



# MERIT PACKAGING LIMITED

Registered Office & Corporate Department

LAKSON SQUARE, BUILDING NO.2, SARWAR SHAHEED ROAD, KARACHI-74200, PAKISTAN.

November 07, 2024

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

Dear Sir,

**PRESENTATION - CORPORATE BRIEFING SESSION  
MERIT PACKAGING LIMITED**

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Further to our letter dated November 05, 2024 regarding Corporate Briefing Session of the Company for the financial year 2024.

Presentation for the Corporate Briefing Session to be held virtually through Zoom on November 08, 2024 at 03:30 p.m. is attached.

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

Kindly acknowledge.

Thanking you,

Yours faithfully,  
For **MERIT PACKAGING LIMITED**

  
(MANSOOR AHMED)  
Company Secretary

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The background of the slide is a photograph of a modern, multi-story building under construction. A tall construction crane is visible against the sky. The building has a mix of grey and light-colored panels and large windows. The sky is a pale blue with some light clouds.

# **Corporate Briefing Session**

# **MERIT PACKAGING LIMITED**

## **November 08, 2024**



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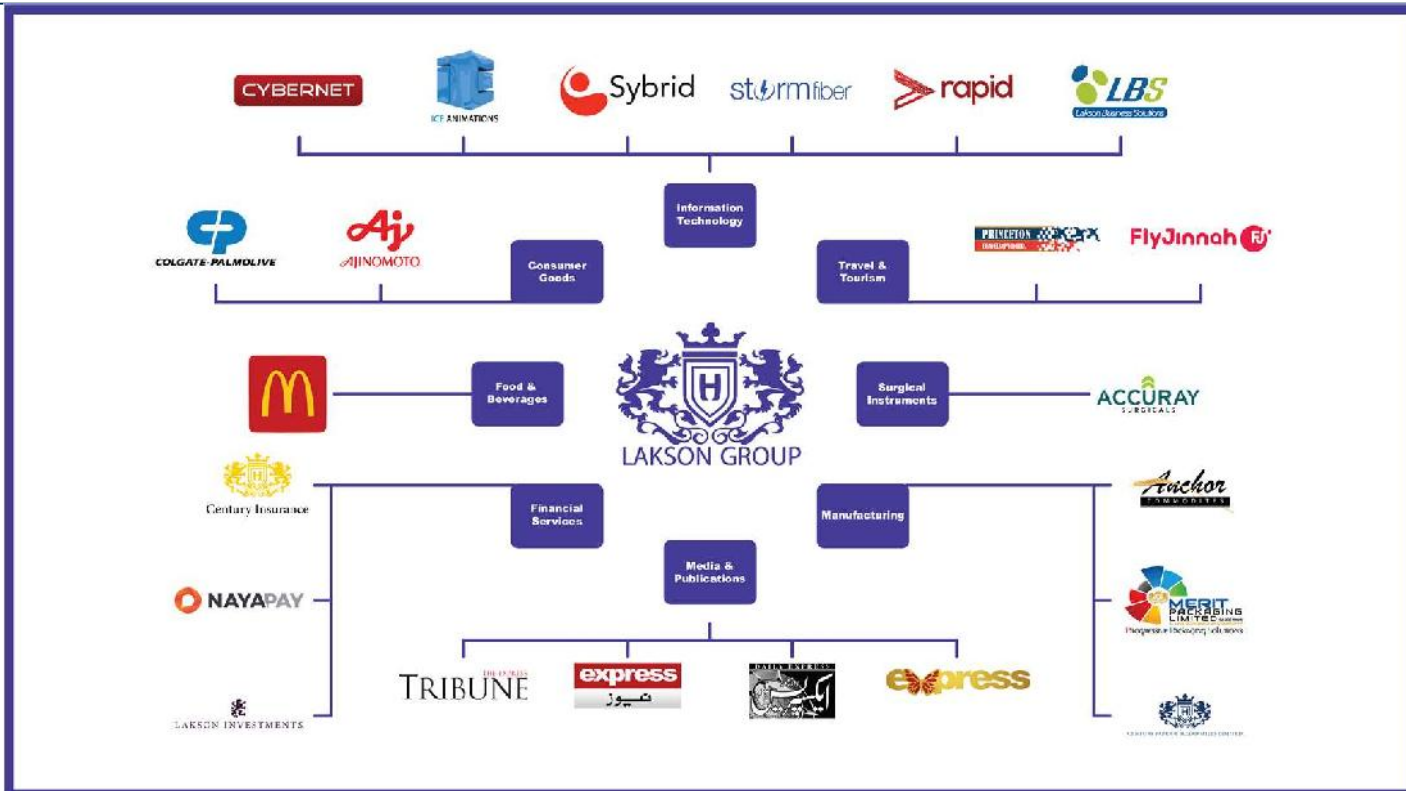
Illustrative pictures are downloaded from freepick.com under the free-to-use license agreement.

## LAKSON HISTORY

- Established in 1954 by Mr. Hasan Ali Karabhai as a trading concern
- Grew organically over decades under the leadership and guidance of owners and sponsors
- Group assets exceed USD 1.05 Billion
- Domestic presence in more than 50 cities
- International presence in UAE and USA
- Employees of more than 17,000 persons
- Diversified portfolio of companies that are industry leaders



# LAKSON GROUP





## ABOUT US



- Established in 1980
- Experience of over 4 decades in the packaging industry
- One of three companies in Pakistan with Offset and flexible packaging
- Customer portfolio of local and multi-national corporations
- European machines providing unmatched quality



# CUSTOMER PORTFOLIO

## LOCAL BRANDS AND CUSTOMERS



## INTERNATIONAL BRAND



\* All trademarks are the property of the respective owners

## OUR CERTIFICATIONS



ecovadis



شهادة الحلال العالمية  
International Halal Certification



\* All trademarks are the property of the respective owners



## VISION

To emerge as a preeminent force in the packaging industry, harmonizing our clients' packaging aspirations with our unparalleled expertise, driving innovation, sustainability, and value creation.



## MISSION

At Merit Packaging Limited, we are dedicated to complementing our clients' packaging ambitions with our unrivaled expertise and commitment to excellence. We strive to:

- 1) **Collaborate closely** with our clients to understand their unique packaging needs and deliver tailored solutions that exceed expectations.
- 2) **Infuse** each packaging solution with ingenuity, precision, and meticulous attention to detail, ensuring both product protection and narrative allure, resulting in consumer engagement and loyalty.
- 3) **Cultivate a culture** of continuous learning, creativity, and collaboration, empowering our team members to thrive personally and professionally.
- 4) **Uphold the highest standards** of integrity, transparency, and ethical conduct in all our interactions, building trust and fostering enduring partnerships with our clients, suppliers, and communities.
- 5) **Champion diversity and inclusion**, fostering a workplace where all voices are heard, valued, and respected.
- 6) **Embrace sustainability** as a core value, integrating eco-conscious practices into our operations and product offerings, to uphold environmental stewardship and social responsibility.

# VALUES

Our values and priorities have helped our business to continue to forge ahead during the unprecedented challenges of the past year.



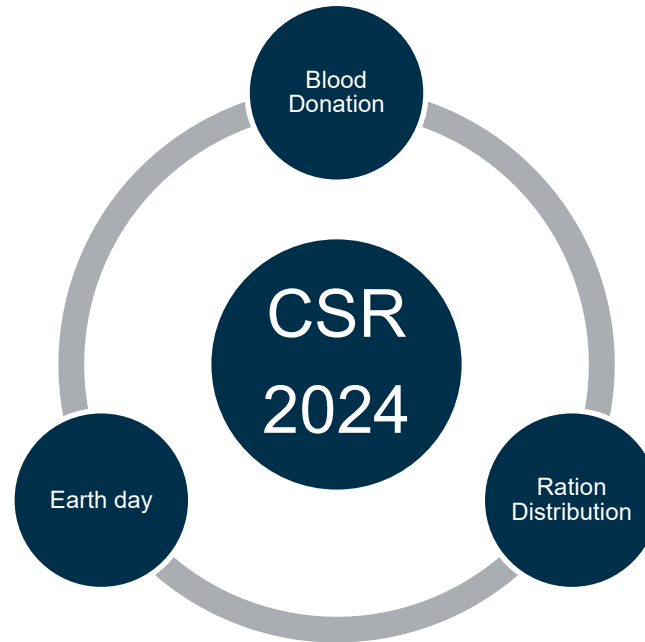
# OUR CULTURE

People are the core of our journey. We believe in the holistic well-being of our employees.



# CSR ACTIVITIES

We believe in giving back to the society and community



## SUSTAINABLE PACKAGING

- Use of FSC-certified board
- Water-based ink-reducing VOC footprint
- Production wastage sent to sister concern for recycling
- Sourcing of raw materials from responsible plastic suppliers
- Plastic waste is recycled to produce various plastic toys and utilities



# PRODUCTION FACILITY

## OFFSET DIVISION

- High-end printing technology
- Capacity to produce more than 1300 MT per month
- State-of-the-art printing technology
- Efficient post-press machines to support high-speed creasing & cutting and folding & gluing



# PRODUCTION FACILITY

## GRAVURE DIVISION

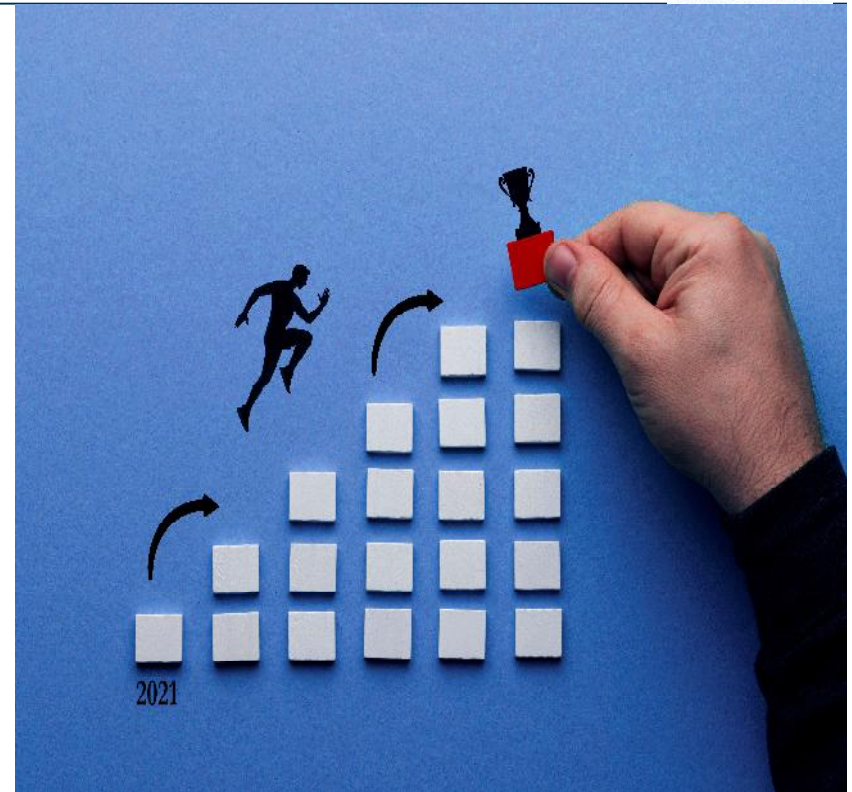
- State-of-the-art BOBST gravure printing machine
- Capable of producing 9 color printing
- Top-notch laminators and slitters
- 3 Laminators, 2 Slitters, 2 Rewinders





## ACHIEVEMENTS SINCE 2021

- Reduced losses from Rs. 565 million to Rs. 183 million despite unprecedented discount rates and economic slowdown
- Increased GP by 1,190% from a loss of 42 million to a profit of Rs. 458 million
- Revenue expansion by 128.71%
- Operating cash generation grew from negative Rs. 143 million to Rs. 417 million
- Revamped production facility infrastructure from own funds
- Became a top supplier to various companies
- Reduced accumulated loss from Rs. 1.7 billion to Rs. 1.2 billion
- Explored and materialized direct and indirect exports to Kenya and the UK



## ECONOMIC CHALLENGES

- Decelerated growth due to multiple global geo-political.
- Economic slowdown across all sectors
- Frustratingly slow last quarter of FY 2024
- High inflation in FY 2024
- Record high discount rates
- Depleted purchasing power parity
- Low GDP Growth



## ACHIEVEMENTS IN A GLOOMY ECONOMY

- Retained position being the top supplier
- Increased revenue despite reduced economic activity
- Growth in topline by 4.7% from last year
- Reduction in bottom line loss by 2%
- Exported to Africa and UK with bright prospects awaiting in FY 2025



## SPONSOR SUPPORT

- Unwavering support from sponsors in the shape of:
  - ✓ Injection of funds through the right issue in FY 2022 of Rs. 1.4 billion
  - ✓ Time-to-time rescheduling of sponsor loans
  - ✓ Keeping sponsor loan interest-free
  - ✓ New loan of Rs. 250 million offered by sponsors in FY 2021
  - ✓ Total sponsor loan amounts to Rs. 1.45 billion
  - ✓ Sale and leaseback alleviating the finance cost



# FINANCIAL SUMMARY

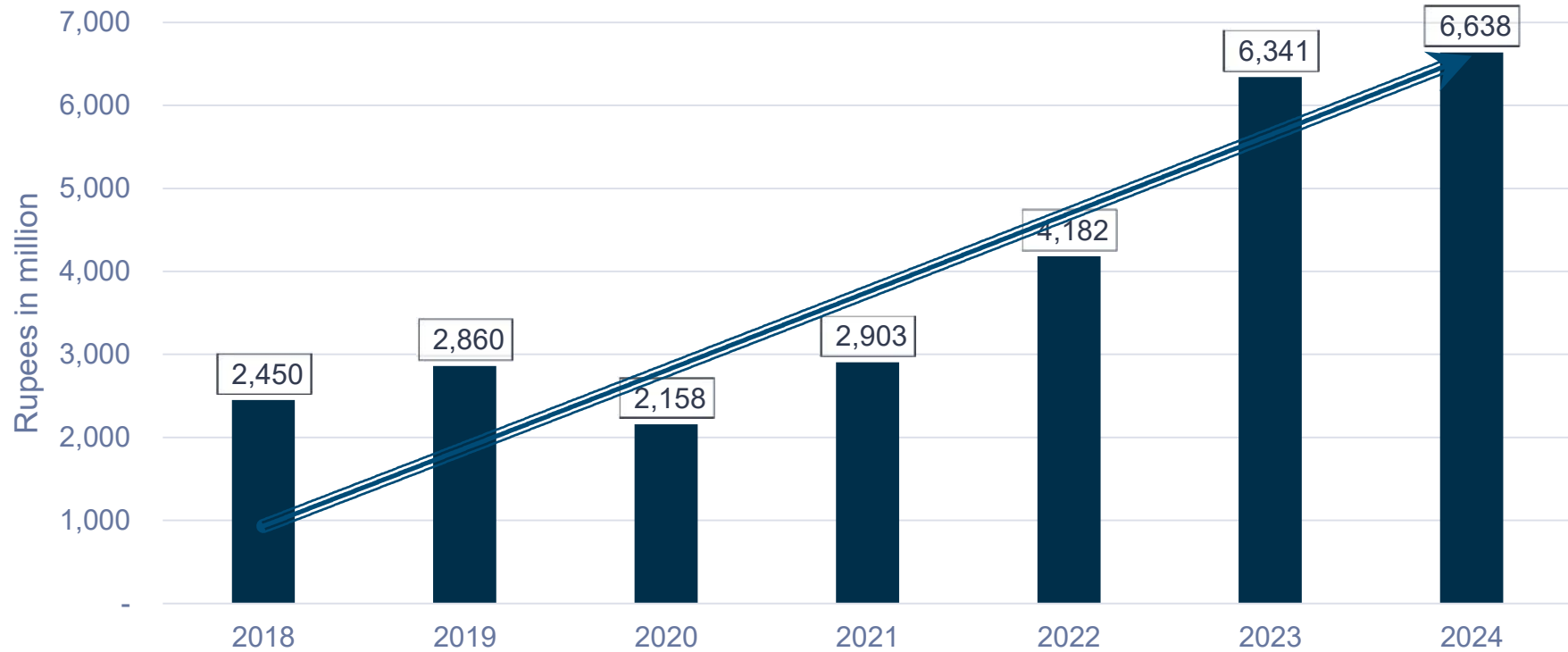
## VERTICAL ANALYSIS

## HORIZONTAL ANALYSIS

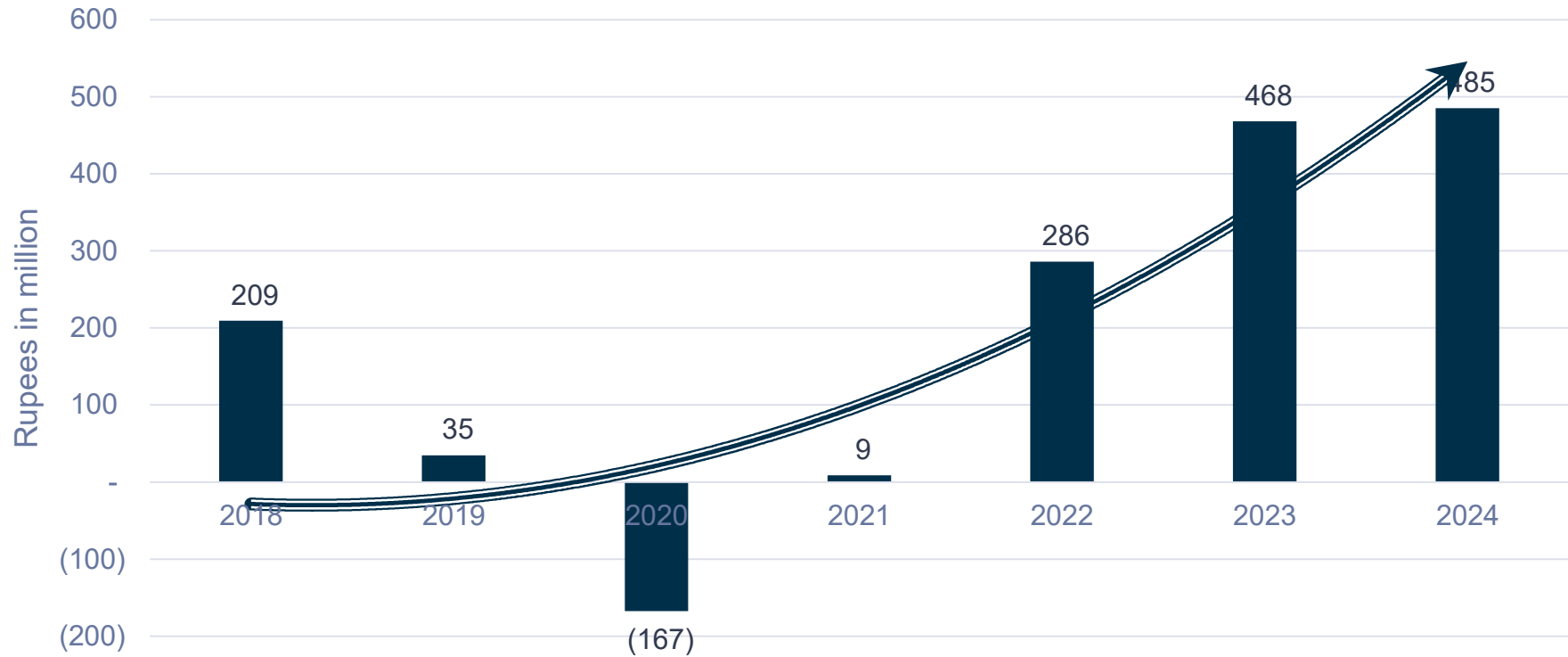
	2024		2023 (restated)	
	Rs. '000	%	Rs. '000	%
<b>PROFIT &amp; LOSS ACCOUNT</b>				
Sales - net	6,638,477	100%	6,340,624	100%
Cost of sales	(6,180,364)	-93%	(5,849,026)	-92%
Gross profit / (loss)	458,113	7%	491,597	8%
Operating expenses	(209,544)	-3%	(212,848)	-3%
Operating profit / (loss)	248,569	4%	278,749	4%
Financial charges	(351,728)	-5%	(344,285)	-5%
Profit/(loss) before taxation	(103,159)	-2%	(65,536)	-1%
Profit/(loss) after taxation	(186,362)	-3%	(189,912)	-3%
<b>BALANCE SHEET</b>				
<b>Assets</b>				
Property, plant and equipment	2,921,484	55%	4,430,917	62%
Right of use assets	140,062	3%	-	0%
Other non-current assets	12,401	0%	12,493	0%
Current Assets	2,253,836	42%	2,713,194	38%
<b>Total Assets</b>	<b>5,327,783</b>	<b>100%</b>	<b>7,156,604</b>	<b>100%</b>
<b>Equity &amp; Liabilities</b>				
Share capital & reserves	2,923,913	55%	2,951,691	41%
Non-current liabilities	332,846	6%	1,538,582	21%
Current liabilities	2,071,024	39%	2,666,331	37%
<b>Total equity and Liabilities</b>	<b>5,327,783</b>	<b>100%</b>	<b>7,156,604</b>	<b>100%</b>

	2024		2023 (restated)	
	Rs. '000	%	Rs. '000	%
<b>PROFIT &amp; LOSS ACCOUNT</b>				
Sales - net	6,638,477	5%	6,340,624	52%
Cost of sales	(6,180,364)	6%	(5,849,026)	49%
Gross profit / (loss)	458,113	-7%	491,597	94%
Operating expenses	(209,544)	-2%	(212,848)	33%
Operating profit / (loss)	248,569	-11%	278,749	200%
Financial charges	(351,728)	-2%	(344,285)	-31%
Profit/(loss) before taxation	(103,159)	-57%	(65,536)	-62%
Profit/(loss) after taxation	(186,362)	2%	(189,912)	13%
<b>BALANCE SHEET</b>				
<b>Assets</b>				
Property, plant and equipment	2,921,484	-34%	4,430,917	48%
Right of use assets	140,062	100%	-	0%
Other non-current assets	12,401	-1%	12,493	-95%
Current Assets	2,253,836	-17%	2,713,194	17%
<b>Total Assets</b>	<b>5,327,783</b>	<b>-26%</b>	<b>7,156,604</b>	<b>29%</b>
<b>Equity &amp; Liabilities</b>				
Share capital & reserves	2,923,913	-1%	2,951,691	60%
Non-current liabilities	332,846	-78%	1,538,582	-6%
Current liabilities	2,071,024	-22%	2,666,331	30%
<b>Total equity and Liabilities</b>	<b>5,327,783</b>	<b>-26%</b>	<b>7,156,604</b>	<b>29%</b>

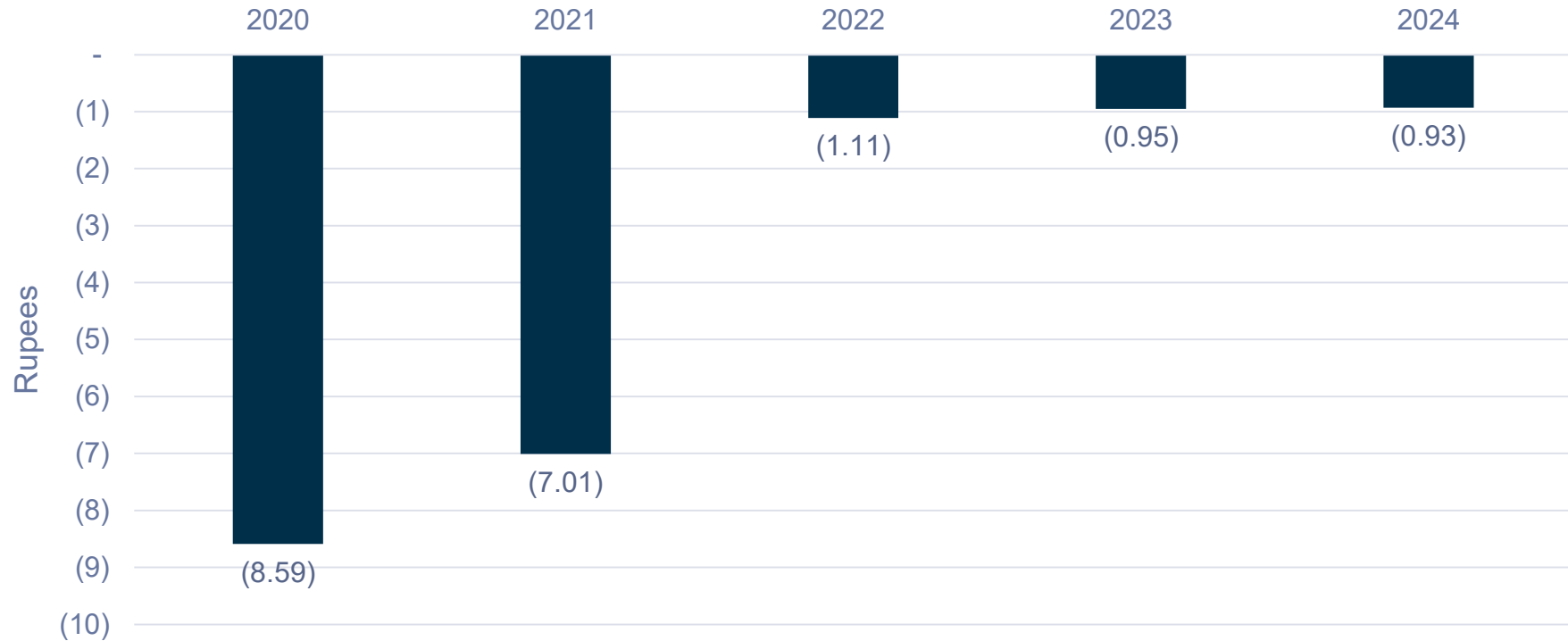
# REVENUE



# EBITDA



## LOSS PER SHARE



\* 2022, 2023 EPS restated



## OUTLOOK

- Lurking shadows of regional conflict escalations impacting international prices
- Discount rate may drop to 12% by the end of this Fiscal year
- PKR parity to remain stable which is largely based on the successful continuation of the IMF program
- Enhanced economic activity is yet to have a trickle-down effect on the Purchasing Power of the masses
- Inflation is low however, increased economic activity may drive inflation upward
- Working closely with suppliers and customers to improve products, secure margins, and volume





**THANK YOU**  
**FOR YOUR PARTICIPATION**