



Mitchell's Fruit Farms Limited

Corporate Briefing Session 2021-22 Annual Report
Scheduled for 20th January, 2023 at 11 AM

MFFL DISCLAIMER

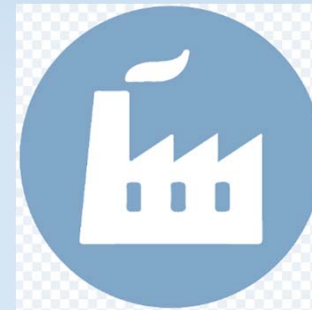
- THIS PRESENTATION IS NOT AN OFFER OR SOLICITATION OF AN OFFER TO BUY OR SELL ANY SECURITIES OR ANY INVESTMENT
- *Mitchell's Fruit Farms Limited (MFFL) has prepared this presentation in good faith, however, no warranty or representation, express or implied is made as to the adequacy, correctness, completeness or accuracy of any numbers, statements, opinions or estimates, or other information contained in this presentation.*
- *The information contained in this presentation is an overview, and should not be considered as the giving of investment advice by the company or any of its shareholders, directors, officers, agents, employees or advisers. Each party to whom this presentation is made available must make its own independent assessment of the company after making such investigations and taking such advice as may be deemed necessary.*
- *Where this presentation contains summaries of documents, those summaries should not be relied upon and the actual documentation must be referred to for its full effect.*
- *This presentation may include some "forward looking statements". Such forward looking statements are not guarantees of future performance and may involve risk of uncertainties. Actual results may differ materially from these forward looking statements.*

CONTENTS

- Organizational Overview
- Key Strategic Operational Highlights & Financial Review
- Question & Answer Session



Organizational Overview



MITCHELL'S EVOLUTION



Frank Mitchell arrives in Bombay post WWI



1913

Frank Mitchell is allotted 720 acres between the canal and the North Western Railway, running from Renala Khurd to within a few miles of Okara.



1920

Richard Mitchell goes to Mildura, Australia to train and learn at the center for specialization in horticulture.



1933

Indian Mildura Fruit Farms Ltd. is incorporated in Lahore on 28th April. Small-scale operations begin to process citrus fruit into concentrated soft drinks (squashes) and preserves.



1933

Leonard Mitchell goes to South Africa to conduct research, which lays the foundation of Valencia Orange trees in Pakistan. These are well established on the farms today.



1939

Recognized as the leading producers of fruit squashes in the country, and expand to lines of jams, marmalades and canned fruits.



1945

Kissan Fruit Products (Pvt.) Ltd. factory is established. World War II begins and demand for canned fruits and vegetables grows rapidly.



1946

Mitchell's becomes the sole manufacturer and distributor of the world famous Rose's brand of Lime Juice Cordial and Lime Marmalade in Pakistan and Afghanistan.



1947

As the Indo-Pak partition takes place, Kissan remains in India, whereas the newly formed Pakistan inherits the other half of the company which is named Mitchell's.



1948

Mitchell's brand name is established after independence in 1948. The company's name is changed from Indian Mildura Fruit Farms to Mitchell's Fruit Farms Ltd. 1957 Richard Mitchell retires.



1958



1980

Mitchell's diversifies into confectionery making sugar candies, milk toffees and chocolate eclairs.



1983

Mitchell's celebrates its Golden Jubilee by introducing Jubilee chocolate.



1996

ISO 9001 accreditation awarded. Mitchell's takes pride in becoming the first food company in Pakistan to achieve this prestigious distinction.



2001

First Molded Chocolate Line introduced.



2004

Chocolate Enrobing Line introduced.



2007-2008

ISO 9001 accreditation awarded.



2022

Mitchell's entered into a new business segment of Recipe Mixes.

2020

Syed and Begum Mohammad Mohsin bequeath their shareholdings to their children, Syed Mohammad Mehdi Mohsin, Syeda Maimunah Mohsin and Syeda Matarat Ghaffar who become joint majority shareholders. Fresh Equity is injected into Company through Rights Issue.

2022-Present





VISION & MISSION

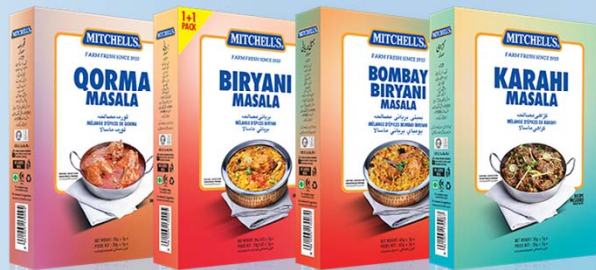
Vision

While we continue to serve our corporate purpose of providing value to our shareholders, we also recognize our responsibility to other stakeholders. We believe that the development of our employees, the protection of our environment and dealing fairly with our suppliers is essential for the future success of our company, our community and our country.

Mission

Mitchell's strives to continue to win the hearts and minds of our consumers by delighting them with healthy and delicious products for every occasion, as it has been doing for generations.

CORE BUSINESS SEGMENTS



Jam, Jellies &
Marmalade
Ketchup & Sauces
Chocolates
Pastes & Purees
Seasonings
Ready to Cook
Ready to Eat
Chutneys
Sugar Confectionery
Squashes
Mayonnaise
Pickles
Recipes



KEY CERTIFICATIONS & AWARDS



FSSC 22000



Halal Certification-IFANCA



Certification for Export to US



Brand of the Year
Award - 2020



Export Award



Pakistan Standards

PSQCA



PFCA



ISO 9001 -2015



Key Strategic Operational Highlights & Financial Review



Financial Info 2021-22

- Year 2021-22 was extremely difficult for the company due to overall economic scenario as well as due to management problems in the shape of unprecedented hike in input costs and delay in price increase.
- Increase in Marketing & Distribution costs, rising interest rates & lack of export refinance further aggravated the financial position. Due to low liquidity, company was exposed to market conditions and was not able to make timely strategic buying of raw & packing material. Resultantly, sponsors had to inject further money into the company.
- Due to liquidity crunch, the auditors, without qualifying their opinion, drew attention on the going concern matter due to very high losses of 622M. The company took remedial measures in the form of new sponsors loans, improving pricing & discount structure, exploring new geographical markets for exports & cost reduction measures including reduction in marketing expenditure.

Financial Info 2021-22



Statement of Financial Position As at June 30, 2022

	Note	June 30, 2022 Rupees	June 30, 2021 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 40,000,000 (June 30, 2021: 40,000,000) ordinary shares of Rs 10 each	5	400,000,000	400,000,000
Issued, subscribed and paid up capital 22,875,000 (June 30, 2021: 22,875,000) ordinary shares of Rs 10 each	5	228,750,000	228,750,000
Reserves	6	(25,813,586)	607,668,057
		202,936,414	836,418,057
NON-CURRENT LIABILITIES			
Deferred taxation	7	-	-
Deferred liabilities	8	135,741,601	112,510,688
Long term finance - secured	9	-	12,732,774
Deferred grant	10	-	1,140,378
		135,741,601	126,383,840
CURRENT LIABILITIES			
Current portion of long term finance	9	14,949,499	30,675,616
Current portion of deferred grant	10	125,297	675,616
Trade and other payables	11	707,328,886	425,850,584
Finances under markup arrangements	12	341,059,804	134,393,274
Loan from shareholders - unsecured	13	225,000,000	150,000,000
Accrued finance cost		12,848,666	2,255,383
Unclaimed dividend		1,912,754	2,004,183
		1,303,224,906	745,854,656
CONTINGENCIES AND COMMITMENTS			
	14	1,641,902,921	1,708,656,553

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment	15	668,093,802	636,098,672
Intangible assets	16	26,585,558	12,262,568
Biological assets	17	1,550,000	37,790,000
Long term receivables	18	1,541,543	8,511,693
		697,770,903	694,662,933

CURRENT ASSETS

Stores, spares and loose tools	19	45,561,599	35,291,224
Inventories	20	430,965,294	407,053,602
Trade debts - unsecured	21	202,059,716	329,306,341
Advances, deposits, prepayments and other receivables	22	127,526,438	98,654,403
Income tax recoverable		116,394,671	131,061,071
Cash and bank balances	23	21,624,400	12,626,979
		944,132,018	1,013,993,620

	1,641,902,921	1,708,656,553
--	---------------	---------------

Financial Info 2021-22



Statement of Profit or Loss For the Year ended June 30, 2022

		For the year ended June 30, 2022	For the period from October 1, 2020 to June 30, 2021
	Note	Rupees	Rupees
Sales	24	2,489,291,011	2,210,619,831
Cost of sales	25	(2,295,470,632)	(1,721,279,887)
Gross profit		193,820,379	489,339,944
Administrative and general expenses	26	(227,877,998)	(137,043,348)
Net impairment losses on financial assets	39	(16,854,006)	(1,376,164)
Marketing and distribution expenses	27	(546,250,088)	(309,838,112)
Other operating expenses	28	(30,500)	(8,767,309)
Operating (loss) / profit		(597,192,213)	32,315,011
Other income	29	47,995,036	35,111,176
Finance costs	30	(36,980,631)	(25,630,724)
(Loss) / profit before tax		(586,177,808)	41,795,463
Income tax expense	31	(35,799,231)	(31,329,283)
(Loss) / profit after tax		(621,977,039)	10,466,180
(Loss) / earnings per share - Basic and diluted	38	(27.19)	0.49

Financial Info – The Way Forward

- After incurring heavy losses during the last financial year, the company is in the rebuilding process and course to recovery
- In view of continuous inflation & rising costs of inputs, prices have been rationalized in order to optimize the margins
- Management has also embarked on the initiatives to bring cost efficiencies across the organization
- SAP has been implemented and has gone live from July 1st 2022, which is likely to contribute towards better controls and discipline
- The sponsors of the company remain committed to the sustainability of the company by regularly injecting funds in the shape of sponsors loans
- Our product portfolio and “Mitchell’s Brand” still maintain a very strong franchise among consumers and the management and the BoD have full faith on the opportunities and potential of the Company to come back strongly.



Q&A Session





THANK YOU!