

Ali Asghar Textile Mills Limited Corporate Briefing Session 2024

Presenter Name
November 21,2024



Mission Statement

- To strive through excellence through Commitment, Integrity, Honesty and Team Work



Vision Statement

- To invest and operate successful Logistic centers and invest in high return ventures



Brief History/Company Profile

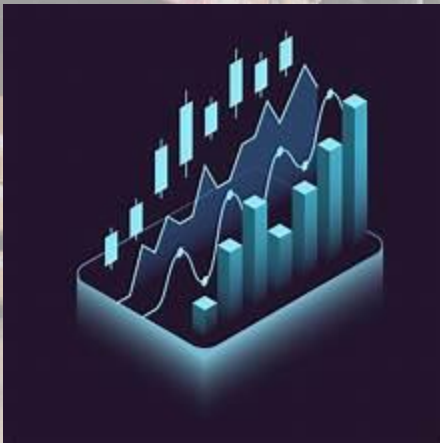
- Established in 1969 as a textile spinning unit
- In 2011, made a strategic decision to exit textile spinning and invest in warehousing/logistics
- Today, the company's principal line of business is logistics/warehousing

Timeline



Business Activities

- Logistics center services
- Warehouse construction/rental
- Allied business



Financial Details

- **Revenue Growth**

- Logistics Center Service revenue grew to **66.4M** (up from 63.8M last year), showing strong market demand.

- **Operational Efficiency**

Maintained a **stable gross profit** despite higher logistic charges.

Significant cost reductions:

- **Admin Expenses** reduced to 35.5M (previously 49.7M).

- **Operating Expenses** down to 7M (from 36.3M).

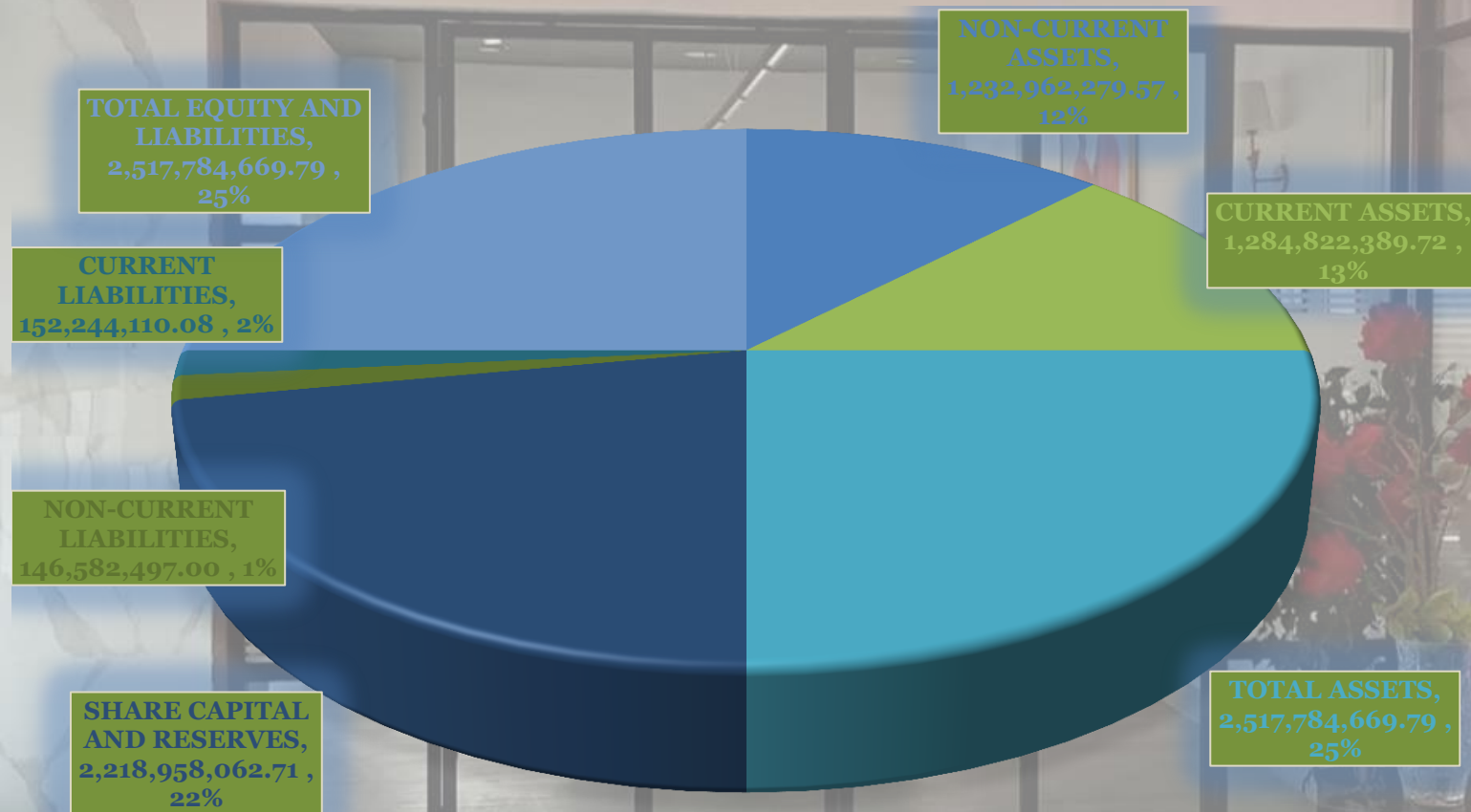
- **Other Income Increase**

- Achieved substantial rise in other income to **226.5M** (from 35.6M), boosting profitability.

- **Profit from Operations**

- Significant jump to **202.5M** (previously 10.8M), indicating improved core operations.

Financial Position (Year Ended 30 June 2024)



FINANCIAL DETAILS

Historic Performance

		KEY FINANCIAL INFORMATION					
		Six year financial performance					
		2024	2023	2022	2021	2020	2019
Logistic centre service Revenue	Rs'000	66,402	63,796	52,586	8,892	3,855	11,173
Gross Profit	Rs'000	18,521	31,325	18,207	116,523	(17,066)	(7,558)
Operating profit	Rs'000	202,492	10,899	60,640	11,666	14,286	(15,307)
Profit before levies and taxation	Rs'000	190,644	10,688	60,440	116,522	142,762	(15,345)
Profit after tax	Rs'000	99,824	14,235	33,029	105,109	134,532	(16,541)
Share Capital-paid up	Rs'000	22,213	22,213	22,213	22,213	22,213	22,213
Shareholders equity	Rs'000	2,218,958	1,554,579	1,532,722	1,613,524	1,453,622	303,225
Total assets	Rs'000	2,517,784	1,654,193	1,645,506	1,702,851	1,682,587	396,615
Earnings per share pre tax	Rs'000	4.29	0.24	1.36	2.62	3.21	(0.34)
Earnings per share after tax	Rs'000	2.25	0.32	0.74	2.37	3.03	(0.37)
Cash dividend per share	Rs'000	-	-	-	-	-	-
Market value per share	Rs'000	25.73	2.07	2.07	2.07	2.07	2.07
Breakup value per share(includng valuation surplus)	Rs'000	49.95	34.99	34.50	36.32	32.72	6.83
Current ratio	Debt equity ratio	8.44:1	8.84:1	12.91:1	28.11:1	5.34:1	1.05:1
Total debt to total assets ratio	%	12%	6%	7%	5%	14%	24%
Debt equity ratio	%	13%	6%	7%	6%	16%	31%

Breakup value per share(including valuation surplus)

Earnings per share after tax
Shareholders equity
Profit before levies and taxation
Logistic centre service Revenue

(500,000) - 500,000 1,000,000 1,500,000 2,000,000 2,500,000 3,000,000

Strategic Growth Initiatives and Future Expansion Plans

- **Targeted Revenue Growth in Logistics**

The company aims to build on its logistics success with a overall projected revenue increase of **by mid-2026** in Pakistan, positioning us as a leader in this sector.

- **Introduction of Value-Added Warehousing Services**

Although we had planned to expand into data warehousing services for the pharmaceutical and financial sectors, this project is currently **on hold due to exchange rate instability, price volatility, and economic uncertainty**. We remain committed to pursuing this opportunity when the economic climate is more favorable.

- **Significant Contract with Leading Textile Brand**

The company has secured a **six-year service contract** with a prominent textile brand, valued at approximately **Rs. 500 million**. Additionally, due to economic pressures affecting consumer purchasing power, we ended our prior partnership with **Daraz** ahead of schedule. This strategic move enables us to focus on high-value, stable contracts.

Strategic Growth Initiatives and Future Expansion Plans

- **Expansion of Solar Energy Capacity**

Our recently installed **250 kW solar system** fully powers our facilities, aligning with our sustainability goals. Although the planned expansion to **over 1,000 kW** was delayed due to extended government approval and licensing processes, we received the necessary licenses in the **first quarter of 2025**, subject to fulfilling an additional regulatory requirement. This expanded capacity is expected to generate additional revenue, supported by our MoU with **Getz Pharmaceuticals**.

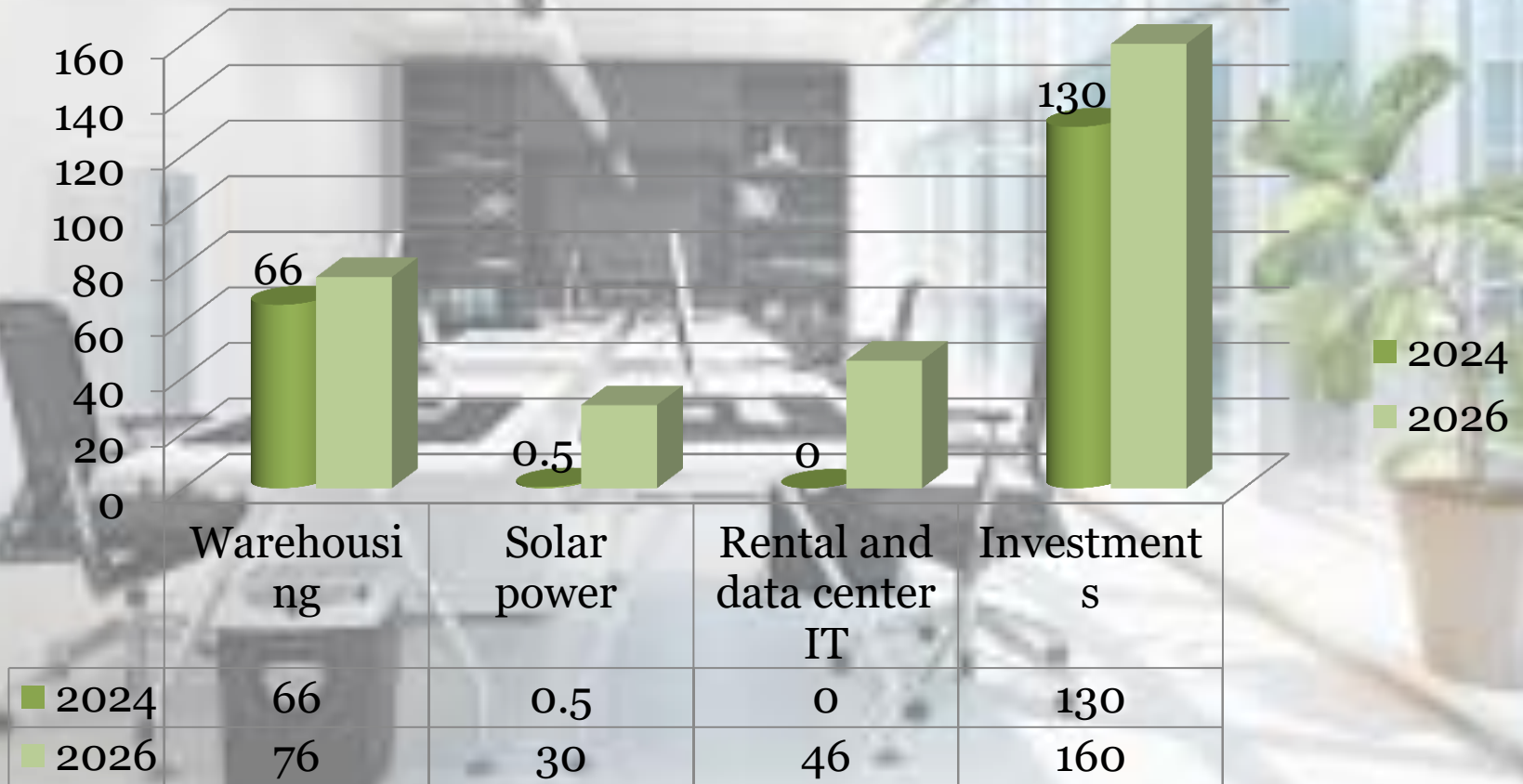
- **New Office Building and IT Business Ventures**

As we **completed** our new office building **50% of the space is sourced out**, the company is exploring entry into the IT sector by dedicating **remaining space for shared office space services**. This move will provide additional revenue streams and diversify our business portfolio.

- **Economic Outlook and Growth Prospects**

The company is optimistic that **stabilization of the exchange rate, reduction in interest rates, and lower inflation** will revive the economy. Improved economic conditions will enable us to execute our expansion plans more comfortably and respond to the expected rise in demand for our services.

Expected Revenue by mid of 2026 in Millions



Achievement of Regulatory Relief and **Milestone** Growth in Market Capitalization

- This year, we are pleased to inform our shareholders that the company has successfully achieved relief from the Central Depository Company (CDC) in relation to penalties previously charged under clause 5.11.1(g) of the PSX regulations. This achievement reflects our dedication to strengthening our compliance and operational resilience.
- In addition, we are thrilled to share that thousands of shares were actively traded on the PSX, **delivering exponential capital gains** to our valued investors. The company's **market capitalization** has witnessed a remarkable growth, surging **from 150 million to 700 million** after years of steadfast effort and commitment. This significant increase highlights our long-term growth potential and commitment to delivering value to our shareholders.
- All other requirements are fulfilled.

Environmental Impact through Solar Initiative

Carbon Reduction Achievement

Under our commitment to Corporate Social Responsibility, the company has successfully reduced **461,497 kg of CO₂** emissions to date.

This reduction represents a "dividend" to not only our shareholders but also future generations, contributing to a healthier and more sustainable environment.

Financial and Environmental Benefits

With our **200 KW solar installation** at Ali Asghar Textile, we've generated **520 MW** of renewable energy so far, reducing operational costs and enhancing revenue.

Future Goals with 1 MW Solar Plant

Upcoming 1 MW Solar Installation

In partnership with **Getz Pharma** and **JS Bank**, we're installing a new **1 MW solar plant**.

Projected Impact Over 3 Years

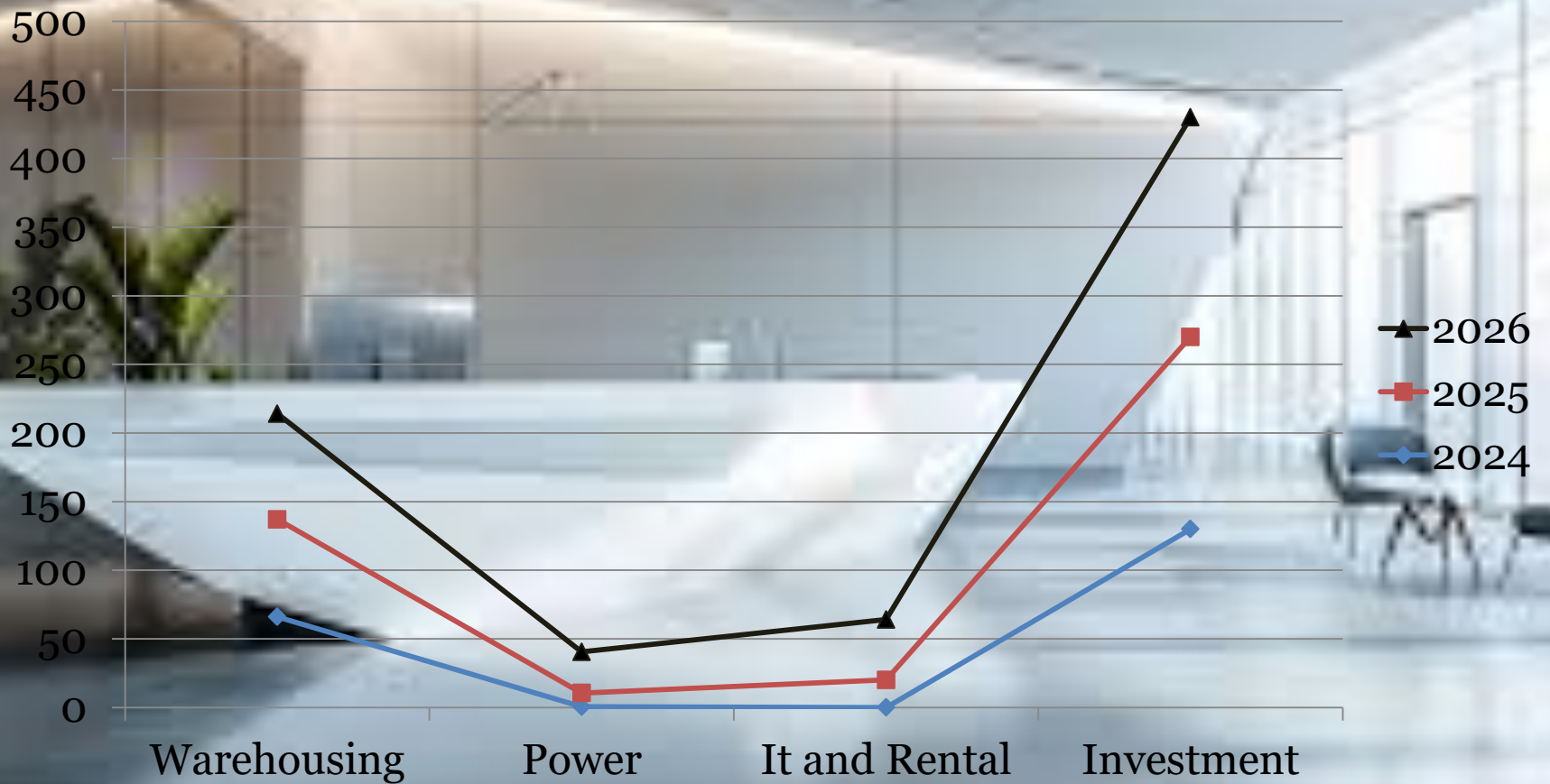
This new plant is expected to increase CO₂ reduction to **4 million kg** over the next three years.

This effort aligns with our vision of sustainable growth, benefiting both the environment and our shareholders through long-term value creation.

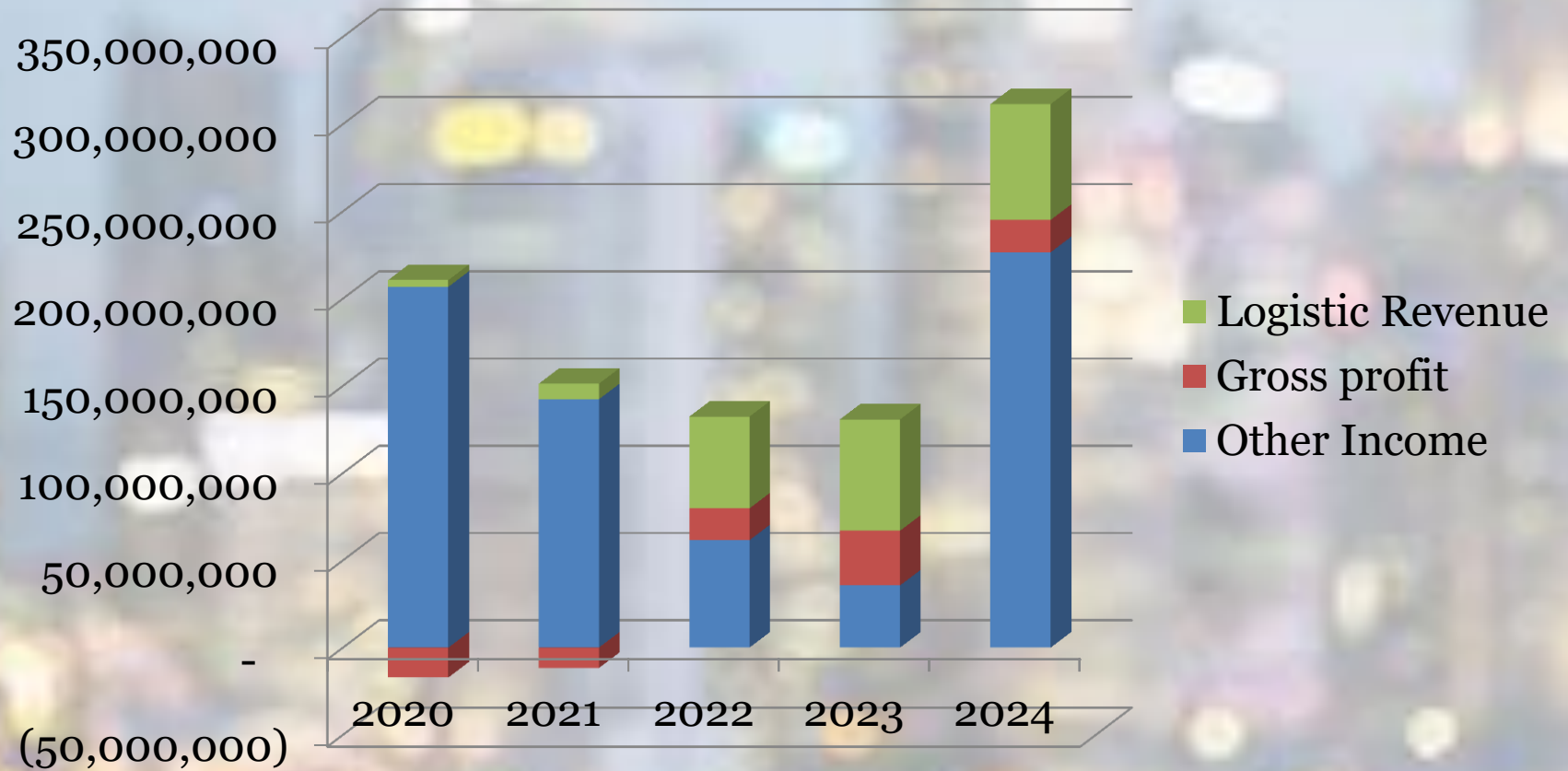
Statement of Profit or Loss **Year Ended 30 June 2024**

	2024	2023	2022
Logistic Center Service Revenue	66,402,000.00	63,796,495	52,585,949
Logistic Center Service Charges	(47,880,358.00)	(32,470,676)	(34,378,314)
Gross Profit/(Loss)	18,521,642.00	31,325,819	18,207,635
Administrative Expenses	35,565,245.00	(19,747,733)	(18,976,047)
Other Expenses	(7,007,792.00)	(36,319,870)	(216,734)
Other Income	226,544,265.00	35,641,553	61,571,142
Profit/(Loss) from operations	202,492,869.00	10,899,768	60,640,796
Finance Cost	(11,540,316.00)	(211,036)	(200,132)
Profit/(Loss) before taxation	190,952,553.00	10,688,732	60,440,664
Current	17,241,945.00	(5,677,274))	(18,773,791)
Prior Year Tax	(2,091.00)	9,224,024	(8,637,619)
Profit/(Loss) after taxation	99,824,929.00	14,235,482	33,029,254
Earnings/(Loss) Per Share	2.25	0.32	0.74

Expected revenue



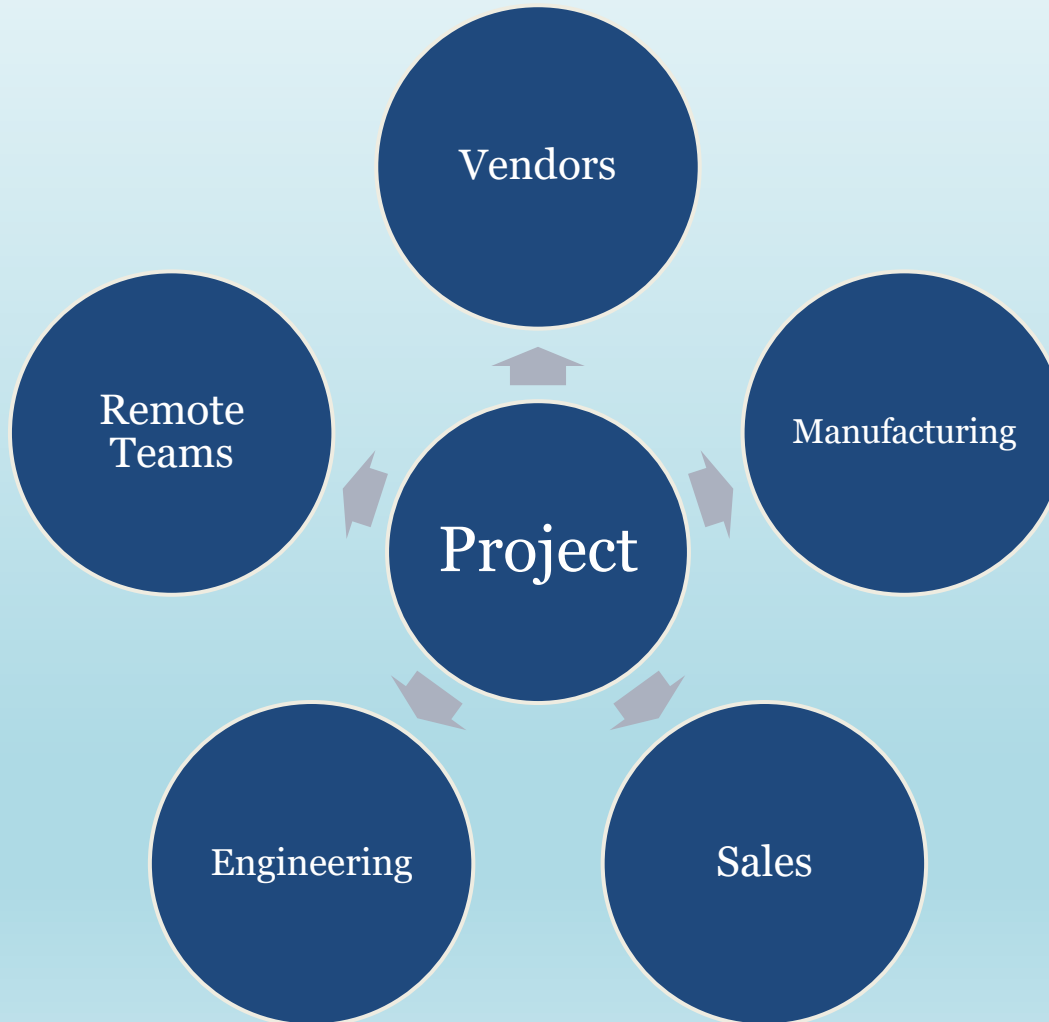
Revenue And expenses



Conclusion

- **Ali Asghar Textile Mills Limited** remains a well-positioned company with a solid track record of financial performance and resilience.
- The company has a clear, forward-looking vision and is committed to sustainable growth.
- The company is investing in high-growth areas such as logistics , IT and value-added warehousing services such as green power.
- Recent expansions include **increased solar energy capacity** and a dedicated focus on **logistics and high-value service contracts** with prominent brands, reinforcing our role in green energy and corporate responsibility.
- **Ali Asghar Textile Mills Limited** remains a valuable investment opportunity, providing exposure to the logistics, IT, and renewable energy sectors in Pakistan.

Dependencies and Resources



Thank you for your attention.

- Questions and Answers

