

Analyst Briefing – Q3 2023





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Key Highlights

- + **39%** recovery in Quarter-on-Quarter PvC sales
- + Continued momentum of caustic sales
- + Improvement in Core Delta Quarter-on-Quarter
- + Highest ever exports resulting in increase in dollar inflows
- + Ease in LC establishments and remittances, and progress on ongoing projects
- Continued increases in cost of doing business given macro economic uncertainty and inflationary pressures
- Downward trend in PVC prices negatively impacting margins



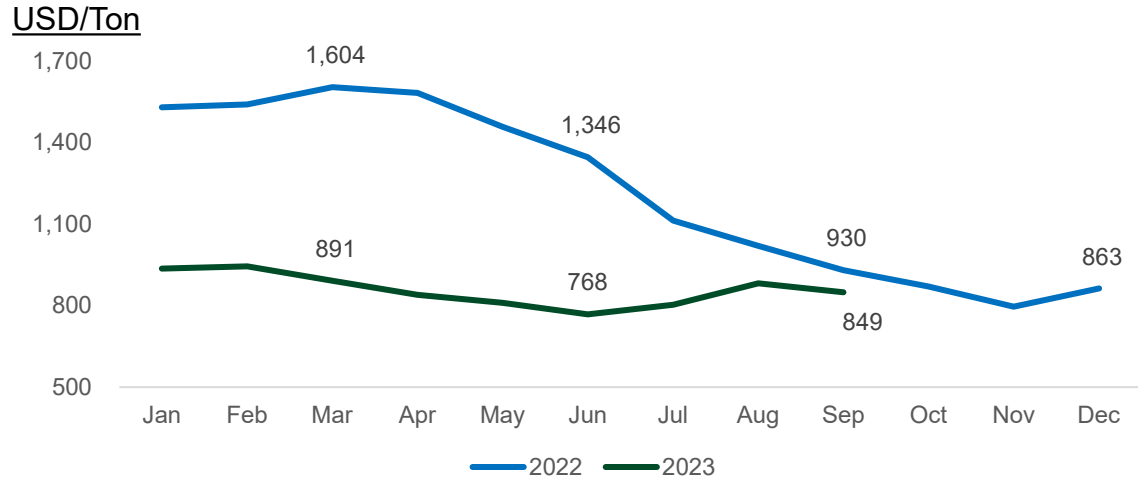
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International Markets

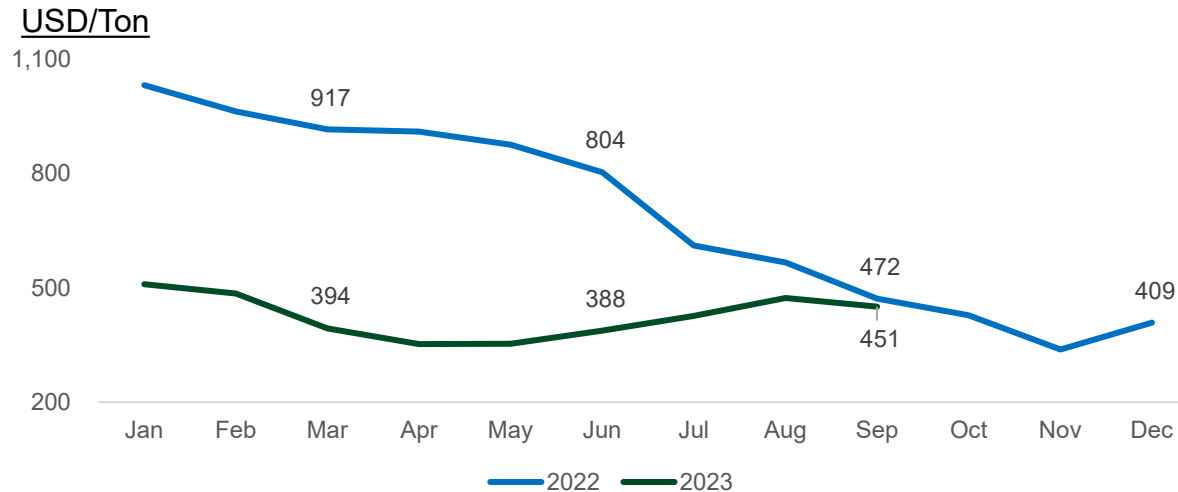


International Market Prices

International PVC Price



PVC – Ethylene Core Delta



- PVC international prices saw an uptick through July until mid August before falling by the end of the third quarter.
- Prices impacted by early signs of restocking in India and positive sentiments on back of new Chinese infrastructure development policies in anticipation of demand increase. Overall market cooled off on lackluster performance from China & India.
- Ethylene followed a similar uptick in the beginning of the quarter then weakened amid higher spot availability from Asia and North America.
- Ethylene prices will remain impacted by crude oil prices and OPEC+ decisions.
- PVC prices are expected to be stable to soft, given the supply surplus and weak demand amid global economic slowdown.



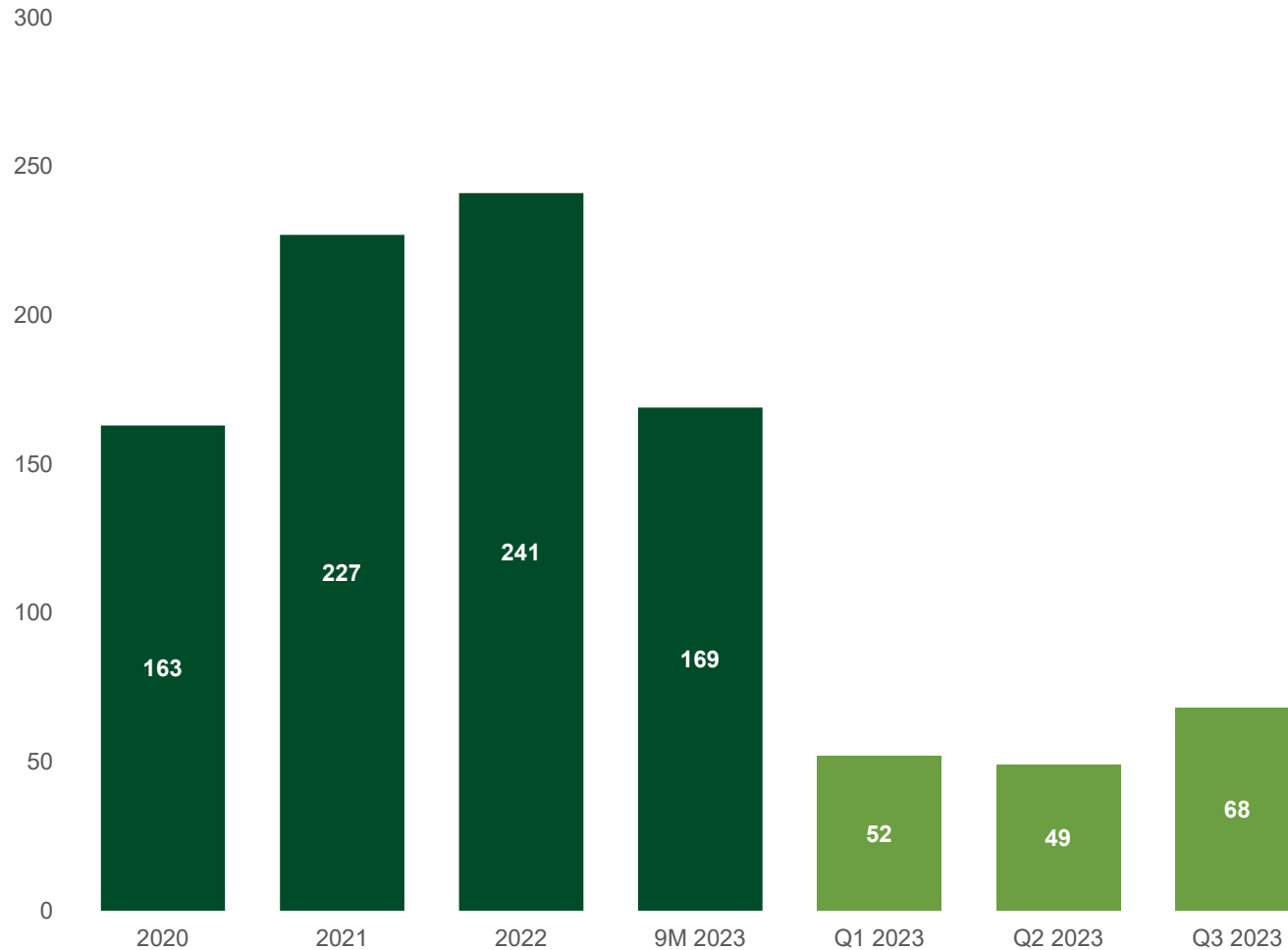
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Business Updates



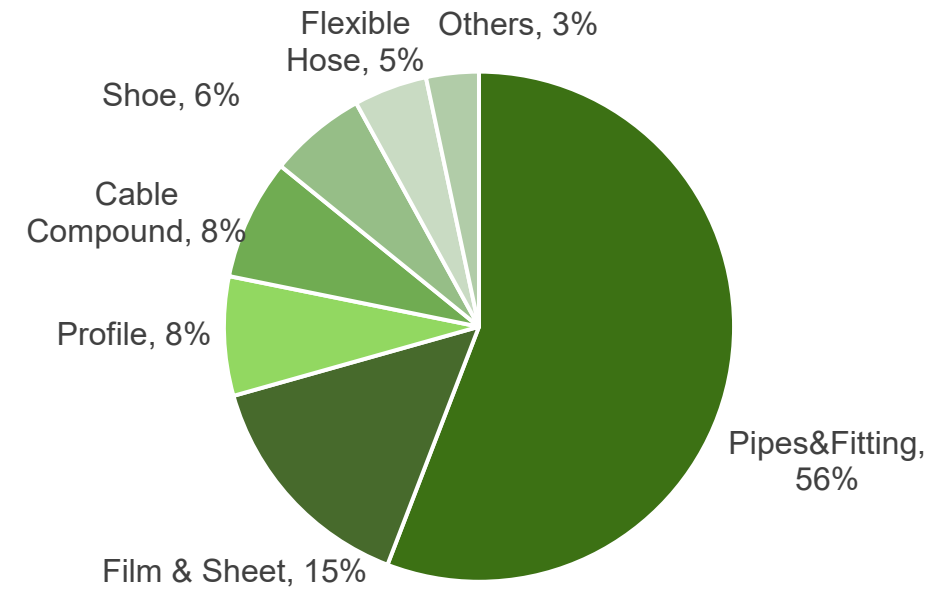
Vinyl's Overview

SALES VOLUME IN TONS



Pipes and fittings remain major application of PVC in Pakistan. Meanwhile, EPCL continues to play its part in promoting other downstream applications for which we retain a significant focus on market development activities.

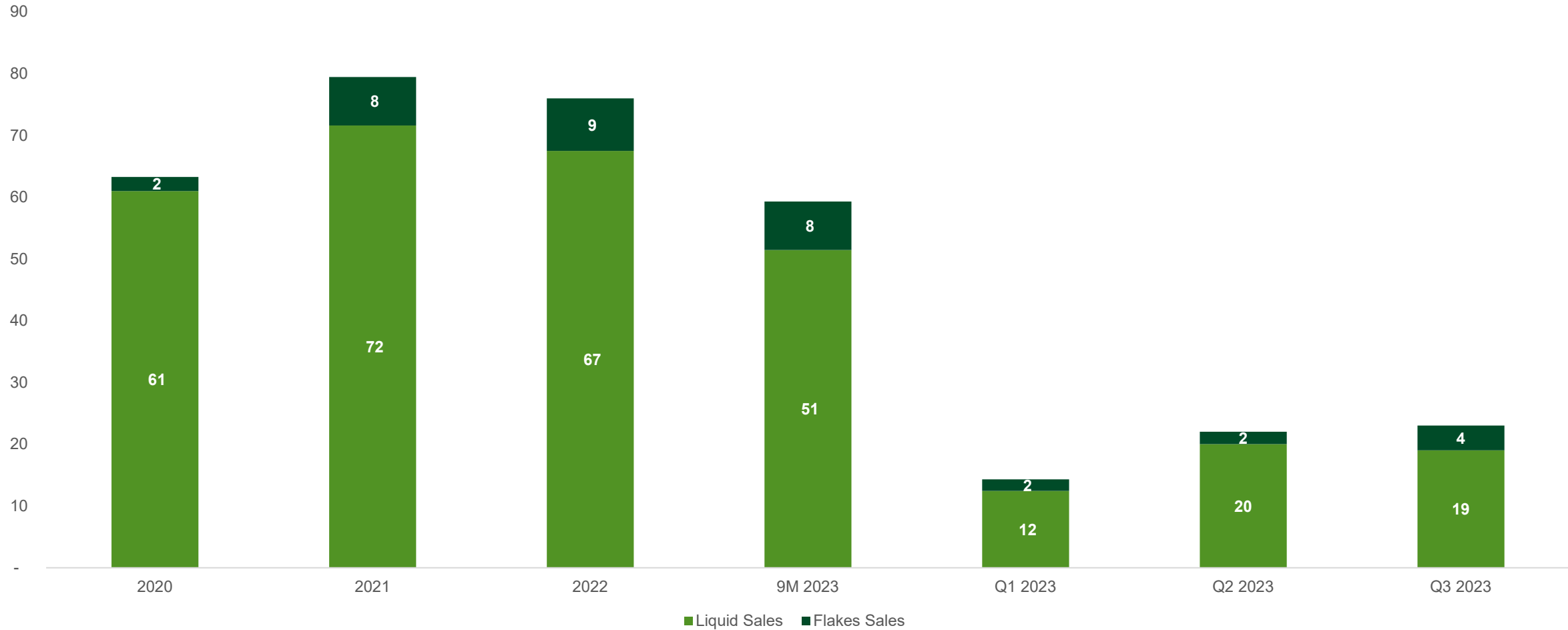
Application wise market – 9M 2023





Chlor Alkali Overview

Chlor Alkali – Sales Volumes (KT)





Performance 9M 2023 vs 9M 2022

	Unit	9M 2023	9M 2022	FY 2022
Total revenue	PKR Mn	62,038	62,308	82,060
Gross Profit	PKR Mn	15,567	20,165	23,380
Profit after tax	PKR Mn	5,387	9,309	11,689
EPS Basic	Rs. / Share	5.43	9.91	12.37
EPS Diluted	Rs. / Share	3.96	7.68	9.67

- Revenue remained stable on YoY basis. Lower international PVC prices offset by higher sales volumes.
- Decline in profit vs the preceding year is primarily due to inflationary pressures, lower core delta, and adverse budgetary impacts.
- Given the ongoing economic uncertainty, the company continues to face unprecedented inflationary pressures coupled with volatility in PKR to USD parity, high fuel prices, and rising interest rates



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Looking Forward



Looking forward...

- ✓ Key focus on ensuring safe and sustainable operations and completing on-going projects
- ✓ Domestic macro economic stability expected to support business performance
- ✓ Bearish international price trend and exchange rate volatility may hamper PvC sales
- ✓ Gas availability, blended gas rates and continued increase in cost of doing business will affect margins
- ✓ We will continue to support the market during tough economic times



THANK YOU

