



**TOWELLERS LIMITED
CORPORATE BRIEFING
SESSION 2025**

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Industry Overview



Some industry facts and figures - Global

- ❑ The global textile market is estimated to be worth around \$2,123.7 billion in 2025. The textile industry is expected to grow at a compound annual growth rate (CAGR) of 7.35% from 2025 to 2034, while the forecasted market size by 2034 would be US\$ 4,016.5 billion.
- ❑ Pakistan is the 8th largest exporter of Textile commodities in Asia and provides 2.2% of the global textile needs. It is the 4th largest producer and 3rd largest consumer of cotton, and In the year 2024-2025, the Textile Industry contributed approximately 8.5% to Pakistan's GDP;



Industry facts & figures

- ❑ During the year Pakistan's textile and apparel exports increased by 7.22% to \$17.88 billion, contributing 55.7% to the country's total exports as compared to US\$ 16.68 billion in the previous year.
- It comprises of 46% of the total manufacturing sector and provides employment to 45% of the total labor force. Only 5% of the total textile companies are listed on the stock exchange. There are approximately 423 textile industries working in the country.

Industry facts & figures



- ❑ Pakistan has supply base for almost all man-made and natural yarns and fabrics, including cotton, rayon and others. This abundance of raw material is a big advantage for Pakistan due to its beneficial impact on cost and operational lead time.
- ❑ The textile industry is Pakistan's largest manufacturing sector employing nearly 25 million people directly and indirectly. Pakistan is the fourth largest cotton producer and holds the third largest spinning capacity in Asia contributing to 5% of global spinning capacity.

Industry performance during the ongoing year 2025-26

- ❑ The country's textile group exports increased by 3.9 per cent in first four months (July-October) of the current fiscal year 2025-26 and remained at \$6.39 billion as compared to \$6.146 billion during the same period of last fiscal year.
- ❑ Textile exports grew by 2.5% in October 2025 compared to US\$ 1.58 billion in September 2025 totaling US\$ 1.62 billion. However, the same is lower than October 2024 exports of US\$ 1.63 billion, showing a decline of 0.61%;
- ❑ Lower tariffs on Pakistani textile products in the US market – currently at 19%, lower than those for competitors like India and Bangladesh, have given Pakistan a notable competitive edge, boosting exports. However, despite this positive momentum, the industry remains cautious due to ongoing challenges such as high energy costs and shortages of raw materials.

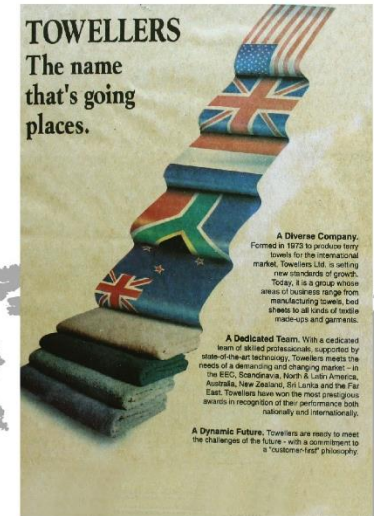
Brief Company Profile



❑ Towellers Limited has been manufacturing textile products since 1973.

The company is operated now by its third generation and has business experience spreading over 5 decades. The Company owns vertically integrated mills having their own knitting, weaving, dyeing, and sewing operations – it manufactures and exports textile made ups comprising of knitwear garments, Towels, blankets, and baby products.

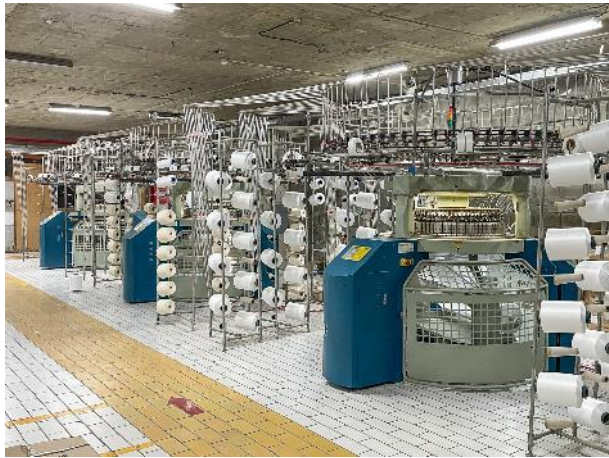
❑ The Company manufactures around 20 million pieces of knitted apparel & towels comprising of 12.5m lbs annually and has an annual turnover of US\$ 44.42 M. Manufacturing capacity of the company is around 2.1 M pieces per month and during the year the company operated at 80% of its capacity approximately.



Some of the manufacturing processes are as follows:



Knitting



Weaving



Dyeing



Sewing



Printing



Embroidery



Knitting Section



Checking Area



Packaging Area



Cutting Machine



Dyeing Section

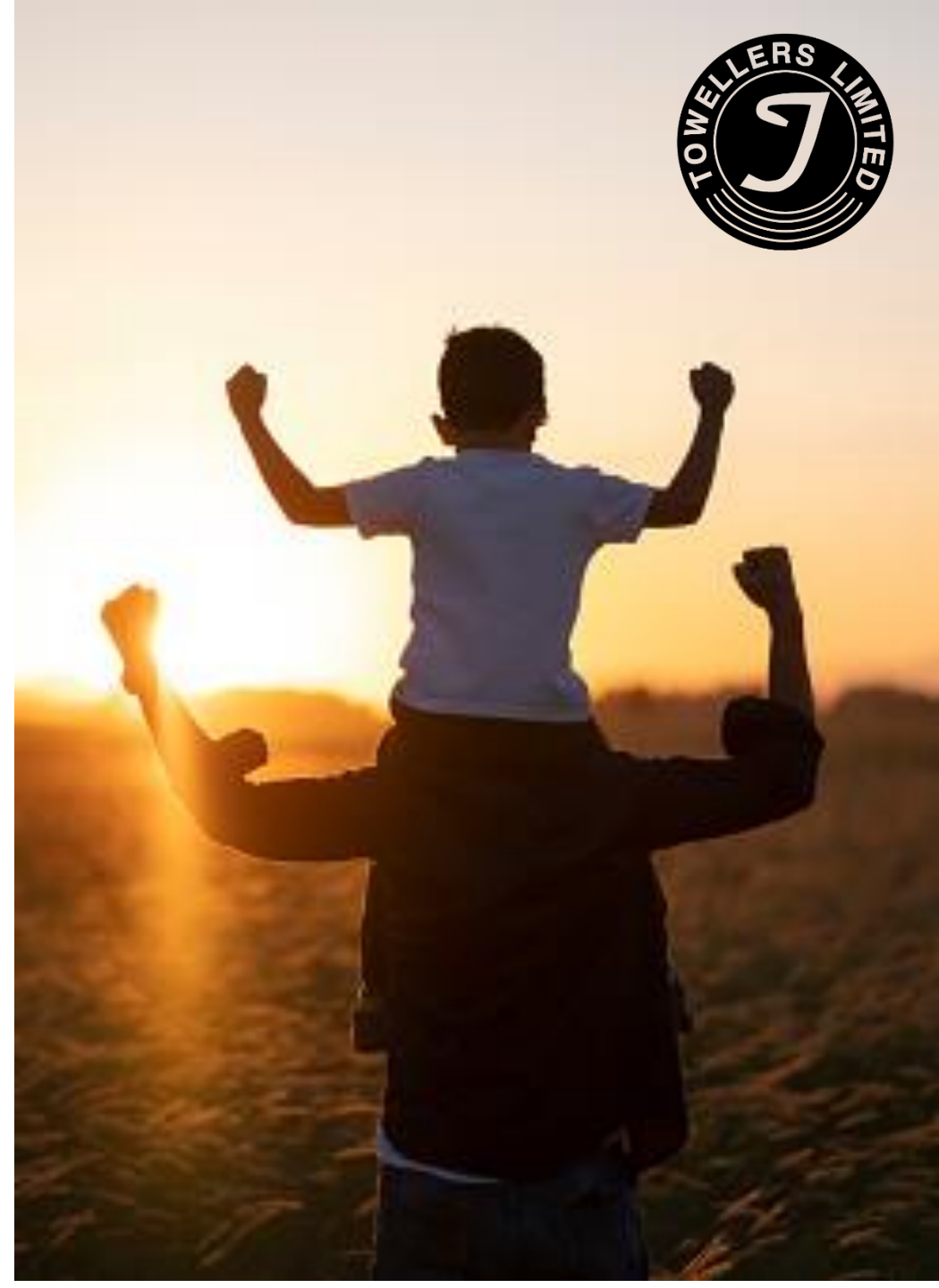




SWOT ANALYSIS OF TOWELLERS LIMITED

Strengths

- ❑ The Company enjoys sound financial footings, reflected through strong reserves, a healthy current ratio, minimal gearing, and efficiently managed working capital. This robust financial position, complemented by a consistent annual turnover of around US\$45 million, provides the necessary stability and flexibility to support sustainable growth, profitability, and future expansion initiatives.;
- ❑ The Company has five decades of manufacturing experience of textile made ups, deep market knowledge and a proven track record of reliability and quality. It has fully vertically integrated manufacturing facilities covering in house knitting, weaving, dyeing, processing and CMT operations providing greater controls over quality, lead times and cost efficiencies.



Strengths (contd)

- ❑ The Company offers a diverse product capability across garments and towels, enabling it to serve multiple market segments while maintaining flexibility in meeting customer needs. Its long-standing position as a trusted supplier to reputable global brands reflects the high level of confidence placed in its product quality and service reliability. This is further reinforced by a strong quality assurance and compliance framework that ensures adherence to international standards, sustainability protocols, and buyer-specific requirements, strengthening customer trust and supporting long-term partnerships.
- ❑ The Company has a well-established export footprint across Europe and North America, demonstrating strong acceptance in competitive international markets. Its ability to offer end-to-end solutions—from fabric development to finished goods—provides customers with streamlined sourcing and greater consistency in quality and delivery. Coupled with strong operational flexibility and customization capability, the Company is well-positioned to respond swiftly to diverse buyer requirements, evolving market trends, and specialized product demands, thereby strengthening its competitiveness and customer satisfaction.



Weaknesses

- ❑ Higher dependency on few major customers, which makes the business vulnerable to sudden changes in buying patterns, pricing pressures or shifts in sourcing strategies by those clients and increases the concentration risks;
- ❑ Exposure to rising production costs in Pakistan, particularly of utilities, energy and compliance expenses which can affect the profitability, competitiveness against low cost regional competitors.
- ❑ Longer lead times particularly due to peak season capacity constraints which can limit the ability to aggressively pursue urgent and high volume orders from new customers.



Opportunities



- ❑ The Company has strong potential to further diversify its product portfolio by leveraging its established presence in both home textiles and apparel, enabling it to enter versatile and higher-value categories that are currently underrepresented in Pakistan. At the same time, rising global demand for compliant, reliable, and flexible textile suppliers presents a significant opportunity to expand into new markets and attract emerging brands that are seeking dependable long-term sourcing partners, allowing the Company to enhance its market reach and accelerate growth.
- ❑ Pakistan's macroeconomic environment is gradually stabilizing, with improving market sentiment driven by a more stable exchange rate, declining interest rates, and early signs of renewed export momentum. In parallel, the ongoing US tariff application scenario presents a potential upside for Pakistani exporters, as any shift in sourcing preferences away from higher-tariff countries could create additional space for Pakistan to secure higher order volumes. Together, these factors position the Company to benefit from a more favorable operating environment and capture incremental growth opportunities in key global markets.



Opportunities (contd)

The growing global emphasis on sustainability and traceability provides significant room for the Company to introduce eco-friendly product lines, strengthen its certifications, and stand out in markets where responsible sourcing is becoming a critical requirement. At the same time, increasing opportunities in automation and digital transformation can help enhance operational efficiency, reduce costs, and improve lead times while enabling greater customization for customers. Additionally, the potential to build strategic partnerships or collaborations with international brands, design houses, and technology providers can further support innovation, diversify the customer base, and elevate the Company's product development capabilities.



Threats

- ❑ Rising global compliance standards—particularly around sustainability, labor practices, and environmental management—continue to increase the cost and complexity of exporting, while geopolitical and trade-policy risks such as changes in US/EU tariffs, shifting sourcing preferences, or adjustments in preferential market access pose additional uncertainty. Together, these factors can significantly impact the Company’s export competitiveness and require continuous investment to remain aligned with evolving international requirements.
- ❑ Supply chain disruptions, including logistical bottlenecks, port delays, and geopolitical events causing route disruptions, leading to extended lead times and potential loss of orders and increased logistics costs.
- ❑ Country’s trade and current account deficits that impact currency fluctuations, particularly PKR depreciation against the USD, which can increase the cost of imported inputs and disrupt financial planning.



Threats (Contd)

- Volatility in raw material, energy and input costs, especially cotton, dyes, chemicals, gas, water and electricity, along with disruptions in supply of gas which directly affects production costs and profitability.
- Fierce global competition from low-cost and more efficient textile-producing countries such as Bangladesh, Vietnam, India, and China, which can exert downward pressure on prices and margins.
- High dependency on a few export markets, exposing Company to demand shifts, recessionary trends, or sourcing diversification strategies by key buyers.
- Political and economic stability remains vulnerable within the country, which can impact and affect investor confidence, interest rates fluctuations, increase in taxation burden, and business continuity.



Few of the company's manufactured products are











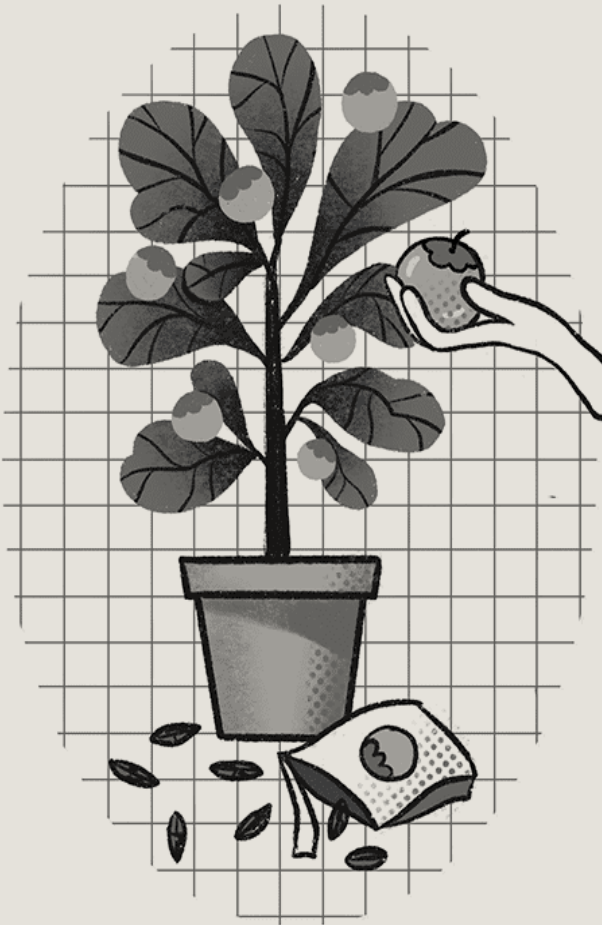




Socially compliant manufacturing facilities

- Towellers is proud to have achieved top ratings in its social and quality compliance audits. The accreditations are from top inspection agencies and hold global recognition. These certifications merit the work that we do at our factories and allow the company to work with better brands.
- Some of them include:







Capital Expenditures

- ❑ The Company has consistently invested in its production infrastructure, including the acquisition of modern plant and machinery and the installation of a biomass boiler to generate steam for dyeing and finishing operations. Over the years, this has included the addition of stenter machines and various other dyeing and finishing equipment to improve efficiency, quality, and sustainability. During the last five years, the Company has invested approximately Rs. 1.22 billion in plant and machinery, reflecting its strong commitment to technological advancement and operational excellence. As part of its ongoing strategy, the Company continues to invest in new machinery as and when required to maintain and enhance its production capacities and operational efficiencies. Continuing its commitment to long-term growth, the Company is now developing additional production facilities through the construction of new factories, aimed at expanding manufacturing capacity and positioning the Company to handle higher order volumes in the future.



Medusa H.T Dyeing Machine





Oval Printing Machine



Octopus Printing Machine



Rollset Machine



Martindale Abrasion & Pilling Tester



High Speed Dewatering Machine



Stenter Machine



Steam Boiler System.



Bianclani Open Width Dryer



Carbon brush immersing - peaching machine



Tube Compactor / Knit Compactor



Curing Machine



Bio- Boiler water treatment



Solar Power Project

- ❑ The Company has invested in solar power projects at its head office and manufacturing facilities, resulting in significant savings in power costs. With a total solar generation capacity of 1.2 MW, the installation now caters to approximately 40% of the Company's overall electricity requirements on average, substantially reducing reliance on thermal electricity supplied by Karachi Electric. These investments not only curtail energy expenses—with an expected payback period of around five years—but also support the Company's commitment to clean and green energy by lowering its carbon footprint and promoting sustainable operations.







Health, Safety, Environment & Sustainability

- ❑ The Company remains fully committed to safeguarding a healthy, safe, and environmentally responsible workplace. Environmental stewardship is integrated across the entire value chain, ensuring adherence to all regulatory standards while embedding sustainability into day-to-day operations. We prioritize the wellbeing of our associates by providing a secure, supportive, and compliant work environment, with a strong focus on reducing our carbon footprint, conserving natural resources, and upholding responsible business practices.
- ❑ In recent years, the Company has invested heavily in advanced dyeing and processing machinery that enhances production capacity and operational efficiency while significantly lowering water and power consumption. These investments continue to deliver long-term benefits through reduced carbon emissions and improved resource conservation. The previously commissioned biomass boiler system also remains a critical asset, generating steam through clean, renewable energy and reducing dependency on fossil fuels.



Health, Safety, Environment & Sustainability (Contd)

- ❑ Employee health and wellbeing remain central to our sustainability approach. The Company regularly participates in blood donation drives and ensures that the entire workforce is covered under comprehensive medical insurance for both routine and emergency needs. Workplace safety is reinforced through continuous maintenance and upgradation of firefighting systems, routine safety inspections, fumigation drives, and frequent fire drills. The installation of new boiler systems, supported by strict maintenance protocols, provides an added layer of operational safety for all employees.
- ❑ Environmental protection remains a cornerstone of our long-term strategy, particularly in the context of textile dyeing and printing. Our effluent treatment plants operate in compliance with—and often exceed—regulatory requirements, ensuring responsible wastewater treatment and safeguarding the ecosystem. Complementing these efforts, the Company has installed solar power systems across most premises to reduce reliance on grid electricity and promote clean energy generation. Additionally, automation initiatives such as the smart MRT hanging rail system have enhanced manufacturing efficiency while supporting our broader sustainability goals.



Company's performance during the year 2025

- ❑ The sales turnover during the current year, was Rs. 12.35 billion compared to Rs. 12.32 billion in the previous year. Despite challenging market conditions and global demand pressures, the Company successfully maintained its sales momentum and closed the year with a stable topline performance.
- ❑ The Company posted a net profit after tax of Rs. 286.71 million, translating into earnings per share of Rs. 16.87. Profitability remained under pressure as margins were affected by rising labor costs, persistently high energy tariffs, withdrawal of government incentives and subsidies, and an overall increase in the taxation burden. The industry also continued to face intense international competition, while domestic inflationary pressures further elevated the cost of doing business.



Company's performance during the year 2025 (Contd)

- Despite these headwinds, the Company sustained positive earnings, demonstrating resilience and the ability to operate effectively in an increasingly challenging environment. The Board of Directors, management team, staff, and workers remain committed to securing additional export business with improved margins to strengthen the Company's future performance.





Company's performance during the first quarter of 2026

- ❑ Sales during the first quarter stood at Rs. 2.77 billion, compared to Rs. 3.63 billion in the corresponding period last year, reflecting a decline of 23.83%. This decrease was primarily driven by intense international competition and reduced retail off-take in the U.S. market. Ongoing global economic challenges, coupled with higher interest rates, have weakened consumer purchasing power in the U.S., which subsequently impacted the Company's overall sales performance during the quarter.
- The lower sales volume increased the absorption of fixed costs per unit, and when combined with the overall rise in the cost of doing business, it exerted downward pressure on profit margins. As a result, profit after tax declined to Rs. 90.49 million, compared to Rs. 177.80 million in the same period last year.

Company's outlook for the year 2026

- Uncertain domestic political and economic conditions are already affecting the business in general. High cost of doing business has already impacted the profitability of the Company. Increased taxes and change in taxation regime for exporters is further going to affect the profitability during the current year however, the Company is striving hard and is quite optimistic to keep growing its exports with healthy margins.





Outlook of the company for the year 2025-26

- ❑ Although, during the first quarter the Company has achieved a negative growth of 23.8% due to various factors described in earlier slides, the Company however, has set an annual target of over 5% growth during the year, which may or may not be achieved. The Company is striving hard to achieve this growth target and is confident for the same.





Outlook of the company for the year 2025-26

- ❑ All efforts are being made to keep the profitability of the Company above 10% for the financial year. However, in this presentation, net profitability after tax has been kept below 5% conservatively.
- ❑ As described earlier, the actual results may vary due to various global, domestic, economic and marketing challenges.



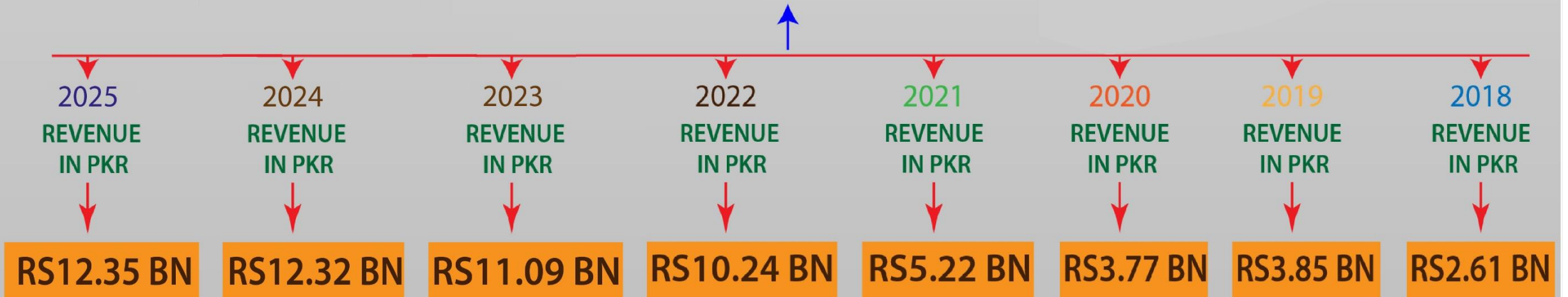
FINANCIAL PERFORMANCE





Comparative Annual Financial Results

Growth 0.26%





Comparative annual financial results

								Rs. in Millions	
	Growth %	2025	2024	2023	2022	2021	2020	2019	2018
Revenue in US\$	(0.13)	44.42	44.48	42.88	55.84	31.88	23.61	27.12	22.68
Revenue in PKR	0.26	12,347.00	12,314.92	11,086.92	10,238.09	5,220.75	3,772.25	3,848.28	2,605.81
PAT in PKR	(76.6)	286.71	559.50	2,388.34	1,063.05	556.46	275.89	397.5	253.61
NP %		2.32	7.03	21.54	10.38	10.66	7.31	10.33	9.73
EPS		16.87	32.91	140.49	62.53	32.73	16.23	23.38	14.92



Comparative Quarterly Financial Results

								Rs. in Millions	
	Growth %	Jul-Sep, 2025	Jul-Sep, 2024	Jul-Sep, 2023	Jul-Sep, 2022	Jul-Sep, 2021	Jul-Sep, 2020	Jul-Sep, 2019	Jul-Sep, 2018
Revenue in US\$	(22.73)	10.13	13.10	13.25	12.74	14.07	7.81	6.75	7.42
Revenue in PKR	(23.83)	2,768.54	3,634.44	3,899.69	3,078.62	2,369.51	1,325.99	1,066.74	962.10
PAT	(49.10)	90.50	177.80	503.99	751.27	246.54	182.71	70.36	52.14
NP %		3.27	4.89	12.92	24.40	10.40	13.78	6.60	5.42
EPS		5.32	10.46	29.65	44.19	14.50	10.75	4.14	3.07



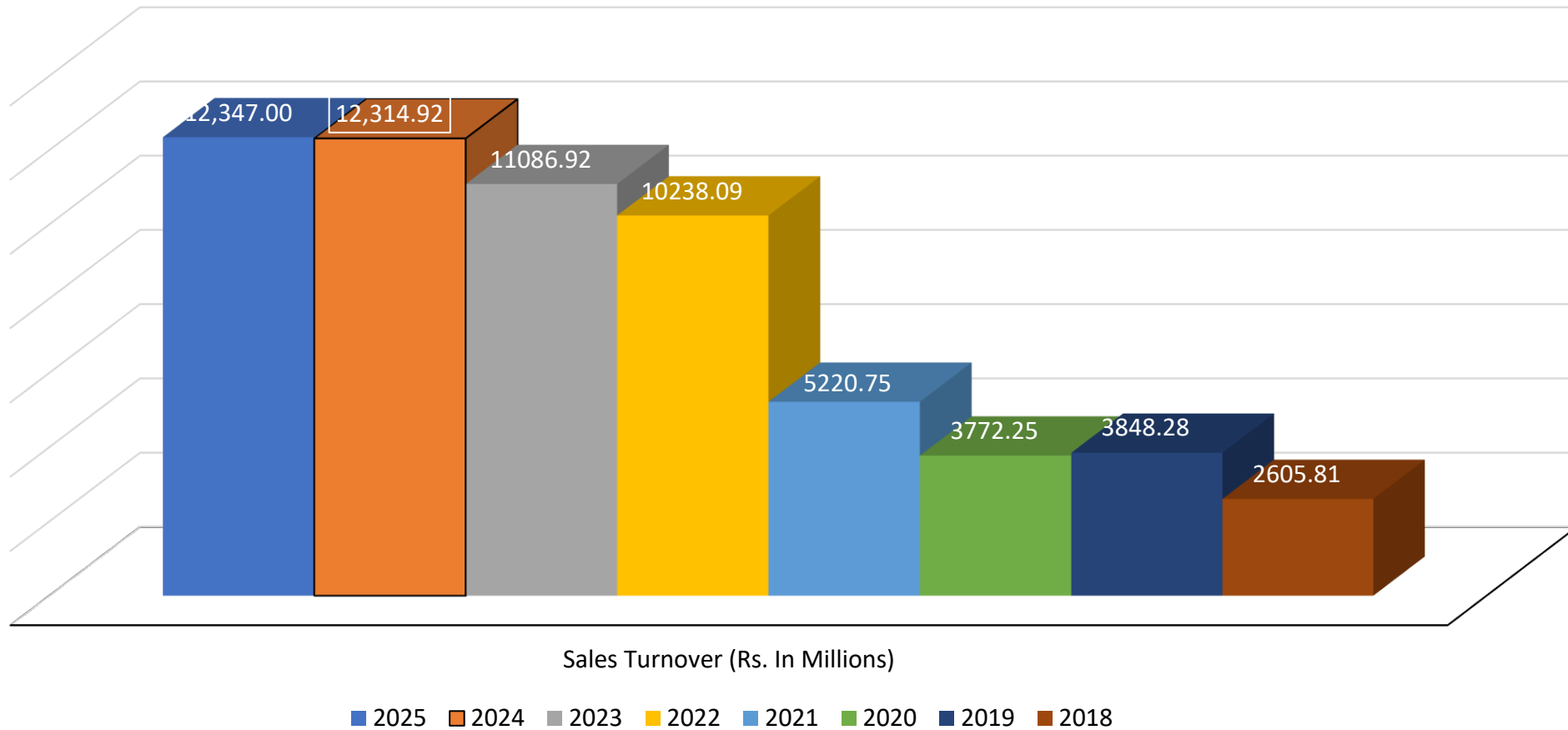
Year Wise Comparison Of Sales & Profitability

Rs in Millions									
	2025	2024	2023	2022	2021	2020	2019	2018	2017
Sales Turnover	12,347.00	12,314.92	11,086.92	10,238.09	5,220.75	3,772.25	3,848.28	2,605.81	2,686.14
PAT	286.71	559.50	2,388.34	1,063.05	556.46	275.89	397.5	253.61	61.70
EPS	16.87	32.91	140.49	62.53	32.73	16.23	23.38	14.92	3.63

Year Wise Comparison Of Sales & Profitability (Contd)



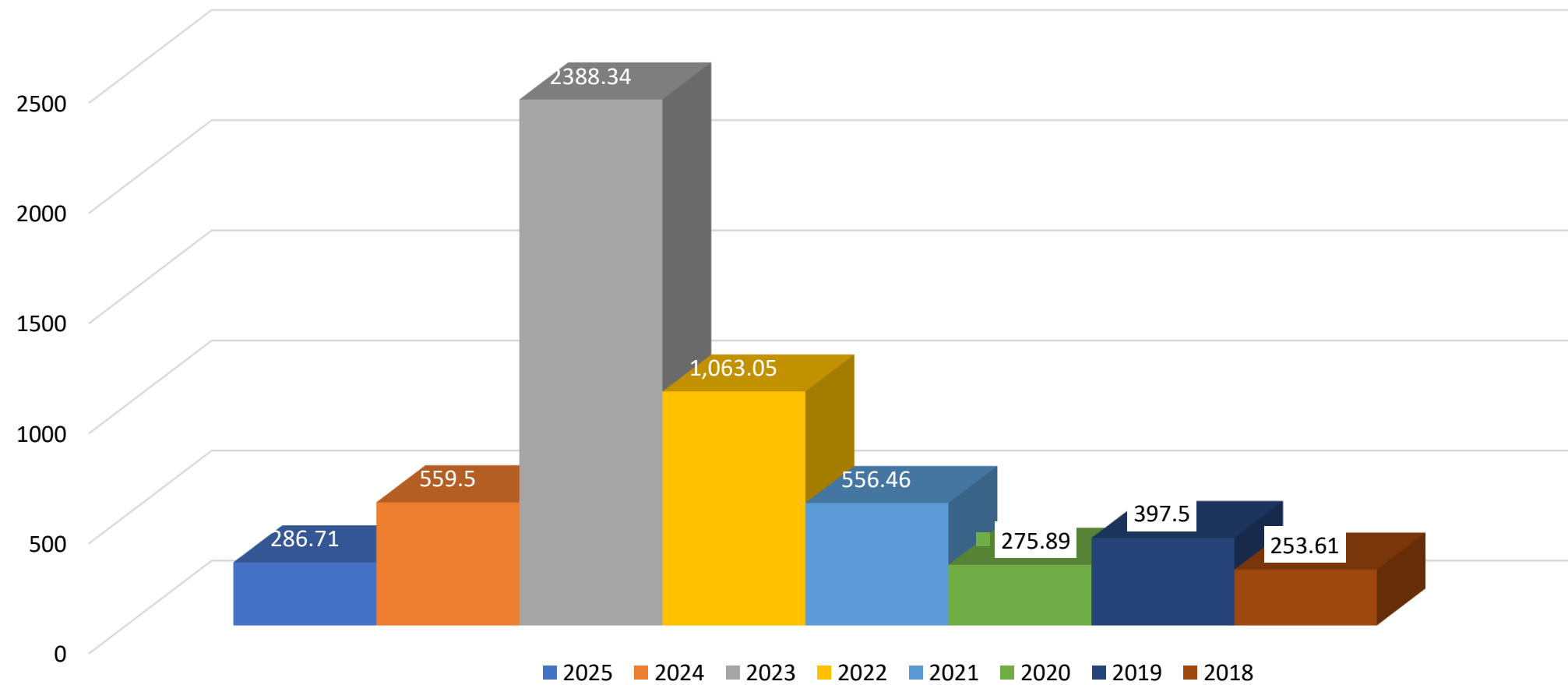
Sales Comparison over the years



Year Wise Comparison Of Sales & Profitability (Contd)



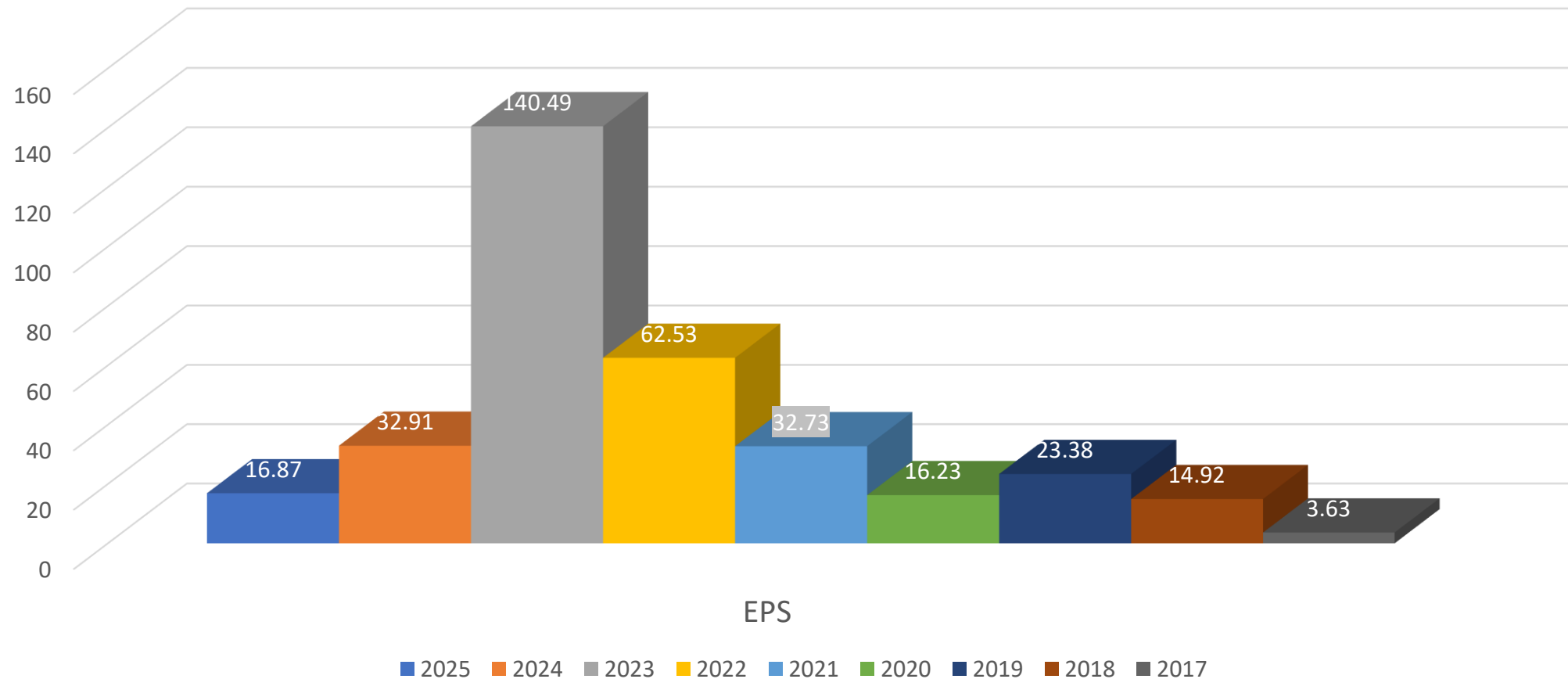
Profit after tax (PAT) comparison over the years



Year Wise Comparison Of Sales & Profitability (Contd)



EPS comparison over the years





Outlook Of The Company For June 2025

								Rs. in Millions
	Outlook	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	June 2026	June 2025	June 2024	June 2023	June 2022	June 2021	June 2020	June 2019
Revenue in US\$	46.64	44.42	44.48	42.88	55.84	31.88	23.61	27.12
Revenue in PKR	13,059.31	12,347.00	12,314.92	11,086.92	10,238.09	5,220.75	3,772.25	3,848.28
PAT	561.15	286.71	559.50	2,388.34	1,063.05	556.46	275.89	397.5
NP %	4.30	2.32	7.03	21.54	10.38	10.66	7.31	10.33
EPS	33.01	16.87	32.91	140.49	62.53	32.73	16.23	23.38



Six Years At Glance

From 2020 To 2025

						Rs. In Thousands
Income Statement	2025	2024	2023	2022	2021	2020
Turn over-Net	12,347,002	12,314,921	11,086,916	10,238,086	5,220,747	3,772,254
Cost of sales	11,188,943	11,082,813	7,944,316	8,151,154	4,109,212	3,071,384
Gross profit / (loss)	1,158,059	1,232,108	3,142,600	2,086,932	1,111,536	700,870
Profit/(loss) from operation	265,530	836,265	2,633,967	1,208,244	619,652	321,304
Finance cost	29,641	31,102	53,848	23,250	5,444	6,388
Profir/(loss) before taxation	235,889	805,163	2,580,119	1,184,994	614,208	314,915
Profit / (loss) after taxation	286,709	559,502	2,388,338	1,063,048	556,456	275,894
EPS	16.87	32.91	140.49	62.53	32.73	16.23



Financial Position	Rs. In Thousands					
Assets	2025	2024	2023	2022	2021	2020
Fixed assets	5,987,804	5,601,362	3,250,949	3,142,611	1,810,526	1,663,761
Long term loans	28,396	32,508	19,250	20,487	19,501	16,861
Long term deposits	30,163	29,780	44,271	35,321	29,349	16,875
Current assets	6,334,254	6,273,528	6,667,455	4,632,048	2,437,648	1,852,202
Total Assets	12,387,422	11,934,732	9,981,926	7,830,468	4,297,024	3,549,699
Equity & Liabilities						
Equity	8,877,957	8,739,778	7,560,746	5,391,114	3,277,720	2,714,251
Non current liabilities	384,079	595,104	185,186	186,911	174,794	163,376
Current liabilities	3,125,386	2,599,850	2,235,991	2,252,443	844,511	672,072
Total	12,387,422	11,934,732	9,981,926	7,830,468	4,297,024	3,549,699



Key Ratios

	2025	2024	2023	2022	2021	2020
Gross margin%	9.38	10.01	28.35	20.38	21.29	18.58
Net profit (loss)%	2.32	4.54	21.54	10.38	10.66	7.31
Quick ratio%	1.35	1.82	2.23	1.36	0.91	1.32
EBIT margin%	2.15	6.29	23.76	11.80	11.87	8.52
Current ratio%	2.03	2.41	2.98	2.06	2.89	2.76
Earning/(loss) per share Rs	16.87	32.91	140.49	62.53	32.73	16.23
Debt equity ratio	0.12	0.05	0.00	0.15	0.31	0.31

Dividend

- In view of the lower profitability during the year and the strategic allocation of cashflows towards capital expenditure to strengthen future growth and competitiveness, the Board has decided not to recommend any dividend for the year. The Company is confident that these investments will translate into stronger operational performance and improved returns in the coming years.



Corporate Social Responsibilities

- ❑ The Company acknowledges its role in supporting the social well-being of the communities in which it operates. Towellers recognizes its responsibility to help build and sustain a healthier and better society, ultimately fostering a more positive and supportive business environment. During the year, the Company continued to distribute ration packets to disadvantaged individuals within and outside the organization, while also contributing to various areas such as health, mental health, education, animal welfare, and environmental care.
- In line with this commitment, contributions were made to several institutions and causes, including Lady Dufferin Hospital, Noorain Khan Tareen Wheelchair Donation Program, SIUT Trust, The Citizen Foundation, Zindagi Trust, Developments in Literacy, Roshan Pakistan Academy, Ayesha Chundrigar Foundation, SOS Children's Village, along with various orphanages and general charities supporting deserving individuals. The Company also continues to support the education of children of its deserving employees, reinforcing its long-standing dedication to community welfare and social responsibility.



Corporate Social Responsibilities (Contd)

- Towellers Limited further demonstrated its commitment to Corporate Social Responsibility (CSR) through a wide range of initiatives promoting sustainability, empowerment, and capacity building. The Company actively participated in the ILO Sustaining Competitive and Responsible Enterprises Development Program (SCDP) and the GIZ Decent Future of Skills (DFS) initiative, reflecting its dedication to responsible business practices. Additionally, Towellers extended its support to the Karachi Down Syndrome Program (KDSP), an organization focused on empowering and educating children with Down syndrome, thereby promoting inclusivity and equal opportunities.
- Continuing its focus on women empowerment and skills development, Towellers engaged in the GIZ–LUMS Women’s Leadership Training Program, took part in the Women Leadership Cohort 2, and conducted Gender Talk 3 on grievance handling and harassment awareness. A Self-Defense Training Program was also arranged to enhance the personal safety of women employees. On the technical development front, the Company launched On-the-Job Training Courses (OJTC) across specialized tracks such as Industrial Machine Operator, Quality Control, and Fabric Cutting Expert, and set up a dedicated training room for unskilled trainees. Participation in the Human Rights and Environmental Due Diligence (HREDD) Project further reaffirmed Towellers’ commitment to ethical and sustainable practices.



THANK YOU



Towellers Limited

Manufacturing Quality Textiles since 1973

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