

12 Paper, Paperboard and Products

Performance at a Glance

The balance sheet size of paper, paperboard & products sector increased by 38.67 percent during 2022, reaching Rs 243.73 billion. While the liabilities of the sector grew by 64.32 percent during 2022, the shareholders' equity grew by 14.11 percent. The sales and gross profit of the sector recorded a YoY growth of 42.28 percent and 30.91 percent respectively during 2022.

While the profit before taxation grew YoY by 6.28 percent, the profit after taxation recorded a YoY decline of 8.91 percent during 2022.

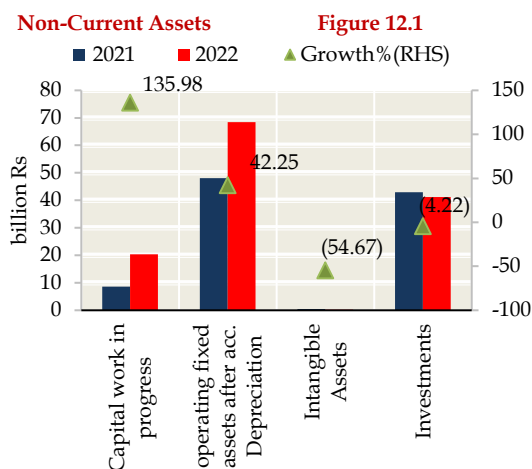
Sector's Summary (billion Rs) Table 12.1

Items	2022	2021	Growth (%)
Assets	243.73	175.77	38.67
Non-Current	131.44	101.44	29.57
Current	112.30	74.33	51.07
Liabilities	141.26	85.96	64.32
Non-Current	48.58	30.38	59.89
Current	92.68	55.58	66.75
Shareholders' Equity	102.47	89.80	14.11
<i>of which</i>			
Paid-up Capital	8.09	6.66	21.45
Reserves	90.42	80.00	13.02
Sales	193.83	136.23	42.28
Gross Profit	35.64	27.23	30.91
Profit after tax	11.17	12.26	(8.91)
ROA (%)	5.33	7.44	-
ROE (%)	11.62	14.16	-

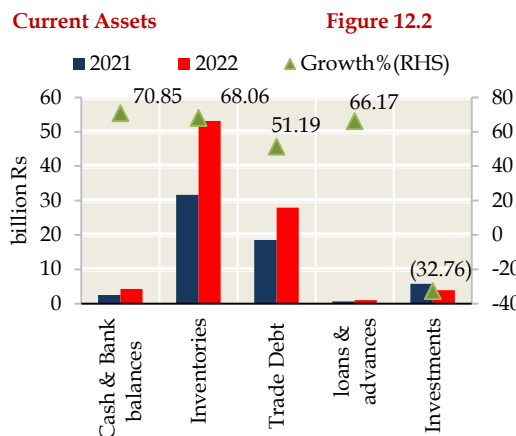
Assets

Total assets of the sector increased by Rs 67.96 billion during 2022, out of which Rs 30.00 billion accumulated in the form of non-current assets, reaching Rs 131.44 billion.

Further break up of non-current assets shows that operating fixed assets (after deducting accumulated depreciation) increased by Rs 20.33 billion (42.25 percent) while capital work in progress increased by Rs 11.72 billion during 2022.



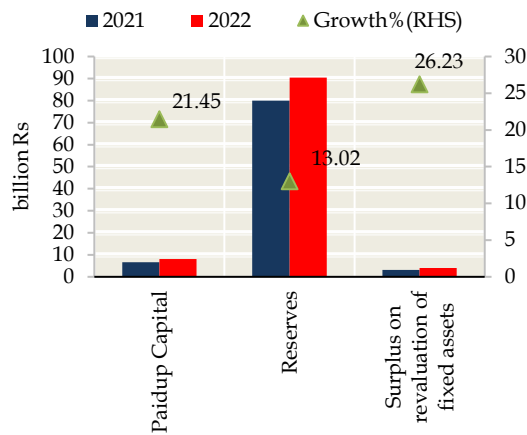
The current assets of the sector grew by 51.07 percent during 2022, reaching Rs 112.30 billion. All components of the current assets except short term investment posted a growth in 2022. In terms of absolute amount, notable increment was observed in inventories and trade debt/account receivable during 2022 which increased by Rs 21.53 billion and Rs 9.47 billion respectively.



Shareholders' Equity & Liabilities

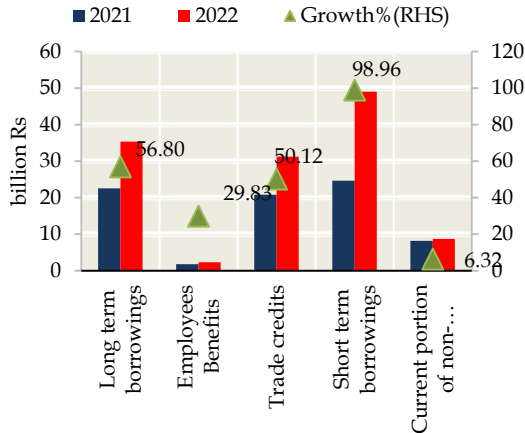
The shareholder' equity of the sector increased by Rs 12.67 billion, reaching Rs 102.47 billion in 2022. Reserves (which comprises 88.24 percent of total shareholders' equity) increased by Rs 10.42 billion during 2022.

Shareholders' Equity **Figure 12.3**



Out of Rs 55.29 billion increase in total liabilities, Rs 37.10 billion accumulated in the form of current liabilities, reaching Rs 92.68 billion in 2022. All components of current liabilities increased during 2022. In terms of absolute amount, highest increase of Rs 24.39 billion was observed in short term borrowings, followed by trade credit/other accounts payables (Rs 10.43 billion) during 2022.

Components of Liabilities **Figure 12.4**

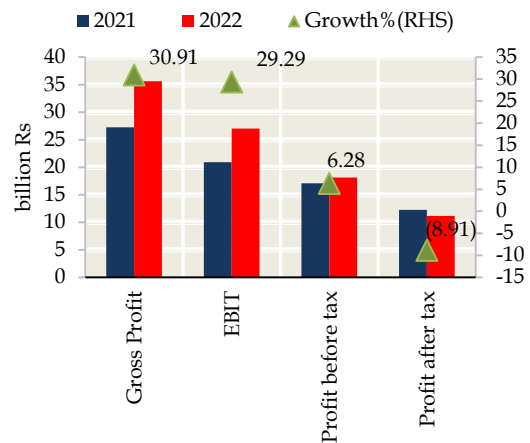


Non-current liabilities of the sector witnessed an increase of Rs 18.20 billion during 2022, out of which long-term borrowings (which constituted 72.71 percent share of the total non-current liabilities) increased by Rs 12.80 billion.

Operating Efficiency & Ratio Analysis

Sales of paper, paperboard & products sector reached Rs 193.83 billion in 2022, recording a YoY increase of Rs 57.88 billion. The gross profit of the sector increased by Rs 8.41 billion during 2022 over previous year, to Rs 35.64 billion. Profit before taxation increased to Rs 18.13 billion in 2022 from Rs 17.05 billion in 2021. The profit after taxation decreased to Rs 11.17 billion in 2022, recording a YoY decline of 8.91 percent.

Operating Efficiency **Figure 12.5**



Both return on assets (ROA) and return on equity (ROE) decreased during 2022. Besides, basic earnings per share decreased to Rs 13.82 in 2022 from Rs 18.34 in 2021.