



Corporate Briefing Session

MERIT PACKAGING LIMITED

November 08, 2024

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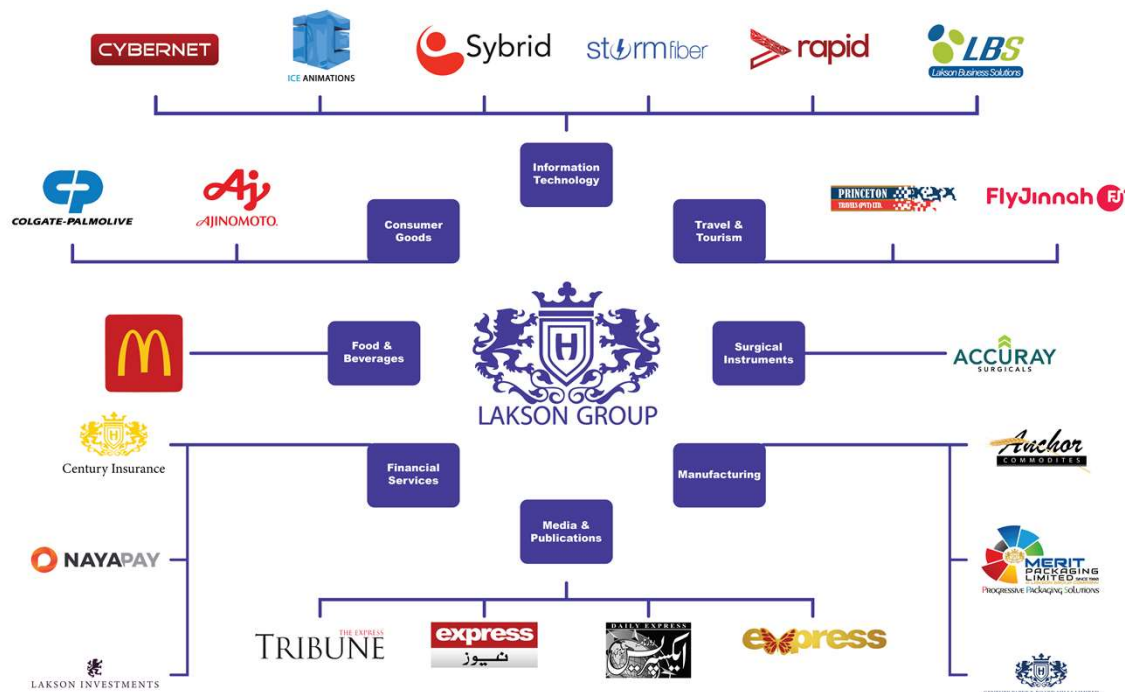
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LAKSON HISTORY

- 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 1.05 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

LOCAL BRANDS AND CUSTOMERS



INTERNATIONAL BRAND



* All trademarks are the property of the respective owners

OUR CERTIFICATIONS



ecovadis



شهادة الحلال العالمية
International Halal Certification



* All trademarks are the property of the respective owners

VISION

To emerge as a preeminent force in the packaging industry, harmonizing our clients' packaging aspirations with our unparalleled expertise, driving innovation, sustainability, and value creation.



MISSION

At Merit Packaging Limited, we are dedicated to complementing our clients' packaging ambitions with our unrivaled expertise and commitment to excellence. We strive to:

- 1) **Collaborate closely** with our clients to understand their unique packaging needs and deliver tailored solutions that exceed expectations.
- 2) **Infuse** each packaging solution with ingenuity, precision, and meticulous attention to detail, ensuring both product protection and narrative allure, resulting in consumer engagement and loyalty.
- 3) **Cultivate a culture** of continuous learning, creativity, and collaboration, empowering our team members to thrive personally and professionally.
- 4) **Uphold the highest standards** of integrity, transparency, and ethical conduct in all our interactions, building trust and fostering enduring partnerships with our clients, suppliers, and communities.
- 5) **Champion diversity and inclusion**, fostering a workplace where all voices are heard, valued, and respected.
- 6) **Embrace sustainability** as a core value, integrating eco-conscious practices into our operations and product offerings, to uphold environmental stewardship and social responsibility.

VALUES

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



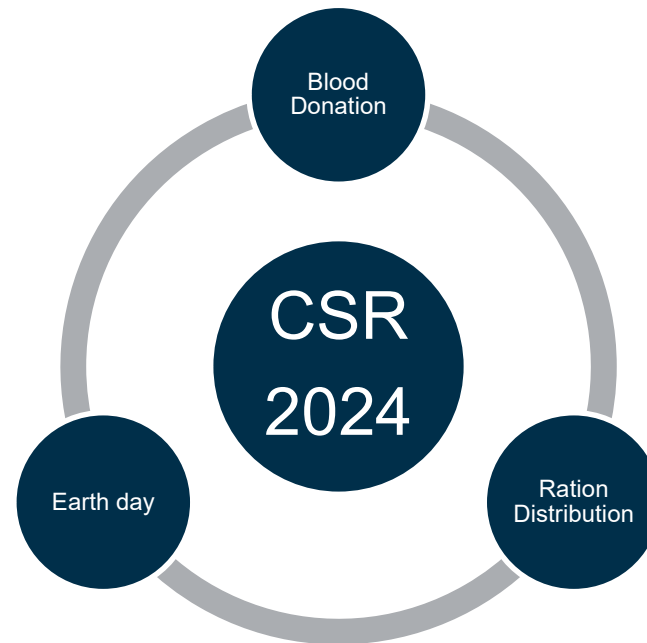
OUR CULTURE

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

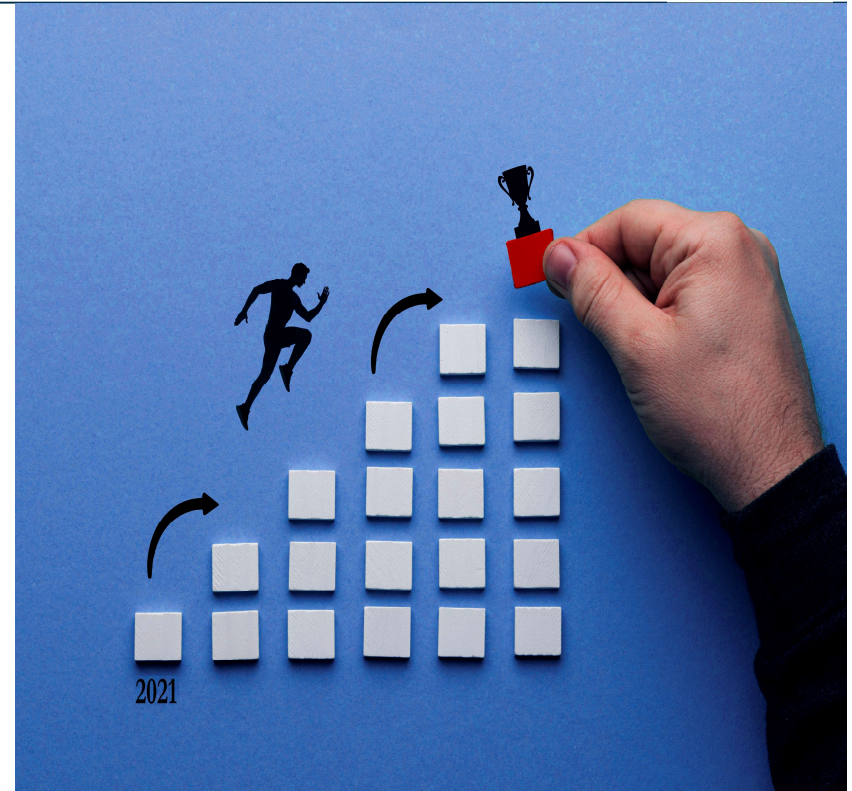
GRAVURE DIVISION

- 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. 183 million despite unprecedented discount rates and economic slowdown
- Increased GP by 1,190% from a loss of 42 million to a profit of Rs. 458 million
- Revenue expansion by 128.71%
- Operating cash generation grew from negative Rs. 143 million to Rs. 417 million
- Revamped production facility infrastructure from own funds
- Became a top supplier to various companies
- Reduced accumulated loss from Rs. 1.7 billion to Rs. 1.2 billion
- Explored and materialized direct and indirect exports to Kenya and the UK



ECONOMIC CHALLENGES

- Decelerated growth due to multiple global geo-political.
- Economic slowdown across all sectors
- Frustratingly slow last quarter of FY 2024
- High inflation in FY 2024
- Record high discount rates
- Depleted purchasing power parity
- Low GDP Growth



ACHIEVEMENTS IN A GLOOMY ECONOMY

- Retained position being the top supplier
- Increased revenue despite reduced economic activity
- Growth in topline by 4.7% from last year
- Reduction in bottom line loss by 2%
- Exported to Africa and UK with bright prospects awaiting in FY 2025



SUCCESS
GROWTH

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
 - ✓ Sale and leaseback alleviating the finance cost



FINANCIAL SUMMARY

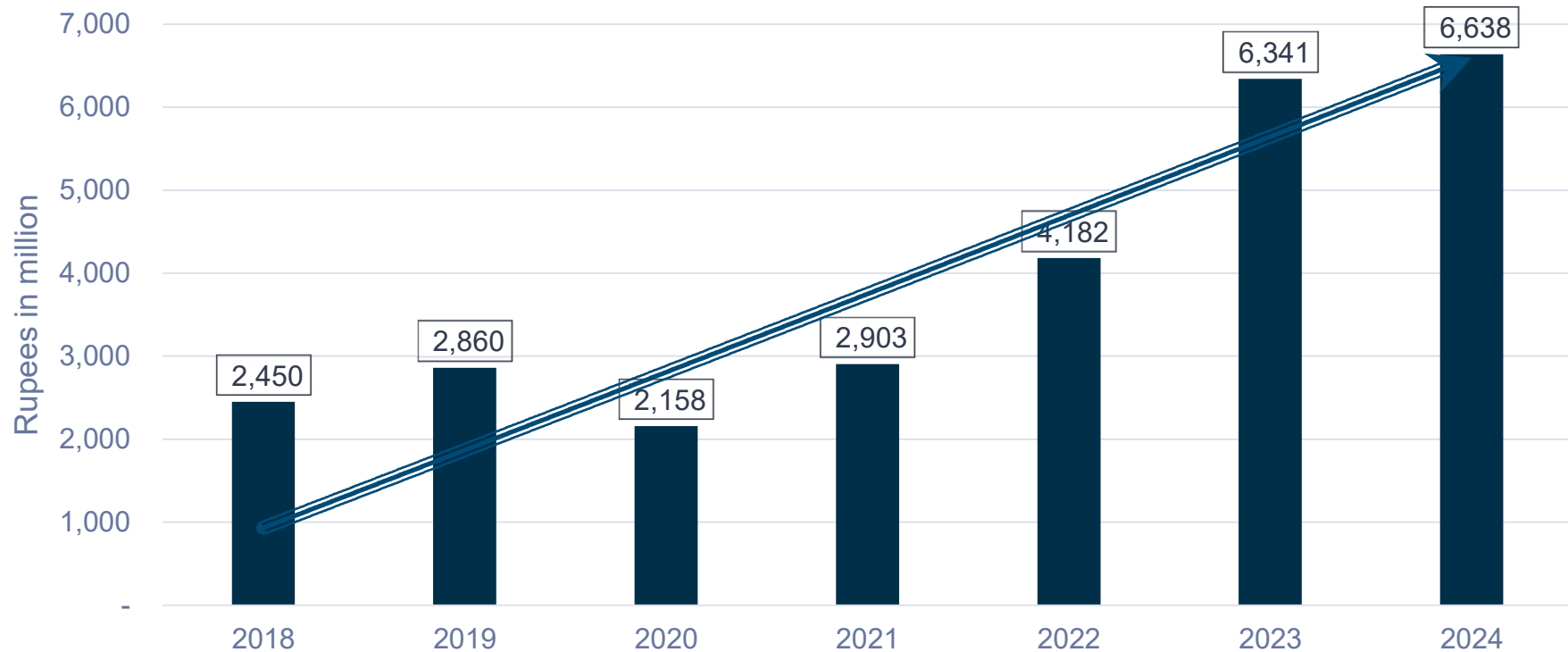
VERTICAL ANALYSIS

	2024		2023 (restated)	
	Rs. '000	%	Rs. '000	%
PROFIT & LOSS ACCOUNT				
Sales - net	6,638,477	100%	6,340,624	100%
Cost of sales	(6,180,364)	-93%	(5,849,026)	-92%
Gross profit / (loss)	458,113	7%	491,597	8%
Operating expenses	(209,544)	-3%	(212,848)	-3%
Operating profit / (loss)	248,569	4%	278,749	4%
Financial charges	(351,728)	-5%	(344,285)	-5%
Profit/(loss) before taxation	(103,159)	-2%	(65,536)	-1%
Profit/(loss) after taxation	(186,362)	-3%	(189,912)	-3%
BALANCE SHEET				
Assets				
Property, plant and equipment	2,921,484	55%	4,430,917	62%
Right of use assets	140,062	3%	-	0%
Other non-current assets	12,401	0%	12,493	0%
Current Assets	2,253,836	42%	2,713,194	38%
Total Assets	5,327,783	100%	7,156,604	100%
Equity & Liabilities				
Share capital & reserves	2,923,913	55%	2,951,691	41%
Non-current liabilities	332,846	6%	1,538,582	21%
Current liabilities	2,071,024	39%	2,666,331	37%
Total equity and Liabilities	5,327,783	100%	7,156,604	100%

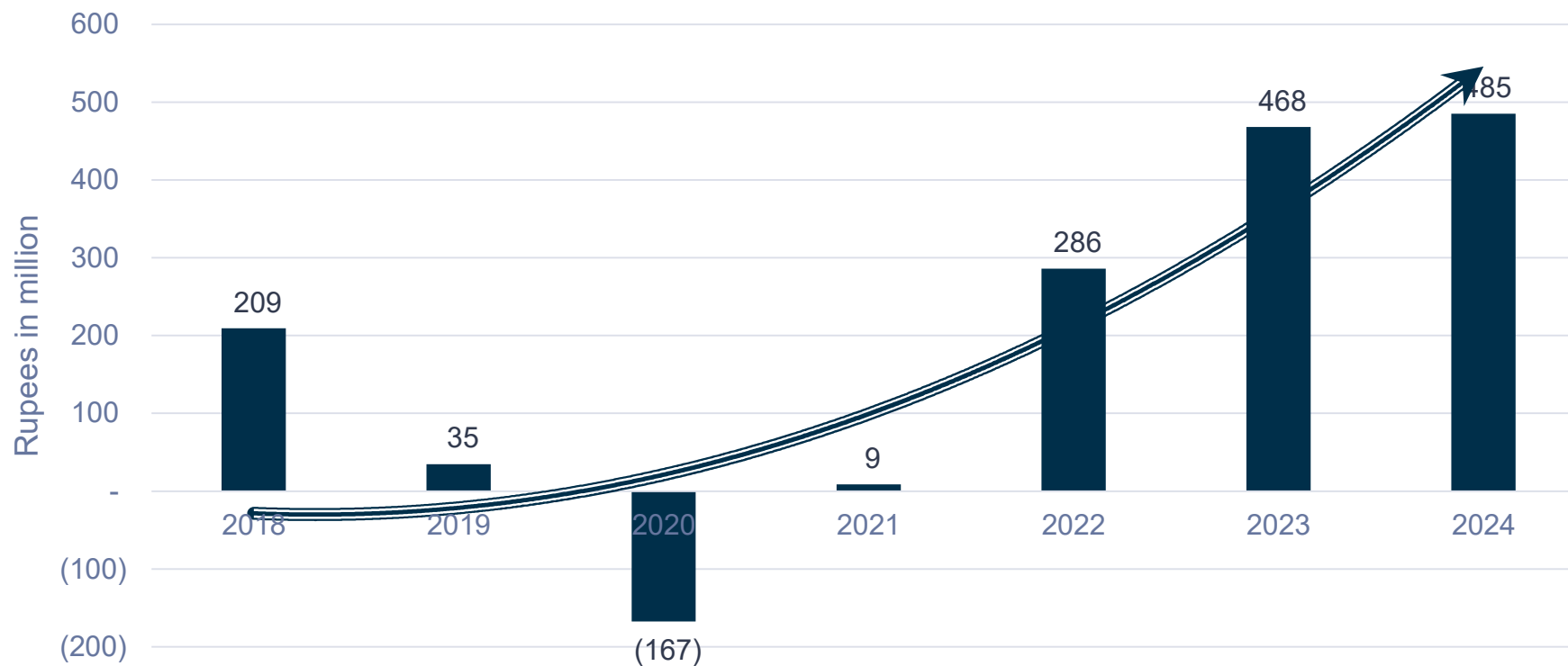
HORIZONTAL ANALYSIS

	2024		2023 (restated)	
	Rs. '000	%	Rs. '000	%
PROFIT & LOSS ACCOUNT				
Sales - net	6,638,477	5%	6,340,624	52%
Cost of sales	(6,180,364)	6%	(5,849,026)	49%
Gross profit / (loss)	458,113	-7%	491,597	94%
Operating expenses	(209,544)	-2%	(212,848)	33%
Operating profit / (loss)	248,569	-11%	278,749	200%
Financial charges	(351,728)	-2%	(344,285)	-31%
Profit/(loss) before taxation	(103,159)	-57%	(65,536)	-62%
Profit/(loss) after taxation	(186,362)	2%	(189,912)	13%
BALANCE SHEET				
Assets				
Property, plant and equipment	2,921,484	-34%	4,430,917	48%
Right of use assets	140,062	100%	-	0%
Other non-current assets	12,401	-1%	12,493	-95%
Current Assets	2,253,836	-17%	2,713,194	17%
Total Assets	5,327,783	-26%	7,156,604	29%
Equity & Liabilities				
Share capital & reserves	2,923,913	-1%	2,951,691	60%
Non-current liabilities	332,846	-78%	1,538,582	-6%
Current liabilities	2,071,024	-22%	2,666,331	30%
Total equity and Liabilities	5,327,783	-26%	7,156,604	29%

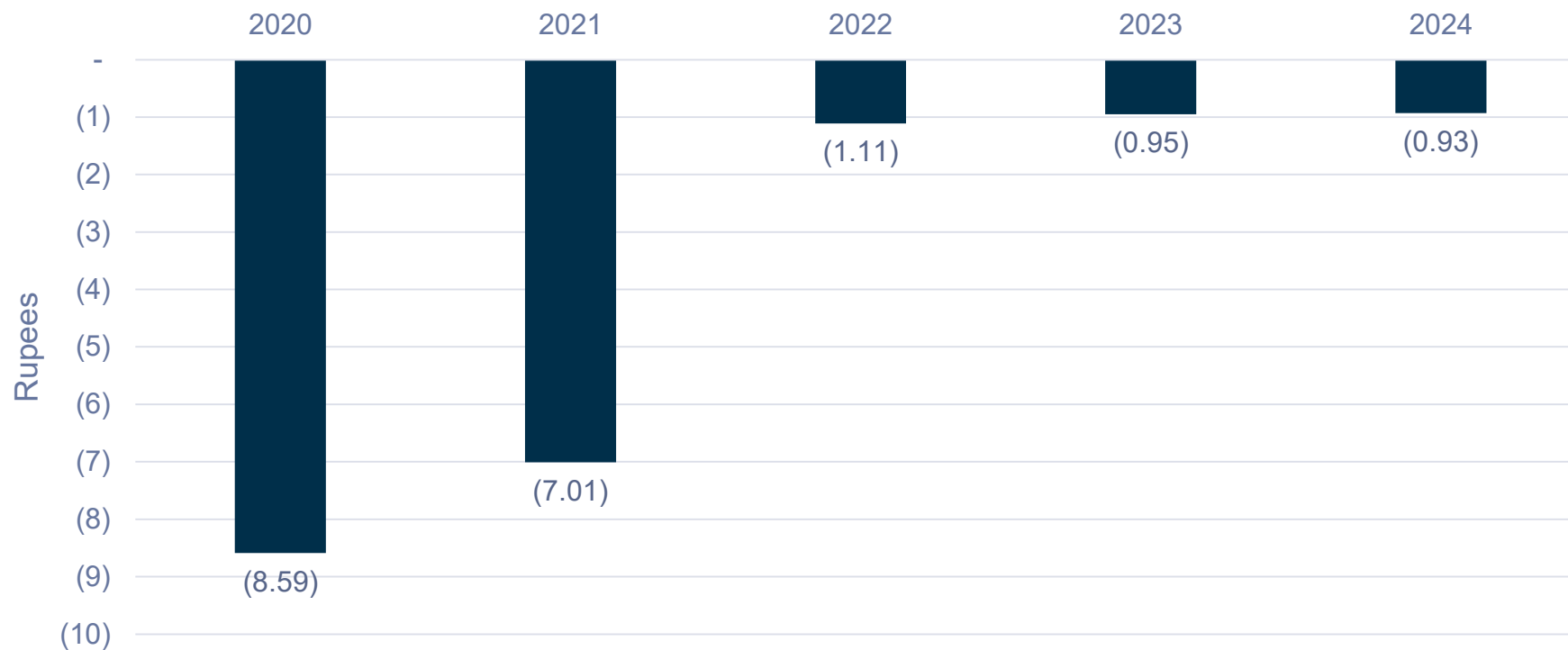
REVENUE



EBITDA



LOSS PER SHARE



* 2022, 2023 EPS restated

OUTLOOK

- Lurking shadows of regional conflict escalations impacting international prices
- Discount rate may drop to 12% by the end of this Fiscal year
- PKR parity to remain stable which is largely based on the successful continuation of the IMF program
- Enhanced economic activity is yet to have a trickle-down effect on the Purchasing Power of the masses
- Inflation is low however, increased economic activity may drive inflation upward
- Working closely with suppliers and customers to improve products, secure margins, and volume





THANK YOU
FOR YOUR PARTICIPATION

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