PACKAGES LIMITED

Sec/ /2020

Karachi
20 October 2020

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Dear Sir,

FINANCIAL RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

The Board of Directors of Packages Limited in their Meeting held today at 10:30 A.M. at Lahore gave their permission for the release and placing on the Company's website (www.packages.com.pk/financial-reports/)the unaudited condensed interim financial information in respect of the above captioned period.

The financial results of the Company are as follows:-

	Quarter ended		Nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	(Rupees in thousand)		(Rupees in thousand)	
Local sales	9,113	6,789,630	15,316,906	20,347,827
Export sales	22,591	24,300	113,701	167,450
	31,704	6,813,930	15,430,607	20,515,277
Less: Sales tax	1,346	1,045,983	2,365,394	3,215,495
Trade discount	-	83,544	257,622	255,331
	1,346	1,129,527	2,623,016	3,470,826
Net sales	30,358	5,684,403	12,807,591	17,044,451
Cost of sales	(15,931)	(4,626,157)	(10,011,047)	(13,648,795)
Gross profit	14,427	1,058,246	2,796,544	3,395,656
Administrative expenses	(135,189)	(284,191)	(714,695)	(798,897)
Distribution and marketing costs	-	(302,575)	(747,740)	(1,002,434)
Net reversal/(impairment) losses on financial assets	66,886	12,631	(72,210)	(50,059)
Other expenses	(30,510)	(22,836)	(245,278)	(707,493)
Other income	172,625	71,835	315,759	197,789
Profit from operations C/F.	88,239	533,110	1,332,380	1,034,562

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PACKAGES FOR EVERY PURPOSE

Head Office, Sales Office & Works:
SHAHRAH-E-ROOMI, P.O. AMER SIDHU, LAHORE-54760, PAKISTAN PH: (042) 35811541-46 FAX: (042) 35811195

Registered Office & Regional Sales Office:
4TH FLOOR, THE FORUM, SUITE # 416-422, G-20, BLOCK 9, KHAYABAN-E-JAMI, CLIFTON, KARACHI-75600, PAKISTAN PH: (021) 35874047-49, 35378650-51, 35831618, 35833011, 35831664 FAX: (021) 35860251 EMAIL: info@packages.com.pk WEBSITE: www.packages.com.pk

Regional Sales Office:
G.D. ARCADE, 2ND FLOOR, 73-E FAZAL-UL-HAQ ROAD, BLUE AREA, ISLAMABAD-44000, PAKISTAN PH: (051) 2348307-09, 2348306, 2806267 FAX: (051) 2348310

		Quarter ended		Nine months ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
		(Rupees in thousand)		(Rupees in thousand)	
	B/F.	88,239	533,110	1,332,380	1,034,562
Finance costs		(72,886)	(308,046)	(648,132)	(741,326)
Investment income		303,164	279,167	642,422	1,812,038
Profit before taxation		318,517	504,231	1,326,670	2,105,274
Taxation		(71,294)	(335,972)	(319,000)	(686,000)
Profit for the period		247,223	168,259	1,007,670	1,419,274

Earnings per share

Basic	**(Rupees)**	2.77	1.88	11.27	15.88
Diluted	**(Rupees)**	2.77	1.88	11.18	15.40

In 2019, the Board of Directors and Shareholders of your Company approved the internal restructuring of the Company including transfer of its manufacturing businesses including folding cartons, flexible packaging, consumer products and mechanical fabrication & roll covers along with all relevant assets, operations and corresponding liabilities (Converting Business) to a newly formed wholly owned subsidiary i.e. Packages Convertors Limited (PCL) subject to applicable regulatory approvals. On January 22, 2020, PCL received in-principle approval of Securities and Exchange Commission of Pakistan (SECP) subject to certain conditions being met against its application under regulation 7 of the Companies (Further Issue of Shares) Regulations, 2018 read with section 83(1) of the Companies Act, 2017. The Company transferred its Converting Business at carrying value of Rs 3,083 million as of July 01, 2020 upon completion of formalities. PCL has accordingly made regulatory reporting to SECP and shares will be issued to the Company upon SECP's final approval for consideration otherwise than in cash i.e. Converting Business.

As a result, the operations of Converting Business have now become part of PCL effective July 1, 2020. The Converting Business has generated net sales of Rs. 6,026 million and profit after tax of Rs. 320 million during the quarter ended September 30, 2020 and these financial results are not part of the stand-alone financial statements of the Company as reported above instead these form part of the consolidated financial statements of the Company (PCL being 100% subsidiary of the Company) for the quarter ended September 30, 2020 as tabled below.

PACKAGES LIMITED

	Quarter ended		Nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	(Rupees in thousand)		(Rupees in thousand)	
Local sales and services	19,039,165	18,118,527	54,963,693	51,979,005
Export sales	409,299	219,920	1,105,035	756,044
	19,448,464	18,338,447	56,068,728	52,735,049
Less: Sales tax	2,582,427	2,436,024	7,628,425	7,094,967
Commission	3,782	6,720	8,395	16,962
Trade discount	181,197	83,544	438,819	255,331
	2,767,406	2,526,288	8,075,639	7,367,260
Net sales	16,681,058	15,812,159	47,993,089	45,367,789
Cost of sales and services	(13,291,825)	(13,060,617)	(38,468,694)	(38,168,202)
Gross profit	3,389,233	2,751,542	9,524,395	7,199,587
Administrative expenses	(607,469)	(638,050)	(1,808,462)	(1,842,401)
Distribution and marketing costs	(640,602)	(743,270)	(1,963,943)	(2,130,692)
Net reversal/(impairment) losses on financial assets	54,209	12,631	(84,660)	(51,496)
Other expenses	-	(43,779)	(546,004)	(969,729)
Other income	118,742	32,956	224,201	392,197
Finance costs	(946,573)	(1,048,093)	(2,916,591)	(2,742,902)
Investment income	303,164	279,167	456,431	1,605,108
Share of (loss)//profit of investments accounted for using the equity method - net of tax	76,397	(8,444)	124,160	(84,098)
Profit before taxation	1,747,101	594,660	3,009,527	1,375,574
Taxation	(440,673)	(336,627)	(1,060,803)	(828,695)
Profit for the period	1,306,428	258,033	1,948,724	546,879

Attributable to:

Equity holders of the Parent Company	1,295,549	151,876	1,965,072	380,645
Non-controlling interest	10,879	106,157	(16,348)	166,234
	1,306,428	258,033	1,948,724	546,879

Earnings per share attributable to equity holders of the Parent Company

Basic	(Rupees)	14.49	1.70	21.99	4.26
Diluted	(Rupees)	14.13	1.70	20.47	4.26

PACKAGES LIMITED

The Report of the Company for the nine months ended 30 September 2020 will be transmitted through PUCARS separately, within the specified time.

Yours sincerely,
For PACKAGES LIMITED

(Khurram Raza Bakhtayari)
Chief Financial Officer