



# **LOTTE Chemical Pakistan Limited**

## **Corporate Briefing Session**

**11.11.2021**

**VISION**

Lifetime  
**Value** Creator

**MISSION**

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

# LOTTE has grown to be the 5<sup>th</sup> largest group in Korea

## Recent M&A (2009~2017)

### FY 2009

- Doosan Liquor
- Pakistan PTA**
- Indonesia MAKRO
- China Times
- KIRIN Foods
- MYBi
- Sambak LFT
- Cosmo Asset MGT
- Haitai Beverage (CH Beverage)

### FY 2010

- UK LCUK
- Buy The Way (CVS)
- GS Dept Store
- AK Dutyfree
- EB Card
- Japan BurgerKing
- China Luckypai Homeshopping
- Deck Air
- Philippines PCPPI
- Malaysia Titan
- Pasteur (Dairy)
- NCF (Nice Claup)

### FY 2011~2013

- Kolson**
- Hyundai Information Tech
- MHUB
- Chungbuk Soju
- CS Retail
- Icheon Distribution Center
- Grand Department Store
- Himart
- Vietnam Legend Hotel
- Rakhat Confectionary
- Myanmar Hotel

### FY 2014

- LOTTE MGS Beverage Myanmar
- LOTTE Nestle Korea (JV)
- Hyundai Logistics

### FY 2015

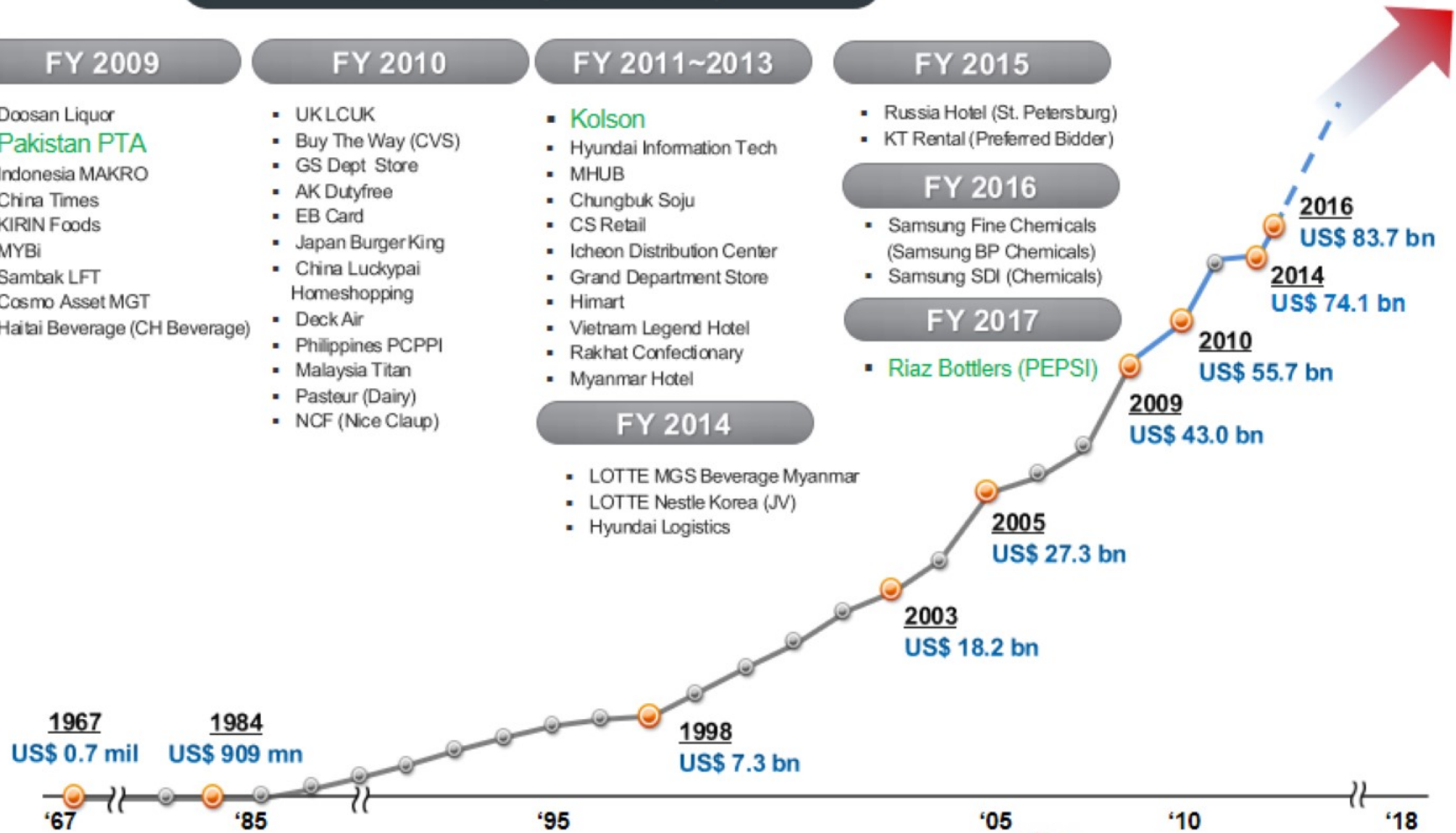
- Russia Hotel (St. Petersburg)
- KT Rental (Preferred Bidder)

### FY 2016

- Samsung Fine Chemicals (Samsung BP Chemicals)
- Samsung SDI (Chemicals)

### FY 2017

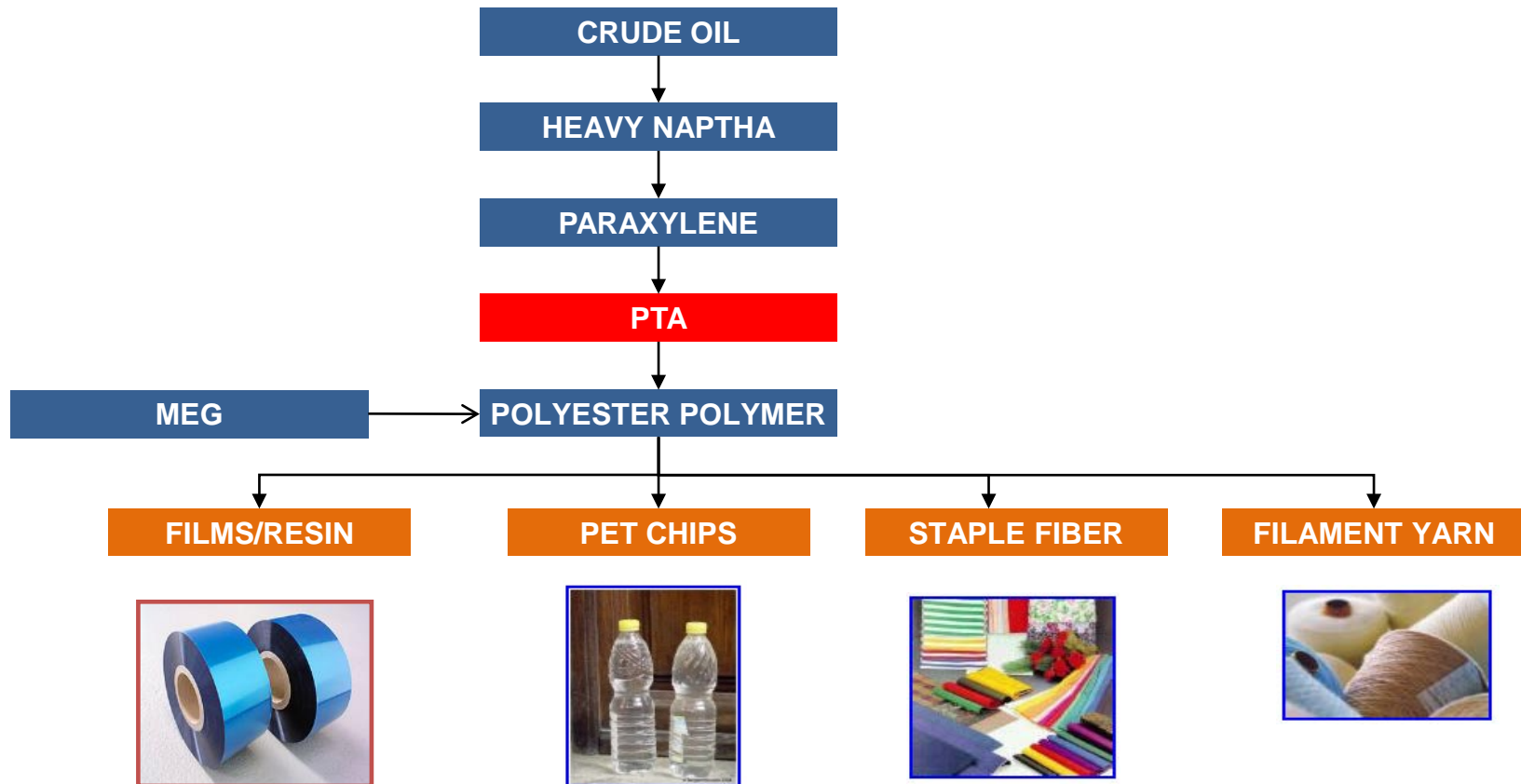
- Riaz Bottlers (PEPSI)**



\* 1USD = 1,100 KRW



- ✓ 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

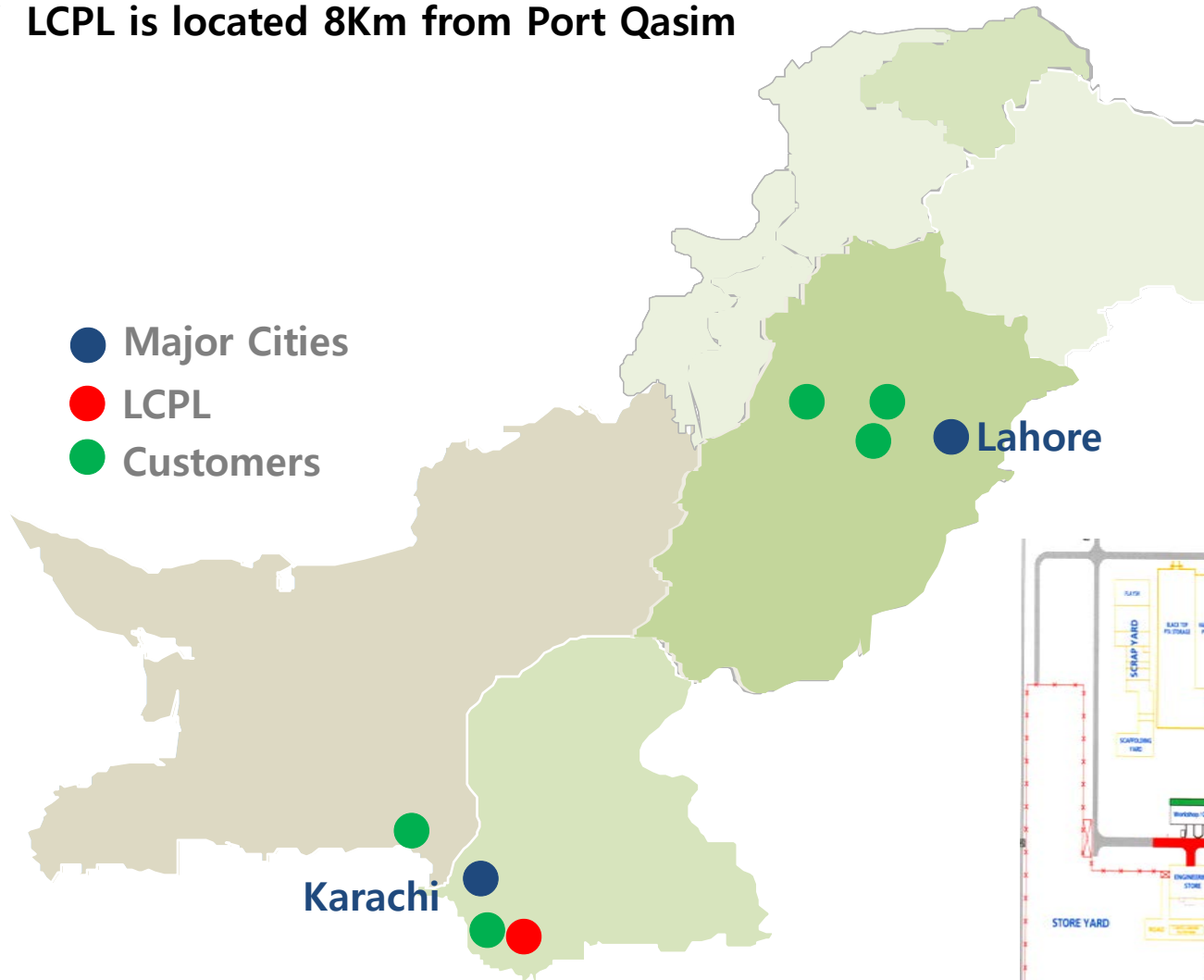
To be the supplier of choice to PTA customers in Pakistan and to maximize long-term business value





# LCPL – Location and Site

- ✓ 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



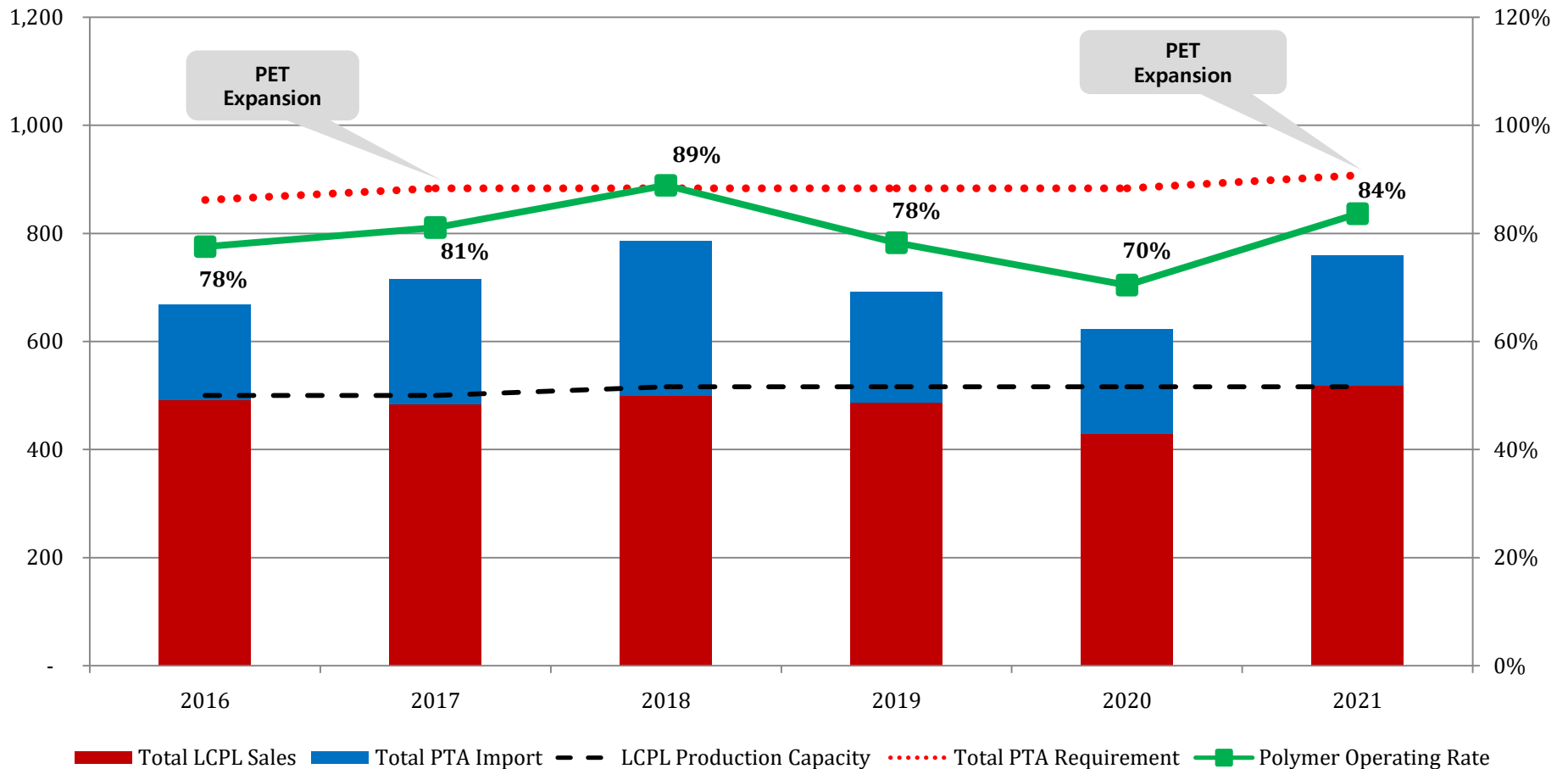
- Completed **23 years** of operations (1998-2021)
- Completed **12 years** with **LOTTE** (2009-2021)
- Excellent Safety record : **64 million manhours** without injury
- Excellent Operations and highly skilled workforce
- 100 % domestic market, PX available in region
- Trading of Acetic Acid GP Rs 219m (YTD Q3 21)
- Sale of Electricity GP Rs 53m (YTD Q3 21)





- ✓ With decline in Covid cases PTA demand has improved in 2021
- ✓ Future PTA expansion depends primarily on downstream expansion and GoP Policy
- ✓ LCPL has an advantage of infrastructure and experienced team for future expansion

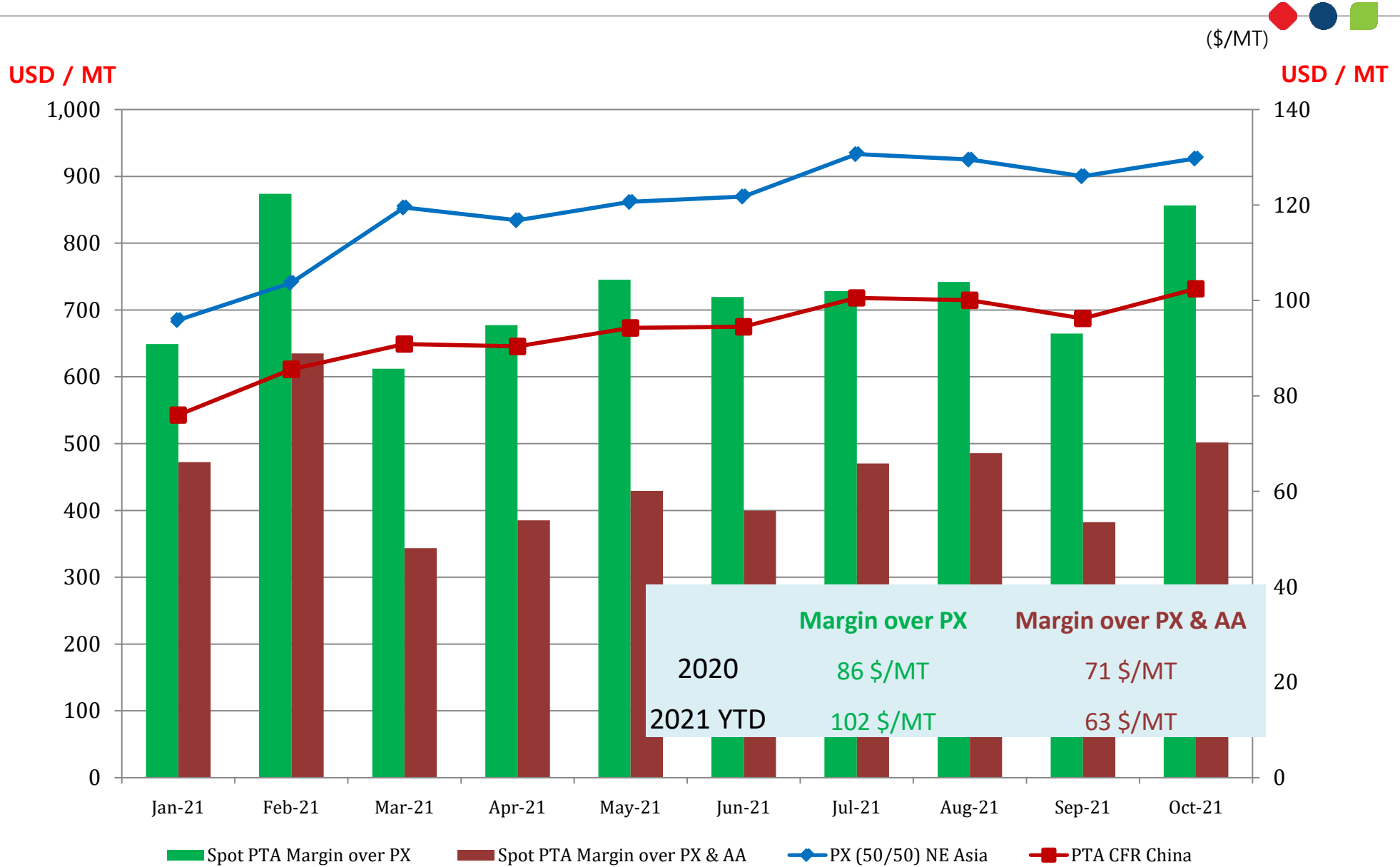
(‘000 MT)





# PTA Margin over Paraxylene (PX) & Acetic Acid (AA)

More than Chemistry



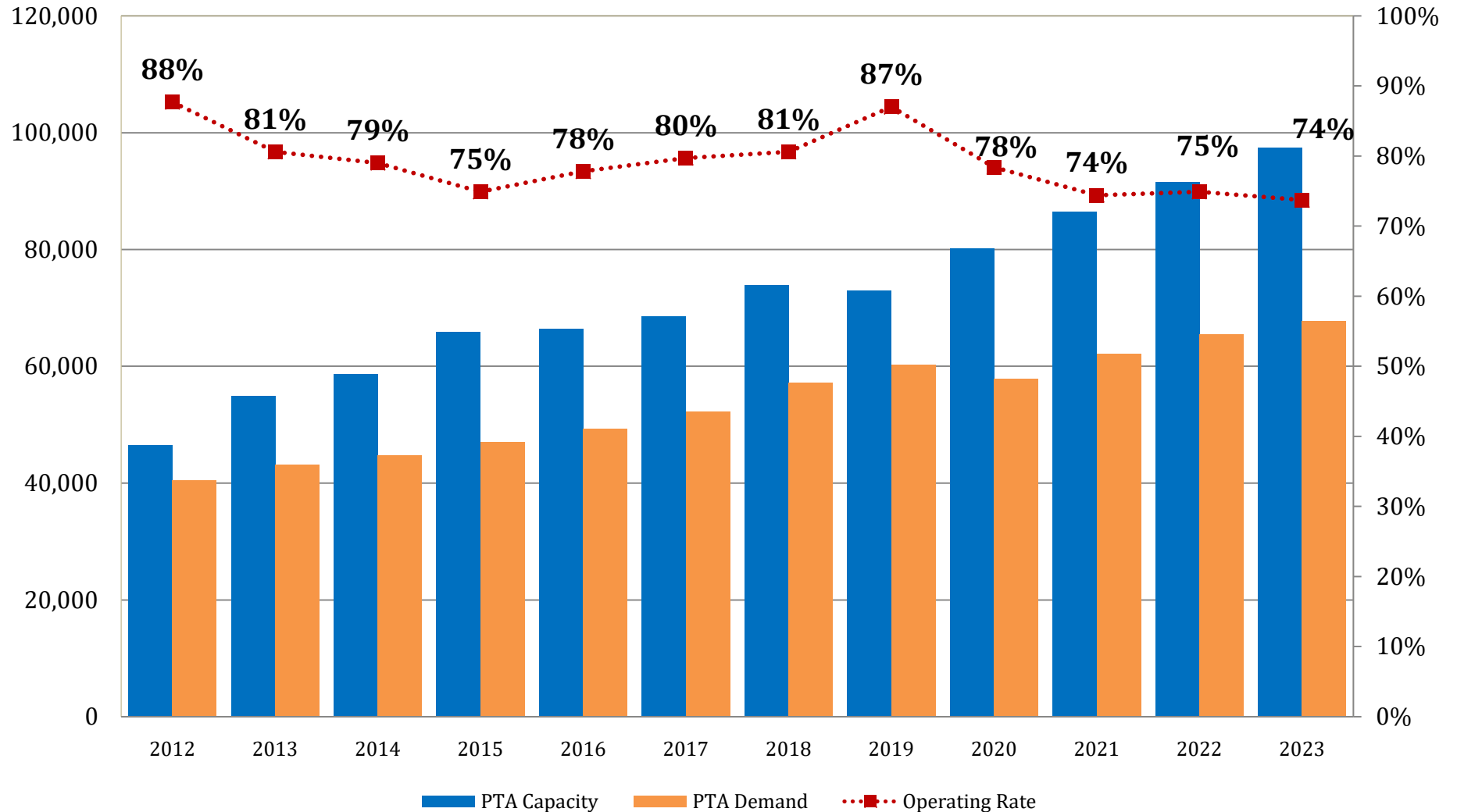
\* AA Avg. price 2020 - \$371/MT; 2021 (YTD) - \$967 /MT

# Regional PTA Capacity, Demand, Operating Rate

More than Chemistry



'000 MT



Source: Wood Mackenzie

# Statement of Profit or Loss (Rs 000)

More than Chemistry



	Nine months period ended 30 September		Quarter ended 30 September	
	2021	2020	2021	2020
		<i>Restated</i>		<i>Restated</i>
Revenue - net	48,221,116	26,986,936	17,298,872	10,864,608
Cost of sales	(42,914,825)	(25,765,838)	(15,904,902)	(9,524,623)
<b>Gross profit</b>	<b>5,306,291</b>	<b>1,221,098</b>	<b>1,393,970</b>	<b>1,339,985</b>
Distribution and selling expenses	(85,591)	(80,847)	(27,559)	(28,583)
Administrative expenses	(351,288)	(318,084)	(123,508)	(110,221)
Other expenses	(436,018)	(244,051)	(97,559)	(101,497)
Other income	876,730	886,813	290,017	266,043
Finance cost	(778,244)	(174,408)	(576,803)	(37,810)
<b>Profit before taxation</b>	<b>4,531,880</b>	<b>1,290,521</b>	<b>858,558</b>	<b>1,327,917</b>
Taxation	(1,302,234)	(423,208)	(230,776)	(377,225)
<b>Profit after taxation</b>	<b>3,229,646</b>	<b>867,313</b>	<b>627,782</b>	<b>950,692</b>
Earnings per share - basic and diluted (in Rupees)	2.13	<i>Restated</i> 0.57	0.41	<i>Restated</i> 0.63

# Statement of Financial Position (Rs 000)

More than Chemistry



	30 Sep 2021 (Un-audited)	31 Dec 2020 (Audited)
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	5,817,552	4,990,862
Intangible assets	2,759	20
Right-of-use assets	1,275,059	1,448,323
Long-term loans	127,865	125,302
Long-term prepayments	775	1,222
Deferred taxation - net	940,513	778,519
	<b>8,164,523</b>	<b>7,344,248</b>
<b>Current assets</b>		
Stores and spare parts	1,217,689	965,528
Stock-in-trade	4,797,420	4,298,785
Trade debts	5,230,382	2,998,642
Loans and advances	40,337	42,833
Trade deposits and short-term prepayments	99,774	99,098
Interest accrued	22,741	120,908
Sales tax refunds due from government	564,167	362,923
Taxation - net	-	215,885
Other receivables	359,984	12,277
Short-term investments - at amortised cost	15,886,057	14,999,418
Cash and bank balances	38,411	35,588
	<b>28,256,962</b>	<b>24,151,885</b>
<b>Total assets</b>	<b>36,421,485</b>	<b>31,496,133</b>

	30 Sep 2021 (Un-audited)	31 Dec 2020 (Audited)
<b>Equity</b>		
<b>Share capital and reserves</b>		
Issued, subscribed and paid-up capital	15,142,072	15,142,072
Capital reserves	2,345	2,345
Revenue reserve - Unappropriated profit	4,698,565	2,604,574
<b>Total equity</b>	<b>19,842,982</b>	<b>17,748,991</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Retirement benefit obligations	135,592	125,787
Provision for GIDC	1,397,916	1,723,961
Lease liability	1,540,715	1,582,188
	<b>3,074,223</b>	<b>3,431,936</b>
<b>Current liabilities</b>		
Trade and other payables	12,991,843	9,863,361
Lease liability	207,209	177,625
Accrued interest	259,463	242,930
Unclaimed dividend	11,100	10,316
Unpaid dividend	21,905	20,974
Taxation - net	12,760	-
	<b>13,504,280</b>	<b>10,315,206</b>
<b>Total liabilities</b>	<b>16,578,503</b>	<b>13,747,142</b>
<b>Total equity and liabilities</b>	<b>36,421,485</b>	<b>31,496,133</b>



## ✓ LOTTE Pakistan Foundation is actively participating in activities to serve Pakistan



- LOTTE Pakistan Foundation has donated a package of **PKR 36** million to support Pakistan fight against Covid-19
- LOTTE Pakistan Foundation has donated to Al Khidmat Foundation Pakistan & Memon Health & Deduction Foundation **PKR 6** million
- **60 Students** are being sponsored in TCF Schools since 2021
- **4 'Special' Children** are being sponsored in Dar-ul-Sakoon
- **43 Students** are being sponsored in The Holy Mountain School.
- **28 Students** are benefitting from LOTTE scholarship for university education
- **Go Green Initiative** : Donated trees, plants to PQA, BQATI, and other industries to promote tree plantation and reduce carbon burden on the earth







**Thank you**