



April 09, 2024

General Manager Operations,
The Pakistan Stock Exchange Limited,
Karachi.
Fax: (021) – 32462640

Dear Sir/Madam,

Subject: Analyst Briefing – Q1 2024

Engro Polymer and Chemicals Limited is holding an analyst briefing to discuss the financial results for the period ended 31st March 2024. In this regard, we'd like to invite Security Analysts / Research Analysts, Members of Pakistan Stock Exchange Limited and Bankers. The details of the meeting are given below:

Scheduled Date: Monday, April 22, 2024

Time: 3:00 PM

Venue: Online

To participate in cloud-based briefing, please follow the link:

Join Zoom Meeting

<https://engro.zoom.us/j/93714314329>

Meeting ID: 937 1431 4329

Passcode: 625410

Before joining you will be requested to mention your credentials. Please note that for Security Analysts / Research Analysts, Members of Pakistan Stock Exchange Limited and Bankers participants must mention the name of their organization and name. For shareholders, participants must mention their folio number along with their names so that we can admit you to the briefing. We would appreciate your assistance in communicating this information to members of the exchange.

Regards,

A handwritten signature in blue ink, appearing to read "Idris Idris".

Manager Finance & Business Planning

Analyst Briefing – Q1 2024





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Agenda

	1	Key Highlights
	2	Key Drivers
	3	Business Updates
	4	Looking Forward
	5	Q&A





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Key Highlights



Key Highlights

**Financial
Highlights**

Scale

TO BE UPDATED AFTER Q1 2024 RESULTS



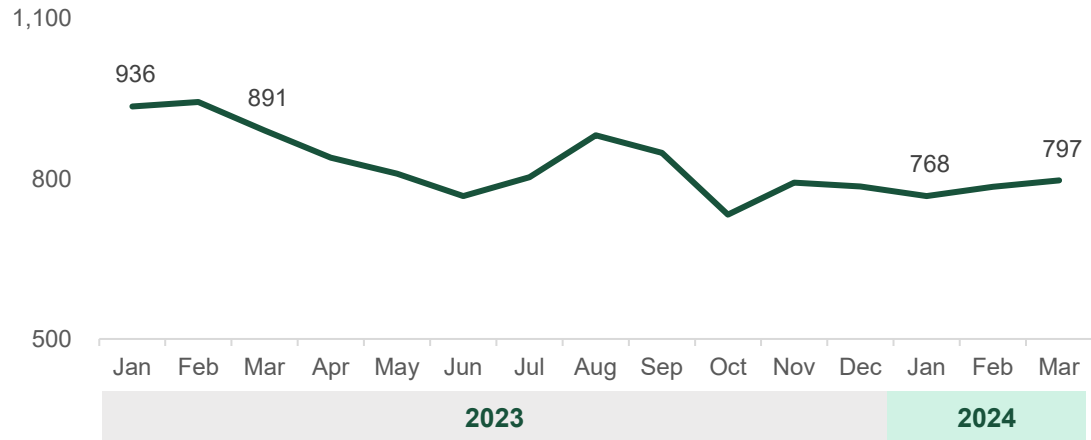
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Key Drivers



Key Drivers

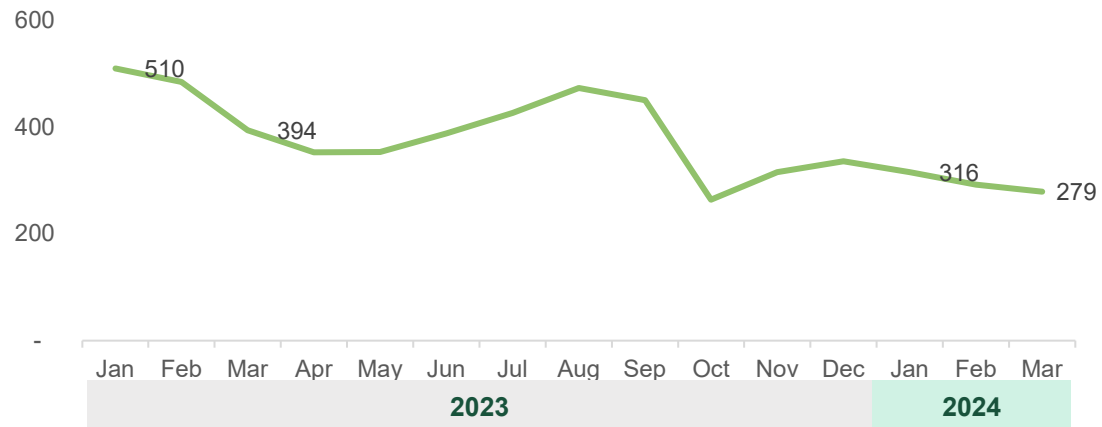
International PVC Prices



Highlights

- The global PVC market remained under pressure on account of oversupply, geo-political turmoil and high volatility in international energy prices.
- The prolonged winter season further dampened demand especially in mainland China, where construction activity remained lackluster and downstream demand remained weak during Lunar New Year holidays.
- Export volumes from China remain above three-year average, with India being the major market for Chinese PVC.
- During the quarter, logistics and raw material costs were two major factors impacting the market.

Core Delta



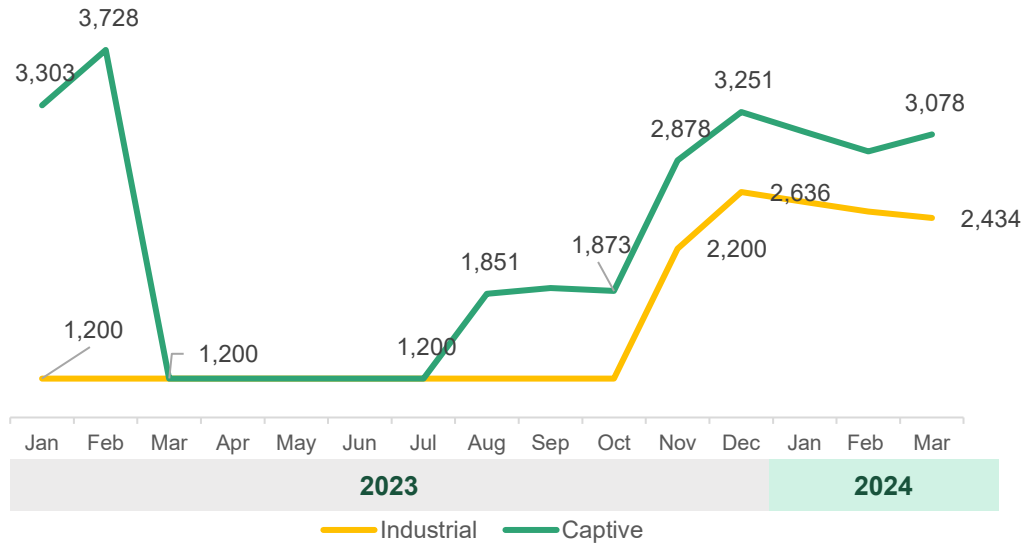
Highlights

- During the quarter, ethylene prices were volatile due to instability in the global oil and gas prices along with supply tightness.
- Bullish sentiment prevailed since mid-January with Ethylene prices rising from \$ 875 / MT to \$1,050 / MT in the quarter.
- In Asia, spot supply from regional producers remained tight and deep-sea cargoes from the United States and the Middle East were limited given the ongoing logistical issues in the Panama Canal and the Red Sea.
- Operating rates of steam crackers also remained low during the quarter.



Key Drivers

Gas Cost (PKR / MMBtu)



Highlights

- Gas availability at competitive prices remains a key challenge for the Company.
- Gas rates fluctuated throughout the quarter. During the quarter we received gas at 40% RLNG nomination.
- Captive gas prices increased to PKR 2,750 / MMBtu whereas industrial gas rates slightly decreased from PKR 2,200 to 2,150 / MMBtu in Mar 2024



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Business Updates



Segment Wise Performance

PKR Mn

2024

2023

TO BE UPDATED AFTER Q1 2024 RESULTS



Business Updates - PVC

PVC Sales Volumes (kT)



Highlights

TO BE UPDATED AFTER Q1 2024 RESULTS



Business Updates – Chlor Alkali

Chlor Alkali Sales Volumes (kT)



Highlights

TO BE UPDATED AFTER Q1 2024 RESULTS

Consolidated Performance 2023 vs 2022

TO BE UPDATED AFTER Q1 2024 RESULTS








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Looking Forward



Looking forward

Key Areas	Outlook
 <p>Safety</p>	<ul style="list-style-type: none"> • Key focus on ensuring safe and sustainable operations and completing on-going projects. • Make substantial progress on process safety transformation, showcasing our continuous drive for safety excellence.
 <p>PVC</p>	<ul style="list-style-type: none"> • In 2024, while oversupply and weak demand might suggest International PVC price will decline, narrow producer margins will limit further price cuts. • Domestically we expect construction sector demand to rebound post-eid • Ethylene prices are expected to remain bullish, on the back of higher crude oil price expectations and supply constraints • Geopolitical tensions in the Red Sea could further tighten supply, offering additional support for price increases. The second half holds potential for margin improvement as demand strengthens.
 <p>Caustic</p>	<ul style="list-style-type: none"> • The Chlor-Alkali industry in the local market is primarily influenced by energy costs. Affordable energy cost will remain a challenge for Chlor-Alkali industry. • The domestic demand outlook is positive, determined by factors such as the recovery in the Large-Scale Manufacturing Sector and the government's increased focus on textile exports.
 <p>Gas Price</p>	<ul style="list-style-type: none"> • Given depletion of indigenous gas reserves, availability of gas at competitive rates will remain a challenge. • The company aims to explore various alternate power solutions at competitive rates.
 <p>Projects</p>	<ul style="list-style-type: none"> • The Company continues to work towards executing its Hydrogen Peroxide & High Temperature Direct Chlorination projects with COD in 2024.



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Q&A



THANK YOU

