



LOTTE Chemical Pakistan Limited
Corporate Briefing Session

21.11.2019

VISION

Lifetime
Value Creator

MISSION

We enrich people's lives by providing superior products and services that our customers love and trust

LOTTE ranked 16th in Asia's Top 1000 Brands

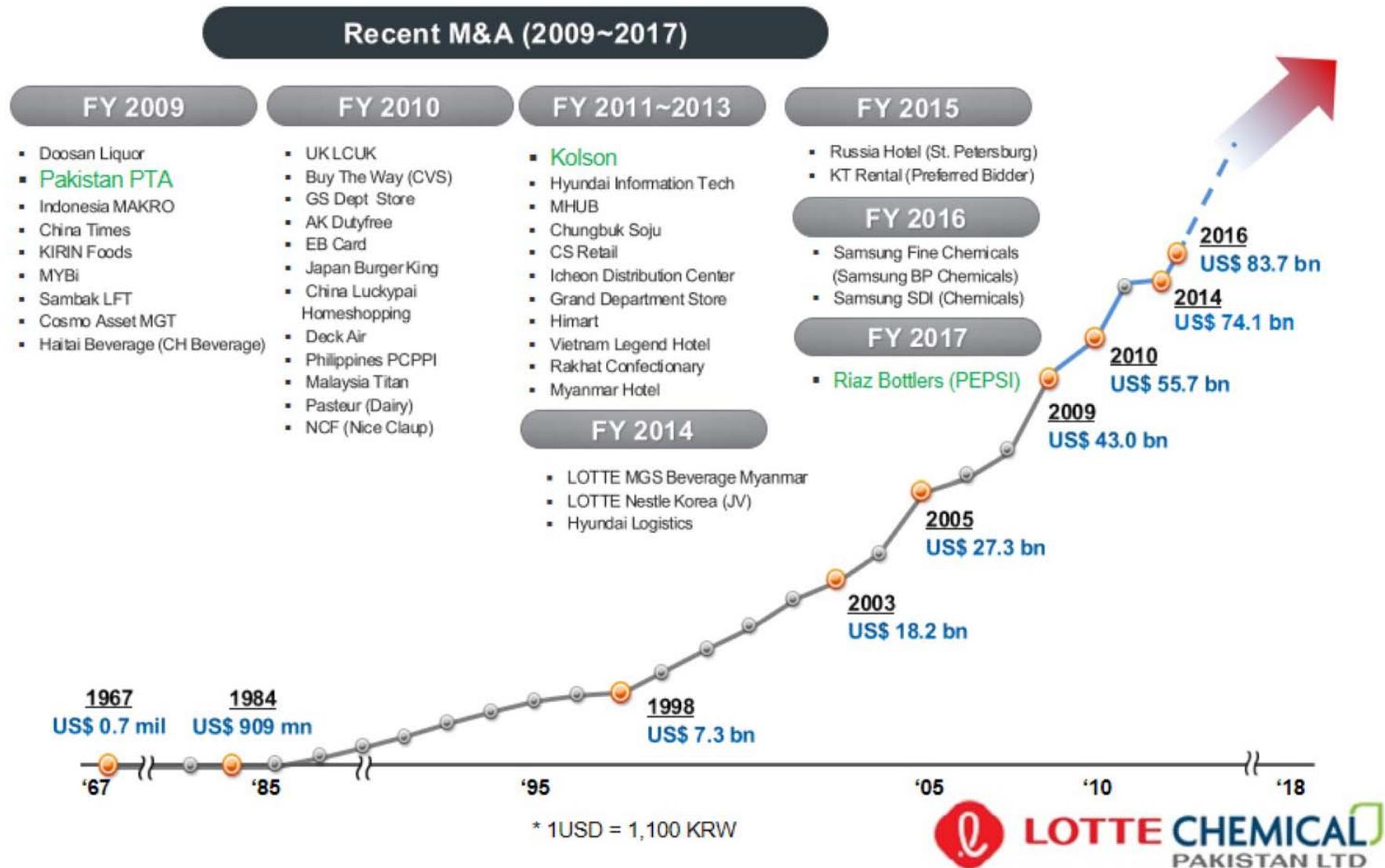


Rank	Brand	Category
1	Samsung	Electronics
2	Apple	Electronics
3	Sony	Electronics
4	Nestlé	Foods
5	Panasonic	Electronics
6	Nike	Retail
7	LG	Electronics
	...	
16	LOTTE	Foods
	...	

Rank	F&B
1	Nestlé
2	LOTTE
3	Meiji
4	Cadbury
5	Maggi
6	Mentos
7	H · D ¹⁾
8	Quaker
9	Kellogg's
10	Nissin

Korea	Japan	Vietnam
Samsung	Panasonic	Samsung
LG	Sony	Nestlé
Chanel	Apple	Sony
LOTTE	Meiji	Apple
Apple	Shiseido	Nike
Nike	Morinaga	Chanel
Nestlé	Cannon	LOTTE
Coca-Cola	Toshiba	Gucci
Sony	LOTTE	Panasonic
J&J ²⁾	Chanel	Adidas

LOTTE has grown to be the 5th largest group in Korea

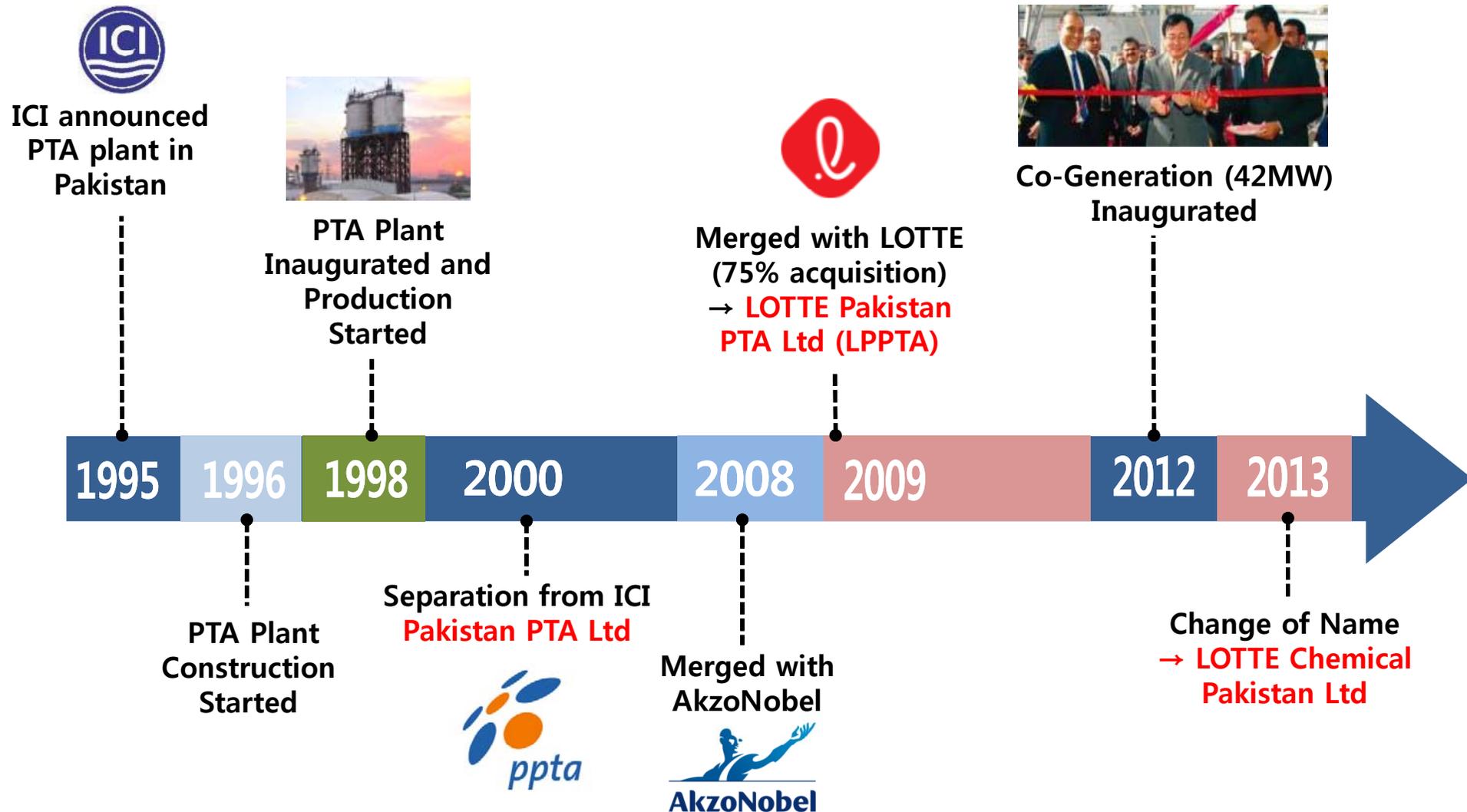


Our Mission

To be the supplier of choice to PTA customers in Pakistan and to maximize long-term business value



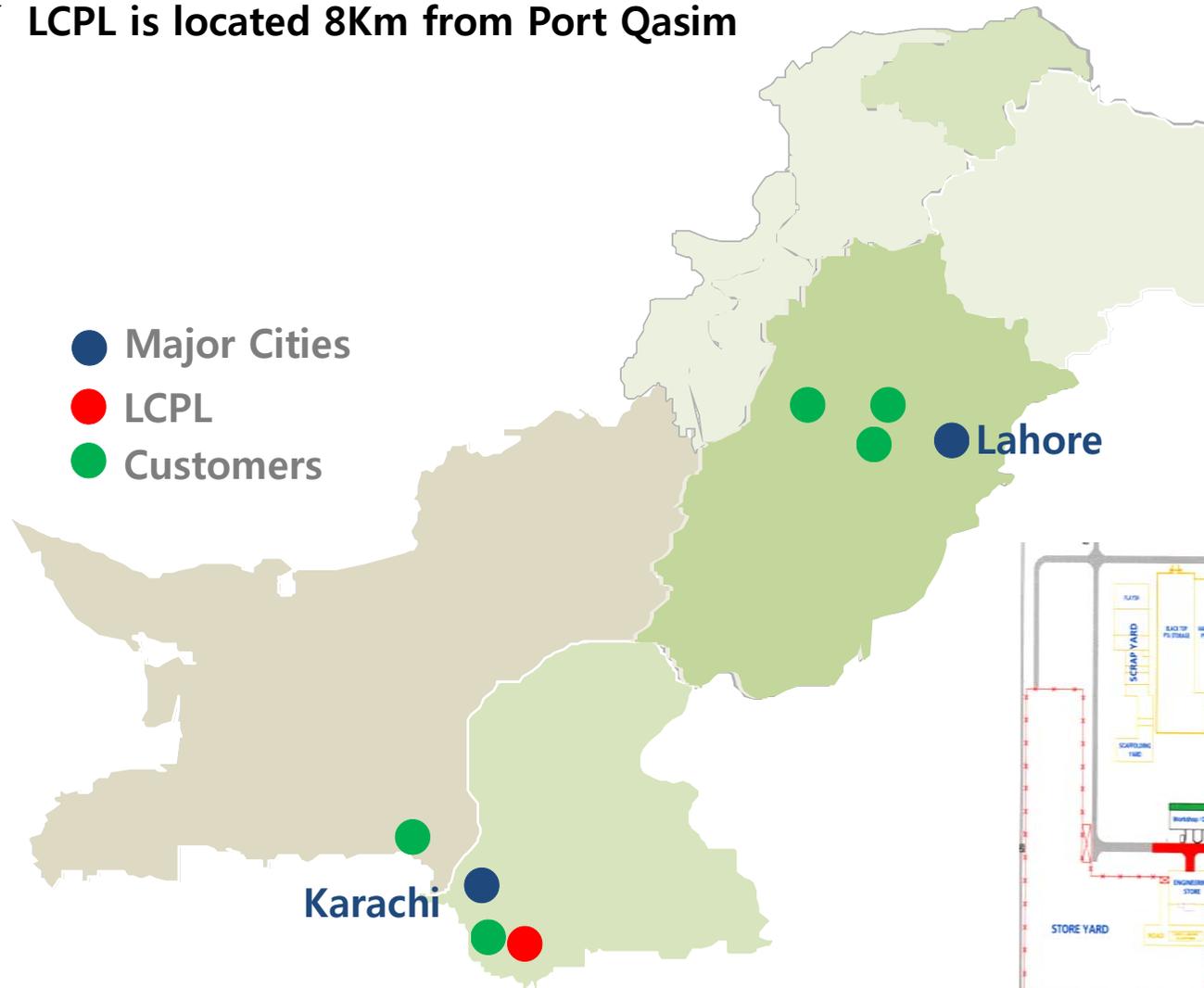
✓ ICI PTA Established in 1995 → Acquisition by LOTTE in 2009



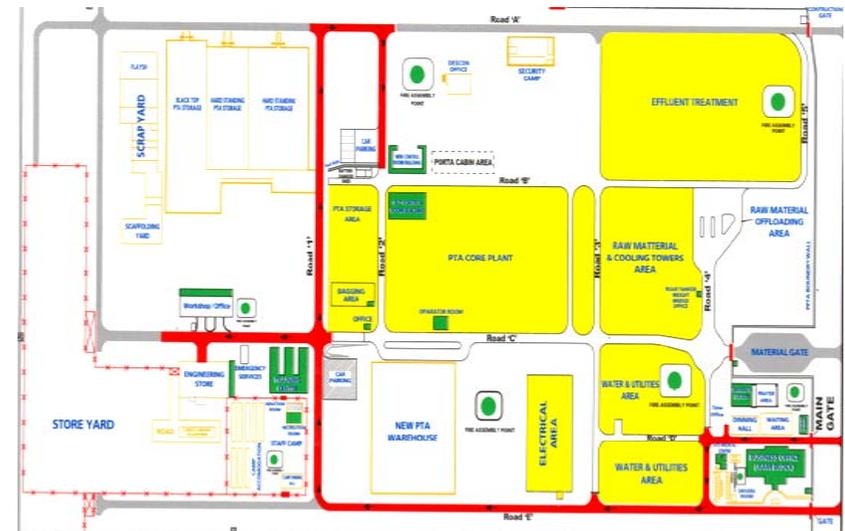
LCPL – Location and Site

More than Chemistry

- ✓ LCPL is located 50 Km from Karachi
- ✓ LCPL is located 8Km from Port Qasim



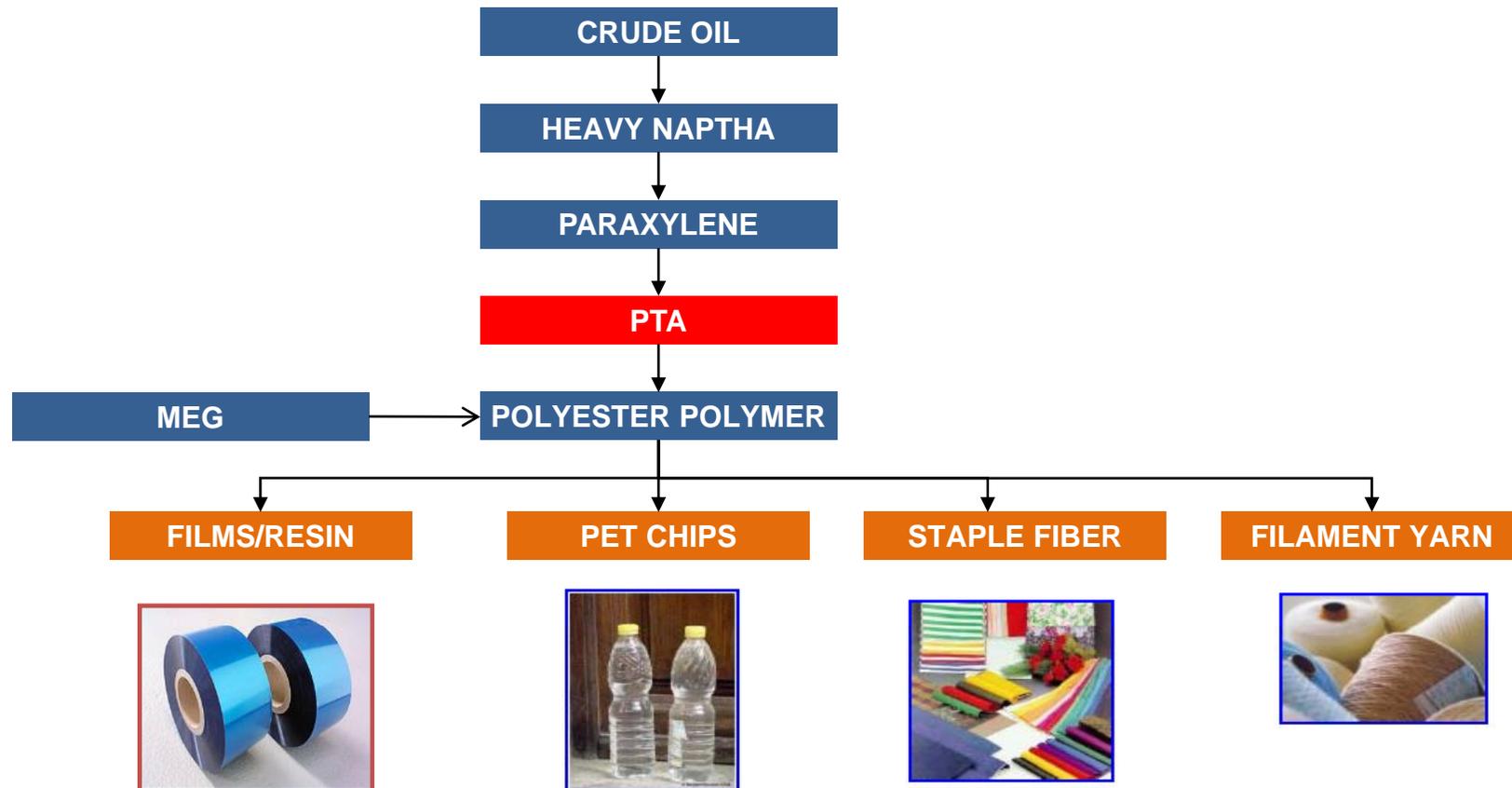
- LCPL Site Total Area 150 acres
- LCPL Plant occupies 50% area
- 50% available for future project



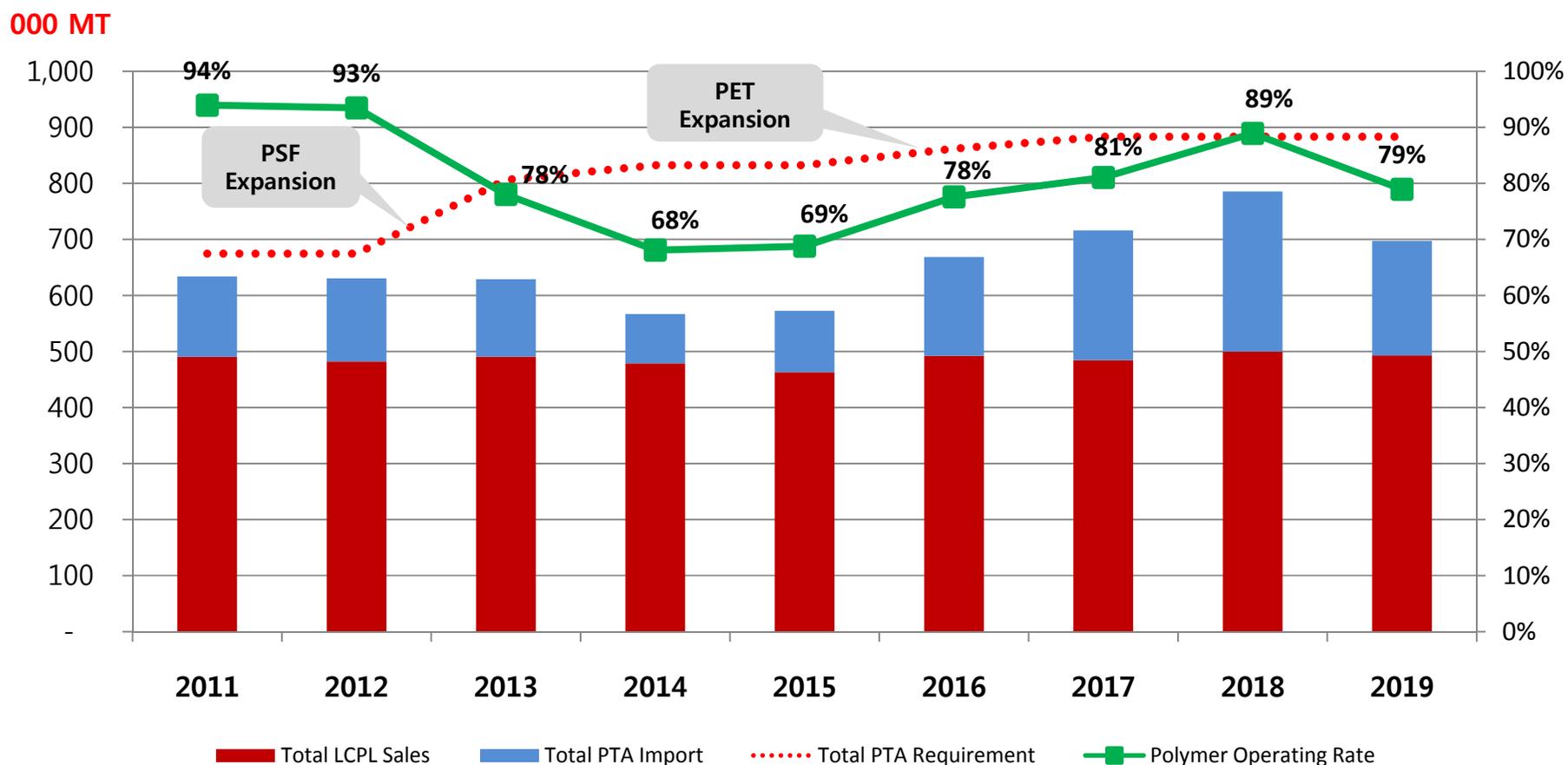
- Completed **21 years** of operations (1998-2019)
- Completed **10 years** with **LOTTE** (2009-2019)
 - Excellent Safety record : **58 million manhours** without injury
 - Excellent Operations and highly skilled workforce
 - 100 % domestic market
 - Raw-Material available in close by region



- ✓ LCPL is the only producer of PTA in Pakistan: Capacity 500 KT/Year
- ✓ LOTTE Chemical holding 75.01%
- ✓ PTA is key raw material for Textile and Packaging Industry

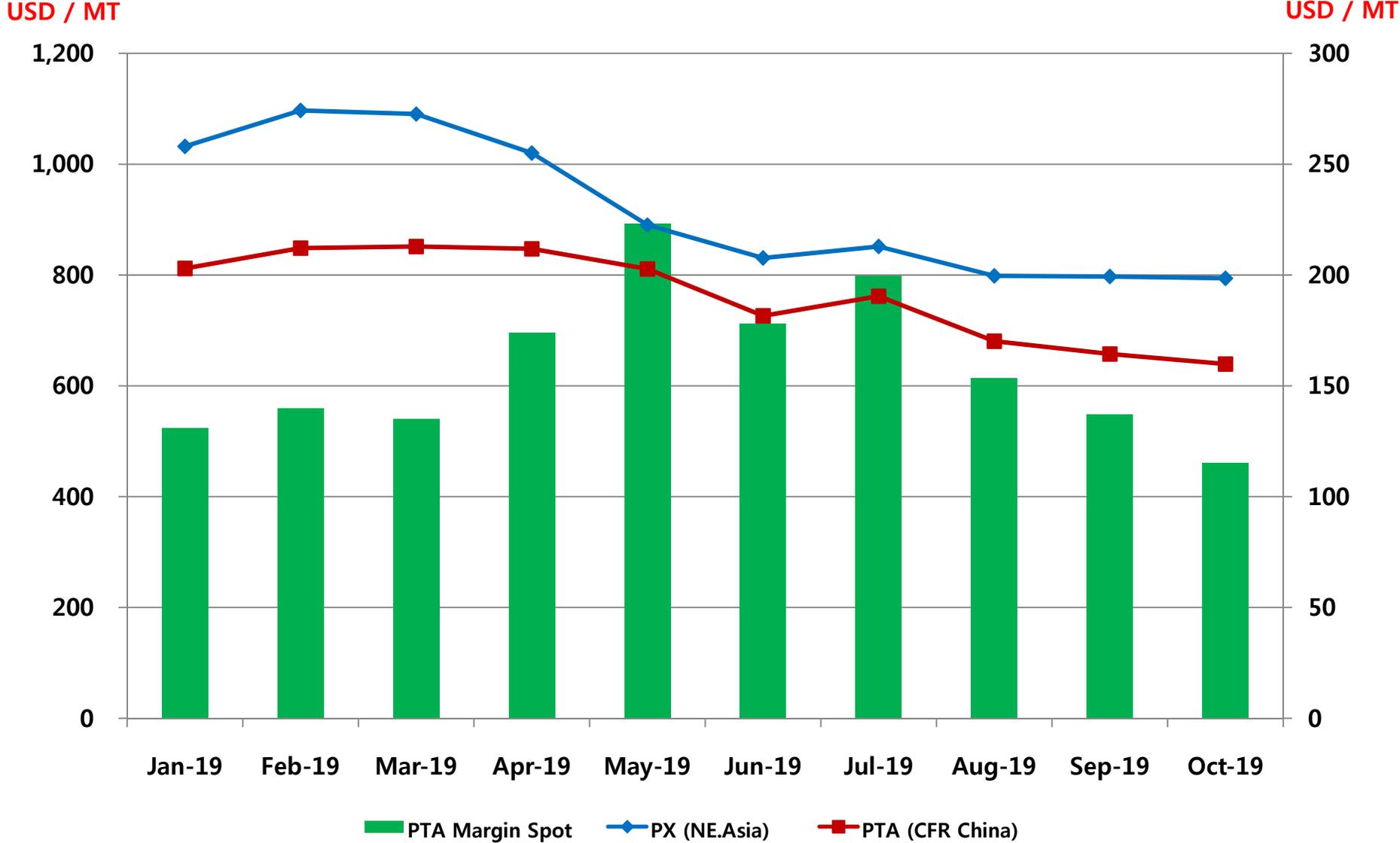


- ✓ Market witnessed healthy growth during 2015-2018
- ✓ Future PTA expansion depends primarily on demand growth and downstream expansion
- ✓ LCPL has an advantage of infrastructure and experienced team for future expansion



PTA Market - Margins

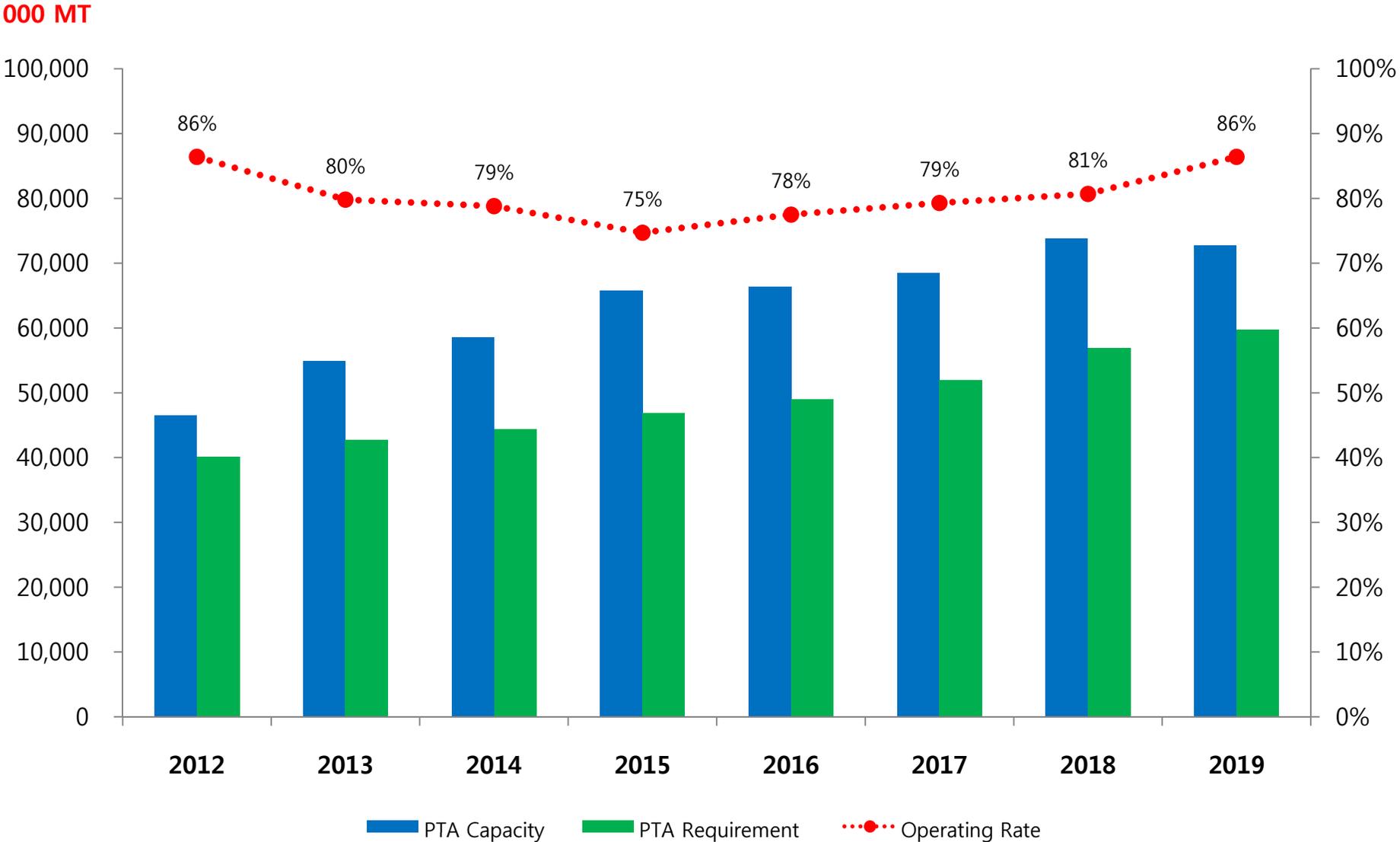
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Source: ICIS and Platts

PTA Regional Balance

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Source: PCI

Statement of Profit or Loss

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	Rs. '000			
	Quarter ended		Nine months ended	
	30 Sep 2019	30 Sep 2018	30 Sep 2019	30 Sep 2018
Revenue - net	14,427,608	16,444,852	47,617,270	42,140,134
Cost of sales	(12,052,243)	(13,508,256)	(40,762,139)	(36,369,351)
Gross profit	2,375,365	2,936,596	6,855,131	5,770,783
Distribution and selling expenses	(24,604)	(37,969)	(74,925)	(79,288)
Administrative expenses	(108,438)	(96,217)	(303,982)	(277,393)
Other expenses	(183,082)	(212,520)	(505,509)	(478,990)
Other income	372,798	121,647	799,534	338,918
Finance costs	(19,188)	(26,085)	(136,608)	(302,268)
Profit before taxation	2,412,851	2,685,452	6,633,641	4,971,762
Taxation	(730,491)	(622,977)	(1,900,796)	(1,563,797)
Profit after taxation	1,682,360	2,062,475	4,732,845	3,407,965

Amount in Rupees

Earnings per share - basic and diluted	1.11	1.36	3.13	2.25
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Statement of Financial Position (Rs 000)

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	30 Sep 2019 (Un-audited)	31 Dec 2018 (Audited)		30 Sep 2019 (Un-audited)	31 Dec 2018 (Audited)
Assets			Equity and liabilities		
Non-current assets			Share capital and reserves		
Fixed assets	4,693,789	5,142,935	Issued, subscribed and paid-up capital	15,142,072	15,142,072
Long-term loans and advances	105,958	82,912	Capital reserves	2,345	2,345
Long-term deposits and prepayments	41,536	42,149	Unappropriated profit / (accumulated losses)	2,107,653	(2,625,192)
Deferred tax assets	563,913	435,938	Total equity	17,252,070	12,519,225
	5,405,196	5,703,934			
Current assets			Liabilities		
Stores and spare parts	1,059,408	866,638	Non-current liabilities		
Stock-in-trade	5,310,448	5,238,450	Retirement benefit obligations	135,625	125,482
Trade debts	3,579,033	3,401,047	Current liabilities		
Loans and advances	32,657	27,150	Trade and other payables	11,590,649	6,682,630
Trade deposits and short-term prepayments	54,575	59,488	Accrued interest	237,384	211,018
Interest accrued on short-term fixed deposits	54,942	7,061	Unpaid dividend	-	1,703,790
Other receivables	514,685	756,689	Unclaimed dividend	24,249	31,985
Tax refunds due from government - sales tax	424,096	189,950	Taxation - provision less payments	239,725	-
Taxation - payments less provision	-	802,967		12,092,007	8,629,423
Cash and bank balances	13,044,662	4,220,756			
	24,074,506	15,570,196	Total liabilities	12,227,632	8,754,905
Total assets	29,479,702	21,274,130	Total equity and liabilities	29,479,702	21,274,130

✓ **LOTTE is actively participating in activities to serve Pakistan**



- Regular medical/eye camps for the neighboring communities
- 12 times during past 3 years (quarterly)
- 20 Students are being sponsored in TCF Schools since 2017
- 12 'Special' Children are being sponsored in Dar-ul-Sakoon
- 25 Students are benefitting from LOTTE scholarship (Karachi and Lahore)
- Relief support to persons who suffered in calamities like flood and droughts

**LOTTE
Pakistan
Foundation**

- Establishment of a CSR foundation is under review for improving LOTTE's image in Pakistan and for strengthening partnership network
- Targeting to complete the process for establishing CSR foundation within 2019 after completing all legal requirements



Thank you