SHADMAN COTTON MILLS LTD

CORPORATE BRIEFING SESSION 2026

About Us

Shadman Cotton Mills Limited was incorporated in Pakistan as a public limited company on November 24, 1979 under the then Companies Act, 1973 (now the Companies Act 2017). The Company is engaged in manufacturing denim articles and sale of fiber.

At Shadman, we pride ourselves on crafting exceptional textiles that blend timeless style with unparalleled quality. With decades of experience in the textile industry, we understand the essence of comfort, durability, and a perfect fit.

FINANCIAL REVIEW

FINANCIALS FOR THE YEAR ENDED

JUN 30,2026

IFRS 8 OPERATING SEGMENT RELATED INFORMATION

- SEGMENT INFORMATION

The Company has evaluated its operations under IFRS 8 Operating Segments. Its components do not qualify as separate operating segments as they are not engaged in independent business activities. In addition, management does not review or monitor their results separately. Accordingly, the Company has concluded that it operates as a single segment.

- Geographical information

The geographic information analyses the entity's revenue and non-current assets by the Company's country of domicile and other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets. All non-current assets of the Company are situated in Pakistan. All sales of the company are within Pakistan so no further information need to be disclosed.

- Information about significant customers

There is only significant external customer " Colony Textile Mills Limited" to whom sales in excess of 10% of the Company's total sales were made during the year.

Six-year financial scorecard

All figures in the CB are in Millions (PKR)

Particulars	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26
Net turnover	110.0	377.8	349.1	731.3	510.0	737.6
Gross profit / (loss)	-55.6	24.9	2.6	4.9	-19.7	2.4
Operating profit / (loss)	-47.2	21.1	162.5	-4.8	13.9	72.0
Profit before levies & tax	-52.9	14.9	67.9	-12.8	-28.9	3.4
Profit after levies & tax	-56.8	11.1	93.7	-108.7	-16.6	30.8
Current assets	204.4	204.6	363.9	405.5	285.1	289.2
Current liabilities	781.1	760.3	440.8	491.8	352.9	305.2

Executive summary

FY 2025–26 TURNOVER

737.6m

Up 44.6% year-on-year

FY 2025–26 OPERATING PROFIT

72.0m

Operating margin: 9.8%

FY 2025–26 PROFIT AFTER TAX

30.8m

Net margin: 4.2%

FY 2025–26 CURRENT RATIO

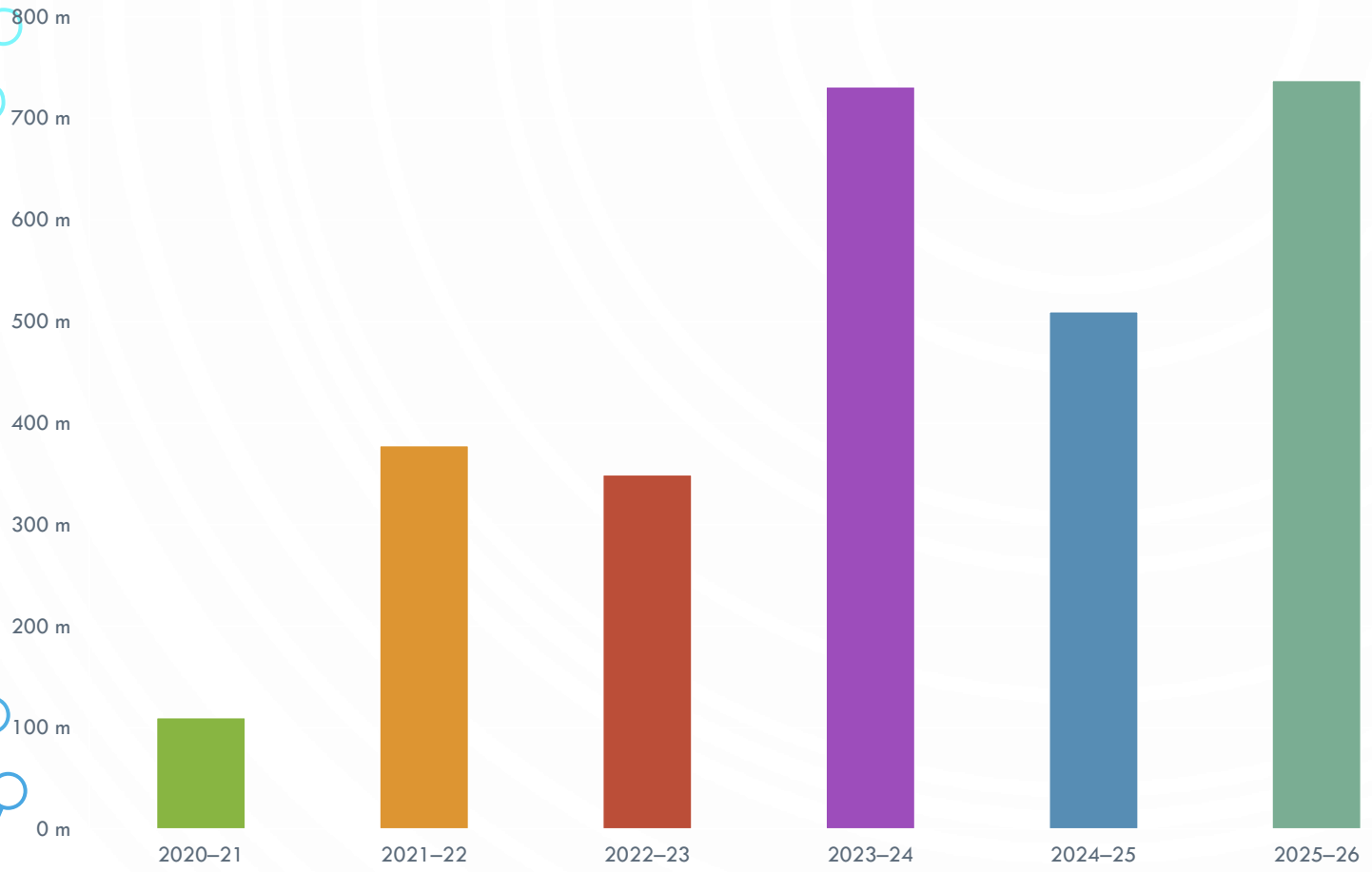
0.95x

Current assets / liabilities

- Turnover reached PKR 737.6 million in FY 2025–26, the highest level in the six-year series.
- Profit after levies and tax recovered to 30.8 million after losses in FY 2023–24 and FY 2024–25.
- Gross profit remained thin in FY 2025–26 at 2.36 million, or 0.32% of turnover.
- Liquidity improved materially: the current ratio rose to 0.95x, although current liabilities still exceeded current assets.

Turnover trend

Revenue increased strongly over the period, with a dip in FY 2024–25



SIX-YEAR PEAK

737.6m

FY 2025–26

FY 2025–26 GROWTH

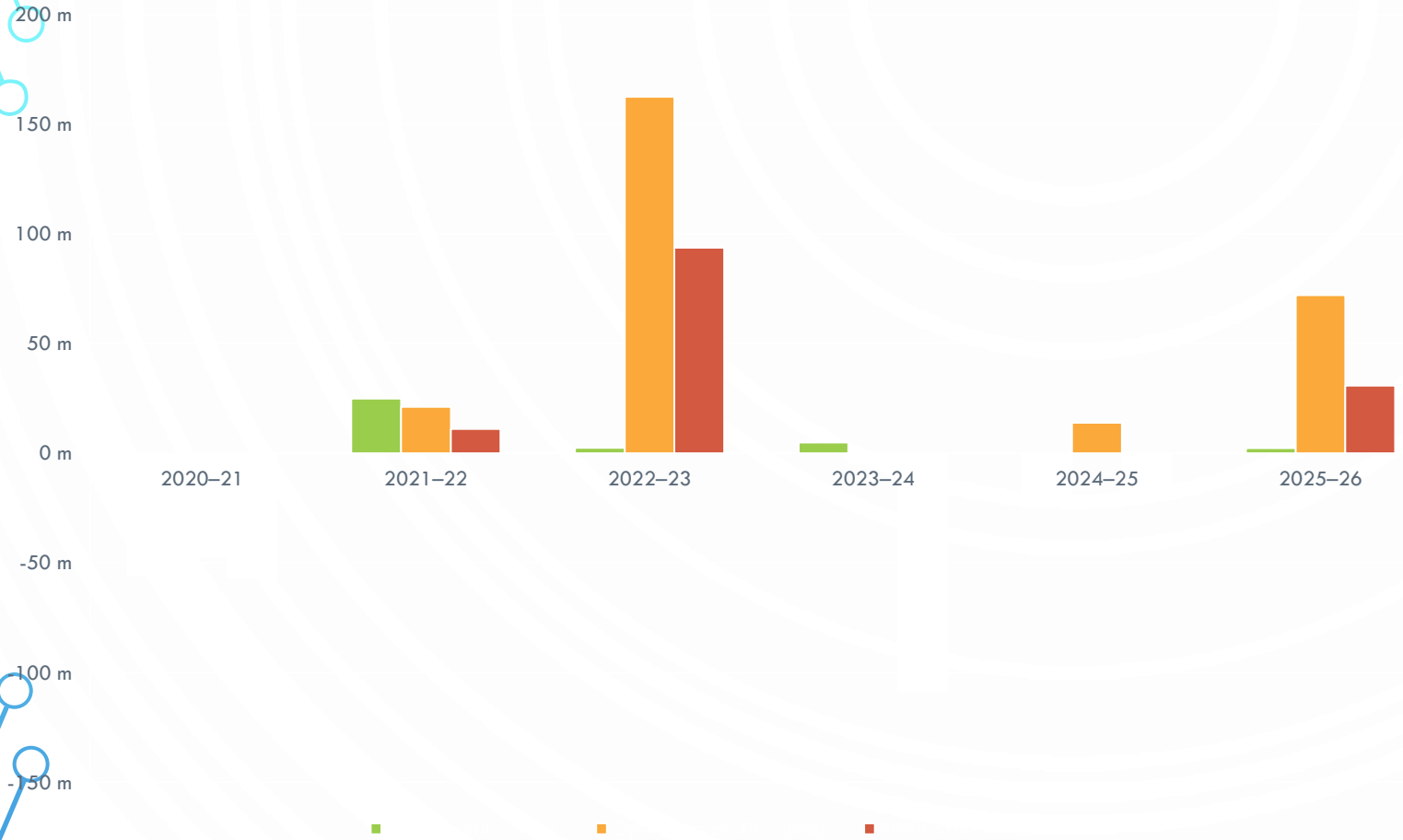
44.6%

Compared with FY 2024–25

Turnover rose from 110.0m in FY 2020–21 to 737.6m in FY 2025–26.

Profitability trend

Profit measures are volatile; FY 2025–26 shows a recovery in operating and after-tax results



FY 2025–26

GROSS PROFIT

2.4m

OPERATING PROFIT

72.0m

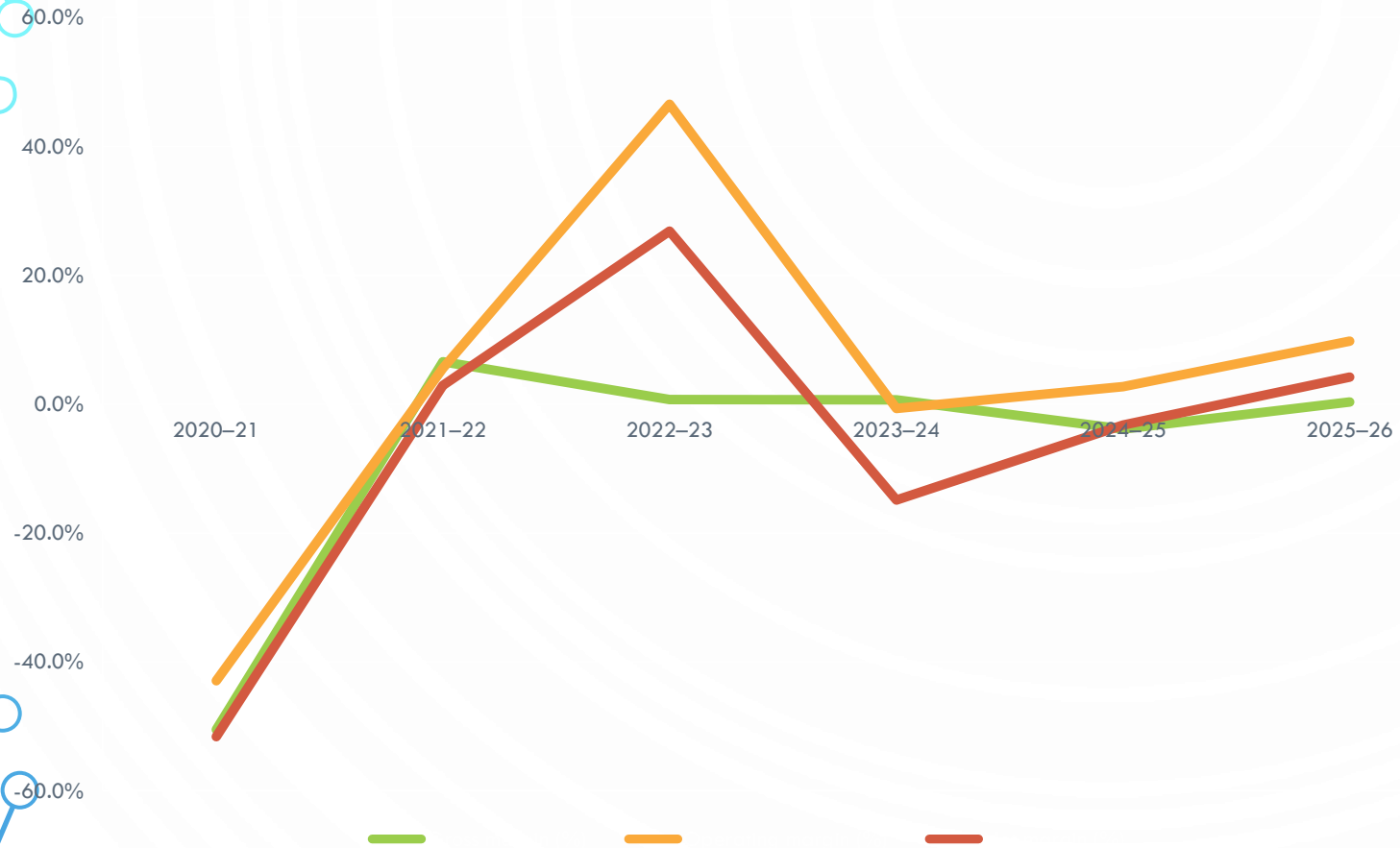
PROFIT AFTER TAX

30.8m

Note: FY 2023–24 after-tax loss was 108.7m.

Profit margins

Margins highlight the difference between strong operating performance and thin gross returns



FY 2025–26 margins

GROSS MARGIN

0.32%

OPERATING MARGIN

9.76%

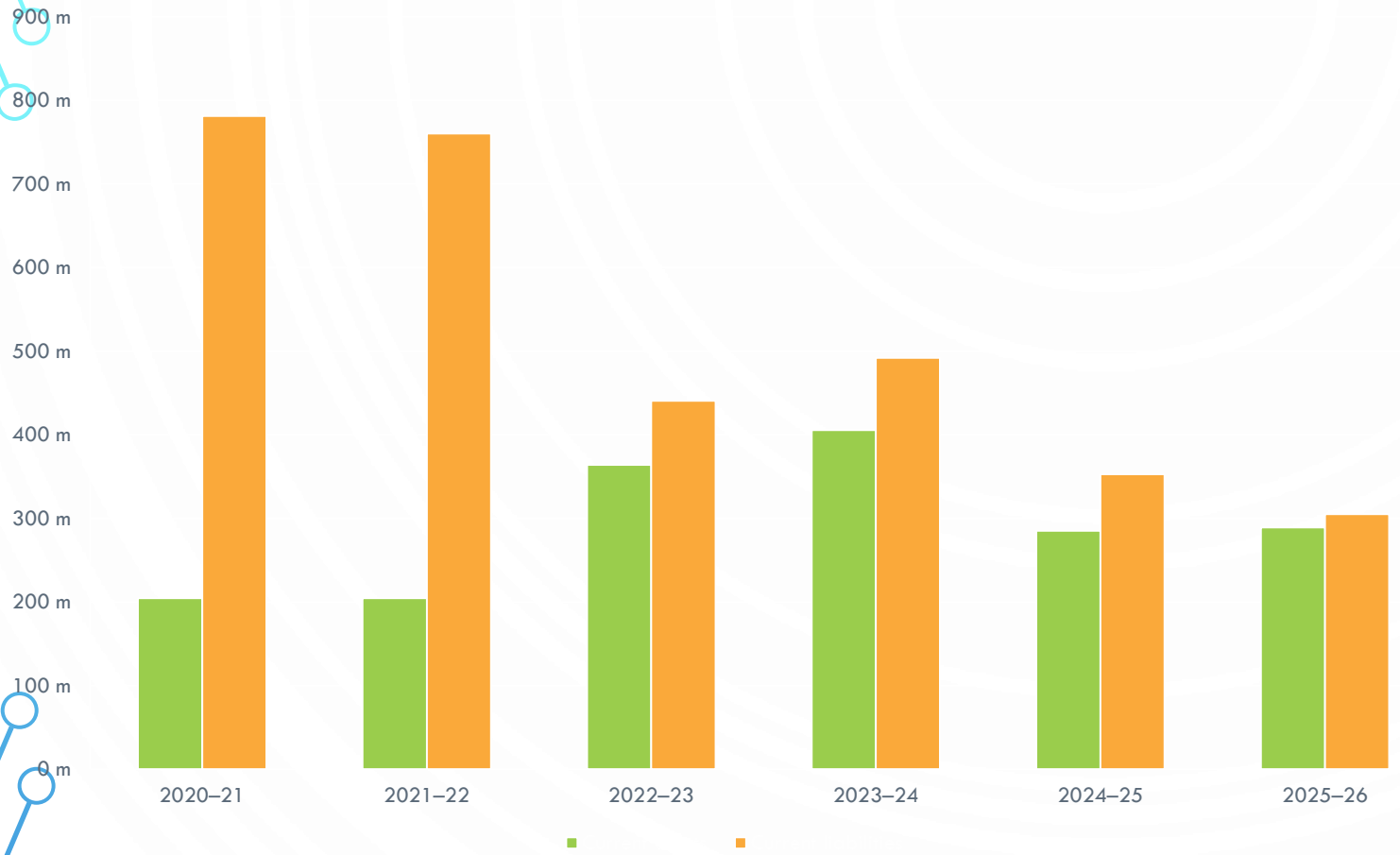
NET MARGIN

4.18%

Gross margin remains the key pressure point: cost of goods sold nearly equals turnover.

Liquidity and working capital

The shortfall between current assets and current liabilities narrowed over the six-year period



Current ratio by year

2020–21	0.26x
2021–22	0.27x
2022–23	0.83x
2023–24	0.82x
2024–25	0.81x
2025–26	0.95x

FY 2025–26 working-capital deficit: -16.0m.

Capital position

Paid-up capital was unchanged throughout the period

PAID-UP CAPITAL

176.4m

Constant in all six years

CURRENT ASSETS (FY26)

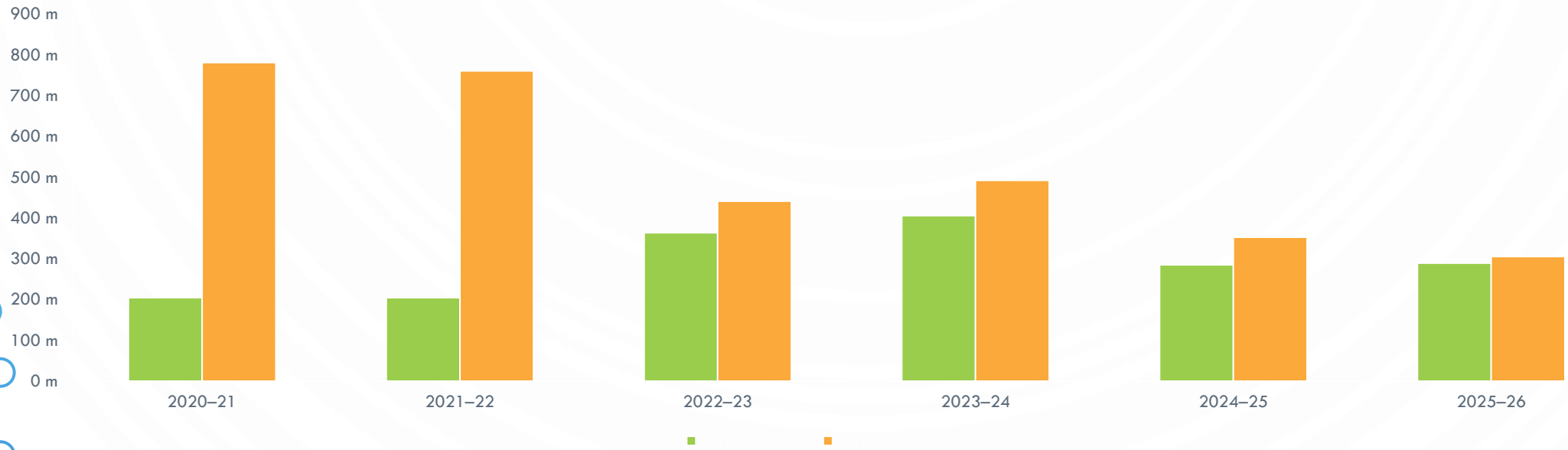
289.2m

Slightly higher year-on-year

CURRENT LIABILITIES (FY26)

305.2m

Lower than FY25



Key findings and management focus

Priorities suggested by the trends in the reported figures

1 Protect gross margin

Gross profit was only 2.36m on turnover of 737.6m in FY 2025–26. Review product mix, input costs, pricing and production yield.

2 Sustain operating recovery

Operating profit improved to 72.0m. This uplift is because of other source of income. Review other sources, need to have proper planning to allocate them in more fertile options.

3 Improve liquidity

The current ratio improved to 0.95x but remains below 1.0x. Tighten receivables, inventory and supplier-payment planning.

4 Understand exceptional movements

The movement in profit or loss after taxation from FY 2024 to FY 2026 is due to Deferred tax liability and asset adjustments.

QUESTIONS & ANSWERS SESSION

THANK YOU

PRESENTED BY:

SHADMAN COTTON MILLS LIMITED