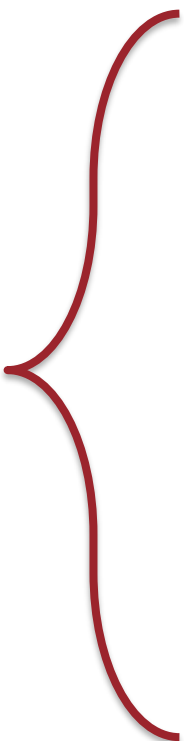


Analyst Briefing FY 2021 - 22

05th Aug'2022

Group Overview



Building Material



Automobile



Electronics



Chemicals, Agri Science,
Animal Health, Pharma,
Nutrition



Power



Key Messages



Line -2 and 34 MW Solar Power Project in Pezu to come online during **1HFY23**



Proactive procurement of **coal** and operational **efficiencies** helped **margins**



LEPCL adding to the **profitability** of the group for the first year



Depreciating **currency** and **high interest rate** challenging **profitability** and **demand**



International cement ops see **healthy demand** with **pressure on margins**



ICI announced **divestment** of **26.5%** of its shareholding in **NutriCo Morinaga**

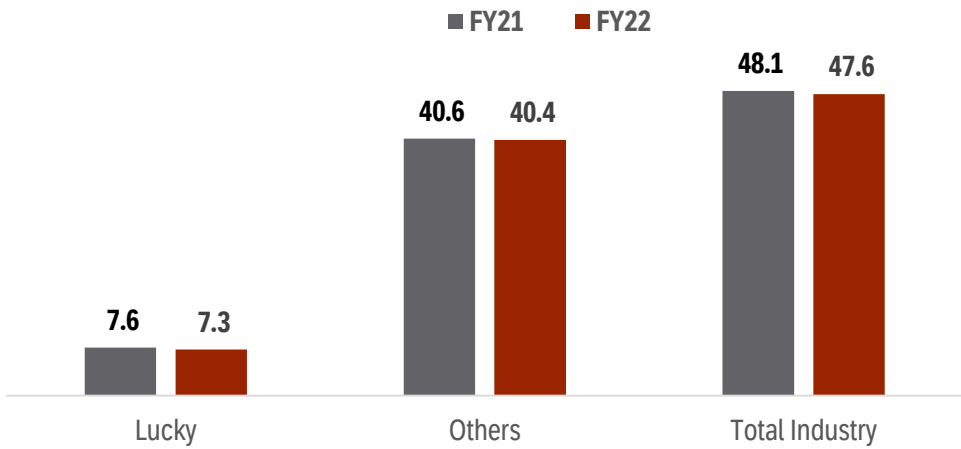
Industry Volumes & Market Share FY - 22

Domestic Sales Volumes & Market Share

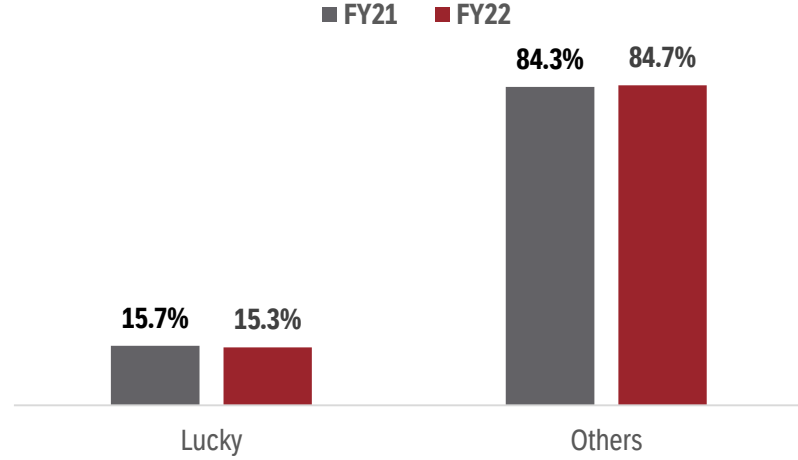
The **domestic sales** of the company decreased **0.3mn** tons to **7.3 mn** tons in FY22, down by **3.9%**.

During FY22, the **domestic market share** of the company dropped **27bps** to **15.3%** compared to 15.7% in same period last year.

Local Sales Volumes (in mn tons)



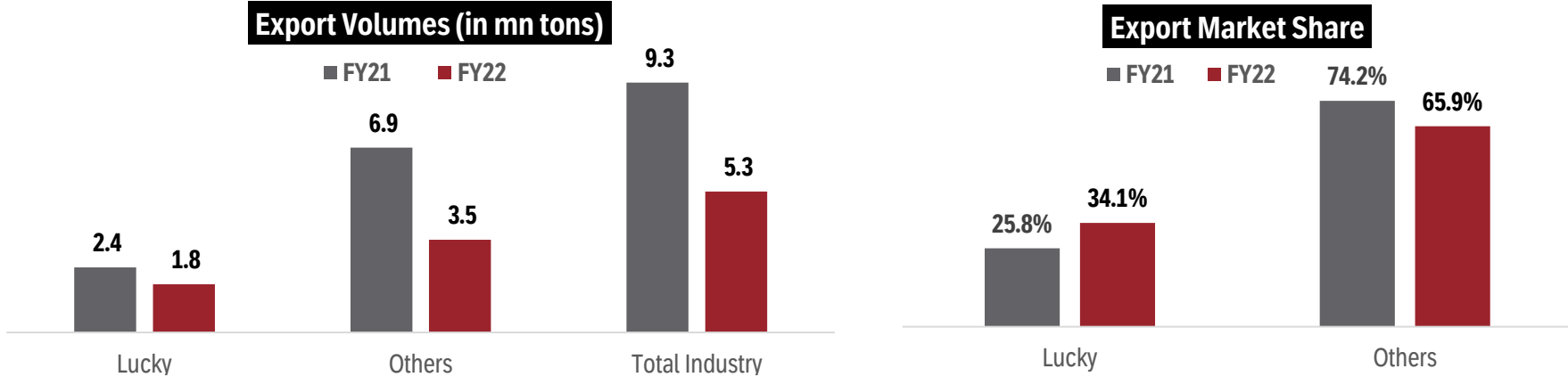
Market Share



Export Sales Volumes & Market Share

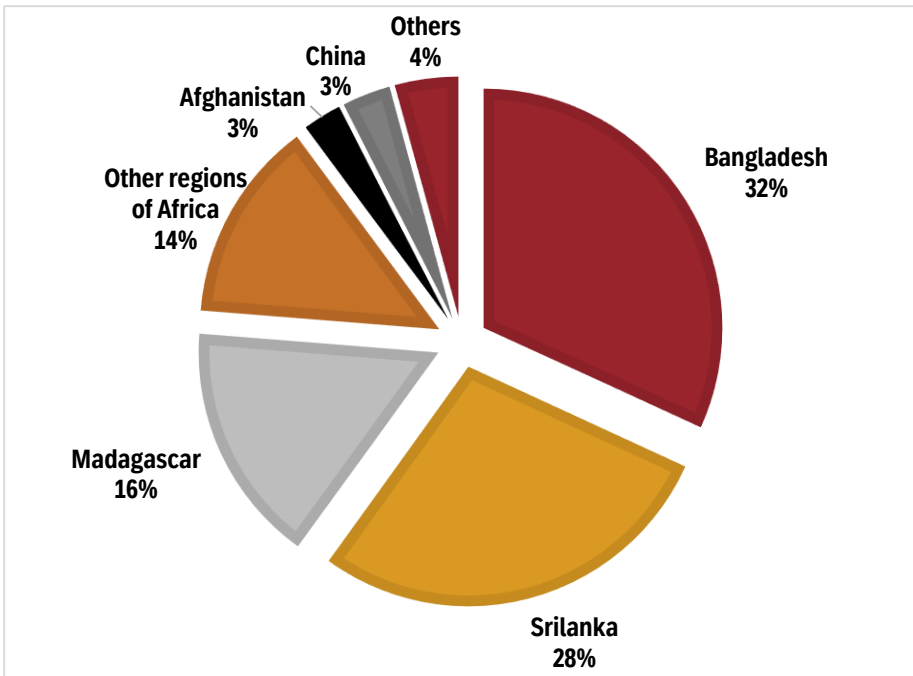
The **export sales volumes** of the company decreased by **0.6mn** tons to **1.8 mn** tons in FY22, down by **25.5%** due to an **increase in input costs, political and economic uncertainty in Afghanistan and Sri Lanka, and high freight costs globally.**

During FY22, the **export market share** of the company improved by **830bps** to **34.1%** compared to 25.8% in the same period last year due to the **unique infrastructure built at the port by the company for loose cement exports and exploring new destinations.**

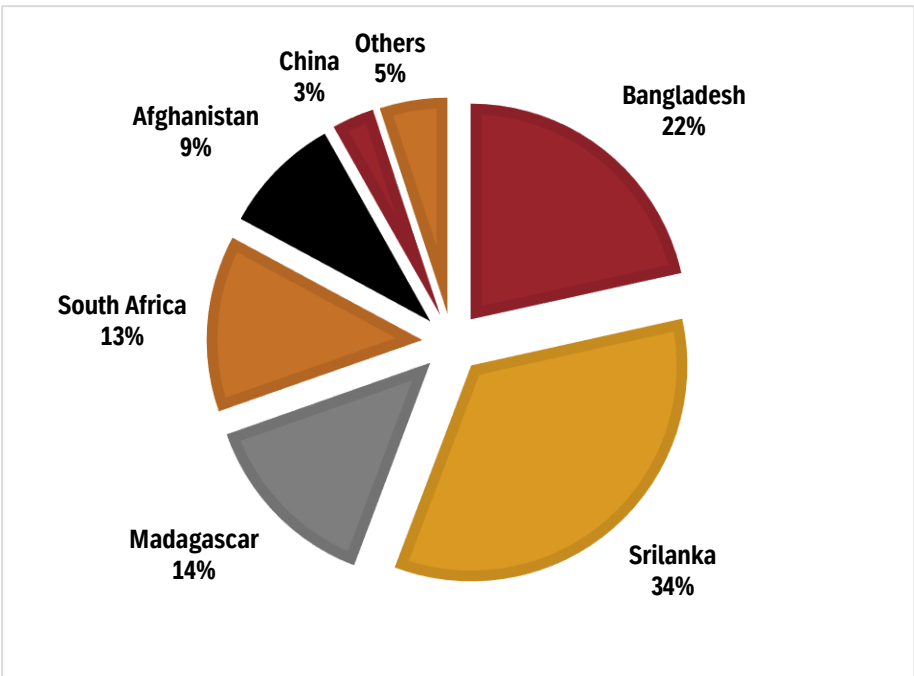


Export Destinations

FY22



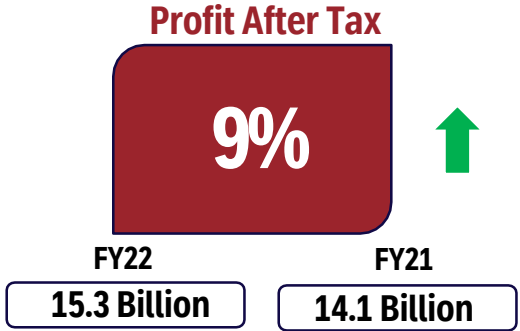
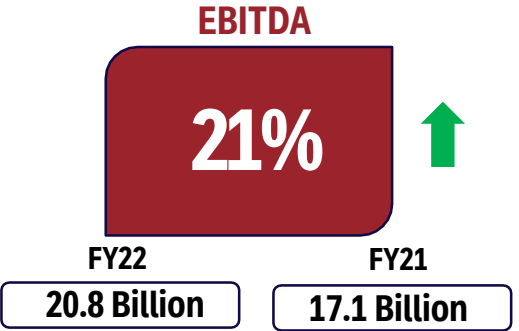
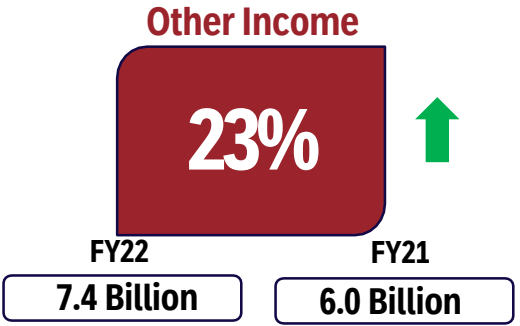
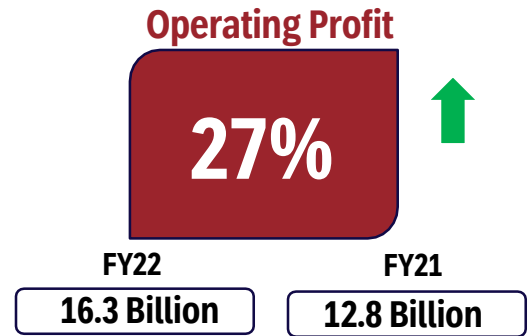
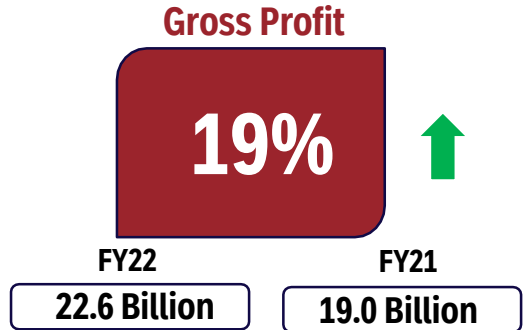
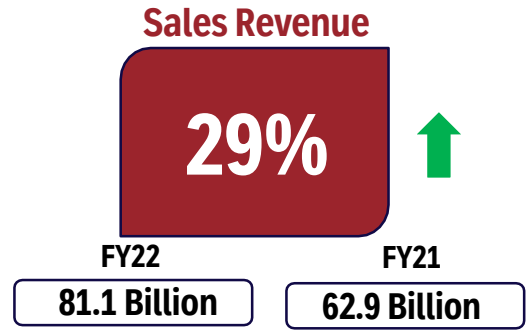
FY21



Standalone Key Figures FY - 22

Standalone Financial Figures for FY22

All numbers in PKR billion except EPS

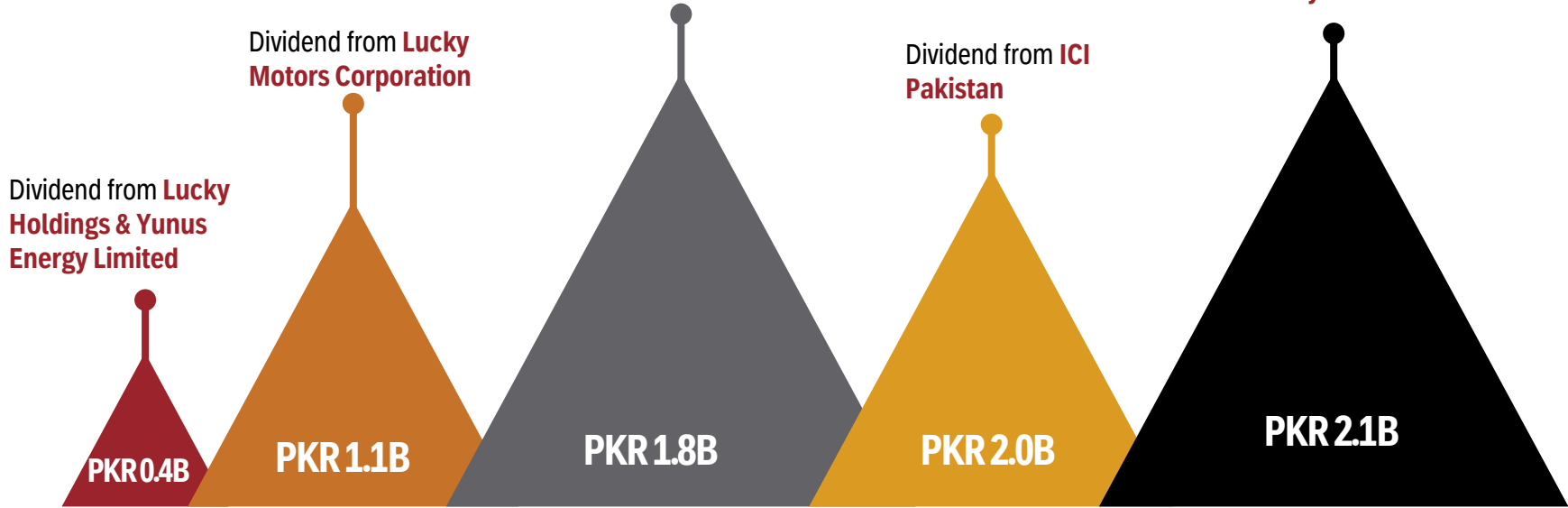


Fragmentation of Other Income for FY22

Other income clocks-in at **PKR 7.4bn** for FY22:

PKR 800mn is a one-off fee charged for **technical services** to our joint venture (NYA) established in Congo, while **PKR 1bn (USD ~1.3mn/quarter)** is for FY22.

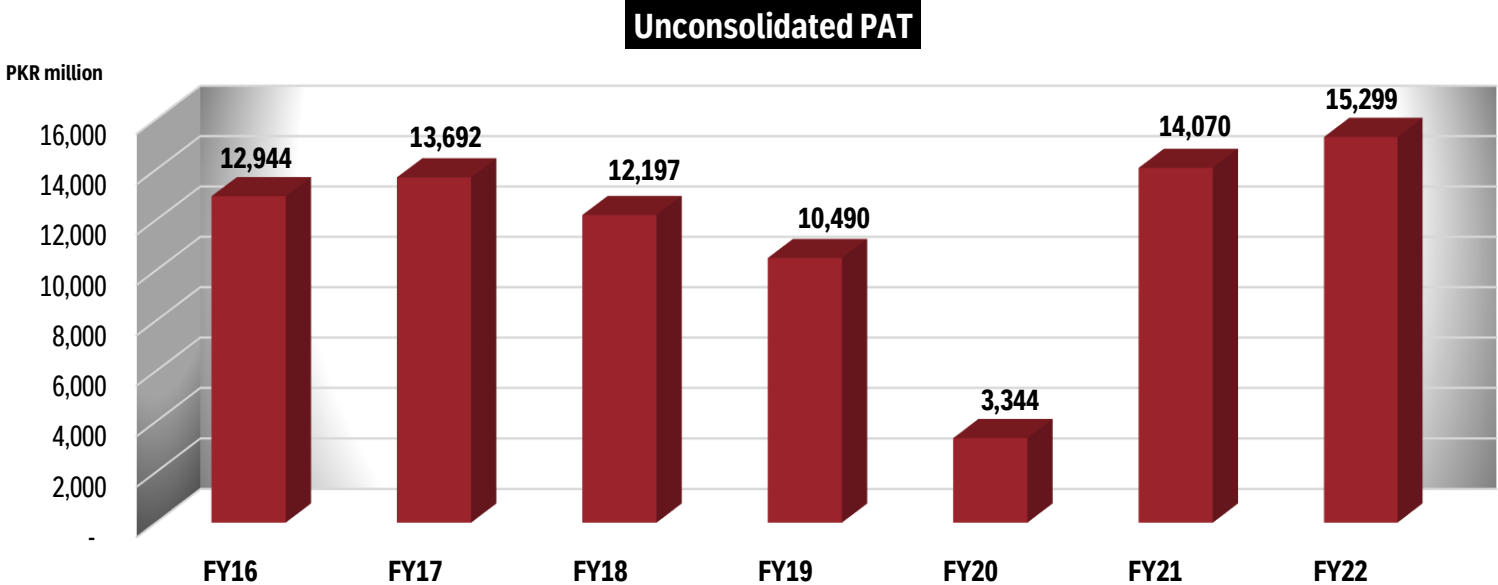
Income from **deposits** and supply of surplus **electricity to HESCO**



Highest Ever Profitability

Profit after Tax **increased** by **9% YoY** in **FY22 to PKR 15.3B** compared to PKR 14.1B in FY21

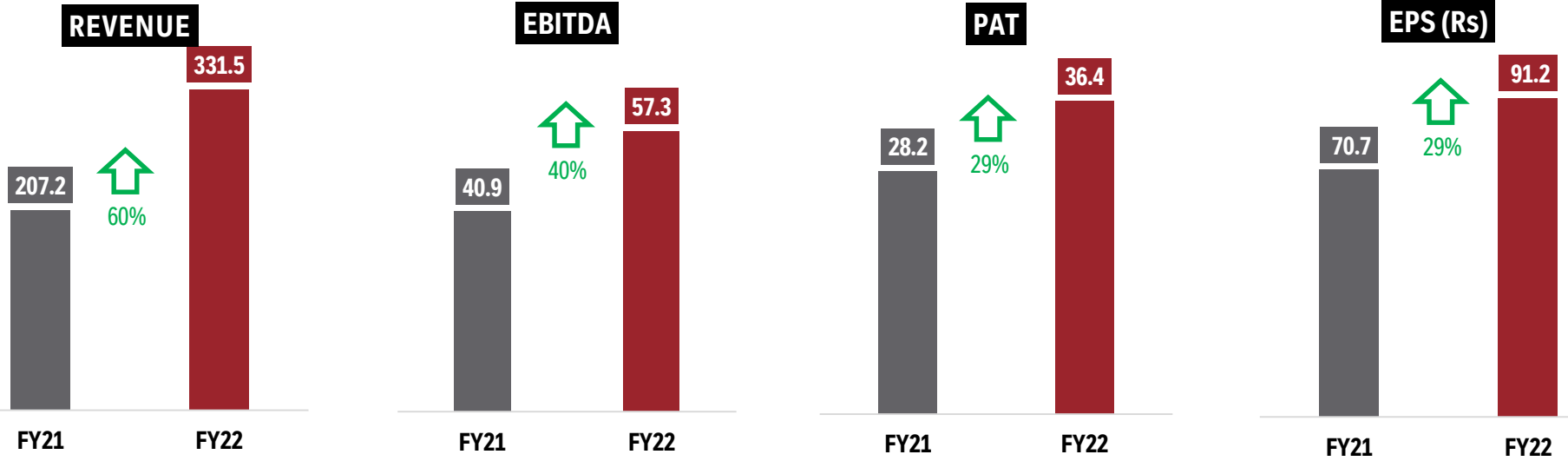
Highest ever profits recorded in the outgoing financial year due to **operational efficiencies** and **cost optimization**.



Consolidated Key Figures FY - 22

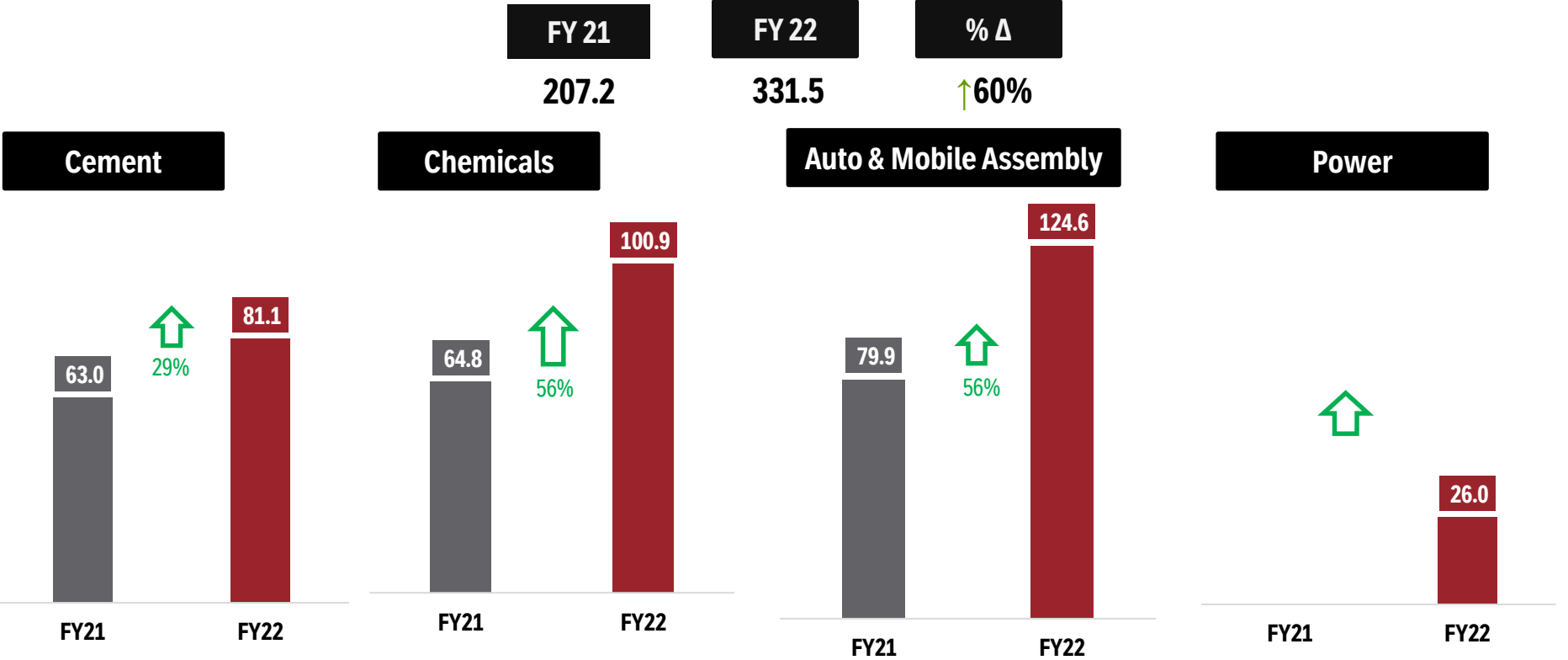
Key Figures

Consolidated: FY 2022



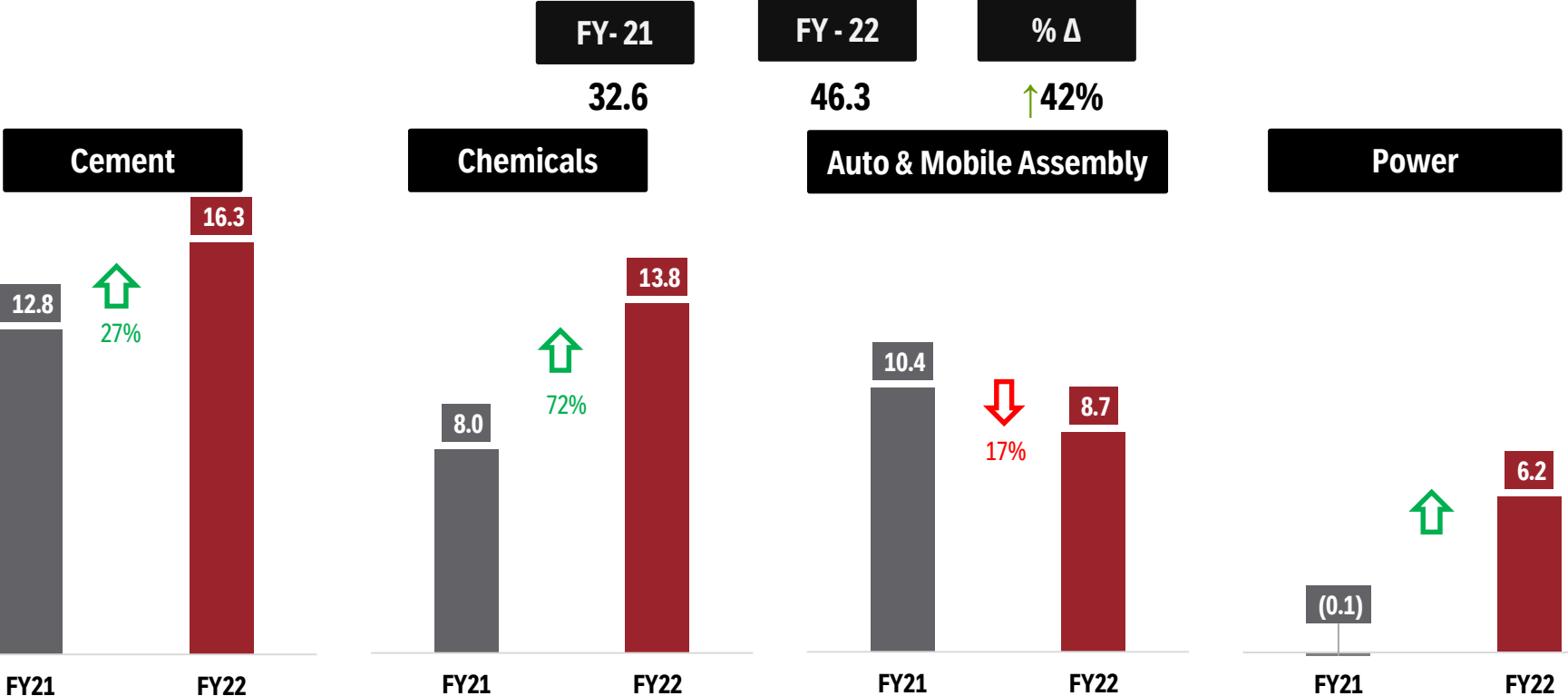
All numbers in PKR billion except EPS

Consolidated Net Revenue



All numbers in PKR billion except EPS

Consolidated Operating Profit

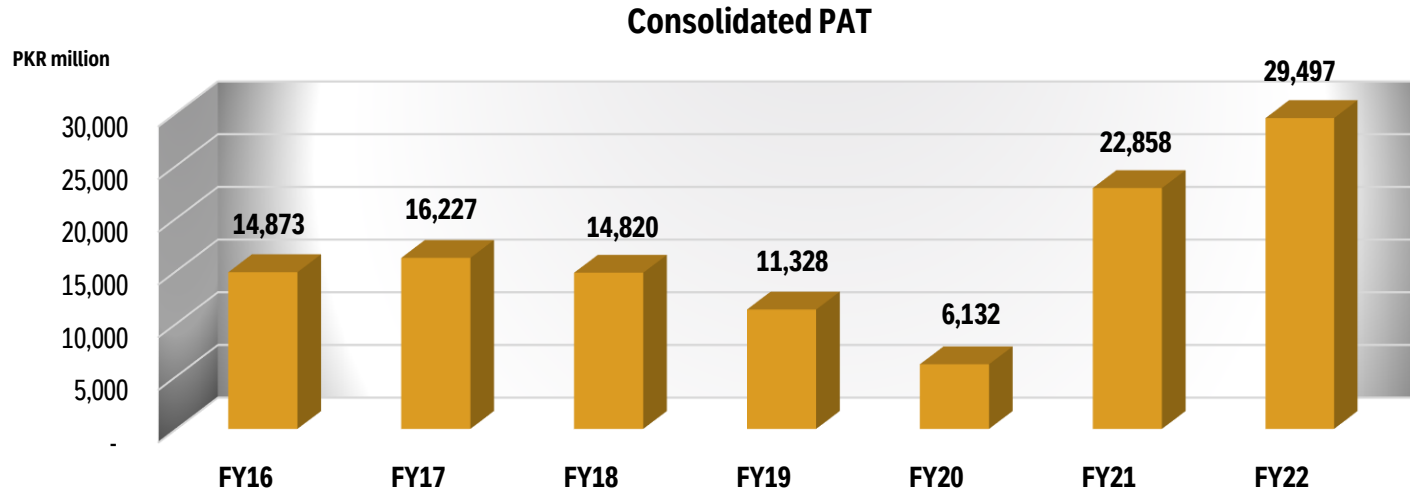


All numbers in PKR billion except EPS

Highest Ever Consolidated Profits

The consolidated profit of the company increased by **29% YoY in FY22 to PKR 29.5B**

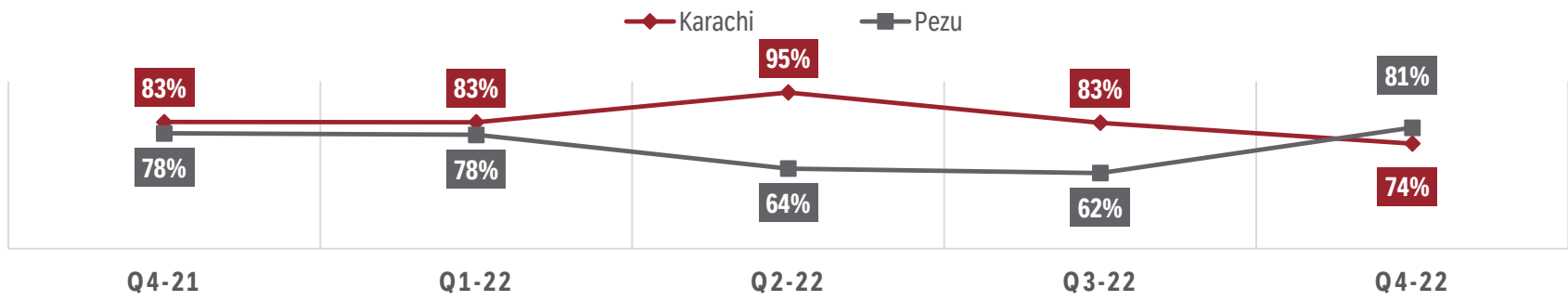
The overall performance of the **Group remained impressive**. Such performance is evident from the **growth in revenues and profitability** compared to last year and is an affirmation of the **successful execution of the Group's diversification strategy**.



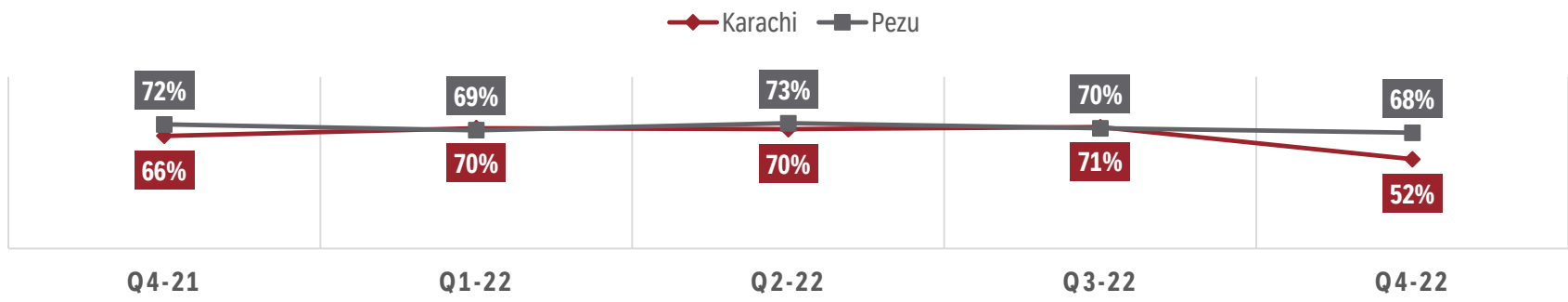
Cement Operations FY - 22

Utilization Levels

CLINKER

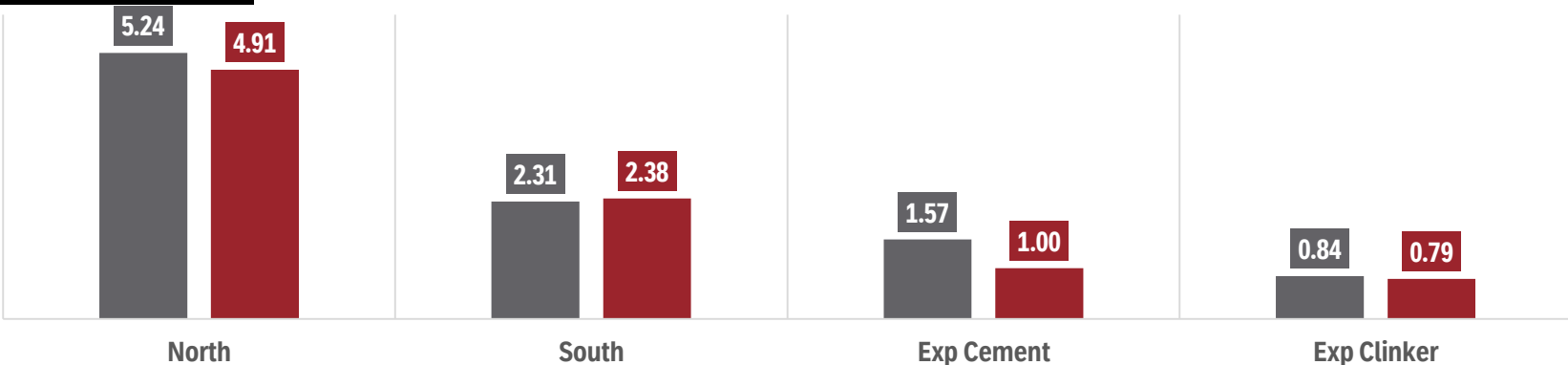


CEMENT

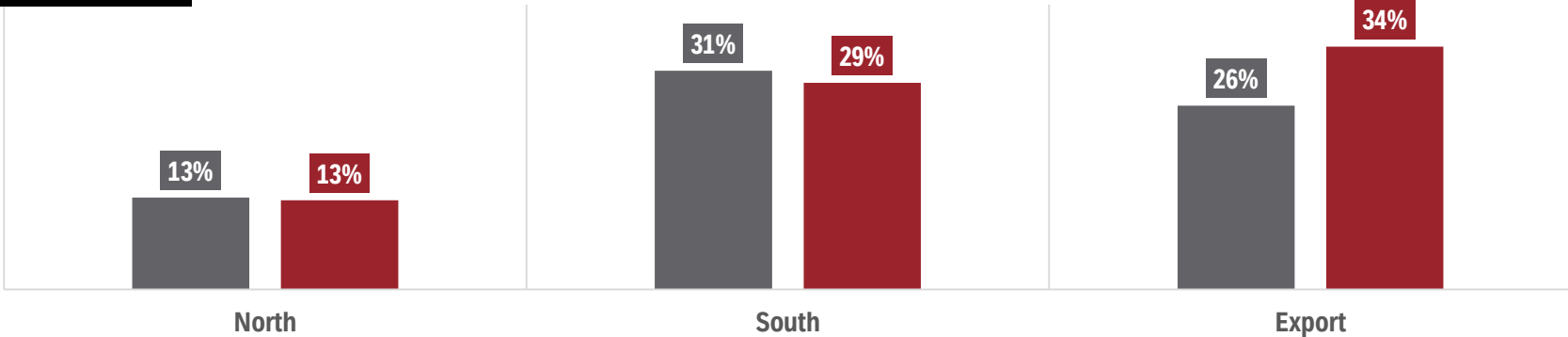


Sales & Market Share

Sales - Million Tons



Market Share



Foreign Operations FY - 22

Rising Overseas Returns

Joint Venture	A 50:50 JV with Al Shumookh Construction Materials Trading, a local partner	A 50:50 JV with Rawsons Investments Limited, a local partner	A 50:50 JV with Al Shumookh Construction Materials Trading, a local partner
Project Company	Al Mabrooka Cement Manufacturing Company, Basra (Iraq)	Nyumba Ya Akiba, SA, Democratic Republic of Congo	Najmat al Samawah, Iraq
Category	Cement Grinding Unit	Fully integrated cement manufacturing facility	Fully integrated cement manufacturing facility
Capacity (MTPA)	1.742	1.188	1.31
Status	Started commercial operations in 2014 , capacity doubled in 2018	Started Commercial operations in 2017	Project COD was in March'21

	FY-22	FY-21	▲%	FY-22	FY-21	▲%	FY-22	FY-21 Mar-Jun'21
Sales Volume	1,356,857	1,457,083	↓7%	832,841	743,072	↑12%	1,391,079	362,405
EBITDA (USD '000)	21,508	27,902	↓22.9%	48,990	46,948	↑4.3%	33,115	8,556

Future Plans & Outlook FY - 22

Outlook

The commodity super cycle, which started last year post-pandemic, **continues to persist**. This has been further **aggravated** by the **ongoing Russia-Ukraine conflict**. Challenges persist relating to the economy post **increase in utilities & fuel prices, higher inflation, interest rates, and currency devaluation**.

Cement

- **Rising interest rates** coupled with **higher inflation** have severely affected the purchasing power which will **impact the cement demand in the short term**
- Albeit in **medium to long term**, we expect **strong demand** to come from construction of **dams, hydropower projects** and other **real estate development projects**.



Chemical

- **Slowdown in growth, inflationary pressures, high cost of borrowing**, pose a threat to demand
- ICI is **leveraging its diversified product portfolio** to further its growth aspirations
- **Expansion plans** and diversification into **glass business** may increase footprints and maximize shareholders returns



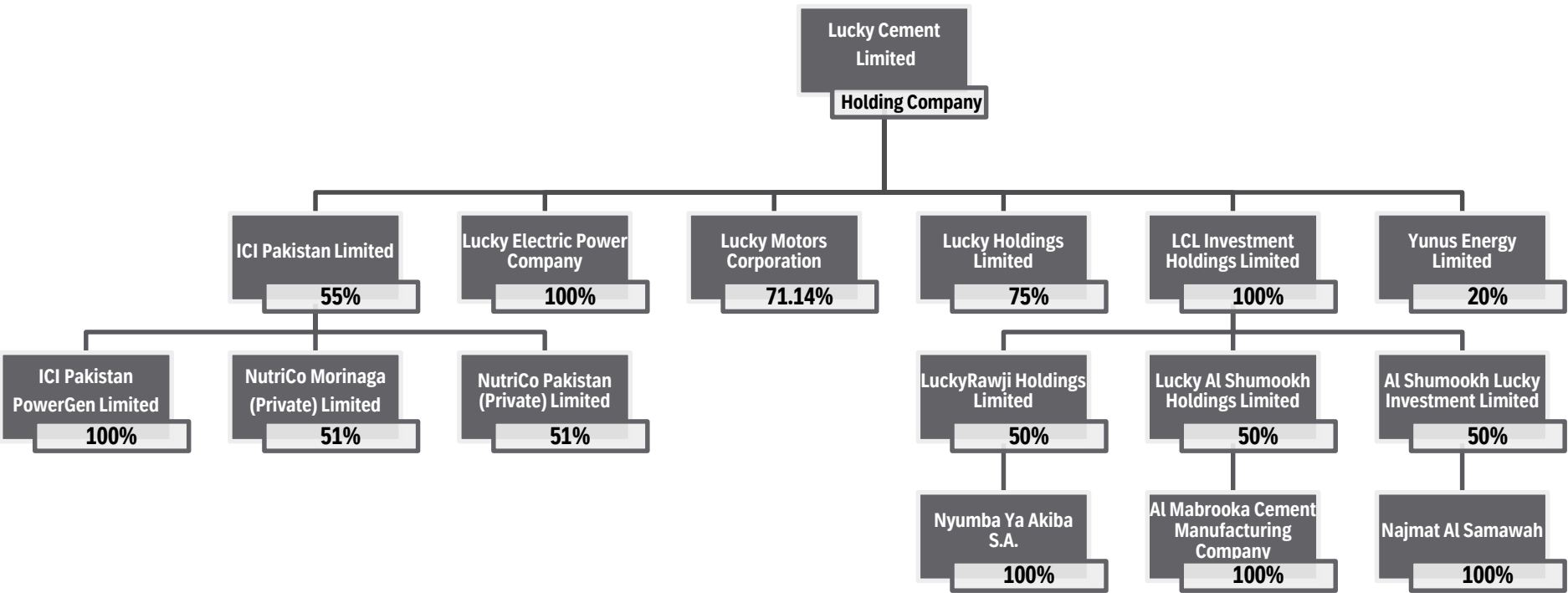
Auto & Mobile Assembly

- Increase in raw material costs on the back of **currency devaluation** lead to rising **automobile prices** and will **suppress demand**
- The **CKD mobile assembling** operations will also be impacted due to **SBP's ongoing restriction on establishing LCs**
- LMC is concentrating on optimizing its operational cost while **improving localization** for sustainable and **competitive operations**



Q & A

Group's Organogram



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