



# **ICI Pakistan Limited**

## **Corporate Briefing**

### **FY 2019-20**

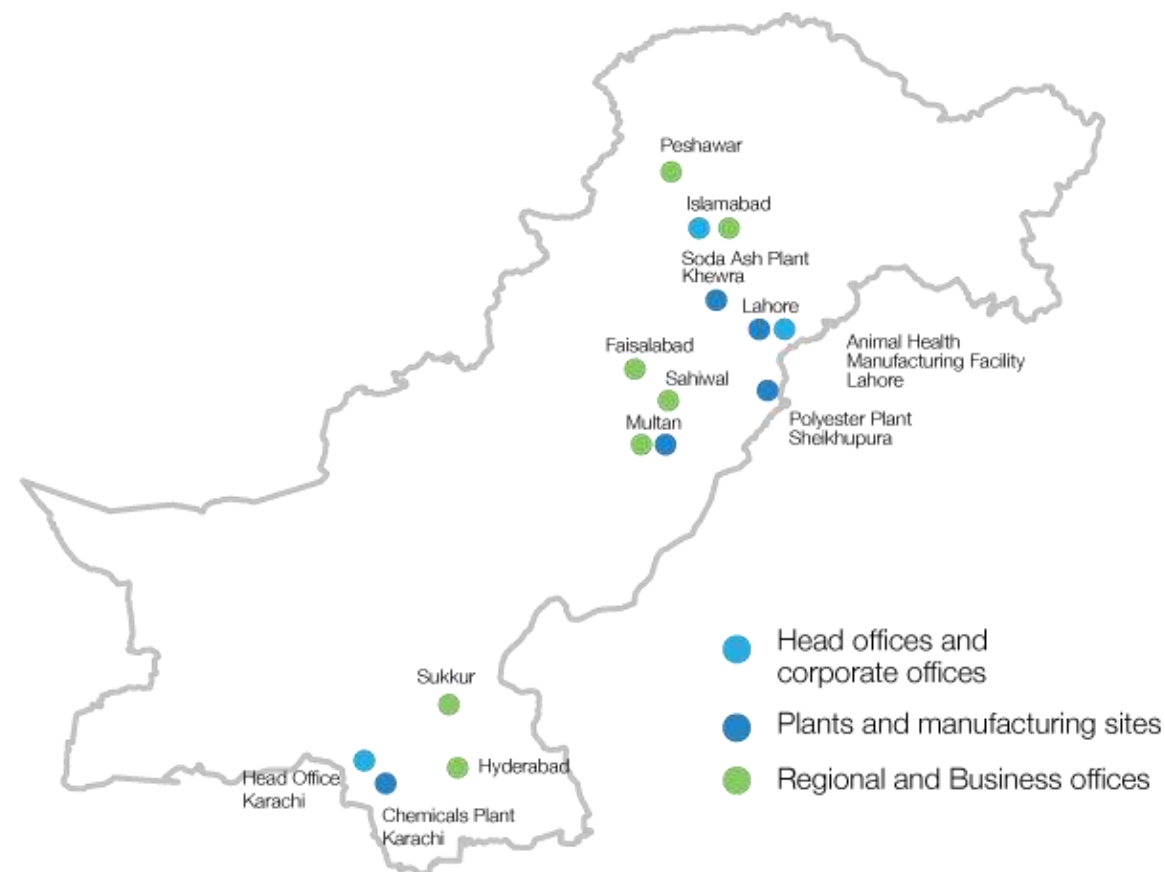
**Date: Sept 11, 2020**



# 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

ICI PAKISTAN LTD.



- 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

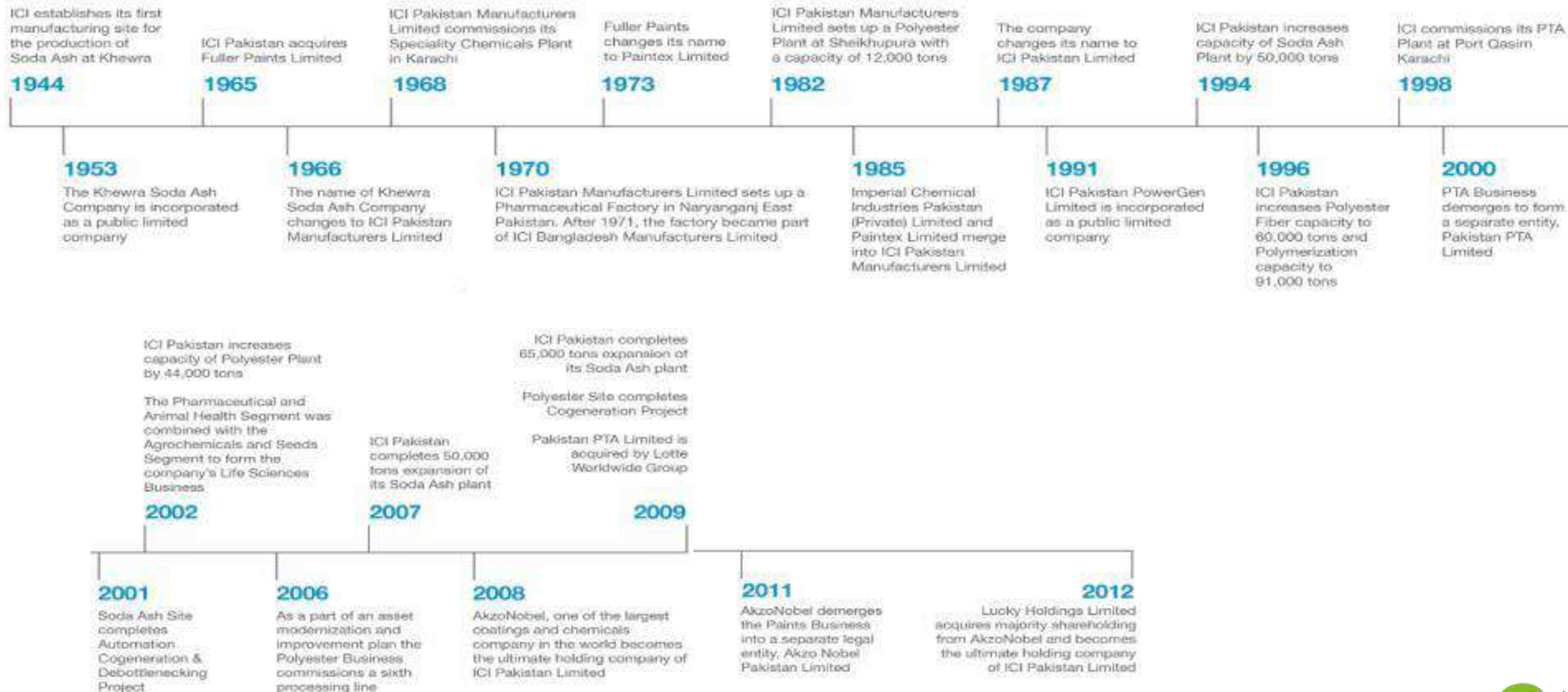
### Overseas Projects

- 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.

ICI PAKISTAN LTD.





# Our Core Values

ICI PAKISTAN LTD.

**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:

Communication  
& Engagement

Business  
Continuity

Precautionary  
Measures

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

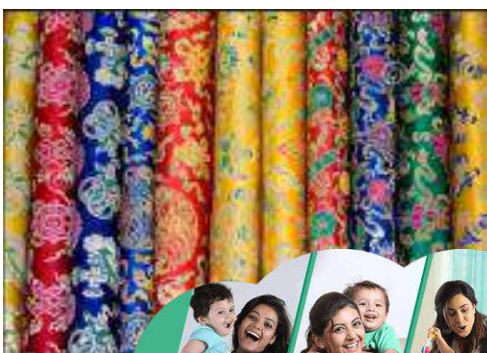
Coatings/Inks

Detergents and Laundry Soaps

Surgical

Fertilizers

Paper/Ceramics/Glass



مان کوڈے 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.

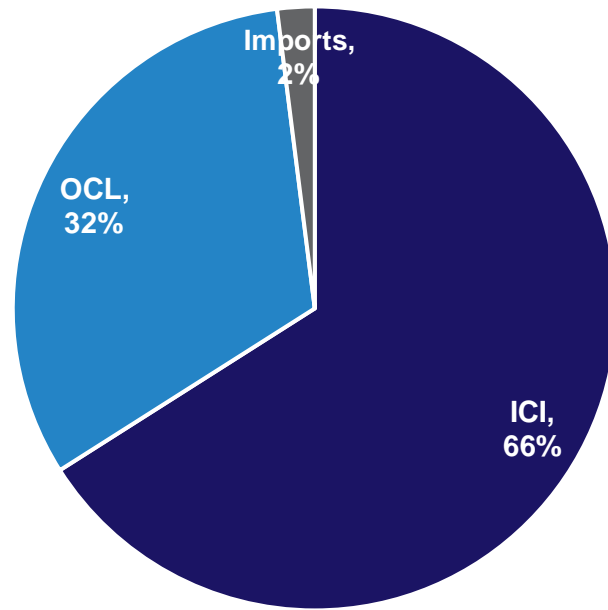
**Self Sufficient in energy needs / requirements.**

No reliance on external energy provider

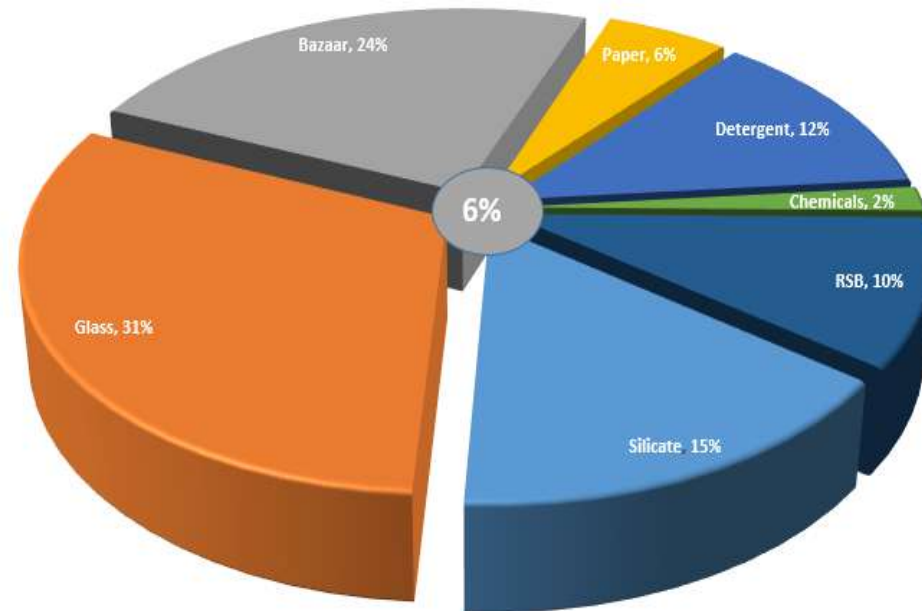
**Close proximity to customer protects from import risk -**  
located in Punjab (70% of domestic consumption)

# 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**



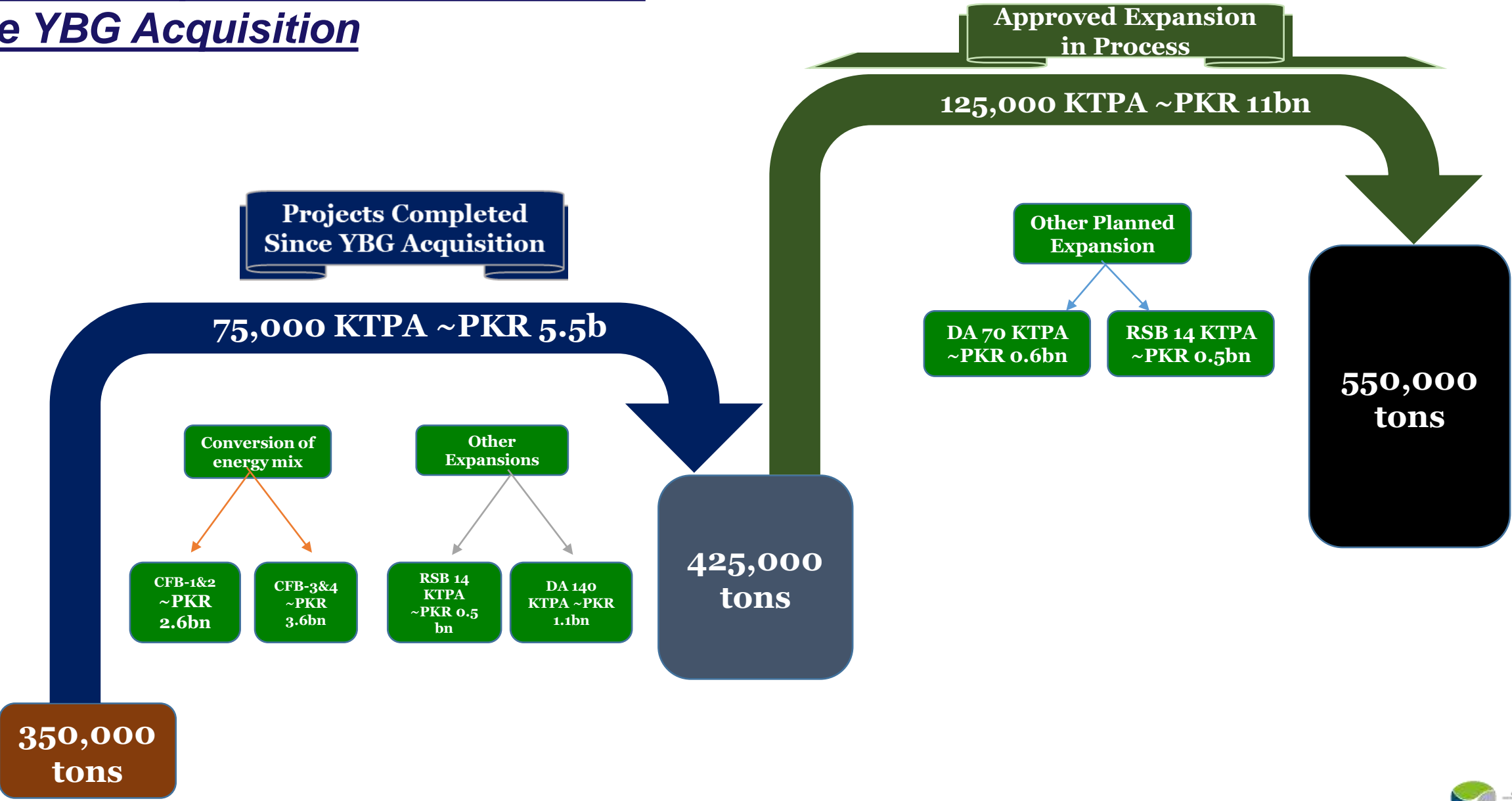


# Soda Ash – Maintain Leadership Through Aggressive Expansion Strategy

- 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



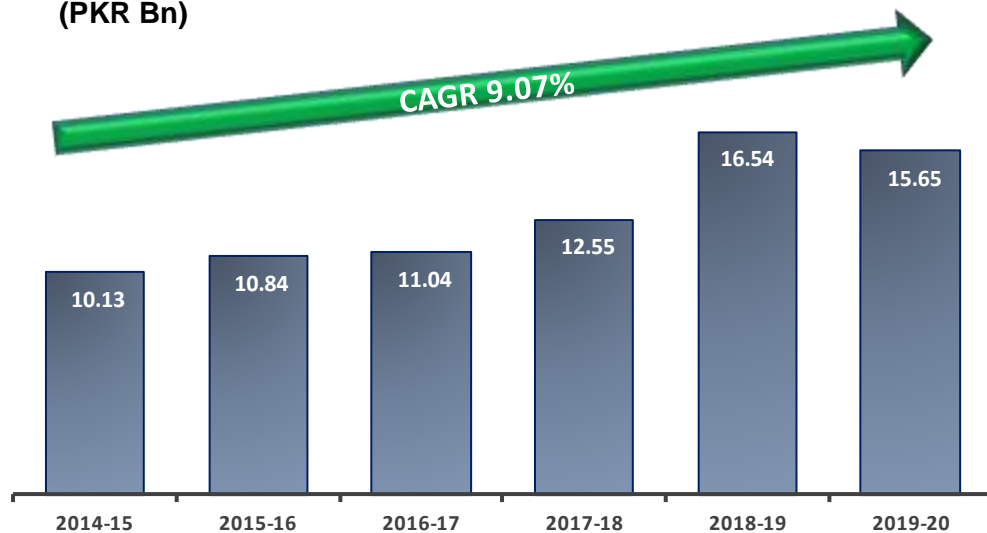


# Soda Ash Business – Performance

ICI PAKISTAN LTD.

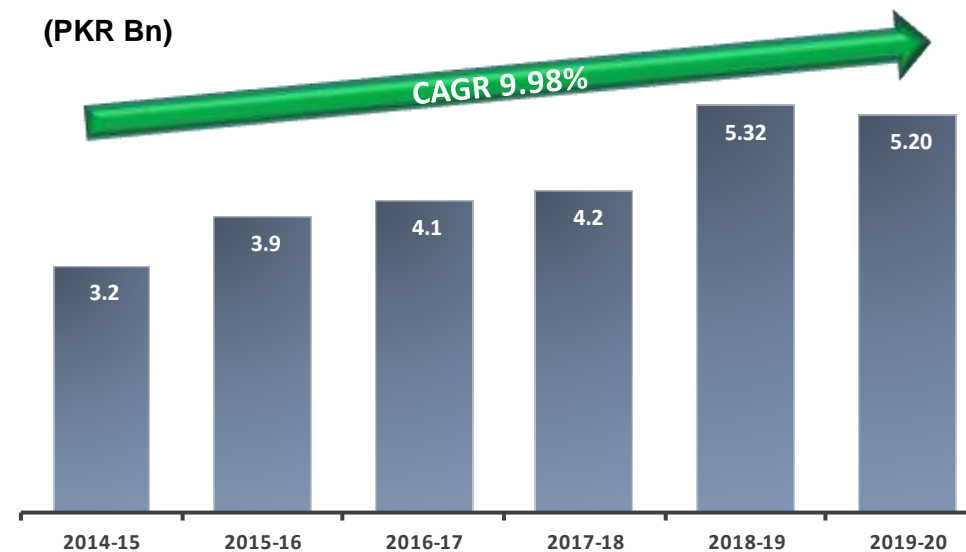
## Revenue

(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

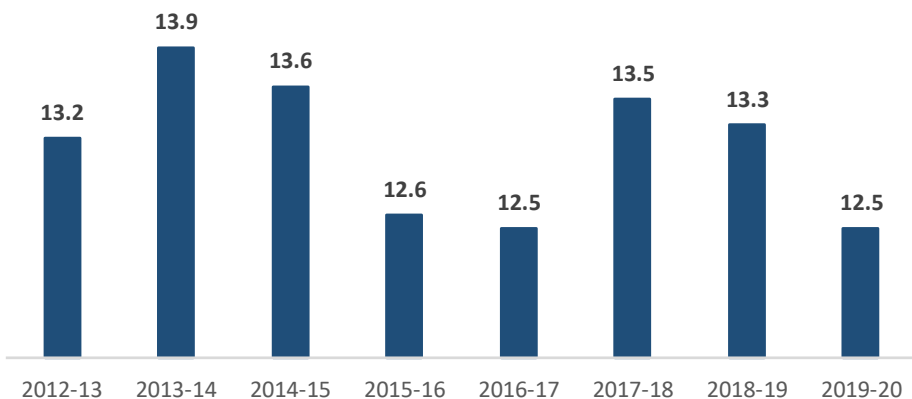
Strong Management  
Capability With Self  
Sufficiency In Plant  
Know-how

**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

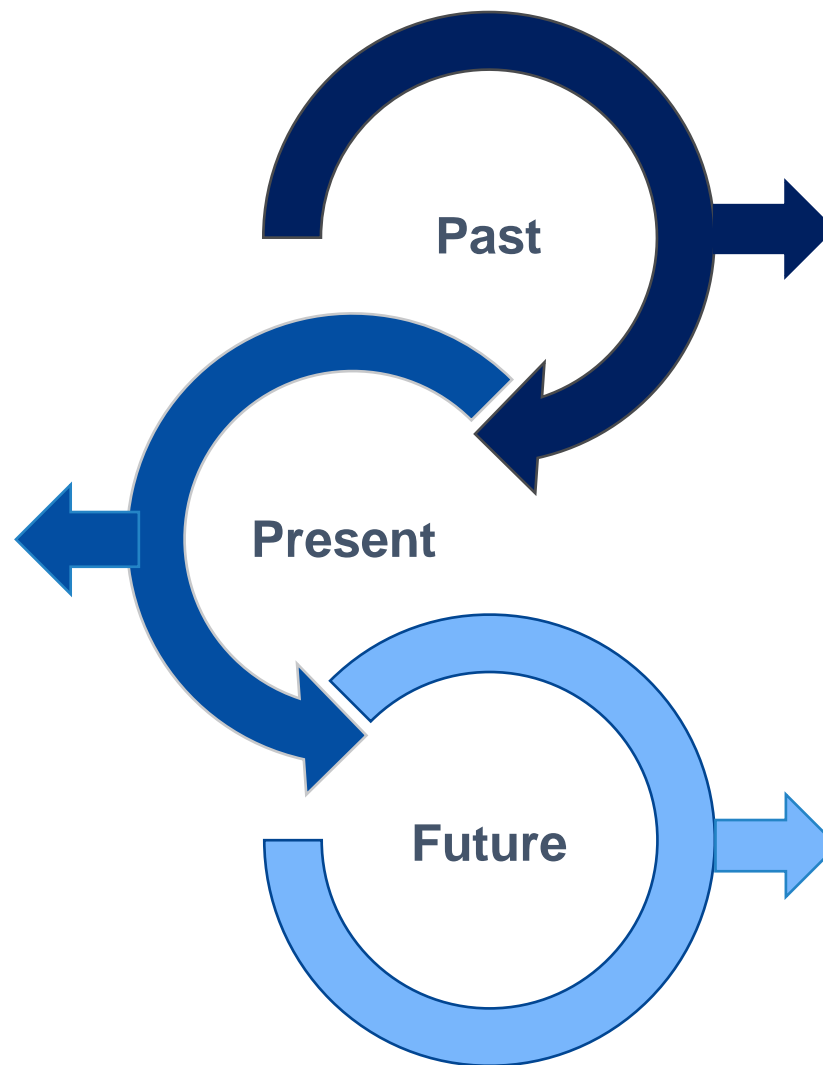
ICI PAKISTAN LTD.

## 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

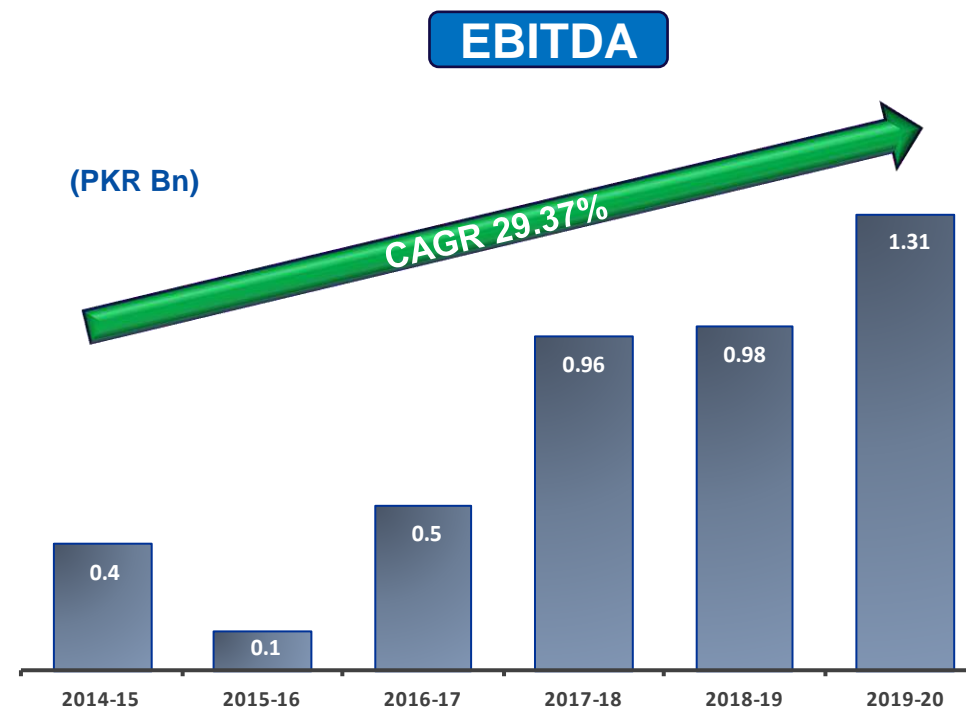
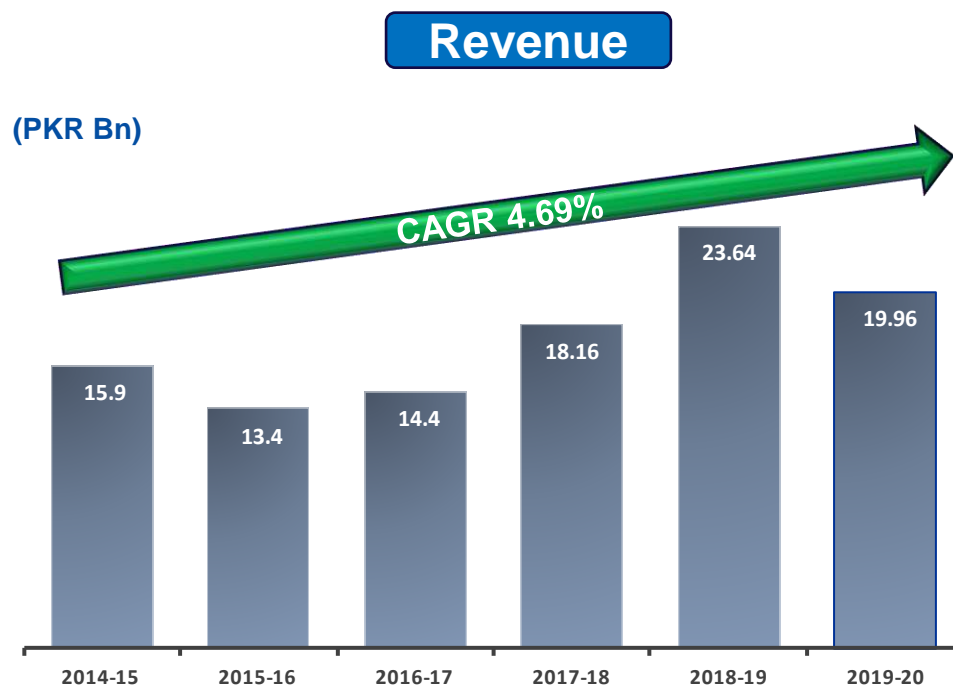
## Focus on Export Growth

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



# Polyester Business – Performance

ICI PAKISTAN LTD.



Note: Polyester includes PowerGen profit as well





ICI PAKISTAN LTD.

Pharmaceuticals

TRANSFORMING  
TO IMPROVE LIVES



# ICI Pharma Business Transformation

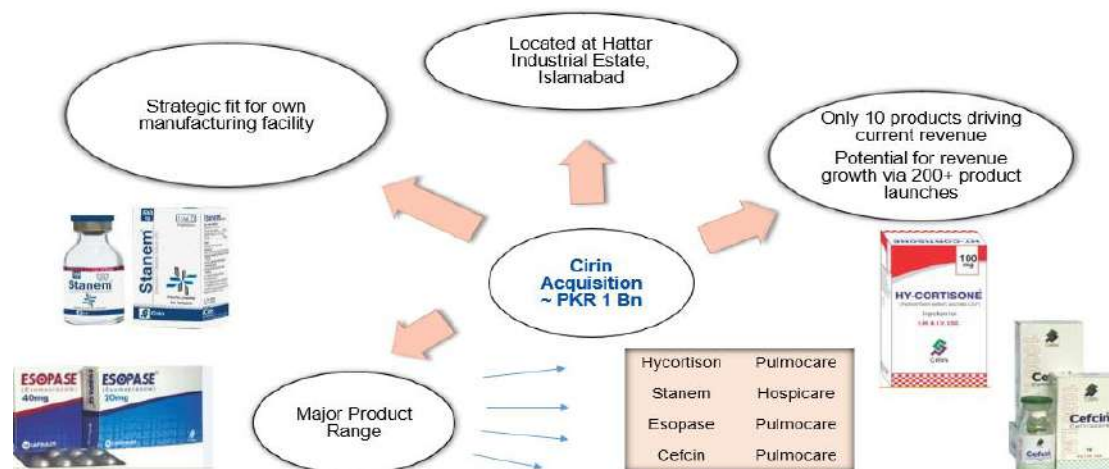


## Acquisition of Wyeth Assets



## Merger of Cirin with ICI Pakistan Ltd

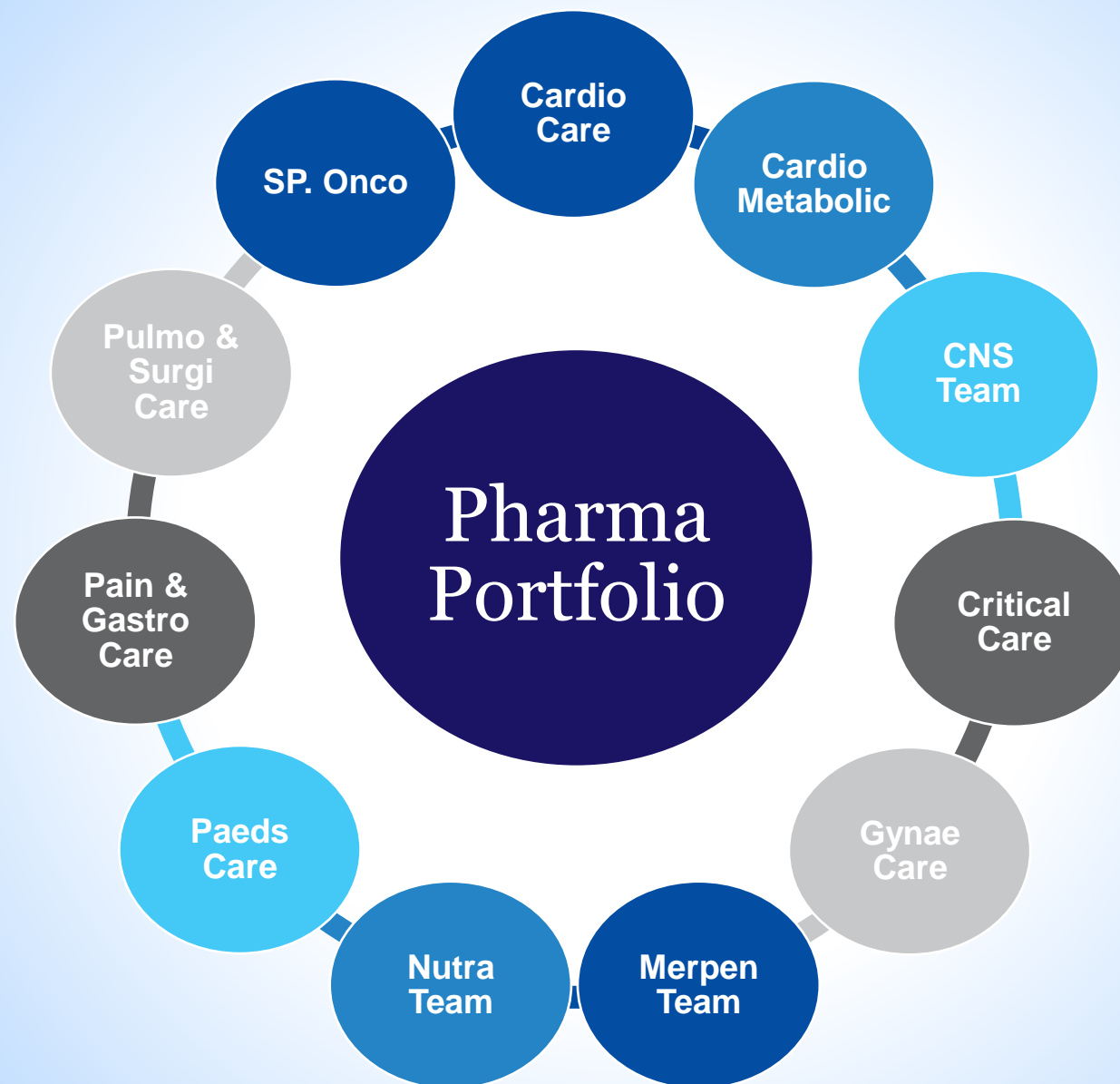
The Business successfully completed the merger of Cirin Pharmaceuticals with ICI Pakistan effective March 1, 2020 in record time, which entailed complex Regulatory approvals & HR integration processes.





# ICI Pharma Business Universe

ICI PAKISTAN LTD.







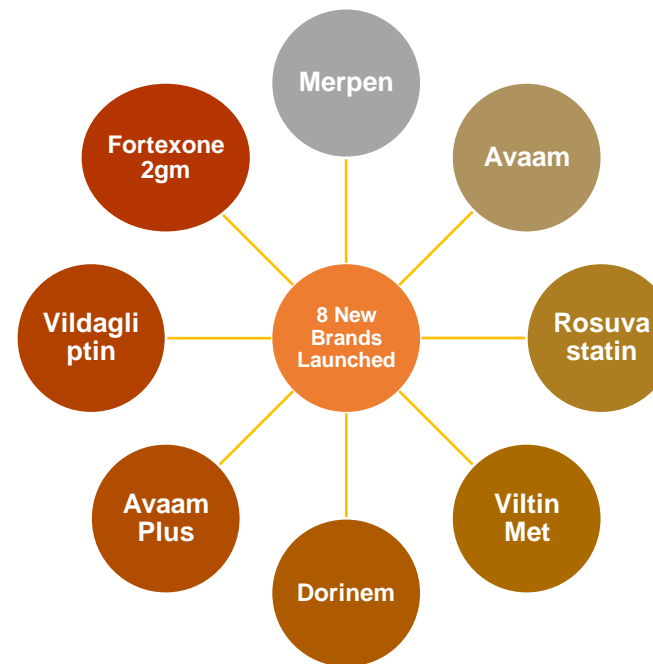
# Post Acquisition - Manufacturing Footprint

ICI PAKISTAN LTD.  
Pharmaceuticals



**3 Manufacturing Sites**  
1 Nutraceuticals Unit  
2 Pharmaceuticals Units

Producing  
**69,000,000**  
Units Annually



## Certifications

### Hattar Plant

GMP Certified  
issued by DRAP  
Expiry: 06/05/2021

ISO Certified 9001:2015  
One year validity



### HB Plant

GMP Certified  
issued by DRAP  
Expiry: 26/02/2020

ISO Certified 9001:2015  
One year validity



### Nutra plant

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 2<sup>nd</sup> 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	SANOFI-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.

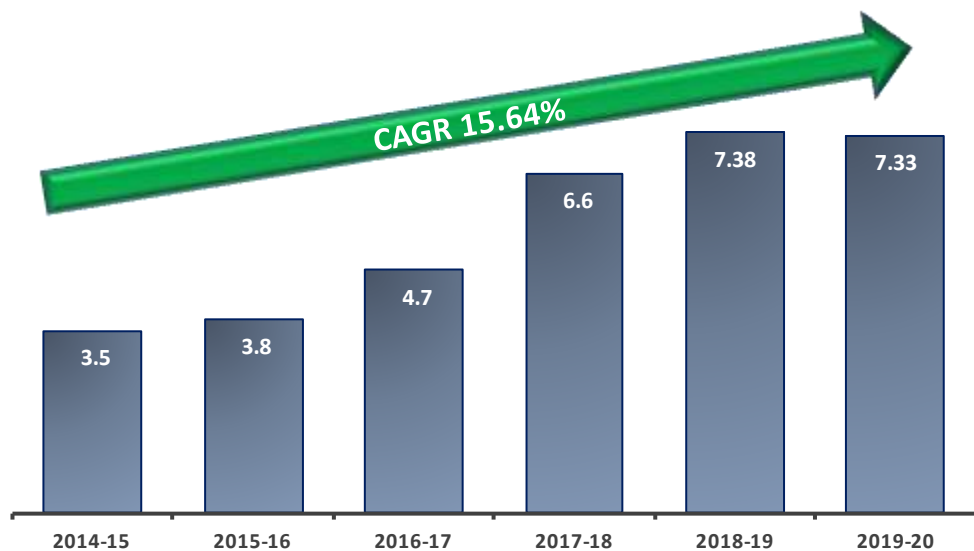


# Pharmaceutical Business – Performance

ICI PAKISTAN LTD.

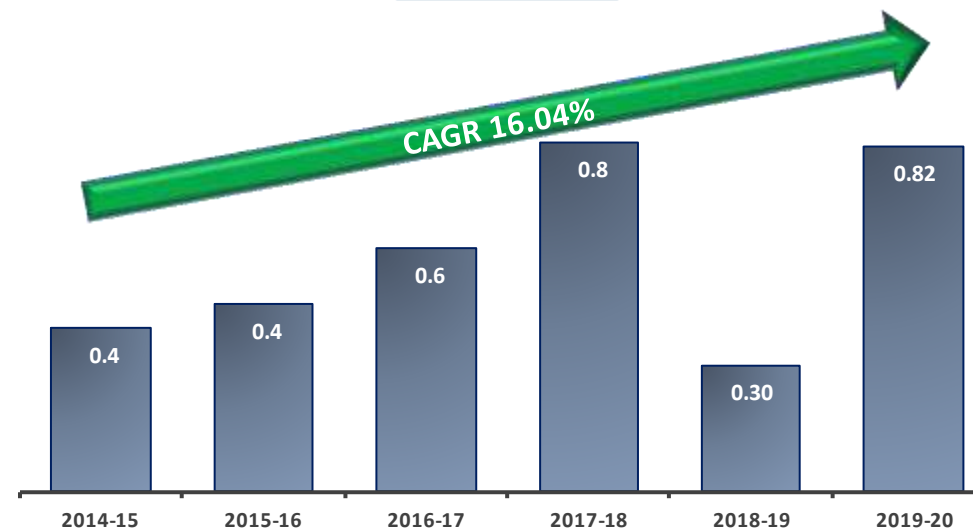
(PKR Bn)

Revenue



(PKR Bn)

EBITDA





# Animal Health Business







# Animal Health Business Footprint

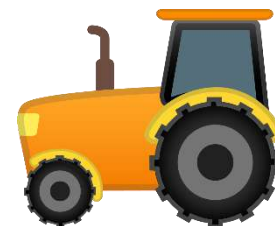
ICI PAKISTAN LTD.



## Engagement

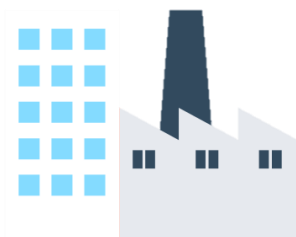
Across Pakistan every Month!

- 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

ICI PAKISTAN LTD.

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

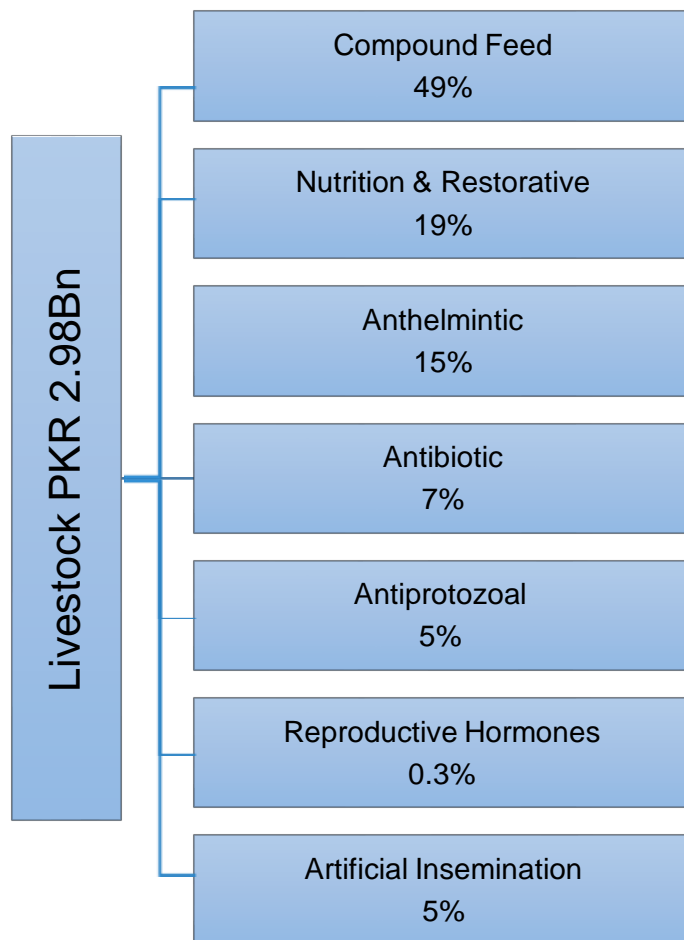
**Market:**  
**PKR 25Bn**

8M

Families Provided  
Livelihood

4<sup>th</sup>

Largest Global  
Milk Production



## Poultry Medicine Industry (ICI markets)

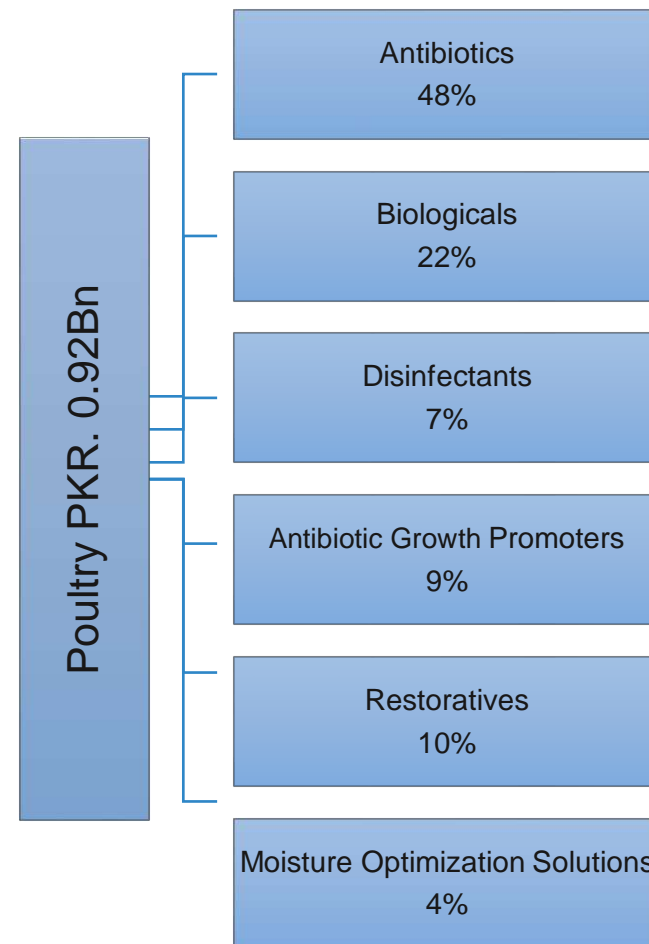
**Market:**  
**PKR 13Bn**

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.

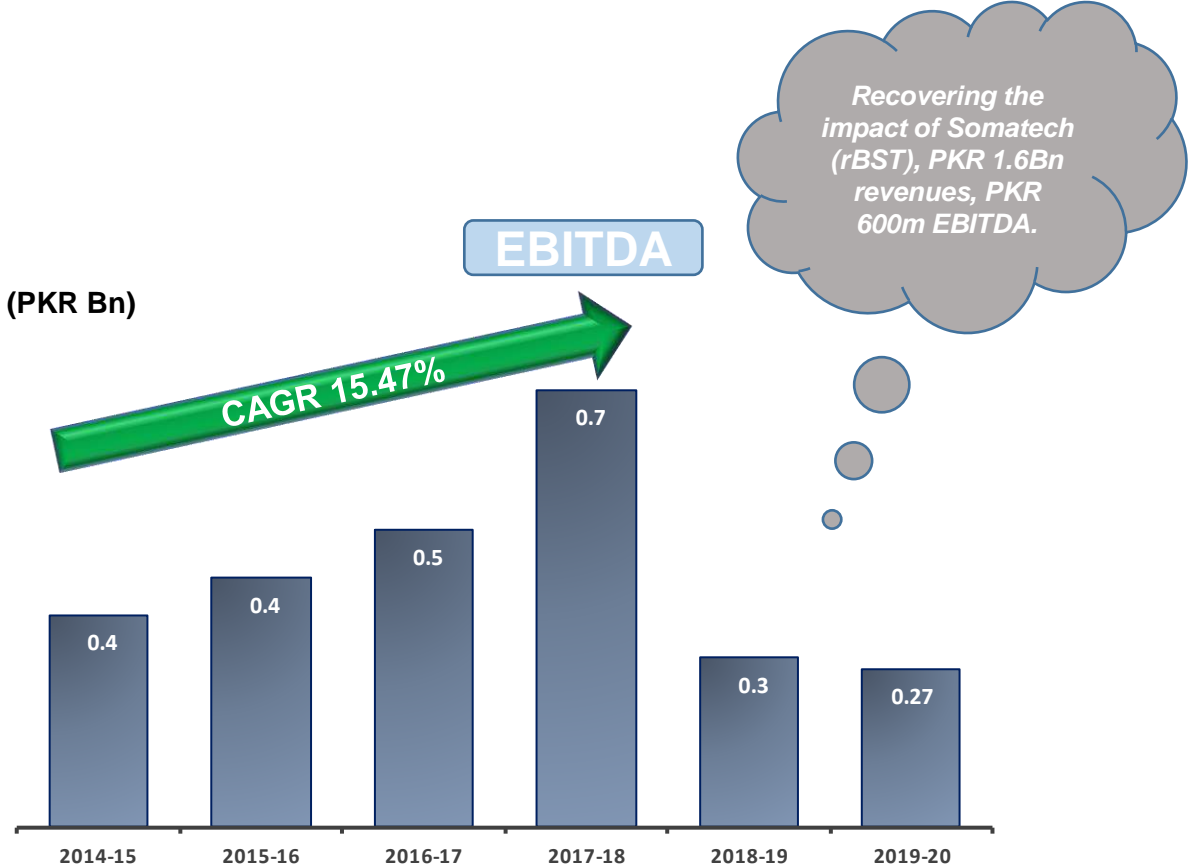
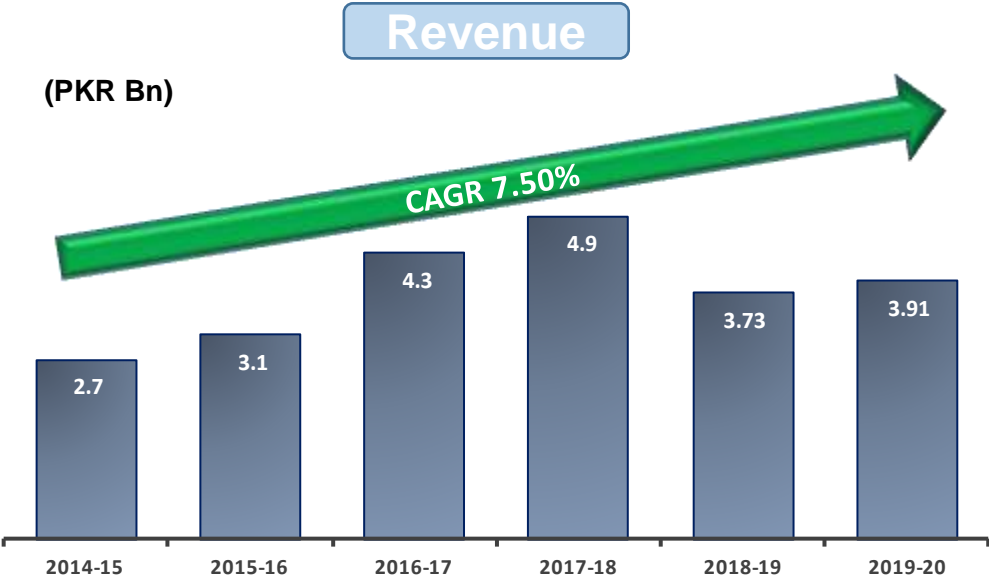


Our Brand umbrella for  
Branded Generics reaching  
PKR 1.5B topline



# Animal Health – Performance

ICI PAKISTAN LTD.







# 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

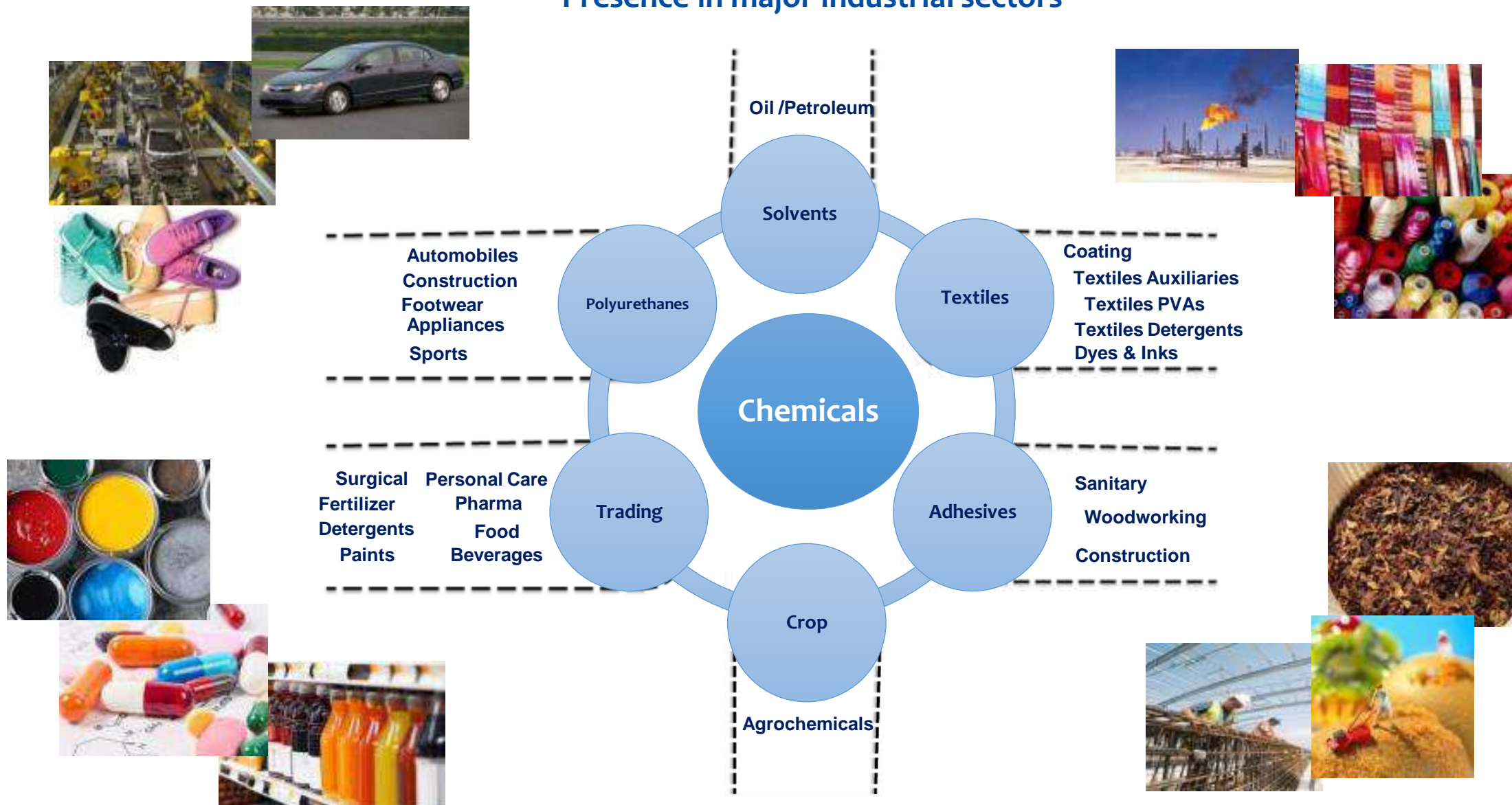




# Chemicals Business

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

**Seeds**  
49%

**Agrochemicals**  
51%

**Agri  
Sciences  
Division**

**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





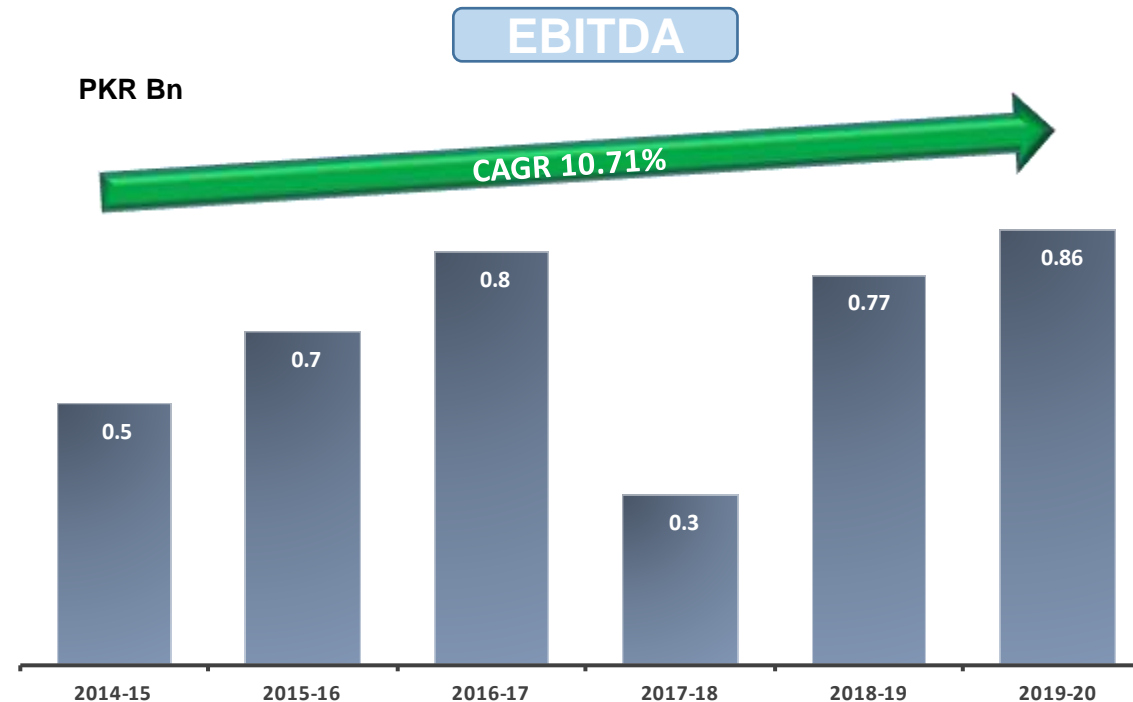
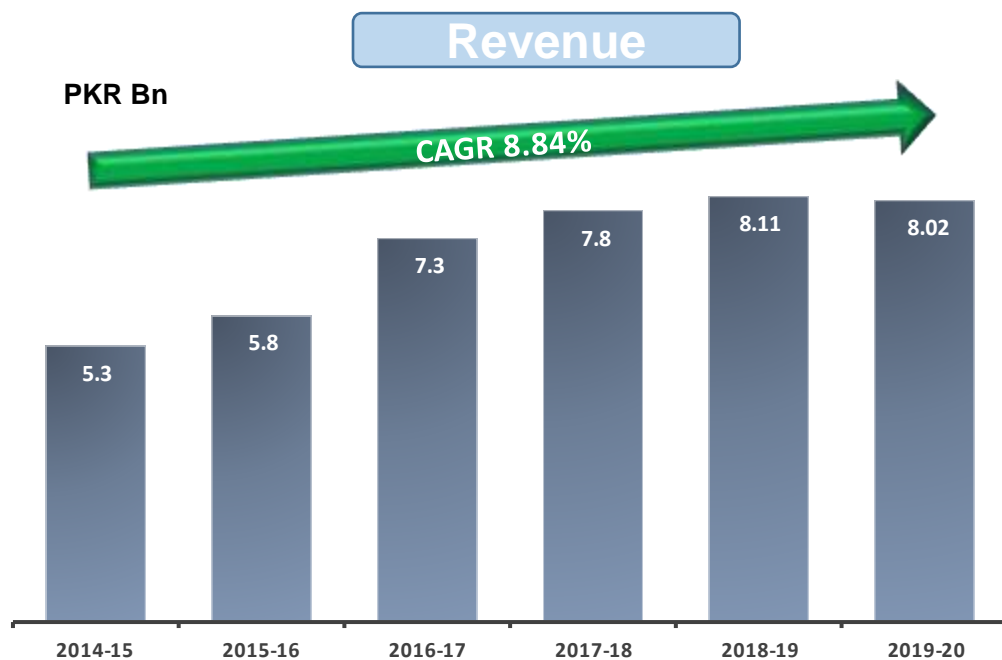
# Our Key Partners





# Chemicals & Agri Sciences Business – Performance

ICI PAKISTAN LTD.







# 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





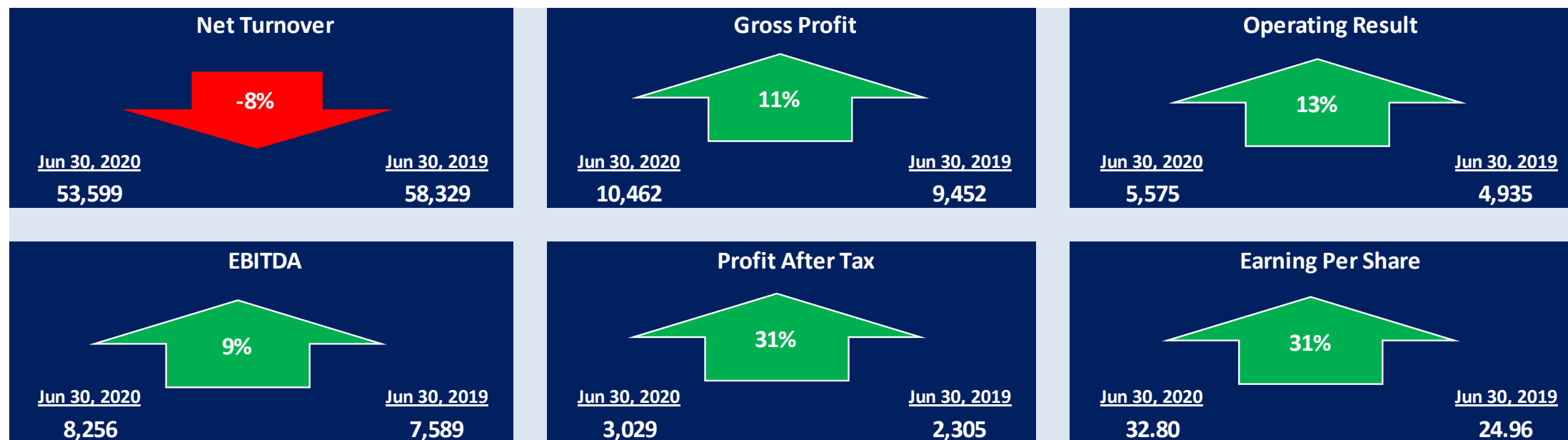
# **Financial Results**

**ICI PAKISTAN LTD.**



# Key Highlights – For The Year Ended June 30<sup>th</sup>, 2020 (Unconsolidated)

ICI PAKISTAN LTD.





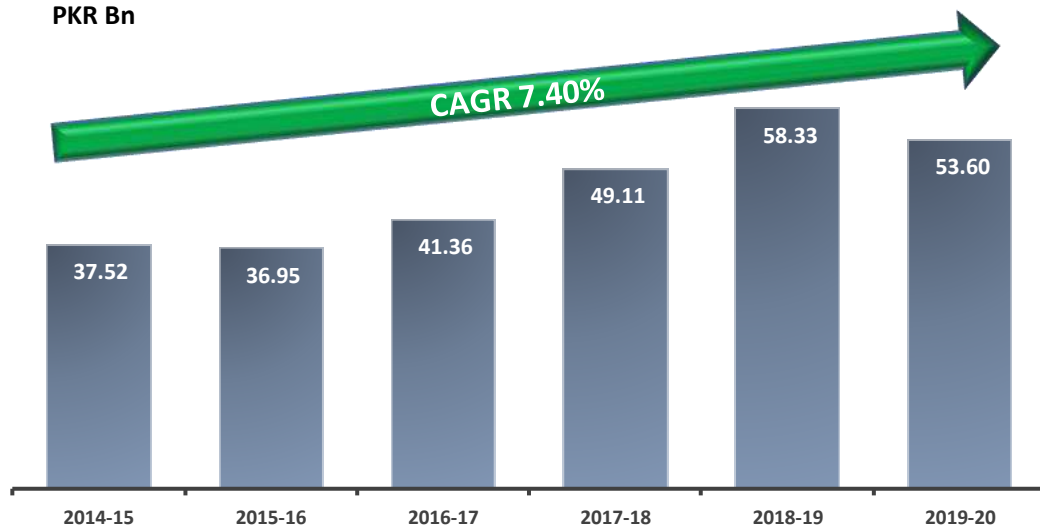
# Performance – ICIP Unconsolidated

ICI PAKISTAN LTD.

## Revenue

PKR Bn

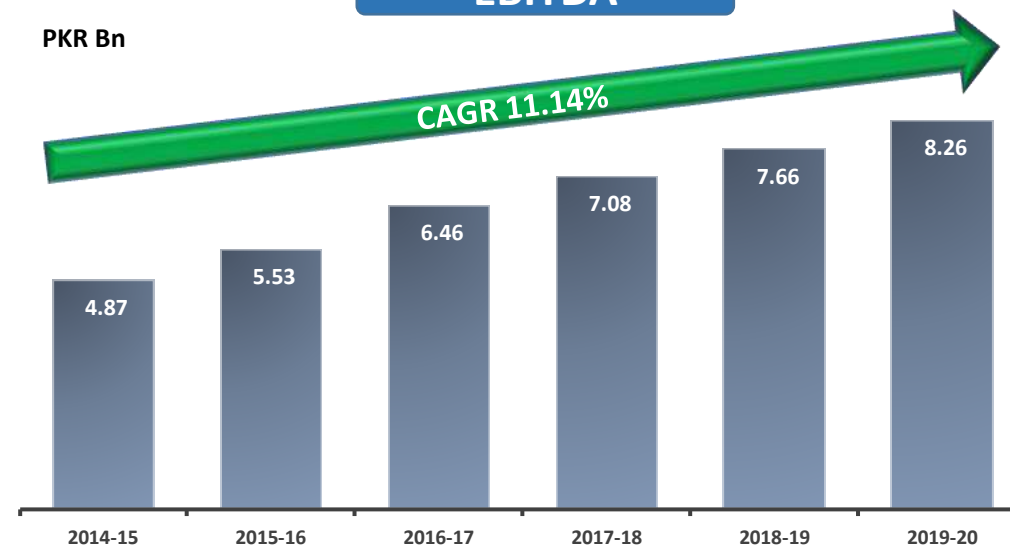
CAGR 7.40%



## EBITDA

PKR Bn

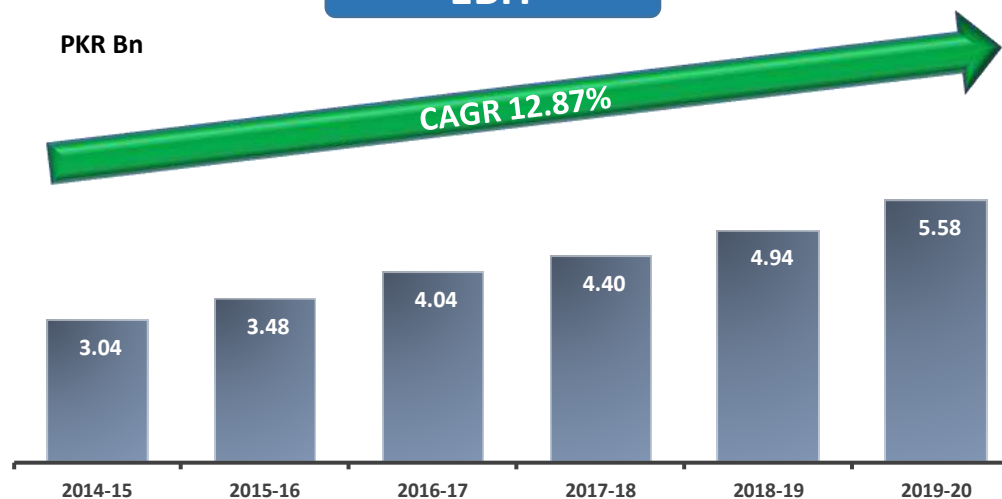
CAGR 11.14%



## EBIT

PKR Bn

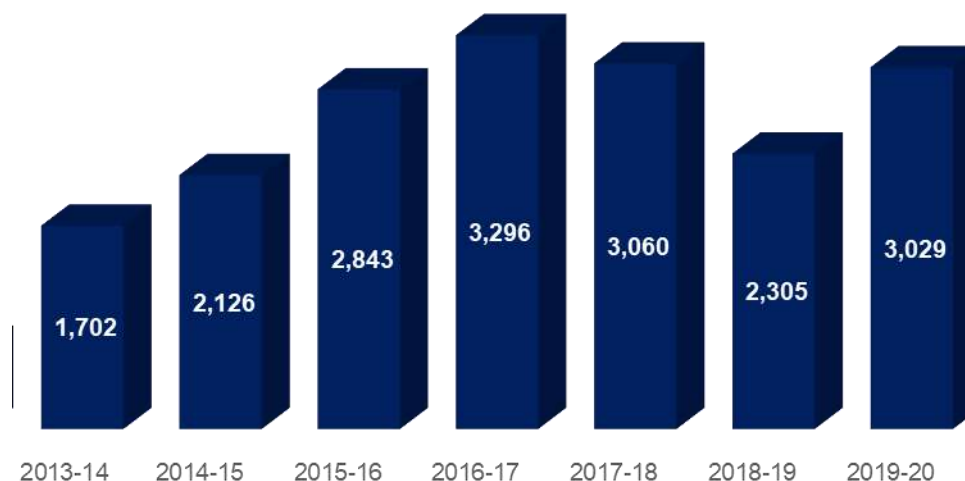
CAGR 12.87%





# Financials

ICI PAKISTAN LTD.



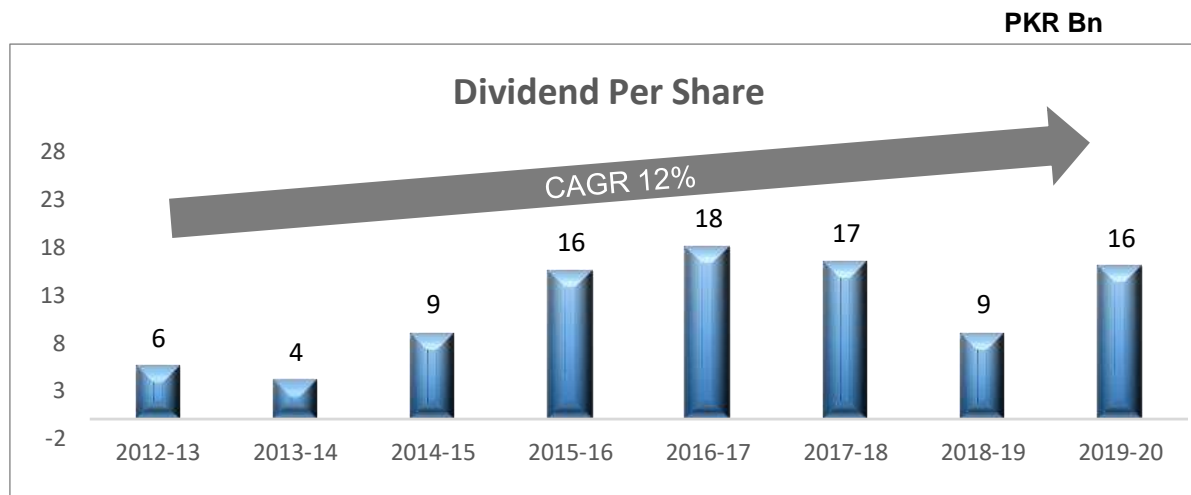
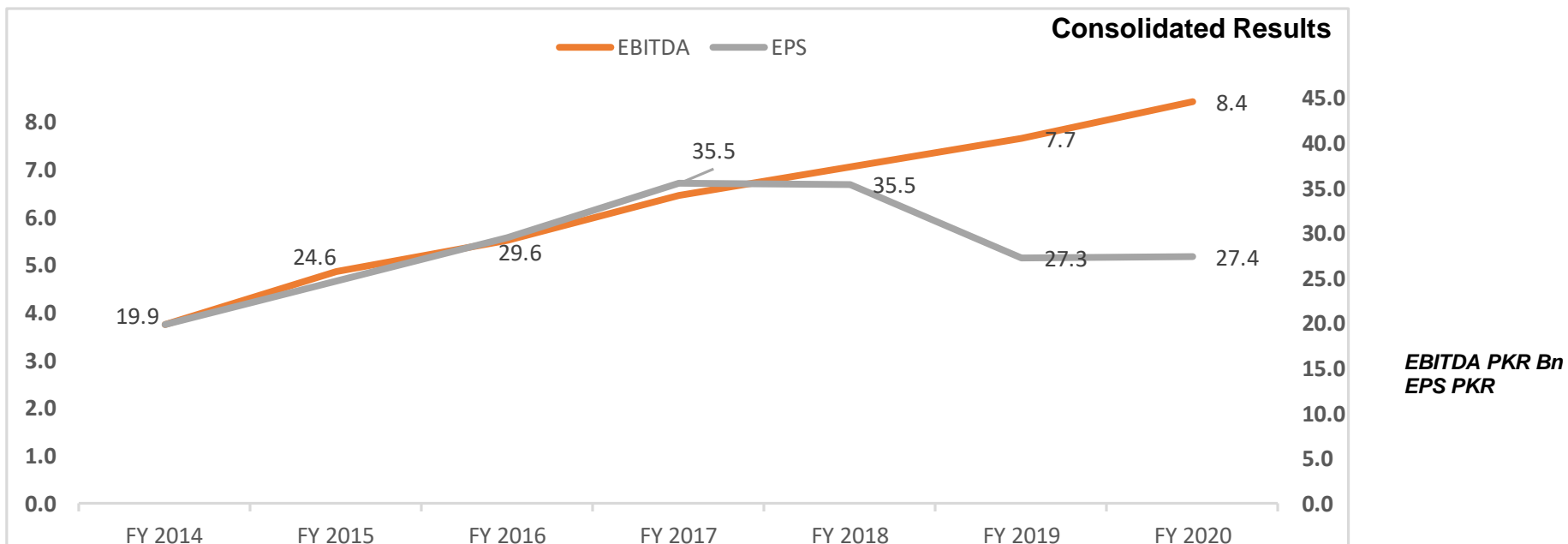
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Net Turnover</b>	38,233	37,515	36,954	41,364	49,108	58,329	53,599
<b>Operating Result</b>	2,226	3,044	3,479	4,044	4,398	4,935	5,575
<b>Financial Charges</b>	(381)	(356)	(324)	(385)	(642)	(1,455)	(1,595)
<b>Exchange Gain/(Loss)</b>	(6)	(47)	(59)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





# Financial Performance – FY 2014 to FY 2020

ICI PAKISTAN LTD.





# 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

