



# MERIT PACKAGING LIMITED

Registered Office & Corporate Department

LAKSON SQUARE, BUILDING NO.2, SARWAR SHAHEED ROAD, KARACHI-74200, PAKISTAN.

November 06, 2023

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building,  
Stock Exchange Road  
Karachi

Dear Sir,

## **CORPORATE BRIEFING SESSION MERIT PACKAGING LIMITED**

This is to advise you that the Corporate Briefing Session of Merit Packaging Limited will be held on Friday, November 10, 2023 at 03:30 p.m. at PSX Auditorium, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi as well as through electronic means/Video link facility to brief the analysts/shareholders about the Company's performance. The Presentation of Corporate Briefing Session is attached herewith.

Interested participants should e-mail their credentials to "[mansoor@lakson.com.pk](mailto:mansoor@lakson.com.pk)" with the subject "Corporate Briefing Session" before 10:00 a.m. on November 10, 2023.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Kindly acknowledge.

Thanking you,

Yours faithfully,  
For **MERIT PACKAGING LIMITED**

  
**(MANSOOR AHMED)**  
Company Secretary



**Corporate Briefing Session**  
**MERIT PACKAGING LIMITED**  
**November 10, 2023**



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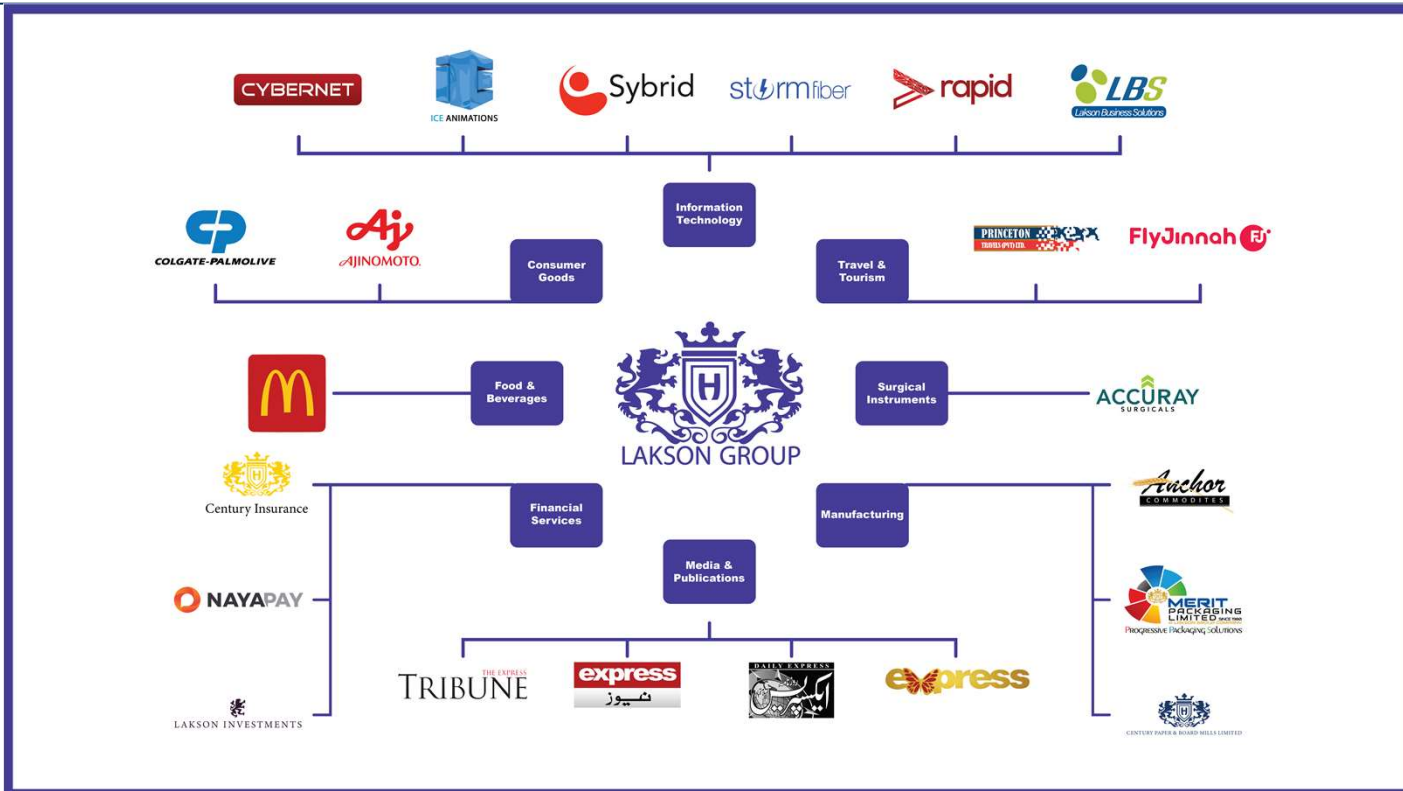
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## LAKSON HISTORY

- Established in 1954 by Mr. Hasan Ali Karabhai as a trading concern
- Grew organically over decades under the leadership and guidance of owners and sponsors
- Group assets exceed USD 1 Billion
- Domestic presence in more than 50 cities
- International presence in UAE and USA
- Employees of more than 17,000 persons
- Diversified portfolio of companies that are industry leaders



# LAKSON GROUP



## ABOUT US

- Established in 1980
- Experience of over 4 decades in the packaging industry
- One of three companies in Pakistan with Offset and flexible packaging
- Customer portfolio of local and multi-national corporations
- European machines providing unmatched quality



# CUSTOMER PORTFOLIO



\* All trademarks are the property of the respective owners

# OUR CERTIFICATIONS



شهادة الحلال العالمية  
International Halal Certification



\* All trademarks are the property of the respective owners



# VISION AND MISSION

## VISION

Performing while transforming

## MISSION

We are dedicated to providing sustainable packaging solutions that redefine industry standards and empower our partners' success.



# VALUES

Our values and priorities have helped our business to continue to forge ahead during the unprecedented challenges of the past year.



# OUR CULTURE

People are the core of our journey. We believe in the holistic well-being of our employees.



# CSR ACTIVITIES



We believe in giving back to the society and community



## SUSTAINABLE PACKAGING

- Use of FSC-certified board
- Water-based ink-reducing VOC footprint
- Production wastage sent to sister concern for recycling
- Sourcing of raw materials from responsible plastic suppliers
- Plastic waste is recycled to produce various plastic toys and utilities



# PRODUCTION FACILITY

## OFFSET DIVISION

- High-end printing technology
- Capacity to produce more than 1300 MT per month
- State-of-the-art printing technology
- Efficient post-press machines to support high-speed creasing & cutting and folding & gluing



# PRODUCTION FACILITY

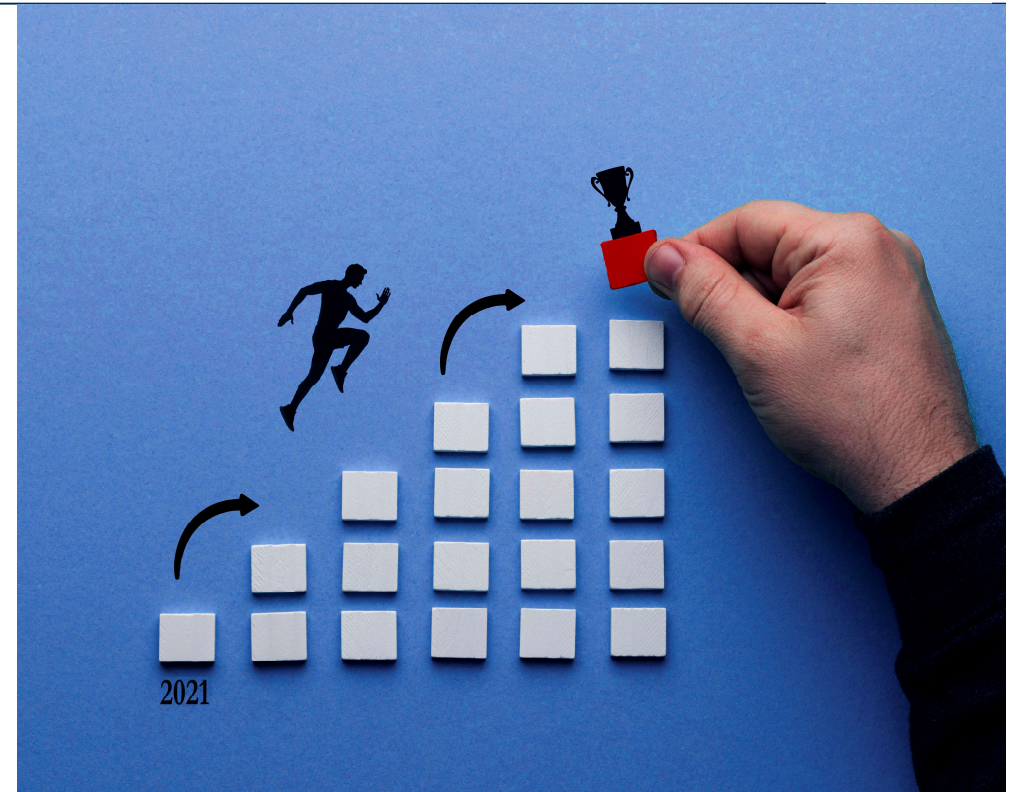
## GRAVURE DIVISION

- State-of-the-art BOBST gravure printing machine
- Capable of producing 9 color printing
- Top-notch laminators and slitters
- 3 Laminators, 2 Slitters, 2 Rewinders



## ACHIEVEMENTS SINCE 2021

- Reduced losses from Rs. 565 million to Rs. 138 million despite unprecedented discount rates
- Increased GP by 1,271% from a loss of 42 million to a profit of Rs. 492 million
- Revenue expansion by 2,814%
- Operating cash generation grew from negative Rs. 143 million to Rs. 481 million
- Revamped production facility infrastructure from own funds
- Became a top supplier to various companies





## ECONOMIC CHALLENGES

- Decelerated growth due to multiple global geo-political factors including the Russia-Ukraine war.
- Unprecedented inflation in FY 2023.
- Rock-bottom reserves induced the government to curb imports which almost choked the LSM and recorded an 8.11% decline.
- Record high discount rates.
- Plummeting PKR parity against USD magnified inflation.
- GDP fell to 0.29%
- Depleted purchasing power parity.



## ACHIEVEMENTS IN A GLOOMY ECONOMY

- Achieved production at maximum capacity during the months of **August, September, and December.**
- Early repayment of long-term loans.
- Growth in topline by 51.8% from last year.
- Reduction in bottom line loss by 17.4%.
- Made capital expenditures (including CWIP) of Rs. 240 million out of own funds.



## SPONSOR SUPPORT

- Unwavering support from sponsors in the shape of:
  - ✓ Injection of funds through the right issue in FY 2022 of Rs. 1.4 billion
  - ✓ Time-to-time rescheduling of sponsor loans
  - ✓ Keeping sponsor loan interest-free
  - ✓ New loan of Rs. 250 million offered by sponsors in FY 2021
  - ✓ Total sponsor loan amounts to Rs. 1.45 billion



# FINANCIAL SUMMARY

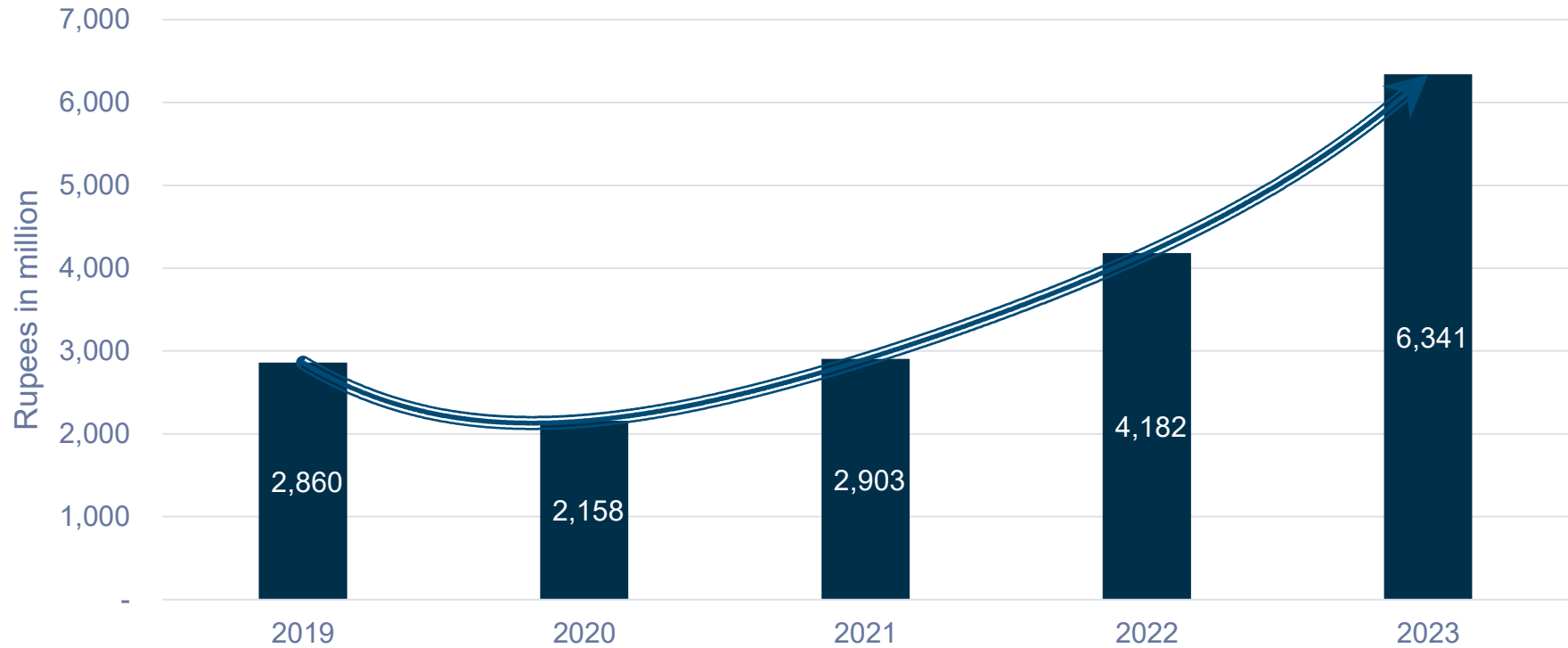
## VERTICAL ANALYSIS

## HORIZONTAL ANALYSIS

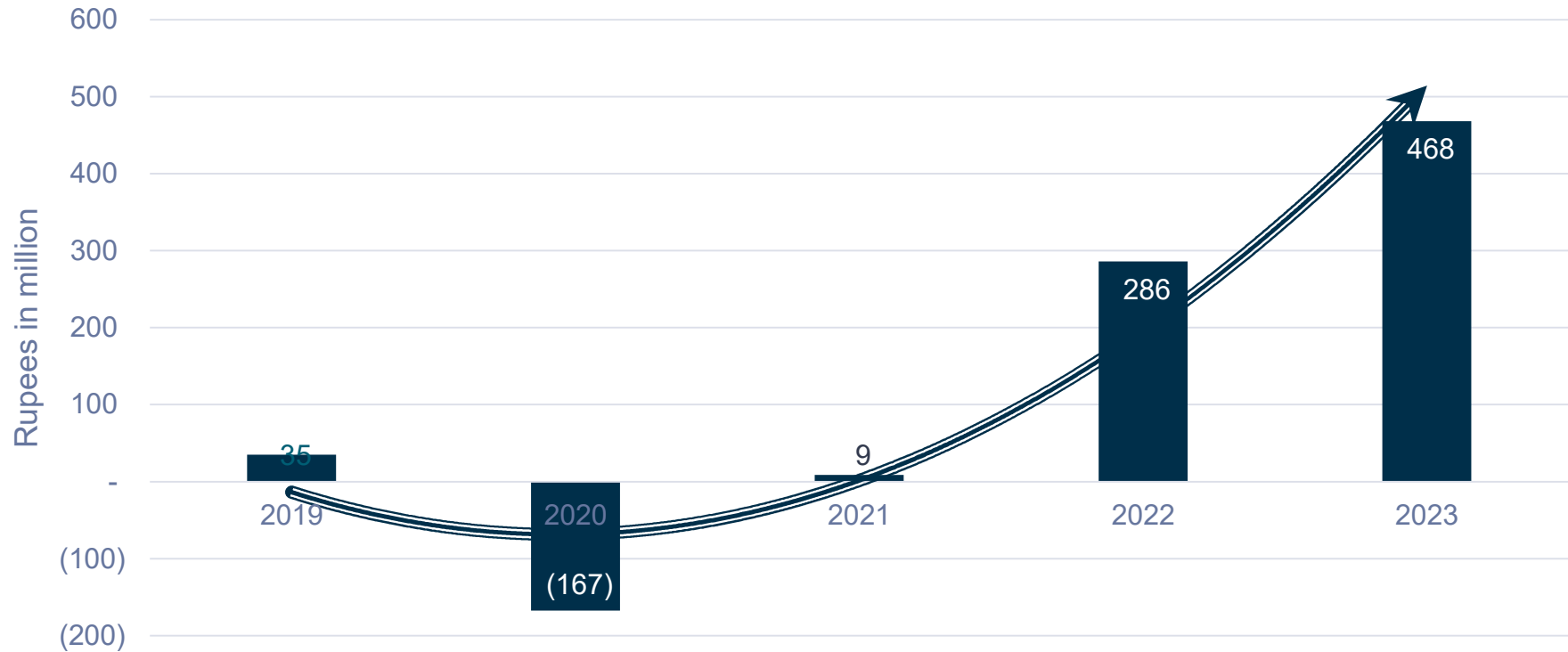
	2023		2022	
	Rs. '000	%	Rs. '000	%
<b>PROFIT &amp; LOSS ACCOUNT</b>				
Sales - net	6,340,624	100%	4,181,647	100%
Cost of sales	(5,849,026)	-92%	(3,928,730)	-94%
Gross profit / (loss)	491,597	8%	252,917	6%
Operating expenses	(212,848)	-3%	(160,146)	-4%
Operating profit / (loss)	278,749	4%	92,771	2%
Financial charges	(344,285)	-5%	(263,168)	-6%
Profit/(loss) before taxation	(65,536)	-1%	(170,396)	-4%
Profit/(loss) after taxation	(136,602)	-2%	(168,169)	-4%
<b>BALANCE SHEET</b>				
<b>Assets</b>				
Property, plant and equipment	4,430,917	62%	2,988,530	54%
Other non-current assets	12,493	0%	237,130	4%
Current Assets	2,679,294	38%	2,313,493	42%
<b>Total Assets</b>	<b>7,122,703</b>	<b>100%</b>	<b>5,539,153</b>	<b>100%</b>
<b>Equity &amp; Liabilities</b>				
Share capital & reserves	2,922,228	41%	1,845,514	33%
Non-current liabilities	1,568,046	22%	1,641,496	30%
Current liabilities	2,632,429	37%	2,052,143	37%
<b>Total equity and Liabilities</b>	<b>7,122,703</b>	<b>100%</b>	<b>5,539,153</b>	<b>100%</b>

	2023		2022	
	Rs. '000	%	Rs. '000	%
<b>PROFIT &amp; LOSS ACCOUNT</b>				
Sales - net	6,340,624	52%	4,181,647	44%
Cost of sales	(5,849,026)	49%	(3,928,730)	33%
Gross profit / (loss)	491,597	94%	252,917	497%
Operating expenses	(212,848)	33%	(160,146)	-9%
Operating profit / (loss)	278,749	200%	92,771	143%
Financial charges	(344,285)	31%	(263,168)	-20%
Profit/(loss) before taxation	(65,536)	-62%	(170,396)	-69%
Profit/(loss) after taxation	(136,602)	-19%	(168,169)	-70%
<b>BALANCE SHEET</b>				
<b>Assets</b>				
Property, plant and equipment	4,430,917	192%	2,988,530	130%
Other non-current assets	12,493	16%	237,130	301%
Current Assets	2,679,294	194%	2,313,493	167%
<b>Total Assets</b>	<b>7,122,703</b>	<b>189%</b>	<b>5,539,153</b>	<b>147%</b>
<b>Equity &amp; Liabilities</b>				
Share capital & reserves	2,922,228	293%	1,845,514	185%
Non-current liabilities	1,568,046	134%	1,641,496	141%
Current liabilities	2,632,429	164%	2,052,143	128%
<b>Total equity and Liabilities</b>	<b>7,122,703</b>	<b>189%</b>	<b>5,539,153</b>	<b>147%</b>

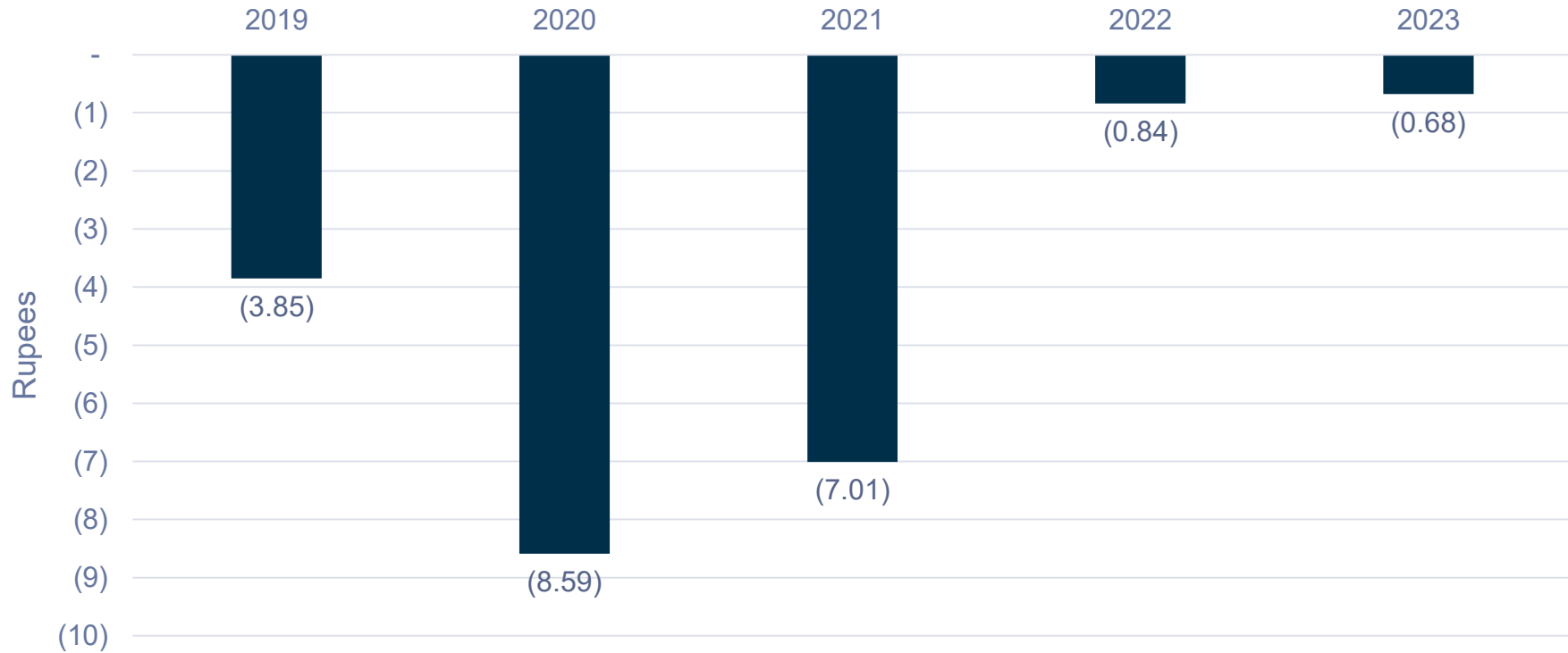
# REVENUE



# EBITDA



## LOSS PER SHARE



## OUTLOOK

- Unstable commodity & oil prices due to
  - Russia-Ukraine conflict
  - Israel-Hamas war
- Discount rate may start to decline by the last quarter
- PKR parity depends on continued efforts against hoarders and the success of SBA with the IMF
- Economic stability with Political stability expected by the third quarter of FY 2024
- Inflation affecting Purchasing Power Parity
- Working closely with supplier and customers to improvise products, secure margins and volume







**THANK YOU  
FOR YOUR PARTICIPATION**

Corporate Briefing Session

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