

TRG Pakistan Limited (TRG)

Corporate Briefing Notes

TRG Pakistan Limited (TRG) held its corporate briefing session to discuss the financial results for 9MFY23 and its future roadmap.

Key Highlights

- To recall, TRG reported a Profit Before Taxation (PBT) of PKR 6.7 bn in 9MFY23 against a loss of PKR12.2bn during the SPLY. Similarly, Company's PAT was significantly increased and clocked in at PKR5.7bn against a LAT of PKR 10.4 bn in 9MFY22.
- The company's losses for the period amounted to PKR116m, mainly due to economic headwinds in US and Europe, compared to losses of PKR29.9m in the SPLY.
- Total comprehensive income was reported at PKR25.7bn in 9MFY23 that was negative (PKR 4.0 billion) last year. EPS was reported at PKR10.45 (LPS: 3QFY23: PKR 6.34) in 9MFY23 compared to LPS of PKR19.05 (EPS: 3QFY23: PKR 4.01) in the same period last year.
- As per management, offshore service delivery contributed more significantly to the company's increased profits compared to onshore service delivery.
- TRGI investment value witnessed a YoY increase of 53%, rising from PKR56bn in FY22 to PKR87bn in 9MFY23. Additionally, the company's net assets grew by 54%, from PKR47bn to PKR73bn during the same period.
- Affiniti, an enterprise software/AI company of TRG, reported a Last Twelve Months (LTM) revenue of \$270m (\$244m in FY22) and an adjusted EBITDA of \$60m (\$16m in FY22) in 9MFY23.
- IBEX, another portfolio company of TRG, achieved a revenue of \$527m (\$494m in FY22) and an adjusted EBITDA of \$90m (\$67m in FY22).

- IBEX successfully completed two major mergers in March/April FY23, namely Concentrix with Webhelp and Teleperformance with Majorel.

Future Outlook

- Going forward, the management of TRG emphasized the importance of cost efficiency and profitability over revenue growth. Furthermore, the company will remain open to increased monetization opportunities if they align with its strategic objectives. Commercialization will be given high priority in this regard.

Important Disclosures

Disclaimer: This report has been prepared by Chase Securities Pakistan (Private) Limited and is provided for information purposes only. Under no circumstances, this is to be used or considered as an offer to sell or solicitation or any offer to buy. While reasonable care has been taken to ensure that the information contained in this report is not untrue or misleading at the time of its publication, Chase Securities makes no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Chase Securities and/or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report Chase Securities as a firm may have business relationships, including investment banking relationships with the companies referred to in this report This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report and Chase Securities accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents At the same time, it should be noted that investments in capital markets are also subject to market risks This report may not be reproduced, distributed or published by any recipient for any purpose.

Analyst certification: The research analyst for this report certifies that 1.all of the views expressed in this report accurately reflect her personal views about the subject and 2.no part of any of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst in this report.