ARCTIC

ARCTIC TEXTILE MILLS LIMITED · PSX: ARCTM

Corporate Briefing Session 2026

Precision-spun yarn, built on market integrity.

Annual results FY2026
First-quarter results FY2027



Faisalabad | November 2026

Disclaimer

About this presentation

- Prepared by Arctic Textile Mills Limited for its Corporate Briefing Session under the PSX Rule Book, for information purposes only.
- Figures are in Pakistani rupees and relate to the financial years ended 30 June and the quarter ended 30 September 2026.
- It is not an offer, solicitation or recommendation to buy or sell any securities. Past performance is not a guarantee of future results.

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TODAY'S SESSION

Agenda

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Profile, journey and governance

02

Business and operations

Business model, units, products and energy

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First quarter FY2027

Quarterly results, trend and position at 30 September

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Outlook and shareholders

Developments, future outlook, share information, dividend and risks

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Questions and answers

Open discussion with the CEO and CFO

SUMMARY

Key highlights

	Revenue	Profit after tax	Earnings per share	Equity
FY2026 Annual results	**Rs 1,901.3M**	**Rs 76.4M**	**Rs 5.80**	**Rs 514.5M**
	FY2025: Rs 2,733.0M	FY2025: Rs 102.5M	FY2025: Rs 7.78	30 Jun 2025: Rs 428.2M
Q1 FY2027 First quarter	**Rs 743.9M**	**Rs 40.8M**	**Rs 3.10**	**Rs 555.3M**
	Q1 FY2026: Rs 447.8M	Q1 FY2026: Rs 16.7M	Q1 FY2026: Rs 1.27	30 Jun 2026: Rs 514.5M

01

Company overview

Arctic Textile Mills Ltd. at a glance

Our journey

Board and governance

Arctic Textile Mills at a glance

A Faisalabad-based yarn spinning company, listed on the Pakistan Stock Exchange since 1989. The Company has strengthened its equity position, moving from a shareholders' equity deficit in FY2021 to a positive equity base of Rs 555 million at 30 September 2026.

1986

Incorporated

As Khurshid Spinning Mills

1989

Listed on PSX

Symbol ARCTM

13.17M

Ordinary shares

Face value Rs 10

Multi-fibre

Yarn portfolio

Cotton, blended and mélange Yarn

Rs 555M

Shareholders' equity

30 September 2026

Nil

Long-term debt

30 September 2026



Our journey

1986
Incorporated as Khurshid Spinning Mills; listed on PSX in 1989

2019
Change of management; conversion (toll) operations from 1 August 2019

2022
Renamed Arctic Textile Mills Limited (22 April 2022)

FY24–26
Balancing, modernisation and replacement, and solar installation; investment of about Rs 399 million

Sep 2026
Board approved commercial operations; own yarn sales commenced in October 2026 alongside the toll business

Oct 2026
Board approved fabric and yarn export operations, extending the Company's reach to international markets

Board and governance

Chairperson

Muhammad Ashraf

Chief Executive Officer

Muhammad Iqbal

Chief Financial Officer

Muhammad Daniyal

Company Secretary

Ali Mudassar

External Auditor

Riaz Ahmad & Company, Chartered Accountants

Share Registrar

Corplink (Private) Limited, Lahore

Board of Directors

7	2	1	4
Directors	Independent	Female director	Meetings FY2026

Board committees (meetings in FY2026)

Audit Committee	4
Human Resource & Remuneration	1
Nomination	1
Risk Management	1
Sustainability	1

02

Business and operations

Business model

From fibre to yarn

Operations, products and energy

People, quality and capacity utilisation

Business model: toll and own-account sales



Toll manufacturing

Historical base, continuing

Customers supply raw material; the Company spins yarn and earns conversion charges. Lower working-capital needs and no raw-material price risk.



Commercial operations

Commenced October 2026

The Company buys raw material on its own account and sells finished yarn, alongside the existing business model.

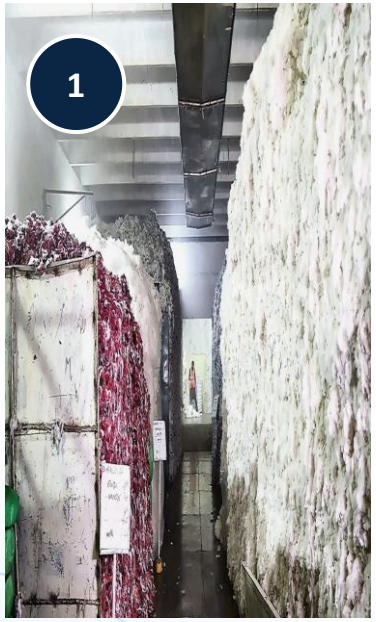


Fabric / yarn exports

Approved October 2026

Approved by the Board on 27 October 2026, through local procurement and/or toll manufacturing arrangements, alongside the existing business model.

From fibre to yarn



Raw material

Cotton and man-made fibre bales, opened and blended



Carding

Fibres cleaned, aligned and formed into sliver



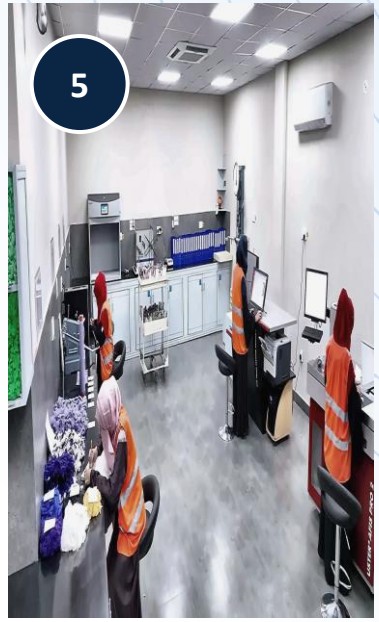
Ring spinning

Roving drafted and twisted into yarn



Winding

Yarn cleared and wound onto cones



Quality control

Laboratory testing of yarn and shade



Finished yarn

Cotton, blended and mélange yarns

Operations, products and energy



Two spinning units

Own mill and a spinning unit on lease; ring and open-end spinning.



Multi-fibre portfolio

Cotton, CVC, PC, and PV; mélange, acru, compact, slub, open-end and doubled counts.



Solar energy

Solar generation at both units, alongside grid and gas, lowering energy cost per unit.



Capital investment

Capital expenditure of about Rs 399 million over FY2024–FY2026, and Rs 35.7 million in Q1 FY2027.

People, quality and capacity utilisation

937

Employees

30 June 2026 (30 June 2025: 955)

~99%

Capacity utilisation

FY2025, FY2026 and Q1 FY2027

[3] shifts

Round-the-clock operation

24 hours a day, 7 days a week

Quality control at every stage

In-house quality-control laboratory and colour lab with a shade library.

1 Fibre testing

Incoming fibre checked before blending

2 In-process control

Sliver, roving and yarn checks

3 Final lot testing

Every lot tested before dispatch

Certified

OEKO-TEX® STANDARD 100

Product class I

Certificate no. **FS005 293905**

Issued by OETI, Vienna

Capacity utilisation and operational strengths

FY2025

~99%

Capacity utilisation

FY2026

~99%

Capacity utilisation

Q1 FY2027

~99%

Capacity utilisation



Optimal capacity utilisation

The Company has maintained optimal utilisation of its production capacity, matching output to market demand while keeping fixed costs under control.

Balancing, modernisation and replacement

Investment of about Rs 399 million over FY2024–FY2026 to upgrade production capacity.

Cleaner energy mix

Solar generation alongside grid and gas supply, lowering energy cost per unit.

Specialised product range

Mélange, slub, compact, doubled and recycled-polyester yarns; OEKO-TEX® STANDARD 100 certified.

From conversion to own yarn sales

Commercial operations from October 2026 alongside the conversion business; exports approved by the Board.

03

Annual results FY2026

Results and six-year trends

Margins: from gross to net

Equity and break-up value

Balance sheet

FY2026 results: lower volumes, better gross margin

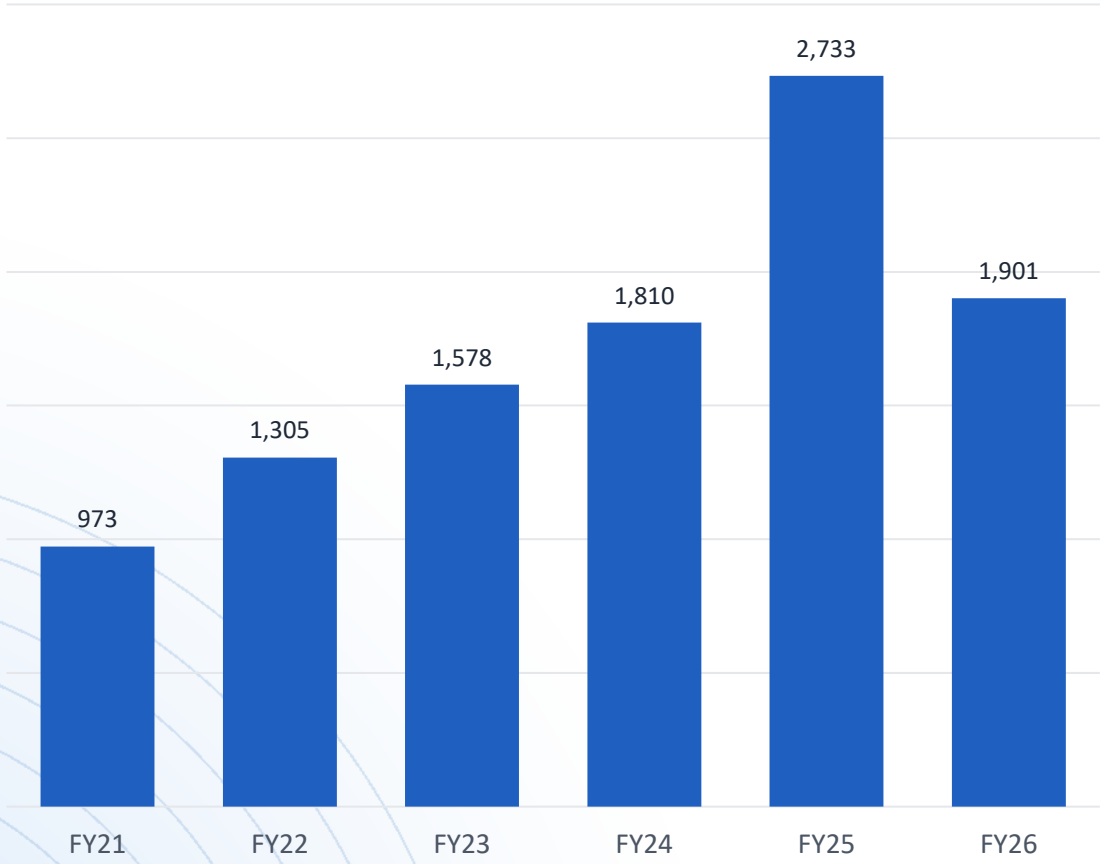
Rs '000	FY2026	FY2025
Revenue	**1,901,268**	2,732,954
Gross profit	**164,467**	200,363
Gross margin	**8.65%**	7.33%
Operating profit (EBIT)	**109,392**	148,734
EBITDA	**161,210**	195,427
Finance cost	**2,229**	2,187
Profit before tax	**107,163**	146,547
Profit after tax	**76,421**	**102,519**
Earnings per share (Rs)	**5.80**	7.78

Key points

- Revenue fell 30% from the FY2025 peak as conversion volumes eased.
- Gross margin recovered to 8.65% from 7.33%.
- Finance cost remained low at Rs 2.2 million; interest cover of 49 times.
- Return on equity of 14.9%.

Six-year track record

Revenue (Rs million)

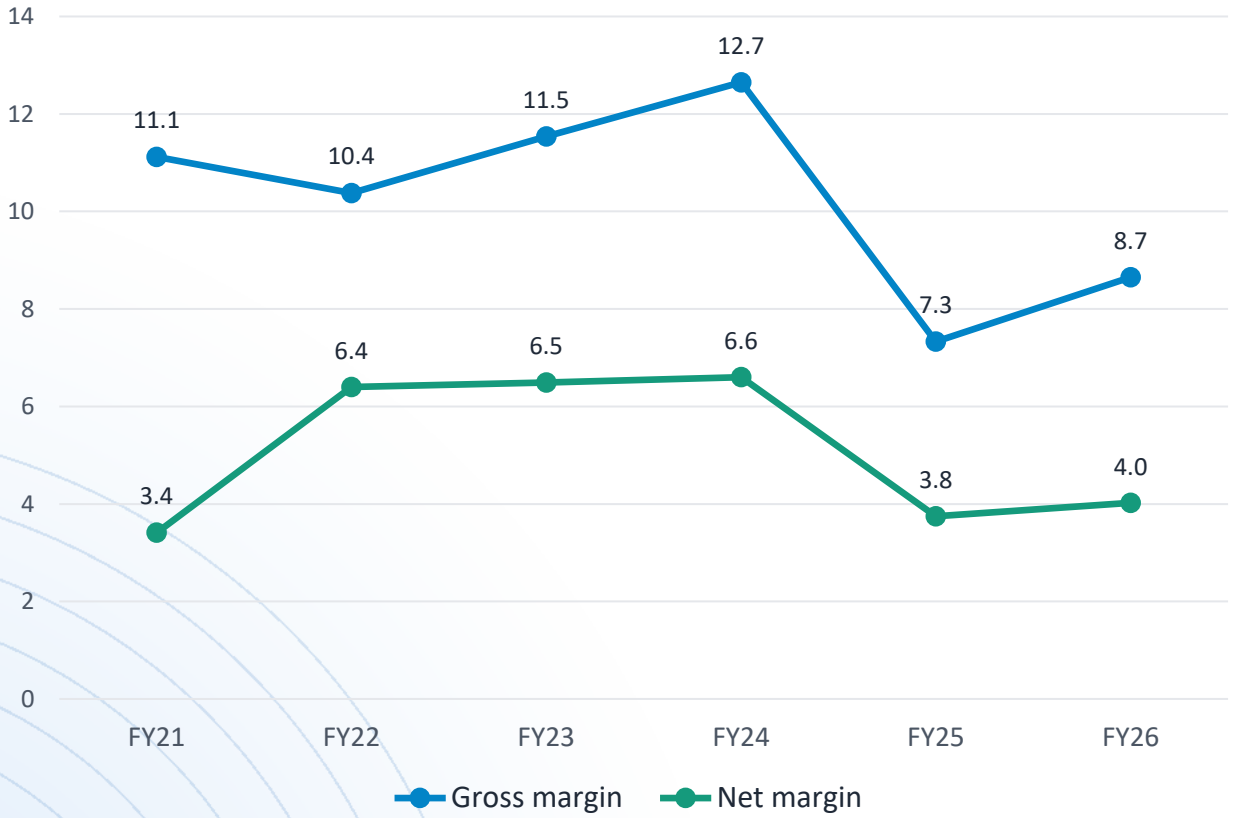


Profit after tax (Rs million)



Margins and earnings per share

Gross and net margins (% of revenue)



Earnings per share (Rs)



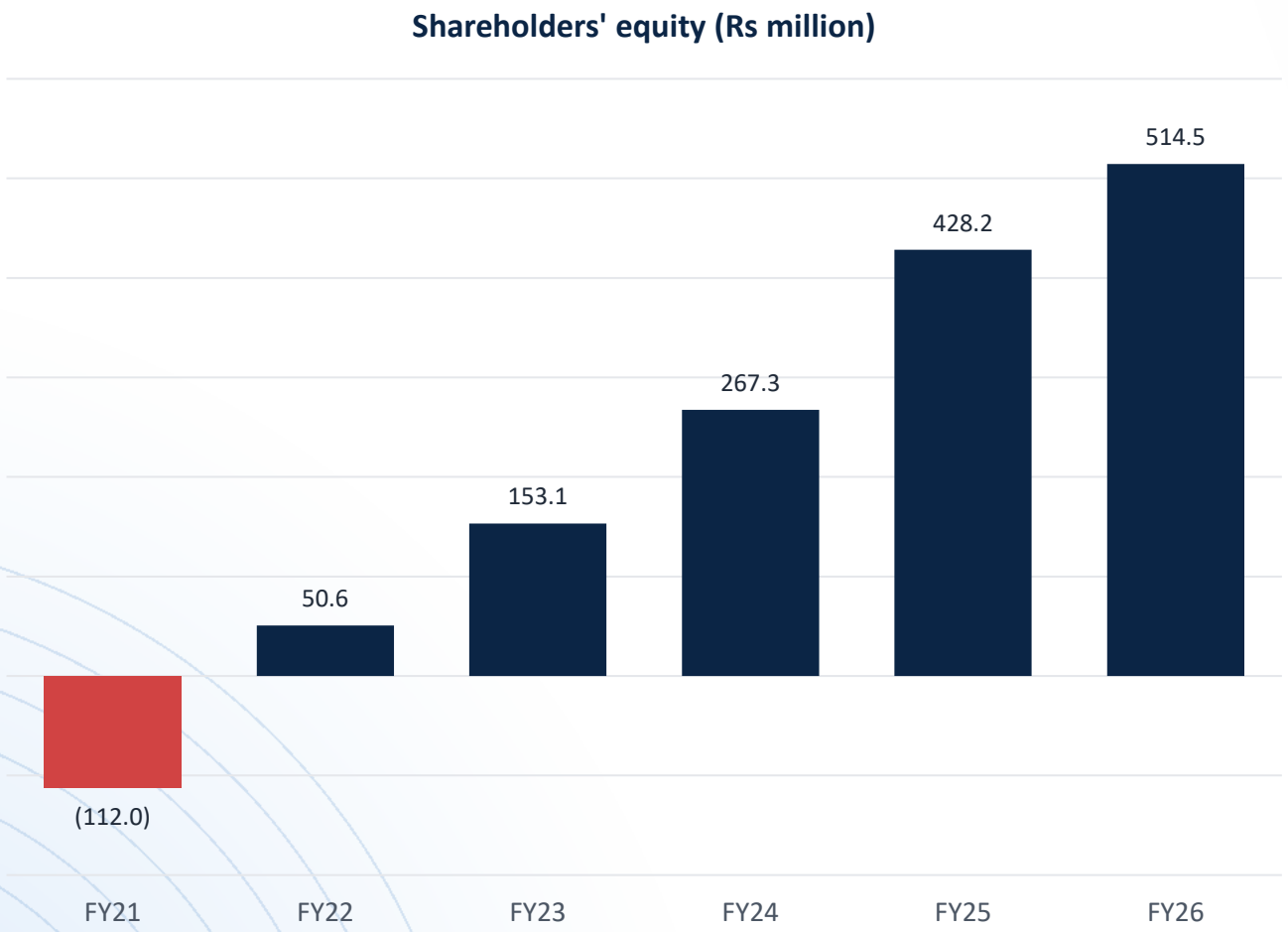
FY2026: from gross margin to net margin



Key figures, FY2023 to FY2026

	FY2023	FY2024	FY2025	FY2026
Revenue (Rs million)	1,577.7	1,809.9	2,733.0	**1,901.3**
Gross profit (Rs million)	182.1	228.9	200.4	**164.5**
Operating profit (Rs million)	145.5	184.2	148.7	**109.4**
Profit after tax (Rs million)	102.4	119.4	102.5	**76.4**
Earnings per share (Rs)	7.77	9.07	7.78	**5.80**
Dividend per share (Rs)	-	-	-	**-**
Gross margin (%)	11.54	12.65	7.33	**8.65**
Operating margin (%)	9.22	10.18	5.44	**5.75**
Net margin (%)	6.49	6.60	3.75	**4.02**

Equity rebuilt, with no long-term debt



14.9%

Return on equity

FY2026

49×

Interest cover

FY2026

Nil

Long-term debt

FY2026

Rs 39.05

Book value per share

FY2026

Return on equity FY2026, broken down

Net margin		Asset turnover		Equity multiplier		ROE
4.02%	×	1.97×	×	1.88×	=	14.9%

Break-up value per share: from negative to Rs 39



Rs (8.50)

Break-up value, FY2021

Equity deficit of Rs 112.0 million

Rs 39.05

Break-up value, FY2026

Equity of Rs 514.5 million

Rs 47.55 per share added from FY2021 to FY2026, built entirely from profits and revaluation, with no new shares issued.

Balance sheet summary

Rs '000	30 Jun 2026	30 Jun 2025
Non-current assets	**686,805**	624,468
Current assets	**278,883**	266,339
Total assets	**965,688**	**890,807**
Shareholders' equity	**514,471**	**428,242**
Non-current liabilities	**143,942**	137,235
Current liabilities	**307,275**	325,330
Long-term debt	**Nil**	Nil
Current ratio (times)	**0.91**	0.82
Book value per share (Rs)	**39.05**	32.50

Key points

- No long-term debt at 30 June 2025 or 30 June 2026.
- Short-term borrowing of Rs 100.0 million at 30 June 2026, within current liabilities.
- Current ratio improved to 0.91 times from 0.82 times.
- Equity rose by Rs 86.2 million in FY2026, and by Rs 626.5 million since FY2021, with no new equity issued.



04

First quarter FY2027

Quarterly results

Four-year first-quarter comparison

Margins, equity and break-up value

Financial position and financing headroom

Q1 FY2027: revenue up 66%, profit after tax up 144%

Rs '000	Q1 FY2027	Q1 FY2026
Revenue	**743,872**	447,800
Gross profit	**65,721**	34,546
Gross margin	**8.83%**	7.71%
Operating profit	**48,261**	20,242
Finance cost	**3,733**	113
Profit before tax	**44,528**	20,129
Taxation	**3,702**	3,421
Profit after tax	**40,826**	**16,708**
Earnings per share (Rs)	**3.10**	1.27

Rs 743.9M

Revenue

Q1 FY2026: Rs 447.8 million

Rs 40.8M

Profit after tax

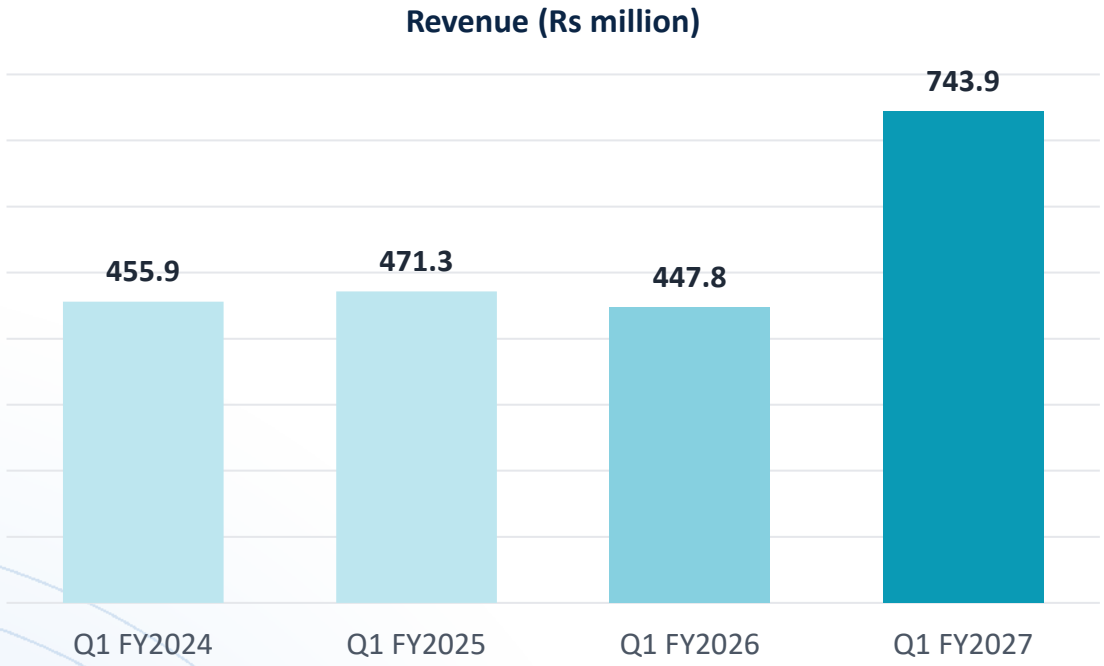
Q1 FY2026: Rs 16.7 million

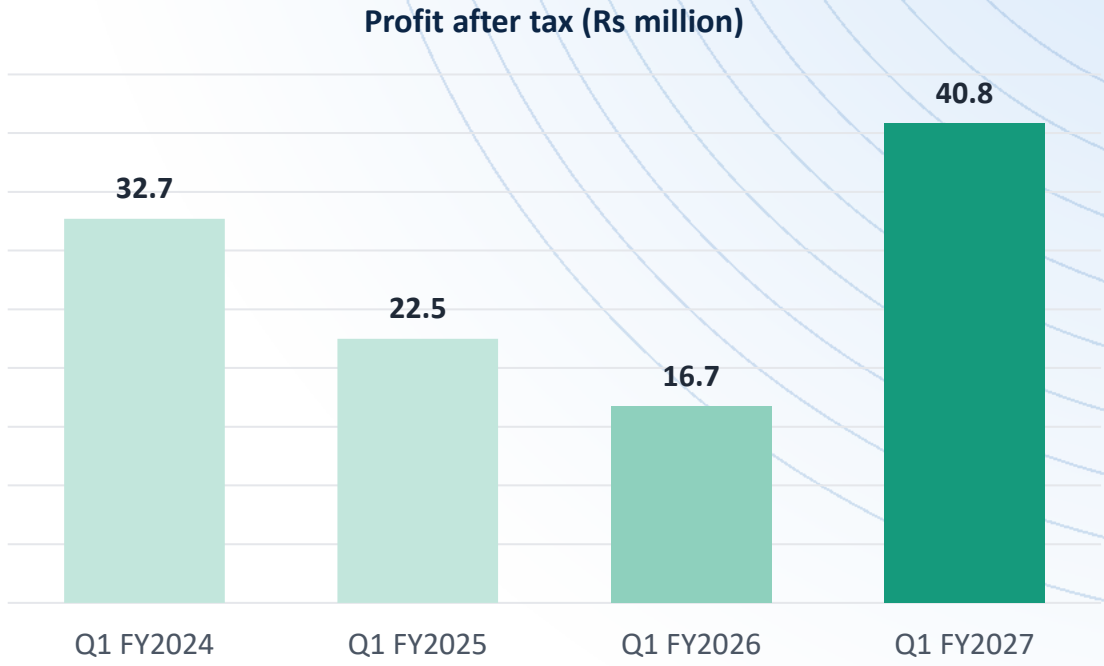
Rs 3.10

Earnings per share

Q1 FY2026: Rs 1.27

First quarter: four-year comparison





Rs 743.9M
Highest first-quarter revenue of the four years

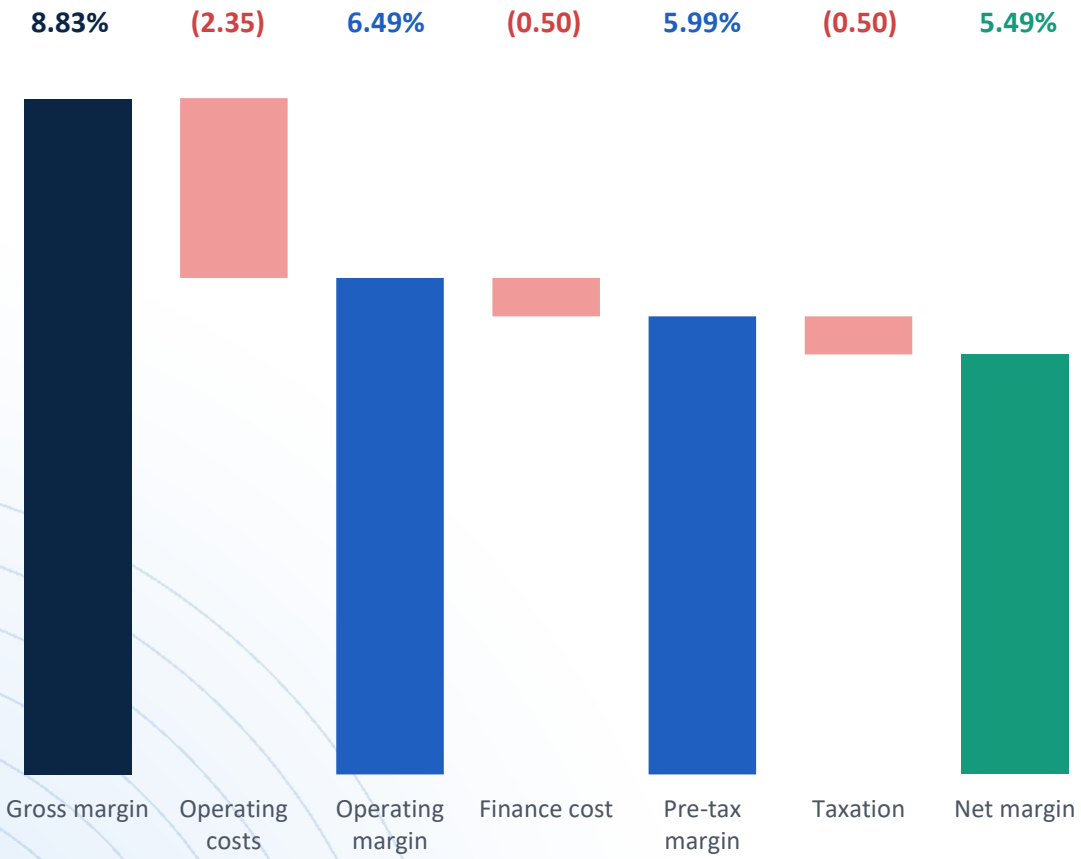
+66.1%
Revenue growth on Q1 FY2026

Rs 40.8M
Highest first-quarter profit after tax of the four years

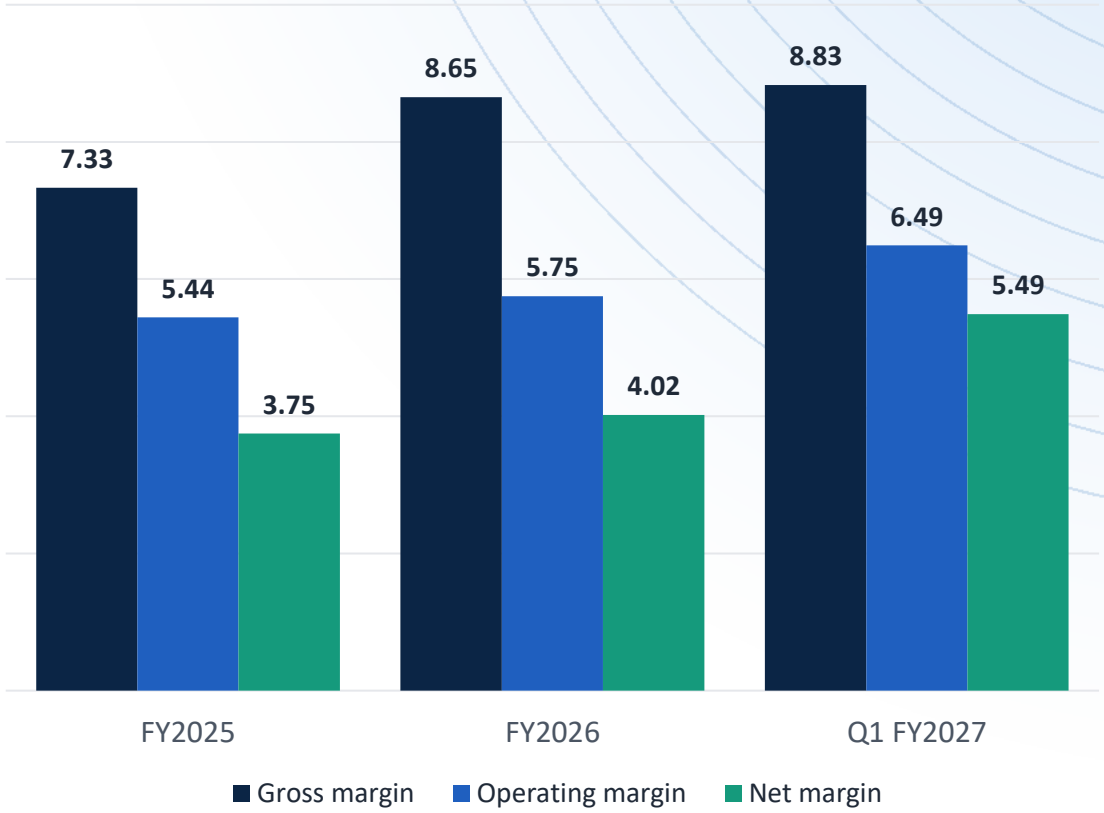
Rs 3.10
EPS (Q1 FY2026: Rs 1.27; Q1 FY2025: Rs 1.71)

Q1 FY2027 margins against annual results

Q1 FY2027: gross margin to net margin (% of revenue)



Q1 FY2027 against FY2025 and FY2026 (% of revenue)



Q1 FY2027: equity built from profit



Rs 555.3M

Shareholders' equity

30 September 2026

+7.9%

Growth in the quarter

From profit retained

7.4%

Return on equity

Q1 FY2027, not annualised

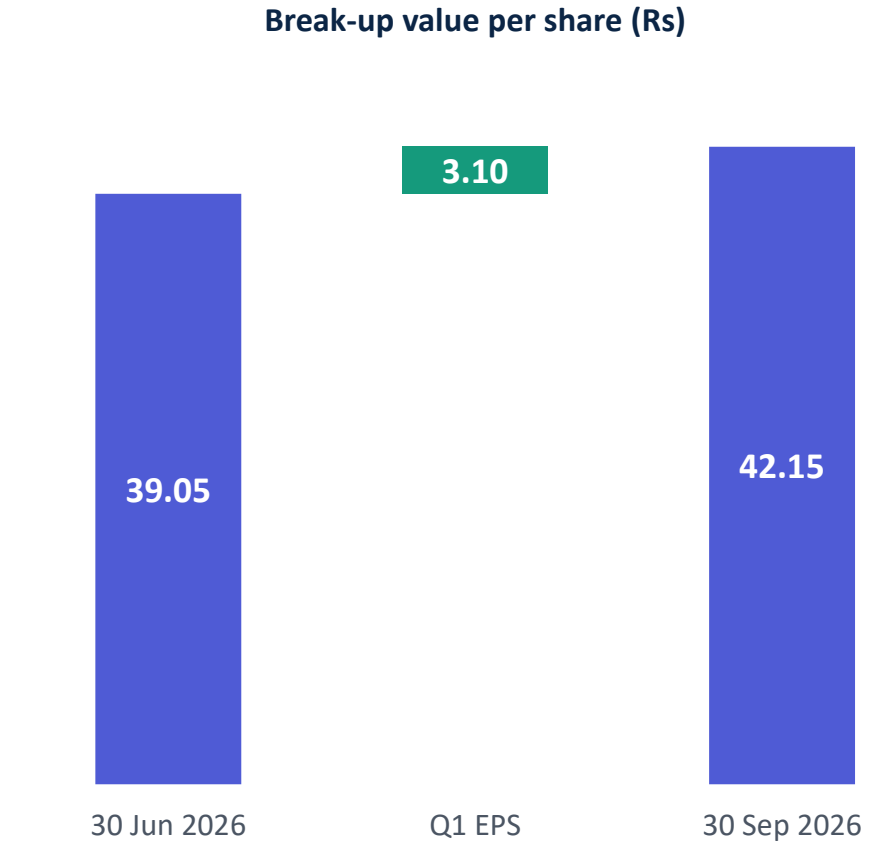
Nil

Long-term debt

30 September 2026

The full profit of Rs 40.8 million was retained in the business, lifting equity to Rs 555.3 million with no new shares issued.

Q1 FY2027: break-up value per share rises to Rs 42.15



Rs 42.15

Break-up value

30 September 2026

+Rs 3.10

Added in the quarter

Equal to Q1 EPS

+7.9%

Growth in the quarter

From Rs 39.05 at 30 June

13.17M

Shares in issue

Unchanged

The whole increase came from profit retained in the quarter; no new shares were issued.

Financial position at 30 September 2026

Rs 555.3M

Shareholders' equity

Up Rs 40.8M in the quarter, from profit

Rs 42.15

Book value per share

Up Rs 3.10 in the quarter

1.04×

Current ratio

30 September 2026

Rs 100.0M

Short-term borrowing

30 September 2026; no long-term debt

Rs 66.5M

Operating cash flow

Q1 FY2027 (Q1 FY2026: outflow Rs 79.0M)

Rs 88.6M

Cash and bank balances

Up Rs 30.9M in the quarter



Investing through the quarter

Capital expenditure of Rs 35.7 million in Q1 FY2027; power house and electrical installations of Rs 92.2 million transferred from capital work-in-progress to operating assets.

Unencumbered assets and financing headroom

Assets	Rs million	Status
Total assets (30 Sep 2026)	1,171.6	
Less: land and buildings	(208.8)	🔒 Mortgaged
Assets free of charge	962.7	✓ Free of charge

Share of total assets



Rs 962.7M

Assets free of any charge

82% of total assets

Rs 100M

Only borrowing

Short-term; no LT debt

0.18×

Debt to equity

30 September 2026

Land and buildings at revalued carrying amounts, 30 June 2026.

05

Outlook and shareholders

Corporate developments

Future outlook

Share information and dividend

Key risks

Key corporate developments in 2026

	1 Aug 2026	**Spinning unit on lease**	Board approved a spinning unit on lease at a market-competitive rate.
	29 Sep 2026	**Commercial operations**	Board approved commercial operations alongside the existing business model.
	27 Oct 2026	**41st Annual General Meeting**	Shareholders passed the resolutions placed before the meeting.
	27 Oct 2026	**Fabric / yarn exports**	Board approved exports through local procurement and/or toll manufacturing arrangements.

Future outlook: from turnaround to growth

01 Turnaround

FY2021 – FY2026

Rs (112)m ▸ Rs 555m

Shareholders' equity

- Equity deficit in FY2021 turned into equity of Rs 555.3 million at 30 September 2026
- Break-up value from Rs (8.50) to Rs 42.15 per share
- No long-term debt; no new shares issued

02 Stronger platform

FY2024 – Q1 FY2027

~99%

Capacity utilisation

- Balancing, modernisation and replacement of about Rs 399 million
- Solar energy at both units; OEKO-TEX® STANDARD 100 certified
- Q1 FY2027 revenue up 66% and profit after tax up 144%

03 Growth

From October 2026

Own yarn + exports

New business lines

- Commercial operations: own yarn sales from October 2026
- Fabric and yarn exports approved by the Board on 27 October 2026
- Toll manufacturing continues alongside

Forward-looking statements: this slide describes the direction approved by the Board and contains no forecasts or targets. Actual outcomes may differ; see the disclaimer on slide 2.

Share information and dividend

13.17M

Ordinary shares

13,174,800 shares

Rs 10

Face value per share

Ordinary shares

Rs 131.7M

Paid-up share capital

30 September 2026

Rs 42.15

Book value per share

30 September 2026

Dividend: No cash or stock dividend has been declared for FY2026. The Board retained profits for working capital, business expansion and growth.

Shareholder services: Share registrar Corplink (Private) Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore. Investor queries: info@arctictextile.com.

Key risks and how we manage them

Risk	Description	Mitigation
Raw material prices	Cotton and polyester prices move with crops and oil	Toll business carries no fibre price risk; procurement for own-account sales aligned with orders
Working capital	Own-account sales need inventory and receivables	Short-term facilities, credit terms and close monitoring of liquidity
Energy cost	Grid tariffs are a major cost in spinning	Solar energy at both units; energy-efficiency measures
Demand	Yarn demand follows local and export textile activity	Multi-fibre portfolio and a wider customer base
Policy and currency	Duties, tariffs and rupee movements affect costs	Monitoring of policy changes; local procurement where possible

Thank you

Questions and answers

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