

# Analysts' briefing

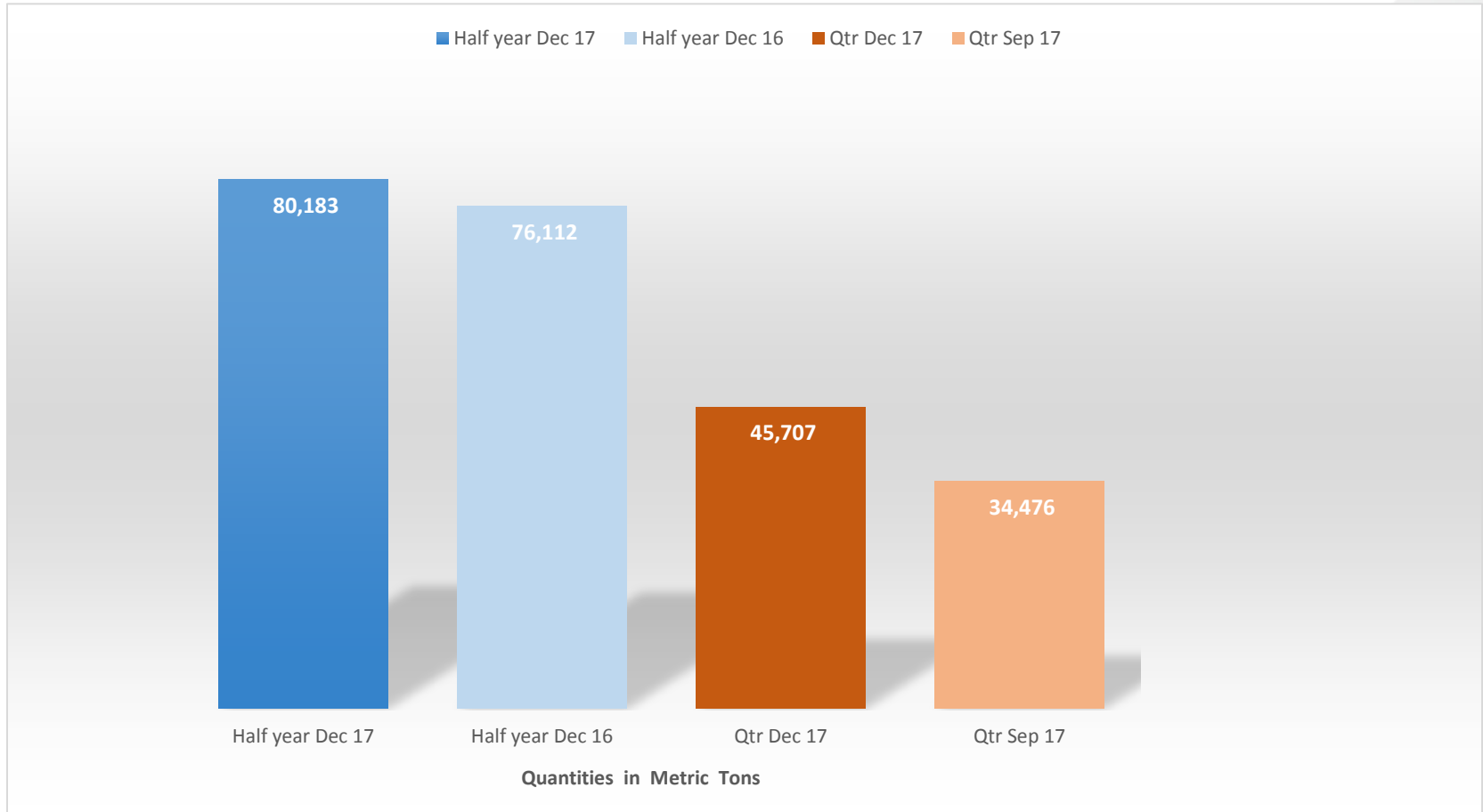
Financial Results

Half year ended December 31, 2017



**AMRELI STEELS**  
Building for Life

# Rebars – Production quantities



# Sales - Quantities

Quantities sold	1st Half, 2018	1st Half, 2017	2 <sup>nd</sup> Qtr. 2018	1st Qtr. 2018
	-----Metric Tons-----	-----Metric Tons-----	-----Metric Tons-----	-----Metric Tons-----
ASL Rebars	73,847	77,352	41,314	32,533
Trading bars	80	17,082	46	34
ASL Billets	-	3,020	-	-
ASL Zinc	616	568	281	335
<b>Total quantities sold</b>	<b>74,543</b>	<b>98,022</b>	<b>41,641</b>	<b>32,902</b>

# Gross profit in %

	1st Half, 2018	1st Half, 2017	2 <sup>nd</sup> Qtr. 2018	1 <sup>st</sup> Qtr. 2018
Gross profit – ASL	18.67%	15.86%	18.54%	18.84%
ASL Rebars	18.67%	18.37%	18.54%	18.84%
ASL Billet	-	3.74%	-	-
Trading bars	16.35%	3.00%	15.17%	17.96%

# GP Variance analyses – Half Year

## Combined Sale

Sales	1 <sup>st</sup> Half 2018	1 <sup>st</sup> Half 2017	Variance		Rs.
Qty (Metric tons)	76,445	98,571	(22,126)	66,535	(1,472,138,536)
Sales price (Rupees)	81,599	66,535	15,064	76,445	1,151,594,468
<b>Net sales variance</b>					<b>(320,544,068)</b>

## Cost of Sale

	1 <sup>st</sup> Half 2018	1 <sup>st</sup> Half 2017	Variance		Rs.
Qty (Metric tons)	76,445	98,571	(22,126)	(55,981)	1,238,630,407
Cost of Sale (Rupees)	(66,363)	(55,981)	(10,382)	76,445	(793,633,558)
<b>Net COGS variance</b>					<b>444,996,849</b>

**Net change in gross profits** 124,452,780

## Gross Profit

	1 <sup>st</sup> Half 2018	1 <sup>st</sup> Half 2017	Variance		
Quantity variance	76,445	98,571	(22,126)	10,554	<b>(233,508,129)</b>
Price variance	15,236	10,554	4,683	76,445	357,960,909

**Net variance in GP** **124,452,780**

# Reasons for increase in profit

Price retention

Distribution Cost

Taxation

# Taxation

- ▶ Normal Tax 30%
- ▶ Tax credit for listing (65-C) 10% of Tax payable
- ▶ Tax credit for BMR (65-B) 10% of investment
- ▶ Tax credit for listing FY 17 10%
- ▶ Minimum Tax 2013

# Profit & Loss Account

Description	1st Half, 2018	1st Half, 2017	2nd Qtr. 2018	1st Qtr. 2018	1st Half, 2018	1st Half, 2017
	PKR	PKR	PKR	PKR	As a % of sales	As a % of sales
Sales	6,237,866,056	6,558,410,125	3,531,579,714	2,706,286,342	100%	100%
Cost of sales	(5,073,129,334)	(5,518,126,184)	(2,876,817,184)	(2,196,312,150)	-81.33%	-84.14%
Gross profit	1,164,736,722	1,040,283,941	654,762,530	509,974,192	18.67%	15.86%
Distribution cost	(135,835,091)	(169,657,878)	(80,342,657)	(55,492,434)	-2.18%	-2.59%
Administrative expenses	(184,446,218)	(146,709,356)	(83,389,416)	(101,056,802)	-2.96%	-2.24%
Other charges	(49,407,109)	(46,669,276)	(30,578,328)	(18,828,781)	-0.79%	-0.71%
Other operating income	768,161	6,262,410	445,605	322,556	0.01%	0.10%
Operating profit	795,816,465	683,509,841	460,897,734	334,918,732	12.76%	10.42%
Finance costs	(206,752,388)	(128,532,413)	(109,693,173)	(97,059,215)	-3.31%	-1.96%
Profit before taxation	589,064,077	554,977,428	351,204,561	237,859,517	9.44%	8.46%
Taxation	(64,653,987)	(72,870,851)	(22,567,190)	(42,086,798)	-1.04%	-1.11%
Net profit for the period	524,410,090	482,106,577	328,637,371	195,772,719	8.41%	7.35%
EPS - basic and diluted (Rs)	1.77	1.62	1.11	0.66		



# Revamping & Modernization of Rolling Mill at SITE Karachi

- ▶ New Rolling Mill capacity 275,000 Mts
- ▶ Estimated Cost PKR 2 Billion
- ▶ Shut down period Ten months
- ▶ Shut down period June 2019 to March 2020

# Pay back factors

- ▶ Incremental 95,000 tons
- ▶ Full capacity utilization of 180,000 tons, adding another 15,000 tons
- ▶ Four slit technology
- ▶ Provision for slitting 12mm
- ▶ Reduction in wastage, specially end cuts
- ▶ Reduction in electricity consumption
- ▶ Reduction in gas consumption
- ▶ Reduction in cost of maintenance

# Expansion at Dhabeji

Commercial Operations  
End March, 2018

Thanks