



ICI Pakistan Limited

Corporate Briefing Session

FY 2021-22

ICI PAKISTAN LTD.



Table of Contents

- 1 ICI Pakistan Overview**

- 2 Company Performance**

- 3 Segmental Performance**

- 4 Opportunities & Challenges FY 2022-23**

- 5 NutriCo Divestment**

- 6 Future Growth Projects**

- 7 Rebranding for a Stronger Future**





ICI Pakistan Overview FY 2021-22



YBG: Unleashing the True Potential of ICI Pakistan Limited

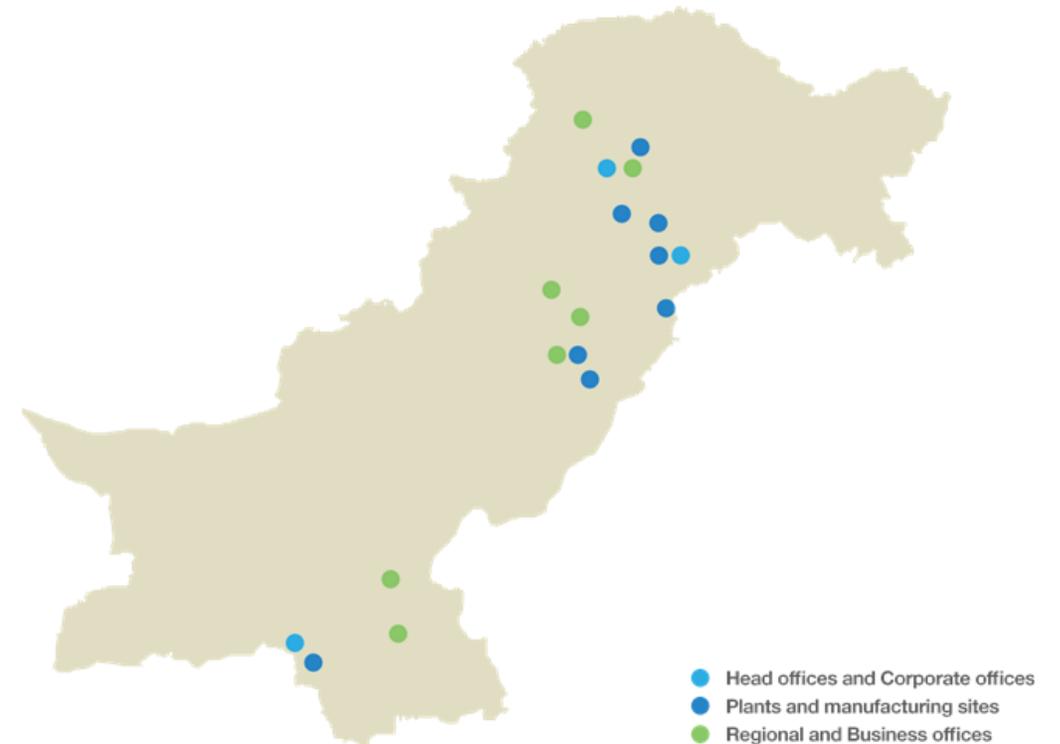
ICI Pakistan has over 75 years of operations in Pakistan and predates to the formation of the Country.

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 acquired majority shareholding in ICI Pakistan and since then, it has continued to build its legacy.

One of the best performing companies in Pakistan with true potential to further leverage its corporate brand equity, through organic and inorganic growth.

ICI Pakistan's Presence in Pakistan



Core Values of ICI Pakistan Limited

1. Customer Centricity
2. Integrity and Responsibility
3. Innovation
4. Passion for People
5. Delivering Enduring Value





HSE&S | Our Licence to Operate

Achievements

+39

Million Man Hours without Injury

(+27 Million Hours by Soda Ash Business)

Zero

Occupational Illnesses

03

Reportable Incidents

Awards

- **Soda Ash business** awarded with
 - **International Safety Award** by British Safety Council for HSE Management System
 - **CSR Award** in the Community Development & Services Category by NFEH.
- **Polyester business** secured **first position at the Annual Community Emergency Response Team event(CERT)** organised by, Rescue 1122, Sheikhpura.
- **Chemicals & Agri Sciences business** received the **Annual Environmental Excellence Award** by NFEH.



Sustainability | Going Green – Key Achievements



Awards

- Sustainability report was awarded the **Best Sustainability Report** by ICAP & ICMA Pakistan.

Reducing our Carbon Footprint

- **21 projects were completed** having the potential to reduce 31,000 tonnes of Carbon Dioxide.
- 1,734 kW **solar energy projects**, 1,400 tons of CO2 reduction annually.
- **R-PET project** will help to abate more than 24,000 tons of CO2 annually
- 23,324 **trees planted** across the company.

Refuse, Reuse, Reduce, Recycle

- The **wastewater recovery project** at soda ash recycled 100 million gallons of brackish water annually.
- Eliminating the **single-use plastic bottles** across all sites.

Community Support

- 250,000+ Community members have benefitted directly or indirectly from **community programs** so far.

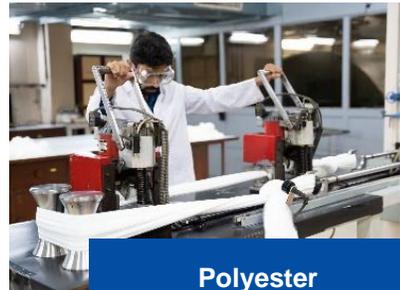


ICI Pakistan – An Integral Part of the Socio-Economic Fabric

- Diversified businesses with products catering to the needs of multiple industry segments.
- Strong reputation for quality and customer service.



Soda Ash



Polyester



Chemicals & Agri Sciences



Pharmaceuticals



Animal Health



Infant/ Growing up Nutrition

INDUSTRIES THAT ICI PAKISTAN CATERS TO

Textiles
Paints
Appliances
Construction
Automobile
Footwear
Oil/Petroleum
Food and Beverage
Metal engineering/ cleaning
Pharmaceuticals
Cement/ Mining
Chemical processing
Agrochemical & Seeds
Detergents and Laundry soaps
Surgical
Fertilizers
Paper/ Glass/ Ceramics
Coating/ Inks



Company Performance FY 2021-22



FY 2021-22 – At a glance

Record NSI, EBIT & PAT delivery

 **PKR 100 billion Consolidated Sales**
Increase in ICI Standalone Sales (39%), EBIT (40%) and PAT* (24%) from SPLY.

 **GCA & Pharma crossed PKR 1 billion EBIT**

 **Record Soda Ash exports, 87% growth over last year**

 **Pharma business moved one rank up from last year (18th rank on IQVIA)**

Downstream Integration into Float Glass manufacturing - JV with Tariq Glass 

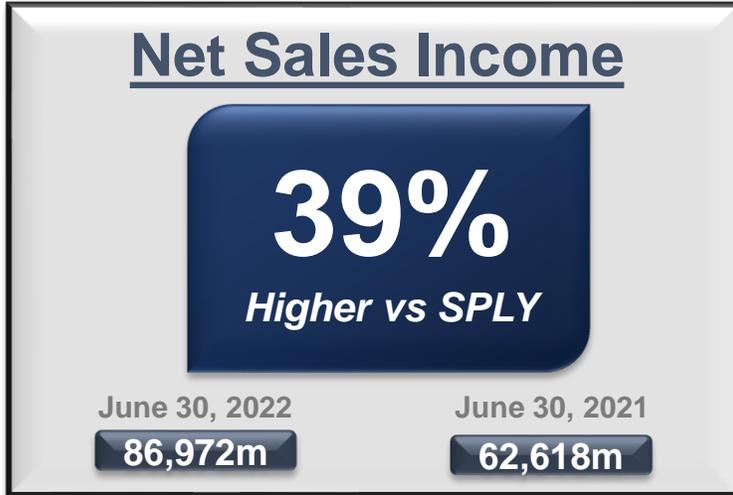
75 KTPA Soda Ash expansion commissioned (Jun'22) 

Acquisition of additional 11% share holding in NutriCo Pakistan 

R-PET project commissioned with a capacity of 16,320 TPA 



Key Highlights – For the Year Ended June 30, 2022 (Unconsolidated)





Segmental Performance vs. SPLY– Unconsolidated



Soda Ash

Polyester

Pharma

Chemicals

Animal Health

ICI Pakistan

NSI Min

25,064 ↑ 50%

36,676 ↑ 51%

8,886 ↑ 14%

10,807 ↑ 24%

5,617 ↑ 10%

86,972 ↑ 39%

Vs. 16,709

Vs. 24,297

Vs. 7,814

Vs. 8,699

Vs. 5,114

Vs. 62,618

EBIT Min

4,476 ↑ 27%

3,807 ↑ 40%

1,247 ↑ 49%

1,462 ↑ 55%

761 ↑ 100%

11,753 ↑ 40%

Vs. 3,526

Vs. 2,716

Vs. 836

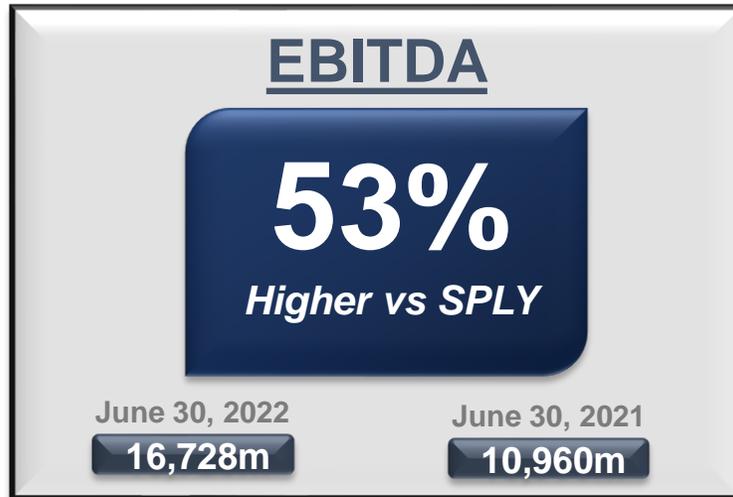
Vs. 942

Vs. 380

Vs. 8,399



Key Financial Highlights – For the Year ended June 30, 2022 (Consolidated)



PAT and EPS attributable to owners after adjusting one off net gain and super tax would have been PKR 6,618m and 71.7/share



**PAT and EPS after Super Tax / Poverty Alleviation Tax adjustment is PKR 8,860m and PKR 91.7*



Segmental Performance vs. SPLY- Consolidated



Soda Ash

PEPG

Pharma

Chemicals

Animal Health

NutriCo

ICI Pakistan

NSI Min

25,064 ↑ 50%

38,362 ↑ 50%

8,886 ↑ 14%

10,807 ↑ 24%

5,617 ↑ 10%

13,895 ↑

100,867 ↑ 56%

Vs. 16,709

Vs. 25,529

Vs. 7,814

Vs. 8,699

Vs. 5,114

Vs. 2,148

Vs. 64,766

EBIT Min

4,476 ↑ 27%

3,961 ↑ 34%

1,247 ↑ 49%

1,462 ↑ 55%

761 ↑ 100%

1,918 ↑

13,825 ↑ 72%

Vs. 3,526

Vs. 2,945

Vs. 836

Vs. 942

Vs. 380

Vs. (588)

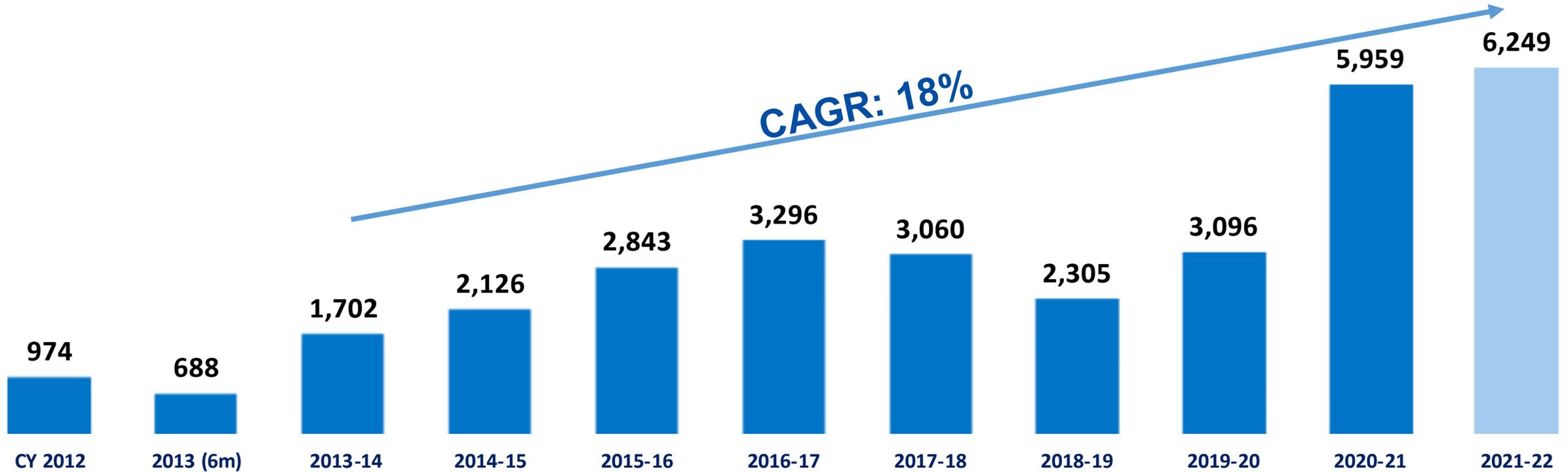
Vs. 8,045



*Comparison of NutriCo with SPLY is not available as NutriCo Pakistan became subsidiary during the current year



Journey Since YBG Acquisition – PAT (Standalone)



Shareholders Return since YBG Acquisition

IRR on Investment
19.0%
In PKR

PSX 100 Index
11.6%
Average Return

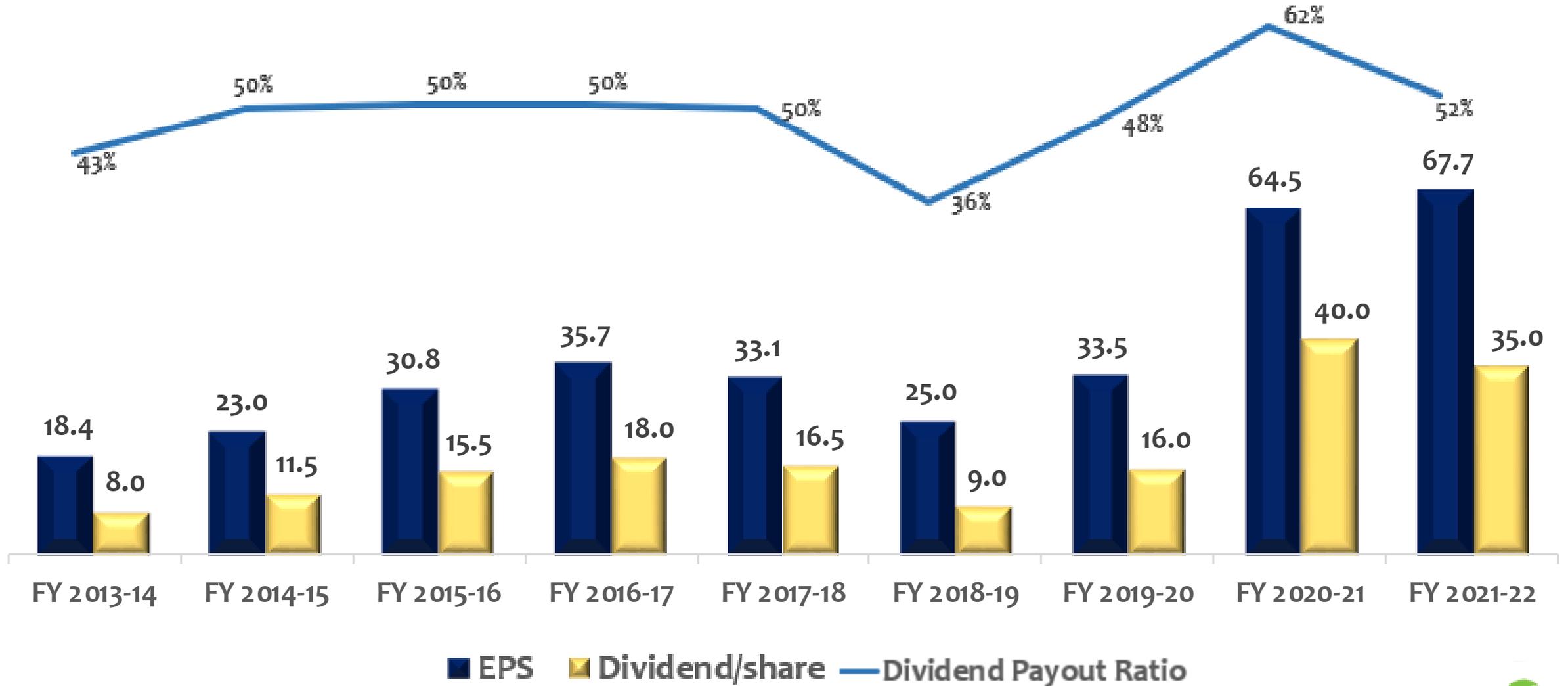
KMI 30 Index
11.0%
Average Return



*PAT CAGR calculated from 2013-14



Profitability and Dividend Payout History

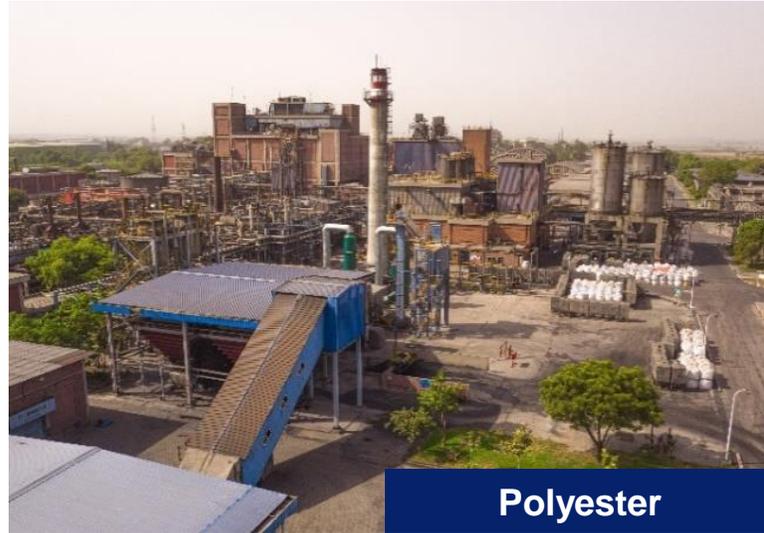




Segmental Performance FY 2021-22



State-of-the-Art Manufacturing Plants



Soda Ash





Soda Ash Business – A mouth of the mine manufacturing facility



Current production capacity of 500,000 TPA, to be expanded by 60,000 TPA (Total capacity 560,000 TPA)

Ideal location with access to major raw materials

Self-Sufficient in energy needs

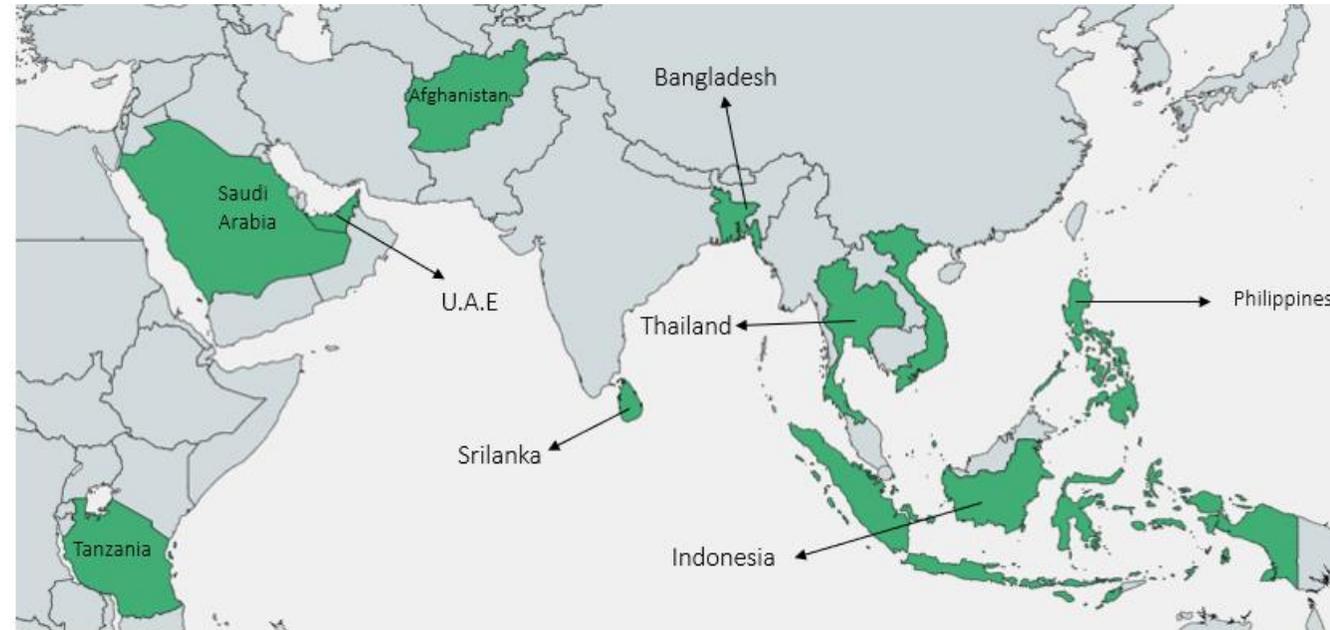
Close proximity to customer protects from import risk

Continuous focus on sustainable solutions



ICI Pakistan Soda Ash Exports

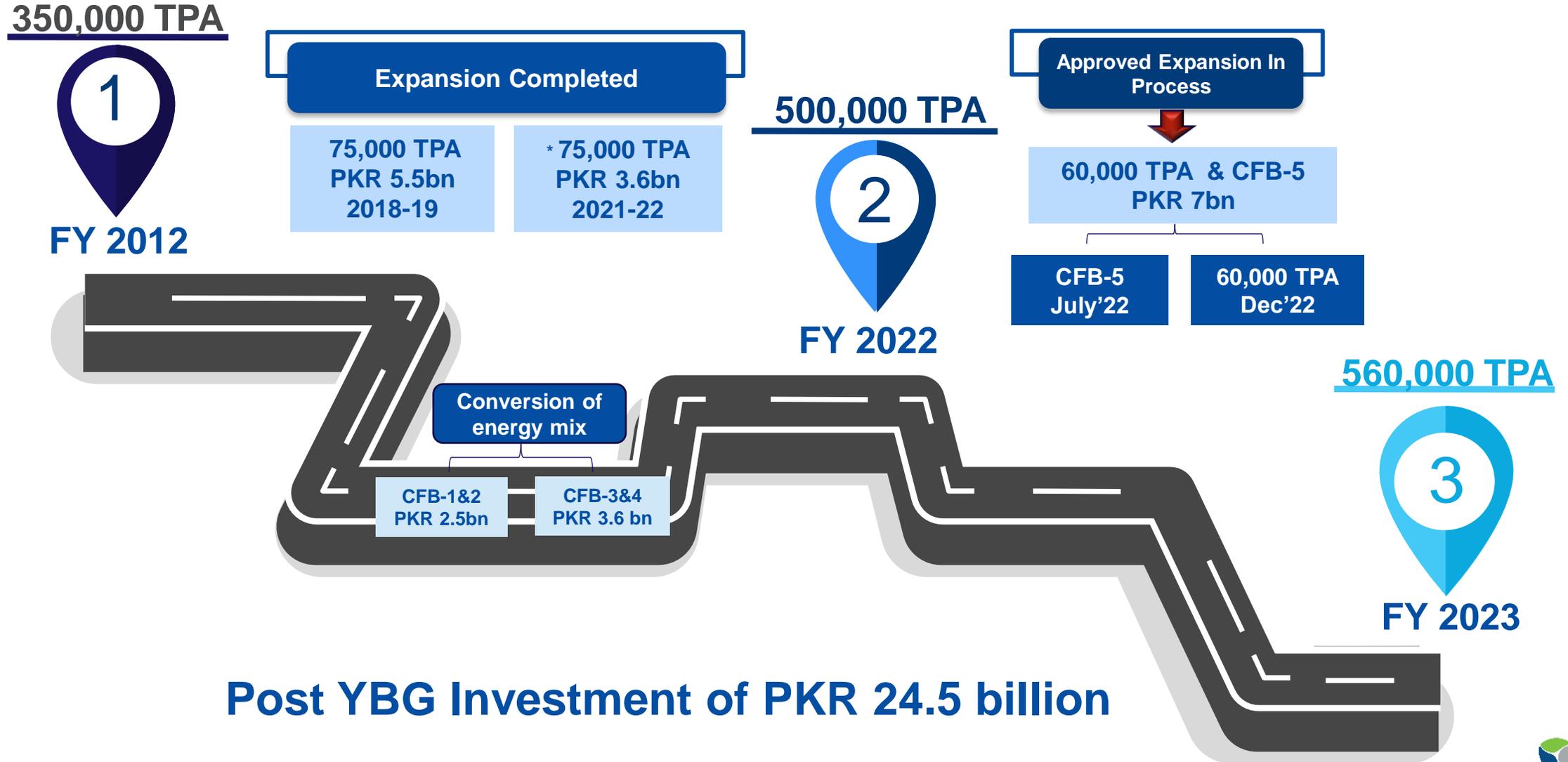
Export Country	2021-22 (MT)	2020-21 (MT)	2019-20 (MT)	2018-19 (MT)	2017-18 (MT)	2016-17 (MT)
India	-	-	-	20,040	23,960	23,720
Afghanistan	2,358	2,808	1,437	743	2,466	2,031
UAE	1,591	1,709	6,125	692	-	-
Bangladesh	41,136	18,396	8,707	7,676	688	-
Sri Lanka	8,100	8,500	2,540	-	-	-
Tanzania	1,600	1,400	952	-	-	-
Egypt	-	-	2,016	-	-	-
Vietnam	700	-	-	-	-	-
Indonesia	3,304	-	-	-	-	-
KSA	2,383	-	-	-	-	-
Philippines	196	-	-	-	-	-
Thailand	20	-	-	-	-	-
Qatar	-	-	19	-	-	-
Total	61,388	32,813	21,796	29,151	27,114	25,751



The Business continues to solidify its base in the export market and achieved it's highest ever export sales in FY 2021-22, with potential for further growth.



Expansion Since YBG Acquisition





Soda Ash – Financial Summary

Net Turnover



Operating Result



EBITDA



Key Highlights:

❖ Sales volume:

Description	June'22	June'21	Delta
Domestic Volumes tons	399,354	364,751	9%
Export Volumes tons	61,388	32,812	87%
Total Volumes tons	460,742	397,563	16%

❖ Exports volume massive growth of 87% due to expansion of footprint in the Asia Pacific and MENA regions.

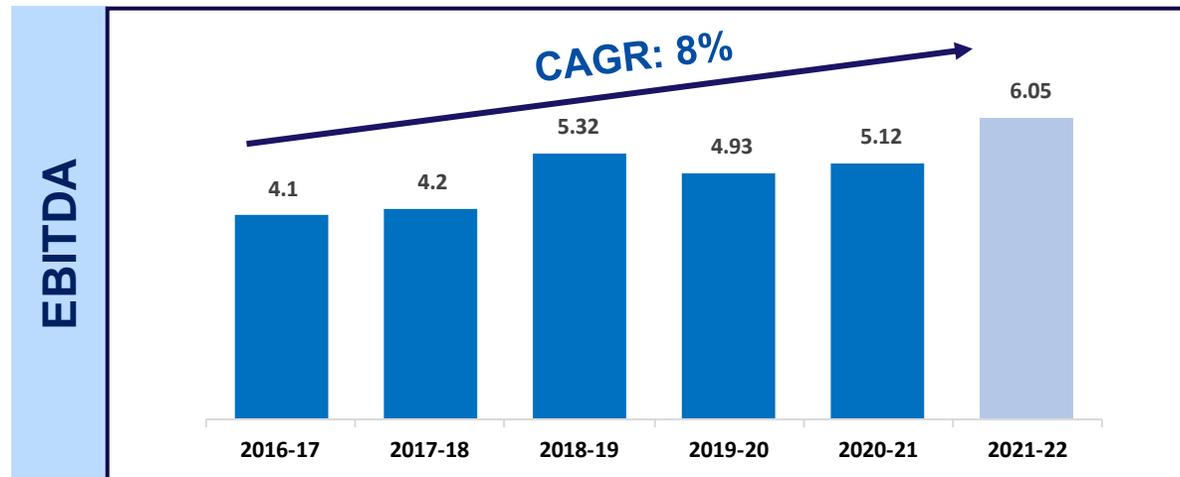
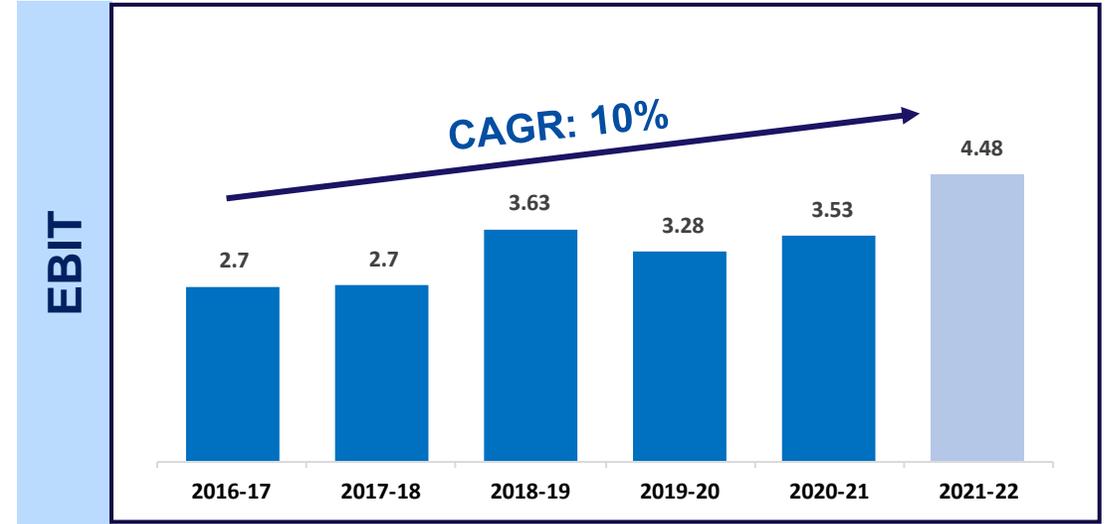
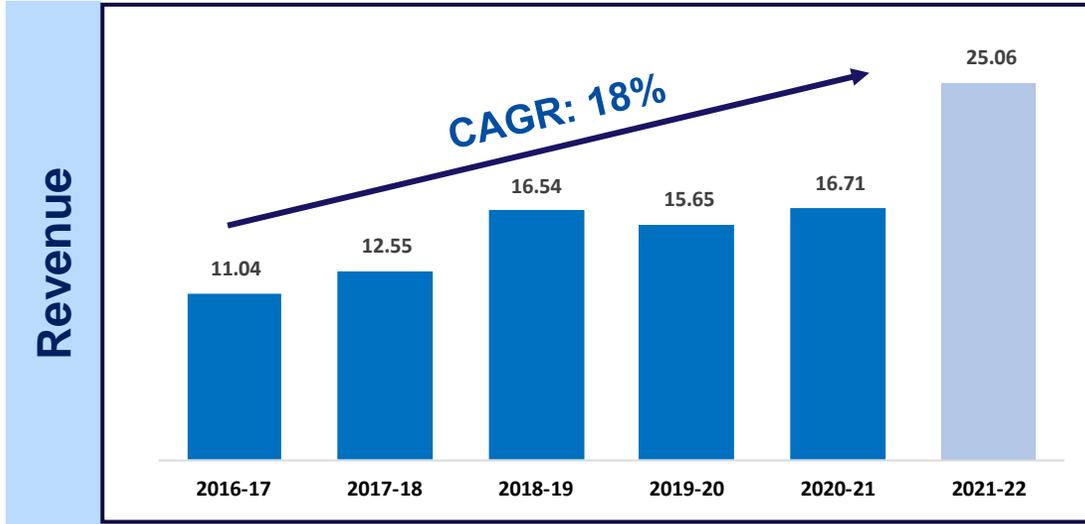
❖ Increasing sales volumes, manufacturing efficiencies, and higher selling prices contribute to a growth in operating results.

❖ Successful commissioning of 75 KTPA expansion project in June'22

❖ To protect domestic soda ash manufacturers 20% RD imposed on imported soda Ash in Jan'22



Historical Performance



*Amounts in PKR billion

Polyester





TERYLENE

POLYESTER FIBRE

Pioneer In Polyester Manufacturing
in Pakistan and 2nd Largest
Domestic Player

Strong Technology Partner
(Invista – a Global Leader in the
Sector)

Obtained ISO 45001 Certification &
Re-certification of ISO 9001



Excellent Reputation for Customer
Relationships, Product Quality and
Technical Services

CP plant operating at full capacity
i.e. 122,250 tons per annum

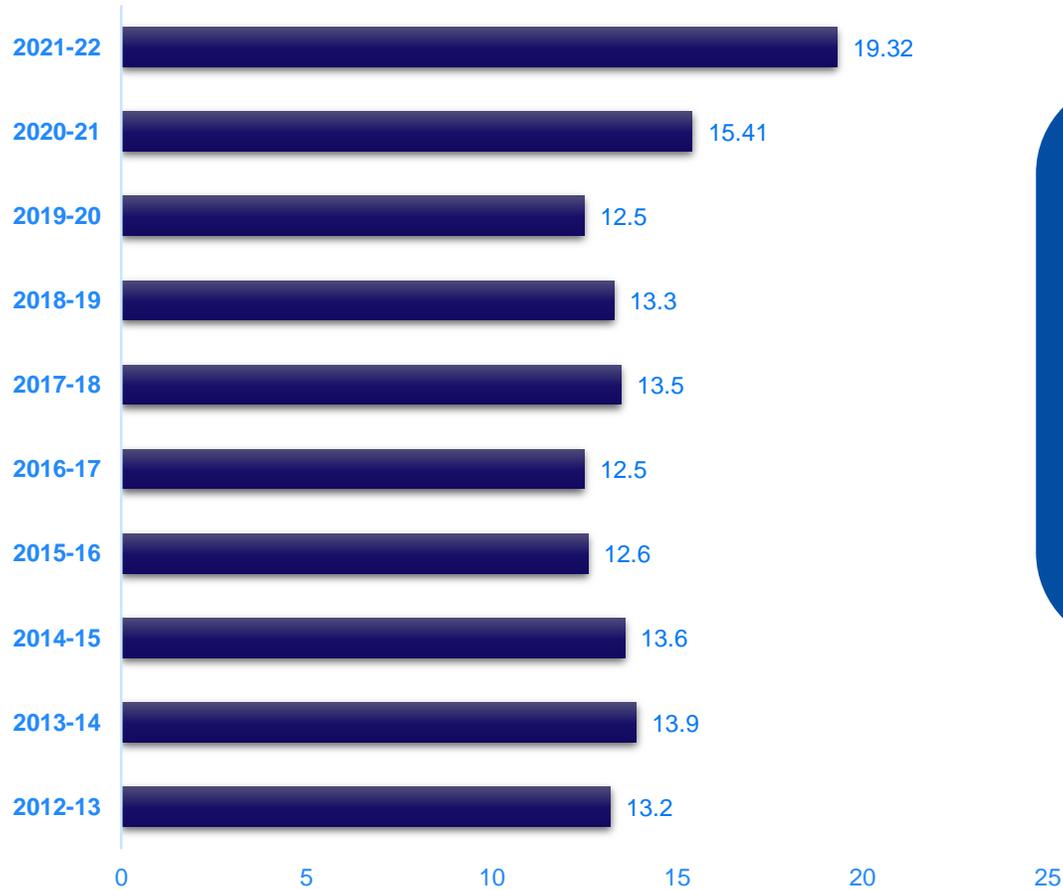
Strong Management Capability
with Self Sufficiency in Plant
Know-how

Total production reached to 139,099 tons in FY'22 on the back of improved manufacturing efficiencies



Polyester Fibre – Back Bone of Pakistan’s Economy

Pakistan Textile Exports (Amount in Bn \$)



- Textile sector has approx. 61% share in total exports of Pakistan.
- Strong government support to drive exports through export refinancing scheme and competitive power and gas tariffs
- Recent devaluation in PKR to USD has benefitted import substitution businesses
- Polyester has benefitted in terms of favourable regional dynamics and high cotton prices

Source: Economic Survey of Pakistan



Sustainability

Recycled PSF from Flakes

- Successfully commissioned a 48 TPD production unit of 100% PET Recycled chip for the manufacture of Recycled Polyester Stable Fibre in the last quarter of 2022.
- Production capacity is 16,320 TPA.
- This expansion is in-line with the needs of customers and the Company's strong focus on sustainability.



700,000,000
bottles recycled
per year



Reduction of crude oil
extraction equivalent to
200,000 barrels



Reduction in CO₂ emissions
equivalent to planting
1,000,000 trees



Polyester & PowerGen – Financial Summary

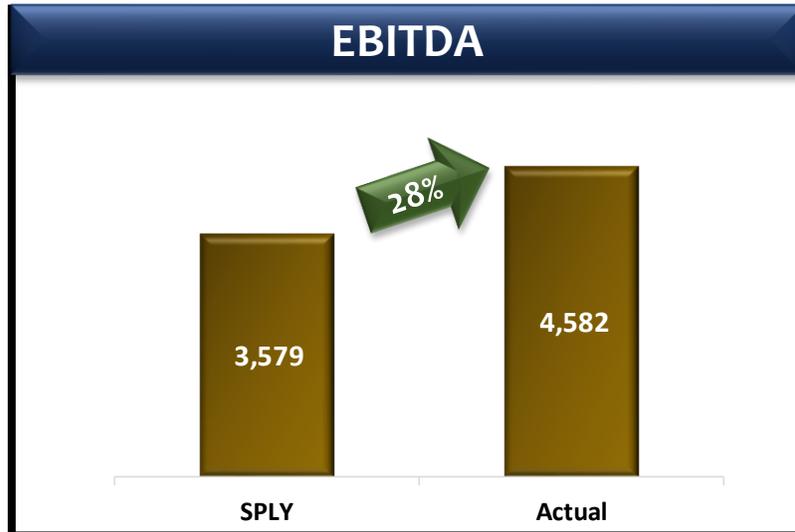
Net Turnover



Operating Result



EBITDA

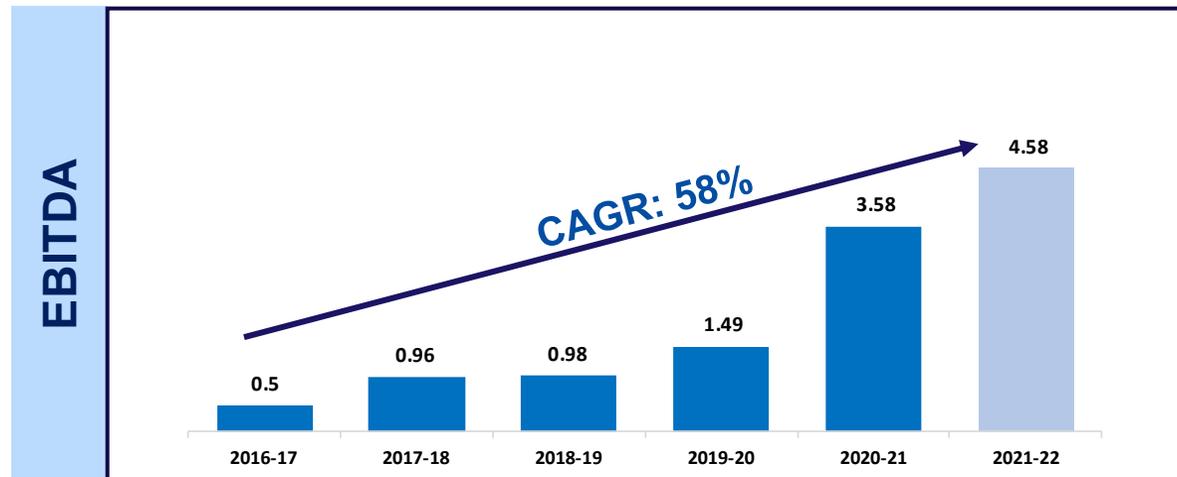
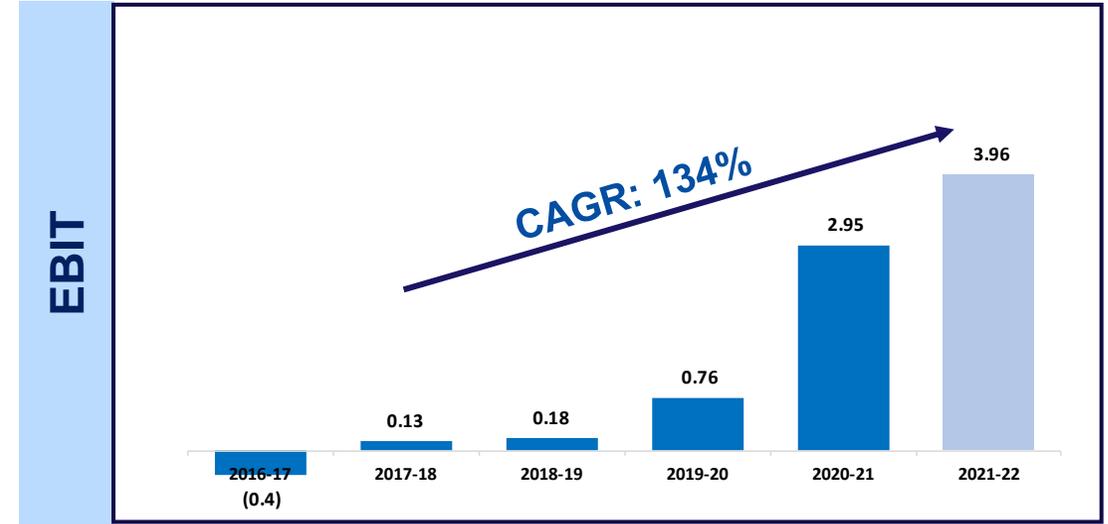
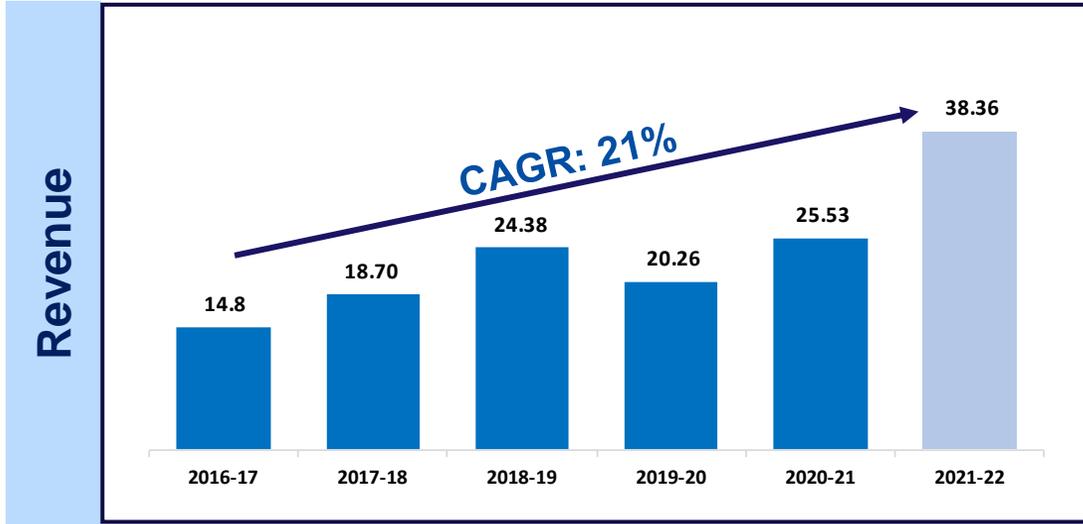


Key Highlights:

- ❖ *Production and sales of 139,099 tons and 141,040 tons, up by 1% and 4% respectively from SPLY.*
- ❖ *Significant increase in Net turnover is attributable to higher selling prices backed by higher import offer, increase in feedstock prices and sea freights along with strong demand by the textile industry.*
- ❖ *Favourable regional dynamics, improved efficiencies and tighter cost control has resulted in a significant increase in Operating Profit.*
- ❖ *Focus on differentiation and niche product development*



Historical Performance



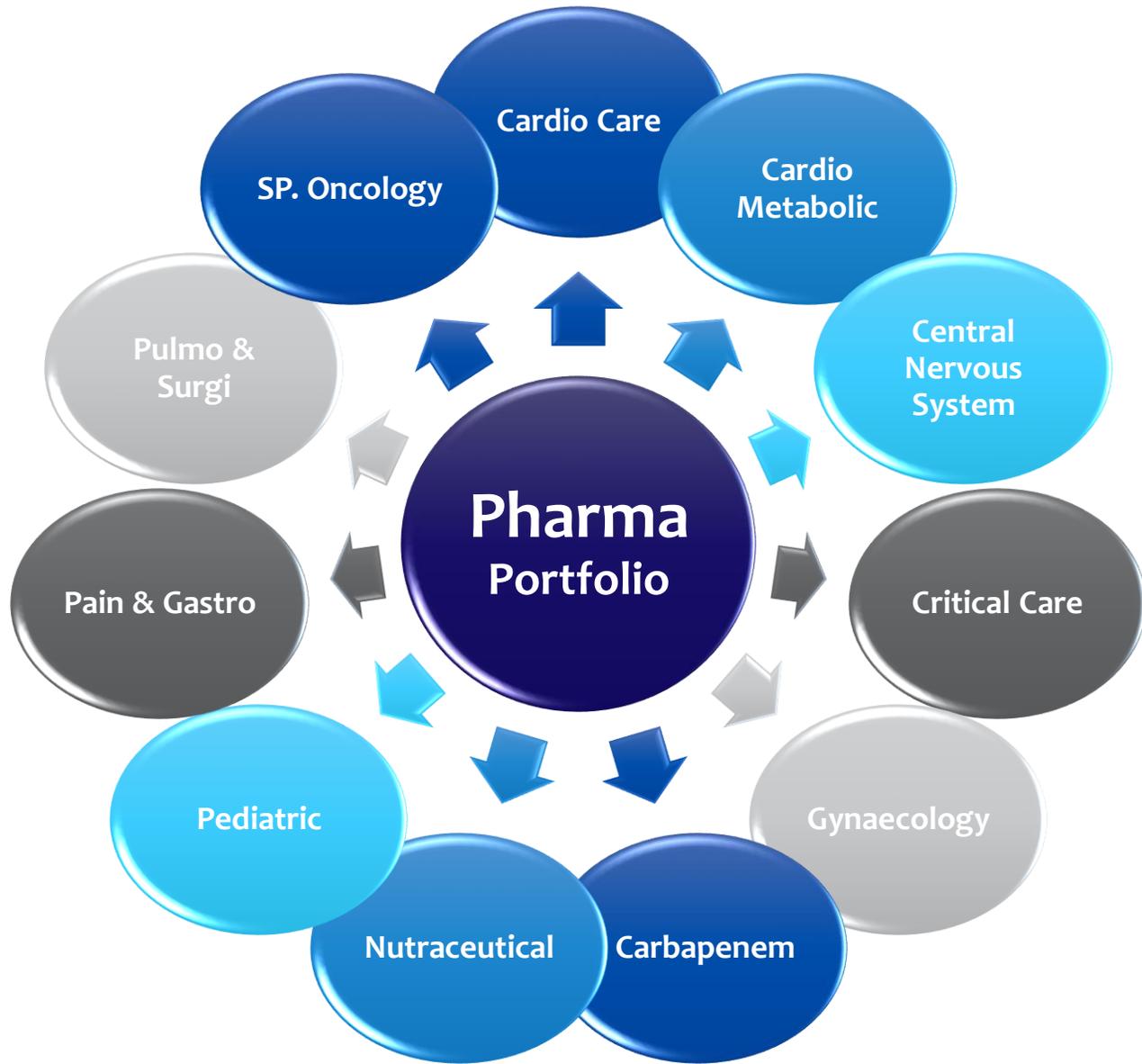
*Amounts in PKR billion

Pharmaceuticals





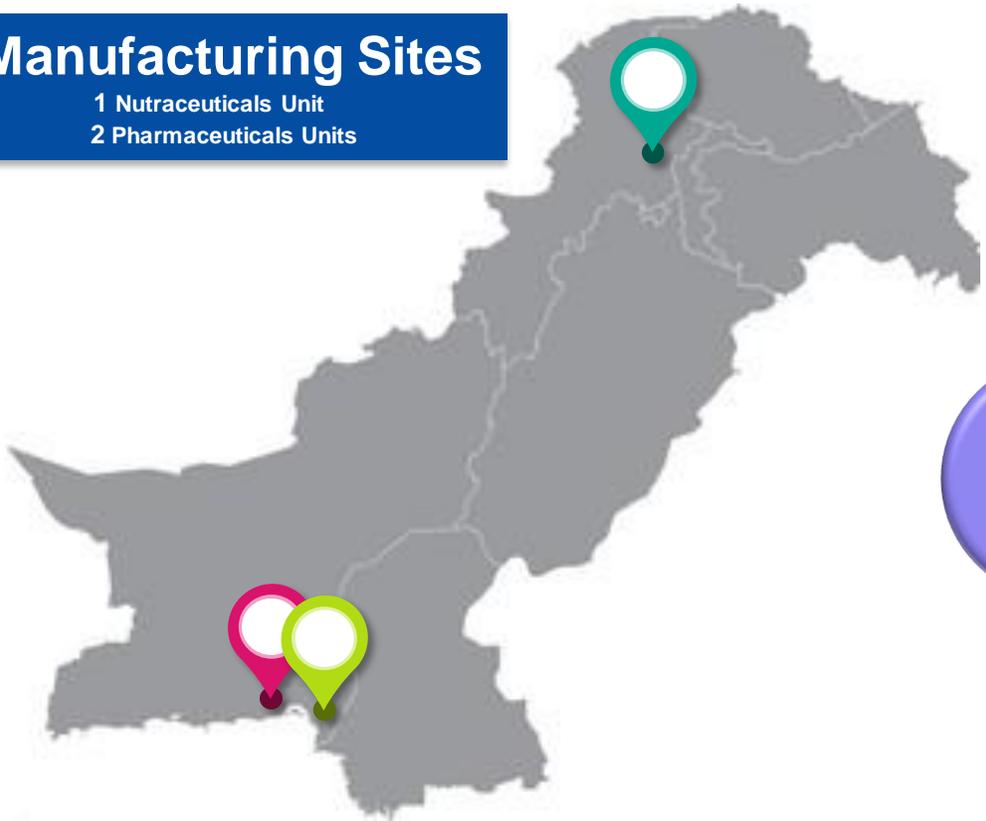
Presence in Multiple Therapeutic Areas





Post Acquisition - Manufacturing Footprint

3 Manufacturing Sites
1 Nutraceuticals Unit
2 Pharmaceuticals Units



Hattar Plant
GMP Certified
ISO Certified 9001:2015

Hawkes bay Plant
GMP Certified
ISO Certified 9001:2015

Nutra Plant
ISO Certified 9001:2015

Producing **75 million** units annually

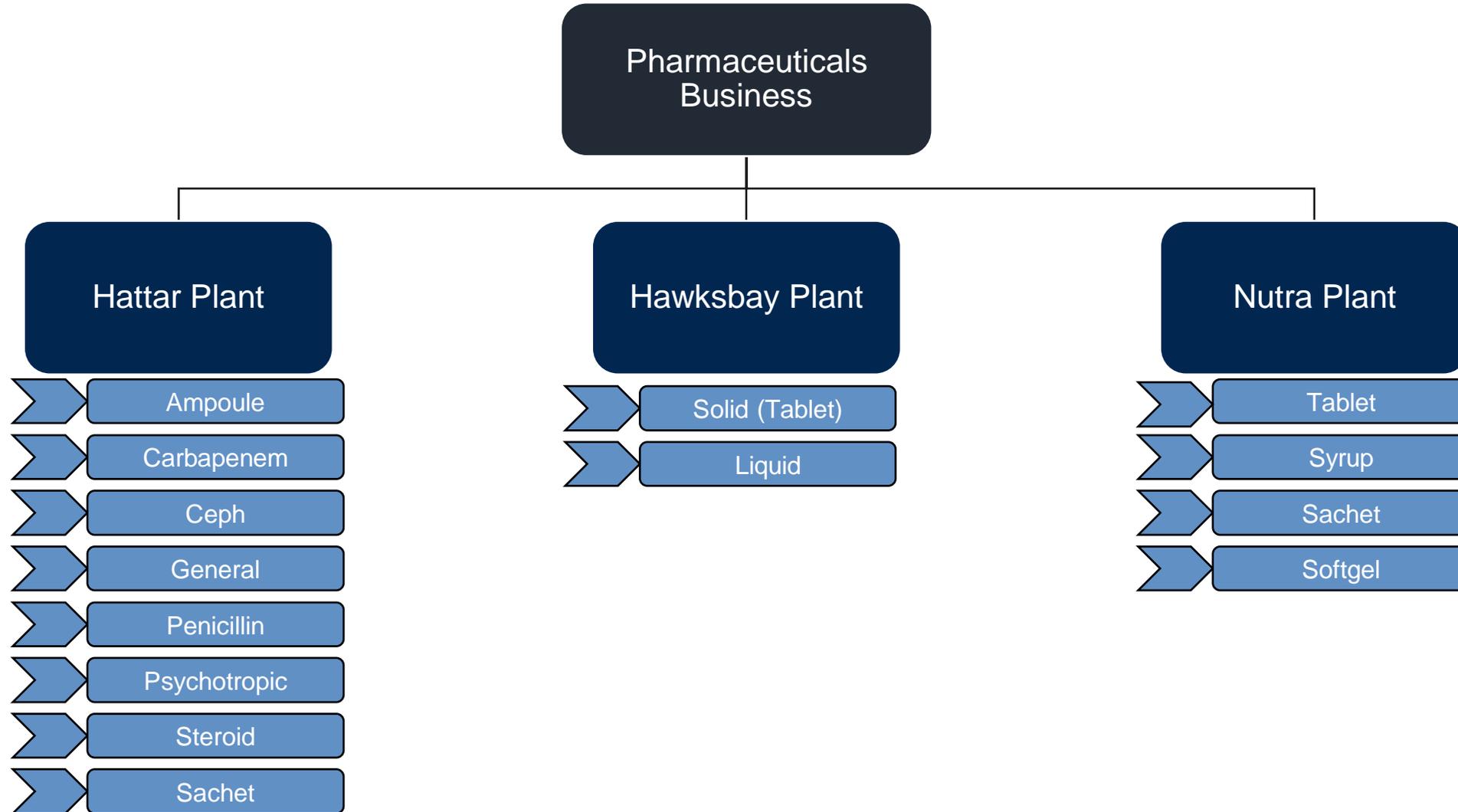


18 new brands launched in the last 3 years – which delivered annual Sales of PKR 450 Mn.





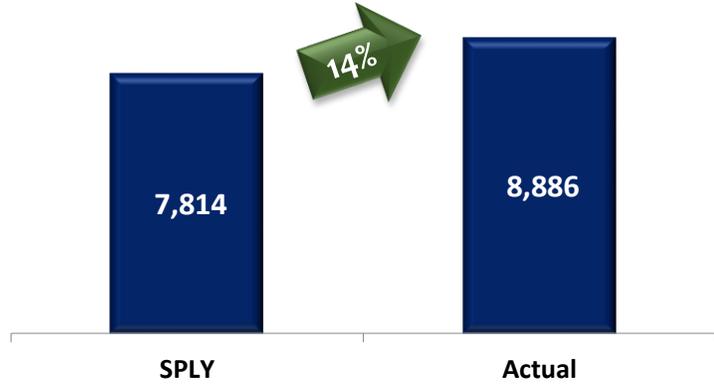
Capability to Manufacture Multiple Dosage Forms



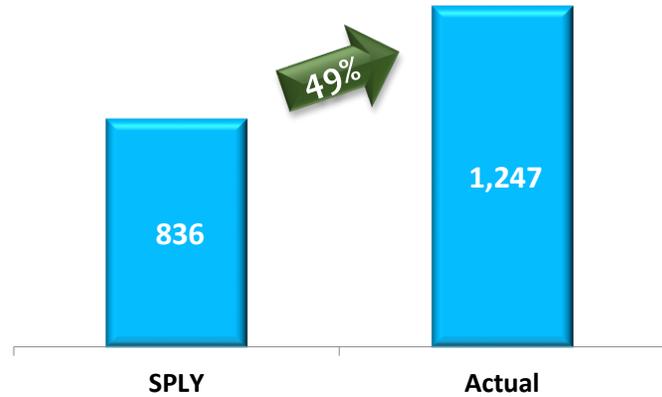


Pharmaceuticals – Financial Summary

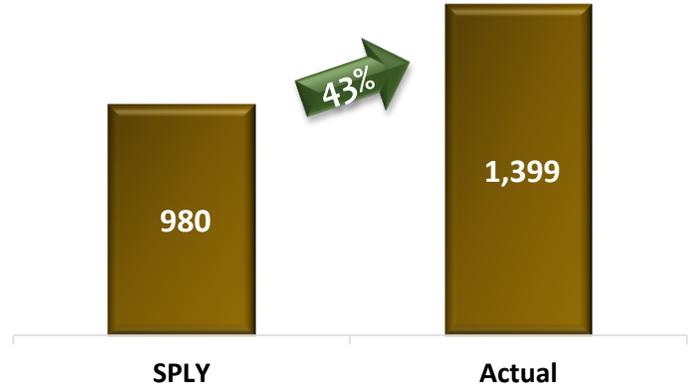
Net Turnover



Operating Result



EBITDA

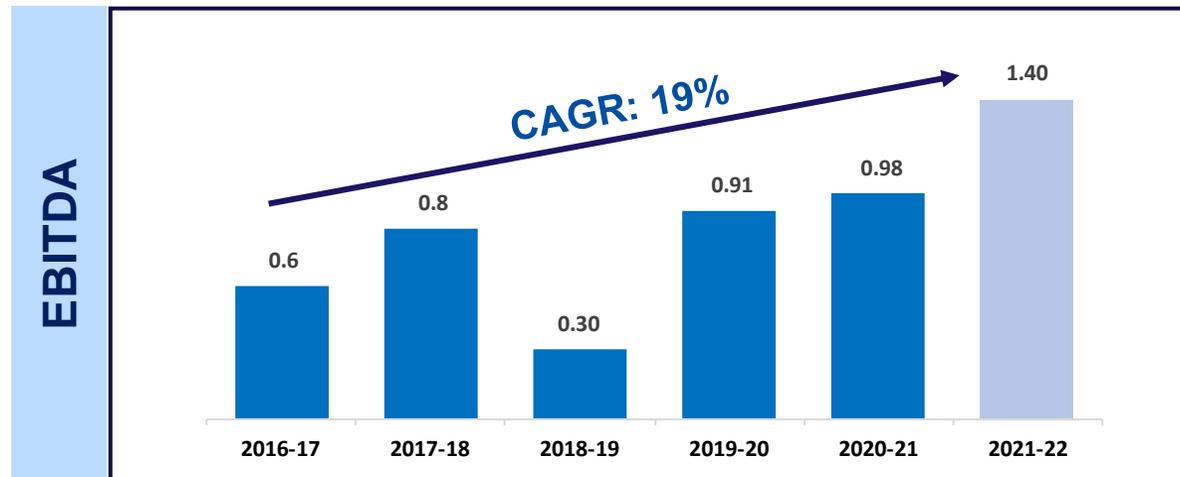
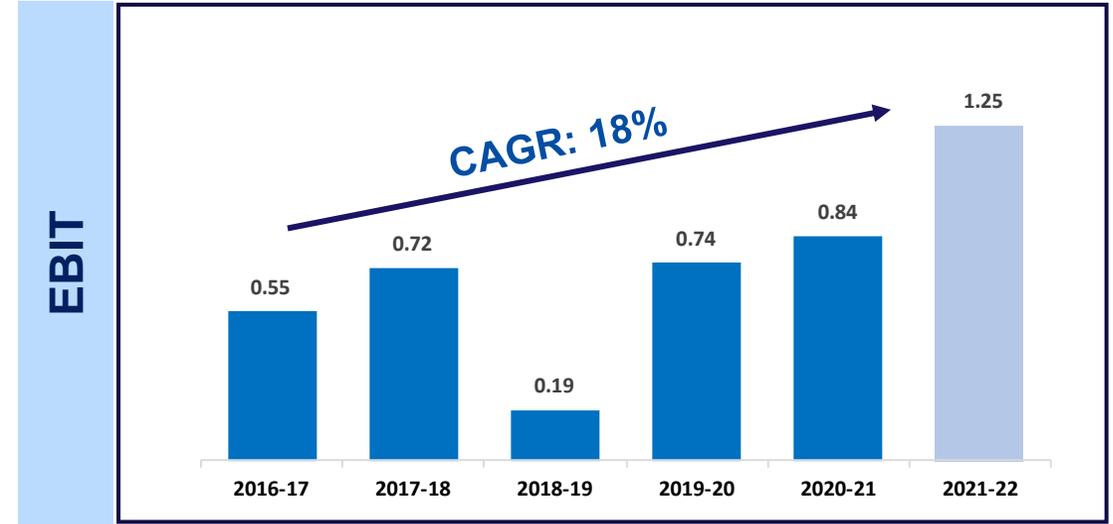
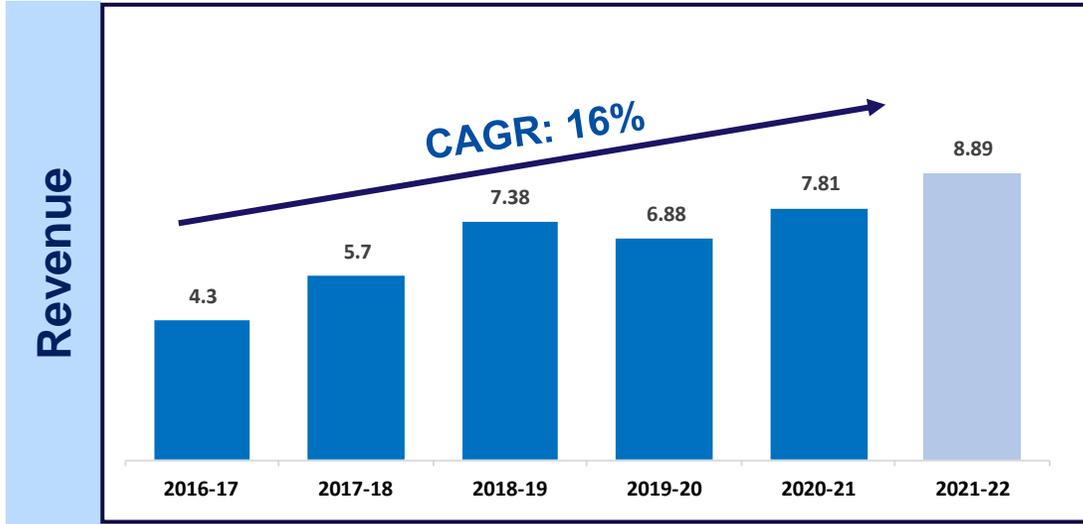


Key Highlights:

- ❖ *Improvement in profitability is attributable to newly launched products having higher margins. Further increased volumes resulted in manufacturing efficiencies in the form of higher absorption of fixed cost.*
- ❖ *Veroclav recognized as the best antibiotic launch of the year by IQVIA.*
- ❖ *Climbed 3 places over the last three years- now ranked # 18 in Pakistan pharma industry*



Historical Performance



*Amounts in PKR billion

Animal Health





Animal Health Business Footprint

Brand Equity

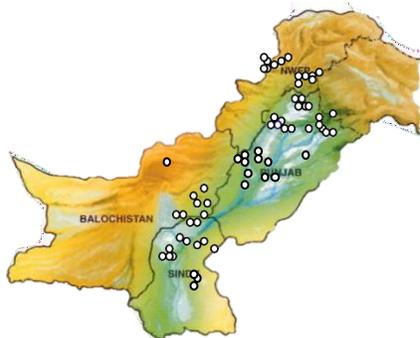


ICI PAKISTAN LTD.



- Top-of-mind recall.
- One-stop solution provider.
- Our Brand umbrella for Branded Generics.

Optimum market access



- 15,000 farmers & 6,000 veterinary professionals reached monthly.
- Access to 500 Breeders & Feed Millers.
- Extensive retail outreach through distributors. (2,500+ retail customers reached per month)

Technical Excellence and Quality



- Trained and technically proficient salesforce.
- Frequent educational seminars for vets & KOLs hosted.

Manufacturing Expertise

3 Manufacturing operations with 3.85m units per annum



Silage



Vanda



Medicines



Animal Health – Leveraging on Presence to Achieve Scale

- **Strong presence in one of most essential & important industries**
 - Large animal population (low productivity) + strong Government focus and support
- **Focus on the largest segments providing profitable scale opportunities**
 - Further strengthening of Farmer's Choice brand
 - Expansion into Silage market
 - Enhancing Vanda market share
- **Focus on further localisation of manufacturing to improve margins / profitability**

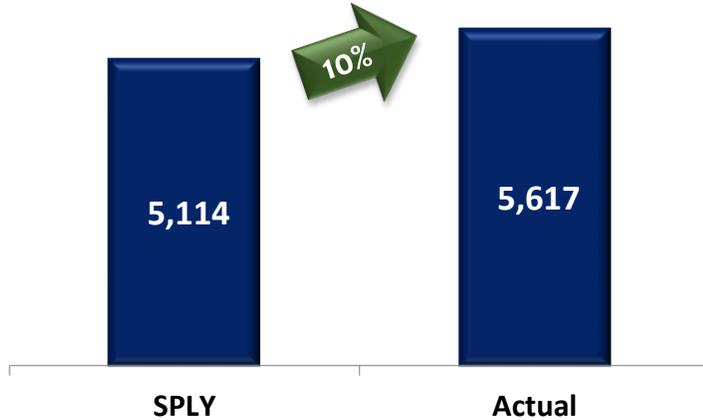


**Our Brand umbrella for
Branded Generics reaching
PKR 3.7 bn topline**

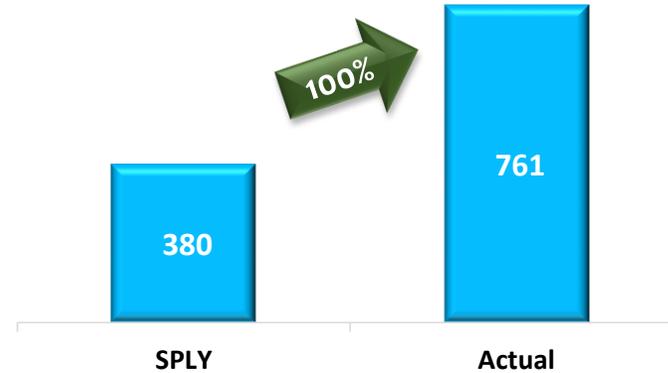


Animal Health – Financial Summary

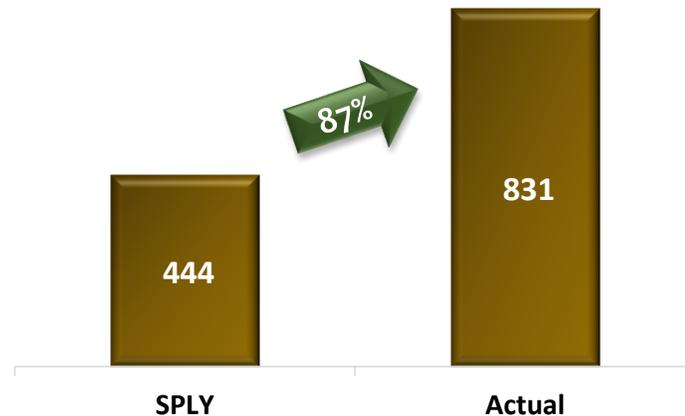
Net Turnover



Operating Result



EBITDA



Key Highlights:

- ❖ *Livestock and poultry divisions saw growth of 1% and 37%, respectively, supported by record silage production with volumetric growth of 23%.*
- ❖ *Aforesaid volumetric growth in poultry segment is also attributable to higher consumption post lifting off COVID-19 restrictions.*
- ❖ *Poultry Biologicals portfolio including the flagship CAVAC vaccines outperformed to drive business growth as compared to SPLY.*
- ❖ *Under the farmers choice portfolio, 6 new products were introduced.*



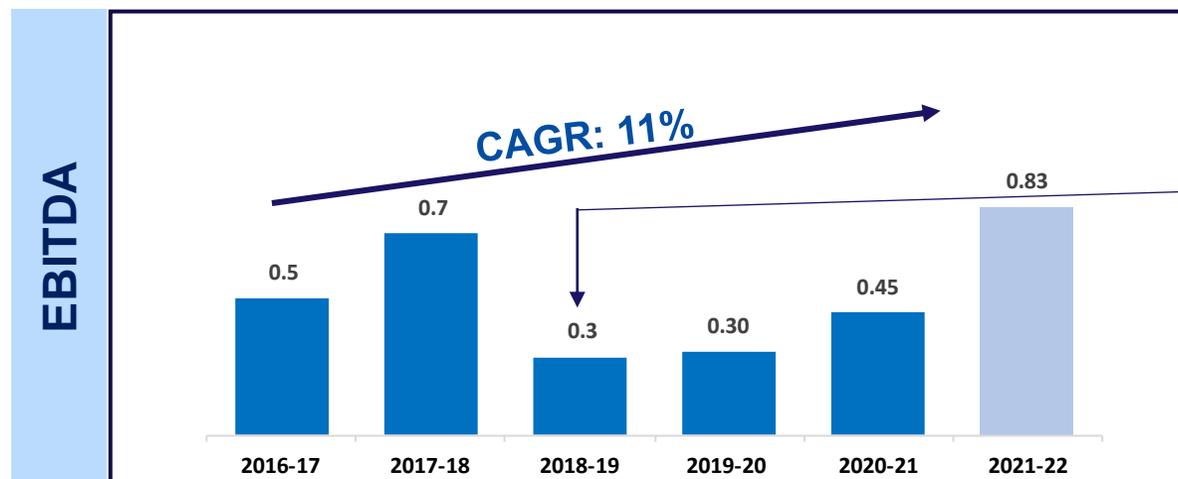
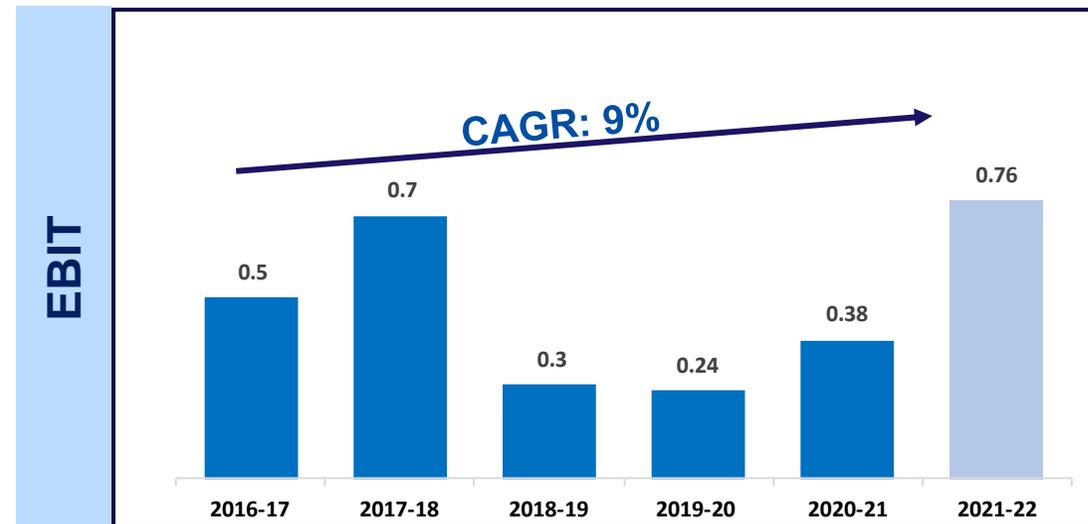
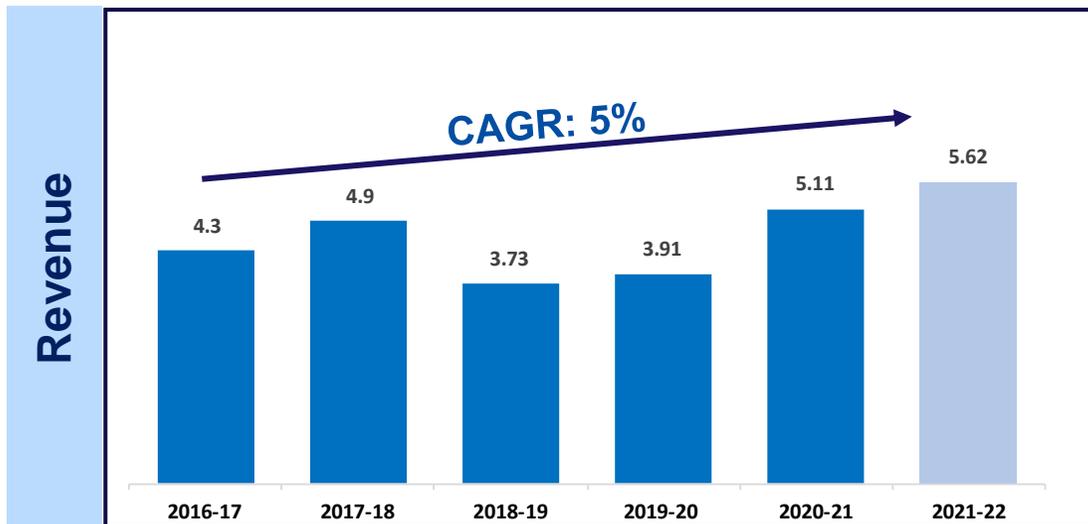
Strategic International Partnerships

Partnerships with leading global animal health companies to bring global advancements to Pakistan.





Historical Performance



Recovering the impact of Somatech (rBST), PKR 1.6Bn revenues, PKR 600m EBITDA.

*Amounts in PKR billion

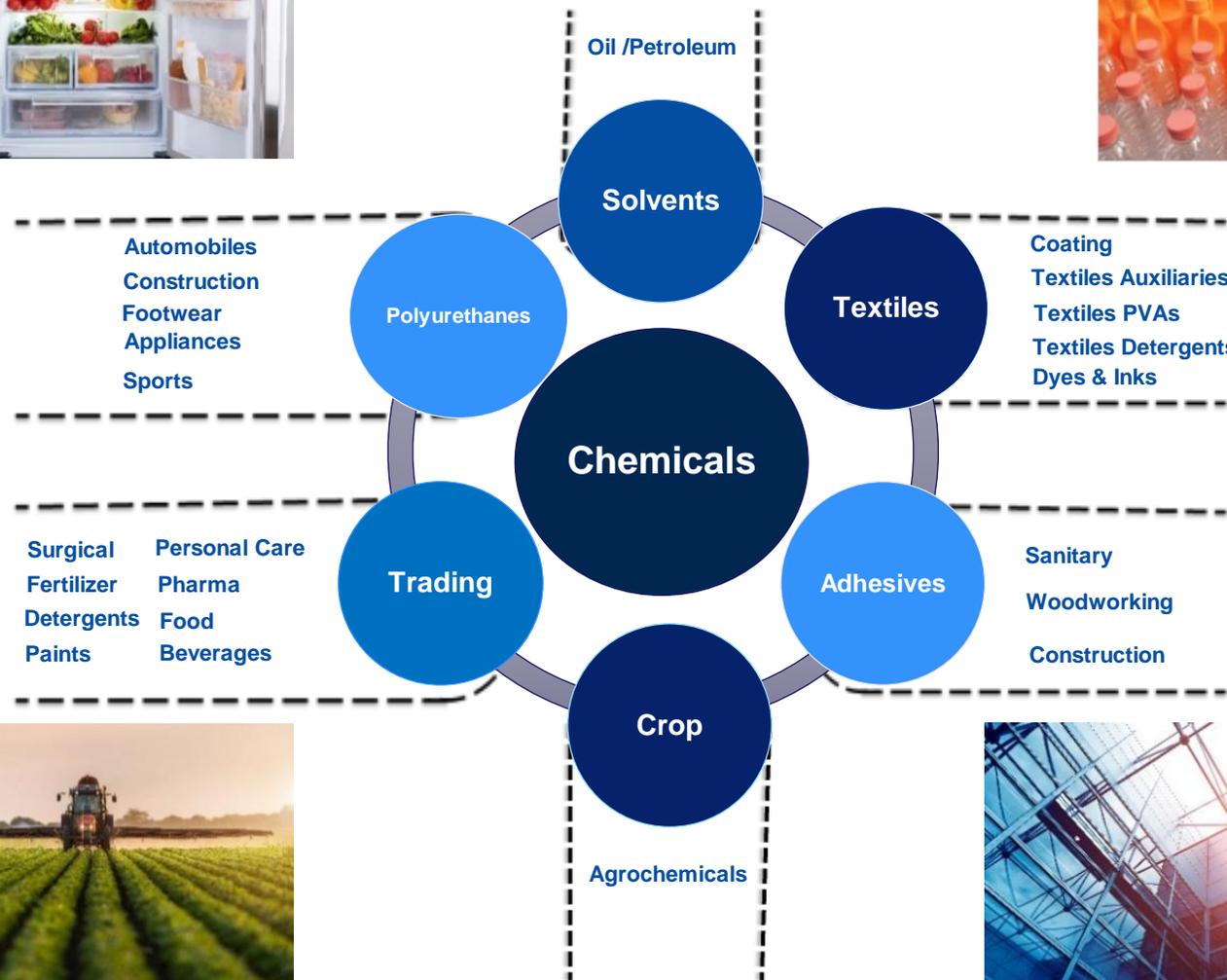
Chemicals & Agri Sciences





Chemicals Business

Presence in major industrial sectors





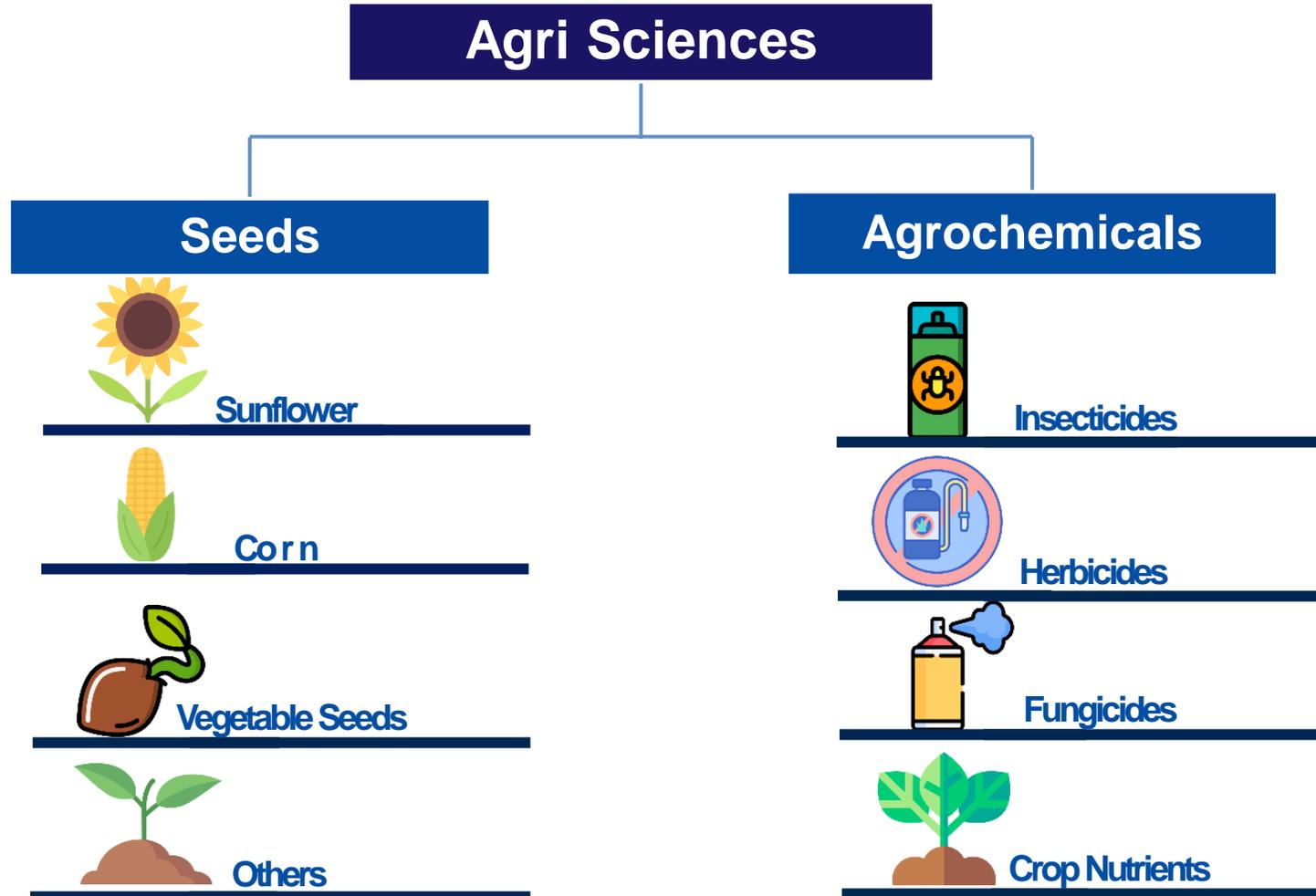
Agri Sciences – Creating an Impact Across the Agri Chain

- 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



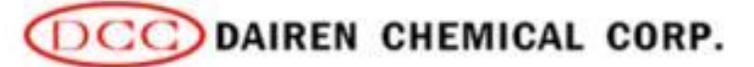


Portfolio Analysis





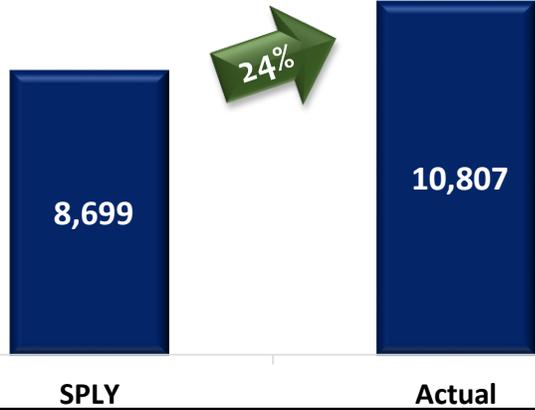
Key Partners





Chemicals & Agri Sciences – Financial Summary

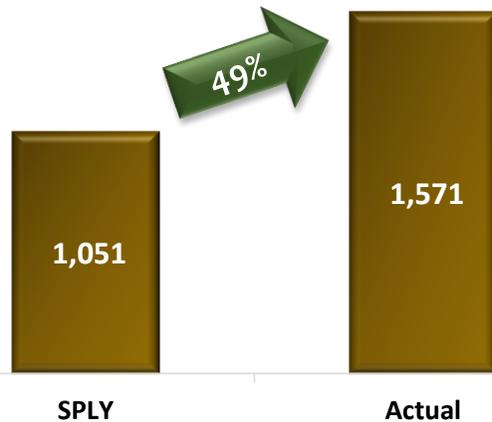
Net Turnover



Operating Result



EBITDA

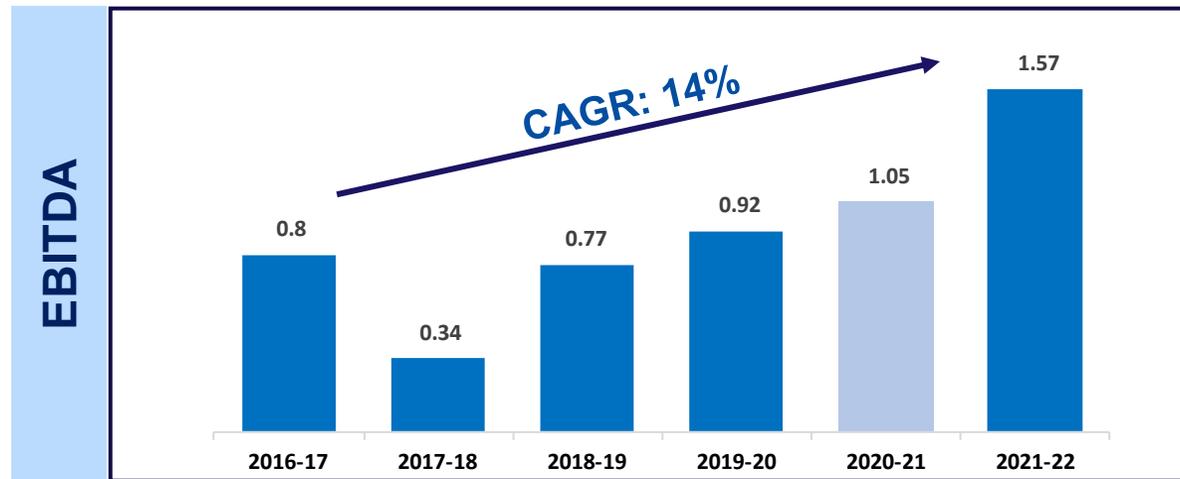
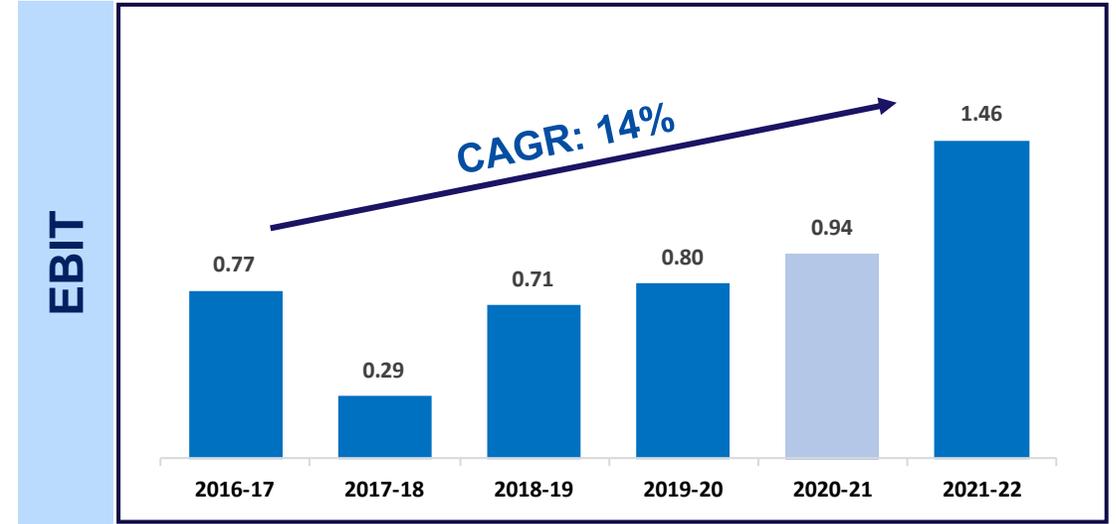
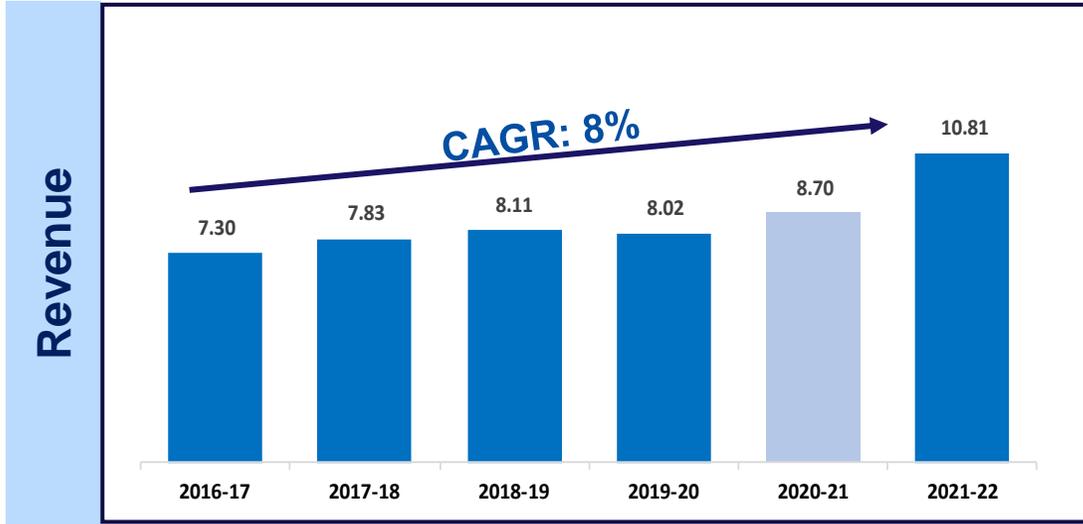


Key Highlights:

- ❖ **Chemicals Division:** Business benefited from the improved demand scenario amid consistent growth in the manufacturing industry.
- ❖ **Agri Division:** Favorable weather conditions during the major part of the year contributed to the improved performance of the Agri Sciences segment.
- ❖ **Masterbatches:** category maintained its momentum by volumetric growth of 23% over the SPLY.



Historical Performance

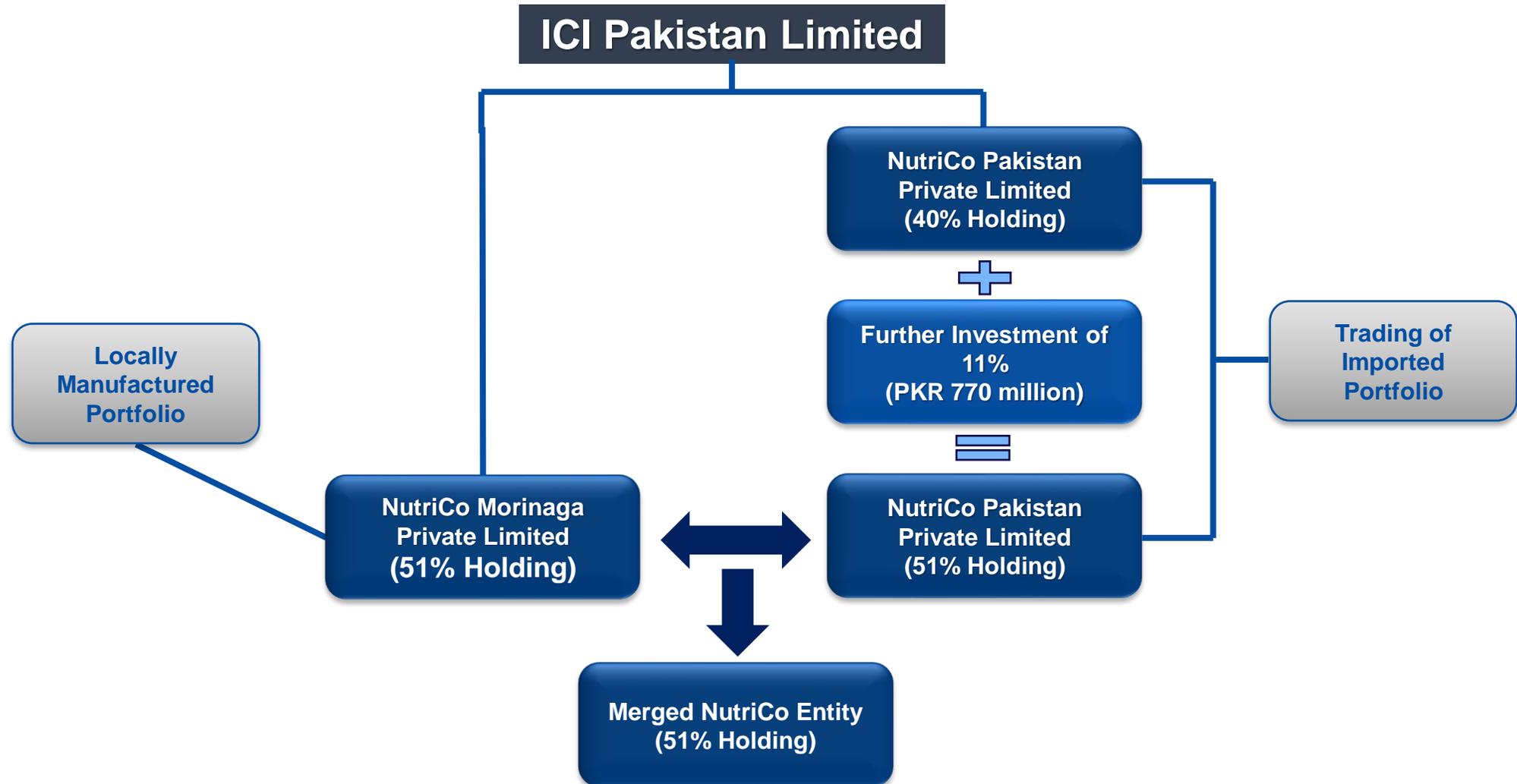


*Amounts in PKR billion

NutriCo Morinaga

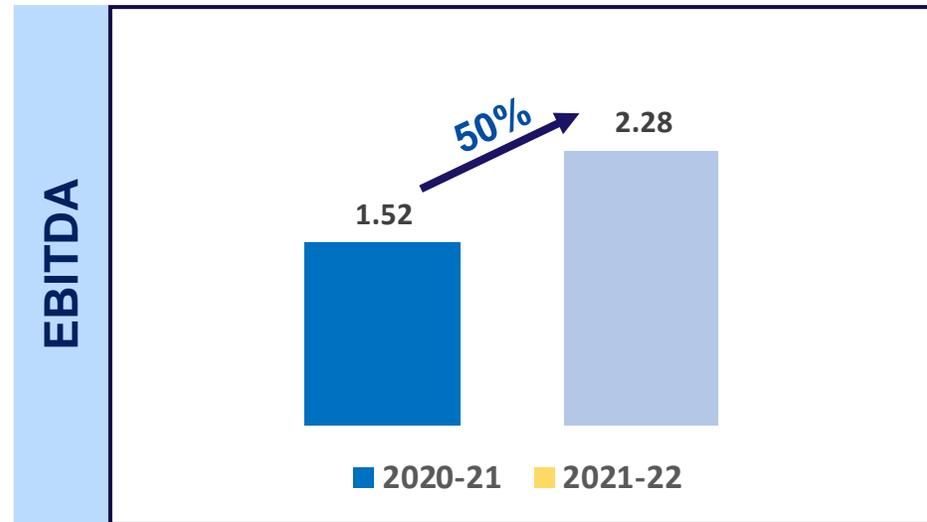
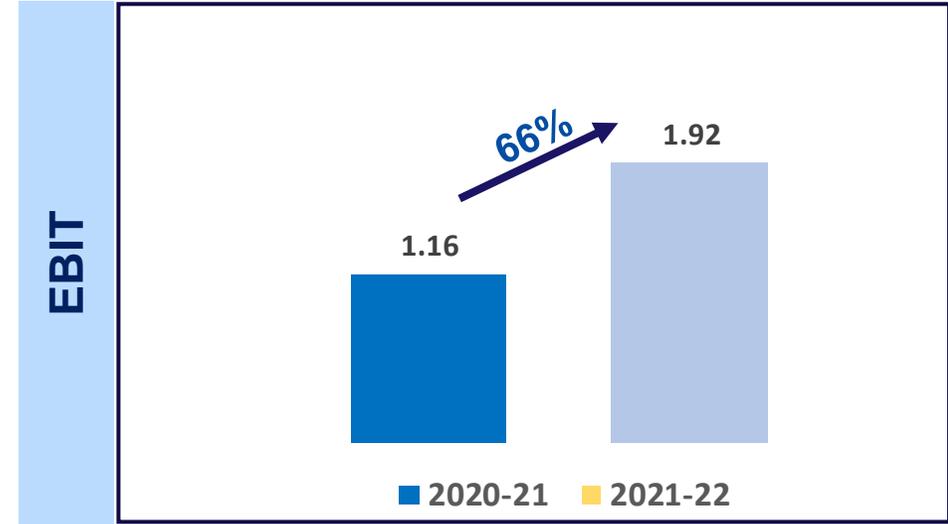
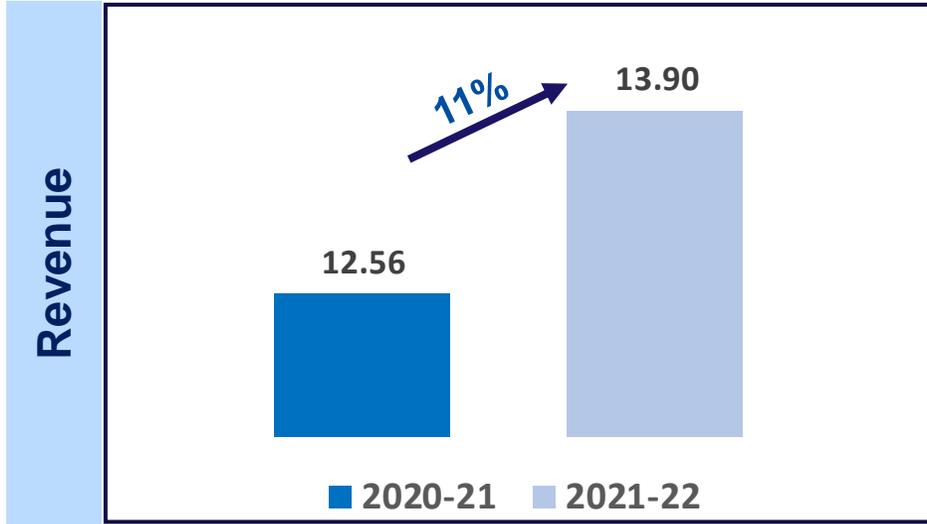


Infant/Growing-up Nutrition Business





Merged NutriCo Performance





Opportunities & Challenges FY 2022-23



Opportunities & Challenges – FY 2022-23

Opportunities

- Incremental Vol. in Soda Ash due to 75KTPA (Jun 22) & 60KTPA (Dec 22) Expansion
- R-PET commissioning in June'22, in line with evolving customers needs and commitment to sustainability
- Focus on Export Growth of Soda Ash
- Internalising AstraZeneca's locally manufactured portfolio from third party tolling sites
- Divestment of 26.5% Shareholding in NutriCo Morinaga

Challenges

- Deteriorating Economic conditions locally/globally
- Increase in energy costs
- Higher Cost of Borrowing and Exchange Rate volatility
- Imposition of sales tax on Pharmaceutical products
- Inability to pass on cost increases in the Pharmaceutical business due to price regulation





NutriCo Divestment



Divestment of 26.5% Shareholding in NutriCo Morinaga

Transaction

Shares

26.5%

21.8 Mln shares

Price

USD 2.07

Per share

Value

45.08

Mln \$

Gain

7.6

Bln PKR

Rationale / benefits

Cash Generation

Immediate Reduction in finance cost

Proceeds (~ 9.7 bln) available for deployment in future growth/ diversification projects

Gain

- Approximately PKR 7.6 bln gain to be realized in FY 2022-23

Rapid Growth

- Ownership of Brands along with majority Shareholding with Morinaga Milk Japan
- Acceleration in New product introduction and Business Growth

Enhanced Future Value

- Morinaga's commitment to Pakistan and the business will result in significantly improved long term value creation for ICI's Shareholders



Future Growth Projects



Soda Ash 60 KTPA in Dec'22

Production capacity is being expanded by 60 KTPA in addition to 75 KTPA commissioned in Jun'22



Joint-Venture Float Glass

- Setting up of state-of-the-art, greenfield facility for manufacturing of float glass
- Production capacity of up-to 1,000 TPD to be setup in two phases of 500 TPD each



Intention to Acquire 75.01% Shares of Lotte Chemicals Pak Limited

ICI is currently in the process of evaluating acquisition of 75.01% stake in Lotte



Expansion Projects Since YBG Acquisition

ICI	PEPG	SA	PH	GCA	AH
Launch of new corporate identity Aug 2013	Coal fired heaters PKR 0.8 bn June 2014	Coal fired boilers 1&2 PKR 2.5 bn Dec 2013	Nutraceutical Manufacturing facility PKR 61 m Nov 2015	Seeds Processing Plant PKR 9 m Nov 2013	Manufacturing facility PKR 15 m Nov 2015
NutriCo 1 st tranche PKR 0.36 bn Jul 2014	Steam turbine PKR 2.3 bn Jun 2015	DA 70 KTPA Expansion PKR 0.5 bn October 2015	Cirin Pharmaceuticals PKR 1.1 bn Dec 2016	Masterbatch manufacturing facility PKR 0.8 bn 2018-19	
NutriCo 2 nd tranche PKR 0.36 bn Oct 2014	R-PET Project PKR 0.9 bn	Coal fired boilers 3 & 4 PKR 3.6 bn Jun 2016	Brands & Manufacturing facility of Wyeth PKR 2 bn 2017-18		
NutirCo 3 rd tranche PKR 0.24 bn Apr 2016		RSB 14 KTPA expansion PKR 0.5 bn June 2016			
Morinaga infant formula PKR 6 bn (51% ICI) 2019-20		Light Ash 75 KTPA PKR 5.3 bn 2018-19			
NutriCo 4 th tranche PKR 0.77 bn		DA 70 KTPA Expansion PKR 0.6 bn 2019-20			
JV with TGL PKR ~4.6 bn (51% ICI)		RSB 14 KTPA Expansion PKR 0.5 bn 2020-21			
		CFB-5 PKR 1.4 bn July'22			
		Light Ash 75 KTPA PKR 3.6 bn			
		Light Ash 60 KTPA PKR 6 bn			
		CFB-6 PKR 4.1 bn			

Completed PKR **35bn**

Approved, In Process PKR **15bn**



Strong Credit Rating for ICI Pakistan

VIS Credit Rating Company Limited has reaffirmed entity ratings of ICI Pakistan

These ratings are a testament to our strong financial profile as one of the market leaders in the diverse industries we operate in.

Latest Rating		
	Long Term	Short Term
Entity	AA	A- 1+
Rating Outlook	Stable	
Rating Date	June 30, 2022	
Rating Action	Initial	



Rebranding for a stronger future: What the name means



Leveraging Collective Strengths

Our holding Company, Lucky Cement Limited, is a leading, progressive, and diversified Pakistani conglomerate with strong brand equity.

Our Reason for Existence

The Company's portfolio spans a broad range of products that are at the 'core' of almost every sector of the economy.

We Improve Lives across the nation's socio-economic fabric.

ICI Pakistan Limited to Lucky Core Industries Limited



Q&A Session