

Entity Rating: Long Term A

By VIS Credit Rating Company Limited

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WAVES HOME APPLIANCES LIMITED

CORPORATE BRIEFING SESSION

21 DECEMBER 2022

1 **WAVES GROUP- CORPORATE STRUCTURE**

2 **HOME APPLIANCES BUSINESS**

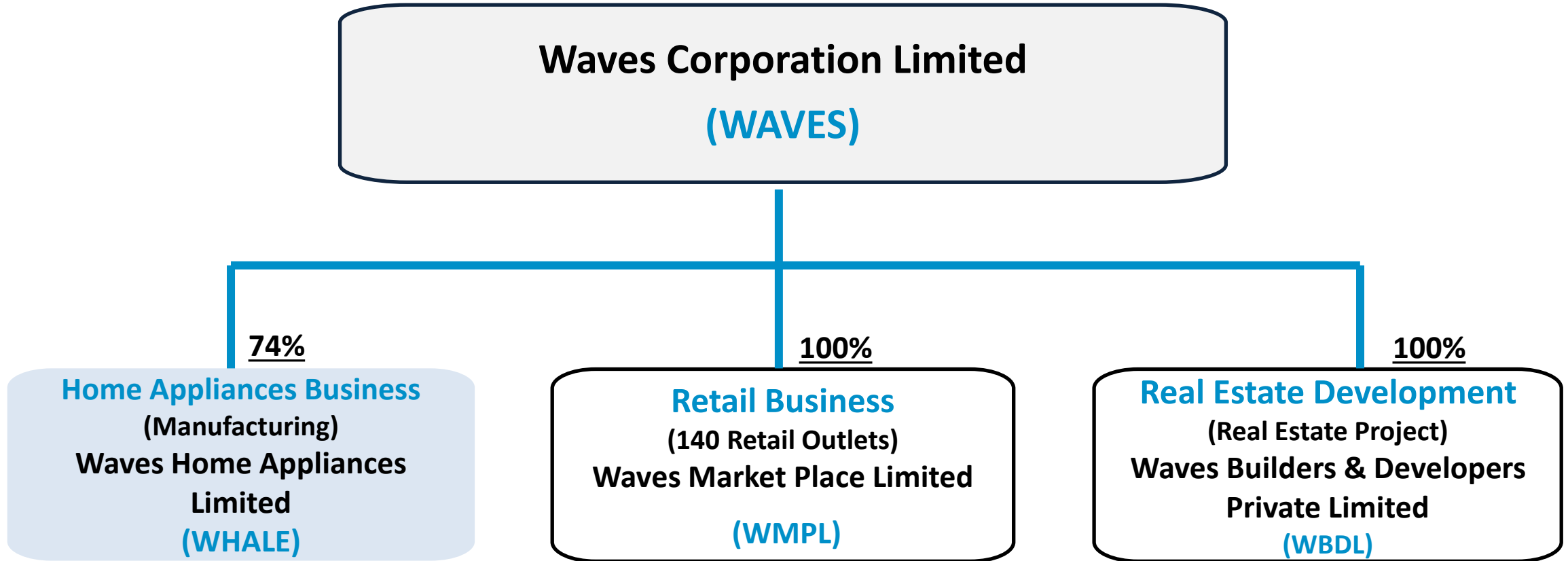
- PRODUCT RANGE
- PRODUCT MIX & MARKET SHARE
- INDUSTRY PERFORMANCE

3 **FINANCIALS AND FUTURE OUTLOOK**

- BALANCE SHEET
- PROFIT/LOSS ACCOUNTS
- HISTORICAL PERFORMANCE

Corporate Structure

The Group was restructured under a scheme of arrangement to make it more efficient with each business parked in a separate Company



Home Appliances Business

- Waves Home Appliances Limited (WHALE) is principally engaged in manufacturing and assembling of consumer appliances and other light engineering products under the brand names of “**Waves**”.
- WHALE is a public limited company, quoted on Pakistan Stock Exchange, and was formed following the demerger of the home appliances business from Waves Singer Pakistan Limited into Samin Textiles Limited re-named as Waves Home Appliances Limited in 2022.
- WHALE is a subsidiary of Waves Corporation Limited (formerly Waves Singer Pakistan Limited) with 75% shareholding.
- “Waves” is a leading brand in the market of home appliances. It is market leader in deep freezers with over 5 decades experience.



Credit Rating

- Rating after carve-out : A (Long Term) – upgraded from A - ; A2(Short Term)

Track Record

- Timely Debt Payments

Leverage

- Debt/Equity of 0.3x despite increase in Working Capital

Attractive Return

- Attractive return offered to investors

PRODUCT RANGE & CORPORATE CLIENTELE

White Goods

Deep Freezers



Refrigerators



Air Conditioners



Water Heaters



Washing Machines



Microwave Ovens



Water Dispensers



WHALE has captured considerable market share in the corporate segment producing products for corporate clients like Coca-Cola, Pepsi, etc. holding market share of approx.. 80%.



Financials

CONDENSED BALANCE SHEET

PKR mn

Particulars	30-Sep-22	30-Jun-22	31-Dec-21
Property, plant and equipment	5,074	4,517	3,219
Intangible assets and goodwill	2,837	2,847	2,866
Non-current assets	7,932	7,386	6,093
Stock-in-trade	3,032	3,487	3,627
Trade debts	4,548	4,974	6,359
Current assets	7,830	8,735	10,139
Total Assets	15,762	16,121	16,232
Paid up capital	2,679	2,679	2,679
Other Reserves	3,527	3,527	3,527
Revenue reserve - unappropriated profit	732	666	376
Surplus on revaluation of land and building	323	369	369
Total Equity	7,262	7,241	6,951
Long term loans – secured	683	718	748
Amount due to holding company	1,254	1,779	1,779
Lease liabilities	70	73	57
Non Current Liabilities	2,474	3,048	3,069
Short term borrowings	4,020	4,044	4,146
Trade and Other Payables	1,553	1,458	1,815
Markup accrued	251	141	130
Current liabilities	6,027	5,832	6,212
Equity and Liabilities	15,762	16,121	16,232

PKR mn

Particulars	For the 9 Months Ended			
	30-Sep-22	30-Sep-21*	30-Sep-20*	30-Sep-19*
Gross sales-net of sales return	8,404	8,024	6,309	6,879
Sales Tax and Trade Discount	(1,462)	(1,512)	(1,130)	(2,570)
Sales – Net	6,941	6,512	5,179	4,309
Cost of Sales	(5,451)	(5,086)	(3,897)	(4,193)
Gross Profit	1,490	1,426	1,282	116
Marketing, selling and distribution costs	(369)	(379)	(350)	(106)
Administrative Expenses	(247)	(257)	(225)	(95)
Other Expenses	(72)	(53)	(16)	(48)
Other Income	56	67	160	555
Profit from Operations	857	805	851	422
Finance Cost	(480)	(498)	(686)	(305)
Profit Before Taxation	377	307	165	117
Taxation	(67)	(69)	(83)	(18)
Profit for the Period	311	238	82	99
Earning Per Share (EPS)**	1.16	0.89	0.31	0.37

* Based on 9M Financial Performance of Waves Singer Pakistan Limited

** Adjusted to be based current share capital of the Company i.e. 267.8 million shares

4 YEAR SNAPSHOT- WAVES HOME APPLIANCES BUSINESS

PKR mn

PKR million	9M22	FY21*	FY20*	FY19*
Income Statement				
Net Sales	6,941	8,111	6,704	6,818
Gross Profit	1,490	1,783	1,461	865
Operating Profit	857	1,002	1,025	1,188
Finance Costs	480	537	848	827
Net Profit	311	300	110	260
Earning per Share (based on current share capital)	1.16	1.12	0.41	0.97
Balance Sheet				
Property, Plant and Equipment	5,074	3,219	4,869	4,969
Total Current Assets	7,830	10,139	8,806	8,067
Total Assets	15,762	16,232	17,391	16,707
Total Debt	4,703	4,894	6,500	5,935
Total Non-Current Liabilities	2,474	3,069	2,338	1,883
Total Current Liabilities	6,027	6,212	6,267	6,139
Total Equity	7,262	6,951	8,786	8,683
Trade Debts	4,548	6,359	5,482	3,240
Stock in Trade	3,032	3,627	2,432	2,940
Trade Payables	1,553	1,815	1,210	1,404

* Numbers of Waves Singer Pakistan Limited

Thank You