

Corporate Briefing Session

FY'23 H-1



February 15, 2023

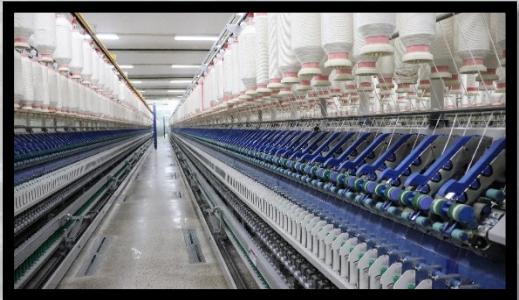
Overview

Gadoon Textile Mills Limited (GTML) was incorporated in Pakistan on February 23, 1988 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of yarn and knitted sheets and production and sale of milk.

We manufacture and process all types of cotton and manmade fibers, operating state-of-the-art manufacturing plants in Karachi (Sindh) and Gadoon Amazai (Khyber Pakhtunkhwa). We have a diverse portfolio of products tailored to meet the needs of local and foreign markets.



Business Segments



SPINNING



KNITTING

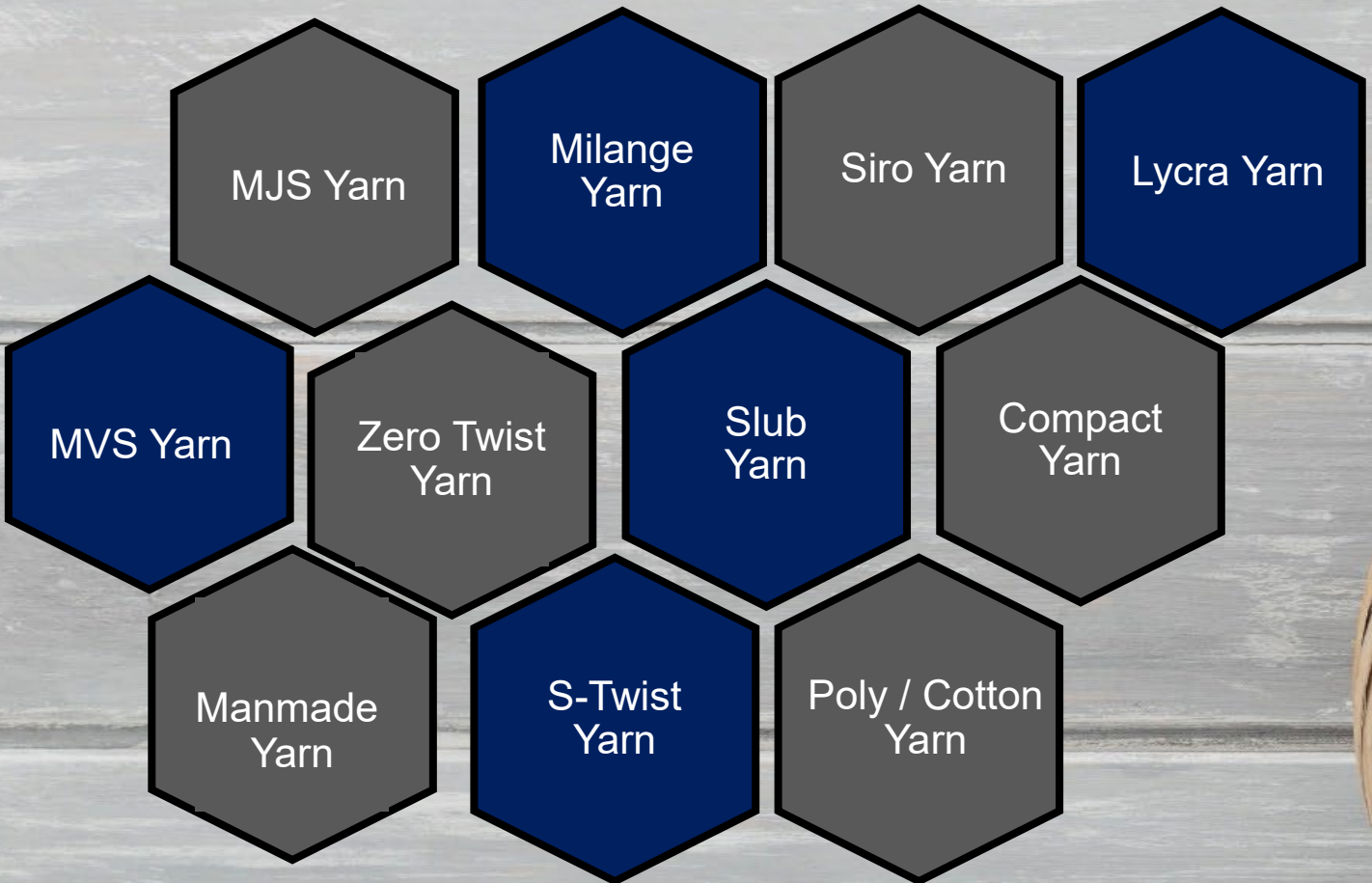


DAIRY



STRATEGIC INVESTMENTS

Product Portfolio- Spinning



Product Portfolio- Knitting



AWARDS & ACHIEVEMENTS

Best Corporate Report Award

During the period, the Company has been awarded **3rd Position** for its Annual Report 2021 in the “Textile” Sector, in the Best Corporate Report Award competition jointly held by Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP).



Top 25 Companies Award

During the period, the Company has been awarded PSX **Top 25 Companies Award** for the year 2021 with regards to its remarkable performance.



Key Strategic & Operational Development

Installation of Efficient power Generators in order to achieve energy efficiency



Replacement of old machineries with State of Art machineries



Further strengthening the Value Added Segment to increase the international customer base

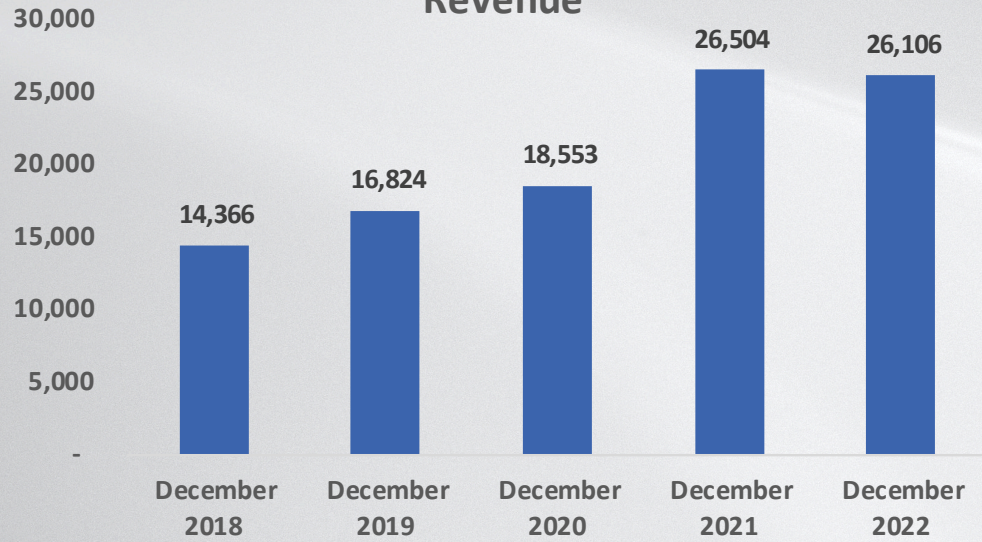


Performance Indicators

	UoM	December		
		2022	2021	2020
GP to sales	Percentage	13.02%	16.75%	7.87%
Net profit after tax to sales	Percentage	6.97%	13.34%	4.57%
EBITDA to sales	Percentage	14.06%	17.43%	10.16%
EBDA to sales	Percentage	9.06%	15.24%	7.18%
Return on equity	Percentage	9.77%	24.88%	8.91%
Return on capital employed	Percentage	12.14%	21.40%	10.39%
Current ratio	Times	1.32	1.33	1.13
Inventory turnover	Days	159	117	126
Debtor turnover	Days	21	27	26
Creditors turnover	Days	41	41	44
Operating cycle	Days	139	103	108
Asset turnover	Times	0.74	0.72	0.62
Fixed Asset turnover	Times	1.83	2.49	1.83
Leverage Ratio (D/E)	Times	0.86	0.68	1.07
Earnings per Share	Rupees	64.92	126.15	30.22

Rs in 'Million

Revenue



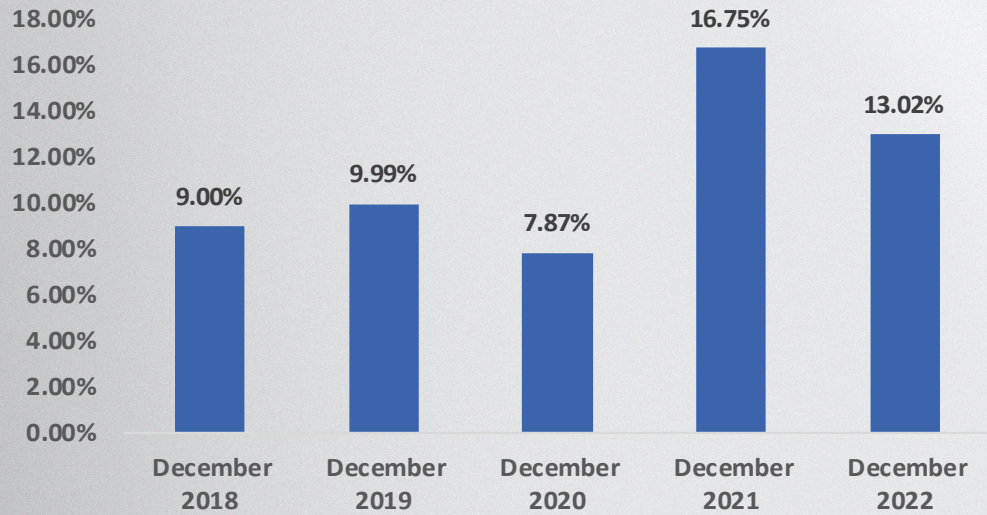
Rs in 'Million

Cost of Sales



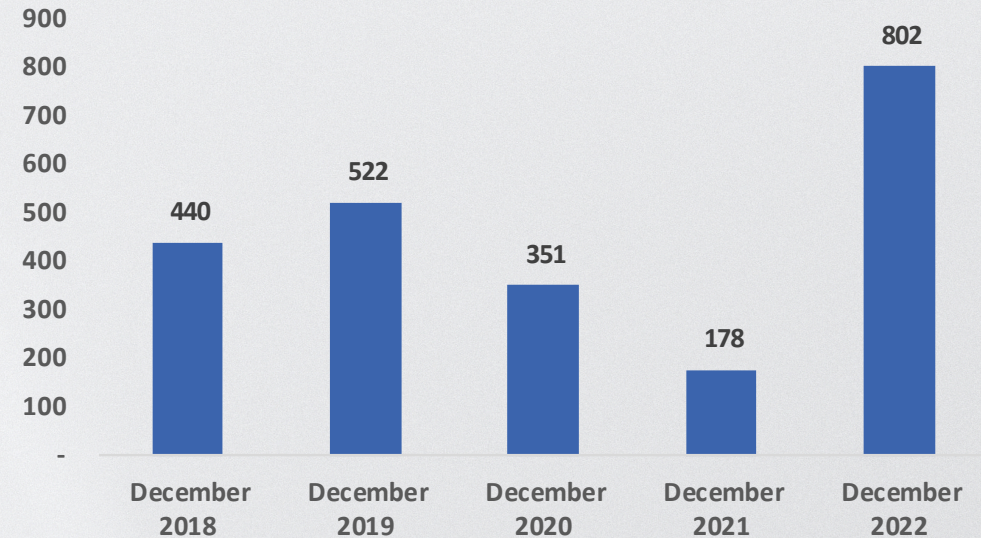
Percentage

GP Ratio



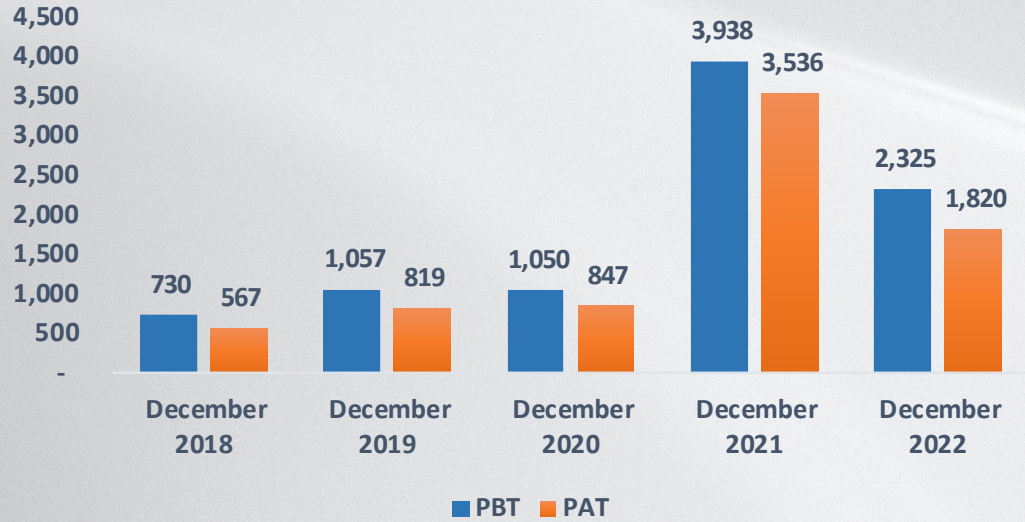
Rs in 'Million

Finance Cost



Rs in 'Million

PBT / PAT



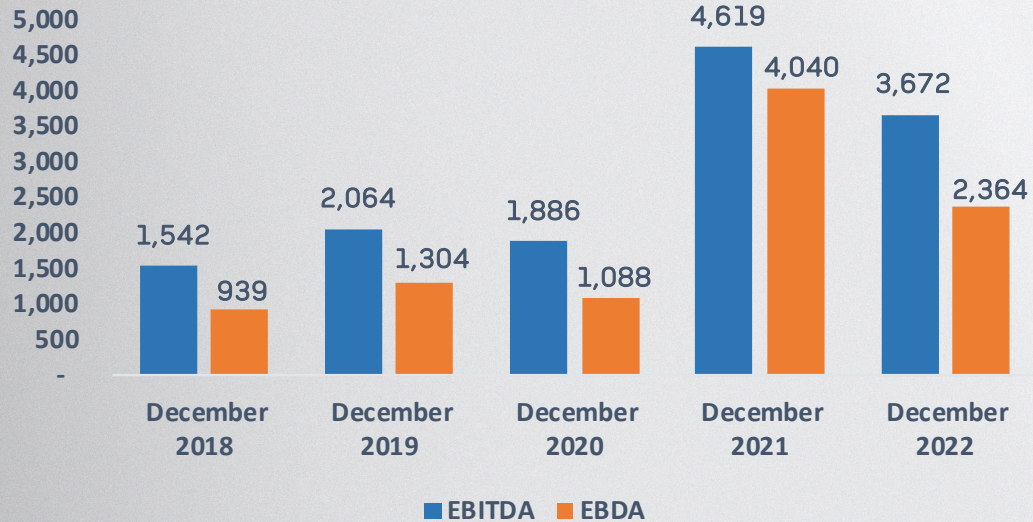
Rs in 'Million

Depreciation / CAPEX



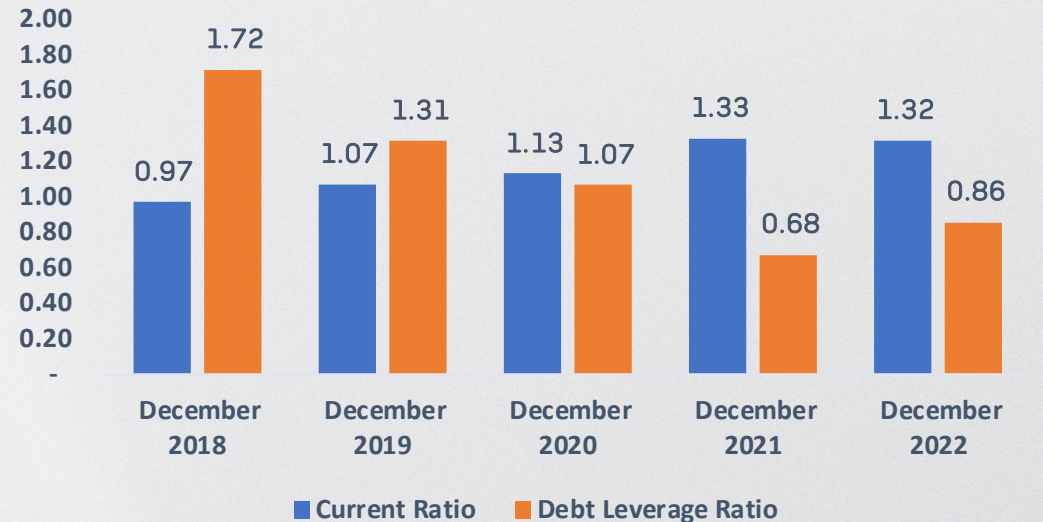
Rs in 'Million

EBITDA / EBDA



Times

Current / Debt Leverage Ratio





FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022



Rs. in '000

December 31,
2022June 30,
2022**Statement of Financial Position****ASSETS****Non Current Assets**

Property, plant and equipment	17,455,401	11,016,751
Biological Asset - Animals	460,943	365,430
Long term advance	-	-
Long term loans	58,399	46,146
Long term deposits	39,331	34,742
Long term investments	4,399,768	4,233,555
	<u>22,413,842</u>	<u>15,696,624</u>

Current Assets

Stores, spares and loose tools	1,108,401	897,457
Stock-in-trade	20,740,424	18,381,382
Trade debts	2,224,771	3,751,395
Loans and advances	293,414	534,710
Short term Investment	3,083,349	-
Trade deposits and short term prepayments	76,141	14,943
Other receivables	1,675,181	1,386,756
Cash and bank balances	234,179	159,841
	<u>29,435,860</u>	<u>25,126,484</u>

Total Assets

	<u>51,849,702</u>	<u>40,823,108</u>
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Rs. in '000

December 31,
2022June 30,
2022**Statement of Financial Position****EQUITY AND LIABILITIES****Share Capital and Reserves**

Issued, subscribed and paid up	280,296	280,296
Capital reserves	137,541	137,541
Revenue reserves	18,844,355	17,585,312
	<u>19,262,192</u>	<u>18,003,149</u>

Non Current Liabilities

Long term finance	8,292,291	4,008,570
Deferred government grant	207,250	186,528
Retirement benefit obligation	866,980	820,993
Deferred tax liabilities	874,267	756,100
	<u>10,240,788</u>	<u>5,772,191</u>

Current Liabilities

Short term borrowings	10,384,896	6,117,971
Trade and other payables	10,648,899	9,798,223
Unclaimed dividend	34,614	26,392
Current tax liability	99,857	82,062
Current portion of long term finance	690,496	763,011
Current portion of deferred government grant	45,550	56,327
Accrued mark-up	442,410	203,782
	<u>22,346,722</u>	<u>17,047,768</u>

Total Equity and Liabilities

	<u>51,849,702</u>	<u>40,823,108</u>
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Rs. in '000

Statement of Profit or Loss

	For the Period ended					
	31-Dec-22	%	31-Dec-21	%	Variance	%
Sales - net	26,105,601	100.0	26,504,050	100.0	(398,449)	(1.5)
Cost of sales	(22,706,485)	(87.0)	(22,079,846)	(83.3)	(626,639)	(2.8)
Gross profit	3,399,116	13.0	4,424,204	16.7	(1,025,088)	(23.2)
Distribution cost	(484,883)	(1.9)	(651,739)	(2.5)	166,856	25.6
Administrative expenses	(231,320)	(0.9)	(171,540)	(0.6)	(59,780)	(34.8)
	(716,203)	(2.7)	(823,279)	(3.1)	107,076	13.0
Operating profit	2,682,913	10.3	3,600,925	13.6	(918,012)	(25.5)
Financial charges	(801,974)	(3.1)	(177,537)	(0.7)	(624,437)	(351.7)
Other operating expense	(156,491)	(0.6)	(243,262)	(0.9)	86,771	35.7
	(958,465)	(3.7)	(420,799)	(1.6)	(537,666)	127.8
Other income	212,381	0.8	112,437	0.4	99,944	88.9
Share of profit from associates	388,309	1.5	645,136	2.4	(256,827)	(39.8)
	600,690	2.3	757,573	2.8	(156,883)	(20.7)
Profit before taxation	2,325,138	8.9	3,937,699	14.8	(1,612,561)	(41)
Taxation	(505,503)	(1.9)	(401,746)	(1.5)	(103,757)	(25.8)
Profit after taxation	1,819,635	7.0	3,535,953	13.3	(1,716,318)	(48.5)

FUTURE OUTLOOK



- Heimtextil-2023 exhibition-Frankfurt has opened up new opportunities and hopefully will help to alleviate the Country's exports.
- The IMF bailout package may ease the pressure on foreign reserves but the businesses have to suffer for additional costs which might dilute the overall margins.
- Constraint of foreign reserves and cargo struck at Port have put pressures on businesses, which hopefully once resolved will help to revive economy.
- Tax collection by FBR is short of budgeted numbers, however, the government is hopeful to cope up the same with amendments in current taxation structure.
- Positive intention for rationalizing cost operations, maximum capacity utilization, effective procurement strategy and alteration of sales mix to generate maximum net margins.
- Focus on value added segment to rationalize the operating cost and build synergize between the segments.

Q&A SESSION



THANK YOU