

Six Year Analysis

Statement of Financial Position Analysis

Assets

Non-Current Assets

Non-current assets mainly comprise of fixed assets and investments in subsidiaries/associates. LCI's non-current assets have increased at a compound annual growth rate (CAGR) of 6% from PKR 24.939 billion as at June 30, 2019 to PKR 35.136 billion as at June 30, 2024, attributable to various expansion / growth / investments projects undertaken by the Company. These include expansion project for the Soda Ash Business of 75,000 Tonnes Per Annum (TPA) in phase 1 and 135,000 TPA in phase 2, investment in 48 TPD production unit to produce 100% recycled PET chips for the manufacture of recycled Polyester Staple Fibre (PSF) used in producing yarn for blended textiles and setting up of the Masterbatches facility. Overall, these investments highlight the Company's steadfast dedication to its brand promise of Cultivating Growth.

During the year, non-current assets of the Company increased by 8% primarily due to capital expenditure incurred on maintenance and expansion projects of PKR 5,493 million and capitalisation right-of-use assets of PKR 188.054 million. This was partially offset by buy back of shares of Lucky TG (Private) Limited of PKR 275.4 million which were acquired for PKR 280.5 million during the year ended June 30, 2023.

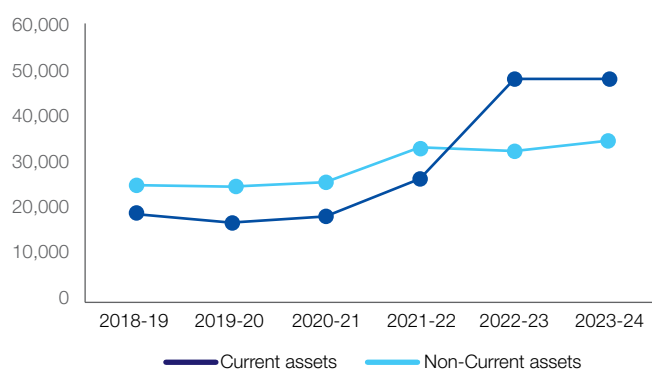
Current Assets

Current Assets, including Inventory and Trade debts, have increased over the last six years at a CAGR of 17% i.e. from PKR 18,575 billion to PKR 48,430 billion. This increase in Current Assets reflects the Company's growth across all businesses during the last six years.

During the year, Current Assets remained in line with the SPLY as there is an increase in the short term investments made from sales proceeds on partial disposal of shares of NMPL which is offset by a decrease in inventory.

PKR million

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	CAGR
Non-current assets	24,939	24,651	25,640	33,553	32,616	35,136	6%
Current assets	18,575	16,858	18,164	26,388	48,451	48,430	17%
	43,514	41,509	43,804	59,941	81,067	83,566	11%



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 15% over the past 6 years primarily due to an increase in retained profits of the Company. The Company's revenue reserves also witnessed an increase on account of higher profitability while maintaining a consistent dividend payout of approximately 50% over the past six years.

Share capital remained unchanged during the current year, however, the Company has transferred PKR 18 billion from revenue reserves (unappropriated profits) to capital reserves for capacity expansions and long-term investments to more accurately reflect the nature of these reserves.

Non-Current Liabilities

Non-current liabilities mainly comprise of long-term borrowings from and deferred tax liabilities. Non-current liabilities have declined at a CAGR of 3% in the past 6 years mainly due to repayments of long-term loans.

During the current year, non-current liabilities decreased by PKR 470 million mainly due to reclassification of long-term loans from long term to short term portion and reversal of deferred tax liabilities on account of higher deductible temporary differences.

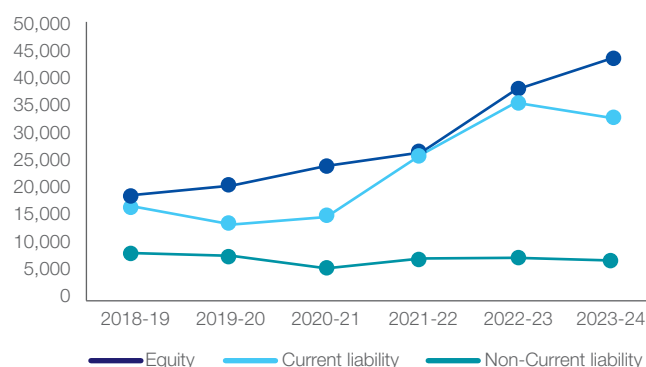
Current Liabilities

Over the past six years, current liabilities have increased at a CAGR of 12% due to an increase in short-term financing to support the increased working capital requirements of the Company. This increase over six years is in line with the increase in business of the Company as evident from six year's 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.

Comparing with the last year, current liabilities have decreased by 8% mainly due to repayment of money market loan by the Company of PKR 1,800 million and decrease in accrued mark-up by PKR 351 million.

PKR million

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	CAGR
Equity	18,609	20,232	23,879	26,391	37,831	43,576	15%
Non-current liability	8,539	8,024	5,289	7,380	7,505	7,035	-3%
Current liability	16,366	13,253	14,636	26,170	35,731	32,955	12%
	43,514	41,509	43,804	59,941	81,067	83,566	11%



Statement of Profit or Loss

Net Turnover

Net Turnover has increased from PKR 58,329 million to PKR 120,460 million at a CAGR of 13% over the past six years, owing to improved performances across all businesses on the back of continued investment in expansion projects / new products / efficiencies.

Net Turnover has increased consistently over the years, except for FY 2019-20, when it decreased because of COVID-related lockdowns. A major decline in turnover was witnessed by the Polyester Business due to a plant closure and declining prices across the petrochemicals value chain.

During the current year, Net Turnover recorded an increase of 10% due to higher export volumes in Soda Ash Business coupled with full year impact of enhanced capacity following the successful commissioning of the 135,000 tonnes per annum expansion project and an increase in prices of non-essential medicines on the back of deregulation of prices by the government for Pharmaceuticals Business. While the Chemicals & Agri Sciences Business increased by 17%, Polyester and Animal Health Businesses remained almost in line compared to the SPLY.

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

Cost of Sales

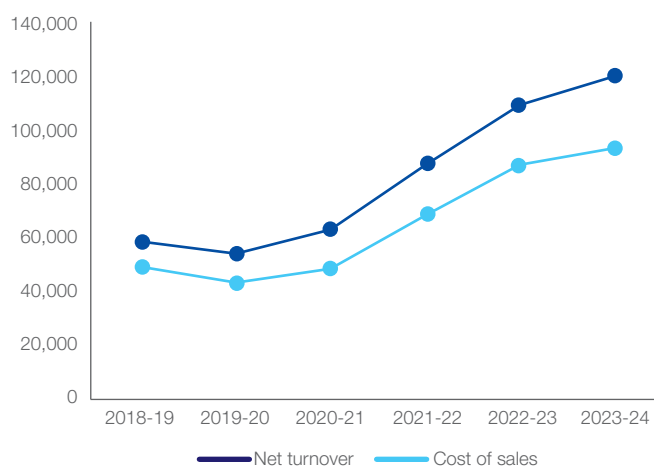
Cost of sales have increased from PKR 48,877 million to PKR 93,554 million at a CAGR of 11% over the last six years, which is lower than CAGR of Net Turnover.

Cost of Sales has increased consistently over the years, except for in FY 2019-20, when a dip in prices was caused due to COVID-related lockdowns and lower production volumes for the Polyester Business on account of plant closure and declining prices across the petrochemicals value chain.

During the current year, Cost of Sales has increased by 7% due to higher volumes coupled with a cost push on account of increase in energy cost and cost of raw materials for all the businesses of the Company.

PKR million

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	CAGR
Net turnover	58,329	53,599	62,618	86,972	109,486	120,460	13%
Cost of sales	48,877	43,042	48,270	68,353	87,353	93,554	11%



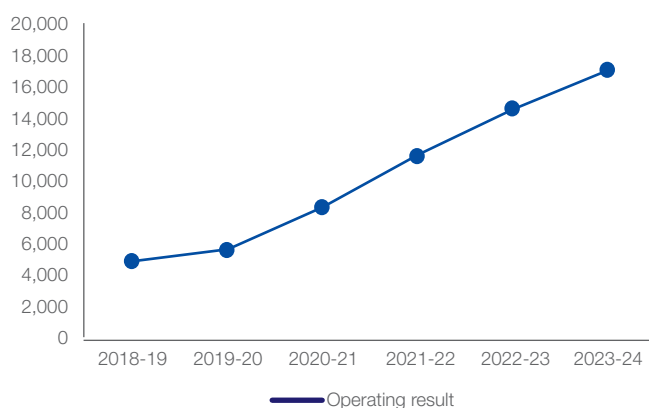
Operating Result

Operating Result increased from PKR 4,935 million to PKR 17,151 million at a CAGR of 23% in the last six years, owing to improved performances across all businesses. The Company has maintained a constant upward trajectory in its Operating Results, 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 Pakistan Limited, 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 rPET and Masterbatches manufacturing facilities, have strengthened the Company's profile over the years.

During the current year, Operating Result recorded a significant increase of 17%, predominantly driven by full year impact of higher volumes on the back of the completion of expansion projects for the Soda Ash Business. The Pharmaceuticals Business's performance reflected sustained efforts in manufacturing and commercial excellence, leading to cost optimisation and improved sales mix. Furthermore, price adjustments allowed to the Pharmaceuticals industry helped in the recovery of margins. The Chemicals & Agri Sciences Business delivered robust results driven by a strong performance in the oil seeds category and effective margin management across its portfolio.

PKR million

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	CAGR
Operating Result	4,935	5,669	8,399	11,753	14,653	17,151	23%



Financial Charges / Exchange Losses

Over the past six years, Financial Charges / Exchange Losses have increased from PKR 1,891 million to PKR 3,420 million at a CAGR of 10%, reflecting an increase in Finance Costs on the back of higher borrowings to support CAPEX expansion, 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). Exchange Losses increased over the last 5 years due to the continuous depreciation of the PKR against foreign currencies, except for current year where PKR appreciated against the foreign currencies.

During the current year, the Company has recorded an exchange gain of PKR 117 million as compared to exchange loss of PKR 965 million in the SPLY due to the appreciation of PKR by 3% against the foreign currencies. Moreover, finance cost increased by 23% compared to the SPLY mainly due to full year impact of high policy rate partially offset by lower debt owing to working capital optimisation.

Other Income

Other income comprises of dividend income from subsidiary / associate companies along with investments in mutual funds and scrap sales which stood at a CAGR of 44% over the past six years.

In the current year, amount of other income has reduced by 70% as compared to the SPLY mainly due to one-off gain on partial disposal of shares of NMPL in preceding year. Excluding one-off gain, other income has increased by 75% mainly due to dividend income received from short-term investments in mutual funds and scrap sales.

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	CAGR
Financial charges/Exchange losses	1,891	1,962	538	1,365	3,845	3,420	10%
Other income	409	955	1,003	375	11,905	3,601	44%

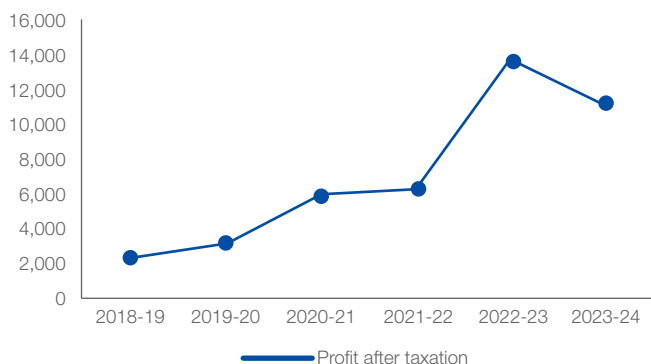


Profit After Tax

Profit after taxation has increased at a CAGR of 30% over the past six years, primarily due to enhanced 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.

Additionally, the Company has received dividend income from short-term investments in mutual funds, which has further contributed to the increase in profit after tax.

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	CAGR
Profit after tax	2,305	3,096	5,959	6,249	13,772	11,140	30%



Statement of Cash Flow Analysis

Operating Activities

From last six years, cash flow from Operating Activities witnessed constant growth, from PKR 4,529 million to PKR 14,489 million at a CAGR of 21%, due to consistent increase in profitability of the Company and improved cash flow generation across all businesses.

During the current year, cash flows from Operating Activities increased significantly by 254% as compared to the SPLY due to an increase profitability coupled with effective working capital management.

Investing Activities

Cash used in investing activities has increased at a CAGR of 3% over the past six years and comprises investment in capital expenditure and investment in associate and subsidiary companies offset by dividend income and interest income received by the Company.

During FY 2021-22, cash used in invested activities at PKR 10,062 million was the highest in the last six years which comprised of investment in 135,000 TPA Light Soda Ash (LSA) expansion project, out of which 75,000 TPA was successfully commissioned during the same year. 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 which resulted in cash generation of PKR 9,324 million from investing activities.

During the current year, the Company incurred capital expenditure of PKR 5,414 million mainly on expansion projects of Soda Ash Business which has been partially offset by dividend income of PKR 2,718 million from mutual funds and receipt of PKR 275 million from the buy-back of shares in Lucky TG (Private) Limited.

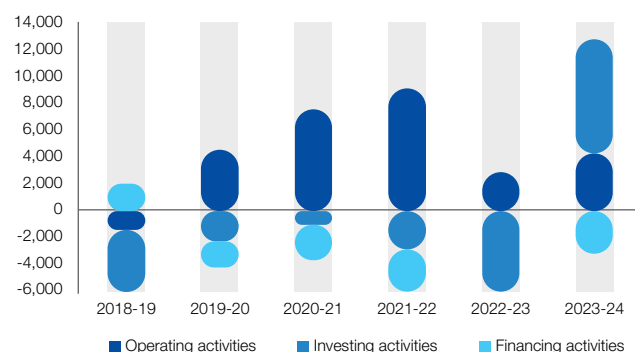
Financing Activities

Cash used in financing Activities increased at a CAGR of 17% over the past six years which mainly comprise long-term loans obtained / (repaid) offset by dividend payments to shareholders. The Company has financed its expansionary needs 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.

In the current year, the Company has obtained long-term Diminishing Musharika facility of PKR 1,089 million for expansion projects of Soda Ash Business. This was offset by repayments of long-term loans of PKR 1,099 million and dividend payments of PKR 5,529 million. Hence, net cash used in financing activities increased mainly due to higher dividend payouts in the current year.

Summary of Cash Flow Statement

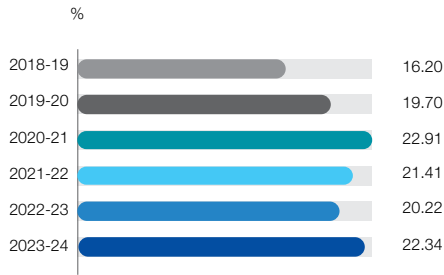
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Operating activities	4,529	7,548	9,067	2,877	4,091	14,489
Investing activities	(2,267)	(1,007)	(2,867)	(10,062)	9,324	(1,907)
Financing activities	(1,943)	(2,617)	(4,613)	(2,223)	(1,989)	(5,003)
	319	3,924	1,587	(9,408)	11,426	7,579



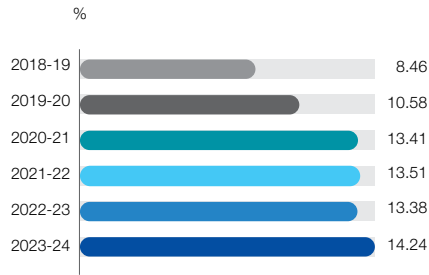
Analysis of Financial Ratios

Profitability ratios

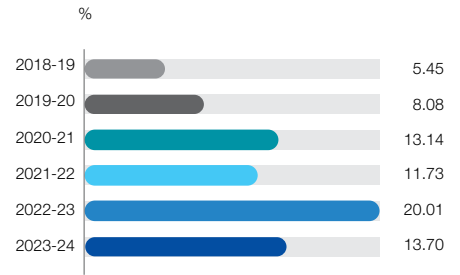
Gross margin



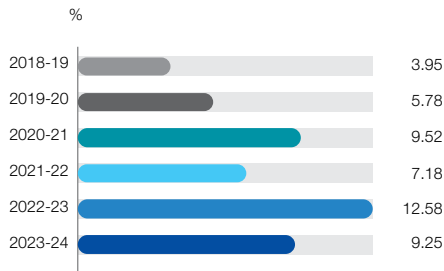
Operating result margin



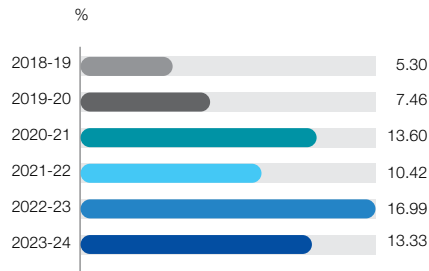
Profit before taxation margin



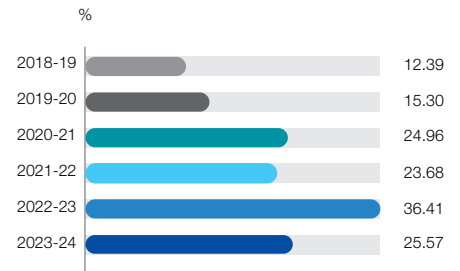
Profit after taxation margin



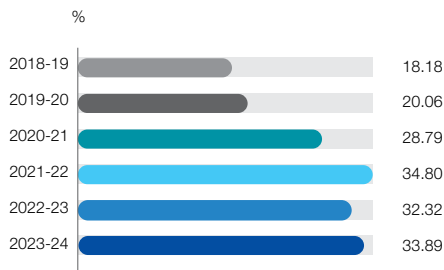
Return on assets



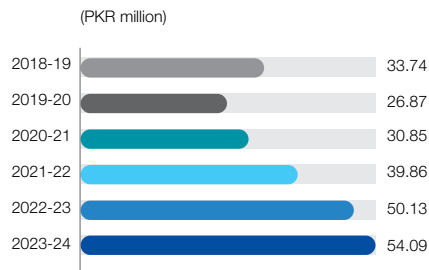
Return on equity



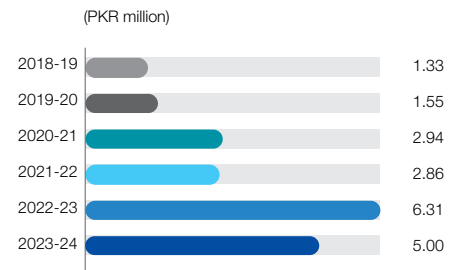
Return on capital employed



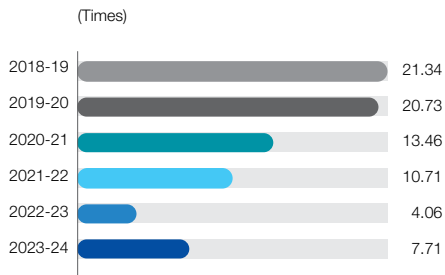
Revenue per employee



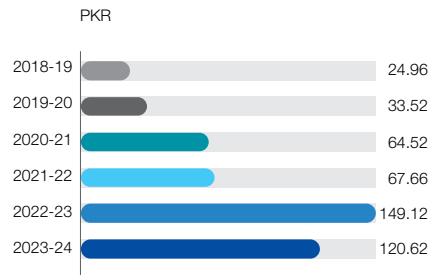
Net income per employee



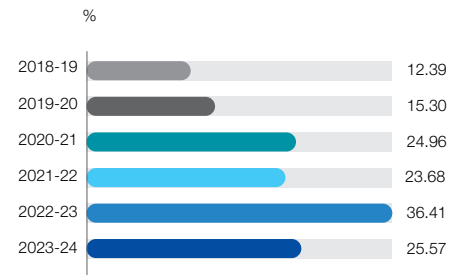
Price earning ratio



Earnings per share

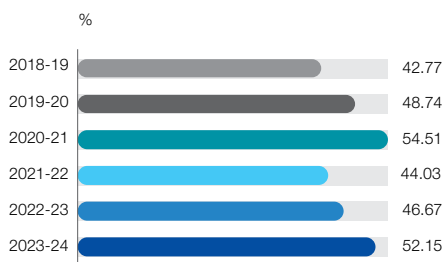


Return on shareholders' fund

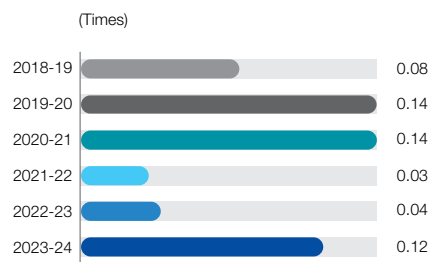


Liquidity and other ratios

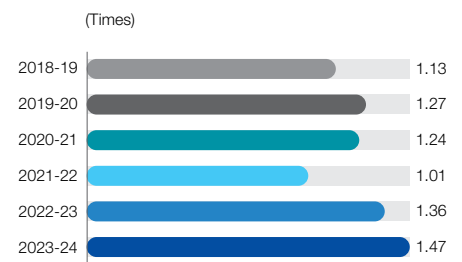
Shareholders' fund



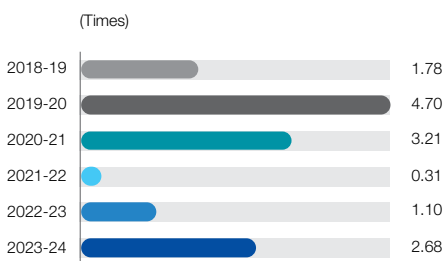
Cash flow from operations to sales



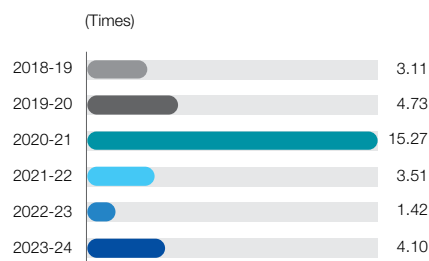
Current ratio



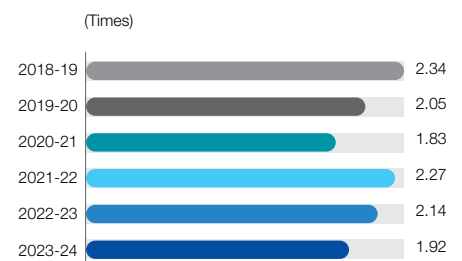
Cash flow from operations to capital expenditure



Cash flow coverage ratio



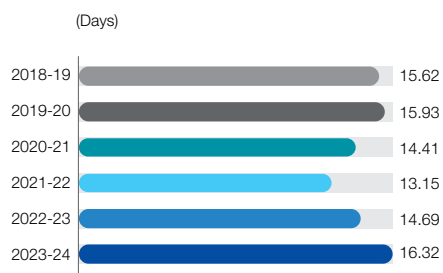
Financial leverage ratio



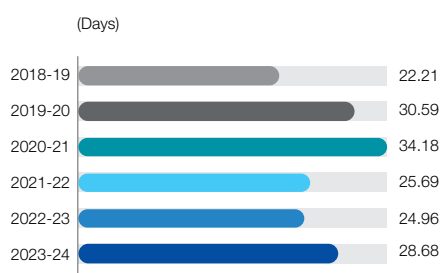
*Please refer to pages 184-185 for formulas used for above calculations.

Efficiency ratios

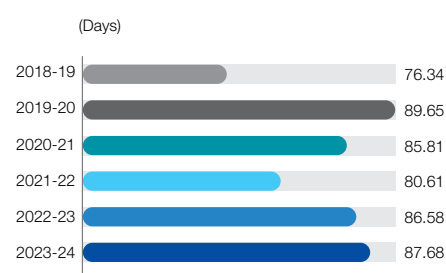
Debtor turnover ratio



Creditor turnover ratio

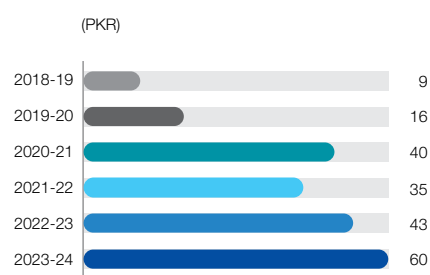


Inventory turnover ratio

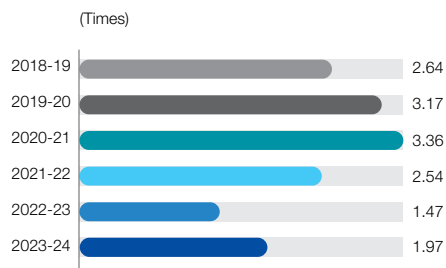


Investors ratios

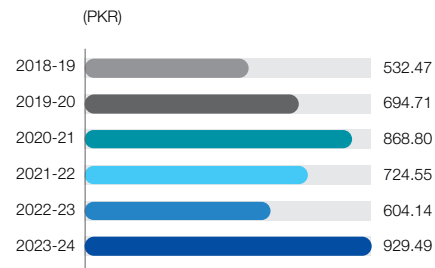
Dividend per share



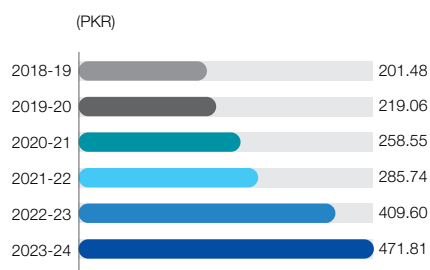
Price to book



Market value per share



Net assets per share



* Operating cost includes cost of sales, selling, distribution, administration and general expenses

Vertical and Horizontal Analysis

Statement of Profit or Loss

Vertical Analysis

	2018-19	2018-19	2019-20	2019-20	2020-21	2020-21	2021-22	2021-22	2022-23	2022-23	2023-24	2023-24
	PKR m	%*	PKR m	%*	PKR m	%*	PKR m	%*	PKR m	%*	PKR m	%*
	Restated		Restated									
Net Turnover	58,329	100.0	53,599	100.0	62,618	100.0	86,972	100.0	109,486	100.0	120,460	100.0
Cost of Sales	48,877	83.8	43,042	80.3	48,270	77.1	68,353	78.6	87,353	79.8	93,554	77.7
Gross profit	9,452	16.2	10,556	19.7	14,348	22.9	18,619	21.4	22,133	20.2	26,906	22.3
Selling & Distribution Expenses	3,170	5.4	3,389	6.3	4,155	6.6	4,990	5.7	5,336	4.9	7,310	6.1
Administration & General Expenses	1,346	2.3	1,498	2.8	1,794	2.9	1,875	2.2	2,144	2.0	2,446	2.0
Operating Result	4,935	8.5	5,669	10.6	8,399	13.4	11,753	13.5	14,653	13.4	17,151	14.2
Financial Charges / Exchange Losses	1,891	3.2	1,962	3.7	538	0.9	1,365	1.6	3,845	3.5	3,420	2.8
Other Operating Charges	272	0.5	333	0.6	635	1.0	565	0.6	803	0.7	831	0.7
Other Operating Income	409	0.7	955	1.8	1,003	1.6	375	0.4	11,905	10.9	3,601	3.0
Profit before taxation	3,181	5.5	4,330	8.1	8,229	13.1	10,199	11.7	21,911	20.0	16,501	13.7
Taxation	876	1.5	1,234	2.3	2,269	3.6	3,951	4.5	8,138	7.4	5,361	4.5
Profit after taxation	2,305	4.0	3,096	5.8	5,959	9.5	6,249	7.2	13,772	12.6	11,140	9.2

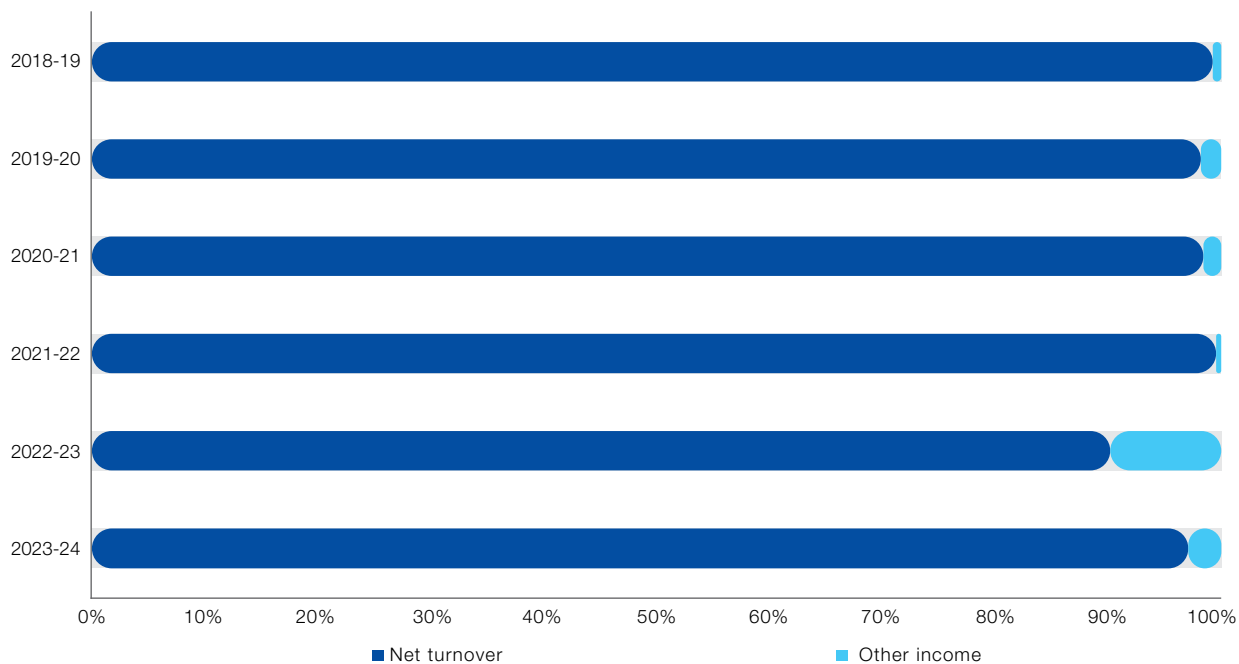
Horizontal Analysis

	2018-19	2018-19	2019-20	2019-20	2020-21	2020-21	2021-22	2021-22	2022-23	2022-23	2023-24	2023-24
	PKR m	%*	PKR m	%*	PKR m	%*	PKR m	%*	PKR m	%*	PKR m	%*
	Restated		Restated									
Net Turnover	58,329	18.8	53,599	(8.1)	62,618	16.8	86,972	38.9	109,486	25.9	120,460	10.0
Cost of Sales	48,877	20.5	43,042	(11.9)	48,270	12.1	68,353	41.6	87,353	27.8	93,554	7.1
Gross profit	9,452	10.5	10,556	11.7	14,348	35.9	18,619	29.8	22,133	18.9	26,906	21.6
Selling & Distribution Expenses	3,170	7.5	3,389	6.9	4,155	22.6	4,990	20.1	5,336	6.9	7,310	37.0
Administration & General Expenses	1,346	11.5	1,498	11.3	1,794	19.8	1,875	4.5	2,144	14.3	2,446	14.1
Operating Result	4,935	12.2	5,669	14.9	8,399	48.1	11,753	39.9	14,653	24.7	17,151	17.0
Financial Charges	1,891	76.7	1,962	3.7	538	(72.6)	1,365	153.8	3,845	181.7	3,420	(11.0)
Other Operating Charges	272	(10.4)	333	22.5	635	90.8	565	(11.0)	803	42.2	831	3.5
Other Operating Income	409	(34.9)	955	133.5	1,003	5.0	375	(62.6)	11,905	3,070.6	3,601	(69.7)
Profit before taxation	3,181	(12.8)	4,330	36.1	8,229	90.0	10,199	23.9	21,911	114.8	16,501	(24.7)
Taxation	876	48.2	1,234	40.9	2,269	83.9	3,951	74.1	8,138	106.0	5,361	(34.1)
Profit after taxation	2,305	(24.7)	3,096	34.3	5,959	92.5	6,249	4.9	13,772	120.4	11,140	(19.1)

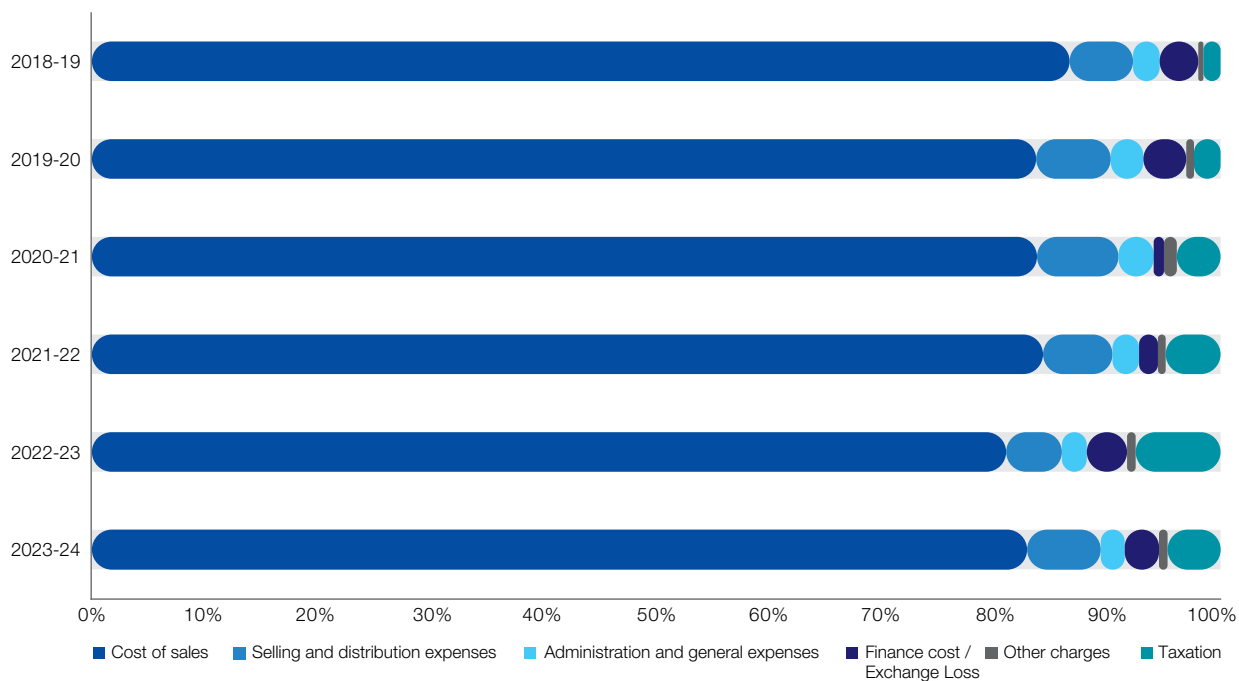
2018-19 and 2019-20 includes revision of accounting policy of depreciation from revaluation to cost model.

* Percentage change from SPLY.

Statement of Profit or Loss Analysis (Income) (%)



Statement of Profit or Loss Analysis (Expenses) (%)



Statement of Financial Position

Vertical Analysis

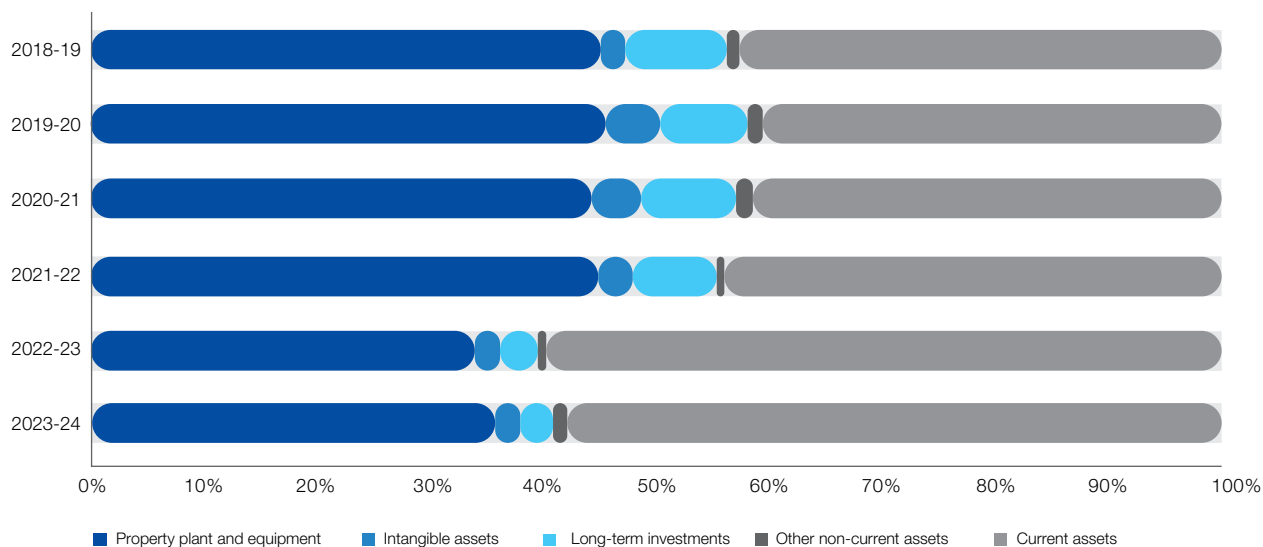
	2018-19	2018-19	2019-20	2019-20	2020-21	2020-21	2021-22	2021-22	2022-23	2022-23	2023-24	2023-24
	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%
	Restated		Restated									
Total Equity and Revaluation Reserve	18,609	42	20,232	49	23,879	55	26,391	44	37,831	47	43,576	52
Non Current Liability	8,539	20	8,024	19	5,289	12	7,380	12	7,505	9	7,035	9
Current Liability	16,366	38	13,253	32	14,636	33	26,170	44	35,731	44	32,955	39
Total Equity and Liabilities	43,514	100	41,509	100	43,804	100	59,941	100	81,067	100	83,566	100
Non Current Assets	24,939	57	24,651	59	25,640	59	33,553	56	32,616	40	35,136	42
Current Assets	18,575	43	16,858	41	18,164	41	26,388	44	48,451	60	48,430	58
Total Assets	43,514	100	41,509	100	43,804	100	59,941	100	81,067	100	83,566	100

Horizontal Analysis

	2018-19	2018-19	2019-20	2019-20	2020-21	2020-21	2021-22	2021-22	2022-23	2022-23	2023-24	2023-24
	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%
	Restated		Restated									
Total Equity and Revaluation Reserve	18,609	3	20,232	9	23,879	18	26,391	11	37,831	43	43,576	15
Non Current Liability	8,539	(17)	8,024	(6)	5,289	(34)	7,380	40	7,505	2	7,035	(6)
Current Liability	16,366	10	13,253	(19)	14,636	10	26,170	79	35,731	37	32,955	(8)
Total Equity and Liabilities	43,514	1	41,509	(5)	43,804	6	59,941	37	81,067	35	83,566	3
Non Current Assets	24,939	(4)	24,651	(1)	25,640	4	33,553	31	32,616	(3)	35,136	8
Current Assets	18,575	8	16,858	(9)	18,164	8	26,388	45	48,451	84	48,430	(0)
Total Assets	43,514	1	41,509	(5)	43,804	6	59,941	37	81,067	35	83,566	3

2018-19 and 2019-20 includes revision of accounting policy of depreciation from revaluation to cost model

Statement of Financial Position Analysis (Assets) (%)



Statement of Financial Position Analysis (Equity and Liabilities) (%)

