



Corporate Briefing Session

Tuesday, November 19th, 2024 | 3:30 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 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

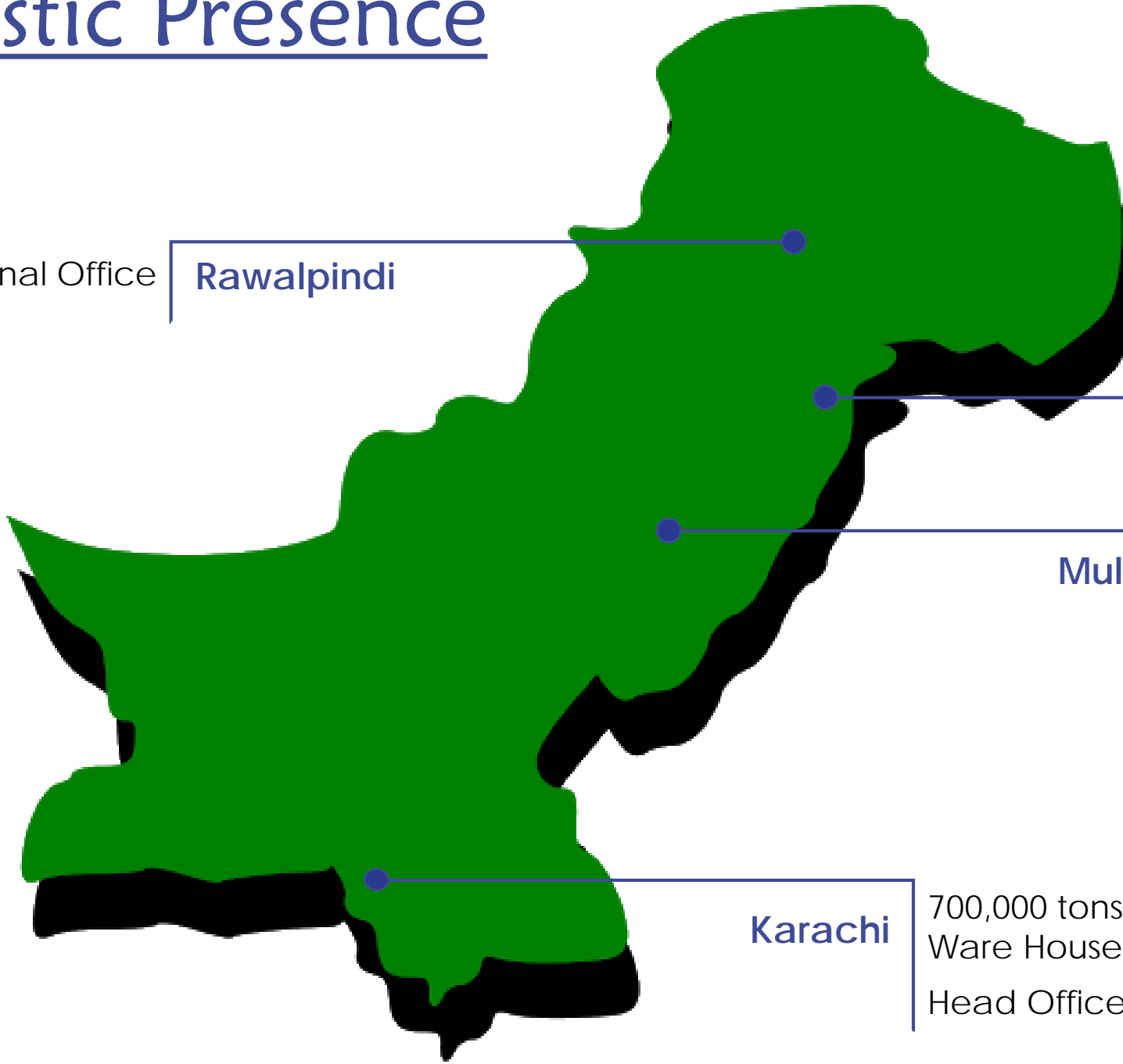
Multan

Regional Office

Karachi

700,000 tons Production Facility &
Ware House

Head Office and Factory



STRATEGIC / OPERATIONAL DEVELOPMENTS

Steel Market Overview

- From July 2023 to February 2024, the HRC prices remained around US\$ 560, FOB China and then after gradually dropped to US\$ 535 by June 2024. The HRC price further declined to US\$ 480 in the quarter ended September 2024.
- Lower demand in China further impacted market conditions. This trend is expected to continue in near term, however, a slow recovery is anticipated as demand conditions improved in China and America.

Local Market Overview

- Financial year ended June 2024 remained a challenging period on political and economic fronts, However, Pakistan has begun to show signs of improvement, with progress in reducing inflation, leading to a reduction in the discount rate. The rupee remained stable against US\$ but the GDP growth remained slow due to tight monetary policy. The steel sector, in particular, faced demand slackness.
- In the flat steel sector, modest revival in demand was witnessed, however, local producer's market share did not improve due to high imports, especially in GI products. The incentive of sales tax free import continued for FATA/PATA region, which is being grossly misused over the past several years.

Local Market Overview

- Around 150,000 tons imported through this channel was mostly sold in the open market during the year ended June 2024. The commercial importers were also very active and found ways to circumvent antidumping duties by misdeclaration. The overall share of imports in the CRC and GI rose to over 50% of the country's requirements, compared to 33% recorded last year.
- The local producers have filed case in National Tariff Commission (NTC) to check circumvention of antidumping duties at customs clearance stage.
- Furthermore, in the quarter ended September 2024, some policy changes introduced by FBR in the finance bill 2024 are discouraging high volume imports by the FATA/PATA region.

Macroeconomic Factors

	Kibor 3 M	USD	EURO	JPY	CNY	HRC
Jul-23	23.14	281.70	310.99	1.99	39.11	\$600
Aug-23	23.17	293.81	320.45	2.03	40.53	\$600
Sep-23	22.66	297.75	318.24	2.02	40.83	\$600
Oct-23	21.96	280.36	295.97	1.87	38.37	\$600
Nov-23	21.47	285.52	308.54	1.91	39.53	\$615
Dec-23	21.46	283.30	308.94	1.97	39.66	\$625
Jan-24	20.93	280.32	305.73	1.92	39.10	\$620
Feb-24	21.77	279.18	301.22	1.87	38.81	\$610
Mar-24	21.99	278.70	302.87	1.86	38.70	\$580
Apr-24	21.78	278.14	298.19	1.81	38.43	\$580
May-24	21.04	278.25	300.56	1.79	38.49	\$580
Jun-24	20.24	278.44	299.95	1.76	38.39	\$565
Jul-24	19.51	278.39	301.66	1.76	38.33	\$545
Aug-24	18.05	278.54	306.72	1.90	38.96	\$520
Sep-24	16.13	278.24	308.82	1.94	39.34	\$525
% Change	-30.29%	-1.23%	-0.70%	-2.66%	0.58%	-12.50%

DETAILS OF FINANCIAL INFORMATION

Aisha Steel Highlights*

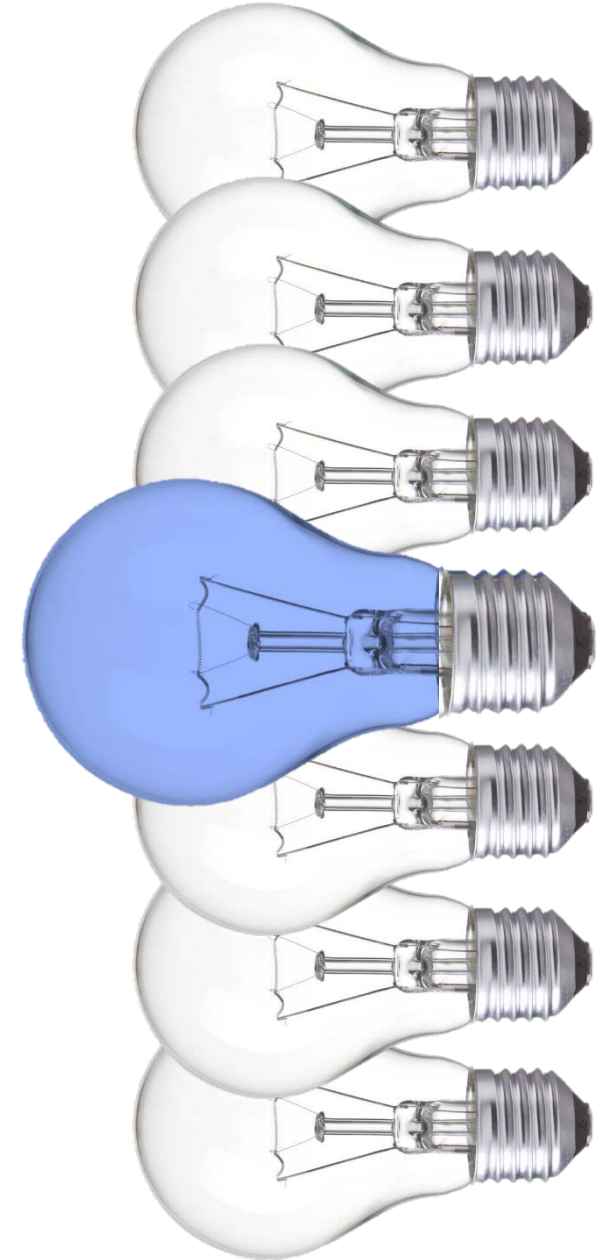
2.44+ million tons production-to-date

625+ Employees

320+ Billions (PKR) turnover generated

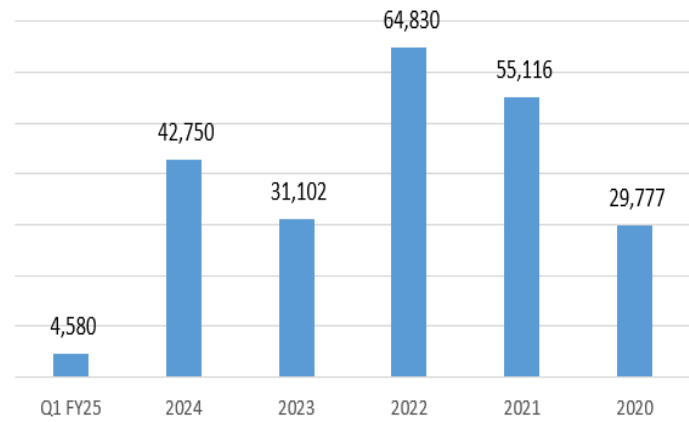
700,000 Tons production capacity

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

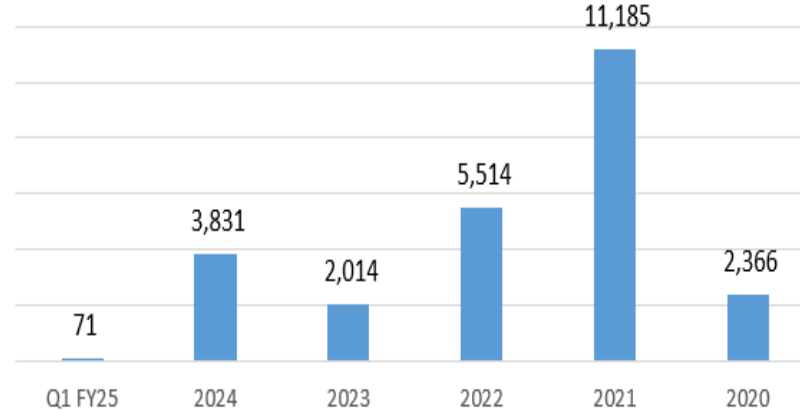


Aisha Steel's Trendline

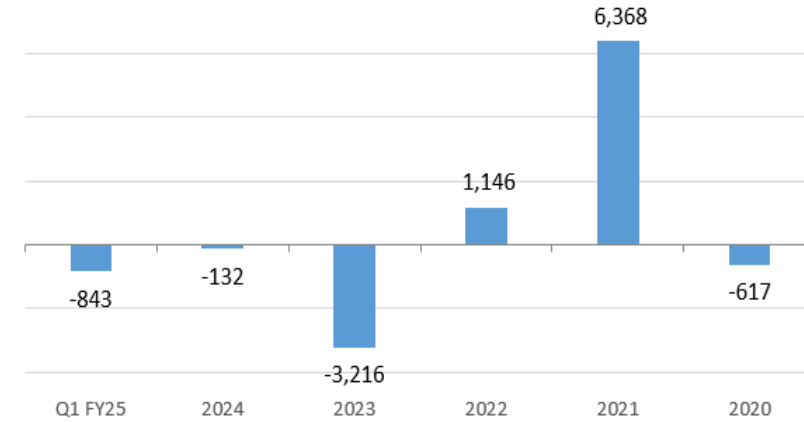
Revenue (Million)



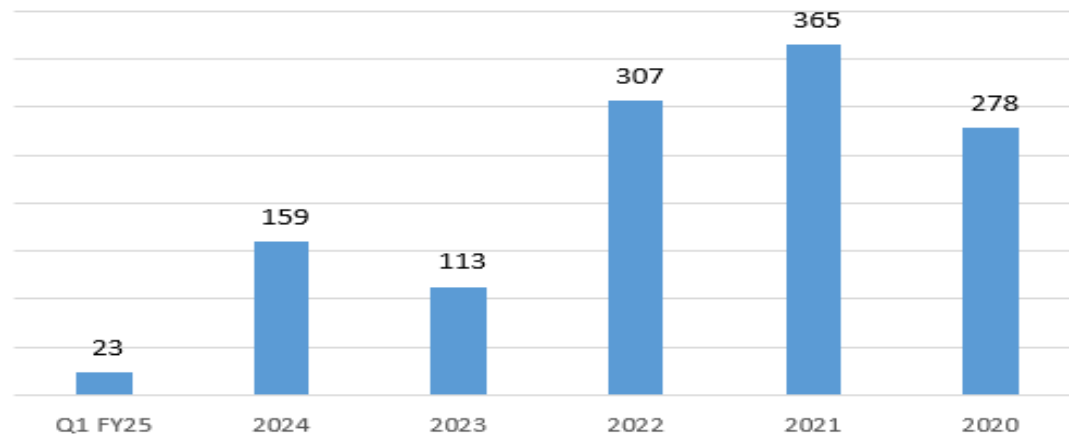
Gross profit (Million)



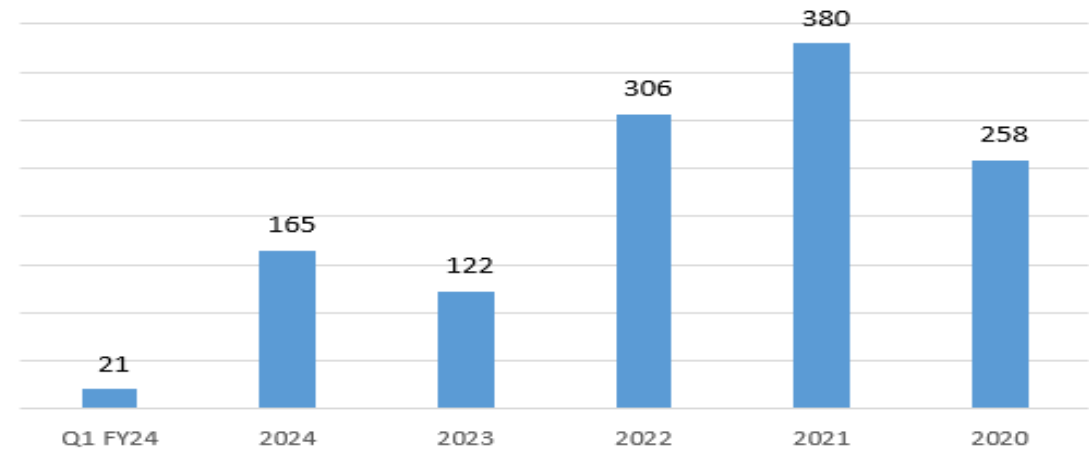
(Loss) / Profit after tax (Million)



Production (000)

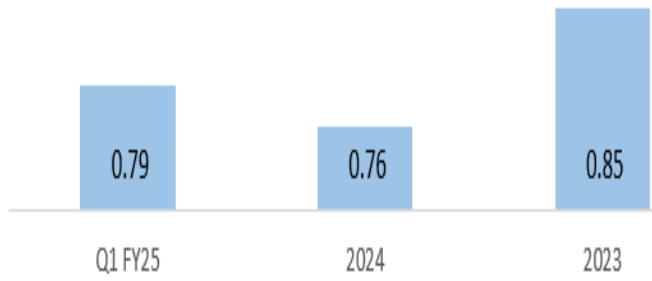


Sales Quantity (000)

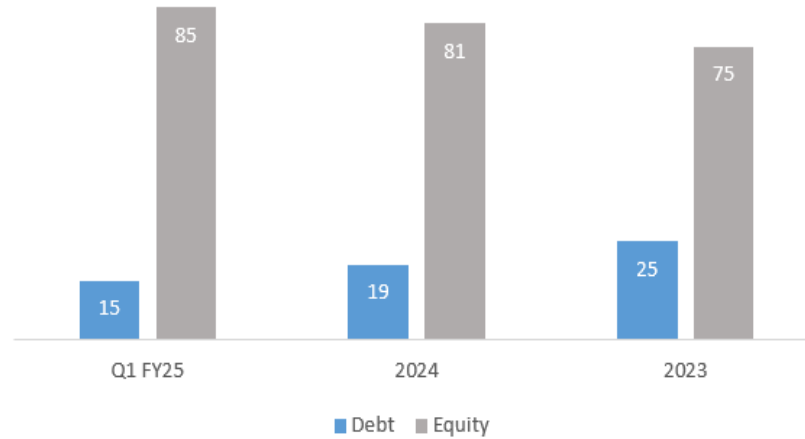


Ratios

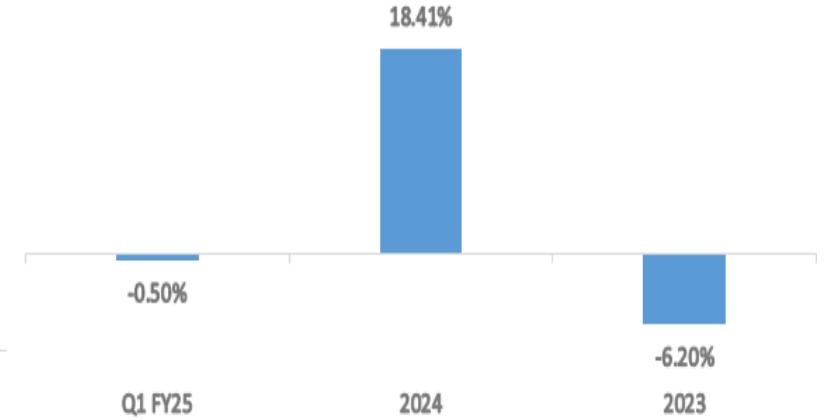
Current ratio (Times)



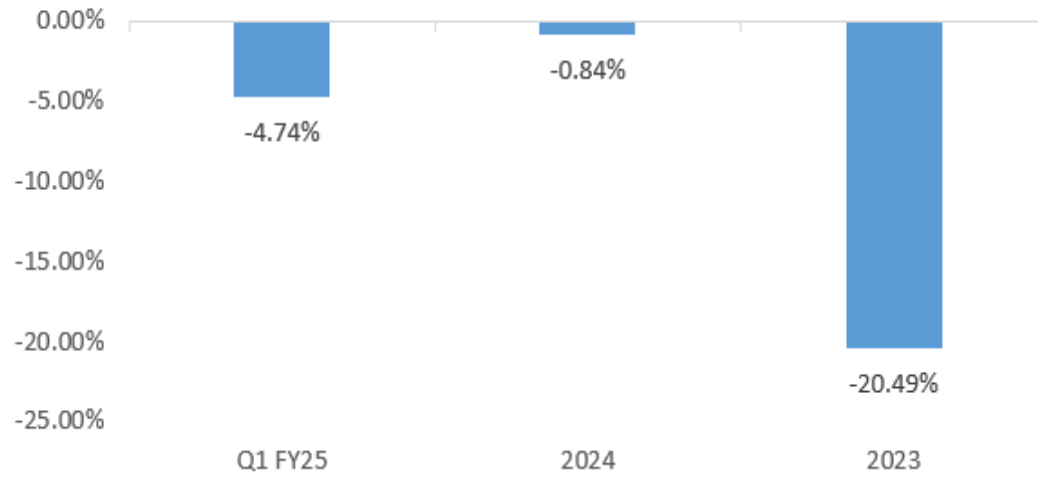
Debt to Equity ratio



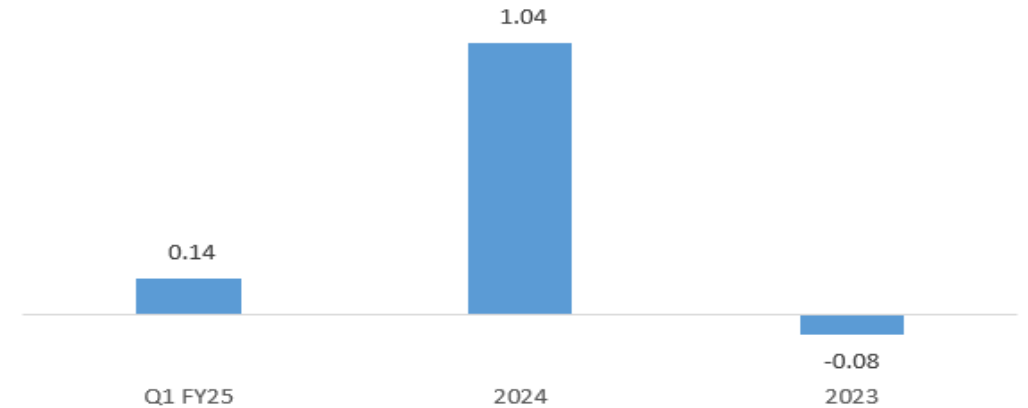
Return on Capital employed



Return on Equity



Interest Cover Ratio (Times)



Results (PKR in '000)

	Q1 FY 2025	FY 2024	FY 2023
Sales	4,580,421	42,749,652	31,102,382
Cost of sales	(4,509,254)	(38,919,010)	(29,088,829)
Gross profit	71,167	3,830,642	2,013,553
Selling and distribution cost	(29,197)	(568,902)	(141,786)
Administrative expenses	(128,914)	(446,436)	(413,221)
Operating (Loss) / profit	(86,944)	2,815,304	1,458,546
Other expenses	(7,623)	(5,989)	(2,801,462)
Finance costs	(1,129,807)	(3,860,825)	(3,637,516)
Other income	1,946	254,902	139,128
Loss before taxation	(1,222,428)	(796,608)	(4,841,304)
Income tax credit	379,305	664,138	1,625,651
Loss after taxation	(843,123)	(132,470)	(3,215,653)

QUESTION & ANSWER SESSION



Thank You

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