

November 22, 2022

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

Subject: **Notice for a Corporate Briefing Session for the Year Ended June 30, 2022**

This notice is to inform you that a Corporate Briefing Session (“CBS”) of CALCORP Limited will be held on Tuesday, November 29, 2022, at 11:30 a.m., at C-18, Block 4, Clifton, Karachi and through a video conferencing facility to brief the shareholders /analysts/investors about the Company financial performance for the year ended June 30, 2022 and future outlook as per details given below:

Date : November 29, 2022 (Tuesday)
Time : 11:30 a.m.
Meeting ID : 859 1721 9690
Meeting Passcode : 169844

Zoom Meeting Link:

<https://us06web.zoom.us/j/85917219690?pwd=YklxN2t5c2VPd2NDaFBxck05MTNJdz09>

You may please inform the TRE certificate Holders of the Exchange accordingly.

Yours sincerely,



Hammad Ullah Khan
Company Secretary

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CALCORP Limited

Corporate Briefing Session

November 2022

Company History

- Incorporated in 1992 as a public limited company with leasing as the principal line of business.
- Majority control (84%) acquired by Optimus Limited in 2009. Optimus is the exclusive franchisee of “Hertz” in Pakistan with a fleet of 250+ vehicles.

Current Operations

- Calcorp currently has two main lines of business: a) Vehicle rentals; and b) passive investments in marketable securities
- Reporting of financial statements reflects the reorganized business as of FY22 accounts.



Saad Saeed Faruqi – Chairman

- 23 years' experience starting, scaling and investing in businesses across various sectors (transport, power, technology and manpower services) in Pakistan
- Prior experience as CEO for several entrepreneurial ventures and acquisitions
- Expertise in building management teams, leading operational turnarounds, financial restructuring and negotiation and fund raising
- Graduate from Cornell University, USA



Haider Ali Hilaly – Chief Executive Office

- 23 years' experience investing in small to midcap global equities
- Prior experience in merchant banking, private equity and hedge funds at SoGen Funds, Apax Partners and the Underhill Group
- Expertise in setting strategy and benchmarks, capital allocation, portfolio construction and management and instituting corporate governance
- Graduate from Hamilton College, USA; MBA from London Business School



Syed Wajahat Alam – Chief Financial Officer

- 13 years' experience in finance and audit roles: overseeing finance operations, and delivering cost transformation programs
- Prior experience in CFO roles at R.B. Avari Enterprises and Consultant Group.
- Expertise in delivering complex accounting and finance services, creating growth plans, making financial forecasts and attaining financial goals
- Graduate from University of Karachi; Masters in Economics from University of Karachi, Pakistan; ACA from ICAP



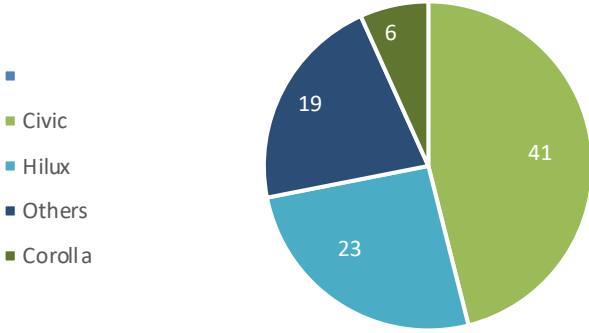
Hammad Ullah Khan – Company Secretary / Head of Settlement

- 18 years' experience in treasury operations, AML CFT, launching new products, cash management and compliance
- Prior experience in operations at UBL Funds, and settlement at key Prudential Securities
- Expertise in KYC and AML regulations, SECP laws and guidelines, company registrar and settlement functions
- Masters in Economics and Finance from University of Karachi, Pakistan

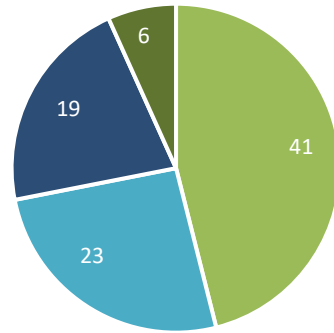
Asset Profile – Fleet & Marketable Securities

Fleet Mix

Ending Fleet FY21



Ending Fleet FY22



WDV:

PKR 97.8 mm

PKR 50 mm

Fleet Age

5.1
Years

4.9
Years

Marketable Securities

Sector	Scrip	Book Value	Market Value	Weightage	Dividend
Automobile Assembler	GHNI	753,775	394,925	0.28%	0
	Automobile Assembler	INDU	(0)	0.00%	42,600
Automobile Assembler Total		753,775	394,925	0.28%	42,600
Automobile Parts & Accessories	AGIL	0	0	0.00%	196,800
Automobile Parts & Accessories Total		0	0	0.00%	196,800
Cable & Electrical Goods	WAVES	653,221	324,615	0.23%	0
Cable & Electrical Goods Total		653,221	324,615	0.23%	0
Cement	PIOC	24,207,191	15,939,307	11.49%	0
	GWLC	10,834,139	7,185,750	5.18%	0
	MLCF	1,841,015	1,094,000	0.79%	0
	CHCC	839,420	465,200	0.34%	6,250
	LUCK	0	0	0.00%	0
	KOHC	0	0	0.00%	0
Cement Total		37,721,766	24,684,257	17.79%	6,250
Commercial Banks	UBL	26,575,444	21,048,515	15.17%	2,067,616
	HMB	16,467,524	15,288,075	11.02%	2,484,500
	BIPL	7,136,149	6,742,400	4.86%	0
	JSBL	0	0	0.00%	0
	ABL	0	0	0.00%	681,000
	HBL	0	0	0.00%	875
Commercial Banks Total		50,179,117	43,078,990	31.05%	5,233,991
Food & Personal Care Products	SHEZ	7,014,386	3,571,700	2.57%	105,050
	MUREB	1,894,957	1,417,465	1.02%	137,500
	NESTLE	120,203	116,000	0.08%	51,300
	UNITY	0	0	0.00%	0
Food & Personal Care Products Total		9,029,546	5,105,165	3.68%	293,850
Glass & Ceramics	TGL	1,040,677	1,038,100	0.75%	960,000
Glass & Ceramics Total		1,040,677	1,038,100	0.75%	960,000
Information Technology	AIRLINK	3,432,000	2,084,124	1.50%	60,000
Information Technology Total		3,432,000	2,084,124	1.50%	60,000
Miscellaneous	SPEL	(0)	0	0.00%	134,300
Miscellaneous Total		(0)	0	0.00%	134,300
Oil & Gas Marketing Companies	HTL	3,018,883	1,903,200	1.37%	166,400
Oil & Gas Marketing Companies Total		3,018,883	1,903,200	1.37%	166,400
Pakistan Oilfields Limited	POL	0	(0)	0.00%	0
Pakistan Oilfields Limited Total		0	(0)	0.00%	0
Pharmaceuticals	ABOT	41,598,534	34,695,920	25.01%	2,157,500
	SAPL	13,191,619	16,292,490	11.74%	457,500
	GSKCH	0	0	0.00%	0
Pharmaceuticals Total		54,790,153	50,988,410	36.75%	2,615,000
Refinery	NRL	(0)	0	0.00%	0
Refinery Total		(0)	0	0.00%	0
Technology & Communication	TRG	(0)	0	0.00%	0
	HUMNL	(0)	0	0.00%	0
Technology & Communication Total		(0)	0	0.00%	0
Textile Composite	NCL	7,020,645	6,015,611	4.34%	402,921
	TOWL	4,362,327	3,109,300	2.24%	68,000
	KTML	(0)	0	0.00%	50,000
Textile Composite Total		11,382,972	9,124,911	6.58%	520,921
Grand Total		172,002,111	138,726,696	100.00%	10,230,112

Income Statement



Income Statement - PKR mm

	30-Jun-21	30-Jun-22
1. Vehicle Rental Segment		
Average Fleet Size (#)	74	50
Value of Fleet at Cost (PKR mm)	175.4	65.8
Gross Rentals	52.4	30.7
<i>As a % of Fleet at Cost</i>	<i>29.9%</i>	<i>46.7%</i>
Service & Maintenance	(9.5)	(0.3)
Depreciation	(14.9)	(8.4)
Insurance	(4.0)	(0.8)
Service Charges	(1.9)	
Road Tax / Registration	(1.1)	(0.1)
Ijarah Lease Rentals	(0.2)	
Tracker Monitoring	(1.1)	(0.3)
Net Rental	19.8	20.7
<i>As a % of Fleet at Cost</i>	<i>11.3%</i>	<i>31.5%</i>
Net Rental ex. Depreciation	34.7	29.1
<i>As a % of Fleet at Cost</i>	<i>19.8%</i>	<i>44.3%</i>
Gain on Disposals	22.3	57.1
Other Income	0.1	2.6
Total Segment Income	42.1	80.4
2. Marketable Securities		
Dividend Income	0.0	10.2
Realized and Unrealized loss	(2.6)	(48.9)
Total Segment Income	(2.5)	(38.7)
Total Company Income	39.6	41.7
Expenses		
Administrative Expenses	(19.6)	(32.6)
Financial Charges	(6.3)	(13.6)
Taxation	(2.1)	(4.3)
Total Expenses	(28.0)	(50.4)
Net Income	11.7	(8.7)

FLEET UNIT ECONOMICS (PKR)

	30-Jun-21	30-Jun-22
Gross Rentals	708,284	613,992
Service & Maintenance	(128,429)	(6,282)
Depreciation	(201,388)	(168,466)
Insurance	(54,552)	(16,884)
Service Charges	(25,068)	-
Road Tax / Registration	(14,245)	(2,704)
Ijarah Lease Rentals	(2,800)	-
Tracker Monitoring	(14,761)	(5,564)
Net Rental	267,041	414,091

Net Rental ex. Depreciation	468,429	582,557
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- **Payback period** on fleet of approximately <4 years (30%+ yield on asset at cost).
- **YoY Comparison** to be viewed in relation to fleet size and cost of the fleet at the time rental contracts are made.
- **Decline in net unit rentals** driven by i) higher service and maintenance expense as fleet ages and ii) higher depreciation rate based on fleet mix.
- **Gain on Disposals** supported by increase in vehicle prices which have appreciated faster than Company's rate of depreciation.
- **Marketable Securities** purchased mostly in June 2021.

Balance Sheet



Balance Sheet - PKR mm					
	30-Jun-21	% of B/S	30-Jun-22	% of B/S	YoY Change
Fixed Assets					
Property, Plant and Equipment	97.9	27.8%	50.0	13.7%	(47.9)
Intangible Assets	-	-	-	-	-
Long-term Advances	2.8	0.8%	1.2	0.3%	(1.7)
Total Fixed Assets	100.7	28.7%	51.2	14.0%	(49.5)
Current Assets					
Receivables	52.4	14.9%	53.3	14.6%	0.9
Advances & Deposits	45.3	12.9%	98.5	26.9%	53.2
Short-term Investments	114.5	32.6%	138.7	37.9%	24.2
Taxation - Net	10.8	3.1%	-	-	(10.8)
Cash	27.6	7.9%	24.5	6.7%	(3.1)
Total Current Assets	250.7	71.3%	315.1	86.0%	64.4
Total Assets	351.4	100.0%	366.3	100.0%	14.9
Long-term Liabilities					
Diminishing Musharakha Financing	12.7	3.6%	4.2	1.1%	(8.6)
Deferred Tax Liability	12.7	3.6%	0.1	0.0%	(12.6)
Total Long-term Liabilities	25.4	7.2%	4.3	1.2%	(21.2)
Current Liabilities					
Short-term Debt	28.1	8.0%	88.6	24.2%	60.5
Current Portion of Diminishing Musharakah	25.7	7.3%	1.5	0.4%	(24.3)
Unclaimed Dividend	0.6	0.2%	0.6	0.2%	-
Taxation	-	-	1.1	0.3%	1.1
Payables	8.2	2.3%	15.6	4.3%	7.4
Total Current Liabilities	62.6	17.8%	107.3	29.0%	43.6
Total Liabilities	88.0	25.1%	111.6	30.5%	22.5
Equity					
Paid-up Capital	107.4	30.6%	107.4	29.3%	-
Reserves & Retained Earnings	155.9	44.4%	147.3	40.2%	(8.7)
Total Equity	263.4	74.9%	254.7	69.5%	(8.7)
Total Liabilities & Equity	351.4	100.0%	366.3	99.7%	13.8
Book Value per Share	24.5		23.7		
Current Ratio	4.0x		2.9x		
Total Debt to Assets	18.9%		25.7%		

As vehicle rental contracts mature, vehicle assets are monetized, and capital is redeployed into new fleet assets or liquid securities

- **Property, Plant and Equipment:** sale of fleet assets generated PKR 137 mm (79.9mm WDV and 57.1mm gain on disposal). Additions made during the year amounting to Rs. 40.7 million.
 - WDV is conservative. We expect market value of the fleet to be higher than WDV due to firm resale prices.
- **Debt:** fleet is largely de-levered with ~11.2% debt to WDV of fixed assets in FY22 (39% in FY21) versus a target debt to fixed assets ratio of 60%-70%.
 - Vehicle termination payments and regular debt servicing reduced total term debt from PKR 38.4 mm to PKR 5.61 mm (net reduction of PKR 32.79mm).
 - Company obtained an RF line of PKR 200.0mm (PKR 88.6mm drawn) to release equity from vehicles and optimize overall capital structure.

Question & Answers Session

Corporate Briefing Session