

# Corporate Briefing

## 27<sup>th</sup> October 2026





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# Agenda

|                                                                                     |   |                        |
|-------------------------------------------------------------------------------------|---|------------------------|
|    | 1 | Macroeconomic Overview |
|    | 2 | Global Market Overview |
|    | 3 | Financial Highlights   |
|    | 4 | Business Update        |
|   | 5 | Looking Ahead          |
|  | 6 | Q&A                    |





# Macroeconomic Overview

| Macroeconomic Indicators  |               | 9M 2026 Recap                                                                                                                                                                                         |
|------------------------------------------------------------------------------------------------------------|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                           | GDP Growth    | Pakistan’s <b>real GDP</b> grew by <b>3.7%</b> in FY 2026                                                                                                                                             |
|                           | Inflation     | Inflation rose to <b>10.3% YoY in Sept 2026</b> , while a hike in energy prices led to a surge in fuel cost resulting in higher freights                                                              |
|                           | Policy Rate   | Policy rate remained unchanged at 11.5 % in Q3, after the 100 bps increase in April, keeping financing costs elevated through the quarter. Policy rate has increased by 50 bps as of yesterday to 12% |
|                         | Exchange Rate | Exchange rate averaged <b>~278.6 PKR/USD</b> in 9M 2026 (closing at 277.26)                                                                                                                           |

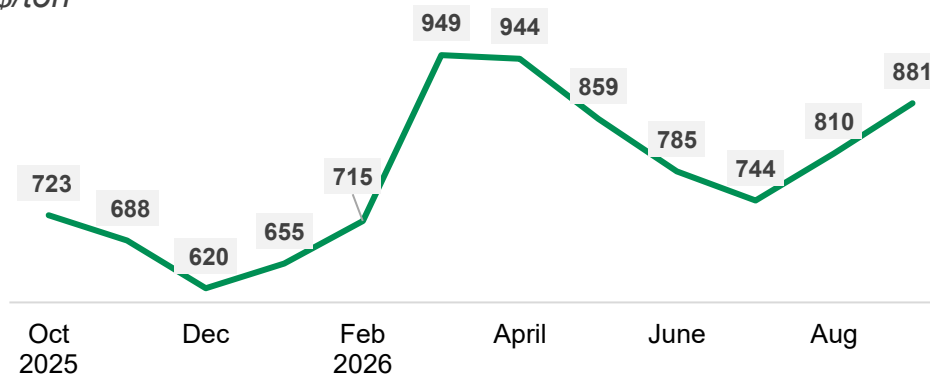


# Global Market Overview

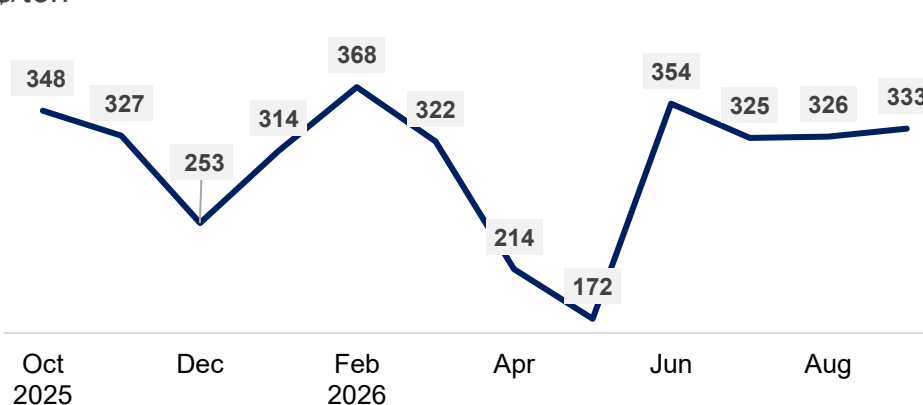
## Poly Vinyl Chloride

- PVC prices bottomed out in July before recovering in September, driven by feedstock cost increase
- Ethylene price increased above \$1000/MT due to scarce naphtha and reduced operating rates of ethylene crackers.
- Operating rates of Chinese carbide-based and US-based producers stayed stagnant through the quarter
- India set a minimum import price which held up imports at customs pushing buyers towards local suppliers. It has since opened an investigation on countervailing duties on Chinese PVC
- PVC prices rose in Q3 due to higher ethylene costs, increasing core delta to \$328/MT in Q3 from \$273/MT in Q2

**PVC CFR South Asia**  
\$/ton



**Core Delta**  
\$/ton



## Chlor-Alkali & Allied Chemicals

### Caustic

- Global caustic prices returned to pre-war levels
- Northeast Asian producers (excluding China) cut operating rates to around 70%
- Higher ethylene and power costs further squeezed integrated chlor-vinyl margins across the region

### Hydrogen Peroxide

- Regional HPO prices increased by quarter end
- Gas crisis in Bangladesh curtailed local production and exports, driving import prices over \$400
- Higher freight costs amid war also added upward pressure to prices



## Key Highlights – 9M 2026

### Financial Highlights



#### Revenue

PKR **65** Bn  
↑ **13%** vs LY



#### Gross Profit

PKR **5.2** Bn  
↑ **50%** vs LY



#### Profitability

PKR **0.3** Bn  
vs **(3.5)** Bn LY



#### EPS

PKR **0.35**  
vs **(3.80)** LY

### Scale



#### Market Capitalization

PKR **29.7** Bn



#### Safe Workhours

**52** Mn



#### Total Employees

**693**

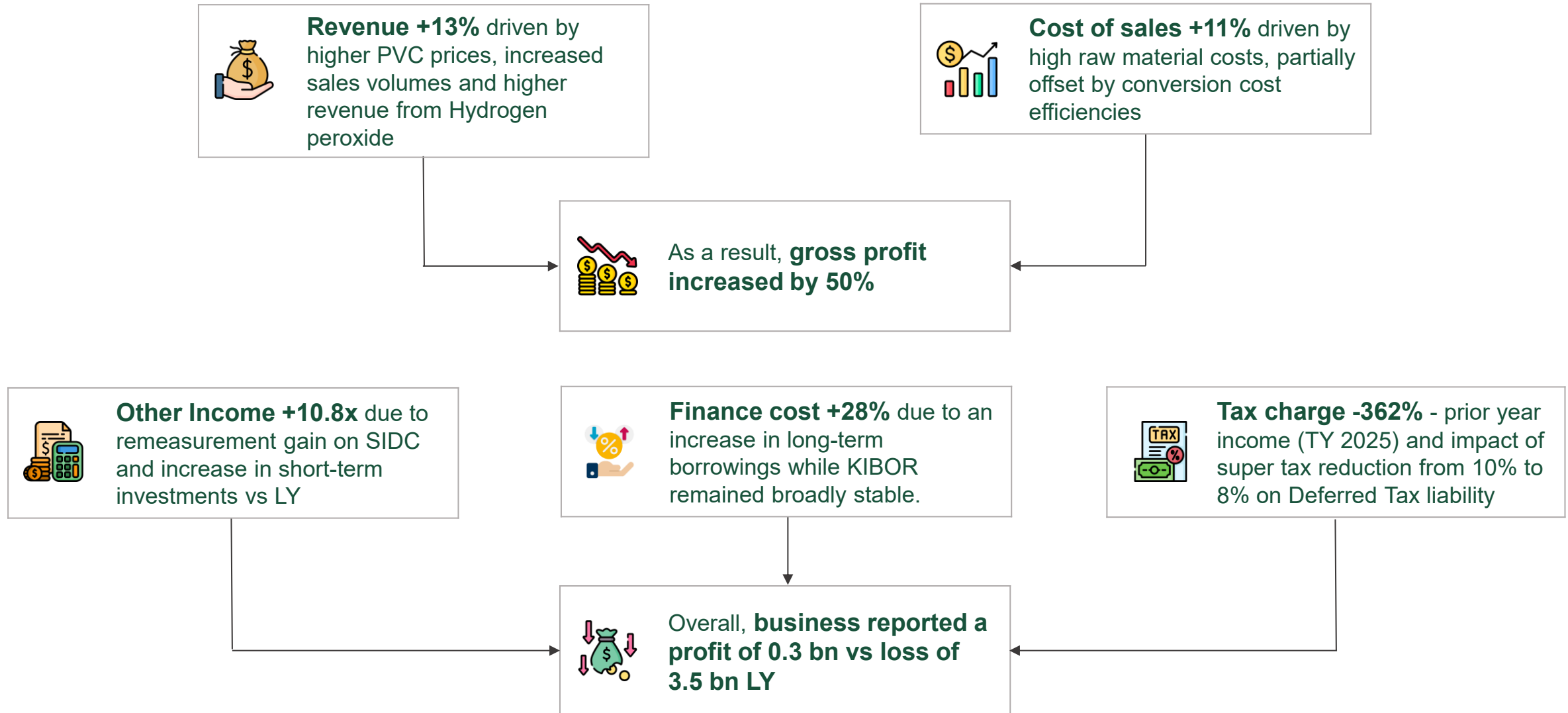


#### Total Assets

PKR **118** Bn



## Material Variance in P&L Items vs LY

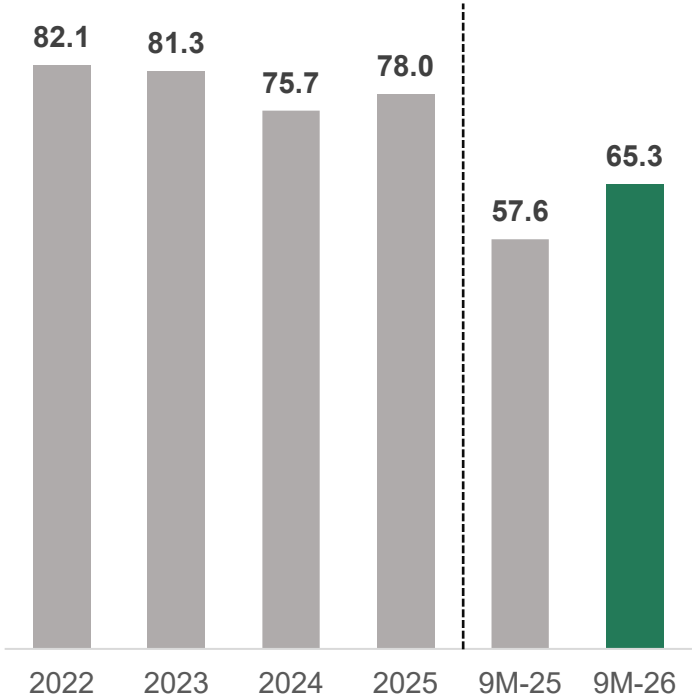




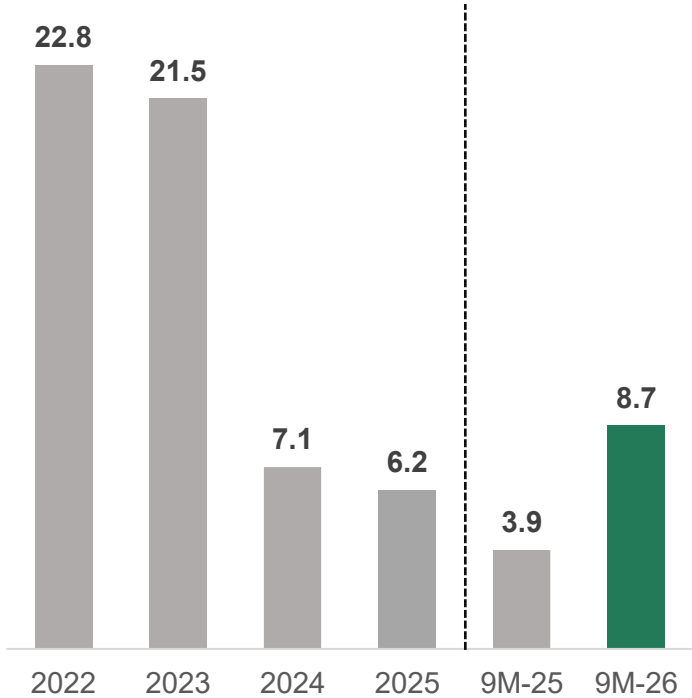
# Financial Highlights



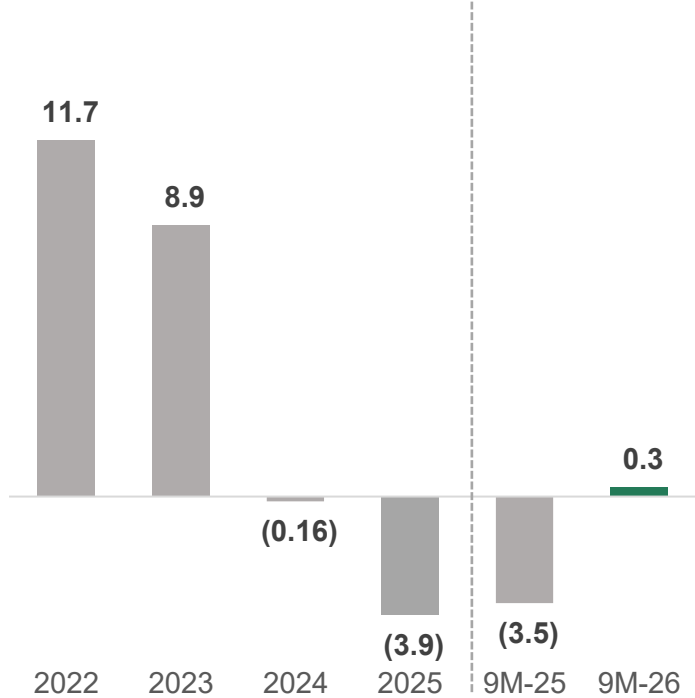
Revenue (PKR Bn)



EBITDA (PKR Bn)



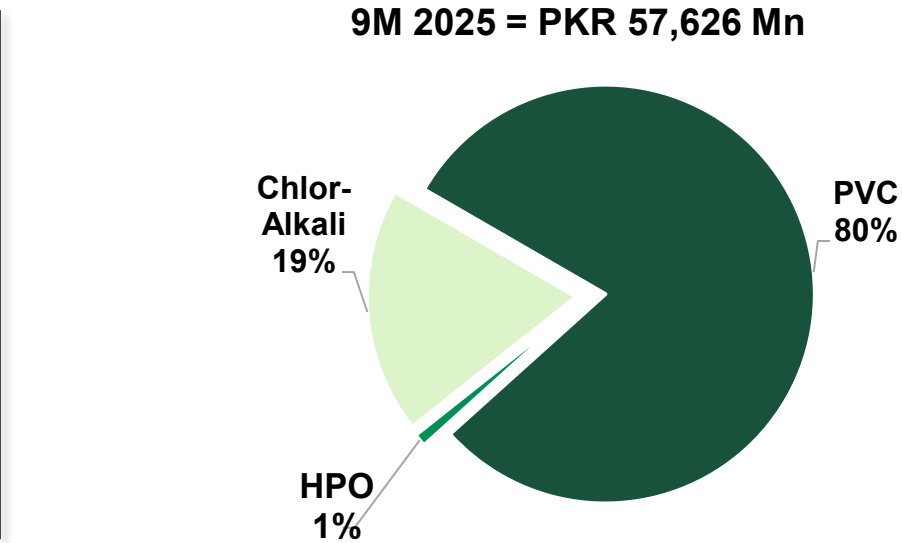
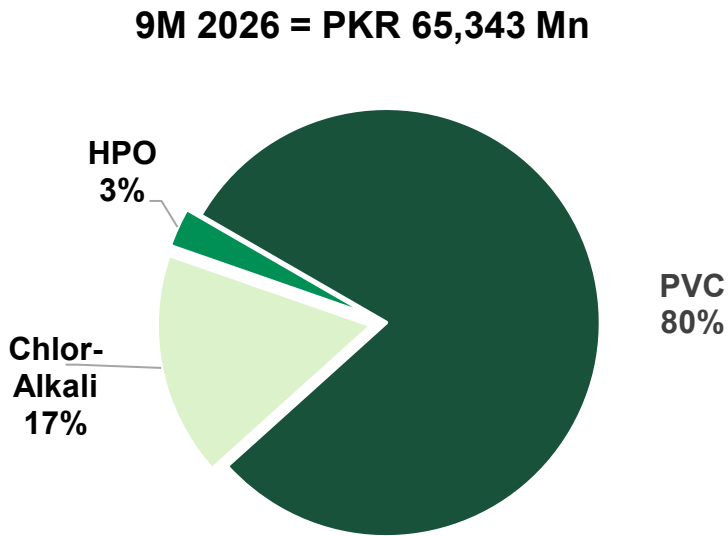
Profit After Tax (PKR Bn)



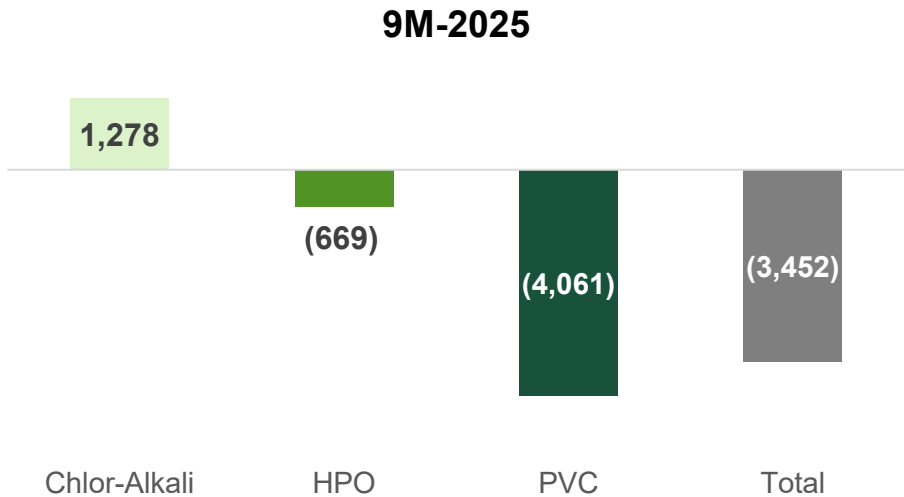
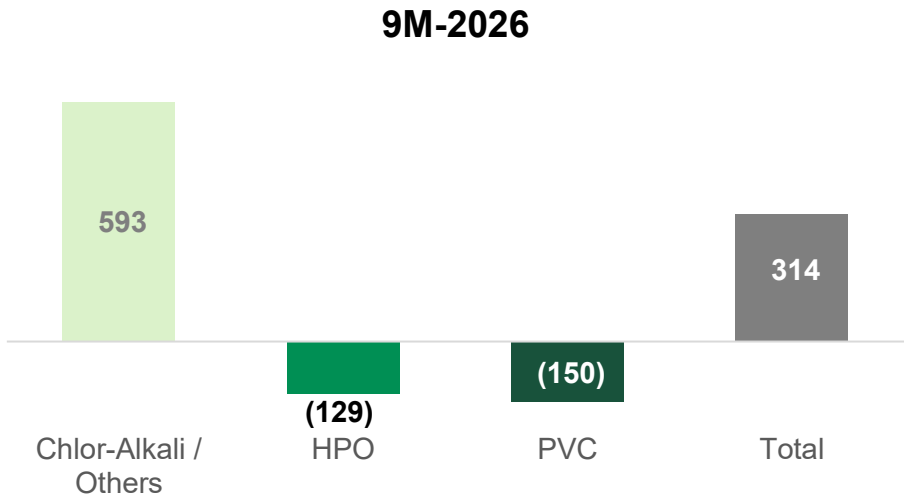


# Segment Wise Performance

REVENUE



PROFIT AFTER TAX





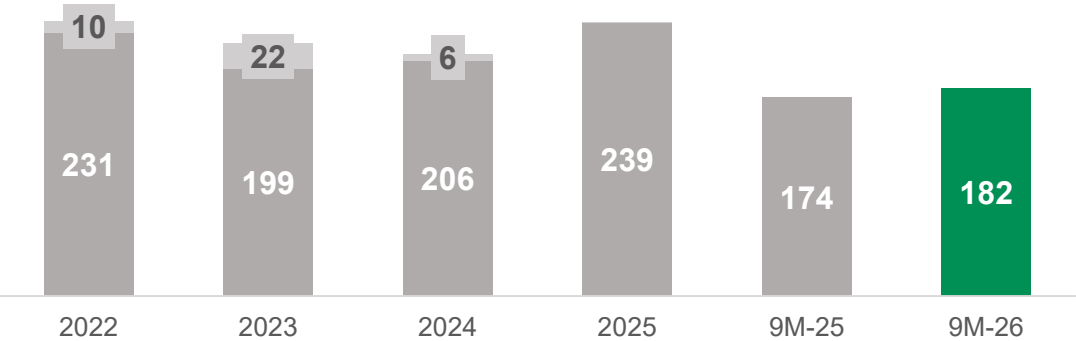
# Business Update – PVC

## PVC Sales Volume (KT)



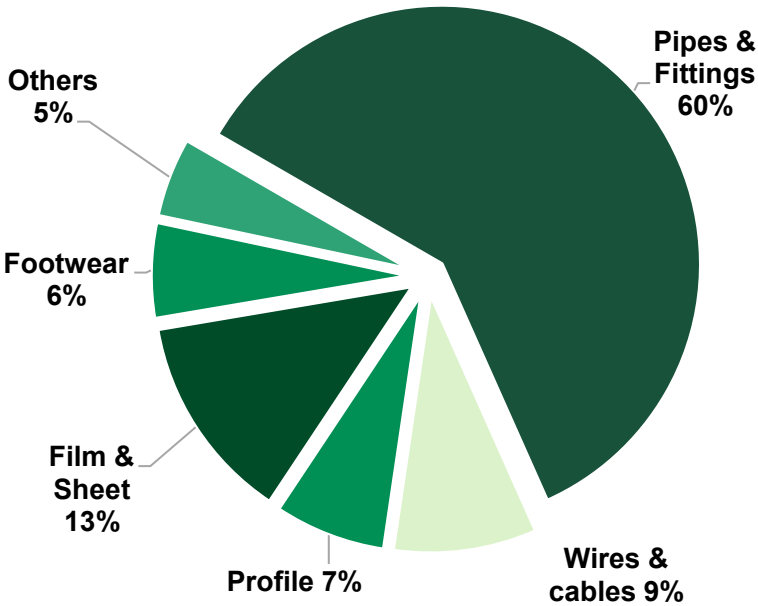
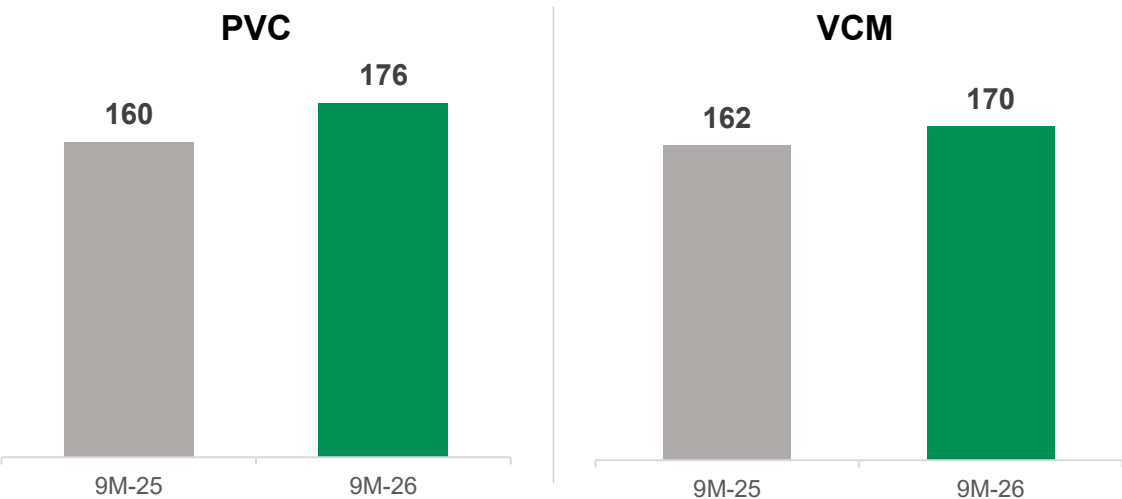
## Highlights

■ Domestic ■ Export



- PVC sales are 4% higher vs last year with unprecedented sales recorded in Q3 due to housing stimulus and lower than anticipated flood impact.
- Following our application, provisional anti-dumping duties have been imposed on US and Indonesia for 4 months in July. This has rationalized imports from these regions at fair price
- Outlook remains optimistic with government measures expected to stimulate housing and construction sector

## Production (KT)





## Business Update – Chlor-Alkali

### Highlights

#### Caustic

- Caustic soda sales remained steady in Q3 2026, supported by stable demand from key industries and a well-balanced domestic supply environment
- Sales are primarily concentrated in the southern region
- Revision of underlying formula of applicable captive gas levy provided some cost relief
- Global prices have returned to pre-war levels – limited export opportunities at current prices.
- The business remained focused on protecting value, broadening its customer base and strengthening service delivery

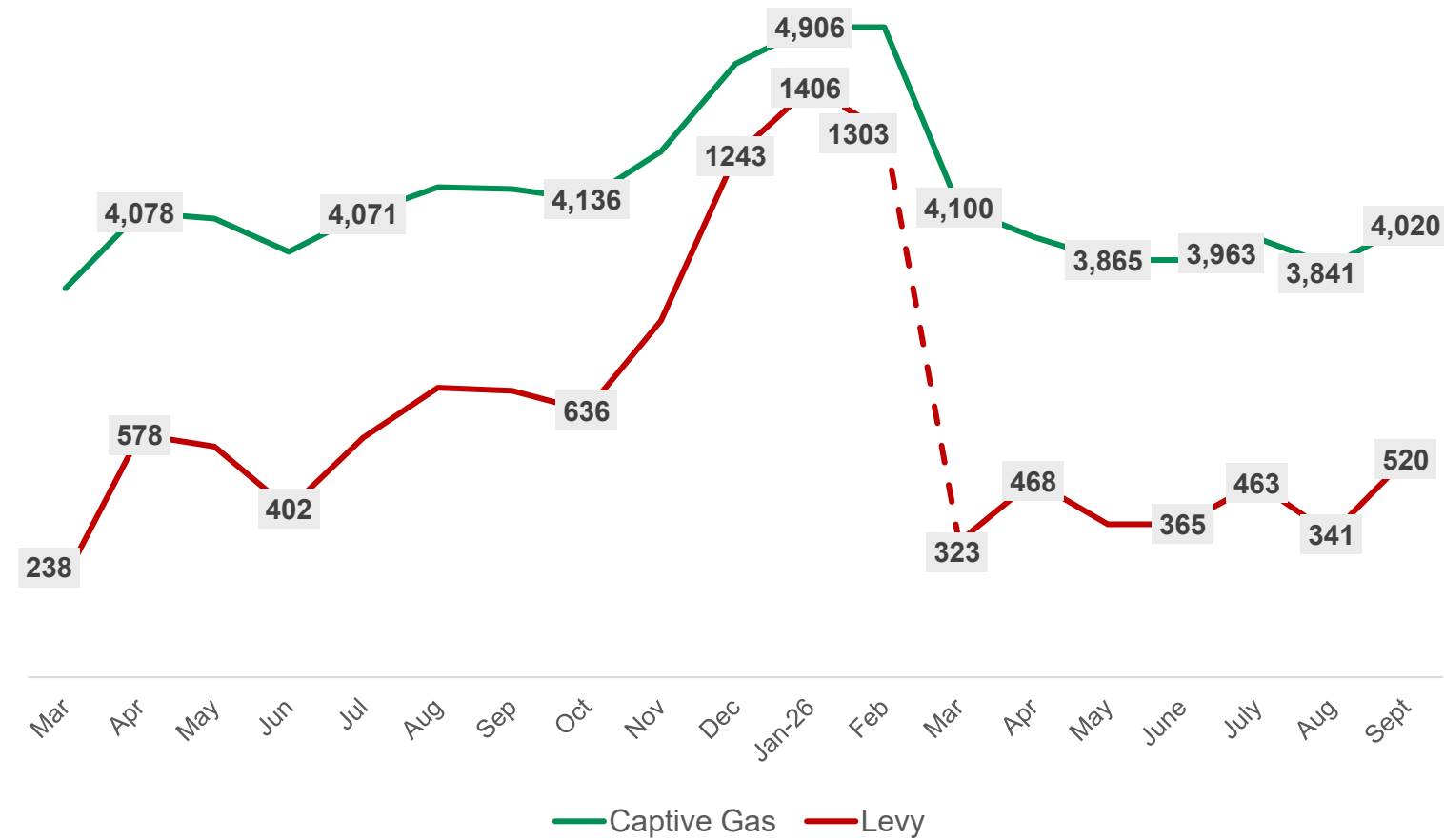
#### Hydrogen Peroxide

- The company continued to strengthen its position in the local market, achieving highest monthly sales in Q3
- Sales are primarily concentrated in the southern region- Supply constraints in Bangladesh amid the recent gas crisis drove prices higher, providing support to local pricing
- The plant operated reliably throughout the year with highest monthly production demonstrated in Q3
- The company continues to focus on market development efforts and engaging with regulatory authorities to ensure a level playing field



# Update on Gas

## Gas Cost (PKR / MMBtu)



## Highlights

- In March 2026, GoP corrected the gas levy formula (now based on average rate vs peak rate resulting in levy reduction from Rs. 1,406/MMBtu in Jan to PKR 341/MMBtu in May). However, levy has increased after that.
- Proactive measures underway: EPCL secured a stay on levy payments in the Islamabad High Court
- 2 MW solar project commissioned in August 2026
- Work on installation of grid initiated

\*September not billed yet



# Looking Ahead

Key risks highlighted in green

| Focus Areas                                                                                                        | → Outlook                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <b>Safety</b>                    | <ul style="list-style-type: none"> <li>• EPCL continues to lead with a strong safety culture, focusing on proactive risk mitigation and behavioral reinforcement</li> </ul>                                                                                                                                            |
|  <b>Macroeconomic Factors</b>     | <ul style="list-style-type: none"> <li>• Factors such as inflation, policy rate and exchange rate affect the Company's cost structure and future capital commitments</li> <li>• Actively reviewing dollar liability and cashflows</li> </ul>                                                                           |
|  <b>Raw Material Availability</b> | <ul style="list-style-type: none"> <li>• Geopolitical conflict leading to disruption in Ethylene and EDC supply chain amid feedstock unavailability and shipping disruptions</li> <li>• Actively monitoring the market and securing cargoes as per requirement – we are covered on raw material inventory</li> </ul>   |
|  <b>PVC</b>                       | <ul style="list-style-type: none"> <li>• Decline in PVC prices impacts our core delta</li> <li>• Domestic PVC demand is expected to remain robust, supported by infrastructure and construction activity</li> <li>• Continue to focus on market development activities to increase resin offtake</li> </ul>            |
|  <b>Caustic</b>                   | <ul style="list-style-type: none"> <li>• Reduced levy on captive gas eased pressure on caustic margins</li> <li>• Drive further margin expansion through cost optimization and efficiency gains, leveraging the reduced captive gas levy</li> </ul>                                                                    |
|  <b>Hydrogen Peroxide</b>        | <ul style="list-style-type: none"> <li>• Import pressure from Bangladesh weighing on HPO commercials</li> <li>• EPCL continues to focus on expanding market presence and retaining existing customers</li> <li>• Continue work on the regulatory front to promote fair competition and tackle import influx</li> </ul> |
|  <b>Energy</b>                  | <ul style="list-style-type: none"> <li>• Grid power is evaluated as a viable option. Work on installation of grid initiated</li> </ul>                                                                                                                                                                                 |
|  <b>Cash Conversion</b>         | <ul style="list-style-type: none"> <li>• EPCL continues to focus on cash conservation measures, driven by disciplined working capital management, cost optimization and strategic financing</li> </ul>                                                                                                                 |



Engro Polymer & Chemicals Limited

# Q&A

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Thank you!