

CORPORATE BRIEFING SESSION

27th January 2025



Shahtaj Sugar Mills Ltd.

PROFILE OF COMPANY

Shahtaj Sugar Mills Ltd. is one of the SHAHNAWAZ GROUP companies. It was incorporated on 27th March 1965 as a public limited company under the Companies Act, 1913 (Now Companies Act 2017). Sugar manufacturing & sale is the core business of the Company whereas molasses and bagasse are its significant by-products. It is one of the renowned sugar mills of the Punjab province and contributing to the economy since its inception. Company has also taken an initiative to enter into renewable energy project for generation & sale of electricity and has signed Energy Purchase Agreement and Implementation Agreement. Financial Close of Company's power project has also been notified by Alternative Energy Development Board ("AEDB").

Head Office

72/C-1, M.M. Alam Road,
Gulberg-III, Lahore.
Phone : +92 42 3571 0482-84

Registered Office

19, Dockyard Road,
West wharf, Karachi.
Phone : +92 21 3231 3934-38

Production Facility

Mandi Bahauddin
Phone : +92 546 501 147-49

VISION, MISSION & CORPORATE STRATEGY

Our Vision

Shahtaj Sugar Mills Limited is committed to enhancing its core competencies and aims to be a leading entity through quality and innovation in White Crystalline sugar manufacturing and sustainable energy. We drive growth while ensuring the utmost satisfaction of our customers, employees, and shareholders. Our dedication to eco-friendly practices and diversification into renewable energy will pave the way for a prosperous and sustainable future.

Our Mission

At Shahtaj Sugar Mills Limited, we are dedicated to producing high-quality sugar while fostering sustainable practices that benefit both the environment and our community. Our mission is to innovate and lead in the sugar manufacturing industry by utilizing renewable energy from Bagasse, the by-product of sugarcane processing. Through this commitment, we aim to reduce our carbon footprint, promote energy independence, and support the growth of a greener economy. We strive to create value for our stakeholders by ensuring efficient, eco-friendly production processes and contributing to the sustainable development of our industry.

VISION, MISSION & CORPORATE STRATEGY (Continued...)

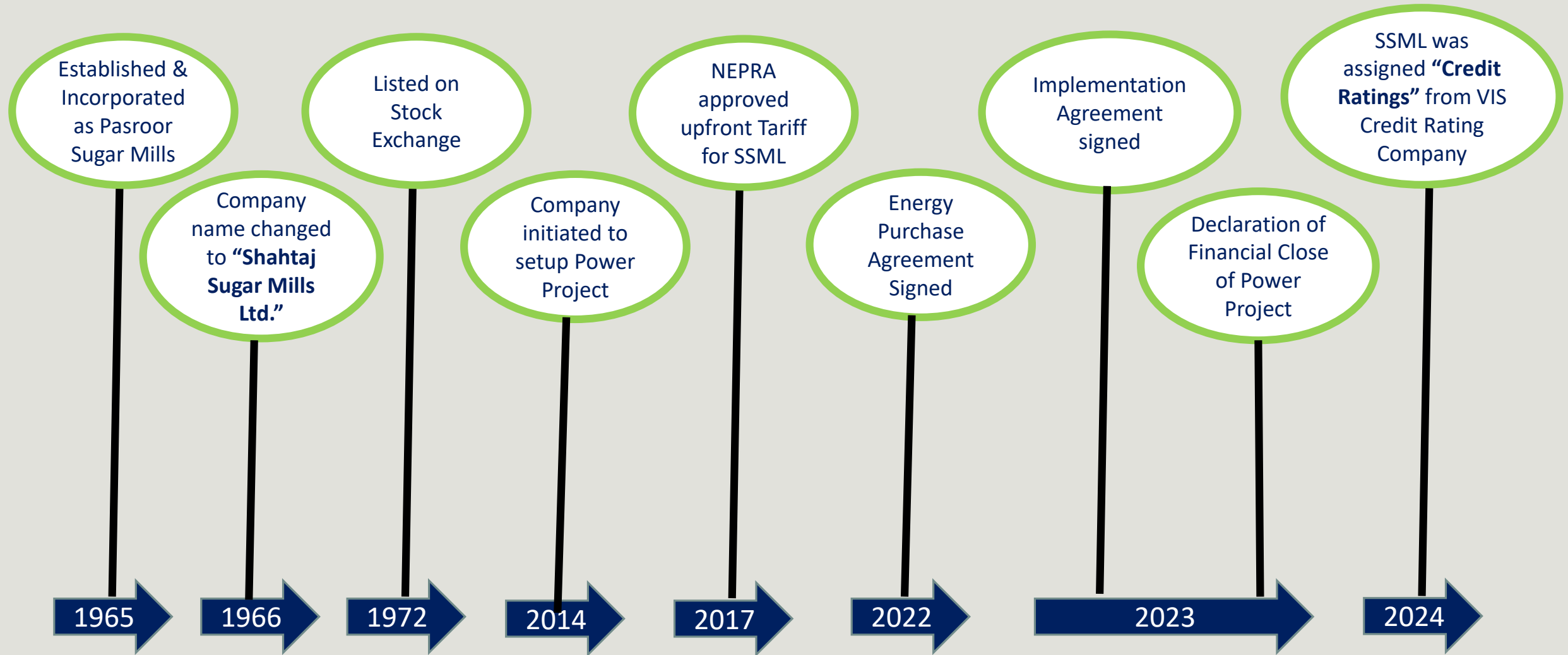
Our Corporate Strategy

To maximize the effective utilization of Manpower, material, and machines by encouraging, supporting, and rewarding employees, eliminating waste, and reducing costs. Our aim is to establish Shahtaj Sugar Mills Limited as a trusted, efficient, and successful name among all stakeholders and customers. We will achieve this through:

- 1. Employee Empowerment and Development:** Foster a culture of continuous learning, innovation, and collaboration by providing ample opportunities for growth and recognizing outstanding performance.
- 2. Operational Efficiency:** Implement advanced technologies and best practices to streamline operations, minimize waste, and enhance productivity.
- 3. Cost Reduction:** Continuously identify and eliminate inefficiencies to reduce operational costs without compromising on quality.
- 4. Sustainability:** Embrace eco-friendly practices, including the utilization of renewable energy sources like Bagasse, to reduce our environmental impact and promote sustainable development.
- 5. Stakeholder Engagement:** Build strong, transparent relationships with all stakeholders, ensuring their needs and expectations are met and exceeded.
- 6. Customer Satisfaction:** Deliver high-quality products and exceptional service to our customers, ensuring their loyalty and trust.

Through these strategic initiatives, we aim to achieve long-term success, creating value for our stakeholders and contributing positively to the industry and community.

COMPANY MILESTONES



CORPORATE SOCIAL RESPONSIBILITIES

➤ **Corporate Philanthropy**

→ Company contributes to the various organizations who serve the humanity.

➤ **Energy Conservation**

→ Energy Conservation Initiatives, like Recycling of utilities, Installation of various speed drives at centrifuges and cane carrier etc. Participation of technical personnel in Energy Conservation seminars.

➤ **Community Investment**

→ Company runs a High School of excellent standards in the Mills residential area for employees' children. Spends around Rs. 10 Million per annum for the school.

➤ **Environment Protection**

→ Used water is recycled for irrigation purposes within and outside Mills. Tree Plantation is done at mills to improve surrounding environment.

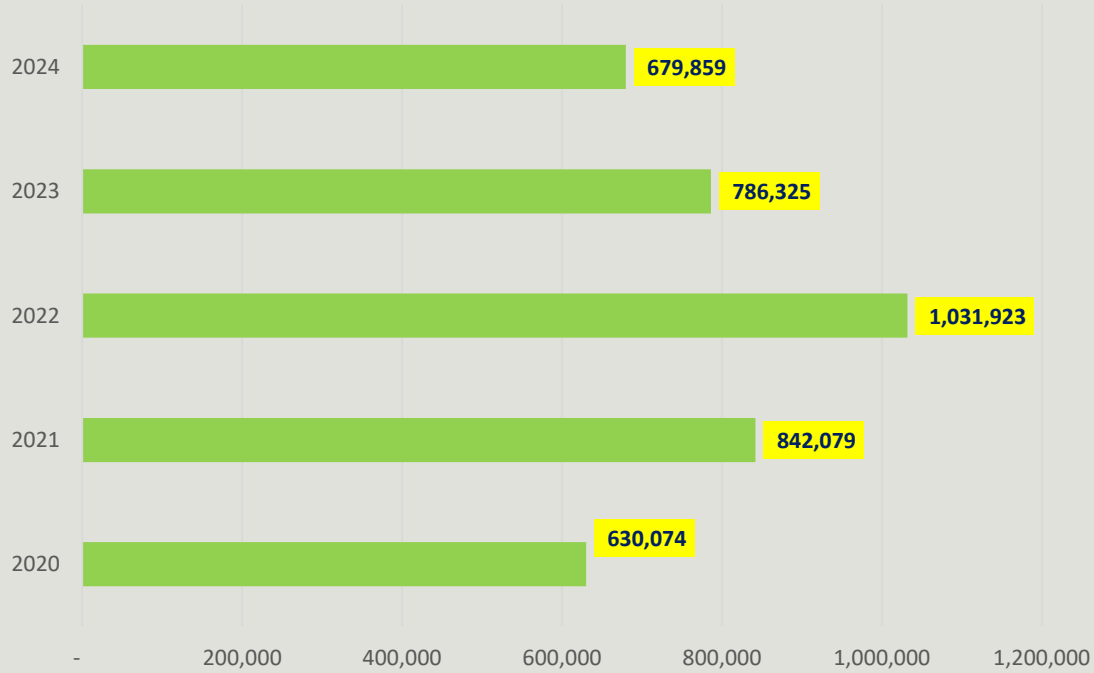
CORE BUSINESS ACTIVITIES

Sugarcane Crushing
(Installed Capacity)
12,000 M. Tons / day

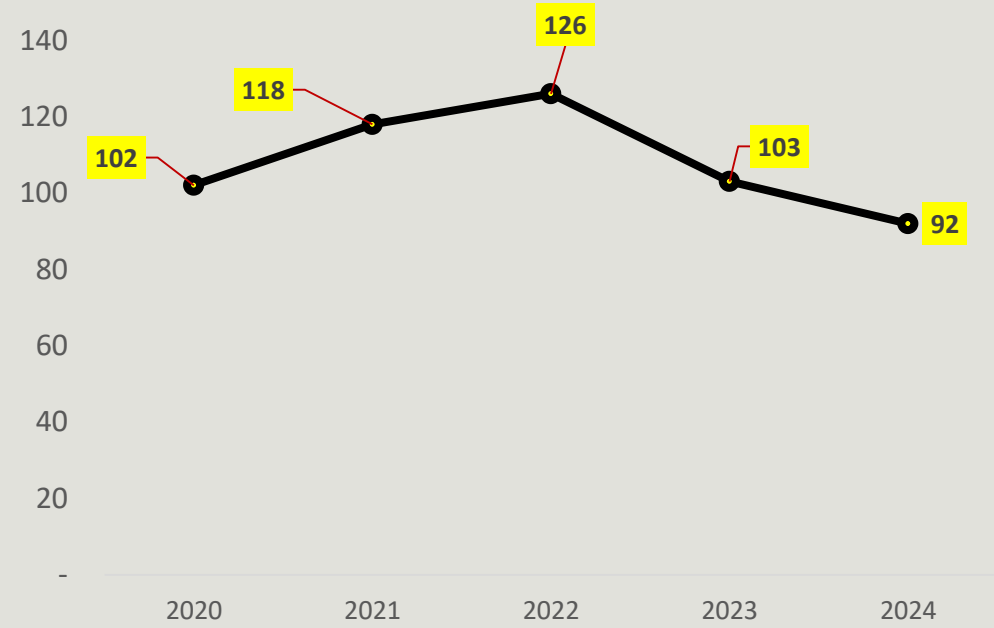
KPIs	Unit	2024	2023	2022	2021	2020
Sugarcane Crushed	M.Tons	679,859	786,325	1,031,923	842,079	630,074
Sugar Production	M.Tons	67,793	77,600	91,603	81,181	59,204
Sugar Recovery	%	9.97	9.87	8.88	9.64	9.41
Crushing Period	Days	92	103	126	118	102

CORE BUSINESS ACTIVITIES

Sugarcane Crushing (M. Tons)

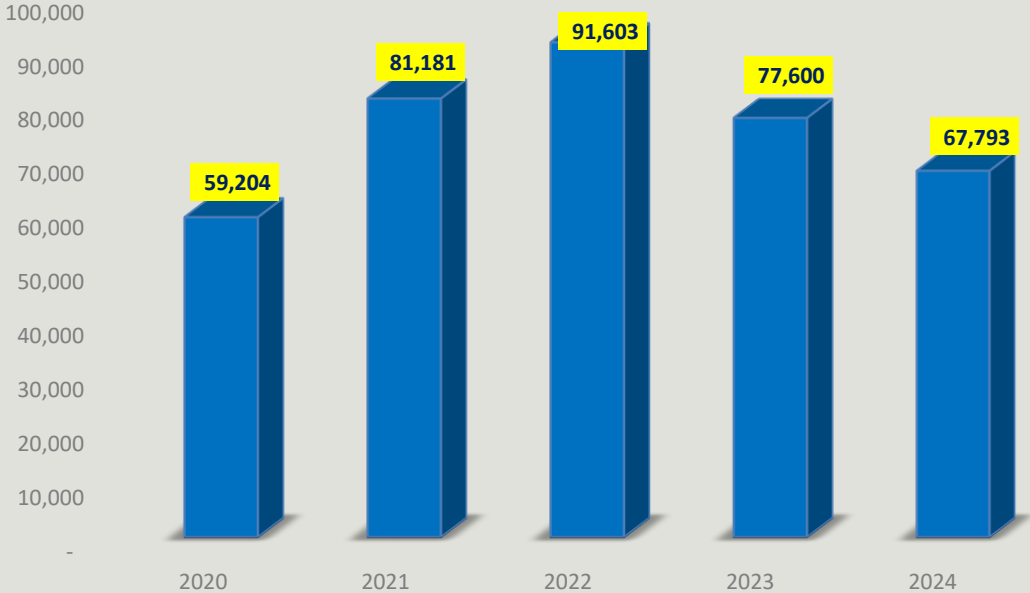


Crushing Period (Days)

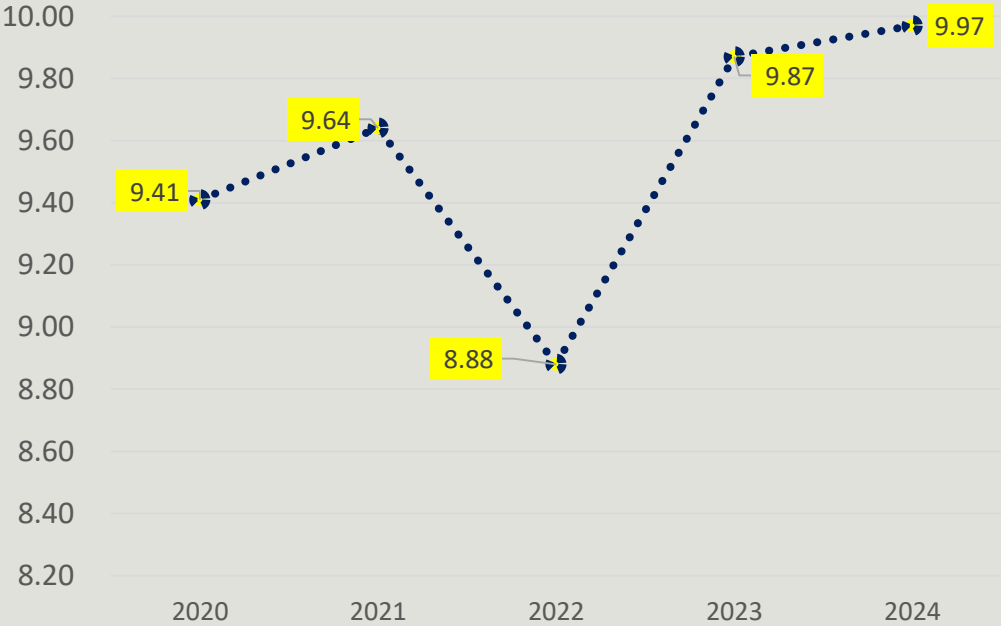


CORE BUSINESS ACTIVITIES

Sugar Production (M. Tons)



Sugar Recovery (%)



UPDATE ON POWER PROJECT

Year wise Evolution on 32 MW Bagasse based Co- Generation Power Project

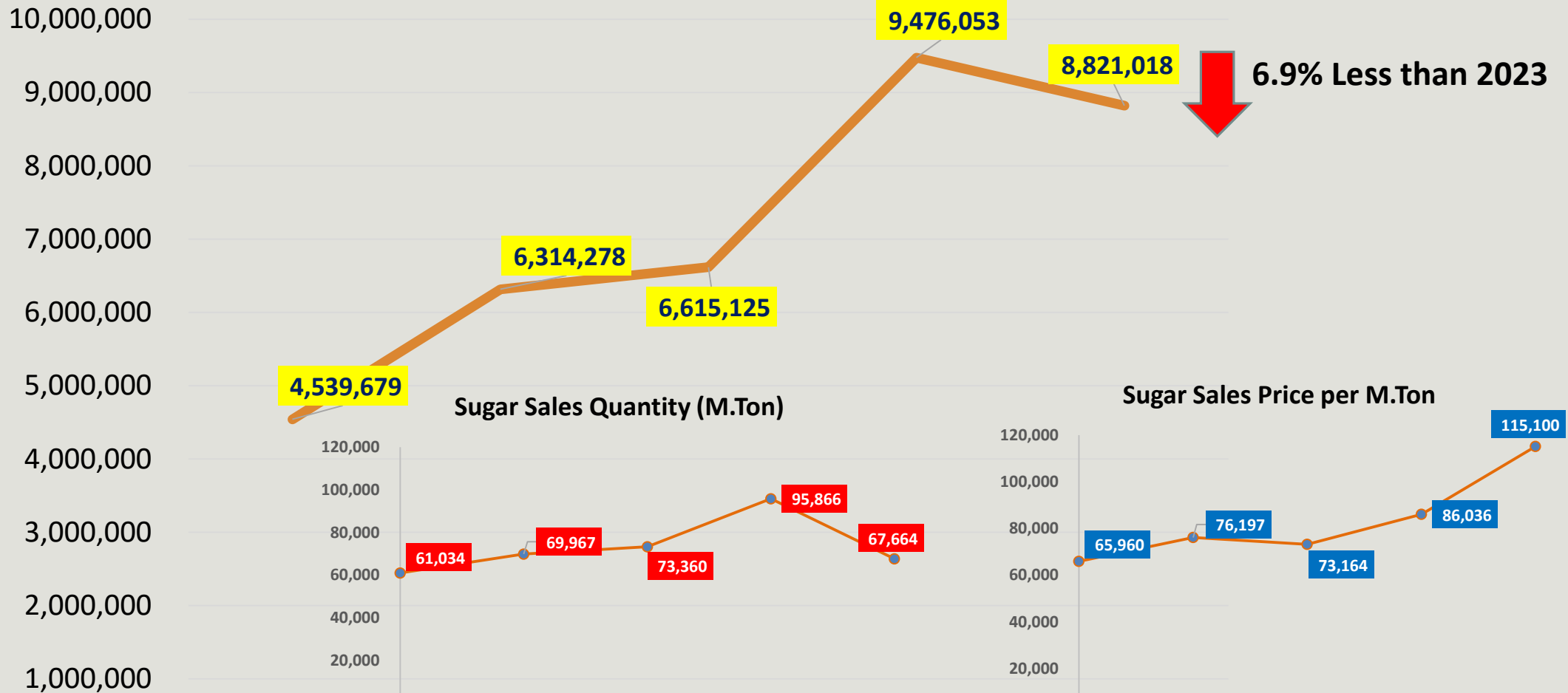
- GoP announced framework “Power Cogeneration 2013 Bagasse and Biomass” 2013
- Shahtaj Sugar Mills Ltd. opted to install power plant under the framework 2014
- Alternative Energy Development Board ("AEDB") issued Letter of Intent to SSML 2014
- Issuance of Generation License to SSML by National Electric Power Regulatory Authority ("NEPRA") 2016
- NEPRA approved Upfront Tariff for SSML 2017
- AEDB issued Letter of Support to SSML 2017
- NEPRA approved Energy Purchase Agreement ("EPA") 2017
- Cabinet Committee on Energy ("CCOE") dis-allowed our power project 2018
- SSML filed a writ petition before Islamabad High Court against the decision of CCOE 2018
- The aforesaid decision was rectified by the Council of Common Interest ("CCI") 2020
- Revision of Upfront Tariff by NEPRA 2022
- Notification of Tariff in National Gazette of Pakistan 2022
- Energy Purchase Agreement - signed between SSML and Central Power Purchasing Agency ("CPPA") 2022
- Signing of Implementation Agreement between SSML and AEDB 2023
- Declaration of Financial Close 2023
- Successful Trails - (as per EPA), prior to energization and synchronization of the Complex 2024

FINANCIAL INFORMATION

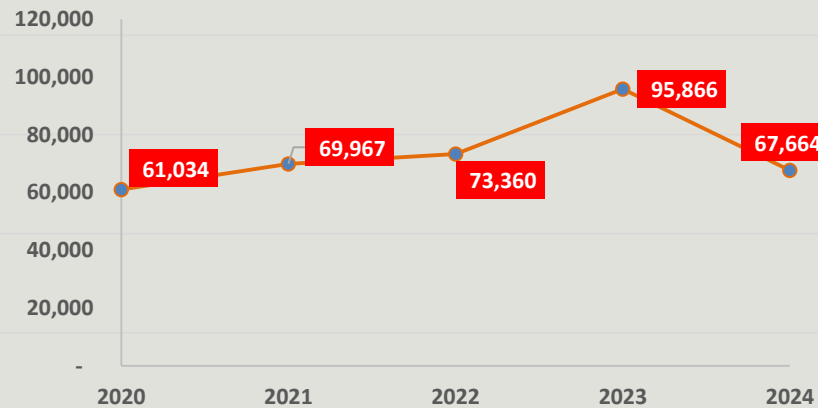
	2024	2023	2022	2021	2020
	----- (Rupees in Thousand) -----				
Sales Revenue	8,821,018	9,476,053	6,615,125	6,314,278	4,539,679
Cost of Sales	(7,893,589)	(7,885,007)	(5,841,353)	(5,503,573)	(4,151,015)
Gross Profit	927,429	1,591,046	773,772	810,705	388,664
Distribution, Administrative, Other expenses & Other Income	(352,014)	(442,992)	(292,339)	(262,994)	(248,338)
Finance Cost	(644,724)	(503,118)	(431,282)	(264,412)	(138,785)
Share of profit of associate	5,482	16,861	35,265	30,957	10,958
(Loss) / Profit before Income tax & Levy	(63,827)	661,797	85,416	314,256	12,499
Levy	(114,127)	(14,745)	(84,880)	(79,950)	(69,965)
(Loss) / Profit before Income tax	(177,954)	647,052	536	234,306	(57,466)
Income tax	210,099	(241,580)	541	(29,479)	(985)
Profit / (Loss) for the year	32,145	405,472	1,077	204,827	(58,451)

GRAPHICAL HIGHLIGHTS

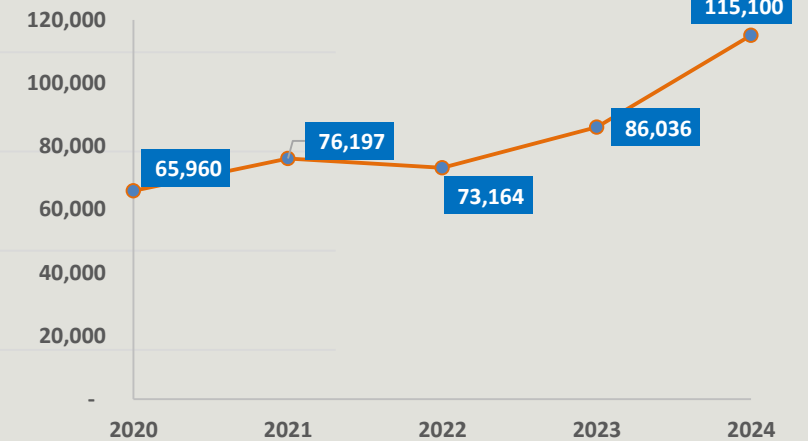
Sales Revenue



Sugar Sales Quantity (M.Ton)



Sugar Sales Price per M.Ton



2020

2021

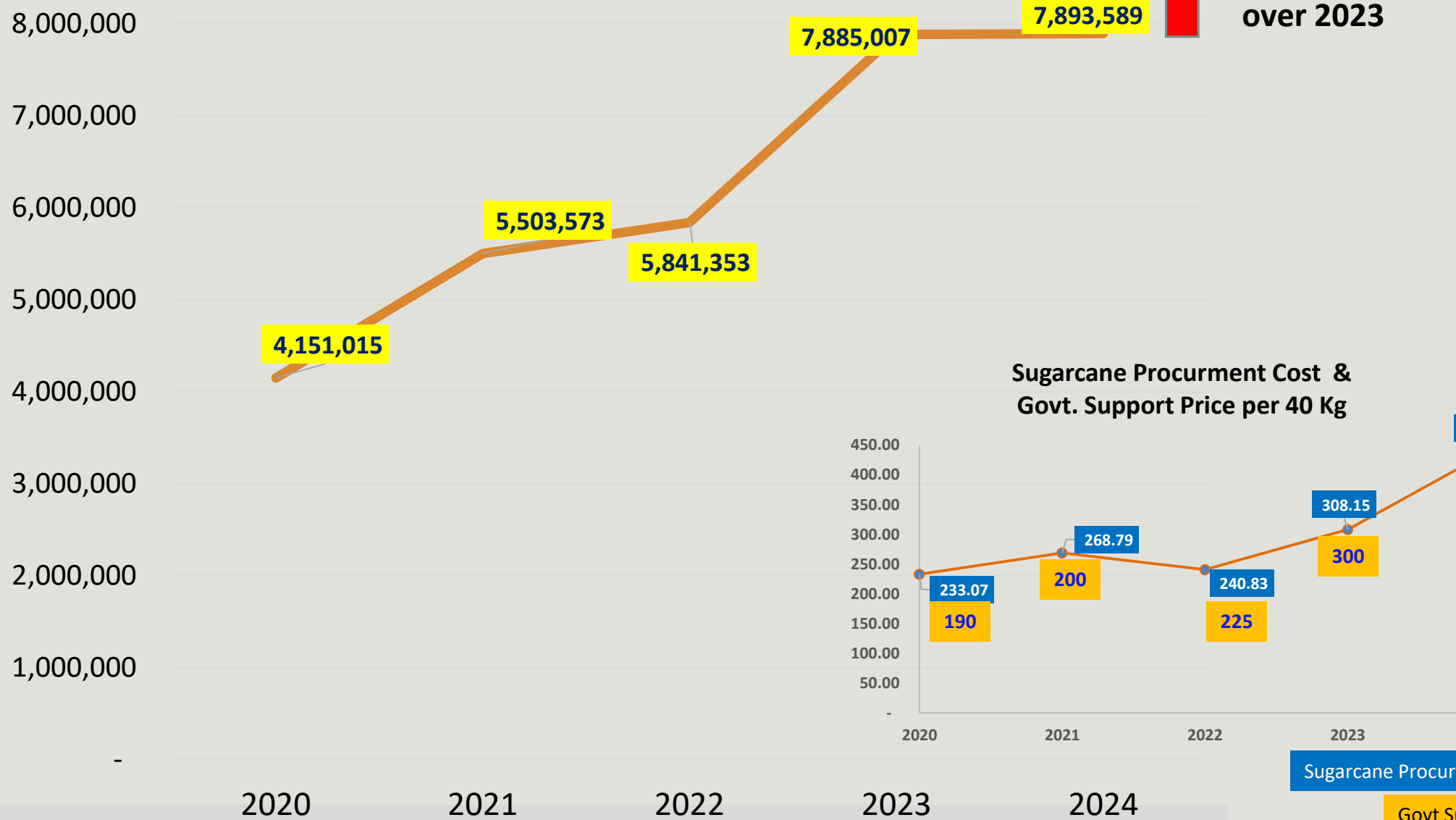
2022

2023

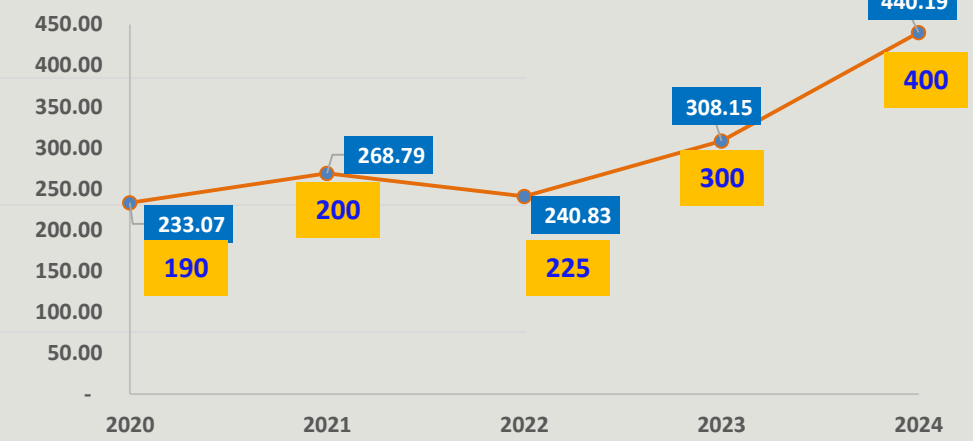
2024

GRAPHICAL HIGHLIGHTS

Cost of Sales

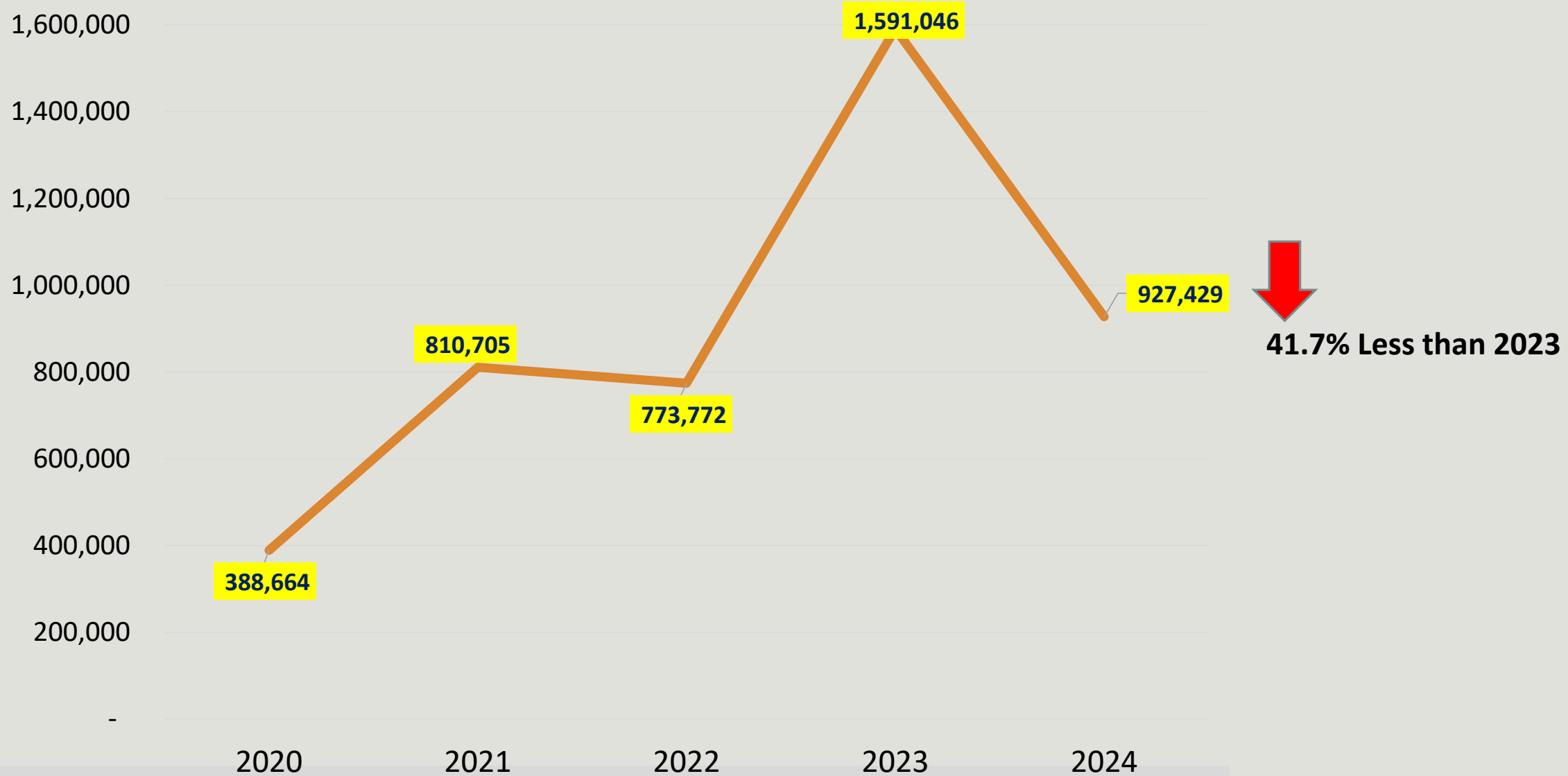


Sugarcane Procurement Cost & Govt. Support Price per 40 Kg



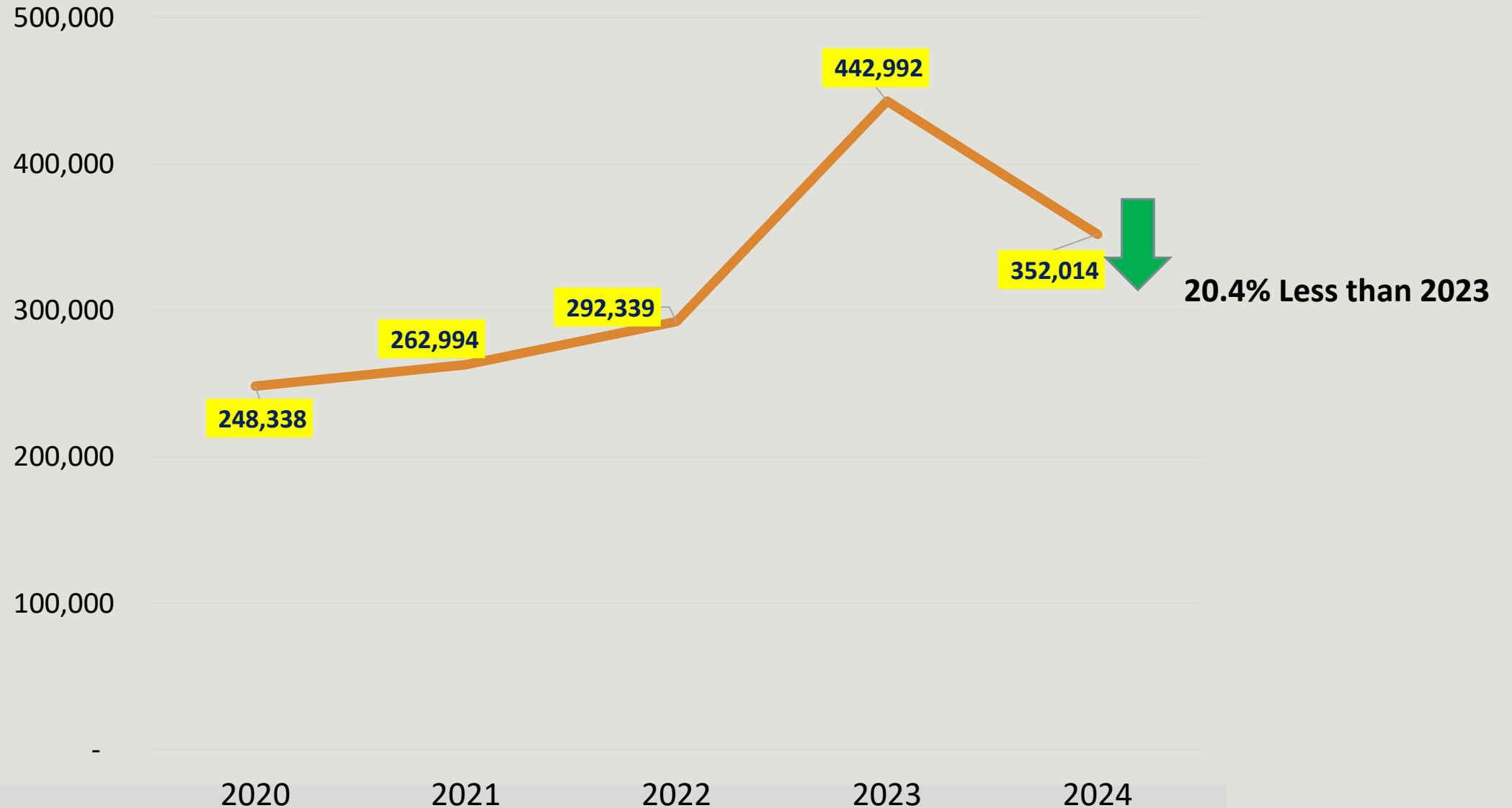
GRAPHICAL HIGHLIGHTS

Gross Profit



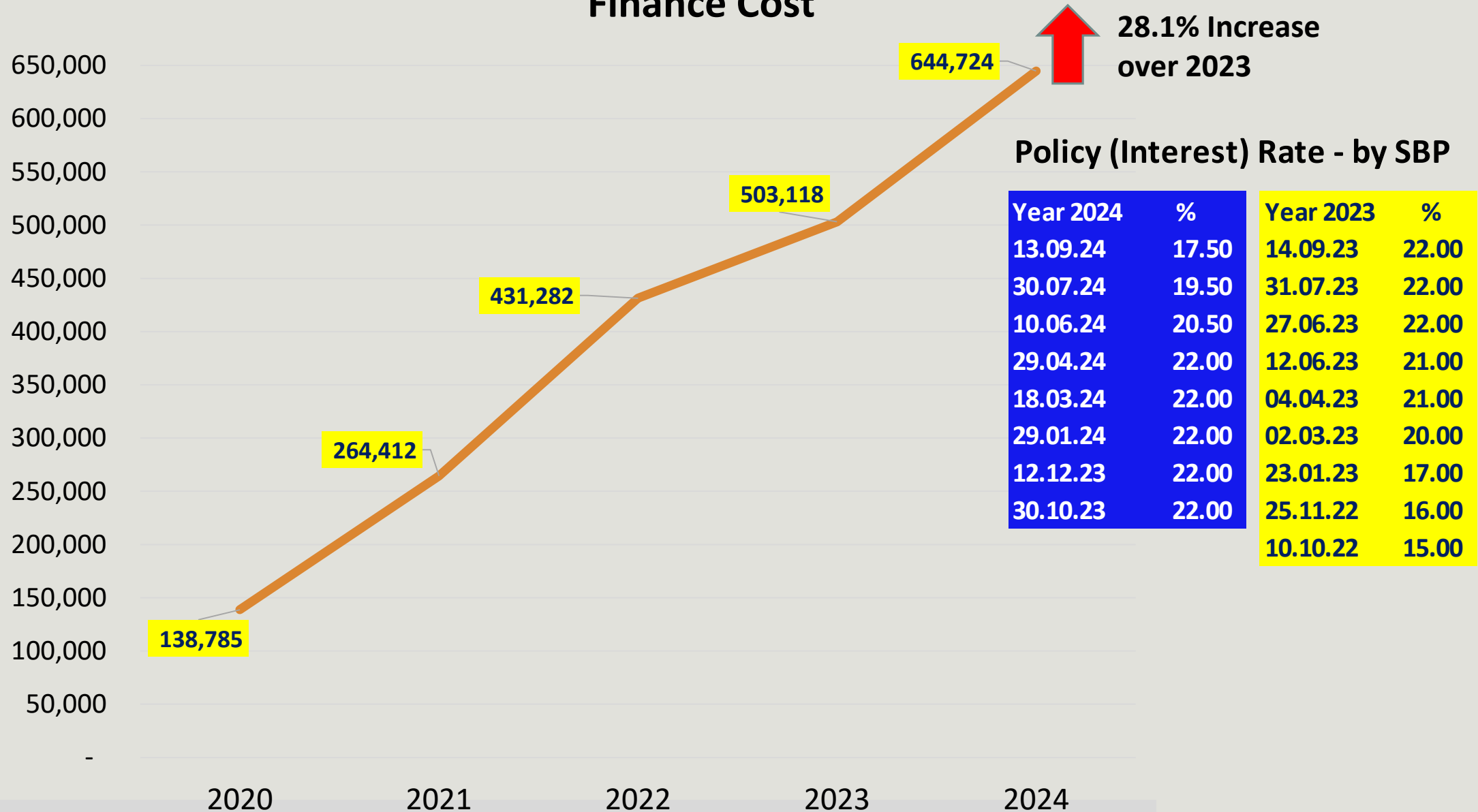
GRAPHICAL HIGHLIGHTS

Distribution, Admin., Other Expenses & Other Income



GRAPHICAL HIGHLIGHTS

Finance Cost



Policy (Interest) Rate - by SBP

Year 2024	%	Year 2023	%
13.09.24	17.50	14.09.23	22.00
30.07.24	19.50	31.07.23	22.00
10.06.24	20.50	27.06.23	22.00
29.04.24	22.00	12.06.23	21.00
18.03.24	22.00	04.04.23	21.00
29.01.24	22.00	02.03.23	20.00
12.12.23	22.00	23.01.23	17.00
30.10.23	22.00	25.11.22	16.00
		10.10.22	15.00

RISKS & UNCERTAINTIES

The company is exposed to the following risks and uncertainties:

- Increased competition in local market due to sugarcane price war among neighboring mills.
- Hike in the oil and electricity prices.
- Increase in prices of raw and packing material.
- Increased rates of taxes.
- Market disruption due to changes in tax laws and regulations
- Financial impact of delay in achieving Commercial Operation Date (“COD”) of Power Project due to delay of Transmission line by Gujranwala Electric Power Company (“GEPCO”).

We take these risks as a challenge with the confidence that Company has the ability to mitigate the impact of these risks.

FUTURE OUTLOOK

- Sugarcane crop area for the next crushing season is expected to be the same as that of last season, however favorable climatic conditions will improve the sucrose content in the sugarcane planted in our area.
- The Punjab Government has not notified the minimum support price of sugarcane for crushing season 2024-25. However last year support price will be the benchmark price for next crushing season. Company is putting its best efforts to procure maximum sugarcane.
- The selling price of sugar is expected to be under pressure due to high carryover stock and government intervention. The sugar production during the on-going crushing season will determine Company's financial results. Government Policies for sugar export will decide about offloading surplus sugar in international markets.
- The company is optimistic about the completion of transmission line by GEPCO, which will enable declaration of the Commercial Operation Date (COD) for its power project. The project is expected to generate revenues in the fiscal year 2024-25. This development will contribute positively to the company's financial performance, offsetting some of the challenges posed by the sugar market dynamics.

DISCLAIMER

This Corporate Briefing Session presentation by Shahtaj Sugar Mills Ltd. is exclusively for the discussion purpose with the participants only. Any expression, information, statement or representation made during the discussion shall not be infer by any investor or potential investor as an advice or recommendation in relation to holding , purchasing or selling securities without proper consideration. It is suggested before acting on any information's shared or and remarks made during the discussion process , one should seek appropriateness and accuracy of information.

THANK YOU

QUESTIONS & ANSWERS