

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

August 30, 2023
LCI/ComSec/58/2023

Dear Sir,

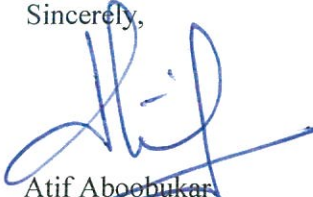
CORPORATE BRIEFING SESSION

This is to inform you that the Corporate Briefing Session (CBS) of Lucky Core Industries Limited (the "Company") will be held on Wednesday, September 06, 2023 at 04:00 pm at the Pakistan Stock Exchange Auditorium, Karachi and through video-link facility, to brief the shareholders, investors and analysts about the Company's financial performance and future outlook. A flyer containing the details is annexed herewith.

Further, in accordance with the Pakistan Stock Exchange notice no. PSX/N-1160 dated November 18, 2022, a presentation of the CBS is also attached herewith.

We would appreciate your assistance in communicating this information to TRE Certificate Holders of the Exchange.

Sincerely,



Atif Aboobakar
Chief Financial Officer

CORPORATE BRIEFING SESSION

You are cordially invited to the Corporate Briefing Session of **Lucky Core Industries Limited** wherein the Company's senior Management shall discuss the company's financial performance and outlook

Date: September 6th, 2023 (Wednesday)

Venue: Pakistan Stock Exchange Auditorium

Registration: 03:45 pm

Presentation: 04:00 pm & Q&A: 04:30 pm

Hi-tea: 05:00 pm

To attend the Corporate Briefing Session online, please [Click here](#)

For any query, please contact
Mr. Tahir Abbas
Director Research
Arif Habib Limited
tahir.abbas@arifhabibltd.com
021-32462742





Investor Briefing

FY'22-23

#JourneyOfEnrichingLives

Our Businesses

Journey of Enriching Lives



Soda Ash Business

From baking soda, detergents to glass, Soda Ash has diversified applications.



Polyester Business

Fabric made from Polyester is used for fashion, design, & interiors.



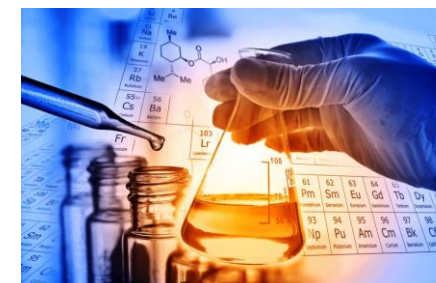
Pharmaceuticals Business

Manufacturing, marketing and distribution of some of the leading pharma products.



Animal Health Business

Enhancing animal nutrition and veterinary care to improve the quality of meat & dairy products.



Chemicals Business

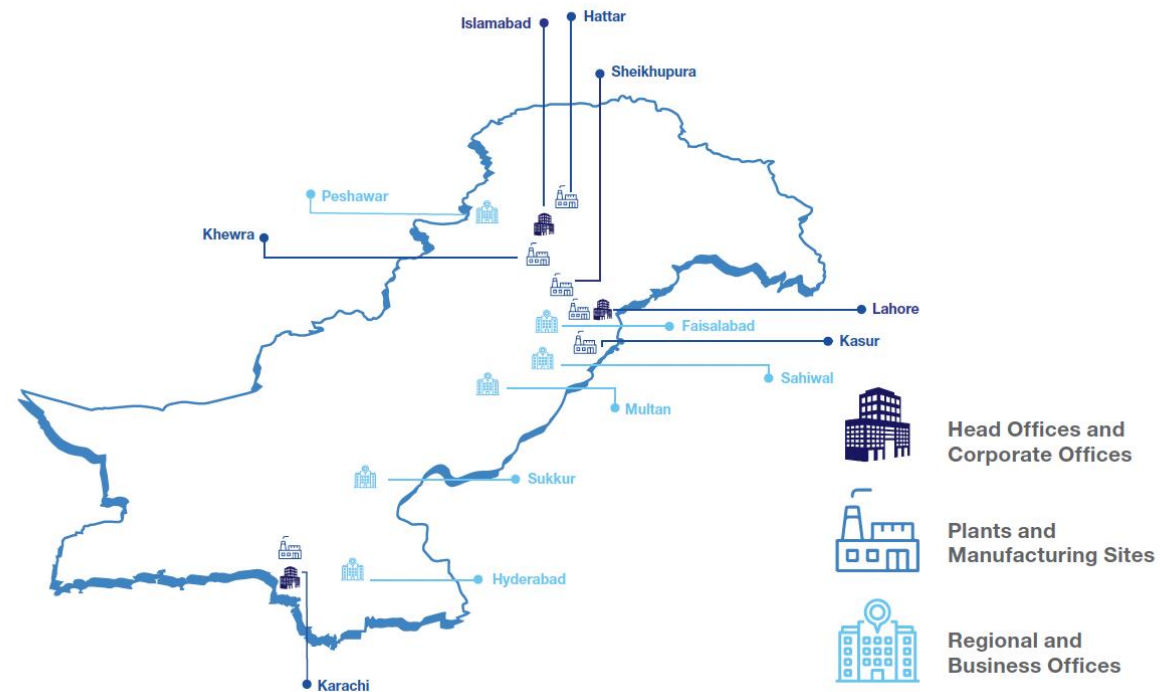
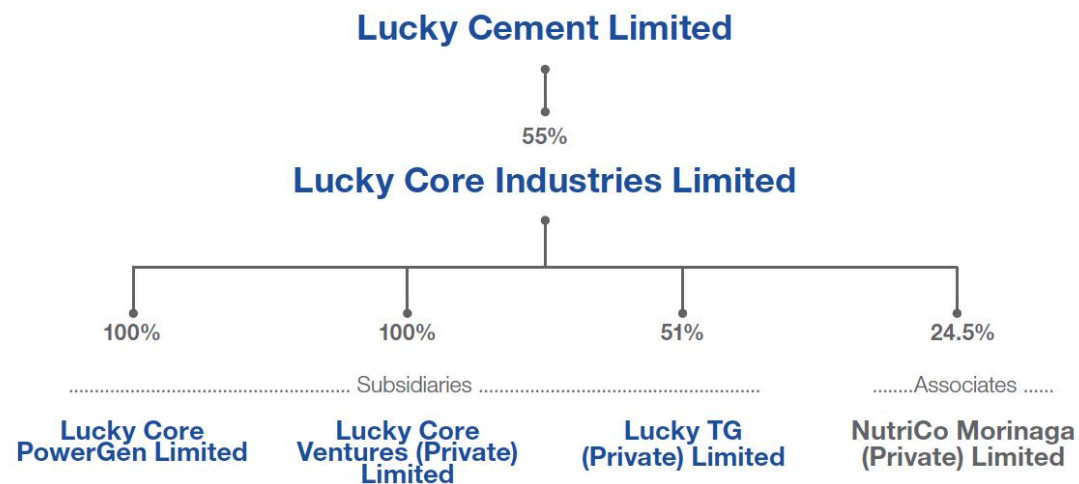
Products are used to manufacture everyday objects, such as car seats, consumer durables & others.



Agri Sciences Business

Giving farmers solutions, enabling them to meet consumer demands and improving the nutrition.

Group Structure & Geographical Presence



Serving Multiple Industries

Diversified portfolio of essential products that are the 'core' of almost every local industry.



















Industries Catered

- Textile
- Paints
- Appliances
- Construction
- Automobile
- Footwear
- Oil/ Petroleum
- Food & Beverage
- Metal Engineering/ Cleaning
- Pharmaceuticals
- Cement/ Mining
- Chemical Processing
- Agrochemicals & Seeds
- Detergents & Laundry Soap
- Surgical
- Paper/ Glass/ Ceramics
- Fertilizers
- Coating/ Inks



FY 22-23 – At a Glance

Unconsolidated Financials		KPIs		Consolidated Financials		Impact	
	Revenue ▲ 26% PKR 109.5 B		Mkt Cap Debt 55.8 B 6.3 B		Revenue ▲ 26% PKR 109.5 B		Total Employees 2,100+
	EBIT ▲ 25% PKR 14.7 B		Current Ratio 1.4x		EBIT ▲ 24% PKR 14.8 B		Safe Man Hours* > 39 M
	PAT ▲ 120% PKR 13.8 B		ROCE 32%		PAT ▲ 101% PKR 17.8 B		Exchequer Contribution PKR 25.7 B
	EPS ▲ 120% PKR 149.1		DPS PKR 43		EPS ▲ 107% PKR 190.2		Community Investments PKR 64 M

* No occupational illness during the year.

Key Highlights – FY 2022-23

Policy Rate 22%

▲ 825bps

PKR Devaluation

▲ 41%

LSM

▼ 9.8%

Inflation

▲ 29.4%

1

Potential acquisition of approx. 75.01% shares of Lotte Chemical Pakistan Limited through Lucky Core Ventures (Private) Limited (LCV).

2

Sale of approx. 26.5% shares of NutriCo Morinaga (Private) Limited.

3

NSI crossed PKR 100B+ at LCI level for the first time.

4

SA posted record annual sales (487k+ tons) & production (512k+ tons).

5

60 KTPA Expansion in Soda Ash (SA) taking total production capacity to 560 KTPA.

6

Pharmaceutical business faced significant challenges on profitability front due to cost increases (CFR, devaluation and sales tax).

7

Polyester Business was impacted by slowdown in downstream demand partially offset by higher unit margins.

8

Effective margin management and strong performance in oil seeds category by Chemicals and Agri Sciences business.

Resilient Performance despite challenging economic conditions due to operational excellence and continued focus on investment in new projects and expansions.

A Cut Above the Rest



Operating in Essentials

Operating in 5 business segments that are at the “Core” of various local industries.



Competitive Advantage

Market leader in Soda Ash and top player in other businesses.



Our People

Strong team dedicated to making a difference!



Robust Governance Structure

Compliance of applicable laws.



Growth Focused

Approx. PKR 34 Bln invested in growth projects since YBG acquisition.



Healthy Cash Generation

Free cashflow of PKR 2.8 Bln generated in FY'23.



High Credit Rating

AA / A-1+






Healthy Payout to Shareholders

Approx. 50% of profit YoY from continuing operations.

Strong Capital Structure

Healthy payout and low gearing, whilst investing heavily in growth / expansion projects.

PKR' m

Ratios		FY'19	FY'20	FY'21	FY'22	FY'23	
Healthy Returns		ROCE	18%	20%	29%	35%	32%
		PAT	2,305	3,096	5,959	6,249	13,772
		Payout Ratio	36%	47%	62%	52%	50% *
B/S Strength		Net Total Debt	15,273	10,843	6,803	16,855	6,318
		Gearing	45%	35%	22%	39%	14%
		Equity	18,609	20,232	23,879	26,391	37,831
Strong Cash Generation		Cash flow from Operations	4,529	7,548	9,067	2,877	4,267
		Free Cash flow	3,278	6,579	8,353	234	2,804
		CAPEX	2,539	1,604	2,828	9,349	3,718

* Payout based on PAT from continuing operations.

Company Performance FY 22-23

Financial Performance by Business – Standalone

Resilient performance despite challenging economic conditions.



Soda Ash



Polyester



Pharma



Chemicals



Animal Health



LCI Ltd

NSI

41,417 ▲ 65%	40,452 ▲ 10%	9,159 ▲ 3%	11,710 ▲ 8%	6,844 ▲ 22%	109,486 ▲ 26%
Vs. 25,064	Vs. 36,676	Vs. 8,886	Vs. 10,807	Vs. 5,617	Vs. 86,972

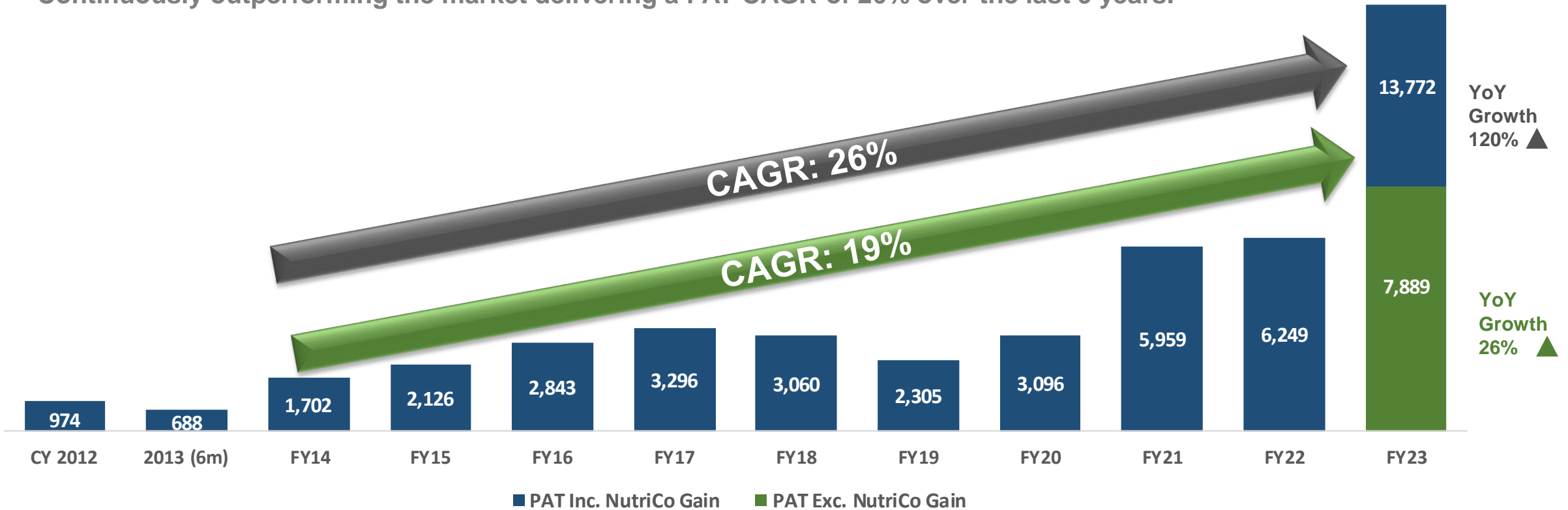
EBIT

7,635 ▲ 71%	3,193 ▼ 16%	1,004 ▼ 19%	1,889 ▲ 29%	932 ▲ 23%	14,653 ▲ 25%
Vs. 4,476	Vs. 3,807	Vs. 1,247	Vs. 1,462	Vs. 761	Vs. 11,753

Amount in PKR Mln

Historical Performance post YBG Acquisition

Continuously outperforming the market delivering a PAT CAGR of 26% over the last 9 years.



Shareholders Return since YBG Acquisition

IRR
16.6%
In PKR

PSX 100 Index
10.5%
Average Return

KMI 30 Index
10.2%
Average Return

*PAT CAGR calculated from 2013-14

** PAT FY23 includes impact of capital gain on disposal of 26.5% NutriCo shares excluding which PAT would be higher by 26% vs SPLY.

Amount in PKR Mln

Segmental Performance FY'22-23

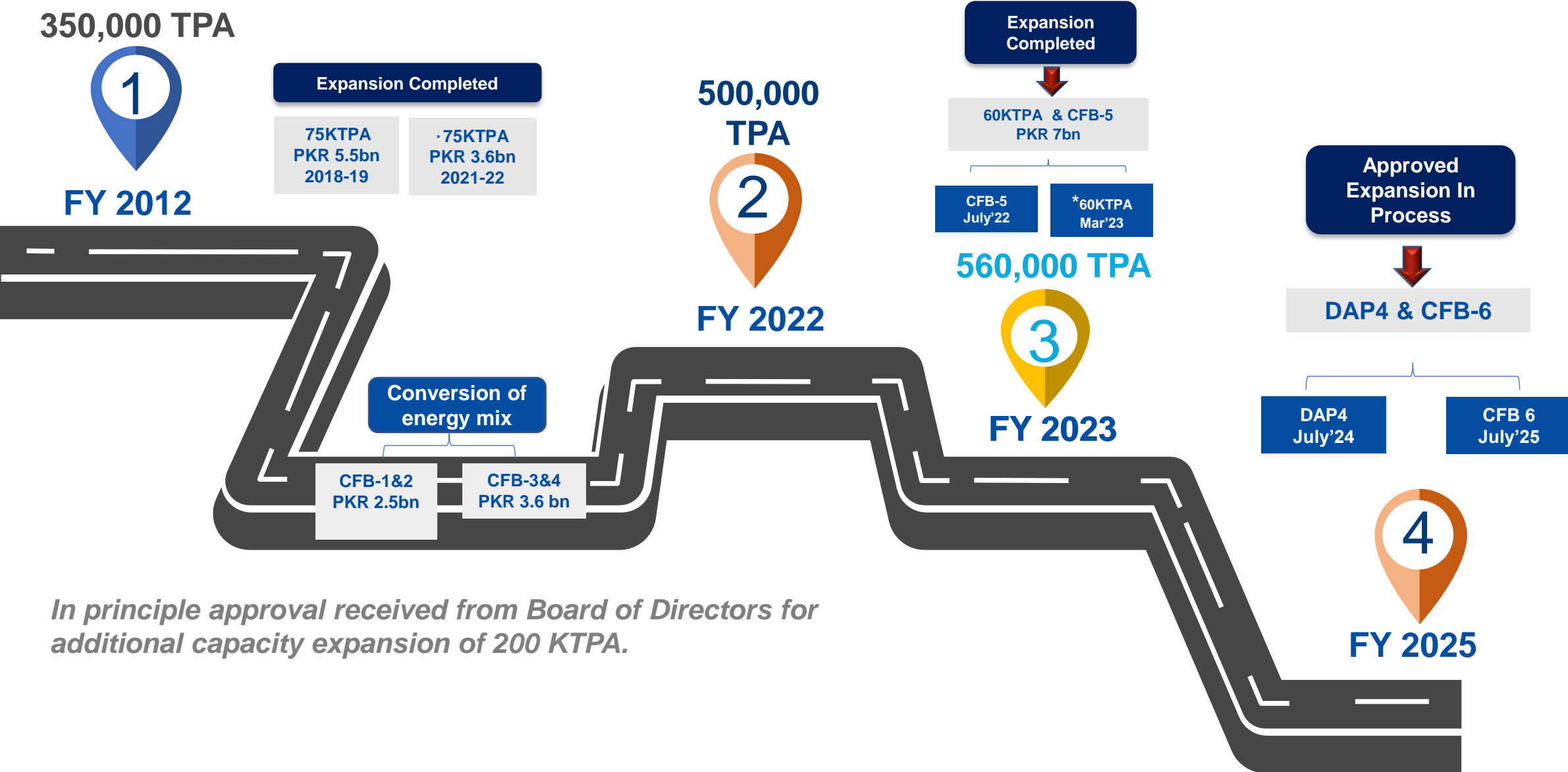
Soda Ash Business

- Total production capacity of 560 KTPA with 210 KTPA capacity added in the last 5 years.
- Strategic geographical location near Khewra salt mines.
- Availability of key raw material Salt & Limestone.
- Highest ever export sales of 63 KTPA in FY'23.



Capacity Expansion

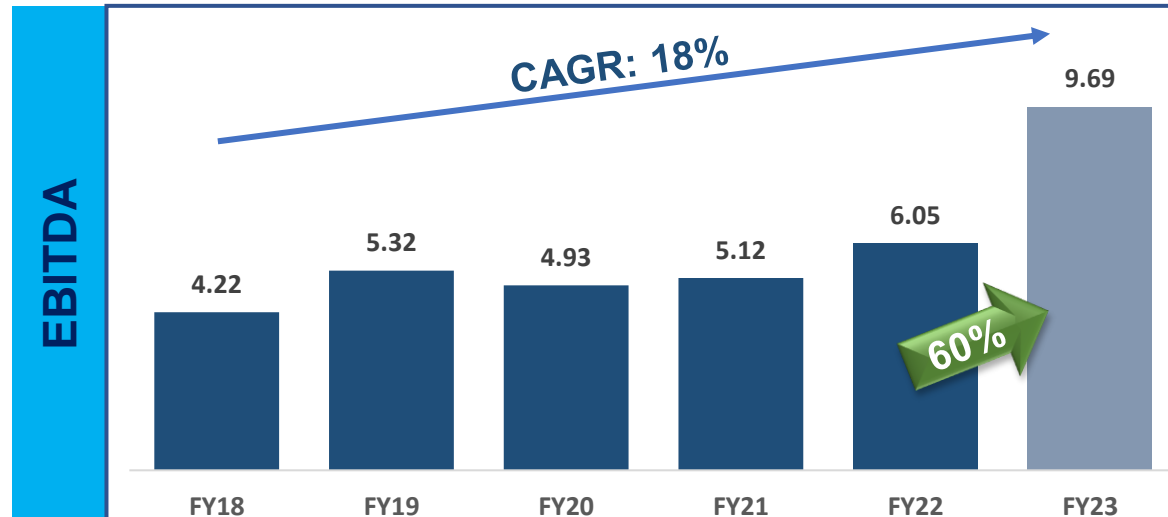
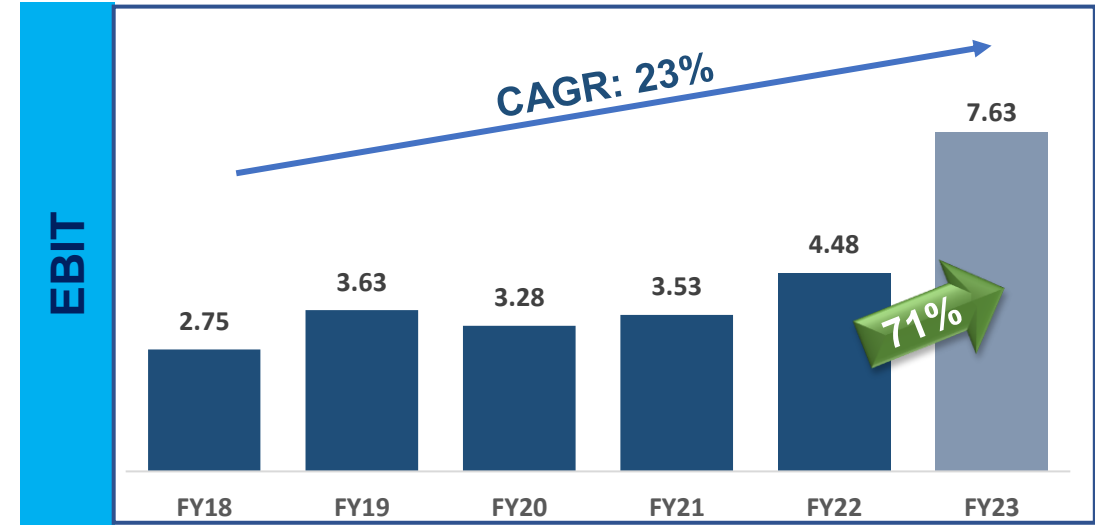
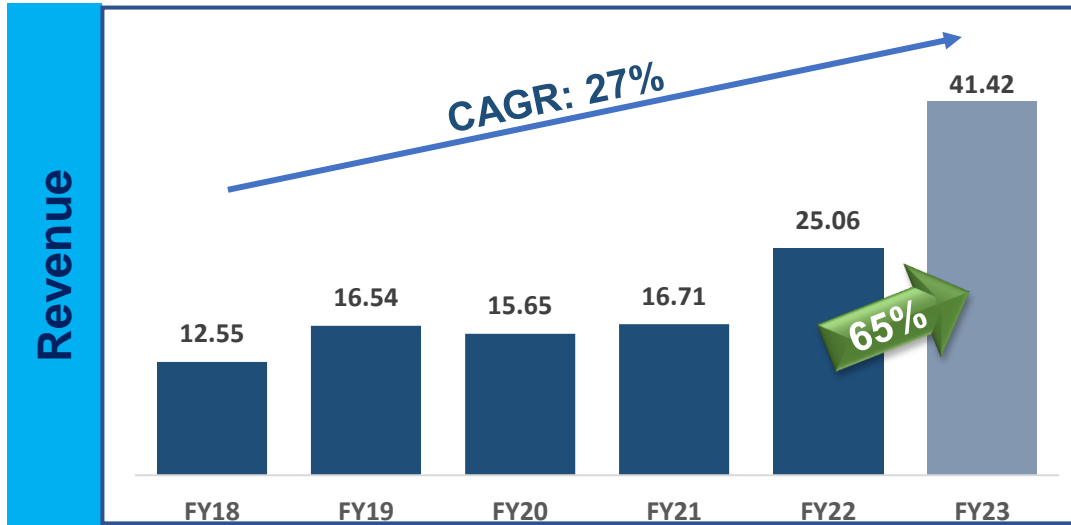
A mouth of the mine manufacturing facility with access to major raw materials.



In principle approval received from Board of Directors for additional capacity expansion of 200 KTPA.

Financial Performance – Soda Ash

Year on year growth achieved through continued investment in capacity expansion, energy efficiency projects and focus on exports.



Amounts in PKR Bln

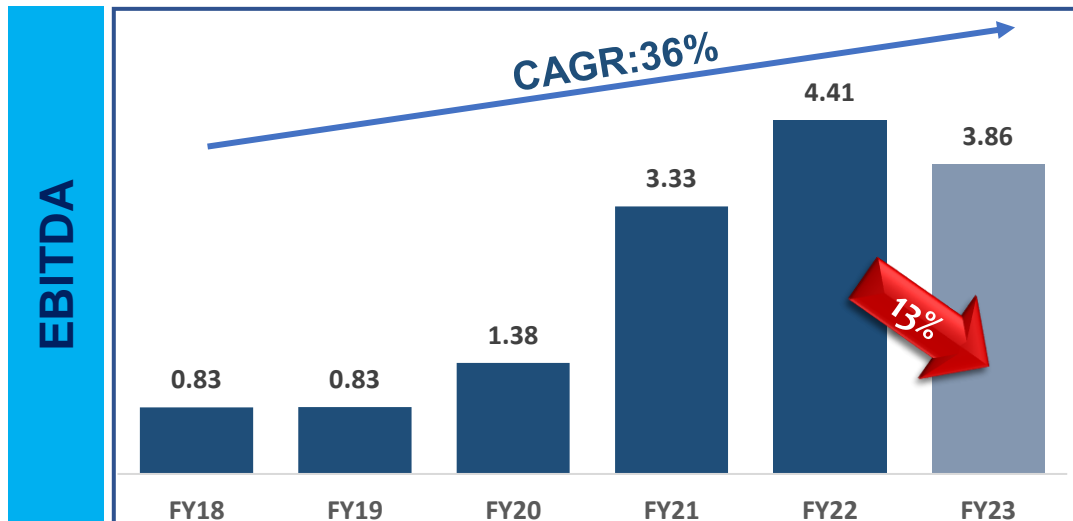
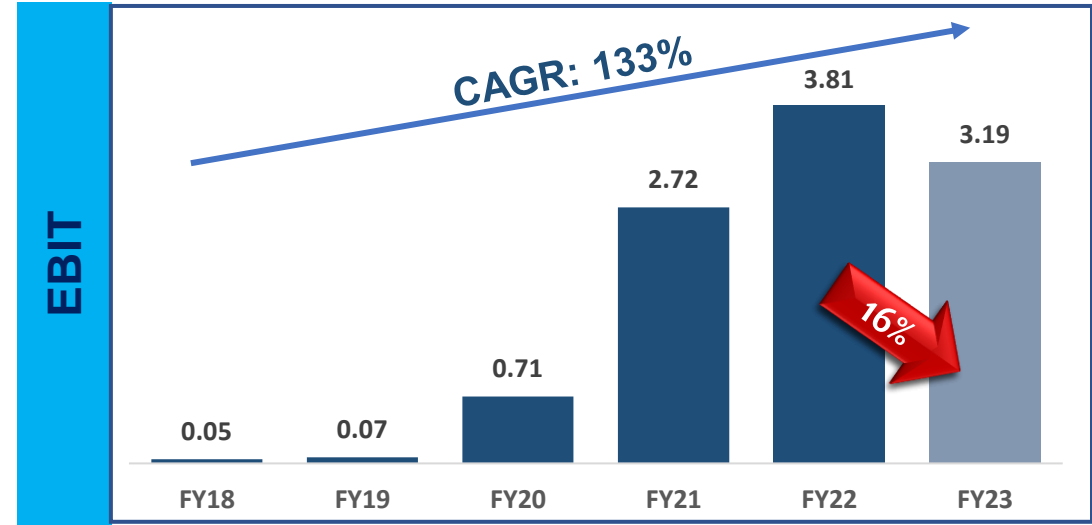
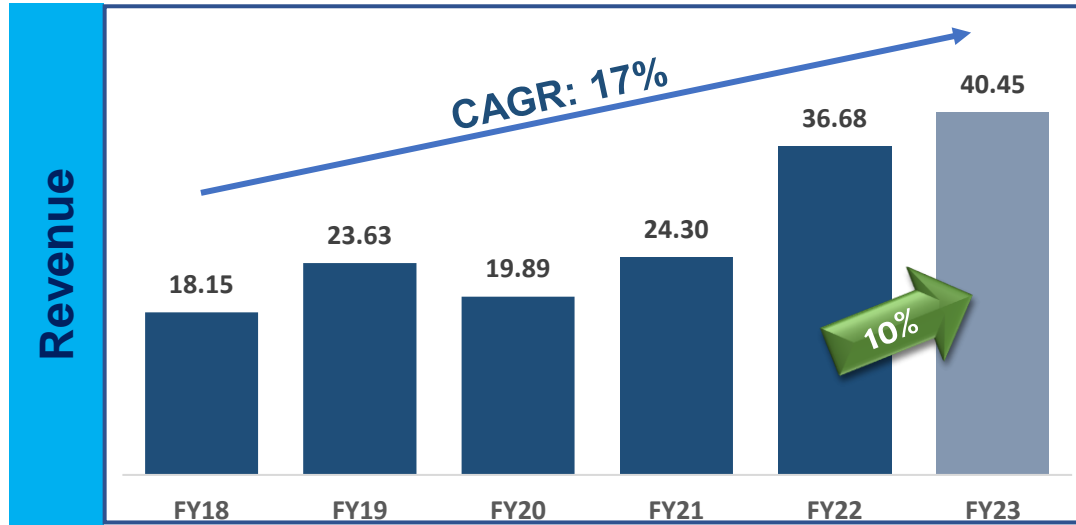
Polyester Business

- Production capacity of 122k tons with full capacity utilization.
- 1st to launch 100% recycled branded PSF (RPET).



Financial Performance – Polyester

Volatility in performance linked to global economic conditions, commodity prices and a slowdown in demand.



Pharmaceuticals Business

- Holds 20th rank in Pharma industry comprising of 600+ players.
- 21 new products launched over last 3 years.
- Internalisation of the cardio portfolio, enhancing manufacturing efficiencies.
- Introduction of high-speed PET bottle line at Hawke's bay plant for Mucaïne and Citralka brand.
- Upsizing of six brands to optimise cost.



Business Overview

PRIMARY CARE



Gynecology



Pediatrics



Nutraceuticals



Respiratory



Pain and Gastro



Pulmonology

Industries Served



Health Care

SPECIALITY CARE



Cardiology



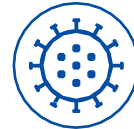
Cardio Metabolic



Oncology



Central Nervous
System



Infectious
Diseases

Markets Served



Pakistan



Afghanistan

Key Brands

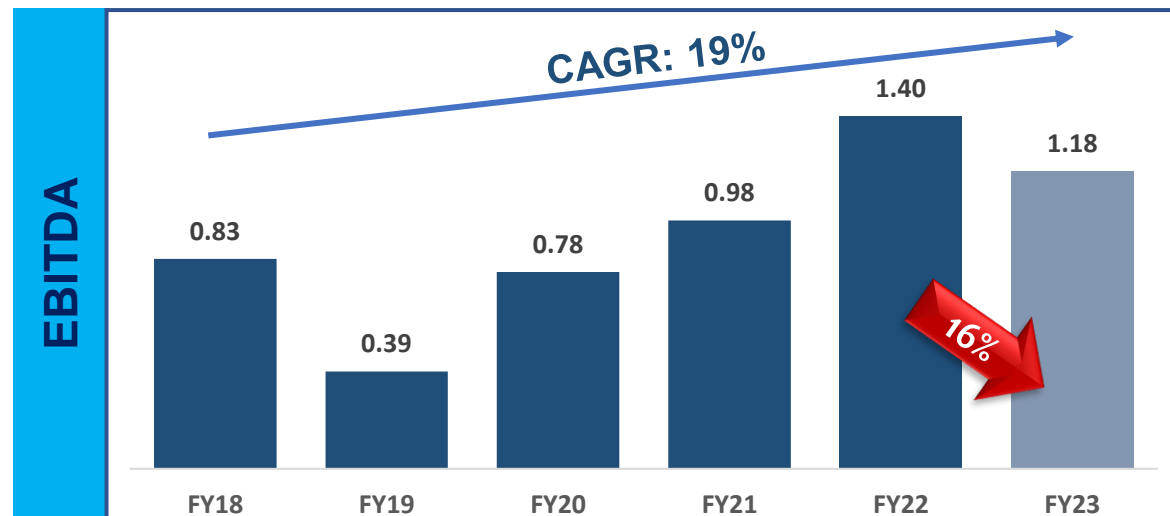
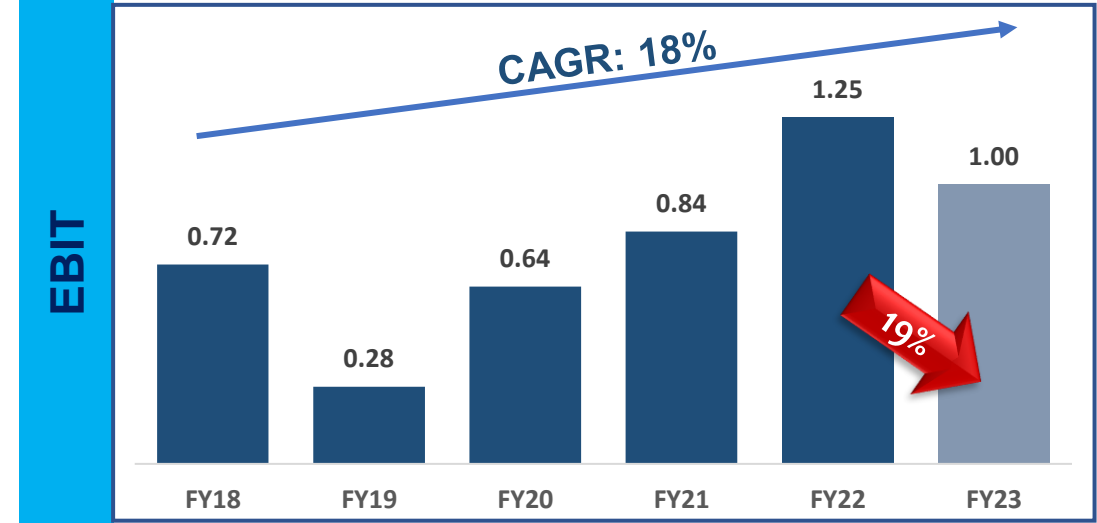
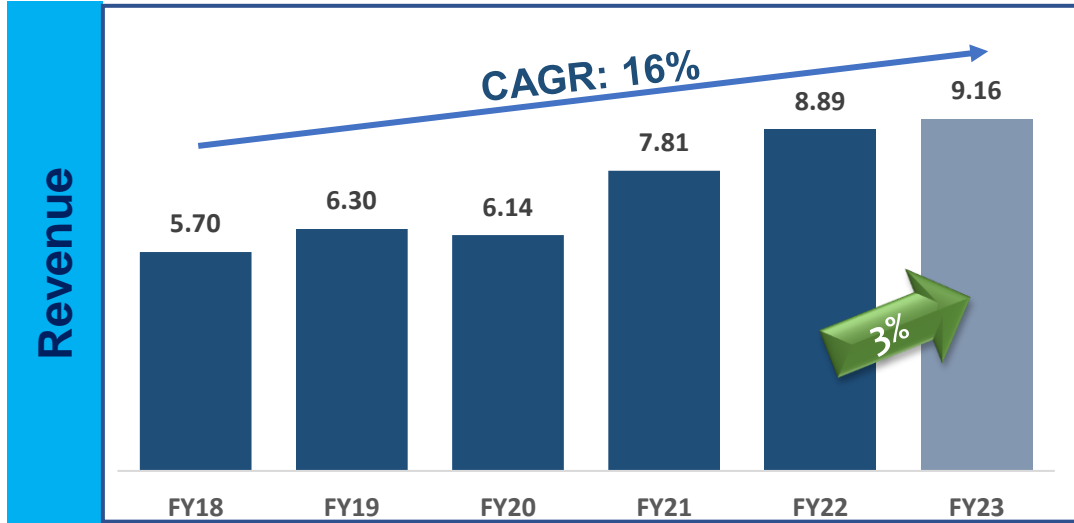
- Zestril
- Tenormin
- Inderal
- Citralka
- Hycortisone
- Nilstat
- Lederplex

- Tazopip
- Fortexone
- Merpen
- Trihemic
- Cefcin
- Corinef
- Zoladex



Financial Performance – Pharmaceuticals

Pharma business faced significant challenges on profitability fronts due to cost increases (CFR, rupee devaluation & sales tax).



Amounts in PKR Bln

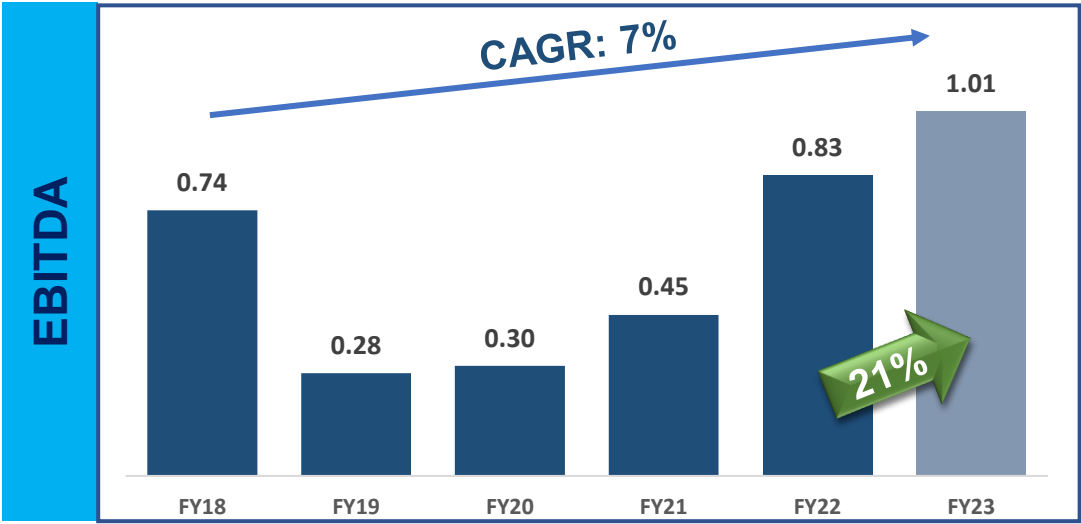
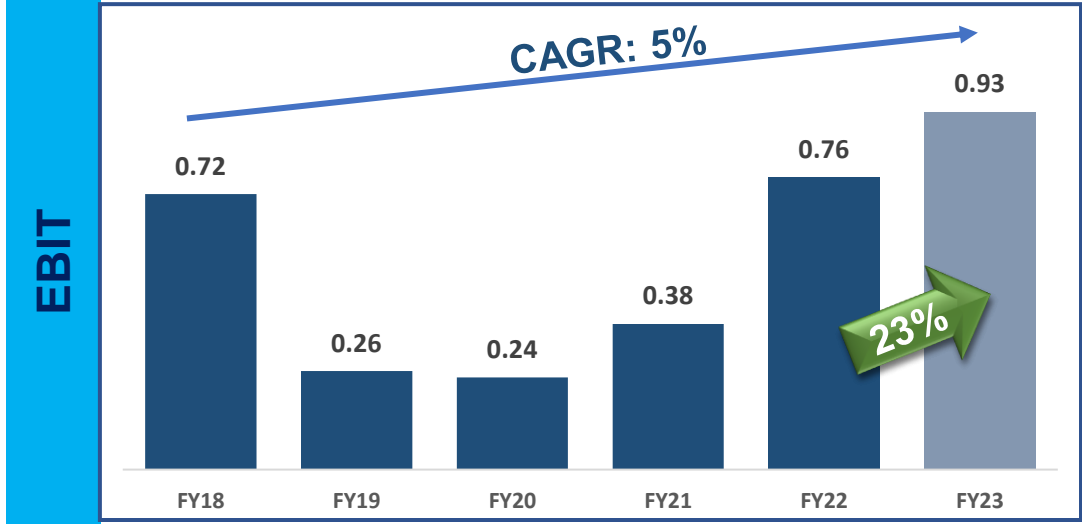
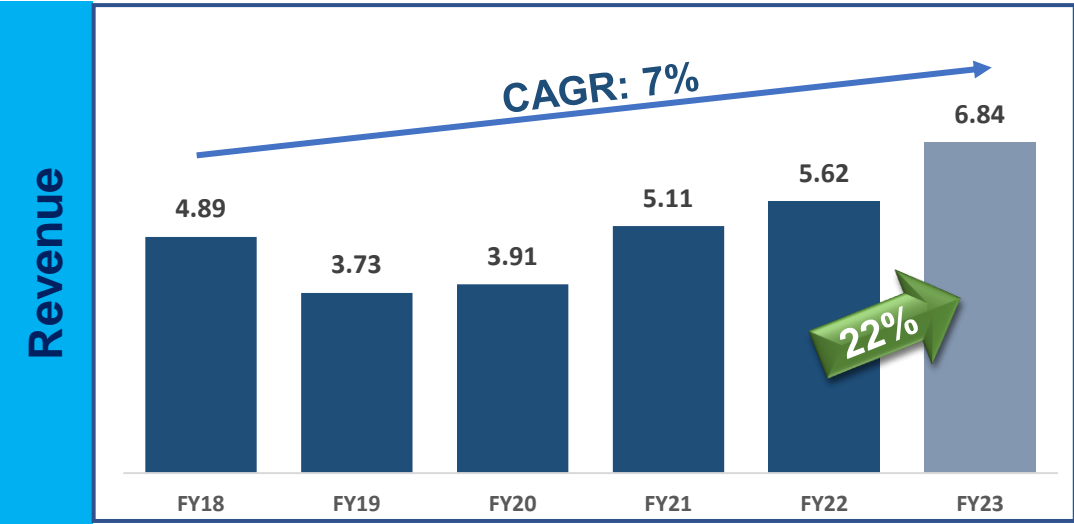
Animal Health Business

- Livestock market size approx. PKR 38 Bln with LCI capturing 12% market share.
- Poultry market size approx. PKR 19 Bln with LCI capturing 11% market share.
- 5th Largest player in Vanda.
- Investment approval of up to PKR 633 Mln for setting up a green field veterinary medicine manufacturing facility.



Financial Performance – Animal Health

Consistent improvement in results on back of growth in locally manufactured Farmers Choice portfolio



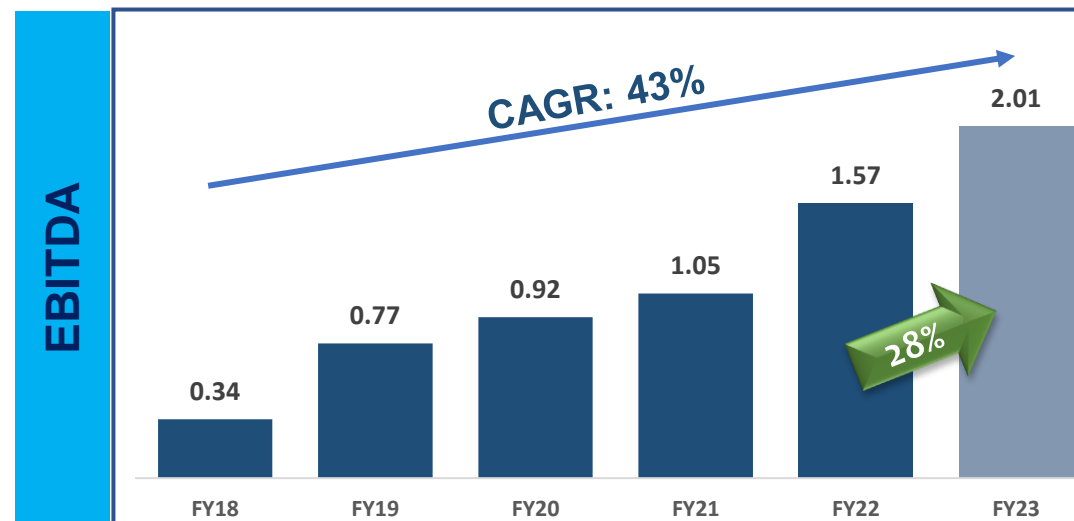
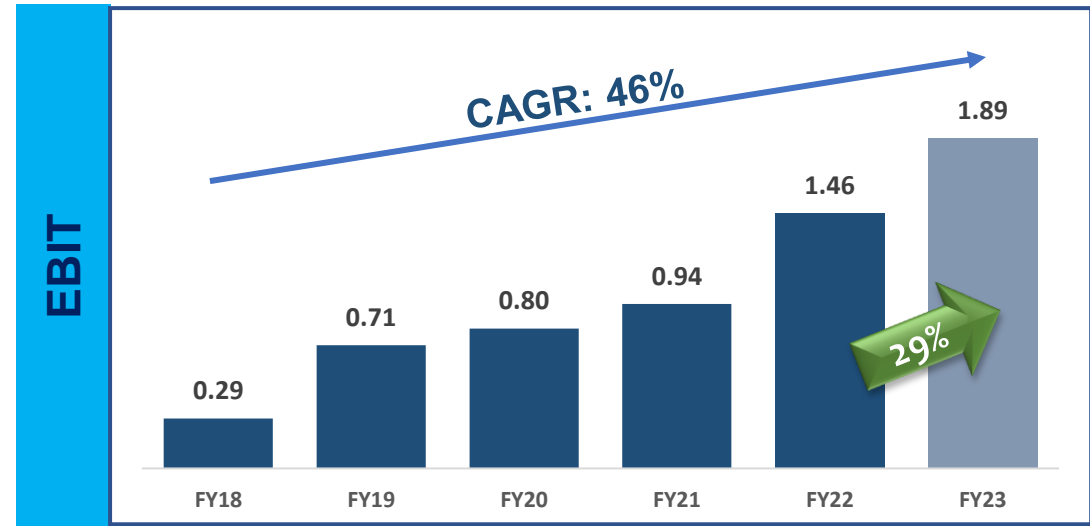
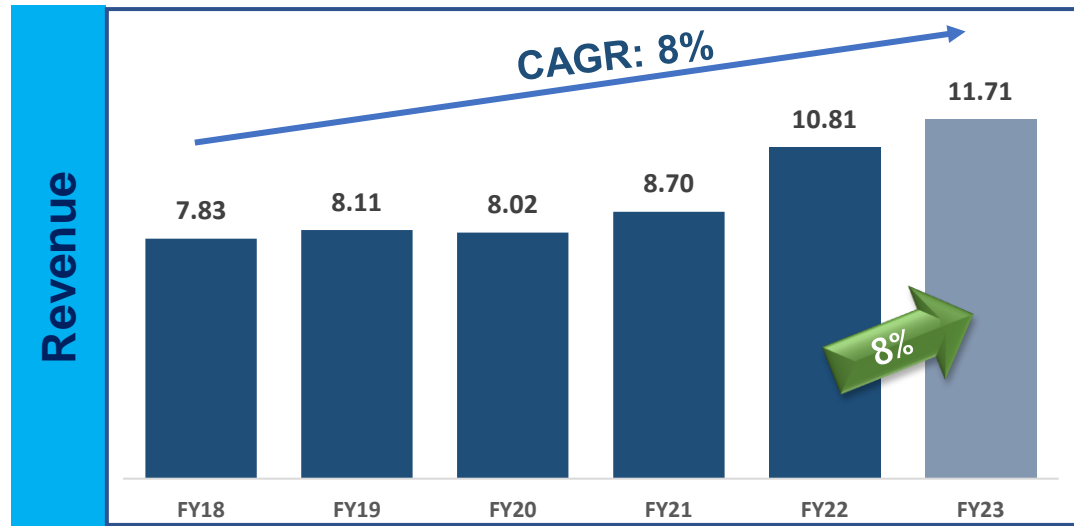
Chemicals & Agri Sciences Business

- Representation of global renowned companies like Wanhua, Diversey, Evonik, Venator, Rio Tinto.
- Strong presence & equity in the Agriculture sector, representing world leading Agri companies: Advanta Seeds and UPL Limited.
- Market leadership in the Sunflower Seeds Segment.
- Trusted and quality supplier of Masterbatches, emerging as a complete solution provider for the industry



Financial Performance – Chemicals & Agri Sciences

Effective *margin management* and strong performance in oil seeds category.



Amounts in PKR Bln

Nutrition Business



Divestment of 26.5% Shareholding in NutriCo Morinaga (Private) Limited

Transaction

Shares

26.5%
21.76 Mln shares

Price

USD 2.07
Per Share

Value

45.08
Mln \$

Gain

9.8
Bln PKR

Rationale/ Benefits

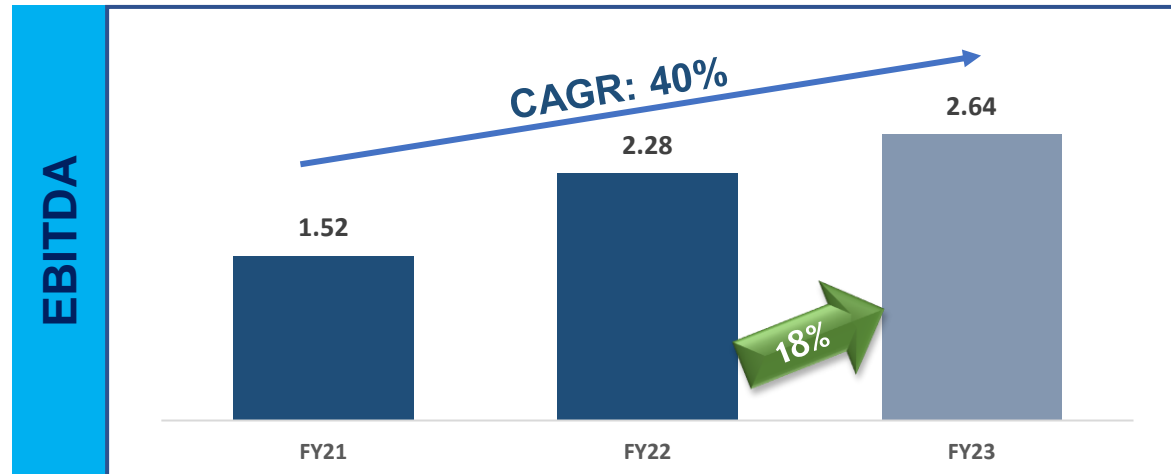
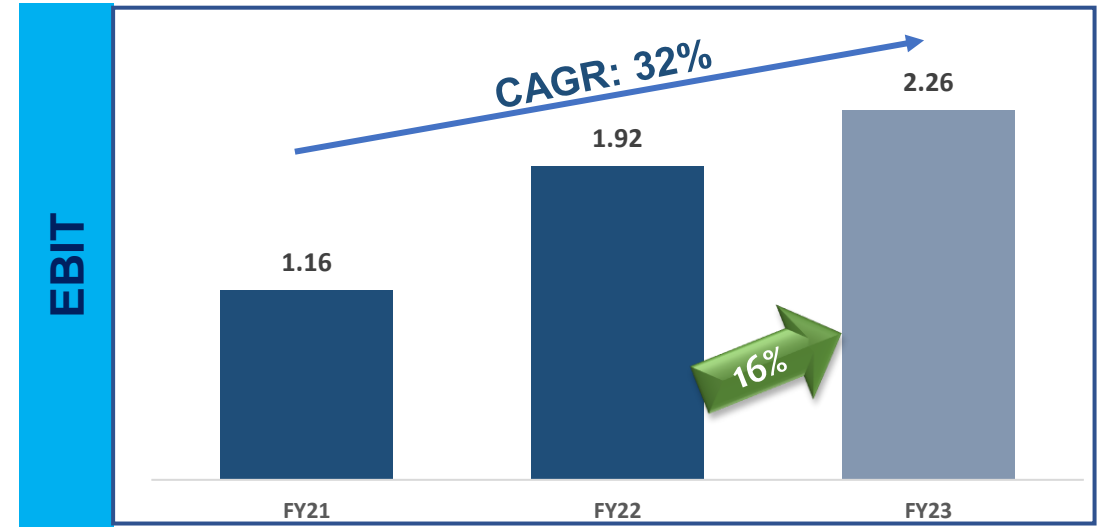
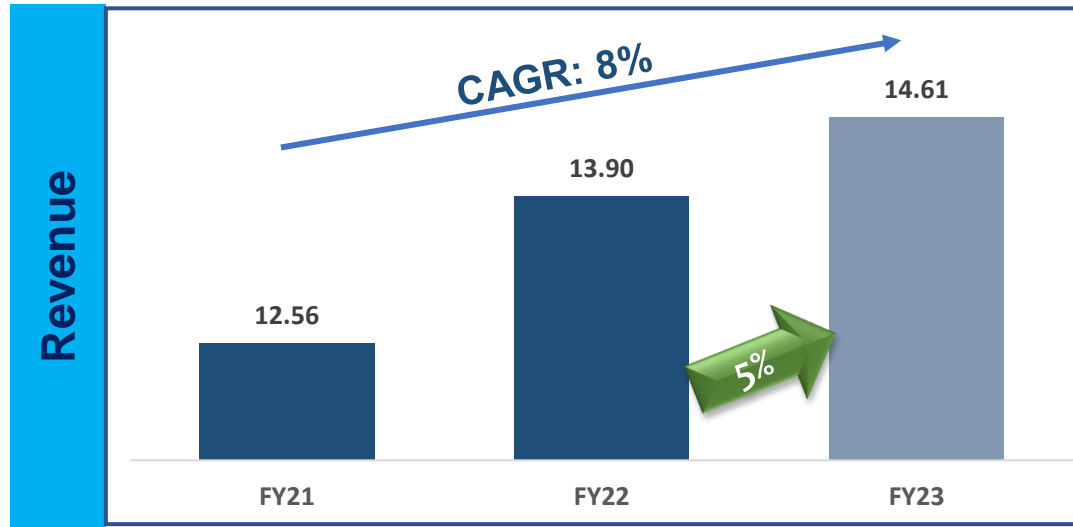
Cash Generation

Capital Gain

Rapid Growth

Enhanced Future Value

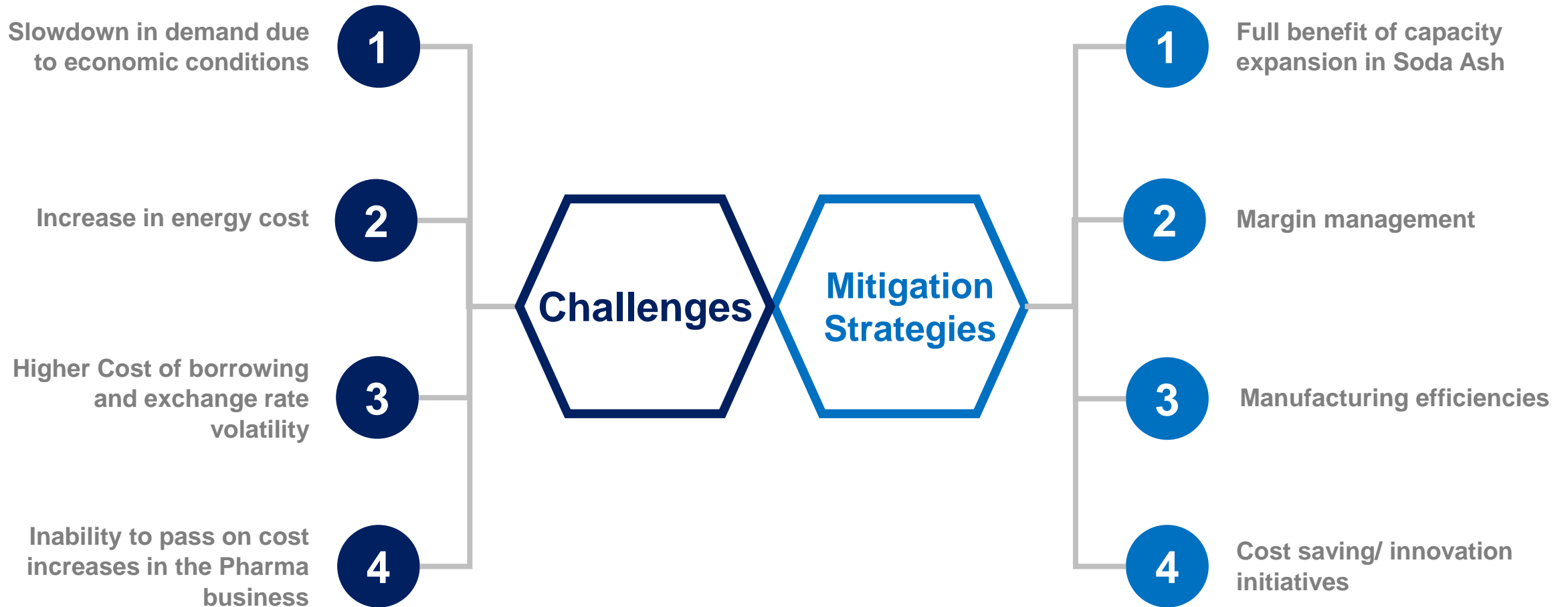
Financial Performance – Nutrition Business



Opportunities & Challenges

FY 2022 - 23

Opportunities & Challenges – FY 2023-24



Soda Ash Expansion Projects

Installation of additional coal fired boiler to support expansion of SA.

Investment in Dense Ash Capacity Expansion.

In principle approval received from BoD for 200 KTPA LSA expansion.



New Animal Health Facility

Setting up of a green field veterinary medicine manufacturing facility.



Potential Acquisition of 75.01% Shares of Lotte Chemicals Pak Ltd

Signing of SPA with Lotte Chemical Corporation Korea for potential acquisition of approximately 75.01% shares of Lotte Chemicals Pakistan Limited through LCV. The transaction is subject to receipt of requisite approvals and other closing formalities.



Joint-Venture Float Glass

Setting up of state-of-the-art, greenfield facility for manufacturing of float glass.

Production capacity of up to 1,000 TPD to be set in two phases of 500 TPD each.



Growth Journey Continues

We continue to invest for the future

Expansion Projects Since YBG Acquisition

LCI	PEPG	SA	PH	GCA	AH
NutriCo PKR 1.9 bn	Energy projects PKR 3.1 bn	Coal fired boilers PKR 7.5 bn	Nutraceutical Manufacturing facility PKR 61 m 2015	Seeds Processing Plant PKR 9 m 2013	Manufacturing facility PKR 15 m 2015
JV with TGL (51% LCI)	rPET project PKR 0.9 bn	DA Expansion PKR 1.1 bn	Cirin Pharmaceuticals PKR 1.1 bn 2016	Masterbatch (MB) manufacturing facility PKR 0.8 bn 2018-19	New Medicine Plant
Potential acquisition of 75.01% shares of Lotte Chemical Pakistan Limited through LCV		RSB expansion PKR 1 bn	Brands & Manufacturing facility of Wyeth PKR 2 bn (2017-18)	MB Capex	
		LA 75KTPA PKR 5.3 bn 2018-19			
		LA 75KTPA PKR 3.6 bn 2021-22			
		LA 60 KTPA PKR 6 bn			
		CFB-6			
		Dense Ash DAP-4			
		LA 200KTPA			
				Completed PKR 34 Bn	
				Approved by BoD	

Q&A Session

Thank You