



**GHULAM FARUQUE  
GROUP**



# **ANALYST BRIEFING**

**(Via Zoom)**

**Date: Wednesday, 4 November, 2020**

**Time: 5:00 PM – 5:50 PM**



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GHULAM FARUQUE  
GROUP

# THE FOUNDER – LATE MR. GHULAM FARUQUE (CIE, HPK, OBE)

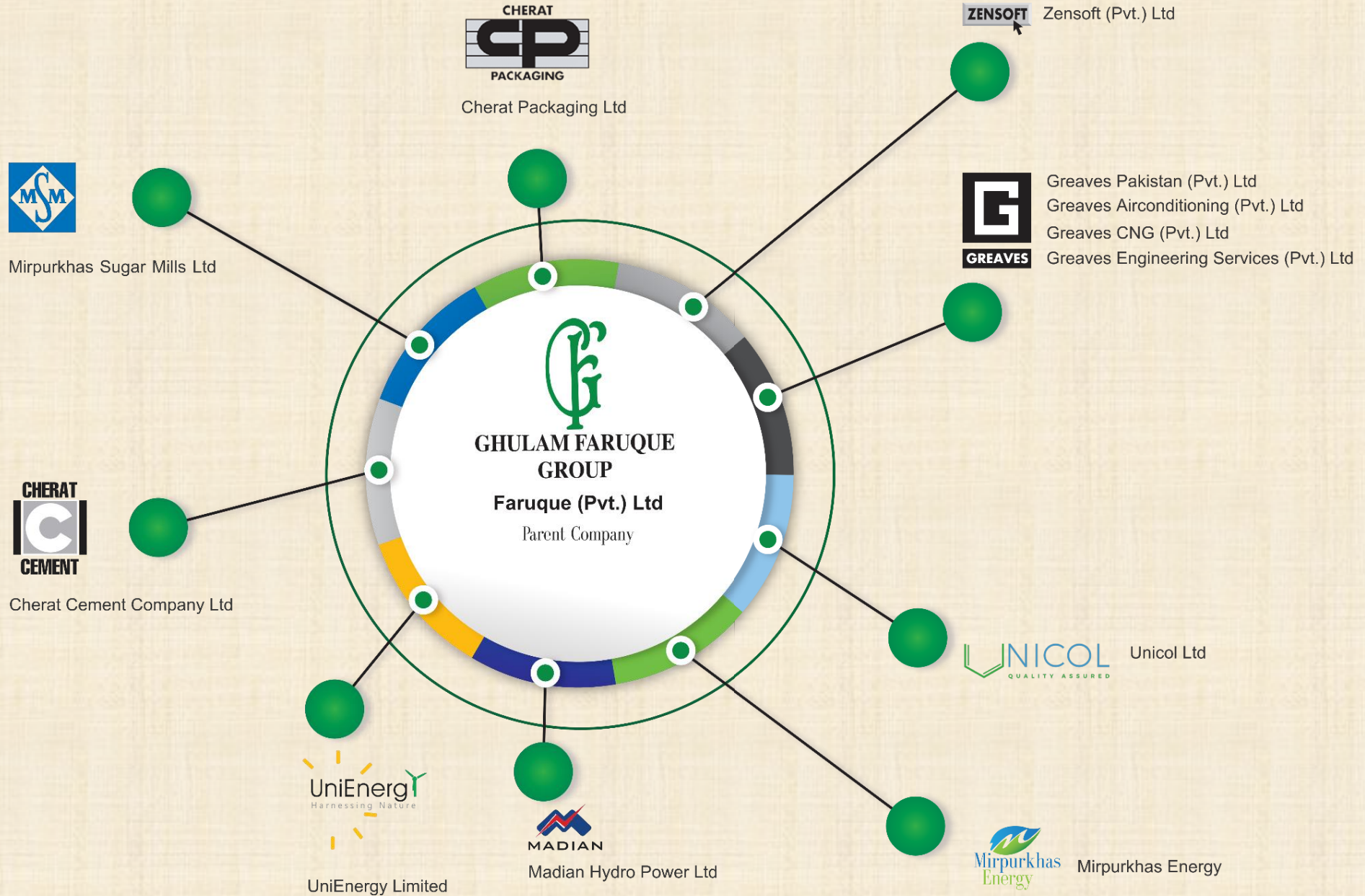


- A visionary and highly respected name in industry circles
- Spearheaded development of Pakistan's industry and laid the foundation of country's industrialization.

## HONOURS CONFERRED

- Office of the Order of the British Empire, 1944
- Companion of the Order of the Indian Empire, 1946
- Commander of the Order of Merit, Spain, 1956
- Hilal-e-Pakistan, 1958 (highest-ranking civilian award of Pakistan)
- Honorary Doctorate of Science, West Pakistan University of Engineering and Technology, 1966
- Fellow of the Chartered Institute of Transport, London
- Member of the Association of Iron and Steel Engineers, USA

# GROUP STRUCTURE





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# GROUP TURNOVER & ASSETS



Group Turnover is approximately of **Rs. 55 billion**



Group Assets are approximately of **Rs. 80 billion**



Approximately **5,500** direct and indirect employees



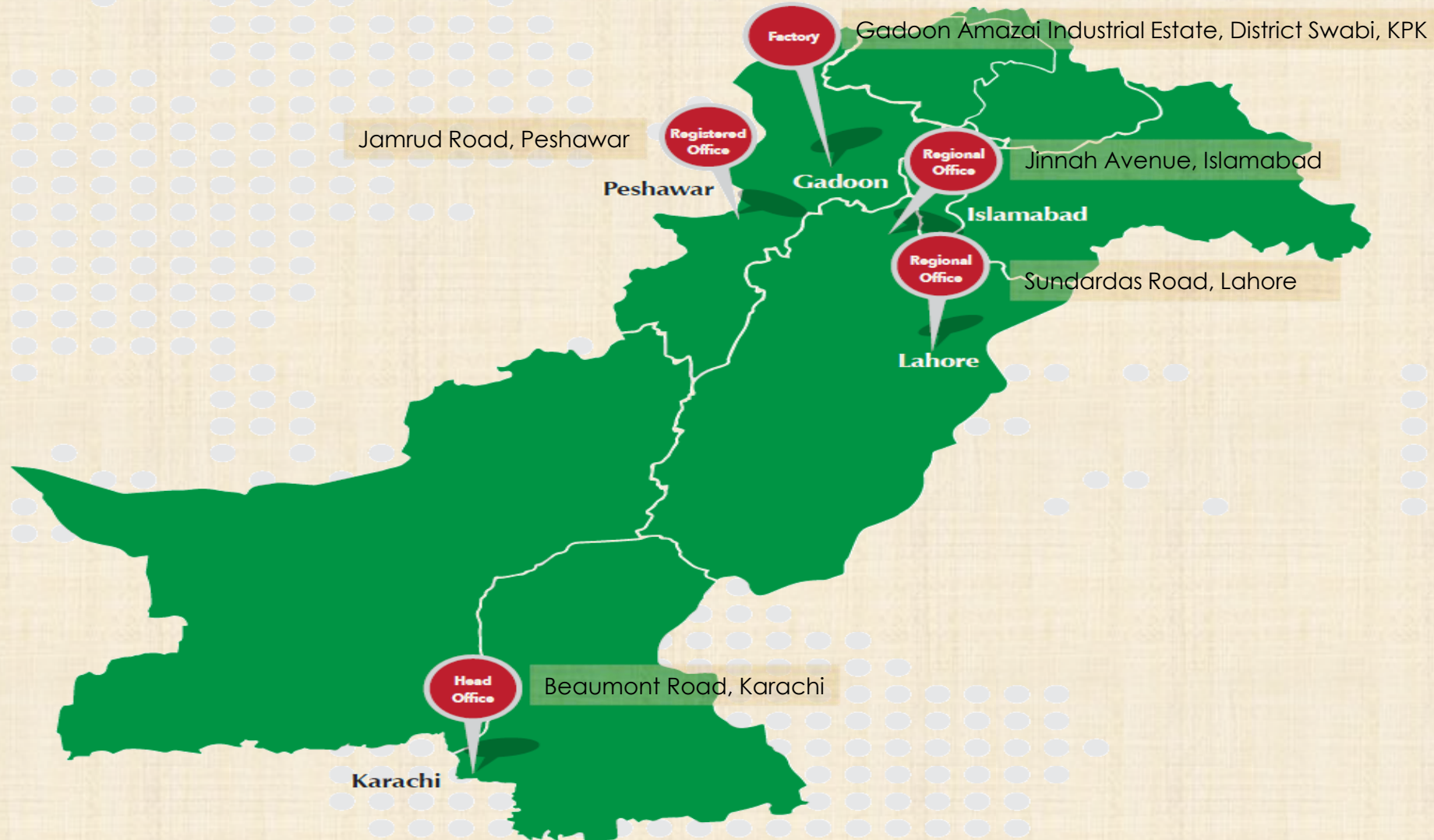
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# OUR VALUES



**LIVE VALUES  
BUILD CULTURE**

# COMPANY LOCATIONS



# GLOBAL REACH



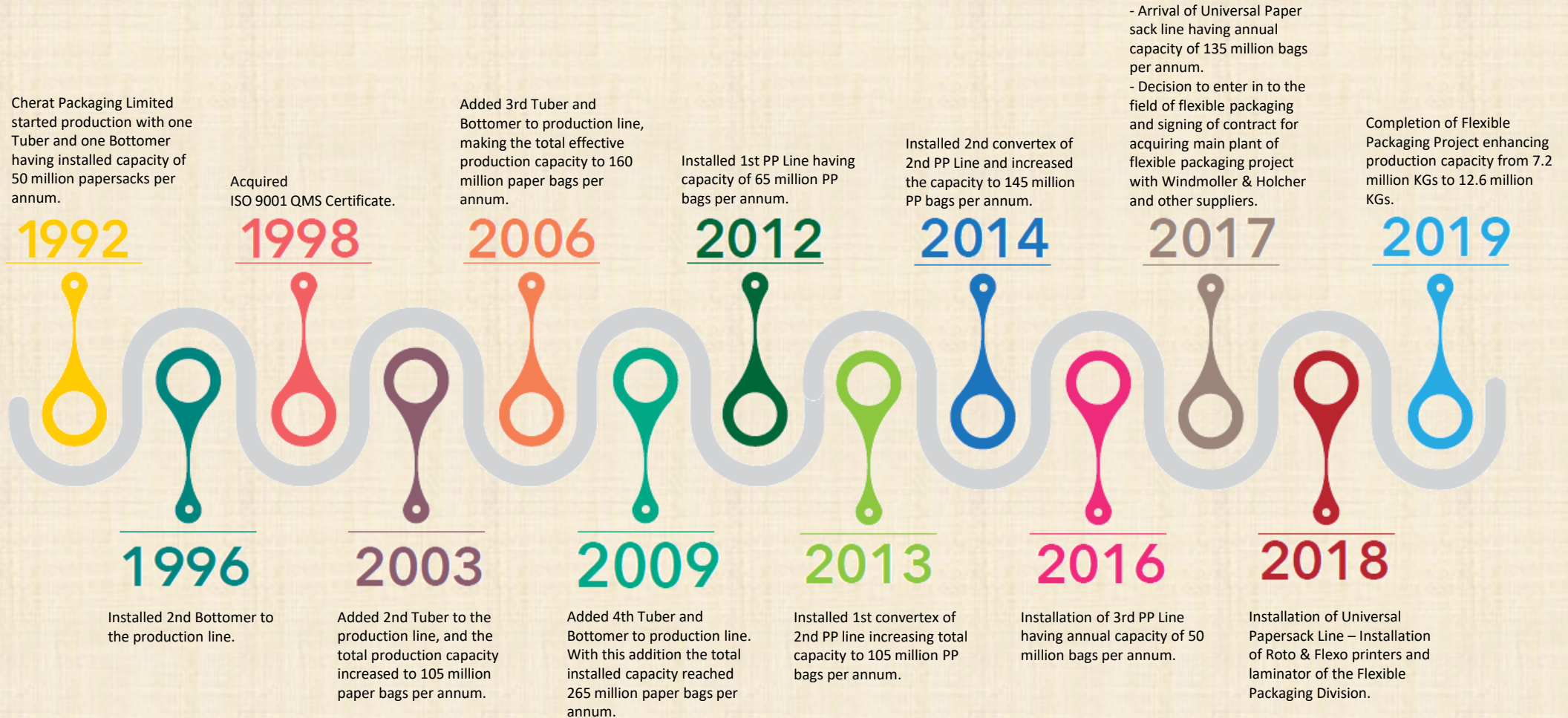


# AWARDS AND RECOGNITION

- Being awarded 1<sup>st</sup> position since 2014 in Best Corporate and Sustainability Report Award (Jointly conducted by ICAP and ICMAP)
- Earned overall 1<sup>st</sup> position in 2018 as best report in BCSR awards
- Won Best Company award from Pakistan Stock Exchange
- Won Corporate Excellence Award consecutively for two years on account of Best Management Practices by Management Association of Pakistan
- Certificate of Merit on Good Governance by SAFA



# JOURNEY AT A GLANCE





# PAPERSACK

Key features:

- Major Plant Suppliers and Strategic Partners



- 5 production lines
- Production capacity of 400 million bags per annum
- Exclusive rights of Select Paper from Mondi Packaging
- Expansion of Universal Papersack line in October 2017 (ability to produce bags of various kinds and sizes)
- Highest production capacity among competitors
- Market leader in paper bag sales





# POLYPROPYLENE

Key features:

- Major Plant Supplier and Strategic Partner



Windmüller & Hölscher

- 3 production lines
- Production capacity of 195 million bags per annum
- Expansion of 5<sup>th</sup> Convertex in 2017
- One of the highest production capacity among competitors
- Produces lowest weight bags in the world (High quality / low cost)



# FLEXIBLE PACKAGING



Key features:

- Major Plant Suppliers



- State-of-the-art production line
- Extrusion, Laminator, Rotogravure, Flexographic printing, Bag making, Cylinder & plate making
- Only Company to enter with full equipment from top to bottom
- Production capacity of 12.60 million Kg per annum
- Investment of over Rs. 2.5 billion



# KEY HIGHLIGHTS

## Statement of Financial Position

### ASSETS

	2020		2019		2018		2017		2016		2015	
	(Rupees in '000)	%	(Rupees in '000)	%	(Rupees in '000)	%	(Rupees in '000)	%	(Rupees in '000)	%	(Rupees in '000)	%
Non-Current Assets	5,580,510	5%	5,328,751	1%	5,273,537	95%	2,703,235	24%	2,174,501	23%	1,765,831	17%
Current Assets	5,580,221	-7%	6,022,692	47%	4,095,137	43%	2,863,159	14%	2,510,213	15%	2,176,458	-5%
<b>Total Assets</b>	<b>11,160,731</b>	<b>-2%</b>	<b>11,351,443</b>	<b>21%</b>	<b>9,368,674</b>	<b>68%</b>	<b>5,566,394</b>	<b>19%</b>	<b>4,684,714</b>	<b>19%</b>	<b>3,942,289</b>	<b>4%</b>

### EQUITY AND LIABILITIES

Share Capital and Reserves	4,774,404	7%	4,466,238	-1%	4,516,005	12%	4,016,877	21%	3,316,291	51%	2,198,965	59%
Non-Current Liabilities	2,875,037	-5%	3,033,486	1%	2,997,929	287%	774,085	76%	440,975	-46%	816,728	5%
Current Liabilities	3,511,290	-9%	3,851,719	108%	1,854,740	139%	775,432	-16%	927,448	0%	926,596	-44%
<b>Total Equity and Liabilities</b>	<b>11,160,731</b>	<b>-2%</b>	<b>11,351,443</b>	<b>21%</b>	<b>9,368,674</b>	<b>68%</b>	<b>5,566,394</b>	<b>19%</b>	<b>4,684,714</b>	<b>19%</b>	<b>3,942,289</b>	<b>4%</b>

## Statement of Profit or Loss

Turnover - net	9,436,193	17%	8,093,407	14%	7,091,653	10%	6,443,932	-6%	6,888,605	11%	6,223,832	16%
Gross profit	1,173,729	-16%	1,400,649	28%	1,098,332	-13%	1,256,478	-21%	1,582,067	21%	1,307,251	116%
Operating profit	882,181	-24%	1,166,634	31%	893,145	-14%	1,037,061	-25%	1,380,395	22%	1,132,788	129%
Profit before taxation	98,678	-85%	660,080	-14%	764,883	-21%	972,943	-26%	1,307,991	42%	922,635	243%
Profit after taxation	70,235	-88%	562,873	-21%	711,079	1%	702,049	-24%	918,239	41%	651,411	159%

# FINANCIAL YEAR 2020 RESULTS

## TURNOVER - NET

2020	2019	DIFFERENCE	%
Rs. 9,436 Mn	Rs. 8,093 Mn	Rs. 1,343 Mn	16.59%

## GROSS PROFIT

2020	2019	DIFFERENCE	%
Rs. 1,174 Mn	Rs. 1,401 Mn	- Rs. 227 Mn	-16.20%

## OPERATING PROFIT

2020	2019	DIFFERENCE	%
Rs. 882 Mn	Rs. 1,167 Mn	- Rs. 285 Mn	-24.42%

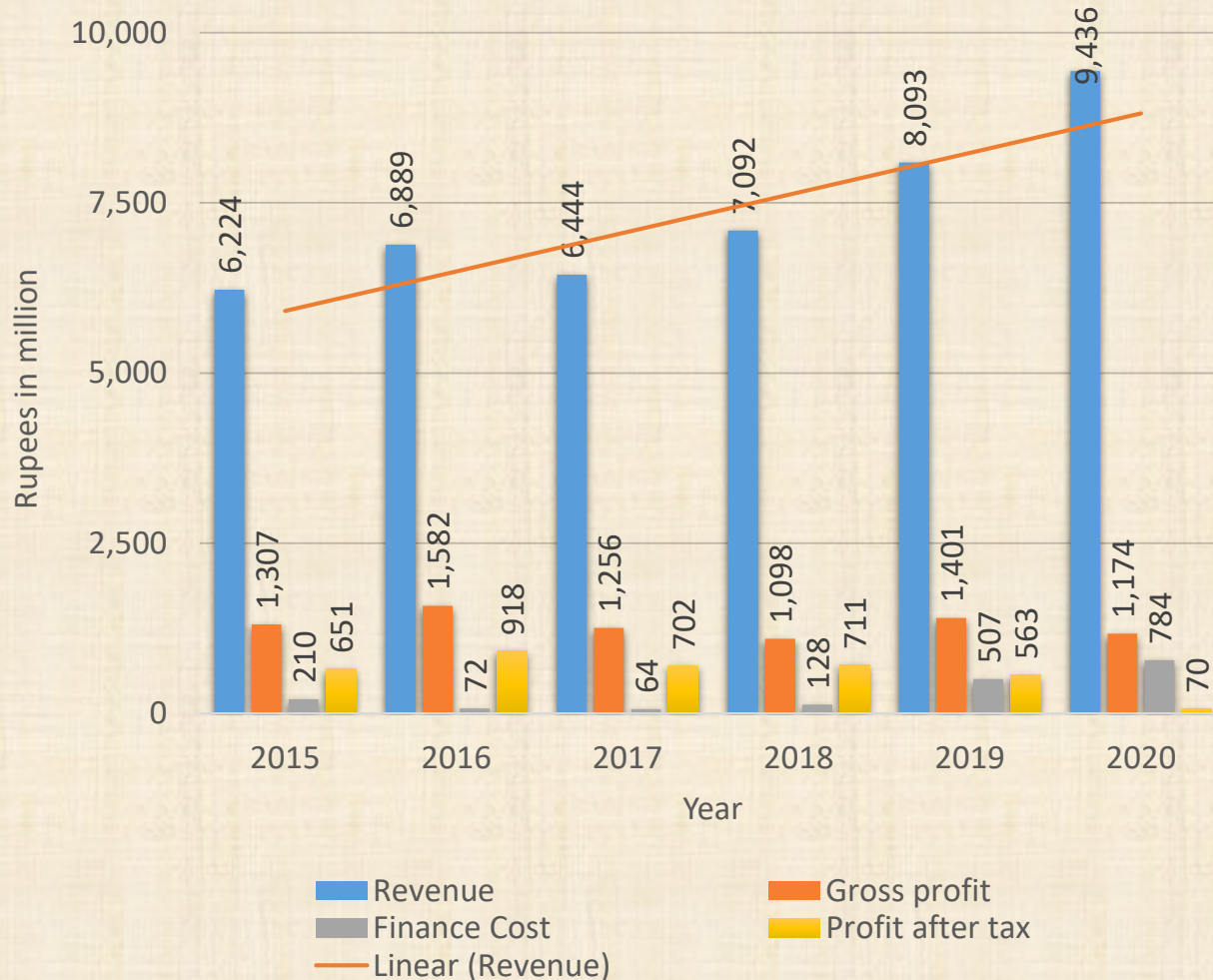
## PROFIT BEFORE TAX

2020	2019	DIFFERENCE	%
Rs. 99 Mn	Rs. 660 Mn	- Rs. 561 Mn	-85.00%

## PROFIT AFTER TAX

2020	2019	DIFFERENCE	%
Rs. 70 Mn	Rs. 563 Mn	- Rs. 493 Mn	-87.57%

# PROFITABILITY



## LAST SIX YEARS

- Main drivers
  - Higher production / sales
  - Price appreciation / inflation
  - Diversification & new products
  - Initiation of Flexible Packaging Division (2018)
  - Slash on tax credit u/s 65B of IT Ordinance 2001 in Finance Act 2019
  - Devaluation of Pak rupee curtailed high growth
  - High discount rates increased finance cost

## THIS YEAR

- Main drivers
  - Price appreciation / inflation
  - Higher discount rates
  - Devaluation of Pak Rupee
  - COVID-19 out-break moderately impacted sales



# QUARTER RESULTS

## TURNOVER - NET

SEP 2020	SEP 2019	DIFFERENCE	%
Rs. 2,523 Mn	Rs. 2,377 Mn	Rs. 146 Mn	6.14%

## GROSS PROFIT

SEP 2020	SEP 2019	DIFFERENCE	%
Rs. 384 Mn	Rs. 302 Mn	Rs. 82 Mn	27.15%

## OPERATING PROFIT

SEP 2020	SEP 2019	DIFFERENCE	%
Rs. 309 Mn	Rs. 233 Mn	Rs. 76 Mn	32.62%

## PROFIT BEFORE TAX

SEP 2020	SEP 2019	DIFFERENCE	%
Rs. 192 Mn	Rs. 30 Mn	Rs. 162 Mn	540.00%

## PROFIT AFTER TAX

SEP 2020	SEP 2019	DIFFERENCE	%
Rs. 138 Mn	Rs. 22 Mn	Rs. 116 Mn	527.27%

# KEY FINANCIAL RATIOS – QUARTER RESULTS

## GROSS PROFIT

SEP 2020	SEP 2019
15.23%	12.70%

## PROFIT BEFORE TAXATION

SEP 2020	SEP 2019
7.61%	1.28%

## PROFIT AFTER TAXATION

SEP 2020	SEP 2019
5.45%	0.94%

## EARNINGS PER SHARE

SEP 2020	SEP 2019
Rs. 3.24	Re. 0.53

## DEBTS TO EQUITY RATIO

SEP 2020	JUNE 2020
36:64	37:63

## INTEREST COVER RATIO

SEP 2020	SEP 2019
2.64	1.15

## CURRENT RATIO

SEP 2020	JUNE 2020
1.56	1.59

## QUICK/ACID TEST RATIO

SEP 2020	JUNE 2020
0.85	0.84

# CURRENT ISSUES & FUTURE PROSPECTS



- Cement Demand
- PKR parity against foreign currencies (esp. USD and Euro)
- Discount rates
- Purchasing power of general public (directly impact FPD)
- Inflation
- Government policies
- Duties & taxes
- Power cost
- Export opportunities
- Diversification strategy to hedge against fluctuation in cement demand
- Pandemic effects

THANK YOU FOR YOUR  
ATTENTION

Q&A

