



Archroma Pakistan Limited

Corporate Briefing Session

08 September 2022

1 minute for SAFETY

Our 12 Life Saving Rules



NO DRUGS WHILST WORKING
NO ALCOHOL AT WORK
NO SMOKING OUTSIDE
DESIGNATED AREAS



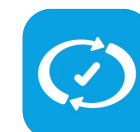
WORK WITH A VALID PERMIT
WHEN REQUIRED



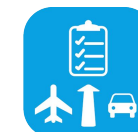
PROOF THAT ATMOSPHERE
IS SAFE BEFORE ENTERING
IN A CONFINED SPACE



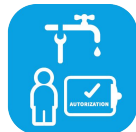
LOCK OUT, TAG OUT
AND TRY OUT BEFORE WORK ON
MACHINES OR EQUIPMENT BEGINS



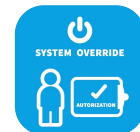
COMPLY WITH MANAGEMENT
OF CHANGE WHEN REQUIRED



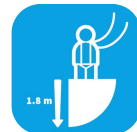
FOLLOW YOUR JOURNEY
MANAGEMENT PLAN



OBTAIN AUTHORIZATION
BEFORE LINE BREAKING



OBTAIN AUTHORIZATION
BEFORE OVERRIDING OR
DISABLING CRITICAL
SAFETY EQUIPMENT



PROTECT YOURSELF
AGAINST A FALL WHEN
WORKING AT HEIGHT



LIFTING AND HOISTING:
DO NOT ENTER A DANGER
ZONE WHERE OBJECTS CAN FALL



WEAR YOUR SEATBELT



DRIVE RESPONSIBLY
AND COMPLY WITH
LOCAL LAW

- **Number of LTA** **Zero**
- **Safe Working Hours** **5.96 million**
- **Sustainability KPIs**

Target Achievement

• Specific Energy consumption	-9%	-15.9%
• Specific Water consumption	-6%	-18.5%
• Specific Solid waste	-16%	-23.7%
• Specific Co2 Emission	-4%	-32.4%

Achievements in the Field of Safety, Health & Environment 2021

- Occupational Safety & Health Award 2020 - 6 times
- Fire Safety Award 2021 - 8 times
- Environmental Excellence Award 2021 – 12 times
- Tree Plantation Award 2021 – 3 times in row
- Participation in World Environment Day 2022

Executive Summary

- **Company's Orientation**
- **Corporate Social Responsibility**
- **Strategic & operational developments**
- **Financial Outline**
- **Key Ratios**
- **Future Outlook**
- **Questions & Answers**

COMPANY'S ORIENTATION

Our Profile

Archroma is a global, diversified provider of specialty chemicals serving the Brand & Performance Textiles, Packaging & Paper and Coatings, Adhesives & Sealants markets. Headquartered and registered in Pratteln, Switzerland, the company operates with a highly integrated, customer-focused platform that delivers specialized performance and color solutions in over 100 countries. Archroma works with 3,000 employees in 35 countries with 26 production sites.

Principal Business Activities

We are engaged in manufacturing, sales and indenting business of Specialty Chemicals including Dyestuffs and Coating, Adhesives & Sealants.

A strong emerging market Leader

Our diversified product portfolio in textiles promises innovative solutions for mills and brands. Coatings, Adhesives & Sealants, some of which are more than a century old, are a vivid combination of heritage with new technology. Packaging & Paper chemicals are environment friendly and highly adaptable for every user. Home care and HI&I (Household, industrial & institutional cleaning) chemicals are latest pride additions to our product-lines.



Acquisition of Textile Effects Business of Huntsman

Archroma globally has agreed to acquire the Textile Effects Business of Huntsman Corporation and the transaction is currently subject to review and approval by the Regulatory authorities.



Paving the way in Pakistan

1947

First processing at
Lyari site □



1964

1980

2013



2015



2018



□ Sandoz starts its operations in Pakistan -
First mover in the chemical industry of Pakistan

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□ Move to **Jamshoro** Site

□ SET Sustainable
Effluent Treatment
facility - **First ever
zero-water discharge
plant in the industry**

□ **First ever
aniline-free*
liquid indigo**
production
starts in
Jamshoro

□ Acquisition of BASF textile
chemicals site in **Landhi**

About us

Dyes

Emulsions

Pigment dispersions

Polymer dispersions

Optical brighteners

Fluorinated polymers

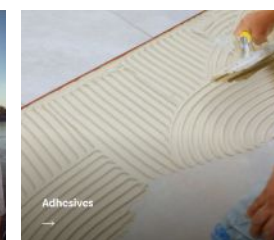
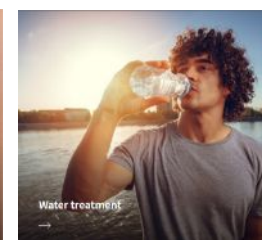
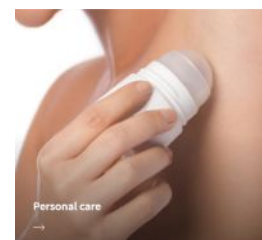
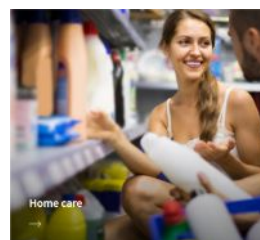
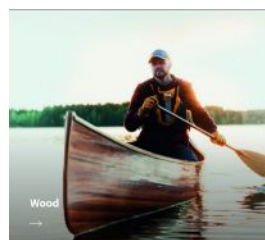
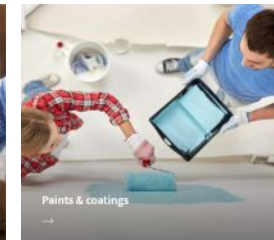
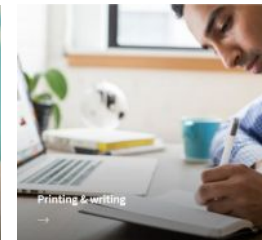
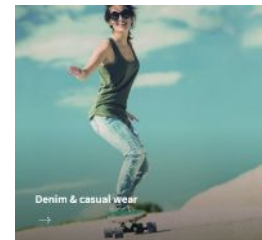
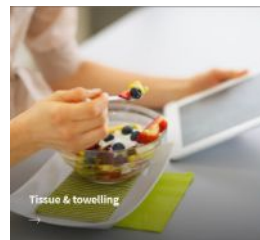
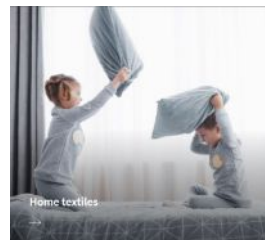
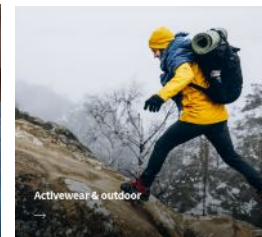
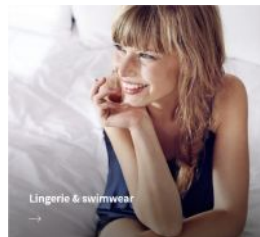
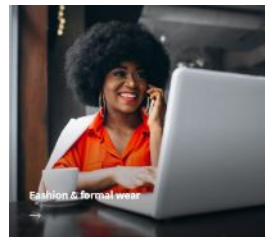
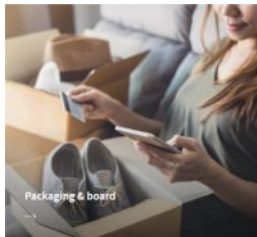
Silicones

Surfactants

Glyoxal resins

Flame retardants

Hygienic products
(Sanitized®)



Fashion

Technical textile

Home textile

Denim

Graphic paper

Packaging

Tissue & toweling

Paints

Adhesives

Construction

New markets
Home care
Wood
Leather
Personal care

52 locations - 35 countries - 26 production facilities - 3000 employees

Recognized Leadership

- The Archroma group was recently awarded the **platinum sustainability rating** by **EcoVadis**
- Archroma ranked **NUMBER ONE** in the ‘**INDUSTRIAL CHEMICALS**’ List by Institute of Public & Environmental Affairs (IPE) for driving transparency in supply chain.
- **Top 25 Best Performing Companies Award – 2020 by Pakistan Stock Exchange** / 19th time
- 36th Corporate Excellence Award 2021 by Management Association of Pakistan / 10th time
- **19th Annual Environment Excellence Award 2021 by National Forum for Environment & Health** / 14th time
- Tree Plantation Award by National Forum for Environment & Health / 3rd time
- **Employer of the Year award 2021 by Employers Federation of Pakistan** / 6th time
- Corporate Social Responsibility Award 2022 by National Forum for Environment & Health / 6th time
- **UN Global Compact Sustainability Award 2022 by Employers Federation of Pakistan** / 4th time
- Best Corporate Report Awards 2021, Certificate of Merit / 1st time



National Forum
for Environment
& Health
www.nfeh.org.pk



**EMPLOYERS'
FEDERATION
OF PAKISTAN**
The Apex Body of Employers



Businesses

A global leader in specialty chemicals across the textile, paper and emulsions sectors

The markets segments that we serve

/ Brand & Performance Textile Specialties (BPT)

Key role throughout the entire textile supply chain, with special chemicals for pre-treatment, dyeing, printing and finishing of textile.

/ Packaging & Paper Specialties (PP)

Leading provider of colorants, optical brightening agents, process and surface chemicals

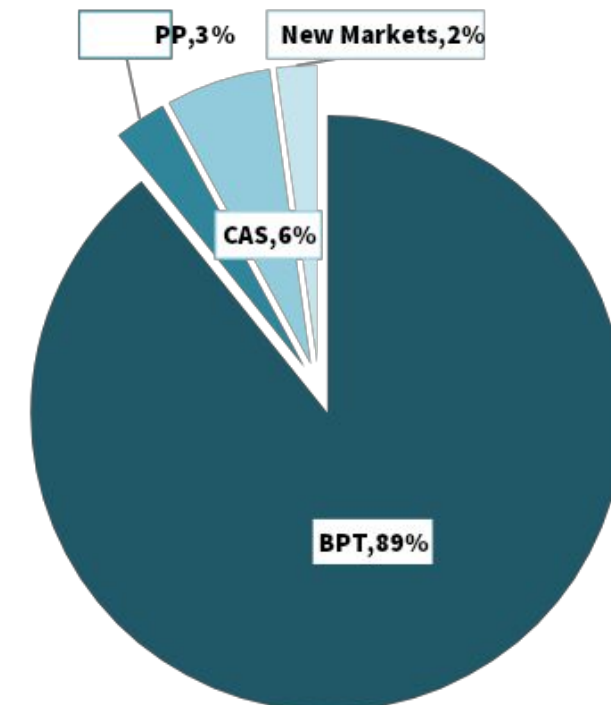
/ Coatings, Adhesives & Sealants (CAS)

Leading provider of specialty emulsions to paints, adhesives, construction and the textile, leather and paper sectors

/ New Markets

Provider of dyes & chemicals for Leather Industry, Additives for Home Care & Personal Care Industry. Unsaturated polyester resin to various engineering industries like automobile, FRP Pipes, Constructions, marine industry, button industry etc.

Sales For the period Oct-2021 to June-2022: MPKR 22,652



Business Overview

Pakistan's Textile exports continued to remain strong during the third quarter of the ongoing Financial Year 2022, which has also positively contributed to your Company's overall performance. However, local market Textiles' sales & construction activity further slowed down during the quarter under review, mainly due to higher energy & commodity prices and double-digit inflation in other costs.

Your Company achieved net sales of PKR 19,416 million during the nine months period ended 30 June 2022 against PKR 14,844 million in comparison to the same period last year. Contribution to this strong overall sales growth of 31% has come from positive contributions from all the businesses, i.e. Brand & Performance Textile Specialties, Coating Adhesives & Sealants, Packaging & Paper specialties & New markets.

Higher taxation, freight & logistics costs and significant devaluation of PKR against USD and other foreign currencies during the quarter has adversely impacted the bottom-line profitability which has come down to PKR 1,467 million in comparison to PKR 1,756 million in the same period last year.

CORPORATE SOCIAL RESPONSIBILITY

ARCHROMA
LIFE ENHANCED

-

STRATEGIC & OPERATIONAL DEVELOPMENTS

Home Care (Portfolio)

Archroma brings new products in home hygiene. Specially developed to maintain clean living space, manage disinfection, better odour & aesthetics and also offering major raw materials and colours to multinationals & local manufacturers.

Laundry
Washing Powder and Bar
Liquid Detergent
Washing liquids (woolens)
Fabric Softeners
Oil Soap
Detergent Speckles
Application Specific Cleaning



Dish Wash
Dish Wash Cake & Tablet
Dish Wash Powder
Hand Dish Washing Liquid
Lime Dissolver



Cleaners
House Hold Cleaners
Abrasive Cleaning Powder
Toilet Cleaners
Window / Glass Cleaners
Floor Cleaners
Car Cleaning



I & I Cleaning
Rim Cleaners
Metal / Hard Surface Cleaners
Foam Cleaners
Specific process house cleaning



Production Plant & Capacity



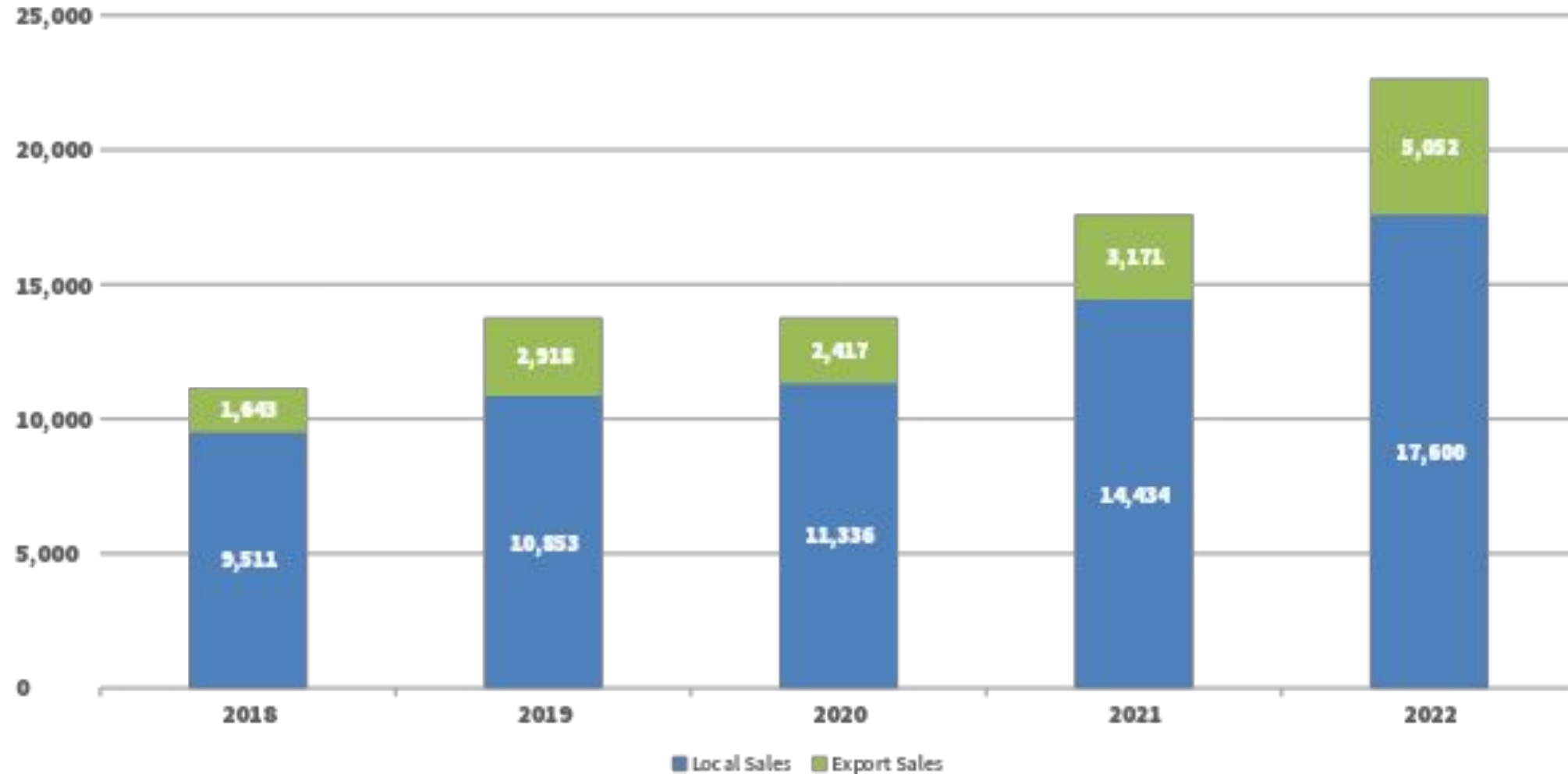
Segment	Jamshoro Tons/Annum	Karachi Tons/Annum	Total Tons/Annum
Dyes	10,000	-	10,000
Chemicals	18,000	8,496	26,496
Pigments	800	720	1,520
Binders / Emulsions	16,500	15,720	32,220
Indigo	18,000	-	18,000
Total	63,300	24,936	88,236



FINANCIAL OUTLINE

Sales for the nine months ended 30 June

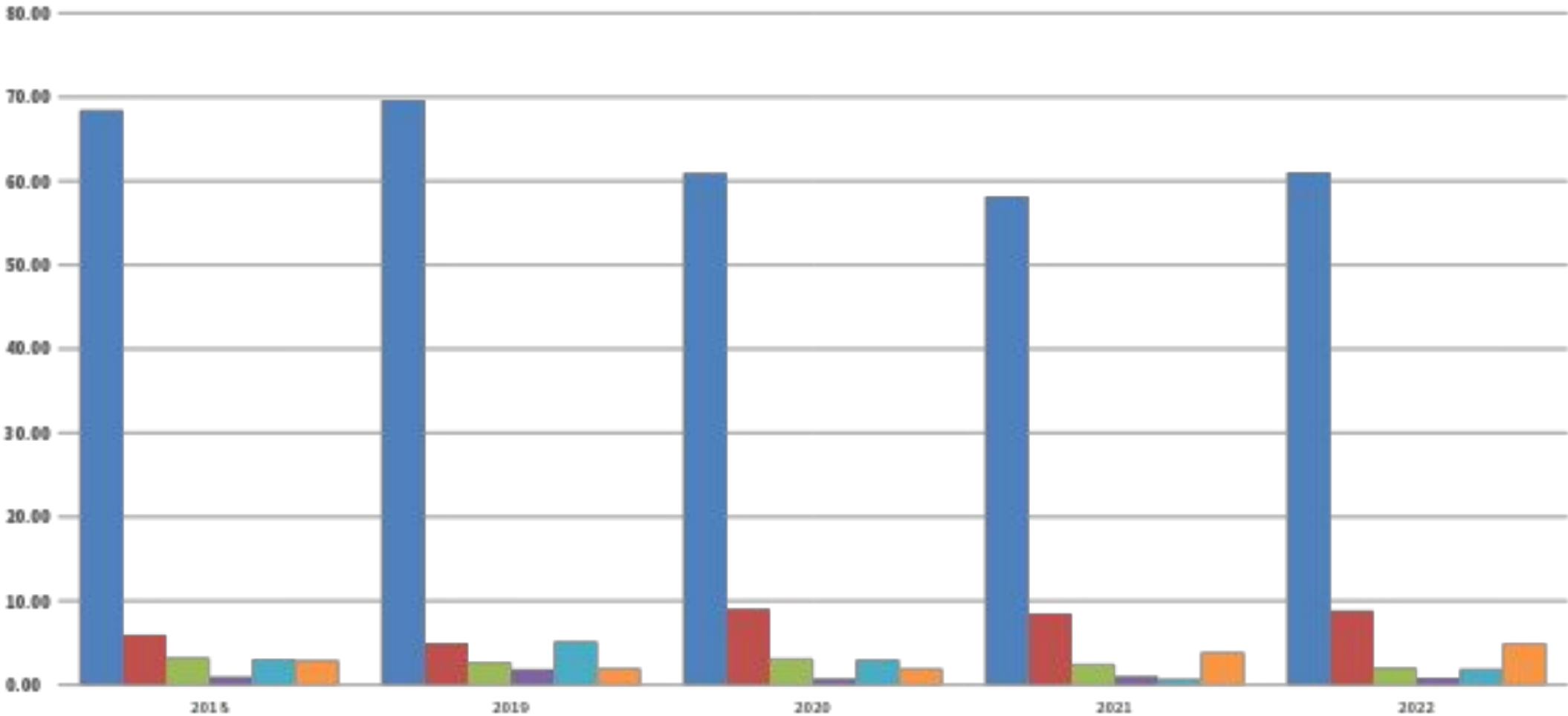
(MPKR)



Financial Highlights of the Nine Ended Months 30 June 2022

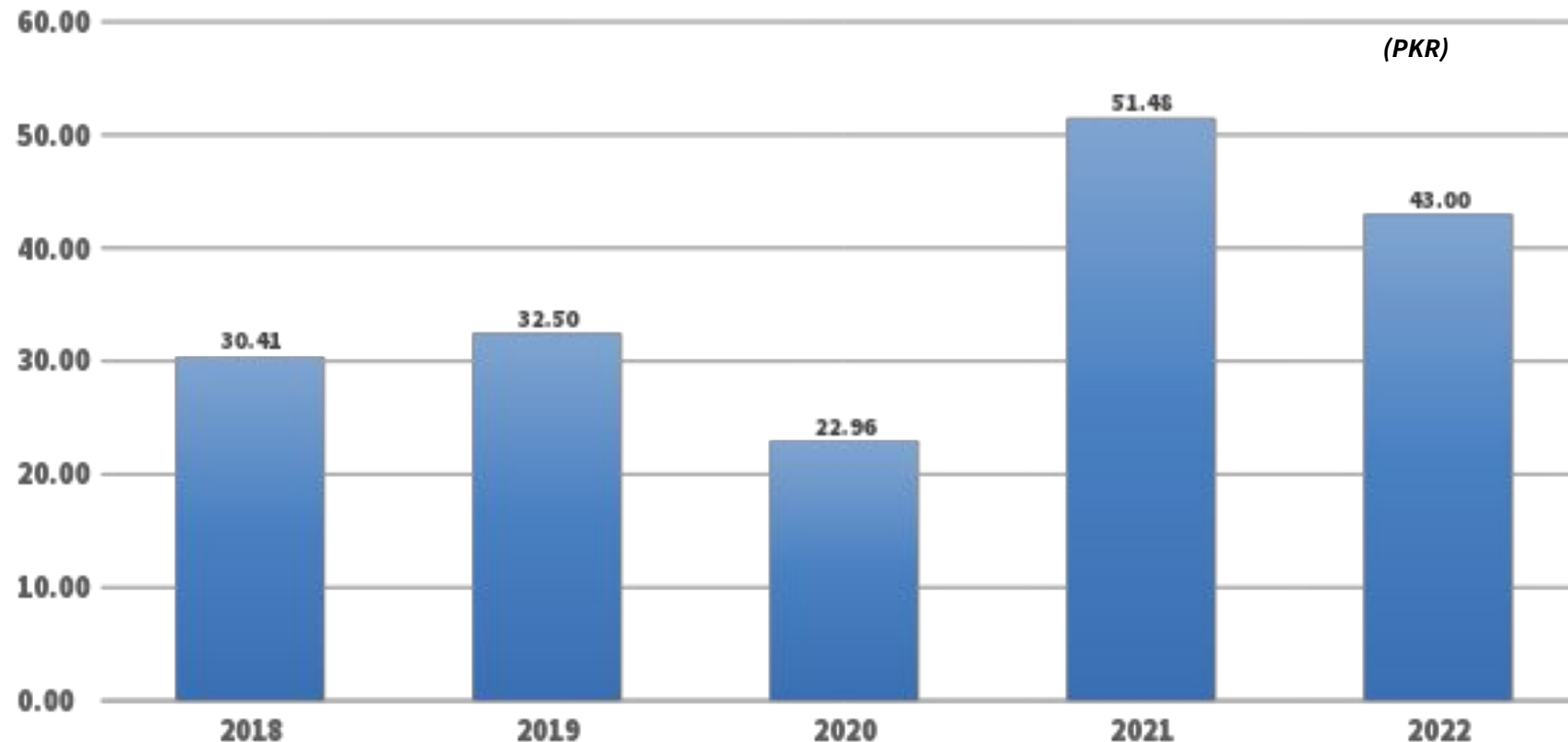
	Jun-22	Jun-21	Increase / (Decrease)
	Rs in 000'	Rs in 000'	%
Local sales	17,600,077	14,434,058	22
Export sales	5,051,604	3,170,889	59
Total Sales	22,651,681	17,604,947	29
COGS	13,825,944	10,237,301	35
Gross Profit	5,590,088	4,606,523	21
Finance Cost	420,448	115,214	265
Taxation	1,117,157	679,399	64
Net profit	1,467,018	1,756,373	(16)
EPS	43	51.48	(16)
Production Qty	41,939	47,591	(12)
Sales Qty	42,775	49,404	(13)

Manufacturing & Operational Expenses



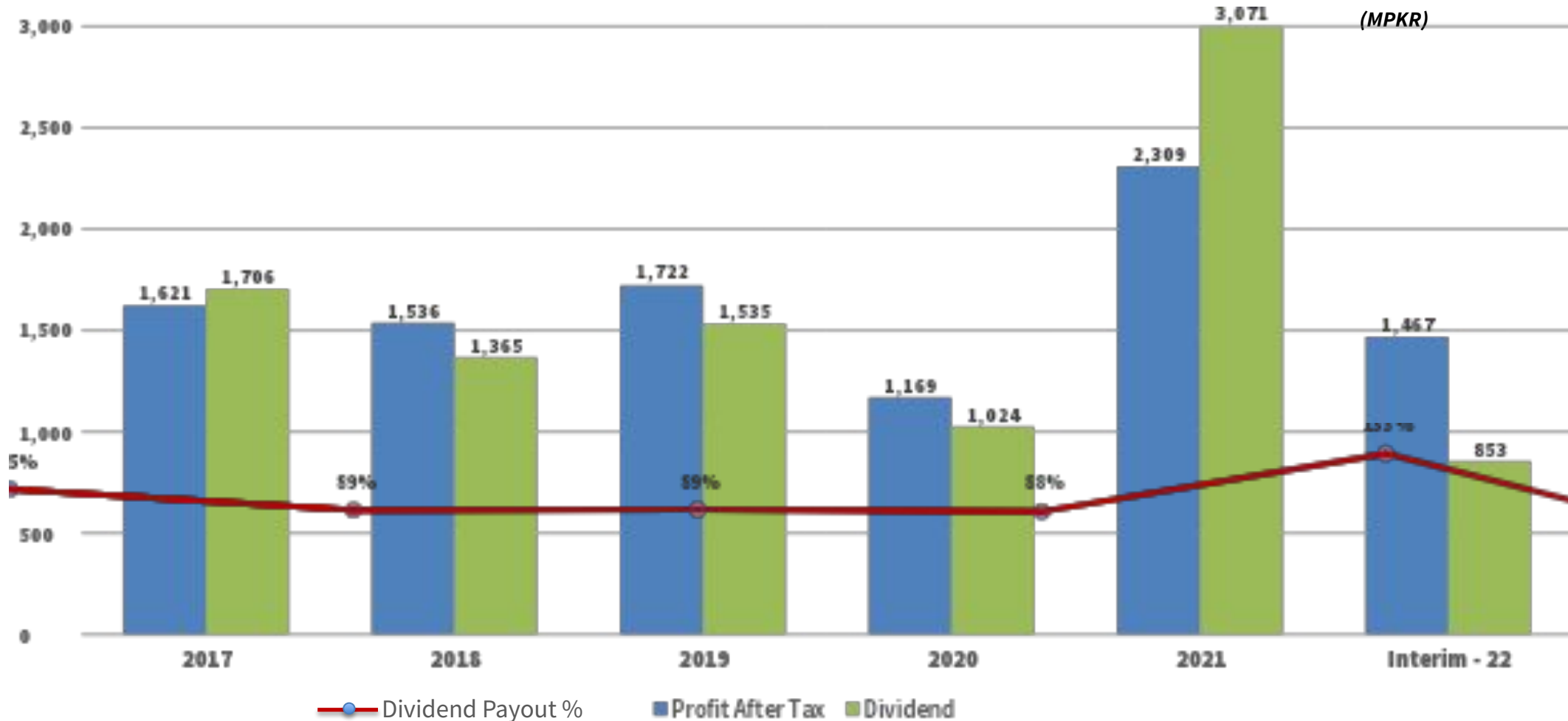
Earning Per Share

The profit for the period stood at MPKR 1,467 (last period MPKR 1,756). On this basis the earnings per share (EPS) for the period has decreased to Rs. 43.0 as compared to last period's EPS of Rs. 51.48



Dividend Payout History

Final cash dividend payout statistics for the years as follows.



KEY RATIOS

Liquidity Ratios

Nine Months Ended 30 June 2022	2022	2021	2020
Current Ratio (Times)	1.18	1.57	1.43
Quick Ratio (Times)	0.71	1.02	0.75
Days Sales Outstanding (Days)	73	82	61
Days Inventory Outstanding (Days)	90	94	144

Profitability Ratios

Nine Months Ended 30 June 2022	2022	2021	2020
Operating Profit Margin %	15.47	17.19	12.54
Gross Profit Margin %	28.79	31.03	27.64
Return on Assets %	10.83	14.56	7.00
Return on Equity %	43.26	33.54	17.95

Other Ratios

Nine Months Ended 30 June 2022	2022	2021	2020
Interest Cover Ratio (Times)	35.22	34.11	7.39
Debt to Capital Ratio	50.79	29.31	42.18
Dividend Payout Ratio %	**65	*133	*88

** Interim Dividend

* Final Dividend

FUTURE OUTLOOK

Future Outlook

The ongoing Russia-Ukraine conflict, Global Energy and Commodities prices and availability situation, and consequential adverse Balance of Trade of Pakistan, may keep the outlook for Textiles Exports & Construction Industry, somewhat uncertain.

However, the Management is optimistic that with the available export orders with our customers and Archroma's strong projects in the pipeline to further increase its Market Share and successful business development in New markets' Home care business, your Company is expected to maintain profitable growth momentum in short to medium term.

Risk & Uncertainties

Adopting to the new norm of increasing speed and agility to smartly manage cash-flows and fixed costs are the key risks associated with Company's operations, going forward.

QUESTIONS & ANSWERS



