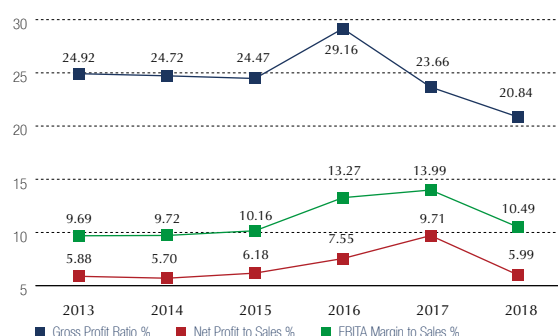


ANALYSIS OF FINANCIAL STATEMENTS

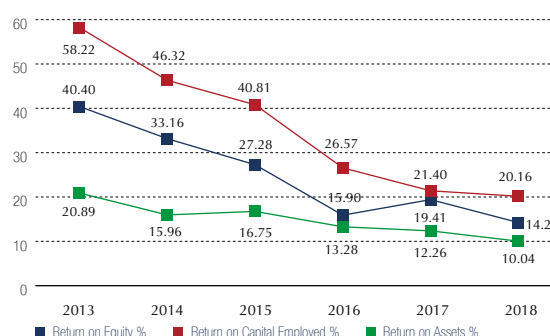
FOR THE CURRENT AND LAST FIVE YEARS

Key Performance Indicators	UOM	2018	2017	2016	2015	2014	2013
PROFITABILITY RATIOS							
Gross Profit Ratio	%	20.84	23.66	29.16	24.47	24.72	24.92
Net Profit to Sales	%	5.99	9.71	7.55	6.18	5.70	5.88
EBITDA Margin to Sales	%	10.49	13.99	13.27	10.16	9.72	9.69
Return on Equity	%	14.24	19.41	15.90	27.28	33.16	40.40
Return on Capital Employed	%	20.17	21.40	26.58	40.82	46.32	58.23
EBIT Margin	%	10.36	14.25	12.76	9.63	8.74	9.01
Working Capital	Rs.	775.903	1639.03	305.23	229.08	325.81	541.3
Return on Assets	%	10.04	12.36	13.28	16.75	15.96	20.89
LIQUIDITY RATIOS							
Current Ratio	Times	1.84	1.75	3.96	1.35	1.46	1.81
Quick Ratio	Times	1.20	1.02	2.92	0.66	0.63	0.66
Cash to Current Liabilities	Times	0.31	0.04	0.29	0.12	0.34	0.15
Cash Flow from Operations to Sales	Rs.	0.16	-0.01	0.12	0.11	0.14	0.07

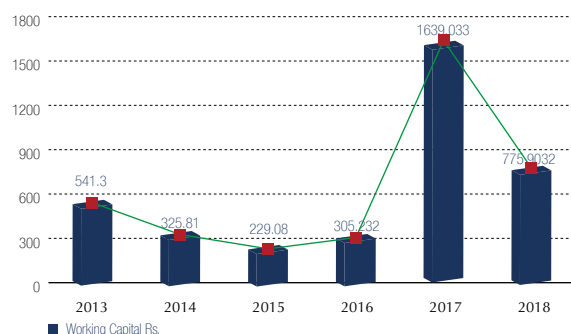
PROFITABILITY RATIOS



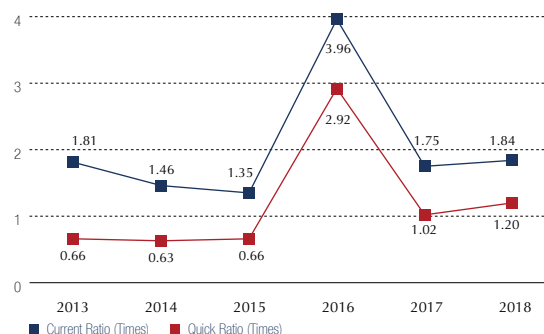
PROFITABILITY RATIOS



PROFITABILITY RATIOS



LIQUIDITY RATIOS



PROFITABILITY RATIOS

Increase in the cost of sales due to the upward movement in the dollar price resulted in reduced gross and net margins. HTL products are imported that leads to the exposure to the foreign currency fluctuation. Return on capital employed was recorded at 24%. Return on capital employed (ROCE) for the year is less than the previous years' return on capital employed due to decrease in the earnings as explained above.

LIQUIDITY RATIOS

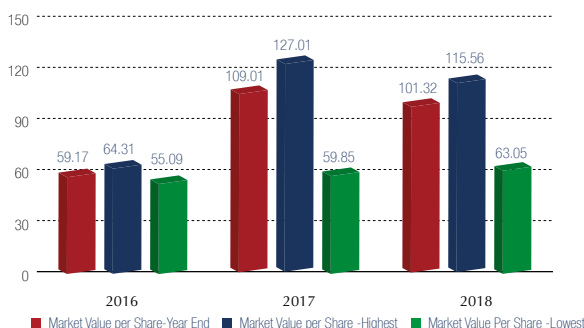
Current ratio is 1.8 times that is exactly same as compared to the last year current ratio. This ratio is same in times but total balance of current assets as well as current liabilities have decreased in the current year as compared to the last year. Furthermore, Current ratio Six years' average is 2.03 times that means current year showed improvement as compared to the previous years. Cash to current liabilities ratio improved to 0.31 times compared to 0.037 times of last year due to increase in cash inflows. Cash flows from operations to sales have increased by .17 times from the last year because of increase in cash inflows in operating activities.

Key Performance Indicators	UOM	2018	2017	2016	2015	2014	2013
INVESTMENT/MARKET RATIOS							
Earning per Share	Rs.	4.78	6.27	5.43	3.88	3.46	3.10
Price Earnings Ratio	Rs.	21.20	17.40	10.91	*	*	*
Price to Book Ratio	Rs.	3.02	3.38	1.73	*	*	*
Dividend Yield Ratio	Rs.	0.03	0.02	0.03	*	*	*
Dividend Payout Ratio	%	73.23	43.09	27.65	34.74	26.04	93.41
Cash Dividend per Share	Rs.	3.50	2.70	1.50	1.35	0.90	2.90
Market Value per Share-Year End	Rs.	101.32	109.01	59.17	*	*	*
Market Value per Share -Highest	Rs.	115.56	127.01	64.31	*	*	*
Market Value Per Share -Lowest	Rs.	63.05	59.85	55.09	*	*	*
Breakup Value/Book Value per Share	Rs.	33.56	32.28	34.12	14.22	12.09	26.74
No. of Shares (mn) - based on par value of 10	Nos.	116.00	116.00	97.62	87.00	75.00	25.00
Total Dividend Paid (mn)	Rs.	406.01	313.21	146.43	117.30	67.50	72.50

SHARE PRICE SENSITIVITY ANALYSIS

Share price in the stock market moves due to various factors such as company performance, general market sentiment, economic events and interest rates, etc. Being a responsible and law-compliant Company, HTL circulates price sensitive information to stock exchanges in accordance with the requirements of listing regulations in a timely manner. During the year 2018, HTL's share price touched the peak of Rs. 115.56 while the lowest recorded price was Rs. 63.05 with a closing price of Rs. 101.32 at the end of the year.

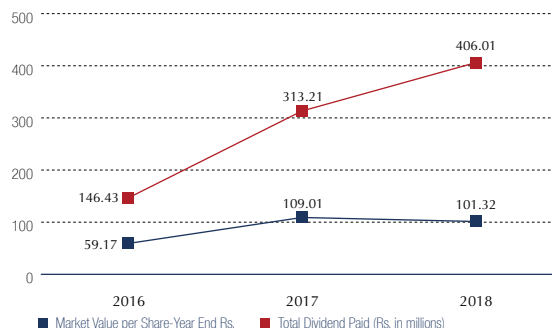
SHARE PRICE SENSITIVITY ANALYSIS



INVESTMENT / MARKET SHARE RATIOS

Dividend per share is 3.5 that resulted into 73 % dividend payout ratio for 2018 as compared to 43 % of the last year. Breakup value of the Company improved to Rs. 33.6 per share. This showed improvement by 4 % from the last year. Further, six (6) years' average breakup value per share is 25.5. Market value per share stood at Rs. 101.3. This is 7 % lower than the last year-end market value (i.e. Rs. 109). HTL's share maximum and minimum market value stood at 115.56 and 63.05 respectively during the last year. HTL recorded earnings per share of Rs. 4.78 for the year ended 30th June 2018 that resulted into decline of 24 % from the last year due to decrease in the net margins.

INVESTMENT / MARKET SHARE RATIOS



SEGMENTAL REVIEW

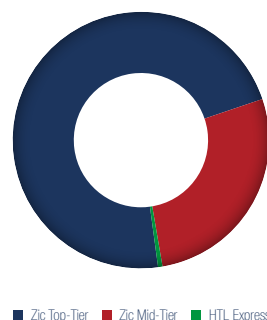
Based on the strategic factors and nature of operations Lube and Express Service Centers are considered as major divisions/segments in HTL. HTL also holds 100 % shareholding in HTBL, a subsidiary Company.

Lube segment reported net sales of Rs. 1,288 million. It shows 23.6 % increase from the last year. HTL Express is a one stop preventive maintenance solution which is changing the dynamics of vehicle maintenance in Pakistan by bringing comfort closer to vehicle maintenance through genuine products, superior services, latest technologies and best people. Effectively, this is the first year of operation for this segment. We started our first express center in the last week of June 2017. In the first year, HTL Express team made efforts to gain the loyalty of new customers. Company believes that consistent efforts are required to increase the revenue in the coming years by increasing number of customers as well as outlets. In total three (03) HTL Express Centers were opened in the last year and few others are under negotiation phase. Consolidated revenue is Rs. 9,255 million.

Hi-Tech Blending (HTBL) net sales have increased by 92.8 % from the last year. HTBL has also commenced its blending operations during the year.

* Not applicable due to being unlisted organization

SEGMENTAL REVIEW

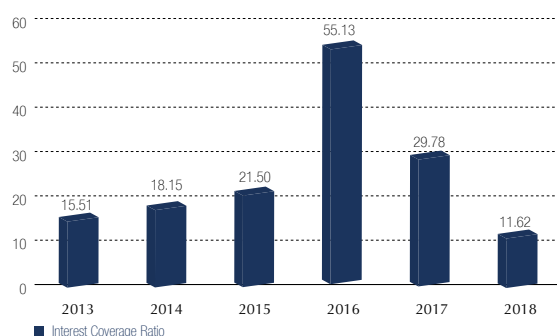


ANALYSIS OF FINANCIAL STATEMENTS

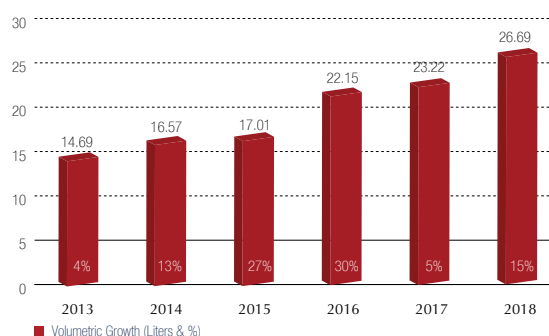
FOR THE CURRENT AND LAST FIVE YEARS

Key Performance Indicators	UOM	2018	2017	2016	2015	2014	2013
CAPITAL STRUCTURE							
Financial Leverage Ratio	Times	0.15623	0.21115	0.0095	0.0256	0.0467	0.033
Debt to Equity Ratio (as per Book Value)	%	18.1419	24.9047	1.1266	4.1777	9.7057	6.3906
Debt to Equity Ratio (as per Market Value)	%	6.84	8.94	0.65	*	*	*
Interest Coverage Ratio	Times	11.62	29.78	55.13	21.50	18.15	15.51
ACTIVITY/TURNOVER RATIOS							
Total Assets Turnover Ratio	Times	1.68	1.27	1.76	2.71	2.80	3.56
Fixed Assets Turnover	Times	6.66	7.90	20.88	24.63	22.01	22.42
No. of Days in Inventory	Days	47.89	96.11	48.71	44.95	71.97	72.30
No. of Days in Receivables	Days	9.35	8.74	7.90	15.88	11.73	8.64
No. of Days in Payables	Days	30.81	51.40	42.86	60.58	66.61	44.54
Operating Cycle	Days	26.43	53.45	13.75	0.25	17.09	36.40
GROWTH RATIOS							
Volume (mn litres)	Ltrs	26.69	23.22	22.15	17.01	16.57	14.69
Volumetric Growth	%	15.00	4.82	30.19	2.70	12.79	3.93
Avg. Selling Price (PKR/litre)	Rs.	347.00	322.56	316.72	321.32	318.35	313.02
Growth in avg. selling price	%	7.60	1.84	(1.43)	0.93	1.70	3.72
Sales Growth	%	23.60	6.75	28.32	3.66	14.71	7.80
Admin Expenses - % of Sales	%	3.79	3.73	3.76	3.24	3.09	3.11
Distribution Cost - % of Sales	%	6.55	5.94	12.14	11.07	11.90	12.12
Earnings growth	%	(23.72)	37.23	56.88	12.28	11.32	2.20

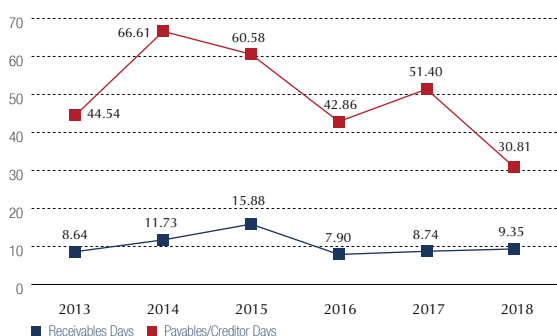
CAPITAL STRUCTURE RATIO



GROWTH RATIO



ACTIVITY/TURNOVER RATIOS



CAPITAL STRUCTURE RATIOS

Interest cover had decreased to 11.6 times as compared to 29.8 times of the last year. This decline is the result of increase in finance cost as well as cost of sales. Debt to equity ratio reduced to 18:82 as compared to 25:75 of the last year.

ACTIVITY / TURNOVER RATIOS

HTL witnessed improvement in inventory and creditor days by 48 days and 21 days respectively as compared to the last year. Despite of the fact that gross revenue increased by 24 % from the last year Company maintained the debtor days at the same level i.e. 9 days. Total assets turnover increase by .4 times as compared to the last year owing to increase in fixed assets.

GROWTH RATIOS

HTL witnessed volumetric growth by 15 % in the year 2018. Despite challenging market and economic conditions, Company still maintained its growth. Admin expenses remained stable in all the years. Distribution cost increased due to marketing spend on introducing new products. Earnings decreased due to increase in distribution and marketing cost coupled with the depreciation of rupee.

VERTICAL ANALYSIS

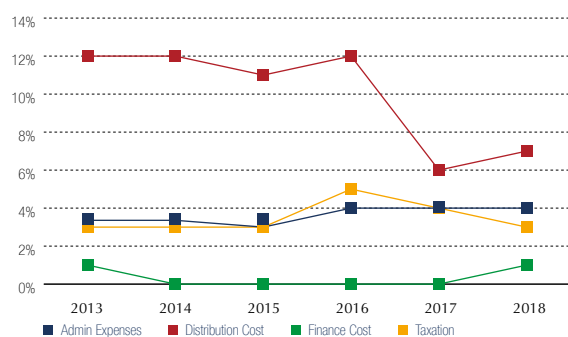
FOR THE CURRENT AND LAST FIVE YEARS

Profit & Loss	2018		2017		2016		2015		2014		2013	
	in Mn	%age	in Mn	%age	in Mn	%age	in Mn	%age	in Mn	%age	in Mn	%age
Total Revenue	9,253.58	100%	7,488.88	100%	7,015.30	100%	5,466.92	100%	5,273.83	100%	4,597.33	100%
COGS	(7,325.25)	79%	(5,716.70)	76%	(4,969.65)	71%	(4,129.15)	76%	(3,970.26)	75%	(3,451.58)	75%
Gross Profit	1,928.33	21%	1,772.18	24%	2,045.65	29%	1,337.76	24%	1,303.57	25%	1,145.75	25%
Admin Expenses	(351.09)	4%	(279.42)	4%	(263.51)	4%	(177.33)	3%	(163.10)	3%	(143.15)	3%
Distribution Cost	(606.11)	7%	(444.83)	6%	(851.45)	12%	(605.10)	11%	(627.79)	12%	(557.15)	12%
EBITDA	971.13	10%	1,047.93	14%	930.69	13%	555.34	10%	512.68	10%	445.45	10%
Depreciation	(57.43)	1%	(44.75)	1%	(38.31)	1%	(34.68)	1%	(27.65)	1%	(15.49)	0%
Other Operating Expenses	(63.07)	1%	(32.00)	0.4%	(43.44)	1%	(47.23)	1%	(33.60)	1%	(23.57)	1%
Other Income	108.46	1%	96.00	1%	46.31	1%	52.83	1%	9.38	0.2%	7.76	0.2%
EBIT	959.09	10%	1,067.18	14%	895.26	13%	526.26	10%	460.81	9%	414.15	9%
Share of income from subsidiary	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%
Finance Cost	(82.54)	1%	(35.84)	0.5%	(16.24)	0.2%	(24.48)	0.4%	(25.38)	0.5%	(26.70)	1%
Profit Before Tax	876.55	9%	1,031.34	14%	879.02	13%	501.78	9%	435.43	8%	387.45	8%
Taxation	(322.12)	3%	(304.48)	4%	(349.35)	5%	(164.16)	3%	(134.72)	3%	(117.34)	3%
Profit After Tax	554.43	6%	726.86	10%	529.67	8%	337.62	6%	300.70	6%	270.11	6%

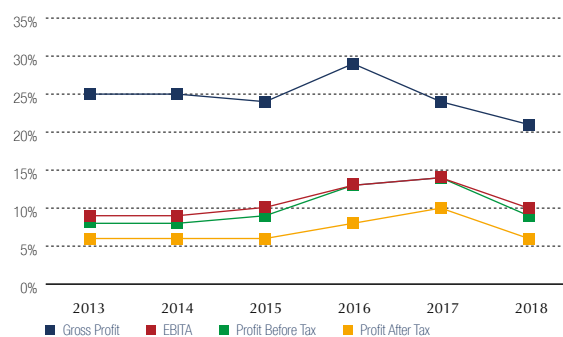
PROFIT AND LOSS VERTICAL ANALYSIS

Significant growth in the revenue is witnessed during the last six years. The cost of goods sold (COGS) increased by 3% in comparison to 2017 and is 79% of the total revenue. Distribution cost is 7% and is the major constituent of the total period cost. Due to above changes in the revenue and costs, HTL posted profit after tax of Rs. 554 million (6% of the net revenue).

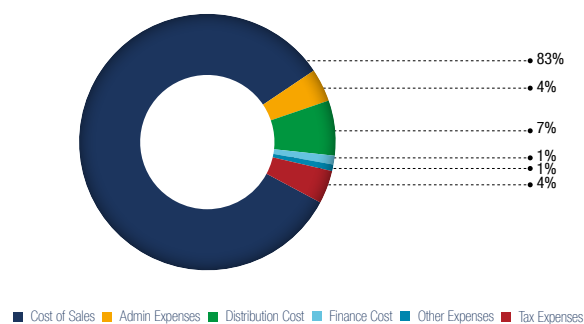
VERTICAL ANALYSIS-EXPENSES (2013-18)



VERTICAL ANALYSIS-PROFITS (2013-18)



VERTICAL ANALYSIS-STATEMENT OF PROFIT & LOSS (2018)



VERTICAL ANALYSIS

FOR THE CURRENT AND LAST FIVE YEARS

Statement of Financial Position	2018		2017		2016		2015		2014		2013	
	in Mn	%age	in Mn	%age	in Mn	%age	in Mn	%age	in Mn	%age	in Mn	%age
Non current assets												
Fixed assets	1,389.21	25.2%	948.12	16.1%	336.04	8.4%	221.92	11.0%	239.61	12.7%	205.03	15.9%
Investment in subsidiary company	1,300.00	23.5%	1,300.00	22.1%	1,102.76	27.6%	776.41	38.5%	255.00	13.5%	-	0.0%
Long term loans to employees	0.28	0.01%	1.05	0.02%	3.24	0.08%	2.60	0.13%	1.46	0.08%	1.21	0.09%
Long term security deposits	38.61	0.7%	32.74	0.6%	13.50	0.3%	13.63	0.7%	15.75	0.8%	12.81	1.0%
Deferred income tax asset	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total non current assets	2,728.10	49.4%	2,281.91	38.8%	1,455.54	36.5%	1,014.55	50.3%	511.82	27.2%	219.06	16.9%
Current assets												
Stock-in-trade	961.21	17.4%	1,505.34	25.6%	663.26	16.6%	508.48	25.2%	782.88	41.6%	683.70	52.9%
Trade debts	236.94	4.3%	179.39	3.1%	151.78	3.8%	237.84	11.8%	169.50	9.0%	108.86	8.4%
Loans and advances	146.46	2.7%	663.62	11.3%	58.79	1.5%	108.25	5.4%	82.64	4.4%	159.85	12.4%
Short term deposits and prepayments	27.93	0.5%	14.61	0.2%	13.68	0.3%	15.44	0.8%	13.63	0.7%	9.74	0.8%
Accrued Interest	15.33	0.3%	0.35	0.01%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Other receivables	17.34	0.3%	79.65	1.4%	0.51	0.0%	44.33	2.2%	1.73	0.1%	0.32	0.0%
Short term investment	917.35	16.6%	1,081.13	18.4%	1,458.56	36.6%	-	0.0%	-	0.0%	20.00	1.5%
Cash and bank balances	471.60	8.5%	75.11	1.3%	186.86	4.7%	86.78	4.3%	321.93	17.1%	91.33	7.1%
Total current assets	2,794.17	50.6%	3,599.19	61.2%	2,533.45	63.5%	1,001.13	49.7%	1,372.30	72.8%	1,073.81	83.1%
Total assets	5,522.27	100.0%	5,881.10	100.0%	3,988.99	100.0%	2,015.68	100.0%	1,884.12	100.0%	1,292.86	100.0%
Capital and reserves												
Issued, subscribed and paid up capital	1,160.04	21.0%	1,160.04	19.7%	1,160.04	29.1%	870.03	43.2%	750.03	39.8%	250.01	19.3%
Share premium	1,441.70	26.1%	1,441.70	24.5%	1,441.70	36.1%	-	0.0%	-	0.0%	-	0.0%
Accumulated profit / (loss)	1,290.98	23.4%	1,142.57	19.4%	728.91	18.3%	367.45	18.2%	156.73	8.3%	418.56	32.4%
Total capital and reserves	3,892.72	70.5%	3,744.31	63.7%	3,330.65	83.5%	1,237.48	61.4%	906.76	48.1%	668.57	51.7%
Non current liabilities												
Liabilities against assets subject to finance lease	79.11	1.4%	65.81	1.1%	15.17	0.4%	25.15	1.2%	29.50	1.6%	26.32	2.0%
Long term deposits	1.50	0.03%	2.00	0.03%	2.00	0.05%	3.00	0.15%	2.00	0.11%	0.50	0.04%
Deferred liabilities	12.07	0.2%	3.21	0.1%	-	0.0%	9.03	0.4%	7.84	0.4%	5.35	0.4%
Long term financing	14.89	0.27%	13.50	0.23%	1.03	0.03%	-	0.00%	-	0.00%	-	0.00%
Total non current liabilities	107.57	1.9%	84.51	1.4%	18.20	0.5%	37.18	1.8%	39.34	2.1%	32.17	2.5%
Current liabilities												
Trade and other payables	614.00	10.5%	804.00	13.5%	583.00	14.6%	685.29	34.0%	724.56	38.5%	421.17	32.6%
Accrued mark-up	18.22	0.33%	9.52	0.16%	0.54	0.01%	-	0.00%	4.71	0.25%	4.91	0.38%
Loans from directors	-	0.0%	-	0.0%	-	0.0%	-	0.0%	140.76	7.5%	147.36	11.4%
Current portion of liabilities against assets subject to finance lease	61.09	1.1%	43.49	0.7%	21.75	0.5%	26.45	1.3%	20.98	1.1%	16.41	1.3%
Short term borrowing	707.64	12.8%	1,118.97	19.0%	-	0.0%	-	0.0%	37.53	2.0%	-	0.0%
Taxation - net	116.78	2.1%	75.22	1.3%	34.25	0.9%	29.27	1.5%	9.47	0.5%	2.28	0.2%
Unclaimed Dividend	4.30	0.70%	1.53	0.19%	0.86	0.02%	-	-	-	-	-	-
Total current liabilities	1,521.98	27.6%	2,052.28	34.9%	640.14	16.0%	741.02	36.8%	938.02	49.8%	592.13	45.8%
Total liabilities and equity	5,522.27	100.0%	5,881.10	100.0%	3,988.99	100.0%	2,015.68	100.0%	1,884.12	100.0%	1,292.86	100.0%

FINANCIAL POSITION'S VERTICAL ANALYSIS

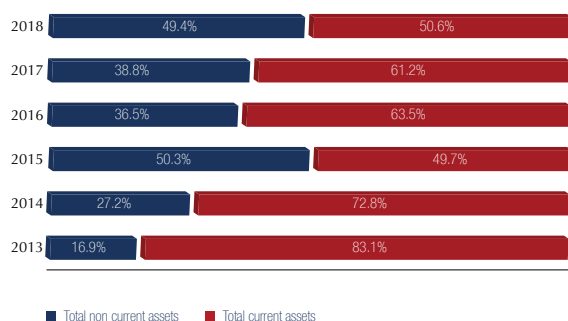
Total assets comprises of current and non current assets. Position as at 30th june 2018 depicts that out of the total assets, current assets are 50.6 % and non current assets are 49.4 %.

On the other side, equity and liabilities constitute of share capital and reserves (70.5%), non current liabilities (1.9%) and current liabilities (27.6%). Current liabilities mainly constitutes short term financing (12.8%), trade and other payables (11.2%) and taxation (2.1%).

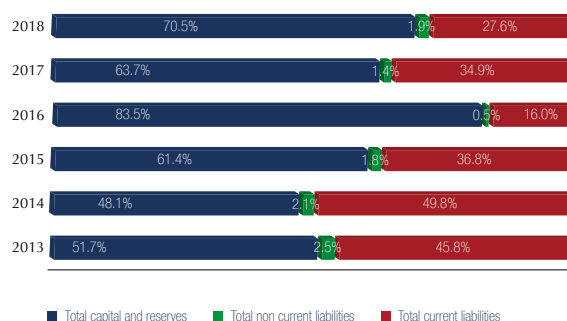
Non-current liabilities mainly constitutes, liabilities against assets subject to finance lease (1.4%) and long term financing (0.3%).

Capital and reserves mainly constitutes, paid up capital (21%), share premium (26.1%) and accumulated profits (23.4%).

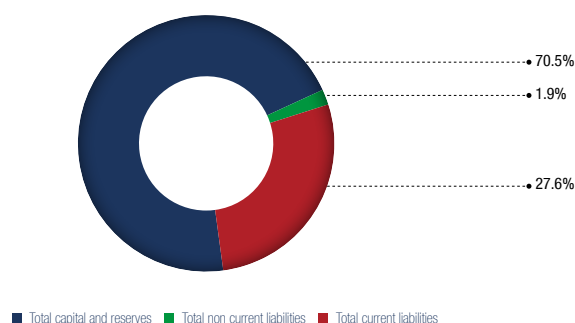
VERTICAL ANALYSIS-TOTAL ASSETS



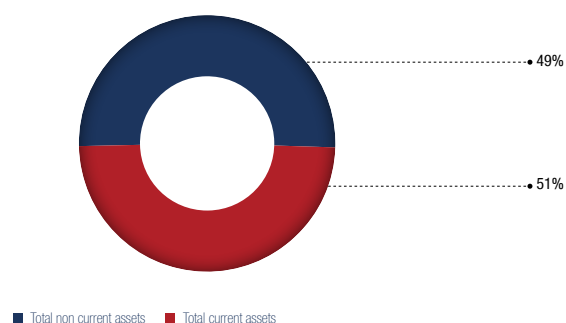
VERTICAL ANALYSIS-TOTAL EQUITY & LIABILITIES



VERTICAL ANALYSIS-TOTAL EQUITY & LIABILITIES (2018)



VERTICAL ANALYSIS-TOTAL ASSETS (2018)



HORIZONTAL ANALYSIS

FOR THE CURRENT AND LAST FIVE YEARS

Statement of Financial Position	2018 in Mn	2018 vs 2017 %age	2017 in Mn	2017 vs 2016 %age	2016 in Mn	2016 vs 2015 %age	2015 in Mn	2015 vs 2014 %age	2014 in Mn	2014 vs 2013 %age	2013 in Mn
Non current assets											
Fixed assets	1,389.21	47%	948.12	182%	336.04	51%	221.92	(7%)	239.61	17%	205.03
Investment in subsidiary company	1,300.00	0%	1,300.00	18%	1,102.76	42%	776.41	204%	255.00	0%	-
Long term loans to employees	0.28	(73%)	1.05	(68%)	3.24	25%	2.60	78%	1.46	21%	1.21
Long term security deposits	38.61	18%	32.74	142%	13.50	(1%)	13.63	(13%)	15.75	23%	12.81
Deferred income tax asset	-	0%	-	0%	-	0%	-	0%	-	0%	-
Total non current assets	2,728.10	20%	2,281.91	56.8%	1,455.54	43.5%	1,014.55	98.2%	511.82	133.6%	219.06
Current assets											
Stock-in-trade	961.21	(36%)	1,505.34	127%	663.26	30%	508.48	(35%)	782.88	15%	683.70
Trade debts	236.94	32%	179.39	18%	151.78	(36%)	237.84	40%	169.50	56%	108.86
Loans and advances	146.46	(78%)	663.62	1029%	58.79	(46%)	108.25	31%	82.64	(48%)	159.85
Short term deposits and prepayments	27.93	91%	14.61	7%	13.68	(11%)	15.44	13%	13.63	40%	9.74
Accrued Interest	15.33	4268%	0.35	0%	0.03	0%	-	0%	-	0%	-
Other receivables	17.34	(78%)	79.65	15579%	0.51	(99%)	44.33	2466%	1.73	440%	0.32
Short term investment	917.35	(15%)	1,081.13	(26%)	1,458.56	0%	-	0%	-	(100%)	20.00
Cash and bank balances	471.60	528%	75.11	(60%)	186.86	115%	86.78	(73%)	321.93	252%	91.33
Total current assets	2,794.17	(22%)	3,599.19	42%	2,533.45	153%	1,001.13	(27%)	1,372.30	28%	1,073.81
Total assets	5,522.27	(6%)	5,881.10	47%	3,988.99	98%	2,015.68	7%	1,884.12	46%	1,292.86
Capital and reserves											
Issued, subscribed and paid up capital	1,160.04	0%	1,160.04	0%	1,160.04	33%	870.03	16%	750.03	200%	250.01
Share premium	1,441.70	0%	1,441.70	0%	1,441.70	0%	-	0%	-	0%	-
Accumulated profit / (loss)	1,290.98	13%	1,142.57	57%	728.91	98%	367.45	134%	156.73	(63%)	418.56
Total capital and reserves	3,892.72	4%	3,744.31	12%	3,330.65	169%	1,237.48	36%	906.76	36%	668.57
Non current liabilities											
Liabilities against assets subject to finance lease	79.11	20%	65.81	334%	15.17	(40%)	25.15	(15%)	29.50	12%	26.32
Long term deposits	1.50	(25%)	2.00	0%	2.00	(33%)	3.00	50%	2.00	300%	0.50
Deferred liabilities	12.07	276%	3.21	0%	-	(100%)	9.03	15%	7.84	47%	5.35
Long term financing	14.89	10%	13.50	1210%	1.03	0%	-	0%	-	0%	-
Total non current liabilities	107.57	27%	84.51	364%	18.20	(51%)	37.18	(5%)	39.34	22%	32.17
Current liabilities											
Trade and other payables	614.00	(23%)	804.00	38%	583.00	(15%)	685.29	(5%)	724.56	72%	421.17
Accrued mark-up	18.22	91%	9.52	1662%	0.54	0%	-	(100%)	4.71	(4%)	4.91
Loans from directors	-	0%	-	0%	-	0%	-	(100%)	140.76	(4%)	147.36
Current portion of liabilities against assets subject to finance lease	61.09	40%	43.49	100%	21.75	(18%)	26.45	26%	20.98	28%	16.41
Short term borrowing	707.64	(37%)	1,118.97	0%	-	0%	-	(100%)	37.53	0%	-
Taxation - net	116.78	55%	75.22	120%	34.25	17%	29.27	209%	9.47	315%	2.28
Unclaimed Dividend	4.30	182%	1.53	77%	0.86	0%	-	0%	-	0%	-
Total current liabilities	1,521.98	(26%)	2,052.28	221%	640.14	(14%)	741.02	(21%)	938.02	58%	592.13
Total liabilities and equity	5,522.27	(6%)	5,881.10	47%	3,988.99	98%	2,015.68	7%	1,884.12	46%	1,292.86

Profit & Loss	2018 in Mn	2018 vs 2017 %age	2017 in Mn	2017 vs 2016 %age	2016 in Mn	2016 vs 2015 %age	2015 in Mn	2015 vs 2014 %age	2014 in Mn	2014 vs 2013 %age	2013 in Mn
Total Revenue	9,253.58	24%	7,488.88	7%	7,015.30	28%	5,466.92	4%	5,273.83	15%	4,597.33
COGS	(7,325.25)	28%	(5,716.70)	15%	(4,969.65)	20%	(4,129.15)	4%	(3,970.26)	15%	(3,451.58)
Gross Profit	1,928.33	9%	1,772.18	(13%)	2,045.65	53%	1,337.76	3%	1,303.57	14%	1,145.75
Admin Expenses	(351.09)	26%	(279.42)	6%	(263.51)	49%	(177.33)	9%	(163.10)	14%	(143.15)
Distribution Cost	(606.11)	36%	(444.83)	(48%)	(851.45)	41%	(605.10)	(4%)	(627.79)	13%	(557.15)
EBITDA	971.13	(7%)	1,047.93	13%	930.69	68%	555.34	8%	512.68	15%	445.45
Depreciation	(57.43)	28%	(44.75)	17%	(38.31)	10%	(34.68)	25%	(27.65)	78%	(15.49)
Other Operating Expenses	(63.07)	97%	(32.00)	(26%)	(43.44)	(8%)	(47.23)	41%	(33.60)	43%	(23.57)
Other Income	108.46	13%	96.00	107%	46.31	(12%)	52.83	463%	9.38	21%	7.76
EBIT	959.09	(10%)	1,067.18	19%	895.26	70%	526.26	14%	460.81	11%	414.15
Share of income from subsidiary	-	0%	-	0%	-	0%	-	0%	-	0%	-
Finance Cost	(82.54)	130%	(35.84)	121%	(16.24)	(34%)	(24.48)	(4%)	(25.38)	(5%)	(26.70)
Profit Before Tax	876.55	(15%)	1,031.34	17%	879.02	75%	501.78	15%	435.43	12%	387.45
Taxation	(322.12)	6%	(304.48)	(13%)	(349.35)	113%	(164.16)	22%	(134.72)	15%	(117.34)
Profit After Tax	554.43	(24%)	726.86	37%	529.67	57%	337.62	12%	300.70	11%	270.11

FINANCIAL POSITION'S HORIZONTAL ANALYSIS

Non-current assets have increased by Rs.446 million (20 %) from the last year. This increase was mainly due to investments made in expansion projects (i.e. HTL Fuel Stations and HTL Express Centers).

Current assets primarily comprises of inventory, trade debts, short -term investments and cash & bank balances. On an aggregate basis, current assets decreased by Rs. 805 million (22 %) as compared to the last year. Trade receivable balance is 8 % of total current assets balance that shows company effective revenue collection policy.

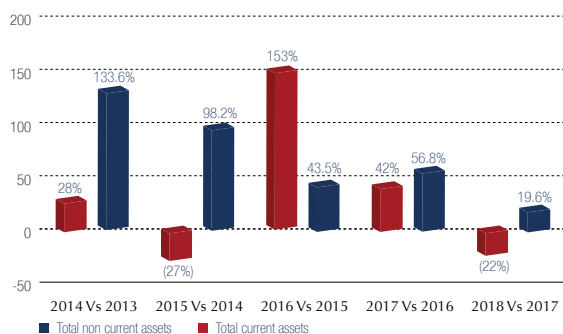
Shareholders' equity has increased by 4 % as compared to the previous year, due to increase in un-appropriated profit for the year. Shareholders'

equity includes share capital and reserves (i.e. capital and revenue reserves). Company retained 27% profits to finance its expansions.

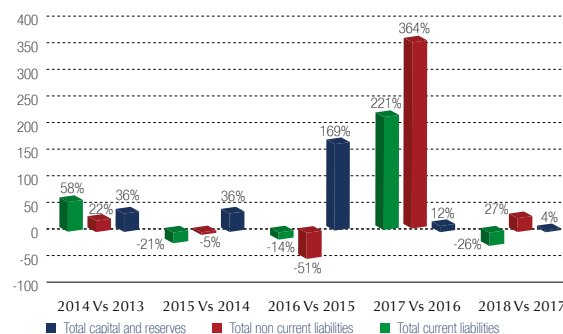
Non-current liabilities have increased to Rs.107.5 million from Rs.84.5 million up by 27%. This is mainly due to long-term finance obtained from commercial bank for building a new warehouse at company's plant site.

Overall, current liabilities decreased by 26 %. This decrease was witnessed due to decrease in the inventory related foreign trade payables whereby company used its free cash flow to repay its liabilities. Further, company also managed to reduce its short-term financing by 37 %.

HORIZONTAL ANALYSIS-TOTAL ASSETS



HORIZONTAL ANALYSIS-TOTAL EQUITY & LIABILITIES



PROFIT & LOSS HORIZONTAL ANALYSIS

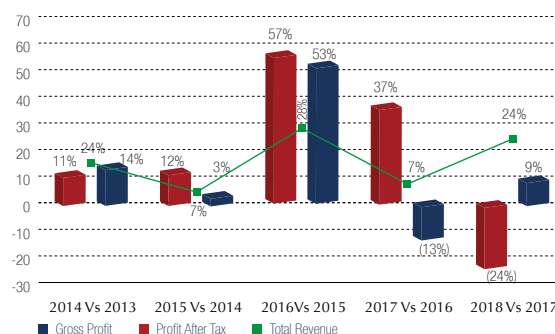
Net sales increased by Rs. 1.7 billion (24 %). Volume increased by 16.6 % from the last year volume.

HTL witnessed growth of 8 % in the gross profit as compared to previous year. Total Distribution cost includes salaries, admin expenses and marketing cost. Distribution cost increased by Rs. 163 million (35 %) as compared to the last year. Out of Rs. 163 million, marketing cost contributed 56%. This mainly relates to introduction of two new fully synthetic product.

Other income increased by Rs. 12 million (13 %). This return reflects interest on IPO funds and short term loans to subsidiary company.

Finance cost has increased by Rs. 46 million from the last year balance. 2017-18 depicts the Profit after tax of Rs 554 million as compared to Rs. 726 million of 2016-17.

HORIZONTAL ANALYSIS - PROFIT & LOSS

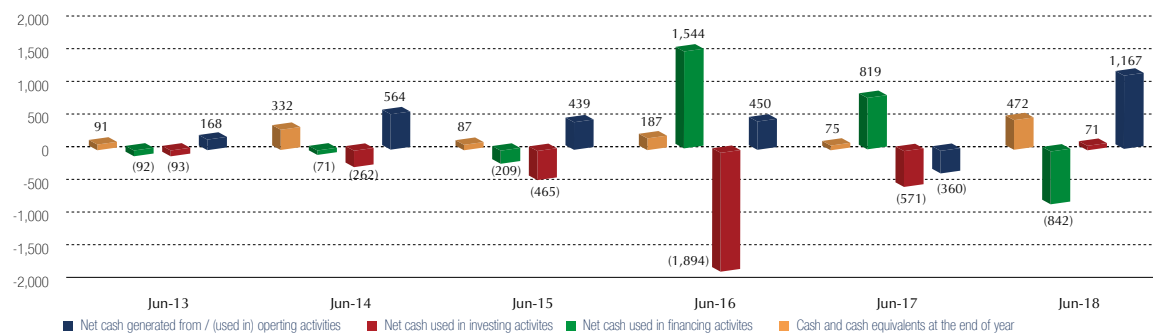


CASH FLOWS ANALYSIS

FOR THE CURRENT AND LAST FIVE YEARS

Summary of Cash Flow Statement	2018	2017	2016	2015	2014	2013
Amounts in PKR'Millions						
Cash flow from operating activities						
Cash generated from operations	1,512.47	(72.86)	819.06	610.72	713.88	302.70
Payment for:						
Finance charges	(73.84)	(26.86)	(15.70)	(29.19)	(25.58)	(27.52)
Taxes	(271.70)	(260.30)	(353.14)	(142.91)	(124.78)	(106.76)
Net cash generated from / (used in) operating activities	1,166.93	(360.03)	450.22	438.62	563.52	168.41
Cash flow from investing activities						
Capital Expenditure on fixed assets	(440.94)	(652.80)	(144.68)	(10.94)	(52.36)	(115.27)
Proceeds from disposal of fixed assets	9.54	74.72	2.80	61.08	17.56	15.38
Investment in subsidiary company	-	(197.24)	(326.35)	(521.41)	(255.00)	-
Work in progress	(296.50)	(261.00)	-	-	-	-
Repayment of loans from subsidiary company	557.50	-	-	-	-	-
Short term investment	155.00	378.66	(1,453.25)	-	20.00	-
Long term deposits	0.27	1.15	27.39	-	-	-
Interest received on loans to subsidiary company	28.95	-	-	-	-	-
Profit on bank deposits received	57.62	85.35	-	6.32	8.04	7.39
Investment in TDRs	-	-	-	-	-	-
Net cash used in investing activities	71.43	(571.16)	(1,894.08)	(464.94)	(261.76)	(92.50)
Cash flow from financing activities						
Proceeds/repayment of long term financing	8.69	18.81	2.39	-	-	-
Repayment of liability against asset subject to finance lease	(35.97)	(5.80)	(22.83)	(21.77)	(17.13)	(14.85)
Loan from directors	-	-	-	(140.76)	(6.60)	(2.00)
Dividend paid	(403.24)	(312.55)	(167.34)	(128.76)	(85.00)	(75.00)
Short term borrowings	(411.33)	1,118.97	-	(37.53)	37.53	-
Capital injected	-	-	1,731.71	120.00	-	-
Net cash used in financing activities	(841.86)	819.43	1,543.93	(208.81)	(71.21)	(91.85)
Net increase / (decrease) in cash and cash equivalents	396.49	(111.75)	100.08	(235.14)	230.55	(15.95)
Cash and cash equivalents transferred from Hi -Tech Lubricants						
Cash and cash equivalents at the start of year	75.11	186.86	86.78	321.93	91.33	107.29
Cash and cash equivalents at the end of year	471.60	75.11	186.86	86.79	321.89	91.34

ANALYSIS OF CASH FLOWS



CASH FLOWS ANALYSIS

HTL makes, execute and monitor its plans for operating, financing and investing cash flows activities. Analysis of its cash flow cycle is explained below:

OPERATING ACTIVITIES

After excluding impact of non-cash items, Company witnessed increase in net cash generated from operating activities by Rs. 1.5 billion from the last year. This is mainly due to increase in cash received from our customers coupled with increase in sales revenue.

INVESTING ACTIVITIES

HTL witnessed increase by Rs. 642 million in its cash inflows from investing activities as compared to last year. This is mainly due to collection of loan as well as interest thereon from Hi Tech Blending (Subsidiary Company). Furthermore, less reliance on investment in non-core functions and reduced investment in fixed assets has also contributed significantly in mentioned increase.

FINANCING ACTIVITIES

Net outflows from financing activities are Rs. 841 million as compared to the Rs. 819 million inflows of the last year. This substantial increase in cash outflows is mainly due to repayment of its long and the short-term loans.

CASH AND CASH EQUIVALENTS

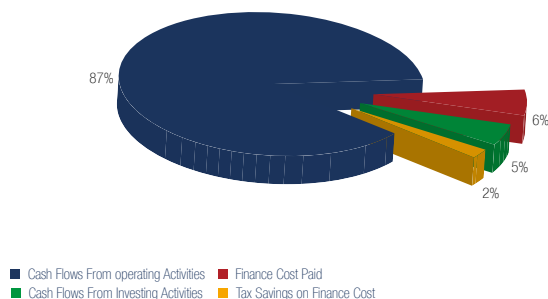
HTL witnessed an increase of Rs. 396 million at the year-end balance as compared to the last year ending balance. This is mainly due to the cash inflows in operating and investing activities.

ANALYSIS OF FREE CASH FLOWS

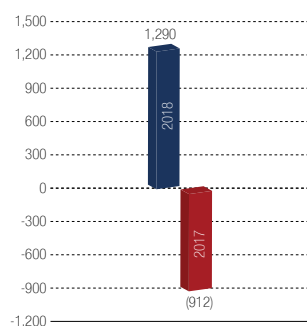
Free Cash Flows to Firm	2018	2017
Cash Flows From operating Activities	1,166,925,085	(360,025,413)
Finance Cost Paid	73,840,862	26,863,520
Cash Flows From Investing Activities	71,429,045	(571,155,278)
Tax Savings on Finance Cost	(22,152,259)	(8,059,056)
Free Cash Flows to Firm	1,290,042,733	(912,376,227)

Free Cash Flows to Firm	2018	2017
Cash Flows From operating Activities	1,166,925,085	(360,025,413)
Cash Flows From Financing Activities	(841,862,155)	819,430,040
Cash Flows From Investing Activities	71,429,045	(571,155,278)
Cash Paid to Equity Holders (Dividend)	403,243,100	312,548,794
Free Cash Flows to Equity Holders	799,735,075	200,798,143

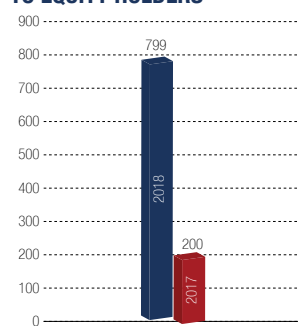
FREE CASH FLOWS TO FIRM-2018



FREE CASH FLOWS TO FIRM



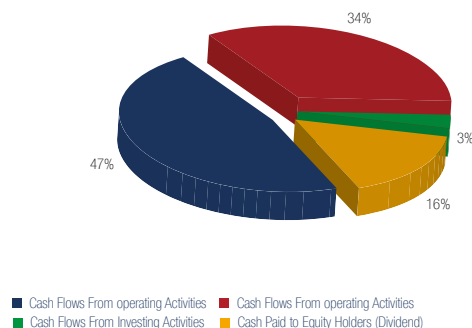
FREE CASH FLOWS TO EQUITY HOLDERS



FREE CASH FLOWS ANALYSIS

Free Cash Flows to the Firm (FCFF) is essentially a measurement of a company's profitability after all expenses and reinvestments. FCFF of 2018 mainly constitutes cash inflows from operating activities. An increase of Rs. 2.2 billion was witnessed in 2018. Free cash flows to equity holders showed inflows from operating activities and outflows in investing activities.

FREE CASH FLOWS TO EQUITY HOLDERS -2018



DIRECT METHOD CASH FLOWS

Cash Flows From Operating Activities

Cash Received From Customers (including sales tax)	10,330,034,173
Cash Paid to Employees as Remuneration	(404,135,874)
Cash Paid to the Vendors	(8,146,985,814)
Income Tax Paid	(73,840,862)
Sales Tax Paid	(265,481,337)
Finance Cost Paid	(271,703,030)
Zakat Paid	(962,171)

Net Cash Flows From Operating Activities 1,166,925,085

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure on property and equipment	(440,267,182)
Capital expenditure on intangible assets	(676,234)
Proceeds from disposal of property and equipment	9,537,134
Investment in subsidiary company	-
Loans to subsidiary company	(296,500,000)
Repayment of loans from subsidiary company	557,500,000
Short term investments - net	154,999,999
Dividend income	272,250
Interest received on loans to subsidiary company	28,947,816
Profit on bank deposits and term deposit receipts received	57,615,262
Net cash from / (used in) investing activities	71,429,045

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of liabilities against assets subject to finance lease	(35,972,579)
Dividend paid	(403,243,100)
Proceeds from long term financing	21,865,000
Repayment of long term financing	(13,177,918)
Short term borrowings - net	(411,333,558)
Net cash (used in) / from financing activities	(841,862,155)

Net increase / (decrease) in cash and cash equivalents 396,491,975

Cash and cash equivalents at the beginning of the year 75,112,775

Cash and cash equivalents at the end of the year 471,604,750