CORPORATE BRIEFING SESSION 2026

Service Industries Textiles Limited

Results for the year ended June 30, 2026 and the quarter ended September 30, 2026

Tuesday, November 24, 2026
11:30 a.m. (PST) · Online via Zoom

PSX Symbol: SERT | 38-Empress Road, Lahore | www.sitl.com.pk

IMPORTANT NOTICE

Disclaimer

This presentation has been prepared by Service Industries Textiles Limited (the "Company") solely for information and discussion with participants of the Corporate Briefing Session. The financial information contained herein is derived from the audited financial statements of the Company for the year ended June 30, 2026, which should be read in full together with the auditors' report thereon, and from the un-audited condensed interim financial information for the quarter ended September 30, 2026.

No expression, information, statement or representation made in this presentation or during the discussion shall be construed by any investor or potential investor as advice or a recommendation to hold, purchase or sell securities of the Company.

Certain statements relating to future outlook are forward-looking in nature. They are based on management's current expectations and are subject to risks and uncertainties, including market, regulatory and economic conditions, which may cause actual results to differ materially. These statements are based on the Directors' Reports for the year ended June 30, 2026 and the quarter ended September 30, 2026, and on industry information available at the date of this presentation. Participants should make their own assessment of the appropriateness and accuracy of the information before acting on it.

OVERVIEW

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About the Company

- Incorporated in Pakistan in 1962 as a private limited company under the repealed Companies Act, 1913 (now the Companies Act, 2017), and converted into a public limited company in 1970.
- Listed on the Pakistan Stock Exchange; principal activity is the manufacture and sale of yarn made from raw cotton and synthetic fibre.
- Spinning mill at Rehman Shaheed Road, Gujrat; registered office at 38-Empress Road, Lahore.
- Plant of 20,160 spindles with automatic cone winders and allied machinery, supported by in-house power generation and solar energy.
- No borrowings from banks or financial institutions; financing obtained from directors.



COMPANY PROFILE

Corporate Information

PSX Symbol	SERT
Legal Status	Public Limited Company
Chief Executive	Mr. Mohammad Hameed
Chief Financial Officer	Mr. M. Muddasar Shahzad
Company Secretary	Mr. Usman Khalid
Statutory Auditors	Crowe Hussain Chaudhury & Co., Chartered Accountants
Internal Auditors	Awan & Co., Chartered Accountants
Share Registrar	Corplink (Pvt) Ltd., Wings Arcade, 1-K Commercial, Model Town, Lahore
Bankers	Meezan Bank Limited · MCB Bank Limited · Bank Alfalah Limited
Registered Office	38-Empress Road, Lahore · (92-42) 36304561-3
Mills	Rehman Shaheed Road, Gujrat · (92-53) 3514065
Website	www.sitl.com.pk

Board of Directors and Committees

Independent Directors

Mr. Usman Hamid Malik

Ms. Sara Aqeel

Executive Directors

Mr. Mohammad Hameed (Chief Executive)

Mr. Murtaza Hameed

Non-Executive Directors

Mr. Aamer Hameed (Chairman)

Mr. Tariq Hameed

Ms. Sadia Hamid

Audit Committee

Mr. Usman Hamid Malik (Chairman)
Ms. Sara Aqeel · Mr. Aamer Hameed

Also discharges Risk Management and Sustainability Committee roles

HR & Remuneration Committee

Ms. Sara Aqeel (Chairperson)
Mr. Tariq Hameed · Mr. Usman Hamid Malik

Also discharges Nomination Committee role

Board of Directors

7 directors: 5 male, 2 female
2 independent · 2 executive · 3 non-executive

Board evaluation for FY26 rated satisfactory

Statement of Profit or Loss

For the year ended June 30, 2026 · Rupees in thousands

	2026	2025	Change	Explanation of material variation
Revenue	**1,276,207**	**1,370,515**	-6.9%	Lower sales, as cheaper EFS imports and costly cotton pressured yarn demand and prices
Cost of sales	(1,311,434)	(1,364,921)	-3.9%	Fuel and power Rs. 307.1 M (FY25: Rs. 360.8 M); depreciation Rs. 45.0 M (FY25: Rs. 33.5 M)
Gross (loss) / profit	**(35,227)**	**5,594**	n/m	Subdued yarn margins and lower capacity utilisation
Distribution cost	(8,898)	(9,507)	-6.4%	
Administrative expenses	(49,772)	(45,358)	+9.7%	
Operating loss	**(93,898)**	**(49,271)**	+90.6%	
Finance cost	(13,920)	(10,584)	+31.5%	Directors' financing markup Rs. 7.5 M (FY25: Rs. 5.0 M); WPPF interest Rs. 6.3 M (FY25: Rs. 5.5 M)
Other operating expenses	(1,350)	(1,421)	-5.0%	
Other income	13,349	104	n/m	Accrued markup of Rs. 13.3 M waived by directors on restructuring of their loans
Loss before levy and taxation	**(95,819)**	**(61,171)**	+56.6%	
Levy	(15,954)	(17,131)	-6.9%	
Taxation	418	5,403	-92.3%	
Net loss for the year	**(111,355)**	**(72,900)**	+52.8%	
Loss per share (Rupees)	**(8.08)**	**(5.29)**		

Key revenue drivers: sale of cotton yarn (mainly 52/s, 30/s and 32/s) and waste; volumes follow customer orders; prices and demand depend on cotton costs and competing imports.
Segment information (IFRS 8): single reportable segment (yarn); all sales and non-current assets in Pakistan; one customer accounted for 19% of sales, Rs. 240.7 M (FY25: 18%, Rs. 302.6 M).

Factors Affecting Performance in FY2026

1

High input costs

Energy and other input costs remained elevated, compressing conversion margins.

2

Domestic cotton

Limited availability and higher prices of local cotton raised raw material costs.

3

Imports under EFS

Cheaper imported yarn and fabric under the Export Facilitation Scheme, and concerns over misuse of the scheme, weighed on demand and prices for local yarn.

4

Utilisation & margins

Subdued yarn margins and increasing competitive pressure adversely affected spinning margins and capacity utilisation.

Statement of Financial Position

As at June 30, 2026 · Rupees in thousands

	2026	2025
Assets		
Property, plant and equipment	1,479,836	1,491,623
Long term deposits	27,622	27,337
Non-current assets	**1,507,459**	**1,518,960**
Stock in trade	102,401	67,880
Advances and prepayments	55,201	66,953
Cash and bank balances	30,159	19,661
Stores, spares and trade debts	10,866	10,818
Current assets	**198,627**	**165,312**
Total assets	**1,706,086**	**1,684,272**

	2026	2025
Equity and liabilities		
Share capital and share premium	156,552	156,552
Accumulated loss	(472,216)	(381,899)
Revaluation surplus on PP&E	1,222,204	1,240,451
Total equity	**906,541**	**1,015,105**
Long term financing (directors)	37,121	11,149
Employee benefits and deferred tax	102,375	100,212
Non-current liabilities	**139,495**	**111,361**
Current liabilities	**660,049**	**557,806**
Total equity and liabilities	**1,706,086**	**1,684,272**

Explanation of material variations

Stock in trade +50.9%: raw material stock Rs. 80.1 M (FY25: Rs. 43.6 M)

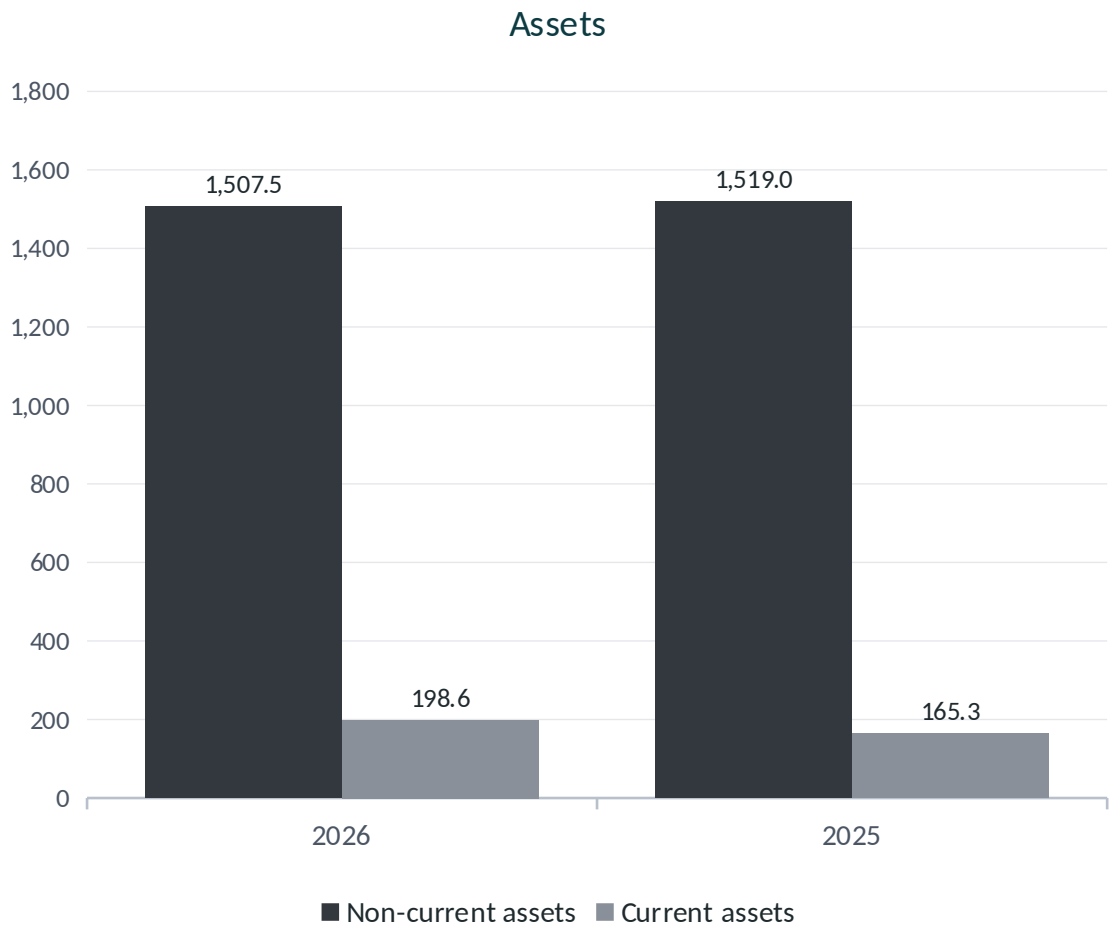
Current liabilities +18.3%: trade creditors Rs. 236.3 M (FY25: Rs. 135.9 M); contract liabilities Rs. 322.7 M (FY25: Rs. 259.4 M)

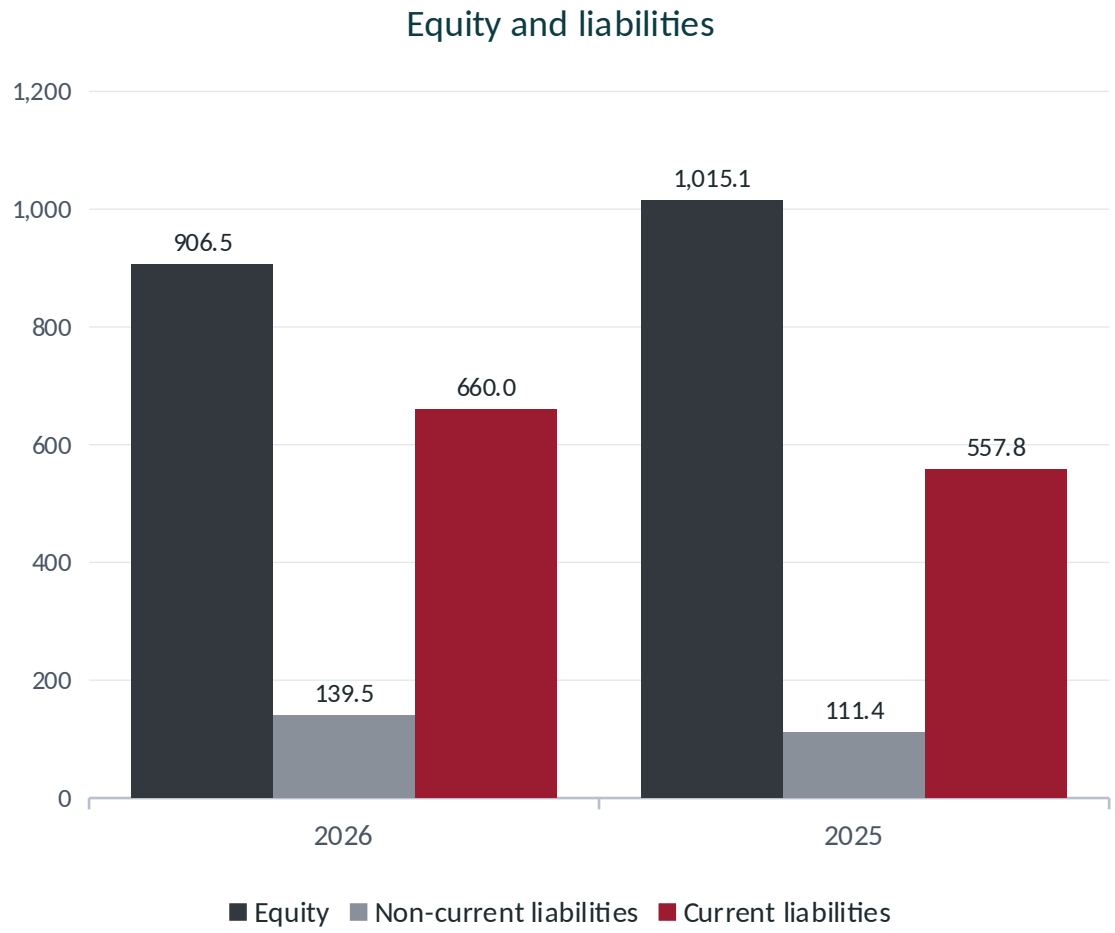
Long term financing +233.0%: directors' loans restructured over five years, including a two-year grace period

Total equity −10.7%: total comprehensive loss for the year of Rs. 108.6 M

Financial Position at a Glance

Rupees in millions





Key Operational and Financial Data

Rs. '000 · June	2026	2025	2024	2023	2022	2021	2020
Sales	**1,276,207**	**1,370,515**	**1,341,318**	**1,051,603**	**1,341,765**	**1,230,010**	**921,250**
Gross profit / (loss)	**(35,227)**	5,594	(35,239)	(109,842)	37,645	130,246	59,146
Operating profit / (loss)	**(93,898)**	(49,271)	(79,009)	(152,406)	(8,452)	87,222	23,934
Profit / (loss) before levy and tax	**(95,819)**	(61,171)	(92,720)	(157,371)	(7,552)	80,734	(1,832)
Levy and tax	**(15,536)**	(11,729)	(7,925)	(548)	(3,818)	(21,192)	(23,210)
Net profit / (loss) for the year	**(111,355)**	**(72,900)**	**(100,644)**	**(15,792)**	**(11,370)**	**59,543**	**(25,042)**
Total assets	**1,706,086**	1,684,272	1,469,907	1,451,674	1,492,622	866,901	828,577
Current liabilities	**660,049**	557,806	469,072	339,592	197,287	174,181	166,913
Capital employed	**1,046,037**	**1,126,466**	**1,000,834**	**1,112,081**	**1,295,335**	**692,720**	**661,664**
Represented by:							
Equity - net	**906,541**	1,015,105	911,352	1,010,125	1,167,855	563,211	543,911
Long term loans	**37,121**	11,149	19,213	26,295	46,066	52,209	26,270
Deferred liabilities	**102,375**	100,212	70,269	75,661	81,414	77,300	91,484
Capital employed	**1,046,037**	**1,126,466**	**1,000,834**	**1,112,081**	**1,295,335**	**692,720**	**661,664**

Auditors' Report and Going Concern

The statutory auditors have expressed an adverse opinion on the financial statements for FY2026

Matters cited in the Basis for Adverse Opinion

Rs. 111.4 M

Net loss for the year
FY25: Rs. 72.9 M

Rs. 472.2 M

Accumulated losses
FY25: Rs. 381.9 M

Rs. 461.4 M

Current liabilities in excess of current assets
FY25: Rs. 392.5 M

In the auditors' view, these conditions indicate that the Company may not be able to realize its assets and discharge its liabilities in the normal course of business.

Board's assessment - going concern basis considered appropriate

- Improvement in operating results after the year end - Q1 FY2027 operating profit (next slide).
- Sponsors committed to continued financial support as and when required.
- Directors' loans restructured over five years (two-year grace) at 3-month KIBOR; previously accrued markup of Rs. 13.26 M waived.
- Understanding reached with key trading partners to convert a portion of their advances, subject to definitive agreements.
- Better domestic cotton availability and encouraging trends in cotton yarn exports.
- Focus on efficiencies, liquidity, working capital and use of available resources.

Subsequent Performance: September 2026 Quarter

Un-audited results for the quarter ended September 30, 2026 (Q1 FY2027) · Rupees in thousands

	Sep 2026	Sep 2025
Revenue	**448,381**	**335,153**
Cost of sales	(429,210)	(325,491)
Gross profit	**19,171**	**9,662**
Distribution cost	(2,265)	(1,981)
Administrative expenses	(13,360)	(10,445)
Operating profit / (loss)	**3,546**	**(2,764)**
Finance cost	(1,564)	(2,117)
Other income	30	-
Profit / (loss) before levy and taxation	**2,013**	**(4,881)**
Levy	(5,021)	(4,189)
Income tax	1,412	(759)
Net loss for the period	**(1,596)**	**(9,829)**
Loss per share - basic and diluted (Rupees)	**(0.12)**	**(0.71)**

Key Business Risks

Risk	Exposure	How it is managed
Input costs	High energy costs and limited availability and higher prices of domestic cotton	Investment in solar energy, cost control and efficient raw material procurement
Competition from imports	Cheaper imported yarn and fabric under the Export Facilitation Scheme pressure local demand and prices	Production planned to customer orders; appropriate product mix
Liquidity and going concern	Current liabilities exceed current assets by Rs. 461.4 M; auditors have expressed an adverse opinion	Sponsor support; directors' loans restructured; working capital management
Customer concentration	One customer accounted for 19% of FY26 sales	Credit quality assessed and limits set for each customer; all trade debts within 30 days
Interest rate	Directors' financing carries markup at 3-month KIBOR	No borrowings from banks or financial institutions

Future Outlook and Strategy

1	**Industry outlook**	The Board is cautiously optimistic: cotton arrivals up 7.5% to 4.08 M bales (to Oct 15, 2026), and sales tax and customs duty on imported yarn, should support utilisation; stricter EFS monitoring and continued reduced industrial power tariffs beyond Dec 2026 remain critical.
2	**Cost and energy**	Further investment in solar energy, cost control, efficient raw material procurement and an appropriate product mix to protect margins.
3	**Asset utilisation**	Exploring diversification into value-added textile and garment-related activities and commercial use of available idle space through suitable arrangements.
4	**Financial discipline**	Cautious, disciplined approach: each initiative subject to commercial and financial feasibility and requisite approvals, with focus on operating performance and liquidity.

Basis: Directors' Reports for FY2026 and Q1 FY2027. Actual results may differ from these expectations. · No dividend has been declared for FY2026 due to losses.

CORPORATE BRIEFING SESSION 2026

Question and Answer Session

Thank you

