



ENGRO FOODS LIMITED
ANALYST BRIEFING – Q2 2016



BUSINESS HIGHLIGHTS

Business Highlights

Dairy & Beverages

- **Campaigns**

- **Olper's:** Olpers Sprite joint promotion

Olpers 750ml

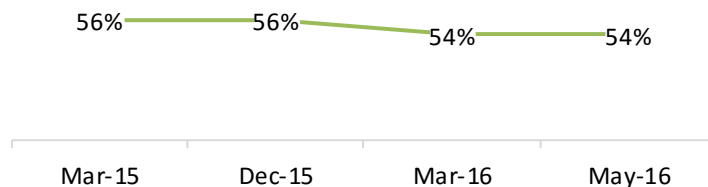
Olpers 1.5 ltr

Olpers School Campaign

- **Omung:** Omung Gluco (Jeet ki Omung)



- **Market Share**



- **Volumetric Growth**

- Q2'16 vs. Q2'15: **-4.5%**

- HY'16 vs. HY'15: **-4.8%**

Business Highlights

Ice Cream & Frozen Desserts

- **Campaigns**

- Omore Fun Stick
- Choco Vanilla cone
- Omore Premium



- **Volumetric Growth:**

- Q2'2016 vs. Q2'2015: **8%**
- HY'2016 vs. HY'2015: **8%**





FINANCIAL HIGHLIGHTS

Financial Highlights

Engro Foods Limited

Revenue

The company achieved a revenue of PKR 11,588 Million in Q2'16.

- Q2'16 vs. Q2'15: **-5%**
- HY'16 vs. HY'15: **-6%**

Gross Profit

Gross profit increased by:

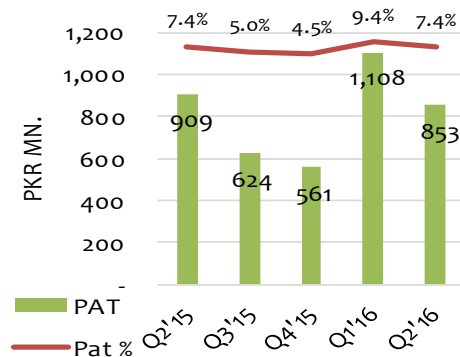
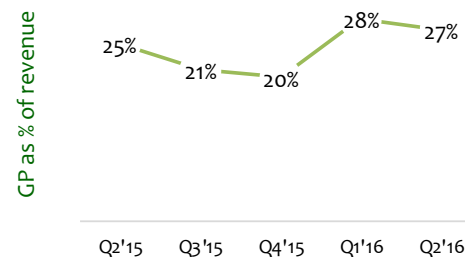
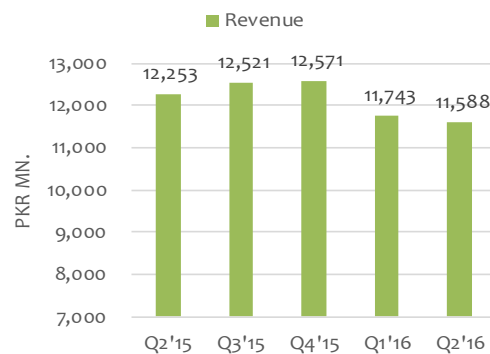
- Q2'16 vs. Q2'15: **2.1%**
- HY'16 vs. HY'15: **0.3%**

Profit After Tax

- Q2'16 vs. Q2'15: **PKR 853 Mn vs. PKR 909 Mn.**
- HY'16 vs. HY'15: **PKR 1,961 Mn vs. PKR 1,978 Mn.**

Earnings per share

	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16
EPS (Basic)	1.19	0.81	0.74	1.45	1.11



Financial Highlights

Dairy & Beverages

Revenue

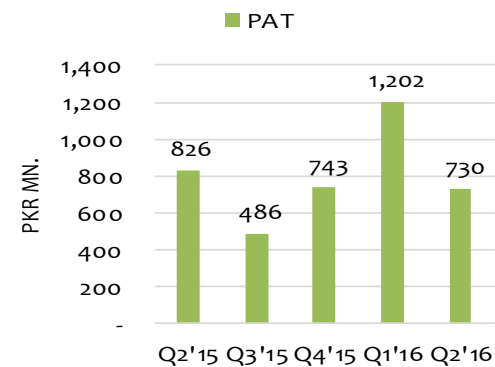
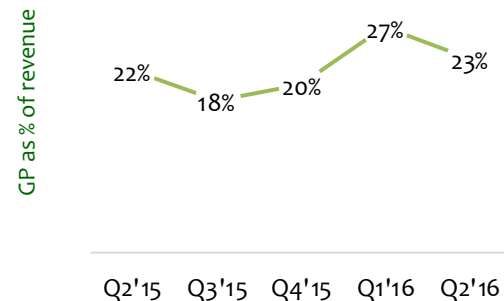
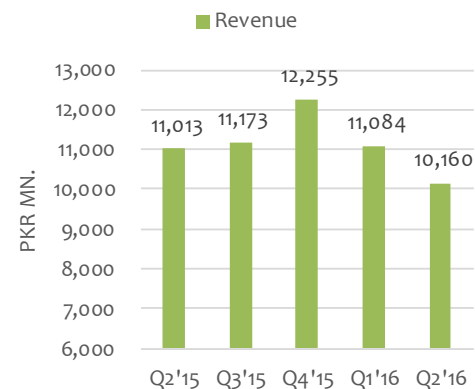
In Q2'16, Dairy & Beverages segment reported a topline of PKR 10,160 Million.

- Q2'16 vs. Q2'15: **-8%**
- HY'16 vs. HY'15: **-7%**

Gross Margins

Profit After Tax

- Q2'16 vs. Q2'15: **PKR 730 Mn vs. PKR 826 Mn.**
- HY'16 vs. HY'15: **PKR 1,932 Mn vs. PKR 1,998 Mn.**



Financial Highlights

Ice Cream & Frozen Desserts

Revenue

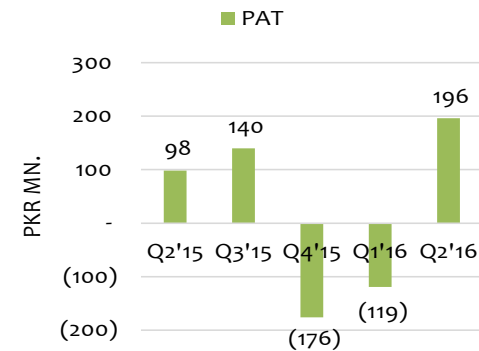
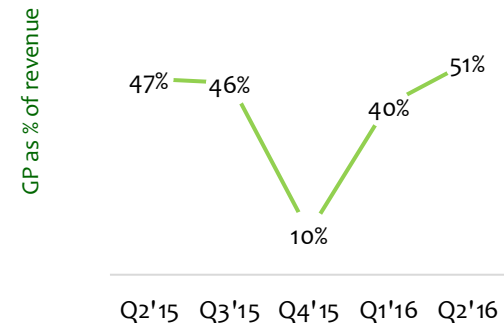
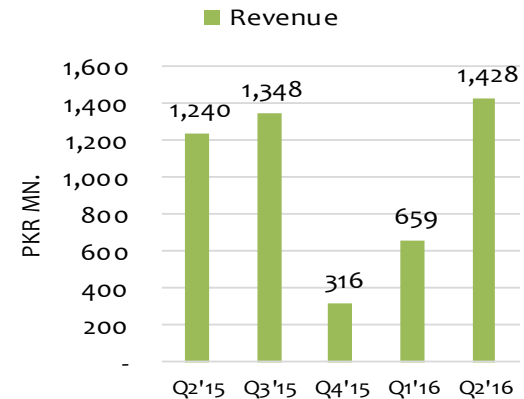
In Q2'16, Ice Cream & Frozen Desserts segment reported a topline of PKR 1,428 Million

- Q2'16 vs. Q2'15: **15%**
- HY'16 vs. HY'15: **15%**

Gross Margins

Profit /(Loss) After Tax

- Q2'16 vs. Q2'15: **PKR 196Mn vs. PKR 98 Mn.**
- HY'16 vs. HY'15: **PKR 77Mn vs. PKR (39) Mn.**



Major Updates

- **IMPACTING 2ND QUARTER PROFITABILITY:**
 - **Super Tax** at the rate of 3% was imposed on Company's income for the tax year 2016 (i.e. for the year ended December 31, 2015) for rehabilitation of temporary displaced persons' levied.
 - **Loss on revaluation of Farm Animals** was incurred during 2nd quarter due to falling international market prices of animals.
- **UPDATE FROM FINANCE BILL 2016:**
 - **Change in Sales tax regime** on dairy products from zero-rating to exempt.
 - **25% Regulatory duty on imported powder** was imposed in addition to 20% custom duty already in place.
 - Impact of above is ~ Rs. 6 – 7 per litre on overall portfolio; Price increases have been taken to mitigate the impact



Thank You