

FRONTIER CERAMICS LIMITED

Corporate Briefing Session

September 05, 2025

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BOARD OF DIRECTORS

Ms. Shabina Anjum	Chairperson & Independent Director
Mr. Nadeem Khalid	Chief Executive Officer
Mr. Javid Khalid	Non-Executive Director
Mr. Zia Khalid	Executive Director
Mr. Muhammad Riaz Khan	Independent Director
Mr. M. Nehmatullah Toor	Non-Executive Director
Mr. Omer Khalid	Non-Executive Director
Ms. Numrah Khalid	Executive Director

OPERATIONAL HIGHLIGHTS

Profit and Loss Account	2024	2023	2022
	Rupees	Rupees	Rupees
Sales	3,419,349,654	4,115,402,797	3,758,162,019
Cost of Sales	(3,346,762,618)	(4,012,057,679)	(3,516,785,182)
Gross Profit	72,587,036	103,345,118	241,376,837
Operating Expenses			
- Selling & Distribution cost	(15,650,082)	(15,239,783)	(11,409,460)
- Administrative & General expenses	(46,815,207)	(59,744,716)	(46,268,618)
- Other expenses	(3,934,555)	(70,350,361)	(12,572,953)
	(66,399,844)	(145,334,860)	(70,251,031)
Other Income	38,065,632	21,413,391	4,822,085
Operating profit/(loss)	44,252,824	(20,576,351)	175,947,891
Finance Cost	(143,179,581)	(110,946,636)	(38,975,082)
(Loss)/profit before Taxation	(98,926,757)	(131,522,987)	136,972,809
Taxation	(10,986,397)	(21,948,945)	(98,468,378)
(Loss)/profit after Taxation	(109,913,154)	(153,471,932)	38,504,431
Loss per share - basic and diluted	(2.90)	(4.05)	1.02
Balance Sheet			
Share Capital	378,738,210	378,738,210	378,738,210
Long Term Financing	533,262,876	699,488,141	314,611,937
Property, plant and equipment	2,645,543,774	2,535,648,042	2,776,972,155
Current assets	1,124,269,724	1,263,429,866	704,935,947
Current liabilities	1,651,262,510	1,657,814,077	1,469,724,874
Key Financial Ratios			
Gross Profit ratio (%)	2.12%	2.51%	6.42%
Operating profit/(loss) ratio (%)	1.29%	-0.50%	4.68%
Net (Loss)/profit after Taxation ratio (%)	-3.21%	-3.73%	1.02%
Units Sold (SQM)	4,740,907	5,549,786	5,423,533
No. of Employees	787	824	687

FRONTIER CERAMICS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED

31-Mar-2025

30-Jun-2024

30-Jun-2023

30-Jun-2022

.....Rupees.....

Sales - net	3,258,536,494	3,419,349,654	4,115,402,797	3,758,162,019
Cost of sales	(3,050,649,113)	(3,346,762,618)	(4,012,057,679)	(3,516,785,182)
Gross profit	207,887,381	72,587,036	103,345,118	241,376,837
Distribution cost	(11,015,717)	(15,650,082)	(15,239,783)	(11,409,460)
Administrative expenses	(33,416,613)	(46,815,207)	(59,744,716)	(46,268,618)
Other operating expenses	(23,719,617)	(3,934,555)	(70,350,361)	(12,572,953)
Operating profit/(loss)	139,735,434	6,187,192	(41,989,742)	171,125,806
Other income	4,662,532	38,065,632	21,413,391	4,822,085
Finance cost	(22,243,981)	(143,179,581)	(110,946,636)	(38,975,082)
Profit/ (loss) income tax and minimum tax	122,153,985	(98,926,757)	(131,522,987)	136,972,809
Minimum tax differential	-	(25,844,552)	(51,442,535)	-
Profit/ (loss) income tax differential	122,153,985	(124,771,309)	(182,965,522)	136,972,809
Taxation	(40,063,480)	14,858,155	29,493,590	(98,468,378)
Profit/ (loss) for the period	82,090,505	(109,913,154)	(153,471,932)	38,504,431
Profit/ (loss) per share - basic and diluted	2.17	(2.90)	(4.05)	1.02

MANAGEMENT OVERVIEW ON FINANICL PERFORMACE OF LAST 3 YEARS

Financial Year- 2022

The topline of the Company showed a tremendous growth by 33% over the last year partly due to the continuous efforts to shift to high margin products and to counter against the increase in production costs.

The second half of the fiscal year posed intense challenges for sustained manufacturing operations, where the plant activities were shifted to expensive Re-gasified Liquefied Natural Gas (RLNG) with constant surges and spikes in natural gas pressures affecting the final output, while the power requirement, dependent on cogeneration facility (being single source), was shifted to diesel gensets. This resulted in substantial cost increases thereby margins were shrunk. Despite the challenges production activities were planned effectively and adjusted to cater to the customer preferences.

Gross profit for the year under review decreased from Rs. 296.24 million to Rs. 241.38 million due to reduced margins (reasons mentioned above). Administrative expenses increased by Rs. 12.58 million on the back of inflationary impacts.

Financial Year- 2023

The turnover of the Company showed a growth by 10% partly due to the continuous efforts to shift to high margin products and to counter against the increase in production cost.

Gross profit has reduced to Rs 103.35 million as compared to gross profit of Rs 241.38 million previous year. The main reason of reduction in gross profit, is settlement of additional amount of Rs. 130,062,943 including LSP of Rs 121,188,996= which have been provided in the year under review besides the inflation factors which increased the material components costs. The Company suffered the loss before taxation of Rs 131.52.54M as compared to profit of Rs 136.97 million previous year. The loss is mainly attributed to currency exchange loss of Rs.66.75 and additional finance cost of Rs.72 million. Further administrative expenses also increased from Rs. 46.26 million to Rs. 59.74 and Company was unable to fully pass on these increases through selling price. However, despite the challenges production activities were planned effectively and adjusted to cater to the customers' preferences.

Financial Year- 2024

The turnover of the Company showed a decreased by 16.91% due to the low demand of product.

Gross profit has reduced to Rs 72.59 million as compared to gross profit of Rs 103.35 million previous year. The main reason of reduction in gross profit is mainly attributed to attainment of low production capacity, increase in gas, electric rates, wages and increase of prices of raw material components. The Company suffered the loss before taxation of Rs 98.93 M as compared to of Rs 131.52 million previous year. The loss is mainly attributed to additional finance cost of Rs. 32 million. Company was unable to fully pass on these increases through selling price. However, despite the challenges production activities were planned effectively and adjusted to cater to the customers' preferences.

FRONTIER CERAMICS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT

31-Mar-2025

30-Jun-2024

30-Jun-2023

30-Jun-2022

.....Rupees.....

ASSETS

NON CURRENT ASSETS

Property, plant and equipment

2,484,525,162

2,645,028,257

2,535,105,392

2,776,401,412

Investment property

496,184

515,517

542,650

570,743

2,485,021,346

2,645,543,774

2,535,648,042

2,776,972,155

Long term deposits

5,925,450

5,925,450

5,925,450

5,925,450

Long term advances

619,333,586

592,148,042

550,921,284

555,531,060

3,110,280,382

3,243,617,266

3,092,494,776

3,338,428,665

CURRENT ASSETS

Stores, spares and loose tools

252,493,222

275,632,704

270,488,018

180,764,782

Stock in trade

507,351,384

492,897,078

472,982,993

234,628,441

Trade debts

21,460,000

21,829,614

21,583,144

298,130

Other receivables

4,717,440

3,628,800

2,177,280

29,683,470

Short term lending

4,236,538

-

160,373,432

28,287,075

Advances

69,493,089

65,692,331

178,529,110

81,576,719

Tax refunds due from Government

162,950,265

162,950,265

63,962,052

63,962,052

Taxation - net

34,689,804

28,490,906

86,217,469

49,859,070

Cash and bank balances

119,627,320

73,148,026

7,116,368

35,876,208

1,177,019,061

1,124,269,724

1,263,429,866

704,935,947

TOTAL ASSETS

4,287,299,443

4,367,886,990

4,355,924,642

4,043,364,612

FRONTIER CERAMICS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT

31-Mar-2025 **30-Jun-2024** **30-Jun-2023** **30-Jun-2022**

.....Rupees.....

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Share capital	378,738,210	378,738,210	378,738,210	378,738,210
Discount on issue of right shares	(180,795,726)	(180,795,726)	(180,795,726)	(180,795,726)
	197,942,484	197,942,484	197,942,484	197,942,484
Revaluation surplus on property, plant and equipment	1,269,707,082	1,269,707,082	1,161,971,530	1,205,963,178
Unappropriated profit	389,470,568	307,380,063	242,169,885	351,650,169
	1,857,120,134	1,775,029,629	1,602,083,899	1,755,555,831

NON CURRENT LIABILITIES

Long term financing	-	-	13,097,827	43,789,513
Loan from related parties	106,833,433	533,262,876	699,488,141	314,611,937
Gas infrastructure development cess	-	-	2,173,752	34,679,727
Liability under diminishing Musharaka	-	-	8,216,546	22,458,745
Deferred liability	131,966,356	25,393,458	25,393,458	25,393,458
Deferred taxation	360,954,699	382,938,517	347,656,942	377,150,527
	599,754,488	941,594,851	1,096,026,666	818,083,907

CURRENT LIABILITIES

Unclaimed dividend	3,189,224	3,189,224	3,189,224	3,189,224
Current portion of liability under diminishing Musharaka	117,190	8,714,873	12,989,487	11,133,846
Current portion of long term financing	-	13,097,821	32,333,366	29,473,410
Current portion of GIDC payable	129,395,113	129,379,479	125,831,160	89,862,443
Due to related parties	1,519,584	37,576,325	32,767,629	-
Contract liability	977,452,073	836,755,119	177,383,666	348,191,088
Trade and other payables	718,751,638	622,549,669	1,273,319,545	987,874,863
	1,830,424,822	1,651,262,510	1,657,814,077	1,469,724,874

TOTAL EQUITY AND LIABILITIES

	4,287,299,443	4,367,886,990	4,355,924,642	4,043,364,612
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FUTURE OUTLOOK

The positive momentum in macroeconomic conditions points to encouraging growth prospects and an improvement in business sentiment. The implementation of the IMF program, along with a reduction in inflation and interest rates, is expected to provide stability and predictability for businesses and investors, thereby aiding economic recovery. This macroeconomic stability is likely to serve as a catalyst for growth in the construction industry. However, the benefits of these developments will take time to fully permeate through the broader market with timely stimulus from the government through favorable steps for the construction sector.

The Company remains committed to improving its operational performance and adapting to evolving conditions. Our focus will remain to increase operational cost efficiencies and mitigate the challenge of rising input costs. Similarly, we are also working aggressively on localization of raw materials, alternate sources of energy and improved modes of transportation.

**Question
&
Answer**