



GAMMON PAKISTAN LIMITED

Corporate Briefing Session FY 2023-24

Dated: NOVEMBER 26, 2024

Disclaimer



- **During the course of this presentation we may make forward-looking statements regarding future events or the future performance of the Company. By its very nature, forward looking statements involve inherent risks and uncertainties, both general and specific and risks exist that the predictions, forecasts, projections and other forward looking statements may not be achieved.**
- **Gammon Pakistan Ltd., does not undertake any obligation to update or revise any of statement / forecast / projection, whether as a result of new information, future events or otherwise.**
- **When relying on forward looking statements you should carefully consider the political, economic, social and legal environment in which the Company operates.**

Flow of the Presentation

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Company Profile

Brief History of the Company



- The Company was incorporated under the repealed Companies Act, 1913 (now the Companies Act, 2017) on August 12, 1947 as a Public Company Limited by shares. Its shares are quoted on Pakistan Stock Exchange Limited (Formerly Karachi Stock Exchange Limited, Lahore Stock Exchange Limited and Islamabad Stock Exchange Limited).
- The principal activity of the Company is execution of civil construction works and Company intends to add up its working model in future as developers.
- The registered office of the Company is situated at Gammon House, 400/2 Peshawar Road, Rawalpindi.

Business and Scope of Work



- **During the year, the Company could not start new contract work due to various factors, including market demand and political instability. As compared to the previous year, profit after tax increased due to other income of the Company, comprising deferred tax impact and income on investment property. In addition, the austerity measures taken by the management wherever needed.**
- **Auditors report highlighted certain areas which need attention. Management is focused for resolution of all the Company issues, in general, and concerning Audit report in particular. Matter of the contract receivables is subject to the resolution of final bill with the clients and will be addressed after the final bill with clients on said contracts is settled. Closed projects took additional time to its forecast time-line, causing losses.**

Business and Scope of Work-2



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- **Nonetheless, all our efforts are still being made to acquire new Projects as we continue to participate in the bidding process of feasible Projects. Gammon Pakistan Limited is also striving hard to acquire Projects through joint ventures with financially strong parties and hopefully we may have success in the near future.**
- **The Project of Maritime Technologies Complex Project at Fateh Jang near Islamabad is Completed and is in the process of final bill with the client. It is under arbitration due to difficulties in final bill and claim of retention money due to inconsistencies during the project execution from client side, design and location changes, risk and cost part of the work, as well as allied factors beyond control. The Project of Old Bannu Road Structure Bridges is being resolved with full capacity for the recovery of receivables.**

Economy and Construction Industry of Pakistan - Year 2023-2024

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- In the last one year, Pakistan's economy went through multiple trials with three finance ministers changing within this short time span. Pakistan is also facing serious obstacles including high inflation, a sizeable undocumented economy, income inequality. The economy is said to have hit a serious crisis and nosedived. The Federal Board of Revenue (FBR) has fixed minimum profits of builders and developers for collecting a new tax on their taxable profit under the amended Finance Bill 2024. The amended bill sets taxable profits at fixed rates of 10%, 15%, and 12% for different categories of construction and development activities.
- It seems that under the continuation of the current restrictive policy environment, the consumption growth would lower to 19.89% in FY 2024. Hence, it is necessary for the Government to revise the targets for the primary drivers of economic growth to attain a 3.5% GDP growth rate in the upcoming fiscal year.

SUMMARISE ECONOMY (Verbal)

Financial Results of the Company for the year ended June 30, 2024



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Particulars	2024	2023
	Pak Rupees	Pak Rupees
Contract income	-	6,677,706
Contract expenditure	(920,927)	(16,804,360)
Net contract Profit / (Loss)	(920,927)	(10,126,654)
Operating Profit / (Loss)	(481,817)	1,798,875
Bank charges	(3,828)	(7,847)
Fair value gain on investment property	3,441,280	2,321,301
Profit / (Loss) before taxation	2,453,177	4,112,329
Profit / (Loss) after taxation	42,633,220	7,547,369
Earning / (loss) per share	1.51	0.27

Highlights of Financial Results of the Company during the year 2023-2024



- Revenue from projects has declined to NIL this year, as compared to last year, due to no work done on projects, main events during the year are as under:
 - The Project at Fateh Jang is complete and we are in process of final bill and claims like escalation design change etc.
 - Project of Bridges on Old Bannu Road (dualization Project) is also complete and processing for final bill is underway.
- Despite financial constraints our efforts are in process to get further business. It is expected that some more work will be awarded to your company by some clients in future.

Highlights of Financial Results of the Company during the year 2023-2024

- We are striving hard to acquire some mega projects with available options like JV with some financially strong company to pre-qualify for the project bidding. It will improve the company's financial position.
- The Company is in restructuring mode and our vigorous efforts are continued in favour of the Company.

Future Outlook

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- **Events after the reporting date (June 30, 2024):**
 - There is no significant event to report after June 30, 2023 except that contract revenue for the first quarter FY 2025 is NIL due to closure of ongoing projects.
 - In view of the current economic and environmental uncertainties, GPL remains vigilant of the market dynamics and stands well-positioned to continue its existing growth momentum, focusing on improved service standards and expanding its footprint. The Company is poised to reap the benefits for future growth, Insha'Allah.
 - Despite financial constraints our efforts are in process to get further business. It is expected that some more work will be awarded to our company by some clients in future.

A large, light-brown wooden sign with a dark brown border is mounted on two wooden posts. The sign is set in a lush green forest with tall evergreen trees and a clear blue sky with a few white clouds. The text 'Questions / Answers' is written in a blue, sans-serif font with a slight shadow effect. In the bottom right corner, there is a small wooden fence and a stack of logs.

Questions / Answers

The background is a brick wall with light grey bricks on the left and red bricks on the right. A blue and black geometric shape is on the left side of the image.

Thank You