

LCK/ANNOUNCE/2020-21

April 27, 2021

The General Manager  
Pakistan Stock Exchange  
Limited  
**Karachi**

The Director / HOD  
Surveillance Supervision  
and Endorsement Dept  
Securities & Exchange  
Commission of Pakistan  
**Islamabad**

The London Stock Exchange  
10 Paternoster  
Square,  
**London**

Dear Sir(s),

**FINANCIAL RESULTS FOR THE 3<sup>RD</sup> QUARTER ENDED MARCH 31, 2021**

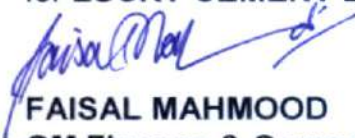
This is to inform you that the Board of Directors of our Company in their Meeting held on Tuesday, April 27, 2021 at 3:15 p.m., at 6-A, Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street, Karachi-75350 recommended the following:

|       |                                |            |
|-------|--------------------------------|------------|
| (i)   | <b><u>Cash Dividend</u></b>    | <b>Nil</b> |
| (ii)  | <b><u>Bonus Issue</u></b>      | <b>Nil</b> |
| (iii) | <b><u>Right Issue</u></b>      | <b>Nil</b> |
| (iv)  | <b><u>Interim Dividend</u></b> | <b>Nil</b> |

The financial results of the Company consisting of Statements of Financial Position, Statements of Profit or Loss and Other Comprehensive Income and Directors' Report are annexed.

We will be transmitting the 3<sup>rd</sup> quarterly report of the Company for the period ended March 31, 2021 in electronic form, according to Clause 5.6.8 of PSX Regulations as per your notice reference # PSX/N-4207 dated July 13, 2018.

Yours truly  
for **LUCKY CEMENT LIMITED**



**FAISAL MAHMOOD**  
**GM Finance & Company Secretary**

**LUCKY CEMENT LIMITED**  
**Unconsolidated Condensed Interim Statement of Financial Position**  
**As at March 31, 2021**

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|   |      | (Un-audited)<br>March 31,<br>2021 | (Audited)<br>June 30,<br>2020 |
|---|------|-----------------------------------|-------------------------------|
|   | Note | (PKR in '000')                    |                               |
| <b>ASSETS</b>                               |      |                                   |                               |
| <b>NON-CURRENT ASSETS</b>                   |      |                                   |                               |
| Fixed assets                                |      |                                   |                               |
| Property, plant and equipment               | 5    | 61,447,754                        | 60,247,570                    |
| Intangible assets                           |      | 2,940                             | 11,323                        |
|   |      | <u>61,450,694</u>                 | <u>60,258,893</u>             |
| Long-term investments                       | 6    | 51,994,485                        | 47,144,485                    |
| Long-term loans and advances                |      | 103,272                           | 87,008                        |
| Long-term deposits                          |      | 3,175                             | 3,175                         |
|   |      | <u>113,551,626</u>                | <u>107,493,561</u>            |
| <b>CURRENT ASSETS</b>                       |      |                                   |                               |
| Stores and spares                           |      | 10,010,175                        | 6,520,170                     |
| Stock-in-trade                              |      | 2,118,709                         | 2,915,552                     |
| Trade debts                                 |      | 2,389,335                         | 3,422,767                     |
| Loans and advances                          |      | 598,070                           | 390,966                       |
| Trade deposits and short term prepayments   |      | 108,614                           | 81,169                        |
| Accrued return                              |      | 31,461                            | 47,572                        |
| Other receivables                           |      | 2,271,744                         | 3,670,300                     |
| Tax refunds due from the Government         |      | 538,812                           | 538,812                       |
| Short term investment                       | 13.2 | 13,883,729                        | 2,970,999                     |
| Cash and bank balances                      |      | 7,932,845                         | 7,816,606                     |
|   |      | <u>39,883,494</u>                 | <u>28,374,913</u>             |
| <b>TOTAL ASSETS</b>                         |      | <u><u>153,435,120</u></u>         | <u><u>135,868,474</u></u>     |
| <b>EQUITY AND LIABILITIES</b>               |      |                                   |                               |
| <b>SHARE CAPITAL AND RESERVES</b>           |      |                                   |                               |
| Issued subscribed and paid-up share capital |      | 3,233,750                         | 3,233,750                     |
| Reserves                                    |      | 107,643,163                       | 95,950,111                    |
|   |      | <u>110,876,913</u>                | <u>99,183,861</u>             |
| <b>NON-CURRENT LIABILITIES</b>              |      |                                   |                               |
| Long-term deposits                          |      | 238,532                           | 233,062                       |
| Long-term liabilities                       |      | 4,472,690                         | 320,461                       |
| Deferred income - Government grant          |      | 804,120                           | 59,720                        |
| Deferred liabilities                        | 7    | 8,025,884                         | 7,116,018                     |
|   |      | <u>13,541,226</u>                 | <u>7,729,261</u>              |
| <b>CURRENT LIABILITIES</b>                  |      |                                   |                               |
| Trade and other payables                    |      | 19,080,127                        | 19,354,794                    |
| Current maturity of long-term loan          |      | 506,908                           | 126,727                       |
| Short term borrowings                       |      | 7,050,000                         | 7,931,444                     |
| Unclaimed dividend                          |      | 53,926                            | 55,767                        |
| Unpaid dividend                             |      | -                                 | 17,580                        |
| Accrued markup                              |      | 40,821                            | 46,173                        |
| Taxation - net                              |      | 2,285,199                         | 1,422,867                     |
|   |      | <u>29,016,981</u>                 | <u>28,955,352</u>             |
|   |      | <u>42,558,207</u>                 | <u>36,684,613</u>             |
| <b>CONTINGENCIES AND COMMITMENTS</b>        | 8    |                                   |                               |
| <b>TOTAL EQUITY AND LIABILITIES</b>         |      | <u><u>153,435,120</u></u>         | <u><u>135,868,474</u></u>     |

The annexed notes from 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.

  
Chairman / Director

  
Chief Executive

  
Chief Financial Officer

|   |      | Nine months ended |              | Quarter Ended  |             |
|---|------|-------------------|--------------|----------------|-------------|
|   |      | March 31,         | March 31,    | March 31,      | March 31,   |
|   |      | 2021              | 2020         | 2021           | 2020        |
|   | Note | (PKR in '000')    |              | (PKR in '000') |             |
| <b>Gross sales</b>  | 9    | 66,132,516        | 47,947,798   | 24,018,096     | 16,852,237  |
| Less: Sales tax and federal excise duty   |      | 17,864,146        | 14,688,143   | 6,553,532      | 5,327,336   |
| Rebates, incentive and commission   |      | 1,165,749         | 811,609      | 437,436        | 288,235     |
|   |      | 19,029,895        | 15,499,752   | 6,990,968      | 5,615,571   |
| <b>Net sales</b>  |      | 47,102,621        | 32,448,046   | 17,027,128     | 11,236,666  |
| Cost of sales   |      | (32,398,737)      | (27,921,847) | (10,908,485)   | (9,934,705) |
| <b>Gross profit</b>   |      | 14,703,884        | 4,526,199    | 6,118,643      | 1,301,961   |
| Distribution cost   |      | (3,879,817)       | (2,931,117)  | (1,208,906)    | (1,036,697) |
| Administrative expenses   |      | (950,663)         | (922,872)    | (347,907)      | (325,544)   |
| Finance cost  |      | (246,213)         | (92,421)     | (90,589)       | (44,475)    |
| Other expenses  |      | (1,016,827)       | (290,758)    | (541,859)      | (96,447)    |
| Other income  | 10   | 5,184,902         | 2,989,318    | 4,348,581      | 1,280,287   |
| <b>Profit before taxation</b>   |      | 13,795,266        | 3,278,349    | 8,277,963      | 1,079,085   |
| Taxation  |      |                   |              |                |             |
| -current  |      | (1,412,399)       | (568,205)    | (641,208)      | (201,522)   |
| -deferred   |      | (695,337)         | 225,272      | (490,397)      | 121,277     |
|   |      | (2,107,736)       | (342,933)    | (1,131,605)    | (80,245)    |
| <b>Profit after taxation</b>  |      | 11,687,530        | 2,935,416    | 7,146,358      | 998,840     |
| <b>Other comprehensive income:</b>  |      |                   |              |                |             |
| Other comprehensive income / (loss) which will not be reclassified to profit or loss in subsequent periods        |      |                   |              |                |             |
| Unrealized income / (loss) on remeasurement of equity instrument at fair value through other comprehensive income |      | 6,496             | (9,027)      | (2,212)        | (8,107)     |
| Deferred tax thereon  |      | (974)             | 1,354        | 332            | 1,216       |
|   |      | 5,522             | (7,673)      | (1,880)        | (6,891)     |
| <b>Total comprehensive income for the period</b>  |      | 11,693,052        | 2,927,743    | 7,144,478      | 991,949     |
|   |      | (PKR)             |              | (PKR)          |             |
| <b>Earnings per share - basic and diluted</b>   |      | 36.14             | 9.08         | 22.10          | 3.09        |

The annexed notes from 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.

Chairman / Director

Chief Executive

Chief Financial Officer



**LUCKY CEMENT LIMITED**  
Consolidated Condensed Interim Statement of Financial Position  
As at March 31, 2021

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|   | Note | (Un-audited)<br>March 31,<br>2021 | (Audited)<br>June 30,<br>2020 |
|---|------|-----------------------------------|-------------------------------|
| (PKR in '000')                                    |      |                                   |                               |
| <b>ASSETS</b>                                     |      |                                   |                               |
| <b>NON-CURRENT ASSETS</b>                         |      |                                   |                               |
| Fixed assets                                      |      |                                   |                               |
| Property, plant and equipment                     | 5    | 203,809,119                       | 190,881,880                   |
| Intangible assets                                 |      | 7,108,199                         | 7,341,737                     |
| Right-of-use assets                               | 6    | <u>255,040</u>                    | <u>318,279</u>                |
|   |      | 211,172,358                       | 198,541,896                   |
| Long-term investments                             | 7    | 25,902,551                        | 23,970,762                    |
| Long-term loans and advances                      |      | 669,462                           | 617,130                       |
| Long-term deposits and prepayments                |      | <u>48,585</u>                     | <u>46,672</u>                 |
|   |      | 237,792,956                       | 223,176,460                   |
| <b>CURRENT ASSETS</b>                             |      |                                   |                               |
| Stores, spares and consumables                    |      | 11,847,592                        | 8,072,831                     |
| Stock-in-trade                                    |      | 25,729,360                        | 21,292,185                    |
| Trade debts                                       |      | 5,246,125                         | 5,834,590                     |
| Loans and advances                                |      | 1,952,396                         | 1,636,587                     |
| Trade deposits and short-term prepayments         |      | 2,276,885                         | 1,000,279                     |
| Other receivables                                 |      | 7,481,477                         | 9,202,663                     |
| Tax refunds due from the Government               |      | 538,812                           | 538,812                       |
| Taxation receivable                               |      | 1,040,914                         | 2,335,223                     |
| Accrued return                                    |      | 37,115                            | 94,208                        |
| Short term investments                            |      | 13,883,729                        | 2,970,999                     |
| Cash and bank balances                            |      | <u>33,826,126</u>                 | <u>15,731,810</u>             |
|   |      | 103,860,531                       | 68,710,187                    |
| <b>TOTAL ASSETS</b>                               |      | <u><b>341,653,487</b></u>         | <u><b>291,886,647</b></u>     |
| <b>EQUITY AND LIABILITIES</b>                     |      |                                   |                               |
| <b>SHARE CAPITAL AND RESERVES</b>                 |      |                                   |                               |
| Issued subscribed and paid-up share capital       |      | 3,233,750                         | 3,233,750                     |
| Reserves  |      | <u>127,332,012</u>                | <u>110,543,591</u>            |
| Attributable to the owners of the Holding Company |      | 130,565,762                       | 113,777,341                   |
| Non-controlling interests                         |      | <u>19,997,830</u>                 | <u>17,709,710</u>             |
| Total equity                                      |      | 150,563,592                       | 131,487,051                   |
| <b>NON-CURRENT LIABILITIES</b>                    |      |                                   |                               |
| Long-term liabilities                             |      | 92,607,882                        | 82,427,884                    |
| Long-term deposits                                |      | 403,532                           | 357,855                       |
| Deferred liabilities                              | 8    | 11,652,670                        | 11,133,530                    |
| Deferred income - Government grant                |      | 909,448                           | 96,256                        |
| Leases  |      | 195,753                           | 253,591                       |
| Other long term liabilities                       |      | <u>4,846,602</u>                  | <u>5,331,774</u>              |
|   |      | 110,615,887                       | 99,600,890                    |
| <b>CURRENT LIABILITIES</b>                        |      |                                   |                               |
| Current portion of long-term finances             |      | 4,235,590                         | 2,637,451                     |
| Trade and other payables                          |      | 62,672,024                        | 42,536,979                    |
| Provision for taxation                            |      | 2,646,523                         | 1,792,626                     |
| Accrued return                                    |      | 219,934                           | 848,931                       |
| Short-term borrowings and running finance         |      | 10,473,516                        | 12,830,116                    |
| Current portion of leases                         |      | 71,337                            | 79,256                        |
| Unclaimed dividend                                |      | 155,084                           | 55,767                        |
| Unpaid dividend                                   |      | -                                 | 17,580                        |
|   |      | <u>80,474,008</u>                 | <u>60,798,706</u>             |
|   |      | 191,089,895                       | 160,399,596                   |
| <b>CONTINGENCIES AND COMMITMENTS</b>              | 9    |                                   |                               |
| <b>TOTAL EQUITY AND LIABILITIES</b>               |      | <u><b>341,653,487</b></u>         | <u><b>291,886,647</b></u>     |

The annexed notes from 1 to 15 form an integral part of these consolidated condensed interim financial statements.

  
Chairman / Director

  
Chief Executive

  
Chief Financial Officer

**LUCKY CEMENT LIMITED**  
**Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the nine months ended March 31, 2021 (Un-audited)**

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|   | Note | Nine Months Ended                   |                   | Quarter Ended                       |                   |
|---|------|-------------------------------------|-------------------|-------------------------------------|-------------------|
|   |      | March 31,<br>2021<br>(PKR in '000') | March 31,<br>2020 | March 31,<br>2021<br>(PKR in '000') | March 31,<br>2020 |
| Revenue   | 10   | 202,460,151                         | 123,988,042       | 78,742,766                          | 44,429,995        |
| Less: Sales tax and excise duty   |      | 38,010,561                          | 24,234,883        | 15,454,985                          | 8,783,377         |
| Rebates, incentives and commission  |      | 7,655,032                           | 5,319,131         | 2,308,512                           | 1,951,896         |
|   |      | 45,665,593                          | 29,554,014        | 17,763,497                          | 10,735,273        |
|   |      | 156,794,558                         | 94,434,028        | 60,979,269                          | 33,694,722        |
| Cost of sales   |      | (121,587,518)                       | (79,678,132)      | (45,983,026)                        | (28,585,408)      |
| Gross profit  |      | 35,207,040                          | 14,755,896        | 14,996,243                          | 5,109,314         |
| Distribution cost   |      | (6,984,508)                         | (5,799,983)       | (2,326,076)                         | (2,050,617)       |
| Administrative expenses   |      | (5,140,911)                         | (3,185,645)       | (2,123,987)                         | (1,147,744)       |
| Finance cost  |      | (1,106,838)                         | (2,015,548)       | (345,015)                           | (830,024)         |
| Other expenses  |      | (1,467,561)                         | (603,830)         | (692,753)                           | (208,580)         |
| Other income  | 11   | 5,319,400                           | 4,066,636         | 2,009,960                           | 1,274,347         |
| Profit before taxation  |      | 25,826,622                          | 7,217,526         | 11,518,372                          | 2,146,696         |
| Taxation  |      |                                     |                   |                                     |                   |
| - current   |      | (3,375,290)                         | (2,005,596)       | (1,349,947)                         | (603,474)         |
| - deferred  |      | (297,187)                           | 469,905           | (459,045)                           | 215,798           |
|   |      | (3,672,477)                         | (1,535,691)       | (1,808,992)                         | (387,676)         |
| Profit after taxation   |      | 22,154,145                          | 5,681,835         | 9,709,380                           | 1,759,020         |
| Attributable to:  |      |                                     |                   |                                     |                   |
| Owners of the Holding Company   |      | 18,225,882                          | 4,650,969         | 7,860,727                           | 1,438,851         |
| Non-controlling interests   |      | 3,928,263                           | 1,030,866         | 1,848,653                           | 320,169           |
|   |      | 22,154,145                          | 5,681,835         | 9,709,380                           | 1,759,020         |
| Other comprehensive income for the period   |      |                                     |                   |                                     |                   |
| Other comprehensive loss which may be reclassified to statement of profit or loss in subsequent periods                 |      |                                     |                   |                                     |                   |
| Foreign exchange differences on translation of foreign operations   |      | (1,430,626)                         | 557,938           | (701,956)                           | 933,363           |
| Other comprehensive income / (loss) which will not be reclassified to statement of profit or loss in subsequent periods |      |                                     |                   |                                     |                   |
| Unrealized gain / (loss) on remeasurement of equity investment at fair value through other comprehensive income         |      | 6,496                               | (9,027)           | (2,212)                             | (8,107)           |
| Deferred tax thereon  |      | (974)                               | 1,354             | 332                                 | 1,216             |
|   |      | 5,522                               | (7,673)           | (1,880)                             | (6,891)           |
| Total comprehensive income for the period   |      | 20,729,041                          | 6,232,100         | 9,005,544                           | 2,685,492         |
| Attributable to:  |      |                                     |                   |                                     |                   |
| Owners of the Holding Company   |      | 16,800,778                          | 5,201,234         | 7,156,891                           | 2,365,323         |
| Non-controlling interests   |      | 3,928,263                           | 1,030,866         | 1,848,653                           | 320,169           |
|   |      | 20,729,041                          | 6,232,100         | 9,005,544                           | 2,685,492         |
|   |      | (PKR)                               |                   | (PKR)                               |                   |
| Earnings per share - basic and diluted  |      | 56.36                               | 14.38             | 24.31                               | 4.45              |

The annexed notes from 1 to 15 form an integral part of these consolidated condensed interim financial statements.

  
Chairman / Director

  
Chief Executive

  
Chief Financial Officer



## Directors' Report

The Directors have the pleasure in presenting to you the financial results of your Company which include both, **unconsolidated** and **consolidated unaudited financial statements** for the nine months ended March 31, 2021.

## Overview

### Financial Performance – Consolidated

On a **consolidated basis**, your Company achieved a gross turnover of PKR 202.46 billion which is 63.3% higher as compared to the same period last year's turnover of PKR 123.99 billion.

Moreover, **consolidated** Net Profit of the Company was PKR 22.15 billion of which PKR 3.93 billion is attributable to non-controlling interests. The consolidated net profit attributable to owners of the Holding Company translates into an EPS of PKR 56.36 during the current nine months ended March 31, 2021 as compared to PKR 14.38 during the same period last year.

The **consolidated** financial performance of your Company for the nine months ended March 31, 2021 as compared to last year is presented below:

PKR in millions except EPS

| Particulars   | Nine<br>Months<br>2020-21 | Nine<br>Months<br>2019-20 | Change<br>(%) |
|---|---------------------------|---------------------------|---------------|
| Gross Revenue                                       | 202,460                   | 123,988                   | 63.3%         |
| Net Revenue   | 156,795                   | 94,434                    | 66.0%         |
| GP  | 35,207                    | 14,756                    | 138.6%        |
| OP  | 23,082                    | 5,770                     | 300.0%        |
| EBITDA  | 29,681                    | 11,708                    | 153.5%        |
| NP (Attributable to Owners' of the holding company) | 18,226                    | 4,651                     | 291.9%        |
| EPS (PKR/share)                                     | 56.36                     | 14.38                     | 291.9%        |

The increase in Net Profit was mainly attributable to increase in net profitability of the Cement segment (Holding Company) which grew by 3 times due to higher turnover supported by better absorption of fixed costs and efficiencies achieved from new production line in the North (as explained in details below). The increase in the consolidated Net Profit was also supported by considerable increase in Net Profit of Lucky Motor Corporation which has been able to secure 3.5 times growth in revenue as compared to same period last year.

The other subsidiaries, ICI Pakistan Limited and LCL Investment Holdings Limited also posted significant growth in profitability mainly on account of growth in sales revenue.

### Cement Industry and Company's Performance – Unconsolidated

**Cement industry** in Pakistan grew by 17.0% to 43.33 million tons during the nine months ended March 31, 2021 in comparison to 37.04 million tons during the same period last year. The local sales volume registered a healthy growth of 18.3% to reach 36.18 million tons during the nine months under review versus 30.59 million tons during same period last year. Export sales volumes also registered an increase of 10.9% to reach 7.15 million tons during 9M 2020-21 compared to 6.45 million tons during same period last year.

Strong double digit growth in dispatches is mainly attributed to economic recovery amidst low interest rates, construction package announced by the government, subsidized loans for housing by Government, reallocation of banking sector liquidity towards construction and housing sector and work on construction of dams.

In comparison to the Cement Industry, your **Company's** overall sales volumes posted a high double digit growth of 31.1% to reach 7.61 million tons during 9M 2020-21. The local sales volumes grew by 38.8% to reach 5.71 million tons in comparison to 4.11 million tons during the same period last year. Also, the export sales volumes of the Company increased by 12.3% to 1.90 million tons as compared to 1.69 million tons during the same period last year.

The increase in Company's local sales volume during the period under review is mainly due to enhancement of operational capacity at Pezu Plant coupled with higher demand of cement due to upsurge in economic activities.

Moreover, growth in export sales volume is mainly due to higher exports of loose cement owing to effective push by the Company, keeping in view the better margins and its unique position to make such sales.

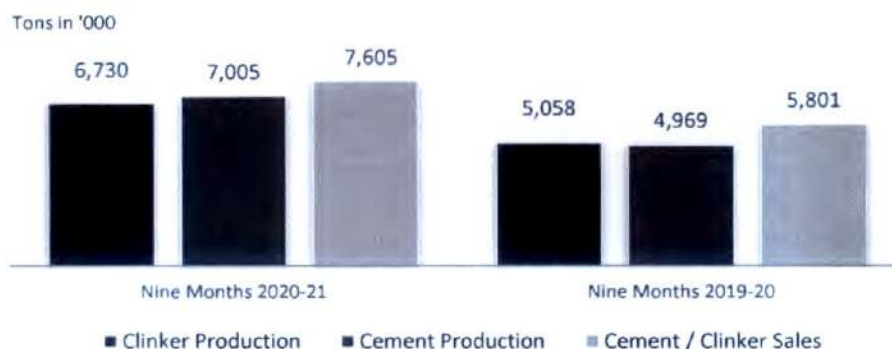
### Cement Production & Sales Volume Performance – Unconsolidated

The **unconsolidated** production and sales statistics of your Company for the nine months ended March 31, 2021 compared to the same period last year are as follows:

| Particulars            | Nine Months<br>2020-21 | Nine Months<br>2019-20 | Growth/<br>(Decline) |
|------------------------|------------------------|------------------------|----------------------|
|                        | Tons in '000'          |                        | %                    |
| Clinker Production     | 6,730                  | 5,058                  | 31.1%                |
| Cement Production      | 7,005                  | 4,969                  | 41.0%                |
| Cement / Clinker Sales | 7,605                  | 5,801                  | 31.1%                |



The production and sales volume data is graphically presented as under:



A comparison of the dispatches of the **Industry** and your **Company's unconsolidated business** for the nine months ended March 31, 2021 in comparison with the same period last year is presented below:

| Particulars<br>(Tons in '000') | Nine Months<br>2020-21 | Nine Months<br>2019-20 | Growth / (Decline) % |          |
|--------------------------------|------------------------|------------------------|----------------------|----------|
| <b>Cement Industry*</b>        |                        |                        |                      |          |
| Local Sales                    | 36,183                 | 30,588                 | 5,595                | 18.3%    |
| Export Sales                   |                        |                        |                      |          |
| - Bagged                       | 3,290                  | 3,211                  | 79                   | 2.5%     |
| - Loose                        | 367                    | 39                     | 328                  | 841.0%   |
| - Clinker                      | 3,491                  | 3,197                  | 294                  | 9.2%     |
| Total Exports                  | 7,148                  | 6,447                  | 701                  | 10.9%    |
| Grand Total                    | 43,331                 | 37,035                 | 6,296                | 17.0%    |
| <b>Lucky Cement</b>            |                        |                        |                      |          |
| Local Sales                    |                        |                        |                      |          |
| - Cement                       | 5,708                  | 4,061                  | 1,647                | 40.6%    |
| - Clinker                      | -                      | 51                     | (51)                 | (100.0%) |
|                                | 5,708                  | 4,112                  | 1,596                | 38.8%    |
| Export Sales                   |                        |                        |                      |          |
| - Bagged                       | 901                    | 865                    | 36                   | 4.2%     |
| - Loose                        | 367                    | 39                     | 328                  | 841.0%   |
| - Clinker                      | 630                    | 786                    | (156)                | (19.8%)  |
| Total Exports                  | 1,898                  | 1,690                  | 208                  | 12.3%    |
| Grand Total                    | 7,606                  | 5,802                  | 1,804                | 31.1%    |
| <b>Market Share</b>            |                        |                        |                      |          |
|                                | Nine Months<br>2020-21 | Nine Months<br>2019-20 | Growth/<br>Decline   |          |
| Local Sales                    | 15.8%                  | 13.4%                  | 17.9%                |          |
| Export Sales                   |                        |                        |                      |          |
| - Bagged                       | 27.4%                  | 26.9%                  | 1.9%                 |          |
| - Loose                        | 100.0%                 | 100.0%                 | 0.0%                 |          |
| - Clinker                      | 18.0%                  | 24.6%                  | (26.8%)              |          |
| Total Export                   | 26.6%                  | 26.2%                  | 1.5%                 |          |
| Grand Total                    | 17.6%                  | 15.7%                  | 12.1%                |          |

Lucky Cement Limited

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 URL: www.lucky-cement.com

\* Industry data is based on best available market estimates



## Financial Performance - Unconsolidated

The **unconsolidated** financial performance of your Company for the nine months ended March 31, 2021 as compared to the same period last year is presented below:

PKR in millions except EPS

| Particulars   | Nine Months<br>2020-21 | Nine Months<br>2019-20 | Change<br>(%) |
|---------------|------------------------|------------------------|---------------|
| Gross Revenue | 66,133                 | 47,948                 | 37.9%         |
| Net Revenue   | 47,103                 | 32,448                 | 45.2%         |
| GP            | 14,704                 | 4,526                  | 224.9%        |
| OP            | 9,873                  | 672                    | 1,369.2%      |
| EBITDA        | 13,091                 | 3,457                  | 278.7%        |
| NP            | 11,688                 | 2,935                  | 298.2%        |
| EPS           | 36.14 / Share          | 9.08 / Share           | 298.2%        |

### Revenue

During the nine months 2020-21 under review, your Company's overall gross sales revenue increased by 37.9% as compared to the same period last year. Where both local and export sales revenue showed an increase of 44.7% (PKR 55.10 billion vs PKR 38.08 billion) and 11.8% (PKR 11.03 billion vs PKR 9.87 billion) respectively.

### Cost of Sales

During the nine months 2020-21 under review, per ton cost of sales of your Company decreased by 11.5% as compared to the same period last year. This was due to better absorption of fixed cost as a result of increase in volumes and efficiencies achieved from new production line in the North.

### Gross Profit

The Gross profit margins of the company for the nine months under review were 31.2% as compared to 13.9% reported during the same period last year.



### Dividends

During the nine months 2020-21 under review, the dividend income received by your Company was PKR 3.93 billion. This was due to better payouts by Company's subsidiary / associated companies as a result of improvement in profitability, primarily from Lucky Motors Corporation Limited.

| Subsidiary/<br>Associate<br>PKR in B | Q3-20       | Q4-20    | Q1-21       | Q2-21    | Q3-21       |
|--------------------------------------|-------------|----------|-------------|----------|-------------|
| ICI                                  | 0.59        | -        | 0.25        | -        | 1.02        |
| LHL                                  | -           | -        | 0.13        | -        | -           |
| YEL                                  | -           | -        | -           | -        | 0.06        |
| LMC                                  | -           | -        | -           | -        | 2.85        |
| <b>Total</b>                         | <b>0.59</b> | <b>-</b> | <b>0.38</b> | <b>-</b> | <b>3.93</b> |

### Net Profit

Similarly, your Company achieved a profit before tax of PKR 13.80 billion during the nine months under review as compared to PKR 3.28 billion reported during the same period last year. This was primarily on account of increase in sales revenue and dividend income during the nine months period under review.

Accordingly, after tax profit of PKR 11.69 billion was achieved during the nine months under review as compared to PKR 2.94 billion reported during the same period last year.



### Earnings per share

The earnings per share of your Company for the nine months ended March 31, 2021 was PKR 36.14 in comparison to PKR 9.08 reported during the same period last year.





## Investments Projects – New and Ongoing

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### **Brownfield cement plant expansion in KPK Province of Pakistan – 3.15 million tons per annum**

Keeping pace with the increasing demand in the domestic Cement industry, on the back of revival of economic activity and uptick in construction projects including both retail level projects as well as mega infrastructure development projects, your Company has decided to enhance its cement production capacity at its Pezu Plant by 3.15 million tons per annum.

Project activities have commenced and the project completion is targeted for December, 2022.

### **Investment in 1 x 660 MW, supercritical, coal based power project**

The construction activity for setting up 660 MW super critical, lignite coal-based power plant has been impacted due to outbreak of COVID-19 in China and subsequently in Pakistan. The CPPA, based on FME notice received by it from National Transmission and Dispatch Company (NTDC), notified the Company about FME through its letter dated March 25, 2020, stating therein that COVID-19 outbreak has caused a complete halt to transmission planning, design, engineering, project development and execution of the inter-connection works. Subsequently CPPA has also notified cessation of OFME (Other Force Majeure Event) vide their letter dated October 16, 2020. In the said notice it was also intimated that Interconnection related activities have recommenced from October 1, 2020 while the period till September 30, 2020 shall be treated as excused. The Company in consultation with its legal counsel has not accepted the CPPA's OFME claim. In this respect the Company has also initiated dispute resolution proceedings under Article 18 of the Power Purchase Agreement. The company contends that such delay in interconnection works comes under the ambit of concurrent delay as per PPA due to NTDC's inability to resolve right of way issues with PQA, FOTCO, Pakistan Steel and Board of Revenue Sindh.

The Company, however, is taking all possible measures to mitigate the impacts of COVID-19 on the development of the Project with the support of the Contractor. The project has achieved completion status of approximately 97.5% by end of this quarter. The Company is also following up with the CPPA and NTDC for the earliest availability of an interconnection facility which is essential for achieving the COD. Further, to catch up the lost time, the Company has been able to successfully arrange the availability of temporary back feed power from 132 kv K-Electric grid enabling the commencement of testing and commissioning activities of the plant which are currently in progress.

Based on the current level of readiness by NTDC for providing interconnection facility and the Government's support, it appears that project would achieve its Commercial Operation by mid of first quarter FY 2022 (July to September, 2021).

#### **Greenfield cement production facility in Samawah, Iraq – 1.2 million tons per annum**

Plant has successfully completed its trial production period and commenced commercial operations with effect from March 10, 2021.

### **Corporate Social Responsibility**

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Your Company is committed to continue making efforts to support Education, Women empowerment, and Health under its CSR. Your Company has also been at the forefront for the development of society and the communities in which it operates.

#### **Education / Scholarships**

In continuation of its long-term objective to provide merit-based support for the deserving and less privileged segments of the society, your Company continued to extend scholarships to various students of leading universities in Pakistan and abroad.

Furthermore, your company also launched three dedicated scholarship programs for the deserving youth of District Lakki Marwat. The aim of these programs is to make education accessible and affordable for deserving students especially from the rural areas regardless of their financial background.

#### **Women Empowerment**

Women empowerment through education has been an ongoing process in which your Company with the collaboration of Zindagi Trust has been supporting two leading Government girls' schools in Karachi. These schools have been transformed into model girls' educational institutions in Pakistan.

Further to this, your Company has also collaborated with Shahid Afridi Foundation (SAF) and adopted a primary school in the remote area of Karachi to improve primary level education for the less privileged.



### Health Initiatives

The facilitation of quality healthcare for society at large continues to remain your Company's priority, particularly through the financial support of Aziz Tabba Foundation; a prominent philanthropic institution that is running Tabba Heart and Tabba Kidney institutes, which provide vital support in bridging the gap of specialized and modern medical care available in the Country.

### Environment Conservation

Your Company always takes responsibility towards the environment seriously and in an effort to highlight the significance of the environment conservation; your Company continued with its pro-environment initiatives including tree-plantation drives in and around its manufacturing sites.

### Outlook

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After the moderation of first and second wave of Covid-19 in recent past, the third wave of this pandemic has started to pose challenges. The Government is countering the third wave of Covid-19 infections through smart lockdowns instead of general shutdowns in order to continue the economic activities and growth momentum.

Barring any significant hike in infection ratio which puts pressure on country's health system, in the medium term, the outlook of the Cement industry remains positive. Due to increase in economic activity, the local demand has shown healthy growth both in the North and South regions compared to same period last year. We also expect that the package announced by the Federal Government for the construction industry coupled with various initiatives taken by State Bank of Pakistan to support the housing sector and the commencement of new housing projects under Naya Pakistan Housing (NPHP) scheme will continue to have a positive impact on the local demand of cement in the country. New FDI inflows are also expected in CPEC projects which will also result in increased cement demand. Export demand is expected to remain steady in the near future. As far as cost of production is concerned, there will be a pressure on margins due to rising coal and furnace oil prices.

Your Company's strong financial position and free cash flow generating ability are anticipated to further support its Vision to improve operational efficiencies as well as make new investments, which can bring in further improvement in efficiencies and enhance shareholders' value.

## Acknowledgement

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Directors of your Company take pleasure in expressing their sincere gratitude and appreciation for the outstanding commitment and contribution of all the employees and continued trust and reliance placed in the Company by all the stakeholders.

On behalf of the Board



**MUHAMMAD YUNUS TABBA**

Chairman / Director



**MUHAMMAD ALI TABBA**

Chief Executive / Director

Karachi: April 27, 2021