



PROSPERITY WEAVING MILLS LTD.

Corporate Briefing Session



PROSPERITY WEAVING 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



PROSPERITY WEAVING MILLS LTD.

Company Brief



PROSPERITY WEAVING MILLS LTD.

Company Brief

Prosperity Weaving Mills Limited (the Company) was incorporated in Pakistan on November 20, 1991 as a public limited company under the repealed Companies Ordinance, 1984 (Now Companies Act 2017) and listed on Pakistan Stock Exchange Limited on October, 17 1995. The principal activity of the Company is manufacturing and sale of woven cloth.

The Company has various certifications like Global Recycled Standard (GRS), Recycled Claim Standard (RCS), Organic Content Standard (OCS), Global Organic Textile (GOTS), OEKO-TEX, ISO 9001: 2015

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

Registered / Head Office:

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

Manufacturing facility:

13.5 km Sharaqpur road, District Sheikhpura in the Province of Punjab

Liaison Office:

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



PROSPERITY WEAVING MILLS LTD.

Board of Directors

Executive Directors

Mr. Raza Ellahi Shaikh (CEO)

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



PROSPERITY WEAVING MILLS LTD.

Board of Directors

Independent Directors

Mr. Arfa Waheed Malik

- Masters in Economics from Government College Lahore.
- A Banker by profession, associated with the financial industry for the past 38 years.
- Experience in the fields of Management, Finance, Marketing and Strategic planning.
- Certified Director from ____

Mr. Aneeq Khawar

- Business Graduate
- Has over 38 years of banking experience in Pakistan, Greece, USA, UK, UAE and Saudi Arabia.
- He is the CEO of University College Lahore which offers External Degree Programs of University of London in BSc, BBA and Law.

Ms. Parveen Akhter Malik

- Master in Economics from Quaid-e-Azam University, Islamabad.
- She has professional experience in banking spread over 36 years.
- She was awarded Women Excellence Award – 2007; Woman Banker of the year – 2007 awarded by Triple-E, Karachi.
- Certified Director from ____



PROSPERITY WEAVING 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. Shaukat Ellahi Shaikh

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

Mr. Shahzada Ellahi Shaikh

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



PROSPERITY WEAVING MILLS LTD.

Board of Directors *Non-Executive Directors*

Mr. Amin Ellahi Shaikh

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

Mr. Haroon Ellahi Shaikh

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

Mr. Javaid B. Sheikh

- MBA Finance, from National University, San Diego California, USA.
- Over 25 years experience in investment banking in Pakistan.
- Several years of overseas work experience in U,K in industry at various positions. He is a Certified Director from ICAP.



PROSPERITY WEAVING MILLS LTD.

Vision & Mission Statement

Vision:

To be the market leader by being the best and providing the best

Mission:

Being one of the leading manufacturers of high quality greige fabric for apparel and home furnishing, we are committed to high quality product and customer satisfaction.

Our mission is to continually improve our products and service for our worldwide customers and to provide a better return to our shareholders.

We believe in keeping our production facilities equipped with the modern technologies by continuous upgrading to be competitive in the markets.

We strive towards building long-term and better relationship with our suppliers.

We care for our employees by providing them a healthy and safe working environment and opportunity for growth through learning and experience.

We do have a social responsibility towards our community in which we operate and we are committed to safety, health and environment in all our operations.



FINANCIAL HIGHLIGHTS



PROSPERITY WEAVING MILLS LTD.

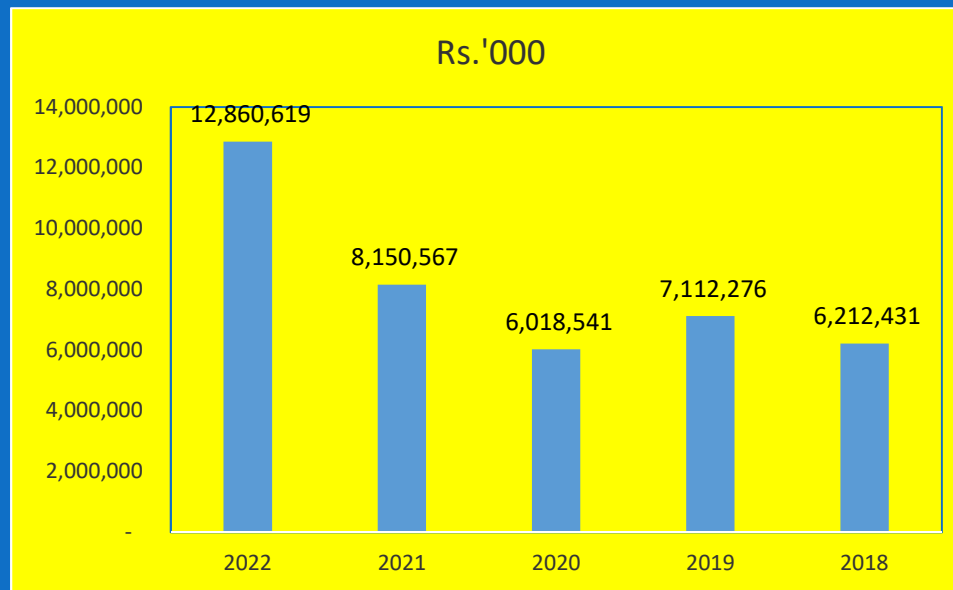
Financial Highlights

		Qtr Ended	For the Year Ended June 30,				
		30-Sep-22	2022	2021	2020	2019	2018
Sales	Rs.'000	3,697,947	12,860,619	8,150,567	6,018,541	7,112,276	6,212,431
Gross profit	Rs.'000	300,234	1,095,646	1,169,127	529,557	706,784	355,552
Profit before tax	Rs.'000	103,065	624,550	814,539	247,968	319,179	54,697
Profit after tax	Rs.'000	60,081	349,904	641,577	154,755	210,034	54,697
Earnings per share - after tax	Rs.	3.25	18.93	34.72	8.37	11.37	2.96
Cash Dividend Per Share	Rs.	-	5.00	10.00	-	4.00	2.00
Market value per share as on 30 June	Rs.		47.75	58.50	40.00	34.00	26.00
Dividend payout	%	-	26.41	28.80	-	35.18	67.57
Dividend yield	%	-	10.47	17.09	-	11.76	7.69



PROSPERITY WEAVING MILLS LTD.

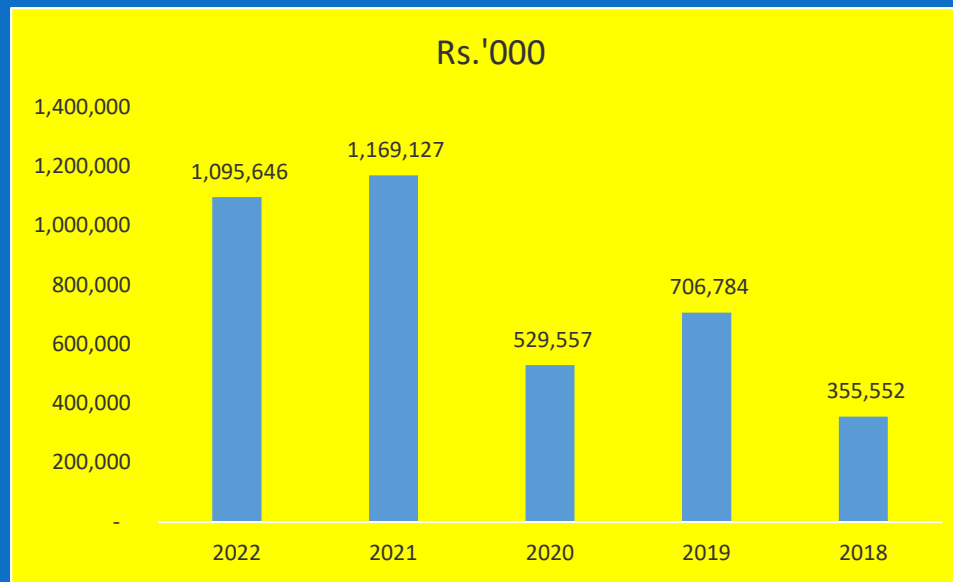
Sales





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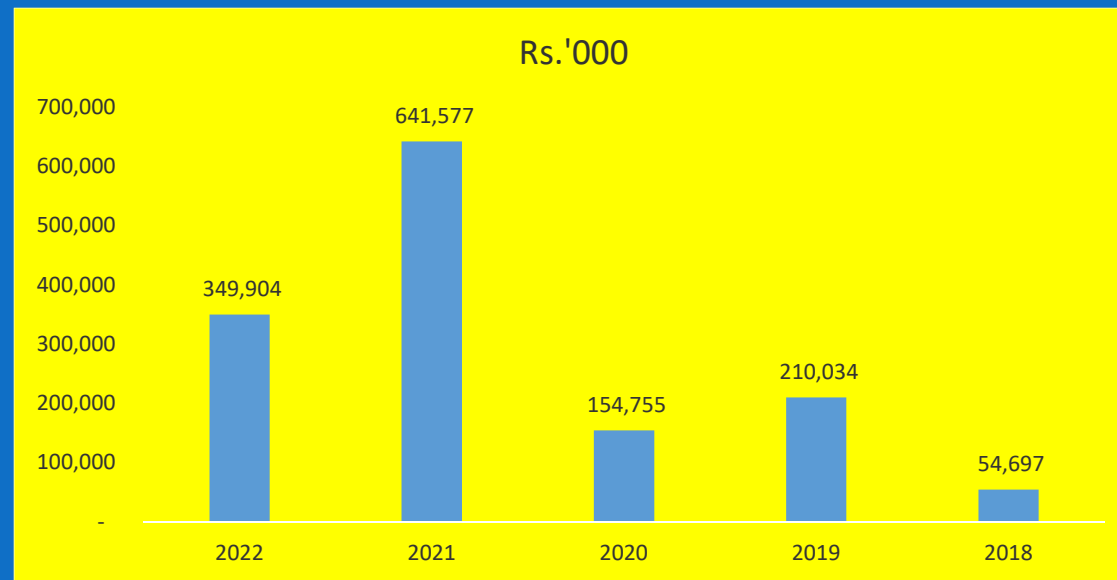
Gross Profit





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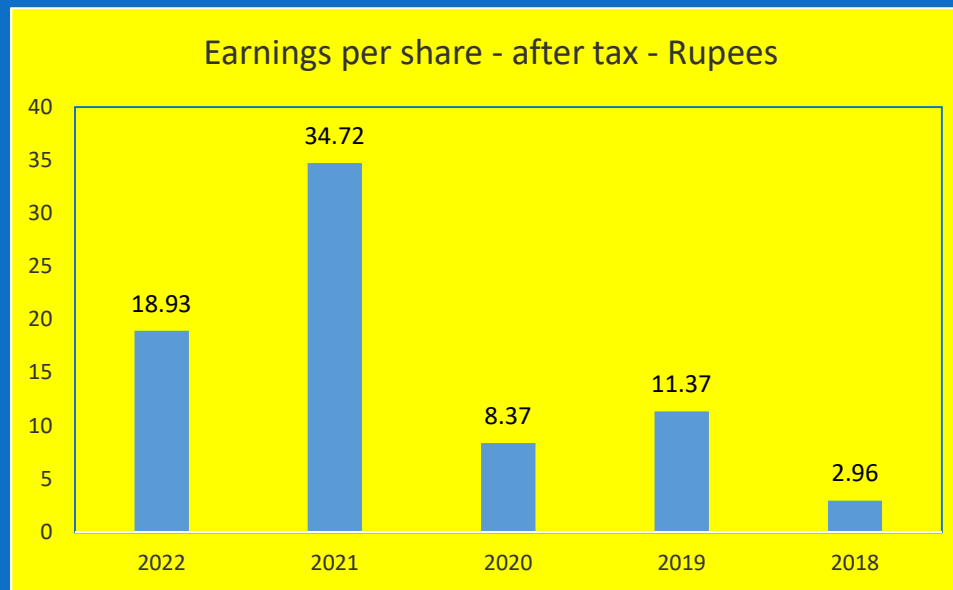
Profit After Tax





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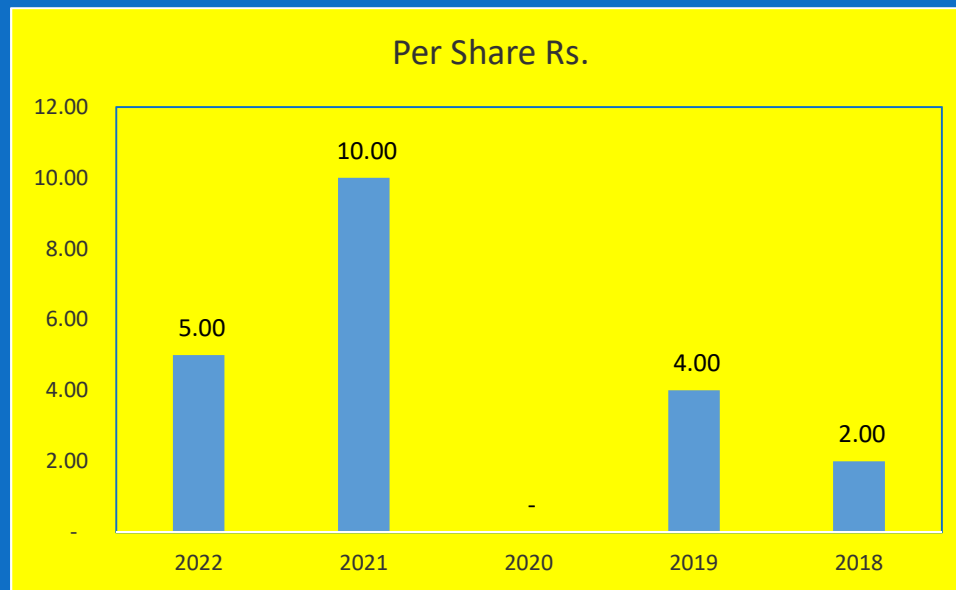
Earnings Per Share





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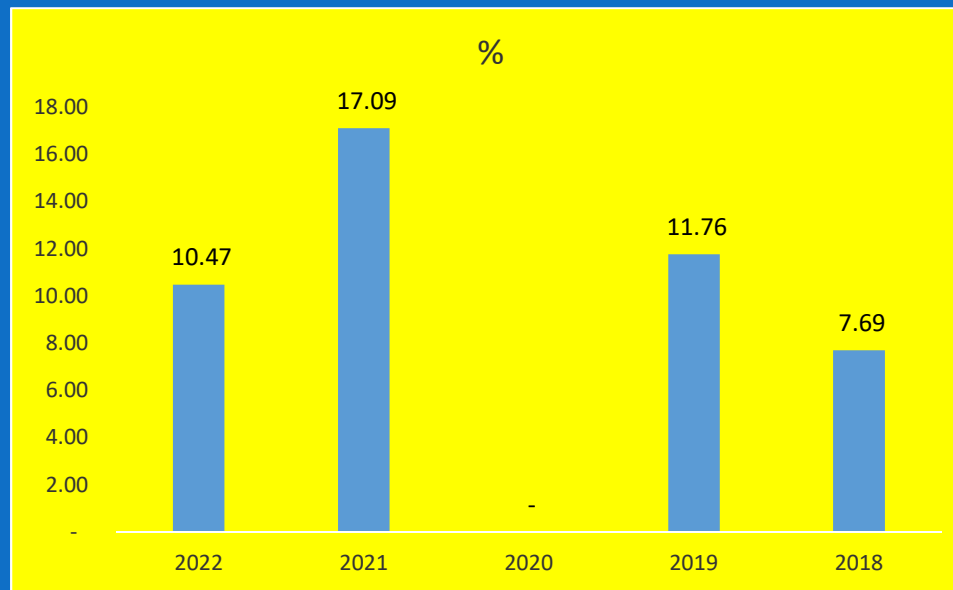
Cash Dividend





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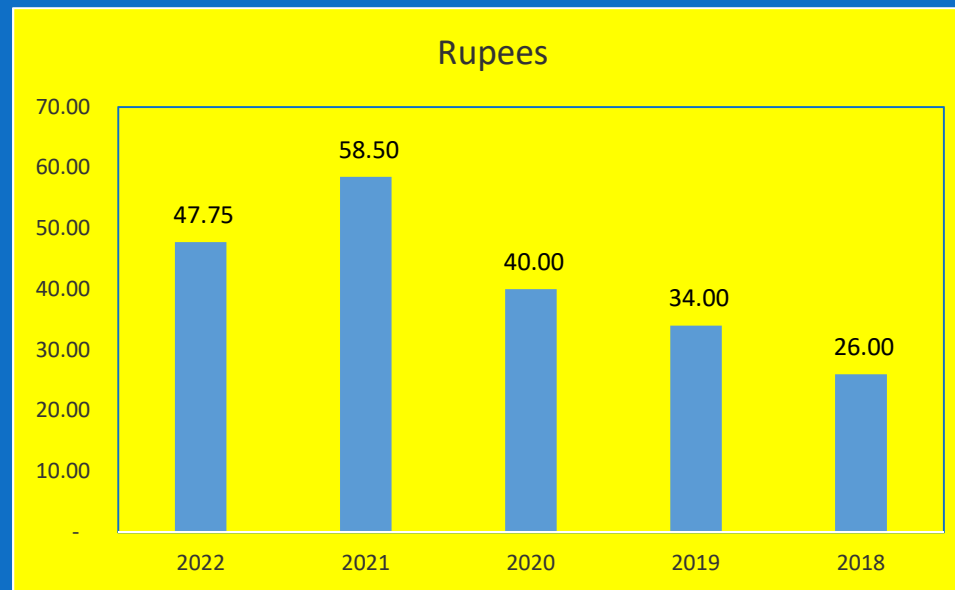
Dividend Yield





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Market Rate as on June 30,





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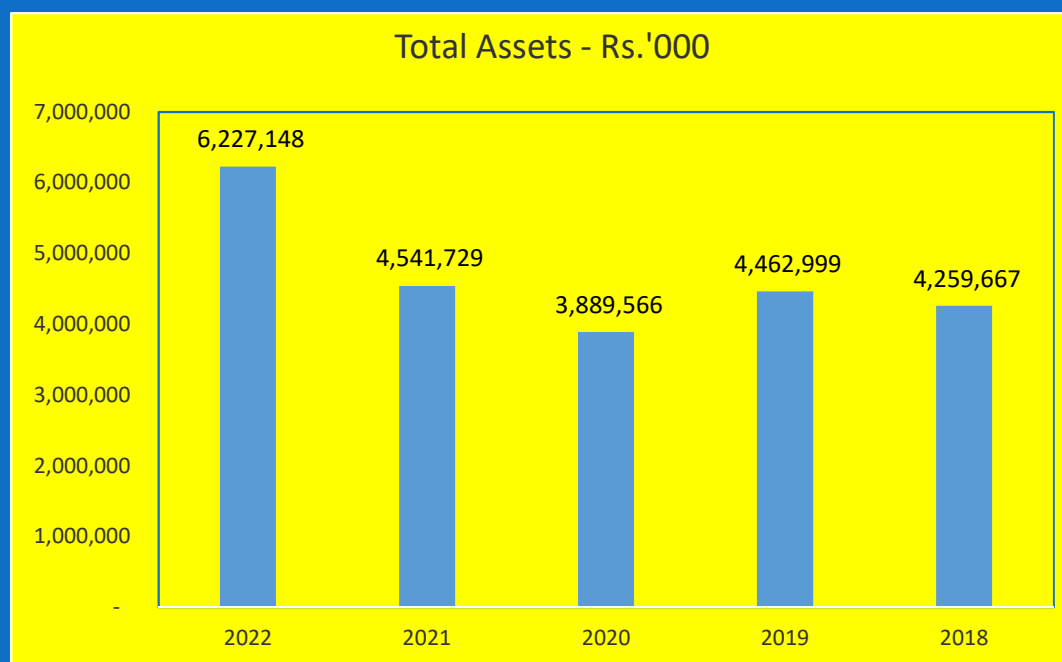
Financial Highlights Balance Sheet

	Qtr Ended	For the Year Ended June 30,				
	30-Sep-22	2022	2021	2020	2019	2018
	Rs.'000					
Non-Current Assets	2,638,376	2,528,638	2,314,178	2,108,991	2,240,387	2,247,980
Current Assets	3,895,510	3,698,510	2,227,551	1,780,575	2,222,612	2,011,687
Total assets	6,533,886	6,227,148	4,541,729	3,889,566	4,462,999	4,259,667
Equity	2,063,008	2,015,919	1,746,678	1,180,448	1,154,588	1,001,077
Long term Liability	1,980,256	1,928,153	1,843,034	1,668,421	1,521,444	1,592,069
Current Liability	2,490,622	2,283,076	952,017	1,040,697	1,786,967	1,666,521
Total Equity and Liability	6,533,886	6,227,148	4,541,729	3,889,566	4,462,999	4,259,667
Total number of looms installed	334	334	316	280	328	324
Financial Leverage	2.17	2.09	1.60	2.29	2.87	3.26
Current Ratios	1.56	1.62	2.34	1.71	1.24	1.21



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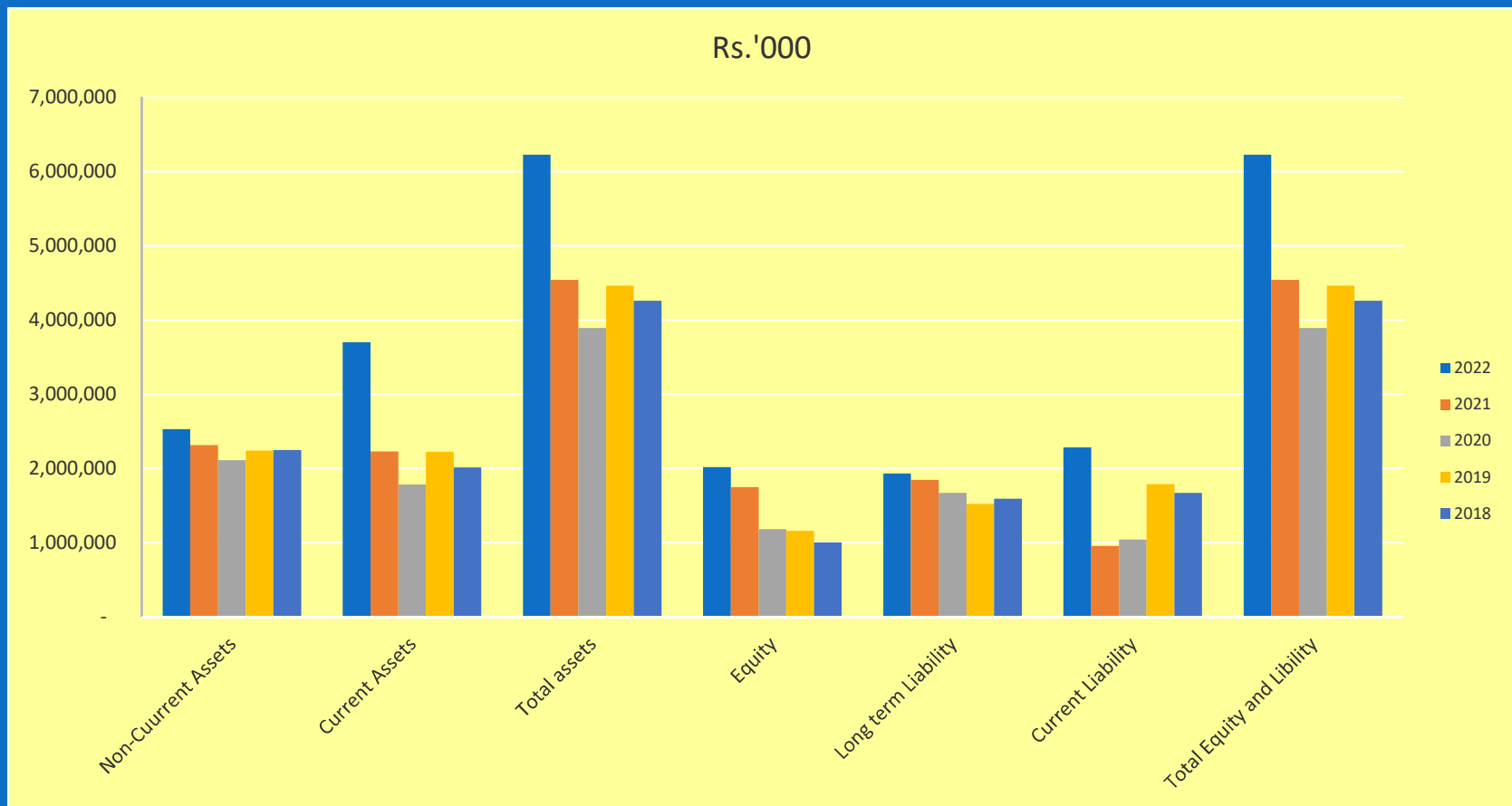
Financial Highlights Balance Sheet





PROSPERITY WEAVING MILLS LTD.

Financial Highlights Balance Sheet





PROSPERITY WEAVING MILLS LTD.

Operations / Business

Future Outlook

- ❖ We are observing high volatility in exchange rates, product prices and uncertain markets. Demand for fabrics is suffering due to 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 fabric prices.
- ❖ The Russia/Ukraine conflict is also casting its shadow. The very high sea freights and continuing logistical problems are an added source of distress.



PROSPERITY WEAVING MILLS LTD.

Operations / Business *Future Outlook*

- ❖ In the 1st quarter of financial year 2022-23 there was a significant drop in demand for fabrics. Customers in the finished goods sector have delayed lifting of sold goods and delayed payments for already lifted goods. Due to this the company liquidity remained stuck. Therefore, finished product inventory is rising and forcing higher short-term borrowings.
- ❖ The State Bank of Pakistan (SBP) policy rate of 15% will significantly raise the financial costs. Long-term borrowing costs have also been raised by the SBP on the long-term financing facility (LTFF). Disbursements of LTFF loans are delayed causing further rise in financial costs. The delay period for LTFF loans disbursements is uncertain. This delay is increasing the financial costs of the company. Minimum wages have increased which will raise the labour costs significantly.
- ❖ Unfortunately, all these factors have further intensified and depressed the outlook for the foreseeable future.



PROSPERITY WEAVING MILLS LTD.

Operations / Business *Future Outlook*

❖ After vigorous negotiations by the business associations Pakistan Government has agreed to give a concessional power rate of Rs. 19.99 per KW up to June, 2023 to export oriented sector. This is a welcome step and would help the industry. However, expected gas supply disruptions during winter will exert adverse financial pressure on the finances of the company.

❖ However, the company is striving to manage the prevailing adverse situation. Our strengths lie in good liquidity position, the efficiency of our weaving mills, use of latest weaving technology, strict cost controls, lowering of overheads due to expansion and BMR, aggressive marketing strategies and value-added fabrics. 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 weaving industry.

❖ The company is continuing to pursue a BMR and expansion program. During the financial year 2021-22, 26 new looms have been installed and started production. The company has opened LCs for import of 48 new looms along with related machinery. It is hoped that 48 loom expansion project will be completed by 3rd quarter of current fiscal year.



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Thank
You