

LCI: Earnings down by 37% YoY during FY24

Lucky Core Industries Limited announced its 4QFY23 financial result today where the company posted a profit after tax (PAT) of PKR 3.2bn (EPS: PKR 34.80), compared to LAT of PKR 4.4bn (LPS: PKR 47.6) during SPLY. This takes the FY24 earnings to PKR 11.2bn (EPS: PKR 120.73), down by 37% YoY. The company also announced a cash dividend of PKR 33.0/share taking full year dividend per share to PKR 60/share.

Result Highlights

- During FY24, net sales increased by 10% YoY to PKR 120.6bn due to higher sales across all segments, supporting the overall jump. During 4QFY24, sales witnessed a meagre uptick of 1% YoY.
- Gross margins went up by 190bps YoY to 22.4% during FY24 amid upward revision in sales prices.
- During FY24, LCI booked an exchange gain of PKR 116mn compared to exchange loss of PKR 966mn in SPLY amid a recovery in Pak Rupee against the greenback during the period.
- The other income of the company increased by 2.1x YoY to PKR 3,754mn during FY24, which is attributable to higher income from cash and cash balances. However, during the 4QFY24, the other income descended by 7% YoY to PKR 805mn.
- Finance costs of the company went up by 23% YoY to PKR 3,538mn during FY24 owed to higher interest rates.
- The company booked effective taxation at 32% in FY24 vis-à-vis 36% in FY23.

Exhibit: Financial Highlights

(PKR mn)	FY24a	FY23a	YoY	4QFY24a	4QFY23a	YoY	QoQ
Net Revenue	120,635	109,544	10%	29,538	29,115	1%	-5%
Gross Profit	27,010	22,451	20%	7,107	6,334	12%	1%
Gross Margins	22.4%	20.5%		24.1%	21.8%		
Other Income	3,754	1,762	113%	954	1,028	-7%	7%
Finance Cost	3,538	2,880	23%	805	2,053	-61%	8%
PBT LBT	16,464	12,058	37%	4,409	(13,016)	nm	0%
PAT* LAT*	11,151	17,562	-37%	3,214	(4,396)	nm	11%
EPS LPS (PKR)	120.73	190.15		34.80	(47.60)		
DPS (PKR)	60.00	43.00		33.00	33.00		

Source (s): Company Financials, AHL Research *attributable to owners of Holding Company

AHL Alert: Chemical

Lucky Core Industries Limited

Result Review: FY24 EPS clocked-in @ PKR 120.73

Disclaimer: This document has been prepared by Research analysts at Arif Habib Limited (AHL). This document does not constitute an offer or solicitation for the purchase or sale of any security. This publication is intended only for distribution to the clients of the Company who are assumed to be reasonably sophisticated investors that understand the risks involved in investing in equity securities. The information contained herein is based upon publicly available data and sources believed to be reliable. While every care was taken to ensure accuracy and objectivity, AHL does not represent that it is accurate or complete and it should not be relied on as such. In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors. The information given in this document is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. AHL reserves the right to make modifications and alterations to this statement as may be required from time to time. However, AHL is under no obligation to update or keep the information current. AHL is committed to providing independent and transparent recommendation to its client and would be happy to provide any information in response to specific client queries. Past performance is not necessarily a guide to future performance. This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for any investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult his or her own advisors to determine the merits and risks of such investment. AHL or any of its affiliates shall not be in any way responsible for any loss or damage that may be arise to any person from any inadvertent error in the information contained in this report.