



THAL LIMITED

Corporate Briefing Session

May 07, 2021 at 10:30 AM



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 Building & Allied Products segments
- Employing over 4,500 people
- Credit Rating: AA / A-1+ for long term and short term by JCR-VIS



Company Profile

Investments in Subsidiaries

- Habib METRO Pakistan (Private) Limited
- Thal Boshoku Pakistan (Private) Limited
- Makro-Habib Pakistan Limited
- Noble Computer Services (Private) Limited
- Pakistan Industrial Aids (Private) Limited
- Thal Power (Private) Limited

Investment in Energy Sector

- Equity investment in Sindh Engro Coal Mining Company Limited (SECMC)
- Equity investment in ThalNova Power Thar (Private) Limited



Thal Business Highlights

Thal Ltd (PKR M)	9M FY 21 (ACTUAL)	9M FY 20 (ACTUAL)	9M FY 19 (Actual)
SALES	19,157 (↑42% v SPLY)	13,494	16,493
PBT	3,406 (↑58% v SPLY)	2,158	3,403

AUTO ENGINEERING

BUSINESS HIGHLIGHTS

- Sustained **OEM demand** in 3QFY21
 - **IMC 43k** (↑66 %);
 - **HPL 21k** (↑ 55%);
 - **PSMC 45k** (11 %)
- **TBPK** posted a profit against loss in SPLY.

CHALLENGES

- Disruption in international **supply chain**:
 - Congestions at Singapore port.
 - No disruption in production for its OEMs
- 3rd wave of **COVID** – lockdown concerns going forward.

JUTE, PACKAGING & LAMINATES

BUSINESS HIGHLIGHTS

- **Jute** division is targeting a **record year** in financial performance.
- **PPD** recorded highest quarterly **sales volume**:
 - 53.8 M bags
- WPP, SOS and IS **relocation** projects on track
- **BLD** maintained **positive** profitable trend.

ENERGY

BUSINESS HIGHLIGHTS

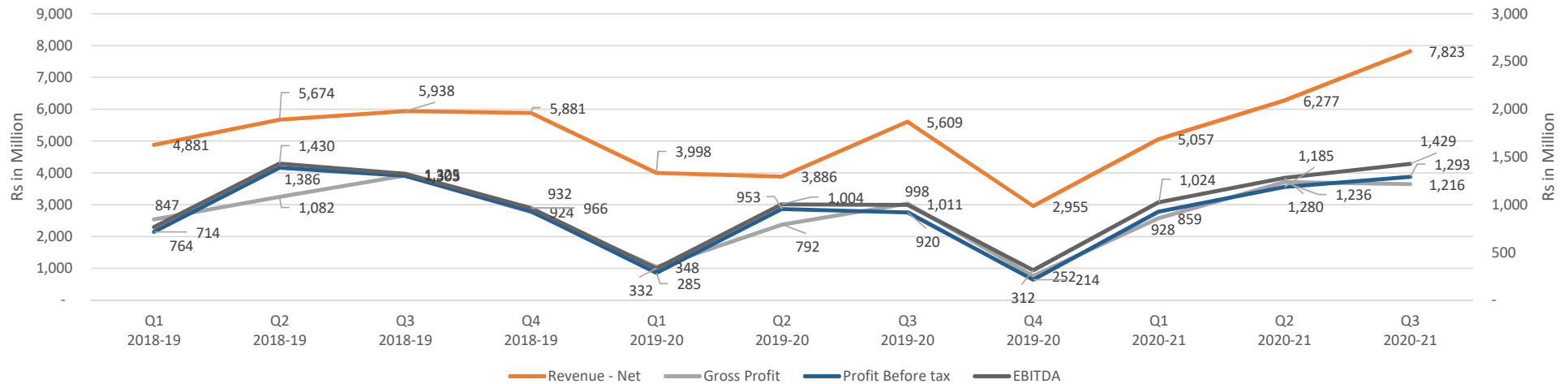
- **SECMC** beats **estimates**:
 - PBT of PKR 4.1 B for Q1 CY2021.
- **TN** received first tranche of **debt disbursement**
 - USD lenders (\$18.4M)
 - PKR lenders (Rs 3.9 B)
- Executed **solar contracts** across Thal:
 - Lowest industry wide price of **Rs. 69/W**.
 - 10-year **O&M** with a power **output** guarantee.

CHALLENGES

- **SECMC trade receivables**:
 - **PKR 26.5 B** on 31 Mar'21.
 - Received **82% payment** against invoices.



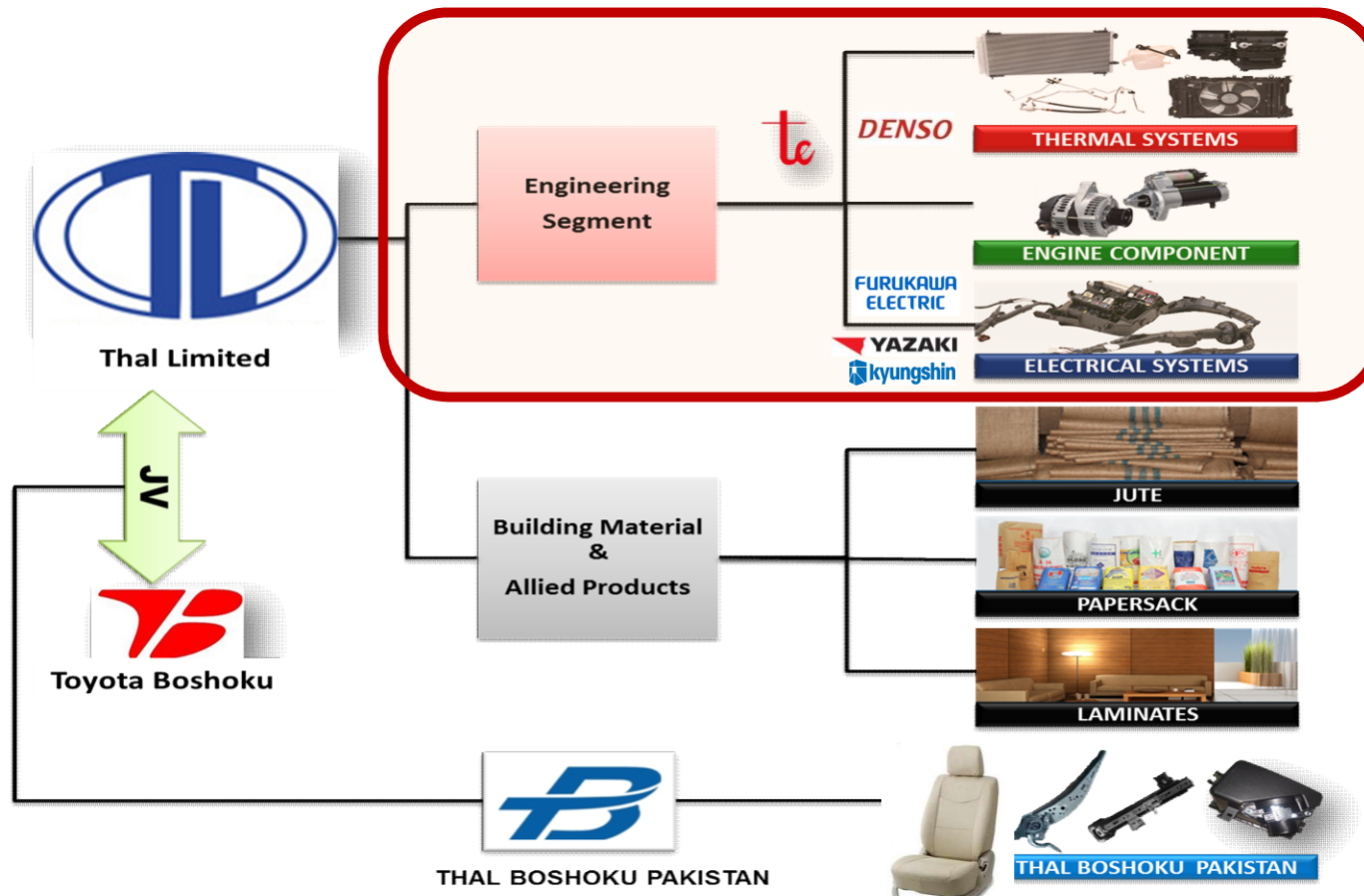
Thal Snapshot – Maintaining Momentum



THAL LIMITED (Amounts in PKR M)											
Description	Q1 2018-19	Q2 2018-19	Q3 2018-19	Q4 2018-19	Q1 2019-20	Q2 2019-20	Q3 2019-20	Q4 2019-20	Q1 2020-21	Q2 2020-21	Q3 2020-21
Revenue - Net	4,881	5,674	5,938	5,881	3,998	3,886	5,609	2,955	5,057	6,277	7,823
Gross Profit	847	1,082	1,305	924	348	792	1,011	252	859	1,236	1,216
Gross Profit %	17%	19%	22%	16%	9%	20%	18%	9%	17%	20%	16%
Operating Expenses	240	257	218	292	229	238	253	252	251	277	315
Finance & Other (Income)/Expense	(107)	(561)	(216)	(300)	(166)	(398)	(161)	(213)	(320)	(226)	(391)
Profit Before tax	714	1,386	1,303	932	285	953	920	214	928	1,185	1,293
Profit Before tax %	15%	24%	22%	16%	7%	25%	16%	7%	18%	19%	17%
EBITDA	764	1,430	1,325	966	332	1,004	998	312	1,024	1,280	1,429

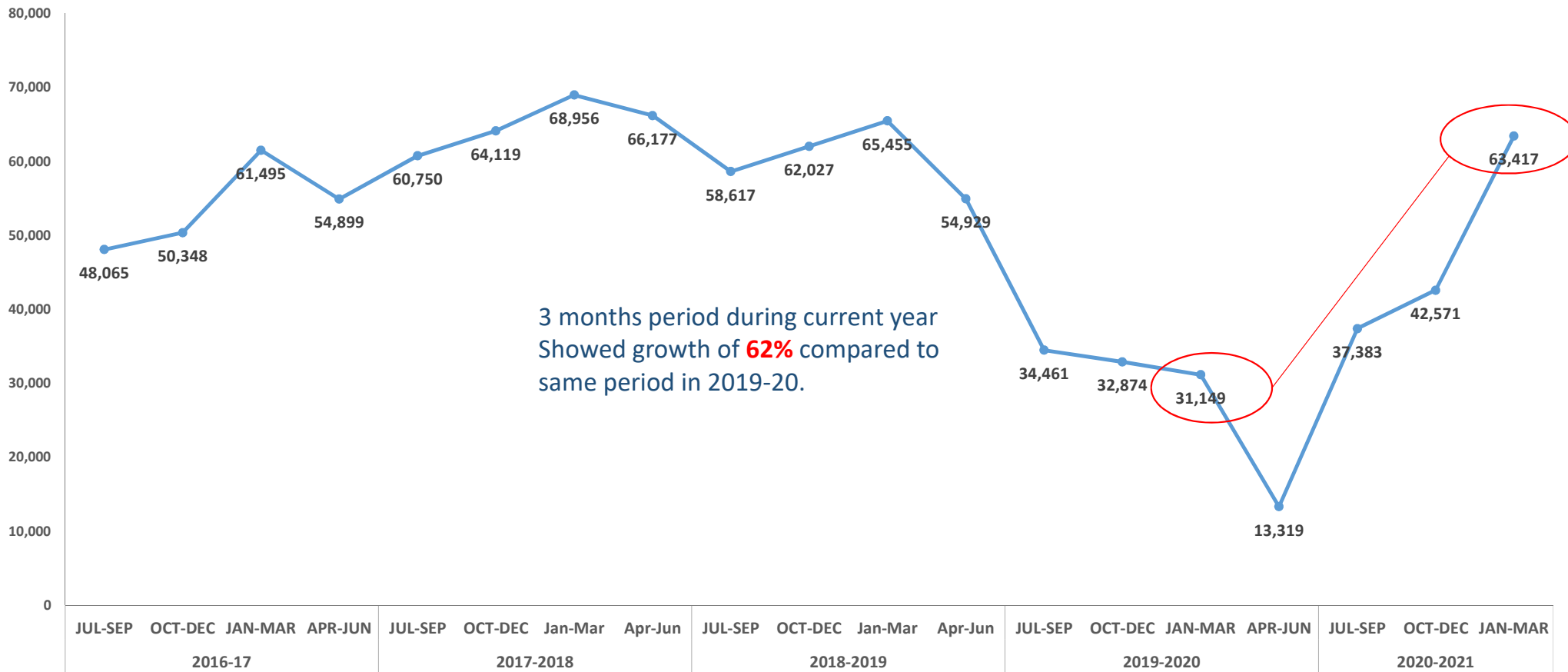


Thal's Businesses





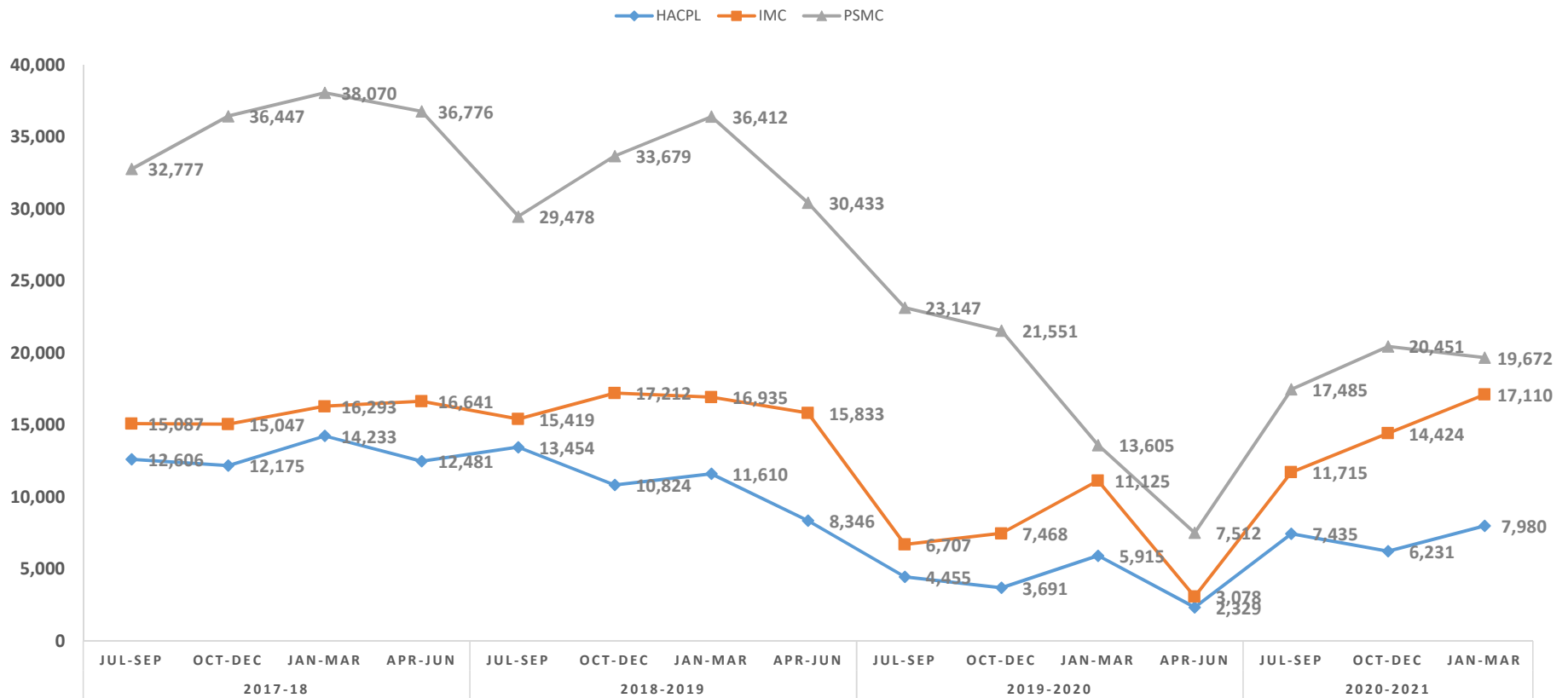
Automobile Industry: Quarterly Sales (Units)





Automobile Industry: Quarterly Sales (Units)

Major Japanese OEMs observing quick recovery in sales since COVID lockdown



Source: PAMA



Esteemed Customers



Automotive Lamps &
Mirror manufacturer



Automotive Seat Manufacturer

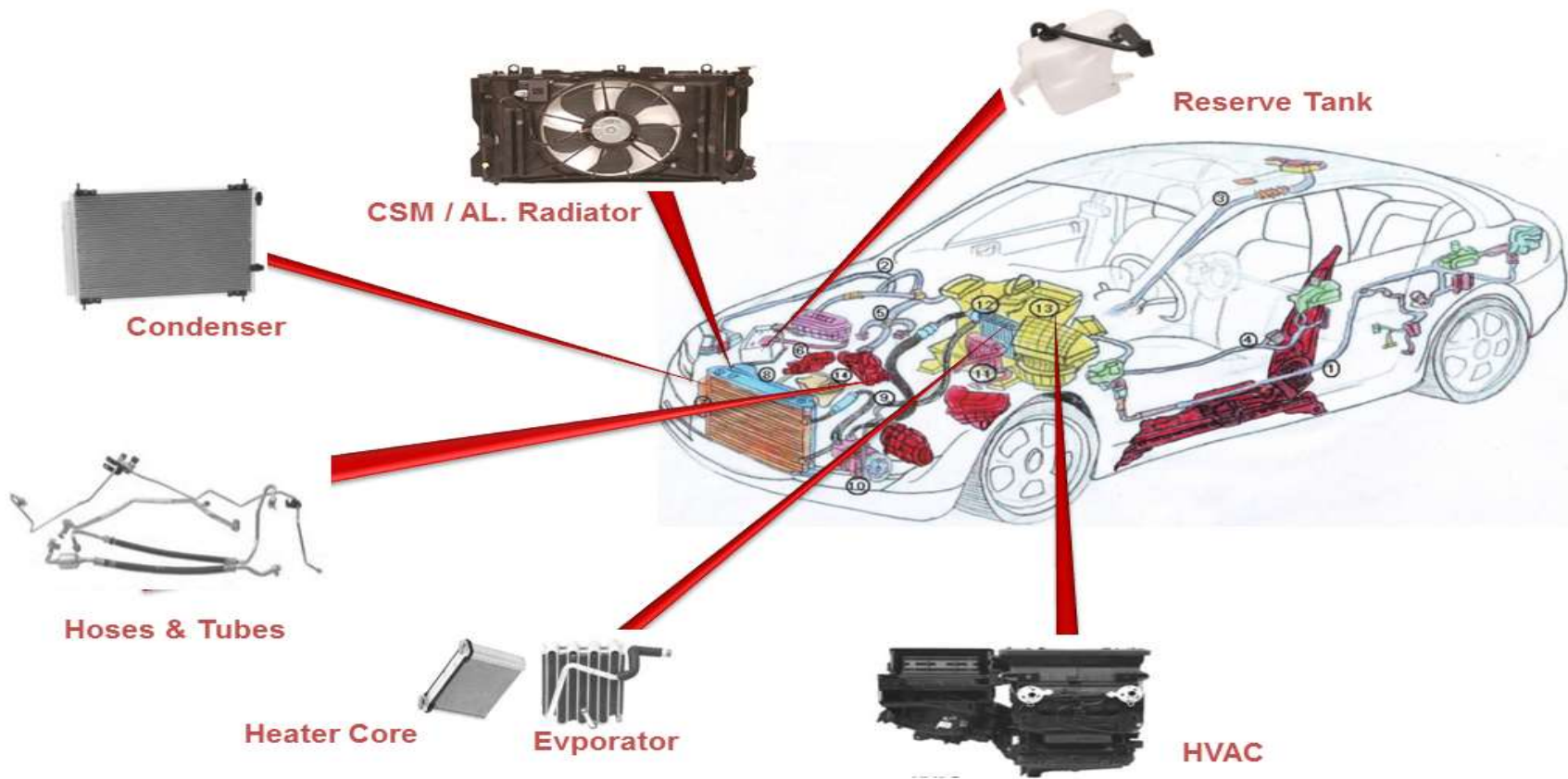
Procon Engineering



Thermal Systems Business

Product Offerings

TAA **DENSO** Thermal Systems Div





Electric Systems Business

Product Offerings

TAA **FURUKAWA** Electric - Japan

YAZAKI

kyungshin

JHN



Panel Harness



Rear Harness



Engine Harness



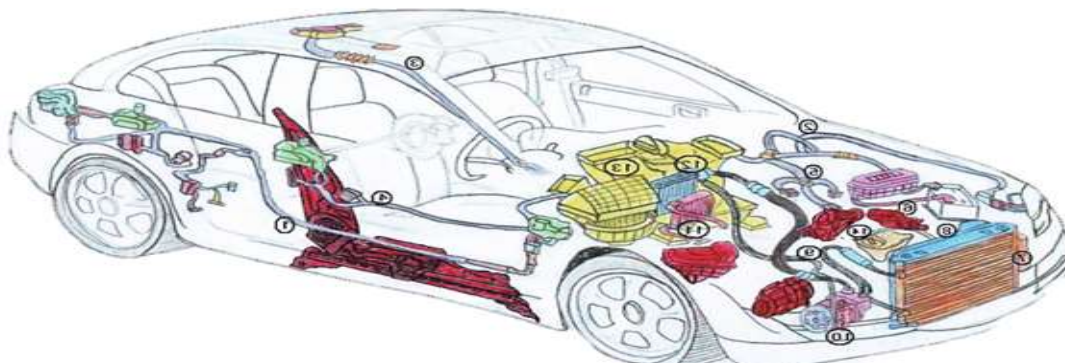
Cabin Harness



Small Harness



Floor Harness



Battery Cable

S No.	OEM	No. of Harness
1	Toyota	137
2	Honda	80
3	Suzuki	46
4	Others	85
	TOTAL	348



Thal Electrical – Yazaki



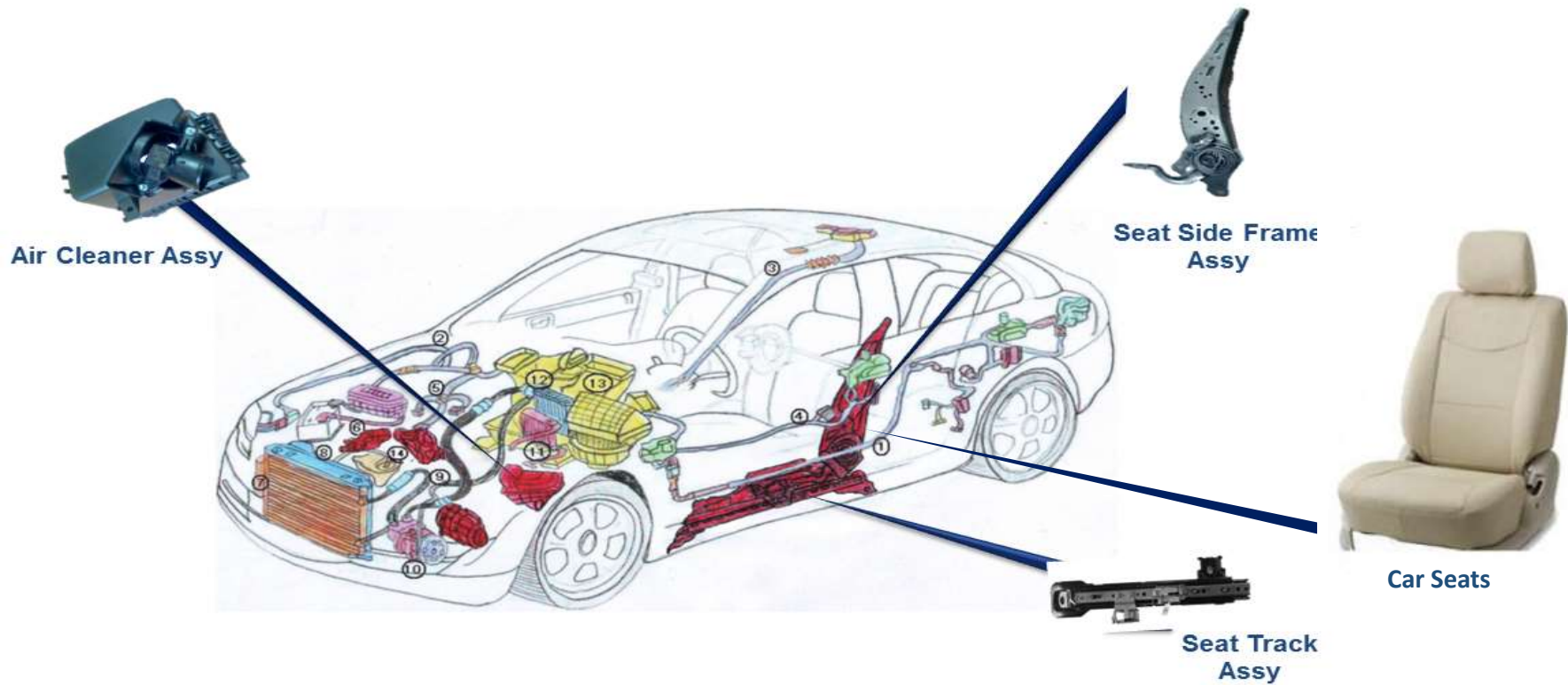
- Plant Inaugurated at Bin Qasim Industrial Park, Karachi on 16th Mar,2020
- Plant celebrated first 10k WH units in Dec'20 with Zero PPM
- 1st external audit of IATF 16949 has successfully passed.
- Female JTMs strength increased to 32 at Plant



Thal Boshoku Pakistan (Private) Limited

Products Offering

JVA  TOYOTA BOSHOKU - Japan





Thal Boshoku Pakistan (Private) Limited



- Plant celebrated first **10k seat** sets in Dec'20 with Zero PPM
- Business posted profit for the period ended Mar'21 as compared to SPLY.
- Company is approaching existing and new OEMs for their seats and component business
- Female JTMs strength increased to 40 at Plant



Challenges

- Auto Industry **increased by 32%** during 9 months period ending between Jul-Mar'21 compared to same period last year. Whereas last year, overall industry observed severe downturn. Coming months seems more promising due to vehicle price stability, lower interest rates and rise in overall economic activity.
- As Automobile Development Policy (2016-21) is set to renew for next five years 2021-26 which is expected to continue pressure on existing automotive OEMs & provide lucrative advantages to new investors (esp. EV) assemblers
- Unfavorable FTAs/PTAs with other countries
- Possible reduction in sales from existing automotive OEMs due to new entrants, but simultaneously it provides opportunity to reduce dependency on existing customers
- Gradual reduction of concessionary SROs



Awards and Recognitions 2020-2021

Best Development Award from Suzuki





Awards and Recognitions 2020-2021

HSE – Environmental Excellence Awards 2020



17th Annual Environment Excellence Award by NFEH on September 18, 2020



Awards and Recognitions 2020-2021

OSH&E Best Practices Award





Awards and Recognitions 2020-2021

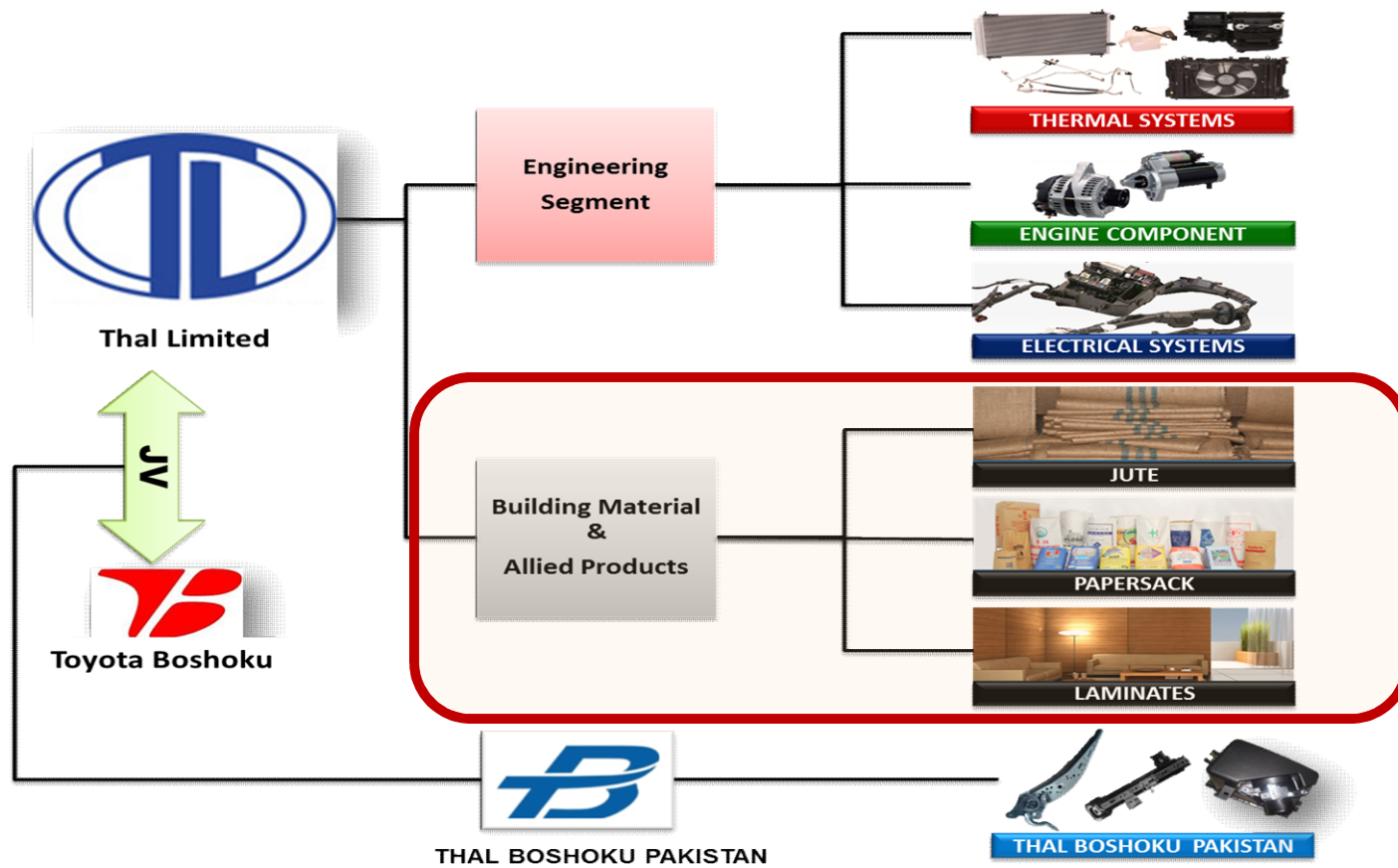
Corporate Excellence Award



Thal Limited received **35th MAP Award** for excellence in Corporate Management in Automobile Parts & Accessories Category



Thal's Businesses





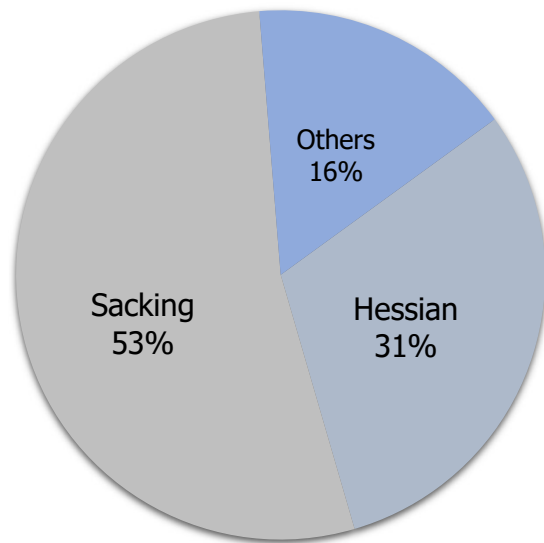
Thal Jute – Product Range





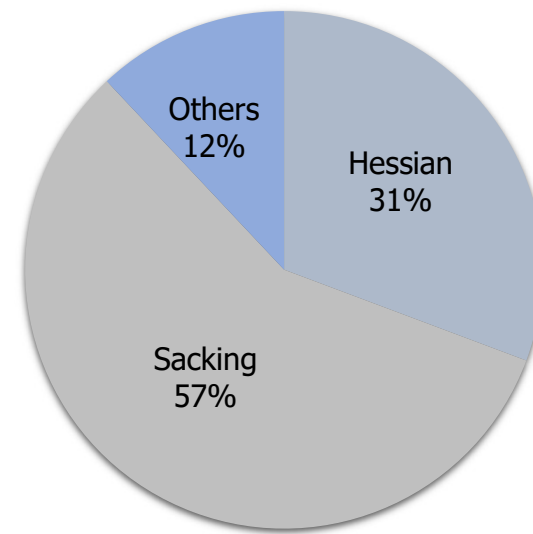
Thal Jute – Product Mix

Sales Quantity: 17,308 MT



Jul 20 – Mar 21

Sales Quantity: 16,170 MT

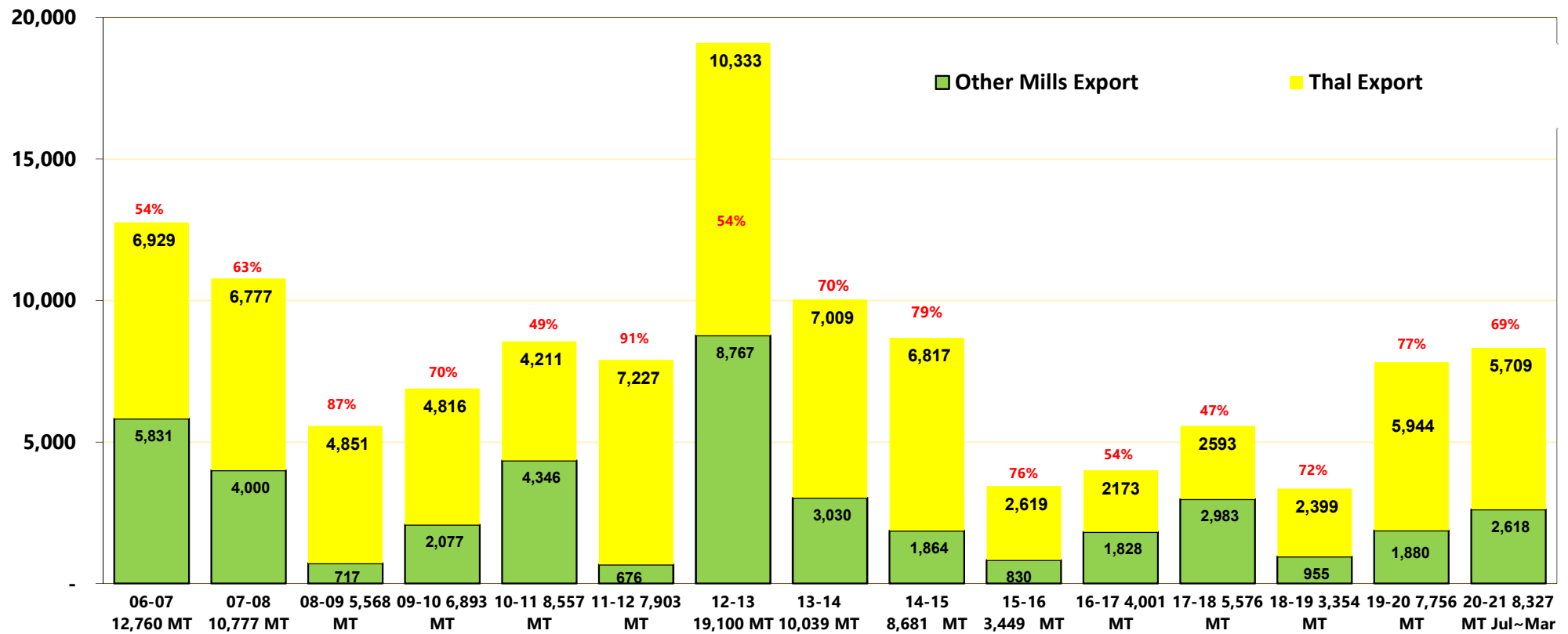


Jul 19 – Mar 20



Thal Jute – Export

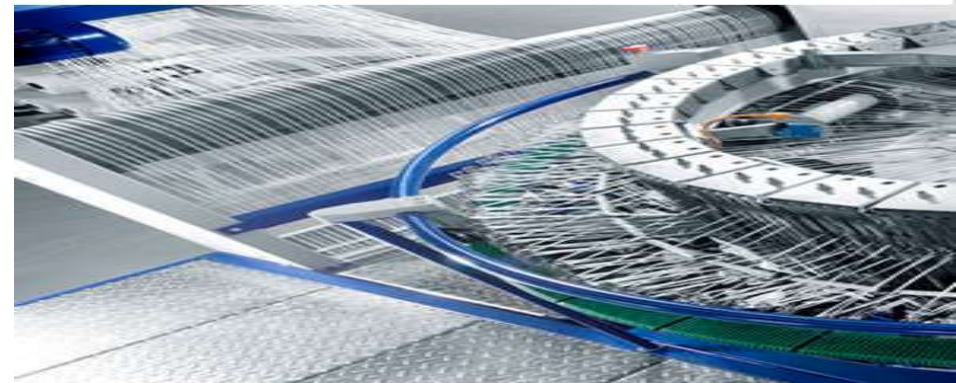
Industry Export with Thal's Share





Investment in WPP Bags' Manufacturing Line

Capacity	90 M Bags per year.
Investment	PKR 1.7 Billion
Location	HUB – Baluchistan
Expected Commercialization	3 rd Quarter 2021-22 (FY)
Supplier	WindMoller & Holscher





Investment in Solar Energy

- **Project scope:** 1,511 KWH at Hub plant and 250 KWH at Gadoon plant.
- **Vendor:** Solis Energy Solution.
- Commercial proposal has been signed by both parties.



Investment	PKR 130 M
Location	HUB / Gadoon
Expected Commercialization	3 rd Quarter 2021-22 (FY)





Capacity Enhancement In North

Investment	PKR 80 M
Location	Gadoon – KPK
Expected Commercialization	2 nd Quarter 2021-22 (FY)





Expansion of SOS Bags' Manufacturing Line

Capacity	48 M Bags per year.
Investment	PKR 86 M
Location	HUB – Baluchistan
Expected Commercialization	1 st Quarter 2021-22 (FY)





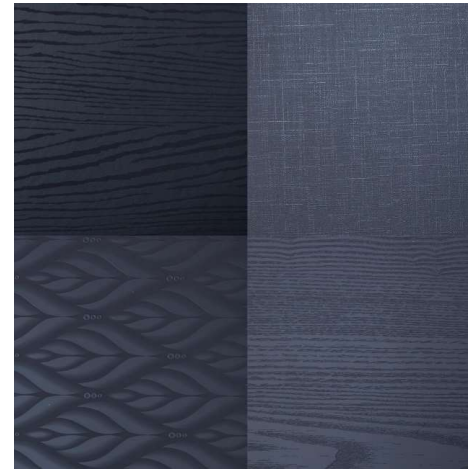
Baluchistan Laminates – Products



BOARDS
(LPL, HPL, LOCAL & MDF)



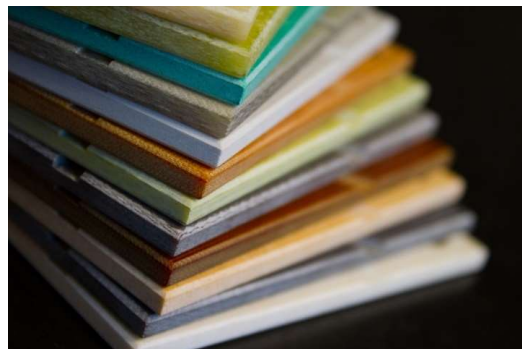

GLOSSOMITE




ELEGANT



HIGH PRESSURE LAMINATES
(ECONO, CLASSIC & TUFF)



TECHNICAL LAMINATES
(MELAMITE – GENERAL, P1 & P2)

FINISHED PRODUCTS



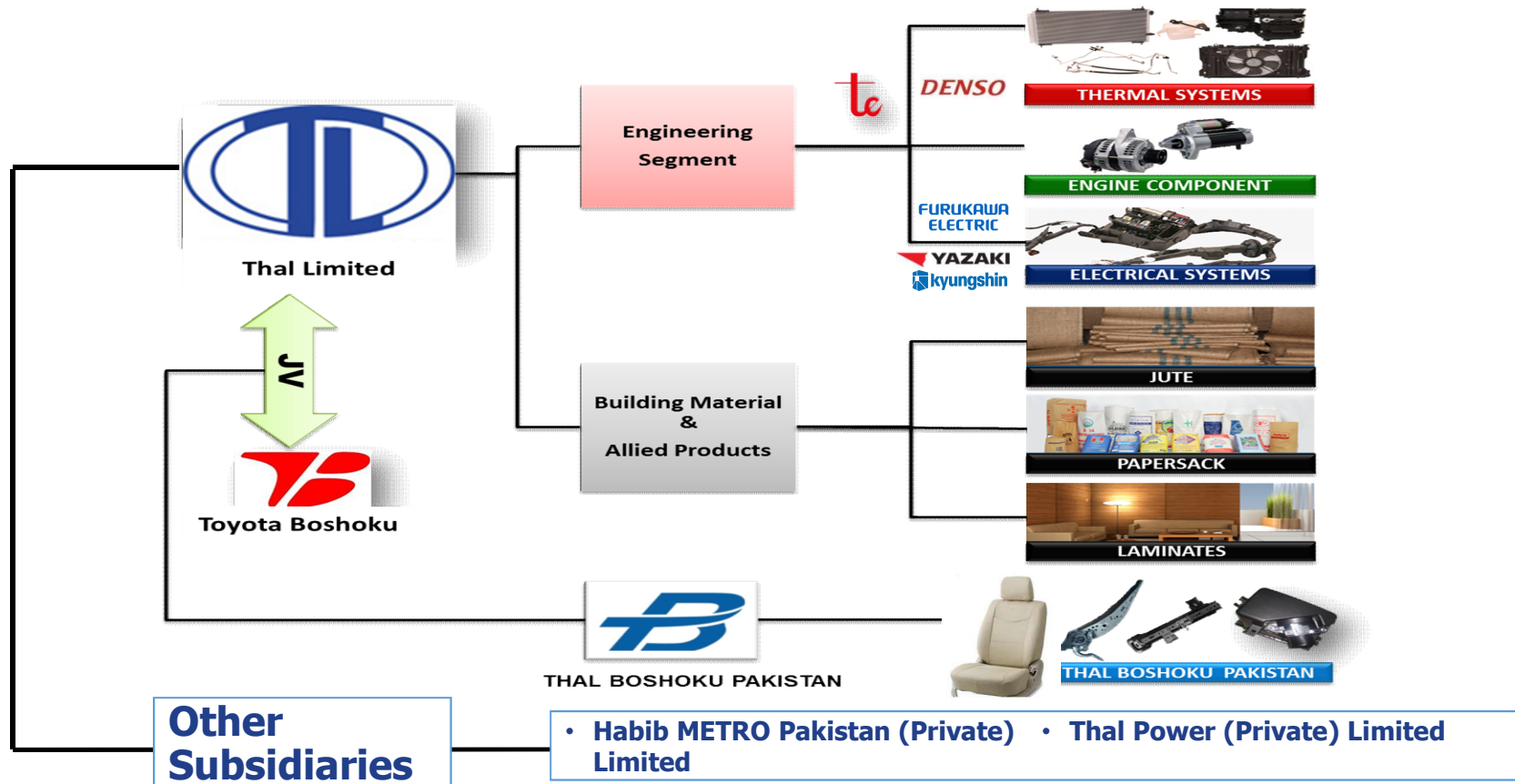
WRITING SURFACES



PARTITION & LOCKERS



Thal's Businesses



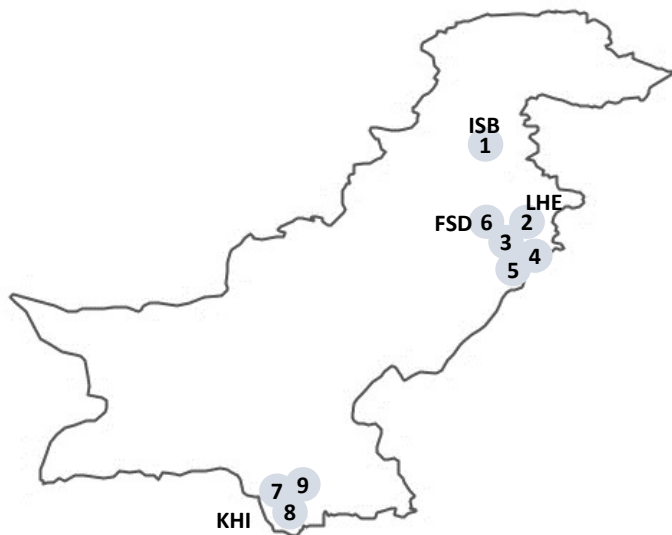


Habib METRO Pakistan (Private) Limited

Shareholding Structure

60% Thal Limited

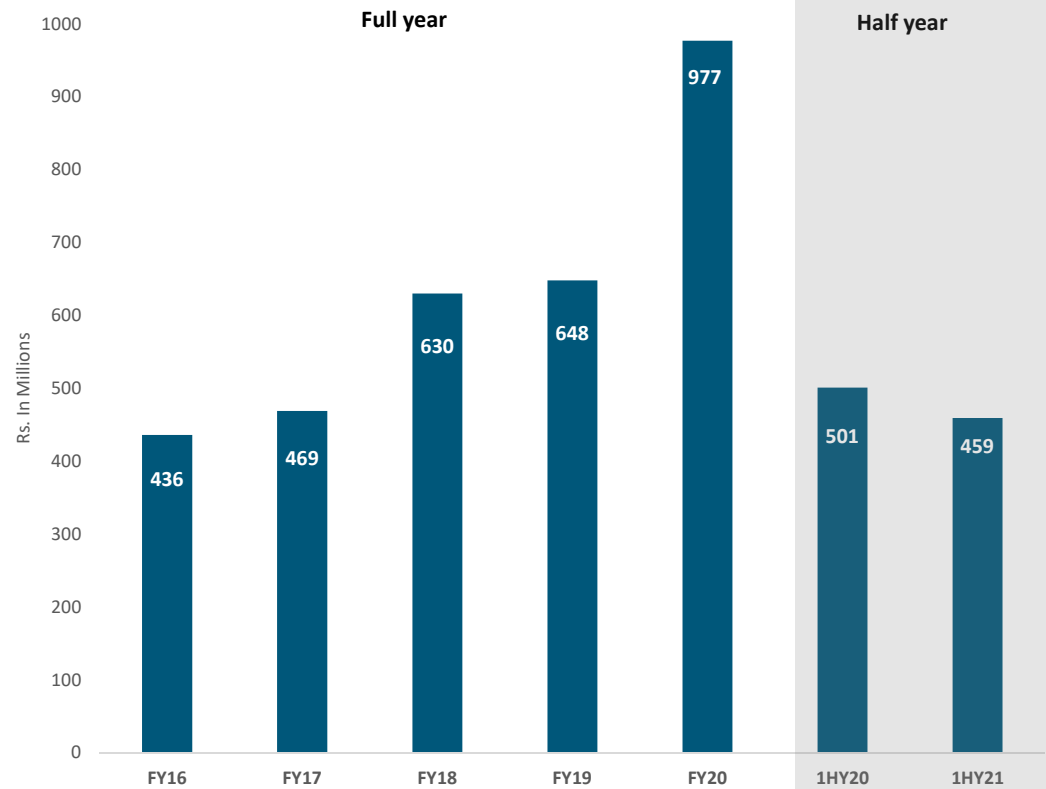
40% Metro AG



HMPL Owns & Manages a total of 9 Properties in Pakistan.

- Located in Major cities (Karachi, Lahore, Islamabad & Faisalabad)
- Most facilities have ~50% unutilized area

Dividend History





Investments in Energy Sector



Sindh Engro Coal Mining Company Limited

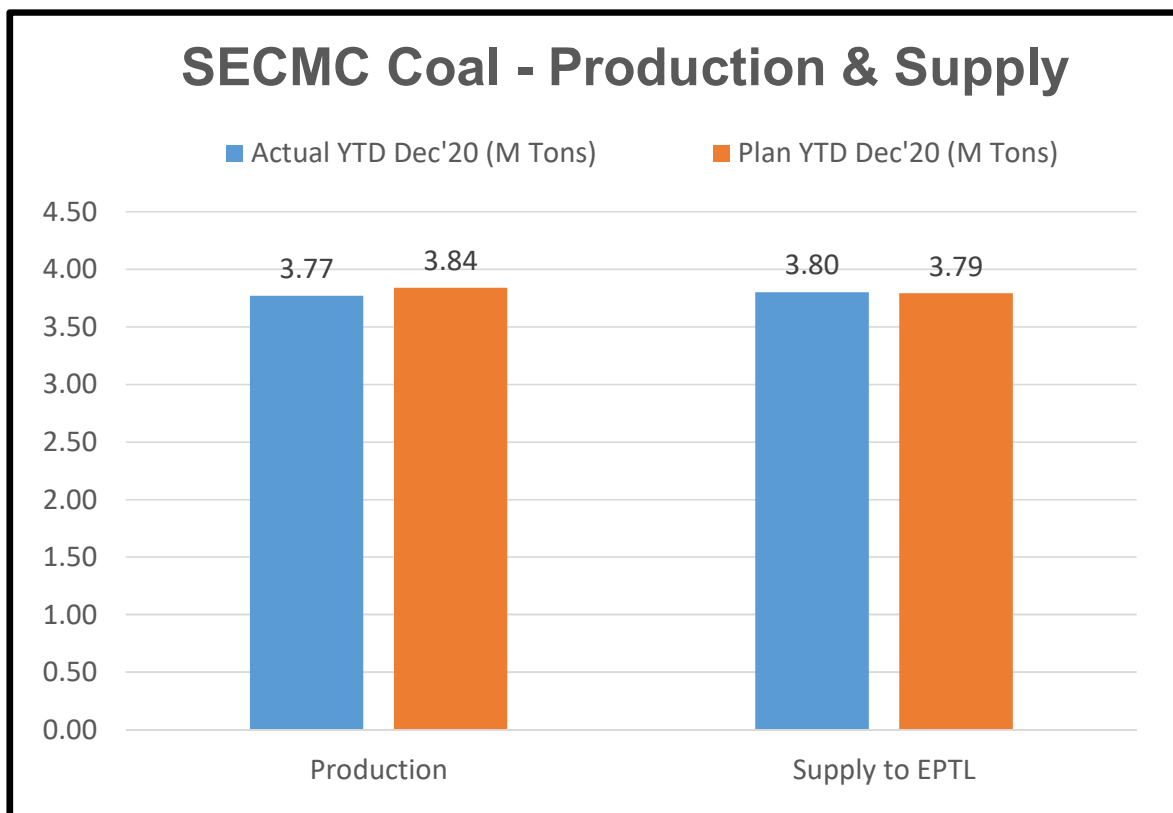


Box Cut: 600 M
Mine Depth: 195 m
Dewatering: 74,352 M³/ day
FOREX Saved: \$76 million till Dec 2020



SECMC – Earnings Snapshot

For the Period 1st Jan to 31 Dec 2020



In PKR Mn	31-Dec-20
Revenue	37,101
Gross Profit	17,631
Profit After Tax	11,014

SECMC Phase I – Key Events



Key Events	Forecasted Dates	Significance
Tariff True up	2H 2021	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	2022





ThaInova Power Thar (Private) Limited





Key Events	Forecasted Dates
Financial Close	30 Sep 2020 (occurred)
Disbursement of 1 st debt tranche	April 2021
Expected COD	2022
ThalNova commenced construction on site using Sponsor equity prior to FC. Despite a brief delay, debt disbursement by both foreign and local lenders in April 2021 has eased pressure on construction timelines.	



Financial Highlights



Profit and Loss – Standalone

	YTD Mar-2021	YTD Mar-2020
	Rs. in Million	
Revenue	19,157	13,494
Gross Profit	3,312	2,042
Profit before taxation	3,405	2,158
Profit after taxation	2,588	1,660
EPS (Rs.)	31.94	20.49
Breakup value (Rs.)	283	243



Balance Sheet

	Mar-2021	Jun-2020	Mar-2020
ASSETS EMPLOYED	----- Rs. in Million -----		
Fixed Assets	3,319	3,292	3,288
Long-term Investments	7,770	5,796	5,830
Long-Term Loans and Deposits	293	1,944	1,668
Deferred Tax Asset - Net	177	205	211
Net Current Assets	11,639	9,665	8,723
Total Assets Employed	23,198	20,902	19,720
FINANCED BY			
Shareholders' Equity	22,965	20,901	19,716
Non-current liabilities	233	1	4
Total Financed By	23,198	20,902	19,720



Key Figures

Sales revenue

Rs. in million

Jul-Mar 2021

19,157



Jul-Mar 2020

13,494

41.97%

Total assets

Rs. in million

Jul-Mar 2021

28,311



Jul-Mar 2020

22,823

24.04%

Profit after tax

Rs. in million

Jul-Mar 2021

2,588



Jul-Mar 2020

1,660

55.90%

Earnings per share

Rs. in million

Jul-Mar 2021

31.94



Jul-Mar 2020

20.49

55.90%

Market Price per Share

Rs.

31-Mar-21

368.08



31-Mar-20

293.78

25.29%

Market capitalization

Rs. in million

31-Mar-21

29,825



31-Mar-20

23,805

25.29%



Profit and Loss – Consolidated

	YTD Mar-2021	YTD Mar-2020
	Rs. in Million	
Revenue	20,863	14,076
Gross Profit	3,371	2,031
Profit before taxation	5,558	3,784
Profit after taxation	4,376	2,883
EPS (Rs.)	49.83	32.69
Breakup value (Rs.)	353	306



Thank You