

CORPORATE BRIEFING SESSION ON FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2021



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Textile Mills Limited (GTML) was incorporated in Pakistan on February 23, 1988 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange.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 and Gadoon Amazai, Khyber Pakhtunkhwa province. We have a diverse portfolio of products tailored to meet the needs of local and foreign markets.

Business Segments



SPINNING



KNITTING



DAIRY

Product Portfolio



Product Portfolio



FINANCIAL STATEMENTS ANALYSIS



BUSINESS ANALYSIS (Half Year Ended 31 December 2021)

● Positive
● Negative

(Rupees in '000)

SPINNING	2021	2020	% Change
Local Sale	9,109,651	7,724,172	● 17.94%
Direct Export Sale	4,607,194	1,877,267	● 145.42%
Indirect Export Sale	10,352,551	7,730,014	● 33.93%

KNITTING	2021	2020	% Change
Local Sale	43,879	87,196	● -49.68%
Export Sale	2,193,944	998,623	● 119.70%

REVENUE	2021	2020	% Change
Spinning	24,069,396	17,331,453	● 38.88%
Knitting	2,237,823	1,085,819	● 106.10%
Dairy	196,831	135,774	● 44.97%
Total	26,504,050	18,553,046	● 42.86%

OTHER INCOME	2021	2020	% Change
ICI	435,846	175,570	● 148.25%
YEL	206,980	133,866	● 54.62%
OTHERS	114,747	125,708	● -8.72%
Total	757,573	435,144	● 74.10%

TOTAL	2021	2020	% Change
INCOME	27,261,623	18,988,190	● 43.57%
EXPENSES	23,725,670	18,141,022	● 30.78%

NET PROFIT	2021	2020	% Change
TOTAL	3,535,953	847,168	● 317.39%

COST OF SALES	2021	2020	% Change
Raw Material	17,074,817	11,567,848	● -47.61%
Power	2,013,695	1,989,491	● -1.22%
Salaries	1,423,784	1,213,982	● -17.28%
Store	548,841	464,540	● -18.15%
Others	1,379,407	1,015,469	● -35.84%
Valuation Difference	(375,424)	841,600	● 144.61%
Total	22,065,120	17,092,930	● -29.09%

ADMIN, DISTRIBUTION & OTHER	2021	2020	% Change
Admin Cost	171,540	142,868	● -20.07%
Distribution	666,465	257,903	● -158.42%
Others	243,262	92,699	● -162.42%
Total	1,081,267	493,470	● -119.12%

FINANCE COST	2021	2020	% Change
Short Term	102,915	288,105	● 64.28%
Long Term	57,226	49,305	● -16.07%
Others	17,396	13,969	● -24.53%
Total	177,537	351,379	● 49.47%

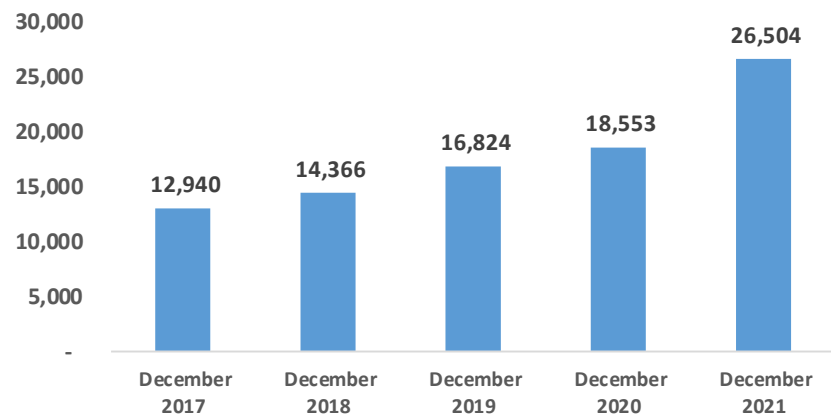
TAXATION	2021	2020	% Change
Current	425,442	230,031	● -84.95%
Prior	-	452	● 100.00%
Deferred	(23,696)	(27,240)	● -13.01%

		December		
UoM		2021	2020	2019
GP to sales	Percentage	16.75%	7.87%	9.99%
Net profit after tax to sales	Percentage	13.34%	4.57%	4.87%
EBITDA to sales	Percentage	17.43%	10.16%	12.27%
EBDA to sales	Percentage	15.24%	7.18%	7.75%
Return on equity	Percentage	24.88%	8.91%	8.62%
Return on capital employed	Percentage	21.40%	10.39%	12.54%
Current ratio	Times	1.33	1.13	1.07
Cash to current liabilities	Times	0.01	0.01	0.01
Inventory turnover	Days	117	126	120
Debtor turnover	Days	27	26	37
Creditors turnover	Days	41	44	39
Operating cycle	Days	103	108	118
Asset turnover	Times	0.72	0.62	0.58
Fixed Asset turnover	Times	2.49	1.83	1.66
Leverage Ratio (D/E)	Times	0.68	1.07	1.31
Earnings per Share	Rupees	126.15	30.22	29.21



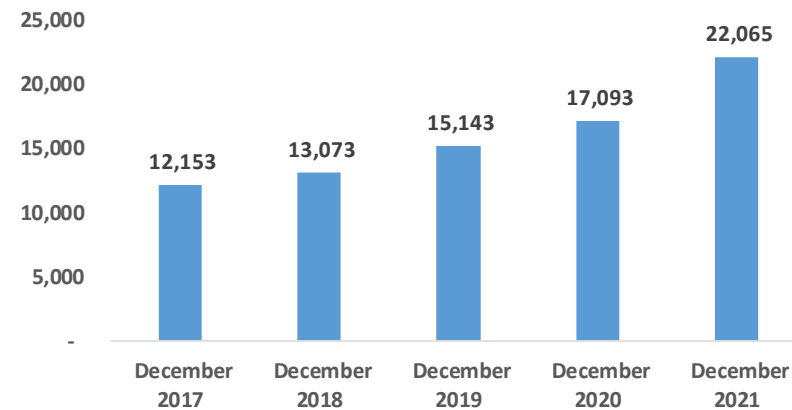
Rs in 'Million

Revenue



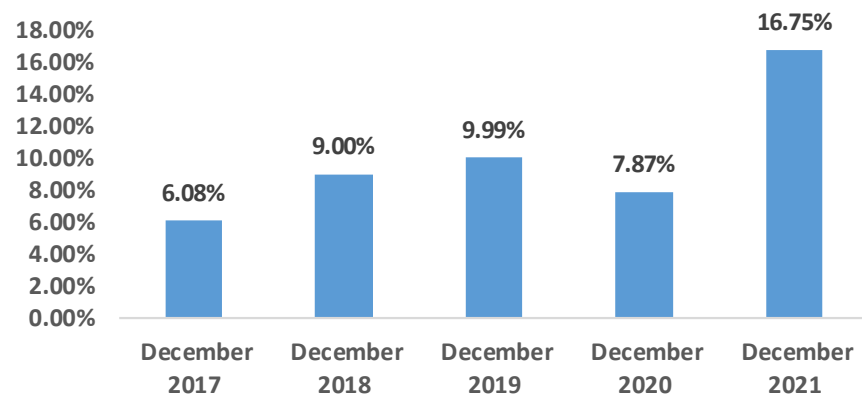
Rs in 'Million

Cost of Sales



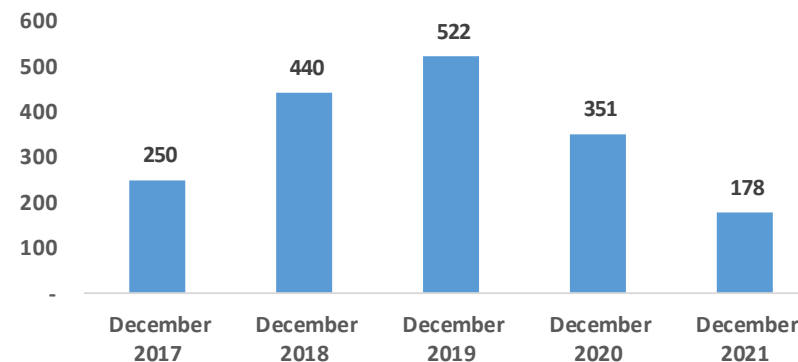
In Percentage %

GP Ratio



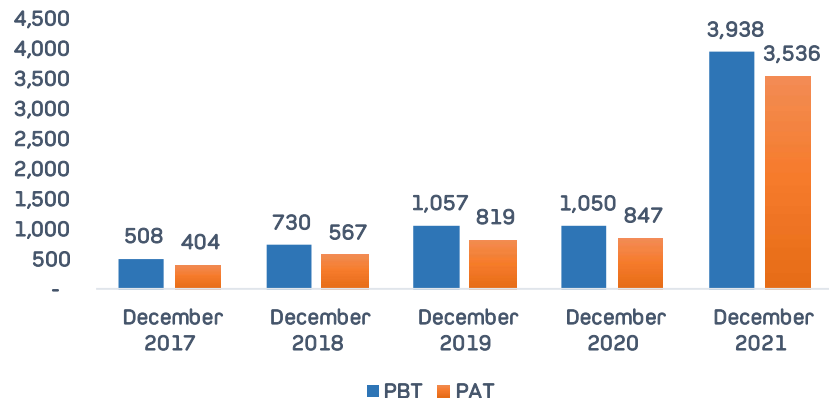
Rs in 'Million

Finance Cost



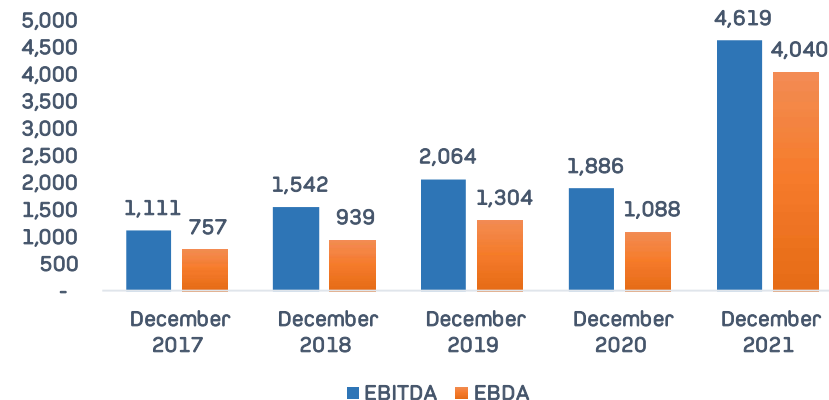
Rs in 'Million

PBT / PAT



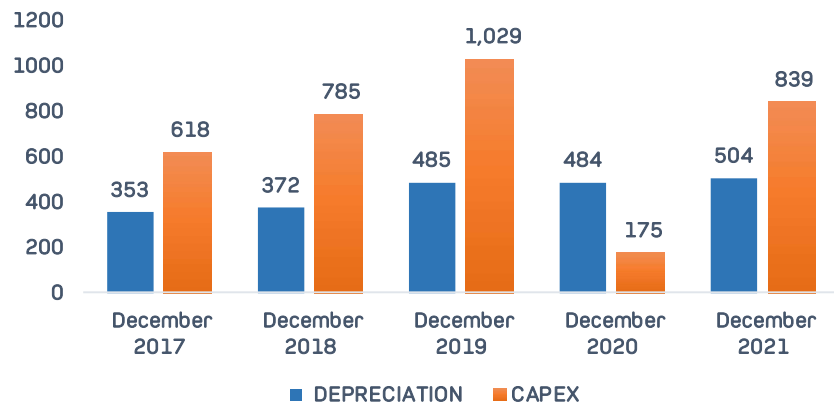
Rs in 'Million

EBITDA / EBDA



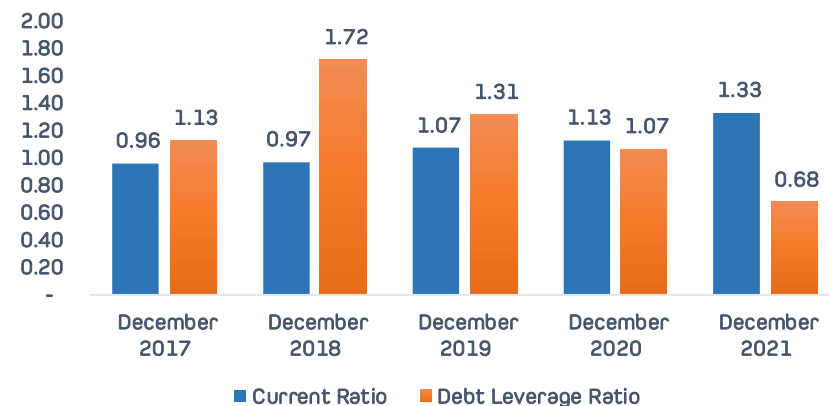
Rs in 'Million

Depreciation / CAPEX

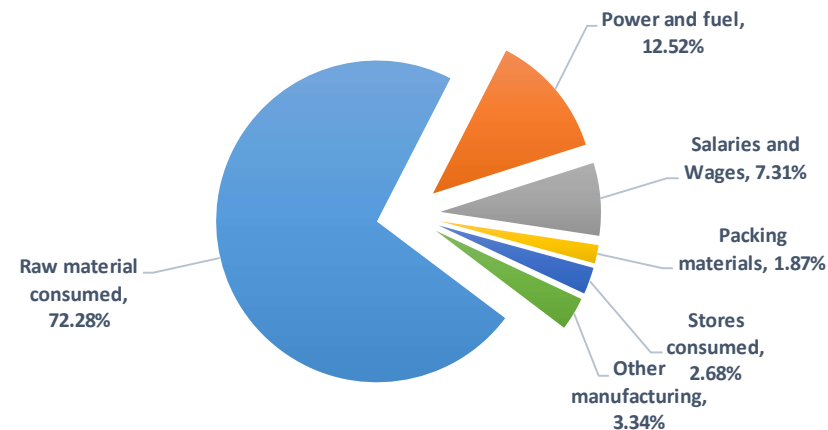
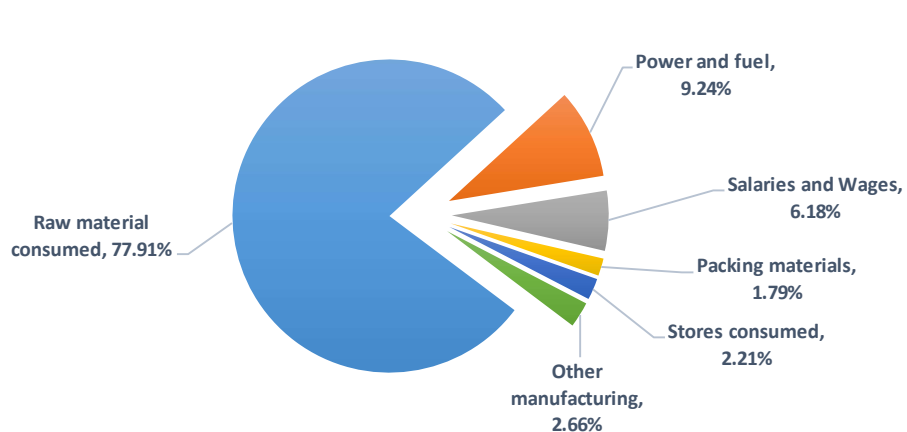


Times

Current / Debt Leverage Ratio



Cost of Goods Manufactured - Spinning



	Dec-21		Dec-20	
	Rupees in '000'	% of COGM	Rupees in '000'	% of COGM
Raw material consumed	16,866,808	77.91%	11,443,607	72.28%
Power and fuel	2,000,780	9.24%	1,981,798	12.52%
Salaries and Wages	1,338,407	6.18%	1,157,755	7.31%
Packing materials	386,821	1.79%	296,135	1.87%
Stores consumed	478,474	2.21%	424,893	2.68%
Other manufacturing	576,909	2.66%	528,073	3.34%
	21,648,199	100.00%	15,832,261	100.00%

Analysis of Break-Up & Market Value

Fiscal Period	Break-up Value Per Share Rs	Market Value Per Share Rs	Eaming Per Share Rs	Market Capitalisation Rs in '000
December 2017	265.50	207.67	14.43	5,820,990
December 2018	304.17	268.13	20.24	7,515,684
December 2019	349.27	181.00	29.21	5,073,430
December 2020	354.32	221.16	30.22	6,199,115
December 2021	564.55	285.00	126.66	7,988,550

M.V. dated 08-February-2022

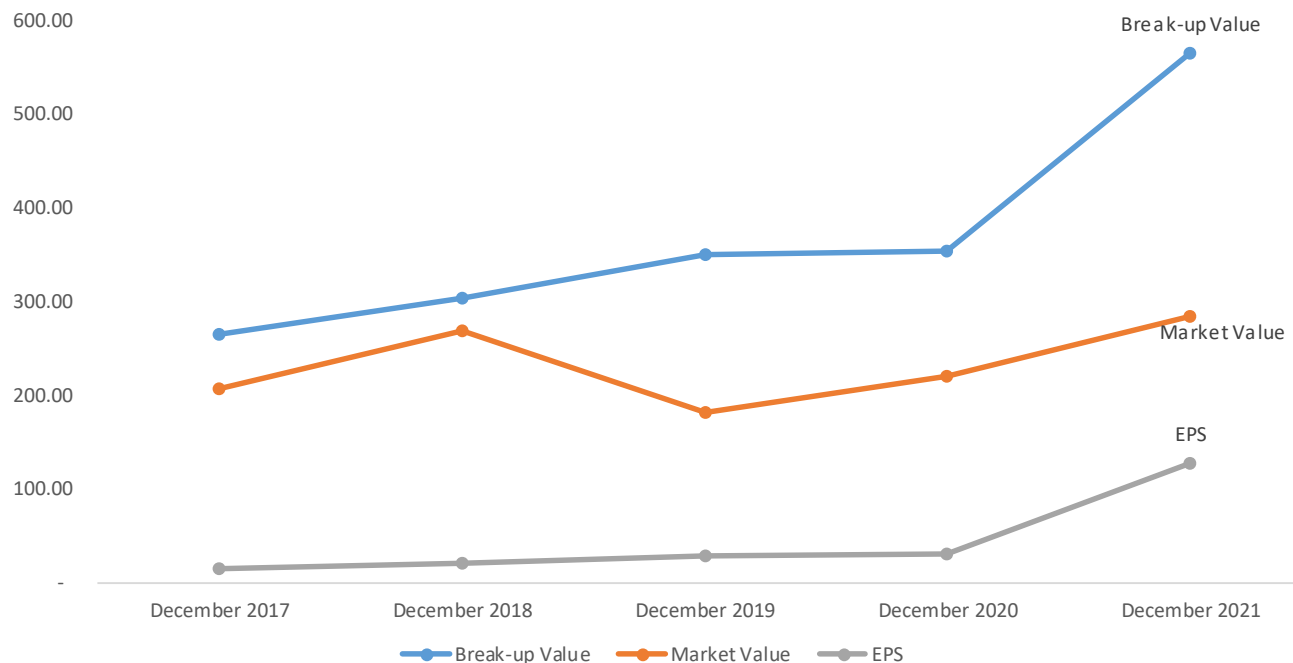
Rs. 290.00

Last 52 weeks range:

Rs. 207.50- 393.00

Shares Traded: 14,437

(Average per day Last 12 Months)



FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2021



Statement of Financial Position

ASSETS

Non Current Assets

	Rs. in '000 Dec 31, 2021	Rs. in '000 June 30, 2021
Property, plant and equipment	10,573,361	10,253,638
Biological Asset - Animals	240,760	208,396
Long term loans	51,516	28,950
Long term deposits	34,703	33,576
Long term investments	3,973,195	3,570,625
	<u>14,873,535</u>	<u>14,095,185</u>

Current Assets

Stores, spares and loose tools	652,819	647,854
Stock-in-trade	17,162,999	10,877,270
Trade debts	3,648,781	4,038,372
Loans and advances	192,090	234,103
Trade deposits and short term prepayments	58,265	40,911
Short term investments	4,114,324	-
Other receivables	799,862	641,181
Current tax asset	367,905	508,154
Cash and bank balances	242,584	143,166
	<u>27,239,629</u>	<u>17,131,011</u>
Total Assets	<u>42,113,164</u>	<u>31,226,196</u>



Rs. in '000

 Dec 31,
2021

 June 30,
2021

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

15,391,836

12,192,238

15,809,673

12,610,075

Non Current Liabilities

Long term finance

4,102,617

3,906,240

Deferred government grant

213,307

144,078

Retirement benefit obligation

745,762

714,068

Deferred tax liabilities

757,121

780,817

5,818,807

5,545,203

Current Liabilities

Short term borrowings

9,587,693

5,038,783

Trade and other payables

9,888,212

7,101,857

Unclaimed dividend

26,586

22,474

Current portion of long term finance

832,885

735,143

Current portion of deferred government grant

58,397

54,077

Accrued mark up

90,911

118,584

20,484,684

13,070,918

Total Equity and Liabilities

42,113,164

31,226,196



Rs. in '000

Statement of Profit or Loss

	For the Half Year ended					
	31-Dec-21	%	31-Dec-20	%	Variance	%
Sales - net	26,504,050	100.0	18,553,046	100.0	7,951,004	42.9
Cost of sales	(22,065,120)	(83.3)	(17,092,930)	(92.1)	(4,972,190)	(29.1)
Gross profit	4,438,930	16.7	1,460,116	7.9	2,978,814	204.0
Distribution cost	(666,465)	(2.5)	(257,903)	(1.4)	(408,562)	(158.4)
Administrative expenses	(171,540)	(0.6)	(142,868)	(0.8)	(28,672)	(20.1)
	(838,005)	(3.1)	(400,771)	(2.2)	(437,234)	(109.1)
Operating profit	3,600,925	13.6	1,059,345	5.7	2,541,580	239.9
Financial charges	(177,537)	(0.7)	(351,379)	(1.9)	173,842	49.5
Other operating expense	(243,262)	(0.9)	(92,699)	(0.5)	(150,563)	(162.4)
	(420,799)	(1.6)	(444,078)	(2.4)	23,279	(5.2)
Other income	112,437	0.4	124,314	0.7	(11,877)	(9.6)
Share of profit from associates	645,136	2.4	310,830	1.7	334,306	107.6
	757,573	2.8	435,144	2.4	322,429	74.1
Profit before taxation	3,937,699	14.8	1,050,411	5.7	2,887,288	274.9
Taxation	(401,746)	(1.5)	(203,243)	(1.1)	(198,503)	(97.7)
Profit after taxation	3,535,953	13.3	847,168	4.6	2,688,785	317.4



FUTURE OUTLOOK



FUTURE OUTLOOK

- Performance of any organization mainly depends on consistency in government policies and provision of basic utilities including supply of gas, any hinderance of which have impact on the organization's performance. The Company expects that the upcoming government policies will be favorable for the businesses for their long-term growth.
- It is also expected that the upcoming textile policy will have a positive impact on the overall textile's sector performance.
- To increase the overall performance, the Company in addition to increasing its customer base is also planning further expansion in the value-added segment which will help the Company to build synergies, consequently having a positive impact on the net margins.
- It is also expected that FBR performance will remain on track and it will be able to achieve its yearly collection target. Further, it is expected there would be no significant increases in KIBOR in short term.
- The acceleration of worldwide inflation, as well as a significant increase in freight charges and supply chain constraints is making international trade more costly. However, sustainability of the current growth requires that the trade deficit remains manageable, which seems to be a challenge for government.
- With the Finance Supplementary Act, 2022 on the cards now, controlling inflation requires a significant effort from Government.



Q&A SESSION

**THANK
YOU**