

February 15, 2024

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 Thursday, February 22, 2024 at 4:00 p.m. through video conference (on Zoom) to brief the analysts / investors and shareholders about the Company's financial performance for the period ended December 31, 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 members of the Exchange.

Thanking You,

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


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Company Secretary

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CORPORATE BRIEFING

Topic:

Financial Performance in 1HFY24 & Future Outlook

Date & Time:

Thursday, Feb 22, 2024 at 4:00 PM

Zoom Meeting Link:

<https://bitly.ws/3d5vu>

Zoom Meeting ID:

829 7895 5011

Passcode:

12345



Corporate Briefing Session

1HFY24



February 22, 2024





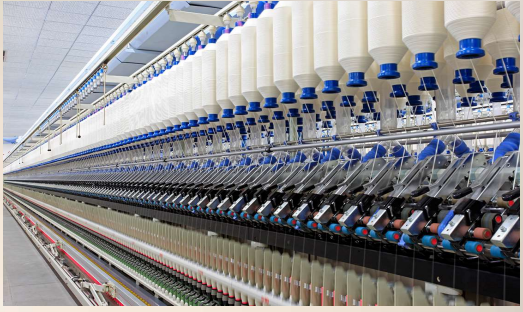
Overview

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Textile Mills Limited (GTML) was incorporated in Pakistan on February 23, 1988 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange.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, dyeing services 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.



Business Segments



Spinning



Knitted Bedding Products



Strategic Investments



Dyeing Services



Dairy

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

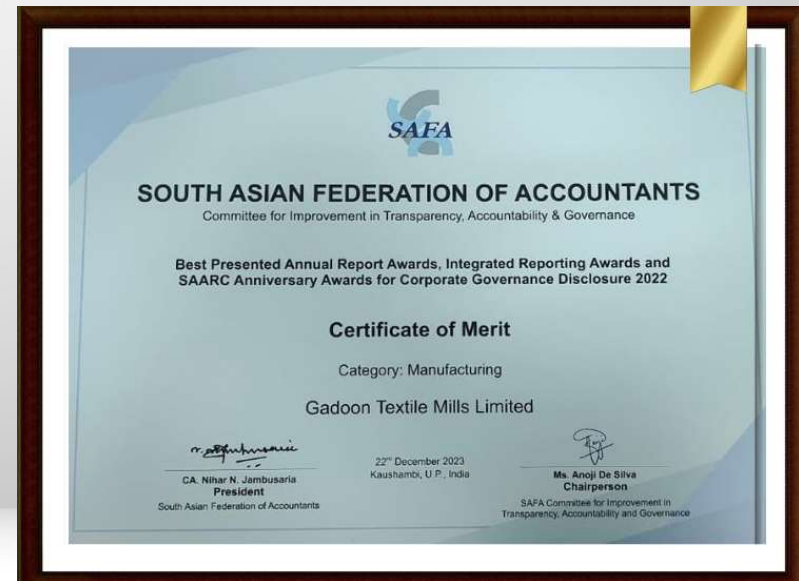
Best Corporate Report

During the period, the Company has been awarded 1st Position for its Annual Report 2022 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).



SAFA Certificate of Merit

During the period, the Company has been honored with the prestigious **Certificate of Merit** for the first time from the SAFA (South Asian Federation of Accountants) for the Annual Report 2022 in the Manufacturing Category.



gadoon Awards & Achievements

Environment Excellence Award

The Company takes great pride for being bestowed with the esteemed **20th Annual Environment Excellence Award 2023**, by NFEH (National Forum for Environment and Health) acknowledging the environmental achievements of the organization.



Key Strategic & Operational Development

Installation of Efficient power Generator in order to achieve energy efficiency



Replacement of old machineries with State of Art machineries



Installed 5.5 MW solar plant. Further, 5.5 MW is in process

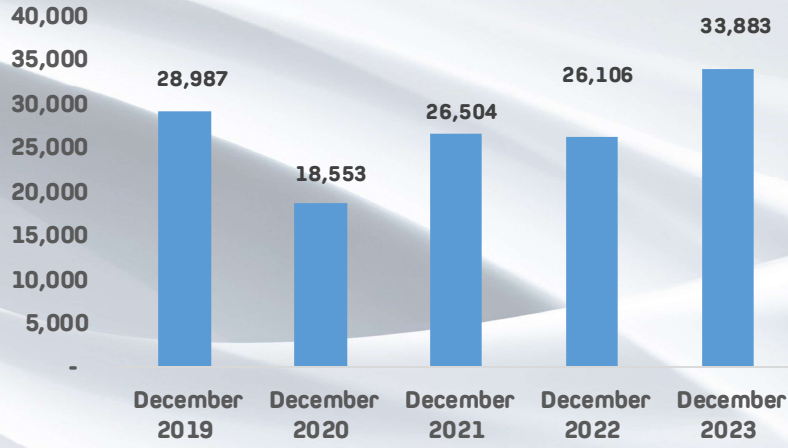


Performance Indicators

		Decemeber		
		2023	2022	2021
GP to sales	Percentage	7.58%	13.02%	16.75%
Net profit after tax to sales	Percentage	0.75%	6.97%	13.34%
EBITDA to sales	Percentage	11.01%	14.06%	17.43%
EBDA to sales	Percentage	3.50%	9.06%	15.24%
Return on equity	Percentage	1.23%	9.77%	24.88%
Return on capital employed	Percentage	8.97%	12.14%	21.40%
Current ratio	Times	1.06	1.32	1.33
Inventory turnover	Days	140	159	117
Debtor turnover	Days	17	21	27
Creditors turnover	Days	41	43	42
Operating cycle	Days	116	137	103
Asset turnover	Times	0.56	0.74	0.72
Fixed Asset turnover	Times	1.49	1.83	2.49
Leverage Ratio (D/E)	Times	1.21	0.86	0.68
Earnings per Share	Rupees	9.12	64.92	126.15

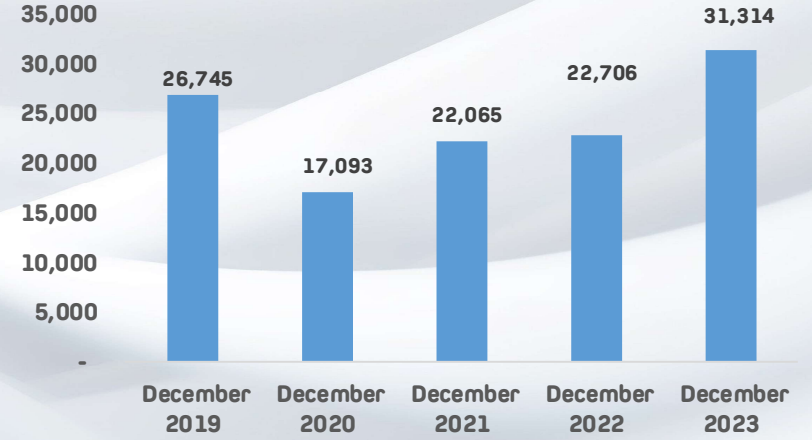
Rs in 'Million

Revenue



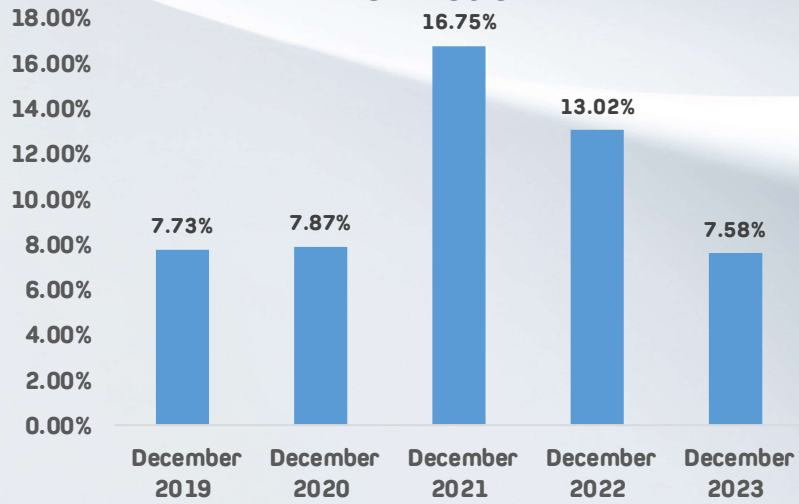
Rs in 'Million

Cost of Sales



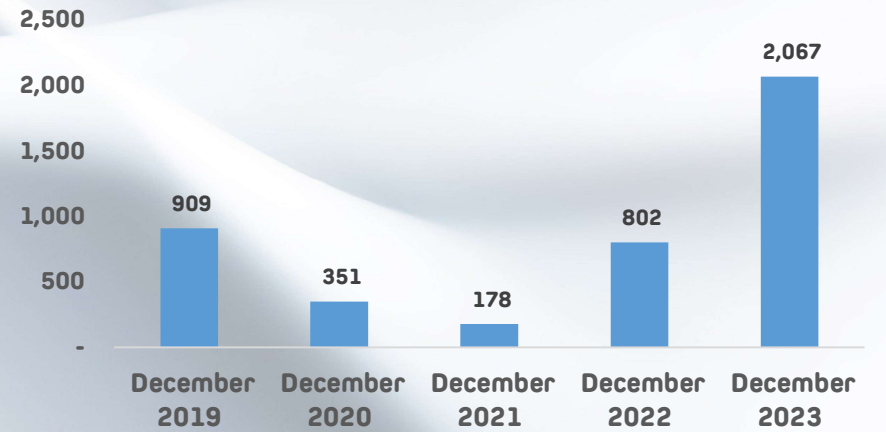
Percentage

GP Ratio



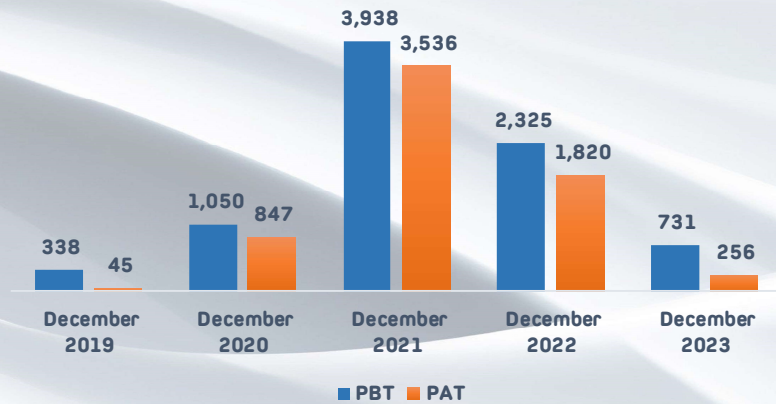
Rs in 'Million

Finance Cost



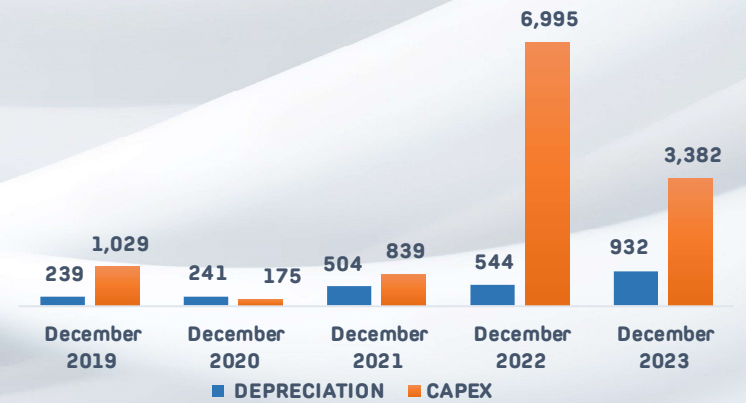
Rs in 'Million

PBT / PAT



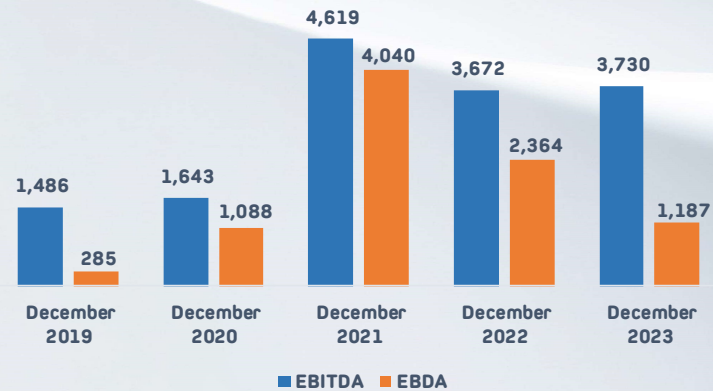
Rs in 'Million

Depreciation / CAPEX



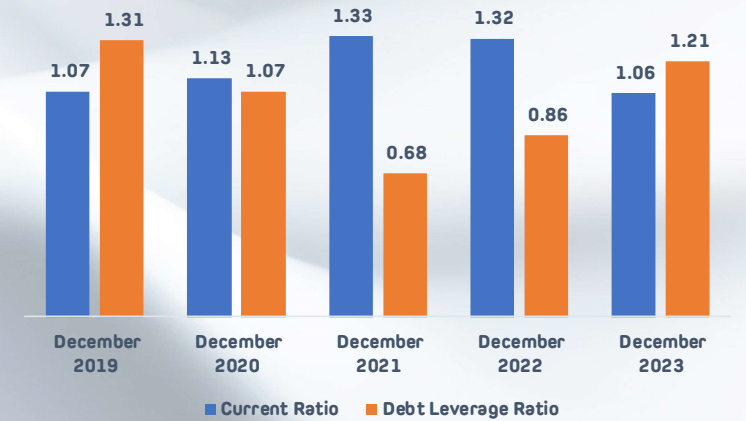
Rs in 'Million

EBITDA / EBDA



Times

Current / Debt Leverage Ratio





**FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
DECEMBER 31, 2023**





Rs. in '000

December 31,
2023June 30,
2023**Statement of Financial Position****ASSETS**

Property, plant and equipment	24,343,018	21,242,834
Biological assets	716,864	753,053
Long term advance	-	-
Long term loans	22,384	37,944
Long term deposits	43,783	39,136
Long term investments	6,007,048	5,497,655
Non-Current Assets	31,133,097	27,570,622

Stores, spares and loose tools	1,234,935	1,266,860
Stock-in-trade	24,406,033	23,408,079
Trade debts	3,158,296	2,972,086
Loans and advances	181,717	735,426
Trade deposits and short term prepayments	110,927	5,819
Other receivables	2,162,447	3,015,155
Cash and bank balances	424,494	265,177
Current Assets	31,678,849	31,668,602
Total Assets	62,811,946	59,239,224



Rs. in '000

Statement of Financial Position**December 31,
2023****June 30,
2023****EQUITY AND LIABILITIES**

Share Capital and Reserves

Issued, subscribed and paid-up capital

280,296

280,296

Reserves

20,666,574

20,410,906

20,946,870**20,691,202**

Long term finance

9,325,655

9,431,586

Deferred government grant

161,228

180,342

Retirement benefit obligation

1,081,913

1,008,944

Deferred tax liabilities

1,389,894

1,415,003

Non-Current Liabilities**11,958,690****12,035,875**

Short term borrowings

15,035,610

15,462,392

Trade and other payables

12,540,786

9,278,163

Unclaimed dividend

33,926

34,504

Current tax liability

297,820

93,676

Current portion of long term finance

870,256

666,994

Current portion of deferred government grant

45,966

54,879

Accrued mark-up

1,026,980

921,539

Current Liabilities**29,851,344****26,512,147****Total Equity and Liabilities****62,756,904****59,239,224**

Statement of Profit or Loss

	For the Period ended					
	31-Dec-23	%	31-Dec-22	%	Variance	%
Sales - net	33,882,523	100.0	26,105,601	100.0	7,776,922	29.8
Cost of sales	(31,314,324)	(92.4)	(22,706,485)	(87.0)	(8,607,839)	(37.9)
Gross profit	2,568,199	7.6	3,399,116	13.0	(830,917)	(24.4)
Distribution cost	(392,873)	(1.2)	(484,883)	(1.9)	92,010	19.0
Administrative expenses	(263,792)	(0.7)	(231,320)	(0.9)	(32,472)	(14.0)
	(656,665)	(1.9)	(716,203)	(2.7)	59,538	8.3
Operating profit	1,911,534	5.6	2,682,913	10.3	(771,379)	(28.8)
Financial charges	(2,067,120)	(6.1)	(801,974)	(3.1)	(1,265,146)	(157.8)
Other operating expense	(119,352)	(0.4)	(156,491)	(0.6)	37,139	23.7
	(2,186,472)	(6.5)	(958,465)	(3.7)	(1,228,007)	(128.1)
Other income	215,806	0.6	212,381	0.8	3,425	1.6
Share of profit from associates	790,142	2.3	388,309	1.5	401,833	103.5
	1,005,948	3.0	600,690	2.3	405,258	67.5
Profit before taxation	731,010	2.2	2,325,138	8.9	(1,594,128)	(68.6)
Taxation	(475,342)	(1.4)	(505,503)	(1.5)	30,161	6.0
Profit after tax	255,668	0.8	1,819,635	7.0	(1,563,967)	(85.9)
EBITDA	3,729,735		3,671,587		58,148	

Challenges & Potentials

Challenges

- Continuous increase in operational cost, mainly the power cost.
- Reduced demand owing to global inflationary impact.
- Political instability.
- Volatile exchange rates and interest rates.
- Imposition of uncertain taxes.

- Technological advancement & manufacturing efficiency.
- Wide range of products.
- In-house power generation.
- Market dominance.
- Strong group structure.

Potentials



FUTURE

OUTLOOK

- Elevated inflation and high interest rates are impacting the economic growth, which is expected to remain subdued in the short term.
- Escalating geopolitical rifts and recent disruptions in shipping trade routes may affect the global supply chain, impacting shipping freight and overall commodity prices.
- The Company will continue to rationalize cost, maximum capacity utilization, effective procurement strategy and alteration of sales mix to generate maximum net margins.
- The Company's new value-added unit is fully operational, and it is expected that this will positively contribute to the Company's bottom line. However, the overall margins of the Company will remain under pressure in the short term due to high finance costs and energy tariffs.



Q&A SESSION



gadoon

Thank you!