



ITTEHAD CHEMICALS LIMITED



Corporate Briefing





ITTEHAD CHEMICALS LIMITED

Outlines

Company's Brief

Financial Results- Half Yearly, 2021

Future Outlook

Question /Answer Sessions





Company Profile

- Incorporation Date Sep 28, 1991
- Privatized in 1995
- Listed on Pakistan Stock Exchange in 2003
- Pioneer Chlor- Alkali based chemical industry in Pakistan
- Member of Lahore Chamber of Commerce and Industry (LCCI) & Pakistan Chemicals Manufacturers Association (PCMA)
- Auditors: BDO Ebrahim & Co. Chartered Accountants.
- Legal Adviser : Cornelius, Lane & Mufti
- Financial Year : July to June
- Authorized Capital : Rupees 1.25 Billion
- Paid up Capital : Rupees 847 Million
- Credit Rating : A- for long term and A-2 for short term with positive outlook (VIS Credit Rating Company Limited dated 19-Nov-2020)





Management

The company was privatized in 1995 and purchased by Chemi Group of Karachi which has a rich and illustrious history. Now the management has more than 25 years of experience to successfully run the company. Management is always keen to invest in :-

- New technology
- Exceptional talent





ITTEHAD CHEMICALS LIMITED

New Technology, Diversification & Talent

Year	Achievements
2003	Environmental friendly “Ion Exchange Membrane (IEM) Plant” was added with a capacity of 163 tons/day and later on the capacity was enhanced to 240MT/Day
2005	Installed 30 MW Gas fired Power Plant
2007	Calcium Chloride plant was added with production capacity 120MT/Day
2013	Implemented SAP - A1 advanced version of SAP - B1
2015	State of the art IEM-II plant (Phase-I) was installed with a production capacity of 75MT/day
2016	In phase II the capacity of IEM II plant was enhanced to 150MT/Day
2018	IEM III Plant having a capacity of 110MT/Day commenced its operations.
2019	The Company’s first state of the art LABSA / SLES Plant started its operations with a capacity of 24,000 M. Tons per annum} Sulphate Removal System (SRS) & Sodium Sulphate Plants were also added .
2021	NEW PROJECTS LABSA Plant 2 with a capacity of 46,000MT per annum Up gradation to improve capacity and efficiency

On technical side the company has more than 71 engineers mainly chemical, electrical and mechanical engineers.





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Economic Overview





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Economic Overview

Fuel & Power

- Downward Trend of RNLG Prices in 1st Quarter of FY-21.
- Prime Minister Relief to Industry in LESCO Tariff.
- Non Availability of System Gas During the Period

Interest Rates

- Lower Finance Cost due to SBP Monetary Policy.

Material Prices & GIDC

- Mounting Pressure on the Domestic Currency also increase the import cost of Material
- GIDC Levy adjustment issues are still under Court Jurisdiction.





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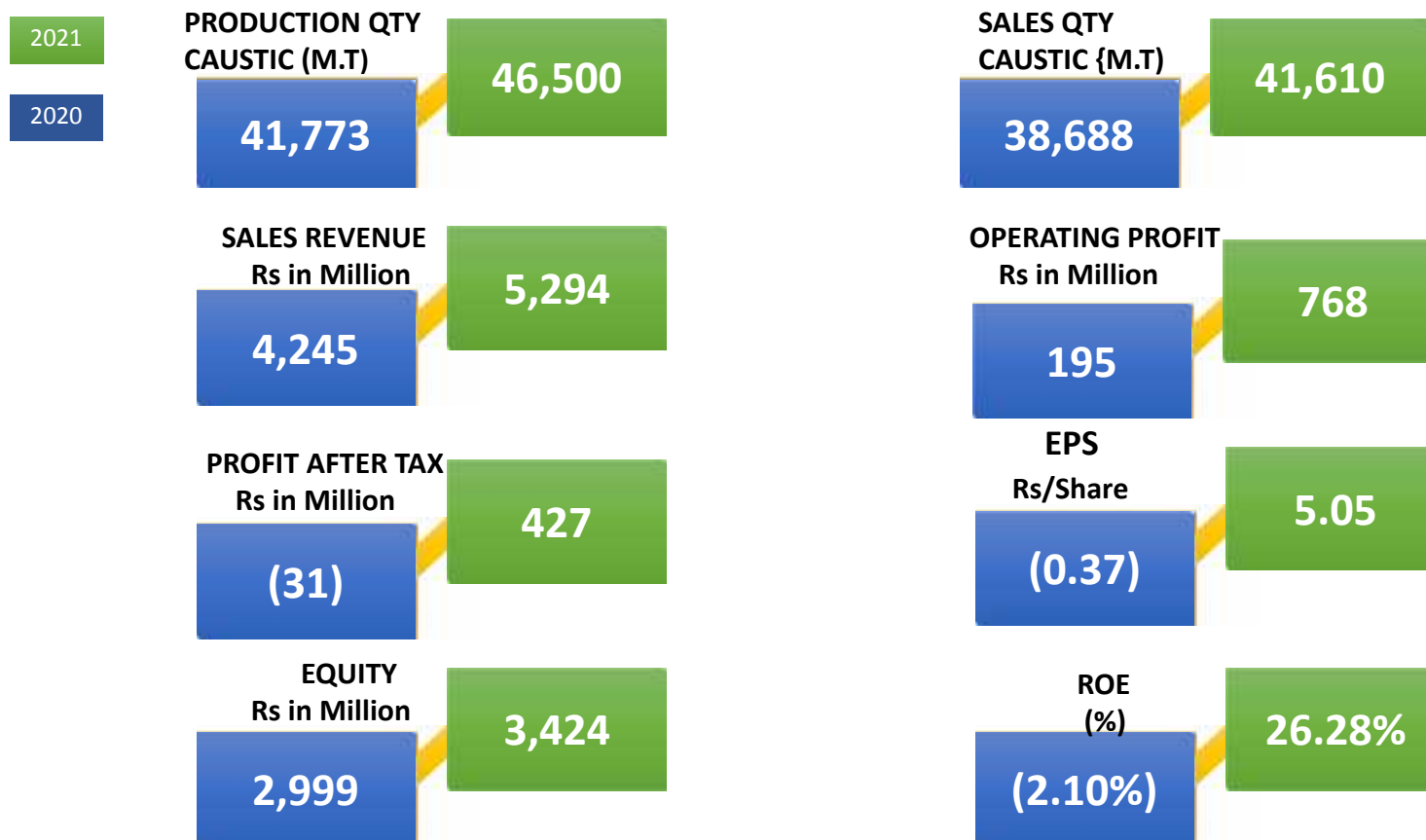
Financial Performance FY-2021 VS FY-2020

PROFIT OR LOSS STATEMENT PERIOD ENDED DECEMBER				(YTD) 6 Months	
				December 2020	December 2019
Sales	25%	↑		5,293,898,644	4,245,985,012
Gross profit	108%	↑		1,182,420,590	568,905,312
Net operating expenses	11%	↑		(414,760,699)	(373,973,219)
Operating profit	294%	↑		767,659,891	194,932,093
Profit before taxation	1463%	↑		653,776,554	(47,978,108)
Taxation				(226,350,490)	16,789,642
Profit after taxation	1470%	↑		427,426,064	(31,188,466)
Earning per share	1471%	↑		5.05	(0.37)



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FY 2021 VS FY 2020 (6 Months)





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Statement of Financial Position

ASSETS

Property, plant and equipment	5,796,344,404
Others Non Current Assets	261,500,143
	6,057,844,547

CURRENT ASSETS

Stores, spares and loose tools	389,608,682
Stock in trade	601,329,933
Trade debts	921,077,598
Other Current Assets	1,125,213,163
Cash and bank balances	442,334,020
	3,479,563,396

TOTAL ASSETS 9,537,407,943

EQUITY AND LIABILITIES

Shareholder's Equity	3,423,798,276
Surplus on revaluation of fixed assets	972,734,067
	4,396,532,343

NON CURRENT LIABILITIES

Long term financing	1,574,281,905
Deferred liabilities	523,625,454
	2,097,907,359

CURRENT LIABILITIES

Trade and other payables	2,492,914,831
Short term borrowing	550,053,410
	3,042,968,241

TOTAL EQUITY AND LIABILITIES 9,537,407,943





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Key Financial Ratios

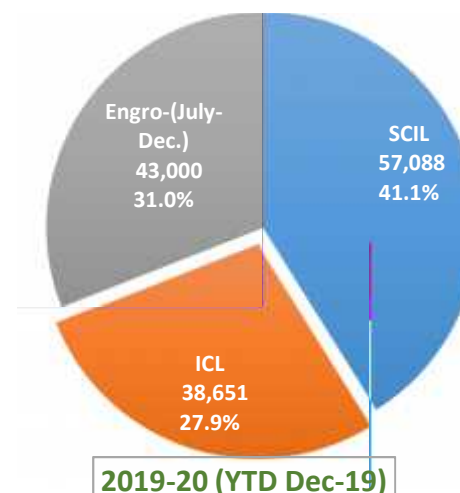
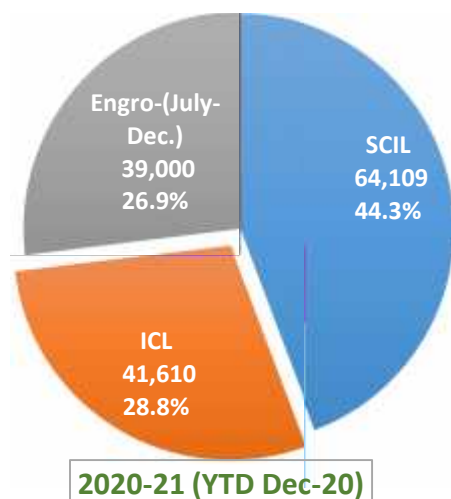
BALANCE SHEET	UNIT	YTD Dec'20	YTD Jun'20
Operating Fixed Assets (NBV)	Rs. In mln	5,614	5,872
Current Assets	Rs. In mln	3,480	2,968
Current Liabilities	Rs. In mln	3,043	2,934
Long Term Liabilities	Rs. In mln	2,098	2,153
Share Capital	Rs. In mln	847	847
Shareholders' Equity	Rs. In mln	3,424	3,081
EBITDA	Rs. In mln	1,025	1,069
INVESTOR INFORMATION	UNIT	YTD Dec'20	YTD Jun'20
Gross Profit Margin	%	22.34	13.34
Net Profit Margin	%	8.07	0.69
Return on Equity	%	26.28	1.99
Net Assets Per Share (excluding surplus)	Rs.	40.42	36.38
Net Assets Per Share (Including surplus)	Rs.	51.91	47.86
Debt Equity Ratio (Based on Long Term Debts)	Debt	0.36	0.38
Debt Equity Ratio (Based on Long Term Debts)	Equity	0.64	0.62
Long Term Debt to Equity Ratio		0.57	0.61
Current Ratio		1.14	1.01
Quick Ratio		0.82	0.64
Interest Coverage Ratio		6.74	1.03
Debtor Turnover	No. of Times	13.56	13.05
Debtor Collection period (Based on closing debtors)	No. of Days	27	28
Inventory Turnover	No. of Times	8.30	6.95
Fixed Asset Turnover Ratio	No. of Times	1.84	1.45



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Caustic Market Share

Financial Year	2020-21 (YTD Dec-20)				2019-20 (YTD Dec-19)			
Particulars	Caustic Soda Local (MT)	Market Share (Local) %	Caustic Soda Export (MT)	Caustic Soda Total (MT)	Caustic Soda Local (MT)	Market Share (Local) %	Caustic Soda Export (MT)	Caustic Soda Total (MT)
SCIL	64,109	44.3%	-	64,109	57,088	41.1%	360	57,448
ICL	41,610	28.8%	-	41,610	38,651	27.9%	37	38,688
Engro-(July-Dec.)	39,000	26.9%	-	39,000	43,000	31.0%	1,012	44,012
Total	144,719	100.0%	-	144,719	138,739	100.0%	1,409	140,148





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Future Outlook

Financial impact Due to Upsurge in RLNG Prices

Interest rates may increase

- LABSA – Phase II
- Upgradation of Wartsila Engines





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Question & Answers





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*Thank
you*





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