



# PACKAGES LIMITED

## CORPORATE BRIEFING SESSION

May 28, 2024



CREATING A BETTER TOMORROW

# Agenda

- Presentation by the Management
- Q&A Session

# Macroeconomic Indicators of Pakistan

## Foreign Reserves



The total liquid foreign reserves of Pakistan stood at **\$14.63 Bn** while foreign reserves held by State Bank reached **\$9.14 Bn** in the week ended on May 10, 2024.

## Policy Rate



The Monetary Policy Committee (MPC) of the SBP has maintained status quo and kept the key policy rate at **22%**. Stable since last 7 MPC meetings.

## Current Account Balance



Pakistan's current account posted a surplus of **\$491 Mn** in April 2024 compared to March's surplus of **\$434 Mn**.

## Exchange Rate



Interbank Rate  
**20<sup>th</sup> May 2024**  
**PKR 278.20**  
  
**31<sup>st</sup> Dec 2023**  
**PKR 279.38**

# Group Structure



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# Packages Limited – Subsidiaries

**Packages Convertors Ltd.  
(100%)**



**Bulleh Shah Packaging Pvt. Ltd. (100%)**



**StarchPack Pvt. Ltd. (100%)**



**Packages Investments Ltd. (100%)**



**Packages Power Ltd. (100%)**



**Packages Trading FZCO, UAE (100%)**



**Packages Real Estate Pvt. Ltd. (75.16%)**



**Tri-Pack Films Ltd. (69.26%)**



**DIC Pakistan Ltd. (54.98%)**



**Hoechst Pakistan Ltd. (Formerly Sanofi-Aventis) (41.07%)**



**Packages Lanka Pvt. Ltd. Sri Lanka (79.07%)**



**Anemone Holdings Ltd. (100%)**

**Linnaea Holdings Inc. (79.07%)**

**Chantler Packages Inc. (72.07%)**

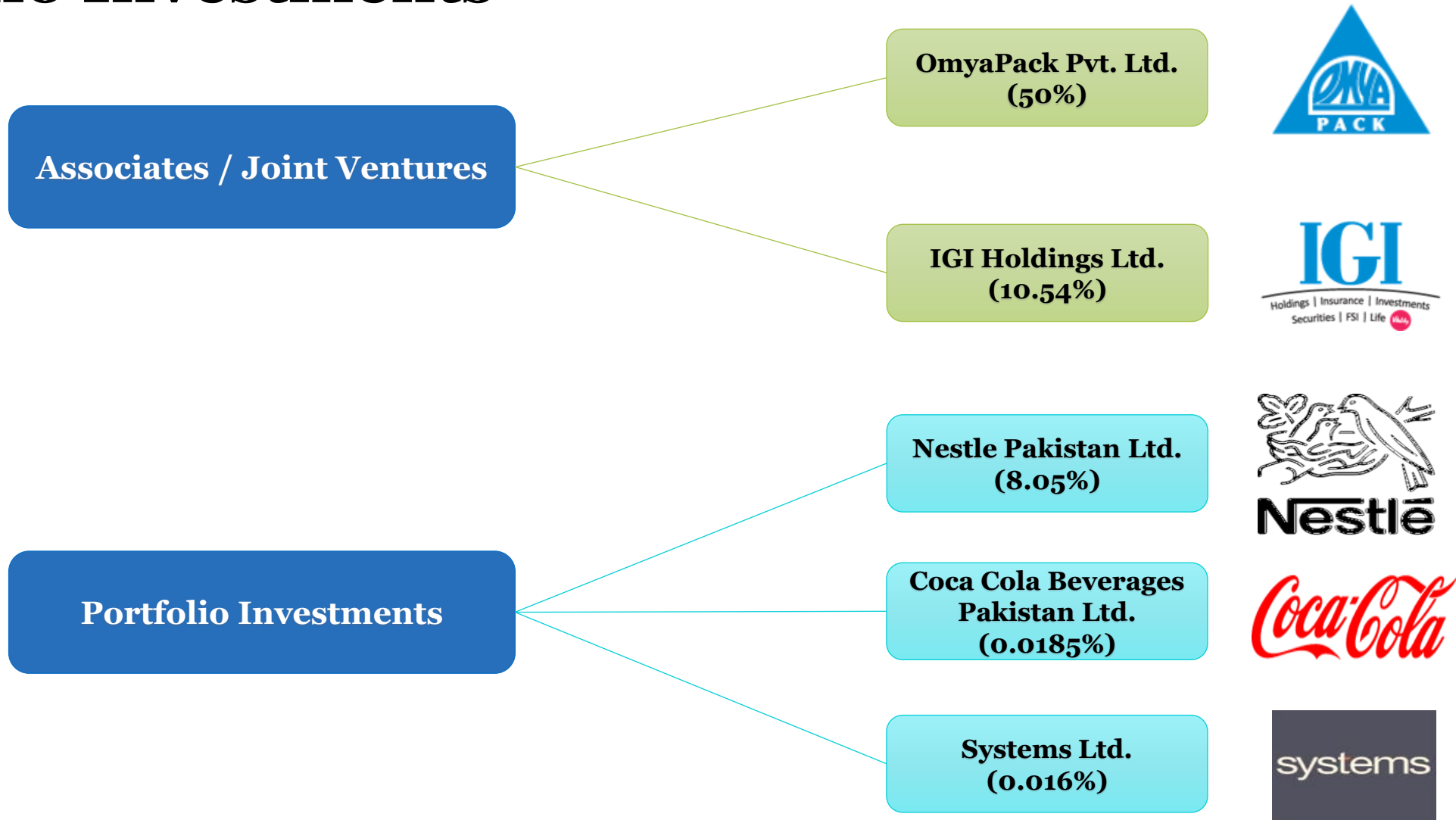


**Flexible Packages Convertors (Proprietary) Ltd. (63.50%)**



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# Packages Limited - Associates/Joint Ventures & Portfolio Investments



# Our Manufacturing Products



Packages Convertors



Color and Comfort



Folding Carton



Corrugated Packaging



BOPP Films



Rotogravure Inks



Calcium Carbonate



Starches



Flexible Packaging



Paper



Board



CPP Films



Offset Inks



Flexographic Inks



Consumer Products

# Our Consumer Products & Services



Packages Real Estate  
(Private) Limited



**Packages Mall**

**200+ Stores & Services**

Covering an area of **1.3Mn Sq. ft**



**Corporate Offices**

**~115,000 Sq. ft**



**Flagyl®**

**Lasix®** Frusemide **Plavix®**

**Amaryl®** Glimepiride

**LANTUS®** Insulin glargine

**Toujeo®** Insulin glargine 300U/mL

**53  
Brands**

**Medicines**



Packages Convertors

**ROSE PETAL** *embrace*



**Packages Convertors  
Consumer Division**

**scJohnson**



**Home Care Brands**



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# Our Financial Services

**IGI**  
General | Takaful



**Fire Cover**



**Home Cover**



**Auto Cover**



**Travel Sure**

**IGI** *Vitality*  
Life



**Life Insurance**



**Retirement Planning**

**IGI**  
Investments



**Digital Asset  
Management**



**Micro Insurance**

**IGI**  
Securities

**Shares Trading**  
**Online Brokerage Services**  
**Commodities Trading**  
**Investments in Debt**  
**Instruments**

# Packages Limited

## Unconsolidated Statement of Profit or Loss

### for FY 2023

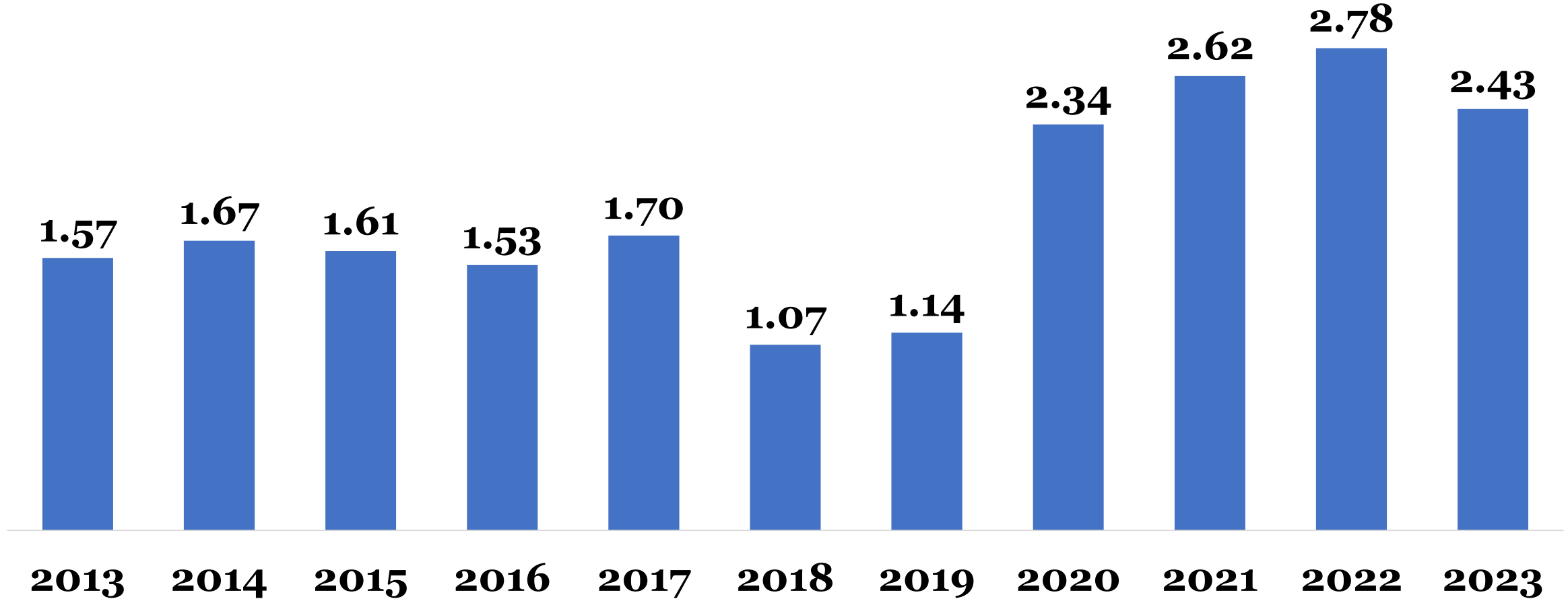


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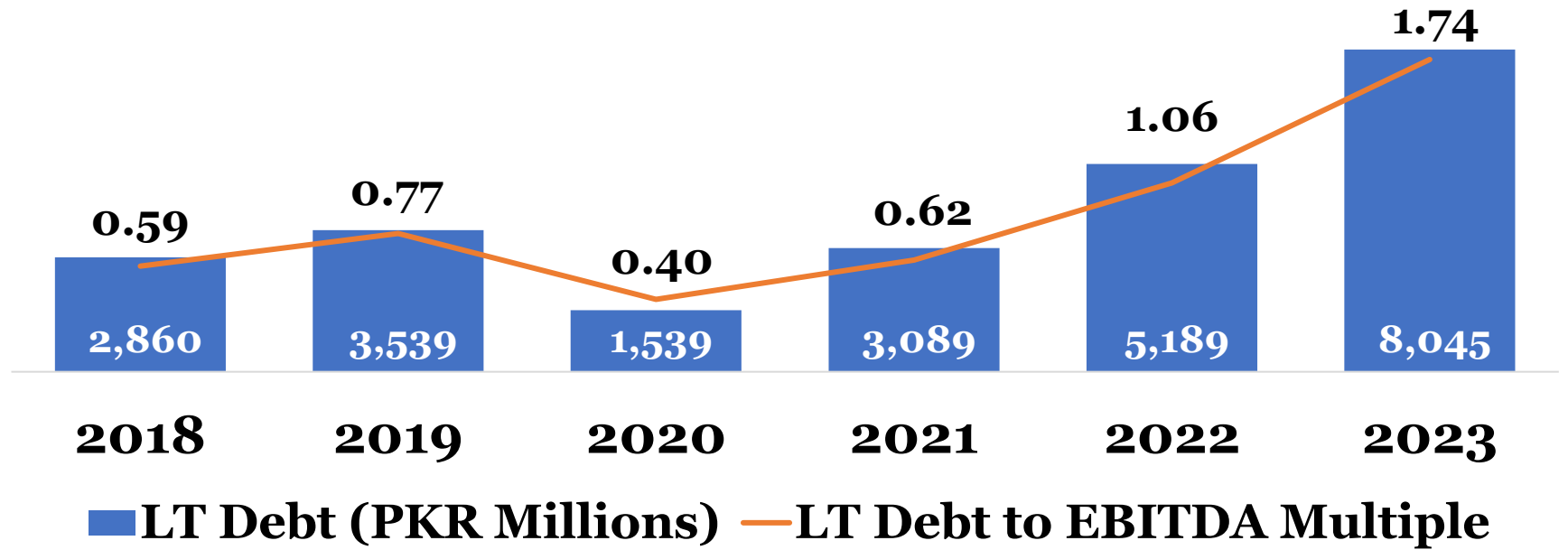
# Unconsolidated Statement of Profit or Loss – FY 2023

	Note	2023	2022
(Rupees in thousand)			
Dividend income	26	5,839,827	4,862,333
Rental income	27	553,478	487,448
<b>Operating revenue</b>		<b>6,393,305</b>	<b>5,349,781</b>
Administrative expenses	28	(860,049)	(683,942)
Net impairment loss on financial assets	22.5	(15,588)	(188,314)
Other expenses	29	(1,206,410)	(734,175)
Other income	30	214,771	1,097,155
<b>Operating profit</b>		<b>4,526,029</b>	<b>4,840,505</b>
Finance costs	31	(1,438,441)	(663,730)
<b>Profit before taxation</b>		<b>3,087,588</b>	<b>4,176,775</b>
Taxation	32	(309,557)	(309,017)
<b>Profit for the year</b>		<b>2,778,031</b>	<b>3,867,758</b>
(Rupees)			
<b>Earnings per share</b>			
- Basic	39.1	31.08	43.27
- Diluted	39.2	30.07	41.24

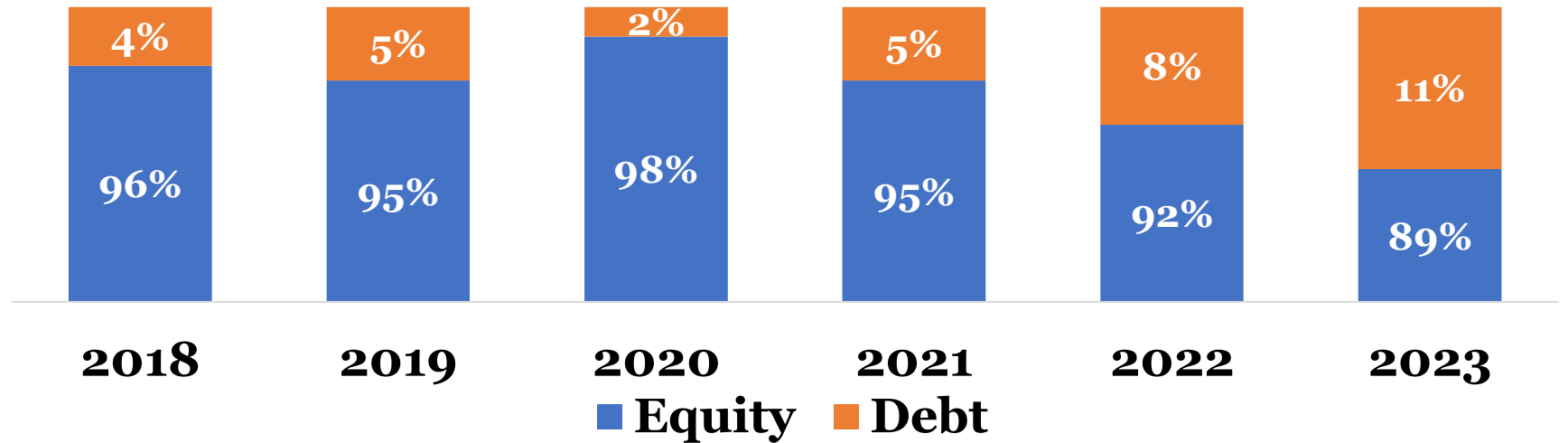
# Current Ratio Trend



# LT Debt to EBITDA Multiple



# Debt to Equity %



# Packages Limited

## Consolidated Statement of Profit or Loss

### for FY 2023



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# Consolidated Statement of Profit or Loss – FY 2023

	Note	2023	2022
		(Rupees in thousand)	
<b>Continuing operations</b>			
Revenue	37	156,972,082	121,893,589
Cost of sales and services	38	(120,048,016)	(96,546,304)
<b>Gross profit</b>		<b>36,924,066</b>	<b>25,347,285</b>
Administrative expenses	39	(5,150,083)	(3,968,767)
Distribution and marketing costs	40	(7,010,391)	(4,648,181)
Net impairment loss on financial assets		(239,437)	(184,287)
Other expenses	41	(2,968,711)	(3,420,479)
Other income	42	6,087,732	4,586,833
Investment income	43	997,773	1,204,252
Share of net profit of associates and joint ventures accounted for using equity method		289,177	251,656
<b>Operating profit</b>		<b>28,930,126</b>	<b>19,168,312</b>
Finance cost	44	(13,533,933)	(7,258,173)
<b>Profit before taxation</b>		<b>15,396,193</b>	<b>11,910,139</b>
Taxation	45	(5,003,209)	(4,930,310)
<b>Profit from continuing operations</b>		<b>10,392,984</b>	<b>6,979,829</b>
<b>Profit from discontinued operations</b>	46	96,281	-
<b>Profit for the year</b>		<b>10,489,265</b>	<b>6,979,829</b>
<b>Profit is attributable to:</b>			
Equity holders of the Parent Company		9,277,467	6,925,585
Non-controlling interests		1,211,798	54,244
		<b>10,489,265</b>	<b>6,979,829</b>
<b>Earnings per share for profit from continuing operations attributable to equity holders of the Parent Company during the year</b>			
		(Rupees)	
- Basic	53.1	102.72	77.49
- Diluted	53.2	95.24	72.12
<b>Earnings per share for profit attributable to equity holders of the Parent Company during the year</b>			
		(Rupees)	
- Basic	53.1	103.80	77.49
- Diluted	53.2	96.32	72.12

# Corporate Announcements



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# Corporate Announcements –2023

Related Company	Announcement	Date
Packages Trading FZCO	Incorporation of a wholly owned foreign subsidiary in the United Arab Emirates (UAE)	January 10, 2023
Hoechst Pakistan Ltd. (Formerly Sanofi-Aventis Pakistan Ltd.)	Completion of acquisition of substantial shareholding in Sanofi-Aventis Pakistan Limited	April 28, 2023
Anemone Holdings Limited & Flexible Packages Convertors (Proprietary) Limited	Disclosure of material information about Anemone Holdings Limited (wholly owned subsidiary of Packages Limited)	August 15, 2023
Hoechst Pakistan Ltd. (Formerly Sanofi-Aventis Pakistan Ltd.)	Approval of change of name	October 02, 2023

# 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.



**Date of Incorporation:  
14<sup>th</sup> December 2022**



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# 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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# Disclosure of Material Information about Anemone Holdings Limited (wholly owned subsidiary of Packages Limited)

In accordance with Sections 96 and 131 of the Securities Act, 2015 and Clause 5.6.1 of the Rule Book issued by the Pakistan Stock Exchange Limited ("PSX"), Packages Limited (the Company) hereby conveys the following information:

Flexible Packages Convertors (Proprietary) Limited, South Africa ('FPC') is an entity based in South Africa which is principally engaged in the manufacture & sale of flexible packaging material. Packages Limited, through its wholly owned subsidiary, Anemone Holdings Limited, Mauritius ('AHL'), controls 63.5% of the shareholding of FPC.

FPC recorded an unaudited loss before tax of ZAR 99 million in 2022 which tightened its already constrained working capital. As also disclosed in note 19.1.1 of the audited unconsolidated financial statements of the Company for the year ended December 31, 2022; the deteriorating financial performance and tough economic conditions coupled with low sales to key customers, unfavorable product mix and higher than anticipated variable and fixed costs furthered the cash burden on the working capital of FPC which started restraining the production capacity. Resultantly, Packages Limited carried out an estimate of the recoverable amount of the net assets and determined it to be lower than the carrying amount, therefore, an impairment loss of PKR 687 million was recognized in the unconsolidated financial statements for the year ended December 31, 2022.

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# Disclosure of Material Information about Anemone Holdings Limited (wholly owned subsidiary of Packages Limited)

During the six months period ended June 30, 2023, FPC recorded a further unaudited loss before tax of ZAR 38 million which coupled with the capping of outflow of remittances outside Pakistan on account of national economic scenario and hence non-remittance of investment proceeds to FPC, pushed it into further financial distress. Consequently, FPC was put under a legally mandated restructuring process to assess its profitability prospects and viability of operations. This restructuring assessment has been completed recently whereby the legally appointed Business Rescue Practitioner ('BRP') ascertained that FPC is unable to meet its liabilities towards creditors.

The BRP, in accordance with the applicable laws called for a meeting of the creditors to evaluate either to liquidate FPC or sell it as a going concern to repay outstanding creditors. The BRP has notified that the creditors have collectively voted in favor of the sale to a third party to partly settle their outstanding debts, subject to applicable regulatory approvals. Accordingly, the Company expects to recognize an additional loss of PKR 1,202 million in its financials for the half year ended 30 June 2023. However, the consolidated earnings of the Group will improve going forward due to the absence of the loss-making arm.



# Disclosure of Material Information – Approval of Change of Name

In continuation of our letters dated August 09, 2023 and September 05, 2023, we are pleased to inform you that the name of the Company has been changed to **Hoechst Pakistan Limited** with effect from September 27, 2023. A Certificate of Incorporation on Change of Name has been issued by the Securities and Exchange Commission of Pakistan in this respect, a copy of which is enclosed herewith.

The name “**Hoechst Pakistan Limited**” shall be accompanied by the phrase “**Formerly Sanofi-Aventis Pakistan Limited**” in parenthesis as prescribed under section 13 of the Companies Act, 2017. This change of name shall have no effect on the principal line of business of the Company.



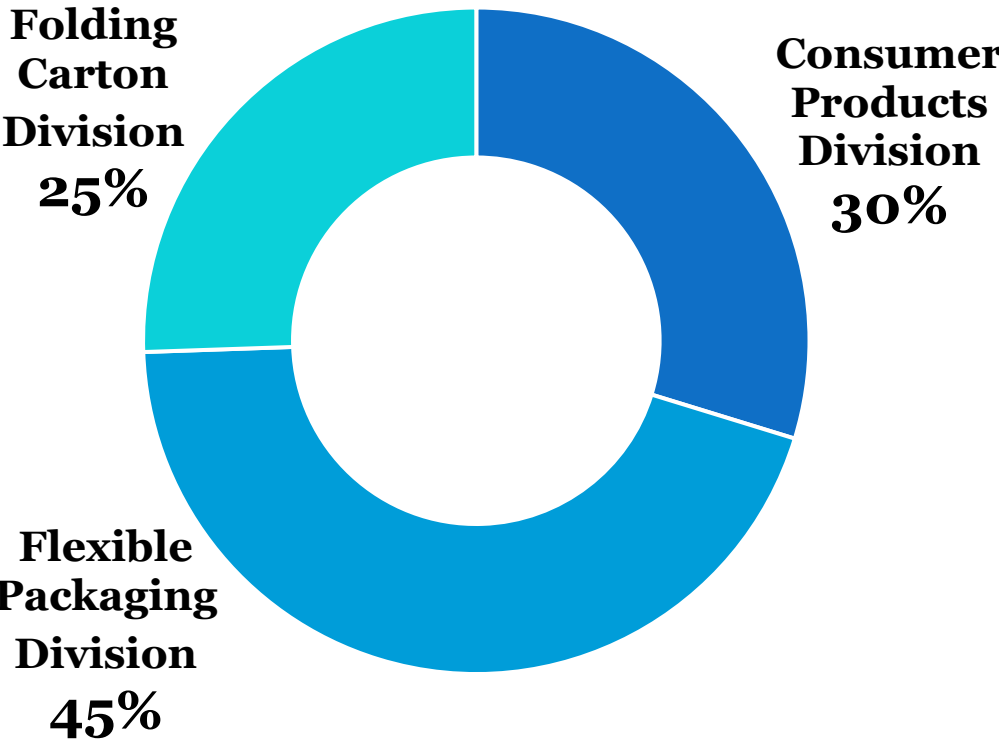
# Review of investment book of Packages Limited



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# Packages Converters Limited Snapshot 2023

## BU Wise Sales



**100%**  
Subsidiary

NET SALES (23 Vs 22)  
Rs 49.3B Vs Rs 41.6B  
**19%↑**

EBT (23 Vs 22)  
Rs 5.4B Vs Rs 2.6B  
**2.1x↑**



# Bulleh Shah Packaging (Pvt.) Limited Snapshot 2023



**100%**  
Subsidiary

**NET SALES (23 Vs 22)**  
**Rs 59.1B Vs Rs 47.6B**  
**24%↑**

**EBT (23 Vs 22)**  
**Rs 1.5B Vs Rs 5.5B**  
**-74%↓**

## OUR PRODUCTS



**CORRUGATED  
CARTONS**



**PAPER**



**BOARD**

## Bulleh Shah Packaging

Paper & Board  
Rs 42 billion in sales

Corrugated  
Packaging  
Rs 17 billion in sales

Karachi

Kasur



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# DIC Pakistan Limited Snapshot 2023



**54.98%**  
Joint Venture  
**DIC GLOBAL**

NET SALES (23 Vs 22)  
Rs 10.6B Vs Rs 9.4B

14%↑

EBT (23 Vs 22)  
Rs 1.9B Vs Rs 1.1B

75%↑

## OUR PRODUCTS

### ROTOGRAVURE INKS



### FLEXOGRAPHIC INKS



### SHEET FED OFFSET INKS



# Packages Real Estate (Pvt.) Limited Snapshot 2023



Packages Mall

75.16%  
Subsidiary

NET SALES (23 Vs 22)  
Rs 5.3B Vs Rs 4.6B

15%↑

EBT (23 Vs 22)  
Rs 672M Vs Rs 592M

13%↑



# Tri-Pack Films Limited Snapshot 2023



**69.26%**  
Subsidiary

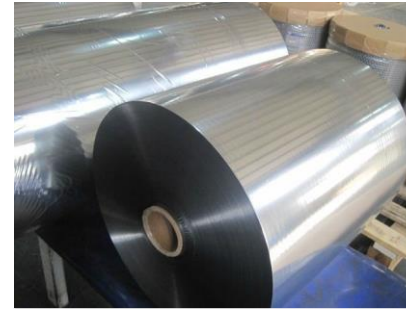
NET SALES (23 Vs 22)  
Rs 24.8B Vs Rs 24.1B

3%↑

EBT (23 Vs 22)  
Rs 1.7B Vs Rs 1.4B

24%↑

## 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 (Pvt.) Limited Snapshot 2023



**50%**  
Joint Venture  
**OMYA**  
**SWITZERLAND**

NET SALES (23 Vs 22)  
Rs 1.6B Vs Rs 1.1B

**40%↑**

EBT (23 Vs 22)  
Rs 338M Vs Rs 131M

**2.6x↑**

## OUR PRODUCTS



**Calcium Carbonate**  
Dry Process  
Wet Process

# StarchPack (Pvt.) Limited

## Snapshot 2023

### 1<sup>st</sup> Year of Operations



100%  
Subsidiary

NET SALES (2023)  
Rs 52.4M

EBT (2023)  
Rs (364M)

## OUR PRODUCTS



Starches



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# Hoechst Pakistan Limited (Formerly Sanofi-Aventis) Snapshot 2023



41.07%  
Subsidiary

NET SALES (23 Vs 22)  
Rs 21.4B Vs Rs 18.6B

15%↑

EBT (23 Vs 22)  
Rs 916M VS Rs 724M

27%↑

## OUR PRODUCTS

Flagyl®

Lasix®  
Frusemide

Plavix®

Amaryl®  
Glimepiride

LANTUS®  
insulin glargine

Toujeo®  
insulin glargine 300U/mL



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# Packages Lanka (Pvt.) Limited – Sri Lanka Snapshot 2023 (LKR)



79.07%  
Subsidiary

NET SALES (23 Vs 22)  
LKR 4.7B Vs LKR 5.0B

-6%↓

EBT (23 Vs 22)  
LKR 818M VS LKR 849M

-4%↓

## OUR HARDWARE & PRODUCTS



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

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



# Packages Trading FZCO – UAE

## Snapshot 2023 (AED)

### 1<sup>st</sup> Year of Operations



100%  
Subsidiary

NET SALES (2023)  
AED 5.5M

EBT (2023)  
AED (0.9M)



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# Questions & Answers



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# Thank you

[www.packages.com.pk](http://www.packages.com.pk)

