



Sapphire Fibres Limited

Corporate Briefing Session 2022

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**01**

# **Sapphire Fibres Limited Introduction**

# Sapphire Fibres Limited - Introduction

Sapphire Fibres Limited (SFL) was incorporated in Pakistan on 05 June 1979 as a public limited company. The shares of the company are listed on Pakistan Stock Exchange. SFL is principally engaged in manufacturing and sales of yarn, fabrics and garments.

Sapphire Electric Company Limited (SECL), which is subsidiary of SFL owns & operates a combined cycle power plant. SECL has a Power Purchase Agreement with its sole customer, National Transmission & Despatch Company Limited for thirty years which commenced from October 05, 2010.



**YARN**

102,096 Spindles  
66,872,608 Lbs



**DENIM FABRIC**

20,400,000 Meters



**KNITTED FABRIC & GARMENTS**

15,196,858 Lbs. &  
9,600,000 Garments



**POWER PLANT**

234 MW Power  
Plant



## **Strategic / Operational Developments**

# Strategic / Operational Developments

## Denim Division:

During the year, investment of Rs. 239 million on BMR of Finishing and weaving sections of Denim Division.

## Spinning Division:

The Company during the year has invested Rs. 1.2 Billions on Twister, Combers, Gas Generator, Drawing, Winder, Carding, Autoconer and Ring Frames in Spinning Division to enhance capacity and to meet demand of high quality yarn in international market.

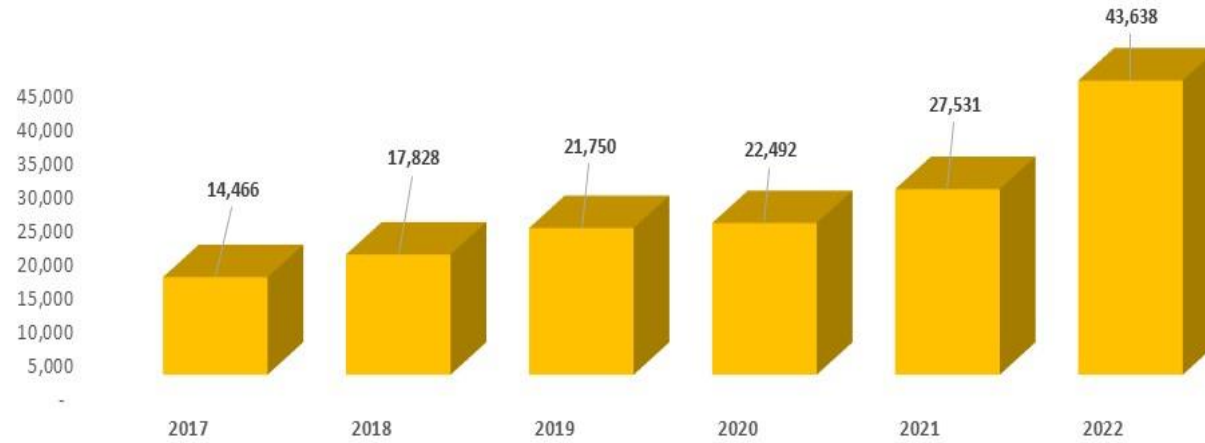
## Knits Division:

The Company during the year has invested Rs. 46 million on n Knitting and Sueding Machines in Knits Division.

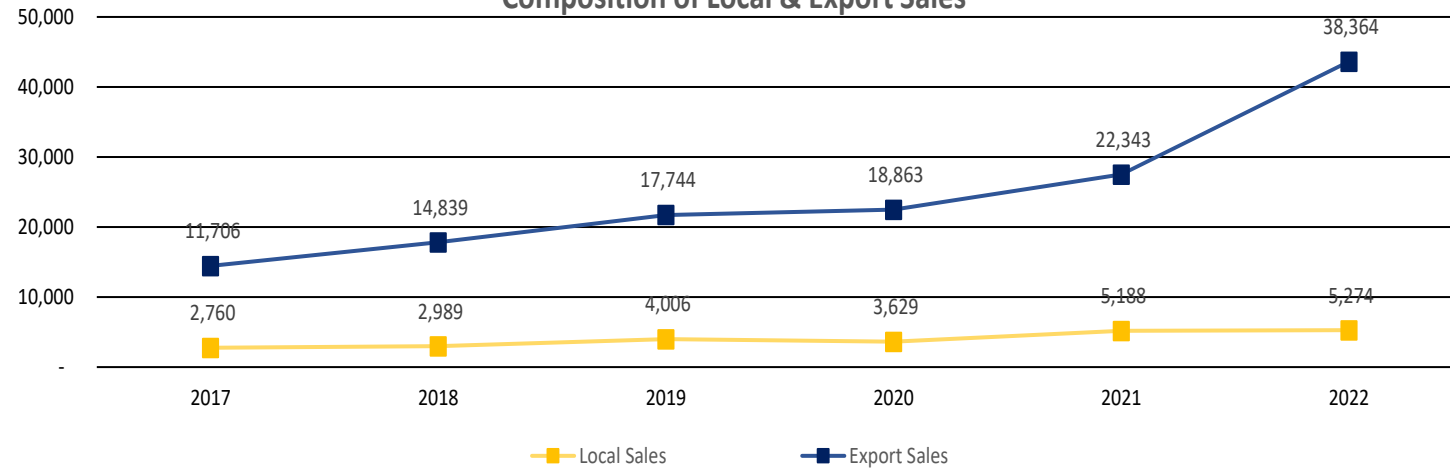


## **Historical Financial Highlights**

### Total Sales (Rs. Million)

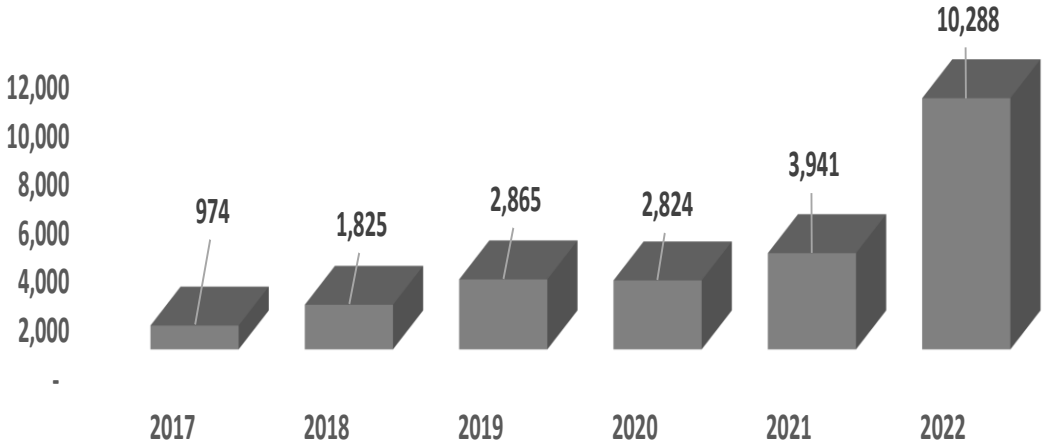


### Composition of Local & Export Sales

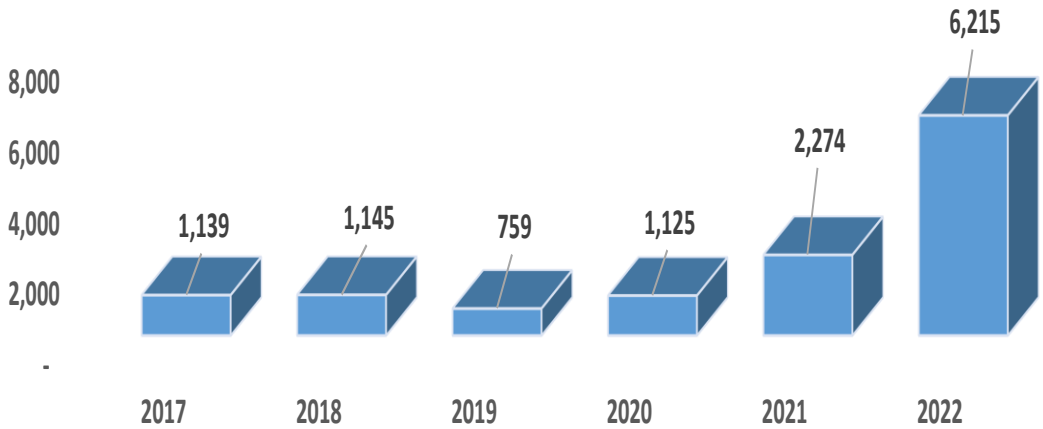




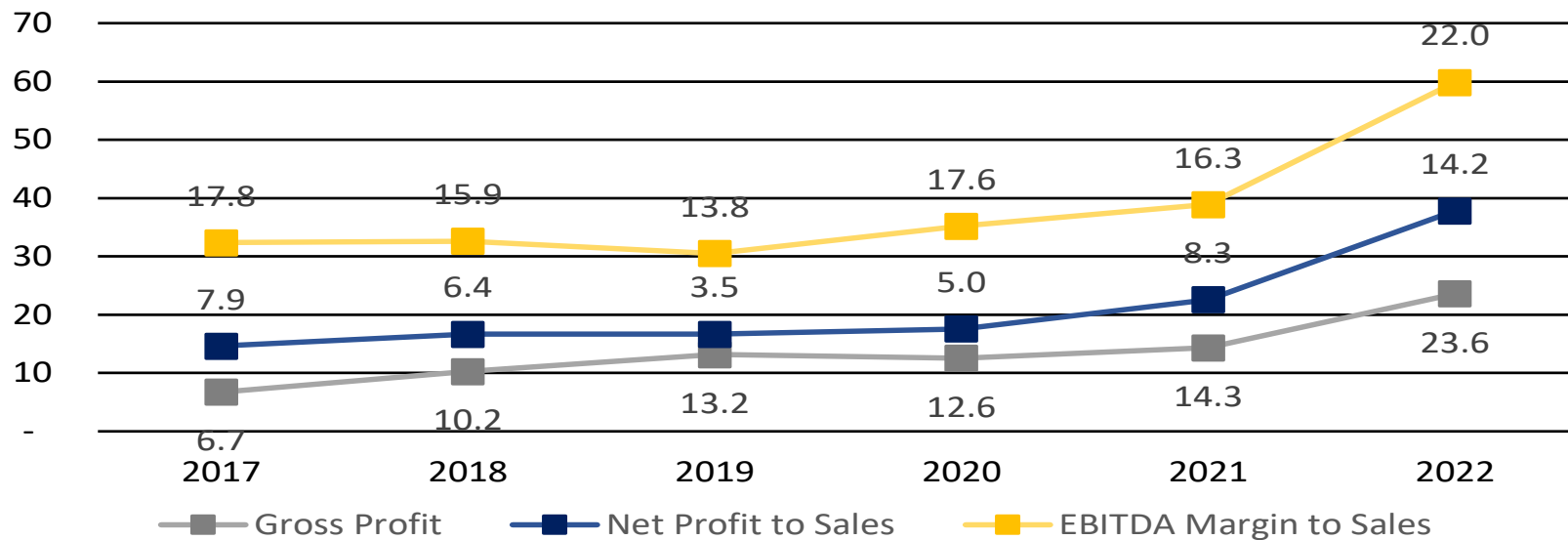
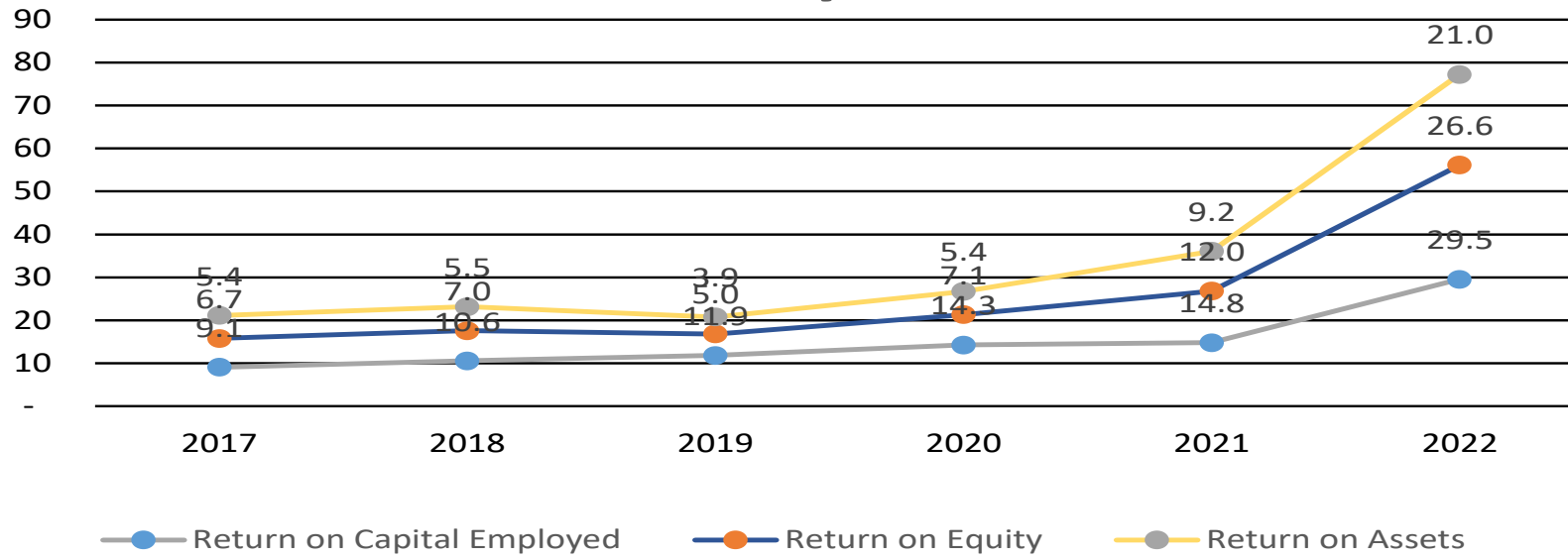
### Gross Profit (Rs. Million)



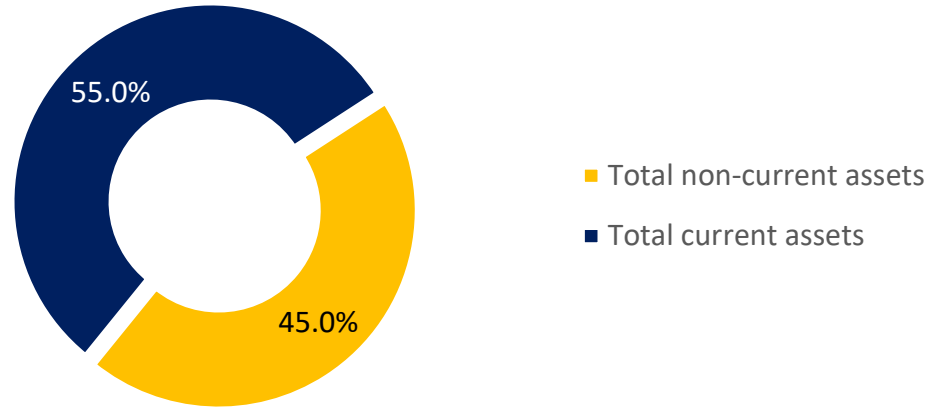
### Net Profit (Rs. Million)



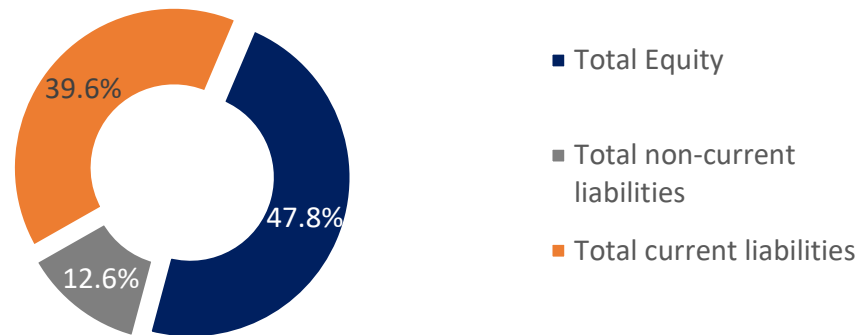
## Profitability Ratios



## VERTICAL ANALYSIS-TOTAL ASSETS (2022)



## VERTICAL ANALYSIS-TOTAL EQUITY & LIABILITIES (2022)





# Financial Results 2022 vs 2021

# Income Statement

## Key Highlights

+58%

Sales Rs. 43,637 million (2021: Rs. 27,531 million)

+161%

Gross Profit Rs.10,288 million (23.58% of sales) [2021: Rs.3,940 million (14.31% of sales)]

+173%

Net Profit Rs.6,215 million (14.24% of sales) [2021: Rs. 2,273 million (8.26% of sales)]

Same

Dividend paid Rs.207 million (2021: Rs. 207 million)

+23.5%

Breakup value Rs. 1,130.5 (2021: Rs. 915.1) per share

# Statement of value addition and its distribution

	2022		2021	
	Rs. (Millions)	%age	Rs. (Million)	%age
<b>Value addition</b>				
Sales	43,637	96.82	27,531	95.67
Other income	1,434	3.18	1,247	4.33
<b>Total</b>	<b>45,071</b>	<b>100.00</b>	<b>28,778</b>	<b>100.00</b>
<b>Value distribution</b>				
Cost of sales	33,349	73.99	23,592	81.97
Distribution expense	2,026	4.50	1,056	3.67
Administrative and other expenses	971	2.15	494	1.72
Finance cost	1,672	3.71	962	3.35
Income tax	838	1.86	400	1.39
Dividend to shareholders	207	0.46	207	0.72
Profit retained for future growth	6,008	13.33	2,067	7.18
<b>Total</b>	<b>45,071</b>	<b>100.00</b>	<b>28,778</b>	<b>100.00</b>

# Balance Sheet Assets

48,900 million

2022

2021

40,860 million

14,631 million (30%)

Property, plant and equipment

12,898 million (32%)

9,599 million (20%)

Long term and short term investments

11,156 million (27%)

15,103 million (31%)

Stores and stocks

11,819 million (28%)

5,077 million (10%)

Trade debts

2,728 million (7%)

2,461 million (5%)

Taxes refund due form Government

1,110 million (3%)

2,029 million (4%)

Other assets

1,149 million (3%)

# Balance Sheet Equity & Liabilities

48,900 million

2022

23,369 million (48%)

7,234 million (15%)

6,227 million (13%)

10,968 million (22%)

843 million (2%)

259 million (0%)

Shareholders Equity

Total Long term liabilities

Trade Liabilities

Short Term Borrowings

Provision for Taxation

Other Liabilities

2021

40,860 million

18,915 million (46%)

6,690 million (16%)

3,715 million (9%)

10,940 million (27%)

399 million (1%)

201 million (1%)



# Consolidated Income Statement

	2022	2021
	Rs. (Million)	Rs. (Million)
Sales	65,729	39,732
Cost of sales	(52,827)	(32,556)
<b>Gross profit</b>	<b>12,902</b>	<b>7,176</b>
Distribution cost	(2,026)	(1,057)
Administrative and other expenses	(1,206)	(797)
Other income	849	787
Finance cost	(2,112)	(1,423)
Share of profit of associated companies	630	334
<b>Profit before taxation</b>	<b>9,038</b>	<b>5,020</b>
Taxation	(845)	(404)
<b>Profit after taxation</b>	<b>8,193</b>	<b>4,616</b>

# Consolidated Balance Sheet - Assets

	2022	2021
	Rs. (Million)	Rs. (Million)
Property, plant and equipment	25,988	24,923
Long and short term investments	12,243	8,612
Stores and stocks	15,422	12,095
Trade debts	13,957	15,463
Cash and banks	671	519
Other assets	5,515	3,238
<b>Total</b>	<b>73,796</b>	<b>64,850</b>

# Consolidated Balance Sheet - Equity & liabilities

	2022	2021
	Rs. (Million)	Rs. (Million)
Equity of parent shareholders	35,034	29,281
Non-controlling interest	6,339	5,877
Long term financing	7,248	6,221
Trade liabilities	9,105	5,395
Short term borrowing	14,877	16,958
Taxation	844	400
Other liabilities	349	718
<b>Total</b>	<b>73,796</b>	<b>64,850</b>



## Future Outlook

# Future Outlook



In last five years, your company has been able to grow at an impressive cumulative annual growth rate of 25% and shareholder returns have improved significantly during the same period.

However, Pakistan's economy is now facing numerous challenges resulting in expected slowdown of economic growth in near future. The foremost challenges include global demand cut back, steep rupee devaluation, cotton crop damage due to recent floods coupled with sharp increase in cotton prices, high inflation and prohibitive rates of borrowing in the country.

All these factors listed above have already started affecting growth and profitability of textile companies competing in both domestic and international markets. We expect the government to take timely policy decisions to arrest this situation and mitigate the considerable downside risks to the economy.

Despite these challenging circumstances ahead, the management remains focused on maintaining our long-term competitive advantage through cost leadership and continual diversification of our markets and products.



## Q & A Session



**Thank You!**