



# GATRON (INDUSTRIES) LIMITED

CORPORATE BRIEFING

FOR THE FINANCIAL RESULTS 2023

Date : 27th October 2023

Venue : Serena Hotel, Quetta, Balochistan

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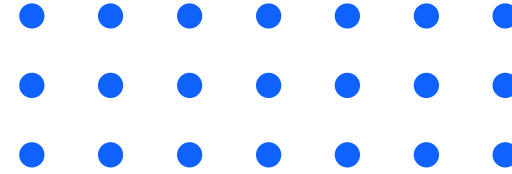
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- **Company Presence**
  - **Company's Overview**
  - **Strategic/Operational Developments**
  - **Financial highlights FY 2023**
  - **Business Analysis**
  - **Ratio Analysis**
    - Profitability Ratios
    - Turnover Ratios
  - **Capital Expenditure & Plant Capacity**
  - **Future Outlook and Challenges**
  - **Question & Answers**

# **CORPORATE BRIEFING**

## **FOR THE FINANCIAL RESULTS 2023**

# COMPANY'S PRESENCE

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- 1st Floor, Ahmed Complex, Jinnah Road, Quetta - Balochistan, Pakistan.
- Tel: 0092-81-2849396
- Fax: 0092-81-2825304

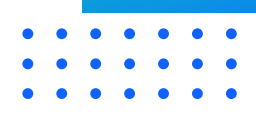
**Registered Office**

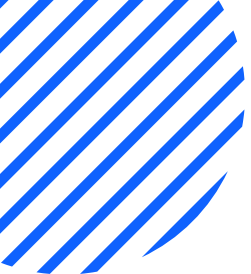
- 11th Floor, G&T Tower, #18 Beaumont Road, Civil Lines-10, Karachi-75530, Pakistan.
- Tel: 0092-21-35659500-10
- Fax: 0092-21-35659516.
- Email: [headoffice@gatron.com](mailto:headoffice@gatron.com)

**Liaison/Correspondence Office**

- Plot No. 441/49-M2, Sector "M", H.I.T.E., Main R.C.D. Highway, Hub Chowki, Distt Lasbella, Balochistan, Pakistan.
- Tel: 0092-853-364324-25
- Fax: 0092-853-363241

**Plant (Factory)**





# COMPANY OVERVIEW



- Gatron (Industries Limited) was established in 1982 as a public limited company & located in the Hub-Balochistan.
- Gatron is one of the largest industrial employer in Hub-Balochistan.

## POLYESTER FILAMENT YARN

- Gatron is the market leader of Polyester Filament Yarn in Pakistan.
- Producing a wide range of Polyester Filament Yarn products with varying lusters and colors.
- Our Denier Range covers a broad spectrum, offering options in Intermingled and Non-Intermingled Yarn.
- Gatron is also producing its recycled polyester yarn product “Ecoron” from 100% Post Consumer Waste

## PET PREFORMS

- Gatron is one of the leading manufacturers of PET Preforms in Pakistan & produce high quality Water / CSD bottles Preforms.

## KNITTED FABRIC

- Our circular knitted yarn are renowned for delivering exceptional comfort to the wearer,
- Our knitted fabrics are custom-designed using advanced technology, tailored to specific needs.
- Our dedication to quality and innovation makes us a trusted choice in the textile industry.



# STRATEGIC/OPERATIONAL DEVELOPMENTS

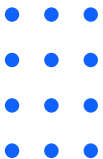


## Positive Attributes

- Imposition of 5% Regulatory Duty on import of PFY.
- 60 TPD Spinning and Texturizing plant has been installed and is in commissioning phase.
- 660 TPD Polymer plant has been installed and is in commissioning phase.
- 1.75 TPD Circular Knitting Machines are also installed.
- Successful commissioning of new Automatic Packing and Inspection plant.
- Produce our own paper tubes for Cost saving.
- Power Generation capacity expansion:
  - KE Connection
  - HFO Generators
- Successful implementation of SAP S4 Hana.

- Unabated & intense dumping by Chinese PFY producers.
- Import restrictions have led delayed in opening of LCs for major Plant & Machinery.
- Higher interest rates.
- Unreliable supply of gas & arrangement of alternate supply.
- Delay in starting of new plants due to COVID restriction in China.

## Adverse Attributes

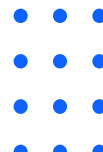
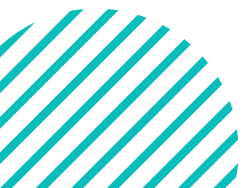


# FINANCIAL HIGHLIGHTS FY 2023

Rupees in Thousands

Operating Results	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Sales	27,383,780	23,959,654	16,557,561	12,938,377	17,707,325
Gross Profit/(loss)	1,453,630	3,176,386	1,866,775	945,052	1,655,654
Operating Profit/(loss)	553,468	2,646,192	1,316,094	451,250	1,001,225
Investment Income - Dividend	1,072,313	225,750	112,875	1,212,750	1,120,088
Profit/(loss) after taxation	205,300	1,827,244	1,065,724	1,060,633	1,794,735
Earning per Share	2.68	23.81*	27.78	27.65	46.78
GP% of sales	5.31%	13.26%	11.27%	7.30%	9.35%
Operating Profit/(Loss) % of sales	2.02%	11.04%	7.95%	3.50%	5.70%
Dividend %	30%	0%	0%	125%	265%
Bonus Share Issued	383,645	-	-	-	-
Financial Position					
Paid up Capital	767,290	383,645	383,645	383,645	383,645
Reserves & unappropriated profit	7,092,777	7,387,796	5,571,507	4,949,084	4,920,353
Break-up Value	102.44	202.57	155.23	139	138.25
Property, Plant & Equipment	16,938,295	9,769,076	5,949,200	3,577,722	2,359,404
Current Assets	19,999,229	13,366,480	8,272,998	5,699,899	5,784,987
Current Liabilities	19,864,692	9,407,985	5,562,385	3,362,395	2,946,343
Net Current Assets	134,537	3,958,495	2,710,613	2,337,504	2,838,644
Long Term Loans	8,179,328	5,696,304	2,840,439	1,174,783	126,540
Deferred Liabilities	1,672,727	795,533	502,344	415,372	373,162

\* Restated



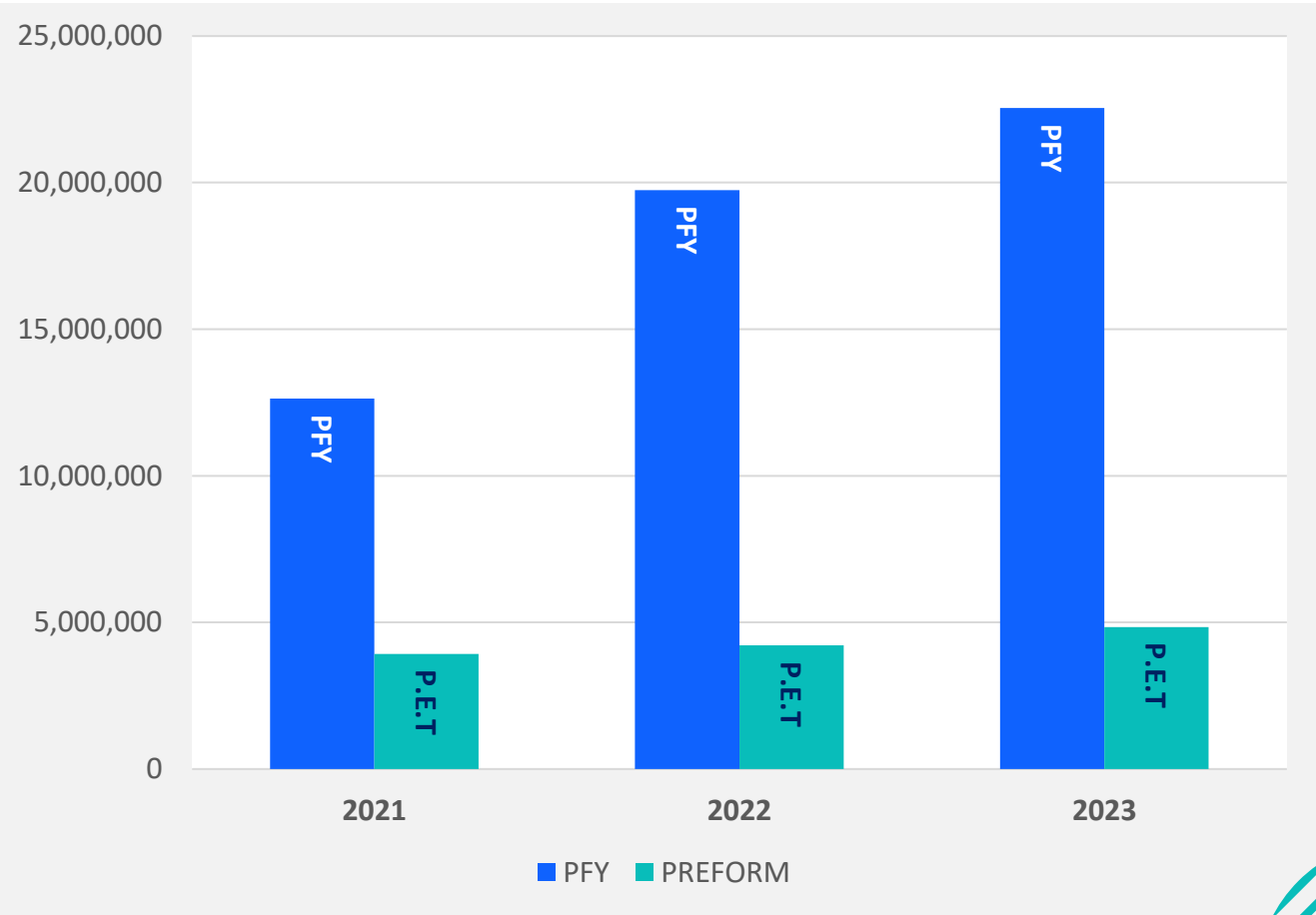
# FINANCIAL HIGHLIGHTS FY 2023

## YEARLY SALES

- Financial Growth:** Gatron achieved a net revenue of Rs. 27,383 million, marking a 14.29% increase from the previous year. The increase in revenue should be considered in perspective of the fluctuating exchange rates, i.e., US dollar to PKR Rs. 248 in the current year, compared to Rs. 178 in the previous year.
- Production & Market Dynamics:** PFY production for the year reached around 75% of capacity. In the second half of the year, prices increased due to the devaluation of PKR & sales remained low, partly due to the impact of floods and primarily due to intense dumping by Chinese PFY producers.
- PET Preforms Sales Decline:** PET preforms sales remained at lower side due to flood in peak demands months of July 22 & August 22 & low beverages demand.

Rupees in Thousands

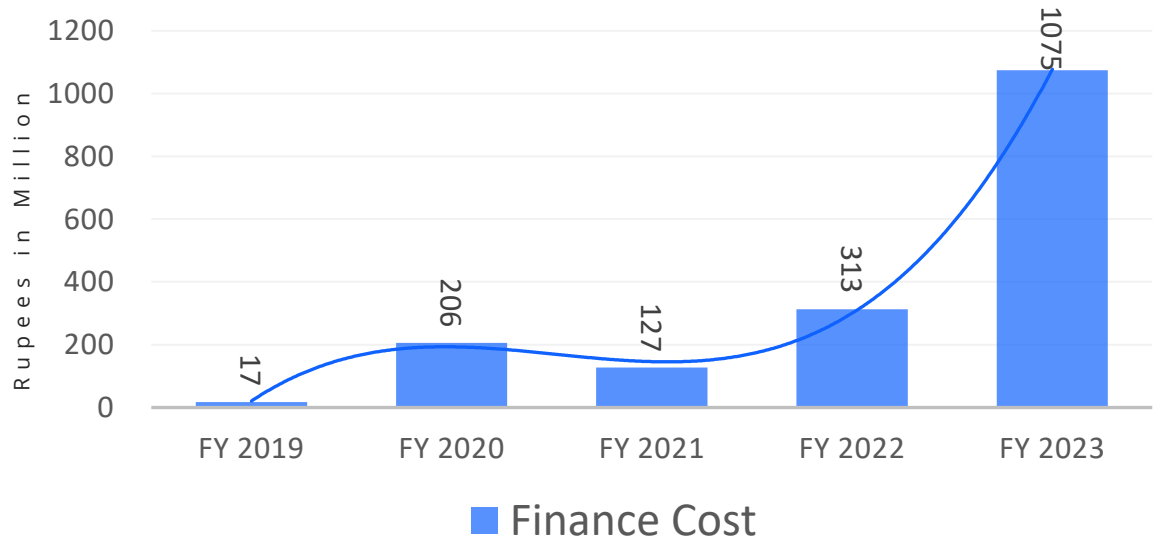
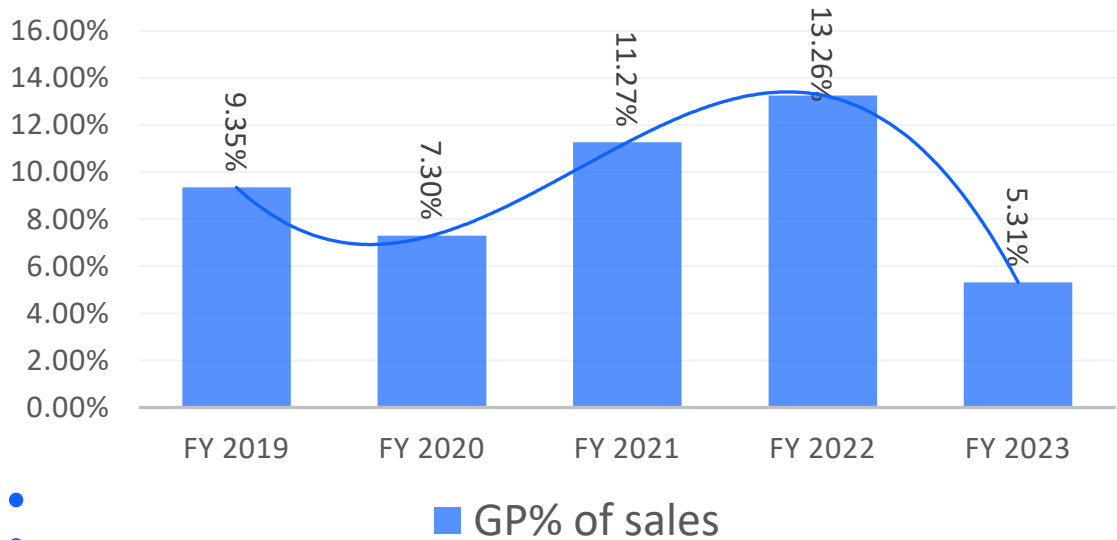
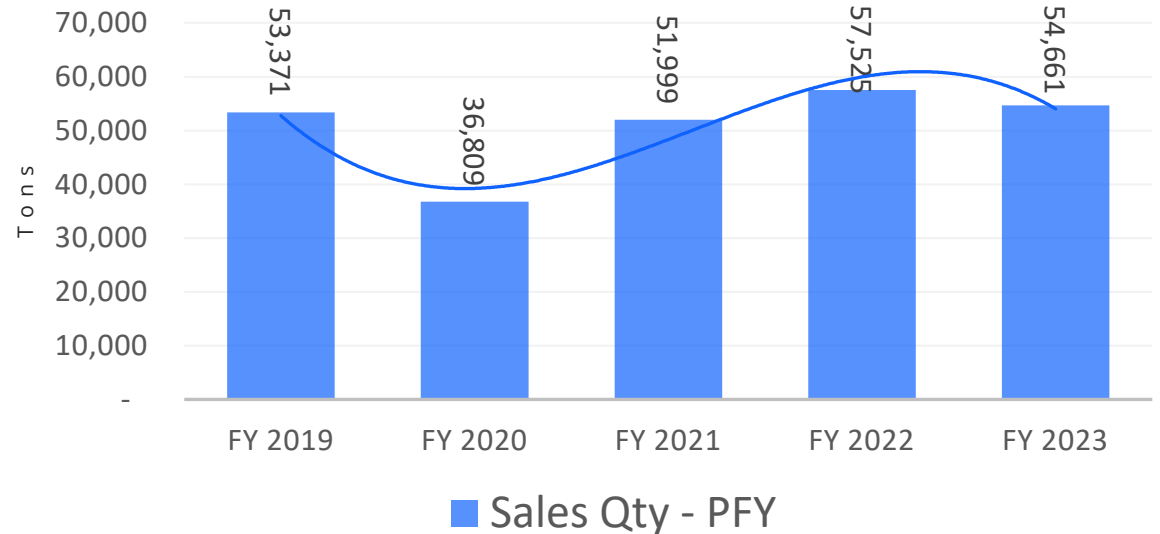
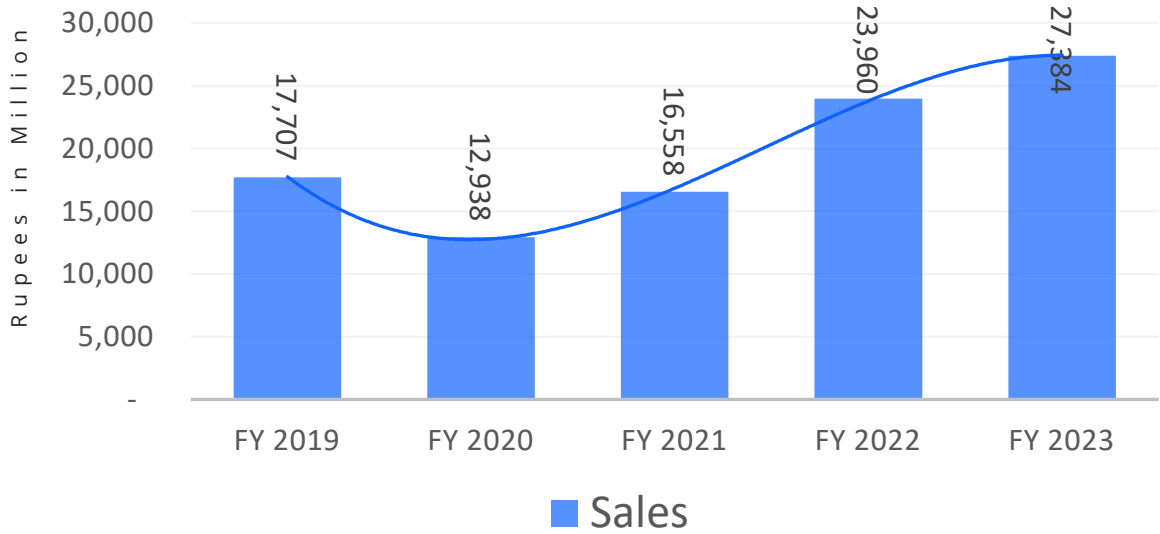
Years	PFY	Preform	Total
2021	12,631,173	3,926,388	16,557,561
2022	19,745,058	4,214,596	23,959,654
2023	22,541,665	4,842,115	27,383,780



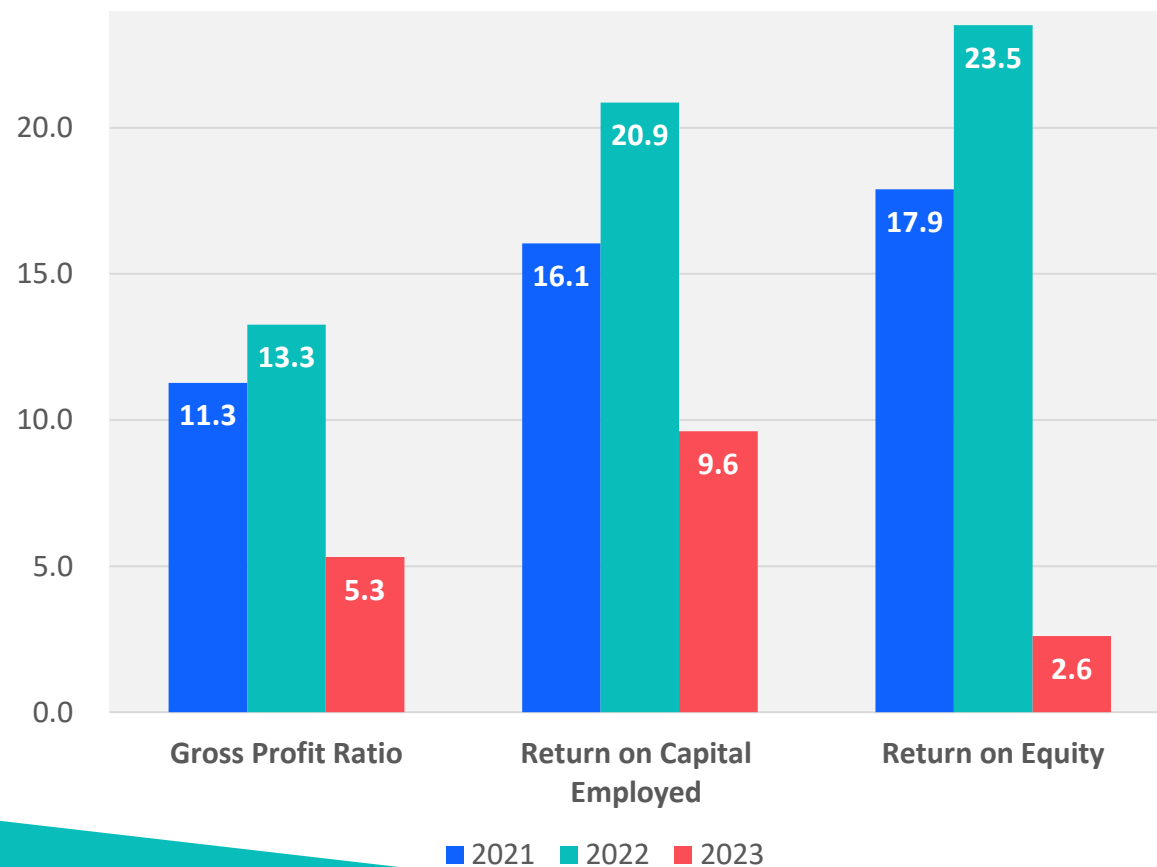


# BUSINESS ANALYSIS

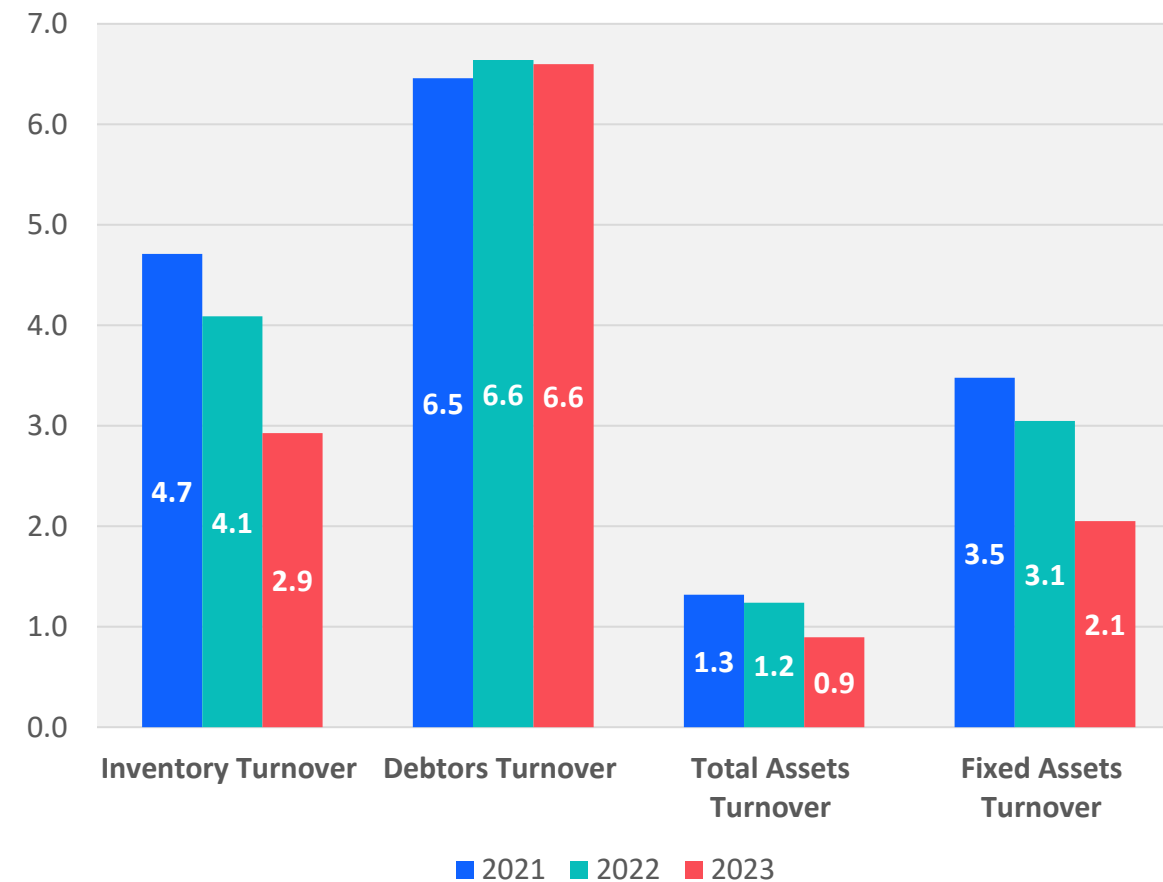
Graphical Presentation



## PROFITABILITY RATIOS



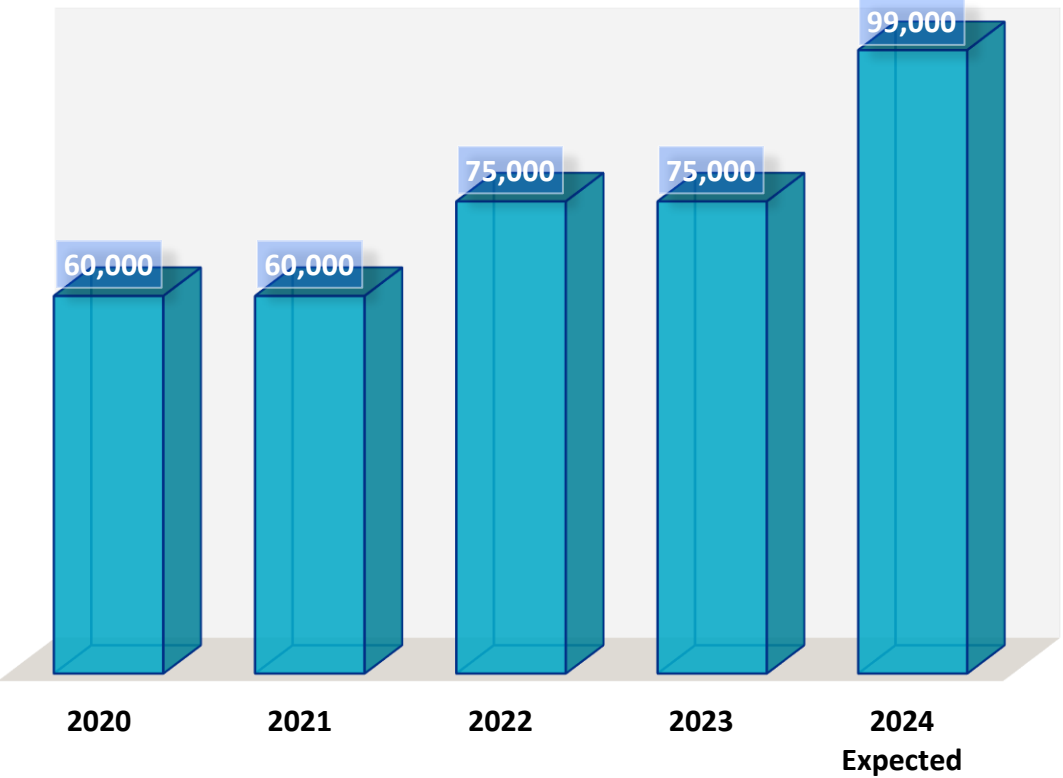
## TURNOVER RATIOS



# RATIO ANALYSIS

# CAPITAL EXPENDITURE & PLANT CAPACITY

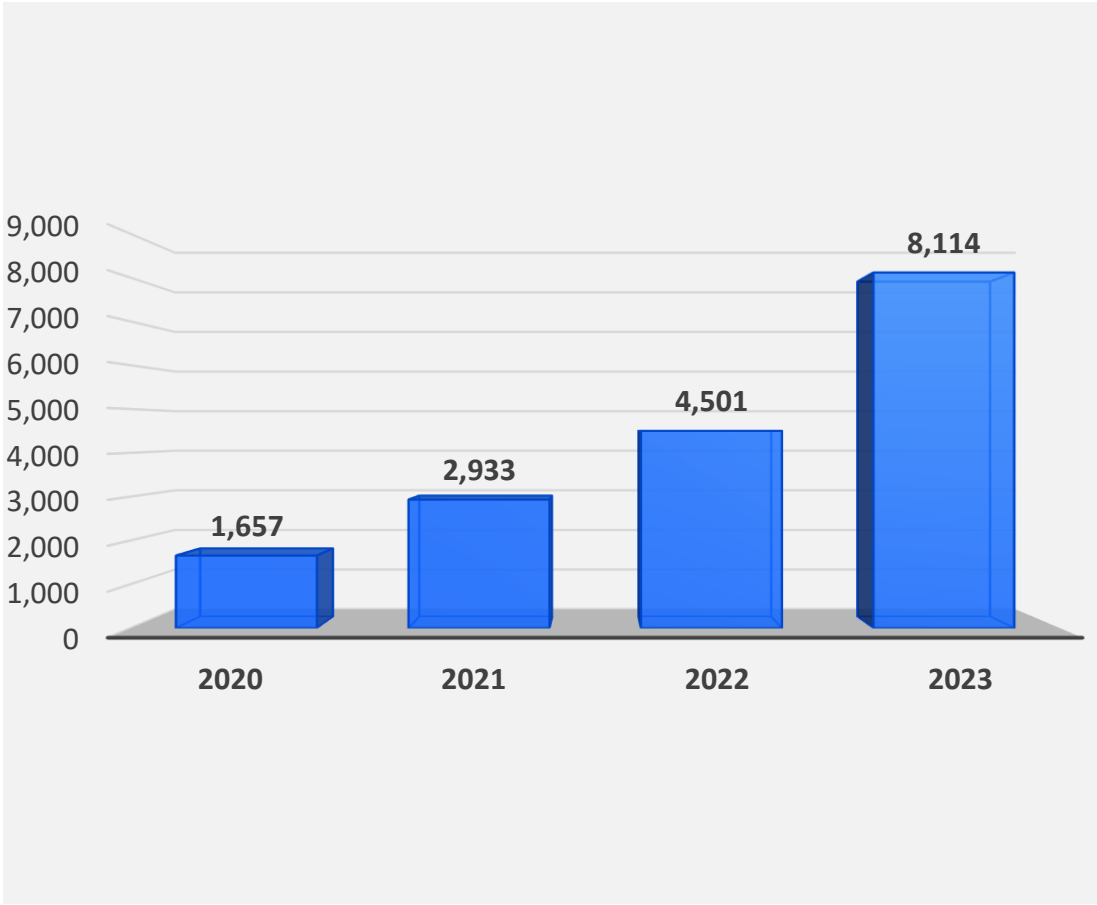
METRIC TONS



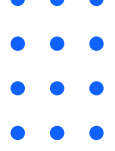
■ Plant Capacity-PFY-Mix denier

PLANT CAPACITY

RUPEES IN MILLIONS



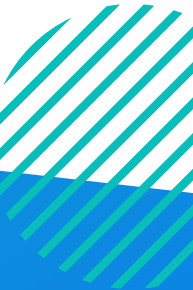
CAPITAL EXPENDITURE




## Antidumping Duties, NTC Actions & Ongoing Challenges

- NTC imposed duties in 2017 in the range of 3.25% to 11.35%, but importers appealed and duties reduced to 2.78% to 6.82% in January 2022. The Importer again went into appeal in December 2022 and the Tribunal remanded the case accordingly & ADD are suspended since then. Further from January 2023 to August 2023 NTC was non-functional due to vacancies.
- ADD in Pakistan much lower than other countries (e.g., 16% to 32% by major nations).
- The importers continuously getting stay in one High Court to another High Court once & till now they have not paid over Rs. 16 Billions duties by this tactics.
- Continuation of 5% Regulatory Duty & ADD is much important to support the local PFY industry. Which is already in expansion phase.

## FUTURE OUTLOOK AND CHALLENGES



- 
- Unreliable supply of gas & arrangement of alternate supply.
  - Significant increase in the markup rate by the State Bank of Pakistan.

### **Economic Significance & Call of Actions**

- PFY imports among top contributors to trade deficit & Local PFY production crucial for reducing trade deficit, meeting growing domestic demand, and supporting local employment.
- The PFY industry is a major contributor to the Pakistani economy, generating billions of rupees in revenue and employing thousands of people.
- Collection of Anti Dumping duty by Government is vital to have level playing field for the growth of PFY industry and economic stability.



## **FUTURE OUTLOOK AND CHALLENGES**





QUESTIONS & ANSWERS

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**THANK YOU**