



Revival Plan for Mian Textile Industries Limited

**Presented to
Pakistan Stock Exchange Limited**

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Introduction

Mian Textile Industries Limited (“MTIL” or the “Company”) was incorporated in Pakistan in 1986 as a Public Limited Company under the Companies Ordinance, 1984. The company was principally engaged in the business of manufacturing, sale and export of textile products. The textile industry crisis hit in the mid-2010s, and Mian Textile was severely affected. In an extraordinary meeting held in April 2017, shareholders decided that the operation of the manufacturing unit was not viable. Instead, the unit was closed and the land, building and remaining plant and machinery of the company were to be disposed off.

Elahi Group of Companies (“EGC”) started operations in Pakistan in 1971 as a trading house and has transformed itself into a diversified group with prominent interests in warehousing, logistics, ecommerce, technology and commodity trading.

Mr. Danish Ealhi of Elahi Group of Company has successfully completed the acquisition of the MTIL on 15th February, 2021. The new potential sponsor intends to revive the operations with introducing the Warehouse Management.

- ✓ The company plans to start with the warehouses in both Northern and Southern Parts of the Country
- ✓ Initially the operations will start with a substantial area of total warehouse space.
- ✓ The Company also intends to introduce Collateral Management Services.



Warehousing Opportunities

- **90% or more** of CPEC trade is expected through road transportation
- **28.2%** of CPEC Investment, approx. **US \$14bn**, invested in the development of transport & logistics
- **9 Special Economic Zones** to be created to facilitate businesses to create warehousing and logistic centers (BOI)
- Private investment in Pakistan's logistics and warehousing industry can be potentially around **US \$31 billion**.
- **US \$8.1Bn** under-construction ML1 is a long term infrastructure project creating warehousing and storages facilities requirement along the route
- **3.6Mn+ Jobs** to be created, (Karandaaz, Pakistan) of which a significance portion would be in Warehousing and Logistics
- Cold Chain Logistics has considerable investment opportunity as Pakistan's 50% Agricultural produce is wasted due to lack of standardized storage facilities on the route



Products Portfolio

- Elahi Group is the pioneer in the warehousing industry in Pakistan offering state of the art warehousing and open space storage facilities across Pakistan
- Elahi Group will bring in an extensive network of international and local warehousing clients, which we have provided state of the art dedicated facilities that are ideal for their e-commerce logistics structure.
- We intend to provide a complete bonded warehousing solutions including inventory management, near Karachi Port for import shipments with state of the art security and vigilance systems. We aim to expand operations in Gwadar Port in the future.
- Pakistan's 1st Collateral management company formed under the new SECP Regulations to provide the following facilities to both local and international clients:
- The Elahi Group has developed a ONE WINDOW solution for their clients collateral management requirement;
- Bank's clients with transportation (to & from ports / destinations), state-of-the-art warehousing, packaging, inventory management, delivery management etc.



Financing Plan

- The Elahi Group of Companies under Mr. Danish Elahi's leadership has become of the leading Courier and Logistics service provider. The performance track record and plan to implement certain plans for meeting the above objectives
- We believe that in as little as 6 months (i.e Dec'21), MTIL can become a fully functional and profitable company
- As per proposed plan, a rights issue of PKR 1,200 million is in the pipeline and a PKR 2,500 million debt facility to finance the warehouse civil work.
- The management expects with the growing demand due to surge in e-commerce activity



CPEC's Role and Future Outlook

| Areas | Description |
|-----------------------------------|--|
| Warehousing and Bonded Facilities | The Company plans to provide these facilities along the planned Special Economic Zones |
| Collateral Management Services | Collateral Management Service will add confidence of the international players in our Market and Transpiration Network |
| Online Facility | With the coming of digital age the Company will provide E-booking facility to international clientele |
| One-Stop Solution | One-Window solution for businesses through JV and management expertise in the industry ranging from clearing to transportation |

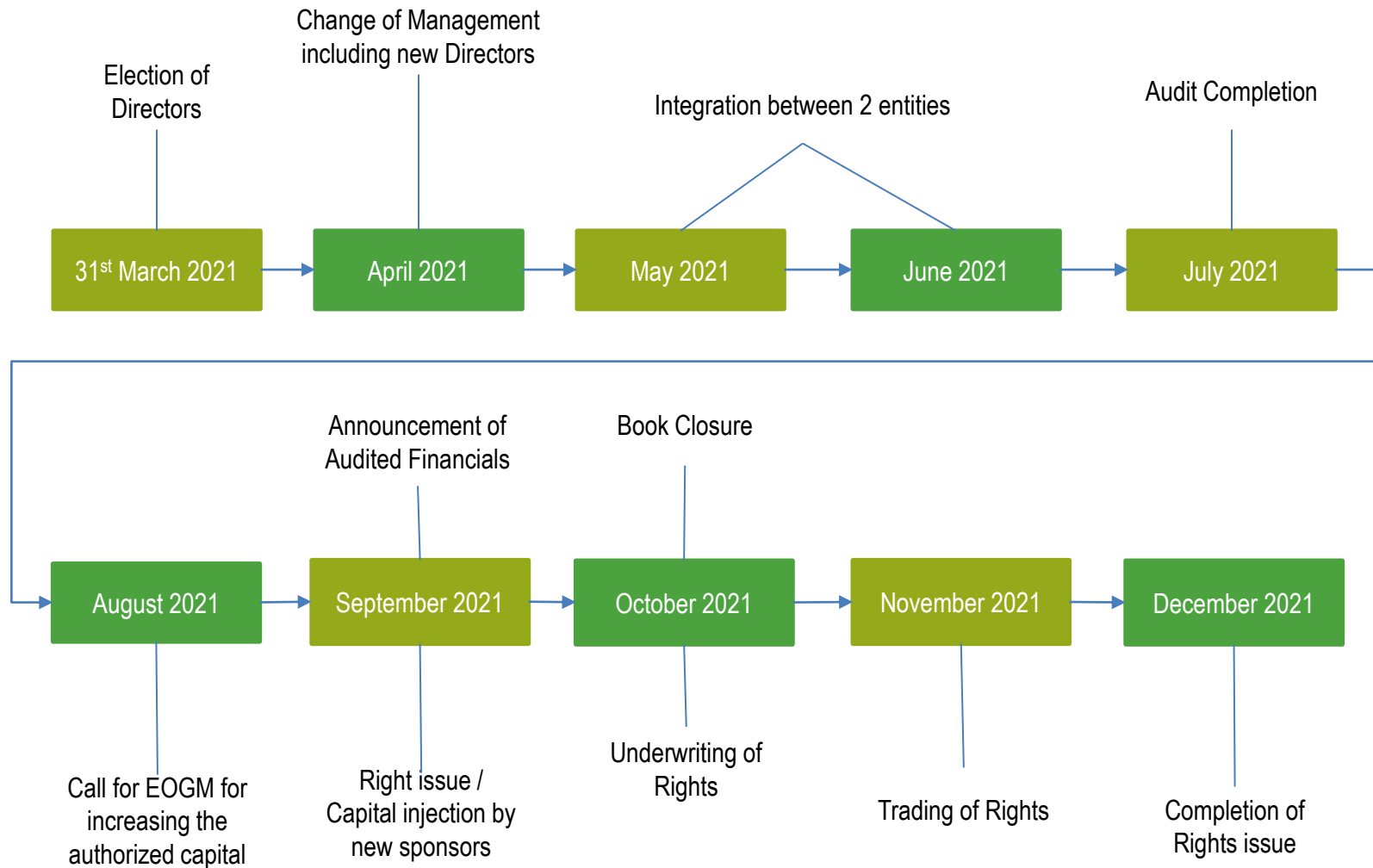


Demand for warehousing and increase in demand

- The management expects with the growing demand due to surge in e-commerce activity and especially in the economy as a whole. This will create newer demand for warehousing.
- The assumptions have been used due to the following reasons.
- Capacity Utilization – 22%: It is believed that it takes time for any business to reach optimal capacity utilization. Hence, being prudent, a first year capacity utilization of 22% has been assumed. This will increase in the years to come, given current demand for space. However, the increase has been taken in a very prudent manner
- 560,000 sq ft are available with the Elahi Group and will be transferred into the business upon completion of rights issue in year 1.
- Growth at 10%: In order to be prudent, the rate of growth has been kept below the market demand for warehousing space, which has generally grown at a 20%+.

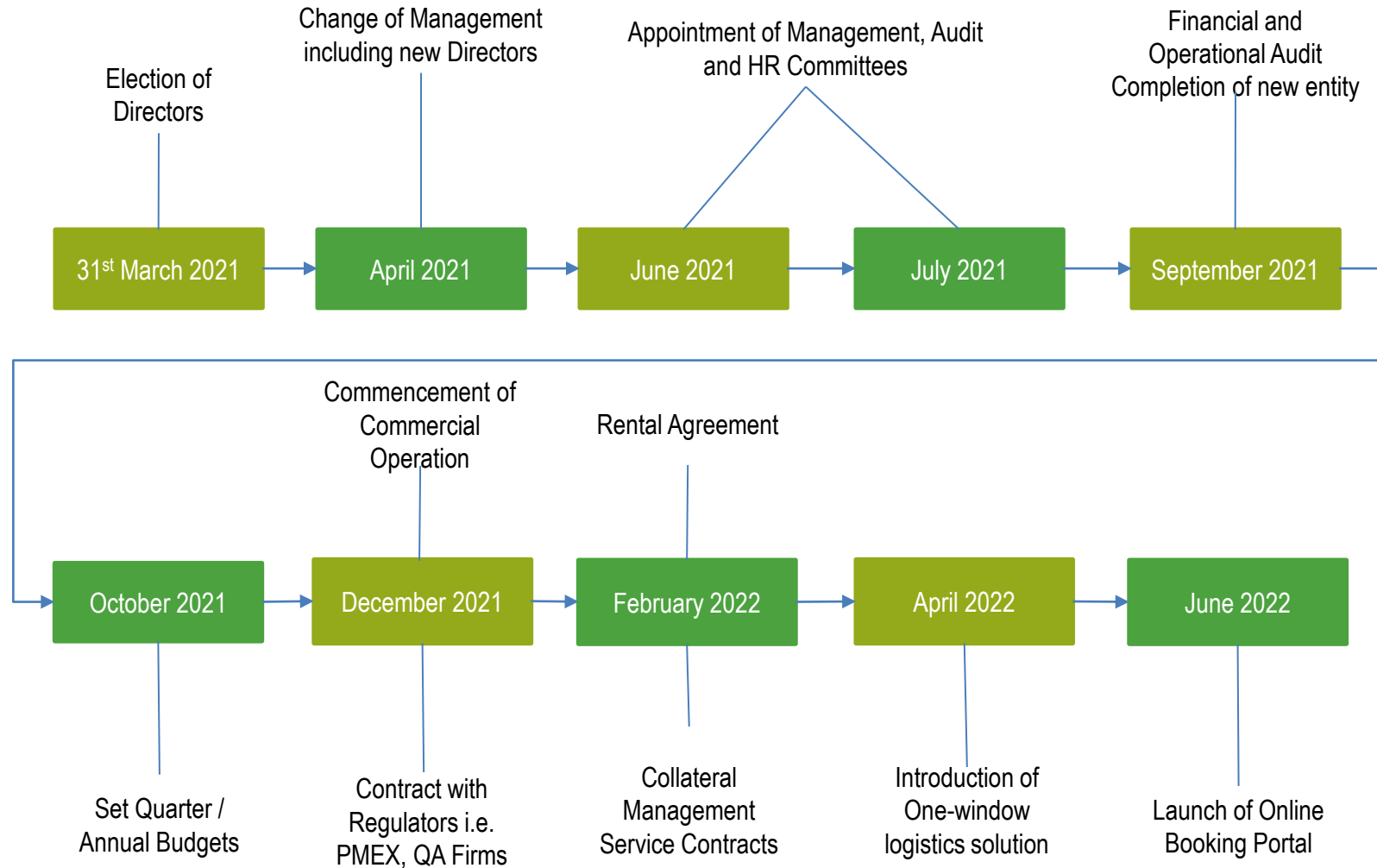


Expected Corporate Actions & Timeline





Expected Operational Timeline





Key Assumptions

Total Capacity (000) Sq. Feet

| Particulars | FY21-22 | FY22-23 | FY23-24 | FY24-25 | FY25-26 |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|
| North | 560 | 616 | 616 | 678 | 678 |
| Tradional Warehousing | 420 | 462 | 462 | 508 | 508 |
| Collatoral Management Warehousing | 140 | 154 | 154 | 169 | 169 |
| South | 2,240 | 2,464 | 2,464 | 2,710 | 2,710 |
| Tradional Warehousing | 1,680 | 1,848 | 1,848 | 2,033 | 2,033 |
| Collatoral Management Warehousing | 560 | 616 | 616 | 678 | 678 |

Expansion Plan (000) Sq. Feet

| Particulars | FY21-22 | FY22-23 | FY23-24 | FY24-25 | FY25-26 |
|-----------------------|--------------|------------|----------|------------|----------|
| North | 560 | 56 | 0 | 62 | 0 |
| South | 2,240 | 224 | 0 | 246 | 0 |
| Total Addition | 2,800 | 280 | 0 | 308 | 0 |



Key Assumptions ... Contd.

Capacity Utilization

| Particulars | FY21-22 | FY22-23 | FY23-24 | FY24-25 | FY25-26 |
|-------------|---------|---------|---------|---------|---------|
| North | 22% | 32% | 37% | 52% | 57% |
| South | 22% | 32% | 37% | 52% | 57% |

Rental Income (PKR/Sq. Feet)

| Particulars | FY21-22 | FY22-23 | FY23-24 | FY24-25 | FY25-26 |
|-----------------------------------|---------|---------|---------|---------|---------|
| North | | | | | |
| Tradional Warehousing | 960 | 1,027 | 1,027 | 1,027 | 1,027 |
| Collatoral Management Warehousing | 3,000 | 3,210 | 3,210 | 3,210 | 3,210 |
| South | | | | | |
| Tradional Warehousing | 960 | 1,027 | 1,099 | 1,176 | 1,258 |
| Collatoral Management Warehousing | 3,000 | 3,210 | 3,435 | 3,675 | 3,932 |



Financial Projections

Summary Financial Statement (PKR 000)

| Particulars | FY21-22 | FY22-23 | FY23-24 | FY24-25 | FY25-26 |
|-------------------------|----------|-----------|-----------|-----------|-----------|
| Revenue | 452,760 | 1,550,250 | 1,892,856 | 3,092,295 | 3,584,380 |
| Cost of Sales | 340,652 | 727,616 | 835,908 | 1,259,965 | 1,419,862 |
| Gross Profit | 112,108 | 822,634 | 1,056,947 | 1,832,330 | 2,164,518 |
| Administrative Expenses | 55,756 | 111,765 | 127,198 | 189,159 | 212,095 |
| Finance Cost | 170,377 | 173,917 | 152,935 | 157,619 | 156,102 |
| Other Income | 0 | 4,128 | 2,554 | 2,863 | 6,862 |
| Profit Before Taxation | -114,025 | 541,080 | 779,367 | 1,488,414 | 1,803,184 |
| Taxation | 6,791 | 156,913 | 226,017 | 431,640 | 522,923 |
| Profit After Tax | -120,816 | 384,167 | 553,351 | 1,056,774 | 1,280,260 |
| EPS | -0.70 | 2.23 | 3.22 | 6.14 | 7.44 |
| DPS | 0.00 | 0.50 | 1.50 | 3.00 | 4.50 |



Financial Projections ... Contd.

Summary Financial Position (PKR 000)

| Particulars | FY21-22 | FY22-23 | FY23-24 | FY24-25 | FY25-26 |
|---|------------------|------------------|------------------|------------------|------------------|
| Current Assets | 62,796 | 274,031 | 355,537 | 489,672 | 596,258 |
| Non-Current Assets | 4,053,000 | 4,246,200 | 4,031,055 | 4,265,851 | 4,050,262 |
| Total Assets | 4,115,796 | 4,520,231 | 4,386,592 | 4,755,523 | 4,646,520 |
| Total Equities | 1,592,724 | 2,104,165 | 2,187,050 | 2,517,575 | 2,482,487 |
| Non-Current Liabilities | 2,142,857 | 1,785,714 | 1,628,571 | 1,221,429 | 814,286 |
| Current Liabilities | 380,215 | 630,351 | 570,970 | 1,016,520 | 1,349,748 |
| Total Equities & Liabilities | 4,115,796 | 4,520,231 | 4,386,592 | 4,755,523 | 4,646,520 |

Summary Cashflow Position (PKR 000)

| Particulars | FY21-22 | FY22-23 | FY23-24 | FY24-25 | FY25-26 |
|---------------------------|--------------|---------------|----------------|----------------|----------------|
| Operating Cashflow | 88,672 | 609,913 | 767,196 | 1,281,885 | 1,543,122 |
| Investing Cashflow | -4,270,000 | -420,000 | 0 | -462,000 | 0 |
| Financing Cashflow | 4,187,529 | -115,865 | -728,515 | -835,680 | -1,498,047 |
| Change in Cashflow | 6,201 | 74,048 | 38,681 | -15,795 | 45,075 |
| Balance B/F | 0 | 6,201 | 80,249 | 118,930 | 103,135 |
| Balance C/F | 6,201 | 80,249 | 118,930 | 103,135 | 148,210 |

Thank you.