KOHINOOR MILLS LIMITED

Corporate Briefing Session

Financial year ended 30 June 2026

Date: 18th November 2026
Venue: Virtual Zoom Meeting
PSX: KML | Textile Composite



AGENDA

What we will cover today

01

Company profile

Who we are, capacities and governance

02

Operating environment

Economy and textile industry in FY26

03

Strategic developments

Apparel ramp-up, energy transition, capex

04

Financial performance FY26

Results, segments, six-year trend, ratios, share data

05

Outlook

Q1 FY27 update, key risks and FY27 priorities

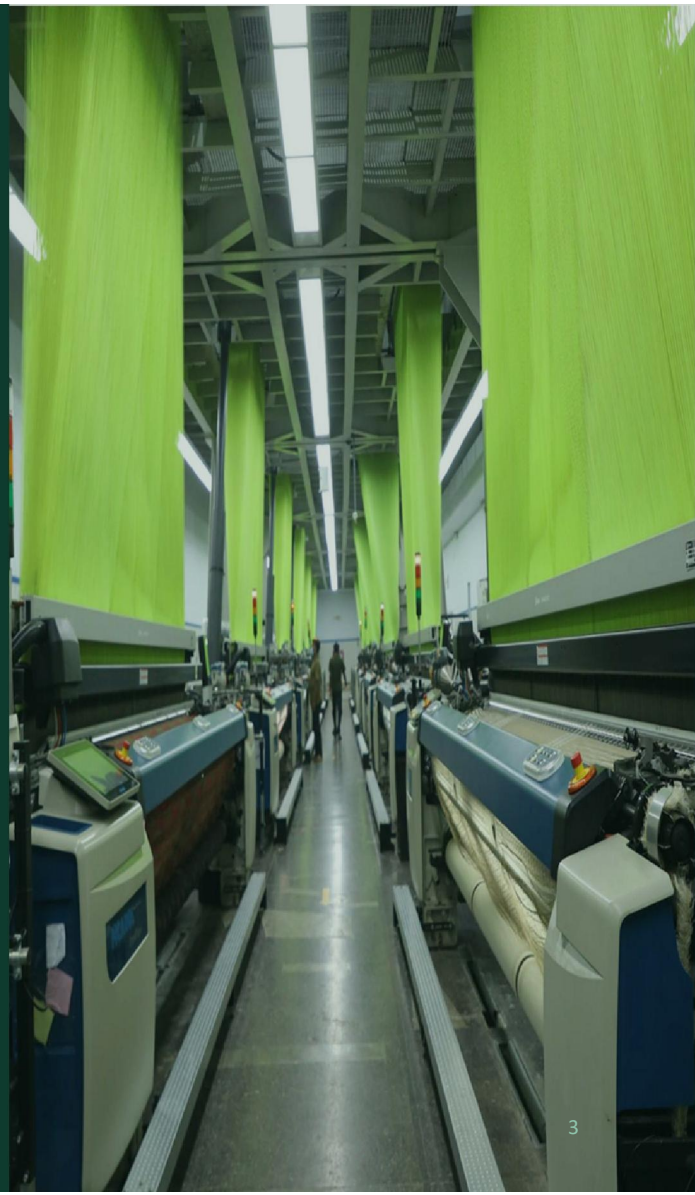
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Question & answer session

Questions received in advance and from the floor

01

Company profile



COMPANY PROFILE

A vertically integrated textile company since 1987

Kohinoor Mills Limited is a listed textile composite (PSX: KML) based at 8 KM Manga–Raiwind Road, District Kasur. From greige weaving to dyeing, finishing and garments, all four businesses share one integrated complex near Lahore, powered by our own captive and renewable energy.

1987
Incorporated; listed on PSX

4
Businesses: Weaving, Dyeing & Finishing, Apparel, Energy

~2,660
Average employees in FY26

272
Looms in operation

48M
Linear metres rated dyeing capacity (3 shifts)

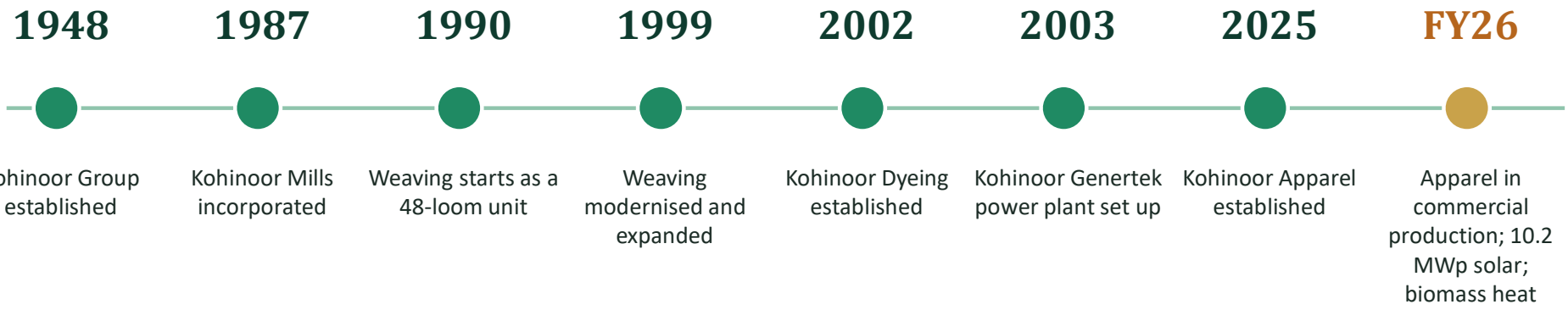
10.2 MWp
Solar PV installed at year end

Rs 25.6bn
FY26 revenue

Rs 5.6bn
Market capitalisation at 30 June 2026

OUR JOURNEY

Heritage since 1948, four businesses under one roof



Subsidiary: Kohinoor Mills USA, Inc. (Delaware) was incorporated on 11 March 2026 as a wholly owned subsidiary to support our customer presence in the United States.

PLANT CAPACITY & PRODUCTION FY26

Weaving runs near capacity; Dyeing and Apparel can grow



Weaving

272 looms

106.1M m² produced (60 picks)
Rated: 115.8M m²

Capacity utilisation

92%



Dyeing & Finishing

48.0M m rated

31.0M linear metres produced
336 days worked

Capacity utilisation

65%



Apparel

1.21M pcs capacity

406,325 garments produced
242 days; ramp-up year

Capacity utilisation

34%



Energy

10.16 MWp solar

6,361 MWh solar generated
27,445 MWh captive generation

Solar output vs expected

80%

GOVERNANCE & SHAREHOLDING

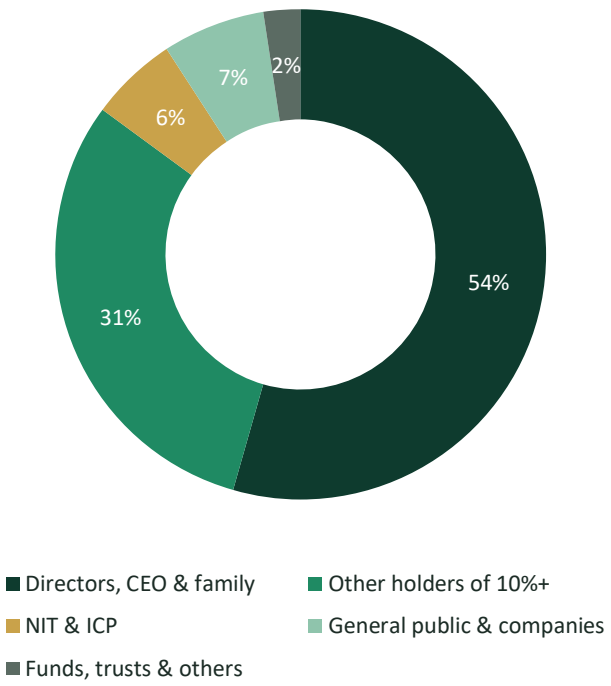
A balanced board and a committed sponsor base

Board of Directors

Mr. Rashid Ahmed	Chairman, Non-Executive
Mr. Aamir Fayyaz Sheikh	Chief Executive
Mr. Ismail Aamir Fayyaz	Executive
Ms. Imrat Aamir Fayyaz	Executive
Mrs. Hajra Arham	Independent; Chair, Audit Committee
Mr. Taimur Afzal	Independent; Chair, HR&R Committee
Mr. Matiuddin Siddiqui	Non-Executive (NIT nominee)

5 board meetings in FY26 | Auditors: Riaz Ahmad & Co., Chartered Accountants

Shareholding at 30 June 2026 (509.11M shares)



02

Operating environment



ECONOMY & INDUSTRY FY26

A recovering economy, but a tough year for textiles

3.70%
Real GDP growth (FY25: 3.18%)

7.05%
Average CPI inflation; 11.07% in June 2026

11.5%
SBP policy rate at year end

Rs 278.55
PKR per USD at 30 June 2026 (FY25: Rs 283.60)

$17.59bn
Textile exports, +1.85% YoY

–7.03%
Cotton cloth exports, to $1.70bn

What it meant for KML

- Price pressure and shorter lead times from buyers
- High energy, chemical and freight costs
- Middle East disruption deferred export shipments in Q4
- Buyers favour integrated, compliant suppliers

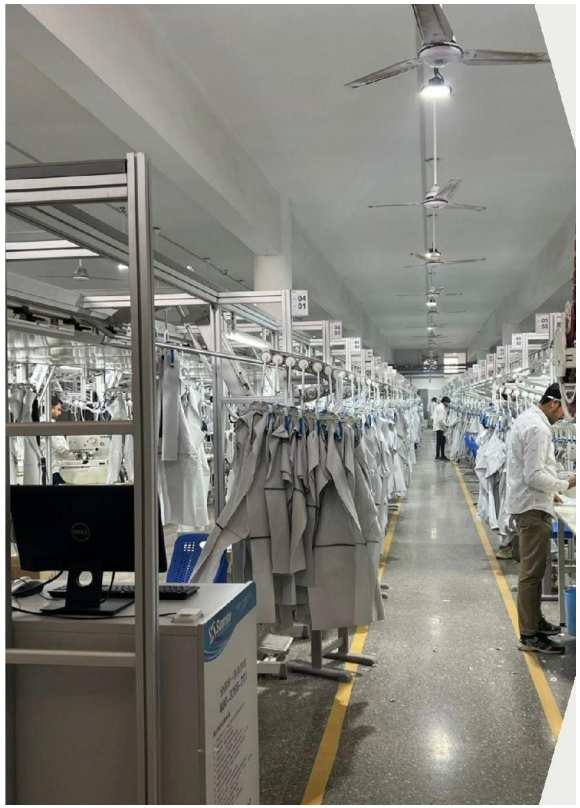
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Strategic & operational developments



APPAREL DIVISION

Apparel moved into commercial production in FY26



Rs 663M
FY26 apparel sales (first year)

406,325
Garments produced in FY26

Rs 770M
Q1 FY27 sales: first full quarter

Capacity ramp-up (pieces per shift per day)

Today — **5,000**
5 production lines in operation

Target by end of FY27 — **17,000**
Progressive expansion, subject to orders and manpower

Why it matters: weaving, dyeing, finishing and garmenting in one complex gives customers an end-to-end source with shorter lead times.

ENERGY TRANSITION

Solar and biomass are reshaping our energy cost base

10.2 MWp
Solar PV installed and fully operational

6,361 MWh
Solar electricity generated in FY26

–32%
Captive power generation (27,445 vs 40,491 MWh)

83%
Of total energy generated via renewable sources



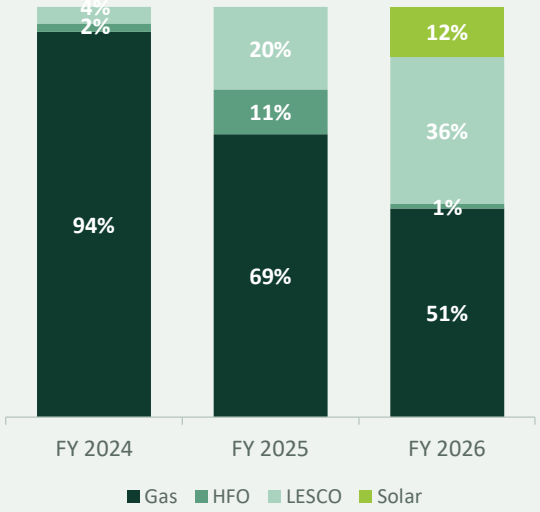
Next: evaluate more solar on available land, plus a Battery Energy Storage System so daytime surplus can serve night shifts.

Biomass thermal oil heater: now meets a significant share of process heat in place of natural gas, cutting exposure to gas shortages and tariff swings.

ENERGY MIX | FY 2024 TO FY 2026 (JULY TO JUNE)

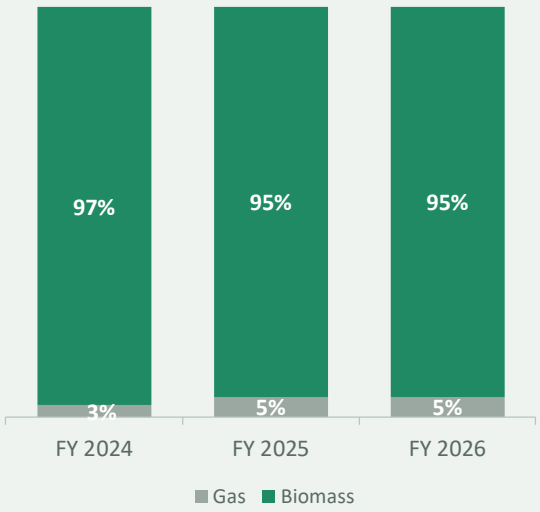
Energy mix: gas share is falling as biomass and solar grow

Electricity



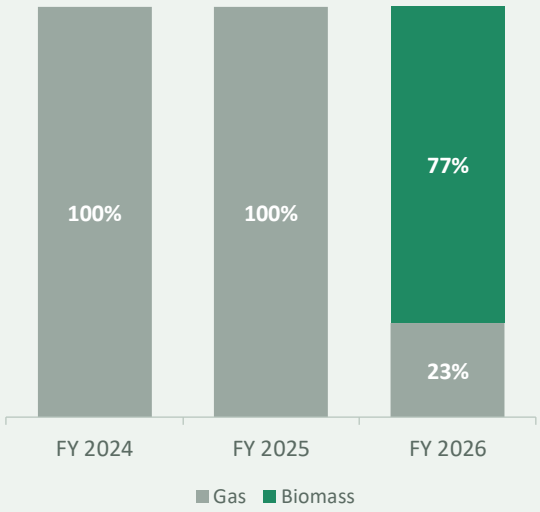
Gas fell from 94% to 51% of electricity; LESCO (36%) and solar (12%) now supply most of the rest.

Steam



Biomass supplies about 95% of steam in every year.

Thermal oil heating (TOH)



Biomass rose from 0% to 77% of thermal oil heating in FY 2026, replacing gas.

INVESTMENT & CORPORATE ACTIONS

Rs 2.0bn invested in FY26 to modernise and expand

Rs 2,032M

Capital expenditure

Up 25% from Rs 1,622M in FY25, for capacity expansion, modernisation and operational efficiency.

10 : 1

Stock split

Face value cut from Rs 10 to Re 1 (EGM, 9 Sep 2025); shares now 509.11M to improve liquidity and widen the investor base.

100%

Kohinoor Mills USA, Inc.

Wholly owned Delaware subsidiary incorporated on 11 March 2026 to support US customers.

SBTi

Science-based targets

Committed in 2023; 30% of wastewater reused and 100% of waste diverted from landfill.

04

Financial performance FY26



FY26 HIGHLIGHTS | RS MILLION

Margins held; lower sales and higher costs reduced profit

–5.7%
25,597
Revenue

–3.5%
3,487
Gross profit

+0.30 pp
13.62%
Gross margin (FY25: 13.32%)

–19.8%
1,262
Profit from operations

–62.1%
150.2
Profit before levy & tax

–97.6%
5.5
Profit after tax (FY25: 233.5)

Re 0.01
EPS (FY25: Re 0.46)

+1.5%
Rs 20.48
Break-up value per share (FY25: 20.18)

Dividend: the Board has not recommended a dividend for FY26, to rebuild working capital and provide for contingencies.

STATEMENT OF PROFIT OR LOSS | RS MILLION

Earnings fell on lower sales and higher operating costs

Rs million	FY26	FY25	Var %
Revenue	25,597	27,137	(5.7)
Cost of sales	(22,110)	(23,523)	(6.0)
Gross profit	**3,487**	**3,615**	**(3.5)**
Distribution cost	(1,423)	(1,323)	7.6
Administrative expenses	(1,023)	(785)	30.4
Other expenses	(70)	(127)	(44.7)
Other income	292	195	50.2
Profit from operations	**1,262**	**1,574**	**(19.8)**
Finance cost	(1,112)	(1,178)	(5.6)
Profit before levy & taxation	**150**	**396**	**(62.1)**
Levy	(325)	(338)	(4.0)
Taxation	180	176	2.5
Profit after taxation	**6**	**234**	**(97.6)**
EPS – basic & diluted (Rs)	0.01	0.46	

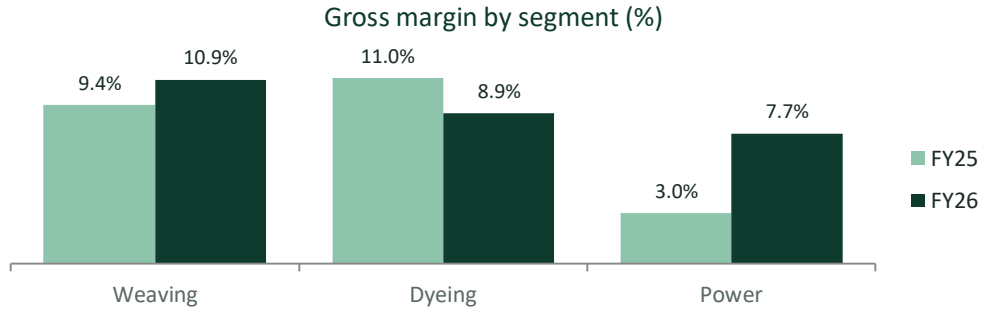
Key drivers

- Revenue fell 5.7% as Dyeing's external sales dropped 18.4%, partly offset by Weaving (+8.2%) and Apparel.
- Gross margin improved to 13.62% through product mix and cost control.
- Administrative expenses rose 30.4%: Apparel added Rs 85M, with higher costs in Weaving and Dyeing.
- Finance cost eased 5.6% to Rs 1.11bn despite higher borrowings.
- A levy of Rs 325M, net of a Rs 180M tax credit, absorbed most of the pre-tax profit.

SEGMENT PERFORMANCE | RS MILLION

Weaving carried the year as Dyeing faced a tough market

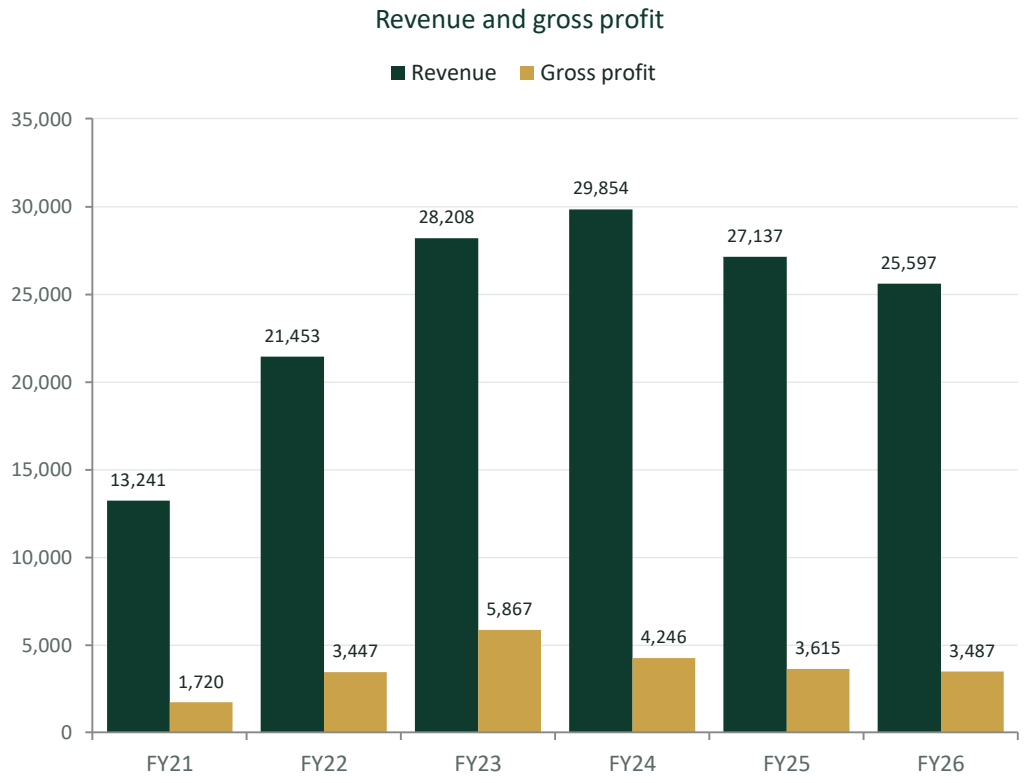
Segment	Sales FY26	Sales FY25	GP % FY26	GP % FY25
Weaving	17,774.8	18,194.6	10.9%	9.4%
Dyeing	14,512.5	16,829.8	8.9%	11.0%
Power generation	2,942.9	2,549.2	7.7%	3.0%
Apparel	663.5	22.6	4.3%	n/m
Inter-segment elimination	(10,297.1)	(10,459.0)		
Company	**25,596.5**	**27,137.3**	**13.6%**	**13.3%**

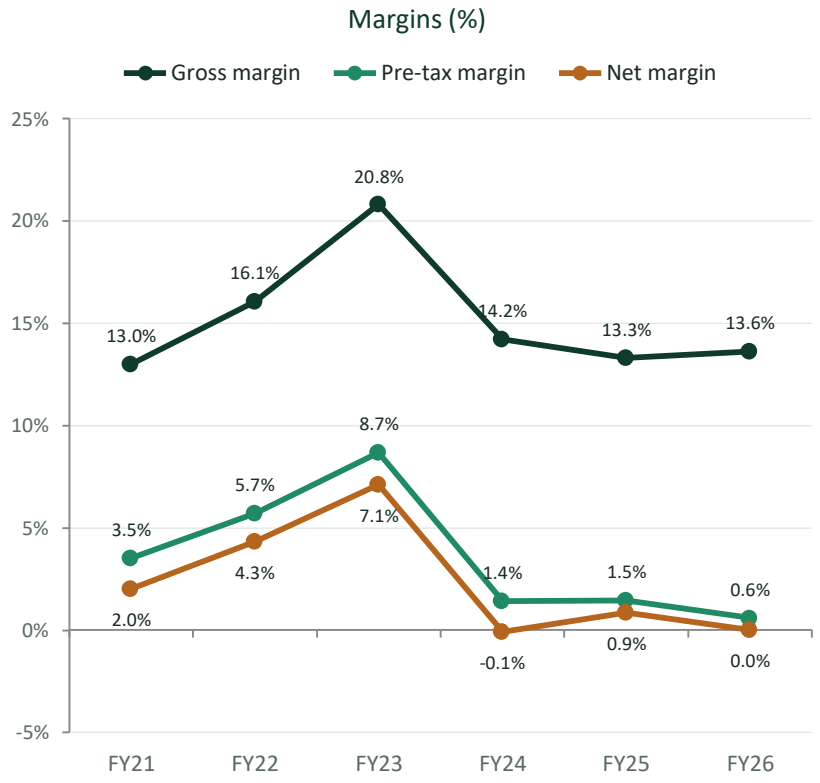


- Weaving: margin up to 10.9% as external sales grew 8.2%.
- Dyeing: pricing pressure and deferred Q4 shipments; margin fell to 8.9%.
- Apparel: start-up losses expected while volumes ramp up.

SIX-YEAR TREND | RS MILLION

Revenue almost doubled since FY21; margins under pressure





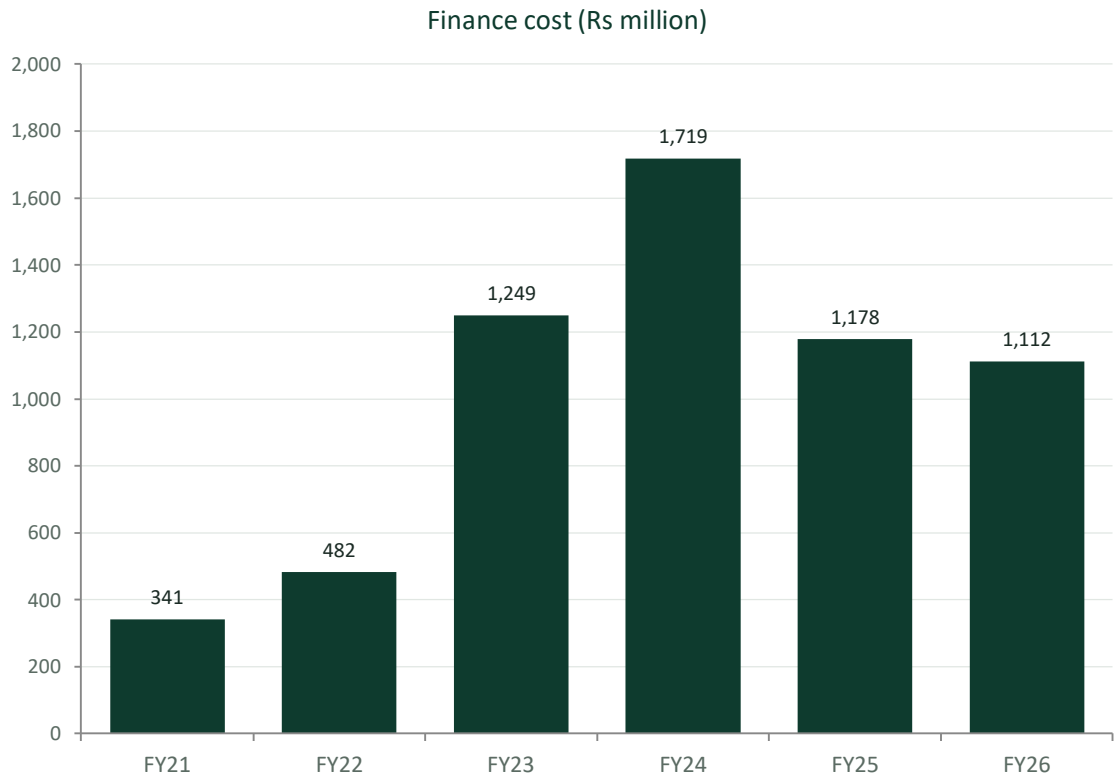
KEY RATIOS

Returns and liquidity weakened in FY26

Ratio	FY26	FY25	FY24	FY23	FY22	FY21
Profitability						
Gross margin %	13.62	13.32	14.22	20.80	16.07	12.99
Net margin %	0.02	0.86	(0.07)	7.10	4.33	2.02
Return on equity %	0.05	2.27	(0.20)	25.37	15.46	5.25
Return on capital employed %	10.13	12.60	17.83	37.69	22.58	12.58
Efficiency & liquidity						
Total assets turnover (x)	0.88	1.02	1.20	1.25	1.27	0.98
Inventory turnover (days)	115	97	91	92	84	96
Current ratio (x)	0.87	0.95	1.01	1.05	0.95	0.90
Debt : equity	52:48	48:52	44:56	53:47	53:47	50:50
Per share (Rs)						
Earnings per share	0.01	0.46	(0.04)	3.93	1.82	0.53
Break-up value per share	20.48	20.18	19.55	15.50	11.79	10.02
Market price per share (30 June)	10.97	4.66	3.48	4.30	2.68	3.00

FINANCE COST & LEVERAGE | RS MILLION

Finance cost eased with lower rates; borrowings rose



4.34%
Finance cost to sales (FY25: 4.34%)

1.14x
Interest cover (FY25: 1.34x)

9,184
Short-term borrowings (FY25: 7,409)

2,247
Long-term financing (FY25: 2,094)

Finance cost fell 5.6% although year-end borrowings rose 21.5% to fund capex and inventory. SBP's policy rate was 11.5% at year end, well below earlier peaks.

SHARE & SHAREHOLDER INFORMATION

Market value more than doubled during FY26



Rs 10.97
Share price at 30 June 2026 (FY25: 4.66)

0.54x
Price to break-up value (FY25: 0.23x)

509.11M
Shares of Re 1 after 10:1 split

Nil
Dividend for FY26 (FY25: Nil)

No dividend this year: profit is being retained to rebuild working capital and provide for contingencies arising from government policy.

05

Outlook



LATEST UPDATE | Q1 FY27 (UN-AUDITED)

A stronger start to FY27: sales up 14%, gross margin 16.6%

+14.4%

7,177

Revenue (Q1 FY26: 6,274)

+36.3%

1,191

Gross profit (Q1 FY26: 874)

+2.7 pp

16.6%

Gross margin (Q1 FY26: 13.9%)

+3.7%

58.7

Profit after tax (Q1 FY26: 56.6)

Division, Q1	FY27	FY26
Weaving sales (Rs bn)	4.90	4.10
Weaving gross margin	13.6%	12.7%
Dyeing sales (Rs bn)	4.01	4.01
Dyeing gross margin	8.8%	10.4%
Apparel sales (Rs M)	770	–

Post year-end events

- Apparel: 5 lines running at about 5,000 pieces per shift per day.
- Energy: 10.2 MW solar and the biomass heating system operated throughout the quarter.
- Kohinoor Mills USA, Inc.: bank account opened with a small initial deposit to keep it operative; no significant funds remitted to date.

KEY RISKS & MITIGATION

The risks we are managing

1 Cotton & yarn supply and price

Mitigation: Phased buying, diversified suppliers, alternative fibre blends

2 Export demand & pricing

Mitigation: Deeper buyer relationships, higher-value products, new markets

3 Energy cost & availability

Mitigation: Solar, biomass and captive power; energy conservation; BESS study

4 Geopolitics & logistics

Mitigation: Market diversification; production planning around shipping disruption

5 Tariffs & compliance

Mitigation: Certifications, traceability, engagement with trade bodies

6 Financial: FX, rates, liquidity

Mitigation: Currency matching and hedging, committed bank lines, cash-flow forecasting

FY27 PRIORITIES

Growing value-added sales from an integrated base

Apparel scale-up

Lift capacity from 5,000 towards 17,000 pieces per shift per day by end of FY27.

Diversify markets

Dyeing to open new export markets and customers; reduce reliance on single routes.

Efficiency

Weaving to raise utilisation and efficiency from existing assets; tight cost control.

Energy

Evaluate further solar and a Battery Energy Storage System, subject to feasibility.

Compliance & traceability

Strengthen end-to-end traceability and certifications demanded by global brands.

Working capital

Rebuild liquidity and reduce reliance on short-term borrowing.

06

Question & answer session



QUESTIONS RECEIVED IN ADVANCE

Questions submitted before the session

#	Question	Received from	Response
1	[Question received in advance]	[Name / institution]	[Management response]
2	[Question received in advance]	[Name / institution]	[Management response]
3	[Question received in advance]	[Name / institution]	[Management response]

Thank you

Questions and discussion

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