

Analyst Briefing – Q1 2025





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Agenda

	1	<u>Key Highlights</u>
	2	<u>Key Drivers</u>
	3	<u>Business Updates</u>
	4	<u>Looking Forward</u>
	5	<u>Q&A</u>





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Key Highlights



Key Highlights

Financial Highlights



Revenue
PKR **17.9** Bn
↑ 8% vs LY



Profitability
PKR **(0.8)** Bn
↑ 9% vs LY



LPS
PKR **(0.9)**
↑ 25% vs LY



Exports
\$M **1.3**
↓ 28% vs LY

Scale



Market Capitalization
PKR **34.6** Bn



Total Employees
540



Total Assets
PKR **105** Bn



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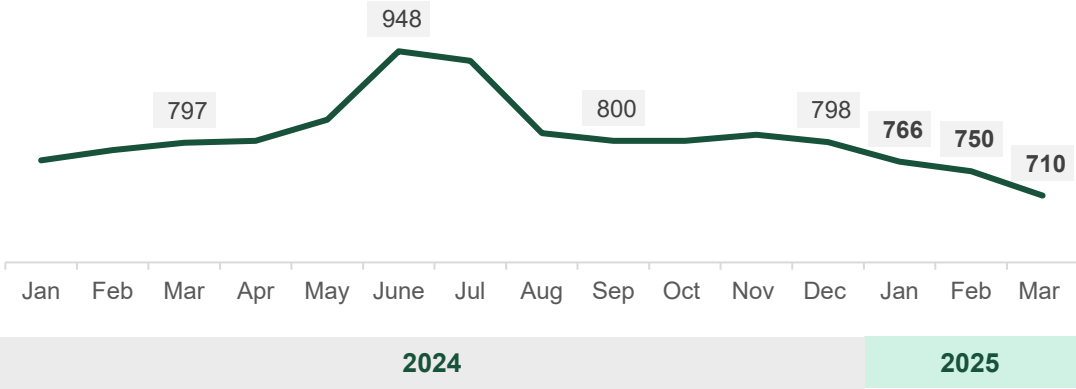
Key Drivers



Key Drivers

International PVC Prices

(USD / MT)

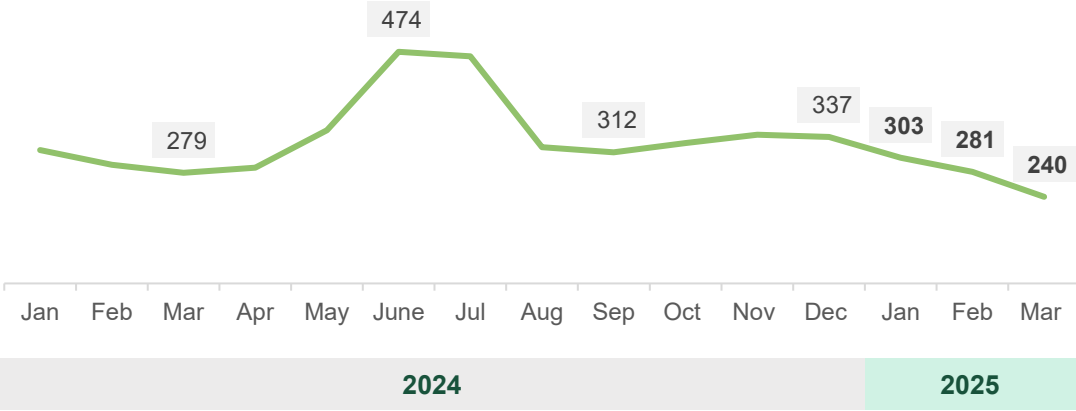


Highlights

- Construction demand remained weak in major economies. In the US, housing permits have declined for three-straight months. In China, PVC market continued to face a property market downturn and rising trade concerns with the US
- Ample supply weighs on the market amid weakening demand, further contributing to a downward trend in price
- Ongoing uncertainty over the potential impact of US tariffs and India's upcoming ADDs are expected to strain the supply-demand balance, particularly in China and US – Increased dumping into other markets likely (potentially Pakistan)
- Currently, the PVC price stands at \$700/ ton

Core Delta

(USD / MT)



Highlights

- Ethylene prices remained rangebound, between \$910/MT and \$940/MT
- Market sentiment remained subdued due to extended losses in upstream crude and naphtha markets, and lackluster demand from downstream sectors
- This along with lower PVC prices put pressure on core delta which stood at \$240/MT in March

Outlook

- Lower PVC prices, coupled with rangebound Ethylene prices, will keep core delta and margins on the lower side in 2025
- On the domestic front, reduction in interest rates should boost the real-estate market and lead to a gradual recovery in construction activity

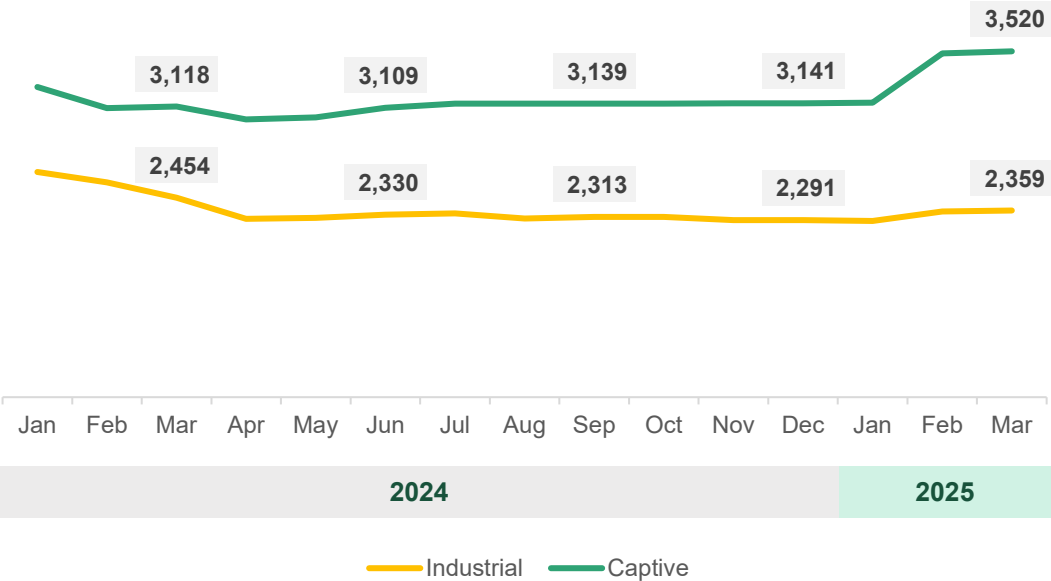


Key Drivers

Gas Cost (PKR / MMBtu)

Highlights

- Captive gas price has increased to PKR 4,291 / MMBtu effective March 2025. This is inclusive of a levy of PKR 791 / MMBtu
- Rate of levy increase as notified is increase of 10% by July 25, 15% by February 26, and 20% by August 26
- Process gas price remains unchanged at PKR 2,150 / MMBtu
- Given depletion of indigenous gas reserves, availability of gas at competitive rates remains a challenge. The Company is actively exploring alternative power options, and is engaging with relevant government ministries to seek favorable outcomes regarding gas availability for captive power needs





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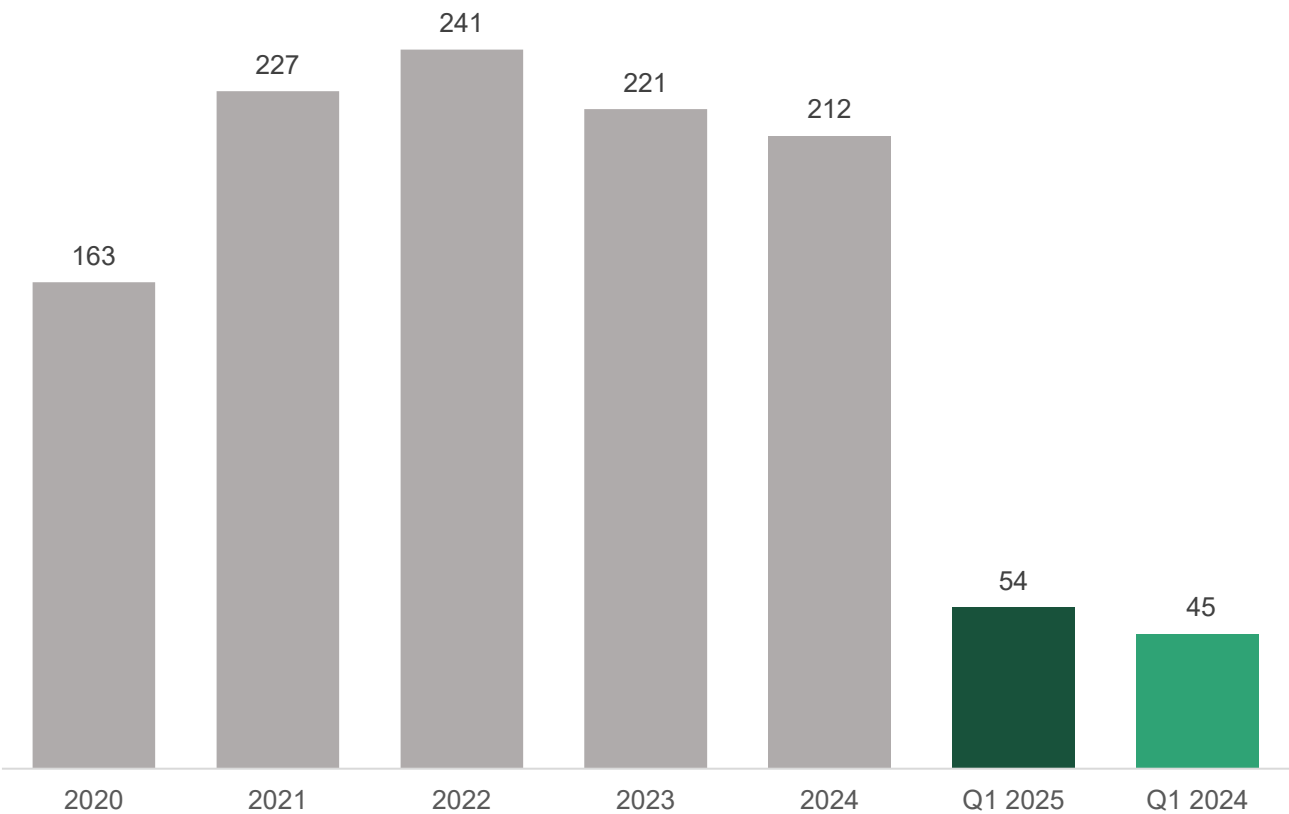
Business Updates

[Back](#)



Business Update – Poly Vinyl Chloride (PVC)

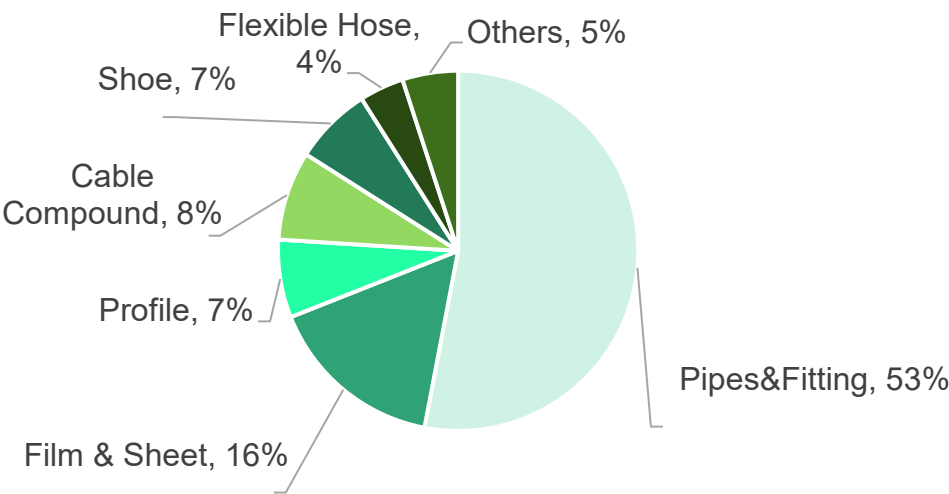
Poly Vinyl Chloride Sales Volumes (kT)



Highlights

- PVC domestic market has grown by 23% YoY, leading to higher domestic sales by the Company as well as high import influx due to consistently low international prices
- Imported resin remains competitive amid historically low global prices, though aggressive pricing strategies are being employed to limit inflows with initial signs of success
- Public project spending remains sluggish, with only 28% of PSDP funds utilized over eight months

Segment-wise PVC Domestic Sales





Business Update – Chlor-Alkali

Highlights

- Q1 2025 witnessed an increase in caustic prices, as tight supply conditions early in the quarter lent support to the market before moving to a balanced state towards the end of the quarter
- An increase in supply is expected due to the startup of new capacities in China and Southeast Asia
- New alumina capacities, expected to come online in the coming quarters, will increase demand, partially offsetting the supply increase
- Increasing gas costs continue to adversely impact margins
- Domestic market remains balanced between Sitara, Ittehad, EPCL and Nimir



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Q&A

[Back](#)



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