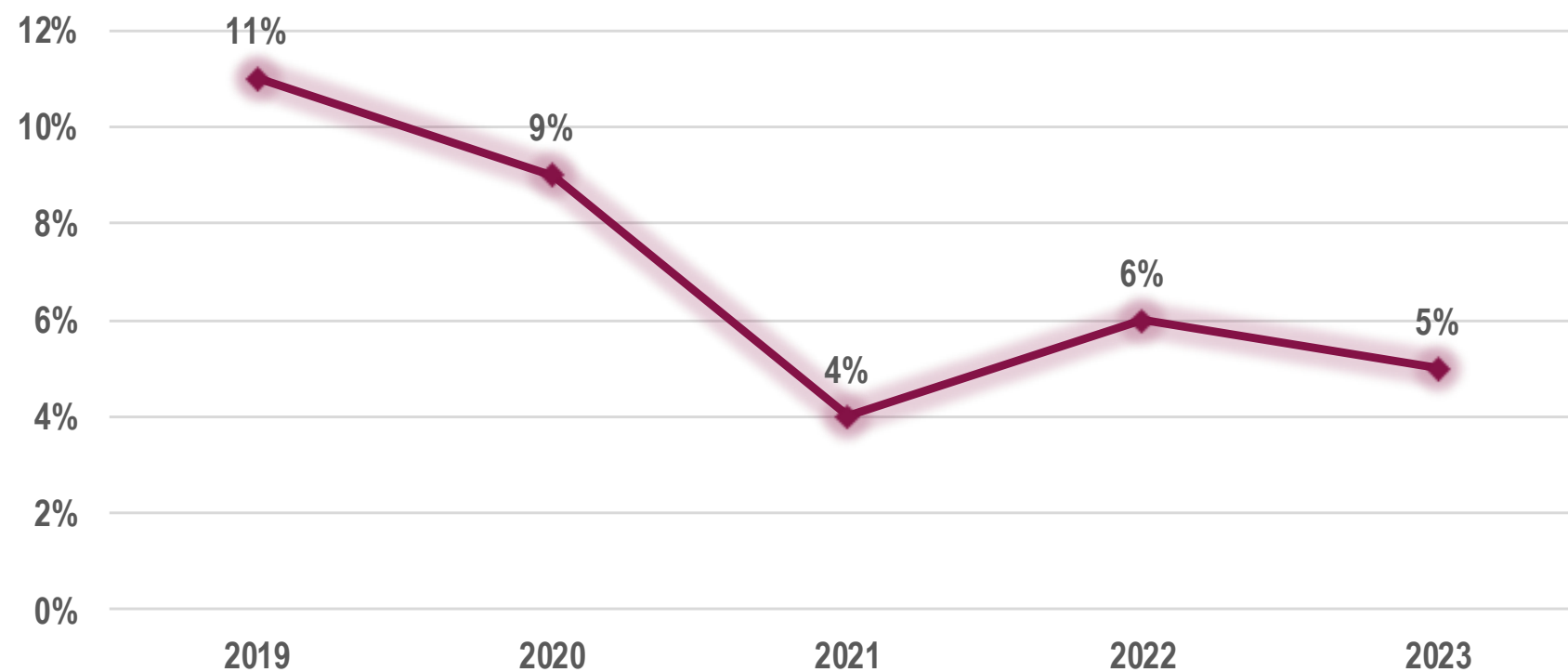
# FINANCIAL HIGHLIGHTS

## CURRENT RATIO



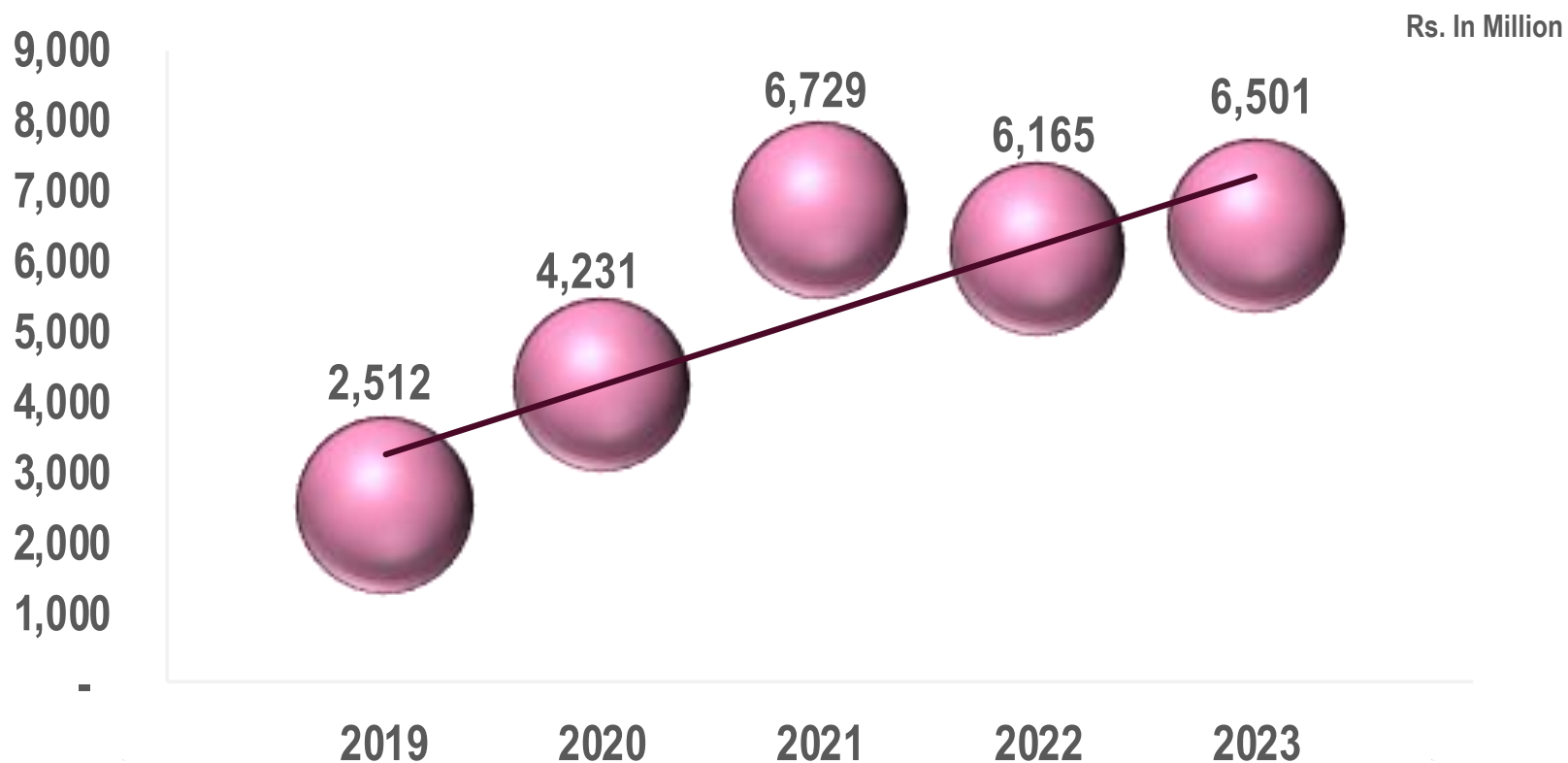
# FINANCIAL HIGHLIGHTS

## GEARING RATIO



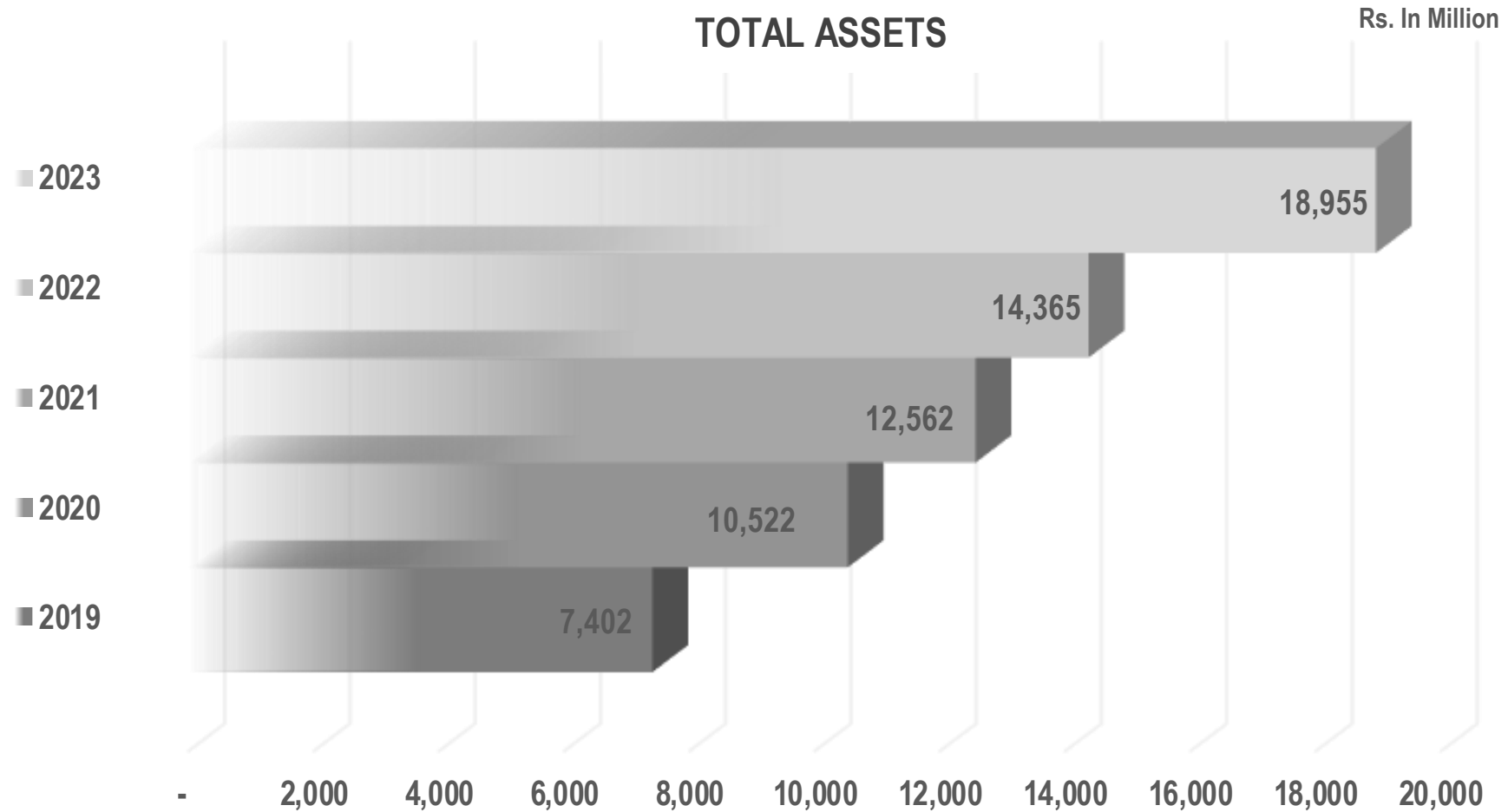
# FINANCIAL HIGHLIGHTS

## SHAREHOLDER'S EQUITY





# FINANCIAL HIGHLIGHTS



# FINANCIAL HIGHLIGHTS

	December 31, 2023	December 31, 2022	Variance	Percentage
	(Rupees in thousands)			
Revenue	15,061,817	11,753,088	3,308,729	28%
Cost of Sales	(11,760,696)	(9,567,437)	(2,193,259)	23%
<b>Gross Profit</b>	<b>3,301,121</b>	<b>2,185,651</b>	<b>1,115,470</b>	<b>51%</b>
Distribution Cost	(1,186,780)	(920,784)	(265,996)	29%
Admin Expenses	(671,194)	(523,342)	(147,852)	28%
Other Expenses	(87,787)	(46,125)	(41,662)	90%
Other Income	772,129	683,804	88,325	13%
	(1,173,632)	(806,447)	(367,185)	46%
<b>Profit from Operations</b>	<b>2,127,489</b>	<b>1,379,204</b>	<b>748,285</b>	<b>54%</b>
Share of profit/(loss) from equity accounted investee	474,039	(224,074)	698,113	-312%
Finance Cost	(1,007,721)	(467,180)	(540,541)	116%
<b>Profit before Taxation</b>	<b>1,593,807</b>	<b>687,950</b>	<b>905,857</b>	<b>132%</b>
Provision for Taxation	(412,200)	(345,891)	(66,309)	19%
<b>Profit after Taxation</b>	<b>1,181,607</b>	<b>342,059</b>	<b>839,548</b>	<b>245%</b>
<b>Earnings per Share</b>	<b>5.75</b>	<b>1.67</b>		
<b>Gross Profit Margin (% of Revenue)</b>	<b>22%</b>	<b>19%</b>		
<b>Operating Profit (% of Revenue)</b>	<b>14%</b>	<b>12%</b>		
<b>Net Profit Margin (% of Revenue)</b>	<b>8%</b>	<b>3%</b>		

# FUTURE OUTLOOK

- Very strong business development effort to increase customer base and planning to bring new customers on board.
- Upgradation of production facility and processes to meet needs of new clients.
- Taking up new projects to enhance efficiency through skill development, product traceability and putting experienced foreign resources.
- Investing heavily in human capital in terms of extensive trainings, hiring best of the best talented in the market both local and international.
- Our operations in China have been augmented through the incorporation of a subsidiary named “Dongguan Service Global Limited”. Now we have our own development center, sales office, and procurement setup in the hub of global footwear sourcing. This provides us a great competitive edge against other regional manufacturers on various fronts that includes technology, development efficiency, cost control, and sales drive.



THANK YOU

QUESTIONS AND ANSWERS