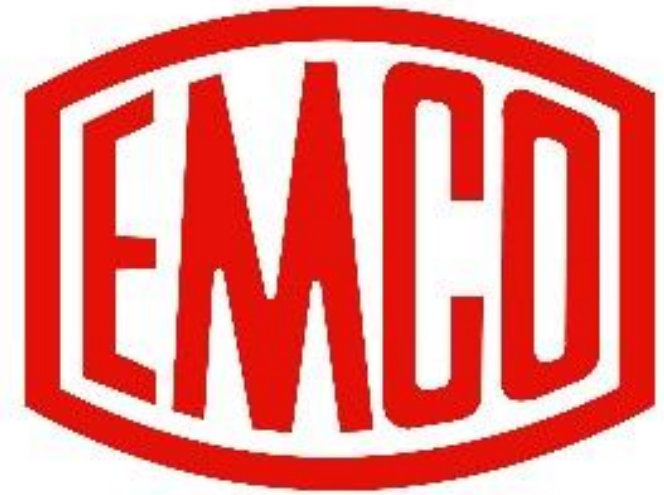


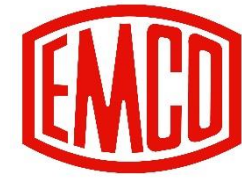
Table of Discussions

- Company Brief
- Operational / Financial Highlights
- Strategic/Operational Developments
- Business outlook
- Questions and Answers



EMCO Industries Limited

June 30, 2021



The Company



EMCO Industries Limited

1. EMCO Industries Limited (“EMCO” or the “Company”) manufactures transmission and distribution class ceramic insulators which are used in electricity transmission lines from generation hubs to substations and finally grid stations.
2. EMCO caters to the major demand generated by the government based NTDC/DISCOs transmission and distribution lines. It caters to both high & medium voltage transmission across Pakistan for industrial and domestic purposes
3. EMCO manufactures the Insulators in line with the quality requirements determined by NTDC. It caters to a wide variety of Insulators which transmit power across high terrain areas and overhead lines across the cities
4. EMCO operates at an average capacity utilization of 90% with a current capacity of 5000 tons for the Insulator Division.
5. EMCO has installed a net metering solar power plant of 982 kW in May 2021 to make overall power mix less costly. The solar power generation is expected to result in annual savings of PKR 15 million

Key Stats

Insulators
production capacity
5000 tons per
annum

75 % market share
in Pakistan
electricity
transmission
Insulators

Major Customers
are NTDC &
Government Discos

VIS Credit Rating
A-/A-2

9M 2021 Revenue
PKR 1.46 bn

Market
Capitalization
PKR 1.6 bn*

Existing Product Portfolio

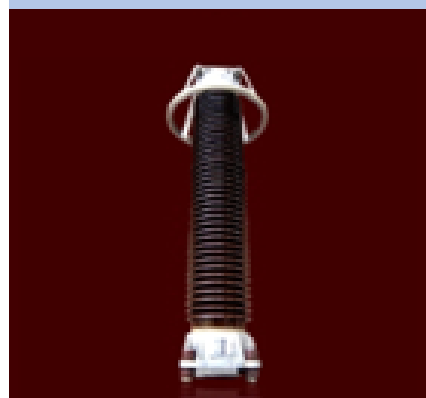


Suspension Insulators



- Cheaper in cost for electricity transmission
- Can manage high load from generation hubs in transmission lines and efficiently transmit high voltage
- Can easily operate in high wind areas without disrupting the power transmission

Substation Equipment



- Supports in moving power from generation hub to grid station
- Used by electric utilities to transmit power for domestic and industrial use.
- Used by electric utilities for system protection & power switching capabilities

Low Voltage Insulators



- Used for low voltage transmission and providing localized energy supply
- Used for rural areas transmission
- Low cost distribution.

Medium Voltage Insulator



- Provide simple construction in distribution lines
- Used for medium voltage over shorter distances
- High mechanical strength ensure power transmission efficiency and reduce losses

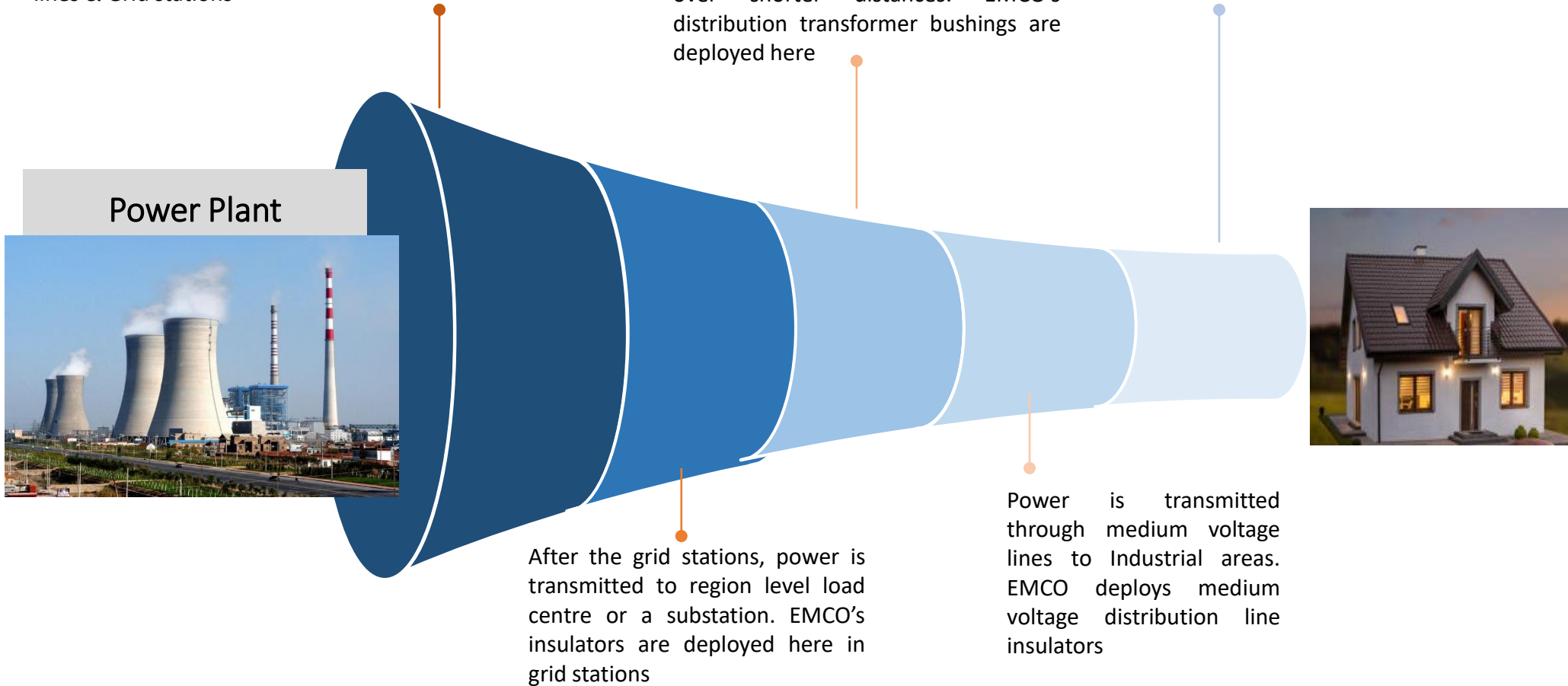
Power Transmission Process



Once Energy is Generated by the power plant, it is evacuated from generation hub through High Voltage Transmission lines to main grid stations over long distances. EMCO's insulators are deployed here in High voltage transmission lines & Grid stations

After the Transmission systems hit major loads centers i.e. cities and industrial centers, they are stepped down to power distribution category over shorter distances. EMCO's distribution transformer bushings are deployed here

Power is transmitted through low voltage lines to residential areas. EMCO deploys its medium and low voltage insulators here





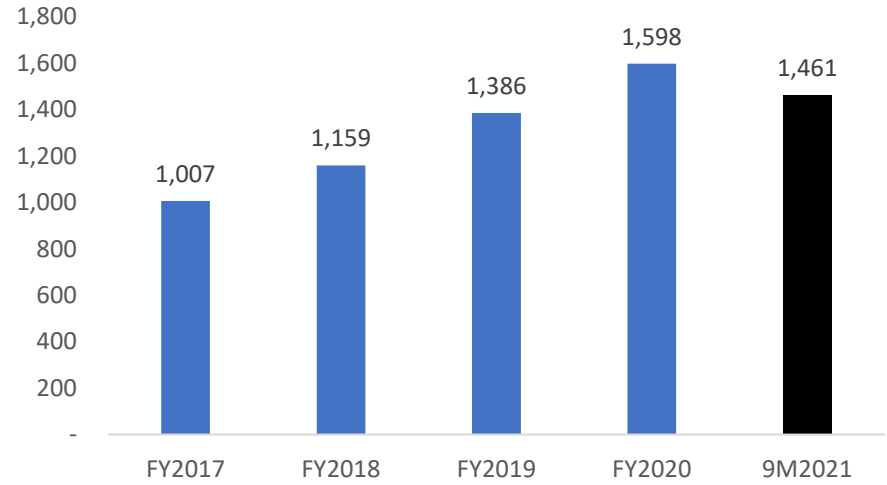
Financials



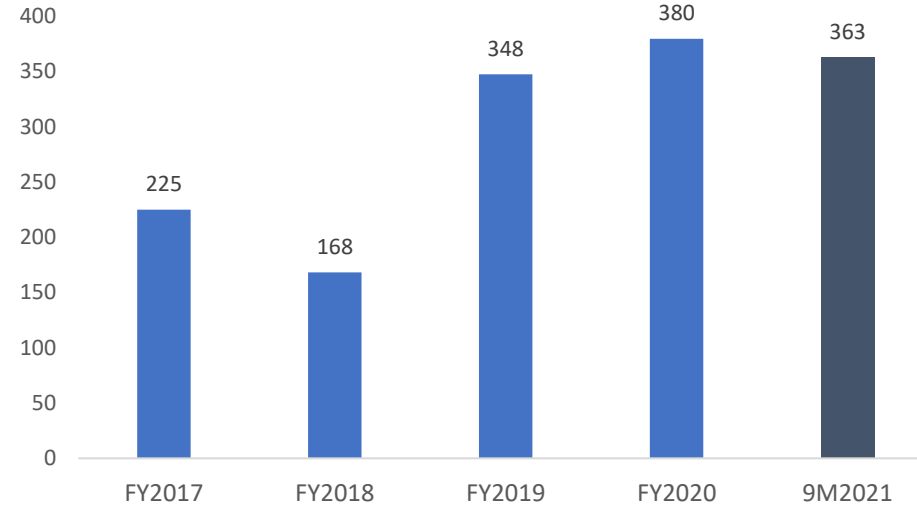
Financial Performance



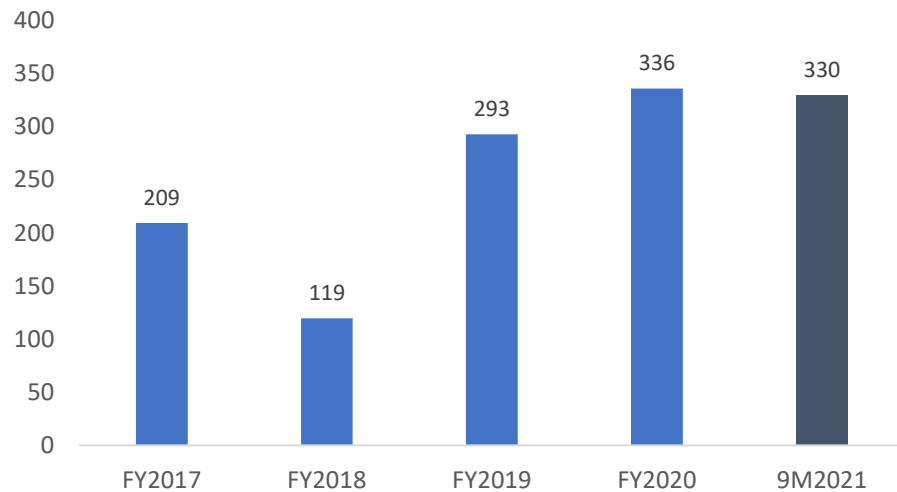
Revenue (PKR mn)



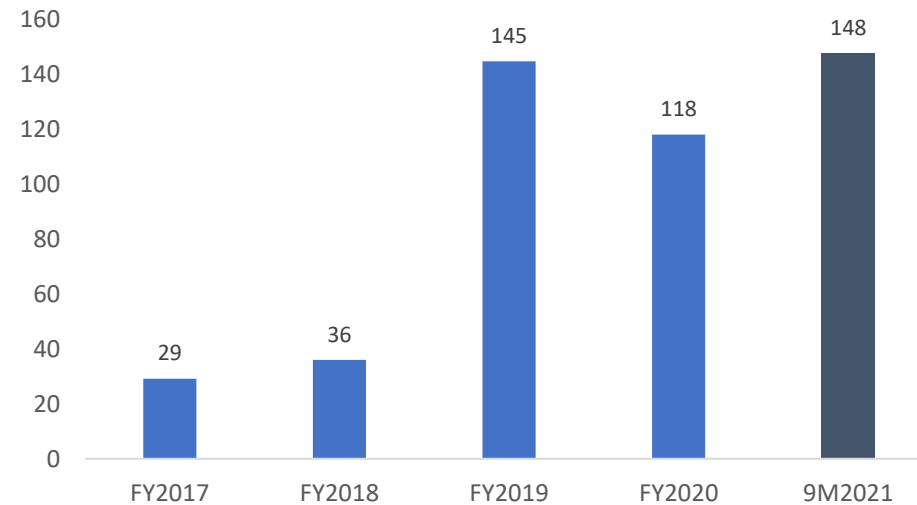
Gross Profit (PKR mn)



EBITDA (PKR mn)



Profit After Tax (PKR mn)



Historical Financials

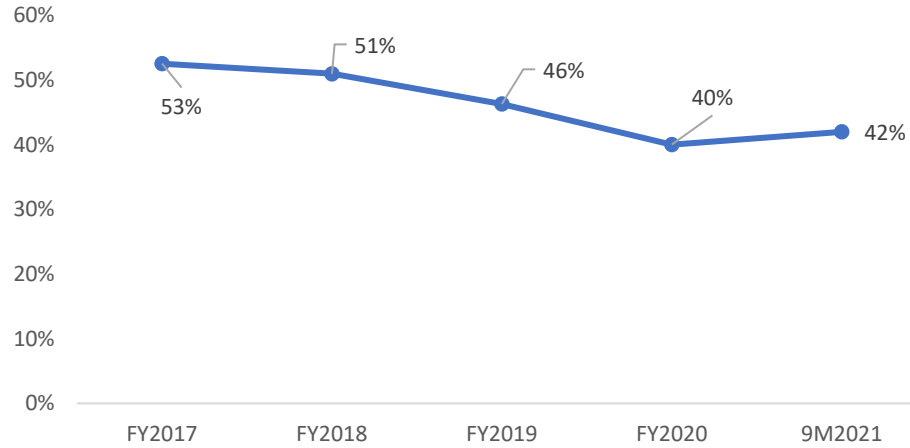


PKR "mn"	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	9M2021
Income Statement						
Revenue	1,058	1,007	1,159	1,386	1,598	1,461
Gross Profit	190	225	168	348	380	363
EBITDA	196	209	119	293	336	330
Finance Charges	78	59	62	82	97	63
PAT	27	29	36	145	118	147
Balance Sheet						
Non-current Assets	1,354	1,495	1,185	1,233	1,416	1,527
Current Assets	922	1,013	917	1,198	1,276	1,390
Total Assets	2,275	2,508	2,349	2,457	2,691	2,918
Current Liabilities	1,143	1,044	871	980	911	1,008
Interest Bearing Debt	581	522	518	540	590	679
Non Current Liabilities	365	471	397	295	306	291
Total Liabilities	1,507	1,516	1,267	1,275	1,218	1,298
Equity	768	993	1,016	1,166	1,474	1,619
Key Ratios						
Current Ratio (x)	0.8	1.0	1.1	1.2	1.4	1.4
GP Margin %	17.9	22.3	14.5	25.1	23.8	24.8
Net Margin %	2.6	2.9	3.1	10.4	7.4	10.1
Return on Total Equity %	1.7	3.3	3.6	13.2	8.9	9.5
Interest bearing Debt to Equity (%)	75.6	52.5	51.0	35.6	29.5	32.3

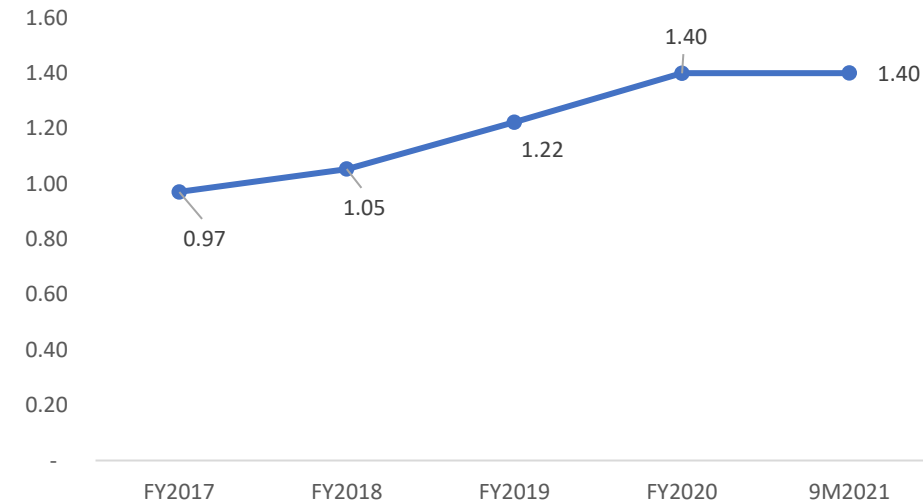
Financial Performance



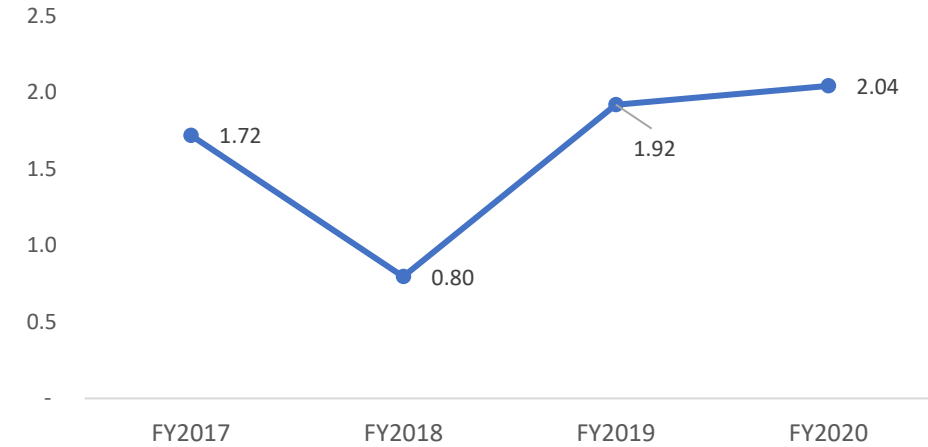
Interest Bearing Debt to Equity (x)



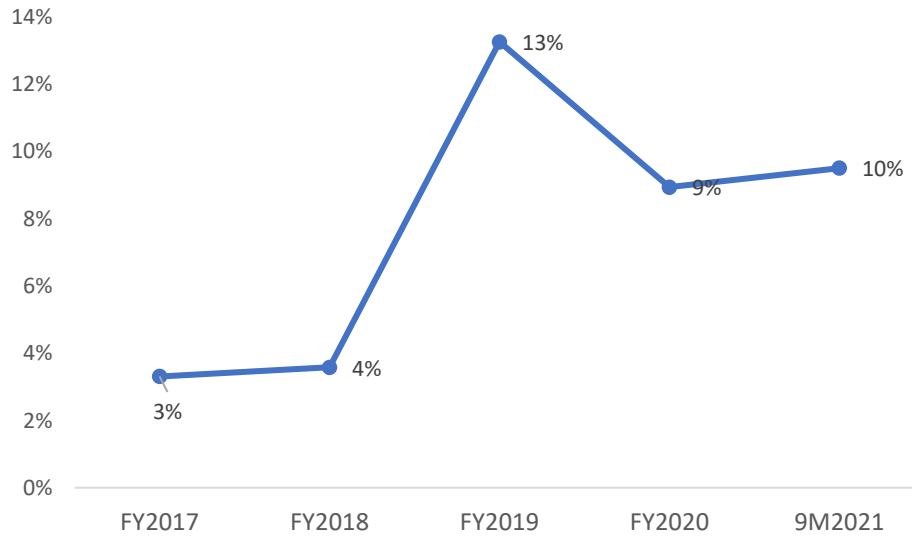
Current Ratio (x)



Debt Service Coverage Ratio (DSCR) (x)



Return on Total Equity (%)

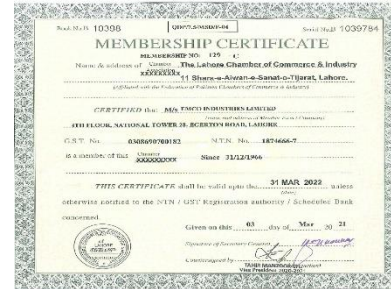


Local & International Product Certifications



EMCO produces a high quality product with following mentioned certifications and affiliations

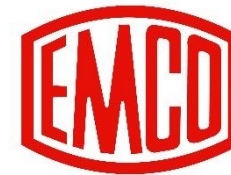
- Lahore Chamber of Commerce Membership Certificate
- ISO 14001 Certificate
- ISO Certificate - TUV Austria & CICS LTD
- ISO 9001:2015: For Design, Manufacturing & Supply of Electrical Porcelain for Commercial, Industrial and Utility Operations
- ISO 14001:2015: For Design, Manufacturing & Supply of Electrical Porcelain for Commercial, Industrial and Utility Operations



EMCO has recently completed certifications from Internationally Accredited Labs

- KEMA Labs (a global energy consultancy company – Netherlands)
- CESI – (a worldwide energy consultancy for electricity transmission equipment - Italy)
- EGU HV Laboratory – (Transformer bushings and insulators transmission Testing – Czech Republic)
- Suzhou Electrical Apparatus Science Academy Co Ltd (Instrument Transformers and Electrical Apparatus testing – China)
- DEKRA / VNL VEIKI – (Electricity Transmission Insulator & Conductors Testing – Hungary)





Q & A