

Financial Highlights Six Years at a Glance

| Financial Position (PKR in million) | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Assets Employed | | | | | | |
| Property, plant and equipment | 40,913 | 57,276 | 60,248 | 62,390 | 82,301 | 95,620 |
| Intangible Assets | 55 | 18 | 11 | 1 | 51 | 86 |
| Long term investments | 24,981 | 34,314 | 47,144 | 53,194 | 57,594 | 57,594 |
| Long term advance | 91 | 99 | 87 | 99 | 192 | 194 |
| Long term deposit & deferred cost | 3 | 3 | 3 | 8 | 8 | 8 |
| Current assets | 42,956 | 33,379 | 28,375 | 40,676 | 44,816 | 59,577 |
| Total Assets | 108,999 | 125,089 | 135,868 | 156,368 | 184,962 | 213,079 |
| Financed By | | | | | | |
| Shareholders' Equity | 86,367 | 94,318 | 99,184 | 113,200 | 128,540 | 137,366 |
| Long-term liabilities | | | | | | |
| Long term finance | – | – | 380 | 4,042 | 16,273 | 16,679 |
| Current portion of long term finance | – | – | 127 | 507 | 487 | 600 |
| | – | – | 507 | 4,549 | 16,760 | 17,278 |
| Long term deposits and deferred liabilities | 7,395 | 7,193 | 7,349 | 8,739 | 9,788 | 12,853 |
| Current liabilities | 15,237 | 23,578 | 28,955 | 30,387 | 30,361 | 46,181 |
| Current portion of long term finance | – | – | (127) | (507) | (487) | (600) |
| | 15,237 | 23,578 | 28,829 | 29,880 | 29,874 | 45,581 |
| Total Funds Invested | 108,999 | 125,089 | 135,868 | 156,368 | 184,962 | 213,079 |
| Turnover & Profit | | | | | | |
| Turnover - Net | 47,542 | 48,021 | 41,871 | 62,941 | 81,094 | 95,832 |
| Gross Profit | 16,952 | 13,984 | 6,077 | 18,956 | 22,552 | 26,061 |
| Operating Profit | 13,870 | 10,052 | 1,188 | 12,840 | 16,275 | 18,908 |
| Profit before taxation | 15,119 | 12,221 | 3,820 | 16,992 | 21,421 | 21,343 |
| Profit after taxation | 12,197 | 10,490 | 3,344 | 14,070 | 15,299 | 13,726 |
| Total comprehensive income | 12,079 | 10,539 | 3,508 | 14,016 | 15,340 | 13,984 |
| Cash Dividends | 5,497 | 2,587 | 2,102 | – | – | – |
| General Reserve | 8,199 | 9,492 | 8,437 | 3,509 | 14,016 | 15,340 |
| Profit carried forward | 12,079 | 10,539 | 3,509 | 14,016 | 15,340 | 13,984 |
| Earning per share (Rupees) | 37.72 | 32.44 | 10.34 | 43.51 | 47.31 | 43.06 |
| Cash Flow Summary | | | | | | |
| Net Cash from Operating Activities | 17,080 | 17,084 | 5,047 | 12,493 | 15,469 | 23,243 |
| Net Cash used in Investing Activities | (25,793) | (29,187) | (8,396) | (5,762) | (24,826) | (12,979) |
| Net Cash (Outflow) / Inflow from Financing Activities | (5,477) | 1,359 | 3,364 | 3,141 | 6,159 | 245 |
| (Decrease) / Increase in Cash and Bank Balance | (14,190) | (10,744) | 15 | 9,871 | (3,198) | 10,509 |
| Cash and cash equivalent at the beginning of the Year | 33,738 | 19,548 | 8,804 | 8,820 | 18,691 | 15,493 |
| Cash and cash equivalent at the end of the Year | 19,548 | 8,804 | 8,820 | 18,691 | 15,493 | 26,002 |

Analysis of Statement of Financial Position

| PKR in '000 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Share Capital & Reserves | 86,366,822 | 94,318,417 | 99,183,861 | 113,200,258 | 128,540,324 | 137,366,326 |
| Non Current Liabilities | 7,395,033 | 7,192,747 | 7,729,261 | 12,780,738 | 26,060,686 | 29,531,862 |
| Current Liabilities | 15,237,262 | 23,578,050 | 28,955,352 | 30,387,066 | 30,361,358 | 46,180,879 |
| Total Equity & Liabilities | 108,999,117 | 125,089,214 | 135,868,474 | 156,368,062 | 184,962,368 | 213,079,067 |
| Non Current Assets | 66,043,440 | 91,710,415 | 107,493,561 | 115,691,694 | 140,146,677 | 153,502,425 |
| Current Assets | 42,955,677 | 33,378,799 | 28,374,913 | 40,676,368 | 44,815,691 | 59,576,642 |
| Total Assets | 108,999,117 | 125,089,214 | 135,868,474 | 156,368,062 | 184,962,368 | 213,079,067 |

| Vertical Analysis - (%) | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Share Capital & Reserves | 79.24 | 75.40 | 73.00 | 72.39 | 69.50 | 64.47 |
| Non Current Liabilities | 6.78 | 5.75 | 5.69 | 8.17 | 14.09 | 13.86 |
| Current Liabilities | 13.98 | 18.85 | 21.31 | 19.44 | 16.41 | 21.67 |
| Total Equity & Liabilities | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Non Current Assets | 60.59 | 73.32 | 79.12 | 73.99 | 75.77 | 72.04 |
| Current Assets | 39.41 | 26.68 | 20.88 | 26.01 | 24.23 | 27.96 |
| Total Assets | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

| Horizontal Analysis (i) Cumulative (%) | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Share Capital & Reserves | 24.59 | 36.06 | 43.08 | 63.29 | 61.11 | 59.05 |
| Non Current Liabilities | 6.12 | 3.21 | 10.91 | 83.40 | 261.51 | 299.35 |
| Current Liabilities | 58.43 | 145.15 | 201.06 | 215.95 | 193.53 | 203.08 |
| Total Equity & Liabilities | 26.88 | 45.61 | 58.15 | 82.02 | 90.02 | 95.49 |
| Non Current Assets | 41.98 | 97.16 | 131.10 | 148.72 | 174.96 | 132.43 |
| Current Assets | 9.04 | (15.27) | (27.97) | 3.25 | (3.35) | 38.69 |
| Total Assets | 26.88 | 45.61 | 58.15 | 82.02 | 90.02 | 95.49 |

| Horizontal Analysis (ii) Year on Year (%) | 2018 vs 2017 | 2019 vs 2018 | 2020 vs 2019 | 2021 vs 2020 | 2022 vs 2021 | 2023 vs 2022 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Share Capital & Reserves | 8.25 | 9.21 | 5.16 | 14.13 | 13.55 | 6.87 |
| Non Current Liabilities | 2.58 | (2.74) | 7.46 | 65.36 | 103.91 | 13.32 |
| Current Liabilities | 47.31 | 54.74 | 22.81 | 4.94 | (0.08) | 52.10 |
| Total Equity & Liabilities | 11.98 | 14.76 | 8.62 | 15.09 | 18.29 | 15.20 |
| Non Current Assets | 29.57 | 38.86 | 17.21 | 7.63 | 21.14 | 9.53 |
| Current Assets | (7.36) | (22.29) | (14.99) | 43.35 | 10.18 | 32.94 |
| Total Assets | 11.98 | 14.76 | 8.62 | 15.09 | 18.29 | 15.20 |

Analysis of Statement of Profit or Loss

| PKR in '000 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------------------|-------------------|-------------------|------------------|-------------------|-------------------|-------------------|
| Turnover | 47,541,724 | 48,021,399 | 41,870,796 | 62,940,805 | 81,093,525 | 95,832,147 |
| Cost of Sales | 30,589,363 | 34,037,568 | 35,794,031 | 43,984,873 | 58,541,684 | 69,771,469 |
| Gross Profit | 16,952,361 | 13,983,831 | 6,076,765 | 18,955,932 | 22,551,841 | 26,060,678 |
| Distribution Cost | 1,992,454 | 2,728,809 | 3,699,154 | 4,859,096 | 4,764,574 | 5,326,894 |
| Administrative Cost | 1,089,446 | 1,202,939 | 1,189,638 | 1,257,074 | 1,512,279 | 1,825,578 |
| Operating Profit | 13,870,461 | 10,052,083 | 1,187,973 | 12,839,762 | 16,274,988 | 18,908,206 |
| Finance Cost | – | 24,933 | 176,378 | 332,905 | 394,517 | 1,169,770 |
| (Other Income)/Charges | (1,248,194) | (2,194,065) | (2,808,333) | (4,485,356) | (5,540,761) | (3,604,838) |
| Profit before taxation | 15,118,655 | 12,221,215 | 3,819,928 | 16,992,213 | 21,421,232 | 21,343,274 |
| Taxation | 2,921,565 | 1,730,986 | 475,995 | 2,922,024 | 6,122,614 | 7,617,460 |
| Profit after taxation | 12,197,090 | 10,490,229 | 3,343,933 | 14,070,189 | 15,298,618 | 13,725,814 |
| Other Comprehensive Income | (117,874) | 48,366 | 164,550 | (53,792) | 41,448 | 257,842 |
| Total Comprehensive Income | 12,079,216 | 10,538,595 | 3,508,483 | 14,016,397 | 15,340,066 | 13,983,656 |

| Vertical Analysis - (%) | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Turnover | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Cost of Sales | 64.34 | 70.88 | 85.49 | 69.88 | 72.19 | 72.81 |
| Gross Profit | 35.66 | 29.12 | 14.51 | 30.12 | 27.81 | 27.19 |
| Distribution Cost | 4.19 | 5.68 | 8.83 | 7.72 | 5.88 | 5.56 |
| Administrative Cost | 2.29 | 2.51 | 2.84 | 2.00 | 1.86 | 1.90 |
| Operating Profit | 29.18 | 20.93 | 2.84 | 20.40 | 20.07 | 19.73 |
| Finance Cost | – | 0.05 | 0.42 | 0.53 | 0.49 | 1.22 |
| (Other Income)/Charges | (2.63) | (4.57) | (6.71) | (7.13) | (6.83) | (3.76) |
| Profit before taxation | 31.80 | 25.45 | 9.12 | 27.00 | 26.42 | 22.27 |
| Taxation | 6.15 | 3.60 | 1.14 | 4.64 | 7.55 | 7.95 |
| Profit after taxation | 25.66 | 21.84 | 7.99 | 22.35 | 18.87 | 14.32 |
| Other Comprehensive Income | (0.25) | 0.10 | 0.39 | (0.09) | 0.05 | 0.27 |
| Total Comprehensive Income | 25.41 | 21.95 | 8.38 | 22.27 | 18.92 | 14.59 |

| Horizontal Analysis (i) Cumulative - (%) | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|----------------|----------------|----------------|----------------|----------------|--------------|
| Turnover | 5.33 | 6.39 | (7.23) | 39.45 | 77.50 | 101.57 |
| Cost of Sales | 30.78 | 45.53 | 53.04 | 88.06 | 140.04 | 128.09 |
| Gross Profit | (22.04) | (35.69) | (72.06) | (12.83) | 5.89 | 53.73 |
| Distribution Cost | (1.28) | 35.20 | 83.27 | 140.74 | 179.65 | 167.35 |
| Administrative Cost | (1.63) | 8.61 | 7.41 | 13.50 | 48.02 | 67.57 |
| Operating Profit | (25.51) | (46.01) | (93.62) | (31.04) | (12.37) | 36.32 |
| Finance Cost | – | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| (Other Income)/Charges | (668.28) | (1,098.92) | (1,378.58) | (2,142.10) | 2,596.90 | 188.80 |
| Profit before taxation | (17.83) | (33.58) | (79.24) | (7.65) | 14.07 | 41.17 |
| Taxation | (46.45) | (68.27) | (91.28) | (46.44) | 20.38 | 160.73 |
| Profit after taxation | (5.77) | (18.96) | (74.17) | 8.70 | 11.73 | 12.53 |
| Other Comprehensive Income | (489.56) | 59.85 | 443.82 | (277.78) | 1,037.43 | (318.74) |
| Total Comprehensive Income | (6.90) | (18.77) | (72.96) | 8.03 | 12.00 | 15.77 |

| Horizontal Analysis (ii) Year vs Year - (%) | 2018 vs 2017 | 2019 vs 2018 | 2020 vs 2019 | 2021 vs 2020 | 2022 vs 2021 | 2023 vs 2022 |
|--|----------------|----------------|----------------|---------------|--------------|----------------|
| Turnover | 4.06 | 1.01 | (12.81) | 50.32 | 28.84 | 18.17 |
| Cost of Sales | 25.42 | 11.27 | 5.16 | 22.88 | 33.10 | 19.18 |
| Gross Profit | (20.41) | (17.51) | (56.54) | 211.94 | 18.97 | 15.56 |
| Distribution Cost | 16.94 | 36.96 | 35.56 | 31.36 | (1.95) | 11.80 |
| Administrative Cost | 6.63 | 10.42 | (1.11) | 5.67 | 20.30 | 20.72 |
| Operating Profit | (25.32) | (27.53) | (88.18) | 980.81 | 26.75 | 16.18 |
| Finance Cost | – | 100.00 | 607.41 | 88.75 | 18.51 | 196.51 |
| (Other Income)/Charges | 507.54 | 75.78 | 28.00 | 59.72 | 23.53 | (34.94) |
| Profit before taxation | (19.49) | (19.16) | (68.74) | 344.83 | 26.06 | (0.36) |
| Taxation | (42.56) | (40.75) | (72.50) | 513.88 | 109.53 | 24.42 |
| Profit after taxation | (10.92) | (13.99) | (68.12) | 320.77 | 8.73 | (10.28) |
| Other Comprehensive Income | (3,334.74) | 141.03 | 240.22 | (132.69) | (177.05) | 522.09 |
| Total Comprehensive Income | (11.80) | (12.75) | (66.71) | 299.50 | 9.44 | (8.84) |

Notes on Analysis

Comments on six year Statement of Comprehensive Income analysis

Turnover

Revenues increased from PKR 47.5 billion in 2018 to PKR 95.8 billion in 2023 with an increase of 101.6%. The increase in revenue was mainly due to higher cement prices owing to increased cost of inputs. Also, the export revenue showed an increase due to depreciation of PKR against the USD.

Cost of Sales

The cost of sales increased from PKR 30.6 billion in 2018 to PKR 69.8 billion in 2023, mainly due to the increase in input costs (coal, fuel, etc.) along with depreciating currency which has further intensified the costs of imported fuel and packaging material. Moreover, the increase in royalty on raw materials also led to an increase in the cost of sales.

Gross Profit

GP increased from PKR 17.0 billion in 2018 to PKR 26.1 billion in 2023. However, gross profit margins dropped by 8.5 percentage points from 35.7% to 27.2% as the cost of sales increased by more than the retention prices of cement. The gross margins also fell due to changes in sales mix.

Distribution Cost

The distribution cost of the company increased from PKR 2.0 billion (4.2% as % of sales) in 2018 to PKR 5.3 billion (5.6% as % of sales), an increase of 167.4%. The major reason for the increase was inflationary pressure and rise in fuel costs along with higher sea freight for exports.

Finance Cost

Finance cost is minimal since debt financing is principally based on subsidized loans bearing lower rates of mark-up. Further, the Company's capital structure is significantly based on equity financing.

Comprehensive Income

Total Comprehensive Income increased from PKR 12.1 billion to PKR 14.0 billion, majorly on account of an 15.8% increase in net profit.

Comments on six year Statement of Financial Position analysis

Share Capital & Reserves

The company's share capital changed during the period due to 1st shares buyback of 10 million shares. The company is continuously investing profits in new projects and another shares buyback of 23.8 million shares is in progress.

Non Current Liabilities

The increase of 299.4% in non-current liabilities came from long-term subsidized loans acquired for funding expansion and other projects.

Non Current Assets

Non-Current Assets increased from PKR 66.0 billion to PKR 153.5 billion, an increase of 132.4%, in the six years. The increase came from capital expenditures on expansions (new cement lines) and power generation (Solar project in Pezu and Karachi), logistics fleet, and equity investments in Lucky Motor Corporation, Lucky Electric Power, and offshore projects in Iraq & Congo.

Comments on six year Statement of Cash Flows analysis

Lucky has a prudent cash flow approach. The Company's projects and investments are primarily financed by internally generated cash flows and through subsidized financing available to the company.

Financial Ratios

| Financial Ratios | UoM | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|--------------|-----------|-------------|----------|-----------|----------|----------|
| Profitability Ratios | | | | | | | |
| Gross profit to sales | percent | 35.66% | 29.12% | 14.51% | 30.12% | 27.81% | 27.19% |
| Operating Cost to sales | percent | 70.82% | 79.07% | 97.16% | 79.60% | 79.93% | 80.27% |
| Profit before tax to sales | percent | 31.80% | 25.45% | 9.12% | 27.00% | 26.42% | 22.27% |
| Net profit after tax to sales | percent | 25.66% | 21.84% | 7.99% | 22.35% | 18.87% | 14.32% |
| EBITDA to sales | percent | 35.52% | 27.80% | 12.03% | 27.25% | 25.65% | 25.28% |
| Operating Leverage | percent | (623.68%) | (2,728.45%) | 688.49% | 1,940.09% | 92.77% | 89.02% |
| Return on Equity | percent | 13.99% | 11.17% | 3.54% | 12.38% | 11.93% | 10.18% |
| Return on Capital Employed | percent | 14.54% | 11.67% | 3.62% | 12.89% | 11.66% | 9.32% |
| Shareholders' Funds | rupees in Mn | 86,367 | 94,318 | 99,184 | 113,200 | 128,540 | 137,366 |
| Return on Shareholders' Funds | percent | 14.12% | 11.12% | 3.37% | 12.43% | 11.90% | 9.99% |
| Liquidity Ratios | | | | | | | |
| Current ratio | times | 2.82 : 1 | 1.42 : 1 | 0.98 : 1 | 1.34 : 1 | 1.48 : 1 | 1.29 : 1 |
| Quick/Acid test ratio | times | 2.12 : 1 | 0.95 : 1 | 0.65 : 1 | 0.89 : 1 | 0.87 : 1 | 0.85 : 1 |
| Cash to Current Liabilities | times | 1.28 : 1 | 0.37 : 1 | 0.03 : 1 | 0.38 : 1 | 0.48 : 1 | 0.56 : 1 |
| Cash flow from Operations to Sales | times | 0.36 : 1 | 0.36 : 1 | 0.12 : 1 | 0.20 : 1 | 0.19 : 1 | 0.24 : 1 |
| Cash flow to Capital Expenditures | times | 2.65 : 1 | 0.87 : 1 | 0.74 : 1 | 1.93 : 1 | 0.63 : 1 | 1.24 : 1 |
| Cash flow Coverage ratio | times | 0.00 : 1 | 0.00 : 1 | 9.96 : 1 | 2.75 : 1 | 0.92 : 1 | 1.35 : 1 |
| Activity / Turnover Ratios | | | | | | | |
| Inventory turnover | times | 3.22 | 3.15 | 3.49 | 3.81 | 3.66 | 3.62 |
| No. of days in Inventory | days | 113.35 | 115.87 | 104.58 | 95.80 | 99.73 | 100.83 |
| Debtor turnover | times | 23.73 | 21.42 | 15.28 | 20.53 | 26.02 | 22.25 |
| No. of days in Receivables | days | 15.38 | 17.04 | 23.89 | 17.78 | 14.03 | 16.40 |
| Creditor turnover | times | 2.73 | 2.11 | 1.86 | 2.19 | 2.66 | 2.63 |
| No. of days in Payables | days | 133.70 | 172.99 | 196.24 | 166.67 | 137.22 | 138.78 |
| Operating Cycle | days | (4.97) | (40.08) | (67.77) | (53.09) | (23.46) | (21.55) |
| Total assets turnover | times | 0.44 | 0.38 | 0.31 | 0.40 | 0.44 | 0.45 |
| Fixed assets turnover | times | 1.16 | 0.84 | 0.69 | 1.01 | 0.98 | 1.00 |
| Investment Valuation Ratios | | | | | | | |
| Earnings per share (EPS) and Diluted EPS | rupees | 37.72 | 32.44 | 10.34 | 43.51 | 47.31 | 43.06 |
| Price / Earning ratio (after tax) | times | 13.47 | 11.73 | 44.64 | 19.84 | 9.70 | 12.12 |
| Dividend Yield | percent | 2.56% | 1.71% | 0.00% | 0.00% | 0.00% | 3% |
| Dividend Payout ratio | percent | 34.47% | 20.04% | 0.00% | 0.00% | 0.00% | 42% |
| Cash Dividend per share | rupees | 13.00 | 6.50 | - | - | - | 18.00 |
| Stock Dividend per share | shares | - | - | - | - | - | - |
| Break up value per share: | rupees | | | | | | |
| i) Without surplus on Revaluation of property | rupees | 267.08 | 291.67 | 306.71 | 350.06 | 397.50 | 440.50 |
| ii) With Surplus on Revaluation of PPE including all effect of all investments | rupees | 267.08 | 291.67 | 306.71 | 350.06 | 397.50 | 440.50 |
| iii) Including investment in related party at fair / market value (if any) and also with Surplus on Revaluation of PPE | rupees | 267.08 | 291.67 | 306.71 | 350.06 | 397.50 | 440.50 |
| Market Value Per Share as on 30th June | rupees | 507.93 | 380.47 | 461.58 | 863.44 | 459.04 | 522.09 |
| Year High Close | Rupees | 723.19 | 583.66 | 566.47 | 940.74 | 911.53 | 537.02 |
| Year Low Close | Rupees | 445.80 | 344.27 | 310.30 | 488.93 | 436.17 | 383.90 |
| Price to Book Ratio | percent | 1.90 | 1.30 | 1.50 | 2.47 | 1.15 | 1.19 |
| Capital Structure Ratios | | | | | | | |
| Financial leverage ratio | times | 0.00 : 1 | 0.03 : 1 | 0.09 : 1 | 0.10 : 1 | 0.14 : 1 | 0.17 : 1 |
| Weighted Average Cost of Debt | percent | 0.00% | 1.72% | 3.11% | 3.32% | 2.69% | 5.72% |
| Debt to Equity ratio (as per Book Value) | times | 0.00 : 1 | 0.00 : 1 | 0.01 : 1 | 0.04 : 1 | 0.13 : 1 | 0.13 : 1 |
| Debt to Equity ratio (as per Market Value) | times | 0.00 : 1 | 0.00 : 1 | 0.00 : 1 | 0.02 : 1 | 0.11 : 1 | 0.11 : 1 |
| Net assets per share | rupees | 267.08 | 291.67 | 306.71 | 350.06 | 397.50 | 440.50 |
| Interest Coverage ratio | times | - | 403.16 | 6.74 | 38.57 | 41.25 | 16.16 |
| Employee Productivity Ratios | | | | | | | |
| Production per Employee | MT | 3,024 | 2,718 | 2,567 | 3,589 | 3,258 | 2,688 |
| Revenue per Employee | rupees in MN | 18.78 | 19.09 | 16.56 | 24.77 | 31.89 | 36.49 |
| Staff turnover ratio | times | 4.54% | 4.17% | 2.77% | 2.25% | 3.81% | 4.12% |
| Non-Financial Ratios | | | | | | | |
| % of Plant Availability | | 88.90% | 81.80% | 76.42% | 89.63% | 84.81% | 47.63% |
| Others | | | | | | | |
| Spares Inventory as % of Total Assets | | 4% | 3% | 3% | 4% | 3% | 3% |
| Maintenance Cost as % of Operating Expenses | | 2% | 2% | 1% | 2% | 1% | 1% |

Analysis of Variation in Interim Period

| Particulars | Qtr-1 | Qtr-2 | Qtr-3 | Qtr-4 | FY 2022-23 |
|-----------------------------|--------|--------|--------|--------|------------|
| Sales Volume (in '000 Tons) | 1,576 | 1,995 | 1,872 | 1,931 | 7,374 |
| Sales Revenue | 19,743 | 25,590 | 25,015 | 25,484 | 95,832 |
| Cost of Good Sold | 13,712 | 19,099 | 18,543 | 18,418 | 69,771 |
| Gross Profit | 6,032 | 6,491 | 6,471 | 7,066 | 26,061 |
| Gross Profit Margin | 31% | 25% | 26% | 28% | 27% |
| Operating Profit | 4,224 | 4,726 | 4,757 | 5,202 | 18,909 |
| Operating Profit Margin | 21% | 18% | 19% | 20% | 20% |
| EBITDA | 5,410 | 5,941 | 6,157 | 6,716 | 24,224 |
| EBITDA Margin | 27% | 23% | 25% | 26% | 25% |
| Net Profit Before Tax | 5,364 | 4,712 | 5,640 | 5,627 | 21,343 |
| Taxation | 1,512 | 1,436 | 1,634 | 3,035 | 7,617 |
| Net Profit After Tax | 3,852 | 3,276 | 4,005 | 2,592 | 13,726 |
| Net Profit After Tax Margin | 20% | 13% | 16% | 10% | 14% |
| EPS in PKR | 11.91 | 10.18 | 12.66 | 8.31 | 43.06 |

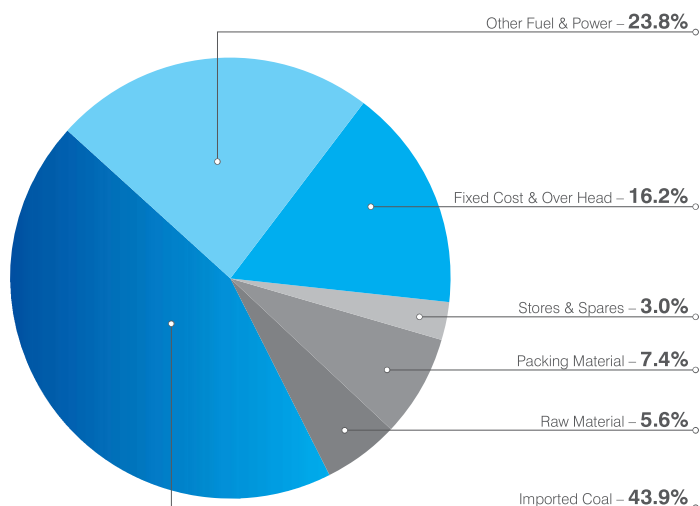
The first quarter outperformed during the year 2022-23 in terms of Gross Profit Margin (31%), Operating Profit (OP) Margin (21%) as well as EBITDA Margin (27%) mainly on account of consuming lower cost of coal inventory and efficient management of power. However, the bottom line was lower than the 3rd quarter due to lower sales volumes in 1st quarter. In 4th quarter, the bottom line was lower due to company booking provision of super tax.

Composition of Local vs Imported Products & Sensitivity Analysis

Lucky Cement uses many kinds of local and imported raw materials for the production of cement. The largest cost component is Imported Coal, which constitutes various types of foreign coal.

A fluctuation in coal price of PKR 100 per ton affects the cost of production by PKR 14 per ton. The cost of Sales of the Company will increase/decrease by 4.4% and 8.8% in case of foreign currency fluctuation by 10% and 20% respectively.

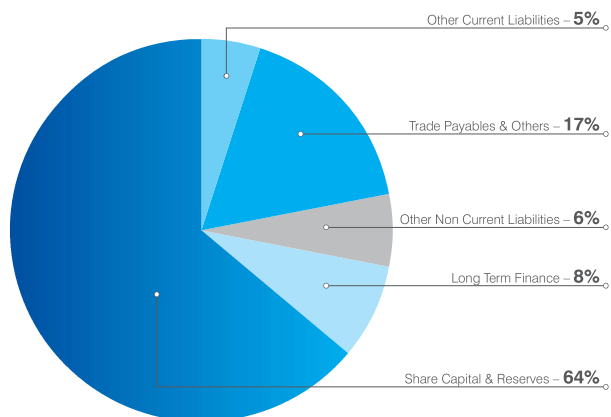
The company's sensitivity to foreign currency movement is moderate. To reduce the impact of currency, management proactively manages the procurement of coal while keeping an eye on the exchange rate.



Composition of Balance Sheet

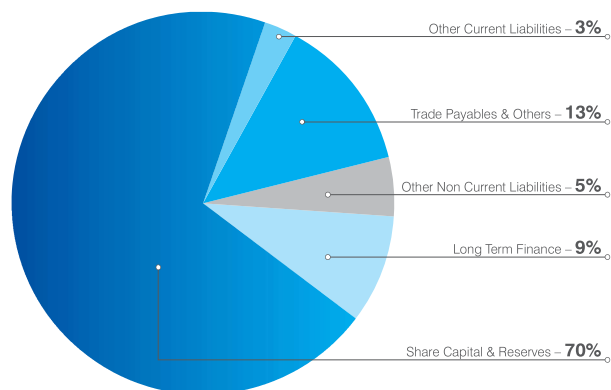
Equity and Liabilities – FY 2023

Percentage



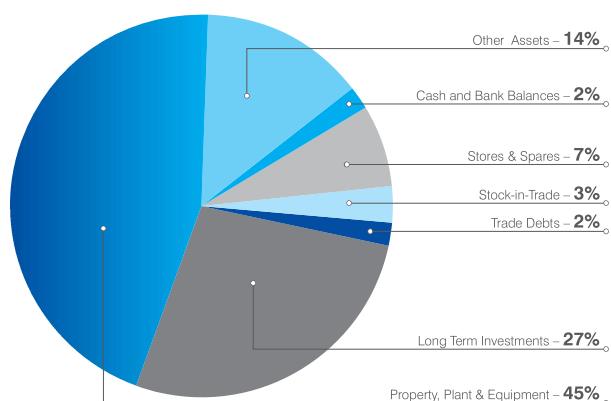
Equity and Liabilities – FY 2022

Percentage



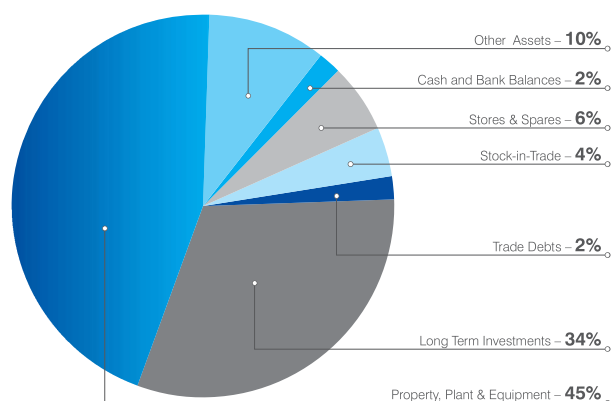
Assets – FY 2023

Percentage



Assets – FY 2022

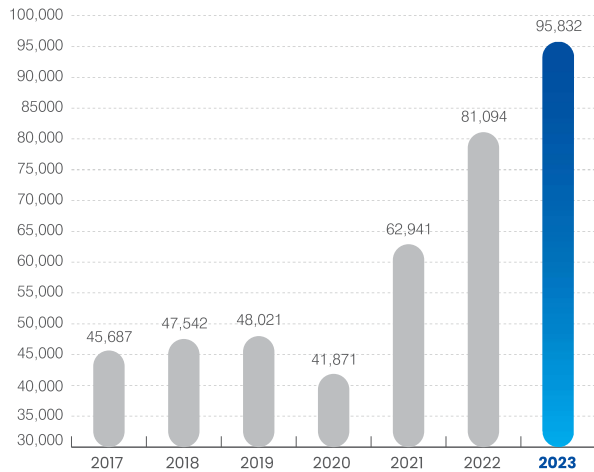
Percentage



Key Financial at a Glance

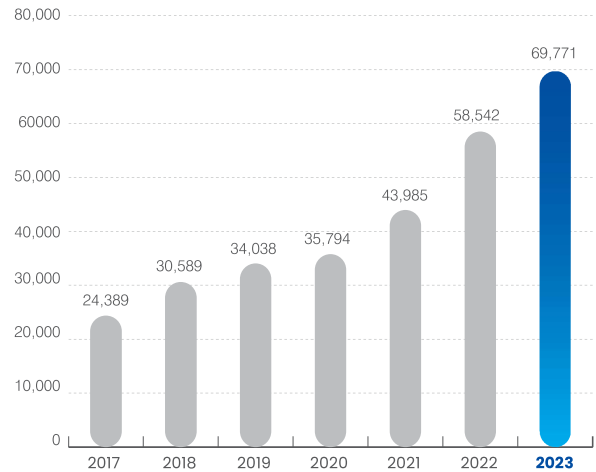
Sales Revenue

(PKR in Million)



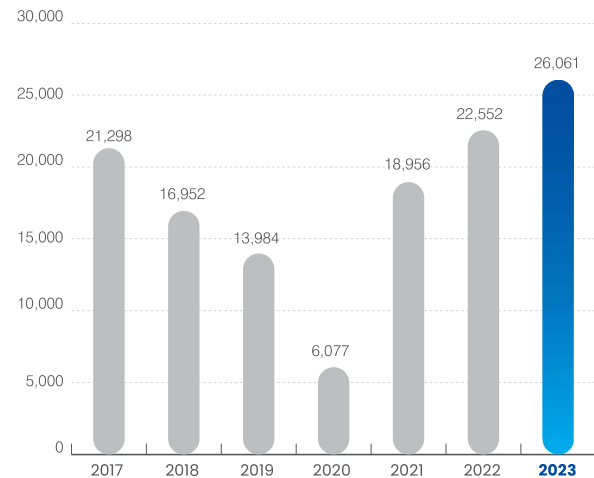
Cost of Sale

(PKR in Million)



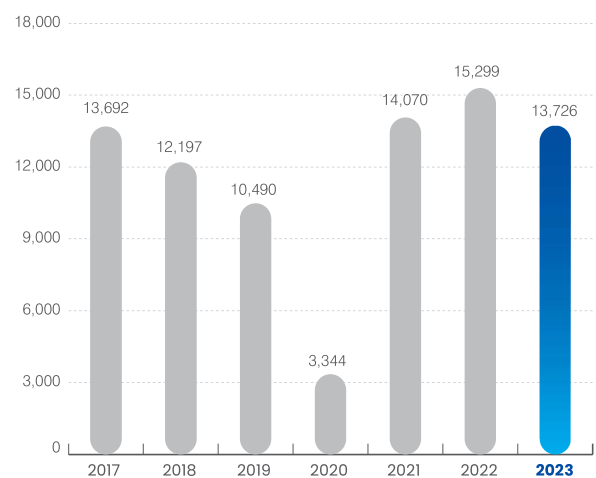
Gross Profit

(PKR in Million)



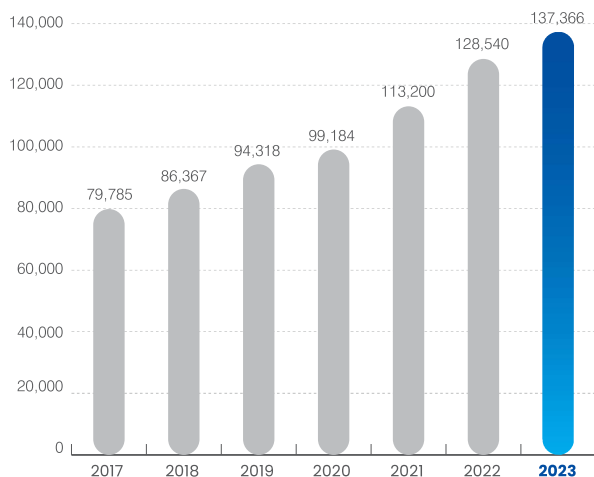
Net Profit

(PKR in Million)



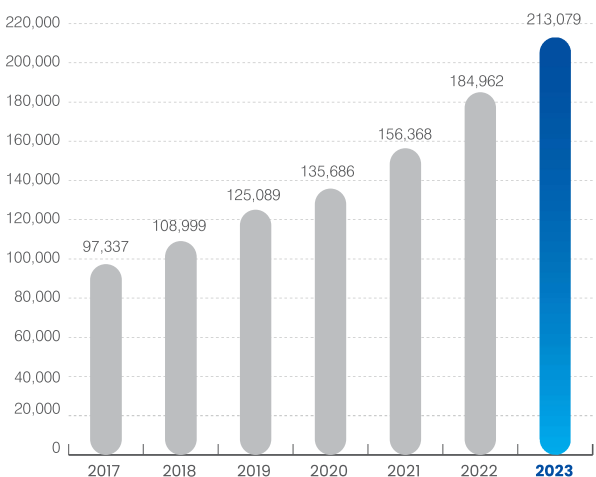
Shareholders Equity

(PKR in Million)



Total Assets

(PKR in Million)

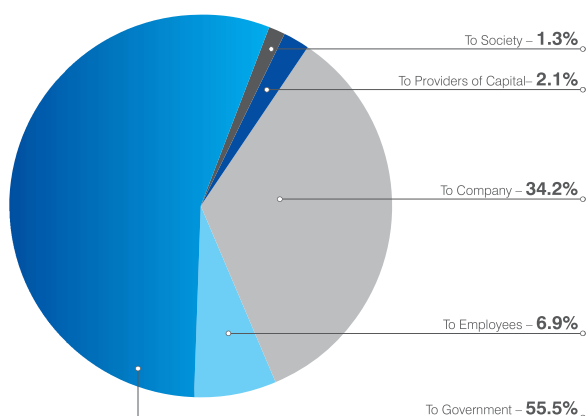


Statement of Value Addition and Wealth Distribution

| Financial Position | 2023 PKR in '000' | % | 2022 PKR in '000' | % |
|--|----------------------|---------------|----------------------|---------------|
| WEALTH GENERATED | | | | |
| Gross Sales/ Revenues | 125,819,372 | | 108,600,945 | |
| Bought-in-material and services | (69,421,514) | | (52,673,867) | |
| | 56,397,858 | 100.0% | 55,927,078 | 100.0% |
| WEALTH DISTRIBUTION | | | | |
| To Employees | | | | |
| Salaries, benefits and other costs | 3,881,462 | 6.9% | 3,700,179 | 6.6% |
| To Government | | | | |
| Income tax, sales tax, excise duty and others | 31,290,376 | 55.5% | 31,542,832 | 56.4% |
| To Society | | | | |
| Donation towards education, health and environment | 757,832 | 1.3% | 421,721 | 0.8% |
| To Providers of Capital | | | | |
| Dividend to shareholders | – | 0.0% | – | 0.0% |
| Markup / Interest expenses on borrowed funds | 1,169,770 | 2.1% | 394,517 | 0.7% |
| To Company | | | | |
| Depreciation, amortization & retained profit | 19,298,418 | 34.2% | 19,867,829 | 35.5% |
| | 56,397,858 | 100.0% | 55,927,078 | 100.0% |

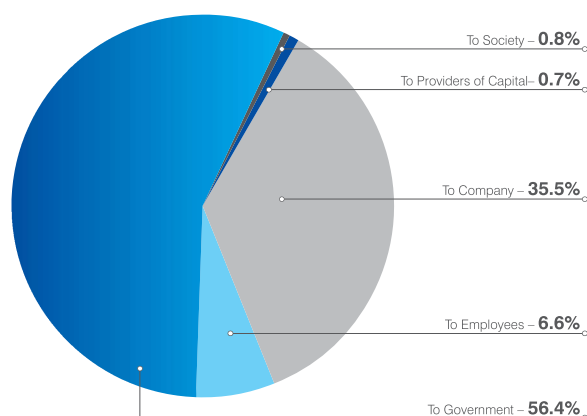
Wealth Distribution – 2023

Percentage



Wealth Distribution – 2022

Percentage



Economic Value Added (EVA)

EVA is the relevant yardstick for measuring economic profits. EVA is the company's net operating profit after tax, after deducting the cost of capital. Companies, which return higher than the cost of capital, create wealth for the shareholders and on the other hand companies earning returns lower than the cost of capital, destroy shareholders wealth.

| | | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|---|---|--------------------|--------------------|--------------------|--------------------|
| Cost of capital | | | | | |
| Cost of Equity | % | 11.20% | 11.26% | 18.93% | 20.67% |
| Weighted average cost of capital (WACC) | % | 14.31% | 10.85% | 17.14% | 18.73% |
| Average capital employed | | 96,751,139 | 108,719,960 | 120,870,291 | 132,953,325 |
| Economic Value Added | | | | | |
| NOPAT | | 3,520,311 | 14,103,458 | 14,904,101 | 12,556,044 |
| Less: Cost of capital | | 13,846,217 | 11,790,749 | 20,721,192 | 24,897,504 |
| Economic Value added | | (10,325,906) | 2,312,709 | (5,817,091) | (12,341,460) |
| Enterprise Value | | | | | |
| Market Value of Equity | | 149,263,433 | 279,214,910 | 148,442,060 | 163,609,954 |
| Add: Debt | | 506,908 | 4,041,984 | 16,760,103 | 17,278,254 |
| Less: Cash & Bank balance | | 888,638 | 11,641,039 | 3,871,078 | 4,116,181 |
| Enterprise Value | | 148,881,703 | 271,615,855 | 161,331,085 | 176,772,027 |
| Return ratios | | | | | |
| NOPAT / Average capital employed | % | 4% | 13% | 12% | 9% |
| EVA / Average capital employed | % | -11% | 2% | -5% | -9% |
| Enterprise value / Average capital times employed | | 1.54 | 2.50 | 1.33 | 1.33 |

Free Cash Flow (FCF)

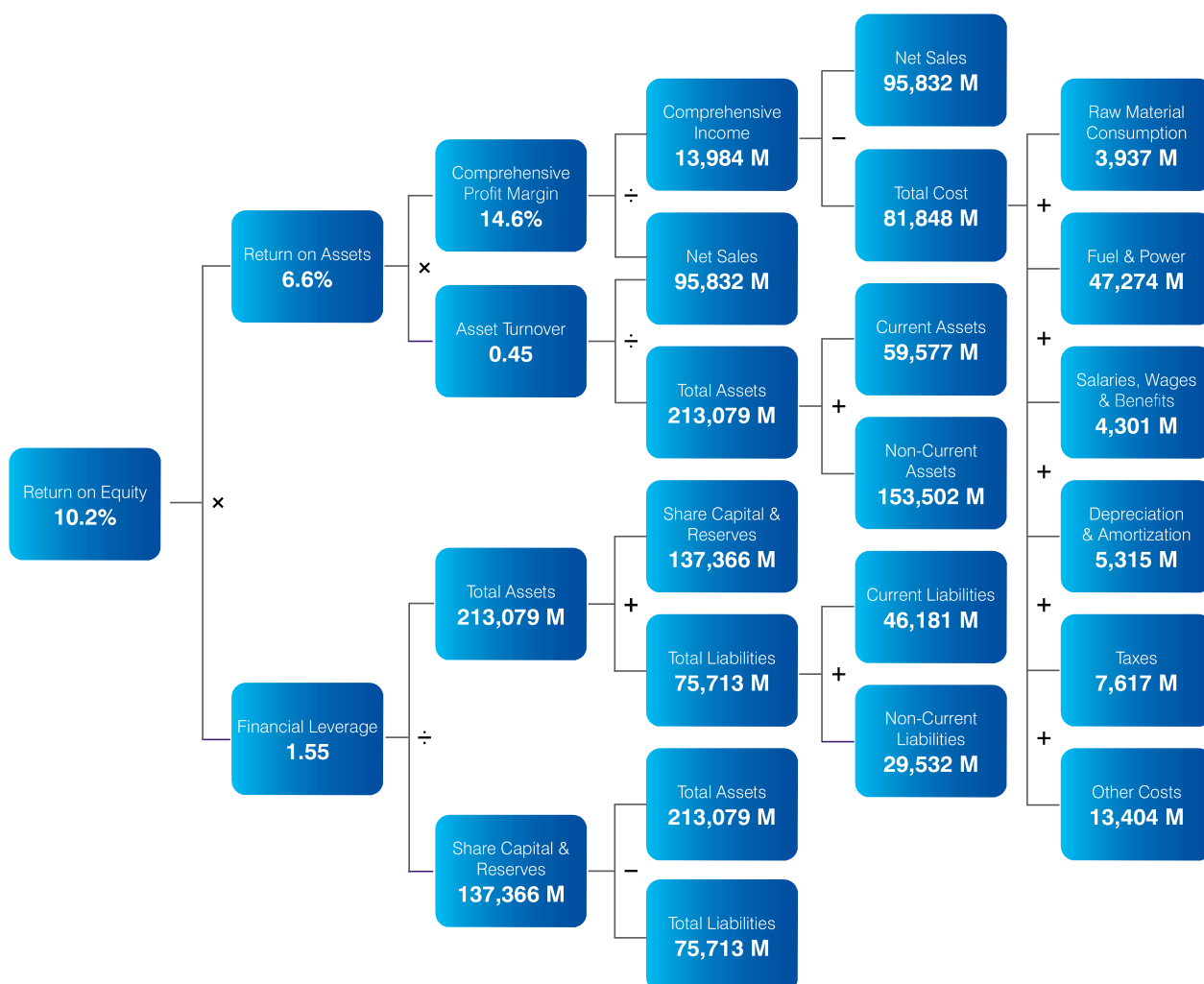
| Free Cash Flow - FCF | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|---|---------------------|------------------|--------------------|------------------|
| Net cash provided by operating activities | 5,046,861 | 12,492,631 | 15,469,448 | 23,242,896 |
| Less: Capital Addition & Investments | (15,900,417) | (12,520,913) | (28,991,059) | (18,711,022) |
| Add: Net Debt Issued | 506,908 | 4,041,984 | 12,211,211 | 518,151 |
| FCF - Total | (10,346,648) | 4,013,702 | (1,310,400) | 5,050,025 |

Shariah Ratios

For the year ended June 30, 2023

| | 2023 | 2022 |
|--|-------|-------|
| Interest bearing loan to market capitalization | 5.13% | 5.41% |
| Interest taking deposit to market capitalization | 0.00% | 0.00% |
| Income generated from prohibited component to total income | 0.03% | 0.02% |
| Market price per share to net liquid assets per share | 24.91 | 39.86 |

Dupont Analysis



| DuPont Analysis | | | | |
|-----------------|-----------------------|-------------------------|-----------------------------|-----------|
| Year | Profit Margin | Assets Turnover | Financial Leverage | ROE |
| | (Net Profit/Turnover) | (Turnover/Total Assets) | (Total Assets/Total Equity) | |
| | A | B | C | A x B x C |
| 2023 | 14.59% | 0.45 | 1.55 | 10.2% |
| 2022 | 18.92% | 0.44 | 1.44 | 11.9% |
| 2021 | 22.27% | 0.40 | 1.38 | 12.4% |
| 2020 | 8.38% | 0.31 | 1.37 | 3.5% |
| 2019 | 21.84% | 0.38 | 1.33 | 11.1% |
| 2018 | 25.41% | 0.44 | 1.26 | 14.0% |

The main highlights of DuPont analysis are as follows:

1. In 2023, the net margin of the company plunged to 14.59% compared to 18.92% in the same period last year due to a significant increase in the prices of inputs mainly coal, and inflationary impact.
2. Despite double-digit growth in the Asset base of the company, the Asset turnover ratio during the said period increased nominally to 0.45 due to improvement in selling prices of the product.

3. Over the last six years, the Financial Leverage ratio of the company witnessed an increasing trend due to an increase in subsidized loans to fuel our expansion projects.

Conclusion

DuPont's analysis for the last six years depicts that company is generating sustainable returns for its shareholders. The management of the company regularly monitors all the drivers (operational, asset efficiency, and equity multiplier) used in DuPont Analysis to identify strengths and weaknesses and analyze the company's fundamental performance.

Share Price Sensitivity Analysis

Shares of Lucky Cement Limited (LUCK) are traded on the Pakistan Stock Exchange (PSX). Our free float is 30.74% and market capitalization at the end of the day of the fiscal year was PKR 164 Billion. There are various factors, which might affect the share price of our Company. A few of them are listed below as follows:

Share Price Sensitivity



Profitability

Rising production costs may lower margins, while an increase in retained prices along with volume can support increased profitability and a higher EPS, thus translating into a greater share price in the market.

Commodity Prices

A rise in major input prices (coal, power, and raw material tariffs) can cause a negative impact on margins, therefore lowering the EPS, which further lowers the share price.

Regulations And Government Policies

Government and regulatory policies, both the overall policies and the policies specific to the cement sector, may affect the share price of the company either negatively or positively, depending on whether the policy itself is in favor or against the industry.

Currency Risk

Volatility in currency exchange rates can affect the margins in a positive or a negative manner, as the company is involved in both export (of cement) and import (of input fuels). This ultimately affects the share price as well.

Market Risk

Market risk, apart from systematic risk, also leaves the market share price vulnerable to the risks of all the platforms that the share is trading on. The Beta of LUCK, with respect to the stock exchange of Pakistan, is 1.31.

Interest Rate Risk

The interest rate risk is the risk that the value of a financial instrument will decline due to changes in market interest rates. The majority of the interest rate exposure arises from short and long-term borrowings and short-term deposits with banks.

Price Risk

Price risk is the risk of loss resulting from a decline in the value of a financial instrument due to changes in the market prices (other than those arising from interest rate risk or currency risk). The prices may change due to any factor, whether it be related to the financial instrument itself, its issuer, or the prevailing market conditions. This risk can be mitigated through diversification.

Diversification

The Company has diversified both in terms of the nature of its business and its geographical locations. Our international footprint exposes us to the benefits and risks of the markets we operate in. Therefore, diversification can affect our consolidated earnings, therefore affecting our EPS, which affects the share price, either negatively or positively.

Goodwill

The market share price may also vary according to the perception that the investor has of the company, which is quite vulnerable to the news and events that the company is associated with.