



NISHAT MILLS LIMITED

**Corporate Briefing Session
For the year ended 30 June 2019**

Contents



- Group Profile
- Company Profile
- Management
- Business Segments
- Investments Portfolio
- Financial Performance Highlights
- Latest Financial Results
- Future Outlook

Group Profile



- One of the largest and leading business group in Pakistan
- Highly diversified and have strong presence in Textiles, Cement, Banking, Insurance, Power Generation, Hotel Business, Agriculture, Dairy, Real Estate, Aviation and Paper Products
- Assets over Rupees 2,000 billion
- Provider of direct employment to around 41,000 persons
- Seven Companies are listed on Pakistan Stock Exchange
- Has played an important role in the industrial development of Pakistan

Company Profile

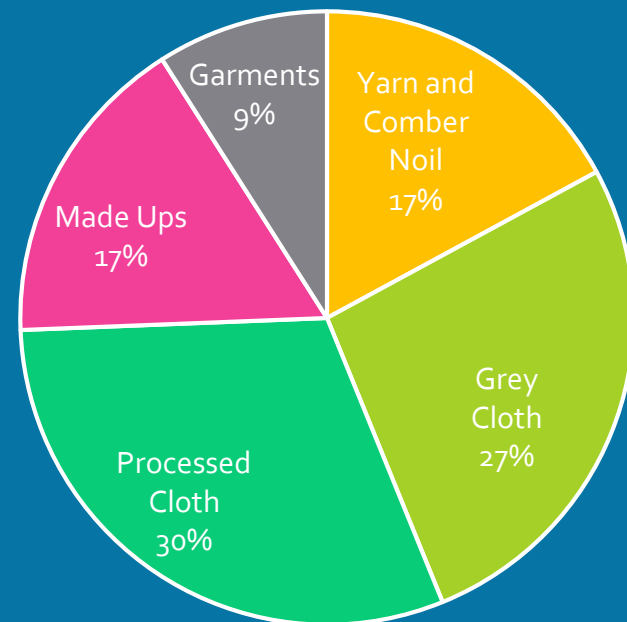


- Flagship Company of Nishat Group.
- Commenced its business as a partnership firm in 1951
- Incorporated as a private limited company in 1959.
- Listed on Karachi Stock Exchanges on 27 November, 1961
- Largest vertically integrated mill in the country with the largest production facilities in spinning, weaving, processing, stitching and power generation.
- Overall the Company has 32 manufacturing units each specializing in a specific product range located at Faisalabad, Bhikki, Ferozewatwan and Lahore.
- Provides employment to around 18,000 individuals.

Company Profile (continued)



- The largest composite textile unit and has excellent product mix.
- Output ranges from yarn to value added products such as made-ups and garments.
- Major focus is on value addition



Company Profile (continued)



- Export oriented Company and Top Exporter of the country
- Working relationship with top brands of the world
- Major portion of Company's earnings is export based. The Company has achieved significant geographical diversification in its export sales mix over the years

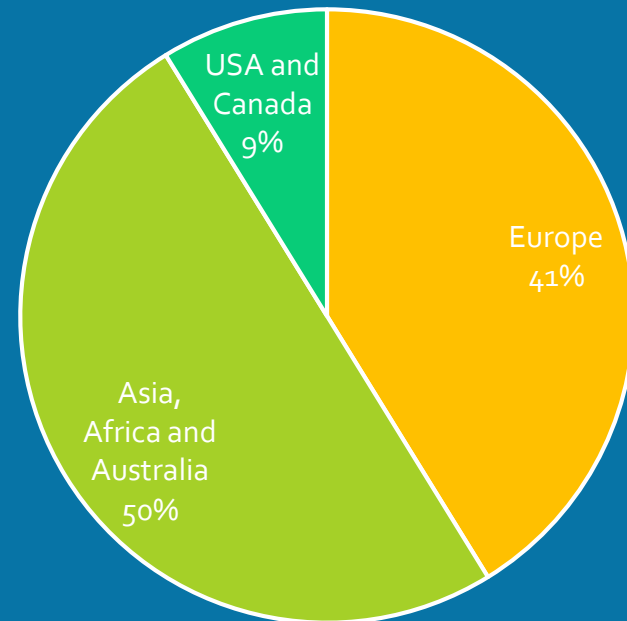
Geographical Spread

	2019	2018
	Rupees in billion	
Europe	19.94	17.05
Asia, Africa & Australia	24.19	19.43
USA & Canada	4.26	3.84
Total Export Sales	48.39	40.32

Company Profile (continued)



- Leading exporter with almost 3% share in Pakistan's textile exports
- Earner of precious foreign exchange of around US\$ 353 million per annum
- Earned FPCCI President of Pakistan Trophy for a number of years.



Company Profile (continued)



- Established its own power generation facilities at all plant locations
- Top quality and highly competent professional resources
- First prize for the Best Corporate Report Award for the financial year 2012, 2014 and 2015 by the Joint Committee of ICAP and ICMAP
- A Green Company and has got certificates of ISO-9001, OEKO-Tex 100, SA-8000, WRAP and C-TPAT
- Excellent credit ratings of AA for long term and A1+ for short term from PACRA
- Total market capitalization is Rs. 36 billion

Company Profile (continued)



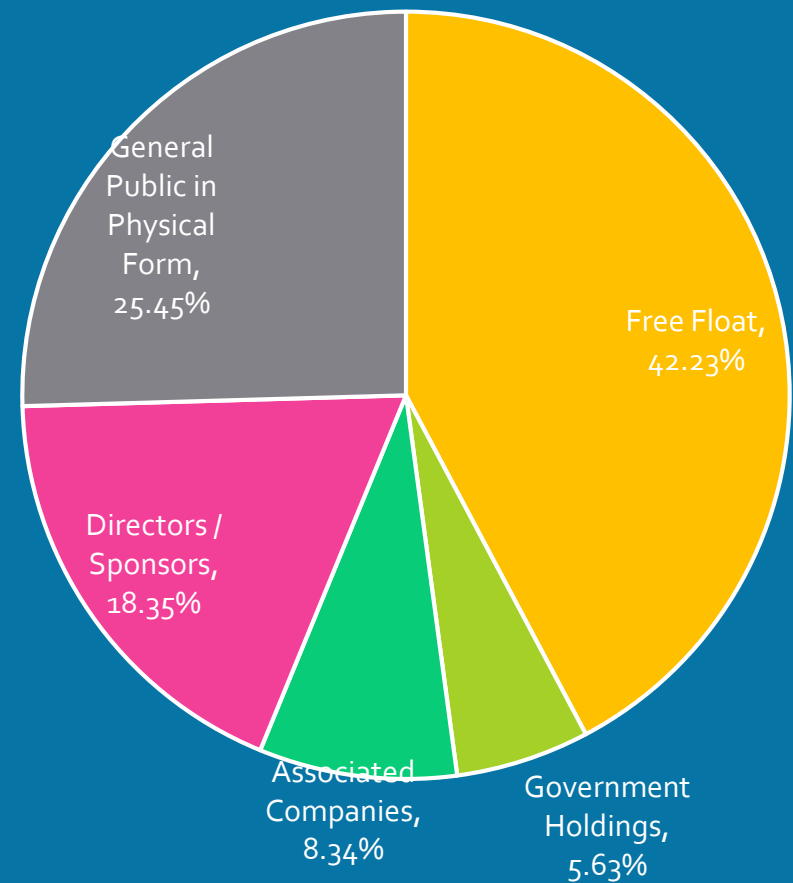
Pattern of Shareholding as on 30 September 2019

Category	Number of holders	Shares held	Percentage
Individuals	10,843	175,992,571	50.05
Foreign Investors	75	48,817,263	13.88
Modaraba / Mutual Funds	112	41,787,469	11.88
Joint Stock Companies	176	37,783,746	10.75
Insurance Companies	20	24,138,324	6.87
Financial Institutions	40	15,049,694	4.28
Investment Companies	7	334,739	0.1
Miscellaneous	81	7,696,042	2.19
Total	11,354	351,599,848	100

Company Profile (continued)



Free float shares are 148,492,658 out of total outstanding shares of 351,599,848 which make up 42.23 %.



Management



Board of Directors

- Mian Umer Mansha
- Mian Hassan Mansha
- Syed Zahid Hussain
- Mr. Mahmood Akhtar
- Mr. Farid Noor Ali Fazal
- Mr. Ghazanfar Husain Mirza
- Mr. Maqsood Ahmad

Chief Executive Officer
Chairman
Director
Director
Director
Director
Director

Audit Committee

- Syed Zahid Hussain
- Mr. Mahmood Akhtar
- Mr. Farid Noor Ali Fazal

Chairman / Member
Member
Member

HR & R Committee

- Syed Zahid Hussain
- Mian Umer Mansha
- Mr. Mahmood Akhtar

Chairman / Member
Member
Member

Business Segments (continued)



Spinning

- Production capacity of 82.283 million kgs of yarn per annum. Capacity utilization 88.49%.
- Average PC yarn mix of 75% cotton and 25% polyester.

Weaving

- Production capacity of 313.718 million square meters of fabric per annum. Capacity utilization 95.68%

Dyeing

- Dyeing capacity of 56.400 million meters of fabric per annum. Capacity utilization 87.58%.

Home Textile

- Processing capacity of 60 million meters of fabric per annum. Capacity utilization 89.46%

Garments

- Production capacity of 10 million garments per annum. Capacity utilization 64.13%

Power

- Generation and distribution of power using gas, furnace oil, diesel, steam, solar and coal.
- Built-in power generation capacity of 137 MW. Capacity utilization 49.37%.

Business Segments (continued)



Spinning	• Faisalabad-Nishatabad	125,760 Spindles
	• Faisalabad-Sahianwala	49,536 Spindles
	• Ferozewatwan	64,272 Spindles and 1,200 Rotars
Weaving	• Bhikki	586 Air Jet Looms
	• Lahore	204 Air Jet Looms
Dyeing	• Lahore	3 Thermosol Dyeing Machines
Home Textile	• Lahore	2 Thermosol Dyeing Machines 4 Rotary Printing Machines 9 Digital Printing Machines 1,454 Sewing Machines
	• Lahore	1,450 Sewing Machines
	• Faisalabad	2 Power Plants
	• Ferozewatwan	1 Power Plant
Garments	• Lahore	4 Power Plants
	• Bhikki	1 Power Plant
Power	• Faisalabad	2 Power Plants
	• Ferozewatwan	1 Power Plant
	• Lahore	4 Power Plants
	• Bhikki	1 Power Plant

Investment Portfolio



Sr.	Company	Relationship	Holding Percentage	No of shares held on 30 June 2019	Market/ Fair value on 30 June 2019	Cost on 30 June 2019	Dividend Income during last 10 years
				Rupees in thousand		
1	Nishat Power Limited	Subsidiary	51.01	180,632,955	1,806,329	1,806,329	5,057,722
2	Nishat Linen Trading LLC	Subsidiary	100	10,000	259,403	259,403	-
3	Nishat Linen (Private) Limited	Subsidiary	100	1,067,913	261,603	261,603	-
4	Nishat USA Incorporation	Subsidiary	100	200	3,547	3,547	-
5	Nishat Hospitality (Private) Limited	Subsidiary	100	129,499,901	1,294,999	1,294,999	-
6	Nishat International FZE	Subsidiary	100	18	501,112	501,112	-
7	Nishat Commodities (Private) limited	Subsidiary	100	1,000	10	10	-
8	Hyundai Nishat Motor (Private) Limited	Associated	12	66,000,000	660,000	660,000	-
9	DG Khan Cement Company Limited	Associated	31.40	137,574,201	7,778,445	3,418,145	4,230,407
10	Nishat Paper Products Company Limited	Associated	25	11,634,199	168,231	106,802	52,353
11	Lalpir Power Limited	Associated	28.80	109,393,555	1,422,116	1,640,306	2,292,292
12	Pakgen Power Limited	Associated	27.55	102,524,728	1,453,801	1,272,194	2,191,057
13	Nishat Dairy (Private) Limited	Associated	12.24	60,000,000	481,800	496,200	-
14	Nishat Hotels and Properties Limited	Associated	7.40	74,022,917	1,018,555	740,229	-
15	Adamjee Insurance Company Limited	Related Co.	0.03	102,809	3,603	2,116	2,028
16	MCB Bank Limited	Related Co.	7.43	88,015,291	15,354,268	10,208,262	10,615,978
17	Nishat (Chunian) Limited	Related Co.	13.61	32,689,338	1,144,781	378,955	601,038
18	Security General Insurance Company Limited	Related Co.	15.02	10,226,244	676,364	11,188	409,049
19	Pakistan Petroleum Limited	Investee	0.02	499,999	72,215	64,409	15,760
20	Alhamra Islamic Stock Fund	Investee	-	1,108,714	9,546	3,025	2,074
Total investments					34,370,728	23,128,834	25,469,758

Financial Performance Highlights

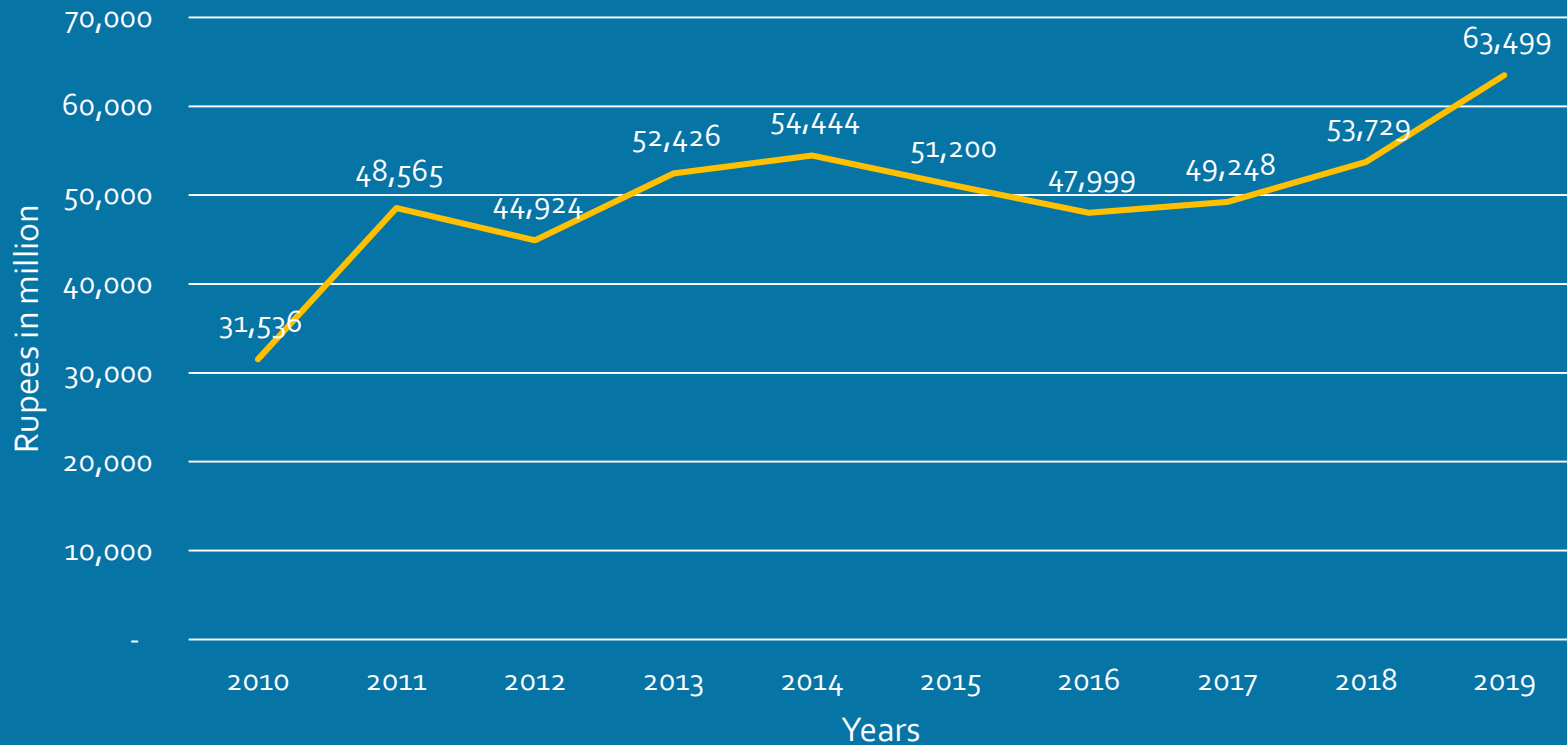


		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Inc / (Dec)
Revenue	Rs. (million)	31,536	48,565	44,924	52,426	54,444	51,200	47,999	49,248	53,729	63,499	9,770
Export Sales	Rs. (million)	24,223	36,481	34,808	39,633	42,903	40,020	36,090	37,727	40,321	48,392	8,071
Gross Profit	Rs. (million)	5,980	7,846	6,789	9,044	7,864	6,047	6,239	5,380	5,550	7,657	2,107
Net Profit	Rs. (million)	2,915	4,844	3,529	5,847	5,513	3,912	4,923	4,262	4,097	5,859	1,762
Gross Profit Ratio	%	18.96%	16.16%	15.11%	17.25%	14.44%	11.81%	13.00%	10.92%	10.33%	12.06%	1.73%
Net Profit Ratio	%	9.24%	9.97%	7.85%	11.15%	10.13%	7.64%	10.26%	8.65%	7.63%	9.23%	1.60%
Dividend per share	Rs.	2.50	3.30	3.50	4.00	4.00	4.50	5.00	5.00	4.75	4.00	(0.75)
Earning per share	Rs.	10.5	13.78	10.04	16.63	15.68	11.13	14	12.12	11.65	16.66	5.01
Interest Cover	Times	3.92	4.38	3.32	4.93	4.71	3.52	6.47	6.49	5.99	5.13	(0.86)
Current Ratio		1.11	1.2	1.31	1.51	1.34	1.26	1.32	1.28	1.37	1.26	(0.11)
Gearing Ratio		25.53	29.23	27.33	21.77	24.7	19.88	17.22	19.89	20.77	27.31	6.54
Shareholders' equity	Rs. (million)	31,376	35,394	37,763	58,917	68,589	76,143	82,155	88,763	75,713	66,615	(9,098)
Return on equity	%	11.50%	14.51%	9.65%	12.10%	8.65%	5.41%	6.22%	4.99%	4.98%	8.23%	3.25
Market Price	Rs.	43.12	50.34	47.58	94.21	111.92	114.23	107.90	158.68	140.92	93.34	(47.58)
Break-up Value	Rs.	89.24	100.67	107.40	167.57	195.08	216.56	233.66	252.45	215.34	189.46	(25.88)
Total Assets	Rs. (million)	46,182	54,089	56,626	80,635	97,049	101,140	106,599	117,530	102,736	100,545	(2,191)

Financial Performance Highlights (continued)



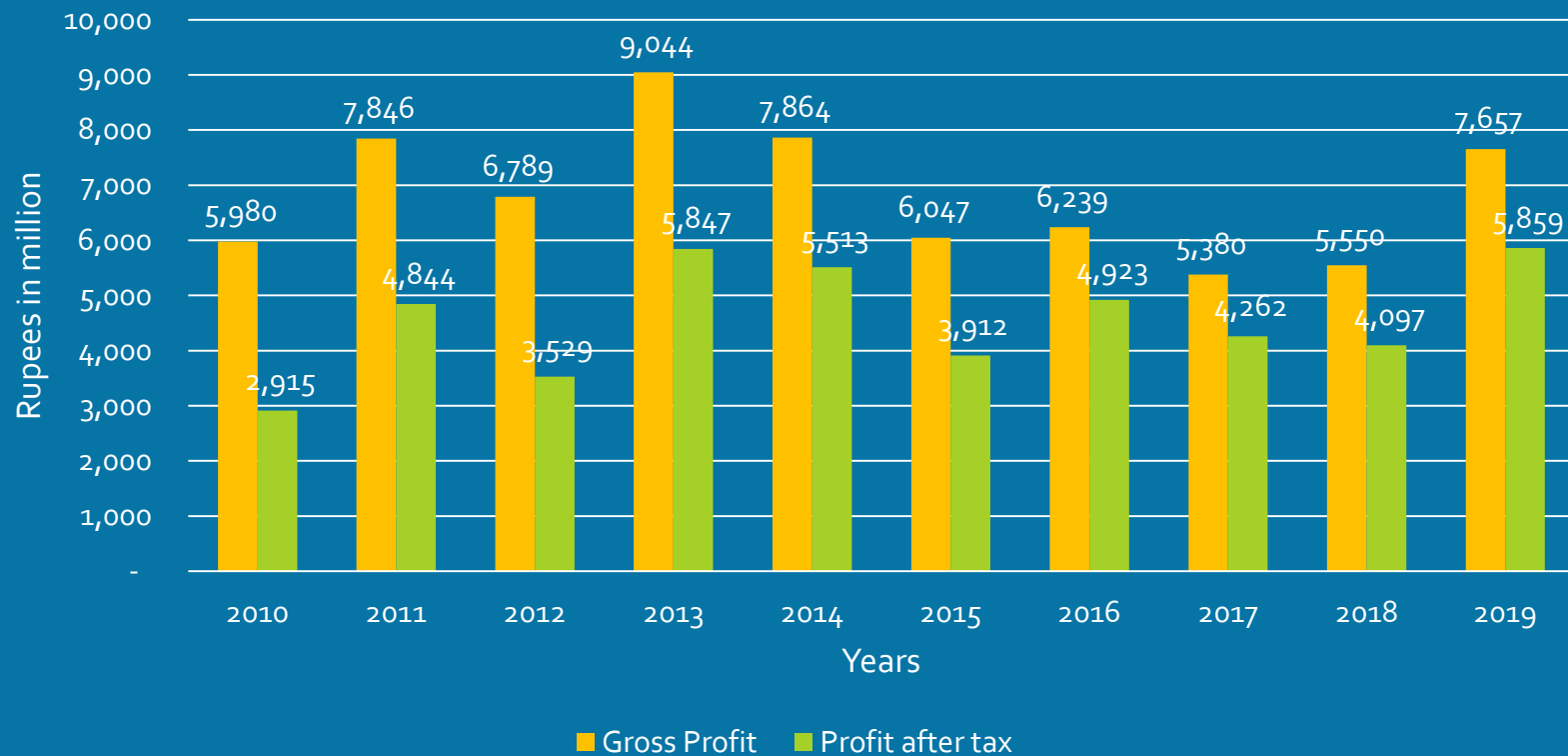
Revenue



Financial Performance Highlights (continued)



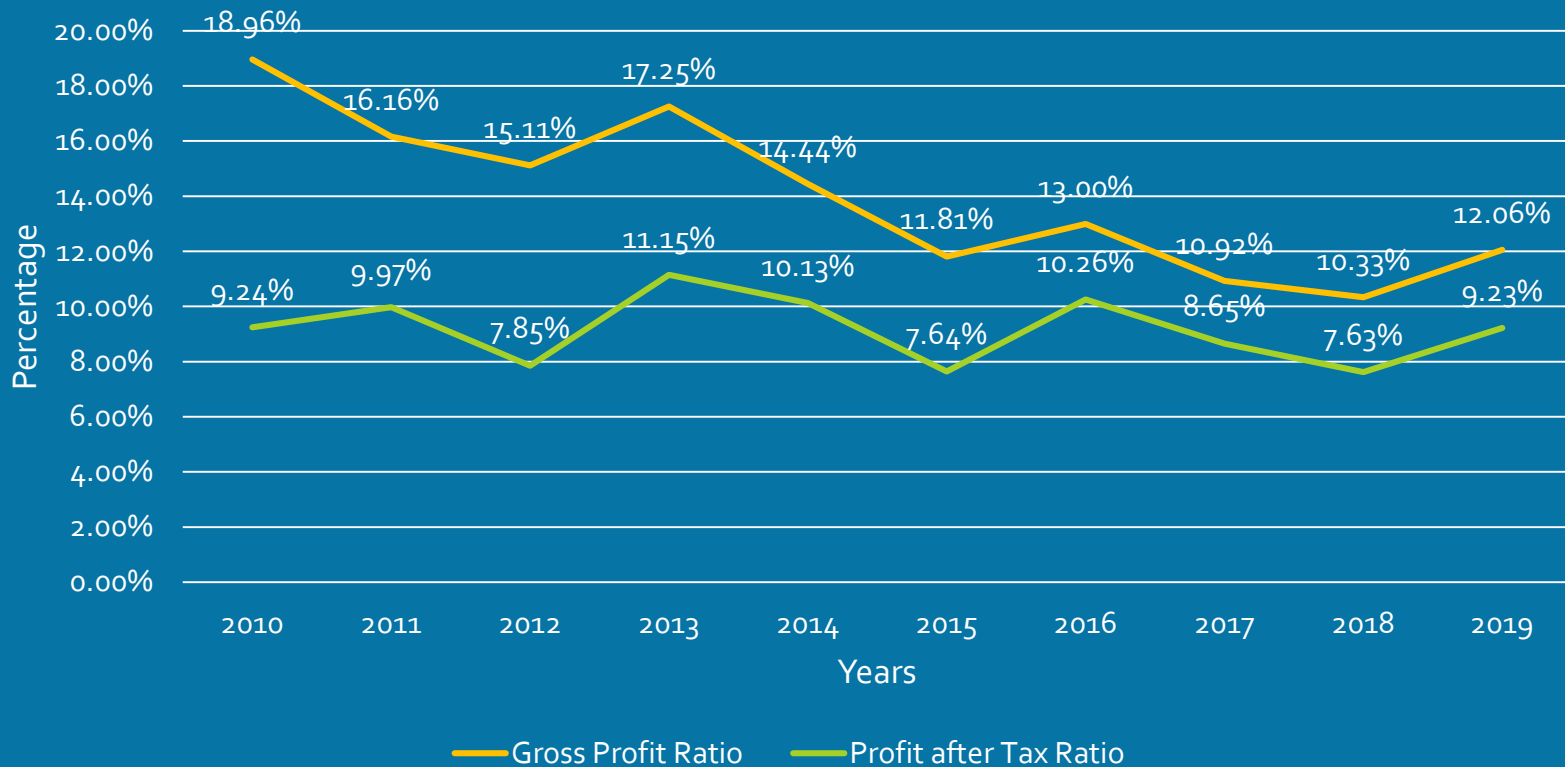
Gross Profit and Profit after Tax



Financial Performance Highlights (continued)



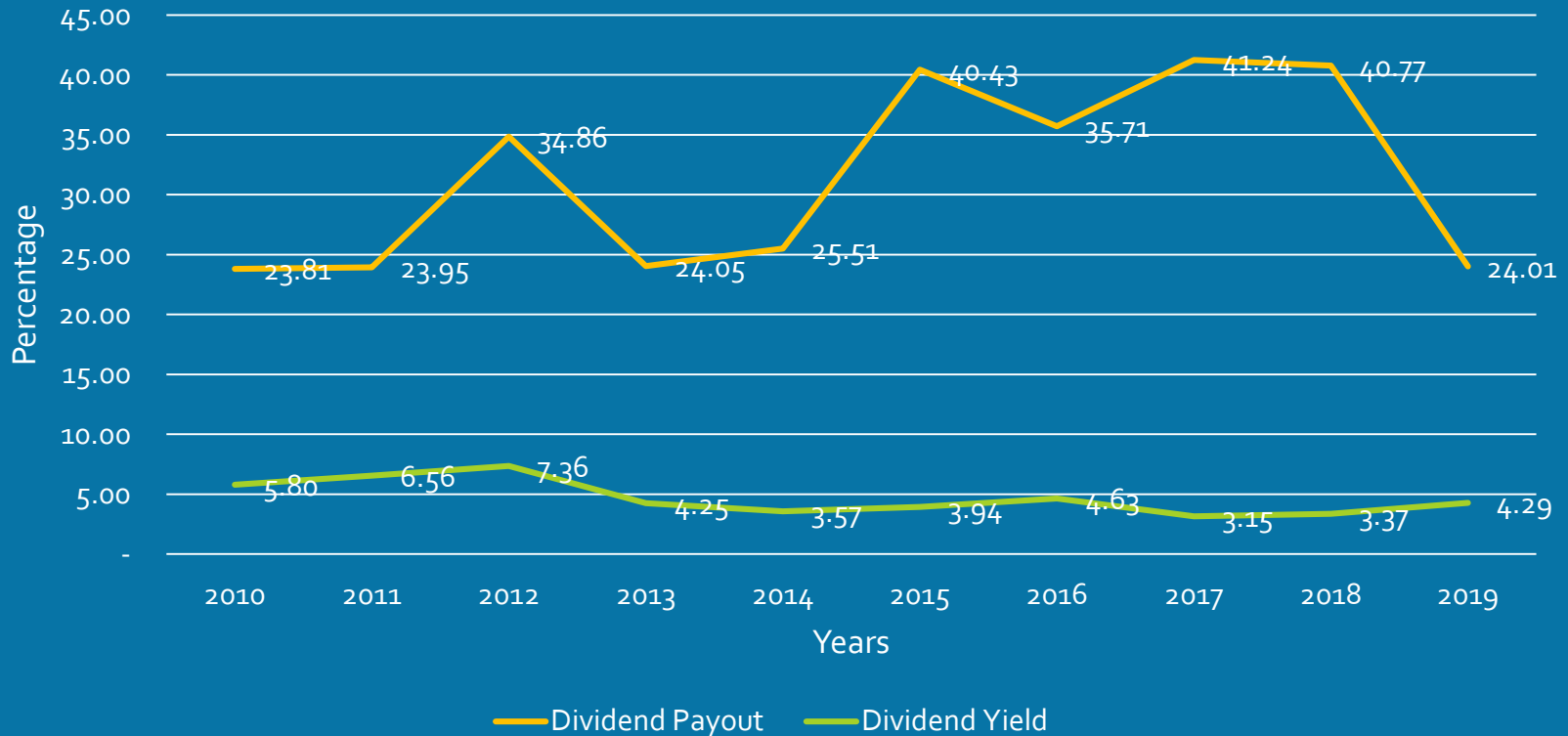
Gross Profit and Profit after Tax to Revenue Ratios



Financial Performance Highlights (continued)



Dividend Payout & Dividend Yield



Financial Performance Highlights (continued)



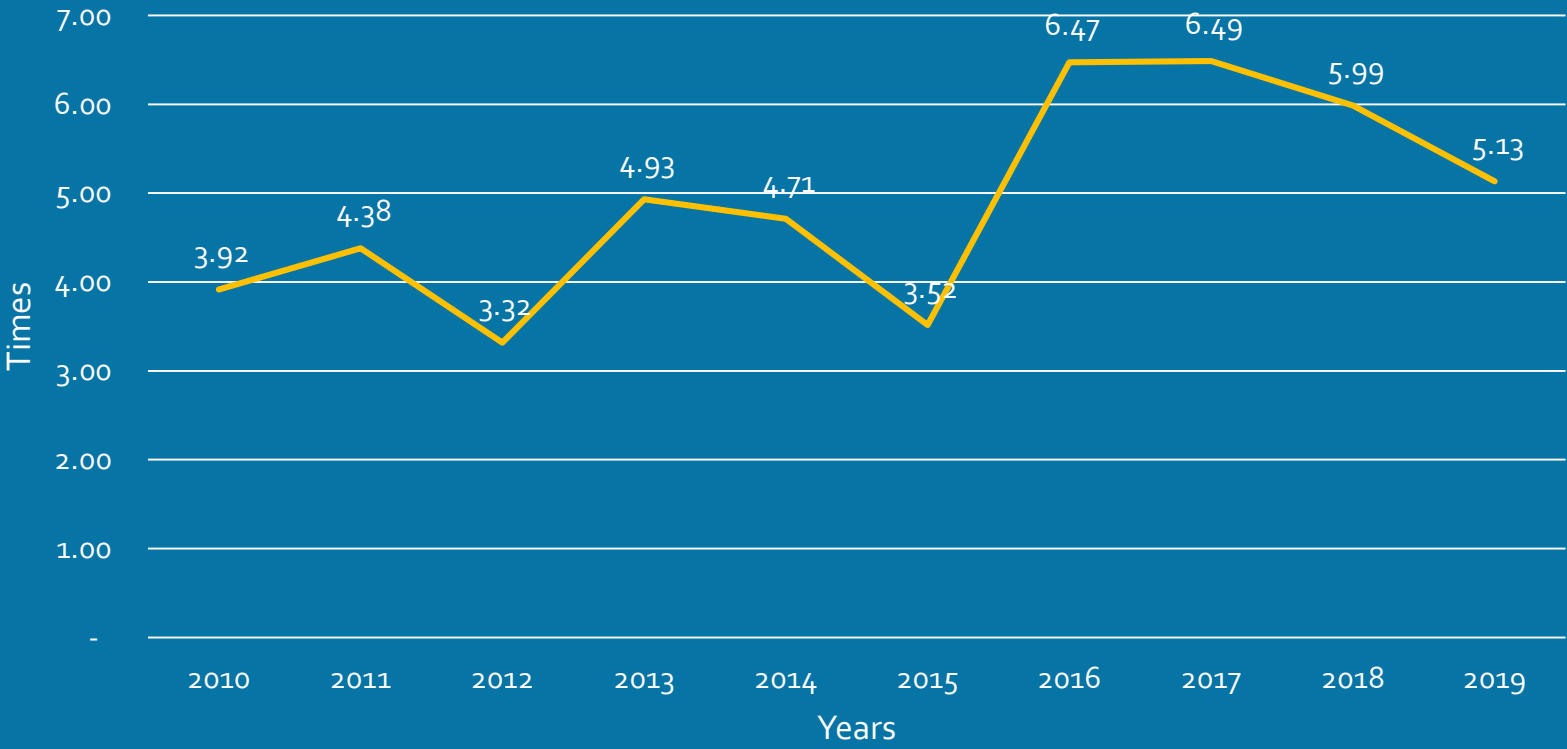
Earnings per Share & Dividend per Share



Financial Performance Highlights (continued)



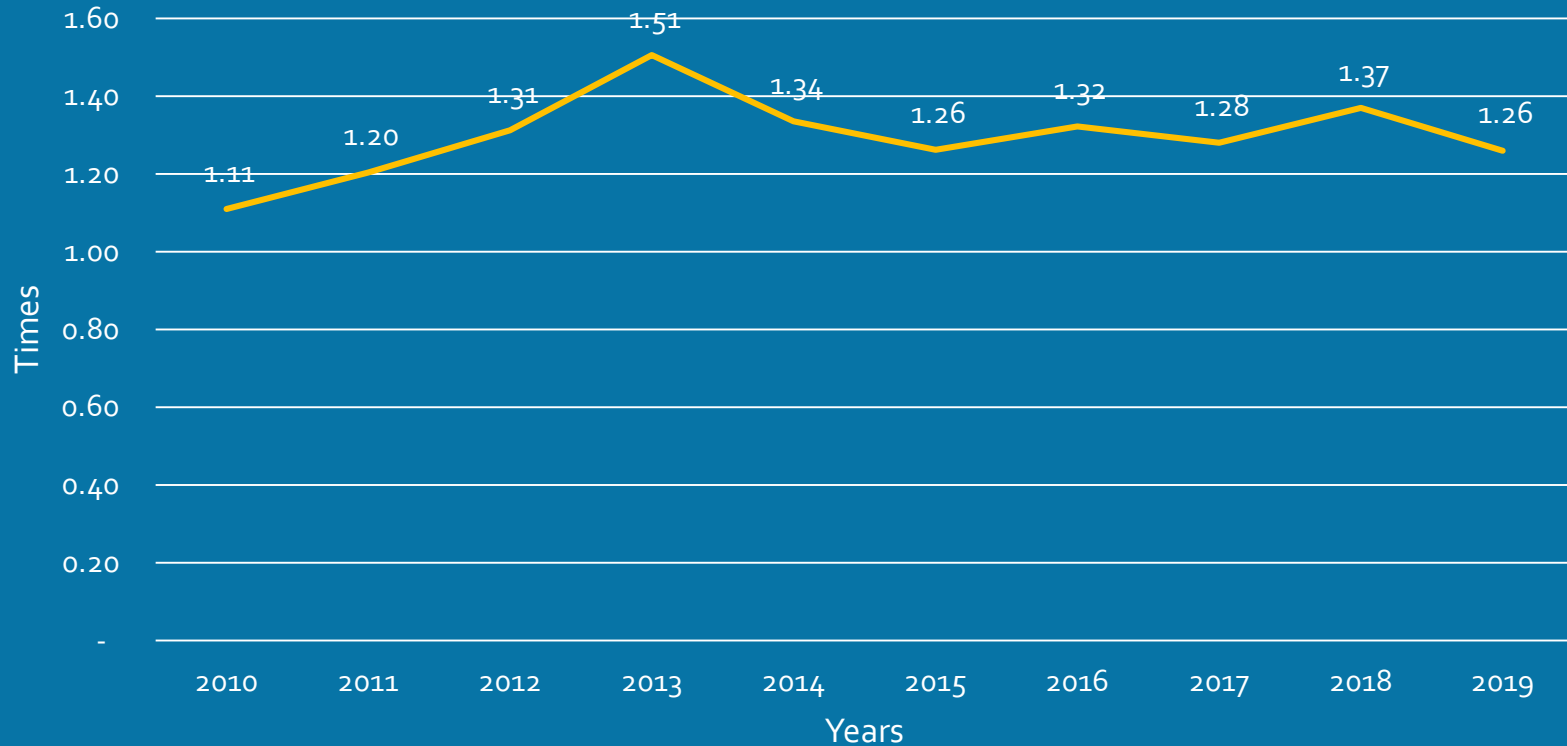
Interest Cover Ratio



Financial Performance Highlights (continued)



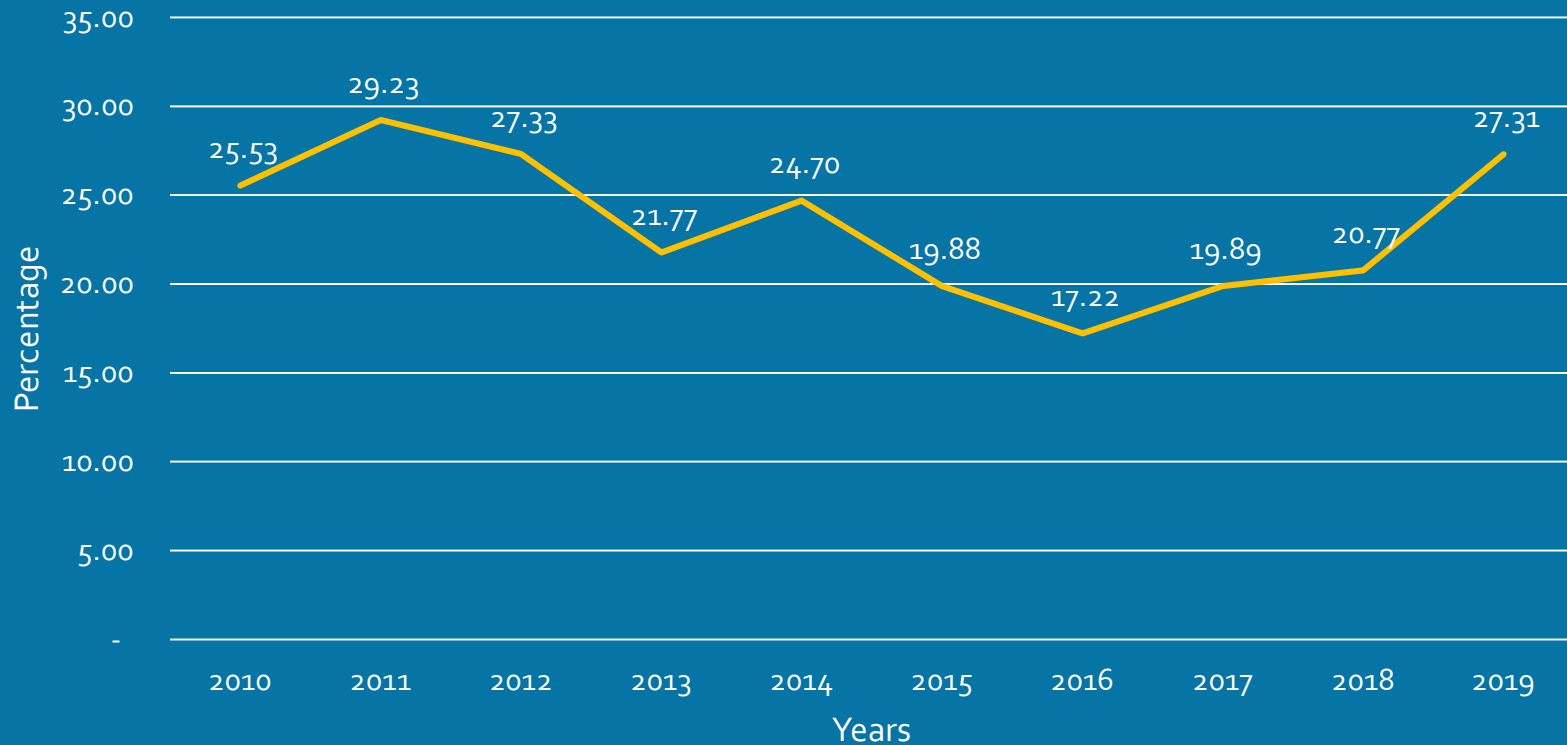
Current Ratio



Financial Performance Highlights (continued)



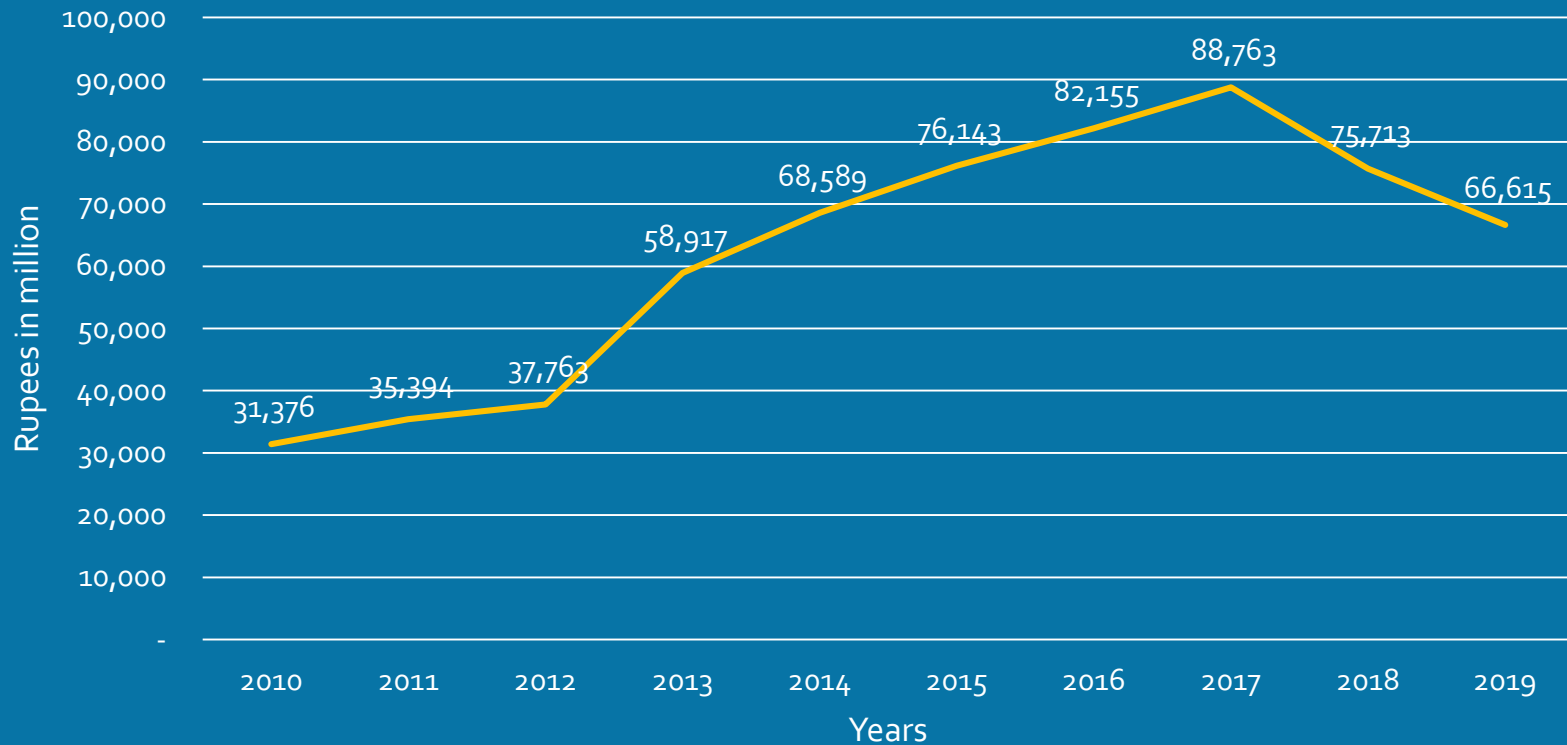
Gearing Ratio



Financial Performance Highlights (continued)



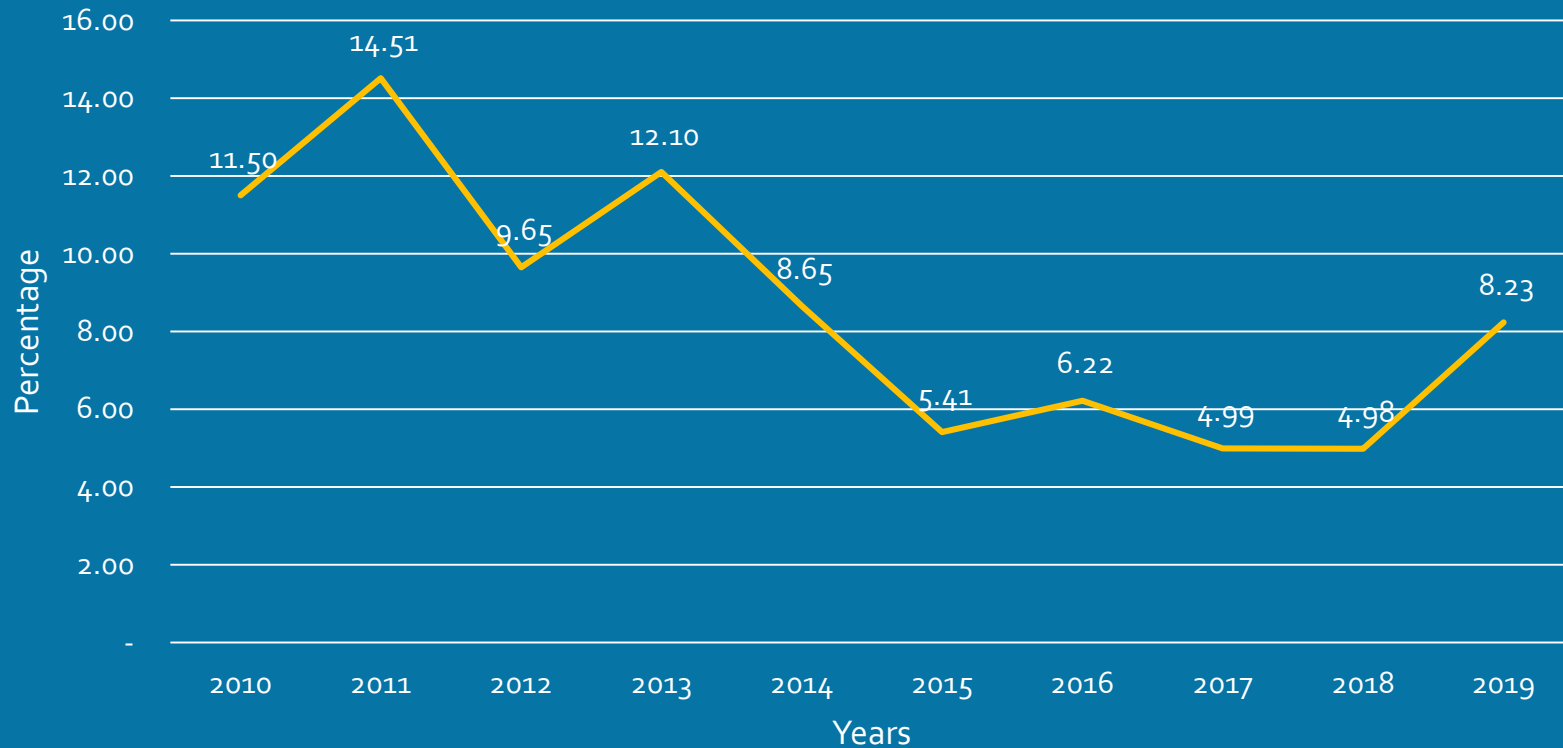
Shareholders' Equity



Financial Performance Highlights (continued)



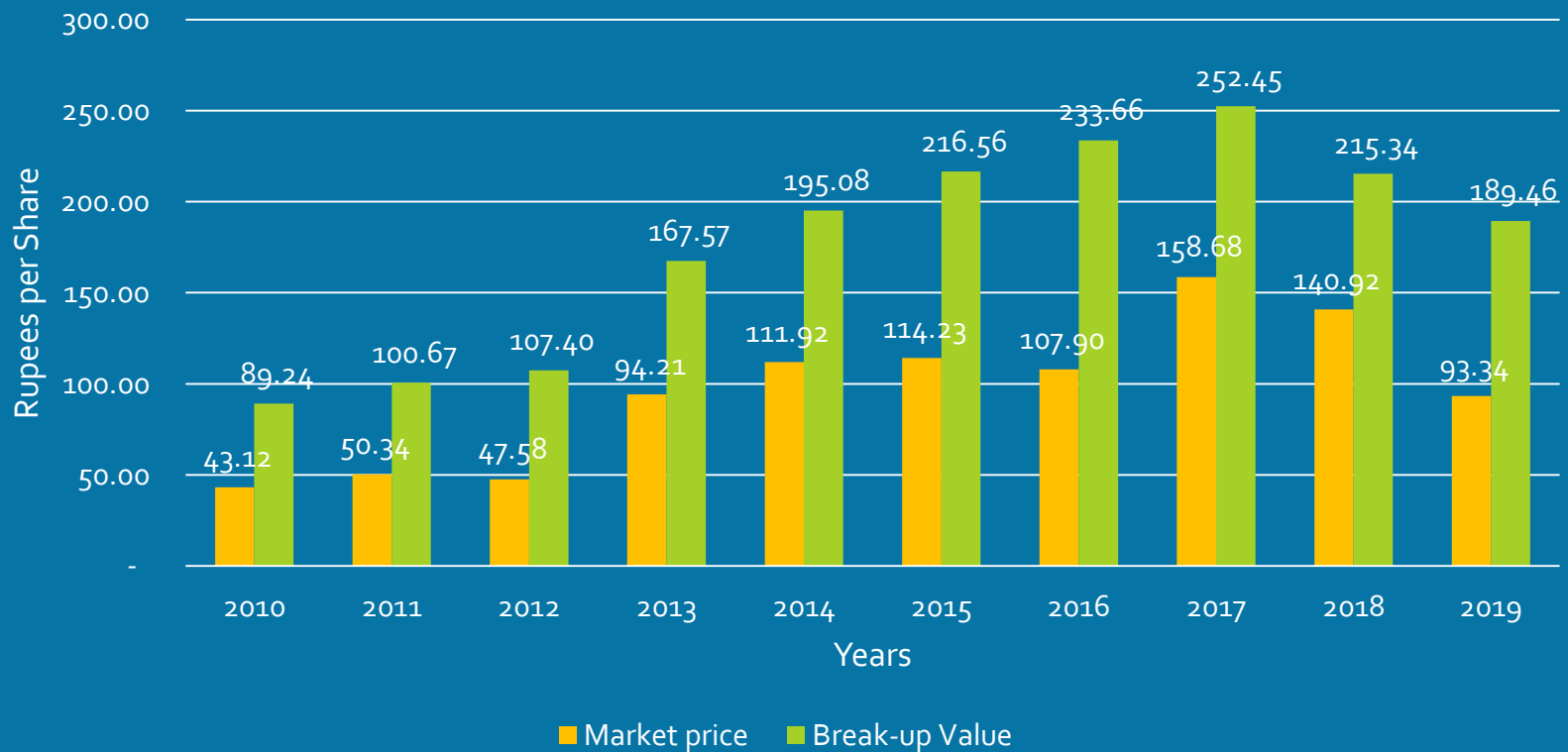
Return on Equity



Financial Performance Highlights (continued)



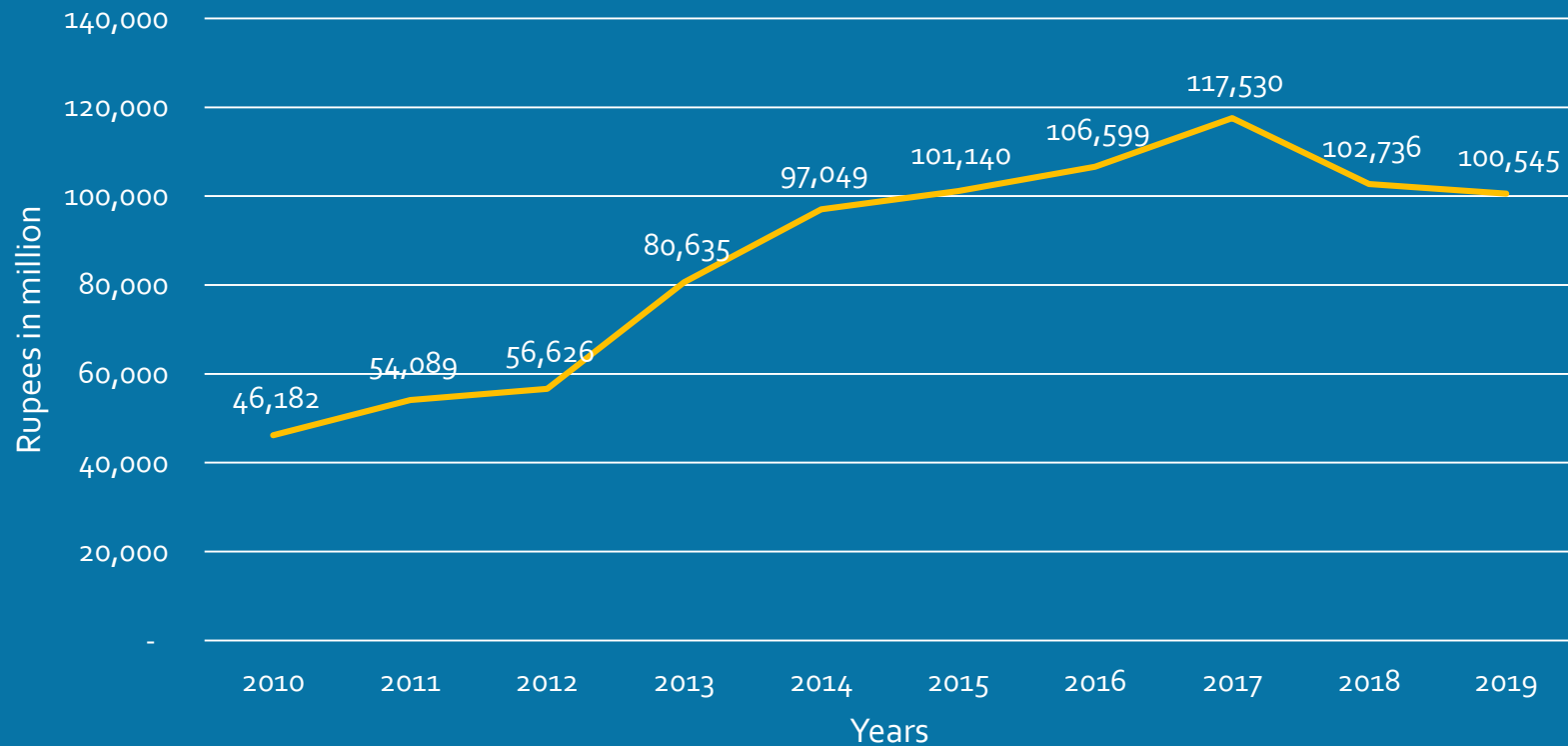
Share Price Analysis



Financial Performance Highlights (continued)



Total Assets



Latest Financial Results

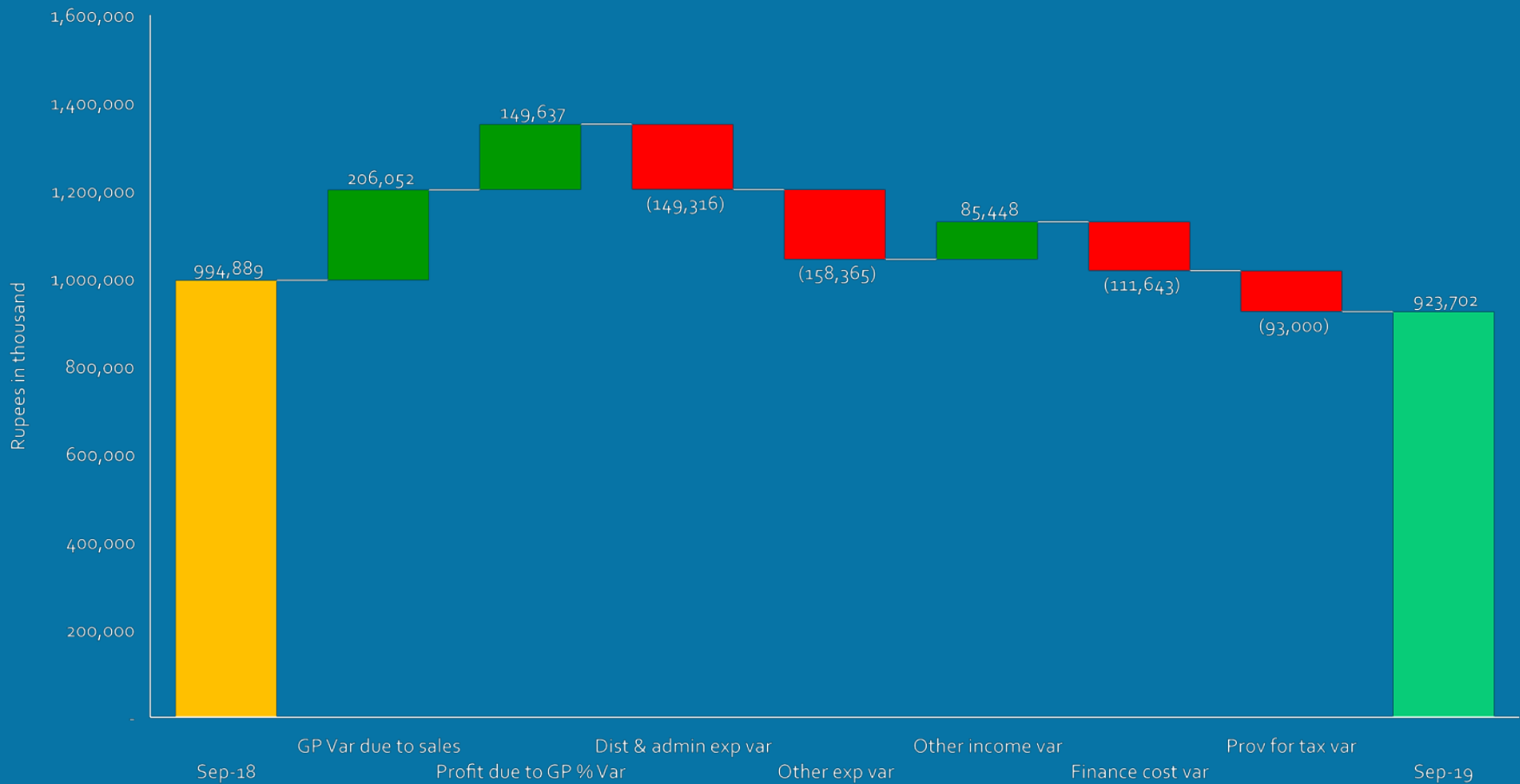


	Quarter ended		Variance	
	30-Sep-19	30-Sep-18		%
(Rupees in thousands).....			
Revenue	15,933,130	14,297,798	1,635,332	11.44
Cost of Sales	(13,775,848)	(12,496,205)	(1,279,643)	10.24
Gross Profit	2,157,282	1,801,593	355,689	19.74
Distribution & Admin Expenses	(1,044,978)	(895,662)	(149,316)	16.67
Other Expenses	(215,257)	(56,892)	(158,365)	278.36
Other Income	596,717	511,269	85,448	16.71
	(663,518)	(441,285)	(222,233)	50.36
Profit from Operations	1,493,764	1,360,308	133,456	9.81
Finance Cost	(324,062)	(212,419)	(111,643)	52.56
Profit before Taxation	1,169,702	1,147,889	21,813	1.90
Provision for Taxation	(246,000)	(153,000)	(93,000)	60.78
Profit after Taxation	923,702	994,889	(71,187)	(7.16)
Earnings per Share	2.63	2.83	(0.20)	(7.07)
Gross Profit Margin (% of Revenue)	13.54	12.60	0.94	7.46
Net Profit Margin (% of Revenue)	5.80	6.96	(1.16)	(16.67)

Latest Financial Results Continued



Profit Variance Analysis



Latest Financial Results Continued



	30 September 2019	30 Jun 2019	Variance	
(Rupees in thousands).....			%
Assets				
Non-current assets				
Property, plant and equipment	29,477,142	28,968,219	508,923	1.76
Long term investments	33,356,179	34,930,333	(1,574,154)	(4.51)
Other non-current assets	831,121	849,580	(18,459)	(2.17)
	<u>63,664,442</u>	<u>64,748,132</u>	<u>(1,083,690)</u>	<u>(1.67)</u>
Current assets				
Stores, spares and loose tools	3,030,363	3,102,988	(72,625)	(2.34)
Stock in trade	14,616,848	17,008,459	(2,391,611)	(14.06)
Other current assets	18,976,876	15,685,813	3,291,063	20.98
	<u>36,624,087</u>	<u>35,797,260</u>	<u>826,827</u>	<u>2.31</u>
Total assets	<u>100,288,529</u>	<u>100,545,392</u>	<u>(256,863)</u>	<u>(0.26)</u>
Liabilities				
Non-current liabilities				
Long term financing	5,427,406	5,259,927	167,479	3.18
Deferred tax	215,440	215,440	-	-
	<u>5,642,846</u>	<u>5,475,367</u>	<u>167,479</u>	<u>3.06</u>
Current liabilities				
Short term and current portion of long term borrowings	19,921,534	19,766,732	154,802	0.78
Other current liabilities	9,220,945	8,688,023	532,922	6.13
	<u>29,142,479</u>	<u>28,454,755</u>	<u>687,724</u>	<u>2.42</u>
Share capital and reserves	65,503,204	66,615,270	(1,112,066)	(1.67)
Total liabilities and equity	<u>100,288,529</u>	<u>100,545,392</u>	<u>(256,863)</u>	<u>(0.26)</u>

Future Outlook



- Hyundai Nishat Motor (Private) Limited
- Investment in Nishat Sutas Dairy Limited
- Expansion of Spining Segment
- Expansion Weaving Segments
- Setting up Towel manufacturing project
- Bulk buying of cotton and fabric
- Exploration of new markets and expanding customer
- Finding of lower cost alternative of power supply

Questions and Answer

Thank you