



**FEROZE1888 MILLS LIMITED**

**CORPORATE BRIEFING SESSION**

**For the year ended June 30, 2019**

# CONTENTS

Feroze1888 Mills Limited at a GLANCE

CSR Initiatives

Financial Performance

Way Forward

THIS PRESENTATION IS NOT AN OFFER OR SOLICITATION OF AN OFFER TO BUY OR SELL ANY SECURITIES OR ANY INVESTMENT.

This presentation has been prepared by Feroze1888 Mills Limited solely for information purposes. Therefore, no representation or warranty express or implied is made thereto, and no reliance should be placed on , the fairness, accuracy, sufficiency, completeness or correctness of the information or any opinion contain herein or any opinion rendered thereto, the information contained in this presentation should be considered in the context of the circumstances prevailing at the time and will not be updated to reflect any developments that may occur after the date of presentation. Neither Feroze1888 Mills Limited nor any of its respective officials, associates, employees or any person working under or on behalf of, have any responsibility and/or liability of any nature whatsoever for any loss arising from any use of the information give here.

This presentation does not constitute or form part of prospectus, offering circular or memorandum or an offer, solicitation, invitation or recommendation to purchase or subscribe for any securities and no part of it shall form basis of, or be relied upon in connection with, or act as any inducement to enter into any arrangement, agreement, contract, commitment or investment decision in relation to any security.

**You agree to keep the contents of this presentation strictly confidential. All or any part of this presentation may not be taken away, reproduced, copied, redistributed retransmitted or disclosed in any manner or form and for any purpose whatsoever.**

By attending this presentation, you are agreeing to be bound by the foregoing limitations.

# FEROZE1888 AT A GLANCE

## VISION

- Our aim is to be a market leader in terry textile manufacturing with our strong commitment to 3 Ps (People – Planet – Prosperity). We will prosper by creating unmatched value for our global customers and stakeholders through our exceptional quality products and services.

## MISSION

- We are a leading vertically integrated industry known for its state of the art machinery, infrastructure, standardized systems, production processes and adopting the ideology of 3 Ps (People – Planet - Prosperity). We are committed to the ongoing learning, development & growth of our valued employees. Our focus is on building an environment of prosperity and gratification for all our customers and stakeholders through our operational excellence and solution based innovations.

# CORE VALUES

**P** People Development - We are committed to invest in employees personal and professional development and creating an environment that instigate the ownership for self learning.

**R** Respect - We believe in crafting a culture of respect and dignity for all our customers, stakeholders, vendors, employees and community.

**O** Ownership & Accountability - Our work is our pride: we take full ownership of it and hold ourselves accountable for all our actions, interactions within and between teams.

**S** Success Will - We possess a strong will to succeed under all circumstances.

**P** Proactive - We believe in being proactive while facing challenges, adopting technology, systems and procedures.

**E** Excellence in Work - Our commitment is to enhance customer satisfaction by fostering an environment of self-reliance, efficiency and integrity in all that we do.

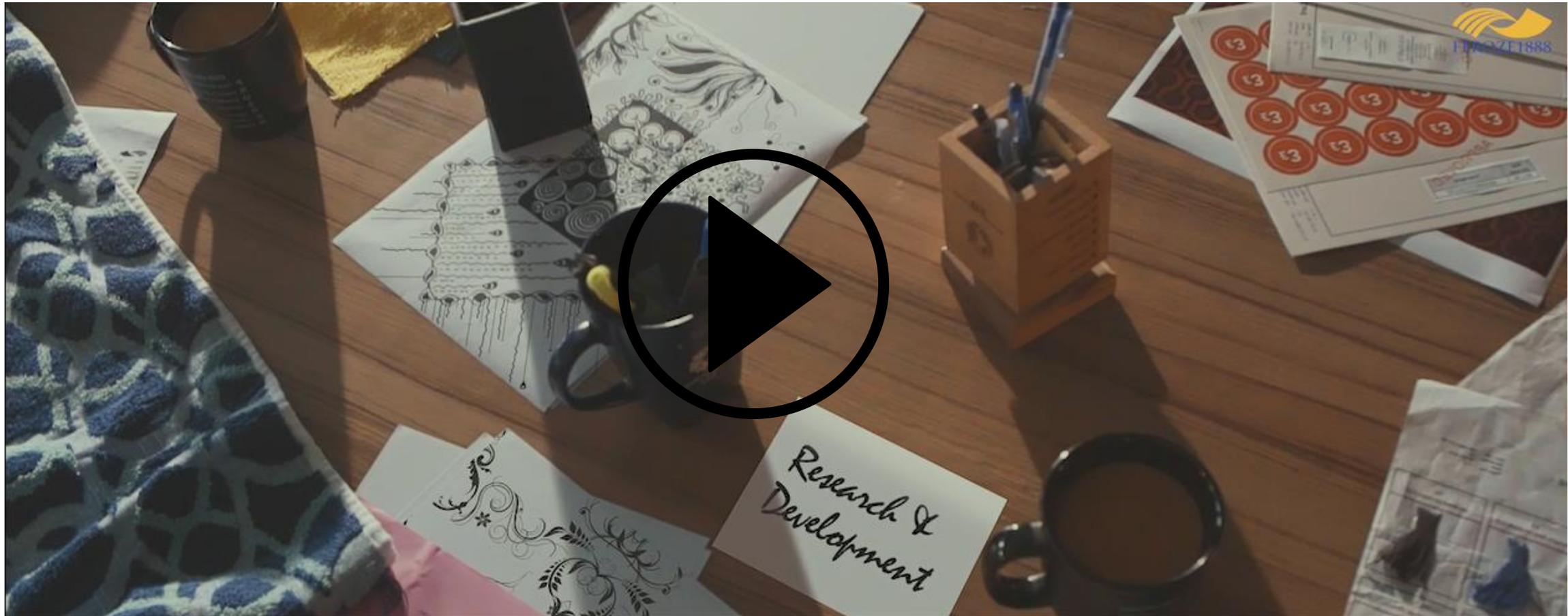
**R** Reliability - We demonstrate reliability through our teamwork and consistent quality in products and services.

- ❑ **Feroze1888** is the leading Manufacturer and Exporter of Specialized Yarn & Textile Terry Products in Pakistan.
- ❑ Started the journey in 1972 and progressed gradually over time to reach an eminent position.
- ❑ As an **ISO 9001 : 2008 Certified Company**, Ferozee1888 maintains high set of standards in all areas, ranging from the highest quality products to maximum employee satisfaction.
- ❑ Company has state of the art **Vertically Integrated** terry towel manufacturing facility.
- ❑ Being partnered with **1888 Mills LLC (USA)**, Feroze1888 is recognized as a Progressive and Global manufacturer of quality textiles for Home, Hospitality & Healthcare.

## **Feroze1888 Targets:**

- ❑ Excellent Execution Every time
- ❑ Customer Satisfaction

# WHAT FEROZE1888 IS ALL ABOUT

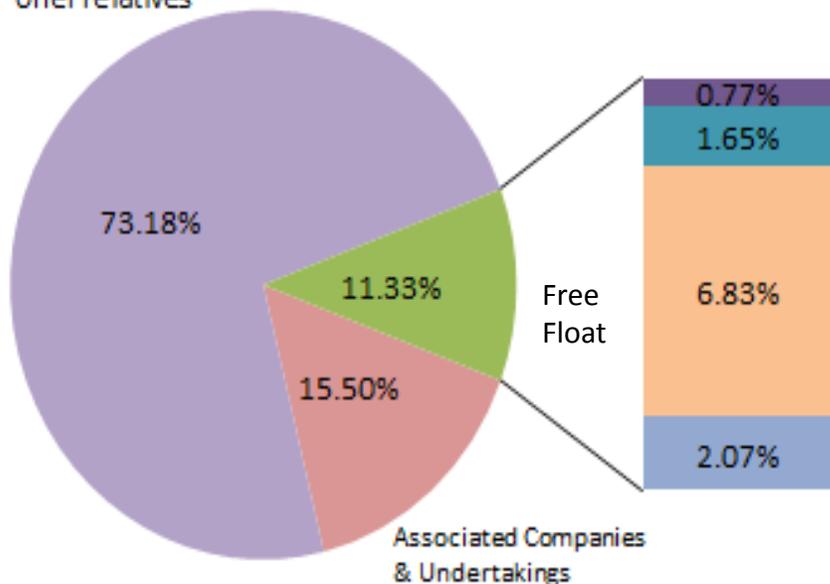


# SHAREHOLDING PATTERN & MARKET STATISTICS

## Categories of Shareholders

As at June 30, 2019

Directors, their Spouses and other relatives



- Associated Companies, undertaking and related parties
- Directors, Spouse and others relatives
- Free Float
- Investment Companies & Mutual Fund
- Joint Stock Companies
- Banks, DFIs, NBFIs, Insurance Companies
- Individuals

## Market Statistics

(As on November 27, 2019)

Symbol	FML
Share Price (Rs.)	90.40
No. of shares outstanding (million)	376.80
Market Capitalization (Rs. in million)	34,063
52 weeks high / low (Rs.)	123.52 / 74.63
Average trading volume (01.Jul-19 to 27-Nov-19)	19,747
Face Vale (Rs.)	10.00

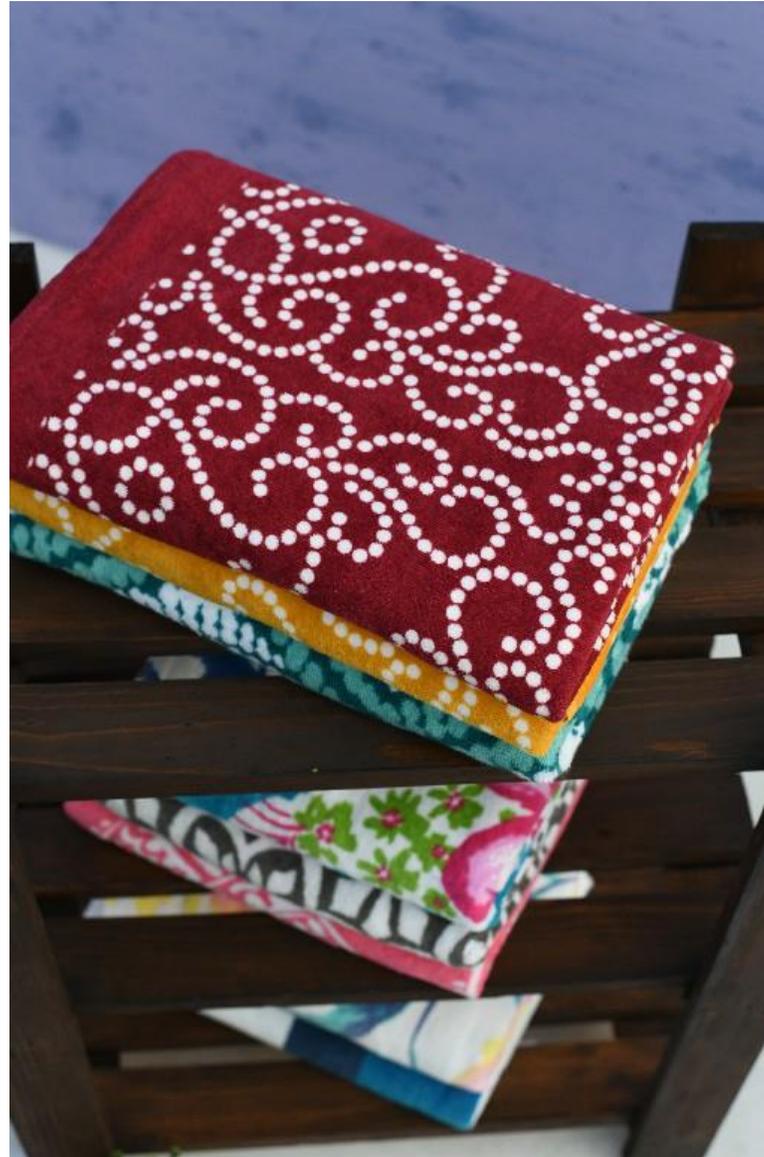
# PRODUCT PORTFOLIO



Wide range of Bath towels, Printed towels, Beach towels, hand towels, Bathrobes, Kitchen section and bath mat/rugs etc.



# PRODUCT PORTFOLIO



# KEY EXPORT DESTINATIONS



- **Australia**

- **Canada**

- **Denmark**

- **Japan**

- **Germany**

- **Poland**

- **Saudi Arabia**

- **South Africa**

- **United Kingdom**

- **United States**

# KEY DISTINCTIVE FEATURES

**Largest Terry  
Textile  
Exporter**

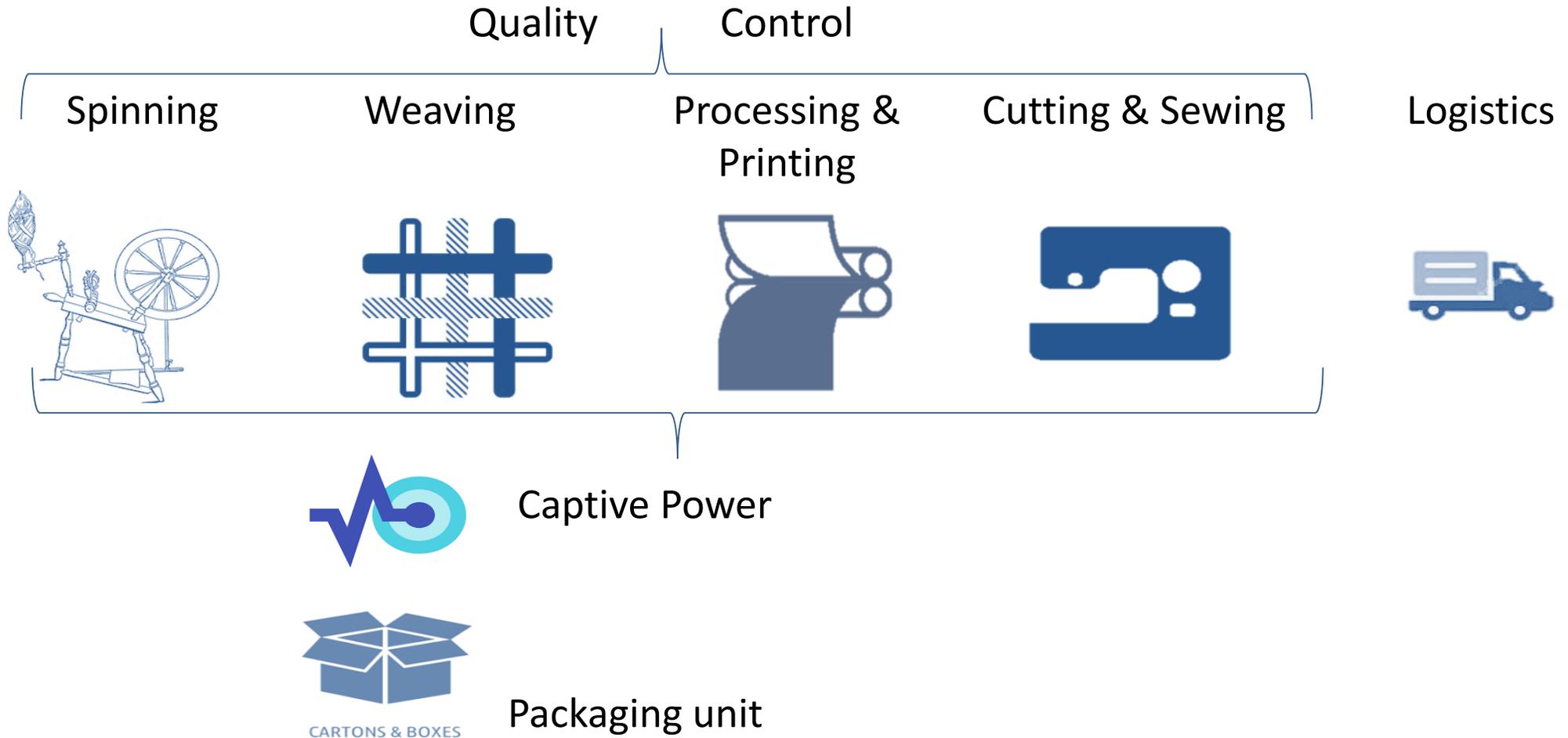
**Vertically  
Integrated  
Presence  
with  
Significant  
Capabilities**

**Global  
Distribution  
Network with  
Marquee  
Customers**

**Experienced  
Board and  
Management  
with Proven  
Track Record**

**Consistent  
Financial  
Performance  
Record**

## Vertically Integrated Facilities Across Manufacturing Chain



# CSR INITIATIVES

# AWARDS & ACHIEVEMENTS

- Wal-Mart Excellence in Execution Award
- American Hotel Vendor of the Year

**2010**

- ASDA Supplier of the Year
  - Target Vendor of the Excellence
- American Hotel Vendor of the year

**2011**

- ASDA Supplier of the Year
- Wal-Mart Supplier of the Year

**2012**

- Marriot International Diversity and Inclusion Award
- Wal-Mart Supplier of the Year Award
- AHR Outstanding Supplier Partner of the Year

**2013**

- AHR Supplier of the Year
- Fire and Safety Award

**2014**

- FPPCI Best Exporter Performance Award in Home Textile (Cotton Textile)
- Wal-Mart Global Warming Award.
- Environment Excellence Award
- Fire and Safety Award

**2016**

- FPPCI Best Exporter Performance Award in Home Textile (Cotton Textile)
  - Corporate Social Responsibility Awards (CSR)
- Environment Excellence Award
- Fire and Safety Award

**2017**

- FPPCI Best Exporter Performance Award in Home Textile (Cotton Textile).
- ASDA Trust of the Year Award
- Family Dollar Supplier of the Year Award.
- AHR Supplier of the Year Award
- Wal-Mart Supplier of the Year Award.
- Dibella Best Supplier Award.

**2018**

## Health & Safety



- Organize regular **Blood Donation** camps;
- **Free Medical Assistance Clinics** operating in each production site.

## Education and Welfare



- Supporting students through **Education Assistance Policy**;
- Supporting **weddings** through combined marriage ceremony;
- Provided **7,256 man hours of Training** on various topics to management employees.

## Water & Energy Conservation



- Among very few organizations in Pakistan who are certified with **ISO 50001:2011 – Energy Management System Certification**;
- **Green Energy Generation – Solar**;
- **Water reclaim and recycling**;
- **Usage of recycle materials.**



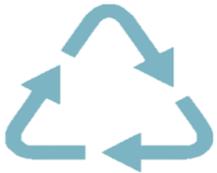
- 144M+ gallons of water were reclaimed which can suffice around **927** Pakistani Households.
- 40M+ gallons of water conserved through Condensate recovery system;
- Reduce consumption of more than 20M+ gallons of water through installing state of the art washing machine.



- Generated 1.3M+ kWhrs of electricity through renewable energy resources (Solar); suffice electricity for around **730** Pakistani Household.
- Replaced more than 6500+ conventional lights with LED which in turn have saved 1M+ kWhrs of electricity/annum.



- Saving 3.5M+ m<sup>3</sup>/annum of gas through generating steam via Waste Heat Recovery Boilers;
- Saving 3.6M+ m<sup>3</sup>/annum of gas through installation of efficient gas engines.



- 1900 tons+ less cotton is consumed through recycling;
- More than 80% of recyclable grade paper is used in the manufacturing of corrugated cartons.

# FINANCIAL PERFORMANCE

# KEY PERFORMANCE INDICATORS FY19

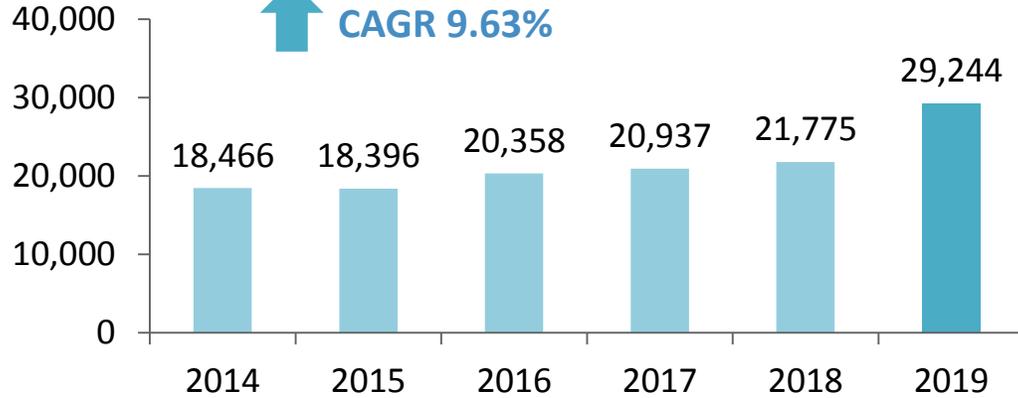
---

- ❑ Net Revenue is Rs. 29,244 million that is 34% higher than last year.
- ❑ Gross Profit is Rs. 7,638 million that is 58% higher than last year.
- ❑ Profit after Tax is Rs. 5,990 million that is 118% higher than last year.
- ❑ EPS is Rs. 15.90 that is 118% higher than last year.
- ❑ Total Assets balance is Rs. 33,967 million that is 45% higher than last year.
- ❑ Property, Plant & Equipment balance is Rs. 13,459 million that is 24% higher than last year.

# FINANCIAL PERFORMANCE

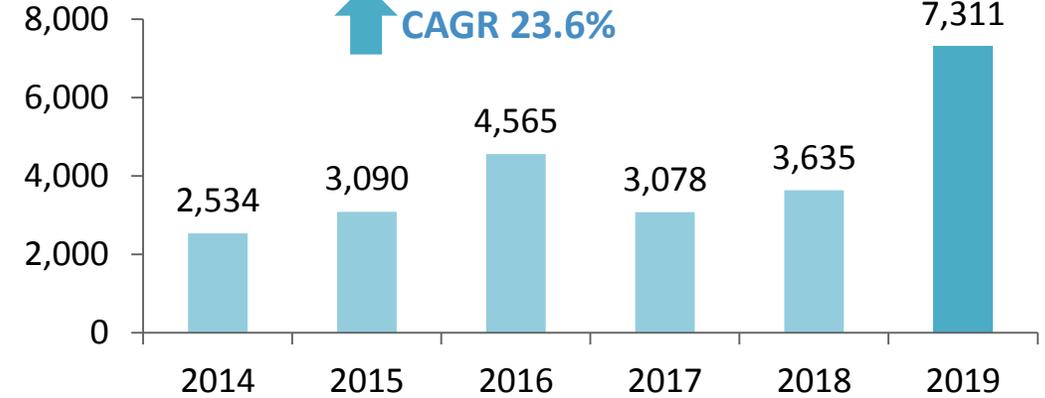
### Net turnover (Rs. In million)

↑ CAGR 9.63%



### EBITDA (Rs. In million)

↑ CAGR 23.6%



### Net profit (Rs. In million)

↑ CAGR 28.68%



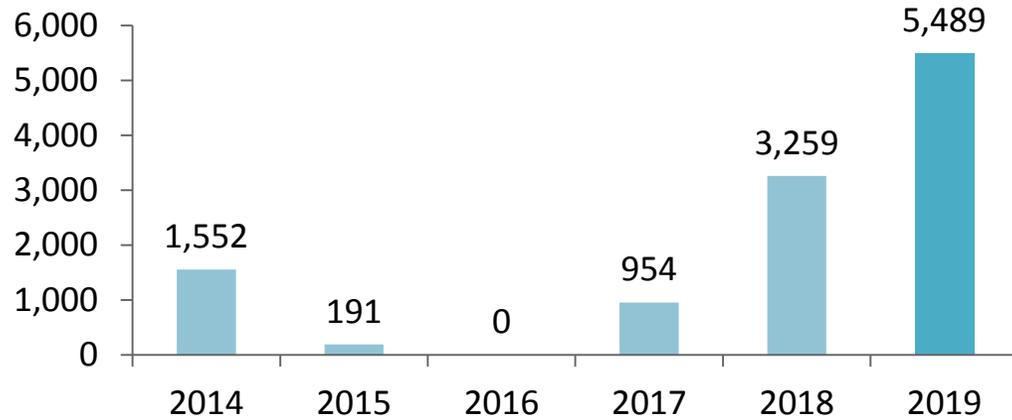
### Operating cash flow (Rs. In million)

↑ CAGR 5.73%

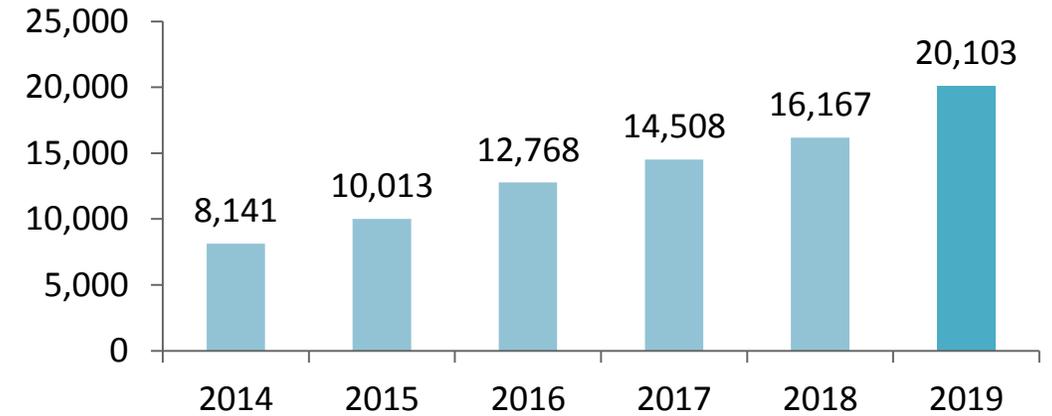


# FINANCIAL PERFORMANCE

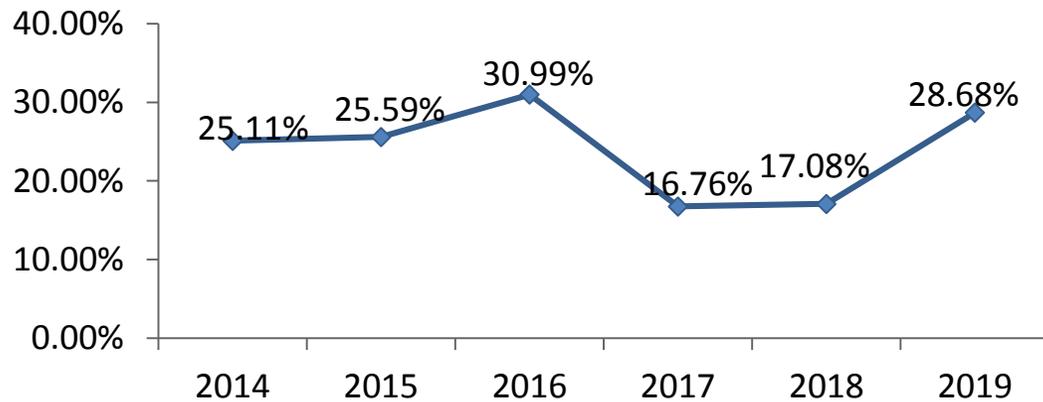
### Net debt (Rs. In million)



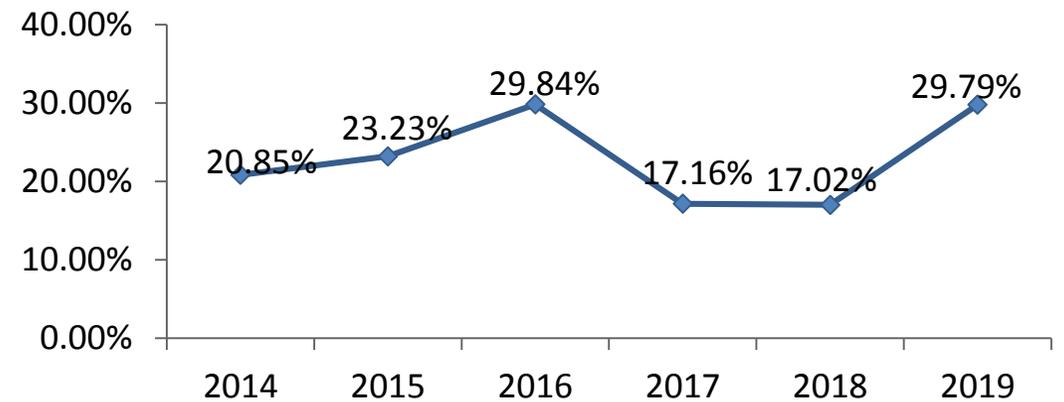
### Net assets (Rs. In million)



### ROCE (%)

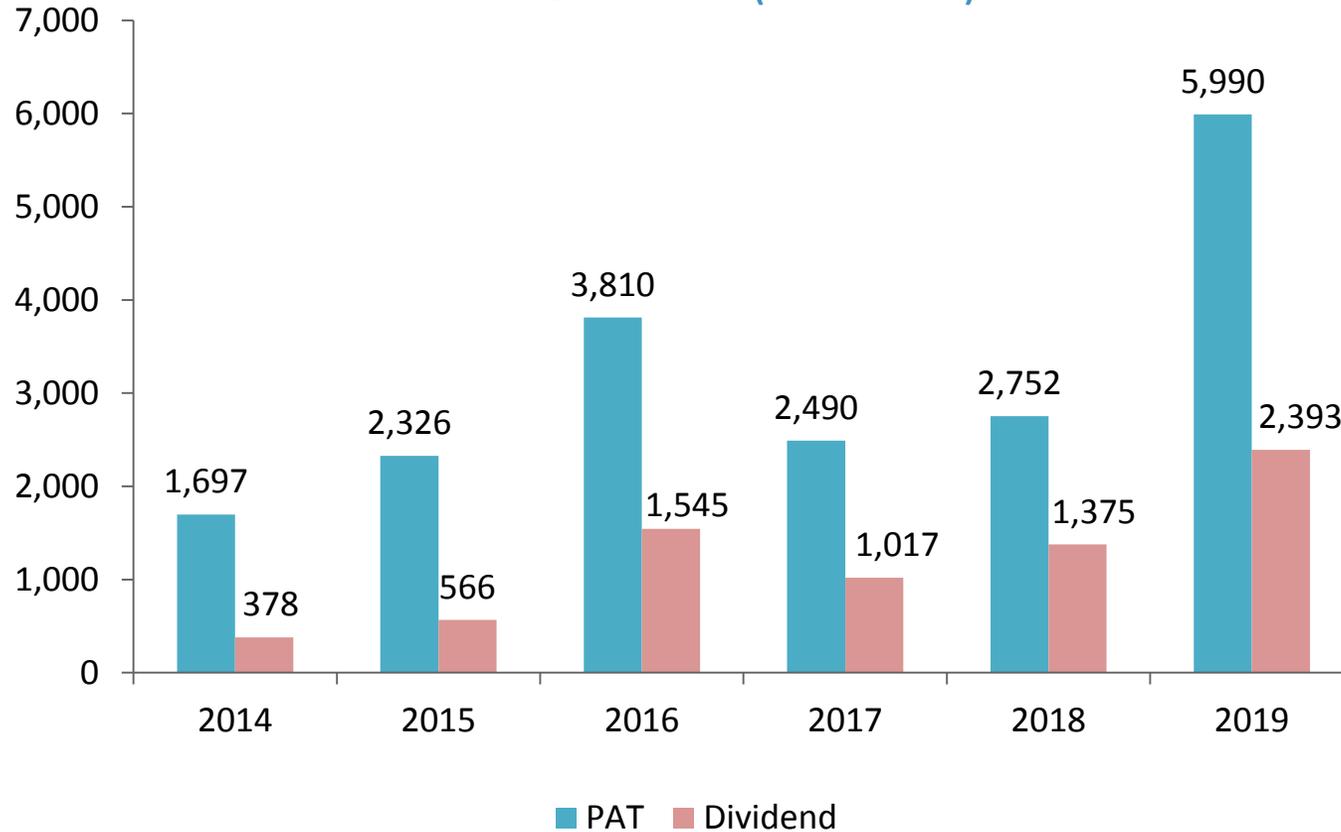


### ROE (%)



# PROFIT & PAYOUT

**PAT & Dividend (Rs. In million)**



Year	EPS (Rs./share)	DPS (Rs./share)	Payout %
2014	4.50	1.00	22%
2015	6.17	1.50	24%
2016	10.11	4.10	41%
2017	6.61	2.70	41%
2018	7.30	3.65	50%
2019	15.90	6.35	40%

# WAY FORWARD

- ❑ The Company is focusing on market expansion strategy to move the business forward such as Central Europe, Scandinavian region, Australian region etc.
- ❑ The Company is also focusing on value added products such as Printed towels, Beach towels, Jacquards, Bathrobe made ups etc. to provide our customers one stop shop facility .
- ❑ To meet the growth aspiration and customers' expectations, the Company plans to enhance and modernize the production facility, For this purpose project is underway which includes commissioning of new looms and spindles.
- ❑ The Company is proactively focusing on energy conservation projects to optimize energy consumption by introducing energy efficient equipment. We have initiated an array of energy conservation practices including green energy generation via renewable energy sources – Solar;
- ❑ Feroze1888 continues to invest in efficient technologies, Continuous Improvement and backward integration such as in-house packaging, re-cycling of wastages and other Cost Smart initiatives are delivering sustainable savings for the business. The eventual target has always been to create better value for our customers and shareholders.



**THANK YOU**