



**GHULAM FARUQUE
GROUP**



ANALYST BRIEFING

(Via Zoom)

Date: Monday, 13 September, 2021

Time: 5:00 PM – 6:00 PM



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

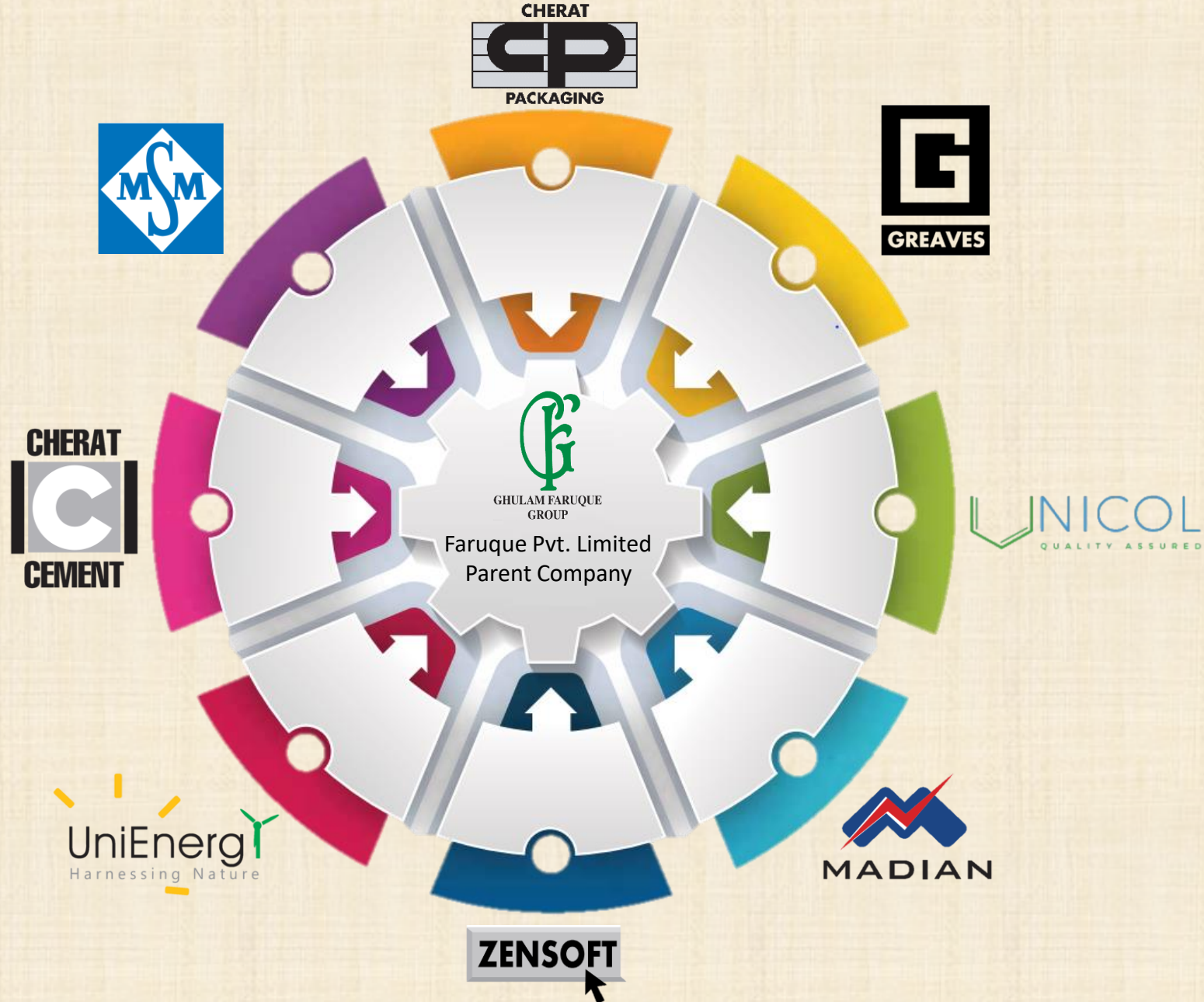


- A visionary and highly respected name in industry circles
- Spearheaded development of Pakistan's industry and laid the foundation of country's industrialization.

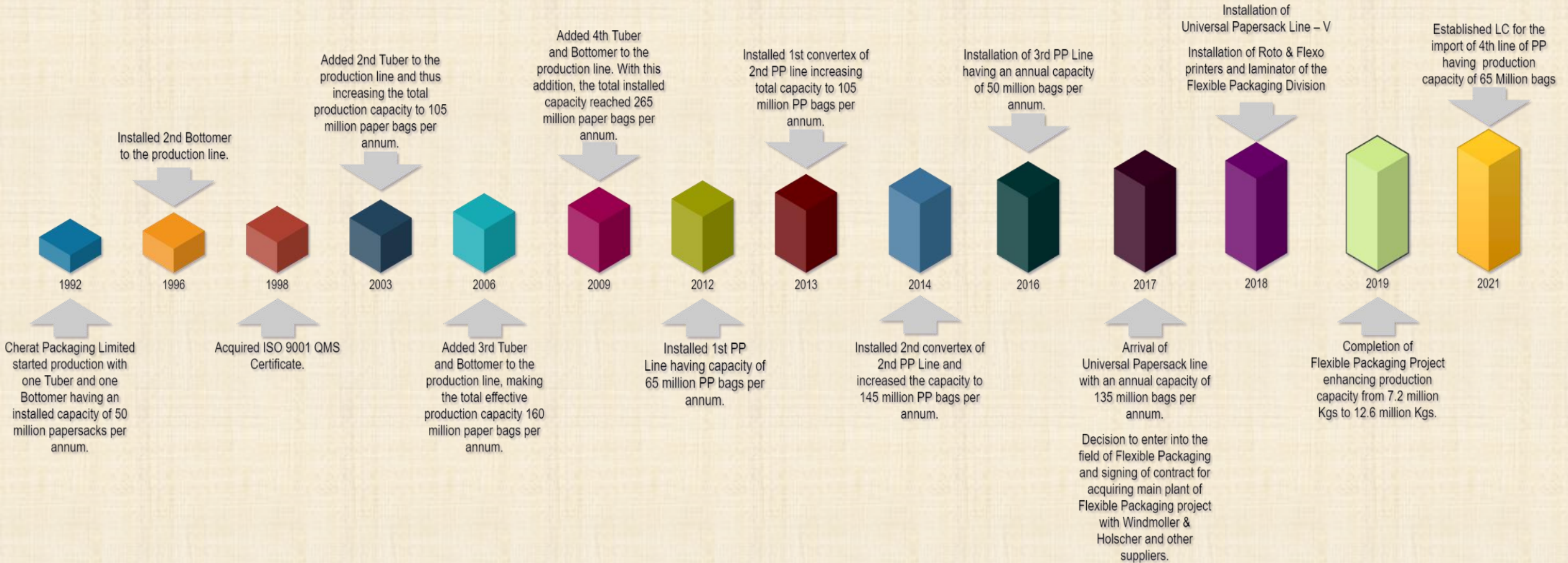
HONOURS CONFERRED

- 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



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 5th Convertex in 2017
- One of the highest production capacity among competitors
- Produces lowest weight bags in the world (High quality / low cost)
- PP Line IV to be commissioned in December 2021



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



MAIN EVENTS FY 2020-21

- Unprecedented cement sales
- COVID-19 remained an issue
- High volumetric sale (KP, PP & FPD)
- Volatile granule prices
- Kraft paper shortage in international market
- Exchange rate remained relatively stable
- State bank's measures to help corporate sector



STATEMENT OF PROFIT OR LOSS

	2021	2020	Variance	%
----- Rupees in '000 -----				
Revenue	11,255,102	9,436,193	1,818,909	19.28%
Cost of goods sold	<u>(9,317,477)</u>	<u>(8,262,464)</u>	<u>(1,055,013)</u>	12.77%
Gross profit	1,937,625	1,173,729	763,896	65.08%
Selling expenses	(194,638)	(164,781)	(29,857)	18.12%
Admin expenses	(105,918)	(95,009)	(10,909)	11.48%
Other expenses	(89,444)	(53,389)	(36,055)	67.53%
Other income	<u>35,669</u>	<u>21,631</u>	<u>14,038</u>	64.90%
Operating profit	1,583,294	882,181	701,113	79.47%
Finance cost	<u>(384,772)</u>	<u>(783,503)</u>	<u>398,731</u>	-50.89%
Profit before tax	1,198,522	98,678	1,099,844	1114.58%
Taxation	<u>(343,430)</u>	<u>(28,443)</u>	<u>(314,987)</u>	1107.43%
Profit after tax	<u>855,092</u>	<u>70,235</u>	<u>784,857</u>	1117.47%

STATEMENT OF FINANCIAL POSITION

	2021	2020	Variance	%
----- Rupees in '000 -----				
Assets				
Non-current assets	5,978,810	5,580,510	398,300	7.14%
Current assets	<u>6,608,344</u>	<u>5,580,221</u>	<u>1,028,123</u>	18.42%
Total Assets	<u>12,587,154</u>	<u>11,160,731</u>	<u>1,426,423</u>	12.78%
Equity & liabilities				
Share capital and reserves	6,039,840	4,774,404	1,265,436	26.50%
Non-current liabilities	2,643,027	2,875,037	(232,010)	-8.07%
Current liabilities	<u>3,904,287</u>	<u>3,511,290</u>	<u>392,997</u>	11.19%
Total equity & liabilities	<u>12,587,154</u>	<u>11,160,731</u>	<u>1,426,423</u>	12.78%

KEY FINANCIAL RATIOS

GROSS PROFIT

JUN 2021	JUN 2020
17%	12%

PROFIT BEFORE TAXATION

JUN 2021	JUN 2020
11%	1%

PROFIT AFTER TAXATION

JUN 2021	JUN 2020
8%	1%

EARNINGS PER SHARE

JUN 2021	JUN 2020
Rs. 20.12	RS. 1.65

DEBTS TO EQUITY RATIO

JUN 2021	JUNE 2020
32:68	37:63

INTEREST COVER RATIO

JUN 2021	JUNE 2020
4.11	1.13

CURRENT RATIO

JUN 2021	JUNE 2020
1.69	1.59

QUICK/ACID TEST RATIO

JUN 2021	JUNE 2020
0.89	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
- Power cost
- Export opportunities
- Diversification strategy to hedge against fluctuation in cement demand
- Pandemic effects

THANK YOU FOR YOUR
ATTENTION

Q&A

