

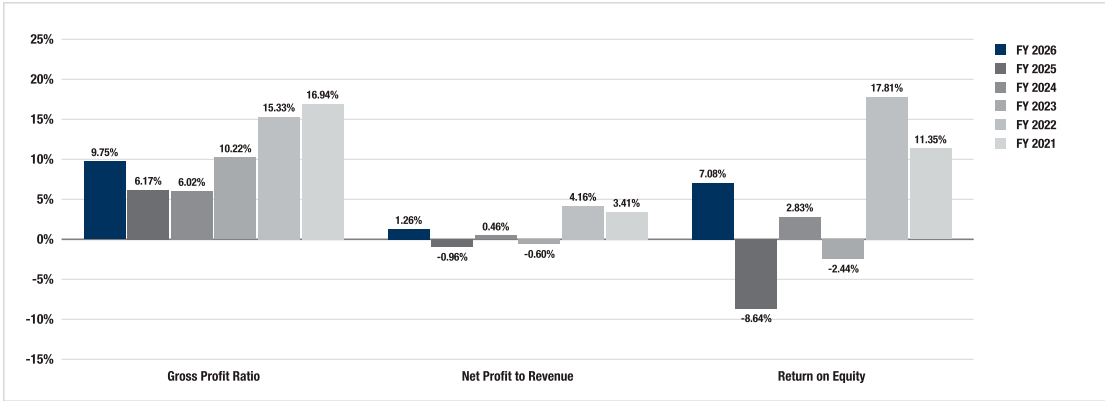
ANALYSIS OF FINANCIAL STATEMENTS

FOR THE CURRENT AND LAST FIVE YEARS

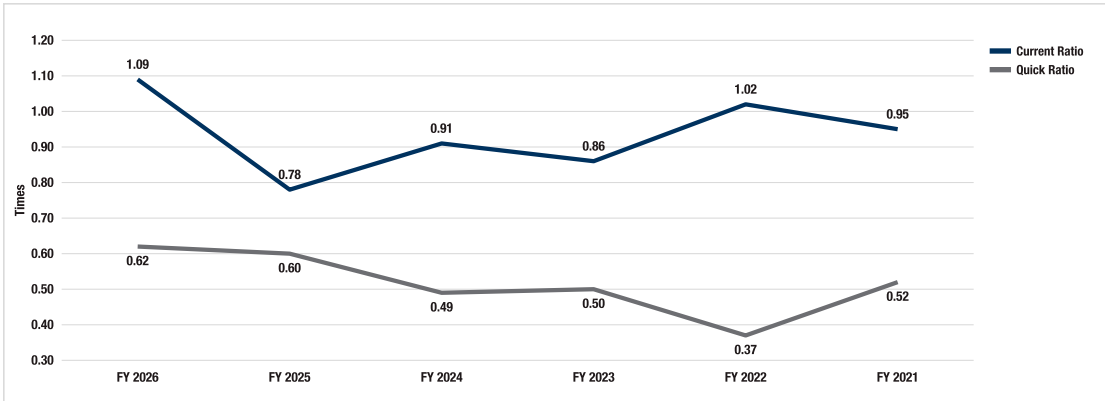


Key Performance Indicators	UOM	FY-2026	FY-2025	FY-2024	FY-2023	FY-2022	FY-2021
PROFITABILITY RATIOS							
Gross Profit Ratio	%	9.75%	6.17%	6.02%	10.22%	15.33%	16.94%
Net Profit / (Loss) to Revenue	%	1.26%	-0.96%	0.46%	-0.60%	4.16%	3.41%
EBITDA Margin to Revenue	%	4.27%	1.00%	-0.07%	0.59%	7.44%	6.59%
Operating Leverage Ratio	Times	4.22	-1.67	2.04	6.09	1.59	3.77
Return on Equity	%	7.08%	-8.64%	2.83%	-2.44%	17.81%	11.35%
Return on Capital Employed	%	4.22%	-5.23%	1.75%	-1.48%	14.10%	8.81%
Shareholders' funds	%	43.85%	45.76%	43.71%	51.70%	45.34%	56.65%
Return on shareholders' funds	%	7.08%	-8.64%	2.83%	-2.44%	17.81%	11.35%
Total shareholder's return	%	-2.24%	29.38%	56.27%	-41.71%	-44.87%	*
LIQUIDITY RATIOS							
Current Ratio	Times	1.09	0.78	0.91	0.86	1.02	0.95
Quick Ratio / Acid Test Ratio	Times	0.62	0.60	0.49	0.50	0.37	0.52
Cash to Current Liabilities	Times	0.01	0.04	0.08	0.08	0.15	0.13
Cash Flow from Operations to Revenue	Times	-0.02	0.01	-0.03	-0.01	-0.02	0.07
Cash flow to capital expenditures	Times	-1.04	1.14	-2.38	-0.95	-1.41	2.63
Cash flow coverage ratio	Times	-0.17	0.12	-0.29	-0.05	-0.13	0.72

PROFITABILITY RATIOS (FY 2026 - FY 2021)



LIQUIDITY RATIOS (FY 2026 - FY 2021)



PROFITABILITY RATIOS

- The Gross Profit Ratio improved to 9.75% in FY 2026 (FY 2025*: 9.19%), as gross profit grew 19% against revenue growth of 12%.
- The Net Profit to Revenue ratio rose to 1.26% (FY 2025*: 0.30%), with profit after tax increasing to PKR 473 million from PKR 102 million.
- The EBITDA Margin strengthened to 4.27% (FY 2025*: 3.32%), as operating expenses (excluding depreciation) grew 5%, well below revenue growth.
- The Operating Leverage Ratio stood at 4.22x, as operating profit (EBIT) rose 51% on a 12% increase in revenue.
- Other Income increased to PKR 311 million (FY 2025*: PKR 275 million), while finance cost fell 17% to PKR 492 million.

- Return on Equity (ROE) and Return on Capital Employed (ROCE) improved to 7.08% and 4.22% respectively (FY 2025*: 1.66% and 1.05%).
- Shareholders' Funds represented 43.85% of total assets (FY 2025*: 46.12%), as total assets grew faster than equity through higher working capital and borrowings.
- Total Shareholders' Return (TSR) was -2.24% in FY 2026 (FY 2025: 29.38%), as the share price closed at PKR 44.08 (FY 2025: PKR 45.09) and no dividend was paid during the year.

Overall: Profitability recovered in FY 2026. Better gross margins, contained operating costs and lower finance costs lifted profit after tax to PKR 473 million, although the levy and taxation charge rose to PKR 423 million.

LIQUIDITY RATIOS

- The Current Ratio improved to 1.09 in FY 2026 (FY 2025*: 0.93), as current assets rose 36% against a 16% increase in current liabilities.
- The Quick Ratio improved to 0.62 (FY 2025*: 0.46) but remained below the benchmark of 1.0, showing continued reliance on inventory for liquidity support.
- The Cash to Current Liabilities ratio fell to 0.01 (FY 2025*: 0.02), with cash and bank balances declining to PKR 83 million.
- Cash Flow from Operations to Revenue turned negative at -0.02 (FY 2025*: 0.01), as working capital build-up, finance cost, taxes and WPPF payments absorbed operating cash.
- The Cash Flow to Capital Expenditures ratio was -1.04 (FY 2025*: 0.36); capital expenditure of PKR 696 million was funded from borrowings and asset disposal proceeds.
- The Cash Flow Coverage Ratio declined to -0.17 (FY 2025*: 0.06), reflecting negative operating cash flow against higher borrowings.

Overall: Short-term liquidity ratios strengthened on the back of higher current assets, but operating cash flow turned negative, making working capital management the key priority for FY 2027.

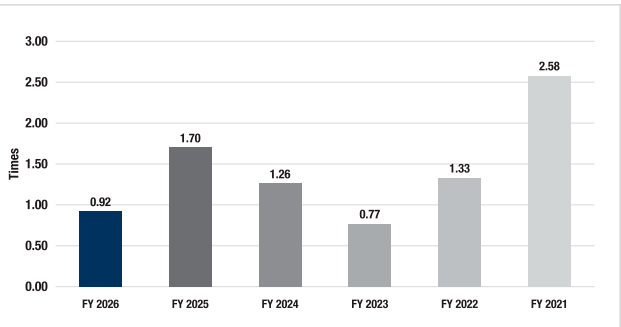
Key Performance Indicators	UOM	FY-2026	FY-2025	FY-2024	FY-2023	FY-2022	FY-2021
INVESTMENT/MARKET RATIOS							
Earnings / (Loss) per share	Rs.	3.40	(2.29)	0.80	(0.67)	5.3	2.6
Diluted EPS	Rs.	3.40	(2.29)	0.80	(0.67)	5.3	2.6
Price Earnings Ratio	Times	12.96	-19.69	44.56	-31.64	7.48	27.27
Price to Book Ratio	Times	0.92	1.70	1.26	0.77	1.33	2.58
Dividend Yield Ratio	Times	0.03	0.00	0.00	0.09	0.10	0.04
Dividend Payout Ratio	Times	0.34	0.00	0.00	-2.98	0.72	1.12
Cash Dividend per share	Rs.	1.15	-	-	2	3.8	2.9
Market Value per share (year end)	Rs.	44.08	45.09	35.66	21.23	39.65	70.91
Market Value per share (highest)	Rs.	66.50	63.2	37.57	44.86	84	99.15
Market Value per share (lowest)	Rs.	31.01	30.5	21.67	20.05	37	30.1
Breakup Value / Book Value per share	Rs.	48.02	26.49	28.29	27.46	29.76	27.44
Breakup value per share including investment in related party	Rs.	48.02	26.49	28.29	27.46	29.76	27.44
Break up value per share without surplus on revaluation of freehold land	Rs.	33.10	20.54	22.83	22.03	24.70	27.44
Break up value per share with surplus on revaluation of freehold land including investment of all effects	Rs.	48.02	26.49	28.29	27.46	29.76	27.44
No. of Shares based on par value of Rs.10	No.(000)	139,205	139,205	139,205	139,205	139,205	116,004
Total Dividend Paid / Proposed	Rs.(000)	160,086*	-	-	278,410	482,576	336,412

INVESTMENT / MARKET SHARE RATIOS

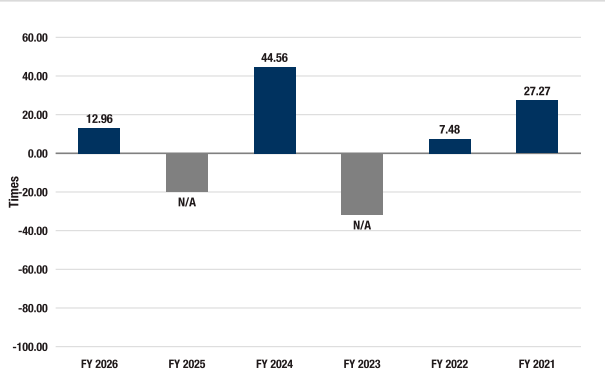
- Earnings per Share (EPS) rose to PKR 3.40 in FY 2026 (FY 2025*: PKR 0.73), driven by the increase in profit after tax.
- The Break-up Value per Share increased to PKR 48.02 (FY 2025*: PKR 44.00), reflecting higher equity.
- Excluding the revaluation surplus on freehold land, the Break-up Value per Share was PKR 33.10 (FY 2025*: PKR 28.09).
- The number of ordinary shares remained unchanged at 139.205 million.
- The share price closed at PKR 44.08 (FY 2025: PKR 45.09), trading between PKR 31.01 and PKR 66.50 during the year; the P/E ratio was 12.96x and the Price-to-Book ratio 0.92x.
- The Board has proposed a final cash dividend of PKR 1.15 per share (11.5%), a dividend yield of 2.6% on the year-end price and a payout of 34% of consolidated EPS.

Overall: Earnings-based indicators improved significantly in FY 2026, while the share price was broadly unchanged, leaving the shares trading below book value.

Price To Book Ratio Trend (FY 2026 - FY 2021)

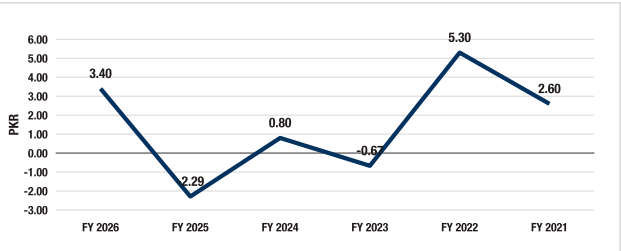


Price To Earning Ratio Trend (FY 2026 - FY 2021)



N/A= EPS negative, P/E not meaningful.

Earnings Per Share (EPS) Trend (FY 2026 - FY 2021)



ANALYSIS OF FINANCIAL STATEMENTS

FOR THE CURRENT AND LAST FIVE YEARS



FY-2026	UOM	FY-2026	FY-2025	FY-2024	FY-2023	FY-2022	FY-2021
CAPITAL STRUCTURE							
Financial Leverage Ratio	Times	0.63	0.58	0.62	0.65	0.52	0.32
Long term Debt to Equity Ratio (as per Book Value)	%	11.22%	-	-	-	-	1.49%
Long term Debt to Equity Ratio (as per Market Value)	%	12.23%	-	-	-	-	0.58%
Net assets per share	Rs.	48.02	26.49	28.29	27.46	29.76	27.44
Interest Coverage Ratio	Times	2.82	0.65	1.30	0.62	6.19	7.21
ACTIVITY/TURNOVER RATIOS							
Total Assets Turnover Ratio	Times	2.47	4.10	2.67	2.10	1.94	1.89
Fixed Assets Turnover Ratio	Times	5.45	12.44	8.66	6.00	6.85	5.78
No. of Days in Inventory	Days	32.52	14.84	23.38	51.98	45.54	27.49
No. of Days in Receivables	Days	16.04	12.44	8.96	3.12	2.15	3.09
No. of Days in Payables	Days	39.37	27.84	19.99	48.42	49.95	43.32
Operating Cycle	Days	9.19	(0.56)	12.35	6.68	(2.26)	(12.74)

CAPITAL STRUCTURE RATIOS

- The Financial Leverage Ratio increased to 0.63 in FY 2026 (FY 2025*: 0.55), as total borrowings rose to PKR 4.23 billion, including new long-term financing of PKR 500 million.
- Long-term Debt to Equity (book value) stood at 11.22% (FY 2025*: 6.90%).
- Net Assets per Share increased to PKR 48.02 (FY 2025*: PKR 44.00), supported by profit for the year.
- The Interest Coverage Ratio improved to 2.82x (FY 2025*: 1.54x), as operating profit rose while finance cost fell.

Overall: Leverage edged up with new long-term financing, but stronger operating profit and lower finance cost brought interest cover to a comfortable level.

ACTIVITY / TURNOVER RATIOS

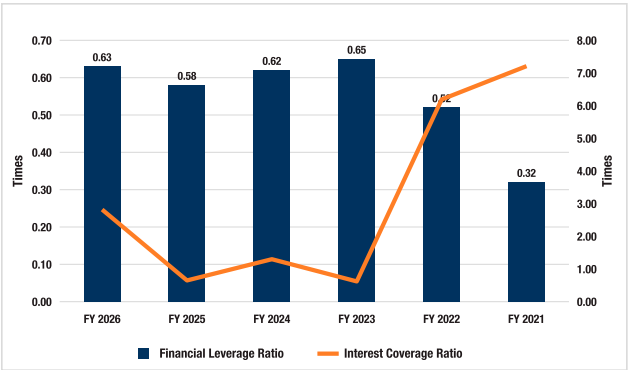
- The Total Assets Turnover Ratio was 2.47x in FY 2026 (FY 2025*: 2.52x), reflecting the larger consolidated asset base.
- The Fixed Assets Turnover Ratio rose to 5.45x (FY 2025*: 5.03x), as revenue grew on a broadly stable fixed asset base.
- Days in Inventory stood at 32.52 days, with stock-in-trade rising to PKR 3.25 billion.
- Days in Receivables stood at 16.04 days, as trade debts increased 51% to PKR 1.99 billion.
- Days in Payables stood at 39.37 days, providing supplier credit support to working capital.
- The Operating Cycle was 9.19 days in FY 2026.

Overall: Revenue grew on a stable fixed asset base, but more cash was tied up in inventory and receivables, lengthening the operating cycle.

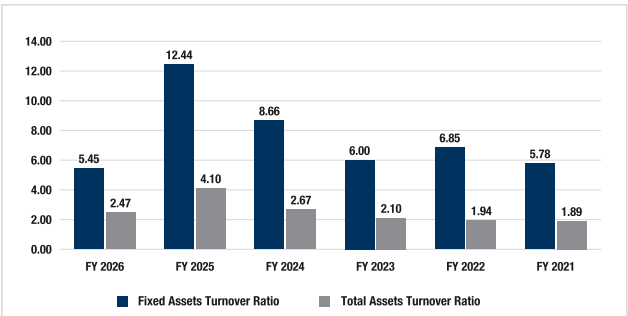
OVERALL ANALYSIS

FY 2026 marked a return to profitability on a consolidated basis. Revenue grew 12% to PKR 37.58 billion, gross margin improved to 9.75% and finance cost fell 17%, lifting profit after tax to PKR 473 million and EPS to PKR 3.40. The current ratio improved to 1.09 and interest cover to 2.82x. The main pressure point was cash flow: operating cash flow was negative at PKR 726 million as inventory and receivables increased, and borrowings rose to PKR 4.23 billion. Converting profit into cash is the key priority going forward.

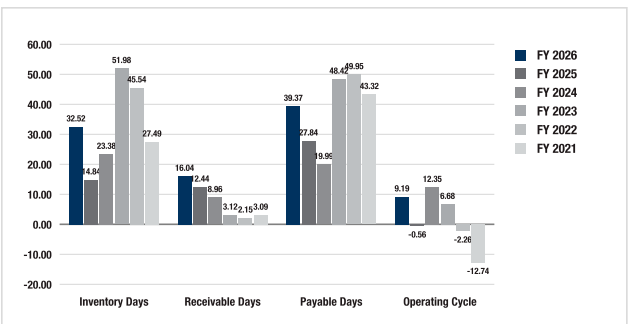
Capital Structure Ratios Trend (FY 2026 - FY 2021)



Asset Turnover Ratios Trend (FY 2026 - FY 2021)



Activity & Turnover Ratios Trend (FY 2026 - FY 2021)



INFORMATION ABOUT BUSINESS SEGMENT AND NON-BUSINESS SEGMENT

As required under IFRS 8 – Operating Segments, Hi-Tech Lubricants Limited (HTL) presents segmental information to provide a transparent view of the performance and financial position of its reportable segments.

The Group has identified the following reportable segments:

- Lubricants** – purchase, blend, package and sale of lubricants and rendering of services.
- Petroleum Products** – marketing and sale of petroleum products.
- Polymer** – manufacturing and sale of plastic bottles.

Other items, such as levy and taxation, are presented as unallocated. Operating income/expenses and finance costs are allocated to the respective segments.

SEGMENTAL ANALYSIS

A summary of segment information is presented below. Further details are available in Note 49 to the consolidated financial statements.

Group's Revenue in terms of lubricant, petroleum and polymer segments is stated below:

A) SEGMENTAL PERFORMANCE

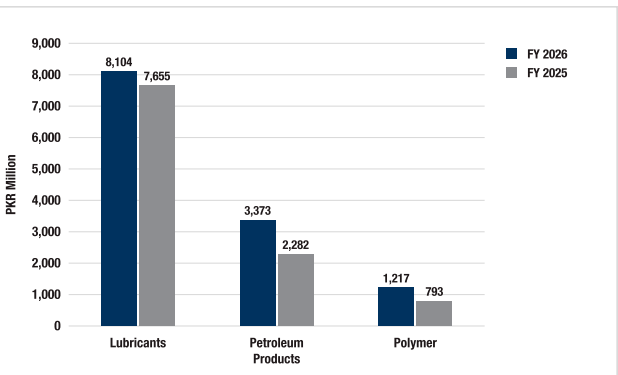
Particulars	Lubricants FY2026	Lubricants FY2025	Petroleum FY2026	Petroleum FY2025	Polymer FY2026	Polymer FY2025
(PKR in million)						
Revenue from contracts with customers - net	9,748	9,808	27,205	23,232	630	468
Gross Profit	2,541	2,396	1,028	625	97	56
Profit from Operations	979	687	281	189	128	42
Profit / (Loss) Before Levy and Tax	674	198	116	131	106	(7)
Segment Assets	8,104	7,655	3,373	2,282	1,217	793
Segment Liabilities	5,397	3,207	432	1,169	250	298

B) COMMENTARY

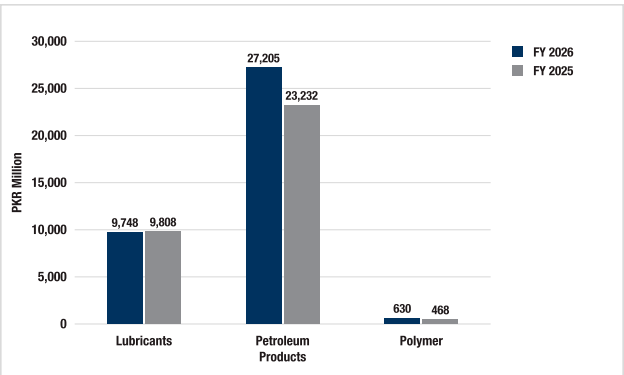
- The Lubricants segment's revenue was broadly stable at PKR 9.75 billion (FY2025: PKR 9.81 billion). Gross profit rose 6% and profit before levy and tax increased to PKR 674 million (FY2025: PKR 198 million), helped by lower distribution, administrative and finance costs.
- The Petroleum Products segment grew revenue by 17% to PKR 27.20 billion, with gross profit up 64% to PKR 1,028 million. Profit before levy and tax was PKR 116 million (FY2025: PKR 131 million), as higher finance cost offset stronger operating profit.
- The Polymer segment (plastic bottles) grew revenue by 35% to PKR 630 million and posted a profit before levy and tax of PKR 106 million (FY2025: loss of PKR 7 million).

On the statement of financial position side, total segment assets stood at PKR 12.69 billion (FY2025: PKR 10.73 billion), while segment liabilities increased to PKR 6.08 billion (FY2025: PKR 4.67 billion), mainly in the Lubricants segment.

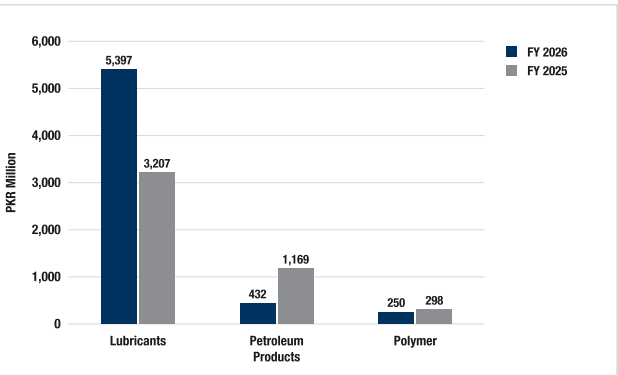
Segment Assets (FY 2026 - FY 2025)



Segment Revenue (FY 2026 - FY 2025)



Segment Liabilities (FY 2026 - FY 2025)



VERTICAL ANALYSIS
FOR THE CURRENT AND LAST FIVE YEARS



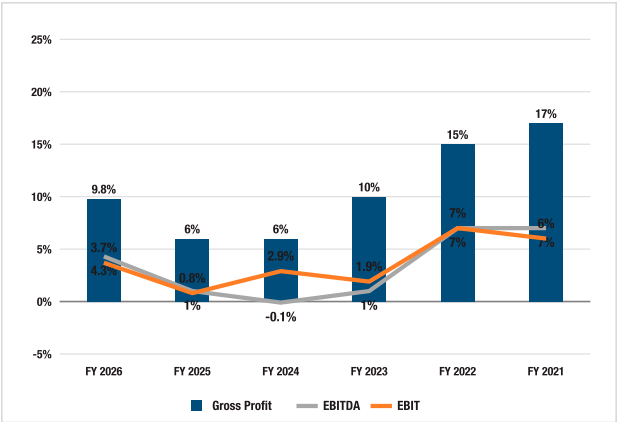
Statement of Profit or Loss	2026		2025		2024		2023		2022		2021	
	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age
Net Revenue	37,583,205	100.00%	33,042,904	100.00%	24,016,482	100.00%	15,531,692	100%	17,739,037	100%	10,598,209	100%
Cost of Sales	(33,917,180)	90.25%	(31,003,865)	93.83%	(22,571,816)	93.98%	(13,944,983)	90%	(15,019,145)	85%	(8,802,509)	83%
Gross Profit	3,666,025	9.75%	2,039,039	6.17%	1,444,666	6.02%	1,586,709	10%	2,719,892	15%	1,795,700	17%
Administrative Expenses	(937,552)	2.49%	(735,431)	2.23%	(689,468)	2.87%	(683,246)	4%	(524,457)	3%	(431,094)	4%
Distribution Cost	(1,122,684)	2.99%	(972,588)	2.94%	(771,180)	3.21%	(811,509)	5%	(876,129)	5%	(666,407)	6%
EBITDA	1,605,788	4.27%	331,020	1.00%	(15,982)	-0.07%	91,954	1%	1,319,306	7%	698,199	7%
Depreciation and Amortization	(320,688)	0.85%	(294,847)	0.89%	(281,532)	1.17%	(267,484)	2%	(255,338)	1%	(184,463)	2%
Other Expenses	(208,610)	0.56%	(53,368)	0.16%	(54,559)	0.23%	(36,143)	0.2%	(236,055)	1.3%	(41,275)	0.4%
Other Income	311,392	0.83%	279,688	0.85%	1,058,520	4.41%	505,106	3%	382,803	2%	112,541	1%
EBIT	1,387,882	3.69%	262,493	0.79%	706,447	2.94%	293,433	1.9%	1,210,716	7%	585,002	6%
Finance Cost	(492,037)	1.31%	(405,199)	1.23%	(544,047)	2.27%	(474,617)	3%	(195,516)	1%	(81,148)	1%
(Loss) / Profit Before Taxation	895,845	2.38%	(142,706)	-0.43%	162,400	0.68%	(181,184)	-1%	1,015,200	6%	503,854	5%
Levy and Taxation	(422,890)	1.13%	(176,075)	0.53%	(50,996)	0.21%	87,771	-0.6%	(277,278)	1.6%	(142,533)	1.3%
(Loss) / Profit After Taxation	472,955	1.26%	(318,781)	-0.96%	111,404	0.46%	(93,413)	-1%	737,922	4%	361,321	3%

STATEMENT OF PROFIT OR LOSS VERTICAL ANALYSIS

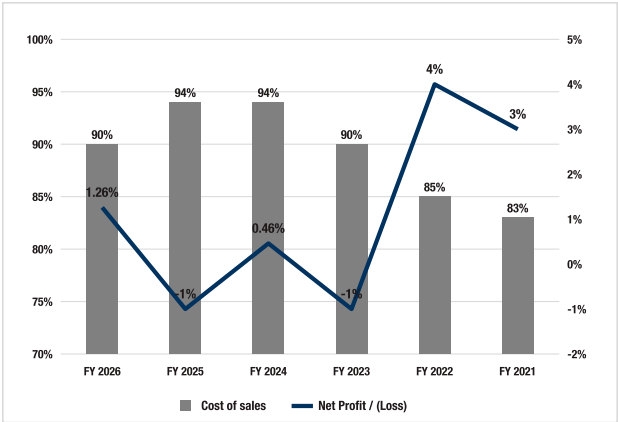
- In FY 2026, Cost of Sales consumed 90.25% of revenue (FY 2025*: 90.81%), leaving a Gross Margin of 9.75% — an improvement of 0.57 percentage points.
- Operating expenses excluding depreciation (Administrative 2.49% + Distribution 2.99%) represented 5.48% of revenue (FY 2025*: 5.86%), reflecting better cost discipline.
- EBITDA rose to 4.27% of revenue in FY 2026 (FY 2025*: 3.32%).
- Other income contributed 0.83% of revenue (FY 2025*: 0.82%), while other expenses were 0.56% (FY 2025*: 0.42%).
- Consequently, EBIT improved to 3.69% of revenue (FY 2025*: 2.74%).
- Finance cost absorbed 1.31% of revenue (FY 2025*: 1.78%), reflecting lower borrowing costs.
- After levy and taxation (1.13% of revenue), Net Profit stood at 1.26% of revenue in FY 2026 versus 0.30% in FY 2025*.

Takeaway: FY 2026 performance was driven by revenue growth, better gross margins, contained operating costs and lower finance cost, returning the business to a healthier net profit position despite a higher tax charge.

Profitability Margins Trend (FY 2026 - FY 2021)



Cost of Sales VS Profit Margin (% of Net Revenue) (FY 2026 - FY 2021)



Statatment of Financial Position	2026		2025		2024		2023		2022		2021	
	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age
ASSETS												
Non-current assets												
Fixed assets	6,893,494	45.2%	2,656,770	33.0%	2,771,812	30.8%	2,589,503	35.0%	2,590,342	28.3%	1,833,546	32.6%
Right-of-use assets	346,398	2.3%	449,029	5.57%	591,487	6.56%	605,121	8.2%	555,745	6.1%	359,293	6.4%
Intangible assets	397	0.0%	2,710	0.03%	1,198	0.01%	3,982	0.1%	6,658	0.1%	10,646	0.2%
Investment property	-	0.0%	-	0.00%	-	0.00%	135,000	1.8%	130,000	1.4%	93,750	1.7%
Investment in subsidiary company	-	0.0%	1,300,001	16.13%	1,300,001	14.43%	1,300,001	17.6%	1,300,001	14.2%	1,300,001	23.1%
Long term loans to employees	232	0.0%	1,117	0.01%	2,051	0.02%	2,985	0.0%	783	0.0%	-	0.0%
Long term security deposits	26,188	0.2%	14,337	0.18%	37,719	0.42%	51,943	0.7%	37,695	0.4%	29,402	0.5%
Deferred income tax asset-net	-	0.0%	121,450	1.51%	144,162	1.60%	83,599	1.1%	-	0.0%	48,246	0.9%
	7,266,709	47.7%	4,545,414	56.4%	4,848,430	53.8%	4,772,134	64.5%	4,621,224	50.6%	3,674,884	65.4%
Current assets												
Stores	145,847	1.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Stock-in-trade	3,251,441	21.3%	731,023	9.1%	1,789,236	19.9%	1,102,921	14.9%	2,868,898	31.4%	878,742	15.6%
Trade debts	1,988,019	13.0%	1,232,490	15.3%	1,019,802	11.3%	159,240	2.2%	106,219	1.2%	103,225	1.8%
Loans and advances	1,069,355	7.0%	307,360	3.8%	245,699	2.7%	625,011	8.5%	192,210	2.1%	89,718	1.6%
Short term deposits and prepayments	32,787	0.2%	33,574	0.4%	27,757	0.3%	32,337	0.4%	24,309	0.3%	19,317	0.3%
Accrued Interest	13	0.0%	10	0.0%	3,486	0.0%	52,988	0.7%	571	0.0%	390	0.0%
Other receivables	732,043	4.8%	412,524	5.1%	365,876	4.1%	188,392	2.5%	440,065	4.8%	141,381	2.5%
Advance income tax and prepaid levy - net	296,472	1.9%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Short term investments	234,148	1.5%	240,352	3.0%	222,717	2.5%	222,583	3.0%	226,804	2.5%	446,043	7.9%
Cash and bank balances	82,733	0.5%	145,890	1.8%	352,417	3.9%	239,412	3.2%	657,142	7.2%	264,544	4.7%
	7,832,857	51.4%	3,103,223	38.5%	4,026,990	44.7%	2,622,884	35.5%	4,516,218	49.4%	1,943,360	34.6%
Non-current asset classified as held for sale	145,000	1.0%	410,000	5.1%	135,000	1.5%	-	0.0%	-	0.0%	-	0.0%
TOTAL ASSETS	15,244,566	100.0%	8,058,637	100.0%	9,010,420	100.0%	7,395,018	100.0%	9,137,442	100.0%	5,618,244	100.0%
EQUITY AND LIABILITIES												
SHARE CAPITAL AND RESERVES												
Issued, subscribed and paid up capital	1,392,048	9.1%	1,392,048	17.27%	1,392,048	15.45%	1,392,048	18.8%	1,392,048	15.2%	1,160,040	20.6%
Share premium	1,441,698	9.5%	1,441,698	17.9%	1,441,698	16.0%	1,441,698	19.5%	1,441,698	15.8%	1,441,698	25.7%
Surplus on revaluation of freehold land	2,076,540	13.6%	829,070	10.3%	760,858	8.4%	756,847	10.2%	704,626	7.7%	-	-
Un-appropriated profit	1,774,554	11.6%	24,975	0.3%	343,756	3.8%	232,352	3.1%	604,175	6.6%	580,837	10.3%
Total equity	6,684,840	43.9%	3,687,791	45.8%	3,938,361	43.7%	3,822,945	51.7%	4,142,547	45.3%	3,182,575	56.6%
Non-current liabilities												
Long term financing	750,259	4.9%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	47,490	0.8%
Lease liabilities	330,465	2.2%	381,667	4.7%	497,633	5.5%	492,139	6.7%	471,952	5.2%	334,670	6.0%
Long term deposit	26,000	0.2%	26,000	0.3%	15,000	0.2%	16,500	0.2%	17,000	0.2%	17,000	0.3%
Defferred income tax liability - net	-	0.0%	-	0.0%	-	0.0%	-	0.0%	69,878	0.8%	-	0.0%
Deferred liabilities	275,198	1.8%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	362	0.0%
	1,381,923	9.1%	407,667	5.1%	512,633	5.7%	508,639	6.9%	558,830	6.1%	399,522	7.1%
Current liabilities												
Trade and other payables	3,892,256	25.5%	2,169,593	26.9%	2,559,182	28.4%	974,284	13.2%	2,725,758	29.8%	1,385,265	24.7%
Contract liabilities - un-secured	49,714	0.3%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Accrued mark-up	77,184	0.5%	37,294	0.5%	67,682	0.8%	81,020	1.1%	38,150	0.4%	9,757	0.2%
Short term borrowings	2,891,044	19.0%	1,618,958	20.1%	1,777,188	19.7%	1,851,556	25.0%	1,494,219	16.4%	461,181	8.2%
Current portion of non-current liabilities	262,306	1.7%	131,961	1.6%	149,684	1.7%	150,743	2.0%	172,182	1.9%	162,698	2.9%
Unclaimed dividend	5,299	0.0%	5,373	0.1%	5,689	0.1%	5,831	0.1%	5,756	0.1%	6,327	0.1%
Provision for taxation and levy - net	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	10,919	0.2%
	7,177,803	47.1%	3,963,179	49.2%	4,559,425	50.6%	3,063,434	41.4%	4,436,065	48.5%	2,036,147	36.2%
TOTAL EQUITY AND LIABILITIES	15,244,566	100.0%	8,058,637	100.0%	9,010,420	100.0%	7,395,018	100.0%	9,137,442	100.0%	5,618,244	100.0%

Stores, Advance income tax and prepaid levy, and Contract liabilities are presented as separate line items in the FY 2026 consolidated statement of financial position; in earlier years these balances were included within other line items. Investment in subsidiary company is eliminated on consolidation.

VERTICAL ANALYSIS

FOR THE CURRENT AND LAST FIVE YEARS

FINANCIAL POSITION'S VERTICAL ANALYSIS

The vertical analysis of the statement of financial position provides a clear view of the Group's financial structure, highlighting the composition of assets, equity, and liabilities across both short-term and long-term categories.

As of June 30, 2026, total assets of PKR 15.24 billion were divided into non-current assets, which accounted for 47.7%, and current assets (including assets held for sale), representing 52.3% of the asset base. The asset mix has shifted toward working capital, with stock-in-trade (21.3%) and trade debts (13.0%) forming the largest current assets.

On the financing side, the structure consisted of equity of 43.9%, non-current liabilities of 9.1%, and current liabilities of 47.1% of total assets.

Within equity, the largest components were:

- Issued, subscribed and paid-up share capital: 9.1%
- Share premium: 9.5%

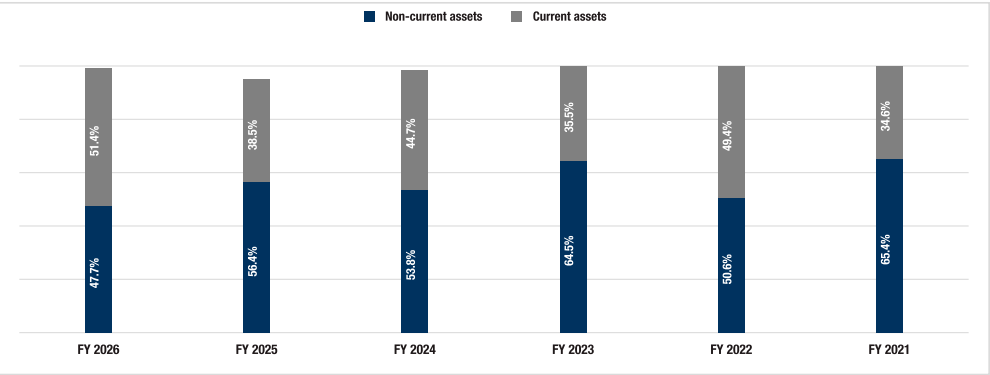
- Surplus on revaluation of freehold land: 13.6%
- Unappropriated profit: 11.6%

Non-current liabilities comprised mainly long-term financing (4.9%), lease liabilities (2.2%) and deferred liabilities (1.8%), reflecting new long-term financing obtained during the year.

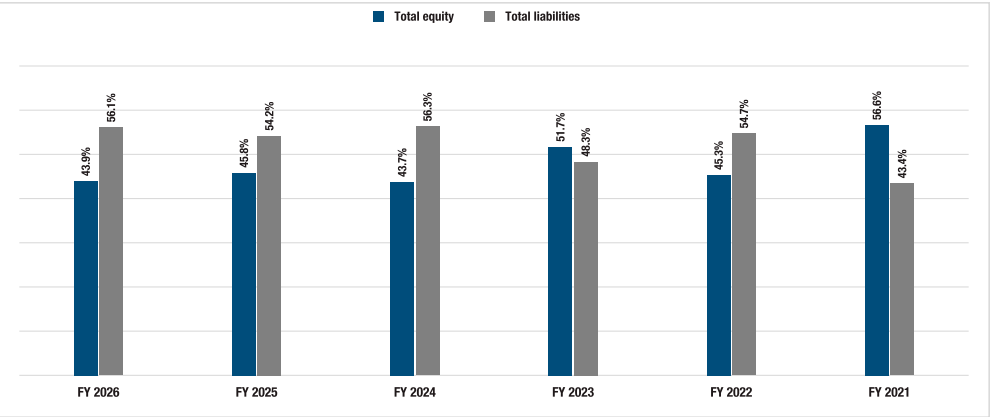
Current liabilities accounted for 47.1% of total assets, primarily comprising trade and other payables (25.5%) and short-term borrowings (19.0%), reflecting continued reliance on working capital financing and trade credit.

Overall Insight: The financial position shows a substantial equity base supported by retained profit, with current assets now exceeding current liabilities. However, the higher share of liabilities in total funding and the growth in short-term borrowings mean that working capital efficiency remains important.

Asset Composition (% of Total Assets) (FY 2026-FY2021)



Capital Structure (% of Total Assets) (FY 2026-FY2021)



HORIZONTAL ANALYSIS

FOR THE CURRENT AND LAST FIVE YEARS



Statment of Financial Position	2026		2025		2024		2023		2022		2021	
	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age
ASSETS												
Non-current assets												
Fixed assets	6,893,494	3.47%	2,656,770	-4.15%	2,771,812	7.04%	2,589,503	-0.03%	2,590,342	41.27%	1,833,546	8.25%
Right-of-use assets	346,398	-20.93%	449,029	-24.08%	591,487	-2.25%	605,121	8.88%	555,745	54.68%	359,293	32.61%
Intangible assets	397	-92.40%	2,710	126.17%	1,198	-69.91%	3,982	-40.19%	6,658	-37.46%	10,646	40.13%
Investment property	-	-	-	0.00%	-	0.00%	135,000	3.85%	130,000	62.00%	93,750	62.00%
Investment in subsidiary company	-	-	1,300,001	0.00%	1,300,001	0.00%	1,300,001	0.00%	1,300,001	0.00%	1,300,001	0.00%
Long term loans to employees	232	-79.27%	1,117	-45.55%	2,051	-31.29%	2,985	281.23%	783	0.00%	-	0.00%
Long term security deposits	26,188	31.39%	14,337	-61.99%	37,719	-27.38%	51,943	37.80%	37,695	28.21%	29,402	202.49%
Deferred income tax asset-net	-	-	121,450	100.00%	144,162	100.00%	83,599	100.00%	-	-100.00%	48,246	-55.31%
	7,266,709	1.96%	4,545,414	-6.25%	4,848,430	1.60%	4,772,134	3.27%	4,621,224	25.75%	3,674,884	8.40%
Current assets												
Stores	145,847	45.05%	-	-	-	-	-	-	-	-	-	-
Stock-in-trade	3,251,441	16.46%	731,023	-59.14%	1,789,236	62.23%	1,102,921	-61.56%	2,868,898	226.48%	878,742	96.43%
Trade debts	1,988,019	51.14%	1,232,490	20.86%	1,019,802	540.42%	159,240	49.92%	106,219	2.90%	103,225	35.64%
Loans and advances	1,069,355	138.92%	307,360	25.10%	245,699	-60.69%	625,011	225.17%	192,210	114.24%	89,718	-40.66%
Short term deposits and prepayments	32,787	-23.62%	33,574	20.96%	27,757	-14.16%	32,337	33.02%	24,309	25.84%	19,317	-37.98%
Accrued Interest	13	30.34%	10	-99.71%	3,486	-93.42%	52,988	9179.86%	571	46.41%	390	19400.00%
Other receivables	732,043	108.81%	412,524	12.75%	365,876	94.21%	188,392	-57.19%	440,065	211.26%	141,381	182.68%
Advance income tax and prepaid levy - net	296,472	-0.77%	-	-	-	-	-	-	-	-	-	-
Short term investments	234,148	-2.58%	240,352	7.92%	222,717	0.06%	222,583	-1.86%	226,804	-49.15%	446,043	-38.33%
Cash and bank balances	82,733	-46.45%	145,890	-58.60%	352,417	47.20%	239,412	-63.57%	657,142	148.41%	264,544	113.04%
	7,832,857	36.40%	3,103,223	-22.94%	4,026,990	53.53%	2,622,884	-41.92%	4,516,218	132.39%	1,943,360	21.21%
Non-current asset classified as held for sale	145,000	-64.63%	410,000	203.70%	135,000	-	-	-	-	-	-	-
TOTAL ASSETS	15,244,566	14.80%	8,058,637	-10.56%	9,010,420	21.84%	7,395,018	-19.07%	9,137,442	62.64%	5,618,244	12.52%

EQUITY AND LIABILITIES												
SHARE CAPITAL AND RESERVES												
Issued, subscribed and paid up capital	1,392,048	0.00%	1,392,048	0.00%	1,392,048	0.00%	1,392,048	0.00%	1,392,048	20.00%	1,160,040	0.00%
Share premium	1,441,698	0.00%	1,441,698	0.00%	1,441,698	0.00%	1,441,698	0.00%	1,441,698	0.00%	1,441,698	0.00%
Surplus on revaluation of freehold land	2,076,540	-6.24%	829,070	8.97%	760,858	0.53%	756,847	7.41%	704,626	100.00%	-	0.00%
Un-appropriated profit	1,774,554	64.83%	24,975	-92.73%	343,756	47.95%	232,352	-61.54%	604,175	4.02%	580,837	4.48%
Total equity	6,684,840	9.14%	3,687,791	-6.36%	3,938,361	3.02%	3,822,945	-7.72%	4,142,547	30.16%	3,182,575	0.79%
Non-current liabilities												
Long term financing	750,259	77.49%	-	0.00%	-	0.00%	-	0.00%	-	-100.00%	47,490	12.35%
Lease liabilities	330,465	-9.71%	381,667	-23.30%	497,633	1.12%	492,139	4.28%	471,952	41.02%	334,670	63.54%
Long term deposit	26,000	0.00%	26,000	73.33%	15,000	-9.09%	16,500	-2.94%	17,000	0.00%	17,000	3300.00%
Defferred income tax liability - net	-	-	-	0.00%	-	0.00%	-	0.00%	69,878	100.00%	-	-
Deferred liabilities	275,198	73.81%	-	0.00%	-	0.00%	-	0.00%	-	-100.00%	362	-80.57%
	1,381,923	42.02%	407,667	-20.48%	512,633	0.79%	508,639	-8.98%	558,830	39.87%	399,522	60.28%
Current liabilities												
Trade and other payables	3,892,256	13.65%	2,169,593	-15.22%	2,559,182	162.67%	974,284	-64.26%	2,725,758	96.77%	1,385,265	96.69%
Contract liabilities - un-secured	49,714	-49.63%	-	-	-	-	-	-	-	-	-	-
Accrued mark-up	77,184	20.92%	37,294	-44.90%	67,682	-16.46%	81,020	112.37%	38,150	291.00%	9,757	-55.88%
Short term borrowings	2,891,044	22.87%	1,618,958	-8.90%	1,777,188	-4.02%	1,851,556	23.91%	1,494,219	224.00%	461,181	-39.81%
Current portion of non-current liabilities	262,306	11.19%	131,961	-11.84%	149,684	-0.70%	150,743	-12.45%	172,182	5.83%	162,698	80.37%
Unclaimed dividend	5,299	-1.37%	5,373	-5.56%	5,689	-2.44%	5,831	1.30%	5,756	-9.02%	6,327	84.03%
Provision for taxation and levy - net	-	-	-	0.00%	-	0.00%	-	0.00%	-	0.00%	10,919	0.00%
	7,177,803	16.12%	3,963,179	-13.08%	4,559,425	48.83%	3,063,434	-30.94%	4,436,065	117.87%	2,036,147	28.36%
TOTAL EQUITY AND LIABILITIES	15,244,566	14.80%	8,058,637	-10.56%	9,010,420	21.84%	7,395,018	-19.07%	9,137,442	62.64%	5,618,244	12.52%

Statment of Profit or Loss	2026		2025		2024		2023		2022		2021	
	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age
Net Revenue	37,583,205	12%	33,042,904	38%	24,016,482	55%	15,531,692	-12%	17,739,037	67%	10,598,209	88%
Cost of Sales	(33,917,180)	11%	(31,003,865)	37%	(22,571,816)	62%	(13,944,983)	-7%	(15,019,145)	71%	(8,802,509)	95%
Gross Profit	3,666,025	19%	2,039,039	41%	1,444,666	-9%	1,586,709	-42%	2,719,892	51%	1,795,700	60%
Administrative Expenses	(937,552)	0%	(735,431)	7%	(689,468)	1%	(683,246)	30%	(524,457)	22%	(431,094)	31%
Distribution Cost	(1,122,684)	9%	(972,588)	26%	(771,180)	-5%	(811,509)	-7%	(876,129)	31%	(666,407)	9%
EBITDA	1,605,788	44%	331,020	2171%	(15,982)	117%	91,954	-93%	1,319,306	89%	698,199	275%
Depreciation and Amortization	(320,688)	-2%	(294,847)	5%	(281,532)	5%	(267,484)	5%	(255,338)	38%	(184,463)	17%
Other Expenses	(208,610)	47%	(53,368)	-2%	(54,559)	51%	(36,143)	-85%	(236,055)	472%	(41,275)	105%
Other Income	311,392	13%	279,688	-74%	1,058,520	110%	505,106	32%	382,803	240%	112,541	-11%
EBIT	1,387,882	51%	262,493	-63%	706,447	141%	293,433	-76%	1,210,716	107%	585,002	333%
Finance Cost	(492,037)	-17%	(405,199)	-26%	(544,047)	15%	(474,617)	143%	(195,516)	141%	(81,148)	-56%
(Loss) / Profit Before Levy and Taxation	895,845	178%	(142,706)	-188%	162,400	190%	(181,184)	-118%	1,015,200	-101%	503,854	1086%
Levy and Taxation	(422,890)	92%	(176,075)	245%	(50,996)	-158%	87,771	-132%	(277,278)	-95%	(142,533)	1398%
(Loss) / Profit After Levy and Taxation	472,955	365%	(318,781)	-386%	111,404	219%	(93,413)	-113%	737,922	-104%	361,321	1001%

HORIZONTAL ANALYSIS

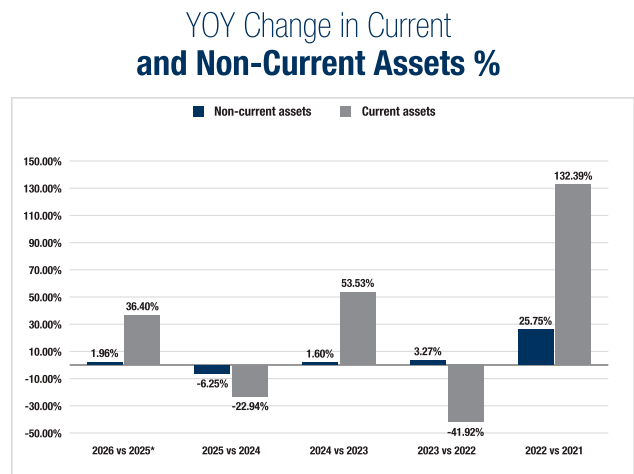
FOR THE CURRENT AND LAST FIVE YEARS



FINANCIAL POSITION HORIZONTAL ANALYSIS

Non-current assets increased by 1.96% in comparison to FY 2025*, mainly due to additions to fixed assets (capital expenditure of PKR 696 million), partly offset by lower right-of-use assets.

There was a substantial increase of 36.40% in current assets. This was driven by higher stock-in-trade (+16.46%), trade debts (+51.14%), loans and advances (+138.92%) and other receivables (+108.81%), while cash and bank balances fell 46.45%.



STATEMENT OF PROFIT OR LOSS HORIZONTAL ANALYSIS

In the fiscal year 2026, the Group's financial performance improved compared to the preceding fiscal year, FY 2025*:

Net revenue increased by 12% to PKR 37.58 billion, supported by growth in the Petroleum Products and Polymer segments.

Cost of sales increased by 11%, slower than revenue, lifting gross profit by 19%.

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) increased by 44% to PKR 1,606 million, indicating stronger operating performance.

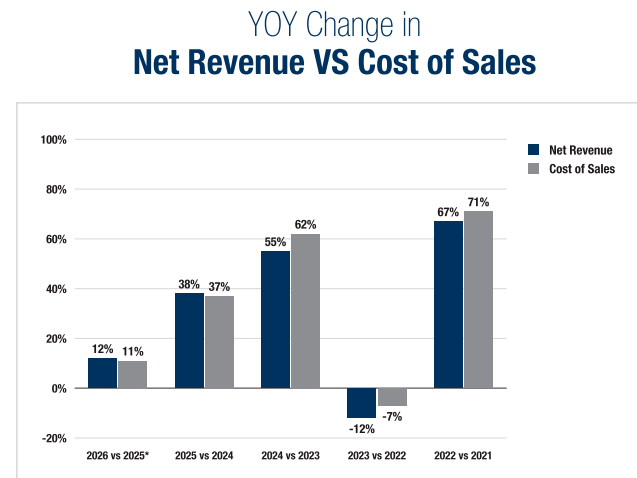
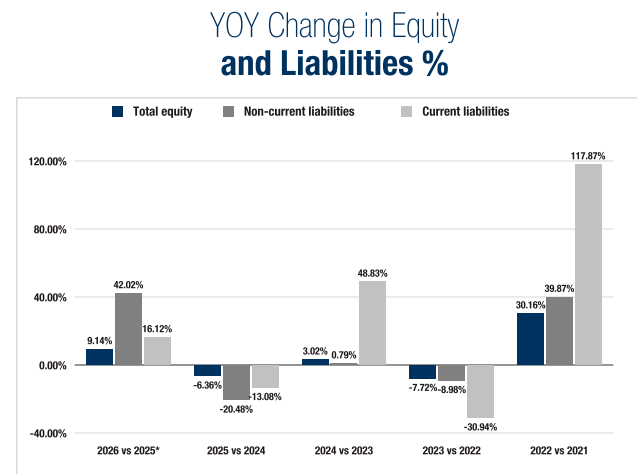
Finance costs declined by 17%, reflecting lower interest rates during the year.

The Group earned a profit after levy and taxation of Rupees 472,955 thousand in FY 2026 (FY 2025*: Rupees 101,808 thousand).

The total equity of the Group increased by 9.14%, driven by the profit of PKR 473 million earned during the year.

Non-current liabilities increased by 42.02%, mainly due to new long-term financing, which rose 77.49% to PKR 750 million.

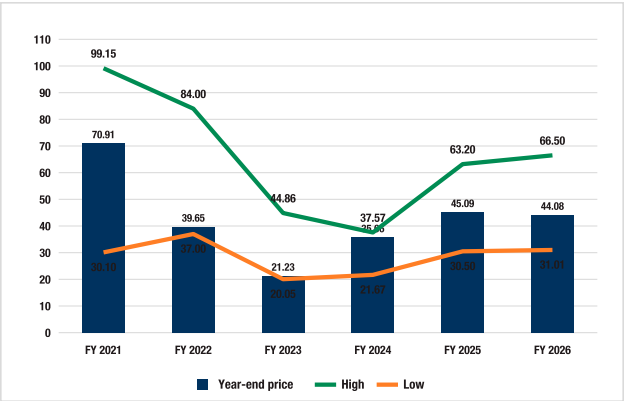
Current liabilities increased by 16.12%, primarily due to higher short-term borrowings (+22.87%) and trade and other payables (+13.65%), used to fund the growth in working capital.



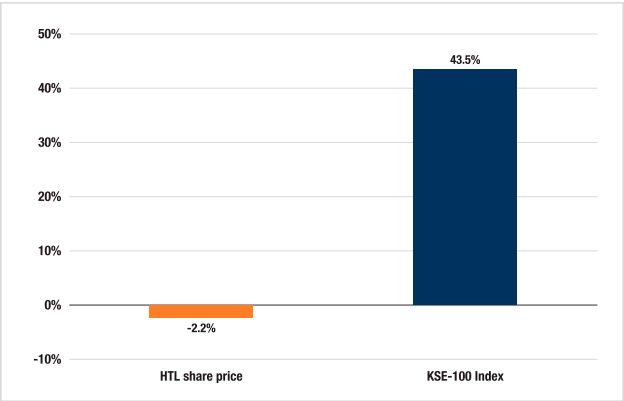
SHARE PRICE PERFORMANCE AT PSX

Closing price (30 Jun 2026) PKR 44.08 FY25: PKR 45.09	52-week high / low 66.50 / 31.01 PKR per share	Market capitalisation PKR 6.14 bn 139.2 m shares	Price / earnings 12.96x on consolidated EPS 3.40	Price / book 0.92x Break-up PKR 48.02	Dividend yield 2.6% Proposed PKR 1.15
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Share Price Trend (FY 2021 - FY 2026)



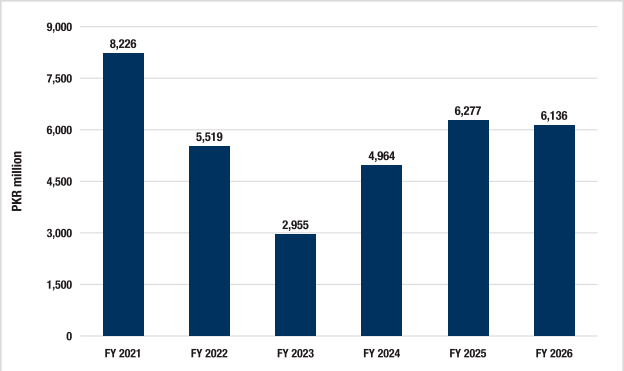
FY 2026 Return: HTL vs KSE-100



PERFORMANCE REVIEW

- The KSE-100 Index had one of its strongest years, rising 43.5% from 125,627 to 180,302 points, with most of the gain (38.5%) in the first half and a volatile second half amid the Middle East conflict.
- HTL's share price closed FY 2026 at PKR 44.08, almost unchanged from PKR 45.09 a year earlier, after trading between PKR 31.01 and PKR 66.50. Total shareholder return for the year was -2.24%, as no dividend was paid during the year.
- The stock rose in the first half of the year (PKR 52.93 in late November 2025), then weakened in the second half as the oil-price shock hit fuel demand and sentiment towards oil marketing companies; it was also volatile in April 2026, rising from PKR 40.21 to PKR 52.94 in four sessions before settling back to about PKR 42.
- Despite the recovery in earnings (consolidated EPS PKR 3.40), the shares ended the year at 0.92x book value and 12.96x earnings, suggesting that the market has yet to fully reflect the Group's improved profitability and integrated business model.
- The Board has proposed a final cash dividend of PKR 1.15 per share (11.5%), the first since FY 2023.

Market Capitalisation (Year End)



SHARE PRICE SENSITIVITY ANALYSIS

Factor	Direction	Likely effect on share price
International oil prices	Sharp rise	Negative – lower fuel demand, higher working capital and inventory risk
SBP policy rate / KIBOR	Increase	Negative – higher finance cost on short-term borrowings
OMC and dealer margins	Increase	Positive – direct improvement in petroleum segment margins
PKR / USD exchange rate	Depreciation	Negative – higher cost of imported base oils and additives
Deregulation of petrol prices	Implementation	Positive for efficient OMCs with own storage and brands
Anti-smuggling enforcement	Stronger	Positive – higher formal-market fuel volumes
Earnings and dividends	Growth	Positive – supports re-rating from below book value
Market liquidity / free float	Low	Higher volatility in thinly traded sessions

Share information	
PSX symbol / sector	HTL / Oil & Gas Marketing Companies
Ordinary shares / face value	139,204,800 / PKR 10
Index membership	Shariah-compliant; listed on the Islamic index
Financial year end	30 June

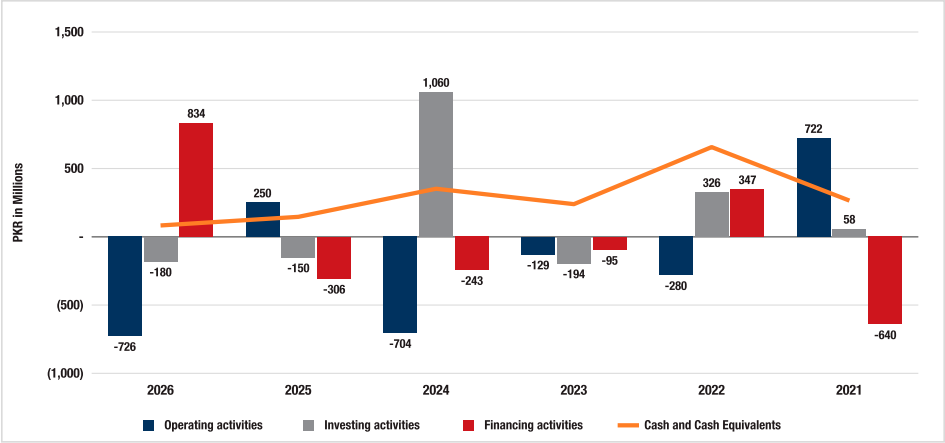
CASH FLOWS ANALYSIS

FOR THE CURRENT AND LAST FIVE YEARS



Summary of Cash Flow Statement	2026	2025	2024	2023	2022	2021
	Rs.(000)					
CASH FLOWS FROM OPERATING ACTIVITIES						
(Loss) / profit before levy and taxation	895,845	(142,706)	162,400	(181,184)	1,015,200	503,854
Adjustments for non-cash items and other items	985,226	588,277	40,852	310,629	283,334	192,073
Working capital changes	(1,653,298)	469,381	(228,469)	377,161	(1,349,853)	160,289
Finance cost paid	(443,453)	(435,587)	(557,384)	(431,385)	(162,381)	(85,570)
Income tax paid	(286,958)	(255,463)	(137,305)	(200,960)	(58,722)	(56,195)
Workers' profit participation fund paid	(193,063)	-	-	-	-	-
Workers' welfare fund paid	(2,715)	-	-	-	-	-
Net (increase) / decrease in long term loan to employees	885	-	-	(3,136)	(983)	-
Decrease / (increase) in long term security deposits	(28,258)	14,880	17,589	103	(6,682)	(8,702)
Increase / (decrease) in long term deposits	-	11,000	(1,500)	(500)	-	16,500
Net cash generated from / (used in) operating activities	(725,788)	249,781	(703,817)	(129,272)	(280,087)	722,249
CASH FLOWS FROM INVESTING ACTIVITIES						
Capital expenditures on operating fixed assets	(696,229)	(215,606)	(296,132)	(134,758)	(198,381)	(267,487)
Capital expenditures on intangible assets	-	(2,778)	-	(1,500)	(825)	(7,069)
Initial direct cost incurred on right of use assets	-	-	-	-	(3,411)	(1,204)
Proceeds from disposal of operating fixed assets	235,011	15,706	21,929	59,958	2,557	13,776
Proceeds from disposal of non-current assets held for sale	250,000	-	-	-	-	-
Loans to subsidiary company	-	(512,800)	(391,900)	(1,093,657)	-	-
Repayment of loans by subsidiary company	-	512,800	877,400	608,157	-	-
Short term investments - net	8,196	(16,964)	5,417	4,938	220,880	277,775
Dividend received	21,582	31,398	692,512	295,937	282,797	20,453
Interest received on loans to subsidiary company	-	36,714	115,830	44,386	-	-
Profit on bank deposits and term deposits received	992	1,129	35,121	22,813	21,992	21,829
Net cash (used in) / from investing activities	(180,449)	(150,400)	1,060,177	(193,726)	325,609	58,073
Cash flow from financing activities						
Repayment of lease liabilities	(116,640)	(147,363)	(168,845)	(125,883)	(107,111)	(81,501)
Dividends paid	(74)	(317)	(141)	(278,334)	(483,148)	(333,524)
Long term financing obtained	499,990	-	-	-	-	126,582
Long term financing repaid	(86,975)	-	-	(47,851)	(95,704)	(46,431)
Short term borrowings - net	538,166	(158,229)	(74,368)	357,337	1,033,038	(305,082)
Net cash from / (used in) financing activities	834,467	(305,908)	(243,354)	(94,731)	347,075	(639,956)
Net (decrease) / increase in cash and cash equivalents	(71,771)	(206,527)	113,006	(417,729)	392,597	140,366
Cash and cash equivalents at the beginning of the year	154,503	352,417	239,412	657,141	264,544	124,178
Cash and cash equivalents at the end of year	82,733	145,890	352,418	239,412	657,141	264,544

Five Year Cash Flow Analysis (Operating, Investing, Financing and Cash Balance)



CASH FLOWS ANALYSIS

In FY2026, the Group recorded a net operating cash outflow of PKR 726 million (FY2025*: inflow of PKR 194 million), despite a profit before levy and taxation of PKR 896 million. Working capital absorbed PKR 1,653 million, mainly through higher trade debts, loans and advances, stock-in-trade and other receivables, partly offset by a PKR 590 million increase in trade and other payables. Payments of PKR 193 million to the workers' profit participation fund also reduced operating cash.

Investing activities recorded a net outflow of PKR 180 million (FY2025*: PKR 499 million). Capital expenditure of PKR 696 million was partly funded by proceeds of PKR 235 million from disposal of fixed assets and PKR 250 million from disposal of assets held for sale.

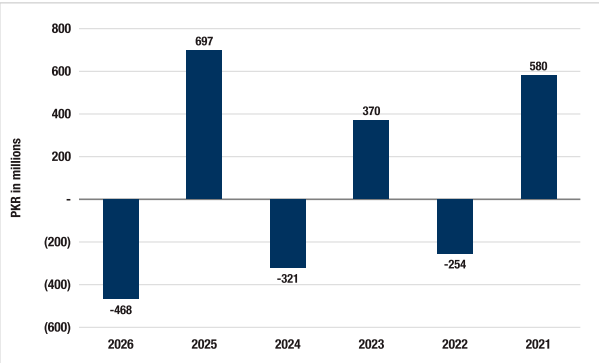
Financing activities generated a net inflow of PKR 834 million (FY2025*: PKR 48 million), from new long-term financing of PKR 500 million and a net increase of PKR 538 million in short-term borrowings, partly offset by lease repayments of PKR 117 million and long-term financing repayments of PKR 87 million.

As a result, the Group's cash and cash equivalents declined to PKR 83 million at the end of FY2026 from PKR 155 million at the start of the year. Borrowings were used to fund the growth in working capital and capital expenditure, making cash conversion from profits a key priority.

ANALYSIS OF FREE CASH FLOWS

Free Cash Flows	2026	2025	2024
	Rupees in thousand		
(Loss) / Profit before levy and taxation	895,845	(142,706)	162,400
Adjustments for non-cash items and other items	985,226	588,277	40,852
Working capital changes	(1,653,298)	469,381	(228,469)
Capital additions	(696,229)	(218,383)	(296,132)
Free Cash Flows	(468,456)	696,569	(321,349)

Free Cash Flows Analysis (FY 2026 - FY 2021)



DIRECT METHOD CASH FLOWS

Cash Flows From Operating Activities	2026	2025
	Rupees	
Collection from customers	39,455,148,765	35,540,050,550
Payments to employees as remuneration	(1,313,587,385)	979,946,215
Payments to suppliers and service providers	(35,316,872,769)	(33,367,187,890)
Income tax paid	(286,958,143)	(255,463,325)
Sales tax paid	(2,596,915,593)	(2,211,977,021)
Finance cost paid	(443,453,460)	(435,587,099)
Workers' profit participation and welfare funds paid	(195,777,432)	-
Long term loans and security deposits - net	(27,372,461)	-
Net cash generated from / (used in) operating activities	(725,788,478)	249,781,430
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on operating fixed assets	(696,229,190)	(215,606,316)
Capital expenditure on intangible assets	-	(2,777,527)
Short term loan given to subsidiary company	-	(512,800,000)
Short term loan repaid by subsidiary company	-	512,800,000
Proceeds from disposal of operating fixed assets	235,011,102	15,705,735
Proceeds from disposal of non-current assets held for sale	250,000,000	-
Short term investments - net	8,195,525	(16,963,811)
Dividends received	21,581,505	31,398,163
Interest received on short term loan to subsidiary company	-	36,714,195
Profit on bank deposits and term deposit receipt received	991,959	1,129,385
Net cash (used in) / from investing activities	(180,449,099)	(150,400,176)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(116,639,874)	(147,362,625)
Dividend paid	(73,659)	(316,556)
Long term financing obtained	499,989,668	-
Long term financing repaid	(86,975,012)	-
Short term borrowings - net	538,165,926	(158,229,315)
Net cash from / (used in) financing activities	834,467,049	(305,908,496)
Net (decrease) / increase in cash and cash equivalents	(71,770,528)	(206,527,242)
Cash and cash equivalents at the beginning of the year	154,503,454	352,417,143
Cash and cash equivalents at the end of the year	82,732,926	145,889,901

FY2026 direct method figures are derived from the audited consolidated financial statements (revenue, sales tax, Note 42 working capital movements and salaries in Notes 32–34); payments to suppliers and service providers is the balancing figure. FY2025 figures are as previously reported (unconsolidated).

QUARTERLY ANALYSIS

FOR THE CURRENT YEAR



Statement of Profit or Loss	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Rupees in thousand			
GROSS REVENUE	9,490,809	9,866,109	9,677,641	12,100,214
DISCOUNTS	(242,688)	(138,537)	(243,977)	(329,451)
SALES TAX AND FEDERAL EXCISE DUTY	(630,115)	(814,289)	(486,637)	(665,875)
NET REVENUE	8,618,006	8,913,283	8,947,028	11,104,888
COST OF SALES	(7,759,397)	(8,078,533)	(7,857,791)	(10,221,460)
GROSS PROFIT	858,608	834,752	1,089,237	883,428
DISTRIBUTION COST	(310,530)	(383,002)	(388,666)	(237,123)
ADMINISTRATIVE EXPENSES	(246,273)	(269,968)	(218,628)	(326,734)
OTHER EXPENSES	(83,545)	(45,260)	(15,109)	(64,696)
	(640,348)	(698,231)	(622,403)	(628,553)
OTHER INCOME	52,711	120,060	91,625	46,996
PROFIT FROM OPERATIONS	270,971	256,580	558,459	301,872
FINANCE COST	(111,665)	(108,599)	(122,272)	(149,501)
PROFIT BEFORE TAXATION AND LEVY	159,305	147,982	436,187	152,371
LEVY	(50,706)	3,023	(54,022)	91,136
PROFIT BEFORE TAXATION	108,600	151,004	382,165	243,507
TAXATION	(1,412)	(94,382)	(111,080)	(205,447)
PROFIT AFTER TAXATION	107,188	56,622	271,085	38,060

Statement of Financial Position	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Rupees in thousand			
ASSETS				
NON-CURRENT ASSETS				
Fixed assets	6,679,976	6,523,407	6,676,356	6,893,494
Right-of-use assets	431,834	424,587	435,462	346,398
Intangible assets	4,369	3,508	2,647	397
Long term security deposits and others	20,815	30,871	33,661	26,420
	7,136,994	6,982,372	7,148,126	7,266,709
CURRENT ASSETS				
Stores and spares	114,993	104,802	137,111	145,847
Stock-in-trade	4,013,430	4,142,382	3,441,576	3,251,441
Trade debts	1,542,000	1,670,829	2,160,010	1,988,019
Loans and advances	584,543	820,029	556,167	1,069,355
Short term deposits and prepayments	37,567	58,995	26,225	32,787
Other receivables	452,603	396,617	748,206	732,056
Short term investments	247,987	230,691	234,003	234,148
Advance income tax - net	255,627	318,882	305,459	296,472
Cash and bank balances	113,292	291,770	122,467	82,733
	7,362,041	8,034,997	7,731,225	7,832,857
Non-current asset classified as held for sale	160,000	160,000	160,000	145,000
TOTAL ASSETS	14,659,035	15,177,369	15,039,351	15,244,566

QUARTERLY ANALYSIS

REVENUE PERFORMANCE

The Group recorded steady growth in gross revenue, from PKR 9,491 million in Q1 to PKR 12,100 million in Q4, with net revenue of PKR 8,618 million, 8,913 million, 8,947 million and 11,105 million respectively. Gross margin was strongest in Q3 at 12.2% and lowest in Q4 at 8.0%, as the higher-volume petroleum sales in Q4 carried thinner margins.

OPERATING COSTS

Distribution and administrative expenses ranged between PKR 557 million and PKR 653 million per quarter, peaking in Q2 and easing in Q4, and remained broadly stable relative to the growth in sales.

FINANCE COST BURDEN

Finance cost averaged PKR 123 million per quarter, rising to PKR 150 million in Q4 as short-term borrowings increased to fund higher working capital and capital expenditure.

PROFITABILITY TREND

The Group was profitable in all four quarters: Q1 PKR 107 million, Q2 PKR 57 million, Q3 PKR 271 million and Q4 PKR 38 million. Q3 was the strongest quarter (net margin 3.03%), while Q4 profit was held back by a lower gross margin and a tax charge of PKR 205 million.

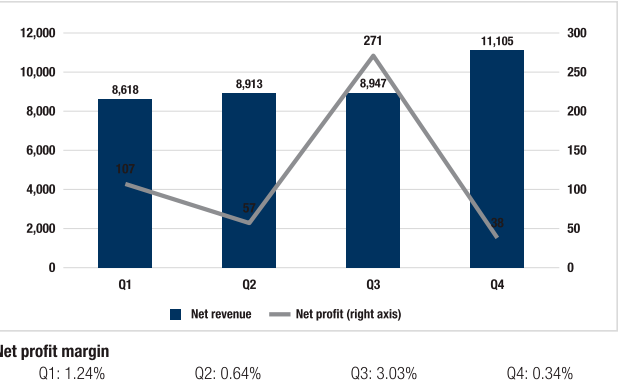
OVERALL ASSESSMENT

FY2026 showed consistent profitability across quarters, a clear improvement on the prior year. Sustaining this will depend on protecting margins as volumes grow, keeping expenses in check and reducing the finance cost of working capital.

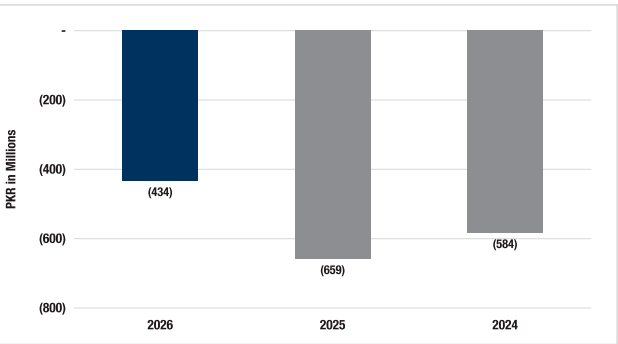
ECONOMIC VALUE ADDED

Economic Value Added (EVA) measures value created after covering the cost of capital. Over FY2024–FY2026, EVA remained negative at PKR (584) million, (659) million and (434) million respectively. The FY2026 improvement reflects a 51% increase in operating profit, partly offset by a higher capital charge on the larger consolidated capital base of PKR 10.92 billion. Management remains focused on restoring positive EVA through margin enhancement, faster working-capital turns and lower funding costs.

Quarterly Revenue, Net Profit, and Net Profit Margin - FY 2026

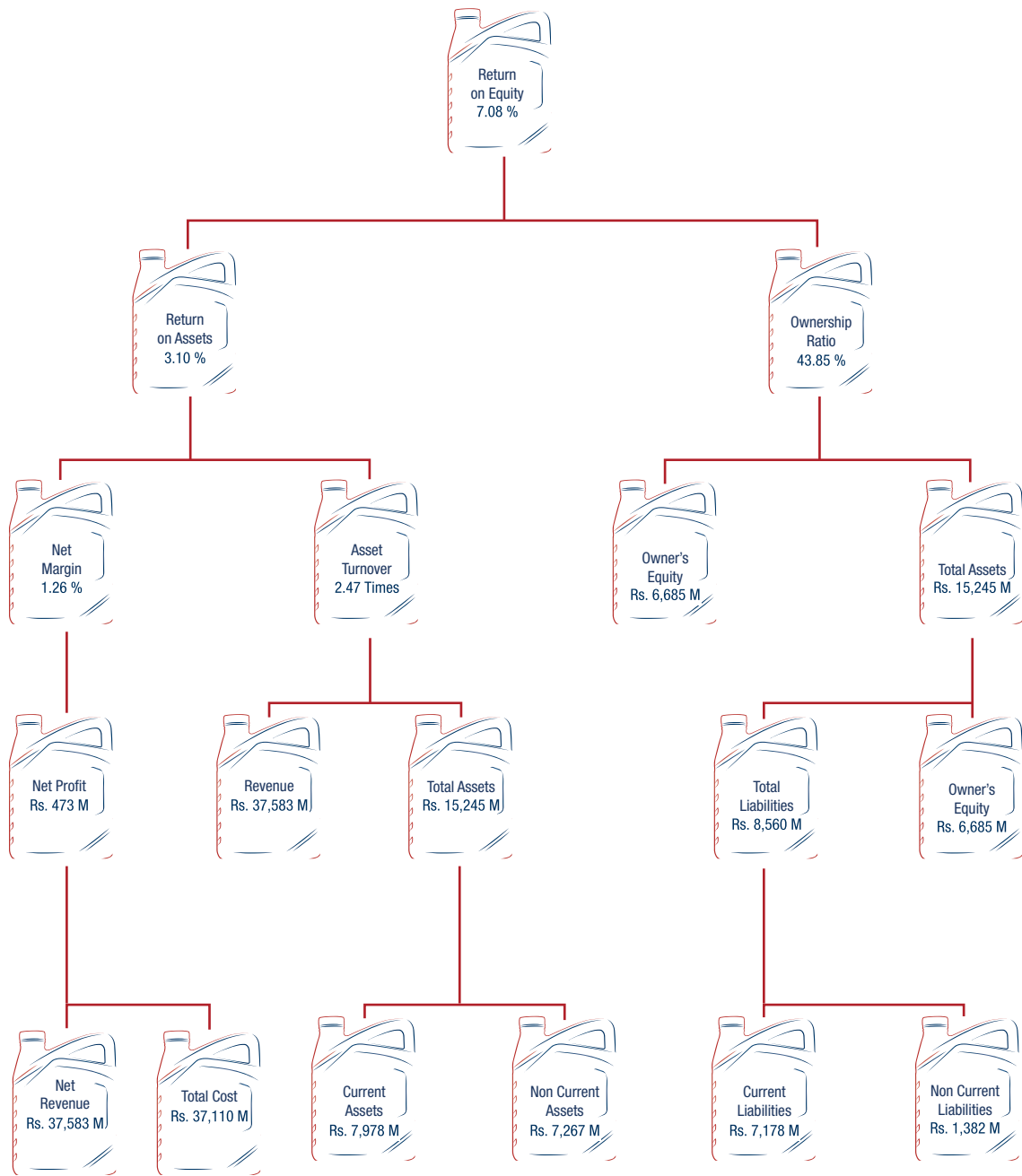


ECONOMIC VALUE ADDED (EVA) (FY 2026 - FY 2024)



FY2024–FY2025 EVA as previously reported (unconsolidated). FY2026 EVA is indicative: NOPAT = EBIT × (1 – 29%); capital = equity + interest-bearing debt (PKR 10,919 million); WACC assumed at 13.0%, to be confirmed by Finance.

DUPONT ANALYSIS



The DuPont analysis provides a structured framework to assess the Group's fundamental performance by breaking down the drivers of return on equity (ROE). Over the past six years, results reflect mixed returns for shareholders, with strong profitability in 2021–2022, subdued outcomes in 2023–2025 and a recovery in 2026.

In 2026, Return on Assets (ROA) improved to 3.10% and Return on Equity (ROE) to 7.08% (FY2025*: 0.77% and 1.66%), driven by a higher net margin of 1.26% (FY2025*: 0.30%) from revenue growth, better gross margins and lower finance cost. Asset turnover was 2.47 times, and the Ownership Ratio of 43.85% shows that liabilities fund more than half of total assets, magnifying the effect of earnings on ROE.

Management remains vigilant in monitoring all DuPont drivers—profitability, asset utilization, and financial leverage—to identify strengths and weaknesses and implement corrective measures, with a focus on converting profit into cash and sustainable shareholder value creation.

* FY2026 figures are from the audited consolidated financial statements for the year ended 30 June 2026; FY2021–FY2025 are as previously reported. FY2025* = consolidated comparatives.

Year	Return on assets (Net profit / total assets) A	Ownership ratio Total equity / total assets B	ROE A/B
2026	3.10%	43.85%	7.08%
2025	-3.96%	45.76%	-8.64%
2024	1.24%	43.71%	2.84%
2023	-1.26%	51.70%	-2.44%
2022	8.08%	45.34%	17.82%
2021	6.43%	56.65%	11.35%

ANALYSIS OF FINANCIAL AND NON-FINANCIAL PERFORMANCE (FY 2026)



FINANCIAL PLANNING AND ANNUAL OPERATING PLAN

HTL's Financial Department plays a pivotal role in preparing the Annual Operating Plan (AOP). Business units and cost centers prepare financial plans through a system-based planning module, which are reviewed by senior management, scrutinized by the Audit Committee, and approved by the Board of Directors. Forecasts and assumptions are aligned with business realities and tested through sensitivity analyses. Balanced scorecards are assigned to management teams to ensure accountability for both financial and non-financial objectives.

PERFORMANCE AGAINST FINANCIAL MEASURES

Performance is monitored against the AOP. Net revenue was 13% below the AOP, while profit from operations was 12% above it and profit after tax was in line (page 192). * = consolidated FY2025 figures.

Gross Revenue increased by 13% to PKR 41.13 billion (FY2025*: PKR 36.38 billion).

Net Revenue rose by 12% to PKR 37.58 billion (FY2025*: PKR 33.51 billion).

Gross Profit improved by 19% to PKR 3.67 billion (FY2025*: PKR 3.08 billion), with gross margin rising to 9.75% (FY2025*: 9.19%).

Distribution & Administrative Expenses increased by 4% to PKR 2.38 billion, well below the rate of revenue growth.

Other Income increased to PKR 311 million (FY2025*: PKR 275 million).

Profit from Operations rose by 51% to PKR 1.39 billion (FY2025*: PKR 917 million).

Finance Cost decreased by 17% to PKR 492 million (FY2025*: PKR 595 million), reflecting lower borrowing costs.

After levy and taxation, the Group reported a profit of PKR 473.0 million (FY2025*: PKR 101.8 million), translating into earnings per share of PKR 3.40 (FY2025*: PKR 0.73).

PERFORMANCE AGAINST NON-FINANCIAL MEASURES

HTL continued to strengthen its non-financial performance through investment in people, operational readiness, technology, and sustainability.

Human Capital: The Group employed 800 people at 30 June 2026 (394 permanent and 406 contractual; FY2025*: 774). Revenue per employee was PKR 47.0 million (FY2025*: PKR 43.3 million). Employee turnover was 2.77% (FY2025: 2.70%). Structured training, internships, and succession planning supported long-term capability building and diversity.

Operational Readiness: Maintenance cost was 1.0% of distribution and administrative expenses (FY2025: 1.7%), reflecting continued focus on preventive maintenance and operational reliability.

Health, Safety & Environment (HSE): Fire safety drills, ISO 45001 compliance and workplace safety initiatives were maintained across all facilities.

Technology & Innovation: The IT function ensured uninterrupted systems and improved cybersecurity, while investments in automation strengthened operational efficiency and reporting accuracy.

Sustainability & CSR: Through the Sabra Hamida Trust, the Group contributed PKR 18 million to education, healthcare, and community welfare. Environmental measures such as solar energy deployment, rainwater harvesting, and recycling programs reinforced HTL's long-term sustainability agenda.

ECONOMIC AND PERFORMANCE ANALYSIS

Pakistan's economy grew by a provisional 3.7% in FY2026 (FY2025: 3.2%). Inflation remained within the SBP's 5–7% target range for much of the year but rose to double digits in April–May 2026 as the Middle East conflict pushed up energy prices. The SBP cut its policy rate to 10.5% in December 2025 and raised it to 11.5% in April 2026, where it remained at year end.

Against this backdrop, HTL recorded a consolidated profit after tax of PKR 473.0 million (FY2025*: PKR 101.8 million), driven by revenue growth, improved gross margins, contained operating expenses, and lower finance costs.

OPERATIONAL EXPANSION AND STRATEGIC INITIATIVES

- The retail fuel station network stood at 55 active stations at 30 June 2026 (FY2025: 61), supported by 21 HTL Express Centres, and Petroleum Products revenue grew 17% to PKR 27.20 billion.
- The Polymer segment (plastic bottles) grew revenue by 35% to PKR 630 million and posted a profit before levy and tax of PKR 106 million.
- The partnership with SK On Co., Ltd. (formerly SK Enmove Co., Ltd.) continued to strengthen cost efficiency through local blending and reduced reliance on imports.

GOVERNANCE, COMPLIANCE, AND REPORTING STANDARDS

- The Group ensured timely payment of debts and government dues during the year, reaffirming its commitment to financial discipline and stakeholder trust.
- HTL remained fully compliant with International Accounting Standards (IAS) / International Financial Reporting Standards (IFRS) as adopted by the Securities and Exchange Commission of Pakistan (SECP). This ensures transparency, fairness, and reliability in the preparation and presentation of financial statements.
- As a Shariah-compliant company listed on the Islamic Index, HTL confirms that it is not engaged in Shariah non-permissible business activities as its core business activities, in accordance with the disclosure requirements of the Companies Act, 2017 (Note 52 to the consolidated financial statements).
- The Company continued to make progress towards the adoption of the International Integrated Reporting Framework (IIRC) by embedding its fundamental concepts, guiding principles, and content elements

ANALYSIS OF FINANCIAL AND
NON-FINANCIAL PERFORMANCE

into corporate disclosures, further strengthening transparency and alignment with global best practices.

RECOGNITION AND AWARDS

HTL has been consistently recognized at the Best Corporate and Sustainability Report Awards organized by ICAP and ICMAP in the Fuel and Energy sector since 2018. Most recently, the Company's Integrated Annual Report 2025 secured **Second position** in the sector—equalling its best-ever result—reflecting continuous improvement in transparency, governance and integrated reporting. Details are presented in the table.

YEAR	POSITION	SECTOR
2018	Second	Fuel and Energy
2019	Fourth	Fuel and Energy
2020	Third	Fuel and Energy
2021	Fourth	Fuel and Energy
2022	Fourth	Fuel and Energy
2023	Fourth	Fuel and Energy
2024	[TBC]	Fuel and Energy
2025	Second	Fuel and Energy

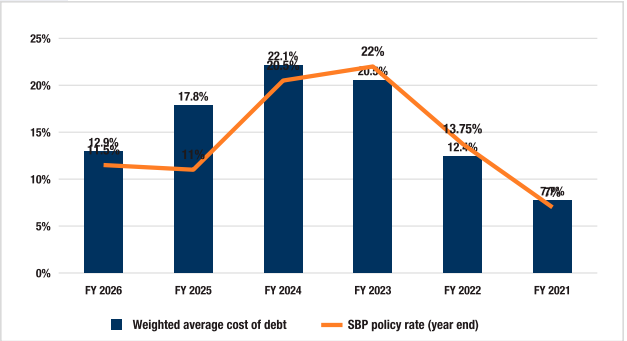
BEST CORPORATE REPORT AWARDS



ADDITIONAL KEY PERFORMANCE INDICATORS

Key Performance Indicators	UOM	FY-2026	FY-2025	FY-2024	FY-2023	FY-2022	FY-2021
ADDITIONAL FINANCIAL RATIOS							
Return on Investment	%	5.86%	-7.78%	2.50%	-2.16%	15.70%	10.09%
Weighted Average Cost of Debt	%	12.93%	17.78%	22.12%	20.49%	12.44%	7.69%
Debt to Equity Ratio (as per Book Value)	Times	0.63	0.58	0.62	0.65	0.52	0.32
Debt to Equity Ratio (as per Market Value)	Times	0.69	0.34	0.49	0.84	0.39	0.12
Dividend Cover Ratio	Times	2.96	-	-	-0.34	1.39	0.90
SBP Policy Rate at Year End (reference)	%	11.5%	11%	20.5%	22%	13.75%	7%

- Return on investment recovered to 5.86% (FY 2025: -7.78%), in line with the return to profitability.
- The weighted average cost of debt fell to 12.93% from 17.78%, following the lower average policy rate, and has broadly tracked the SBP policy rate over the six years.
- Debt to equity was 0.63 times at book value and 0.69 times at market value, as borrowings rose to fund working capital and the shares traded below book value.



NON-FINANCIAL PERFORMANCE

Non-Financial KPIs	UOM	FY-2026	FY-2025
Employees at year end – Group	No.	800	774
Employees at year end – Company	No.	542	529
Revenue per employee – Group	PKR m	47.0	43.3
Revenue per employee – Company	PKR m	68.2	62.5
Lubricants blended at HTBL	Litres m	9.91	9.44
Blending capacity utilisation	%	18.8%	17.9%
Production per HTBL employee	Litres	38,412	38,545
Solar power generated – Group	kWh m	1.23	1.17
Stores & spares as % of fixed assets	%	2.1%	1.5%
Maintenance cost as % of distribution & admin expenses	%	1.0%	1.7%
Staff turnover ratio	%	2.77%	2.70%
Customer satisfaction index	Score	TBC	TBC
Customer retention ratio	%	TBC	TBC
Plant availability	%	TBC	TBC

Notes: FY 2026 figures are consolidated; FY 2021–FY 2025 financial ratios are based on previously reported unconsolidated figures. Blending and production data are from Note 44 to the consolidated financial statements. Revenue per employee uses year-end headcount. Maintenance cost covers repair and maintenance in distribution and administrative expenses.

PERFORMANCE AGAINST ANNUAL OPERATING PLAN (AOP)

PKR million (Group)	Actual	AOP	Variance	Var. %
Net revenue	37,583	43,200	(5,616)	-13.0%
Gross profit	3,666	3,937	(271)	-6.9%
Distribution & admin expenses	(2,381)	(2,845)	465	+16.3%
Profit from operations	1,388	1,241	147	+11.8%
Finance cost	(492)	(483)	(9)	-1.9%
Profit after tax	473	474	(1)	-0.2%
Capital expenditure	696	666	(30)	-4.5%

Net revenue was 13% below the Annual Operating Plan (AOP), mainly because the oil-price shock sharply reduced fuel demand in the final quarter and the retail network grew more slowly than planned. The gross profit shortfall was smaller (7%), as the gross margin of 9.75% exceeded the AOP margin of 9.11%. Distribution and administrative expenses were PKR 465 million (16%) below the AOP, so profit from operations exceeded the plan by 12%, and profit after tax was in line with the AOP. Capital expenditure was 4% above the plan. Positive variances are favourable; for costs and capital expenditure, a negative variance means spending above the AOP.

MARKET SHARE

HTL's share of Pakistan's oil marketing volumes, based on Oil Companies Advisory Council (OCAC) data, was **TBC** % in FY 2026 (FY 2025: **TBC** %). In lubricants, the Company estimates its share of the branded market at **TBC** %, based on **TBC** (source). HTL operated 55 active fuel stations and 21 HTL Express Centres at 30 June 2026.

RATIOS – METHODS AND ASSUMPTIONS

The table below sets out how each ratio on pages 175–177 and 192 is calculated. The Statement of Value Addition and Wealth Distribution is presented on page 124.

Ratio	Method of calculation
Gross profit ratio	Gross profit ÷ net revenue
Net profit to revenue	Profit after tax ÷ net revenue
EBITDA margin	(Gross profit – distribution and admin expenses excl. depreciation) ÷ net revenue
Operating leverage	% change in EBIT ÷ % change in net revenue
Return on equity	Profit after tax ÷ closing total equity
Return on capital employed	Profit after tax ÷ (equity + non-current liabilities + short-term borrowings + current portion)
Return on investment	Profit after tax ÷ (equity + non-current liabilities)
Shareholders’ funds	Total equity ÷ total assets
Total shareholder return	(Closing price – opening price + dividends paid) ÷ opening price
Current ratio	Current assets (excl. held for sale) ÷ current liabilities
Quick ratio	(Current assets – stock-in-trade – stores) ÷ current liabilities
Cash to current liabilities	Cash and bank balances ÷ current liabilities
Cash flow from operations to sales	Net cash from operating activities ÷ net revenue
Cash flow to capital expenditure	Net cash from operating activities ÷ capital expenditure
Cash flow coverage	Net cash from operating activities ÷ total borrowings
Price earnings ratio	Year-end share price ÷ EPS
Price to book	Year-end share price ÷ break-up value per share
Dividend yield / payout / cover	DPS ÷ share price; DPS ÷ EPS; EPS ÷ DPS
Break-up value per share	Total equity ÷ number of shares
Financial leverage / Debt to equity (book)	Total borrowings ÷ total equity
Debt to equity (market)	Total borrowings ÷ market capitalisation
Weighted average cost of debt	Finance cost ÷ average total borrowings
Interest cover	EBIT ÷ finance cost
Total / fixed assets turnover	Net revenue ÷ total assets; net revenue ÷ fixed assets
Days in inventory / receivables / payables	Average stock ÷ COS × 365; average trade debts ÷ net revenue × 365; average payables ÷ COS × 365
Operating cycle	Inventory days + receivable days – payable days
Free cash flow	PBT + non-cash adjustments + working capital changes – capital expenditure
EVA	NOPAT – WACC × invested capital

BEST CORPORATE REPORT (BCR) CRITERIA MAPPING

Ref.	Criteria (BCR Evaluation Criteria 2025)	Page No.
1	Organizational Overview and External Environment	
1.01	Mission, vision, code of conduct, ethical principles and core values	12–13
1.02	Company profile, activities, markets, brands, products and services	10, 15–25
1.03	Geographical location of business units	36, 157
1.04	Legislative and regulatory environment	67, 101
1.05	Ownership, operating structure and group relationships	27
1.06	Holding / subsidiary company (foreign)	27
1.07	Beneficial ownership and group shareholding chart	27, 125
1.08	Organization chart with legends	45
1.09	General review of performance of company and subsidiaries	11, 102–103
1.10	Performance of segments / products	102–103, 178, 76
1.11	Position in the value chain	50–51
1.12	PESTEL factors and seasonality	54, 55, 187
1.13	Stakeholder needs and industry trends	67, 76
1.14	SWOT analysis	52–53
1.15	Competitive landscape and market positioning	67, 184
1.16	History of major events	38–39
1.17	Significant events during the year and after year end	40, 104
2	Strategy and Resource Allocation	
2.01	Strategic objectives and strategies	56–58
2.02	Resource allocation across the six capitals	56–58
2.03	Capabilities providing competitive advantage	58
2.04	Market, product and service development	60
2.05	Effect of technology, sustainability, innovation and shortages	61
2.06	KPIs against strategic objectives	61, 192
2.07	Link of strategy to mission and vision	62
2.08	Board statement on internal controls incl. IT	62, 105
2.09	Board statement on significant plans and decisions	62, 73
2.10	Defaults; liquidity strategy	104, 79
3	Risks and Opportunities	
3.01	Key risks and opportunities incl. sustainability	64–65, 147
3.02	Principal risks and uncertainties	65, 105
3.03	Risk management framework, methodology, appetite	66, 105
3.04	Mitigation steps linked to objectives and KPIs	66
3.05	Supply chain disruption risk (ESG incident)	66, 157
4	Sustainability and CSR	
4.01	Board’s role; sustainability risks; four pillars; DE&I; SECP ESG guidelines	141, 145–147, 168
4.02	Sustainability performance, initiatives and consumption data	149–163, 146
4.03	Sustainability committee with female director; report to Board	141, 147
4.04	Board statement on CSR	147, 106
4.05	CSR performance and initiatives	149–151, 106
5	Governance	
5.01	Board composition, independence, diversity, profiles	82–88
5.02	Role of Chairman and CEO	90
5.03	How the Board operates	90
5.04	Chairman’s Review	72–74
5.05	Board statement on ethics and compliance	105
5.06	Annual evaluation of Board performance	106, 73
5.07	External evaluation every three years	106, 73
5.08	Orientation of directors	90
5.09	Directors’ Training Program	106
5.10	External oversight of internal audit / systems	105, 96
5.11	Related party transactions	106, 131; Financial Statements (Folder 2)

5.12	Board policies (a–o)	105, 112–115
5.13	Business continuity / disaster recovery	107, 115
5.14	Compliance with Code of Corporate Governance	108–110, 111
5.15	Shareholding of sponsors, directors, executives; distribution	125–126
5.16	Board meetings and attendance	89, 104
5.17	Committee TORs, composition and attendance	92–93
5.18	Timely approval of financial statements	Date of authorisation: [TBC]
5.19	Audit Committee report (a–j)	95–96
5.20	Audit Committee chair at AGM	90
5.21	ERP disclosures	114, 116
5.22	Government policies in Directors' Report	101
5.23	Contribution to national exchequer and economy	103, 124
6	Analysis of Financial Information	
6.01	Financial and non-financial performance; performance against AOP	190, 192
6.02	Financial ratios (Annexure I), graphs, methods; negative changes	175–177, 192–193
6.03	Six-year vertical and horizontal analysis	179–183, 185
6.04	Direct method cash flow	186
6.05	Segment analysis	178
6.06	Market share and share price sensitivity	184, 192
6.07	Statement of value added	124
6.08	Economic value added	188
6.09	CEO presentation video and link	121, 75
7	Business Model	
7.01	Business model (inputs, activities, outputs, outcomes)	48–49
7.02	Material changes in business model	49
8	IT Governance and Cybersecurity	
8.01	Board responsibility statement on IT, AI, data privacy	115
8.02	IT governance and cybersecurity programmes	115, 163
8.03	Board committee oversight of IT	115
8.04	Early warning system	115
8.05	Independent security assessment	115
8.06	IT disaster recovery and cyber insurance	115, 107
8.07	Digital transformation	115, 116
8.08	Cybersecurity training	116
9	Future Outlook	
9.01	Forward-looking statement (narrative and quantitative)	68
9.02	Status of previous year's projects and forecasts	69, 104
9.03	Future AI adoption	69
9.04	Future R&D initiatives	69
9.05	Sources and assumptions	69
10	Stakeholder Relationship and Engagement	
10.01	Stakeholder engagement policy	119
10.02	Engagement process and frequency	119–120
10.03	Encouraging minority shareholders	120, 129
10.04	Investor relations section on website	121, 122
10.05	Issues raised at last AGM and status	121
10.06	Corporate briefing sessions and analyst briefing	121
10.07	Investor complaints	121
10.08	Corporate benefits to shareholders	122, 184
10.09	Whistle-blowing mechanism	121, 96
11	Striving for Excellence in Corporate Reporting	
11.01	Board statement on compliance with IFRS	104
11.02	BCR criteria cross-referenced with page numbers	194
12	Specific Disclosures of the Financial Statements	
12.01	Fair value of property, plant and equipment	Financial Statements (Folder 2)
12.02	Significant assets and immovable property	Financial Statements (Folder 2)

12.03	Capacity and production	Financial Statements (Folder 2); 192
12.04	Shariah compliance disclosures	Financial Statements (Folder 2)
12.05	Common control transactions	Not applicable
12.06	Human resource accounting	[TBC]
12.07	Assets not in the Company's name	Not applicable
13	Assessment Based on Qualitative Factors	
13.01	Overall quality, theme, presentation	Complete report