



Shaping Tomorrow



## ANALYSTS' BRIEFING SESSION

October 05, 2021

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# Agenda

Group and Corporate Information

Products and Services

Business Review and Financial Highlights

Challenges and Future Plans

# Amir S. Chinoy Group (2021)

Founded by Mr. Amir S. Chinoy, pioneering in Engineering products since independence



**884,088**  
( Metric Tons )  
Total Metals  
Produced



**2,451**  
Number of  
Employees



**1,620**  
Number Of  
Dealers/  
Distributers



**200**  
Geographic  
Footprint  
Cities & Towns



**112**  
PKR Billion  
Sales Turnover  
(USD 697 MN)



**74**  
PKR Billion  
Market Capitalization  
(USD 466 MN)



**68**  
Years of  
Production



**~60**  
Number of  
Export  
Destinations



**24**  
PKR Billion  
Contribution to  
National Exchequer  
(USD 150 MN)



**18**  
PKR Billion  
Export Sales  
(USD 112 MN)



Shaping Tomorrow



Promising Reliability, For Now and Tomorrow



TRUSTED NOT TO COMPROMISE

Incorporated in 2007  
Listed on PSX since 2011

2021 Turn Over  
**PKR 70 bn**

**Products lines**  
Cold Rolled Steel  
Hot Dip Galvanized Steel  
Color Coated Steel  
Slitted coils  
Cut to length sheets  
Profiles

Incorporated in 1948  
Listed on PSX since 1984

2021 Turn Over  
**PKR 29 bn**

**Products Lines**  
GI Pipes  
Cold Rolled Steel Tubes  
HDPE Pipes  
MDPE Pipes & Others  
Hollow Structural Sections

Incorporated in 1953  
Listed on PSX since 1955

2021 Turn Over  
**PKR 13 bn**

**Products Lines**  
Electric Wires/Cables  
Overhead Conductors  
Copper Rod  
Aluminum Profiles  
Wiring Accessories  
PVC compound

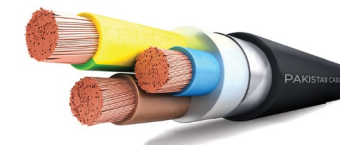
**ISL Equity Partners**



Sumitomo Corporation



JFE



# Mission, Vision and Value Proposition



## Vision

To be the premium manufacturer of Flat Steel Products in Pakistan.



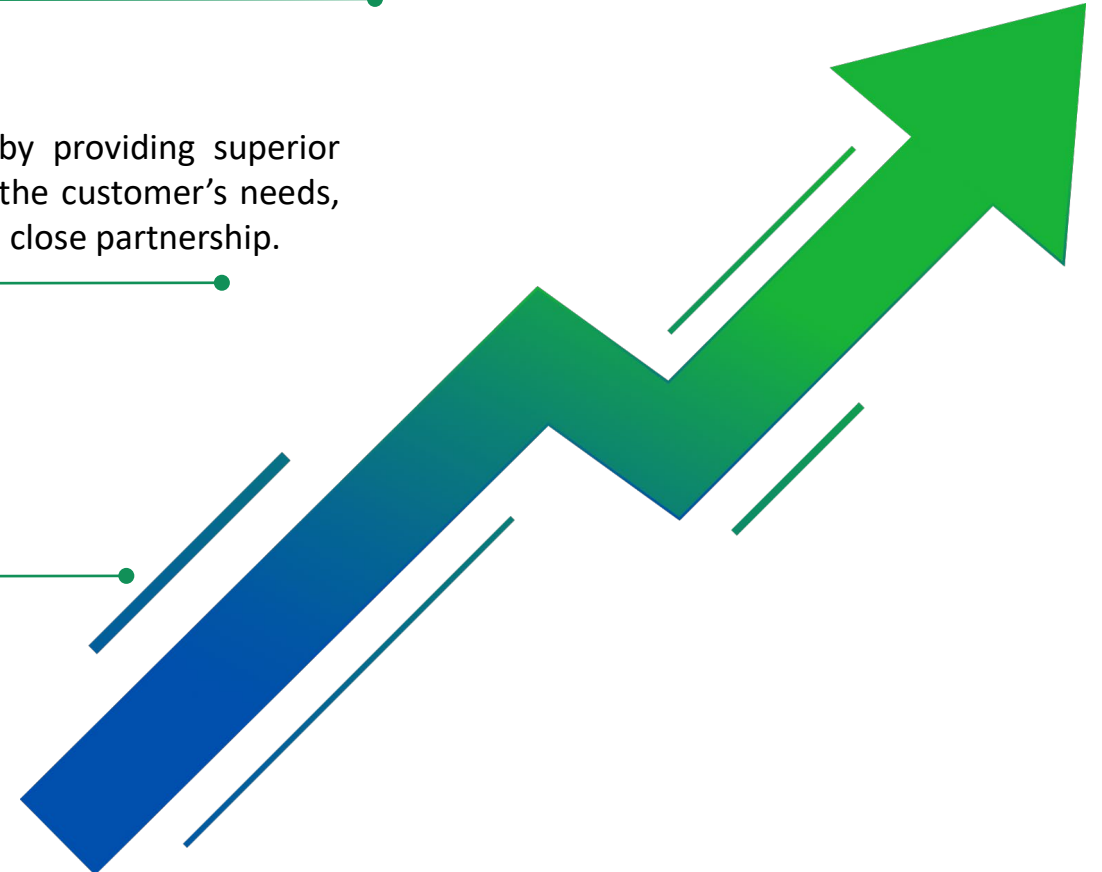
## Mission

To establish our presence in the steel industry by providing superior quality products and reliable services, catering to the customer's needs, at competitive prices; thereby generating value and close partnership.



## Value Proposition

- Superior Quality Products
- Availability
- Competitive Prices





## CORPORATE **PHILOSOPHY**

Adopting world-class technologies, enhancing manufacturing capabilities, and contributing to society by providing excellent products and services.



## OUR **VALUE SYSTEM**

### **INTEGRITY**

---

We are committed to emphasize the importance of integrity and reliability, while ensuring a culture of trust and openness internally as well as externally.

### **FAIRNESS**

---

We continually implement such policies and procedures which translate into fair treatment of all stakeholders. Anticipating and addressing future changes, we innovate from within, and pursue unending progress.

### **DIVERSITY**

---

We are an equal opportunity employer and we develop and bring out the best in our people to make our Group rich with energy and enthusiasm.

### **RESPONSIBILITY**

---

We consider quality of life, health, safety, well-being and the environment, integral parts of our activities and way of life.

### **RESPECT FOR PEOPLE**

---

We are committed to fostering a culture where people come first. Our products and services benefit society and we believe in growing together with our stakeholders.





# HSE – Ensuring Safe Workplace

Imparting safety trainings, programs and workshops to disseminate knowledge and create awareness.



**2.42 MILLION**  
SAFE MAN-HOURS

**1.50\* TOTAL**  
RECORDABLE  
INCIDENT RATE

*\*Per Million Man Hours*

**3,175**  
TRAINING  
HOURS

**ZERO**  
FIRE CASES

**ZERO**  
LOST TIME INJURY  
FREQUENCY RATE

# COVID-19 Response

Attendance Section



Temperature Check



Social Distancing



Disinfection Walk Way

Mask Distribution



Sanitizers Installed



# 99%

## Staff Vaccinated

Continued operations during pandemic with strict adherence to the COVID-19 SOPs

Budget allocated for COVID-19 testing of employees

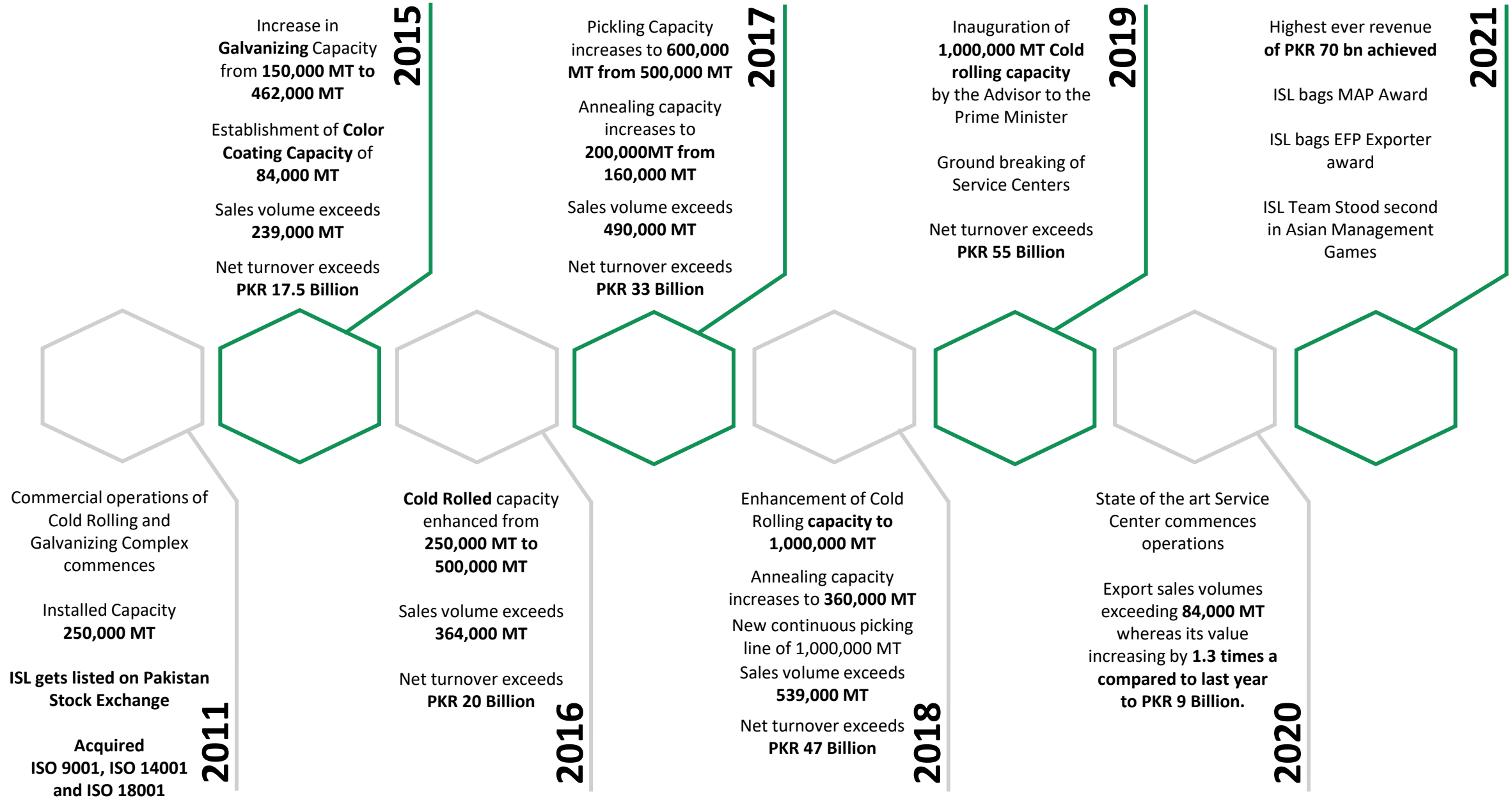
'Work from home' implemented with no deduction of salary or leaves

Provided full medical and financial assistance to employees tested positive

No lay-offs

Contributed in COVID-19 related causes

# Key Milestones

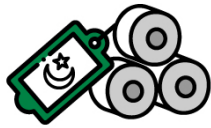


# ISL's Contributions (2011-2021)



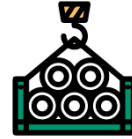
CONTRIBUTION  
TO GOVERNMENT

OVER  
**PKR 77  
BILLION**  
CONTRIBUTED TO THE  
NATIONAL EXCHEQUER



SUBSTITUTING  
IMPORTS

SAVING  
**\$327  
MILLION**  
WORTH OF FOREIGN  
EXCHANGE OUTFLOW  
THROUGH LOCALIZATION



EXPORT  
VALUE

CONTRIBUTED  
**\$341  
MILLION**  
WORTH OF  
FOREIGN EXCHANGE



EXPORTS  
GLOBAL FOOTPRINT

EXPORTING TO OVER  
**30  
COUNTRIES**  
WORLDWIDE



EXPORT AWARD  
IRON & STEEL CATEGORY

3 TIMES WINNER OF  
**THE EXPORT  
AWARD**  
BY FEDERATION OF PAKISTAN  
CHAMBERS OF COMMERCE  
AND INDUSTRY (FPCCI)



ENVIRONMENTAL  
RESPONSIBILITY

PRACTICING  
**CLEAN, LEAN &  
GREEN APPROACH**  
MANUFACTURING WITH  
SUSTAINABLE PRACTICES



CSR  
CONTRIBUTIONS

ALLOCATING  
**1.5% OF PROFIT  
AFTER TAX**  
ANNUALLY FOR SOCIAL UPLIFT  
AND CHARITABLE CAUSES



EMPLOYER OF CHOICE  
RECOGNITION

DIAMOND CATEGORY  
**EMPLOYER  
OF THE YEAR**  
AT 8<sup>TH</sup> EMPLOYER OF THE  
YEAR AWARDS ORGANIZED BY  
FEP PAKISTAN FY-2018-19



SKILL  
DEVELOPMENT

IMPARTED  
**15,000  
MAN HOURS**  
TO TRAIN AND DEVELOP  
HUMAN RESOURCES



CREDIT  
RATING

ACQUIRED  
**A+ / A-1  
RATING**  
FROM JCR-VIS  
CREDIT RATING COMPANY

# Major Technology Partners





# Products and Services

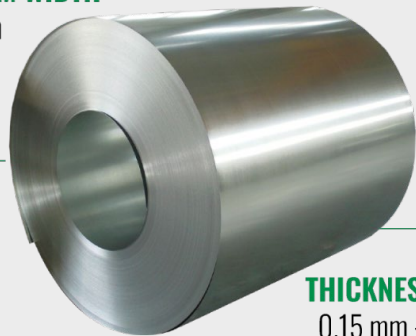
# Our Products

## COLD ROLLED STEEL

The state-of-the-art cold rolling mills present at ISL are designed and supplied by SMS Siemag, Germany.

With strict quality control processes and advanced technology, our product provides outstanding finish and workability, highly valued by customers in the automobile, home appliances, furniture, drum, tube, filter, tin plate and various other industrial segments.

**MAXIMUM WIDTH**  
1,250 mm



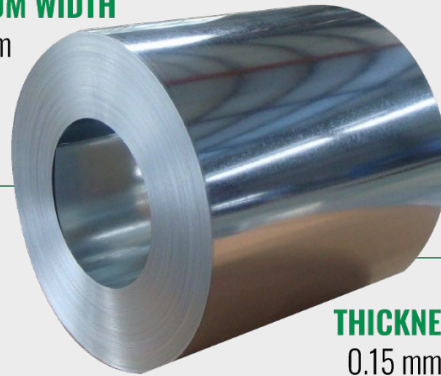
**THICKNESS RANGE**  
0.15 mm - 3.00 mm

## HOT DIP GALVANIZED STEEL

ISL's Hot Dip Galvanized Steel is produced on a state-of-the-art, fully automated production line.

The best available raw materials and processes are applied under controlled conditions to produce material of the highest quality. Our manufacturing facility, a dynamic production team and adherence to strict quality control measures ensures a product of the highest grade.

**MAXIMUM WIDTH**  
1,250 mm



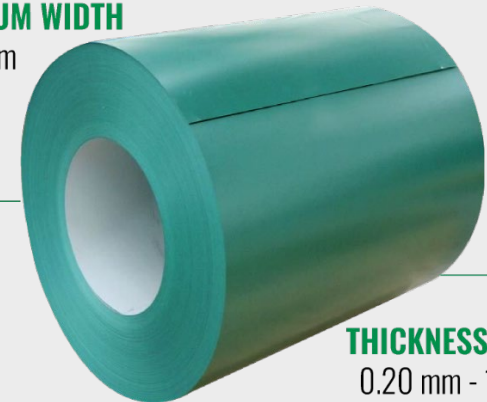
**THICKNESS RANGE**  
0.15 mm - 2.50 mm

## COLOR COATED STEEL

ISL's continuous color coating facility produces color coated steel, using Wet Paint Coating Technology.

This facility processes and coats a wide range of substrates like cold rolled, galvanized, galvalume, aluminum and stainless steel in any imaginable color. The high quality color coating enhances the corrosion resistance of substrates and adds to their aesthetic appeal.

**MAXIMUM WIDTH**  
1,250 mm



**THICKNESS RANGE**  
0.20 mm - 1.50 mm

# Applications of Cold Rolled Steel

**AUTOMOTIVE  
COMPONENTS** ▶



**HARDWARE  
AND SANITARY** ▶



**GATES AND  
DOOR FRAMES**  
▼



◀ **PACKAGING DRUMS**



◀ **DOMESTIC  
APPLIANCES**



**ELECTRICAL  
GOODS** ▶



**OIL FILTERS** ▶



**BASE MATERIAL FOR  
TIN PLATE (TMBP)**  
▼



◀ **SWITCH GEARS**



◀ **TUBES AND  
SECTIONS**

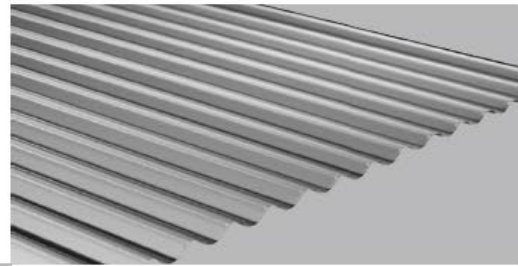




# Applications of Hot Dip Galvanized Steel



**CONSTRUCTION  
AND ROOFING** ▶



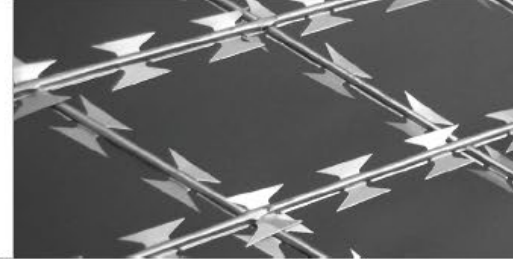
**HVACR**  
(Heating Ventilation Air  
Conditioning and  
Refrigeration) ▶



**PIPING**  
▼



◀ **TRUNKS AND  
STORAGE BOXES**



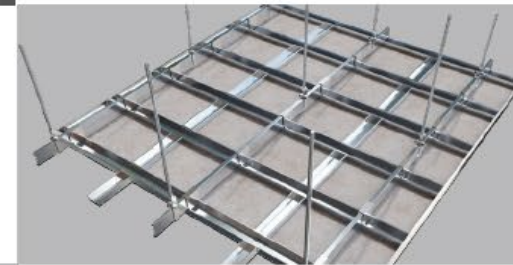
◀ **RAZOR WIRE**



**GUARDRAILS,  
HANDRAILS AND  
STREET FURNITURE** ▶



**SUSPENDED  
CEILINGS** ▶



**INDUSTRIAL  
EQUIPMENT**  
▼



◀ **LIGHT GAUGE  
STEEL STRUCTURES**



◀ **OUTDOOR  
SIGNAGE**



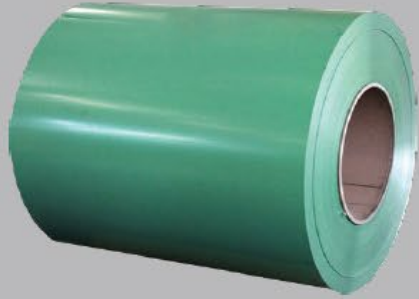
**WALL  
PARTITIONS** ▶



**AGRICULTURE AND  
HORTICULTURE** ▶



# Application of Color Coated Steel



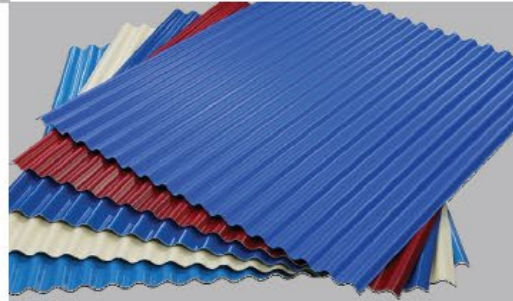
**AGRICULTURE**  
(Grain silos, sprayers,  
pans, feeding troughs)



**COLD STORAGE  
AND UNITS**



**DOMESTIC USE**  
(Trunks, tubs, buckets,  
storage bins, water tanks)



**CONSTRUCTION**



**ELECTRICAL  
APPLIANCES**



**FURNITURE  
AND FIXTURES**



**MEP APPLICATIONS**  
(Ducting, drums/barrels,  
containers, thermal cladding,  
air-conditioning ducts, railway  
coaches and others)



**FALSE  
CEILING**



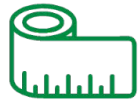
**OUTDOOR  
APPLICATIONS**



# ISL Service Center at BQIP



## CUT-TO-LENGTH



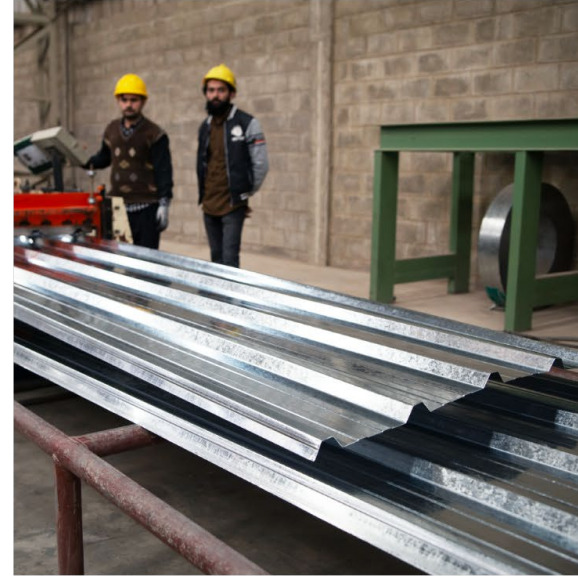
**Thickness Range:** 0.15 to 2.50 mm  
**Coil Width:** 1,250 mm max.  
**Coil Weight:** 25 Tons max.  
**Cutting Width:** 400 mm to 1,250 mm  
**Cutting Length:** 600 mm to 4,000 mm  
**Pallet Weight:** 2.5 Metric Tons max.  
**Tolerance of Cutting Length:** +/-1 max.



## SLITTING



**Thickness Range:** 0.15 to 2.60 mm  
**Coil Width:** 1,250 mm max.  
**Coil Weight:** 25 Tons max.  
**Internal Diameter:** 508 mm  
**External Diameter:** 1,700 mm  
**Minimum Slitted Width:** 26 mm  
**Slit Width Tolerance :** +/- 0.1 max.



## SHEET PROFILES



**SINUSOIDAL PROFILE**  
AVAILABLE IN  
0.30 mm to 0.60 mm



**CLIP LOCK PROFILE**  
AVAILABLE IN  
0.40 mm to 0.60 mm



**SCREW DOWN PROFILE**  
AVAILABLE IN  
0.30 mm to 0.70 mm



## C-CHANNELS



AVAILABLE IN  
0.75 mm, 0.95 mm and 1.15 mm

## TRIMMING

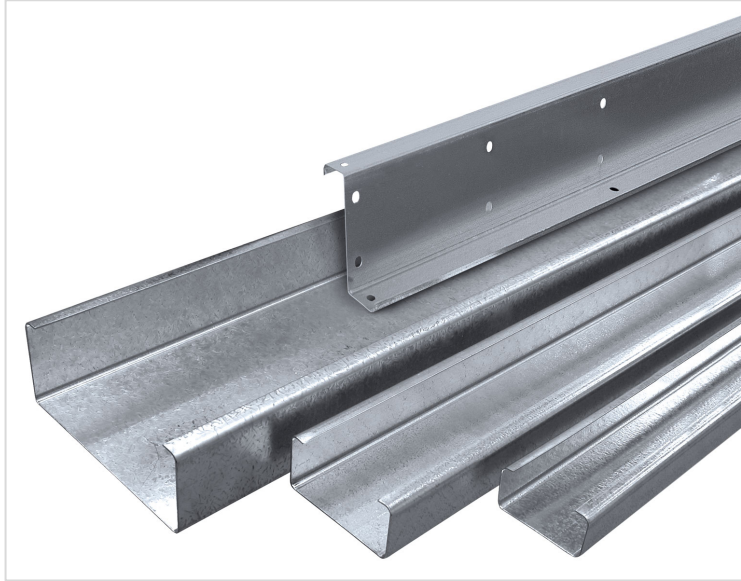


As per requirement

# Major Customers



# Upcoming Service Center Products



**C Purlins**



**Z Purlins**

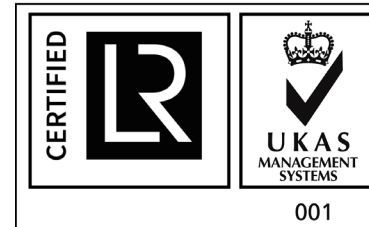
# Certifications and Compliances



**ISO 9001:2015**  
Quality  
Management System

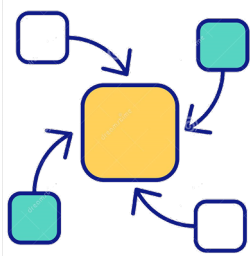


**ISO 14001:2015**  
Environmental  
Management System



**ISO 45001:2018**  
Occupational Health and Safety  
Management System

# Business Review



## External Environment

- Lower interest rates of 7% throughout the year
- Exchange rate appreciated by 6.5% on back of strong remittances, recovering exports and accumulation of US\$
- Smart lock down strategy helped to contain the devastating effects of COVID-19
- LSM growth of 15% leading to V-shaped economic recovery
- GDP growth of 4% with forecast of 5% in the coming year

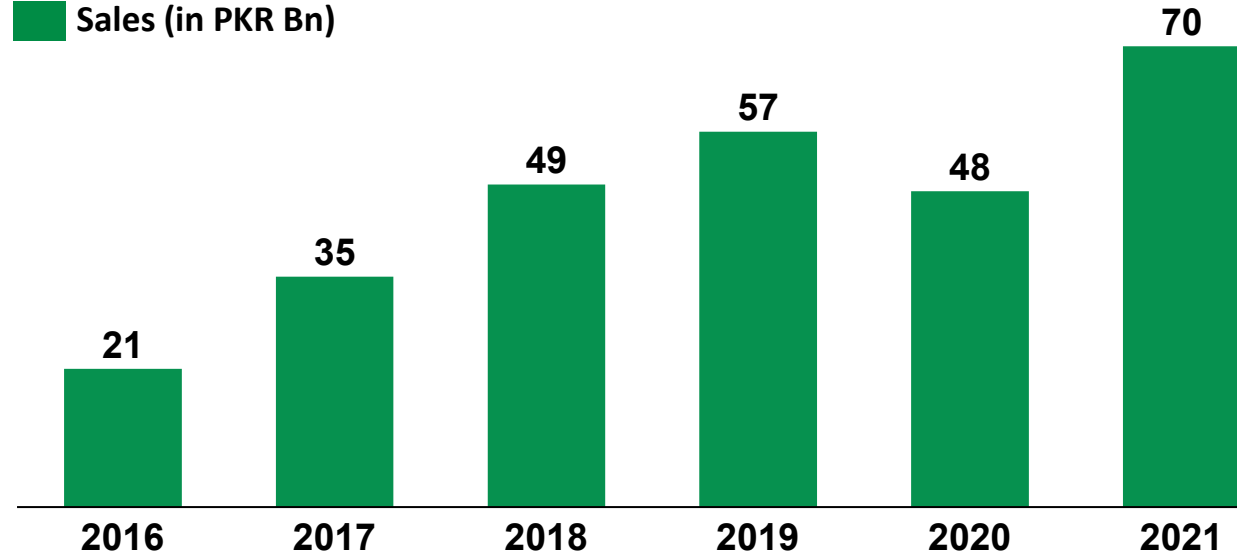


## Business Improvement

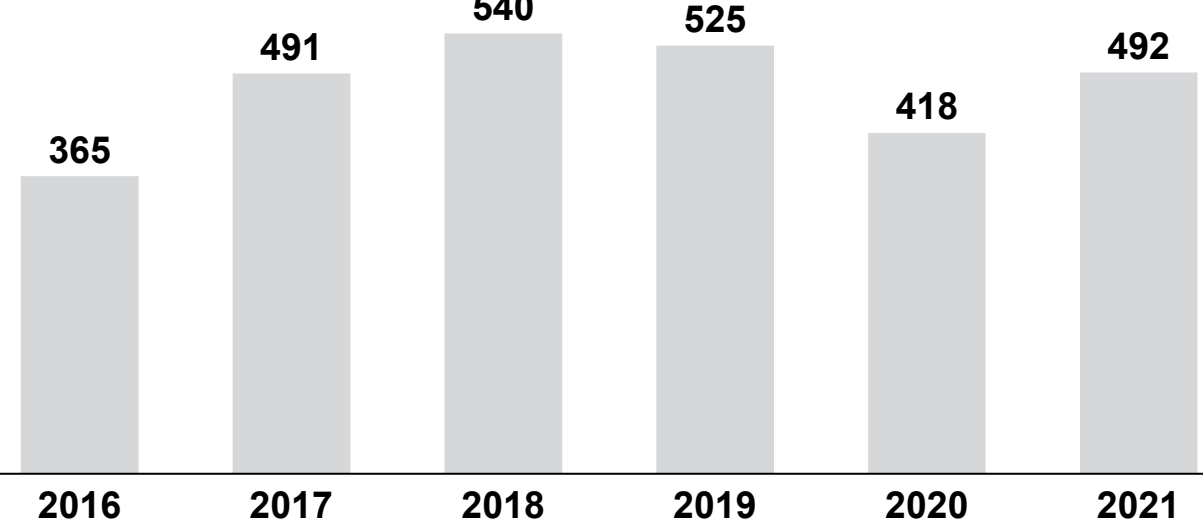
- Focus on strengthening existing and developing new export markets
- Fully operations steel service center catering for auto and appliance industry with a growth of 41% in its products sales this year
- Total production reached 492,000 Tons
- Revenue during the FY reached Rs. 70 billion
- Profit Before Tax of Rs. 10,295 million
- Earnings per share for the year ended June 30, 2021 was Rs. 17.16 compared with Rs. 1.14 per share last year.
- The company announced a dividend of Rs. 10 per share.

# Financials

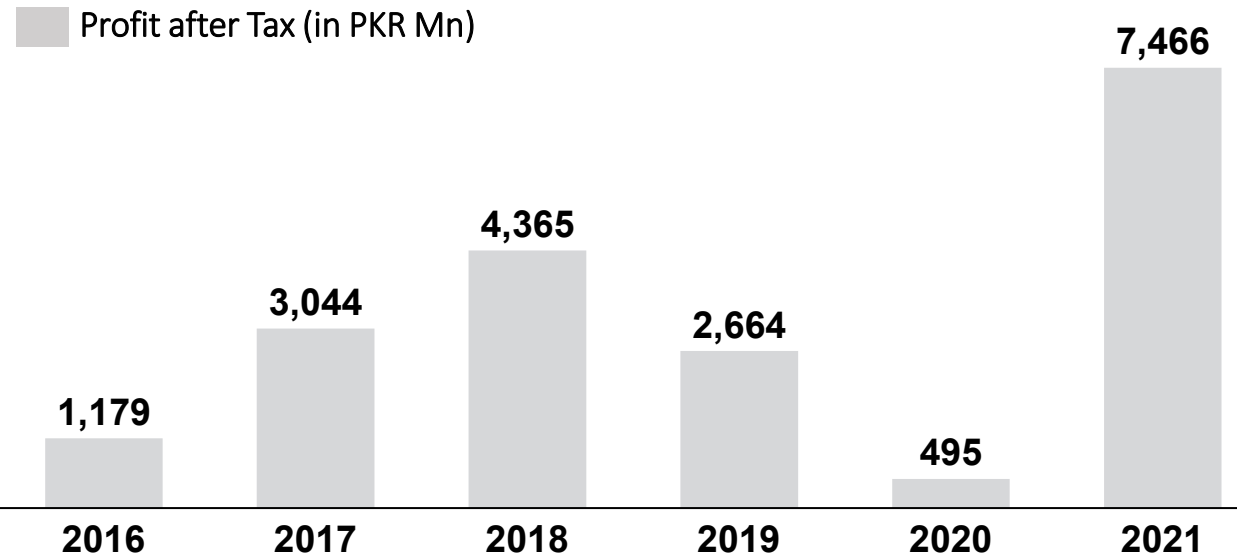
Sales (in PKR Bn)



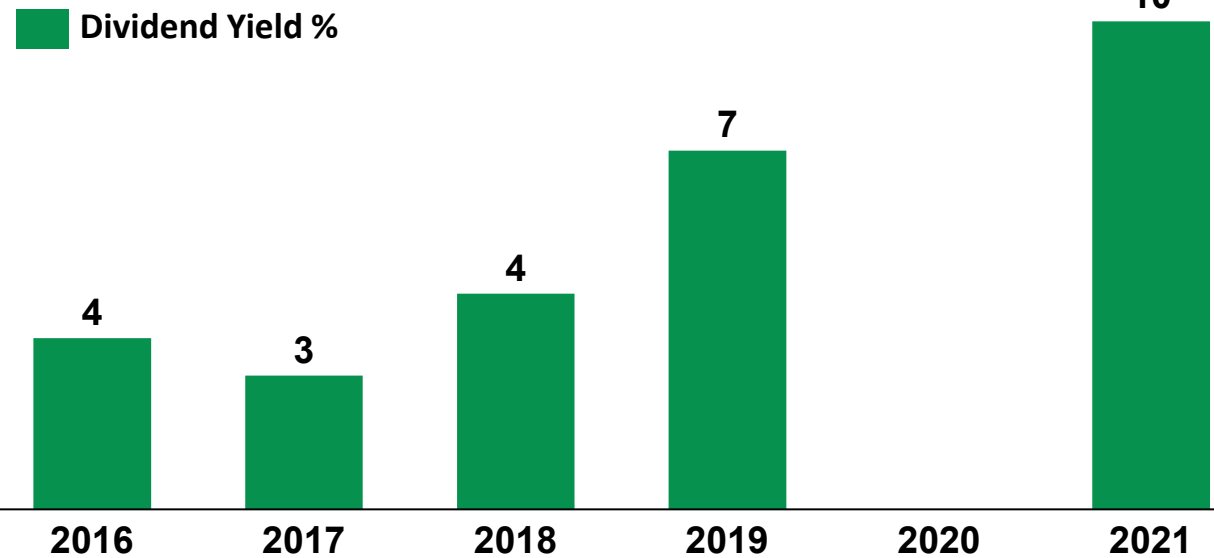
Sales Volume (in MT 000's)



Profit after Tax (in PKR Mn)



Dividend Yield %

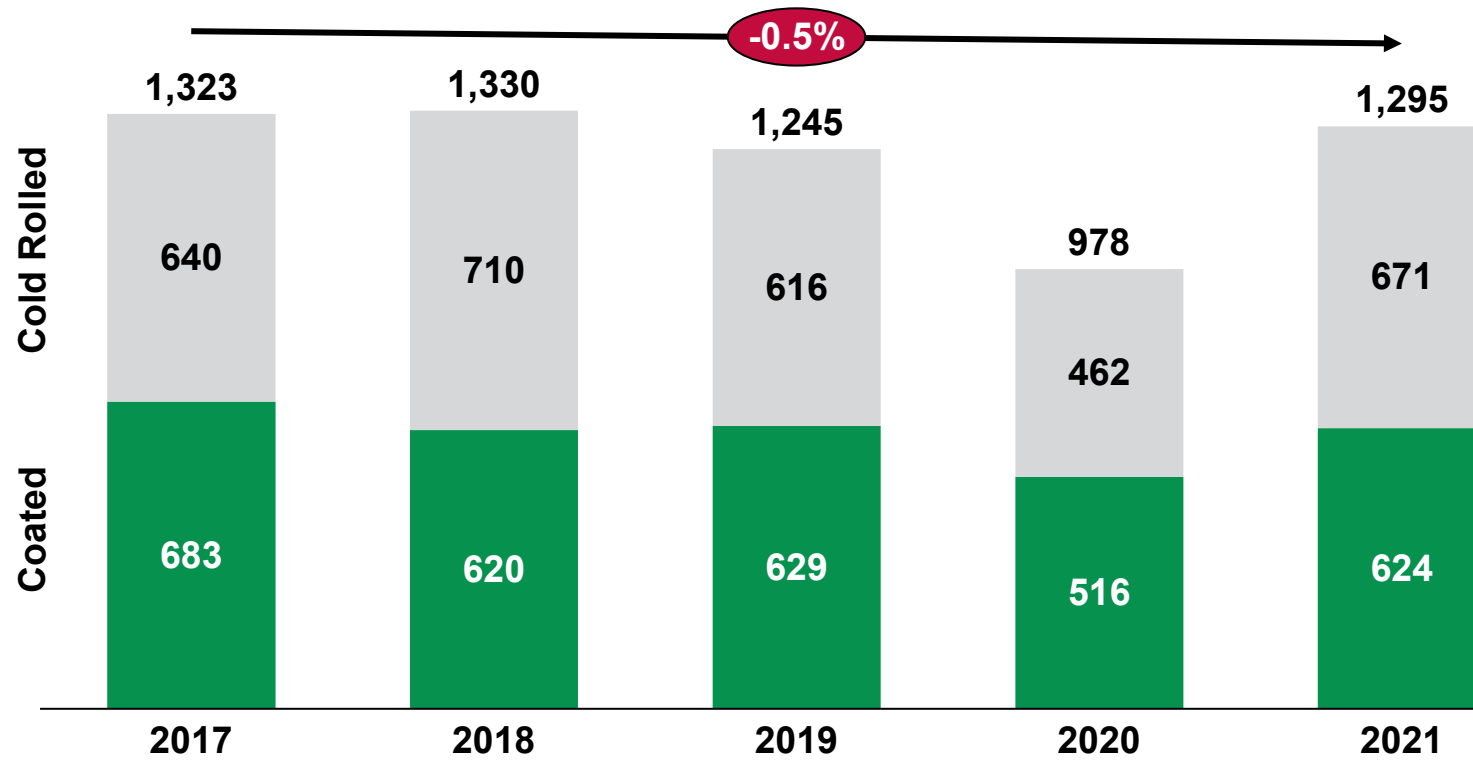




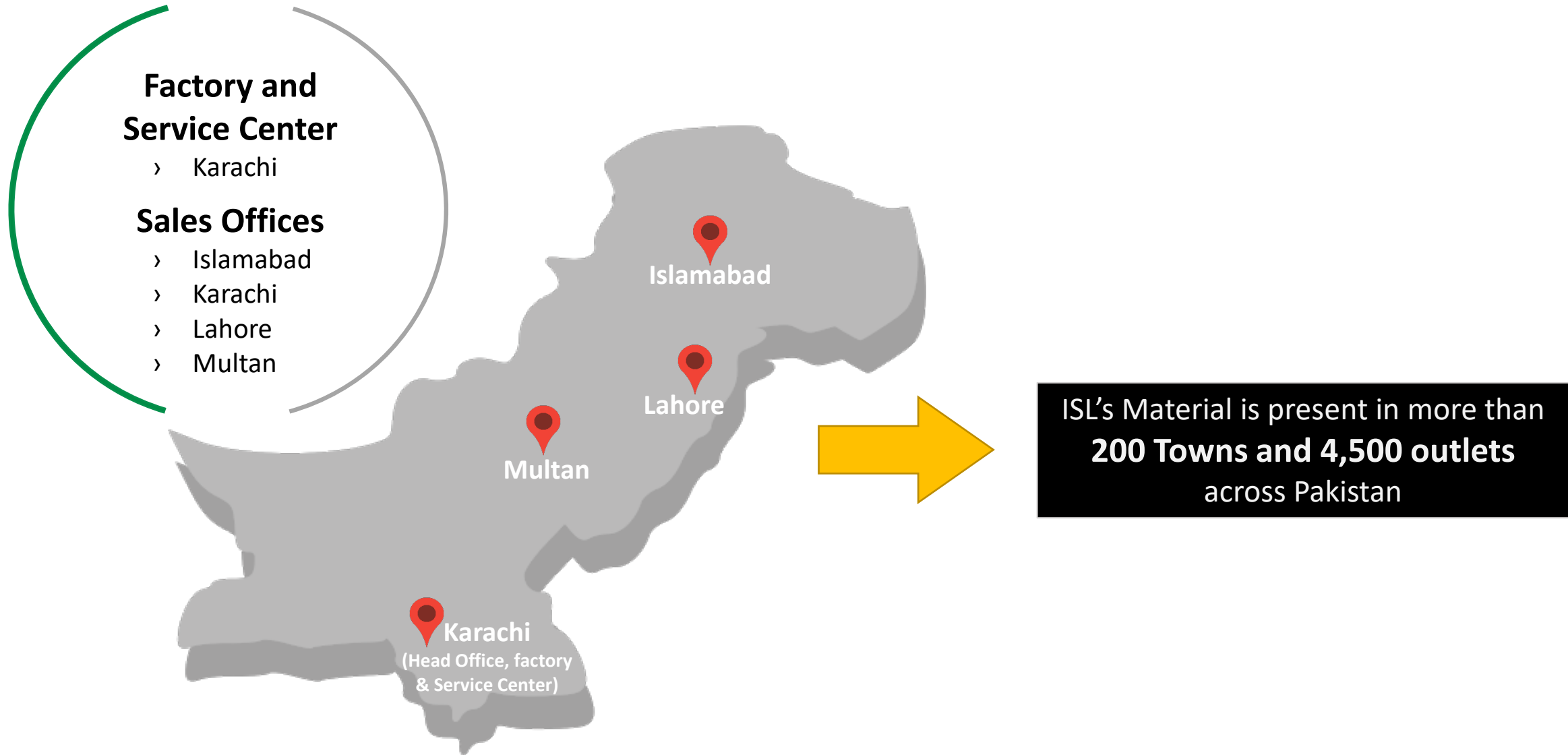
# Domestic Flat Steel Market

**ACTUAL**

QTY in '000 Tons



# ISL Sales Network - Domestic



# Increasing Global Footprint

*Exporting to more than 30 countries worldwide*



# Future Direction - Debottlenecking

The company is investing **Rs. 1.23 billion** in expanding its production facilities through a debottlenecking process

- Enhance Cold Rolled steel capacity by **120,000 MT** per annum.

## NEW REWINDING + ECL\*



Current Capacity

**230,000 MT**

After Debottlenecking

**350,000 MT**

## ANNEALING



Current Capacity

**350,000 MT**

After Debottlenecking

**350,000 MT**

## MODIFIED SKIN PASSING



Current Capacity

**230,000 MT**

After Debottlenecking

**350,000 MT**

## NEW MAXIMUM CAPACITY COLD ROLLED COIL



Current Capacity

**230,000 MT**

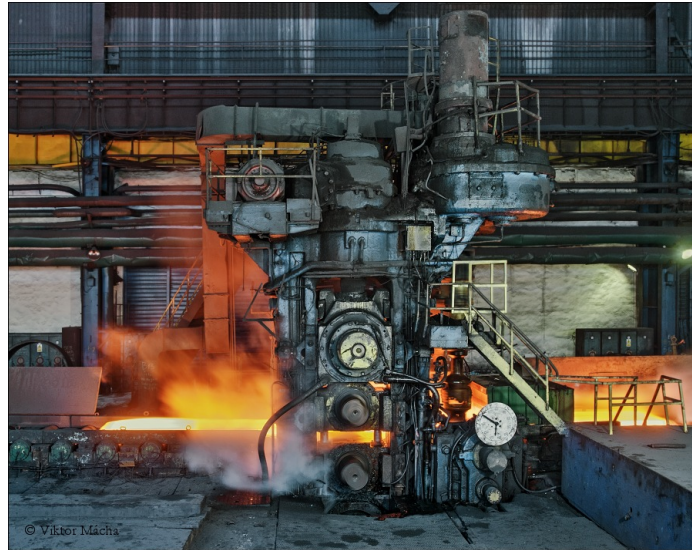
After Debottlenecking

**350,000 MT**

\*THE ELECTROLYTIC CLEANING LINE IS EXPECTED TO INCREASE THE ANNEALING CAPACITY BY **20,000 MT**, FURTHER OPTIMIZING THE SKIN PASSING PROCESS, RESULTING IN A REDUCTION IN THE OVERALL PROCESS.



# Future Direction – Substituting Imports



- › Localize Hot Rolled Coil manufacturing by setting up a Hot Strip Mill in Pakistan
- › Utilize state of the art Electric Arc furnace technology
- › Initial designed capacity of 1.2 million tons per annum to serve various domestic and global customer segments

## Plant Location

**200 acres near  
the port**

The proposed plant at this location will provide economical logistics.

## Project completion

**27 months**

Completion time of Phase 1 – Start of Commercial Production  
27 Months.

## Product Specification

**Low and medium  
carbon steel (HRC)**

Product application is in Pipe, building structures, automobiles, appliances and various other engineering good industries.

# Future Direction – Creating Efficient Supply Chain

The company is in process of implementing a new and improved supply chain automation module, along with a globally renowned steel industry supply chain system provider, in order to improve efficiency and operate at optimum inventory levels.



# Challenges

- Volatility in global steel prices.
- FATA/PATA exemptions specific to production in FATA / PATA are being passed on to the rest of the country without Sales Tax.
- SRO 655 enables Auto industry to import CRC/GC duty free, rendering domestic steel unviable.
- Potential of economic slow down.



# REDEFINING **TOMORROW**

CREATING IMPACT THAT MATTERS

SHAREHOLDERS

EMPLOYEES

CUSTOMERS

GOVERNMENT

SOCIETY

For ISL, winning is all about creating an impact that matters. This drives the company to actively support various social, educational and healthcare related initiatives in the country. The company partakes in various social activities to promote wellbeing and welfare to society. Every year, ISL allocates 1.5% of after tax profit for social uplift and charitable causes.







# REDEFINING SOCIAL CONSCIOUSNESS

BY PARTICIPATING IN SOCIAL UPLIFT AND COMMUNITY WELFARE

The company considers the community as one of the most important stakeholders in the path to sustainability. Driven by purpose, the company seeks to create sustainability. At ISL, we seek to address some of the challenges that our society faces. Being a large scale industrial manufacturer provides us a position to become an enabler and facilitator of human development through our operations. Our corporate culture is driven by the inclinations of our founder, Mr. Amir S. Chinoy, towards being a strong supporter of the local community. ISL has integrated responsibility in our donation policy, in which charitable donations are made either directly through the organization or through the Amir Sultan Chinoy Foundation (ASCF).



# DRIVEN BY THE **CLEAN, LEAN AND GREEN APPROACH**

TOWARDS RESPONSIBLE AND SUSTAINABLE MANUFACTURING



EFFLUENT TREATMENT



WASTE HEAT UTILIZATION



CO-GENERATION POWER PLANT



ACID REGENERATION PLANT

ISL aspires to be a carbon negative organization.  
Driven by the Clean, Lean and Green approach towards responsible and sustainable manufacturing, we are always working towards making our operations as environment friendly as possible, from investing in green technologies to reducing and treating our waste.

# Awards and Achievements

## 44<sup>th</sup> FPCCI Export Awards 2019-20



Exporting its products to more than 30 countries, ISL ranked among the top 50 exporters of Pakistan in the year 2019-20. Mr. Yousuf Husain Mirza CEO of ISL received the Best Export Performance Award at the FPCCI Export Trophy Award for the year 2019-20 from the President of Pakistan His Excellence Dr. Arif Alvi here on Wednesday, Sep 29, 2021 Islamabad.

## EFP Awards 2020



President Dr Arif Alvi in a group photo with the awardees of the Employers Federation of Pakistan's Exporters Recognition Awards, at Aiwan-e-Sadr, on 28-06-2021.

ISL was recognized as the "Top 100 Exporting Companies 2020" and awarded with the prestigious Exporters Recognition Award.

## 8<sup>th</sup> Employer of the Year Award 2020



ISL was awarded "Employer of the Year Award 2020". This award recognizes best practices in the areas of Management, HR Management, OSH&E, Skill Enhancement, Sustainable development, etc.

# Awards and Achievements

## 13<sup>th</sup> Annual NFEH CSR Summit Awards



ISL has won three CSR Awards at the NFEH's (National Forum for Environment and Health) 13th Corporate Social Responsibility Summit – 2021 in the categories of:

- Education and Scholarships
- Community Development and Services
- Waste Management and Recycling

## PSX Top 25 Companies Awards



The Top 25 Companies Award is presented to the best performing listed companies in Pakistan which have outperformed others in the spheres of corporate governance, financial performance, and have added positively to shareholder value. ISL was ranked 18 amongst the 25 winning companies and the company has been winning consecutively three times, since 2017.



SHAPING **TOMORROW**

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