LCL/ANNO/2018-19/

April 26, 2019

The General Manager
Pakistan Stock Exchange Limited
Karachi

The Deputy Chief
Securities & Exchange Commission of Pakistan
Islamabad

The London Stock Exchange
10 Paternoster Square,
London

Dear Sir(s)

FINANCIAL RESULTS FOR THE 3RD QUARTER ENDED MARCH 31, 2019

This is to inform you that the Board of Directors of our Company in their Meeting held on Friday, April 26, 2019 at 3:30 p.m., at 6-A, Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street, Karachi-75350 recommended the following:

(I)	**Cash Dividend**	**Nil**
(ii)	**Bonus Issue**	**Nil**
(iii)	**Right Issue**	**Nil**
(iv)	**Interim Dividend**	**Nil**

The financial results of the Company consisting of Statements of Financial Position, Statements of Profit and Loss and Other Comprehensive Income and Directors' Report are annexed.

The 3rd quarterly report of the Company for the period ended March 31, 2019 will also be transmitted through PUCARS separately, within the specified time.

Yours truly
for **LUCKY CEMENT LIMITED**

IRFAN CHAWALA
Director Finance / CFO

Unconsolidated Condensed Interim Statement of Financial Position
As at March 31, 2019

	(Un-audited) March 31, 2019	(Audited) June 30, 2018
	(PKR in '000')	
ASSETS		
NON-CURRENT ASSETS		
Fixed assets		
Property, plant and equipment	**48,335,852**	40,913,168
Intangible assets	**28,634**	55,023
	48,364,486	40,968,191
Long-term investments	**33,252,760**	24,981,078
Long-term loans and advances	**107,380**	90,996
Long-term deposits	**3,175**	3,175
	81,727,801	66,043,440
CURRENT ASSETS		
Stores and spares	**7,396,331**	7,783,111
Stock-in-trade	**2,422,497**	2,796,658
Trade debts	**2,253,968**	2,424,470
Loans and advances	**420,692**	420,671
Trade deposits and short term prepayments	**147,945**	67,577
Accrued return	**159,985**	142,881
Other receivables	**1,890,079**	1,311,180
Tax refunds due from the Government	**538,812**	538,812
Short term investment	**1,040,199**	34,956
Cash and bank balances	**23,071,311**	27,435,361
	39,341,819	42,955,677
TOTAL ASSETS	**121,069,620**	108,999,117
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Share capital	**3,233,750**	3,233,750
Reserves	**88,834,985**	83,133,072
	92,068,735	86,366,822
NON-CURRENT LIABILITIES		
Long-term deposits	**89,594**	94,394
Deferred liabilities	**6,756,553**	7,300,639
	6,846,147	7,395,033
CURRENT LIABILITIES		
Trade and other payables	**16,985,019**	13,121,005
Short term running finance	**2,100,000**	-
Unclaimed dividend	**59,716**	47,945
Unpaid dividend	**89,330**	82,960
Taxation - net	**2,920,673**	1,985,352
	22,154,738	15,237,262
	29,000,885	22,632,295
TOTAL EQUITY AND LIABILITIES	**121,069,620**	108,999,117

Unconsolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income
For the 3rd quarter and nine months ended March 31, 2019 (Un-audited)

	Nine Months Ended		Quarter Ended	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
	(PKR in '000')		**(PKR in '000')**	
Gross sales	**52,314,992**	50,626,090	**17,429,651**	17,774,013
Less: Sales tax and federal excise duty	**14,061,754**	14,240,681	**4,577,359**	5,090,856
Rebates and commission	**732,154**	714,820	**286,283**	266,396
	14,793,908	14,955,501	**4,863,642**	5,357,252
Net sales	**37,521,084**	35,670,589	**12,566,009**	12,416,761
Cost of sales	**(26,261,232)**	(22,578,034)	**(8,730,172)**	(8,209,947)
Gross profit	**11,259,852**	13,092,555	**3,835,837**	4,206,814
Distribution cost	**(2,101,175)**	(1,348,647)	**(726,666)**	(535,464)
Administrative expenses	**(881,688)**	(813,960)	**(322,043)**	(257,457)
Other expenses	**(875,770)**	(985,349)	**(305,168)**	(368,600)
Other income	**2,349,194**	2,034,900	**742,623**	839,562
Profit before taxation	**9,750,413**	11,979,499	**3,224,583**	3,884,855
Taxation				
-current	**(2,203,674)**	(2,170,216)	**(770,084)**	(683,533)
-deferred	**747,199**	(7,597)	**338,650**	53,231
	(1,456,475)	(2,177,813)	**(431,434)**	(630,302)
Profit after taxation	**8,293,938**	9,801,686	**2,793,149**	3,254,553
Other comprehensive income:				
Other comprehensive loss which will not be reclassified to statement of profit or loss in subsequent periods				
Unrealized loss on remeasurement of equity investment at fair value through other comprehensive income	**(5,912)**	407	**5,026**	6,212
Deferred tax thereon	**887**	(61)	**(753)**	(932)
	(5,025)	346	**4,273**	5,280
Total comprehensive income for the period	**8,288,913**	9,802,032	**2,797,422**	3,259,833
	(PKR)		**(PKR)**	
Earnings per share - basic and diluted	**25.65**	30.31	**8.64**	10.06

Condensed Interim Consolidated Statement of Financial Position
As at March 31, 2019

	(Un-audited) March 31, 2019	(Audited) June 30, 2018
	(PKR in '000')	
ASSETS		
NON-CURRENT ASSETS		
Fixed assets		
Property, plant and equipment	**108,618,457**	73,865,002
Intangible assets	**7,697,697**	7,943,988
	116,316,154	81,808,990
Long-term investments	**15,897,024**	13,642,987
Long-term loans and advances	**624,376**	534,786
Long-term deposits and prepayments	**50,696**	53,325
	132,888,250	96,040,088
CURRENT ASSETS		
Stores, spares and consumables	**8,523,012**	8,854,536
Stock-in-trade	**12,741,816**	12,088,621
Trade debts	**4,726,343**	5,142,591
Loans and advances	**1,799,055**	1,117,485
Trade deposits and short-term prepayments	**2,444,657**	1,108,185
Other receivables	**5,514,349**	3,431,926
Tax refunds due from the Government	**538,812**	538,812
Taxation receivable	**2,258,962**	2,221,851
Accrued return	**170,570**	161,742
Short term investments	**1,040,199**	34,956
Cash and bank balances	**27,363,958**	34,382,272
	67,121,733	69,082,977
TOTAL ASSETS	**200,009,983**	165,123,065
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Share capital	**3,233,750**	3,233,750
Reserves	**102,313,161**	93,913,157
Attributable to the owners of the Holding Company	**105,546,911**	97,146,907
Non-controlling interests	**15,665,378**	12,428,264
Total equity	**121,212,289**	109,575,171
NON-CURRENT LIABILITIES		
Long-term finances	**21,682,923**	8,789,887
Long-term deposits	**89,594**	94,394
Deferred liabilities	**9,777,858**	10,640,736
Other long term liabilities	**4,466,555**	3,431,948
	36,016,930	22,956,965
CURRENT LIABILITIES		
Trade and other payables	**27,796,084**	20,242,935
Unclaimed dividend	**154,452**	47,945
Unpaid dividend	**89,330**	82,960
Provision for taxation	**3,297,314**	1,992,278
Accrued return	**407,412**	272,146
Short-term borrowings and running finance	**8,097,001**	7,332,327
Current portion of liabilities against assets subject to finance lease	**89**	822
Current portion of long-term finances	**2,939,082**	2,619,516
	42,780,764	32,590,929
	78,797,694	55,547,894
TOTAL EQUITY AND LIABILITIES	**200,009,983**	165,123,065

Lucky Cement Limited
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URL: www.lucky-cement.com

Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the 3rd quarter and nine months ended March 31, 2019 (Un-audited)

	Nine Months Ended		Quarter Ended	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
	(PKR in '000')		(PKR in '000')	
Revenue	**103,320,389**	92,601,630	**35,466,328**	32,835,542
Less: Sales tax and excise duty	**16,764,874**	16,469,999	**5,463,025**	5,915,584
Rebates and commission	**4,489,902**	3,784,476	**1,657,541**	1,327,170
	21,254,776	20,254,475	**7,120,566**	7,242,754
	82,065,613	72,347,155	**28,345,762**	25,592,788
Cost of sales	**(63,799,985)**	(52,539,849)	**(21,779,033)**	(18,952,235)
Gross profit	**18,265,628**	19,807,306	**6,566,729**	6,640,553
Distribution cost	**(4,296,137)**	(3,333,525)	**(1,458,307)**	(1,181,237)
Administrative expenses	**(2,308,421)**	(2,070,348)	**(776,794)**	(628,271)
Finance cost	**(1,151,277)**	(534,989)	**(376,944)**	(220,394)
Other expenses	**(1,313,476)**	(1,760,266)	**(411,496)**	(649,076)
Other income	**3,061,838**	3,502,495	**1,138,122**	1,305,814
Profit before taxation	**12,258,155**	15,610,673	**4,681,310**	5,267,389
Taxation				
- current	**(3,332,147)**	(2,423,620)	**(1,209,033)**	(507,111)
- deferred	**1,071,569**	(119,736)	**388,038**	(269,840)
	(2,260,578)	(2,543,356)	**(820,995)**	(776,951)
Profit after taxation	**9,997,577**	13,067,317	**3,860,315**	4,490,438
Attributable to:				
Owners of the Holding Company	**9,260,243**	11,935,141	**3,464,738**	4,020,905
Non-controlling interests	**737,334**	1,132,176	**395,577**	469,533
	9,997,577	13,067,317	**3,860,315**	4,490,438
Other comprehensive income for the period				
Other comprehensive income which may be reclassified to statement of profit or loss in subsequent periods				
Foreign exchange differences on translation of foreign operations	**1,339,539**	704,626	**138,983**	341,548
Other comprehensive loss which will not be reclassified to statement of profit or loss in subsequent periods				
Unrealized loss on remeasurement of equity investment at fair value through other comprehensive income	**(5,912)**	407	**5,026**	6,212
Deferred tax thereon	**887**	(61)	**(753)**	(932)
	(5,025)	346	**4,273**	5,280
Total comprehensive income for the period	**11,332,091**	13,772,289	**4,003,571**	4,837,266
Attributable to:				
Owners of the Holding Company	**10,594,757**	12,640,113	**3,607,994**	4,367,733
Non-controlling interests	**737,334**	1,132,176	**395,577**	469,533
	11,332,091	13,772,289	**4,003,571**	4,837,266
	(PKR)		(PKR)	
Earnings per share - basic and diluted	**28.64**	36.91	**10.71**	12.43

Directors' Report (Condensed)

The Directors have the pleasure in presenting to you the unaudited financial results of your Company which include both, **stand-alone** and **consolidated financial statements** for the nine months ended March 31, 2019.

Overview

The export performance of the **Cement Industry** has been exceptional during the the current financial year. The drop in local sales reduced the overall Industry volumes by 0.5% to 34.58 million tons for the nine months ended March 31, 2019 in comparison to 34.76 million tons during the same period last year. Export sales volume registered an increase of 49.0% to reach 5.13 million tons as compared to 3.44 million tons during the nine months of the current financial year and the local sales volume registered a decline of 6.0% to 29.45 million tons during the nine months ended March 31, 2019 in comparison to 31.31 million tons during the same period last year.

In comparison to the Cement Industry, your **Company's** overall sales grew by 1.9% to reach 5.95 million tons during the nine months of the current financial year. The local cement sales volume registered a decline of 12.2% and was 4.42 million tons in comparison to 5.04 million tons last year and the export sales volumes of the Company improved by 105.5% to 1.53 million tons as compared to 0.74 million tons during the same period last year.

On a **consolidated basis**, your Company achieved a gross turnover of PKR 103.32 billion which is 11.6% higher as compared to the same period last year's turnover of PKR 92.60 billion.

Moreover, **consolidated** Net Profit of the Company was PKR 10.00 billion of which PKR 0.74 billion is attributable to non-controlling interests which translates into an EPS of PKR 28.64 during the nine months ended March 31, 2019 as compared to PKR 36.91 during the same period last year.

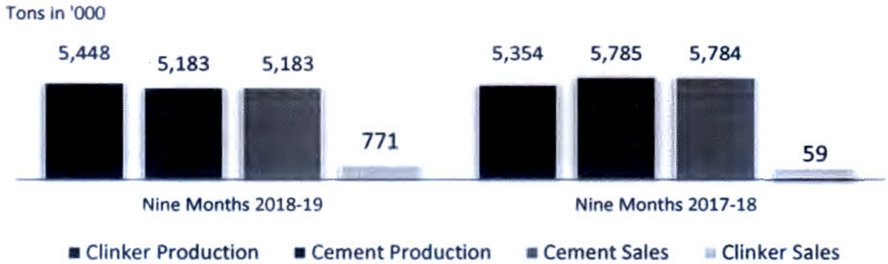
Business Performance

a. Production & Sales Volume Performance - Standalone

The **standalone** production and sales statistics of your Company for the current nine months ended March 31, 2019 compared to the same period last year are as follows:

Particulars	Nine Months 2018-19	Nine Months 2017-18	Growth/ (Decline) %
	Tons in '000'		
Clinker Production	5,448	5,354	**1.8%**
Cement Production	5,183	5,785	**(10.4%)**
Cement Sales	5,183	5,784	**(10.4%)**
Clinker Sales	771	59	**1,206.8%**

The production and sales volume data is graphically presented as under:



A comparison of the dispatches of the **Industry** and your **Company's standalone business** for the nine months of the current financial year 2018-19 in comparison with the same period last year is presented below:

Particulars	Nine Months 2018-19 (Tons in '000')	Nine Months 2017-18 (Tons in '000')	Growth / (Decline) %	
Cement Industry				
Local Sales	**29,448**	**31,314**	**(1,866)**	**(6.0%)**
Export Sales				
- Bagged	3,353	3,300	53	1.6%
- Loose	95	144	(49)	(34.0%)
- Clinker	1,684	-	1,684	100.0%
Total Exports	**5,132**	**3,444**	**1,688**	**49.0%**
Grand Total	**34,580**	**34,758**	**(178)**	**(0.5%)**
Lucky Cement				
Local Sales				
- Cement	4,423	5,039	(616)	(12.2%)
- Clinker	-	59	(59)	(100.0%)
Total Local Sales	**4,423**	**5,098**	**(675)**	**(13.2%)**
Export Sales				
- Bagged	665	601	64	10.6%
- Loose	95	144	(49)	(34.0%)
- Clinker	771	-	771	100.0%
Total Exports	**1,531**	**745**	**786**	**105.5%**
Grand Total	**5,954**	**5,843**	**111**	**1.9%**

Market Share	Nine Months 2018-19	Nine Months 2017-18	Growth / (Decline) %
Local Sales	**15.0%**	**16.3%**	**(8.0%)**
Export Sales			
- Bagged	19.8%	18.2%	8.8%
- Loose	100.0%	100.0%	0.0%
- Clinker	45.8%	-	100.0%
Total Export	**29.8%**	**21.6%**	**38.0%**
Grand Total	**17.2%**	**16.8%**	**2.4%**

Industry Source: APCMA website

b. Financial Performance - Standalone

The **standalone** financial performance of your Company for the nine months ended March 31, 2019 as compared to the same period last year is presented below:

PKR in millions except EPS

Particulars	Nine Months 2018-19	Nine Months 2017-18	% Change
Gross Revenue	52,315	50,626	3.3%
Net Revenue	37,521	35,671	5.2%
GP	11,260	13,093	(14.0%)
OP	8,277	10,930	(24.3%)
EBITDA	10,761	13,122	(18.0%)
NP	8,294	9,802	(15.4%)
EPS	25.65 /Share	30.31 /Share	(15.4%)

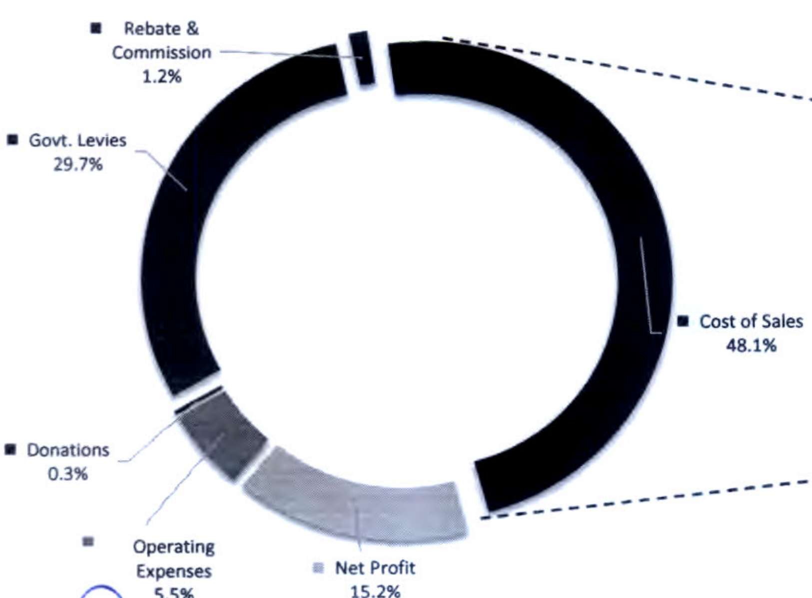
Revenue

During the nine months ended of the current financial year under review, your Company achieved an overall gross sales revenue growth of 3.3% as compared to the same period last year. This was mainly attributable to higher export sales volumes for clinker.

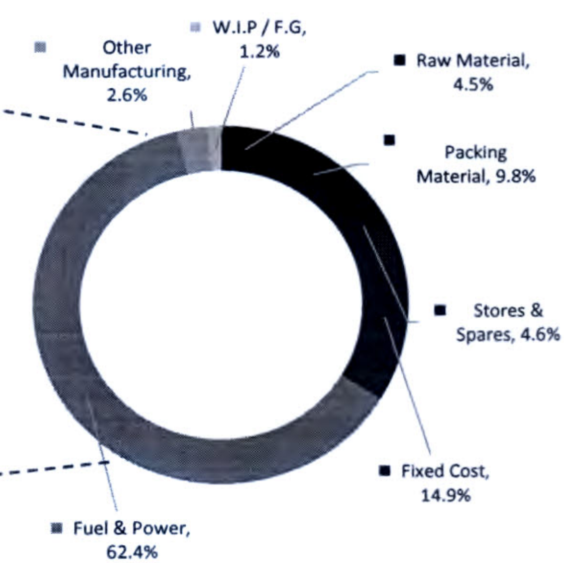
Cost of Sales

During the nine months ended under review, per ton cost of sales of your Company increased by 14.1% as compared to the same period last year. This increase was mainly on account of increase in coal, packing material and other fuel prices.

Distribution of Gross Revenue

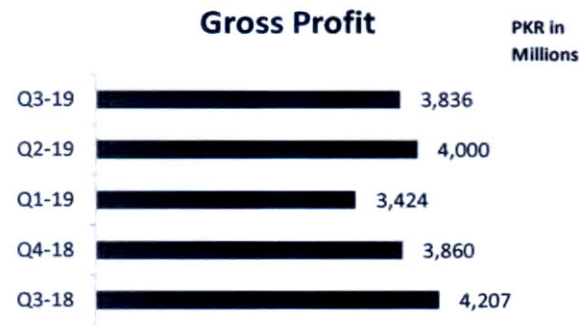


Distribution of Cost of Sales



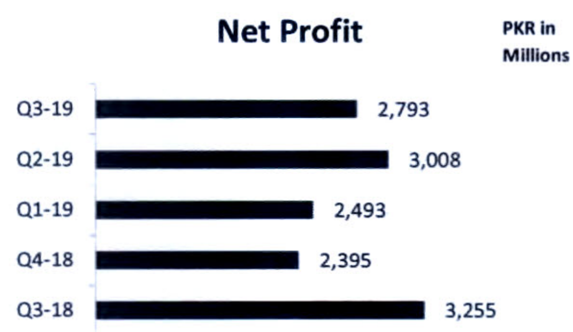
Gross Profit

Your Company achieved a gross profit margin of 30.0% for the nine months under review as compared to 36.7% reported during the same period last year.



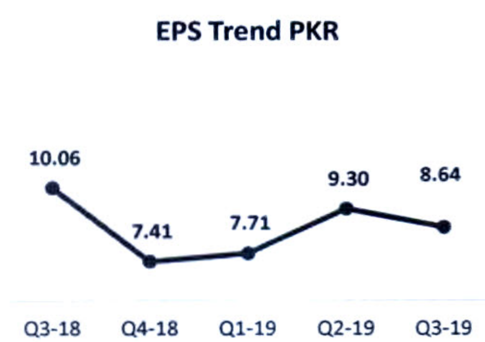
Net Profit

Your Company achieved a profit before tax of PKR 9,750.4 million during the nine months under review as compared to PKR 11,979.5 million reported during the same period last year. Similarly, after tax profit of PKR 8,293.9 million was achieved during the nine months under review as compared to PKR 9,801.7 million reported during the same period last year.



Earnings per share

The earnings per share of your Company for the nine months ended March 31, 2019 was PKR 25.65 in comparison to PKR 30.31 reported during the same period last year.



Projects – New and Ongoing

Brownfield cement plant expansion in KPK Province of Pakistan – 2.6 million tons per annum

The civil work at project site is progressing as per target timelines and with the arrival of plant & machinery shipments, erection and fabrication work is also progressing as planned to achieve commercial operations in the second quarter of the financial year 2019-20.

Investments

Investment in 1 x 660 MW, supercritical, coal based power project

The construction activity for setting up 660 MW super critical, lignite coal-based power plant is progressing as per project implementation schedule. Target to achieve commercial operations is 1st March 2021.

Investment in automotive manufacturing plant – Kia Lucky Motors Pakistan Limited [KLM]

The manufacturing facility is complete and ready to start production. KLM has decided to start booking of locally produced 2000 CC SUV "SPORTAGE" from June 2019 and 1000 CC small size hatchback "PICANTO" from August 2019. The sales launch of the SPORTAGE is scheduled towards end of July / early August 2019 and that of PICANTO in the month of October 2019.

Greenfield clinker production facility in Samawah, Iraq – 1.2 million tons per annum

The contracts for civil design and civil works have been finalised. The contract for Power Plant has also been finalized with Wartsila and letter of credit will be established by the end of April 2019. Levelling work at project site is in progress. Target to achieve commercial production is for the first quarter of financial year 2020-21.

Corporate Social Responsibility

For the past 25 years, your Company has remained fully committed towards improvement in the society and the communities in which it operates. The primary focus of CSR initiatives is in the sectors of Education, Women empowerment, Community development, Health and Environment conservation.

Education / Scholarships

Continuing with its longer-term vision to support the deserving and less privileged segments of the society, your Company continued to extend a number of scholarships to various students of IBA, IoBM, and other leading universities in Pakistan and abroad.

Women Empowerment

Your Company continues to prioritize its commitment towards women's education and continues to work in collaboration with Zindagi Trust, to support the two leading Government girls' schools in Karachi. These schools have been transformed into model girls' educational institutions in Pakistan.

Health Initiatives

The quality healthcare has always remained your Company's priority, especially through the financial support to Aziz Tabba Foundation: a prominent philanthropic institution that is running Tabba Heart and Tabba Kidney institutes, which provide vital support in bridging the gap of specialized and modern medical care in the Country. In the current financial year, your Company also provided financial support to Shaukat Khanum Memorial Cancer Hospital and Pakistan Welfare Association of the Blind.

Environment Conservation

Your Company always takes serious responsibility towards the conservation of Environment and takes it into account in every sphere of its operations. With an effort to further highlight the importance of environment preservation, your company continued with its tree plantation drive in and around its manufacturing sites.

Outlook

With the prevailing economic uncertainties and macro-economic situation, your Company believes that in short to medium-term, the outlook of the Cement industry will be challenging for the domestic sales. However, export sales are anticipated to remain strong in view of favorable market dynamics and increasing demand for Clinker in the regional countries.

In the long-term, Cement industry's outlook remains promising on account of Government's key initiatives to build both small and mega-capacity / multipurpose water reservoirs / dams and construction of low-cost affordable houses for public at large.

Your Company's robust financial position and free cash flow generating ability shall support its Vision to improve operational efficiencies as well as make investments in new projects, which can bring in further improvement in efficiencies and enhance shareholders' value.

Acknowledgement

Directors of your Company take pleasure in expressing their sincere gratitude and appreciation for outstanding commitment and contribution of all the employees and continued trust and reliance placed in the Company by all the stakeholders.

On behalf of the Board

MUHAMMAD YUNUS TABBA
Chairman / Director

MUHAMMAD ALI TABBA
Chief Executive / Director

Karachi: April 26, 2019