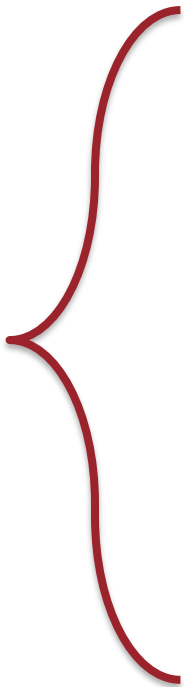


# **Analyst Briefing 9M FY23**

2<sup>nd</sup> May 2023

# Group Overview



Building Material



Automobile



Electronics

**SAMSUNG**

Chemicals, Agri Science,  
Animal Health, Pharma,  
Nutrition



**NUTRICO MORINAGA**

Power



# Key Messages



**Line-2**  
commissioned at  
**PEZU** increasing  
the capacity of  
**LUCK** to 15.30  
MTPA.

**Local Cement  
operations**  
witnessed  
**higher  
profitability** due  
to enhanced  
**operational  
efficiencies**

**Lucky's first  
share Buyback**  
was **completed**  
at the **average  
price** of **PKR  
435.6 per share.**  
Also, Lucky  
announced a  
**second share  
Buyback of  
23.8M shares**

COD achieved of  
**34 MW solar** at  
**PEZU.**  
Also, the  
procurement  
process for the  
equipment for **25  
MW solar** at **KP**  
has commenced.  
COD expected in  
**2Q FY24**

**Rising demand  
& fuel  
conversion** (FO  
to Gas for Kiln  
operations) has  
**optimized costs  
& increased the  
profitability** of  
**foreign cement  
operations**

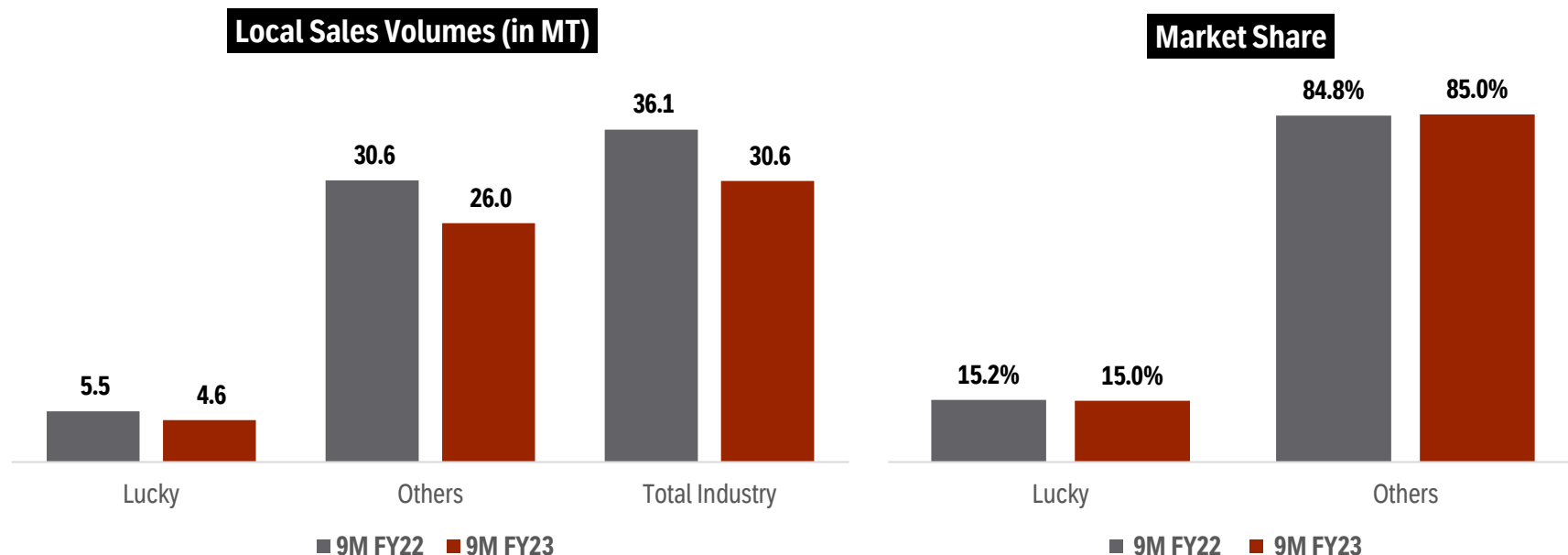
**LEPCL** currently  
has one of the  
**lowest**  
electricity **fuel  
costs** in the  
country at **PKR  
13.24/KWh**

# **Industry Volumes & Market Share 9M FY23**

# Sales Volumes & Market Share - Domestic

The **domestic sales** of the company decreased by **16.9%** to reach **4.6 MT** in 9M FY23

During 9M FY23, the **domestic market share** of the company clocked in at **15.0%** vs. 15.2% in SPLY

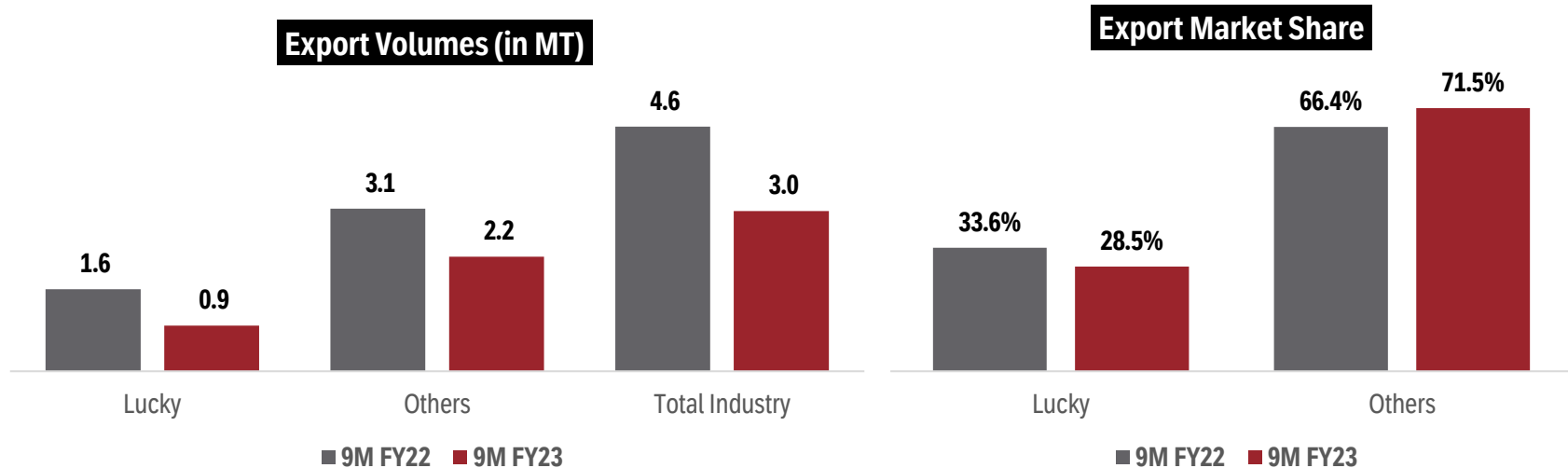


# Sales Volumes & Market Share - Export

The **export sales volumes** of the company decreased by **44.5%** to reach **0.9MT** in 9M FY23. The decline in exports was attributable to suppressed demand in foreign markets, owing to the prevalent global economic downturn

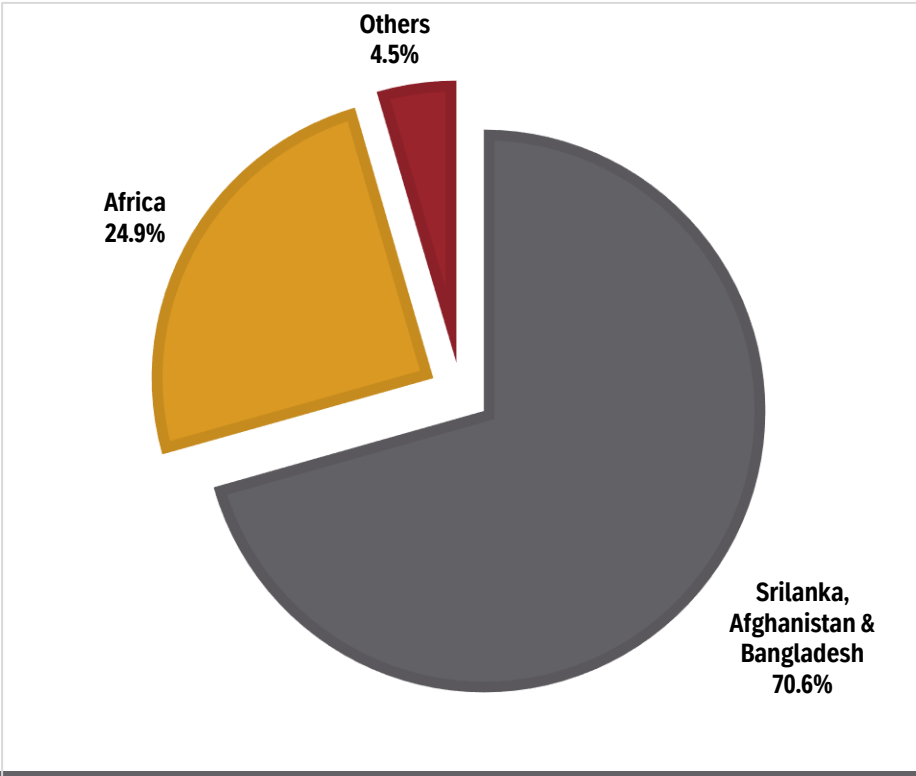
Recently, in 3Q FY23, due to a decrease in coal prices and PKR devaluation, **exports have once again become profitable**

During 9M FY23, the **export market share** of the company was **28.5%** compared to 33.6% in the SPLY

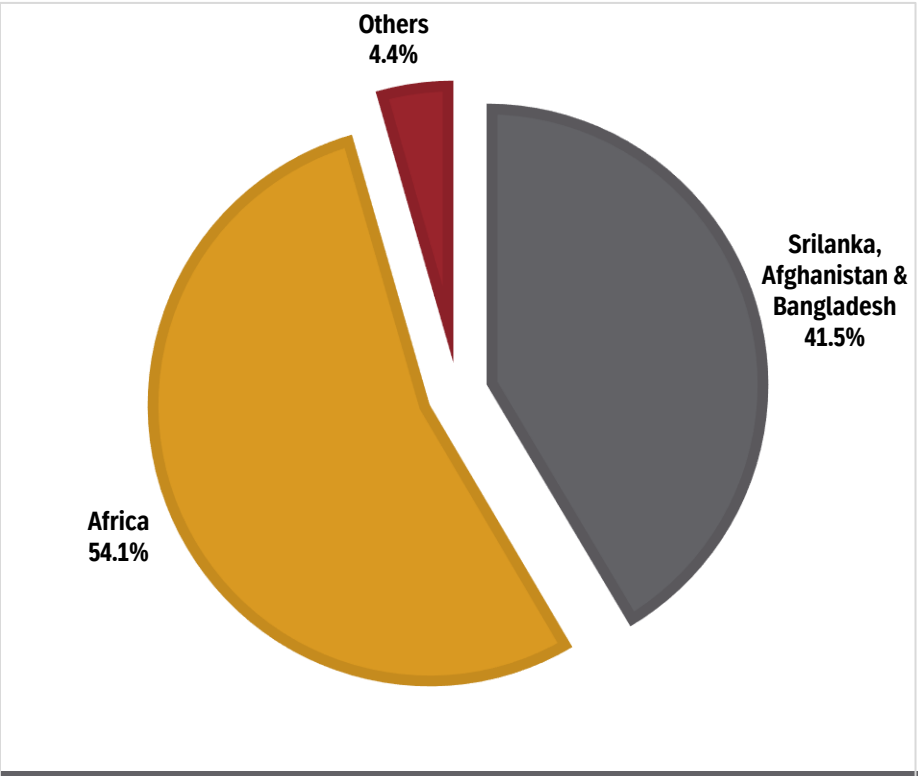


# Export Destinations

9M FY22



9M FY23



# **Standalone Key Figures 9M FY23**



# Standalone Financial Figures for 9M FY23

## Sales Revenue

19%



9M FY23  
70.3 Billion

9M FY22  
58.9 Billion

## Gross Profit

36%



9M FY23  
19.0 Billion

9M FY22  
14.0 Billion

## Operating Profit

49%



9M FY23  
13.7 Billion

9M FY22  
9.2 Billion

## EBITDA

39%



9M FY23  
17.5 Billion

9M FY22  
12.6 Billion

## Other Income

(31%)



9M FY23  
4.4 Billion

9M FY22  
6.4 Billion

## Profit After Tax

(2%)



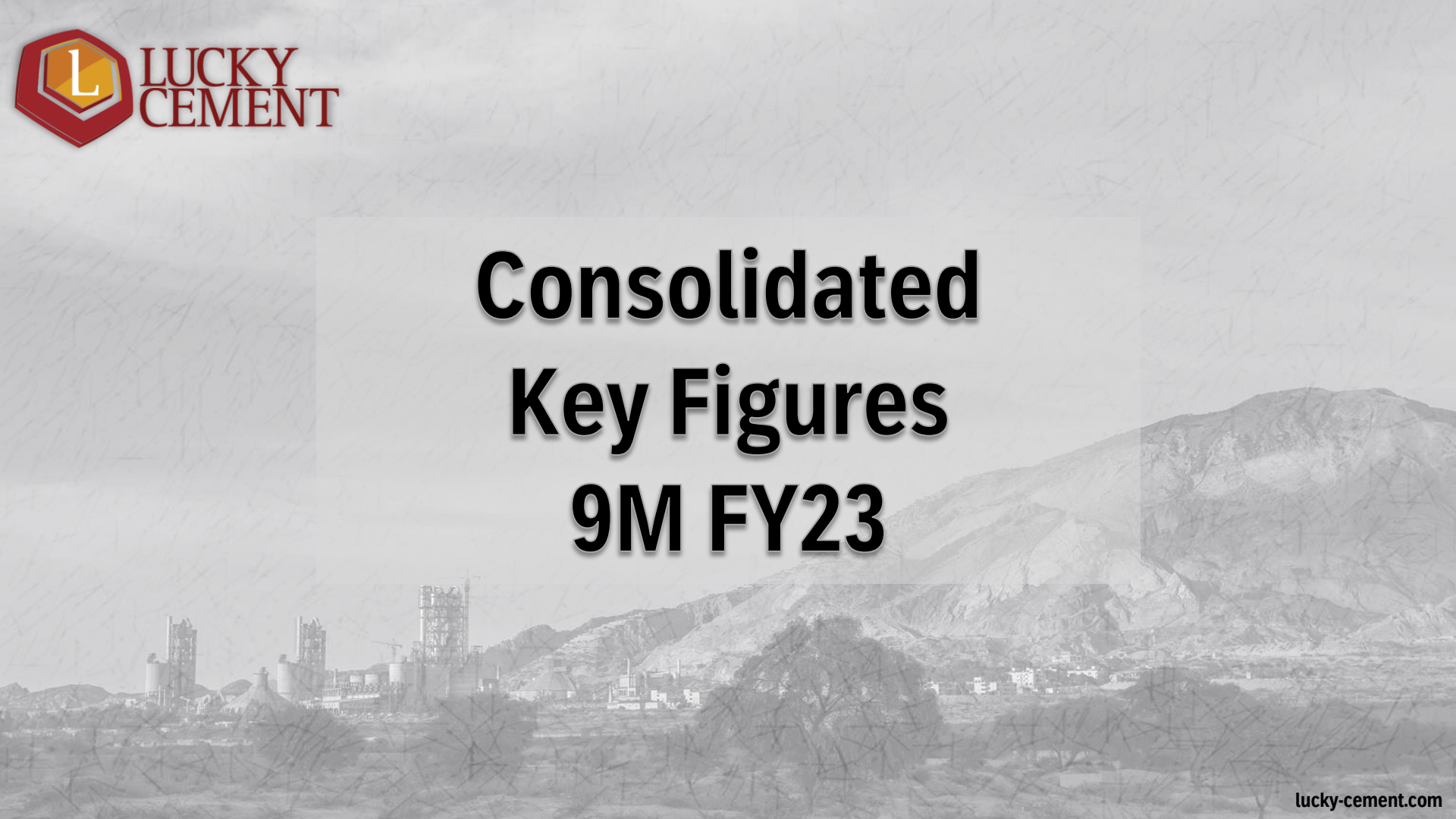
9M FY23  
11.1 Billion

9M FY22  
11.3 Billion

# Fragmentation of Other Income for 9M FY23

Total other income clocks in  
at **PKR 4.4 Billion** for 9M FY23



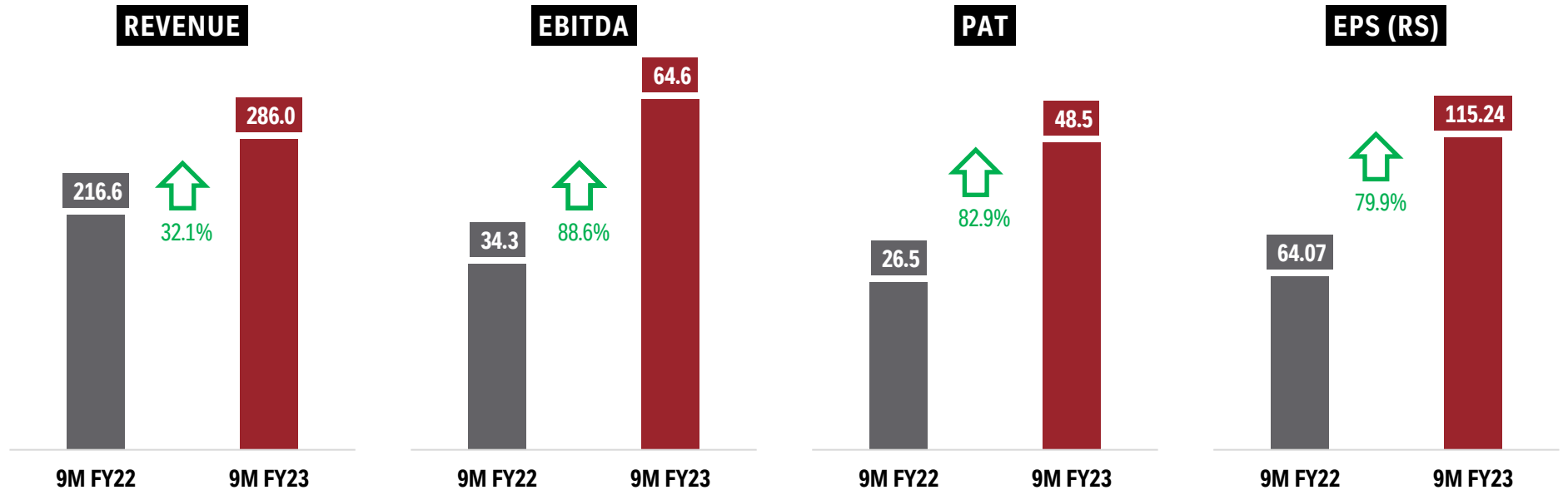


# **Consolidated Key Figures 9M FY23**

# Key Figures

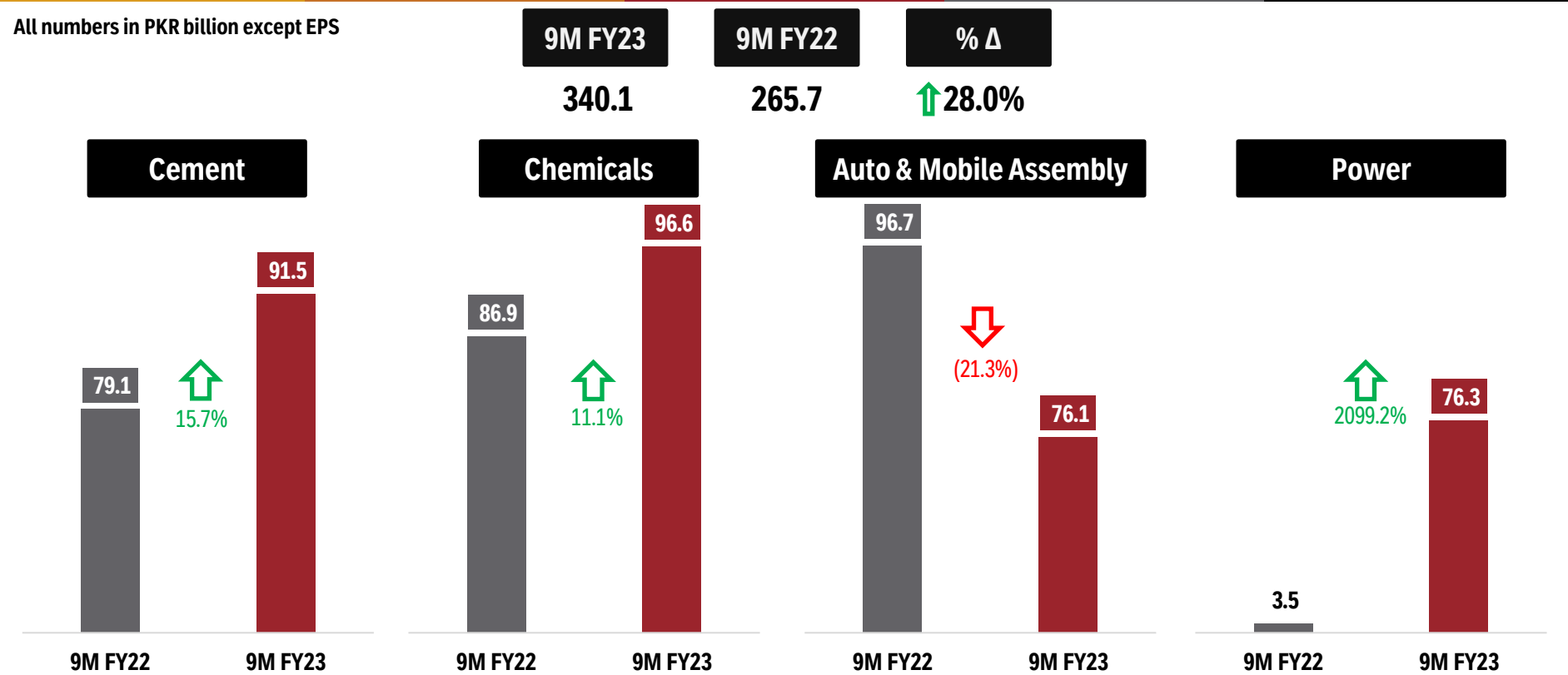
All numbers in PKR billion except EPS

## Consolidated: 9M FY23 vs 9M FY22



# Consolidated Gross Revenue

All numbers in PKR billion except EPS



# Consolidated Operating Profit

All numbers in PKR billion

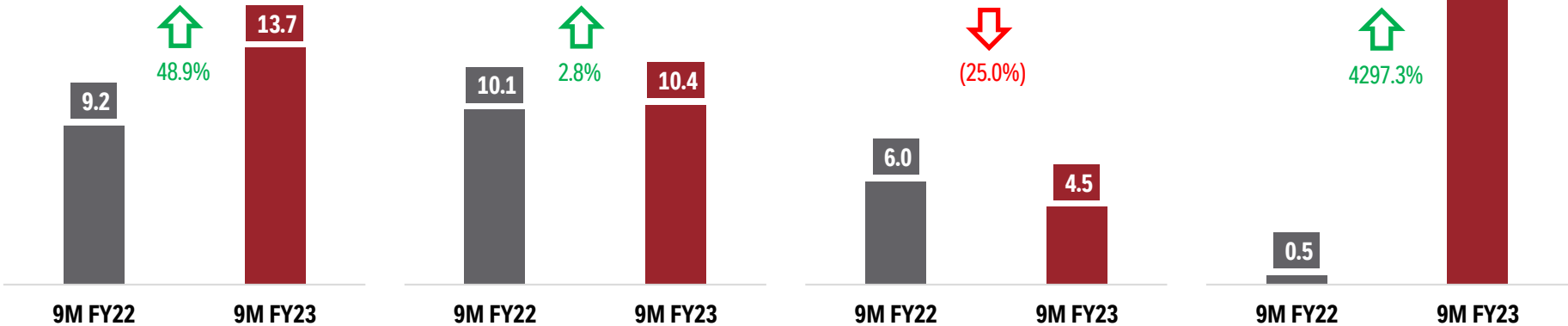
9M FY23	9M FY22	% Δ
52.5	26.3	↑99.4%

Cement

Chemicals

Auto & Mobile Assembly

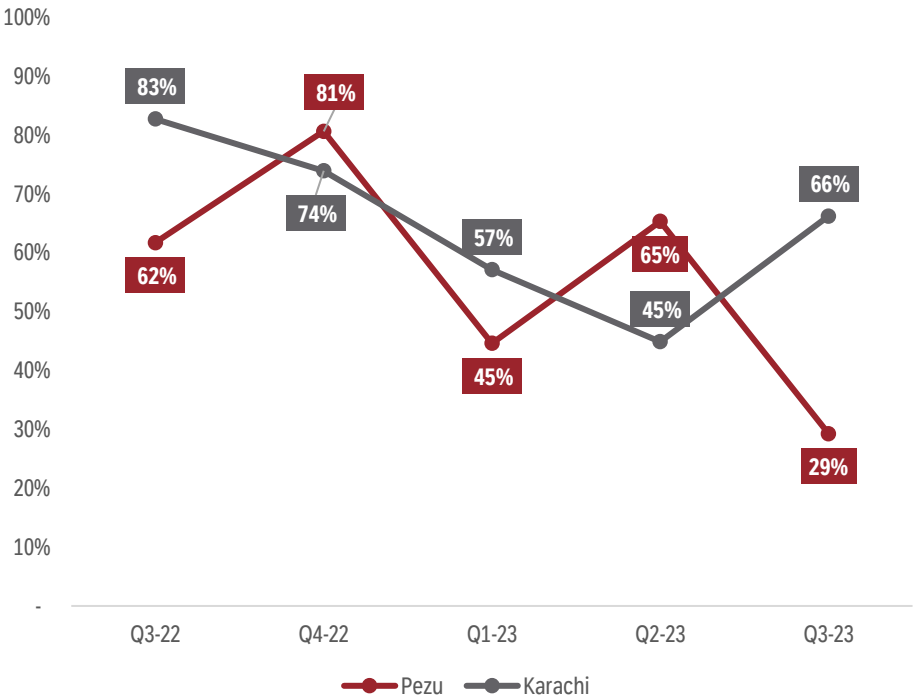
Power



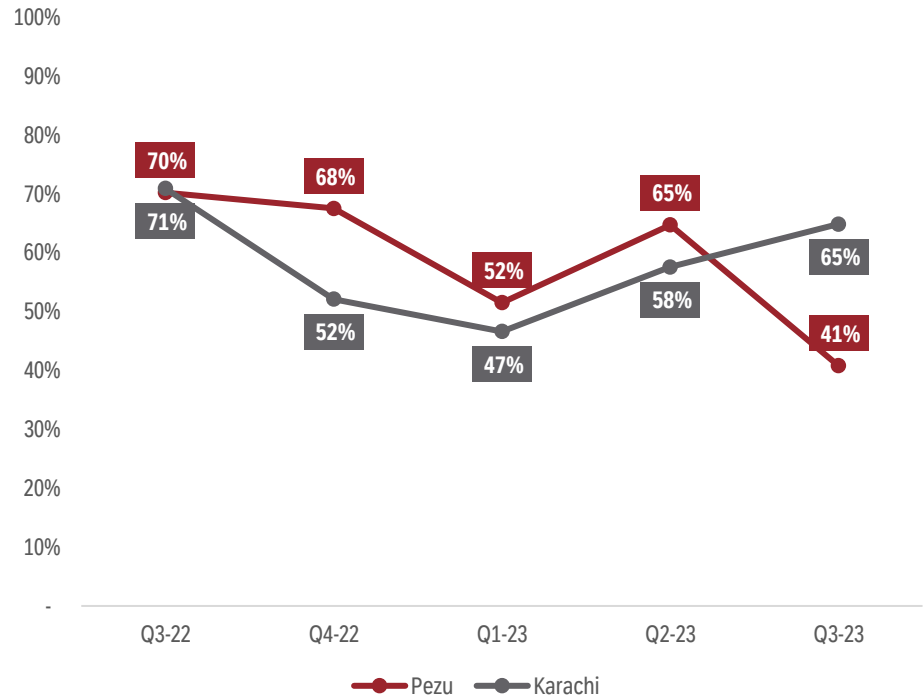
# **Local Cement Operations 9M FY23**

# Utilization Levels

Clinker



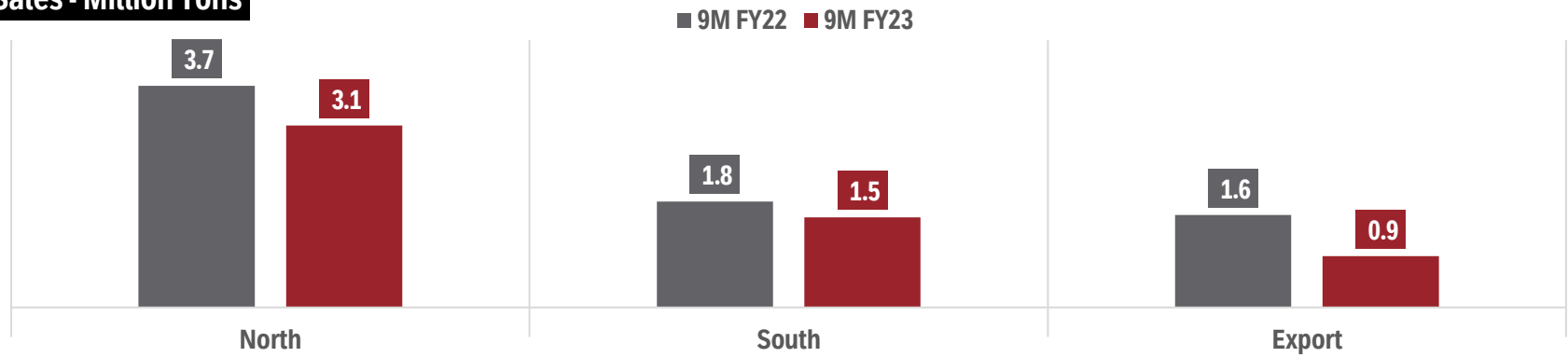
Cement



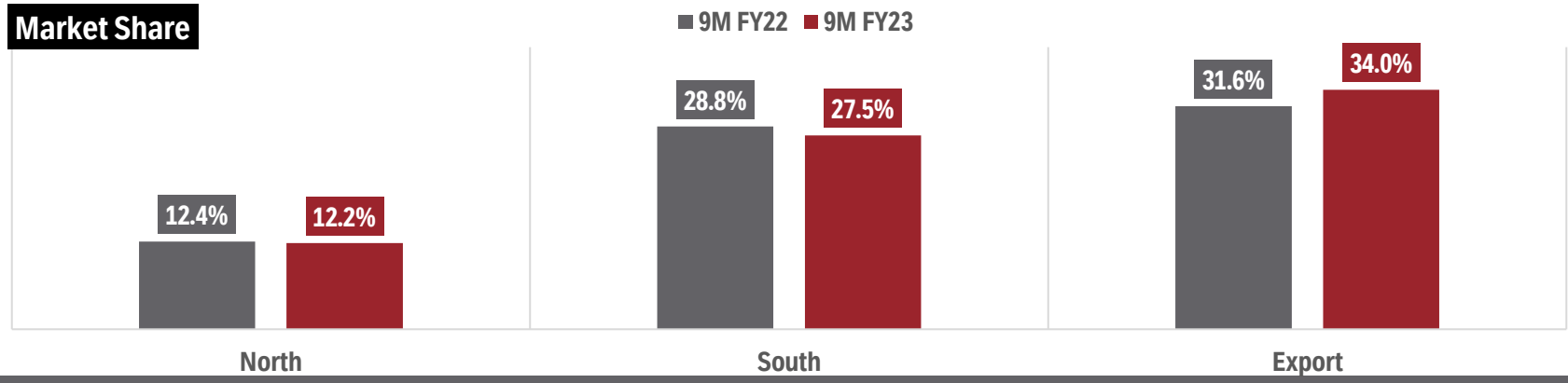


# Sales & Market Share – Region wise

Sales - Million Tons

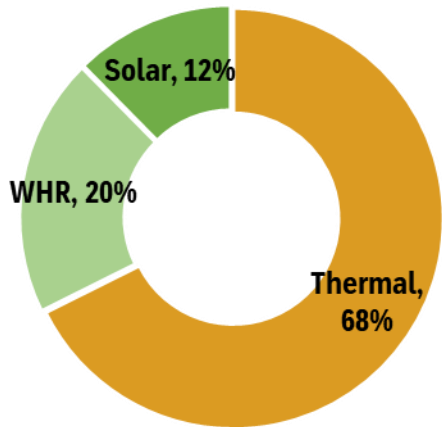


Market Share



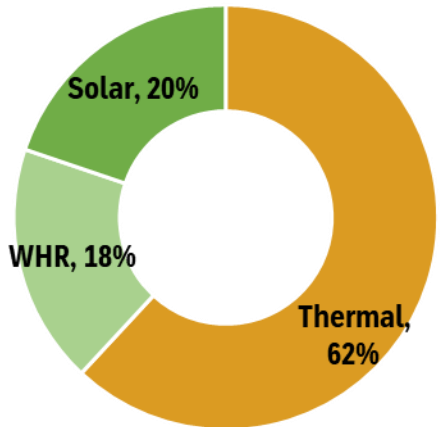
# Installed Energy Mix

Power Mix After Pezu Solar & Line-2 Expansion



Source	MW
Thermal	185
WHR	55
Solar	34
Total	274

Power Mix After Karachi Solar Plant



Source	MW
Thermal	185
WHR	55
Solar	59
Total	299

WHR: Waste Heat Recovery



# Outlook 9M FY23

# Outlook

**Pakistan** is facing **economic pressure** due to delays in receiving the latest **IMF** tranche, **impacting** financial **flexibility**. Despite **Government efforts** to reassure lenders, **financial assistance** has **not** been so **forthcoming**. A few **promising** monetary **guarantees** have been **received** from **friendly countries** which should pave give **confidence** to other lenders to follow suit.

## Cement

- **Funding** from international **lenders** could provide a **boost** to the **economy** and stimulate **demand** for the **cement sector**.
- Recent **decreases** in international **coal prices**, and increased **usage** of **local coal**, is expected to **relieve** some **cost** pressures.
- Recent **devaluation** of the **PKR** will make **exports** more **competitive**, further supporting the **cement sector's growth**.



## Chemical

- Economic **challenges** continue to **dampen** overall industrial **activity** and **demand** for the **subsidiary's products**.
- **Subsidiary** is dedicated to minimizing these adversities by utilizing its diverse **product portfolio** and employing **cost rationalization** efforts.



# Outlook

**Unlocking the IMF tranche** is crucial to **augment** Pakistan's **economy**, which has been severely **impacted** by **unfavorable** economic **conditions**. It is also essential to have **clarity** on the current **uncertain political** climate in Pakistan. This clarity would aid in **restoring** the **confidence** of multilateral and bilateral **entities** in **Pakistan's economy**.

## Auto & Mobile Assembly

- **Sales volumes** for **automobile** sector will remain under **pressure** due to **exogenous** factors.
- **Company** is engaged in aggressive **negotiations** with the **government** to ease **policy** restrictions.
- **Subsidiary** has been **optimizing** its **costs** and aiming for **sustainable** and **competitive operations**.



## Power

- **Company** aims to achieve **100%** plant **availability** in the near future from **97%** at present.
- The unit **cost** of **power generated** by **LEPCL** is **lower** than imported coal plants due to lignite coal. This **price** is expected to **reduce** when full quota of **Thar coal** is available for use.



# Q & A

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