



engro polymer & chemicals

## **Analyst Briefing – 1H 2025**





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# Key Highlights

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# Key Highlights

## Financial Highlights



### Revenue

PKR **37.6** Bn

↑ 9% vs LY



### Profitability

PKR **(3.2)** Bn

↓ 103% vs LY



### LPS

PKR **(3.55)**

↓ vs. 80% vs LY

## Scale



### Market Capitalization

PKR **27** Bn



### Total Employees

**701**



### Total Assets

PKR **101** Bn



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# Key Drivers

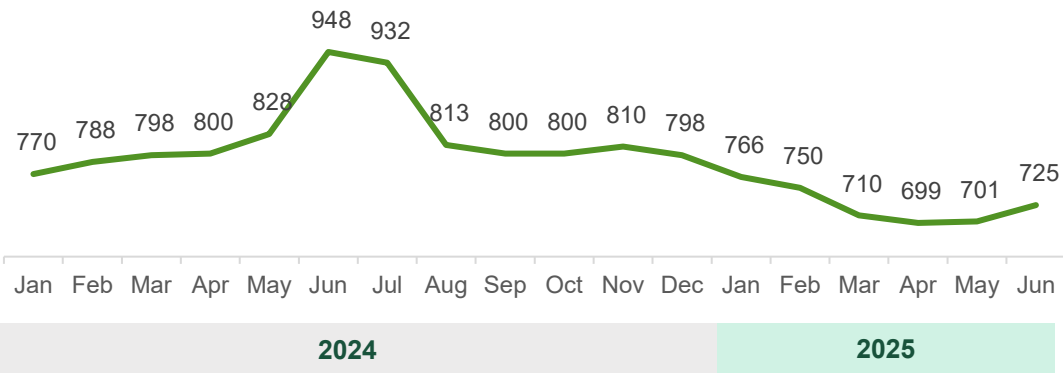
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# Key Drivers

## PVC CFR South Asia

(USD / MT)

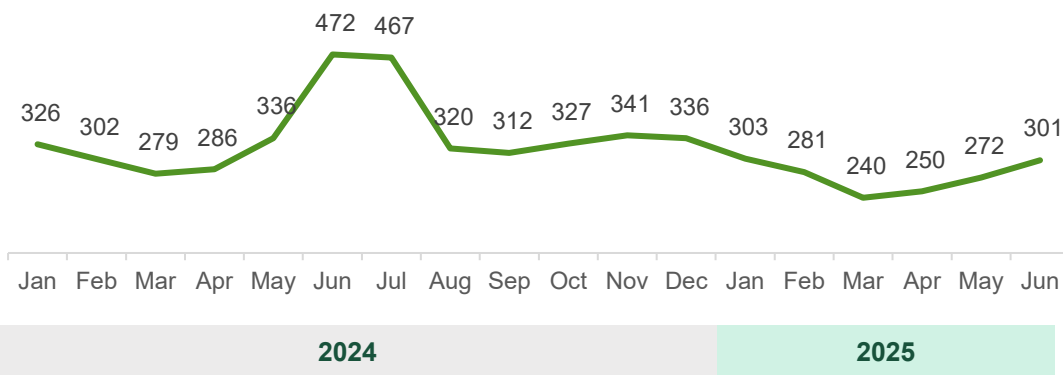


## Highlights

- Global PVC market remained under pressure in 1H 2025, with weaker construction activity and excess supply continuing to drag prices.
- In the U.S., demand slowed as housing construction cooled and anticipated rate cuts failed to materialize. China's property sector remained sluggish, while converter activity showed no real recovery though fresh stimulus is expected in the second half.
- Seasonal weakness in South and Southeast Asia during the monsoon season further softened regional demand.
- Currently, the PVC price stands at \$730/ ton

## Core Delta

(USD / MT)



## Highlights

- Core delta averaged around \$275/ton, dipping to a low of \$240/ton in March before recovering to \$301 by June.
- Ethylene prices remained firm through Q1, peaking at \$941/ton, however declined to \$850 by end-Q2.

### Outlook

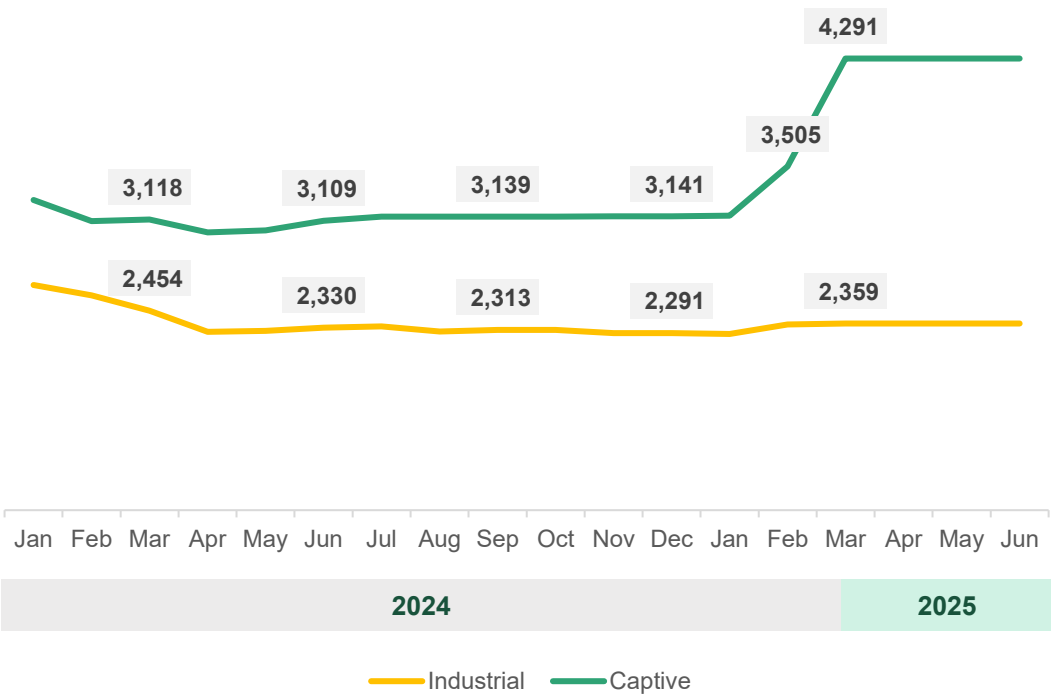
- Core Delta improved in Q2 as Ethylene softened and PVC recovered to \$725/ton.
- Future delta stability depends on regional demand pickup and further easing in Ethylene pricing.
- Domestic PVC demand may gradually improve with interest rate cuts, market development activities and recovery in construction activity expected in H2.



# Key Drivers

## Gas Cost (PKR / MMBtu)

## Highlights



- Captive gas price has increased to PKR 3,500 / MMBtu plus levy of PKR 791 / MMBtu (PKR 4,291 / MMBtu) effective March 2025
- As per a latest notification, this levy is now notified at PKR 238 / MMBtu effective July 2025. The retrospective application of this is under question
- The industry has challenged the application of this levy in courts
- Process gas price increased to PKR 2,300 / MMBtu effective July 1, 2025
- 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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# Q&A

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**THANK YOU**

