



engro polymer & chemicals

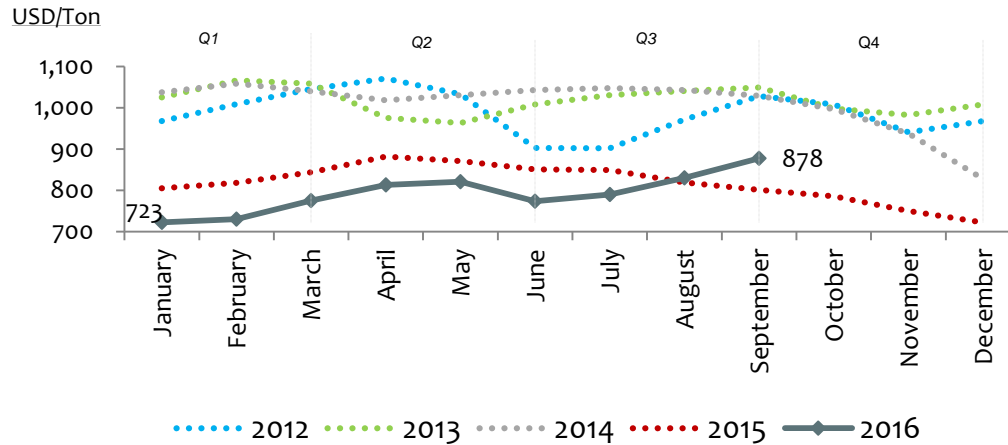
ANALYST BRIEFING 3Q 2016



International Business Context

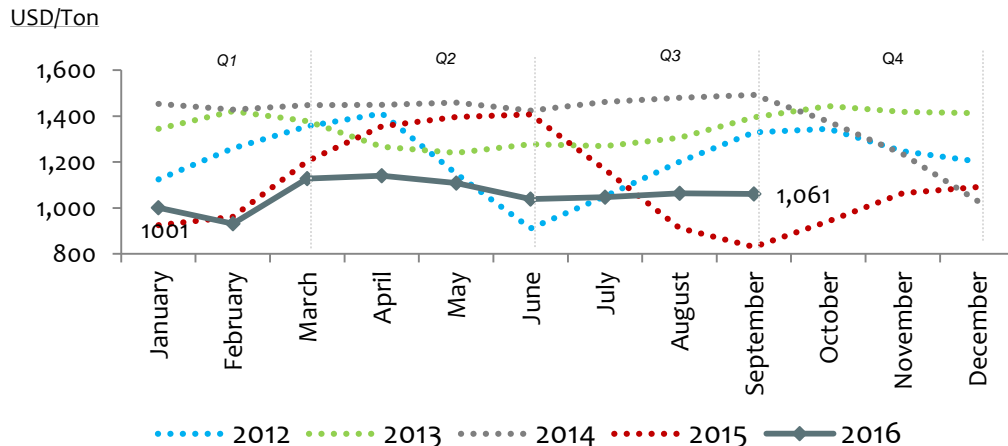


• International PVC Price



- During 3Q '16, PVC prices posted an increase on the back of increased demand within the region
- PVC prices are expected to remain stable

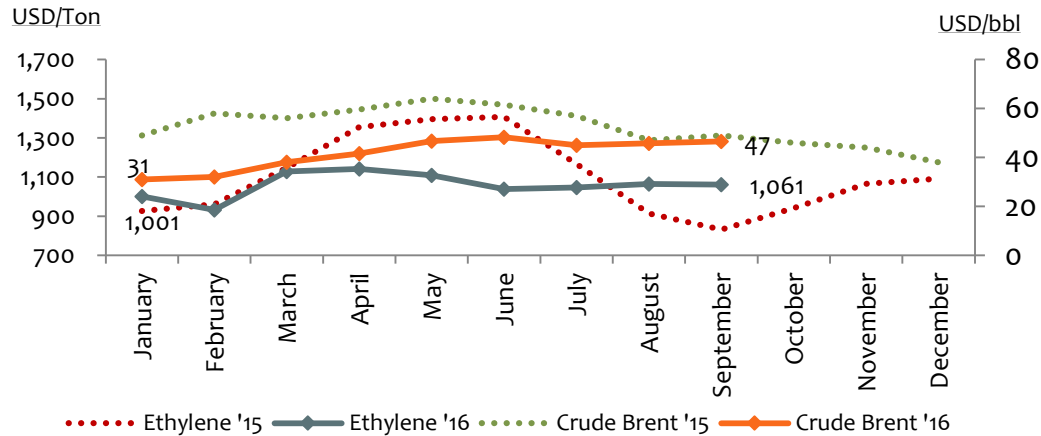
• International Ethylene Price



- Ethylene prices remained stable throughout 3Q
- Ethylene supply is expected to rationalize however unplanned turnarounds and incidents may keep prices volatile

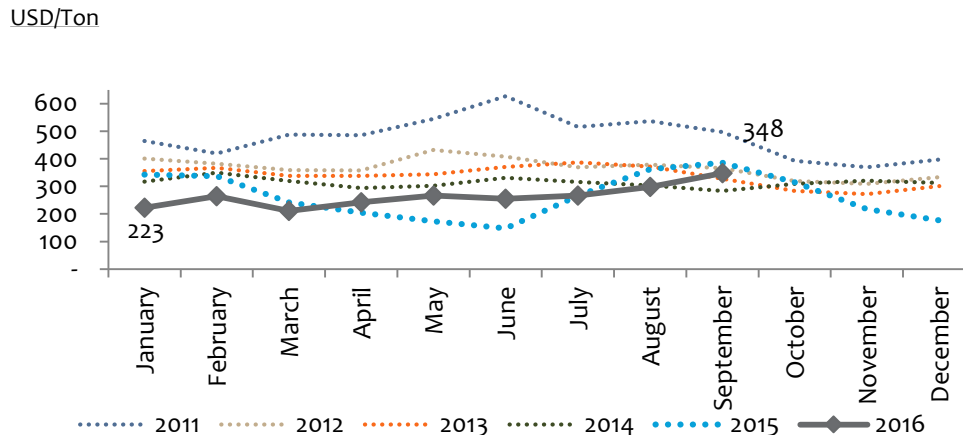
Ethylene, Crude oil and PVC

- Analysis of ethylene and crude oil prices



- Crude oil and ethylene maintained the same pattern

- PVC- Ethylene Core Delta



- For 3Q 2016, PVC – ethylene core delta averaged at \$304/mt

- In 3Q '16 the PVC – ethylene core delta improved versus previous quarter due to higher PVC prices

Domestic Market Overview

PVC

- Domestic market remained strong in 3Q & 9M 2016
 - EPCL achieved its highest ever sales and also achieved its highest production for the nine months period in 2016
 - During the nine months, the Company posted a 12% volumetric growth on YoY basis
 - PVC demand increased versus last year on the back of strong downstream demand and firm economic sentiments

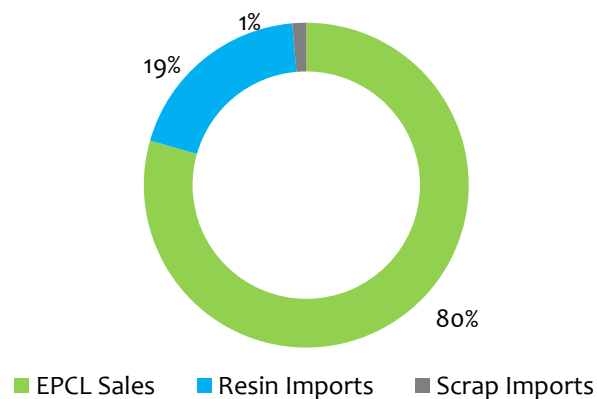
Caustic

- Caustic market remained stable in 3Q & 9M 2016:
 - During the nine months, Caustic soda sales performed in line with same period last year
 - Market dynamics remained competitive

Highlights – Vinyls

	3Q 2016	3Q 2015	9M 2016	9M 2015
PVC production (KT)	45	40	128	119
VCM production (KT)	49	40	134	120
PVC Sales in (KT)				
Local	43	33	127	113
Export		1	1	16

PVC Domestic Market Share *

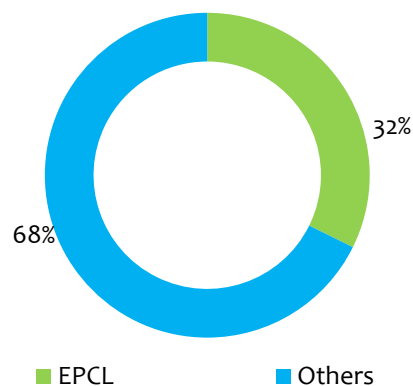


* Market share is based on our best estimates and have not been verified by an independent source

Highlights – Caustic & Allied

	3Q 2016	3Q 2015	9M 2016	9M 2015
Caustic Production (KT)	24	22	78	74
Caustic Sales Volume (KT)	20	18	63	64
Hypo Sales (KT)	5	4	16	12
HCL Sales in (KT)	4	5	12	14

Caustic Domestic Market Share *



* Market share is based on our best estimates and have not been verified by an independent source

Financial Summary



PKR Million	3Q 2016	3Q 2015	9M 2016	9M 2015
Total Revenue	5,448	4,647	16,610	17,064
EBITDA	546	85	1,740	805
Profit/(Loss) Before Tax	(12)	(532)	59	(1,056)
Profit/(Loss) After Tax	(8)	(379)	32	(813)

- In nine months 2016, the Company achieved a revenue of Rs 16,610 Mn as against Rs. 17,064 Mn in nine months 2015
- The Company posted a profit after tax of Rs. 32 Mn as against a loss after tax of Rs. 813 Mn in nine months
- The profit per share for nine months '16 stood at Rs 0.05 as compared to a loss per share Rs 1.23 in the same period last year
- Variance as compared to last year was witnessed on account of:
 - Higher domestic sales of PVC
 - Operational efficiency and cost optimizing efforts
 - Lower financial charges

Outlook for 4Q '16

- Domestic PVC demand is expected to remain stable on account of favorable outlook for construction and an overall positive economic sentiment
- Caustic Soda market is expected to remain stable
- PVC – ethylene core delta may remain at par with current levels however unplanned turnarounds and incidents may negatively impact the core delta



Thank You