



CORPORATE BRIEFING SESSION

Dec 2023



CREATING A BETTER TOMORROW

Operational Overview



BOPP			
Location	No. of Lines	* Total Name Plate capacity (p.a tons)	** Total Operational Saleable films capacity (p.a tons)
Hattar	2 lines (4.2m Mitsubishi)	10,800	Machines are obsolete with no technical support from OEM, as a result their capacity to produce quality films is nil.
Port Qasim	2 lines (6.7m Mitsubishi, 8.7m Bruckner)	56,000	39,000
Port Qasim	1 Line – NEW LINE *** (10.4m Bruckner)	55,000	40,000
Total	5 lines	121,800	79,000
CPP			
Port Qasim	2 lines (6.3m Windmöller)	17,000	14,400
Recycling			
Port Qasim	2 machines	9,720	9,720
Port Qasim	New Erema Machine***	8,500	8,500
Metallizers			
Port Qasim	5 Metalizer (BOBST)	43,200	32,600 (One of the Metalizer K-4000 is not operational as its old and obsolete)

*Nameplate Capacity: 25 micron film produced 24/7 without downtime.

** Saleable Capacity: Based on actual product mix. Microns ranging from 10-40.

*** The new line and the new erema machine will be commissioned in 2024.



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Tri-Pack Films Limited: Awards 2022-23



Best Corporate Report Award for the Yr.2022 (02nd Place – in Misc. Sector)

Awarding Body- ICMA

Date Awarded- 12th October 2023)



17th Best Practices Award in Occupational Safety, Health and Environment (OSHE)

Awarding Body-Employer's Federation of Pakistan (EFP)

Date Awarded- 28th Sep 2023



Diamond Award- Employers Recognition in Skills Development

Awarding Body- Employer's Federation of Pakistan (EFP)

Date Awarded- 12th June 2023



Bronze EcoVadis Medal 2023

Awarding Body-EcoVadis (World's largest & most trusted provider of business sustainability ratings)

Date Awarded- 02nd February 2023



Fire Safety Award 2022

Awarding Body-National Forum of Environment & Health and Fire Protection Industry of Pakistan

Date Awarded- 23rd November 2022



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Business and Economic Highlights – YTD Sept 2023 vs SPLY



Exchange rate
PKR/\$
280 vs 199
Current: 284

41% increase



Average Inflation
%
31.7 vs 18.0
Current: 29.2%

13.7 ppts increase



Average Interest
rates
%
20.7 vs 12.5
Current: 23%

8.2 ppts increase



Homo ICIS
\$/ton (Rs/kg)
1038 (308) vs 1331 (281)
Current: 1043 (316)

9.6% increase



Gas (Normal)
Rs/mmbtu
1,309 vs 1,212
Current: 2,500

8% increase



Effective Tax Rate
%
45% vs 41%
Current: 39%

4 ppts increase

Gas (RLNG)
Rs/mmbtu
3,729 vs 3,573
Current: 4,012

4% increase

Business Highlights – YTD Sep 2023 vs SPLY

- Total volumes for the nine months ended Sep 30, 2023 was lower by 17% (31,454 tons compared to 37,945 tons in SPLY) driven by import restriction and lower economic activities in H1 2023.
- BOPP local demand contracted by 7%.
- Exports are under pressure due to lower local demand and very low pricing.
- Better margin management and efficiencies delivered an operating profit which was higher by 20% as compared to SPLY.
- There has been an increase in fuel prices which is badly affecting our cost of production. During the start of the year, SSGC has switched our natural gas supply to RLNG which is 3x the rate of natural gas. Recent notification has been issued from November 2023 in which the normal gas rate has increased to 2,500/mmbtu.
- Gross profit was higher by 20.4% vs SPLY.
- With better working capital management interest cost was lower despite significantly higher interest rates.
- Super tax rate enhanced to 10% under Finance Act 2023 with retrospective application from tax year 2023 making effective tax rate 44.6%.



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MARKET & FINANCIAL OVERVIEW

BOPP – Market & Focus



- Domestic BOPP market has an estimated CAGR of 7% over the last four years up to 2022. 2023 is an exception primarily due to economic slowdown and worsening economic situation.
(Market: 70 ktpa; Saleable Capacity: 79 ktpa; Name plate capacity: 122 ktpa)
- Current number of local BOPP producers is 4.
- Exports improving in H2 2023.
- We have been successful in improving mix of high margin films in total exports while ensuring optimum capacity utilization and profitability.
- Supply glut to continue in local market for foreseeable future, however we are focusing on volumes to improve capacity utilization.
- New BOPP lines expected to commission:
 - ✓ TPF – April 2024
 - ✓ IPAK – March 2024
 - ✓ Poly Pack – Sept 2024

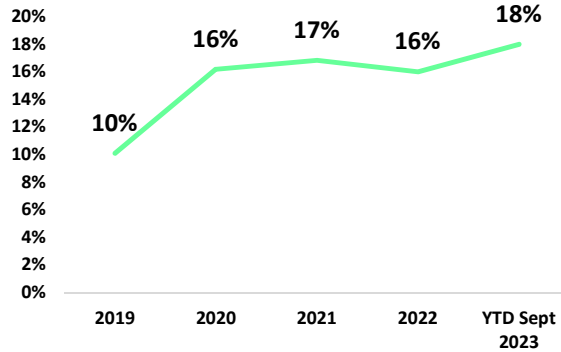
CPP – Market & Focus

- Domestic CPP market has an estimated CAGR of 6% over the last 4 years up to 2022. 2023 is an exception primarily due to economic slowdown and worsening economic situation.
(Market: 36 ktpa; Saleable Capacity: 57 ktpa; Name Plate Capacity: 69 Ktpa)
- CPP market has multiple players with varying quality ranges with new capacities being added.
- Volumes and margins to remain depressed due to continuing supply glut.

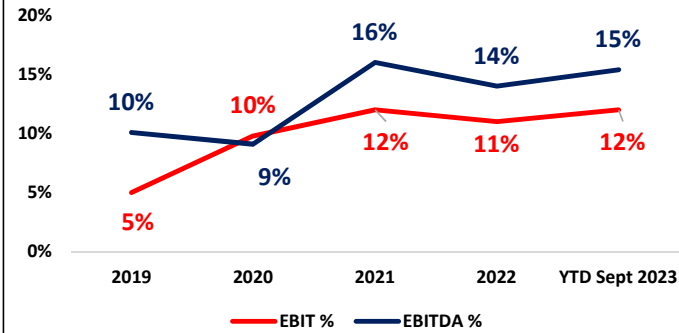


Financial Highlights

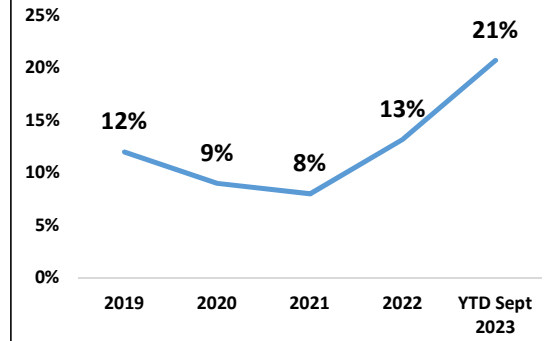
Gross Profit %



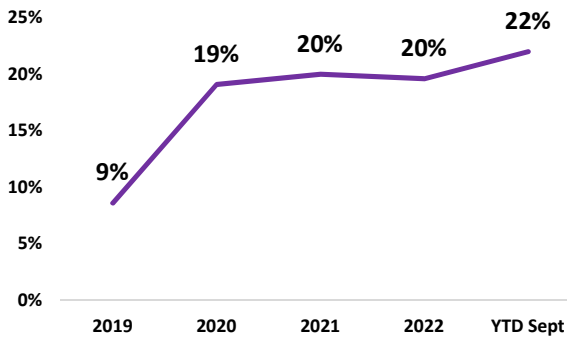
EBIT & EBITDA %



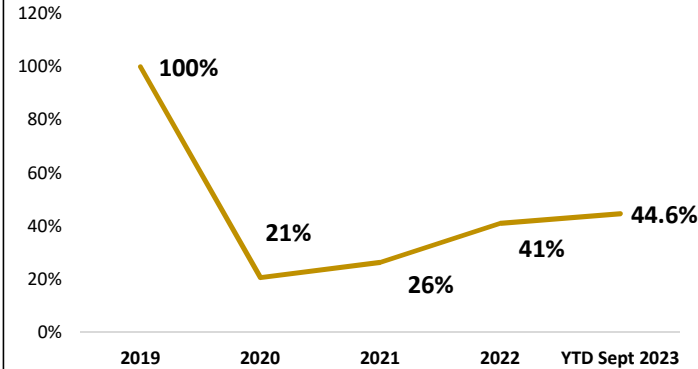
Effective Interest Rate



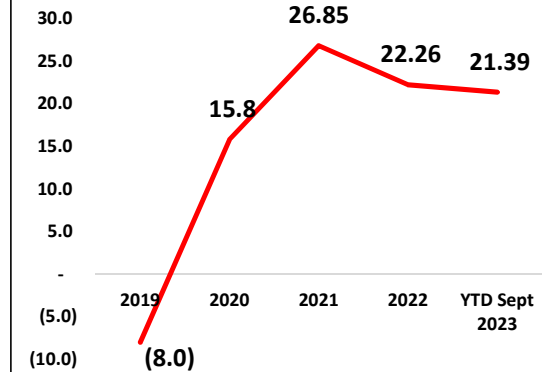
ROCE%



Effective Tax Rates



EARNING / (LOSS) Rs per share



Profit & Loss – YTD Sept & FY 2022



Description	YTD 2023	YTD 2022	2023 vs 2022	FY 2022
	Rs m	Rs m		Rs m
Revenue	18,472	18,419	0%	24,120
Gross Profit	3,295	2,735	20%	3,807
Admin & Selling Expenses	1,057	865	22%	1,252
EBIT	2,238	1,870	20%	2,555
EBITDA	2,848	2,487	15%	3,381
Interest	586	856	-32%	1,154
Exchange loss	117	29	303%	18
Profit Before Taxation	1,499	1,052	43%	1,382
Profit After Taxation	830	619	34%	864
EPS - Rupees	21.39	15.96	34%	22.27
Effective Tax Rate %	44.6%	41.1%	9%	37.5%



Balance Sheet – As At September 30, 2023

Description	Sept 30, 2023	Dec 31, 2022
	Rs. Millions	
Assets		
Property, plant and equipment	11,883	7,571
Other non current assets	38	42
Current assets	11,789	9,051
	23,710	16,664
Liabilities		
Long term borrowings	3,825	2,491
Short term borrowings	5,279	4,324
Current portion of long term borrowings	535	612
Total Debt	9,639	7,427
Other non current liabilities	973	971
Trade and other payables	7,401	3,206
	18,013	11,603
Net assets (Assets - Liabilities)	5,697	5,061
Share capital and reserves	5,697	5,061

Ratio analysis	Benchmark	Sept 23	Dec 22
Current ratio	>0.75	0.89	1.11
Interest Coverage Ratio	>1.80	3.82	1.75
DSCR	>1.10	2.48	2.55
Debt to Equity ratio	<0.75	0.63	0.59



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Cash flow – YTD Sept

Description	YTD Sep 23	YTD Sep 22
	Rs. million	
Cash generated from operations	2,776	2,542
Working capital changes	492	1,749
Staff Retirement Benefits Paid	(60)	(56)
Payment of accumulated compensated absences	(11)	(7)
Income Tax/Long Term Deposit Paid	(440)	(309)
Net cash generated from operating activities	2,757	3,919
Net cash used in investing activities	(4,457)	(1,403)
Long term borrowings paid	(1,107)	(317)
Long term borrowings acquired	1,948	830
Short term borrowing - net	(3,251)	(3,150)
Finance cost paid	(421)	(643)
Dividend paid	(192)	(501)
Transaction cost	(2)	(2)
Bank charges paid	(88)	(56)
Net cash used in financing activities	(3,112)	(3,839)
Net increase in cash and cash equivalents	(4,811)	(1,322)



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PROJECT UPDATE

Project Update

- The proposed project cost is expected to increase by the time we commission the new line in the early next year due to uncontrollable factors of Rupee devaluation and high interest rates.
- The Company is working hard to ensure that the project be commissioned in April 2024.
- Project cost which was earlier estimated of Rs. 8.4bn jumped to Rs. 12.6bn because of major exchange fluctuation and higher interest rates.
- Adhesive Tape line of Rs. 1.8bn is likely to commission by H1 2025.



FUTURE OUTLOOK

Future Outlook

- BOPP local demand and supply will face a major challenge in upcoming years as there will be a severe price war which will lead to margin reduction. In 2024, the BOPP domestic demand will be around 75KTPA where as the saleable market capacity will grow to 148KTPA and in 2025 to 205KTPA.
- With minimum tax regime, going forward effective tax rate will be significantly higher.
- As mentioned above, the supply overhang would continue to have effect on financial performance for next few years.
- PKR devaluation will pose challenges going forward.
- Interest rate will put pressure on profitability.
- Rising energy prices coupled with disrupted gas supply will increase our cost of production.
- Economic conditions would remain a challenge going forward with expected lower demand.
- Focus on exports to increase. However, since export margins are comparatively low vs domestic, overall margin reduction may be witnessed.
- New provisional regulations on use of plastic packaging material and the proposed FTA with gulf countries are being pursued vehemently to avoid or reduce its impact on the local industry.
- Despite above mentioned challenges, we are confident that with continued focus on operational efficiencies, effective working capital management and cost reduction initiatives, we shall be able to secure better margins and improve profitability.



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QUESTION AND ANSWERS



THANKYOU



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