

J.K. SPINNING MILLS LIMITED

CORPORATE OVERVIEW & INVESTOR PRESENTATION (BRIEFING SESSION)

Year Ended 30 June 2026

Held on 07 October 2026



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Company Overview

J.K. Spinning Mills limited is a public limited company incorporated in Pakistan on 07 January 1987 and listed on Pakistan Stock Exchange Limited on 24 September 1990, its Registered office is situated in Lahore and head office and factory premises in Faisalabad.

The Company is engaged in business of textile manufacturing which comprises spinning, weaving, processing, stitching, buying, selling and otherwise dealing in yarn, fabric and other textile products.



QUALITY & COMPLIANCE CERTIFICATIONS



Business Segments

SPINNING

Yarn Manufacturing

Four spinning units/mills-combination of Asian & European machinery producing cotton/PC yarn from local/imported cotton along with artificial fibers — supplying both in the domestic market.

183,538

Spindles Installed

6,000

Rotors Installed

FABRIC & HOME TEXTILE

Weaving, Processing & Stitching

In-house weaving, processing and stitching facilities producing home textile, healthcare and institutional textile products — including bed and fitted sheets, quilts, comforters, duvet cover, mattress covers, bathrobes and towels.

110

Looms Installed

Traditional Bleaching and Dyeing plus Towel Processing

600

Stitching Machines

Operating Segments

01

Segment Assets & Liabilities

Assets:

Spinning PKR 19.08B (FY2025: 20.36B),
Fabric PKR 10.09B (FY2025: 9.89B).

Liabilities:

Spinning PKR 7.85B (FY2025: 10.93B),
Fabric PKR 7.43B (FY2025: 6.74B).

02

Segment Revenue Split

External- Spinning PKR 17.78B (41%), (FY2025:18.63B),
Fabric & Home Textile PKR 25.73B (59%)
(FY2025:24.20B)

03

Segment Profitability

FY2026 segment gross margin: Spinning improved sharply to 14.8% (from 7.6% in FY2025), while Fabric & Home Textile eased to 9.6% (from 12.8% in FY2025), reflecting differing cost trends across the two segments.

04

Geographical Areas — Top Markets

FY2026 external revenue by top destination: Great Britain PKR 9.99B, Pakistan PKR 18.06B, USA PKR 4.21B, Spain PKR 3.17B, Italy PKR 1.95B, Netherlands PKR 1.45B.

05

Major Customers

The Company's revenue is earned from a large mix of customers; no single external customer represents a reportable concentration of revenue.

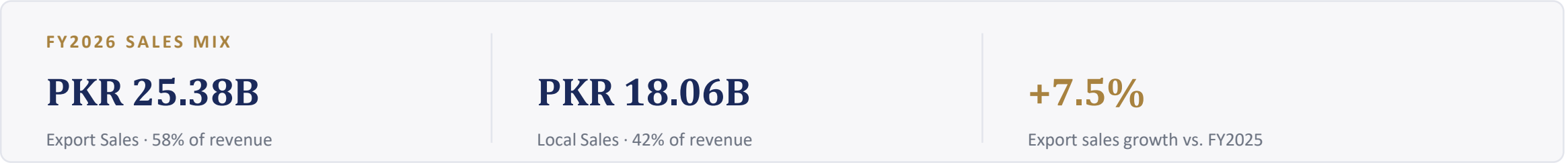
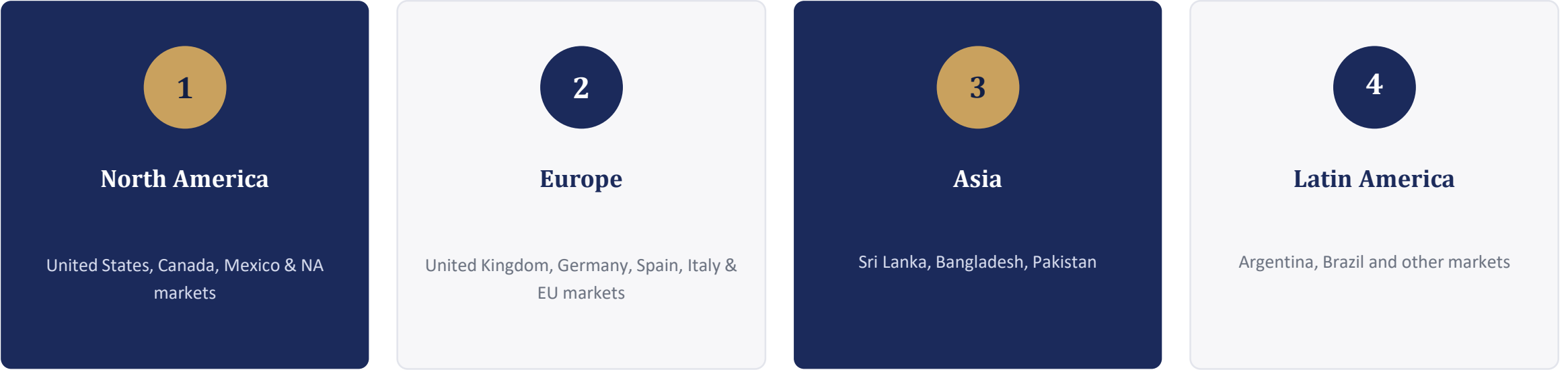
06

Non-Current Assets by Geography

All of the Company's non-current assets, including property, plant and equipment, are located and operated in Pakistan.

Global Presence

J.K. Spinning Mills exports yarn, fabric and home textile products worldwide, serving customers across North America, Europe, the Middle East, Africa, Asia-Pacific and Latin America.



Key Revenue Drivers

01

Market Demand

Demand for yarn, fabric and home textile products across domestic and export markets, shaped by global textile consumption trends and seasonal buying cycles.

02

Pricing Strategy

Cost-plus pricing aligned with input costs and prevailing market rates, balancing margin protection with export competitiveness.

03

Customer Acquisition

Expanding the buyer base through international trade fairs, digital transformation, direct buyer visits and export market development across key regions.

04

Customer Retention

Long-term relationships with institutional, healthcare and hospitality textile buyers built on consistent quality, on-time delivery and compliance certifications.

05

Upselling & Cross-Selling

Growing wallet share with existing customers by offering complementary products across yarn, fabric and finished home textile lines.

06

Product Innovation

Continuous investment in BMR and modern processing technology to develop higher-value, differentiated yarn and fabric products.

07

Partnerships & Collaboration

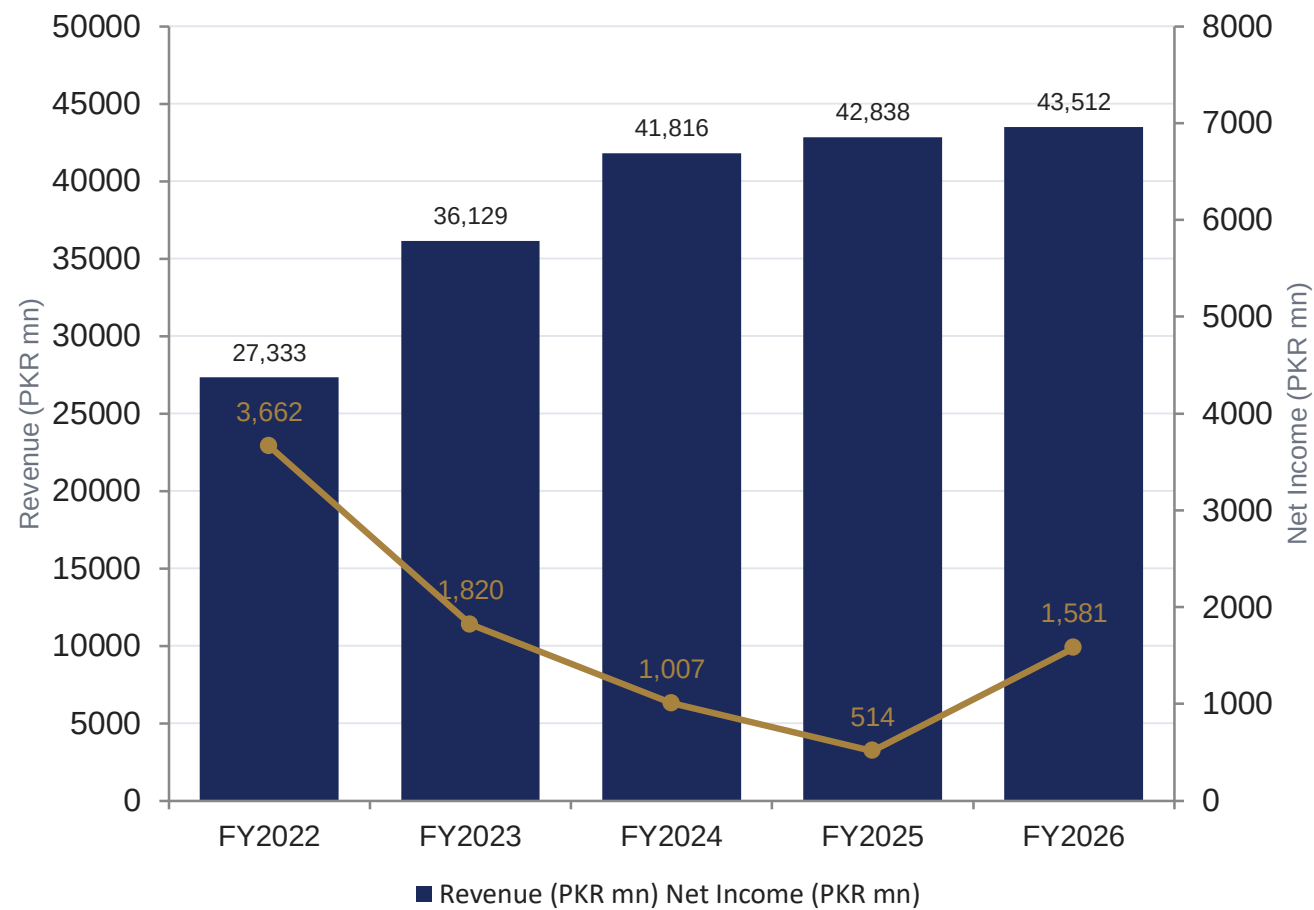
Strategic sourcing and buyer partnerships that support stable order volumes and long-term supply agreements.

08

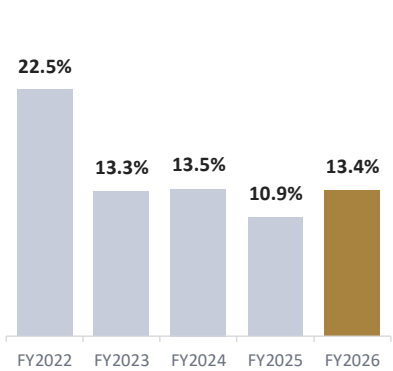
Export Market & Channel Expansion

Diversifying export destinations — Great Britain, USA, Spain, Italy, Netherlands — with export sales up +7.5% YoY, 58% of FY2026 revenue.

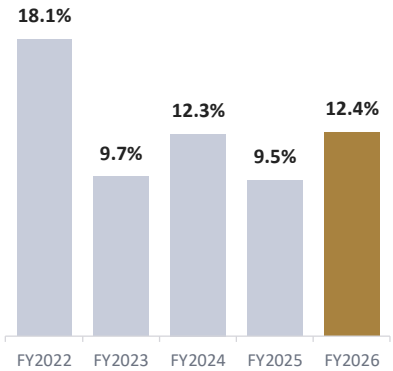
Revenue, Net Income & Profitability Margins



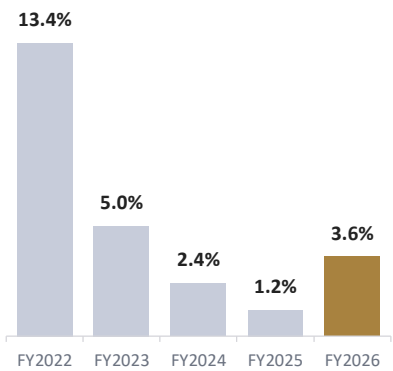
Gross Margin



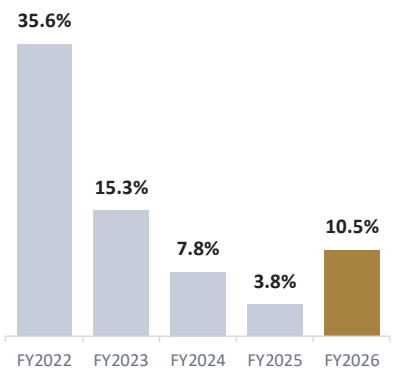
EBITDA Margin



Net Profit Margin



Return on Equity



Balance Sheet & P&L Variance Analysis

Balance Sheet (Rs. in Million)

Particulars	FY2026	FY2025	Var (Rs)	Var (%)
Total Non-Current Assets	12,070	11,998	72	+0.6%
Stock-in-Trade	10,212	11,107	(895)	-8.1%
Trade Debts	4,349	5,287	(938)	-17.7%
Total Current Assets	19,481	20,011	(530)	-2.6%
Total Assets	31,551	32,009	(458)	-1.4%
Total Equity	15,621	14,043	1,578	+11.2%
Long Term Financing	2,753	3,143	(390)	-12.4%
Short Term Financing	8,932	10,661	(1,729)	-16.2%
Total Liabilities	15,930	17,966	(2,036)	-11.3%

Material Variation Explanation

- Trade Debts -17.7% – stronger receivables collection & tighter credit terms
- Total Equity +11.2% – retained profit after tax added to reserves
- Long Term Financing -12.4% – continued scheduled repayment of term loans
- Short Term Financing -16.2% – lower working-capital reliance, stronger cash flow
- Total Liabilities -11.3% – combined effect of lower short- & long-term financing

Profit and Loss (Rs. in Million)

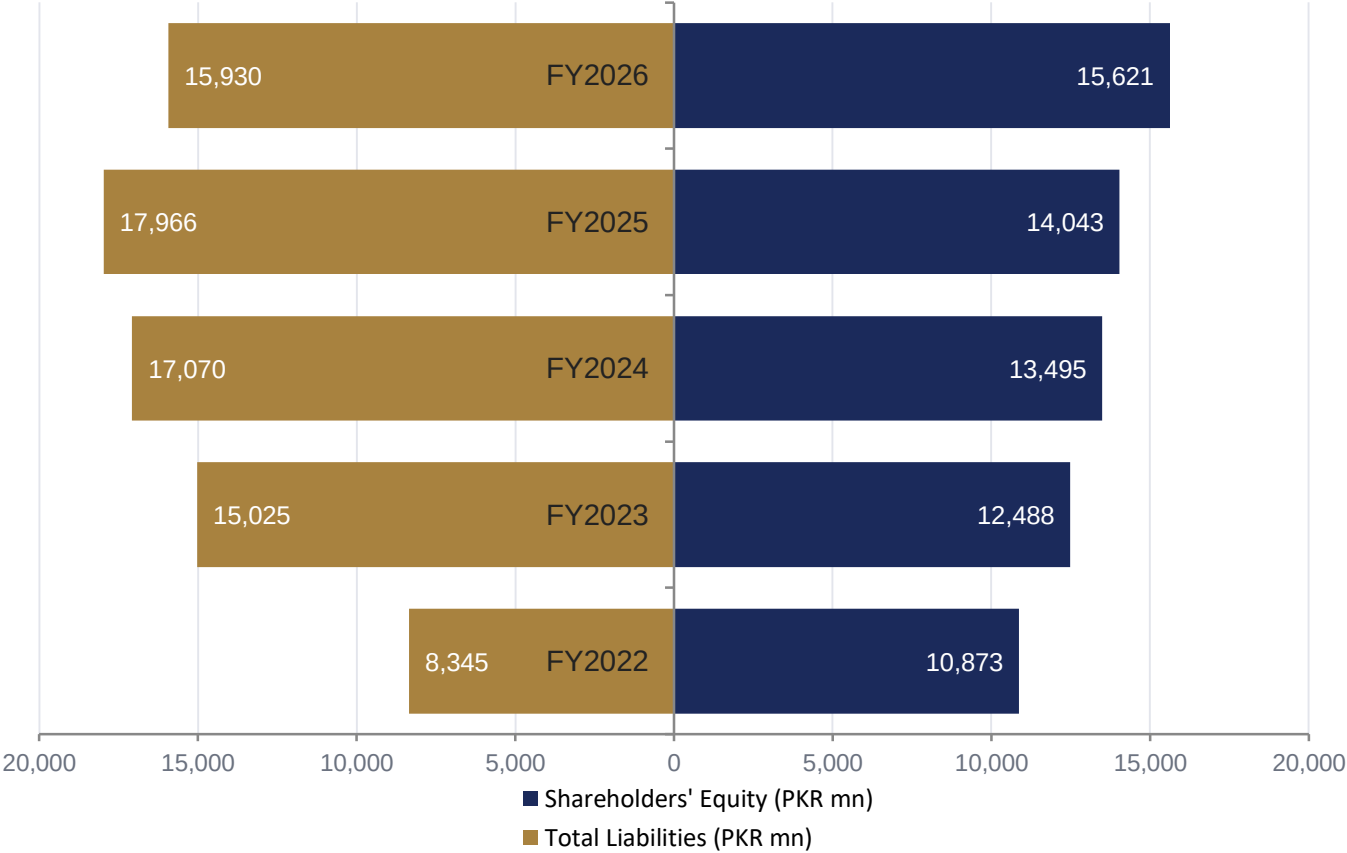
Particulars	FY2026	FY2025	Var (Rs)	Var (%)
Revenue	43,512	42,838	674	+1.6%
Cost of Sales	(37,695)	(38,189)	494	-1.3%
Gross Profit	5,817	4,649	1,168	+25.1%
Distribution & Admin Cost	(2,056)	(2,015)	(41)	+2.0%
Profit from Operations	4,257	2,955	1,302	+44.0%
Finance Cost	(1,311)	(1,800)	489	-27.1%
Profit Before Taxation	2,936	785	2,151	+274.0%
Profit After Taxation	1,581	514	1,067	+207.6%

Material Variation Explanation

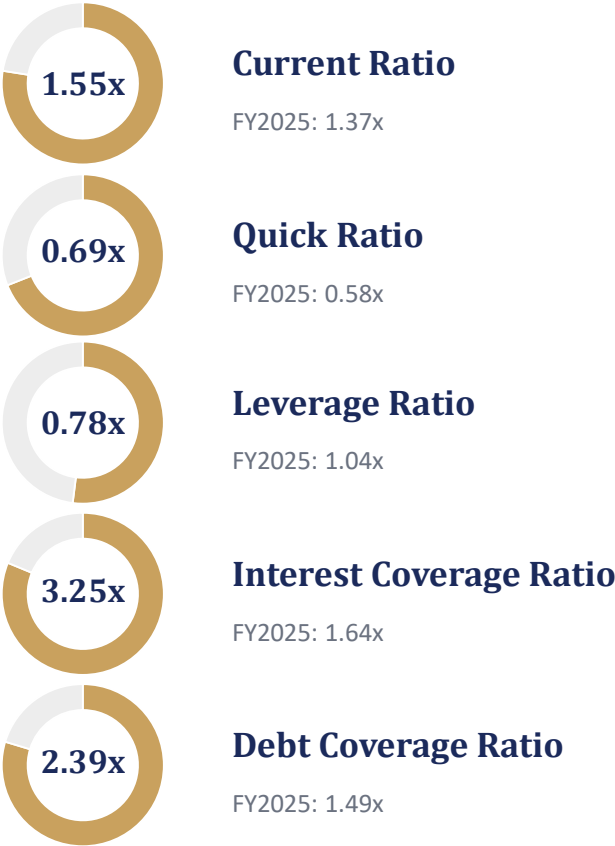
- Gross Profit +25.1% – margin expanded to 13.37% from 10.85% on efficiency & cost control
- Profit from Operations +44.0% – higher gross profit & well-contained operating costs
- Finance Cost -27.1% – SBP policy rate eased to 11.5%; borrowings reduced
- Profit Before Taxation +274.0% – stronger operating profit & sharply lower finance cost
- Profit After Taxation +207.6% – EPS Rs 15.45 vs Rs 5.02, on margin gains & lower finance cost

Balance Sheet Strength

HOW TOTAL ASSETS ARE FINANCED



LIQUIDITY & LEVERAGE (FY2026)



Sustainability & Operations

RENEWABLE ENERGY

Solar Power Capacity Expansion

Expanded during FY2025–26 to strengthen long-term energy efficiency and sustainability objectives.



1 Total Self-Generated Power

Combined 21 MW gas generator and 15.5 MW solar capacity — ensures uninterrupted power supply. WAPDA supply up to 18 MW is in addition to that.

2 Zero-Carbon Roadmap

A heat-recovery system on the gas generator, alongside expanded solar generation, targets zero-carbon emissions over time.

3 Effluent Treatment

A dedicated ETP supports responsible wastewater treatment; a further facility is being evaluated for the Home Textile Division.

4 Workforce & Community

3,051 employees as at June 30, 2026, supported by health and safety facilities, training, and CSR in education, healthcare and women's empowerment.

Key Business Risks

01

Currency Risk

Exposure to USD, Euro and GBP fluctuations on export receivables and foreign-currency payables; managed under Board-approved treasury policies and, where appropriate, derivative instruments.

02

Interest Rate Risk

Short-term borrowings and long-term financing are exposed to SBP policy-rate movements; Interest Coverage Ratio strengthened to 3.25x in FY2026 from 1.64x in FY2025 as rates eased.

03

Credit Risk

Risk that customers or counterparties fail to settle receivables; managed through expected credit loss (ECL) assessment, Credit insurance covers and monitoring of trade debt concentration.

04

Liquidity Risk

Risk of being unable to meet financial obligations as they fall due; Current Ratio improved to 1.55x from 1.37x in FY2025 and Quick Ratio improved to 0.69x from 0.58x in FY2025.

05

Sectoral & Input Cost Risk

The textile sector remains exposed to inflationary pressures, high energy costs, subdued global demand and cotton/input price volatility, per the Directors' Report.

06

External & Climate Risk

Global economic uncertainty, regional tensions, volatile energy prices and climate-related events (including monsoon flooding) continue to pose risks to the operating environment.

Future Outlook & Basis for Forward-Looking Statements

01

Fabric Processing Upgrade

Rs. 1,789 million investment in a Goller Complexa bleaching range, an 8-chamber POSLU Stenter and biomass-fired thermal oil heater — expected to enhance efficiency, profitability and product quality.

02

Spinning BMR Programme

Modernisation with 16 high-speed Ring Frame LRJ/SX machines, 2 Toyota Simplex frame sets and an Automatic Bale Plucker, aimed at improving spinning efficiency and product quality.

03

Renewable Energy

Solar capacity expanded from 7.5 MW to 15.5 MW during FY2025-26 — assumes continued grid/gas cost pressure and supports the Company's zero-carbon roadmap.

04

Export Diversification & Vertical Integration

Leveraging a geographically diversified customer base and continuing operational efficiencies through vertical integration, supported by a growing workforce .

05

Critical Accounting Estimates

Critical estimates include freehold land revaluation, useful lives of fixed assets, expected credit losses and provisions — reviewed annually.

06

Forward-Looking Statement Basis

Per the disclaimer (Slide 2), forward-looking statements are subject to inherent risks and assumptions; actual results may differ materially. The Company has not issued specific numerical earnings forecasts.

Questions Received in Advance

- This section is reserved for questions received in advance of this presentation from shareholders and analysts, together with management's responses. Questions submitted ahead of the briefing session, together with the Company's responses, will be recorded here; any questions raised verbally during the session will be addressed at that time.



Thank You

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