



***Corporate Briefing Session (CBS)
For the Year Ended 30 June 2021***

Company Introduction



Masood Textile Mills Limited (MTM) started as a spinning unit in 1984 under the leadership of Ch. Nazir Ahmed (late). The Company has since then grown into a fully integrated textile unit with focus on value added products.

Date of Incorporation:	3 rd October, 1984
Registration Number:	0012223
NTN Number:	0658678-3
Listing Status:	Listed at Pakistan Stock Exchange
Date of Listing:	20 th July, 1988
Credit Rating by VIS:	Long-term (A-) Short-term (A-2) Sukuk (A)
No. of Permanent Employees:	18,800 as on 30 th June, 2021
Head office:	Faisalabad

Company Introduction



- Masood Textile Mills Limited (**MTM**) is a public limited company incorporated under the Companies Act, 1913 (now Companies Act, 2017) and is listed on the Pakistan Stock Exchange (“**PSX**”). **MTM** core business is manufacturing and sale of cotton and synthetic fiber yarn, dyed fabrics and garments & Denim.
- **MTM** is a truly vertically integrated textile unit, having in house Spinning, Knitting, Fiber and Yarn dyeing, Fabric Dyeing & Processing, Laundry, Printing, Embroidery and Apparel & Denim Manufacturing facilities, managed by a highly trained, qualified and experienced team comprising proven Industry Leaders.
- **MTM** is engaged in the production of high quality textile and textile products that are largely exported to USA, Canada and Europe. The Company has a product range that includes yarn, fabric, loungewear, active wear, sleepwear, athletic and sportswear.
- **MTM** is one of Pakistan’s leading textile exporters with strong footprint and is working with leading brands of the world. With the latest developments globally such as US China trade war along with improved policy framework by Govt. of Pakistan for textile exporters, **MTM** along with other exporters, has witnessed a surge in product sourcing from Pakistan.

Company Introduction

- **MTM** has established itself as a leader in creating, developing and manufacturing of knitted apparel products right from basic to highly fashioned thus responding effectively to emerging trends in the global industry. **MTM** has been able to translate conceptual ideas of customers into reality and shape them through technical bent and professional acumen.
- The Company is principally engaged in Sportswear products with wide selection of quality garments including T-shirt, Polo shirt, Jogging suit, Henley shirt, Raglan shirt, Tank top, Shorts, Pants and Sleepwear.
- **MTM** works with world's best brands and retailers Like Hugo Boss, Calvin Klein, Tommy Hilfiger, PVH, Pull & Bear, The Children place, Jack & Jones, JC Penney, Fruit of the Loom, Quicksilver, S.Oliver, Mango, PME Legend, Pepe Jeans, Teddy Smith etc. Well renowned brands like Hugo Boss, Calvin Klein and Tommy Hilfiger have been added in MTM's profile in the last one year.
- Moreover, **MTM** is also approved vendor of Fabrics to world renowned brands, like Mark & Spenser, Tommy Hilfiger, The Children Place, Tesco, Next, Lidl, Sainsbury's, Gloria Jeans, Primark, PVH, etc.

Masood's Key Customers

JCPenney

Calvin Klein

QUIKSILVER



PVH

JACK&JONES



THE CHILDREN'S
PLACE



amazon

PULL&BEAR

Pepe Jeans

s.Oliver

ARROW
USA 1851



MANGO

EXPRESS



THE STING
NETWORK OF BRANDS

VANHEUSEN

IZOD

hunkemöller

Bass
G.H. BASS & COMPANY
SINCE 1876

WOLVERINE

TEDDY SMITH



Masood's Key Customers

- MTM is an approved fabric vendor for following brands



MARKS &
SPENCER



TOMMY
HILFIFER



THE CHILDREN'S
PLACE



FRUIT OF THE LOOM®



next



Sainsbury's



TESCO



PRIMARK®



PVH



VF CORPORATION

Recognition and Distinguished Awards

- ❖ President EFP Exporters Recognition Award - 2020
- ❖ FPCCI Excellence Award 2016
- ❖ 2015-2016 President of Pakistan Awards for Best Garments & Hosiery
- ❖ 2014-2015 Prime Minister of Pakistan Awards For Best Export
- ❖ 2012-2013 President of Pakistan Awards For Best Export
- ❖ 2010-2011 President of Pakistan Awards For Best Export
- ❖ 2008 Export Achievement Award by Faisalabad Chamber of Commerce & Industry (Pakistan)
- ❖ 2008 Quality Award for Men's Apparel from a JC Penny which is a leading department store in U.S.
- ❖ 2007 Best Supplier Award of the Year from a JC Penny which is a leading department store in U.S.
- ❖ 2007 Best Export Performance Trophy Awarded by PTEA (Pakistan)
- ❖ FTL Accuracy of Information and Compliance Supplier award (2006)



Strong Capability

- As part of the Company's focus on **research and development**, **MTM** PD Centre at Humen, China strives to achieve rapid introduction of new and improved products by adopting a disciplined and customer focused approach to product development.
- **MTM** success lies in a systematic approach to operation management and quality control. There are quality checks at every stage of manufacturing starting from Raw Cotton, Yarn, Fabric, Processing, Cutting, Stitching and Packing. Each garment produced has a unique ID tracking number which is attached inside the garment, and it back tracks from cotton crop type, yarn, knitting, fabric processing, cutting, stitching operations & inspections to packaging and shipment.
- This unique back track system makes **MTM** the only textile exporter in Pakistan to provide customers with online access to its quality control system, and it helps in achieving accountability of workers and floor management, MIS reporting goal, cost monitoring at each production stage, as well as quality and efficiency monitoring.

Product Development Centre at HUMEN (China)



In-House Developed ERP System



Lean Manufacturing

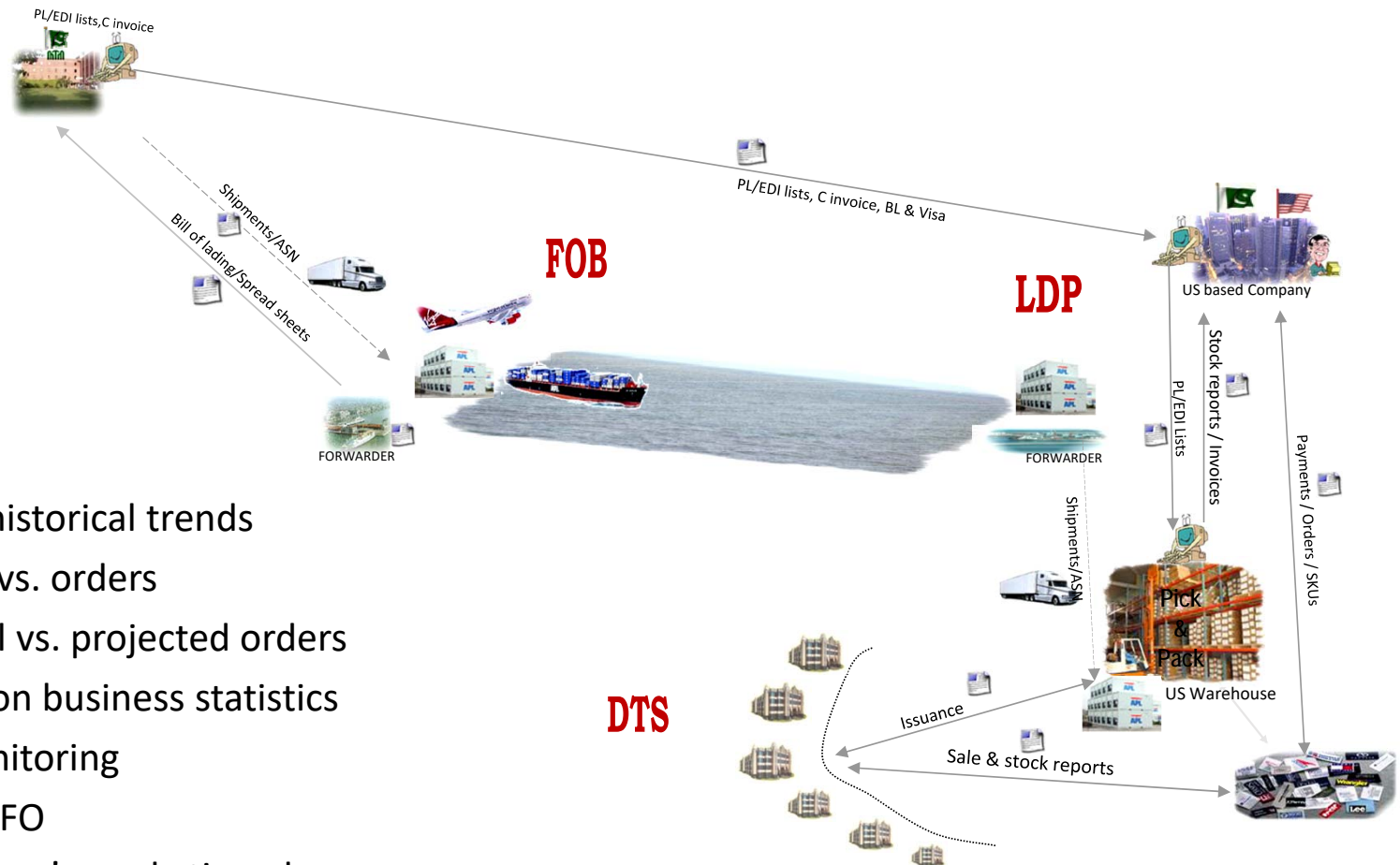
MTM has taken initiative to adopt Lean Manufacturing best practices in its production facility by using RFID (Radio Frequency Identification) Technology into its production lines. This RFID technology helps real time production activity and item tracking. Each process of garment is integrated with this technology. It's a real time shop floor data tracking management system that keeps the management updated what's happening on the production floor. Through this technology the management can extract each worker data regarding their productivity, quality and efficiency.

By using Lean Manufacturing in MTM, there will be reduction of Waste in a system through consideration of the following:

- ❖ Overproduction
- ❖ Waiting (man or machine)
- ❖ Transportation
- ❖ Business process
- ❖ Inventory or work in process
- ❖ Motion and rework



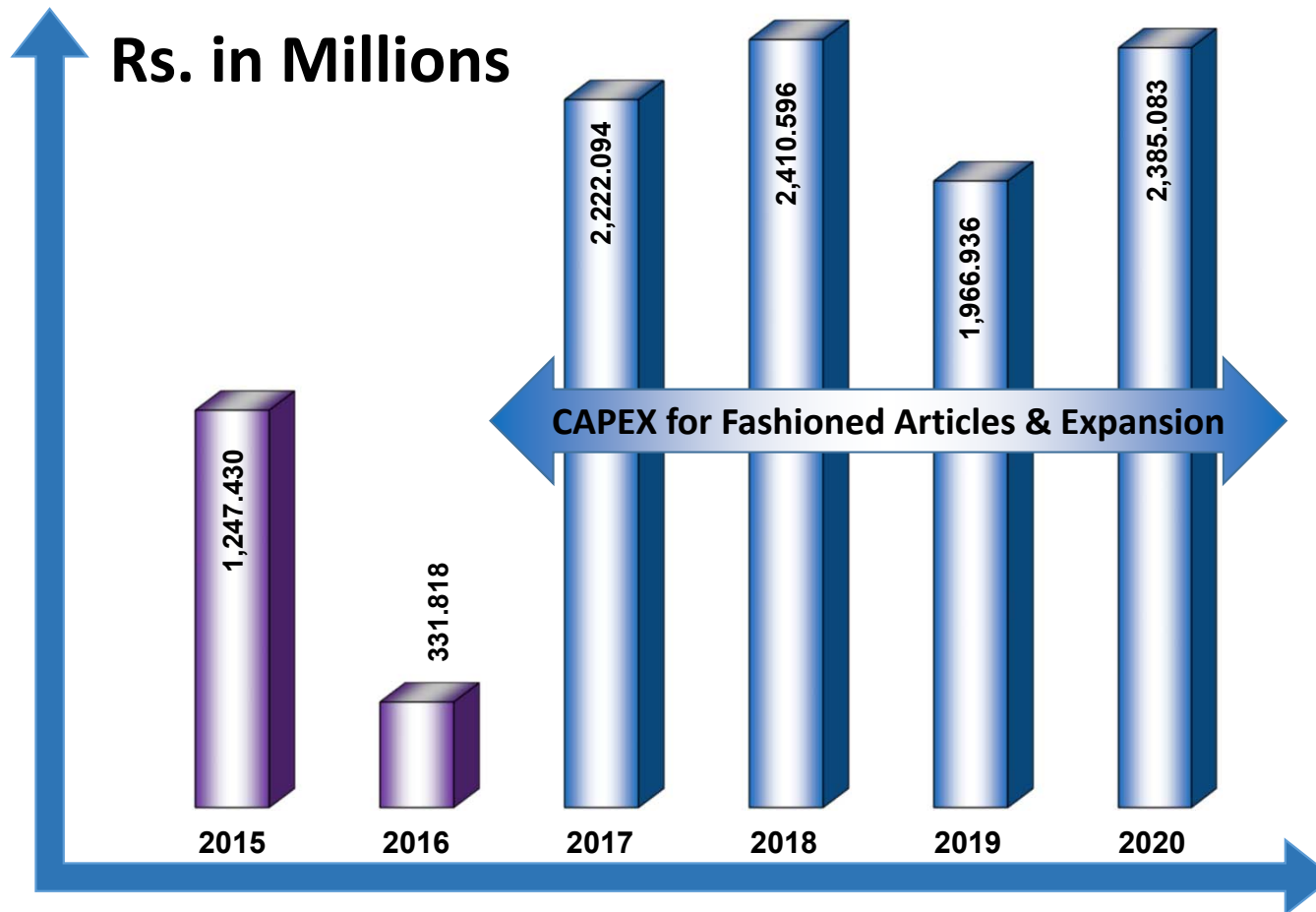
Vendor Managed Inventory Capability



- ❖ Data mining for historical trends
- ❖ Analysis of sales vs. orders
- ❖ Analysis of actual vs. projected orders
- ❖ Weekly analysis on business statistics
- ❖ Service level monitoring
- ❖ Pick & pack on FIFO
- ❖ Incorporating buyer's marketing plans

Major Investments

Shifting from Basic to Fashioned Articles



Sponsors & Foreign Alliance

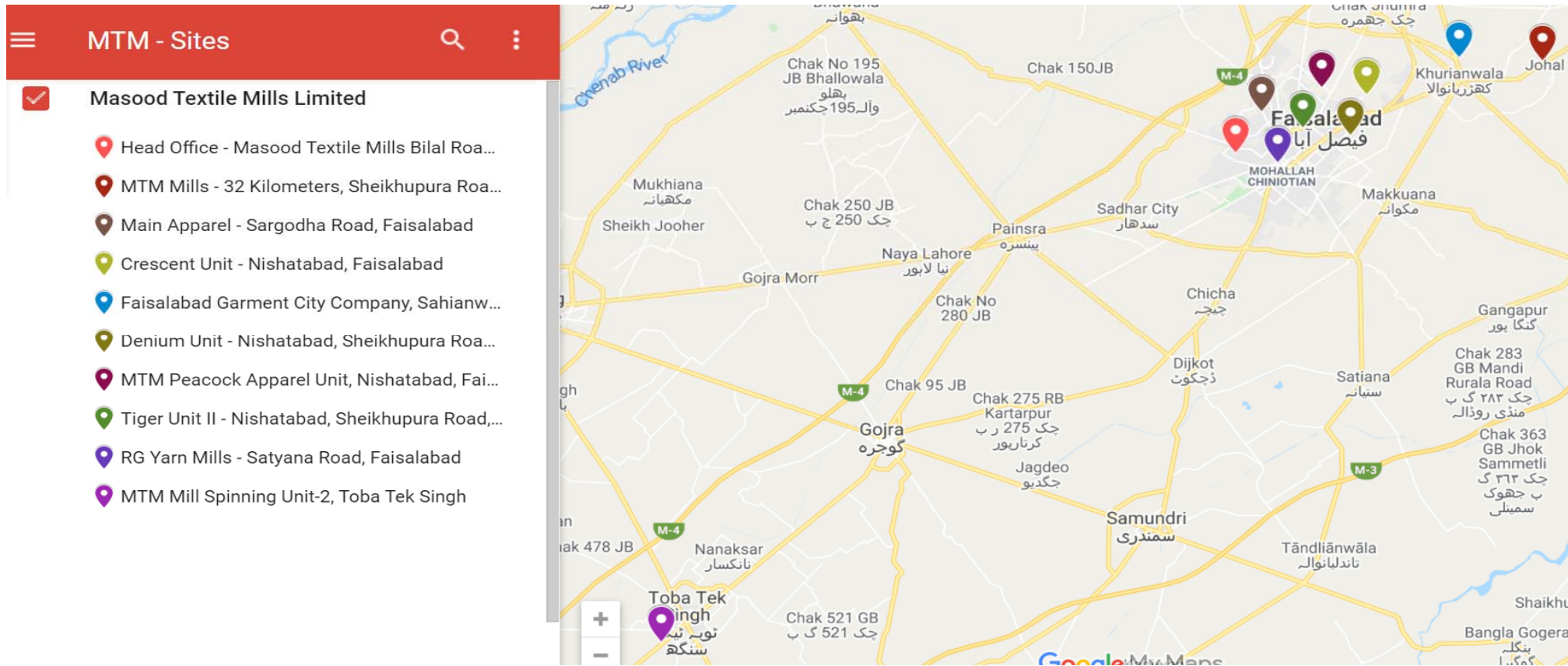


Masood embarked upon a Joint Venture with Shanghai Challenge Textile & Zhejiang Xinao Industry Company China

Shareholder (As at 30 June 2021)	% held
Directors	2.39%
Mrs. Nazia Nazir	30.17%
Zhejiang Xinao Industry Company Limited	11.31%
Shanghai Challenge Textile Co. Limited	25.77%
Financial Institutions	6.72%
Insurance Companies	0.59%
Mutual Funds	3.29%
Joint Stock Companies	10.77%
General Public	8.99%
Total	100.00%

Manufacturing Footprint

Geographical location of all business units of the company are as follow:



MTM - Sites

- Masood Textile Mills Limited
 - Head Office - Masood Textile Mills Bilal Roa...
 - MTM Mills - 32 Kilometers, Sheikhpura Roa...
 - Main Apparel - Sargodha Road, Faisalabad
 - Crescent Unit - Nishatabad, Faisalabad
 - Faisalabad Garment City Company, Sahianw...
 - Denium Unit - Nishatabad, Sheikhpura Roa...
 - MTM Peacock Apparel Unit, Nishatabad, Fai...
 - Tiger Unit II - Nishatabad, Sheikhpura Road,...
 - RG Yarn Mills - Satyana Road, Faisalabad
 - MTM Mill Spinning Unit-2, Toba Tek Singh

The map displays the following locations marked with pins:

- Head Office - Masood Textile Mills Bilal Roa...
- MTM Mills - 32 Kilometers, Sheikhpura Roa...
- Main Apparel - Sargodha Road, Faisalabad
- Crescent Unit - Nishatabad, Faisalabad
- Faisalabad Garment City Company, Sahianw...
- Denium Unit - Nishatabad, Sheikhpura Roa...
- MTM Peacock Apparel Unit, Nishatabad, Fai...
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Production Capacities

Being one of the few vertically integrated textile mill in Pakistan, MTM has a dependable capacity to produce 850,000-875,000 dozen garments per month. From its in-house spinning, knitting, dyeing, processing and apparel manufacturing capabilities the Company has advantage in terms of quality consistency and predictable lead times. The Company's current production facilities are as follows:

SEGMENT	CAPACITY
Spinning	Total 59,112 Spindles (Producing Fashion yarns, melanges, Injection Slub, Chain yarns in multiple fiber blends)
Open End	2,400 Routers (Producing mélanges, fancy yarn)
Fiber / Yarn Dyeing	12.6 Tons Per Day
Knitting	Active Machines - 686 & Seasonal Machines – 143
Dyeing and Finishing	Installed Capacity - 130-140 Tons per Day
Garments	4,817 Machines including 488 machines Dedicated for Denim Division
Fiber/ Yarn Dyeing	12.6 Tons per day
Cutting	76.3 Tons per day
Auto Placket	90,000 pieces per day
Laundry	20 tons per Day for Washing, garment Dyeing & Tumble (14.2 tons per Day with Mix Process)
Embroidery	44 Million Stitches per day (approx.)
Printing	91,961 pieces per day (Digital, Hybrid & Screen)
Denim	12,960 pieces per day with Mix Process

Six Years Financial Results



Rupees in Million

DESCRIPTION	2021	2020	2019	2018	2017	2016
Revenue	37,089	28,669	34,211	30,842	23,394	23,183
Cost of Sales	(31,782)	(27,303)	(30,418)	(26,991)	(20,009)	(19,971)
Gross Profit	5,307	1,366	3,794	3,851	3,385	3,212
Distribution cost	(2,263)	(2,149)	(2,450)	(2,063)	(1,478)	(1,396)
Administrative expenses	(854)	(716)	(698)	(549)	(481)	(473)
Other expenses	(313)	(973)	(49)	(108)	(11)	(49)
Other income	443	420	2,353	1,071	218	341
Finance cost	(1282)	(1,699)	(1,203)	(896)	(641)	(719)
Profit/(Loss) before taxation	1,038	(3,752)	1,748	1,305	993	918

Statement of Profit or Loss

For the year ended 30 June 2021



Rupees in Million

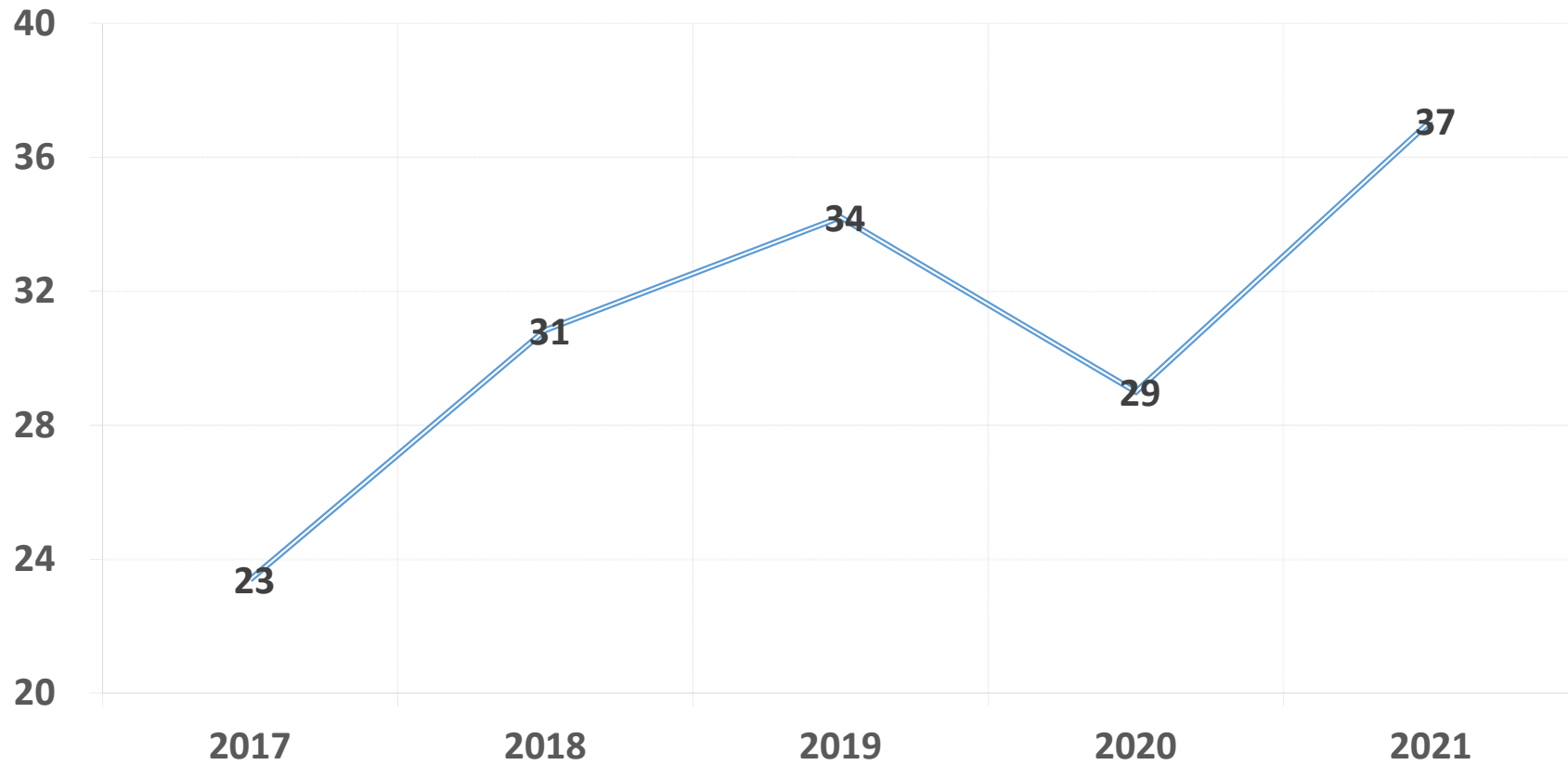
DESCRIPTION	2020-21	2019-20	Variance
Revenue	37,089	28,669	8,420
Cost of Sales	(31,782)	(27,303)	4,480
Gross Profit	5,307	1,366	3,941
Distribution cost	(2,263)	(2,149)	113
Administrative expenses	(854)	(716)	138
Other expenses	(313)	(973)	(660)
Other income	443	420	23
Finance cost	(1,282)	(1,699)	(417)
Profit before taxation	1,038	(3,752)	4,790
Taxation	(398)	(369)	30
Profit/(Loss) after taxation	641	(4,120)	4,761
Earnings/(Loss) Per Share (Rupees)			
Basic	9.06	(61.75)	
Diluted	8.24	(56.90)	

Ratio Analysis

	30 June 2021	30 June 2020
Total Debt / Equity Ratio	68:32	73:27
Leverage Ratio	2.71	3.20
Current Ratio	1.14	1.16
Debt Service coverage Ratio (DSCR)	1.27	(0.34)
In-debttness Ratio	6.58	(23.9)
Debtors Turnover Ratio - Days	73	99
Financial Charges Coverage	1.81	(1.21)
Break-up Value (w/o Pref Shares)	156.94	125.90
Earning per Share - Basic (Rupees)	9.06	(61.75)
Earning per Share - Diluted (Rupees)	8.24	(56.90)

Revenue Growth - Last 5 Years

Rupees in Billion



Strategy of Future Business

- ❖ As there is a global economic revival, demand has drastically improved for apparel products
- ❖ US has imposed sanctions on Xinjiang/China Cotton
- ❖ As a result, MTM has tremendous growth opportunities with existing customers and also with new brands and retailers. MTM is forecasting significant growth in Exports in coming Years.
- ❖ The addition of brands and retailers with fashioned articles like Hugo Boss & CK has been added in Year 2020-21 and MTM is forecasting volume expansion in coming years.
- ❖ **During 1st Qtr 2021-22, MTM has achieved sales of PKR 12,105 Million from PKR 7,081 Million in 1st Qtr of 2019-20 (71% increased) and earned Net Profit after Tax of PKR 472 Million from Loss of PKR 195 Million (342% increased).**

Strategy of Future Business

- ❖ Operate company at optimum operations level of efficiency and capacity with increase in wealth of Shareholders.
- ❖ Placement of Customer base below 20% in one customer and 40% in one region.
- ❖ Develop new customer base in Denim and Fabric also.
- ❖ Fulfilling its all commitments when due with all stakeholder including creditors and banks.
- ❖ MTM's Management truly believed in its brand promise and focused on things that matter most – **the health and wellbeing of its staff, clients and the greater good of the communities.**

Q & A



*Thank
You*

Presented by:

Muhammad Shahid Naveed

CFO

Masood Textile Mills Limited,

Faisalabad, Pakistan