AHL Alert | 27-Oct-2026

Chemical: Lucky Core Industries Limited

Result Review: Earnings Arrive @ PKR 3.32/sh for 1QFY27

REP-300

LCI: Profitability down by 25% YoY for 1QFY27

- Lucky Core Industries Limited announced its 1QFY27 results today where the company posted a profit after tax (PAT) of PKR 1.6bn (EPS: PKR 3.52), compared to PAT of PKR 2.1bn (EPS: PKR 4.66) during SPLY.

Result Highlights

- Net sales for the quarter increased 4% YoY, clocking-in at ~PKR 30bn, while cost of sales rose further by 9% YoY at PKR 24bn, dragging the gross profit to PKR 5.4bn (-12% YoY).
- Gross margins declined by 347bps YoY to 18% during the quarter likely due to pressures from the soda ash segment, although we await the detailed company accounts to assess segmental contribution towards total profit. During the quarter, average international soda ash prices declined 7% YoY to USD 141/ton. Meanwhile, coal prices, a key input for fuel and power generation, rose 25% YoY to an average of USD 114/ton.
- Some degree of support was provided by a stable stream of other income (+5% YoY, PKR 567mn), while other operating expenses declined 16% YoY to PKR 173mn.
- Finance costs for the year increased by 41% YoY, while remaining flat on a sequential basis, likely due to higher average interest rates in the quarter compared to SPLY.
- Effective taxation came in at ~37% for 1QFY27, compared to ~40% in 1QFY26.
- The scrip currently trades at a forward P/E of 11x for FY27, along with a dividend yield of ~4.7% based on LDCP.

Exhibit: Financial Highlights

(PKR mn)	1QFY27	1QFY26	YoY	4QFY26	QoQ
Net Revenue	29,904	28,622	4%	27,992	7%
Gross Profit	5,402	6,164	-12%	6,167	-12%
Admin Exp.	729	651	12%	867	-16%
Distribution Exp.	1,841	1,736	6%	1,752	5%
Other Exp.	173	207	-16%	146	18%
Other Income	567	539	5%	1,878	-70%
Finance Cost	766	544	41%	766	0%
PBT	2,590	3,601	-28%	4,628	-44%
Taxation	966	1,449	-33%	1,382	-30%
PAT	1,624	2,152	-25%	3,246	-50%
EPS (PKR)	3.52	4.66		7.03	
DPS (PKR)	-	-		5.25	
Ratio Analysis					
Gross Margins	18.1%	21.5%		22.0%	
Net Margins	5.4%	7.5%		11.6%	
Return on Equity	16.3%	21.8%		17.0%	
Return on Assets	9.1%	11.4%		9.0%	
Effective Tax Rate	37.3%	40.2%		29.9%	

Source (s): Company Financials, AHL Research

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