GATM: 1QFY27 EPS arrived-in at PKR 0.86, up ~1.1xYoY

TAURUS SECURITIES LIMITED
A Subsidiary of National Bank of Pakistan

Monday, October 26, 2026

Flashnote: Textile Composite – Gul Ahmed Textile Mills Limited - 1QFY27 Result Review

- **Board Meeting:** October 24, 2026
- **1QFY27:** EPS: PKR 0.86, PAT: PKR 640Mn, up ~1.1x%YoY (in-line with expectations)
- In 1QFY27, GATM's sales fell 16%YoY, driven by weak global demand and intensified competition from India in the home textiles segment. Alongside, the discontinuation of the apparel segment also contributed to this decline, we believe. However, sales improved ~12%QoQ, supported by improved demand amid the upcoming winter & festive season. Gross margins improved by 2pptsYoY attributable to lower cost of sales but declined 2pptsQoQ driven by higher energy prices during the quarter. The effective tax rate rose 14pptsYoY.
- Consequently, GATM posted a PAT of PKR 640Mn, up ~1.1xYoY, supported by lower cost pressures and no loss recorded from discontinuing operations of the apparel segment. Resultantly, the Company's EPS stood at PKR 0.86/sh.

GATM Result Review 2QFY27 - Consolidated

PKR Mn	1QFY27A	1QFY26A	YoY	4QFY26A	QoQ
Net sales	41,144	48,777	-16%	36,699	12%
Cost of sales	(34,264)	(41,733)	-18%	(29,917)	15%
Gross profit/(loss)	6,880	7,044	-2%	6,782	1%
Operating expenses	(5,084)	(4,900)	4%	(5,271)	-4%
Other income	895	413	1.2x	634	41%
Operating profit	2,691	2,557	5%	2,145	25%
Finance cost	(1,466)	(1,757)	-17%	(996)	47%
Profit/(loss) before tax	1,225	800	53%	1,149	7%
Taxation	(586)	(493)	19%	(419)	40%
Profit/(loss) from continuing operatior	640	307	1.1x	730	NM
Loss from dicontinuing operations	-	-	NM	(950)	NM
Profit/(loss) for the year	640	307	1.1x	(220)	NM
EPS/(LPS)	0.86	0.41		(0.29)	
DPS	NIL	NIL		NIL	

Source: Company Accounts & TSL Research

Important Disclosures

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Valuation Methodology

To arrive at our period end target prices, TSL uses different valuation methodologies including

- Discounted cash flow (DCF, DDM)
- Justified price to book (JPB)
- Relative Valuation (P/E, P/B, P/S, EV/EBITDA, EV/Revenue etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)

SECP JamaPunji Portal link: https://jamapunji.pk/

Frequently Used Acronyms

TP	Target Price	**DCF**	Discounted Cash Flow	**FCF**	Free Cash Flows
FCFE	Free Cash Flows to Equity	**FCFF**	Free Cash Flows to Firm	**DDM**	Dividend Discount Model
SOTP	Sum of the Parts	**P/E**	Price to Earnings ratio	**P/BVPS**	Price to Book ratio
P/S	Price to Sales	**EVA**	Economic Valued Added	**BVPS**	Book Value per Share
EPS	Earnings per Share	**DPS**	Dividend per Share	**DY**	Dividend Yield
ROE	Return on Equity	**ROA**	Return on Assets	**JPB**	Justified Price to Book

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