



LOTTE Chemical Pakistan Limited

Corporate Briefing Session

16.11.2022

VISION

Lifetime
Value Creator

MISSION

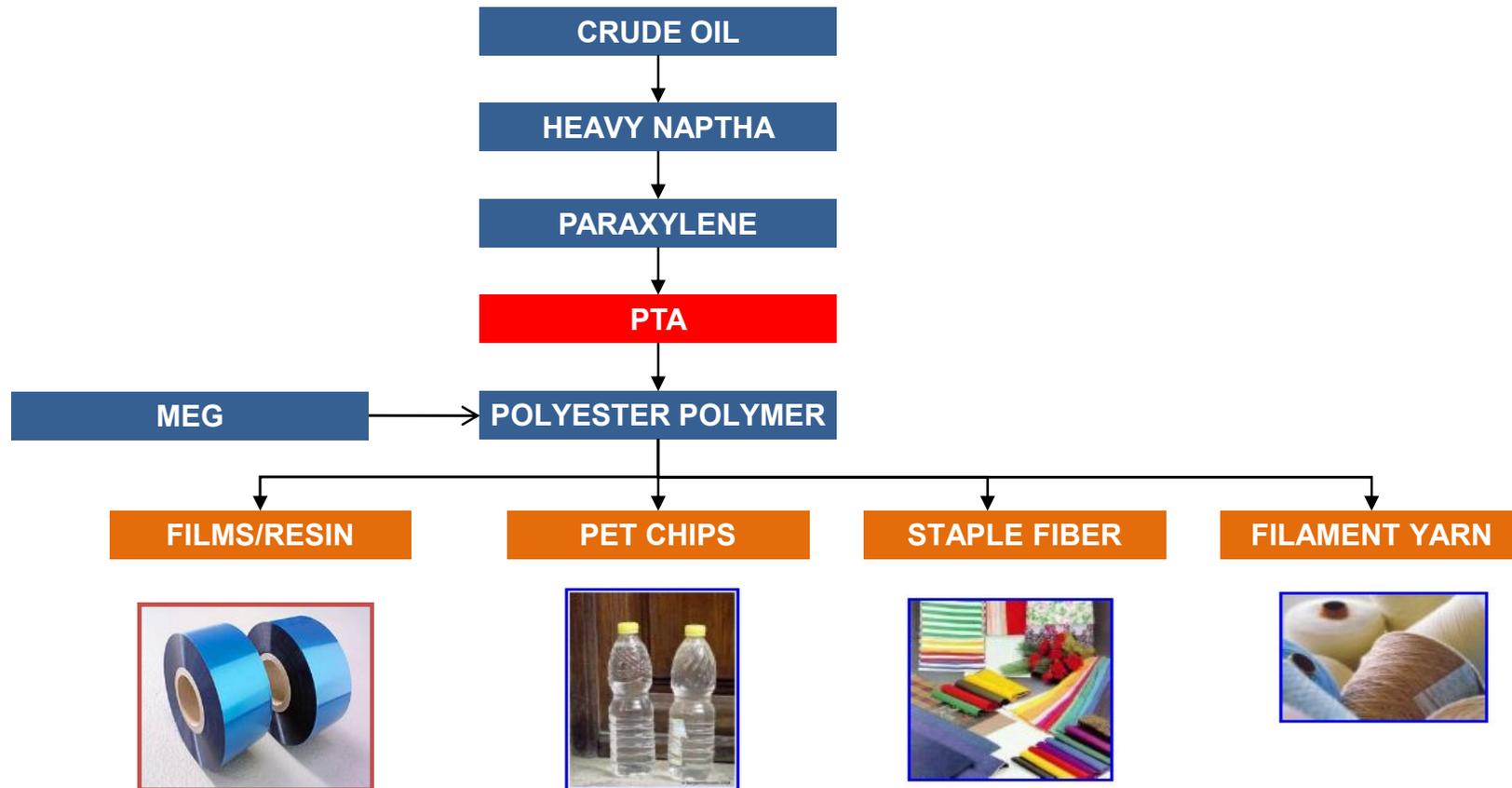
We enrich people's lives by providing superior products and services that our customers love and trust

LCPL - Business Scope

More than Chemistry



- ✓ 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



Our Mission

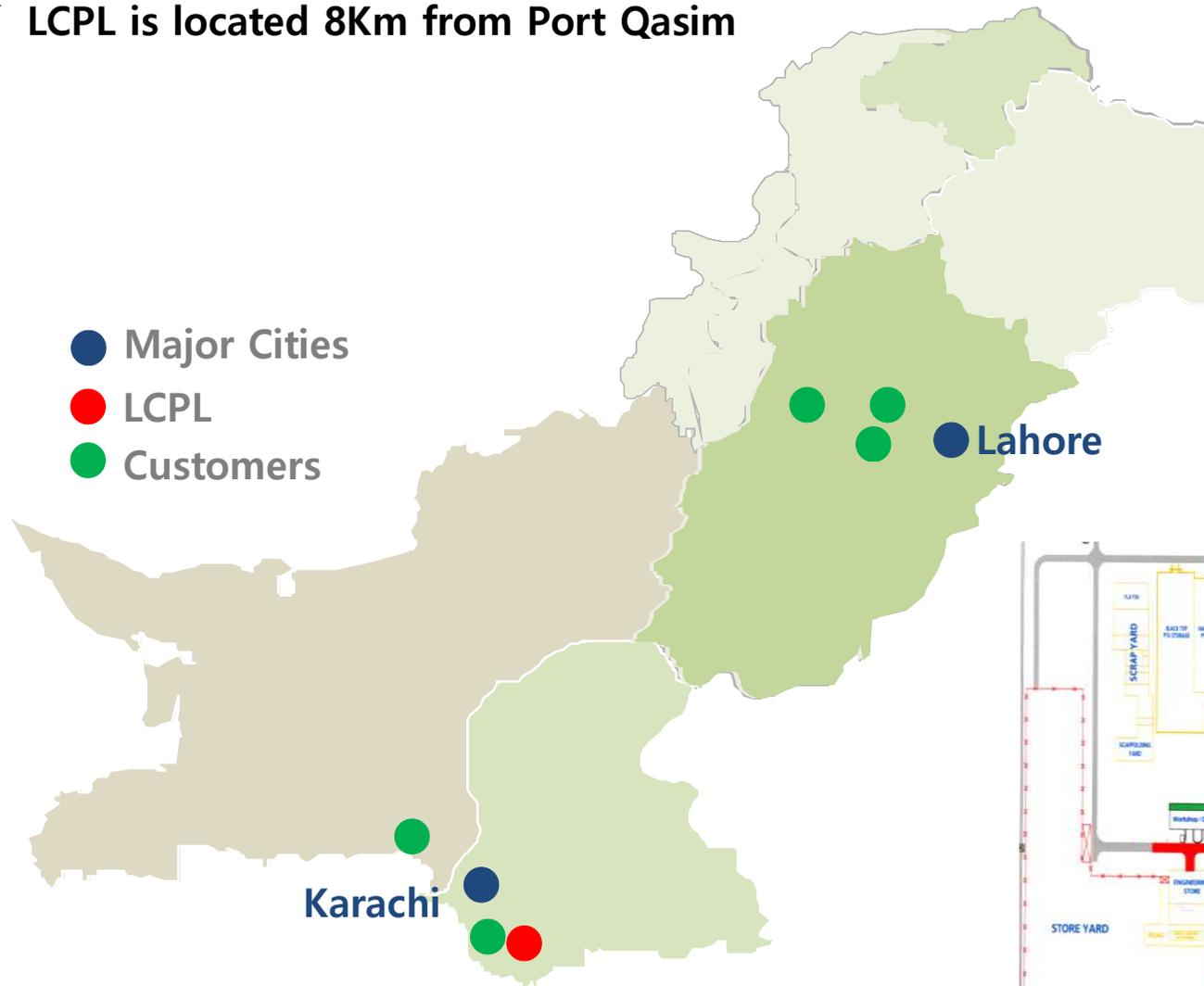
To be the supplier of choice to PTA customers in Pakistan and to maximize long-term business value



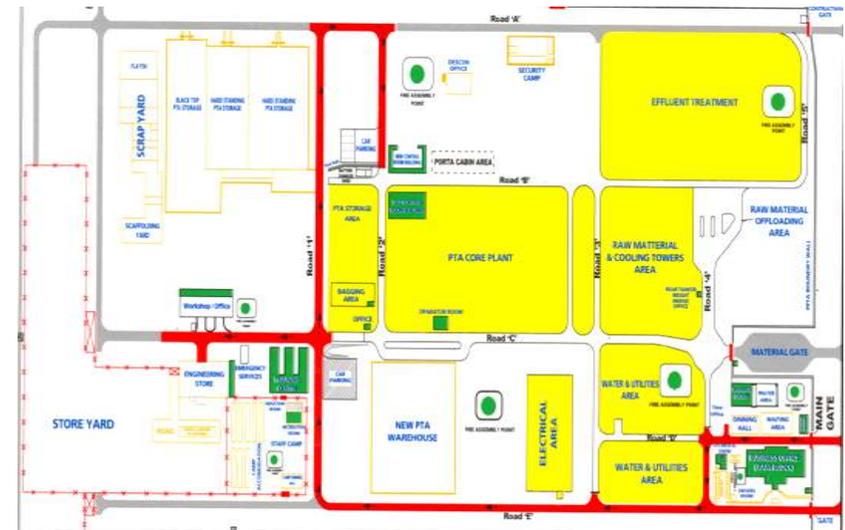
LCPL – Location and Site

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 **24 years** of operations (1998-2022)
- Completed **13 years** with **LOTTE** (2009-2022)
- Excellent Safety record : **66.7 million manhours** without injury
- Excellent Operations and highly skilled workforce
- 100 % domestic market, PX available in region
- Trading of Acetic Acid GP Rs 254m (YTD Q3 22)
- Sale of Electricity GP Rs 37m (YTD Q3 22)



Statement of Profit or Loss (Rs 000)

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	Nine months period ended 30 September		Quarter ended 30 September	
	2022	2021	2022	2021
Revenue - net	79,513,368	48,221,116	29,555,065	17,298,872
Cost of sales	(64,702,374)	(42,914,825)	(24,749,957)	(15,904,902)
Gross profit	14,810,994	5,306,291	4,805,108	1,393,970
Distribution and selling expenses	(113,624)	(85,591)	(40,500)	(27,559)
Administrative and general expenses	(427,765)	(352,985)	(176,365)	(123,561)
Other expenses	(983,106)	(345,102)	(315,016)	(69,812)
Operating profit	13,286,499	4,522,613	4,273,227	1,173,038
Other income	1,429,348	787,511	595,605	262,323
Finance cost	(1,792,345)	(778,244)	(794,696)	(576,803)
Profit before taxation	12,923,502	4,531,880	4,074,136	858,558
Taxation	(4,817,776)	(1,302,234)	(1,369,857)	(230,776)
Profit after taxation	8,105,726	3,229,646	2,704,279	627,782
Earnings per share - basic and diluted (in Rupees)	5.35	2.13	1.79	0.41

Statement of Financial Position (Rs 000)

More than Chemistry

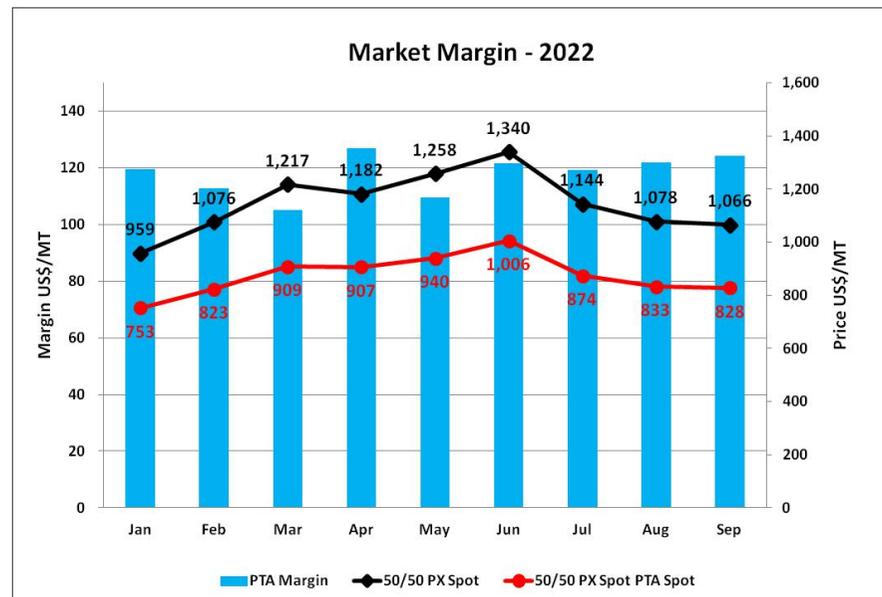


	30 Sep 2022 (Un-audited)	31 Dec 2021 (Audited)		30 Sep 2022 (Un-audited)	31 Dec 2021 (Audited)
Assets			Equity		
Non-current assets			Share capital and reserves		
Property, plant and equipment	6,292,006	6,042,602	Issued, subscribed and paid-up capital	15,142,072	15,142,072
Intangible assets	2,193	2,615	Capital reserves	2,345	2,345
Right-of-use assets	1,172,703	1,217,305	Revenue reserve - Unappropriated profit	5,880,999	3,832,102
Long-term loans	145,380	124,336	Total equity	21,025,416	18,976,519
Long-term prepayments	450	662			
Deferred taxation - net	1,466,503	931,370	Liabilities		
	9,079,235	8,318,890	Non-current liabilities		
Current assets			Retirement benefit obligations	160,130	150,166
Stores and spare parts	1,278,004	1,244,627	Lease liability	1,750,580	1,539,767
Stock-in-trade	8,673,045	5,848,592		1,910,710	1,689,933
Trade debts	13,515,619	4,295,961	Current liabilities		
Loans and advances	50,278	50,616	Trade and other payables	15,808,873	15,060,853
Trade deposits and short-term prepayments	135,781	80,178	Lease liability	308,523	220,118
Interest accrued	1,690	45,954	Accrued interest	346,763	268,571
Other receivables	1,342,271	721,706	Unclaimed dividend	10,984	11,014
Short-term investments - at amortised cost	6,388,529	15,259,350	Unpaid dividend	4,600,732	30,597
Sales tax refunds due from government	460,824	330,918	Taxation - net	1,076,411	-
Taxation - net	-	14,490		22,152,286	15,591,153
Cash and bank balances	4,163,136	46,323	Total liabilities	24,062,996	17,281,086
	36,009,177	27,938,715			
Total assets	45,088,412	36,257,605	Total equity and liabilities	45,088,412	36,257,605

Market Overview



- Paraxylene (PX) prices tumbled during the third quarter on the back of weak upstream Crude Oil market amid sluggish demand due to recessionary fears elicited by the slowing economic growth and the continued lockdowns in China.
- The PTA market trended lower tracking the movement in the PX market amid weak indigenous supply/demand fundamentals. Lack of recovery in PTA operations was mainly due to poor global demand inundated by recession fears, persistent lockdowns in China and the resulting high inventories in the polyester chain.
- The domestic polyester market operated at a rate a 80% during the third quarter of 2022 owing to curtailed supply of utilities for the industry.
- Fluctuation in exchange rates as well as inflationary pressures dampened the demand outlook citing lack of or postponement of export orders. Furthermore, floods in southern parts of the country led to disruption of inland logistics, further antagonizing producer woes.
- PTA demand from the domestic market is expected to remain depressed which may also impact LCPL sales in last quarter.



LOTTE Partnership with Pakistan



LOTTE Pakistan Foundation is actively participating in social activities to serve Pakistan



- LOTTE Pakistan Foundation donated **PKR 23 million** to support Pakistan against Flood Relief (including Food Hampers to Pakistan Red Crescent Society for Sindh / Baluchistan)
- LOTTE Pakistan Foundation donated **PKR 6 million** to Al Khidmat Foundation Pakistan & Memon Health & Deduction Foundation **60 Students** are being sponsored in TCF Schools
- **43 Students** are being sponsored in The Holy Mountain School.
- **28 Students** are benefitting from LOTTE scholarship for university education
- Go Green Initiative: Donated **27,000 plants** to Pakistan Air force Jacobabad, Pakistan Navy, NUST, BQATI, and others to promote tree plantation and reduce carbon burden on Earth

Q & A



Thank you