

Analyst Briefing – Q4 2024





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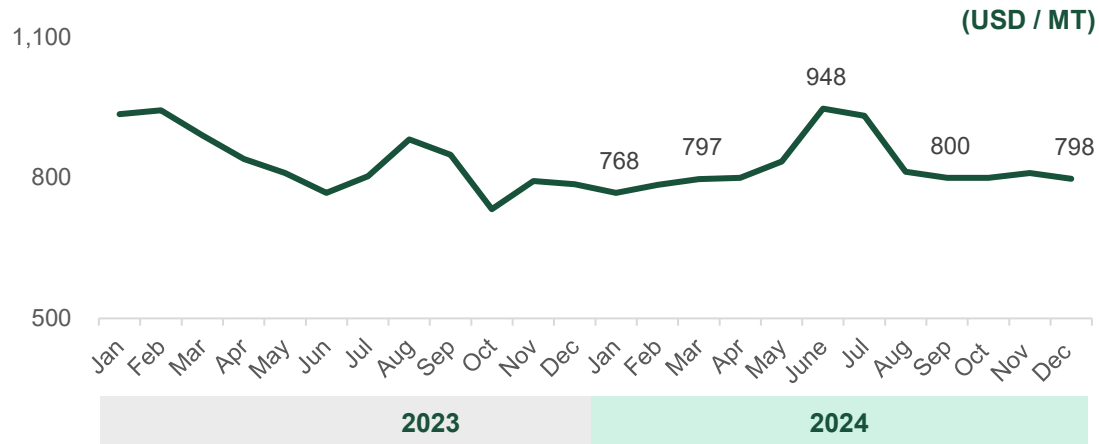
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Key Drivers



Key Drivers

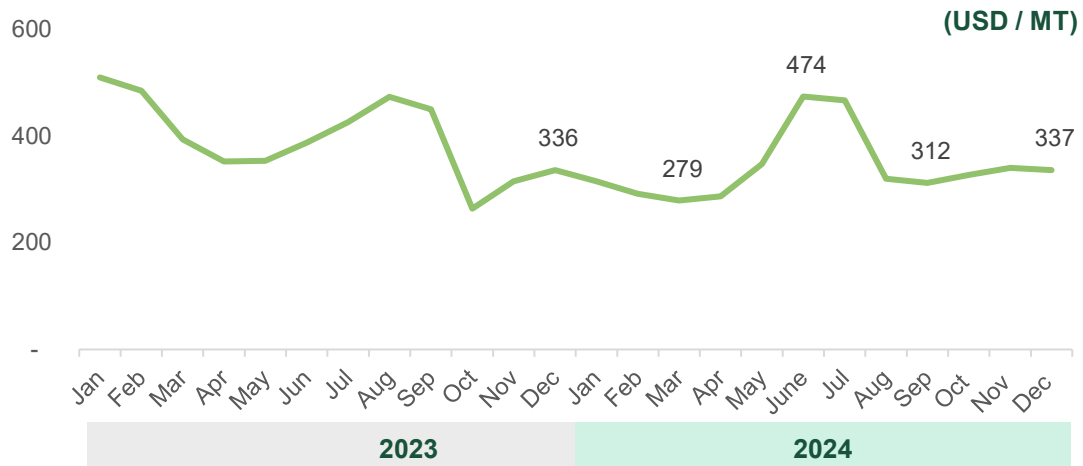
International PVC Prices



Highlights

- PVC prices witnessed a downward trend in the second half of the year. From \$948/ ton in Jun-24 to \$798/ ton. This was mainly due to normalization of freight rates and supply chain constraints.
- Average global operating rates for 2024 stood at 77% vs 76% in 2023
- PVC market remained dull due to challenges from over supply, weak demand, rising feedstock prices and new plants start up in US, China, Thailand and Qatar. Additionally, geopolitical and macroeconomic variables hampered the growth of PVC demand, resulting in reduction in prices along with margins.
- Currently the PVC price stands at \$760/ ton.

Core Delta



Highlights

- During the quarter, ethylene prices were on the declining trend due to weaker downstream demand and decline in crude oil prices. This along with lower PVC prices put pressure on core delta which stood at \$337/ ton (as at Dec 24)
- Ethylene prices declined from the high of 1,000/t in Aug-24 to \$935/T in Dec-24
- Lower PVC prices, coupled with rangebound Ethylene prices, will keep core delta and margins stable in 2025. However, reduction in interest rates should boost the regional real estate market and lead to a gradual recovery in construction activity



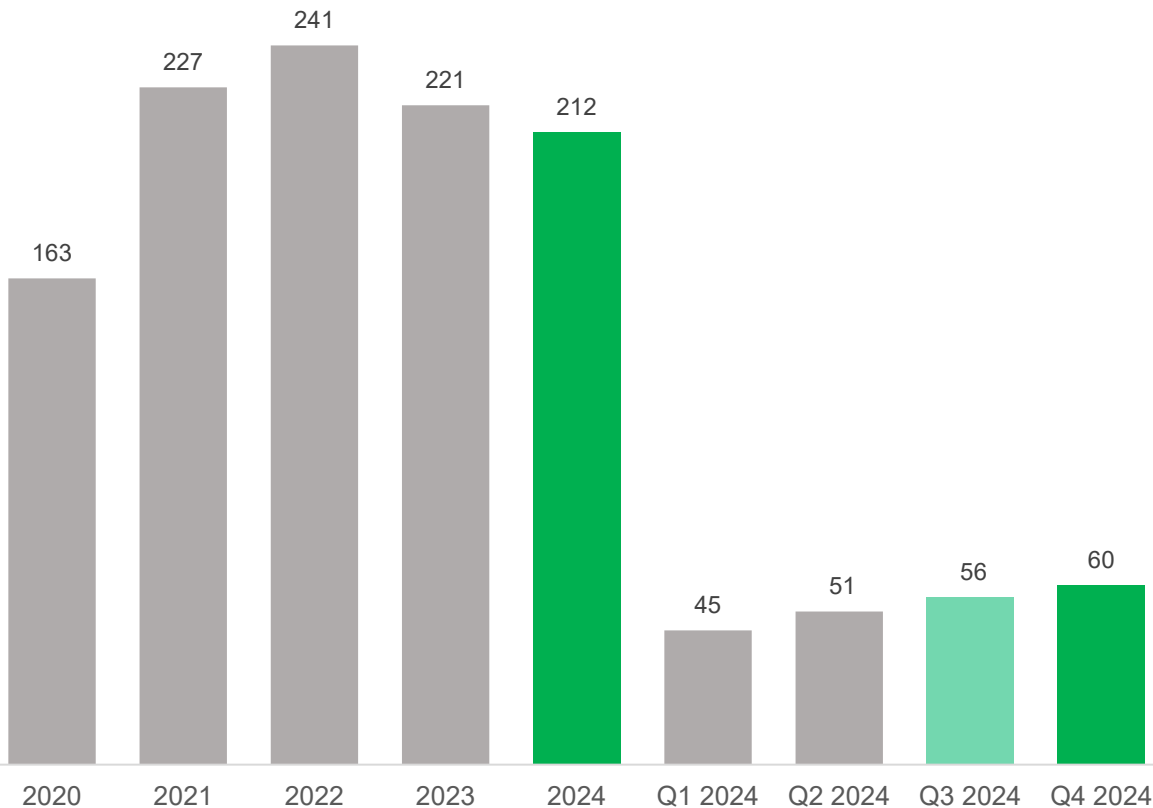
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Business Updates



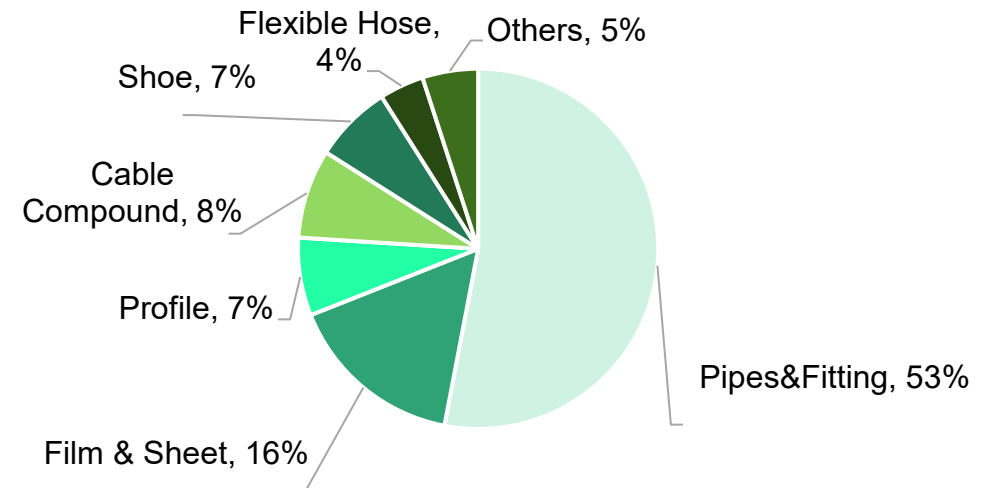
Business Updates - Poly Vinyl Chloride (PVC)

Poly Vinyl Chloride Sales Volumes (kT)



Highlights

- Despite reduction in GDP growth, PVC market grew by 8% due to market development efforts by the Company and cheaper imports from Indonesia & China
- Despite the headwinds, the Company was able to support the market by ensuring product availability and implementing various incentives to boost market confidence
- On QoQ basis, aggressive pricing strategies, targeted incentive programs, ensured sustained market share along with growth in sales .





Business Updates – Chlor Alkali

Highlights

- Towards the end of Q4 24, prices increased in the international market due to increase in demand. Export supply increased in the first half of November, with South Korean producers increasing spot export allocations.
- EPCL regained its market share in the caustic market by onboarding new customers
- Despite firm international prices, domestic margins remained attractive. We, however, maintained presence in the export market to enable inflow of valuable FX into the country
- Supply to domestic Export Oriented Units maintained at 80%

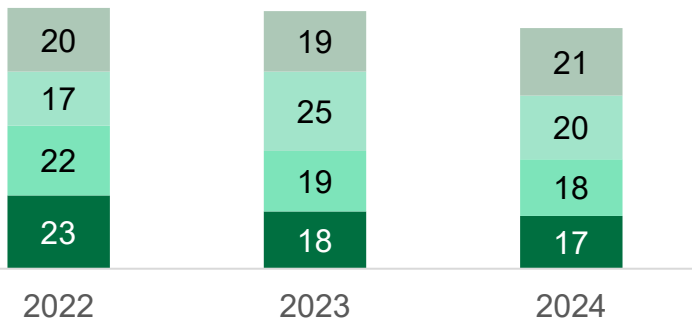


Consolidated Performance FY 2024 vs FY 2023

PKR Bn



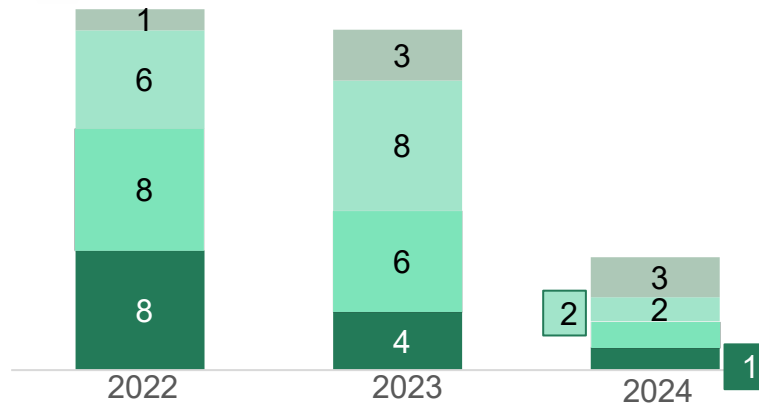
■ Q1 ■ Q2 ■ Q3 ■ Q4



Revenue declined 7% on YoY basis on the back of lower international PVC prices, partially offset by higher caustic and PVC domestic sales.



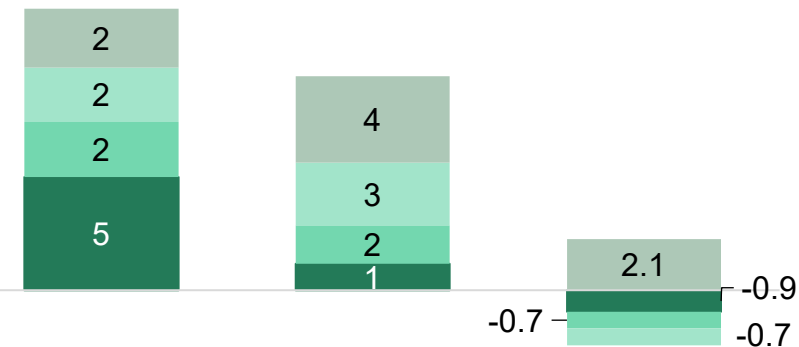
■ Q1 ■ Q2 ■ Q3 ■ Q4



Decline in EBITDA vs the preceding year is primarily due to lower core delta and higher gas prices.



■ Q1 ■ Q2 ■ Q3 ■ Q4



In addition to lower international prices and higher energy costs increase in short-term borrowing due to inventory levels and macroeconomic headwinds also had an adverse impact on profitability.



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Q&A



THANK YOU

