

Gatronova

Gatron

CORPORATE BRIEFING
GATRON (INDUSTRIES) LIMITED

FOR THE FINANCIAL RESULTS 2023-24



Date : 28th October 2024 & Time: 12:00PM
Venue : Gatron Factory, H.I.T.E, Balochistan



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COMPANY'S PRESENCE

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Liaison/Correspondence Office

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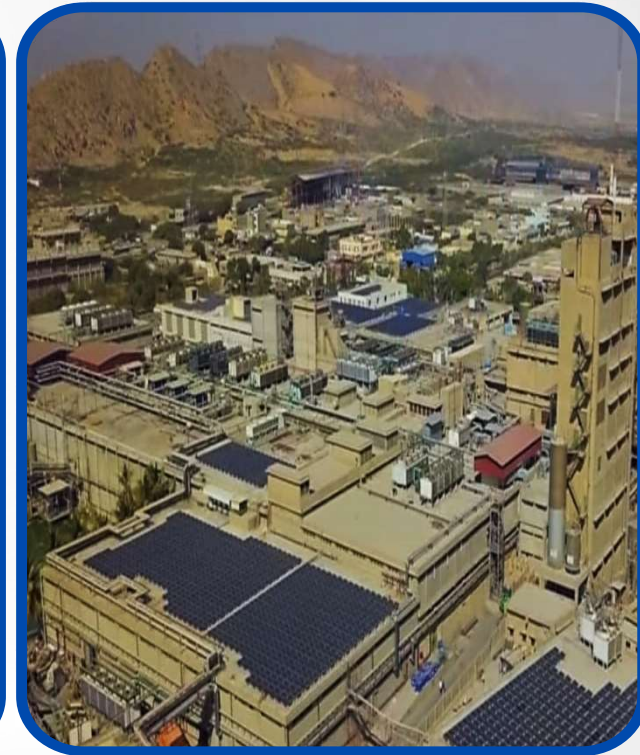
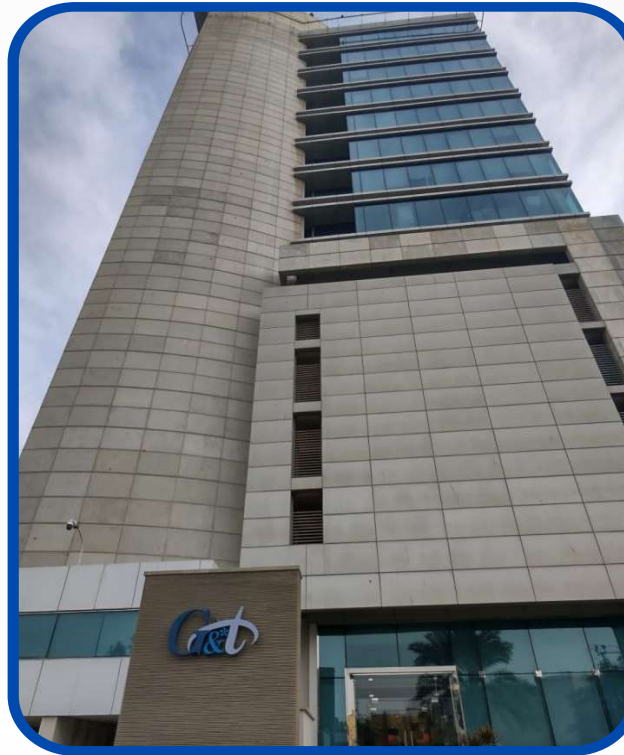
Email: headoffice@gatron.com

Plant (Factory)

Plot No. 441/49-M2, Sector "M", H.I.T.E., Main
R.C.D. Highway, Hub Chowki, Distt Lasbella,
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COMPANY'S OVERVIEW

Gatron (Industries Limited) was established in 1982 as a public limited company & manufacturing plants 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.

POLYESTER CHIPS



- Gatron has capacity to produce various types Of polyester chips i.e. Film Grade Chips, Silica Chips, Textile Grade Chips.

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

- The company issued 32 Mn rights shares of Rs. 5.6 Bn to meet its working capital requirement through equity.
- Successful startup of 600 TPD polymer plant..
- Production capacity for various types of chips is available.
- 60 TPD Spinning and Texturizing plant has started after closing of financial year.
- After successful commissioning of DTY Tube plant, now company is working of POY tubes inhouse production.
- Solar Power project of 1.5 MW completed & further 3.5 MW project started to reduce power cost.
- 3.6 MW HFO generators is in final commissioning phase as an alternate energy.
 - Established warehouse in Multan to facilities customers.

ADVERSE ATTRIBUTES

- Company is facing extraordinary dumping by Chinese PFY producers at exceptionally low price.
- Termination of antidumping duties on import of PFY
- Increase fixed cost due to low-capacity utilization in view of intense dumping of PFY
- Still higher interest rates.
- Non availability of Concessionary loans.

FY 2024

Rupees in Thousands

FINANCIAL HIGHLIGHTS

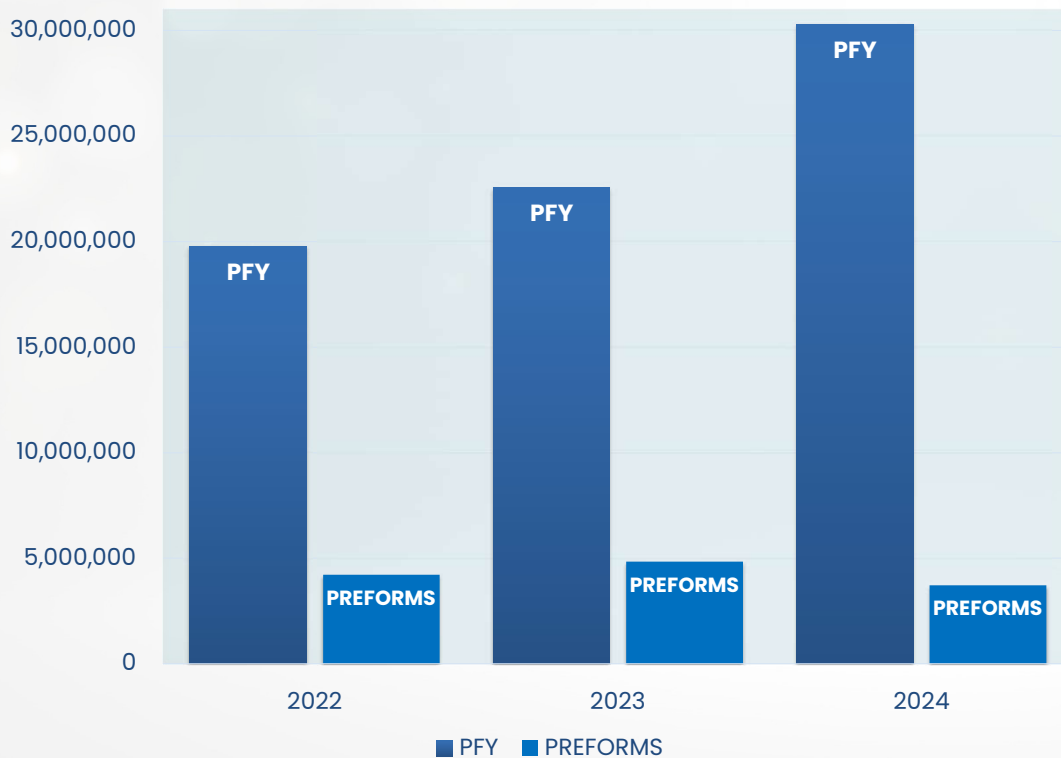
Operating Results	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
Sales	34,013,581	27,383,780	23,959,654	16,557,561	12,938,377
Gross Profit/(loss)	2,086,859	1,453,630	3,176,386	1,866,775	945,052
Operating Profit/(loss)	1,392,502	553,468	2,646,192	1,316,094	451,250
Investment Income - Dividend	8,538	1,072,313	225,750	112,875	1,212,750
Profit/(loss) after taxation	(204,358)	205,300	1,827,244	1,065,724	1,060,633
Earning per Share	(2.36)	2.61*	23.81*	27.78	27.65
GP% of sales	6.14%	5.31%	13.26%	11.27%	7.30%
Operating Profit/(Loss) % of sales	4.09%	2.02%	11.04%	7.95%	3.50%
Dividend %	0%	30%	0%	0%	125%
Bonus Share Issued	-	383,645	-	-	-
Right Share Issued	32,000	-	-	-	-
Financial Position					
Paid up Capital	1,087,290	767,290	383,645	383,645	383,645
Reserves & unappropriated profit	12,199,873	7,092,777	7,387,796	5,571,507	4,949,084
Break-up Value	122.20	102.44	202.57	155.23	139
Property, Plant & Equipment	18,778,042	16,938,295	9,769,076	5,949,200	3,577,722
Current Assets	14,828,818	19,999,229	13,366,480	8,272,998	5,699,899
Current Liabilities	11,346,019	19,864,692	9,407,985	5,562,385	3,362,395
Net Current Assets	3,482,799	134,537	3,958,495	2,710,613	2,337,504
Long Term Loans	8,614,876	8,179,328	5,696,304	2,840,439	1,174,783
Deferred Liabilities	1,340,828	1,672,727	795,533	502,344	415,372

* Restated

FINANCIAL HIGHLIGHTS FY 2024 YEARLY SALES

Rupees in Thousands

YEAR	2022	2023	2024
PFY	19,745,058	22,541,665	30,289,729
Preforms	4,214,596	4,842,115	3,723,852
Total	23,959,654	27,383,780	34,013,581

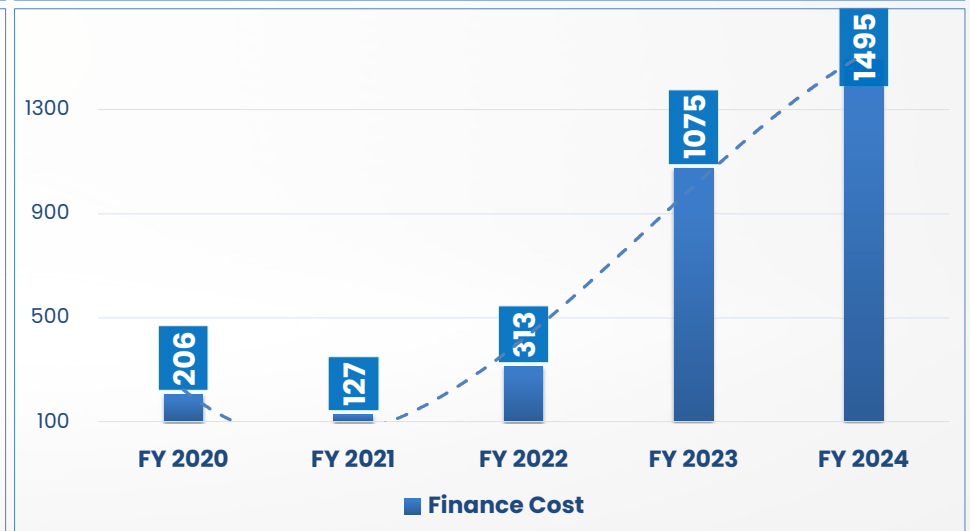
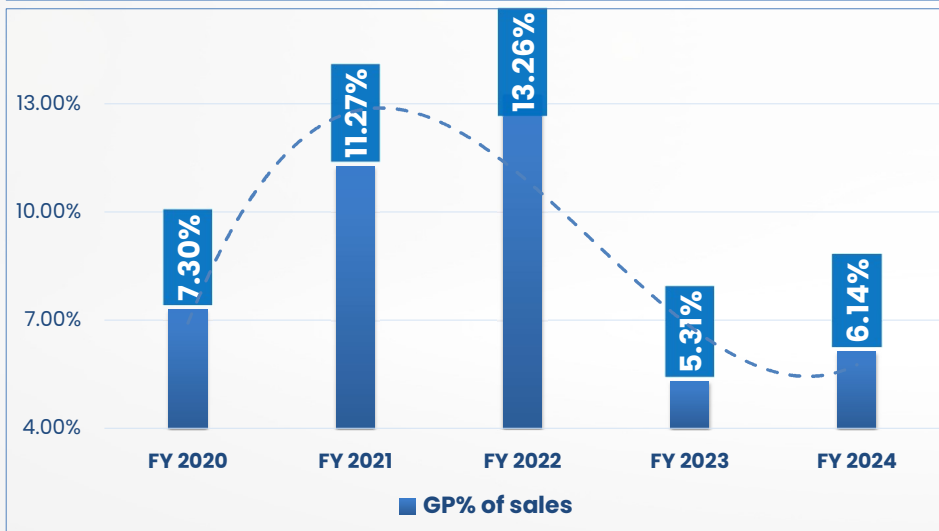
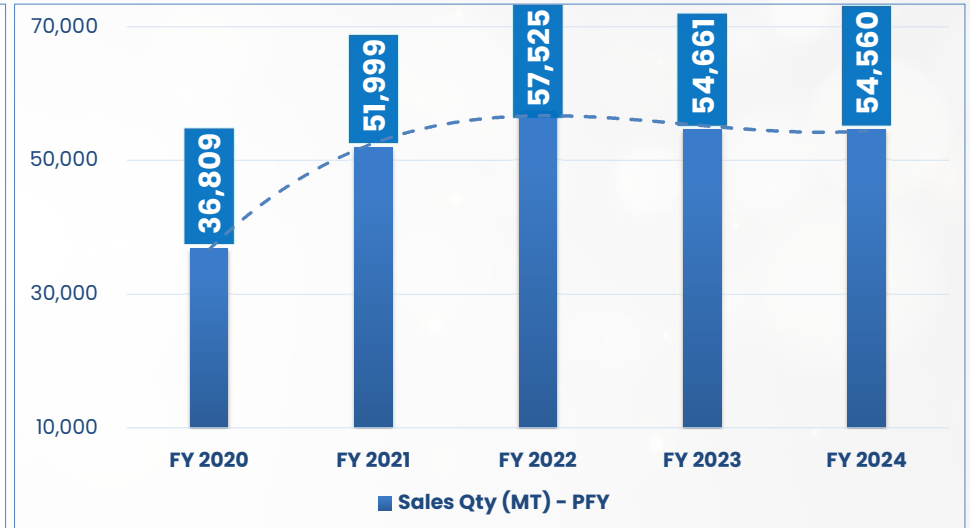


Financial Growth: Gatron net revenue reached Rs. 34,014 million, a 24% increase from last year. This growth resulted from a higher average exchange rate of Rs. 282.90 from last year average was Rs. 248 and the launch of a new polymer line for diverse chip production.

Production & Market Dynamics: Widespread dumping of PFY at reduced prices has forced the company to operate below capacity & during the year the PFY production was around 70% of capacity. Further, due to global oversupply of resin/chips maintaining consistent chip sales next year will be challenging.

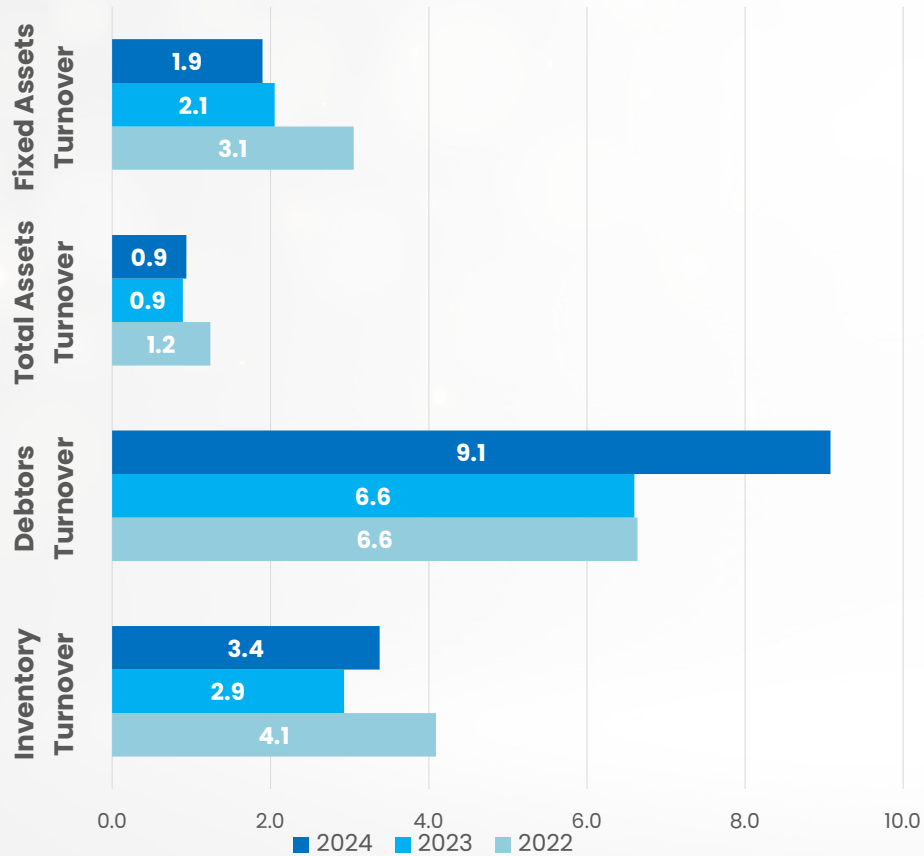
BUSINESS ANALYSIS

Graphical Presentation

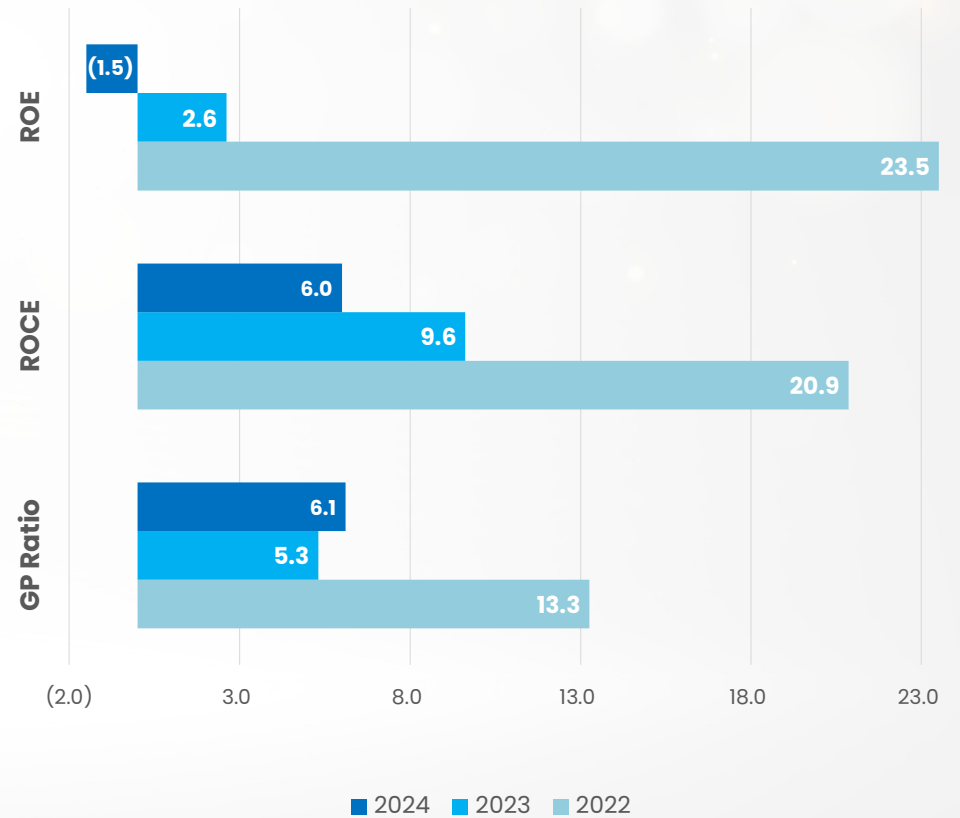


RATIO ANALYSIS

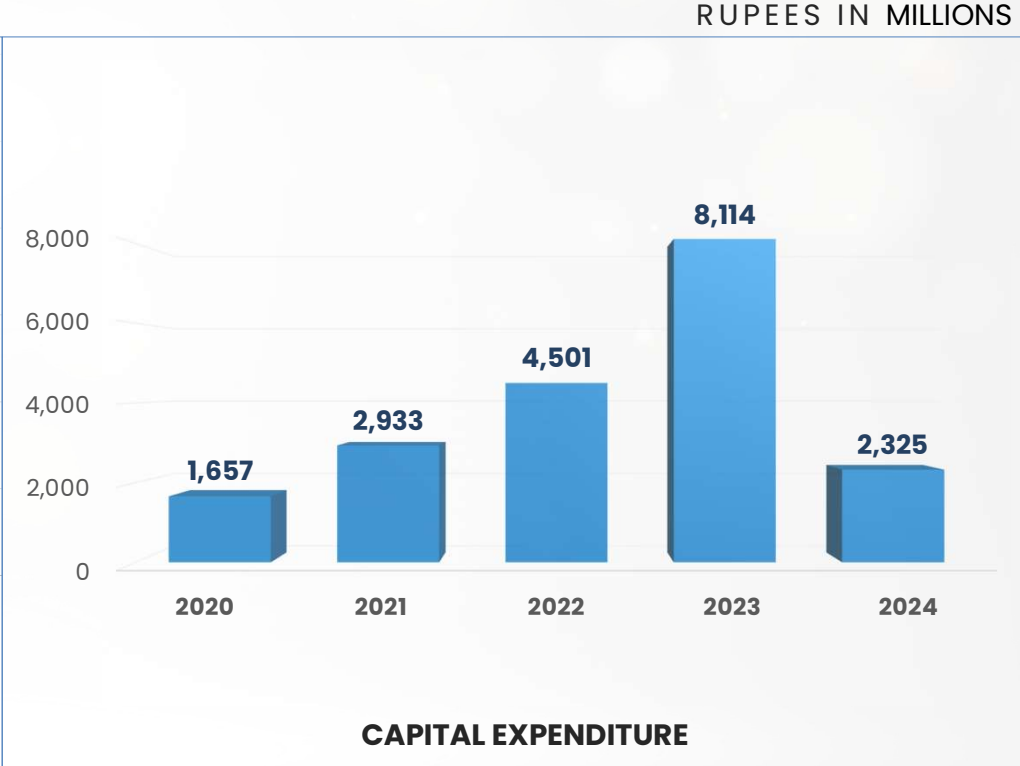
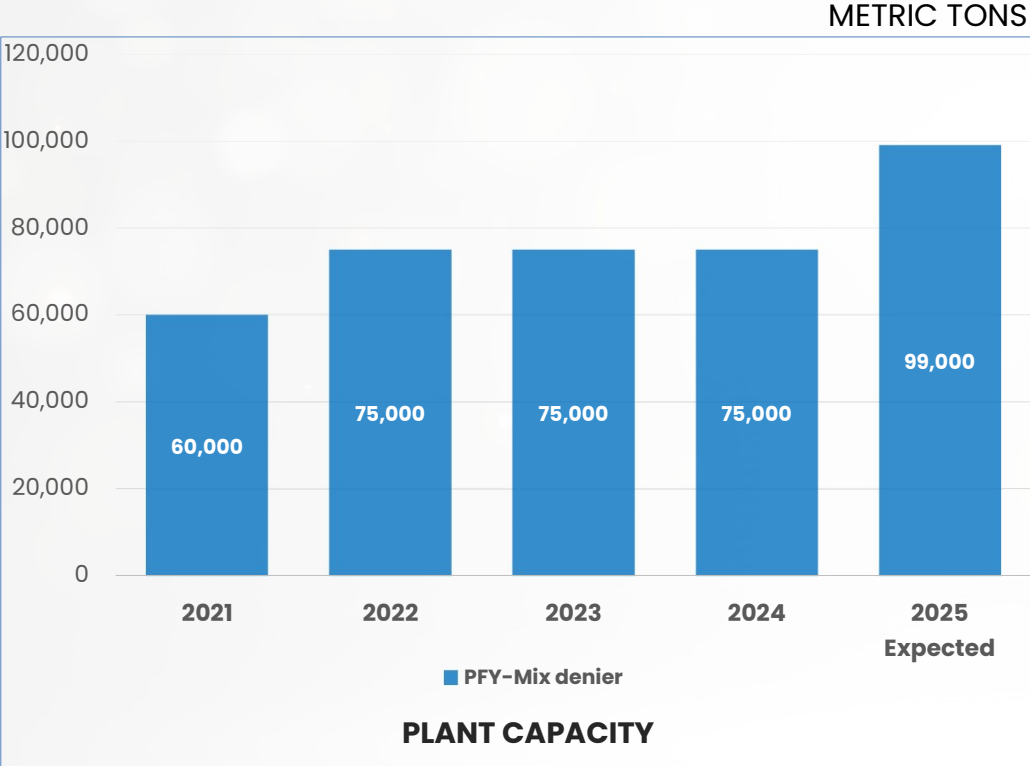
TURNOVER RATIOS



PROFITABILITY RATIOS



CAPITAL EXPENDITURE & PLANT CAPACITY



GATRON (INDUSTRIES) LIMITED

PKR 34 Bn

Net Sales

2.9X
In Last decade



43 : 57

Debt/Equity
FY 2024

PKR 1.4 Bn

Operating Profit

3.3X
In Last decade



PKR 18.7 Bn

Property, Plant & Equipment

8.5X
In Last decade



950,000+ Subsidized Meals / 850,000 free rides / 300 trees planted

**ISO / HALAL
Certified**



Commitment to quality,
environmental management,
and food safety compliance

A- / A-2



Credit Rating issued by VIS

**Digital
Transformation**



Integrated our systems with
SAP S/4 HANA, the largest
ERP
Transformation

155 Mn

PET Bottle Recycled

in FY 2024



FUTURE OUTLOOK AND CHALLENGES

- NTC imposed duties in 2017 in the range of 3.25% to 11.35% but Appeals filed by importers and NTC recalculated and reduced duties in 2022 to 2.78% - 6.82%, but they largely remained uncollected from 2017.
- Despite confirming the injury caused by dumped imports, the NTC terminated the ADD on PFY from China and Malaysia in November 2023.
- Eight other countries have higher ADD rates than Pakistan's terminated rates, ranging from 16% up to 44%.
- Imposing ADD at levels similar to those in India, Turkey, and Vietnam could enable local producers to meet 50% of Pakistan's domestic demand and potentially expand to cover 75% within three years. This strategy would provide import substitution, reduce the current account deficit, and support local employment.
- Increasing PFY production is essential, as PFY is among the top imports so needs to be produced locally, particularly when its raw material PTA is also produced locally.



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THANK YOU

Questions & Answers