

October 3, 2023

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

CORPORATE BRIEFING SESSION

Dear Sir,

This is to inform you that the Corporate Briefing Session of Gadoon Textile Mills Limited (the "Company") is scheduled to be held on Tuesday, October 10, 2023 at 4:00 p.m. at the PSX Auditorium and through video link (on Zoom) to brief the analysts / investors and shareholders about the Company's financial performance for the year ended June 30, 2023 and future outlook. The presentation and flyer for Corporate Briefing Session is attached herewith.

We would appreciate your assistance in communicating this information to the members of the Exchange.

Thanking you,

Yours truly,
For **GADOON TEXTILE MILLS LIMITED**



Muhammad Umair
Company Secretary

Law
Secretary
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CORPORATE BRIEFING

At
PSX Auditorium

Topic:
Financial Performance in
FY23 & Future Outlook

Date & Time:
Tuesday, Oct 10, 2023 at 4:00 PM

Zoom Meeting Link:
<https://bitly.ws/Wjmd>

Zoom Meeting ID:
811 7649 9262

Passcode:
653176

Corporate Briefing Session

FY-23



Overview

Gadoon Textile Mills Limited (GTML) was incorporated in Pakistan on February 23, 1988 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange. The principal activity of the Company is manufacturing & sale of yarn, knitted bedding products and production & sale of milk.

We manufacture and process all types of cotton and manmade fibers, operating state-of-the-art manufacturing plants in Karachi (Sindh) and Gadoon Amazai (Khyber Pakhtunkhwa). We have a diverse portfolio of products tailored to meet the needs of domestic and international markets.



Spinning



Knitted Bedding Products



Dairy



Strategic Investments

Spinning

- Compact Yarn
- Core Spun Yarn
- Fancy Yarn
- Man-Made / Cellulose Yarn
- Melange Yarn / Heather Grey Yarn
- Murata Jet Spun Yarn
- Murata Vortex Spun Yarn
- Neppy Yarn
- Open-End Yarn
- Poly / Cotton Yarn
- Recycle Polyester yarn
- S twist Yarn
- Siro Yarn
- Slub Yarn
- TFO Yarn
- Tri-Blend Yarn
- Zero Twist Yarn

Knitted Bedding Products

- Grey and Dyed Fabrics Core Spun Yarn
- Fitted Knitted Sheet and Pillowcases
- Institutional and Hospital Laundry
- Knitted Fitted Sheets
- Jersey Duvet Sets
- Jersey Pillow Covers
- Jersey Sheet Sets
- Molten Fitted Sheets
- Nursery Kids Sheets
- Terry Fitted Sheets

gadoon Awards & Achievements

Best Corporate Report Award

During the period, the Company has been awarded 3rd Position for its Annual Report 2021 in the "Textile" Sector, in the Best Corporate Report Award competition jointly held by Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP).



Top 25 Companies Award

During the period, the Company has been awarded PSX **Top 25 Companies Award** for the year 2021 with regards to its remarkable performance.

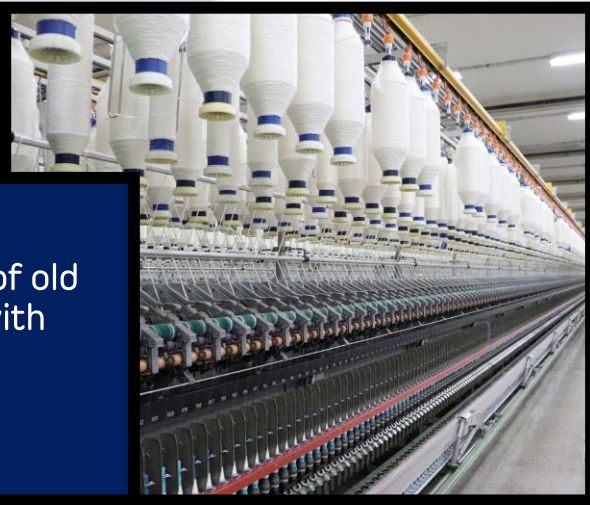


Key Strategic & Operational Development

Installation of Efficient power Generators in order to achieve energy efficiency



Replacement of old machineries with State of Art machineries



Further strengthening the Value Added Segment to increase the international customer base



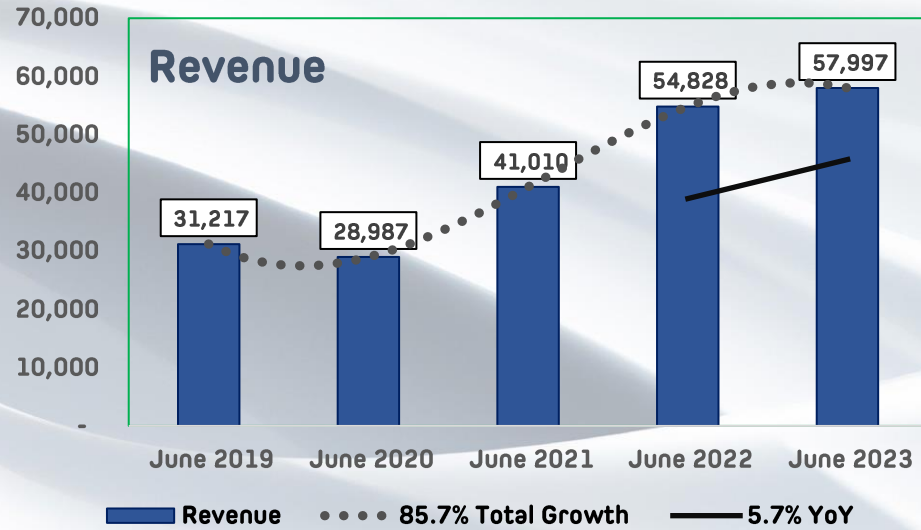
Installed 1.6 MW solar plant at Amazai factory and further 5.5 MW is in installation phase at Karachi factory



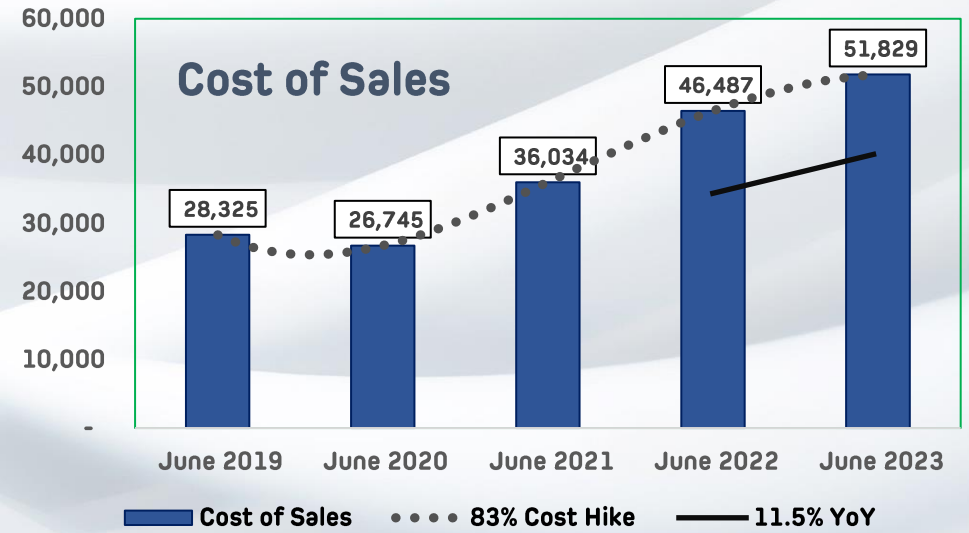
Performance Indicators

		2023	2022	2021
GP to sales	Percentage	10.63%	15.21%	12.13%
Net profit after tax to sales	Percentage	5.68%	10.42%	8.62%
EBITDA to sales	Percentage	14.03%	15.54%	13.75%
EBDA to sales	Percentage	7.75%	12.35%	11.02%
Return on equity	Percentage	17.01%	37.33%	32.58%
Return on capital employed	Percentage	25.65%	36.89%	30.92%
Current ratio	Times	1.19	1.47	1.31
Inventory turnover	Days	147	115	120
Debtor turnover	Days	21	26	28
Creditors turnover	Days	42	39	44
Operating cycle	Days	127	104	104
Asset turnover	Times	1.16	1.52	1.32
Fixed Asset turnover	Times	3.60	5.16	4.02
Leverage Ratio (D/E)	Times	1.25	0.62	0.78
Earnings per Share	Rupees	117.44	203.84	126.08

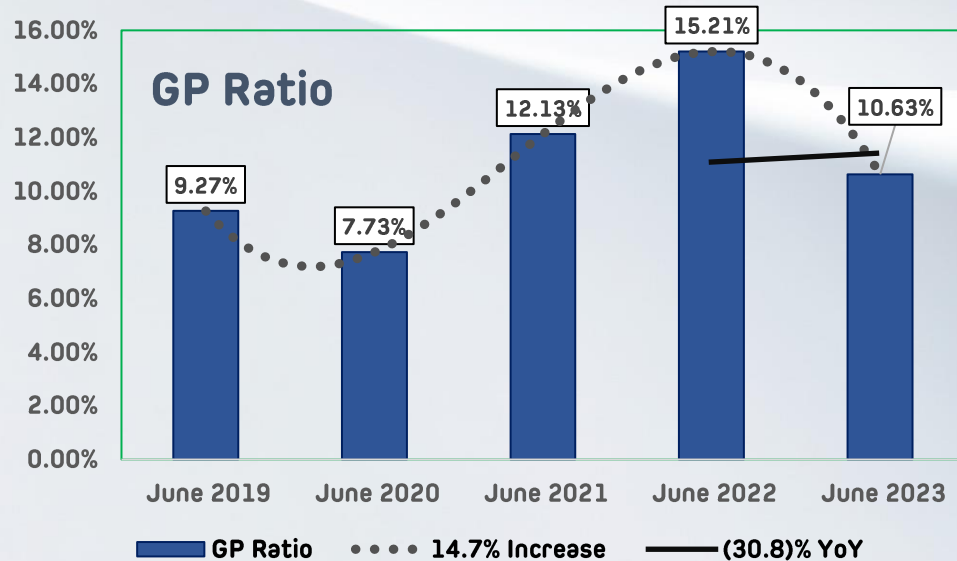
Rs in 'Million



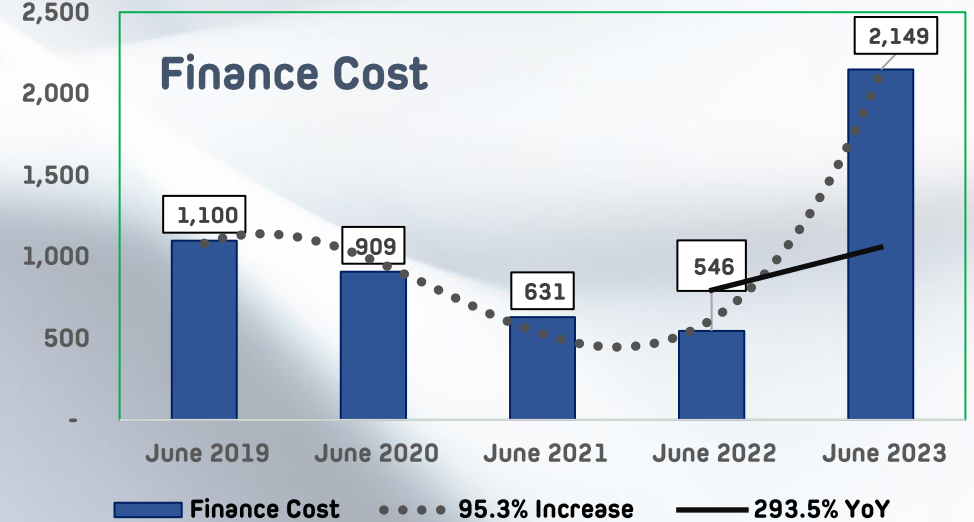
Rs in 'Million



Percentage

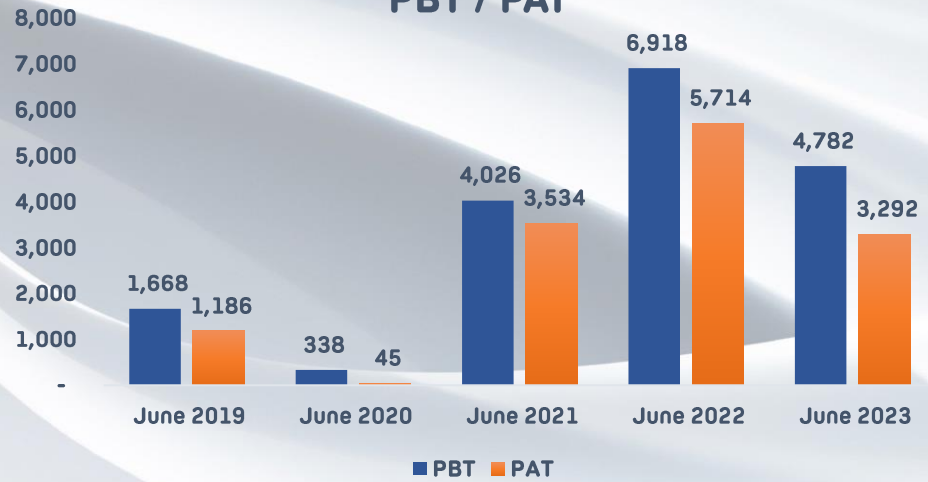


Rs in 'Million



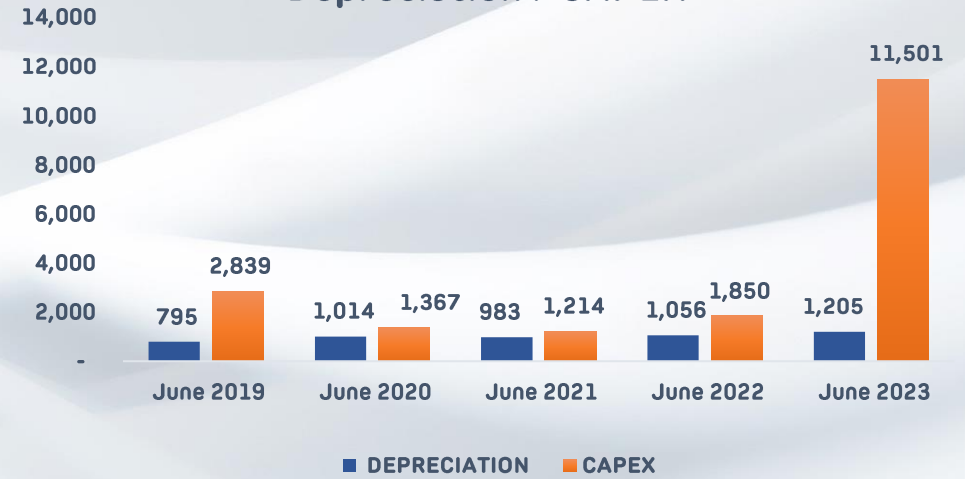
Rs in 'Million

PBT / PAT



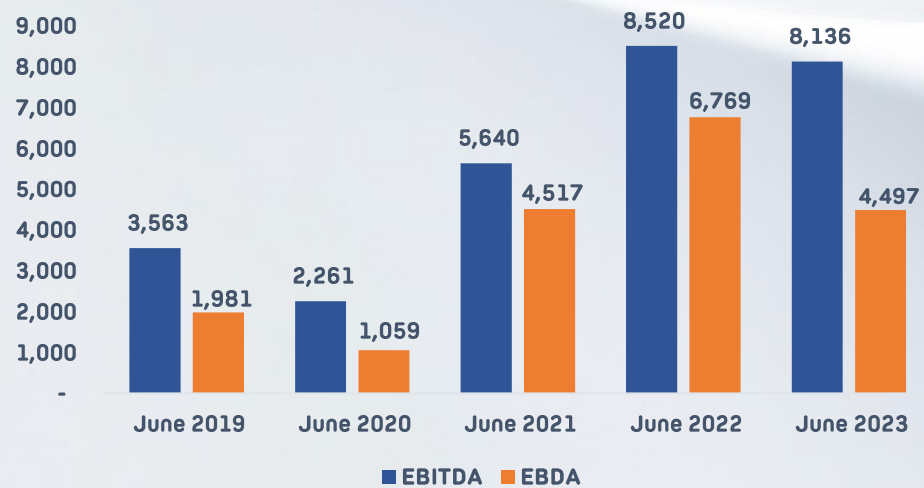
Rs in 'Million

Depreciation / CAPEX



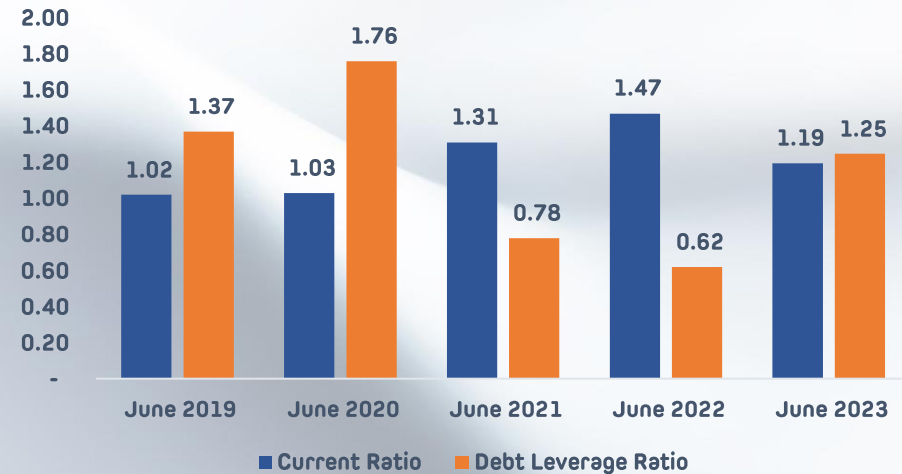
Rs in 'Million

EBITDA / EBDA



Times

Current / Debt Leverage Ratio



**FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
June 30, 2023**



Statement of Financial Position

ASSETS

	Rs. in '000	
	June 30, 2023	June 30, 2022
Property, plant and equipment	21,242,834	11,016,751
Biological Asset - Animals	753,053	365,430
Long term advance	-	-
Long term loans	37,944	46,146
Long term deposits	39,136	34,742
Long term investments	5,497,655	4,233,555
Non Current Assets	27,570,622	15,696,624

Stores, spares and loose tools	1,266,860	897,457
Stock-in-trade	23,408,079	18,381,382
Trade debts	2,972,086	3,751,395
Loans and advances	735,426	534,710
Trade deposits and short term prepayments	5,819	14,943
Other receivables	3,015,155	1,386,756
Cash and bank balances	265,177	159,841
Current Assets	31,668,602	25,126,484

Total Assets	59,239,224	40,823,108
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Statement of Financial Position
EQUITY AND LIABILITIES

Share Capital and Reserves

Issued, subscribed and paid up

280,296

280,296

Reserves

20,410,906

17,722,853

20,691,202
18,003,149

Long term finance

9,431,586

4,008,570

Deferred government grant

180,342

186,528

Retirement benefit obligation

1,008,944

820,993

Deferred tax liabilities

1,415,003

756,100

Non Current Liabilities
12,035,875
5,772,191

Short term borrowings

15,462,392

6,117,971

Trade and other payables

9,278,163

9,798,223

Unclaimed dividend

34,504

26,392

Current tax liability

93,676

82,062

Current portion of long term finance

666,994

763,011

Current portion of deferred government grant

54,879

56,327

Accrued mark-up

921,539

203,782

Current Liabilities
26,512,147
17,047,768
Total Equity and Liabilities
59,239,224
40,823,108

Statement of Profit or Loss

	For the Period ended					
	30-Jun-23	%	30-Jun-22	%	Variance	%
Sales - net	57,997,240	100.0	54,828,147	100.0	3,169,093	5.8
Cost of sales	(51,829,395)	(89.4)	(46,487,390)	(84.8)	(5,342,005)	(11.5)
Gross profit	6,167,845	10.6	8,340,757	15.2	(2,172,912)	(26.1)
Distribution cost	(846,043)	(1.5)	(1,486,957)	(2.7)	640,914	43.1
Administrative expenses	(478,197)	(0.8)	(361,496)	(0.7)	(116,701)	(32.3)
	(1,324,240)	(2.3)	(1,848,453)	(3.4)	524,213	28.4
Operating profit	4,843,605	8.4	6,492,304	11.8	(1,648,699)	(25.4)
Financial charges	(2,148,630)	(3.7)	(546,221)	(1.0)	(1,602,409)	(293.4)
Other operating expense	(288,902)	(0.5)	(426,280)	(0.8)	137,378	32.2
	(2,437,532)	(4.2)	(972,501)	(1.8)	(1,465,031)	(150.6)
Other income	686,461	1.2	294,588	0.5	391,873	133.0
Share of profit from associates	1,689,749	2.9	1,103,675	2.0	586,074	53.1
	2,376,210	4.1	1,398,263	2.6	977,947	69.9
Profit before taxation	4,782,283	8.2	6,918,066	12.6	(2,135,783)	(30.9)
Taxation	(1,490,416)	(2.6)	(1,204,494)	(2.1)	(285,922)	(23.7)
Profit after taxation - with Super tax	3,291,867	5.7	5,713,572	10.4	(2,421,705)	(42.4)

Challenges & Potentials – FY 2023-24

Challenges

- Continuous increase in operational cost.
- Political instability.
- Abrupt fluctuation in exchange rates and interest rates.
- Imposition of uncertain taxes.

- Technological advancement & manufacturing efficiency.
- In-house power generation.
- Market dominance.
- Availability of local cotton.
- Strong group structure.

Potentials



FUTURE

OUTLOOK

- It is expected that the upcoming government will focus on structural reforms and will supply the required utilities and services in a consistent and economical manners at the regional comparable levels, in order to ensure the long-term growth of the industry all well as the overall economy.
- The SBA with IMF has temporarily ease the pressure on foreign reserves, however, the instant support of friendly Countries / multilateral and bilateral creditors is required to meet the requirement for the complete year.
- The Country's tax target of Rs. 9.2 Trillion for FY-24 seems to be quite challenging, however, the achievement of revenue target of the 1st Quarter FY-24 is an indication that the revenue for the complete year will be achieved.
- The Company being one of the leading market player, has strengthened its position through focused investments in state-of-the-art & technologically advanced machineries, along with the expansion in value added segment, which will add value in the coming years.
- The Company will continue to rationalize cost, maximum capacity utilization, effective procurement strategy and alteration of sales mix to generate maximum net margins.

Q&A SESSION



Thank you!