



NADEEM TEXTILE MILLS LIMITED

CORPORATE BRIEFING SESSION 2023

December 13, 2023, at 11:00 a.m.

W E L C O M E

We warmly welcome the participants at

Corporate Briefing Session

**of Nadeem Textile Mills Limited
for the year ended June 30, 2023**

DISCLAIMER

Nadeem Textile Mills Limited has prepared this presentation for Corporate Briefing Session solely for discussion with the participants. Any investor or potential investor may not infer any information, statement, or representation made during the discussion as a recommendation to hold, buy, or sell securities without careful consideration.

It is suggested that before acting on any information shared or remarks made during the discussion process, one should confirm its appropriateness and accuracy.

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INTRODUCTION

Nadeem Textile Mills Limited is one of the most dynamic textile companies in Pakistan. The company was incorporated in 1984.

It is known and trusted as a producer of high quality spun yarn. It has a work-force of around 1,200 individuals including direct and indirect employees and has an annual turnover of over \$65 Million. The group is equipped with a total of 77,592 spindles.

In order to ensure uninterrupted power supply, Nadeem Textile Mills Limited has established its own power generation plants. The plants provide stable electric power supply to the mills. The mills are equipped with state of the art production equipment and testing equipment.

In addition to selling its yarn locally, the company supplies its yarns to Far East Asia, Europe, Turkey, South East Asia and South Asia markets.

VISION STATEMENT

To be a dynamic, profitable and growth oriented Company.

MISSION STATEMENT

The mission of the Company is to prudently utilize the human resources and plant and machinery in order to achieve high levels of sustainable profitability and growth by:

- **Offering high class products and services to all our customers.**
- **Building a long term relationship with our customers, suppliers and other stake holders.**
- **Continuously upgrading the latest production facilities to achieve higher levels of operational efficiency and develop potential as well as performance.**
- **Nurturing a work culture that generates creativity, enthusiasm, professionalism and teamwork.**
- **Maintaining the highest standards of ethics, safety and environment.**
- **Contributing towards the economic development of the country.**
- **Being a good corporate citizen by fulfilling our social responsibilities.**

VISION-2025

Nadeem Textile Mills Limited

“To be a dynamic, profitable and growth oriented Company.”

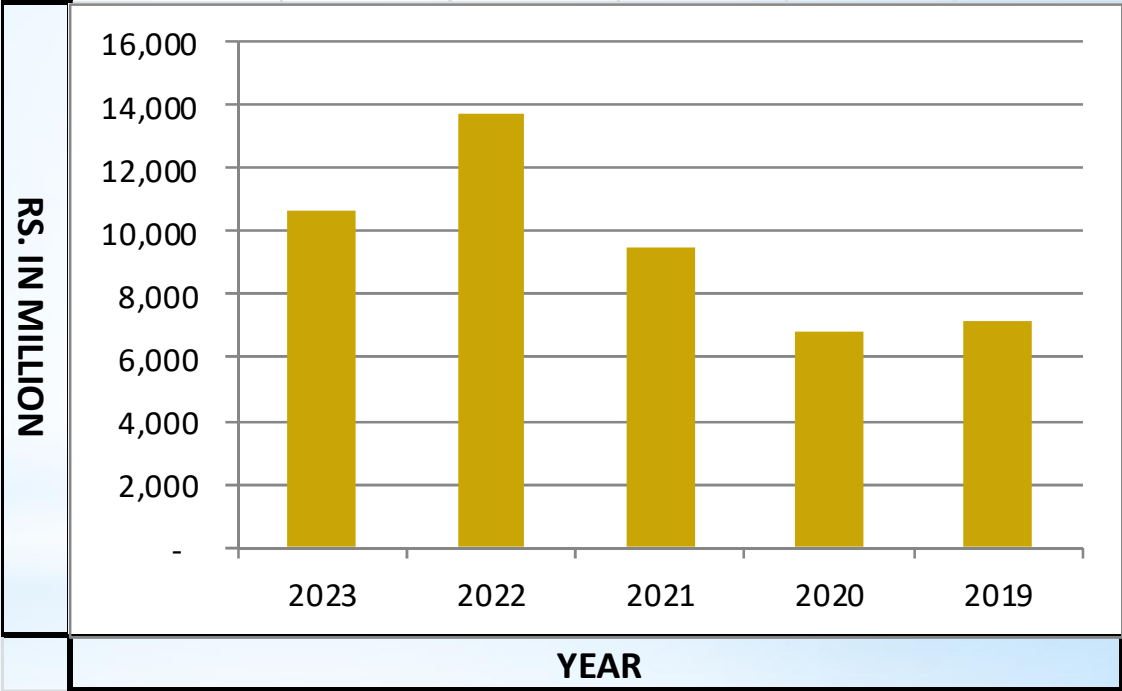
- Nadeem Textile Mills Limited has set the following targets for the year 2025.
- To invest Rs. 350 million to Rs. 500 million every year, towards capacity expansion and BMR activities.
- To reach total sales turnover of Rs. 20 billion by the year 2025.
- To optimize the management through ERP systems.
- To setup the following new projects:
 - New spinning unit of 30,000 spindles.
 - New weaving unit of 48 Air Jet looms.
- New socks knitting unit of 100 machines.

FINANCIAL HIGHLIGHTS

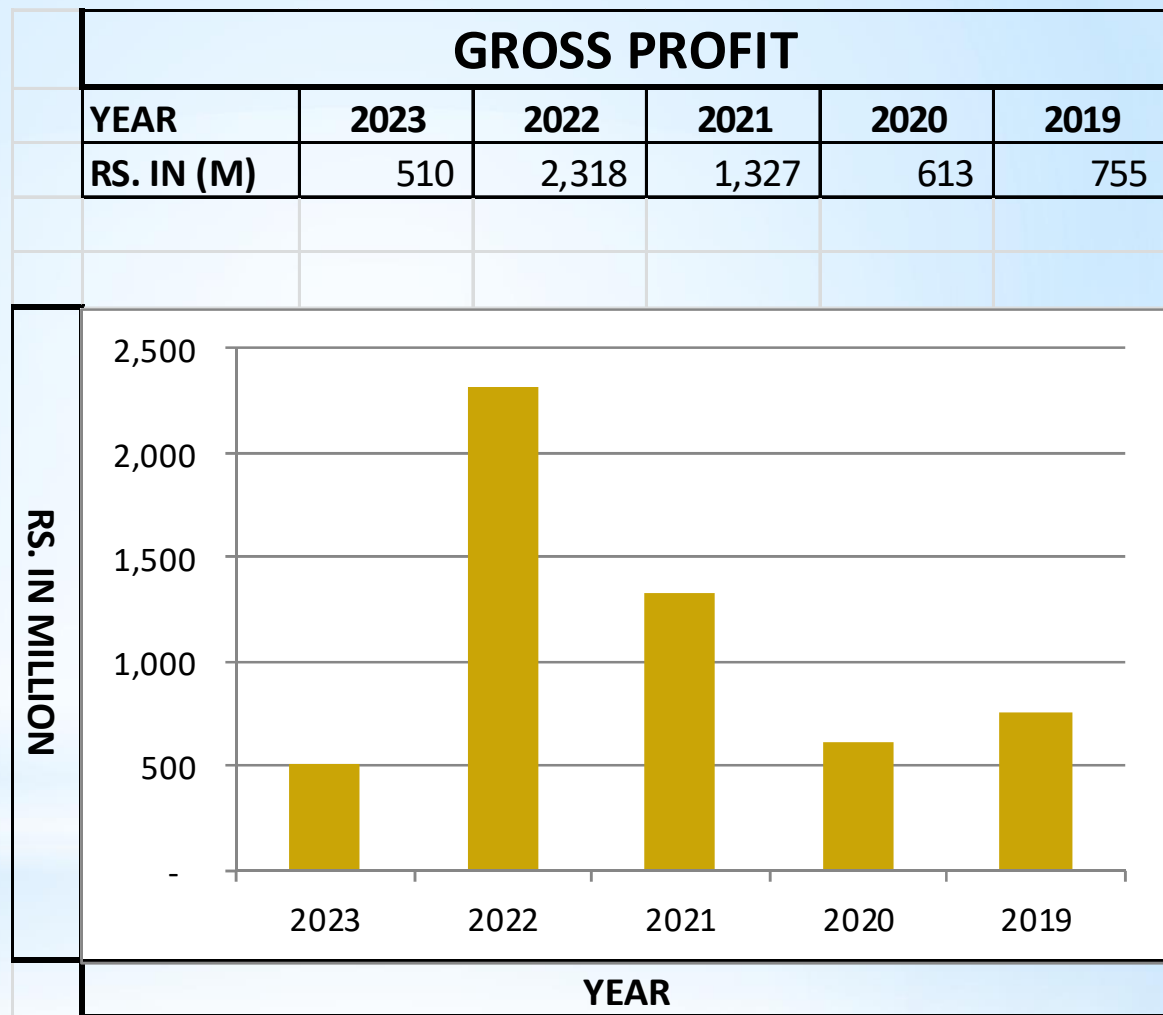
FY 2019 to 2023

Sales turnover increased by 148% over the period from 2019 to 2023

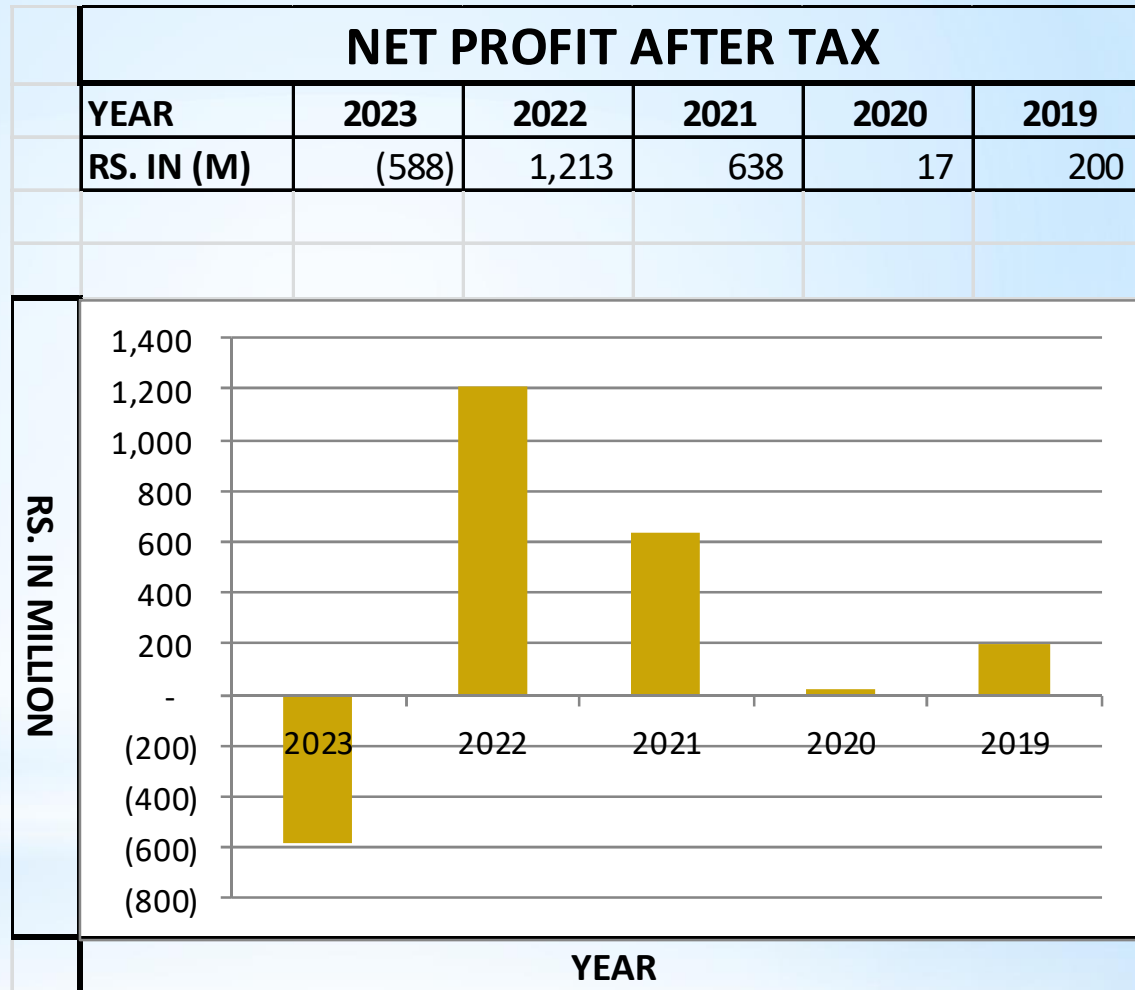
SALES TURNOVER					
YEAR	2023	2022	2021	2020	2019
RS. IN (M)	10,666	13,775	9,494	6,793	7,186



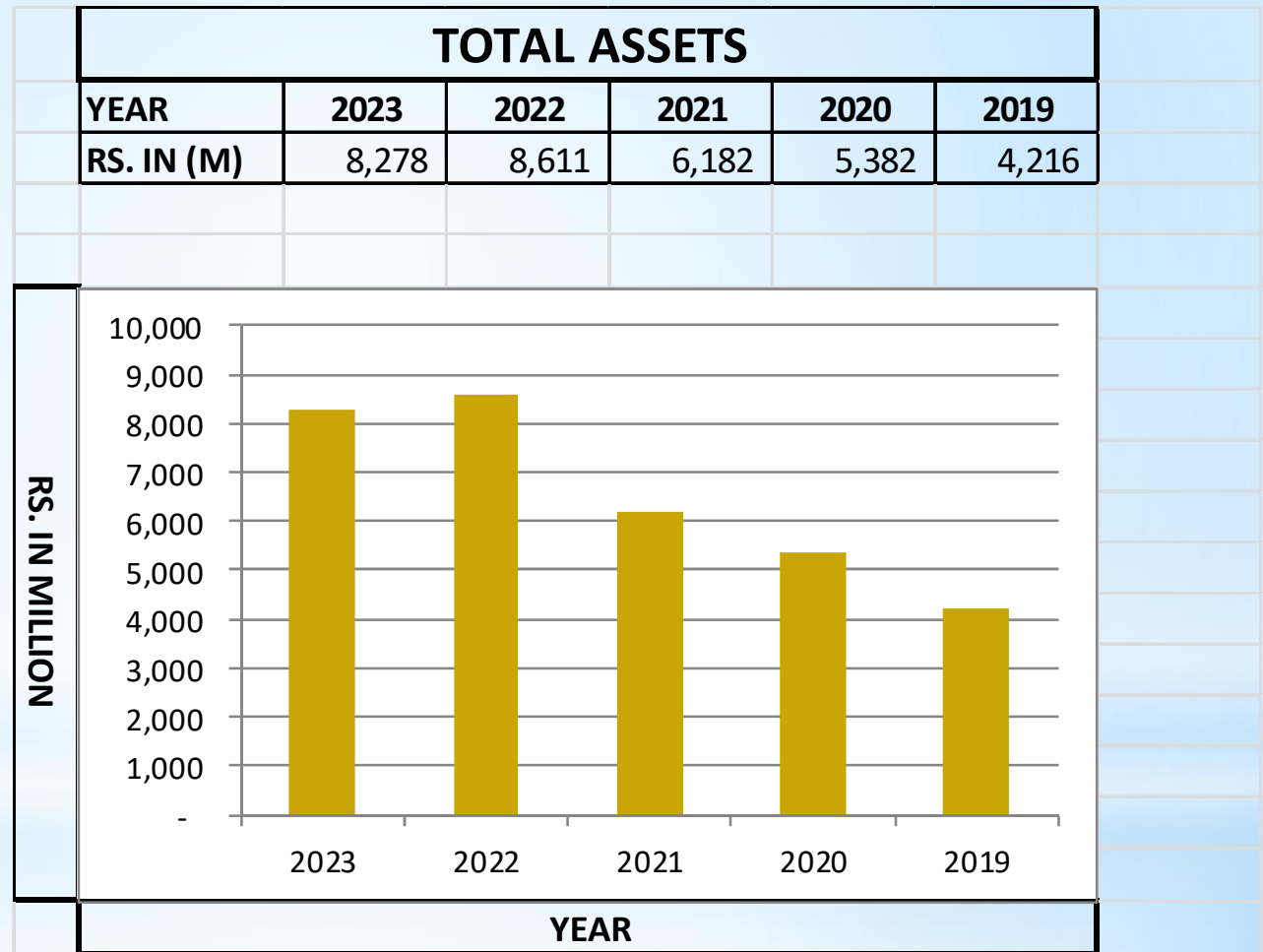
The company managed to achieve gross profit of Rs. 510 million during the year ended June 30, 2023



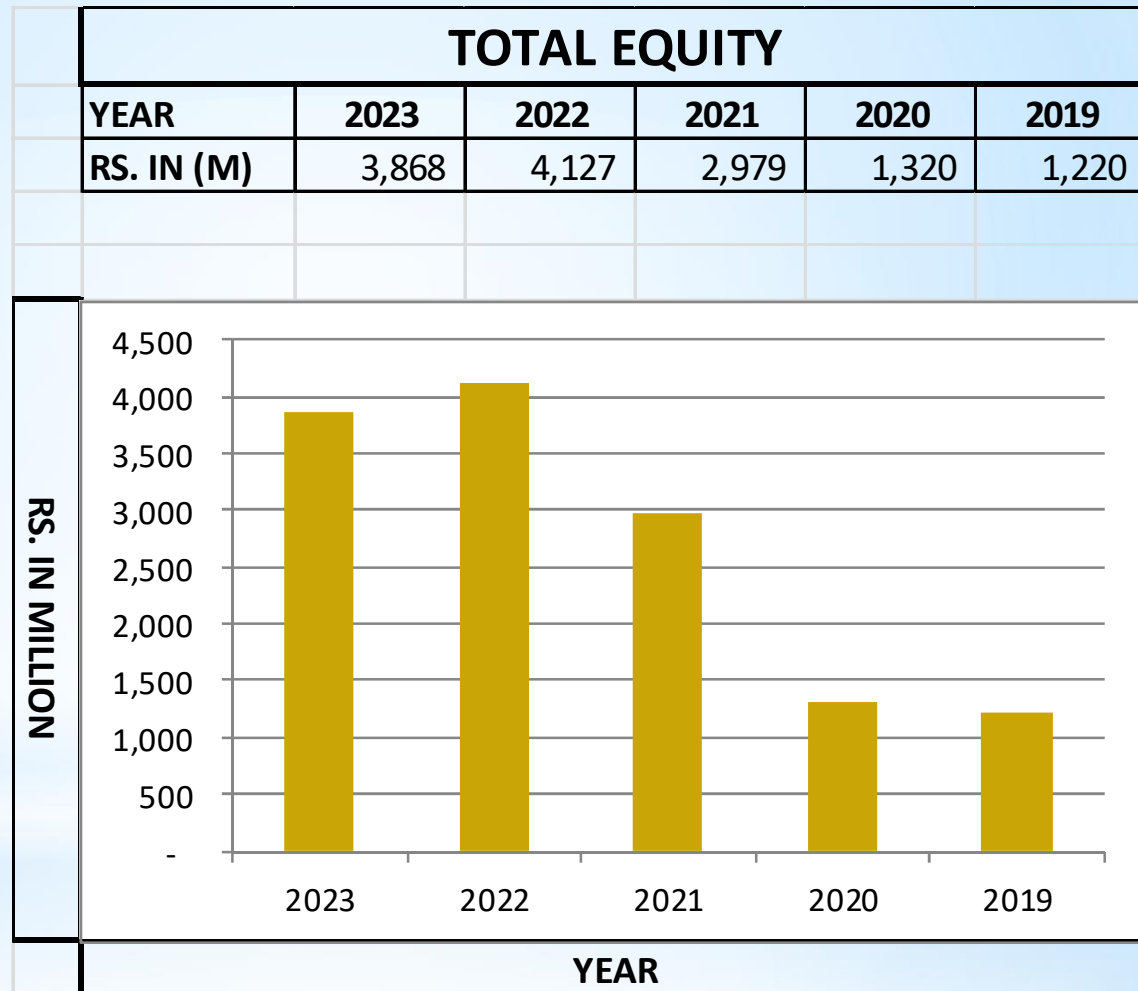
**During The FY 2022-2023
The Company observed a
net loss after tax of Rs.
588 million.**



During the period from FY 2019 to FY2023, total assets almost doubled i.e., increased from Rs. 4,216 M to Rs. 8,278 M



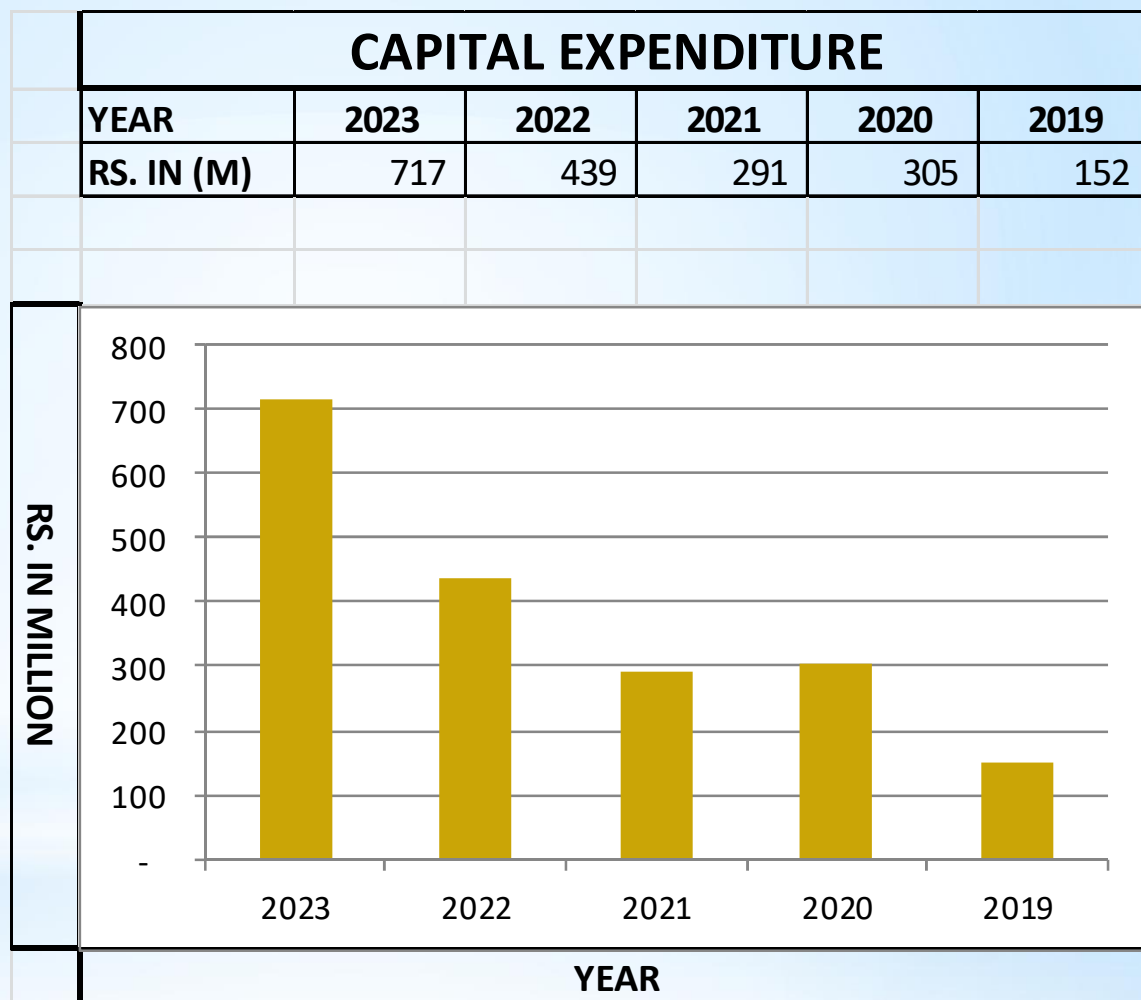
Total Equity of the Company increased from Rs. 1,220M to Rs. 4,127 M during the last 4 years but in this FY 22-23 Total Equity decreased by Rs. 259 M.



The Company is continuing its BMR policy. State of the art machinery have been installed.

The Company has added the following machinery during the year:

- Blow Room machinery
- 20 sets Carding Machines
- 3 Nos. Draw Frames with Auto levellers
- 1 Set Autocone Savio Polar With Quantum
- 1 sets Murata 21-C winder Machine
- 1 Set Gas Genset MTU 1,500 KW



FINANCIAL RESULTS

2023 VS 2022

HORIZONTAL ANALYSIS
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023 V/S 2022

	2023	2022	VARIANCE	%
ASSETS				
Sales	10,666,652,889	13,775,867,794	(3,109,214,905)	-22.57%
Cost of sales	(10,156,646,606)	(11,457,286,298)	1,300,639,692	-11.35%
Gross Profit	510,006,283	2,318,581,496	(1,808,575,213)	
G.P. %	4.78%	16.83%		-12.05%
Admin. expenses	(175,166,361)	(143,210,520)	(31,955,841)	22.31%
Distribution expenses	(181,348,392)	(228,469,086)	47,120,694	-20.62%
	(356,514,753)	(371,679,606)	15,164,853	-4.08%
Other operating income	49,511,738	16,616,924	32,894,814	197.96%
Other operating expenses	(123,607,472)	(132,433,523)	8,826,051	-6.66%
Financial cost	(663,462,755)	(446,154,341)	(217,308,414)	48.71%
	(737,558,489)	(561,970,940)	(175,587,549)	31.24%
Profit before taxation	(584,066,959)	1,384,930,950	(1,968,997,909)	
N.P. %	-5.48%	10.05%		-15.53%
Taxation	(4,910,487)	(170,946,809)	166,036,322	-97.13%
Profit after taxation	(588,977,446)	1,213,984,141	(1,802,961,587)	
PAT %	-5.52%	8.81%		-14.33%
Remeasurement of defined benefit obligation	(16,917,019)	(13,314,381)		
Deferred tax on remeasurement on defined benefit obligation	2,043,853	1,013,943		
Surplus on revaluation of leasehold land, factory building and office premises	-	-		
Increase in fair value of non-factory building disposed of during the year	-	11,440,487		
Deferred tax charge on above	-	(871,239)		
Other comprehensive income	(14,873,166)	(1,731,190)		
Total comprehensive income for the year	(603,850,612)	1,212,252,951	(1,816,103,563)	

VERTICAL ANALYSIS
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023 V/S 2022

	2023	%	2022	%
Sales	10,666,652,889	100.00%	13,775,867,794	100.00%
Cost of sales	(10,156,646,606)	-95.22%	(11,457,286,298)	-83.17%
Gross Profit	510,006,283	4.78%	2,318,581,496	16.83%
Admin. expenses	(175,166,361)	-1.64%	(143,210,520)	-1.04%
Distribution expenses	(181,348,392)	-1.70%	(228,469,086)	-1.66%
	(356,514,753)		(371,679,606)	
Other operating income	49,511,738	0.46%	16,616,924	0.12%
Other operating expenses	(123,607,472)	-1.16%	(132,433,523)	-0.96%
Financial cost	(663,462,755)	-6.22%	(446,154,341)	-3.24%
	(737,558,489)		(561,970,940)	
Profit before taxation	(584,066,959)	-5.48%	1,384,930,950	10.05%
Taxation	(4,910,487)	-0.05%	(170,946,809)	-1.24%
Profit after taxation	(588,977,446)	-5.52%	1,213,984,141	8.81%
Remeasurement of defined benefit obligation	(16,917,019)		(13,314,381)	
Deferred tax on remeasurement on defined benefit	2,043,853		1,013,943	
Surplus on revaluation of leasehold land, factory bu	-		-	
Increase in fair value of non-factory building dispos	-		11,440,487	
Deferred tax charge on above	-		(871,239)	
Other comprehensive income	(14,873,166)		(1,731,190)	
Total comprehensive income for the year	(603,850,612)		1,212,252,951	

HORIZONTAL ANALYSIS
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023 V/S 2022

	2023	2022	DIFFERENCE	%
ASSETS				
Current Assets	4,551,240,382	5,152,573,608	(601,333,226)	-11.67%
Long term deposits	33,031,245	21,119,188	11,912,057	56.40%
Fixed Asset	3,646,539,872	3,437,590,070	208,949,802	6.08%
Deffered Taxation	47,289,353		47,289,353	
Total Assets	8,278,100,852	8,611,282,866	(333,182,014)	-3.87%
LIABILITIES				
Current Liabilities	3,694,962,728	3,562,665,783	132,296,945	3.71%
Long Term Liabilities	602,365,548	366,765,949	235,599,599	64.24%
Loan from Related Parties	-	404,205,204	(404,205,204)	-100.00%
Deferred Liabilities	112,653,943	148,627,376	(35,973,433)	-24.20%
Total Liabilities	4,409,982,219	4,482,264,312	(72,282,093)	-1.61%
EQUITY				
Paid up Capital	212,667,350	215,119,850	(2,452,500)	-1.14%
Advance against issue of shares	-	-	-	
Share Premium	388,683,536	274,197,289	114,486,247	41.75%
Revaluation surplus	1,260,116,348	1,278,283,722	(18,167,374)	-1.42%
Unappropriated Profit	1,666,651,399	2,359,779,547	(693,128,148)	-29.37%
Total Equity	3,528,118,633	4,127,380,408	(599,261,775)	-14.52%
Liabilities + Equity	7,938,100,852	8,609,644,720	(671,543,868)	-7.80%
Current Ratio	1.23 : 1	1.45 : 1		
Debt Equity Ratio (Excl. Loan from R.P.)	8.2 : 91.8	8.8 : 91.2		
Current Liabilities to Equity	1.05	0.86		

VERTICAL ANALYSIS
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023 V/S 2022

	2023	%	2022	%
ASSETS				
Current Assets	4,551,240,382	54.98%	5,152,573,608	59.84%
Long term deposits	33,031,245	0.40%	21,119,188	0.25%
Fixed Asset	3,646,539,872	44.05%	3,437,590,070	39.92%
Deffered taxation	47,289,353	0.57%		0.00%
Total Assets	8,278,100,852	100.00%	8,611,282,866	100%
LIABILITIES				
Current Liabilities	3,694,962,728	46.5%	3,562,665,783	41.38%
Long Term Liabilities	602,365,548	7.6%	366,765,949	4.26%
Loan from Related Parties	-	0.0%	404,205,204	4.69%
Deferred Liabilities	112,653,943	1.4%	148,627,376	1.73%
Total Liabilities	4,409,982,219	55.6%	4,482,264,312	52.06%
EQUITY				
Paid up Capital	212,667,350	2.7%	215,119,850	2.50%
Share Premium	388,683,536	4.9%	274,197,289	3.18%
Revaluation surplus	1,260,116,348	15.9%	1,278,283,722	14.85%
Unappropriated Profit	1,666,651,399	21.0%	2,359,779,547	27.41%
Total Equity	3,528,118,633	44.4%	4,127,380,408	47.94%
Liabilities + Equity	7,938,100,852	100.00%	8,609,644,720	100.00%
Current Ratio	1.23 : 1		1.45 : 1	
Debt Equity Ratio (Excl. Loan from R.P.)	14.6 : 85.4		8.2 : 91.8	
Current Liabilities to Equity	1.05		0.86	

FUTURE OUTLOOK

The management is committed for achieving better financial results and also to improve and diversify the quality of its products and services. The management is planning to increase sales by focusing on volumetric growth and to improve profitability through cost efficiencies and optimum product mix.

CORPORATE SOCIAL RESPONSIBILITY

The company has a strong commitment to corporate social responsibility. The Company believes in contributing to the society and environment by promoting a better working environment and contributing regularly to the national exchequer as per law.

* **Health, Safety and Environment:**

We work continuously to ensure that our employees work in a safe and healthy working environment. The Company regularly contributes towards the health facility and retirement benefits available for the workers of the Company.

* **Business Ethics:**

The Management is committed to conducting all business activities with integrity, honesty, and observance of laws and regulations. A Code of Conduct detailing policies concerning the same has been developed and approved by the Board.

* **Energy Savings:**

The Management focuses on energy conservation. Many preventive measures have been adopted by fixing energy-conserving devices to save energy. Workers are also made aware of various energy conservation methods to curtail the unnecessary consumption of energy.



Q&A SESSION



* **Thank you.....**