



**THAL LIMITED**

**Corporate Briefing Session**

**May 18, 2023 at 03:30 P.M.**



# Company Profile

## 1966

Incorporated:  
Jan 31, 1966

Publicly listed:  
1967

1 business  
division

Pioneer project of  
House of Habib

## 2023

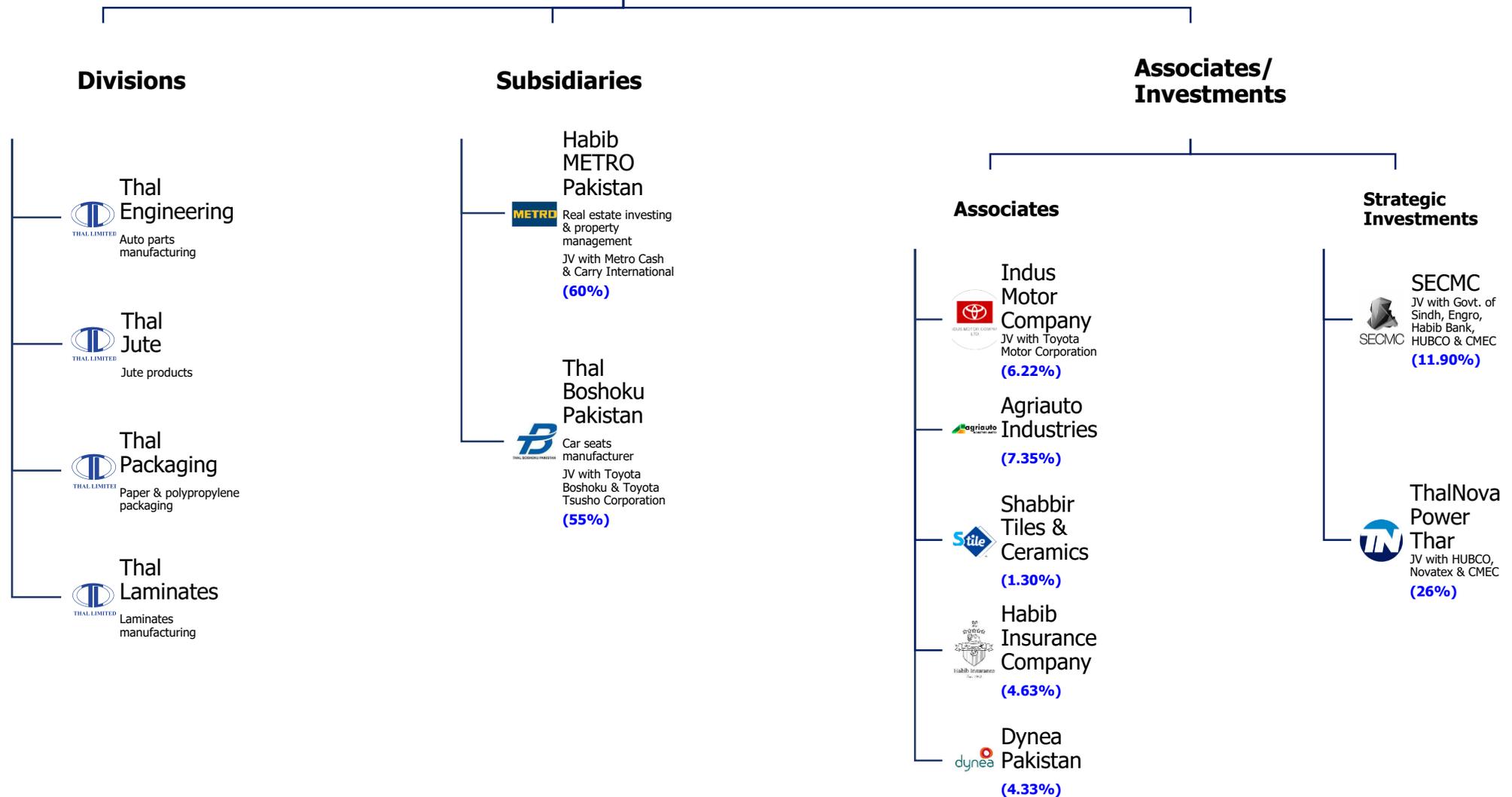
6 business divisions

Employing  
>4,000 people

AA/A-1+ rating  
(long & short) – JCR-VIS



# Thal Limited Company Profile





# Thal Business Highlights

FINANCIALS	<ul style="list-style-type: none"><li>• <b>9M FY23 Revenue: Rs. 25 billion vs. Rs. 27.5 billion in 9M FY22</b></li><li>• <b>9M FY23 PBT: Rs. 2.3 billion vs. Rs. 4.6 billion in 9M FY22</b></li></ul>
ENGINEERING SEGMENT	<ul style="list-style-type: none"><li>• <b>Increasing footprint with new entrants</b> - After successful business relation with Hyundai, other OEMs also exploring localization opportunities.</li><li>• Additional wiring harness secured. 2 wheeler business secured.</li><li>• Deepening relationship with <b>all customers</b> to increase localization</li><li>• Management ensured smooth supply to OEMs despite import restrictions</li><li>• All possible cost austerity measures has been taken to adjust the overheads according to current business volumes</li></ul>
PACKAGING, BUILDING MATERIAL & ALLIED PRODUCTS SEGMENT	<ul style="list-style-type: none"><li>• <b>Jute</b> exports revenue grew vs. SPLY</li><li>• <b>Packaging</b> making considerable progress to expand <b>export sales</b>.</li><li>• Drop in paper cement bags causing a shift to <b>WPP</b>. <b>WPP</b> plant is operating at full capacity.</li><li>• <b>Laminates</b> division was able to improve margins by selecting a strategic product mix and launching of new products</li></ul>
ENERGY INVESTMENTS	<ul style="list-style-type: none"><li>• Q1 FY2023, <b>SECMC</b> operated smoothly and recorded sales revenue of <b>Rs. 21.7 billion</b>.</li><li>• SECMC generated <b>positive cash flows</b> Q1 FY2023.</li><li>• ThalNova achieved <b>commercial operations</b> on February 17, 2023.</li><li>• ThalNova is <b>supplying power</b> to the grid through Thar-Matiari transmission line.</li></ul>



# Deteriorating Business Environment – 9M FY23

## Business Challenges

- Import restrictions/delay in LC retirement constraining operations
- High interest rates and rupee depreciation - pressure on margins
- ↑ in car prices → demand shift to low priced/used cars
- Non-production days at OEMs affecting continuity of supply
- Decline in food /carrier bag amid slowing consumer spending
- Rising paper prices → shift to PP bags.

## Actions Taken

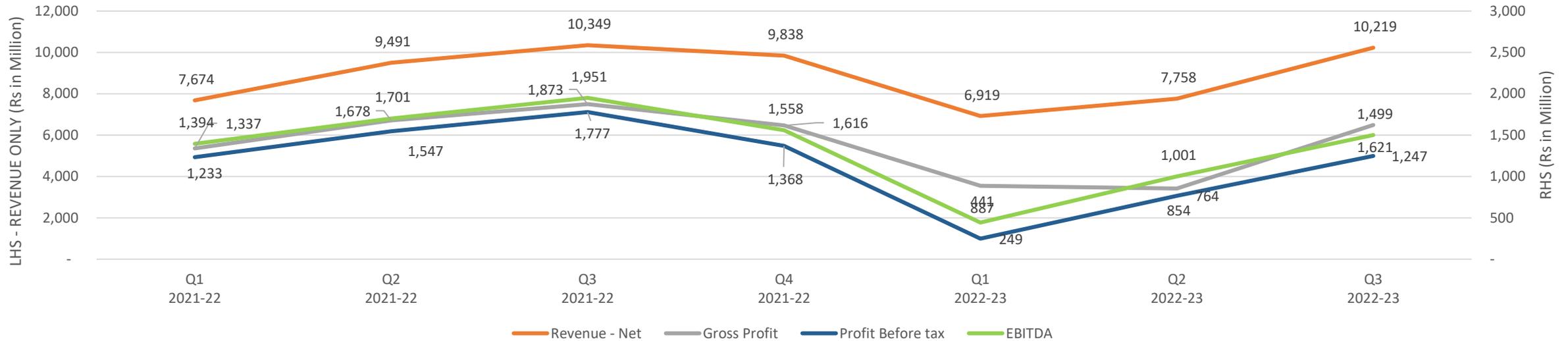
- Working with banks for timely opening of LCs
- Reducing inventory levels to ease liquidity pressure
- Exploring diversification opportunities & new revenue sources
- Strict cost containment program on-going



# Financial Highlights



# External Uncertainties Dampening Profitability



Description	THAL LIMITED (Amounts in PKR million)						
	Q1 2021-22	Q2 2021-22	Q3 2021-22	Q4 2021-22	Q1 2022-23	Q2 2022-23	Q3 2022-23
Revenue - Net	7,674	9,491	10,349	9,838	6,919	7,758	10,219
Gross Profit	1,337	1,678	1,873	1,616	887	854	1,621
Gross Profit %	17%	18%	18%	16%	13%	11%	16%
Operating Expenses	405	412	427	476	481	462	495
Finance & Other (Income)/Expense	(300)	(281)	(331)	(229)	157	(372)	(899)
Profit Before tax	1,233	1,547	1,777	1,368	249	764	1,247
Profit Before tax %	16%	16%	17%	14%	4%	10%	12%
EBITDA	1,394	1,701	1,951	1,558	441	1,001	1,499



# Profit or Loss Unconsolidated

	YTD Mar-2023	YTD Mar-2022
	<b>Rs. in Million</b>	
Revenue	24,896	27,513
Gross Profit	3,361	4,888
Profit before taxation	2,260	4,556
Profit after taxation	1,648	3,425
EPS (Rs.)	20.33	42.27
Breakup value (Rs.)	351.67	325.89



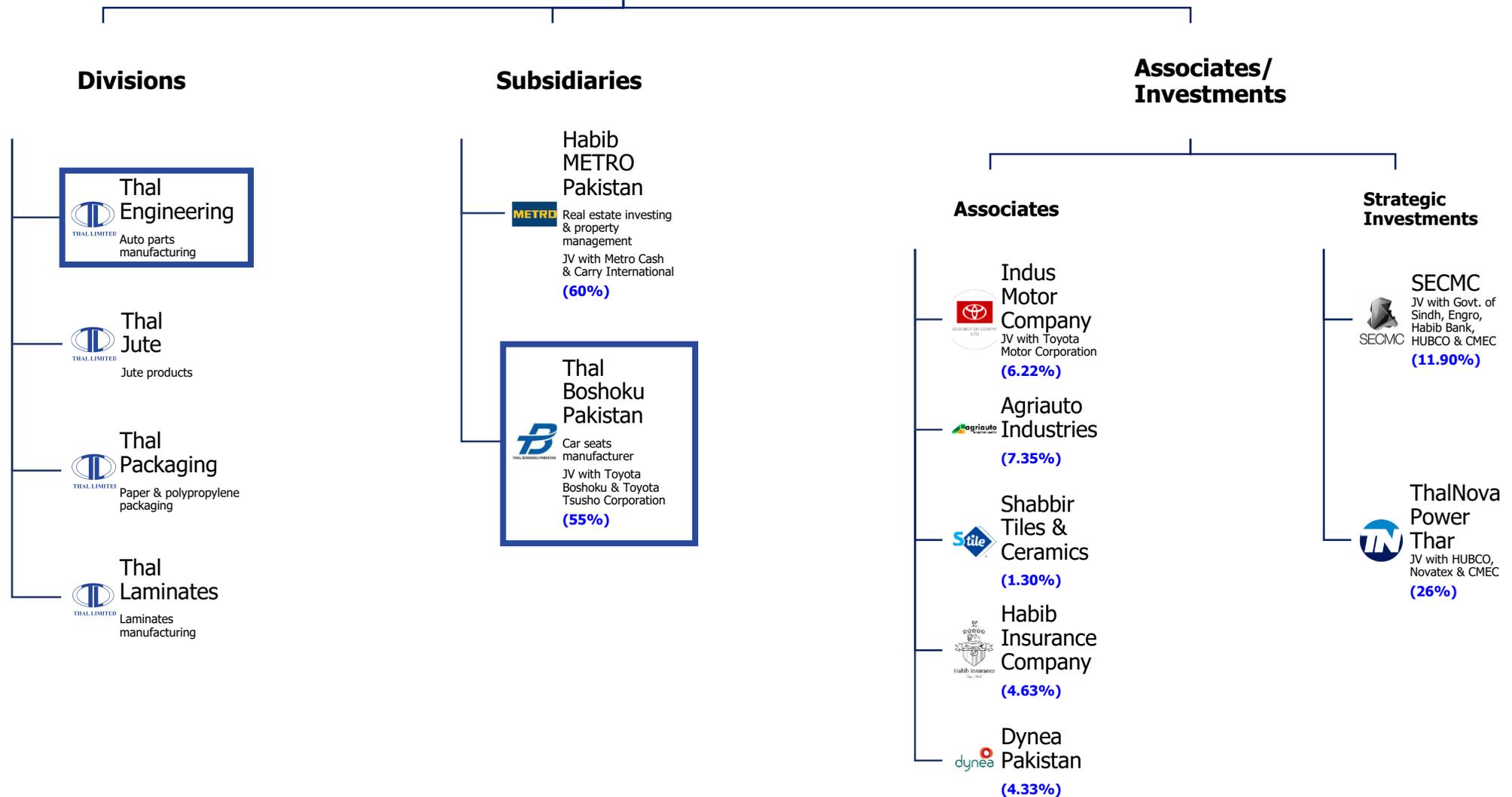


# Balance Sheet

	Mar-2023	Jun-2022
<b>ASSETS EMPLOYED</b>	----- Rs. in Million -----	
Non-current assets	19,346	16,886
Current assets	20,668	20,719
<b>Total Assets Employed</b>	<b>40,014</b>	<b>37,605</b>
<b>FINANCED BY</b>		
Shareholders' equity	28,496	27,229
Non-current liabilities	4,018	2,696
Current liabilities	7,500	7,680
<b>Total Financed By</b>	<b>40,014</b>	<b>37,605</b>

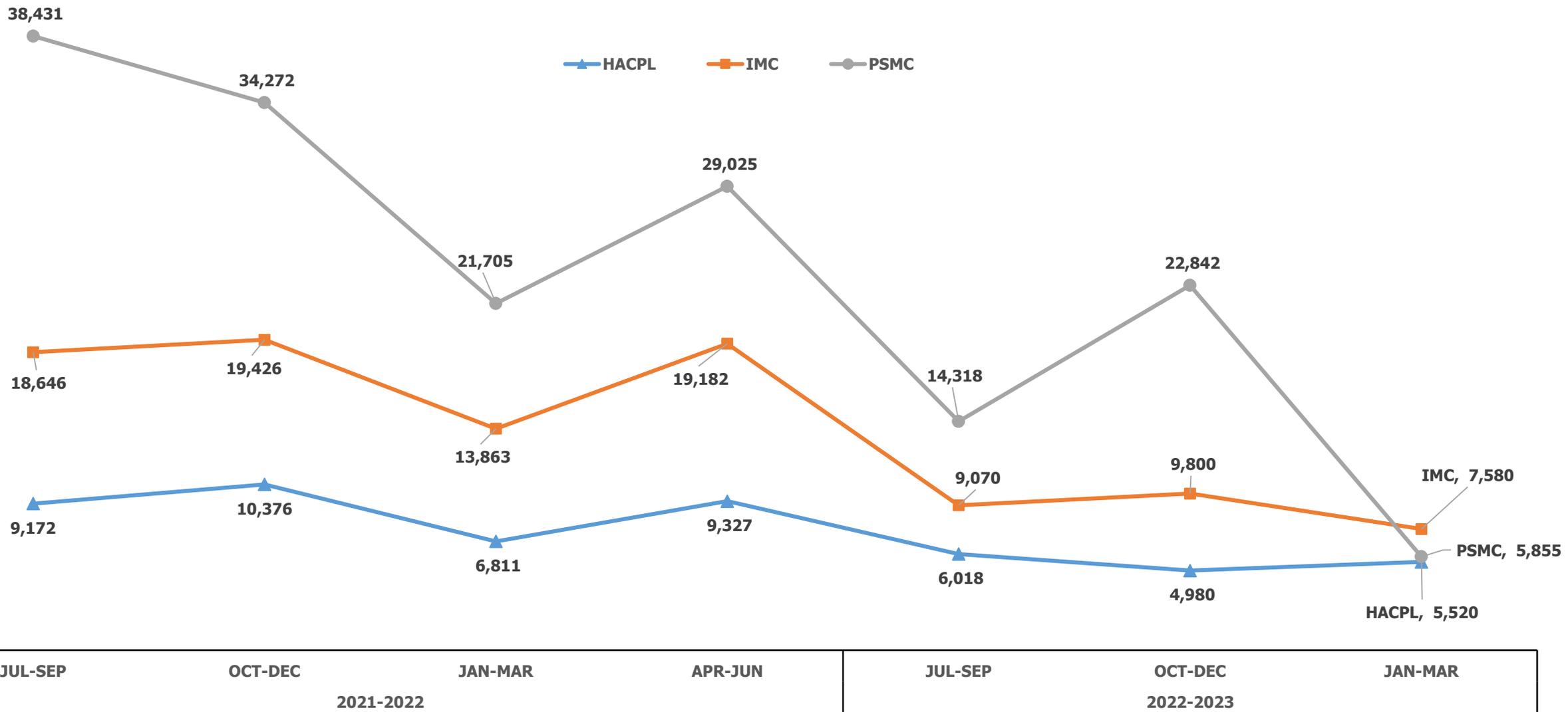


# Thal Limited Company Profile





# Automobile Industry: Quarterly Sales (Units)





# Engineering Division - Customers



Automotive lamps & mirror manufacturer

Automotive Seat Manufacturer

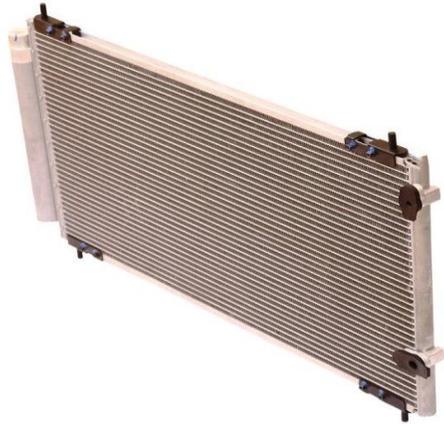


# Thermal Systems Business

## Product Offering

## Technical Assistance

***DENSO***



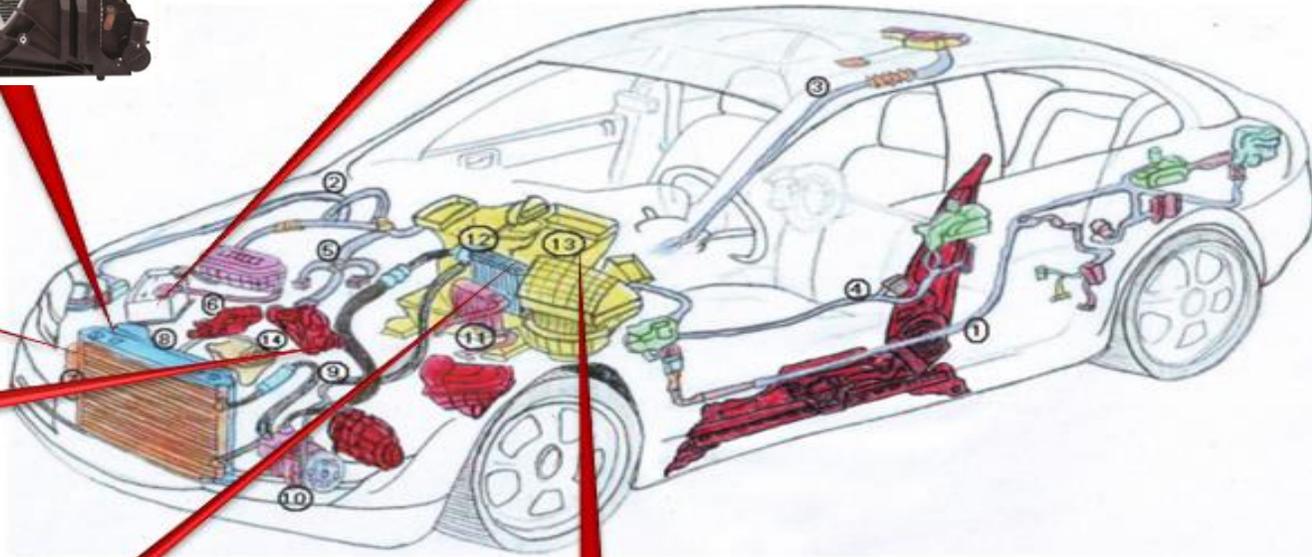
**Condenser**



**CSM / AI. Radiator**



**Reserve Tank**



**Hose & Tubes**



**Heater Core**



**Evaporator**



**HVAC**



# Electric Systems Business

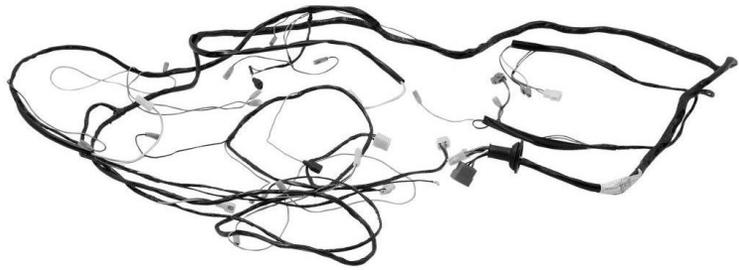
## Product Offering



**Cabin Harness**



**Rear Harness**



**Floor Harness**



**Panel Harness**



**Engine Harness &  
Battery Cable**

## Technical Assistance

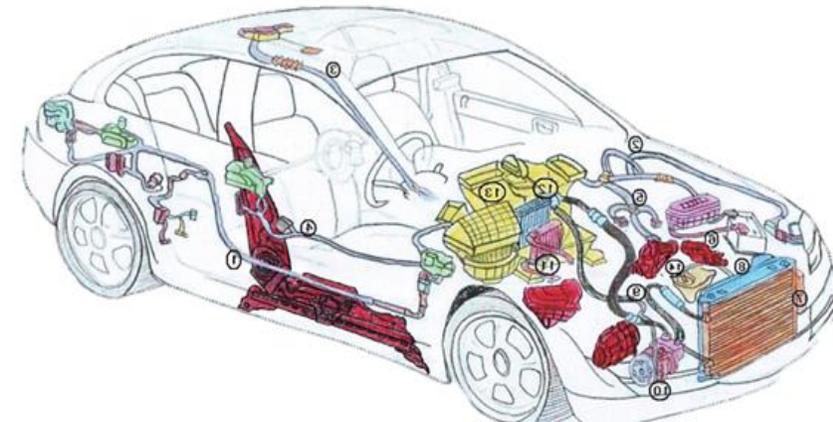
**FURUKAWA**

**kyungshin**

**YAZAKI**

**JHN**

OEM	No. of Harness
Toyota	172
Honda	96
Suzuki	56
Hyundai	35
Others	124
<b>TOTAL</b>	<b>483</b>





# Business Expansion

- Successful addition of wiring harness and thermal business with:





# Yazaki Plant



- MOU between Yazaki and TL for manufacturing of wiring harness extended for another 5 years.
- Yazaki agreed to extend support to TE for upcoming models other than Yaris.
- Yazaki plant has successfully qualified External Audits of ISO 9001, 45001 and IATF 16949 with zero non-conformity.
- With the induction of 42 females, gender diversity stands at 28%.
- Senior management team from Yazaki Japan visited Pakistan.



# THAL ELECTRICAL

Thal Engineering Unit - II

(A Division Of Thal Limited)

**Senior Management From Yazaki Japan Visits Pakistan**





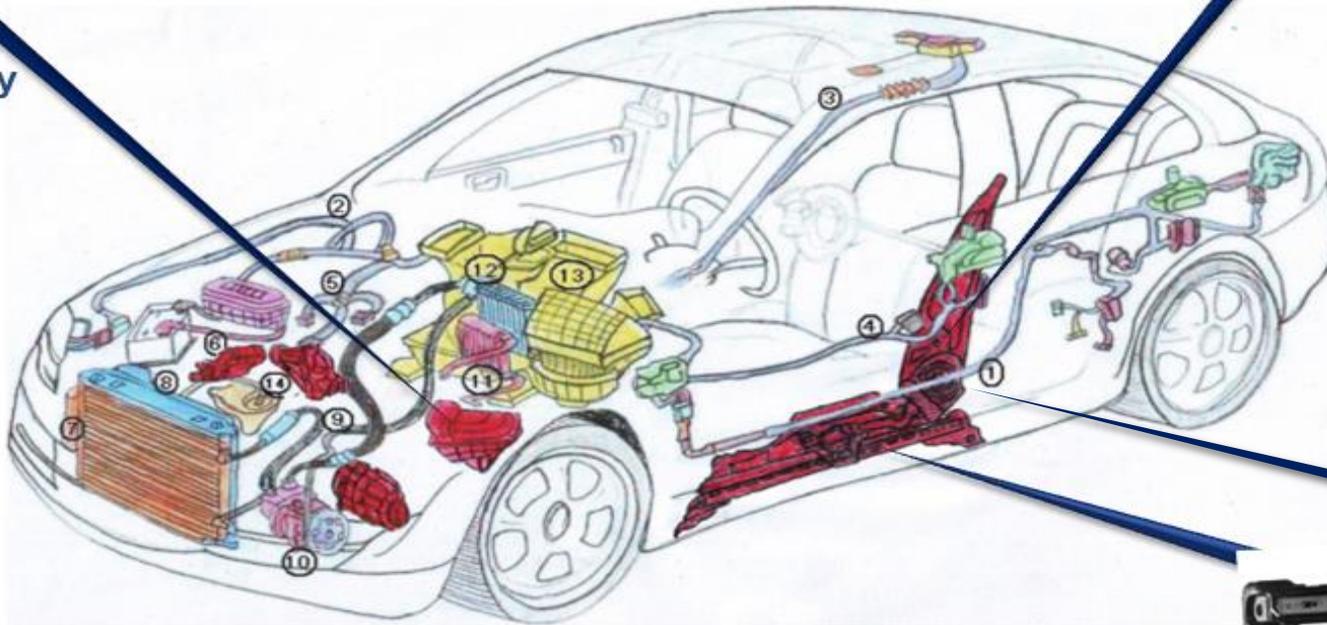
# Thal Boshoku Pakistan (Private) Limited

## Product Offering

**Joint Venture**  
 **TOYOTA BOSHOKU**



**Air Cleaner Assy**



**Seat Side Frame Assy**



**Seat Track Assy**



**Car Seats**



# Thal Boshoku Pakistan (Private) Limited

- TBPK is in touch with new and existing OEMs to get their seat business. Received encouraging response for further discussion.
- Toyota Boshoku Asia, Toyota Tsusho Corporation and Thal Ltd. injected fresh equity amounting to Rs. 1.0 billion for the expansion of the seat plant and repayment of shareholders' loan.





# Environmental Excellence Award



19th Annual Environment Excellence Award 2022 by NFEH on August 16, 2022



# 37<sup>th</sup> MAP Annual Awards



Thal Limited **won** 37<sup>th</sup> MAP Annual Awards, Ceremony was held at Movenpick Hotel, Karachi on **Oct 3, 2022**.

Award was given by former **Federal Minister of Finance** , Miftah Ismail.



# Fire Safety Award



CEO received **Fire Safety Award** from **Governor of Sindh** Mr. Kamran Tessori at Marriot Hotel on **November 23, 2022**



# System Audits 2022-23 (IATF 16949)

**IATF 16949** surveillance audit successfully completed by Russian auditors and extended the certification of Thal Engineering including Unit II for to next year 2023-24.





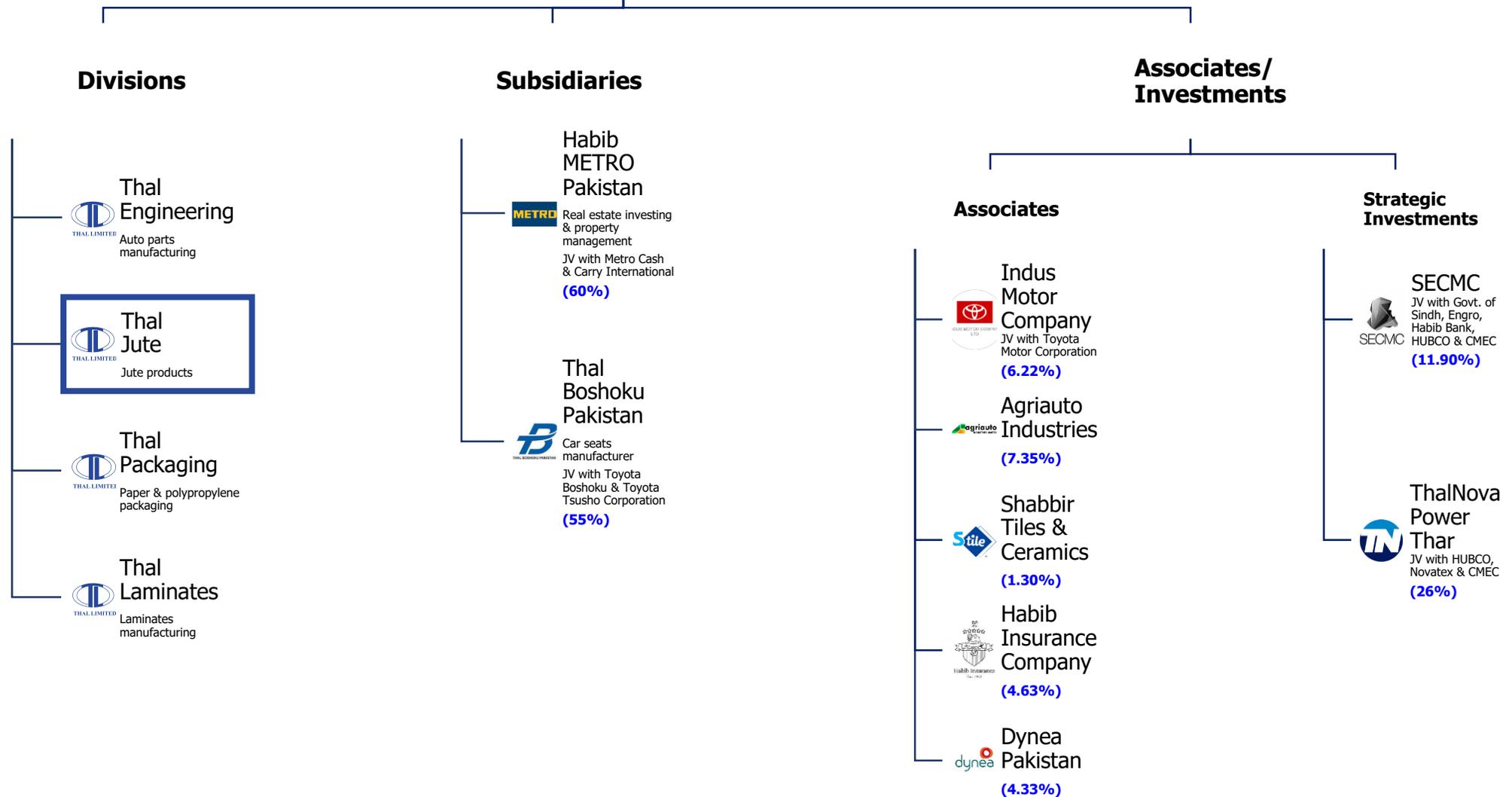
# 10<sup>th</sup> QCC Convention 2023







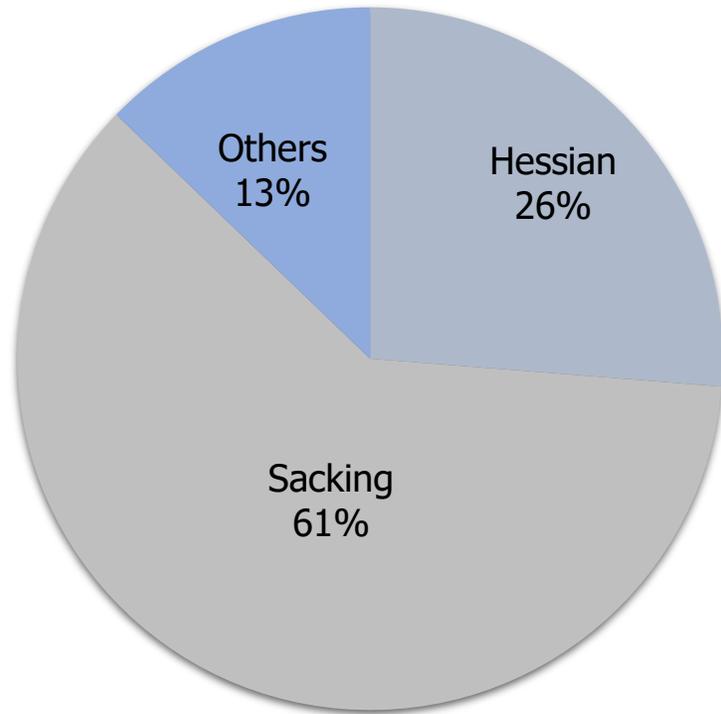
# Thal Limited Company Profile





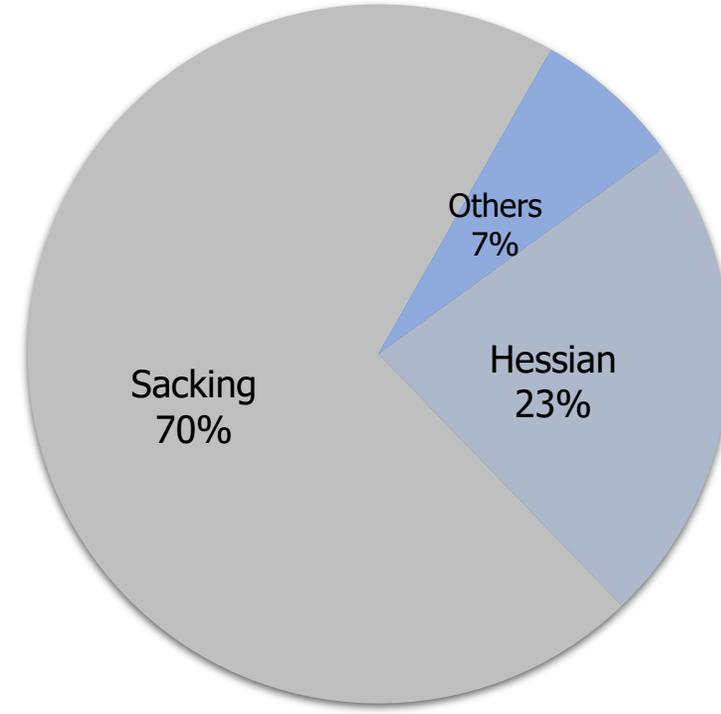
# Jute Division – Product Mix

Sales Quantity: **19,713 MT**



July 2021 – March 2022

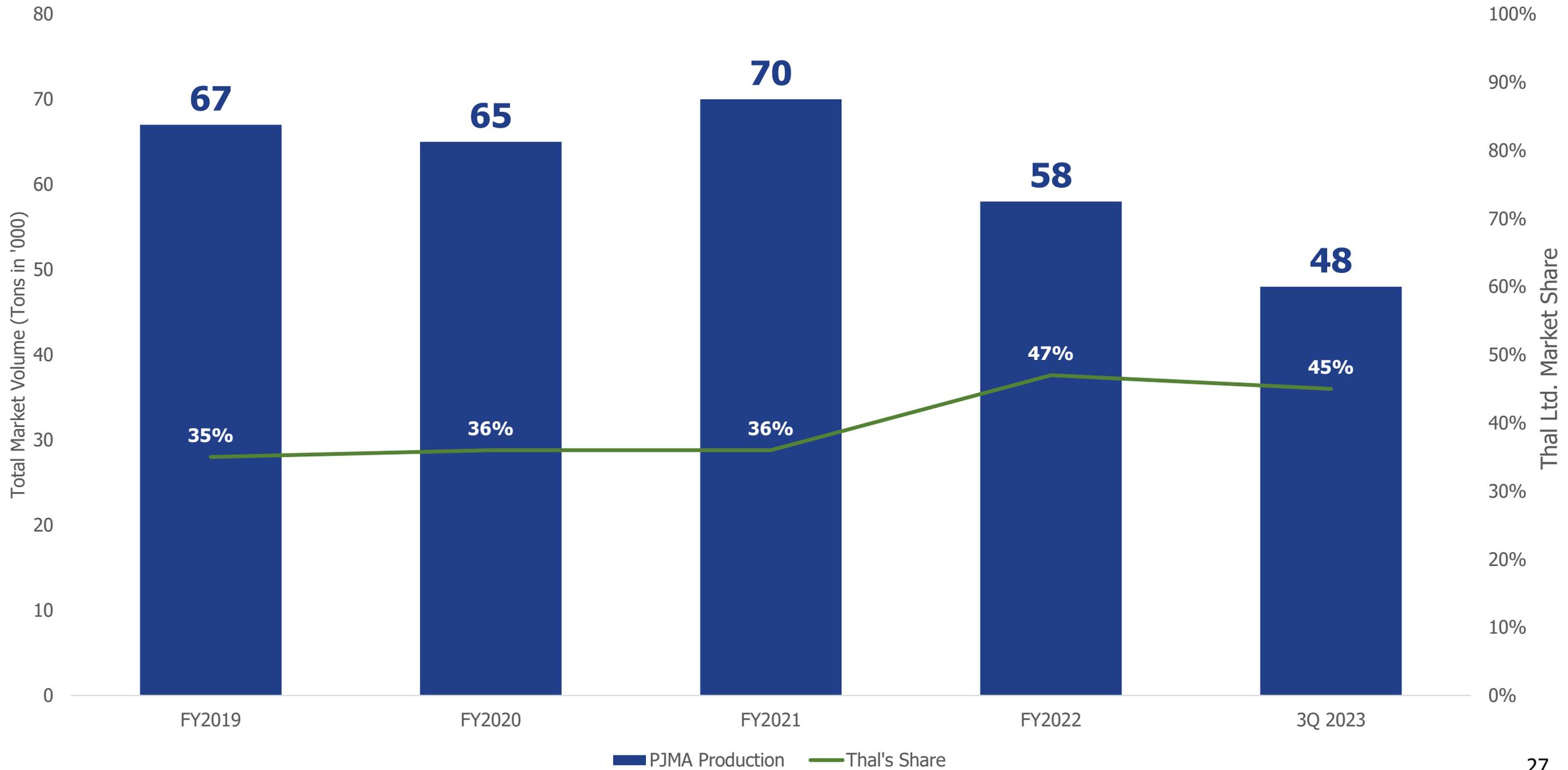
Sales Quantity: **21,300 MT**



July 2022 – March 2023



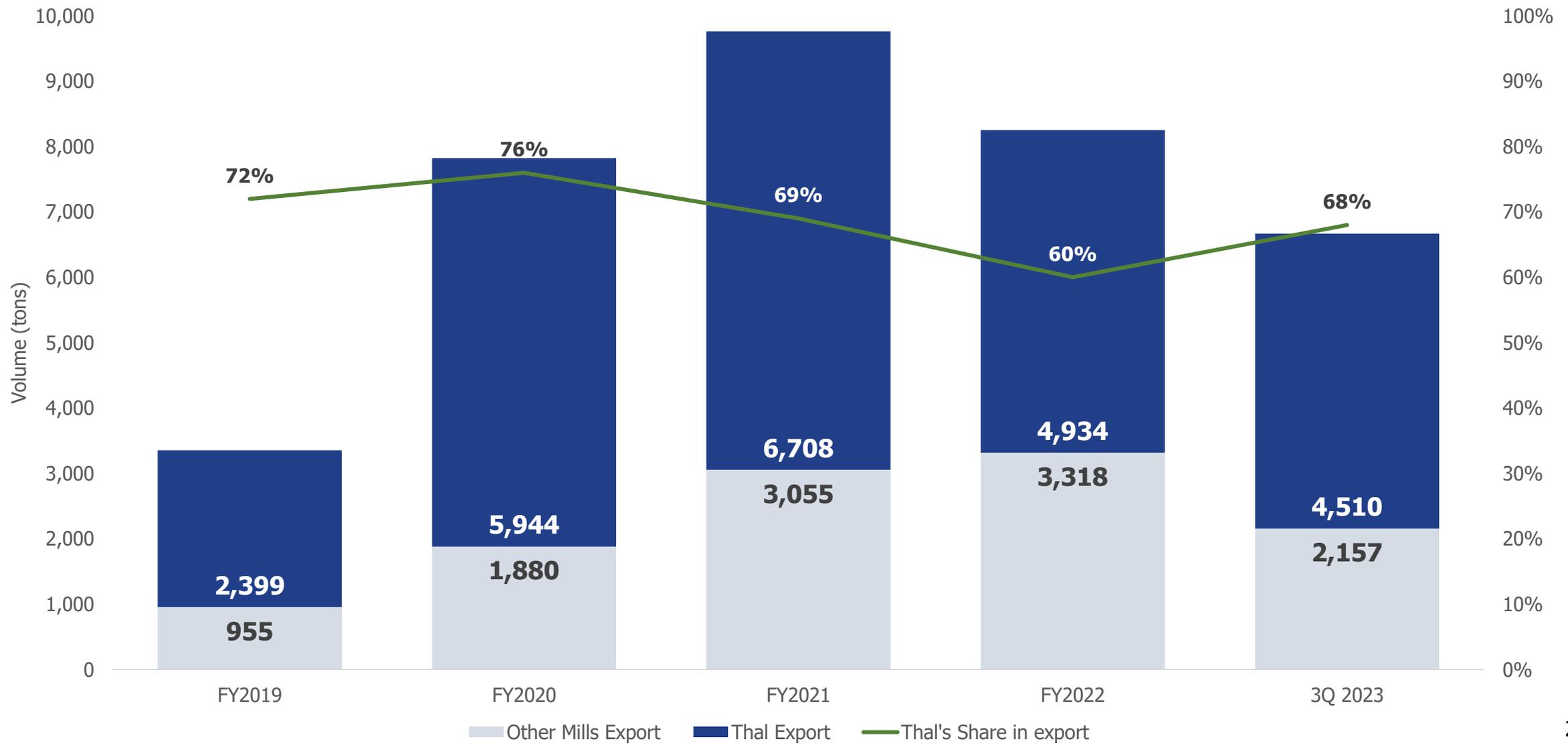
# Jute Division – Market Share





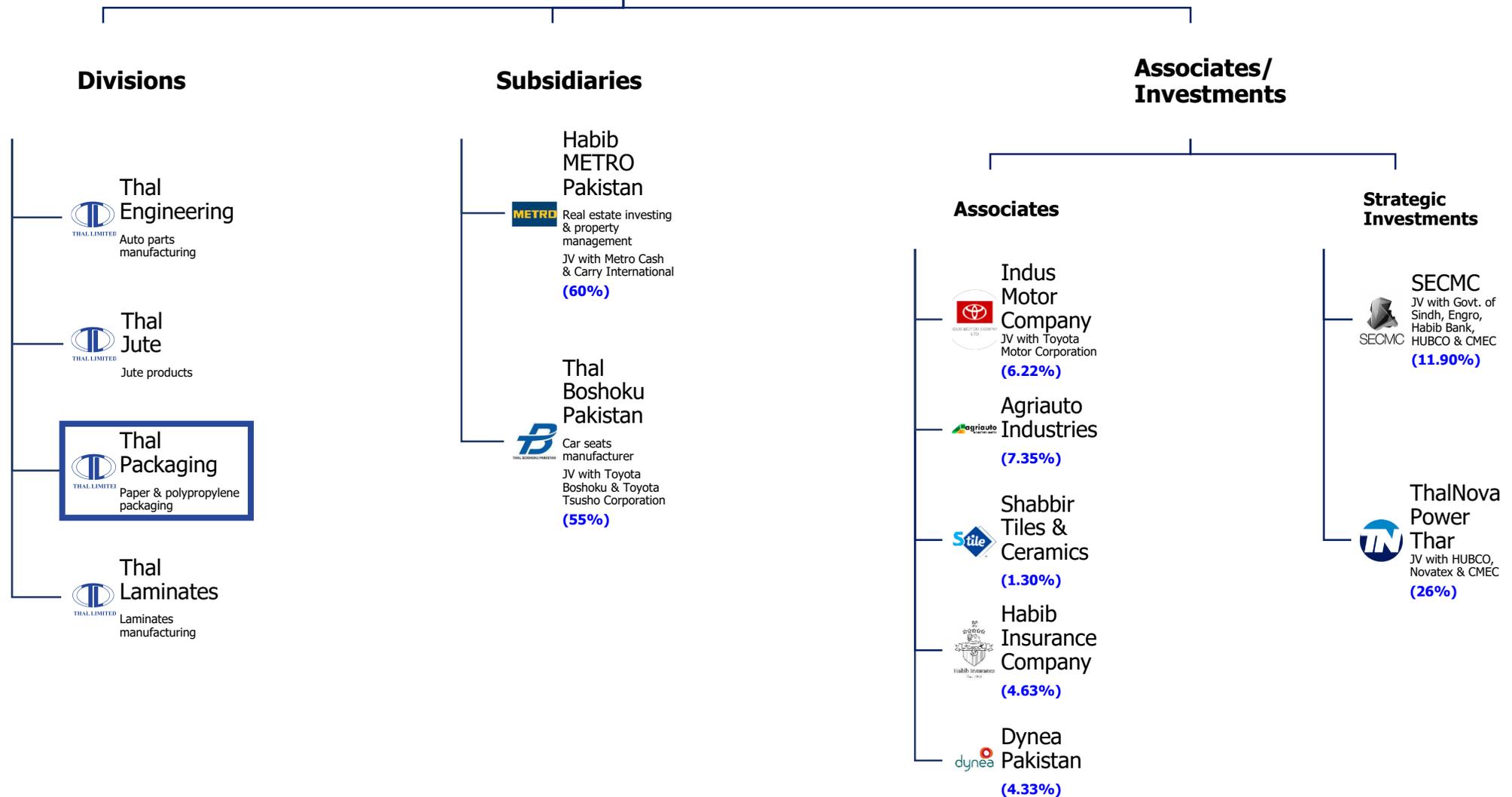
# Jute Division – Export

The business is also promoting cultivation of jute to develop a substitute for imports



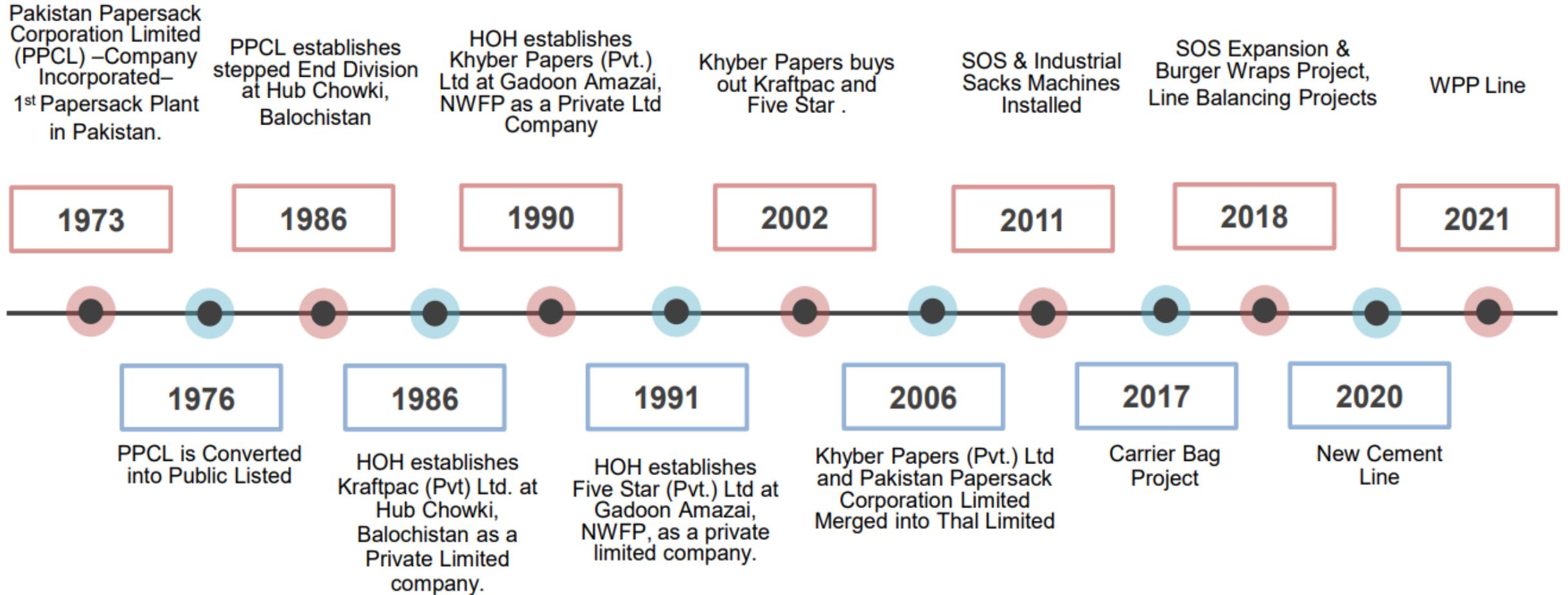


# Thal Limited Company Profile





# Packaging Division History





# Packaging Division – Products



## Cement Bags

- Multi-Ply Sacks
- Semi-Extensible & High Porous of Paper



## Industrial Sacks

- Guar Gum
- Tile Bond/Adhesive
- Carbon Black
- Gypsum
- Animal Feeds



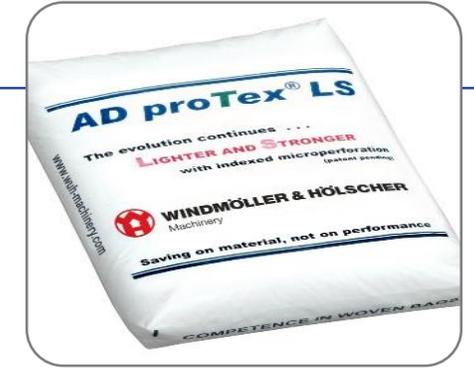
## Self Opening Satchels & Burger Wraps

- Fast food Bags
- Grocery Bags
- Burger Wraps
- Tray Liners
- Meat Liners
- Boxes



## Carrier Bags

- Fashion Bags
- Sports Wear
- Cosmetics
- Fast Food
- Shoe Market



## Polypropylene Bags

- Cement Bags
- Industrial Sacks



# Packaging Division – Customer Base & Exports

## Customers



\*includes domestic and international (export) customers





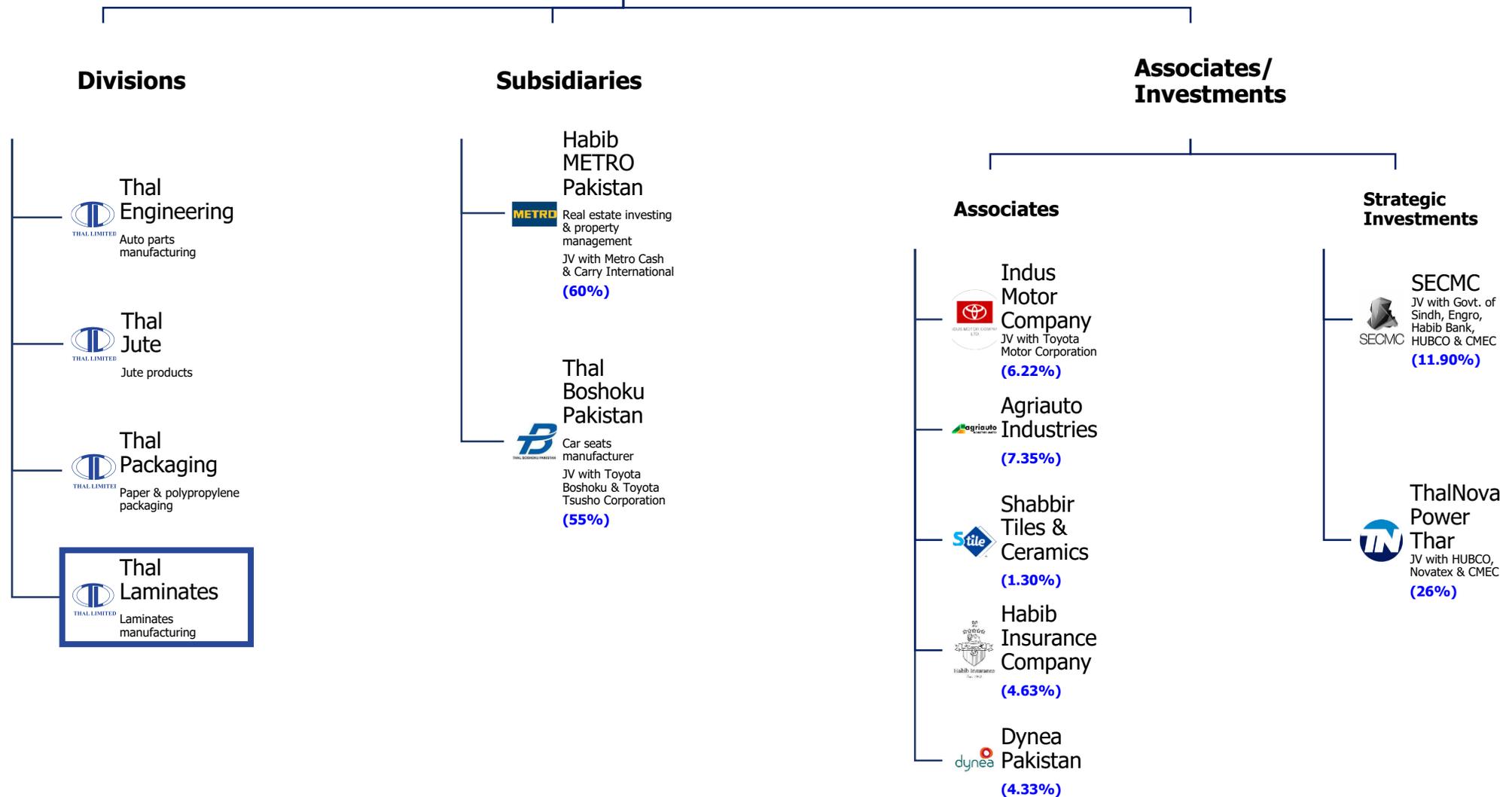
# Packaging Division – Sustainability Initiatives

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- Eliminate Waste:
  - ✓ In-house PP recycling plant
  - ✓ Utilizing PP granules made from post-consumer waste
  - ✓ Paper waste conversion into usable paper
  
- Green Energy
  - ✓ Solar system installed
  - ✓ Capacity: 1,750 KW
  
- Zero Liquid Discharge:
  - ✓ No wet processing



# Thal Limited Company Profile





# Laminates Division – Operational Performance

## Export Market

- Introduced a new product variant for export markets

## Local Market

- We have a renewed focus on markets in north region. This has resulted in better margin, increased market share and product availability.

## Localization of Key Raw Material

- We have localized procurement of kraft paper not only to support local manufacturing but to secure our supply chain and save on precious foreign exchange.

## Profit Margins

- We have been able to increase our margins by having a favorable product mix with focus on high margin value added products.



# Laminates Division – Products

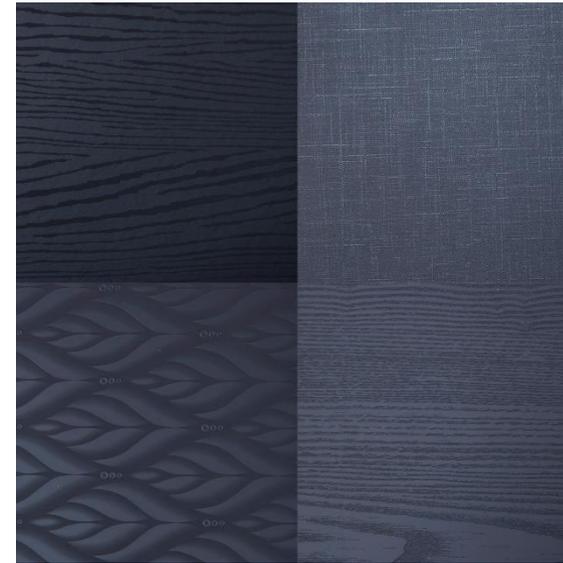


## BOARDS

*(LPL, HPL, LOCAL & MDF)*



GLOSSOMITE



ELEGANT



## HIGH PRESSURE LAMINATES

*(ECONO, CLASSIC & TUFF)*



## TECHNICAL LAMINATES

*(MELAMITE – GENERAL, P1 & P2)*

## FINISHED PRODUCTS



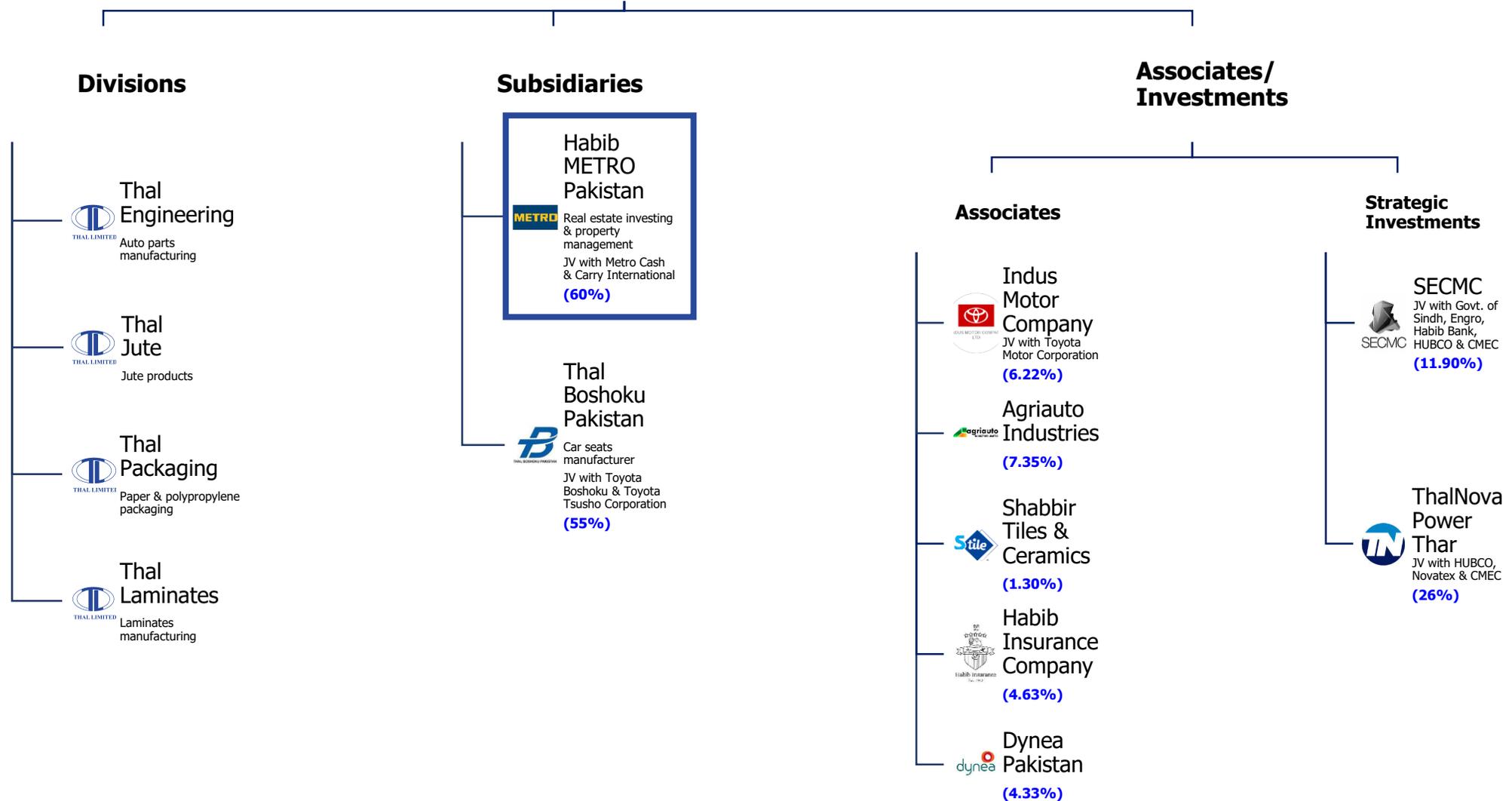
*WRITING SURFACES*



*PARTITION & LOCKERS*



# Thal Limited Company Profile



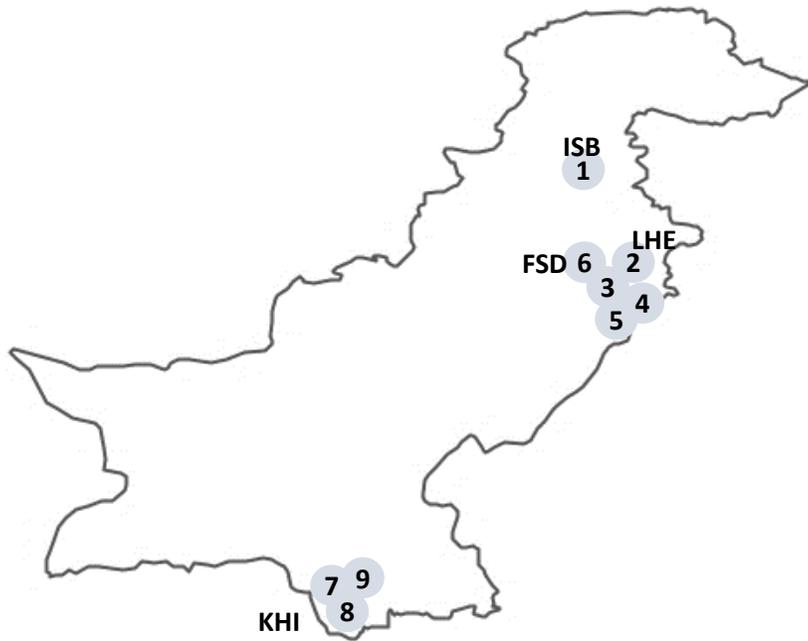


# Habib METRO Pakistan (Private) Limited

## Shareholding Structure

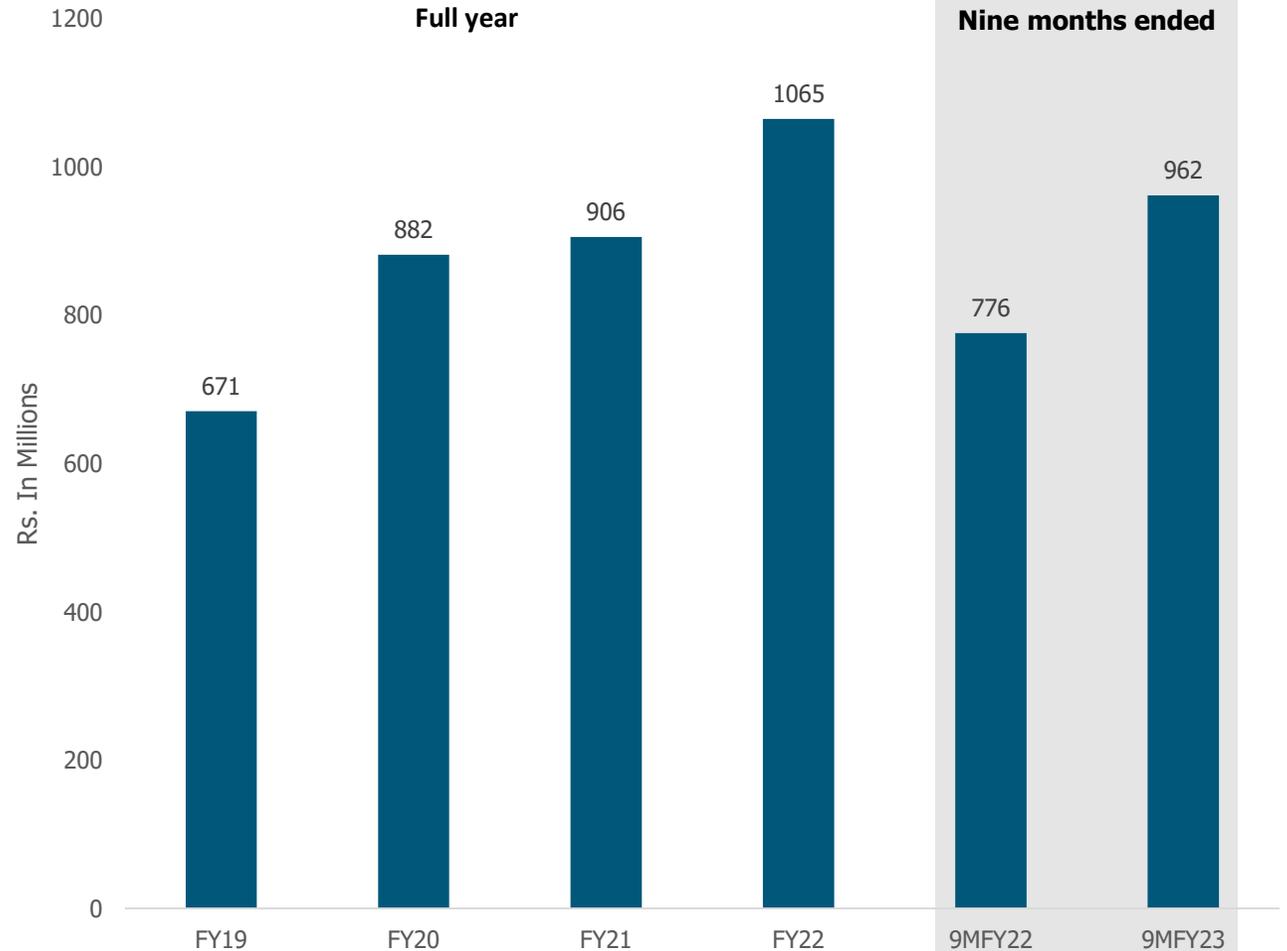
60% Thal Limited

40% Metro AG



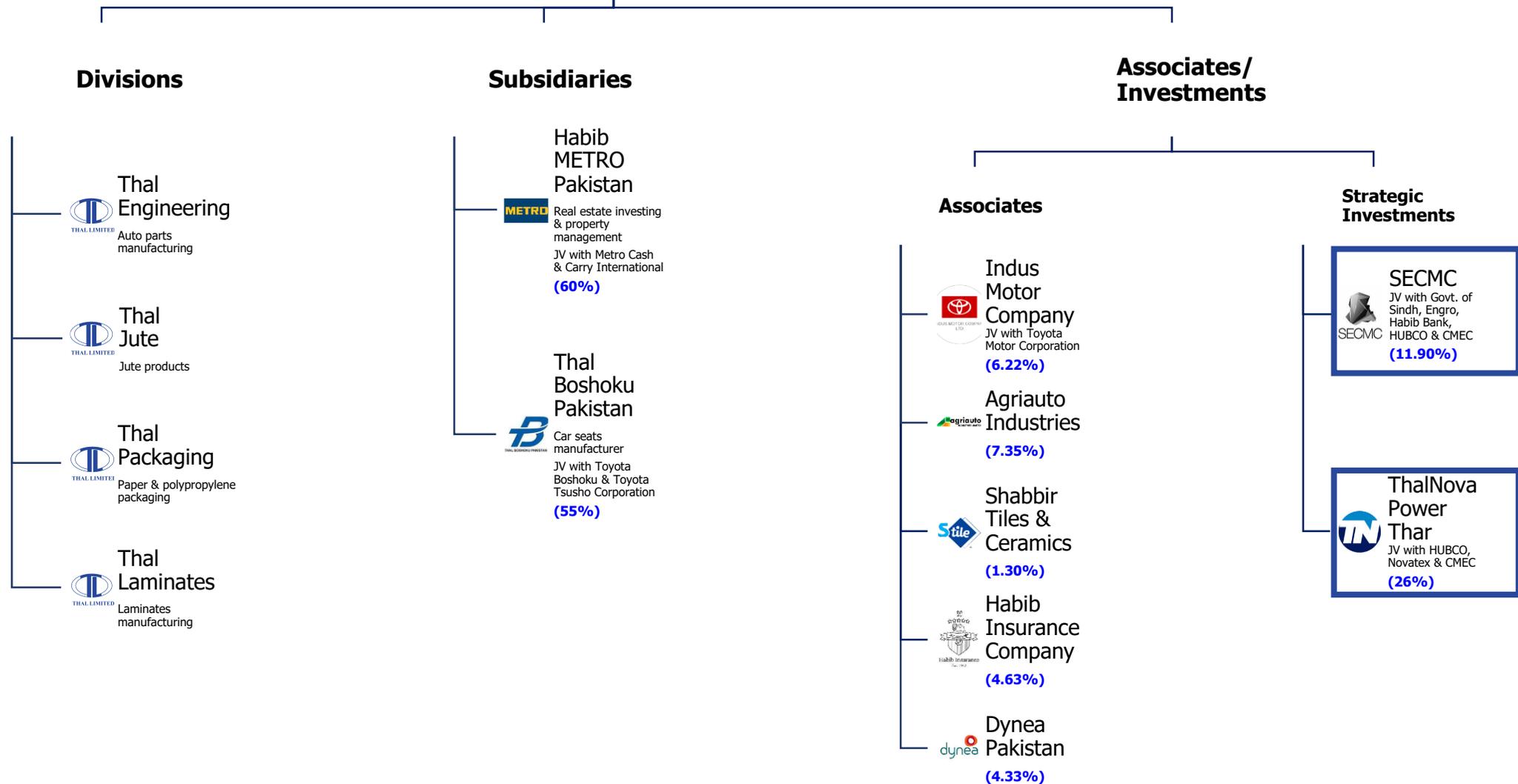
HMPL owns & manages a total of 9 Properties in Pakistan - Located in major cities (Karachi, Lahore, Islamabad & Faisalabad)

## Dividend History





# Thal Limited Company Profile





# **Sindh Engro Coal Mining Company Limited**



# Sindh Engro Coal Mining Company (SECMC)



**Mine Depth: 195 m**  
**1320 MW supplied to grid**  
**3 IPPs being supplied coal**

# SECMC – Earnings Snapshot

In PKR Mn	31 Mar 23*	31 Dec 22
Revenue	21,759	51,598
Gross Profit	7,429	19,651
Exchange Loss	(8,600)	(6,817)
Profit/(Loss) After Tax**	(3,785)	7,894

\* SECMC has reporting period from Jan to Dec. These are Q1 CY23 numbers

\*\*loss for the period is only on account of exchange loss on foreign loans. This is passthrough under the tariff and shall be recovered at the next indexation event

# SECMC Phase I & II – Key Events

Key Events	Forecasted Dates	Significance
Project Completion Date (Phase I)	H1 CY23	All conditions for PCD have been complied and SECMC has applied to the lenders to review and declare PCD for Phase I
Tariff True up	CY 23	SECMC has submitted petition of COD stage tariff for Phase II
Phase I & II have been completed under budget		

# SECMC Phase III



Key Events	Forecasted Dates
Financial Close	CY 23
<b>Expected COD</b>	<b>CY 24</b>



# **ThaNova Power Thar (Private) Limited**

# ThalNova 330 MW - Pictorial View

COD - 17 Feb'23

61% utilization till 31 Mar 2023





← TEL 330 MW (2022)

← EPTL 660 MW (2019)

← ThalNova 330 MW (2023)



**Thank You**