



# Corporate Briefing Session

For the year ended June 30, 2020  
Interloop Limited (ILP)



# DISCLAIMER



- This presentation has been prepared by Interloop Limited solely for information purposes only. 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 opinions contained herein or any opinion rendered or forward looking statements made thereto
- The information contained in this presentation should be considered in the context of the circumstances prevailing at the time
- 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

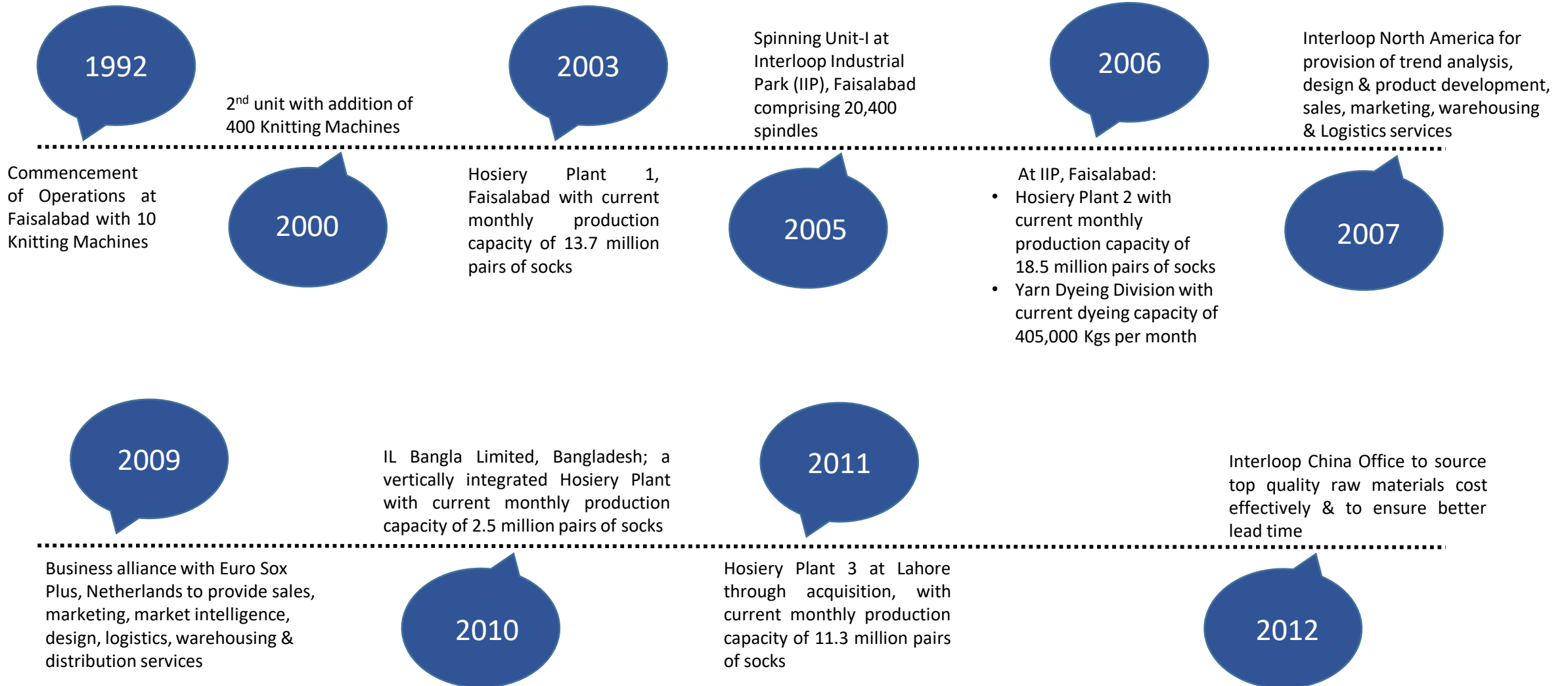
# CONTENTS



- Vision and Mission
- Our Journey
- Group Structure
- Business Categories
- Our Presence
- FY 2020 Regional Sales
- Our Customers
- Certificates & Memberships
- Organogram
- Key Performance Indicators
- Key Financial Highlights
- Quarterly Analysis - FY 2020
- Performance of Major Segments
- Value Addition and Wealth Distribution
- Annual Capacities
- Project Status
- Future Outlook



# OUR JOURNEY



# OUR JOURNEY



2013

- At IIP, Faisalabad:
- Spinning Unit-II comprising 26,304 spindles
  - Dedicated Vertical Sampling Facility

As part of business diversification, established Interloop Dairies Limited

2014

- Expanded to Srilanka through affiliation with Texlan Center (Pvt.) Ltd. with current monthly production capacity of 3.10 million pairs of socks
- Dedicated Tights & Leggings Production Unit at Plant 1, with monthly production capacity of 0.45 million pieces
- At IIP, Faisalabad:
  - a. Distribution center with storage capacity of around 26.4 million pairs of socks
  - b. 15.4 MW Interloop Power Plant based on Tri-Fuel engines

2017

- Plant 4; Region's First LEED Gold Certified Socks manufacturing facility at IIP, Faisalabad with current monthly production capacity of 7.5 million pairs of socks
- Demerged Interloop Limited in order to separate non-textile business into a separate Holding Company & Interloop Limited looking after the textile business, with approval of LHC
- Established IL Apparel (Pvt.) Limited; a subsidiary, looking after the Knitwear Apparel business

2018

- Interloop Denim Apparel manufacturing plant at Lahore, designed as per LEED Platinum Standards with current production capacity of 500,000 pcs per month & planned capacity of 1 million pcs per month by 2021
- Hosiery Plant 5 pilot project at Faisalabad with current monthly production capacity of 2.5 million pairs of socks
- Largest private sector IPO in Pakistan's history & listed at PSX as the Largest Textile Company by Market Capitalization
- 2.0 MW Grid Tied Solar Power Generation System at Hosiery Plant 4 & Spinning, IIP reducing around 1500 tons of Carbon Emissions annually

2019

# MISSION, VISION & VALUES



## Mission



To be an agent of positive change for the stakeholders and community by pursuing an ethical and sustainable business

## Vision



To double our turnover by 2020 through value addition, process improvement and nourishing talent





# GROUP STRUCTURE



**Interloop Group**

**Textile Business**

**Other Business**

**Interloop Limited**

**IL Apparel  
(Private) Limited**

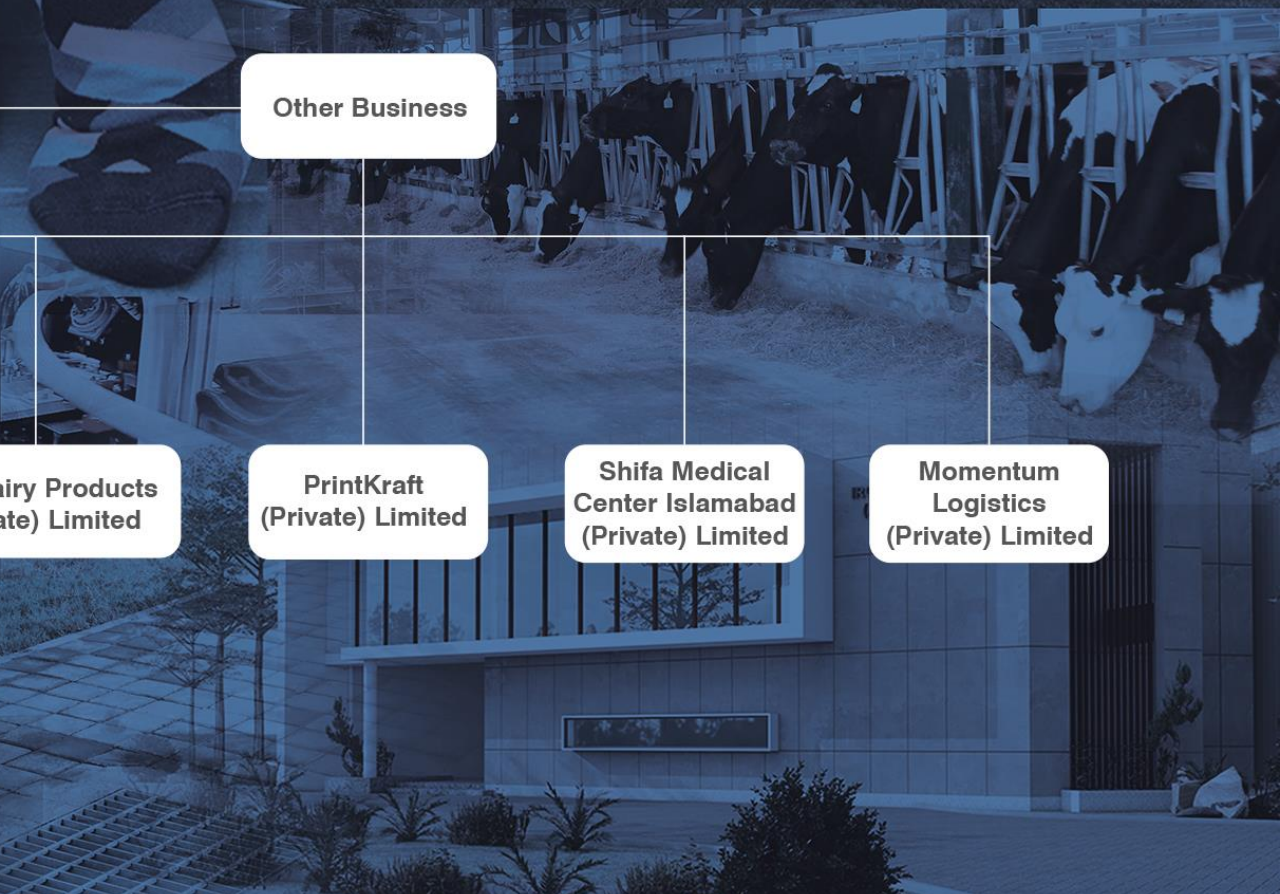
**Interloop Dairies  
Limited**

**IRC Dairy Products  
(Private) Limited**

**PrintKraft  
(Private) Limited**

**Shifa Medical  
Center Islamabad  
(Private) Limited**

**Momentum  
Logistics  
(Private) Limited**





# BUSINESS CATEGORIES



## Hosiery

**700** Million

Pairs of Socks and  
production capacity  
annually

**5,000+**

Knitting machines



## Yarns

**26** Million

kgs of top quality yarn  
manufactured annually

**4** Million

kgs dyeing capacity  
with 1 million kgs air  
covering annually



## Denim

**1** Million

Pcs per month  
planned capacity  
in 2021 with  
current capacity of  
500,000 pcs  
per month



## Knitwear

**5.4** Million

Pcs per month  
and current capacity  
of 1.2 million pcs  
per month  
Planned for a  
complete vertical  
setup by 2022



## Seamless Active Wear

**540,000**

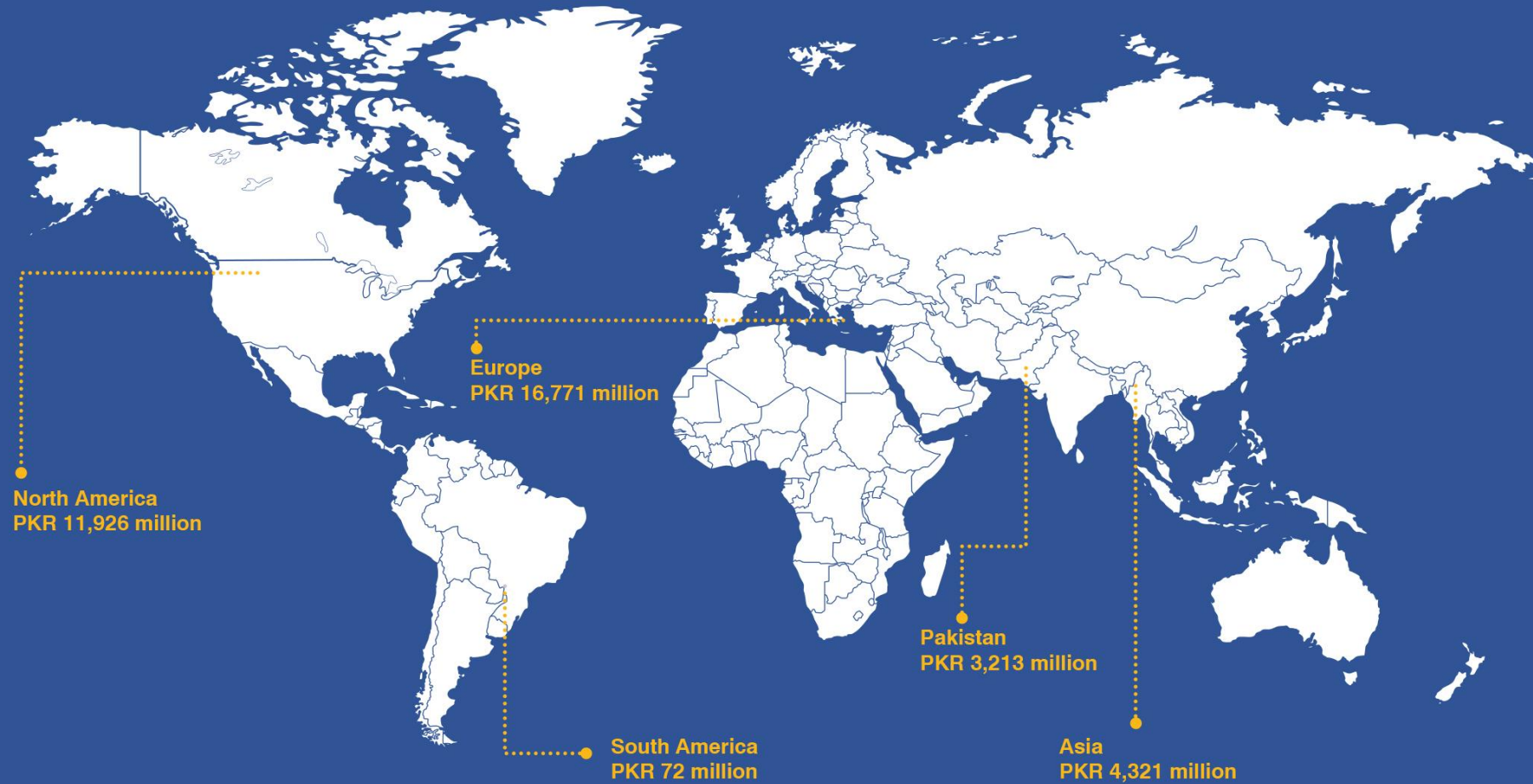
Pcs per month  
by 2022 with current  
capacity of 110,000 pcs  
per month



# OUR PRESENCE



# FY 2020 REGIONAL SALES





# OUR CUSTOMERS



# CERTIFICATES & MEMBERSHIPS



Environmental



Social

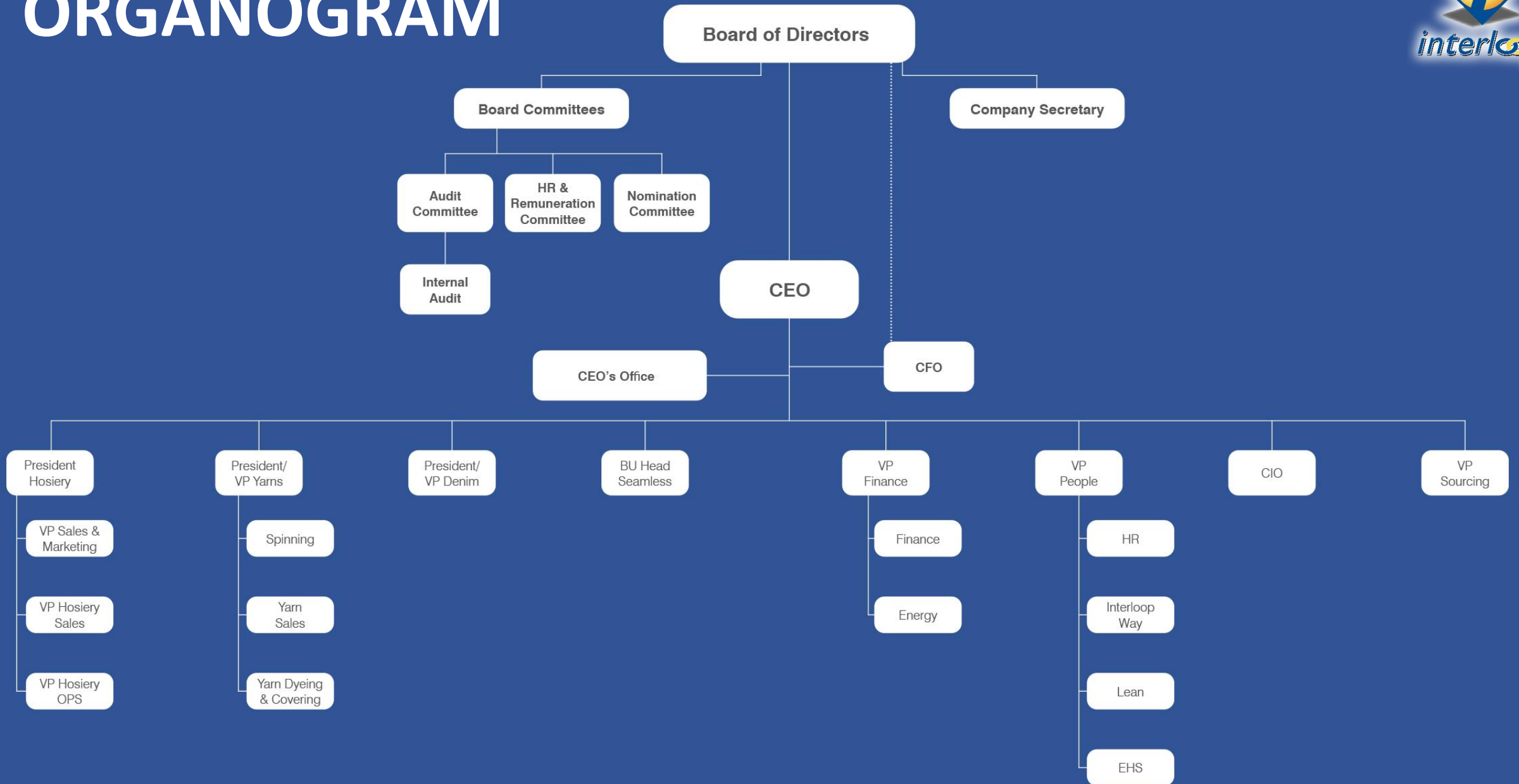


Others





# ORGANOGRAM



# KEY PERFORMANCE INDICATORS



Sales Revenue

**36,303**

PKR in Million



Exports

**209**

USD in Million



Return to Community

**175**

PKR in Million



Cash Dividend per share\*

**2.00**

PKR



Gross Profit Ratio

**21.66%**



Net Profit Ratio

**4.95%**



Current Ratio

**1.14**

Times



Return on Equity

**10.40%**





# KEY FINANCIAL HIGHLIGHTS



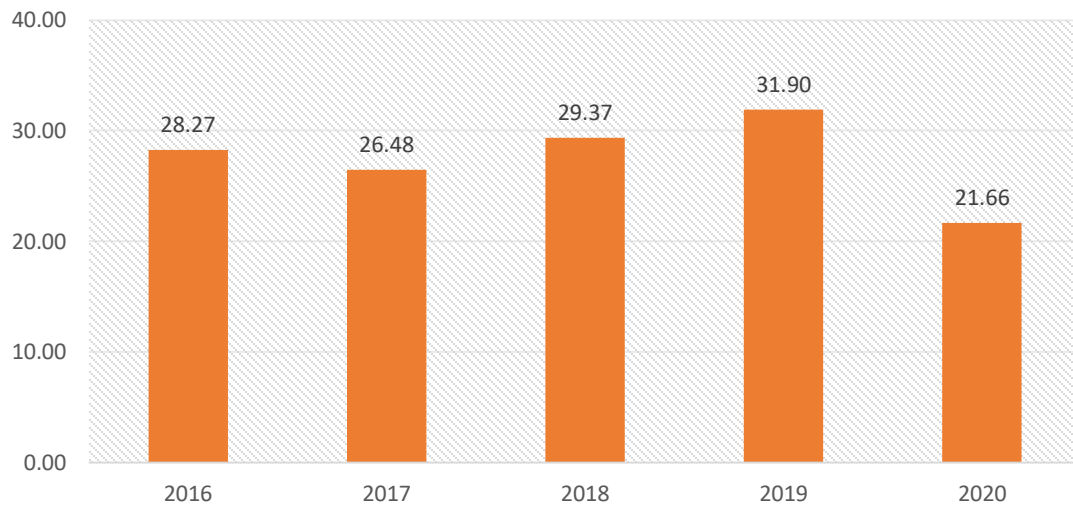
		2020	2019	2018	2017	2016
Net Sales	Rs in millions	36,303	37,478	31,139	26,530	26,333
Export Sales	Rs in millions	33,327	33,941	27,519	23,614	23,377
Gross Profit	Rs in millions	7,864	11,955	9,144	7,026	7,445
Net Profit	Rs in millions	1,796	5,195	3,886	3,011	3,660
EBIDA	Rs in millions	4,802	7,735	5,784	4,531	5,217
Gross Profit Ratio	Percentage	21.66	31.90	29.37	26.48	28.27
Net Profit Ratio	Percentage	4.95	13.86	12.48	11.35	13.90
Cash Dividend per Share – Declared	Rs	2.00	3.00	5.00	5.21	3.03
Earnings per Share - Basic *	Rs	2.06	6.67	5.10	3.95	4.81
Interest Cover	Times	3.13	7.09	10.62	10.81	10.44
Long term debt to Equity Ratio	Times	0.42	0.27	0.35	0.20	0.36
Total Assets	Rs in millions	45,367	40,783	32,750	28,479	23,649
Shareholders Equity	Rs in millions	17,280	17,880	9,083	14,443	12,456
Return on Equity	Percentage	10.40	29.05	42.78	20.85	29.39
Break up value per share	Rs	19.81	20.50	47.78	76.04	65.70

\* includes the impact of bonus share issue

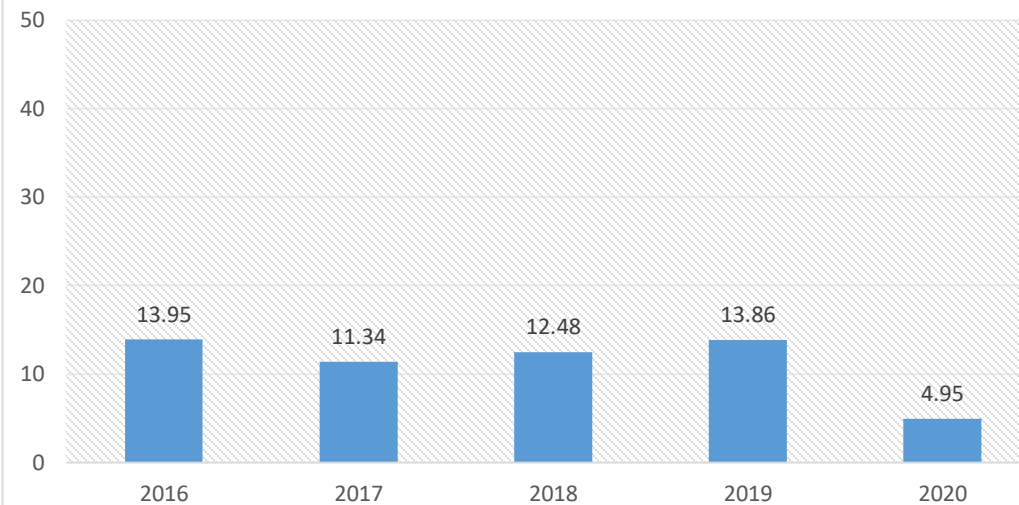
# KEY FINANCIAL HIGHLIGHTS



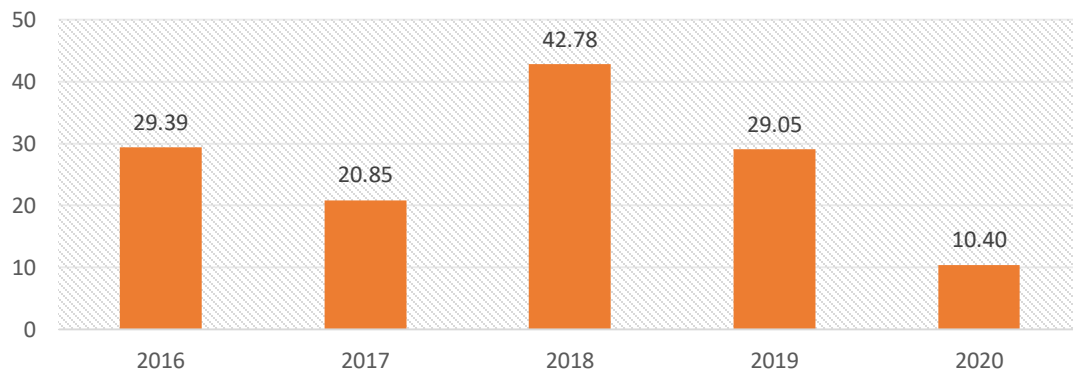
### Gross Profit Ratio %



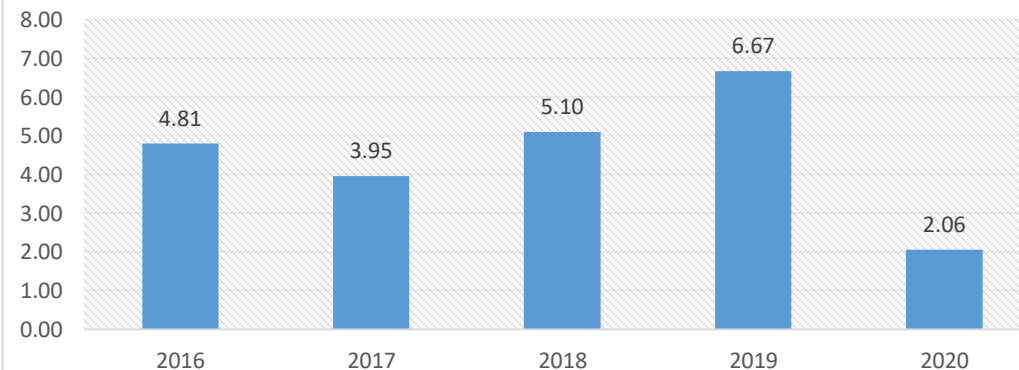
### Net Profit Ratio %



### Return on Equity



### Earnings per Share



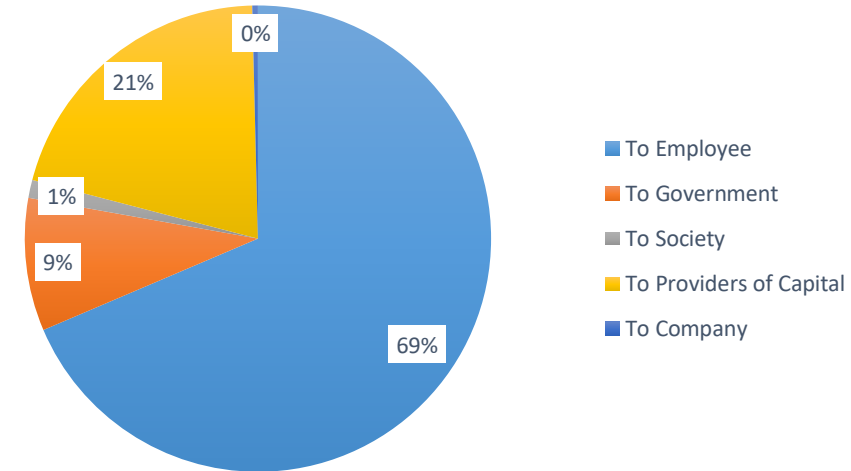


# VALUE ADDITION & WEALTH DISTRIBUTION

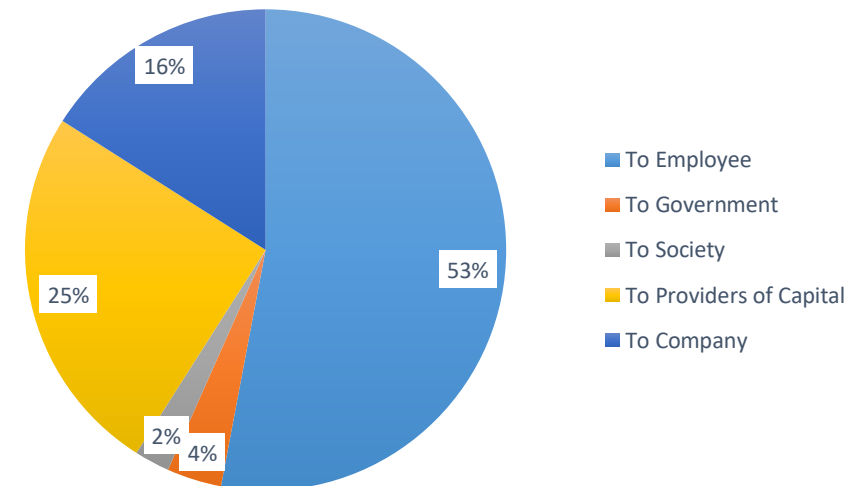


Particulars	2020		2019	
	PKR in '000	%	PKR in '000	%
<b>Wealth Generated</b>				
Sales	36,944,894		37,523,887	
Bought in material and services	(23,023,379)		(22,755,482)	
	<b>13,921,515</b>	<b>100%</b>	<b>14,768,405</b>	<b>100%</b>
<b>Wealth Distribution</b>				
<b>To Employee</b>				
Salaries, benefits and other costs	9,523,225	69%	7,898,493	53%
<b>To Government</b>				
Income tax, sales tax, excise duty and others	1,289,825	9%	543,512	4%
<b>To Society</b>				
Donation towards education, health and environment	175,000	1%	350,176	2%
<b>To Providers of Capital</b>				
Dividend to shareholders	1,744,395	13%	2,616,593	18%
Interest to lenders	1,134,347	8%	974,282	7%
<b>To Company</b>				
Profit Retained	54,723	0%	2,385,349	16%
	<b>13,921,515</b>	<b>100%</b>	<b>14,768,405</b>	<b>100%</b>

**Wealth Distribution 2020**



**Wealth Distribution 2019**



# ANNUAL CAPACITIES



## FY 2020

Segment	UOM	Installed Capacity ('000)	Actual Production ('000) Installed Capacity	Utilization
Hosiery	DZN	59,840	41,694	70%
Spinning*	LBS	29,949	23,204	77%
Yarn Dyeing*	KGs	4,928	3,438	70%
Denim	PCS	4,322	2,448	57%

## FY 2019

Segment	UOM	Installed Capacity ('000)	Actual Production ('000)	Utilization
Hosiery	DZN	57,871	43,242	75%
Spinning*	LBS	29,949	26,630	89%
Yarn Dyeing*	KGs	4,928	4,324	88%

\*after conversion into 20/s



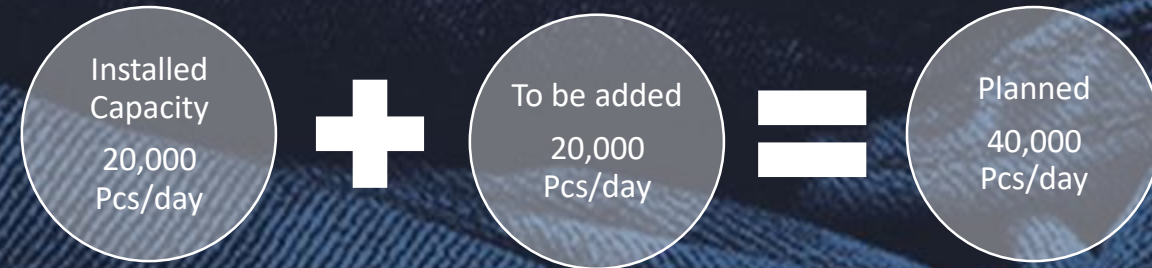
# PROJECT STATUS



## DENIM Division

- Commenced commercial operations in 2<sup>nd</sup> Quarter FY 2020
- Plant capacity utilization **remained 57%** during FY 2020
- 97 % infrastructure & utilities completed of infrastructure & utilities
- Planned capacity enhancement to 40,000 pcs/day in second phase post COVID-19

### Planned Capacity



	Budget Rs. Million	Consumed/Committed	Budget Consumed
Total Project Cost	*8,325	6,778	81.42%

\* Project cost enhanced from 6.75 billion due to devaluation of PKR and trial run losses. It will be financed through internal cash flows



# PROJECT STATUS



## Hosiery Division V

- Pilot Project is fully operational with 330 machines
- Established LC for 100 machines to enhance capacity up to 12,000 dzn/day
- Construction at the new location has started with finalization of business layout and schematics

### Planned Capacity



	Budget Rs. Million	Consumed/Committed	Budget Consumed
Total Project Cost	5,909	1,312	22%



# FUTURE OUTLOOK



Q1 2021 VS  
Q1 2020

PARTICULARS	Q1 2021	Q1 2020	HORIZONTAL ANALYSIS
	PKR '000		Percentage
Sales - net	12,909,587	9,356,423	37.98%
Cost of Sales	(9,800,737)	(7,208,831)	35.95%
<b>Gross Profit</b>	<b>3,108,850</b>	<b>2,147,592</b>	<b>44.76%</b>
<b>Operating expenses</b>			
Distribution Cost	(617,915)	(724,015)	-14.65%
Administrative Cost	(631,939)	(516,401)	22.37%
Other operating expenses	(208,563)	(53,856)	287.26%
Other income	23,519	4,644	406.44%
	<b>(1,434,898)</b>	<b>(1,289,628)</b>	<b>11.26%</b>
<b>Profit from operations</b>	<b>1,673,952</b>	<b>857,964</b>	95.11%
Finance cost	(225,122)	(167,985)	34.01%
<b>Profit before taxation</b>	<b>1,448,830</b>	<b>689,979</b>	<b>109.98%</b>
Taxation	(66,480)	(70,987)	-6.35%
<b>Profit after taxation</b>	<b>1,382,350</b>	<b>618,992</b>	<b>123.32%</b>

# FUTURE OUTLOOK



RACE TO ZERO

## CIRCULARITY

First in Pakistan to join Organic Cotton Accelerator global platform to develop local organic cotton supply chain

OCA UNITES THE SECTOR TO UNLEASH THE POTENTIAL OF ORGANIC COTTON

FROM FIELD TO FASHION.



- 40% yarns from sustainable sources - recycled polyester
- Recycled textile waste
- Sustainable packaging
- 99% elimination of PET bottles
- ZDHC Clean Chain

## CARBON FOOT PRINT

- One of the first in Pakistan to sign the UN “Race to Zero” global campaign aiming for a 30% reduction in carbon foot print
- 15-20 MW solar capacity by 2025 – 6 MW already installed
- Carbon offsetting programmes – solar power for employees, tree plantation drives
- LEED certified buildings and energy efficient equipment



## LESS WATER

- 15% reduction in water usage
- Nano bubble technology – 95% water reduction and 50% chemical reduction
- Water recycling



# FUTURE OUTLOOK



WORKFORCE FOR THE  
FUTURE

## TALENT MANAGEMENT

- 23,000+ associates with over 15 different nationalities
- Performance driven culture – objectives calibration, 360 feedback, 9 box ratings, uniform behaviours evaluation
- Succession planning of critical positions
- Skill development programmes focusing on leadership, analytical and technical skills

## DIVERSITY & INCLUSION

- UN Women Empowerment Principles signatory adding over a 1000 women by 2021
- 40% women with STEM degrees
- Gender balanced graduate intake
- Early years learning – daycare centres
- Reconnect programme
- Differently abled recruitment



# FUTURE OUTLOOK



BUSINESS FOR PURPOSE

## TRANSFORMING LIVES

- Sponsoring 27 TCF school providing education to 4000 children with over 45% girls
- 500 Higher education scholarships for young women and men
- Equal access to education for differently abled children
- Education endowment for employees' children
- Early childhood development & pre-primary education at Interloop's daycare centers

## IMPROVING WELL-BEING

- Promoting mental health and well being by funding research and diagnostics for Alzheimer's disease
- Promoting sports for differently abled people by sponsoring local and international sports events
- Promoting local talent at the grassroots by sponsoring sporting events at local & national level
- Reducing epidemics & acute health issues by sponsoring treatment for deserving patients
- Improving community well-being through promoting reading, literature & associated festivals

# FUTURE OUTLOOK



## BUSINESS PROSPECTS & CHALLENGES

- Since July 2020 the company's performance has improved remarkably and our all operating segments are now fully functional. During Q1 21, the company achieved sales of PKR 12.9 billion & posted a profit after tax of PKR 1,382 million which shows YoY increase of 38% & 123% respectively
- Upon completion, both denim and hosiery plant V are expected to generate more sales, and profits because of economies of scale
- The future prospects of the company are encouraging as company sales are increasing and its order books are very healthy for the current financial year and beyond. So far it has not seen any impact of the second wave of Covid19, however, lockdowns in EU and US and spread of disease within Pakistan will have to be watched carefully



# Q & A



**THANK YOU**