

MEHRAN  
SUGAR  
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LIMITED



# MEHRAN SUGAR MILLS LIMITED

Corporate Briefing Session



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**COMPANY PROFILE**

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## Mehran History

Mehran Sugar Mills Limited (MSML), incorporated in 1965 as a public limited company, is one of the country's oldest and most reputable sugar company. We cherish this reputation and guard it safely. Mehran with its integrated operations and strategic investments in the sugar and ethanol value chain continues to reinforce its position as a resilient and forward-looking participant in Pakistan's agribusiness sector.

Date of  
Incorporation

February 19, 1965

Location of  
Mills

Tando Allahyar

Head Office

Karachi

Board of  
Directors

Mr. Muhammed Hussain Hasham

Mr. Iftikhar Soomro

Mr. Hasan Aziz Bilgrami

Mr. Khurram Kasim

Mr. Ahmed Ebrahim Hasham

Mrs. Anushey A. Hasham

Auditor

Grant Thornton Anjum Rahman  
Chartered Accountants



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# PAKISTAN SUGAR INDUSTRY OVERVIEW



# Pakistan SUGAR INDUSTRY OVERVIEW OF SEASON 2024-25

- ▶ Pakistan's sugar output in 2024–25 was **5.86 million** metric tons.
- ▶ Domestic demand for sugar in Pakistan is generally estimated in the range of **6.5–6.7 metric tons** annually, implying a gap in production and demand.
- ▶ Government imported around **281,000 metric tons** sugar to fill the above gap in demand and supply.



# Important Events

## 2024-25

- Mehran was able to receive its pending subsidy totaling Rs. **297 million** which was receivable since 2018.
- A 3<sup>rd</sup> FFE was installed at a cost of **Rs. 180 Million** and is successfully running with satisfactory results meaning improved bagasse savings. The gold standard to being super energy efficient would require a total of 5 FFE's and thus a further two would eventually be required along with allied infrastructure.
- Investment in Sugarcane development program reached to **Rs. 200 million** and it was the first year where instead of internal cash flows we did a collaboration with Faysal Bank Ltd. for these payments.
- Equity investments led to a realized / unrealized gain of Rs. **1.4 billion** which was a record high.
- Corporate sales of sugar reached **67%** of total sales for season 2024-25 which is a record high. We continue to aim for a situation where 100 percent sales can be to premium corporate clients.

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# OPERATIONAL HIGHLIGHTS

for the year ended September 30, 2025

Operational Highlights

<b>Operational Highlights</b>	<b>2025</b>	<b>2024</b>	
<b>Crushing - M. Tons</b>	710,803	902,931	↓
<b>Sucrose Recovery</b>	10.22%	10.79%	↓
<b>Sugar Production - M. Tons</b>	72,643	97,384	↓
<b>Molasses Production - M. Tons</b>	33,247	40,809	↓
<b>Molasses Recovery</b>	4.68%	4.46%	↑

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# FINANCIAL HIGHLIGHTS

for the year ended September 30, 2025

**Financial Highlights****AS AT 30 SEPTEMBER 2025**

	<b>UOM</b>	<b>2025</b>	<b>2024</b>	<b>%</b>	<b>+ / -</b>
<b>Sales</b>	<b>Rs. In Million</b>	<b>13,573</b>	<b>10,989</b>	<b>+23.52%</b>	<b>+</b>
<b>Gross Profit</b>	<b>Rs. In Million</b>	<b>2,010</b>	<b>895</b>	<b>+124.59%</b>	<b>+</b>
<b>Operating Profit</b>	<b>Rs. In Million</b>	<b>1,249</b>	<b>407</b>	<b>+206.88%</b>	<b>+</b>
<b>Finance Cost</b>	<b>Rs. In Million</b>	<b>442.73</b>	<b>1,253.09</b>	<b>-64.67%</b>	<b>-</b>
<b>Profit /(loss) before tax</b>	<b>Rs. In Million</b>	<b>2,755</b>	<b>(675)</b>	<b>+507.92%</b>	<b>+</b>
<b>Profit / (loss) after tax</b>	<b>Rs. In Million</b>	<b>2,174</b>	<b>(799)</b>	<b>+372.09%</b>	<b>+</b>
<b>Earnings / (loss) per Share</b>	<b>Rupees</b>	<b>29.02</b>	<b>(10.66)</b>	<b>+372.24%</b>	<b>+</b>
<b>Shareholders' Equity</b>	<b>Rs. In Million</b>	<b>4,768</b>	<b>2,781</b>	<b>+71.45%</b>	<b>+</b>
<b>Book value per share</b>	<b>Rupees</b>	<b>63.63</b>	<b>37.11</b>	<b>+71.45%</b>	<b>+</b>



# STATEMENT OF FINANCIAL POSITION

## AS AT 30 SEPTEMBER 2025

### ASSETS

#### **NON-CURRENT ASSETS**

Property, plant and equipment  
Right-of-use assets  
Long-term receivables  
Long-term investments  
Long-term deposits

	2025	2024
	----- Rupees -----	
		--
	<b>2,386,158,829</b>	2,356,445,597
	<b>63,291,360</b>	129,536,144
	-	-
	<b>1,232,708,829</b>	1,126,416,293
	<b>3,521,400</b>	3,436,400
	<b>3,685,680,418</b>	3,615,834,434

#### **CURRENT ASSETS**

Biological assets  
Stores and spare parts  
Stock-in-trade  
Trade debts  
Loans and advances  
Trade deposits and short-term prepayments  
Short-term investments  
Taxation – net  
Cash and bank balances

	<b>7,858,000</b>	17,414,250
	<b>246,552,512</b>	179,009,795
	<b>367,939,062</b>	2,599,018,609
	<b>309,222,855</b>	479,404,658
	<b>304,130,070</b>	134,311,102
	<b>20,068,933</b>	62,803,496
	<b>2,431,254,760</b>	627,215,350
	-	840,978
	<b>35,600,986</b>	88,406,886
	<b>3,722,627,178</b>	4,188,425,124
	<b>7,408,307,596</b>	7,804,259,558

### **TOTAL ASSETS**



**STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2025**

**EQUITY AND LIABILITIES**

**SHARE CAPITAL AND RESERVES**

Share capital  
Reserves

	2025	2024
	----- Rupees -----	
	749,276,090	749,276,090
	<u>4,018,386,685</u>	<u>2,031,461,139</u>
	4,767,662,775	2,780,737,229

**NON-CURRENT LIABILITIES**

Long-term financing  
Lease liabilities  
Market committee fee payable  
Deferred liabilities  
Deferred income  
Deferred taxation

	<u>240,795,755</u>	289,780,120
	33,043,058	76,471,242
	49,007,766	57,000,808
	2,235,839	3,520,561
	55,619,953	75,704,286
	<u>643,288,592</u>	<u>542,686,195</u>
	1,023,990,963	1,045,163,212

**CURRENT LIABILITIES**

Trade and other payables  
Contract liabilities  
Unclaimed dividend  
Accrued mark-up  
Short-term borrowings  
Taxation – net  
Sales tax and federal excise duty payable  
Current portion of non-current liabilities

	<u>711,418,953</u>	508,269,044
	1,670,000	51,204,552
	28,790,417	26,816,767
	25,079,492	266,142,380
	476,167,020	2,680,118,028
	56,086,501	-
	210,804,382	257,100,975
	<u>106,637,093</u>	<u>188,707,371</u>
	1,616,653,858	3,978,359,117

**CONTINGENCIES AND COMMITMENTS**

**TOTAL EQUITY AND LIABILITIES**

	<u>7,408,307,596</u>	<u>7,804,259,558</u>
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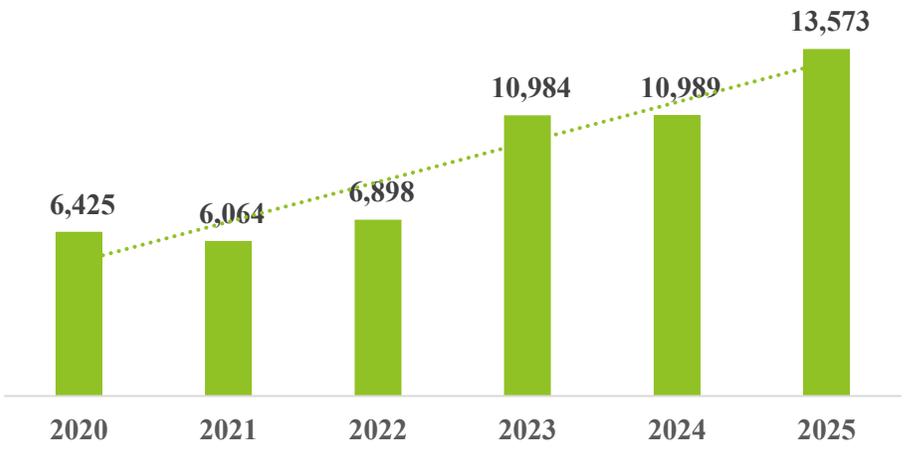
**STATEMENT OF PROFIT OR LOSS  
AS AT 30 SEPTEMBER 2025**

	2025	2024
	----- Rupees -----	-----
Turnover - gross	16,571,241,033	12,845,351,524
Sales tax	<u>(2,997,952,745)</u>	<u>(1,856,483,268)</u>
Turnover - net	13,573,288,288	10,988,868,256
Cost of sales	<u>(11,563,133,425)</u>	<u>(10,093,839,447)</u>
<b>Gross profit</b>	<b>2,010,154,863</b>	<b>895,028,809</b>
Distribution costs	<b>(207,412,291)</b>	<b>(133,265,196)</b>
Administrative expenses	<b>(409,487,068)</b>	<b>(354,564,709)</b>
Other expenses	<b>(144,831,801)</b>	<b>(10,231,839)</b>
Other income	<b>1,832,947,101</b>	<b>833,124,473</b>
	<b>1,071,215,941</b>	<b>335,062,729</b>
<b>Operating profit</b>	<b>3,081,370,804</b>	<b>1,230,091,538</b>
Share of profit / (loss) from associates	<b>115,948,623</b>	<b>(652,281,208)</b>
Finance costs	<u><b>(442,729,149)</b></u>	<u><b>(1,253,086,904)</b></u>
<b>Profit / (loss) before income tax and levies</b>	<b>2,754,590,278</b>	<b>(675,276,574)</b>
Levies		
- Final taxes	<b>(7,830,230)</b>	<b>(19,690,379)</b>
- Minimum taxes	<b>(169,666,104)</b>	<b>(134,859,713)</b>
<b>Profit / (loss) before income tax</b>	<b>2,577,093,944</b>	<b>(829,826,666)</b>
Taxation	<b>(403,026,324)</b>	<b>30,799,912</b>
<b>Net profit / (loss) for the year</b>	<b><u>2,174,067,620</u></b>	<b><u>(799,026,754)</u></b>
<b>Basic and diluted earnings / (loss) per share</b>	<b><u>29.02</u></b>	<b><u>(10.66)</u></b>

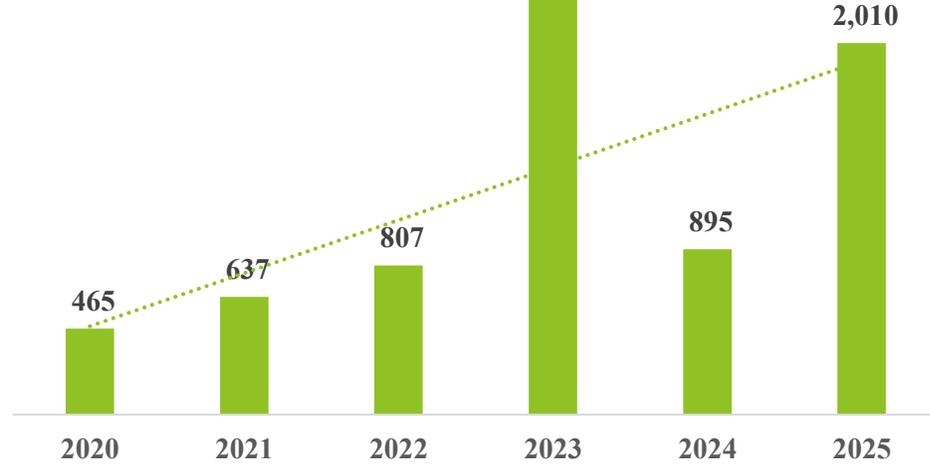
# Financial Highlights

Rupees in Millions

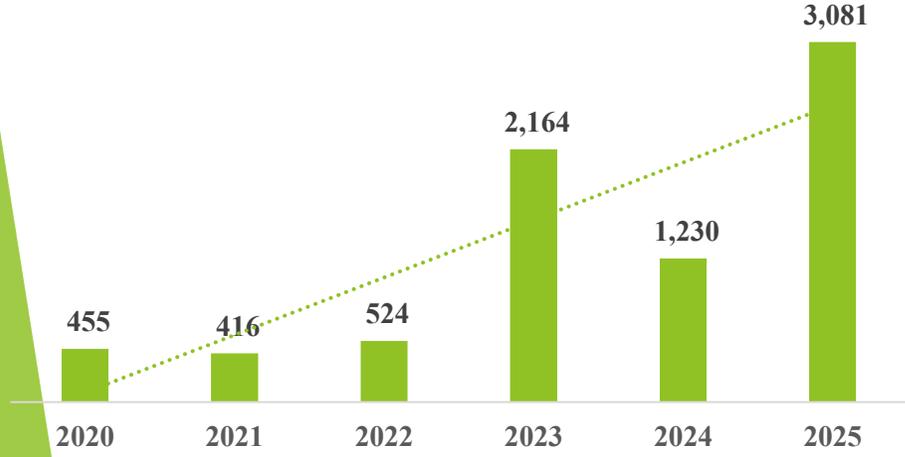
## Turnover



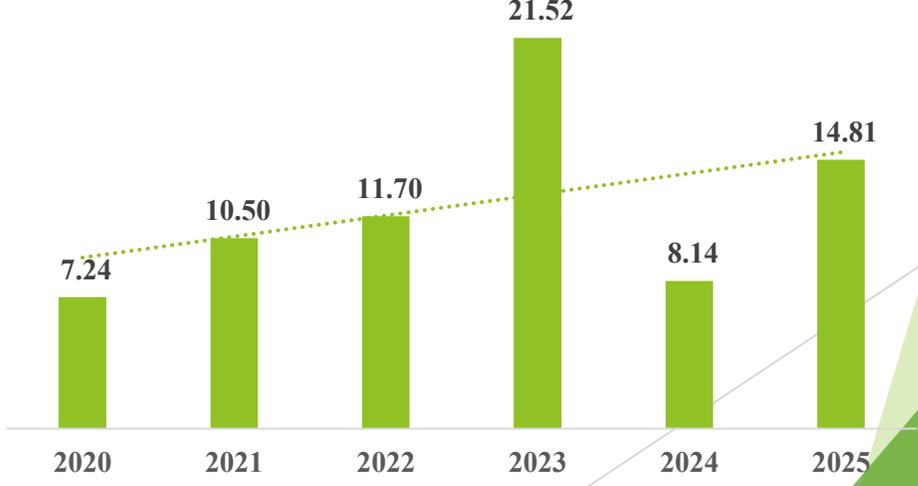
## Gross profit



## Operating Profit



## Gross Profit Margin ( % )



## Profitability Indicators

	2025	2024
Gross profit margin ( % )	14.81	8.14
Operating Profit margin(%)	22.70	11.19
Net profit margin ( % )	16.02	(7.27)
Return on shareholders' equity ( % )	45.60	(28.73)
Return on capital employed ( % )	55.21	15.10
Return on total assets ( % )	29.35	(10.24)
EBITDA margin ( % )	25.15	7.25

## Operating Performance

	2025	2024
Inventory turnover ratio	7.79	6.33
Inventory turnover in days	47	58
Debtors turnover ratio	23.31	13.58
Debtors turnover in days	16	27
Creditors turnover ratio	27.66	92.50
Creditors turnover in days	13	4
Operating cycle in days	50	81

## Capital Structure Ratios

	2025	2024
Debt Ratio (Debt to Capitalization)	0.36	0.64
Debt to Equity Ratio	0.55	1.81
Interest cover ratio	7.22	0.46

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# FINANCIAL HIGHLIGHTS

for the quarter ended December 31, 2025

**Financial Highlights****AS AT 31 DECEMBER 2025**

	<b>UOM</b>	<b>Dec 2025</b>	<b>Dec 2024</b>	<b>%</b>	<b>+ / -</b>
<b>Sales</b>	<b>Rs. In Million</b>	<b>1,351</b>	<b>3,908</b>	<b>-65.44%</b>	<b>-</b>
<b>Gross Profit</b>	<b>Rs. In Million</b>	<b>308</b>	<b>342</b>	<b>-9.95%</b>	<b>-</b>
<b>Operating Profit</b>	<b>Rs. In Million</b>	<b>232</b>	<b>377</b>	<b>-38.46%</b>	<b>-</b>
<b>Finance Cost</b>	<b>Rs. In Million</b>	<b>23.22</b>	<b>96.12</b>	<b>-75.85%</b>	<b>-</b>
<b>Profit / (loss) before tax</b>	<b>Rs. In Million</b>	<b>276</b>	<b>285</b>	<b>-3.27%</b>	<b>-</b>
<b>Profit / (loss) after tax</b>	<b>Rs. In Million</b>	<b>197</b>	<b>227</b>	<b>-13.22%</b>	<b>-</b>
<b>Earnings / (loss) per Share</b>	<b>Rupees</b>	<b>2.63</b>	<b>3.03</b>	<b>-13.20%</b>	<b>-</b>
<b>Shareholders' Equity</b>	<b>Rs. In Million</b>	<b>4,965</b>	<b>3,008</b>	<b>+65.06%</b>	<b>+</b>
<b>Book value per share</b>	<b>Rupees</b>	<b>66.26</b>	<b>40.14</b>	<b>+65.06%</b>	<b>+</b>

# Dividend Payouts

- ▶ The Company declared a final cash dividend of **Rs. 3.00 per share (30%)** for the year ended September 30, 2025, This is an addition to the interim dividend already paid @25% i.e **Rs 2.5 per share.**
- ▶ During the first quarter ended December 31, 2025, the Company also declared an interim cash dividend of **Rs. 1.50 per share (15%),** reflecting continued financial strength and positive outlook.
- ▶ A total of **Rs. 412 million** was distributed to shareholders as dividend in FY 2024-25, directly contributing to shareholder wealth generation.

# Future Outlook

## Primary Objective:

- Increase long-term per-share value through operational efficiency, prudent leverage, disciplined capital allocation, and consistent shareholder returns.

## Operational Focus

- Early season indicators suggest a 1%–1.2% improvement in sucrose recovery. We are aiming for our to date recovery to end as close to our previous highest and be one of the best in the country.
- The challenge is that cane competition has kept those prices extremely high as well.

## Industry Conditions

- A larger national crop is expected in 2025–26 between 6.9-7.2 M Tons.
- Sugar prices may remain volatile and under pressure as local and international market seem oversupplied.



# Future Outlook

## Unicol Investment

- Recent acquisition and stabilization of its sugar unit are progressing constructively.
- Consistent ethanol exports and export refinancing schemes improve earnings visibility.
- Expected foreign exchange inflows should allow substantial debt drawdowns over time this financial year.
- Lower leverage strengthens resilience.



## Dividend Policy

Our Intention is to remain consistent dividend payers at Mehran.

- Aim to distribute dividends on a quarterly basis, subject to liquidity and prudent financial management.
- Shareholders are long-term partners; regular capital return remains a priority.

## Capital Allocation Discipline

- Reinvest only where returns are attractive and measurable.
- Reduce leverage where risk-adjusted returns justify it.
- Evaluate new opportunities selectively.
- Avoid growth that increases size but not per-share value.



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## Questions & Answers