



# PABC

PAKISTAN ALUMINIUM  
BEVERAGE CANS LIMITED

FORM-25

Ref: PABC/PACRA-RATING/23  
November 27, 2023

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

**Subject: Material Information**

Dear Sir,

In accordance with Section 96 of the Securities Act, 2015 and Clause 5.6.1(a) of PSX Regulations, we hereby convey the following information:

We are pleased to inform that the Pakistan Credit Rating Agency Limited (PACRA), a leading credit rating agency providing independent rating services in Pakistan, in its press release issued on November 24, 2023, has maintained credit rating of Pakistan Aluminium Beverage Cans Limited (PABC) as "A+" (Long Term) and "A1" (Short Term) with "Stable" outlook. The copy of above-mentioned press release attached.

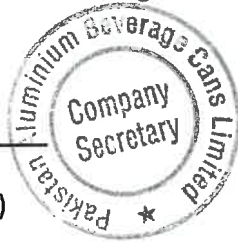
This credit rating emphasizes PABC's strong financial standing and stability, reinforces confidence in the Company's operations and presents a favorable outlook for its shareholders.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours sincerely,

**For Pakistan Aluminium Beverage Cans Limited**

**Sohail Akhtar Gogal**  
(Company Secretary)



CC: Director / HOD  
Surveillance Supervision and Enforcement Department  
Securities & Exchange Commission of Pakistan  
NIC Building, 63 Jinnah Avenue, Blue Area, Islamabad.

- for information

**Date**

24-Nov-23

**Analyst**

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**Applicable Criteria**

- Methodology | Corporate Rating | Jul-23
- Methodology | Correlation Between Long-term & Short-term Rating Scales | Jul-23
- Methodology | Rating Modifiers | Apr-23

**Related Research**

- Sector Study | Paper and Packaging | Nov-22



**PACRA maintains the entity rating of Pakistan Aluminium Beverage Cans Limited**

Rating Type	Entity	
	Current (24-Nov-23 )	Previous (24-Nov-22 )
Action	Maintain	Initial
Long Term	A+	A+
Short Term	A1	A1
Outlook	Stable	Stable
Rating Watch	-	-

Pakistan Aluminium Beverage Cans Limited ("PABC" or the "Company") is the sole producer of aluminium-based beverage cans in Pakistan. The demand for aluminium cans is directly linked to consumption of beverage drinks which is always in increasing trend. The business model of PABC is that of B2B and directly supplies aluminium cans to beverage producers. The high entry barrier and time for installation of the production plant and technical expertise have provided strength to the Company to establish its brand name and capture the entire market share of Pakistan along with the major share of clients in Afghanistan and other countries. The company has established a sound customer base with a strong financial profile thus minimizing the credit risk to a low level. The CEO - Mr. Azam Sakrani has an extensive knowledge of the industry with an overall 30 years of experience and the chairman - Mr. Simon Michael Gwyn Jennings has an overall 40 years of experience in the global can industry. The governance structure is considered strong due to the presence of Board committees and having a sufficient number of board meetings. Furthermore, external auditors are category-A with satisfactory QCR rating. The Company has recently increased its rated production capacity from 700mln cans to 950mln cans p.a. PABC has financed and installed an on-grid solar system as well as fulfilling major energy needs of the Company. Going forward, the Company is in the process of finalizing enhancement of rated capacity to 1,200mln cans p.a. and improve market share for aluminium beverage cans in Pakistan and abroad by adding leading brands to its clientele. The financial risk profile of the Company is considered strong, with sufficient cashflows and a well-managed working capital cycle. During 6MCY23, the Company generated a top line of ~PKR 11,120mln (6MCY22: ~PKR 6,510mln, CY22: ~PKR 14,153mln), showing an increase of ~ 57% in revenue. As a result, during 6MCY23 the Company generated a bottom line of ~PKR 2,714mln (6MCY22: ~PKR 1,577mln, CY22: ~PKR 2,703mln). The Company has availed both short-term financial institutions to finance the import of aluminium-based raw materials and long-term facilities to enhance available capacity. The leveraging of the Company stood at ~33.7% as of Jun'23 (~47.9% as of Jun'22). Being associated with the well-established and stable Liberty Group and Soorty Enterprises bodes well for the rating. The ratings are dependent on the Company's ability to sustain its market position and management's ability to run the operations of the Company optimally. With the upcoming growth in firm's business & volumes; prudent financial discipline and implementation of a stringent control environment shall remain imperative.

**About the Entity**

PABC, established in 2014 as a joint venture of Ashmore Mauritius PABC Limited and Liberty Group, started its commercial production in 2017 and eventually became a Public Listed Company in 2021 with divestment of Ashmore's shares. Currently directors and substantial shareholders own 75.62% shares, of which Hamida Salim Mukaty, Zain Ashraf Mukaty, and Soorty Enterprises (Pvt) Ltd holding a stake of 34.61%, 20.99% and 20% respectively. An able management team assists him. PABC has inhouse technical expertise as well as contracts with international technical experts. The Company enjoys 10-year tax holiday from the start of its commercial production, under Special Economic Zones Act, 2012.

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The primary function of PACRA is to evaluate the capacity and willingness of an entity to honor its obligations. Our ratings reflect an independent, professional and impartial assessment of the risks associated with a particular instrument or an entity. PACRA's comprehensive offerings include instrument and entity credit ratings, insurer financial strength ratings, fund ratings, asset manager ratings and real estate gradings. PACRA opinion is not a recommendation to purchase, sell or hold a security, in as much as it does not comment on the security's market price or suitability for a particular investor.