



Corporate Briefing Session - 2023

Fazal Cloth Mills
Limited

October 28, 2023





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Corporate Briefing - Contents



1. Company Brief
2. Operational Development
3. Financial Results of Year Ended June 30, 2023
4. Question & Answers Session



COMPANY BRIEF



Company Brief

- Fazal Cloth Mills Limited (the Company) was incorporated in Pakistan in 1966 as a public limited company under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange.
- The Company is principally engaged in manufacturing and sale of Yarn & fabric. The manufacturing facilities are located at Fazal Nagar, Jhang Road, Muzaffargarh and Qadirpur Rawan Bypass, Khanewal Road, Multan in the province of Punjab.
- Head Office of the Company is situated 59/3, Abdali Road Multan.
- Registered Office is situated at 69/7, Abid Majeed Road, Survey No. 248/7, Lahore Cantt, Lahore.



Company Brief

- The Associated Companies, their shareholding as held by the company and nature of business is below;

- Fatima Transmission Company Limited (Operation & maintenance of Transmission lines etc.)

Ordinary Shares - Unquoted	24.00% (2022: 24.00%)
Non-voting preference shares - Unquoted	30.71% (2022: 30.71%)

- Fatima Electric Company Limited (Supply, generation and distribution of electricity etc.)

Ordinary Shares - Unquoted	20.00% (2022: 20.00%)
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Operations / Business

Operations / Business



Brief of Operations

- The spinning division of the Company comprises of 8 spinning units with installed capacity of 274,524 spindles. All of the spinning units are equipped with state of art Japanese and European machinery.
- No. of rotors and MVS (Murata Vortex Spinning) spindles installed are 5,412.
- Capacity at 20's counts are 127,222,563 Kgs / annum and actual production of all count is 95,847,459 Kgs / annum.
- The Weaving unit of the Company consist of 224 Air-jet looms with actual production of 42,391,581 Meters of Greige fabric per annum. With combination of state of the art weaving equipment, technical know-how and managerial expertise the weaving unit of the company ensures quality production and services to customers.

Operations / Business



Brief of Operations

- Total No. of employees as at June 30, 2023 are 6,927.
- Power Plant Capacity is 54.06 Mega Watts.



Financial Highlights of Year Ended June 30, 2023

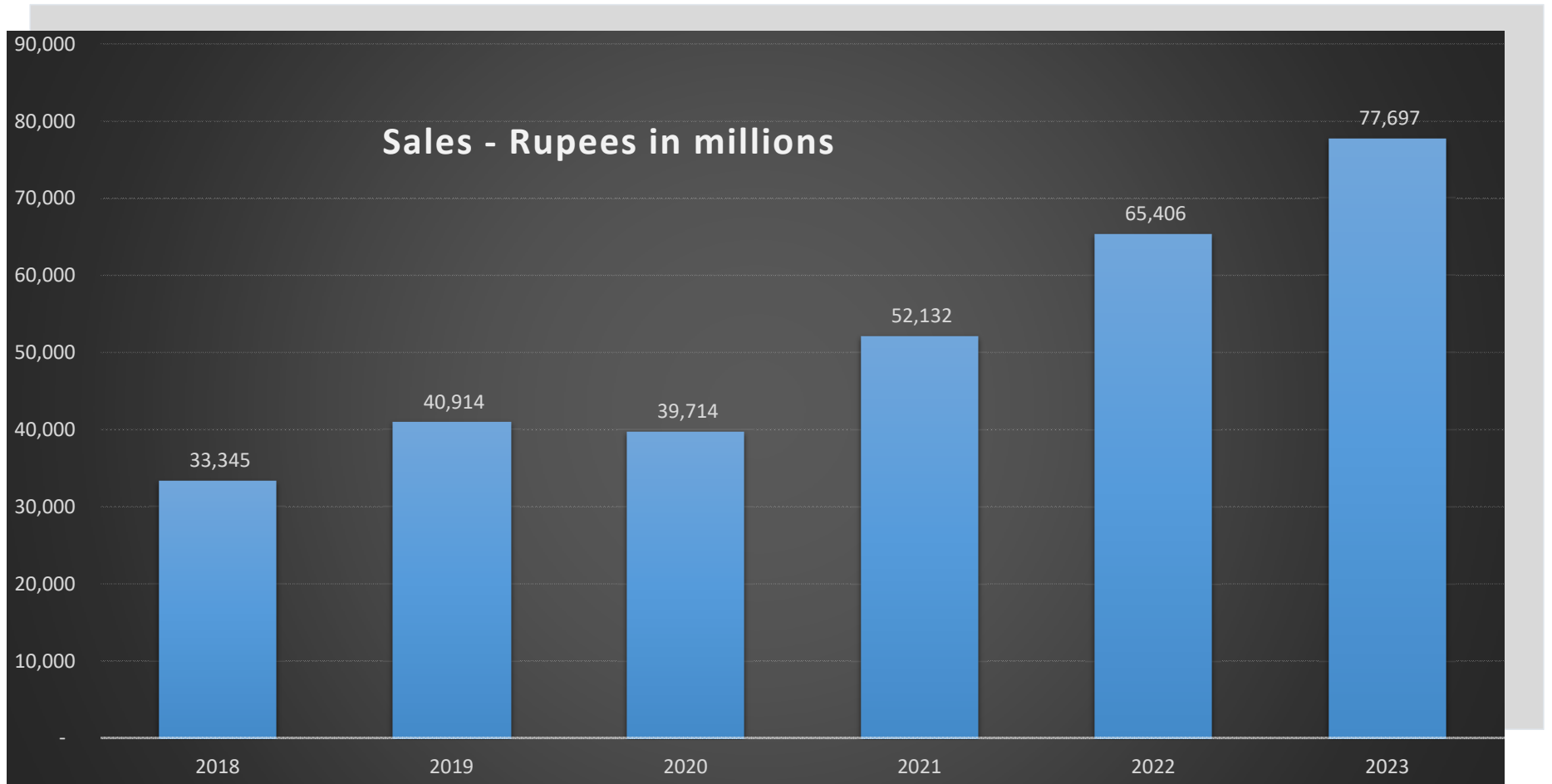
Financial Highlights

Profit & Loss for period ended June 30, 2023



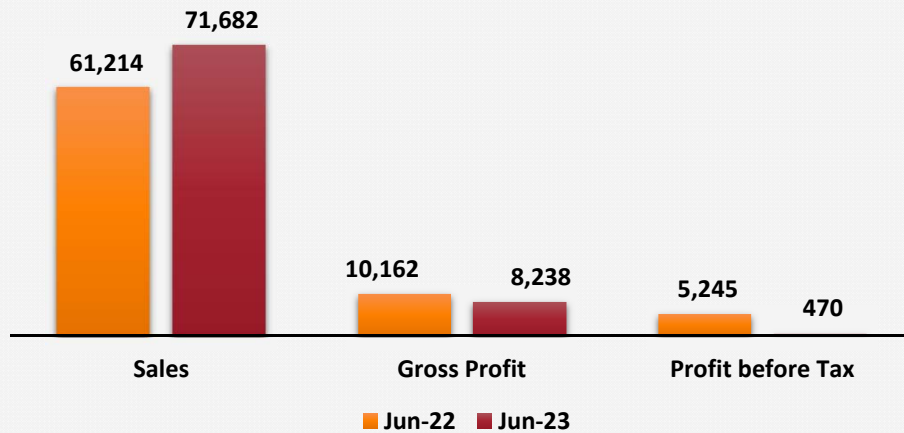
Rupees in thousand	Year ended June, 30		Favorable / (Unfavorable) %
	2023	2022	
Sales - net	77,696,980	65,406,262	18.79%
Cost of sales	67,610,876	54,238,314	24.66%
Gross Profit	10,086,103	11,167,948	(9.69%)
EBIDTA	8,422,182	10,485,539	(19.68%)
Depreciation	1,753,002	1,664,133	5.34%
Finance Cost	5,074,372	2,922,661	(73.62%)
Profit before taxation	1,594,808	5,898,745	(72.96%)
Profit after taxation	586,095	4,610,255	(87.29%)
Earnings per share - Rs.	19.54	153.68	(87.29%)

Financial Highlights- Profit & Loss Turnover- Trend Seven years

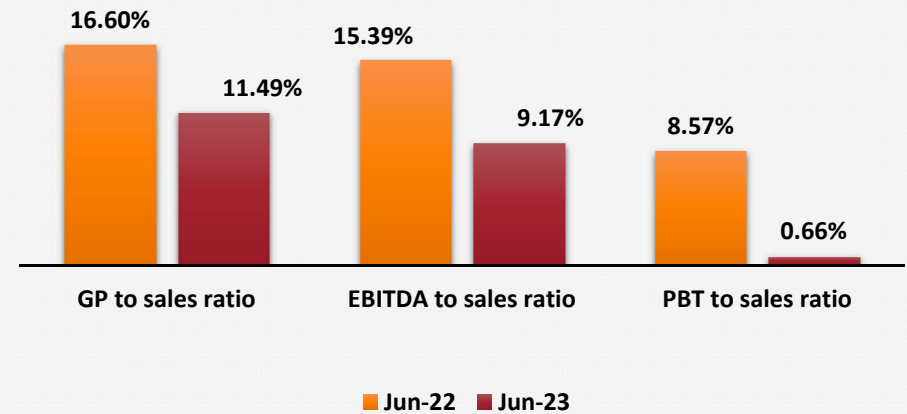


Segment wise profit and loss account for year ended 30 June, 2023 :

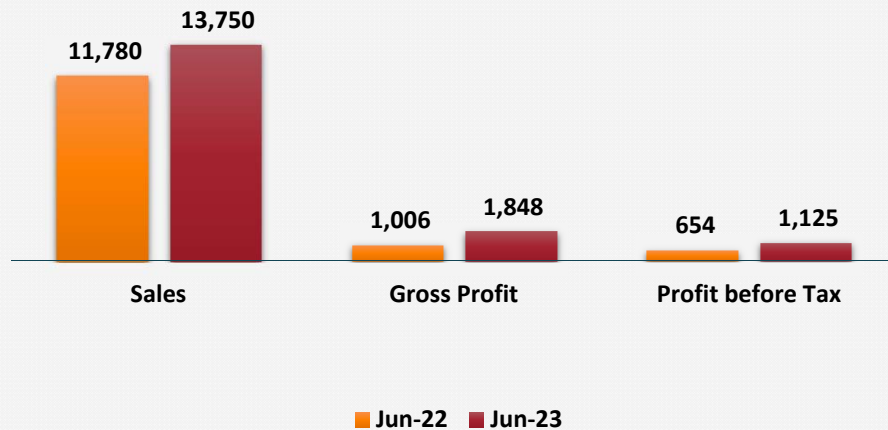
Spinning - Rs. in million



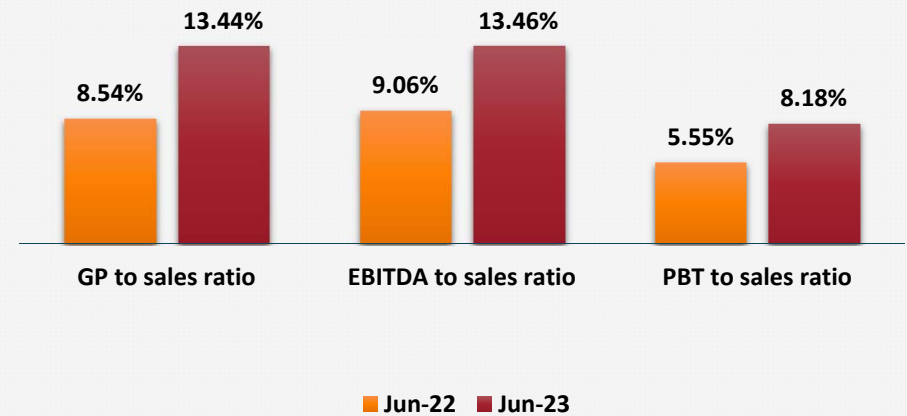
Spinning



Weaving - Rs. in million

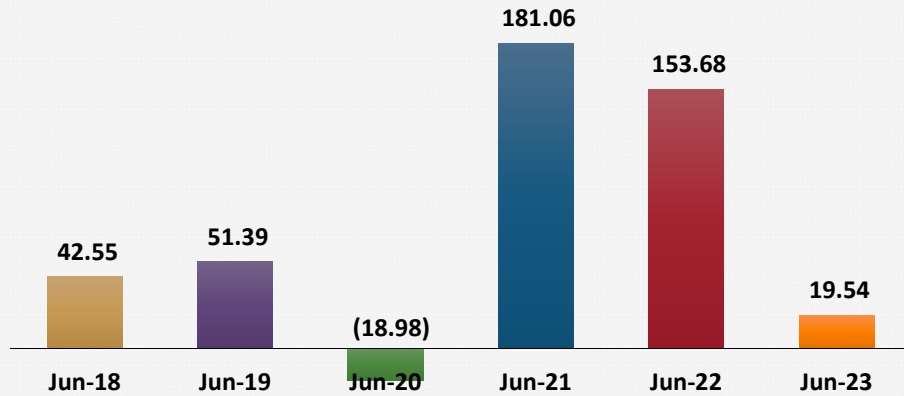


Weaving

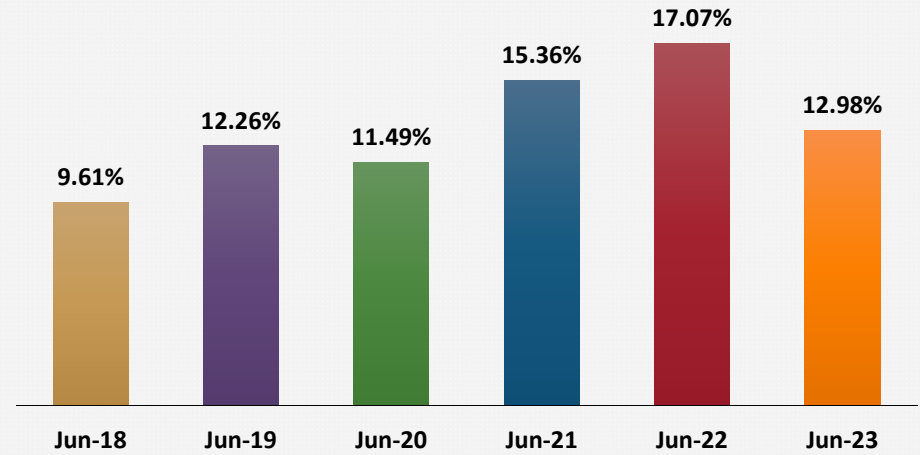


Ratios - last six comparative periods :

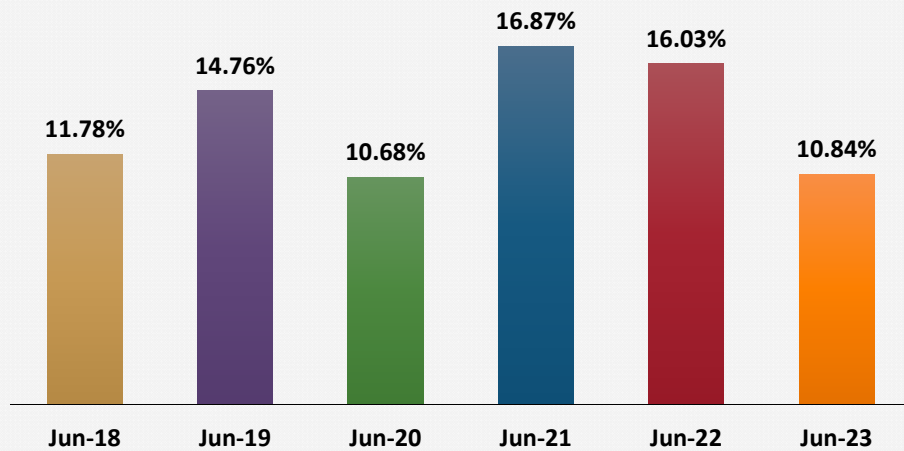
EPS



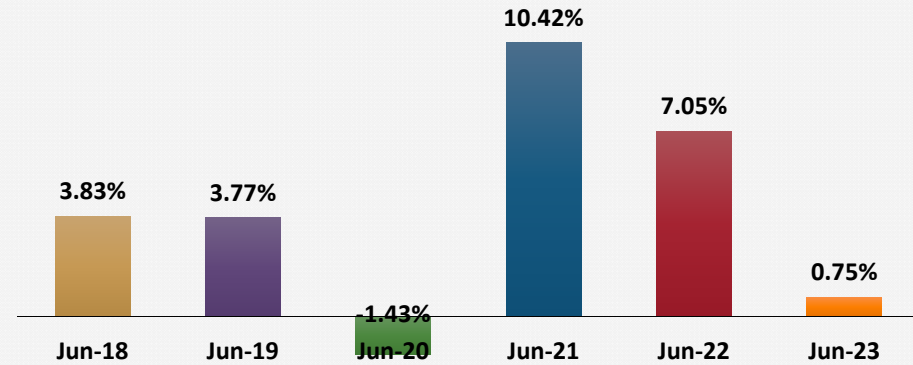
GP Over Sales - %age



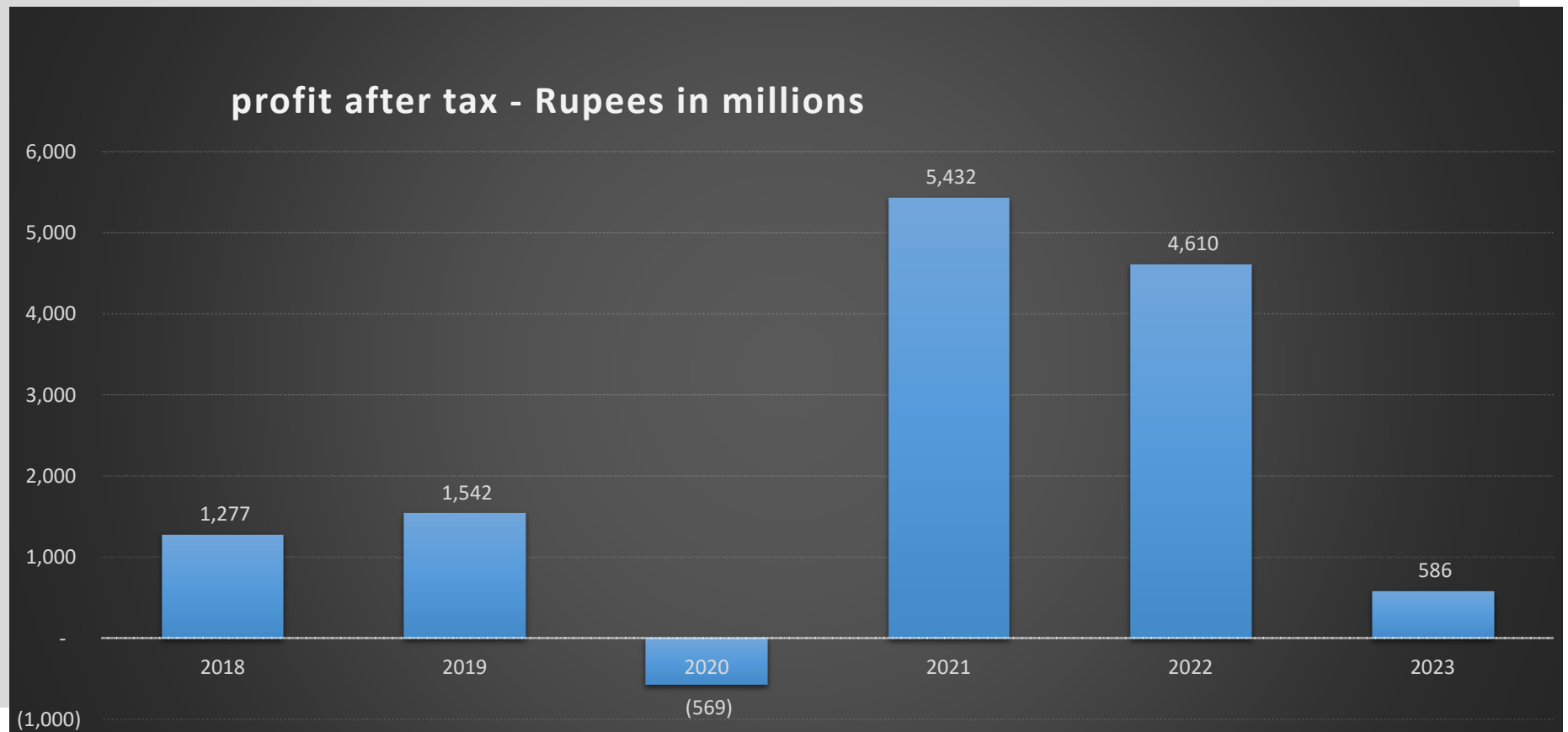
EBITDA Over Sales-%age



PAT Over Sales-%age



Financial Highlights- Profit & Loss Profit after tax - Trend Seven years



Financial Highlights - Balance Sheet at June 30, 2023



Particulars	2023	2022
	Rs. in Millions	Rs. in Millions
Non-current Assets	58,857	49,029
Current Assets	48,917	38,514
Total Assets	107,774	87,543
Equity	44,646	40,529
Long-term Liabilities	23,956	20,399
Current Liabilities	39,172	26,615
Total Equity & Liabilities	107,774	87,543

Operations / Business



FUTURE OUTLOOK

Positive factors:

- Pakistan is expecting a bumper cotton crop of above 10 million bales. Quality of cotton arriving so far is excellent. Price of cotton is considerably lower than imported cotton.
- Worldwide demand for textile products is improving resulting in increase in capacity utilization in Pakistan to 75% from 50% last year.
- Flexible exchange rate is helping exporters to remain competitive and absorb sharp increase in production costs due to inflation.

Operations / Business

FUTURE OUTLOOK



Negative factors:

- High interest rates, 6 month Kibor is @ 22.97.
- High electricity prices and uncertainty on availability of gas.
- Capacity utilization across textile sector remains below 100% pressuring margins.