AZGARD NINE LIMITED | PSX SYMBOL: ANL

Corporate Briefing Session
For the Financial Year ended June 30, 2026

PRESENTER
Muhammad Zahid Rafiq
Chief Financial Officer

ACCOMPANIED
Ahmed Humayun Shaikh
Chief Executive Officer

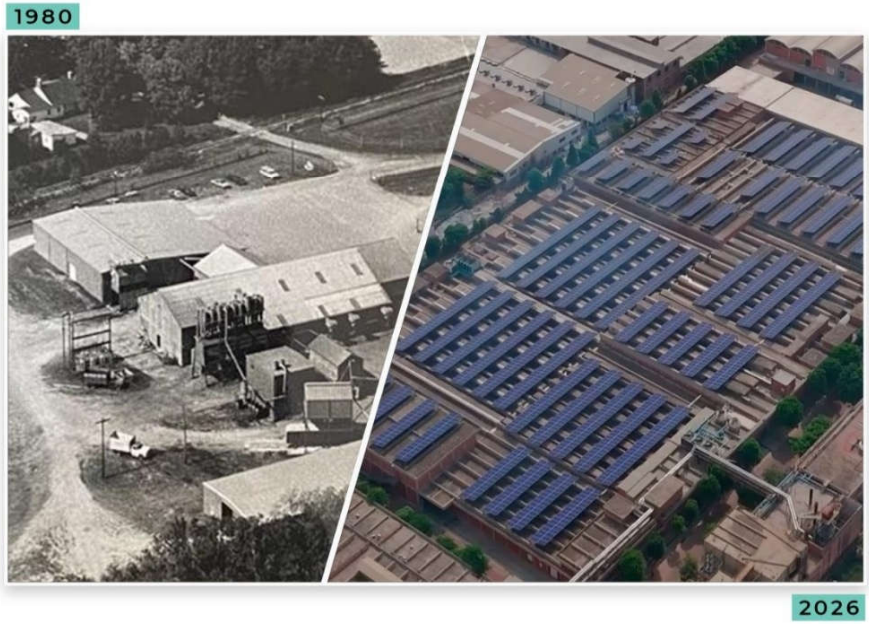
DATE OF SESSION
24 November 2026

MODERATOR
Rehan Umer Soomar
Company Secretary

AZG9

EXPERIENCE MEANS FEWER SURPRISES

Decades of Denim Behind Every Order.



TOMORROW'S DENIM TODAY

COMPANY'S PROFILE

The Company was incorporated in Pakistan on January 20, 1993 as a public limited company under the name 'Indigo Denim Mills Limited' and obtained a Certificate for Commencement of Business on January 27, 1994. The name was changed to 'Legler-Nafees Denim Mills Limited' on 28-02-1994 and subsequently to the present name i.e. 'Azgard Nine Limited' on April 07, 2004.

Following are addresses of the Registered Office and manufacturing units of the Company:

Registered/Head Office: Ismail Aiwan-e-Science, Off: Shahrah-e-Roomi, Lahore-54600, Pakistan.

Manufacturing Unit-I: 2.5 KM Off: Manga Raiwind Road, District Kasur, Pakistan.

Manufacturing Unit-II (Rented): Atta Buksh Road, 18-KM, Off: Ferozepur Road, Mouza Atari Saroba, Tehseel Cantt, Lahore, Pakistan.

Principle business

The Company is a composite spinning, weaving, dyeing, and stitching unit engaged in the manufacturing and sale of yarn, denim, and denim products.

Status of the company

Public Interest Company (Listed Company)

CEO MESSAGE



AHMED HUMAYUN SHAIKH

Chief Executive Officer – Azgard Nine Limited

This year, Azgard9 advanced its sustainability agenda by integrating cleaner technologies, optimizing resource use, and accelerating digitalization across operations. We strengthened focus on circularity, efficiency, and responsible innovation, ensuring competitiveness despite global and domestic challenges.

At the same time, we deepened our commitment to people by driving diversity, empowering women, and building a culture where performance and ideas thrive. This report shows these efforts reinforce our position as a future-ready leader in sustainable textiles, setting higher benchmarks for environmental stewardship, social responsibility, and product excellence.

"Leading with purpose, forging a sustainable path"
AHMED HUMAYUN SHAIKH

VISION

To go down in history as one of the leading names in the success story of denim.

MISSION

Because the world cannot wait for a more sustainable denim, we are here to accelerate the change: Faster, cleaner and smarter.

CORPORATE PROFILE

Tomorrow's Denim Today

Core Business Scope

- **Fully Integrated Structure: Complete denim chain from spinning to retail garments.**
- **Global Export Focus: Key markets; Europe, North America and Asia.**
- **Sustainable Denim: Circularity, water savings, and green energy innovations.**

CEO STRATEGIC VISION

"Leading with purpose, forging a sustainable path by integrating cleaner technologies, resource optimization, and digital transformation."

OVER 120+

YEARS OF EXCELLENCE

OUR COMMITMENT

Our commitment to sustainability has been acknowledged by leading global accreditation bodies, proving our leadership in eco-friendly practices. This commitment is integral to our design principles, where our state-of-the-art technology guarantees that every product, we manufacture, is optimized for water efficiency, energy reduction and use of recycled materials. The impact of our efforts extends beyond environmental benefits, as we prioritize the well-being of planet, the quality of products and the welfare of people.

OUR MISSION

Our goal is to become a zero waste and carbon neutral company by 2030. We intend to recycle all our industrial waste and offset the total CO^2 emissions from the facility.

OUR CAPACITIES

YARN
15K ton/year

FABRIC
42 million meters/year

GARMENT
13 million pcs/year

TURNOVER
$147 milion

EMPLOYEES
8310

WE ARE A WORLD LEADING

MANUFACTURER

ESTABLISHING THE STANDARDS THAT OTHERS ASPIRE TO



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RENEWABLE

THE WAY FORWARD

2.5MW

SOLAR ENERGY

ENVIRONMENTAL BENEFITS (Annually)

732	886	1,212
TONS COAL SAVED	TONS CO_2 REDUCED	EQUIVALENT TREES PLANTED

99%

of Thermal Energy from Renewable Sources

Delivering and moving ahead of our commitment

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REVIVE™

State-of-the-art process for recycling post-industrial and post-consumer cotton waste. We are producing high-quality materials that the industry could use to create new yarns and fabrics.

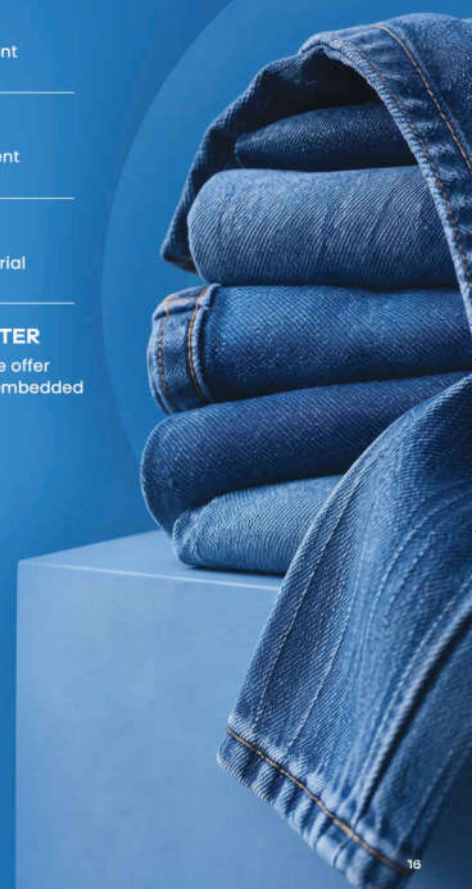
PRODUCT OFFERINGS

YARNS
Upto **70%** recycled content

FABRICS
Upto **40%** recycled content

GARMENTS
Upto **40%** recycled material

RECYCLED POLYESTER
Through collaboration we offer recycled polyester with embedded translucent tracer



Pioneer in circular fashion technology

WATER STEWARDSHIP

We are taking proactive measures to minimise the water consumption in producing fabrics and garments.



OVER **50%** REDUCTION IN WATER CONSUMPTION



One of the lowest water consumption in the industry acknowledged by **"GREEN TO WEAR"**

WOMEN EMPOWERMENT



Gender Pay Gap

Mean Gap

Mean pay for men is **11%** higher than that of women.

Median Gap

Median pay for men is **8%** higher than that of women.

WELFARE COMMUNITY CENTRE

We established a community welfare center with a dedicated focus on empowering women. This center offers free operational training opportunities, equipping women with the tools they need to succeed.

Our mission goes beyond skill-building;
we are committed to fostering an environment where:

- Honesty is paramount
- Self-esteem is nurtured
- Mentorship is encouraged
- Every individual's worth is recognized
- Girls remain in school
- Negativity is challenged
- Injustice is confronted
- Female colleagues are fully supported

DIVERSITY, EQUITY AND INCLUSION MEASURES



The Company believes that diversity, equity and inclusion (DE&I) is a cornerstone of a just and progressive society. Yet, women face systemic barriers that hinder their full participation in education, employment, leadership, and community life. Promoting their inclusion is not only a social responsibility, but it is a strategic imperative for equitable and sustainable development. Further, differently abled are also important part of our society and require equal opportunities for education, employment and social inclusion.

To ensure measurable impact and sustainable outcomes, ANL has taken certain measures including but not limited to:

SKILLS & TRAINING

Vocational and on-the-job training programs for girls, widows, and women from underserved communities.

MENTORSHIP

Development of mentorship networks and leadership pipelines to empower female role models from marginalized backgrounds.

SUPPORT & WELL-BEING

Facilitation including job placement, career growth, meals & refreshments, pink bus service, safe and better workplace, health & wellness support, placement of female security guards, dedicated washrooms & prayer area, day-care, etc. and for differently abled facilities like ramps, easy walkways, etc.

COMMUNITY COLLABORATION

Collaborations with training centers, local NGOs, & notables to upskill female workers and promote mindset change and community support.

POLICY & REPRESENTATION

Enforcement of gender-sensitive policies and affirmative actions to ensure representation in governance and employment.

INDUSTRY LANDSCAPE
Macroeconomic & Sector Headwinds

Energy Tariffs

Power and gas tariffs remain above regional benchmarks, compressing intermediate processing margins.

NTR Tax Shift

Shift from FTR to Normal Tax Regime plus super tax maintains effective tax burden above 40%.

Supply Chain & Freight

Middle East geopolitical conflicts pushed global freight rates, raw cotton, and chemical costs higher.

Trade Agreements

India-EU FTA and US concessions to regional competitors increased export market pressure.

SWOT Matrix

Strengths

- Good customers retention.
- Innovative capabilities (Denim of the future).
- In-house power generation facility
- Internationally recognized certifications in quality and environment.
- Vertical integration.
- New product development.

Weaknesses

- High production cost and low margins
- Need to have modern machinery and infrastructure
- Inability to accurately forecast due to market uncertainty
- Availability of financing to the Company.

Opportunities

- Exploring cheaper energy sources.
- Cost reduction through sustainable practices
- Entering in related diversification
- Exploring growing global e-Commerce markets.
- AI adoption; predictive factory automation

Threats

- Global recession resulting in slowdown of demand
- Cotton availability.
- Imposition of US tariffs.
- New innovations in textile machinery.
- Unstable political and economic situation
- High domestic and international inflation with stable PKR.
- Increase in production costs.
- Growing competition domestically and from neighboring countries.
- Conflicts in the world

FINANCIAL PERFORMANCE

FY2026 Financial Highlights

NET REVENUE

Rs. 42.5B

↗+4.6% YoY

OPERATING PROFIT

Rs. 2.59B

FINANCE COST REDUCTION

-30.6%

Rs. 785M vs Rs. 1.13B

NET PROFIT AFTER TAX

Rs. 870M

↗+24.0% YoY

4-Year Key Financial Metrics Comparison

Financial Indicator (PKR)	FY 2023	FY 2024	FY 2025	FY 2026
Net Revenue	Rs. 32.81B	Rs. 38.15B	Rs. 40.60B	**Rs. 42.50B**
Operating Profit	Rs. 2.15B	Rs. 2.68B	Rs. 2.90B	**Rs. 2.59B**
Finance Cost	Rs. 1.28B	Rs. 1.34B	Rs. 1.13B	**Rs. 0.79B**
Profit After Tax	Rs. 482M	Rs. 610M	Rs. 702M	**Rs. 870M**
Earnings Per Share (EPS)	Rs. 0.98	Rs. 1.24	Rs. 1.43	**Rs. 1.77**

Revenue Drivers & Product Segments

Apparel & Denim Garments **Core Driver**

High value-added retail ready goods provided resilient growth, absorbing energy price hikes.

Yarn & Fabric Processing **Intermediate**

Internal utilization for integrated denim production boosted efficiency and cost optimization.

IFRS 8 Segment Summary

Export vs Domestic: **~88% Export Revenues**

Geographic Mix: **EU, US, UK & Regional**

Major Customers: **Global Retail Apparel Brands on next page**

INTERNATIONAL CUSTOMERS

Tomorrow's Denim Today

ZARA
PULL&BEAR
MANGO
ONLY
ONLY & SONS
NEW YORKER
JDY
ICHI
next
TALLY WEiJL
CALZEDONIA
MOHITO
AÉROPOSTALE
BLEND
RESERVED
MEDICINE
TIFFOSI
asos
GROUPE BEAUMANOIR
THE STING COMPANIES
SOURCING & PRODUCTIONS
LUCKY BRAND
NAUTICA
RE/DONE
house

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GLOBAL ACCREDITATIONS

Our commitment to maintaining the highest levels of quality and excellence.

SOCIAL & LABOR CONVERGENCE
amfori BEPI
WRAP
ics
amfori BSCI
SMETA
worldly
ZDHC
InCheck
OEKO-TEX® STeP
ORGANIC 100 content standard
ORGANIC BLENDED content standard
RECYCLED BLENDED claim standard
GLOBAL ORGANIC TEXTILE STANDARD GOTS
CERTIFIED ISO COMPANY
OEKO TEX ORGANIC COTTON
C-TPAT
BCI Better Cotton Initiative
U.S. COTTON TRUST PROTOCOL
OEKO-TEX® STANDARD 100
Global Recycled Standard
OEKO-TEX® MADE IN GREEN
CERTIFIED ISO 9001:2015 COMPANY
ELLEN MACARTHUR FOUNDATION

Material Variations Explanation

Finance Cost Drop

Finance costs dropped by **30.6%** to Rs. 785M due to disciplined debt servicing under the Scheme of Arrangement.

Improved Working Capital

Biomass Capitalization

Civil, structural, and mechanical assets of Biomass Plant capitalized; steam turbine in final testing.

Non-Current Asset Growth

Taxation Structure

Super tax and Normal Tax Regime provisions created effective tax charge above 40%.

Regulatory Impact

Key Business Risks & Mitigations

RISK 1: Margin Compression
Rising Energy & Freight Costs

MITIGATION
Biomass energy plant and shift to higher value-added garment mix.

RISK 2: Taxation & Liquidity
Sales Tax Refund Delays & NTR

MITIGATION
Tight working capital controls and proactive engagement with tax authorities.

RISK 3: Global Trade Dynamics
GSP+ Renewal & Tariff Shifts

MITIGATION
Strict compliance with IFRS S1/S2 ESG standards and regional market expansion.

Debt Servicing & 2031 Reserve Plan

Lahore High Court Approved Restructuring
SCHEME OF ARRANGEMENT

All principal and markup payments maintained strictly on schedule. Muzaffargarh unit proceeds distributed via escrow agent banks.

Rs. 765.6M Distributed

Rs. 4.97 Billion Bullet Payment
PPTFCs REDEMPTION RESERVE

Allocating **Rs. 710.17 Million annually** from profits to cover the upcoming 2031 zero-coupon PPTFC liability.

Disciplined Management

Questions & Answers

DISCLAIMER

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Thank you for your participation.

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