



NAGINA COTTON MILLS LTD.

***Corporate Briefing
Session***



NAGINA COTTON MILLS LTD.

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Nagina Group

Nagina Group founded in 1967 with the incorporation of Nagina Cotton Mills Limited by Mr. Shaikh Enam Ellahi (Late). Since then Nagina Group has expanded and comprises of following Companies:

COMPANY NAME	NATURE OF BUSINESS	STATUS OF COMPANY
Nagina Cotton Mills Ltd.	Textile Spinning	Public Listed
Ellcot Spinning Mills Ltd.	Textile Spinning	Public Listed
Prosperity Weaving Mills Ltd.	Textile Weaving	Public Listed
Ellahi International (Pvt) Ltd.	Trading	Private
ARH (Pvt) Ltd.	Trading	Private
Haroon Omer (Pvt) Ltd.	Construction / Trading	Private
Monell (Pvt) Ltd.	Trading	Private
ICARO (Pvt) Ltd.	Construction / Trading	Private
Pacific Industries (Pvt) Ltd.	Trading	Private



NAGINA COTTON MILLS LTD.

Company Brief



NAGINA COTTON MILLS LTD.

Company Brief

Nagina Cotton Mills Limited (the Company) was incorporated in Pakistan on May 16, 1967 as a public limited company under the Companies Act, 1913 and is listed on Pakistan Stock Exchange Limited. The principal business of the Company is to manufacture and sale of yarn.

The Company has various certifications like Global Recycled Standard (GRS), Recycled Claim Standard (RCS), Organic Content Standard (OCS), Global Organic Textile (GOTS) and OEKO-TEX.

Following is the geographical location and address of all business units of the Company:

Head Office:

2nd Floor, Shaikh Sultan Trust Building No.2, 26-Civil Lines, Beaumont Road, Karachi -75530, in the province of Sindh.

Manufacturing facility:

A-16, National Highway, Aminabad, S.I.T.E Kotri, in the province of Sindh.

Liaison Office:

Nagina House 91 – B-1, M.M. Alam Road, Gulberg-III, Lahore-54660, in the province of Punjab



NAGINA COTTON MILLS LTD.

Board of Directors

Executive Directors

Mr. Shaukat Ellahi Shaikh

- Graduate from Columbia University, New York
- Over 4 decades of experience within textile industry
- Certified Director from PICG.

Mr. Amin Ellahi Shaikh **CEO / Director**

- Graduate from New York University, New York.
- Over 12 years of experience within textile industry.
- Certified Director from ICMAP.



NAGINA COTTON MILLS LTD.

Board of Directors

Independent Directors

Mr. Tajammal Husain Bokharee

- Associate of the Chartered Institute of Bankers, London.
- Fellow of the Institute of Bankers, Pakistan.
- Graduate from the University of Punjab, Pakistan.
- Registered with National Association of Securities Dealers and New York Stock Exchange USA (Series 7)
- Diploma in Investment from the Chartered Institute of Bankers, London.
- 45 years of rich experience of Banking sector.
- Certified Director from ICAP.

Mr. Shafiq ur Rehman

- Fellow Member of the Institute of Chartered Accountants of Pakistan
- Overall 37 years of experience in Industry, Banking, Education and energy Sectors at Management / Board levels.
- Certified Director from ICAP.



NAGINA COTTON MILLS LTD.

Board of Directors

Independent Directors

Ms. Tosheeba Sarwar

- Graduate
- An entrepreneur by choice & by profession, teaching entrepreneurship & marketing for more than 18 years.
- An experienced entrepreneur, business executive and advisor to a number of emerging and established businesses.



NAGINA COTTON MILLS LTD.

Board of Directors *Non-Executive Directors*

Mr. Shafqat Ellahi Shaikh

- Graduate from Columbia University, New York
- Over 4 decades of experience within textile industry.
- Former Chairman APTMA (2006 – 07).
- Certified Director from ICAP.

Mr. Shahzada Ellahi Shaikh

- Graduate from Karachi University, Karachi.
- Over 4 decades of experience within textile industry.

Mr. Raza Ellahi Shaikh

- Graduate from Columbia University, U.S.A.
- Over 15 years of experience within textile industry.
- Certified Director from PICG.



NAGINA COTTON MILLS LTD.

Board of Directors *Non-Executive Directors*

Mr. Haroon Ellahi Shaikh

- Graduate from University of Manchester, England
- Over 13 years of experience within textile industry
- Certified Director from ICMAP

Mr. Hasan Ahmed

- Certified Public Accountant (CPA)
- Incorporated Executive Accountant (IEA)
- Fellow of The Institute of Taxation Management (FITM)
- Fellow of the Institute of Chartered Secretaries
- Member of California Society of Certified Public Accountants,
- New York State Society of Certified Public Accountants,
- Institute of Management Accountants,
- Institute of Taxation Management and
- Lahore Tax Bar Association.
- Over 32 years of rich multi dimensional experience in the fields of financial management, strategic planning, auditing and risk management, taxation and corporate matters.
- Certified Director from The University of Lahore.



NAGINA COTTON MILLS LTD.

Vision & Mission Statement

Vision:

To strive for excellence through commitment, integrity, honesty and team work.

Mission:

The mission of company is to operate state of the art spinning machinery capable of producing high quality carded and combed, cotton, core spun and blended yarn for knitting and weaving.

The company will conduct its operations prudently assuring customer satisfaction and will provide profits and growth to its shareholders through;

Providing quality products and services to our customers mainly engaged in the manufacturing of textile products.

Manufacturing of cotton, core spun and blended yarn as per the customers' requirements and market demand.

Exploring the global market with special emphasis on Europe and USA.

Keeping pace with the rapidly changing technology by continuously balancing, modernization and replacement (BMR) of plant and machinery.

Enhancing the profitability by improved efficiency and cost controls.

Recruiting, developing, motivating and retaining the personnel having exceptional ability and dedication by providing them good working conditions, performance based compensation, attractive benefit program and opportunity for growth.

Protecting the environment and contributing towards the economic strength of the country and function as a good corporate citizen.



FINANCIAL HIGHLIGHTS



NAGINA COTTON MILLS LTD.

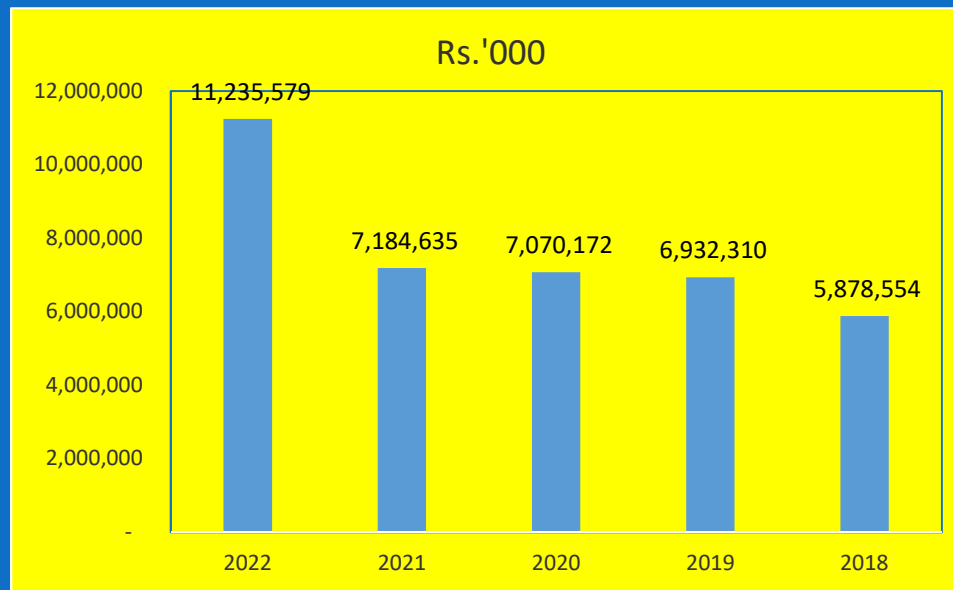
Financial Highlights

		Qtr Ended	For the Year Ended June 30,				
		30-Sep-22	2022	2021	2020	2019	2018
Sales	Rs.'000	3,215,302	11,235,579	7,184,635	7,070,172	6,932,310	5,878,554
Gross profit	Rs.'000	546,224	2,507,668	1,419,328	593,821	832,426	514,147
Profit before tax	Rs.'000	382,251	1,826,779	988,876	100,274	361,126	223,557
Profit after tax	Rs.'000	340,682	1,812,562	743,498	7,629	308,620	158,202
Earnings per share - after tax	Rs.	18.22	96.93	39.76	0.41	16.50	8.46
Cash Dividend Per Share	Rs.		10.00	10.00	-	5.00	4.00
Market value per share as on 30 June	Rs.		78.80	74.65	38.93	41.85	39.90
Dividend payout	%		10.32	25.15	-	30.30	47.28
Dividend yield	%		12.69	13.40	-	11.95	10.03



NAGINA COTTON MILLS LTD.

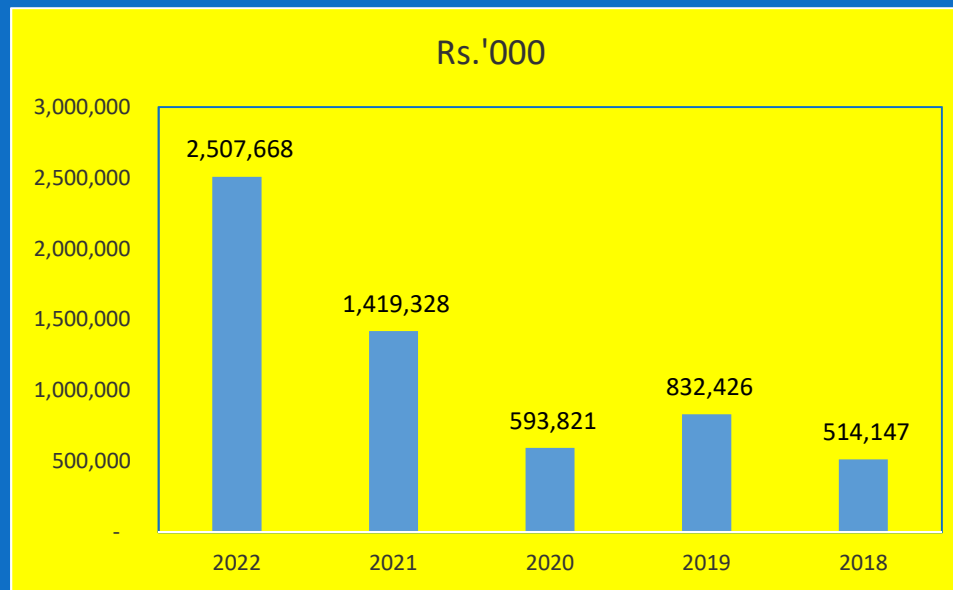
Sales





NAGINA COTTON MILLS LTD.

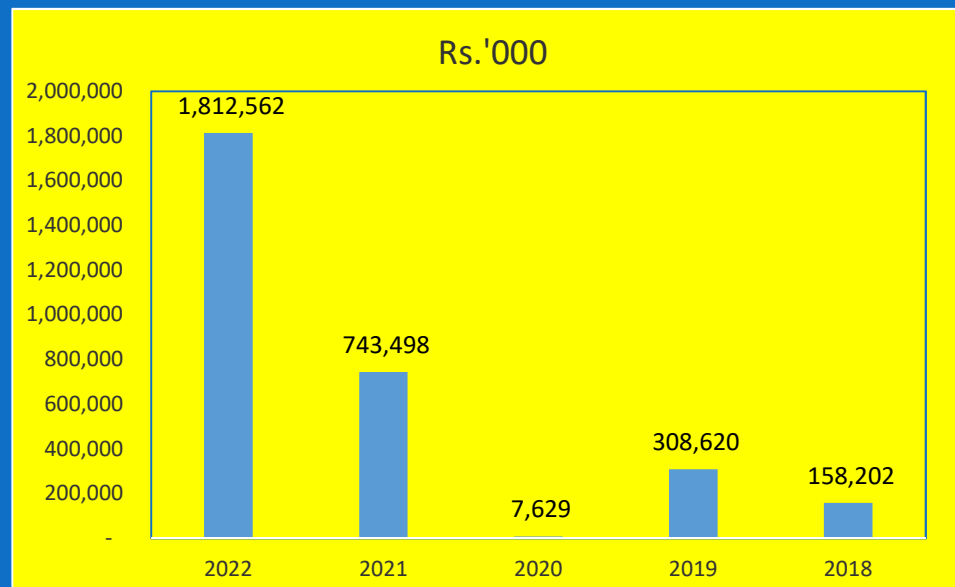
Gross Profit





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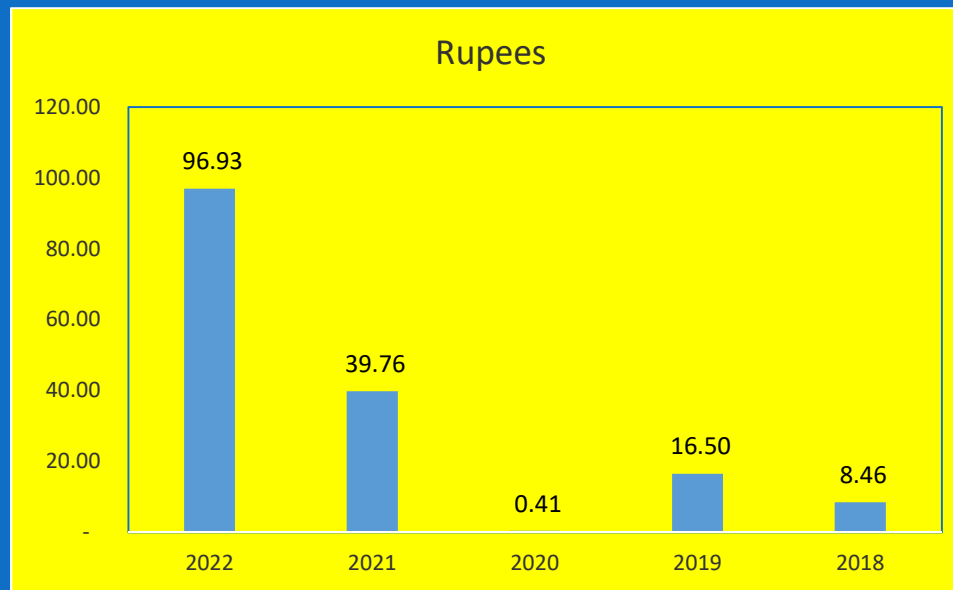
Profit After Tax





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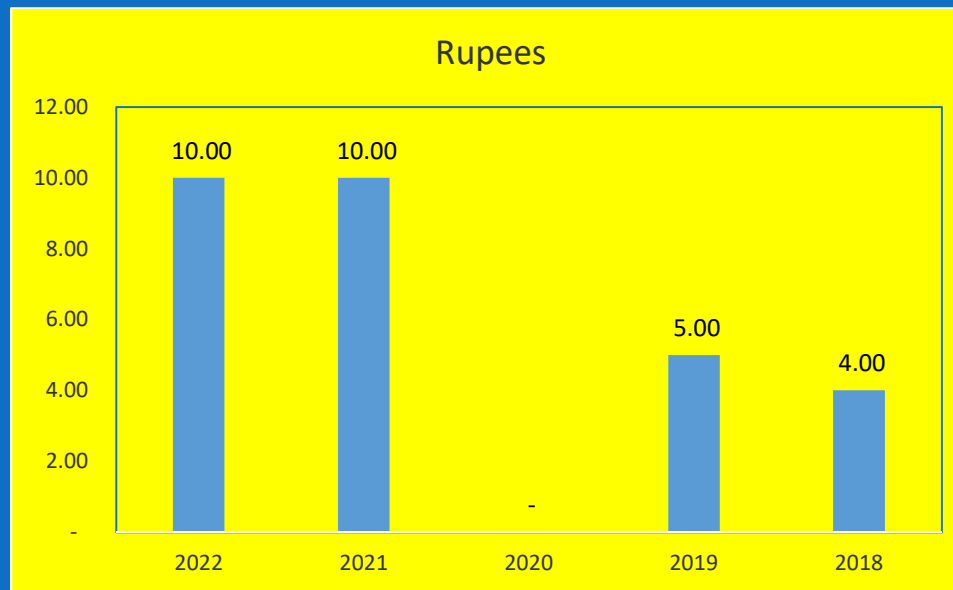
Earnings Per Share





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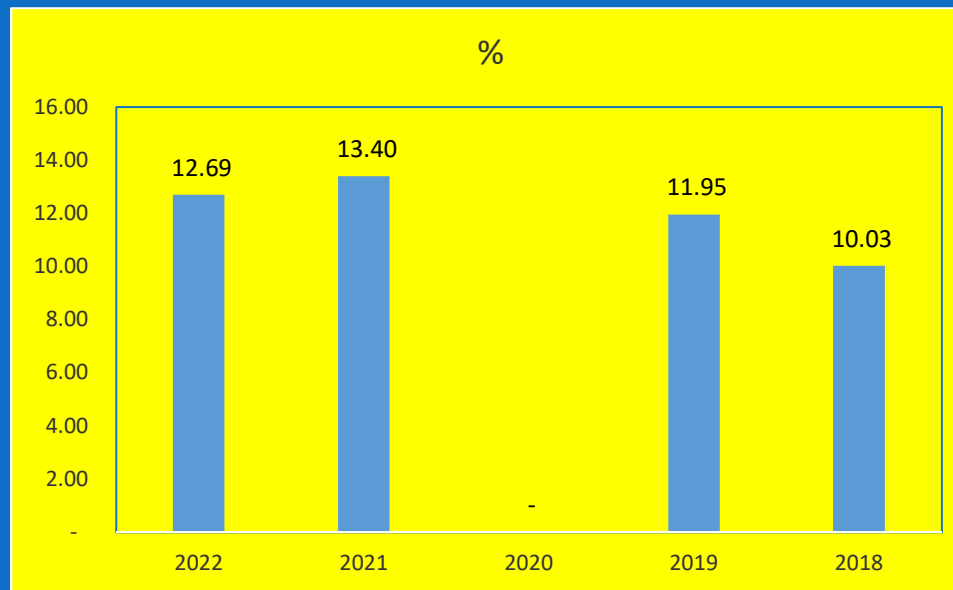
Cash Dividend





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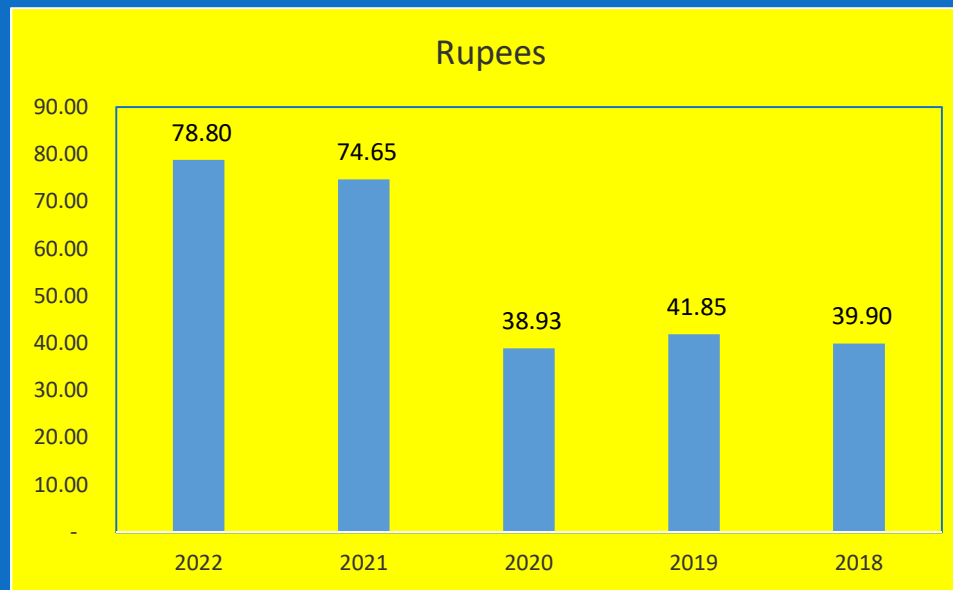
Dividend Yield





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Market Rate as on June 30,





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Financial Highlights

Balance Sheet

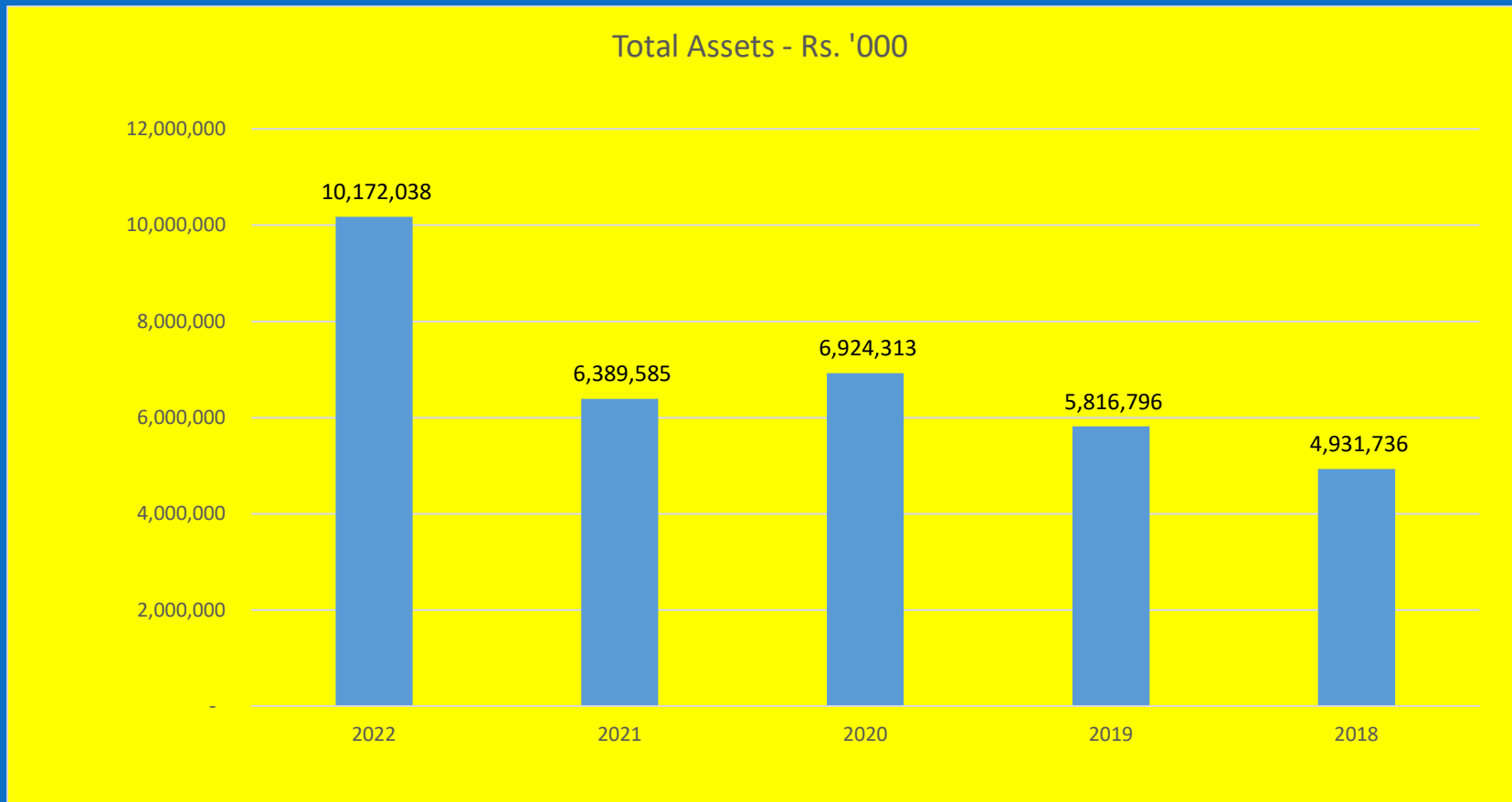
	Qtr Ended	For the Year Ended June 30,				
	30/Sep/22	2022	2021	2020	2019	2018
Rs.'000						
Non-Current Assets	4,476,579	4,243,639	2,766,535	2,973,353	2,055,239	1,454,237
Current Assets	6,331,880	5,928,399	3,623,050	3,950,960	3,761,557	3,477,499
Total assets	10,808,459	10,172,038	6,389,585	6,924,313	5,816,796	4,931,736
Equity	4,652,267	4,307,501	2,568,397	1,880,495	2,023,913	1,866,874
Long term Liability	3,489,067	3,392,088	2,267,731	2,321,567	1,137,898	762,627
Current Liability	2,667,125	2,472,449	1,553,457	2,722,251	2,654,985	2,302,235
Total Equity and Liability	10,808,459	10,172,038	6,389,585	6,924,313	5,816,796	4,931,736
Total number of spindles installed	51,708	51,708	40,908	49,980	53,748	53,748
Financial Leverage	1.32	1.36	1.49	2.68	1.87	1.64
Current Ratios	2.37	2.40	2.33	1.45	1.42	1.51



NAGINA COTTON MILLS LTD.

Financial Highlights

Balance Sheet

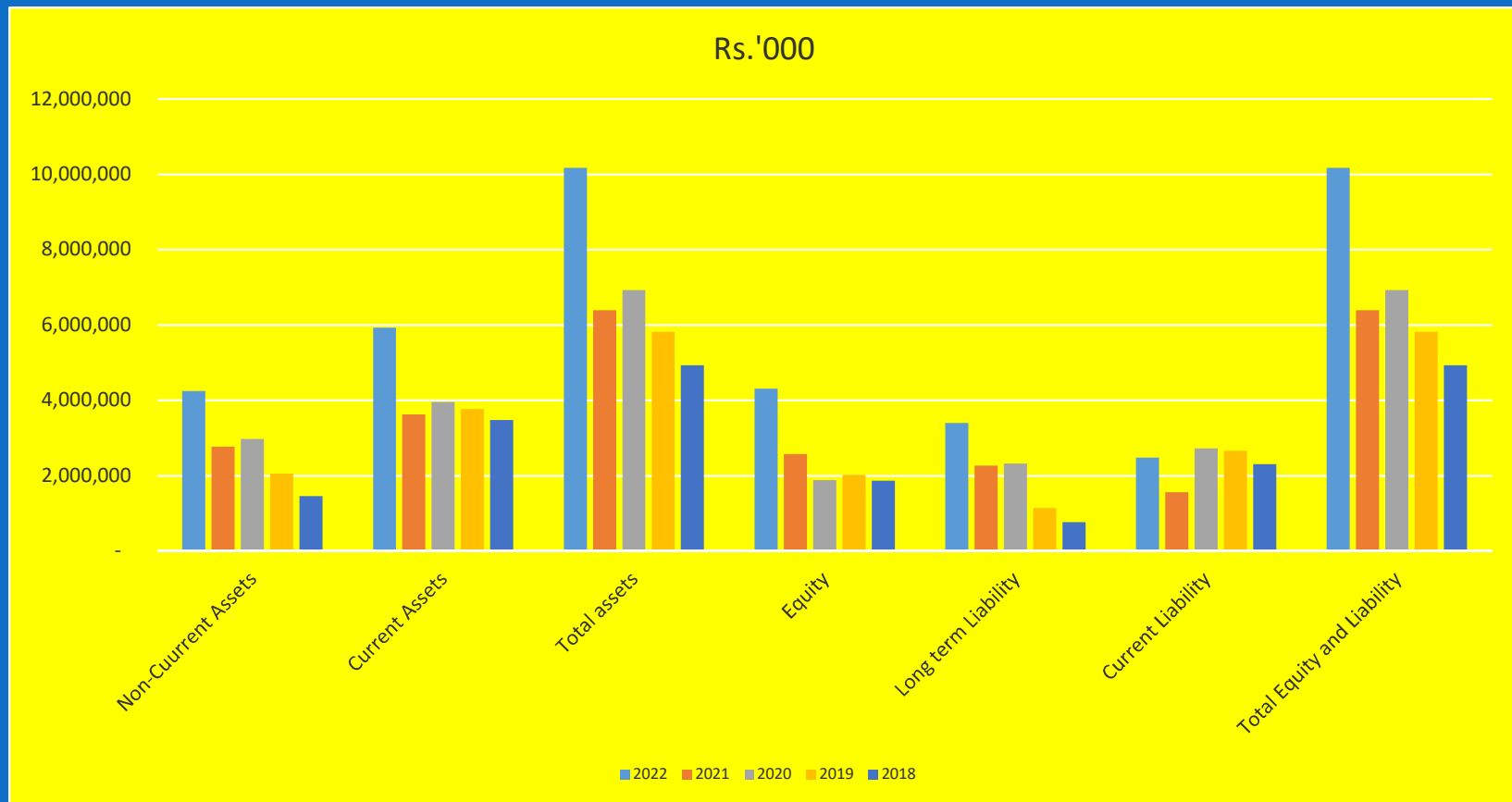




NAGINA COTTON MILLS LTD.

Financial Highlights

Balance Sheet





NAGINA COTTON MILLS LTD.

Operations / Business *Future Outlook*

- Uncertainty in textile markets, high volatility in exchange rates and product prices are clouding the financial environment.
- Demand for yarn is suffering due to high inventory with our customers and the predictions of a worldwide recession.
- Floods in Pakistan have damaged the local raw cotton crop. Raw cotton shortage will trigger expensive imports and damage the competitiveness of the Pakistan textile industry.
- Energy shortages particularly in gas combined with electricity load shedding is affecting production. Rising prices of both gas and electricity will add to the difficulties.
- Customers are complaining of sudden drop in demand for finished goods putting downward pressure on yarn prices.



NAGINA COTTON MILLS LTD.

Operations / Business

Future Outlook

- The Russia/Ukraine conflict is also casting its shadow. The IMF program is forcing restrictive economic policies which is reducing demand as well as increasing cost of production.
- The State Bank of Pakistan (SBP) policy rate of 15% is significantly affecting demand for textiles and also raising the financial costs of the company. Long-term borrowing costs have also been raised by the SBP on the long-term financing facility (LTFF). Disbursements of LTFF loans are delayed without any clarity causing further rise in financial costs. The delay in LTFF loans disbursements may continue for sometime as the SBP is not providing any guidance in the matter. This delay is increasing the financial costs of the company.
- The government has raised Minimum wages for workers and this will raise the labour cost of the company. The combination of high labour costs, gas shortages, higher electricity costs, significantly higher financial costs and the looming international recession is likely to reduce company profitability.
- Unfortunately, all above factors have further intensified and depressed the outlook for the foreseeable future.



NAGINA COTTON MILLS LTD.

Operations / Business

Future Outlook

- After vigorous negotiations by the business associations the Pakistan Government has agreed to give a concessional electricity rate of Rs. 19.99 per KW to the export oriented industrial sectors. This facility will be up to June 2023. This is a welcome step and will help the textile industry. However, gas supply disruptions are expected during the winter months which will affect production and reduce profitability.
- However, management is striving to retain profitability. Our strengths lie in good liquidity position, the efficiency of our spinning mills, use of latest spinning technology, strict cost controls, lowering of overheads due to expansion and BMR, aggressive marketing strategies and value-added yarns. These are the pillars on which our company will build the defensive structure to remain profitable. It is also hoped that demand for finished goods produced by our customers will revive and restore margins for spinning industry.
- The BMR/ expansion program of the company is continuing at a steady pace and 10,800 spindles has already been installed at the mills and has started production. The second lot of 10,800 spindles are expected to be installed by the 3rd quarter of the financial year 2022-23. After completion of the 2nd phase, the total installed spindles of the company would rise to 62,508 spindles from the existing level of 51,708 spindles.



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Question
&
Answer



Thank
You