

**MATCO FOODS LIMITED**

B-1/A, S.I.T.E., Phase 1, Super Highway
Industrial Area, Karachi - 75340.
Tel: +92 21 36411661-3
Cell: +92 300 8610651
Fax: +92 21 36881443
Email: contact@matcofoods.com

October 26, 2023

The General Manager

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi, Pakistan

Dear Sir,

SUBJECT: CORPORATE BRIEFING SESSION

This is to inform you that Matco Foods Limited (“the Company”) is holding a Corporate Briefing Session (“CBS”) on Tuesday, October 31, 2023, at 4:00 pm at Institute of Cost and Management Accountants of Pakistan, Seminar Room, ICMA Pakistan Building ST-18/C, ICMAP Avenue, Block 6, Gulshan-e-Iqbal, Karachi and via Zoom video conferencing to brief the financial performance of the Company for the year ended June 30, 2023, and future outlook.

This session will be moderated by a representative of Foundation Securities (Pvt) Ltd. All investors and analysts are cordially invited to attend the CBS.

Please register in advance for the Zoom meeting by clicking the registration link given in the attached flyer. After registering, you will receive a confirmation e-mail containing information about joining the meeting.

The registration window/link will be closed on Monday, October 30, 2023.

The presentation of the CBS will be available on the Company website.

We would appreciate your kind assistance in communicating to all concerned and to the TRE Certificate holders of the Exchange accordingly.

Yours truly,



Muhammad Noman Ansari
Company Secretary

Following are the best practices for a Zoom Meeting that we encourage everyone to follow:

- All the attendees are requested to join the meeting 10 minutes in advance;
- All the attendees are requested to join the meeting with their names and Institution names;
- Attendees are requested to stay in ‘Mute’ mode during the presentation;
- In case of any questions or comments, attendees are requested to type the question in the chat box.



MATCO FOODS LIMITED

Foundation Securities
A Fauji Foundation Group Company



Corporate Briefing

You are cordially invited to the Corporate Briefing Session of “Matco Foods Limited” wherein the Company’s Chief Financial Officer, Mr. Muhammad Amir Farooqui will present the financial performance and outlook.

Venue

Institute of Cost and Management Accountants of Pakistan, Seminar Room, ICMA Pakistan Building ST-18/C, ICMAP Avenue, Block 6, Gulshan-e-Iqbal, Karachi

Date

✓ Tuesday, October 31, 2023

Time

✓ 4:00 p.m. to 5:00 p.m.

For Registration

✓ For Zoom link [click here](#)

For queries:

Mr. Abdul Rehman Siddiqui, Head of Research,
Foundation Securities (Pvt) Ltd.
abdul.rehman@fs.com.pk, 021-35635012

Corporate Briefing Session

October 31, 2023





Our Legacy

- The journey of Matco started with the entrepreneurial aptitude of Syed Sarfaraz Ali Ghorī, who established his own company by the name of Muhammad Ali Trading Company (MATCO) in 1964 and initially began supplying and commissioning rice plant and equipment for the Government of Pakistan.
- Today, Matco has over 250 global customers and exports its consumer products to over 65 countries worldwide. The company also holds Organic Certifications from the US NOP and EU Organic Certification from Control Union, and is an IFC investee company since 2012.
- In 2015, Matco Rice Processing (Pvt.) Limited changed its name to Matco Foods (Pvt.) Limited, and subsequently to Matco Foods Limited before listing in PSX, reflecting its mission of becoming a leading food corporation. Matco is a committed member of the society and strives to make constructive efforts for the welfare of the community.



Overview

1. Matco is the largest basmati rice exporter from Pakistan; its products are available in 60+ countries worldwide. Its Flagship brand is FALAK.
2. Matco deals in basmati rice, rice glucose, rice protein, rice maltodextrin, Himalayan pink salt, and other gourmet salts, spices, dessert mixes, and many more.
3. Matco Foods Limited operates 2 rice syrup plants, and 5 rice processing & milling plants, including paddy drying, storage, husking, and processing facilities in Sadhoke, Punjab, and Karachi, Sindh.
4. MFL's rice syrup and rice protein manufacturing facility is a natural business extension for catering to evolving global food trends.
5. MFL's Corn Division launched its range of Starches and Animal Nutrition products in 2022. The Company brings its deep expertise in grain procurement and handling, processing excellence, and customer-first sales approach to corn products.
6. Matco Foods has also launched its Falak Food Division in 2022, focusing on introducing new products under its flagship brand Falak and employing innovative marketing strategies to adapt to evolving global food trends.,

Rice Plant – Karachi

Rice production capacity – 138,090 MT of raw rice per annum.

Rice Plant - Sadhoke

Rice processing capacity – 40,410 MT of raw rice per annum.

Rice Glucose Plant

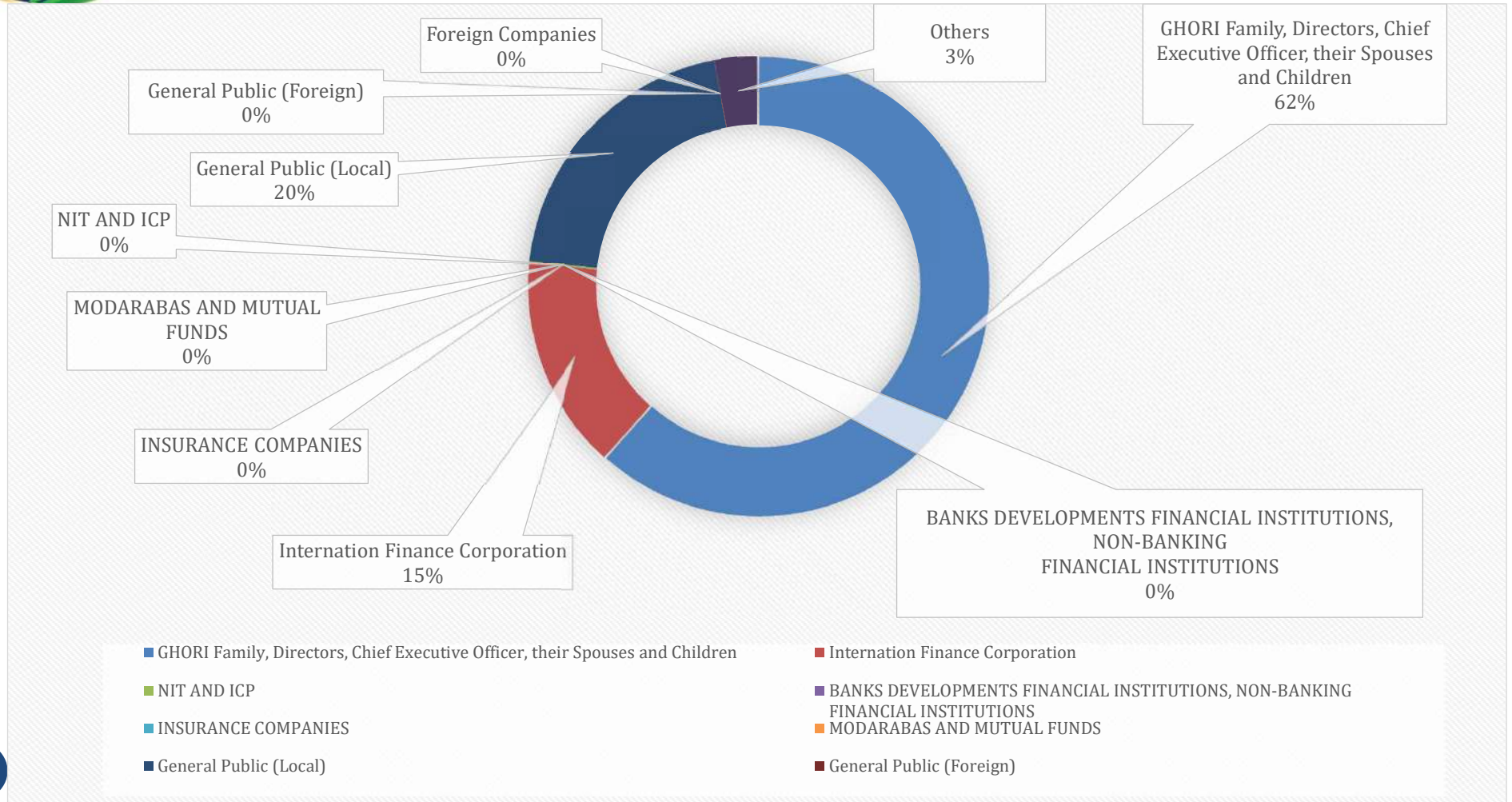
Production capacity for Rice glucose and protein is 30,000 MT and 3,000 MT per annum respectively.

Corn Starch Plant

Corn grinding capacity of 72,000 MT per annum.



Shareholding Pattern





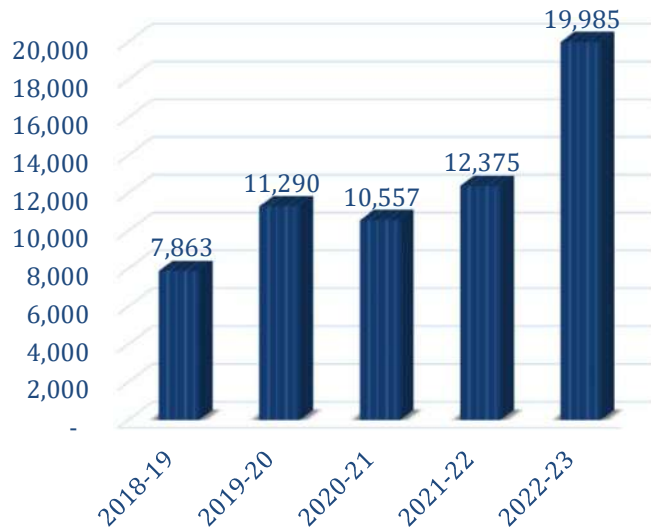
Profit & Loss Account – FY 2022

	%age	(Audited)	%age	(Audited)	Increase / (Decrease)	
	Jun-23	June 30, 2023	Jun-22	June 30, 2022	Amount	%
-----Rupees-----						
Sales - net	100.00	19,985,401,101	100.00	12,375,920,766	7,609,480,335	61.49%
Cost of sales	(87.72)	(17,532,145,553)	(89.34)	(11,056,103,781)	6,476,041,772	58.57%
GROSS PROFIT	12.28	2,453,255,548	10.66	1,319,816,985	1,133,438,563	85.88%
Selling and distribution expenses	(1.78)	(355,178,974)	(1.85)	(229,279,801)	125,899,173	54.91%
Administrative expenses	(2.82)	(564,506,396)	(2.88)	(356,460,731)	208,045,665	58.36%
	(4.60)	(919,685,370)	(4.73)	(585,740,532)	333,944,838	57.01%
Operating profit	7.67	1,533,570,178	5.93	734,076,453	799,493,725	108.91%
Finance cost	(5.92)	(1,182,362,299)	(3.13)	(387,872,994)	794,489,305	204.83%
Other income	0.27	53,694,455	0.16	19,789,701	33,904,754	171.33%
Exchange gain - net	2.06	412,369,039	1.63	202,334,249	210,034,790	103.81%
Provision for worker's welfare fund	(0.08)	(15,276,100)	(0.09)	(10,622,942)	4,653,158	43.80%
Provision for worker's profit participation fund	(0.19)	(38,190,251)	(0.21)	(26,557,356)	11,632,895	43.80%
PROFIT BEFORE TAX	3.82	763,805,022	4.29	531,147,111	232,657,911	43.80%
Income tax expense	(1.04)	(208,187,001)	(0.88)	(108,731,143)	99,455,858	91.47%
PROFIT FOR THE YEAR	2.78	555,618,021	3.41	422,415,968	133,202,053	31.53%
EARNINGS PER SHARE - BASIC						
AND DILUTED		4.54		3.45		

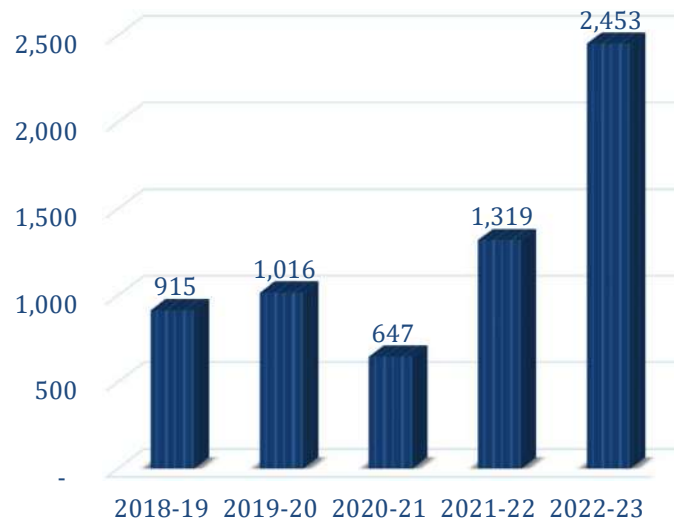


Financial Highlights of the Company

Sales (Rs. in Mn)



Gross Profit (Rs. in Mn)



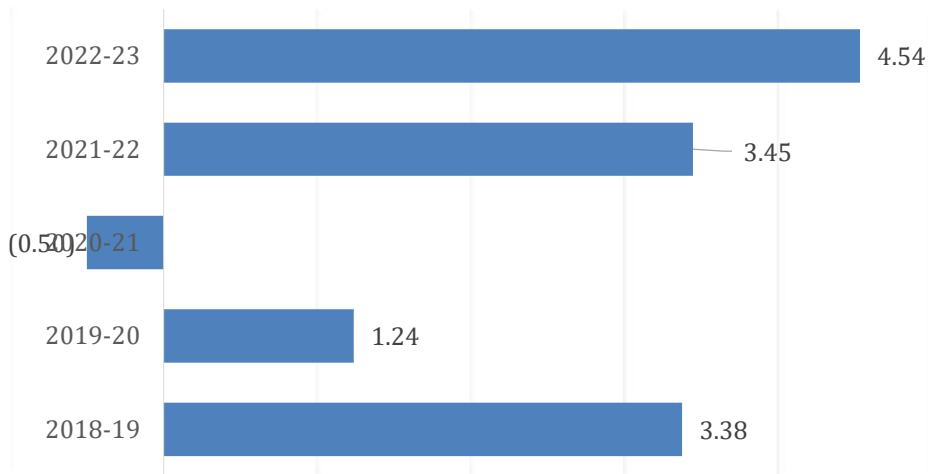
Net Profit (Rs. in Mn)



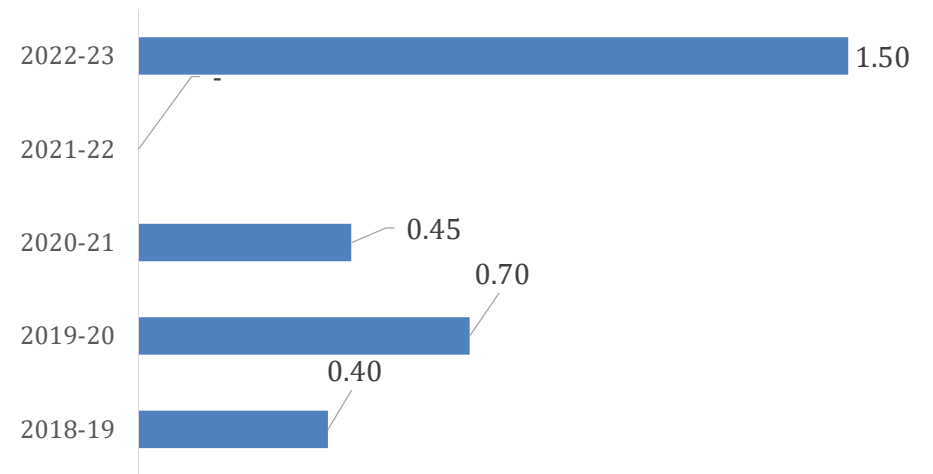


Financial Highlights of the Company

EARNING PER SHARE (RS.)



CASH DIVIDEND PER SHARE (RS.)





Matco Business Divisions



MATCO FOODS LIMITED



RICE GLUCOSE
D I V I S I O N



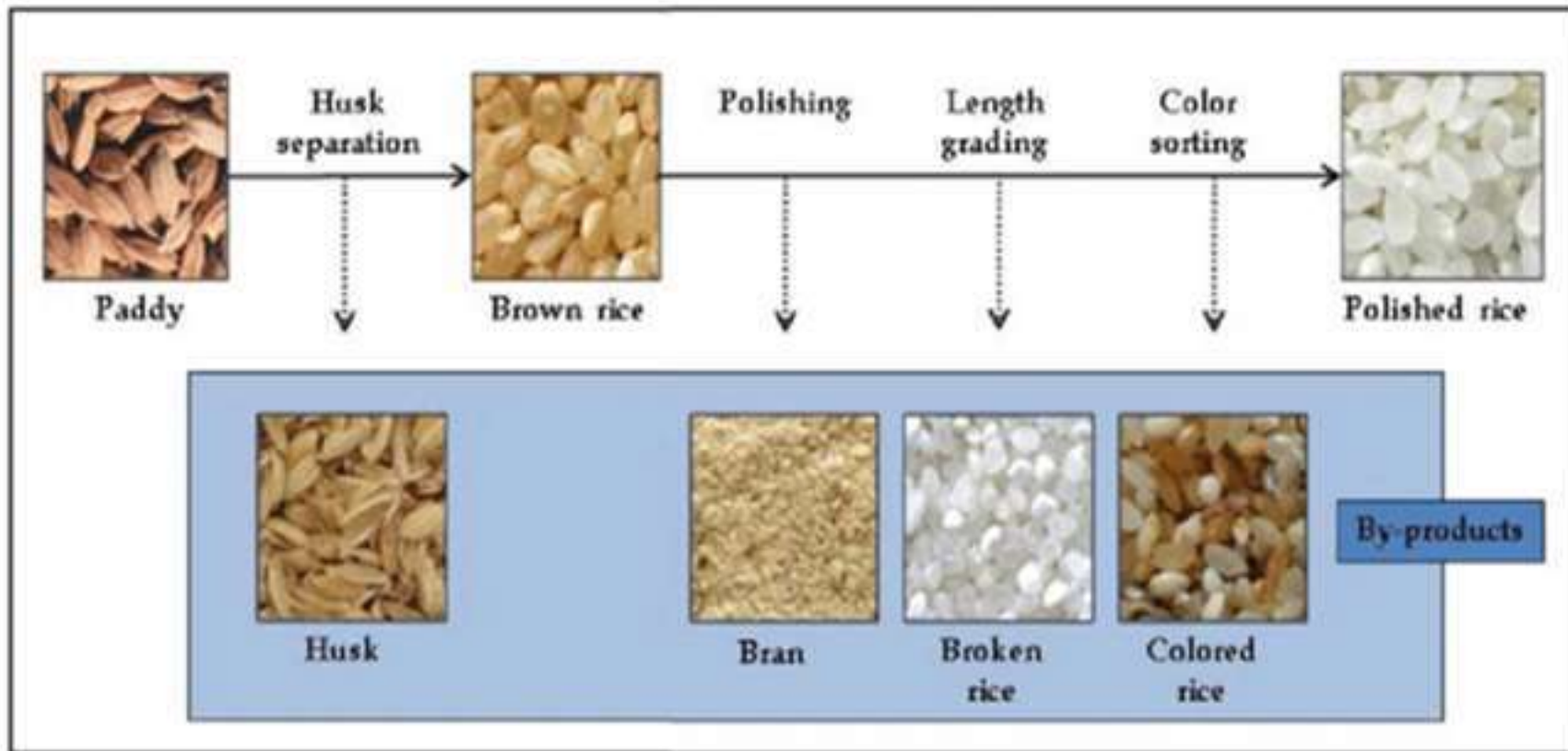
MATCO FOODS
CORN DIVISION



FALAK
FOODS



Rice Processing Process





Company Sales Comparison with Industry Sales

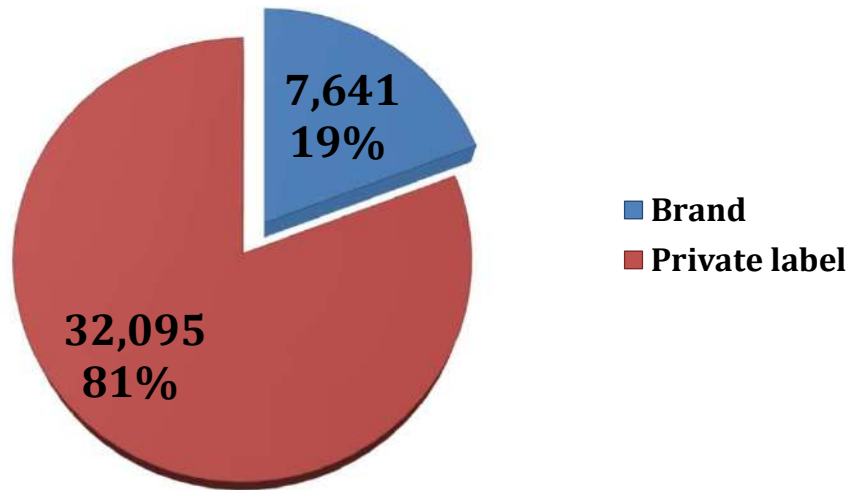
		Matco Foods Limited					
S. No	Variety	Jul-22 to Jun-23		Jul-21 to Jun-22		% Change	
		Unit		Unit			
		Qty (MT)	Value "000" \$	Qty (MT)	Value "000" \$	Qty MT	Value "000" \$
1	Rice (Basmati)	32,829	40,067	42,114	41,416	-22.05%	-3.26%
2	Rice (Other)	6,737	4,070	19,875	9,457	-66.10%	-56.97%
	Total Sales of Matco	39,566	44,136	61,989	50,873	-36.17%	-13.24%

		Pakistan Bureau of Statistics					
S. No	Variety	Jul-22 to Jun-23		Jul-21 to Jun-22		% Change	
		Unit		Unit			
		Qty (MT)	Value "000" \$	Qty (MT)	Value "000" \$	Qty MT	Value "000" \$
1	Rice (Basmati)	595,120	650,422	758,219	694,549	-21.51%	-6.35%
2	Rice (Other)	3,122,439	1,498,714	4,217,707	1,818,283	-25.97%	-17.58%
	Total Sales of PBS	3,717,559	2,149,136	4,975,926	2,512,832	-25.29%	-14.47%

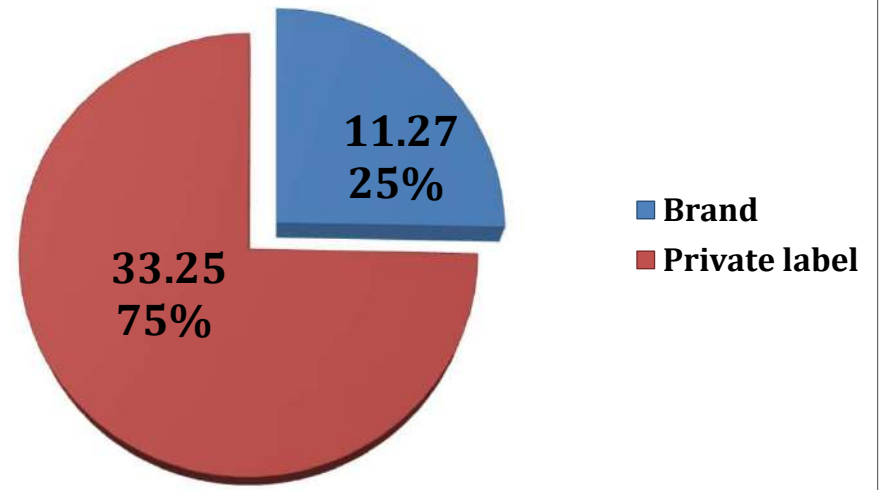


Comparison of Brand vs. Private Label (Basmati)

M. Tons



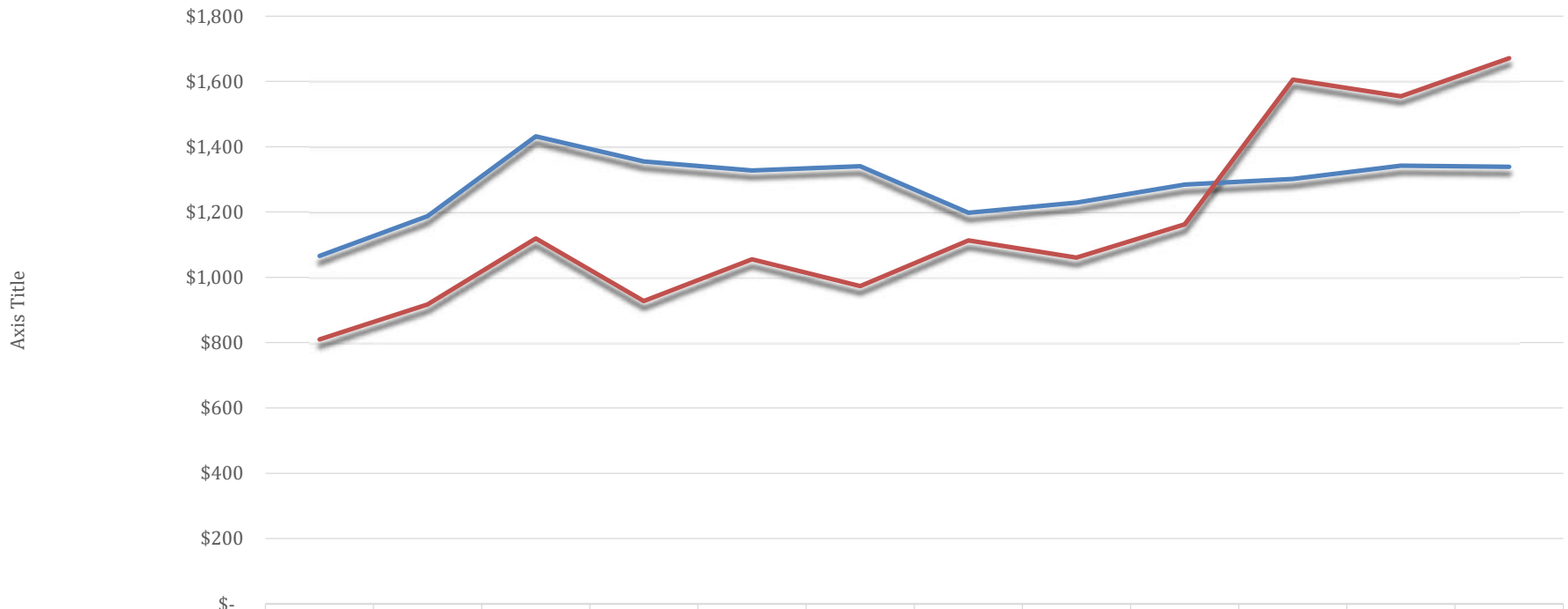
Value in USD (million)





Pakistani Basmati (Market Rate in \$)

Average Selling Price (USD/MT)



	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
— White Basmati	\$1,06	\$1,18	\$1,43	\$1,35	\$1,32	\$1,34	\$1,19	\$1,22	\$1,28	\$1,30	\$1,34	\$1,33
— Brown Basmati	\$810	\$917	\$1,11	\$927	\$1,05	\$973	\$1,11	\$1,06	\$1,16	\$1,60	\$1,55	\$1,67

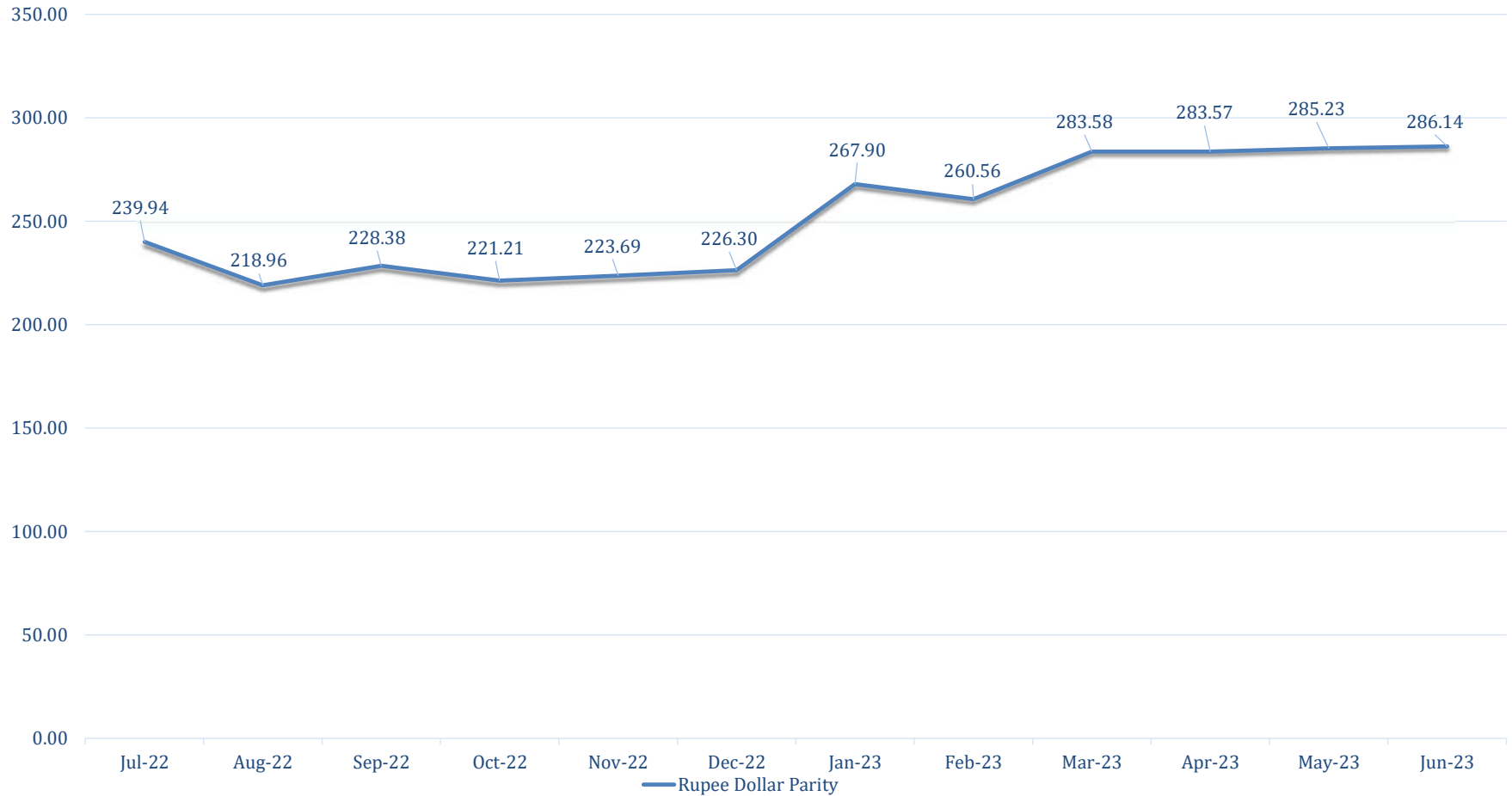


Insights from Rice Sales

- The demand for Basmati Rice showed a relatively lower trend, but prices were more favorable compared to the previous year.
- Conversely, the export of Irri Rice is not yielding attractive prices, prompting a shift in focus toward Basmati Rice.
- In the local market, rice is generating favorable margins, so our primary emphasis is directed there.
- The movement of exchange rates was a positive aspect for the Company during FY 2023.
- With an eye on anticipated demand for the next year, the Company is placing a stronger emphasis on achieving volumetric growth.



Exchange Rate

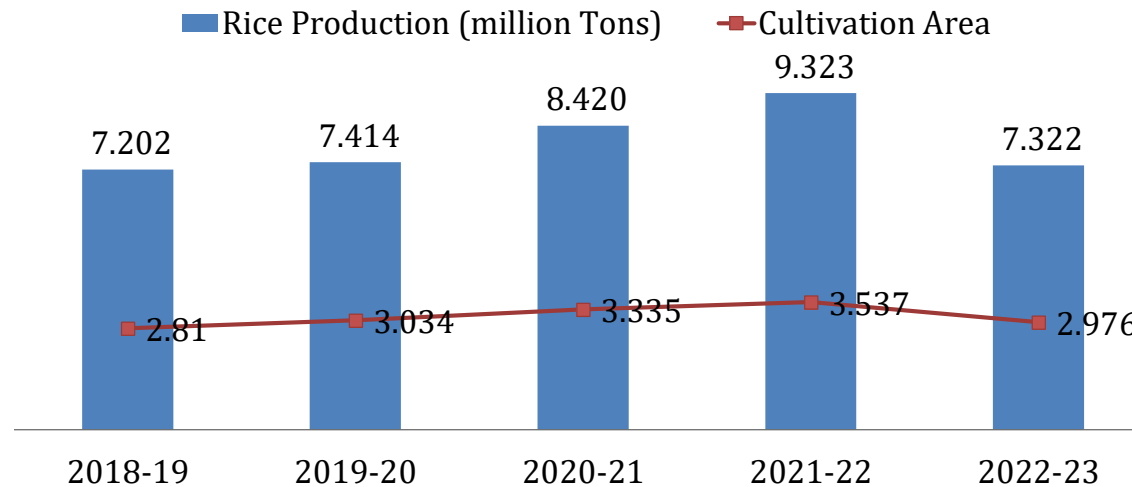




Crop Reporting Survey 2022-23

- In the agricultural year 2022-23, the rice-cultivated area decreased significantly by 16 percent, dropping from 3,537 thousand hectares last year to 2,976 thousand hectares.
- The reduction in production was even more substantial, decreasing by 21 percent to 7,322 million tons compared to the 9,323 million tons harvested in the previous year. This decline was primarily attributed to the devastating floods experienced in 2022.

Production vs Cultivation Area





FALAK Food Division

Major Customers

LMTS



IMTS



Division	2021-22	2022-23	Increase/(Decrease)
	Sales in Million Rupees		Value (Rs.)
Falak Food	402	136	235 (172%)



FALAK Food Division

The company aims to launch at least 2 new products in a year for achieving diversified growth in the FMCG market under the Falak Brand Umbrella.

New Products in 2023



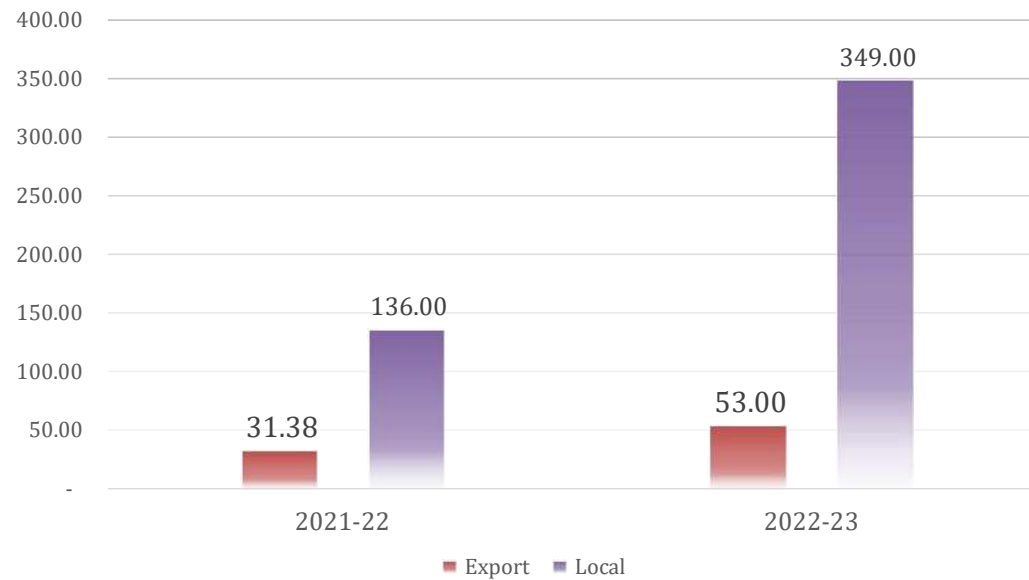
Other Products





FALAK Food Division

SALE OF PRODUCTS FALAK FOOD DIVISION





Marketing Activities

Product Awareness and Marketing through:

- International Marketing and Media Campaigns.
- Exhibition (Gulfood at Dubai, Sial at Paris, exhibitions in Karachi, Lahore, Islamabad).
- Corporate Marketing through Annual Reports, Calendar and Brochures.
- Point of Sale Materials such as banners, shop branding, shelves, gondolas and hoardings.
- Social Media Campaign through YouTube, Facebook, and Instagram Ads, Food Fusion Cooking Pages etc.



SOME GLIMPSE OF KARACHI EAT

FALAK





ADVERTISEMENTS





Consumer Engagement Activities





Marketing Activities

FALAK
You Tube

Ads will start from 7th July to 7th August

UK & EUROPE / USA & CANADA
MIDDLE EAST / AUSTRALIA

FALAK

عيد مبارك
Eid Mubarak

Make all your eid dishes special with Falak.

FALAK
You Tube

Digital Media Campaign

Ads will start from 22nd Oct 2022 to 1st Jan 2023

USA / CA / UK / SWEDEN / ITALY / GERMANY / NETHERLAND / BELGIUM / NORWAY / SYDNEY / MELBOURNE / MALDIVES / HONG KONG / SHENZHEN / TOKYO / JOHANNESBURG / DJIBOUTI / ETHIOPIA / BAGHDAD / KARBALA / ERBIL / QATAR

SASKATOON, Canada

Saifuddin - Djibouti

Denning Law School - Master Chef

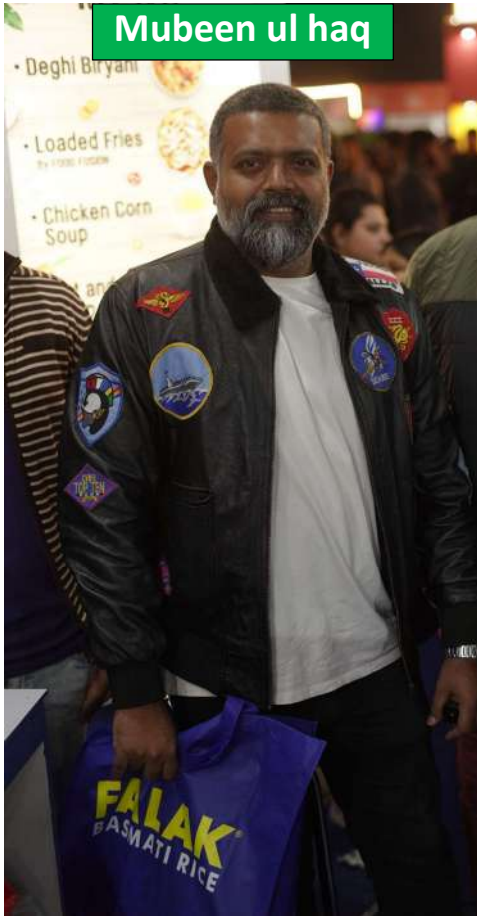
SHAN MASOOD SHOOT

FALAK MASALA
T'WIST KAROI / SHAKE KAROI / ENJOY KAROI



Gifting - Celebrities

Mubeen ul haq



Nadia Hussain



Adeel Chaudary





Shop Branding

IMTIAZ SUPER MART - GULSHAN



MARHABA MART - HYD



AL-FATAH - KARACHI





Upcoming Exhibitions In 2022-23



Europe

Frankfurt, Germany
28-30 November 2023

Gulfood

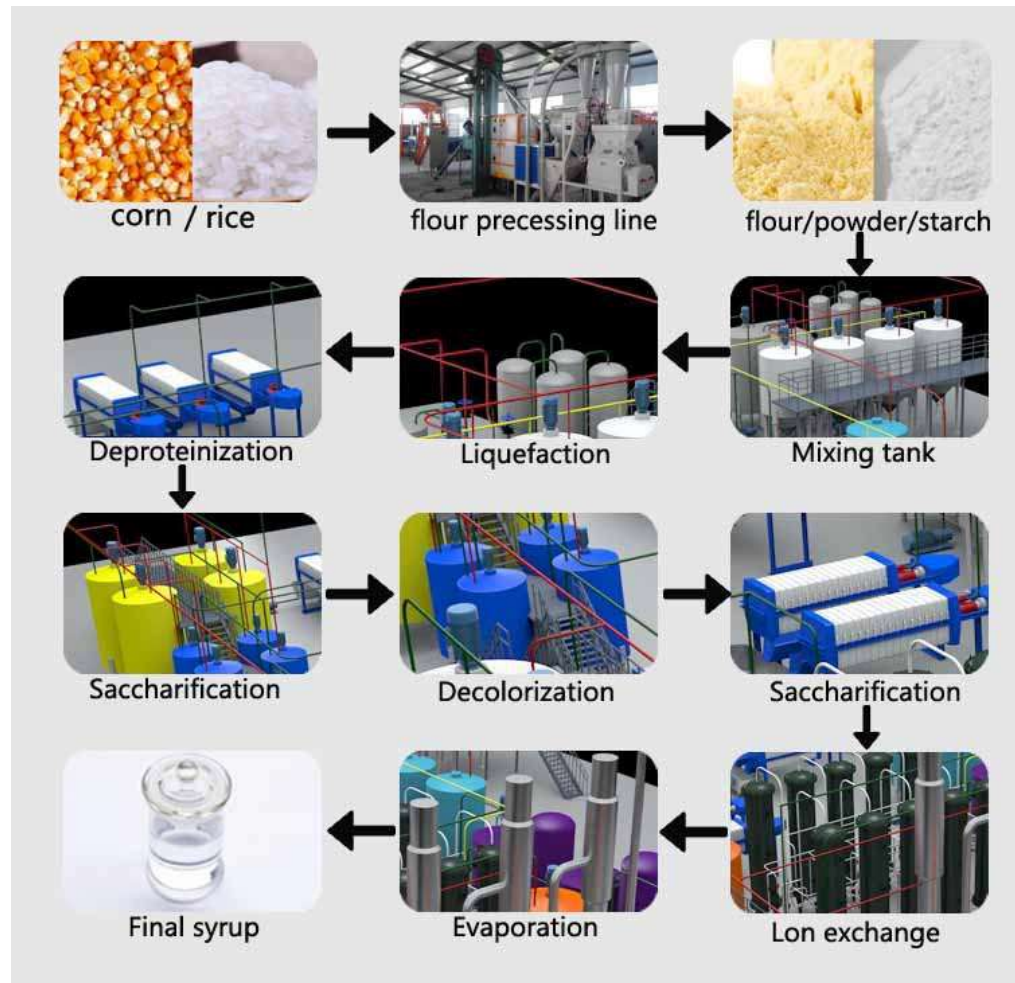
19 - 23
FEB 2024
DUBAI WORLD TRADE CENTRE



19 - 23 October 2024 - PARIS



Rice Glucose Division

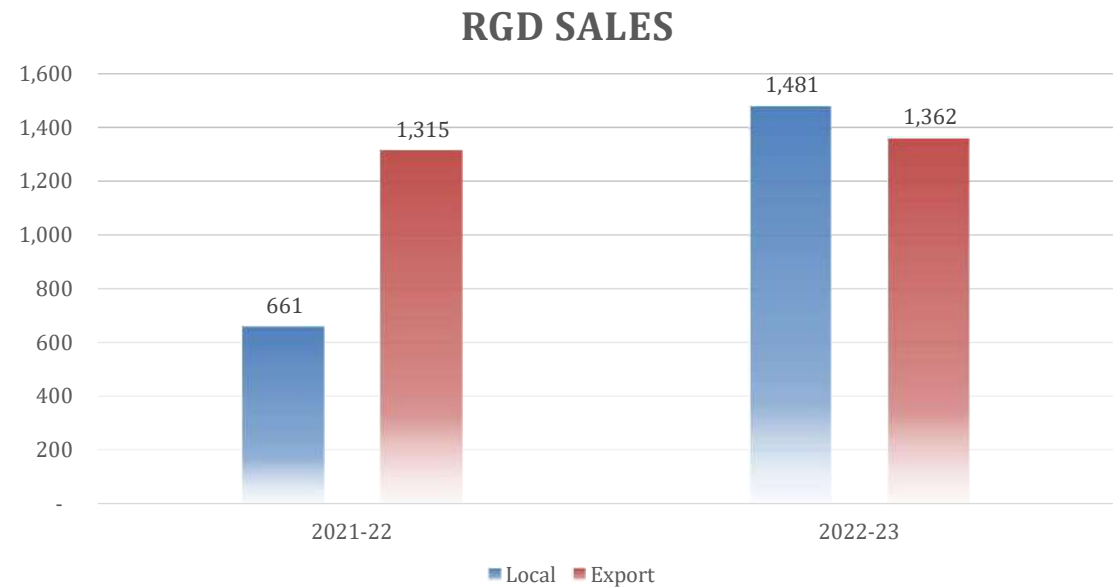




Insights from Rice Glucose Division

- Exports faced a decline due to insufficient demand.
- Within the domestic landscape, raw material prices for the Rice Glucose Division experienced an unforeseen surge.
- This surge in raw material prices was primarily set off by parallel and unanticipated demand from the confectionery, pharmaceuticals, and poultry sectors in Pakistan.
- Resulting in more promising profits for the Company.

RGD Export Sale Comparison		
	2022-23	2021-22
M. Tons	5,662	7,183
Value in Million USD	5.63	7.21





Corn Starch Division

Corn Starch Production

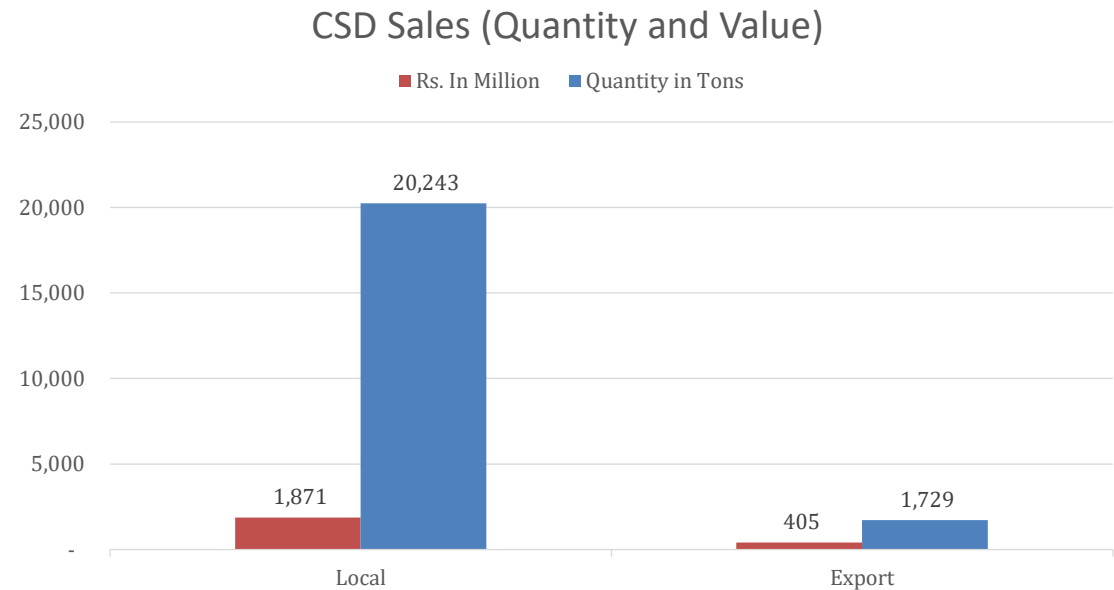




Insights from Corn Starch Division

- Started production in August 2022.
- Within the domestic landscape, raw material prices for the Rice Glucose Division experienced an unforeseen surge.
- This surge in raw material prices was primarily set off by parallel and unanticipated demand from the confectionery, pharmaceuticals, and poultry sectors in Pakistan.
- Resulting in more promising profits for the Company.

CSD Sale Comparison		
	2022-23	2021-22
Local (in Million Rs.)	1,871	n/a
Export (in Million Rs.)	405	n/a





New Project-Dextrose Monohydrate (DMH)

Groundbreaking Ceremony



Construction

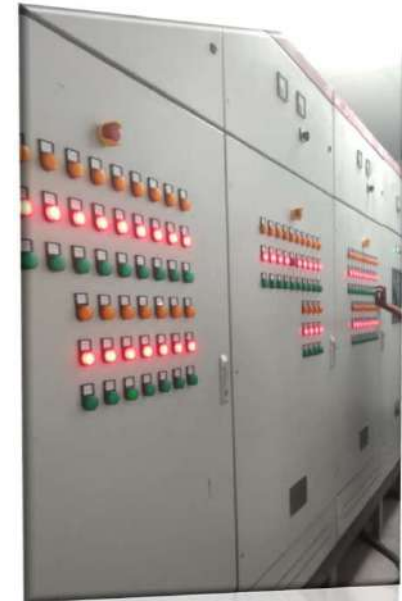


Installation





SITE Photos - DMH





Project Performance - DMH

Zero Alhumdulillah, no major site injuries or incidents

13 Months From Groundbreaking (September 2022) to Test Run

PKR 675 M Budget Cost vs Actual Cost, almost no Cost Overrun



Certifications





Future Outlook

Rice Processing Business

- Regular Expansion and Capital Expenditure.
- Secure and increase our market share in the USA, UK and Australia.
- Target Middle East Market/Branded Rice.

Rice Glucose Division

- Increasing the conversion ratio of local sales into exports.
- Keeping optimum capacity production of both plants.
- Introduce Dextrose Monohydrate by the end of FY2023.

New Product Development

- Focus on launching at least 2 new products in a year
- Increase export of newly developed Products.
- Branded FMCG products.

Corn Starch Division

- Increase grind capacity by next fiscal year 2023.
- Increase the range of starch products.
- Produce FALAK branded Corn Flour, Custards, Jelly, and other consumer products made from Corn Starch



THANK YOU



Question & Answers Sessions