



Sapphire Fibres Limited

Corporate Briefing Session 2020



Contents

1

Sapphire Fibres Limited introduction

2

Strategic / Operational Developments

3

Historical Financial Highlights

4

Financial Results 2020

5

Future outlook





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

56,512,425 Lbs



DENIM FABRIC

15,740,000 Meters



KNITTED FABRIC & GARMENTS

14,613,000 Lbs &
9,000,000 garments



POWER PLANT

234 MW Independent
Power Plant



02

Strategic / Operational Developments

Strategic / Operational Developments

Denim Division:

The Company during the year has invested in 16 new weaving looms (Investment of Rs. 136 million) and 1 sizing machine added in Weaving Preparatory Process (Investment of Rs.111 million) in Denim Division. The capacity of weaving division has been increased by 2.6 million meters from 14.6 million to 17.3 million per annum .

Spinning Division:

The Company during the year has made Investment of Rs. 370 million in Spinning Division to meet demand of high quality yarn in both international and domestic market.

Knits Division:

The Company during the year has invested in 3 dyeing machines (Investment of Rs. 146 million) and Stenter in Finishing Process (Investment of Rs.221 million) in Knits Division.

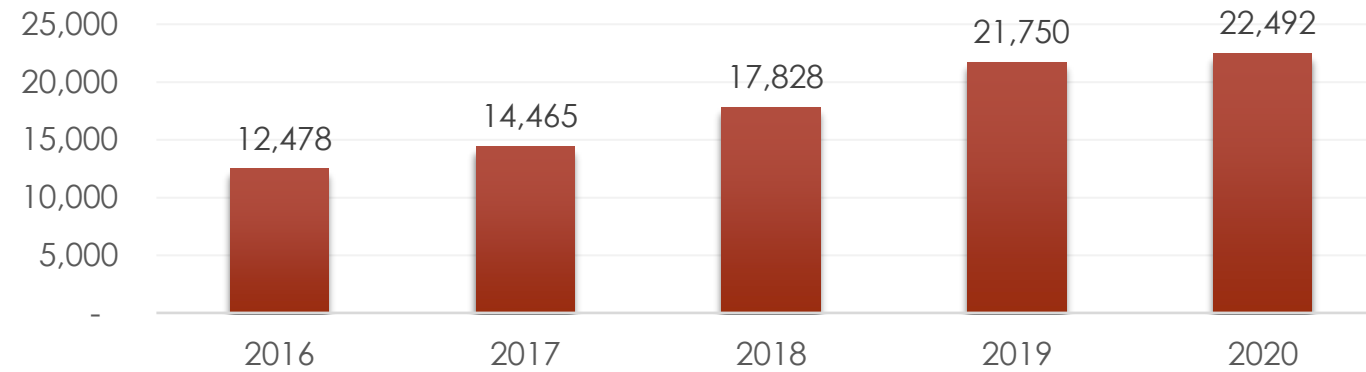


03

Historical Financial Highlights

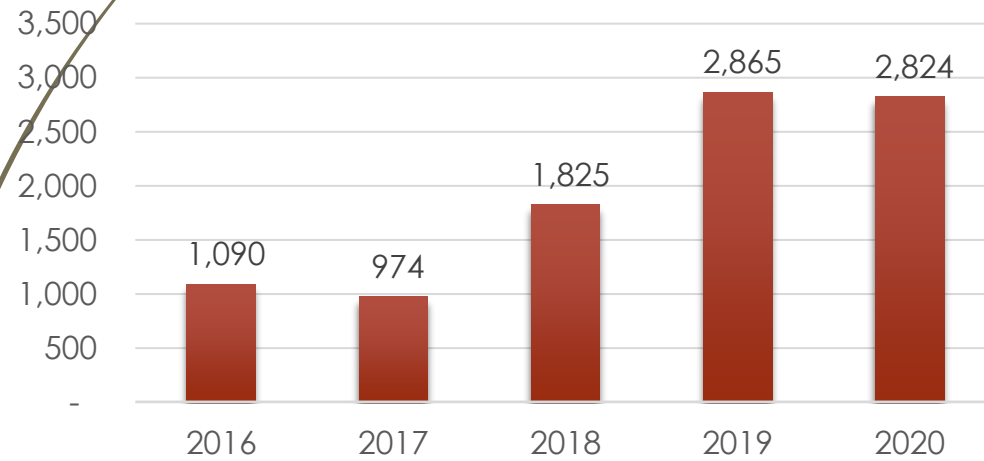
Sales

Rs in million



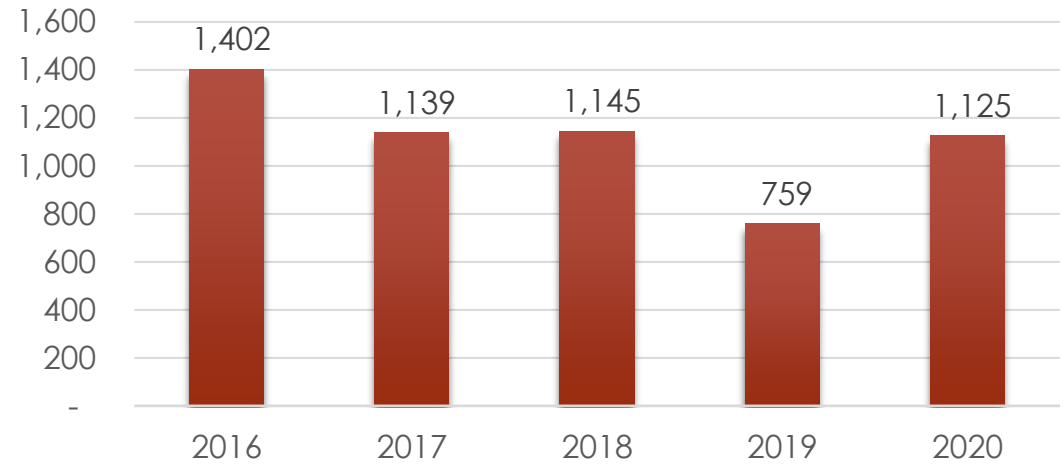
Gross Profit

Rs in million



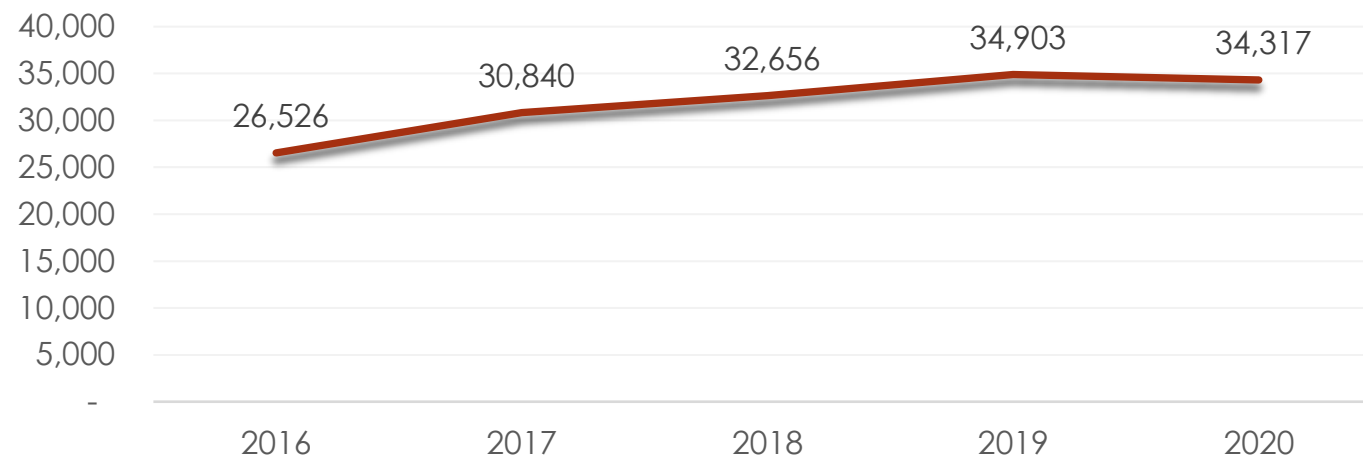
Net Profit

Rs in million



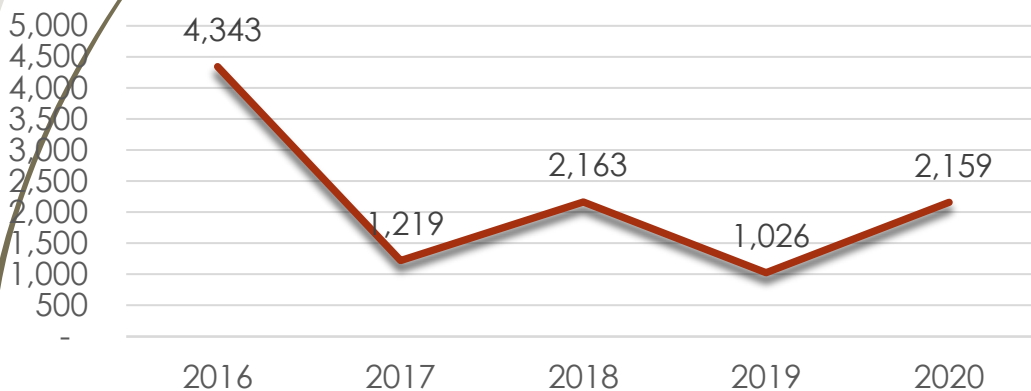
Total Assets

Rs in million



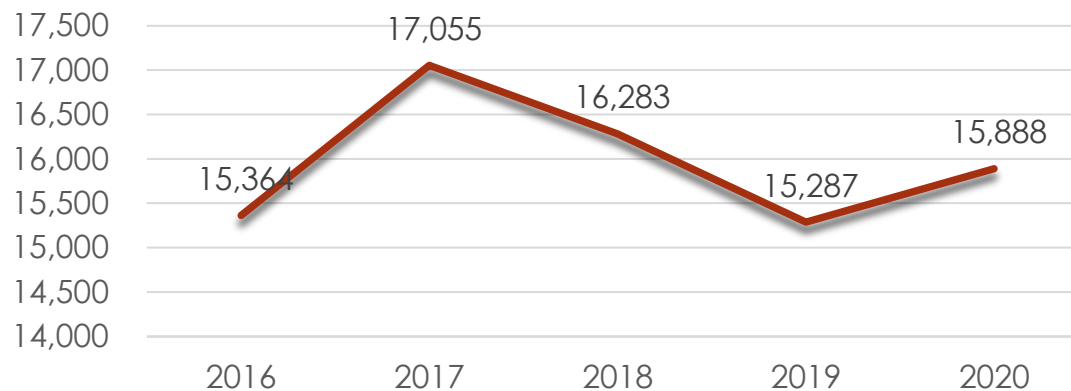
CAPEX

Rs in million



Shareholders' Equity

Rs in million

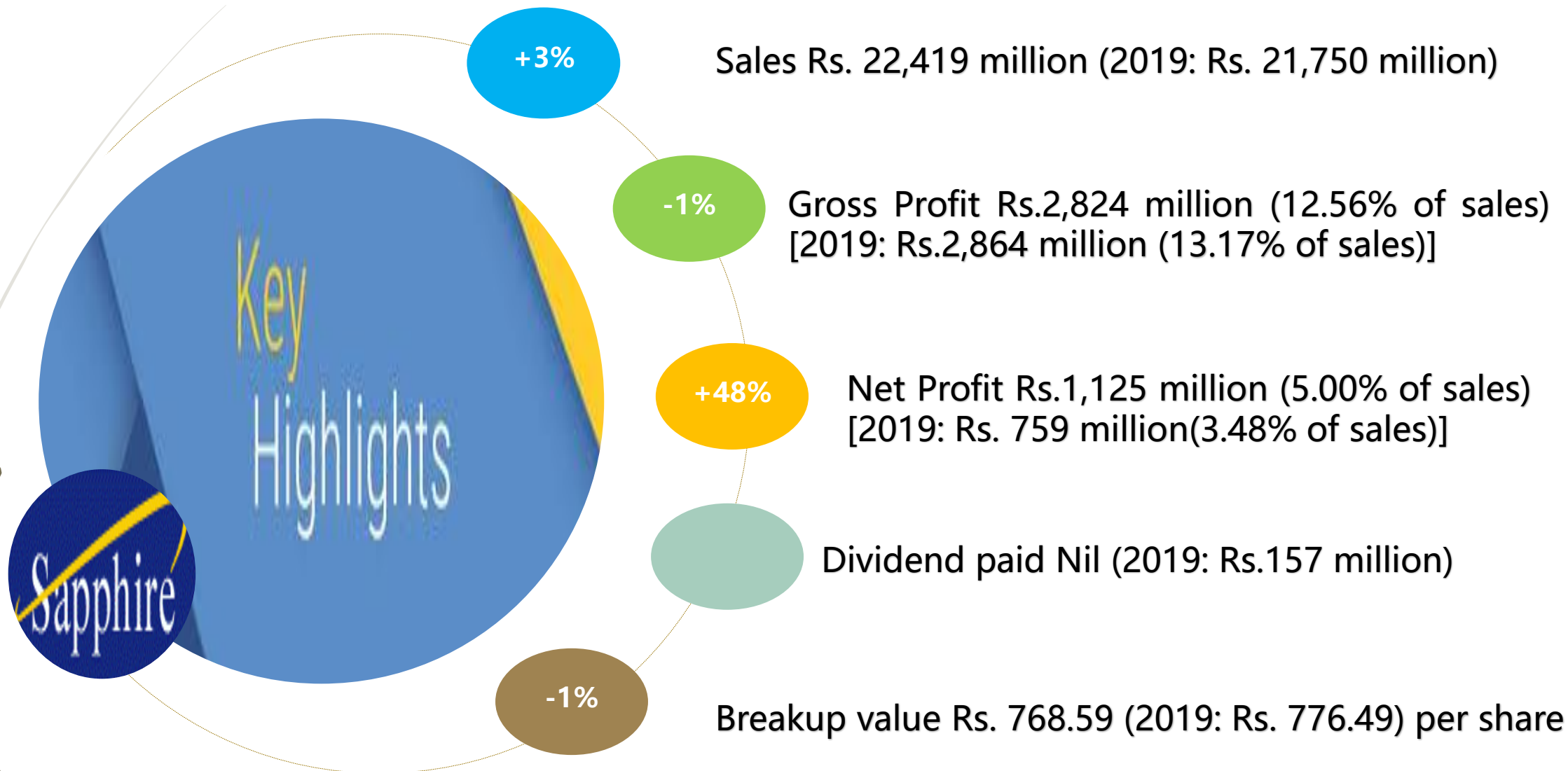




04

Financial Results 2020 vs 2019

Income Statement



Statement of value addition and its distribution

	2020		2019	
	Rs. in million	%age	Rs. in million	%age
Value addition				
Sales	22,492	93.96	21,750	97.62
Other income	1,445	6.04	530	2.38
Total	23,937	100.00	22,280	100.00
Value distribution				
Cost of sales	19,668	82.16	18,885	84.76
Distribution expense	847	3.54	721	3.24
Administrative and other expenses	448	1.87	396	1.78
Finance cost	1,464	6.11	1,262	5.67
Income tax	385	1.61	257	1.15
Dividend to shareholders	0	0.00	157	0.71
Profit retained for future growth	1,125	4.70	602	2.69
Total	23,937	100.00	22,280	100.00

Balance sheet Assets

34,316 million

2020

2019

34,903 million

11,904 million (35%)

Property, plant and equipment

10,595 million (30%)

10,473 million (31%)

Long term and short term
investments

11,316 million (32%)

7,896 million (23%)

Stores and stocks

7,079 million (20%)

2,226 million (6%)

Trade debts

4,233 million (12%)

880 million (2%)

Taxes refund due form
Government

655 million (3%)

937 million (3%)

Other assets

1,025 million (3%)

Balance sheet Equity and liabilities

34,316 million

2020

15,888 million (47%)

4,886 million (14%)

2,477 million (7%)

10,026 million (29%)

393 million (1%)

646 million (2%)

Shareholders Equity

Total Long term loans

Trade liabilities

Short term borrowings

Provision for Taxation

Other liabilities

2019

34,903 million

15,287 million (44%)

4,445 million (13%)

2,572 million (7%)

11,772 million (33%)

233 million (1%)

593 million (2%)

Consolidated Income Statement

	2020	2019
	Rs. in million	Rs. in million
Sales	32,717	36,623
Cost of sales	(25,209)	(29,515)
Gross profit	7,508	7,108
Distribution cost	(846)	(721)
Administrative and other expenses	(610)	(505)
Other income	585	543
Finance cost	(2,427)	(2,274)
Share of profit of associated companies	358	176
Profit before taxation	4,568	4,327
Taxation	(388)	(259)
Profit after taxation	4,180	4,068

Consolidated Balance sheet - Assets

	2020	2019
	Rs. in million	Rs. in million
Property, plant and equipment	24,427	23,678
Long and short term investments	7,617	8,127
Stores and stocks	8,013	7,241
Trade debts	12,760	14,867
Cash and banks	814	1,064
Other assets	2,550	2,045
Total	56,181	57,022

Consolidated Balance sheet – Equity & liabilities

	2020	2019
	Rs. in million	Rs. in million
Equity of parent shareholders	24,712	22,210
Non-controlling interest	5,273	4,530
Long term financing	5,474	7,657
Trade liabilities	4,317	4,003
Short term borrowing	15,264	17,592
Taxation	395	234
Other liabilities	746	796
Total	56,181	57,022



05

Future Outlook

Future Outlook



The outbreak of COVID-19 pandemic in the last quarter of FY 2019-20 has had a huge impact on economies around the world. As a result of lockdowns locally and internationally, almost all business sectors including large scale manufacturing were brought to a standstill in the country as well. However, Pakistan did manage to contain the economic impact through its effective lockdown strategy and we are already witnessing signs of recovery as the global economic activity has gained some momentum after relaxation of lockdowns.

Despite these challenging times, your company has been able to improve its revenue and profitability compared to last financial year, primarily driven through improved operating performance of Denim Division and higher dividend income.



Q & A Session



Thank you!