



# PABC

PAKISTAN ALUMINIUM  
BEVERAGE CANS LIMITED

FORM-25

Ref: PABC/SHARES/31

November 25, 2022

**The General Manager**

Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi.

**Subject: Material Information**

Dear Sir,

In accordance with Section 96 of the Securities Act, 2015 and Clause 5.6.1(a) of PSX Regulations, we hereby convey the following information:

We are pleased to inform that the Pakistan Credit Rating Agency Limited (PACRA), a leading credit rating agency providing independent rating services in Pakistan, in its press release issued on November 24, 2022, has assigned Pakistan Aluminium Beverage Cans Limited (PABC) an initial entry rating of "A+" (Long Term) and "A1" (Short Term) with "Stable" outlook. The copy of above-mentioned press release attached.

The rating gives a pathway for positive impact on Company's business and value for its shareholders.

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

Yours sincerely,

For **Pakistan Aluminium Beverage Cans Limited**

**Sohail Akhtar Gogal**  
(Company Secretary)



CC: Director / HOD

Surveillance Supervision and Enforcement Department  
Securities & Exchange Commission of Pakistan  
NIC Building, 63 Jinnah Avenue, Blue Area, Islamabad.

- for information



## Date

24-Nov-22

## Analyst

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## Applicable Criteria

- Methodology | Corporate Rating | Jun-22
- Methodology | Correlation Between Long-term & Short-term Rating Scales | Jun-22
- Methodology | Rating Modifiers | Jun-22

## Related Research

- Sector Study | Paper and Packaging | Nov-21

## PACRA Assigns Initial Entity Ratings to Pakistan Aluminium Beverage Cans Limited

Rating Type	Entity
	Current (24-Nov-22 )
Action	Initial
Long Term	A+
Short Term	A1
Outlook	Stable
Rating Watch	-

Pakistan Aluminium Beverage Cans Limited ("PABC" or the "Company") is the sole producer of aluminium based beverage cans in Pakistan. The demand of aluminium cans is directly linked with consumption of beverage drinks which is always in increasing trend. The business model of PABC is that of B2B and directly supplies aluminium cans to beverage producers. High entry barrier and time for installation of production plant has provided strength to the Company to establish its brand name and capture entire market share of Pakistan along with major share of clients in Afghanistan and other countries. The CEO - Mr. Azam Sakrani has an extensive knowledge of the industry with overall 30 years of experience and the chairman - Mr. Simon Michael Gwyn Jennings has an overall 40 years of experience in global packaging industry. The governance structure is considered strong being fully compliant according to CCG guidelines, having sufficient number of board meetings and detailed minutes of meetings. Furthermore, external auditors are category-A with satisfactory QCR rating. The Company has recently increased its rated production capacity from 700mln cans to 950mln cans p.a. PABC has financed and installed on-grid solar system as well fulfilling major energy needs of the Company. Going forward, the Company is planning to enhance its rated capacity to 1,200mln cans p.a. by Jul'23 and improve market share for aluminium beverage cans in Pakistan and abroad by adding leading brands to its clientele.

The financial risk profile of the Company is considered strong, with sufficient cashflows and a well-managed working capital cycle. The Company has availed both short-term and long-term facilities from financial institutions to import aluminium-based raw material. The leveraging of the Company amounts to ~48% as on Jun'22. Revenue for the Company during 1HCY22 stood at PKR 6.5bln (1HCY21: PKR 3.8bln) with 32% of revenue being generated from international clients and the net profit margin of 24.2% (1HCY21: 20.9%). The Company's revenues have shown periodic growth with 80% in last six months, enhancing customer base. MIS systems adopted are SAP business one module. Being part of well-established and stable Liberty Group and Soorty Enterprises after recent listing bodes well to the rating.

The ratings are dependent on the Company's ability to sustain its market position and management's ability to run the operations of the Company optimally. With the upcoming growth in firm's business & volumes; prudent financial discipline and implementation of a stringent control environment shall remain imperative.

## About the Entity

PABC, established in 2014 as a joint venture of Ashmore Mauritius PABC Limited and Liberty Group, started its commercial production in 2017 and eventually became a Public Listed Company in 2021 with divestment of Ashmore's shares. The current shareholding of PABC stands with 54% being held by representatives of Liberty Group and 20% by the Soorty Enterprises. PABC has inhouse technical expertise as well as contracts with international technical experts. The Company enjoys 10-year tax holiday from the start of its commercial production, under Special Economic Zones Act, 2012 and has following certifications: ISO 9001, 2015 QMS, FSSC 22000 (V5.1) Food Safety and PFA License. PABC has recently received Halal certification as well.

## Disclaimer

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