

SEC/127/TRIPF

16 December 2022

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

Dear Sir

SUB: CORPORATE BRIEFING SESSION

This is to inform you that the Corporate Briefing Session (CBS) of Tri-Pack Films Limited is scheduled to be held on Friday, 23 December 2022 at 11:00 am, at Pakistan Stock Exchange Auditorium (Admin Block, 3rd Floor), Stock Exchange Building, Karachi to brief the investors and analysts about the Company's financial performance and outlook. The flyer for the Corporate Briefing Session is attached herewith.

As per the requirements of PSX Notice No. PSX/N-1160 dated November 18, 2022, please find enclosed presentation in respect of the captioned CBS, which has also been uploaded on the Company's website and is accessible at <https://www.tripack.com.pk/>.

We would appreciate your assistance in communicating this information to the TRE Certificate holders of the Exchange.

Yours sincerely
For Tri-Pack Films Limited



Iqra Sajjad
Company Secretary





Tri-Pack Films Limited
A PACKAGES GROUP COMPANY



Corporate Briefing Session

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

Date and Day: 23 December 2022, Friday

Venue: Pakistan Stock Exchange Auditorium (Admin Block, 3rd Floor) Stock Exchange Building, Karachi

Time: 11:00 am

Presentation: 11:15 am

Q&A: 11:30 am

Those who wish to attend the session may register by sending their name, folio number, e-mail address and cell phone number (for shareholders) and name of the institution they represent (for analysts) via email at shares.desk@tripack.com.pk with subject line "Registration for Tri-Pack Films Limited Corporate Briefing Session 2022" before 3:00 P.M. on December 22, 2022.

Video-link and login credentials will be shared with the registered shareholders and analysts as per criteria of information received.

For coordination, please contact

Shares Department

Tri-Pack Films Limited

shares.desk@tripack.com.pk

PABX: 021-35875047-9

Ext: 233 & 237



CORPORATE BRIEFING SESSION 2022

Dated: 23rd December 2022
@ 11:00 am

Venue : PSX Auditorium



COMPANY BRIEF



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)	10,800	2,400
Port Qasim	2 lines (6.7m Mitsubishi, 8.7m Bruckner)	56,000	39,000
Total	4 lines	66,800	41,400

CPP			
Port Qasim	2 lines (6.3m Windmöller)	17,000	14,400

Recycling			
Port Qasim	2 machines	9,670	9,670

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

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



Sustainability and CSR

Alignment with UN's Sustainable Development Goals (SDGs) 2030



WWF Green Office Certified
SDG 06, 07, 11, 12, 13, 15



Support to Community
SDG 03, 05, 08, 10



Women Empowerment

Annual Tree Plantation

Flood Relief Drive

Breast cancer awareness

Environment week

Safety Awareness

Beach Cleaning Day

Setting excellence benchmarks



Best Corporate Reporting Award 2021 by ICAP/ICMAP
Consistent position holder since 2016



19th Annual Environmental Excellence Award 2022 by NFEH
Being awarded for the third consecutive year



12th Fire Safety Award 2022 by NFEH & FPIP

MARKET & FINANCIAL OVERVIEW



Business Highlights – YTD Sep 2022 vs SPLY

- During the year, Packages Limited acquired further shares of Tri-pack Films Limited (Total shareholding: 79%) resulting in TPFL becoming its subsidiary.
- Tariff reduced from 20% to 16% on both BOPP & CPP. Anti dumping duty on BOPP removed.
- Total volumes for the nine months ended Sep 30, 2022 registered a growth of 9% (37,945 tons compared to 34,891 tons in SPLY) led by higher exports in line with our strategic plans.
- CPP domestic volumes declined due to excessive capacities / competition.
- Increase in sales revenue is primarily driven by raw material prices and higher exchange rates.
- Increase in fuel prices is badly affecting the cost of production. SSGC has switched our natural gas supply to RLNG which is at 3x the rates of normal gas. Despite, shortage of gas supply is also being witnessed.
- Gross profit has increased by 1.2 times vs SPLY to recover the higher cost of production.
- Interest cost has increased 1.6 times vs SPLY. This is negatively affecting the bottom line for the Company.
- Effective tax rate has increased to 41% due to retrospective application of super tax from tax year 2021.

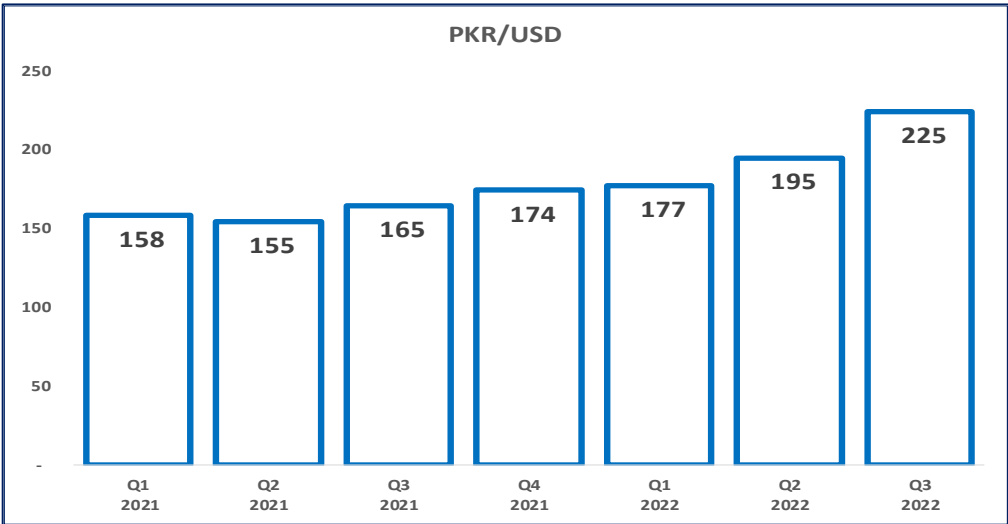
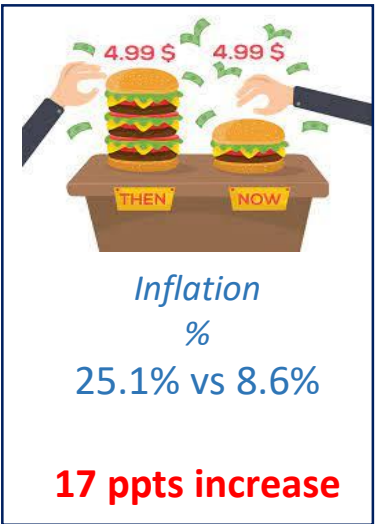
BOPP - Market & focus

- Domestic BOPP market has an estimated CAGR of 4% over the last 4 years (*Market: 80 ktpa; Saleable Capacity: 86 ktpa: Name plate capacity: 127 ktpa*)
- Current number of local BOPP producers is 4.
- In line with our strategy, exports have increased to 13% of total BOPP volumes (2021: 6.6%) however, local market gets precedence.
- We have been successful in improving mix of high margin films in total exports while ensuring optimum capacity utilization and profitability.
- With renewed focus towards sustainability and recyclability in global packaging arena, the domestic industry is looking for avenues to shift/enhance the usage of mono laminates which will have a positive impact on both, the packaging industry and the environment
- As informed via public notice on PSX, a fire incident occurred at one of our BOPP film line compartments on October 3rd, 2022. No major injury was reported and no significant damage to the critical equipment. Line was up and running in November 2022.

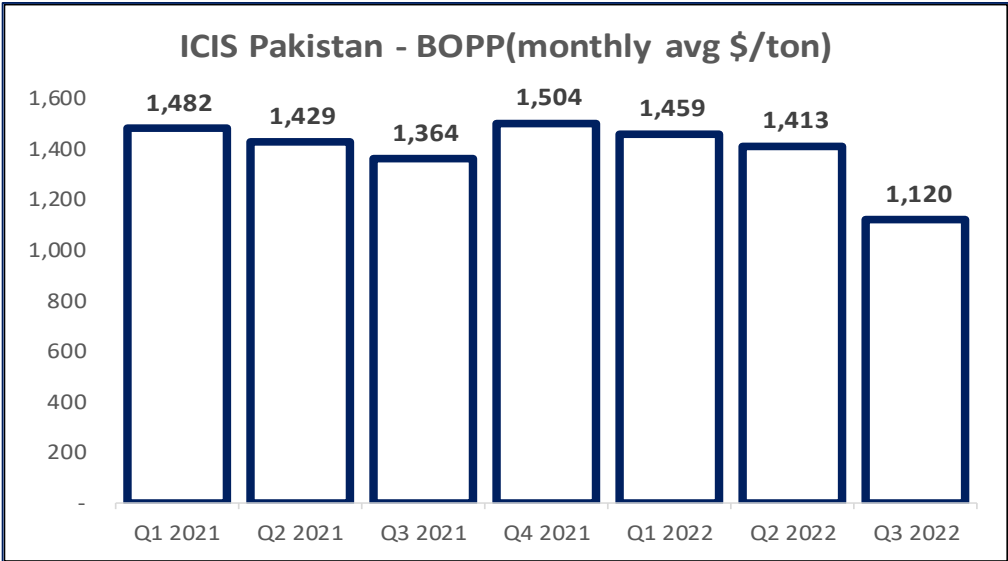
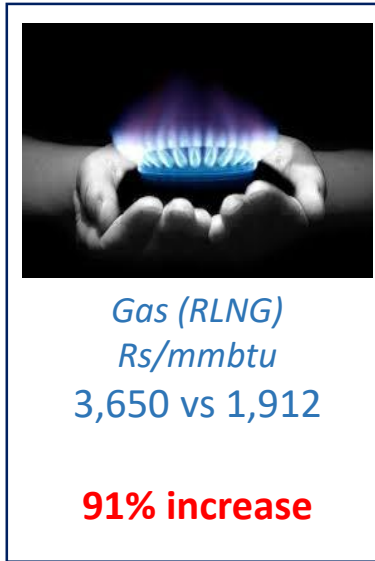
CPP - Market & focus

- Domestic CPP market has an estimated CAGR of 6% over the last 4 years (Market: 36 ktpa; Saleable Capacity: 57 ktpa; Name Plate Capacity: 69 Ktpa)
- CPP market has multiple players with varying quality ranges with new capacities being added.
- We are also pursuing CPP export market (though CPP exports have very limited scope). Exports have increased to 14% of total CPP volumes (2021: 5.5%).

Factors affecting the business – YTD Sep 2022 vs FY 2021



22% depreciation vs 2021

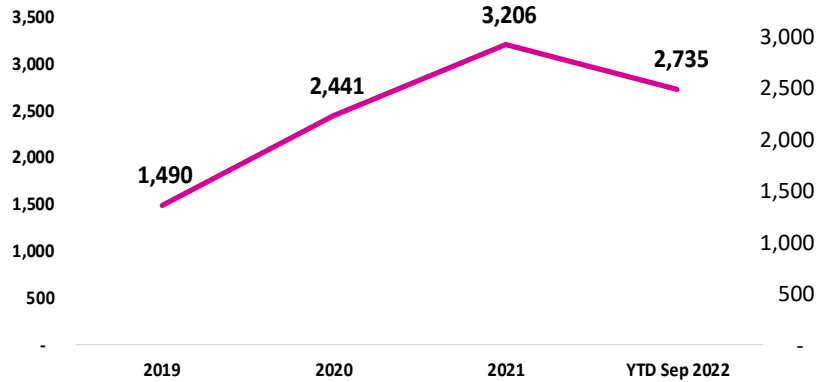


Current price at \$960

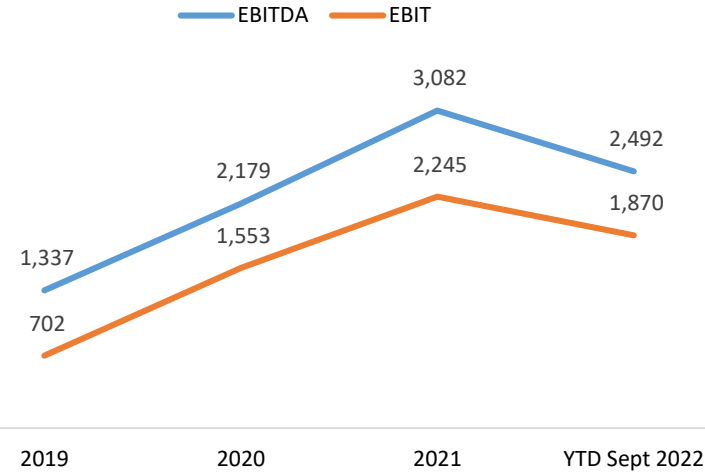


Financial highlights

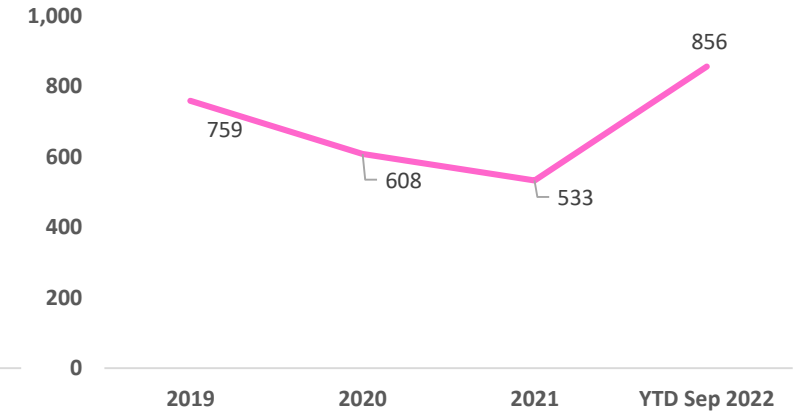
Gross Profit (Rs M)



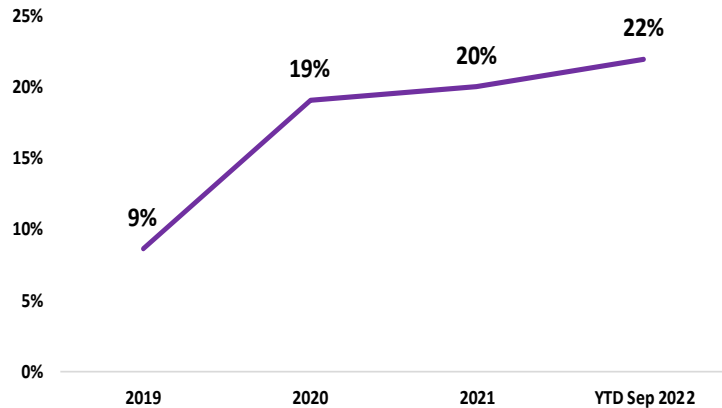
EBITDA/EBIT (Rs M)



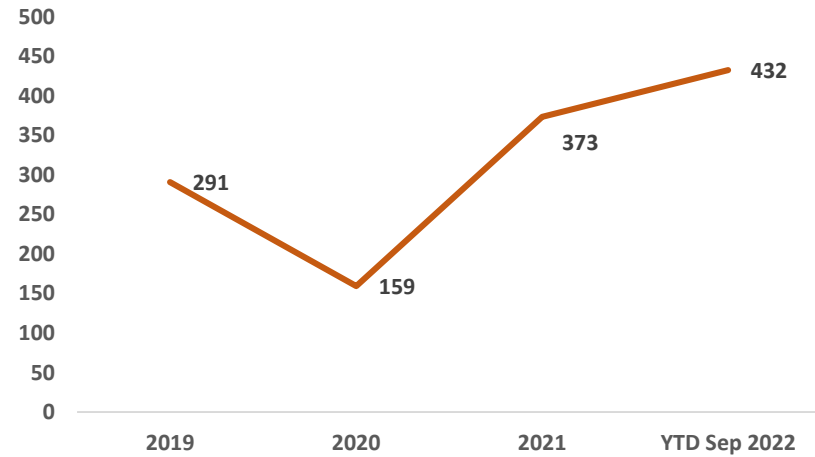
Interest Cost (Rs M)



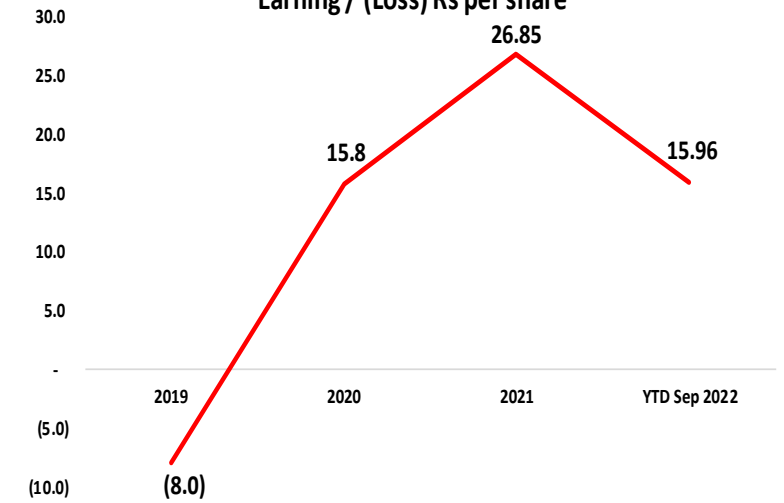
Return on capital employed (ROCE) %



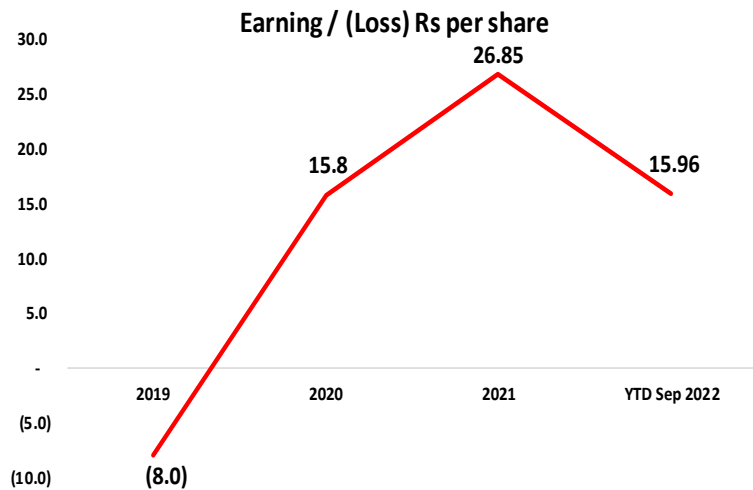
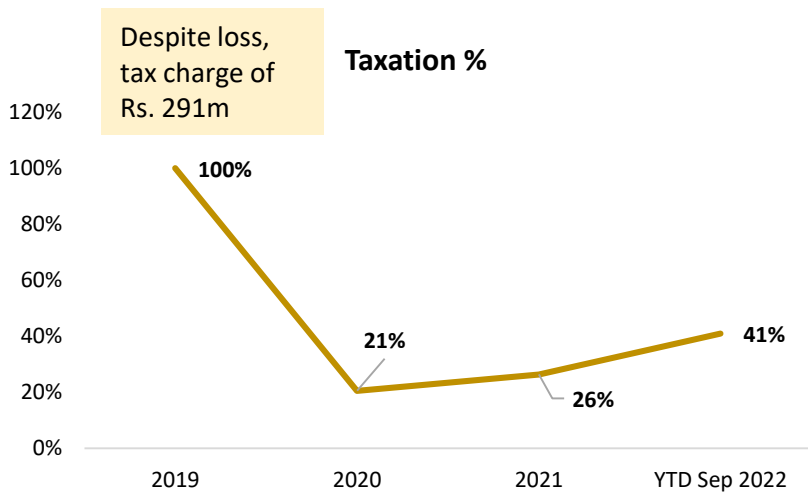
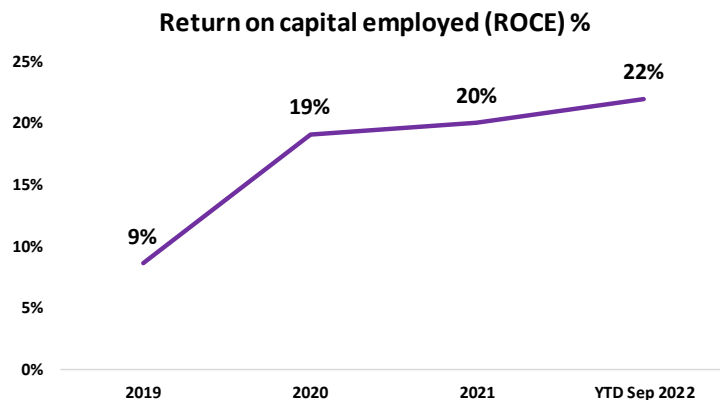
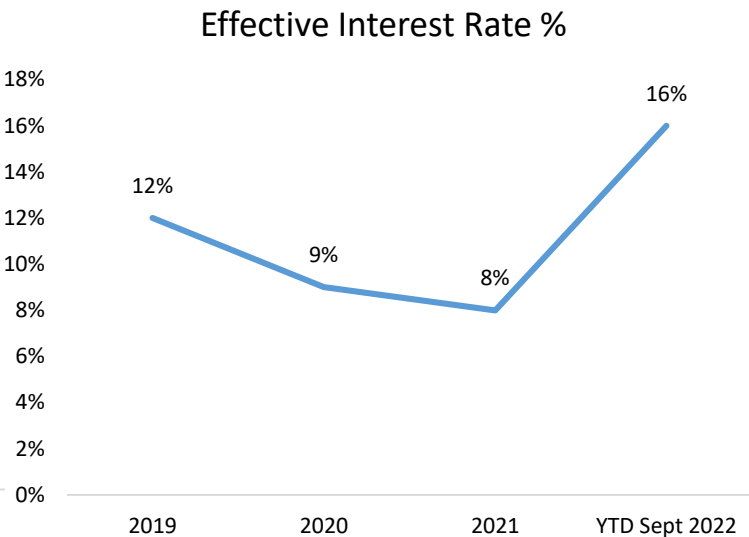
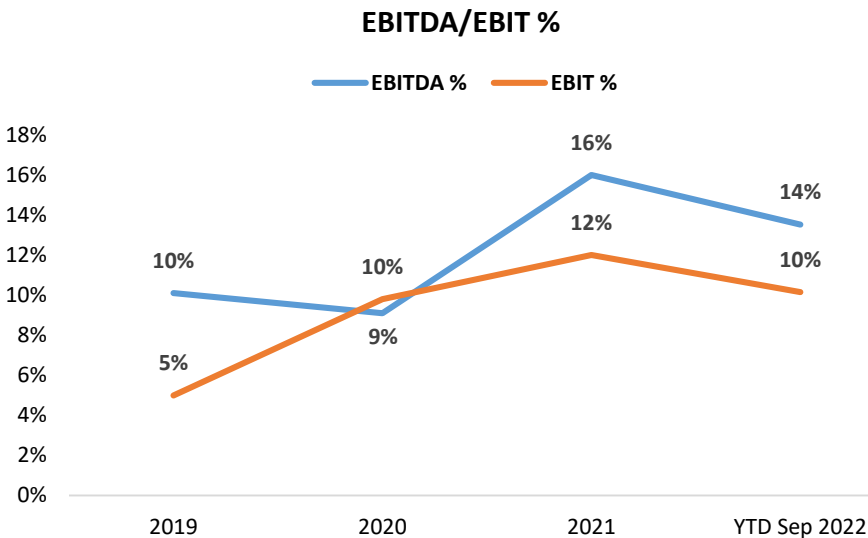
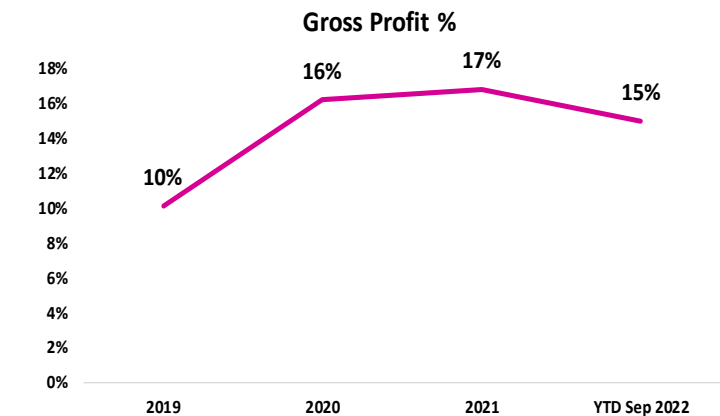
Taxation (Rs M)



Earning / (Loss) Rs per share



Financial highlights



P&L summary

Description	YTD Sep 2022	YTD Sep 2021	Sep 22 vs 21	FY Dec 2021
Revenue from contracts with customers - Rs M	18,419	13,890	33%	19,054
Cost of sales - Rs M	(15,684)	(11,544)	36%	(15,848)
Gross Profit - Rs M	2,735	2,346	17%	3,206
Distribution costs - Rs M	(522)	(356)	47%	(476)
Administrative expenses - Rs M	(343)	(279)	23%	(466)
	(865)	(635)	36%	(942)
Operating profit - Rs M	1,870	1,711	9%	2,264
Other income - Rs M	147	114	29%	104
	2,017	1,825	11%	2,369
Other Expenses - Rs M	(80)	(101)	-21%	(127)
Finance cost - Rs M	(885)	(548)	62%	(826)
	(965)	(649)	49%	(953)
Profit before income tax - Rs M	1,052	1,176	-11%	1,415
Income tax - net - Rs M	(432)	(343)	26%	(373)
Profit for the period - Rs M	619	833	-26%	1,042
Earnings per share - Rs	15.96	21.47	-26%	15.83

- Increase in sales value due to higher raw material prices and exchange rates.
- Higher costs owing to higher energy and transportation prices.
- Highest interest costs due to higher benchmark rates.

Balance sheet

Description	September, 30 2022	December, 31 2021
	Millions	
Assets		
Property, plant and equipment	7,501	6,695
Right-of-use asset	200	205
Intangibles	5	7
Long term deposits	28	6
Current Assets	8,755	9,818
	16,489	16,731
Liabilities		
Long term borrowings	3,281	2,603
Current maturity of long term loans	315	457
Short term financing	3,985	5,761
Total Debt	7,580	8,821
Deferred long term liabilities	502	490
Lease liability	37	36
Deferred income - Government grant	137	154
Other current liabilities	3,411	2,523
	11,667	12,024
Net assets (Assets - Liabilities)	4,822	4,707
Share capital and reserves	4,822	4,707

Long Term includes advances paid to vendors for line 5 expansion project amounting to Rs 1,360 million.

Ratio analysis	Benchmark	Sep 2022	Dec 2021
Current ratio	>1.00	1.13	1.12
Interest Coverage Ratio	>1.80	2.35	2.68
Debt to Equity ratio	<0.75	0.60	0.63

Cash flow

Description	YTD Sep 2022	YTD Sep 2021
	Millions	
Cash generated from operations	2,542	2,237
Working capital changes	1,749	(1,715)
Tax/staff retirement benefit/others paid	(372)	(352)
Net cash generated from/(used in) operations	3,919	170
Net cash used in investing activities	(1,403)	(587)
Finance cost paid	(643)	(319)
Transcation cost paid	(2)	(76)
Bank charges paid	(56)	(40)
Long term borrowing- net	513	142
Dividend paid	(501)	(192)
Short term borrowing- net	(3,150)	730
Net cash generated from/(used in) financing activities	(3,839)	245
Net dec in cash and cash equivalents	(1,322)	(172)

PROJECT UPDATE



Project update

New BOPP Line 5

- Project cost is exceeding original estimates due to exchange fluctuations and increase in cement / steel prices. The project initially approved at Rs 9 billion values at Rs 10.5 billion. now. Local financing for the same is available.
- Expected date of commencement of operations is early Q1 2024 though changes in import regulations on account of economic situation are creating challenges for timely execution.

FUTURE OUTLOOK



Future outlook

- Slow demand is expected in Q4 2022 and 2023 also with the aftermath of floods which may affect overall economic activity and corporate performance.
- Focus on exports to increase. However, since export margins are comparatively low vs domestic, overall margin reduction may be witnessed.
- Rising energy prices coupled with disrupted gas supply will increase our cost of production. We are working towards renewable energy sources also to mitigate some of the gas supply challenges.
- PKR devaluation will pose challenges going forward.
- Interest rate will put pressure on profitability.
- 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.

Important Disclaimer

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QUESTION AND ANSWERS

THANK YOU