



FAISAL SPINNING MILLS LIMITED

CORPORATE BRIEFING SESSION - 2021



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Disclaimer

The Corporate Briefing Session presentation is prepared by Faisal Spinning Mills Limited is exclusively for the discussion purpose with the participants only. Any expression, information, statement or representation made during the discussion shall not be infer by any investor or potential investor as an advice or recommendation in relation to holding , purchasing or selling securities without proper consideration.

It is suggested before acting on any information's shared or and remarks made during the discussion process , one should seek appropriateness and accuracy of information.

Our Journey

Established in 1985, the Faisal Spinning Mills Limited has its registered office in Karachi and it's operating under the Umer Group of Companies.

The company is quoted of Pakistan Stock Exchange "PSX" and engaged in spinning , weaving , finishing and home textiles.

The finishing and home textile units have commenced their commercial production after successful completion of trial in March 2021. Since the newly established commenced their commercial production from April 2021 , we expects the incremental effect of both units in the upcoming year.

The company generally exports US , Europe and Far East countries of more than 80 percent of its total sales.

Corporate Information

Incorporation

The company **Faisal Spinning Mills Limited** established in January 1985.

Symbol

FASM

Legal Status

Public Limited Company.

Capital

Authorized Capital - 120,000,000

Issued Paid-up Capital - 100,000,000

(Ordinary Share of Rs. 10 each)

Associated Undertakings

Bhanero Textiles Mills Ltd

Blessed Textiles Ltd

Registered and Liaison Office

Registered office of the company is located at Umer House, 23/1, Sector 23, K.I.A , Karachi.

Liaison office of the company is located at City Towers, Main Boulevard, Gulberg-II, Lahore.

Manufacturing Units

- i) Spinning Unit I with an installed capacity of 38,208 spindles, located at Nooriabad, Sindh.
- ii) Weaving Unit II with an installed capacity of 265 air-jet looms, located at Sheikhupura, Punjab.
- iii) Finishing Unit III with production capacity of 27.00 million meterage, located at 1.7 KM Warburton Road , Ferozwattwan , Sheikhupura, Punjab.
- iv) Stitching Unit IV , located at 1.7 KM Warburton Road , Ferozwattwan, Sheikhupura, Punjab.

Credit Rating

The entity ratings for the current year assigned on May 27, 2021 has been maintained at A/A 1 (Single A / A-One) as per last year by the Messer's VIS Credit Rating Company Limited.

Board of Directors

Sr	Names of Directors	Designation
I	Mr. Bilal Sharif	Executive Director / CEO
II	Mr. Khurram Salim	NXD - Director
III	Mr. Mohammad Amin	NXD - Director
IV	Mr. Hamza Shakeel	NXD - Director
V	Mrs. Fatima Amin	NXD - Director
VI	Mr. Mohammad Salim	NXD - Director / Chairman
VII	Mr. Mohammad Shaheen	NXD - Director
VIII	Mr. Iqbal Mehboob	Independent Director
IX	Mr. Mustafa Tanvir	Independent Director
X	Mr. Asif Elahi	Independent Director

FAISAL SPINNING MILLS LIMITED
CATEGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2021

SR #	CATEGORIES OF SHAREHOLDERS	NUMBERS OF SHAREHOLDERS	SHARES HELD	PERCENTAGE %
1	Director's, CEO, Their Spouse and Minor Children	17	3,908,179	39.08
2	Associated Companies, Undertaking and Related Parties	16	5,011,921	50.12
3	NIT / ICP	1	500	0.01
4	Bank / Financial Institution	1	3,600	0.04
5	Insurance Company	1	222,700	2.23
6	Modaraba & Mutual Funds	1	100	0.00
7	General Public / Individuals	758	852,499	8.52
8	Other Companies	1	1	0.00
9	Joint Stock Companies	1	500	0.01
		797	10,000,000	100.00

Faisal Spinning Mills Limited

Free Float of Shares

As on June 30, 2021

Total outstanding shares		10,000,000
<u>Less :</u>		
Shares held by Directors /Sponsors	7,637,200	
Government holding as Promoter /Acquirer /Controller		
Shares held by Associated Undertakings	1,282,900	
Shares held with General Public	<u>158,900</u>	<u>9,079,000</u>
Free Float		<u><u>921,000</u></u>
Total number of shares available in CDC		2,206,900
Total number of shares available in Physical Form		<u>7,793,100</u>
Total		<u><u>10,000,000</u></u>

Group Structure

Textiles

Bhanero Textile Mills Ltd

Spinning Unit I

Spinning Unit II

Weaving Unit III

Spinning Unit IV (In Progress)

Faisal Spinning Mills Ltd

Spinning Unit I

Weaving Unit II

Finishing Unit III

Stitching Unit IV

Blessed Textiles Limited

Spinning Unit I

Weaving Unit II

Spinning Unit III

Spinning Unit IV (In Progress)

Leather

Firhaj Footwear (Pvt) Limited

Footwear Retailing - Unit I

Footwear Manuf. - Unit II

Leather Garment - Unit III

Dairy

Umer Farms (Pvt) Limited

Milk Production Unit I

Real Estate

City Towers

Future Outlook and Challenges

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The company performed exceptionally well during the current where it generated the revenue of PKR 17,065.186 million showing an increase of 14.57 percent as compared to corresponding year.

Similarly, the company posted a net profit tax amounting to PKR 2,359.332 million (Year 2020: 523.879 million). However, the net profit is inclusive of capital gain on sale of land of PKR 816.973 million , it still shows an increase in operating profit by 186 percent during the corresponding years. We expect further growth in upcoming years once our newly units becomes fully operational for the entire fiscal year to generate incremental contribution towards company's profitability .

Pakistan being 5th largest producer of cotton globally and having the 3rd largest spinning industry in world after China and India is unable to cater the growing demand for the spinning sector resulting in the industry to recourse towards import of cotton over the years.

Fortunately, we are expecting that country might cross estimated 8.5 million bales for the current year as cotton arrivals reached 5.208 million bales till October 15, 2021 which is 94 percent increase on YoY basis is definitely a positive sign for our textile exports which grew by 27 percent on YoY basis during Jul- Sep 2021 (\$4.4 billion).

Key Performance Indicators

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Sales
Growth YoY
14.57%

Gross Profit
14.58%

Profit Before
Tax
14.89%

Profit After
Tax
13.83%

Breakup Value
per Share
875.35

Market Value
per Share
420.00

Dividend per
Share
21.45

Earnings per
Share
235.93

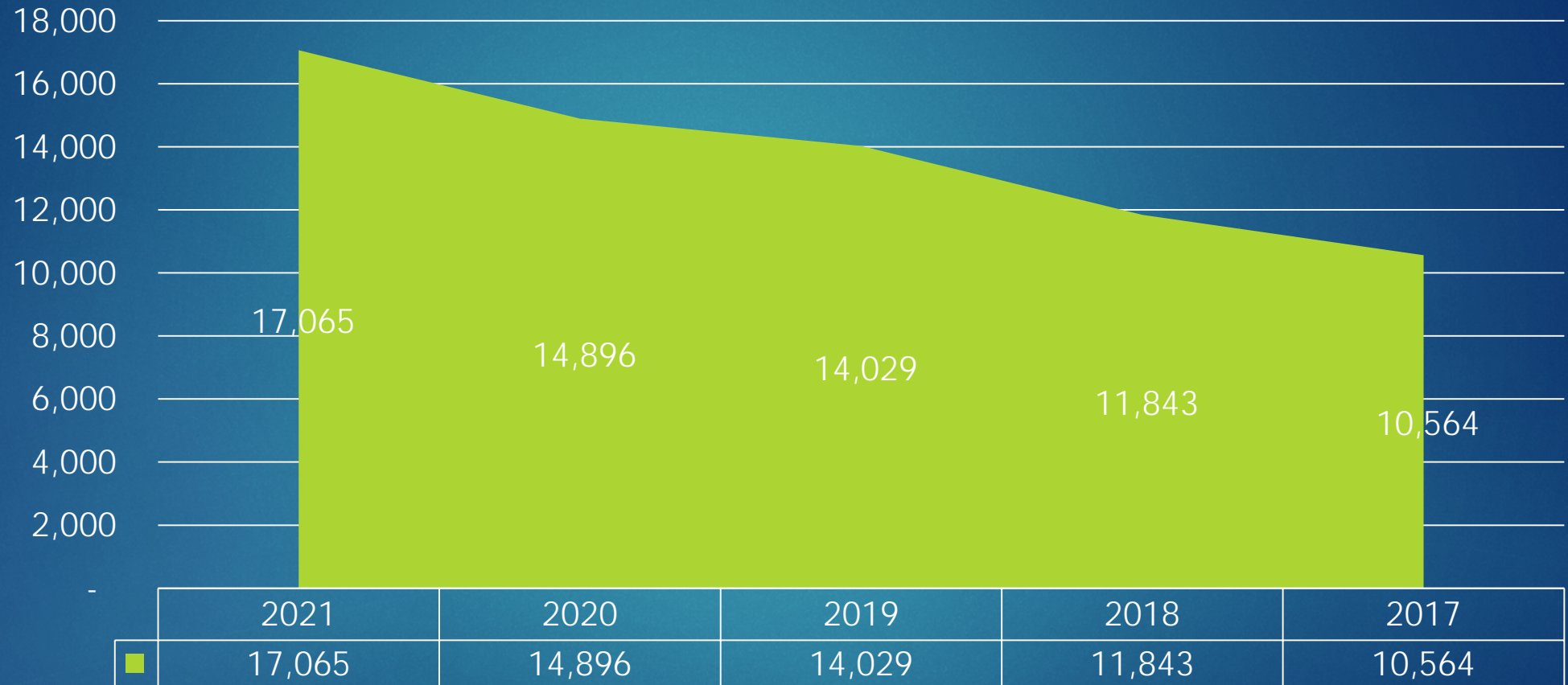
Faisal Spinning Mills Limited

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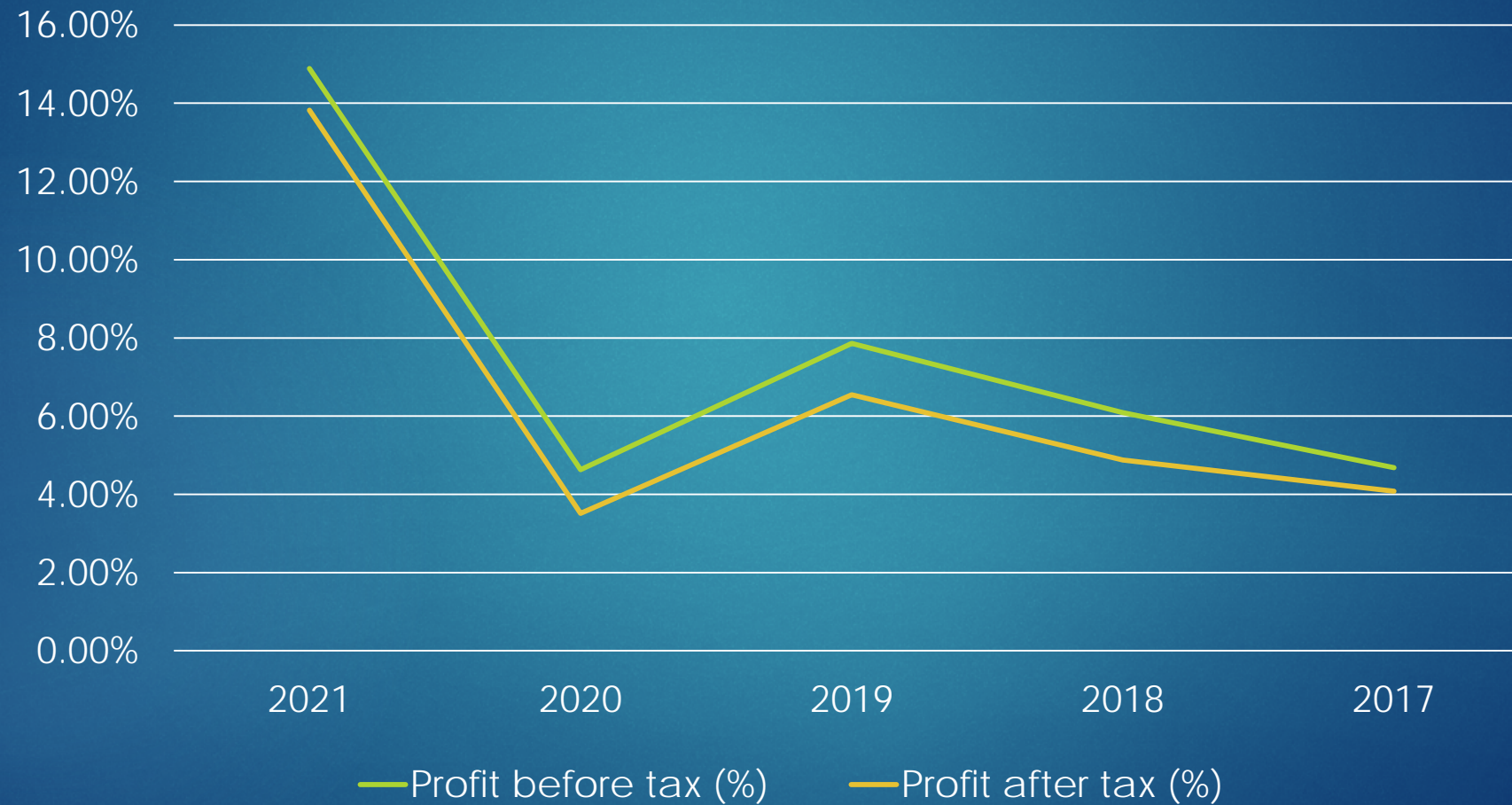
Statement of Profit or Loss For the Year Ended June 30, 2021

	June 30, 2021 PKR	June 30, 2020 PKR
Sales	17,065,185,921	14,895,550,333
Cost of sales	14,576,409,796	13,485,266,980
Gross profit	2,488,776,125	1,410,283,353
Other income	842,477,705	46,257,142
	3,331,253,830	1,456,540,495
Distribution cost	533,045,025	388,475,712
Administrative expenses	205,329,051	167,708,237
Other operating expenses	138,430,599	41,755,096
Finance cost	310,769,402	246,852,141
	1,187,574,077	844,791,186
	2,143,679,753	611,749,309
Share of profit from associated undertaking	396,627,230	78,625,942
Profit before tax	2,540,306,983	690,375,251
Taxation	180,975,029	166,496,130
Profit after taxation for the year	2,359,331,954	523,879,121
Earnings per share - basic and diluted	235.93	52.39

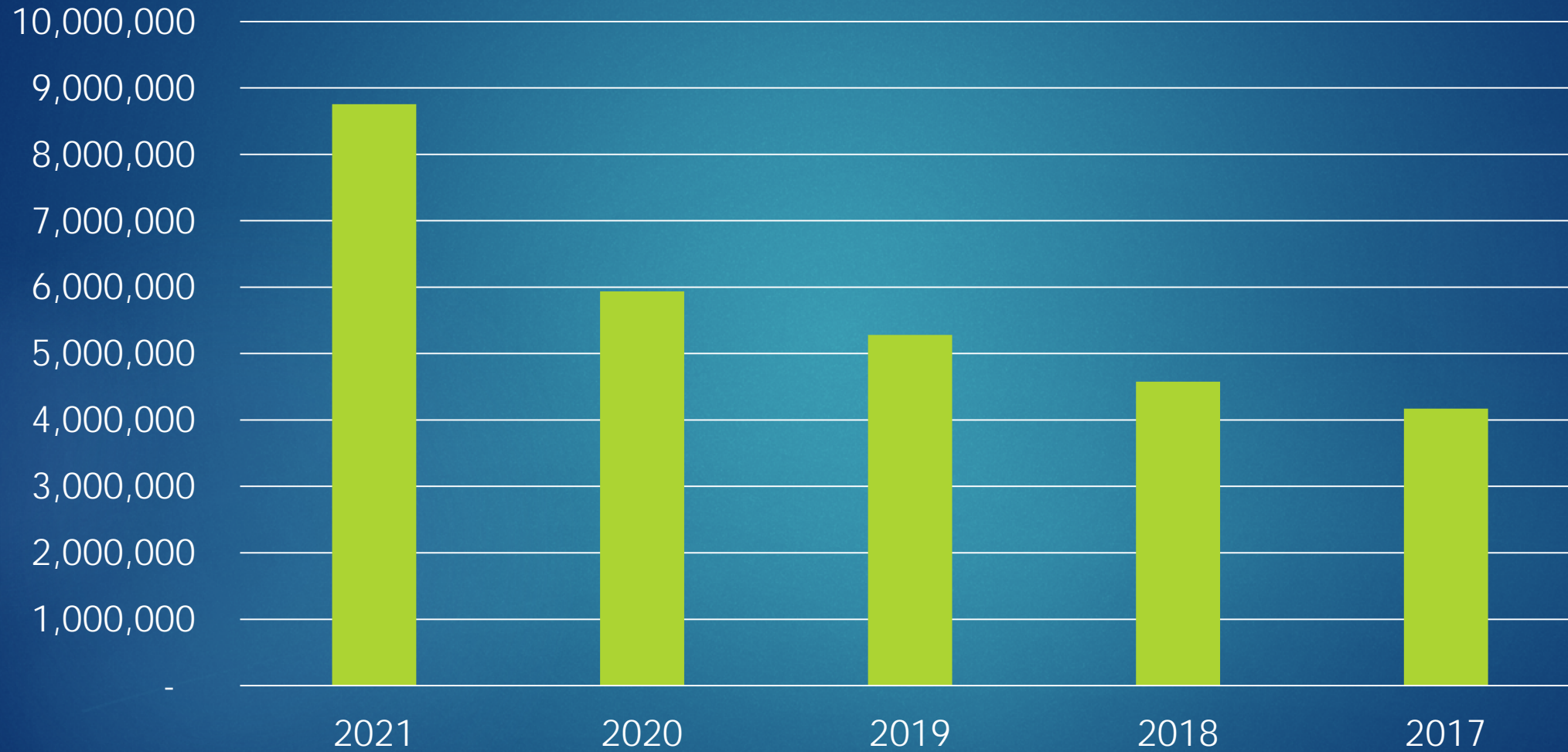
Turnover (Millions)



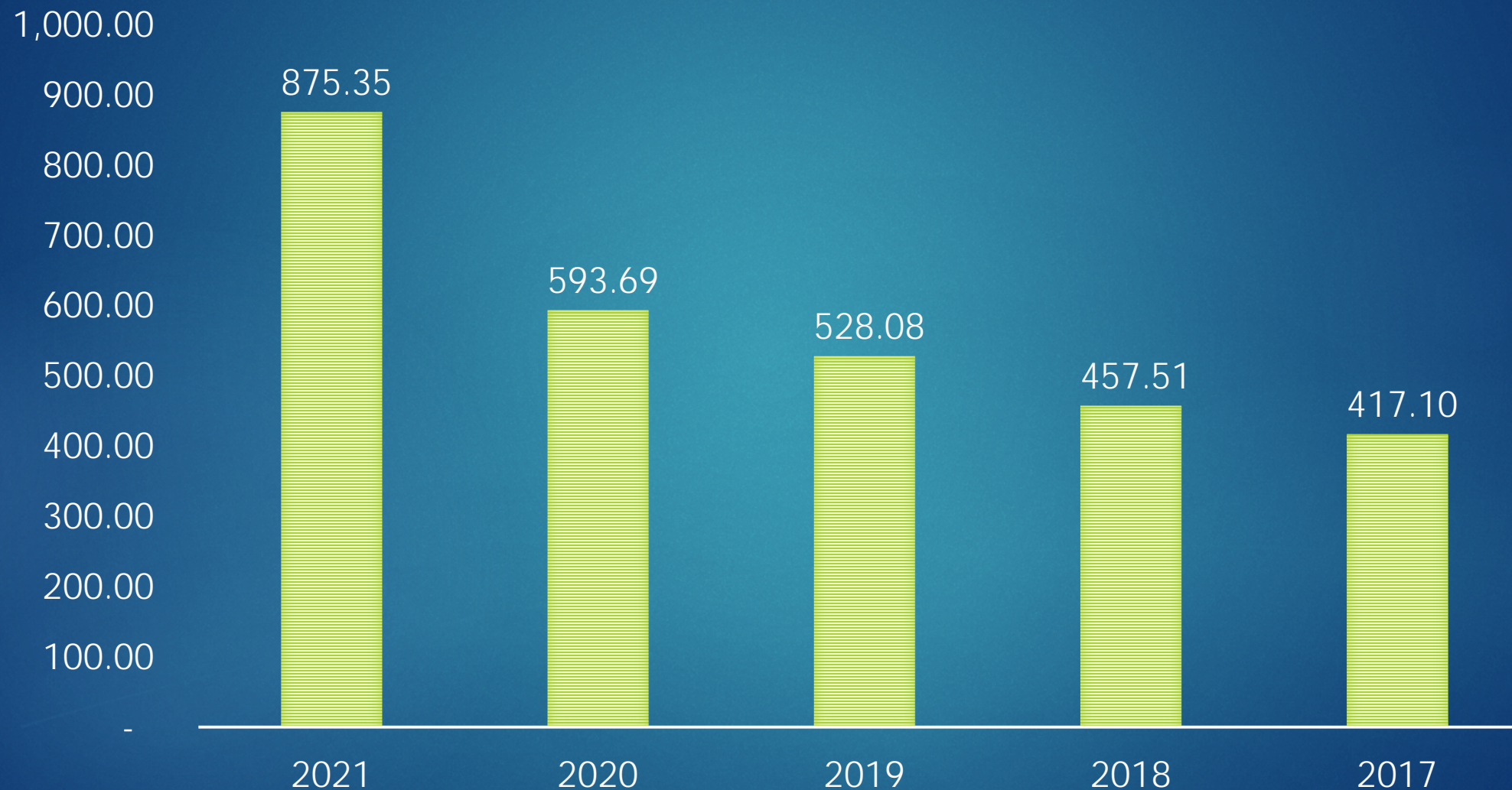
PBT & PAT - %



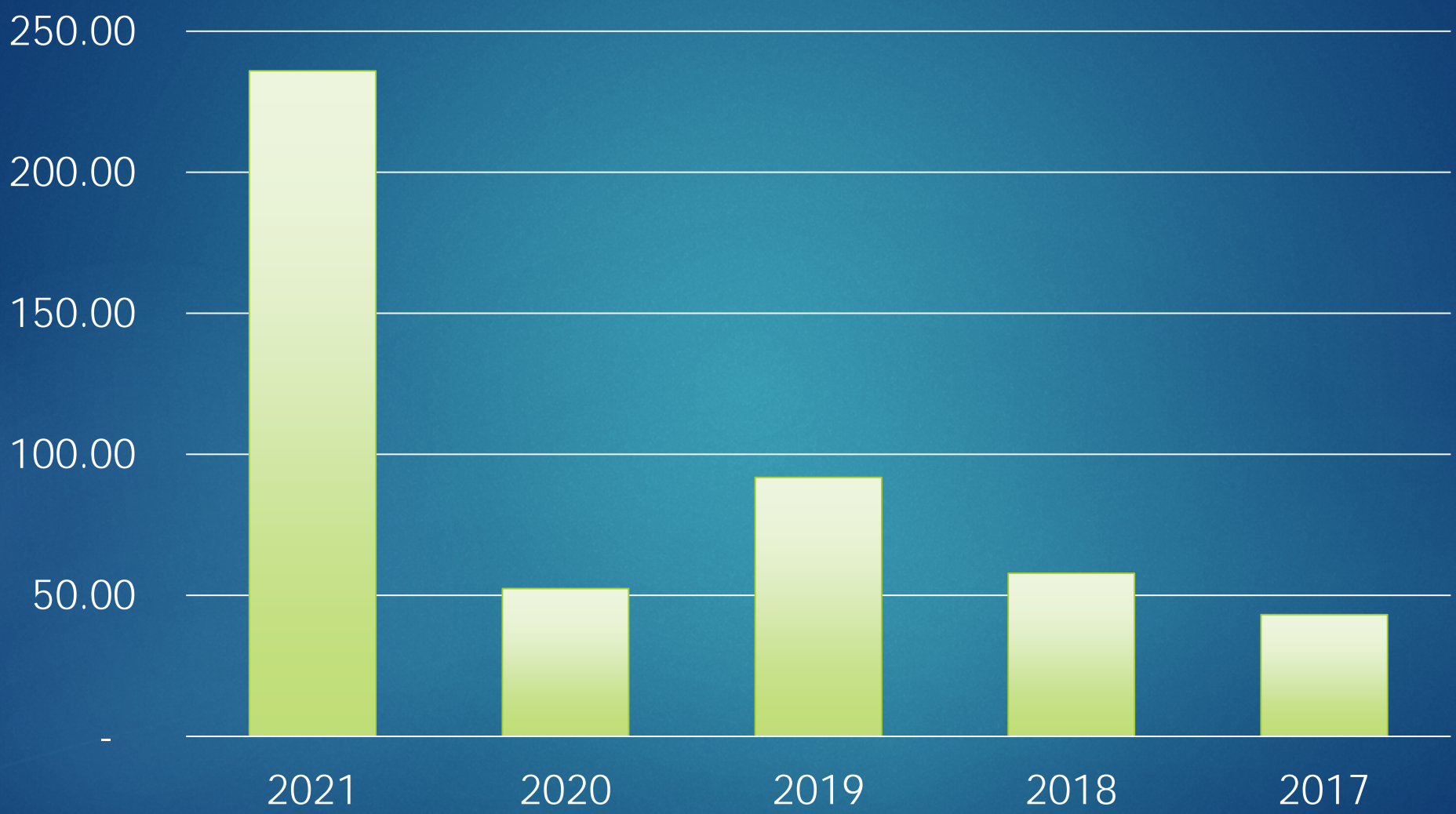
Shareholder Equity



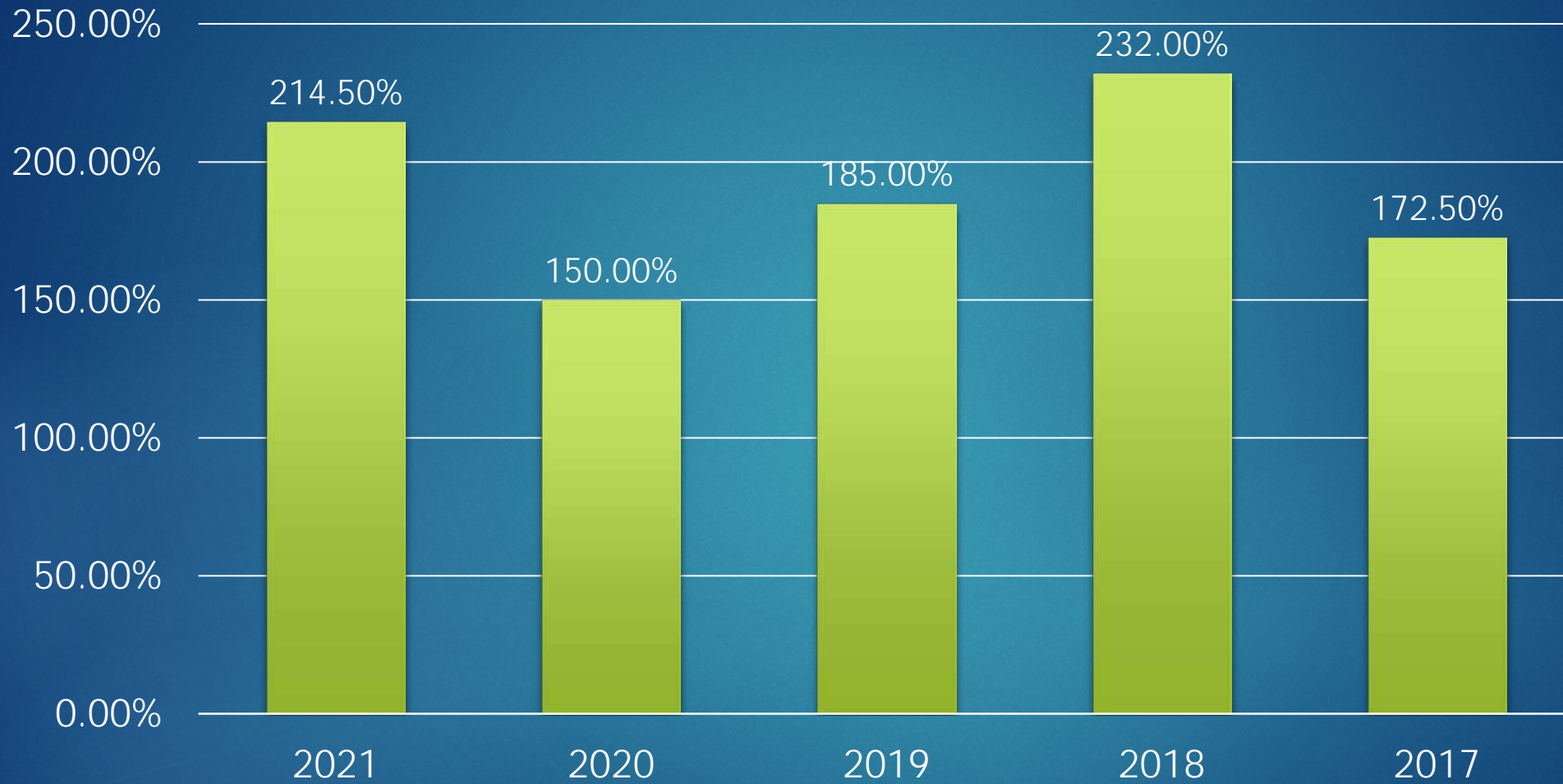
Breakup Value per Share



Earnings Per Share



Cash Dividend - %



Historical Data

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Year-Wise Operating Data

Spinning Unit

Spindle installed

Spindles worked - Average

Installed capacity after conversion into 20/s count - Kg

Actual production - Kg

	2021	2020	2019	2018	2017
Spindle installed	38,208	38,208	38,208	38,208	38,208
Spindles worked - Average	38,208	38,208	38,208	38,208	38,208
Installed capacity after conversion into 20/s count - Kg	23,161,653	23,485,861	24,916,086	25,162,427	22,505,869
Actual production - Kg	19,921,801	20,628,185	19,448,902	20,089,558	19,910,812

Weaving Unit

Air jet looms installed

Air jet looms worked

Installed capacity after conversion into 50 picks - Meter

Actual production - Meter

Air jet looms installed	265	265	265	265	265
Air jet looms worked	265	265	265	265	265
Installed capacity after conversion into 50 picks - Meter	64,308,255	64,308,255	64,308,255	41,780,006	41,780,006
Actual production - Meter	40,242,805	43,789,732	44,560,931	41,522,501	38,862,180

Finishing Unit

Production Capacity in meters

Actual Production - Meter

Production Capacity in meters	26,766,667	-	-	-	-
Actual Production - Meter	7,133,010	-	-	-	-

(Inclusive of Trial & Commercial for 3 months each)

Year-Wise Financial Data

2021	2020	2019	2018	2017
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Rupees in Thousands

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Profit and loss account

Turnover (Net)	17,065,186	14,895,550	14,028,566	11,842,981	10,563,662
Gross profit	2,488,776	1,410,283	1,884,038	1,308,462	1,046,982
Operating profit	2,454,449	858,601	1,275,441	790,664	603,438
Financial expenses	310,769	246,852	290,548	137,361	154,387
Share profit of associate	396,627	78,626	117,479	68,124	45,443
Profit before tax	2,540,307	690,375	1,102,372	721,427	494,494
Profit after tax	2,359,332	523,879	918,500	577,855	430,994
Cash dividend	214,500	150,000	185,000	232,000	172,500

Balance Sheet

Share capital	100,000	100,000	100,000	100,000	100,000
Reserves	7,300,000	5,300,000	4,900,000	4,200,000	3,890,000
Shareholder equity	8,753,542	5,936,891	5,280,827	4,575,102	4,171,012
Long term loans	4,404,730	4,073,591	1,478,484	1,475,536	1,626,136
Short term loan	1,878,178	3,876,009	1,430,911	645,652	164,040
Current liabilities	3,699,052	5,006,663	2,467,436	1,496,635	902,957
Current portion of long term loans	359,135	55,003	226,342	224,493	160,431
Fixed assets	8,619,791	3,860,627	3,533,394	3,491,382	3,256,739
Current assets	7,919,505	8,499,266	5,925,995	4,245,853	3,269,374

Ratios

2021	2020	2019	2018	2017
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Performance

Sales growth percentage - Year to Year basis	14.57%	6.18%	18.45%	12.11%	13.81%
Gross profit (%)	14.58%	9.47%	13.43%	11.05%	9.91%
Profit before tax (%)	14.89%	4.63%	7.86%	6.09%	4.68%
Profit after tax (%)	13.83%	3.52%	6.55%	4.88%	4.08%

Breakup value per share - Rupees per share	875.35	593.69	528.08	457.51	417.10
Market value of share - at the year end - Rupees per share	420.00	251.00	237.50	300.00	289.13

Earnings per share - Rupees per share	235.93	52.39	91.85	57.79	43.10
Price earning ratio	1.78	4.79	2.59	5.19	6.71

Leverage

Gearing ratio	0.76	1.35	0.59	0.51	0.47
Debt to equity (%)	50.32%	68.61%	28.00%	32.25%	38.99%
Interest covering ratio	9.17	3.80	4.79	6.25	4.20

Liquidity ratio

Current ratio	2.14	1.70	2.40	2.84	3.62
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Question & Answers Session

The honorable guest and shareholders of the company are requested to proceed for question and answer session with regard to the financial statements for the year ended June 30, 2021.

Thanks