

Security Analyst Briefing 1H 2017

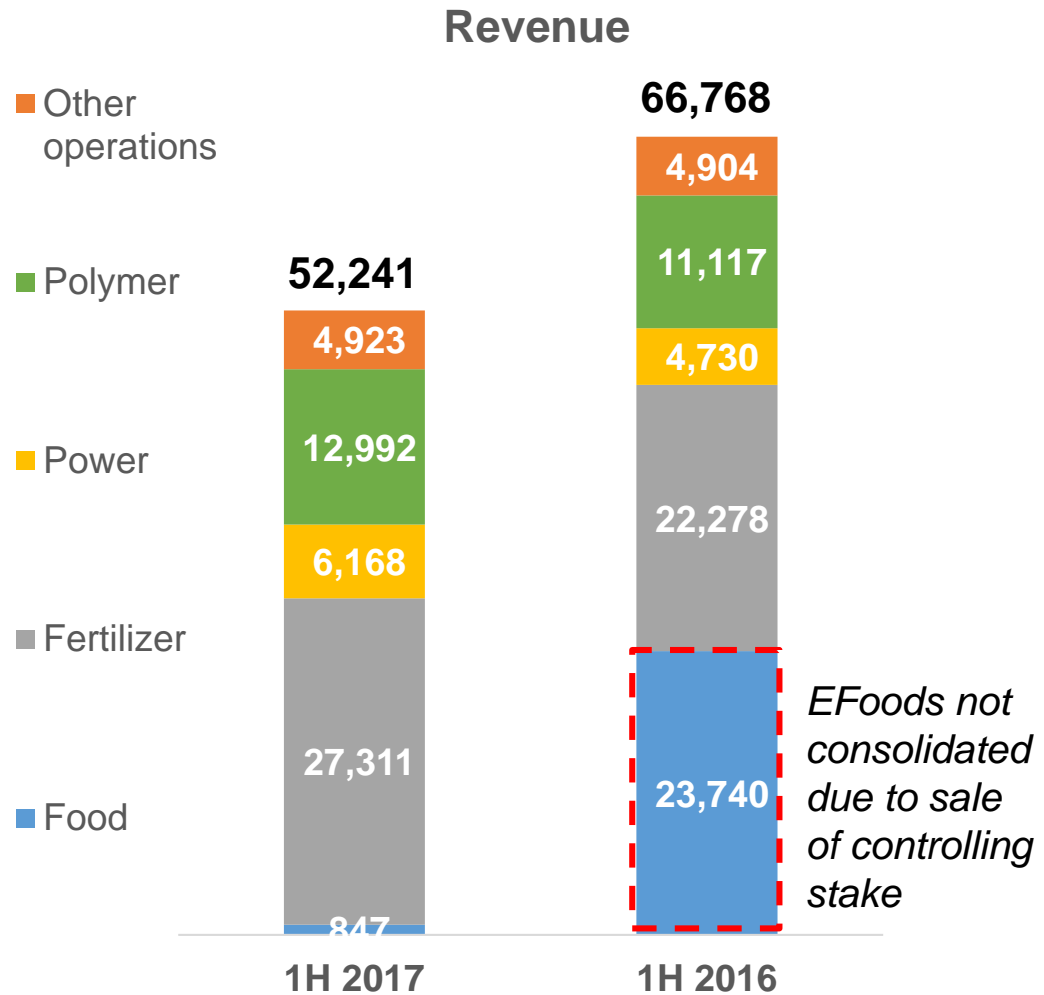
ECorp Consolidated - Business Highlights 1H 2017

August 2017



ECorp Consolidated - Business Highlights 1H 2017

Amounts in PKR Mn

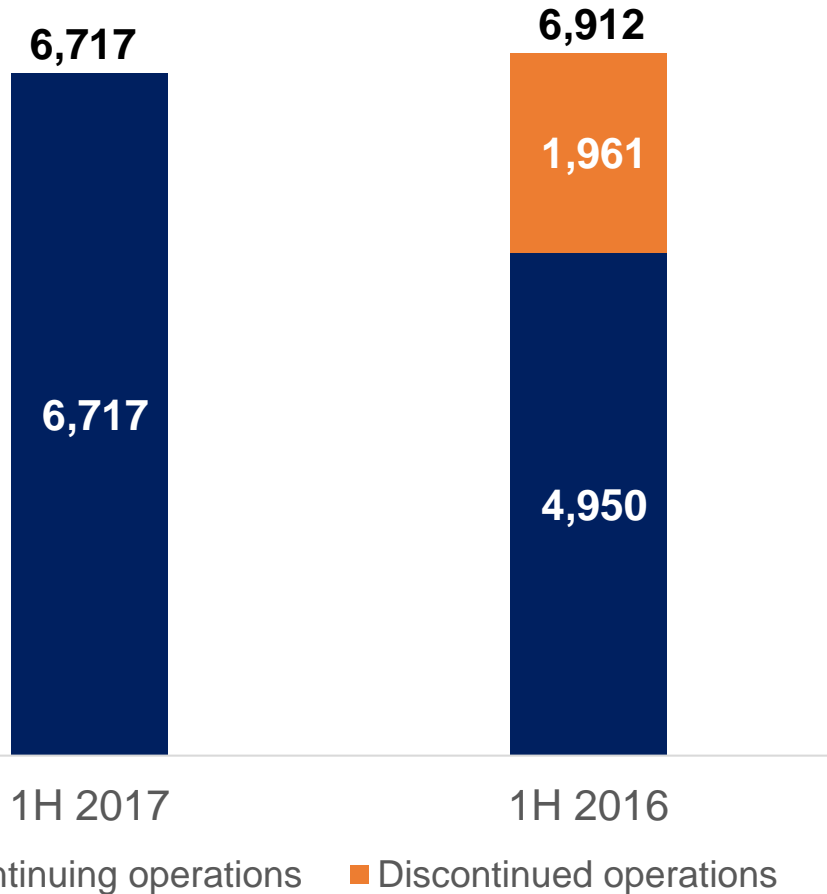


Revenue decreased by 22% from comparative period primarily caused by partial divestment of Engro Foods at the end of 2016, however, this was partially offset by:

- higher Urea sales as a result of exports and improvement in local offtake in anticipation of subsidy reduction;
- higher PVC sales on account of infrastructure and construction activities;
- higher power generation as Guddu had a fire incident last year.

ECorp Consolidated - Business Highlights 1H 2017

Amounts in PKR Mn



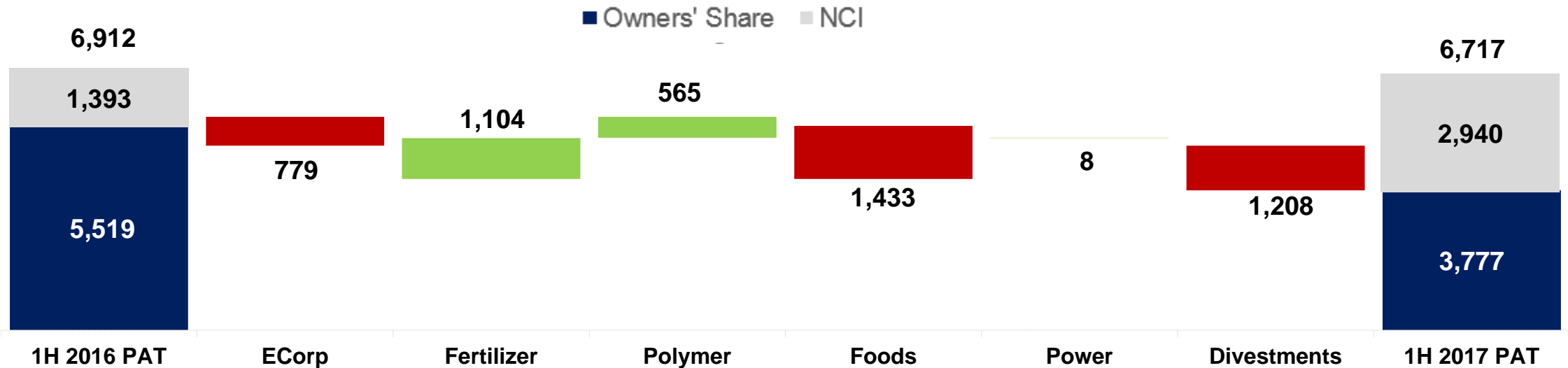
Profit from Continuing Operations increased by 36% over comparative period due to:

- Strong performance of EFert on account of higher urea sales; and
- Significantly superior performance by EPolymer due to improvement in market fundamentals and manufacturing efficiencies

The Company announced a 2nd interim dividend of Rs. 7/share with 1H 2017 results, bringing the total to Rs. 12/share for the year ending December 31, 2017.

ECorp Consolidated - Business Highlights 1H 2017

Amounts in PKR Mn

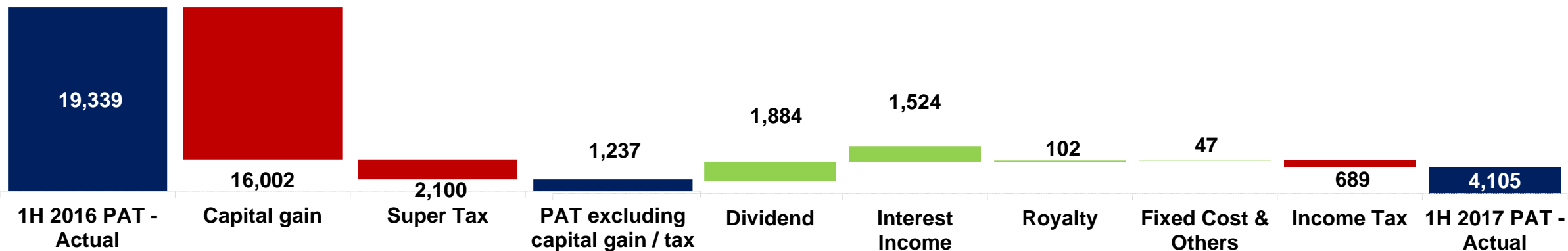


ECorp	One-off Super Tax provision on capital gains of prior years due to Super Tax re-imposition vide Finance Act 2017. Adverse tax impact was partially offset by interest income on surplus liquidity
Fertilizer	Exports & higher local volumes enabled the business to increase bottom line
Polymer	Healthier core delta, manufacturing efficiencies and improvement in market fundamentals resulted in significantly superior performance
Foods	Lower volumes across the dairy portfolio resulted in reduced performance slightly offset by better performance by rice business
Divestments	Impact due to ECorp lower shareholding owing to divestments in EFert, Efoods & Elengy during 2016



ECorp Standalone - 1H 2017

Amounts in PKR Mn



Capital Gains	Capital gain of PKR 16bn on partial disposal of EFert during 1H 2016
Super Tax	Provision made against Super Tax (levied vide Finance Act 2017) pertaining to capital gain on EFoods and EFert partial divestments
Dividend	Higher dividend income received from EFoods and EFert
Interest Income	Interest income due to liquidity arising from partial EFert and EFoods divestments
Royalty	Higher royalty on account of increased fertilizers sales
Income Tax	Removal of exemption of tax on intercorporate dividends and increased tax on higher interest income

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Fertilizers

August 2017



Fertilizers – Business Highlights

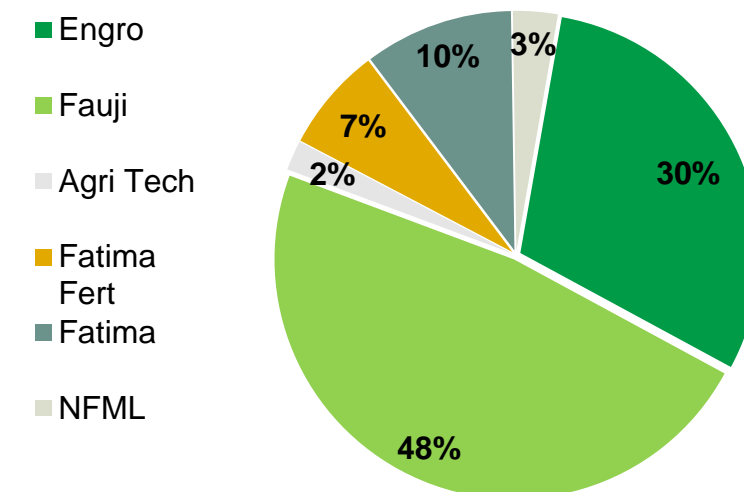


	1H 2017	1H 2016
Profit-after-tax (PKR in million)	4,116	2,817
Dividend (PKR/share)	2.50	2.00

- Sales revenue of the Fertilizer business was PKR 27,311million for 1H 2017, up 23% as compared to same period last year. Improved sales revenue is primarily due to stable fertilizer prices and higher urea offtake
- EFert profit-after-tax (PAT) witnessed an increase of 46% from previous period. Higher profitability was led by exports and higher sales on the back of anticipated reduction of subsidy from PKR 156/Bag to PKR 100/bag from July onwards
- Recovery of subsidy and GST refunds remains an issue, with subsidy and GST receivable clocking in at PKR 7.8B at period end
- EFert continues to withhold GIDC on all non-concessionary gases in lieu of the interim order by the Sindh High Court in October 2016, striking down the GIDC Act
- EFert had also obtained a stay order against GIDC applicability on concessionary gas in 2015, and therefore, no GIDC is being paid or accrued for concessionary gas supplied to the new urea plant

Urea Inventory (KT)			
Particulars	1H 2017	1H 2016	Change
Opening	1,043	558	
Production	2,889	2,944	-0.2%
Exports	123	0	
Sales	2,683	1,824	47%
Closing	1,113	1,667	

1H 2017 Urea Market Share



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Petrochemicals

August 2017

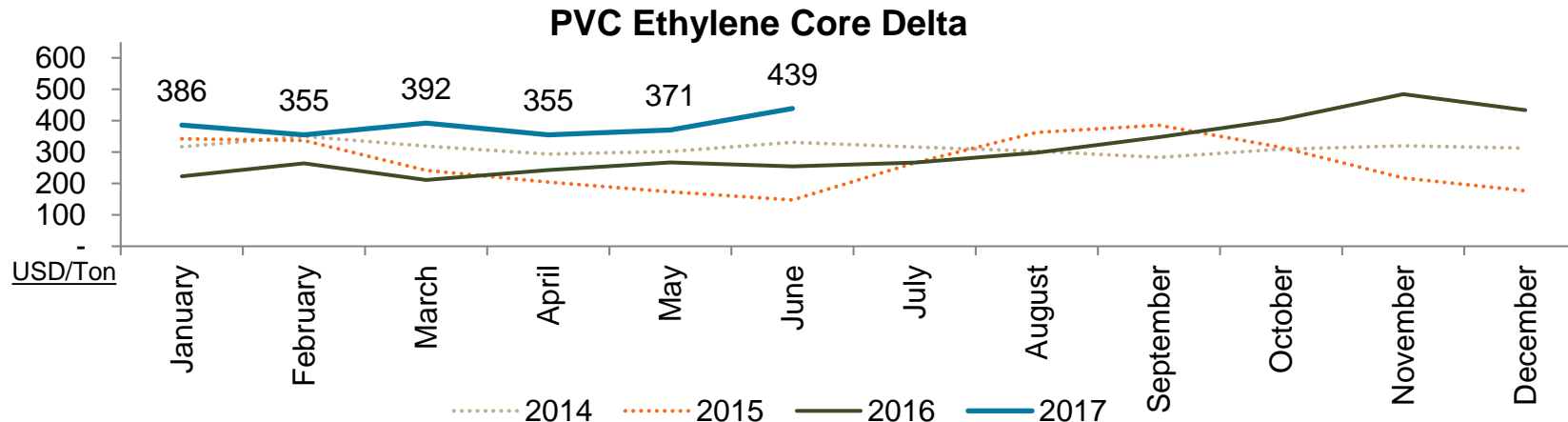
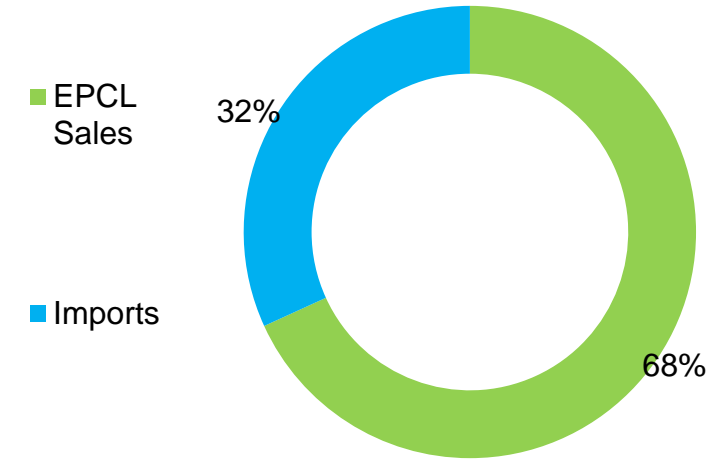


Petrochemicals – Business & Industry Highlights

- EPolymer posted a PAT of PKR 1,046 million for 1H 2017 versus PKR 40 million in the comparative period
- Market grew by approximately 23%* in 1H 2017 compared to the same period last year. EPolymer sales increased by 15% against comparative period
- EPolymer maintained operational excellence and achieved highest ever PVC & VCM production for first half of the year
- Regulatory duty of 2% imposed on imports of PVC. In addition to this, preliminary anti-dumping duties have also been imposed on import of PVC resin. Both these steps will be beneficial for growth of local PVC manufacturing.



PVC Market Share



* Internal estimates

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Power Generation

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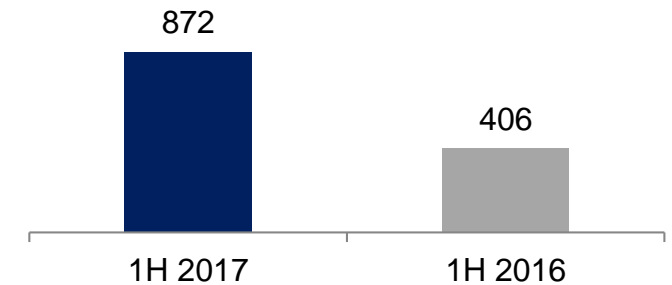
Engro Powergen Qadirpur – Business Highlights



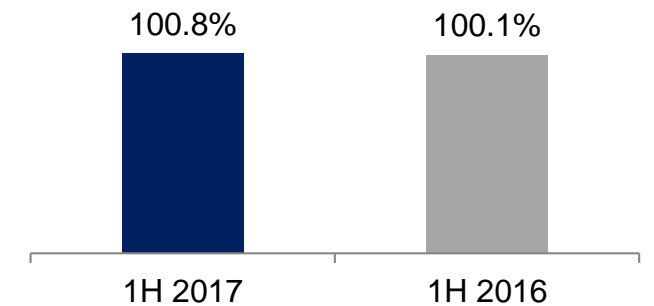
	1H 2017	1H 2016
Profit-after-tax (PKR in million)	1,546	1,245
Dividend (PKR/share)	1.75	1.50

- Increase in Net Electrical Output as compared to previous period as last year, the auto transformer of power purchaser’s (NTDC) caught fire, forcing the EPQL power plant to remain on standby mode for approx. 100 days
- Management negotiated PKR 110million from insurance against the damages due to Guddu transformer failure
- Overall Liquidity remains under control

Net Electrical Output (GWh)



Billable Availability Factor



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Chemical Storage & Handling LNG

August 2017



Chemical Storage & Handling LNG – Business Highlights



Engro Vopak Terminal

- Actual throughput for the period was 733 kT vs 674 kT in 2016. Increase is mainly attributable to higher import of LPG and Chemicals during the period
- Business remained stable throughout the period and posted steady profit

Elengy Terminal

- During the period, SSGC started utilizing additional 200 mmscfd of LNG regasification capacity from January 2017
- LNG terminal handled 34 cargoes of LNG during 1H 2017 vs. 20 cargoes during comparative period and delivered 100.9 bcf re-gasified LNG into the SSGC network.
- SSGC nomination was successfully met throughout the period. Availability remained at 97.2% for the period
- Profitability continued to be healthy

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Thar Power Project

August 2017



Thar Coal Mining & Power Project Update

- The projects envisage a 6.5 million tons per annum mine under Sindh Engro Coal Mining Company (SECMC) in the first phase and the development of 2 x 330 MW mine mouth power plants under Engro Powergen Thar
- Overall progress is ahead of schedule.
- Progress on all project fronts continues at a steady pace.

Steam Turbine – Aerial View



Circulating Water Pump House Structure – Aerial View



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Questions & Answers

August 2017

