



MEHRAN SUGAR MILLS LIMITED

CORPORATE BRIEFING SESSION

APRIL 2025





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MANAGEMENT INFORMATION

Board of Directors

Mr. Mohammed Kasim Hasham

Chairman

Mr. Mohammed Hussain Hasham

Executive Director

Mr. Iftikhar Soomro

Independent Director

Mr. Hasan Aziz Bilgrami

Independent Director

Mr. Khurram Kasim

Non-Executive Director

Mr. Ahmed Ebrahim Hasham

Executive Director

Mrs. Anushey A. Hasham

Non-Executive Director

Management Team

Mr. Ahmed Ebrahim Hasham

Chief Executive Officer

Mr. Muhammad Hanif Aziz

Chief Financial Officer

Mr. Muhammad Ubaid-ur-Rehman

Technical Director

Mr. Ali Hassan

GM Finance & Company Secretary



IMPORTANT EVENTS / SYNOPSIS

1. Crushing season 24-25 has surprised everyone with the initial crop estimate. Production now stood at approx. 6.0 Million tons with consumption at 6.4-6.6 Million Tons.
2. Mehran's Sugar production is 72,600 Tons as compared to 97,300 Tons in the previous year.
3. Due to lower crop size, Cane Procurement competition was aggressive in our region during the crushing season and we procured cane at around Rs. 460 per mound. Further there were reduction in overall recovery in Pakistan around 0.5%, Ours recovery also dropped from 10.79% last year to 10.22% during this year.
4. Future profitability will depend upon future direction of the sugar prices.
5. Replacement values for sugar imports today stand at Rs. 200 per kg with sales tax, thus allowing local prices to stabilize at Rs. 160 -170 per kg with sales tax in the short term.



FINANCIAL HIGHLIGHTS - QUARTER ENDED DEC'2024

Income Statement

Sales & Profitability

Turnover-net

Turnover - net

Cost of Sales

Gross Profit

Operating Profit

Profit before tax & levies

Profit for the year after tax & levies

Rupees in thousands
2024 2023

3,908,643

1,705,052

3,566,651

1,411,026

341,993

294,026

346,488

576,757

284,758

505,816

227,120

474,121

Financial Position

Fixed Assets-net

Financial Asset

Other non-current assets

A

2,424,423

2,506,737

1,133,675

1,817,906

3,558,098

4,324,643

Current Assets

Current Liabilities

Working Capital

B

9,122,778

7,914,475

(8,713,409)

(6,629,229)

409,369

1,285,246

Capital Employed

Less: Non-Current Liabilities

Shareholder's Equity

A+B

3,967,467

5,609,889

(959,610)

(1,256,317)

3,007,857

4,353,572

Represented By:

Issued, subscribed and paid-up capital

Reserves

749,276

605,476

2,258,851


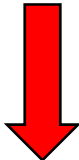
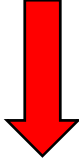


3,604,295

3,008,127

4,209,771



OPERATIONAL HIGHLIGHTS OF SEASON 2024-25

	2024-25	2023-24	Variance
Crushing (M. Tons)	710,803	902,931	 -21%
Sucrose Recovery (%)	10.22	10.79	 -5%
Sugar Production (M. Tons)	72,643	97,384	 -25%
Molasses Production (M. Tons)	32,888	40,255	 -18%
Bagasse Saving (M. Tons)	44,455	73,048	 -39%



FINANCIAL HIGHLIGHTS - YEAR ENDED SEP'2024

Income Statement

Rupees in thousands
2024 2023

Sales & Profitability

Turnover-net	10,988,868	10,983,532
Cost of Sales	10,093,839	8,619,570
Gross Profit	895,029	2,363,963
Operating Profit	1,230,092	2,164,221
(Loss) / profit before tax & levies	(675,277)	2,280,535
(Loss) / profit for the year after tax & levies	(799,027)	1,442,950

Financial Position

Fixed Assets - net		
Financial Asset	2,485,982	2,463,671
Other non-current assets	1,129,853	1,807,134
A	3,615,835	4,270,804

Current Assets	4,188,425	2,332,686
Current Liabilities	(3,978,359)	(1,456,325)
B	210,066	876,361

Capital Employed	A+B 3,825,901	5,147,166
Less: Non-Current Liabilities	(1,045,163)	(1,267,715)
Shareholder's Equity	2,780,738	3,879,450

Represented By:

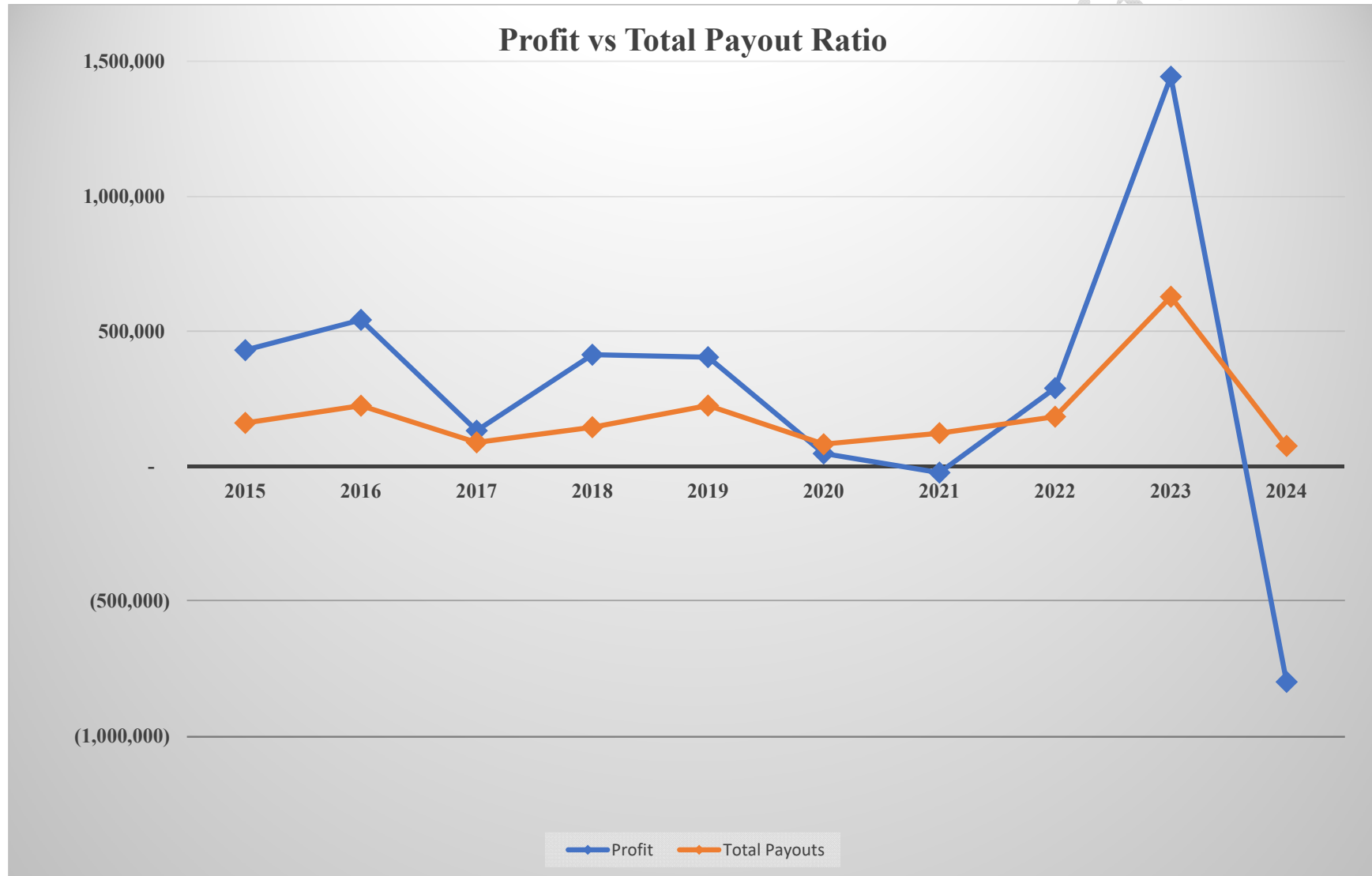
Issued, subscribed and paid-up capital	749,276	749,276
Reserves	2,031,462	3,130,174
	2,780,738	3,879,450



LAST TEN YEARS' PROFITABILITY VS PAYOUT RATIO

Rupees in thousand

Financial Year	Profit (Sugar Division)	Share of profit from associates	Profit for the year	Cash Dividend Rs.	Stock Dividend Rs.	Total Payout	Payout as % of Profits
2015	336,066	93,969	430,034	160,156	-	160,156	37.2%
2016	425,548	116,259	541,807	224,220	-	224,220	41.4%
2017	31,563	100,113	131,675	88,086	-	88,086	66.9%
2018	72,882	340,016	412,898	96,094	48,047	144,141	34.9%
2019	78,944	324,890	403,834	127,084	97,615	224,699	55.6%
2020	(29,893)	76,920	47,027	58,247	23,299	81,546	173.4%
2021	(85,414)	61,598	(23,816)	73,391	48,927	122,319	N/A
2022	(150,776)	440,138	289,361	40,365	142,960	183,325	63.4%
2023	531,158	911,791	1,442,949	551,740	75,684	627,425	43.5%
2024	(146,746)	(652,281)	(799,027)	74,928	-	74,928	N/A





SIX YEARS' REVIEW AT A GLANCE

	2024	2023	2022	2021	2020	2019
Operational Trends						
Sugarcane crushed - M. Tons	902,931	804,872	856,944	682,253	654,339	702,259
Sugar produced - M. Tons	97,384	85,796	95,642	73,092	72,821	80,332
Sucrose recovery - %	10.79	10.66	11.16	10.72	11.13	11.44
Balance Sheet						
	Rupees in million					
Share capital	749.28	749.28	605.48	489.27	465.97	405.20
Reserves	2,031.46	3,130.17	2,144.17	2,006.55	2,141.54	2,009.70
Shareholders' equity	2,780.74	3,879.45	2,749.65	2,495.82	2,607.51	2,414.90
Non-current liabilities	1,045.16	1,267.72	879.45	1,278.32	1,482.07	1,103.44
Current liabilities	3,978.36	1,456.32	2,966.79	2,118.64	1,111.14	3,445.11
Total Equity & Liabilities	7,804.26	6,603.49	6,595.89	5,892.78	5,200.72	6,963.45
Fixed Assets	2,485.98	2,463.67	2,497.62	2,424.39	2,271.66	2,190.68
Non-current assets	1,129.85	1,807.13	1,330.51	1,257.28	1,514.08	1,363.24
Current assets	4,188.43	2,332.69	2,767.76	2,211.11	1,414.98	3,409.53
Total assets	7,804.26	6,603.49	6,595.89	5,892.78	5,200.72	6,963.45
Financial Trends						
	Rupees in million					
Turnover	10,988.87	10,983.53	6,898.03	6,063.54	6,424.68	5,311.77
Gross profit	895.03	2,363.96	807.41	636.86	465.14	820.31
Operating profit	1,230.09	2,164.22	524.40	416.19	454.59	572.03
EBITDA	796.26	3,107.49	1,108.41	488.51	682.79	1,067.79
EBIT	577.81	2,915.83	920.06	282.44	504.97	896.92
Pre-tax profit	(675.28)	2,280.53	393.74	17.89	162.65	512.15
After-tax profit / (loss)	(799.03)	1,442.95	289.36	(23.82)	47.03	403.83
Capital Expenditure	164.04	165.69	410.00	28.54	267.65	178.29



Rupees in million

Profitability Indicators

Gross profit margin (%)	8.14	21.52	11.70	10.50	7.24	15.44
Operating Profit margin (%)	11.19	19.70	7.60	6.86	7.08	10.77
Net profit margin (%)	(7.27)	13.14	4.19	(0.39)	0.73	7.60
Return on shareholders' equity (%)	(28.73)	37.19	10.52	(0.95)	1.80	16.72
Return on capital employed (%)	15.10	56.65	25.35	7.48	12.35	25.49
Return on total assets (%)	(10.24)	21.85	4.39	(0.40)	0.90	5.80
EBITDA margin (%)	7.25	28.29	16.07	8.06	10.63	20.10

Investment Valuation

Rupees

Earnings / (Loss) per share	(10.66)	19.26	3.86	(0.49)	1.01	9.97
Break-up value per share	37.11	51.78	45.41	51.01	55.96	59.60
Price earnings ratio	(3.95)	2.24	9.31	(93.88)	73.42	5.77
Dividend yield (%)	2.38	17.40	2.09	3.26	1.69	5.65
Dividend payout (%)	(9.38)	38.95	19.43	(306.12)	123.76	32.60
Market value per share at year end	42.08	43.10	35.95	46.00	74.15	57.50
Cash Dividend (%)	10.00	75.00	7.50	15.00	12.50	32.50
Bonus Shares (%)	-	10.00	25.00	10.00	5.00	25.00

Capital Structure Ratios

Debt Ratio (Debt to Capitalization)	0.64	0.41	0.58	0.58	0.50	0.65
Debt to Equity Ratio	1.81	0.70	1.40	1.36	0.99	1.88
Interest cover ratio	0.46	4.59	1.75	1.07	1.48	2.33

Liquidity measurement

Current ratio	1.05	1.60	0.93	1.04	1.27	0.99
Quick ratio	0.99	1.40	0.85	0.95	1.12	0.94



FUTURE OUTLOOK AND OPPORTUNITY

1. The need of the time is to bring new varieties with high sucrose recovery to improve our overall sugar production. Therefore, research and development needs to be given preferred attention for continuous improvement. While Pakistan's national recovery remains between 9.50-10.00% there are varieties being developed which could fetch recoveries of 12.00% and higher. Such varieties would make Pakistan globally competitive thus enhancing both farmer and miller revenue. Mehran at its own has initiated a variety development project to study and suggest ways and means to increase farm yield.



2. There also lies potential in increasing farm yields, which would reduce the cost of the farmer thus making sugar cane cheaper as a raw material.
3. Growing awareness has paved the way for brand loyalty. Mehran has also ventured into retail segment by launching Branded Sugar through its two brands “Sugarie” and “Chashnik”. These products are now showing their presence & potential in the niche market.
4. A modern and energy efficient sugar mill should aim to save a minimum 10 percent of cane crushed in the form of Bagasse. We are presently at 8 percent and see this as a revenue opportunity.
5. We are shifting our focus onto cane development where we feel the potential of cane yields increasing at farm level is tremendous. Once we work with our



farmer, it will allow their sugarcane plantations revenue to compete with other crops. The larger cane crop will provide more feedstock for mills to crush.



QUESTION & ANSWER