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PROGRESS REPORT

**Review Period:
January 2022 - March 2022**



Image Pakistan Limited

Background:

This Progress Report is in continuation of the previous Progress Report, which covered the period from October, 2021 to December, 2021. This report aims to measure the progress the company has made towards the achievement of its expansion objectives for which the right issue of shares was made for the quarter January, 2022 to March, 2022. The report communicates the developments during this period and measures progress against the expansion plan.

Please refer to the previously submitted progress report in order to understand the rationale behind the right issue of shares made and the planned expansion.

Progress / Achievements:

The progress is being measured for the quarter January, 2022 to March, 2022 against the planned expansion which is given below:

- ✓ Alhamdulillah, the revenue growth continued and an increase of 79% was recorded during the period under review over the same period last year.
- ✓ The Lässer new / latest Schiffli embroidery machine has been successfully commissioned / installed and is now in commercial production from April 18, 2022.
- ✓ The existing Lässer Schiffli embroidery machine has been upgraded and its performance is now at par with the new machine.
- ✓ During the period under review, one new and largest Image outlet was opened at Nishat Emporium Mall, Lahore on February 18, 2022. The customers' response is very encouraging and enthusiastic.
- ✓ In order to cater the increasing demand of Islamabad customers, it has been decided to open 2nd outlet in Islamabad at Centaurus Mall. The Company plans to open the outlet before the end of financial year on June 30, 2022.
- ✓ The Company, through its newly incorporated subsidiary company namely, Tri-Star Image (USA) Inc. has now started scaling business on Amazon by operating FBA model in USA.
- ✓ The increase in the number of outlets, online sales and COVID bounce back has drives strong performance by the Company.

- ✓ The start of Spring / Summer Season from mid March, 2022 has helped achieve revenue growth and Company's famous / renowned un-stitched Lawnkari and ready-to-wear collection has outperformed the market with its unique designs made with latest technology and excellent styling.
- ✓ Due to vigorous marketing campaign, Image is now known and prestigious brand over social media (Facebook, Instagram, etc.).
- ✓ Image Pakistan was awarded Prime Minister's Excellence Award for its outstanding performance in e-commerce including the first shop on Amazon with Pakistan ID. The National e-Commerce Convention was held on February 21, 2022.
- ✓ In previous quarter (October – December, 2021), the Company had initiated implementation of Microsoft Dynamics 365 ERP to improve Company's operational efficiency and visibility for better MIS. Hopefully, it will be implemented and operational in the third quarter of 2022.

Operational Performance:

The company's gross profit margin, operating profit and profit after tax are higher than those of the preceding quarter. Thus, a clear reflection of the sponsors and the Company to manage effectively resulting in maximization of the share holders value.

Conclusion:

During the period July, 2021 to March, 2022, the Company has managed to generate consolidated sales revenue of more than Rs. 1.286 billion. With full-fledged operation of new Schiffli and multi head embroidery machines coupled with existing machines, the Company is on the path in achieving its projected sales revenue target of Rs.1.8 billion by the end of financial year in June, 2022.

The company has made significant progress towards achieving its planned expansion and has more than achieved the projected performance for the year and has managed to stay in line with sales targets while continuing to control costs effectively thereby leading to higher than projected margins.

Image Pakistan Limited has successfully and prudently utilized the funds through Right Issue of shares and has made significant investment in its property, plant and equipment and working capital requirement. Based on performance to date and projections, it is expected that the company will be able to further raise its sales revenue and generate sufficient cash flow in the coming future.