

Corporate Briefing Session

November 21, 2024





Our Legacy

- The journey of Matco started with the entrepreneurial aptitude of Syed Sarfaraz Ali Ghorri, 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 Ghorri.



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.



2023

Ground Breaking Ceremony- DMH



2024

1.5 MW Solar system installed at Corn Starch Division





Geographical Presence





Our Facilities



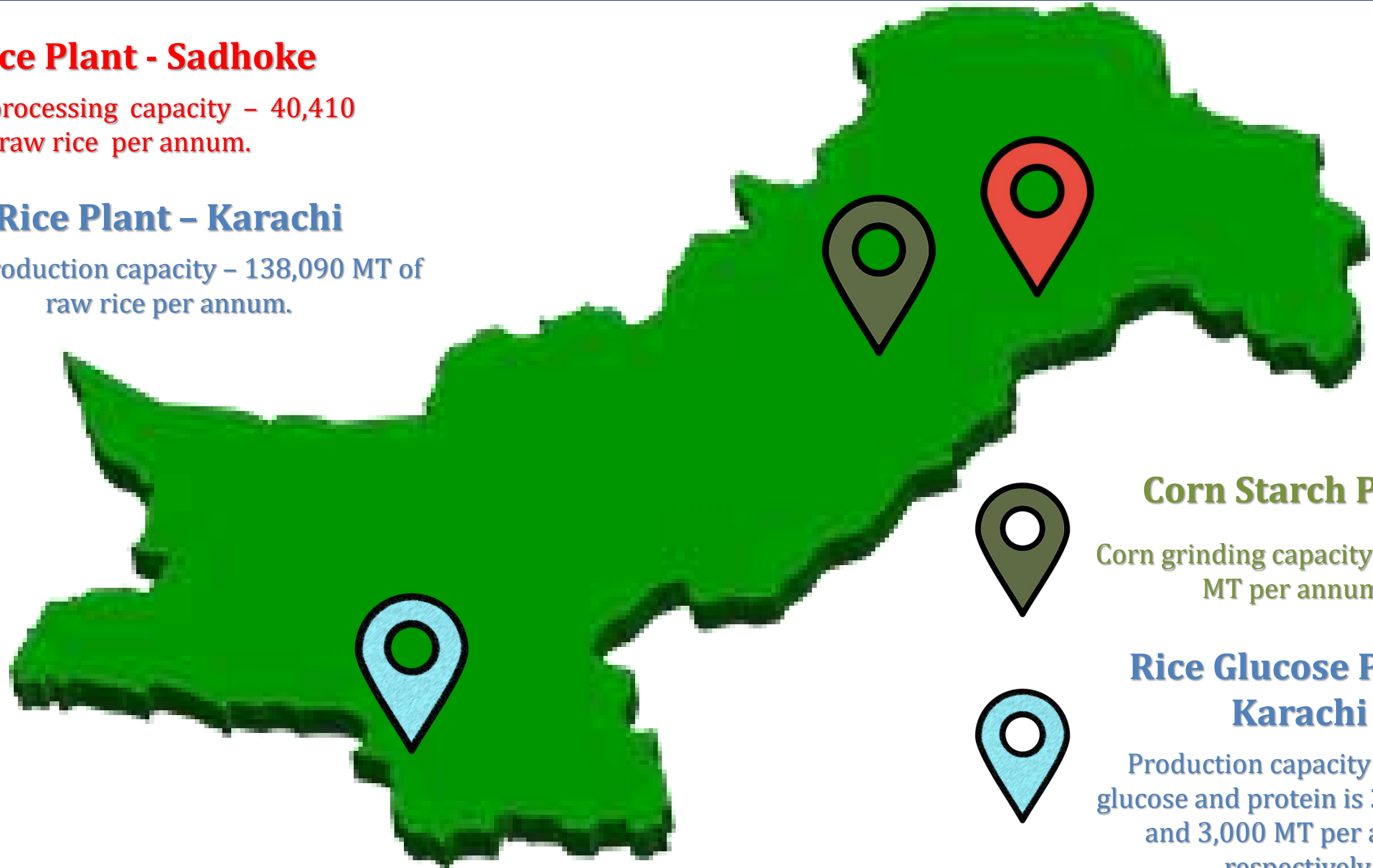
Rice Plant - Sadhoke

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.

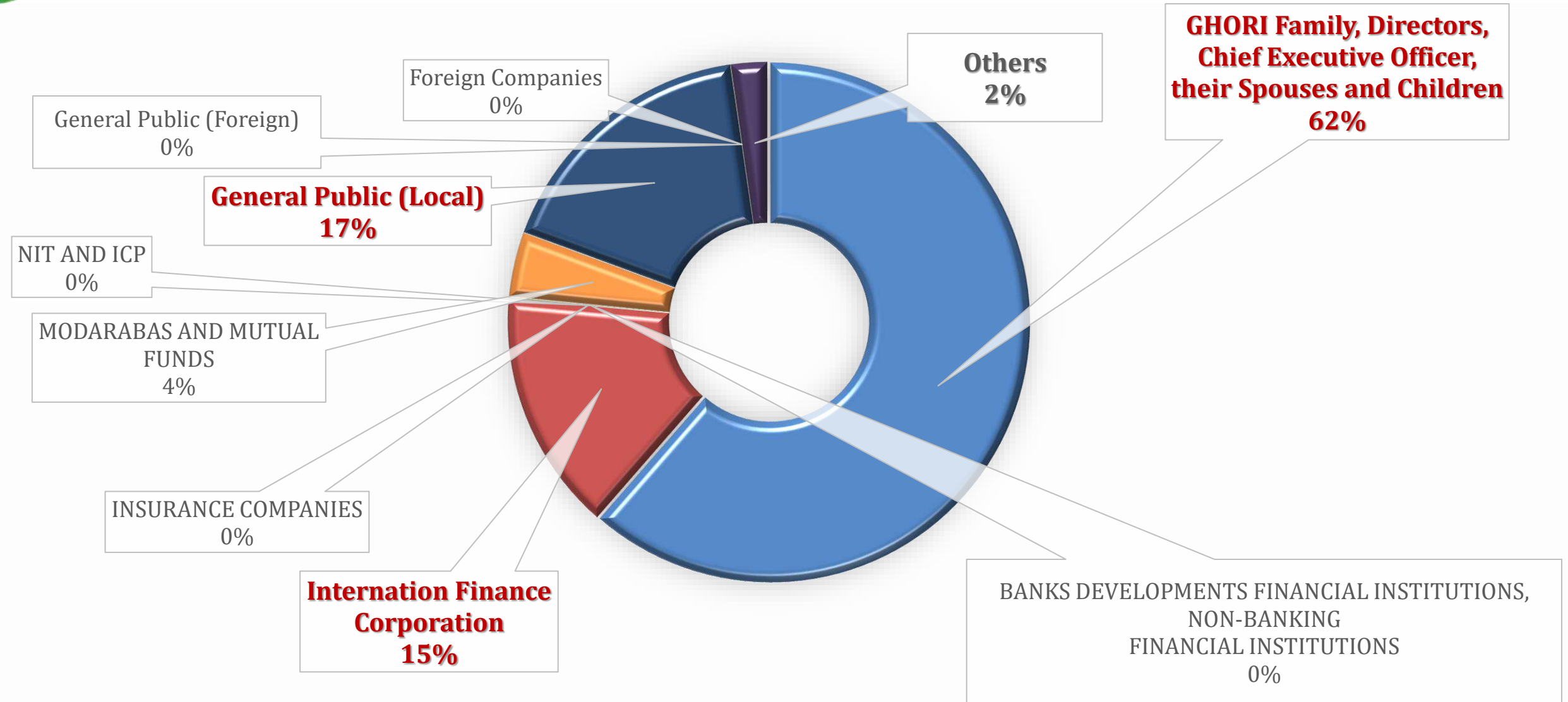


Rice Glucose Plant– Karachi

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



Shareholding Pattern



- GHORI Family, Directors, Chief Executive Officer, their Spouses and Children
- NIT AND ICP
- INSURANCE COMPANIES
- General Public (Local)

- Internation Finance Corporation
- BANKS DEVELOPMENTS FINANCIAL INSTITUTIONS, NON-BANKING FINANCIAL INSTITUTIONS
- MODARABAS AND MUTUAL FUNDS
- General Public (Foreign)



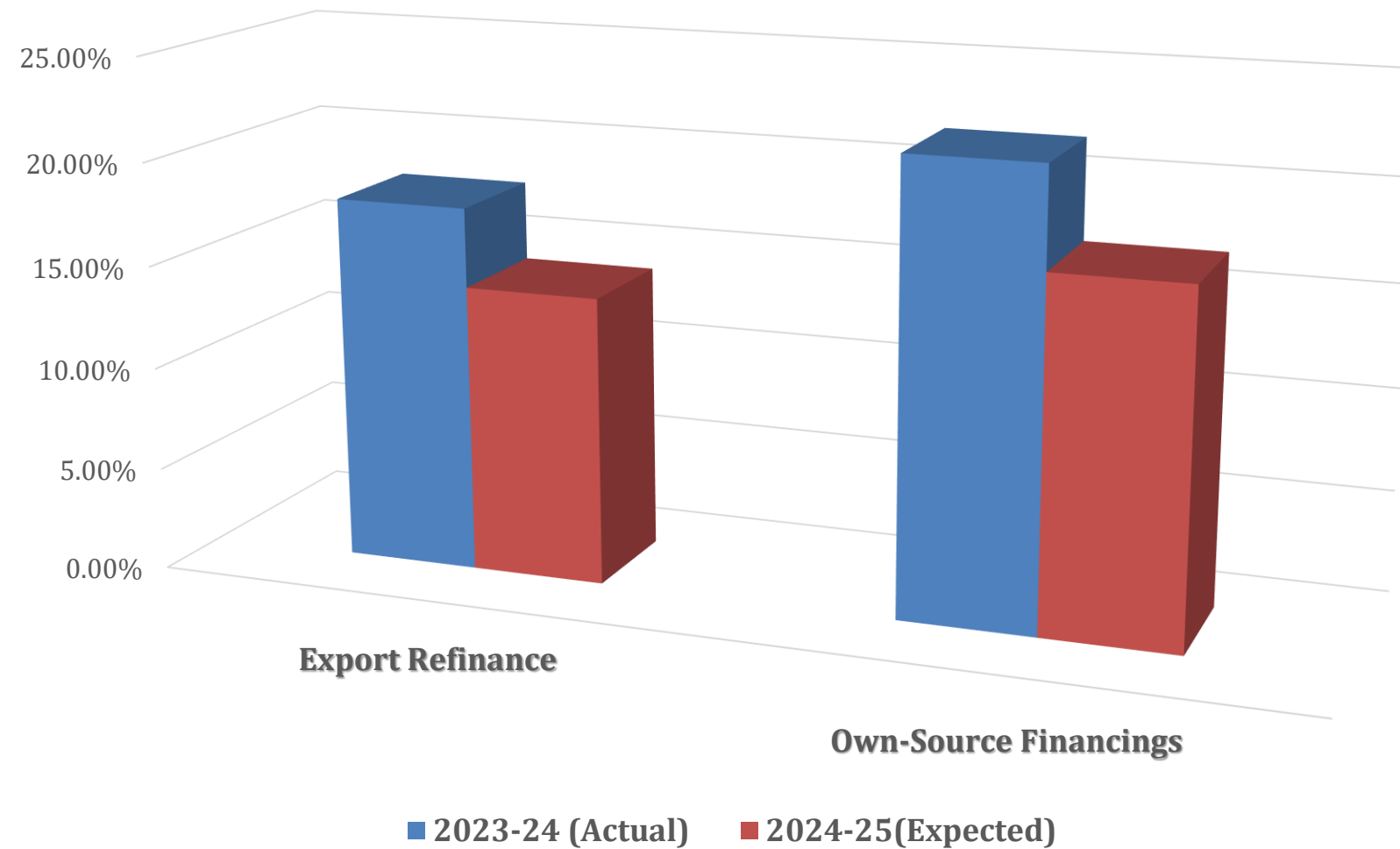
Profit & Loss Account – FY 2024

	%age	(Audited)	%age	(Audited)	Increase / (Decrease)	
	Jun-24	Jun 30, 2024	Jun-23	Jun 30, 2023	Amount	%
	-----Rupees-----					
Sales - net	100.00	27,695,667,805	100.00	19,985,401,101	7,710,266,704	38.58%
Cost of sales	(88.55)	(24,524,645,802)	(87.72)	(17,532,145,553)	6,992,500,249	39.88%
GROSS PROFIT	11.45	3,171,022,003	12.28	2,453,255,548	717,766,455	29.26%
Selling and distribution expenses	(2.13)	(590,691,407)	(1.78)	(355,178,974)	235,512,433	66.31%
Administrative expenses	(2.46)	(681,528,249)	(2.82)	(564,506,396)	117,021,853	20.73%
	(4.59)	(1,272,219,656)	(4.60)	(919,685,370)	352,534,286	38.33%
	6.86	1,898,802,347	7.67	1,533,570,178	365,232,169	23.82%
Finance cost	(8.10)	(2,243,877,030)	(5.92)	(1,182,362,299)	1,061,514,731	89.78%
Other income	0.31	86,370,402	0.27	53,694,455	32,675,947	60.86%
Exchange gain - net	0.69	190,389,508	2.06	412,369,039	(221,979,531)	-53.83%
Provision for workers' welfare fund	-	-	(0.08)	(15,276,100)	15,276,100	-100.00%
Provision for workers' profit participation fund	-	-	(0.19)	(38,190,251)	38,190,251	-100.00%
(LOSS) / PROFIT BEFORE LEVIES AND INCOME TAX	(0.25)	(68,314,773)	3.82	763,805,022	(832,119,795)	-108.94%
Levies - Final and Minimum Tax	(0.94)	(258,998,630)	(1.11)	(222,056,149)	(36,942,481)	16.64%
Taxation	0.23	64,847,527	0.07	13,869,148	50,978,379	367.57%
(LOSS) / PROFIT FOR THE YEAR	(0.95)	(262,465,876)	2.78	555,618,021	(818,083,897)	-147.24%
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED		(2.14)		4.54		



Borrowing Cost Analysis

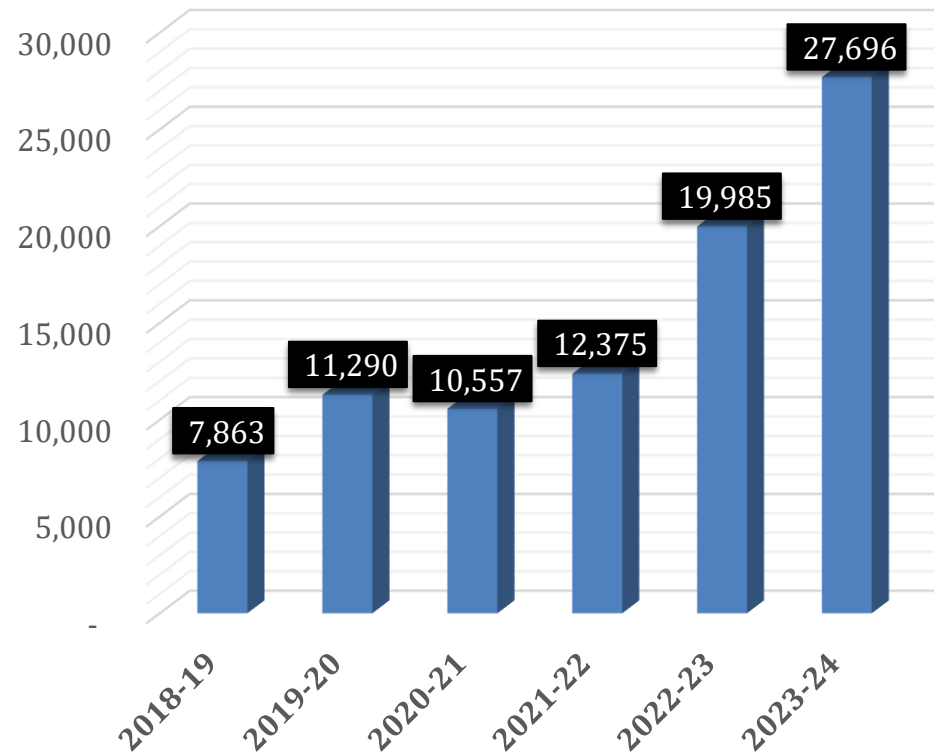
Borrowing	2023-24 (Actual)	2024-25(Expected)
Export Refinance	17.82%	12.5%
Own-Source Financings	21.85%	15.5%



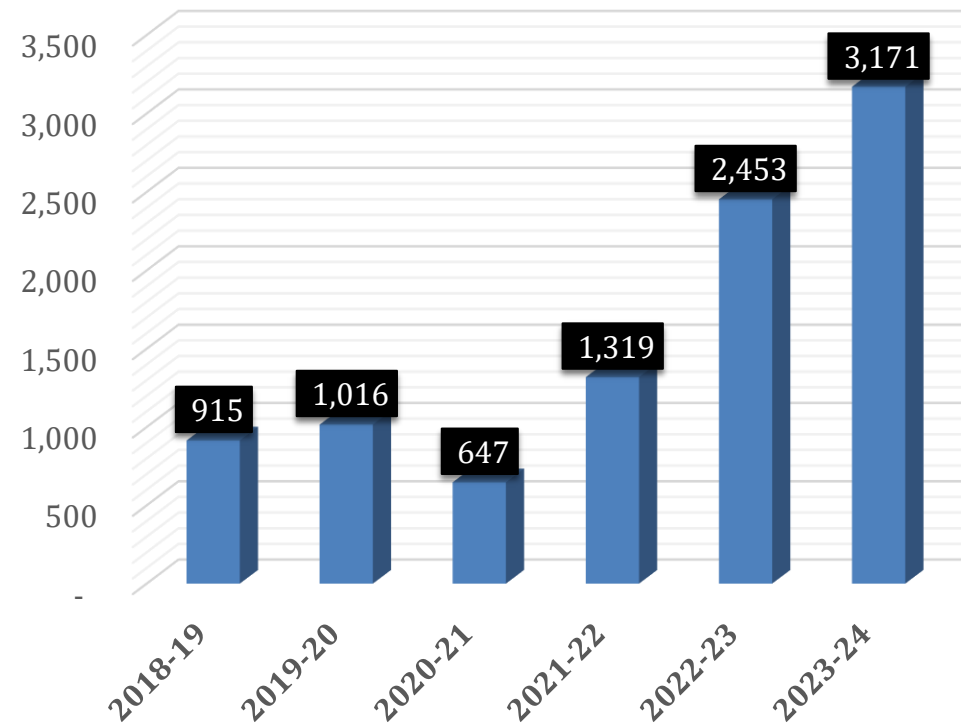


Financial Highlights of the Company

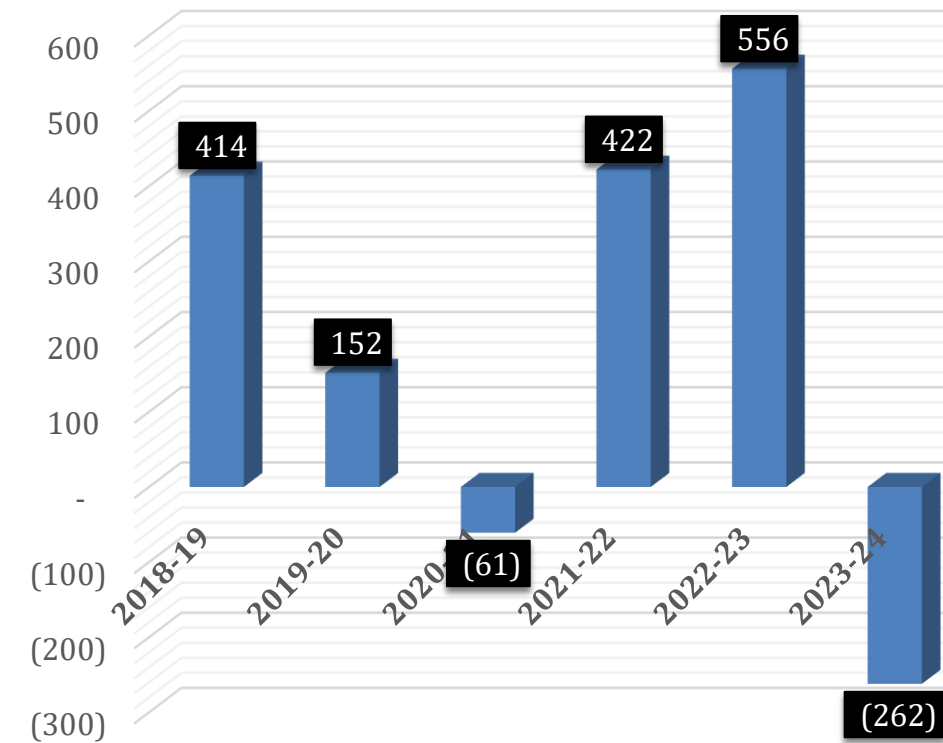
Sales (Rs. in Mn)



Gross Profit (Rs. in Mn)



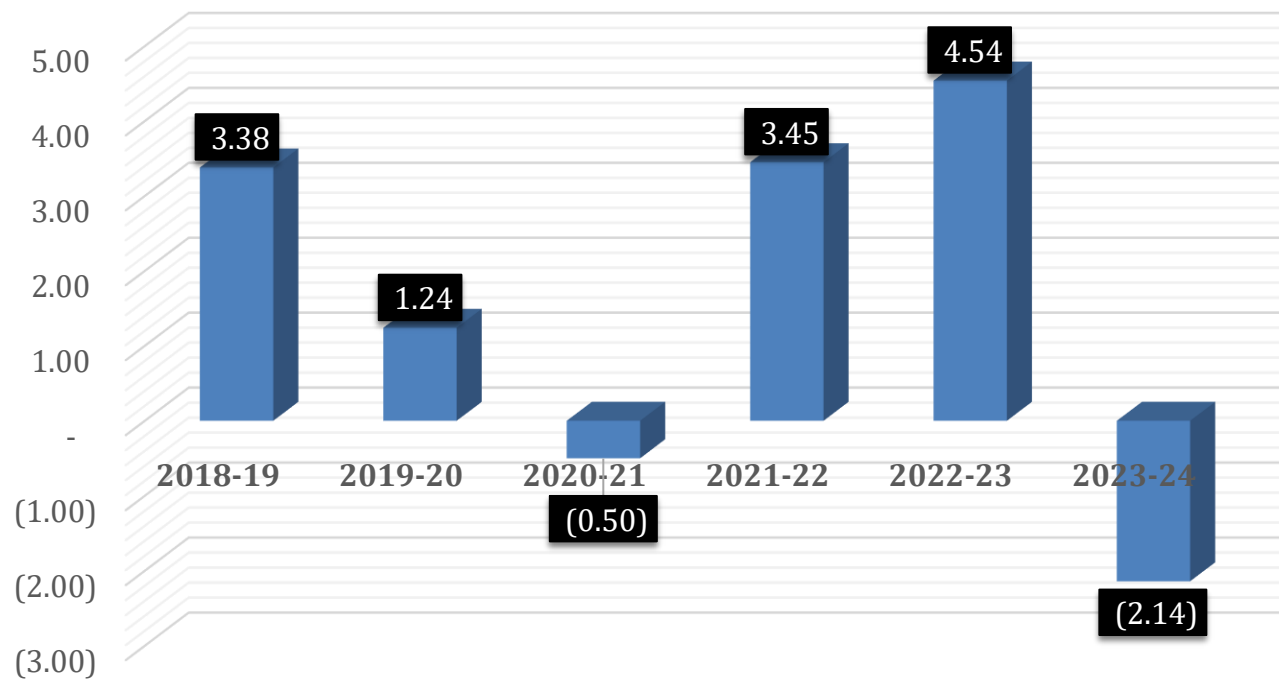
Net Profit (Rs. in Mn)



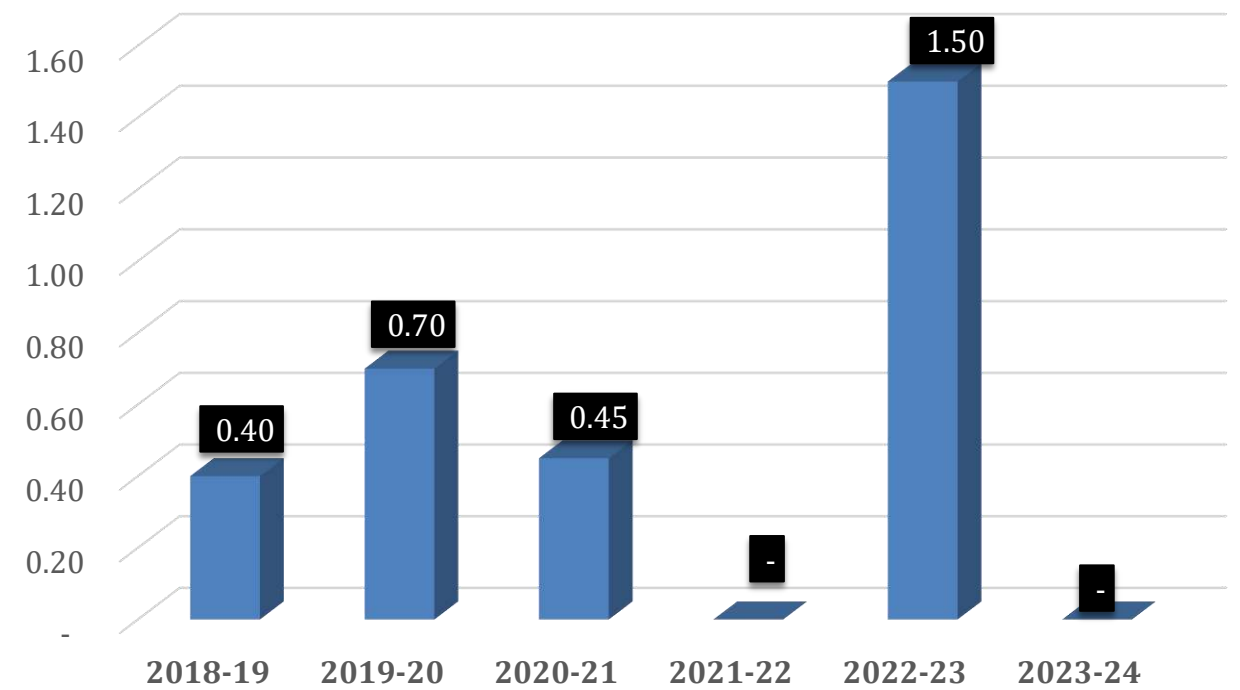


Financial Highlights of the Company

Earning Per Share (Rs.)



Cash Dividend Per Share (Rs.)





Matco Business Divisions



MATCO FOODS LIMITED



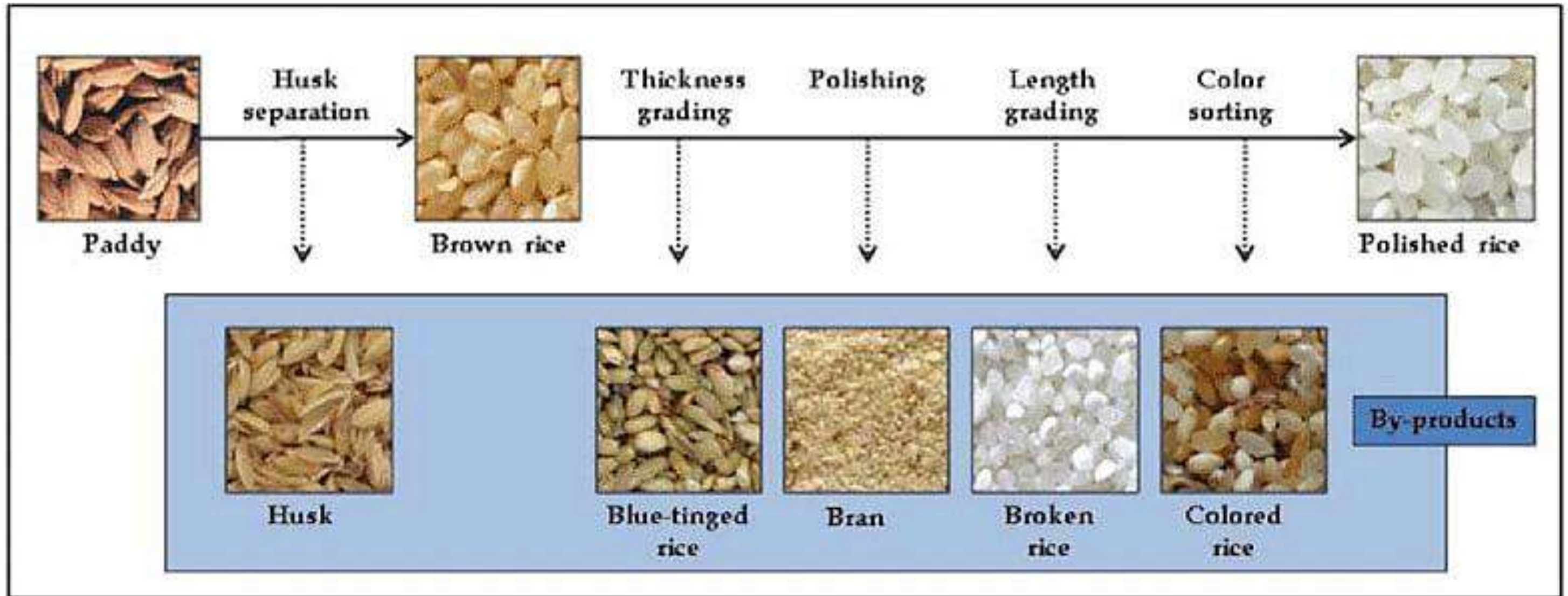
**MATCO FOODS
CORN DIVISION**



**FALAK
FOODS**



Rice Processing Process





Company Sales Comparison with Industry Sales

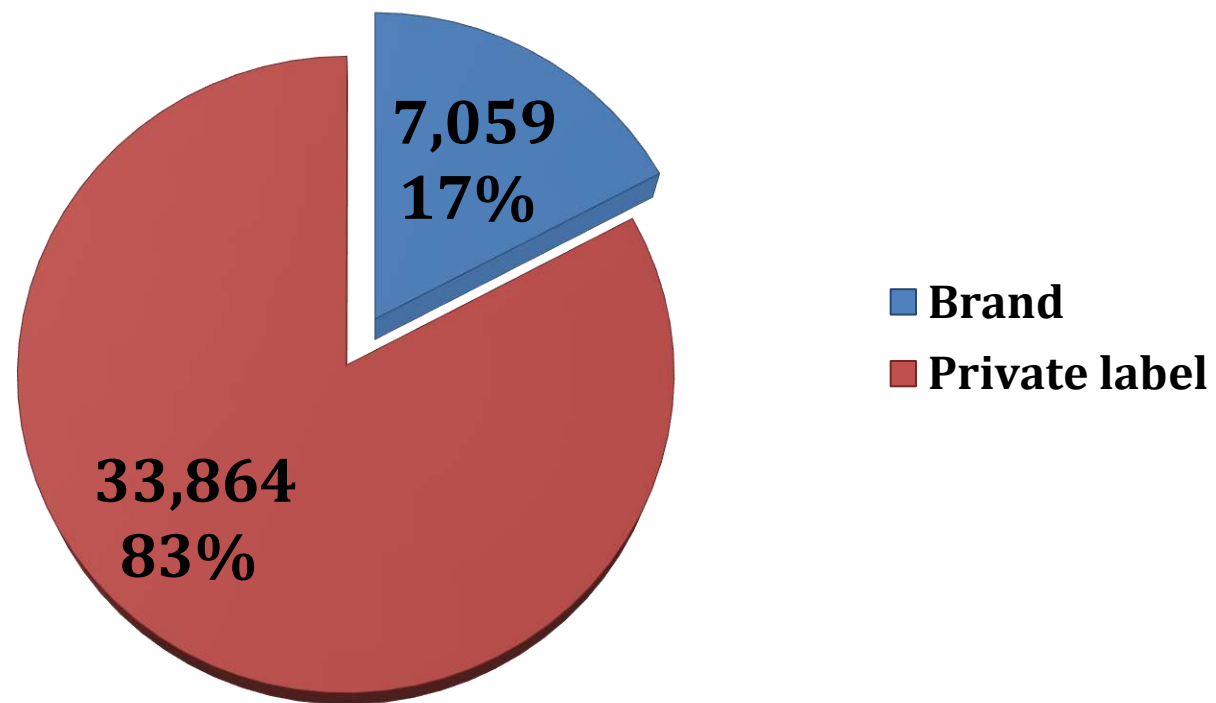
		Matco Foods Limited					
S. No	Variety	Jul-23 to Jun-24		Jul-22 to Jun-23		% Change	
		Unit	Value "000" \$	Unit	Value "000" \$	Qty MT	Value "000" \$
		Qty (MT)		Qty (MT)			
1	Rice (Basmati)	40,923	51,740	32,829	40,067	24.66%	29.14%
2	Rice (Other)	6,984	4,619	6,737	4,070	3.68%	13.50%
	Total Sales of Matco	47,907	56,359	39,566	44,136	21.08%	27.69%

		Pakistan Bureau of Statistics					
S. No	Variety	Jul-23 to Jun-24		Jul-22 to Jun-23		% Change	
		Unit	Value "000" \$	Unit	Value "000" \$	Qty MT	Value "000" \$
		Qty (MT)		Qty (MT)			
1	Rice (Basmati)	773,775	877,077	595,617	650,532	29.91%	34.82%
2	Rice (Other)	5,244,690	3,054,708	3,123,041	1,498,669	67.94%	103.83%
	Total Sales of PBS	6,018,465	3,931,785	3,718,658	2,149,201	61.85%	82.94%

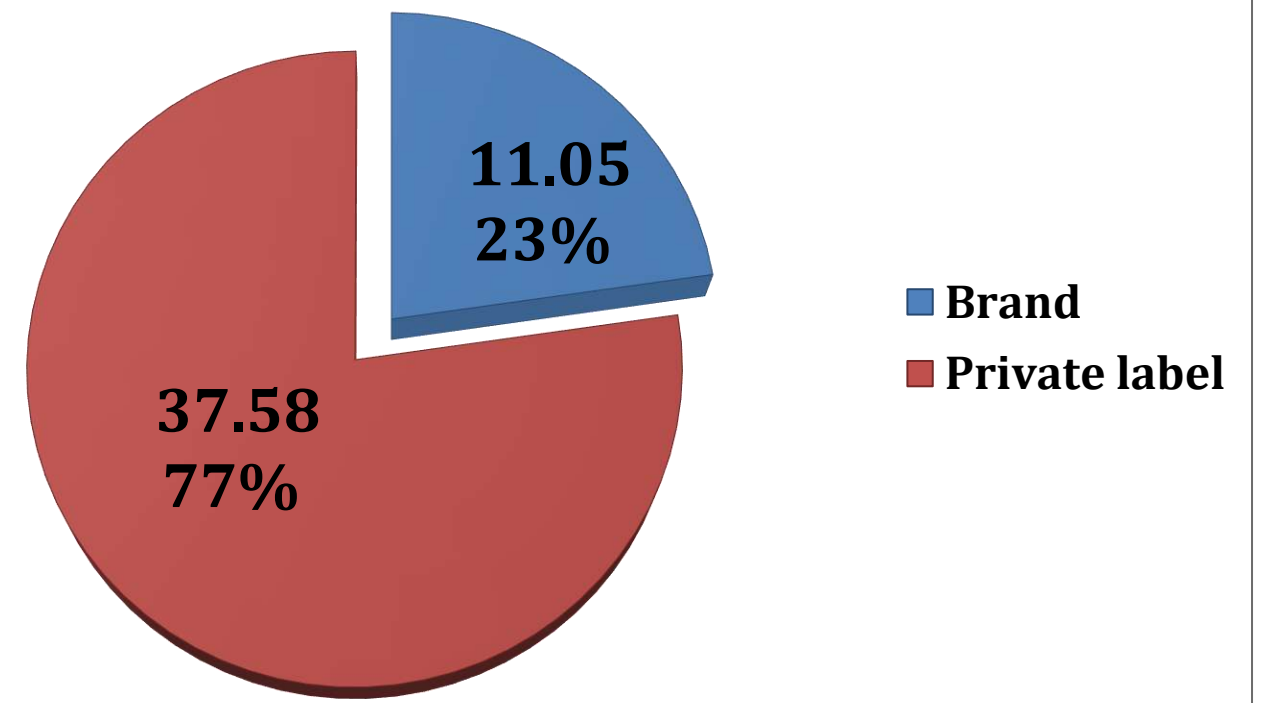


Comparison of Brand vs. Private Label (Basmati)

M. Tons



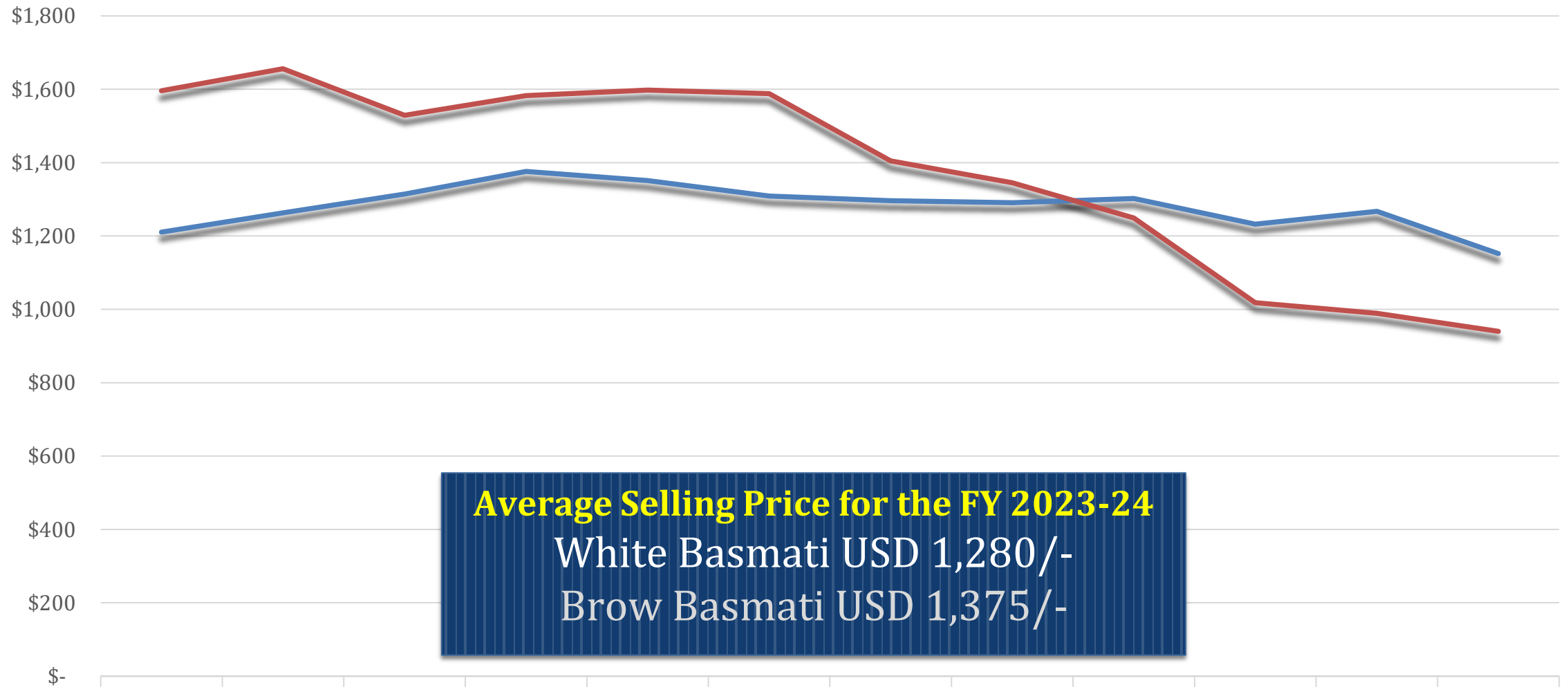
Value in USD (million)





Pakistani Basmati (Market Rate in \$)

Average Selling Price (USD/MT)



Average Selling Price for the FY 2023-24
 White Basmati USD 1,280/-
 Brown Basmati USD 1,375/-

	Jul-23	Aug23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
— White Basmati	\$1,211	\$1,263	\$1,314	\$1,376	\$1,351	\$1,309	\$1,296	\$1,291	\$1,302	\$1,232	\$1,267	\$1,152
— Brown Basmati	\$1,596	\$1,656	\$1,529	\$1,583	\$1,598	\$1,588	\$1,405	\$1,345	\$1,249	\$1,018	\$989	\$940

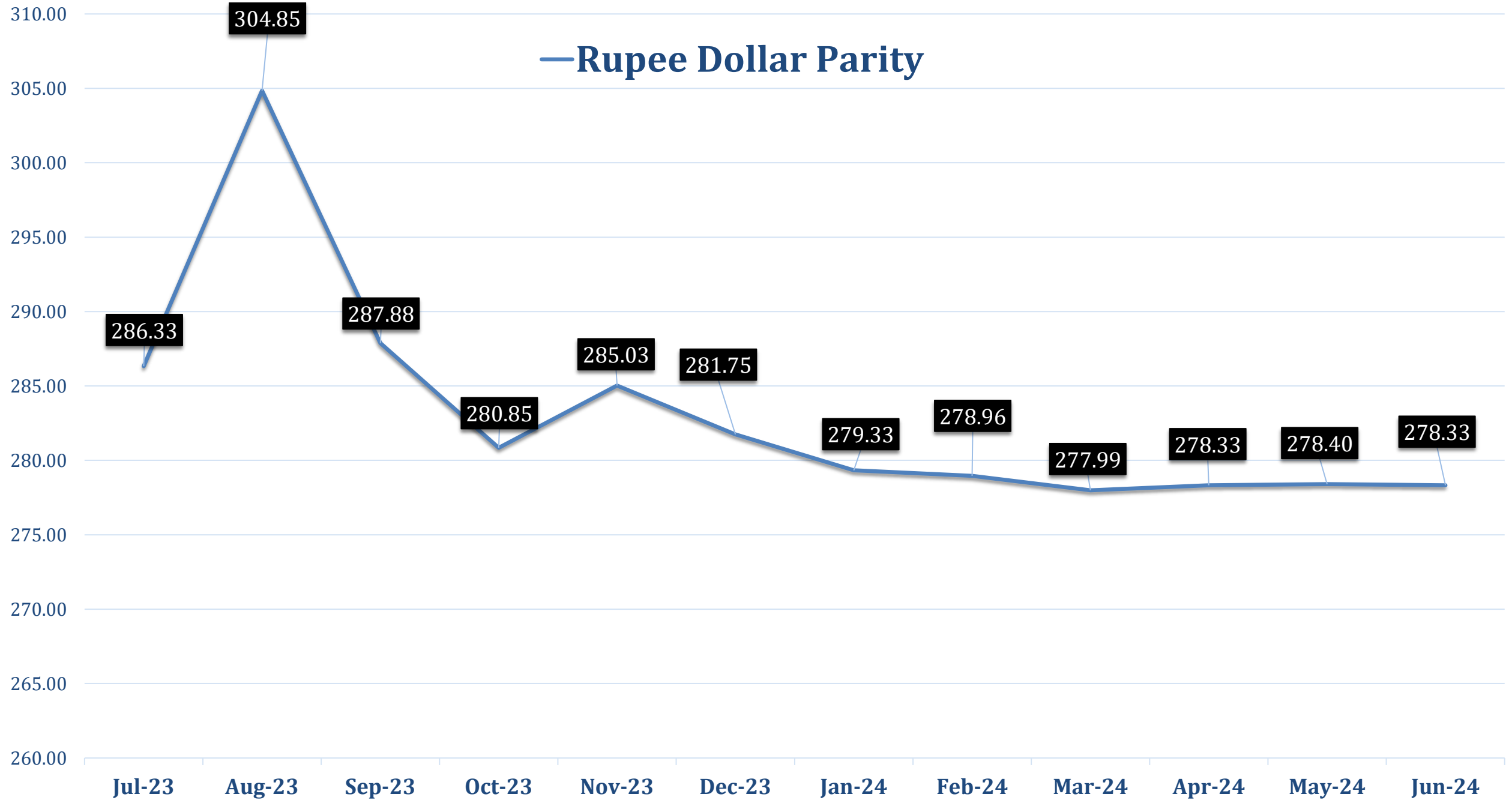


Insights from Rice Sales

- Basmati Rice exports saw a significant increase in both volume and value, reflecting strong demand and favorable pricing compared to the previous year.
- Irri Rice exports showed modest volume growth, but revenue growth was driven by better pricing, despite lower overall demand.
- The exchange rate movements throughout FY 2023–24 remain stable.
- With an eye on anticipated demand for the next year, the Company is placing a stronger emphasis on achieving volumetric growth in Basmati Rice exports.



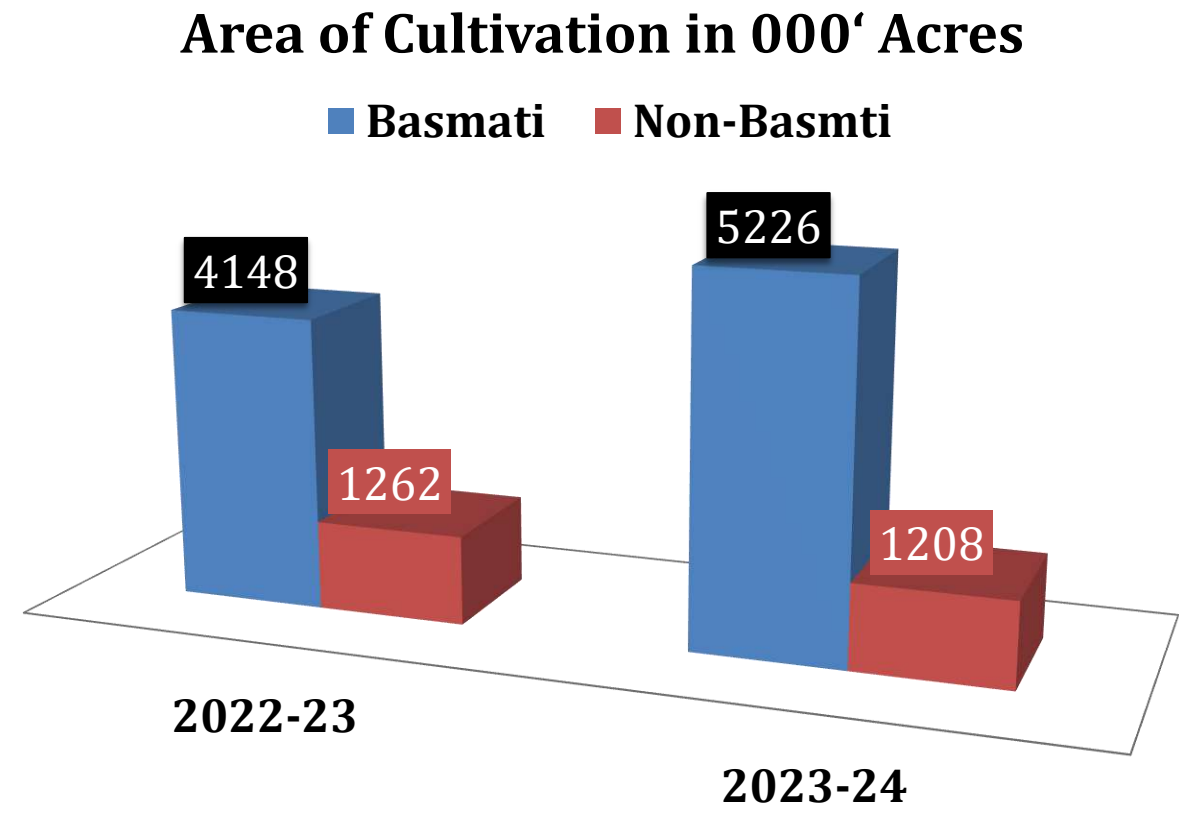
Exchange Rate





Rice Crop 2023-24

- In 2023-24, total area of rice cultivation has increased significantly by 20%, 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%





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.

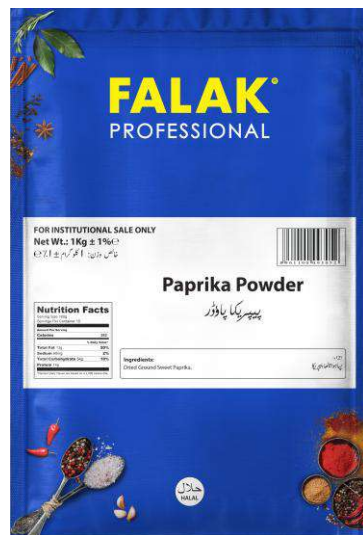
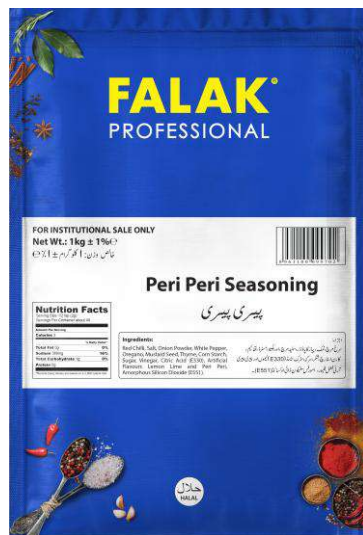
New Products in 2024





FALAK Food Division

PRODUCTS IN BULK PACKING





FALAK Food Division

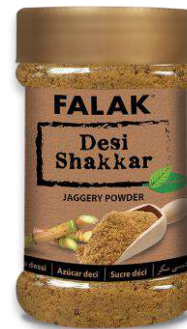
PRODUCTS IN BULK PACKING





FALAK Food Division

Other Products



Major Customers

LMTS



IMTS

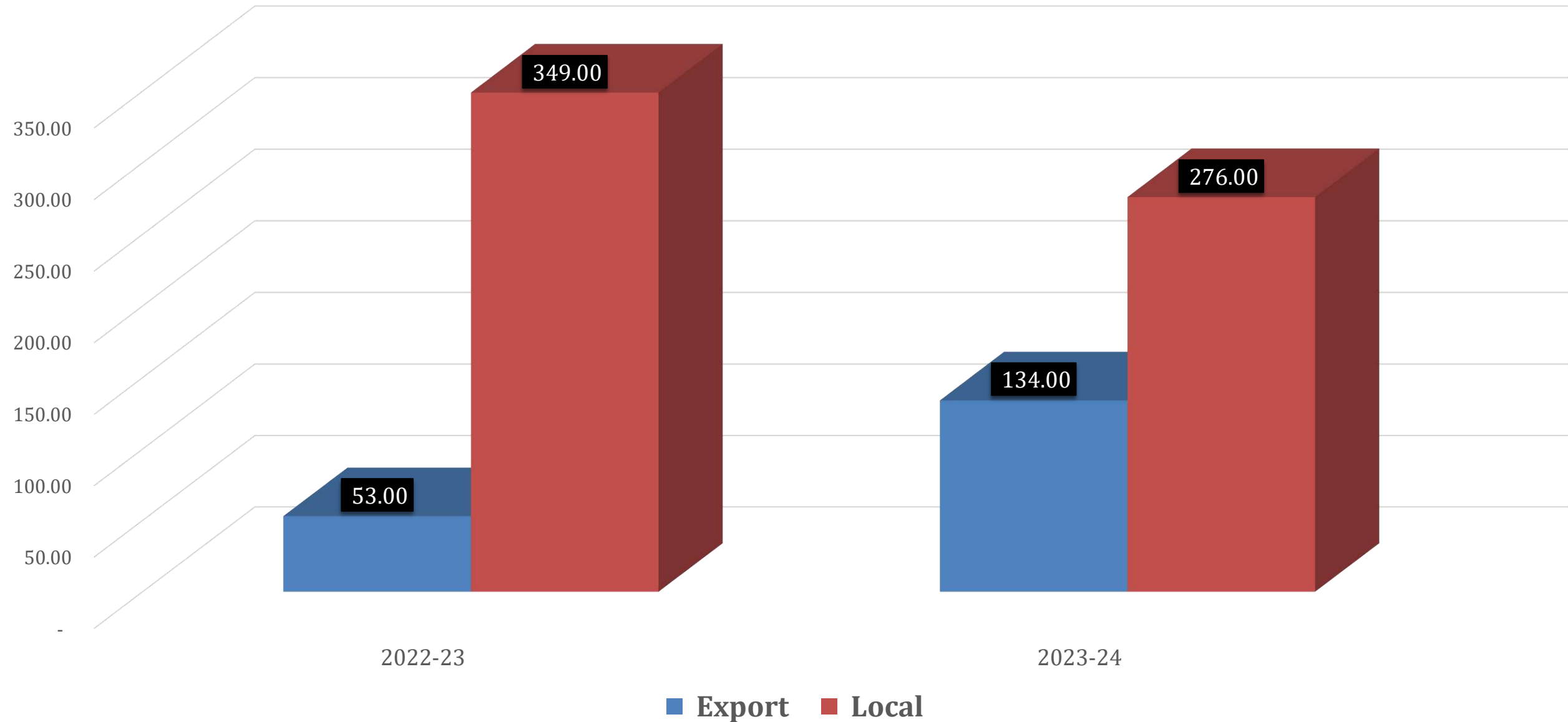


Division	2023-24	2022-23	Increase/(Decrease)
	Sales in Million Rupees		Value (Rs.)
Falak Food	410	402	8 (2%)



FALAK Food Division

SALE OF PRODUCTS FALAK FOOD DIVISION





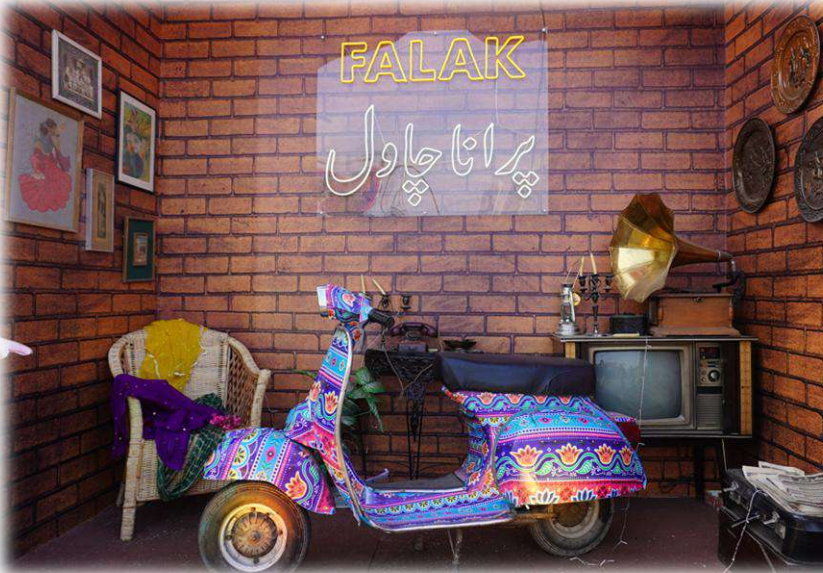
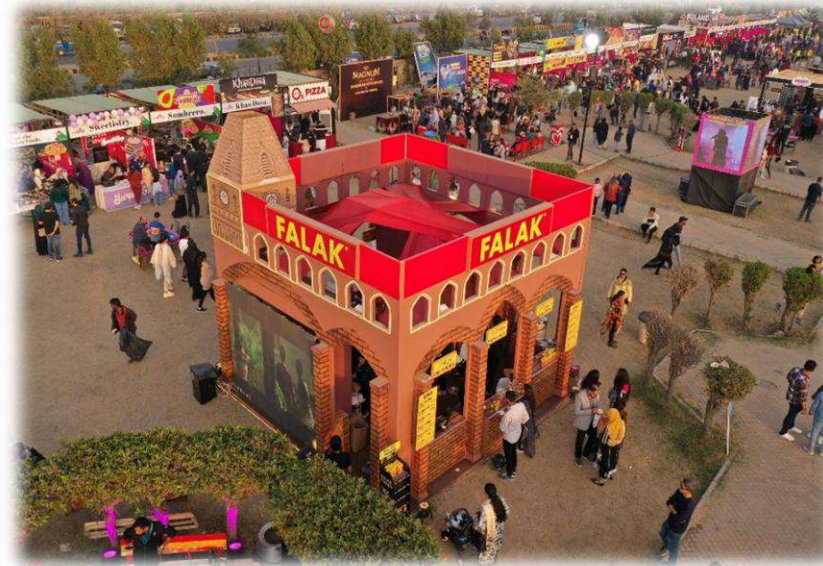
Marketing Activities

Product Awareness and Marketing through:

- International Marketing and Media Campaigns.
- Exhibition (IFT at Chicago, PLMA 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





ADVERTISEMENT





Consumer Engagement Activities





Digital Media Campaigns

Digital media campaigns in Maldives, Toronto, USA, Australia and Europe

FALAK
You Tube
 Digital Media Campaign

Barcelona Madrid
 Dublin Lisbon

Ads will start from Today till 1st Sep 2023

FALAK
 f i
 Digital Media Campaign

Maldives

Ads will start from Today till 15 Oct 2023

FALAK
 You Tube f
 Digital Media Campaign

TORONTO

Ads will start from Today till 21st Sep 2023

FALAK
 You Tube f
 Digital Media Campaign

Europe USA & Canada
 ME & Africa Australia

Ads will start from Today till 19 Nov

FALAK
 You Tube
 Digital Media

Ads will start from 3rd Aug 2023 to 1st Sep 2023

Dublin / Lisbon / Madrid / Barcelona

FALAK
 World Cup
 Digital Media Campaigns

You Tube f

Starting from 6 Oct Till 19 Nov

Uk & Europe: Italy/Birmingham/Leicester/Manchester/Bradford
 USA & Canada: New York/Chicago/Texas/New Jersey/Virginia
 /dallas/California/Ontario/Calgary
 ME & Africa: SouthAfrica/UAE/QATAR
 Australia: Sydney/Melbourne/Brisbane

FALAK
 Electronic Media Campaign

USA

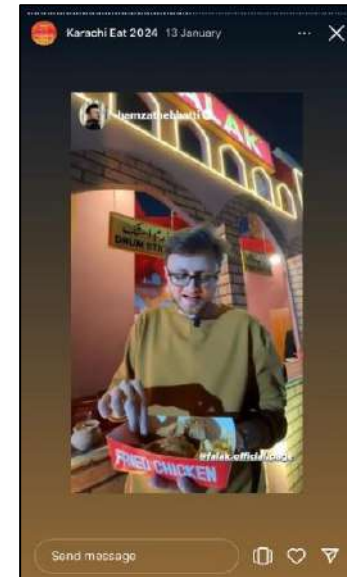
25th October - 12th November, 2023
 20th October - 5th December, 2023

FALAK
 f i
 Digital Media Campaign

Maldives

Ads will start from Today till 21 Dec, 2023

Influencers





Shop Branding

Mannan Supermarket-USA



Ittadi Bazar-USA

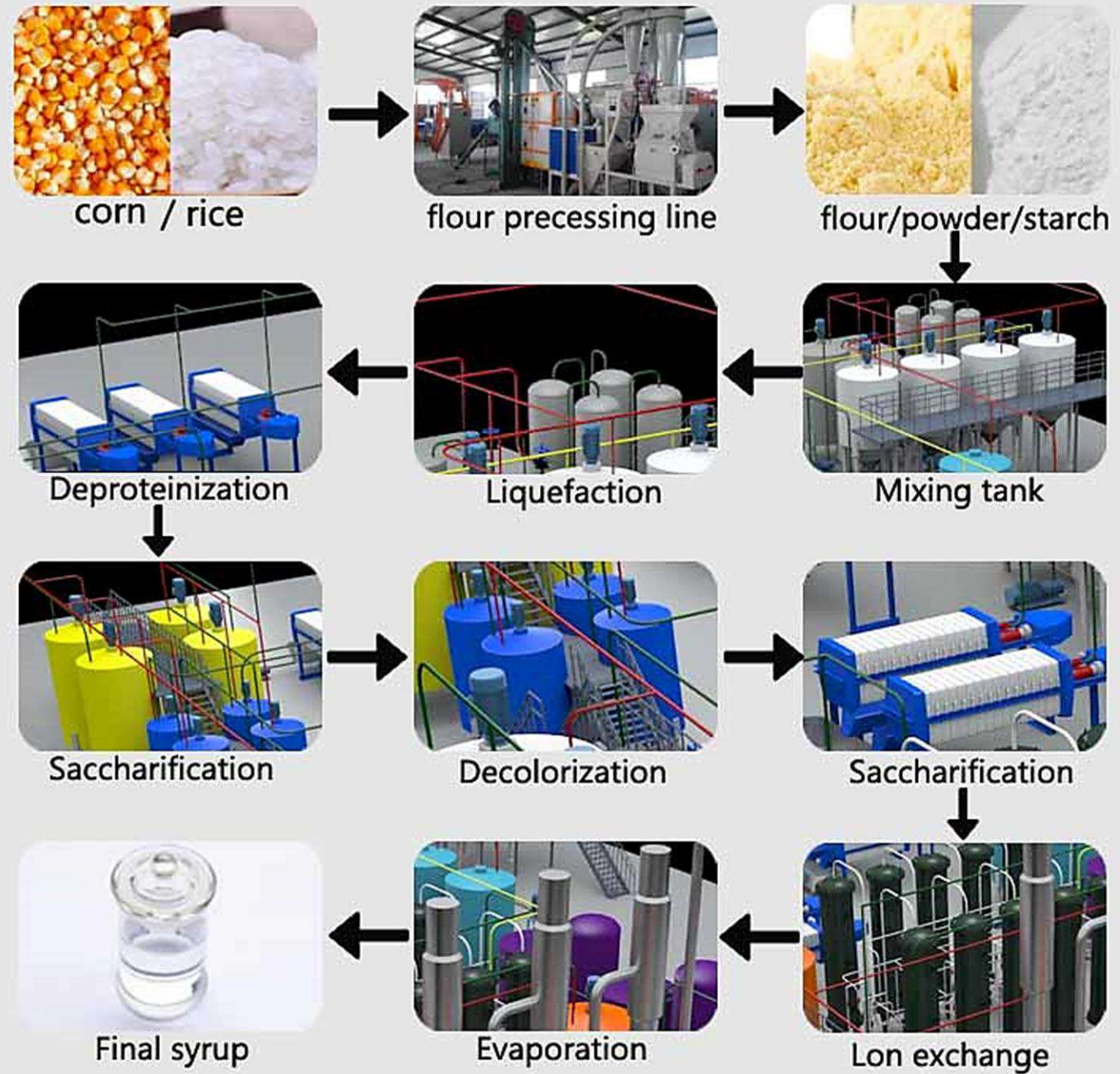


Imtiaz - KARACHI





Rice Glucose Division





Rice Glucose Division

Products

CLARIFIED BROWN RICE SYRUP

- * Organic
- * Sweet Flavour
- * Odourless
- * Keeps food fresh



RICE GLUCOSE DIVISION

High Quality
Organic Maltodextrin



MAT-MALT
ORGANIC MALTODEXTRIN

16020


Net Wt. 25kg

MADE FROM / FRO BAKED ON SOON

matco.com

RICE PROTEIN

- ✓ Easily Digestible
- ✓ Improves body compositions
- ✓ Contains all essential amino acids



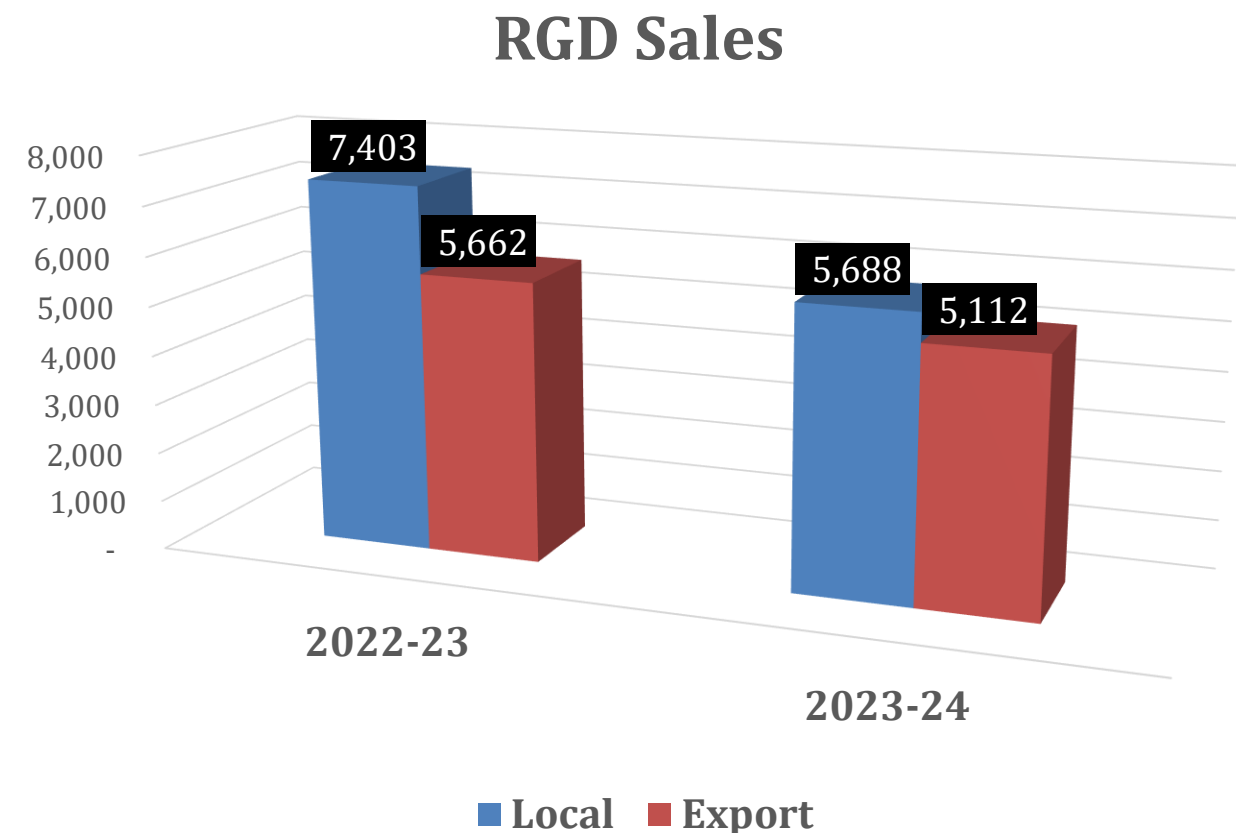
RICE GLUCOSE DIVISION



Insights from Rice Glucose Division

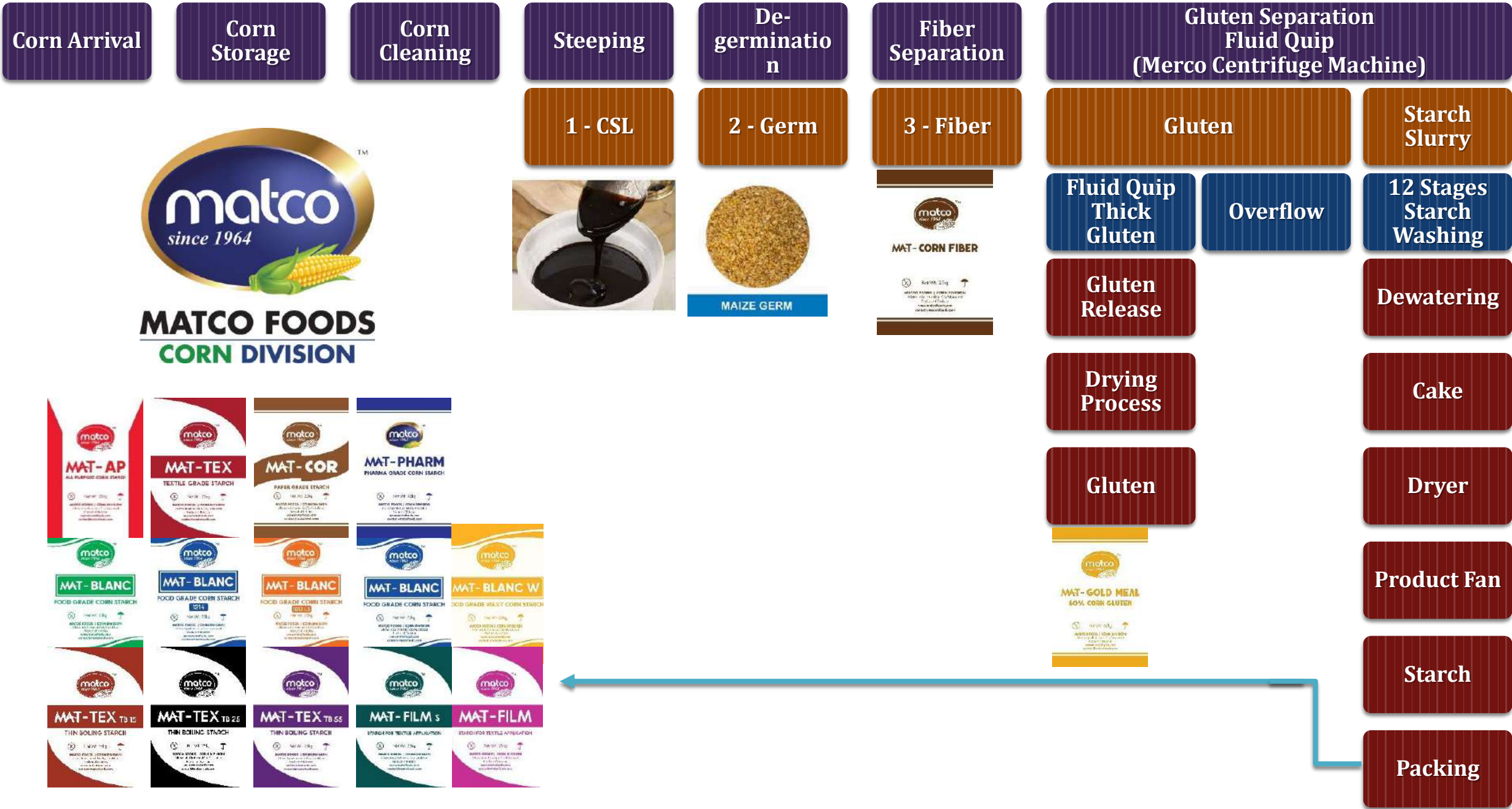
- Exports faced a decline due to insufficient demand.
- Within the domestic landscape, raw material prices for the Rice Glucose Division experienced an unforeseen surge.
- This surge in raw material prices was primarily set off by parallel and unanticipated demand from the confectionery, pharmaceuticals,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

RGD Export Sale Comparison		
	2023-24	2022-23
M. Tons	5,112	5,662
Value in Million USD	4.88	5.63





Corn Starch Division





Corn Starch Division

INDUSTRIAL INGREDIENTS

FOOD AND PHARMA INGREDIENTS

TEXTILE



CHEMICAL & ALLIED



PHARMACEUTICALS



FOOD



PAPER & CORRUGATION



Corn Starch Division



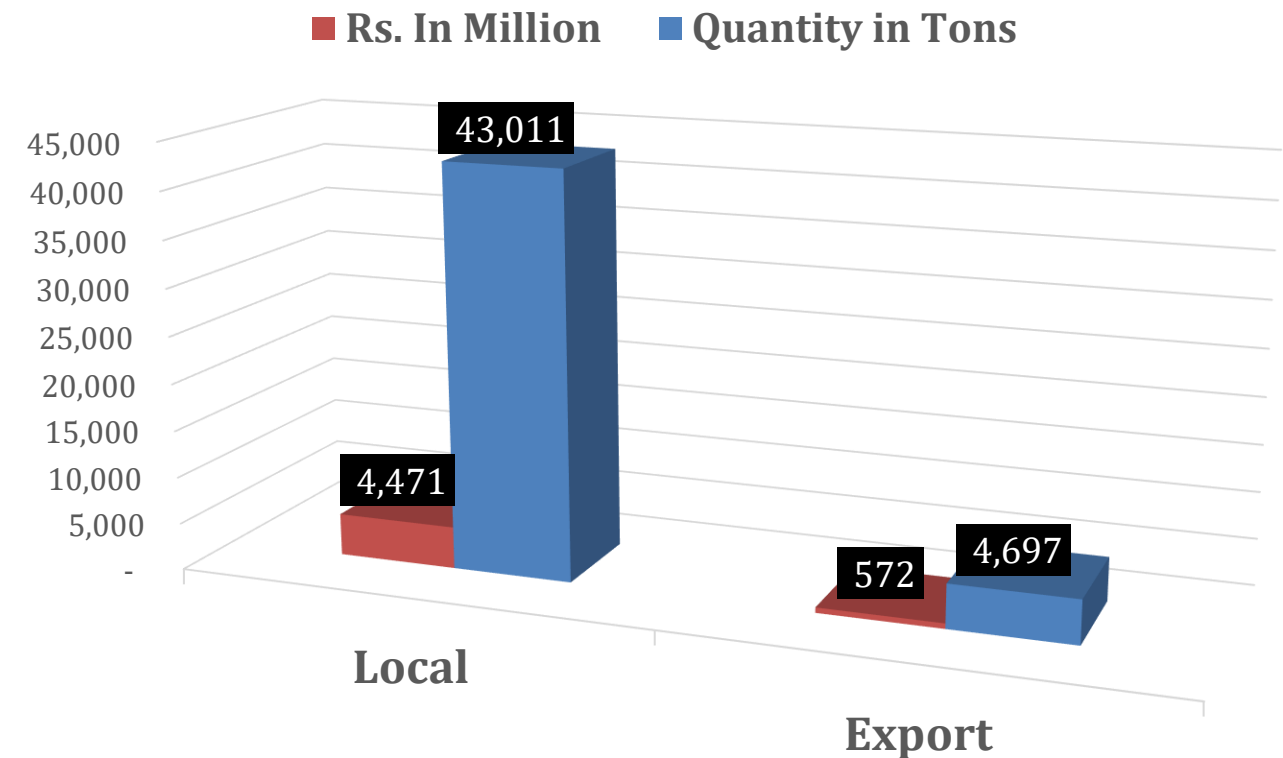


Insights from Corn Starch Division

- 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		
	2023-24	2022-23
Local (in Million Rs.)	4,471	1,855
Export (in Million Rs.)	572	402

CSD Sales (Quantity and Value)





Transition to Green Energy



Solar Installations

During the year 1.5 MW solar project is installed for corn starch division.



Renewable Energy

Harnessing the power of the sun to reduce their carbon footprint.



Sustainable Practices

Adopting renewable energy to support their environmental initiatives.



Certifications





Challenges in 2024

1 *Inflationary Pressure on Buying*

Raw material costs rising rapidly.

2 *Competition Increase*

Domestic and International foods brands expanding

3 *Private Label Threat*

Lower priced alternatives attract consumers.

4 *Export Market Volatility*

Global rice prices fluctuating.

5 *High cost of doing business*

Due to inflation, cost of doing business is high





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.

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 2025.
- 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