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Masood Textile Mills

Corporate Briefing Session (CBS) 30 June 2023

www.masoodtextile.com



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	17,580 as on 30-06-23
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** is a truly vertically integrated textile unit, having in house Spinning, Knitting, Fiber and Yarn dyeing, Fabric Dyeing & Processing, Laundry, Printing, Embroidery and Apparel 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 products: having wide selection of quality garments including T-shirt, Polo shirt, Jogging suit, Henley shirt, Raglan shirt, Tank top, Shorts, Pants and Sleepwear.
- **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.

Key Performance Indicators

Turnover in Rs. Billion

60.11
FY2023

54.15
FY2022



Profit after tax
in Rs. Billion

2.65
FY2023

2.28
FY2022



Earnings Per Share
Basic (Rupees)

38.54
FY2023

33.24
FY2022

Earnings Per Share
Diluted (Rupees)

34.72
FY2023

30.22
FY2022



Return on Equity

15.46%
FY2023

16.99%
FY2022



Current Ratio in Times

1.17
FY2023

1.16
FY2022



Return on Fixed Assets

17.28%
FY2023

16.26%
FY2022



Return on Total Assets

4.80%
FY2023

4.70%
FY2022

Mission & Vision

our mission



To be a dynamic, profitable and growth-oriented company by providing a good return on investment to its shareholders and investors, quality products to its customers, a secure and friendly environment place of work to its employees and to project Pakistan's image in the international market.

our vision



To be the World's Best Apparel Company.

Apparel Customer Base

JCPenney



Calvin Klein



PULL&BEAR

Pepe Jeans

s.Oliver



MANGO



VAN HEUSEN

IZOD

hunkemöller




Fabric Customer Base

MTM is an approved fabric vendor for following brands

MARKS &
SPENCER

TOMMY TOMMY
HILFIGER HILFIGER

THE CHILDREN'S
PLACE


FRUIT OF THE LOOM®



next

Sainsbury's

TESCO

PRIMARK®

PVH

 CORPORATION

Sustainability & Corporate Social Responsibility

At MTM, we are committed to a sustainable future that benefits our business, the environment, and the communities we serve. Over the years, our sustainability journey has been marked by significant achievements and a steadfast dedication to reducing our environmental foot print and upholding corporate social responsibility/

**Carbon emission
reductions by 11.09%**

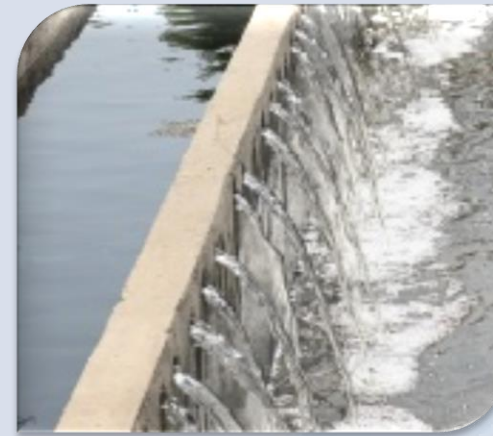


Elimination of coal usage

reducing coal usage by 67.32% and increasing biomass utilization by 54.51%



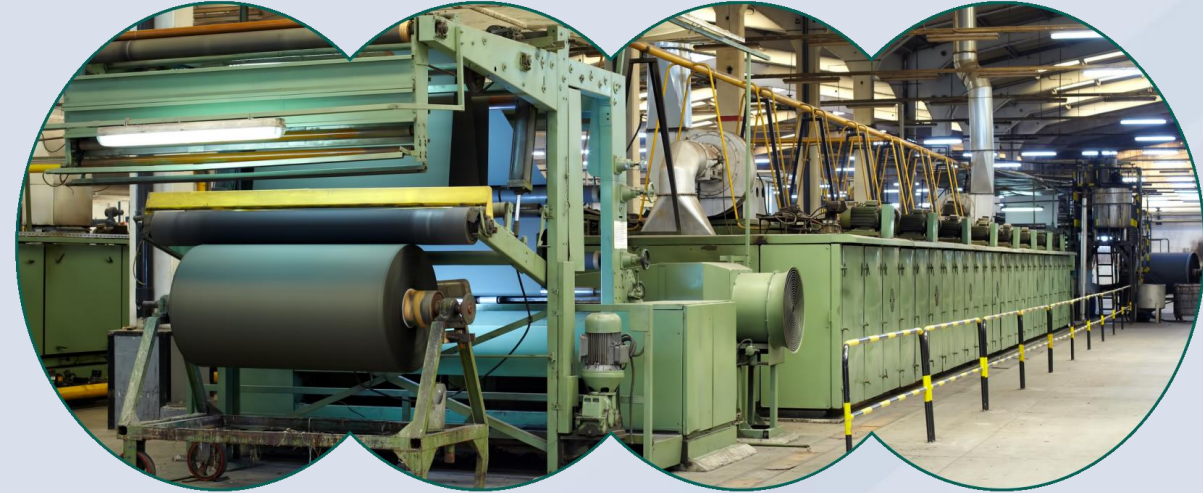
**Wastewater
Treatment**



**Zero discharge of
Hazardous chemicals
(ZDHC)**



Sustainability



Sustainable Innovations in Textile Wet Processing (TWP)



An MoU signed between UET & Masood Textile Mills (MTM) Pakistan

SGS

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MTM PARTNERS WITH SGS PAKISTAN IN THE ADOPTION OF ENERGY MANAGEMENT SYSTEM (EMS)

We are pleased to share with you that MTM has undertaken another initiative i.e. Energy Management Program at Mills.

By better managing energy, this initiative is likely to make the MTM facility more sustainable for the future. The main focus of these efforts is to reduce energy loss. In this regard, MTM has partnered with one of the leading global companies to benefit from their expertise, which will help MTM become energy efficient by improving operational excellence and reducing greenhouse gas emissions. The endeavor will initially focus on four areas as follows:

Energy Management

Energy Conservation

Energy Efficiency

Systems Optimization

This initiative is taken by Executive Director and will be implemented by Mills operations team under his leadership. We always take pride in such strides which enable us to own and display our full sense of responsibility as an organization.

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CSR - Flood Relief Activities: Feeling The Pain

- Recognizing the social responsibility, MTM contributed Rs. 25 Millions in the Prime Minister Flood Relief Fund.
- On a visit of renowned Pakistani Philanthropist Mr. Dr. Amjad Saqib, Rs. 20 Million were also donated to Akhuwat Foundation for rehabilitation of flood victims.
- MTM team organized a successful Flood Relief Camp in Bahrain-Sawat for devastated fellow countrymen.



Recognition & Prestigious Awards

MTM has received several prestigious awards and recognitions, which further highlight the company's commitment to excellence in various aspects of its operations:

Presidential Award for Occupational Safety, Health and Wellbeing - Employer Federation of Pakistan-EFP

This award reflects MTM's dedication to ensuring its employees' safety, health, and well-being. It acknowledges the company's efforts in maintaining a safe and healthy work environment.

FPCCI Award for Women Empowerment

This award recognizes MTM's initiatives and practices to empower women in the workplace. It highlights the company's commitment to gender diversity and equality.

Best Employer Award

Being recognized as the "Best Employer" is a significant achievement, indicating that MTM prioritizes its employees' well-being, professional development, and overall satisfaction. It showcases the company's dedication to fostering a positive work environment.



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

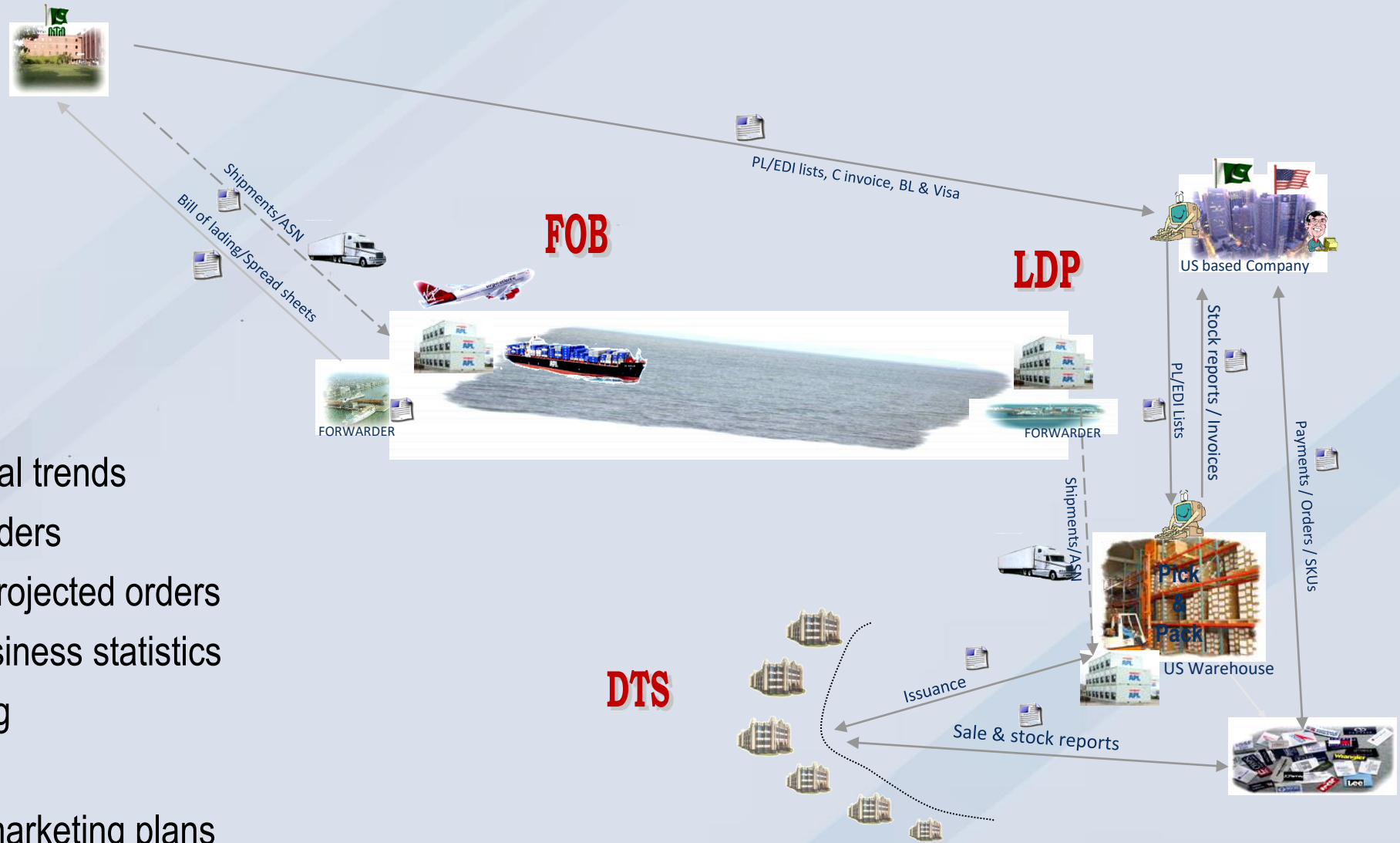
MTM has taken initiative to adopt Lean Manufacturing best practices in its production facility by using RFID (Radio Frequency Identification) Technology into its production lines. This RFID technology helps real time production activity and item tracking. Each process of garment is integrated with this 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

Production Capacities

Being one of the few vertically integrated textile mill in Pakistan, MTM has a dependable capacity to produce 825,000-850,000 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 46,908 Spindles (Producing Fashion yarns, mélanges, Injection Slub, Chain yarns in multiple fiber blends)
Open End	4,760 Routers (Producing mélanges , fancy yarn)
Fiber / Yarn Dyeing	14.444 Tons Per Day
Knitting	Active Machines - 777 & Seasonal Machines – 143
Dyeing and Finishing	Installed Capacity - 110-120 Tons per Day
Garments	5,000 Machines
Cutting	84.4 Tons per day
Auto Placket	90,000 pieces per day
Laundry	22 tons per Day for Washing, garment Dyeing & Tumble (14.2 tons per Day with Mix Process)
Embroidery	10,260 SAM/Day
Printing	113,770 pieces per day (Digital, Hybrid & Screen)

Six Years Financial Results

Rupees in Million

DESCRIPTION	2023	2022	2021	2020	2019	2018
Revenue	60,106	54,147	37,089	28,668	34,211	30,842
Cost of Sales	(52,018)	(47,605)	(31,782)	(27,303)	(30,418)	(26,991)
Gross Profit	8,088	6,542	5,307	1,366	3,794	3,851
Distribution cost	(3,815)	(3,350)	(2,263)	(2,149)	(2,450)	(2,063)
Administrative expenses	(1,234)	(998)	(854)	(716)	(698)	(549)
Other expenses	(191)	(115)	(313)	(973)	(49)	(108)
Other income	3,841	2,405	443	420	2,353	1,071
Finance cost	(3,199)	(1,473)	(1,281)	(1,699)	(1,203)	(896)
Profit / (Loss) before taxation	3,490	3,011	1,038	(3,752)	1,748	1,305

Ratio Analysis

Key Ratio	30 June 2023	30 June 2022
Total Debt / Equity Ratio	59:41	64:36
Leverage Ratio	2.21	2.59
Current Ratio	1.17	1.16
Debt Service coverage Ratio (DSCR)	1.67	1.06
Indebtness Ratio	3.19	4.28
Total Debt to Total Sales	41.39%	44.20%
Financial Charges Coverage	2.44	3.79
Break-up Value	250.97	195.88
Earning per Share - Basic (Rupees)	38.54	33.24
Earning per Share - Diluted (Rupees)	34.72	30.22

Last Six Years Financial Highlights

Sales



Gross Profit



Return on Equity



Return on Fixed Assets



Last Six Years Financial Highlights

Current Ratio



Leverage Ratio



Market price vs Break up value per share



Indebtness Ratio



— Market price per share — Break up value per share

Product Line



Product Line



Employee Training

MTM has conducted various training session / workshops for its employees like:

- Leadership with impact – Key to success
- Time & Stress Management
- Professional Ethics & Change Management
- MS office Programme - Need Assessment
- Proficiency in Business English
- System thinking & Design
- People's Manger Tool Kits – Leadership – The care & Growth Model
- Technical Training Programme in collaboration with Mayer & Cie
- Supervisory Skill for Lean Organization (SSLO)
- Training Session on Women Empowerment
- NAVTTC Training Session



Growth opportunities and Future Strategy

- ❖ 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 growth coming Years.
- ❖ The addition of brands and retailers with fashioned articles like Hugo Boss & CK have been added in Year 2020-21 and MTM is forecasting volume expansion with these customers in coming years.
- ❖ Despite of Global recession, MTM is expecting to maintain sale volume and profitability in Year 2023-24 as it was in year 2022-23.
- ❖ Operate company at optimum operations level of efficiency and capacity
- ❖ Placement of Customer base below 20% in one customer and 50% in one region.
- ❖ Develop new customer base with fashioned articles.
- ❖ Fulfilling its all commitments when due with all stakeholder including creditors and banks.
- ❖ Commitment of sponsors with the overall goal of MTM.
- ❖ 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.**

*Thank
You*

Presented by:

Muhammad Shahid Naveed

CFO

***Masood Textile Mills Limited,
Faisalabad, Pakistan***