PREMIUM TEXTILE MILLS

CORPORATE BRIEFING SESSION



November 05, 2026 | 03:40 PM | FY25-26

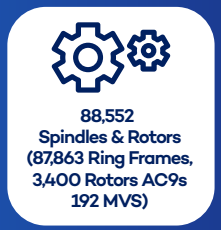
Introduction

- Inception of company in 1989.
- Annual Turnover in excess of 24+ billion
- Principal activity is to manufacture premium quality yarn and socks.
- Operating in both local and international markets (FY26: Local Sales: 2.85%; Exports Sales: 97.15% of Gross Sales).
- No. of spindles increased from 12,230 to 88,552 as of today. (Up 7x in last 37 years).
- No of knitting machines have increased to 354 as compared to 270 in the previous year.
- Preserving natural resources by widely producing recycled yarn.
- Solar energy system obtained for reliance on green energy to the extent of 20MW.

SPINNING







SOCKS







Operational Divisions



Spinning



Socks

Key Strategic & Operational Development



Installed capacity of
88,552
Spindles attained



Solar energy
20 MW
being produced



Wind Power Turbine
2x7.5 MW
being obtained



Knitting machines
354
installed

Product Portfolio

Spinning

- Melange yarns
- Injection yarns
- Snow-effect yarn
- Marled yarns
- Speckled yarns
- Recycled yarn
- Greige yarn
- Yarn Dyed
- Heather Grey yarns
- Fancy yarns

Socks

Performance Socks

- Walking, Running
- Ski & Snow
- Hiking/Outdoor
- Sports

Specialty Socks

- Diabetic
- Work Thermal
- Comfort
- Medicated
- Over the knee

Lifestyle Socks

- Casual socks
- Everyday socks
- Dress socks
- Formal socks



Management Information

BOARD OF DIRECTORS	
Mr. Mohammad Aslam Parekh	Chairman
Mr. Abdul Kadir Adam	Chief Executive
Mr. Muhammad Yasin Siddik	Executive Director
Mr. Khizar Yusuf Sattar	Independent Director
Mr. Muhammad Sohail Tabba	Independent Director
Ms. Lubna Asif Balagamwala	Non Executive Director
Mr. Tanzeel Abdul Sattar (NIT Nominee)	Non Executive Director
Managing Director	
Mr. Zaid Siddik	
Head of Finance	
Mr. Ali Asghar Muhammad Yousuf	
Chief Financial Officer	
Ms. Shenila Parekh	
Company Secretary	
Mr. Hammad Ullah Khan	
Auditors	
Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants	

Certifications







































Financial Summary

Description	June-PKR in Million		
	2026	2025	% of Variation
Sales	24,853	29,012	(14.34)
Gross Profit	4,164	3,881	7.29%
Operating Profit	3,027	2,800	8.11%
Finance Cost	1,805	2,436	25.90
PBT & Levies	1,591	690	130.57%
PAT & Levies	857	56	1430%
Total Assets	30,412	29,367	3.56%
Total Equity	8,044	7,164	12.28%
GP Margin (%)	16.75%	13.37%	3.38%
NP Margin (%)	3.44%	0.19%	3.25%
EPS / (LPS) (Rs.)	139.03	9.03	1439.65%
DPS (Rs.)	15	2	650%

FINANCIAL REVIEW (P&L)

- **Sales revenue** decreased by 14.34% mainly because of reduction in output of yarn as well as some reduction was noted in their selling price, in the first two quarters.

- **Export sales** reduced by 13.78% in FY26 while local sales have reduced by 33.63% in the first 2 qtrs because of un favorable Govt. policies.

- Decrease in **raw material cost** by 20%, while **manufacturing expenses** have reduced by 12.53% due to reduction in fuel & power, freight and repairs and maintenance expenses.

- Increase in **administrative expenses** by 10.32% due to increase in salaries & allowance & other benefits, software charges & travelling & conveyance.

- Increase in **selling & distribution expenses** due to salaries & wages, and marketing and sampling charges due to aggressive marketing efforts by socks division.

- **Financial charges** have reduced because of reduction in KIBOR rates from avg 15% last year to 11% this year.

- The balance sheet of the previous two years and P&L of one year was **restated** due to levies & taxation restated due to shifting on normal tax regime & fixing of SIDC.



Balance Sheet Items

Description	June-PKR in Million			2026 VS 2025
	2026	(Restated) 2025	(Restated) 2024	% of Variation
ASSETS				
Prop. Plant & Equip	16,083	14,559	14,996	10.46%
Long term deposits	37	41	25	(9.76%)
Current Assets	14,293	14,767	15,422	(3.20%)
Total Assets	30,413	29,367	30,443	
EQUITY & LIAB.				
Shareholders Equity	8,044	7,164	7,080	12.28%
Long Term Liabilities	7,298	6,327	7,286	15.35%
Deferred Liabilities	2,428	2,904	2,983	(16.39%)
Current Liabilities	12,643	12,972	13,094	(2.54%)
Total Equity & Liabilities	30,413	29,367	30,443	

Financial Review (B/S)

- Increase in **equity** due to uppropriated profits. Dividend to be accounted for in the next period.
- No new financing obtained except windmill renewable energy of 2.435B. Repayment of **Long term loan** of 1.55 billion.
- **Capital expenditure** of Rs. 3.046 billion mainly consists of Plant & Machinery amounting to 476 million, transfer of CWIP 850.365 million & addition in solar energy of 467 million.
- **Current assets** reduced by 3.20% due to recoveries from customers, reduction in inventory levels, short term investment & cash & bank balances.
- Reduction in **Creditors & Accrued Liabilities** because of reduction in trade and other payables & Short-Term borrowings.



Statement of Profit or Loss

For the Year Ended June 30,2026

	ACTUAL July 24-June 2026 Rs. Million	BUDGET July 24- June 2026 Rs. Million	VARIANCE AMT July 24-June 2026 Rs. Million	%	
Sales - net	24,853	26,600	(1747)	(6.56%)	50,434 yarn bags were sold less than the budget
Cost of sales	(20,688)	(22,131)	1443	6.52%	Cost of raw material consumed is reduced by 9.38%
Gross profit	4165	4,469	(304)	(6.80%)	while conversion cost has increased by 1.85%
Administrative expenses	(682)	(686)	4	0.58%	Expenditure within the budget
Distribution costs	(455)	(515)	60	11.65%	Reduction in freight & handling charges.
	(1,137)	(1,201)	64	5.33%	
Operating profit	3,028	3,268	(240)	(7.34)%	
Finance costs	(1,806)	(1,833)	27	1.47%	Budgeted financial charges were estimated at 11.7%
					while actual rate was 11%. Therefore, there was a minor reduction
Other income / (expenses) - net	370	-	370	100%	Effect of discounting of financial liabilities (SIDC).
	(1,436)	(1,833)	397		
Profit before levies & taxation	1592	1,435	157	10.94%	
Levies	(235)	(413)	178	43.09%	Represent WWF, WPPF and SIDC
Profit before Tax	1357	1,022	335	32.78%	
Taxation	(500)	(90)	(410)	(455.55)	The budgeted amount incudes Minimum tax which has been included in Taxation in the budget & actual figures is based on the Normal tax regime.
Profit after taxation	857	932	(75)	(8.05%)	

Key Numbers: 6-Year History

Key Numbers	2026	2025	2024	2023	2022	2021
Net Sales (Rs. Mn)	24,853	29,012	27,075	22,829	19,977	11,484
P.A.T. (Rs. Mn)	857	56	(452)	1,042	4,310	1,386
Fixed Assets (Rs. Mn)	16,083	14,559	14,996	12,170	10,011	6,788
GP Margin (%)	16.76%	13.37%	14.12%	17.26%	27.94%	21.37%
Op. Margin (%)	12.18%	9.65%	10.49%	13.64%	24.81%	18.02%
NP Margin (%)	3.45%	0.19%	(1.66%)	4.57%	21.58%	12.07%
Current Ratio (x)	1.13	1.14	1.18	1.36	1.63	1.41
EPS (Rs.)	139.03	9.03	(73.36)	169.18	699.40	224.93
Cash Div.	150%	20%	0%	250%	1000%	500%
Spindles Installed	88,552	88,552	93,471	91,455	91,782	85,538
Spindles worked	80,210	79,547	84,851	79,440	87,742	81,348
Production Cap. Conv. 20/s (Kgs, Mn)	33.15	34.50	36.06	34.59	42.26	33.35
Actual Prod. Conv. 20/s (Kgs,Mn)	29.55	30.89	33.57	30.54	39.97	31.43
Inst. Capacity of socks in Dozens (Mn)	3.29	2.94	2.30	2.16	_	_
Actual production of socks in Dozens (Mn)	2.91	2.59	1.86	.719	_	_

Dividend Payout History - 10 Years

FY	CASH DIVIDEND
FY26	150%
FY25	20%
FY24	0%
FY23	250%
FY22	1000%
FY21	500%
FY20	80%
FY19	225%
FY18	225%
FY17	125%

Forward Looking Information

- Sales are expected to gain momentum due to stronger pricing power and an expanding customer base.
- Also, cost cutting measures, enhancing operational efficiencies, reducing inventory levels and Trade debts will improve the profitability in the coming quarters.
- As already stated in Annual Director Report we have installed two wind power turbines of 1.4 billion each for reduction in our energy costs.
- We intend to acquire batteries for our solar power system installed of 20 MW in the coming year.



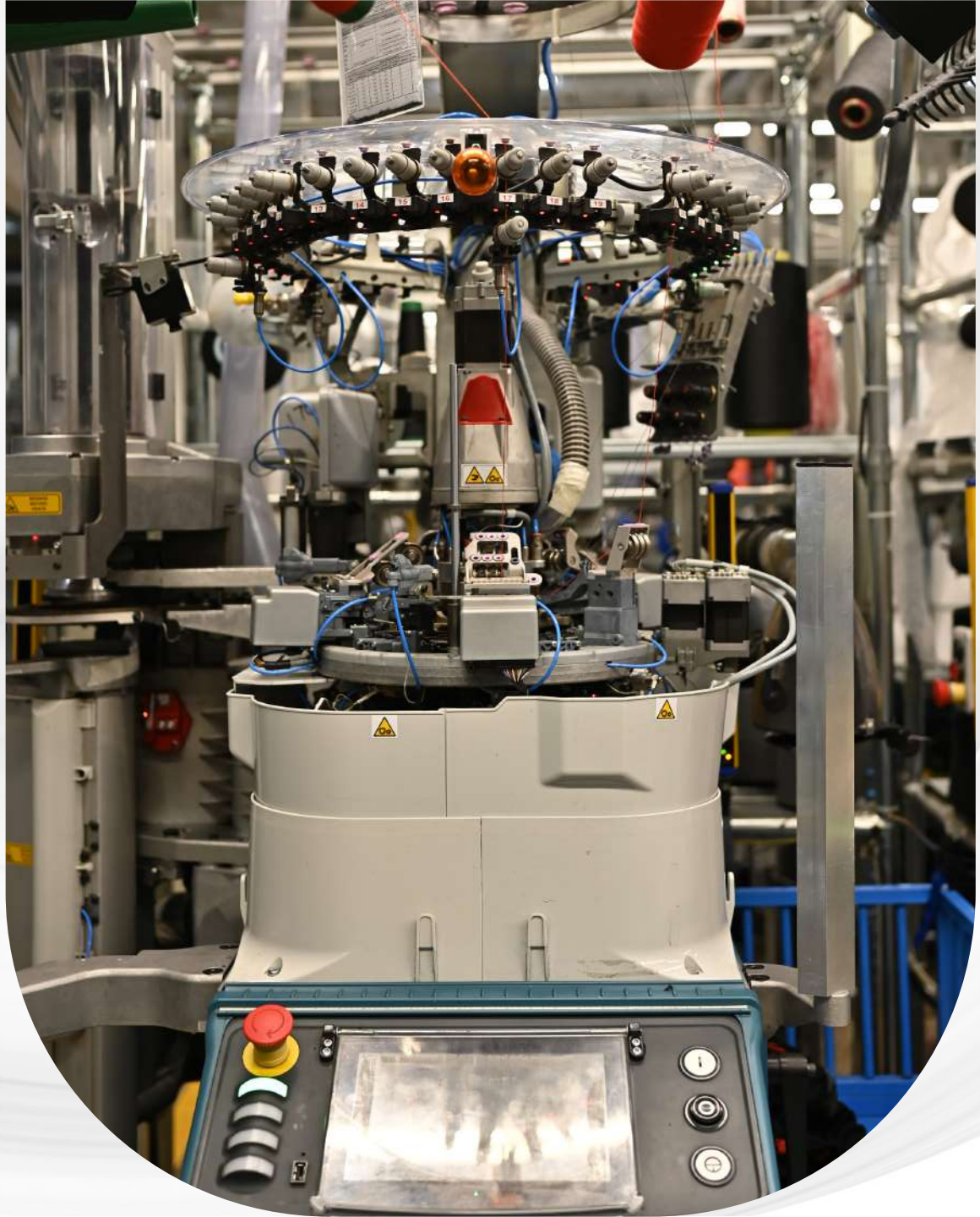
Forward Looking Information (contd)

- We expect to increase production in socks divsion in view of anticipated orders for the socks division. We are concentrating on R&D activities to introduce newer varieties for expansion of the socks segment in the near future.

- Reduction in kibor rates will invite new investment in plant & machinery for further expansion possibilities if the textile environment and economic conditions improve.

- A subsidiary Innovative Textile F.Z.E will commence operation which will provide marketing services in UAE for the company.

- The company has made an investment of Rs. 20 million in Recover Pakistan (Pvt.) Limited for the sourcing, sales, and trading of recycled cotton fibre in international and local markets.

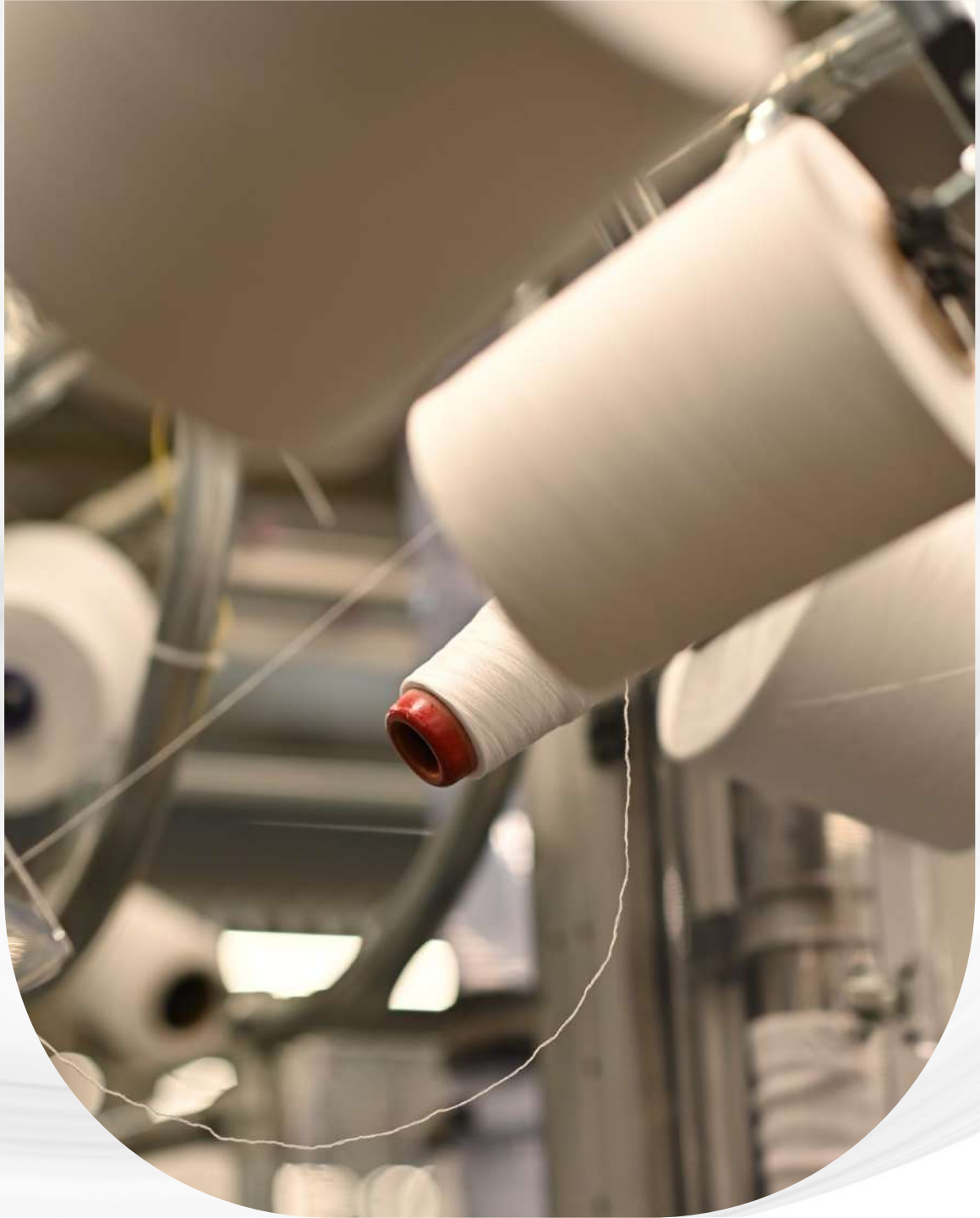


TEXTILE BUSINESS REVIEW

- It is expected that rising input costs, volatility in raw material prices due to lower production of cotton, changes in tax and government import policies could severely affect the textile industry due to global inflation & rising fuel prices.

- The GDP growth has accelerated to 3.7% despite the Iran–US war, & due to stable foreign exchange reserves and improved investor confidence in the stock market.

- During the year, super tax has been levied by the FBR for the current and prior years as well. Also, the long-disputed Sindh Infrastructure Development Cess (SIDC) has been decided as settled and the payment has been fixed in instalments putting strain on cash flows.



TEXTILE BUSINESS REVIEW

- Due to surging gas and energy tariffs, there have been massive increase in input costs which have therefore inflated the cost of production and squeezed profit margins.

- There is a 10% ad valorem tariff on domestic goods entering US. Due to imposition of other duties, the effective rate is 19%. This has a severe impact on the textile industry as US remains the largest export destination.



Key Revenue Drivers

- There is continuous growth in sales revenue since many years now. This is a key revenue driver because of providing increased cash inflow for the company.
- Aggressive marketing efforts to continue retention of existing customers and making headway in acquiring new customer base in an effective revenue driver.
- Cost efficiency, continued investment in renewable energy, market innovation, and production innovation are the driving force for the development of our company.
- Inventory management, improving water efficiency, enhancing solar & wind energy and minimizing waste are the key factors that affect our company's profitability.



Key Revenue Drivers

- Managing trade debts and creditors' levels efficiently contributes to revenue growth and cash flows.
- New types of products to be introduced in order to increase revenue.
- Export markets are the key revenue drivers for the socks segment which is entirely dependent on export sales. We have 354 machines which are running at full capacity with a good profit margin.
- Sales revenue from the spinning sector are dependent on yarn specialties as new varieties are continuously being developed to cater to the customers' ever changing requirements.



Principal Risks

- Volatility in Raw material and Finished goods prices.
- Increase in Kibor rates.
- Increase in fuel and energy costs due to power tariffs
- Uncertain economic conditions of the country including political uncertainty.
- Increase/Decrease in foreign currency rates as compared to Pak rupees.
- Technological risks as we have to remain up to date for cost effective production.
- Changes in export incentives, tax regime or credit policy could negatively impact competitiveness.
- Dependences on long term loan for capital expenditures.





Questions ***Received*** in Advance

We have received the following questions for the upcoming Corporate Briefing Session.

Q1.

Last year the company installed 84 socks knitting machines. How many machines does the company plan to install over the next 1-2 years?

Q2.

I noticed that Interloop is selling their socks at $6 per dozen pieces. Why is your selling price much lower than them? Is there any difference in product quality or specification between you and interloop?

Q3.

In 2026, the company produced 29.55mil kg of yarn. What percentage of yarn production was utilized internally for manufacturing socks? Do you also source yarn from outside manufacturing socks?

Q4.

After 20mw solar and 15mw wind coming online, what is the weighted average cost of electricity and power mix of solar, wind, grid and captive gas?

Q5.

Govt has recently announced a subsidized scheme for long term financing. Is the company planning to utilize this facility?

THANK YOU

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