FEROZE1888 MILLS LIMITED

Weaving the Future

Corporate Briefing Session 2026

November 26, 2026



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Agenda

1

Company Profile

Feroze1888 at a glance, position within Value chain, Board, committees and auditors, customers, products, markets and recognition

2

Strategic & operational developments

Sustainability impact snapshot and revenue drivers

3

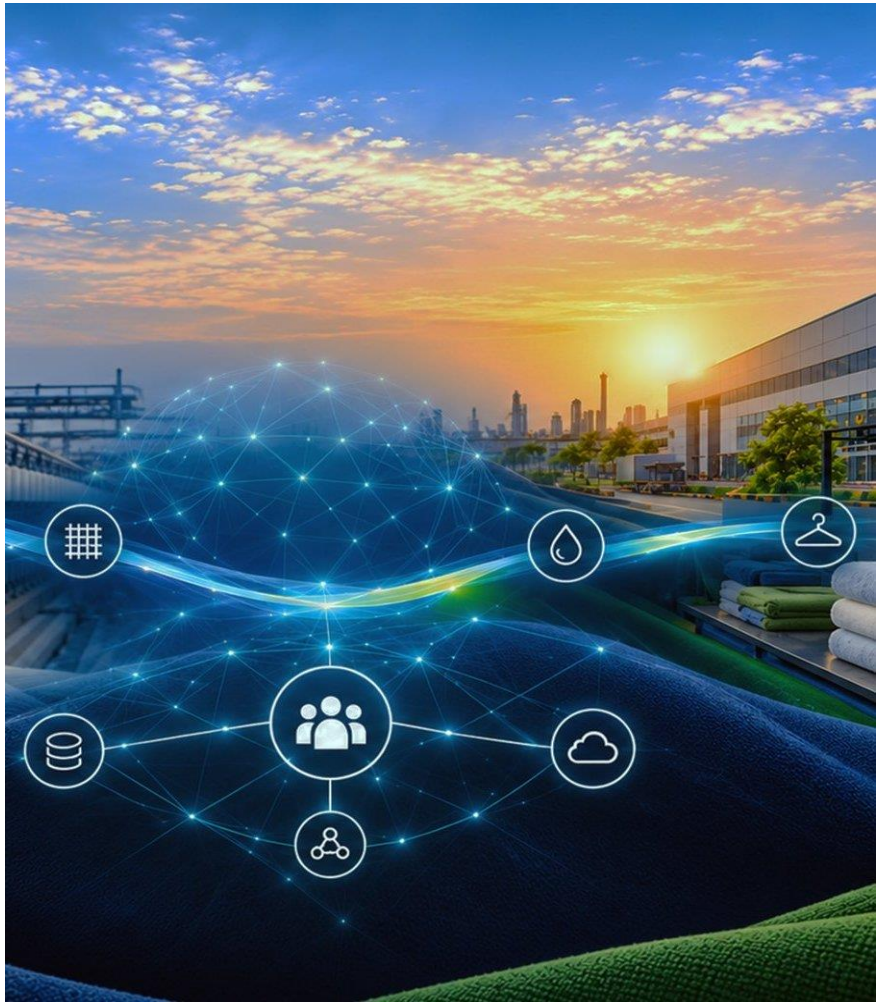
Financial information

FY’26 at a glance, Profit or loss, financial position, KPIs, financial performance of FY’26 & Q1 FY’27 and five-year trends

4

Risks & Q&A

Principal risks and questions received in advance



SECTION 01

01

Company Profile

Who we are, how we operate and who we serve

FEROZE1888 at a Glance

Feroze1888 is a leading manufacturer and exporter of specialized yarn and terry textile products in Pakistan. Since commencing its journey in the early 1970s, the Company has progressively developed its capabilities and established a strong presence in the global textile market.

The Company operates a state-of-the-art, vertically integrated terry towel manufacturing facility and, through its partnership with 1888 Mills USA, is positioned as a progressive global manufacturer of quality textile products serving the Home, Hospitality and Healthcare sectors.

Feroze1888 is committed to high standards across its operations, with a focus on product quality, operational excellence, customer satisfaction and employee well-being. Its commitment to the Triple Bottom Line (3Ps) — People, Planet and Prosperity — provides an important foundation for responsible and sustainable business growth.

The Company seeks to provide a professional and conducive work environment that supports employee engagement, empowerment and opportunities for professional growth at all levels.

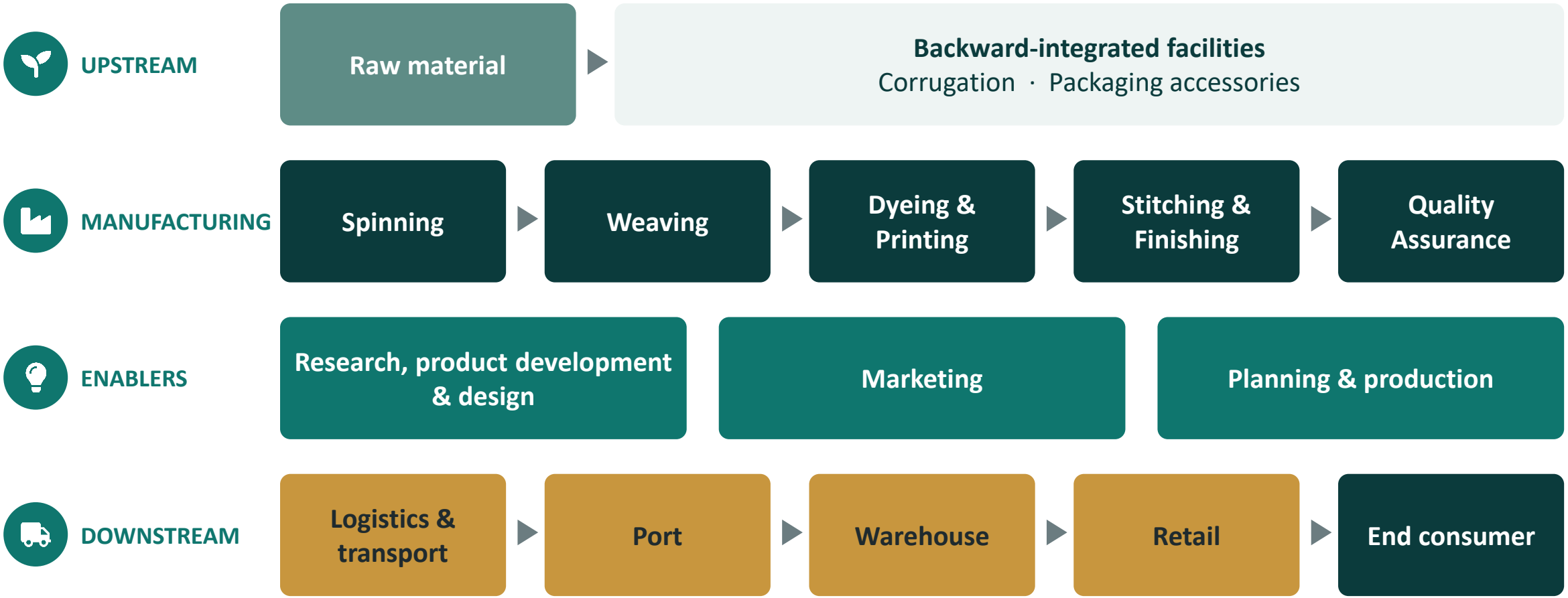
OUR MOTTO

- **Excellent execution every time**
- **Customer satisfaction**

OUR COMMITMENTS

- Environmentally responsible production processes
- Consistent product quality
- A conducive and professional work environment
- Employee engagement and empowerment

End-to-end presence across the value chain



Guided by the 3Ps of sustainability People · Planet · Prosperity

Governance Structure

BOARD COMPOSITION



Independent directors	3
Non-executive directors	7
Executive director	1

BOARD COMMITTEES

4 members

Audit Committee

3 members

Human Resource & Remuneration Committee

AUDITORS

Internal auditors

External auditors

Major Customers

Walmart Inc

Target Global Sourcing Limited

1888 Mills LLC

Asda Stores Ltd

JYSK

Family Dollar Services, LLC

Medline Industries

Carrefour Global Sourcing Asia Ltd.

Product categories and export markets

PRODUCT CATEGORIES

- **Bath**
- **Beach**
- **Kitchen**
- **Apparel**
- **Hospitality**
- **Institutional**

EXPORT DESTINATIONS


United States


Canada


United Kingdom


Germany


France


Netherlands


Denmark


Spain

Track Record of Excellence, A Commitment to Continuous Progress



Corporate Excellence Award – Textile Composite Sector



Annual Environment Excellence Award



Employer of the Year Award



Women Empowerment & Gender Equality Recognition Award



Disability Inclusion Recognition Award

SECTION 02

02

Strategic & operational developments

Sustainability and revenue drivers

Sustainability: investing in people and planet

PEOPLE & COMMUNITY

1,600+

employee children receiving educational assistance

121

marriages sponsored since FY’20

PKR 16 Mn

invested in CSR activities

45

Cultivating talent: internship opportunities for 45 students

PLANET

185,000

trees planted to combat climate change since FY’20

15 MW

installed solar capacity

30 TPH

biomass steam generation

700M+ Gals

water saved in FY’26

What drives our revenue

Five levers behind FY'26 net sales of PKR 67.7 Bn across our vertically integrated composite textile unit

01

Integrated operations

Fully vertically and backward integrated operations. FY'26 capex: renewable energy, weaving capacity and SAP S/4HANA.

02

Product mix & value addition

Broad terry and non-terry range of towels, bathrobes, baby t-shirts and patient gowns; focus on value addition and product diversification.

03

Pricing & market mix

Focus on US, UK and European markets. Margins managed through pricing discipline and product mix amid limited pricing flexibility.

04

Market development

Long-standing relationships with leading international buyers; expanding export markets and diversifying the customer base.

05

Execution excellence

Reliable, on-time delivery, consistent quality and shorter lead times, supported by SAP S/4HANA and ISO, GOTS, GRS and other certifications.

PRODUCT RANGE

- Beach Towel
- Bath Towel
- Bathrobe
- Face Cloth
- Hand Towel
- Kitchen Towel

SECTION 03

03

Financial information

FY’26 results, financial position and five-year trends

FY’26: At a Glance

REVENUE

PKR 67.7Bn

EBITDA

PKR 7.5Bn

PROFIT AFTER TAX

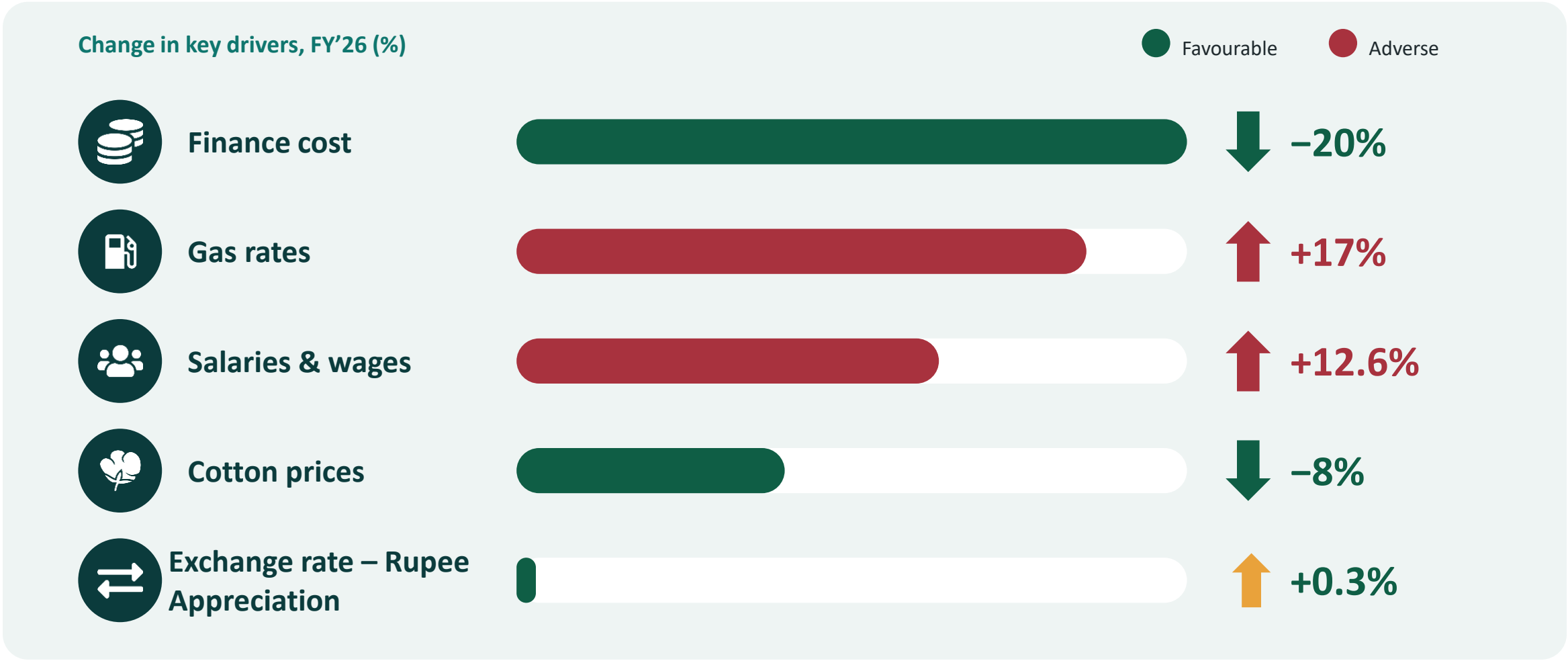
PKR 0.8Bn

CREDIT RATING

AA- / A1

Long-term / short-term

Financial Performance in FY'26



Statement of Profit or Loss

PKR million	FY'26	FY'25	Change
Sales	67,734.7	66,110.5	**+2.5%**
Cost of sales	(59,323.3)	(57,040.4)	**+4.0%**
Gross profit	**8,411.4**	**9,070.1**	**–7.3%**
Administrative costs	(1,196.8)	(1,211.3)	**–1.2%**
Distribution costs	(5,542.8)	(4,784.3)	**+15.9%**
Other expenses	(153.2)	(258.6)	**–40.8%**
Other income	2,290.9	883.9	**+159.2%**
Operating profit	**3,809.6**	**3,699.7**	**+3.0%**
Effect of discounting of SIDC	265.9	–	**–**
Finance costs	(2,450.3)	(3,068.2)	**–20.1%**
Profit before levies and income tax	**1,625.2**	**631.5**	**+157.4%**
Levies	(700.4)	(678.4)	**+3.2%**
Profit before income tax	**924.7**	**(46.9)**	**+2,069.9%**
Taxation	(121.4)	146.0	**–183.2%**
Net Profit	**803.4**	**99.0**	**+711.3%**

GROSS MARGIN

12.4%

FY'25: 13.7%

FINANCE COSTS

–20.1%

PKR 2,450 mn vs 3,068 mn

OTHER INCOME

PKR 2,291 mn

2.6x FY'25 (PKR 884 mn)

Statement of Financial Position

ASSETS

PKR million	FY'26	FY'25	Change
Property, plant and equipment	35,120	37,400	**–6.10%**
Other non-current assets	440	391	**+12.38%**
Current assets	51,524	45,871	**+12.32%**
Total	**87,084**	**83,663**	**+4.09%**

EQUITY & LIABILITIES

PKR million	FY'26	FY'25	Change
Share capital and reserves	34,560	33,756	**+2.38%**
Non-current liabilities	5,723	6,143	**–6.84%**
Current liabilities	46,802	43,764	**+6.94%**
Total	**87,084**	**83,663**	**+4.09%**

KEY MOVEMENTS IN FY'26

PPE - ADDITIONS

+1.4 Bn

PKR 37.4 Bn → 35.1 Bn

STOCK-IN-TRADE

↑ **+12.3%**

PKR 21.3 Bn → 23.9 Bn

SHORT-TERM BORROWINGS

↑ **+14.9%**

PKR 24.3 Bn → 27.9 Bn

Key Performance Indicators in FY’26

CURRENT RATIO

FY’25	FY’26
1.05	**1.10**

Liquidity improved

DEBT / EQUITY

FY’25	FY’26
59.50%	**60.00%**

Leverage increased

INTEREST COVER

FY’25	FY’26
1.32x	**1.86x**

Coverage improved

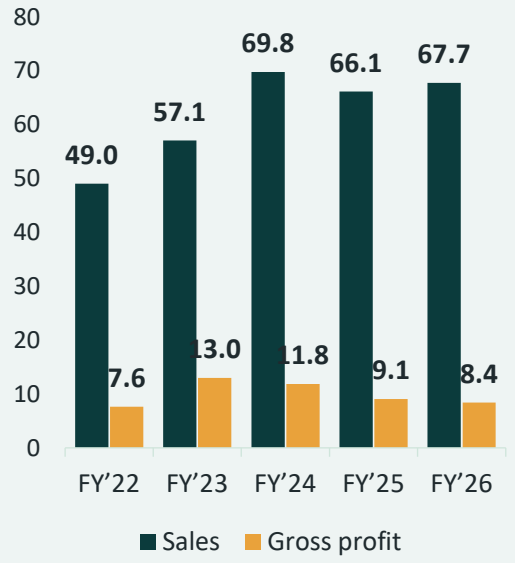
CREDIT RATING

AA- Long term

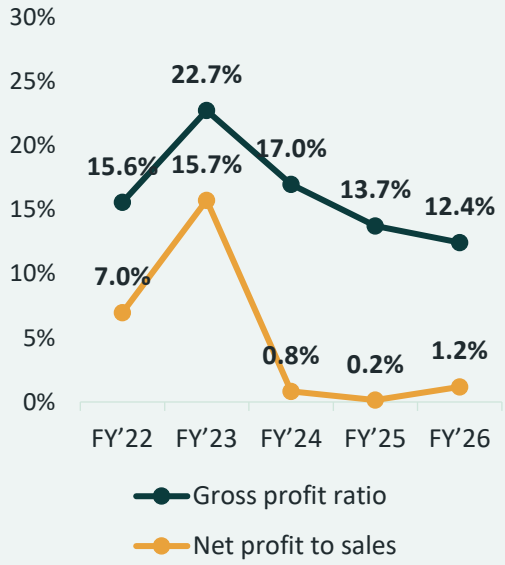
A1 Short term

Five-years Performance: Statement of Profit or Loss

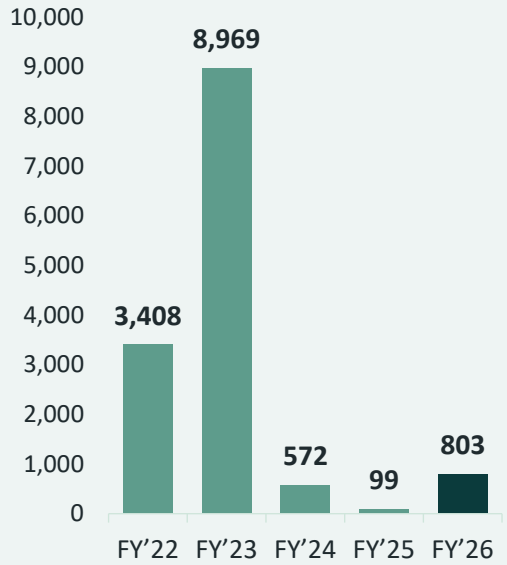
SALES AND GROSS PROFIT (PKR BN)



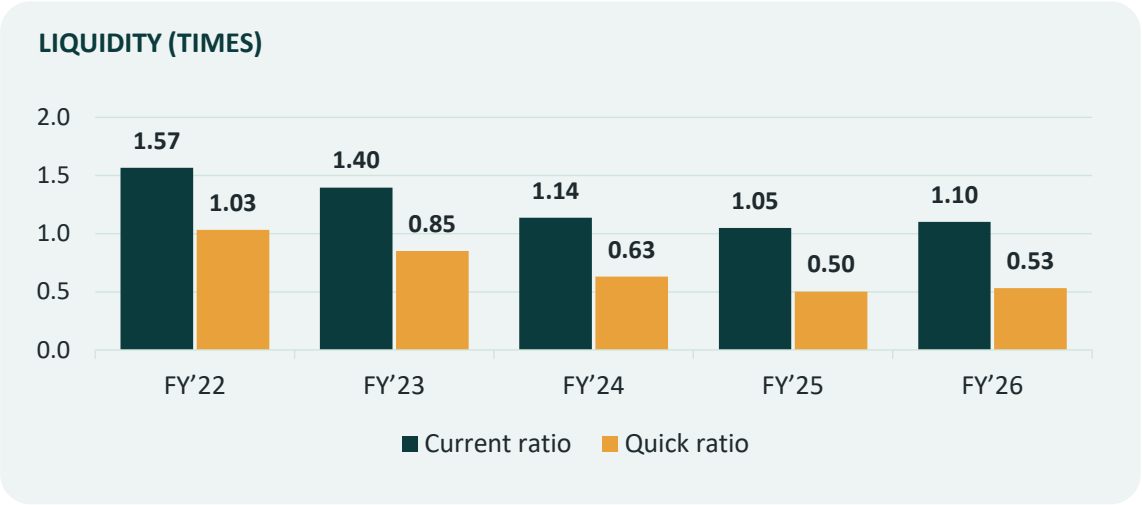
PROFITABILITY MARGINS (%)

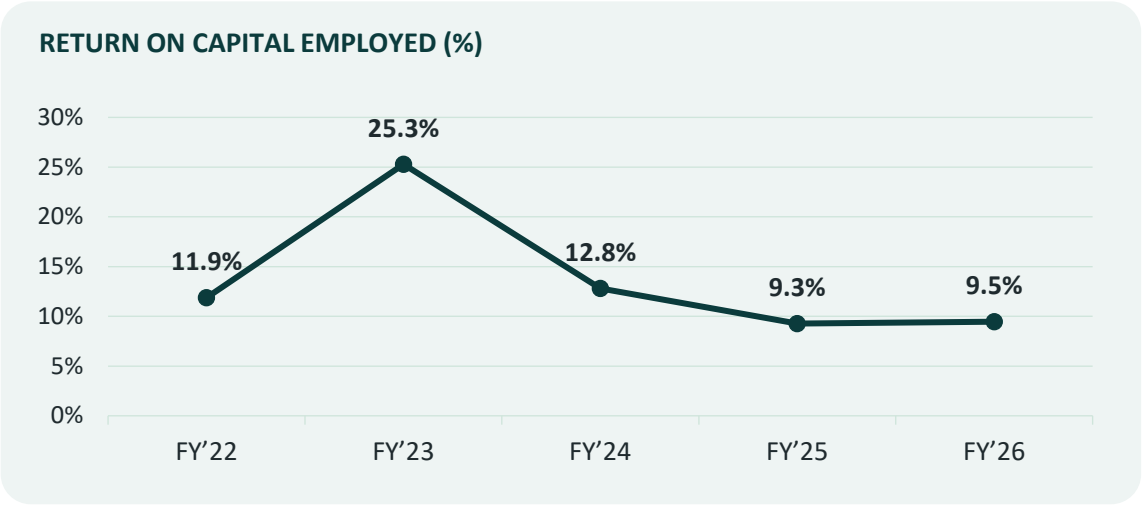


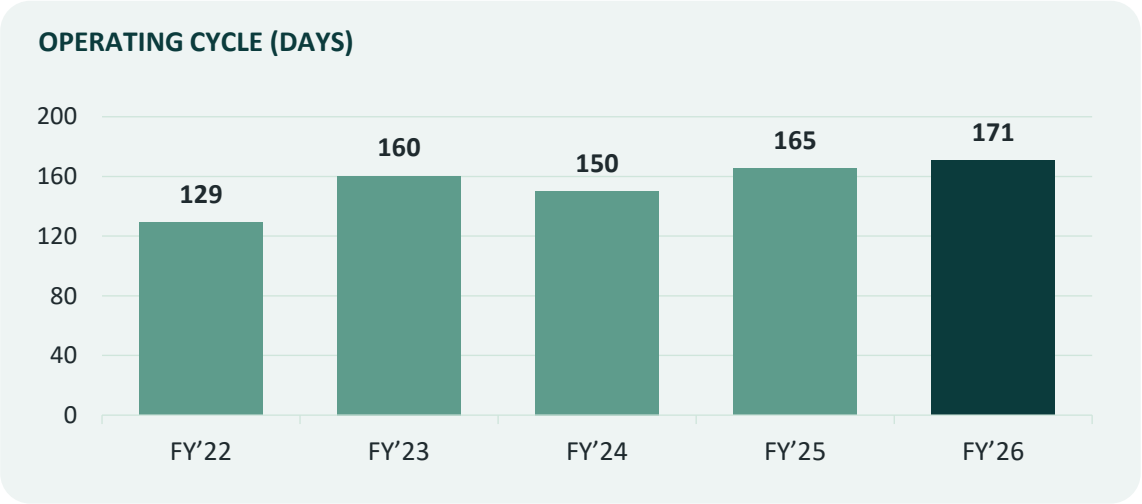
PROFIT AFTER TAX (PKR MILLION)

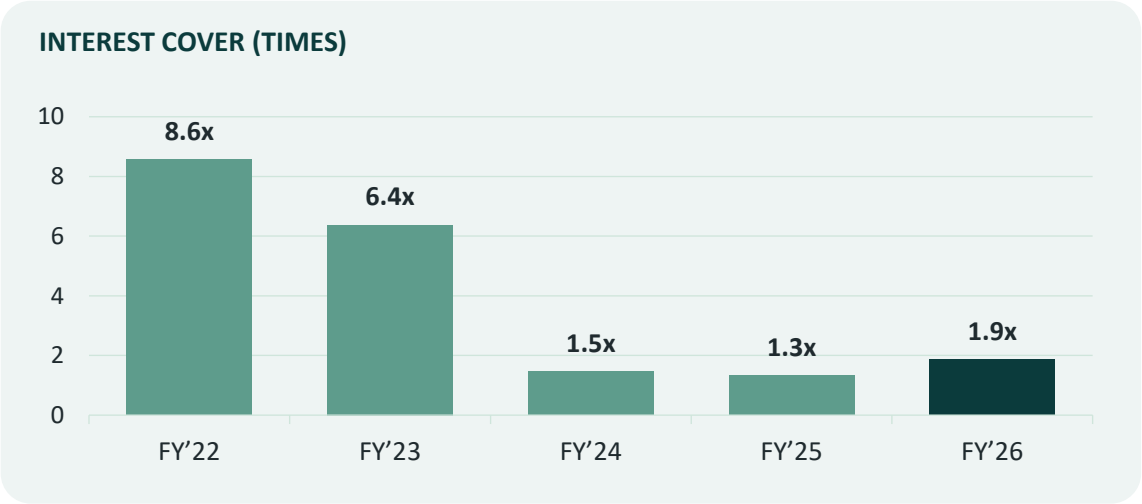


Five-years Performance: Statement of Financial Position

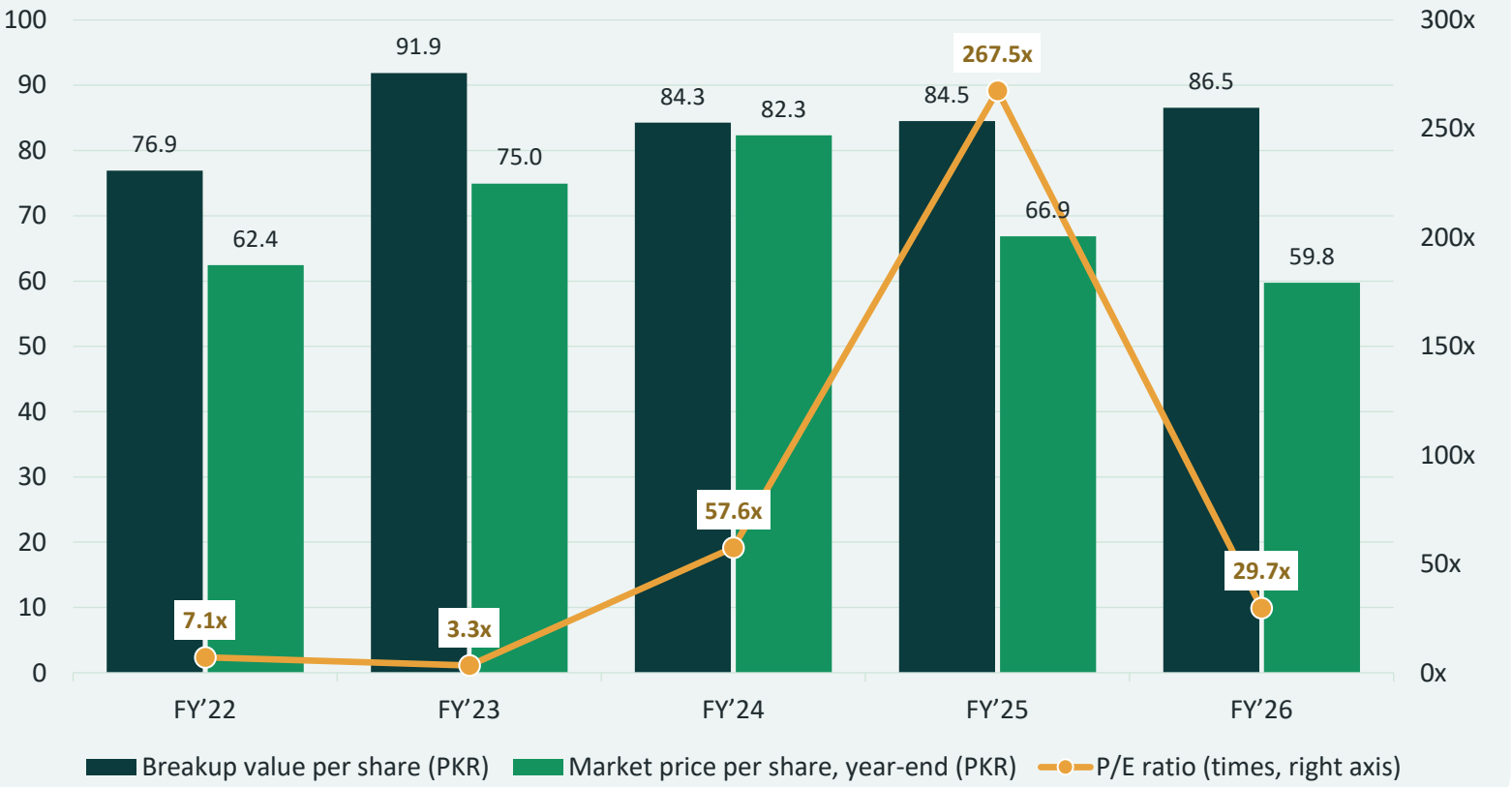








Five-years Performance: Share Value



MARKET PRICE, YEAR-END

PKR 59.75

FY'25: PKR 66.88

BREAKUP VALUE PER SHARE

PKR 86.53

FY'25: PKR 84.52

P/E RATIO

29.7x

FY'25: 267.5x

Q1 FY'27: Financial Performance

PKR million – quarter ended	Sep'26	Sep'25	Change
Sales	17,223.0	17,255.5	**–0.2%**
Cost of sales	(15,590.3)	(15,175.1)	**+2.7%**
Gross profit	**1,632.7**	**2,080.4**	**–21.5%**
Administrative costs	(316.1)	(376.2)	**–16.0%**
Distribution costs	(1,554.9)	(1,207.3)	**+28.8%**
Other expenses	(41.2)	(8.5)	**+383.3%**
Other income	1,206.8	351.4	**+243.5%**
Operating profit	**927.2**	**839.8**	**+10.4%**
Finance costs	(549.2)	(586.0)	**–6.3%**
Profit before levies and income tax	**377.9**	**253.8**	**+48.9%**
Levies	(212.4)	(213.1)	**–0.3%**
Profit before income tax	**165.5**	**40.7**	**+306.8%**
Taxation	(60.1)	–	**–**
Net Profit	**105.4**	**40.7**	**+159.1%**

GROSS MARGIN

9.5%

Sep'25: 12.1%

FINANCE COSTS

–6.3%

PKR 549 mn vs 586 mn

OTHER INCOME

PKR 1,207 mn

3.4x Sep'25 (PKR 351 mn)

SECTION 04

04

Risks & Q&A

Principal risks and your questions

Principal risks and how we manage them

1 Demand & competition

Pricing pressure from regional competitors may reduce margins; concentration in the US and EU markets may affect sales growth and market share.

HOW WE MANAGE IT

- Regular analysis of customer needs and global towel sourcing patterns
- Continuous product-quality enhancement through research and development
- Leveraging technology to improve cost competitiveness; new export markets

2 Tariffs & trade protectionism

Tariff and trade-protection changes in key export markets raise landed costs, reduce demand and require pricing concessions.

HOW WE MANAGE IT

- Competitive export pricing; diversified export markets and customers
- Monitor tariff developments; assess impact on pricing and sourcing
- Strengthen customer relationships and product differentiation

3 Geopolitics, tax & operations

Gulf / Red Sea disruption may cause rerouting, delays and higher freight costs; frequent changes in export incentives and taxation add uncertainty.

HOW WE MANAGE IT

- Monitoring shipping advisories; flexible logistics partners and routing options
- Proactive shipment planning and customer communication
- Legal and compliance support, with external advisors

4 Energy & input costs

Raw materials account for a significant portion of cost of goods sold; higher cotton and energy costs can adversely affect profitability and margins.

HOW WE MANAGE IT

- Procurement planning and forward-buying aligned with market conditions
- Diversified energy-source strategy; investment in solar and captive power
- Monitoring of energy policy and tariff developments for timely cost planning

FEROZE1888 MILLS LIMITED

Questions & discussion

1 **Questions received in advance** — From shareholders and analysts

2 **Questions from the floor** — In the room and online

Thank you for joining the Corporate Briefing Session 2026

