



TOWELLERS LIMITED  
CORPORATE BRIEFING  
SESSION 2024

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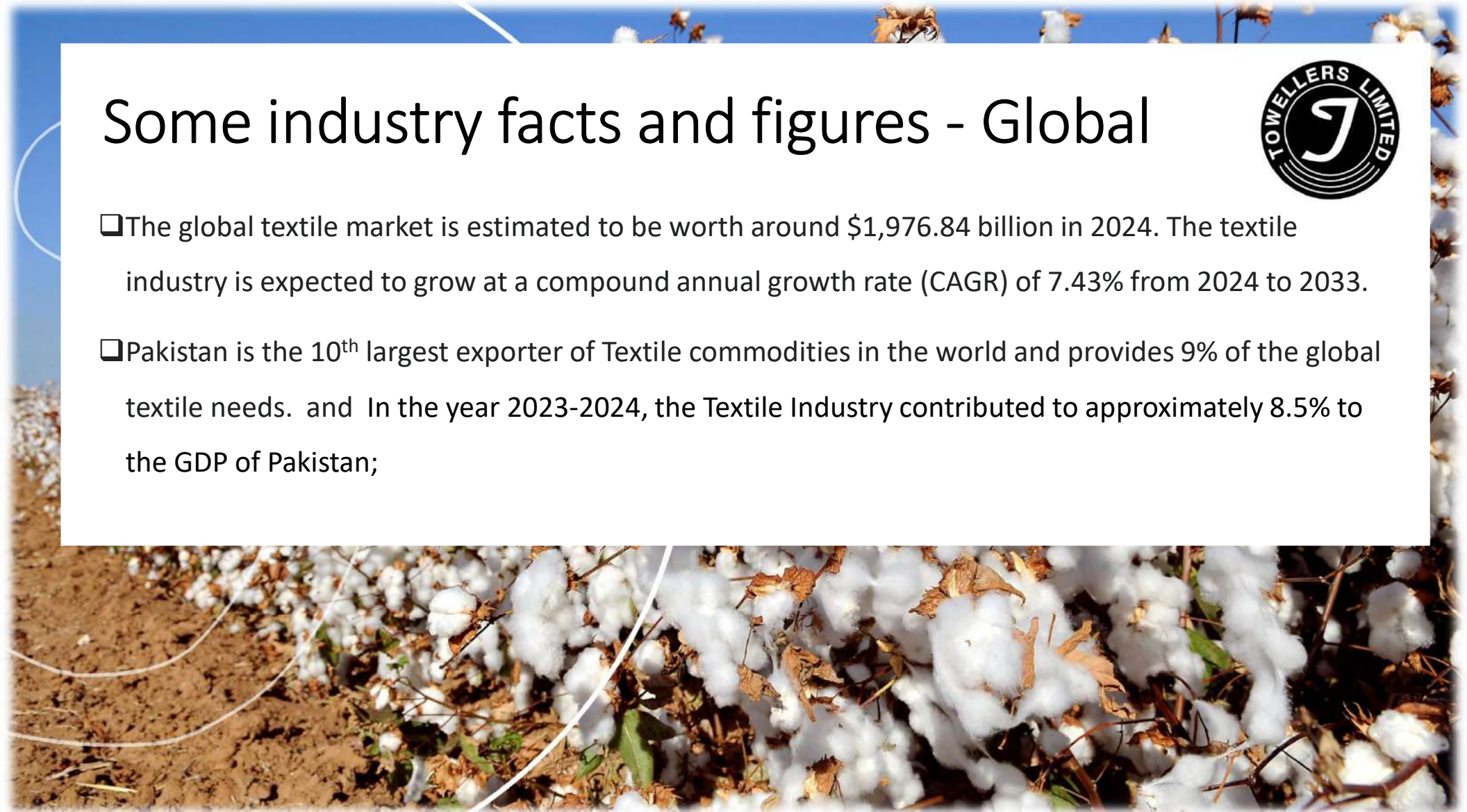


# Industry Overview

# Some industry facts and figures - Global



- ❑ The global textile market is estimated to be worth around \$1,976.84 billion in 2024. The textile industry is expected to grow at a compound annual growth rate (CAGR) of 7.43% from 2024 to 2033.
- ❑ Pakistan is the 10<sup>th</sup> largest exporter of Textile commodities in the world and provides 9% of the global textile needs. and In the year 2023-2024, the Textile Industry contributed to approximately 8.5% to the GDP of Pakistan;



# Industry facts & figures



- ❑ During the year Pakistan's textile and apparel exports increased by 0.93% to \$16.655 billion, contributing 54.29% to the country's total exports as compared to US\$ 16.50 billion in the previous year.
- ❑ This modest increase highlights the challenges faced by the sector, including new taxation measures and rising energy costs, which may hinder its competitiveness against regional counterparts.



# Industry facts & figures



- ❑ The government has recently increased the tax rate on exporters' personal income for the fiscal year 2024-25, a move that industry analysts predict will impact export figures in the upcoming months.
- ❑ The textile industry is Pakistan's largest manufacturing sector employing nearly 25 million people and is the eighth largest exporter of textile commodities in Asia. It accounts for about 45% of the total labor force and 38% of manufacturing workers.





## Industry performance during the ongoing year 2024

- ❑ The country's textile group exports increased by 10.44 per cent in first four months (July-October) of the current fiscal year 2024-25 and remained at \$6.146 billion as compared to \$5.565 billion during the same period of last fiscal year, the Pakistan Bureau of Statistics (PBS) said.
- ❑ Pakistan's textile exports saw robust growth in October, driven by shifting demand from Bangladesh and stable currency, though structural issues and taxation challenges loom.
- ❑ Pakistan's textile exports rose by 18pc year-on-year (YoY) in October 2024, reaching \$1.6bn. However, month-on-month (MoM) exports fell by 2pc, reflecting the sector's ongoing volatility. This brings total textile exports for Q1FY25 to \$4.5bn, marking a 10pc YoY increase compared to the same period last year.

# Brief Company Profile



❑ Towellers Limited has been manufacturing textile products since 1973. The company is operated now by its third generation and has business experience spreading over almost 5 decades. The Company owns vertically integrated mills having their own weaving, dyeing, and sewing operations – it manufactures and exports textile made ups comprising of knitwear garments, Towels, blankets, and baby products.

❑ The Company manufactures over 20 million pieces of knitted apparel & towels comprising of 12.8m lbs annually and has an annual turnover of US\$ 44.48 M.





Some of the manufacturing processes are as follows:



# Knitting Section



# Checking Area



## Packaging Area



# Cutting Machine



# Screen Printing Machine





# SWOT ANALYSIS OF TOWELLERS LIMITED

# STRENGTHS

- ❑ The Company enjoys the sound financial footings which is evident by reserves balance, healthy current ratio, minimal gearing, well managed working capital which provides necessary space required for sustainable growth, profitability and expansion;
- ❑ It also enjoys good reputation among its buyers and has solid customer base that can help in expanding the customer base and tapping to the unexplored regions and markets.
- ❑ Better profitability during last year and first quarter henceforth has provided the company with some room to invest in modernization and expansion, which will enhance the capacity and potential to grow further.





# WEAKNESSES

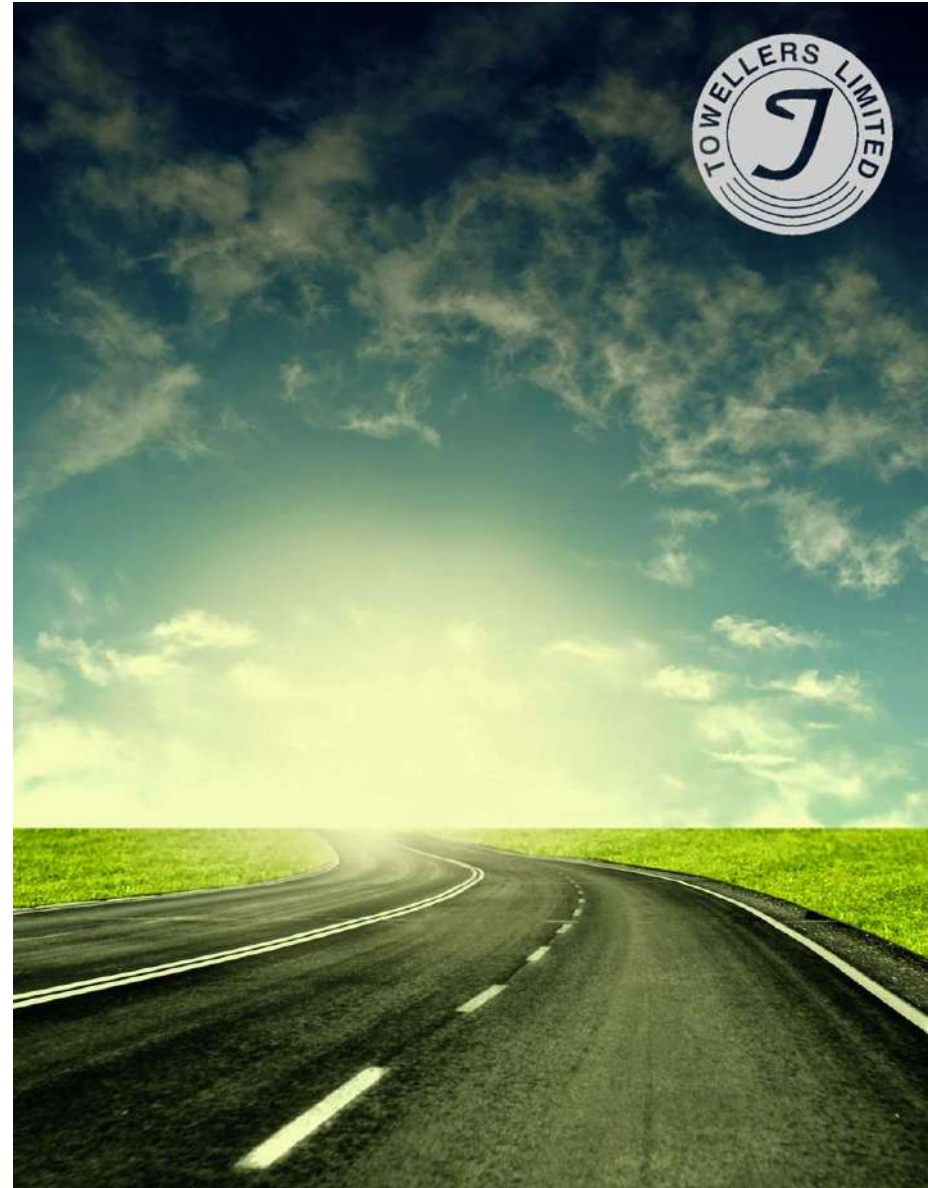
- ❑ There have been some dependability on few solid customers. The Company may need to diversify the customer and product base.
- ❑ Some of the machines are quite old and obsolete, the inefficiencies of which may impact the efficiency and ability to reduce the costs, that may affect the price competitiveness of the Company and may hamper the company in enhancing the product and customer base.



# OPPORTUNITIES



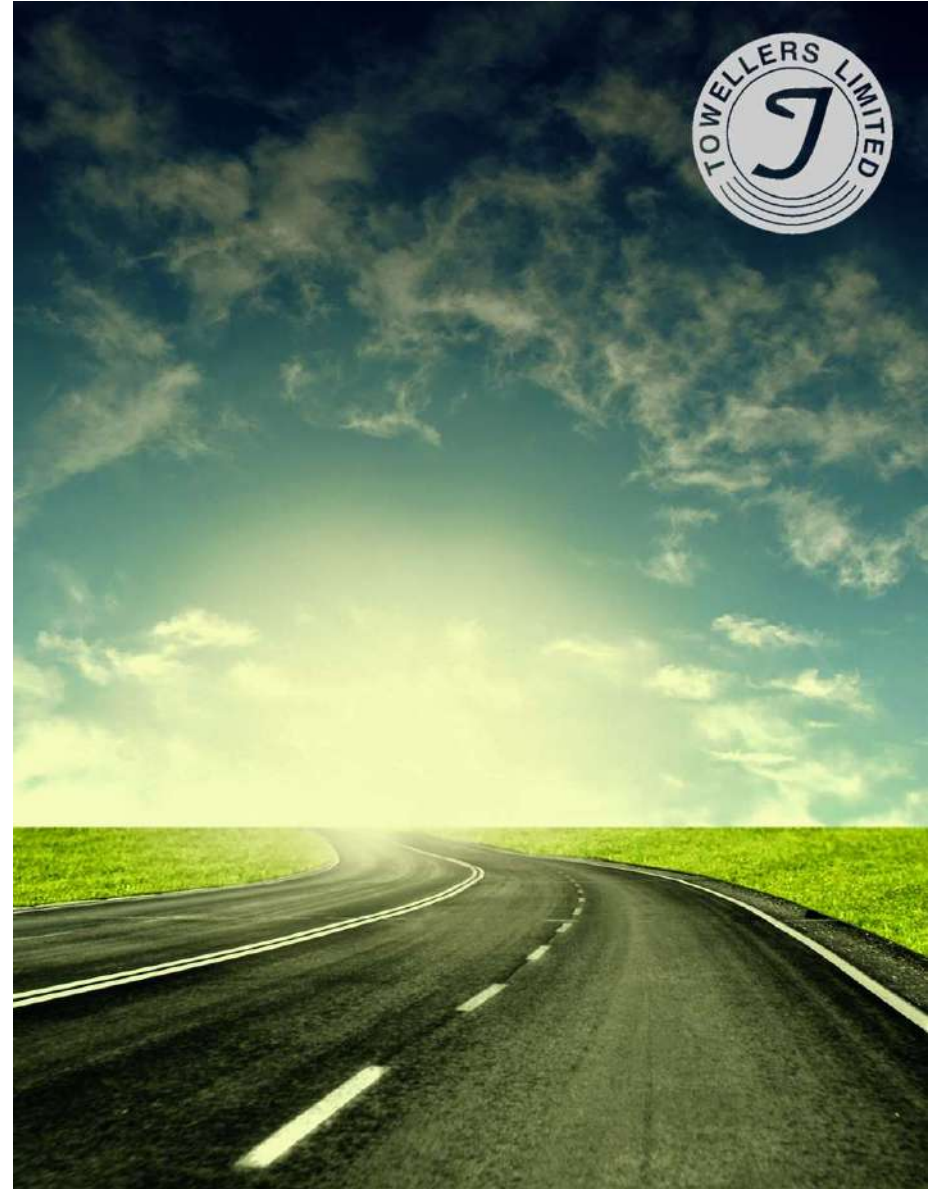
- ❑ The company has the ability to diversify its product portfolio further having its feet wet in both the home textile as well as the apparel trade. In order to gain market share, the company can add to its manufacturing facility versatile products which are currently not being manufactured in Pakistan and increase its turnover.
- ❑ Pakistan economy has set its path on the recovery trajectory after very turbulent year earlier. The exchange rate has stabilized, interest rates have gone down and are expected to reduce further. Stock Exchange is performing well and overall the market sentiments are improving. Experts have observed some macro economic stability and exports for the month of October has increased as compared to the last year. The Company can capitalize upon such atmosphere and win more orders and achieve its growth targets.



# OPPORTUNITIES (Contd)

Due to political instability in neighboring countries such as Bangladesh, we have an opportunity to secure more share out of the textile export market since some orders may divert to other textile supplying countries. We can capitalize on this opportunity and improve our growth and turnover.

Post US elections, Trump administration is more inclined towards levying more taxes on imports from China. This will reduce the competitiveness of Chinese textile products and hence creating opportunities for us to increase our market share of textile exports.



# THREATS

- ❑ Political instability still persists and continued unrest can affect the business atmosphere throughout the Country. The Government again was not able to meet its targets of revenue collection, which may trigger more direct or indirect taxes consequently increasing the cost of inputs or further tax liabilities.



FEW OF THE COMPANY'S MANUFACTURED PRODUCTS ARE AS FOLLOWS:

















# Socially compliant Manufacturing Facilities

- Towellers is proud to have achieved a Top rating in its social and quality compliance audits. The accreditations are from Top inspection agencies and hold global recognition. These certifications merit the work that we do at our factories and allow the company to work with better brands.
- Some of them include:



# MAJOR INVESTMENTS MADE BY THE COMPANY





# PLANT & MACHINERY

- ❑ Further to the addition of latest dyeing machines, the Company is continuously investing in its fabric processing facilities. During the year, the Company has purchased state of the art European machines such as Stenter Machine, Raising Machine, Airflow drying machine, washing & shearing machines, Compacting machine, Thermo oil heater machine among others to increasing the quality and capacity of its dyeing & processing department.
- ❑ The Company also invested in smart MRT railing system to automate the apparel stitching operations and to bring in more efficiency in the CMT operations. New bio mass boiler was purchased during the year to reduce reliability on expensive gas energy and also to become more sustainable & environment friendly Company.







**Oval Printing Machine**



**Octopus Printing Machine**





























# SOLAR POWER PROJECT

□ The Company has invested in the solar power projects at its head office and its factories which has brought savings in power costs. The energy bills have been curtailed and these investments will be paid back within five years. Besides reducing power costs, the investments are helping us in reduced consumption of thermal electricity being produced by Karachi Electric and hence producing clean and green energy.







# Health, Safety, Environment & Sustainability

- ❑ The Company is determined in its commitment to safeguard a healthy environment for all, by diligently adhering to environmental standards at our production facilities. Our dedication to responsible business practices extends throughout our value chain. Also, we are dedicated to fostering a safe and secure work environment for our associates. We prioritize sustainability reducing our carbon footprint and implementing initiative that conserve water and energy.
- ❑ During the year also, the Company has continued to make investments in modern dyeing and processing machines which besides increasing the production capacity and efficiency are helping in significantly reducing the water and power consumption, thus reducing carbon emissions and resulting in precious water savings.



# Health, Safety, Environment & Sustainability (Contd)

- ❑ The company has hired a specialist mental therapist to assess, recover and protect mental health of its staff and workers. The Company also conducts and participate in blood donation drives at regular intervals. The Company has covered its entire staff under medical insurance policy for their regular and sudden medical needs.
- ❑ The Company properly maintains and regularly upgrade the fire fighting systems throughout its manufacturing facilities and offices, conducts regular fire drills and performs fumigation periodically. We have invested in new boiler and have ensured its regular maintenance to its standards to protect the workers and staff to prevent accidents. During the year the Company has inducted bio mass boiler system that will result in producing steam by using clean and green energy, without any fossil fuel which is going to reduce the carbon footprint.





# Health, Safety, Environment & Sustainability (Contd)

- ❑ Textile manufacturing particularly dyeing and printing processes can cause significant harm to the environment, if adequate measures are not taken to mitigate hazardous effect of textile process. The company is deeply concerned and has established effluent treatment plant at its dyeing, printing and garments manufacturing facilities. Waste water treatment plant at our manufacturing facility is designed and operated to meet and exceed environmental standard, securing the health of our employees and local eco system.



# Company's performance during the year 2024

- ❑ Towellers has achieved a growth of 11.8% in sales during the current year and have crossed the milestone of Rs. 12 B. Total turnover achieved is Rs. 12.32 B as compared to Rs. 11.01 B last year.
- ❑ The gross and net margins are 12.48% & 7% respectively which are much lower than last year. The reasons are rising cost of business such as power, labor, taxes etc. Whereas, there were extra ordinary currency exchange gains which did not occur during the current year.





## Company's performance during the first quarter of 2025

- ❑ The turnover during the first quarter has declined as compared to the turnover of corresponding period during the last year. The Company has achieved the sales turnover of Rs. 3.63 Billion, showing a decline of 6.8% as compared to the same period last year.
- ❑ The net profitability during the first quarter has also declined, since there were abnormal gains during the same period last year. Net profit is 4.89% amounting to Rs. 177.8 M.

# Company's outlook for 2<sup>nd</sup> and 3<sup>rd</sup> Quarter



- Uncertain domestic political and economic conditions are already affecting the business in general. High cost of doing business has already impacted the profitability of the Company. Increased taxes and change in taxation regime for exporters is further going to effect the profitability during the current year However, the Company is striving hard and is quite optimistic to keep growing its exports with healthy margins.



# Outlook of the company for the year 2024-25



□ During the first quarter the Company has achieved a negative growth of 6.8%. The Company has set a challenging annual target of 8.9% growth during the year, which may or may not be achieved. However, the Company is striving hard to achieve this growth target and is optimistic for the same.





## Outlook of the company for the year 2024-25

- ❑ All efforts are being made to keep the profitability of the Company above 10% for the financial year.
- ❑ However, as described, due to global and domestic economic problems, the actual results may vary.



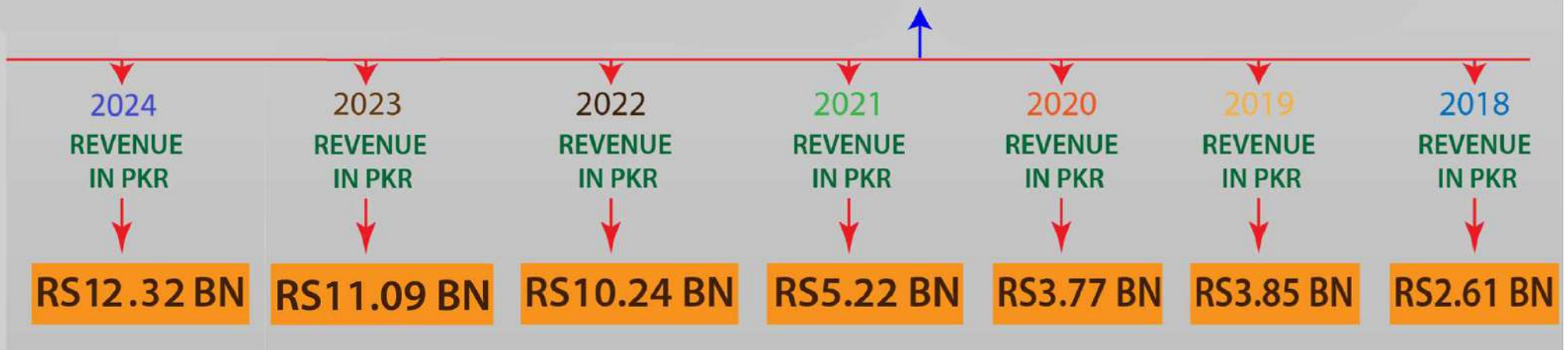
# FINANCIAL PERFORMANCE



# COMPARATIVE ANNUAL FINANCIAL RESULTS



GROWTH 11.84%







## Comparative annual financial results

							Rs. in Millions	
	Growt h %	2024	2023	2022	2021	2020	2019	2018
Revenu e in US\$	3.73	44.48	42.88	55.84	31.88	23.61	27.12	22.68
Revenu e in PKR	11.84	12,314.9 2	11,086.9 2	10,238.0 9	5,220.7 5	3,772.2 5	3,848.2 8	2,605.8 1
PAT	(76.6)	559.50	2,388.3 4	1,063.05	556.46	275.89	397.5	253.61
NP Ratio		7.03	21.54	10.38	10.66	7.31	10.33	9.73



# Comparative Quarterly Financial Results

							Rs. in Millions	
	Growth %	Jul-Sep, 2024	Jul-Sep, 2023	Jul-Sep, 2022	Jul-Sep, 2021	Jul-Sep, 2020	Jul-Sep, 2019	Jul-Sep, 2018
Revenue in US\$	(1.14)	13.10	13.25	12.74	14.07	7.81	6.75	7.42
Revenue in PKR	(6.80)	3,634.44	3,899.69	3,078.62	2,369.51	1,325.99	1,066.74	962.10
PAT	(64.72)	177.80	503.99	751.27	246.54	182.71	70.36	52.14
NP Ratio			12.92	24.40	10.40	13.78	6.60	5.42
EPS			29.65	44.19	14.50	10.75	4.14	3.07



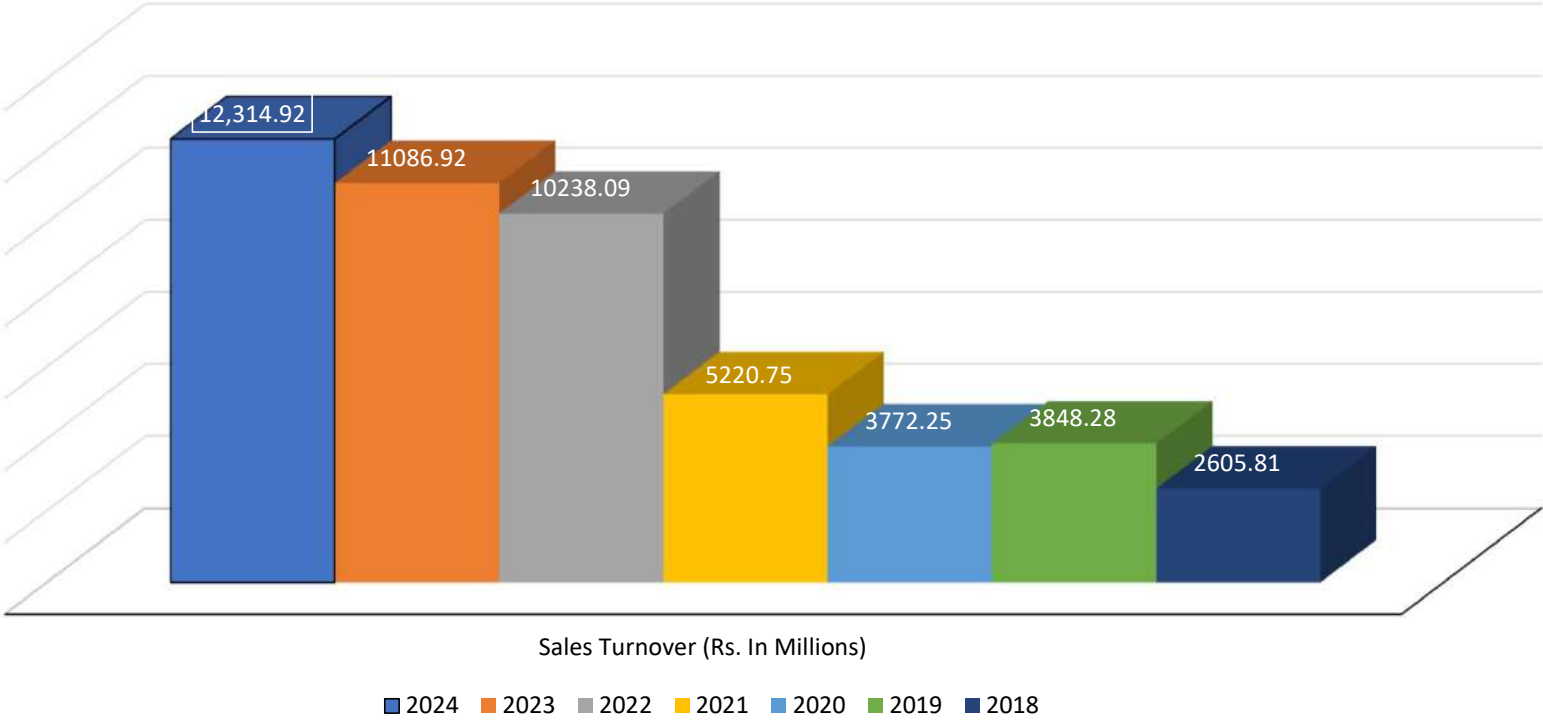
## Year Wise Comparison Of Sales & Profitability

	Rs in Millions							
	2024	2023	2022	2021	2020	2019	2018	2017
Sales Turnover	12,314.92	11,086.92	10,238.09	5,220.75	3,772.25	3,848.28	2,605.81	2,686.14
PAT	559.50	2,388.34	1,063.05	556.46	275.89	397.5	253.61	61.70
EPS	32.91	140.49	62.53	32.73	16.23	23.38	14.92	3.63



# Year Wise Comparison Of Sales & Profitability (Contd)

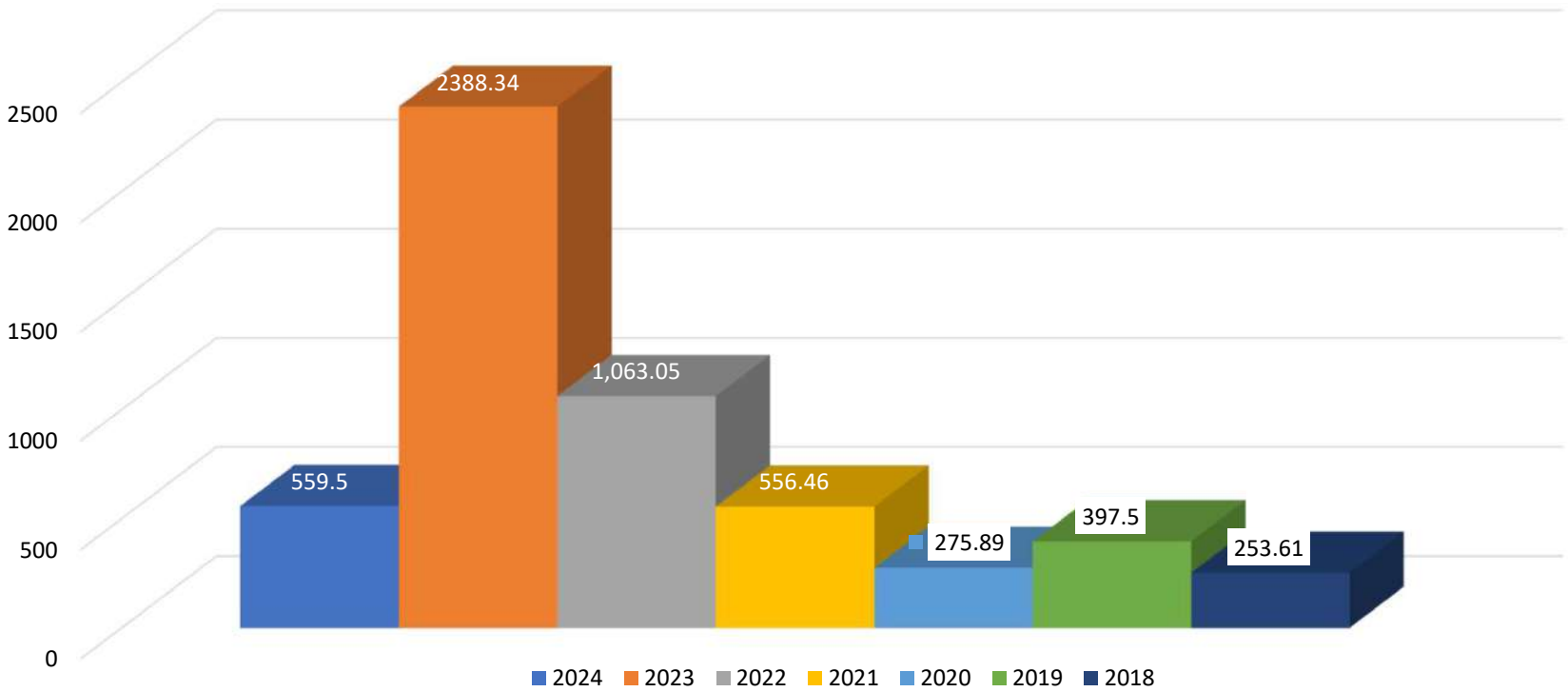
Sales Comparison over the years





# Year Wise Comparison Of Sales & Profitability (Contd)

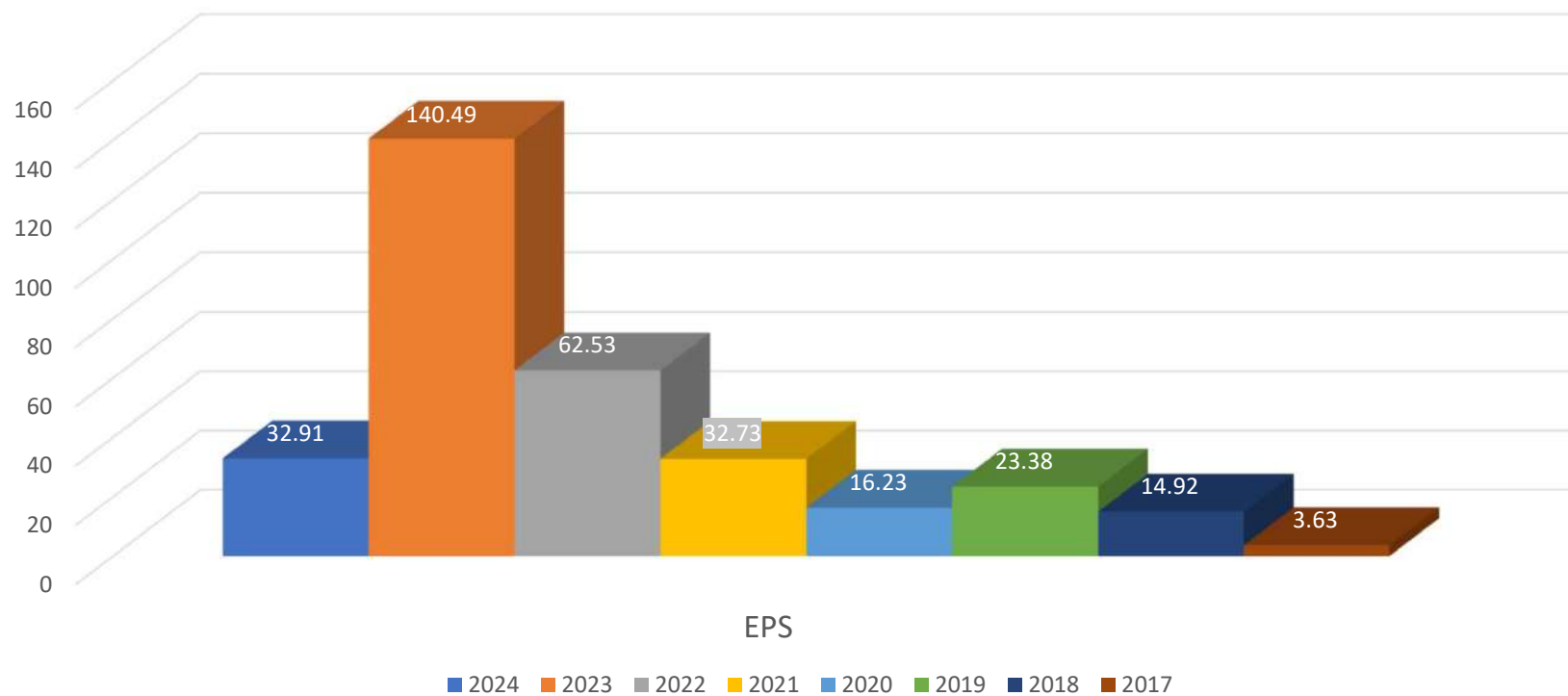
Profit after tax (PAT) comparison over the years



# Year Wise Comparison Of Sales & Profitability (Contd)



EPS comparison over the years



# Outlook Of The Company For June 2025



							Rs. in Millions
	Outlook	Actual	Actual	Actual	Actual	Actual	Actual
	June 2025	June 2024	June 2023	June 2022	June 2021	June 2020	June 2019
Revenue in US\$	48.01	44.48	42.88	55.84	31.88	23.61	27.12
Revenue in PKR	13,345.34	12,314.92	11,086.92	10,238.09	5,220.75	3,772.25	3,848.28
PAT	867.45	559.50	2,388.34	1,063.05	556.46	275.89	397.5
NP Ratio	6.50	7.03	21.54	10.38	10.66	7.31	10.33
EPS	51.03	32.91	140.49	62.53	32.73	16.23	23.38



SIX YEARS AT GLANCE  
FROM 2018 TO 2023

	Rs. In Thousands					
<b>Income Statement</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Turn over-Net	12,314,921	11,086,916	10,238,086	5,220,747	3,772,254	3,848,285
Cost of sales	11,082,813	7,944,316	8,151,154	4,109,212	3,071,384	2,985,218
Gross profit / (loss)	1,232,108	3,142,600	2,086,932	1,111,536	700,870	863,067
Profit/(loss) from operation	836,265	2,633,967	1,208,244	619,652	321,304	457,560
Finance cost	31,102	53,848	23,250	5,444	6,388	6,482
Profir/(loss) before taxation	805,163	2,580,119	1,184,994	614,208	314,915	451,077
Profit / (loss) after taxation	559,502	2,388,338	1,063,048	556,456	275,894	402,684
EPS	32.91	140.49	62.53	32.73	16.23	23.69





Financial Position	Rs. In Thousands					
	2024	2023	2022	2021	2020	2019
Fixed assets	5,603,824	3,250,949	3,142,611	1,810,526	1,663,761	1,231,256
Long term loans	22,164	19,250	20,487	19,501	16,861	12,851
Long term deposits	29,780	44,271	35,321	29,349	16,875	19,755
Current assets	6,273,528	6,667,455	4,632,048	2,437,648	1,852,202	1,475,871
<b>Total Assets</b>	<b>11,934,732</b>	<b>9,981,926</b>	<b>7,830,468</b>	<b>4,297,024</b>	<b>3,549,699</b>	<b>2,739,733</b>
<b>Equity &amp; Liabilities</b>						
Equity	8,739,778	7,560,746	5,391,114	3,277,720	2,714,251	2,053,845
Non current liabilities	595,104	185,186	186,911	174,794	163,376	97,902
Current liabilities	2,599,850	2,235,991	2,252,443	844,511	672,072	587,986
<b>Total</b>	<b>11,934,732</b>	<b>9,981,926</b>	<b>7,830,468</b>	<b>4,297,024</b>	<b>3,549,699</b>	<b>2,739,733</b>



Key Ratios	2024	2023	2022	2021	2020	2019
Gross margin%	10.01	28.35	20.38	21.29	18.58	22.43
Net profit (loss)%	4.54	21.54	10.38	10.66	7.31	10.46
Quick ratio%	1.82	2.23	1.36	0.91	1.32	1.20
EBIT margin%	6.29	23.76	11.80	11.87	8.52	11.89
Current ratio%	2.41	2.98	2.06	2.89	2.76	2.51
Earning/(loss) per share Rs	32.91	140.49	62.53	32.73	16.23	23.69
Debt equity ratio	0.37	0.00	0.15	0.31	0.31	0.33

# DIVIDEND

- ❑ Despite much reduced profit margins during the current year and substantial investments made in capital expenditure, the Company announced 80% dividends, which were distributed during the first week of November exhibiting its commitment towards its shareholders. The Company wants to thank its esteemed shareholders for their appreciation and encouragement. We hope and pray that the Company keeps growing and making profits at a consistent rate in future for the mutual benefits of its stakeholders.



# Corporate Social Responsibilities

- ❑ The company whole heartedly believes that our people are our greatest strength. The profits made in the company are regularly distributed to various institutions such as The Citizen Foundation and Lady Dufferin Hospital who are engaged in providing free educational and health facilities for the less privileged citizens of our country
- ❑ Contributions are being made to an institution that is building hospitals and schools for public in general and for women's education in particular and is also providing vocational training to help people find their own livelihood and employment opportunities. These include Developments in Literacy, Roshan Pakistan Academy, Ayesha Chundrigar Foundation, The Citizen Foundation, SOS Children Village Orphanage, etc.
- ❑ The Company also runs a sponsored school for under privileged children for supporting the cause of education for less fortunate.





# Corporate Social Responsibilities (Contd)

- The Company not only continued to distribute ration packets to the needy people within and outside the Company, it keeps its focus on other areas such as health, mental health, education, animal welfare and environment. The Company also supports its deserving employees in providing education to their children. During the year, the Company contributed Rs. 60.88 M in arranging two major equipment i.e Anesthesia Machine, Touch Screen Color Doppler Ultrasound System and E95 Echo Machine for Paediatric Cardiology for the Sindh Institute of Urology and Transplantation (SIUT). The institute is doing a wonderful job in providing free of cost medical services and the Company is playing its part in such community service.

THANK YOU



*Towellers Limited*

Manufacturing Quality Textiles since 1973

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