



**GHULAM FARUQUE  
GROUP**



# **ANALYST BRIEFING**

**(Via Zoom)**

**Date: Thursday, 08 September, 2022**

**Time: 5:00 PM – 6:00 PM**



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

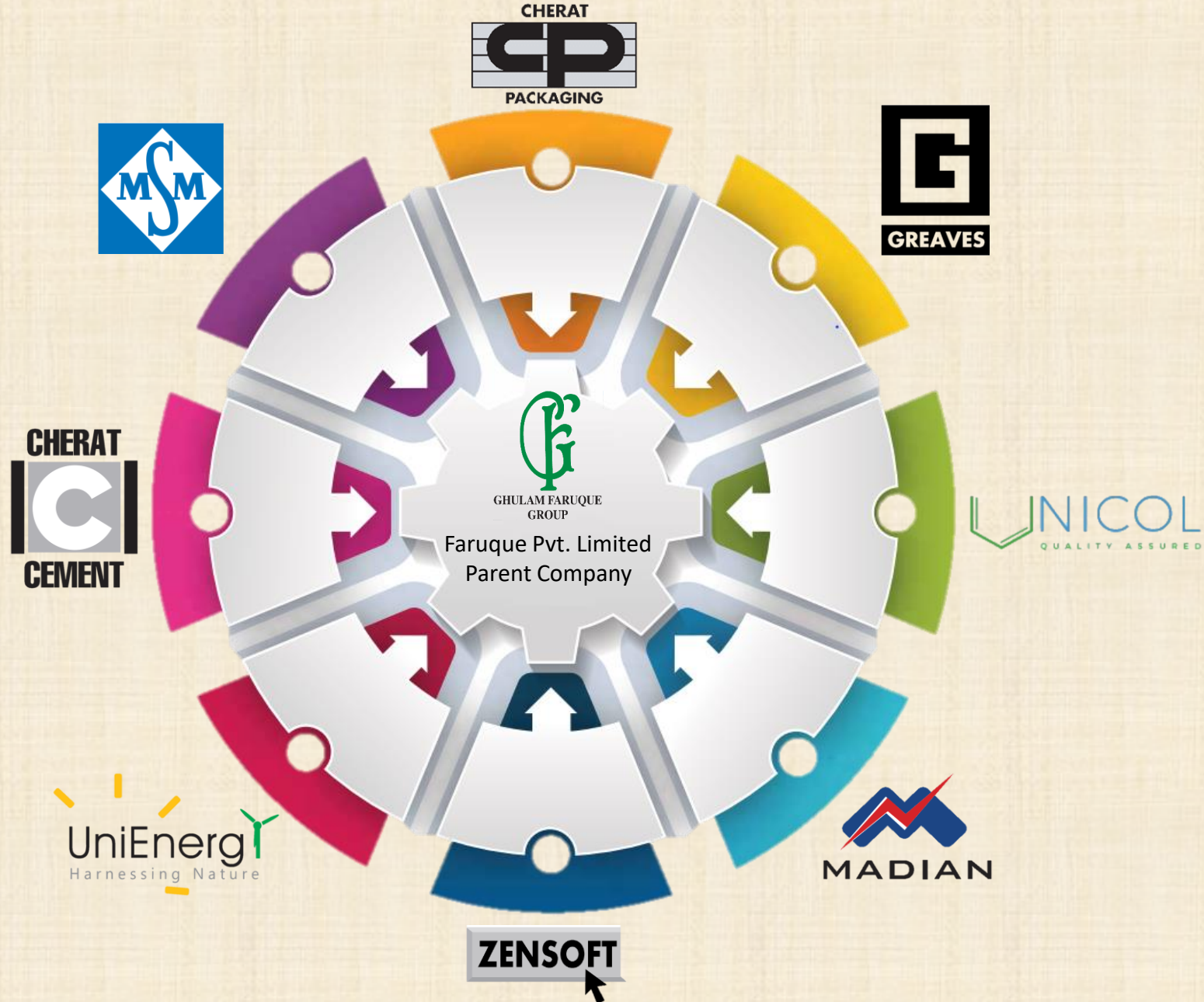


- A visionary and highly respected name in industry circles
- Spearheaded development of Pakistan's industry and laid the foundation of country's industrialization.

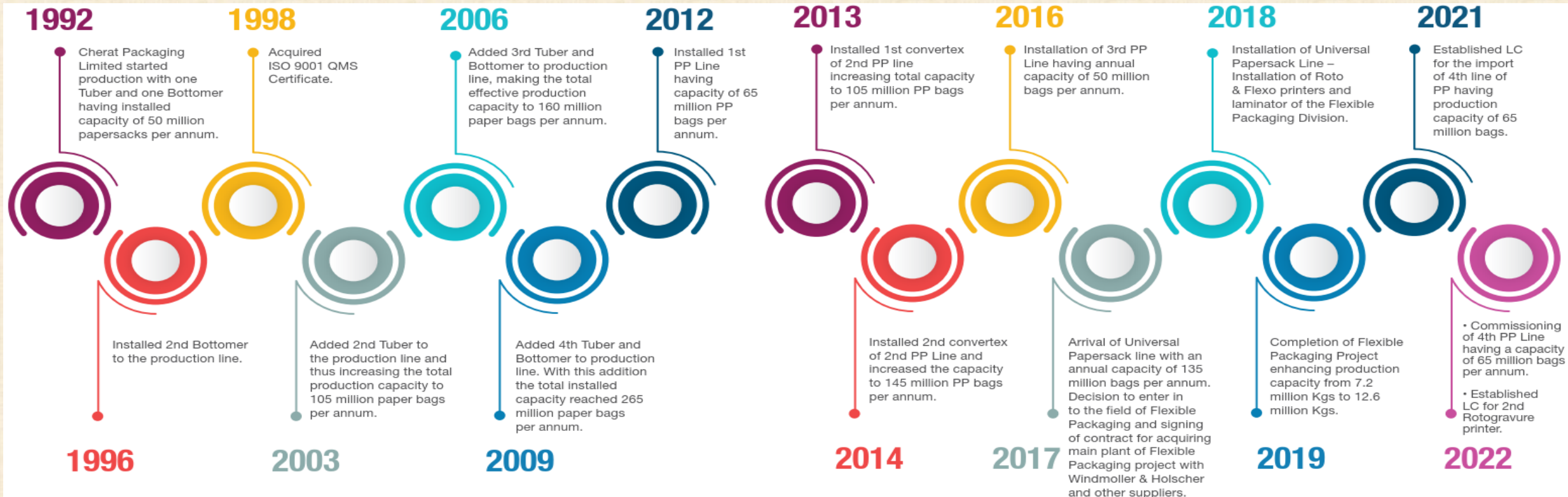
## HONOURS CONFERRED

- 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 DIVISION

Key features:

- Major Plant Suppliers and Strategic Partners



- 5 production lines
- Production capacity of 400 million bags per annum
- Exclusive rights for Select Paper from Mondi Packaging
- Acquisition of Universal Papersack line in October 2017
- Highest production capacity in industry
- Market leader in paper bag sales



# POLYPROPYLENE DIVISION

Key features:

- Major Plant Supplier and Strategic Partner



Windmüller & Hölscher



- 4 production lines
- Production capacity of 260 million bags per annum
- Expansion of line 4 in 2022
- Highest production capacity in industry
- Produces lowest grammage bags in the world (high quality / low cost)
- Besides cement, producing bags for packing for sugar, wheat, flour etc.



# 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 entire line of equipment
- Current production capacity of 12.60 million Kg per annum
- Investment of over Rs. 2.5 billion
- Roto line 2 expected to be commissioned by March 2023





# MAIN EVENTS FY 2021-22

- Decrease in cement demand
- Increasing raw material cost
- Major devaluation of Pak Rupee
- 800 bps increase in discount rates by SBP
- Supply chain issues
- Upward spiral trend of energy cost and POL products
- Super tax levied

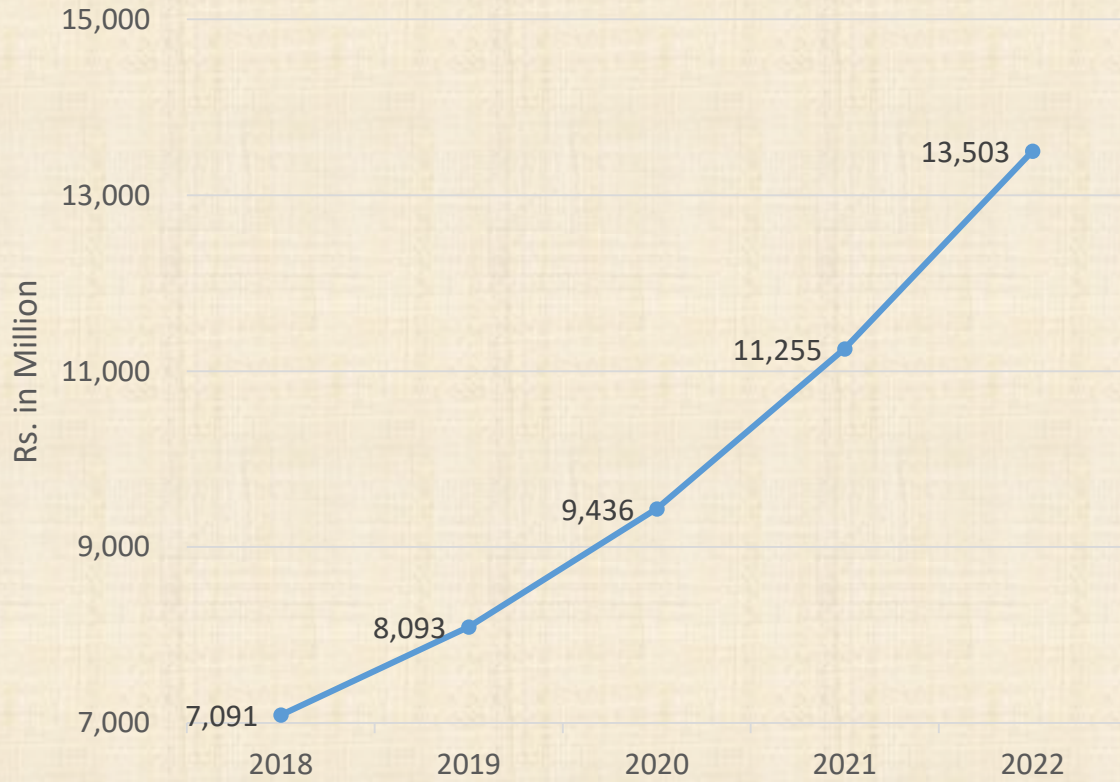


# STATEMENT OF PROFIT OR LOSS

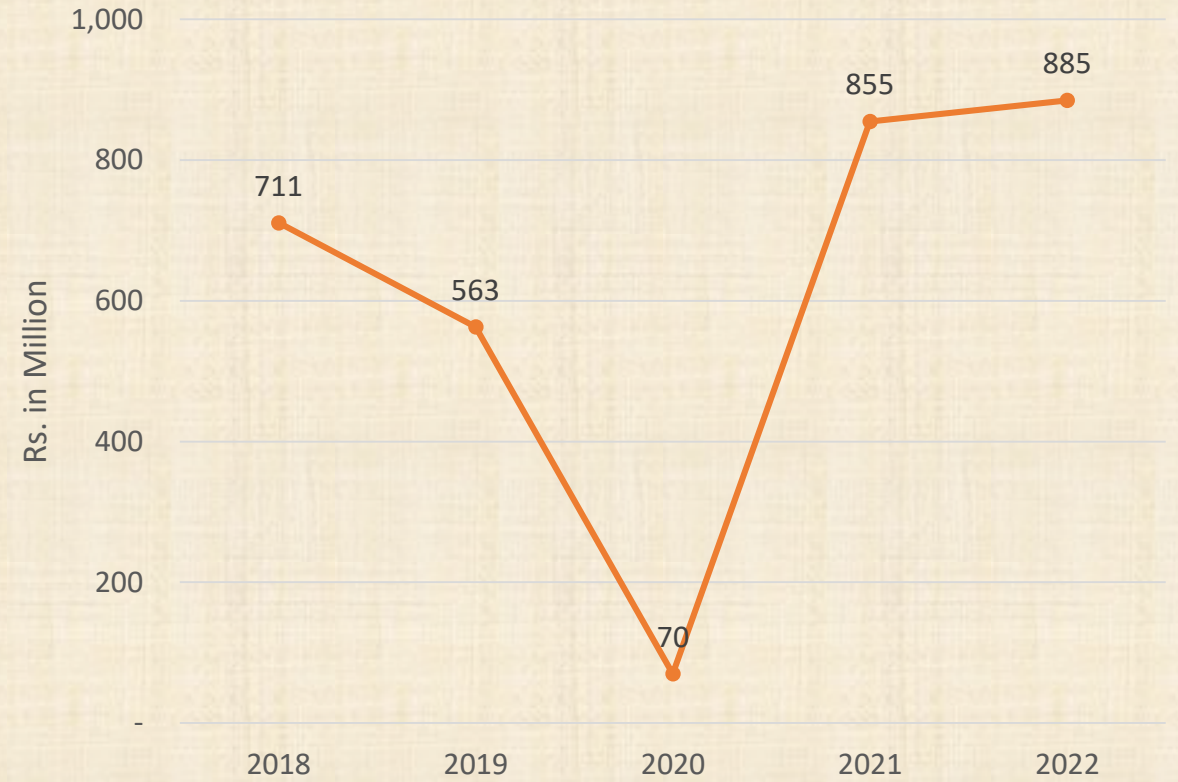
	2022	2021	Variance	%
----- Rupees in '000 -----				
Revenue	13,502,519	11,255,102	2,247,417	19.97%
Cost of goods sold	<u>(11,187,790)</u>	<u>(9,317,477)</u>	<u>(1,870,313)</u>	20.07%
<b>Gross profit</b>	<b>2,314,729</b>	<b>1,937,625</b>	<b>377,104</b>	<b>19.46%</b>
Selling expenses	(254,813)	(194,638)	(60,175)	30.92%
Admin expenses	(143,015)	(105,918)	(37,097)	35.02%
Other expenses	(75,881)	(89,444)	13,563	-15.16%
Other income	<u>39,668</u>	<u>35,669</u>	<u>3,999</u>	11.21%
<b>Operating profit</b>	<b>1,880,688</b>	<b>1,583,294</b>	<b>297,394</b>	<b>18.78%</b>
Finance cost	<u>(485,303)</u>	<u>(384,772)</u>	<u>(100,531)</u>	26.13%
<b>Profit before tax</b>	<b>1,395,385</b>	<b>1,198,522</b>	<b>196,863</b>	<b>16.43%</b>
Taxation	<u>(509,876)</u>	<u>(343,430)</u>	<u>(166,446)</u>	48.47%
<b>Profit after tax</b>	<b><u>885,509</u></b>	<b><u>855,092</u></b>	<b><u>30,417</u></b>	<b>3.56%</b>

# PERFORMANCE TREND

## Revenue



## Net profit



# KEY FINANCIAL RATIOS

## GROSS PROFIT

JUN 2022	JUN 2021
17%	17%

## PROFIT BEFORE TAXATION

JUN 2022	JUN 2021
10%	11%

## PROFIT AFTER TAXATION

JUN 2022	JUN 2021
6.5%	8%

## EARNINGS PER SHARE

JUN 2022	JUN 2021
Rs. 20.83	Rs. 20.12

## DEBT TO EQUITY RATIO

JUN 2022	JUN 2021
30:70	32:68

## INTEREST COVER RATIO

JUN 2022	JUN 2021
3.88	4.11

## CURRENT RATIO

JUN 2022	JUN 2021
1.50	1.69

## QUICK/ACID TEST RATIO

JUN 2022	JUN 2021
0.71	0.89

# 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
- International geo-political impact

THANK YOU FOR YOUR  
ATTENTION

Q&A

