

Advanced Chemical Industries Limited

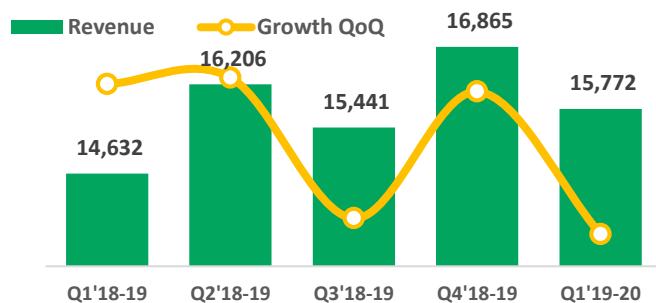
1st Quarter, FY 2019-20 Business Highlights & Reasons for Significant Deviations

ACI Limited is the parent of ACI Group and the consolidated key financial information for the 1st Quarter of FY 2019-20 comparing with the Same Quarter Last Year (SQLY) is highlighted below:

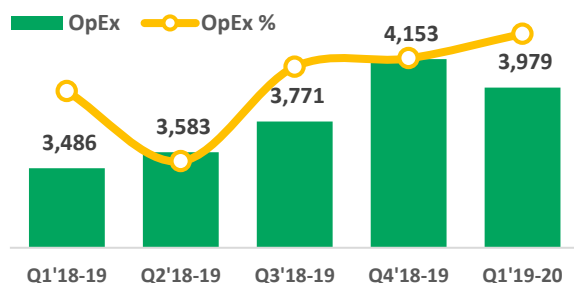
Executive Summary (Based on consolidated level):

BDT Million	Q1 2019-20	Q1 2018-19	Q-Q SQLY
Revenue	15,772	14,632	7.8%
Gross Profit	4,727	4,421	6.9%
OpEx	3,979	3,486	14.2%
OpEx as % to Revenue	25.2%	23.8%	
PBT	(201)	269	-175%
NPAT	(299)	48	-719%
NOCF	(416)	(14)	-2,782%

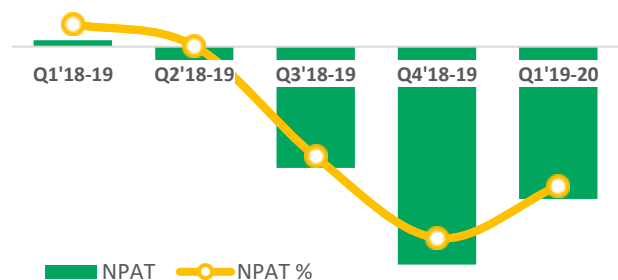
ACI Limited has registered a decent revenue growth at group level in the 1st Quarter of FY 2019-20. The revenue has reached to BDT 15,772 Mn in the 1st Quarter of FY 2019-20 from BDT 14,632 Mn of the SQLY representing a growth of 7.8% over SQLY. The Gross Profit for the 1st Quarter is 4,727 Mn against BDT 4,421 Mn of SQLY. The Gross Profit Margin has slightly decreased mainly due to unabsorbed factory overhead of newly-launched business.



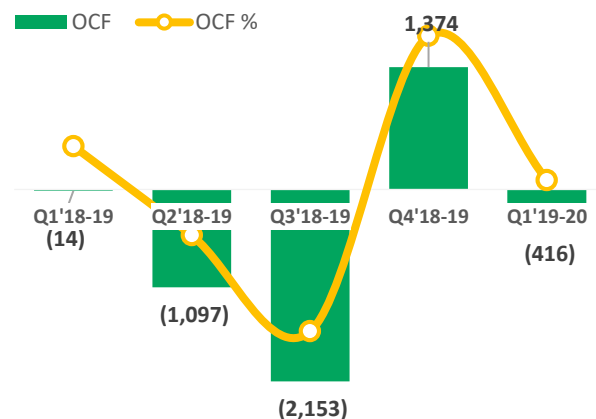
The consolidated operating expenses (OpEx) for the 1st Quarter is BDT 3,979 Mn against BDT 3,486 Mn of SQLY. The OpEx has increased mainly due to conducting marketing campaign for demand generation, pre-commercial cost of newly-launched business alongside normal inflationary adjustment.



The finance cost has increased by 38% from BDT 757 Mn to BDT 1,044 Mn due to higher interest rate, finance cost of newly-launched business coupled with incremental working capital for supporting the business growth. The effect of finance cost and higher operating cost coupled with the impact of minimum tax resulted into Group Net Profit After Tax (NPAT) for the first Quarter negative BDT 299 Mn against BDT 48 Mn in SQLY.



In line with the consolidated NPAT for the 1st Quarter consolidated Earnings per Share (EPS) has resulted into negative BDT BDT 5.99 per share from BDT 0.97 per share of SQLY.



The consolidated Net Operating Cash Flows (CNOCF) for the first Quarter is negative BDT 416 Mn against negative BDT 14 Mn of SQLY. Accordingly, CNOCF per share has ended up with negative BDT 8.33 against negative BDT 0.29 of SQLY mainly due to working capital consumption to support the growth and build-up initial working capital of newly-launched business.