

**MEHRAN SUGAR MILLS LIMITED
CORPORATE BRIEFING SESSION
FEBRUARY 27, 2023**





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MANAGEMENT INFORMATION



Board of Directors

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

Management Team

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

FINANCIAL HIGHLIGHTS-YEAR ENDED SEP'2022



	2022 in Rupees	2021 in Rupees
Sales & Profitability		
Turnover-net	6,898,026,934	6,063,538,339
Cost of Sales	6,090,620,461	5,426,675,320
Gross Profit	807,406,473	636,863,019
Operating Profit/(Loss)	524,403,611	416,185,839
Profit/(Loss) before Taxation	393,738,285	17,887,380
Profit/(Loss) for the year	289,361,485	(23,815,791)
Financial Position		
Fixed Assest-net	2,497,618,442	2,424,390,421
Other non-current assets	<u>1,330,515,986</u>	<u>1,257,281,794</u>
A	3,828,134,428	3,681,672,215
Current Assets	2,721,409,121	2,211,108,897
Non-Current Assets Held for Sale	46,349,040	-
Current Liabilities	<u>(2,966,794,352)</u>	<u>(2,118,641,430)</u>
Working Capital	<u>B (199,036,191)</u>	<u>92,467,467</u>
Capital Employed	(A+B) 3,629,098,237	3,774,139,682
Less:Non Current Liabilities	<u>(879,447,280)</u>	<u>(1,278,312,553)</u>
Shareholder's Equity	<u><u>2,749,650,957</u></u>	<u><u>2,495,827,129</u></u>
Represented By:		
Issued, subscribed and paid-up capital	605,475,630	489,273,240
Reserves	<u>2,144,175,327</u>	<u>2,006,553,889</u>
	<u><u>2,749,650,957</u></u>	<u><u>2,495,827,129</u></u>

FINANCIAL HIGHLIGHTS-QUARTER ENDED DEC 31,2022



	Dec 31, 2022 in Rupees	Dec 31, 2021 in Rupees
Sales & Profitability		
Turnover-net	2,038,630,603	1,298,156,259
Cost of Sales	1,936,514,280	1,063,426,357
Gross Profit	102,116,323	234,729,902
Operating Profit/(Loss)	32,997,169	140,342,403
Profit/(Loss) before Taxation	317,055,699	114,432,080
Profit/(Loss) for the year	289,362,562	81,489,684
Financial Position		
Fixed Asset-net	2,570,452,073	2,497,618,442
Other non-current assets	1,680,592,632	1,330,515,986
A	4,251,044,705	3,828,134,428
Current Assets	3,621,262,318	2,721,409,121
Non-Current Assets Held for Sale	46,349,034	46,349,034
Current Liabilities	(4,001,610,609)	(2,966,794,350)
B	(333,999,257)	(199,036,195)
(A+B)	3,917,045,448	3,629,098,233
Less:Non Current Liabilities	(864,851,777)	(879,447,280)
Shareholder's Equity	3,052,193,671	2,749,650,953
Represented By:		
Issued, subscribed and paid-up capital	605,475,641	605,475,641
Reserves	2,446,718,030	2,144,175,312
	3,052,193,671	2,749,650,953

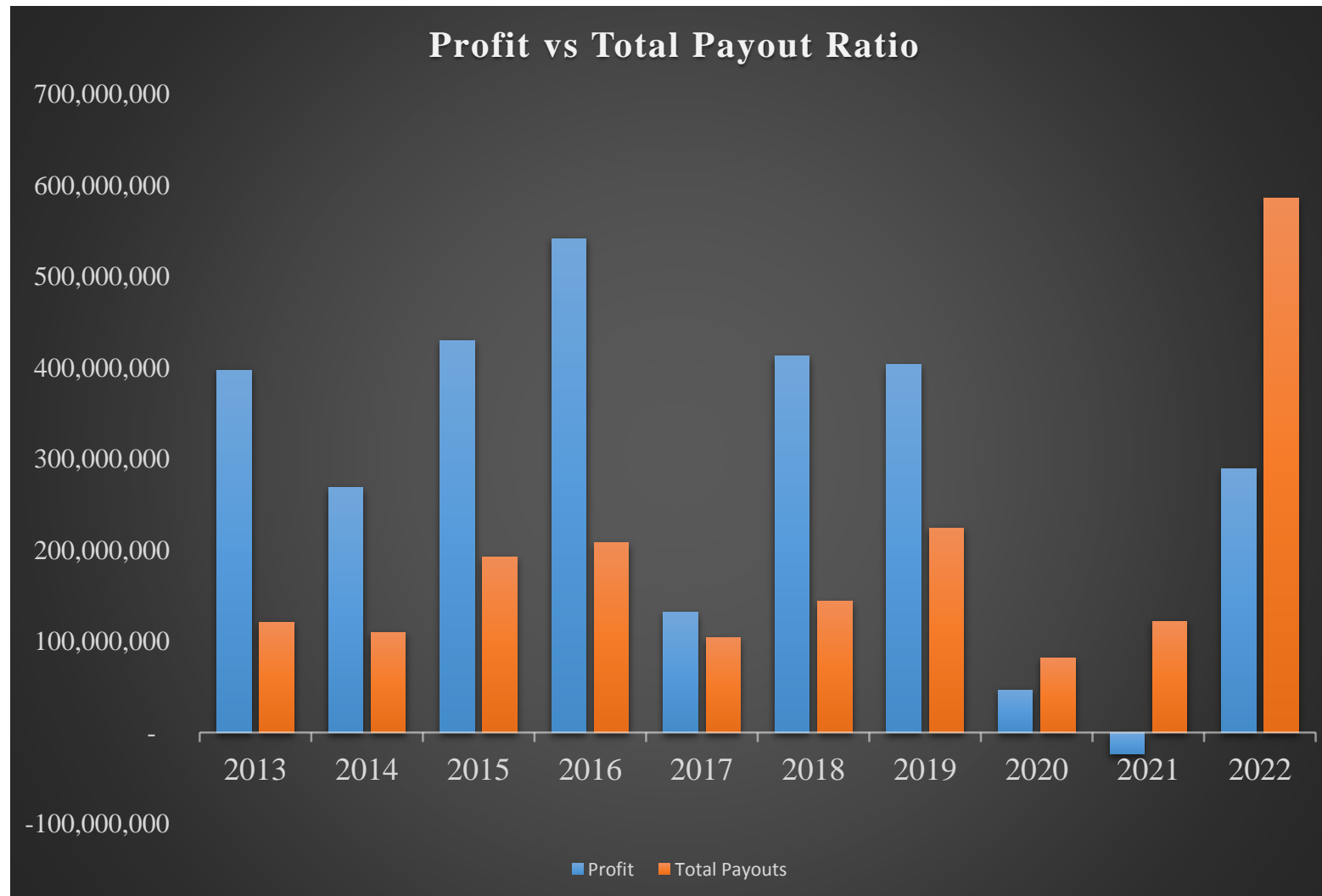


LAST TEN YEARS PROFITABILITY VS PAYOUT RATIO

Financial Year	Profit in Rs.	Cash Dividend Rs.	Stock Dividend Rs.	Cash + Stock Dividend(at Par) Rs.	Payout as % of Profits
2013	397,499,054	60,424,290	61,000,930	121,425,220	30.5%
2014	269,106,909	80,368,419	29,119,310	109,487,729	40.7%
2015	430,034,273	192,187,312	-	192,187,312	44.7%
2016	541,806,954	208,204,078	-	208,204,078	38.4%
2017	131,675,239	104,102,408	-	104,102,408	79.1%
2018	412,898,050	96,093,735	48,046,860	144,140,595	34.9%
2019	403,834,231	127,084,081	97,615,210	224,699,291	55.6%
2020	47,026,734	58,247,498	23,298,720	81,546,218	173.4%
2021	(23,815,791)	73,391,380	48,927,320	122,318,700	-
2022	289,361,485	40,365,273	545,399,003	585,764,276	202%

Note: In the year 2022, value of Stock Dividend is worked out at Entitlement Date.

LAST TEN YEARS PROFITABILITY VS PAYOUT RATIO

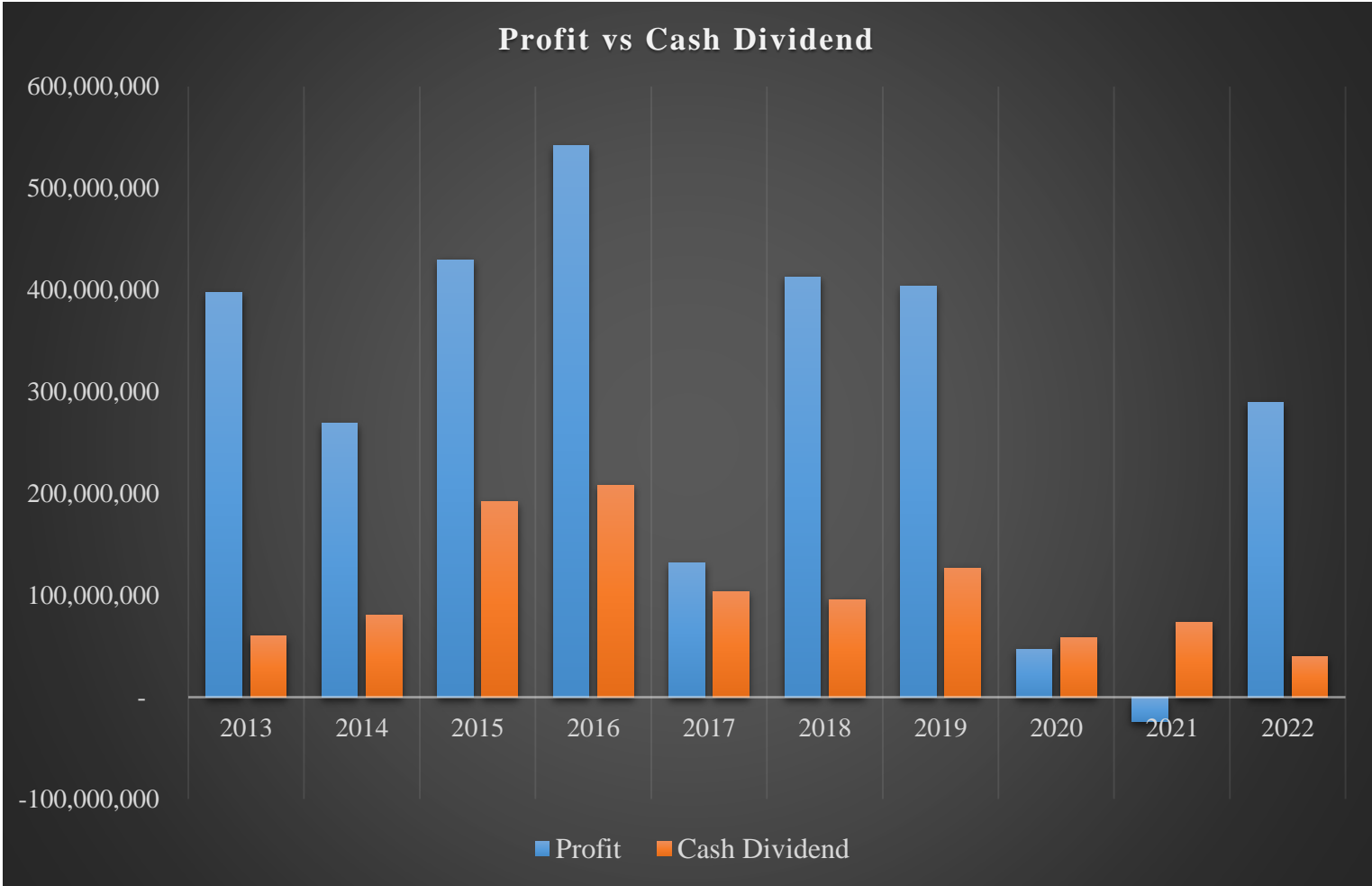




LAST TEN YEARS PROFITABILITY VS CASH DIVIDEND

Financial Year	Profit in Rs.	Cash Dividend declared %	Cash Dividend Rs.	Dividend as % of Profit
2013	397,499,054	25.0%	60,424,290	15.2%
2014	269,106,909	26.0%	80,368,419	29.9%
2015	430,034,273	60.0%	192,187,312	44.7%
2016	541,806,954	65.0%	208,204,078	38.4%
2017	131,675,239	32.5%	104,102,408	79.1%
2018	412,898,050	30.0%	96,093,735	23.3%
2019	403,834,231	32.5%	127,084,081	31.5%
2020	47,026,734	12.5%	58,247,498	123.9%
2021	(23,815,791)	15.0%	73,391,380	-
2022	289,361,485	7.5%	40,365,273	13.9%

LAST TEN YEARS PROFITABILITY VS CASH DIVIDEND



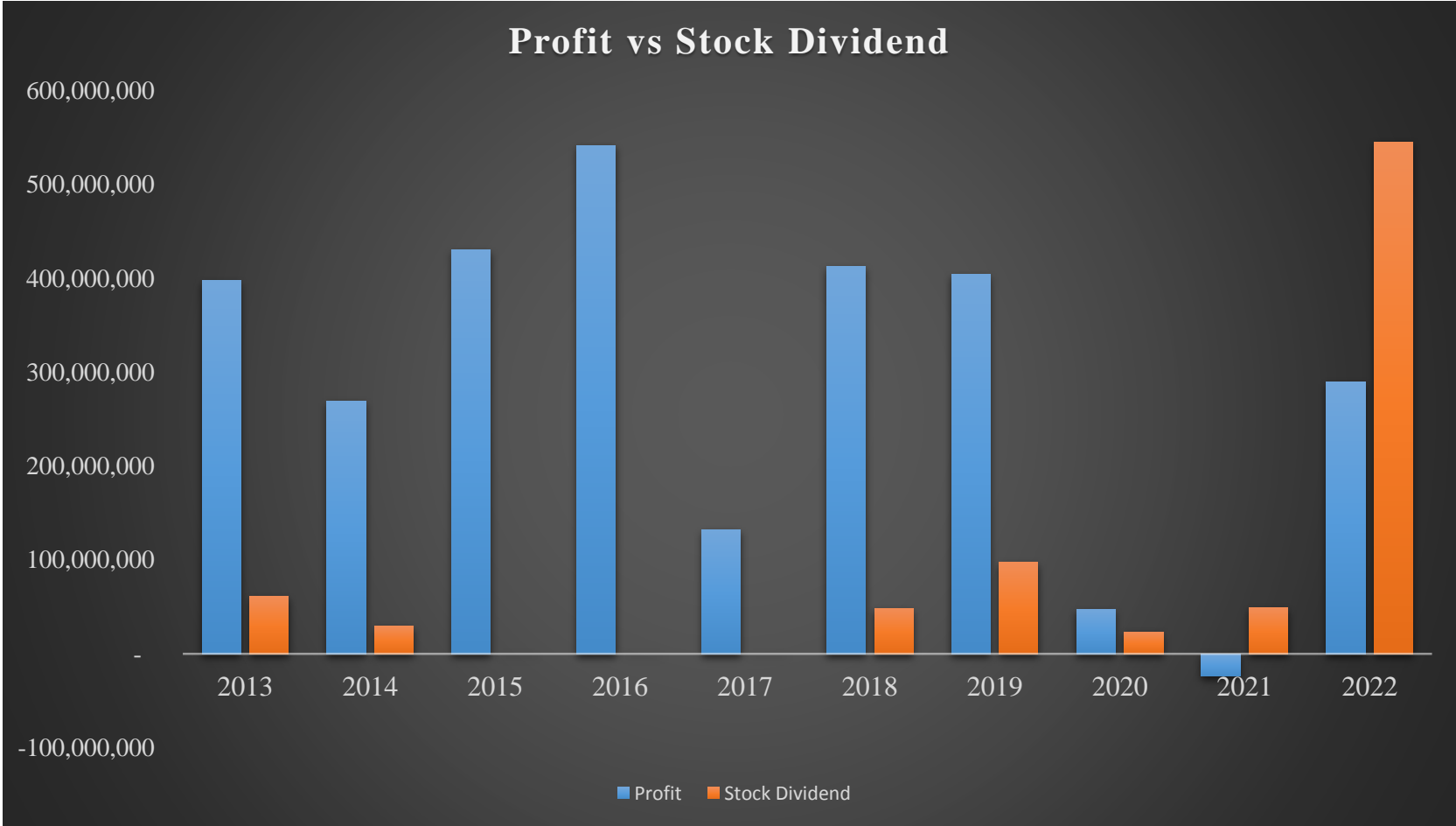
LAST TEN YEARS PROFITABILITY VS STOCK DIVIDEND



Financial Year	Profit in Rs.	Stock Dividend declared %	Stock Dividend (at Par) Rs.	Stock Dividend as % of Profit
2013	397,499,054	25.0%	61,000,930	15.3%
2014	269,106,909	10.0%	29,119,310	10.8%
2015	430,034,273	0.0%	-	-
2016	541,806,954	0.0%	-	-
2017	131,675,239	0.0%	-	-
2018	412,898,050	15.0%	48,046,860	11.6%
2019	403,834,231	25.0%	97,615,210	24.2%
2020	47,026,734	5.0%	23,298,720	49.5%
2021	(23,815,791)	10.0%	48,927,320	-
2022	289,361,485	25.0%	545,399,003	188%

Note: In the year 2022, value of Stock Dividend is worked out at Entitlement Date.

LAST TEN YEARS PROFITABILITY VS STOCK DIVIDEND

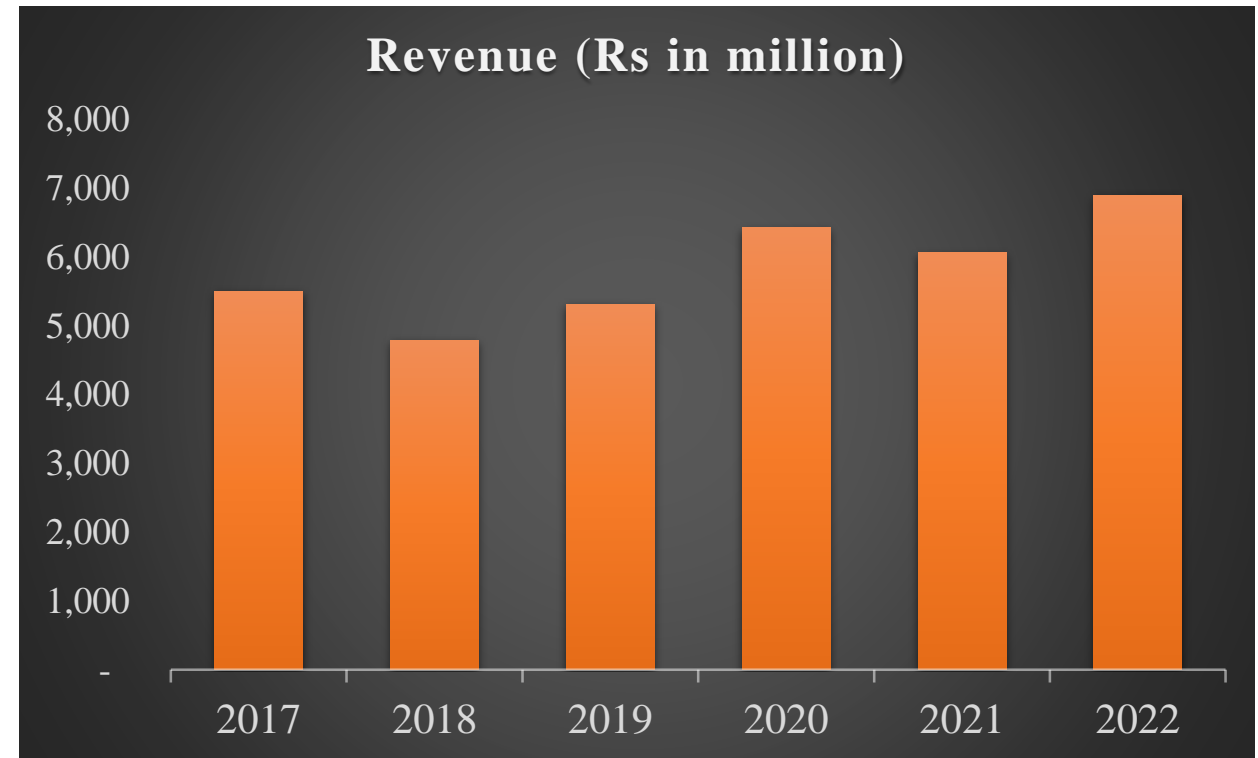




KEY FINANCIAL HIGHLIGHTS



REVENUE TREND LAST SIX YEARS



GP Ratio
11.70%

PAT Ratio
4.19%

EBITDA Ratio
16.07%

EPS
5.34

Return on Equity
10.52%

SIX YEARS AT A GLANCE



	2022	2021	2020	2019	2018	2017
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Operational Trends

Sugarcane crushed - M.Tons	856,944	682,253	654,339	702,259	1,043,279	1,056,198
Sugar produced - M.Tons	95,642	73,092	72,821	80,332	120,200	116,780
Sucrose recovery - %	11.16	10.72	11.13	11.44	11.52	11.06

Profitability Indicators

Gross profit margin (%)	11.70	10.50	7.24	15.44	12.31	4.87
Net profit margin (%)	4.19	(0.39)	0.73	7.60	8.62	2.39
Return on shareholders' equity (%)	10.52	(0.95)	1.80	16.72	15.82	5.94
Return on capital employed (%)	10.85	7.48	4.53	14.56	20.59	6.60
Return on total assets (%)	4.39	(0.40)	0.90	5.80	6.04	2.30
EBITDA margin (%)	16.07	8.06	10.63	20.10	16.88	9.96

Investment Valuation

Paidup Capital (Rs.in Million)	605.48	489.27	465.97	405.20	320.31	320.31
Reserves (Rs.in Million)	2,144.18	2,006.55	2,141.53	2,009.70	2,289.01	1,897.94
Market Capitalization	2,176,684,929	2,250,656,932	3,455,201,066	2,329,872,630	3,387,304,159	4,498,147,735
Market value per share on 30th September	35.95	46.00	74.15	57.50	105.75	140.43
Earning / (Loss) per share in (Rs.)	5.34	(0.49)	1.01	9.97	12.89	4.11
Break-up value per share in (Rs.)	45.41	51.01	55.96	59.60	81.46	69.25
Price earning ratio	6.73	(93.88)	73.42	5.77	8.20	34.17
Dividend yield (%)	2.09	3.26	1.69	5.65	2.84	2.31
Dividend payout (%)	14.04	n/a	123.76	32.60	23.27	79.08
Cash Dividend (%)	7.50	15.00	12.50	32.50	30.00	32.50
Bonus Shares (%)	12.50	10.00	5.00	25.00	15.00	-

Value addition

Government as taxes	1,234.93	1,049.60	1,141.39	752.42	313.94	496.57
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FUTURE OUTLOOK AND OPPORTUNITY



1. Season 2023 is soon to end with Pakistan production numbers being close to 7.0 M Tons.
2. The higher sugarcane prices (especially in Punjab which increased notified prices by 33 percent) should eventually force sugar prices to increase as well due to the higher cost of production.
3. Sugar prices for the last 3 years have traded in the Rs. 85-90/- EX mill bandwidth however sugarcane prices have increased by nearly 50 percent.
4. Thus for future profitability it is imperative that sugar prices increase compared to the already higher sugarcane prices.
5. Our financial results for season 2023 will largely be dependent on improved sugar prices to offset the higher cane costs, 50 percent increase in borrowing rates and similar increase in cost of manufacturing inputs.
6. At Mehran we plan for a minimal investment environment for the remaining period of 2023 and would try and use any cash flow generated to further deleverage the long term loans on the balance sheet and pay dividends whenever possible.
7. Our complete disposal of UNIFOODS shares has meant that the yearly losses due to operating losses of that segment shall end for the year ending September 2023.
8. Timely buying of molasses shall allow JV Unicol to be cost effective in the year 2023 as well.



QUESTIONS & ANSWERS



THANK YOU