



# Sapphire Fibres Limited

Corporate Briefing Session 2019



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# 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**

101,536 Spindles



**DENIM FABRIC**

26,199,000 Meters



**KNITTED FABRIC & GARMENTS**

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



**POWER PLANT**

234 MW Independent  
Power Plant



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## Strategic / Operational Developments

# Strategic / Operational Developments

## Denim Division:

The Company during the year has invested in 16 new weaving looms (Investment of Rs. 100 million) in Denim Division and its capacity has increased by 2.6 million meters per annum.

## Spinning Division:

The Company during the year has invested in 4 Combers & 4 ring frames (Investment of Rs. 237 million) 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 in 3 dyeing machines (Investment of Rs. 107 million) in Knits Division and its capacity has increased by 1.8 million kgs per annum.

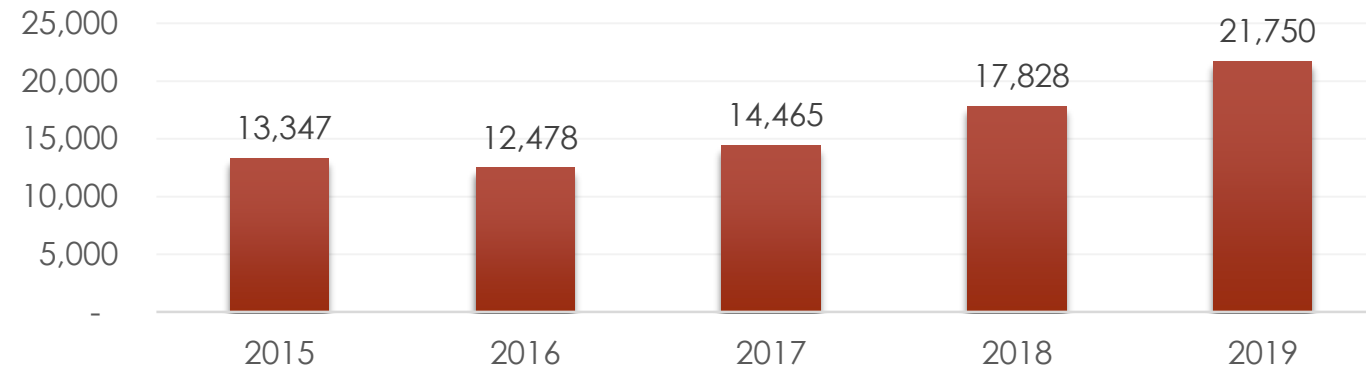


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## Historical Financial Highlights

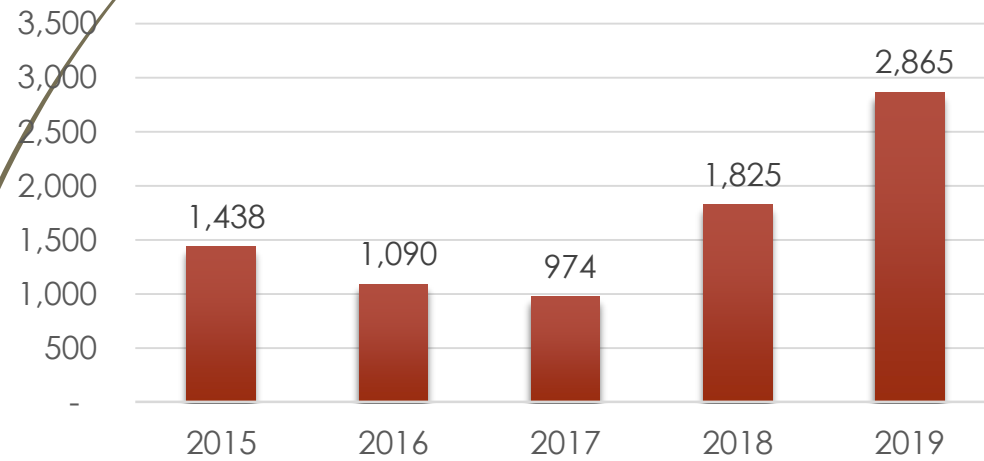
## Sales

Rs in million



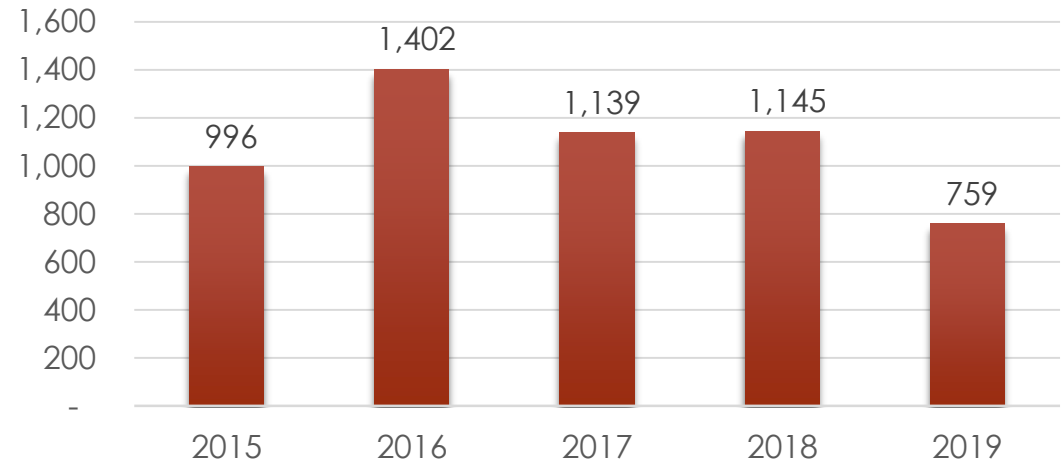
## Gross Profit

Rs in million



## Net Profit

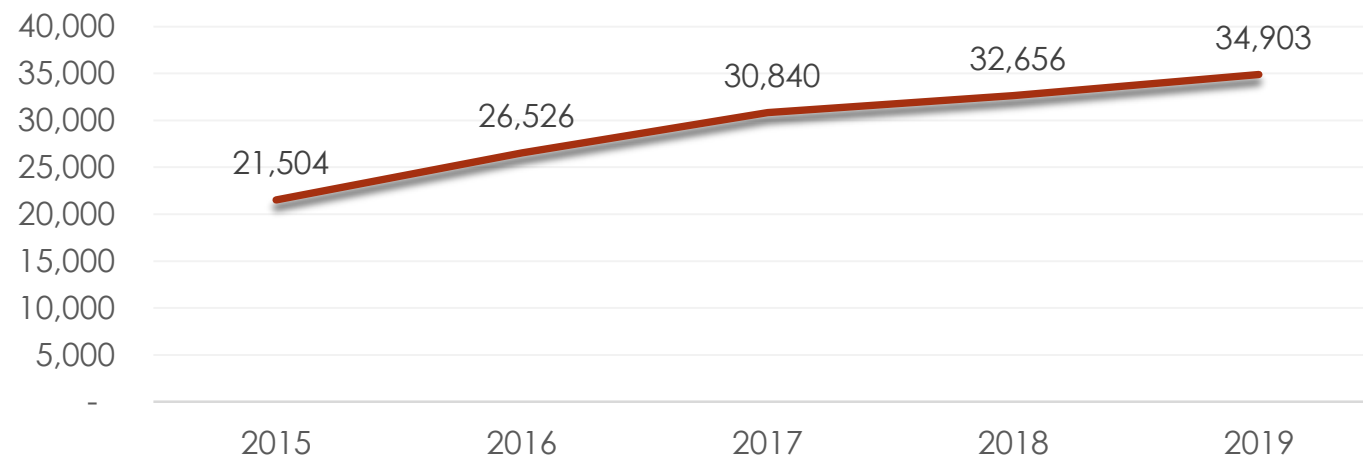
Rs in million





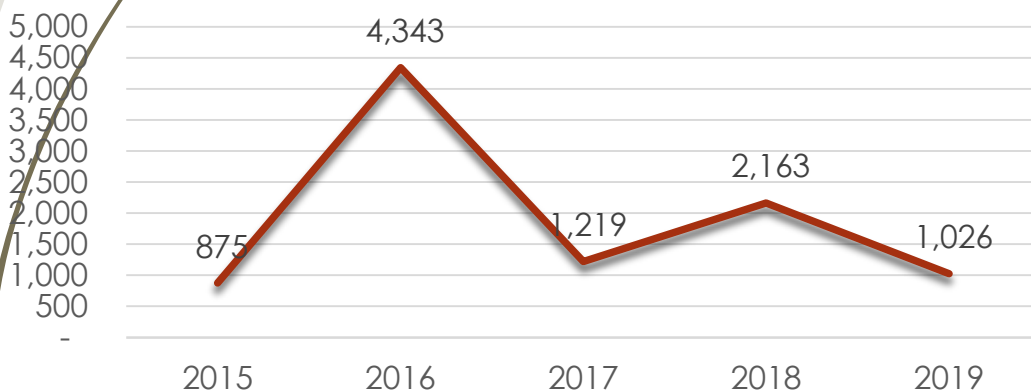
## Total Assets

Rs in million



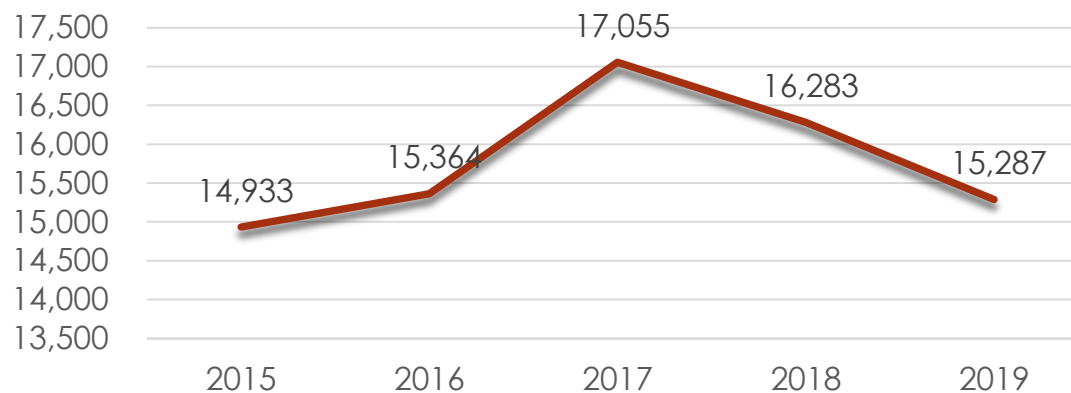
## CAPEX

Rs in million



## Shareholders' Equity

Rs in million

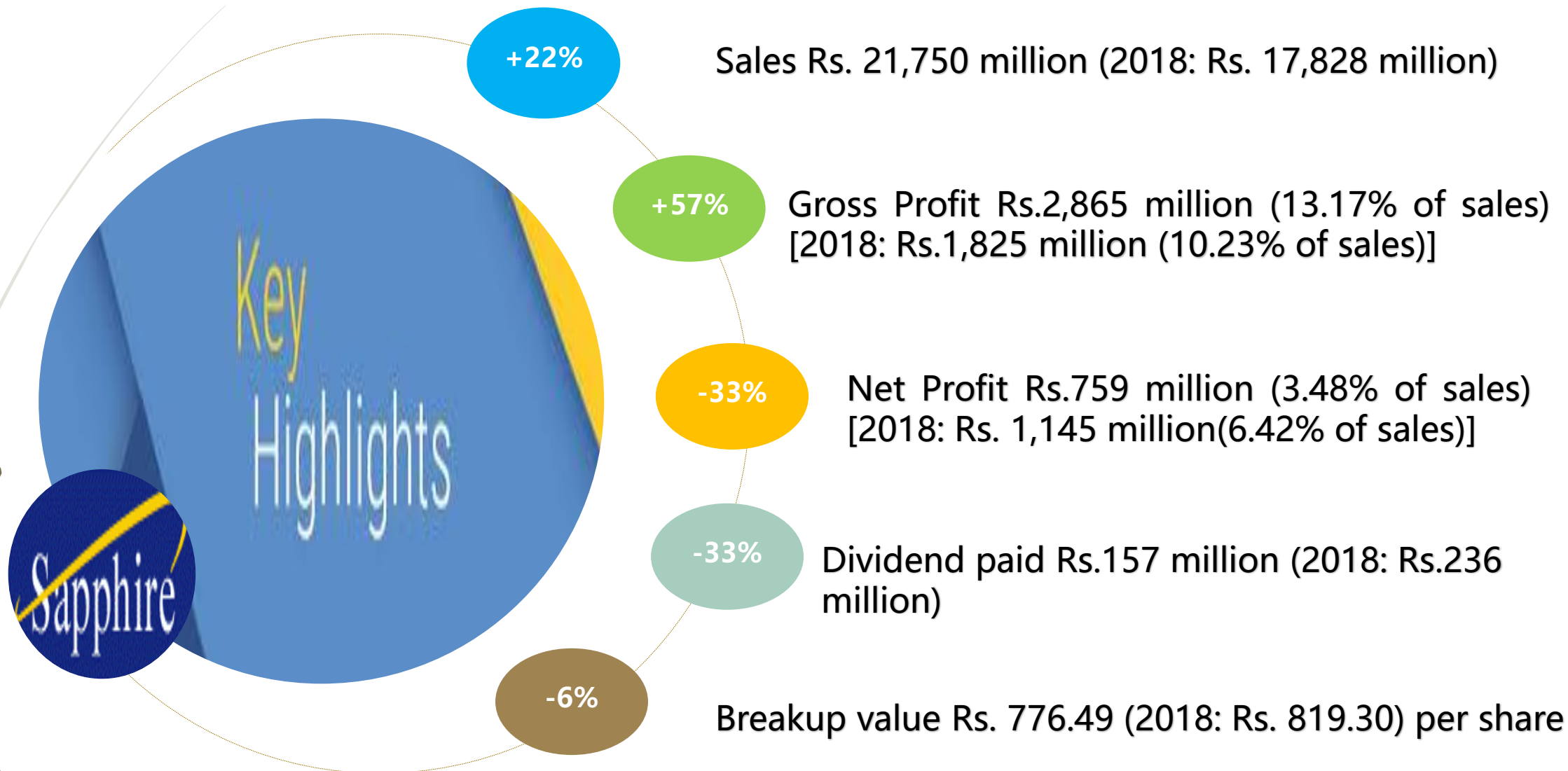




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## Financial Results 2019 vs 2018

# Income Statement



# Statement of value addition and its distribution

	2019		2018	
	Rs. in million	%age	Rs. in million	%age
<b>Value addition</b>				
Sales	21,750	97.62	17,828	92.62
Other income	530	2.38	1,420	7.38
<b>Total</b>	<b>22,280</b>	<b>100.00</b>	<b>19,248</b>	<b>100.00</b>
<b>Value distribution</b>				
Cost of sales	18,885	84.76	16,003	83.14
Distribution expense	721	3.24	590	3.07
Administrative and other expenses	396	1.78	473	2.46
Finance cost	1,262	5.67	733	3.81
Income tax	257	1.15	304	1.58
Dividend to shareholders	157	0.71	236	1.23
Profit retained for future growth	602	2.69	909	4.71
<b>Total</b>	<b>22,280</b>	<b>100.00</b>	<b>19,248</b>	<b>100.00</b>

# Balance sheet Assets

34,903 million

2019

2018

32,656 million

10,595 million ( 30%)

Property, plant and equipment

10,340 million ( 32%)

11,316 million ( 32%)

Long term and short term investments

12,645 million ( 38%)

7,079 million ( 20%)

Stores and stocks

4,995 million ( 15%)

4,233 million ( 12%)

Trade debts

2,851 million ( 9%)

655 million ( 3%)

Taxes refund due form Government

652 million (2%)

1,025 million ( 3%)

Other assets

1,173 million ( 4%)

# Balance sheet Equity and liabilities

34,903 million

2019

15,287 million ( 44%)

4,445 million ( 13%)

2,572 million ( 7%)

11,772 million (33%)

233 million (1%)

593 million ( 2%)

Shareholders Equity

Total Long term loans

Trade liabilities

Short term borrowings

Provision for Taxation

Other liabilities

2018

32,656 million

16,283 million ( 50%)

4,682 million ( 14%)

1,834 million ( 6%)

9,002 million (27%)

247 million (1%)

608 million ( 2%)

# Consolidated Income Statement

	2019	2018
	Rs. in million	Rs. in million
Sales	36,623	31,026
Cost of sales	(29,515)	(26,031)
<b>Gross profit</b>	<b>7,108</b>	<b>4,995</b>
Distribution cost	(721)	(590)
Administrative and other expenses	(505)	(648)
Other income	543	548
Finance cost	(2,274)	(1,509)
Share of profit of associated companies	176	(16)
<b>Profit before taxation</b>	<b>4,327</b>	<b>2,780</b>
Taxation	(259)	(305)
<b>Profit after taxation</b>	<b>4,068</b>	<b>2,475</b>

# Consolidated Balance sheet - Assets

	2019	2018
	Rs. in million	Rs. in million
Property, plant and equipment	23,678	23,707
Long and short term investments	8,127	9,578
Stores and stocks	7,241	5,196
Trade debts	14,867	10,558
Cash and banks	1,064	534
Other assets	2,045	2,108
<b>Total</b>	<b>57,022</b>	<b>51,681</b>



# Consolidated Balance sheet – Equity & liabilities

	2019	2018
	Rs. in million	Rs. in million
Equity of parent shareholders	22,210	20,925
Non-controlling interest	4,530	3,516
Long term financing	7,657	9,243
Trade liabilities	4,003	3,098
Short term borrowing	17,592	13,993
Taxation	234	247
Other liabilities	796	659
<b>Total</b>	<b>57,022</b>	<b>51,681</b>



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## Future Outlook

# Future Outlook



Pakistan's textile exports remained stagnant in the financial year 2018-19 despite significant currency devaluation during the period. Textile sector is considered as the backbone of our economy.



However, it is unable to recover its dwindling share in the international market due to increase in cost of production, which is making it less competitive than other major textile exporting countries. This fact is evident from the value of our textile exports, which is hovering around US\$ 13 billion for last ten years. The government and the industry, both should come up with a renewed vision and efforts to address this situation.



Despite of these challenging circumstances, your Company has been able to grow at a cumulative annual growth rate of over 20% in last three years. Furthermore, gross and net margins of the core textile operations have improved as well and the management is confident that similar positive trend is expected to continue in near future.



# Q & A Session



**Thank you!**