



# Sapphire Textile Mills Limited

Corporate Briefing Session 2022

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# Sapphire Textile Mills Limited Introduction

# Sapphire Textile Mills Limited Introduction

Sapphire Textile Mills Limited (STML) is principally engaged in manufacturing and sales of yarn, fabrics, home textile products, finishing, stitching and printing of fabrics.

STML through its subsidiaries engaged in business of renewable energy by setting up wind energy power plants and selling of textile goods through retail outlets / online stores.



## YARN

157,464 Spindles



## WOVEN FABRIC

430 Looms



## HOME TEXTILE

2.5 million Meters  
per month



## FINISHING & PRINTING OF FABRIC

3.8 million Meters  
per month



## WIND POWER PLANTS

202 MW



## RETAIL STORES

44 Retail Outlets



**02**

**Strategic / Operational  
Developments**



# Strategic / Operational Developments

## **Spinning segment:**

The Company has undertaken capacity enhancement / balancing modernization and replacement (BMR) of spinning segment. During the year 2022 make addition of 15,359 spindles to meet demand of high quality yarn in both international and domestic market.

## **Weaving segment:**

The Company has undertaken to enhance capacity / BMR of weaving segment and made addition of 73 looms during the year 2022.

## **Finishing and Printing segment:**

The Company has planned to invest Rs. 2.9 billion and increased its finishing & printing segment capacity to 7 million meters per month from 3.6 million meters per month which is expected to complete by 3<sup>rd</sup> quarter of financial year 2023.

## **Yarn dyeing segment:**

The Company during the year 2022 has made investment of Rs.325 million and enhanced capacity from 90,000 kg per month to 240,000 kg per month.

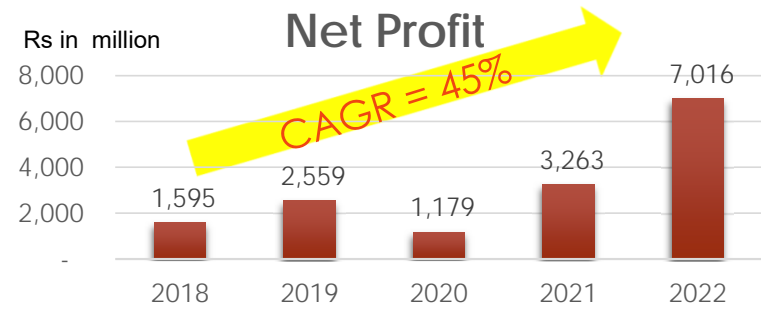
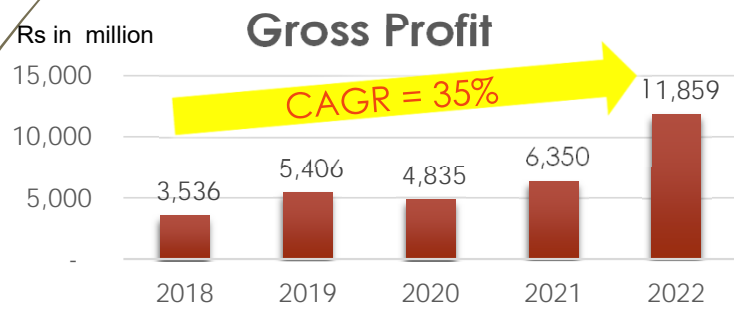
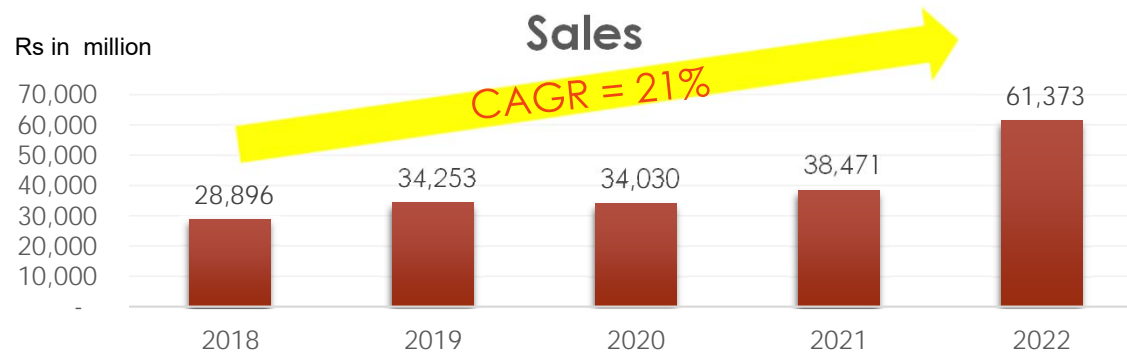
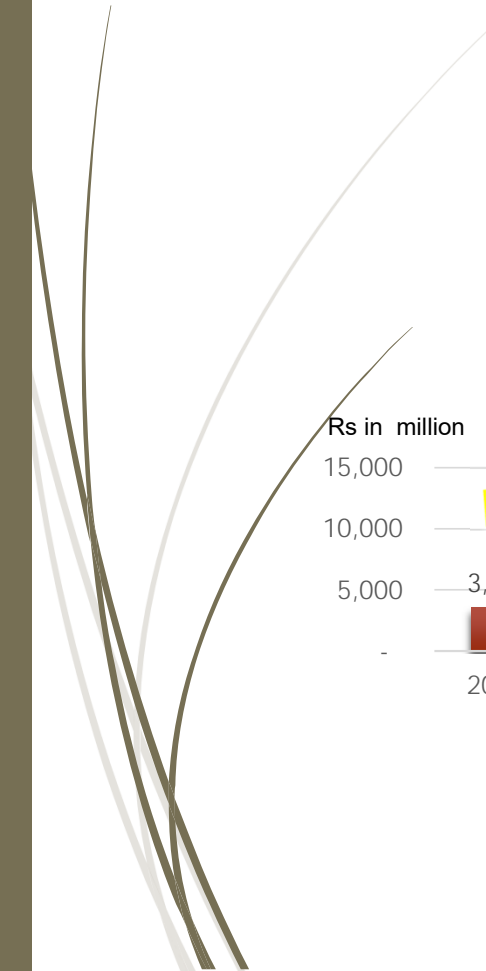
## **Renewable energy:**

The Company during the year 2022 has installed solar power plant of 5.1 MW in its weaving segment and planned to install 5.5 MW in spinning segment in this financial year.

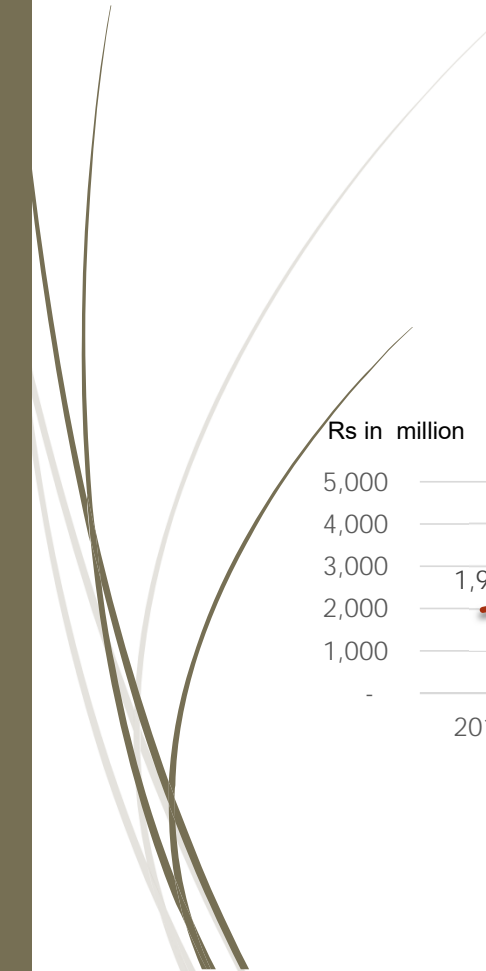


**03**

## **Historical Financial Highlights**



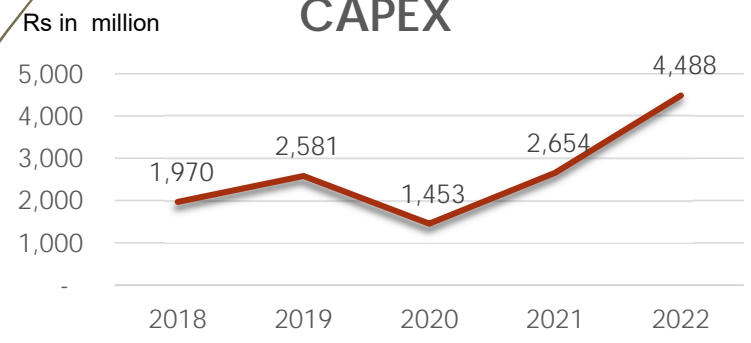




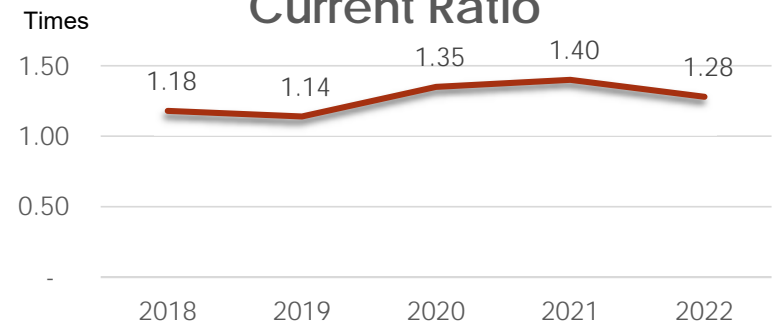
## Total Assets



## CAPEX



## Current Ratio

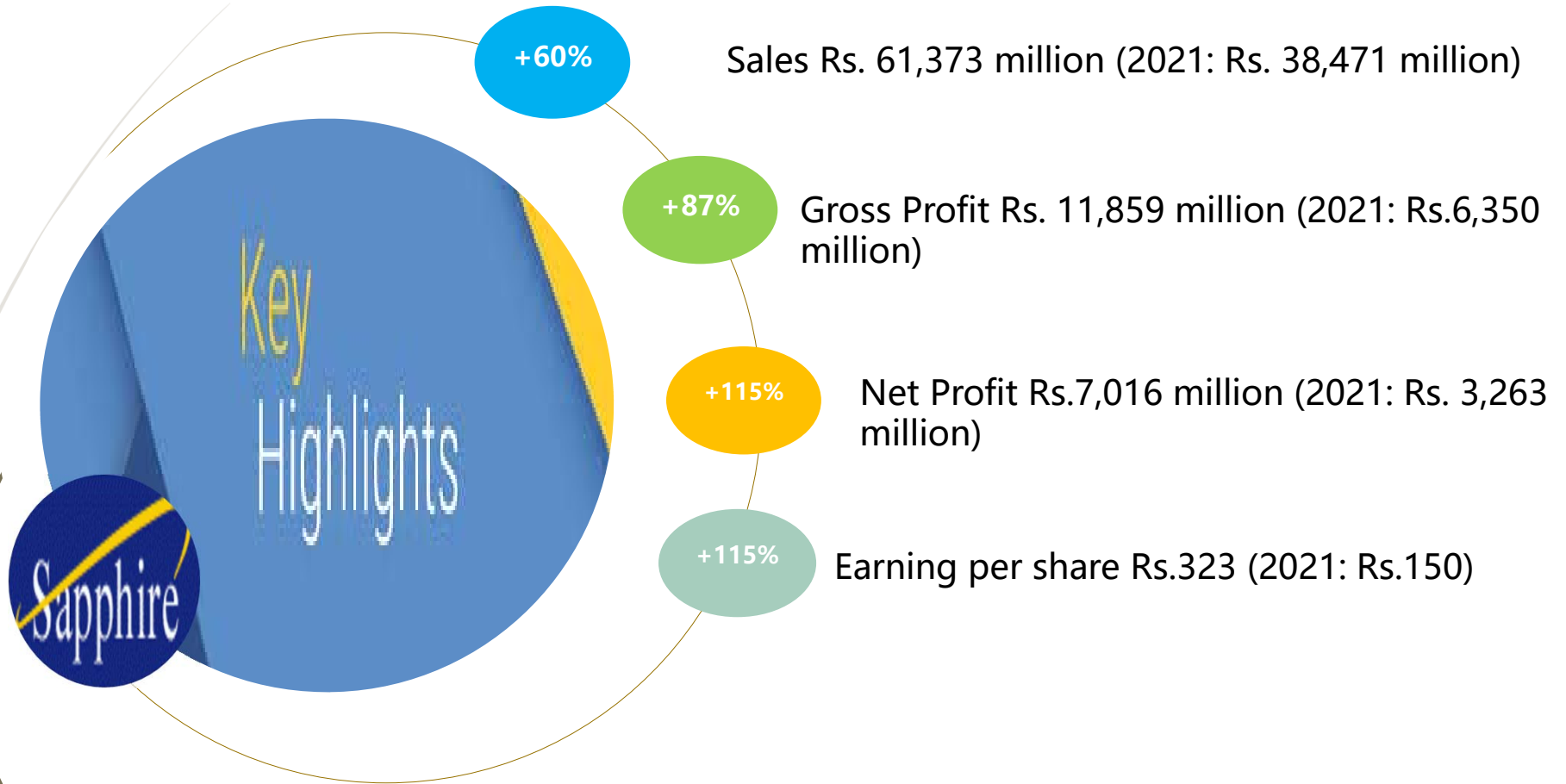




**04**

## **Financial Results 2022 vs 2021**

# Income Statement



# Balance sheet Assets

70,643 million

2022

2021

51,798

19,922 million ( 28%)

13,504 million ( 19%)

23,653 million ( 34%)

5,656 million ( 8%)

2,988 million ( 4%)

3,130 million ( 5%)

1,790 million ( 2%)

Property, plant and equipment

Long term investments

Stores and stocks

Trade debts

Short term investments

Taxes refund due form  
Government

Other assets

14,714 million ( 28%)

14,273 million ( 28%)

13,323 million ( 26%)

2,634 million ( 5%)

3,488 million ( 7%)

1,919 million ( 4%)

1,447 million ( 2%)

# Balance sheet Equity and liabilities

70,643 million

2022

26,110 million ( 37%)

17,208 million ( 24%)

7,846 million ( 11%)

16,943 million (24%)

2,535 million (4%)

**Shareholders Equity**

**Total Long term loans**

**Trade liabilities**

**Short term borrowings**

**Other liabilities**

2021

51,798 million

21,019 million ( 41%)

16,702 million ( 32%)

4,922 million ( 10%)

7,679 million (15%)

1,476 million (2%)

## Consolidated Income Statement

	2022	2021
	Rs. in million	Rs. in million
Sales	90,646	58,163
Cost of sales	(63,081)	(41,374)
<b>Gross profit</b>	<b>27,565</b>	<b>16,789</b>
Distribution cost	(5,005)	(3,014)
Administrative and other expenses	(2,062)	(1,295)
Other income	1,090	1,057
Finance cost	(5,240)	(3,973)
Share of profit of associated companies	420	74
<b>Profit before taxation</b>	<b>16,768</b>	<b>9,638</b>
Taxation	(1,760)	(649)
<b>Profit after taxation</b>	<b>15,008</b>	<b>8,989</b>

## Consolidated Balance sheet - Assets

	2022	2021
	Rs. in million	Rs. in million
Property, plant and equipment	77,079	64,884
Long and short term investments	8,246	9,088
Stores and stocks	29,981	16,877
Trade debts	19,669	11,977
Cash and banks	7,897	8,770
Other assets	6,699	4,465
<b>Total</b>	<b>149,571</b>	<b>116,061</b>

## Consolidated Balance sheet – Equity & liabilities

	2022	2021
	Rs. in million	Rs. in million
Equity of parent shareholders	40,238	30,552
Non-controlling interest	12,894	10,811
Long term financing	59,608	54,010
Trade liabilities	12,942	8,521
Short term borrowing	18,213	7,908
Other liabilities	5,677	4,259
<b>Total</b>	<b>149,571</b>	<b>116,061</b>





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## Future Outlook

# Future Outlook

The Global economic scenario has changed completely. The Russian invasion of Ukraine and the consequent increase in global energy prices have thrown the world into recession. The higher energy prices leaves less disposable income in the hands of the consumer which has resulted in reduced demand for non essential products, including textiles. Pakistan has been exceptionally hurt due to flooding which has resulted in not only loss of lives, damage of infrastructure, spread of disease, but also substantial damage of agriculture crops including cotton. This coupled with higher costs of energy, raw materials, interest rates and other inputs is very damaging for the industry. Due to this deteriorating situation and the need for substantial imported inputs, there is extreme pressure on the Pak rupee and it is loosing value in the international market. In addition, due to shortage of foreign exchange, the banks are restricting imports. These challenges need to be overcome. The management is making its best effort to overcome these challenges.

The Company during the last year achieved remarkable growth in terms of revenue and profitability however this year is challenging due to subdued demand, volatility in prices of raw material and all time high markup rates.



# Q & A Session



**Thank you!**