



Packages Group



CREATING A **BETTER TOMORROW**

www.packages.com.pk

 @PackagesGroup



CORPORATE BRIEFING SESSION

Dec 2024



CREATING A BETTER TOMORROW

Operational Overview



BOPP

| Location | No. of Lines | * Total Name Plate capacity (p.a tons) | ** Total Operational Saleable films capacity (p.a tons) |
|--------------|--|--|---|
| Hattar | 2 lines 4.2m Mitsubishi each | 10,800 | Machines are obsolete with no technical support from OEM, as a result their capacity to produce quality films is nil. |
| Port Qasim | 3 lines 6.7m Mitsubishi 8.7m Brueckner ***10.4m Brueckner | 111,000 | 78,000 |
| Total | 5 lines | 121,800 | 78,000 |

CPP

| | | | |
|------------|---------------------------------|--------|--------|
| Port Qasim | 2 lines 3.3m Windmüller each | 17,000 | 14,400 |
|------------|---------------------------------|--------|--------|

Metallizers

| | | | |
|------------|----------------------|--------|--|
| Port Qasim | 5 Metalizer BOBST | 43,200 | 32,600 (One of the Metalizer K-4000 is not operational as its old and obsolete) |
|------------|----------------------|--------|--|

Recycling

| | | | |
|------------|------------------------|--------|--------|
| Port Qasim | 3 machines ***Erema | 18,200 | 18,200 |
|------------|------------------------|--------|--------|

*Nameplate Capacity: 25 micron film produced 24/7 without downtime.

** Saleable Capacity: Based on actual product mix. Microns ranging from 10-40.

*** The new line and the new Erema machine were commissioned in 2024.

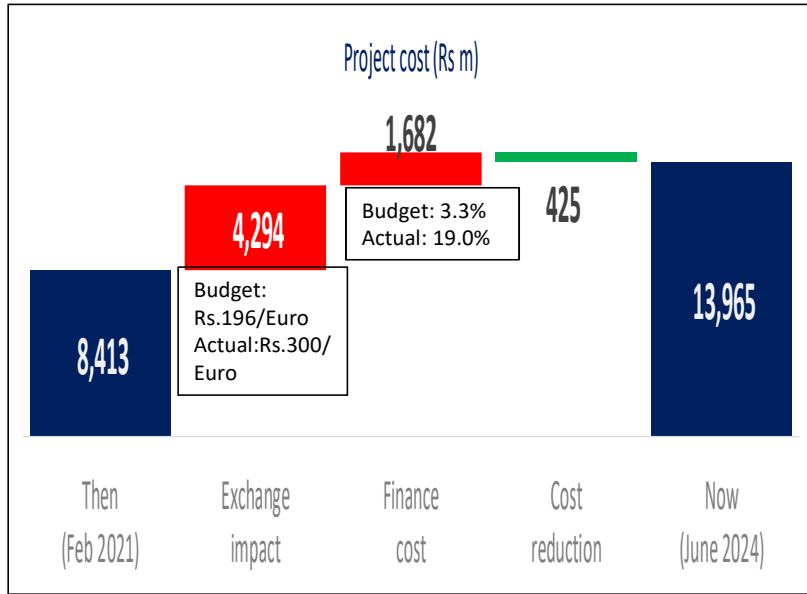


CREATING A BETTER TOMORROW

New BOPP Line 5

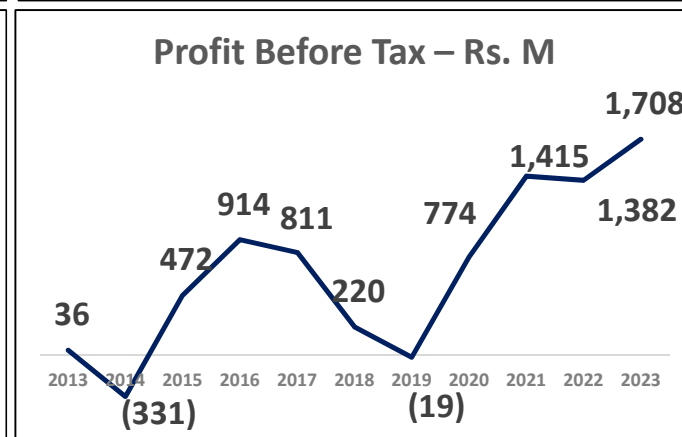
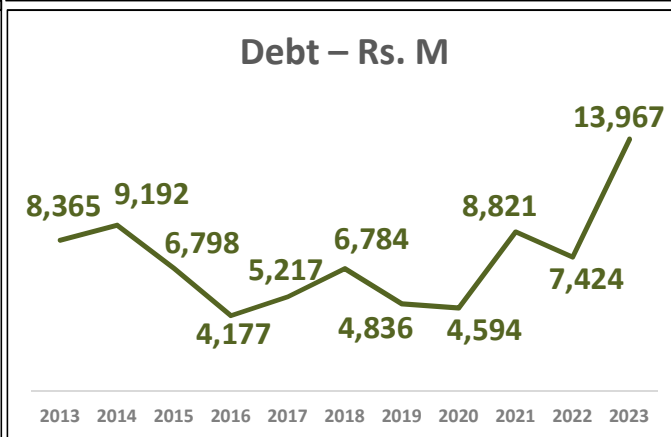
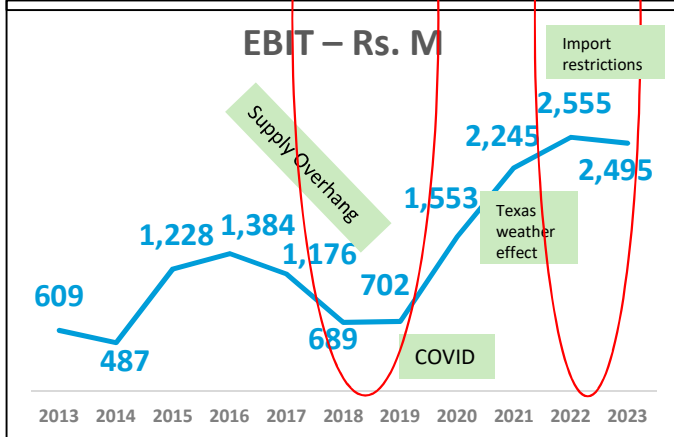
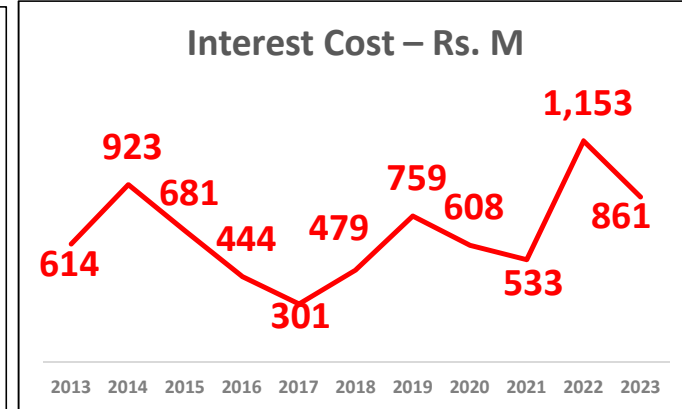
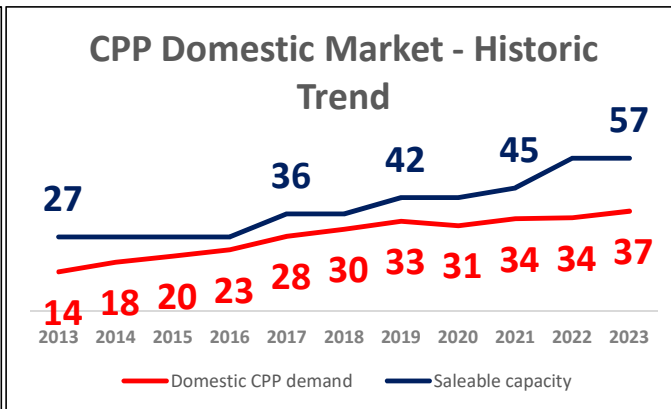
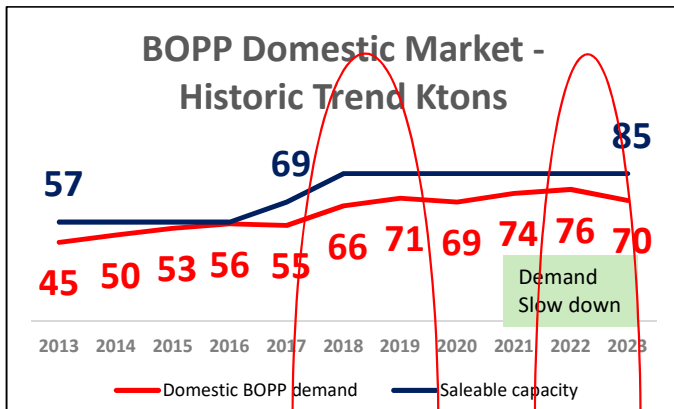


The project has been successfully commissioned as announced on the PSX on July 4, 2024.

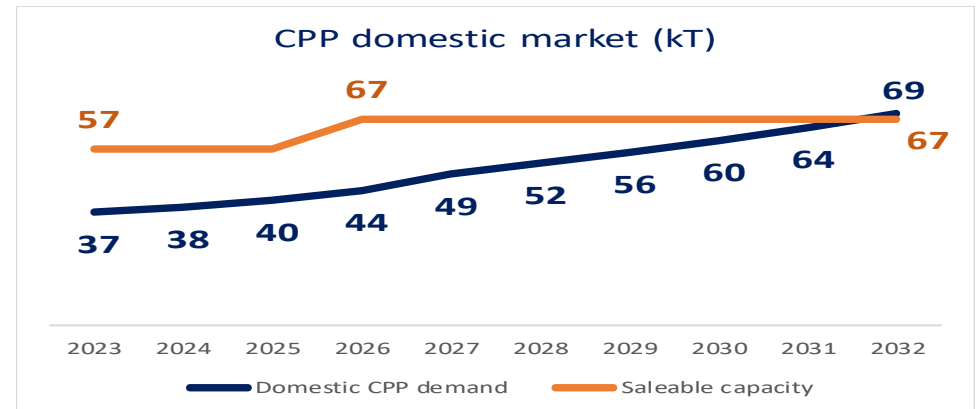
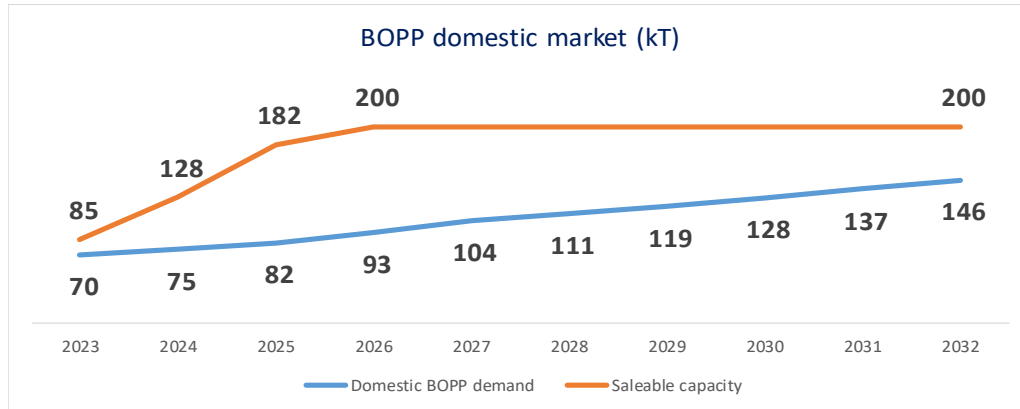


Coating line primarily BOPP adhesive tape of Rs. 1.6bn is likely to be commissioned by Q3 2025.

Domestic Market Demand Supply (2013 – 2023) – Interest Cost, EBIT, Debt & PBT



Domestic Market Demand Supply Projections (2023 – 2032)



In 2024, the CAGR has grown (+11% vs 2023 & +2% vs 2022) driven by economic recovery. (In ktpa, Demand: 76.7; Saleable Capacity: 160.5; Name plate: 232.2). Major supply overhang in domestic BOPP market. With the localization of Tape films, market growth will be higher. Thereafter, from 2028 onwards, 7% YoY growth is taken.

Domestic CPP market has an estimated CAGR of 6% over the past five years. (In ktpa, Demand: 38.1; Saleable Capacity: 55.1; Name Plate: 70.4). Supply overhang to continue.

| New Capacity Added | 2024 | 2025 | 2026 |
|--------------------|-----------|-----------|------|
| TriPack | 39 | - | - |
| IPAK | 39 | - | - |
| PolyPack | - | 39 | - |
| Total | 78 | 39 | - |

| | BOPP Market - Tons | | | |
|---------------------|--------------------|------------|------------|------------|
| | 2023 | 2024 O | 2025 B | 2026 P |
| Tri-Pack Films Ltd | | | | |
| Market Share | 38% | 40% | 37% | 36% |

| New Capacity Added | 2024 | 2025 | 2026 |
|--------------------|------|----------|-----------|
| Golden | - | 9 | - |
| PolyPack | - | - | 11 |
| Total | - | 9 | 11 |

| | CPP Market - Tons | | | |
|---------------------|-------------------|------------|------------|------------|
| | 2023 | 2024 O | 2025 B | 2026 P |
| Tri-Pack Films Ltd | | | | |
| Market Share | 29% | 31% | 26% | 27% |

Major Performance Highlights – YTD Sep 2024 vs SPLY

- Total volumes were +26% (Domestic: +16%, Export: +91%) vs SPLY.
- Domestic margins were lower than SPLY after getting to normalized levels compared to the hike seen in H1 2023 owing to import restrictions.
- BOPP export margins were lower due to depressed demand.
- Investment in working capital (as % of sales) kept at same levels as SPLY despite higher receivables and stocks.
- Net debt increased as projected, owing to Line 5 debts.
- For YTD Sep 2024:
 - Gross profit at Rs 2,769 million (-16% vs SPLY).
 - Operating profit (EBIT) at Rs 1,544 million (-31% vs SPLY).
 - Interest cost at Rs. 1702 million (-190% vs SPLY)
 - Profit before tax at Rs 14 million (-99% vs SPLY).

Homo ICIS
\$/ton (Rs/kg)
1,055 (312) vs 1038 (308)

1.3% increase

Gas tariff
Rs/mmbtu
NG: 2,778 vs 1,325

110% increase

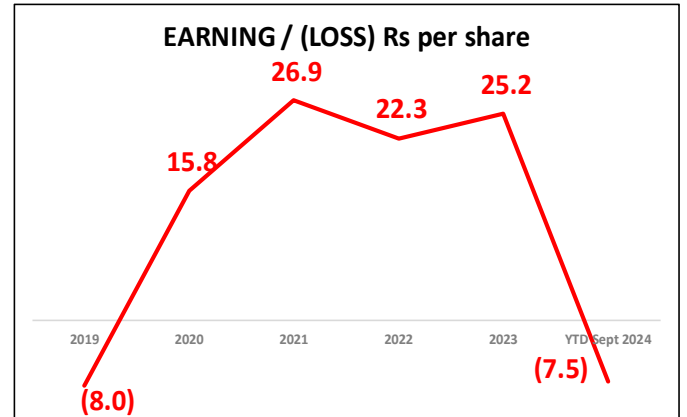
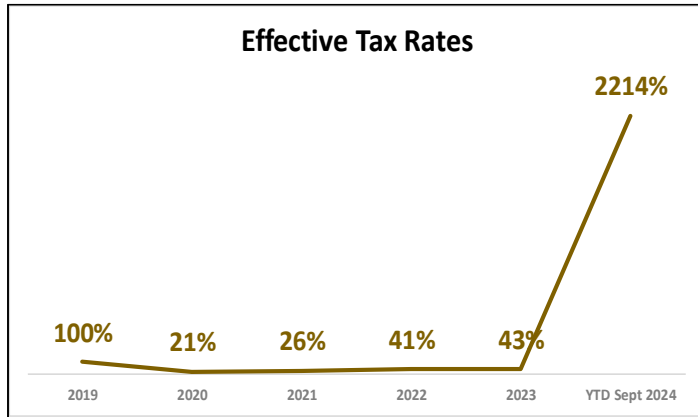
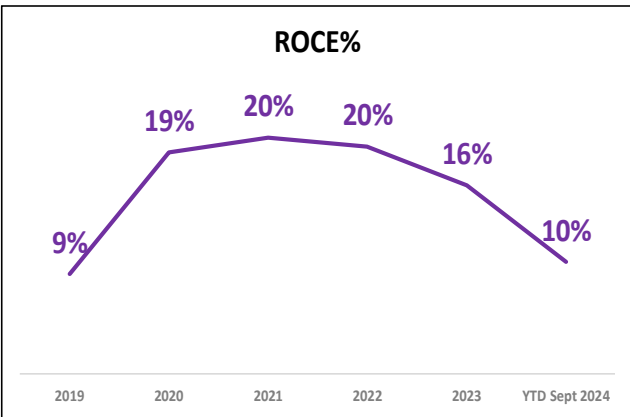
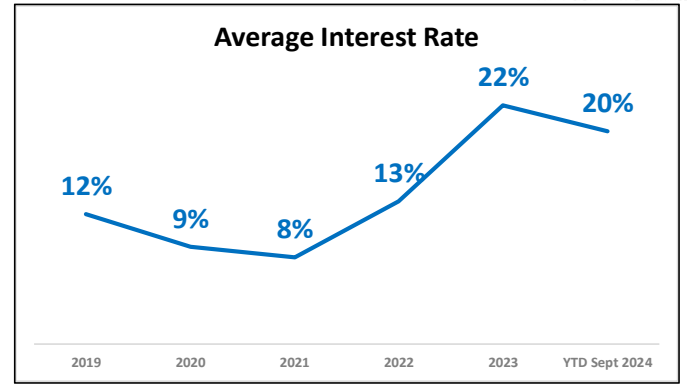
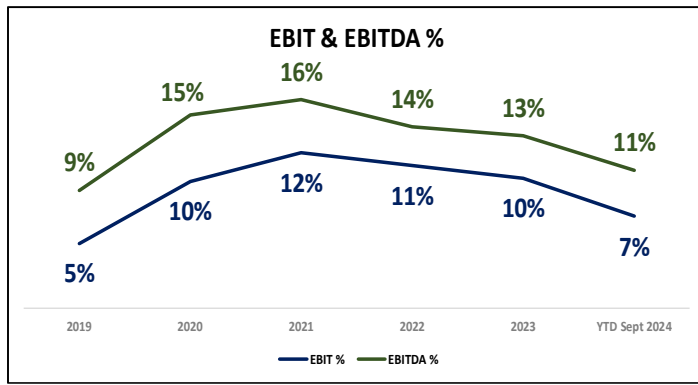
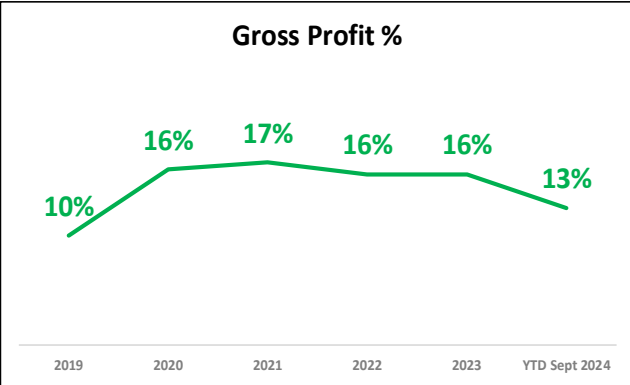
Effective tax
%
-2214 vs 45

(owing to 2% import stage tax)
2259 pts increase



CREATING A BETTER TOMORROW

Financial Highlights



Profit & Loss – YTD Sept 2024



| Description | YTD 2024 Rs m | YTD 2023 Rs m | 2024 vs 2023 | FY 2023 Rs m |
|------------------------------|------------------|------------------|--------------|-----------------|
| Revenue | 21,833 | 18,472 | 18% | 24,842 |
| Gross Profit | 2,769 | 3,295 | -16% | 3,923 |
| Admin & Selling Expenses | 1,221 | 1,102 | 11% | 1,428 |
| EBIT | 1,544 | 2,238 | -31% | 2,495 |
| EBITDA | 2,323 | 2,848 | -18% | 3,305 |
| Interest | 1,702 | 586 | 190% | 861 |
| Exchange (Gain)/Loss | (4) | 117 | -103% | 48 |
| Profit Before Taxation | 14 | 1,499 | -99% | 1,708 |
| (Loss)/Profit After Taxation | (291) | 830 | -135% | 979 |
| EPS - Rupees | (7.49) | 21.39 | -135% | 25.20 |
| Effective Tax Rate % | -2214% | 45% | -5064% | 43% |



CREATING A BETTER TOMORROW



Statement of Financial Position – As At September 30, 2024

| Description | Sep 30, 2024 | Dec 31, 2023 |
|--|-----------------|-----------------|
| Rs. Millions | | |
| Assets | | |
| Property, plant and equipment | 19,133 | 14,829 |
| Other non current assets | 32 | 36 |
| Current assets | 15,404 | 13,405 |
| | 34,569 | 28,270 |
| Liabilities | | |
| Long term borrowings | 12,814 | 8,414 |
| Short term borrowings | 5,487 | 4,986 |
| Current portion of long term borrowings | 1,186 | 940 |
| Total Debt | 19,487 | 14,340 |
| Other non current liabilities | 565 | 594 |
| Trade and other payables | 9,215 | 7,511 |
| | 29,267 | 22,445 |
| Net assets (Assets - Liabilities) | 5,302 | 5,825 |
| Share capital and reserves | 5,302 | 5,825 |



CREATING A BETTER TOMORROW



Cashflow statement – YTD Sep 2024

| Description | YTD Sep 24 | YTD Sep 23 |
|---|----------------|----------------|
| | Rs. million | |
| Cash generated from operations | 2,532 | 2,776 |
| Working capital changes | (1,296) | 492 |
| Staff Retirement Benefits Paid | (71) | (60) |
| Payment of accumulated compensated absences | (9) | (11) |
| Income Tax/Long Term Deposit Paid | (723) | (440) |
| Net cash generated from operating activities | 433 | 2,757 |
| Net cash used in investing activities | (3,982) | (4,457) |
| Long term borrowings -net | 4,647 | 841 |
| Short term borrowing - net | 915 | (3,251) |
| Finance cost paid | (2,533) | (421) |
| Dividend paid | (232) | (192) |
| Transaction cost | - | (2) |
| Bank charges paid | (105) | (88) |
| Net cash used in financing activities | 2,692 | (3,113) |
| Net increase in cash and cash equivalents | (857) | (4,813) |



CREATING A BETTER TOMORROW



Sustainability & Product Development



CREATING A BETTER TOMORROW



FUTURE OUTLOOK



CREATING A BETTER TOMORROW

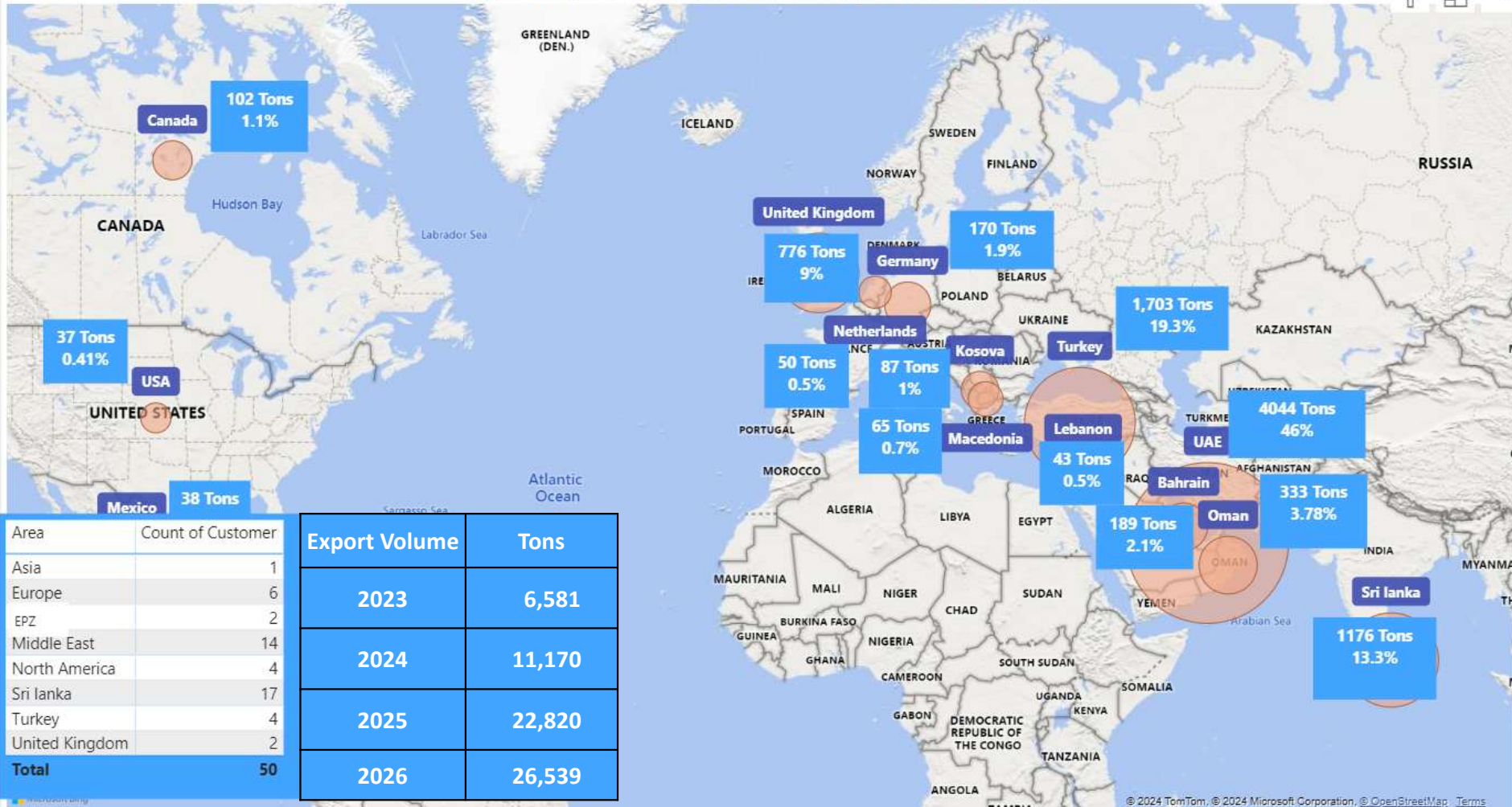
Future Outlook & Challenges

- Supply overhang for BOPP and CPP will continue.
- Next couple of years will be challenging as we strive to increase machine utilization while recovering costs.
- We are focusing on enhancement of exports footprint. New export markets are being explored (we have expanded in twelve countries) with focus in North America. However, since export margins are comparatively low vs domestic, overall margin reduction may be witnessed.
- Indigenous cost escalation will pose significant challenges and increase our cost of production going forward.
- Tax anomalies at the import/export stage and the withdrawal of exemptions under Section 153 are creating significant challenges that require urgent attention from revenue authorities and decision-makers.
- Despite above mentioned challenges, we are confident that with continued focus on operational efficiencies, effective working capital management and cost reduction initiatives, we shall be able to secure better margins and improve profitability.



CREATING A BETTER TOMORROW

2024 TPFL's International Footprint (Total Export Proportions)



| Area | Count of Customer | Export Volume | Tons |
|----------------|-------------------|---------------|--------|
| Asia | 1 | 2023 | 6,581 |
| Europe | 6 | | |
| EPZ | 2 | 2024 | 11,170 |
| Middle East | 14 | | |
| North America | 4 | 2025 | 22,820 |
| Sri Lanka | 17 | | |
| Turkey | 4 | 2026 | 26,539 |
| United Kingdom | 2 | | |
| Total | 50 | | |

Important Disclaimer

This presentation has been prepared by Tri-Pack Films Limited (TPFL) solely for information purposes. No representation or warranty express or implied is made there to, and no reliance should be placed on, the sufficiency, completeness or relevance of the information or any opinion contained herein, or any opinion rendered thereto. The information contained in this presentation should be considered in the context of the circumstances prevailing at the time and will not be updated to reflect any developments that may occur after the date of the presentation. TPFL shall not have any responsibility and / or liability of any nature whatsoever (in contract or otherwise) for any loss whatsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation.

This presentation does not constitute or form part of a prospectus, offering circular or offering memorandum or an offer, solicitation, invitation or recommendation to purchase or subscribe for any securities and no part of it shall form the basis of, or be relied upon in connection with, or act as any inducement to enter into any arrangement, agreement, contract, commitment or investment decision in relation to any securities. This presentation shall not at all be intended to provide any disclosure upon which an investment decision could be made. No money, securities or other consideration is being solicited, and, if sent in response to this presentation or the information contained herein, will not be accepted.

Certain data in this presentation was obtained from various external data sources that TPFL believes to its knowledge, information and belief to be reliable, but TPFL has not verified such data with independent sources and there can be no assurance, representation or warranty as to the accuracy, sufficiency, correctness or completeness of the included data. Accordingly, TPFL makes no assurance, representation or warranty as to the accuracy, sufficiency, correctness or completeness of that data, and such data involves risks and uncertainties and is subject to change based on various factors.

By attending this presentation, you are agreeing to be bound by the foregoing limitations.



CREATING A BETTER TOMORROW

QUESTION AND ANSWERS



Thank you

www.packages.com.pk

