



LEATHER UP LIMITED — Corporate Briefing Session

Period: FY ended 30 June 2025

Date: 29 November 2025

CEO: Khalid H. Shah | CFO: Ali Ahmar

Investor Relations contact: accounts@leatherupltd.com

Session Agenda

A structured overview of our performance and strategic direction.

1

Welcome & Introductions

Setting the stage for today's discussion.

2

Financial Highlights (FY2025)

Key performance indicators and financial summary.

3

4-Year Trend Analysis

Reviewing historical performance and growth trajectory.

4

Revenue Drivers & Business Update

Understanding the forces shaping our sales and operations.

5

Balance Sheet & Cash Flow

Our financial health and liquidity position.

6

Risk Factors & Mitigation

Identifying challenges and our proactive solutions.

7

Outlook & Q&A

Future prospects and addressing your questions.

FY2025 Headline Financials

A direct comparison of key financial metrics between FY2025 and FY2024.



Sales Revenue

FY2025: Rs 12.09m

FY2024: Rs 27.53m

Profit/(Loss) Before Tax

FY2025: (Rs 4.32m)

FY2024: Rs 0.57m

Profit/(Loss) After Tax

FY2025: (Rs 4.51m)

FY2024: Rs 0.32m

EPS

FY2025: (Rs 0.75)

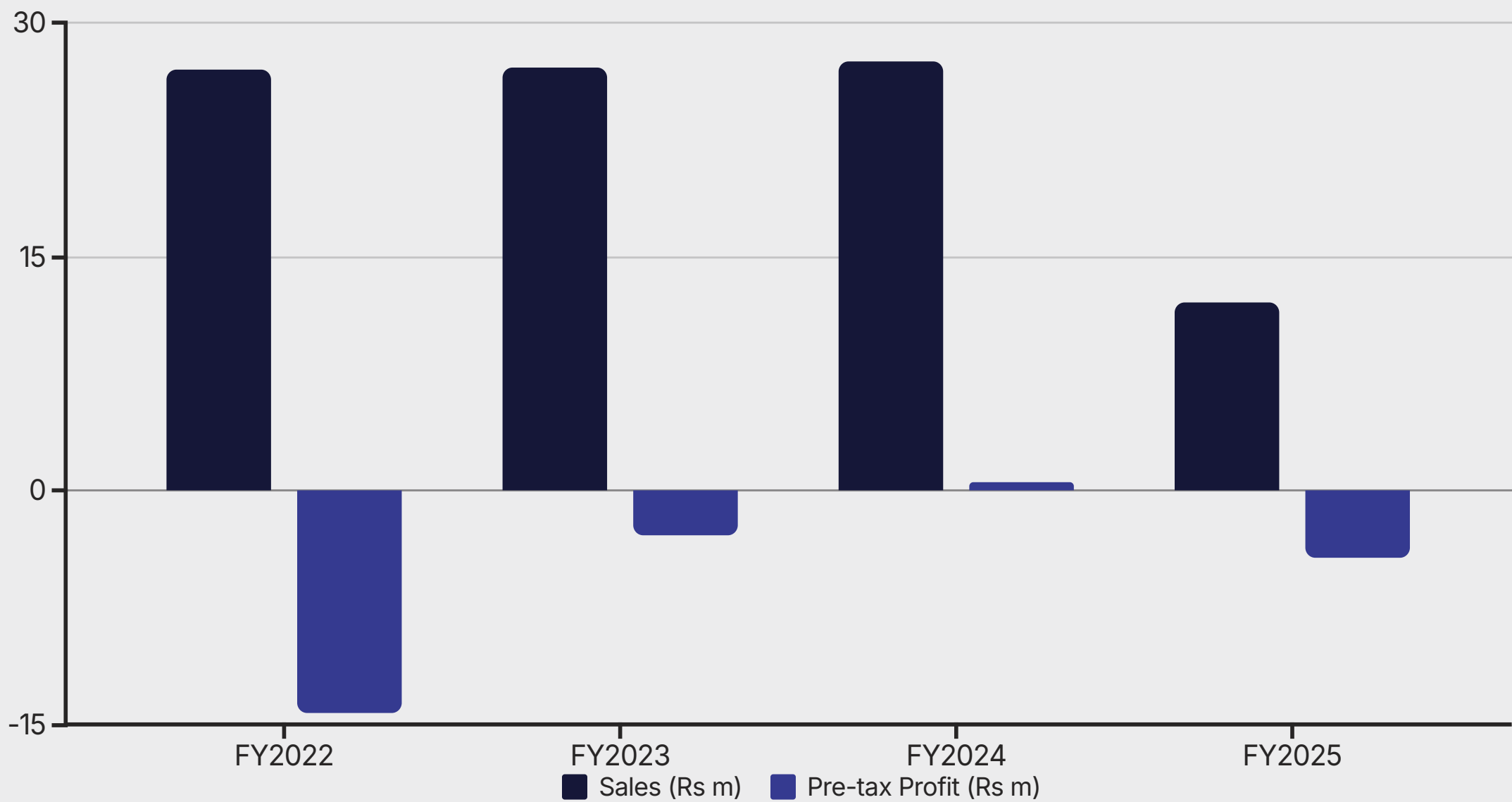
FY2024: Rs 0.05

Accumulated Loss

FY2025: Rs (48.98m)

Four-Year Trend Analysis: Sales and Profitability

Analysing our financial trajectory over the past four fiscal years.



A sharp decline in FY2025 sales was driven by weakened export demand in Europe due to prevailing economic conditions.

Revenue Drivers & Market Environment

Understanding the internal and external factors influencing our revenue.

→ Primary Customers

Focus on export markets, predominantly Europe, where demand remains soft due to high inflation and economic uncertainty.

→ Product Mix

Our core offerings include high-quality leather garments and allied products.

→ Key Drivers This Year

- Reduced order volumes from European buyers.
- Significant price pressure and increased input costs.
- Impacts of fluctuating foreign exchange rates and higher shipping costs.



Management Action

Proactive efforts led to securing export orders of Rs 22m in Q1 FY2026, post year-end, signalling a positive shift.





P&L Variance Analysis: Major Movements

A detailed breakdown of significant shifts in our profit and loss statement.

Gross Margin Movement

We observed a reduction in gross margin primarily due to increased cost of goods sold and competitive pricing pressures in key markets.

Major Expense Changes

Operating loss significantly increased to Rs 4.99m compared to Rs 90.8k in the prior year, reflecting elevated operational costs.

One-off / Other Income

Other income for FY2025 stood at Rs 668,666, providing some offset to operational expenses.

Taxation

Minimal tax expense in the year, totalling Rs 189,788, owing to the overall financial performance.

Balance Sheet Highlights

A snapshot of our financial position and key balance sheet indicators.

Rs 60.0m

Paid-up Capital

Our foundational equity remains robust.

3.63x

Current Ratio

Improved liquidity compared to prior year (3.34x).

Rs 19.50m

Current Assets

Short-term assets providing operational flexibility.

Rs 5.37m

Current Liabilities

Manageable short-term obligations.

Rs 14.13m

Net Working Capital

Positive working capital supporting operations (Current Assets - Current Liabilities).

Rs (48.98m)

Accumulated Loss

Impact on reserves and future going concern considerations.

Cash Flow & Liquidity

Our approach to managing cash and maintaining financial flexibility.

Cash Flow from Operations

Net operating cash flow reflects the challenges of the period, prompting stringent cash conservation measures.

Cash Conservation

Aggressive cost reductions and expense controls have been implemented across all departments.

Banking Relationships

Strong relationships with key financial institutions including MCB, UBL, and Faysal Bank, ensuring access to necessary facilities.



Short-Term Liquidity

Despite current challenges, we are focused on maintaining our ability to meet near-term obligations effectively through careful management of working capital.



Key Business Risks & Mitigation Strategies

Addressing potential challenges with proactive and strategic countermeasures.

Demand Risk Economic recession or high inflation in Europe leading to reduced purchasing power.	Market Diversification Actively exploring new export markets and securing confirmed orders (e.g., Rs 22m booked for Q1 FY2026).
Pricing & Input Costs Global inflationary pressures increasing raw material and operational costs.	Cost Control & Negotiation Rigorous cost control measures and strategic supplier negotiations to manage input expenses.
FX / Currency Risk Adverse fluctuations in foreign exchange rates impacting profitability.	Hedging & Invoice Management Implementation of hedging policies and strategic management of invoice currencies.
Operational Risks Challenges related to workforce stability and production continuity.	HR Engagement & Training Ongoing workforce engagement, skill development, and robust production planning.



Thank You for Your Time

We sincerely appreciate your presence and engagement during today's corporate briefing session. Your attention and valuable questions are vital to our continued success.

For any further inquiries or to request additional information, please do not hesitate to reach out to our Investor Relations team:

Email: accounts@leatherupltd.com

We value your continued support and look forward to building a resilient and prosperous future together for Leather Up Ltd.