



THAL LIMITED

Corporate Briefing Session

May 18, 2023 at 03:30 P.M.



Company Profile

1966

Incorporated:
Jan 31, 1966

Publicly listed:
1967

1 business
division

Pioneer project of
House of Habib

2023

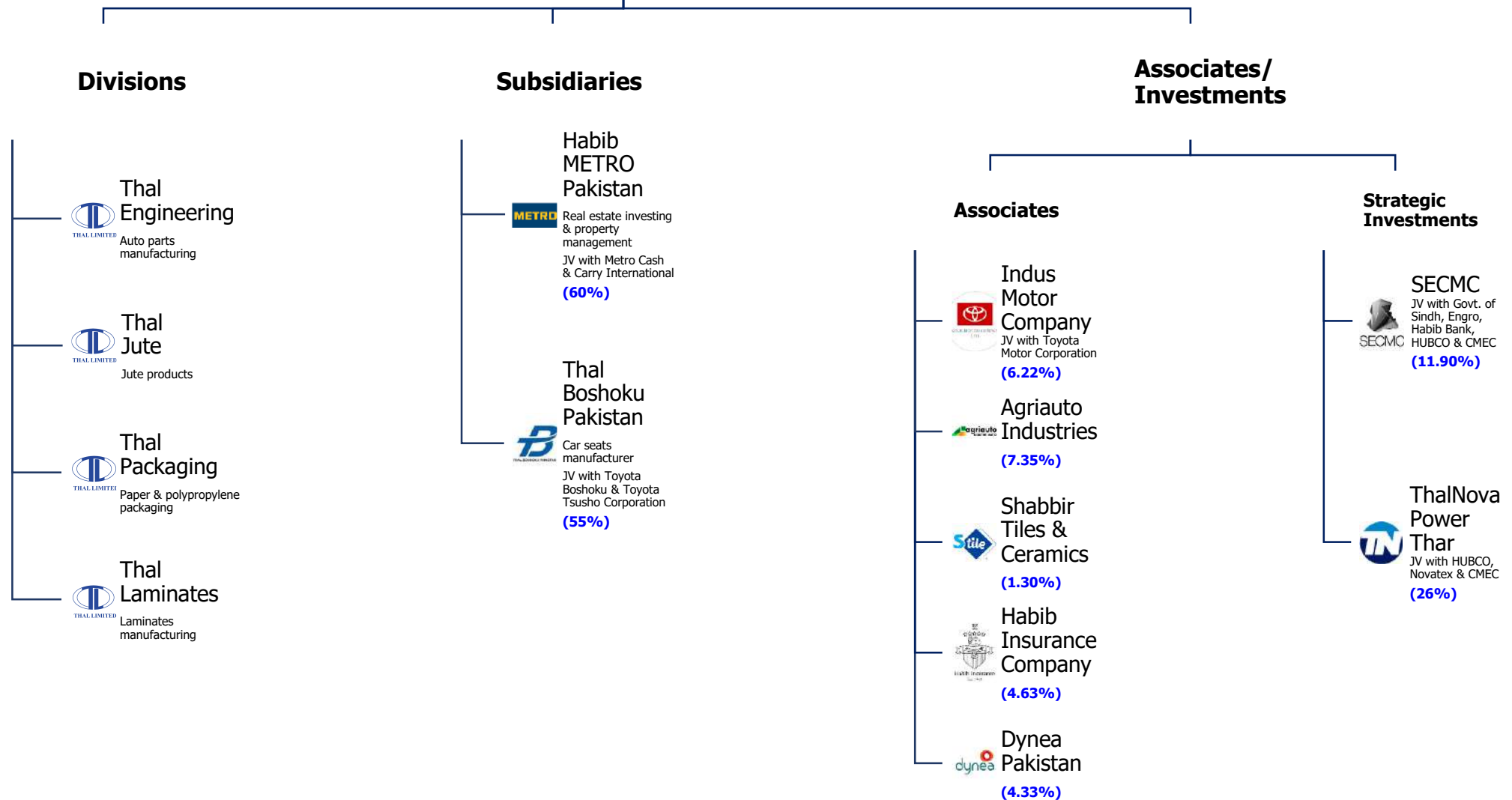
6 business divisions

Employing
>4,000 people

AA/A-1+ rating
(long & short) – JCR-VIS



Thal Limited Company Profile





Thal Business Highlights

| | |
|--|--|
| FINANCIALS | <ul style="list-style-type: none">• 9M FY23 Revenue: Rs. 25 billion vs. Rs. 27.5 billion in 9M FY22• 9M FY23 PBT: Rs. 2.3 billion vs. Rs. 4.6 billion in 9M FY22 |
| ENGINEERING SEGMENT | <ul style="list-style-type: none">• Increasing footprint with new entrants - After successful business relation with Hyundai, other OEMs also exploring localization opportunities.• Additional wiring harness secured. 2 wheeler business secured.• Deepening relationship with all customers to increase localization• Management ensured smooth supply to OEMs despite import restrictions• All possible cost austerity measures has been taken to adjust the overheads according to current business volumes |
| PACKAGING, BUILDING MATERIAL & ALLIED PRODUCTS SEGMENT | <ul style="list-style-type: none">• Jute exports revenue grew vs. SPLY• Packaging making considerable progress to expand export sales.• Drop in paper cement bags causing a shift to WPP. WPP plant is operating at full capacity.• Laminates division was able to improve margins by selecting a strategic product mix and launching of new products |
| ENERGY INVESTMENTS | <ul style="list-style-type: none">• Q1 FY2023, SECMC operated smoothly and recorded sales revenue of Rs. 21.7 billion.• SECMC generated positive cash flows Q1 FY2023.• ThalNova achieved commercial operations on February 17, 2023.• ThalNova is supplying power to the grid through Thar-Matiari transmission line. |



Deteriorating Business Environment – 9M FY23

Business Challenges

- Import restrictions/delay in LC retirement constraining operations
- High interest rates and rupee depreciation - pressure on margins
- ↑ in car prices → demand shift to low priced/used cars
- Non-production days at OEMs affecting continuity of supply
- Decline in food /carrier bag amid slowing consumer spending
- Rising paper prices → shift to PP bags.

Actions Taken

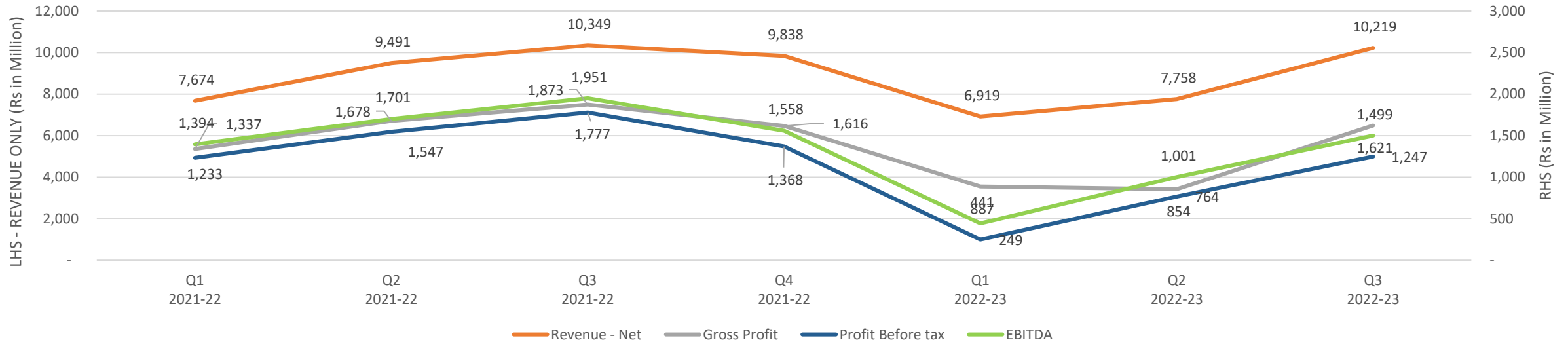
- Working with banks for timely opening of LCs
- Reducing inventory levels to ease liquidity pressure
- Exploring diversification opportunities & new revenue sources
- Strict cost containment program on-going



Financial Highlights



External Uncertainties Dampening Profitability



| Description | THAL LIMITED (Amounts in PKR million) | | | | | | |
|----------------------------------|---------------------------------------|------------|------------|------------|------------|------------|------------|
| | Q1 2021-22 | Q2 2021-22 | Q3 2021-22 | Q4 2021-22 | Q1 2022-23 | Q2 2022-23 | Q3 2022-23 |
| Revenue - Net | 7,674 | 9,491 | 10,349 | 9,838 | 6,919 | 7,758 | 10,219 |
| Gross Profit | 1,337 | 1,678 | 1,873 | 1,616 | 887 | 854 | 1,621 |
| Gross Profit % | 17% | 18% | 18% | 16% | 13% | 11% | 16% |
| Operating Expenses | 405 | 412 | 427 | 476 | 481 | 462 | 495 |
| Finance & Other (Income)/Expense | (300) | (281) | (331) | (229) | 157 | (372) | (899) |
| Profit Before tax | 1,233 | 1,547 | 1,777 | 1,368 | 249 | 764 | 1,247 |
| Profit Before tax % | 16% | 16% | 17% | 14% | 4% | 10% | 12% |
| EBITDA | 1,394 | 1,701 | 1,951 | 1,558 | 441 | 1,001 | 1,499 |



Profit or Loss Unconsolidated

| | YTD Mar-2023 | YTD Mar-2022 |
|------------------------|-----------------------|-----------------|
| | Rs. in Million | |
| Revenue | 24,896 | 27,513 |
| Gross Profit | 3,361 | 4,888 |
| Profit before taxation | 2,260 | 4,556 |
| Profit after taxation | 1,648 | 3,425 |
| EPS (Rs.) | 20.33 | 42.27 |
| Breakup value (Rs.) | 351.67 | 325.89 |

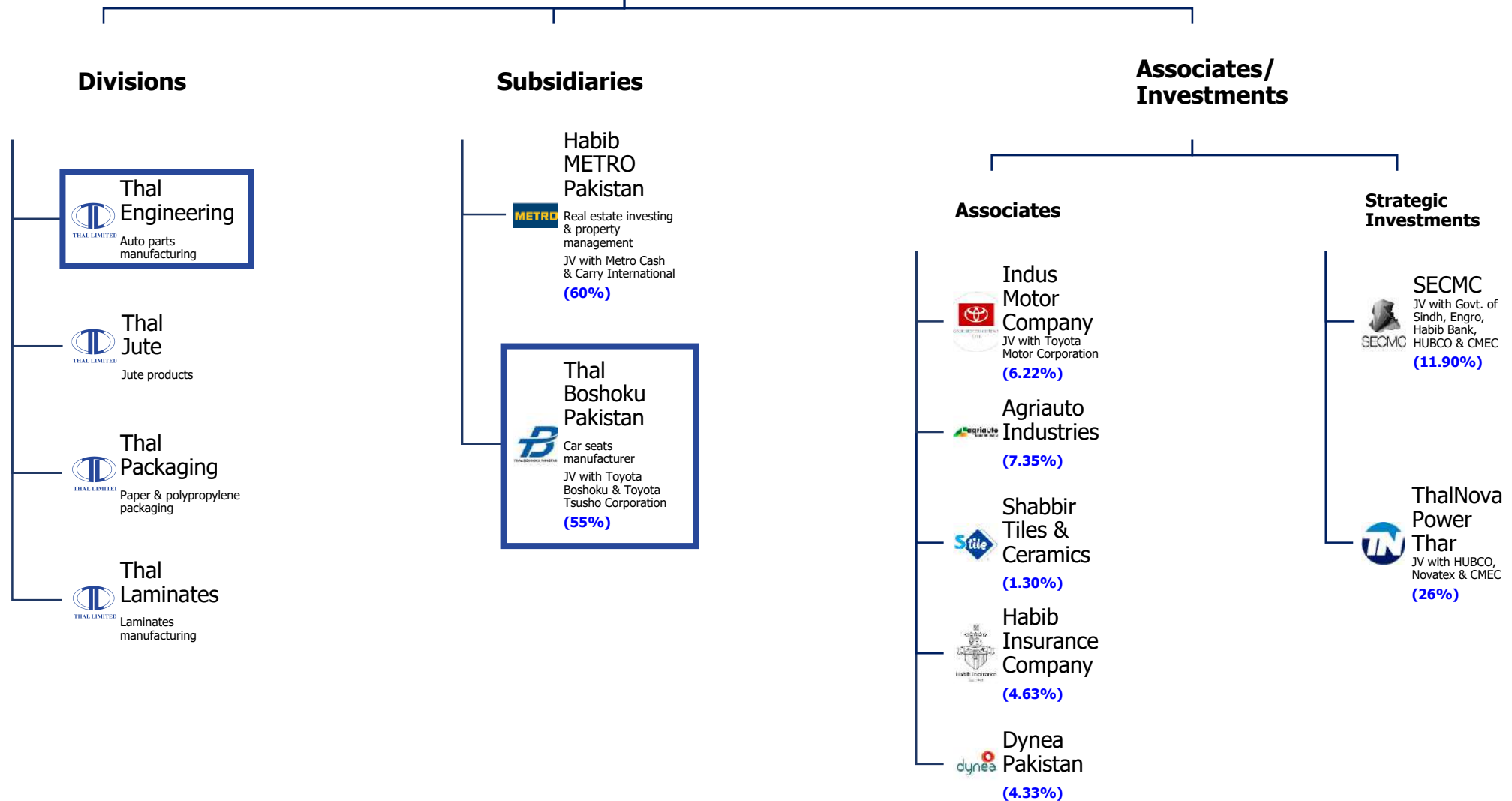


Balance Sheet

| | Mar-2023 | Jun-2022 |
|------------------------------|----------------------------|---------------|
| ASSETS EMPLOYED | ----- Rs. in Million ----- | |
| Non-current assets | 19,346 | 16,886 |
| Current assets | 20,668 | 20,719 |
| Total Assets Employed | 40,014 | 37,605 |
| FINANCED BY | | |
| Shareholders' equity | 28,496 | 27,229 |
| Non-current liabilities | 4,018 | 2,696 |
| Current liabilities | 7,500 | 7,680 |
| Total Financed By | 40,014 | 37,605 |

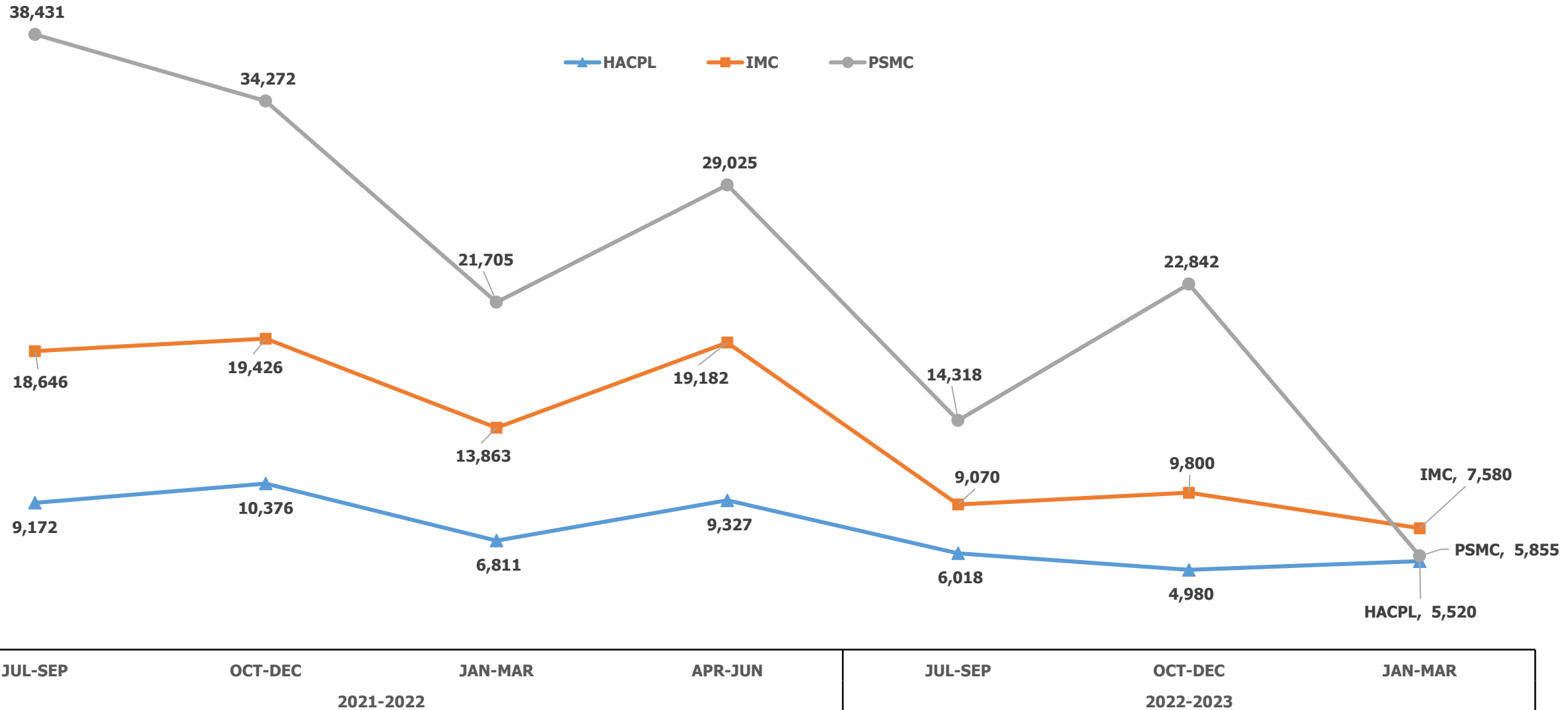


Thal Limited Company Profile





Automobile Industry: Quarterly Sales (Units)





Engineering Division - Customers



Automotive lamps & mirror manufacturer

Automotive Seat Manufacturer

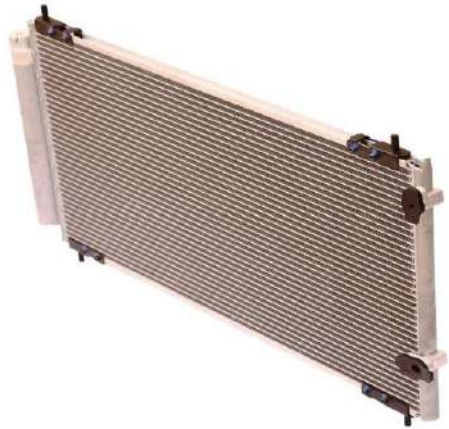


Thermal Systems Business

Product Offering

Technical Assistance

DENSO



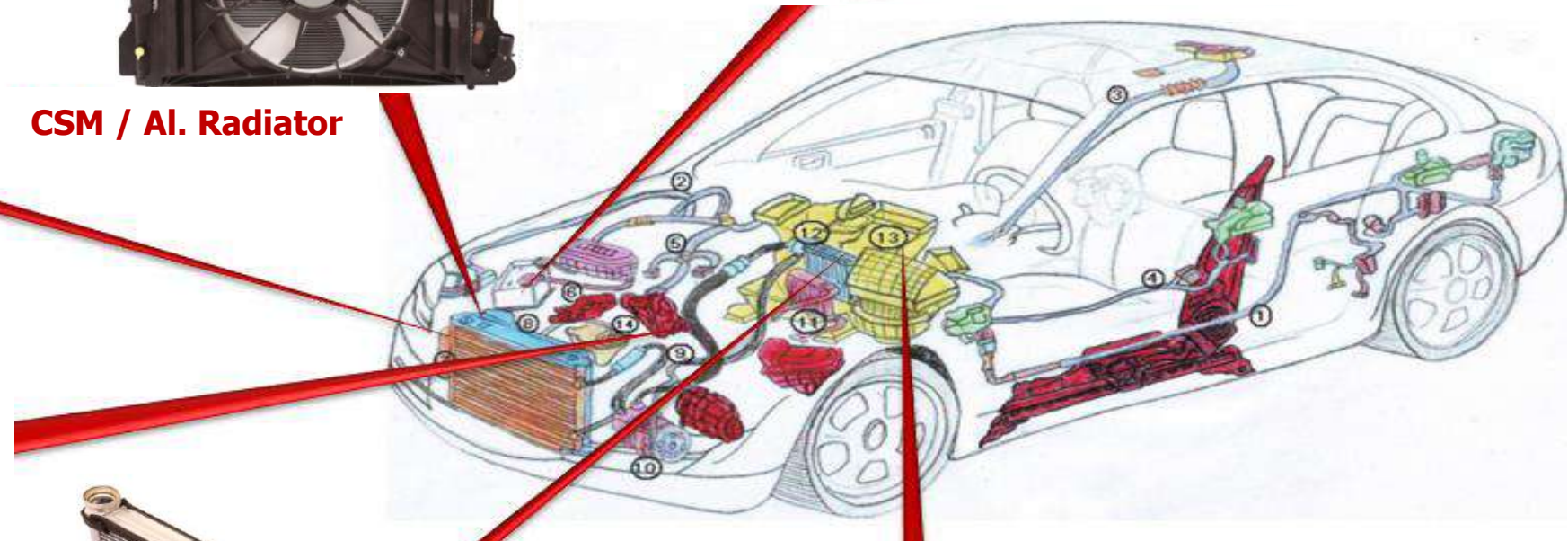
Condenser



CSM / AI. Radiator



Reserve Tank



Hose & Tubes



Heater Core



Evaporator



HVAC



Electric Systems Business

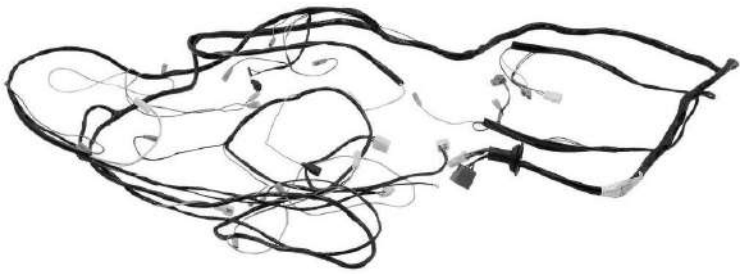
Product Offering



Cabin Harness



Rear Harness



Floor Harness



Panel Harness



**Engine Harness &
Battery Cable**

Technical Assistance

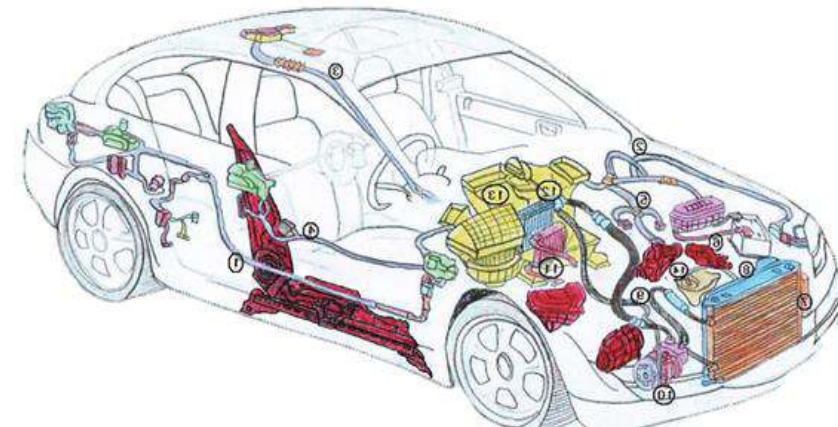
FURUKAWA

kyungshin

YAZAKI

JHN

| OEM | No. of Harness |
|--------------|----------------|
| Toyota | 172 |
| Honda | 96 |
| Suzuki | 56 |
| Hyundai | 35 |
| Others | 124 |
| TOTAL | 483 |





Business Expansion

- Successful addition of wiring harness and thermal business with:





Yazaki Plant



- MOU between Yazaki and TL for manufacturing of wiring harness extended for another 5 years.
- Yazaki agreed to extend support to TE for upcoming models other than Yaris.
- Yazaki 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%.
- Senior management team from Yazaki Japan visited Pakistan.

THAL ELECTRICAL

Thal Engineering Unit - II

(A Division Of Thal Limited)

Senior Management From Yazaki Japan Visits Pakistan

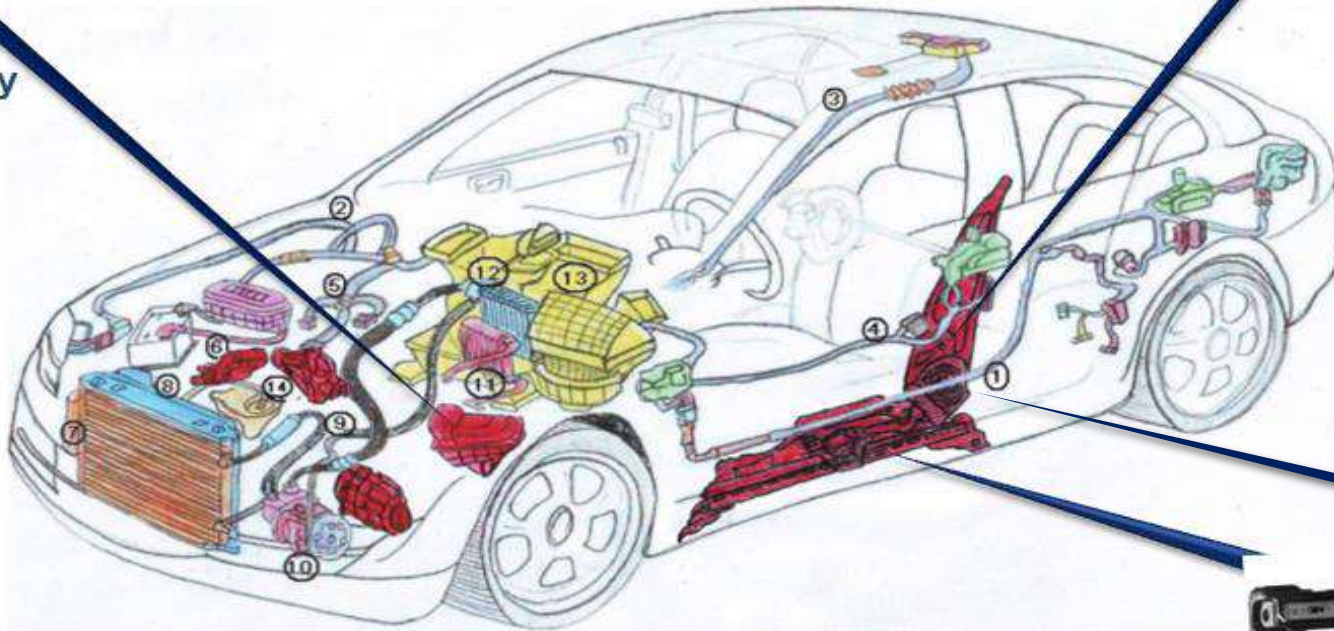




Thal Boshoku Pakistan (Private) Limited

Product Offering

Joint Venture
 **TOYOTA BOSHOKU**



Car Seats



Thal Boshoku Pakistan (Private) Limited

- TBPK is in touch with new and existing OEMs to get their seat business. Received encouraging response for further discussion.
- Toyota Boshoku Asia, Toyota Tsusho Corporation and Thal Ltd. injected fresh equity amounting to Rs. 1.0 billion for the expansion of the seat plant and repayment of shareholders' loan.





Environmental Excellence Award



19th Annual Environment Excellence Award 2022 by NFEH on August 16, 2022



37th MAP Annual Awards



Thal Limited **won** 37th MAP Annual Awards, Ceremony was held at Movenpick Hotel, Karachi on **Oct 3, 2022**.

Award was given by former **Federal Minister of Finance** , Miftah Ismail.



Fire Safety Award



CEO received **Fire Safety Award** from **Governor of Sindh** Mr. Kamran Tessori at Marriot Hotel on **November 23, 2022**



System Audits 2022-23 (IATF 16949)

IATF 16949 surveillance audit successfully completed by Russian auditors and extended the certification of Thal Engineering including Unit II for to next year 2023-24.



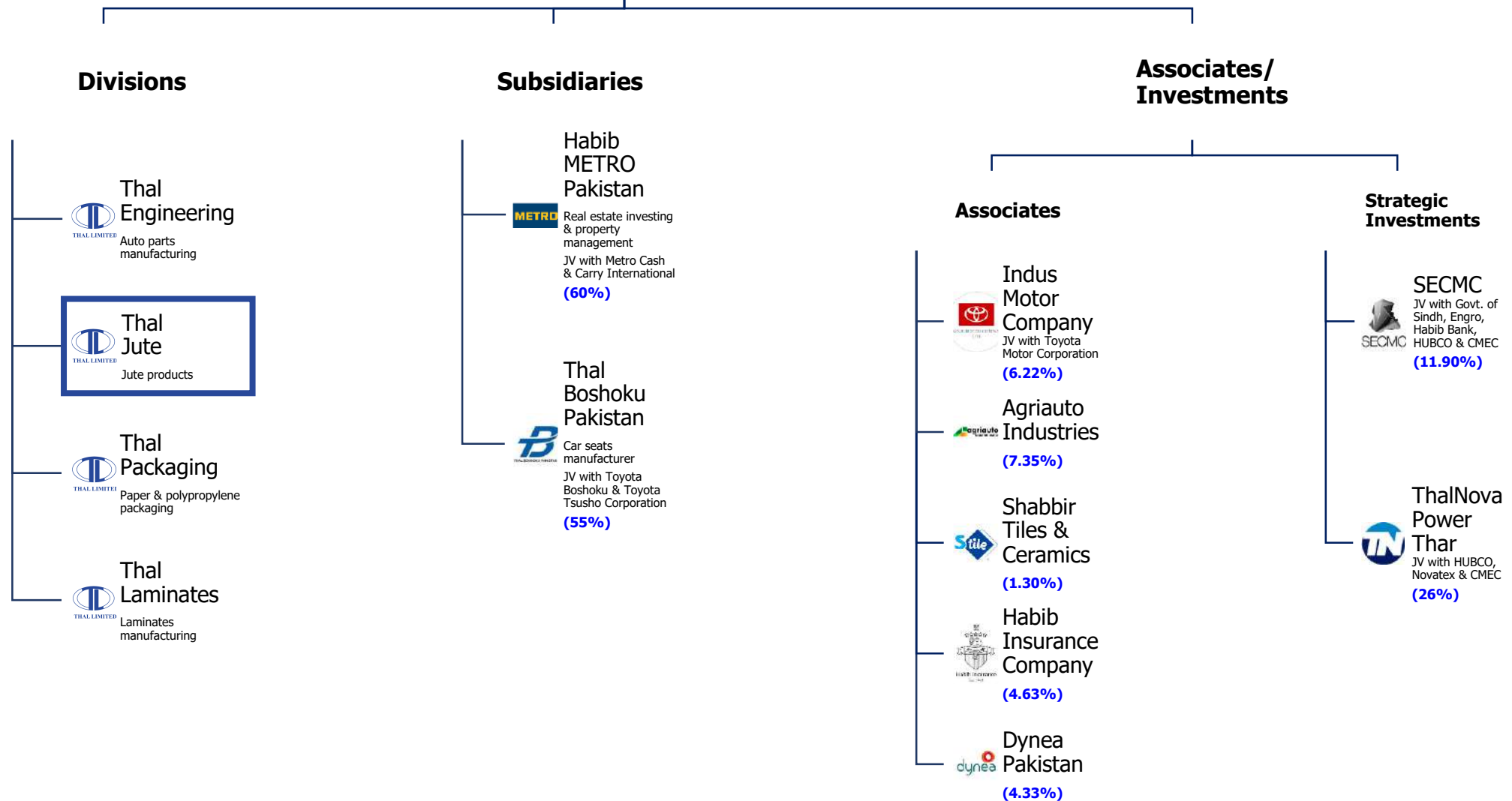


10th QCC Convention 2023





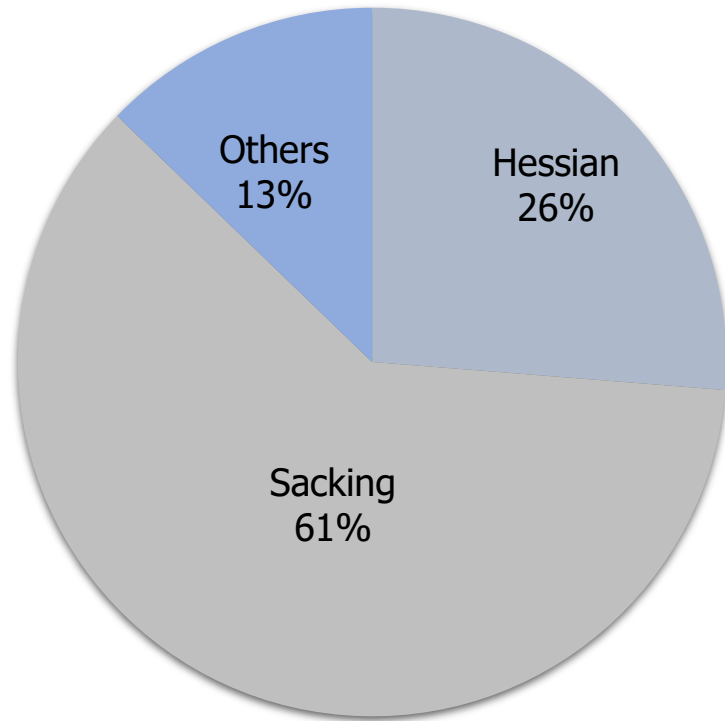
Thal Limited Company Profile





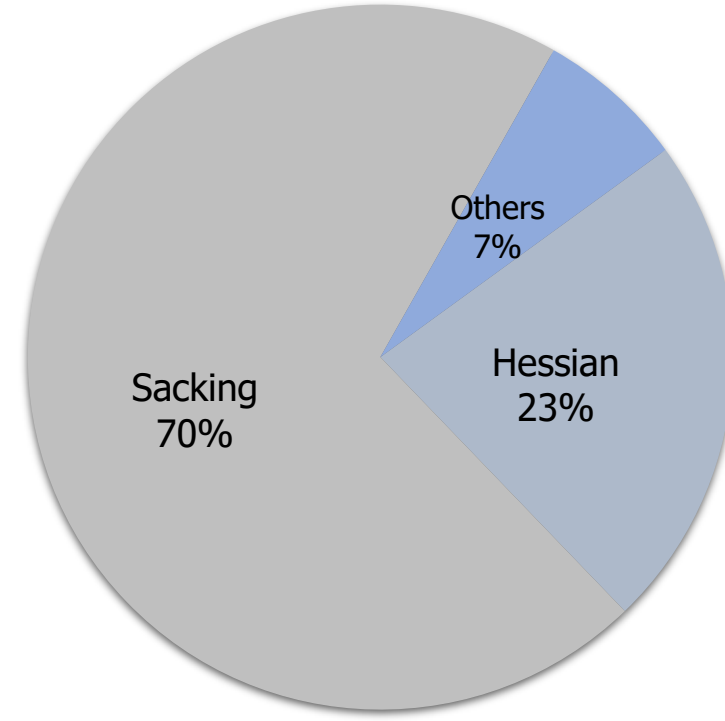
Jute Division – Product Mix

Sales Quantity: **19,713 MT**



July 2021 – March 2022

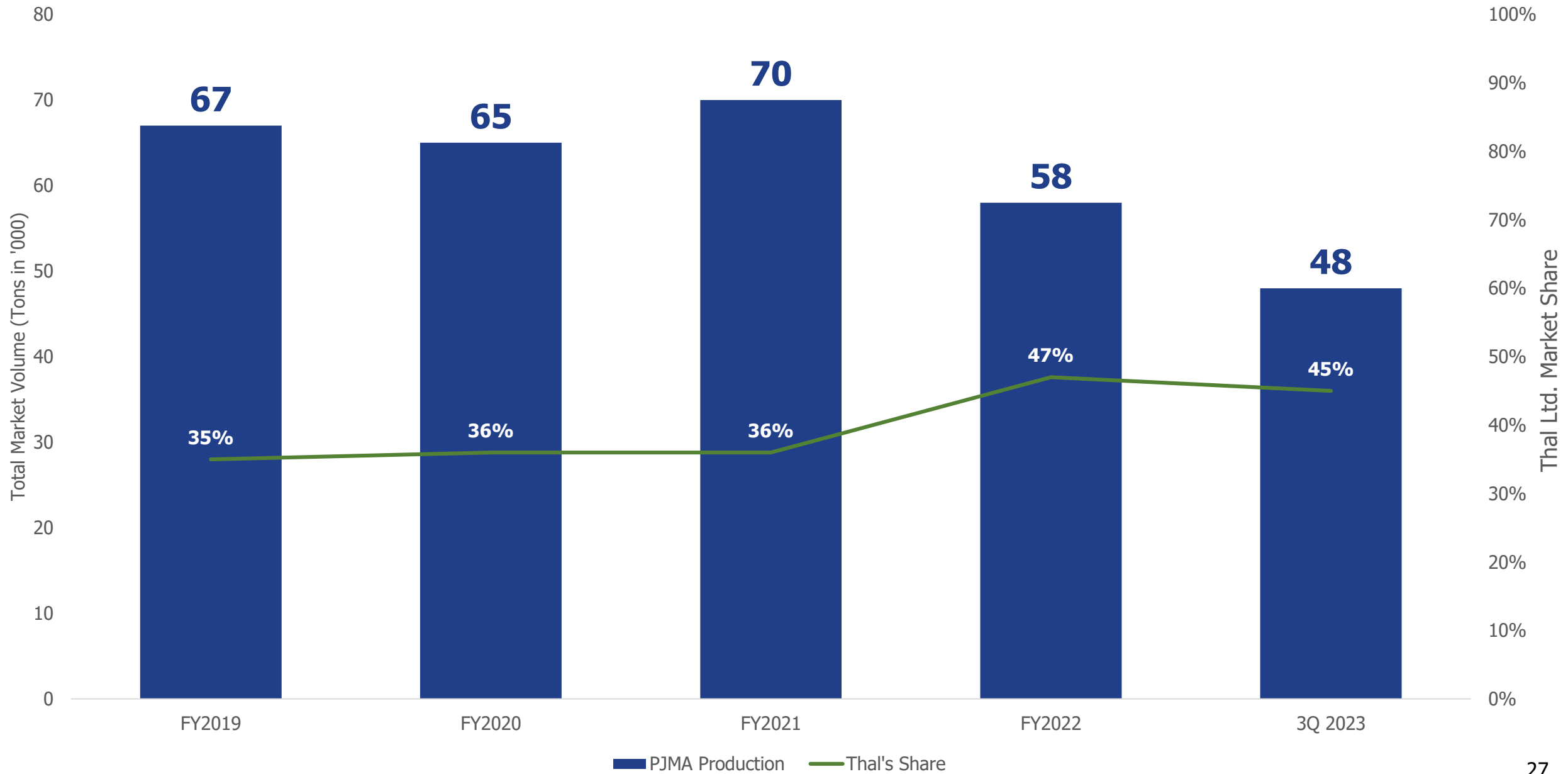
Sales Quantity: **21,300 MT**



July 2022 – March 2023



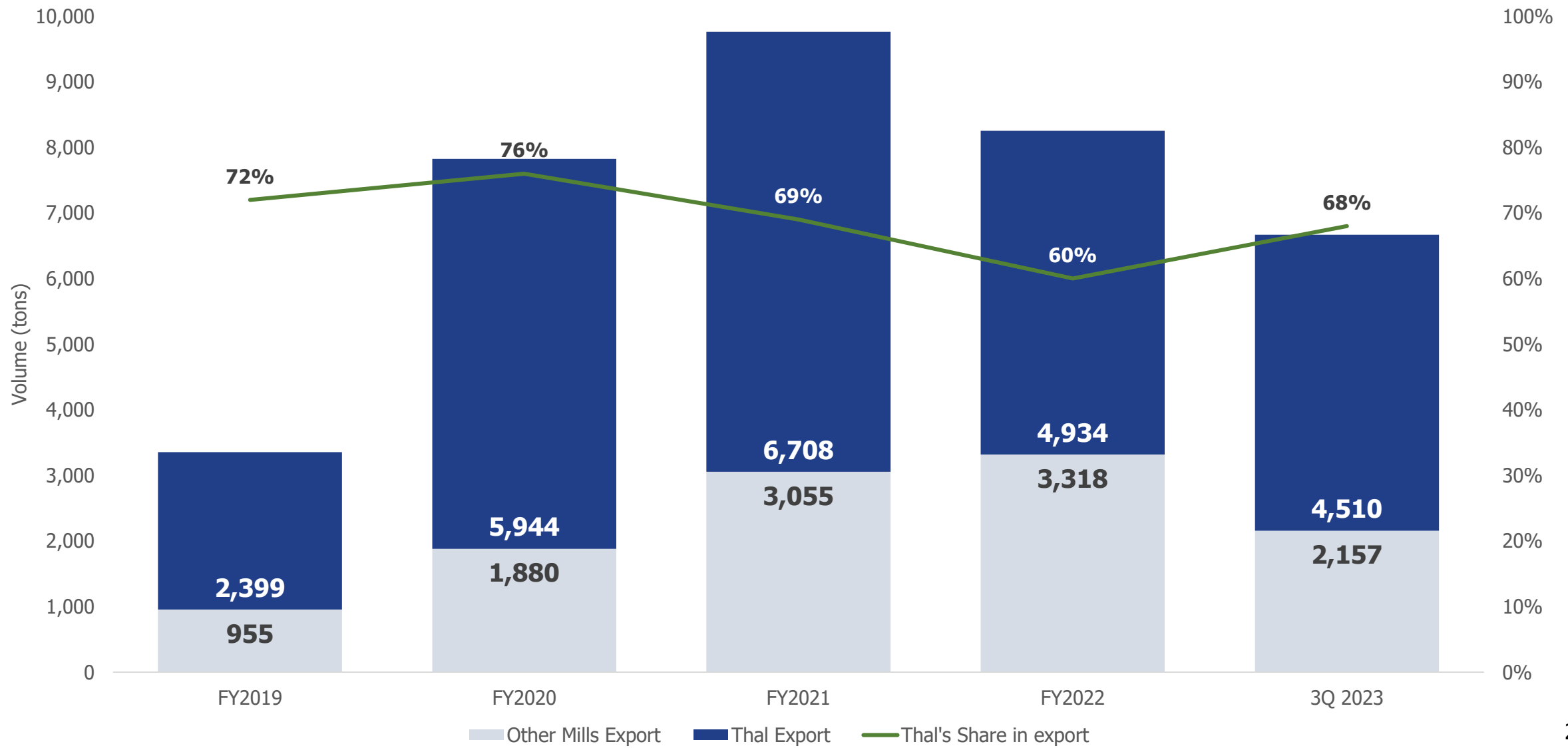
Jute Division – Market Share





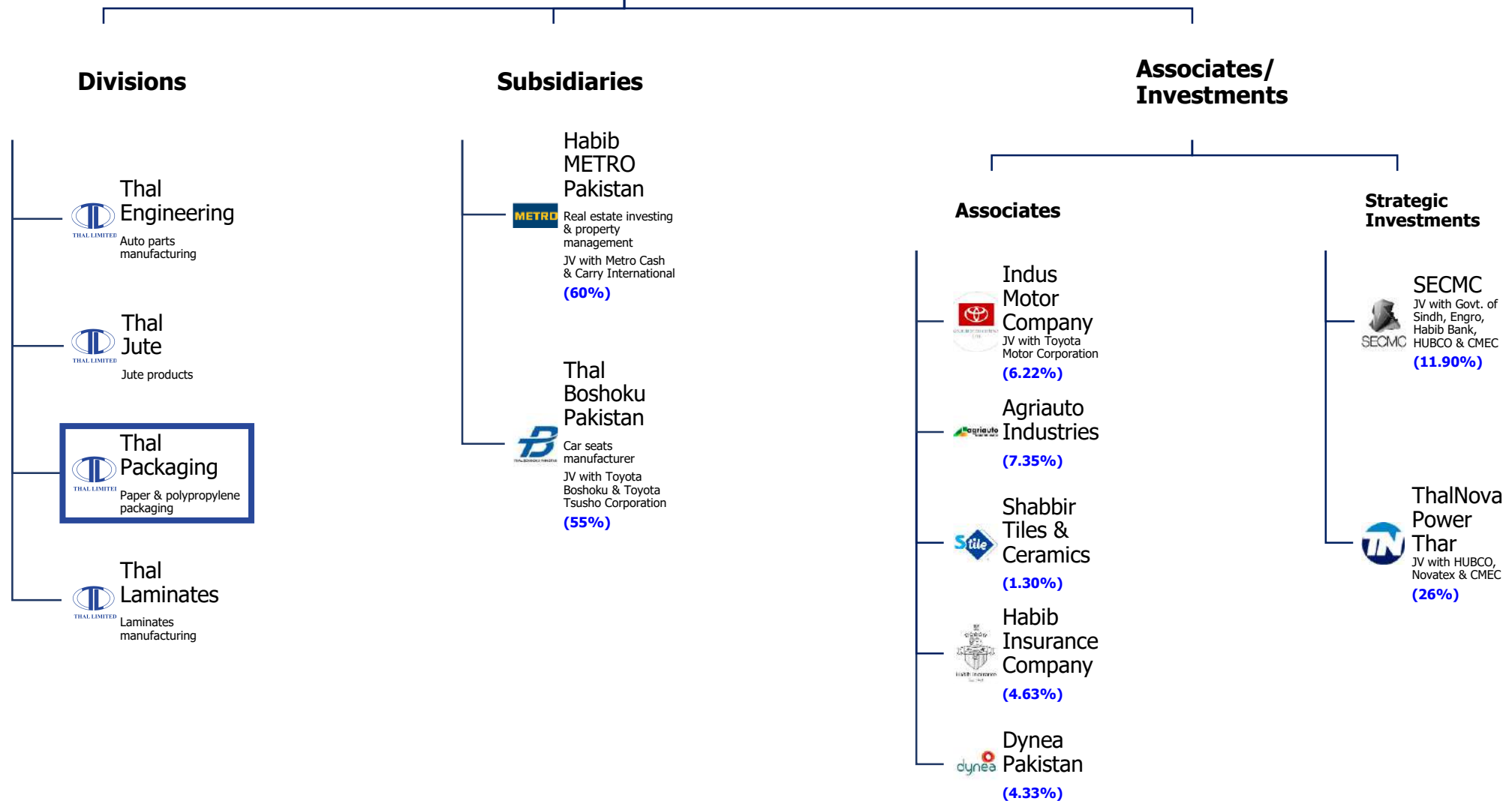
Jute Division – Export

The business is also promoting cultivation of jute to develop a substitute for imports



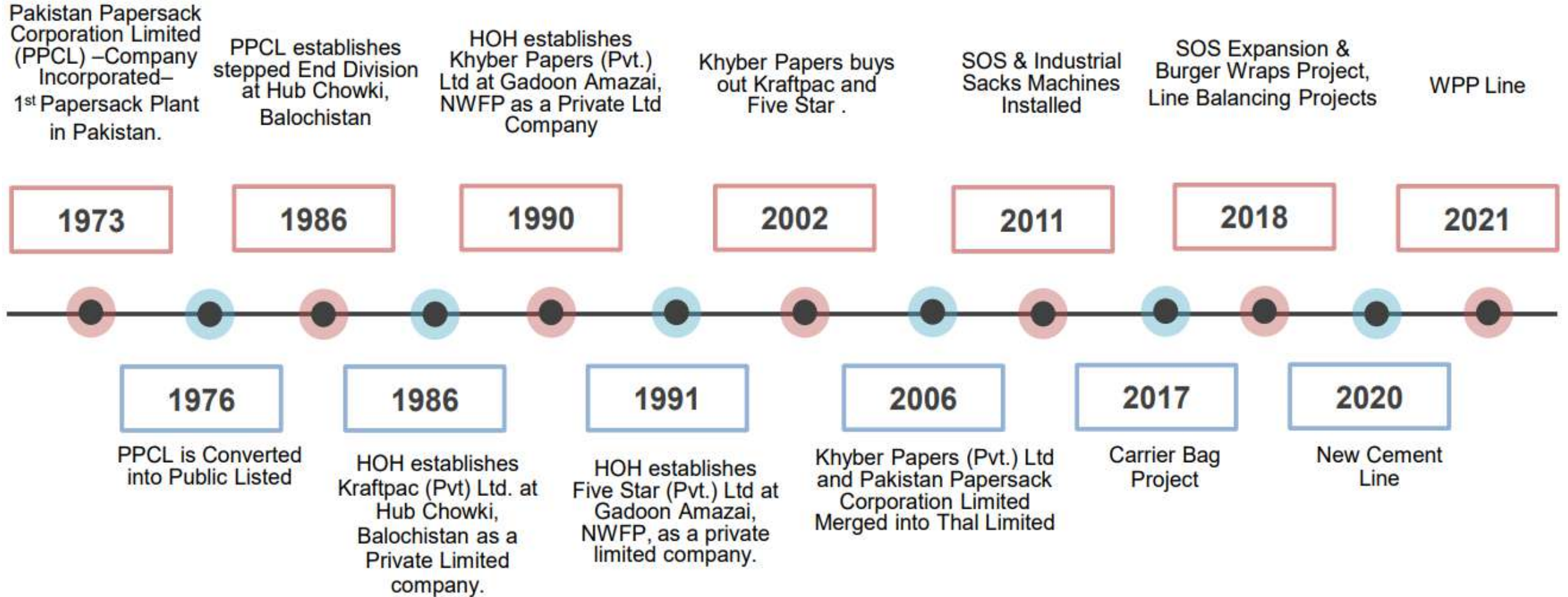


Thal Limited Company Profile





Packaging Division History





Packaging Division – Products



Cement Bags

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



Industrial Sacks

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



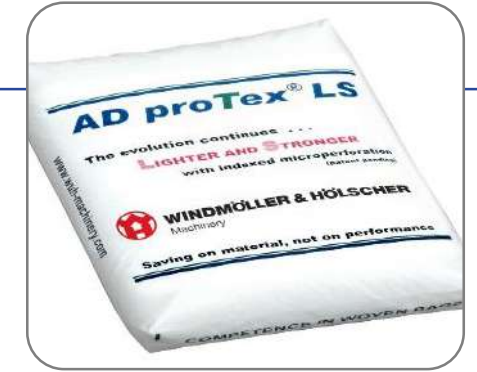
Self Opening Satchels & Burger Wraps

- Fast food Bags
- Grocery Bags
- Burger Wraps
- Tray Liners
- Meat Liners
- Boxes



Carrier Bags

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



Polypropylene Bags

- Cement Bags
- Industrial Sacks



Packaging Division – Customer Base & Exports

Customers



*includes domestic and international (export) customers



Packaging Division – Sustainability Initiatives

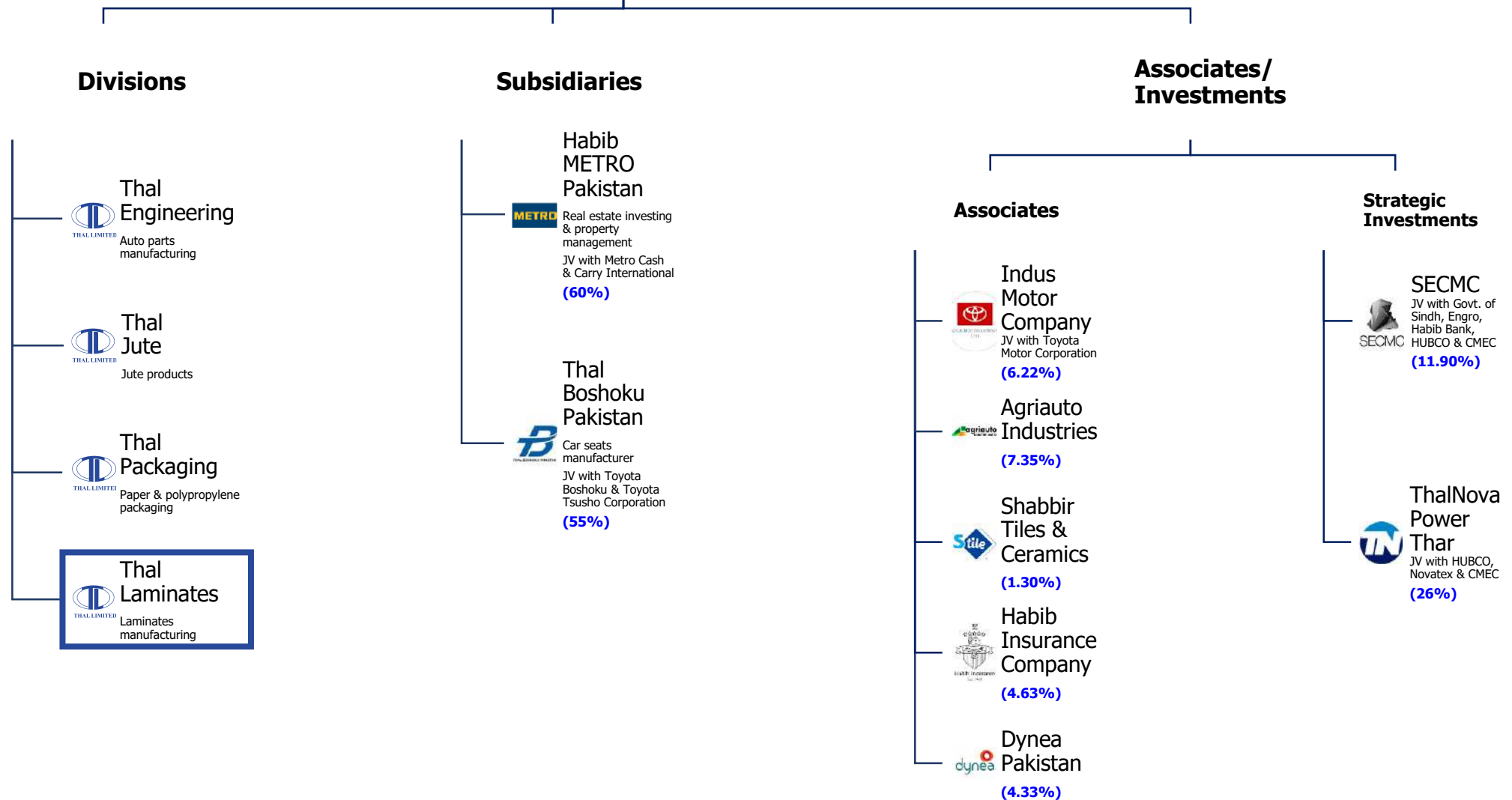
- Eliminate Waste:
 - ✓ In-house PP recycling plant
 - ✓ Utilizing PP granules made from post-consumer waste
 - ✓ Paper waste conversion into usable paper

- Green Energy
 - ✓ Solar system installed
 - ✓ Capacity: 1,750 KW

- Zero Liquid Discharge:
 - ✓ No wet processing



Thal Limited Company Profile





Laminates Division – Operational Performance

Export Market

- Introduced a new product variant for export markets

Local Market

- We have a renewed focus on markets in north region. This has resulted in better margin, increased market share and product availability.

Localization of Key Raw Material

- We have localized procurement of kraft paper not only to support local manufacturing but to secure our supply chain and save on precious foreign exchange.

Profit Margins

- We have been able to increase our margins by having a favorable product mix with focus on high margin value added products.



Laminates Division – Products



BOARDS

(LPL, HPL, LOCAL & MDF)



GLOSSOMITE

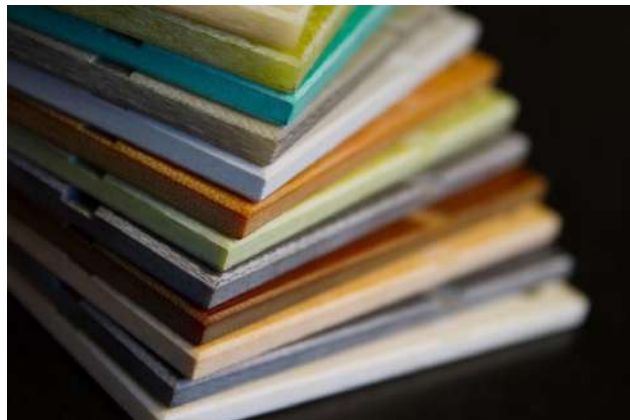


ELEGANT



HIGH PRESSURE LAMINATES

(ECONO, CLASSIC & TUFF)



TECHNICAL LAMINATES

(MELAMITE – GENERAL, P1 & P2)

FINISHED PRODUCTS



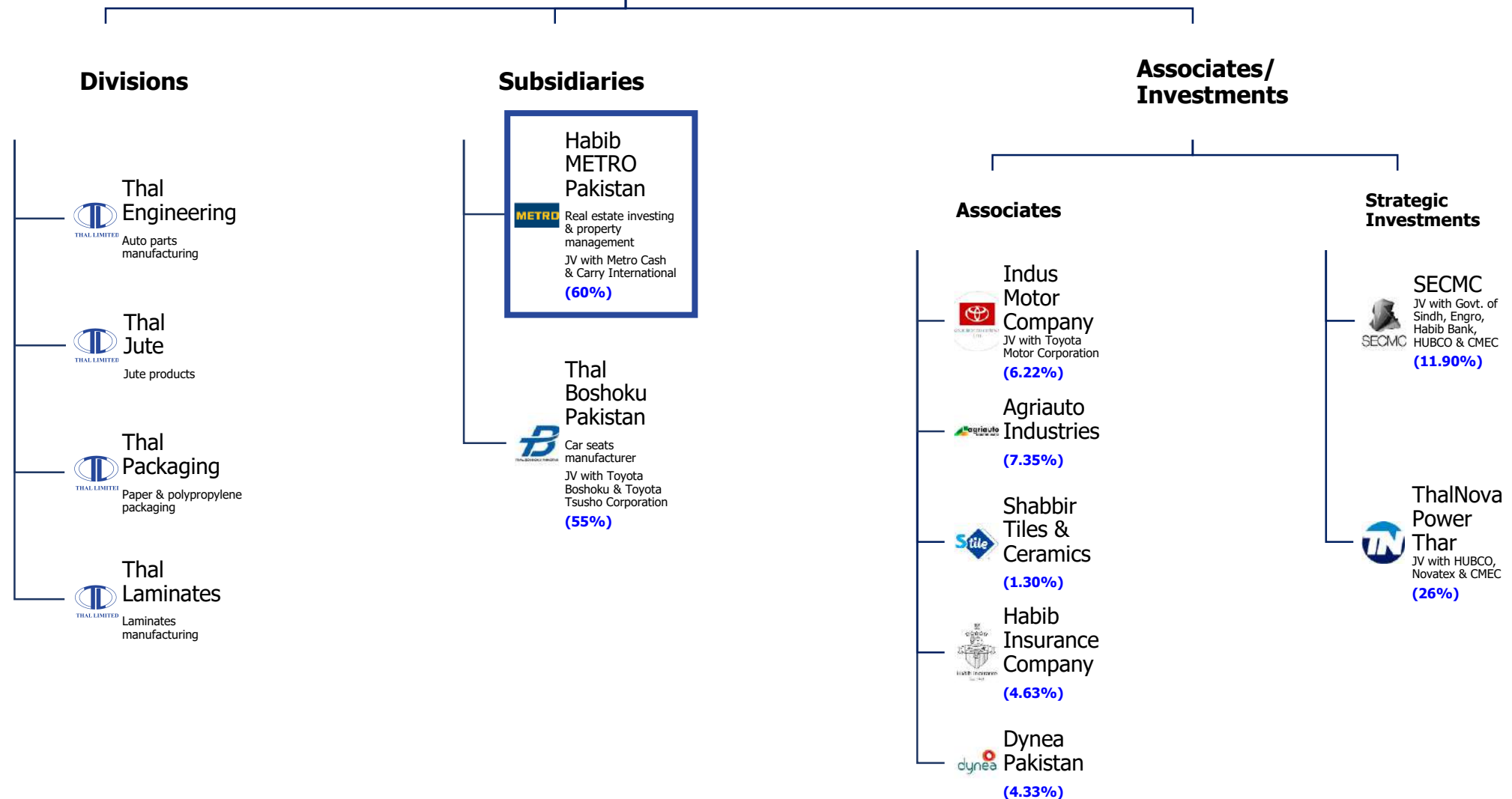
WRITING SURFACES



PARTITION & LOCKERS



Thal Limited Company Profile



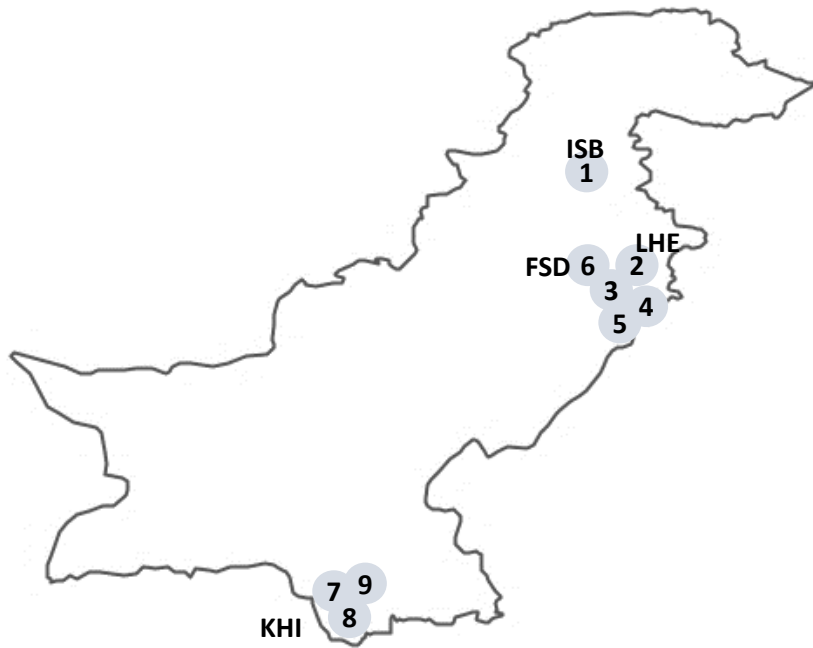


Habib METRO Pakistan (Private) Limited

Shareholding Structure

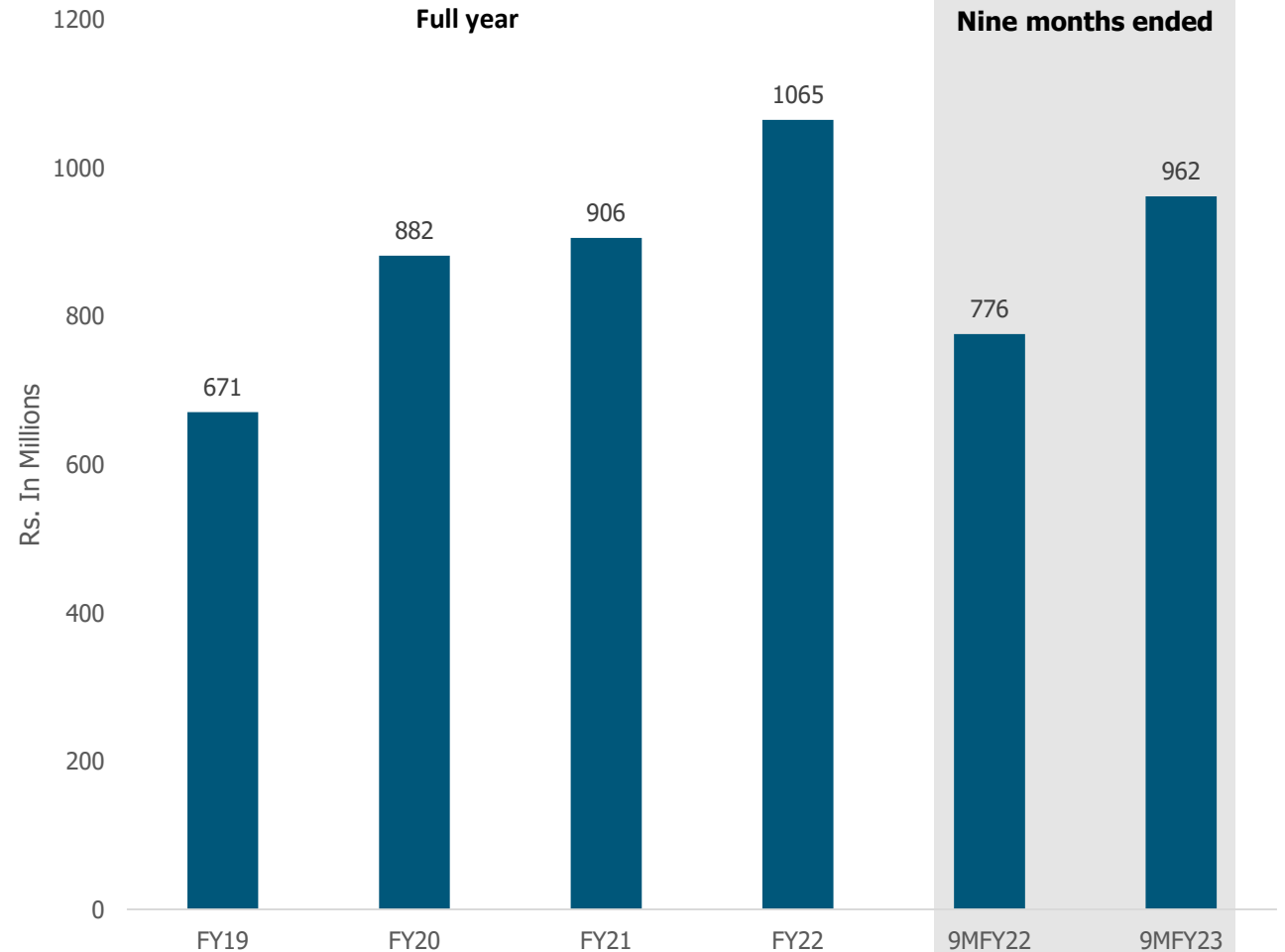
60% Thal Limited

40% Metro AG



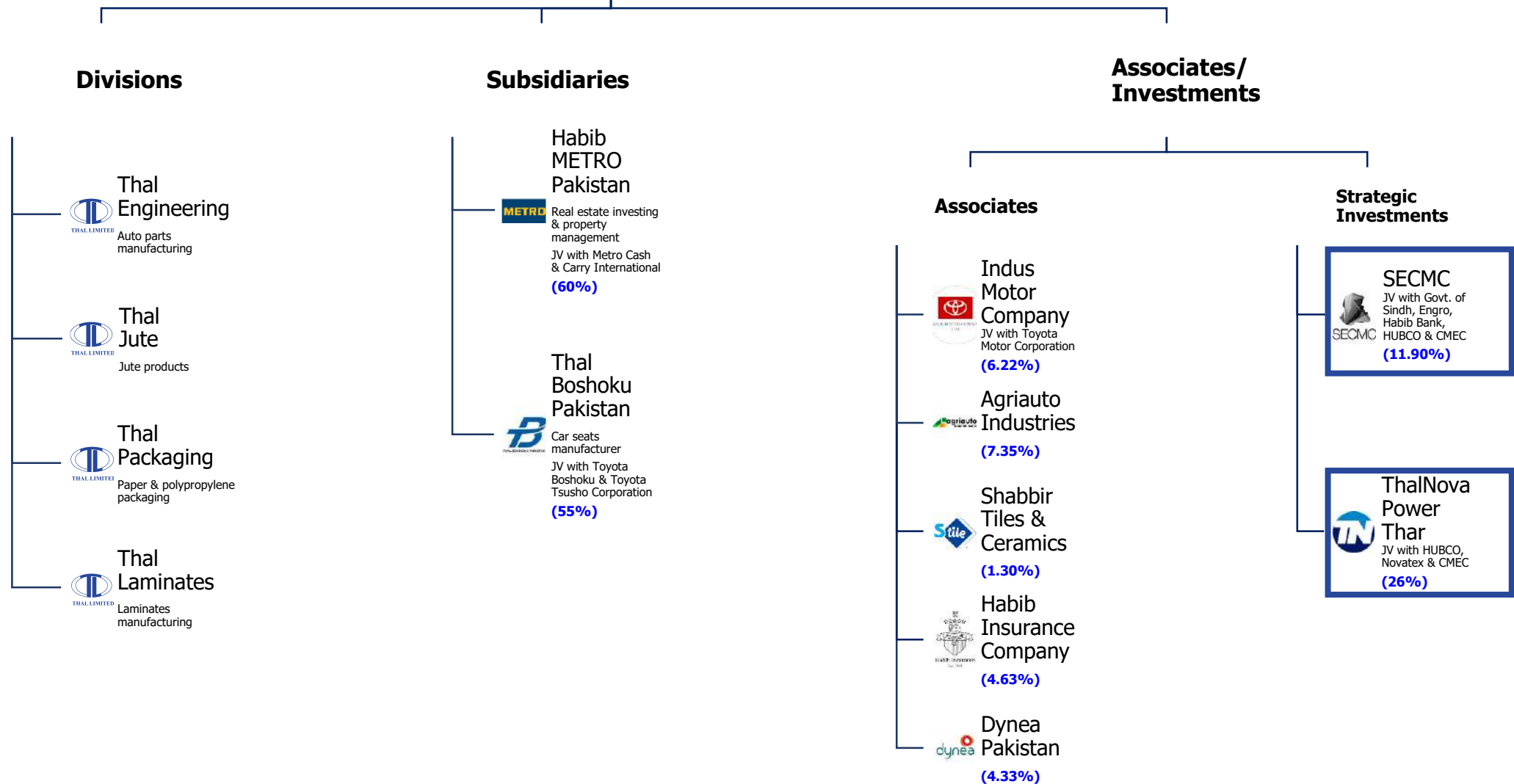
HMPL owns & manages a total of 9 Properties in Pakistan - Located in major cities (Karachi, Lahore, Islamabad & Faisalabad)

Dividend History





Thal Limited Company Profile





Sindh Engro Coal Mining Company Limited

Sindh Engro Coal Mining Company (SECMC)



Mine Depth: 195 m
1320 MW supplied to grid
3 IPPs being supplied coal

SECMC – Earnings Snapshot

| In PKR Mn | 31 Mar 23* | 31 Dec 22 |
|---------------------------|------------|-----------|
| Revenue | 21,759 | 51,598 |
| Gross Profit | 7,429 | 19,651 |
| Exchange Loss | (8,600) | (6,817) |
| Profit/(Loss) After Tax** | (3,785) | 7,894 |

* SECMC has reporting period from Jan to Dec. These are Q1 CY23 numbers

**loss for the period is only on account of exchange loss on foreign loans. This is passthrough under the tariff and shall be recovered at the next indexation event

SECMC Phase I & II – Key Events

| Key Events | Forecasted Dates | Significance |
|--|-------------------------|---|
| Project Completion Date (Phase I) | H1 CY23 | All conditions for PCD have been complied and SECMC has applied to the lenders to review and declare PCD for Phase I |
| Tariff True up | CY 23 | SECMC has submitted petition of COD stage tariff for Phase II |
| Phase I & II have been completed under budget | | |

SECMC Phase III



| Key Events | Forecasted Dates |
|---------------------|------------------|
| Financial Close | CY 23 |
| Expected COD | CY 24 |



ThalNova Power Thar (Private) Limited

ThalNova 330 MW - Pictorial View

COD - 17 Feb'23

61% utilization till 31 Mar 2023





← TEL 330 MW (2022)

← EPTL 660 MW (2019)

← ThalNova 330 MW (2023)



Thank You