



Corporate Briefing Session

October 31, 2023



Our Legacy

- The journey of Matco started with the entrepreneurial aptitude of Syed Sarfaraz Ali Ghorī, who established his own company by the name of Muhammad Ali Trading Company (MATCO) in 1964 and initially began supplying and commissioning rice plant and equipment for the Government of Pakistan.
- The Company has more than Half a Century experience in the Rice industry.
- The Company is :
 - One of the Leading Food Processing and export Companies in South Asia.
 - The Largest Basmati Rice exporter in Pakistan.
 - Among the Top 100 Exporters from Pakistan.
 - Serving more than 300+ customers in 65+ Countries.
- The company holds Organic Certifications from:
 - the US NOP and
 - EU Organic Certification from the Control Union
- The Company has been an IFC investee company since 2012.





History of Matco at a Glance

1964

M.A. Trading Company (MATCO) is founded by Syed Sarfaraz Ali Ghori.



1990

Matco Rice started exporting rice.



1999

Launches flagship brand Falak Basmati Rice in the international market.



2000

Matco II is constructed in S.I.T.E. Industrial Zone, Karachi a state-of-the-art rice processing plant.



2009

Matco Sadhoke Plant, Punjab.



2012

Invests equity in expansion of Sadhoke plant.



2014

EU Organic and USDA Organic Certified.



2016

Introduces the Falak Masalas range.



2017

Sets up a Rice Glucose and Rice Protein plant.



2018

Listed on Pakistan Stock Exchange.



2021

Sets up Corn Starch Plant in Faisalabad



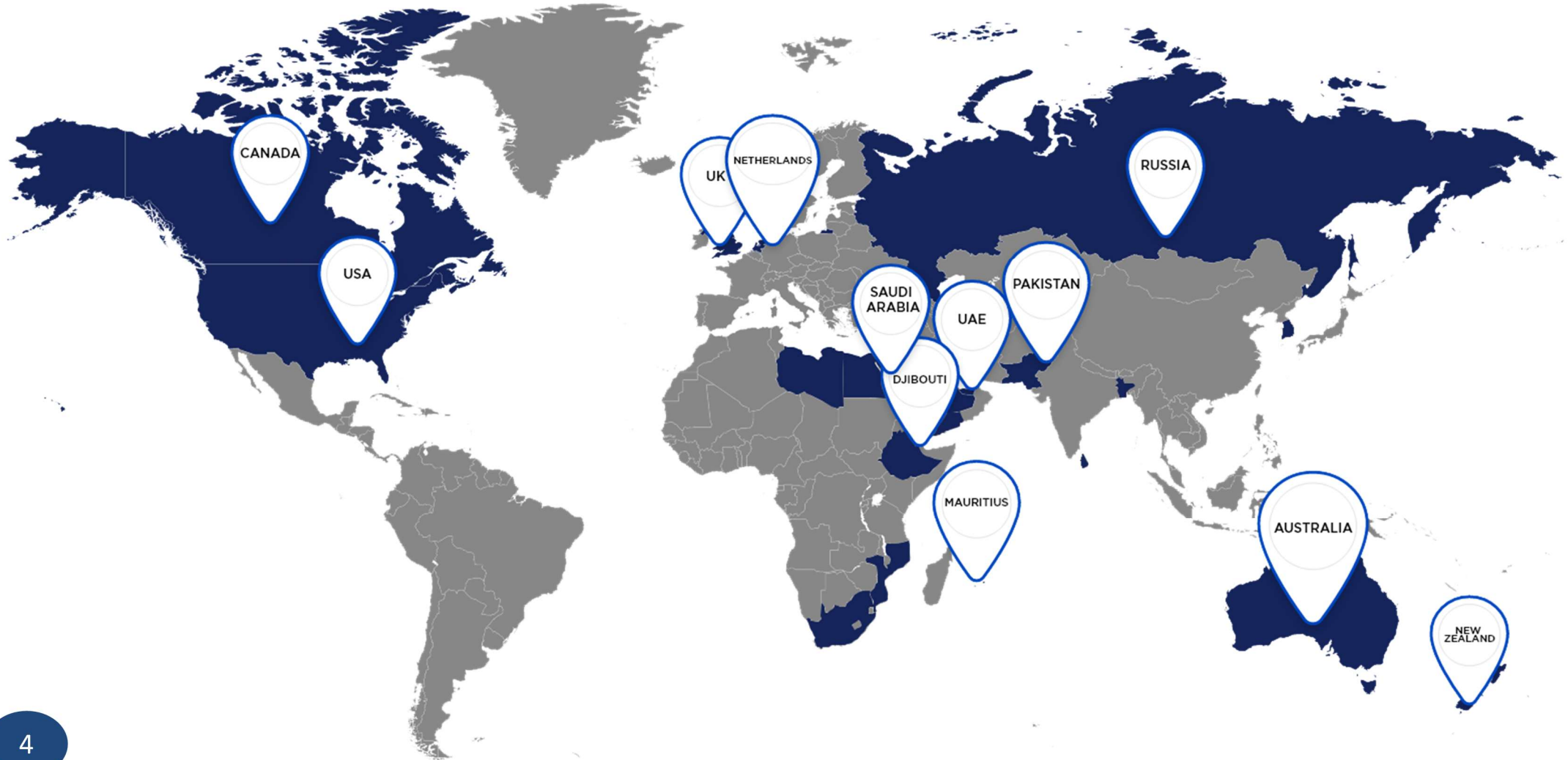
2022

MFL is proud to be awarded The Highest Exporter of Basmati Rice Award.





Geographical Presence





Our Facilities



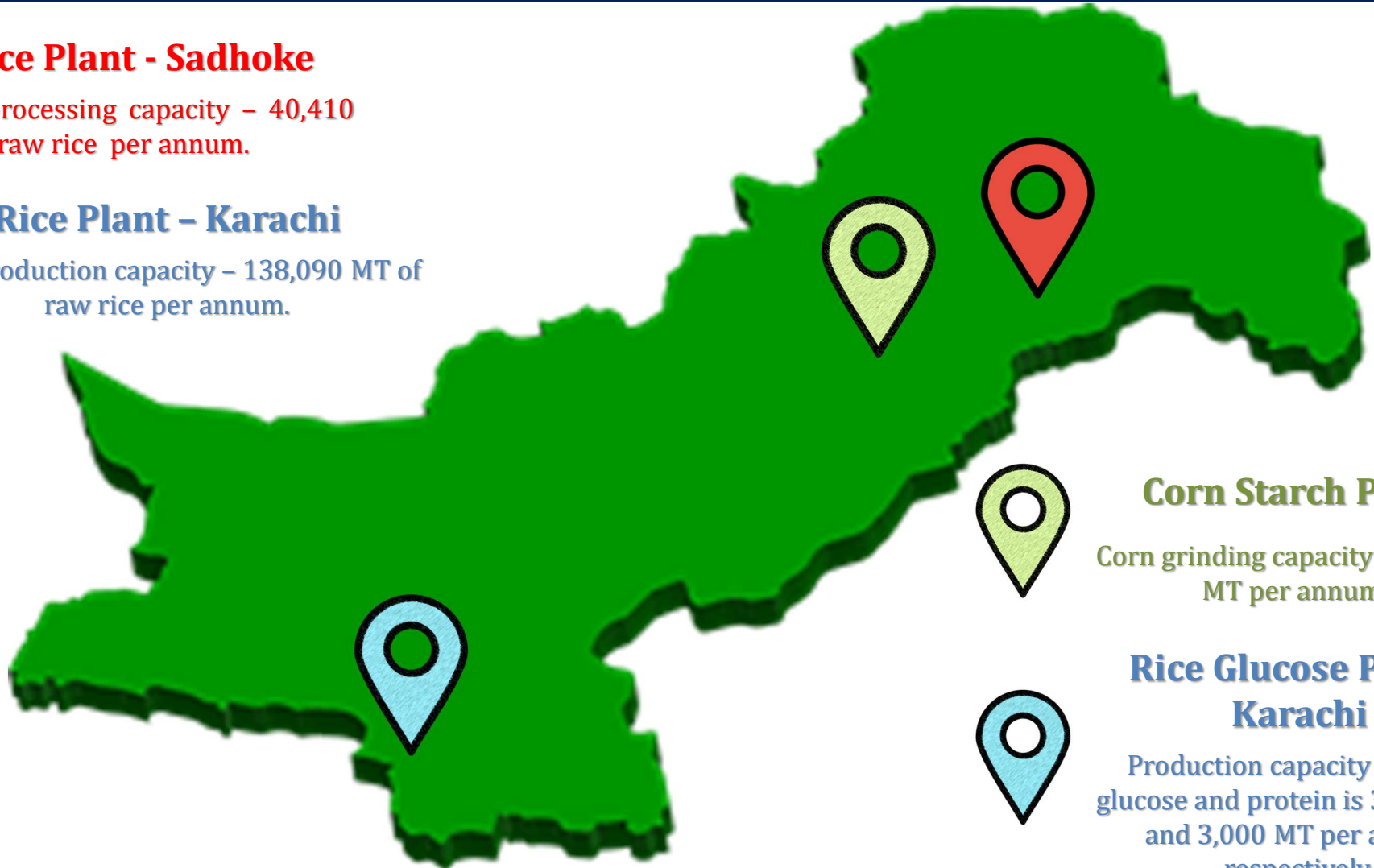
Rice Plant - Sadhoke

Rice processing capacity – 40,410 MT of raw rice per annum.



Rice Plant – Karachi

Rice production capacity – 138,090 MT of raw rice per annum.



Corn Starch Plant

Corn grinding capacity of 72,000 MT per annum.

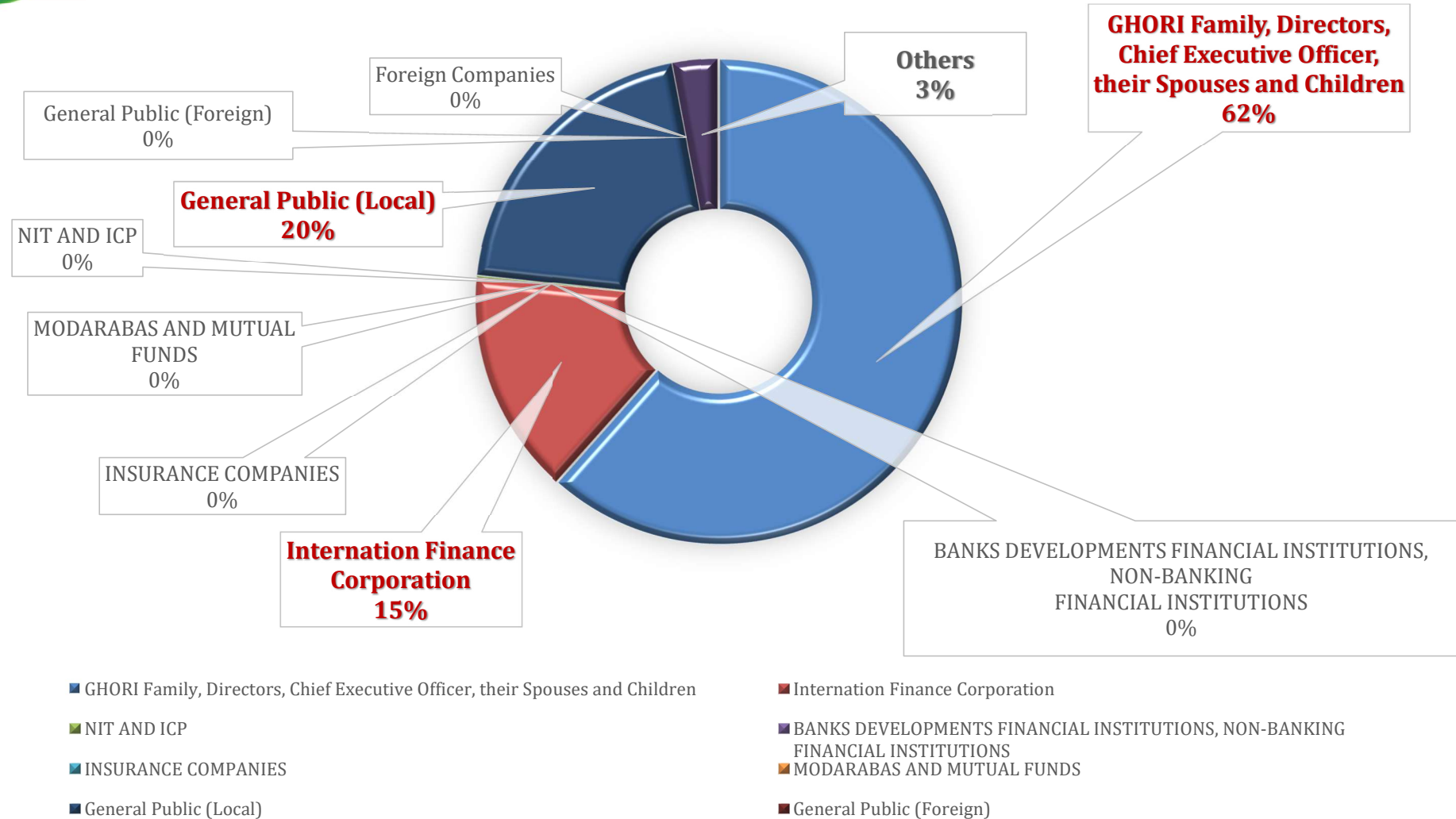


Rice Glucose Plant– Karachi

Production capacity for Rice glucose and protein is 30,000 MT and 3,000 MT per annum respectively.



Shareholding Pattern





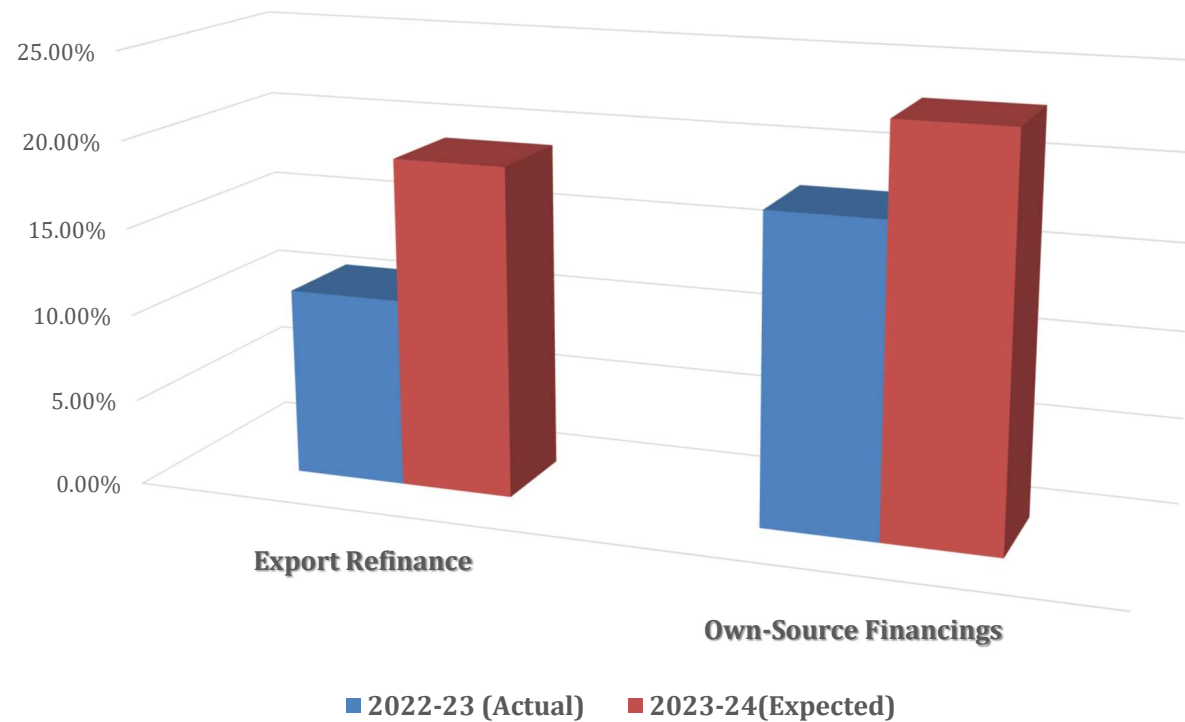
Profit & Loss Account – FY 2023

	%age Jun-23	(Audited) June 30, 2023	%age Jun-22	(Audited) June 30, 2022	Increase / (Decrease)	
					Amount	%
	-----Rupees-----					
Sales - net	100.00	19,985,401,101	100.00	12,375,920,766	7,609,480,335	61.49%
Cost of sales	(87.72)	(17,532,145,553)	(89.34)	(11,056,103,781)	6,476,041,772	58.57%
GROSS PROFIT	12.28	2,453,255,548	10.66	1,319,816,985	1,133,438,563	85.88%
Selling and distribution expenses	(1.78)	(355,178,974)	(1.85)	(229,279,801)	125,899,173	54.91%
Administrative expenses	(2.82)	(564,506,396)	(2.88)	(356,460,731)	208,045,665	58.36%
	(4.60)	(919,685,370)	(4.73)	(585,740,532)	333,944,838	57.01%
Operating profit	7.67	1,533,570,178	5.93	734,076,453	799,493,725	108.91%
Finance cost	(5.92)	(1,182,362,299)	(3.13)	(387,872,994)	794,489,305	204.83%
Other income	0.27	53,694,455	0.16	19,789,701	33,904,754	171.33%
Exchange gain - net	2.06	412,369,039	1.63	202,334,249	210,034,790	103.81%
Provision for worker's welfare fund	(0.08)	(15,276,100)	(0.09)	(10,622,942)	4,653,158	43.80%
Provision for worker's profit participation fund	(0.19)	(38,190,251)	(0.21)	(26,557,356)	11,632,895	43.80%
PROFIT BEFORE TAX	3.82	763,805,022	4.29	531,147,111	232,657,911	43.80%
Income tax expense	(1.04)	(208,187,001)	(0.88)	(108,731,143)	99,455,858	91.47%
PROFIT FOR THE YEAR	2.78	555,618,021	3.41	422,415,968	133,202,053	31.53%
EARNINGS PER SHARE - BASIC						
AND DILUTED		4.54		3.45		



Borrowing Cost Analysis

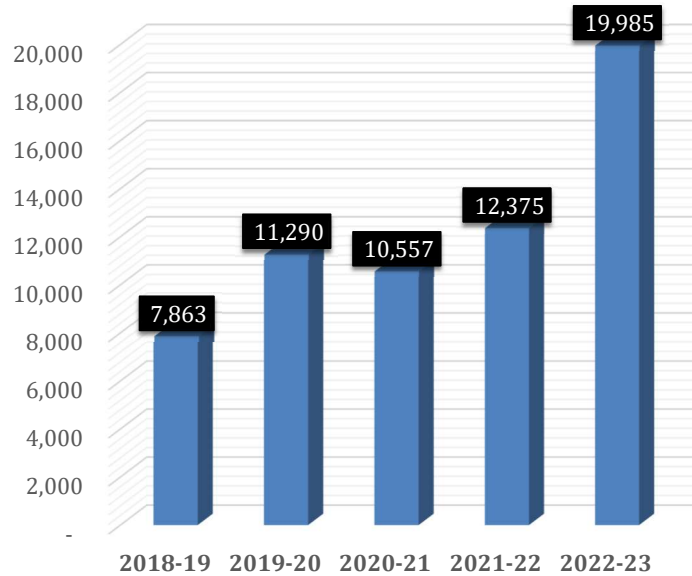
Borrowing	2022-23 (Actual)	2023-24(Expected)
Export Refinance	10.86%	19%
Own-Source Financings	17.74%	23%



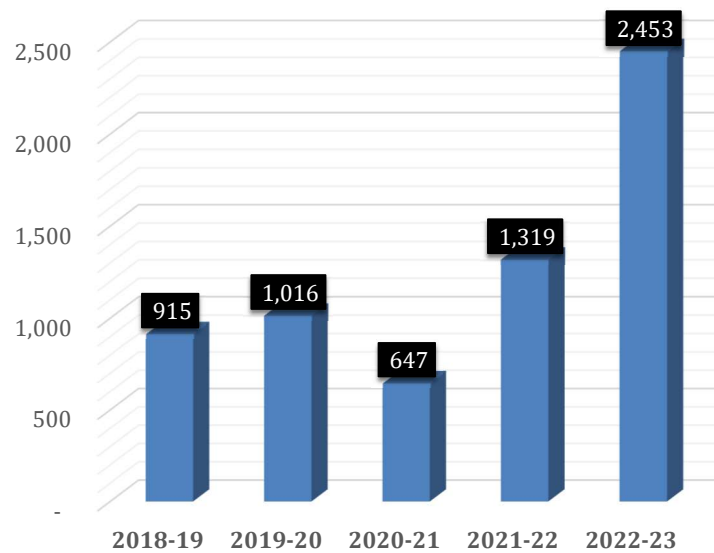


Financial Highlights of the Company

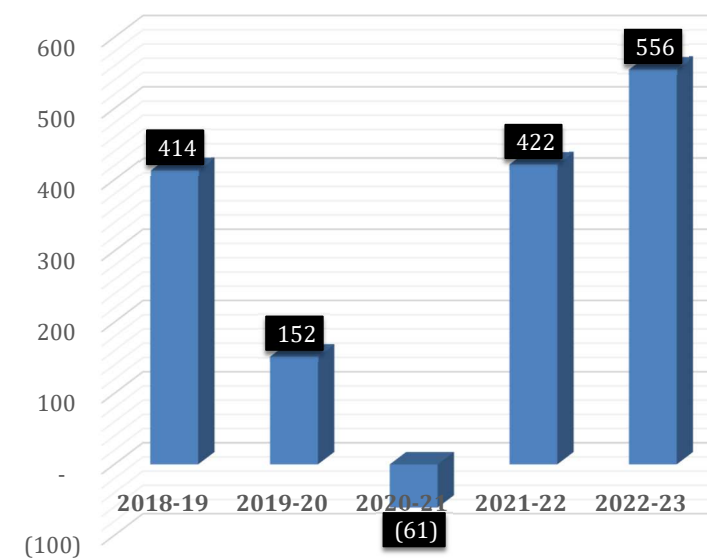
Sales (Rs. in Mn)



Gross Profit (Rs. in Mn)



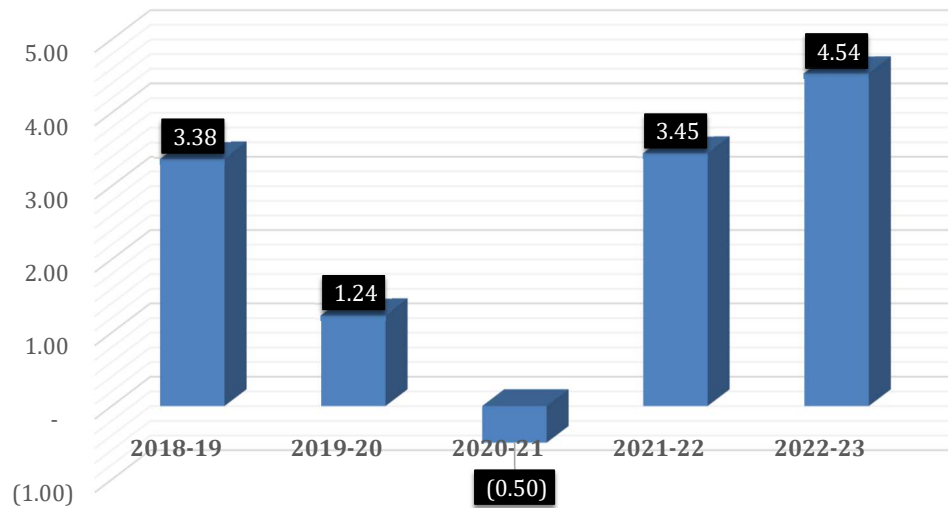
Net Profit (Rs. in Mn)



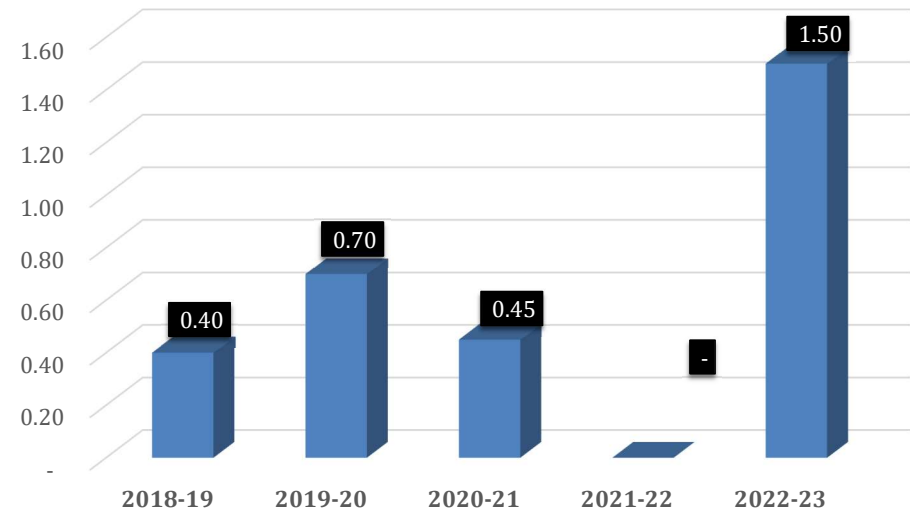


Financial Highlights of the Company

Earning Per Share (Rs.)



Cash Dividend Per Share (Rs.)





Matco Business Divisions



MATCO FOODS LIMITED



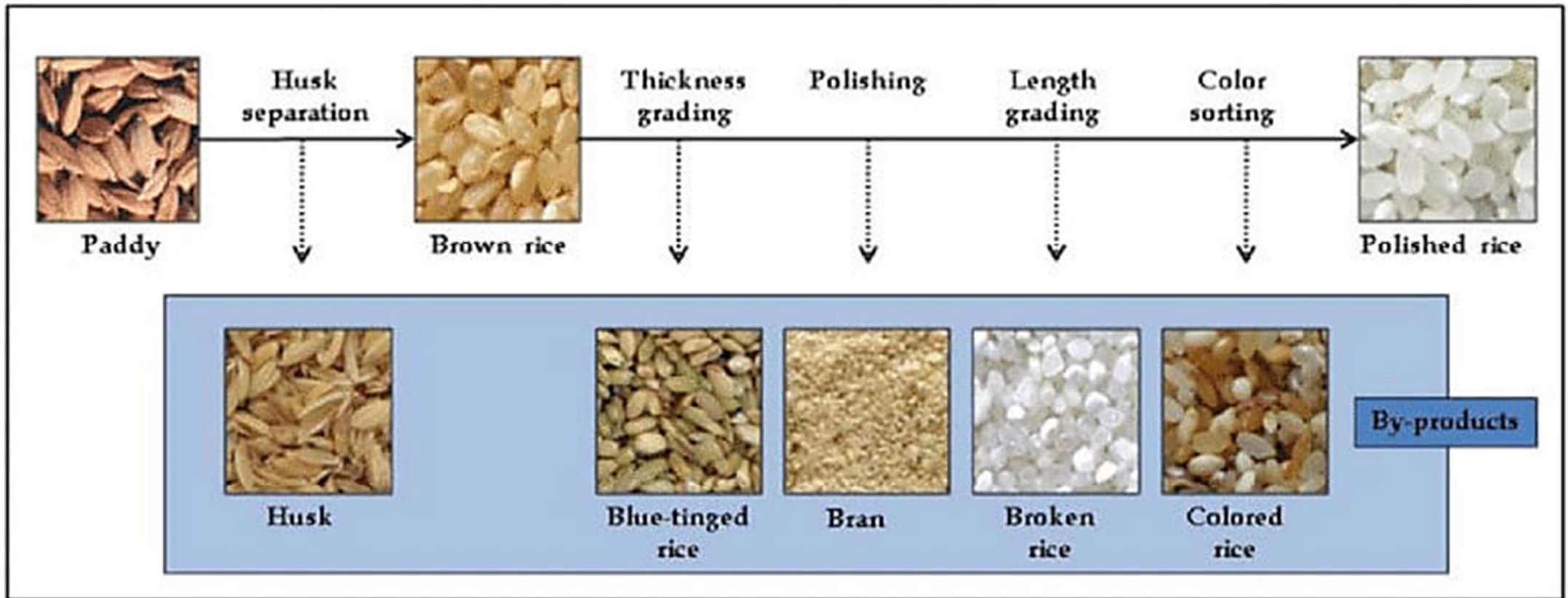
**MATCO FOODS
CORN DIVISION**



**FALAK
FOODS**



Rice Processing Process





Company Sales Comparison with Industry Sales

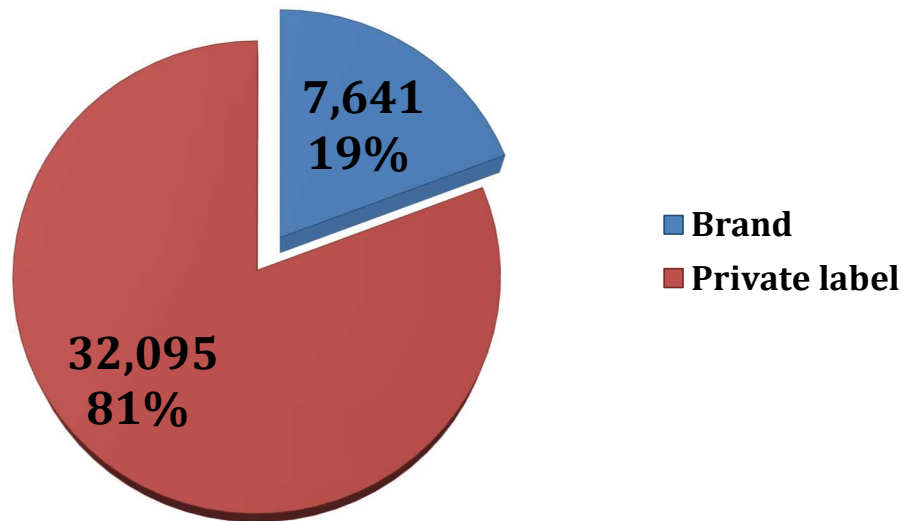
		Matco Foods Limited					
S. No	Variety	Jul-22 to Jun-23		Jul-21 to Jun-22		% Change	
		Unit	Value "000" \$	Unit	Value "000" \$		
		Qty (MT)		Qty (MT)		Qty MT	Value "000" \$
1	Rice (Basmati)	32,829	40,067	42,114	41,416	-22.05%	-3.26%
2	Rice (Other)	6,737	4,070	19,875	9,457	-66.10%	-56.97%
	Total Sales of Matco	39,566	44,136	61,989	50,873	-36.17%	-13.24%

		Pakistan Bureau of Statistics					
S. No	Variety	Jul-22 to Jun-23		Jul-21 to Jun-22		% Change	
		Unit	Value "000" \$	Unit	Value "000" \$		
		Qty (MT)		Qty (MT)		Qty MT	Value "000" \$
1	Rice (Basmati)	595,120	650,422	758,219	694,549	-21.51%	-6.35%
2	Rice (Other)	3,122,439	1,498,714	4,217,707	1,818,283	-25.97%	-17.58%
	Total Sales of PBS	3,717,559	2,149,136	4,975,926	2,512,832	-25.29%	-14.47%

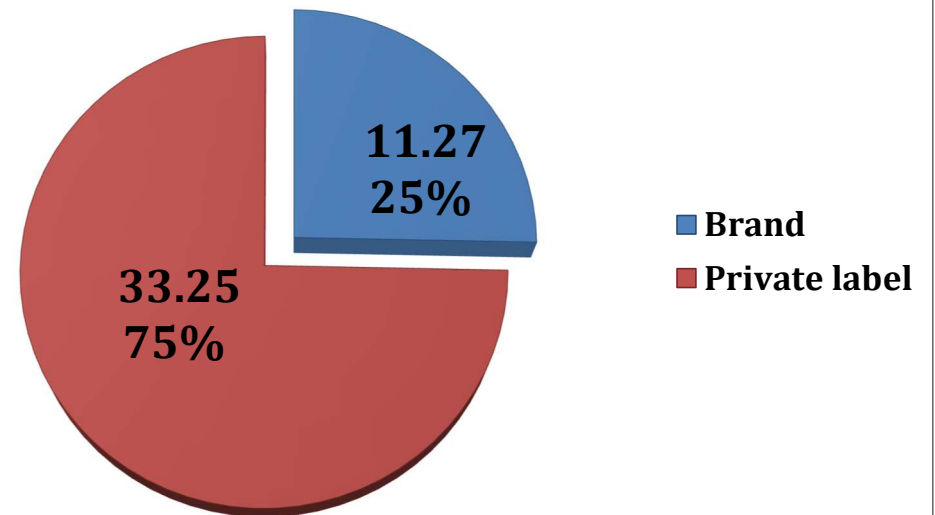


Comparison of Brand vs. Private Label (Basmati)

M. Tons



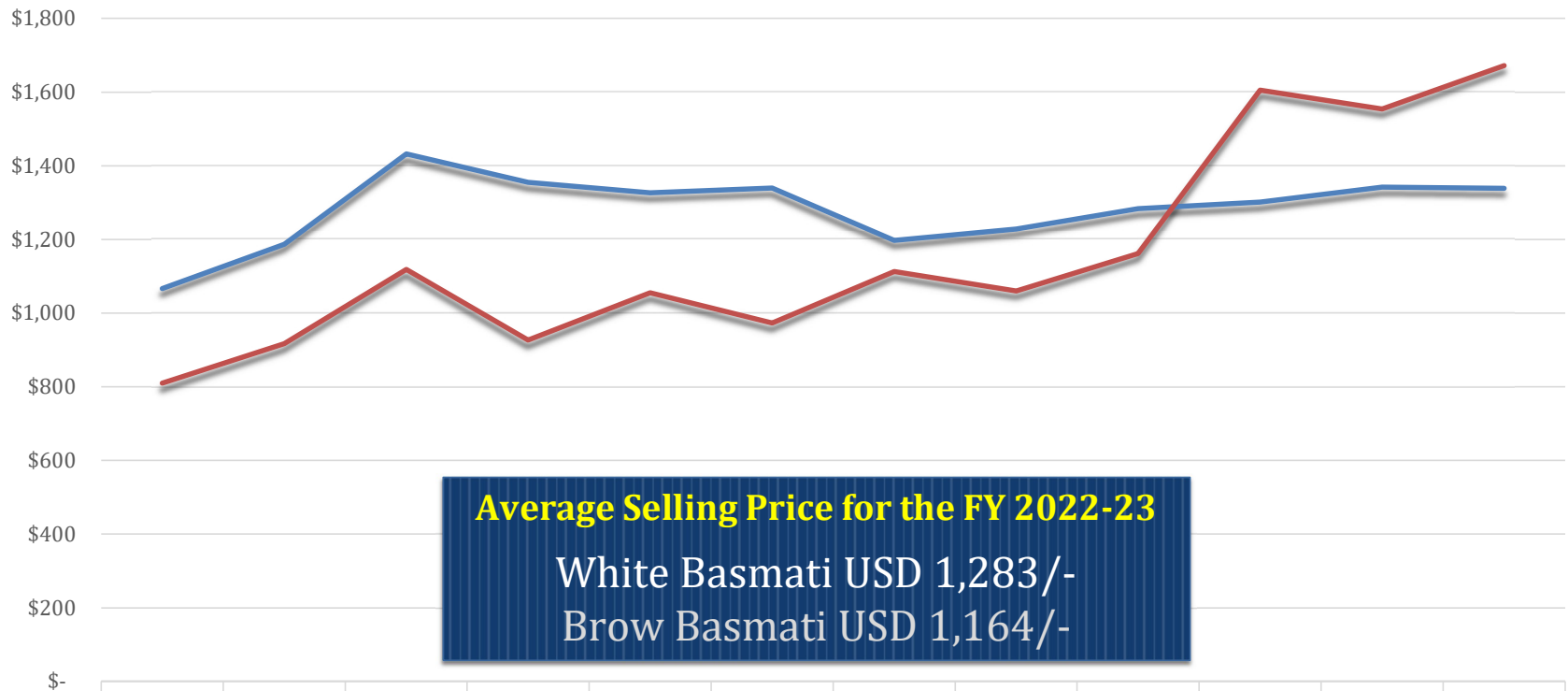
Value in USD (million)





Pakistani Basmati (Market Rate in \$)

Average Selling Price (USD/MT)



Average Selling Price for the FY 2022-23

White Basmati USD 1,283/-

Brown Basmati USD 1,164/-

	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
— White Basmati	\$1,066	\$1,187	\$1,432	\$1,355	\$1,327	\$1,340	\$1,197	\$1,229	\$1,284	\$1,302	\$1,342	\$1,339
— Brown Basmati	\$810	\$917	\$1,119	\$927	\$1,055	\$973	\$1,113	\$1,060	\$1,162	\$1,605	\$1,554	\$1,672

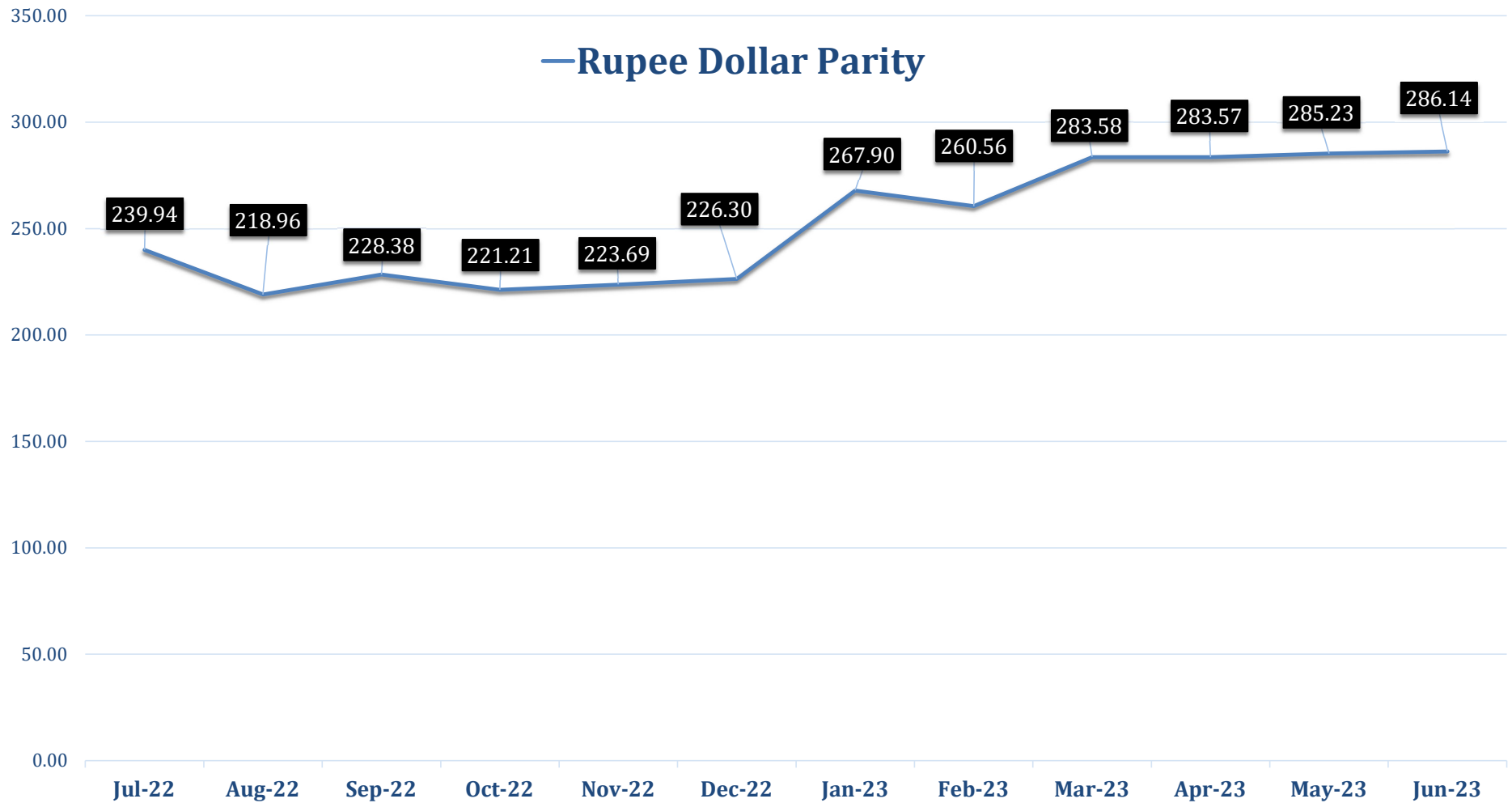


Insights from Rice Sales

- The demand for Basmati Rice showed a relatively lower trend, but prices were more favorable compared to the previous year.
- Conversely, the export of Irri Rice is not yielding attractive prices, prompting a shift in focus toward Basmati Rice.
- In the local market, rice is generating favorable margins, so our primary emphasis is directed there.
- The movement of exchange rates was a positive aspect for the Company during FY 2023.
- With an eye on anticipated demand for the next year, the Company is placing a stronger emphasis on achieving volumetric growth.



Exchange Rate

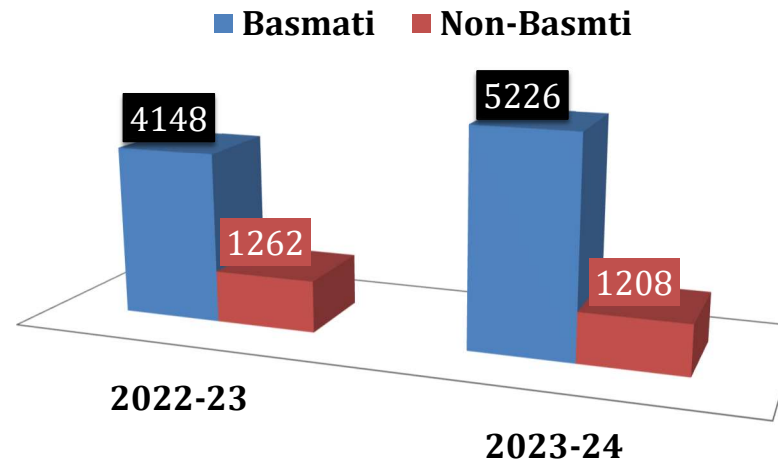




First Estimate of Rice Crop 2023-24

- The first estimate of rice crops in the Punjab Region has revealed that the total area of rice cultivation has increased significantly by 18.9%, last year, it covered 5,410 thousand acres, whereas this year it covers 6,434 thousand acres.
- Area of Cultivation for **Basmati Rice** has increased by 26%.
- Area of Cultivation for **Non-Basmati Rice** reduced by 4.3%
- Estimates from the Sindh Region were not available, however, it is expected that the Sindh Region will also harvest a better crop than last year which was affected by to devastated floods of 2022.

Arae of Cultivation in 000' Acres





FALAK Food Division

1. Matco Foods has also launched its Falak Food Division in 2022, focusing on introducing new products under its flagship brand Falak, and employing innovative marketing strategies to adapt to evolving global food trends.

New Products in 2023





FALAK Food Division

PRODUCTS IN BULK PACKING





FALAK Food Division

PRODUCTS IN BULK PACKING



FALAK Food Division

Other Products





FALAK Food Division

Major Customers

LMTS



IMTS

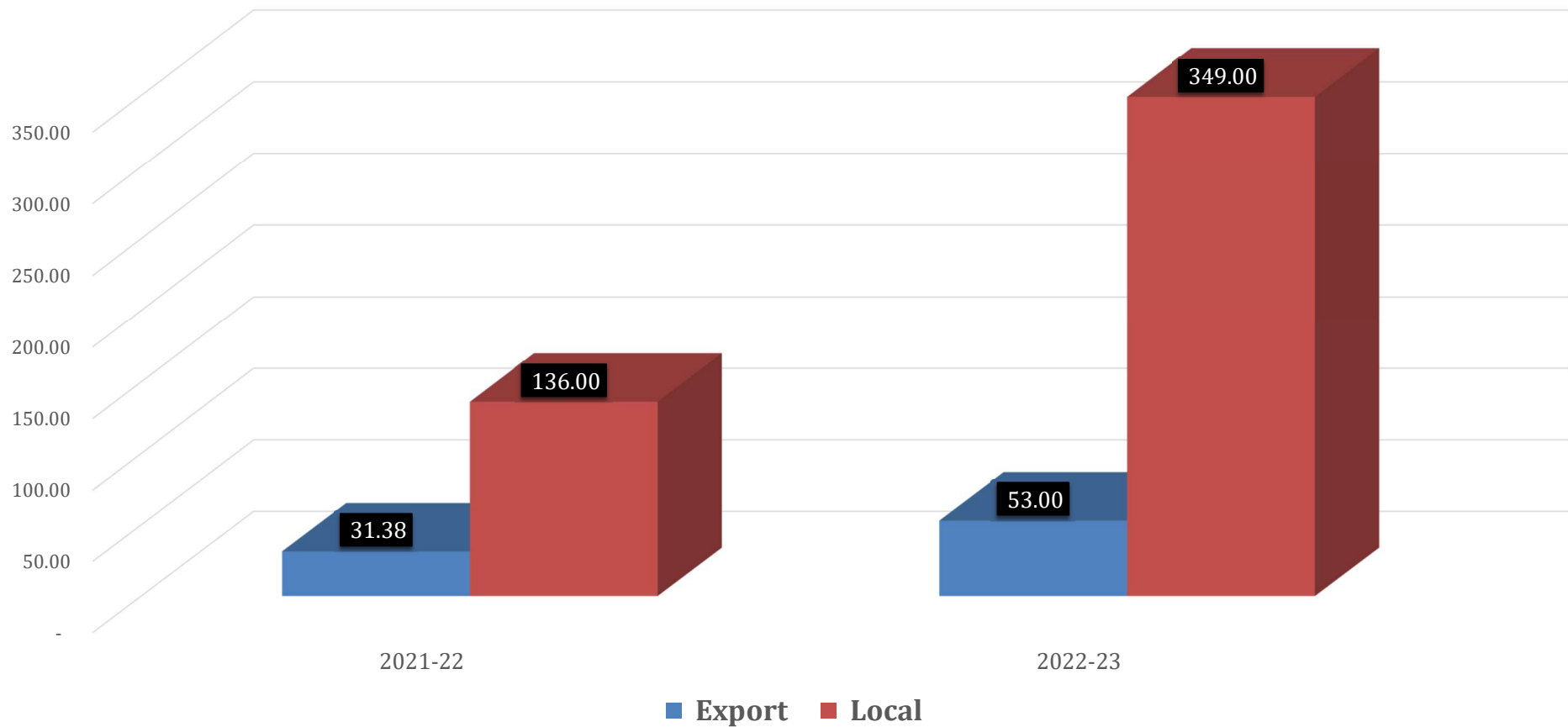


Division	2022-23	2021-22	Increase/(Decrease)
	Sales in Million Rupees		Value (Rs.)
Falak Food	402	136	235 (172%)



FALAK Food Division

SALE OF PRODUCTS FALAK FOOD DIVISION





Marketing Activities

Product Awareness and Marketing through:

- International Marketing and Media Campaigns.
- Exhibition (Gulfood at Dubai, Sial at Paris, exhibitions in Karachi, Lahore, Islamabad).
- Corporate Marketing through Annual Reports, Calendar and Brochures.
- Point of Sale Materials such as banners, shop branding, shelves, gondolas and hoardings.
- Social Media Campaign through YouTube, Facebook, and Instagram Ads, Food Fusion Cooking Pages etc.

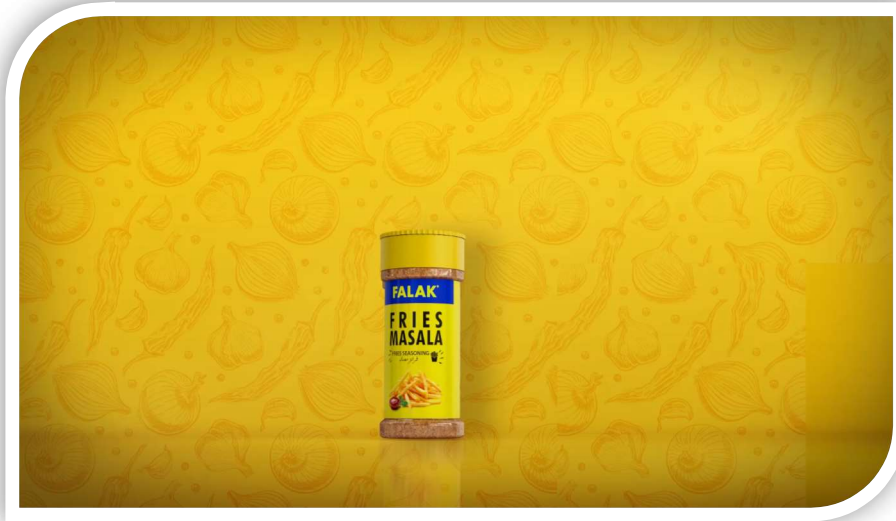


SOME GLIMPSE OF KARACHI EAT

FALAK



ADVERTISEMENTS



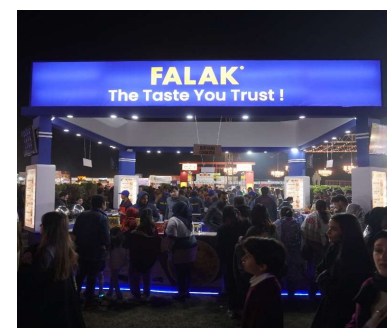


Consumer Engagement Activities





Marketing Activities



Gifting - Celebrities

Mubeen ul haq



Nadia Hussain



Adeel Chaudary

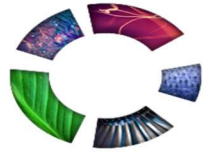


Shop Branding





Upcoming Exhibitions In 2023-24



GULFOOD
MANUFACTURING

07-09
NOV 2023
DUBAI WORLD
TRADE CENTRE



Europe

Frankfurt, Germany
28-30 November 2023

Gulfood

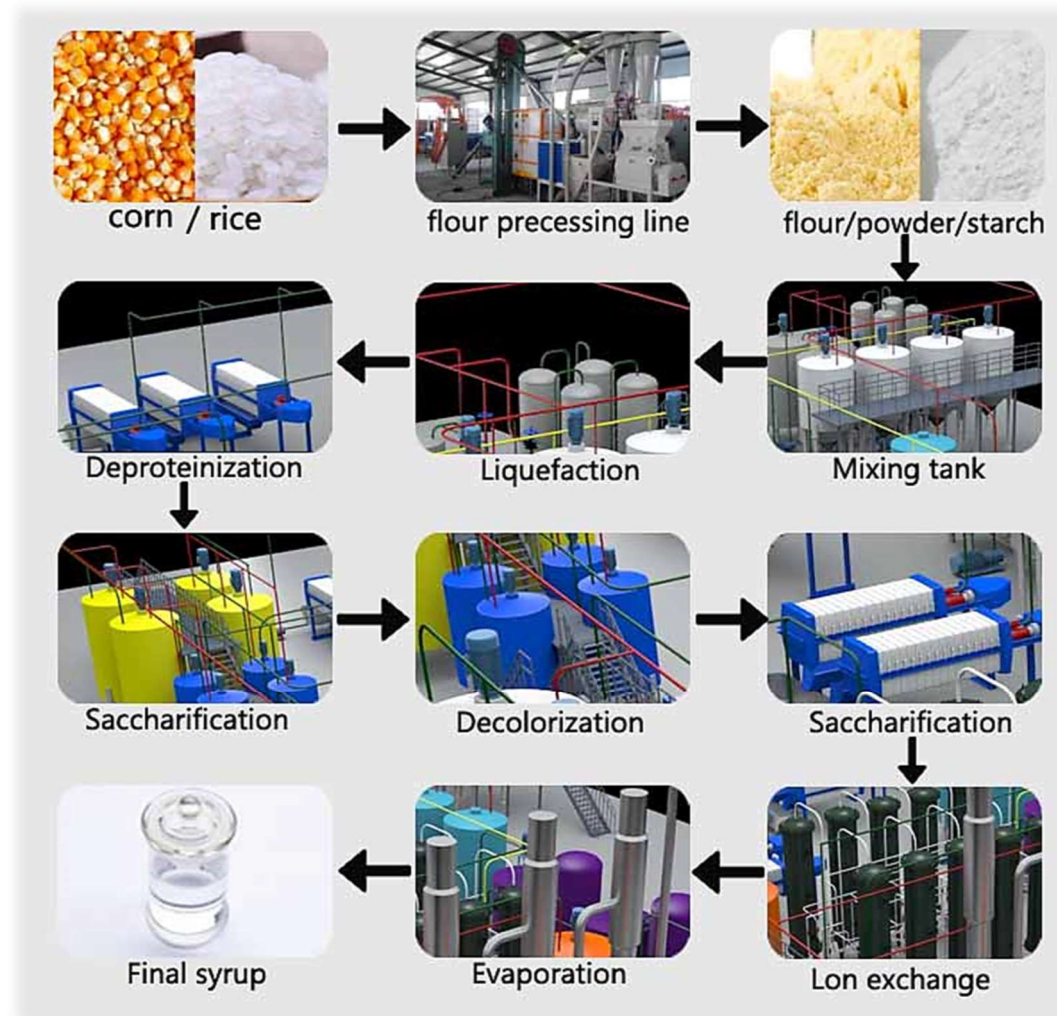
19 - 23
FEB 2024
DUBAI WORLD TRADE CENTRE



19 - 23 October 2024 - PARIS



Rice Glucose Division





Rice Glucose Division

Products





Insights from Rice Glucose Division

- Exports faced a decline due to insufficient demand.
- Within the domestic landscape, raw material prices for the Rice Glucose Division experienced an unforeseen surge.
- This surge in raw material prices was primarily set off by parallel and unanticipated demand from the confectionery, pharmaceuticals, and poultry sectors in Pakistan.
- Resulting in more promising profits for the Company.

RGD Export Sale Comparison

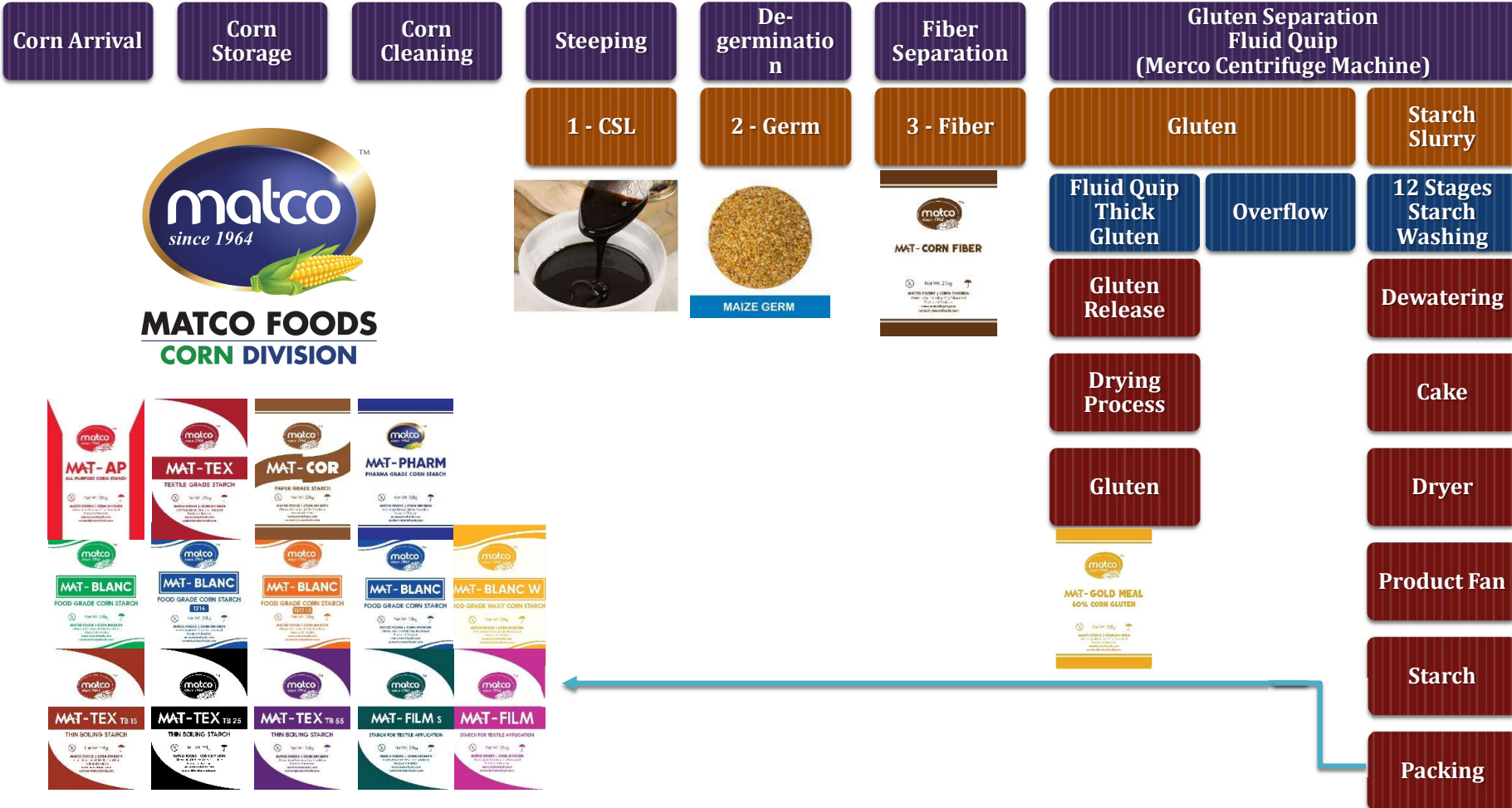
	2022-23	2021-22
M. Tons	5,662	7,183
Value in Million USD	5.63	7.21

RGD Sales





Corn Starch Division





Corn Starch Division





Corn Starch Division

INDUSTRIAL INGREDIENTS

TEXTILE



CHEMICAL & ALLIED



PAPER & CORRUGATION



FOOD AND PHARMA INGREDIENTS

PHARMACEUTICALS



FOOD



Corn Starch Division



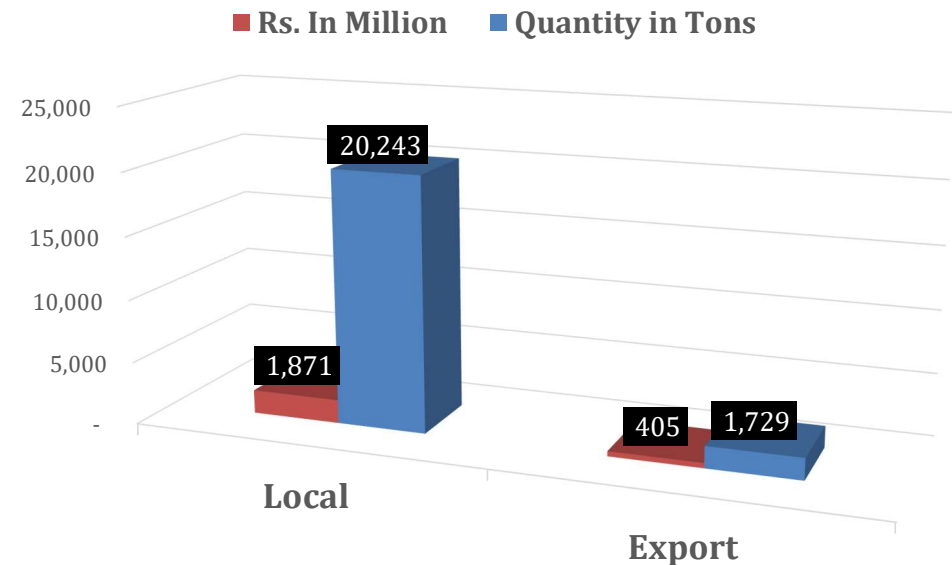


Insights from Corn Starch Division

- Started production in August 2022.
- Within the domestic landscape, raw material prices for the Rice Glucose Division experienced an unforeseen surge.
- This surge in raw material prices was primarily set off by parallel and unanticipated demand from the confectionery, pharmaceuticals, and poultry sectors in Pakistan.
- Resulting in more promising profits for the Company.

CSD Sale Comparison		
	2022-23	2021-22
Local (in Million Rs.)	1,871	n/a
Export (in Million Rs.)	405	n/a

CSD Sales (Quantity and Value)





New Project-Dextrose Monohydrate (DMH)

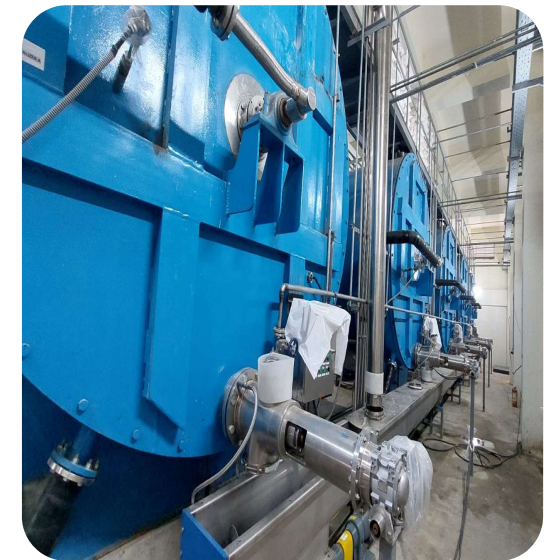
Groundbreaking Ceremony



Construction



Installation



SITE Photos - DMH



SITE Photos - DMH



SITE Photos - DMH





SITE Photos - DMH





Project Performance - DMH

Zero Alhumdulillah, no major site injuries or incidents

13 Months From Groundbreaking (September 2022) to Test Run

PKR 675 M Budget Cost vs Actual Cost, almost no Cost Overrun



Certifications





Challenges in 2024

- The cost of conducting business likely to remain elevated due to:
 - rising fuel, power, and electricity expenses,
 - Higher interest rates
 - Fluctuations in the exchange rate.
- Competition from new entrants.
- Inflationary impact on the prices of crops.
- Gas prices hike and its impact on fertilizers.

National CPI Inflation by Groups (YoY and MoM in percent)

Table A2: National CPI Inflation by Groups (YoY and MoM in percent)							
Groups	Weights	MoM Change			YoY Change		
		Sep-22	Aug-23	Sep-23	Sep-22	Aug-23	Sep-23
Food and Non-Alcoholic Beverages	34.6	5.8	0.6	1.6	31.7	38.5	33.1
Alcoholic Beverages, Tobacco	1.0	5.9	0.4	0.5	32.7	97.5	87.5
Clothing and Footwear	8.6	0.3	1.2	2.1	17.7	18.5	20.6
Housing, Water, Elec., Gas and Other Fuels	23.6	-17.7	1.1	0.5	3.4	6.3	29.7
Furnishing and Household Equip. Maintenance	4.1	3.4	2.3	1.7	25.1	41.7	39.3
Health	2.8	2.2	2.0	4.5	13.8	22.6	25.3
Transport	5.9	2.2	7.9	9.1	64.5	23.0	31.3
Communication	2.2	0.1	0.3	0.4	1.3	7.0	7.4
Recreation and Culture	1.6	2.0	3.5	0.4	22.8	61.4	58.8
Education	3.8	0.0	3.4	0.6	10.0	10.5	11.1
Restaurants and Hotels	6.9	2.2	1.8	2.4	28.8	34.1	34.3
Miscellaneous	4.9	3.8	3.9	0.6	22.9	40.8	36.4
National CPI	100.0	-1.2	1.7	2.0	23.2	27.4	31.4

Contribution of Rice in CPI

Table A8: Top Ten Contributors to Urban CPI Inflation (YoY)

Sr. No.	Items/Contributors	Weights	YoY Change		Weighted Contribution (%)
			Sep-22	Sep-23	
B. Ranked by Percentage Change					
1	Electricity Charges	4.56	-30.48	163.72	14.06
2	Text Books	0.67	17.19	101.78	1.95
3	Cigarettes	0.72	35.40	101.08	2.56
4	Sugar	1.11	-18.94	89.95	2.61
5	Wheat Flour	3.01	24.33	81.29	9.12
6	Condiments And Spices	1.33	-14.10	78.77	3.61
7	Tea	0.84	35.57	73.03	2.23
8	Gur	0.04	2.45	68.98	0.08
9	Rice	1.18	39.82	64.71	2.90
10	Gas Charges	1.08	0.00	62.82	2.72
Total		14.54			41.84



Future Outlook

Rice Processing Business

- Regular Expansion and Capital Expenditure.
- Secure and increase our market share in the USA, UK and Australia.
- Target Middle East Market/Branded Rice.

Rice Glucose Division

- Increasing the conversion ratio of local sales into exports.
- Keeping optimum capacity production of both plants.
- Introduce Dextrose Monohydrate by the end of FY2024.

Falak Food Division

- Focus on launching at least 5 new products in a year
- Increase export of newly developed Products.
- To Branded FMCG products.

Corn Starch Division

- Increase grind capacity by next fiscal year 2024.
- Increase the range of starch products (modified starches).
- Produce FALAK branded Corn Flour, Custards, Jelly, and other consumer products made from Corn Starch.



THANK YOU



Question & Answers Sessions