



**PACKAGES LIMITED**

**CORPORATE  
BRIEFING SESSION**

May 17, 2022



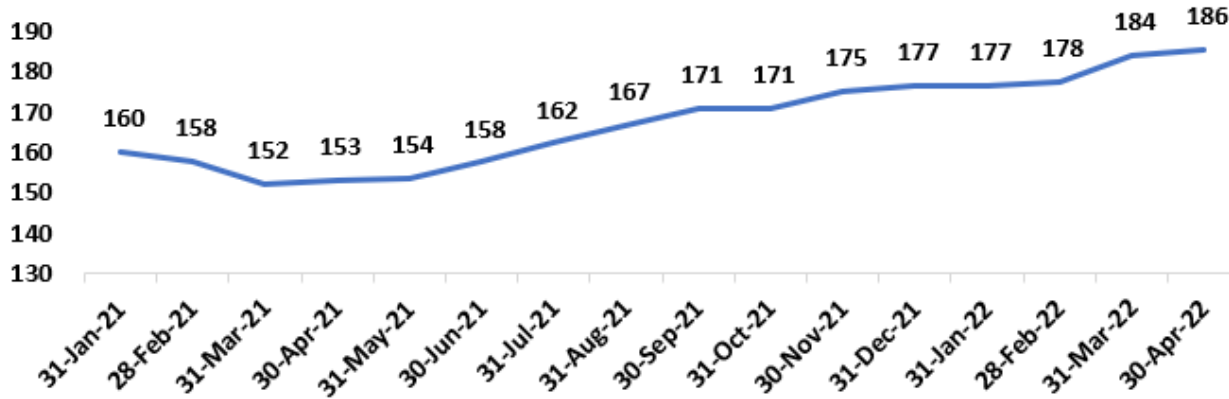
Creating a better tomorrow

# Agenda

- Presentation by the Management
- Q&A Session

# Economic Overview

PKR/USD Exchange Rate

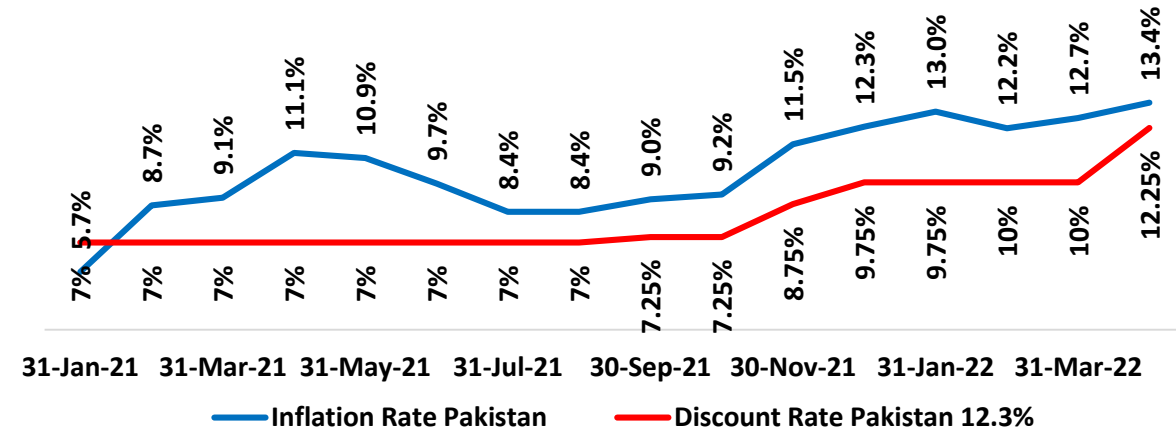


Latest exchange rate: May 16, 2022 – PKR 194.5/ USD

## USD:PKR

- Pak Rupee depreciated to an all-time low against USD amid fall in SBP reserves due to debt repayments and rising CA deficit.
- Rising CA deficit, will keep the currency under pressure in near future.
- USD rate hovering at PKR 194+ on May 17

Inflation vs Discount Rate of Pakistan



Discount rate was increased to 12.25% (250BP+) during April-2022

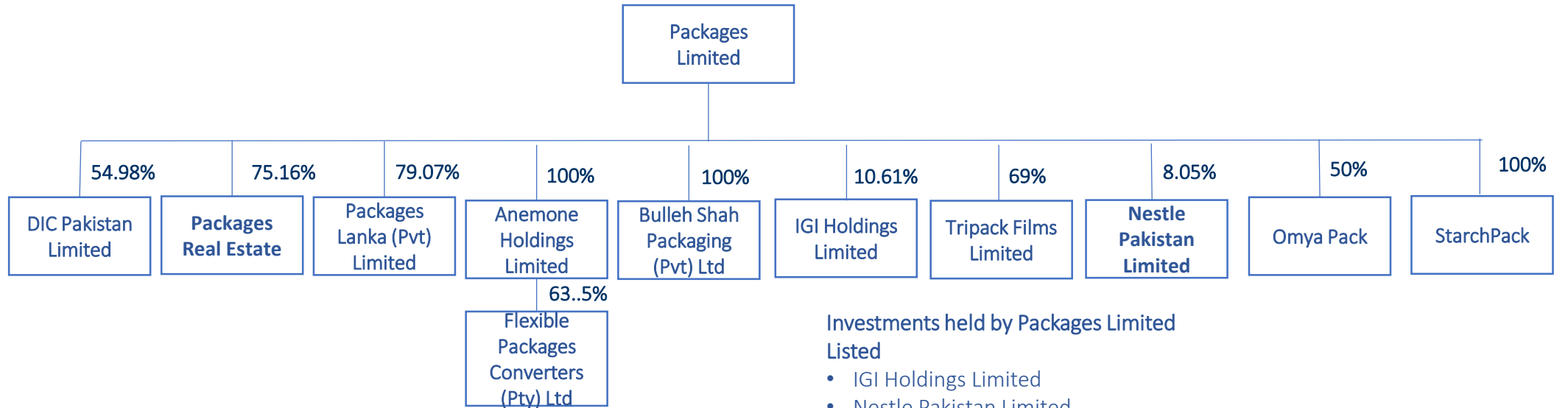
## Inflation:

- YoY Inflation increased to **13.4%** during April largely due to food and Utilities inflation.
- Elevated commodity and petroleum prices are expected to keep inflation in double digits in coming months.

**Interest rate outlook:** SBP has indicated that higher than expected adverse movement in CAD and inflation levels due to on-going Russia-Ukraine conflict and high commodity prices could necessitate further changes in the policy rate.

# Group Structure

# OUR INVESTMENT PORTFOLIO



## Investments held by Packages Limited Listed

- IGI Holdings Limited
- Nestle Pakistan Limited
- Tri-Pack Films Limited

## Unlisted

- Packages Real Estate (Pvt) Limited
- DIC Pakistan Limited
- Packages Lanka (Pvt) Ltd
- Anemone Holding Limited
- Bulleh Shah Packaging (Pvt) Ltd
- Coca-Cola Beverages Pakistan Ltd
- OmyaPack (Pvt) Ltd



# GROUP'S PRODUCT PORTFOLIO



Packages  
Convertors Ltd



FOLDING CARTON



FLEXIBLE PACKAGING



CONSUMER PRODUCTS



Bulleh Shah  
Packaging



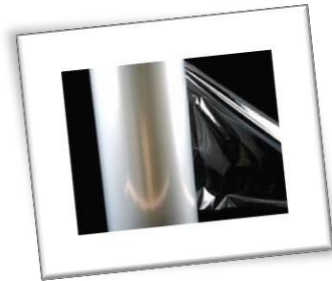
CORRUGATED  
CARTONS



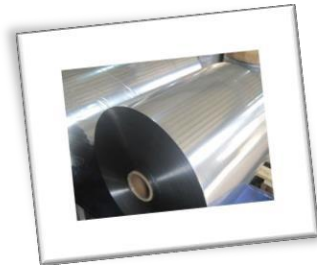
PAPER



BOARD



BOPP Films



CPP Films



ROTOGRAVURE INKS



OFFSET INKS



FLEXOGRAPHIC INKS



Insurance



FIRE COVER



AUTO COVER



TRAVEL SURE



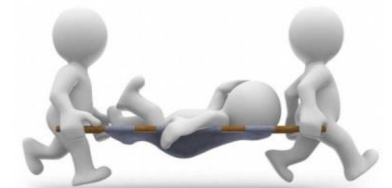
HOME COVER



LIFE INSURANCE



RETIREMENT PLANNING



**Packages Limited**  
**Stand-Alone Financials FTY ended**  
**December 31, 2021**

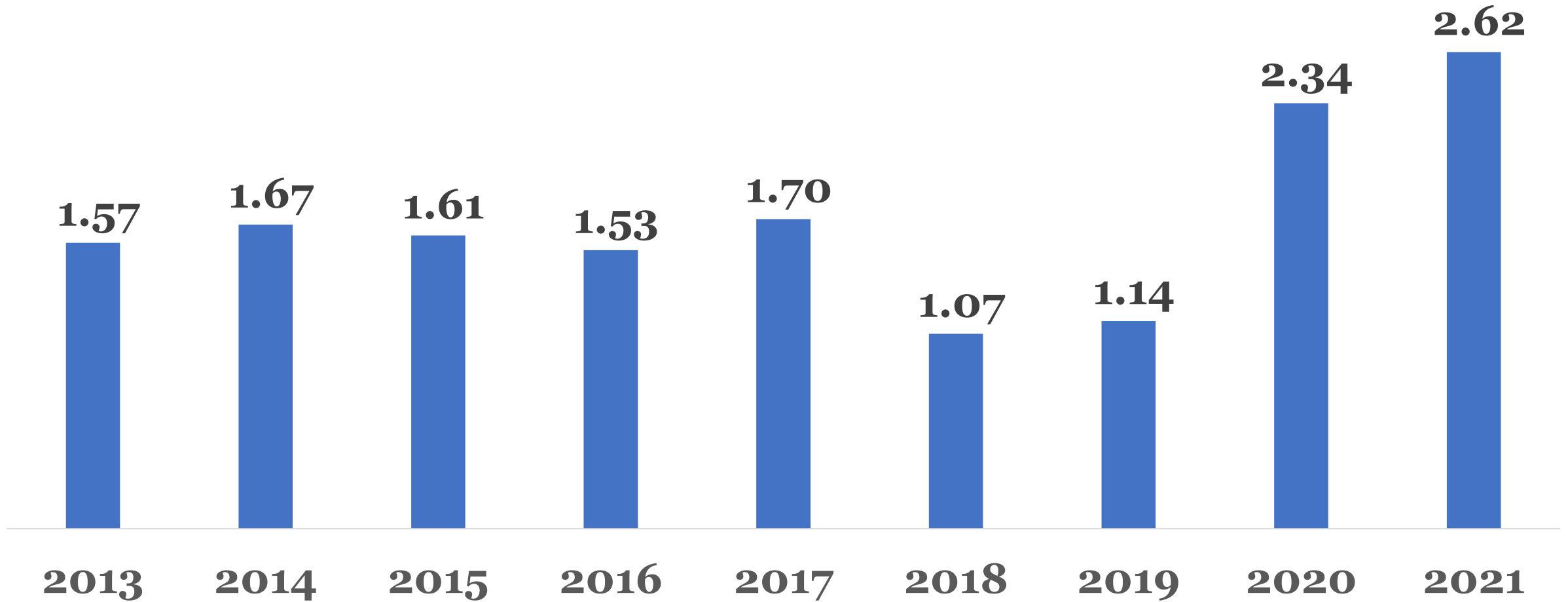


# Company's Results

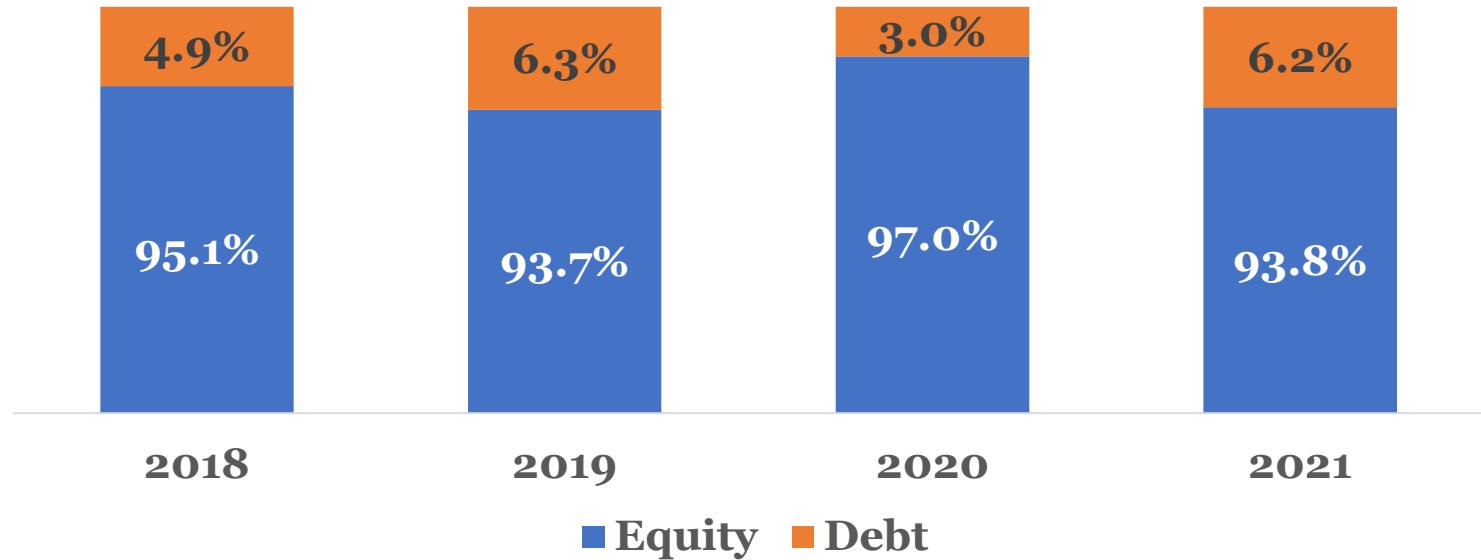
	2021 (Rupees in thousand)	2020 (Rupees in thousand)
Sale from goods and services	-	12,830,208
Dividend income	4,195,733	1,916,898
<b>Net operating revenue</b>	4,195,733	14,747,106
Cost of sales	-	(9,940,900)
<b>Gross profit</b>	4,195,733	4,806,206
Administrative expenses	(531,258)	(795,281)
Distribution and marketing costs	-	(751,824)
Reversal of impairment losses on financial assets	7,062	69,159
Other expenses	(60,169)	(116,470)
Other income	1,269,725	406,333
<b>Operating profit</b>	4,881,093	3,618,123
Finance costs	(217,074)	(782,263)
<b>Profit before taxation</b>	4,664,019	2,835,860
Taxation	(541,894)	(16,336)
<b>Profit for the year</b>	4,122,125	2,819,524
<b>Earnings per share</b>	<b>Rupees</b>	<b>Rupees</b>
- Basic	46.12	31.55
- Diluted	43.84	30.48



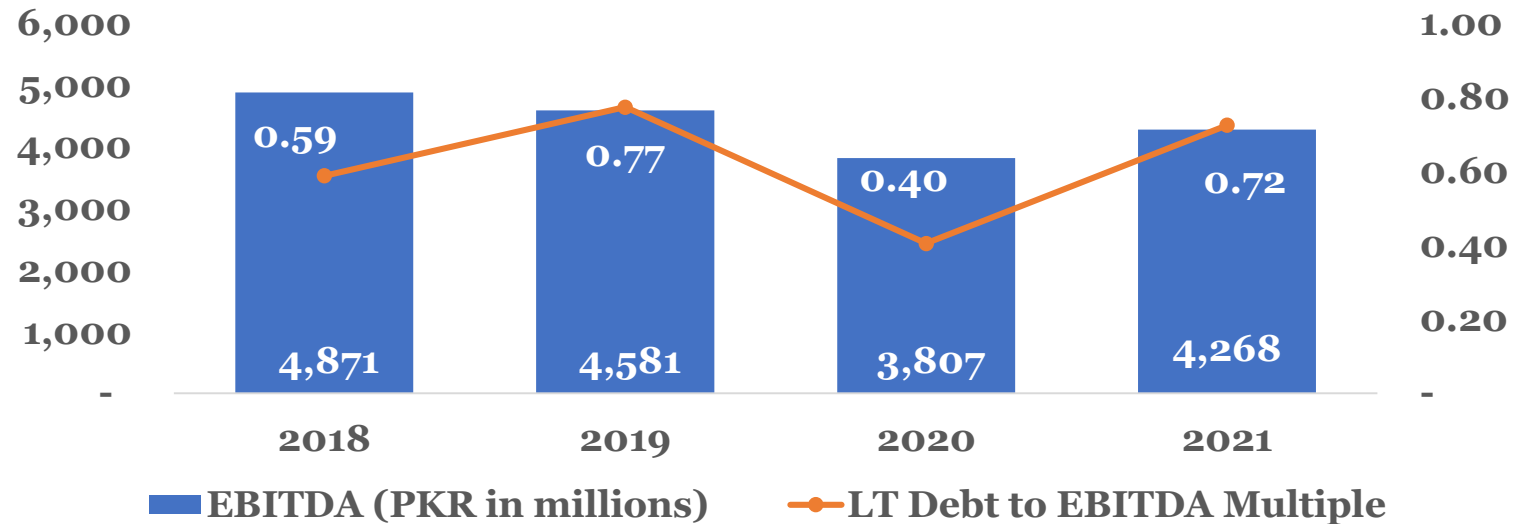
# Current Ratio Trend



## Debt to Equity %

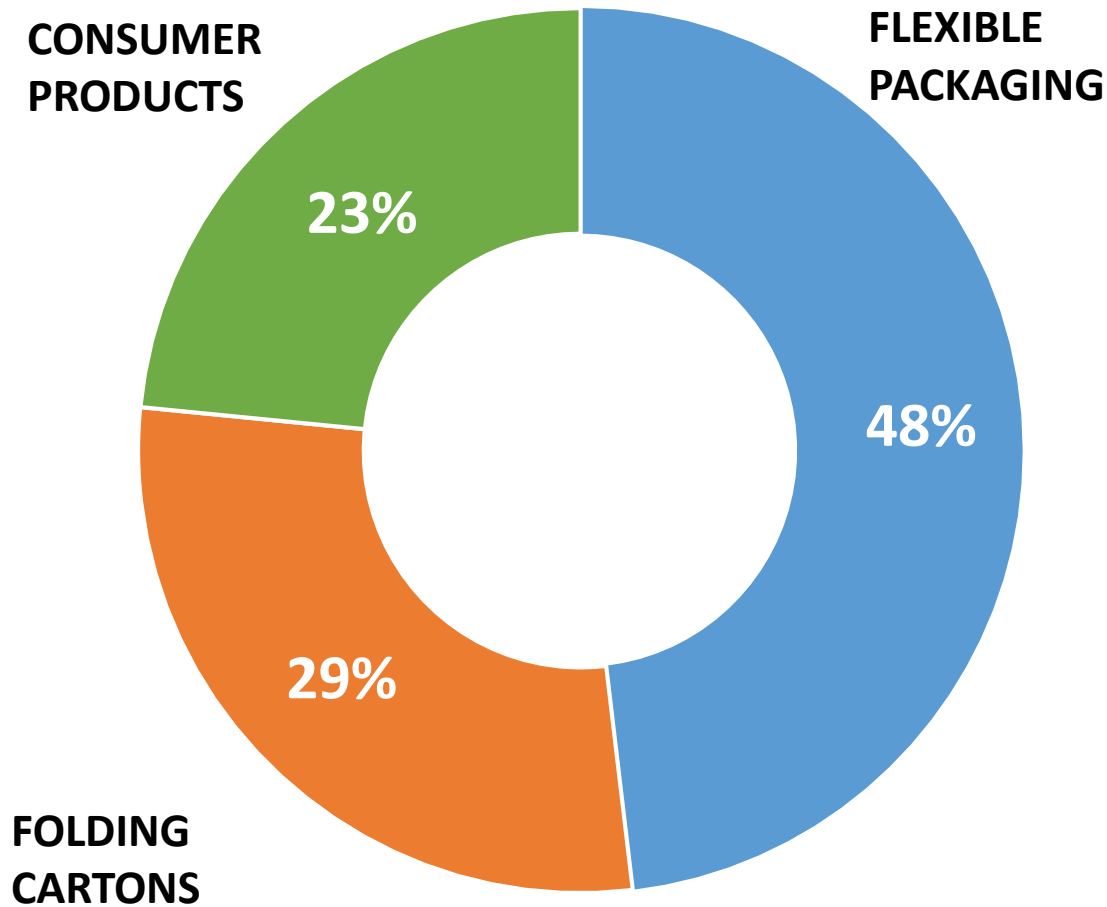


## LT Debt to EBITDA Multiple



# Performance of Group Companies

# Packages Convertors Limited



NET SALES (21 Vs 20)  
Rs 30B Vs Rs 27B

12% ↑

EBT (21 Vs 20)  
Rs 2.6B Vs Rs 2B

30% ↑

# BULLEH SHAH PACKAGING



**100%**  
Subsidiary

NET SALES (21 Vs 20)  
**Rs 37B Vs Rs 29B**  
**28%↑**

EBT (21 Vs 20)  
**Rs 4.4B Vs Rs 2.7B**  
**60%↑**

## OUR PRODUCTS



**CORRUGATED  
CARTONS**



**PAPER**



**BOARD**

## Bulleh Shah Packaging

Corrugated Packaging

105,000 tons

Karachi

Paper & Board

265,000 tons

Kasur



# DIC PAKISTAN



**55%**  
Joint Venture  
**DIC GLOBAL**

NET SALES (21 Vs 20)  
**Rs 6.7B Vs Rs 5.6B**

**20% ↑**

EBT (21 Vs 20)  
**Rs 950M Vs Rs 616M**

**54% ↑**

## OUR PRODUCTS

### ROTOGRAVURE INKS



### FLEXOGRAPHIC INKS



### SHEET FED OFFSET INKS



# PACKAGES REAL ESTATE



75.16%  
Subsidiary

Revenue (21 Vs 20)  
Rs 3.3B Vs Rs 2.6B

23% ↑

EBT (21 Vs 20)  
Rs 454M Vs Rs  
(203M)

3 times ↑



Inaugurated  
2017

Area  
1.3M sqft

>200  
Shops



# FLEXIBLE PACKAGES CONVERTORS – SOUTH AFRICA



63%  
Subsidiary

NET SALES (21 Vs 20)  
ZAR 695M Vs ZAR 576M

21% ↑

EBT (21 Vs 20)  
ZAR (28)M Vs ZAR (31)M

10% ↑

## OUR HARDWARE & PRODUCTS



- 6 Coex extrusion machines
- 2 Monolayer extrusion
- 2 printing machines upto 10 colors
- 1 printing machines upto 8 colors

- Shrink Film
- Bread Bags
- Refuse Bags
- Sugar Film
- Milk Film





# PACKAGES LANKA – SRI LANKA



**79.09%**  
Subsidiary

NET SALES (21 Vs 20)  
LKR 2.5B Vs LKR 2.1B

15% ↑

EBT (21 Vs 20)  
LKR 108M VS LKR (16) M

2.8 times ↑

## OUR HARDWARE & PRODUCTS



- Coex Extrusion
- Roto graphic Printing
- Lamination
- Slitting & Bag Making

- Tea Bags
- Biscuits & Snacks
- Confectionary
- Detergents
- Dairy

# OMYA PACK PAKISTAN

**50%**  
Joint Venture  
**OMYA**  
**SWITZERLAND**



## OUR PRODUCTS



**Calcium Carbonate**  
Dry Process  
Wet Process

Revenue (21 Vs 20)  
**Rs 820M Vs Rs 581M**  
**41% ↑**

EBT (21 Vs 20)  
**Rs 141M Vs Rs 67M**  
**2 times ↑**



# TRI-PACK FILMS



**49.93%**  
Associate

NET SALES (21 Vs 20)  
Rs 19B Vs Rs 15B

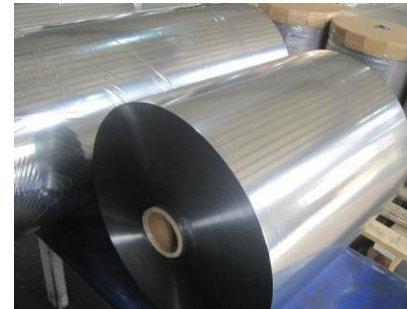
26% ↑

EBT (19 Vs 18)  
Rs 1,415M Vs Rs 774M

83% ↑

With Acquisition of Mitsubishi shareholding in Feb 2022,  
Packages shareholding has increased to 69%

## OUR PRODUCTS



- Transparent Lamination Grade
- Metallizable Heat Sealable
- Metallized Heat Sealable
- White Opaque Heat Sealable
- Transparent Barrier Film

- Plain Film
- Composite
- Cigarette Grade
- Pearlized
- Metalized



# Consolidated Results

	2021 (Rupees in thousand)	2020 (Rupees in thousand)
Revenue	80,322,297	64,981,483
Cost of sales and services	(63,612,824)	(51,738,720)
<b>Gross profit</b>	<b>16,709,473</b>	<b>13,242,763</b>
Administrative expenses	(2,866,502)	(2,420,183)
Distribution and marketing costs	(2,913,840)	(2,690,770)
Reversal of impairment losses on financial assets	75,038	7,372
Other expenses	(1,277,554)	(979,042)
Other income	857,204	400,718
Investment income	934,592	639,298
Share of net profit of associates and joint ventures accounted for using equity method	677,339	340,210
<b>Operating profit</b>	<b>12,195,750</b>	<b>8,540,366</b>
Finance cost	(2,588,800)	(3,455,909)
<b>Profit before taxation</b>	<b>9,606,950</b>	<b>5,084,457</b>
Taxation	(2,456,799)	(548,753)
<b>Profit for the year</b>	<b>7,150,151</b>	<b>4,535,703</b>

# Packages Limited

## Financial results Q1-2022



## PACKAGES LIMITED

### CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

For the three-months period ended March 31, 2022

	<b>Three months ended</b>		
	<b>March 31, 2022</b>	<b>March 31, 2021</b>	
	<b>Un-audited (Rupees in thousand)</b>	<b>Un-audited (Rupees in thousand)</b>	
Dividend income	875,717	782,429	
Rental income	110,925	97,662	
<b>Operating revenue</b>	<b>986,642</b>	880,091	
Administrative expenses	(160,901)	(131,809)	
Net (impairment) / reversal of impairment on financial assets	(1,771)	2,129	
Other expenses	(769)	(28,195)	
Other income	43,038	37,190	
<b>Operating profit</b>	<b>866,239</b>	759,406	
Finance cost	(152,667)	(38,367)	
<b>Profit before taxation</b>	<b>713,572</b>	721,039	
Taxation	(31,000)	(24,513)	
<b>Profit for the period</b>	<b>682,572</b>	696,526	
 <b>Earnings per share</b>			
<b>Basic</b>	Rupees	7.64	7.79
<b>Diluted</b>	Rupees	7.28	7.42

**PACKAGES LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**

For the three-months period ended March 31, 2022

	<b>Three-month period ended</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
	<b>(Rupees in thousand)</b>	
Revenue	<b>26,915,391</b>	19,676,647
Cost of sales and services	<b>(21,231,585)</b>	(15,421,447)
<b>Gross profit</b>	<b>5,683,806</b>	4,255,200
Administrative expenses	<b>(810,668)</b>	(649,046)
Distribution and marketing costs	<b>(1,049,750)</b>	(780,848)
(Impairment losses) / reversal of impairment losses on financial assets	<b>(15,249)</b>	1,828
Other expenses	<b>(341,020)</b>	(8,747)
Other income	<b>158,454</b>	85,939
Share of net profit of associates and joint ventures accounted for using equity method	<b>36,388</b>	21,080
<b>Profit from operations</b>	<b>3,661,961</b>	2,925,406
Finance costs	<b>(1,060,663)</b>	(645,050)
Gains and losses relating to business combination	<b>1,993,632</b>	-
<b>Profit before taxation</b>	<b>4,594,930</b>	2,280,356
Taxation	<b>(751,902)</b>	(557,353)
<b>Profit for the period</b>	<b>3,843,028</b>	1,723,003
<b>Profit attributable to:</b>		
Equity holders of the Parent Company	<b>3,670,165</b>	1,643,769
Non-controlling interests	<b>172,863</b>	79,234
	<b>3,843,028</b>	1,723,003
<b>Earnings per share attributable to equity holders of the Parent Company during the period</b>		
Basic	Rupees	<b>41.06</b>
Diluted	Rupees	<b>38.01</b>

# Corporate Announcements





# Proposed Acquisition of 35% stake in Sanofi Pakistan

## Announcement Date: April 28, 2022

This is in continuation of our earlier letter SEC/169/2021 dated December 20, 2021 in which the Board of Directors of Packages Limited (Company) accorded its in-principle approval to become part of the Investor Consortium to evaluate and conduct a due diligence for a potential transaction for the purchase of entire 52.87% shareholding of Sanofi Foreign Participants B.V. held in Sanofi Pakistan (Proposed Transaction). The Investor Consortium is comprised of the Company, IGI Investments (Private) Limited and affiliates of Arshad Ali Gohar Group. The Investor Consortium is led by the Company.

In this regard, please note that the Investor Consortium has finalized the purchase price and terms and conditions of the Proposed Transaction with Sanofi Foreign Participants B.V. upon conclusion of the due diligence process as approved by the Board of Directors of the Company in its meeting held on April 27, 2022. The negotiated purchase price for the Proposed Transaction is **Rs. 940/share** (excluding transaction costs) and the Company will be acquiring 35% of equity stake in Sanofi Pakistan. The remaining shareholding i.e. 17.87% (Remaining Shareholding) will be taken by other members of the Investor Consortium. The Company shall also be committed to purchase Remaining Shareholding to the extent not taken-up by any other member of the Investor Consortium along with such shares as may be offered under the mandatory public offer in terms of applicable take-over laws.

The Proposed Transaction shall be executed subject to signing of transaction documents between the parties including Share Purchase Agreement and fulfillment of applicable contractual and legal conditions (including for investment in associates and under take-over laws) and applicable corporate and regulatory approvals.

Sanofi Pakistan is a public limited company, listed on Pakistan Stock Exchange (PSX) and is principally engaged in the manufacturing and selling of pharmaceutical, consumer healthcare products and vaccines. IGI Investments (Private) Limited and affiliates of Arshad Ali Gohar Group already hold 19.1% and 10% shareholding in Sanofi Pakistan respectively. The Chief Executive of the Company is also a member of the Board of Directors of Sanofi Pakistan.



# Capital Injection into New 100% subsidiary – Starch Pack (Pvt) Ltd

Announcement Date: April 28, 2022

## **Capital injection in StarchPack (Private) Limited**

The Board of Directors of Packages Limited in its meeting held on April 27, 2022 has accorded its approval to inject further capital of upto Rs. 1,400 million (Rupees One Billion and Four Hundred Million Only) into its 100% wholly owned subsidiary StarchPack (Private) Limited from time to time subject to compliance with applicable laws and fulfilment of applicable corporate and regulatory approvals, if any.

Pursuant to the requirements of the Securities Act, 2015, the Company has duly caused this form/statement to be signed on its behalf by the undersigned hereunto duly authorized.

## **Incorporation of a wholly owned foreign subsidiary in the UAE**

The Board of Directors of Packages Limited in its meeting held on April 27, 2022 has accorded its approval for incorporation of a wholly owned foreign subsidiary in the UAE, subject to all applicable regulatory approvals.

The subsidiary will be primarily engaged in commercial trading with import, export, distribution and warehousing as its ancillary activities.

Pursuant to the requirements of the Securities Act, 2015, the Company has duly caused this form/statement to be signed on its behalf by the undersigned hereunto duly authorized.

# Q&A

AAPKI SEHAT  
AAPKE HAATH MEIN

THANK  
YOU!



ROSE  
PETAL®