



engro polymer & chemicals

ANALYST BRIEFING

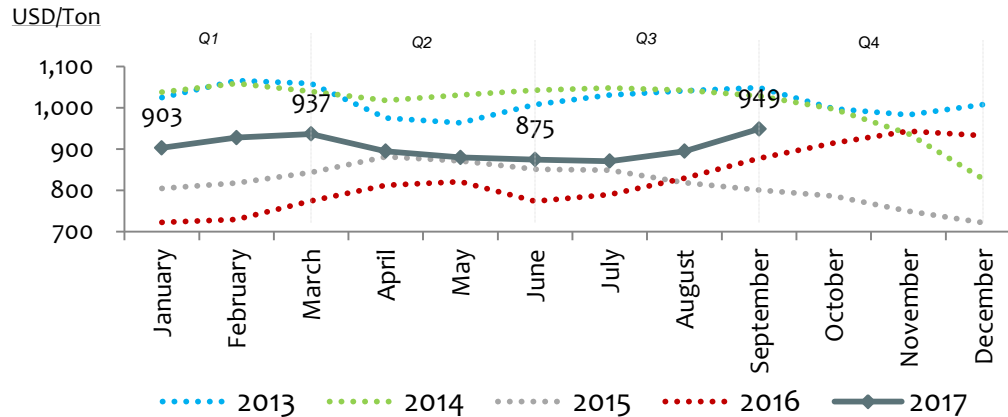
3Q 2017



International Business Context

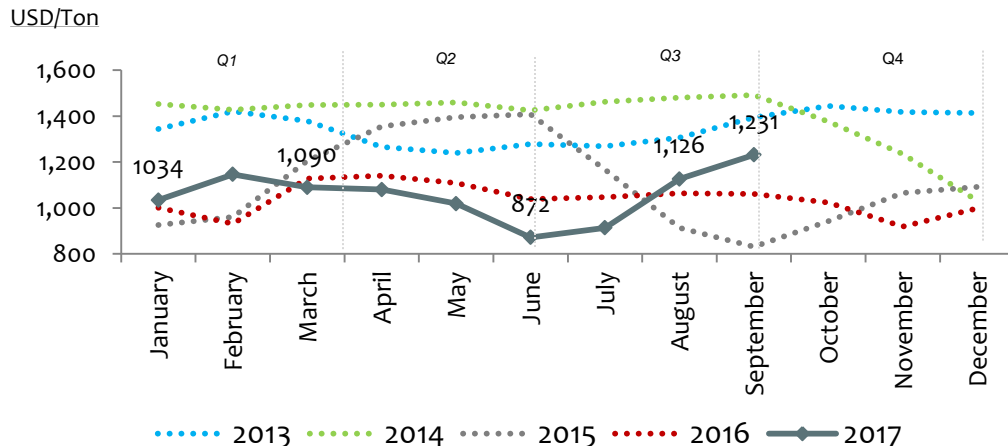


• International PVC Price



- During 3Q '17, PVC prices strengthened on the back of healthy demand in the region
- PVC prices averaged at \$904/MT for 3Q '17

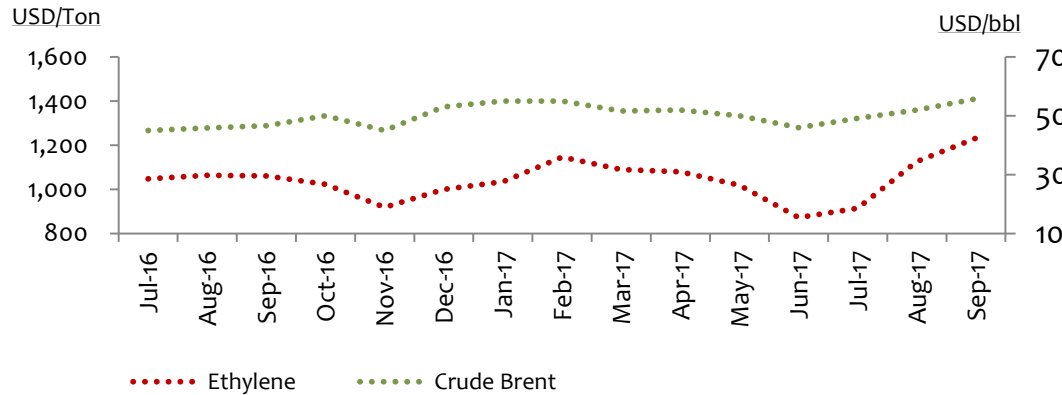
• International Ethylene Price



- Ethylene prices rose sharply during the 3Q due to supply constraints from major crackers & healthy downstream margins
- ADNOC continued to stay on the sidelines
- Ethylene prices averaged at \$1,090/MT for 3Q '17

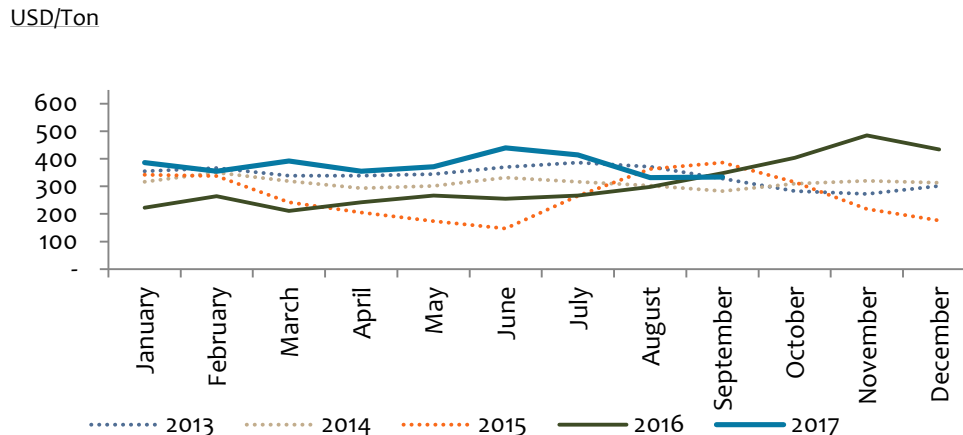
Ethylene, Crude oil and PVC

- Analysis of ethylene and crude oil prices



- Crude oil and ethylene showed a rising trend in the 3Q '17

- PVC- Ethylene Core Delta



- For 3Q '17, PVC – ethylene core delta averaged at \$360/MT
- In 3Q '17 the PVC – ethylene core delta decreased vs. previous quarter primarily due to the relatively sharper increase in the ethylene prices as compared to PVC

Domestic Market Overview

PVC

- Domestic market witnessed growth in PVC demand in 3Q 2017. EPCL sales increased by 14% against same period last year
- Market size increased by 33% vs same period last year. The increase can be attributed to strong demand in the construction sector & overall boost in economic activity

Caustic

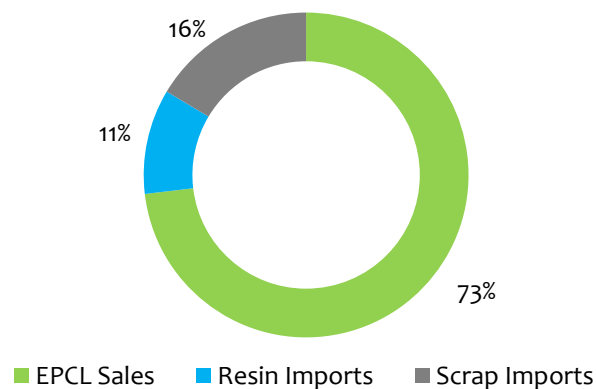
- Caustic market remained stable in 3Q 2017:
 - Caustic soda sales performed in line with expectation

Highlights – Chlor Alkali & Vinyl

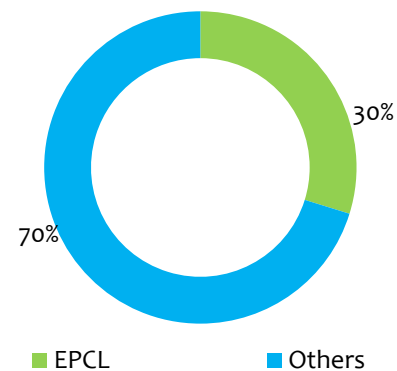


	3Q 2017	3Q 2016	9m 2017	9m 2016
PVC production (KT)	51	45	142	128
VCM production (KT)	51	49	139	134
PVC Sales in (KT)				
Local	49	43	137	127
PVC – Ethylene Core Delta (\$/MT)	360	304	376	260
CA Revenue (Rs. Mn)	1,265	936	3,521	3,349

PVC Domestic Market Share *



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 2017	3Q 2016
Total Revenue	7,076	5,199
Profit Before Tax	1,285	(11)
Profit After Tax	901	(8)
Dividends	298	-

- Variance as compared to 3Q2016 was witnessed on account of:
 - Higher core delta
 - Higher PVC Sales
 - Operational efficiencies

Outlook for 4Q '17

- Domestic PVC demand is expected to remain robust on account of favorable outlook for construction
- Caustic Soda market is expected to remain stable
- PVC – ethylene core delta will remain sensitive to the price volatility of ethylene and PVC
- PVC & VCM plant debottlenecking activity is underway

Thank You