

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building,
Stock Exchange Road,
Karachi.

April 26, 2023
LCI/ComSec/24/2023

Dear Sir,

FINANCIAL RESULTS FOR THE 3RD QUARTER / NINE MONTHS ENDED MARCH 31, 2023

We wish to inform you that the Board of Directors of Lucky Core Industries Limited (the "Company") in their meeting held on April 26, 2023 has approved the un-audited Financial Statements of the Company for the 3rd quarter / nine months period ended March 31, 2023 and is pleased to announce the consolidated and un-consolidated results of the same which are attached as Annexure 'A' and 'B' respectively

DIVIDEND

Nil

FINANCIAL RESULTS

Attached as "Annexure – A" (consolidated results) and "Annexure – B" (un-consolidated results).

FINANCIAL RESULTS – OVERVIEW

During the nine months period under review, the Company entered into a Share Purchase Agreement with Morinaga Milk Industry Co. Ltd., for a partial divestment of approximately 26.5% of the issued and paid up share capital of NutriCo Morinaga (Private) Limited ("NMPL") (the "Transaction"). The Transaction has successfully been completed in January 2023. Accordingly, as per IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the investment in NMPL was classified as 'discontinued operations' prior to the divestment of the aforementioned shares. Further, subsequent to the divestment, it is classified as an 'Associate'. Consequently, the Share of Profit from Associate amounting to PKR 3.2 million has been recognised in the consolidated financial statements for the period ended March 31, 2023.

On a consolidated basis (including the result of the Company's subsidiary Lucky Core PowerGen Limited), Net Turnover for the nine months from continuing operations under review at PKR 80,429 million is higher by 11% over the same period last year (SPLY). Whereas the Operating Result from continuing operations at PKR 10,509 million is higher by 3% in comparison to the SPLY.

On a consolidated basis, Profit After Tax (PAT) for the nine months period under review for both continuing and discontinued operations at PKR 22,175 million is 172% higher than the SPLY. The increase is primarily due to the disposal of approximately 26.5% of the issued and paid up share capital of NMPL resulting in a gain of PKR 8,911 million and a one-off notional gain of PKR 8,239 million recorded on account of re-measurement of the remaining 24.5% shareholding of NMPL in accordance with the relevant IFRS.



LUCKY CORE INDUSTRIES

Lucky Core Industries Limited

On a standalone basis, PAT and EPS for the nine months period under review at PKR 14,634 million and PKR 158.45 are 168% higher than the SPLY primarily on account of higher Operating Results and a gain of PKR 9,842 million on the divestment of 26.5% of the issued and paid up share capital of NMPL slightly offset by an increase in finance costs and higher exchange loss.

During the period, the Company was severely impacted by macroeconomic challenges, including demand contraction in the downstream markets, cost push due to the impact of higher oil prices, exchange losses due to devaluation of the Pak Rupee against the US Dollar, business-specific import restrictions and tax regime changes. Additionally, monetary tightening measures by the Government of Pakistan including a significant increase in interest rate against the SPLY also continued to impact the business and its profitability.

MATERIAL INFORMATION

In accordance with Section 96 and 131 of the Securities Act 2015 and the relevant provisions of the Rule Book of Pakistan Stock Exchange Limited, we hereby convey the following information:

In keeping with the Company's growth and efficiency improvement initiatives, the Board of Directors approved a further investment of PKR 1.55 billion for the Soda Ash business in Khewra.

Yours faithfully,

Laila Bhatia Bawany
Company Secretary

Encl: As above.

CC: **The Commissioner**
Company Law Division
Securities & Exchange Commission of Pakistan
NIC Building, Jinnah Avenue, Blue Area,
Islamabad.

Director / HOD
Surveillance, Supervision and Enforcement Department
Securities & Exchange Commission of Pakistan
NIC Building, Jinnah Avenue, Blue Area,
Islamabad.

Annexure – 'A'

Lucky Core Industries Limited
Condensed Interim Consolidated Statement of Profit or Loss (Unaudited)
For the Nine Months Ended March 31, 2023

	Amounts in PKR '000			
	For the 3 months ended March 31, 2023	For the 9 months ended March 31, 2023	For the 3 months ended March 31, 2022	For the 9 months ended March 31, 2022
Net turnover	30,846,422	80,428,829	25,897,271	72,521,398
Cost of sales	(23,747,382)	(64,311,951)	(20,233,888)	(56,339,382)
Gross profit	7,099,040	16,116,878	5,663,383	16,182,016
Selling and distribution expenses	(1,308,053)	(3,944,182)	(1,590,634)	(4,378,847)
Administration and general expenses	(640,886)	(1,663,560)	(580,627)	(1,551,644)
Operating result	5,150,101	10,509,136	3,492,122	10,251,525
Finance costs	(799,988)	(1,853,652)	(340,162)	(827,618)
Exchange loss	(729,441)	(935,371)	(130,997)	(377,345)
Workers' profit participation fund	(134,165)	(288,068)	(136,972)	(403,430)
Workers' welfare fund	(105,299)	(176,958)	(49,249)	(152,958)
Other charges	(32,521)	(68,602)	(22,811)	(61,870)
	(1,801,414)	(3,322,651)	(680,191)	(1,823,221)
Other income	521,804	733,486	106,444	284,125
Gain on remeasurement of existing interest in NutriCo Pakistan	-	-	-	1,847,321
Gain on partial disposal of NutriCo Morinaga (Pvt) Limited	8,911,412	8,911,412	-	-
Gain on remeasurement of interest retained in NutriCo Morinaga (Pvt) Limited	8,239,260	8,239,260	-	-
Share of profit from associate	3,154	3,154	-	-
Profit before taxation	21,024,317	25,073,797	2,918,375	10,559,750
Taxation	(2,060,217)	(3,342,790)	(795,964)	(2,392,320)
Profit after taxation from continuing operations	18,964,100	21,731,007	2,122,411	8,167,430
Discontinued operations				
(Loss) / Profit after taxation from discontinued operations	(63,086)	444,421	-	-
Profit after taxation	18,901,014	22,175,428	2,122,411	8,167,430
Attributable to:				
Owners of the Holding Company	18,931,926	21,957,662	2,012,114	7,802,341
Non-controlling interests	(30,912)	217,766	110,297	365,089
	18,901,014	22,175,428	2,122,411	8,167,430
Basic and diluted earnings per share (PKR)				
- continuing operations	205.33	235.29	21.79	84.48
- discontinued operations	(0.35)	2.45	-	-
	204.98	237.74	21.79	84.48

Annexure – 'B'

Lucky Core Industries Limited
Condensed Interim Unconsolidated Statement of Profit or Loss (Unaudited)
For the Nine Months Ended March 31, 2023

	Amounts in PKR '000			
	For the 3 months ended March 31, 2023	For the 9 months ended March 31, 2023	For the 3 months ended March 31, 2022	For the 9 months ended March 31, 2022
Net turnover	30,895,116	80,308,826	22,501,776	62,441,013
Cost of sales	(23,826,114)	(64,284,566)	(17,677,000)	(48,659,900)
Gross profit	7,069,002	16,024,260	4,824,776	13,781,113
Selling and distribution expenses	(1,308,053)	(3,944,182)	(1,329,640)	(3,737,160)
Administration and general expenses	(640,682)	(1,663,233)	(472,065)	(1,339,790)
Operating result	5,120,267	10,416,845	3,023,071	8,704,163
Finance costs	(800,405)	(1,854,069)	(229,262)	(531,173)
Exchange loss	(728,327)	(934,267)	(79,083)	(263,499)
Workers' profit participation fund	(132,726)	(283,586)	(136,946)	(397,690)
Workers' welfare fund	(105,293)	(176,944)	(49,255)	(152,958)
Other charges	(32,521)	(67,908)	(22,721)	(61,186)
	(1,799,272)	(3,316,774)	(517,267)	(1,406,506)
Dividend income from subsidiary	-	300,000	-	-
Gain on sale of investment	9,842,154	9,842,154	-	-
Other income	522,104	734,690	95,829	258,116
Profit before taxation	13,685,253	17,976,915	2,601,633	7,555,773
Taxation	(2,060,163)	(3,342,617)	(704,742)	(2,089,661)
Profit after taxation	11,625,090	14,634,298	1,896,891	5,466,112
Basic and diluted earnings per share (PKR)	125.87	158.45	20.54	59.18