ARCHROMA PAKISTAN LIMITED

CORPORATE BRIEFING SESSION

27 DECEMBER 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

Executive Summary

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

COMPANY'S ORIENTATION

ARCHROMA
LIFE ENHANCED

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 Reinach, 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 2,800 employees in 35 countries with 25 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 Globally

We have been informed by our **group**, that Archroma has agreed to acquire the Textile Effects Business of Huntsman Corporation and the transaction is subject to review and approval by regulatory authority.

Recognized Leadership

- Archroma Pakistan won **Sustainability Award on growing business in Home Care industry** from Archroma Group.
- The Archroma group was recently awarded the **Platinum Sustainability Rating** by **EcoVadis**
- **Top 25 Best Performing Companies Award – 2020 by Pakistan Stock Exchange** / 19th time
- Archroma ranked **NUMBER ONE** in the **'INDUSTRIAL CHEMICALS"** List by Institute of Public & Environmental Affairs (IPE) for driving transparency in supply chain.
- 37th **Corporate Excellence Award 2022** by Management Association of Pakistan / 11th time
- **19th Annual Environment Excellence Award 2022** 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 2022, Certificate of Merit / 2nd time
- **Occupational Safety, Health & Wellness Award 2021.**

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

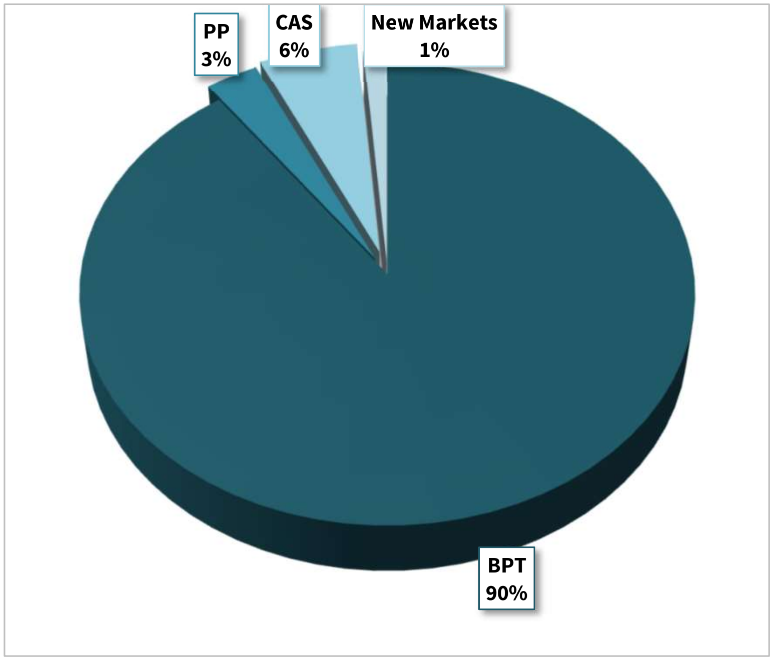
Coatings, Adhesives & Sealants (CAS)

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 September-2022: MPKR 29,430



Business Overview

Pakistan's Textile exports remained strong during the financial year 2022. However, both local & export market's Textiles' sales & construction activity slowed down especially during the last quarter of the current financial year under review, mainly due to higher energy & commodity prices, double-digit inflation in other costs mainly because of Russia-Ukraine conflict and devastating floods affecting one-third of the Country.

Despite of the above challenging environment, your Company was able to achieve net sales of PKR 25,154 million during the financial year ended 30 September 2022 versus PKR 19,872 million in comparison to last year. Contribution to the overall sales growth of 27% has come about from all the businesses, where Brand & Performance Textile Specialties grew by 27%, Coating Adhesive & Sealants business increased by 30% and Packaging & Paper Specialties by 36%.

Higher taxation, freight & logistics costs and significant devaluation of PKR against USD and other foreign currencies during the year has adversely impacted the bottom-line profitability which has come down to PKR 1,885 million in comparison to PKR 2,309 million achieved in last year.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility

- Sustainable Effluent Treatment plant, Jamshoro **@ zero liquid discharge**
- Providing clean drinking water to neighborhood of Jamshoro factory.
- To date training in Textile Wet Processing to 8000 students from technical institutes & universities.
- Monitory donations to social, medical and educational institutions.
- Memorandum of Understanding with universities
- Blood donation for Thalassemic child patients
- Tree Plantation Campaigns
- Installation of Solar Energy panel at one of TCF School
- Assistance towards Fire Station at Landhi
- Distribution of Grocery (Rashan) to needy peoples

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

Winning beyond the Boundaries

Focus on Market Leaders / Home Care growing Industry

Production Plant & Capacity

Segment	Jamshoro Tons/Annum	Karachi Tons/Annum	Total Tons/Annum
Dyes/OBAs	12,000	-	12,000
Chemicals	16,000	8,280	24,280
Pigments	800	720	1,520
Binders / Emulsions	36,500	15,720	52,220
Indigo	18,000	-	18,000
Total	**83,300**	**24,720**	**108,020**

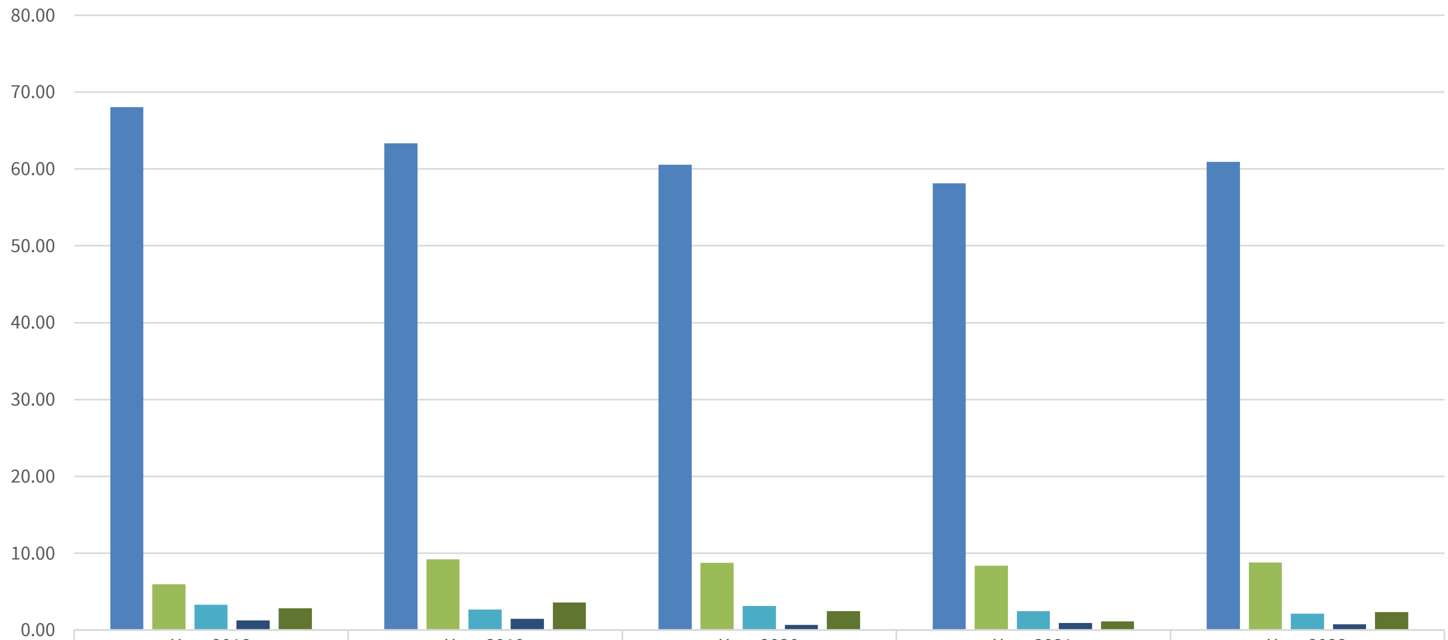
FINANCIAL OUTLINE

Sales for the Year Ended 30 September 2022

Financial Highlights for the Year Ended Months 30 September 2022

	Sep-22	Sep-21	Increase / (Decrease)
	Rs in 000'	**Rs in 000'**	**%**
Local sales	23,606,724	19,721,985	20
Export sales	5,823,395	3,839,085	52
Total Sales	**29,430,119**	**23,561,070**	**25**
COGS	17,933,557	13,692,930	31
Gross Profit	7,220,469	6,179,307	17
Finance Cost	693,013	271,661	155
Taxation	1,252,318	880,025	42
Net profit	1,885,066	2,309,366	-18
EPS	55.25	67.69	-18

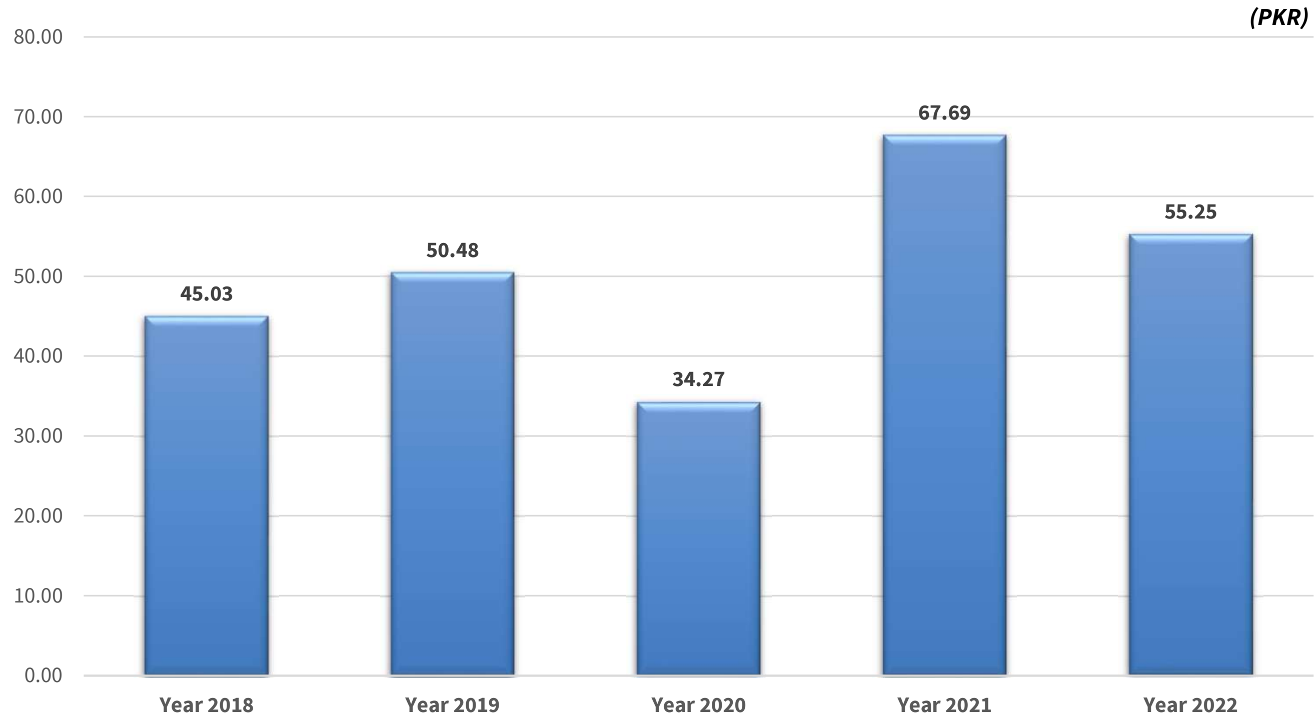
Manufacturing & Operational Expenses



	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022
COGS %	68.04	63.34	60.55	58.12	60.94
Distribution & Marketing Exps %	5.97	9.20	8.77	8.37	8.81
Administrative Exps %	3.28	2.68	3.13	2.48	2.13
Others %	1.24	1.48	0.70	0.93	0.77
Finance Cost %	2.83	3.59	2.45	1.15	2.35

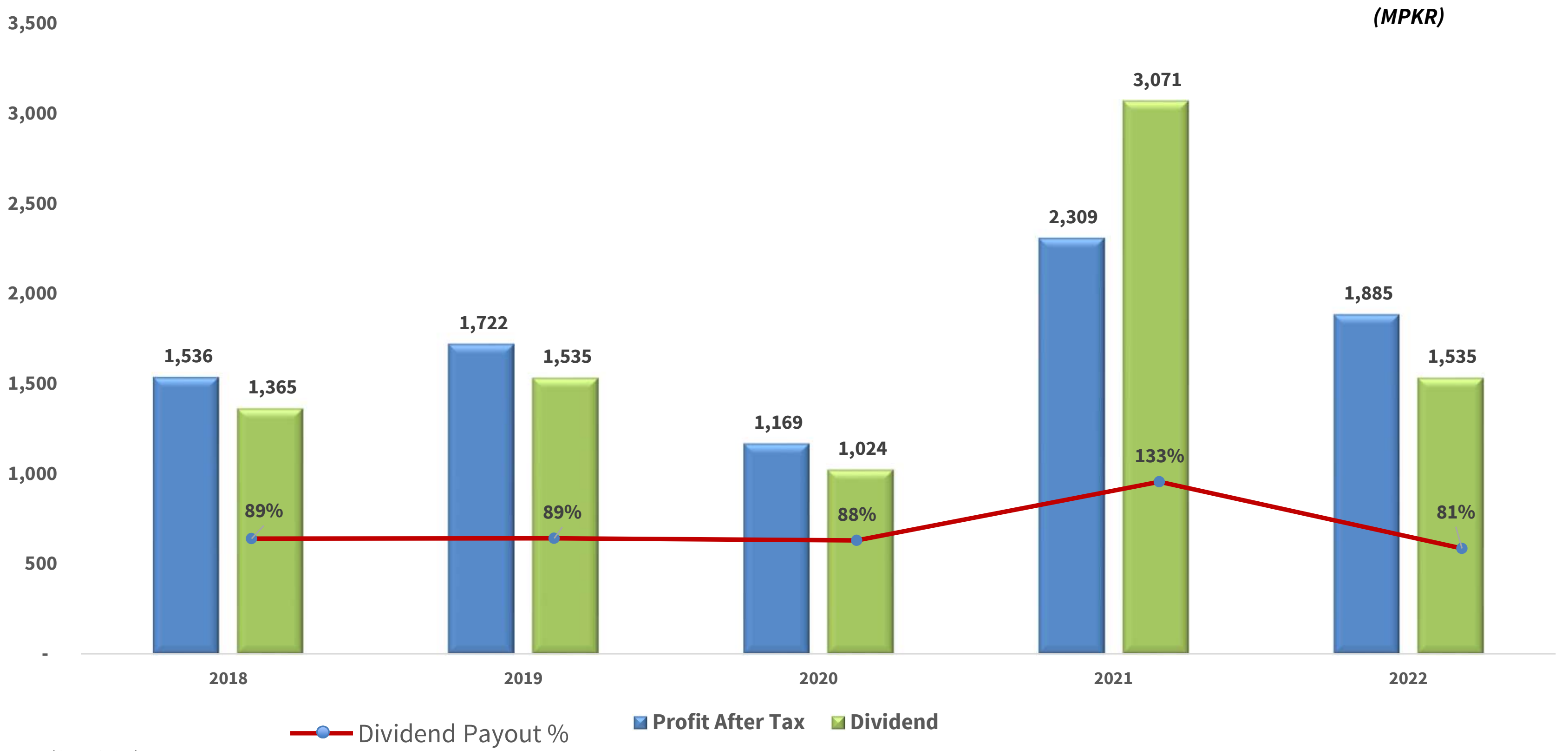
Earning Per Share

The profit for the period stood at MPKR 1,885 (last period MPKR 2,309). On this basis the earnings per share (EPS) for the period has decreased to Rs. 55.25 as compared to last period's EPS of Rs. 67.69



Dividend Payout History

Final cash dividend payout statistics for the years as follows.



KEY RATIOS

Liquidity Ratios

Year Ended 30 September 2022	2022	2021	2020
Current Ratio (Times)	1.25	1.74	1.70
Quick Ratio (Times)	0.77	1.26	1.02
Days Sales Outstanding (Days)	70	69	68
Days Inventory Outstanding (Days)	81	71	104

Profitability Ratios

Year Ended 30 September 2022	2022	2021	2020
Operating Profit Margin %	15.23	17.42	13.14
Gross Profit Margin %	28.71	31.10	27.96
Return on Assets %	15.21	19.72	11.87
Return on Equity %	49.98	39.49	25.96

Other Ratios

Year Ended 30 September 2022	2022	2021	2020
Mark-up Cover Ratio (Times)	23.95	35.56	8.43
Debt to Capital Ratio	37.97	24.68	37.89
Dividend Payout Ratio %	*81.45	133.25	87.54

* Interim Dividend 250% announced and paid
  Final Dividend 200% to be paid after approval from shareholders

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 the Textiles Exports somewhat uncertain. However, local markets business development and post-floods re-construction activities are expected to improve the overall business development for local Textiles and Construction Industry of the Country from the new calendar year.

Your Company continues to work on many growth projects and initiatives, the benefits of which are expected to further improve the development of stronger business portfolio, speed & agility to smartly manage cash-flows & fixed costs, going forward.

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


Thank you!