



Gatron (Industries) Limited

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Liaison Office : 11th Floor, G&T Tower, # 18 Beaumont Road, Civil Lines-10, Karachi-75530, Pakistan.

Tel: 35659500-6, Fax: 021-35659516, E-mail: headoffice@gatron.com

BY HAND/PUCAR

October 20, 2023

Ref: HK/FR/01/297/10/2023

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Dear Sir,

Subject: Corporate Briefing Session 2023 (CBS)

In continuation of our letter No.HK/FR/01/292/10/2023 dated October 10, 2023, on the subject matter, we are enclosing herewith Presentation for Corporate Briefing Session 2023 for information of TREC holders of the Exchange. Following are the details of the Session:

Date: October 27, 2023 (Friday)
Time: 11:45 a.m. (PST)
Venue: Makran Hall, Serena Hotel, Quetta

Interested participants desirous to attend the CBS virtually are requested to register over email at hanifkhatri@gatron-novatex.com with the subject "Corporate Briefing Session 2023" before 5:30 on October 24, 2023 for registration purposes. The interested participants are requested to kindly send their particulars (name, designation, company name, email address and WhatsApp contact number).

The video link and login details will be shared with the registered participants before CBS.

The Participants attending CBS in-person are requested to bring along their original CNIC for identification.

Thanking you,

Yours faithfully,

For **Gatron (Industries) Limited**


Muhammad Yasin Bilwani
Company Secretary

Encl: as above



GATRON (INDUSTRIES) LIMITED

CORPORATE BRIEFING

FOR THE FINANCIAL RESULTS 2023

Date : 27th October 2023

Venue : Serena Hotel, Quetta, Balochistan

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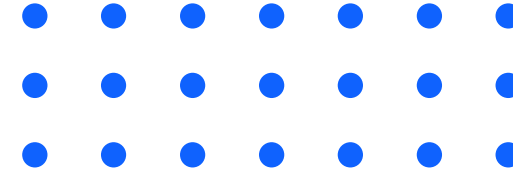


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- **Company Presence**
 - **Company's Overview**
 - **Strategic/Operational Developments**
 - **Financial highlights FY 2023**
 - **Business Analysis**
 - **Ratio Analysis**
 - Profitability Ratios
 - Turnover Ratios
 - **Capital Expenditure & Plant Capacity**
 - **Future Outlook and Challenges**
 - **Question & Answers**

CORPORATE BRIEFING

FOR THE FINANCIAL RESULTS 2023

COMPANY'S PRESENCE



- 1st Floor, Ahmed Complex, Jinnah Road, Quetta - Balochistan, Pakistan.
- Tel: 0092-81-2849396
- Fax: 0092-81-2825304

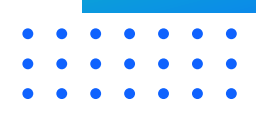
Registered Office

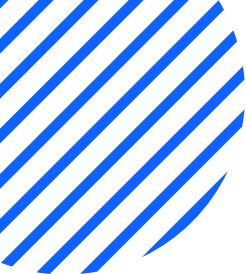
- 11th Floor, G&T Tower, #18 Beaumont Road, Civil Lines-10, Karachi-75530, Pakistan.
- Tel: 0092-21-35659500-10
- Fax: 0092-21-35659516.
- Email: headoffice@gatron.com

Liaison/Correspondence Office

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- Tel: 0092-853-364324-25
- Fax: 0092-853-363241

Plant (Factory)





COMPANY OVERVIEW



- Gatron (Industries Limited) was established in 1982 as a public limited company & located in the Hub-Balochistan.
- Gatron is one of the largest industrial employer in Hub-Balochistan.

POLYESTER FILAMENT YARN

- Gatron is the market leader of Polyester Filament Yarn in Pakistan.
- Producing a wide range of Polyester Filament Yarn products with varying lusters and colors.
- Our Denier Range covers a broad spectrum, offering options in Intermingled and Non-Intermingled Yarn.
- Gatron is also producing its recycled polyester yarn product “Ecoron” from 100% Post Consumer Waste

PET PREFORMS

- Gatron is one of the leading manufacturers of PET Preforms in Pakistan & produce high quality Water / CSD bottles Preforms.

KNITTED FABRIC

- Our circular knitted yarn are renowned for delivering exceptional comfort to the wearer,
- Our knitted fabrics are custom-designed using advanced technology, tailored to specific needs.
- Our dedication to quality and innovation makes us a trusted choice in the textile industry.



STRATEGIC/OPERATIONAL DEVELOPMENTS

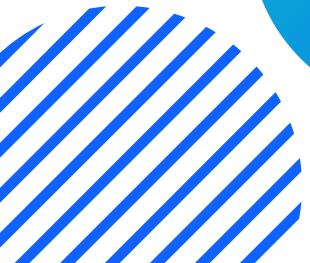


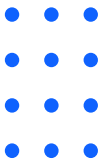
Positive Attributes

- Imposition of 5% Regulatory Duty on import of PFY.
- 60 TPD Spinning and Texturizing plant has been installed and is in commissioning phase.
- 660 TPD Polymer plant has been installed and is in commissioning phase.
- 1.75 TPD Circular Knitting Machines are also installed.
- Successful commissioning of new Automatic Packing and Inspection plant.
- Produce our own paper tubes for Cost saving.
- Power Generation capacity expansion:
 - KE Connection
 - HFO Generators
- Successful implementation of SAP S4 Hana.

- Unabated & intense dumping by Chinese PFY producers.
- Import restrictions have led delayed in opening of LCs for major Plant & Machinery.
- Higher interest rates.
- Unreliable supply of gas & arrangement of alternate supply.
- Delay in starting of new plants due to COVID restriction in China.

Adverse Attributes



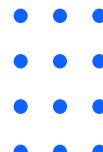
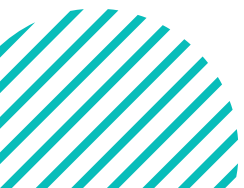


FINANCIAL HIGHLIGHTS FY 2023

Rupees in Thousands

| Operating Results | FY 2023 | FY 2022 | FY 2021 | FY 2020 | FY 2019 |
|------------------------------------|------------|------------|------------|------------|------------|
| | | | | | |
| Sales | 27,383,780 | 23,959,654 | 16,557,561 | 12,938,377 | 17,707,325 |
| Gross Profit/(loss) | 1,453,630 | 3,176,386 | 1,866,775 | 945,052 | 1,655,654 |
| Operating Profit/(loss) | 553,468 | 2,646,192 | 1,316,094 | 451,250 | 1,001,225 |
| Investment Income - Dividend | 1,072,313 | 225,750 | 112,875 | 1,212,750 | 1,120,088 |
| Profit/(loss) after taxation | 205,300 | 1,827,244 | 1,065,724 | 1,060,633 | 1,794,735 |
| Earning per Share | 2.68 | 23.81* | 27.78 | 27.65 | 46.78 |
| | | | | | |
| GP% of sales | 5.31% | 13.26% | 11.27% | 7.30% | 9.35% |
| Operating Profit/(Loss) % of sales | 2.02% | 11.04% | 7.95% | 3.50% | 5.70% |
| Dividend % | 30% | 0% | 0% | 125% | 265% |
| Bonus Share Issued | 383,645 | - | - | - | - |
| Financial Position | | | | | |
| Paid up Capital | 767,290 | 383,645 | 383,645 | 383,645 | 383,645 |
| Reserves & unappropriated profit | 7,092,777 | 7,387,796 | 5,571,507 | 4,949,084 | 4,920,353 |
| Break-up Value | 102.44 | 202.57 | 155.23 | 139 | 138.25 |
| Property, Plant & Equipment | 16,938,295 | 9,769,076 | 5,949,200 | 3,577,722 | 2,359,404 |
| Current Assets | 19,999,229 | 13,366,480 | 8,272,998 | 5,699,899 | 5,784,987 |
| Current Liabilities | 19,864,692 | 9,407,985 | 5,562,385 | 3,362,395 | 2,946,343 |
| Net Current Assets | 134,537 | 3,958,495 | 2,710,613 | 2,337,504 | 2,838,644 |
| Long Term Loans | 8,179,328 | 5,696,304 | 2,840,439 | 1,174,783 | 126,540 |
| Deferred Liabilities | 1,672,727 | 795,533 | 502,344 | 415,372 | 373,162 |

* Restated



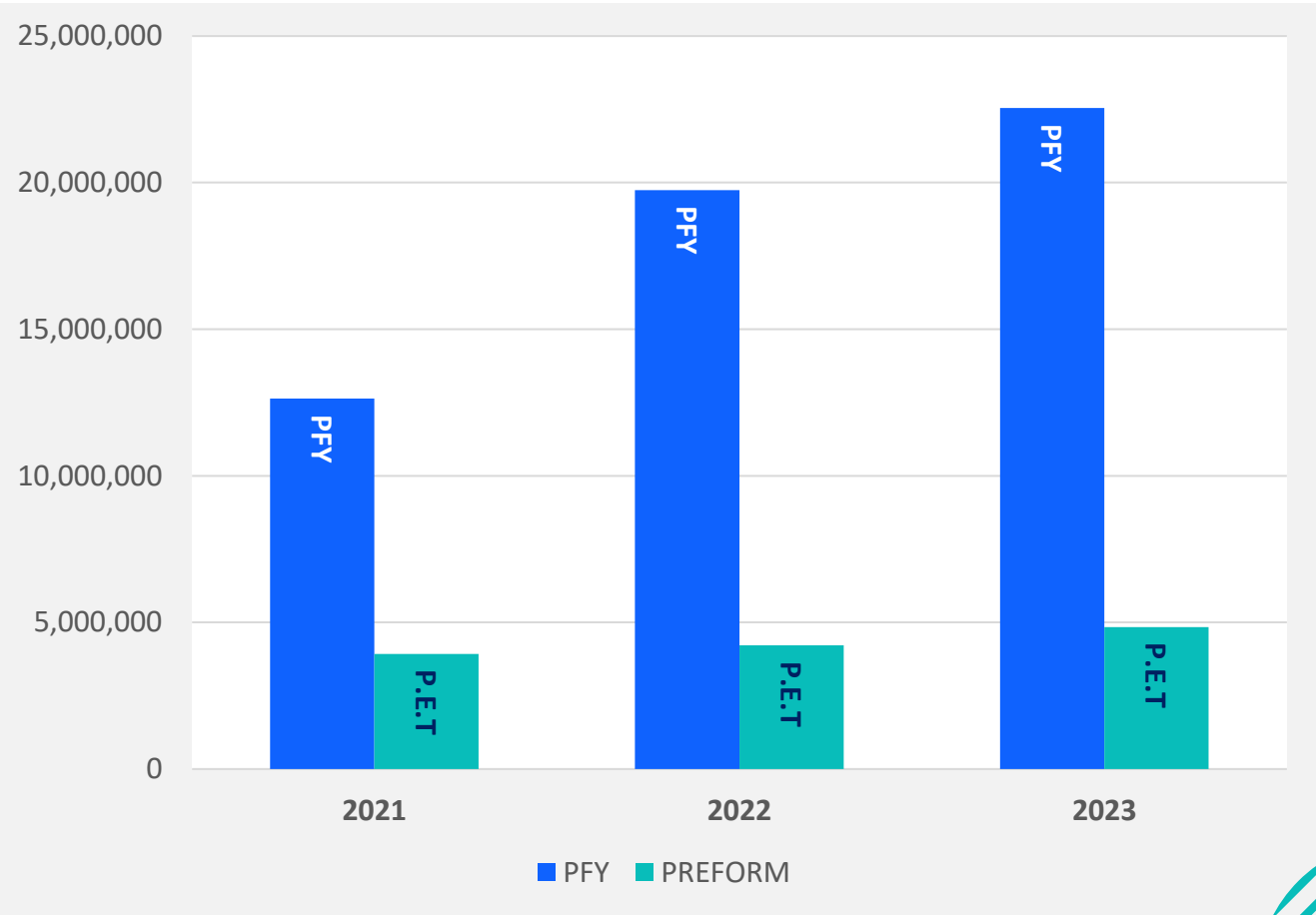
FINANCIAL HIGHLIGHTS FY 2023

YEARLY SALES

- Financial Growth:** Gatron achieved a net revenue of Rs. 27,383 million, marking a 14.29% increase from the previous year. The increase in revenue should be considered in perspective of the fluctuating exchange rates, i.e., US dollar to PKR Rs. 248 in the current year, compared to Rs. 178 in the previous year.
- Production & Market Dynamics:** PFY production for the year reached around 75% of capacity. In the second half of the year, prices increased due to the devaluation of PKR & sales remained low, partly due to the impact of floods and primarily due to intense dumping by Chinese PFY producers.
- PET Preforms Sales Decline:** PET preforms sales remained at lower side due to flood in peak demands months of July 22 & August 22 & low beverages demand.

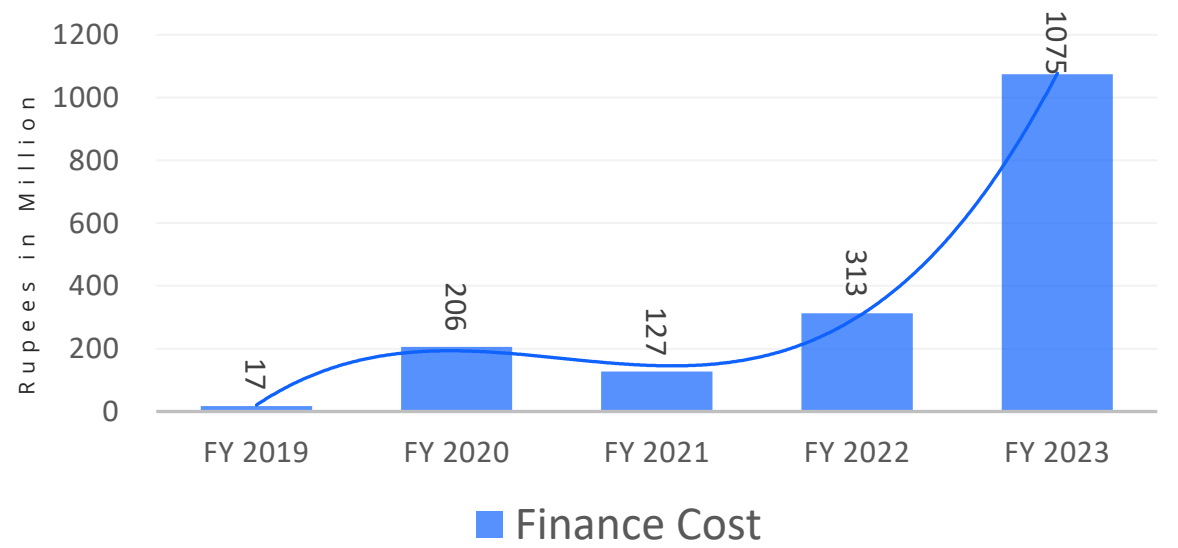
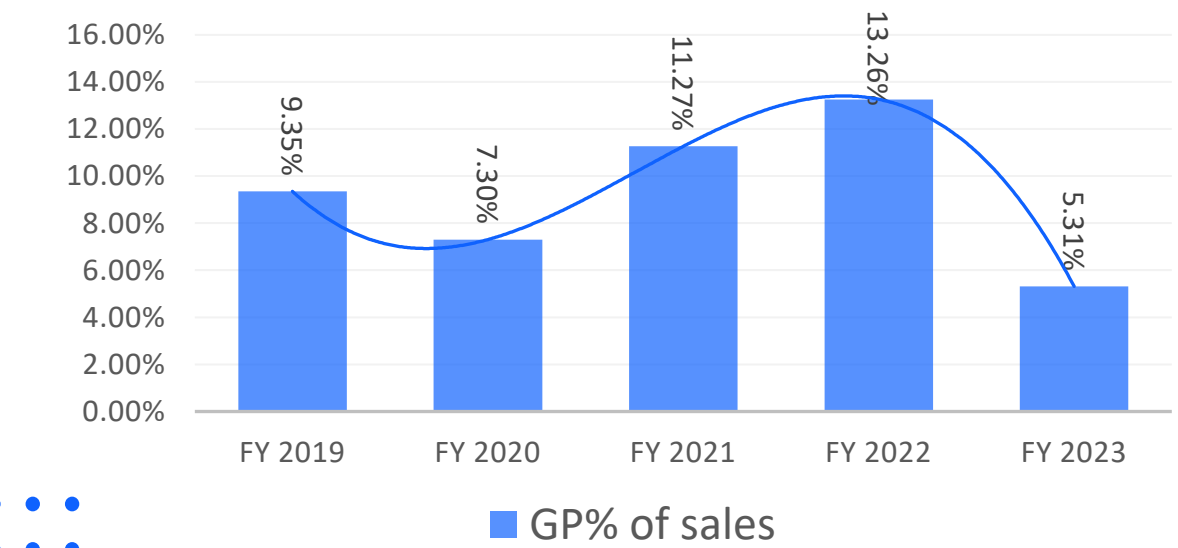
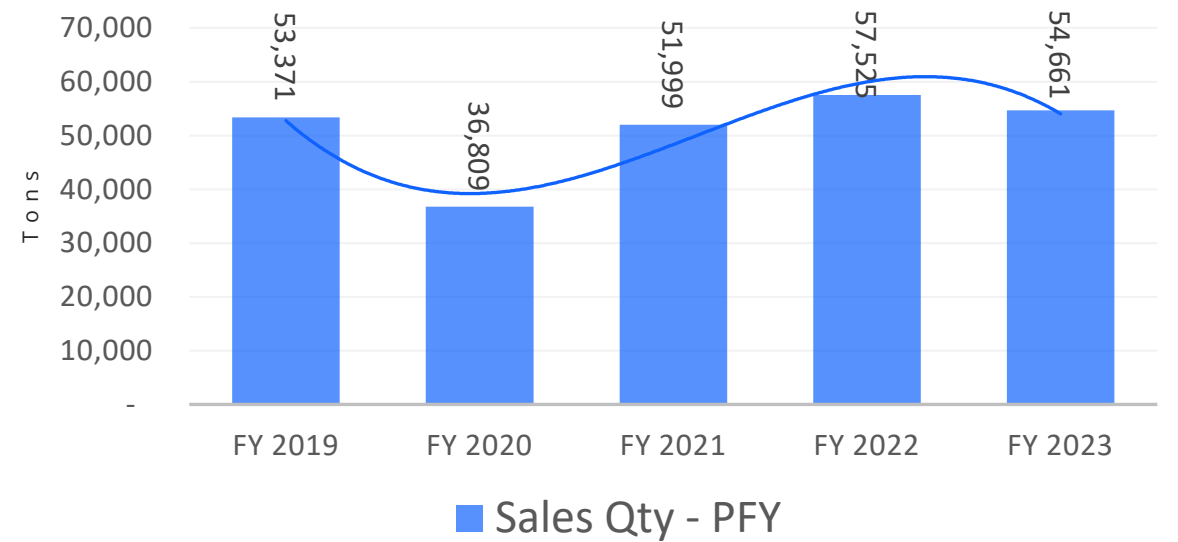
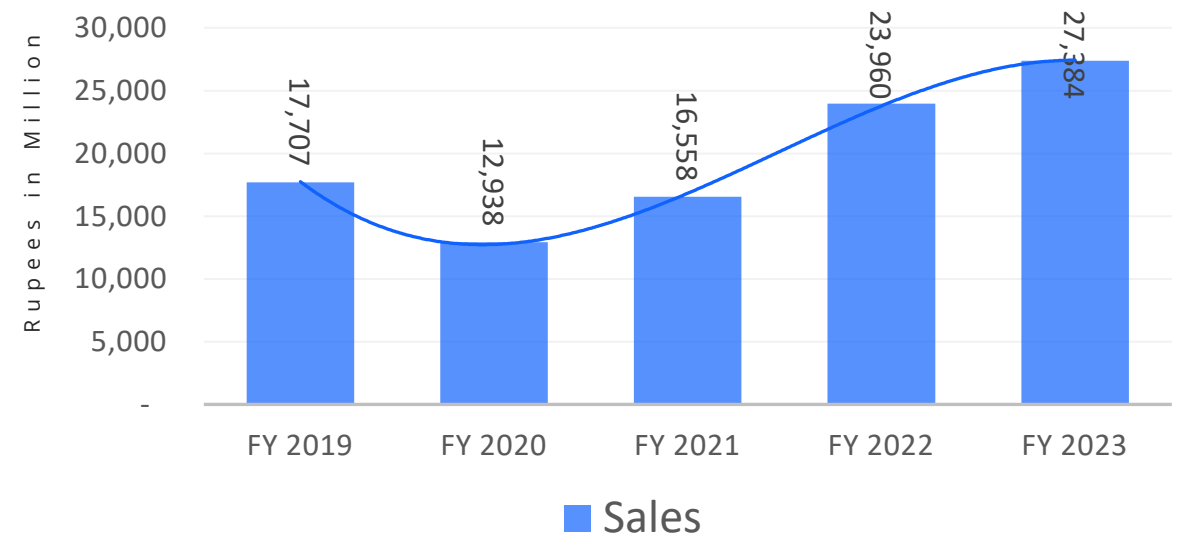
Rupees in Thousands

| Years | PFY | Preform | Total |
|-------|------------|-----------|------------|
| 2021 | 12,631,173 | 3,926,388 | 16,557,561 |
| 2022 | 19,745,058 | 4,214,596 | 23,959,654 |
| 2023 | 22,541,665 | 4,842,115 | 27,383,780 |

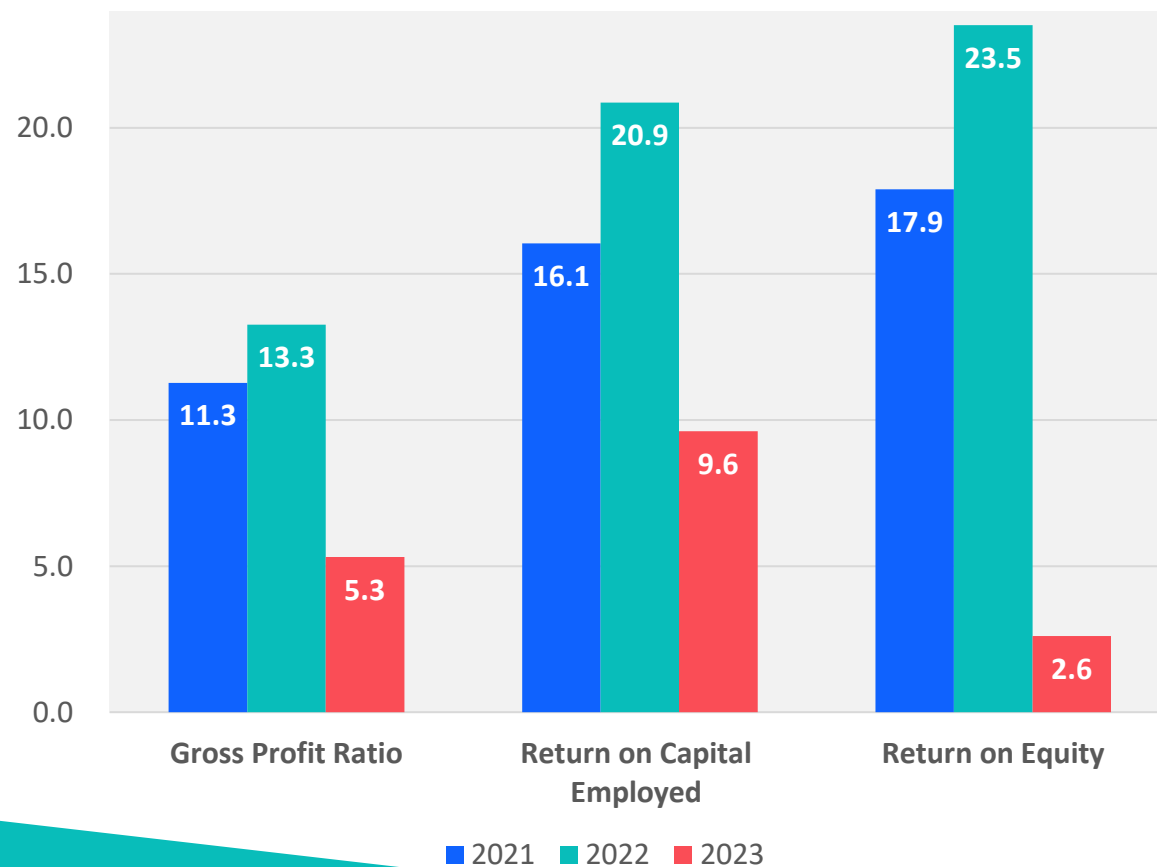


BUSINESS ANALYSIS

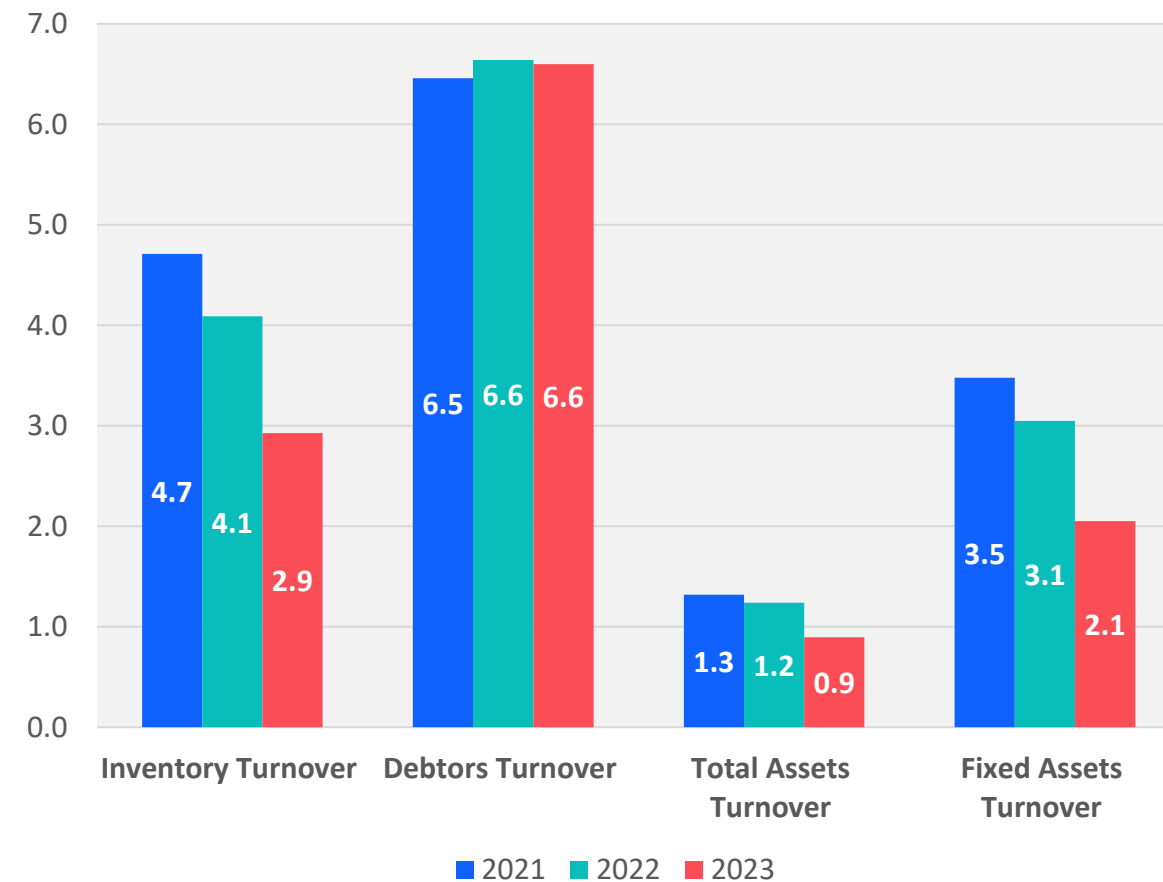
Graphical Presentation



PROFITABILITY RATIOS



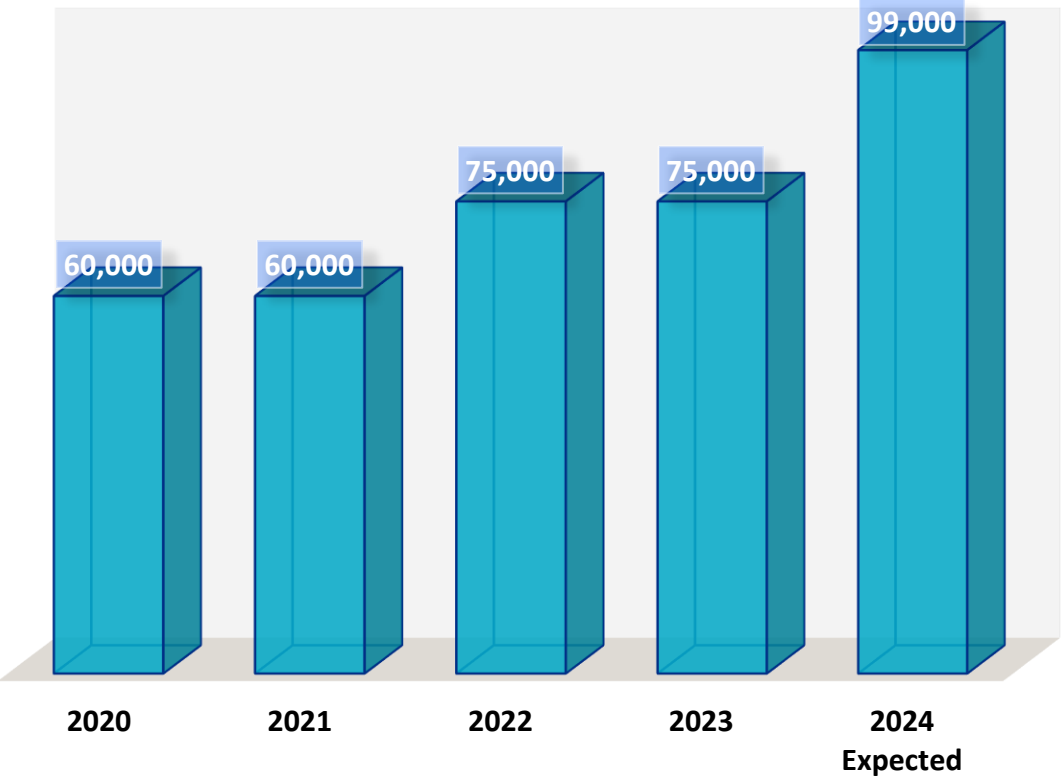
TURNOVER RATIOS



RATIO ANALYSIS

CAPITAL EXPENDITURE & PLANT CAPACITY

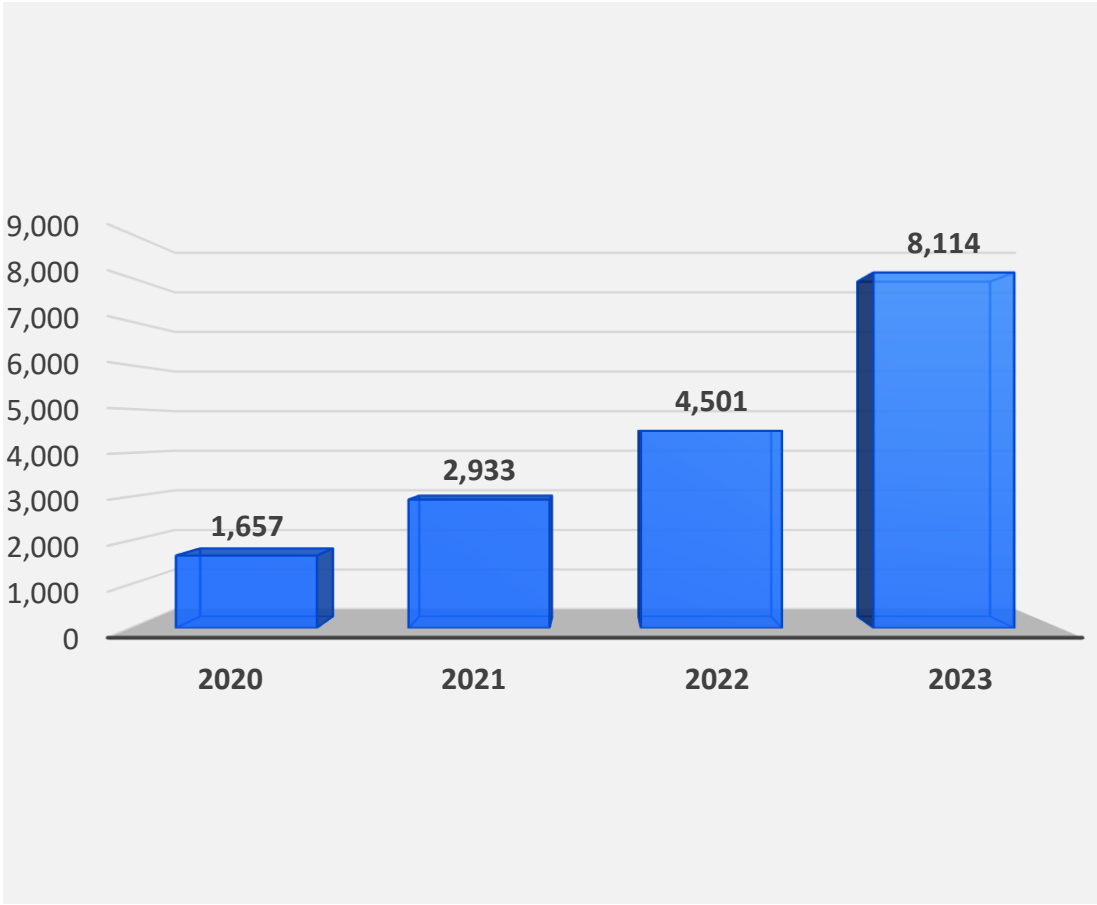
METRIC TONS



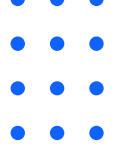
■ Plant Capacity-PFY-Mix denier

PLANT CAPACITY

RUPEES IN MILLIONS



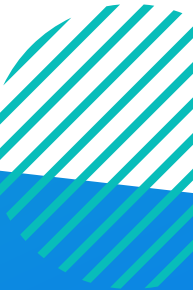
CAPITAL EXPENDITURE




Antidumping Duties, NTC Actions & Ongoing Challenges

- NTC imposed duties in 2017 in the range of 3.25% to 11.35%, but importers appealed and duties reduced to 2.78% to 6.82% in January 2022. The Importer again went into appeal in December 2022 and the Tribunal remanded the case accordingly & ADD are suspended since then. Further from January 2023 to August 2023 NTC was non-functional due to vacancies.
- ADD in Pakistan much lower than other countries (e.g., 16% to 32% by major nations).
- The importers continuously getting stay in one High Court to another High Court once & till now they have not paid over Rs. 16 Billions duties by this tactics.
- Continuation of 5% Regulatory Duty & ADD is much important to support the local PFY industry. Which is already in expansion phase.

FUTURE OUTLOOK AND CHALLENGES



- 
- Unreliable supply of gas & arrangement of alternate supply.
 - Significant increase in the markup rate by the State Bank of Pakistan.

Economic Significance & Call of Actions

- PFY imports among top contributors to trade deficit & Local PFY production crucial for reducing trade deficit, meeting growing domestic demand, and supporting local employment.
- The PFY industry is a major contributor to the Pakistani economy, generating billions of rupees in revenue and employing thousands of people.
- Collection of Anti Dumping duty by Government is vital to have level playing field for the growth of PFY industry and economic stability.



FUTURE OUTLOOK AND CHALLENGES



QUESTIONS & ANSWERS

THANK YOU