



THAL LIMITED

Corporate Briefing Session

May 19, 2022 at 03:00 PM



Company Profile

- Incorporated on January 31, 1966
- Public listed company since 1967
- The pioneer industrial project of House of Habib
- Grown from having one business division to 6 business divisions – Engineering and Packaging segments
- Employing over 4,500 people
- Credit Rating: AA / A-1+ for long term and short term by JCR-VIS



Company Profile

Business divisions	Investment in subsidiaries
<p><u>Thal Engineering:</u></p> <ul style="list-style-type: none">• Thermal Systems and Engine Components Business• Electric Systems Business <p><u>Building Material and Allied:</u></p> <ul style="list-style-type: none">• Jute Division• Thal Packaging• Laminates Division	<ul style="list-style-type: none">• Habib METRO Pakistan (Private) Limited – 60% (JV with METRO Cash & Carry International Holding B.V., Netherlands)• Thal Boshoku Pakistan (Private) Limited – 55% (JV with Toyota Boshoku Asia Corporation Limited, Thailand; Toyota Boshoku Corporation, Japan; and Toyota Tsusho Corporation, Japan)
	<p>Investment in Power and Mining Company</p> <ul style="list-style-type: none">• ThalNova Power Thar (Private) Limited – 26% (JV with HUBCO, Novatex and CMEC)• Sindh Engro Coal Mining Company Limited – 11.9% (along with GOS, Engro Energy, HUBCO, HBL and CMEC). Thal's shareholding is same as that of Engro



Thal Business Highlights

SUSTAINABLE GROWTH	<ul style="list-style-type: none">• Revenue of PKR 27.5 B in 9M FY22 vs PKR 19.3 B in 9M FY21• PBT of PKR 4.6 B in 9M FY22 vs PKR 3.4 B in 9M FY21
ENGINEERING SEGMENT	<ul style="list-style-type: none">• Increasing footprint with new entrants - after Tuscon, Elantra WH business procured from Hyundai• Engaged with OEMs for new business• Deepening relationship with Honda in passenger cars and motorcycle business• Management ensured smooth supply to OEMs despite supply chain disruptions.• Focus on enhancing productivity & efficiency and reducing costs across all business
PACKAGING, JUTE & LAMINATES SEGMENTS	<ul style="list-style-type: none">• Strategic early purchase of raw jute improved margins• PPD developed export penetration with cement bag orders.• WPP project commenced production ahead of plan. First order shipped• HMPL progressing plans at various sites
ALL COMPANIES HAVE GONE SOLAR	<ul style="list-style-type: none">• 4.75 MW of Solar under deployment across all business divisions of Thal.• Annual savings of PKR 80 M+ per annum• 3700+ Tons of CO2 saved/year. 176,000+ trees saved
ENERGY INVESTMENTS	<ul style="list-style-type: none">• SECMC posted revenue of PKR 9.7 B and PAT of PKR 3.1 B. Delay in tariff true up by TCEB affecting ability to pay dividends and release sponsor support• TN construction activities well underway – timelines impacted by new COVID lockdowns in Shanghai• Imposition of GST (previously exempt for Thar IPPs) in minibudget has strained TN funding plan• TN and SECMC Phase II expected to come online in 2H of calendar year 2022

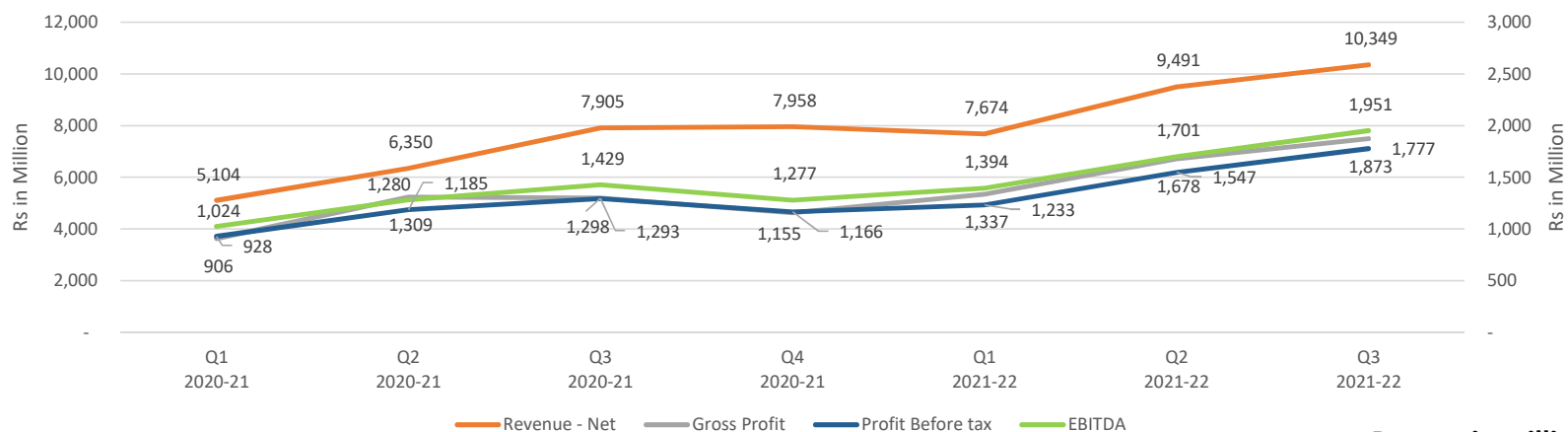


Challenges

- Rising global commodity prices adding to input cost inflation
- Pressure on margins due to Pak Rupee devaluation and rising interest costs
- Global supply chain disruptions adding to freight cost and need to carry safety stock to ensure smooth supply
- 100% cash margin on LCs adding further strain on liquidity and working capital requirements
- Ukraine – Russia conflict impacting global paper supply amid fresh sanctions



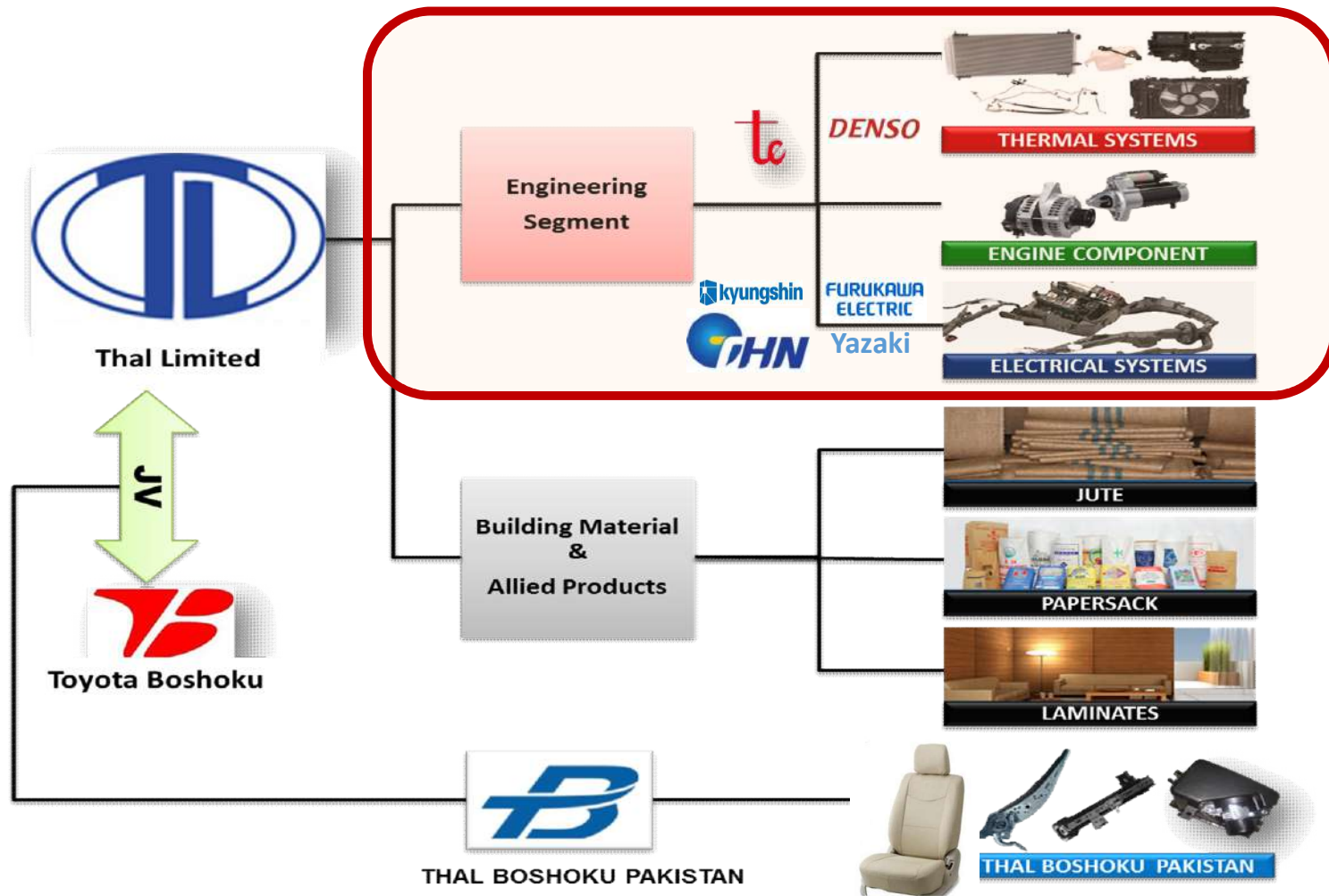
Thal Snapshot – Maintaining Momentum



Description	Rupees in million						
	Q1 2020-21	Q2 2020-21	Q3 2020-21	Q4 2020-21	Q1 2021-22	Q2 2021-22	Q3 2021-22
Revenue - Net	5,104	6,350	7,905	7,958	7,674	9,491	10,349
Gross Profit	906	1,309	1,298	1,155	1,337	1,678	1,873
<i>Gross Profit %</i>	18%	21%	16%	15%	17%	18%	18%
Operating Expenses	298	350	397	378	405	412	427
Finance & Other (Income)/Expense	(320)	(226)	(391)	(389)	(300)	(281)	(331)
Profit Before tax	928	1,185	1,293	1,166	1,233	1,547	1,777
<i>Profit Before tax %</i>	18%	19%	16%	15%	16%	16%	17%
EBITDA	1,024	1,280	1,429	1,277	1,394	1,701	1,951

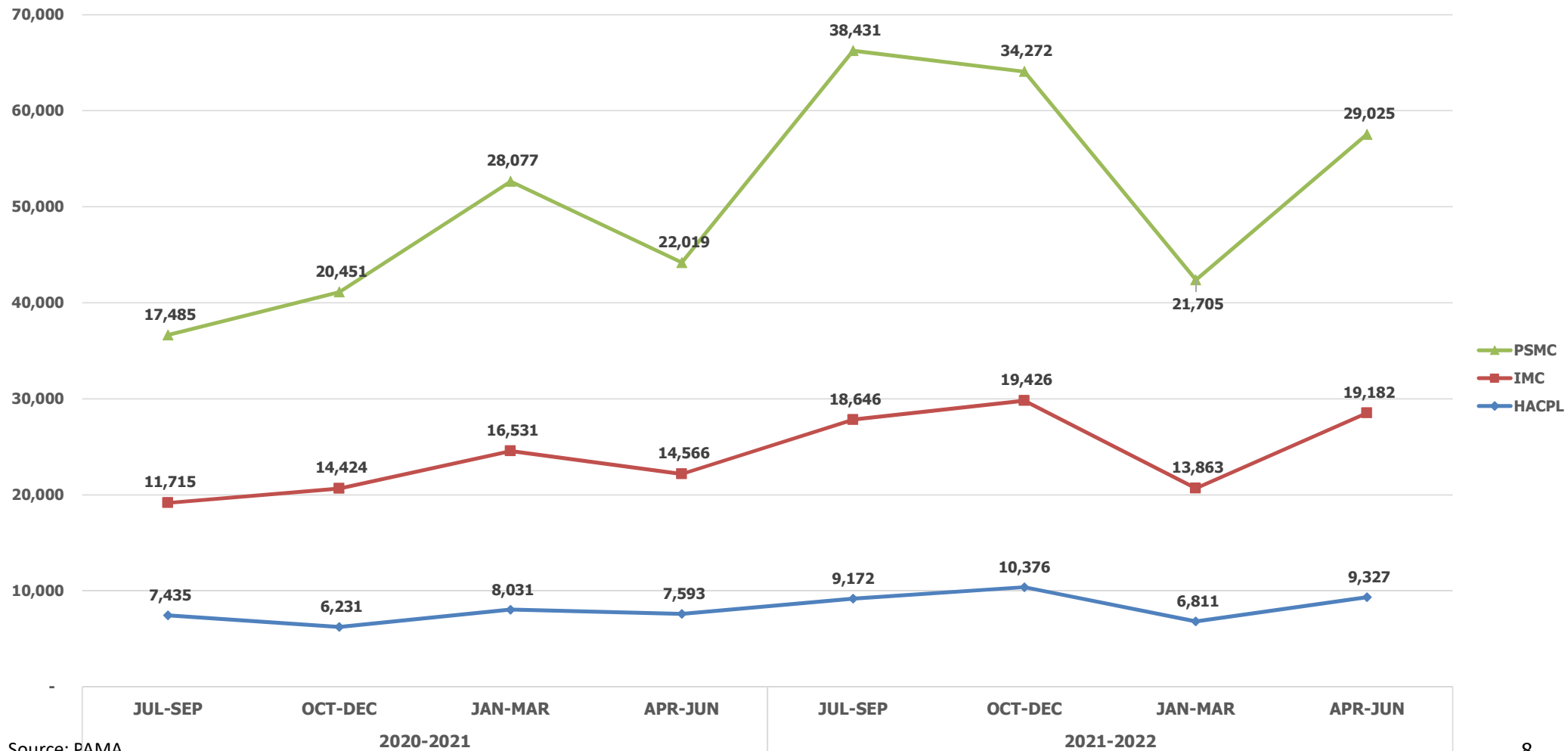


Thal's Businesses





Automobile Industry: Quarterly Sales (Units)



Source: PAMA



Esteemed Customers



Automotive Lamps &
Mirror manufacturer



Automotive Seat Manufacturer

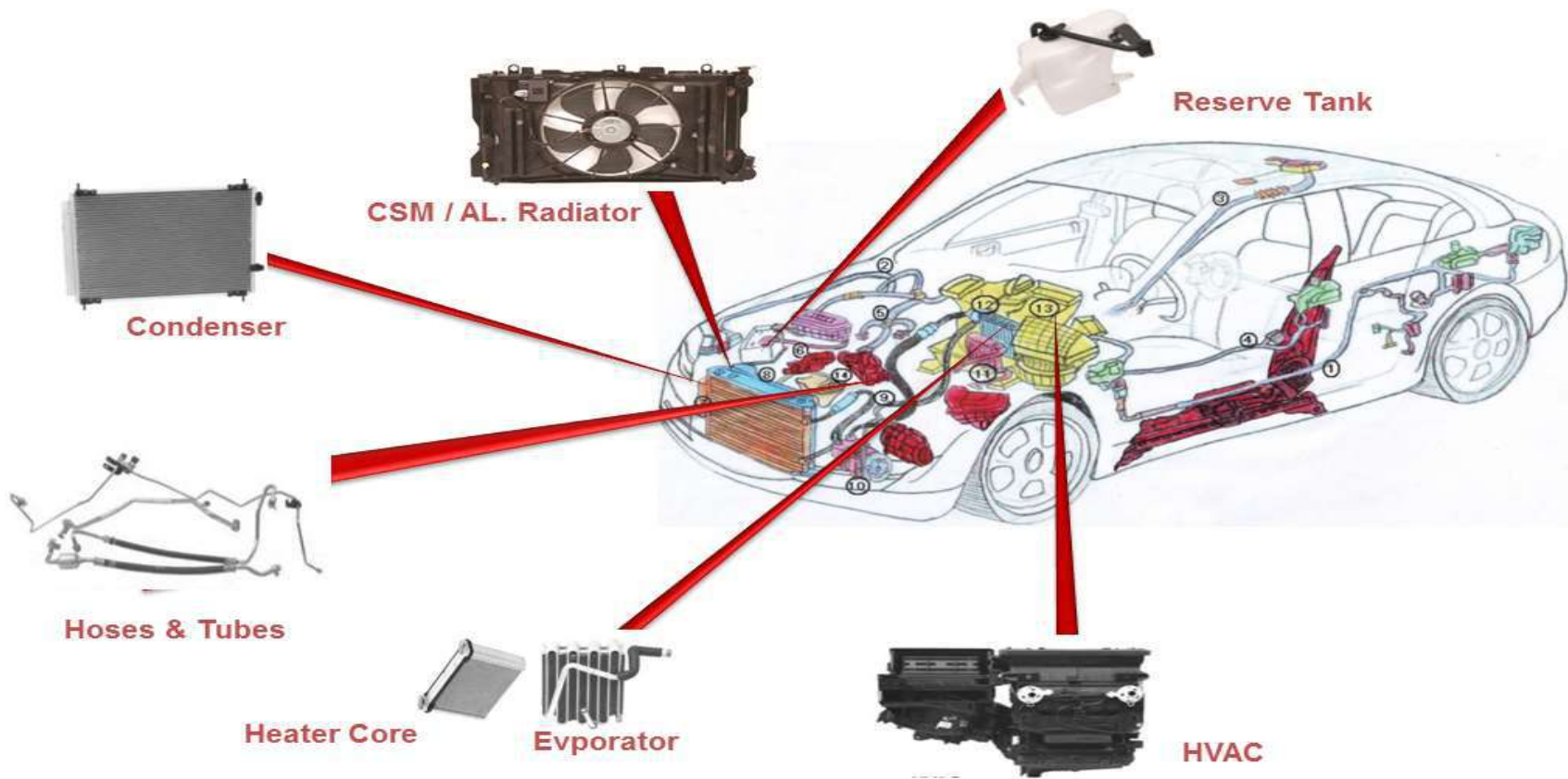
Procon Engineering



Thermal Systems Business

Product Offerings

TAA **DENSO** Thermal Systems Div





Electric Systems Business

Product Offerings

TAA **FURUKAWA** Electric - Japan

kyungshin
Yazaki **HN**



Panel Harness



Rear Harness



Engine Harness



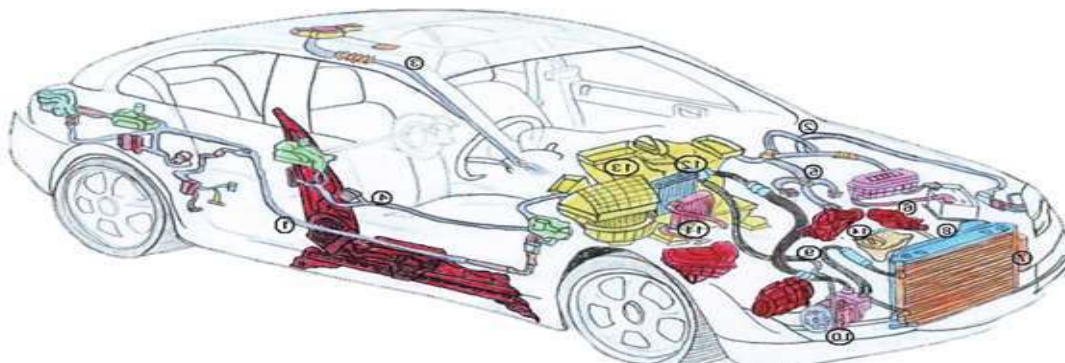
Cabin Harness



Small Harness



Floor Harness



Battery Cable

S No.	OEM	No. of Harness
1	Toyota	195
2	Honda	90
3	Suzuki	47
4	Others	109
	TOTAL	441



New Businesses in Pipeline



- Business for new models secured



- Motorcycle harness business, SVP started Oct '21
- New business opportunity for thermal and electric division



- SVP started for new City in Aug'21, and Civic SVP started in Feb'22
- Thermal Products discussion ongoing for new business



- Atlas Honda CD 70 & CG-125 wiring harness business, SVP Q3 '22



- Secured Wire harness business of HR Porter Truck, SUV Tucson and Sedan Elantra



- Hino portfolio in WH business is continuing for their new buses and truck

YAZAKI PLANT

- Local cables Pilot lot was successfully completed. Mass production has commenced from Mar-22.
- MOU between Yazaki and TL for manufacturing of Wiring Harness extended for another 5 years. Also, Yazaki agreed to extend support to TE for upcoming models other than Yaris.
- THAL Plant has successfully qualified External Audits of ISO 9001, 45001 and IATF 16949 with zero non conformity.
- With the induction of 42 females, gender diversity stands at 28%.

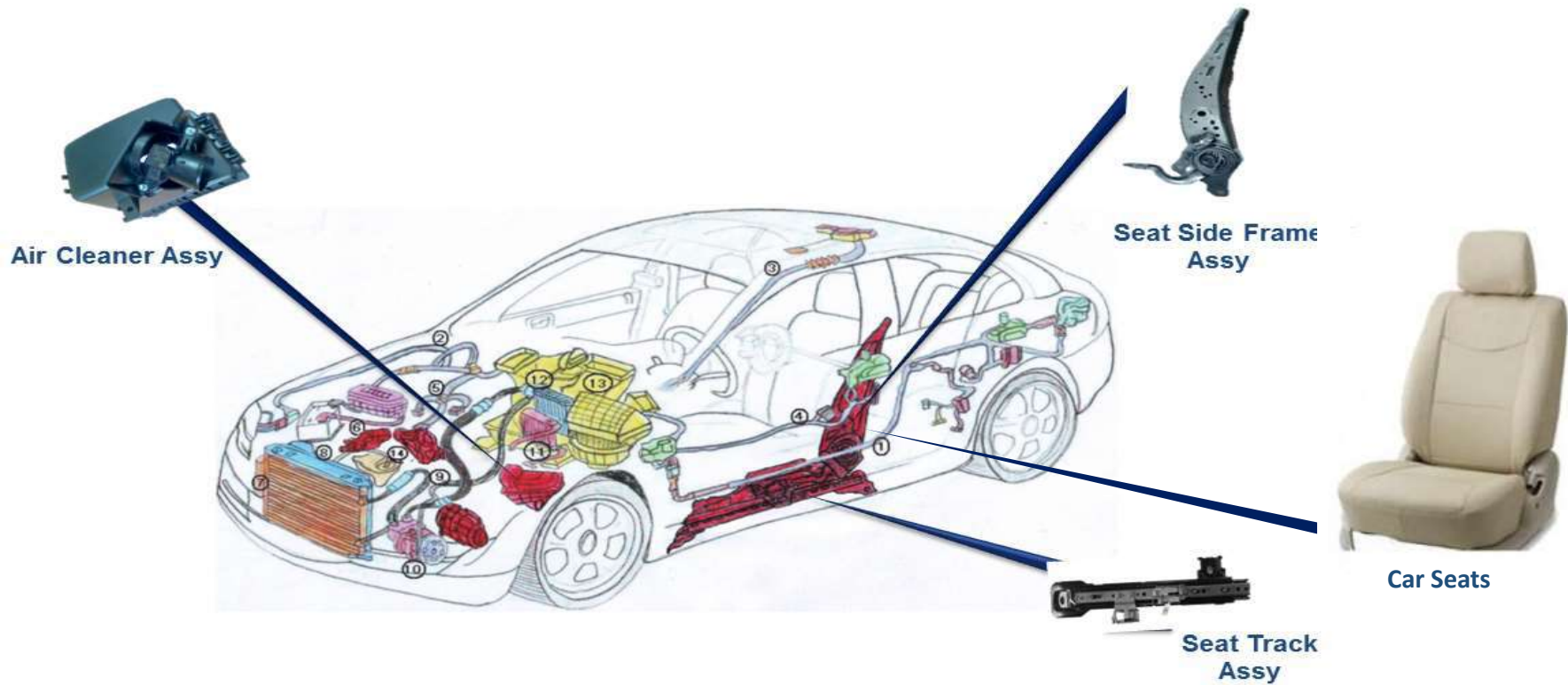




Thal Boshoku Pakistan (Private) Limited

Products Offering

JVA  TOYOTA BOSHOKU - Japan





THAL BOSHOKU THAL LIMITED

- Company is in touch with new and existing OEMs to get their Seat Business. Received encouraging response for further discussion.





Environmental Excellence Award



18th Annual Environment Excellence Award by NFEH on September 16, 2021



Fire Safety Award

Fire Safety Award

11th ANNUAL FIRE SAFETY & SECURITY CONVENTION 2021
December 9, 2021 – Marriott Hotel, Karachi.

NFEH
National Forum for Environment & Health
www.nfeh.org.pk

FPAP
Fire Protection Association of Pakistan

Congratulations You're a Winner!

THAL ENGINEERING

We are pleased to inform you that impressed by your vision and its implementation through contributions in the field of Fire & Safety, the panel of judges has unanimously decided to give the award to your esteemed organization.

The decision of the panel has subsequently been ratified by the Governing Body of National Forum for Environment & Health (NFEH) and Fire Protection Association of Pakistan (FPAP).

The award shall be presented to you in a graceful ceremony to be held on 9th December 2021 at Marriott Hotel, Karachi.

Prominent personalities belonging to the Corporate Sector, NGO's and Media would adore the event. Kindly note, the 11th Fire Safety & Security Convention 2021 will start from 9am to 6pm.

We are pleased to attach herewith (Annexure – "A") some areas of improvement as observed while going through your documents / walk thru visit of your facility.

You are requested to send us the name of three persons; who would come to receive the award and to attend the full day 11th Fire Safety & Security Convention 2021 for necessary arrangements in this regard.

With your co-operation of course, we aim to make it memorable event which will provide an excellent opportunity for elevating the image for your organization.

regards,

Ruqiyah Nadeem
General Secretary, NFEH

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EVENT MARKeted BY
ENERGY UPDATE
Publicity Channel

MEDIA PARTNER
PHPA



11th Annual Fire Safety Award By Fire Protection Association Of Pakistan Ceremony on 9-Dec-21



System Audits 2021-22 (IATF 16949)

External Audit by
Russian Auditor.

14th & 15 March'22 (TE Unit I & II)

Successfully Conducted with No Major NC





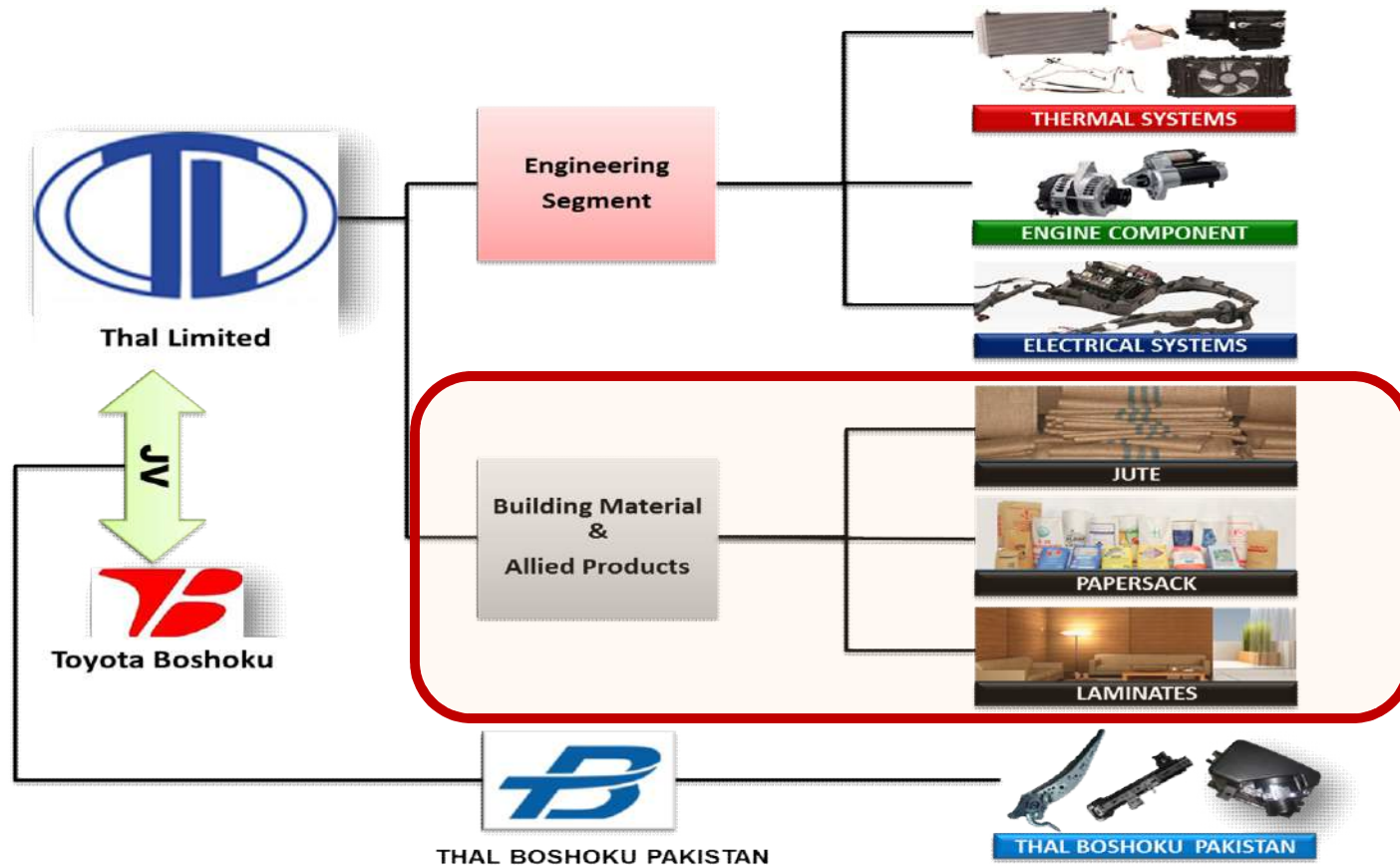
9th QCC Convention 2022



9th QCC Convention was held on March 26, 2022



Thal's Businesses





Thal Packaging – Products



Cement Bags – Local & Export Markets

**Multi-Ply Sacks
Semi-Extensible &
High Porous of
Paper**



Industrial Sacks – Local & Export Markets

**Guar Gum
Tile Bond /
Adhesive
Carbon Black
Gypsum
Animal Feeds**



SOS & Burger Wraps– Local & Export Markets

**Fast Food
Grocery Bags
Burger Wraps
Tray liners
Meat liners
Boxes**



Carrier Bags Local & Export Markets

**Fashion Bags
Sports Wear
Cosmetics
Fast Food
Shoe Market**



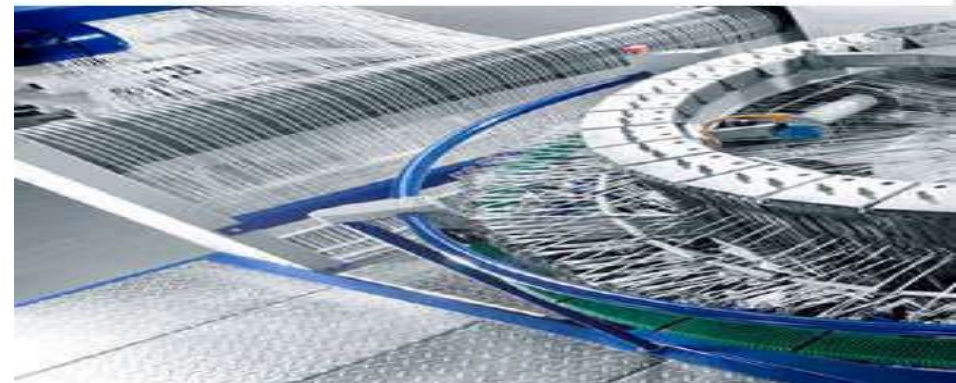
Polypropylene Bags

**Cement Bags
Industrial Sacks**

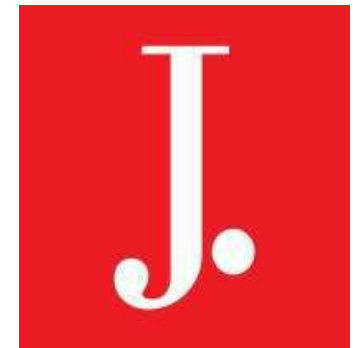


Investment in WPP Bags' Manufacturing Line

Capacity	90 M Bags per year.
Investment	PKR 1.7 Billion
Equipment Financing	SBP – TERF
Location	HUB – Baluchistan
Expected Commercialization	Completed
Supplier	WindMoller & Holscher



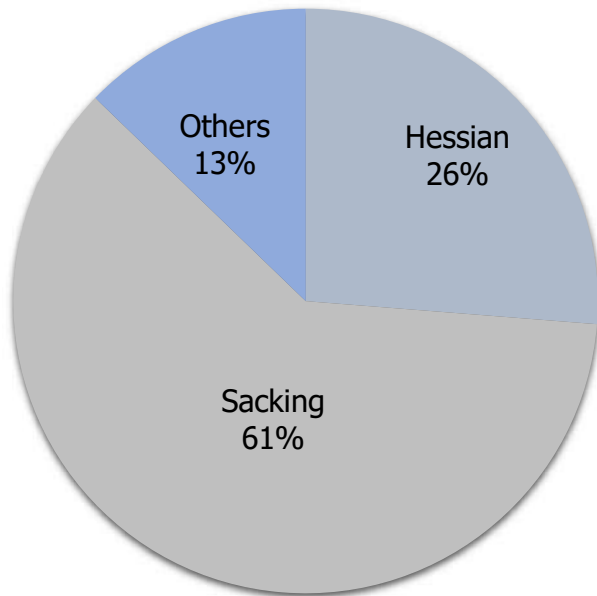
Customer Base – Thal Packaging





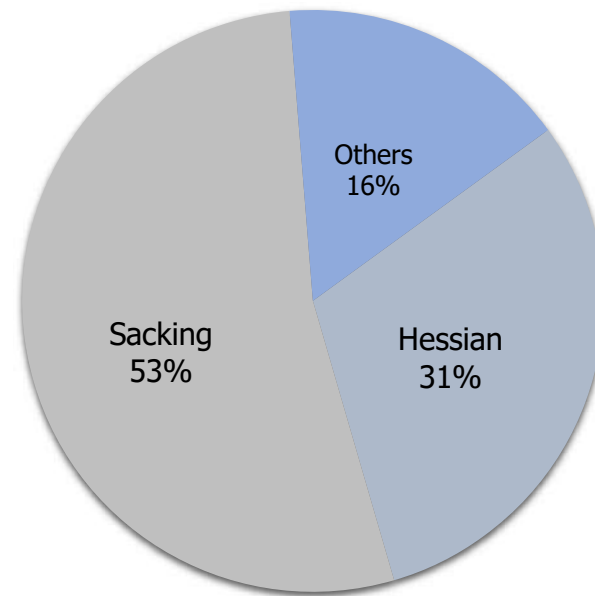
Thal Jute – Product Mix

Sales Quantity: 19,713 MT



Jul 21 – Mar 22

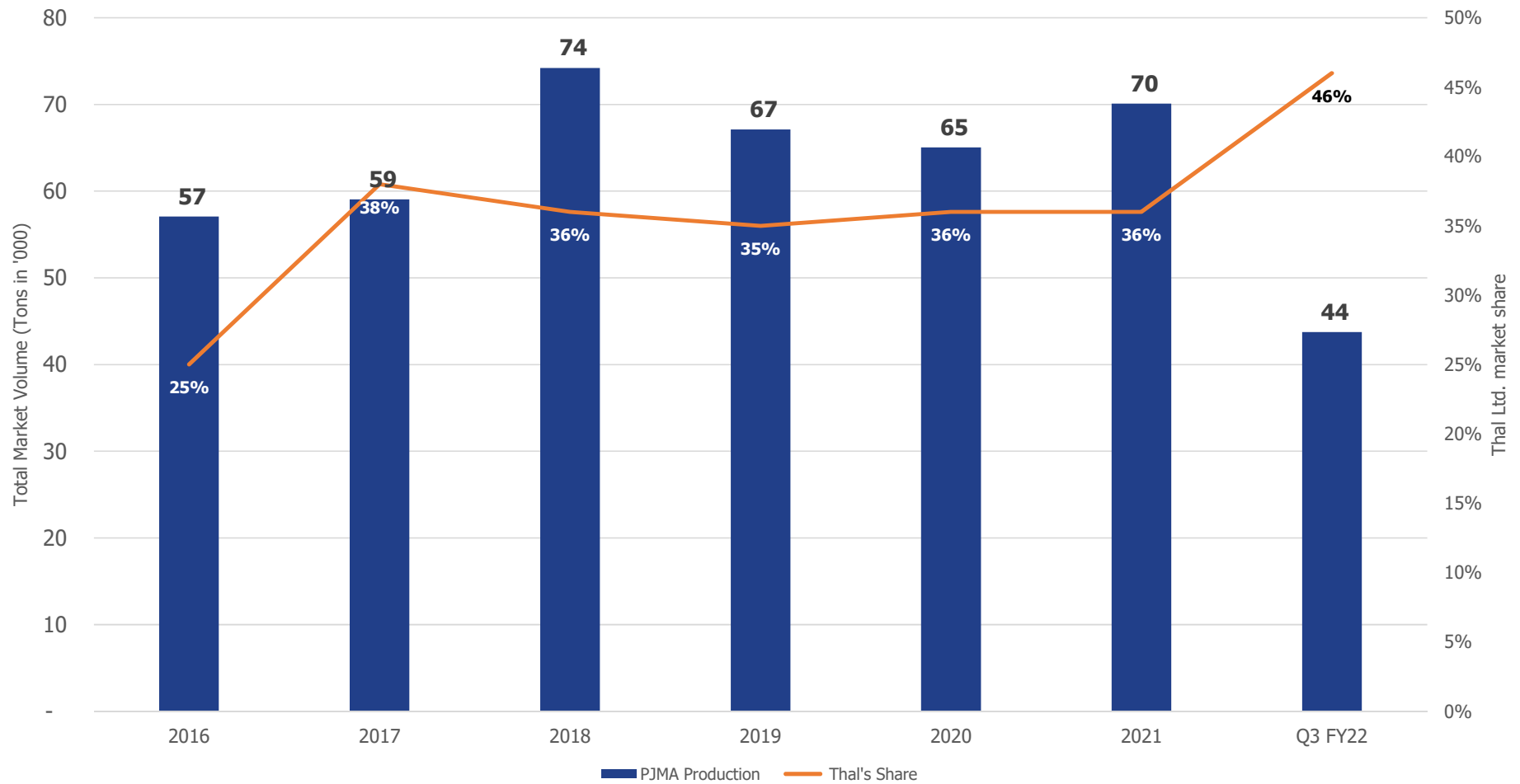
Sales Quantity: 17,308 MT



Jul 20 – Mar 21

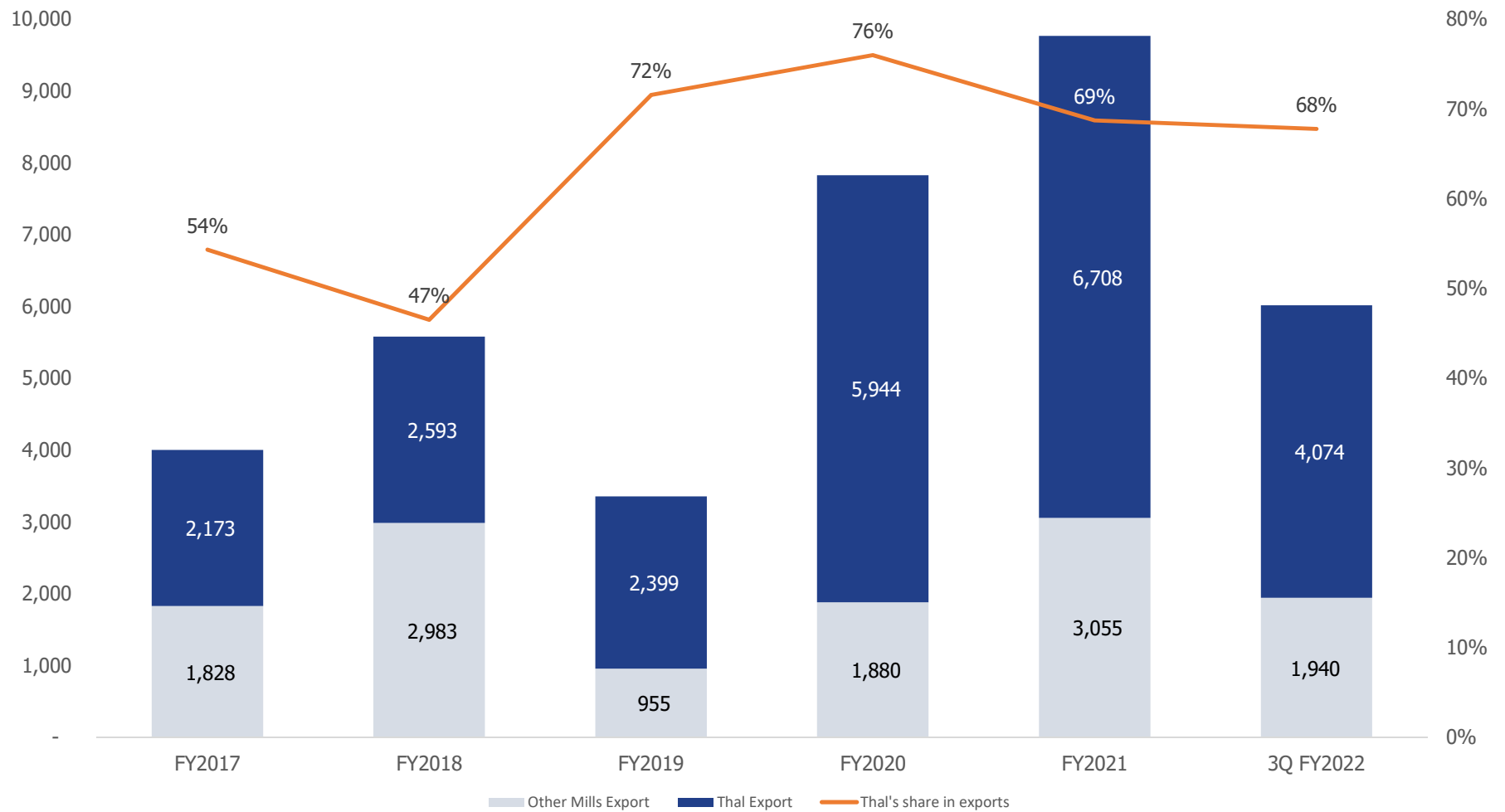


Thal Jute – Market Share



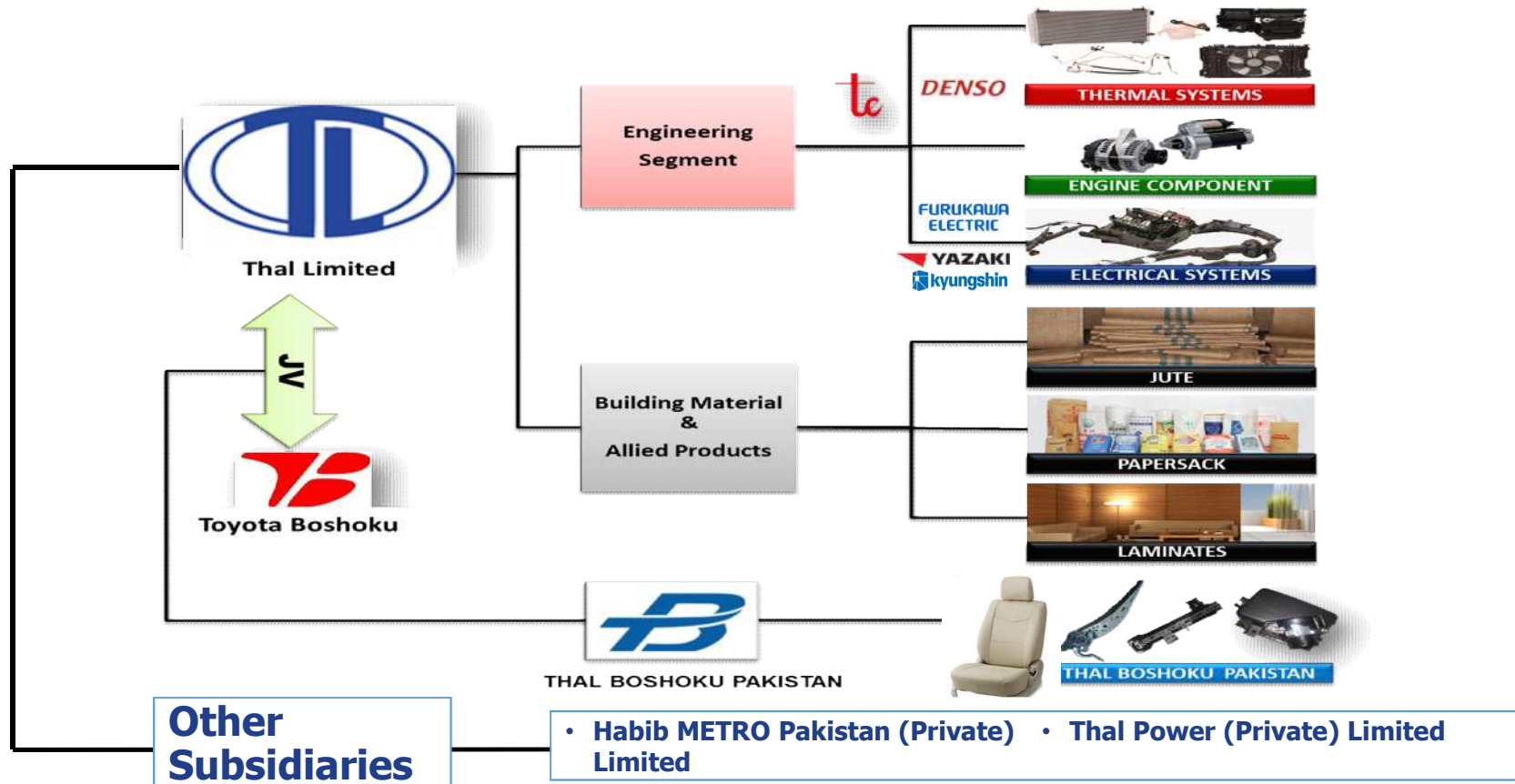


Thal Jute – Export





Thal's Businesses



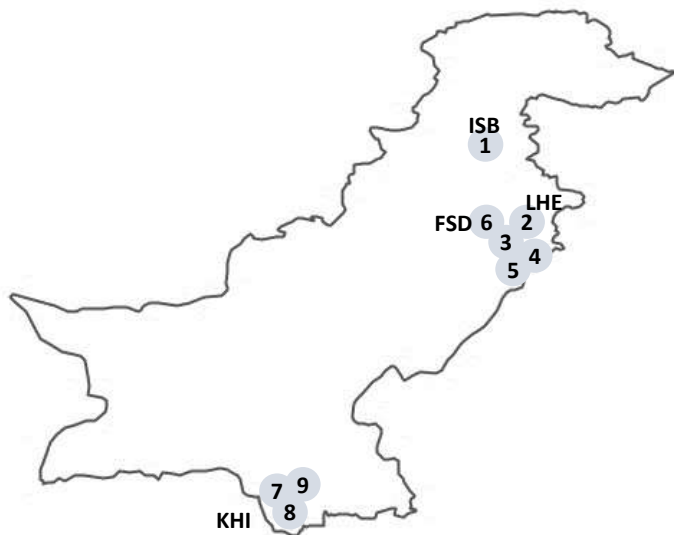


Habib METRO Pakistan (Private) Limited

Shareholding Structure

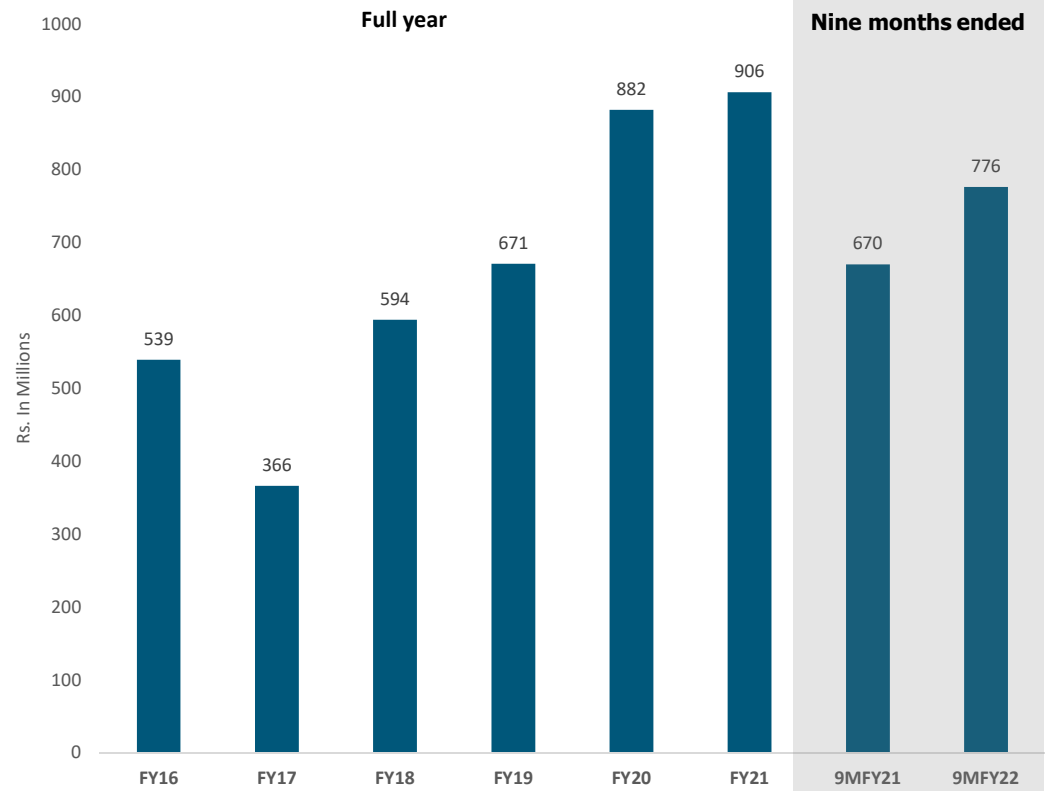
60% Thal Limited

40% Metro AG



HMPL owns & manages a total of 9 Properties in Pakistan - Located in major cities (Karachi, Lahore, Islamabad & Faisalabad)

Dividend History





Investments in Energy Sector



Sindh Engro Coal Mining Company Limited



Box Cut: 600 M
Mine Depth: 195 m
Dewatering: 74,352 M³/ day
FOREX Saved: \$290 million till Mar 2022

SECMC Phase I – Key Events



Key Events	Forecasted Dates	Significance
Tariff True up	Calendar year 2022	COD stage tariff for SECMC Phase I must be determined by Thar Coal Energy Board. True up of tariff is also a condition for Project Completion (PCD) from SECMC lenders. Once PCD occurs, SECMC can pay dividends and Sponsor guarantees shall be released

SECMC Phase II



Key Events	Forecasted Dates
Financial Close	31 Dec 2019 (occurred)
Expected COD	2H of calendar year 2022



M O N A R C H Y  S T U D I O



ThalNova Power Thar (Private) Limited





Key Events	Forecasted Dates
Financial Close	30 Sep 2020 (occurred)
Disbursement of 1 st debt tranche	April 2021 (occurred)
Expected COD	2H of calendar year 2022

ThalNova construction activities are in full swing. The progress has been heavily impacted by COVID and the recent lockdown in China has impacted shipment timelines. Regulatory measures such as imposition of additional customs duty and sales tax (previously exempt) have stretched funding plan.



Financial Highlights



Profit or Loss

	YTD Mar-2022	YTD Mar-2021
	Rs. in Million	
Revenue	27,513	19,359
Gross Profit	4,888	3,514
Profit before taxation	4,556	3,406
Profit after taxation	3,425	2,589
EPS (Rs.)	42.27	31.95
Breakup value (Rs.)	325.89	283.42



Thank You