



**MEHRAN
SUGAR
MILLS
LIMITED**

The General Manager
M/s. Pakistan Stock Exchange Limited;
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: **Corporate Brief Session**

Dear Sir,

In continuation to our letter dated March 01, 2024, we are enclosing herewith presentation of Corporate Briefing Session. We would appreciate your assistance in communicating this information to TRE Certificate Holders of the Exchange.

Thanking you,

Yours truly

ALI HASSAN

Company Secretary



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MEHRAN SUGAR MILLS LIMITED CORPORATE BRIEFING SESSION MARCH 07 , 2024





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MANAGEMENT INFORMATION



Board of Directors

Mr.Mohammed Kasim Hasham	Chairman
Mr.Mohammed Hussian Hasham	Executive Director
Mr.Iftikhar Soomro	Independent Director
Mr.Hasan Aziz Bilgrami	Independent Director
Mr.Khurram Kasim	Non-Executive Director
Mr.Ahmed Ebrahim Hasham	Chief Executive Officer
Mrs.Anushey A. Hasham	Non-Executive Director

Management Team

Mr.Ahmed Ebrahim Hasham	Chief Executive Officer
Mr.Muhammad Hanif Aziz	Chief Financial Officer
Mr.Syed Ehtisham-ud-din	Resident Director
Mr.Muhammad Ubaid-ur-Rehman	Senior GM Technical
Mr.Ali Hassan	GM Finance & Company Secretary

A year Sep 30, 2023 in Financial Highlights



Key Power Indicators on the basis of
Unconsolidated

Net Revenue
2023

10,984 M

↓ 59.2%

2022
Rs. 6,898M

Gross Profit
2023

2,364 M

↑ 198.8%

2022
Rs. 807M

Debt to
Equity Ratio
2023

13.77%

↓ -63.94%

2022
38.19%

Free
Cashflow
2023

1,469M

↓ 796.58%

2022
(211)M

Operating
Profit
2023

2,164 M

↑ 312.7%

2022
Rs. 524M

Pre-Tax
Profit
2023

2,281 M

↑ 479.2%

2022
Rs.394M

Net Operating
Cash Flow
2023

1,790M

↓ 130.9%

2022
Rs. (553)M

Current
Ratio
2023

1.60

↑ 42.5%

2022
0.92



A quarter (Q1) in Financial Highlights

Key Power Indicators on the basis of
Unaudited

Net Revenue

Dec 31, 2023

1,705 M

↓ 16.36%

Dec 31, 2022

Rs. 2,039M

Gross Profit

Dec 31, 2023

294 M

↑ 187.93%

Dec 31, 2022

Rs. 102M

Debt to
Equity Ratio

Dec 31, 2023

12.36%

↓ 60.00%

Dec 31, 2022

30.89%

Free
Cashflow

Dec 31, 2023

2,875 M

↓ 560.71%

Dec 31, 2022

(435)M

Operating
Profit

Dec 31, 2023

578 M

↑ 1,653%

Dec 31, 2022

Rs. 33M

Pre-Tax
Profit

Dec 31, 2023

506 M

↑ 59.50%

Dec 31, 2022

Rs.317M

Net Operating
Cash Flow

Dec 31, 2023

3,264 M

↓ 335.53%

Dec 31, 2022

Rs. (749)M

Current
Ratio

Dec 31, 2023

1.19

↑ 31.93%

Dec 31, 2022

0.90

FINANCIAL HIGHLIGHTS-YEAR ENDED SEP'2023



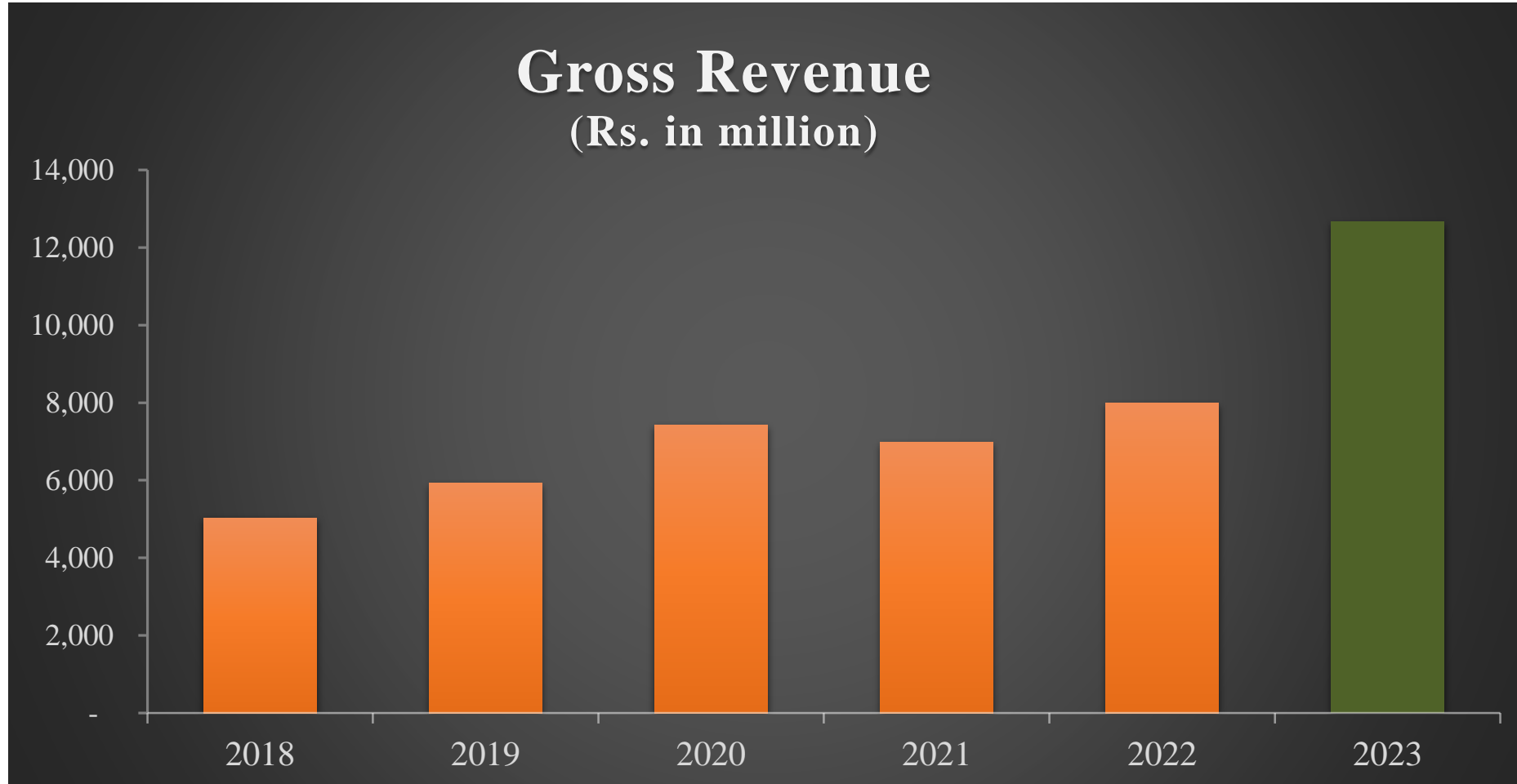
	Sep 30, 2023 Rs. in million	Sep 30, 2022 Rs. in million
Sales & Profitability		
Turnover-net	10,984	6,898
Cost of Sales	8,620	6,091
Gross Profit	2,364	807
Operating Profit	2,164	524
Profit before Taxation	2,281	394
Profit for the year	1,443	289
	-	-
Financial Position		
Fixed Assest-net	2,464	2,498
Other non-current assets	1,807	1,331
	<u>4,271</u>	<u>3,828</u>
Current Assets	2,333	2,721
Non-Current Assets Held for Sale	-	46
Current Liabilities	(1,456)	(2,967)
Working Capital	876	(199)
Capital Employed	5,147	3,629
Less:Non Current Liabilities	(1,268)	(879)
Shareholder's Equity	3,879	2,750
	-	-
Represented By:		
Issued, subscribed and paid-up capital	749	605
Reserves	3,130	2,144
	<u>3,879</u>	<u>2,750</u>

FINANCIAL HIGHLIGHTS-QUARTER ENDED DEC 31,2023



	Dec 31, 2023 Rs. in million	Dec 31, 2022 Rs. in million
Sales & Profitability		
Turnover-net	1,705	2,039
Cost of Sales	1,411	1,937
Gross Profit	294	102
Operating Profit	579	33
Profit before Taxation	506	317
Profit for the quarter (Q1)	474	289
	-	-
Financial Position		
Fixed Assest-net	2,507	2,570
Other non-current assets	1,818	1,681
A	4,325	4,251
Current Assets	7,914	3,621
Non-Current Assets Held for Sale	-	46
Current Liabilities	(6,629)	(4,002)
Working Capital	1,285	(334)
Capital Employed	(A+B) 5,610	3,917
Less:Non Current Liabilities	(1,256)	(865)
Shareholder's Equity	4,354	3,052
Represented By:		
	-	-
Issued, subscribed and paid-up capital	749	605
Reserves	3,604	2,447
	4,354	3,052

Revenue year wise highlights



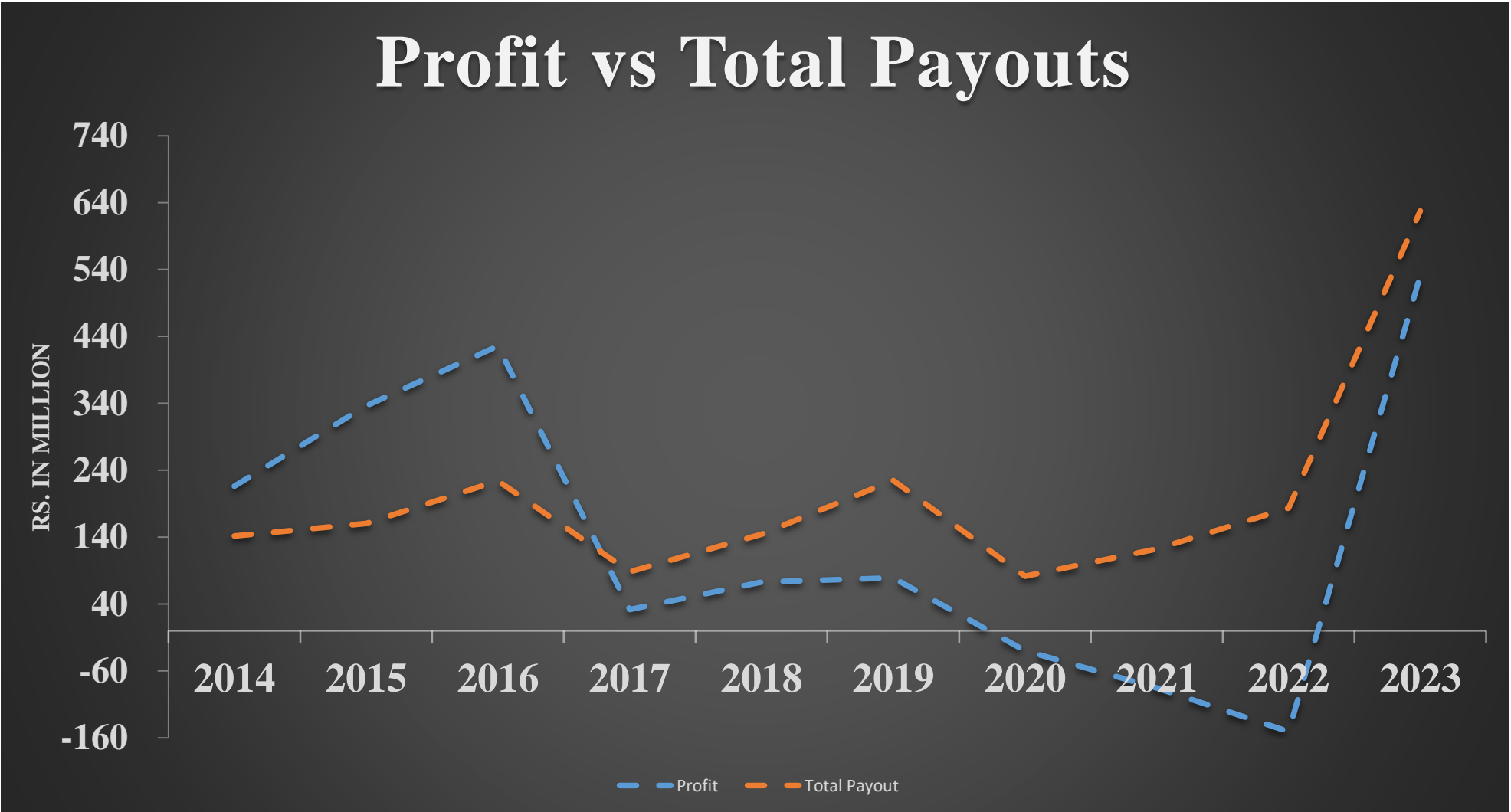


LAST TEN YEARS PROFITABILITY VS TOTAL PAYOUTS

“Rs. in million”

Financial Year	Profit (Sugar Division)	Share of profit from associates	Profit for the year	Cash Dividend	Stock Dividend	Total Payouts	Payout as % of Profits (Sugar Division)
2014	216.12	52.98	269.11	112.400	29.12	141.52	65.5%
2015	336.06	93.97	430.03	160.16	-	160.16	47.7%
2016	425.54	116.26	541.81	224.22	-	224.22	52.7%
2017	31.56	100.11	131.68	88.09	-	88.09	279.1%
2018	72.88	340.02	412.90	96.10	48.05	144.14	197.8%
2019	78.94	324.89	403.83	127.09	97.62	224.70	284.6%
2020	(29.89)	76.92	47.03	58.25	23.30	81.55	-272.8%
2021	(85.41)	61.60	(23.82)	73.40	48.93	122.32	-143.2%
2022	(150.77)	440.14	289.37	40.37	142.96	183.32	-121.6%
2023	531.15	911.79	1442.95	551.74	75.69	627.42	118.1%

LAST TEN YEARS PROFITABILITY VS TOTAL PAYOUTS





LAST TEN YEARS CASH AND STOCK DIVIDEND

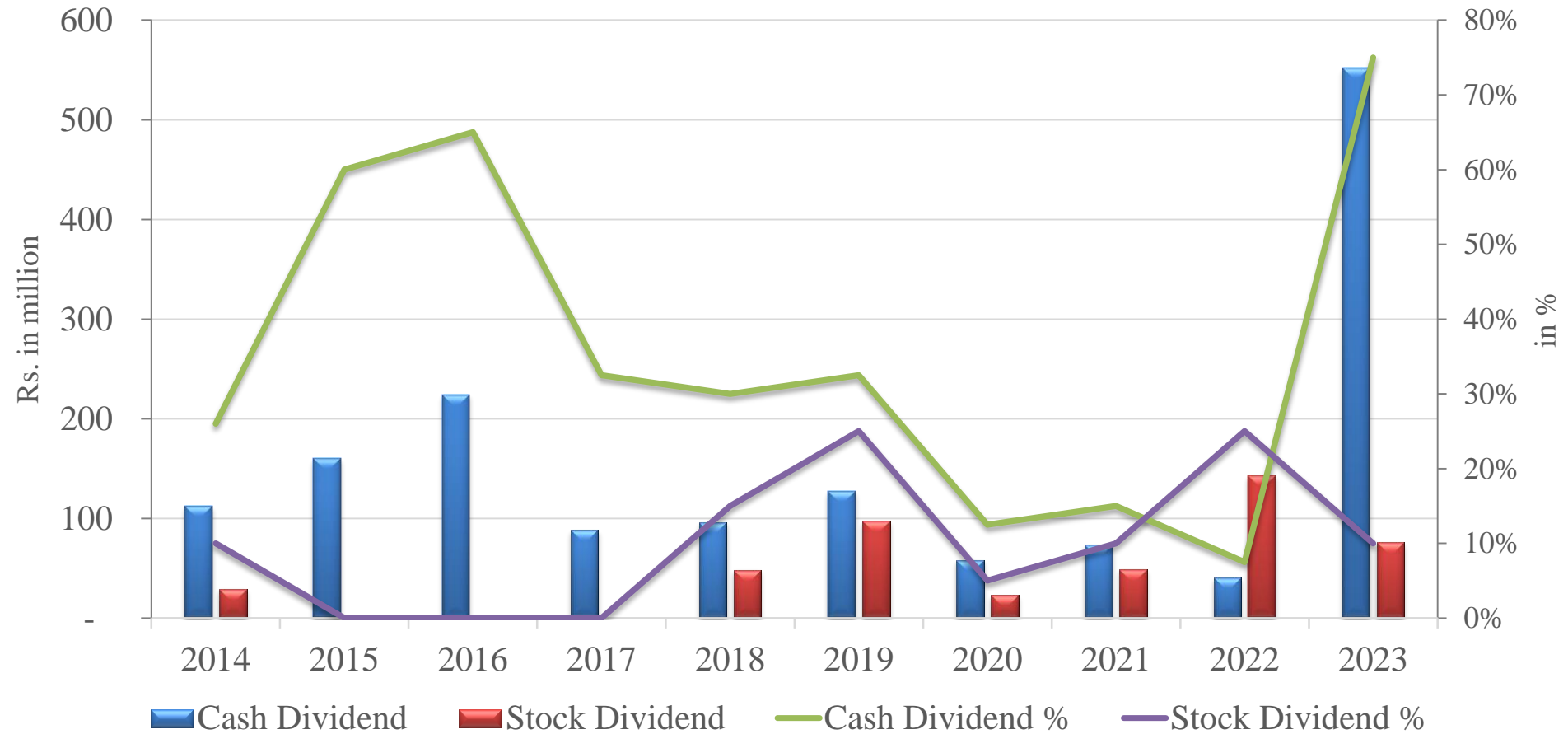
“Rs. in million”

Financial Year	Cash Dividend	Cash Dividend %	Stock Dividend	Stock Dividend %	Total Payout
2014	112	26.00%	29	10.00%	141
2015	160	60.00%	-	0.00%	160
2016	224	65.00%	-	0.00%	224
2017	88	32.50%	-	0.00%	88
2018	96	30.00%	48	15.00%	144
2019	127	32.50%	98	25.00%	225
2020	58	12.50%	23	5.00%	81
2021	73	15.00%	49	10.00%	122
2022	40	7.50%	143	25.00%	183
2023	552	75.00%	76	10.00%	628



LAST TEN YEARS CASH AND STOCK DIVIDEND

Year Wise Cash Dividend & Stock Dividend





FUTURE OUTLOOK AND OPPORTUNITY

- 1) Sugar industry Season 2023-24 is tending to an end by mid of March 24 with production numbers being close to 6.5 M Tons. Approximately 0.2 m tonnes lower than last season 22-23.
- 2) The higher sugarcane notified prices Rs 425 per 40 kg of cane (41% increase) in Sindh and in Punjab Rs 400 per 40 kg of cane with 33 % increase as compared to last year will increase cost of production considerably. Further due to shorter crop, premium price paid to farmers for procurement of cane will eventually close cane cost in Sindh Rs 470 to Rs 490 per 40 kg and in Punjab with Rs 460 to Rs 475 per 40 kg. Further, finance cost being 22% throughout financial period to date will bring industry wise cost of sugar ranging between Rs 145 to Rs 155 per kg.
- 3) Thus for future profitability it is imperative that sugar prices need to increase compensating higher sugarcane prices and cost of production. Thus ours and industry wise financial results for 2024 will be dependent on improved sugar prices to offset cost of production.
- 4) Due to competitive support price and better premium price paid to farmers are translating rising plantation trend both in Sept/ Oct 23 and Feb/ March 24 for next crushing season 24-25 in Sindh, however, in Punjab sugarcane is largely cultivated in Feb /March so we would have to wait for plantation trend in Punjab as well for determining bumper crop and production season 24-25. Hope in Punjab plantation will also be at higher side for season 24-25.



FUTURE OUTLOOK AND OPPORTUNITY

5. Uncoil Limited will strive to remain robust and capitalize on its new acquisition sugar division. Crushing season and operations of sugar division are in line with the industry and expecting that sugar market will improve to cover cost of production. Further distillery division of unicol is also facing tough time due to lower ethanol market and higher cost of molasses for raw material has squeezed margins of distillery division considerably.
6. We will have a better idea of our profitability for the year in the upcoming quarters, but as of this report's writing, our crushing both at Mehran and unicol sugar division seems to be proceeding as planned and has super passed last year production figures. As was previously mentioned, the government announced a favorable policy for sugarcane; however, in order to achieve price equilibrium for both sugar and sugarcane, an improved sugar market is now essential.

We remain cautiously optimistic for the year ahead.



QUESTIONS & ANSWERS



THANK YOU