



ICI Pakistan Limited Corporate Briefing FY 2019-20

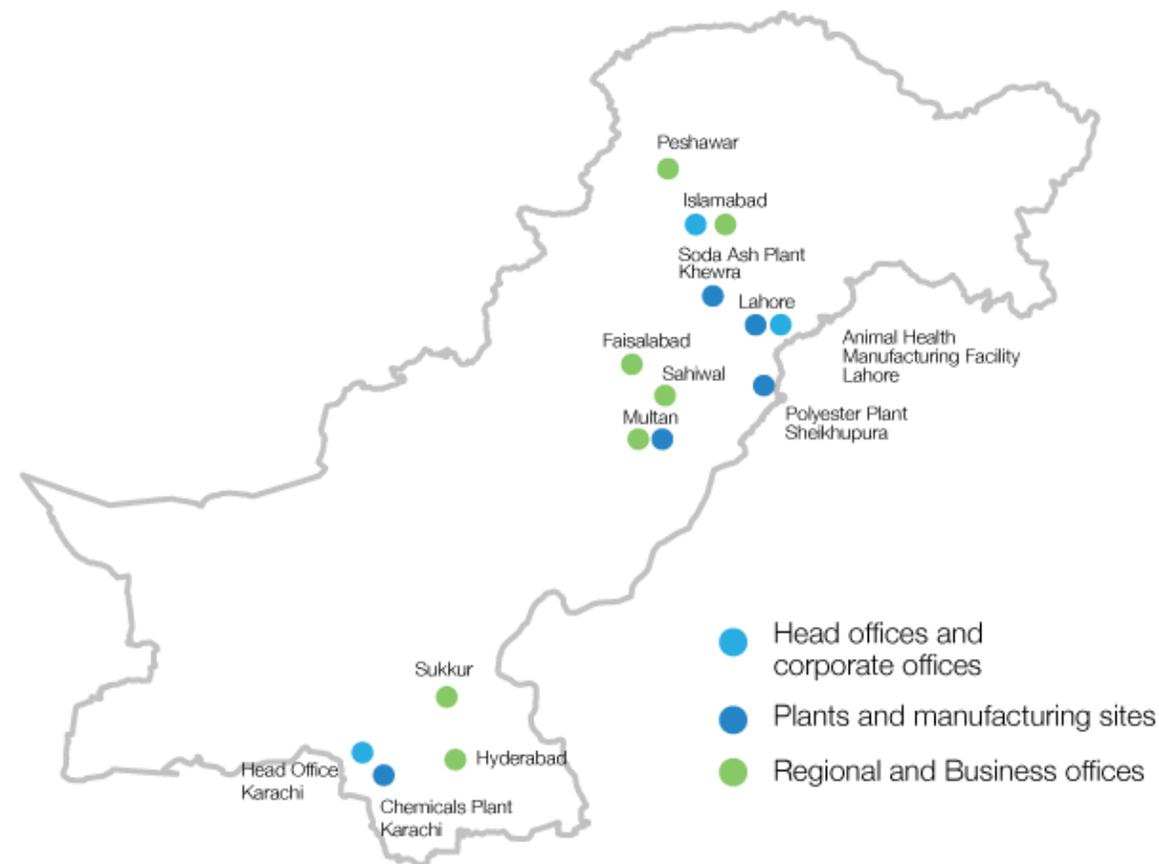
Date: Sept 11, 2020



YBG: Unleashing the True Potential of ICI Pakistan Limited

- ❑ ICI has over 75 years of presence in Pakistan and predates to the formation of the Country. In FY 2019-20, ICI Pakistan Limited celebrated 75th year of its existence.
- ❑ Formerly part of British industrial giant ICI PLC UK which was acquired by Akzo Nobel N.V in 2008, a Fortune 500 Company.
- ❑ In 2012, YBG made a major breakthrough of acquiring a majority shareholding in ICI Pakistan limited and since then, has continued to build the company's legacy.
- ❑ One of the best performing companies in Pakistan with true potential to further leverage its corporate brand equity, through organic and inorganic growth.
- ❑ The market capitalization of ICI crossed US \$1bn during 2017. The market value per share as at June 30, 2020 was Rs 695 whereas market value per share as at September 10, 2020 was Rs 731.

ICI's presence in Pakistan





One of the largest Industrial Groups in Pakistan



- Founded in 1962, YBG is a prominent industrial conglomerate in Pakistan with aggressive domestic and international investments
- USD 2.6bn worth of assets
- YBG has a strong financial and performance track record
- Committed to social and community welfare projects
- Employs a workforce of 28,000 people



Industries YBG Serves

- Textiles
- Construction
- Chemicals
- Energy
- Real Estate
- Power
- Consumer Goods
- Commodities

Business Overview

Textiles

- Largest Textile company in Pakistan
- Comprises of fully integrated units
- Cumulative turnover of US\$ 586m

Cement

- Lucky Cement: Largest producer in Pakistan with 12.15m tons of capacity
- Investment in a 2.6m tons brownfield project in KPK and 1.25m tons brownfield project in Karachi
- Turnover of US\$ 399m
- Market share of 16.9%

ICI Pakistan

- Acquired in 2012
- Comprises of Soda Ash, Polyester, Pharmaceuticals, Animal Health, Chemicals & Agri and infant milk nutrition through NutiCo Morinaga.
- Turnover of US\$ 329m

New Projects

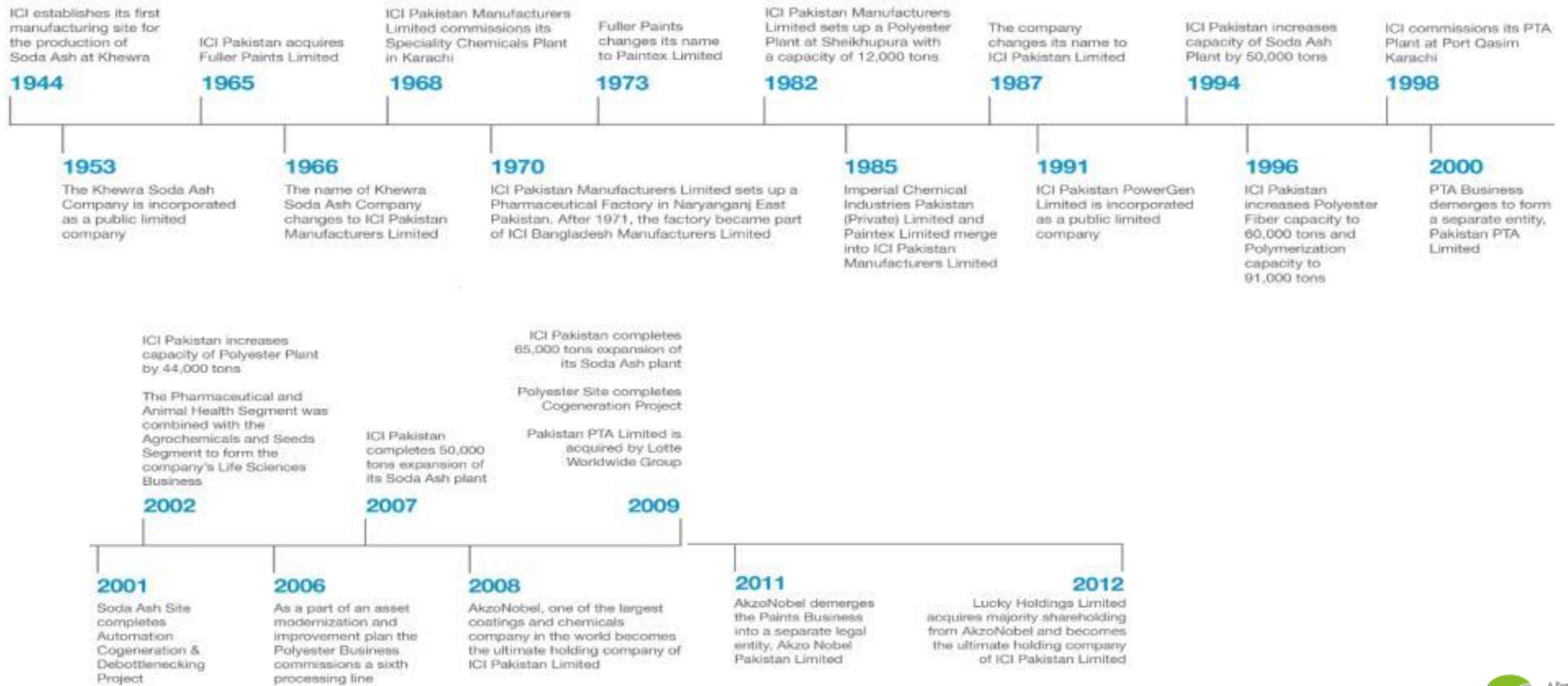
- Real Estate Development – US\$ 200m
- 660 MW coal power plant - US\$ 800m.
- JV with KIA Motors for automobile assembly plant – US\$ 150m

Overseas Projects

- Cement plant in DRC – US\$ 256m
- Grinding Unit in Basra – US\$ 55m
- Vertical Integration in Samawa – Project cost US\$ 150m
- Distribution in USA
- Textiles in Europe



The History of ICI Pakistan Ltd.





Our Core Values

**Customer
Centricity**



**Integrity &
Responsibility**



**Passion for
People**



**Delivering
Enduring Value**



Innovation





Objective

Ensure safe operations with **Zero** Lost Workday Injury across businesses

Status

**Achieved 28.9mn
Safe-Man Hours**
(Since last reportable incident)

Other Highlights



Reconstitution of Sustainability Council



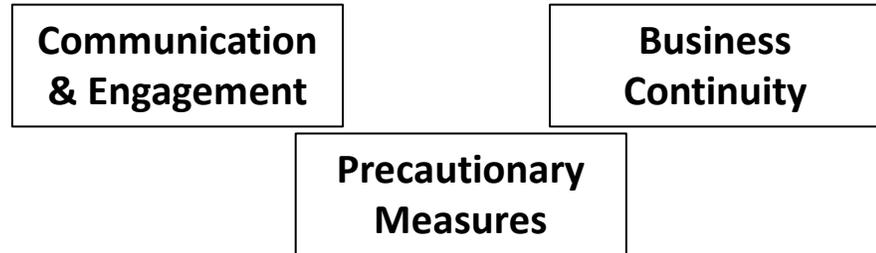
Trainings on Operational Safety & Defensive Driving



Pandemic Management

“Pandemic Watch Committee” constituted on February 26, 2020

>40 controls categorized broadly covering:



Global & local best practices followed for a timely & well coordinated response



ICI - Integrated part of Economic Fabric

ICI PAKISTAN LTD.

- Diversified business & product portfolio catering the needs of every industry in the country
- Strong reputation for excellent quality & customer service

Soda Ash

Polyester

Pharmaceuticals

Animal Health

Chemicals & Agri Sciences

Infant Nutrition

Industries we serve

Textiles
Paints
Appliances
Construction
Automobile
Footwear
Oil/Petroleum/Lube/Grease
Food & Beverage
Personal Care
Metal Cleaning/Engineering
Pharmaceuticals
Cement/Mining
Chemical Processing/Resins
Plastics/Rubber/Tanneries
Agrochemicals/Seeds
Coatings/Inks
Detergents and Laundry Soaps
Surgical
Fertilizers
Paper/Ceramics/Glass



NutriCo

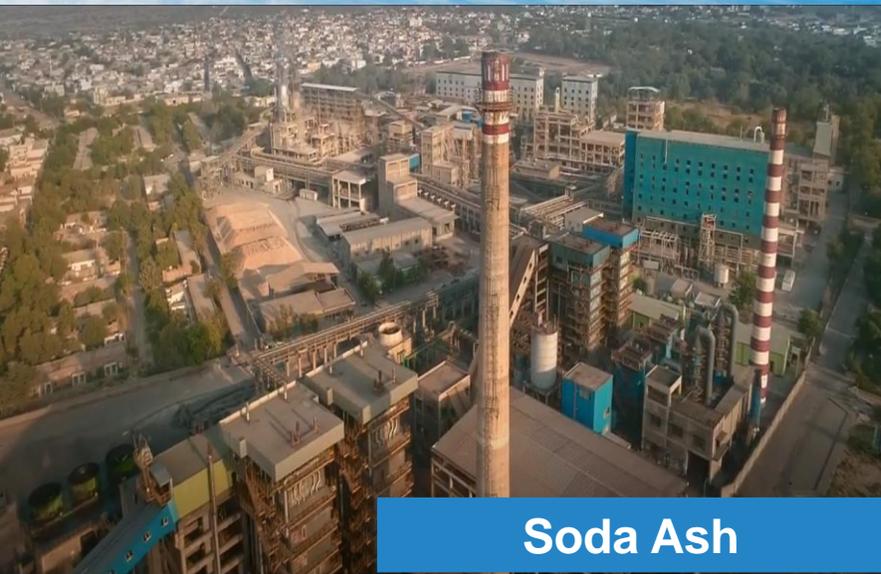
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ماں کو درے مکمل اعتماد

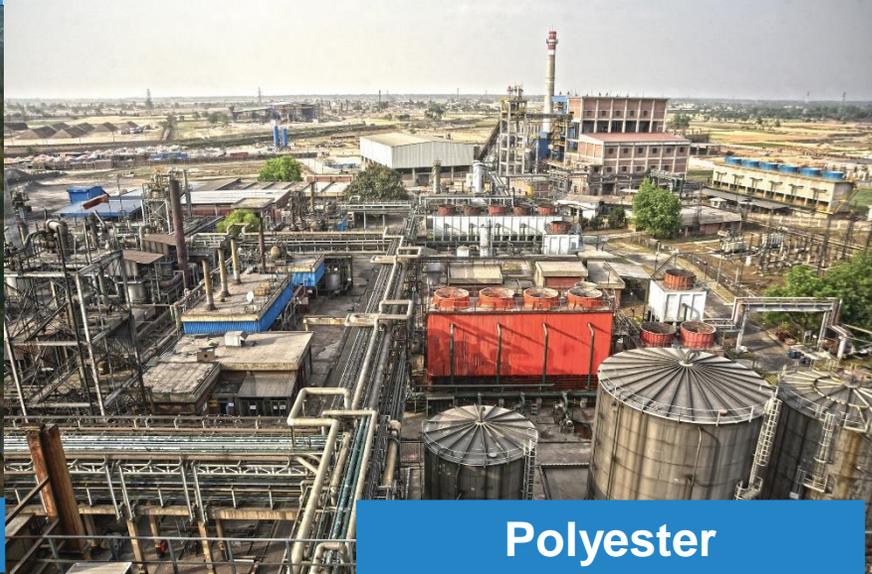


Our State of the Art Manufacturing Plants

ICI PAKISTAN LTD.



Soda Ash



Polyester



Pharmaceuticals



Animal Health



Chemicals & Agri



NutriCo Morinaga

Soda Ash Business



Soda Ash Business - Synonymous with Quality and Longevity Since 1944

**Production capacity 425
KTPA, operating at almost
100% capacity utilization.**



**Ideal location in terms of
access to major raw materials**
– both salt and limestone with
continuous long term supply.

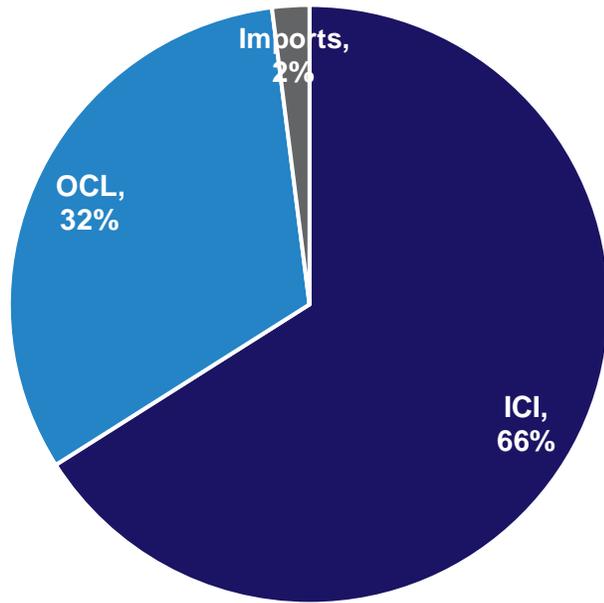
**Self Sufficient in energy
needs / requirements.**

No reliance on external
energy provider

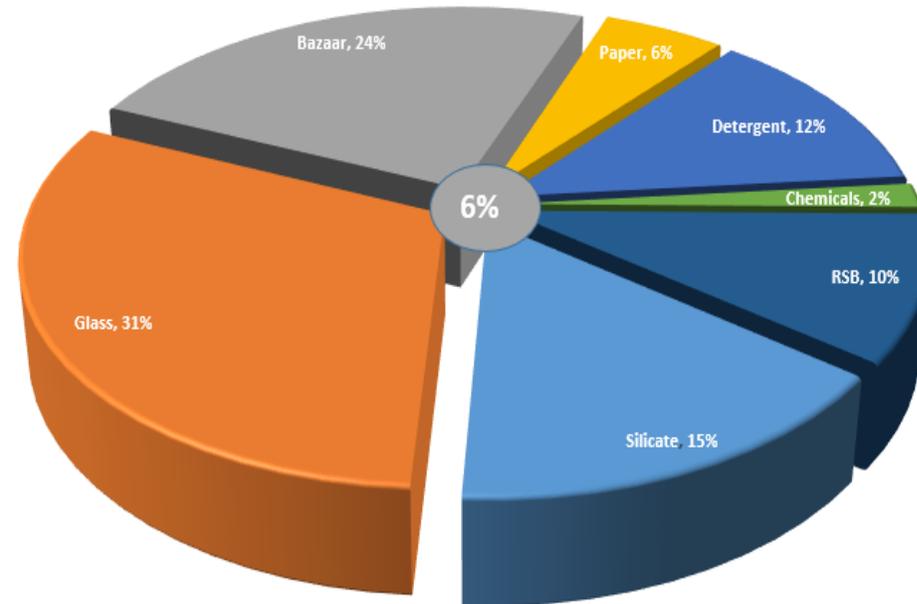
**Close proximity to customer
protects from import risk -**
located in Punjab (70% of
domestic consumption)

The Soda Ash Industry & Key Segments of ICI Soda Ash Business

ICI – Market Leader



Key Segments of Soda Ash Business



Plans to further strengthen market share via aggressive capacity expansions

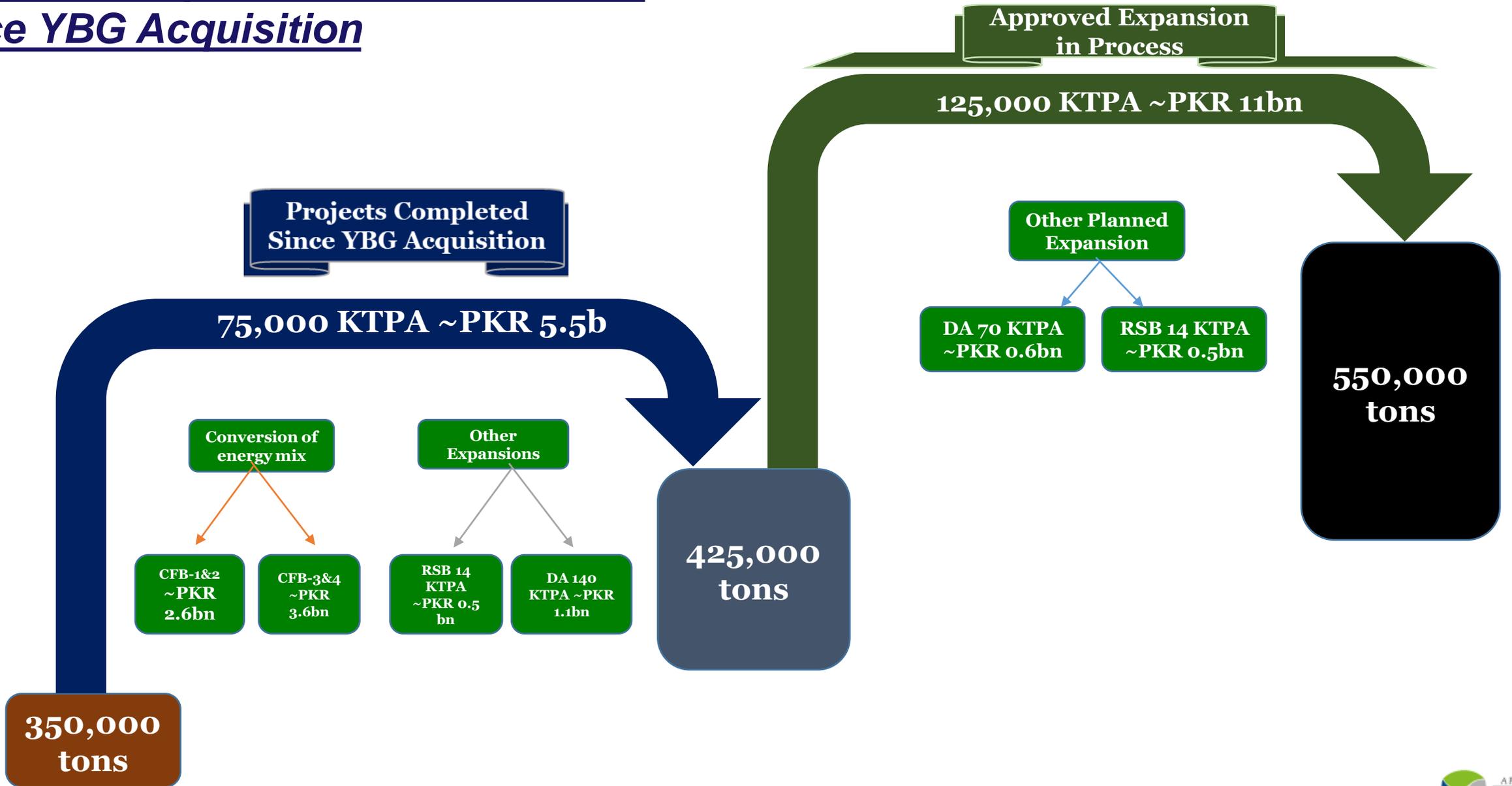


Soda Ash – Maintain Leadership Through Aggressive Expansion Strategy

- **Continued expansion to maintain & grow market leadership position:**
 - Current site expansion to 550 KTPA is in process and expected to complete in 2022-23.
 - 14,000 TPA Refined Sodium Bicarbonate expansion project expected to come online in Q1 of FY 2020-21.
 - During FY 2019-20, Dense Ash expansion of 70,000 TPA completed, to cater the growing needs of the market.
- *Strong emphasis on growth - Plan for expansion with additional **200 KTPA** post FY 2025.*



Projects Completion & Growth Plans Since YBG Acquisition

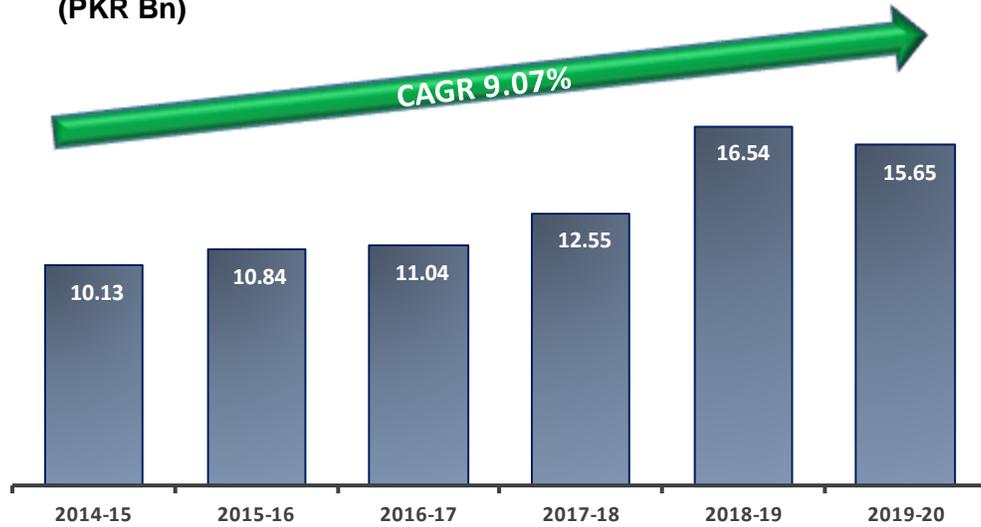




Soda Ash Business – Performance

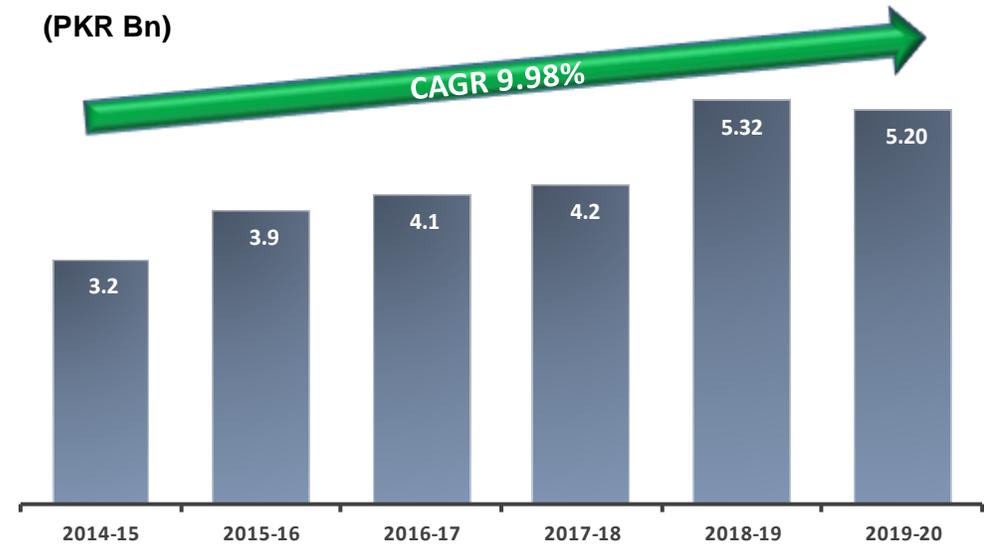
Revenue

(PKR Bn)



EBITDA

(PKR Bn)





Polyester Business

ICI PAKISTAN LTD.



TERYLENE

POLYESTER FIBRE



Pioneer In Polyester Manufacturing In Pakistan

Second Largest Domestic Player

Strong Safety & Environment Record

Production capacity 135,400 tons per annum and operating at full capacity utilization

Captive Power Generation

Strong Technology Partner (Invista – a global leader in the sector)

Excellent Reputation For Customer Relationships, Product Quality And Technical Services

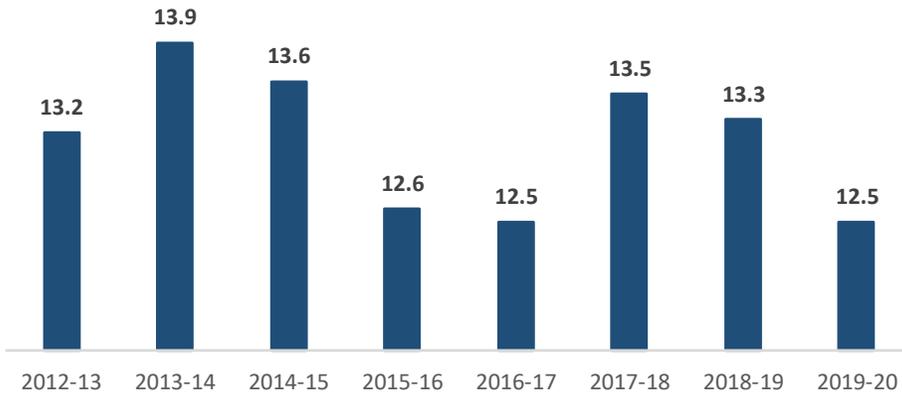
Strong Management Capability With Self Sufficiency In Plant Know-how

ICI Pakistan Limited introduced Polyester Fiber to the country in 1982 enabling the cotton rich textile industry to diversify its products and be more competitive in the international arena



Polyester Fibre – An Integral Part of Textile Sector

PAKISTAN TEXTILES EXPORTS (US\$ BILLIONS)



Source: Economic Survey of Pakistan

Pakistan's textile exports drop 6pc to \$12.5bn in FY20. February remained the best performing month with 17pc growth in export, whereas a decline of 36pc was witnessed in May due to COVID-19

Future Outlook

- Pakistan's Textiles Exports showing signs of revival
- Procedural and Tax relaxations on the import of textile machinery
- Export enhancement incentives
- Renewed investment in spinning and downstream textile industry
- Power Tariff reduction for textile industries
- Relief in duties & taxes
- Additional Grants amounting 6.2 billion to resolve liquidity issues and encourages exports (June'2020)



Focus on Specialty Fiber - Value Addition for Sustainable Growth

HEALTH & HYGIENE



SUSTAINABILITY



VERSATILITY



TRACEABILITY



Aspiring full utilisation of Batch lines and reaching 25 KT on existing assets

2018/19
9.5 KT

2019/20
10.07 KT

Potential of value added variants and we intend to capitalise on it.

Focus on variants of specialty Fiber to improve profitability



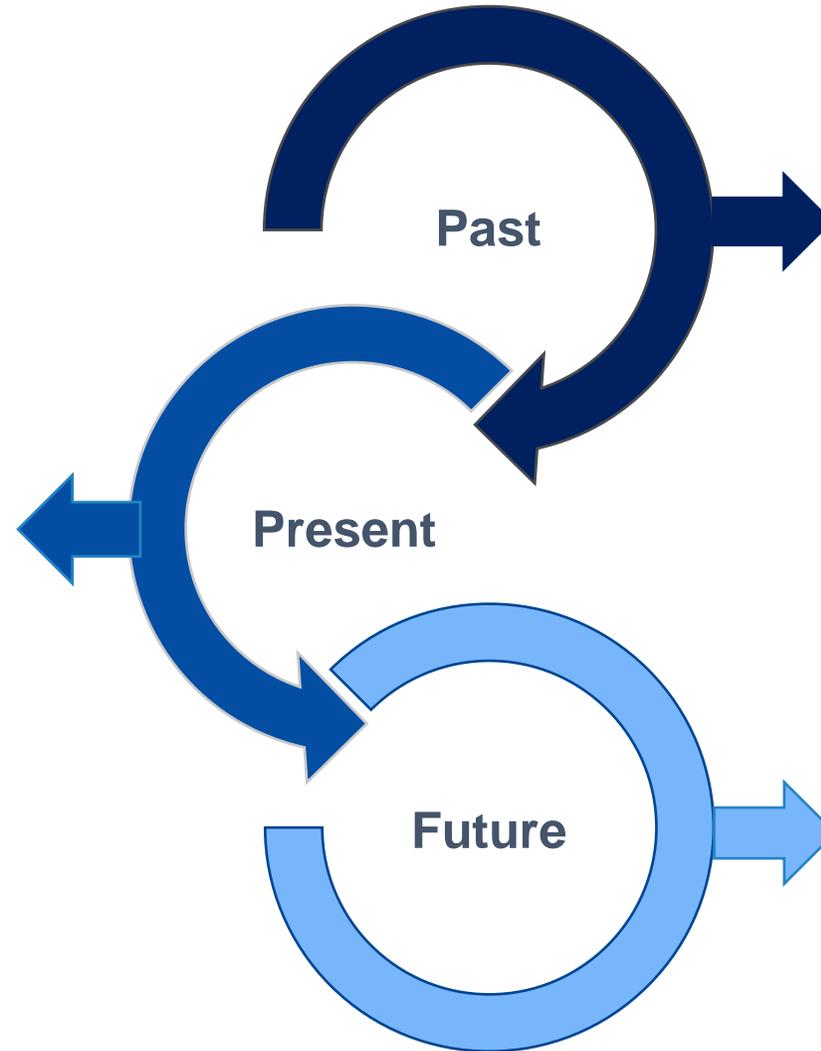
Strategy Going Forward

Develop specialty fibers & Minimize Commodity risk

- ❖ Terylene Clean
- ❖ AntiMicrobial
- ❖ CiCLO
- ❖ Dytru
- ❖ Low Pill Fiber

Penetrate in Export Arena as specialty fiber manufacturer

- ❖ Development of USA and Turkey Cluster
- ❖ Exploration of European market
- ❖ Brand Development



- ❖ Cost Rationalization
- ❖ Value Creation

Focus on Export Growth

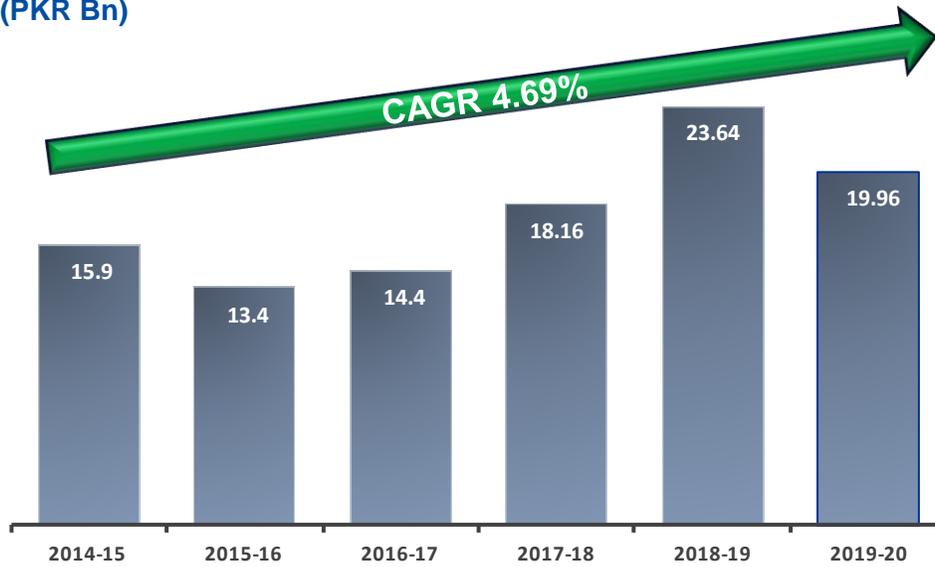
- ❖ Increase the percentage of export volume through high emphasis on customer/distributor management, brand and specialty fiber development



Polyester Business – Performance

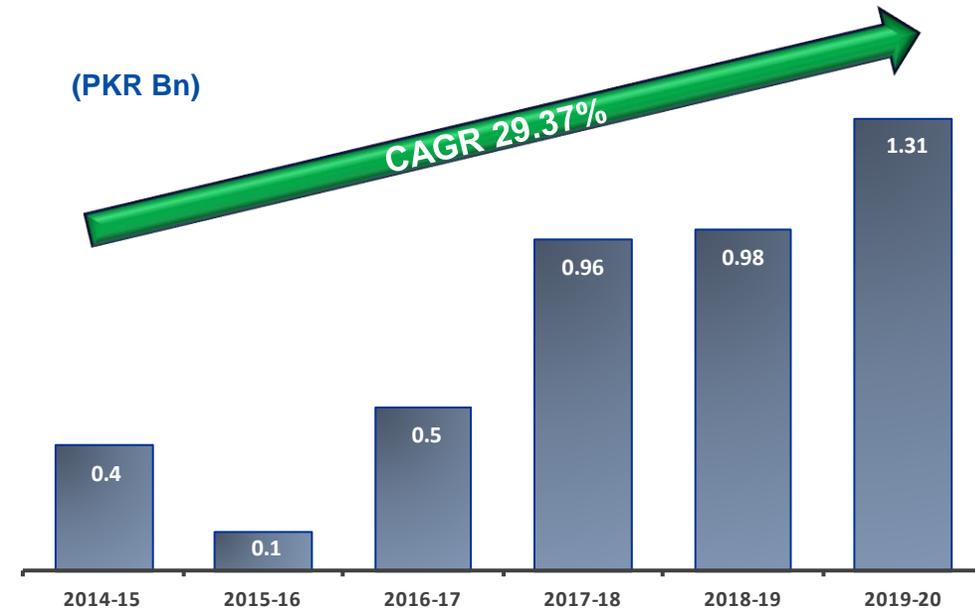
Revenue

(PKR Bn)



EBITDA

(PKR Bn)





ICI PAKISTAN LTD.

Pharmaceuticals

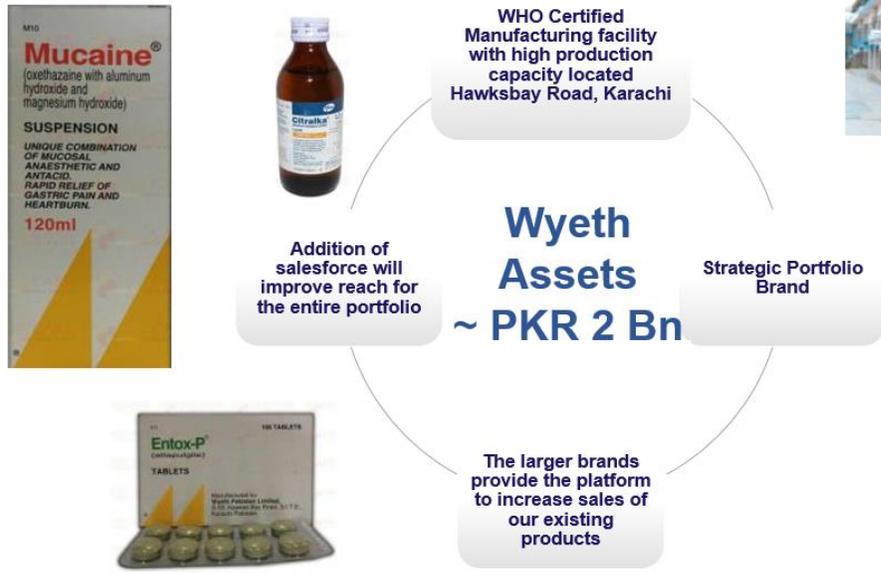
TRANSFORMING
TO IMPROVE LIVES



ICI Pharma Business Transformation

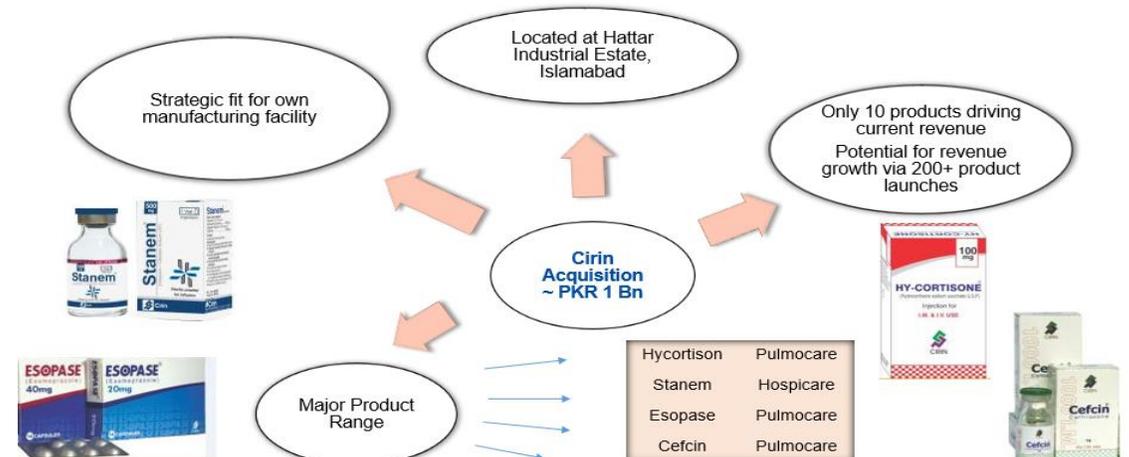


Acquisition of Wyeth Assets



Merger of Cirin with ICI Pakistan Ltd

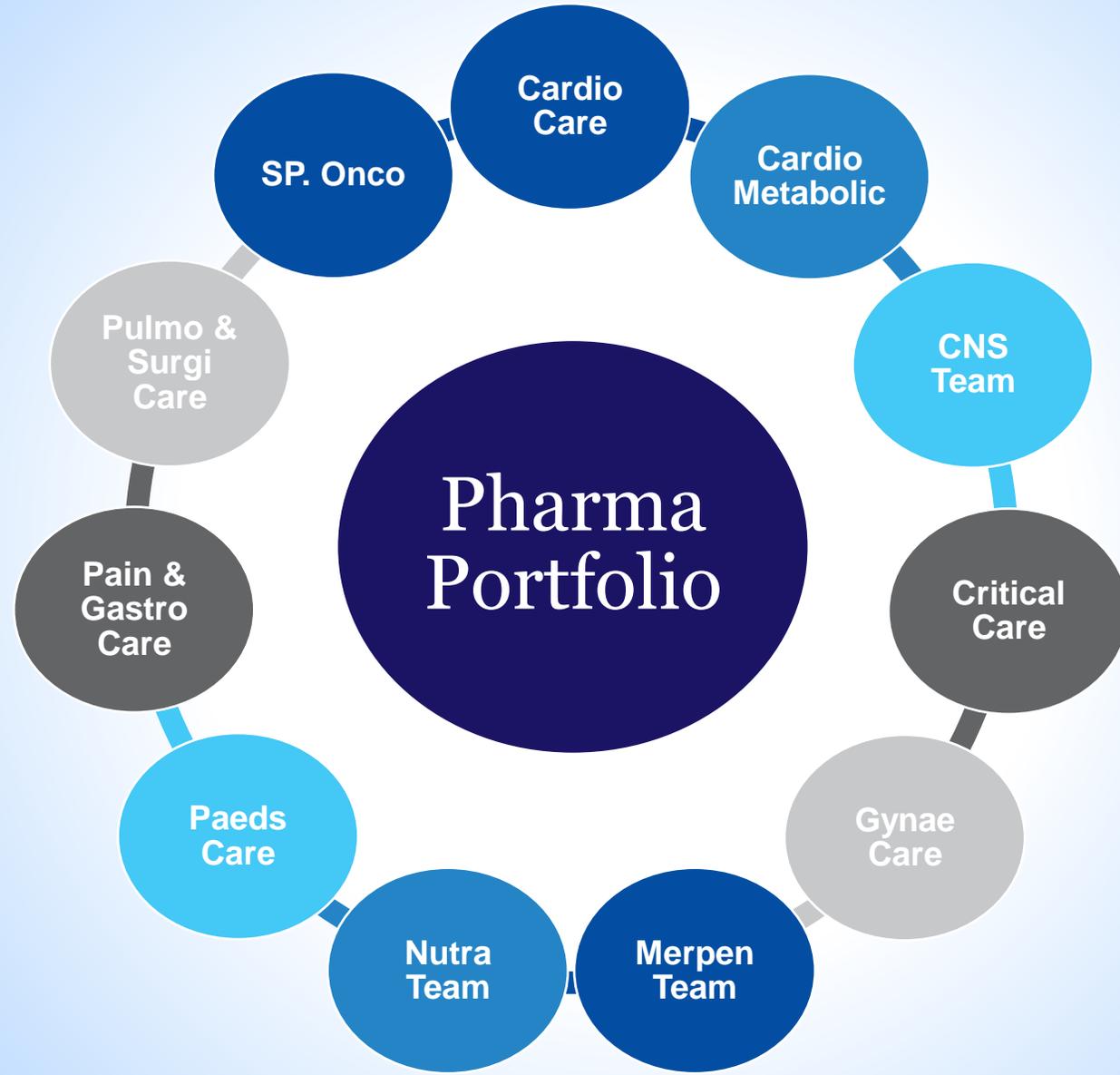
The Business successfully completed the merger of Cirin Pharmaceuticals with ICI Pakistan effective March 1, 2020 in record time, which entailed complex Regulatory approvals & HR integration processes.





ICI Pharma Business Universe

ICI PAKISTAN LTD.





Post Acquisition - Manufacturing Footprint



3 Manufacturing Sites
 1 Nutraceuticals Unit
 2 Pharmaceuticals Units

Producing
69,000,000
 Units Annually

Certifications

Hattar Plant	HB Plant	Nutra plant
GMP Certified issued by DRAP Expiry: 06/05/2021	GMP Certified issued by DRAP Expiry: 26/02/2020	ISO Certified 9001:2015 One year validity
ISO Certified 9001:2015 One year validity	ISO Certified 9001:2015 One year validity	



Capability to manufacture multiple dosage forms at our facilities

HATTAR PLANT

Powder for Injection:

- Cephalosporins
- Carbapenems
- Penicillins
- Steroids

Liquid Injectables:

Both Aseptic and terminally sterile products

Orals:

- General Tablets
- General Capsules
- Oral Cephalosporin (Capsules and Dry Syps)
- Oral Penicillins(Capsules/ Dry Syrups/ Tablets)
- Sachet Area.
- Psychotropic Products(Tablets)

HAWKESBAY PLANT

Solids (Tablet)



Liquid

NUTRA PLANT



Tablet



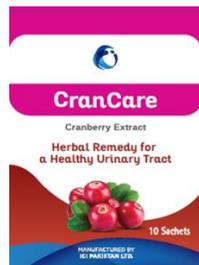
Sachet



Syrup



Soft Gel





Pharma Industry Value growth is 11.6%. Volume growth slowed down to -0.5%

ICI PAKISTAN LTD.

ICI Pharma is the 2nd fastest growing organization

MAT Jun 2020

	Value	Volume
Market Size	441.4 Bn.	2.8 Bn.
MNC Vs. NC Share %	30 Vs. 70	30 Vs. 70
Industry Gr. %	11.64	-0.55
MNC Gr. %	11.25	-4.59
NC Gr. %	11.80	1.30
ICI Gr. %	25.86	4.20
Evo. Index	112.74	104.78

Rank	Parameter	Value [Rs. (Bn.)]	Value Sh. %	Value Gr. %	Value-EI	Volume Gr. %	Volume-EI
--	INDUSTRY	441.4	100.0	11.6	100.0	-0.5	100.0
1	NATIONAL	310.5	70.3	11.8	100.1	1.30	101.9
2	MULTI-NATIONAL	130.9	29.7	11.3	99.7	-4.59	95.9

1	GLAXOSMITHKLINE	32.3	7.3	9.8	98.4	-5.85	94.7
2	GETZ PHARMA	29.6	6.7	12.7	101.0	3.36	103.9
3	SAMI	25.8	5.8	16.7	104.5	6.04	106.6
4	THE SEARLE COMPANY	24.4	5.5	16.4	104.2	12.97	113.6
5	ABBOTT LAB PAK LTD	22.1	5.0	7.3	96.1	-4.07	96.5
6	MARTIN DOW LIMITED	20.4	4.6	20.2	107.7	4.89	105.5
7	HIGH-Q INTL	15.2	3.4	9.4	98.0	0.00	100.6
8	GSK CONSUMER	15.2	3.4	32.0	118.2	10.28	110.9
9	HILTON	13.8	3.1	3.8	93.0	-5.11	95.4
10	BOSCH	13.1	3.0	8.7	97.4	-3.54	97.0
11	SANOVI-AVENTIS PAK	13.0	3.0	4.5	93.6	-12.32	88.2
12	NOVARTIS PH.PAK LT	10.8	2.4	12.2	100.5	-2.43	98.1
13	PFIZER INC	10.5	2.4	0.1	89.7	-20.59	79.8
14	HIGHNOON	10.4	2.4	23.45	110.6	13.78	114.4
15	ATCO	10.0	2.3	15.6	103.5	3.50	104.1
16	BARRETT HODGSON	10.0	2.3	10.6	99.0	0.88	101.4
17	OBS	9.5	2.2	12.8	101.1	-2.62	97.9
18	CCL	7.4	1.7	9.5	98.1	-1.96	98.6
19	BAYER PAK PVT LTD	7.1	1.6	7.9	96.6	-7.36	93.2
20	PHARMEVO PVT. LTD.	7.1	1.6	9.9	98.5	1.98	102.5
21	I.C.I	6.9	1.6	25.86	112.7	4.20	104.8





Pharmaceuticals – Growing Faster than the Market!

ICI PAKISTAN LTD.



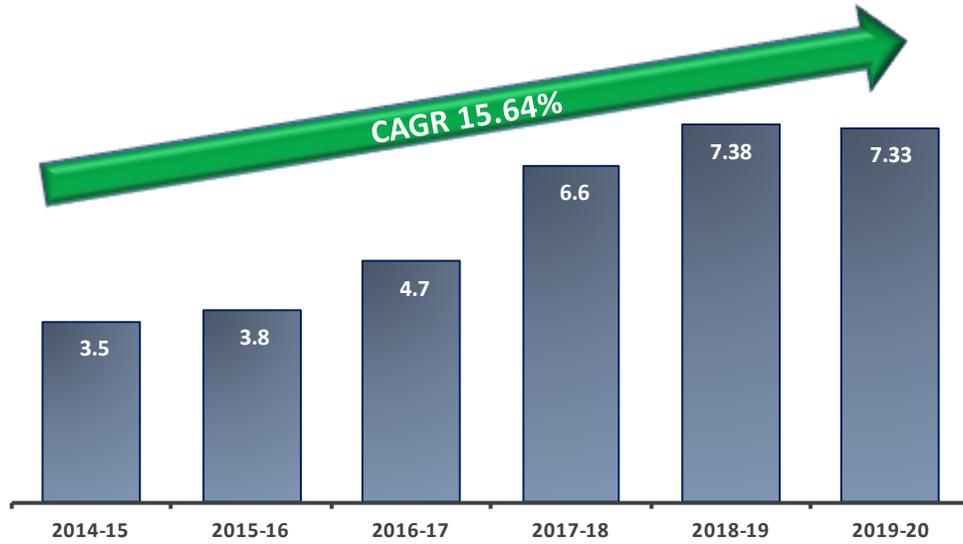
- ❑ Post-acquisition, the business has faced many external and internal challenges, however, the team has taken several course correction measures.
- ❑ Focus on Leveraging Economies of Scale.
- ❑ Focus now on organic growth through increasing market share which can take us to the top 10 Pharma companies in Pakistan.
- ❑ Optimal utilization of current assets with focus on operational excellence & efficiencies to reduce cost base.



Pharmaceutical Business – Performance

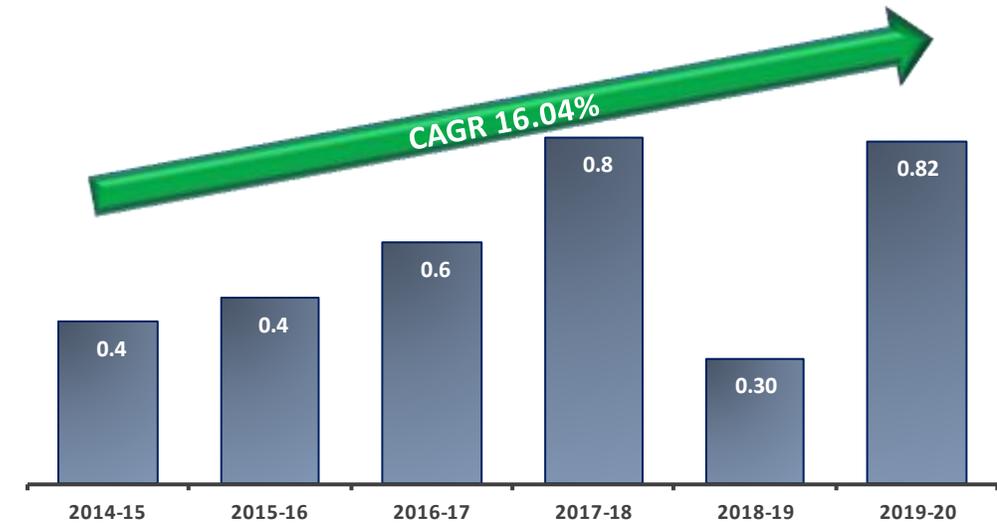
(PKR Bn)

Revenue



(PKR Bn)

EBITDA





Animal Health Business





Animal Health Business Footprint

ICI PAKISTAN LTD.



Engagement

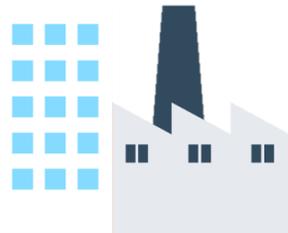
Across Pakistan every Month!

- 20,000 Farmers
- 6,000 Vet Professionals
- 500 Breeder, Feed Millers



3 Manufacturing Operations!

- 1,861,030 Units
- 30,000 MT Silage
- 1,248,000 Bags Vanda



1

Vet-Manufacturing Unit

1

Feed Mill

2

Silage Sites

Nationwide Distribution

- 1 National Distributor
- 380 Vanda & BG Dealers
- 396 Medicine Dealers

Manufacturing Expertise



Vanda



Medicine



De-wormers





Animal Health Portfolio

Livestock Feed (organized sector) & Medicine industry (ICI markets)

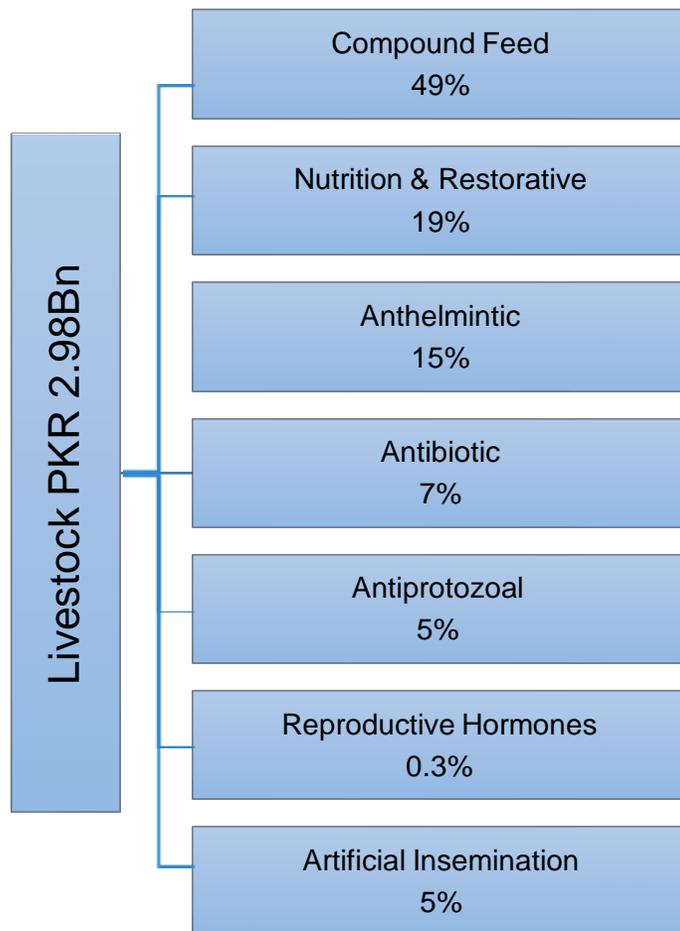
Market:
PKR 25Bn

8M

Families Provided Livelihood

4th

Largest Global Milk Production



Poultry Medicine Industry (ICI markets)

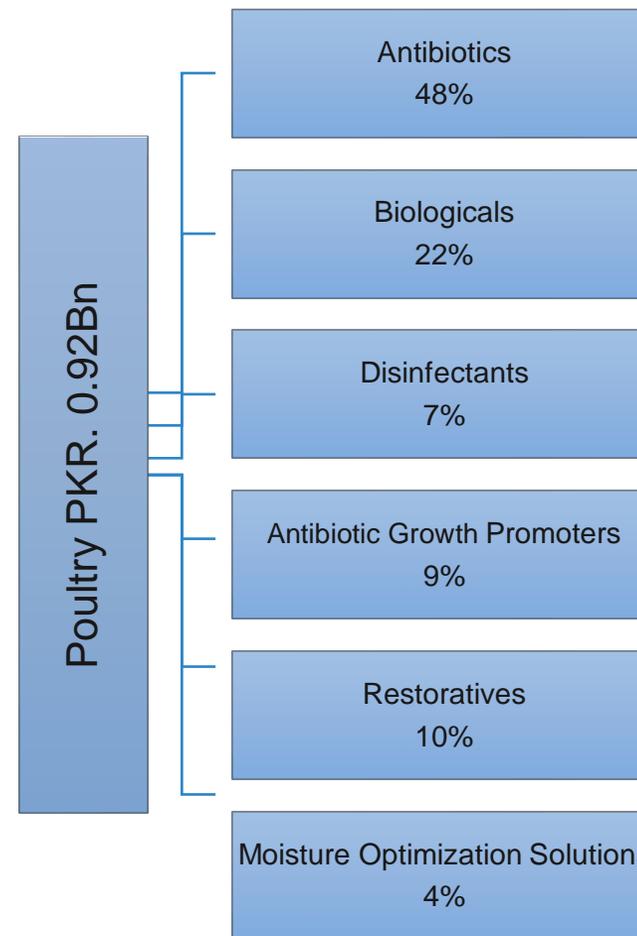
Market:
PKR 13Bn

700 Bn+

1.3% of Pakistan's GDP

1.5 M

People employed





Animal Health – Leveraging our Presence to Achieve Scale

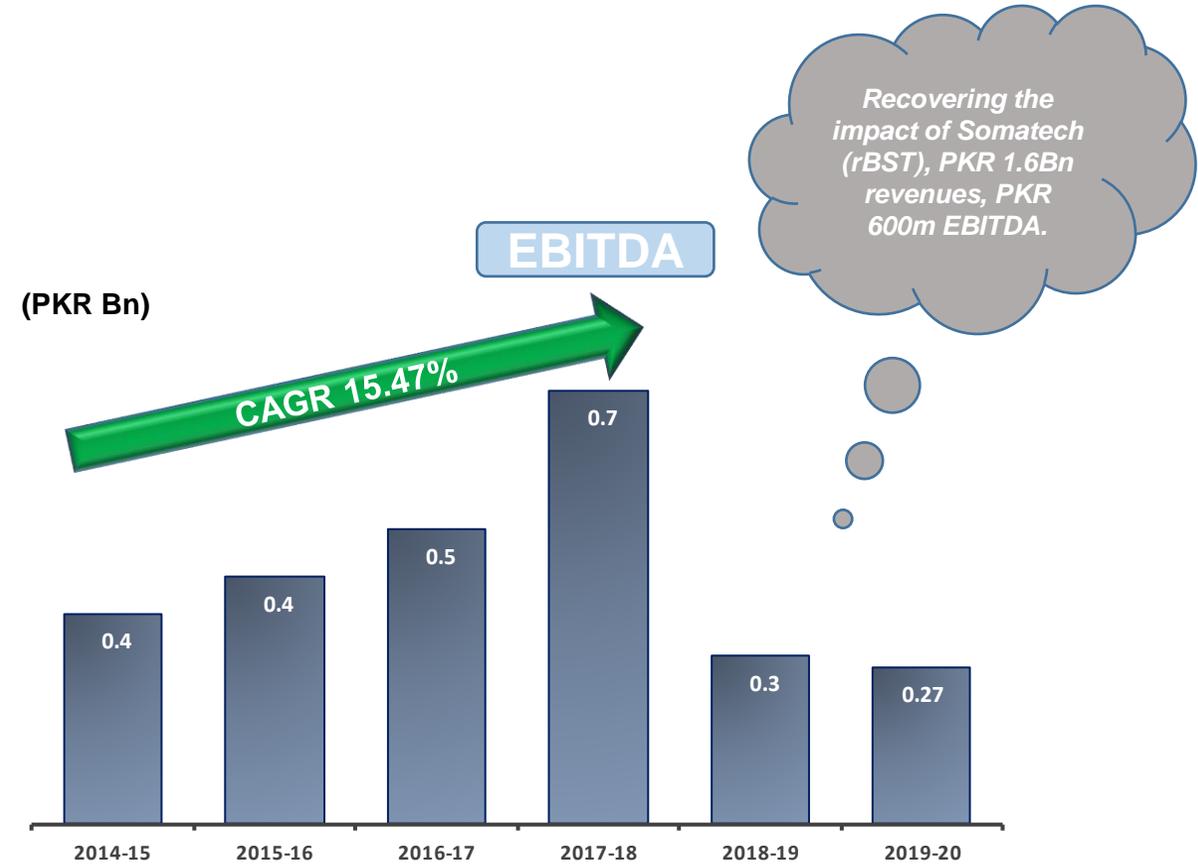
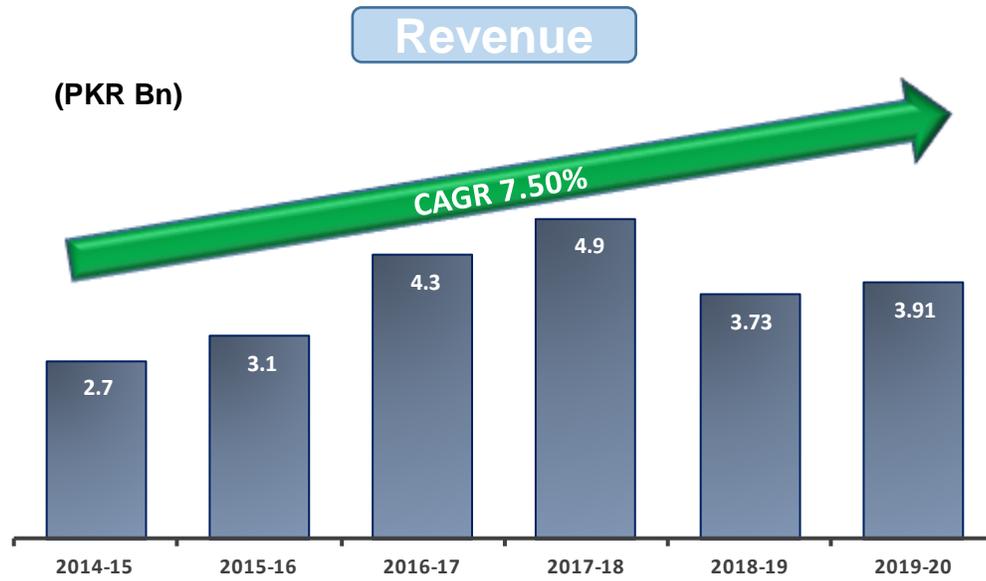
- **Strong presence in one of most essential & important industries**
 - Large animal population (low productivity) + strong governmental focus
- **Focus on the largest segments providing profitable scale opportunities**
 - Investment behind **Farmer's Choice**.
 - Expansion into Silage market
 - Grow Vanda market share
- **Focus on delivery of strong aspirational growth & improving profitability:**
 - Business on track to recover rBST revenues lost.



**Our Brand umbrella for
Branded Generics reaching
PKR 1.5B topline**



Animal Health – Performance





Strategic International Partnerships

Representing and distributing for 2 out of the top 5 global Animal Health companies

Recent partnerships to bring innovative solutions to Pakistan



Over 40 year relationship



Over 18 year relationship



Chemicals & Agri Sciences





Business Overview

ICI PAKISTAN LTD.

Chemicals



Agri



Masterbatches

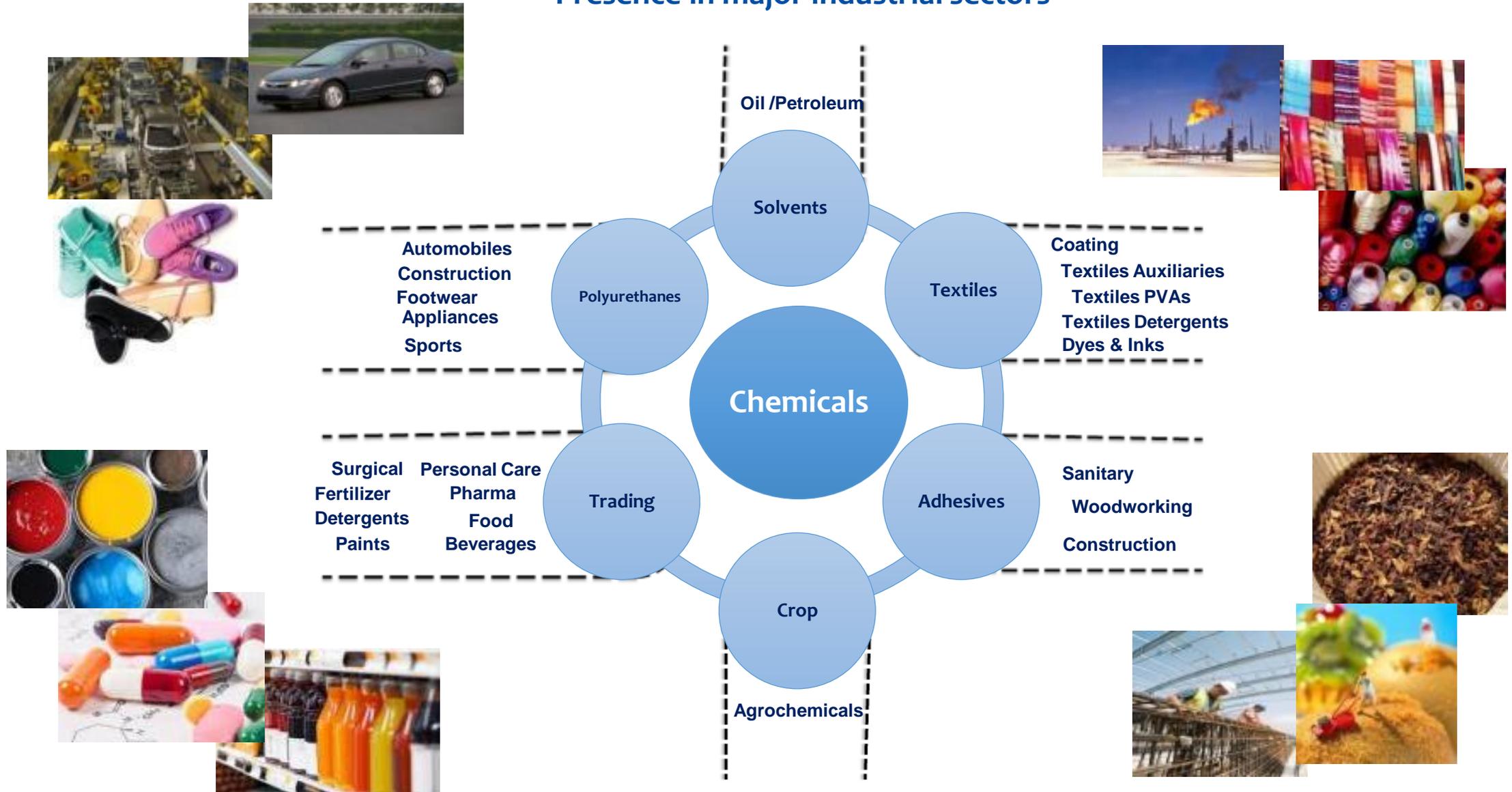




Chemicals Business

ICI PAKISTAN LTD.

Presence in major industrial sectors



Masterbatches



Brand “Shades” launched with a promise statement
“Bringing substance to life”

Launched all product variants comprising of:

- **Standard Colours**
- **Specialized Colours**
- **Additives** – Antislip, Antistatic, UV Stabiliser etc.



Successful sales of 900+ tons in the FY 19-20.
Business all geared-up for capturing further market.



Emerging as a complete solution provider for the industry



Chemicals – Focus on Import Substitution & Local Manufacturing

ICI PAKISTAN LTD.

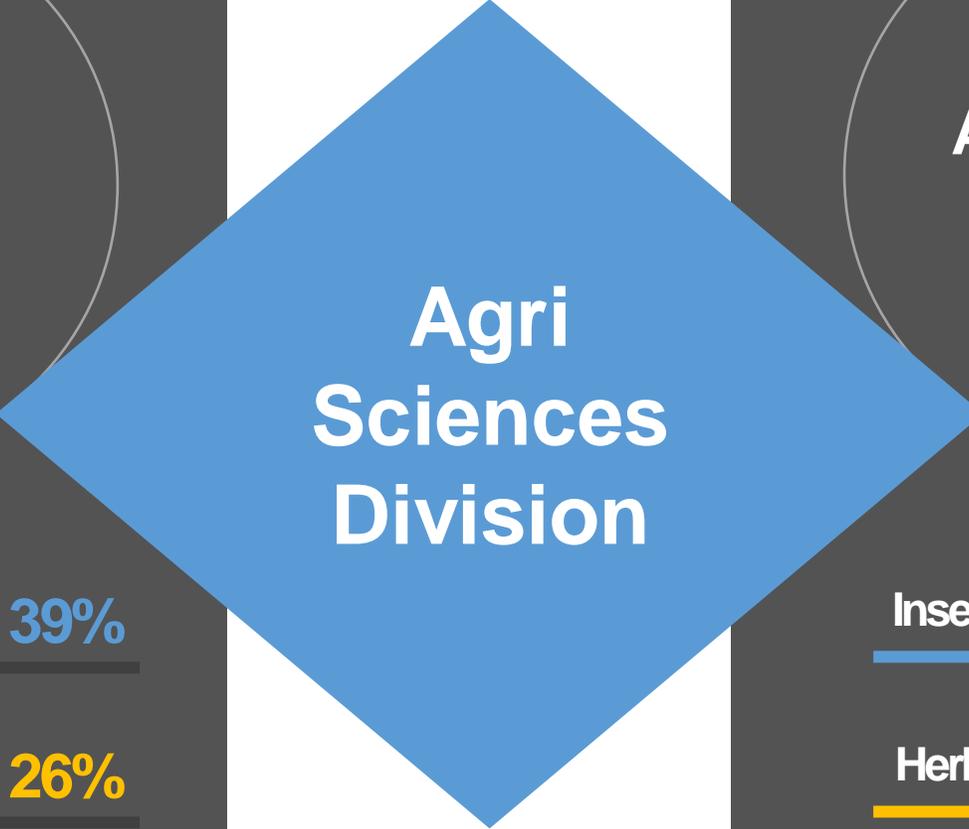
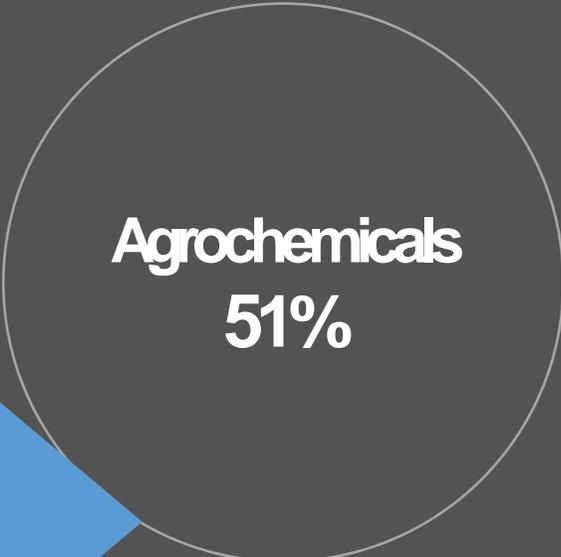
- ❑ Well diversified business
- ❑ Maintain leadership position
- ❑ Increase mix towards local manufacturing and value-added portfolios
- ❑ Leverage **MB facility, Huntsman** & other international partnerships
- ❑ Margin boost, product portfolio rationalization & cost efficiencies



HUNTSMAN

Enriching lives through innovation

Portfolio Analysis



Sunflower 39%

Corn 26%

Vegetable Seeds 27%

Others 8%

Insecticides 55%

Herbicides 24%

Fungicides 11%

Crop Nutrients 10%



Agri – Create Impact Across the Agri Chain

ICI PAKISTAN LTD.

- ❖ Strong presence & equity in one of the most important sectors with increased government support.

- ❖ **Strategic Focus Areas:**
 - Corn segment
 - Cotton seed
 - Sunflower
 - Hybrid Rice
 - Rationalize portfolio & focus on leading crops & high margin vegetable





Our Key Partners

ICI PAKISTAN LTD.

HUNTSMAN

Enriching lives through innovation

inovyn

WANHUA

BORAX™

ADVANTA
SEED INTERNATIONAL

VENATOR

UPL

DCC DAIREN CHEMICAL CORP.

Diversey

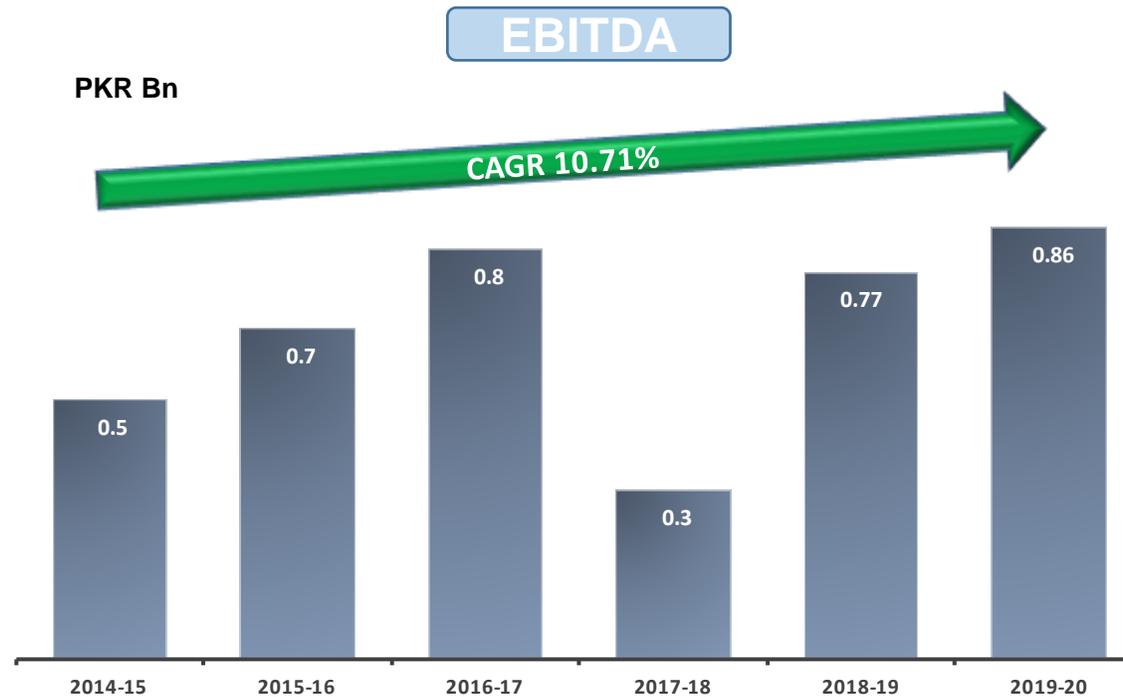
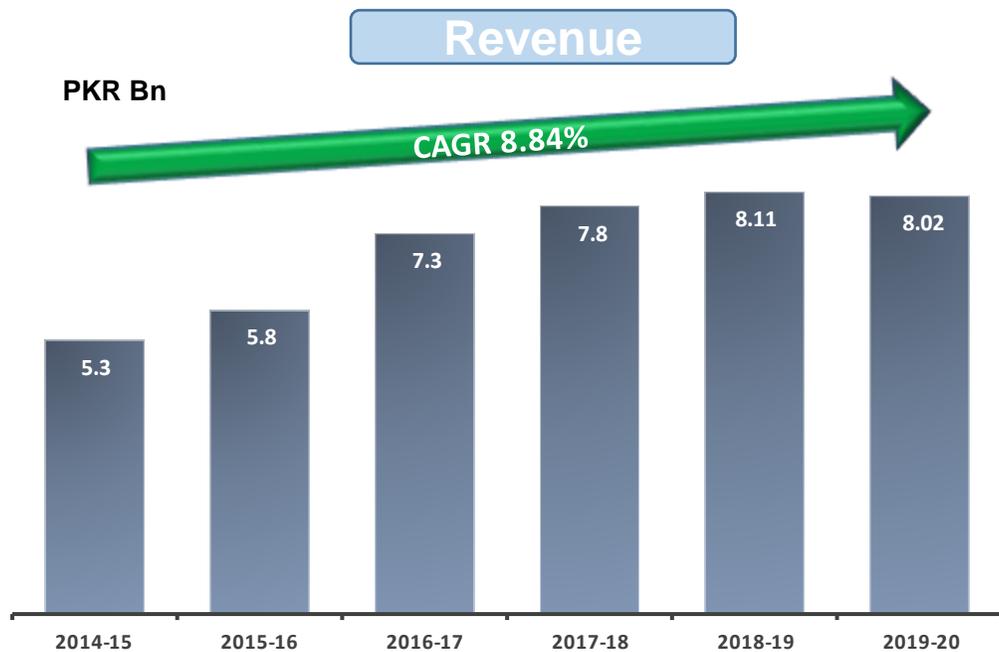
EVONIK
INDUSTRIES

MOMENTIVE™

台灣化學纖維股份有限公司
Formosa Chemicals & Fibre Corporation



Chemicals & Agri Sciences Business – Performance





Infant Nutrition - Imported

ICI PAKISTAN LTD.

NutriCo Pakistan Pvt. Ltd.

- NutriCo manages the import, marketing and distribution of nutrition products of Morinaga Milk Industry Co., Ltd. in Pakistan.
- ICI Pakistan has 40% equity share of NutriCo Pakistan since 2014.
-
- The share of profit received during the FY 19-20 is ~PKR 431million.
- The Dividend received during the FY 19-20 is ~PKR 800 million.
- We have a strong focus on increasing our market share and exploring growth opportunities.



NutriCo Morinaga Plant

Local Manufacturing Site





Infant Nutrition – Locally Manufactured

ICI PAKISTAN LTD.

Manufacturing

**Morinaga
Manufacturing
Facility ~PKR 6 Bn**

ICI 51% Holding
Unibrands
Private
Limited
(24.5%)

Morinaga Japan
(24.5%)

The construction of a state-of-the-art NutriCo Morinaga manufacturing facility was completed and the plant inaugurated in September 2019. Following the inauguration, commercial production commenced during the second quarter of the FY 2019-20 with commercial release of products in January 2020.





Growing Usage of Baby Food in Pakistan



PKR 77BN

Total Baby Food Industry
Annual value growth of 9%
Source: Consumer Panel & Market Intel.



PKR 64BN

Formula Milk
37BN local (40KT) +
27 BN imported (11KT)



PKR 13BN

Infant Cereals
13KT
Source: Nestle Sales Figure



Over 4 MN

Babies born every year

We are one of the Leading players in the largest segment (Formula Milk) of Baby Foods

Market Segmentation of Formula Milk



Local Volume: **77%** | Imported Volume: **23%**

50%+

Morinaga's share in imported market

Brands	Volume Share %	Value Share %
Nestle	76.3	61.7
Morinaga	14	21.5
Meiji	6.2	10.1
Abbott	1.6	3.1
Nutra-x	1.4	2.8
Bio Food	0.3	0.7



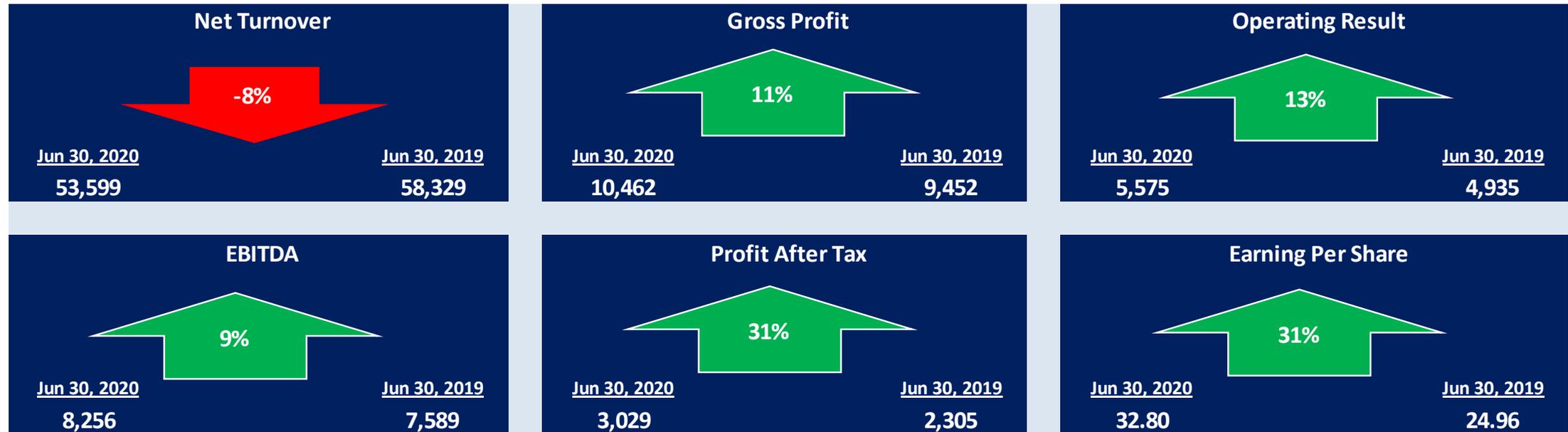
Financial Results

ICI PAKISTAN LTD.



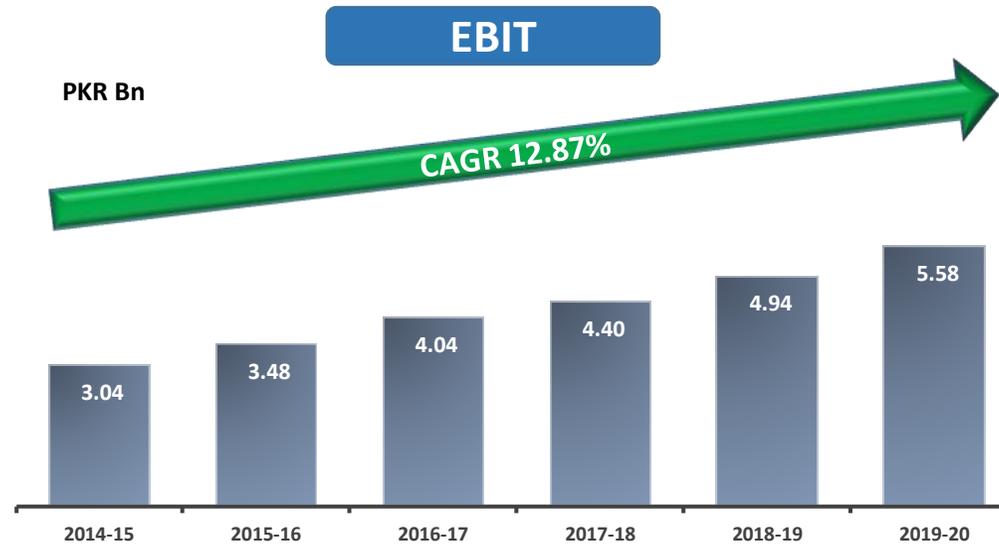
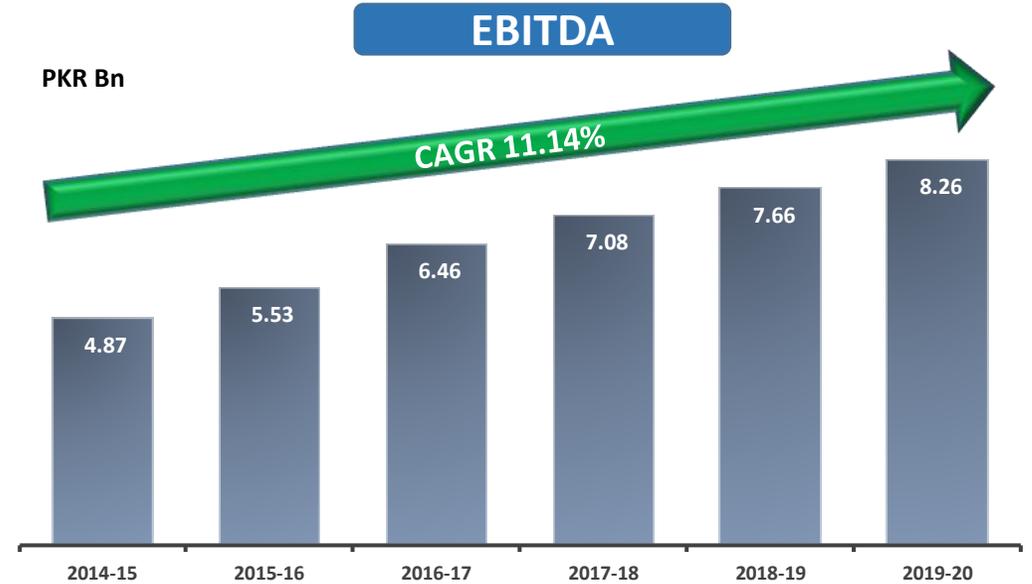
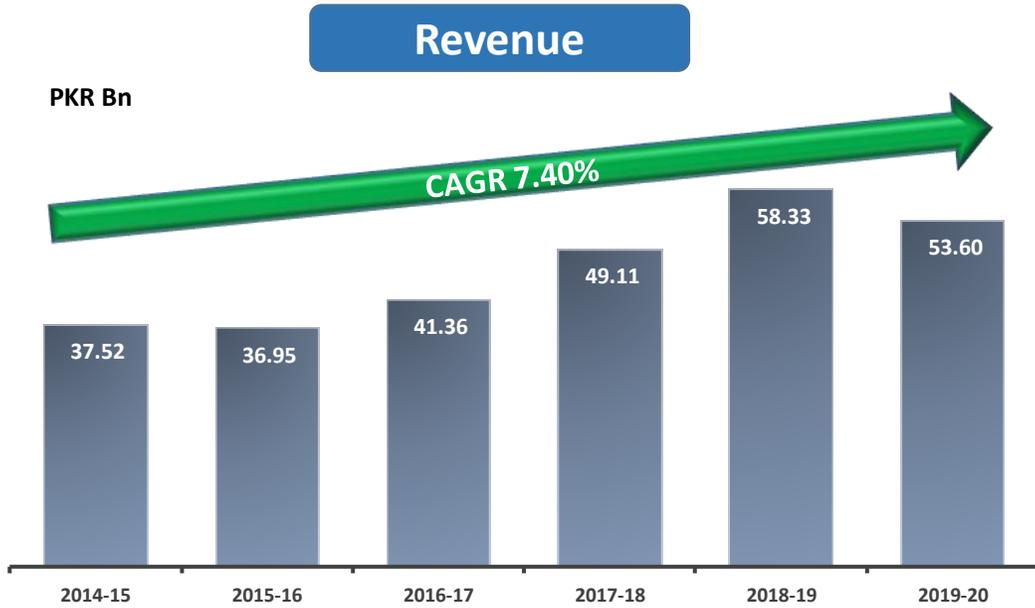
Key Highlights – For The Year Ended June 30th, 2020 (Unconsolidated)

ICI PAKISTAN LTD.



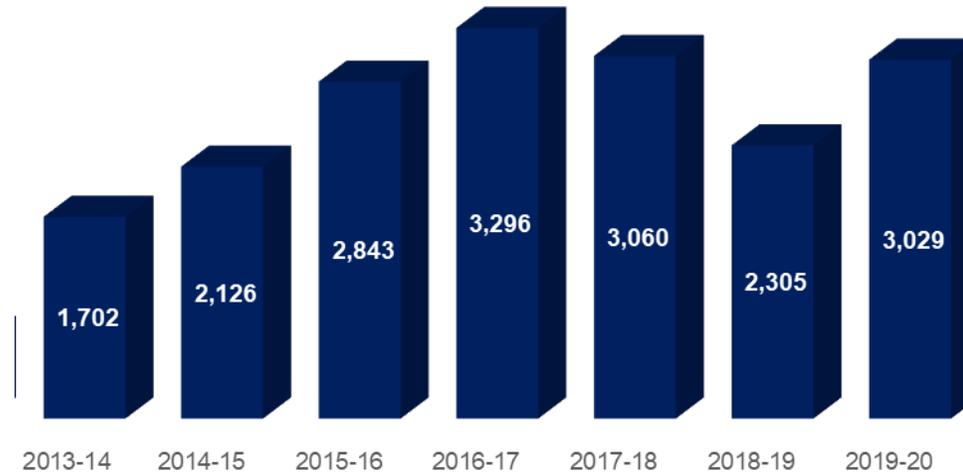


Performance – ICIP Unconsolidated





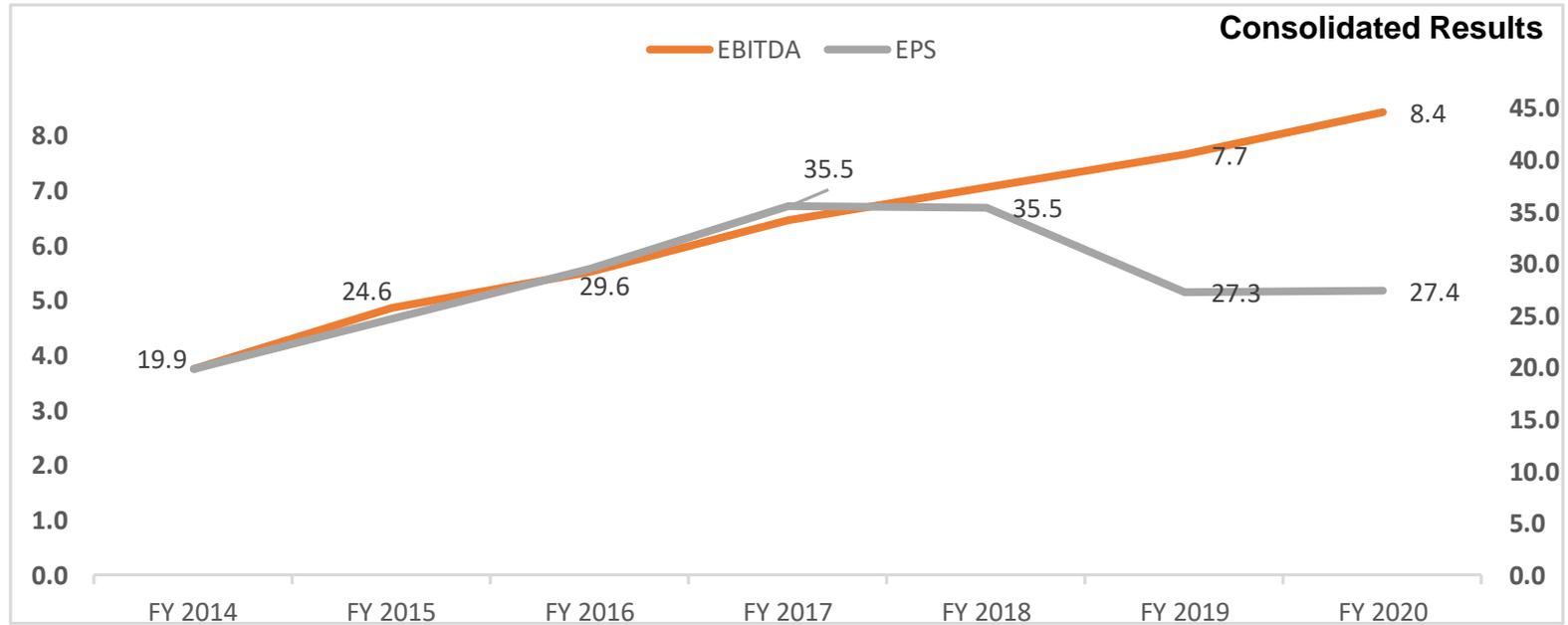
Financials



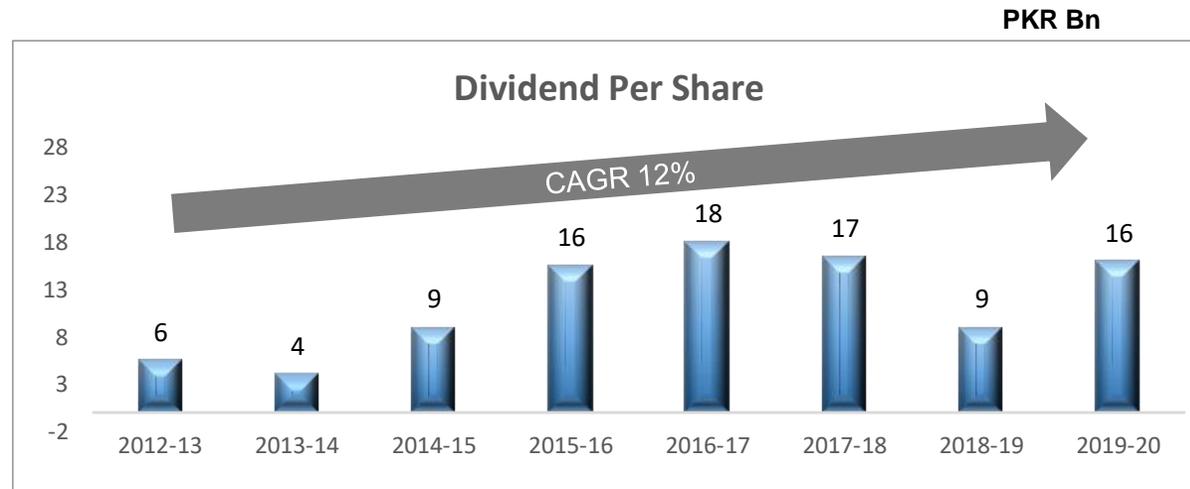
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Net Turnover	38,233	37,515	36,954	41,364	49,108	58,329	53,599
Operating Result	2,226	3,044	3,479	4,044	4,398	4,935	5,575
Financial Charges	(381)	(356)	(324)	(385)	(642)	(1,455)	(1,595)
Exchange Gain/(Loss)	(6)	(47)	(59)	(13)	(429)	(436)	(367)
Other Operating Charges	(181)	(231)	(285)	(144)	(304)	(272)	(333)
Other Operating Income	323	294	688	893	627	409	955
Profit after tax	1,702	2,126	2,843	3,296	3,060	2,305	3,029
EPS	18.43	23.02	30.78	35.69	33.13	24.96	32.80



Financial Performance – FY 2014 to FY 2020



EBITDA PKR Bn
EPS PKR





Value Generation to Shareholders

ICI PAKISTAN LTD.



For the FY 2019-20, ICI Pakistan limited out performed the PSX 100 Index by 28.93% (ICI's share price increased by 30.47% in comparison to PSX 100 Index which increased by 1.53%)



ICI Share Price – As at June 30, 2020

