

بر حمتك يا ارحم الراحمين

JANANA DE MALUCHO TEXTILE MILLS LIMITED

SHARES DEPARTMENT
HABIBABAD, KOHAT

Dated: November 08, 2023

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

Subject: **CORPORATE BRIEFING SESSION – FY 2022-23**

Dear Sir,

This is to inform you that Corporate Briefing Session (CBS) of Janana De Malucho Textile Mills Limited (**the Company**) for the financial year 2022-23, shall be held on Monday the 13th November 2023 at 11:30 A.M. through video conference via Zoom.

Interested analyst, investors and shareholders can join the CBS on Zoom by entering the following ID and Passcode

Meeting ID: 321 513 1864

Passcode: BWM@2022

Please note that the interested participants must log in at least 10 minutes in advance for registration, and must mention their names along with names of their organization. Shareholders of the Company shall mention their Folio numbers also.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours sincerely,

ABID RAZA
Company Secretary



Janana De Malucho Textile Mills Limited

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Corporate Briefing Session

Dated: 13th November, 2023

Disclaimer

- ▶ This presentation has been prepared by Janana De Malucho Textile Mills Ltd., solely for information purposes.
- ▶ During the course of this presentation we may make forward-looking statements regarding future events or the future performance of the Company. By their very nature, forward looking statements involve inherent risks and uncertainties, both general and specific and risks exist that the predictions, forecasts, projections and other forward looking statements will not be achieved.
- ▶ Janana De Malucho Textile Mills Ltd., does not undertake any obligation to update or revise any of statement / forecast / projection, whether as a result of new information, future events or otherwise.
- ▶ When relying on forward looking statements you should carefully consider the political, economic, social and legal environment in which the Company operates.

Flow of the Presentation

- Brief Introduction of the Company
- Summary of the Historical Data
- Financial Results for the year financial year (FY) 2022-2023 and their Highlights
- Future Outlook
- Questions / Answers

Introduction of the Company

Janana De Malucho Textile Mills Ltd. **(the Company)** was incorporated as a Public Company in the year 1960 under the able guidance & leadership of founder Chairman (Late) Lt. Gen. M. Habibullah Khan Khattak. The shares of the Company are quoted on Pakistan Stock Exchange Ltd.

- Registered Office & Mills are situated at Habibabad, Kohat.
- The Company is principally engaged in manufacture and sale of yarn.

SUMMARY OF HISTORICAL DATA

Particulars		Year-2018	Year-2019	Year-2020	Year-2021	Year-2022	Year-2023
Net Sales	Rs. in Million	2,782.025	3,379.664	2,754.564	5,610.298	7,155.722	6,016.527
Gross Profit	Rs. in Million	127.022	264.771	259.259	775.052	598.779	346.898
Profit from operations	Rs. in Million	19.608	138.124	163.708	594.674	402.765	241.847
Profit / (Loss) before taxation	Rs. in Million	(72.151)	41.272	(60.203)	434.368	189.742	(102.686)
Profit / (Loss) after taxation	Rs. in Million	(62.524)	6.296	(101.510)	273.104	169.836	(80.276)
Earning / (loss) per share	Rupees	(13.07)	1.32	(21.22)	57.08	30.85	(11.61)
GP Margin	% age	4.57%	7.83%	9.41%	13.81%	8.37%	5.76%
NP Margin	% age	-2.25%	0.19%	-3.69%	4.87%	2.37%	-1.34%
Current ratio	Times	1.02	1.03	1.09	1.16	0.94	0.85
Debt Equity Ratio	% age	35%	25%	34%	21%	25%	26%
Equity	Rs. in Million	3,238.110	3,217.359	3,258.082	3,510.115	6,621.669	6,568.129
Break up Value Per Share	Rupees	676.75	672.41	680.92	733.60	957.47	949.72

Financial Results of the Company for the year ended 30-06-2023

Particulars	2023	2022
	Rupees in million	
Sales-net	6,016.527	7,155.722
Cost of sales	(5,669.629)	(6,556.943)
Gross profit	346.898	598.779
Profit from operations	241.847	402.765
Finance cost	324.940	143.070
Share of profit / (impairment loss) on investments in Associated Company	(19.593)	(69.953)
(Loss) / profit before taxation	(102.686)	189.742
(Loss) / Profit after taxation	(80.276)	169.836
	----- Rupees -----	
(Loss) / Earnings per share	(11.61)	30.85

Highlights of the Financial Results of the Company for the FY 2022-2023

- ▶ Company has earned a profit from operations amounting to Rs.241.847 million, in comparison with Rs. 402.765 million in the previous year.
- ▶ The loss before tax is Rs.102.686 million in comparison with profit before tax of Rs. 189.742 million, and the loss after tax is Rs.80.276 million as compared to profit after tax for Rs. 169.836 million in the previous year.
- ▶ The main reasons of the loss are substantial increase in raw material cost due to unprecedented devaluation of Pak Rupee viz a viz US Dollar, administrative import restrictions imposed on opening of L/Cs, and Increase in transportation costs due to location of mills from Karachi & cotton growing areas.
- ▶ Moreover, the FY 2022-23 saw a momentous and historical rise in interest rates. As a result, the financial costs borne by the Company have been increased by more than 125%, which effectively nullified the profits derived from our business operations.

Future Outlook

- ▶ Outlined below are the major factors that are affecting / going to affect the operations and profitability of the Company as well as the textile industry as a whole:
 - ▶ The government has increased effective gas prices for domestic consumers, commercial and industrial consumers w.e.f. 01st November, 2023. Tariff for export oriented industry (captive) has been increased by 118% (i.e., from Rs.1,100 per MMBTU to Rs.2,400 per MMBTU).
 - ▶ For textile industry, this increase is going to prove fatal, because after withdrawal of subsidy on electricity i.e. ZRI relief, only the relief in gas prices was making it possible for the industry to continue their operational activities. However, the increase in gas prices is going to make it absolutely impossible for the companies to compete in local and/or international markets and earn any profits.
 - ▶ Expected curtailment in supply of gas in the upcoming months, is also going to disturb the operations of the Company and other textile units.
 - ▶ SBP's current policy rate of 22% is very high. It has made it very difficult to do BMRs as the high markup costs have eroded the profits.

Questions / Answers

Thank You