

Advanced Chemical Industries Limited

2nd 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 2nd Quarter of FY 2019-20 comparing with the Same Quarter Last Year (SQLY) and Previous Quarter This Year (PQTY) is highlighted below:

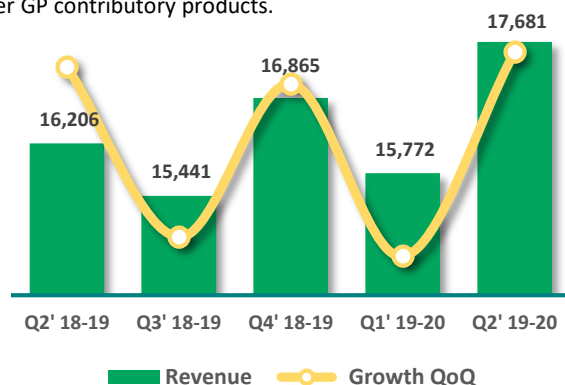
Executive Summary:

| ACI Ltd. BDT Million | Q2 2019-20 | Q2 2018-19 | Q1 2019-20 | Q-Q SQLY | Q-Q PQTY |
|-------------------------|---------------|---------------|---------------|-------------|-------------|
| Revenue | 5,751 | 5,741 | 5,535 | 0.2% | 4% |
| Gross Profit | 2,724 | 2,592 | 2,735 | 5% | -0.4% |
| OpEx | 2,191 | 1,907 | 2,184 | 15% | 0.3% |
| OpEx % to Revenue | 38% | 33% | 39% | | |
| PBT | 771 | 531 | 366 | 45% | 111% |
| NPAT | 579 | 393 | 259 | 47% | 124% |
| NOCF | 914 | 355 | 505 | 157% | 81% |

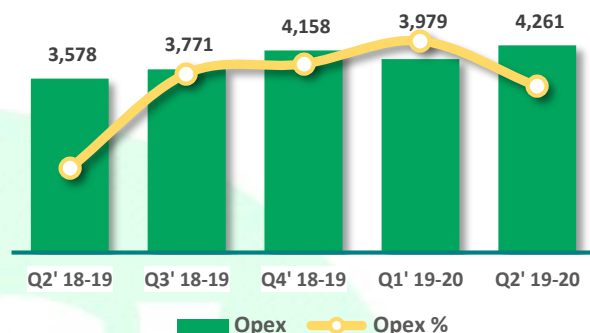
ACI Limited as a stand-alone Company has reported a Revenue of BDT 5,751 Mn for the 2nd quarter of FY 2019-20, a growth of 0.2% from the Same Quarter Last Year (SQLY). The Gross Profit for the 2nd quarter has demonstrated a 5% growth from the SQLY. The OpEx has increased by 15% from SQLY. Even without noteworthy Sales growth, the PBT and NPAT has been remarkable with a 45% and 47% growth from SQLY respectively. In addition to that the NOCF has exhibited a growth of 157% over SQLY.

| ACI Group BDT Million | Q2 2019-20 | Q2 2018-19 | Q1 2019-20 | Q-Q SQLY | Q-Q PQTY |
|--------------------------|---------------|---------------|---------------|-------------|-------------|
| Revenue | 17,681 | 16,206 | 15,772 | 9% | 12% |
| Gross Profit | 5,306 | 4,769 | 4,727 | 11% | 12% |
| OpEx | 4,261 | 3,578 | 3,979 | 19% | 7% |
| OpEx % to Revenue | 24% | 22% | 25% | | |
| PBT | (44) | 318 | (201) | -114% | 78% |
| Group PAT | (401) | (46) | (300) | -778% | -34% |
| NOCF | (969) | (1,144) | (416) | 15% | -133% |

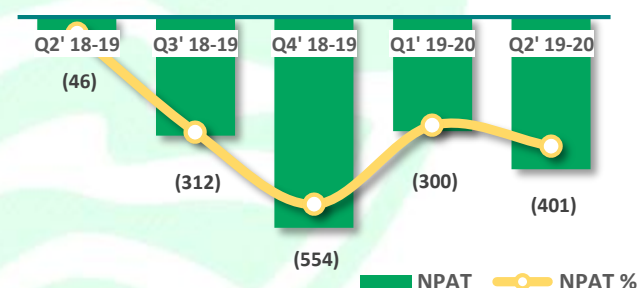
ACI Limited as a group has shown a decent revenue growth in the 2nd quarter of FY 2019-20. It reported a Revenue of BDT 17,681 Mn for the 2nd quarter of FY 2019-20, a growth of 9% from the Same Quarter Last Year (SQLY). The Gross Profit for the 2nd quarter has demonstrated a promising 11% and 12% growth from the SQLY and the Previous Quarter This Year (PQTY) respectively due to the improved production efficiency and increased sales of higher GP contributory products.



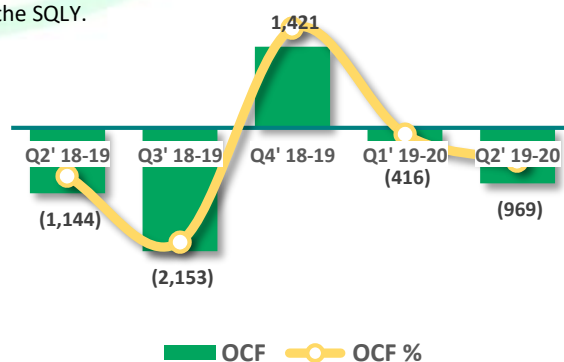
The consolidated operating expenses for the 2nd quarter is BDT 4,261 Mn which is higher than the SQLY by BDT 683 Mn. The OpEx percentage to Sales is 24% of Revenue which is increased and decreased from 22% of the SQLY and 25% of PQTY respectively.



The consolidated Net Profit After Tax (NPAT) for the 2nd quarter is BDT (401) Mn against BDT (46) Mn of SQLY. Despite having the growth in the Revenue and Gross Profit, the 2nd quarter has demonstrated a loss compared to the SQLY mostly because of the increased Operating Expenses and Financing Cost due to pre-commercial expenses (depreciation & financing cost) of ACI HealthCare Limited established for manufacturing medicine for regulated markets especially for USA, which is awaiting for obtaining approval from US FDA.



The consequential results of negative consolidated profit (loss) ultimately generated a consolidated Earnings per Share (EPS) of BDT (6.98) per share which was BDT (0.80) per share in the SQLY.



The consolidated Net Operating Cash Flows (NOCF) for the 2nd quarter was BDT (969) Mn against BDT (1,144) of SQLY. The 2nd quarter's NOCF has a positive growth of 15% from that of SQLY indicating improved cash generation efficiency.