

Analysts' briefing

Financial Results

First quarter ended September 30 2017



AMRELI STEELS
Building for Life

Profit & Loss Account

Description	1st Quarter, 2018	1st Quarter, 2017	1st Quarter, 2018	1st Quarter, 2017
	PKR	PKR	As a % of sales	As a % of sales
Sales - net	2,706,286,342	3,218,486,105	100.00%	100.00%
Cost of sales	(2,196,312,150)	(2,753,753,430)	-81.16%	-85.56%
Gross profit / (loss)	509,974,192	464,732,675	18.84%	14.44%
Distribution cost	(55,492,434)	(81,918,390)	-2.05%	-2.55%
Administrative expenditure	(101,056,802)	(69,955,973)	-3.73%	-2.17%
Other charges	(18,828,781)	(18,474,570)	-0.70%	-0.57%
Other operating income	322,556	5,007,653	0.01%	0.16%
Operating profit / (loss)	334,918,732	299,391,396	12.38%	9.30%
Finance costs	(97,059,215)	(74,007,654)	-3.59%	-2.30%
Profit / (Loss) before taxation	237,859,517	225,383,742	8.79%	7.00%
Taxation (Expense) / Reversal	(42,086,798)	257,944	-1.56%	0.01%
Profit / (loss) after taxation	195,772,719	225,641,686	7.23%	7.01%
Earnings per share - basic and diluted (Rs)	0.66	0.76		
Number of shares for EPS	297,011,427	297,011,427		

GP Variance analyses

Combined Sale

Sales	Sep-2017	Sep-2016	Variance		Rs.
Qty	32,902	48,959	(16,058)	65,738	(1,055,609,783)
Sales price	82,254	65,738	16,516	32,902	543,410,020
Net sales variance					(512,199,763)

Cost of Sale

	Sep-2017	Sep-2016	Variance		Rs.
Qty	32,902	48,959	(16,058)	(56,246)	903,185,213
Cost of Sale	(66,754)	(56,246)	(10,508)	32,902	(345,743,933)
Net COGS variance					557,441,280

Net change in gross profits

45,241,517

Gross Profit

	Sep-2017	Sep-2016	Variance		Rs.
Quantity variance	32,902	48,959	(16,058)	9,492	(152,424,569)
Price variance	15,500	9,492	6,008	32,902	197,666,086

Net variance in GP

45,241,517

Quantities

Quantities sold	1st Quarter, 2018	1st Quarter, 2017
ASL Rebars	32,533	35,888
Trading bars	34	9,874
ASL Billets	-	3,008
ASL Zinc	335	190
Total quantities sold	32,902	48,959

Gross profit in %

	1st Quarter, 2018	1st Quarter, 2017
Gross profit – ASL	18.84%	14.44%
ASL Rebars	18.84%	17.48%
Billet	0.00%	0.00%
Trading bars	21.9%	3.1%

Reasons for decrease in profit

Administrative cost

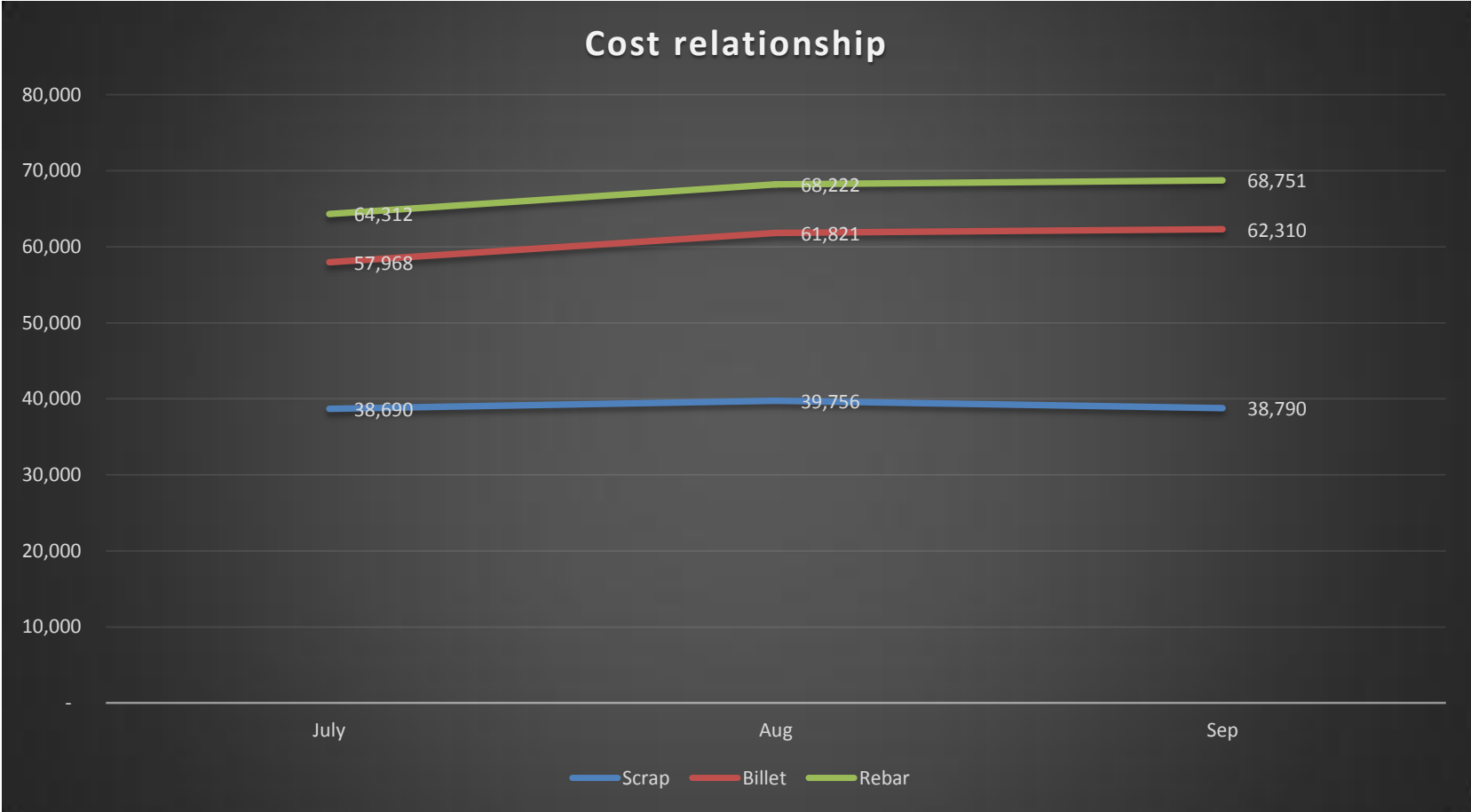
Financial cost

Taxation

Balance Sheet

	As at September 30 2017	As at June 30 2017	Variance
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	12,831,845,399	12,253,098,525	578,746,874
Intangible assets	18,720,521	20,401,304	(1,680,783)
Long-term investment	15,289,370	15,289,370	-
Long term deposits	131,606,013	129,378,613	2,227,400
	12,997,461,303	12,418,167,812	579,293,491
Current Assets			
Stores and spares	554,225,275	619,231,295	(65,006,020)
Stock in-trade	4,356,759,655	3,404,198,598	952,561,057
Trade debts-unsecured considered good (Net of Provision)	1,343,681,663	1,455,202,310	(111,520,647)
Loans and advances	21,267,175	22,220,787	(953,612)
Trade Deposits & short-term prepayments	41,684,490	43,947,767	(2,263,276)
Other receivables	206,461,742	176,537,237	29,924,505
Tax refund due from Government	69,624,300	-	69,624,300
Cash and bank balances	80,198,819	69,558,114	10,640,705
	6,673,903,121	5,790,896,108	883,007,013
TOTAL ASSETS	19,671,364,424	18,209,063,919	1,462,300,504
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised capital			
350,000,000 ordinary shares of Rs.10 each	5,500,000,000	5,500,000,000	
Issued, subscribed and paid-up	2,970,114,270	2,970,114,270	-
Reserves	6,634,429,687	6,420,623,118	213,806,569
	9,604,543,957	9,390,737,388	213,806,569
Surplus on revaluation of fixed assets	1,736,981,147	1,755,014,996	(18,033,849)
	11,341,525,103	11,145,752,384	195,772,719
Non-current liabilities			
Long-term finances	647,014,752	712,069,453	(65,054,701)
Deferred taxation	1,124,820,272	1,104,896,135	19,924,137
Deferred liability	122,704,759	116,942,866	5,761,893
	1,894,539,783	1,933,908,454	(39,368,671)
Current liabilities			
Trade and other payables	1,418,001,468	1,118,557,642	299,443,825
Accrued interest / mark up / profit	82,529,802	56,365,500	26,164,302
Short term finance - secured	4,597,870,023	3,627,591,787	970,278,236
Provision for taxes	-	16,653,380	(16,653,380)
Current maturity of :			
- Long-term finances	336,898,245	310,234,772	26,663,473
	6,435,299,538	5,129,403,081	1,305,896,457
Commitments	-	-	
TOTAL EQUITY AND LIABILITIES	19,671,364,424	18,209,063,919	1,462,300,505

Scrap, Billet, Rebar



Outlook FY 17-18

- ▶ Demand – Stable to high
- ▶ Scrap prices – Range bound US\$10 to US\$ 20
- ▶ PKR US \$???
- ▶ Interest Rates – Should go up
- ▶ Imports