



Mitchell's Fruit Farms Limited

Corporate Briefing Session 2022-23 Annual Report
Scheduled for 12th December, 2023

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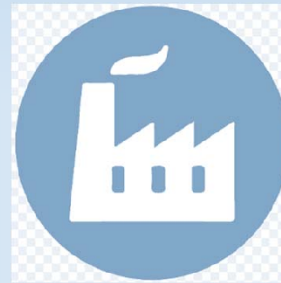
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CONTENTS

- Organizational Overview
- Key Strategic Operational Highlights & Financial Review
- Question & Answer Session



Organizational Overview



MITCHELL'S EVOLUTION



1911 Frank Mitchell arrives in Bombay post WWI



1913

Frank Mitchell is allotted 730 acres between the canal and the North Western Railway running from Baska Khurd to within a few miles of Okara.



1920

Robert Mitchell goes to London, Australia to train and work at the center for reconstruction in horticulture.



1933

Indian Midlars Fruit Farms Ltd. is incorporated in Lahore on 26th April

Small-scale operations begin to process citrus fruit into concentrated soft drinks (squashes) and preserves.



1933

Leonard Mitchell goes to South Africa to conduct research, which lays the foundation of Wavels Orange trees in Pakistan.

These are well established on the farms today.



1939

Recognized as the leading producers of fruit squashes in the country, and engaged to treat 40 tons, marmalades and canned fruits.



1945

Kissan Fruit Products (Pvt) Ltd. factory is established

World War II begins and demand for canned fruits and vegetables grows rapidly.



1946

Mitchell's becomes the sole manufacturer and distributor of the world famous Fost's brand of Lime Juice Cordial and Lime Marmalade in Pakistan and Afghanistan.



1947

As the 1000-acre garden takes shape, Kissan returns to India, whereas the newly formed Pakistan inherits the other half of the company which is named Mitchell's.



1948

Mitchell's brand name is established after independence in 1948

The company's name is changed from Indian Midlars Fruit Farms to Mitchell's Fruit Farms Ltd.

1957 Richard Mitchell retires



1958



1960

Mitchell's diversifies into confectionary making sugar candies, milk toffees and chocolate eaters.



1963

Mitchell's celebrates its golden Jubilee by introducing Julebe chocolate.



1996

ISO 9001 accreditation awarded. Mitchell's takes pride in becoming the first food company in Pakistan to achieve this prestigious distinction.



2001

First Malted Chocolate Line introduced



2004

Chocolate Embedding Line introduced



2007-2008

ISO 9001 accreditation awarded



2022

Mitchell's entered into a new business segment of Design Mince

2020

Syed and Begum Muhammad Mohsin bequeath their shareholdings to their children, Syed Muhammad Moiz Mohtam, Syed Muhammad Mohtam and Syed Muhammad Chahar who become joint equality shareholders. Fresh Equity is applied into Company through Rights Issue.

2022-Present





VISION & MISSION

Vision

While we continue to serve our corporate purpose of providing value to our shareholders, we also recognize our responsibility to other stakeholders. We believe that the development of our employees, the protection of our environment and dealing fairly with our suppliers is essential for the future success of our company, our community and our country.

Mission

Mitchell's strives to continue to win the hearts and minds of our consumers by delighting them with healthy and delicious products for every occasion, as it has been doing for generations.

CORE BUSINESS SEGMENTS



Jam, Jellies &
Marmalade
Ketchup & Sauces
Chocolates
Pastes & Purees
Seasonings
Ready to Cook
Ready to Eat
Chutneys
Sugar Confectionery
Squashes
Mayonnaise
Pickles
Recipes



KEY CERTIFICATIONS & AWARDS



FSSC 22000



Halal Certification-IFANCA



Certification for Export to US



Brand of the Year Award - 2020



Export Award



ISO 9001 -2015



Key Strategic Operational Highlights & Financial Review



Financial info 2022-2023

- Despite the challenging economic conditions in 2022-23, which included a depreciating currency and high inflation, the company began to recover from its previous year's losses. This was achieved by focusing on profitable business rather than volume expansion, and by optimizing costs to make the company more efficient and sustainable.
- During the period, two sponsors extended fresh loans of PKR 91Million to the company. The sponsors remain committed to being financially supportive to the company.
- The Company with revised pricing strategy was able to record a revenue growth of 9.47% while the gross profit margin improved to 23.78%.
- Further remedial measures included reduction in Administration by 18% and Marketing costs by 19% with the help of a focused approach towards cost controls.

Financial info 2022-2023

- Finance costs immensely increased due to exceptional increase in KIBOR rates during the year. Also, the availability of Export Refinance remained scarce.

Financial info 2022-2023

EQUITY AND LIABILITIES

Share Capital and Reserves

Authorized share capital
40,000,000 (2022: 40,000,000) ordinary
shares of Rs. 10 each

400,000,000 400,000,000

Issued, subscribed and paid up capital 14 228,750,000 228,750,000
Reserves 15 (85,003,937) (25,813,586)

143,746,063 202,936,414

Non Current Liabilities

Long term finances - secured 16 - -
Deferred grant 17 - -
Deferred liabilities 18 141,008,335 135,741,601
Deferred taxation 19 - -

141,008,335 135,741,601

Current Liabilities

Current portion of non-current liabilities 20 - 15,074,796
Trade and other payables 21 668,555,256 709,440,790
Finances under markup arrangements 22 302,002,267 341,059,804
Loan from related parties - unsecured 23 316,000,000 225,000,000
Accrued finance cost 47,309,572 12,848,666
Unclaimed dividend 1,912,754 1,912,754

1,335,779,849 1,305,336,810

Total Equity and Liabilities **1,620,534,247** **1,644,014,825**

ASSETS

Non Current Assets

Property, plant and equipment 4 622,300,506 668,093,802
Intangible assets 5 30,350,731 26,585,558
Biological assets 6 2,444,402 1,550,000
Long term deposits 7 1,224,780 1,541,543

656,320,419 697,770,903

Current Assets

Stores and spares 8 57,571,705 45,561,599
Stock in trade 9 520,738,674 430,965,294
Trade debts 10 191,854,393 202,059,716
Advances, deposits, prepayments and other receivable 11 64,123,643 127,526,438
Income tax recoverable - net 12 108,613,307 118,506,475
Cash and bank balances 13 21,312,106 21,624,400

964,213,828 946,243,922

Total Assets **1,620,534,247** **1,644,014,825**

Financial info 2022-2023



	Note	For the year ended June 30, 2023 Rupees	For the year ended June 30, 2022 Rupees
Revenue	25	2,724,930,890	2,489,291,011
Cost of sales	26	(2,076,814,684)	(2,296,470,632)
Gross profit		648,116,206	193,820,379
Administrative expenses	27	(187,798,148)	(227,877,998)
Selling and distribution expenses	28	(444,878,650)	(646,250,088)
		(632,676,798)	(774,128,086)
Operating profit / (loss)		15,439,408	(680,307,707)
Other operating expenses	29	(63,953,923)	(16,884,506)
Finance cost	30	(86,083,157)	(36,980,631)
Other income	31	107,686,416	47,996,036
Loss before Taxation		(25,912,256)	(686,177,808)
Taxation	32	(33,285,040)	(35,799,231)
Net Loss for the Year		(69,197,296)	(621,977,039)
Loss per Share - Basic and Diluted	33	(2.59)	(27.19)



Financial info – The way forward

- In addition to continuing the strategy of focusing on profitability in our core local business, the Company under the guidance of the Board, is keen to expand export sales and its B2B business, especially utilizing the excess pulping capacity available.
- In view of the continuous inflation & rising costs of input, prices have been rationalized in order to optimize margins on a timely basis.
- Focus on profitable sales and high margin products. Categories with low profit margins are to be reduced & eventually discontinued.
- Relaunching of products with improvements that Mitchels was originally known for.
- Strong control over wastages and product returns



Financial info – The way forward

- The company is totally focused towards bringing production efficiencies, quality improvements and innovation and the management is working rigorously to enhance operations in an efficient and robust manner. At the same time, we are also working to enhance secondary sales and our customer outreach both locally as well as internationally.
- Our product portfolio and “Mitchell’s Brand” still maintain a very strong franchise among consumers and the management and the BoD have full faith on the opportunities and potential of the Company.



Q&A Session



MITCHELL'S®

**Farm
Fresh
since
1933™**

THANK YOU!