



SECURITY PAPERS LIMITED

Corporate Briefing Session

June 12th, 2026



Security Papers
LIMITED



**60 YEARS OF SERVICE,
QUALITY AND RELIABILITY**

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Contents & Format of Presentation

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Profile of
Company



Strategic/
Operational
Developments



Details of
Financial
Information



Question &
Answers



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Profile of the Company



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ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018, ISO/IEC 27001:2013 Certified

The Company's Profile

- Security Papers Limited is a strategic Company engaged in the business of manufacturing security paper for Banknotes and Other Security Paper products.
- The Company head office and manufacturing facility is situated in Karachi, Pakistan.
- The geographical presence of its customers are Karachi, Lahore, Gujranwala, Faisalabad, Islamabad and other major cities of the country.

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Organizational Overview



Organizational Overview and
External Environment



Vision Statement

To be a nationally and internationally recognized and accepted Security Paper producing organization, providing highest quality paper to our customers, both in Pakistan and abroad.

Mission Statement

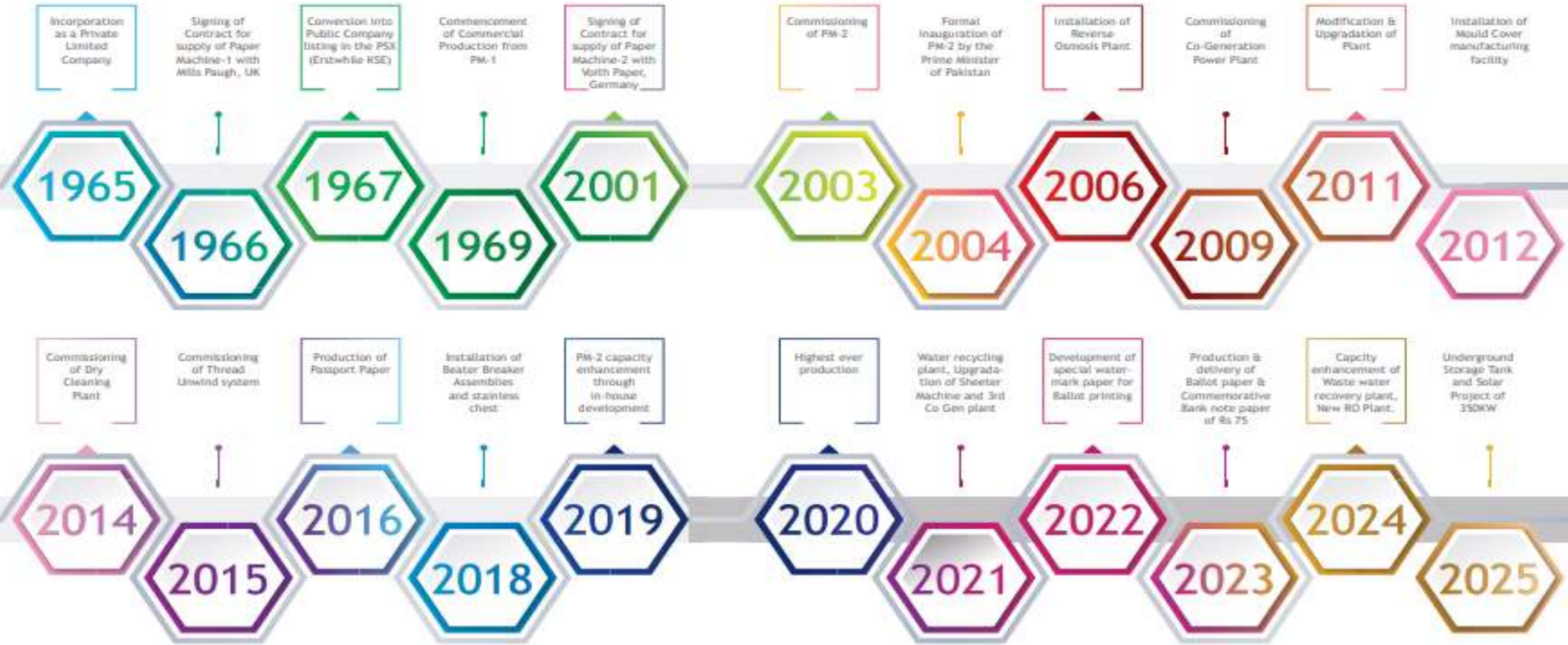
Our Mission is to exceed the expectation of our Customers in producing, with security and efficiency, highest quality paper products, employing international best practices and applying an integrated approach to Product Research & Development, Manufacturing Technology, Operations Management, Counterfeit deterrence, Materials Procurement, Human Resource Management, Financial Management and information systems.

Core values

- Striving for continuous improvement and innovation with commitment and responsibility.
- Treating shareholders/stakeholders with respect, courtesy and competence.
- Practicing highest personal and professional integrity.
- Maintaining teamwork, trust and support, with open and candid communication.
- Ensuring cost consciousness in all decisions and operations.

History of Major Events

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Significant Events During the Year

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347th Board of Directors'
Meeting 30 July 2026 For
Approving Annual Audited
Financial Statements

348th Board of Directors'
Meeting 11 September 2026
for other than financials

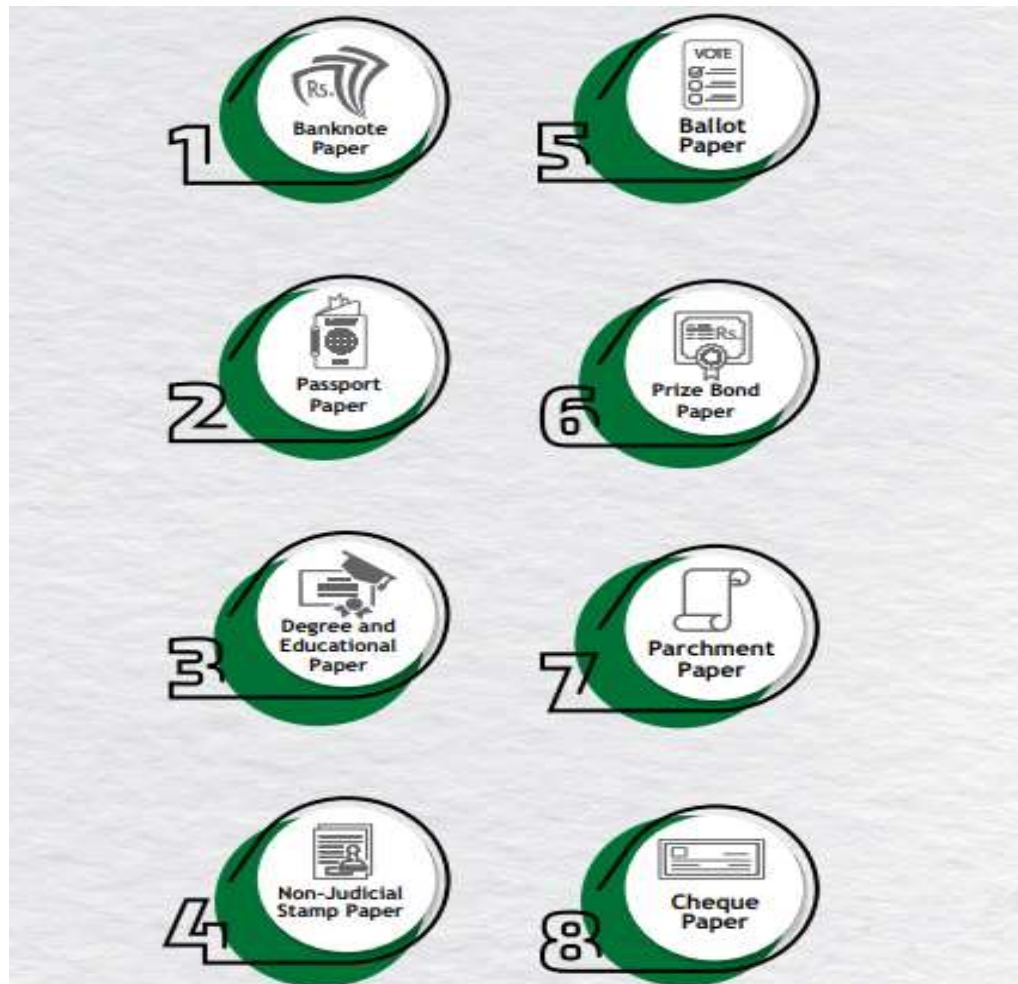
60th Annual General Meeting
26 September 2026 for
Approving Annual Audited
Financial Statements

349th Board of Directors'
Meeting 29 October 2026 For
Approving Q-1 Un-Audited
Financial Statements

350th Board of Directors'
Meeting 29 January 2026 For
Approving Q-2 Un-Audited
Financial Statements

351st Board of Directors'
Meeting 25 March 2026 for
other than financials

Product Portfolio



Major Customer

**Pakistan Security Printing Corporation
(Pvt) Limited**

Election Commission of Pakistan

**Universities & Education Boards – All
over**

Corporate Awards History



22nd Annual Environment Excellence Award

Security Papers Limited (SPL) received the 22nd Annual Environment Excellence Award 2025 from the National Forum for Environment & Health (NFEH).

11th International Award on Environment Health & Safety

Security Papers Limited (SPL) has received the 11th International Award on Environment Health & Safety from The Professional Network.

HSE Recognition

SPL was recognized at the Health, Safety & Environment (HSE) Conference for its outstanding commitment to Health, Safety & Environment practices.

15th Annual Fire Safety Award 2025 – October 2025

Security Papers Limited (SPL) has received the 15th Annual Fire Safety Award 2025 from Publicity Channel.

Corporate & Sustainability Report Award

SPL was honored with the Best Corporate & Sustainability Report Award 2024, presented by the Joint Committee of the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP).

40th Corporate Excellence Award

SPL received the 40th Corporate Excellence Award from the Management Association of Pakistan (MAP).

11th Employers of the year Award 2025– January 2026

Security Papers Limited (SPL) has received the 11th Employers of the year Award 2025 from Employers Federation of Pakistan.

18th NFEH'S CSR Award 2026– April 2026

Security Papers Limited (SPL) has received the 18th NFEH'S CSR Award 2026 from Publicity Channel.

Governance



Governance



Board of Directors

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NON-EXECUTIVE DIRECTORS

CHAIRMAN

Mr. Mohammad Aftab Manzoor

DIRECTORS

Mr. Jamal Nasim

Mr. Hamid Bazargan

Mrs. Pernur Alaybeyoğlu

Hafiz Mohammad Yousaf

Mr. Shafqaat Ahmed

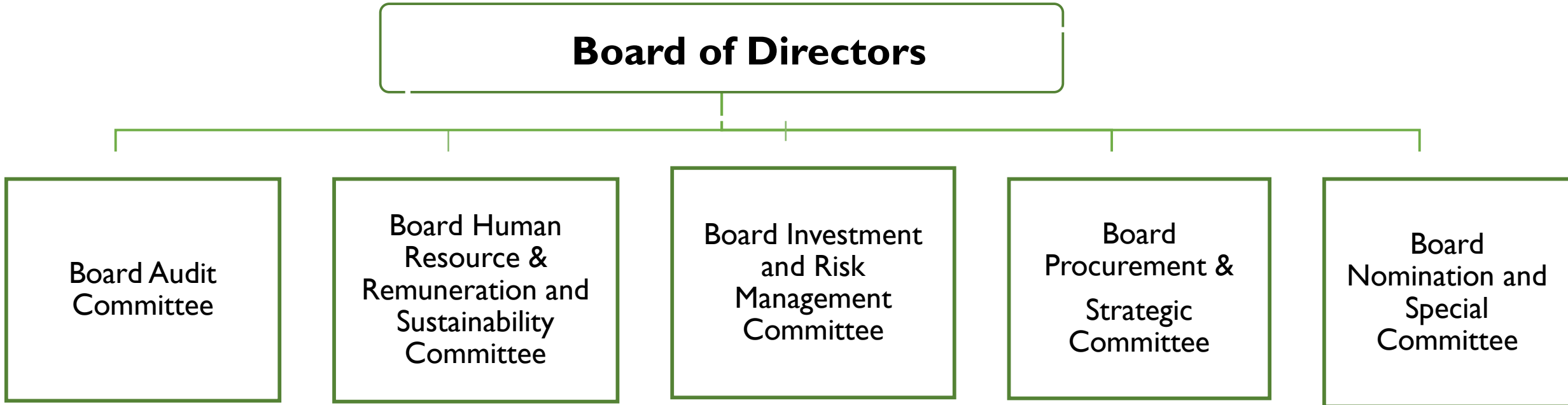
Mr. Arshad Mehmood Bhatti

Mr. Munir Ahmed

EXECUTIVE DIRECTOR - CHIEF EXECUTIVE OFFICER

Mr. Imran Qureshi

Board Committees



Board's Approved Policies

Corporate
Social
Responsibility
Policy

Anti Harassment
Policy

Investment
Policy Guidelines

Risk
Management
Policy

Insider Trading
Policy

Directors'
Remuneration
Policy

Whistle Blowing
Policy

Related Party
Transactions
Policy

Communication &
Disclosure Policy

Environmental
Policy

Occupational
Health & Safety
Policy

Quality Policy

IT Governance
Policy

Policy for Record and
Archive Management

Diversity, Equity, and
Inclusion Policy

Succession Planning
Policy

Welfare
Fund
(Employee
WV) Policy

Performance
Management Policy

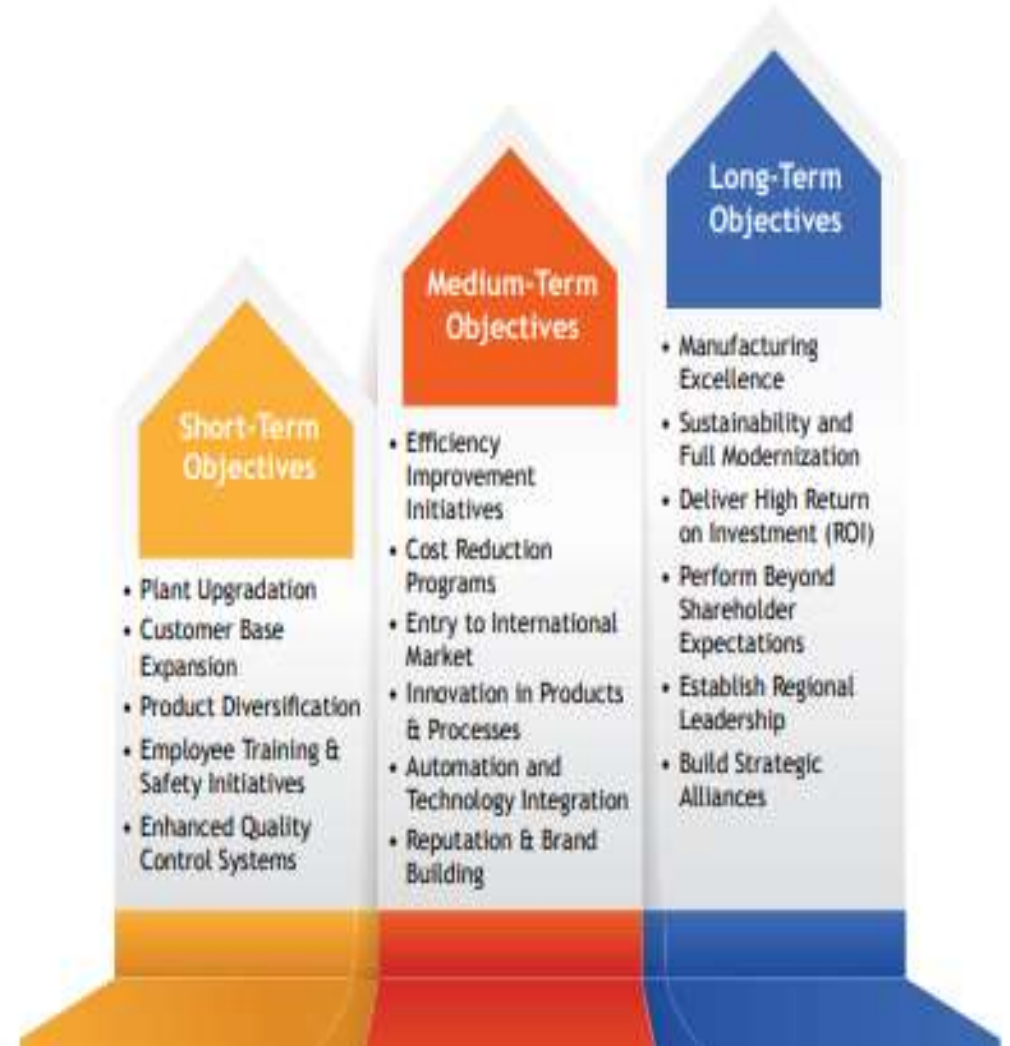
Strategic & Operational Development



**Strategy and Resource
Allocation**



Strategic Planning Process



<p>Supply Chain KPIs</p> <ul style="list-style-type: none"> Inventory turnover rate Raw Materials (RM) forecast accuracy RM Stockout frequency Supplier on-time In-full deliveries Cost savings Supplier Contract compliance rate Warehousing space utilization Warehousing - FIFO compliance Inventory record Accuracy 	<p>Operational KPIs</p> <ul style="list-style-type: none"> Prompt completion of the customer's order Continuous Reduction of production losses Maximum waste recycling Control of production costs Predictive Maintenance regime Improve production efficiency of plants 	<p>Financial KPIs</p> <ul style="list-style-type: none"> Timely financial reporting Efficient receivables management Operational cash flow management Higher ROI of Company's surplus funds Corporate tax management
<p>Sales KPIs</p> <ul style="list-style-type: none"> Customer satisfaction Delivery of high-quality paper Increase in net sales value Increase in sales volume 	<p>HR & Administration KPIs</p> <ul style="list-style-type: none"> Employee engagement Diversity, equity and inclusion Employee development & capacity building Talent management & succession Planning Clean environment and safety for smooth operations 	<p>Health, Safety & Environment KPIs</p> <ul style="list-style-type: none"> Reduce injuries and monitor injury trends Safety training compliance Permit to work compliance Safety observations and closure Safety inspections and audits Risk Assessments and JSA

Strategic Goals

Goals & Strategy in Place	Key Indicators
<p>Customer Satisfaction:</p> <p>We are committed to delivering unmatched customer satisfaction through exceptional quality products and service excellence.</p>	<p>Quality Assurance & Audits - Continuous improvements to maintain world-class standards</p> <p>International Certifications - Aligning with global benchmarks for quality</p> <p>Timely Delivery - Meeting desired supply schedule</p> <p>Customer Feedback - Listening, improving, and exceeding expectations</p>
<p>Employees:</p> <p>Enhance Employee Engagement and Performance to drive business outcomes</p>	<p>Attracting and retaining top talent</p> <p>Developing High Performance Workforce</p> <p>Fostering a positive and inclusive environment</p>
<p>Risk Management:</p> <p>Enterprise Risk Management</p> <p>Business Continuity Planning</p>	<p>Identification of high risks areas</p> <p>Residual rating of risks</p> <p>Identification of maximum probable loss of risks</p>
<p>Continuous Improvement:</p> <p>KAIZEN</p> <p>5S Methodology</p> <p>Preventive and predictive maintenance</p>	<p>Cost reduction</p> <p>Increase in profit</p> <p>Time saving</p> <p>Safety</p>
<p>Operational Efficiency:</p> <p>Reduce usage of raw material, energy consumption and costs by optimally utilizing available resources for lower cost and increased efficiency</p>	<p>Order fulfilment time</p> <p>Reduction of production losses</p> <p>Waste recycling</p> <p>Control of cost of production / cost per unit of production</p> <p>Profit margins</p>
<p>Shareholders</p> <p>Safeguard shareholders' interests by maintaining a healthy and viable business</p>	<p>Earnings per share</p> <p>Dividend per share</p>
<p>Corporate Social Responsibility</p> <p>Promote the social development of the communities we serve by providing financial and non-financial support for welfare, education, health, and overall development across the Country.</p>	<p>Board-approved CSR Policy</p> <p>Number of participants in community outreach initiatives, health, education, and welfare etc.</p> <p>Initiatives that foster diversity and inclusion</p> <p>Company-wide cash and in-kind contributions</p> <p>Encourage employee engagement and volunteerism</p>

Future Outlook

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Security Papers Limited is well-positioned to navigate the period ahead from a foundation of financial strength and operational stability. The ongoing plant upgradation project remains on track, and upon completion, will enable the Company to manufacture banknote papers with advanced security features in alignment with the new currency note series announced by the State Bank of Pakistan (SBP), reinforcing SPL's strategic relevance to its principal customer.

The Company remains mindful of geopolitical risks arising from the US-Iran conflict, which continue to pose challenges to global energy prices and international supply chains. Management is actively coordinating with key suppliers to ensure uninterrupted availability of critical raw materials and timely project execution.

Overall, the Company remains cautiously optimistic, supported by a disciplined approach to risk management and a clear strategic direction toward sustainable, long-term value creation.

Key Business Risks

SPL's Enterprise Risk Management (ERM) framework follows a continuous cycle of identifying, assessing, treating, and monitoring risks across the organization. Risks are evaluated on likelihood and impact, with treatment strategies such as avoidance, reduction, transfer, or acceptance, assigned with clear ownership of risk owners and escalation protocols.

Governance follows the **Three Lines of Defence model**, with departmental heads owning risks at the operational level, the Enterprise Risk Management Committee (ERMC) providing independent oversight, and Internal Audit delivering board-level assurance. The Board sets the overall risk appetite that guides all risk decisions.

Management continuously monitors risk exposure and applies mitigating controls to ensure residual risk stays within appetite, enabling proactive response to emerging threats and sustained stakeholder confidence.

Key Business Risks

Risk	Risk Cause & Effect
Extended plant shut down (15-30 days)	<p>Cause:</p> <ul style="list-style-type: none"> - Due to technical reasons <p>Effect:</p> <ul style="list-style-type: none"> - Stoppage of production - Unable to meet customer orders - Financial losses
Dependence on single customer / Shift to polymer-based banknotes / Demonetization of certain denomination of banknote paper	<p>Causes:</p> <ul style="list-style-type: none"> - Discontinuation of any denomination - Change in product specification. - Decision to replace paper-based currency with polymer-based currency. <p>Effects:</p> <ul style="list-style-type: none"> - Reduction in sales / Profitability
Fire Incident	<p>Causes:</p> <ul style="list-style-type: none"> - Raw materials used for manufacturing of product is fire hazard. - Welding work and use of Electrical appliances may cause fire incident. <p>Effects:</p> <ul style="list-style-type: none"> - Multiple injuries/fatality - Loss of material leading to business interruption impacting Company's reputation.

Risk	Risk Cause & Effect
Pilferage	<p>Causes:</p> <ul style="list-style-type: none"> -Sabotage / theft <p>Effects:</p> <ul style="list-style-type: none"> -Due to sensitivity of finished product and raw materials which affect national interest and organizational reputation holding security status A1.
Terrorist activity	<p>Causes:</p> <ul style="list-style-type: none"> -Due to prevailing law and order situations breach like forced entry/ suicide attack during shift in/ out at main gate area. <p>Effect:</p> <ul style="list-style-type: none"> -Loss of human life - Business interruption - Reputational loss
Disruption of IT Services due to major disaster or due to Cyber Attack / Ransomware / Virus / Malware / / Spam / Phishing Attack / Spyware / DDoS Attack / Technical Vulnerabilities	<p>Cause:</p> <ul style="list-style-type: none"> - Disaster i.e. Fire, Power outage, Earthquake, flood, Server Machines malfunctioning due to HVAC, Hardware / Software failure etc. - Inadequate security & Access Management controls on Firewall, Network, Internet, Database / ERP, Email or Website etc. <p>Effects:</p> <ul style="list-style-type: none"> - Server machines, Hardware and communication network may get damaged resulting in not delivering IT services from short to long period. - Cyber attack may cause availability issue of Information Systems and may lead to irrecoverable loss of data and company reputation

Sustainability



Environmental, Social and Governance (ESG)

The Company has strategic nature of operations as its products are of highest national importance. Therefore, the security of products, its production facilities and human capital is of prime concern for the management. For sustainable business growth and to evaluate the extent to which an organization works on behalf of social goals that is beyond maximize profits for the shareholders and include factors identified in organization context including diversity, human rights, consumer protection, management structure employee relations climate change and sustainability etc.

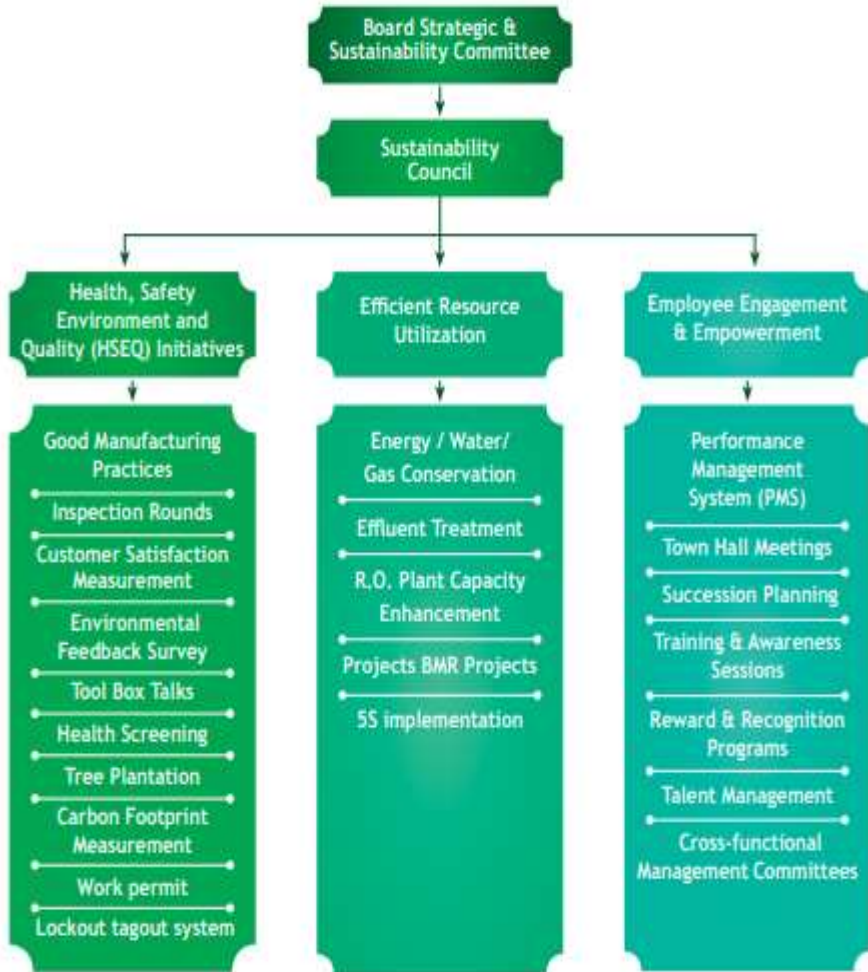
To extend the scope of sustainability we believe in 7R's of sustainability, the models necessary to ensure the survival of the human race and planet earth. This includes ways to slow or reverse pollution, conserve natural resources and protect our environment and comply with Pakistan National Climate Resilience and Adaptation Plan 2023-2030.

The Company has established a comprehensive Integrated Management System which comprises of Quality, Environment and Occupational Health & Safety Management Systems based on International Standards of ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 respectively.



Sustainability and SPL

Structure and Operation of the Sustainability Process at SPL



7th Climate Change & Green Finance Award 2024

SPL has won "7th Climate change adaptation and green finance award 2024", as "Best Sustainability Initiative Firm" conferred by The Prospective Future Forum Private Limited during "Climate Change & Green Finance Summit & Awards 2024" on Sep 30, 2024

which focused, enhancing the role of business in finding strategic solutions to the impacts of climate change on development through:

- Awareness;
- Capacity Building; and
- Research & Development



Women Empowerment and Gender Equality Recognition Award 2025



Value of investment in sustainability projects

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Projects	2025 - 26 (PKR in MN)
<u>Projects Initiated during the Period</u>	
Upgradation of Mould Embossing Machine	205 MN
Solar Power Projects 350 KW	24 MN
Upgradation of Paper making Machine (PM-2)	Euro: 8.2 MN
<u>Projects Completed During The Year</u>	
Development of RO Bores	44 MN
Water storage tank	65 MN
Automatic Fire Incinerator	12.134 MN
Gas Engine Premium Long Block JGS 420	98 MN
Upgradation of CNC Milling machine	3 MN

Financial Information



Analysis of
Financial Information



Financial Highlights For the Period Ended March 2025-26

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Rs in Mn

Particulars	YTD	YTD
	Mar 31, 2026	Mar 31, 2025
Sales	5,316	5,825
Gross Profit	1,166	1,599
Other Income	503	710
Profit after taxation	631	1,101
Earning per share (Rs.)	10.66	18.59

Profit or Loss For the Period Ended March 2025-26

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Rs in Mn

Particulars	YTD Mar-26	YTD Mar-25	Variance	Reason for Variance
Sales – Tons	2,594	2,839	(245)	
Sales	5,316	5,825	(510)	Sales is made as per customer's demand.
Cost of Sales	(4,150)	(4,226)	77	CoS decreased due to lower production and management's efficient procurement from vendors.
Gross Profit	1,166	1,599	(433)	
Admin expenses	(410)	(380)	(31)	Minor Variation
Other income	503	710	(207)	Variation is due to significant decrease of interest rate from 22% in mid-2024-25 to 10.5% by March 2026,
Other expenses and Finance Charges	(99)	(140)	40	Variation is in line with the lower profits as it majorly comprises of WPPF and WWF.
Profit before taxation	1,159	1,790	(630)	
Taxation	(528)	(689)	160	Variation is mainly due to reduction in Taxable profit which is partially set off against the prior year charge of Super tax decision by Federal Constitution Court.
Profit after taxation	631	1,101	(470)	
Earning per share - Rs	10.66	18.59	(8)	

Statement of Financial Position

As at March 31, 2026

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Rs. In MN

Particulars	March 31, 2026	June 30, 2025	Variance	Reason for Variance
Fixed assets including CWIP	2,468	1,999	470	Additions of Rs. 297 Mn were made during the period, primarily comprising a water storage tank (Rs. 56 Mn), gas engine long block (Rs. 98 Mn), new bores (Rs. 44 Mn), capital spares (Rs. 46 Mn), and vehicles (Rs. 19 Mn). Additionally, the advance for PM2 upgradation has been included in CWIP partly offset by the depreciation and disposals during the period.
Intangible assets	11	14	(3)	Decrease is due to amortisation charged during the period
Long term investments	3,788	3,808	(20)	Minor Variation
Stores and spares	403	392	12	Minor Variation
Stock in trade	648	861	(213)	Raw materials decreased by Rs. 209 Mn, semi-finished goods increased by Rs. 27 Mn, and finished goods decreased by Rs. 31 Mn.
Trade debts	1,293	1,300	(6)	Minor Variation
Other current assets	88	52	37	Increase is mainly due to the deposit against shipping guarantee to Bank.
Short term investments	2,220	2,722	(502)	The decrease is primarily due to the realisation of investment for making advance payment against PM2 upgradation amounting to Rs. 418 Mn.
Cash and bank	187	203	(16)	
Total assets	11,107	11,350	(243)	
Shareholders' equity	9,099	9,001	98	Minor Variation
Deferred taxation - net	285	315	(30)	Minor Variation
Staff retirement benefits	25	8	18	Variation is due to timing difference in payment to fund.
Trade and other payables	962	1,233	(271)	Reduction is mainly due to payment of statutory liabilities accrued during last year.
Unpaid dividend	711	616	95	Represents dividend payable to foreign shareholders.
Unclaimed dividend	4	4	0	Unpaid due to in-sufficient data of shareholders available with share registrar.
Taxation - net	20	174	(154)	Variation pertains to the higher withholdings and lower profits during the period.
Total Equity & liabilities	11,107	11,350	(243)	
Breakup value - Rs/share	153.56	151.90	1.66	

Year on Year comparison of key financial metrics for the last 4 years

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Category	Ratio	Mar-26	Mar-25	Mar-24	Mar-23
Profitability Ratios	Gross profit to sales %	22%	27%	28%	17%
	Profit after tax to sales - %	12%	19%	20%	12%
	Return on equity - after tax - %	7%	13%	14%	6%
Liquidity Ratios	Current ratio - in times	2.85	2.64	2.84	2.92
	Quick ratio - in times	2.23	1.98	2.11	2.16
Market Ratios	Earning per share - after tax (Rs.)	10.66	18.58	18.28	7.27
	Break-up value per share (Rs)	153.56	144.80	131.21	117.73
	Share Price (Period End)	132.59	170.23	126.19	91.66

Key Revenue Drivers

Majority sales of the Company are made to a single customer, i.e., Pakistan Security Printing Corporation Private Limited. Sales are made based on the indent received from the customer according to the requirement.

IFRS 8 (Operating Segment)

SPL's financial statements are prepared on the basis of a single reportable segment. All sales of the Company are made to customers located in Pakistan, and all non-current assets of the Company as at March 31, 2026 are located in Pakistan. Revenue from banknote paper represents 90% (March 2025: 95%) of the total revenue of the Company, which is earned from a sole customer, i.e., Pakistan Security Printing Corporation Private Limited.

Q & A

Thank You