



Jahangir Siddiqui & Co. Ltd.

Corporate Briefing Session - 2019

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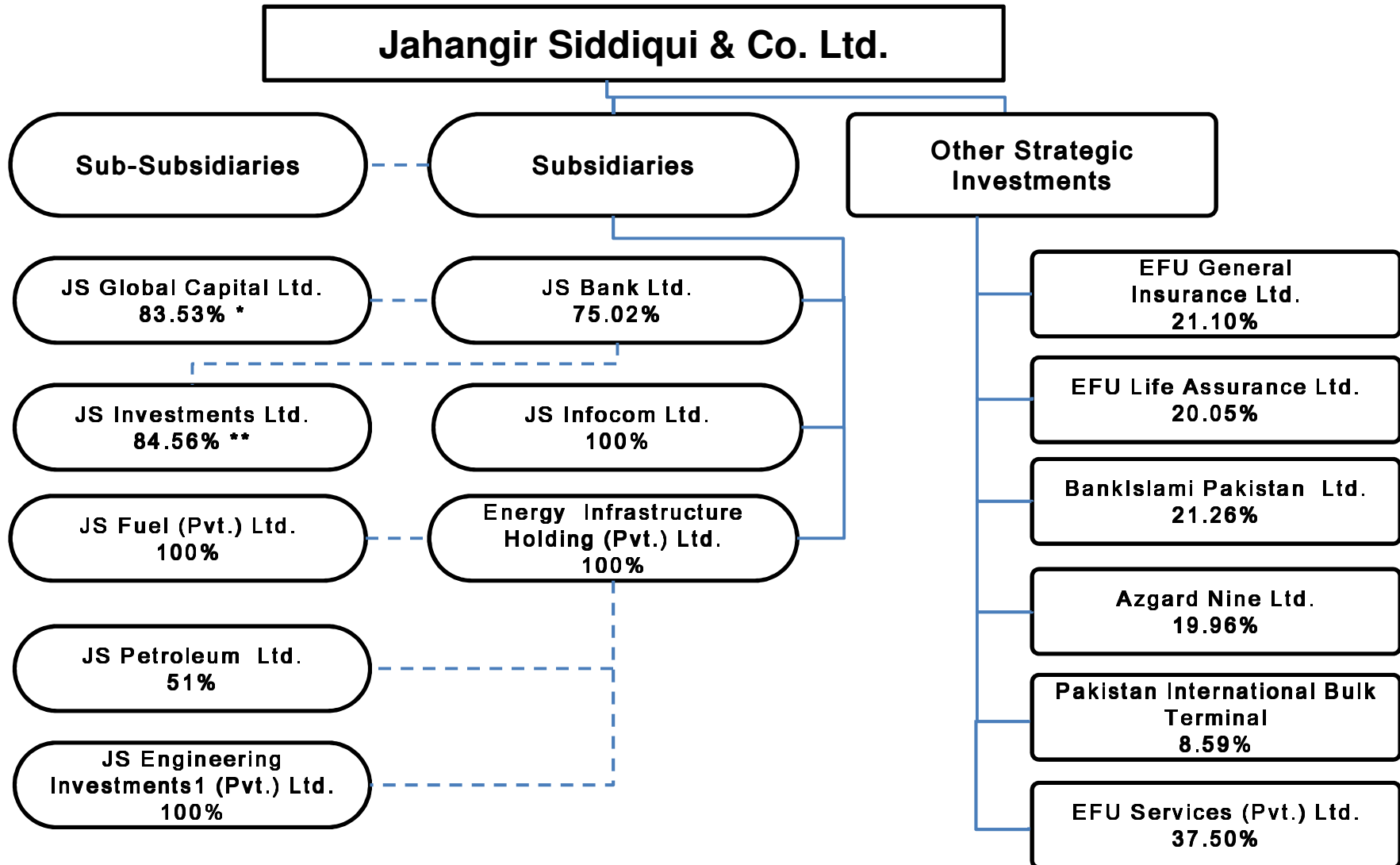
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Introduction



Commencement of Operations	1991
Brief Introduction	Jahangir Siddiqui & Co. Ltd. (“JSCL”) is primarily an investment company in financial services and also makes long term investments in growing companies. The Company also has investments in Energy and Infrastructural projects.
Sponsors	Mr. Jahangir Siddiqui (43.13%) Jahangir Siddiqui Securities Services Ltd. (13.31%) Jahangir Siddiqui & Sons Ltd. (14.10%)
Credit Rating (Long Term/Short Term)	AA / A1+ by PACRA
Total Assets – September 30, 2019	PKR 26.57 billion
Liabilities – September 30, 2019	PKR 4.51 billion
Shareholders’ Equity – September 30, 2019	PKR 22.06 billion

Group Structure



* Effective holding of the group is 62.66%

** Effective holding of the group is 63.43%



Listed Subsidiaries

September 30, 2019

	Effective Holding (%)	Profit / (Loss) after Tax (Rs.'mn)	Assets (Rs.'mn)	Shareholders' Equity (Rs.'mn)	Credit Rating Long-term/ Short-term
JS Bank Limited	75.02%	(578)	430,167	15,883	AA- / A1+
JS Global Capital Ltd.	62.66%	6	4,415	2,601	AA / A1+
JS Investments Ltd.	63.43%	(286)	2,418	1,871	-

Major Investments in Listed Companies



Investee Companies	No. of Shares	Market Value (Rs. '000)
		September 30, 2019
EFU General Insurance Limited	42,191,152	3,809,017
EFU Life Assurance Limited	20,047,708	4,492,090
BankIslami Pakistan Limited	*214,258,460	2,354,701
Pakistan International Bulk Terminal Limited	153,406,638	1,196,572
Azgard Nine Limited	89,690,363	758,780

* The Company has subscribed to its entitlement of 21,425,846 right shares of BankIslami Pakistan Limited. However, the right shares are not reflected herein because these are not yet credited.

Five Years' Financial Summary

Balance Sheet



Rupees in Million						
	September 30, 2019	2018	2017	2016	2015	2014
Assets						
Property and Equipment	264	88	6	5	8	7
Investments	25,743	28,129	29,721	31,501	24,609	22,400
Other Assets	563	498	1,687	1,057	2,405	514
Liabilities						
Financings	4,124	4,344	3,509	1,945	1,387	1,216
Current Liabilities	381	577	363	401	332	241
Shareholders' Equity						
Paid-up Share Capital	9,159	9,159	9,159	9,159	9,159	7,633
Reserves	12,905	14,635	18,361	20,895	16,142	13,831
Total Equity	22,064	23,794	27,520	30,054	25,301	21,464
Outstanding Ordinary Shares (Numbers in '000)	915,942	915,942	915,942	915,942	915,942	763,285
Break-up Value/Share (in Rs.)	24.09	25.97	30.04	32.81	27.62	28.12

PSX 100 Index Performance Graph



Five Years' Financial Summary

Profit & Loss Account



	Rupees in Million					
	September 30, 2019	2018	2017	2016	2015	2014
Total Revenue	1,001	1,246	1,533	946	4,065	531
Operating and Administrative Expenses	156	226	232	265	242	124
Finance Cost	419	395	222	145	165	165
Provision for WWF	5	9	14	18	64	5
Provision for / (Reversal of) Impairment – net	181	176	398	(351)	439	10
Profit Before Tax	240	441	667	870	3,154	228
Profit After Tax	122	207	366	622	2,831	188
EPS (in Rs.)	0.13	0.23	0.40	0.68	3.36	0.23

2019 Stock Market Performance



- The KSE-100 index declined by 13% from 37,067 index level on December 31, 2018 to 32,079 index level on September 30, 2019.
- Market capitalization declined by 17%, from Rs. 7,693 billion (\$55.4 billion) on December 31, 2018 to Rs. 6,407 billion (\$41.0 billion) on September 30, 2019.
- The average daily market volume declined to ~121 million during the period Jan-Sep 2019, from ~185 million during the period Jan-Sep 2018, a drop of ~34.5%.
- The nine month period ended September 2019 also witnessed sharp currency devaluation and surging inflation, resulting in multiple interest rate hikes during the period.

2019 Financial Performance

Unconsolidated Balance Sheet



	Rupees in Million			
	Sep 2019	Dec 2018	Variance	%
Assets				
Property and Equipment	264	88	176	200%
Investments	25,743	28,128	-2,385	-8%
Other Assets	563	498	65	13%
Liabilities				
Financings	4,124	4,344	-220	-5%
Current Liabilities	381	577	-196	-34%
Shareholders' Equity				
Paid-up Share Capital	9,159	9,159	-	-
Reserves	12,905	14,635	-1,730	-12%
Total Equity	22,064	23,794	-1,730	-7%
Outstanding Ordinary Shares (in '000)	915,942	915,942	-	-
Break-up Value/Share	24.09	25.97	-1.88	-7%

2019 Financial Performance

Unconsolidated Profit & Loss Account



Rupees in Million				
	Nine months		Variance	%
	2019	2018		
Return on Investments	828	897	-69	-8%
Gain on sale of Investments	62	56	6	11%
Other Income	110	136	-26	-19%
Operating Expenses	156	175	-19	-11%
Finance Cost	419	284	135	47%
Provision for WWF	5	11	-6	-57%
Provision for Impairment	181	64	117	184%
Profit Before Tax	240	555	-315	-57%
Taxation	118	169	-51	-30%
Profit After Tax	122	386	-264	-69%
EPS	0.13	0.42	-0.29	-69%

2019 Financial Performance

Consolidated Balance Sheet



	Rupees in Million			
	Sep 2019	2018	Variance	%
Assets				
Property and Equipment	12,188	6,370	5,818	91%
Investments	158,953	170,251	-11,298	-7%
Receivables	242,690	258,226	-15,536	-6%
Other Assets	36,297	45,408	-9,111	-20%
Liabilities				
Non-Current Liabilities	25,001	12,624	12,377	98%
Current Liabilities	393,326	433,517	-40,191	-9%
Shareholders' Equity				
Paid-up Share Capital	9,159	9,159	-	-
Reserves	17,078	18,946	-1,868	-10%
Non-controlling Interests	5,564	6,009	-445	-7%
Total Equity	31,801	34,114	-2,313	-7%

2019 Financial Performance

Consolidated Profit & Loss Account

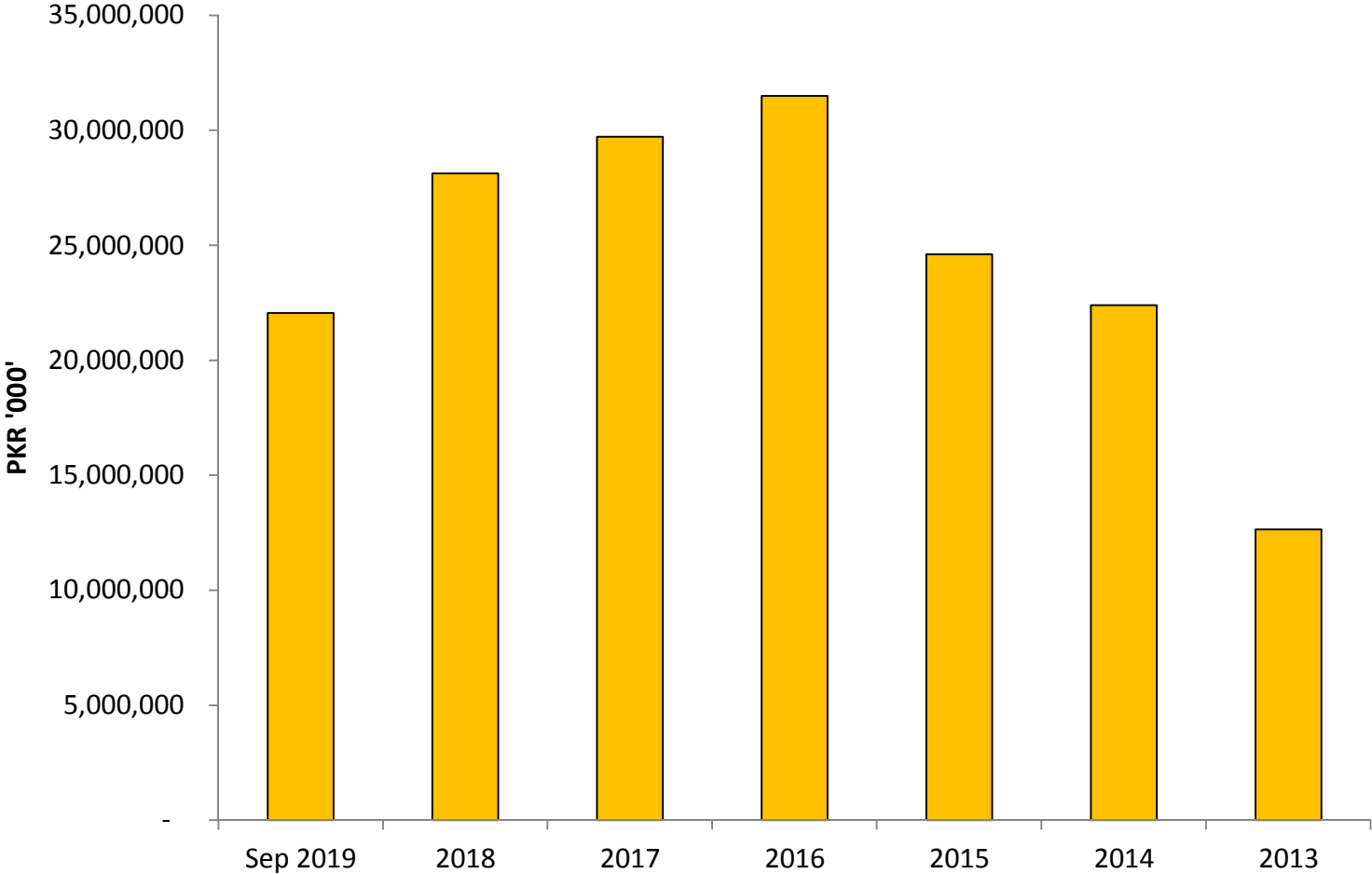


Rupees in Million				
	Nine Months		Variance	%
	2019	2018		
Return on Investments	7,964	8,762	-798	-9%
(Loss) / Gain on Sale of Investments	(473)	(297)	-176	-59%
Other Income	26,633	16,961	9,672	57%
Operating Expenses	9,323	8,689	634	7%
Finance Cost	25,280	15,082	10,198	68%
Provision for WWF	5	38	-33	-87%
Provision for / (Reversal of) Impairment	124	(191)	315	-165%
(Loss) / Profit Before Tax	(608)	1,808	-2,416	-134%
Taxation	8	751	-743	-99%
(Loss) / Profit After Tax	(617)	1,057	-1,674	-158%
LPS / EPS	(0.34)	0.93	-1.27	137%



Key Financial Indicators

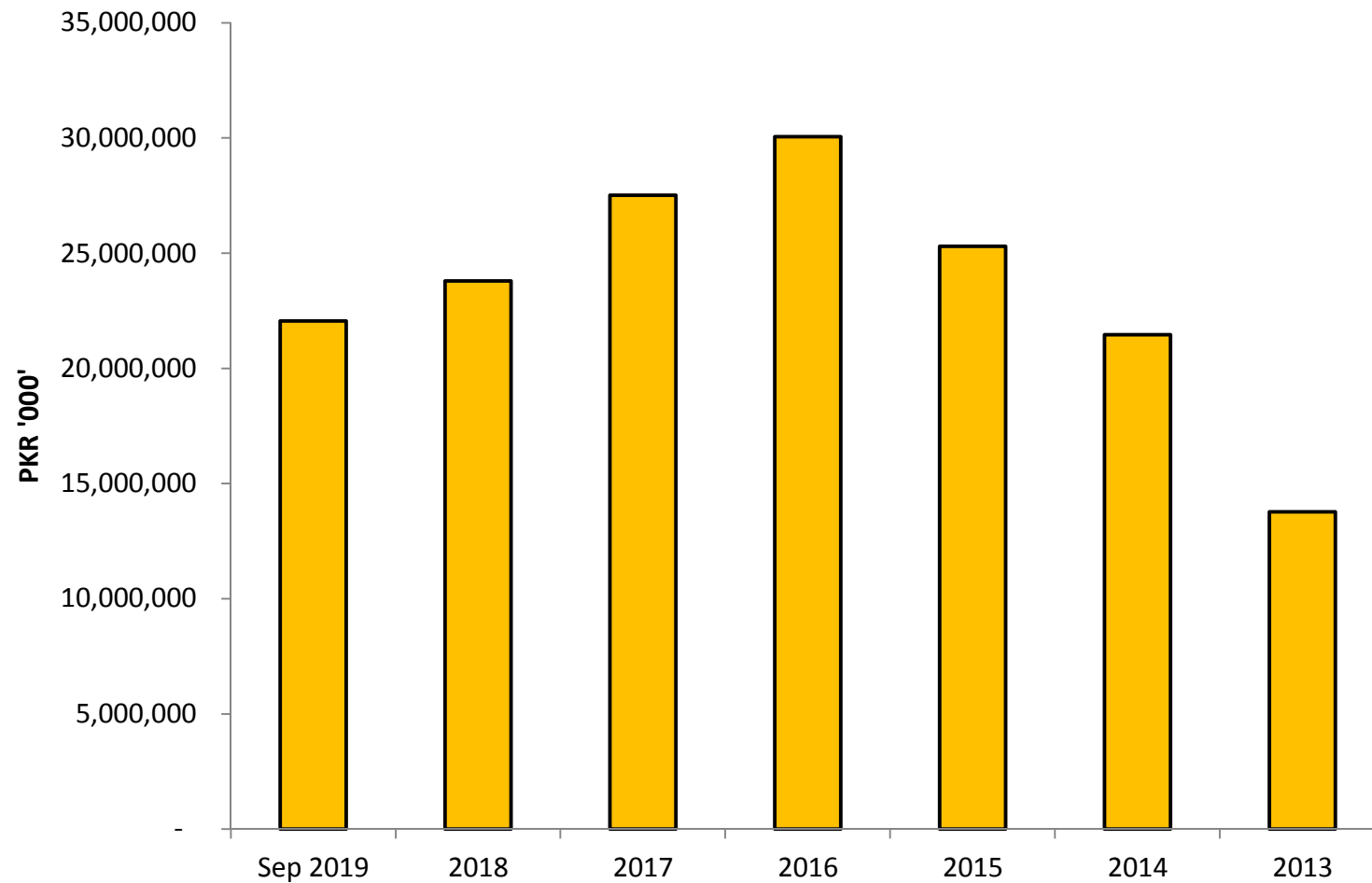
Investments



Key Financial Indicators (continued)



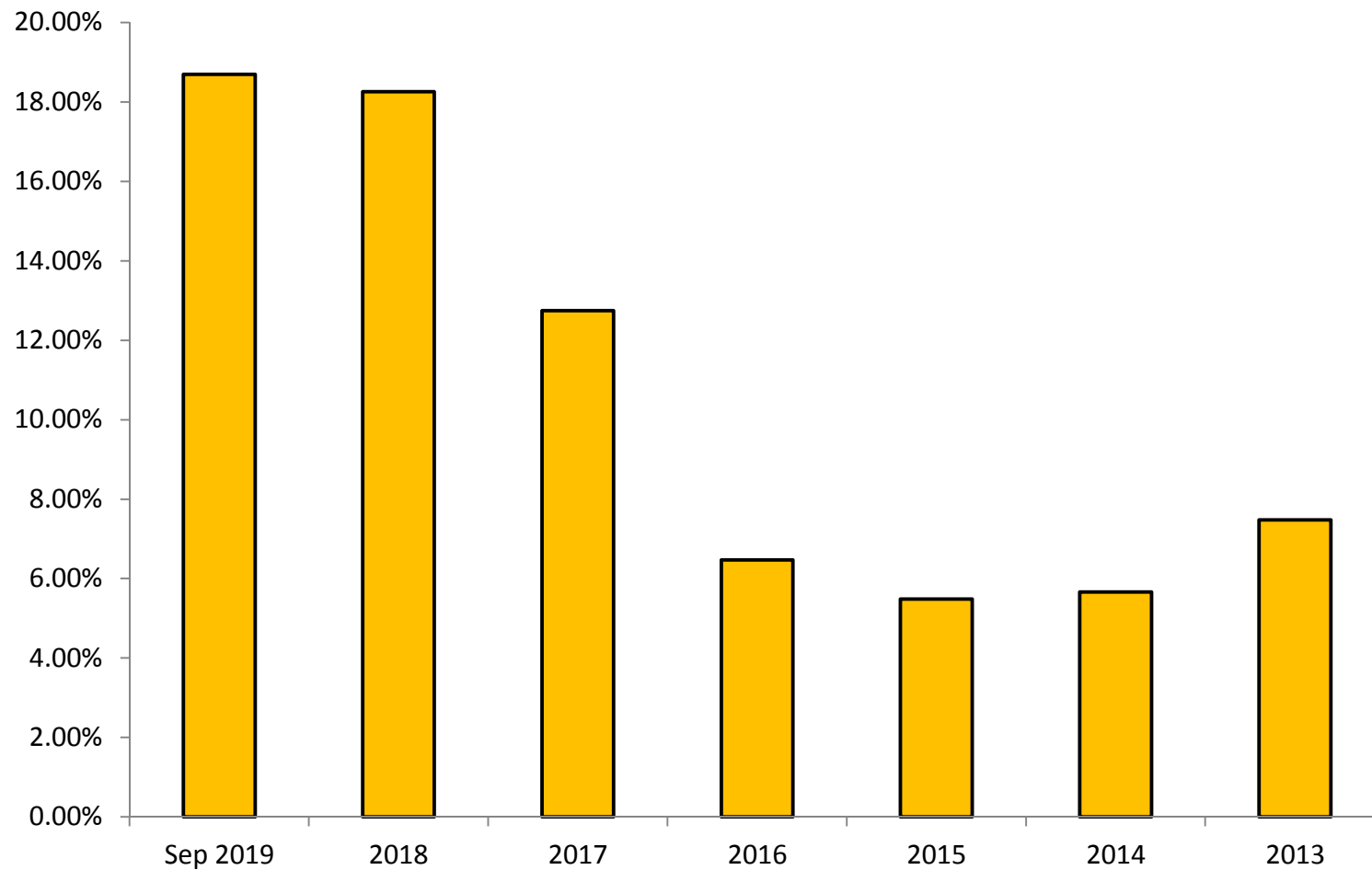
Shareholders' Equity



Key Financial Indicators (continued)



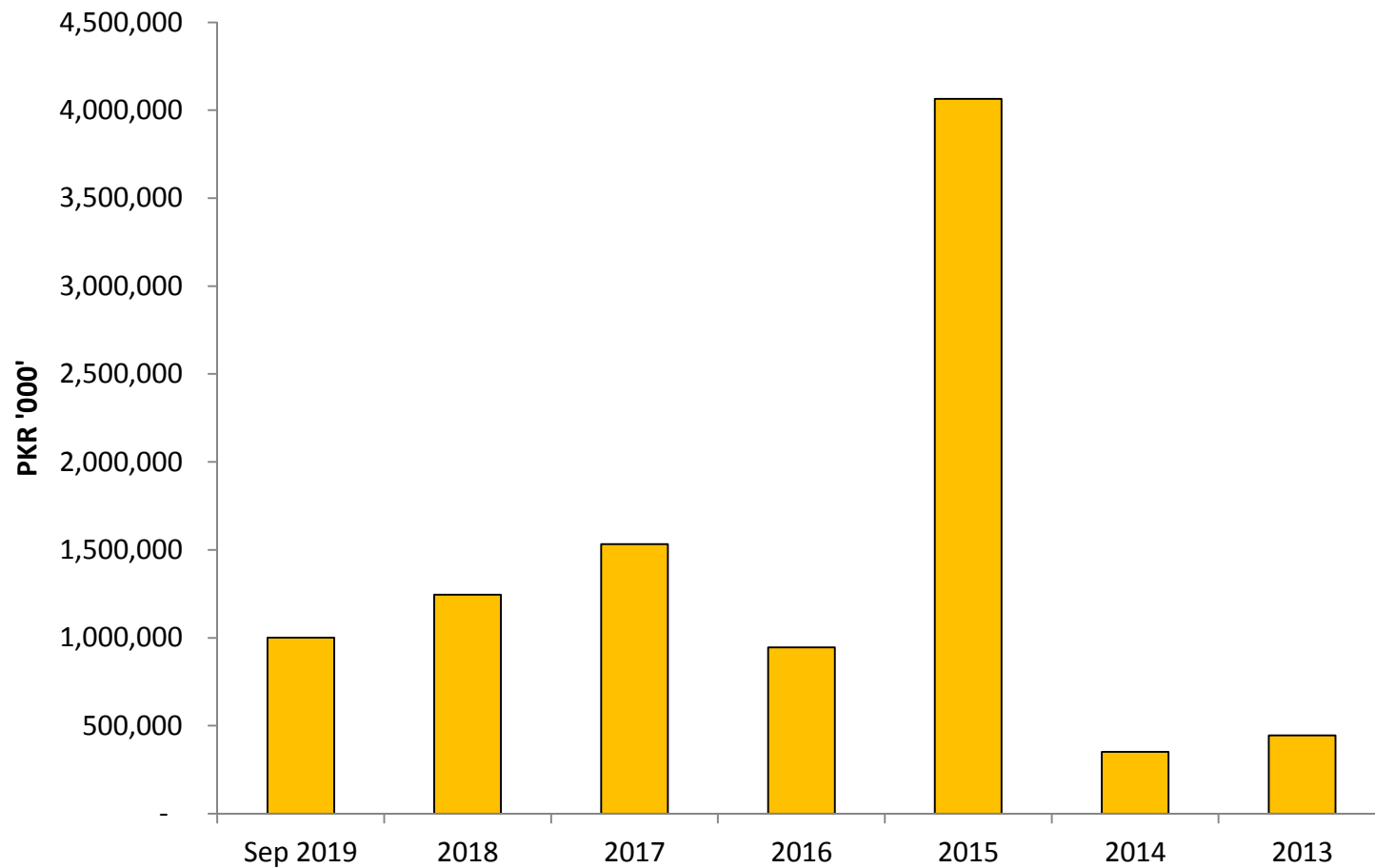
Debt Equity Ratio



Key Financial Indicators (continued)



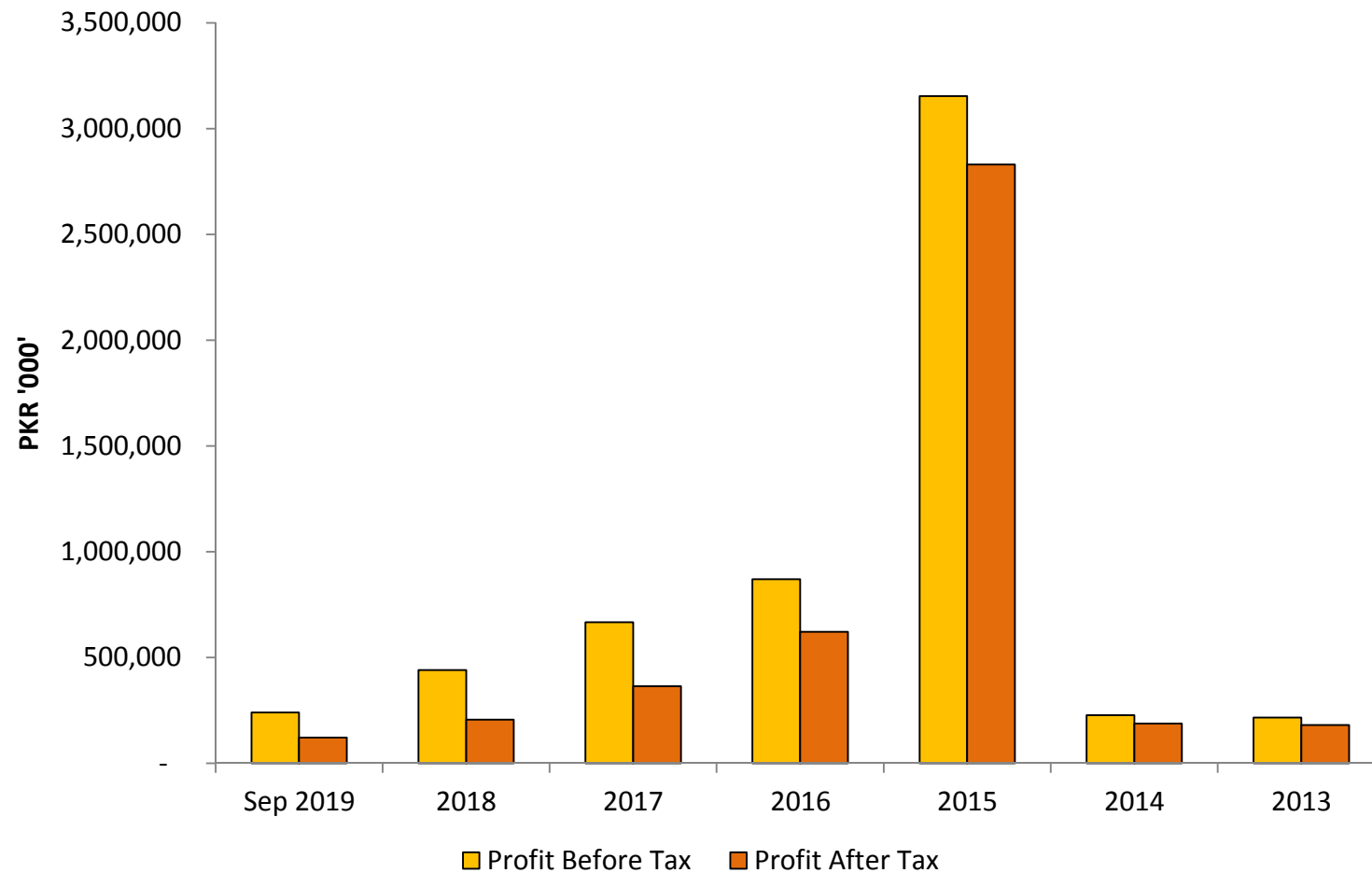
Total Revenue



Key Financial Indicators (continued)



Profit Before Tax / Profit After Tax



JSCL – An Investment Holding Company



- JSCL is primarily an investment holding company, having mainly long-term investments.
- The Company finances its investments through equity as well as long-term debt, particularly through issuance of TFCs.
- JSCL has historically maintained a very low leverage ratio, currently stands at ~18.5%.
- JSCL enjoys entity rating of AA from PACRA.
- All three TFCs have instrument rating of 'AA+' from PACRA. The rating denotes a very low expectation of credit risk, the strong capacity for timely payment of financial commitments and strong risk absorption capacity.

Impeccable Credit History



	Issue Date	Maturity Date	Amount (Rs. mn)	Outstanding (Rs. mn)	Instrument Rating
TFC 1	18/04/2003	18/04/2008	500	-	N/A
TFC 2	20/05/2004	20/05/2014	500	-	AA+
TFC 3	21/12/2004	20/12/2009	500	-	AA
TFC 4	30/09/2005	30/09/2010	500	-	AA+
TFC 5	21/11/2006	21/05/2012	1,100	-	AA
TFC 6	04/07/2007	04/07/2013	1,250	-	AA
TFC 7	30/10/2012	30/04/2016	1,000	-	AA+
TFC 8	08/04/2014	08/04/2019	750	-	AA+
TFC 9	24/06/2016	24/06/2021	1,000	500	AA+
TFC 10	18/07/2017	18/07/2022	1,500	1,125	AA+
TFC 11	06/03/2018	06/03/2023	1,500	1,500	AA+

Corporate Social Responsibility (CSR)



- Jahangir Siddiqui & Co. Ltd. (JSCL) undertakes CSR initiatives that support economic growth, social progress and environmental protection in Pakistan.
- Major philanthropic activities are carried in partnership with the Mahvash & Jahangir Siddiqui Foundation (MJSF) and Future Trust (FT).
- MJSF carries out philanthropic activities in Education, Healthcare, Social Enterprise & Sustainable Development (SESD) and Humanitarian Relief.
- Future Trust focuses on Education and Healthcare along with funding for Improvement of socio-economic conditions.
- FT in collaboration with MJSF has completed the installation of deep well hand-pumps in Tharparkar providing a big relief to the villagers.
- Moreover, FT set-up medical relief camps for victims of heat wave in Sindh.
- During the year 2018-2019, FT distributed winter kits in drought areas of Sindh.
- FT and MJSF in collaboration with Indus Hospital, provide free diagnostic and health services to underprivileged population through Jahangir Siddiqui Hospital, Sehwan.



Installation of Hand Pumps in villages of Tharparkar



Medical Relief Camps for the Victims of Heatwave in Sindh



Distribution of Winterization Kits in Drought Areas of Sindh

Future Outlook



- IMF in its press release has acknowledged that the country had successfully managed to meet all performance criteria until Sep-2019 with “comfortable margins.” Resultantly, a staff-level agreement has been reached and pending approval from IMF management and its Executive Board, the IMF will disburse US\$450mn to Pakistan, which will also help ‘unlock significant funding from bilateral and multilateral partners’. The macro-economic consolidation efforts have begun to bear fruit as the country moves towards economic stability. The Fund also mentioned that the reduction in twin deficit was visible, inflation would decline going forward and growth was positive, although slow at the moment.
- In tandem with the current IMF program, the country is on the course of recovery with macroeconomic stabilization underway. Given the situation at present, the country is in a much improved position to manage its external funding requirements.

Future Outlook (continued)



- On the fiscal side, the government has managed to achieve 90% of a highly ambitious tax revenue collection target during 1QFY20, which will help ease pressure on the budgetary deficit.
- Activity in the local fixed income market is indicating that interest rates might have peaked and there is increasing possibility of rate cuts in future monetary policy committee meetings.
- The Company views that its investments will continue to contribute significantly and positively towards enhancing shareholders' value.
- JSCL, via its subsidiary, plans to make investments in OMC business which is expected to generate higher operating income in future.



THANK YOU



Question & Answer Session