



Corporate Briefing Session for the Year 2019-2020

Corporate Social Responsibility

- Distribution of Tree Saplings on Independence Day
- Tree Plantation Drives
- Awareness Session on International Women's Day at Street to School



Corporate Social Responsibility ---Cont'd

- Factory Visit for ACCA Students
- Fundraising Gala Dinner



Health and Safety

To ensure the health and safety of employees, the Company in addition to routine awareness and training session carried out each year, has taken some additional steps owing to COVID-19 pandemic in this year. Some of the steps are as follows:

- Disinfection of the premises and vehicles on a daily basis
- Installation of a sanitizing tunnel and wall-mounted hand sanitizer dispenser
- Temperature checks at entry-points
- Distribution and compulsory use of face masks
- Encouraging Work-from-Home and Social distancing
- Spreading awareness through sessions, emails, social media platforms and posters
- COVID-19 testing facility and paid leaves for COVID positive employees



Awards Received

- Top 25 Companies Award for the year 2018
- Best Corporate Report Award for the year 2018



Overview

Gadoon Textile Mills Limited was incorporated in Pakistan on February 23, 1988 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange.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 fabrics.

In addition to the textile sector, the Company has also invested in the Dairy segment, which has started its commercial production since June 30, 2019.

Business Segments



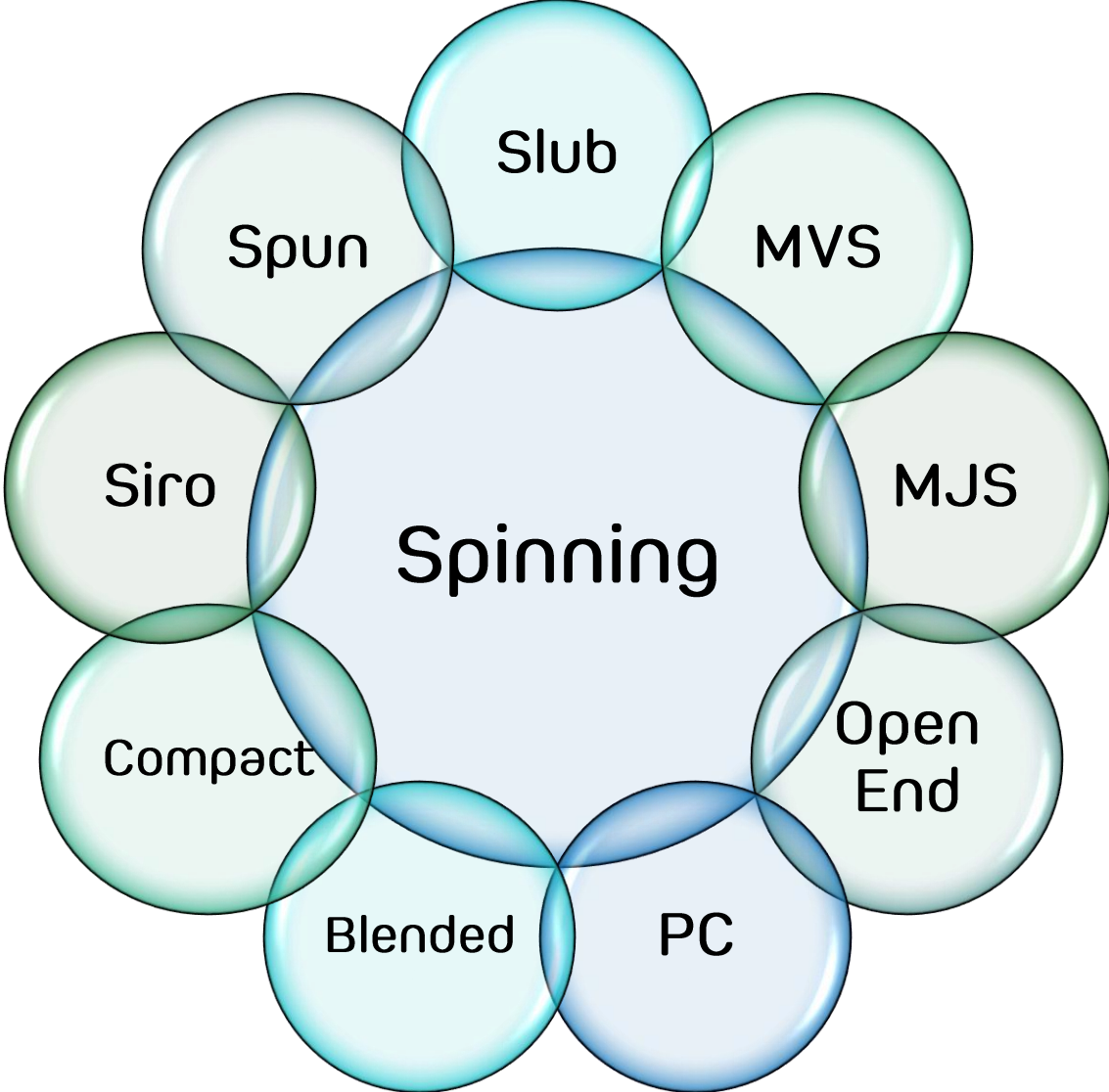
geographical spread



- | | |
|--------------------|-------------|
| Belgium | Japan |
| China | Kazakhstan |
| Croatia | Malaysia |
| Dominican Republic | Netherlands |
| Egypt | Pakistan |
| El Salvador | Poland |
| France | Portugal |
| Germany | South Korea |
| Guatemala | Taiwan |
| Honduras | Thailand |
| Hong Kong | Turkey |
| Indonesia | USA |
| Italy | Vietnam |

-  Manufacturing Plant
-  Major Market
-  International Market

Product Line





Analysis of Financial Results

Business Analysis

- Positive
- Negative

(Rupees in '000)

SPINNING		2020	2019	% Change
Local Sale	Amount	20,100,020	22,733,740	▼ -11.59%
Export Sale	Amount	7,427,697	7,072,005	▲ 5.03%

KNITTING		2020	2019	% Change
Local Sale	Amount	51,862	137,893	▼ -62.39%
Export Sale	Amount	1,213,186	1,273,841	▼ -4.76%

REVENUE	2020	2019	% Change
Spinning	27,527,717	29,805,745	▼ -7.64%
Knitting	1,265,048	1,411,734	▼ -10.39%
Dairy	194,016	-	▲ 100.00%
Total	28,986,781	31,217,479	▼ -7.15%

OTHER INCOME	2020	2019	% Change
ICI	170,273	195,190	▼ -12.77%
YEL	319,706	284,034	▲ 12.56%
Others	176,199	174,111	▲ 1.20%
Total	666,178	653,335	▲ 1.97%

TOTAL	2020	2019	% Change
INCOME	29,652,959	31,870,814	▼ -6.96%
EXPENSES	29,607,460	30,684,712	▲ 3.51%

NET	2020	2019	% Change
PROFIT	45,499	1,186,102	▼ -96.16%

COST OF SALES	2020	2019	% Change
Raw Material	19,690,517	21,072,612	▲ 6.56%
Power	3,340,507	3,160,387	▼ -5.70%
Salaries	1,985,346	2,296,835	▲ 13.56%
Store	684,716	739,476	▲ 7.41%
Others	1,044,409	1,055,446	▲ 1.05%
Total	26,745,495	28,324,756	▲ 5.58%

ADMIN, DISTRIBUTION & OTHER	2020	2019	% Change
Admin Cost	267,881	276,997	▲ 3.29%
Distribution	474,356	401,764	▼ -18.07%
Others	918,430	98,767	▼ -829.90%
Total	1,660,667	777,528	▼ -113.58%

FINANCE COST	2020	2019	% Change
Short Term	760,579	1,021,277	▲ 25.53%
Long Term	82,131	27,277	▼ -201.10%
Others	66,370	51,519	▼ -28.83%
Total	909,080	1,100,073	▲ 17.36%

TAXATION	2020	2019	% Change
Current	378,305	282,355	▼ -33.98%
Prior Year	7,949	4,011	▼ -98.18%
Deferred	(94,036)	195,989	▲ 147.98%

Financial impact of COVID-19 on Company's Operation

	Impact for the year ended June 30, 2020		
	Post Covid-19	Pre Covid-19	June 30, 2019
	Actual	Projected	Actual
Spindle Run	307,097,874	362,341,259	352,808,927
Revenue	28,986,781	33,646,091	31,217,479
Gross Profit (Rs in '000)	2,241,286	3,161,974	2,892,723
Net Profit (Rupee devaluation) (Rs in '000)	45,499	760,620	1,186,102
Net Profit (if no Rupee devaluation) (Rs in '000)	934,849	1,649,970	1,186,102
GP as % of Sales	7.73%	9.40%	9.27%
NP (if no Rupee devaluation) as % of Sales	3.23%	4.90%	3.80%

Statement of Financial Position

ASSETS

Non Current Assets

	June 30, 2020 Rupees '000	June 30, 2019 Rupees '000
Property, plant and equipment	10,165,007	9,870,359
Long term loans	39,632	43,677
Long term deposits	29,505	29,127
Biological Asset- Animals	190,214	129,665
Long term investments	3,150,556	2,890,606
	13,574,914	12,963,434

Current Assets

Stores, spares and loose tools	632,631	606,538
Stock-in-trade	12,914,426	8,407,361
Trade debts	2,332,951	3,517,747
Loans and advances	122,927	199,991
Trade deposits and short term prepayments	22,827	8,901
Other receivables	569,750	719,881
Current tax asset	576,804	658,310
Sales tax refund bond	-	110,797
Cash and bank balances	86,120	112,519
	17,258,436	14,342,045

Total Assets

	30,833,350	27,305,479
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Statement of Financial Position

EQUITY AND LIABILITIES

Share Capital and Reserves

Authorised capital

57,500,000 ordinary shares of Rs. 10/- each

**June 30,
2020
Rupees '000**

**June 30,
2019
Rupees '000**

575,000

575,000

Capital & Reserves

Issued, subscribed and paid up

280,296

280,296

Capital reserves

137,541

137,541

Revenue reserves

8,666,521

8,791,596

9,084,358

9,209,433

Non Current Liabilities

Long term finance

3,526,689

2,622,363

Retirement benefit obligation

629,205

562,984

Deferred tax liabilities

810,001

890,390

4,965,895

4,075,737

Current Liabilities

Short term borrowings

12,362,149

9,926,683

Trade and other payables

4,181,691

3,700,823

Unclaimed dividend

23,596

21,879

Current portion of long term finance

68,092

52,728

Accrued mark up

147,569

318,196

16,783,097

14,020,309

Contingencies and Commitments

Total Equity and Liabilities

30,833,350

27,305,479

PROFIT AND LOSS ACCOUNT

Rs. in '000

	For the Period ended					
	June-20	%	June-19	%	Variance	%
Sales - net	28,986,781	100.0	31,217,479	100.0	(2,230,698)	(7.1)
Cost of sales	(26,745,495)	(92.3)	(28,324,756)	(90.7)	1,579,261	5.6
Gross profit	2,241,286	7.7	2,892,723	9.3	(651,437)	(1.6)
Distribution cost	(474,356)	(1.6)	(401,764)	(1.3)	(72,592)	(18.1)
Administrative expenses	(267,881)	(0.9)	(276,997)	(0.9)	9,116	3.3
	(742,237)	(2.6)	(678,761)	(2.2)	(63,476)	(14.8)
Operating profit	1,499,049	5.2	2,213,962	7.1	(714,913)	(16.3)
Financial charges	(909,080)	(3.1)	(1,100,073)	(3.5)	190,993	17.4
Other operating expense	(918,430)	(3.2)	(98,767)	(0.3)	(819,663)	(829.9)
	(1,827,510)	(6.3)	(1,198,840)	(3.8)	(628,670)	(812.5)
Other income	173,648	0.6	170,772	0.5	2,876	1.7
Share of profit from associates	492,530	1.7	482,563	1.5	9,967	2.1
	666,178	2.3	653,335	2.1	12,843	3.7
Profit before taxation	337,717	1.2	1,668,457	5.3	(1,330,740)	(825.1)
Taxation	(292,218)	(1.0)	(482,355)	(1.5)	190,137	39.4
Profit after taxation	45,499	0.2	1,186,102	3.8	(1,140,603)	(785.7)
EBITDA	2,260,779		3,563,357		(1,302,578)	

**STATEMENT OF CASHFLOWS
FOR THE LAST FIVE YEAR**

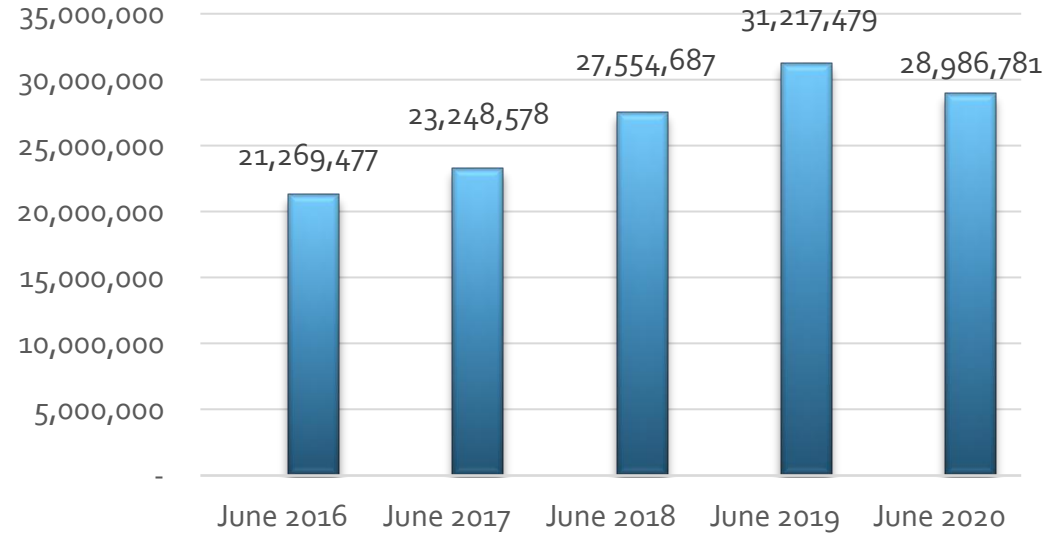
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
	(Rupees in '000)				
EBITDA	2,260,779	3,563,357	2,784,612	2,171,489	1,168,296
Adjustments for Non Cash items:					
Movement in Stocks	(4,506,599)	(981,271)	(1,826,512)	(528,043)	(240,552)
Movement in Debtors	1,184,796	(1,050,219)	(713,412)	(203,130)	474,296
Movement in Creditors	480,868	601,156	309,062	922,641	(98,492)
Movement in Non Operating Working Capital	484,566	326,107	250,367	(314,004)	856,564
Total Non Cash Items	(337,894)	(399,831)	(707,253)	(486,489)	(37,425)
Cash (used in) / generated from operations	(433,484)	2,059,299	96,864	1,562,464	2,122,687
CAPEX	(1,367,205)	(2,839,346)	(1,119,172)	(487,816)	(227,048)
Investments	-	-	-	-	(407,000)
Proceeds from sale of Fixed Assets	69,639	64,988	36,297	25,263	20,999
Business Cash Flow	(1,731,050)	(715,059)	(986,011)	1,099,911	1,509,638
Retirement benefit obligation paid	(113,992)	(111,083)	(85,948)	(113,203)	(83,167)
Income taxes paid	(304,748)	(293,314)	(197,645)	(260,236)	(230,417)
Rebate received	48,111	242,639	96,452	3,284	-
Finance cost paid	(1,079,707)	(911,477)	(532,519)	(300,539)	(537,535)
Dividend from Associate	230,442	270,017	245,213	101,676	77,752
Others	(13,363)	629	(14,578)	163,432	5,448
Cash flow before Financing	(2,964,307)	(1,517,648)	(1,475,036)	694,325	741,719
Cash flow from Financing Activity					
Long-term finance obtained	957,819	2,080,753	594,338	-	-
Repayment of long-term finance	(38,129)	(9,844)	-	-	(8,905)
Dividend paid	(236,534)	(244,803)	(323,279)	(77)	(58)
Net (decrease) / increase in cash & cash equivalents	(2,281,151)	308,458	(1,203,977)	694,248	732,756

Ratio Analysis

	UoM	June		
		2020	2019	2018
GP to sales	Percentage	7.73%	9.27%	7.06%
Net profit after tax to sales	Percentage	0.16%	3.80%	4.30%
EBITDA to sales	Percentage	7.80%	11.41%	10.11%
EBDA to sales	Percentage	3.66%	6.35%	6.97%
Return on equity	Percentage	0.50%	13.62%	15.22%
Return on capital employed	Percentage	10.15%	26.76%	25.33%
Current ratio	Times	1.03	1.02	0.96
Cash to current liabilities	Times	0.01	0.01	0.01
Inventory turnover	Days	145	102	94
Debtor turnover	Days	37	35	28
Creditors turnover	Days	45	36	35
Operating cycle	Days	137	101	87
Asset turnover	Times	1.00	1.24	1.28
Fixed Asset turnover	Times	2.85	3.51	3.62
Leverage Ratio (D/E ratio)	Times	1.76	1.37	1.27

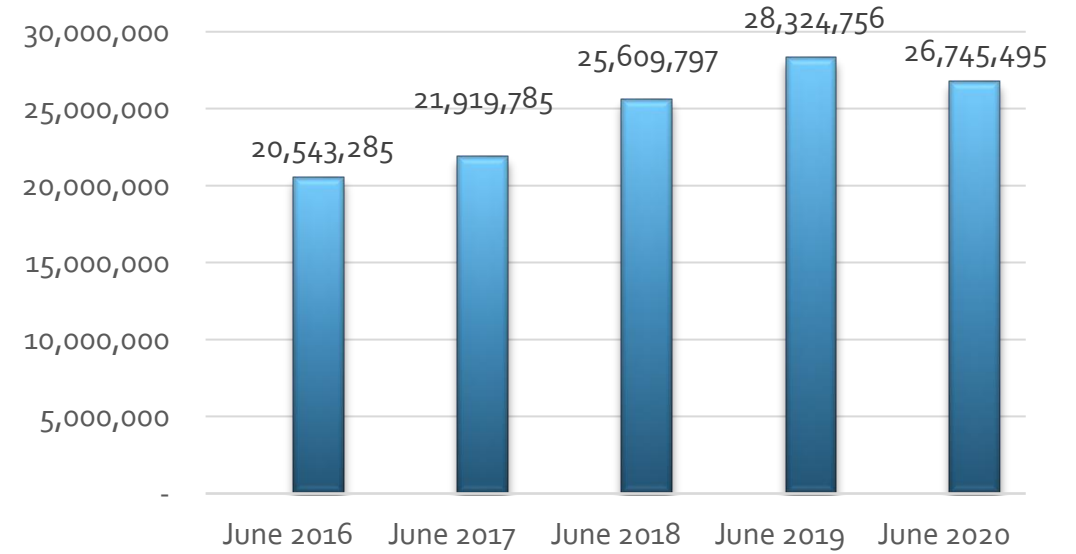
Rs in '000

Revenue



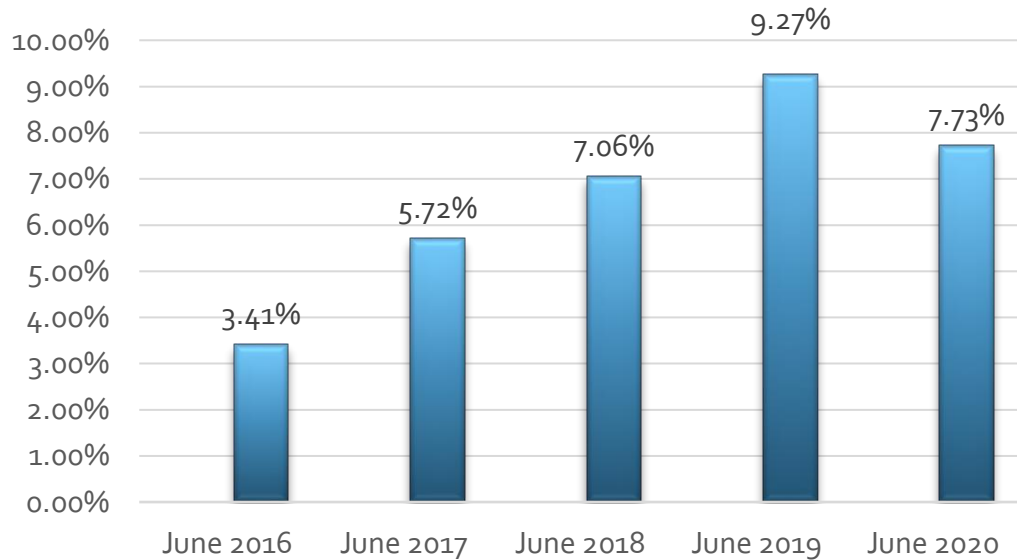
Rs in '000

Cost of Sales



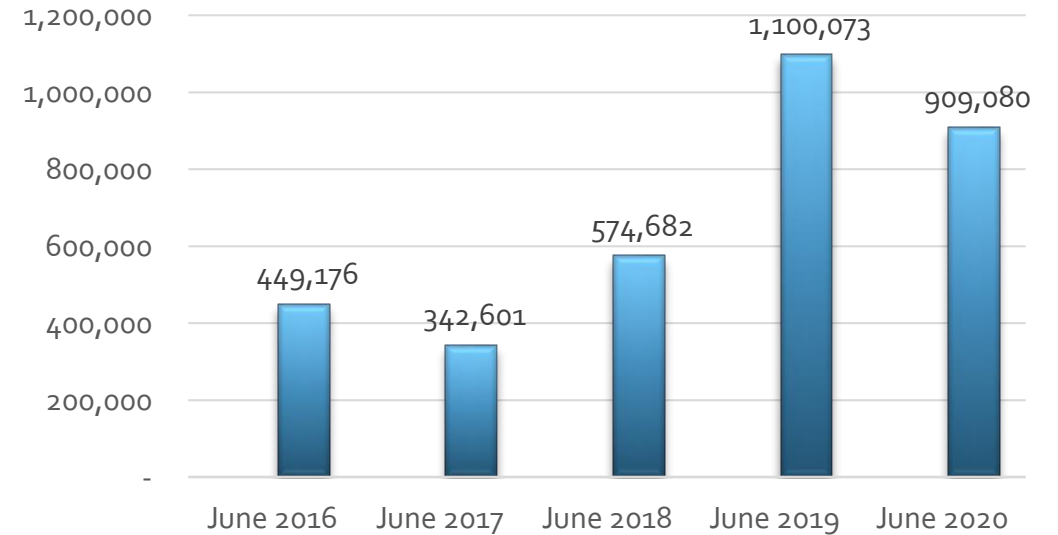
Percentage

GP Ratio



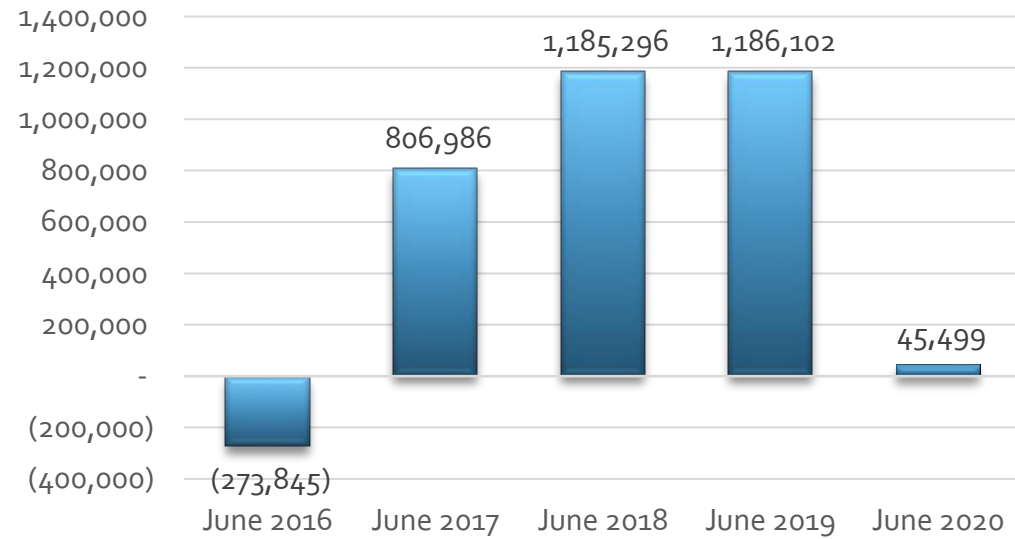
Rs in '000

Finance Cost



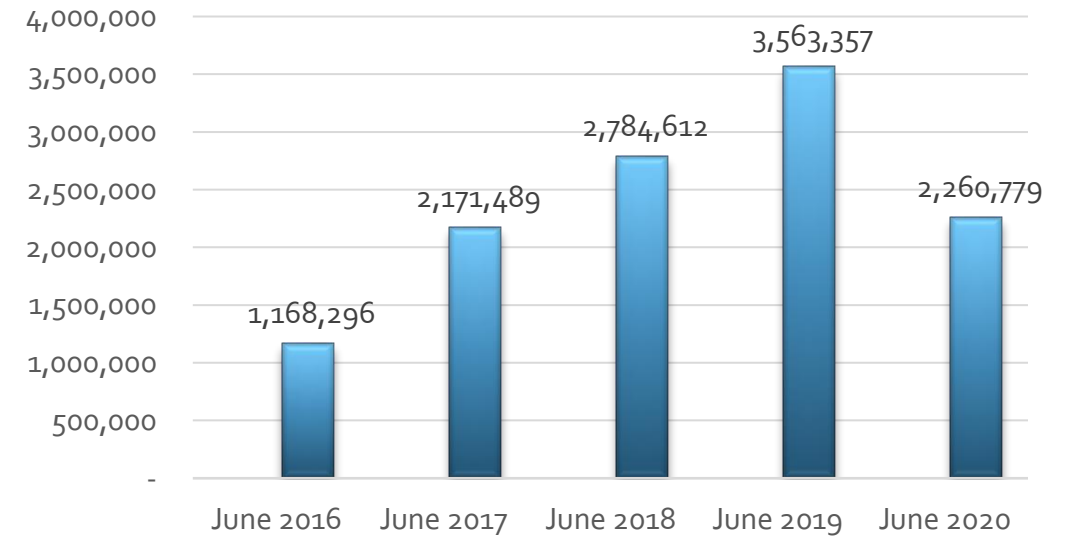
Rs in '000

Profit & Loss after Tax



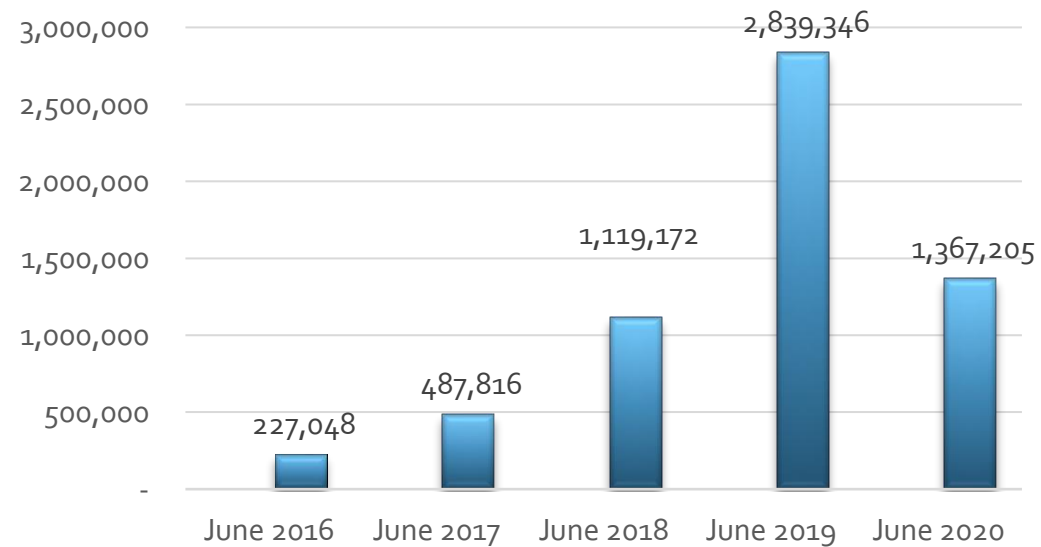
Rs in '000

EBITDA



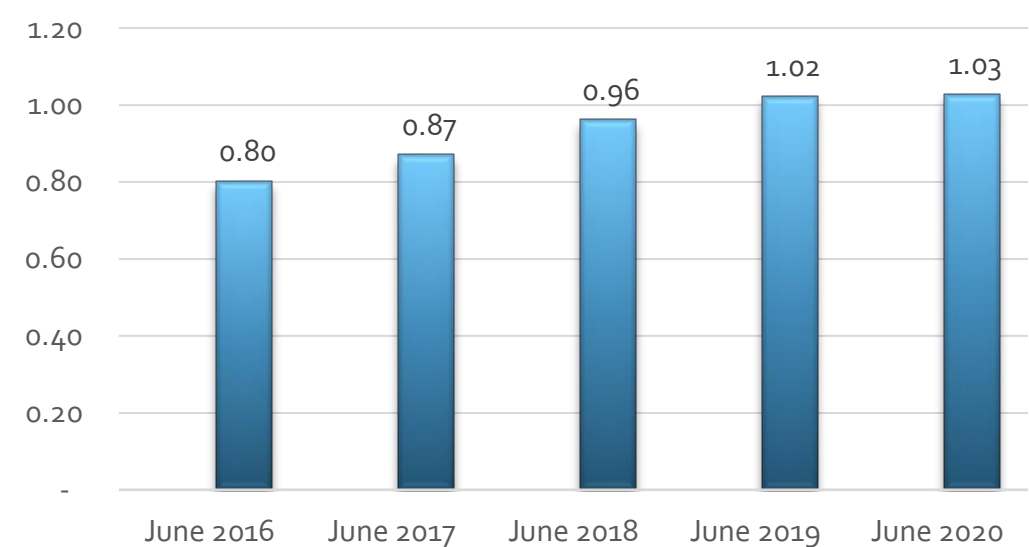
Rs in '000

CAPEX



Times

Current Ratio

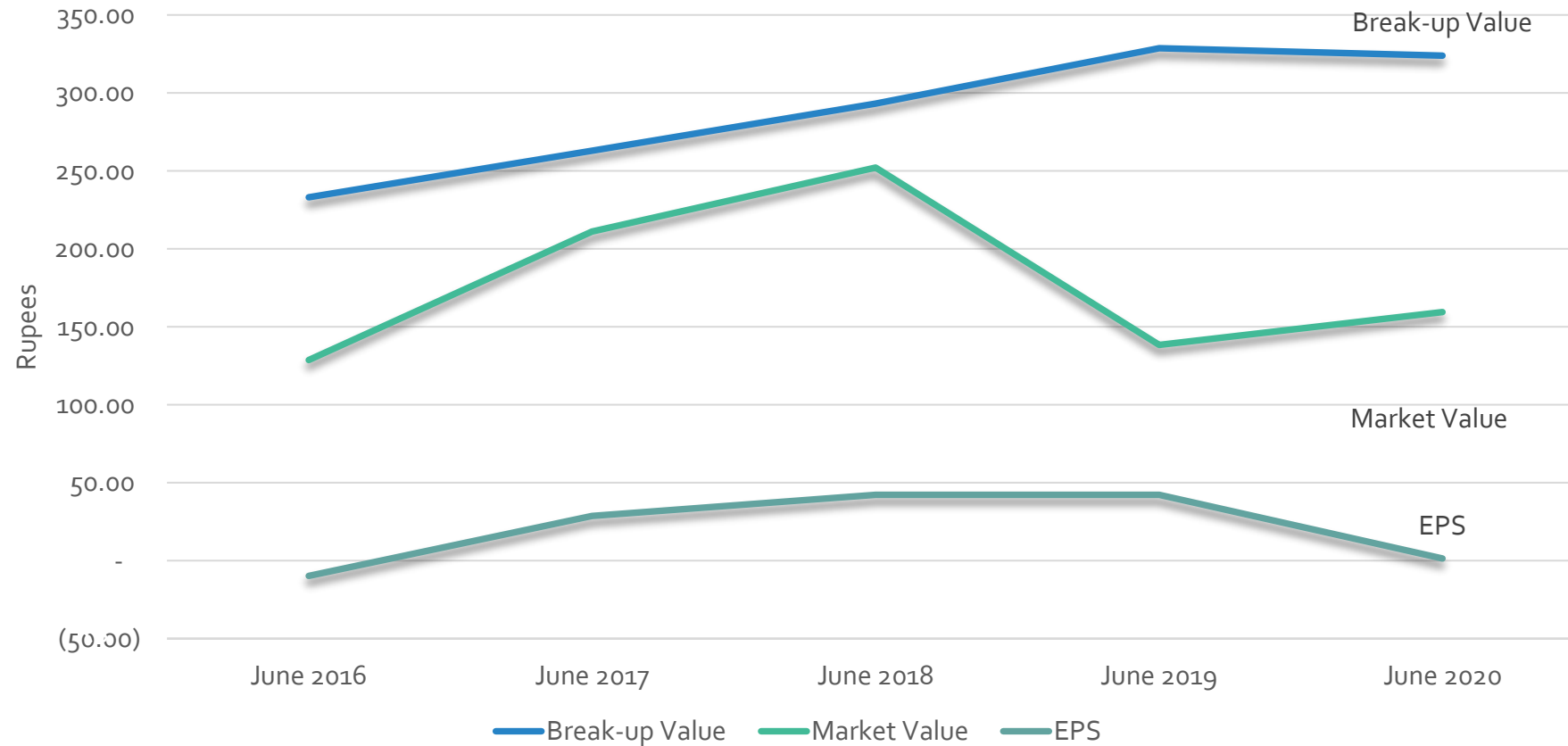


Fiscal Year	Break-up Value Per Share Rs	Market Value Per Share Rs	Eaming Per Share Rs	Market Capitalisation Rs in '000
June 2016	233.10	128.59	(9.77)	3,604,378
June 2017	262.82	211.00	28.79	5,914,330
June 2018	293.03	252.00	42.29	7,063,560
June 2019	328.56	138.34	42.32	3,877,670
June 2020	324.10	159.51	1.62	4,471,065

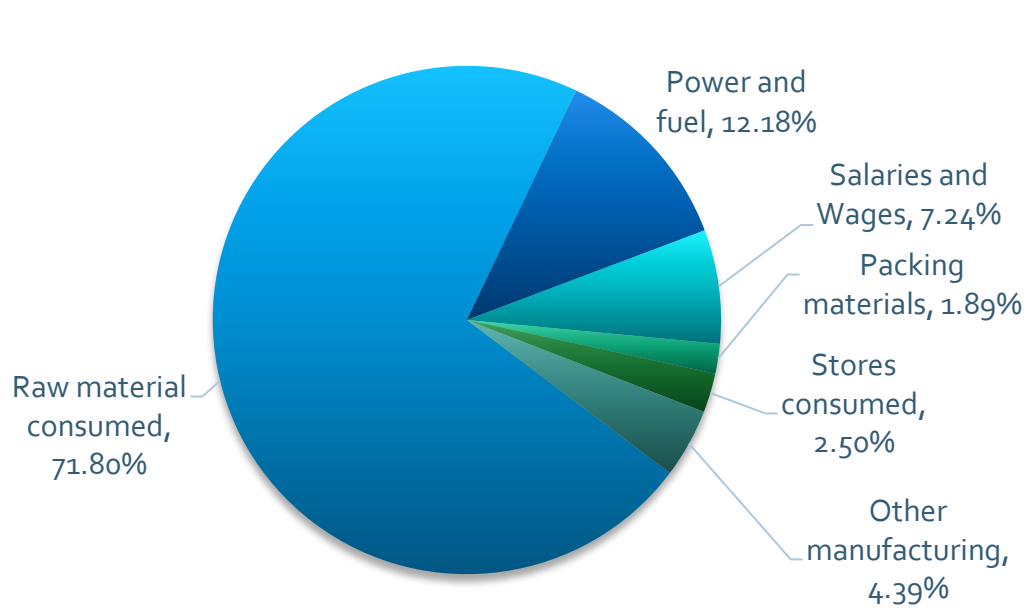
**M.V. dated 6-Oct-2020
175.96**

**Last 52 weeks range:
Rs. 129.50 - 257.89**

**Shares Traded: 2,072,600
(July 2019 - June 2020)**



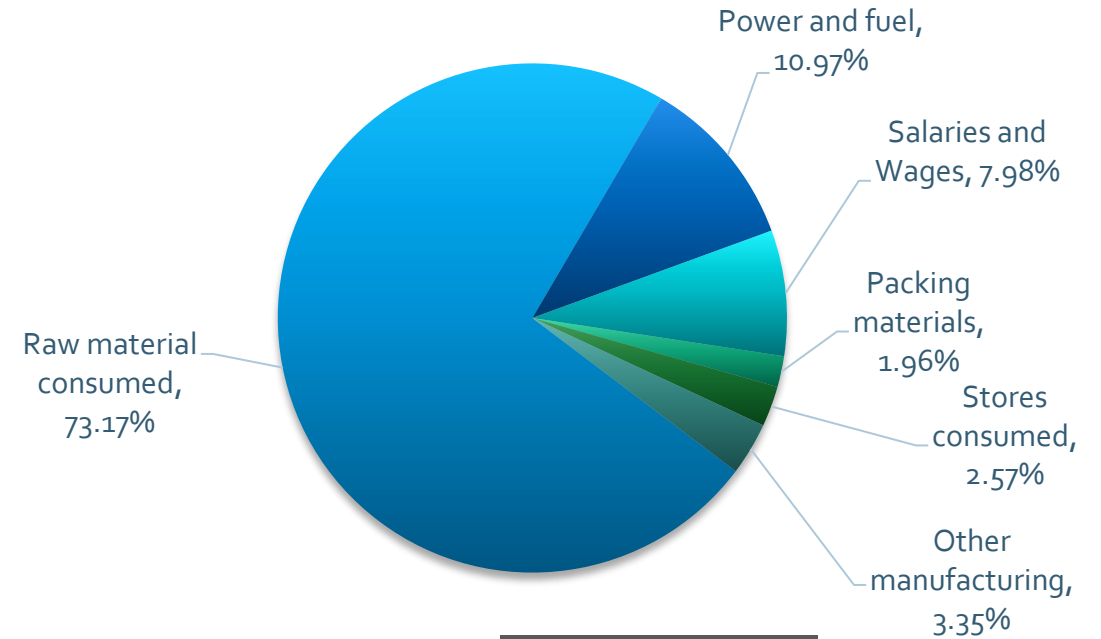
Cost of Goods Manufactured



June-2020

Total	
Rupees in '000'	% of COGM

Raw material consumed	19,690,517	71.80%
Power and fuel	3,340,507	12.18%
Salaries and Wages	1,985,346	7.24%
Packing materials	517,982	1.89%
Stores consumed	684,716	2.50%
Other manufacturing	1,204,462	4.39%
Total	27,423,530	100.00%

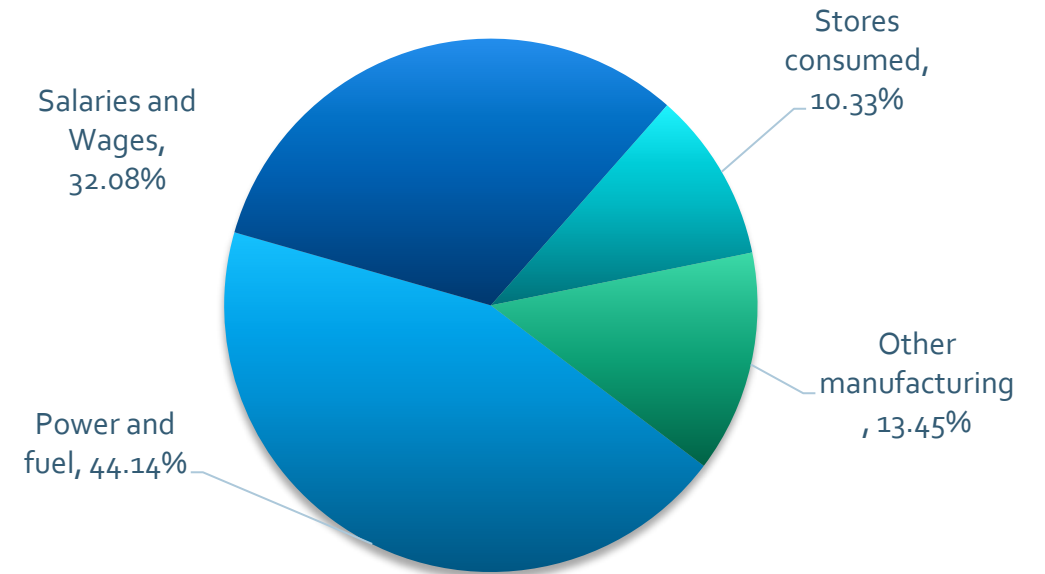
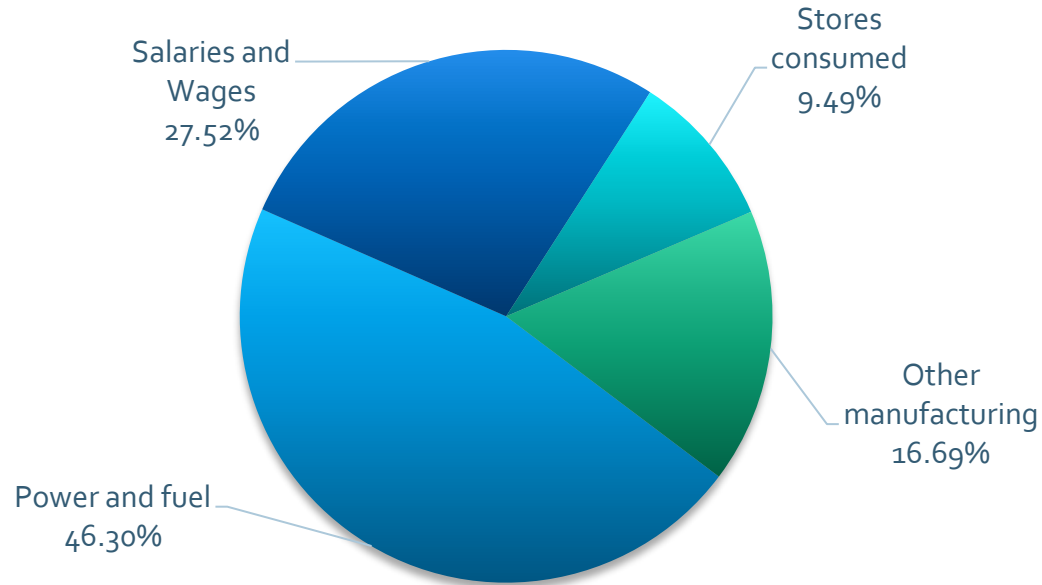


June-2019

Total	
Rupees in '000'	% of COGM

Raw material consumed	21,072,612	73.17%
Power and fuel	3,160,387	10.97%
Salaries and Wages	2,296,835	7.98%
Packing materials	565,069	1.96%
Stores consumed	739,476	2.57%
Other manufacturing	963,360	3.35%
Total	28,797,739	100.00%

Conversion Cost



	June-2020	
	Total	
	Rupees in '000	%
Power and fuel	3,340,507	46.30%
Salaries and Wages	1,985,346	27.52%
Stores consumed	684,716	9.49%
Other manufacturing	1,204,462	16.69%
	7,215,031	100.00%

	June-2019	
	Total	
	Rupees in '000	%
Power and fuel	3,160,387	44.14%
Salaries and Wages	2,296,835	32.08%
Stores consumed	739,476	10.33%
Other manufacturing	963,360	13.45%
	7,160,058	100.00%

Future Outlook

- The Economy is fencing its way towards stability as the number of recovered COVID-19 cases are increasing day by day. However, there is still the chances that second wave of the COVID-19 pandemic can dampen the hopes of economic recovery.
- Desirable affects on the Country's economy will be witnessed, as a result of the initiatives taken by the Government and the SBP to revive the economy.
- Achievement of the revenue target set by the FBR for the first quarter ended September 30, 2020 is another positive indication of economic stability.
- It is also expected that in order to boost the confidence of investors and to further provide the cash flow support, the Government will timely release Tax Refunds/DLTL Claims, etc.

Future Outlook ---Cont'd

- It is also expected that on account receipt of financial assistance from international agencies, diminishing inflationary pressure on the economy, and expected projected official and private inflows, the Rupee will maintain its stability.
- The COVID-19 pandemic has provided the Company opportunity to cater the surge in demand of textile products in the medical field.
- Capital Expenditure incurred will help the Company to sustain costs and maintain competitive edge.



Q&A Session



Thank You