Corporate Briefing
22nd May 2026

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Agenda

Macroeconomic Overview

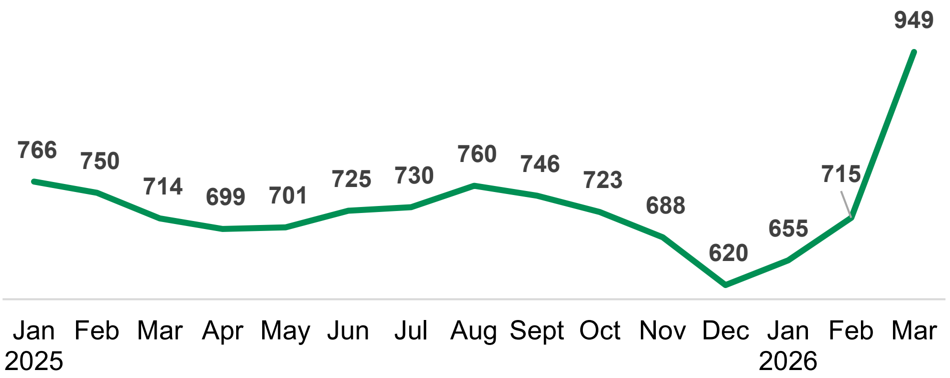
Macroeconomic Indicators	2025 Recap	Q1 2026 Performance & Outlook
GDP Growth	Pakistan's **real GDP grew by 2.68%** in FY2025	Real GDP growth was recorded at **3.8% in 1H FY2026** while World Bank/IMF **expect 3-3.2% growth** during the year
Inflation	Inflation **reduced to 5.6% by Dec 2025**	Inflation **rose to 7.3% in March**. The energy price spike has led to a surge in fuel prices with inflation expected to jump to double digits in coming months
Policy Rate	Policy rate eased to **10.5% in Dec** vs 12% in Jan 2025	Policy rate **increased to 11.5%, effective 28th April 2026**,
Exchange Rate	Exchange rate remained broadly stable, **increasing to PKR 280.5/USD in Dec** vs 278.6 in Jan 2025	Exchange rate remained stable near **PKR 280/USD in Q1 2026**

Global Market Overview

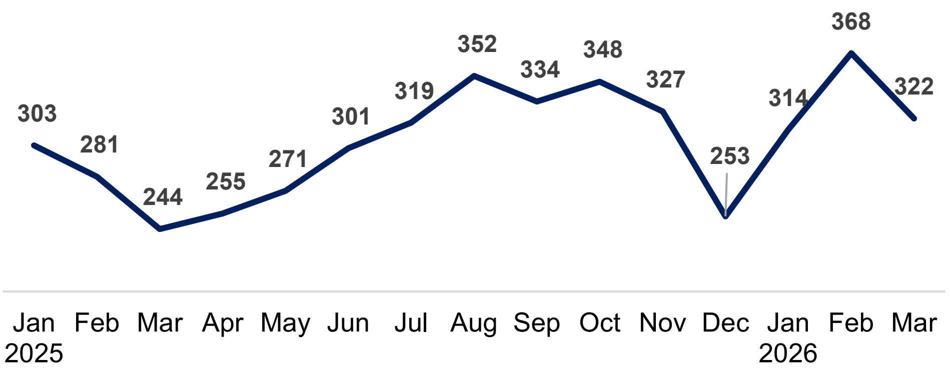
Poly Vinyl Chloride

- PVC price **fell to $716/ton in 2025** amid oversupply and weak demand
- However, **prices rose early in Q1 2026** following China's move to remove export tax rebate in April
- Supply disruptions in March amid the US-Iran conflict further supported prices
- While naphtha shortage reduced cracker runs – **driving ethylene prices higher**
- **Core delta improved to $334/ton in Q1 2026** (+13% vs 2025 average)
- **Prices expected to correct** as the market gradually recovers from production losses, while low-priced carbide-based PVC also continues to flood the market

PVC CFR South Asia
$/ton



Core Delta
$/ton



Chlor-Alkali & Allied Chemicals

Caustic

- Caustic prices remained on the downward trend throughout 2025 due to persistent oversupply, particularly in China
- In contrast, the industry in Europe and N. America is focusing on rationalization
- Caustic prices temporarily increased in March, reaching 2023 levels, before slowly correcting in April

Hydrogen Peroxide

- Regional HPO prices declined, with prices at the lower end observed in India and Bangladesh – supported by competitive production costs and healthy operating rates
- Prices increased in March amid supply disruptions but are gradually normalizing

Key Highlights – 2025

Financial Highlights

Revenue
PKR **78** Bn
3% vs LY

Profitability
PKR **(3.9)** Bn
25x vs LY

LPS
PKR **(4.3)**
10x vs LY

Exports
$M **1.6**
88% vs LY

Scale

Market Capitalization
PKR **29.6** Bn

Safe Manhours
50 Mn

Total Employees
694

Total Assets
PKR **117** Bn

Material Variance in P&L Items vs LY

Revenue +3% due to higher PVC & caustic sales and commencement of HPO sales

Cost of sales +6% due to lower core delta and higher gas prices including off-the-grid levy impact of PKR 2.2 Bn

As a result, **gross profit reduced by 27%**

Administrative expenses -19% due to implementation of stringent cost control measures despite inflationary pressure

Finance cost -24% as KIBOR decreased on average to 11.5% in 2025 vs 18% in 2024

Tax +118% as there was a one-off tax credit in 2024 and impact of super tax of 0.6 Bn in 2025

Overall, **profit after tax declined** significantly **~25x**

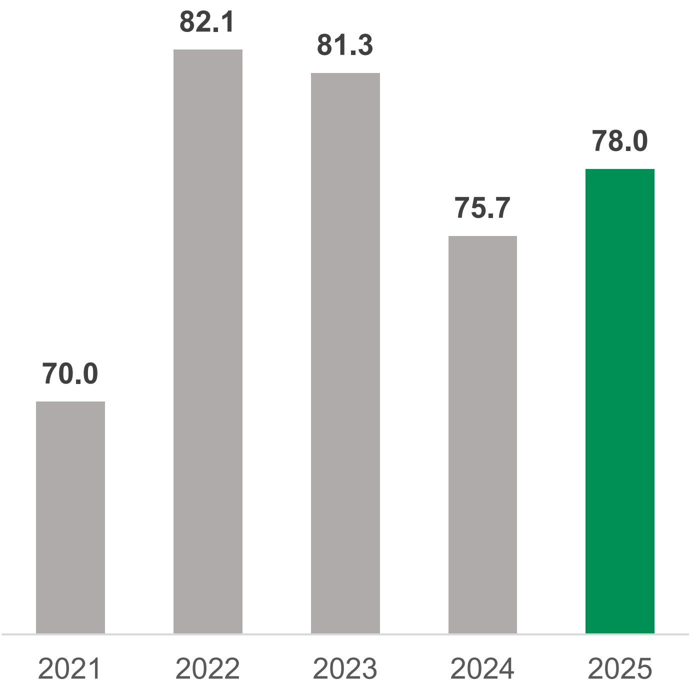
Material Variance in Balance Sheet Items vs LY

Amounts in PKR Mn

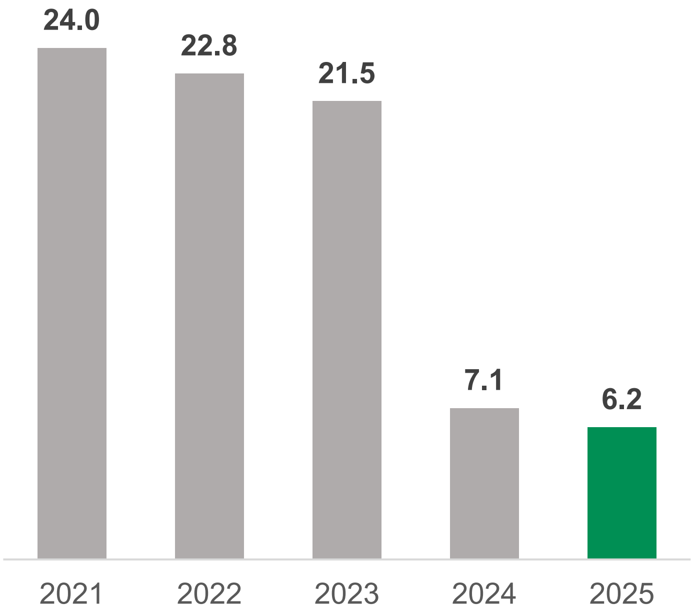
	Overview	Material Items	
Total Assets	100,851 (2024) ↑ 117,311 (2025)	**Stock-in-trade** Effective inventory management to reduce strain on working capital	13,830 (2024) ↓ 19% 11,141 (2025)
		Loans, advances, deposits, prepayments & other receivables Effective cash management efforts and targeted recovery initiatives	6,387 (2024) ↓ 44% 3,581 (2025)
		Short-term Investment + Cash & bank balances Cash reserves available for short-term obligations and future operational and strategic needs	5,109 (2024) ↑ 5x 26,024 (2025)
Total Liabilities	73,530 (2024) ↑ 93,912 (2025)	**Long-term borrowing** - Fresh loan of PKR 30 Bn taken in 2025 - Repayment of PKR 5.2 Bn	30,112 (2024) ↑ 80% 54,080 (2025)
		Short-term borrowing Working capital funding converted from running finance to long-term borrowing	11,849 (2024) ↓ 94% 675 (2025)
		Trade & Other Payables Increase in supplier credit owing to ethylene prices and working capital optimization	19,736 (2024) ↑ 36% 26,870 (2025)
Total Equity	27,322 (2024) ↓ 23,399 (2025)	-	

Financial Highlights – Last 5 years

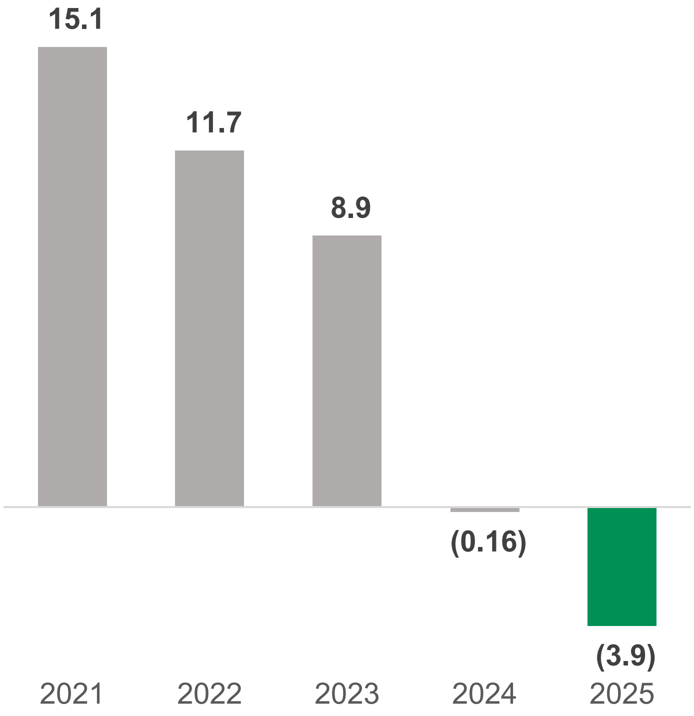
Revenue (PKR Bn)



EBITDA (PKR Bn)

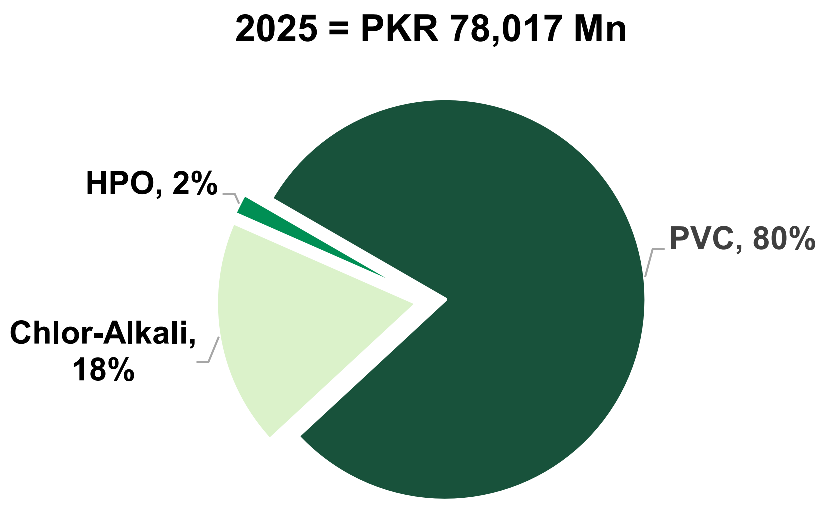


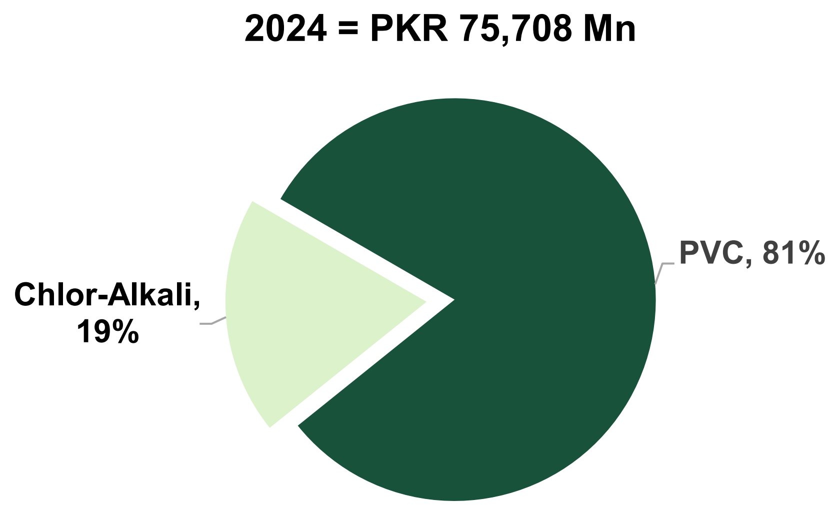
Profit After Tax (PKR Bn)



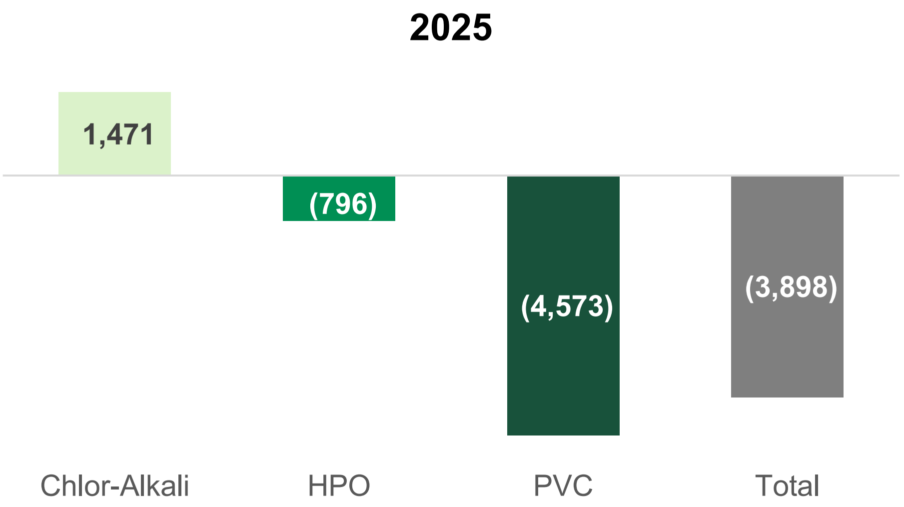
Segment Wise Performance

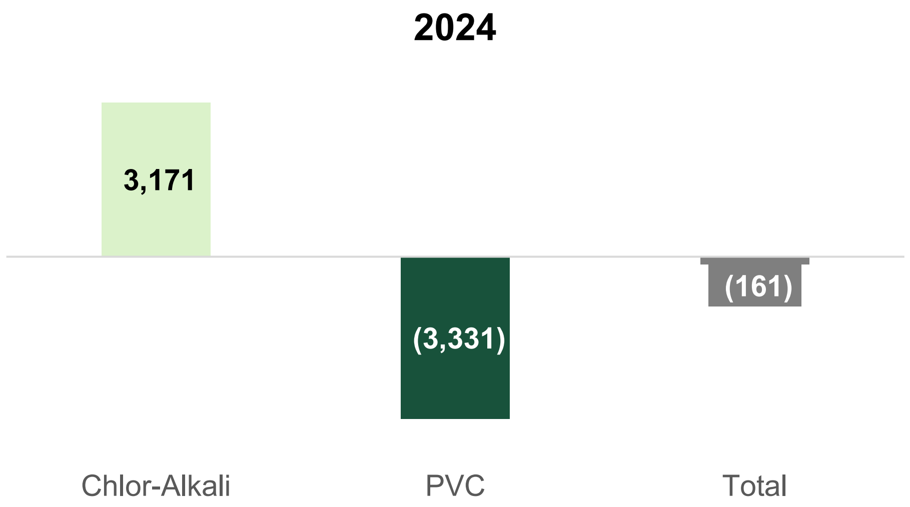
REVENUE





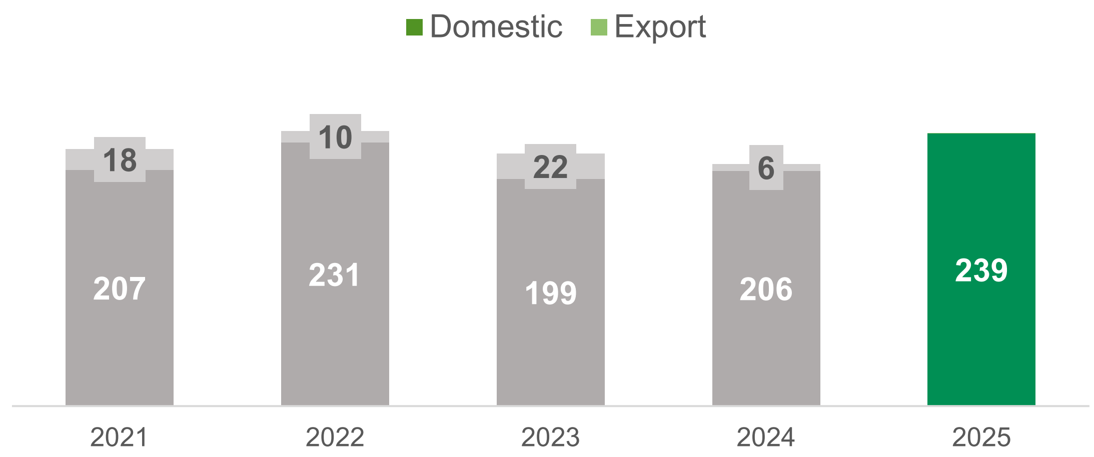
PROFIT AFTER TAX



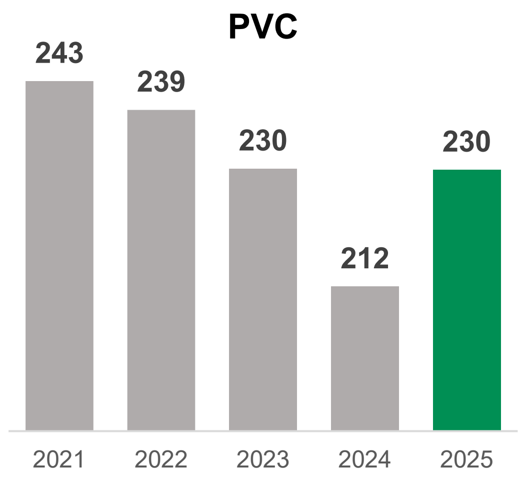


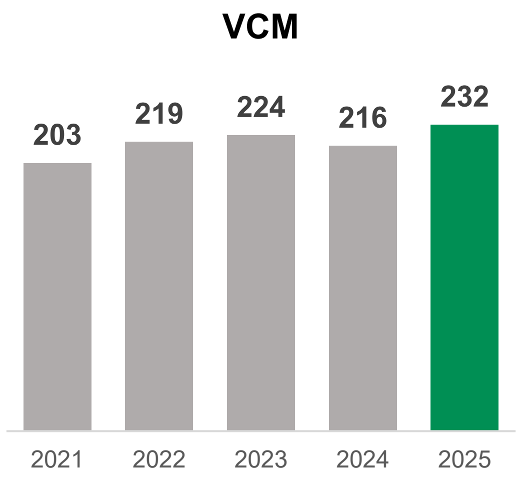
Business Update – PVC

PVC Sales Volume (KT)



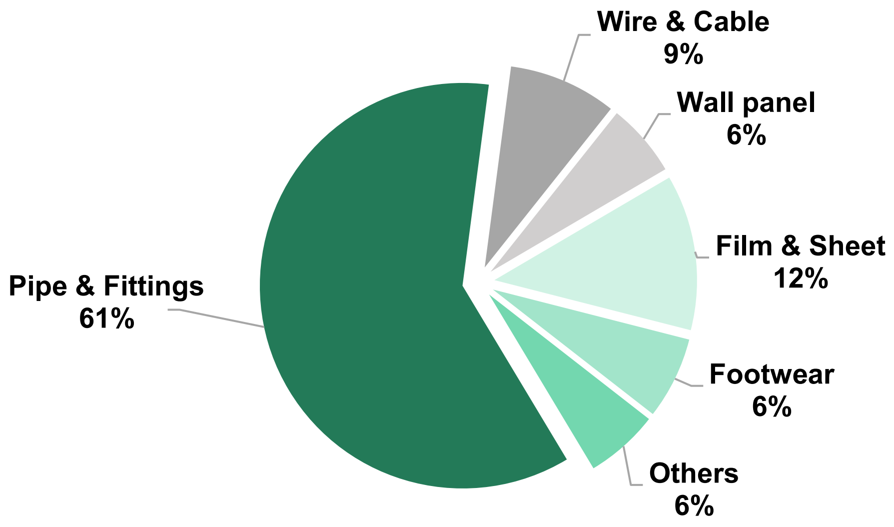
Production (KT)





Highlights

- Achieved highest ever PVC sales of 239 KT in 2025, up by 16% YoY
- Major segments like pipes and cables grew more than average market growth due to government projects and solar transition
- Our sales are primarily based in North
- EPCL continued to ensure product availability and engaged closely with channel partners through strategic customer interventions
- The Company continues to expand PVC applications and introduce new players into existing applications



Business Update – Chlor-Alkali

Highlights

Caustic

- Caustic soda sales and prices remained largely steady through the year, supported by stable demand from key industries and a well-balanced domestic supply environment
- Sales are primarily concentrated in the southern region
- However, caustic margins continued to face downward pressure due to elevated gas cost, which is a major input throughout the value chain, with captive gas levy reaching PKR 1,243/MMBtu by year end
- The business maintained its focus on cost efficiency and deeper value-chain integration to protect profitability amid fluctuating energy conditions

Hydrogen Peroxide

- The Company continued to strengthen its position in the local HPO market, closing the year with a market share of ~32%
- Sales are primarily concentrated in the southern region
- Sales showed steady improvement throughout the year, with consistent month-on-month growth
- Low-priced, dumped imports from Bangladesh, supported by subsidized gas, continued to disrupt fair competition in the Pakistani market

Engro Polymer & Chemicals Limited

Q1 2026

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Key Highlights – Q1 2026

Financial Highlights

Revenue
PKR **22** Bn
24% vs LY

Profitability
PKR **0.37** Bn
vs (0.83) Bn LY

EPS
PKR **0.41**
vs (0.91) LY

Scale

Market Capitalization
PKR **28.4** Bn

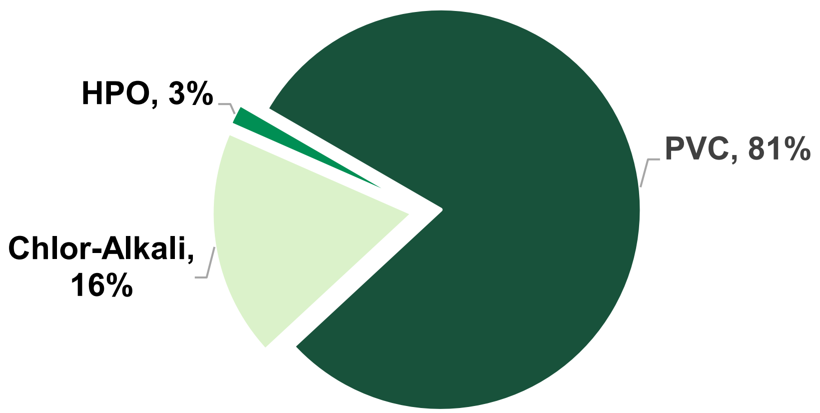
Safe Manhours
51 Mn

Total Employees
694

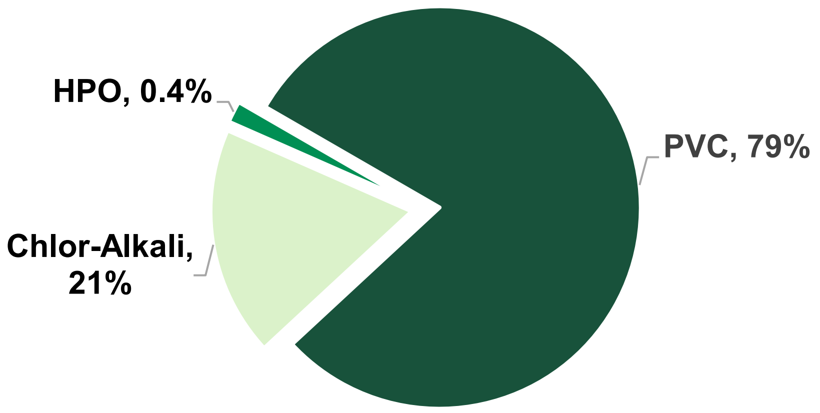
Segment Wise Performance

REVENUE

Q1 2026 = PKR 22,182 Mn

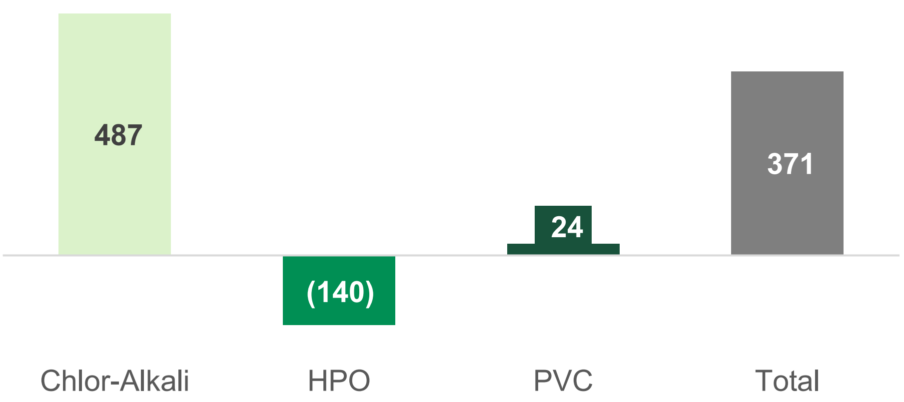


Q1 2025 = PKR 17,866 Mn

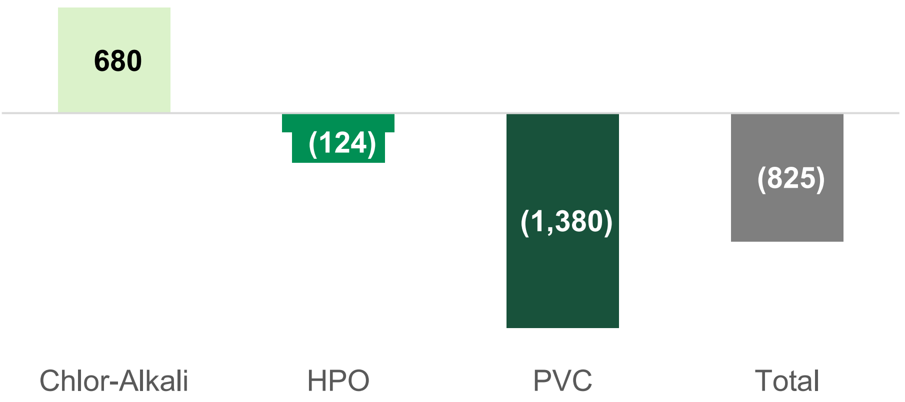


PROFIT AFTER TAX

Q1 2026

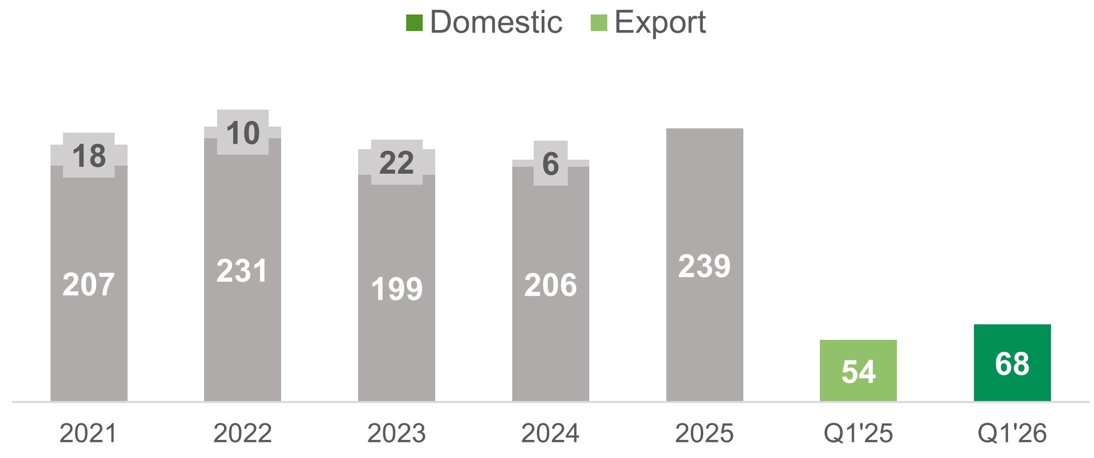


Q1 2025

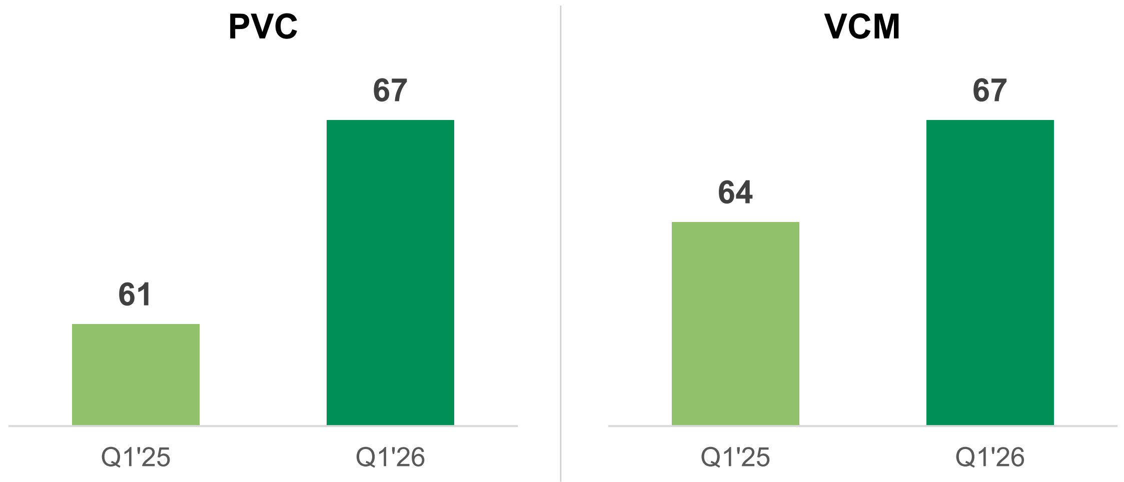


Business Update – PVC

PVC Sales Volume (KT)

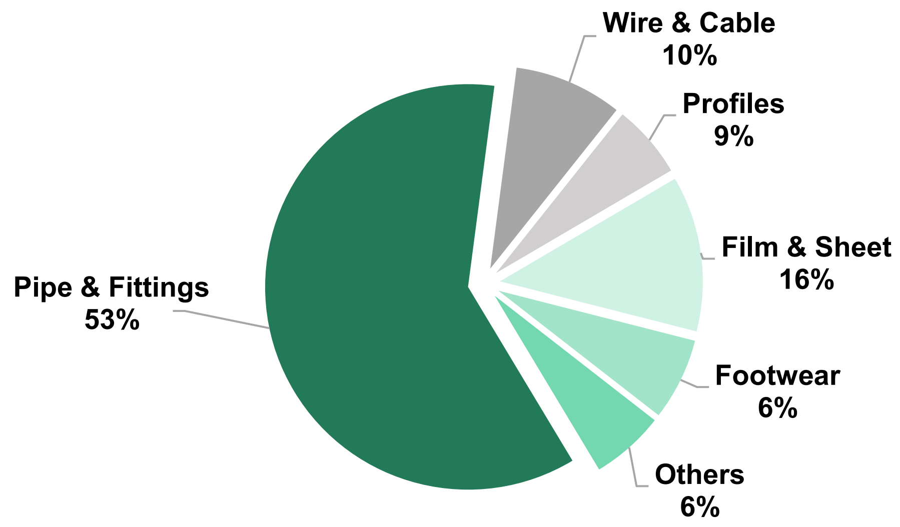


Production (KT)



Highlights

- On PVC, we sold 26% more vs same period last year
- All segments witnessed robust growth in 2026, with non-conventional applications growing >25% and taking up a larger proportion of total sales
- Our sales are primarily based in North
- EPCL continued to ensure product availability and engaged closely with channel partners through strategic customer interventions
- The Company is also closely engaging with regulatory authorities for anti-dumping investigation on new sources (US and Indonesia) initiated



Business Update – Chlor-Alkali

Highlights

Caustic

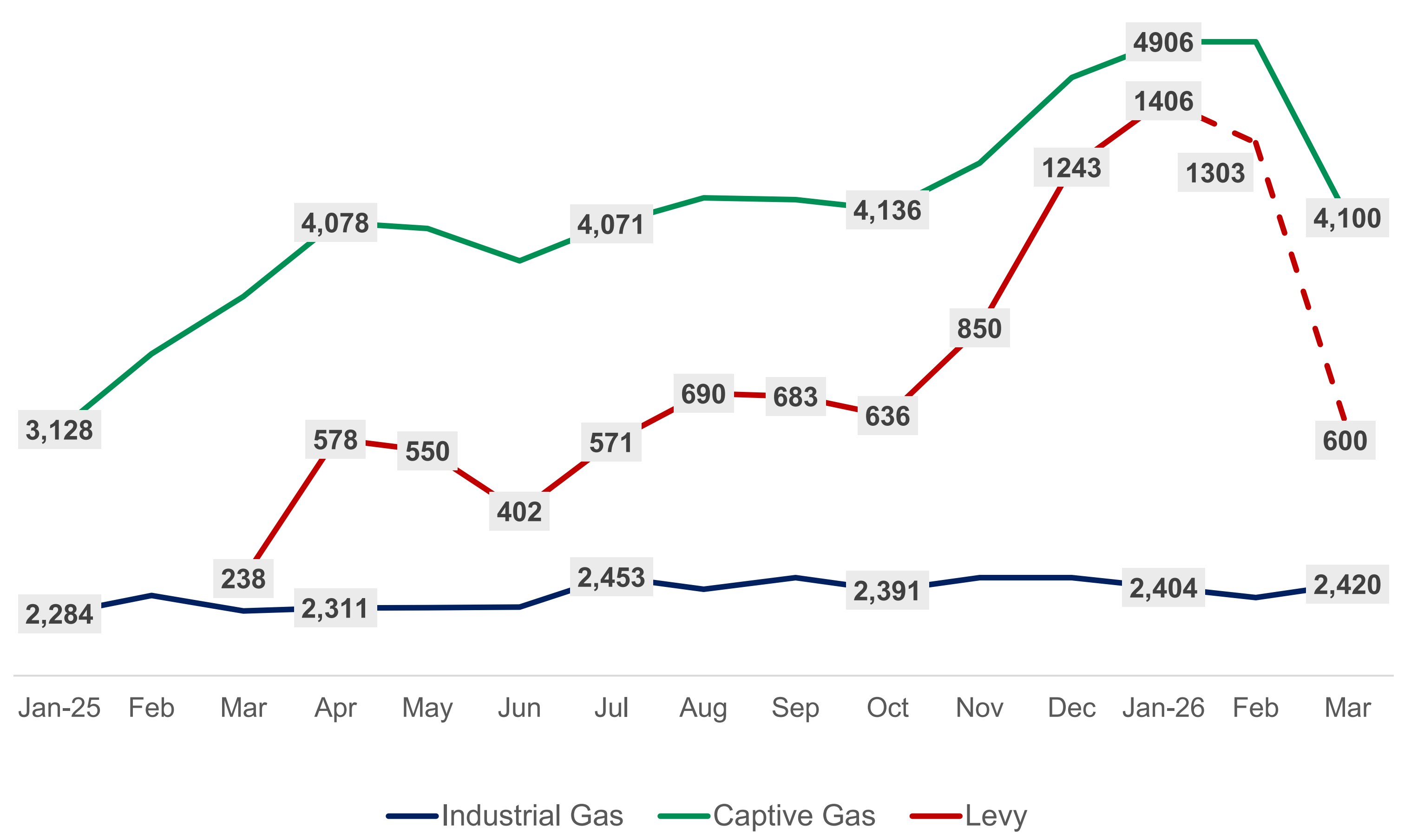
- Caustic soda sales remained steady in Q1 2026, supported by stable demand from key industries and a well-balanced domestic supply environment
- Sales were primarily concentrated in the southern region
- Domestic prices remained stable through the quarter, but saw an increase post April amid higher fuel prices
- However, caustic margins continued to face downward pressure from higher captive gas prices, with levy for Jan 2026 revised at Rs. 1,406/MMBtu
- Global prices sharply increased in March, later correcting in April with limited export opportunity
- The business maintained its focus on cost efficiency and deeper value-chain integration to protect profitability amid fluctuating energy conditions

Hydrogen Peroxide

- The Company continued to strengthen its position in the local HPO market, achieving its highest quarterly sales in Q1 2026
- Sales are primarily concentrated in the southern region
- Low-priced imports from Bangladesh continued to flood the market, disrupting fair competition in the domestic market
- However, sharp increase in global prices in March and higher fuel prices provided some support to domestic pricing
- The plant operated reliably throughout the quarter with stable production and best demonstrated production ratios
- Anti-dumping duties on imports from 7 countries (China, Taiwan, Belgium, Indonesia, S. Korea, Thailand and Turkey) have been extended for another 5 years

Update on Gas

Gas Cost (PKR / MMBtu)



Highlights

- Levy on captive gas was imposed from March 2025 and varied throughout the year. By year end, it increased sharply to PKR 1,243/MMBtu
- Gas levy reached a high of PKR 1,406/MMBtu in Jan 2026 as per the latest notification
- IMF has approved modification in the price formula used to calculate captive gas levy, which will reduce levy rate for March by 60% to ~PKR 600/MMBtu
- Proactive measures underway: EPCL secured a stay on levy payments in the Islamabad High Court
- EPCL is on track to complete a 2 MW solar project, expected to be commissioned by Q3 2026

Looking Ahead

Key risks highlighted in green

Focus Areas	Outlook
Safety	• EPCL continues to lead with a strong safety culture, focusing on proactive risk mitigation and behavioral reinforcement
Macroeconomic Factors	• Factors such as inflation, policy rate and exchange rate affect the Company's cost structure and future capital commitments • Actively reviewing dollar liability and cashflows
Raw Material Availability	• US-Iran war leading to disruption in Ethylene and EDC supply chain amid feedstock unavailability and shipping disruptions • Actively monitoring the market and securing cargoes as per requirement – we are covered on raw material inventory
PVC	• Decline in PVC prices impacts our core delta • Domestic PVC demand is expected to remain robust, supported by infrastructure and construction activity • Continue to focus on market development activities to increase resin offtake
Caustic	• Higher levy on captive gas continues to put pressure on caustic margin • Strengthen margins through cost optimization and efficiency initiatives, ensuring resilience against energy cost volatility
Hydrogen Peroxide	• Import pressure from Bangladesh weighing on HPO commercials • EPCL continues to focus on expanding market presence and retaining existing customers • Continue work on the regulatory front to promote fair competition and tackle import influx
Energy	• Grid power is being evaluated as a viable option alongside renewable initiatives • 2 MW solar project is expected to be commissioned in Q3 2026
Cash Conversion	• Risk of GIDC payment may impact cash flows • EPCL continues to focus on cash conversion measures, driven by disciplined working capital management, cost optimization and strategic financing

Q&A

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Questions Received

	Questions
1.	What is the current captive gas levy based on the updated formula?
2.	What is the current average cost of electricity from captive gas?
3.	Update on alternative power options to replace captive gas power.
4.	Update on the EPCL acquisition by Lotte.
5.	What happens to EPCL preference shares if the acquisition is approved by the Board?

thank you!