



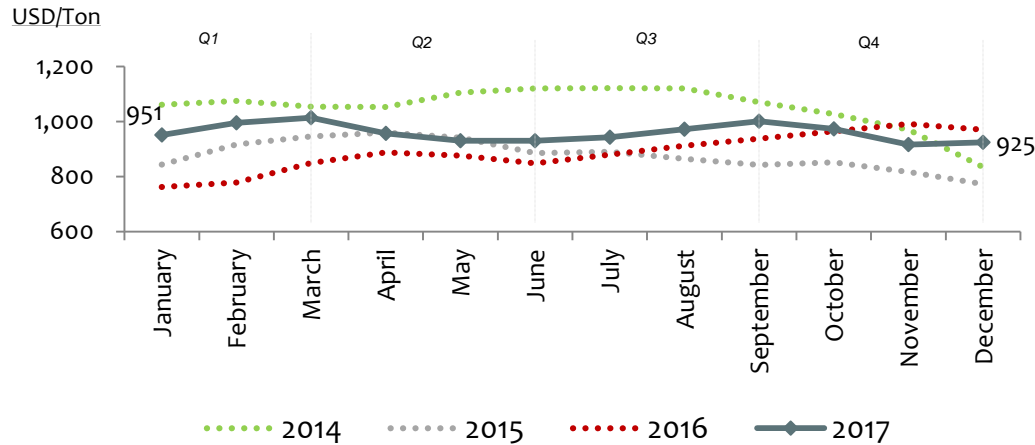
# ANALYST BRIEFING 2017



# International Business Context

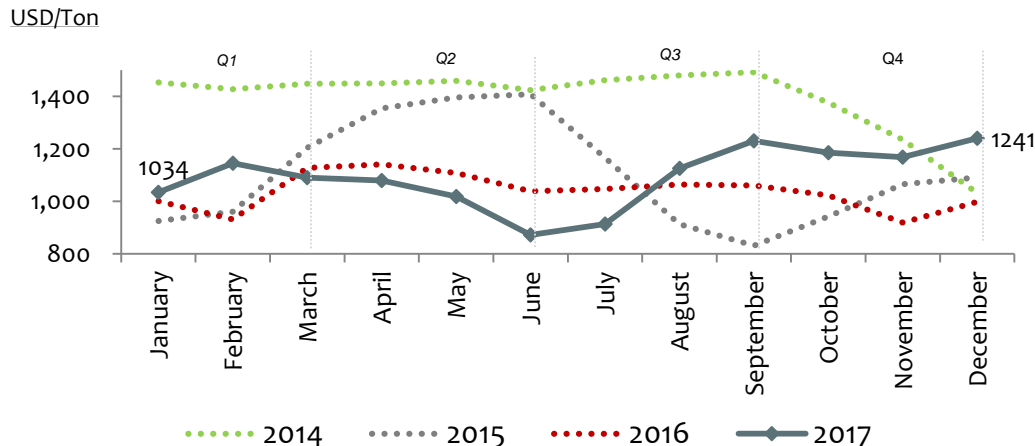


- International PVC Price



- PVC prices remained weak during 4Q of 2017 until December when demand picked up and supported prices. Off late PVC prices have shown strength

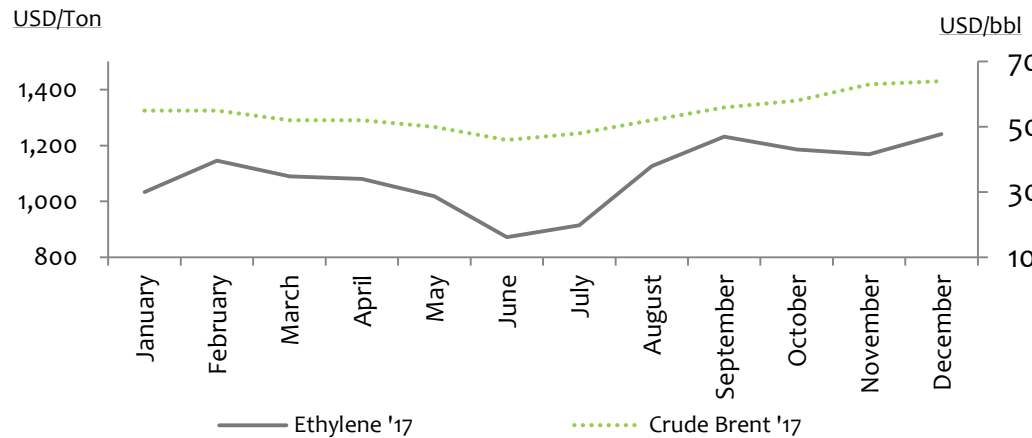
- International Ethylene Price



- Ethylene prices remained firm during the quarter, due to planned turnarounds and strong demand from some derivative products

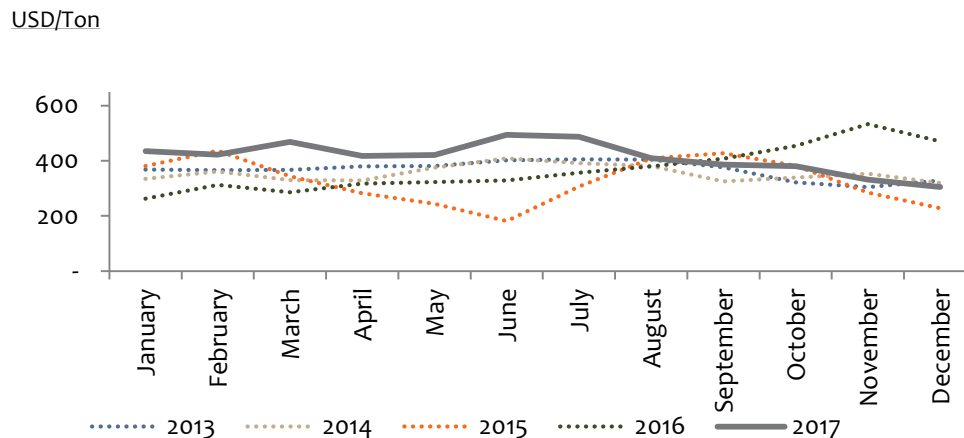
# Ethylene, Crude oil and PVC

- Analysis of ethylene and crude oil prices



- In 2017, ethylene and crude oil did not follow the precise pattern and relationship remained weak

- PVC- Ethylene Core Delta



- For 4Q '17, PVC – ethylene core delta averaged at \$339/mt and full year average stood at \$ 413/mt

# Domestic Market Overview

## PVC

- EPCL achieved its highest ever sales and production numbers for a year in 2017
- The Company posted a 11% volumetric growth on YoY basis and was constrained by capacity otherwise market appetite was available

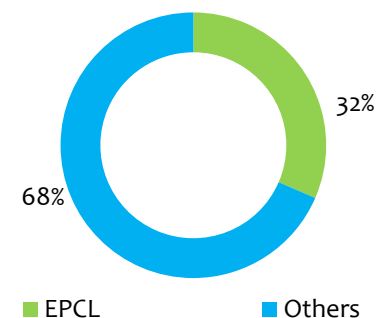
## Caustic

- Caustic soda sales performed in line with same period last year
- Market dynamics remained stable

# Business Highlights

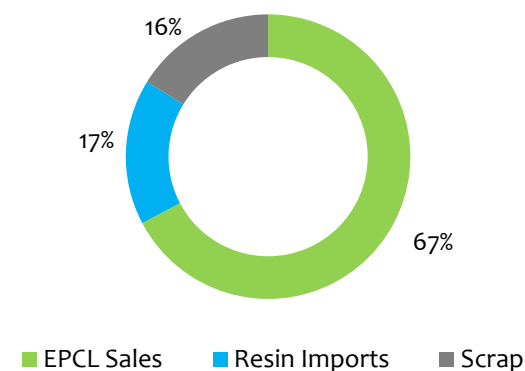
|                           | 4Q 2017 | 4Q 2016 | 2017 | 2016 |
|---------------------------|---------|---------|------|------|
| Caustic Production (KT)   | 28      | 25      | 105  | 103  |
| Caustic Sales Volume (KT) | 22      | 19      | 84   | 83   |
| Hypo Sales (KT)           | 7       | 7       | 24   | 22   |
| HCL Sales in (KT)         | 6       | 6       | 18   | 18   |

Caustic Domestic Market Share \*



|                     | 4Q 2017 | 4Q 2016 | 2017 | 2016 |
|---------------------|---------|---------|------|------|
| PVC production (KT) | 46      | 44      | 188  | 172  |
| VCM production (KT) | 41      | 41      | 180  | 174  |
| PVC Sales in (KT)   |         |         |      |      |
| Local               | 50      | 41      | 187  | 168  |
| Export              |         | 1       |      | 2    |

PVC Domestic Market Share \*



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

# Financial Summary



| PKR Million              | 4Q 2017 | 4Q 2016 | 2017   | 2016   |
|--------------------------|---------|---------|--------|--------|
| Total Revenue            | 7,341   | 6,245   | 27,731 | 22,854 |
| Profit/(Loss) Before Tax | 239     | 1,129   | 3,115  | 1,187  |
| Profit/(Loss) After Tax  | 106     | 628     | 2,053  | 660    |

- In 2017, the Company achieved a revenue of Rs 27,731 Mn as against Rs. 22,854 Mn in 2015
- The Company posted a profit after tax of Rs. 2,053 Mn as against a loss after tax of Rs. 660 Mn last year
- The company has announced Final Cash Dividend of Rs 0.80/share.
- The company replaced its expensive loans with competitive priced loan
- Variance as compared to last year was witnessed on account of:
  - Higher domestic sales of PVC and operational efficiencies
  - Lower financial charges
  - One time provisions and costs amounting to Rs. 412Mn

# Outlook for 1Q '18

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- Domestic PVC demand is expected to remain stable on account of favorable outlook for construction and project completion ahead of elections
- Caustic Soda market is expected to remain stable
- Ethylene volatility is expected to stay muted



Thank You