



FAISAL SPINNING MILLS LIMITED

Corporate Briefing Session - 2023



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Disclaimer

Faisal Spinning Mills Ltd has developed the presentation for the corporate briefing session, which is only intended for the participants discussion. Investors or prospective investors are not permitted to construe any statement, information, or representation made during the conversation as advice or a suggestion to hold, buy, or sell stocks without giving it due deliberation.

We further suggest that prior to acting upon any information supplied or comments made during the discussion, it is advisable that one should seek appropriateness and accuracy of the information.

Preface

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

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

The spinning unit is located in Sindh whereas weaving , finishing and home textile units are located in the province of Punjab.

The company generally exports US , Europe and Far East countries of more than 85 percent of its entire revenue.

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 33.00 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's rating at A/A-1 (Single A / A-One) has been reaffirmed by Messer's VIS Credit Rating Company Limited on 26th September, 2023 for the current year. The entity's outlook has been assigned as 'Stable' on given ratings..

Board of Directors

Sr	Names of Directors	Designation
1	Mr. Mohammad Salim	Director / Chairman
2	Mr. Muhammad Shaheen	Director
3	Mr. Hamza Shakeel	Director
4	Mr. Khurram Salim	Director
5	Mr. Bilal Sharif	Executive Director / CEO
6	Mr. Muhammad Amin	Director
7	Mr. Tauqeer Ahmed Sheikh	Independent Director
8	Mr. Mustafa Tanvir	Independent Director
9	Mr. Asif Elahi	Independent Director
10	Mrs. Fatima Amin	Female Director

FAISAL SPINNING MILLS LIMITED
CATEGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2023

SR #	CATEGORIES OF SHAREHOLDERS	NUMBERS OF SHAREHOLDERS	SHARES HELD	PERCENTAGE %
1	Director's, CEO, Their Spouse and Minor Children	17	3,908,279	39.08
2	Associated Companies, Undertaking and Related Parties	17	5,012,421	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	General Public / Individuals	747	849,899	8.50
7	Other Companies	1	1	0.00
8	Joint Stock Companies	5	2,600	0.03
		765	10,000,000	100.00

Faisal Spinning Mills Limited

Free Float of Shares

As on June 30, 2023

Total outstanding shares		10,000,000
<u>Less :</u>		
Shares held by Directors /Sponsors	7,637,800	
Government holding as Promoter /Acquirer /Controller		
Shares held by Associated Undertakings	1,282,900	
Shares held with General Public	<u>155,900</u>	<u>9,076,600</u>
Free Float		<u>923,400</u>
Total number of shares available in CDC		2,209,900
Total number of shares available in Physical Form		<u>7,790,100</u>
Total		<u>10,000,000</u>

Group Structure

Textiles

Bhanero Textile Mills Ltd

Spinning Unit I
Spinning Unit II
Weaving Unit III
Spinning Unit IV

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

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

Global & Local Environment for Textile Sector

Pakistan's textile industry, which makes up 60 percent of the country's exports, has been hit hard by competition from other Asian countries, as well as the economic slowdown and political instability.

Unless leading brands and retailers from western countries do not increase their orders, the entire value chain will continue to struggle and operate on minimal levels of orders. Though earlier it was anticipated that textile demand will jump into positive territory in 2023 assuming Chinese economy may give an additional boost, but this hope did not materialize.

The global weakening demand has been the major concern in the global textile value chain for a year and this concern grew even stronger due to high inflation rates measured in the last few months, a phenomenon fueled by high energy prices.

As far as Pakistan is concerned several challenges to the economy still threaten long-term fiscal stability and growth. The country desperately needs to bolster its foreign exchange reserves whereas contrary to this our exports continue to underperform, declining by 7.0 percent during first four months of current fiscal year and observed a substantial decline of 16.0 percent during ten months of the current fiscal year 2023 as compared to corresponding period ending FY 2022.

The reasons are obvious like shortage of gas, high energy prices due to elimination of regionally competitive energy tariff (RCET) that led to decline in textile as well as total national exports. The textile sector will continue to experience economic headwinds related to high interest rates and volatility of exchange rates along with suspension of the zero-rating status .

Key Performance Indicators

Sales
Growth YoY
17.45%

Gross Profit
12.11%

Profit Before
Tax
4.63%

Profit After
Tax
3.88%

Breakup Value
per Share
1,381.82

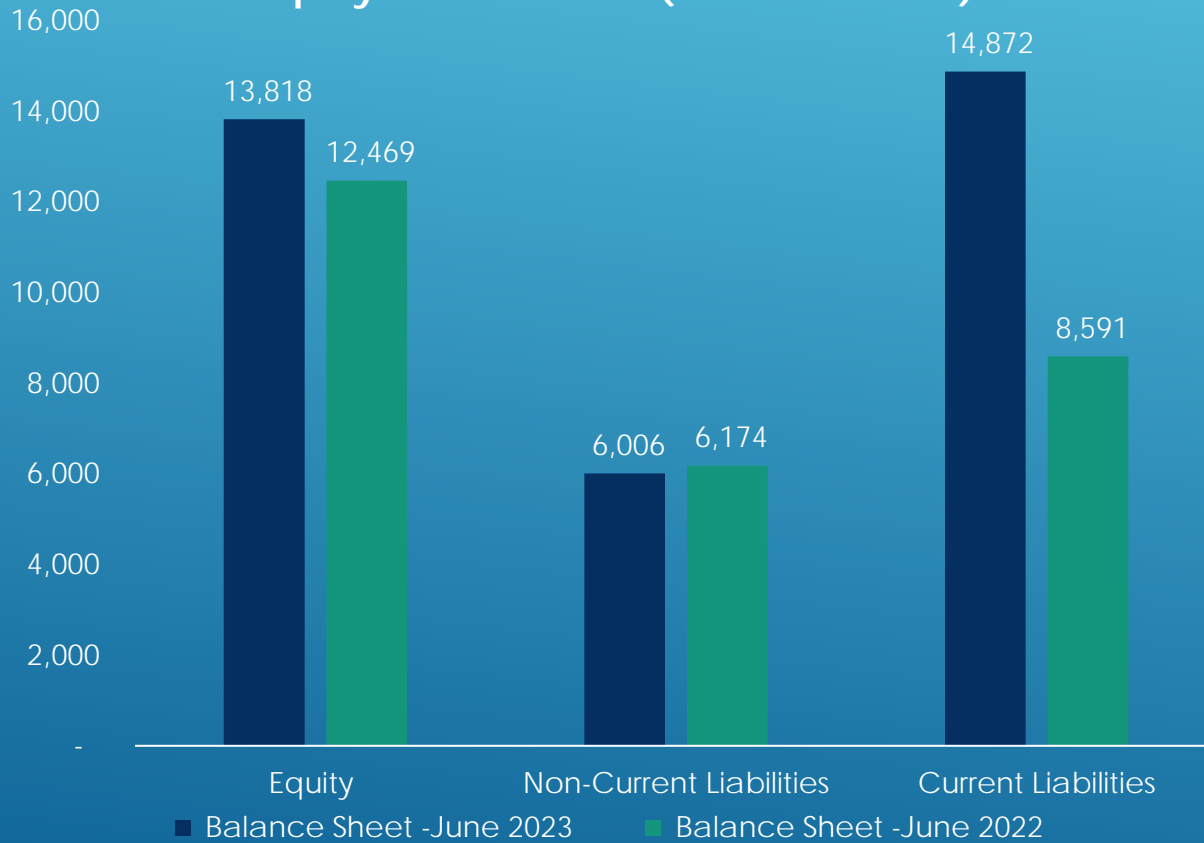
Market Value
per Share
323.75

Dividend per
Share
11.50

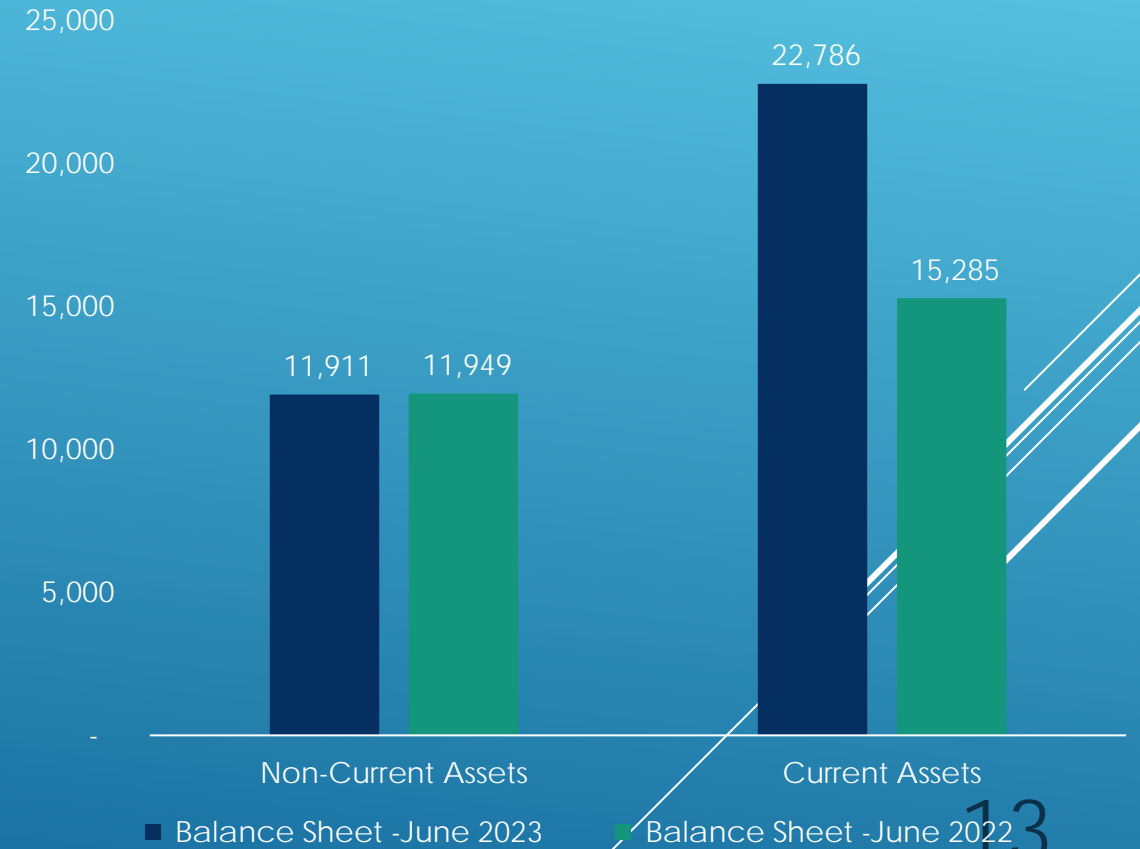
Earnings per
Share
146.19

Balance Sheet as on June 30, 2023

Equity & Liabilities - (PKR in Millions)



Assets - (PKR in Millions)

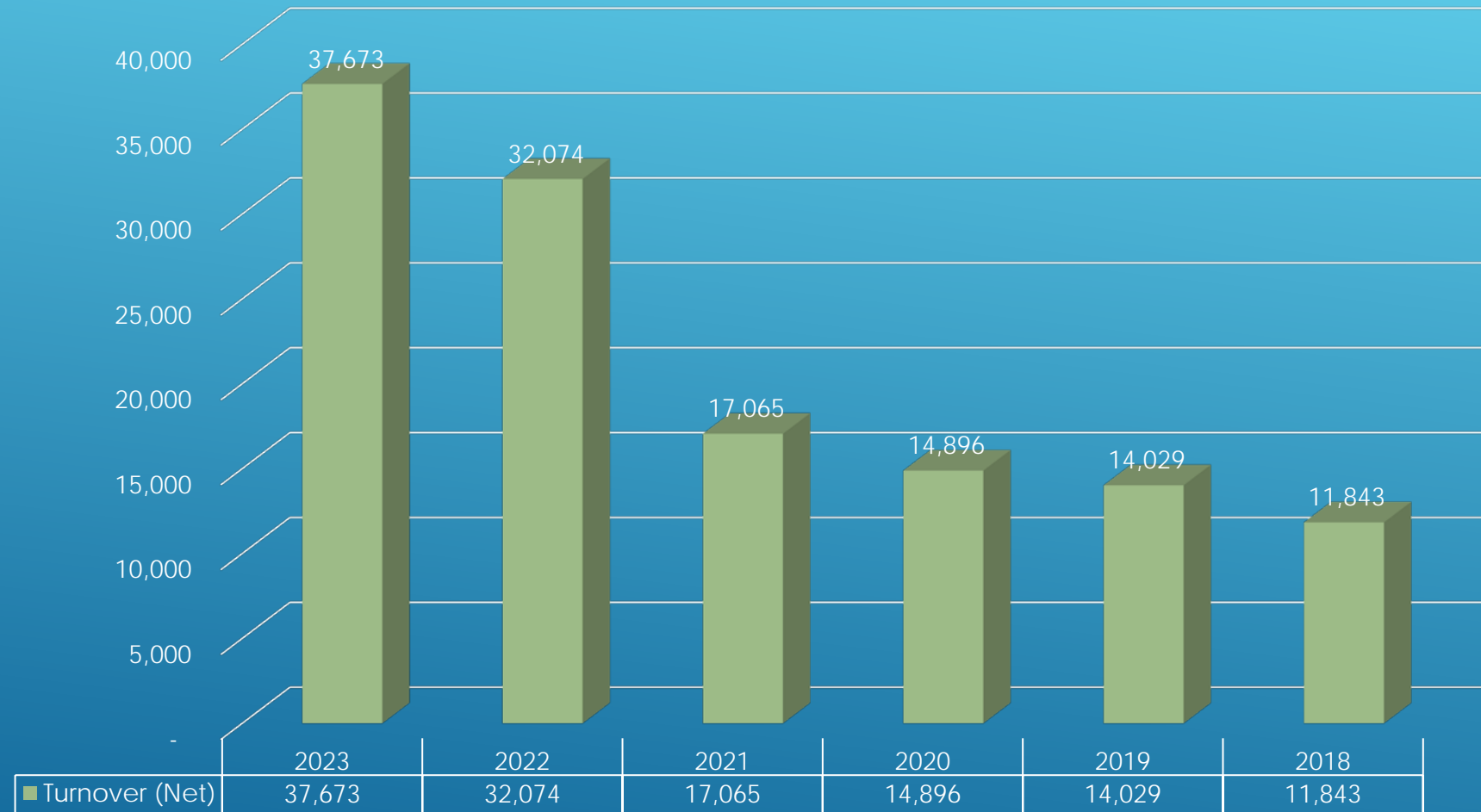


Faisal Spinning Mills Limited

Statement of Profit or Loss For the Year Ended June 30, 2023

	June 30, 2023 PKR	June 30, 2022 PKR
Sales - Net	37,672,807,610	32,074,369,748
Cost of sales	33,110,576,747	25,701,983,801
Gross profit	4,562,230,863	6,372,385,947
Other income	453,100,553	73,383,339
	5,015,331,416	6,445,769,286
Distribution cost	1,605,961,445	1,258,864,404
Administrative expenses	423,508,171	328,184,900
Other operating expenses	115,125,932	318,223,878
Finance cost	1,267,154,365	408,214,000
	3,411,749,913	2,313,487,182
	1,603,581,503	4,132,282,104
Share of profit from associated undertaking	138,813,770	592,860,794
Profit before taxation	1,742,395,273	4,725,142,898
Taxation	280,475,906	626,919,602
Profit after taxation for the year	1,461,919,367	4,098,223,296
Earnings per share - basic and diluted	146.19	409.82

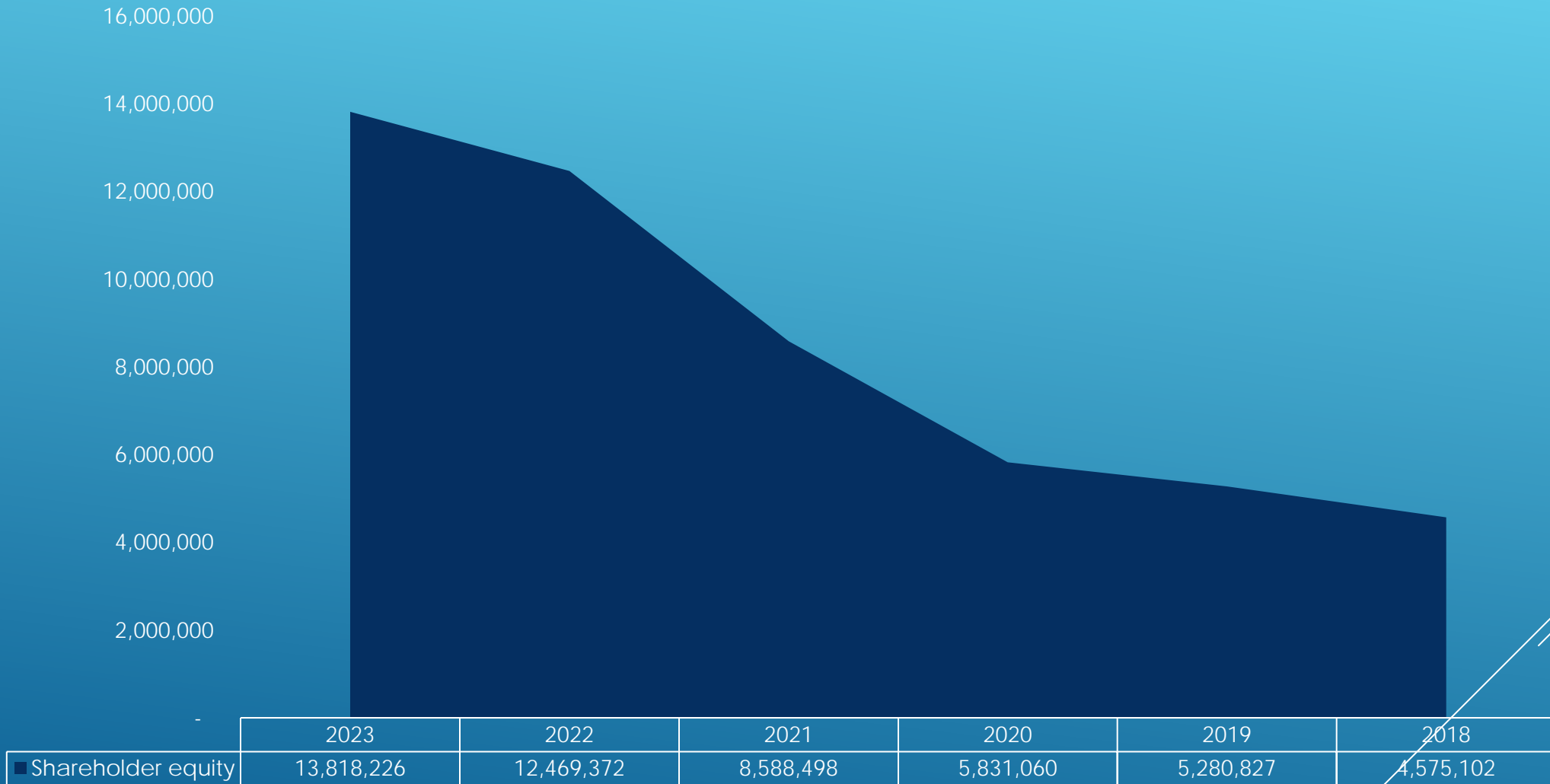
Turnover - PKR in Millions



PBT & PAT



Shareholder Equity – PKR in “000”

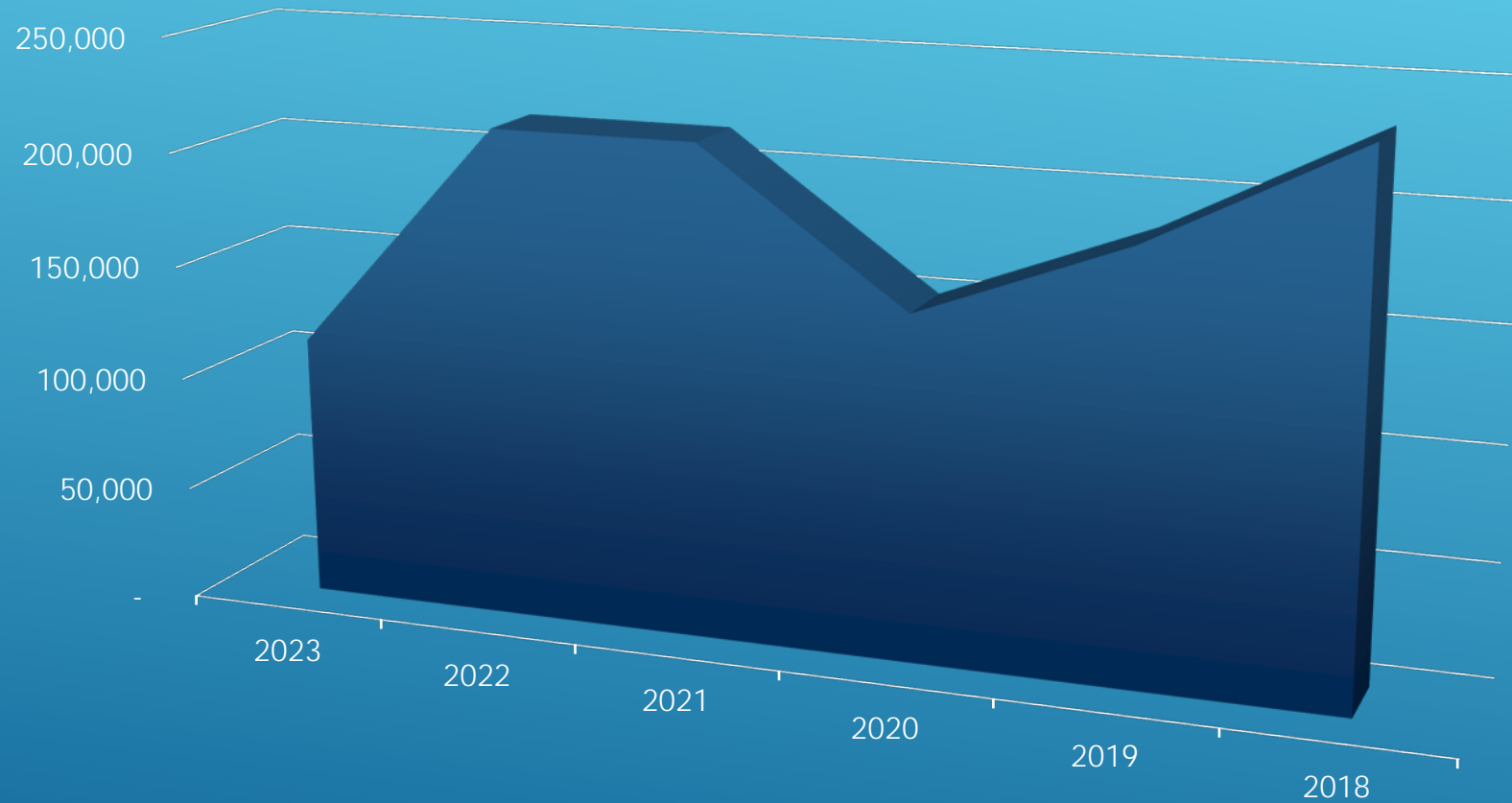


Breakup & Market Value Per Share



	2023	2022	2021	2020	2019	2018
Breakup value per share	1,381.82	1,246.94	858.85	583.11	528.08	457.51
Market value of share	323.75	450.00	420.00	251.00	237.50	300.00

Cash Dividend - PKR in "000"



	2023	2022	2021	2020	2019	2018
■ Cash dividend	115,000	214,500	214,500	150,000	185,000	232,000

Faisal Spinning Mills Limited

For the year ended June 30, 2023

Year-Wise Operating Data

2023	2022	2021	2020	2019	2018
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Spinning Unit

Spindle installed	38,208	38,208	38,208	38,208	38,208	38,208
Spindles worked - Average	38,208	38,208	38,208	38,208	38,208	38,208
Installed capacity after conversion into 20/s count - Kg	23,161,653	23,161,653	23,161,653	23,485,861	24,916,086	25,162,427
Actual production - Kg	20,101,182	22,834,826	19,921,801	20,628,185	19,448,902	20,089,558

Weaving Unit

Air jet looms installed	265	265	265	265	265	265
Air jet looms worked	265	265	265	265	265	265
Installed capacity after conversion into 50 picks - Meter	68,379,830	67,578,655	64,308,255	64,308,255	64,308,255	41,780,006
Actual production - Meter	38,211,707	41,155,105	40,242,805	43,789,732	44,560,931	41,522,501

Finishing Unit

Production Capacity in meters	33,000,000	28,000,000	26,766,667	-	-	-
Actual Production - Meter	34,338,963	28,674,769	7,133,010	-	-	-

(Year 2021 Inclusive of Trial & Commercial)

Year-Wise Financial Data

2023	2022	2021	2020	2019	2018
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Rupees in Thousands

Profit and loss account

Turnover (Net)

Gross profit

Operating profit

Financial expenses

Share profit of associate

Profit before tax

Profit after tax

Cash dividend

37,672,808	32,074,370	17,065,186	14,895,550	14,028,566	11,842,981
4,562,231	6,372,386	2,488,776	1,410,283	1,884,038	1,308,462
2,870,736	4,540,496	2,440,270	858,601	1,275,441	790,664
1,267,154	408,214	296,590	246,852	290,548	137,361
138,814	592,861	396,627	78,626	117,479	68,124
1,742,395	4,725,143	2,540,307	690,375	1,102,372	721,427
1,461,919	4,098,223	2,300,119	523,879	918,500	577,855
115,000	214,500	214,500	150,000	185,000	232,000

Balance Sheet

Share capital

Reserves

Shareholder equity

Long term loans

Short term loan

Current liabilities

Current portion of long term loans

Fixed assets

Current assets

100,000	100,000	100,000	100,000	100,000	100,000
12,645,508	11,431,591	7,300,000	5,300,000	4,900,000	4,200,000
13,818,226	12,469,372	8,588,498	5,831,060	5,280,827	4,575,102
4,019,676	4,632,023	4,404,730	5,831,060	1,478,484	1,475,536
10,260,977	4,872,154	1,878,178	3,876,009	1,430,911	645,652
14,872,232	8,555,550	3,699,052	5,006,663	2,467,436	1,496,635
726,103	615,010	359,135	55,003	226,342	224,493
9,832,039	9,891,076	8,619,791	3,860,627	3,533,394	3,491,382
22,785,546	15,284,828	7,919,505	8,499,266	5,925,995	4,245,853

Ratios	2023	2022	2021	2020	2019	2018
Performance						
Sales growth percentage - Year to Year basis	17.45%	87.95%	14.57%	6.18%	18.45%	12.11%
Gross profit (%)	12.11%	19.87%	14.58%	9.47%	13.43%	11.05%
Profit before tax (%)	4.63%	14.73%	14.89%	4.63%	7.86%	6.09%
Profit after tax (%)	3.88%	12.78%	13.48%	3.52%	6.55%	4.88%
Shareholder's Return						
Breakup value per share - Rupees per share	1,381.82	1,246.94	858.85	583.11	528.08	457.51
Market value of share - at the year end - Rupees per share	323.75	450.00	420.00	251.00	237.50	300.00
Profitability						
Earnings per share - Rupees per share	146.19	409.82	230.01	52.39	91.85	57.79
Price earning ratio	2.21	1.10	1.83	4.79	2.59	5.19
Leverage						
Gearing ratio	1.09	0.81	0.77	1.35	0.59	0.51
Debt to equity (%)	29.09%	37.15%	51.29%	100.00%	28.00%	32.25%
Interest covering ratio	2.38	12.58	9.57	3.80	4.79	6.25
Liquidity ratio						
Current ratio	1.53	1.79	2.14	1.70	2.40	2.84

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, 2023.

Thanks