

ACI Formulations Limited

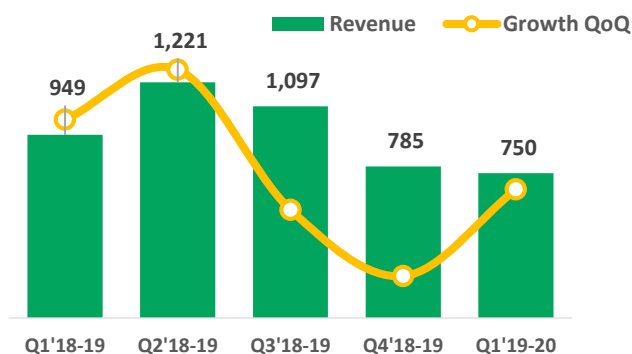
1st Quarter, FY 2019-20 Business Highlights & Reasons for Significant Deviations

As a Group, ACI Formulations Limited has 4 business portfolios which include CC&PH & Flora, Consumer Brands, Paint and Neem. The total revenue of all business portfolios stood at BDT 750 Mn in the 1st Quarter of FY 2019-20.

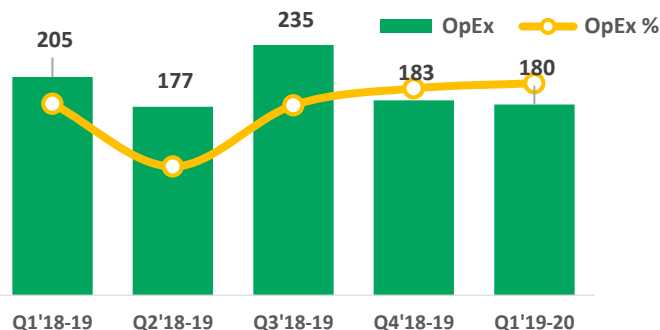
Executive Summary (Based on consolidated level):

| BDT Million | Q1 2019-20 | Q1 2018-19 | Q-Q SQLY |
|-------------------|------------|------------|----------|
| Revenue | 750 | 949 | -20.9% |
| Gross Profit | 250 | 279 | -10.3% |
| OpEx | 180 | 205 | -12.6% |
| OpEx as % Revenue | 24% | 21.6% | |
| PBT | 10 | 25 | -59.9% |
| NPAT | 6.6 | 17.6 | -62.2% |
| NOCF | 52 | (189) | 127% |

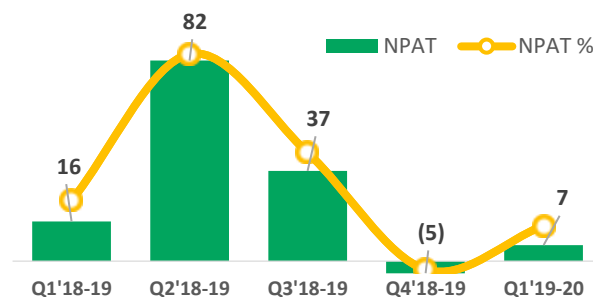
The consolidated revenue of ACI Formulations Limited is BDT 750 Mn in the 1st Quarter of the FY 2019-20 against BDT 949 Mn of Same Quarter Last Year (SQLY) mainly due to lower revenue of CB Portfolio. Though the revenue decreased by 20.9%, Gross Profit (GP) has decreased by 10.3% only from SQLY mainly due to higher proportionate sales of higher margin products.



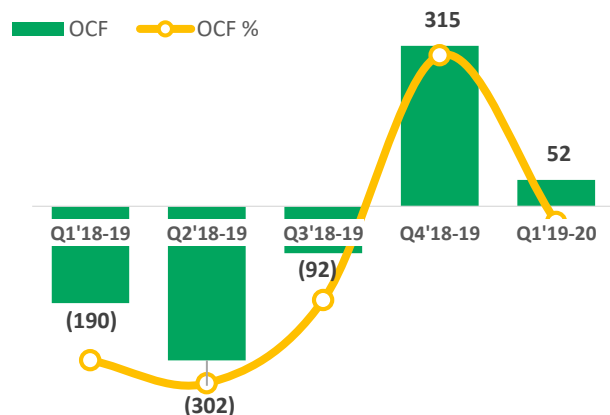
The consolidated operating expenses (OpEx) for the 1st quarter is lower than the SQLY by BDT 25 Mn. The decrease in OpEx is mainly due to lower Selling and Administrative Expenses for the 1st Quarter.



Finance cost has increased by 28.6% over SQLY mainly due to higher rate of interest compared to SQLY. The lower Gross Profit coupled with higher finance cost slightly compensated by lower OpEx resulted into consolidated NPAT for BDT 6.6 Mn against BDT 17.6 Mn of SQLY.



In line with the consolidated NPAT for the 1st Quarter consolidated Earnings per Share (EPS) has reached to BDT 0.15 per share from BDT 0.39 per share of SQLY.



Consolidated Net Operating Cash Flow (CNOCF) in the 1st Quarter of FY 2019-20 is BDT 1.15 per share against negative BDT 4.19 per share of SQLY with a positive growth of 127% from SQLY. This has happened mainly due to better working capital management.