



PACKAGES LIMITED

Email: info@packages.com.pk
Website: www.packages.com.pk

SEC/80/PKGS

22 May 2023

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Dear Sir

Subject: **CORPORATE BRIEFING SESSION**

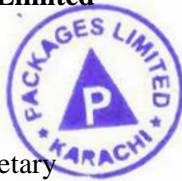
This is to inform you that the Corporate Briefing Session (CBS) of Packages Limited is scheduled to be held at 09:45 am on Monday, 29 May 2023 at the Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Block 8, Clifton, Karachi and via Zoom to brief the investors and analysts about the Company's current financial performance and outlook. The flyer for the CBS along with ancillary details is attached herewith.

As per the requirements of PSX Notice No. PSX/N-1160 dated November 18, 2022, please also find attached herewith presentation for the captioned CBS, which has also been uploaded on the Company's website.

We would appreciate your assistance in communicating this information to members of the Exchange.

Yours sincerely
For **Packages Limited**


Iqra Sajjad
Company Secretary



PACKAGES FOR EVERY PURPOSE

Head Office, Sales Office & Works :
SHAHRAH-E-ROOMI, P.O. AMER SIDHU, LAHORE - 54760, PAKISTAN PH : 35811541-46, 35811191-94 CABLE : PACKAGES LAHORE FAX : (042) 35811195

Registered Office & Regional Sales Office :
4TH FLOOR, THE FORUM, SUITE # 416-422, G-20, BLOCK 9, KHAYABAN-E-JAMI, CLIFTON, KARACHI-75600, PAKISTAN. PH : 35874047-49, 35378650-51, 35831618, 35833011 FAX: (021) 35860251

Regional Sales Office :
G. D. ARCADE, 2ND FLOOR, 73E FAZAL-UL-HAQ ROAD, BLUE AREA, ISLAMABAD-44000, PAKISTAN PH : 2348307-09, 2348306 FAX : (051) 2348310



Corporate Briefing Session



Packages Limited (PKGS)

You are cordially invited to the Corporate Briefing Session of Packages Limited wherein the Company's senior management will discuss the Company's financial performance and outlook.

The details are as under:

FOR IN-PERSON ATTENDANCE:

Date and Day: 29 May 2023, Monday

Venue: Auditorium, The Institute of Chartered Accountants of Pakistan
Chartered Accountants Avenue, Block 8, Clifton, Karachi

Time: 09:45 a.m.

Presentation to be followed by a Q&A session.

FOR VIRTUAL ATTENDANCE:

Those who wish to attend virtually may register by sending in their Name, Folio Number, E-mail Address and Cell Phone Number (for analysts, please also include the Name of the Institution being represented) via email at shares.desk@packages.com.pk with subject line "Registration for Packages Limited Corporate Briefing Session 2023".

The login credentials to join the session virtually will be shared with the shareholders and analysts from whom emails containing all the required particulars are received at the given email address before 3:00 P.M. on May 26, 2023.

**For coordination, please contact
Corporate Secretarial Department
Packages Limited
shares.desk@packages.com.pk
PABX: 021-35875047-9
Ext: 233 & 237**

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PACKAGES LIMITED

CORPORATE BRIEFING SESSION

May 29, 2023



CREATING A BETTER TOMORROW

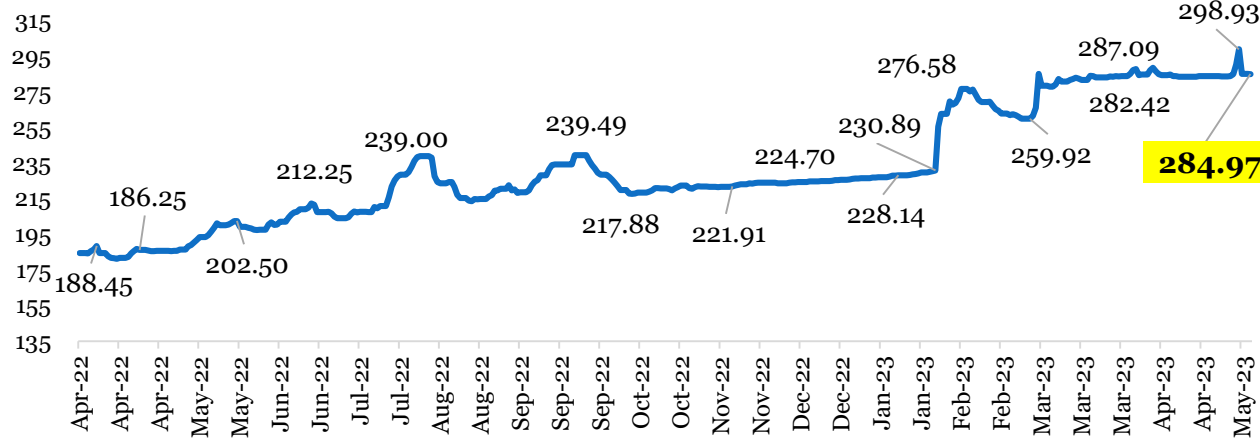
Agenda

- Presentation by the Management
- Q&A Session

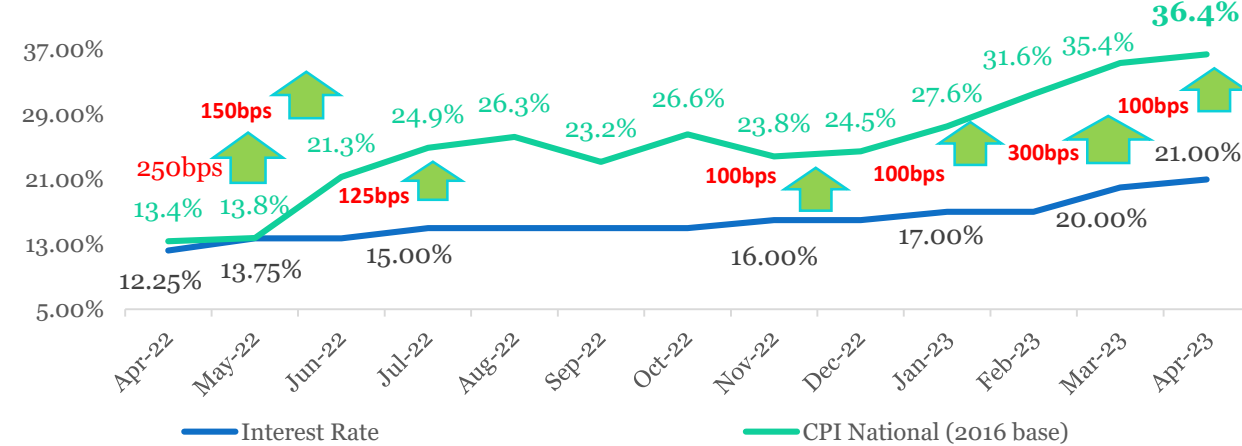
Macro-economic Indicators of Pakistan



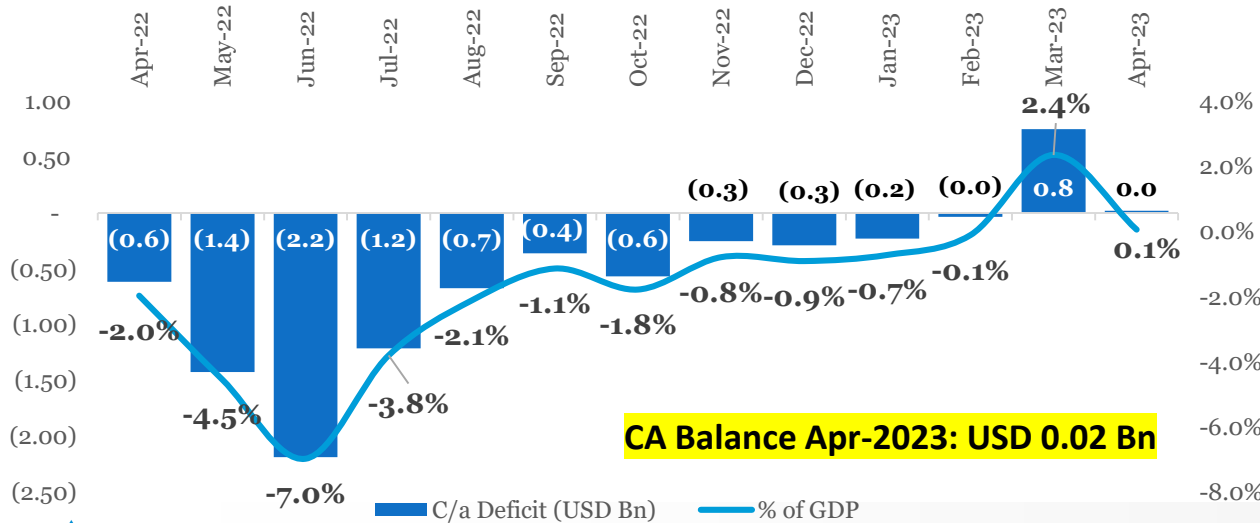
PKR/USD Exchange rate



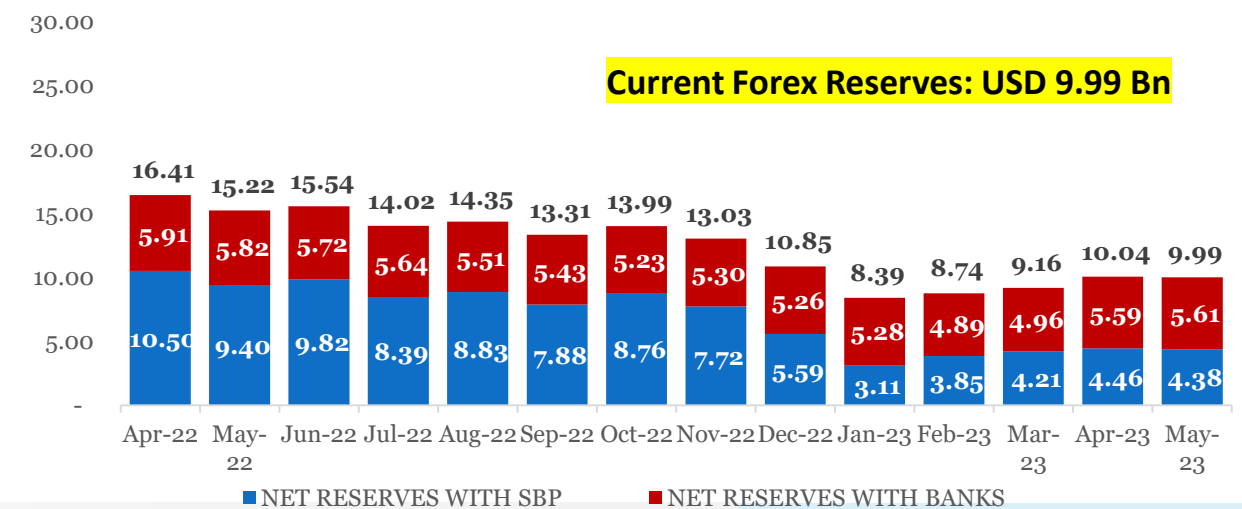
Discount Rate vs. Inflation Rate



Current Account (Deficit)/Surplus



Foreign Reserves (USD Bn)



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Group Structure



OUR INVESTMENT PORTFOLIO

P
 Packages Limited
Earning dividend, rental income & technical fee



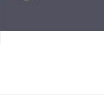
Subsidiaries


- Packages Convertors Limited (100%) 
- Bulleh Shah Packaging (Private) Limited (100%) 
- Packages Power (Private) Limited (100%) 
- Starchpack (Private) Limited (100%) 
- Tri-Pack Films Limited (69.26%) 
- Packages Real Estate (Private) Limited (75.16%) 
- Anemone Holdings Limited (100%)
- Packages Lanka, Sri Lanka (79.07%) 
- DIC Pakistan Limited (54.98%) 
- sanofi-aventus Pakistan Limited (41.07%) 

Associates / Joint Ventures

- OmyaPack (Private) Limited (50%) 
- IGI Holdings Limited (10.54%) 


Portfolio Investments

- Nestle Pakistan Limited (8.05%) 
- Coca Cola Bottlers (Private) Limited (0.0185%) 
- Systems Limited (0.016%) 

Plastic Extrusions (Pty) Ltd (50%) 

Flexible Packages Convertors (Pty) Ltd (63.5%) 

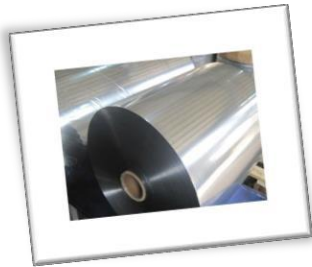
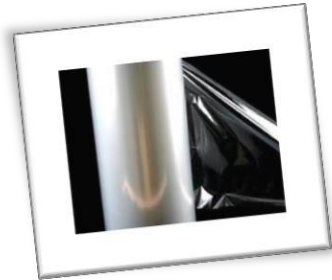
Linnaea Holdings Inc (100%)

Chantler Packages Inc. (92.36%) 

Acquired on April 28, 2023



The product portfolio of the Group



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Packages Limited

Stand-Alone Financials for the YE 2022

Company-wide Results

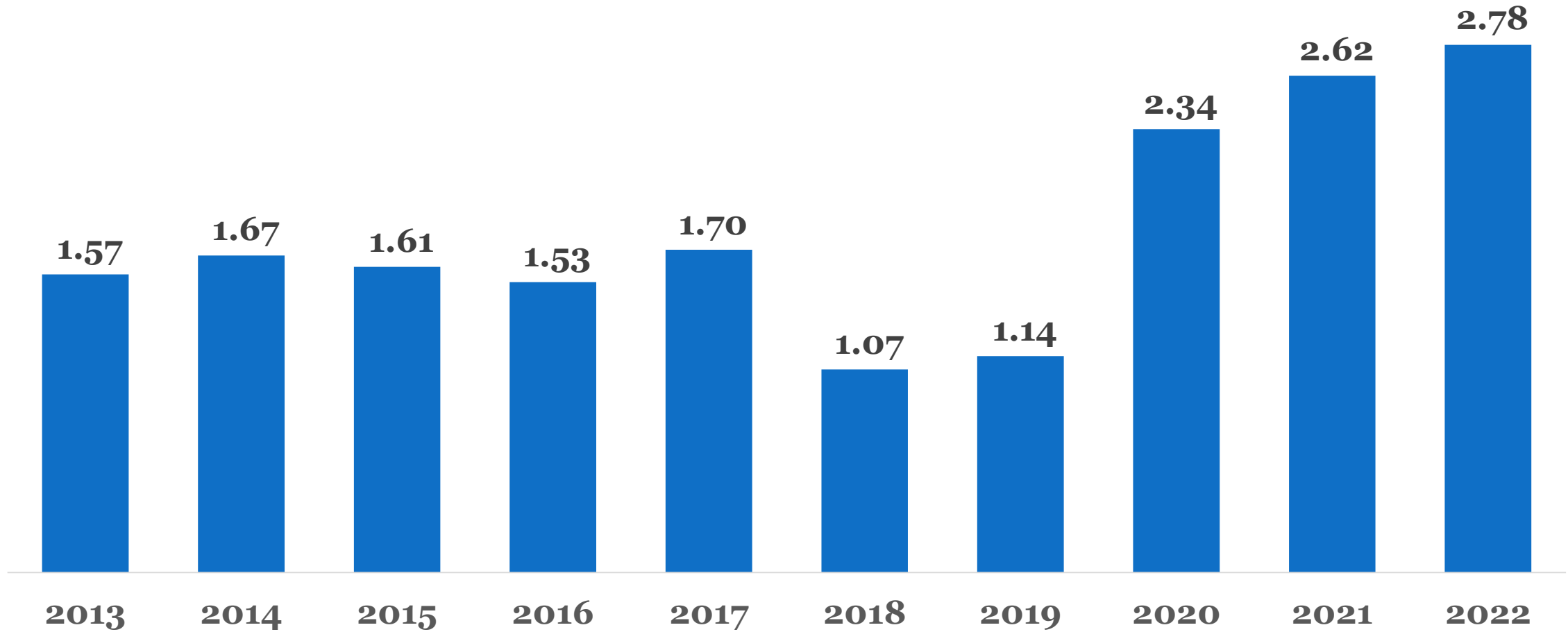


	Note	2022	2021
(Rupees in thousand)			
Dividend income	25	4,862,333	4,195,733
Rental income	26	487,448	423,569
Operating revenue		5,349,781	4,619,302
Administrative expenses	27	(683,942)	(531,258)
Net impairment (loss)/gain on financial assets	21.4	(188,314)	7,062
Other expenses	28	(734,175)	(60,169)
Other income	29	1,097,155	846,156
Operating profit		4,840,505	4,881,093
Finance costs	30	(663,730)	(217,074)
Profit before taxation		4,176,775	4,664,019
Taxation	31	(309,017)	(541,894)
Profit for the year		3,867,758	4,122,125
(Rupees)			
Earnings per share			
- Basic	38.1	43.27	46.12
- Diluted	38.2	41.24	43.84

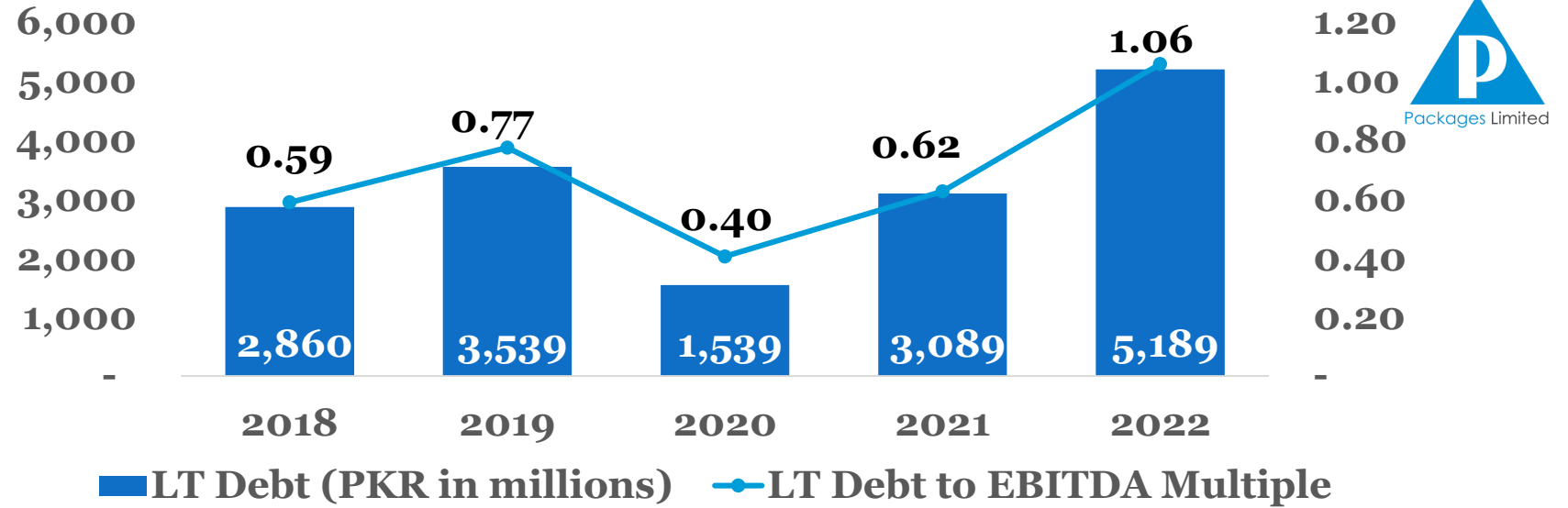


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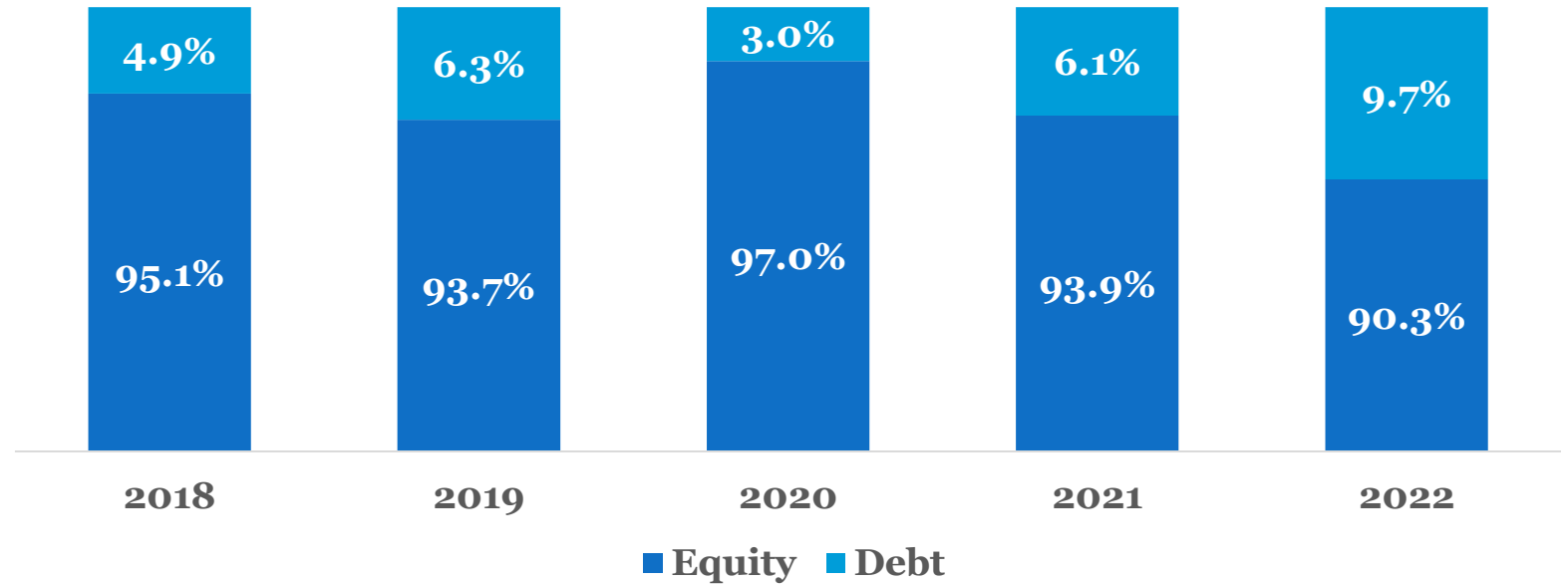
Current Ratio Trend



LT Debt to EBITDA Multiple



Debt to Equity %



Packages Limited Consolidated Financials for FY 2022

Consolidated Financial Statements



	Note	2022	2021
(Rupees in thousand)			
Revenue	36	121,893,589	80,322,297
Cost of sales and services	37	(96,546,304)	(63,612,824)
Gross profit		25,347,285	16,709,473
Administrative expenses	38	(3,968,767)	(2,866,502)
Distribution and marketing costs	39	(4,648,181)	(2,913,840)
Net impairment (loss)/gain on financial assets		(184,287)	75,038
Other expenses	40	(3,420,479)	(1,277,554)
Other income	41	4,586,833	857,204
Investment income	42	1,204,252	934,592
Share of net profit of associates and joint ventures accounted for using equity method		251,656	677,339
Operating profit		19,168,312	12,195,750
Finance cost	43	(7,258,173)	(2,588,800)
Profit before taxation		11,910,139	9,606,950
Taxation	44	(4,930,310)	(2,456,799)
Profit for the year		6,979,829	7,150,151
Profit is attributable to:			
Equity holders of the Parent Company		6,925,585	6,856,129
Non-controlling interests		54,244	294,022
		6,979,829	7,150,151
Earnings per share attributable to equity holders of the Parent Company during the year			
- Basic	51.1	77.49	76.71
- Diluted	51.2	72.12	71.41



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Packages Limited

Financial results Q1-2023

Company-wide Results (Q1 2023)



	Note	Three-month period ended	
		March 31, 2023	March 31, 2022
Un-audited (Rupees in thousand)			
Dividend income	10	1,088,346	875,717
Rental income		128,284	110,925
Operating revenue		1,216,630	986,642
Administrative expenses		(189,238)	(160,901)
Net reversal of impairment on financial assets		(12)	(1,771)
Other expenses		(5,371)	(769)
Other incomes		51,678	43,038
Operating profit		1,073,687	866,239
Finance cost		(197,911)	(152,667)
Profit before taxation		875,776	713,572
Taxation		(75,000)	(31,000)
Profit for the period		800,776	682,572
Earnings per share	11		
Basic		Rupees 8.96	7.64
Diluted		Rupees 8.58	7.28



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Consolidated Financial Statements (Q1 2023)

	Note	Three-month period ended	
		March 31, 2023	March 31, 2022
(Rupees in thousand)			
Revenue	12	38,768,447	26,915,391
Cost of sales and services		<u>(29,006,093)</u>	<u>(21,231,585)</u>
Gross profit		9,762,354	5,683,806
Administrative expenses		(1,115,144)	(810,668)
Distribution and marketing costs		(1,349,520)	(1,049,750)
Net impairment losses on financial assets		(30,514)	(15,249)
Other expenses		(1,936,844)	(341,020)
Other income		173,706	158,454
Share of net profit of associates and joint ventures accounted for using equity method		<u>30,999</u>	<u>36,388</u>
Operating profit		5,535,037	3,661,961
Finance costs		(2,812,737)	(1,060,663)
Gains and losses relating to business combination		-	1,993,637
Profit before taxation		<u>2,722,300</u>	<u>4,594,935</u>
Taxation		(1,339,947)	(751,902)
Profit for the period		<u><u>1,382,353</u></u>	<u><u>3,843,033</u></u>
Profit attributable to:			
Equity holders of the Parent Company		1,362,957	3,670,170
Non-controlling interests		<u>19,396</u>	<u>172,863</u>
		<u><u>1,382,353</u></u>	<u><u>3,843,033</u></u>
Earnings per share attributable to equity holders of the Parent Company during the period	13		
Basic	Rupees	15.25	41.06
Diluted	Rupees	14.23	37.90

Corporate Announcements

Completion of acquisition of substantial shareholding in Sanofi-Aventis Pakistan



This is in continuation of our earlier letters bearing reference numbers Sec/56/PKGS dated April 28, 2022 and SEC/169/2021 dated December 20, 2021 regarding the proposed acquisition of the entire 52.87% shareholding held by Sanofi Foreign Participations B.V (**Seller**) in Sanofi-Aventis Pakistan Limited (**Sanofi Pakistan**) from Sanofi Foreign Participations B.V by an Investor Consortium (**Transaction**). The Investor Consortium comprised of Packages Limited (**Company**), IGI Investments (Private) Limited and affiliates of Arshad Ali Gohar Group. The Investor Consortium is led by the Company.

We would like to inform that the Transaction has been executed today i.e. on April 28, 2023 upon completion of all contractual conditions and compliance with applicable corporate and regulatory requirements including a mandatory tender offer under the provisions of the Securities Act, 2015 and the Listed Companies (Substantial Acquisitions of Voting Shares and Takeovers) Regulations, 2017 (**Takeover Laws**). Under the terms of the Transaction, the Company has acquired 35% equity stake in Sanofi Pakistan at a negotiated purchase price of Rs. 940 per share amounting to Rs. 3,173.13 million (excluding transaction costs) in accordance with the terms of the Share Purchase Agreement. The remaining shareholding i.e. 17.87% has been taken up by other members of the Investor Consortium on similar terms in accordance with the Share Purchase Agreement. In addition, the Company also acquired 6.07% shareholding in Sanofi Pakistan at such price and subject to such terms and conditions as were applicable under the mandatory tender offer in accordance with the applicable Takeover Laws, which was concluded in September 2022 by Arif Habib Limited, Manager to the Offer and communicated via letter bearing reference number SEC/107/PKGS dated September 02, 2022. Following completion of the Transaction, the Company now holds approx. 41.07% of the issued ordinary share capital of Sanofi Pakistan.

Sanofi-Aventis Pakistan Limited is a public limited company, listed on the Pakistan Stock Exchange and is principally engaged in the manufacturing and selling of pharmaceutical, consumer healthcare products and vaccines.



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Incorporation of a wholly owned foreign subsidiary in the United Arab Emirates (UAE)



This is in continuation of our earlier letter bearing reference number Sec/56/PKGS dated April 28, 2022 wherein we informed that the Board of Directors of Packages Limited (the Company) in a meeting held on April 27, 2022 accorded its approval for incorporation of a wholly owned foreign subsidiary in the UAE, subject to all applicable regulatory approvals.

We are pleased to inform you that the subsidiary has been incorporated under Dubai Integrated Economic Zones Authority Implementing Regulations, 2022 and registered with Dubai Integrated Economic Zones Authority under the name **Packages Trading FZCO**. 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.



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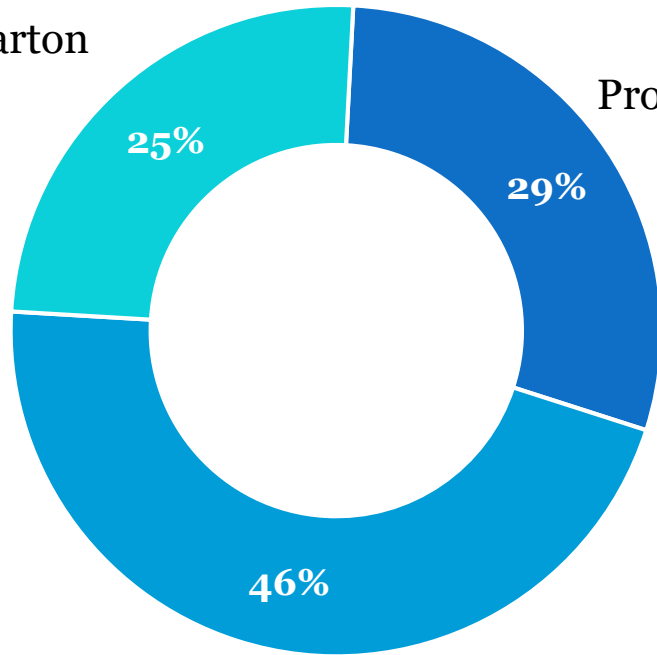
Review of investment book of Packages Limited

Packages Convertors Limited Snapshot 2022 (PKR)



BU WISE Sales

Folding Carton
Division



Consumer
Products Division

Flexible Packaging Division

100%
Subsidiary

NET SALES (22 Vs 21)
Rs 42B Vs Rs 30B
39% ↑

EBT (22 Vs 21)
Rs 2.6B Vs Rs 2.6B



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Bulleh Shah Packaging (Private) Limited Snapshot 2022 (PKR)



100%
Subsidiary

NET SALES (22 Vs 21)
Rs 48B Vs Rs 37B
30% ↑

EBT (22 Vs 21)
Rs 5.5B Vs Rs 4.4B
25% ↑

OUR PRODUCTS



**CORRUGATED
CARTONS**



PAPER



BOARD

Bulleh Shah Packaging

Paper & Board
Rs 34 billion in sales

Corrugated
Packaging
Rs 14 billion in sales

Karachi

Kasur



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DIC Pakistan Limited Snapshot 2022 (PKR)



55%
Joint Venture
DIC GLOBAL

NET SALES (22 Vs 21)
Rs 9.4B Vs Rs 6.7B

40% ↑

EBT (22 Vs 21)
Rs 1,070M Vs Rs 950M

13% ↑

OUR PRODUCTS

ROTOGRAVURE INKS



FLEXOGRAPHIC INKS



SHEET FED OFFSET INKS



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Packages Real Estate (Private) Limited Snapshot 2022 (PKR)



75.16%
Subsidiary

Revenue (22 Vs 21)
Rs 4.6B Vs Rs 3.2B

39% ↑

EBT (22 Vs 21)
Rs 592M Vs Rs 454M

31% ↑



The Company has started leasing of office spaces to corporate customers from July 2022

Inaugurated
2017

Area
1.3M sqft

>200
Shops



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Tri-Pack Films Limited Snapshot 2022 (PKR)



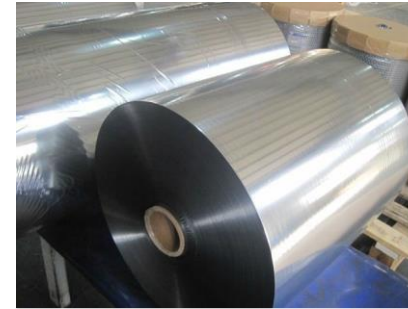
69.26%
Subsidiary

NET SALES (22 Vs 21)
Rs 24B Vs Rs 19B

26% ↑

EBT (22 Vs 21)
Rs 1.4B Vs Rs 1.4B

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

OmyaPack (Private) Limited Snapshot 2022 (PKR)



50%
Joint Venture
OMYA
SWITZERLAND



Revenue (22 Vs 21)
Rs 1,106M Vs Rs 820M
35% ↑

EBT (22 Vs 21)
Rs 131M Vs Rs 141M
-7.2% ↓

OUR PRODUCTS



Calcium Carbonate
Dry Process
Wet Process



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Foreign Subsidiaries

Packages Lanka- Sri Lanka Snapshot 2022 (SLR)



79.09%
Subsidiary

OUR HARDWARE & PRODUCTS



NET SALES (22 Vs 21)
LKR 5B Vs LKR 2.5B

2.0 times ↑

EBT (22 Vs 21)
LKR 849M VS LKR 108 M

7.9 times ↑

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

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

Flexible Packages Convertors – South Africa Snapshot 2022 (ZAR)



Flexible Packages
Convertors (Pty)



63.5%
Subsidiary

OUR HARDWARE & PRODUCTS



NET SALES (22 Vs 21)
ZAR 545M Vs ZAR 698M

-22% ↓

EBT (22 Vs 21)
ZAR (78)M Vs ZAR (28)M

2.7 times ↓

- 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

Flexible Packages Convertors – South Africa

Update on operations



Flexible Packages
Convertors (Pty)

As at December 31, 2022, Packages Limited recorded impairment loss on investment in FPC of Rs. 687.121 million based on its deteriorating financial performance. As disclosed in note 19.1.1 :

19.1.1 Flexible Packages Convertors (Proprietary) Limited ('FPCPL'), a subsidiary of Anemone Holdings Limited ('AHL') based in South Africa, has experienced deteriorating financial performance, and is suffering operating losses contrary to previous budgets and forecasts. Resultantly, the Company carried out an estimate of the recoverable amount of the investment.

The recoverable amount of investment in Anemone Holdings Limited has been determined based on 'fair value less costs of disposal' being higher than the 'value in use'. The 'fair value less costs of disposal' has been worked out using income approach. As the recoverable amount of the investment worked out is lower than its carrying value, therefore, an impairment loss of Rs 687.121 million has been recognized in these unconsolidated financial statements.

A Business Restructuring Process has been initiated as per the South African Law hence the Company is undergoing a restructuring process in order to assess its profitability prospects and viability of operations



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Questions & Answers

Thank you

www.packages.com.pk

