



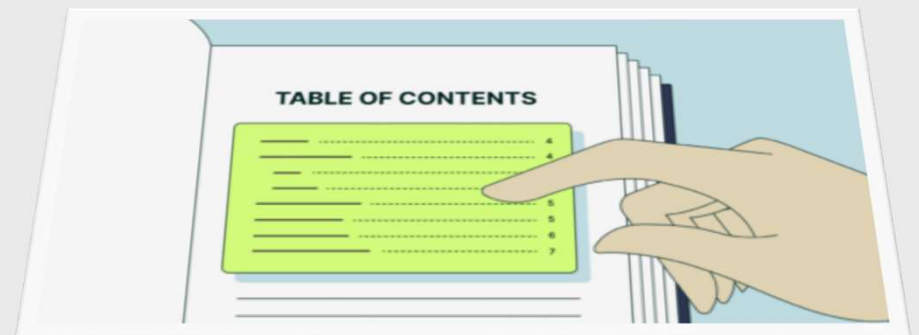
CORPORATE BRIEFING SESSION

November 2023

CONTENTS



- Company Brief
- Strategic Developments
- Financial Information
- Questions & Answers



PROFILE OF THE COMPANY



- Company Profile
- Journey So Far
- Key Markets
- CSR



- **Hi-Tech Lubricants Limited (HTL)** is a well established player in the **lubricants industry**, serving the Pakistani market for the last 26 years. HTL has outreach and availability of flagship **ZIC products** at around 20,000 retail outlets and wash stations, with a sales and technical force comprising of 174 employees . Over 300 distribution vans are committed to providing door-to-door delivery for customers.
- In 2017, HTL stepped into the **retail service industry** under the brand name of **HTL Express Centers** however, during 2020-21 HTL changed its strategy and adopted the franchise model.
- In the year 2020, HTL embarked on a strategic diversification initiative by entering the **petroleum products** market with the launch of **HTL Fuel Stations**. In 2023, HTL achieved a significant regulatory milestone by securing authorization from the Oil and Gas Regulatory Authority (OGRA) for KPK marketing license.
- Through **Hi-Tech Blending (Private) Limited (HTBL)** - wholly owned subsidiary Company, HTL operates a state-of-the art **blending plant facility**. This facility is geared to produce lubricants that consistently adhere to stringent international quality standards and it is fully equipped, featuring a comprehensive bottle processing unit and advanced automated filling lines.
- HTL has embarked on a significant venture into the **polymer segment** through Hi-Tech Blending (Private) Limited. This strategic move involves the installation of state-of-the-art machinery and facilities dedicated to the production of **polymer products** for external customers. This expansion underscores the company's dedication to innovation and excellence in serving a broader customer base, contributing to its ongoing growth and achievements.

1997

BUSINESS ESTABLISHED

- In March, 1997 Hi-Tech Lubricants (HTL) started its journey as an Association of Persons (AOP). The main business was to import the lubricants from YU Kong Ltd. (now known as SK Enmove Ltd.) and market the same in Pakistan.

2000

EXPANSION YEAR

- After the struggle of three (03) years, HTL succeeded to create its brand name in the lubricants industry, hence expanded its distribution network in other cities of Pakistan.

2006

CUSTOMIZED ERP IMPLEMENTATION

- In the year 2006, HTL purchased customized ERP Software and Online Customer Web Portal. This customized ERP software helped HTL to record and support its business activities.

2007

ESTABLISHMENT OF SEPARATE PRODUCT SEGMENTS

- In order to boost sales revenue, HTL introduced Mid-Tier products. This establishment of new product segment and separate reporting lines helped HTL to focus deeply on both the categories through a dedicated sales force.

2010

ISO CERTIFICATION

- In 2010, HTL got ISO 9001:2008 certifications to ensure excellent quality management system.

2011

CONVERSION OF AOP INTO PUBLIC UNLISTED COMPANY

- In 2011, HTL management decided to go one-step further and got a status of a Pvt. Ltd. company by fulfilling the legal requirements. In the same year, HTL got converted into a public unlisted company.

2013

INVESTMENT IN BLENDING PLANT

- In 2013, HTL devised the strategy of diversification and decided to invest in a wholly owned subsidiary, Hi-Tech Blending (Pvt.) Limited (HTBL), a state of the art blending plant in Bhai Kot adjacent to Sunder Industrial Estate, Lahore.

2014

IMPLEMENTATION OF ORACLE FINANCIAL AND BI TOOLS

- In 2014, HTL implemented Oracle software and Business Intelligence Tool for its core business operations. This implementation was completed in a record time of 6 months.

2016

TAKING HTL TO CAPITAL MARKETS

- In 2016, HTL stepped into capital markets through an Initial Public Offering (IPO). HTL issued 29,001,000 ordinary shares of Rs.10 each. Further in the same year, in 2017 to reach out to consumers directly to fulfill their car care needs.

2017

COMMENCEMENT OF HTL EXPRESS CENTERS

- In 2017, HTL launched a new project named “HTL Express” and established its first retail center at Dharampura, Lahore.

2020

PETROLEUM SEGMENT OPERATIONS

- Start of marketing and sale of petroleum products through HTL Fuel Stations in Punjab Province.
- Successfully implemented Oracle system for petroleum segment operations.

2021

ENTRANCE INTO PLASTIC PACKAGING INDUSTRY

- Successful completion of Oil Storage Facility situated at Nowshera, Khyber Pakhtunkhwa Province.
- Started expansion of HTBL's blending facilities.
- Through HTBL, entrance into plastic packaging industry by venturing into the production of plastic products for external customers.

2023

POLYMER SEG. OPERATIONAL & KPK APPROVAL

- Successfully started Polymer Segment Operations through Hi-Tech Blending (Private) Limited- wholly owned subsidiary company.
- Received formal authorizations from OGRA to commence operations at its storage facility situated in Nowshera, Khyber Pakhtunkhwa Province.
- Received permission from OGRA to initiate the sale and marketing of petroleum products through a network of thirty-five HTL Fuel Stations in Khyber Pakhtunkhwa Province.

KEY MARKETS

ZIC LUBRICANTS

- HTL's distribution network for ZIC lubricants spans across the entirety of Pakistan, including Azad Jammu and Kashmir and Gilgit Baltistan.
- In 2021, in pursuit of expansion, HTL took a strategic step by entering into a Non-Exclusive Distribution Agreement with M/S Osman Ghani Limited, an Afghanistan-based company. This agreement enables the export of locally blended ZIC Brand products to Afghanistan.

HTL EXPRESS CENTERS

- HTL, operating under a franchise model, offers comprehensive vehicle maintenance services in Lahore, Gujranwala, Rawalpindi and Karachi, under its esteemed brand name, HTL Express Centers.
- These franchise outlets cater to a diverse clientele, serving both corporate and non-corporate customers with the utmost professionalism and efficiency.

PETROLEUM PRODUCTS

- HTL, operating under a franchise model, offers comprehensive vehicle maintenance services in Lahore, Gujranwala, Rawalpindi and Karachi, under its esteemed brand name, HTL Express Centers.
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**CORPORATE SOCIAL
RESPONSIBILITY (CSR)**

- At HTL, we hold **primary focus** on the **Education**, **Healthcare**, and **Environment** sectors of Pakistan and we have embraced the **United Nations Sustainable Development Goals** (SDGs) as a foundational blueprint for our strategic journey toward sustainable society.



**ILMGAH SCHOOL SYSTEM
(CSR)**

- The **Iimgah School Systems**, operating under the auspices of the Sabra Hamida Trust, is emerging as a formidable force in the realm of **educational and social initiatives**. The school is actively engaged in **uplifting the underprivileged** strata of society.
 - Skilled and qualified teachers
 - Rescue 1122 training session
 - Annual medical checkups for the staff
 - Students making waves of hope in flood relief efforts
 - Mentorship for future nurturing
 - Uniting young stars in the spirit of sportsmanship
 - Exploring the joy of vegetable gardening
 - Achieves excellence in matriculation results
 - Teachers mastering communication skills
 - Subject-specific training workshops & early years coaching



**ILMGAH SCHOOL SYSTEM
(CSR)**



HEALTHCARE AND WELL-BEING (CSR)

- We have elevated **Healthcare and Well-being** as a pivotal pillar within our Corporate Social Responsibility (CSR) strategy.
 - Medical camp in collaboration with transparent hands.
 - HTL observed breast cancer awareness month.
 - Social awareness campaign on no smoking.
 - HTL observed world donor day.
 - Rebuilding lives, restoring hope for flood victims of Baluchistan, Sindh and Punjab.
 - Women's day celebration.



**ENVIRONMENTAL PROTECTION
(CSR)**

- As measures for the **environmental protection**, we have participated in **Greener Pakistan** Initiative through which, we have extended our reach to numerous educational and vocational training institutes for the cause of **tree planting** and recognizing the pivotal role it plays in securing a **sustainable future** for the planet and generations yet to come.



STRATEGIC DEVELOPMENTS



- ZIC Lubricants
- HTL Express Centers
- HTL Fuel Stations
- Blending Plant
- Polymer Segment



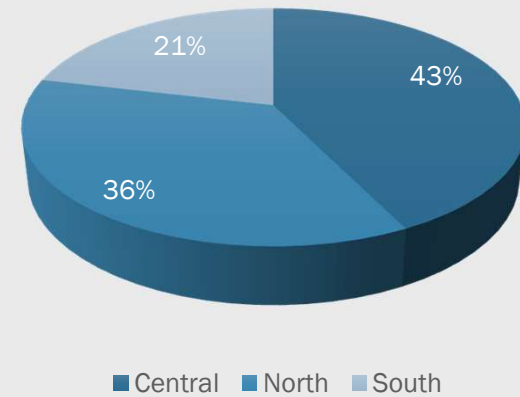
- HTL Lubricants product portfolio consists of three major categories i.e. Mineral/ Classic Oil, Semi Synthetic and Synthetic Engine Oils. Mineral oil is refined from crude oil and is conventional, synthetic oil is artificially prepared chemically according to the need or requirements of vehicle, while semi synthetic oils are a mixture of both mineral and synthetic oil.
- **GASOLINE ENGINE OILS (GEO):** ZIC Synthetic Oil is based on Very High Viscosity Index (VHVI) technology offering various grades (issued by SAE). It provides superior engine protection and is also fuel efficient. ZIC Gasoline Engine Oil is used for vehicles working on Petrol, LPG and CNG. ZIC offers a wide series such as ZIC Top, X9, X7, X5, X3 and X1 in this area.
- **MOTOR CYCLE OILS (MCO):** ZIC MCO is offering a wide range of products which includes fully synthetic ZIC M9 and M7 whereas, a high quality semi synthetic M5. In classic category, HTL provides M3 which is blended with highly refined base oil and selected additives. M1 is multi viscosity motor oil specifically designed for 3 wheeler's engine.
- **DIESEL ENGINE OILS (DEO):** Diesel Engine oil is used in vehicles having heavy duty engines like trucks, buses, trawlers etc. Under DEO, ZIC is offering X7000, X5000, X3000 and X1000. X7000 and X5000 are high quality fully synthetic engine oils, X3000 is a classical mineral oil while X1000 is prepared in HTBL.

ZIC DISTRIBUTION NETWORK

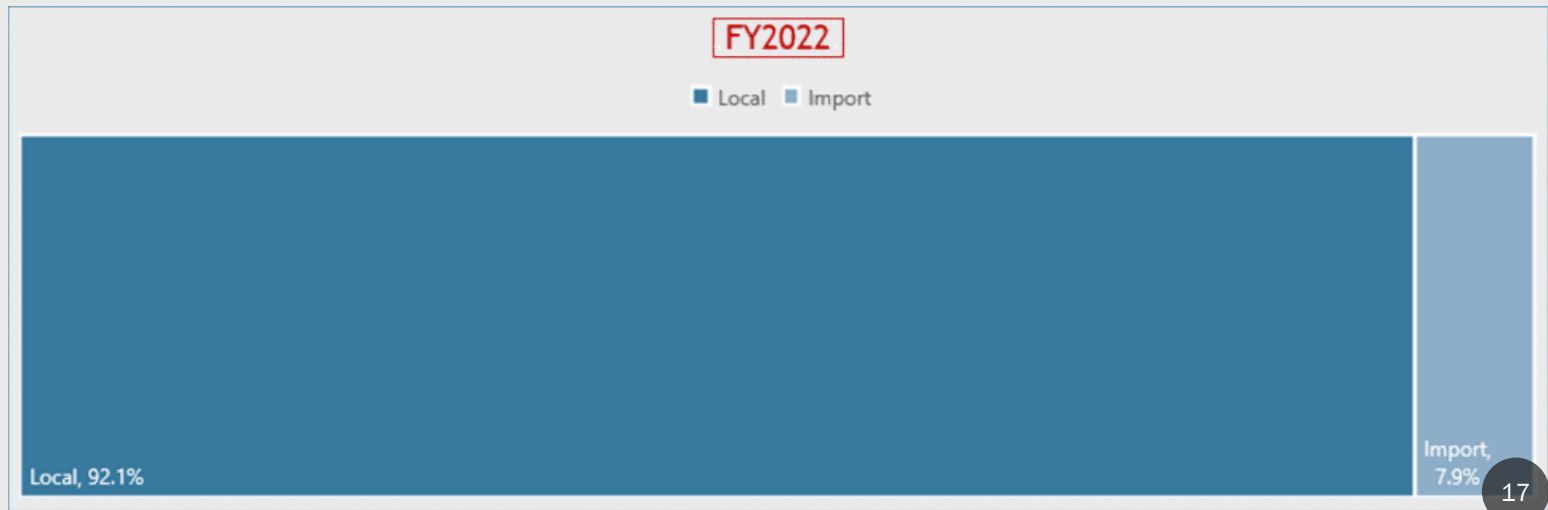
- To efficiently manage the operations, HTL has strategically divided its sales areas into **three distinct regions**: South, North and Central. It is noteworthy that the majority of the Company’s revenue is generated within the Punjab province.
- The distribution network of the company exists **across Pakistan** and following are the number of distributors engaged with HTL:

Regions	No. of Distributors
Central	58
North	49
South	29
Total	136

Distribution Network



**SHARE OF LUBRICANTS
VOLUME SOLD**

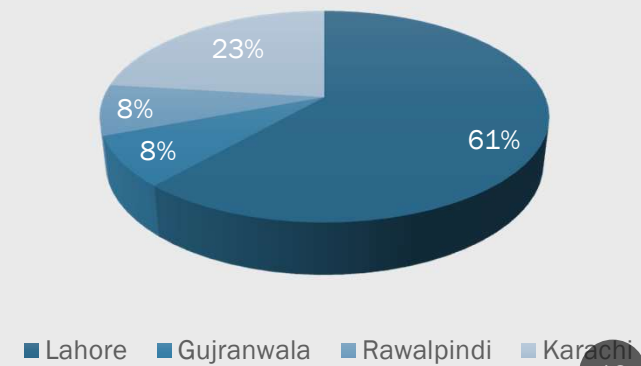


HTL EXPRESS CENTERS

- HTL Express Centers offer a comprehensive and customer-centric vehicle maintenance solution, serving as a **one-stop destination** for all **vehicle maintenance** needs. Our services encompass a wide range of offerings, including oil changes, wash / service, tire and battery services, air conditioning maintenance, and vehicle accessories.
- In alignment with our **evolving strategy**, we have transitioned to a **franchise model** for HTL Express Centers in 2021. Currently, we have established thirteen franchise locations across different cities of Pakistan. Whereas, we are **planning to increase** it to **22 centers** by the end of year **2025**.

City	No. of Centers
Lahore	8
Gujranwala	1
Rawalpindi	1
Karachi	3
Total	13

Franchise Network

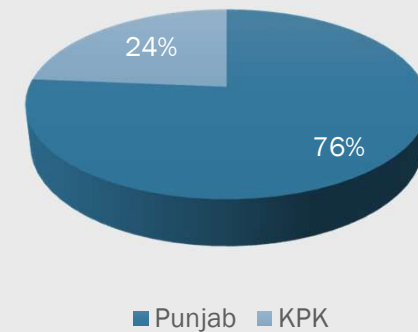


HTL FUEL STATIONS

- HTL successfully manages the marketing and sale of **petroleum products** through HTL Fuel Stations, all operated by dealers, primarily in the Punjab Province. The number of these dealer-operated fuel stations has reached **twenty-nine**, with plans for steady expansion.
- We are actively pursuing **expansion** in the Khyber Pakhtunkhwa Province. We have received formal approval from Oil and Gas Regulatory Authority (OGRA) to initiate petroleum operations in **Khyber Pakhtunkhwa** Province, through thirty-five HTL Fuel Stations, with **nine** of them already commencing operations after the reporting year.
- Our plan is to **increase** the number of **fuel stations** by **42**, totaling it to **80** by the end of year **2025**. Also, **Shikarpur depot** is to go operational by the end of **2024**.

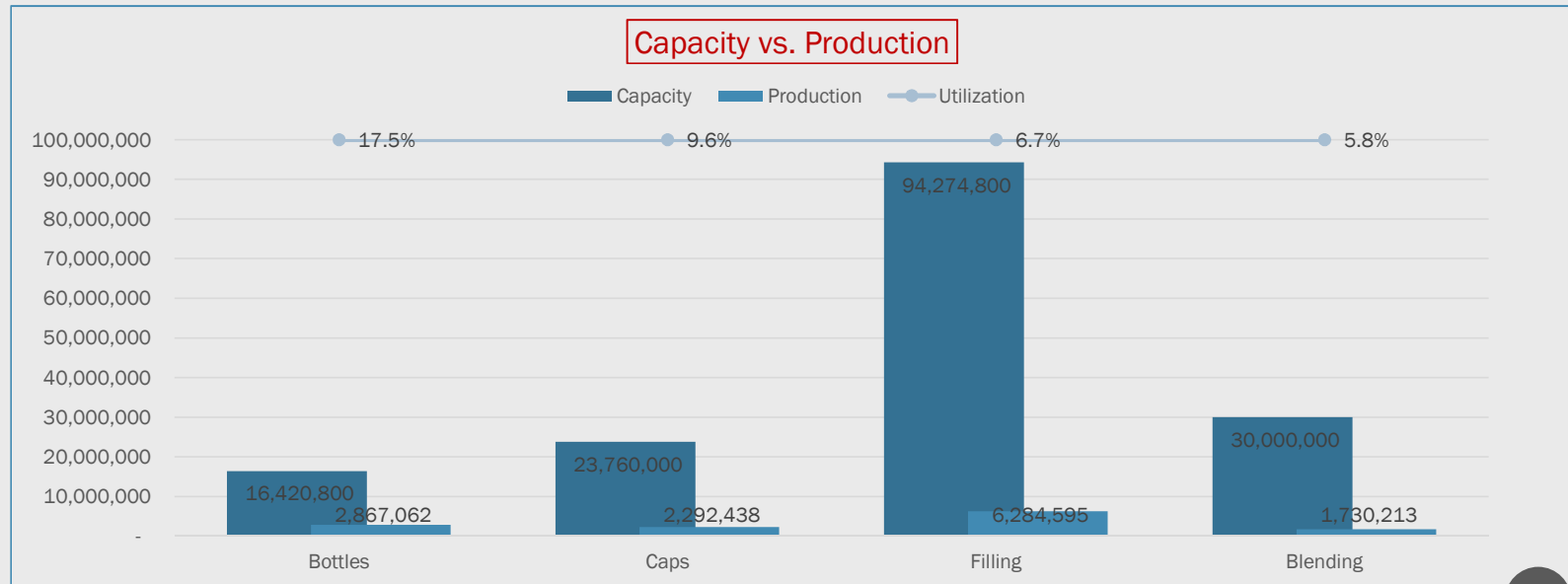
City	No. of Stations
Punjab	29
KPK	9
Total	38

Fuel Stations Network



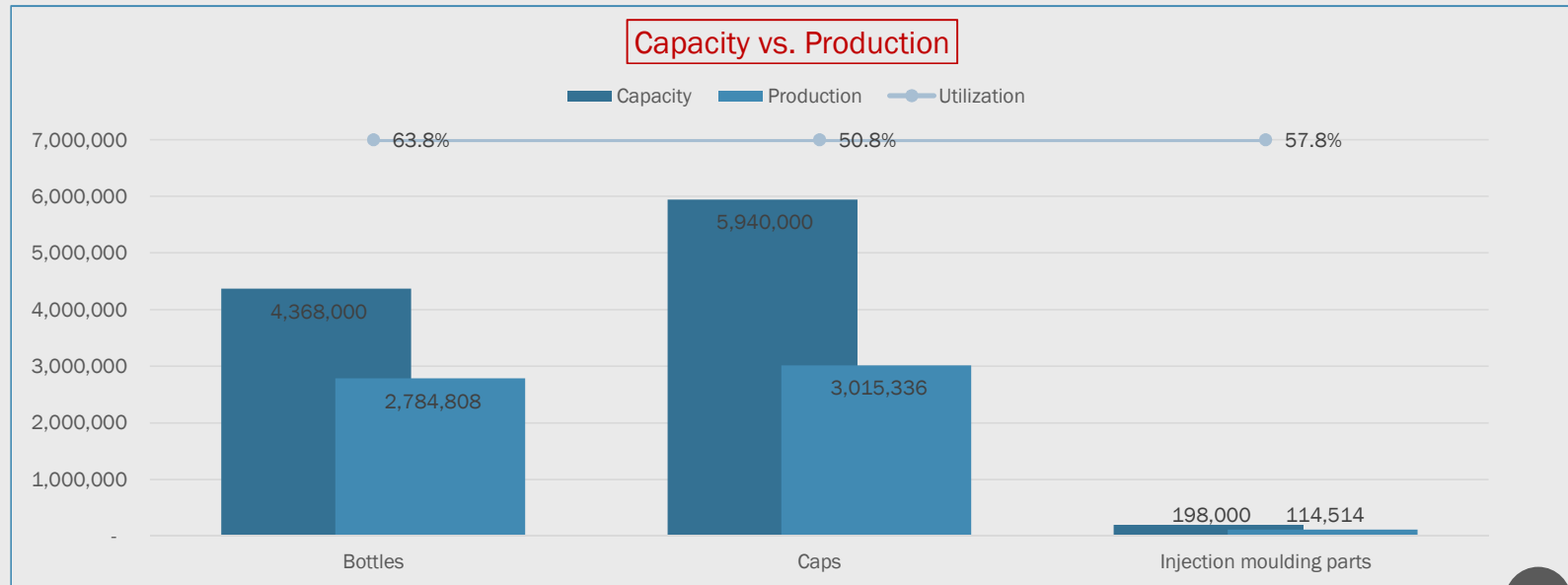
BLENDING PLANT

- To meet the growing demand for ZIC Lubricants in the country, **consistent and reliable supply** of our premium lubricants remains a top priority. And to ensure that, the Company has **established Hi-Tech Blending (Private) Limited (HTBL)**, a wholly-owned subsidiary. HTBL is equipped with an independent and state-of-the-art Hi-tech **Testing Laboratory, filling lines and stringent quality control** checks.
- This facility has been designed to produce **in-house cans, caps and locally blend lubricants** for ZIC mid-tier products.

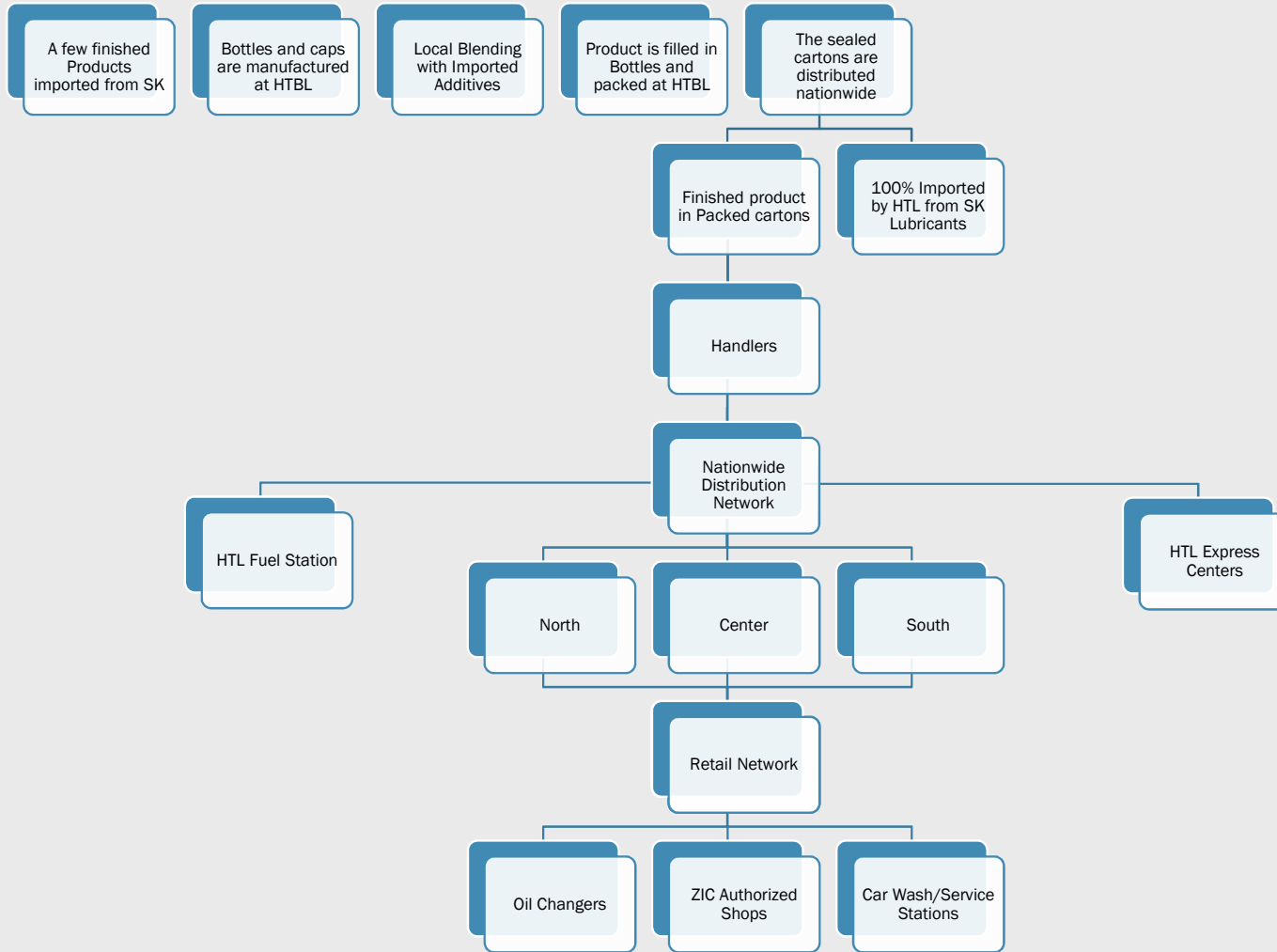


POLYMER SEGMENT

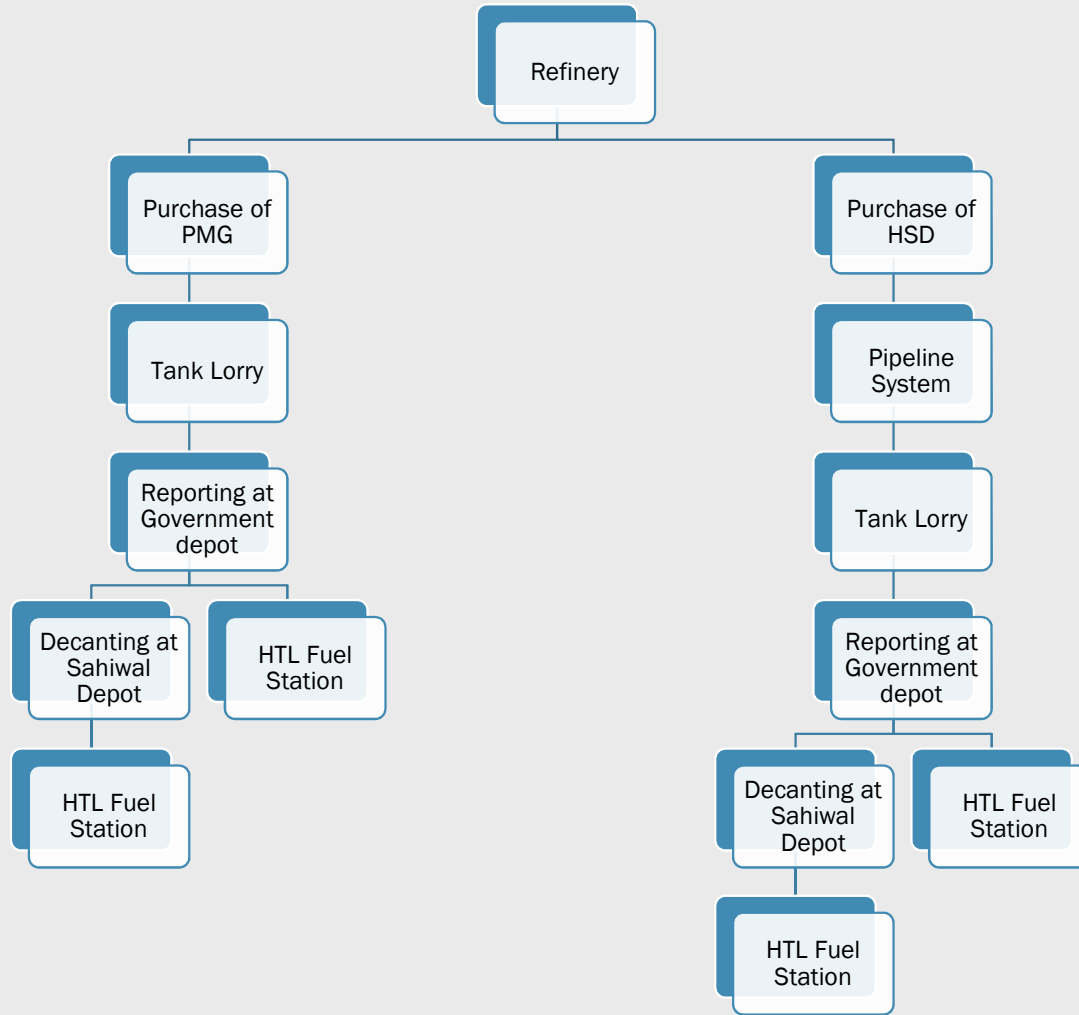
- During the year, HTL achieved a significant milestone by launching its **polymer segment operations** through HTBL. This strategic move involved the installation of state-of-the-art machinery.
- In this newly established polymer segment, the company now engages in the order based production of **plastic products** for its external customers. This expansion into polymer manufacturing underscores HTL's diversifying product offerings and serving a broader market base.



**LUBRICANTS SEGMENT
VALUE CHAIN**



**PETROLEUM SEGMENT
VALUE CHAIN**



FINANCIAL INFORMATION



- Economic Highlights
- Financial Performance
- Segments Information
- Seasonal Analysis



ECONOMIC HIGHLIGHTS

- The financial year 2022-23 has been extremely challenging year for Pakistan's economy. Cumulative fiscal and trade **deficit** impacted current account balance which put extra burden to already weakened Pak Rupee resulting in **rapid devaluation**.
- **Global increase** in prices of international **commodities** and supply disruption caused by **massive floods** in the country resulted in unprecedented sky rocketing **inflation**.
- **High inflation** rate forced the government to **increase the policy rate** to highest level of 22% which added to the grievance of the already troubled industrial sector of the country.
- In backdrop of the above, **economic indicators** of the country are reflecting the picture of troubled and **difficult business atmosphere**:
 - **GDP** growth has shrunken to **0.29%** from almost 6% last year.
 - **Per Capita** Income has reduced to **US\$ 1,568** from US\$ 1,765 last year.
 - **CPI** inflation averaged @ **29.4%** during the year.
 - **Interest rate** increased by cumulative **22%** in recent times.
 - **USD to PKR** rate went up from PKR 209 to **PKR 292** at end of the year.
 - **Vehicles** sale **declined by 53%** to 161,656 units whereas, **2 & 3 wheelers** sale **declined by 35%** to 1,186,969 units during FY2023.
 - The sales of **petroleum** products **declined by 27%** to 16.6 million tons during FY2023.

FINANCIAL PERFORMANCE

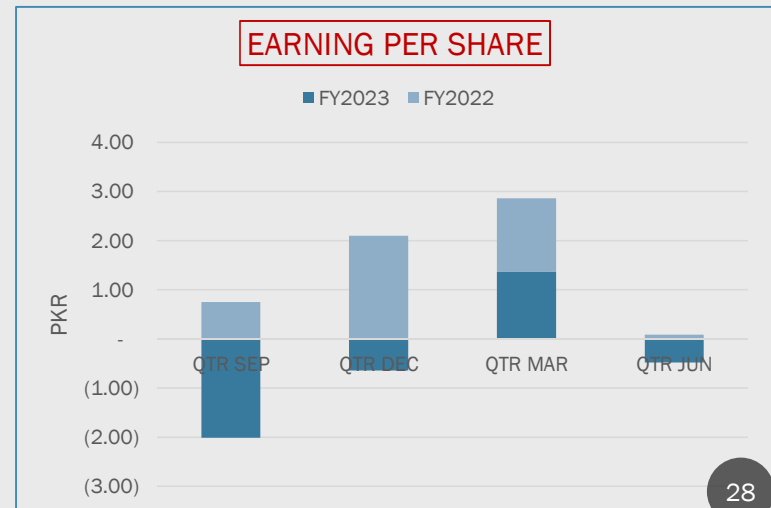
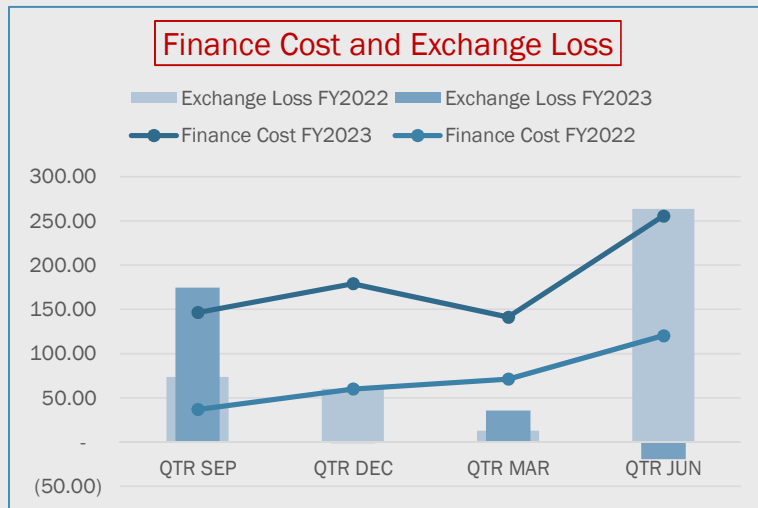
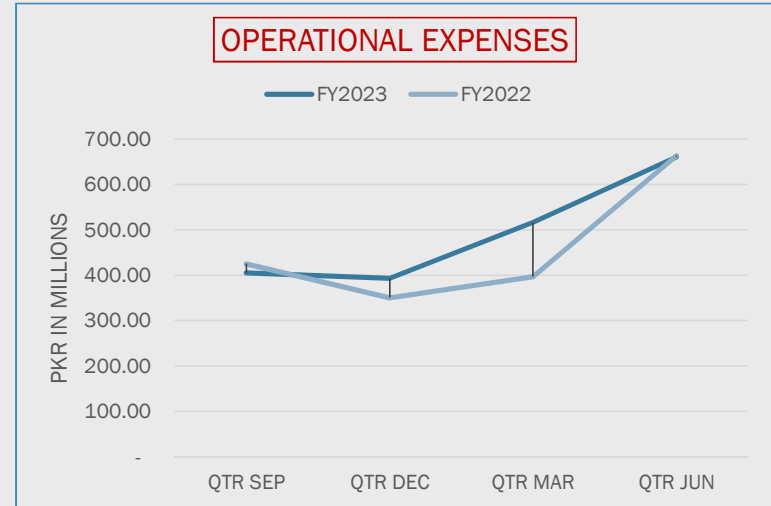
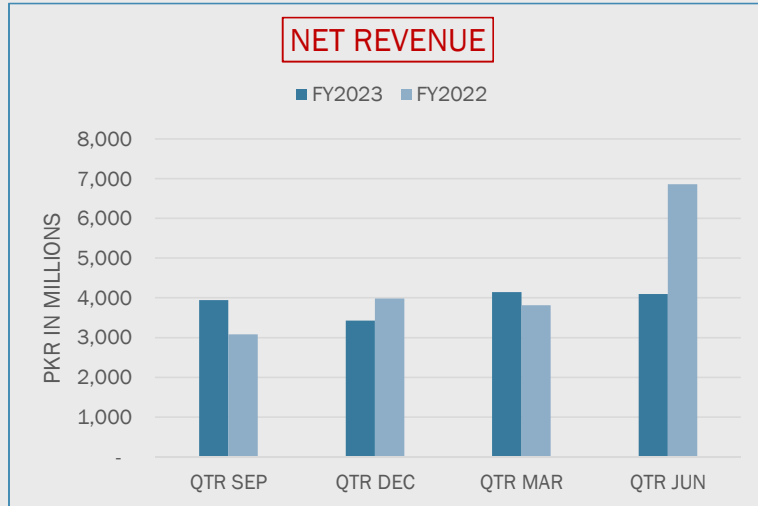
Particulars (Amounts in PKR)	FY 2023	FY 2022	YoY	YoY %
Gross Revenue	17,616,699,583	20,962,350,807	(3,345,651,224)	-16%
Discounts	(339,727,263)	(750,430,803)	410,703,540	54.7%
Sales Tax	(1,666,576,970)	(2,467,951,364)	801,374,394	32.5%
Net Revenue	15,610,395,350	17,743,968,640	(2,133,573,290)	-12%
Cost of Sales	(13,183,693,709)	(14,006,515,076)	822,821,367	5.9%
Gross Profit	2,426,701,641	3,737,453,564	(1,310,751,923)	-35.1%
Distribution Cost	(1,075,020,746)	(1,142,378,955)	67,358,209	5.9%
Administrative Expenses	(900,037,654)	(692,612,432)	(207,425,222)	-29.9%
Other Expenses	(230,619,927)	(538,247,003)	307,627,076	57.2%
	(2,205,678,327)	(2,373,238,390)	167,560,063	25.8%
Other Income	178,456,916	141,898,783	36,558,133	-73.5%
Profit from Operations	399,480,230	1,506,113,957	(1,106,633,727)	-150.5%
Finance Cost	(721,939,877)	(288,242,707)	(433,697,170)	-126.5%
(Loss)/ Profit before Tax	(322,459,647)	1,217,871,250	(1,540,330,897)	112.6%
Taxation	75,477,287	(600,425,532)	675,902,819	-140%
(Loss)/ Profit after Taxation	(246,982,360)	617,445,718	(864,428,078)	
(Loss)/ Earnings per Share	(1.77)	4.44		

**FINANCIAL PERFORMANCE
(SEGMENTS INFORMATION)**

Particulars (Amounts in PKR)	Lubricants FY Jul22-Jun23	Petroleum Products FY Jul22-Jun23	Polymer FY Jul22-Jun23
Revenue	7,276,934,978	8,150,370,310	183,090,062
Cost of Sales	(5,096,241,527)	(7,917,035,700)	(170,416,482)
Gross Profit	2,180,693,451	233,334,610	12,673,580
Distribution Cost	(760,895,784)	(309,628,014)	(4,496,948)
Administrative Expenses	(876,880,754)	(19,542,730)	(3,614,170)
Other Expenses	(219,363,661)	(11,256,266)	-
	(1,857,140,199)	(340,427,010)	(8,111,118)
Other Income	76,546,648	101,910,268	-
Profit from Operations	400,099,900	-5,182,132	4,562,462
Finance Cost	(536,838,907)	(98,582,346)	(86,518,624)
(Loss)/ Profit before Tax	(136,739,007)	(103,764,478)	(81,956,162)
Depreciation Accounted for	82,249,502	86,706,568	22,449,252

□ Polymer depreciation accounted for in Cost of Sales.

QUARTER WISE SEASONAL ANALYSIS



QUESTIONS?



Hi-Tech Lubricants Ltd



FROM MILESTONES
TO MOMENTUM

THANK YOU!



Hi-Tech Lubricants Ltd



FROM MILESTONES
TO MOMENTUM