

Pakistan Stock Exchange

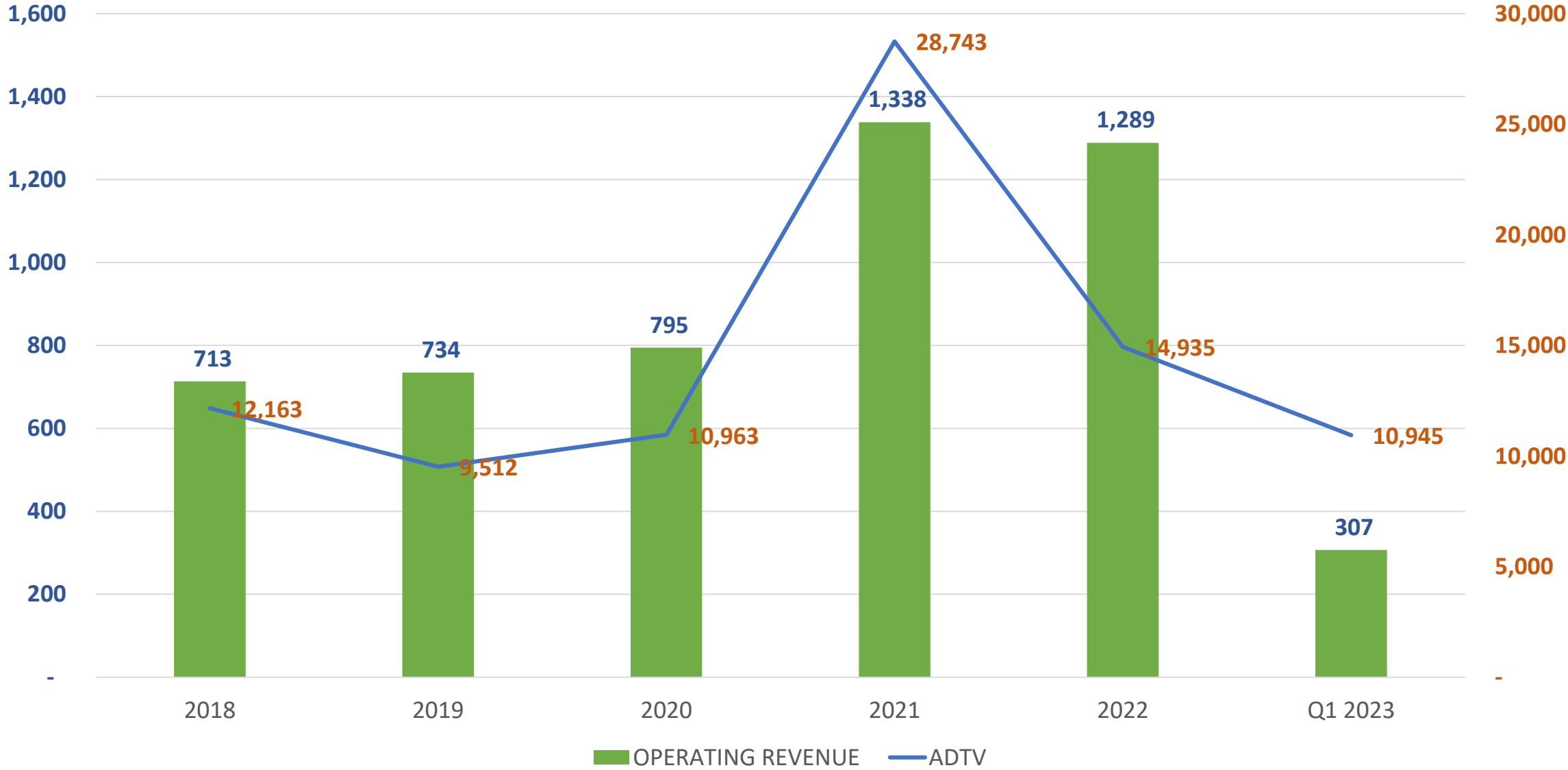
Analyst Briefing

**Financial Results for the year ended
June 30, 2022 & the first quarter ended
September 30, 2022**



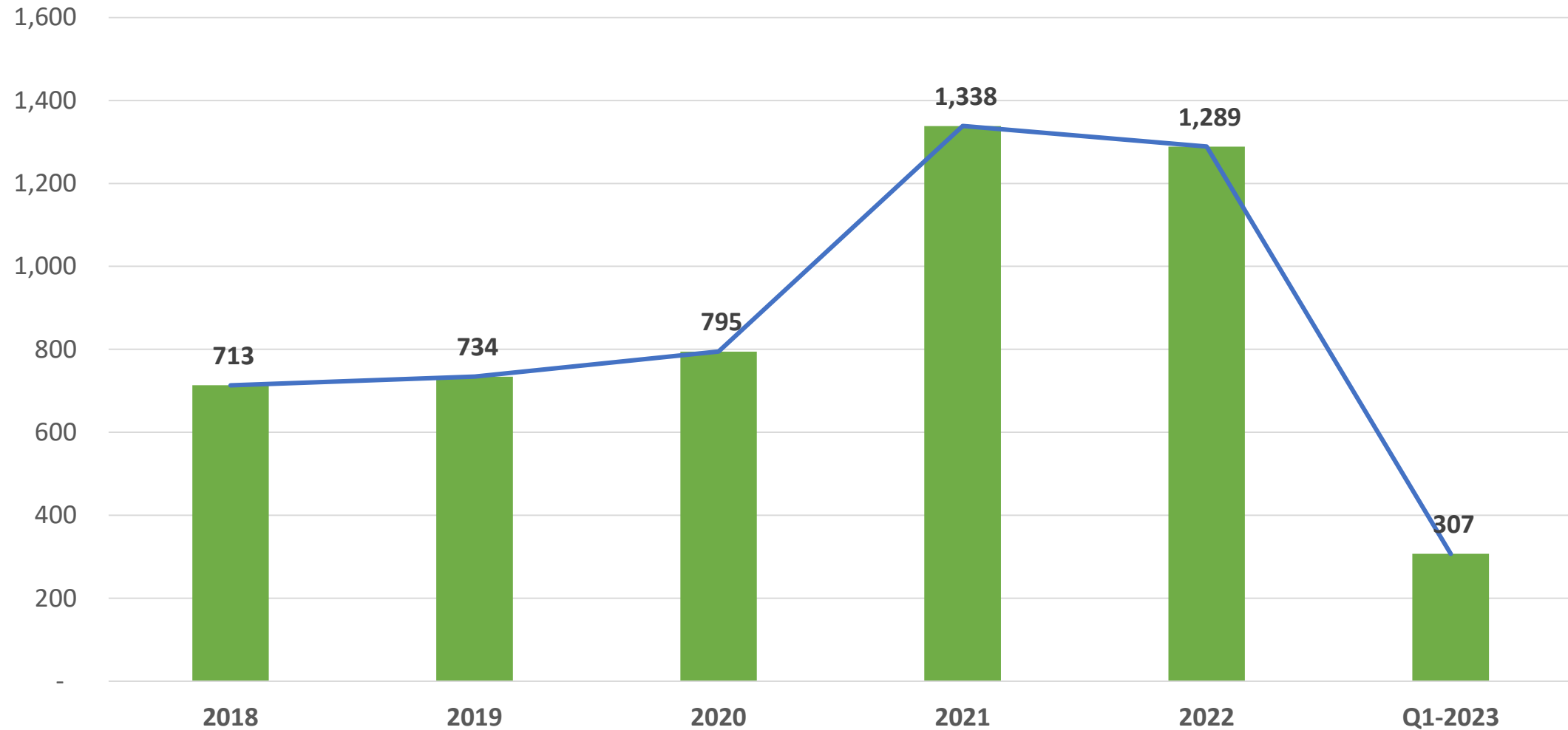
CORE OPERATING REVENUE VS ADTV

PKR Millions



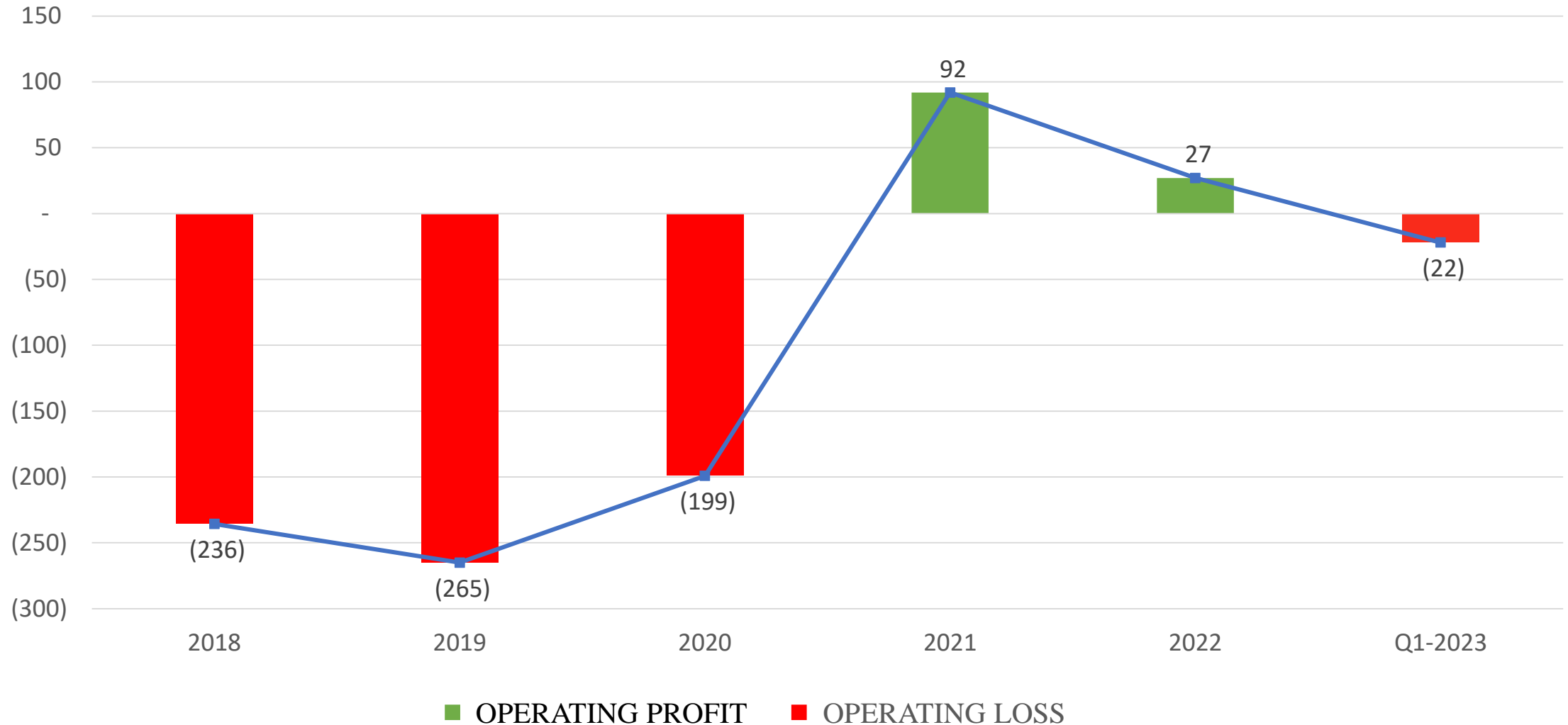
CORE OPERATING REVENUE

PKR Millions



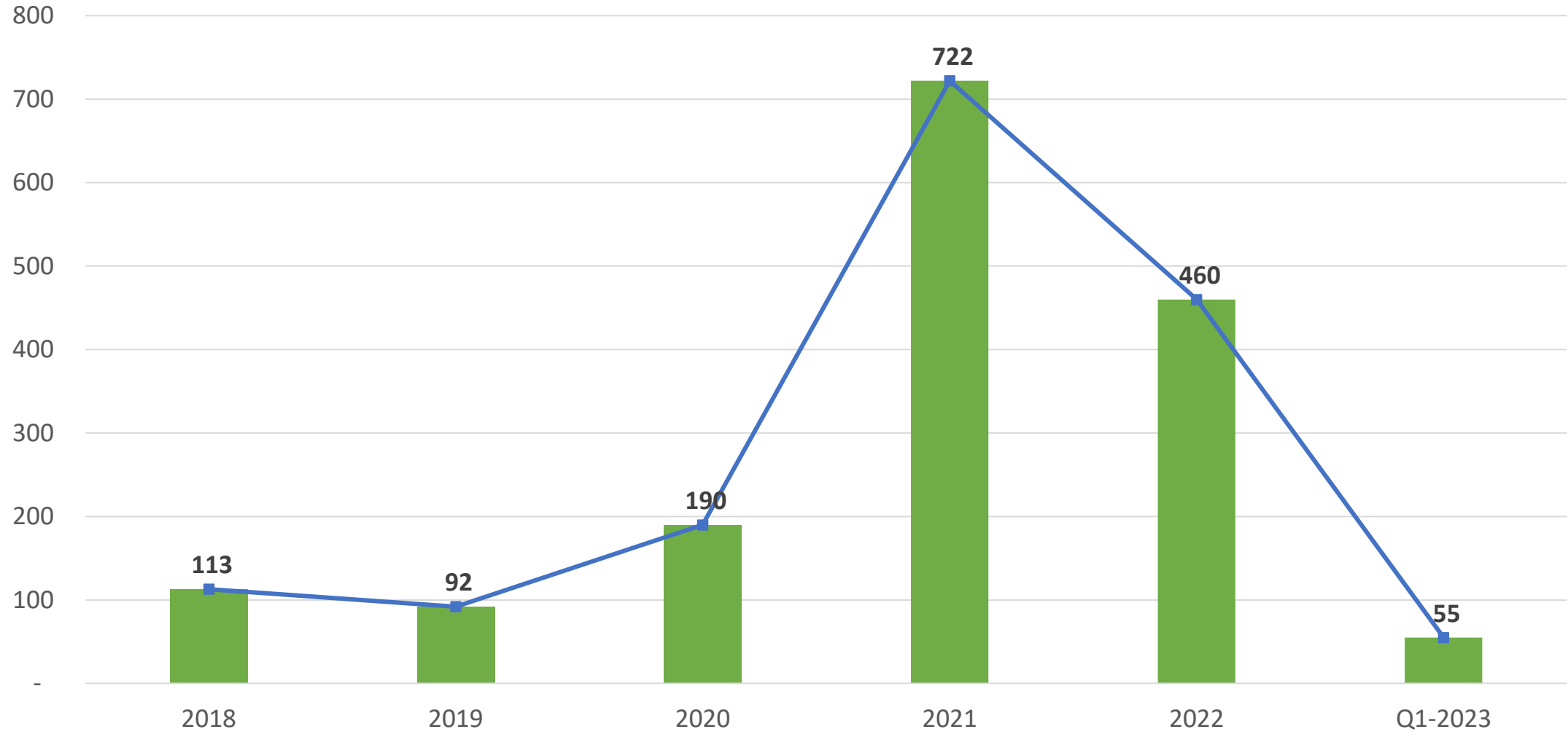
OPERATING PROFIT / (LOSS)

PKR Millions



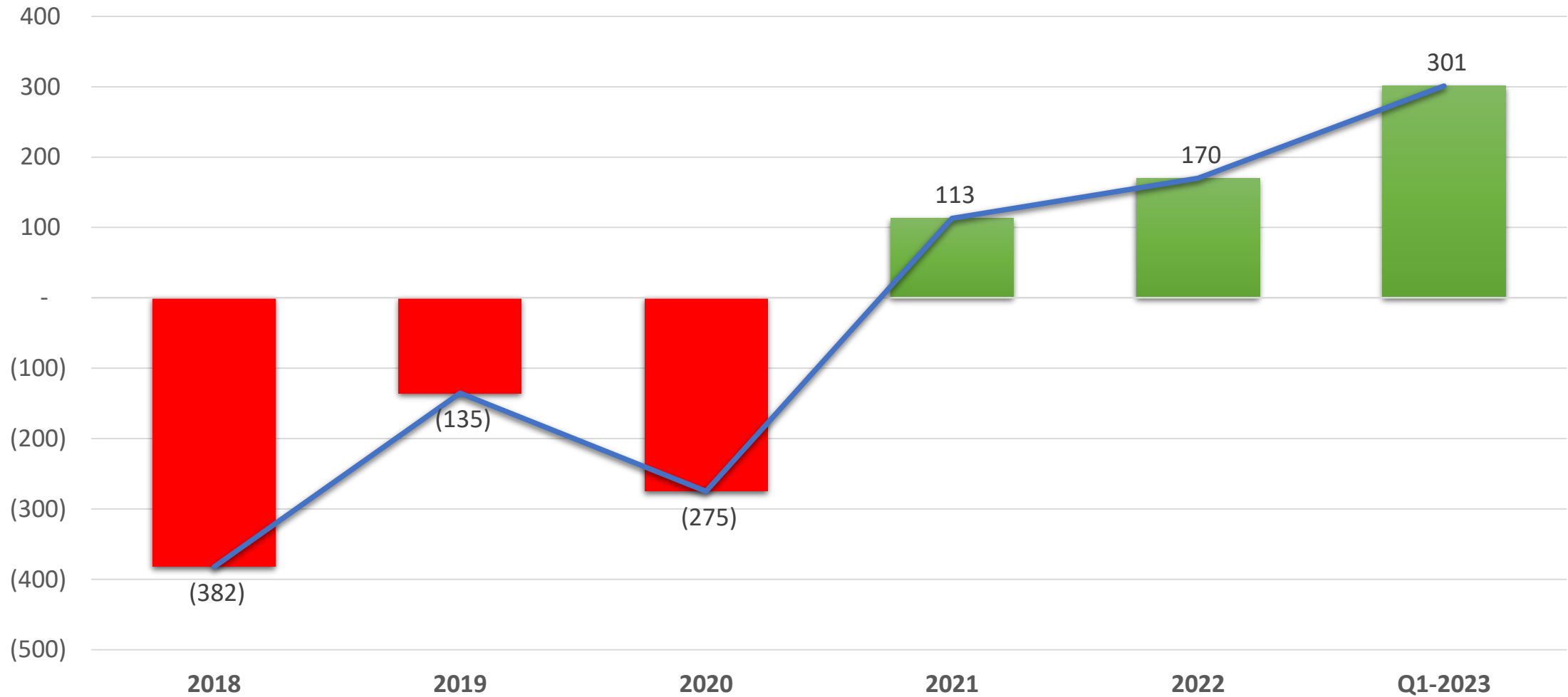
PROFIT BEFORE TAX

PKR Millions



NET CASH GENERATED DURING THE YEAR

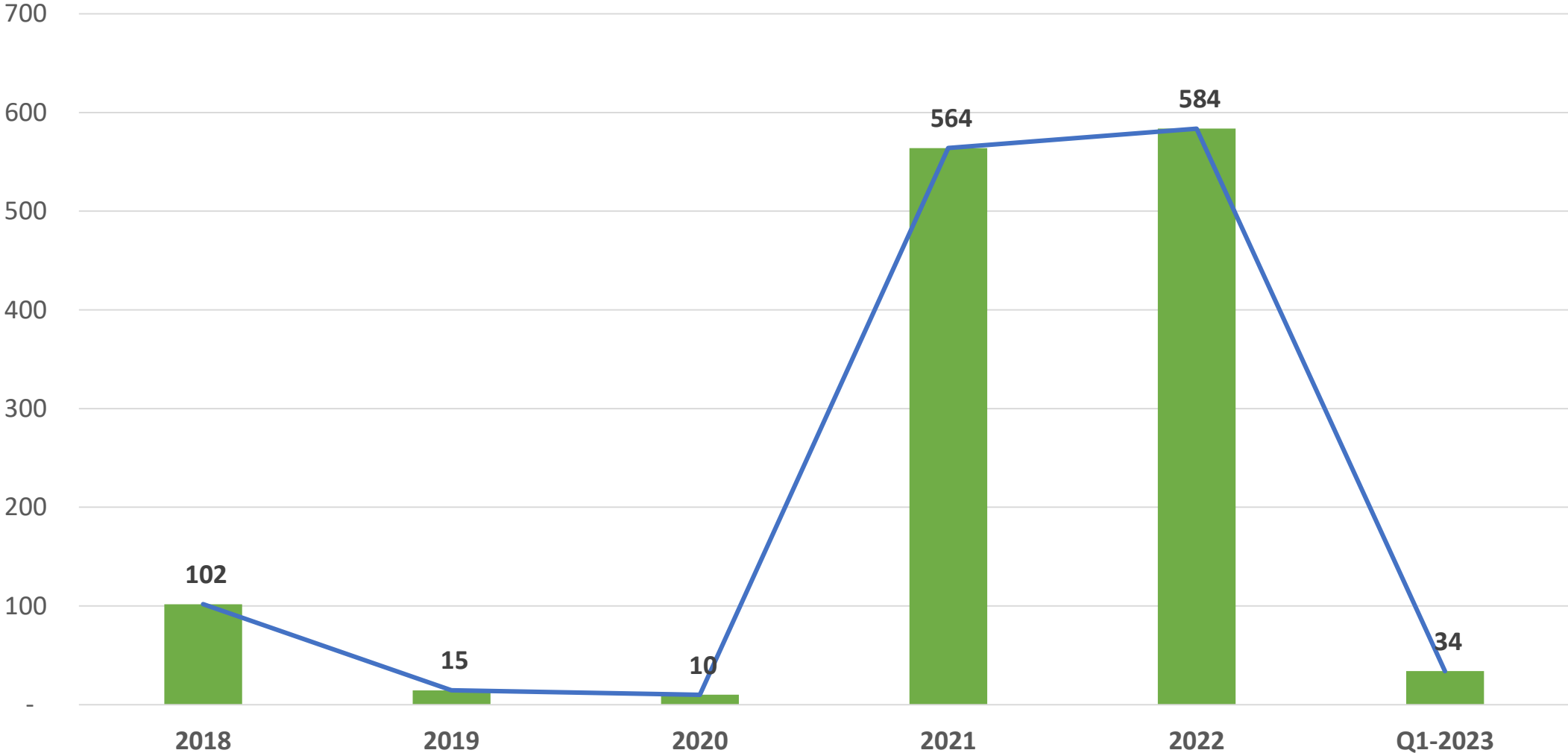
PKR Millions



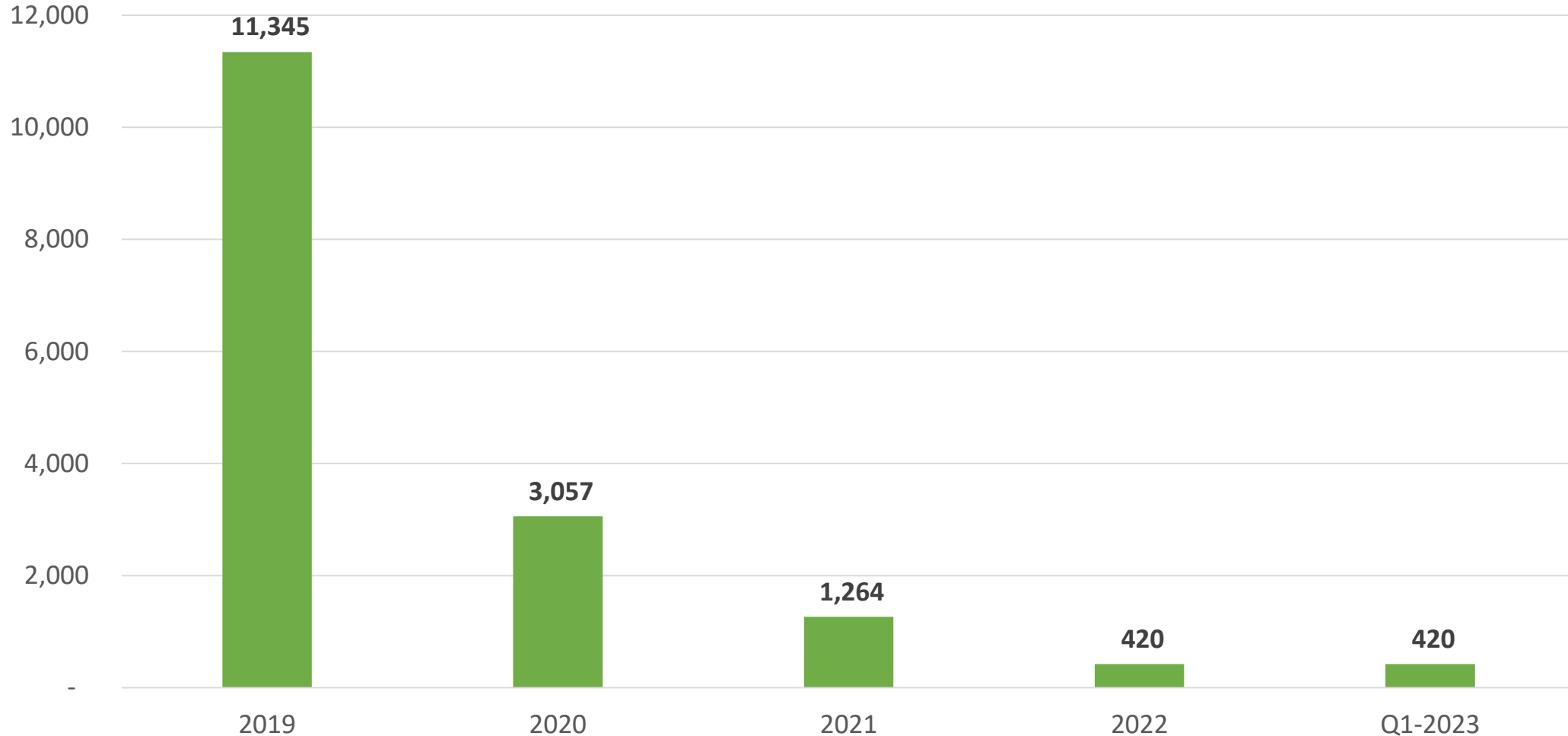
■ Positive Cash Generation ■ Negative Cash Generation

NET CASH GENERATED FROM OPERATIONS

PKR Millions

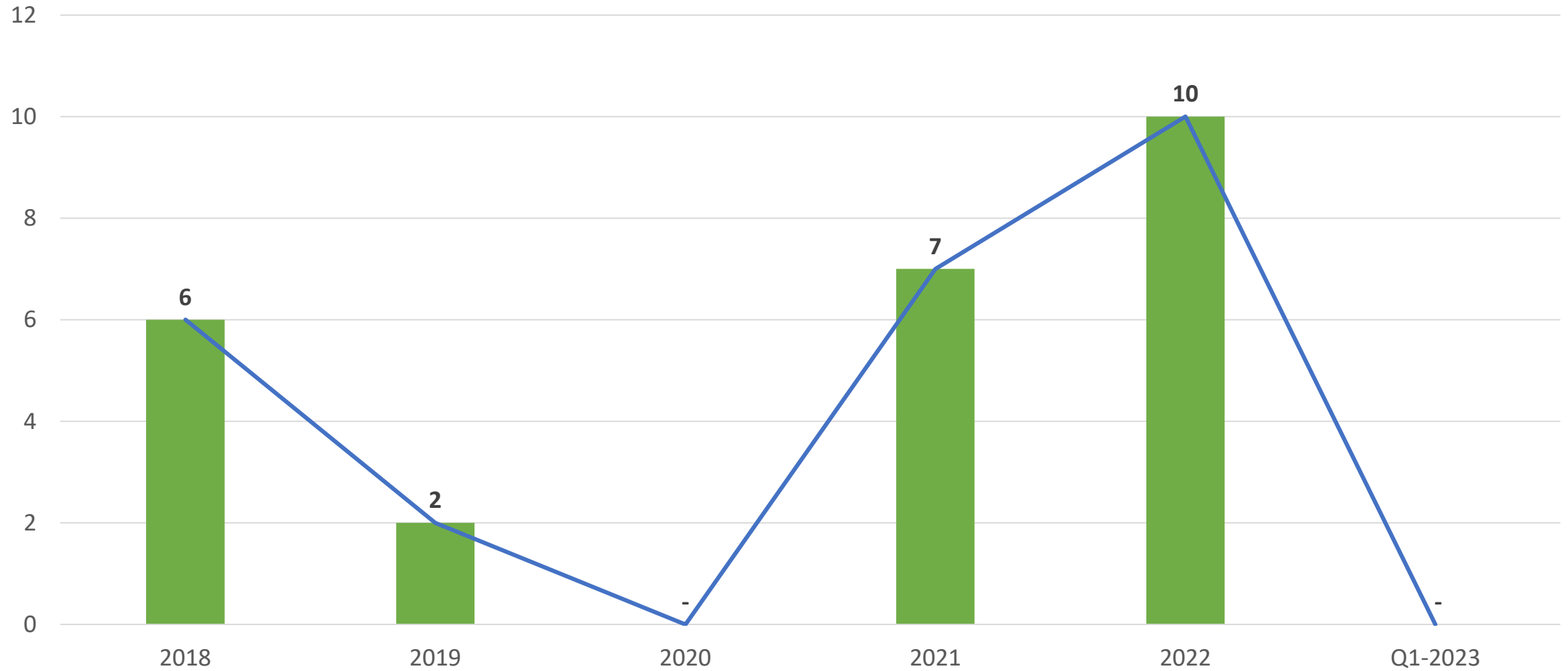


CONTINGENCIES *



** The decrease in contingencies amount since FY 2019 represents the disposal of 4 cases amounting to Rs.6.79 billion. In addition, 9 cases amounting to Rs.4.14 billion have been removed from contingencies based on opinion of legal counsels and consultation with external auditors. However, these cases are still pending in courts.*

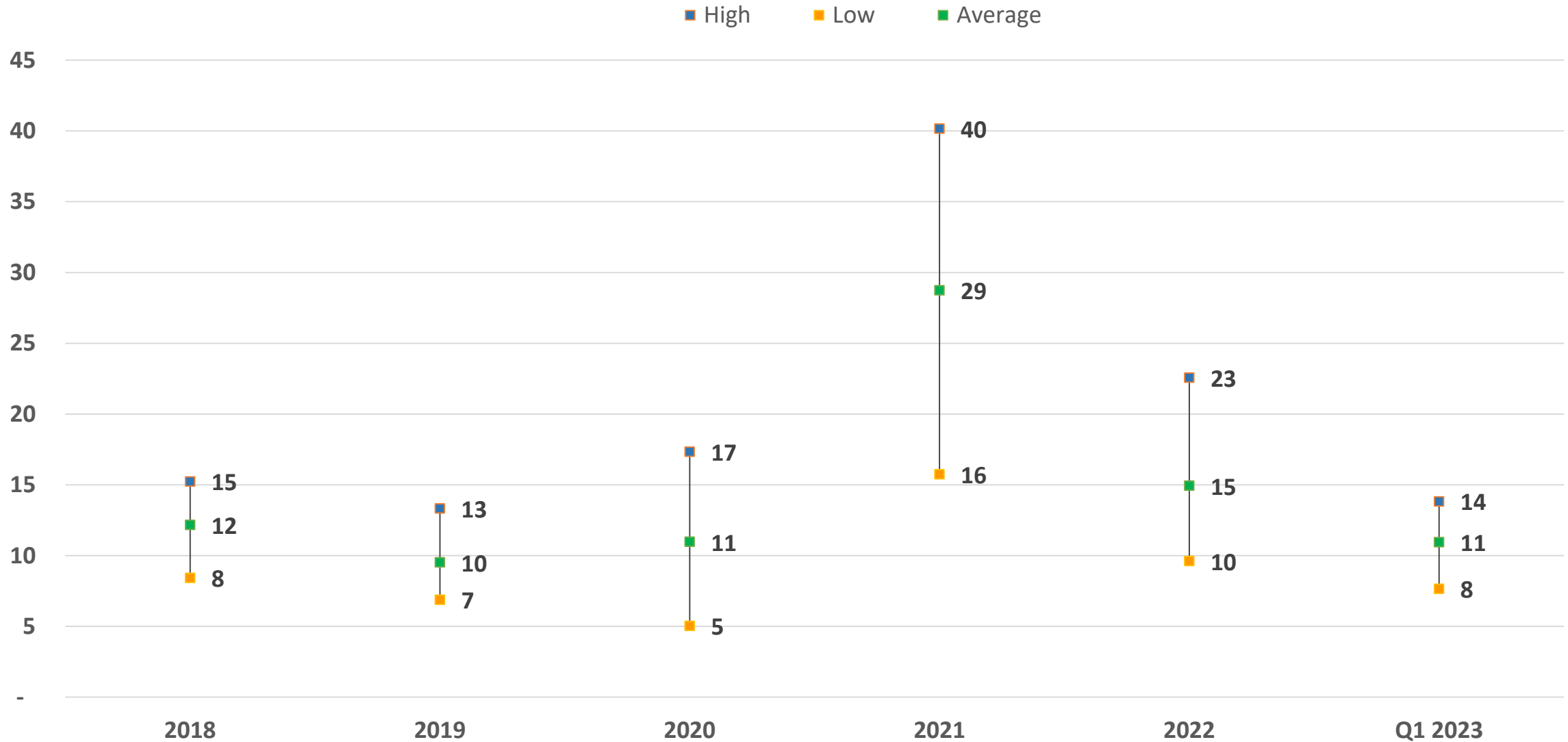
EQUITY LISTINGS*



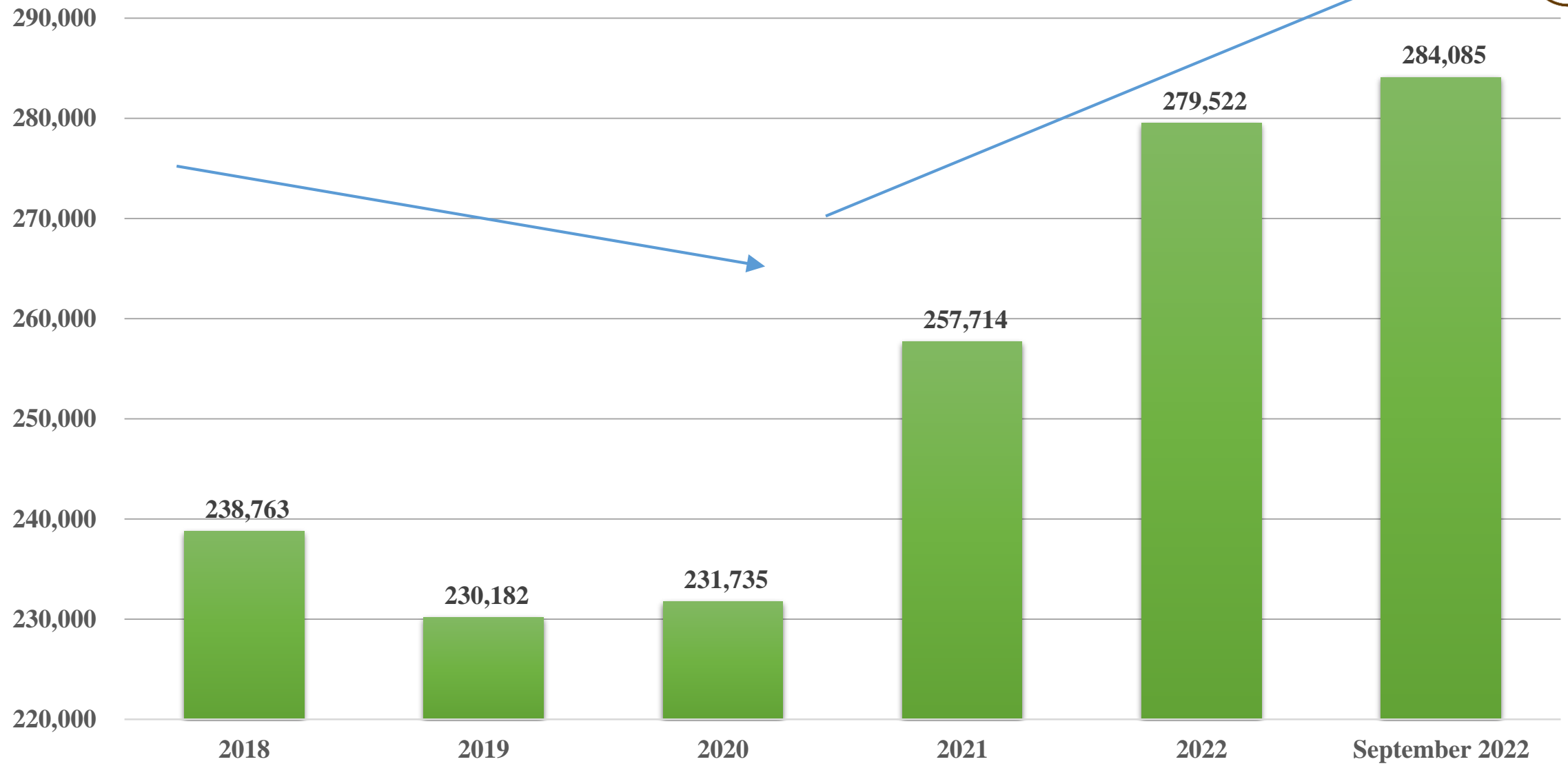
* Equity listings include listings of Main Board, GEM Board and Preference shares.

ADTV TREND ANALYSIS

PKR Billions



UINs



FINANCIAL HIGHLIGHTS – FY 2022



PKR Millions	FY21-22	FY20-21	Change	Variance analyses
Core Operating Revenue	1,289	1,338	(4%)	<p>Net decline is due to the following reasons:</p> <ul style="list-style-type: none"> i. Increase in Annual Listing Fee amounting to Rs.62 million is in line with an increase in Average Market Capitalization to Rs. 8 Trillion during FY2020-21 as compared to Rs. 7 Trillion during FY2019-20. ii. Increase in Initial Listing Fee by Rs. 66 million is mainly on account of initial listing fee on bonus issue, right issue, new issue and other than right issue in contrast to last year. iii. Increase in Regulatory fee by Rs. 31 million as the Regulatory fee has been restored effective April 16, 2021. iv. Increase in Non-trading income by Rs. 28 million mainly on account of agreement for “Market Data Marketing & Sales Services” with Deutsche Borse AG (DBAG) initiated from January 1, 2022. v. The overall above increase is netted off by reduction in trading fee revenue by Rs. 218 million as a result of decrease in ADTV relating to Ready and Future markets by Rs. 9.8 billion and Rs. 3.9 billion respectively.
Other Operating Revenue	165	126	31%	Variation is due to increase in markup income and rental income by Rs. 29 million and Rs. 9 million respectively.
Total Operating Revenue	1,454	1,465	(1%)	
Total Expenses	(1,427)	(1,372)	4%	<p>Major reasons for variation are as follows:</p> <ul style="list-style-type: none"> i. Increase in salaries & other benefits by 105 million on account of increments related to management as well as non-management staff and impact of new hirings during current year; ii. Increase in advertisement and marketing by Rs. 37 million as more Marketing & Development initiatives were undertaken during the FY21-22 as most of the marketing initiatives planned during prior year could not be implemented due to prevailing COVID-19 situation; and iii. Decrease in depreciation & amortization by Rs. 78 million on account of depreciation on Real Estate as a result of BOD’s decision to transfer / demerge the non-current assets into a wholly owned subsidiary instead of creating a sister concern. Consequently, two years depreciation had been recognized during the prior year in contrast to one year depreciation during the current year.
Operating Profit	27	92	(71%)	
Other Revenue (including Share of Profit from Associates)	433	630	(31%)	Decline is mainly due to decrease in share of profit from associates and net exchange loss against payable on account of New Trading & Surveillance System by Rs. 113 million and Rs. 67 million respectively.
Pre Tax Profit	460	723	(36%)	
Profit After Tax	399	696	(43%)	
EPS	0.50	0.87	(43%)	

FINANCIAL HIGHLIGHTS – Q1FY2023

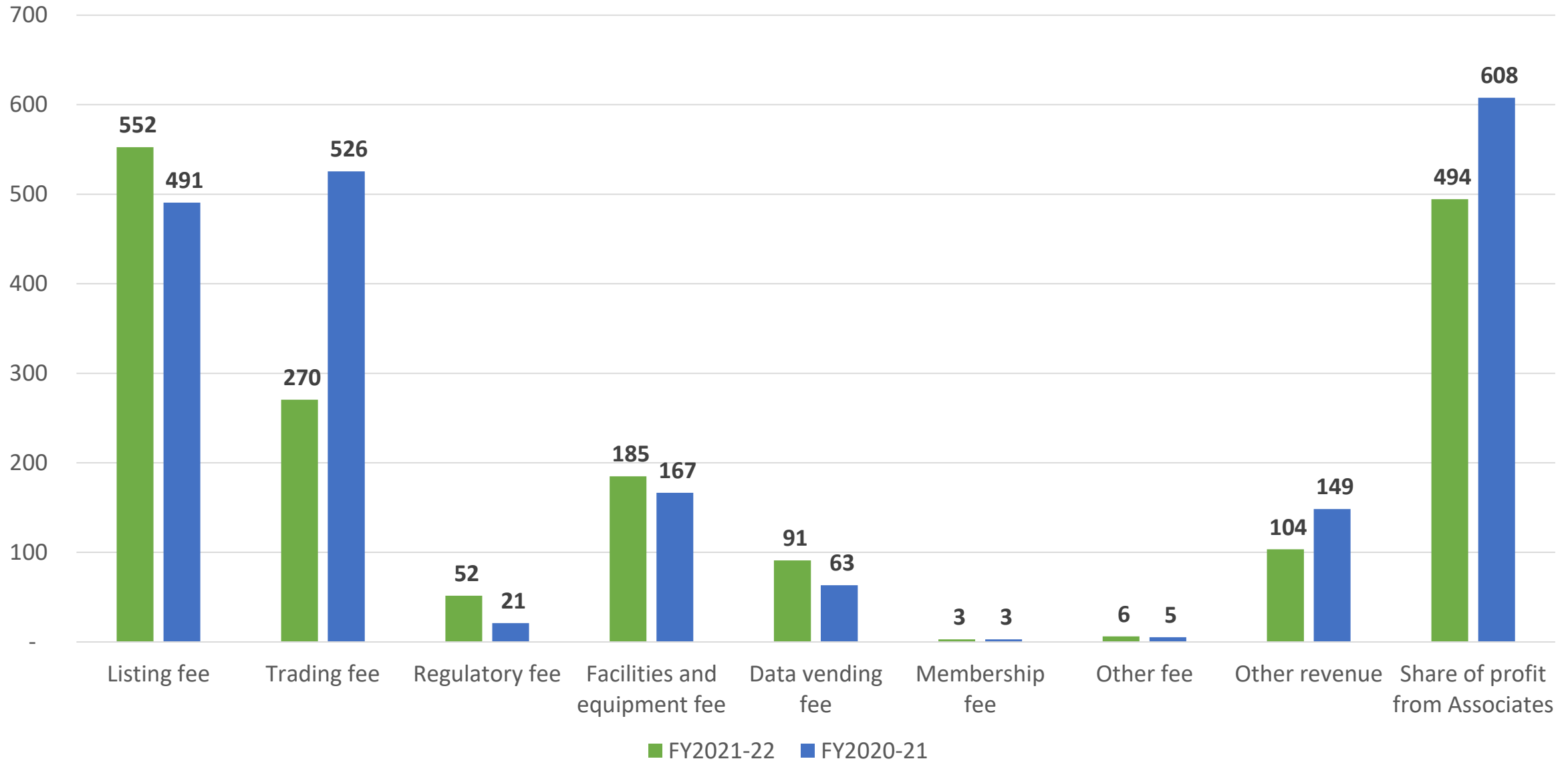


PKR Millions	Q122-23	Q121-22	Change	Variance analyses
Core Operating Revenue	307	347	(12%)	<p>Net decline is due to the following reasons:</p> <ul style="list-style-type: none"> i. Increase in Annual Listing Fee amounting to Rs.4.5 million due to transfer of few listing companies to higher slabs ii. Increase in Initial Listing Fee by Rs. 9.3 million is mainly on account of initial listing fee on bonus issue, right issue, new issue and other than right issue in contrast to last year. iii. Increase in Non-trading income by Rs. 4 million mainly on account of agreement for “Market Data Marketing & Sales Services” with Deutsche Borse AG (DBAG) initiated from January 1, 2022. iv. The overall above increase is netted off by reduction in trading fee and regulatory fee by Rs. 47 million and Rs 9 million respectively as a result of decrease in ADTV relating to Ready and Future markets by Rs. 7.3 billion and Rs. 3.2 billion respectively.
Other Operating Revenue	51	34	50%	Variation is due to increase in markup income and rental income by Rs. 14 million and Rs. 2 million respectively.
Total Operating Revenue	358	381	(6%)	
Total Expenses	(380)	(357)	6%	<p>Major reasons for variation are as follows:</p> <ul style="list-style-type: none"> i. Increase in salaries & other benefits by Rs. 20 million on account of increments related to management staff and impact of new hiring during current period; ii. Increase in fuel and power by Rs. 9 million due to increase in electric charges and fuel prices.
Operating Profit / (Loss)	(22)	24	(1.9X)	
Other Revenue (including Share of Profit from Associates)	78	139	(44%)	Decline is mainly due to decrease in share of profit from associates and net exchange loss against payable on account of New Trading & Surveillance System by Rs. 47 million and Rs. 14 million respectively.
Pre Tax Profit	55	163	(66%)	
Profit After Tax	54	151	(64%)	
EPS	0.07	0.19	(64%)	

REVENUE – FY 2022



PKR Millions

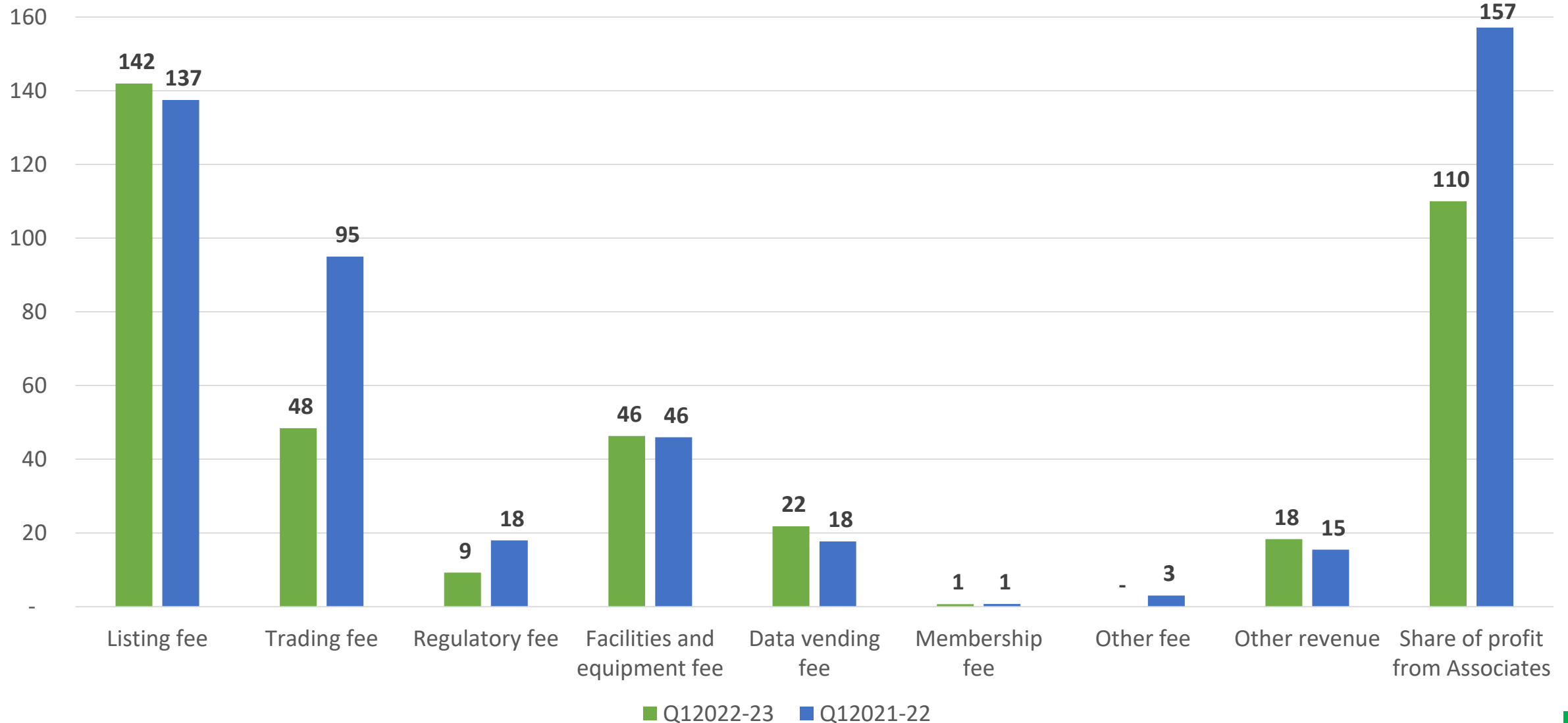


***Other Revenue:** Interest Income + Rental Income + Exchange Gain/(Loss).

REVENUE – Q1FY2023



PKR Millions

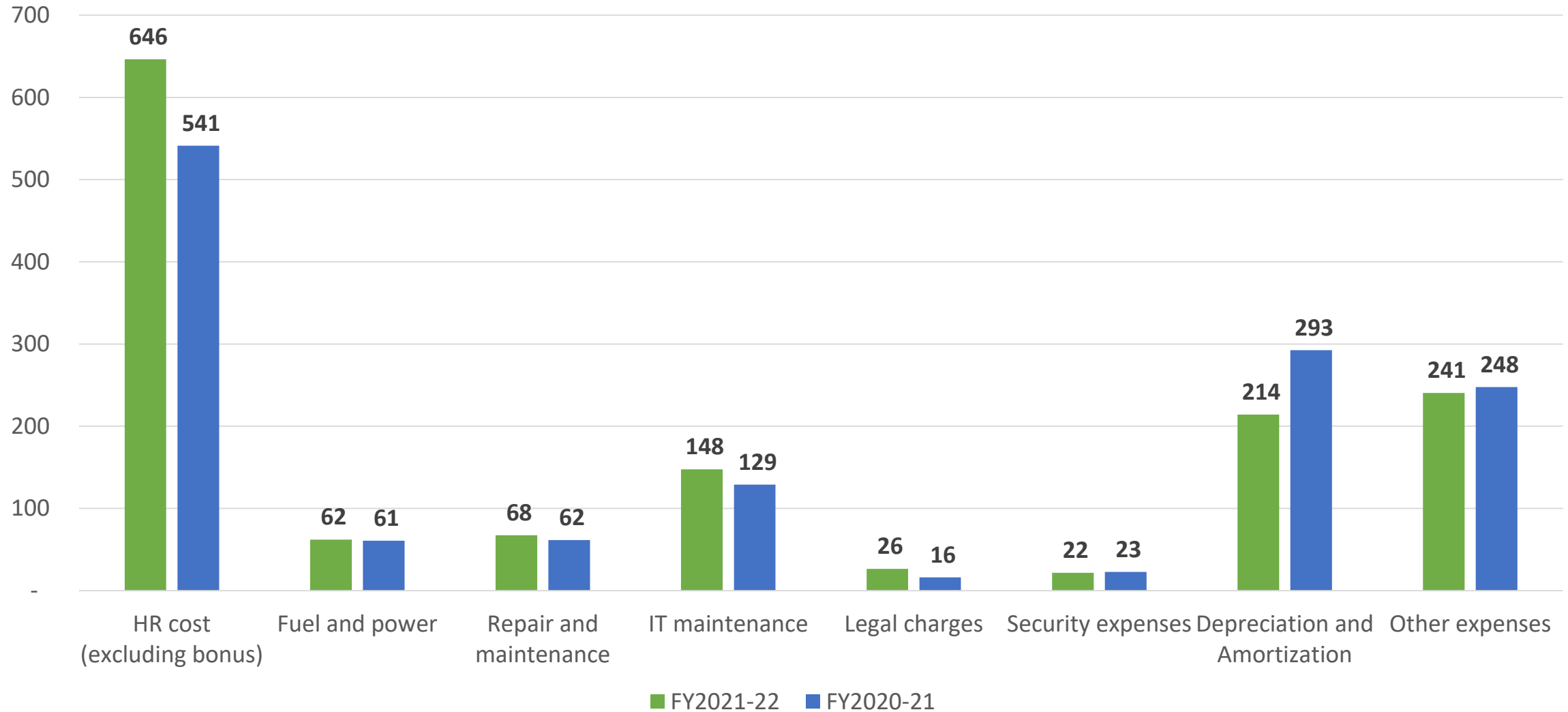


***Other Revenue:** Interest Income + Rental Income + Exchange Gain/(Loss).

EXPENSES – FY 2022



PKR Millions

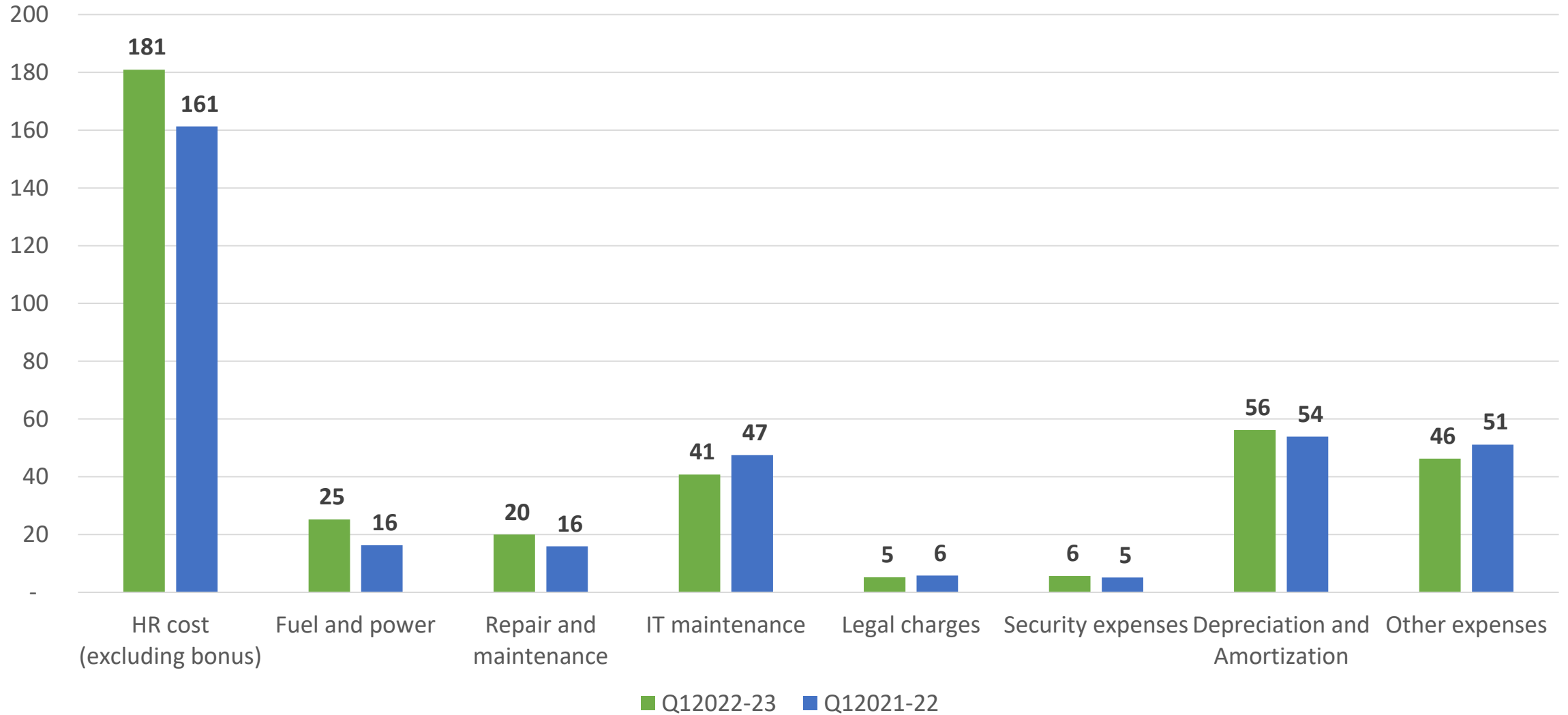


***Other Expenses:** Rent, Insurance, Travelling, Advertisement & marketing, Employee Bonus, Director’s Fee, Contribution to IPF @0.1% of total revenue, etc.

EXPENSES Q1FY2023



PKR Millions



***Other Expenses:** Rent, Insurance, Travelling, Advertisement & marketing, Employee Bonus, Director's Fee, Contribution to IPF @0.1% of total revenue, etc.

BALANCE SHEET



PKR Millions

Particulars	September 30, 2022	June 30, 2022	June 30, 2021
Non-Current Assets	9,502	9,392	8,929
Current Assets	3,716	3,257	3,065
Total Assets	13,218	12,649	11,994
Authorized Capital (1,000,000,000 ordinary shares of Rs.10 each)	10,000	10,000	10,000
Equity	10,254	10,200	9,731
Non-Current Liabilities	833	836	578
Current Liabilities	2,131	1,613	1,685
Total Equity & Liabilities	13,218	12,649	11,994

INITIATIVES ALREADY IN PLACE

Developments in Product Management and Research

- PSX is also in line to introduce Single stock options for the market participants as the regulatory framework for deliverable Single Stock Options has also been recently approved by SECP.

Investment in PCM

- Board approved investment in EClear Services Limited (EClear) has been made amounting to Rs. 75 million.
- E-clear is sponsored by CDC to act as a third party Clearing, Settlement & Custodial Services provider, to implement the concept of the Professional Clearing Member, as envisaged by SECP under the new broker regime.

Transform organizational health and capability

- Organizational Re-structuring by strengthening the Management team.
- Implementation of IT Trading and Surveillance System expected by December 2022.

Demerger of Real Estate

- Formation of a wholly-owned subsidiary instead of a sister concern.
- Related assets and liabilities will be transferred to the subsidiary against the issuance of shares through Scheme of Arrangement (SOA) subject to requisite legal and regulatory approvals.

Developments and Initiatives in Trading & TREC Affairs activities

A number of significant initiatives have been taken to make it easier for investors to open brokerage accounts. Some of the key developments include:

- Significant improvement in the process of online account opening
- Reintroduction of “Sahulat” accounts for small investors with simpler AML and KYC requirements
- Worked and coordinated with SECP to provide greater clarity on AML and KYC requirements
- Worked with MoF and FBR to equalize impact of CGT between equities and real estate
- Proactively working with SECP, SBP and SRO’s to structurally improve GDS secondary market trading mechanism
- Greatly simplified account opening forms
- Data vending agreement with Deutsche Bourse AG

As a result, UINs that were on a declining trend, increased by 8.5% to 279,522 at year end.

Thank You

