Six Year Analysis

Statement of Financial Position Analysis

Assets

Non-Current Assets

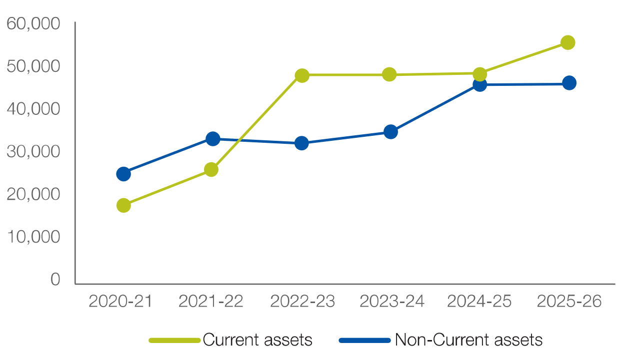
Non-current assets primarily comprise operating fixed assets and investments in subsidiaries and associates. LCI's non-current assets have grown at a compound annual growth rate (CAGR) of 10%, rising from PKR 25,640 million as of June 30, 2021, to PKR 46,439 million as of June 30, 2026. This increase reflects the Company's continued focus on strategic expansion and investment initiatives. Key projects include the phased expansion of the Soda Ash Business, investment in alternate energy and investment in producing 100% recycled PET chips used in recycled polyester staple fibre (PSF) used in producing yarn for blended textiles. The Company also acquired selected assets from Pfizer and related entities in alignment with its long-term growth strategy. These investments underscore LCI's commitment to its brand promise of 'Cultivating Growth'.

During the year, non-current assets of the Company increased primarily due to the new medicine plant in the Animal Health Business.

Current Assets

Current Assets, including Inventory and Trade debts, have increased over the last years at a CAGR of 21% i.e. from PKR 18,163 million to PKR 55,901 million. This increase in Current Assets reflects the Company's growth across all businesses during the last six years.

During the year, current assets increased as compared to SPLY due to increase in short-term investments driven by reinvestment of income and increase in inventory and trade debts.



PKR million

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	CAGR
Non-current assets	25,640	33,553	32,616	35,136	46,257	46,439	**10%**
Current assets	18,163	26,388	48,451	48,430	48,822	55,901	**21%**
	43,803	59,941	81,067	83,566	95,079	102,340	**15%**

Equity and Liabilities

Equity

Equity of the Company comprises of share capital, capital reserves and revenue reserves. The shareholder's equity has increased at a CAGR of 14% over the past years primarily due to an increase in retained profits of the Company. A consistent dividend payout during the last six years was constantly of approximately 50% over the past six years.

Share capital remained unchanged during the current year, however, the Company announced a subdivision of the face value of its ordinary shares from PKR 10 to PKR 2 per share, aimed at enhancing investor accessibility, improving stock liquidity, and broadening shareholder participation. Following the subdivision of shares, the Company's subscribed and paid-up capital has been restructured, whereby, the number of ordinary shares has increased from 92,359,050 ordinary shares of PKR 10 each to 461,795,250 shares of PKR 2 each, with no change in the rights and privileges attached to the shares. The regulatory formalities to give effect to the stock split were completed on July 19, 2025.

Non-Current Liabilities

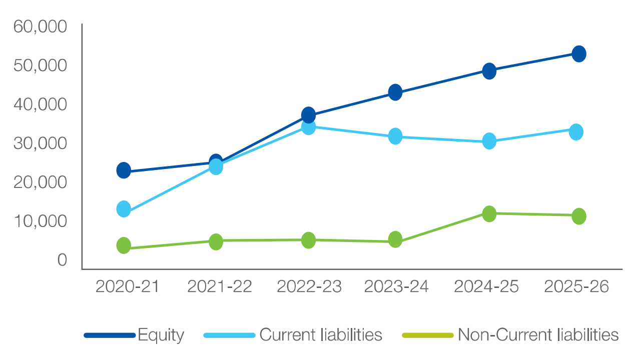
Non-current liabilities mainly comprise of long-term borrowings and deferred tax liabilities. Non-current liabilities have increased at a CAGR of 17% in the past years mainly due to long term financing obtained for various growth and expansion projects.

During the current year, non-current liabilities decreased by PKR 485 million mainly due to the principal repayments made during the year and movement of loans to current liabilities partially offset by increase due to long term portion of Sindh Infrastructure Development Cess.

Current Liabilities

Over the past years, current liabilities have increased at a CAGR of 16% due to an increase in short-term financing to support increasing working capital requirements of the Company. This increase over years is in line with the increase in business of the Company as evident from CAGR of Net Turnover. Moreover, the inflationary effect on prices of raw materials and services has also increased the overall working capital requirements of the Company.

Compared to last year, current liabilities increased by 11%, primarily due to increase in short-term borrowings and running finance to fund working capital requirement and capital expenditures undertaken to support business growth.



PKR million

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	CAGR
Equity	23,879	26,391	37,831	43,576	48,992	53,380	**14%**
Non-current liabilities	5,289	7,380	7,505	7,035	14,396	13,910	**17%**
Current liabilities	14,636	26,170	35,731	32,955	31,691	35,050	**16%**
	43,804	59,941	81,067	83,566	95,079	102,340	**15%**

Statement of Profit or Loss

Net Turnover

Net Turnover has increased from PKR 62,618 million to PKR 113,214 million at a CAGR of 10% over the past years, owing to improved performances across all businesses on the back of continued investment in expansion projects / new products / Innovations.

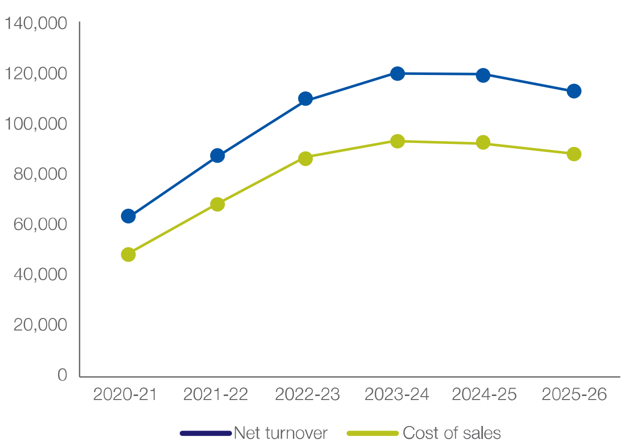
The Company's Net Turnover for the year declined by 6% compared to the SPLY, primarily due to a decline in the Polyester, Soda Ash and Chemicals & Agri Sciences businesses owing to persistent demand slowdown and rising low-priced imports offset by growth in the Animal Health and Pharmaceuticals Businesses driven by expansion of the product portfolio and strategic focus on locally manufactured medicines.

Timely and consistent investment in capacity expansion / new projects / lines over the years enabled the Company to cater to increased demand over the years.

Cost of Sales

Cost of sales have increased from PKR 48,270 million to PKR 88,666 million at a CAGR of 11% over the last years which is in-line with the CAGR of Net Turnover.

Cost of Sales decreased by 4% compared to the SPLY, primarily due to lower volume as compared to SPLY.



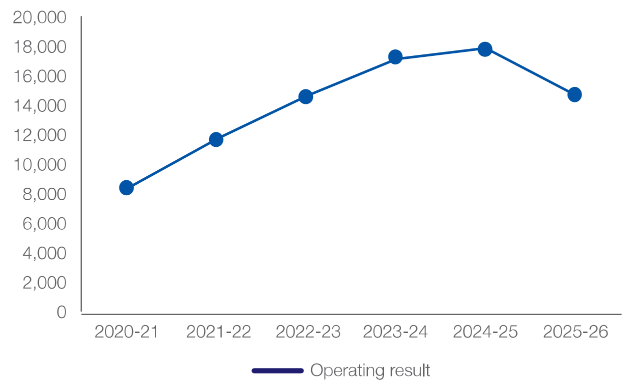
PKR million

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	CAGR
Net turnover	62,618	86,972	109,486	120,460	120,013	113,214	**10%**
Cost of sales	48,270	68,353	87,353	93,569	92,673	88,666	**11%**

Operating Result

Operating Result increased from PKR 8,399 million to PKR 14,704 million at a CAGR of 10% in the last years, owing to improved performances across all businesses. The Company has maintained a constant upward trajectory in its Operating Result, mainly due to growth in each of its businesses, driven by expansion, acquisitions, new product launches and better cost efficiencies. The addition of selected assets and brands of Wyeth Pakistan Limited and Pfizer and related entities, along with investment in the 210,000 TPA Light Ash capacity expansion projects, 70,000 TPA Dense Ash capacity project, 135,000 TPA project, set up of the PET and expansion of Masterbatches manufacturing facilities, have significantly strengthened the Company's profile over the years.

During the current year, Operating Profit declined by 18% to PKR 14,704 million, primarily due to a decline in the Polyester, Soda Ash and Chemicals & Agri Sciences businesses owing to higher energy costs offset by growth in the Animal Health and Pharmaceuticals Businesses driven by cost optimisation and enhanced operational efficiencies.



PKR million

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	CAGR
Operating Result	8,399	11,753	14,653	17,151	17,920	14,704	**10%**

Financial Charges / Exchange Losses

Over the past years, Financial Charges / Exchange Losses have increased from PKR 538 million to PKR 2,555 million at a CAGR of 30%, reflecting an increase in Finance Costs on the back of higher borrowings to support expansions, investment in subsidiaries and short-term borrowings to support increased working capital requirements of the Company, as well as an increase in the policy rate by State Bank of Pakistan (SBP) in previous year. Exchange Losses increased over the last 5 years due to the continuous depreciation of the PKR against foreign currencies.

During the year, the Company recorded exchange loss of PKR 63 million as compared to exchange loss of 58 million last year. Finance cost increased by 13% mainly due to higher finance cost due to higher borrowings to fund working capital requirement and capital expenditures undertaken to support business growth.

Other income

Other income has increased from PKR 1,003 million to PKR 3,906 million at a CAGR of 25% over the past years. This comprises of dividend income from subsidiary / associate companies, dividend income and capital gains from investments in mutual funds and scrap sales.

In the current year, other income mainly increased due to Discounting impact of Sindh Infrastructure Development Cess and dividend from subsidiary offset against lower income earned from short term investments.

PKR million

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	CAGR
Financial charges/ Exchange losses	538	1,365	3,845	3,420	2,269	2,555	**30%**
Other income	1,003	375	11,905	3,601	3,440	3,906	**25%**

Profit After Tax

Profit after taxation has increased at a CAGR of 8% over the past years, primarily due to performance across all business segments, leading to a steady increase in post-tax profits. This growth has been driven by factors such as expansion, acquisitions, new product launches, and improved cost efficiencies. Further, the profit after taxation has increased due to the dividend income / capital gains on investment in mutual funds invested from proceeds received on partial divestment of investment in NMPL shares in FY 2022-23.

Lower operating profit due to subdued demand conditions resulted in 17% decline in profit for the year.

PKR million

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	CAGR
Profit after tax	5,959	6,249	13,772	11,140	11,638	9,692	**8%**

Statement of Cash Flow Analysis

Operating Activities

Over the last years, cash flow from Operating Activities witnessed constant growth and then decrease, from PKR 9,067 million to PKR 5,891 million at a CAGR of 7%. There was increase in operating activities in prior years due to consistent increase in profitability of the Company and improved cash flow generation across all businesses. However, there was a decrease in current year in cash flow from opertaing activities.

During the year, cash flows from Operating Activities decreased by 67% as compared to SPLY due to decreased profitability coupled with negative working capital due to increase is stock-in-trade and trade debts.

Investing Activities

Over the past years cash used in investing activities increased at CAGR of 6% which mainly comprises of investment in growth and sustenance as well as acquisition of new businesses, and investment in associate and subsidiary companies offset by income from short term investments received by the Company.

During FY 2021-22, cash used in investing activities at PKR 10,062 million which comprised of investment in expansion and efficiency projects. It also included investment in a 48TPD production unit to produce 100% recycled PET chips for the manufacture of recycled Polyester Staple Fibre (PSF) used in producing yarn for blended textiles. Further, PKR 770 million was also invested to acquire an additional 11% stake in Nutrico Pakistan (Private) Limited (NMPL). In FY 2022-23, the Company used cash for capital expenditure of PKR 3,718 million and acquisition of 51% shareholding in Lucky TG (Private) Limited amounting PKR 281 million. Conversely, disposal of 26.5% of NMPL generated cash of PKR 11,902 million. During the year 2024-25, Cash used in investing activities at PKR 11,405 million represents capital expenditure in expansion and efficiency projects including alternate energy boiler and DAP in Soda Ash Business as well as the acquisition of asstes from Pfizer and related entities (including brands) in Pharmaceuticals Business of PKR 14,029 million partially offset by income from short term investments of PKR 2,273 million.

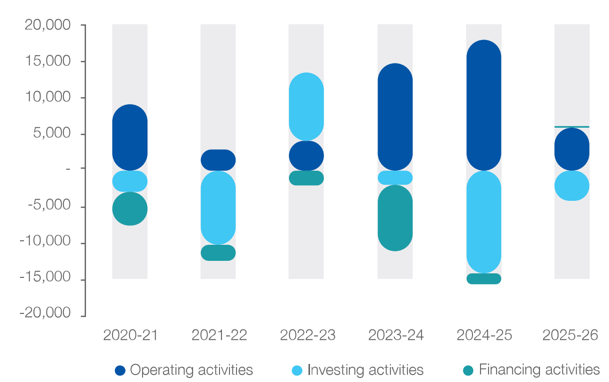
Major capital outlay during the current year comprised the new medicine plant in the Animal Health Business and efficiency projects in Soda Ash and Polyester Businesses of the Company.

Financing Activities

Cash used in financing Activities decreased at a CAGR of 42% over the past years which mainly comprise long-term loans obtained / (repaid) offset by dividend payments to shareholders. The Company has financed its expansion projects and acquisitions as explained above by obtaining long-term loans. Dividend payments have been growing in line with the increase in profitability over the years.

During the current year, cash inflows from financing activities mainly comprised Long-term loans obtained of PKR 712 million and short-term running finance obtained of PKR 6,327 million. These inflows were offset by dividend payments of PKR 5,268 million and long-term loan repayments of PKR 1,500 million, resulting in net cash generated from financing activities of PKR 183 million.

Summary of Cash Flow Statement



PKR million

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Operating activities	9,067	2,877	4,091	14,713	17,893	5,891
Investing activities	(2,867)	(10,062)	9,324	(1,907)	(13,967)	(4,112)
Financing activities	(4,613)	(2,223)	(1,989)	(9,131)	(1,505)	183
	1,587	(9,408)	11,426	3,674	2,421	1,961