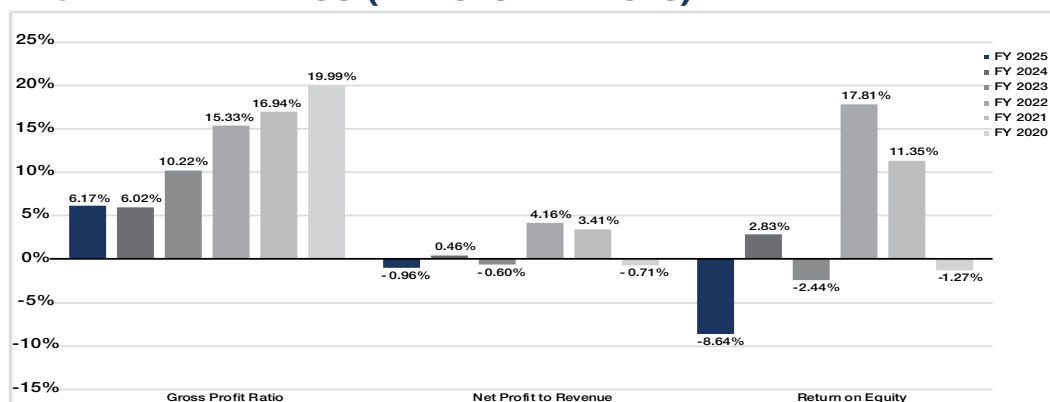


ANALYSIS OF FINANCIAL STATEMENTS

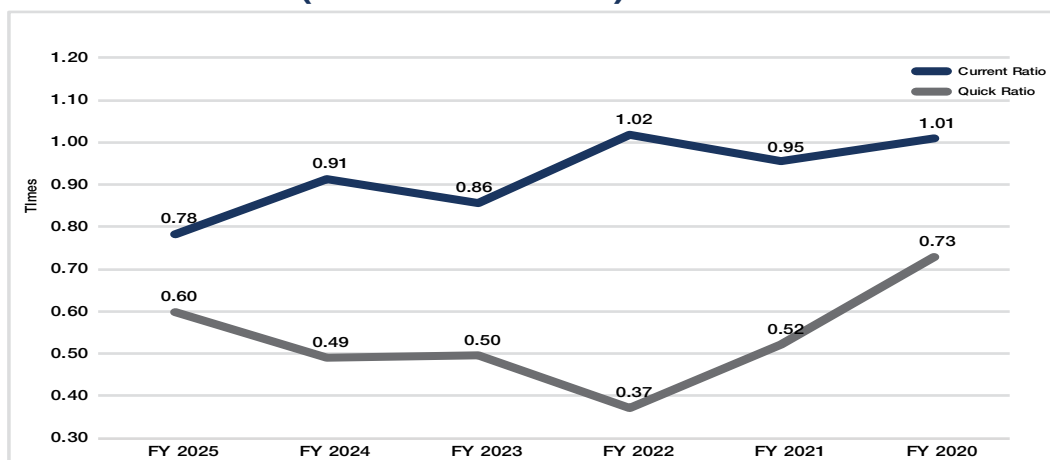
FOR THE CURRENT AND LAST FIVE YEARS

Key Performance Indicators	UOM	FY-2025	FY-2024	FY-2023	FY-2022	FY-2021	FY-2020
PROFITABILITY RATIOS							
Gross Profit Ratio	%	6.17%	6.02%	10.22%	15.33%	16.94%	19.99%
Net Profit / (Loss) to Revenue	%	-0.96%	0.46%	-0.60%	4.16%	3.41%	-0.71%
EBITDA Margin to Revenue	%	1.00%	-0.07%	0.59%	7.44%	6.59%	3.31%
Operating Leverage Ratio	Times	-1.67	2.04	6.09	1.59	3.77	-6.41
Return on Equity	%	-8.64%	2.83%	-2.44%	17.81%	11.35%	-1.27%
Return on Capital Employed	%	-5.23%	1.75%	-1.48%	14.10%	8.81%	-0.86%
Shareholders' funds	%	45.76%	43.71%	51.70%	45.34%	56.65%	63.24%
Return on shareholders' funds	%	-8.64%	2.83%	-2.44%	17.81%	11.35%	-1.27%
Total shareholder's return	%	29.38%	56.27%	-41.71%	-44.87%	*	*
LIQUIDITY RATIOS							
Current Ratio	Times	0.78	0.91	0.86	1.02	0.95	1.01
Quick Ratio / Acid Test Ratio	Times	0.60	0.49	0.50	0.37	0.52	0.73
Cash to Current Liabilities	Times	0.04	0.08	0.08	0.15	0.13	0.08
Cash Flow from Operations to Revenue	Times	0.01	-0.03	-0.01	-0.02	0.07	0.22
Cash flow to capital expenditures	Times	1.14	-2.38	-0.95	-1.41	2.63	4.23
Cash flow coverage ratio	Times	0.12	-0.29	-0.05	-0.13	0.72	1.10

PROFITABILITY RATIOS (FY 2025 - FY 2020)



LIQUIDITY RATIOS (FY 2025 - FY 2020)



PROFITABILITY RATIOS

- The Gross Profit Ratio improved slightly to 6.17% in FY 2025 (FY 2024: 6.02%), reflecting better sales volumes and some cost efficiencies.
- The Net Profit to Revenue ratio declined from 0.46% in FY 2024 to -0.96% in FY 2025, as increased operating expenses and lower other income outweighed the benefits of higher revenues and reduced finance costs.
- The EBITDA Margin recovered to 1.00% in FY 2025 from -0.07% in FY 2024, indicating improvement in core operating profitability.
- The Operating Leverage Ratio fell from 2.04x to -1.67x, showing that a higher fixed cost base magnified the effect of expense increases on profits.
- Other Income, which was unusually high at PKR 1.06 billion in FY 2024, dropped to PKR 280 million in FY 2025, reducing support to bottom-line results.

- Return on Equity (ROE) and Return on Capital Employed (ROCE) declined to -8.64% and -5.23% respectively (FY 2024: 2.83% and 1.75%), reflecting negative returns due to the net loss.
- Shareholders' Funds as a share of total assets increased to 45.76% in FY 2025 (FY 2024: 43.71%) due to lower trade and other payables. However, returns on equity turned negative in line with profitability.
- Total Shareholders' Return (TSR) remained positive at 29.38%, though lower than 56.27% in FY 2024, reflecting reduced year-on-year market-based returns.

Overall: Profitability weakened in FY 2025. Despite higher sales, margin stability, and lower finance costs, increased operating expenses and a sharp decline in other income led to negative returns on equity and capital employed.

LIQUIDITY RATIOS

- The Current Ratio declined to 0.78 in FY 2025 (FY 2024: 0.91), highlighting tighter short-term liquidity.
- The Quick Ratio improved slightly to 0.60 (FY 2024: 0.49) but remained below the benchmark of 1.0, showing reliance on inventory for liquidity support.
- The Cash to Current Liabilities ratio fell to 0.04 (FY 2024: 0.08), reflecting limited cash availability relative to obligations.
- Cash Flow from Operations to Revenue improved to 0.01 in FY 2025 from -0.03 in FY 2024, though still weak.
- The Cash Flow to Capital Expenditures ratio strengthened to 1.14 (FY 2024: -2.38), showing that internal cash flows were sufficient to fund capex.
- The Cash Flow Coverage Ratio improved to 0.12 from -0.29, but remained below healthy levels.

Overall: Liquidity continues to be a challenge, though FY 2025 reflected improvement in operating cash generation and capex funding capability.

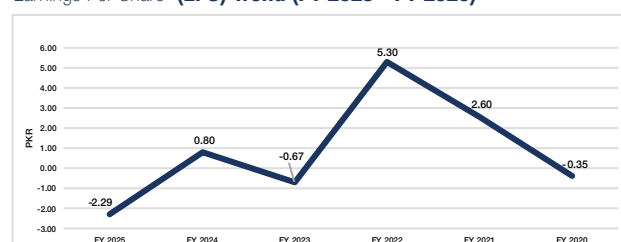
Key Performance Indicators	UOM	FY-2025	FY-2024	FY-2023	FY-2022	FY-2021	FY-2020
INVESTMENT/MARKET RATIOS							
Earnings / (Loss) per share	Rs.	(2.29)	0.80	(0.67)	5.3	2.6	-0.35
Diluted EPS	Rs.	(2.29)	0.80	(0.67)	5.3	2.6	-0.35
Price Earnings Ratio	Times	-19.69	44.56	-31.64	7.48	27.27	-86.51
Price to Book Ratio	Times	1.70	1.26	0.77	1.33	2.58	1.11
Dividend Yield Ratio	Times	0.00	0.00	0.09	0.10	0.04	0.01
Dividend Payout Ratio	Times	0.00	0.00	-2.98	0.72	1.12	(0.71)
Cash Dividend per share	Rs.	-	-	2	3.8	2.9	0.25
Market Value per share (year end)	Rs.	45.09	35.66	21.23	39.65	70.91	30.28
Market Value per share (highest)	Rs.	63.2	37.57	44.86	84	99.15	39.34
Market Value per share (lowest)	Rs.	30.5	21.67	20.05	37	30.1	16.7
Breakup Value / Book Value per share	Rs.	26.49	28.29	27.46	29.76	27.44	27.22
Breakup value per share including investment in related party	Rs.	26.49	28.29	27.46	29.76	27.44	27.22
Break up value per share without surplus on revaluation of freehold land	Rs.	20.54	22.83	22.03	24.70	27.44	27.22
Break up value per share with surplus on revaluation of freehold land including investment of all effects	Rs.	26.49	28.29	27.46	29.76	27.44	27.22
No. of Shares based on par value of Rs.10	No.(000)	139,205	139,205	139,205	139,205	116,004	116,004
Total Dividend Paid	Rs.(000)	-	-	278,410	482,576	336,412	29,001

INVESTMENT / MARKET SHARE RATIOS

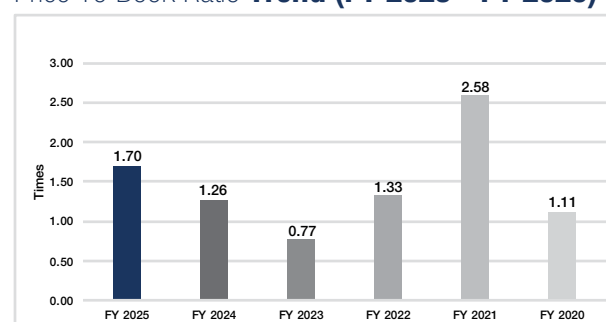
- Earnings per Share (EPS) fell to PKR -2.29 in FY 2025 (FY 2024: PKR 0.80) due to the net loss.
- The Price-to-Earnings (P/E) Ratio turned negative at -19.69x (FY 2024: 44.56x), as losses impacted valuation.
- The Price-to-Book Ratio eased to 1.70 (FY 2024: 1.82), reflecting slightly weaker investor sentiment.
- No dividends were declared in FY 2025 or FY 2024, in line with the Company's earnings position.
- The Market Value per Share (closing) declined to PKR 45.09 in FY 2025 (FY 2024: PKR 55.66), though it remained well above the FY 2023 level of PKR 21.23..
- The Break-up Value per Share decreased to PKR 26.49 (FY 2024: PKR 28.29), reflecting lower equity after losses.

Overall: Market indicators reflected reduced shareholder returns in FY 2025, driven by negative earnings, absence of dividends, and a lower share price compared to FY 2024.

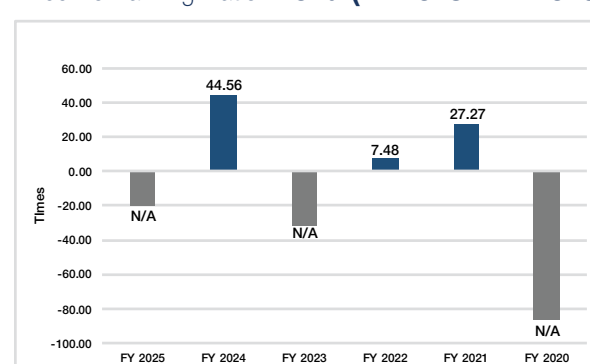
Earnings Per Share (EPS) Trend (FY 2025 - FY 2020)



Price To Book Ratio Trend (FY 2025 - FY 2020)



Price To Earning Ratio Trend (FY 2025 - FY 2020)



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

ANALYSIS OF FINANCIAL STATEMENTS

FOR THE CURRENT AND LAST FIVE YEARS

		FY-2025	FY-2025	FY-2024	FY-2023	FY-2022	FY-2021	FY-2020
CAPITAL STRUCTURE								
Financial Leverage Ratio	Times	0.58		0.62	0.65	0.52	0.32	0.27
Long term Debt to Equity Ratio (as per Book Value)	%	-		-	-	-	1.49%	1.84%
Long term Debt to Equity Ratio (as per Market Value)	%	-		-	-	-	0.58%	1.65%
Net assets per share	Rs.	26.49		28.29	27.46	29.76	27.44	27.22
Interest Coverage Ratio	Times	0.65		1.30	0.62	6.19	7.21	0.7
ACTIVITY/TURNOVER RATIOS								
Total Assets Turnover Ratio	Times	4.10		2.67	2.10	1.94	1.89	1.13
Fixed Assets Turnover Ratio	Times	12.44		8.66	6.00	6.85	5.78	3.32
No. of Days in Inventory	Days	14.84		23.38	51.98	45.54	27.49	50.63
No. of Days in Receivables	Days	12.44		8.96	3.12	2.15	3.09	41.03
No. of Days in Payables	Days	27.84		19.99	48.42	49.95	43.32	58.49
Operating Cycle	Days	(0.56)		12.35	6.68	(2.26)	(12.74)	33.17

CAPITAL STRUCTURE RATIOS

- The Financial Leverage Ratio declined to 0.58 in FY 2025 (FY 2024: 0.62), showing lower dependence on debt financing.
- Net Assets per Share stood at PKR 26.49 (FY 2024: PKR 28.29), declining due to reduced equity after the net loss.
- The Interest Coverage Ratio weakened to 0.65x (FY 2024: 1.30x), as operating profits were insufficient to comfortably cover finance costs, despite lower borrowings and reduced interest expense.

Overall: The Company maintained a moderate leverage profile with reduced financial risk, but limited interest coverage highlights the need to improve operating profitability for sustainable debt servicing.

ACTIVITY / TURNOVER RATIOS

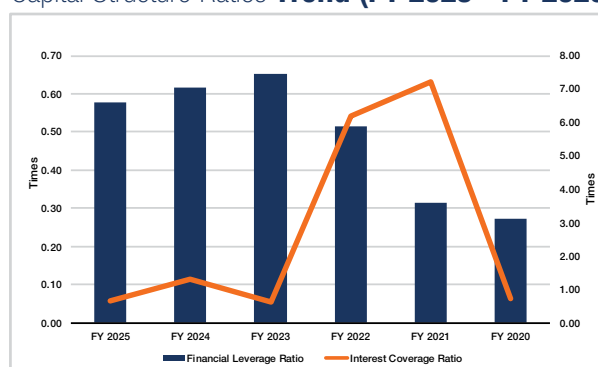
- The Total Assets Turnover Ratio improved to 4.10x in FY 2025 (FY 2024: 2.67x), reflecting stronger revenue generation from assets.
- The Fixed Assets Turnover Ratio rose to 12.44x (FY 2024: 8.66x), highlighting efficient use of fixed assets.
- Days in Inventory reduced sharply to 14.84 days (FY 2024: 23.38 days), reflecting improved stock control.
- Days in Receivables increased to 12.44 days (FY 2024: 8.96 days), indicating slightly slower recovery of trade debts.
- Days in Payables lengthened to 27.84 days (FY 2024: 19.99 days), reflecting improved credit terms with suppliers.
- The Operating Cycle turned negative at (0.56) days in FY 2025 (FY 2024: 12.35 days), underscoring greater efficiency in working capital management.

Overall: Activity ratios were a key strength in FY 2025, with significant efficiency gains in asset utilization, inventory, and receivables management, leading to a shortened operating cycle.

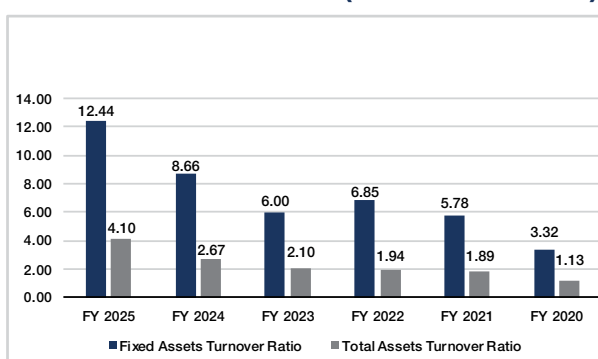
OVERALL ANALYSIS

FY 2025 was marked by mixed performance. Profitability ratios weakened due to higher operating expenses and a sharp fall in other income, despite higher revenues, margin stability, and lower finance costs. Liquidity ratios reflected continued constraints, although operating cash flows improved sufficiently to fund capital expenditure. Market ratios showed reduced shareholder returns due to negative earnings and lower share prices. The capital structure remained moderately leveraged with reduced reliance on debt, though interest coverage remained weak. A clear positive was in Activity Ratios, where operational efficiency improved significantly, supported by stronger asset utilization and shorter working capital cycles.

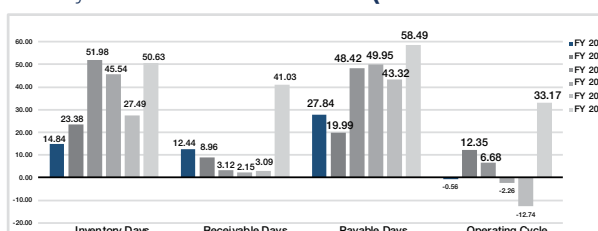
Capital Structure Ratios Trend (FY 2025 - FY 2020)



Asset Turnover Ratios Trend (FY 2025 - FY 2020)



Activity & Turnover Ratios Trend (FY 2025 - FY 2020)



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 Company has identified the following reportable segments:

- **Lubricants** – purchase and sale of lubricants, parts, and rendering of services.
- **Petroleum Products** – Marketing and sale of petroleum products.

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 52 to the unconsolidated financial statements.

Company's Revenue in terms of lubricant segment and petroleum segment is stated below:

A) SEGMENTAL PERFORMANCE

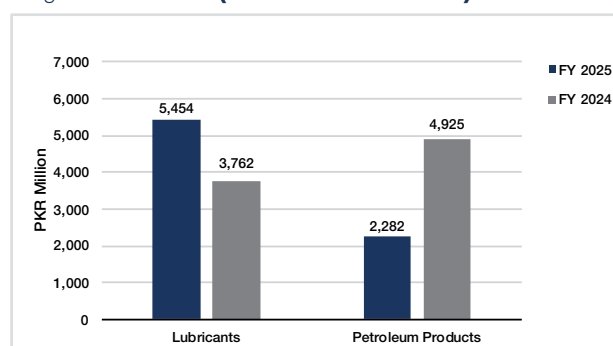
Particulars	Lubricants FY2025	Lubricants FY2024	Petroleum FY2025	Petroleum FY2024
	(PKR in million)			
Revenue from contracts with customers - net	9,811	8,056	23,232	15,961
Gross Profit	1,414	1,054	625	391
Profit from Operations	74	680	189	26
(Loss)/Profit Before Tax	(274)	248	131	(86)
Segment Assets	5,454	3,762	2,282	4,925
Segment Liabilities	1,647	1,622	1,169	1,906

B) COMMENTARY

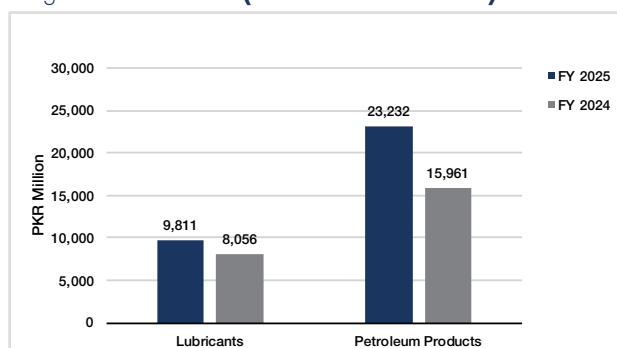
- The Lubricants segment achieved revenue growth of 22%, reaching PKR 9.81 billion, supported by higher volumes and distribution strength. However, profitability declined, with a loss before tax of PKR 274 million (FY2024: profit of PKR 248 million), reflecting higher operating expenses and finance charges.
- The Petroleum Products segment demonstrated strong momentum, with revenue growing by 45% to PKR 23.23 billion on account of the expansion of HTL's retail fuel network. The segment posted a profit before tax of PKR 131 million (FY2024: loss of PKR 86 million), evidencing improved operational efficiencies and better cost absorption.

On the statement of financial position side, segment assets stood at PKR 7.74 billion (FY2024: PKR 8.69 billion), while segment liabilities reduced to PKR 2.82 billion (FY2024: PKR 3.53 billion), reflecting disciplined capital and working capital management.

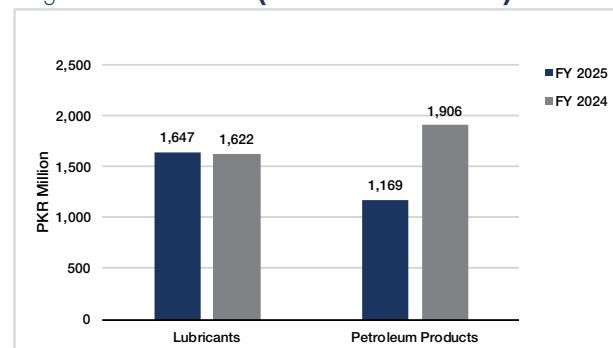
Segment Assets (FY 2025 - FY 2024)



Segment Revenue (FY 2025 - FY 2024)



Segment Liabilities (FY 2025 - FY 2024)



VERTICAL ANALYSIS

FOR THE CURRENT AND LAST FIVE YEARS

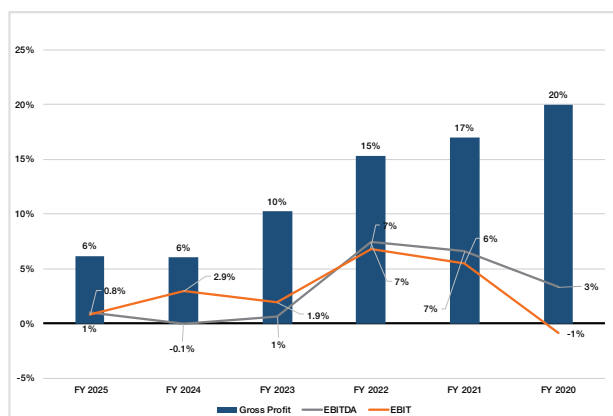
Statement of Profit or Loss	2025		2024		2023		2022		2021		2020	
	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age	Rs. (000)	%age
Net Revenue	33,042,904	100.00%	24,016,482	100.00%	15,531,692	100%	17,739,037	100%	10,598,209	100%	5,628,659	100%
Cost of Sales	(31,003,865)	93.83%	(22,571,816)	93.98%	(13,944,983)	90%	(15,019,145)	85%	(8,802,509)	83%	(4,503,767)	80%
Gross Profit	2,039,039	6.17%	1,444,666	6.02%	1,586,709	10%	2,719,892	15%	1,795,700	17%	1,124,892	20%
Administrative Expenses	(735,431)	2.23%	(689,468)	2.87%	(683,246)	4%	(524,457)	3%	(431,094)	4%	(328,992)	6%
Distribution Cost	(972,588)	2.94%	(771,180)	3.21%	(811,509)	5%	(876,129)	5%	(666,407)	6%	(609,514)	11%
EBITDA	331,020	1.00%	(15,982)	-0.07%	91,954	1%	1,319,306	7%	698,199	7%	186,386	3%
Depreciation and Amortization	(294,847)	0.89%	(281,532)	1.17%	(267,484)	2%	(255,338)	1%	(184,463)	2%	(157,102)	3%
Other Expenses	(53,368)	0.16%	(54,559)	0.23%	(36,143)	0.2%	(236,055)	1.3%	(41,275)	0.4%	(20,180)	0.4%
Other Income	279,688	0.85%	1,058,520	4.41%	505,106	3%	382,803	2%	112,541	1%	126,125	2%
EBIT	262,493	0.79%	706,447	2.94%	293,433	1.9%	1,210,716	7%	585,002	6%	(51,157)	-1%
Finance Cost	(405,199)	1.23%	(544,047)	2.27%	(474,617)	3%	(195,516)	1%	(81,148)	1%	(186,326)	3%
(Loss) / Profit Before Taxation	(142,706)	-0.43%	162,400	0.68%	(181,184)	-1%	1,015,200	6%	503,854	5%	(51,097)	-1%
Taxation	(176,075)	0.53%	(50,996)	0.21%	87,771	-0.6%	(277,278)	1.6%	(142,533)	1.3%	10,980	-0.2%
(Loss) / Profit After Taxation	(318,781)	-0.96%	111,404	0.46%	(93,413)	-1%	737,922	4%	361,321	3%	(40,117)	-1%

STATEMENT OF PROFIT OR LOSS VERTICAL ANALYSIS

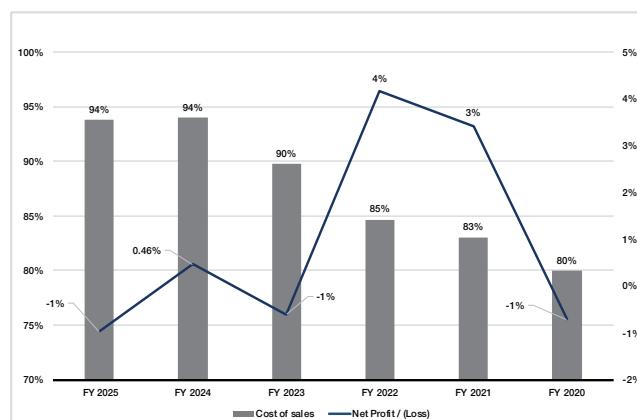
- In FY 2025, Cost of Sales consumed 93.83% of revenue (FY 2024: 93.98%), leaving a Gross Margin of 6.17% — a marginal improvement but still significantly below the 15–20% levels recorded in FY 2020–2022.
- Operating expenses (Administrative 2.23% + Distribution 2.94%) represented 5.17% of revenue, slightly reduced from 6.08% in FY 2024, reflecting better cost discipline.
- EBITDA recovered to 1.00% of revenue in FY 2025 (FY 2024: -0.07%), though still below the 7% margin achieved in FY 2022.
- Other income contribution fell sharply to 0.85% of revenue (FY 2024: 4.41%), removing a key support that had previously boosted results.
- Consequently, EBIT declined to 0.79% (FY 2024: 2.94%), despite the recovery in EBITDA.
- Finance cost absorbed 1.23% of revenue (FY 2024: 2.27%), showing the positive effect of reduced borrowing.
- After levy and taxation (0.53% of revenue), the Net Loss stood at 0.96% of revenue in FY 2025 versus a small net profit of 0.46% in FY 2024.

Takeaway: FY 2025 performance was revenue-driven with modest margin gains and lower finance costs but reduced other income and persistent expense pressure led to a net loss position.

Profitability Margins Trend (FY 2025 - FY 2020)



Cost of Sales VS Profit Margin (% of Net Revenue) (FY 2025 - FY 2020)



Statement of Financial Position	2025		2024		2023		2022		2021		2020	
	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age
ASSETS												
Non-current assets												
Fixed assets	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%	1,693,746	33.9%
Right-of-use assets	449,029	5.57%	591,487	6.56%	605,121	8.2%	555,745	6.1%	359,293	6.4%	270,943	5.4%
Intangible assets	2,710	0.03%	1,198	0.01%	3,982	0.1%	6,658	0.1%	10,646	0.2%	7,597	0.2%
Investment property	-	0.00%	-	0.00%	135,000	1.8%	130,000	1.4%	93,750	1.7%	-	-
Investment in subsidiary company	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%	1,300,001	26.0%
Long term loans to employees	1,117	0.01%	2,051	0.02%	2,985	0.0%	783	0.0%	-	0.0%	-	0.0%
Long term security deposits	14,337	0.18%	37,719	0.42%	51,943	0.7%	37,695	0.4%	29,402	0.5%	9,720	0.2%
Deferred income tax asset-net	121,450	1.51%	144,162	1.60%	83,599	1.1%	-	0.0%	48,246	0.9%	107,956	2.2%
	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%	3,389,963	67.9%
Current assets												
Stock-in-trade	731,023	9.1%	1,789,236	19.9%	1,102,921	14.9%	2,868,898	31.4%	878,742	15.6%	447,345	9.0%
Trade debts	1,232,490	15.3%	1,019,802	11.3%	159,240	2.2%	106,219	1.2%	103,225	1.8%	76,104	1.5%
Loans and advances	307,360	3.8%	245,699	2.7%	625,011	8.5%	192,210	2.1%	89,718	1.6%	151,182	3.0%
Short term deposits and prepayments	33,574	0.4%	27,757	0.3%	32,337	0.4%	24,309	0.3%	19,317	0.3%	31,144	0.6%
Accrued Interest	10	0.0%	3,486	0.0%	52,988	0.7%	571	0.0%	390	0.0%	2	0.0%
Other receivables	412,524	5.1%	365,876	4.1%	188,392	2.5%	440,065	4.8%	141,381	2.5%	50,015	1.0%
Short term investments	240,352	3.0%	222,717	2.5%	222,583	3.0%	226,804	2.5%	446,043	7.9%	723,285	14.5%
Cash and bank balances	145,890	1.8%	352,417	3.9%	239,412	3.2%	657,142	7.2%	264,544	4.7%	124,178	2.5%
	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%	1,603,255	32.1%
Non-current asset classified as held for sale	410,000	5.1%	135,000	1.5%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
TOTAL ASSETS	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%	4,993,218	100.0%
EQUITY AND LIABILITIES												
SHARE CAPITAL AND RESERVES												
Issued, subscribed and paid up capital	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%	1,160,040	23.2%
Share premium	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%	1,441,698	28.9%
Surplus on revaluation of freehold land	829,070	10.3%	760,858	8.4%	756,847	10.2%	704,626	7.7%	-	-	-	-
Un-appropriated profit	24,975	0.3%	343,756	3.8%	232,352	3.1%	604,175	6.6%	580,837	10.3%	555,928	11.1%
Total equity	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%	3,157,666	63.2%
Non-current liabilities												
Long term financing	-	0.0%	-	0.0%	-	0.0%	-	0.0%	47,490	0.8%	42,268	0.8%
Lease liabilities	381,667	4.7%	497,633	5.5%	492,139	6.7%	471,952	5.2%	334,670	6.0%	204,637	4.1%
Long term deposit	26,000	0.3%	15,000	0.2%	16,500	0.2%	17,000	0.2%	17,000	0.3%	500	0.0%
Deferred income tax liability - net	-	0.0%	-	0.0%	-	0.0%	69,878	0.8%	-	0.0%	-	0.0%
Deferred liabilities	-	0.0%	-	0.0%	-	0.0%	-	0.0%	362	0.0%	1,863	0.0%
	407,667	5.1%	512,633	5.7%	508,639	6.9%	558,830	6.1%	399,522	7.1%	249,268	5.0%
Current liabilities												
Trade and other payables	2,169,593	26.9%	2,559,182	28.4%	974,284	13.2%	2,725,758	29.8%	1,385,265	24.7%	704,279	14.1%
Accrued mark-up	37,294	0.5%	67,682	0.8%	81,020	1.1%	38,150	0.4%	9,757	0.2%	22,103	0.4%
Short term borrowings	1,618,958	20.1%	1,777,188	19.7%	1,851,556	25.0%	1,494,219	16.4%	461,181	8.2%	766,263	15.3%
Current portion of non-current liabilities	131,961	1.6%	149,684	1.7%	150,743	2.0%	172,182	1.9%	162,698	2.9%	90,201	1.8%
Unclaimed dividend	5,373	0.1%	5,689	0.1%	5,831	0.1%	5,756	0.1%	6,327	0.1%	3,438	0.1%
Provision for taxation and levy - net	-	0.0%	-	0.0%	-	0.0%	-	0.0%	10,919	0.2%	-	0.0%
	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%	1,586,284	31.8%
TOTAL EQUITY AND LIABILITIES	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%	4,993,218	100.0%

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 Company's financial structure, highlighting the composition of assets, equity, and liabilities across both short-term and long-term categories.

As of June 30, 2025, the Company's total assets were divided into non-current assets, which accounted for 56.4%, and current assets, representing 43.6% of the asset base. The asset mix reflects a stronger tilt toward fixed investments and long-term holdings, with a relatively smaller proportion tied to liquid and working capital resources.

On the financing side, the Company's structure consisted of equity of 45.8%, non-current liabilities of 5.1%, and current liabilities of 49.2% of total assets.

Within equity, the largest components were:

- Issued, subscribed and paid-up share capital: 17.3%
- Share premium: 17.9%

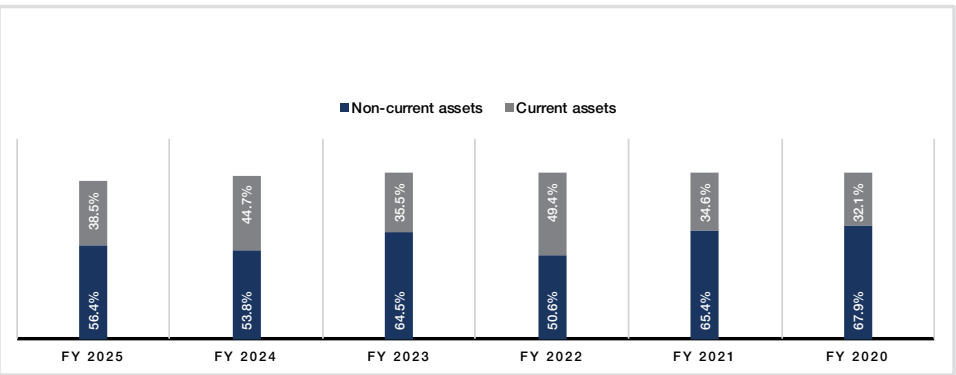
- Surplus on revaluation of freehold land: 10.3%
- Unappropriated profit: 0.3%

Non-current liabilities were modest, comprising mainly lease liabilities (4.7%) and long-term deposits (0.3%), representing the Company's limited long-term obligations.

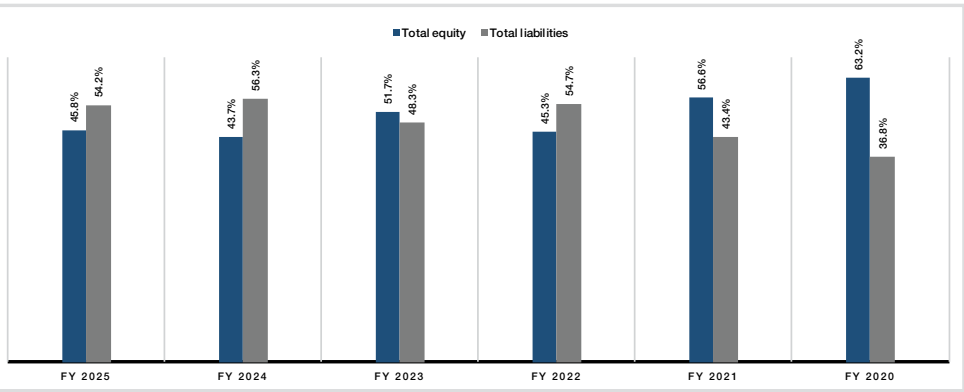
On the other hand, current liabilities accounted for 49.2% of total assets, primarily comprising short-term borrowings (20.1%) and trade and other payables (26.9%), reflecting the Company's reliance on working capital financing and trade-related obligations.

Overall Insight: The financial position demonstrates a relatively balanced structure, with a substantial equity base, reduced long-term liabilities, and continued reliance on current liabilities for funding operations. While non-current assets dominate the statement of financial position, liquidity remains constrained due to the significant proportion of short-term obligations.

Asset Composition (% of Total Assets) (FY 2025-FY2020)



Capital Structure (% of Total Assets) (FY 2025-FY2020)



HORIZONTAL ANALYSIS

FOR THE CURRENT AND LAST FIVE YEARS

Statment of Financial Position	2025		2024		2023		2022		2021		2020	
	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age
ASSETS												
Non-current assets												
Fixed assets	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%	1,693,746	14.25%
Right-of-use assets	449,029	-24.08%	591,487	-2.25%	605,121	8.88%	555,745	54.68%	359,293	32.61%	270,943	0.00%
Intangible assets	2,710	126.17%	1,198	-69.91%	3,982	-40.19%	6,658	-37.46%	10,646	40.13%	7,597	0.00%
Investment property	-	0.00%	-	-100.00%	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%	1,300,001	0.00%
Long term loans to employees	1,117	-45.55%	2,051	-31.29%	2,985	281.23%	783	0.00%	-	0.00%	-	0.00%
Long term security deposits	14,337	-61.99%	37,719	-27.38%	51,943	37.80%	37,695	28.21%	29,402	202.49%	9,720	-32.26%
Deferred income tax asset-net	121,450	100.00%	144,162	100.00%	83,599	100.00%	-	-100.00%	48,246	-55.31%	107,956	0.00%
	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%	3,389,963	8.40%
Current assets												
Stock-in-trade	731,023	-59.14%	1,789,236	62.23%	1,102,921	-61.56%	2,868,898	226.48%	878,742	96.43%	447,345	-16.56%
Trade debts	1,232,490	20.86%	1,019,802	540.42%	159,240	49.92%	106,219	2.90%	103,225	35.64%	76,104	401.98%
Loans and advances	307,360	25.10%	245,699	-60.69%	625,011	225.17%	192,210	114.24%	89,718	-40.66%	151,182	-74.91%
Short term deposits and prepayments	33,574	20.96%	27,757	-14.16%	32,337	33.02%	24,309	25.84%	19,317	-37.98%	31,144	75.03%
Other receivables	412,524	12.75%	365,876	94.21%	188,392	-57.19%	440,065	211.26%	141,381	182.68%	50,015	87.51%
Accrued Interest	10	-99.71%	3,486	-93.42%	52,988	9179.86%	571	46.41%	390	19400.00%	2	-49.32%
Short term investments	240,352	7.92%	222,717	0.06%	222,583	-1.86%	226,804	-49.15%	446,043	-38.33%	723,285	-3.80%
Cash and bank balances	145,890	-58.60%	352,417	47.20%	239,412	-63.57%	657,142	148.41%	264,544	113.04%	124,178	-66.30%
	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%	1,603,255	13.05%
Non-current asset classified as held for sale	410,000	203.70%	135,000									
TOTAL ASSETS	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%	4,993,218	10.75%
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	20.00%	1,160,040	0.00%	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	829,070	8.97%	760,858	0.53%	756,847	7.41%	704,626	100.00%	-	0.00%	-	-
Un-appropriated profit	24,975	-92.73%	343,756	47.95%	232,352	-61.54%	604,175	4.02%	580,837	4.48%	555,928	0.00%
Total equity	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%	3,157,666	-17.11%
Non-current liabilities												
Long term financing	-	0.00%	-	0.00%	-	0.00%	-	-100.00%	47,490	12.35%	42,268	-87.77%
Liabilities against assets subject to finance lease	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	-66.34%
Lease liabilities	381,667	-23.30%	497,633	1.12%	492,139	4.28%	471,952	41.02%	334,670	63.54%	204,637	0.00%
Long term deposits	26,000	73.33%	15,000	-9.09%	16,500	-2.94%	17,000	0.00%	17,000	3300.00%	500	-33.33%
Deferred income tax liability - net	-	0.00%	-	0.00%	-	0.00%	69,878	100.00%	-	-	-	-
Deferred liabilities	-	0.00%	-	0.00%	-	0.00%	-	-100.00%	362	-80.57%	1,863	-100.00%
	407,667	-20.48%	512,633	0.79%	508,639	-8.98%	558,830	39.87%	399,522	60.28%	249,268	0.5%
Current liabilities												
Trade and other payables	2,169,593	-15.22%	2,559,182	162.67%	974,284	-64.26%	2,725,758	96.77%	1,385,265	96.69%	704,279	20.38%
Accrued mark-up	37,294	-44.90%	67,682	-16.46%	81,020	112.37%	38,150	291.00%	9,757	-55.86%	22,103	281.93%
Short term borrowings	1,618,958	-8.90%	1,777,188	-4.02%	1,851,556	23.91%	1,494,219	224.00%	461,181	-39.81%	766,263	179.09%
Current portion of non-current liabilities	131,961	-11.84%	149,684	-0.70%	150,743	-12.45%	172,182	5.83%	162,698	80.37%	90,201	16.11%
Unclaimed dividend	5,373	-5.56%	5,689	-2.44%	5,831	1.30%	5,756	-9.02%	6,327	84.03%	3,438	-
Provision for taxation and levy - net	-	0.00%	-	0.00%	-	0.00%	-	0.00%	10,919	0.00%	-	-98.95%
	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%	1,586,284	87.90%
TOTAL EQUITY AND LIABILITIES	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%	4,993,218	10.75%
Statement of Profit or Loss												
	2025		2024		2023		2022		2021		2020	
	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age	Rs.(000)	%age
Net Revenue	33,042,904	38%	24,016,482	55%	15,531,692	-12%	17,739,037	67%	10,598,209	88%	5,628,659	2%
Cost of Sales	(31,003,865)	37%	(22,571,816)	62%	(13,944,983)	-7%	(15,019,145)	71%	(8,802,509)	95%	(4,503,767)	11%
Gross Profit	2,039,039	41%	1,444,666	-9%	1,586,709	-42%	2,719,892	51%	1,795,700	60%	1,124,892	-33%
Administrative Expenses	(735,431)	7%	(689,468)	1%	(683,246)	30%	(524,457)	22%	(431,094)	31%	(328,992)	11%
Distribution Cost	(972,588)	26%	(771,180)	-5%	(811,509)	-7%	(876,129)	31%	(666,407)	9%	(609,514)	31%
EBITDA	331,020	2171%	(15,982)	117%	91,954	-93%	1,319,306	89%	698,199	275%	186,386	-89%
Depreciation and Amortization	(294,847)	5%	(281,532)	5%	(267,484)	5%	(255,338)	38%	(184,463)	17%	(157,102)	41%
Other Expenses	(53,368)	-2%	(54,559)	51%	(36,143)	-85%	(236,055)	472%	(41,275)	105%	(20,180)	64%
Other Income	279,688	-74%	1,058,520	110%	505,106	32%	382,803	240%	112,541	-11%	126,125	5%
EBIT	262,493	-63%	706,447	141%	293,433	-76%	1,210,716	107%	585,002	333%	135,229	-96%
Finance Cost	(405,199)	-26%	(544,047)	15%	(474,617)	143%	(195,516)	141%	(81,148)	-56%	(186,326)	185%
(Loss) / Profit Before Levy and Taxation	(142,706)	-188%	162,400	190%	(181,184)	-118%	1,015,200	-101%	503,854	1086%	(51,097)	-123%
Levy and Taxation	(176,075)	245%	(50,996)	-158%	87,771	-132%	(277,278)	-95%	(142,533)	1398%	10,980	-26%
(Loss) / Profit After Levy and Taxation	(318,781)	-386%	111,404	219%	(93,413)	-113%	737,922	-104%	361,321	1001%	(40,117)	-178%

HORIZONTAL ANALYSIS

FOR THE CURRENT AND LAST FIVE YEARS

FINANCIAL POSITION HORIZONTAL ANALYSIS

Non-current assets exhibited a modest decrease of -6.25% in comparison to FY 2024. This decrease was primarily attributed to the lower of a long term security deposit during the year.

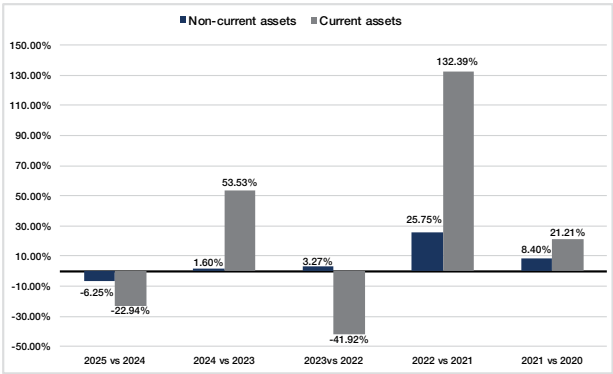
There was a substantial decrease of -22.94% in current assets. This decline can be attributed to a reduction in inventory stocks, trade debts, other receivables and cash and bank balances.

The total equity of the company witnessed a decline of -6.36%. This decline was primarily driven by the loss incurred during the fiscal year and dividend payments to shareholders.

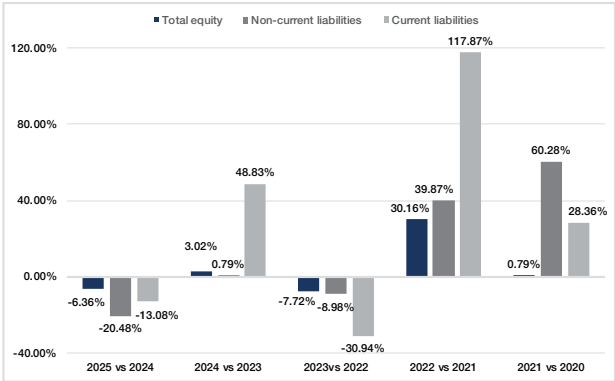
Non-current liabilities showed a reduction of -20.48%. This decline was mainly attributed to reductions in lease liability.

Similarly, current liabilities experienced a significant reduction of -13.08%. This reduction was primarily due to a decrease in trade and other payables, indicating improved short-term financial obligations.

YOY Change in Current and Non-Current Assets %



YOY Change in Equity and Liabilities %



STATEMENT OF PROFIT OR LOSS HORIZONTAL ANALYSIS

In the fiscal year 2025, the company faced a notable decline in its financial performance compared to the preceding fiscal year, FY2024:

The Company's net revenue witnessed a significant decrease of 38% in FY2025 when contrasted with FY2024 mainly on account of reduction in sales revenue.

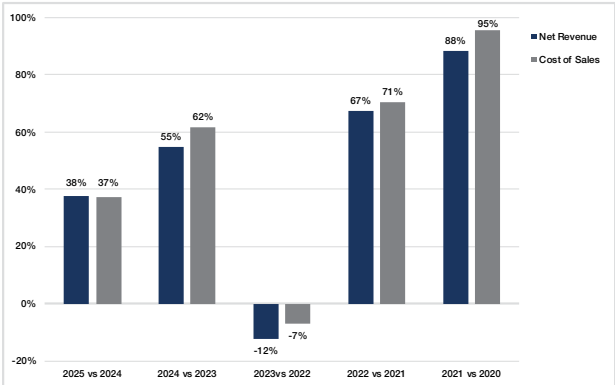
The cost of sales experienced a 37% reduction in FY2025. This reduction in the cost of sales align with the decrease in revenue.

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) plummeted by 2171%, indicating a substantial decline in the company's operational performance.

Finance costs saw a decline of -26%. These decreases attributed to lower interest rates during the year.

The company incurred a loss of Rupees 318,781 after taxation in FY2025, underscoring the challenges faced during this financial year.

YOY Change in Net Revenue VS Cost of Sales



DISCLOSURE OF MARKET



SHARE OF THE COMPANY ALONG WITH SHARE PRICE SENSITIVITY ANALYSIS

MARKET SHARE OF THE COMPANY

Hi-Tech Lubricants Limited (HTL) maintains a notable presence in the lubricants sector of Pakistan. While official industry-wide market share statistics are not published, the Company's relative position can be measured through its extensive distribution network, strong brand recognition, and consistent growth in volumes across its key segments.

HTL is among the leading players in the lubricants segment, supported by its long-standing partnership with SK Enmove Co., Ltd. In the petroleum segment, HTL continues to expand its retail footprint with 61 fuel stations across Punjab, Khyber Pakhtunkhwa, Azad Jammu & Kashmir, and Islamabad. The polymer segment further diversifies the Company's presence in industrial and consumer markets.

The Company remains committed to enhancing its market positioning by leveraging local blending facilities, expanding Express Caneters, strengthening its Petroleum segment retail network, and pursuing product innovation in line with evolving customer needs.

SHARE PRICE SENSITIVITY ANALYSIS

HTL's share price is influenced by operating performance, market sentiment, macroeconomic conditions, and movements in interest rates and currency. The Company disseminates all price-sensitive information to the Pakistan Stock Exchange Limited (PSX) in a timely manner in line with applicable listing regulations.

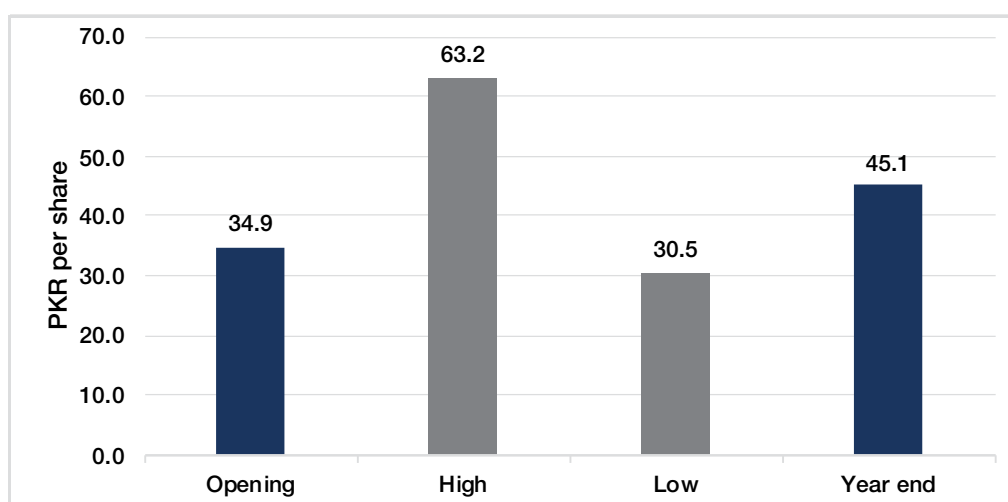
Methodology (Directional, All Else Equal): Sensitivities show the isolated effect on earnings from standard shocks to each driver; they are illustrative only and not a forecast.

Key Driver	Standard Variation	Expected Effect on Earnings	Relationship
Selling price	±5%	Higher price expands margins and lifts earnings; lower price reduces earnings	Direct (+)
Stock-in-trade / Input Costs	±5%	Higher costs compress margins and reduce earnings	Inverse (-)
Interest Rates	±100 bps	Higher rates increase finance costs and weigh on earnings	Inverse (-)
PKR vs USD	±5%	PKR depreciation raises imported input costs, pressuring margins and earnings	Inverse (-)

SHARE PRICE BEHAVIOUR (FY2025)

The Company's share price opened at PKR 34.90 on 1 July 2024 and closed at PKR 45.09 on 30 June 2025, reflecting an annual increase of approximately 29%. During the year, the stock traded between a low of PKR 30.50 and a high of PKR 63.20, depicting volatility influenced by macroeconomic conditions, market sentiment, and sectoral developments.

HTL Share Price Behaviour FY 2025

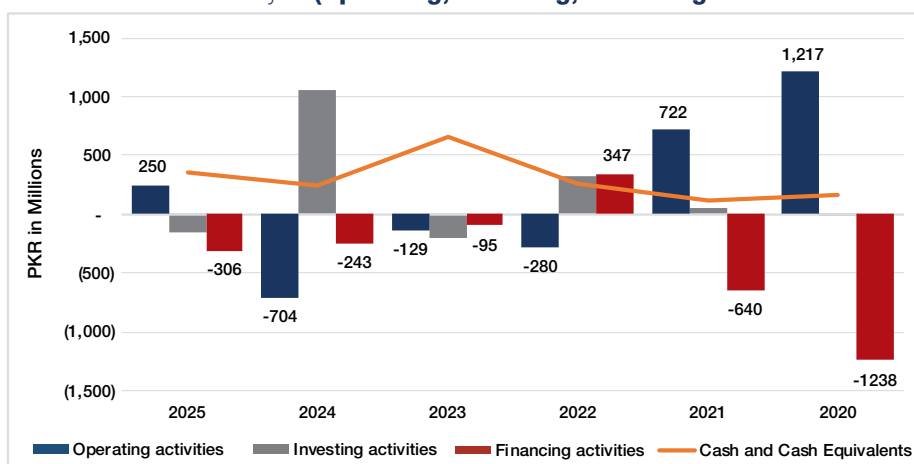


CASH FLOWS ANALYSIS

FOR THE CURRENT AND LAST FIVE YEARS

Summary of Cash Flow Statement	2025	2024	2023	2022	2021	2020
	Rs.(000)					
CASH FLOWS FROM OPERATING ACTIVITIES						
(Loss) / profit before taxation	(142,706)	162,400	(181,184)	1,015,200	503,854	(51,098)
Adjustments for non-cash items and other items	588,277	40,852	310,629	283,334	192,073	218,949
Working capital changes	469,381	(228,469)	377,161	(1,349,853)	160,289	1,354,187
Finance cost paid	(435,587)	(557,384)	(431,385)	(162,381)	(85,570)	(233,431)
Income tax paid	(255,463)	(137,305)	(200,960)	(58,722)	(56,195)	(74,725)
Net (increase) / decrease in long term loan to employees	-	-	(3,136)	(983)	-	280
Decrease / (increase) in long term security deposits	14,880	17,589	103	(6,682)	(8,702)	2,898
Increase / (decrease) in long term deposits	11,000	(1,500)	(500)	-	16,500	(500)
Net cash generated from / (used in) operating activities	249,781	(703,817)	(129,272)	(280,087)	722,249	1,216,560
CASH FLOWS FROM INVESTING ACTIVITIES						
Capital expenditures on operating fixed assets	(215,606)	(296,132)	(134,758)	(198,381)	(267,487)	(282,116)
Capital expenditures on intangible assets	(2,778)	-	(1,500)	(825)	(7,069)	(5,362)
Initial direct cost incurred on right of use assets	-	-	-	(3,411)	(1,204)	-
Proceeds from disposal of operating fixed assets	15,706	21,929	59,958	2,557	13,776	15,395
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	(16,964)	5,417	4,938	220,880	277,775	153,963
Dividend received	31,398	692,512	295,937	282,797	20,453	10,437
Interest received on loans to subsidiary company	36,714	115,830	44,386	-	-	7,741
Profit on bank deposits and term deposits received	1,129	35,121	22,813	21,992	21,829	86,942
Net cash (used in) / from investing activities	(150,400)	1,060,177	(193,726)	325,609	58,073	(13,000)
Cash flow from financing activities						
Repayment of lease liabilities	(147,363)	(168,845)	(125,883)	(107,111)	(81,501)	(48,576)
Dividends paid	(317)	(141)	(278,334)	(483,148)	(333,524)	(29,589)
Long term financing obtained	-	-	-	-	126,582	63,404
Long term financing repaid	-	-	(47,851)	(95,704)	(46,431)	(14,894)
Short term borrowings - net	(158,229)	(74,368)	357,337	1,033,038	(305,082)	(1,208,652)
Net cash used in financing activities	(305,908)	(243,354)	(94,731)	347,075	(639,956)	(1,238,307)
Net (decrease) / increase in cash and cash equivalents	(206,527)	113,006	(41,729)	392,597	140,366	(34,747)
Cash and cash equivalents at the beginning of the year	352,417	239,412	657,141	264,544	124,178	158,925
Cash and cash equivalents at the end of year	145,890	352,418	239,412	657,141	264,544	124,178

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



CASH FLOWS ANALYSIS

In FY2025, the Company generated net operating cash inflows of PKR 249 million, a marked improvement from the net outflows of PKR 703 million in FY2024. This reflects stronger working capital management and reduced financing costs, highlighting better efficiency in day-to-day operations.

On the other hand, investing activities shifted from a net inflow of PKR 1,060 million in FY2024 to a net outflow of PKR 150 million in FY2025, primarily due to short-term loans extended to the subsidiary company, which offset income from investments and asset disposals.

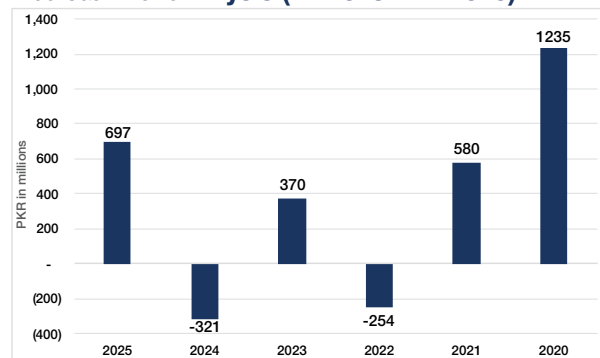
Financing activities recorded net outflows of PKR 306 million in FY2025 compared to PKR 243 million in FY2024, largely driven by higher repayments of lease liabilities and short-term borrowings. This indicates a higher cash outflow for financial obligations during the year.

As a result, the Company's cash and cash equivalents declined to PKR 146 million at the end of FY2025 from PKR 352 million in FY2024. Despite improved operating performance, the increased investing and financing outflows outweighed operating inflows, leading to a lower year-end cash position.

ANALYSIS OF FREE CASH FLOWS

Free Cash Flows	2025	2024	2023
	Rupees in thousand		
(Loss) / Profit before taxation	(142,706)	162,400	(181,184)
Adjustments for non-cash items and other items	588,277	40,852	310,629
Working capital changes	469,381	(228,469)	377,161
Capital additions	(218,383)	(296,132)	(136,258)
Free Cash Flows	696,569	(321,349)	370,348

Free Cash Flows Analysis (FY 2025 - FY 2020)



DIRECT METHOD CASH FLOWS

Cash Flows From Operating Activities

	2025	2024
	Rupees	
Collection from customers	35,540,050,550	24,976,176,601
Payments to employees as remuneration	979,946,215	(918,958,186)
Payments to suppliers and service providers	(33,367,187,890)	(21,854,190,232)
Income tax paid	(255,463,325)	(137,305,411)
Sales tax paid	(2,211,977,021)	(2,212,155,756)
Finance cost paid	(435,587,099)	(557,384,460)
Net cash generated from / (used in) operating activities	249,781,430	(703,817,444)

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure on operating fixed assets	(215,606,316)	(296,131,583)
Capital expenditure on intangible assets	(2,777,527)	-
Short term loan given to subsidiary company	(512,800,000)	(391,900,000)
Short term loan repaid by subsidiary company	512,800,000	877,400,000
Proceeds from disposal of operating fixed assets	15,705,735	21,928,948
Short term investments - net	(16,963,811)	5,416,933
Dividends received	31,398,163	692,512,052
Interest received on short term loan to subsidiary company	36,714,195	115,829,997
Profit on bank deposits and term deposit receipt received	1,129,385	35,120,772
Net cash (used in) / from investing activities	(150,400,176)	1,060,177,119

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of lease liabilities	(147,362,625)	(168,844,507)
Dividend paid	(316,556)	(141,327)
Short term borrowings - net	(158,229,315)	(74,368,418)
Net cash used in financing activities	(305,908,496)	(243,354,252)
Net (decrease) / increase in cash and cash equivalents	(206,527,242)	113,005,423
Cash and cash equivalents at the beginning of the year	352,417,143	239,411,720
Cash and cash equivalents at the end of the year	145,889,901	352,417,143

QUARTERLY ANALYSIS

FOR THE **CURRENT YEAR**

Statement of Profit or Loss	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Rupees in thousand			
GROSS REVENUE	7,421,037	9,948,593	8,624,529	9,833,735
DISCOUNTS	(14,311)	(225,770)	(119,087)	(141,363)
SALES TAX	(417,890)	(670,266)	(596,217)	(600,084)
NET REVENUE	6,988,836	9,052,557	7,909,224	9,092,287
COST OF SALES	(6,390,489)	(8,708,762)	(7,357,732)	(8,546,882)
GROSS PROFIT	598,347	343,795	551,492	545,406
DISTRIBUTION COST	(261,475)	(331,395)	(383,653)	(228,075)
ADMINISTRATIVE EXPENSES	(197,119)	(194,641)	(185,979)	(220,527)
OTHER EXPENSES	(4,824)	(8,644)	(16,137)	(23,763)
	(463,418)	(534,680)	(585,769)	(472,366)
OTHER INCOME	96,156	110,850	42,148	30,534
PROFIT / (LOSS) FROM OPERATIONS	231,084	(80,035)	7,871	103,574
FINANCE COST	(136,526)	(103,349)	(87,926)	(77,398)
(LOSS) / PROFIT BEFORE TAXATION AND LEVY	94,558	(183,385)	(80,055)	26,176
LEVY	(31,340)	(40,143)	(36,995)	(43,520)
(LOSS) / PROFIT BEFORE TAXATION	63,218	(223,528)	(117,050)	(17,344)
TAXATION	18,592	(27,823)	-	(14,846)
(LOSS) / PROFIT AFTER TAXATION	81,810	(251,351)	(117,050)	(32,190)

Statement of Financial Position	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Rupees in thousand			
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized share capital				
150,000,000 (2024: 150,000,000)				
ordinary shares of Rupees 10 each	1,500,000	1,500,000	1,500,000	1,500,000
Issued, subscribed and paid-up share capital	1,392,048	1,392,048	1,392,048	1,392,048
Reserves	2,628,122	2,376,772	2,259,722	2,295,743
Total Equity	4,020,170	3,768,820	3,651,770	3,687,791
LIABILITIES				
NON-CURRENT LIABILITIES				
Lease Liabilities	480,203	424,348	416,408	381,667
Long term deposits	14,872	22,500	24,000	26,000
	495,075	446,848	440,408	407,667
CURRENT LIABILITIES				
Trade and other payables	1,554,421	2,087,683	2,800,485	2,169,592
Accrued mark-up	67,160	52,147	37,674	37,294
Short term borrowings	2,100,310	1,759,183	1,575,432	1,618,958
Current portion of non-current liabilities	145,290	132,959	120,224	131,961
Unclaimed dividend	5,689	5,403	5,403	5,373
Provision for taxation - net	25,613	-	22,773	-
	3,898,483	4,037,376	4,561,991	3,963,179
Total liabilities	4,393,558	4,484,224	5,002,398	4,370,846
Contingencies and Commitments	-	-	-	-
TOTAL EQUITY AND LIABILITIES	8,413,728	8,253,043	8,654,168	8,058,637

Statement of Financial Position	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Rupees in thousand			
ASSETS				
NON-CURRENT ASSETS				
Fixed assets	2,813,053	2,856,293	2,846,817	2,656,770
Right-of-use assets	561,720	514,793	474,897	449,029
Intangible assets	910	735	600	2,710
Investment in subsidiary company	1,300,001	1,300,001	1,300,001	1,300,001
Long term security deposits	29,719	33,363	33,363	14,337
Long term loans to employees	1,817	1,584	1,350	1,117
Deferred income tax asset - net	162,754	134,931	134,931	121,450
	4,869,973	4,841,700	4,791,959	4,545,414
CURRENT ASSETS				
Stock-in-trade	1,429,151	1,415,349	1,412,721	731,023
Trade debts	582,093	766,795	1,200,027	1,232,490
Loans and advances	564,922	221,190	224,642	307,360
Short term deposits and prepayments	52,399	41,070	46,498	33,574
Other receivables	470,455	467,412	420,918	412,524
Accrued interest	19,900	17,002	92	10
Short term investments	217,928	236,788	242,801	240,352
Cash and bank balances	71,907	85,737	154,510	145,890
	3,408,755	3,251,343	3,702,209	3,103,223
Non-current asset classified as held for sale	135,000	160,000	160,000	410,000
TOTAL ASSETS	8,413,728	8,253,043	8,654,168	8,058,637

QUARTERLY ANALYSIS REVENUE PERFORMANCE

The Company demonstrated consistent growth in gross revenues, rising from PKR 7,421 million in Q1 to PKR 9,833 million in Q4, reflecting strong market demand. However, after accounting for discounts and sales tax, net revenue growth was partially offset by higher cost of sales, leading to fluctuating gross profit margins.

OPERATING COSTS

Operating performance was adversely impacted by elevated distribution and administrative expenses, particularly in Q1 and Q2, which eroded margins despite healthy sales volumes.

FINANCE COST BURDEN

Finance costs remained a significant burden throughout the year due to reliance on short-term borrowings, averaging above PKR 100 million per quarter.

PROFITABILITY TREND

As a result, profitability showed volatility: the Company achieved positive results in Q1 (PKR 82 million) and Q4 (PKR 53 million), while Q2 and Q3 closed with sizeable losses of PKR 251 million and PKR 117 million respectively.

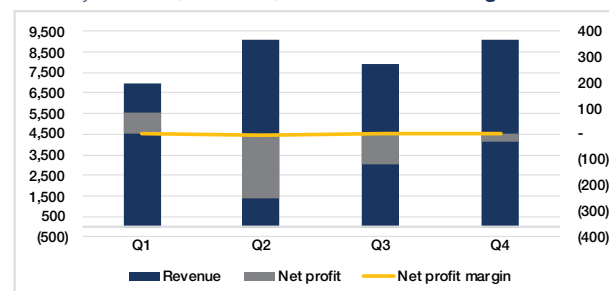
OVERALL ASSESSMENT

The Company's top-line trajectory is encouraging, but the mid-year losses highlight the importance of enhancing operational efficiency, rationalizing expenses, and reducing finance cost exposure to ensure consistent and sustainable profitability.

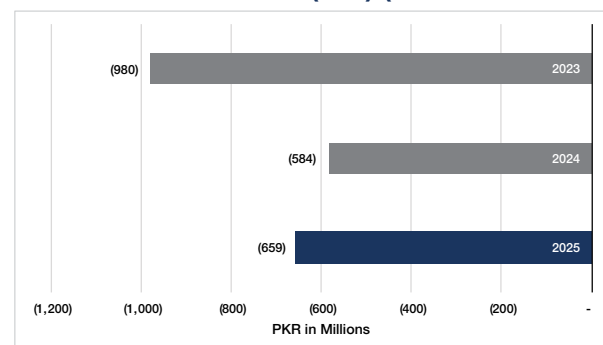
ECONOMIC VALUE ADDED

Economic Value Added (EVA) measures value created after covering the cost of capital. Over FY2023–FY2025, EVA remained negative—PKR (980) million, (584) million, and (659) million, respectively. The improvement in FY2024 reflected stronger operating execution and capital discipline. In FY2025, despite a lower weighted average cost of capital, softer operating earnings led to a modest increase in the EVA shortfall compared with FY2024. Management remains focused on restoring positive EVA through margin enhancement and product-mix optimisation, accelerating working-capital turns to reduce the capital base, and further optimising funding costs.

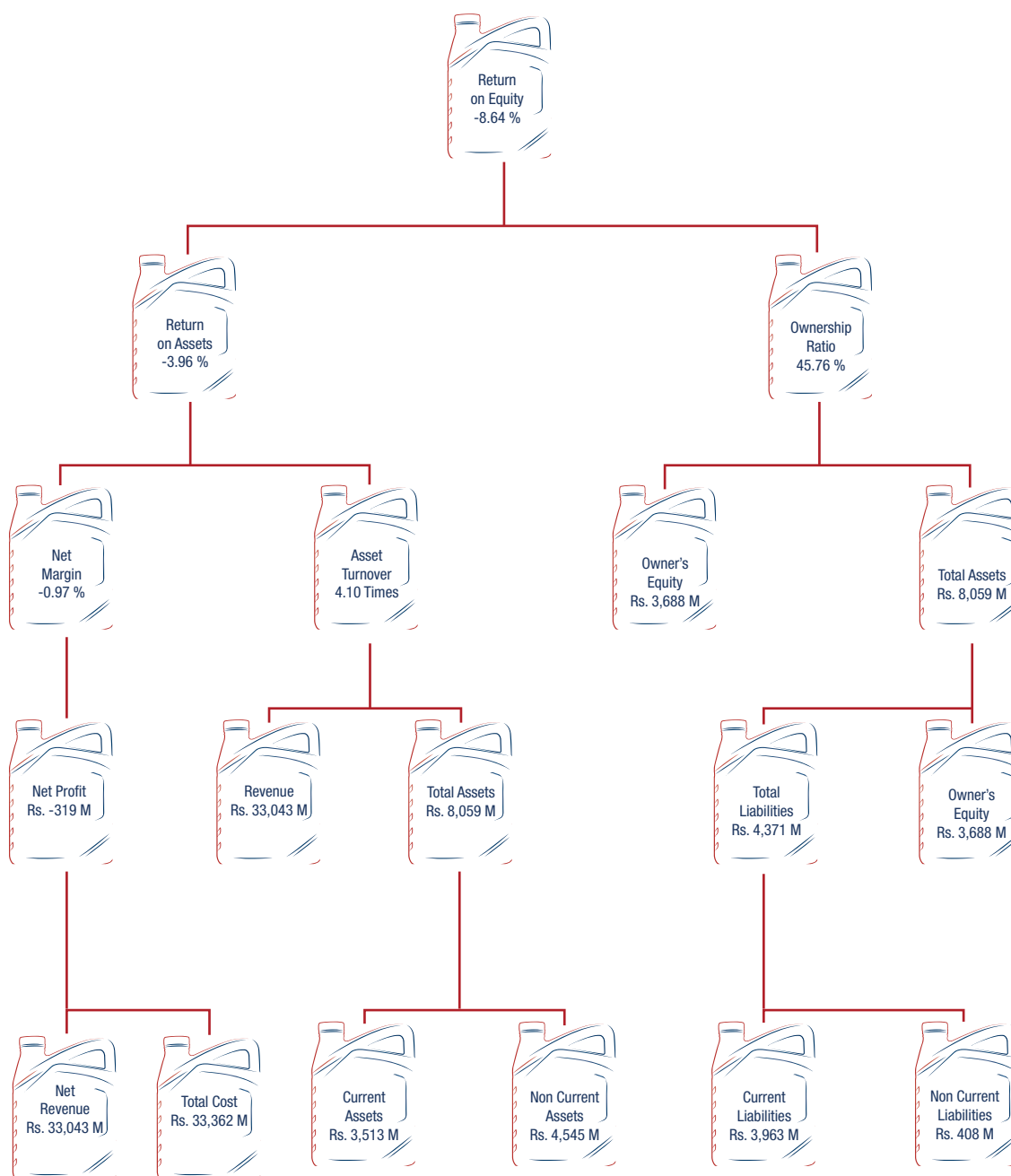
Quarterly Revenue, Net Profit, and Net Profit Margin - FY 2025



ECONOMIC VALUE ADDED (EVA) (FY 2025 - FY 2023)



DUPONT ANALYSIS



The DuPont analysis provides a structured framework to assess the Company'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 followed by subdued outcomes in later years.

In 2025, both Return on Assets (ROA) and Return on Equity (ROE) turned negative, reflecting weaker operational performance despite a declining trend in finance costs owing to lower interest rates. The Ownership Ratio has also declined steadily, indicating higher reliance on debt financing, which continues to magnify the impact of earnings volatility.

Management remains vigilant in monitoring all DuPont drivers—profitability, asset utilization, and financial leverage—to identify strengths and weaknesses and implement corrective measures. This disciplined approach is aimed at restoring operational efficiency, optimizing the capital structure, and ensuring sustainable shareholder value creation.

Year	Return on assets	Ownership ratio	ROE
	(Net profit / total assets)	Total equity / total assets	A/B
	A	B	
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%
2020	-0.80%	63.24%	-1.27%

ANALYSIS OF FINANCIAL AND NON-FINANCIAL PERFORMANCE (FY 2025)

FINANCIAL PLANNING AND BUDGETING

HTL's Financial Department plays a pivotal role in the annual budgeting process. Business units and cost centers prepare financial plans through a system-based budgeting 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

The Company monitors financial performance against defined targets for revenue, liquidity, and working capital.

Gross Revenue increased by 34% to PKR 35.83 billion (FY2024: PKR 26.76 billion).

Net Revenue rose to PKR 33.04 billion (FY2024: PKR 24.02 billion).

Gross Profit improved by 41% to PKR 2.04 billion (FY2024: PKR 1.44 billion), supported by higher volumes despite margin pressures.

Distribution & Administrative Expenses increased moderately, in line with business expansion and inflationary impact.

Other Income declined to PKR 280 million (FY2024: PKR 1.06 billion) due to the absence of exceptional one-off items recognized in the prior year.

Profit from Operations stood at PKR 262 million (FY2024: PKR 706 million).

Finance Cost decreased by 26% to PKR 405 million (FY2024: PKR 544 million), reflecting lower interest rates and better working capital management.

After levy and taxation, the Company reported a net loss of PKR 318.8 million (FY2024: net profit of PKR 111.4 million), translating into a loss per share of PKR 2.29 (FY2024: EPS 0.80).

PERFORMANCE AGAINST NON-FINANCIAL MEASURES

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

Human Capital: Workforce strength increased to 529 employees (FY2024: 490). Revenue per employee almost doubled to PKR 63.0 million (FY2024: PKR 32.5 million). Employee turnover remained low at 2.70% (FY2024: 1.70%), reflecting stability and retention. Structured training, internships, and succession planning supported long-term capability building and diversity.

Operational Readiness: Maintenance cost as a percentage of operating expenses increased to 2.14% (FY2024: 1.56%), reflecting enhanced focus on preventive maintenance and operational reliability.

Health, Safety & Environment (HSE): Fire safety drills, ISO 45001 compliance, and workplace safety initiatives were maintained across facilities, ensuring employee well-being and compliance with HSE requirements.

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 Company continued to contribute 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 in FY2025 showed signs of stabilization, with GDP growth estimated at 2.5%–3.5%, inflation moderating to 5.5%–7.5%, and the SBP reducing its policy rate to 11%. These macroeconomic improvements supported demand and lowered borrowing costs.

Despite these positive conditions, HTL recorded a net loss of PKR 318.8 million on an unconsolidated basis, compared to a profit of PKR 111.4 million in FY2024. The decline was primarily driven by a significant fall in other income, which offset gains from higher revenues, improved gross profit, and reduced finance costs.

OPERATIONAL EXPANSION AND STRATEGIC INITIATIVES

- The fuel station network expanded from 55 to 61, comprising 37 in Punjab, 20 in Khyber Pakhtunkhwa, and 2 each in Azad Jammu & Kashmir and Islamabad.
- Investments in automation, retail expansion, and process efficiency enhanced competitiveness and customer service.
- The partnership with SK Enmove Co., Ltd. continued to strengthen cost efficiency through local blending and reduced reliance on imports.

GOVERNANCE, COMPLIANCE, AND REPORTING STANDARDS

- The Company 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 48 to the unconsolidated 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. The Company has proudly secured this award for six consecutive years (2018–2023), securing positions among the top-ranked reports each year. Details of HTL's consistent recognition at the Best Corporate and Sustainability Report Awards in the Fuel and Energy sector 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

BEST CORPORATE REPORT AWARDS

