

ICL Ittehad Chemicals Ltd.

PSX · CHEMICAL

As Ittehad Chemicals moves on capacity and product diversification, what does the forward financial picture look like

THE STORY

As you know, we track Ittehad Chemicals Limited (ICL) closely within the chemical space, and there are two capacity-side developments worth flagging alongside the financial outlook.

First, ICL is set to install a biomass-based power plant and has incorporated Bio Stacks (Private) Limited to monitor the raw material requirements associated with the project. We expect the initiatives to have an impact from **FY26-27**, so this is a medium-term development rather than an immediate one.

Second, the company is also set to install a caustic soda flaker plant as part of its broader capacity and product development initiatives, which we read as a complementary move to diversify its product base.

On the financial outlook, we have revenue projected at **PKR 34bn**, with EPS estimated at **PKR 14**. On the balance sheet, we project total assets to increase to **PKR 21bn** from **PKR 20bn**, while equity is estimated at **PKR 11bn**.

As you'd expect us to note, the company's overall debt has been on a declining trend, alongside these reported changes in its asset and equity base, which we see as a supportive backdrop for the capacity initiatives underway.

WHAT WE ARE WATCHING

- ▶ The impact timeline of the biomass-based power plant, which we expect from FY26-27
- ▶ Progress on the caustic soda flaker plant as part of ICL's capacity and product development initiatives
- ▶ Whether the declining debt trend continues alongside the projected asset and equity growth
- ▶ How Bio Stacks (Private) Limited's monitoring of raw material requirements shapes the biomass project's rollout

THE NUMBERS

Revenue, projected
PKR 34bn

EPS, estimated
PKR 14

Total assets, projected
PKR 21bn
 up from PKR 20bn

Equity, estimated
PKR 11bn

GENERAL CONCEPT · EDUCATION, NOT A VIEW ON THIS STOCK

Biomass-based power generation

A biomass power plant generates electricity or steam by burning organic material, such as agricultural or industrial waste, instead of conventional fuel sources. For an industrial company, installing one can reduce reliance on the grid or imported fuel, offer a more predictable energy cost base, and support sustainability goals. These projects typically require a lead time before commissioning and before their financial impact becomes visible in reported results, since raw material supply chains and plant construction need to be established first.

GENERAL CONCEPT · EDUCATION, NOT A VIEW ON THIS STOCK**EPS (Earnings per Share)**

Earnings per share is a company's net profit divided by its number of outstanding shares, and it is one of the most commonly used measures of profitability on a per-shareholder basis. Analysts project or estimate EPS forward by modelling expected revenue, costs, and capital structure, which makes it a useful, if inherently uncertain, gauge of how a company's bottom line may evolve as new capacity or projects come online.