

Corporate Briefing

ZIL Limited

For nine months period ended 30 September 2022

Royal Rodale Club, Karachi,
Dec 20 , 2022



Company Profile

Ground Floor, Bahria Complex III, M.T. Khan Road, Karachi-
Pakistan. Tel: +9221 -35630251-60 Fax: +9221 -35630266

Vision

To be admired as a leading and innovative consumer goods company offering delightful propositions that rivals any other major company

Mission

Enrich everyday lives of individuals, families and communities by providing products which offer quality, convenience and affordability

Company Information

- ZIL Limited was incorporated as a private limited company in February 1960 under the Companies Act, 1913 (now the Companies Act, 2017)
- It was subsequently converted into a public limited company in November 1986.
- Its shares are listed on the Pakistan Stock Exchange Limited.
- The principal activity of the Company is to manufacture and sale of home and personal care products.
- The registered office of the Company is situated at Ground Floor, Bahria Complex III, M.T. Khan Road, Karachi.

Company Foot Steps

- **1954** - Soap Operations start in Hyderabad
- **1969** - Capri Launched
- **1986** – Public Listing on Stock Exchange
- **2000** – ISO Certification
- **2001** – Investment of Over PKR.100mn to upgrade technology and enhance capacity
- **2005** – Revenue of PKR 1 billion
- **2011** – Capri re-launch
- **2012** – Launch of variants and sanitizers
- **2011** – Capri Hand wash is launched
- **2014** – Capri Face wash is launched
- **2017** – Capri re-launch
– Revenue of PKR 2 billion
- **2019** – Celebrated 50 Years of Capri
– Re-launched Capri Hand wash
– Revenue of PKR 3.2billion

Company Foot Steps

- **2021** – Launch of Anti BAC soap HYPro
- **2022**- Consistent Volumatic sales growth
 - Expected annual sales above Rs. 4Bn.
 - Factory closure based on new manufacturing strategy

Company Information

Board of Directors

Mrs. Ferial Ali Mehdi- (Chairman-Non-Executive Director)

Mr. Mubashir Hasan Ansari (Executive Director & CEO)

Mr. Saad Amanullah Khan- (Non-Executive Director)

Mr. Syed Hasnain Ali (Non-Executive Director)

Mr. Mir Muhammad Ali (Independent-Non-Executive Director)

Mr. Muhammad Salman Chawalla (Nominee NIT - Independent Non-Executive Director)

Company Information

Board of Directors

Mr. Ahsan Rashid (Independent-Non-Executive Director)

Board Audit Committee

Mr. Muhammad Salman Chawalla (Chairman) (Independent-Non-Executive Director Nominee NIT)

Mrs. Ferial Ali Mehdi (Member)

Mr. Mir Muhammad Ali (Member) (Independent-Non-Executive Director)

Company Information

Human Resource and Remuneration Committee

Mr. Ahsan Rashid (Chairman) (Independent-Non-Executive Director)

Mrs. Ferial Ali Mehdi (Member)

Mr. Saad Amanullah Khan-(Member) (Non-Executive Director)

Mr. Mubashir Hasan Ansari (Member)

Internal & External Auditors

Internal Auditors :

Yousuf Adil & Co Chartered Accountants (Satisfactory QCR rating by ICAP)

External Auditors:

EY Ford Rhodes & Co Chartered Accountants (Satisfactory QCR rating by ICAP)

Core Values



Sustainability

We consider balancing long-term goals with short-term needs



Customer Centric

Understanding & satisfying customer needs, wants & expectations



Empowerment

Grow our people to be autonomous, responsible and engaged



Innovation

We add value to delight our customers



Learning

Outstanding quality through continuous improvement

Public Announcement of Intention

- Public Announcement of Intention (PAI) to acquire 51% shares of ZIL Ltd published in News papers Business Recorder and Nawa-e-Waqt of **13th July 2022**.
- Subsequently Due Diligence process of Financial , Legal and Taxation matters of the company started and successfully finished.
- Shareholders have approved the disposal of Hyderabad factory in EOGM dated 30-11-2022
- Shareholders of are in negotiation with intended buyer for sale.
- Expected time frame for completion of transaction is 180 days from date of intention .

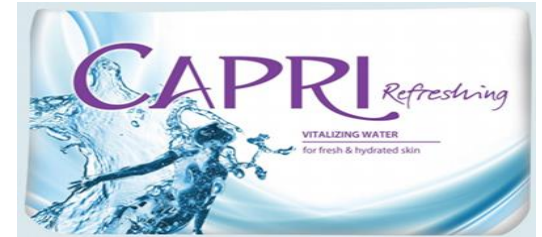
ZIL Hyderabad Factory disposal

- The Board of Directors in its meeting held on January 12, 2022 proposed disposal of ZIL Hyderabad factory with freehold land along with plant machinery and equipment
- The sale proceeds will be utilized for the repayments of loans of the Company, creditors and other liabilities. It will also improve working capital management. Provide additional liquidity for utilization in other profitable venues.
- Existing plant at Hyderabad factory is based on old technology and is no more cost competitive for production.
- Company is already using services of 'Toll manufacturing' for last four years (aprox) for manufacturing of company products, the strategy remains the same.

ZIL Hyderabad Factory disposal

| Description of Assets | Cost | Value as at 31-12-2021 # | Book Value as at 30-09- 2022 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------------------------|------------------------------------|
| | Rupees in thousand | | |
| Freehold Land : 3 Acre 26 Ghuntas, situated in Survey No 119 and 120, Link Hali Road, Hyderabad | | 400,040 | 400,040 |
| Building on freehold land | 29,700 | 44,275 | 40,954 |
| Plant Machinery & Equipment | 311,059 | 129,708 | 124,749 |
| Capital Spares | 34,596 | 18,760* | 17,352 |
| General Stores | 14,991 | 6,467* | 6,068 |
| Furniture & Fixtures | 8,011 | 1,845* | 1,568 |
| Total | 398,386 | 601,095 | 590,731 |
| <p># Based on last incorporated revaluation performed by professional evaluator (included in SBP & PBA approved lists) as on December 31, 2021</p> <p>* Assets other than Land, Building and Plant & Machinery are mentioned at cost as reduced by accumulated depreciation and impairments</p> | | | |

“Naturally Refreshing Glow Everyday”



- Flag Ship brand
- Launched in 1969. Celebrated 50 Years in 2019
- No 3 brand in beauty soap segment

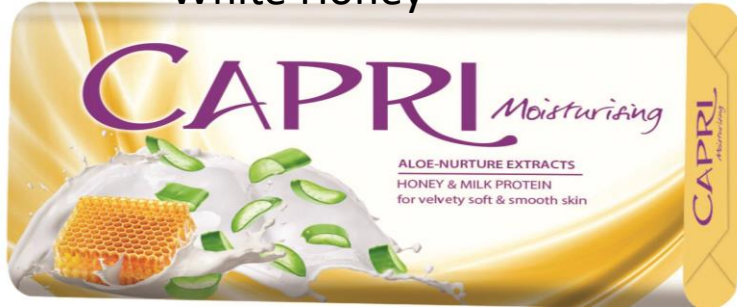
Pink Strawberry



Purple Orchid



White Honey



Blue Vitalizing



Green Tea



Peach



“For Clean, Soft & Beautiful Hands”



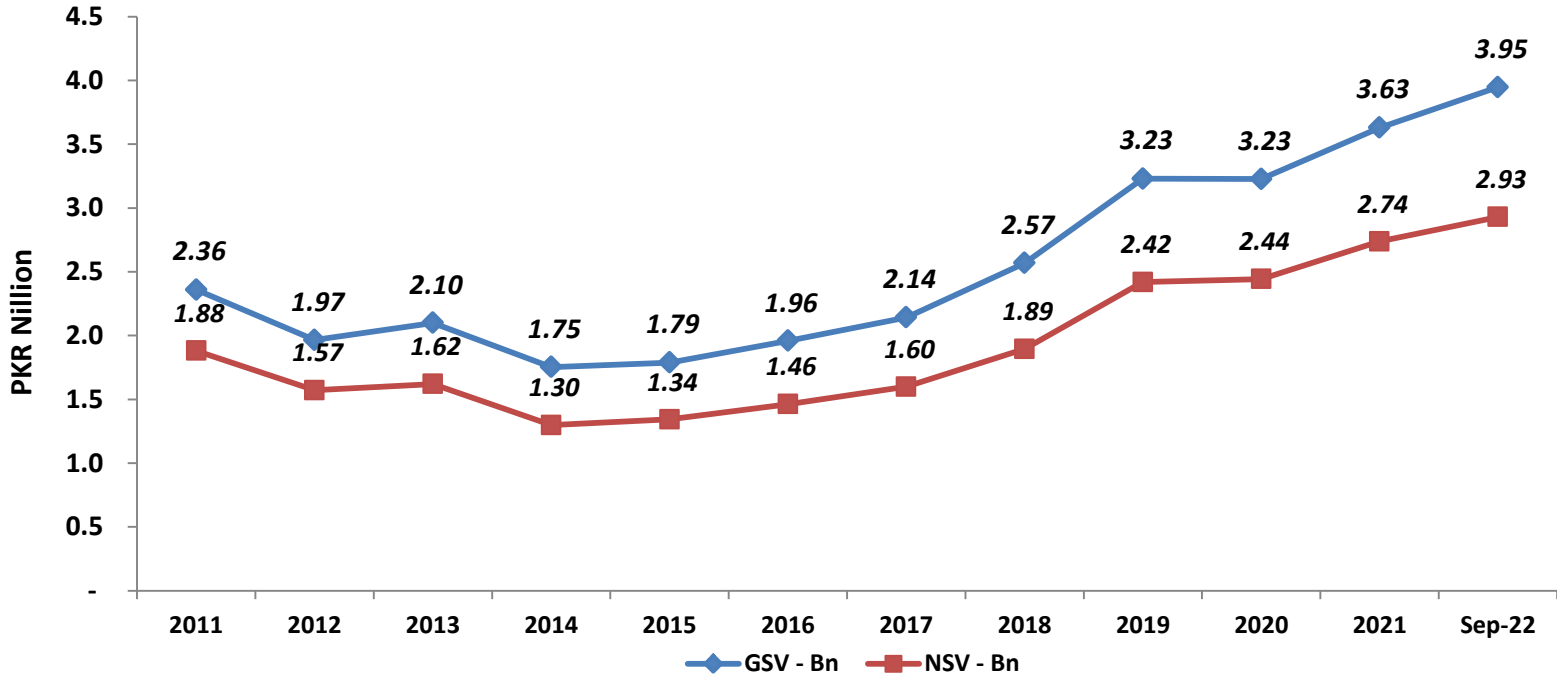
“Natural Skin Shine & Gentle Floral Freshness for Petal Soft Skin”





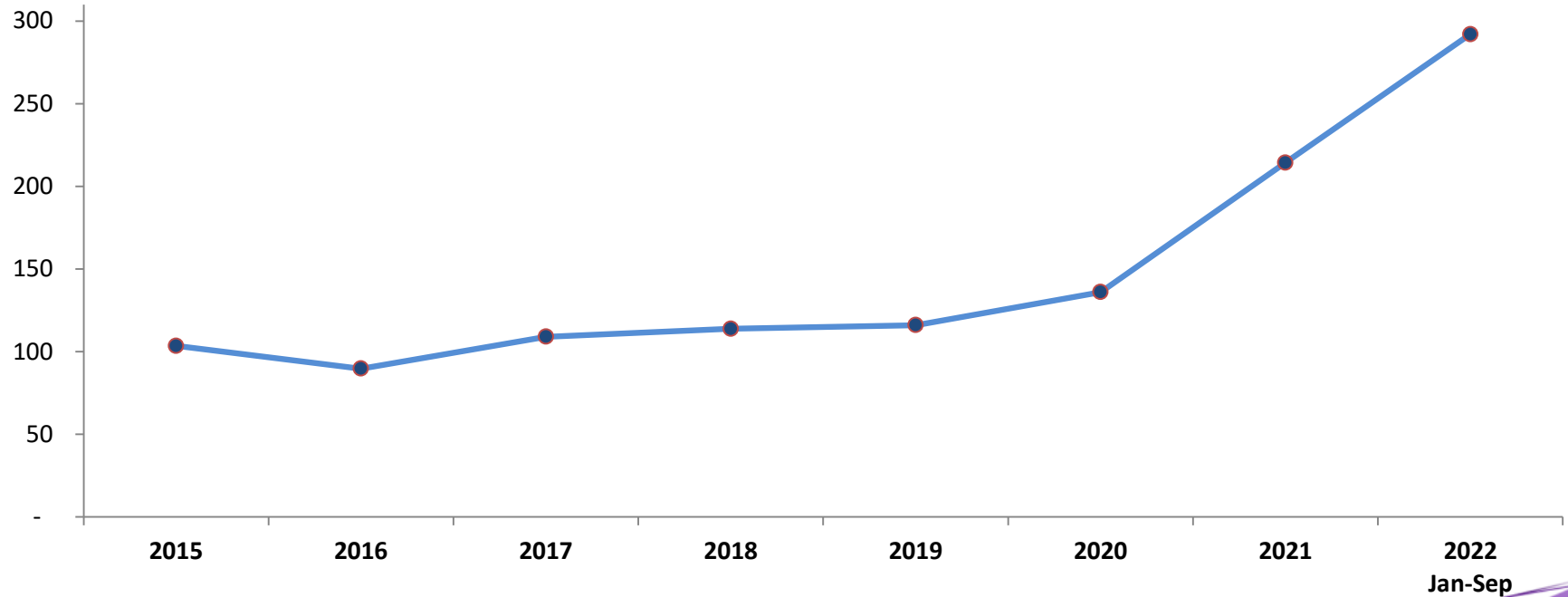
FINANCIAL PERFORMANCE

Gross Sales Value and Net Sales Value

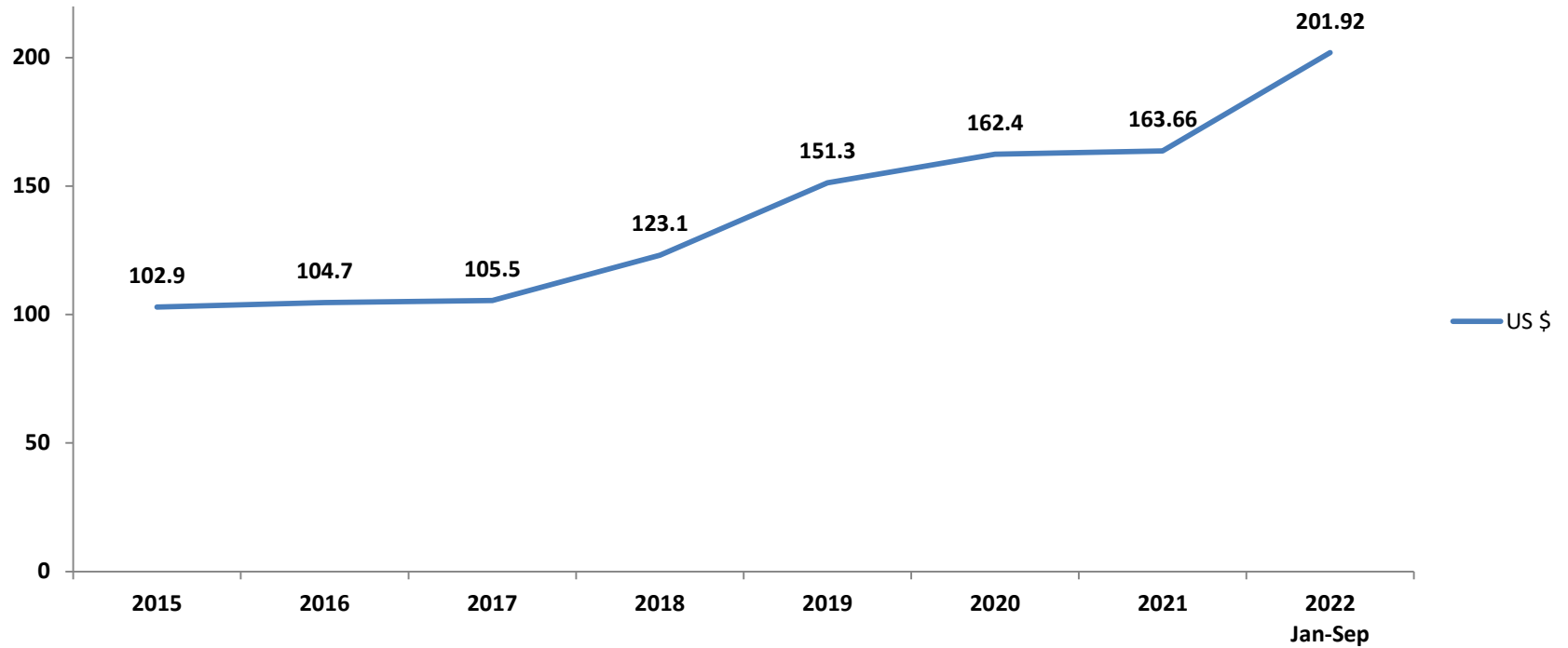


Fatty Raw Material Price Trend

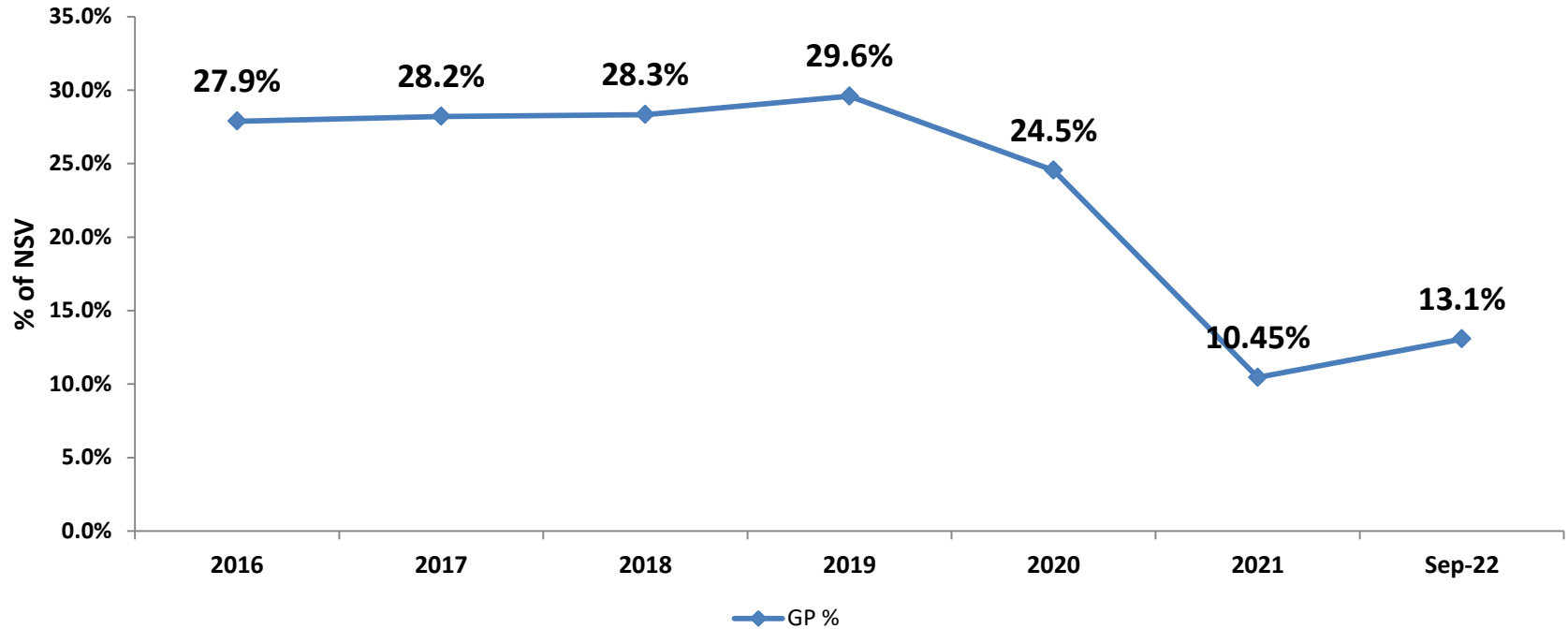
Avg. Noodle Rate



US\$ Average Rate Trend



Gross Profit Trend

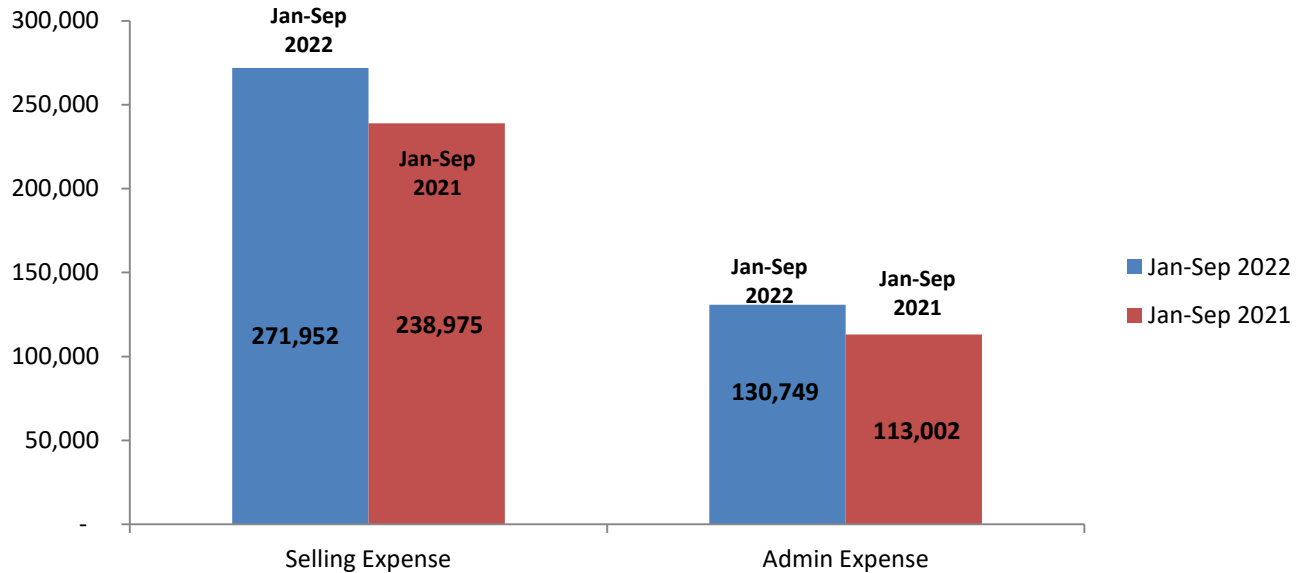


FINANCIAL PERFORMANCE FOR NINE PERIOD ENDED SEPTEMBER 2022

ZIL LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTHS ENDED SEPTEMBER 30 , 2022

| | Nine Months ended | | Quarter ended | |
|-------------------------------------------|------------------------------|-------------------|------------------------------|-------------------|
| | Sept 30 , 2022 | Sept 30 , 2021 | Sept 30 , 2022 | Sept 30 , 2021 |
| | ----- (Rupees in '000) ----- | | ----- (Rupees in '000) ----- | |
| Sales - net | 2,929,580 | 1,968,335 | 1,239,443 | 855,528 |
| Cost of sales | (2,546,668) | (1,763,078) | (996,659) | (770,689) |
| Gross profit | <u>382,912</u> | <u>205,257</u> | <u>242,784</u> | <u>84,839</u> |
| Selling and distribution expenses | (271,952) | (238,975) | (108,215) | (86,370) |
| Administrative expenses | (130,749) | (113,002) | (48,873) | (38,437) |
| | <u>(402,701)</u> | <u>(351,977)</u> | <u>(157,088)</u> | <u>(124,807)</u> |
| | (19,789) | (146,720) | 85,696 | (39,968) |
| Other income | 6,132 | 6,509 | 1,397 | 4,220 |
| Operating loss | <u>(13,657)</u> | <u>(140,211)</u> | <u>87,093</u> | <u>(35,748)</u> |
| Other charges | (22,669) | (1,766) | (17,184) | (2,936) |
| Finance costs | (54,706) | (16,727) | (24,499) | (6,829) |
| | <u>(77,375)</u> | <u>(18,493)</u> | <u>(41,683)</u> | <u>(9,765)</u> |
| Profit/(Loss) before taxation | <u>(91,032)</u> | <u>(158,704)</u> | <u>45,410</u> | <u>(45,513)</u> |
| Taxation | (33,901) | 9,715 | (11,680) | (8,326) |
| Profit/(Loss) for the period | <u>(124,933)</u> | <u>(148,989)</u> | <u>33,730</u> | <u>(53,839)</u> |
| |(Rupees)..... | |(Rupees)..... | |
| Profit/(Loss) per share - basic and dilut | <u>(20.41)</u> | <u>(24.34)</u> | <u>5.51</u> | <u>(8.79)</u> |

Selling & Admin Expenses



Future outlook

- Anticipation for further improvements in margins due to further increase in retail prices
- Fitch Rating Singapore forecasts lower CPO prices in 2023 due to high expected CPO Yield.
- Adverse Rs./US\$ parity may negatively affects margins

Q & A

Thank You