



CORPORATE BRIEFING SESSION

FINANCIAL RESULTS FOR THE YEAR ENDED JUNE 30, 2019

★ NOVEMBER 22, 2019

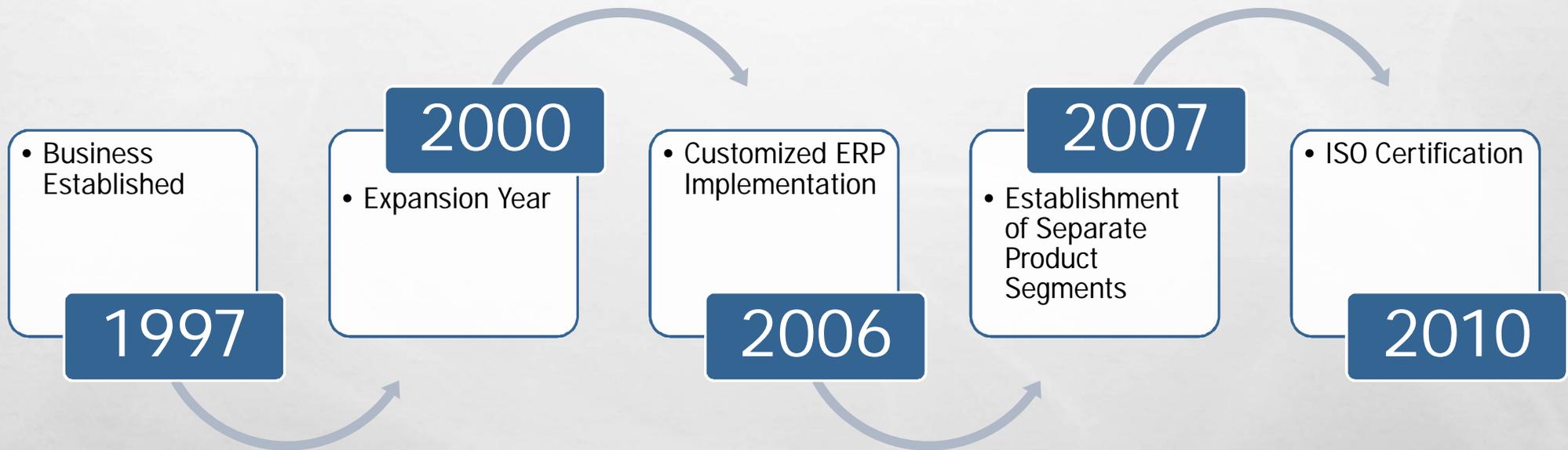
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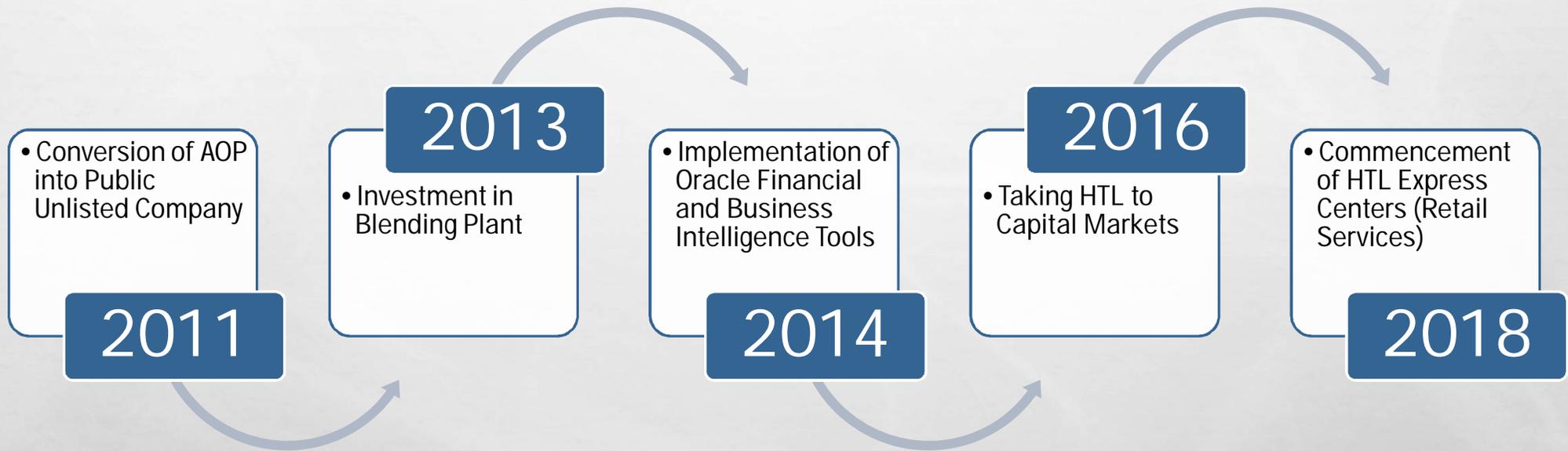
COMPANY BRIEF



HTL HISTORY TIMELINE



HTL HISTORY TIMELINE



HTL STRUCTURE



ZIC LUBRICANTS



HTL EXPRESS



HTL FUEL STATIONS

HTL STRUCTURE



HI-TECH BLENDING (PVT.) LTD.

SUBSIDIARY COMPANY

(100% WHOLLY OWNED BY HTL)



SABRA HAMIDA TRUST ILMGAH SCHOOL SYSTEM

CSR PROJECT

DULY APPROVED BY:

PAKISTAN CENTRE FOR PHILANTHROPY

BUSINESS OVERVIEW



ZIC LUBRICANTS PRODUCT RANGE

DIESEL ENGINE OILS



MOTOR CYCLE OILS



GASOLINE ENGINE OILS



NEW PRODUCTS INTRODUCED DURING FY2019

DIESEL ENGINE OILS



X1000-50 (CF/SF)
(Economy)

MOTOR CYCLE OILS



M0-10W-40

M3-20W-50

M1-20W-50



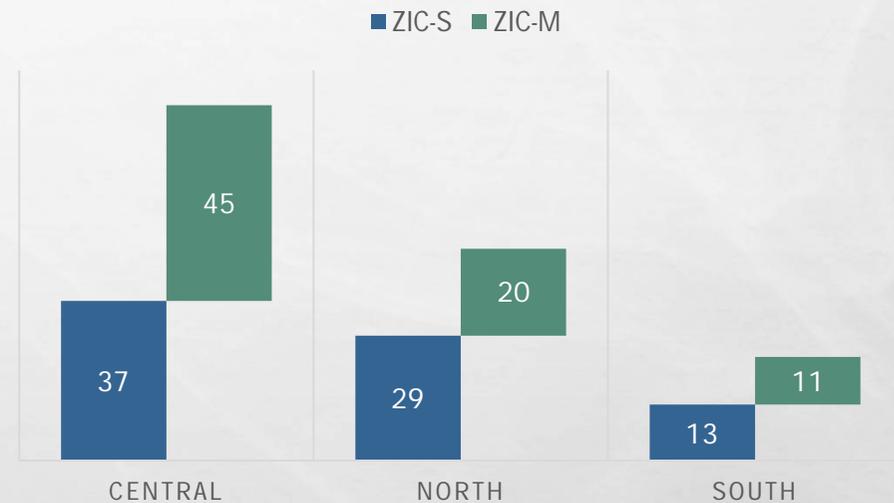
X1-20W-50
(Economy)

GASOLINE ENGINE OILS

LUBRICANTS DISTRIBUTION NETWORK

Region	ZIC-S	ZIC-M	Total
Central	37	45	82
North	29	20	49
South	13	11	24
Total:	79	76	155

NO. OF DISTRIBUTORS



HTL EXPRESS CENTERS

HTL EXPRESS IS A ONE-STOP SOLUTION FOR ALL VEHICLE MAINTENANCE NEEDS. WITH AN HTL EXPRESS CENTER, OUR CUSTOMER CAN BE SURE TO EXPERIENCE BOTH HIGH QUALITY PRODUCTS AND HIGH QUALITY SERVICES TO MATCH THEM.

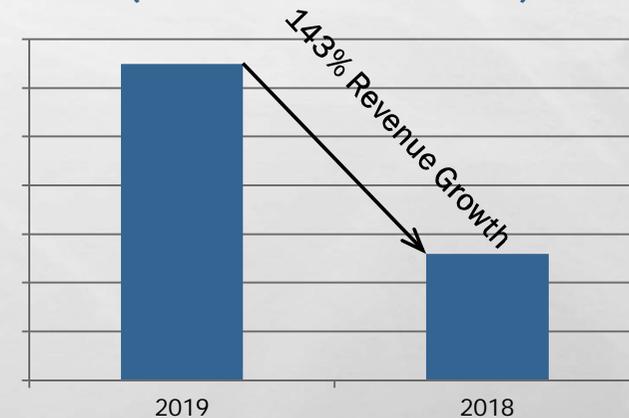
SERVICES

OIL CHANGE	
CAR WASH /SERVICE	
TIRE SERVICE	
BATTERY SERVICE	
AC SERVICE	
ACCESSORIES	

NO. OF CENTERS

Location	No.
Lahore	4
Karachi	3
Pindi	1

REVENUE (PKR IN MILLION)



HTL FUEL STATIONS

- LICENSE GRANTED BY OGRA FOR SAHIWAL DEPOT.
- WORK HAS COMMENCED ON CONSTRUCTION OF NOWSHERA KPK DEPOT.
- PIPELINE APPROVAL FROM PARCO IS UNDERWAY, ALL OTHER REQUIREMENTS ARE FULFILLED.
- AGREEMENTS HAVE BEEN FINALIZED FOR ESTABLISHING 26 FUEL STATIONS IN PUNJAB PROVINCE.
- PLAN IS TO ESTABLISH 360 FUEL STATIONS IN 05 YEARS TIME SPAN.

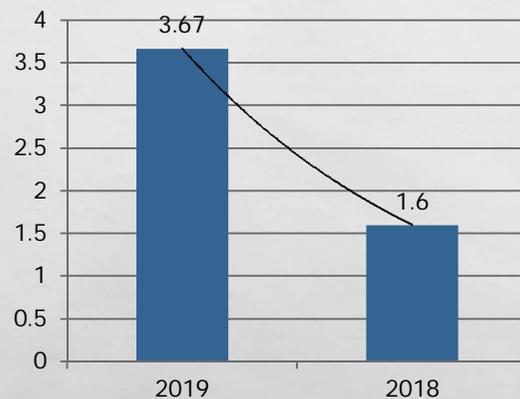
NO. OF FUEL STATIONS PLANNED

Province	Year 1	Year 2	Year 3	Year 4	Year 5
Punjab	50	80	130	155	175
Sindh	-	-	20	70	100
KPK	-	20	45	75	85

BLENDING PLANT

HI TECH BLENDING HAS STARTED COMMERCIAL RUN OF ZIC MID-TIER RANGE. HTBL WITH ITS FINE LAB, FILLING LINES AND QUALITY CONTROLS ARE THE KEY TO SUCCESS.

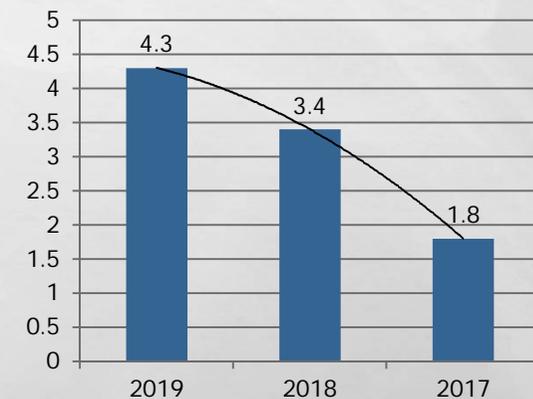
EPS (56% GROWTH)



CAPACITY VS. PRODUCTION (2019)

Description	Unit	Capacity	Production	%
Bottles	No.	14,587,941	9,473,308	65%
Caps	No.	29,700,000	7,670,173	26%
Filling	Ltr.	37,950,000	12,885,278	34%
Blending	Ltr.	20,000,000	2,420,760	12%

REVENUE (PKR IN BILLION)



FINANCIAL REVIEW



ECONOMIC HIGHLIGHTS

- GDP OF THE COUNTRY WAS 3.3% IN FY2019 VS. 5.5% IN FY2018
- PER CAPITA INCOME REDUCED FROM \$1,652 TO \$1,497
- CPI INCREASED BY 7.34% IN FY2019 VS. 3.92% IN FY2018
- INTEREST RATES INCREASED FROM 6.50% TO 13.25%
- USD RATES WENT UP FROM PKR 121.6/\$ TO 163.85/\$ (DEVALUATION OF 34.7%)
- 42% DECLINE IN CAR SALES AS COMPARED TO FY 2018
- WHITE OIL DEMAND DOWN BY 9.3%

**Source: Economic Survey 2019, Pakistan Bureau of Statistics and State bank of Pakistan.*

FY 2019 VS. FY 2018

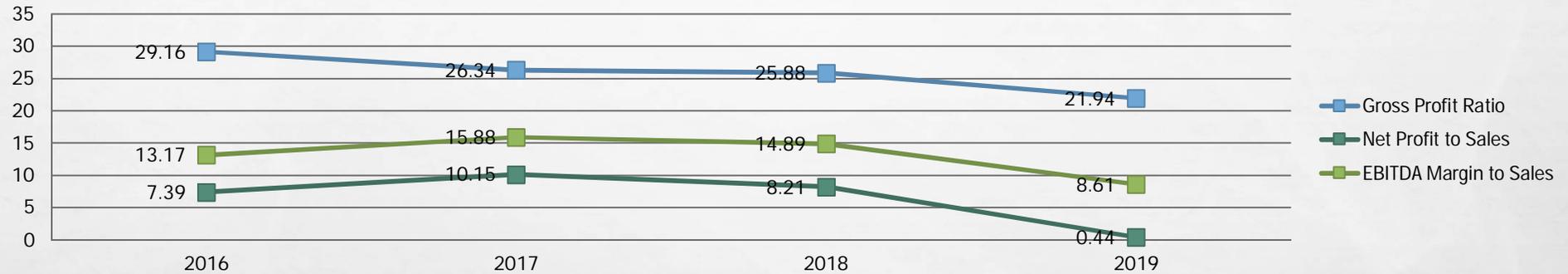
Profit and Loss (PKR in Millions)	2019	2018	2019 vs. 2018
Net Sales	9,431	9,255	176
Gross Profit	2,069	2,395	(326)
GP Ratio (% of Sales)	22%	26%	-4%
Distribution Cost	(807)	(606)	(201)
Distribution Cost (% of Sales)	8.5%	6.5%	-2%
EBITDA	812	1,378	(566)
Exchange Loss	(107)	(62)	(45)
Exchange loss (% of Sales)	2.04%	1.17%	-0.87%
Finance Cost	(314)	(127)	(187)
Finance Cost (% of sales)	-3.33%	-1.38%	-1.95%
Interest Cover Ratio (Times)	3	11	(8)
Profit Before Tax	301	1,151	(850)
Tax	(259)	(391)	132
Tax (% of Sales)	2.75%	4.22%	-1.47%
Profit After Tax	41	760	(718)
Net Profit Ratio (% of Sales)	0.44%	8.21%	-7.77%
Dividend Declared	29.00	406	-377

FOUR YEARS FINANCIAL HIGHLIGHTS

Profit and Loss (PKR in Millions)	2019	2018	2017	2016
Net Sales	9,431	9,255	7,328	7,015
Gross Profit	2,069	2,395	1,931	2,046
GP Ratio (% of sales)	22%	26%	26%	29%
Distribution Cost	(807)	(606)	(445)	(851)
Distribution Cost (% of Sales)	8.5%	6.5%	6%	12%
EBITDA	812	1,378	1,164	923
Exchange Loss	(107)	(62)	(18)	(25)
Exchange Loss (% of Sales)	2.04%	1.17%	0.52%	0.62%
Finance Cost (3.3% of Sales)	(314)	(127)	(77)	(18)
Interest Cover Ratio (Times)	3	11	15	51
Profit Before Tax	301	1,151	1,079	867
Tax	(259)	(391)	(335)	(349)
Tax (% of Sales)	2.75%	4.22%	4.57%	4.97%
Profit After Tax	41	760	744	518
Net Profit Ratio (% of Sales)	0.44%	8.21%	10.15%	7.39%
Dividend Declared	29	406	406	307

KEY PERFORMANCE INDICATORS

Profitability Ratios

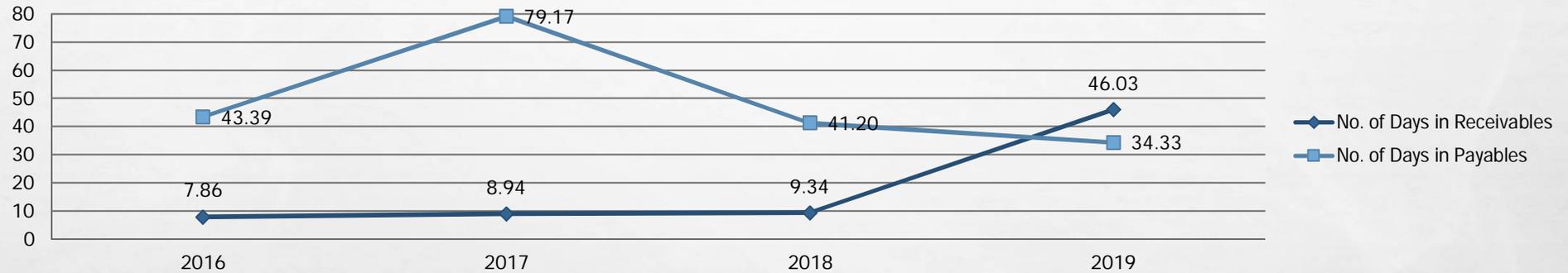


Liquidity Ratios

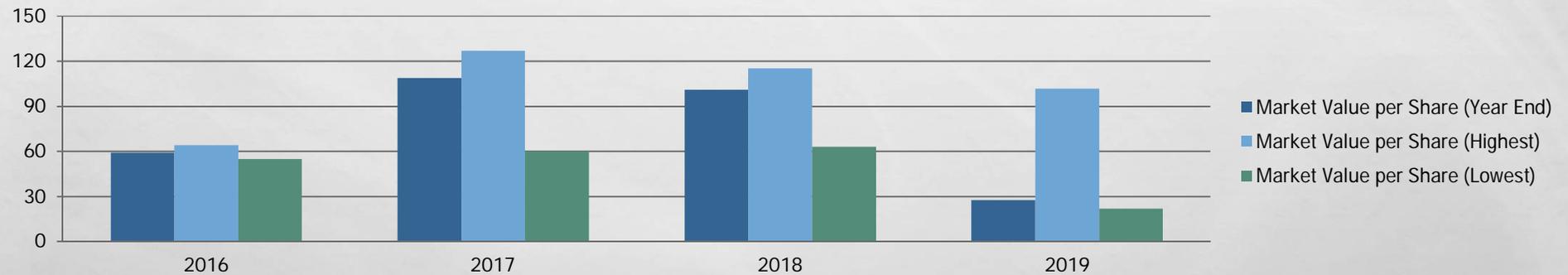


KEY PERFORMANCE INDICATORS

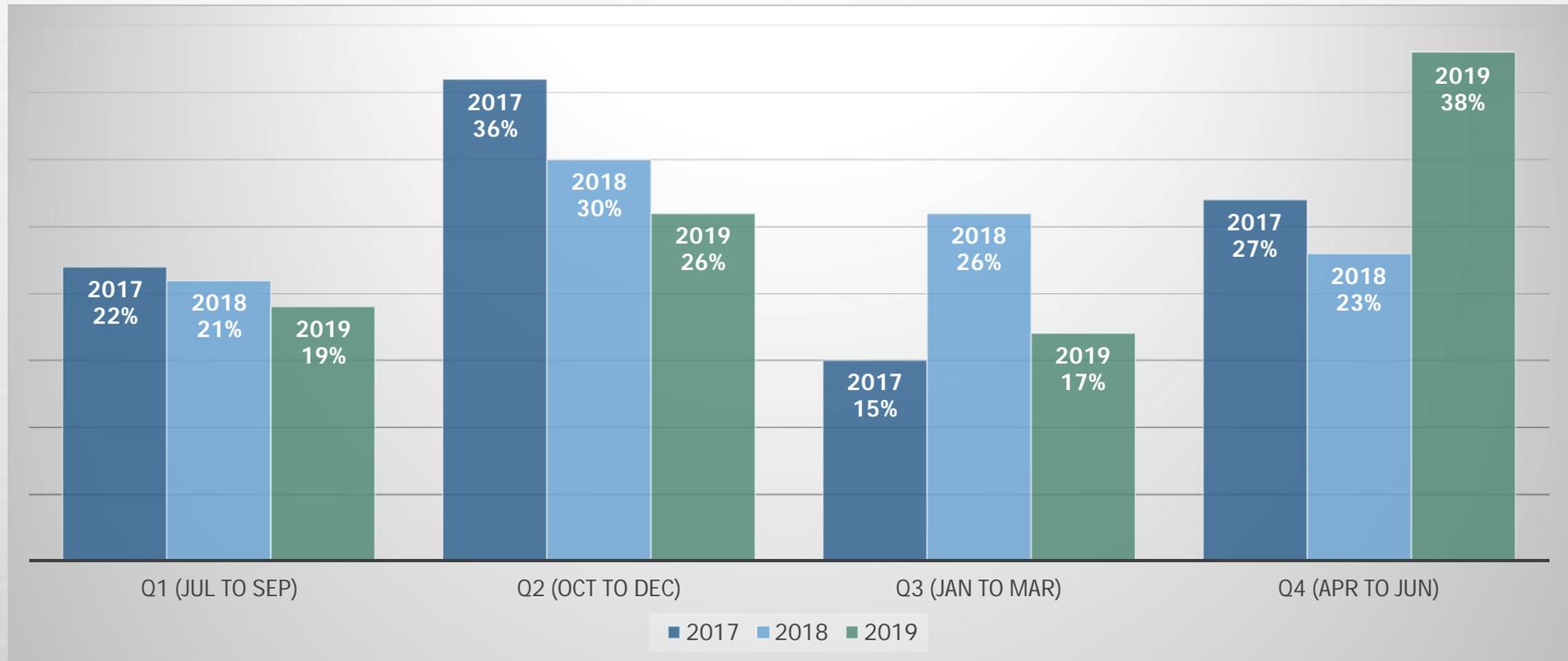
Activity Ratios



Share Price Sensitivity Analysis



QUARTER WISE SEASONAL SALES ANALYSIS (2017 TO 2019)



ANALYSIS FOR FY2019

Profit and Loss (PKR in Millions)	FY2019	Jul to Mar (9 Months)		Apr to Jun (3 Months)	
Net Sales	9,431	4,565	48%	4,866	52%
Gross Profit	2,069	1,172	57%	897	43%
EBITDA	882	372	42%	510	58%
Depreciation & Amortization	(158)	(111)	70%	(47)	30%
Finance Cost	(314)	(231)	74%	(83)	26%
Other Operating Expenses	(192)	(133)	69%	(59)	31%
Other Income	82	58	71%	24	29%
Earnings / (Loss) Before Tax	300	(45)	-15%	345	115%
Taxation	(259)	(224)	86%	(35)	14%
Profit/ (Loss) After Tax	41	(269)	-656%	310	756%
Basic Earnings / (Loss) Per Share: (PKR)	0.35	-2.33	-666%	2.68	766%



FUTURE OUTLOOK

FUTURE OUTLOOK

- 82% OF LUBRICANTS VOLUME WILL BE FILLED AND BLENDED LOCALLY THROUGH OUR BLENDING PLANT THAT WILL ALLOW US TO ENTER MID-TIER MARKET WHICH IS ALMOST 55-60 % OF THE TOTAL LUBRICANT MARKET SIZE.
- 26 RETAIL FUEL STATIONS ARE EXPECTED TO BE OPERATIONAL BY JUNE 2020.
- STORAGE SITE IN KPK PLANNED COMPLETION BY JUNE 2020 THAT WILL ALLOW HTL TO BUILT ANOTHER 27 RETAIL STATIONS.
- 8 NEW HTL EXPRESS CENTERS PLANNED ON HTL FUEL STATIONS THAT WILL GENERATE SIGNIFICANT SYNERGY.

QUESTIONS AND ANSWERS

CORPORATE BRIEFING SESSION
FINANCIAL RESULTS FOR THE YEAR
ENDED JUNE 30, 2019



THANK YOU!