



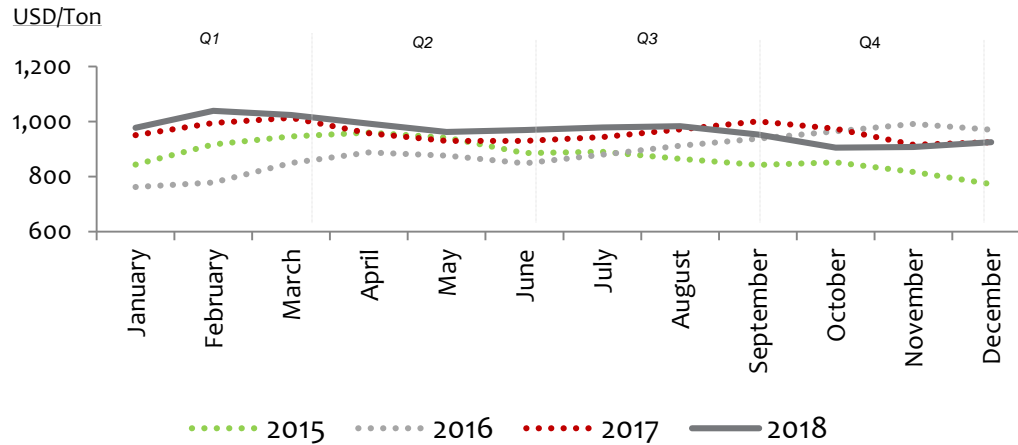
engro polymer & chemicals

**ANALYST BRIEFING**  
**Q4, 2018**



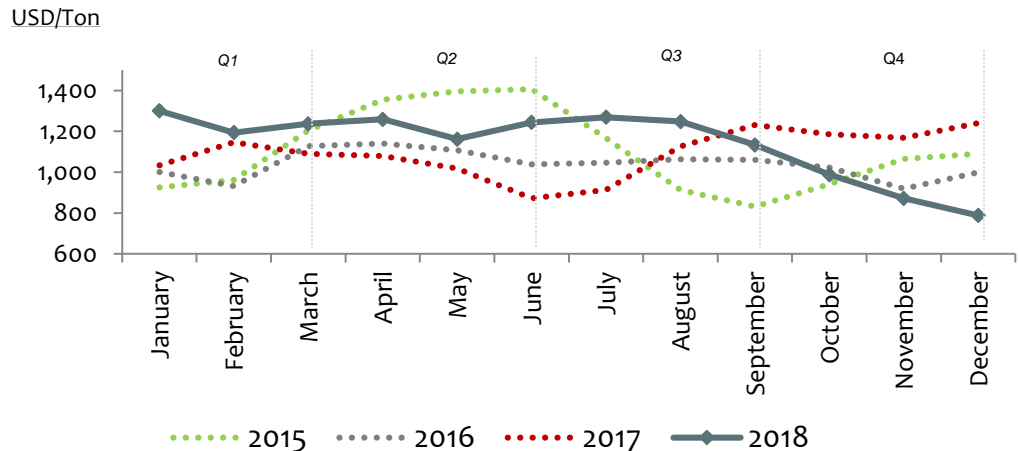
# International Business Context

- International PVC Price



- In 4Q '18 PVC prices received support from low regional inventory on account of turnarounds

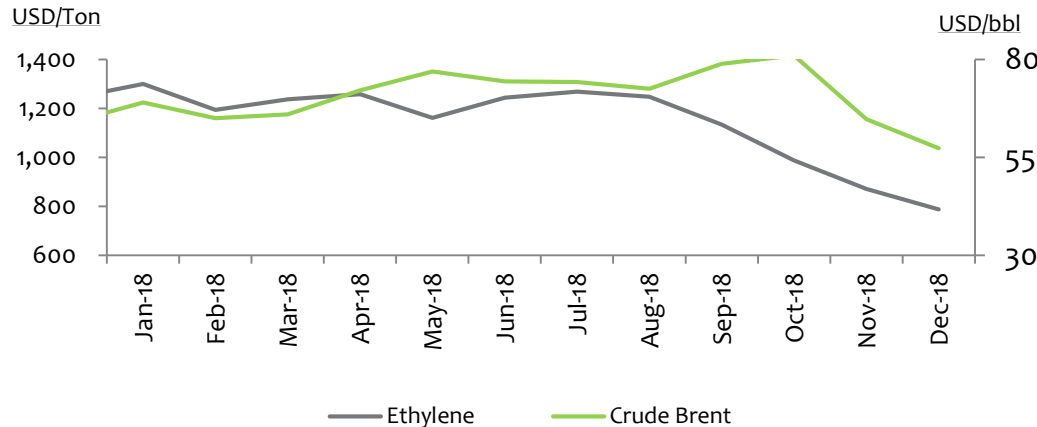
- International Ethylene Price



- Ethylene prices witnessed a sharp drop, reaching a four year low, on the back of ample availability, lower down stream margins

# Ethylene, Crude oil and PVC

- Analysis of ethylene and crude oil prices

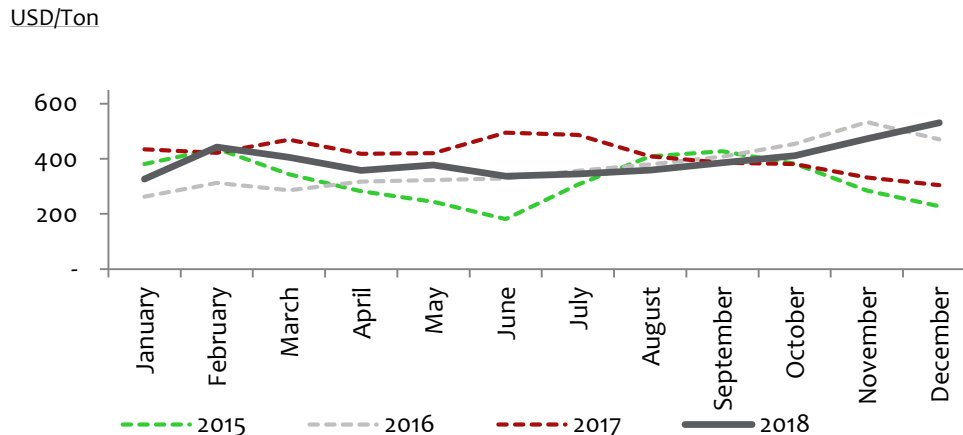


- Crude oil prices softened on account of international trade concerns, weakness in global growth rates & higher US production

- Ethylene & oil prices depicted similar price trajectory in Q4 due to ample supply

- PVC – Ethylene core delta averaged at \$396/MT for '18

- PVC- Ethylene Core Delta



# Domestic Market Overview

## PVC

- EPCL achieved its highest ever production & sales for a year
- The Company posted a 9% volumetric growth on YoY basis

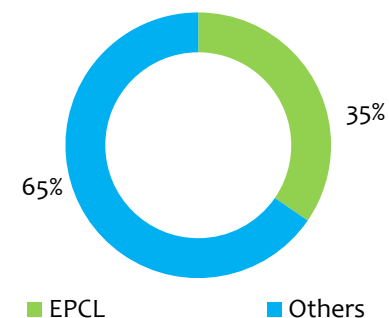
## Caustic

- Caustic soda remained stable in 2018
- The Company posted a 2% volumetric growth on YoY basis

# Business Highlights

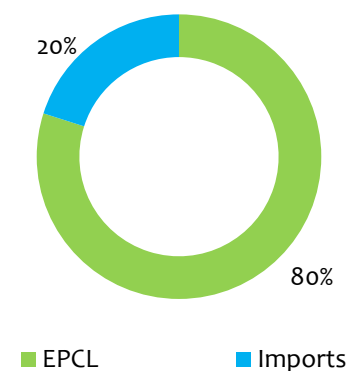
(KT)	4Q 2018	4Q 2017	FY 2018	FY 2017
Caustic Production	24	28	105	105
Caustic Domestic	22	22	86	83

Caustic Domestic Market Share \*



(KT)	4Q 2018	4Q 2017	FY 2018	FY 2017
PVC production	50	45	203	187
VCM production	49	41	195	180
PVC Domestic Sales	54	50	203	187

PVC Domestic Market Share \*



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

# Financial Summary



Rs. Mn	4Q 2018	4Q 2017	FY 2018	FY 2017
Total Revenue	9,747	7,431	35,272	27,731
Profit Before Tax	1,673	239	6,436	3,115
Profit After Tax	1,065	106	4,930	2,053
EPS	1.17	0.15	6.22	2.93

- In FY 2018, Company achieved an increase of 27% in revenue vs same period last year
- The Company posted a profit after tax of Rs. 4,930 Mn as against a profit after tax of Rs. 2,053 Mn LY same period
- Key one time items in Q4 '18 are as follows
  - Insurance claim post tax impact of ~ 294 Mn
  - One time non recurring write offs post tax impact of ~ 143 Mn
- Quarterly variance as compared to last year was witnessed on account of:
  - Higher domestic sales of PVC
  - Optimization of raw material consumption
  - Improved Caustic Margins

# Outlook for 1Q '19

- The Vinyl chain segment will continue to remain a function of PVC/Ethylene international dynamics
- Caustic Soda market is likely to remain stable
- The Company is on track to execute the projects and is hopeful to achieve the set timelines



Thank You