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Performance Analysis and Financial Information

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Analysis of Financial and Non-Financial Performance

AGTL believes in the achievement of business objectives through both financial and non-financial factors. From financial indicators like Sales revenue, net profit, gearing, liquidity, etc. to non-financial indicators like brand image, customer centricity, shareholder satisfaction, and human resource development, the Company focuses on all aspects to maintain sustainable growth and to timely identify key focus areas for remedial actions and growth.

Budgets are set for both financial and non-financial factors and performance is assessed accordingly. Overall, most of the targets set by the Company were achieved.



FINANCIAL INDICATORS

ACTUAL RESULTS

In 2025, the Tractor industry faced significant challenges due to a convergence of severe rupee devaluation, political instability, and government-imposed restrictions on imported parts. These factors led to unprecedented increases in material costs and disruptions in parts procurement. Additionally, Government had imposed additional super tax on current and prior year profit which has impacted the profitability of the company.

Despite challenging market conditions, the Company sold 7,739 tractors during the year, compared to 14,269 units in the previous year, resulting in a market share of 31%. The Company maintained its market position amid adverse economic conditions through continued focus on operational continuity, market presence, and customer engagement. While industry wide challenges impacted overall volumes, the Company's performance reflects its ability to operate effectively in a difficult environment and maintain its competitive standing.

The summarized operating performance of the Company for the current year as compared to last year is as follows:

	2025	2024
Rupees '000		
Sales	20,371,056	34,574,430
Gross Profit	5,164,884	8,434,686
Profit before taxation	2,176,597	5,708,700
Taxation	(875,784)	(2,164,199)
Profit after tax	1,300,813	3,542,275

Production and sales volumes for the years 2025 and 2024 are as follows:

	Units	
	2025	2024
Sales	7,739	14,269
Production	8,277	14,069

METHODS AND ASSUMPTIONS IN COMPILING INDICATORS

The Company has identified indicators that effectively reflect the Company's performance and profitability. The Company analyzes market positioning, competitors, and general market conditions while compiling key indicators.

Sales are monitored on daily basis through various management reports and future lines of action are decided accordingly. Gross profit, expenses, profit after tax, and EPS are monitored on monthly basis to gauge performance. For management reporting purposes, the Company has developed a mix of systems based on ERP and dashboard reports to compute various KPIs.

An effective financial reporting system coupled with various management reports and a three-layer review system enables AGTL to report accurate, complete, and reviewed information to all its stakeholders.



NON-FINANCIAL INDICATORS

Objective	Monitoring
MANUFACTURED CAPITAL	
Product Development	Research and Development projects undertaken in collaboration with CNHi to enable production of high-quality tractors bearing low cost.
Increase in Market Share	Aggressive marketing strategies resulting in increased market share Operational Efficiency and Effectiveness Continuous commitment to operational effectiveness through monitoring of production efficiency ratios and minimal production losses.
Operational Efficiency and Effectiveness	Continuous commitment to operational effectiveness through monitoring of production efficiency ratios and minimal production losses.
Economize on Cost – Eliminating Redundancies	Optimum utilization of resources resulting in elimination of redundant costs.
HUMAN CAPITAL	
Health, Safety and Environment	Effective system of horticulture and annual plantation project results in better environment for the employees.
Training and Education	Continuous training of employees and workers. Monitoring training need analysis with special focus on safety at work.
RELATIONSHIP CAPITAL	
Supplier relationship	Timely payment to vendors to enhance vendor confidence and reliance.
Customer relationship	Providing exquisite after-sales services and support services to enhance customer loyalty and trustworthiness.

Key Operating & Financial Data

	2025	2024	2023	2022	2021	2020
QUANTITATIVE DATA						
Units:	25%	24%	19%	18%	23%	23%
Sales	7,739	14,269	15,420	19,929	18,156	12,142
Production	8,277	14,069	14,317	21,216	17,120	12,654
Rupees '000						
Profitability						
Revenue	20,371,056	34,574,430	34,543,545	28,201,812	20,578,906	11,935,172
Gross profit	5,164,884	8,434,686	6,423,068	5,061,446	4,721,228	2,766,012
Depreciation	415,223	387,530	187,795	120,952	84,846	81,512
Operating profit (before investment income)	2,141,639	5,624,169	4,241,652	3,688,799	4,078,670	1,887,289
Investment income	34,958	82,305	444,249	107,150	91,060	40,618
Profit before taxation	2,176,597	5,706,474	4,685,901	3,795,949	4,169,730	1,927,907
Income tax expense	875,784	2,166,425	2,075,320	1,639,905	1,211,868	578,250
Profit for the year	1,300,813	3,542,275	2,611,772	2,156,044	2,957,862	1,349,657
Earnings before investment income, tax and depreciation (EBITDA)	2,556,862	6,013,925	4,430,638	3,809,751	4,163,516	1,968,801
Manpower cost - Direct	921,992	819,334	680,089	515,339	397,871	302,194
Manpower cost - Indirect	820,957	631,167	596,291	356,872	263,703	283,646
Total manpower cost	1,742,949	1,450,501	1,276,380	872,211	661,574	585,840
Financial position						
Fixed assets	2,772,518	2,289,706	1,608,167	1,331,267	1,108,805	1,066,974
Other non-current assets	23,659	16,219	16,919	20,473	11,334	4,941
Employee benefit prepayments	-	-	32,039	-	8,481	36,197
Deferred tax asset	188,344	79,051	129,972	101,819	85,553	111,756
	2,984,521	2,384,976	1,787,097	1,453,559	1,214,173	1,219,868
Current assets	15,909,761	18,006,766	12,442,536	10,827,170	8,275,942	3,963,576
Current liabilities	8,092,913	11,002,538	8,299,836	8,990,546	5,467,934	2,849,239
Net working capital	7,816,848	7,004,228	4,142,700	1,836,624	2,808,008	1,114,337
Less: Non-current liabilities	266,631	192,291	149,572	158,098	48,914	46,083
Capital employed	10,534,738	9,196,913	5,780,225	3,132,085	3,973,267	2,288,122
REPRESENTED BY:						
Share capital	289,821	289,821	289,821	289,821	289,821	289,821
Reserves	-	-	-	-	-	1,049,000
Unappropriated profit	10,244,917	8,907,092	5,490,404	2,842,264	3,683,446	949,301
	10,534,738	9,196,913	5,780,225	3,132,085	3,973,267	2,288,122
Cash flows						
Operating activities	3,783,043	(530,813)	3,051,290	(4,270,631)	4,630,496	2,125,302
Investing activities	(857,572)	(973,273)	(11,685)	(162,817)	(34,067)	(38,909)
Financing activities	(2,452,737)	756,727	(1,234,748)	2,353,917	(1,240,189)	(4,708)

Analysis of Financial Ratios

	2025	2024	2023	2022	2021	2020
ANALYSIS OF FINANCIAL RATIOS						
Profitability Ratios						
Gross profit ratio	25.35%	24.40%	18.59%	17.60%	22.94%	23.18%
Pre-tax profit ratio	10.68%	16.50%	13.57%	13.46%	20.26%	16.15%
Net profit to sales	6.39%	10.25%	7.56%	7.65%	14.37%	11.31%
EBITDA margin to sales	12.55%	17.39%	12.83%	13.51%	20.23%	16.50%
Operating leverage ratio	1.40	399.68	0.72	-0.23	1.54%	-2.68
Return on asset	6.88%	17.37%	18.35%	17.56%	31.17%	26.04%
Return on Equity / Capital employed	12.35%	38.52%	45.18%	68.84%	74.44%	58.99%
Liquidity Ratios						
Current ratio	1.97	1.64	1.50	1.20	1.51	1.39
Quick ratio	1.24	1.11	0.77	0.62	0.99	0.69
Cash to current liabilities	0.18	0.09	0.21	0.08	0.37	0.08
Activity / Turnover Ratios						
Inventory turnover ratio	2.61	4.41	4.96	5.71	6.50	3.83
Receivables turnover ratio	5	14	427	339	9,455	2,480
Creditors turnover ratio	4	7	11	16	18	28
Fixed assets turnover ratio	7.35	15.10	21.48	21.18	18.56	11.19
Total assets turnover ratio	1.08	1.70	2.43	2.30	2.17	2.30
Operating Cycle						
No. of days in inventory	140	83	74	64	56	95
No. of days in receivables	70	27	1	1	0	0
No. of days in payables	84	54	33	22	21	13
Operating cycle	126	56	42	43	36	83
Capital Structure Ratios						
Financial leverage ratio	0.29	0.31	0.31	0.38	0.39	0.75
Weighted average cost of debt	2.23%	2.65%	3.84%	3.84%	0.00%	0.00%
Debt to equity ratio (As per book value)	0.00	0.26	0.29	1.18	0.00	0.08
Debt to equity ratio (As per market value)	0.00	0.06	0.06	0.17	0.00	0.00
Interest cover ratio	8.54	13.78	14.15	16.09	477.32	14.22
Investment / Market Ratios						
Pre-tax earning per share (Basic and diluted) - Rs	37.55	98.45	80.84	65.49	71.94	33.26
Post-tax earning per share (Basic and diluted) - Rs	22.44	61.11	45.06	37.20	51.03	23.28
Price earnings ratio	17.85	9.20	8.12	8.55	6.60	15.95
Dividend yield ratio	0.00%	0.00%	0.00%	0.00%	15.14%	5.76%
Dividend ratio	-	-	-	-	6.60	17.37
Dividend payout ratio	0.00%	0.00%	0.00%	0.00%	100.00%	91.86%
Dividend cover	-	-	-	-	1.00	1.09
Dividend per share						
- Cash	-	-	-	-	51.03	21.39
- Bonus	-	-	-	-	-	-
Dividend payout - Rs '000	-	-	-	-	2,957,862	1,239,854
Cash dividend - %	0%	0%	0%	0%	1021%	428%
Market value per share - Rs						
- Closing	400.7	562.0	366.0	318.0	337.0	371.5
- High	725.0	600.0	462.4	470.0	408.0	418.8
- Low	351.0	306.0	247.5	315.0	320.1	210.2
Market capitalisation - Rs million	23,224	32,576	21,215	18,433	19,534	21,531
Breakup value per share - Rs	181.75	158.67	99.72	54.03	68.55	39.47
Market price to break up value	2.20	3.54	3.67	5.89	4.92	9.41
Earning yield (%)	5.60%	10.87%	12.31%	11.70%	15.14%	6.27%

COMMENTS ON RATIOS

PROFITABILITY RATIOS

The growth in the Company's profitability ratios during the year 2024 indicates a focus on efficient management of resources. The gross profit ratio stands at 24.4%, YOY growth of 5.9%, demonstrating efficient management of production costs. The pre-tax profit ratio is strong at 16.5, YOY growth of 3%, indicating robust operational efficiency and effective cost management strategies. The net profit to sales ratio is at 10.2%, YOY growth of 2.7% showcasing the company's ability to convert sales revenue into net income. Additionally, the EBITDA margin to sales ratio is healthy at 17.39%, YOY growth of 5% reflecting strong earnings before interest, taxes, depreciation, and amortization relative to sales. The return on assets and return on equity/capital employed ratios are impressive, standing at 17.37% and 38.52%, respectively, indicating efficient utilization of assets and shareholder equity to generate profits.

LIQUIDITY AND TURNOVER RATIOS

The company's liquidity ratios for 2024 depict a healthy financial position. The current ratio of 1.64 and quick ratio of 1.11 indicate that the company possesses adequate current assets to cover its short-term liabilities. However, the cash to current liabilities ratio is relatively low at 0.09, suggesting that the company may need to improve its cash position to meet immediate obligations. In terms of turnover ratios, the inventory turnover ratio, receivables turnover ratio, and creditors turnover ratio

indicate efficient management of inventory, receivables, and payables, respectively. The fixed assets turnover ratio and total assets turnover ratio also reflect efficient utilization of assets to generate sales revenue.

MARKET RATIOS

The market ratios for the company in 2024 exhibit mixed results. The pre-tax earnings per share (EPS) and post-tax EPS are commendable at Rs 98.45 and Rs 61.11, respectively, indicating strong earnings potential for shareholders. However, the price-earnings ratio is relatively low at 9.20, suggesting that the stock may be undervalued relative to its earnings. The absence of dividend yield and dividend payout ratios suggests that the company did not distribute dividends during the period. The market value per share indicates volatility in the stock price throughout the year, with a high of Rs 600 and a low of Rs 306. The market capitalization stands at Rs 32,576 million, reflecting the total market value of the company's outstanding shares.

OPERATING CYCLE

The operating cycle analysis for the year 2024 provides insights into the efficiency of the company's operational processes. The number of days in inventory, which stands at 83 days, indicates the average number of days it takes for the company to convert its inventory into sales. A lower value for this metric suggests better inventory management and faster turnover of goods, potentially leading to improved liquidity and profitability.

The number of days receivable stands at 27 days, reflecting a change in the Company's policy from last year to support customers

in challenging economic situation. A major portion of this is related to the contractual receivables from Government institutions for subsidized amounts to farmers. Efficiency in receivables contributes to a shorter cash conversion cycle and ensures that funds are readily available for the company's operations.

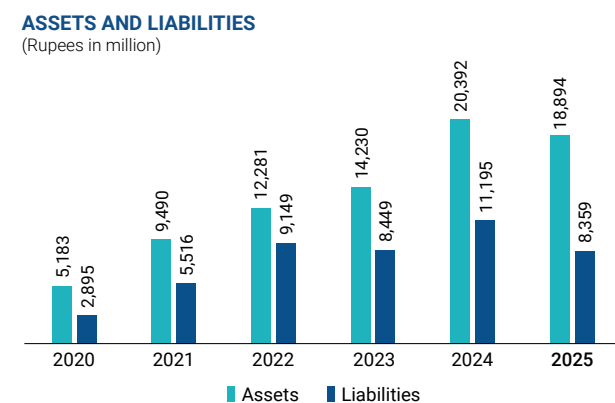
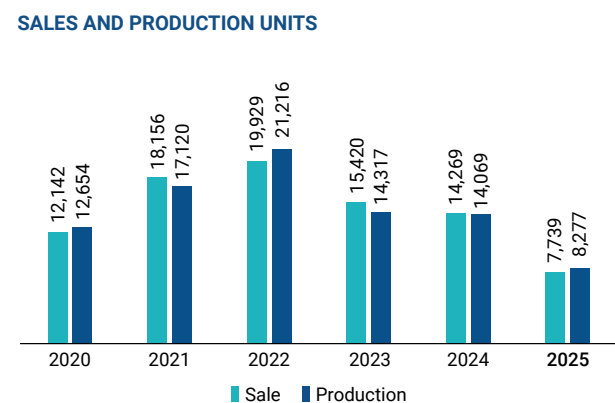
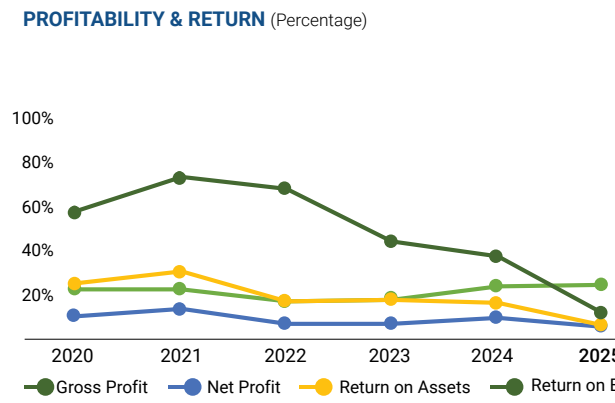
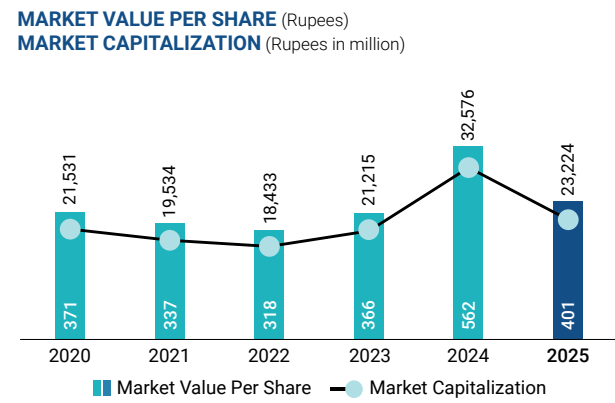
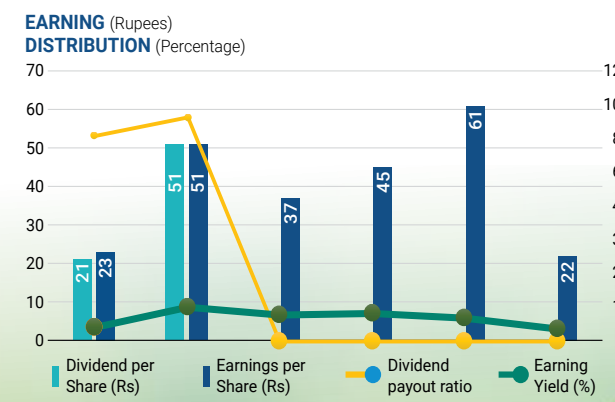
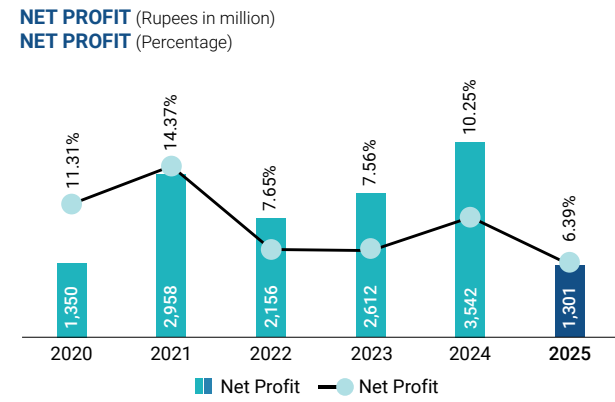
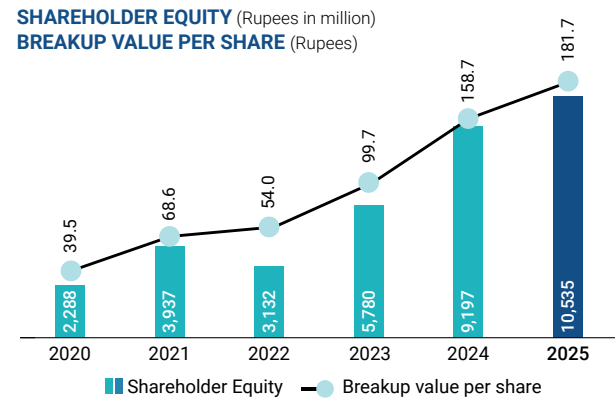
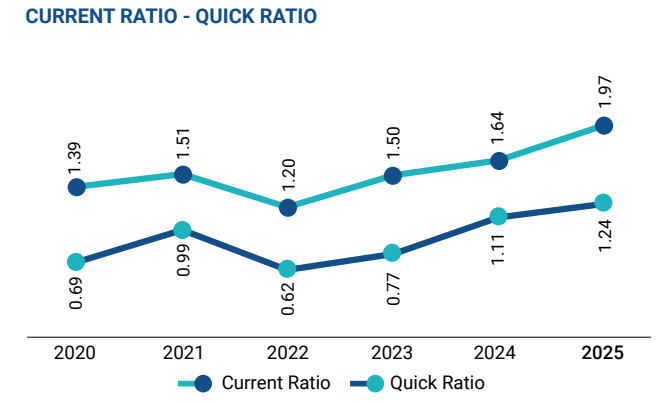
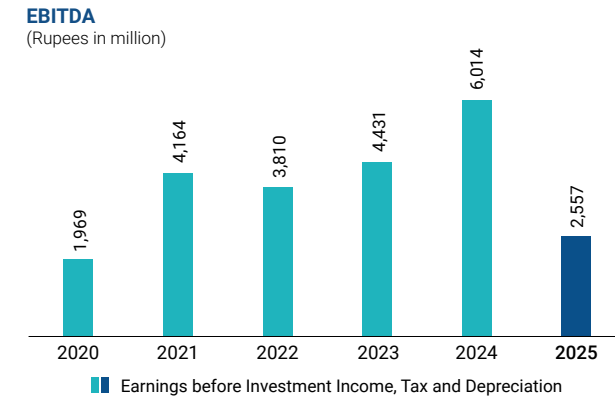
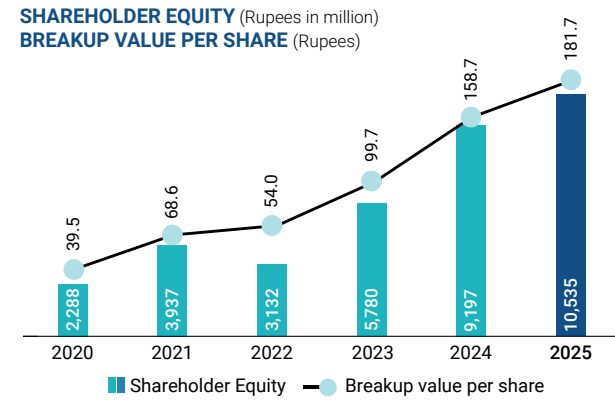
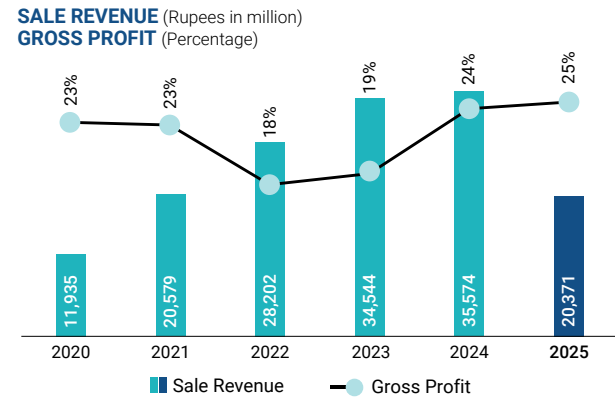
CAPITAL STRUCTURE RATIOS

The company's capital structure ratios highlight a conservative financial approach. The financial leverage ratio of 0.31 indicates a low level of financial leverage, suggesting that the company relies more on equity financing than debt. The weighted average cost of debt is reasonable at 2.65%, indicating the cost of debt on the minimal side. The debt-to-equity ratio is moderate at 0.26 based on book value and significantly lower at 0.06 based on market value, indicating a conservative approach in financing of major portion through equity. The interest cover ratio of 13.78 suggests that the company can comfortably meet its interest obligations with its earnings.

In conclusion, the company's financial analysis for 2024 reflects strong profitability, liquidity, and turnover, coupled with a conservative capital structure. However, there may be opportunities to enhance market valuation through improved earnings multiples and dividend distributions.



Graphical Analysis



Six Years Horizontal Analysis

	2025	2024	2023	2022	2021	2020		2025	2024	2023	2022	2021	2020
	(Rupees '000)							(Rupees '000)					
								Increase / (Decrease) from preceding year in Rs '000					
BALANCE SHEET							BALANCE SHEET						
Fixed assets	2,772,518	2,289,706	1,608,167	1,331,267	1,108,805	1,066,974	Fixed assets	482,812	681,539	276,900	222,462	41,831	(1,408)
Long-term loans and deposits	23,659	16,219	16,919	20,473	11,334	4,941	Long-term loans and deposits	7,440	(700)	(3,553)	9,139	6,393	184
Employee benefit prepayments	-	-	32,039	-	8,481	36,197	Employee benefit prepayments	-	(32,039)	32,039	(8,481)	(27,716)	36,197
Deferred tax asset	188,344	79,051	129,972	101,819	85,553	111,756	Deferred tax asset	109,293	(50,921)	28,153	16,266	(26,203)	24,666
Inventories	5,903,075	5,764,333	6,084,499	5,263,574	2,875,085	2,004,517	Inventories	138,742	(320,166)	820,925	2,388,489	870,568	(782,376)
Trade receivables	2,756,582	5,052,051	-	161,820	4,651	-	Trade receivables	(2,295,469)	5,052,051	(161,820)	157,169	4,651	(9,624)
Loan and advances	466,239	984,688	95,715	91,105	147,874	86,561	Loan and advances	(518,449)	888,973	4,610	(56,769)	61,313	(6,655)
Trade deposits and short-term prepayments	87,463	107,456	324,848	372,903	114,772	24,925	Trade deposits and short-term prepayments	(19,993)	(217,392)	(48,055)	258,131	89,847	17,527
Interest accrued	10,882	344	3,371	1,550	1,396	197	Interest accrued	10,538	(3,027)	1,821	154	1,199	197
Other receivables	30,864	49,327	201	4,833	8,283	8,225	Other receivables	(18,463)	49,126	(4,632)	(3,450)	58	(99,909)
Taxation - payments less provision	-	-	-	-	142,313	157,786	Taxation - payments less provision	-	-	-	(142,313)	(15,473)	(189,676)
Refunds due from the Government	5,205,832	5,072,477	4,210,453	4,203,395	2,983,446	1,450,847	Refunds due from the Government	133,355	862,024	7,058	1,219,949	1,532,599	677,513
Cash and bank balances	1,448,824	976,090	1,723,449	727,990	1,998,122	230,518	Cash and bank balances	472,734	(747,359)	995,459	(1,270,132)	1,767,604	41,425
Total assets	18,894,282	20,391,742	14,229,633	12,280,729	9,490,115	5,183,444	Total assets	(1,497,460)	6,162,109	1,948,904	2,790,614	4,306,671	(291,939)
Current liabilities	8,092,913	11,002,538	8,299,836	8,990,546	5,467,934	2,849,239	Current liabilities	(2,909,625)	2,702,702	(690,710)	3,522,612	2,618,695	(1,592,839)
Non-current liabilities	266,631	192,291	149,572	158,098	48,914	46,083	Non-current liabilities	74,340	42,719	(8,526)	109,184	2,831	(83,505)
Total liabilities	8,359,544	11,194,829	8,449,408	9,148,644	5,516,848	2,895,322	Total liabilities	(2,835,285)	2,745,421	(699,236)	3,631,796	2,621,526	(1,676,344)
Capital employed	10,534,738	9,196,913	5,780,225	3,132,085	3,973,267	2,288,122	Capital employed	1,337,825	3,416,688	2,648,140	(841,182)	1,685,145	1,384,405
Share capital	289,821	289,821	289,821	289,821	289,821	289,821	Share capital	-	-	-	-	-	-
Reserves	10,244,917	8,907,092	5,490,404	2,842,264	3,683,446	1,998,301	Reserves	1,337,825	3,416,688	2,648,140	(841,182)	1,685,145	1,384,405
Capital employed	10,534,738	9,196,913	5,780,225	3,132,085	3,973,267	2,288,122	Capital employed	1,337,825	3,416,688	2,648,140	(841,182)	1,685,145	1,384,405
PROFIT AND LOSS ACCOUNT							PROFIT AND LOSS ACCOUNT						
Revenue	20,371,056	34,574,430	34,543,545	28,201,812	20,578,906	11,935,172	Revenue	(14,203,374)	30,885	6,341,733	7,622,906	8,643,734	(2,057,216)
Cost of sales	15,206,172	26,139,744	28,120,477	23,140,366	15,857,678	9,164,670	Cost of sales	(10,933,572)	(1,980,733)	4,980,111	7,282,688	6,693,008	(2,283,002)
Gross profit	5,164,884	8,434,686	6,423,068	5,061,446	4,721,228	2,770,502	Gross profit	(3,269,802)	2,011,618	1,361,622	340,218	1,950,726	225,786
Distribution expenses	792,858	804,790	428,974	322,944	120,631	221,904	Distribution expenses	(11,932)	375,816	106,030	202,313	(101,273)	(42,042)
Administrative expenses	1,832,544	1,466,521	1,080,879	536,715	353,849	322,675	Administrative expenses	366,023	385,642	544,164	182,866	31,174	25,912
	2,539,482	6,163,375	4,913,215	4,102,618	4,246,748	2,225,923		(3,623,893)	1,250,160	810,597	(144,130)	2,020,825	241,916
Other income	187,031	315,630	560,091	184,613	146,057	58,798	Other income	(128,599)	(244,461)	375,478	38,556	87,259	(2,625)
Other operating expenses	261,231	323,530	429,812	345,416	214,321	211,025	Other operating expenses	(62,299)	(106,282)	84,396	131,095	3,296	(87,418)
	2,465,282	6,155,475	5,043,494	3,941,815	4,178,484	2,073,696		(3,690,193)	1,111,981	1,101,679	(236,669)	2,104,788	326,709
Finance cost	288,685	446,775	356,402	245,035	8,754	145,789	Finance cost	(158,090)	90,373	111,367	236,281	(137,035)	(252,674)
Profit before taxation	2,176,597	5,708,700	4,687,092	3,795,949	4,169,730	1,927,907	Profit before taxation	(3,532,103)	1,021,608	891,143	(373,781)	2,241,823	579,383
Income tax expense	875,784	2,166,425	2,075,320	1,639,905	1,211,868	578,250	Income tax expense	(1,290,641)	91,105	435,415	428,037	633,618	207,378
Profit for the year	1,300,813	3,542,275	2,611,772	2,156,044	2,957,862	1,349,657	Profit for the year	(2,241,462)	930,503	455,728	(801,818)	1,608,205	372,005

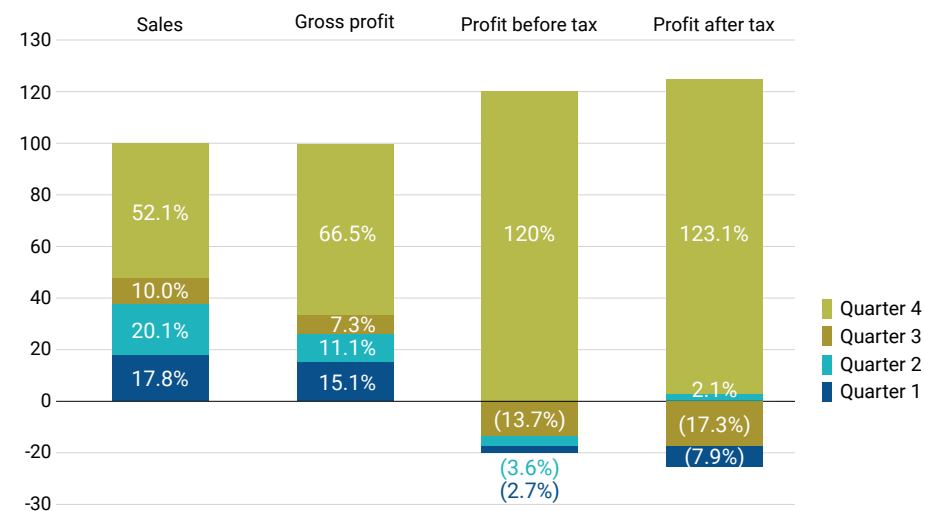
Six Years Vertical Analysis

	2025 (Rupees '000)	2025 %age	2024 (Rupees '000)	2024 %age	2023 (Rupees '000)	2023 %age
BALANCE SHEET						
Fixed assets	2,772,518	26.32%	2,289,706	24.90%	1,608,167	27.82%
Long-term loans and deposits	23,659	0.22%	16,219	0.18%	16,919	0.29%
Employee benefit prepayments	-	0.00%	-	0.00%	32,039	0.55%
Deferred tax asset	188,344	1.79%	79,051	0.86%	129,972	2.25%
Inventories	5,903,075	56.03%	5,764,333	62.68%	6,084,499	105.26%
Trade receivables	2,756,582	26.17%	5,052,051	54.93%	-	0.00%
Loan and advances	466,239	4.43%	984,688	10.71%	95,715	1.66%
Trade deposits and short-term prepayments	87,463	0.83%	107,456	1.17%	324,848	5.62%
Interest accrued	10,882	0.10%	344	0.00%	3,371	0.06%
Other receivables	30,864	0.29%	49,327	0.54%	201	0.00%
Taxation - payments less provision	-	0.00%	-	0.00%	-	0.00%
Refunds due from the Government	5,205,832	49.42%	5,072,477	55.15%	4,210,453	72.84%
Cash and bank balances	1,448,824	13.75%	976,090	10.61%	1,723,449	29.82%
Total assets	18,894,282	179.35%	20,391,742	221.72%	14,229,633	246.18%
Current liabilities	8,092,913	76.82%	11,002,538	119.63%	8,299,836	143.59%
Non-current liabilities	266,631	2.53%	192,291	2.09%	149,572	2.59%
Total liabilities	8,359,544	79.35%	11,194,829	121.72%	8,449,408	146.18%
Capital employed	10,534,738	100.00%	9,196,913	100.00%	5,780,225	100.00%
Share capital	289,821	2.75%	289,821	3.15%	289,821	5.01%
Reserves	10,244,917	97.25%	8,907,092	96.85%	5,490,404	94.99%
Capital employed	10,534,738	100.00%	9,196,913	100.00%	5,780,225	100.00%
PROFIT AND LOSS ACCOUNT						
Revenue	20,371,056	100.00%	34,574,430	100.00%	34,543,545	100.00%
Cost of sales	15,206,172	74.65%	26,139,744	75.60%	28,120,477	81.41%
Gross profit	5,164,884	25.35%	8,434,686	24.40%	6,423,068	18.59%
Distribution expenses	792,858	3.89%	804,790	2.33%	428,974	1.24%
Administrative expenses	1,832,544	9.00%	1,466,521	4.24%	1,080,879	3.13%
	2,539,482	12.47%	6,163,375	17.83%	4,913,215	14.22%
Other income	187,031	0.92%	315,630	0.91%	560,091	1.62%
Other operating expenses	261,231	1.28%	323,530	0.94%	429,812	1.24%
	2,465,282	12.10%	6,155,475	17.80%	5,043,494	14.60%
Finance cost	288,685	1.42%	446,775	1.29%	356,402	1.03%
Profit before taxation	2,176,597	10.68%	5,708,700	16.51%	4,687,092	13.57%
Income tax expense	875,784	4.30%	2,166,425	6.27%	2,075,320	6.01%
Profit for the year	1,300,813	6.39%	3,542,275	10.25%	2,611,772	7.56%

	2022 (Rupees '000)	2022 %age	2021 (Rupees '000)	2021 %age	2020 (Rupees '000)	2020 %age
BALANCE SHEET						
Fixed assets	1,331,267	42.50%	1,108,805	27.91%	1,066,974	46.63%
Long-term loans and deposits	20,473	0.65%	11,334	0.29%	4,941	0.22%
Employee benefit prepayments	-	0.00%	8,481	0.21%	36,197	1.58%
Deferred tax asset	101,819	3.25%	85,553	2.15%	111,756	4.88%
Inventories	5,263,574	168.05%	2,875,085	72.36%	2,004,517	87.61%
Trade receivables	161,820	5.17%	4,651	0.12%	-	0.00%
Loan and advances	91,105	2.91%	147,874	3.72%	86,561	3.78%
Trade deposits and short-term prepayments	372,903	11.91%	114,772	2.89%	24,925	1.09%
Interest accrued	1,550	0.05%	1,396	0.04%	197	0.01%
Other receivables	4,833	0.15%	8,283	0.21%	8,225	0.36%
Taxation - payments less provision	-	0.00%	142,313	3.58%	157,786	6.90%
Refunds due from the Government	4,203,395	134.20%	2,983,446	75.09%	1,450,847	63.41%
Cash and bank balances	727,990	23.24%	1,998,122	50.29%	230,518	10.07%
Total assets	12,280,729	392.09%	9,490,115	238.85%	5,183,444	226.54%
Current liabilities	8,990,546	287.05%	5,467,934	137.62%	2,849,239	124.52%
Non-current liabilities	158,098	5.05%	48,914	1.23%	46,083	2.01%
Total liabilities	9,148,644	292.09%	5,516,848	138.85%	2,895,322	126.54%
Capital employed	3,132,085	100.00%	3,973,267	100.00%	2,288,122	100.00%
Share capital	289,821	9.25%	289,821	7.29%	289,821	12.67%
Reserves	2,842,264	90.75%	3,683,446	92.71%	1,998,301	87.33%
Capital employed	3,132,085	100.00%	3,973,267	100.00%	2,288,122	100.00%
PROFIT AND LOSS ACCOUNT						
Revenue	28,201,812	100.00%	20,578,906	100.00%	11,935,172	100.00%
Cost of sales	23,140,366	82.05%	15,857,678	77.06%	9,164,670	76.79%
Gross profit	5,061,446	17.95%	4,721,228	22.94%	2,770,502	23.21%
Distribution expenses	322,944	1.15%	120,631	0.59%	221,904	1.86%
Administrative expenses	536,715	1.90%	353,849	1.72%	322,675	2.70%
	4,102,618	14.55%	4,246,748	20.64%	2,225,923	18.65%
Other income	184,613	0.65%	146,057	0.71%	58,798	0.49%
Other operating expenses	345,416	1.22%	214,321	1.04%	211,025	1.77%
	3,941,815	13.98%	4,178,484	20.30%	2,073,696	17.37%
Finance cost	245,035	0.87%	8,754	0.04%	145,789	1.22%
Profit before taxation	3,795,949	13.46%	4,169,730	20.26%	1,927,907	16.15%
Income tax expense	1,639,905	5.81%	1,211,868	5.89%	578,250	4.84%
Profit for the year	2,156,044	7.65%	2,957,862	14.37%	1,349,657	11.31%

Quarterly Analysis

	1 st Quarter March 2025	2 nd Quarter June 2025	3 rd Quarter September 2025	4 th Quarter December 2025	Annual
Rupees '000					
Revenue	3,635,965	4,090,723	2,034,063	10,610,305	20,371,056
Cost of sales	(2,855,458)	(3,519,237)	(1,657,548)	(7,173,929)	(15,206,172)
Gross profit	780,507	571,486	376,515	3,436,376	5,164,884
Gross profit %	21.5%	14.0%	18.5%	32.4%	25.4%
Distribution expenses	(294,734)	(135,633)	(121,291)	(241,200)	(792,858)
Administrative expenses	(409,725)	(436,750)	(431,301)	(554,768)	(1,832,544)
	(704,459)	(572,383)	(552,592)	(795,968)	(2,625,402)
Other income	36,183	43,545	35,007	72,296	187,031
Other operating expenses	(118,338)	(11,248)	(72,908)	(58,737)	(261,231)
Operating Profit	(6,107)	31,400	(213,978)	2,653,967	2,465,282
Finance cost	(50,131)	(108,285)	(107,833)	(180,526)	(446,775)
Profit before taxation	(58,223)	(78,999)	(299,099)	2,612,918	2,176,597
Income tax expense	(44,019)	106,088	73,512	(1,011,365)	(875,784)
Profit for the year	(102,242)	27,089	(225,587)	1,601,553	1,300,813
	-2.8%	0.7%	-11.1%	15.1%	6.4%



QUARTERLY RESULT COMMENTARY FOR THE YEAR 2025

REVENUE ANALYSIS

Throughout the year 2025, the company had consistent revenue apart from Q4, with quarterly revenues of Rs 3,636 M in Q1, Rs 4,091 M in Q2, Rs 2,034 M in Q3, and Rs 10,610 M in Q4, totaling Rs 20,371 M for the year. Notably, Q4 recorded the highest revenue, due to significant portion of the sales volume coming from "Green Tractor Scheme" in Q4.

GROSS PROFIT MARGIN

The gross profit margin fluctuated across quarters, ranging from 21.5% in Q1 to a maximum of 32.4% in Q4, with an annual average of 25.4%. The increase in gross profit margin towards the latter part of the year suggests improved cost management and pricing strategies, contributing to higher profitability.

OPERATING EXPENSES

Distribution expenses, administrative expenses, and other operating

expenses were incurred consistently across quarters to support business operations. However, Q4 witnessed a spike in distribution expenses due to delivery costs of Green Tractor Scheme.

OTHER INCOME AND EXPENSES

The company generated additional income from non-operating sources, contributing Rs 187 M for the year.

Finance costs amounted to Rs. 288.7 million, reducing from 446.7 million, which represents significant reduction from last year, showing company's efficient cash management.

PROFITABILITY

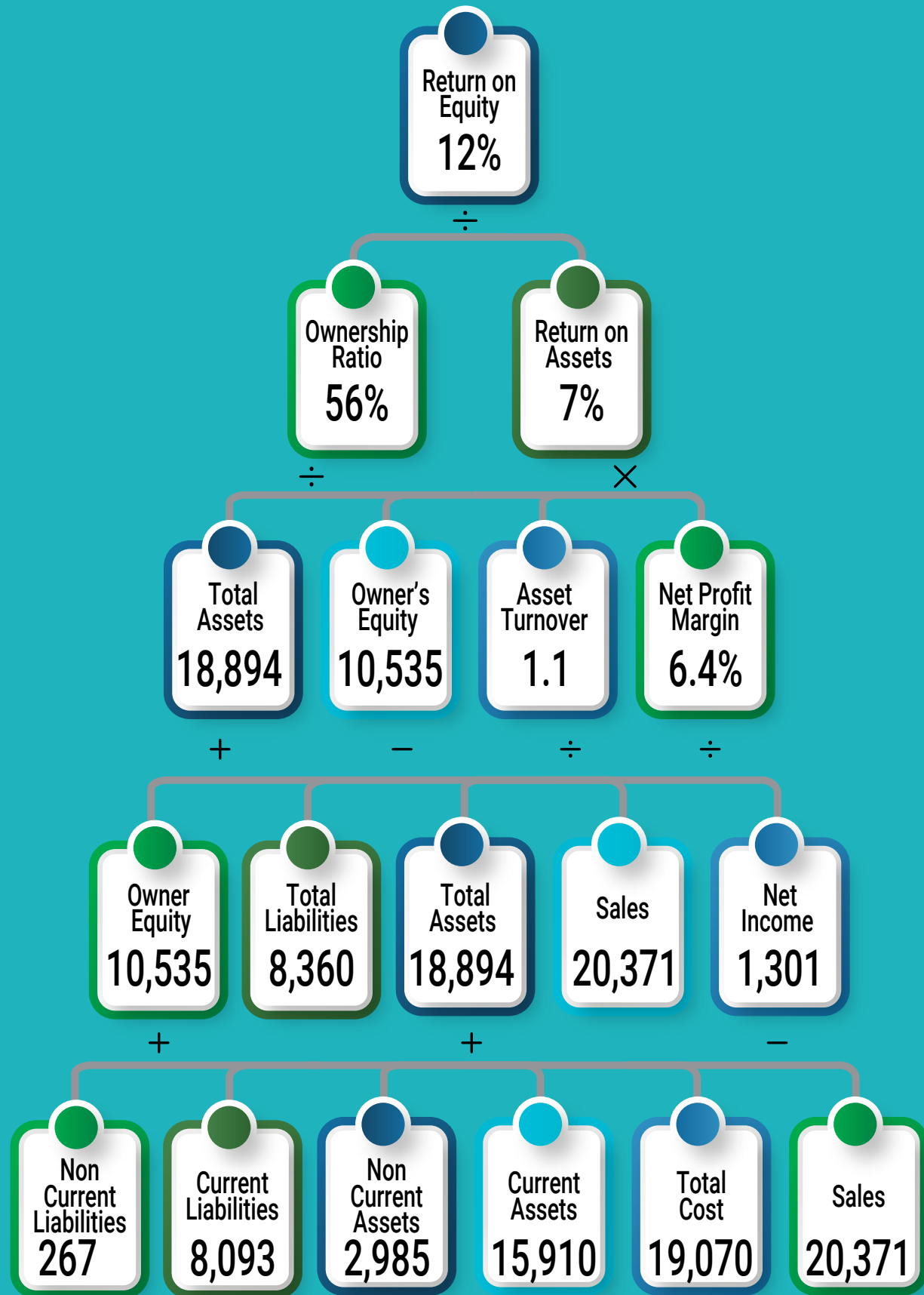
The Company's net profit/(loss) margin fluctuated during the year due to variations in revenue levels and cost absorption, with losses reported in the first and third quarters and profitability achieved in the second and fourth quarters,

resulting in an annual average net profit margin of 6.4%. The strong recovery in the latter part of the year, supported by improved volumes and margin expansion, underscores the Company's underlying earnings potential. Going forward, management remains focused on sustaining volume momentum, improving cost absorption, and strengthening operational efficiencies to deliver more stable and predictable profitability.

OVERALL PERFORMANCE

The Company closed the year 2025 with a profit after tax of Rs. 1.30 billion, compared to losses in certain interim quarters. The strong finish underscores the Company's ability to generate profitability under improved market conditions, while also highlighting the importance of maintaining consistent volumes and margins throughout the year.

Dupont Analysis



COMMENTS ON DUPONT ANALYSIS

The DuPont analysis for the year 2025 provides a detailed examination of the company's return on equity (ROE) and the underlying factors contributing to its financial performance.



ASSET UTILIZATION

The company's asset turnover ratio of 1.1 indicates that for every rupee of total assets, the company generated Rs 1.1 in sales revenue. This suggests efficient utilization of assets to drive sales growth and revenue generation.

PROFITABILITY

With a net profit margin of 6.4%, the company effectively converted its sales revenue into net income. This signifies the company's ability to manage costs and operate profitably, ensuring a healthy bottom line.

FINANCIAL LEVERAGE

The ownership ratio, indicating the proportion of assets financed by owner's equity, stands at 56%. This suggests that the company maintains a healthy balance of financing from debt and equity, indicating an efficient financial structure. Additionally, the return on assets (ROA) of 7% demonstrates the company's efficiency in generating profits from its assets.

RETURN ON EQUITY (ROE)

The return on equity (ROE) of 12% reflects the company's ability to generate strong returns for its shareholders. This metric is derived from the combined effects of asset utilization, profitability, and financial leverage, indicating the overall effectiveness of the company's operations in generating profits for its owners.

CONCLUSION

Overall, the DuPont analysis for 2025 indicates that the company's return on equity (ROE) of 12% is driven by its asset utilization, profitability, and financial leverage. The results reflect the combined impact of operational efficiency, cost management, and the company's financial structure during the year.

Direct Cash Flow Statement

For the year ended December 31, 2025



	2025	2024
	Rupees '000	

CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers	17,614,474	29,522,379
Cash paid to suppliers/service providers and employees	(12,230,629)	(27,081,266)
Customer advances	59,644	359,280
Income tax paid	(1,116,688)	(2,123,188)
Sales tax refund/(Payment)	(133,355)	(862,024)
Finance costs paid	(402,963)	(279,288)
Retirement benefits	-	(67,406)
Loans, deposits & other operating income - net	1,299	(404)
(Decrease)/increase in long-term loans	(8,739)	1,104
Net Cash (used)/generated from operating activities	3,783,043	(530,813)

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed Capital Expenditure	(906,411)	(1,069,069)
Proceeds from disposal of fixed assets	24,419	10,464
Return on bank deposits	24,420	85,332
Net Cash (used)/generated from investing activities	(857,572)	(973,273)

CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid	(2,181)	(4,580)
Musharkah facility obtained	(2,429,291)	780,638
Lease rentals paid	(21,265)	(19,331)
Net cash inflow/(outflow) from financing activities	(2,452,737)	756,727

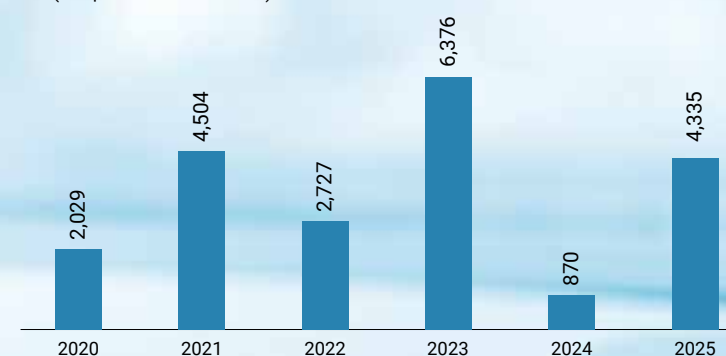
Net (decrease)/increase in cash and cash equivalents	472,734	(747,359)
Cash and cash equivalents at beginning of the year	976,090	1,723,449
Cash and cash equivalents at end of the year	1,448,824	976,090

Free Cash Flows

	2025	2024	2023	2022	2021	2020
	Rupees '000					
Profit before taxation	2,176,597	5,708,700	4,687,092	3,795,949	4,169,730	1,927,907
Adjustment of non cash items	896,914	666,586	(147,678)	175,530	14,896	204,542
Working capital changes	2,167,683	(4,435,815)	2,306,076	(971,384)	445,869	(8,803)
Net cash generated from operating activities	5,241,194	1,939,471	6,845,490	3,000,096	4,630,495	2,123,646
Capital expenditure	(906,411)	(1,069,069)	(468,994)	(272,627)	(126,743)	(94,945)
Free Cash flows	4,334,783	870,402	6,376,496	2,727,469	4,503,752	2,028,701

FREE CASH FLOWS

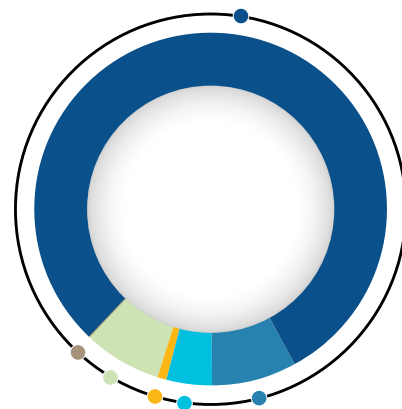
(Rupees in million)



Statement of Value Addition

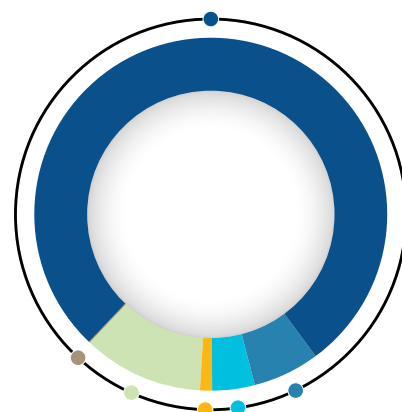
	2025		2024	
	Rs '000	%age	Rs '000	%age
WEALTH GENERATED				
Sales	20,371,056	99.1%	34,574,430	99.1%
Other income	187,031	0.9%	315,630	0.9%
	20,558,087	100.0%	34,890,060	100.0%
DISTRIBUTION OF WEALTH				
Cost of sales & overheads (excluding remuneration)	16,349,856	80%	27,284,084	78%
To employees as remuneration	1,742,949	8%	1,450,501	4%
To government as tax	875,784	4%	2,166,425	6%
WPPF and WWF	171,340	1%	422,896	1%
To shareholders as dividend	2,181	0%	4,580	0%
Cash Retained within the business	1,415,977	7%	3,566,154	10%
	20,558,087	100%	34,890,060	100%

2025



- 80% ● Cost of sales and overheads
- 8% ● To employees as remuneration
- 4% ● To government as tax
- 1% ● WPPF and WWF
- 7% ● Retained within the business
- 0% ● To shareholders as dividend

2024



- 78% ● Cost of sales and overheads
- 6% ● To government as tax
- 4% ● To employees as remuneration
- 1% ● WPPF and WWF
- 10% ● Retained within the business
- 0% ● To shareholders as dividend

STATEMENT OF VALUE ADDITION COMMENTARY FOR 2025

The statement of value addition for the year 2025 provides insights into the company's wealth generation and distribution, highlighting its contribution to various stakeholders and the retention of value within the business.

WEALTH GENERATION

The company generated a total of Rs 20,558m in wealth during 2025, representing a slight decrease from the previous year's figure of Rs 34,890m. The decrease is due to decrease in sales revenue (20,371m in 2025 vs 34,574m in 2024). Sales revenue accounted for 99.1% of total wealth generated, reflecting the company's successful revenue generation efforts and market expansion strategies. Additionally, other income contributed 0.9% to the total wealth, which indicated diversified revenue streams.

DISTRIBUTION OF WEALTH

The distribution of wealth demonstrates the company's commitment to various stakeholders and societal obligations. Most of the wealth, represented by 80%, was allocated to covering costs

of sales and overheads, excluding remuneration. This allocation underscores the importance of maintaining operational efficiency and controlling expenses to ensure sustainable business operations.

A significant portion of wealth, accounting for 8%, was distributed to employees as remuneration, highlighting the company's dedication to rewarding its workforce for their contributions to its success. Additionally, 4% of wealth was allocated to the government as taxes, fulfilling the company's fiscal responsibilities and supporting public welfare initiatives.

Furthermore, contributions to welfare funds such as WPPF and WWF, representing 1% of total wealth, reflect the company's commitment to corporate social responsibility and community development.

RETENTION OF VALUE

Despite the substantial distribution of wealth to various stakeholders, the company retained 7% of total wealth within the business, amounting to Rs 1,415m. This retained cash is essential for reinvestment in growth initiatives, research and development, transformation and strengthening the company's financial position for future opportunities and challenges.

In conclusion, the statement of value addition for 2025 illustrates the company's ability to generate wealth through robust sales performance and diversified income streams while ensuring equitable distribution to stakeholders and retaining value for sustained growth and prosperity.



Economic Value Added

	2025	2024
	Rupees '000	
Net operating profit after tax	1,589,498	3,989,050
Cost of capital	(60,793)	(52,745)
Economic value added	1,528,705	3,936,305
Total assets	18,894,282	20,391,742
Current liabilities	(8,092,913)	(11,002,538)
Invested capital	10,801,369	9,389,204
WACC	0.56%	0.56%
Cost of capital	60,793	52,745

COMMENTS ON ECONOMIC VALUE ADDED (EVA)

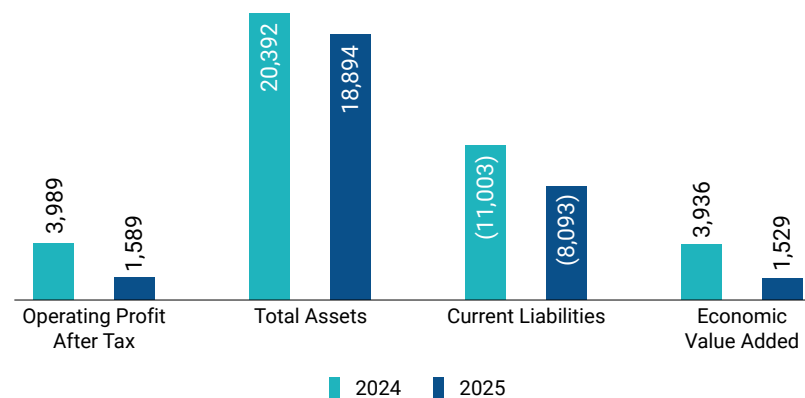
The economic value added (EVA) analysis for the years 2025 and 2024 reveals a deteriorating trend in the company's performance. In 2025, the net operating profit after tax amounted to Rs 1,589m marking a significant decrease from the previous year's figure of Rs 3,989m. This decrease in profitability contributed to the decline of economic value added, which reached Rs 1,529m in 2025 compared to Rs 3,936m in 2024.

Furthermore, the company's invested capital witnessed an increase from Rs 9,389m in 2024 to Rs 10,801m in 2025, reflecting potential expansion or investment activities during the period. Despite minimal fluctuations in the weighted average cost of capital (WACC), the Company continued to generate positive EVA, higher capital employed and lower profitability led to a year on year decline in EVA.

Overall, the EVA analysis underscores the company's ability to generate wealth above the cost of capital, thereby creating value for its stakeholders.



ECONOMIC VALUE ADDED
(Rupees in million)



Share Price Sensitivity Analysis

The performance of the company's share price is intricately tied to its financial performance and exhibits a positive correlation with various factors influencing the company's operations. In the current economic climate of Pakistan, management carefully assesses several key factors that may impact the company's share price sensitivity.

AGRICULTURE

Given Pakistan's agrarian economy, where a significant portion of the population relies on agriculture for their livelihoods, the agricultural sector's performance is pivotal to the company's success. Factors such as crop acreage, weather conditions, availability of irrigation water and farm inputs, and government support prices significantly influence agricultural growth, directly impacting the company's sales and profitability. Consequently, favorable agricultural conditions typically result in increased sales and improved profitability, positively influencing the company's share price.

GOVERNMENT DECISIONS AND POLICIES

Government policies regarding crop prices, taxation, and subsidized tractor schemes exert a substantial influence on the company's share

prices. Positive government decisions that support the agricultural industry generally foster a favorable environment for the tractor industry, leading to increased share prices. Conversely, adverse governmental decisions can have a detrimental effect on share prices.

PLANT OPERATIONS

The stability of plant operations is paramount, directly impacting production levels and, consequently, the company's profitability. Stable plant operations enable higher production output, which can positively impact on the company's share price.

VARIATION IN MATERIAL COSTS

As a manufacturing entity, material costs constitute a significant portion of variable expenses. Any increase in material costs directly affects gross profit margins, potentially leading to reduced profitability and, consequently, a decline in share prices.

LAW AND ORDER

Political uncertainty and disruptions in law and order pose significant challenges to business operations, disrupting economic activity and supply chains. Such disruptions

can adversely impact production levels and profitability, consequently affecting the company's share price.

EXCHANGE FLUCTUATION

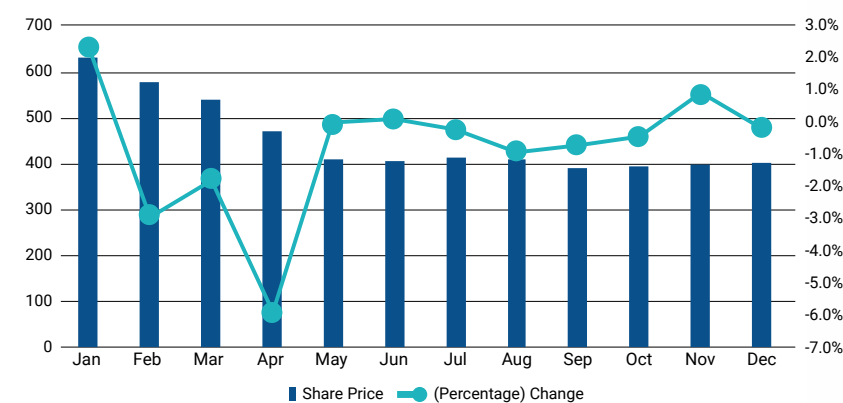
The company's exposure to exchange rate fluctuations, particularly due to its reliance on imported raw materials, poses a significant risk to its financial performance. The depreciation of the Pakistani Rupee can adversely affect the company's financial performance, potentially influencing its share price dynamics.

In conclusion, the company's share price sensitivity analysis underscores the importance of closely monitoring various internal and external factors that can significantly impact its financial performance and market valuation. By proactively addressing these factors and implementing strategic measures to mitigate risks, the company aims to enhance shareholder value and ensure sustainable long-term growth.



SHARE PRICE SENSITIVITY

Share Price Trend (Rupees)

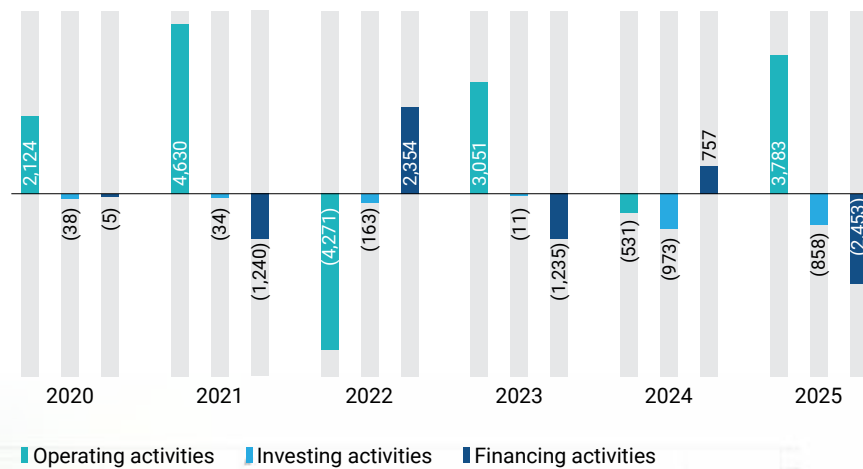


Summary of Statement of Cash Flows

Last Six Years

	2025	2024	2023	2022	2021	2020
Rupees '000						
Net cash (used in) / generated from operating activities	3,783,043	(530,813)	3,051,290	(4,270,631)	4,630,496	2,125,302
Net cash used in investing activities	(857,572)	(973,273)	(11,685)	(162,817)	(34,067)	(38,909)
Net cash generated from / (used in) financing activities	(2,452,737)	756,727	(1,234,748)	2,353,917	(1,240,189)	(4,708)
Net (decrease) / increase in cash and cash equivalents	472,734	(747,359)	1,804,857	(2,079,531)	3,356,240	2,081,685
Cash and cash equivalents as at the beginning of the year	976,090	1,723,449	(81,409)	1,998,122	(1,358,118)	(3,439,803)
Cash and cash equivalents as at the end of the year	1,448,824	976,090	1,723,449	(81,409)	1,998,122	(1,358,118)

(Rupees in million)



■ Operating activities ■ Investing activities ■ Financing activities



COMMENTS ON CASH FLOW ANALYSIS:

The cash flow statement for the year 2025 provides valuable insights into the company's liquidity position, operational efficiency, and financing activities. The Company monitors its cash inflows and outflows on a daily basis. Cash management and investment strategies are planned well in advance to maximize returns.

OPERATING ACTIVITIES

Net cash generated from operating activities amounted to Rs 3,783m, this is due to collection of subsidy amount of Rs 5.2 billion from Govt. of Punjab against GTS invoicing. The company's core business operations were also profitable and generated positive cash flows during the year. This positive cash flow from operations suggests efficient management of working capital and effective revenue generation.

INVESTING ACTIVITIES

The company utilized Rs 858m in investing activities during the year, reflecting expenditures on capital investments, acquisitions, or other long-term assets. While this represents a cash outflow, it also signifies the company's commitment to investing in its future growth and expansion.

FINANCING ACTIVITIES

Net cash outflow from financing activities amounted to Rs 2,453 million during the year, primarily

attributable to payments against the Musharakah facility.

For the past few years, the Company has obtained a notable value of running finance facility to ensure smooth business operations. Funded finance facility from different banks as at 31st Dec, 2025 stood at PKR 5.5 billion.

NET INCREASE IN CASH

Overall, the company experienced a net increase in cash and cash equivalents of Rs 472m during the year. This positive cash flow indicates that the company's cash inflows exceeded outflows, resulting in a positive liquidity position at the end of the year.

CASH POSITION

The company's cash and cash equivalents at the end of the year stood at Rs 1,449m, higher than the beginning-of-year balance of Rs 976m. This increase in cash reserves mainly due to collection of receivable balances from Govt.

In conclusion, the cash flow statement for 2025 reflects the company's ability to generate positive cash flows from its operations, effectively manage its investing and financing activities, and strengthen its cash position. This prudent cash management underscores the company's financial health and resilience in achieving its strategic objectives.

Net cash used in investing activities depicts cash utilization on account of fixed capital expenditure. Moreover, in current year fixed capital expenditures mainly represented additions related to turnaround initiatives, IT infrastructure upgrade, replacement of staff vehicles, replacement of essentials plant and machinery at manufacturing plant and staff wellbeing. Company expects to generate additional returns on the investments being made in assets.

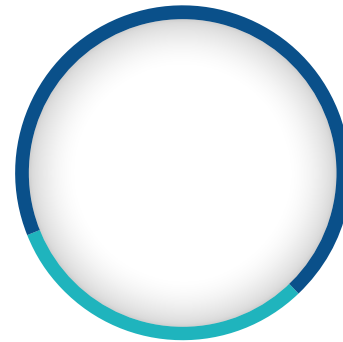
Segmental Review of Business

MARKET SEGMENT / SHARE

The agricultural sector stands as a cornerstone of Pakistan's economy, constituting a vital segment of the nation's GDP and employing much of its workforce. However, the tractor industry has grappled with formidable challenges stemming from a perfect storm of factors, including drastic rupee devaluation, record-high inflation, political turbulence, and government restrictions on imported components. This confluence has led to unprecedented spikes in material costs and disruptions in the procurement of essential parts. Moreover, the imposition of an additional super tax on profits for both the current and preceding years has further eroded profitability for companies within the sector.

Among these entities, Al-Ghazi Tractors Limited (AGTL) holds a significant position as the second-largest player in Pakistan's tractor industry, commanding a 31% market share, while competitors control the remaining 69%.

AGTL has maintained a steady market share compared to the previous year. This can be attributed



69%
Competitors Market Share

31%
AGTL Market Share

to the formidable macroeconomic challenges plaguing the nation and the tractor industry. Ongoing severe rupee devaluation, coupled with continued restrictions on imports by the central bank and persistent political instability, has compounded matters, leading to unprecedented escalations in material costs and disruptions in the timely arrival of imported parts.

Considering these adversities, AGTL's sales figures for the year reflect the toll of these challenges, with the company selling 7,739 tractors compared to the previous year's tally of 14,269 units.

OPERATING SEGMENTS

The company's primary focus remains the manufacturing and/or sale of agricultural tractors,

implements, and spare parts. This core activity forms the backbone of its operations and revenue streams.

In line with its business structure and operational focus, the financial statements of the company have been meticulously prepared, consolidating all relevant financial data under a single reportable segment.

This approach ensures transparency and coherence in financial reporting, allowing stakeholders to gain a comprehensive understanding of the company's performance within its core business domain. By adhering to this reporting framework, the company maintains clarity and consistency in presenting its financial position and operational results to investors, regulators, and other stakeholders.

