

5 Manufacturing

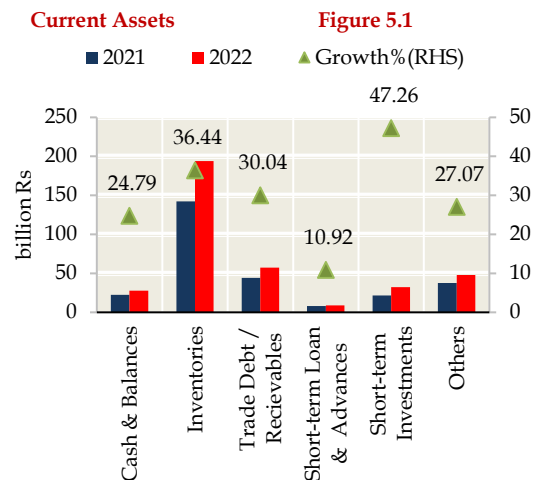
Performance at a Glance

Overall balance sheet size of manufacturing sector increased during 2022 by an amount of Rs 116.46 billion, showing a growth of 22.33 percent, reaching Rs 637.99 billion. While the shareholders' equity improved by 14.61 percent reaching Rs 265.95 billion, total liabilities increased by 28.52 percent. Sales of the sector showed a YoY growth of 32.69 percent, reaching Rs 694.74 billion during 2022. The profit after taxation of the sector decreased YoY by Rs 2.06 billion.

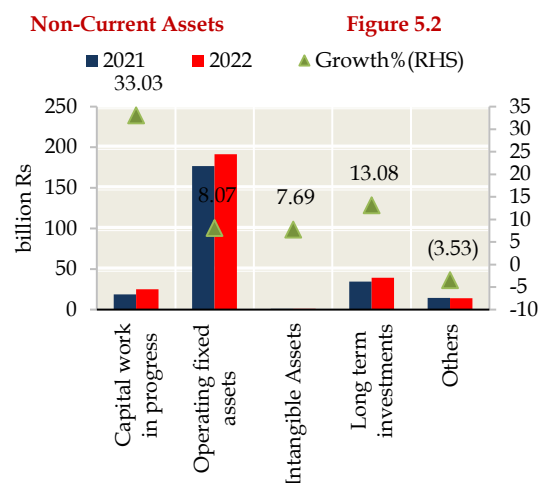
Items	2022	2021	Growth (%)
Assets	637.99	521.53	22.33
Non-Current	270.17	245.61	10.00
Current	367.82	275.92	33.31
Liabilities	372.04	289.48	28.52
Non-Current	71.08	67.83	4.78
Current	300.97	221.65	35.79
Shareholders' Equity	265.95	232.05	14.61
<i>of which</i>			
Paid-up Capital	63.97	60.31	6.07
Reserves	171.19	143.90	18.96
Sales	694.74	523.60	32.69
Gross Profit	143.45	120.45	19.10
Profit after taxation	53.53	55.59	-3.71
ROA (%)	9.23	11.80	-
ROE (%)	21.50	26.73	-

Assets

The breakup of assets accumulation (Rs 116.46 billion) reveals that most of the increase was in the form of current assets, which increased by Rs 91.91 billion (33.31 percent) during 2022. A further analysis of current assets shows that inventories has the largest increase (Rs 51.77 billion) followed by Trade Debt/accounts receivables (Rs 13.22 billion) and short-term investments (Rs 10.30 billion).



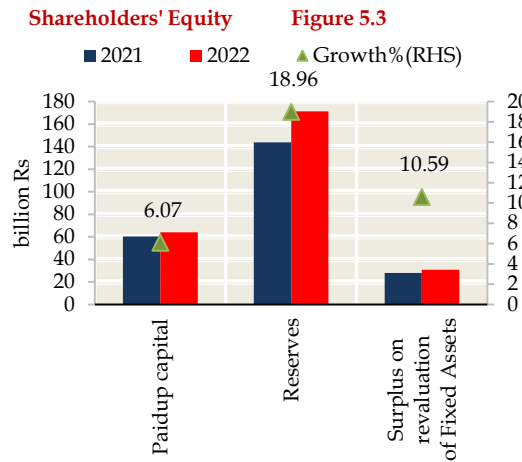
Non-current assets of the sector increased to Rs 270.17 billion during 2022 from Rs 245.61 billion during 2021, reflecting a growth of 10.00 percent. Operating fixed assets (after deducting accumulated depreciation) has the largest share in the rise of non-current assets (Rs 14.28 billion) followed by capital work in progress (Rs 6.21 billion) during 2022.



Shareholders' Equity & Liabilities

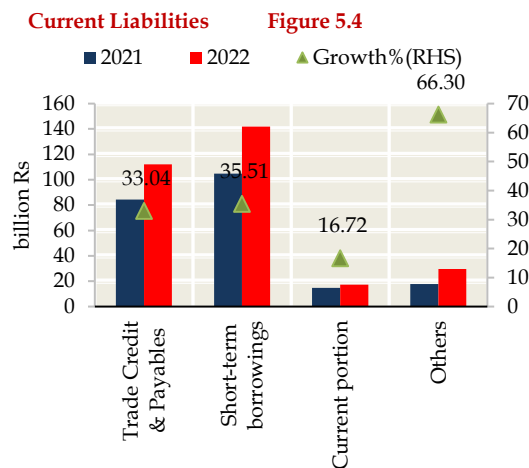
The shareholders' equity increased to Rs 265.95 billion during the year under review from Rs

232.05 billion in the previous year.

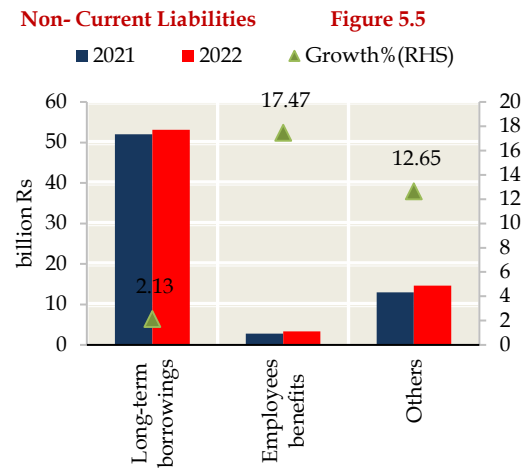


Reserves (which comprise 64.37 percent of shareholders' equity) increased by Rs 27.29 billion, reaching at Rs 171.19 billion during 2022 on the back of strong growth in revenue reserves. Issued, subscribed and paid-up capital observed an increase of Rs 3.66 billion.

Total liabilities of sector increased by Rs 82.56 billion (28.52 percent), mainly in the form of current liabilities (which comprises the 80.90 percent of total liabilities). Specifically, the current liabilities increased from Rs 221.65 billion to Rs 300.97 billion during 2022. Notable increase was observed in short term borrowings (Rs 37.21 billion) and trade credits/other accounts payable (Rs 27.85 billion).

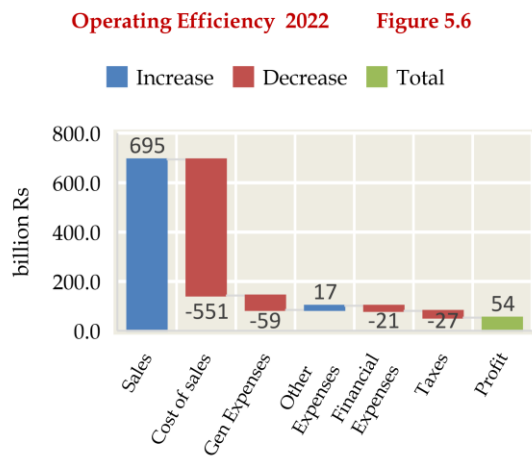


The non-current liabilities of the sector increased by Rs 3.24 billion, reaching Rs 71.08 billion in 2022, out of which long-term borrowings recorded an increase of Rs 1.11 billion.



Operating Efficiency & Ratio Analysis

Sales of the manufacturing sector witnessed a YoY increase of Rs 171.14 billion, reaching Rs 694.74 billion during 2022. Both local and exports sales showed YoY increase by Rs 138.01 billion (29.55 percent) and Rs 33.13 billion (58.53 percent) respectively during 2022. The gross profit registered a YoY growth of 19.10 percent (Rs 23.00 billion). EBIT increased to Rs 101.78 billion showing YoY increase of Rs 13.58 billion during 2022.



A YoY decrease of Rs 2.06 billion (3.71 percent) was recorded in profit after taxation, reaching at Rs 53.53 billion in 2022.

Key performance indicators of the sector worsened during 2022. Return on assets (ROA) reached at 9.23 percent, which was 11.80 percent in 2021.

Similarly, Return on equity (ROE) deteriorated to 21.50 percent, which was 26.73 percent in 2021. Net profit margin declined to 7.70 percent during 2022 from 10.62 percent last year.

