

# PAKISTAN SYNTHETICS LIMITED

CORPORATE BRIEFING SESSION



# BOARD OF DIRECTORS

**MR. YAKOOB HAJI KARIM**

**CHIEF EXECUTIVE OFFICER**

Mr. Yakoob Haji Karim is Graduate in Textile Engineering from University of Salford, Manchester, UK. He has been serving on the Board of Pakistan Synthetics Limited for over 25 years.

**MR. NOMAN YAKOOB**

**EXECUTIVE DIRECTOR**

Mr. Noman Yakoob oversees the financial matters of the Company. He is also currently serving as Vice President Landhi Association of Trade and Industry (LATI).

**MR. KHURSHID AKHTAR**

**CHAIRMAN**

Mr. Khrshid Alhtar has done BSc in Economics from LUMS and MSc in Economics and Finance from University of Bristol. He has been associated with the Company since its inception as a promoter and a director and has played an instrumental role in making strategic decisions for the Company.

**MS. SADAF SHABBIR**

**INDEPENDENT DIRECTOR**

Ms. Sadaf Shabbir is working as the Head of Structured Finance of Awwal Modaraba Management Ltd since October 2015. He has completed his CFA from CFA Institute, USA and MBA from Institute of Business Administration.

# BOARD OF DIRECTORS

**MR. ALI KAMAL**

**INDEPENDENT DIRECTOR**

Mr. Ali Kamal is working as Head of Research in National Investment Trust Limited since December 2017. He has completed his MBA from NUST Business School. He is a Certified Director by Completing Directors' Training Program from Institute of Cost and Management Accountants of Pakistan.

**MR. MUBBASHIR AMIN**

**NON EXECUTIVE DIRECTOR**

Mr. Mubbashir Amin is a qualified Chartered Accountant. He has served on different positions in the Company from Oct - 2011 to Dec - 2019 where he oversees financial, secretarial and operational matters of the Company. He possess in depth market knowledge of petrochemical industry.

**Mr. Faraz Younus  
Bandukda**

**INDEPENDENT DIRECTOR**

Mr. Faraz Younus Bandukda is working as the CEO of Al-Hilal Shariah Advisors (Pvt) Limited since March 2011. He has completed his CFA from CFA Institute, USA and MBA from Institute of Business Administration.

**MR. ABID UMER**

**NON EXECUTIVE DIRECTOR**

Mr. Abid Umer has done graduation in Economics from University of Massachusetts Boston. He has been on the Board since 2010. He is a Certified Director by Completing Directors' Training Program from ICAP.



# COMPANY PROFILE

The Company was incorporated on 18 November 1984 as a private limited company in Pakistan and subsequently converted into a public limited company on 30 December 1987. The shares of the Company are listed on Pakistan Stock Exchange with effect from 27 June 1995. The principal activity of the Company is manufacturing and sale of Plastic Caps, Crown Caps, PET Resin, PET Preform and BOPET Resin. The registered office of the Company is situated at 15th floor, Emerald Tower, Block 5, Clifton, Karachi.

# BUSINESS INFORMATION

PSL is the critical packaging supplier to the FMCGS (Beverage industry) besides flexible packaging manufacturers in Pakistan. We provide complete one window solution to beverage industry customers which have shown continuous growth in double digit over years. The Company is now poised to participate in growing needs of beverage consumption by playing an integral role, being a priority one-window supplier to multinational bottlers and local brand owners in Pakistan.

# VISION AND MISSION STATEMENT

## OUR VISION

To be an End to End solution provider for our partners, instead of working in a vendor-supplier model whereby all needs of our customers is catered by Pakistan Synthetics Limited.

## OUR MISSION

Our Mission is to be the most efficient manufacturer of high performance packaging requirements of Industry in Pakistan.

**STATEMENT OF FINANCIAL POSITION****June****June****2023****2022**-----**(Rupees in '000)**-----**ASSETS****NON-CURRENT ASSETS**

Property, plant and equipment

3,225,828

3,285,530

Right-of-use asset

22,246

32,133

Others

1,404,184

10,585

4,652,2583,328,248**CURRENT ASSETS**

Stock-in-trade

3,200,803

2,594,456

Trade debts

1,427,591

1,818,260

Others

327,332

819,280

4,955,7265,231,996**TOTAL ASSETS**9,607,9848,560,244



**STATEMENT OF FINANCIAL POSITION****June****June****2023****2022**-----**(Rupees in '000)**-----**EQUITY AND LIABILITIES**

SHARE CAPITAL AND RESERVES

3,910,561

3,114,733

**NON-CURRENT LIABILITIES**

Long term borrowings

811,685

743,741

Lease liability

13,485

29,314

Others

301,315

263,503

1,126,485

1,036,558

**CURRENT LIABILITIES**

Trade and other payables

2,741,581

2,971,234

Short term borrowings

1,380,819

1,183,997

Others

448,538

253,722

4,570,938

4,408,953

**TOTAL EQUITY AND LIABILITIES**

9,607,984

8,560,244



# PROFIT OR LOSS STATEMENT

June 2023    June 2022

(Rupees in '000)

Revenue from contracts with customers	14,425,230	12,311,249
Cost of sales	(11,847,036)	(9,987,556)
Gross profit	<u>2,578,194</u>	<u>2,323,693</u>
Administrative and general expenses	(188,609)	(133,821)
Provision against expected credit losses	(37,889)	(40,298)
Distribution and selling costs	(311,226)	(199,408)
Other operating expenses	(325,991)	(270,679)
	<u>(863,715)</u>	<u>(644,206)</u>
Operating profit	1,714,479	1,679,487
Other income	38,866	50,095
Finance costs	(381,289)	(248,436)
Profit before tax	<u>1,372,056</u>	<u>1,481,146</u>
Taxation	(574,376)	(494,933)
Profit for the year	<u><u>797,680</u></u>	<u><u>986,213</u></u>

(Rupees)

Earning per share - basic and diluted

5.75

7.11\*

**STATEMENT OF FINANCIAL POSITION****September  
2023****June  
2023****----- (Rupees in '000) -----****ASSETS****NON-CURRENT ASSETS**

Property, plant and equipment

3,149,597

3,225,828

Right-of-use asset

19,775

22,246

Others

1,507,153

1,404,184

4,676,5254,652,258**CURRENT ASSETS**

Stock-in-trade

3,520,067

3,200,803

Trade debts

1,907,226

1,427,591

Others

403,017

327,332

5,830,3104,955,726**TOTAL ASSETS**10,506,8359,607,984

**STATEMENT OF FINANCIAL POSITION****September  
2023****June  
2023****(Rupees in '000)****EQUITY AND LIABILITIES**

SHARE CAPITAL AND RESERVES

4,054,420

3,910,561

**NON-CURRENT LIABILITIES**

Long term borrowings

777,575

811,685

Lease liability

12,534

13,485

Others

439,134

301,315

1,229,243

1,126,485

**CURRENT LIABILITIES**

Trade and other payables

1,995,855

2,739,360

Short term borrowings

2,791,699

1,380,819

Others

435,619

450,759

5,223,173

4,570,938

**TOTAL EQUITY AND LIABILITIES**

10,506,836

9,607,984



**Profit or Loss Statement (Un-audited)**

	2023	2022
	September 30,	
	(Rupees in '000)	
Revenue from contracts with customers	3,620,854	3,699,619
Cost of sales	(3,051,685)	(2,997,638)
Gross profit	<u>569,169</u>	<u>701,981</u>
Administrative and general expenses	(41,402)	(32,742)
Distribution and selling costs	(61,852)	(76,004)
Other operating expenses	(35,592)	(127,856)
	<u>(138,846)</u>	<u>(236,602)</u>
Operating profit	<u>430,323</u>	<u>465,379</u>
Other income	8,852	1,629
Finance costs	(197,963)	(69,967)
Profit before tax	<u>241,212</u>	<u>397,041</u>
Taxation	(97,353)	(119,033)
Profit after tax	<u>143,859</u>	<u>278,008</u>
	(Rupees)	
Earnings per share - basic and diluted	<u>1.04</u>	<u>* 2.00</u>



# PRODUCTION VOLUME

YEAR  
ENDED

-----  
30 JUNE  
-----

<b>PRODUCTION QUANTITY</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Pet Resin / Polyester Chips – Tons	22,397	22,221	25,312	24,499	25,121
Plastic and Crown Caps - Cartons	619,121	625,325	543,820	434,861	459,345
PET Preform – Octabins	38,034	29,831	20,582	12,360	5,986

## KEY PERFORMANCE INDICATORS

YEAR  
ENDED  
30 JUNE

<b>PROFITABILITY ANALYSIS</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
% of Gross profit to net sales	17.87%	18.87%	20.05%	06.99%	09.56%
% of Operating profit to net sales	11.88%	13.64%	16.30%	04.23%	02.41%
% of Profit/(loss) before tax to net sales	09.51%	12.03%	14.56%	(01.51)%	(02.14)%
% of Profit/(loss) after tax to net sales	05.52%	08.01%	10.32%	(01.50)%	(01.76)%
Earnings per share (in Rupees)	5.75	7.11	8.09	(1.39)	(2.21)
Breakup value (in Rupees)	28.19	33.69	25.36	19.06	21.34
<b>FINANCIAL RATIOS</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Current Assets : Current Liabilities	1.08:1	1.19:1	1.16:1	0.94:1	0.78:1
Long Term Debts : Equity	21:79	25:75	19:81	18:82	31:69

# FUTURE OUTLOOK

The Country's economy remains under pressure until the general election and effective execution of IMF arrangements. Demand is expected to remain under pressure as continuously rising inflation is deteriorating the buying powers of the consumers. Cost of doing business has become higher due to prevailing highest ever discount rates, rising power and oil prices. Recent announcement of increase in gas tariffs by many folds depicts that it will further compound the existing challenge. The challenge for the company is to maintain the

# FUTURE OUTLOOK

margins in an environment of significant cost increases owing to increased raw material costs, fuel prices and higher inflation.

The management is aware and actively taking proactive measures to improve efficiencies in operations specially in fuel consumption while ensuring increase in revenue and costs reduction. The Company will continue its policy and focus towards sustainable growth. Being cognizant of the operating environment, the Company is focusing on value chain efficiencies and optimizing raw material inventory levels to



# FUTURE OUTLOOK

better manage the costs which will help improve profitability, while driving growth in upcoming periods. The Company's management will continue to monitor the situation and ensure that the cost is effectively and fairly reflected in our prices.