



Corporate Briefing Session

MERIT PACKAGING LIMITED

November 10, 2023

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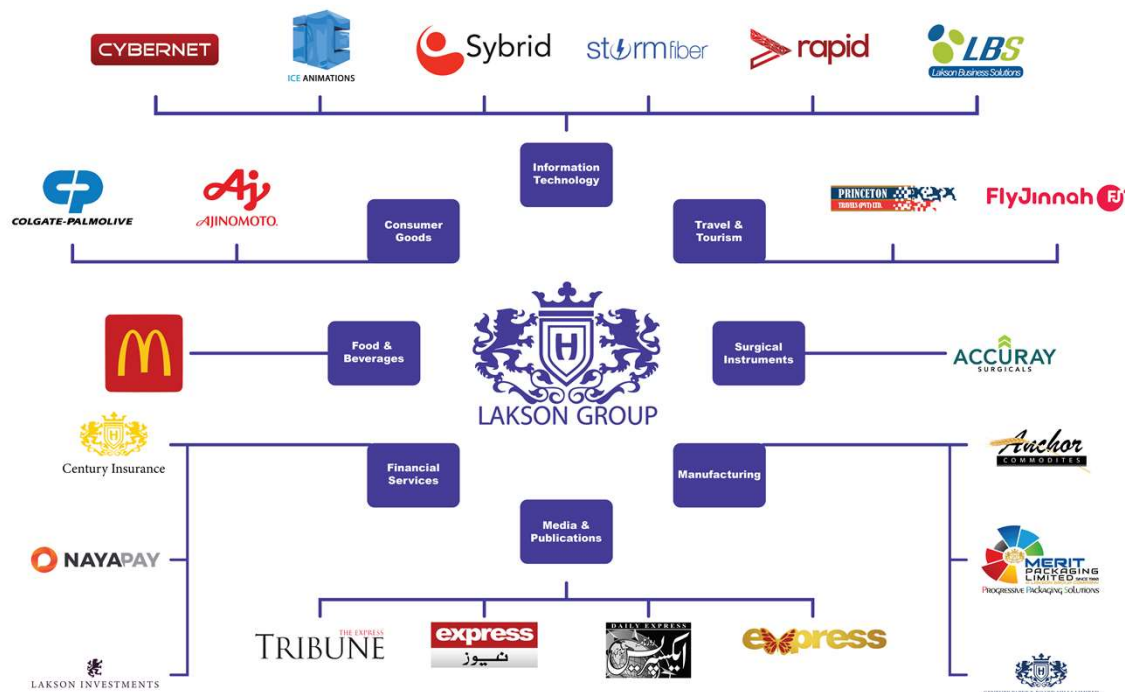
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LAKSON HISTORY

- Established in 1954 by Mr. Hasan Ali Karabhai as a trading concern
- Grew organically over decades under the leadership and guidance of owners and sponsors
- Group assets exceed USD 1 Billion
- Domestic presence in more than 50 cities
- International presence in UAE and USA
- Employees of more than 17,000 persons
- Diversified portfolio of companies that are industry leaders



LAKSON GROUP



ABOUT US

- Established in 1980
- Experience of over 4 decades in the packaging industry
- One of three companies in Pakistan with Offset and flexible packaging
- Customer portfolio of local and multi-national corporations
- European machines providing unmatched quality



CUSTOMER PORTFOLIO



* All trademarks are the property of the respective owners

OUR CERTIFICATIONS



شهادة **الحلال** العالمية
International **Halal** Certification



* All trademarks are the property of the respective owners

VISION AND MISSION

VISION

Performing while transforming

MISSION

We are dedicated to providing sustainable packaging solutions that redefine industry standards and empower our partners' success.



VALUES

Our values and priorities have helped our business to continue to forge ahead during the unprecedented challenges of the past year.



OUR CULTURE

People are the core of our journey. We believe in the holistic well-being of our employees.



CSR ACTIVITIES



We believe in giving back
to the society and
community



SUSTAINABLE PACKAGING

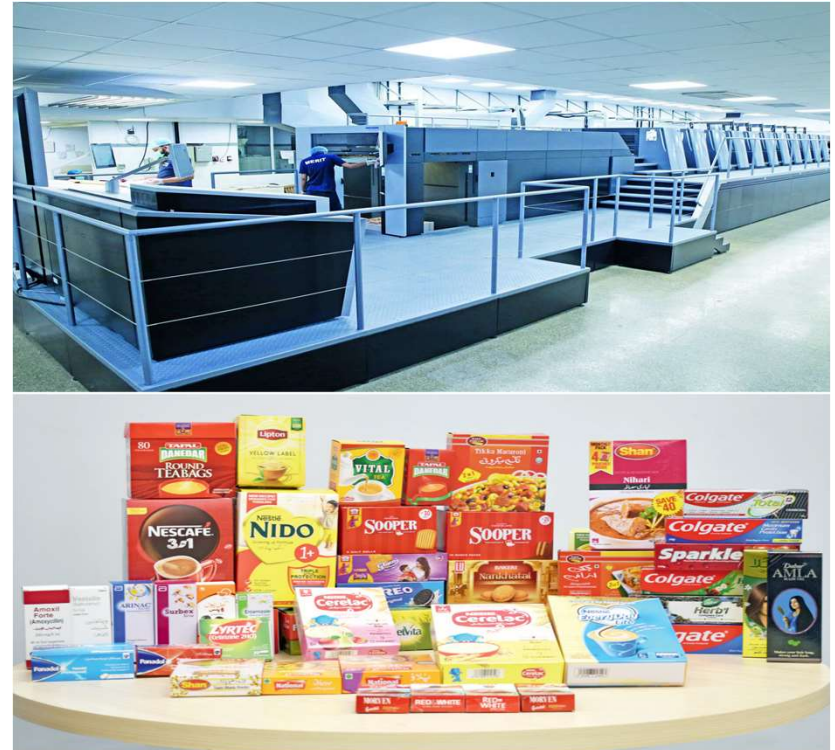
- Use of FSC-certified board
- Water-based ink-reducing VOC footprint
- Production wastage sent to sister concern for recycling
- Sourcing of raw materials from responsible plastic suppliers
- Plastic waste is recycled to produce various plastic toys and utilities



PRODUCTION FACILITY

OFFSET DIVISION

- High-end printing technology
- Capacity to produce more than 1300 MT per month
- State-of-the-art printing technology
- Efficient post-press machines to support high-speed creasing & cutting and folding & gluing



PRODUCTION FACILITY

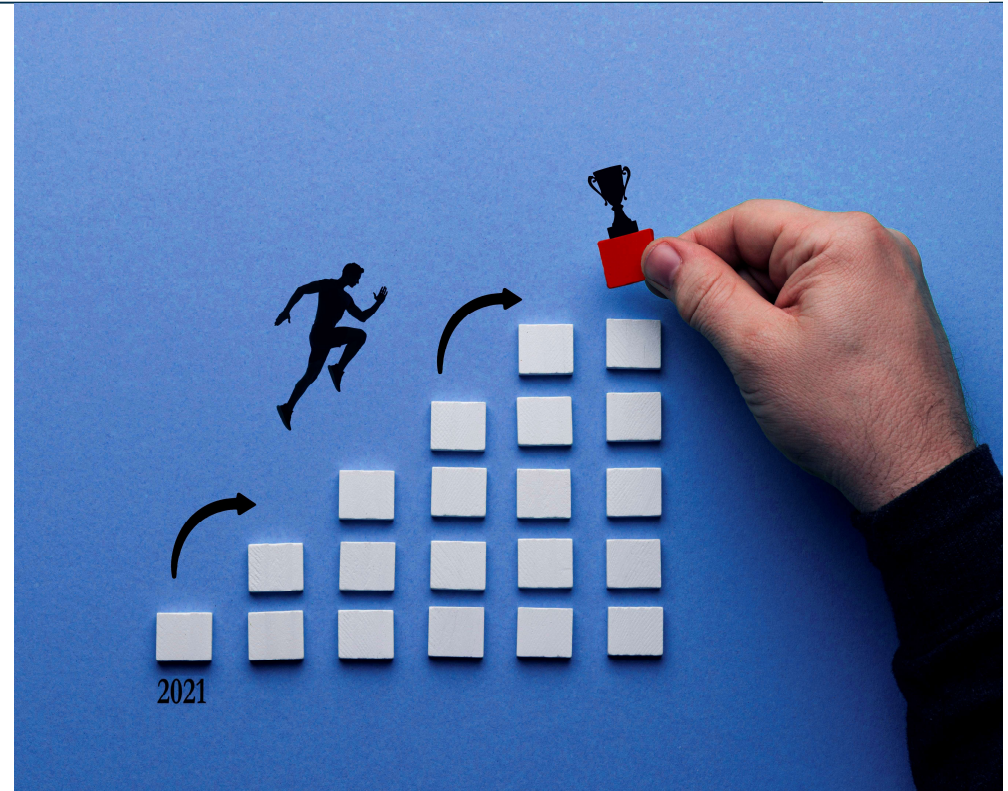
GRAVURE DIVISION

- State-of-the-art BOBST gravure printing machine
- Capable of producing 9 color printing
- Top-notch laminators and slitters
- 3 Laminators, 2 Slitters, 2 Rewinders



ACHIEVEMENTS SINCE 2021

- Reduced losses from Rs. 565 million to Rs. 138 million despite unprecedented discount rates
- Increased GP by 1,259% from a loss of 42 million to a profit of Rs. 492 million
- Revenue expansion by 118.44%
- Operating cash generation grew from negative Rs. 143 million to Rs. 481 million
- Revamped production facility infrastructure from own funds
- Became a top supplier to various companies



ECONOMIC CHALLENGES

- Decelerated growth due to multiple global geo-political factors including the Russia-Ukraine war.
- Unprecedented inflation in FY 2023.
- Rock-bottom reserves induced the government to curb imports which almost choked the LSM and recorded an 8.11% decline.
- Record high discount rates.
- Plummeting PKR parity against USD magnified inflation.
- GDP fell to 0.29%
- Depleted purchasing power parity.



ACHIEVEMENTS IN A GLOOMY ECONOMY

- Achieved production at maximum capacity during the months of **August, September, and December.**
- Early repayment of long-term loans.
- Growth in topline by 51.8% from last year.
- Reduction in bottom line loss by 17.4%.
- Made capital expenditures (including CWIP) of Rs. 240 million out of own funds.



SPONSOR SUPPORT

- Unwavering support from sponsors in the shape of:
 - ✓ Injection of funds through the right issue in FY 2022 of Rs. 1.4 billion
 - ✓ Time-to-time rescheduling of sponsor loans
 - ✓ Keeping sponsor loan interest-free
 - ✓ New loan of Rs. 250 million offered by sponsors in FY 2021
 - ✓ Total sponsor loan amounts to Rs. 1.45 billion



FINANCIAL SUMMARY

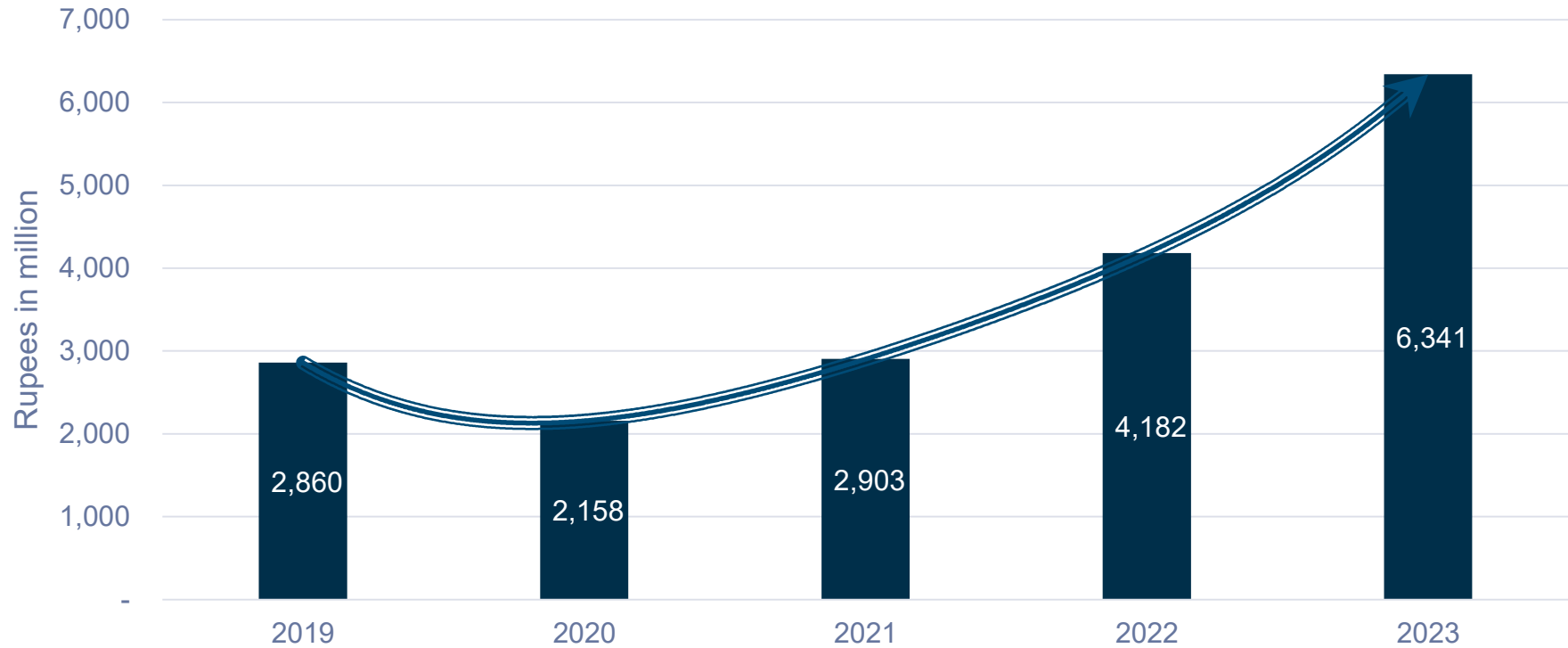
VERTICAL ANALYSIS

	2023		2022	
	Rs. '000	%	Rs. '000	%
PROFIT & LOSS ACCOUNT				
Sales - net	6,340,624	100%	4,181,647	100%
Cost of sales	(5,849,026)	-92%	(3,928,730)	-94%
Gross profit / (loss)	491,597	8%	252,917	6%
Operating expenses	(212,848)	-3%	(160,146)	-4%
Operating profit / (loss)	278,749	4%	92,771	2%
Financial charges	(344,285)	-5%	(263,168)	-6%
Profit/(loss) before taxation	(65,536)	-1%	(170,396)	-4%
Profit/(loss) after taxation	(136,602)	-2%	(168,169)	-4%
BALANCE SHEET				
Assets				
Property, plant and equipment	4,430,917	62%	2,988,530	54%
Other non-current assets	12,493	0%	237,130	4%
Current Assets	2,679,294	38%	2,313,493	42%
Total Assets	7,122,703	100%	5,539,153	100%
Equity & Liabilities				
Share capital & reserves	2,922,228	41%	1,845,514	33%
Non-current liabilities	1,568,046	22%	1,641,496	30%
Current liabilities	2,632,429	37%	2,052,143	37%
Total equity and Liabilities	7,122,703	100%	5,539,153	100%

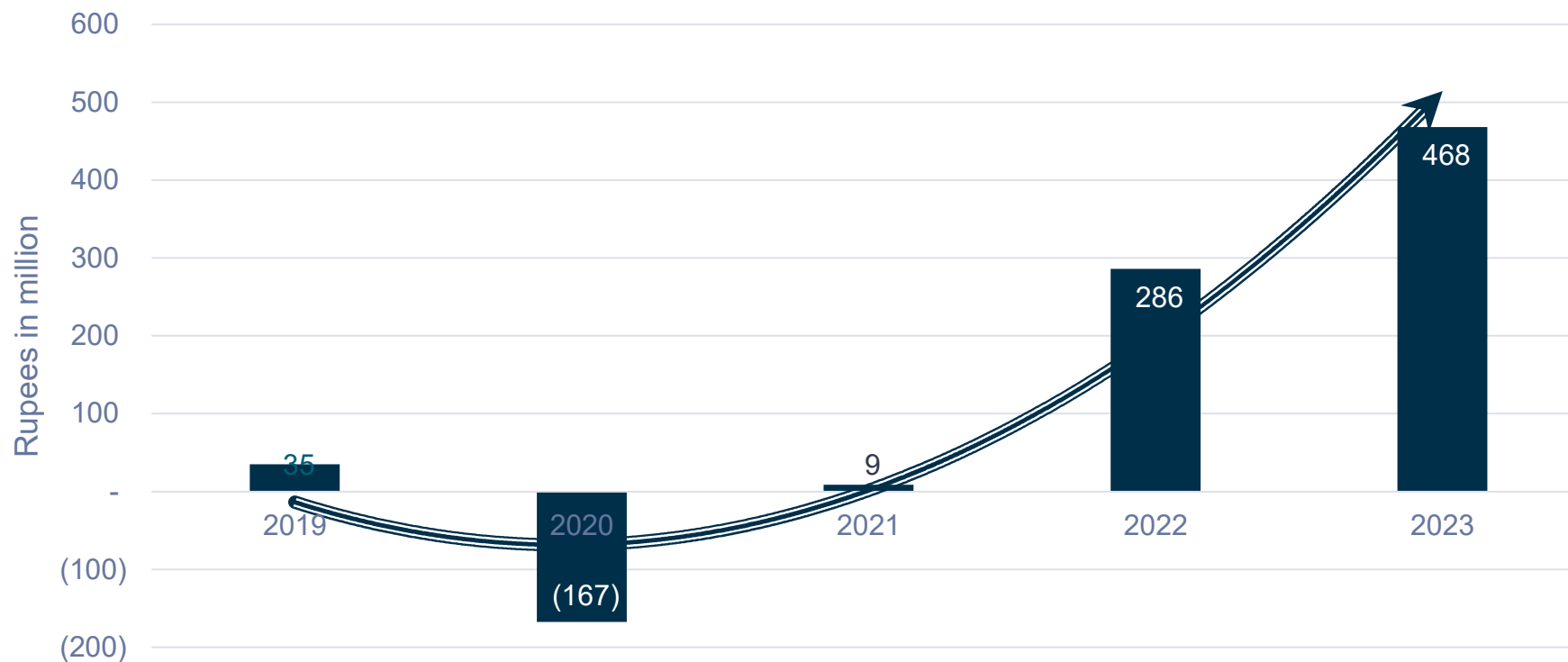
HORIZONTAL ANALYSIS

	2023		2022	
	Rs. '000	%	Rs. '000	%
PROFIT & LOSS ACCOUNT				
Sales - net	6,340,624	52%	4,181,647	44%
Cost of sales	(5,849,026)	49%	(3,928,730)	33%
Gross profit / (loss)	491,597	94%	252,917	497%
Operating expenses	(212,848)	33%	(160,146)	-9%
Operating profit / (loss)	278,749	200%	92,771	143%
Financial charges	(344,285)	31%	(263,168)	-20%
Profit/(loss) before taxation	(65,536)	-62%	(170,396)	-69%
Profit/(loss) after taxation	(136,602)	-19%	(168,169)	-70%
BALANCE SHEET				
Assets				
Property, plant and equipment	4,430,917	192%	2,988,530	130%
Other non-current assets	12,493	16%	237,130	301%
Current Assets	2,679,294	194%	2,313,493	167%
Total Assets	7,122,703	189%	5,539,153	147%
Equity & Liabilities				
Share capital & reserves	2,922,228	293%	1,845,514	185%
Non-current liabilities	1,568,046	134%	1,641,496	141%
Current liabilities	2,632,429	164%	2,052,143	128%
Total equity and Liabilities	7,122,703	189%	5,539,153	147%

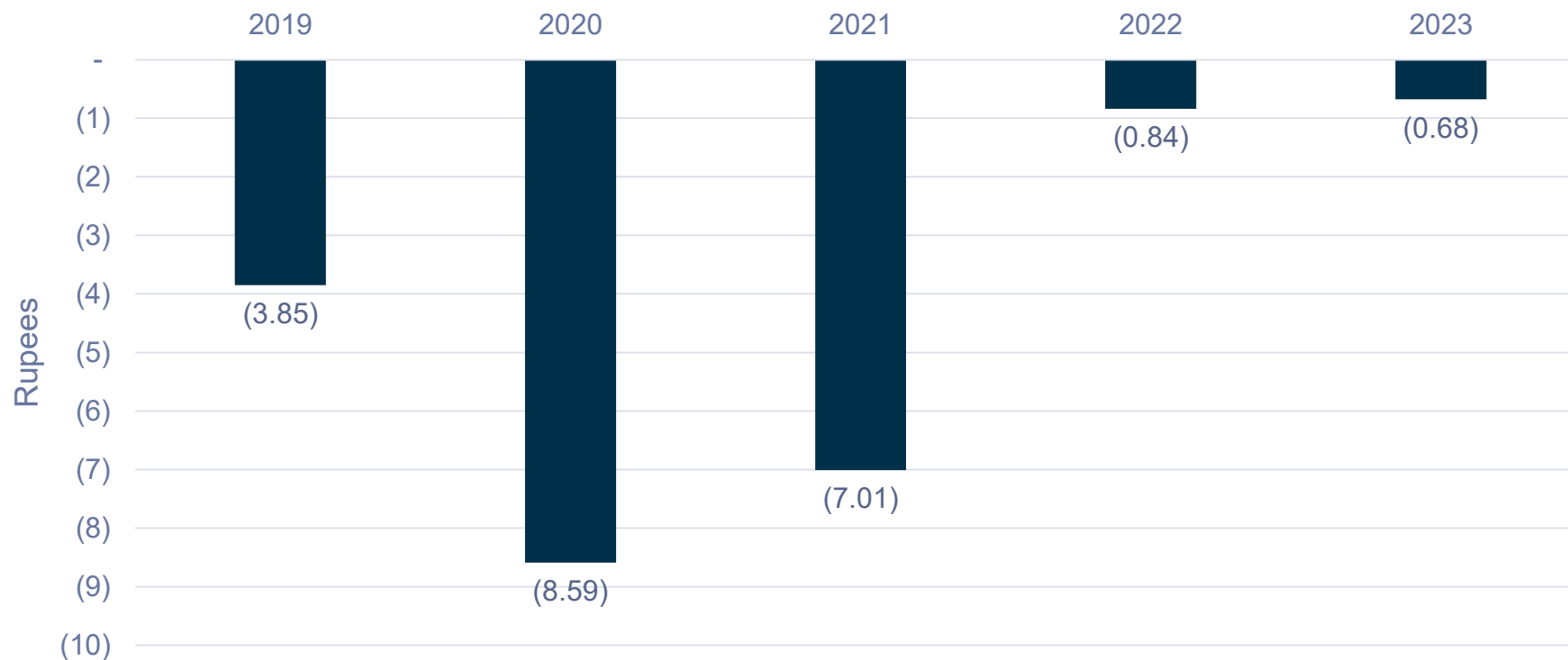
REVENUE



EBITDA



LOSS PER SHARE



OUTLOOK

- Unstable commodity & oil prices due to
 - Russia-Ukraine conflict
 - Israel-Hamas war
- Discount rate may start to decline by the last quarter
- PKR parity depends on continued efforts against hoarders and the success of SBA with the IMF
- Economic stability with Political stability expected by the third quarter of FY 2024
- Inflation affecting Purchasing Power Parity
- Working closely with supplier and customers to improvise products, secure margins and volume





THANK YOU
FOR YOUR PARTICIPATION

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