



**AMRELI
STEELS**

RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED
31 MARCH 2021

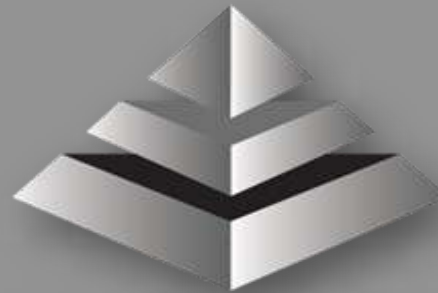
05 May 2021

HIGHLIGHTS FOR THE NINE MONTHS ENDED 31 MARCH 2021

Positive macro-economic indicators i.e. C/A, healthy \$ reserves, decline FX rate, steady interest rate.

Change of custom valuation to 301 from 360. Changed to LMB in Mar21

Stimulus packages i.e. Deferment of term loans and Construction package, tax amnesty and housing loans



AMRELI STEELS
Building for Life

Increase in investors' confidence, generation of liquidity in economy and Increase in demand of construction materials

Incentive in electricity tariff & Other increases in tariff

Increase in international scrap prices

NINE MONTHS ENDED
FY 21

Rs. 27.2 B

SALES

262,381 MT

PRIME BARS SOLD

Rs. 3.2 B

GROSS PROFIT

Rs. 3.12

EPS

Rs. 925.7 M

NET PROFIT

MARGINS AND EPS

NINE MONTHS ENDED 31 MAR 2021

Gross Profit Margin 11.94%

Operating Profit Margin 7.93%

Net Profit Margin 3.40%

Earning Per Share 3.12

NINE MONTHS ENDED 31 MAR 2020

Gross Profit Margin 8.23%

Operating Profit Margin 2.91%

Net Loss Margin 3.22%

Loss Per Share 2.32

MARGINS AND EPS

THIRD QUARTER ENDED 31 MAR. 2021

Gross Profit Margin 13.91%

Operating Profit Margin 9.92%

Net Profit Margin 5.14%

Earning Per Share 1.69

SECOND QUARTER ENDED 31 MAR. 2020

Gross Profit Margin 10.78%

Operating Profit Margin 7.16%

Net Profit Margin 3.28%

Earning Per Share 1.05

PROFIT OR LOSS STATEMENT

	Nine months 31 Mar. 2021	%	Nine Months 31 Mar. 2020	%	Qtr. Ended 31 Mar. 2021	%	Qtr. Ended 31 Dec. 2020	%
	Rs.000		Rs.000		Rs.000		Rs.000	
Sales	27,227,909	100	21,390,265	100	9,775,650	100	9,538,256	100
Cost Of Sales	(23,977,040)	88.06	(19,629,978)	91.77	(8,415,523)	86.09	(8,510,346)	89.22
Gross Profit	3,250,869	11.94	1,760,287	8.23	1,360,127	13.91	1,027,910	10.78
Distribution Cost	(660,419)	2.43	(540,956)	2.53	(215,619)	2.21	(243,314)	2.55
Administrative Cost	(390,855)	1.44	(363,380)	1.70	(132,799)	1.36	(142,383)	1.49
Expected Credit Loss	26,789	0.10	(99,318)	0.46	2,253	0.02	58,453	0.61
Other Charges	(88,891)	0.33	(139,265)	0.65	(51,846)	0.53	(26,313)	0.28
Other Opr. Income	21,367	0.08	5,904	0.03	7,327	0.07	8,437	0.09
Operating Profit	2,158,860	7.93	623,272	2.91	969,443	9.92	682,790	7.16
Finance Cost	(1,231,389)	4.52	(1,796,827)	8.40	(394,643)	4.04	(380,570)	3.99
Profit / (Loss) Before Tax	927,471	3.41	(1,173,555)	5.49	574,800	5.88	302,220	3.17
Taxation	(1,738)	0.01	485,512	2.27	(72,070)	0.74	10,160	0.11
Profit / (Loss) After Tax	925,733	3.40	(688,042)	3.22	502,730	5.14	312,379	3.28

QUANTITY AND PRICE VARIANCE – THIRD QUARTER FY 21 Vs. SECOND QUARTER FY 21

	MAR-21	DEC-20	VARIANCE		AMOUNT Rs '000'
SALES					
QUANTITY	89,290	99,397	(10,108)	95.96	(969,937)
PRICE (IN THOUSANDS)	109.48	95.96	13.52	89,290	1,207,331
NET SALES VARIANCE					237,394
COST OF SALES					
QUANTITY	89,290	99,397	(10,108)	(85.62)	865,410
PRICE (IN THOUSANDS)	(94.25)	(85.62)	(8.63)	89,290	(770,586)
NET SALES VARIANCE					94,824
NET CHANGE IN GROSS PROFIT					332,218
GROSS PROFIT					
QUANTITY	89,290	99,397	(10,108)	10.34	(104,527)
PRICE (IN THOUSANDS)	15.23	10.34	4.89	89,290	436,745
NET GROSS PROFIT VARIANCE					332,218

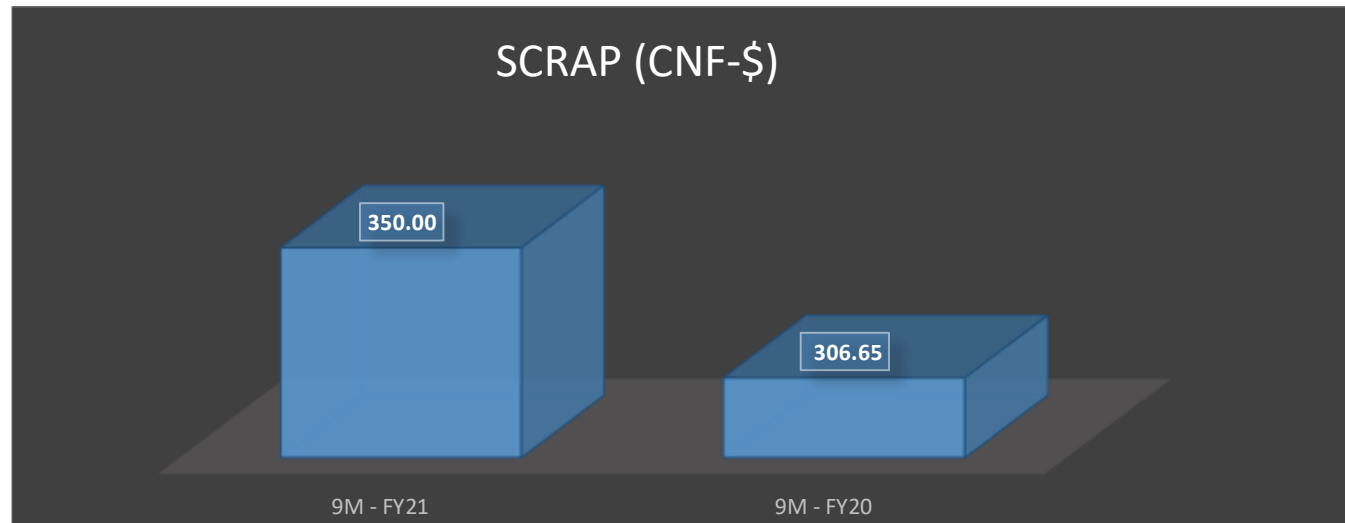
STATEMENT OF FINANCIAL POSITION

ASSETS	31 MAR 2021	%	30 JUNE 2020	%
<u>Non-current assets</u>	-----Rs. '000'-----		-----Rs. '000'-----	
Property, Plant & Equipment	18,027,987	49.40	17,650,951	49.76
Intangibles	20,142	0.06	24,266	0.07
Long-term Investment	15,289	0.04	15,289	0.04
Long term deposits	151,777	0.42	134,962	0.38
Right of use assets	104,360	0.29	72,455	0.20
	18,319,555	50.20	17,897,924	50.46
<u>Current assets</u>				
Stores and spares	1,274,597	3.49	1,683,505	4.75
Stock in-trade	9,423,641	25.82	8,040,331	22.67
Trade debts	5,375,398	14.73	4,900,333	13.82
Loans and advances	35,857	0.10	28,916	0.08
Trade deposits and prepayments	32,135	0.09	642,890	1.81
Other receivables	474,074	1.30	527,960	1.49
Taxation - net	1,411,509	3.87	1,238,228	3.49
Cash and bank balances	145,904	0.40	509,360	1.44
	18,173,114	49.80	17,571,522	49.54
TOTAL ASSETS	36,492,669	100.00	35,469,446	100

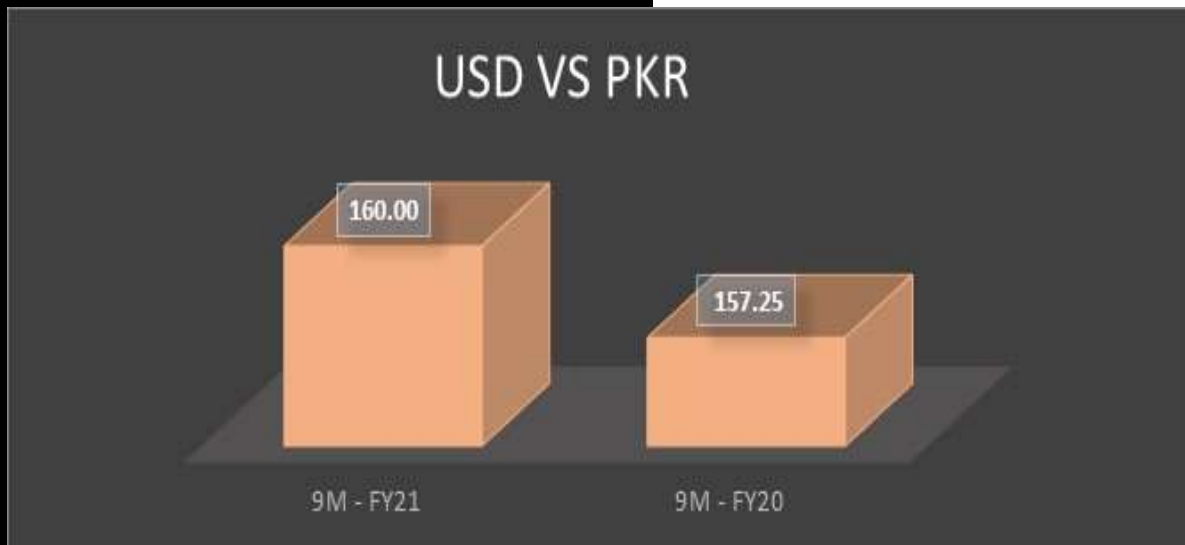
EQUITIES AND LIABILITIES	31 MAR 2021	%	30 JUNE 2020	%
	-----Rs. '000'-----		-----Rs. '000'-----	
Share capital & reserves	12,038,701	32.99	11,113,186	31.33
<u>Non-current liabilities</u>				
Long-term finances	4,897,965	13.42	5,429,984	15.31
Lease liability	89,550	0.25	63,600	0.18
Long-term provision	166,368	0.46	-	-
Loan from related party	341,333	0.94	341,333	0.96
Deferred taxation	93,766	0.26	243,874	0.69
Government grant	2,737	0.01	7,627	0.02
Deferred liability	272,903	0.75	254,748	0.72
	5,864,622	16.07	6,341,166	17.88
<u>Current liabilities</u>				
Trade and other payables	5,353,711	14.67	3,731,308	10.52
Contract liabilities	414,125	1.13	962,783	2.71
Accrued Interest	312,397	0.86	577,719	1.63
Short term finance - secured	10,897,142	29.86	11,912,828	33.59
Current portion of long term finance	1,572,702	4.31	811,503	2.29
Current portion of lease liability	17,619	0.05	8,748	0.02
Current portion of government grant	15,895	0.04	4,215	0.01
Unclaimed dividend	5,756	0.02	5,990	0.02
	18,589,346	50.94	18,015,094	50.79
TOTAL EQUITY AND LIABILITIES	36,492,669	100.00	35,469,446	100

SCRAP

SCRAP (CNF- $\text{\$}$)



USD VS PKR

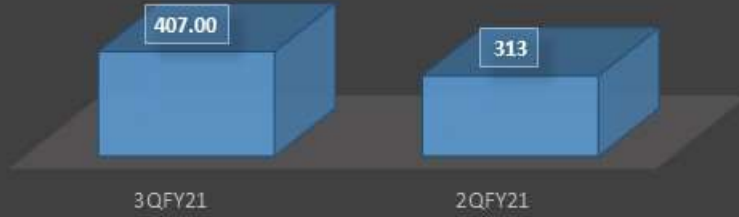


SCRAP (CNF-PKR)

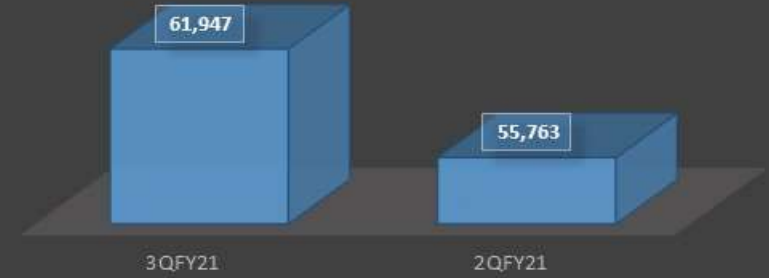


3Q Vs 2Q

SCRAP (CNF- $\text{\$}$)



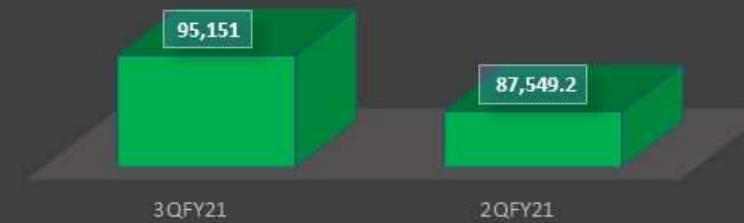
SCRAP CONSUMPTION (RS/MT)



BILLET COGM (RS/MT)



REBARS COGM (RS/MT)



Reasons for Variance in Cost

3Q Vs 2Q

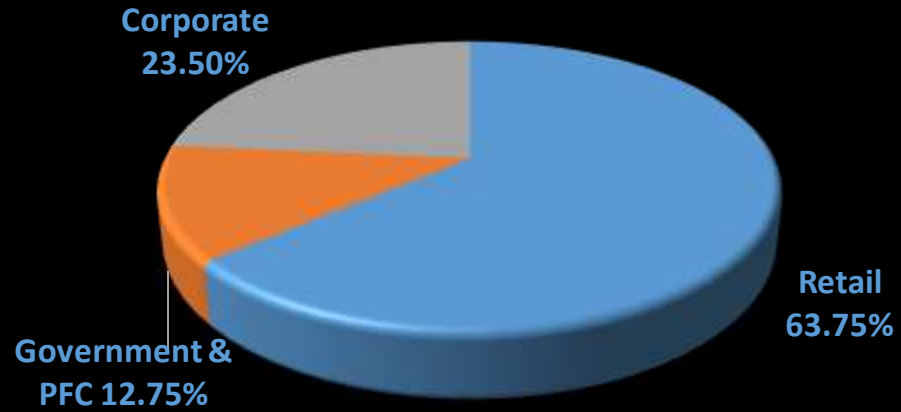
Cost when compared with 2Q is increased due to increase in scrap prices net of reduction in exchange rate from average of 160 to 157. Further, increase is due to provision of FCA provided in the month of March 2021 from July-19 to Jan-21. Further, in 2Q the cost was decreased due to reversal of GIDC as a result of recognition at present value in light of ICAP guidelines.

9M FY21 Vs 9M FY20:

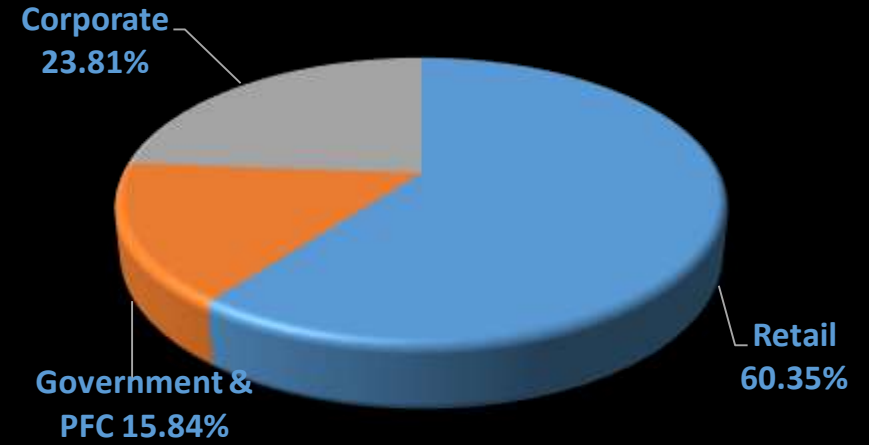
Cost of sale on YoY basis increased by 3% . The increase pertains to provision for FCA (July-19 to Jan-21), increase in scrap prices, increase in electricity tariff by Rs. 2.89 per kwh from September 20 however, this was later off-set by discounted power rate during the end of 2nd quarter. The positive impact in cost were change in custom valuation ruling from 360 \$ to 301 \$ for the first six months of FY-21 and later changed to LMB prices in the month of March-21, improved yield, change of depreciation estimates, saving in Ferro alloys unit consumption, reduction in RLNG prices from Rs. 1600 mmbtu to Rs. 1200 mmbtu and increased production resulting in economies of scale.

SEGMENT WISE SALES

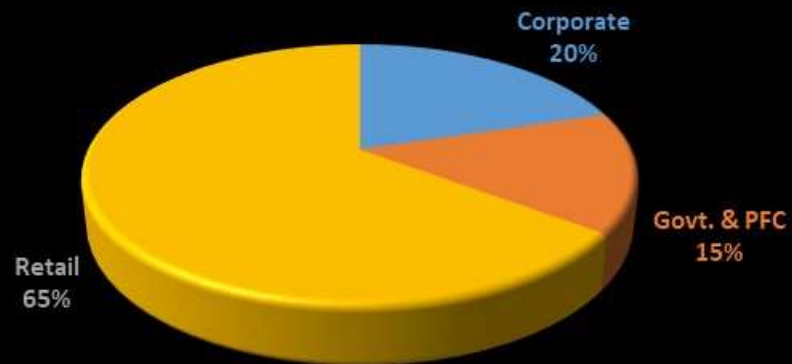
NINE MONTHS FY21



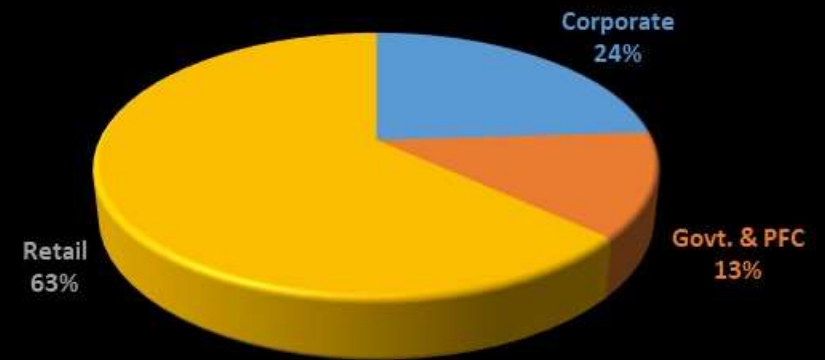
NINE MONTHS FY20



QTR3

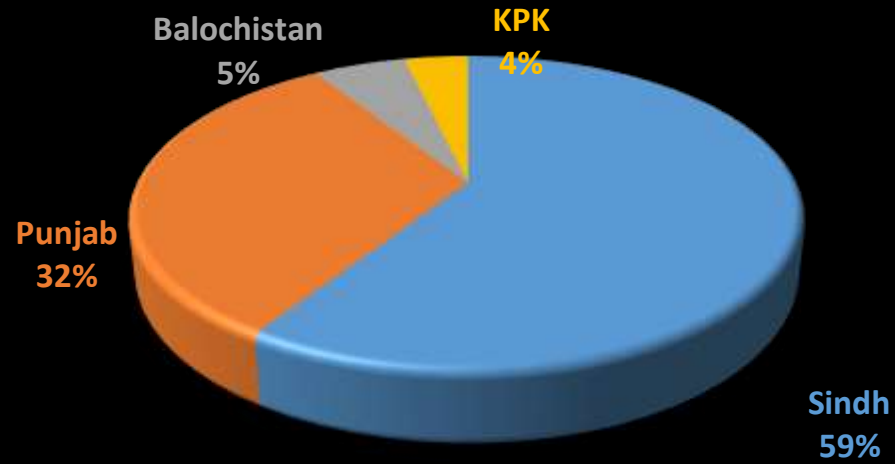


QTR2

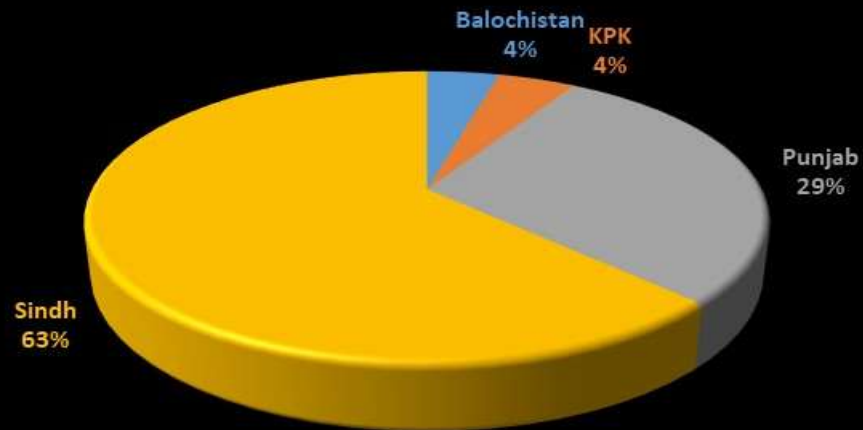


PROVINCE WISE SALES

NINE MONTHS FY 21



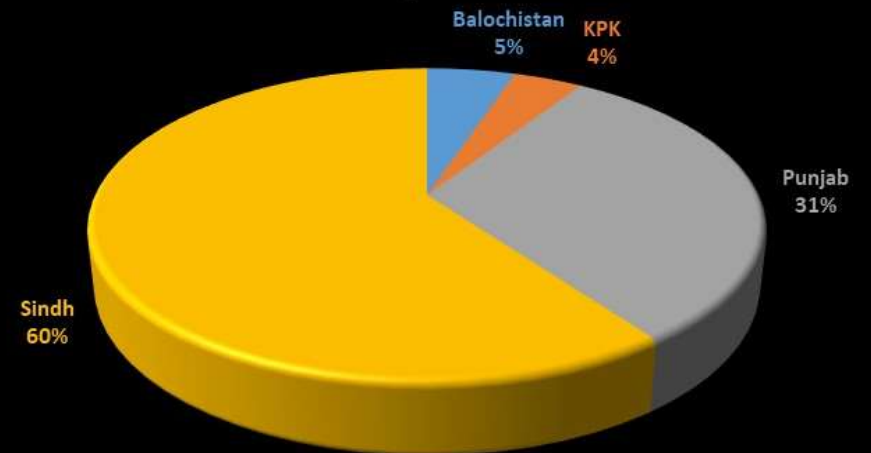
QTR3



NINE MONTHS FY 20



QTR2



ADMINISTRATION EXPENSE AS % OF SALES

1.44% of Sales during Nine months FY21

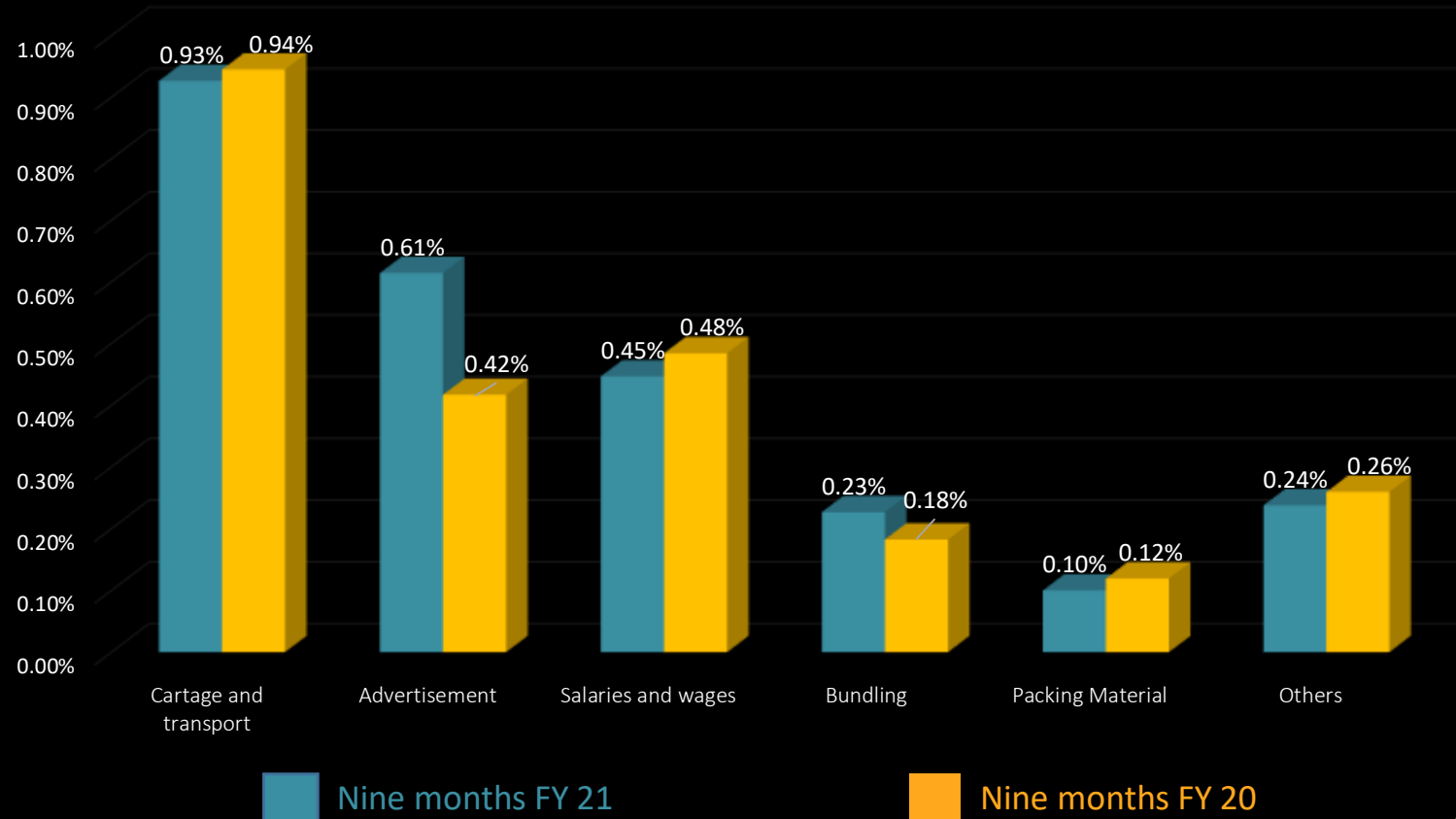
1.70% of Sales during nine months FY20



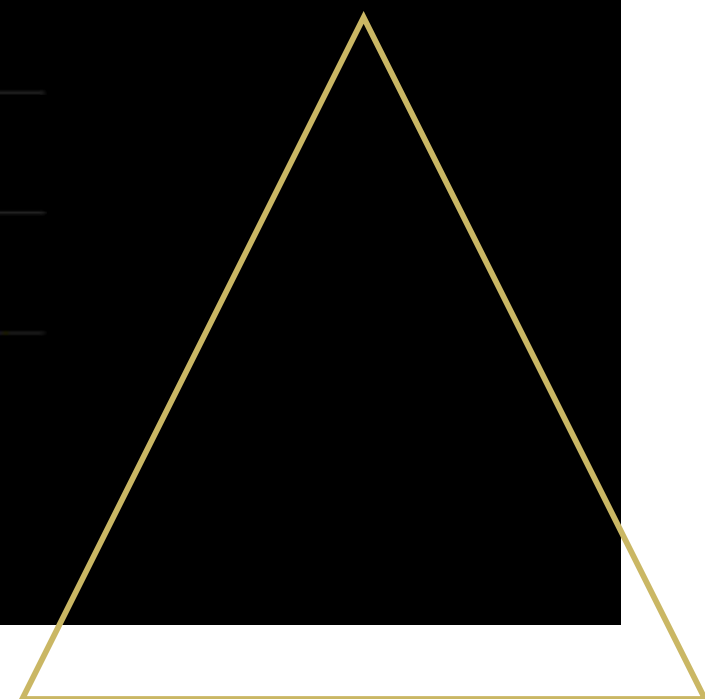
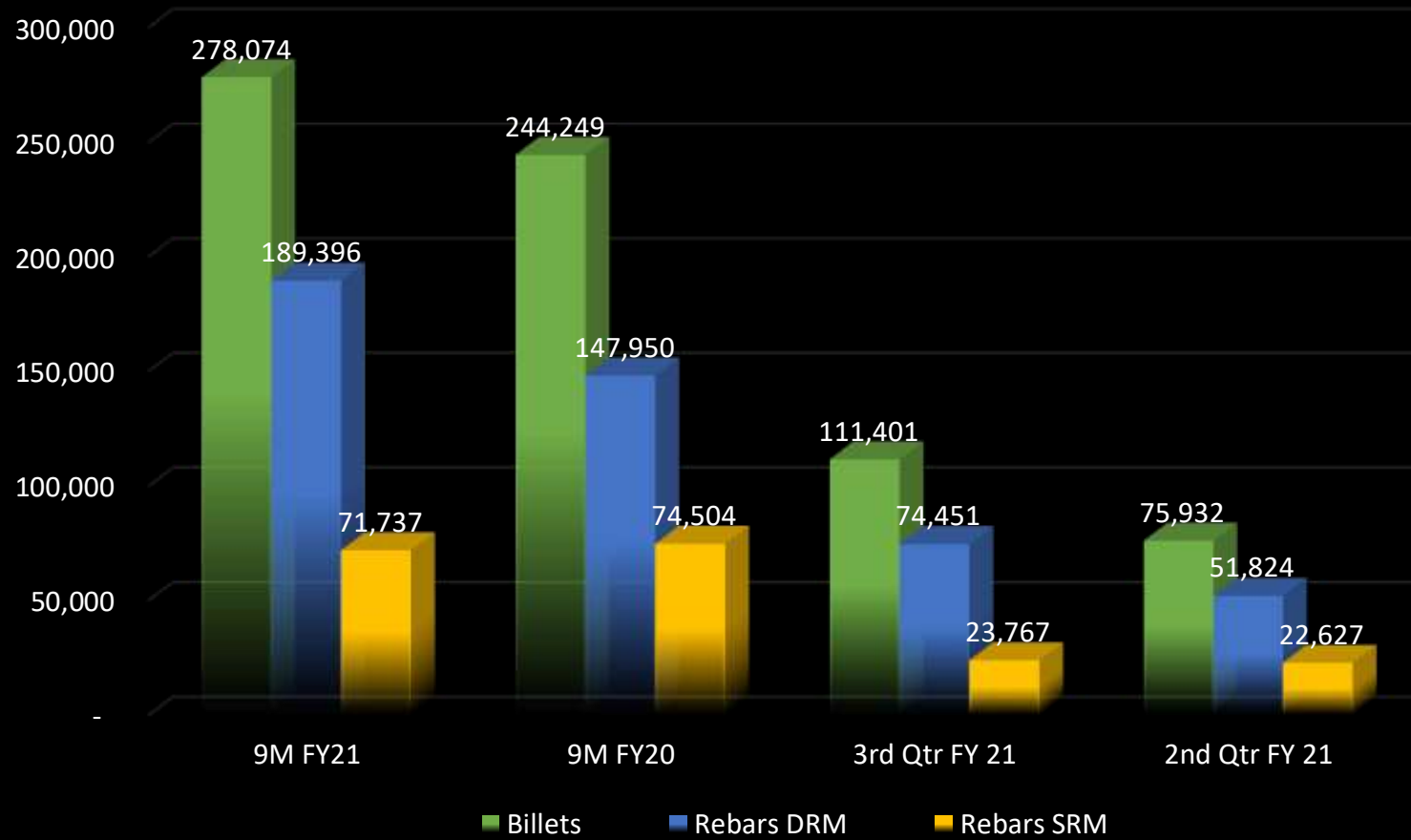
DISTRIBUTION EXPENSE AS % OF SALES

2.43% of Sales during Nine months FY21

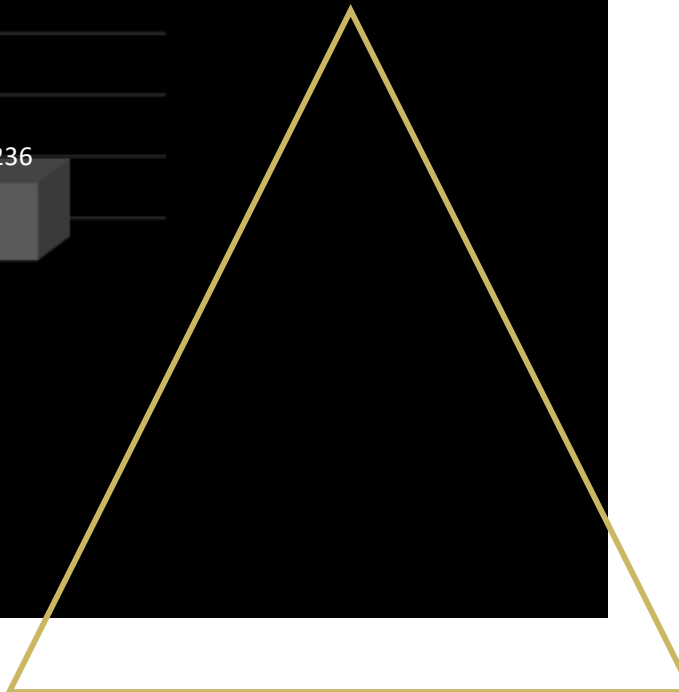
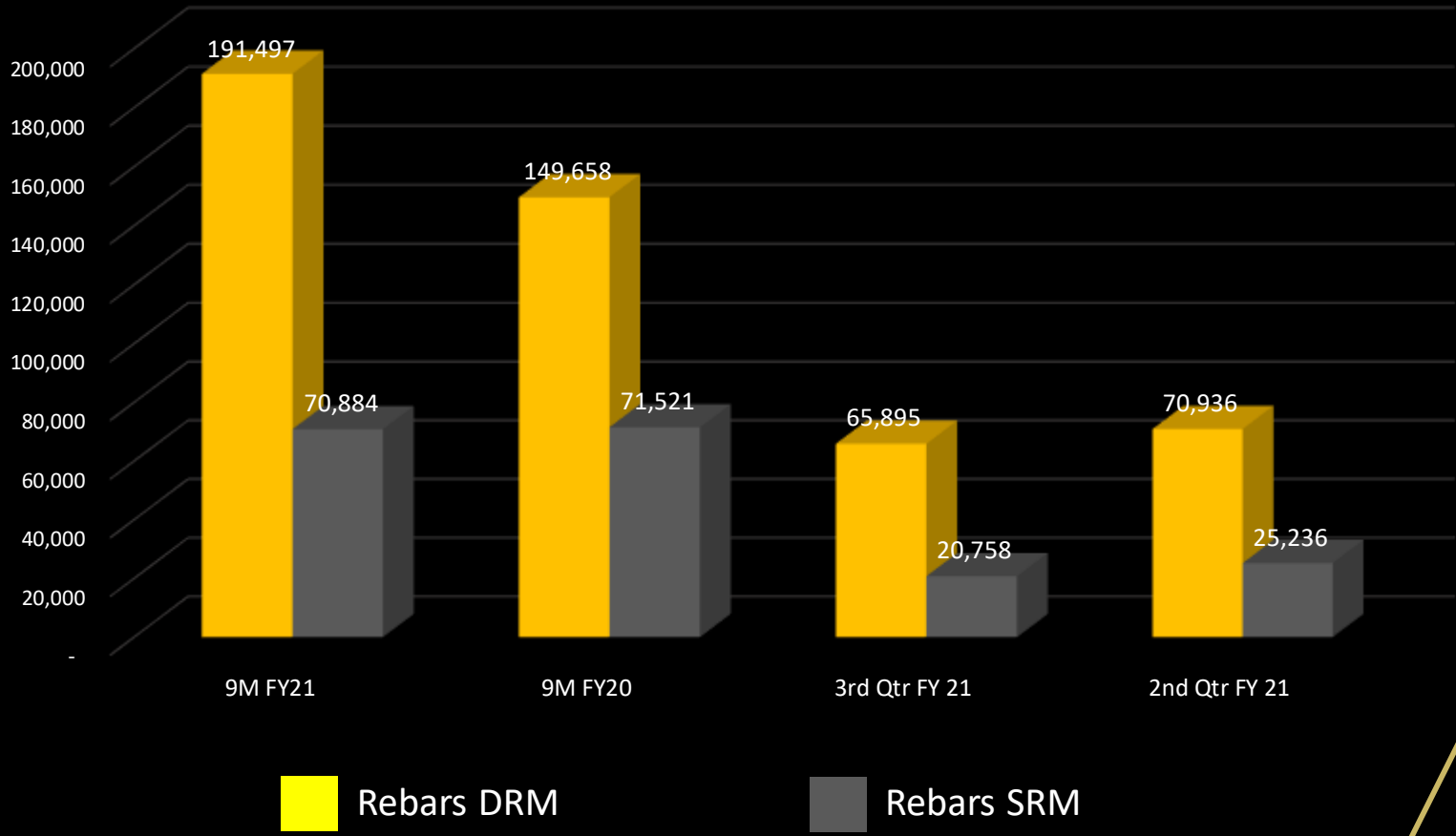
2.53% of Sales during Nine months FY20



PRODUCTION QUANTITIES



SALES QUANTITIES



Reasons for Variance in Sales

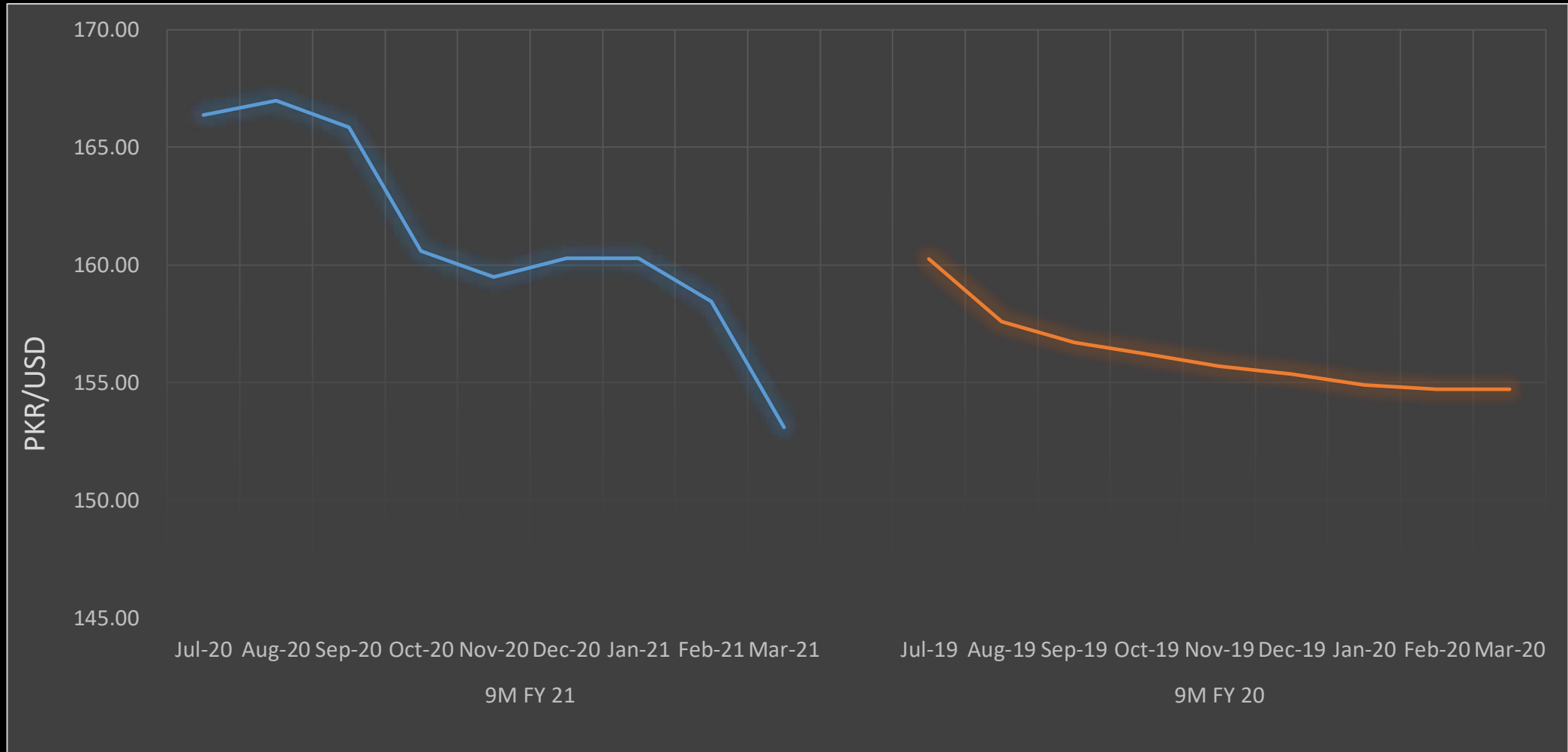
3Q Vs 2Q:

Sale revenue increase by 2% primarily because of increase in sale prices by 14% due to increase in scrap prices. However, sale volume decreased by 9% because of the uncertainty in the market regarding rebar prices and anticipated decrease therein. Further, price gap between North and South market has also affected the sales quantities.

9M FY21 Vs 9M FY20:

Sales revenue observed an inclining trajectory in Nine months ended of FY 21. The sales revenue increased by 28% and sales quantity increased by 19% when compared to same period of last year. Prices also increased by 7% YoY due to uptick in demand and increase in international scrap prices. The overall increase in revenue was resulted from various incentives taken by GoP and SBP in shape of reduce rate housing loans, tax amnesty, construction packages and controlled macro-economic factors i.e. inflation, exchange rate, interest rate which increases business community confidence and generated liquidity in the economy. Retail sector witnessed a growth of 32% which also resulted in increase of Retail's share in pie from 60% to 64% due to increased in dealers (Direct) network from 113 to 157. Total dealers added in South and North is 28 and 16 respectively.

EXCHANGE RATES



INTEREST RATES %

FY20
13.42%

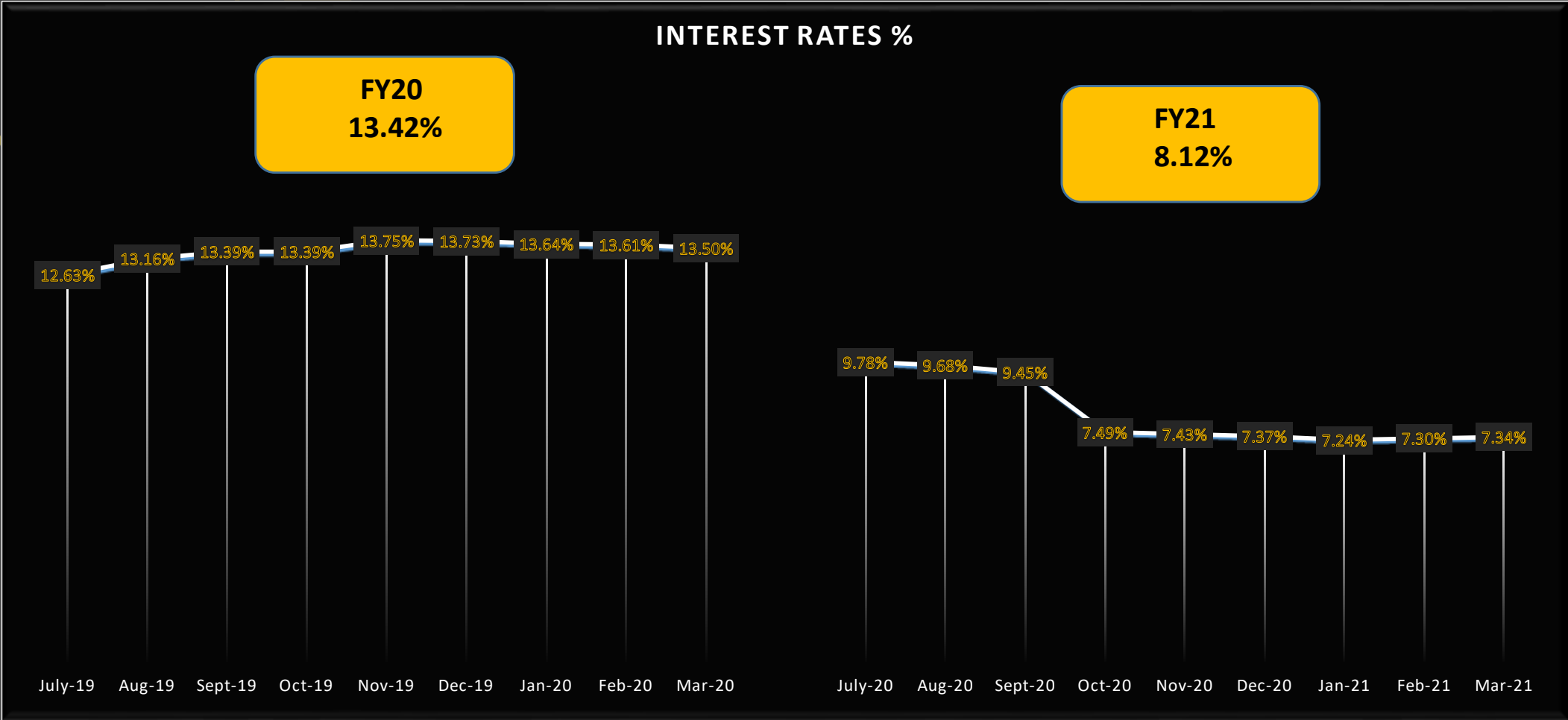
FY21
8.12%

12.63% 13.16% 13.39% 13.39% 13.75% 13.73% 13.64% 13.61% 13.50%

9.78% 9.68% 9.45% 7.49% 7.43% 7.37% 7.24% 7.30% 7.34%

July-19 Aug-19 Sept-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20

July-20 Aug-20 Sept-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21 Mar-21





THANK YOU

