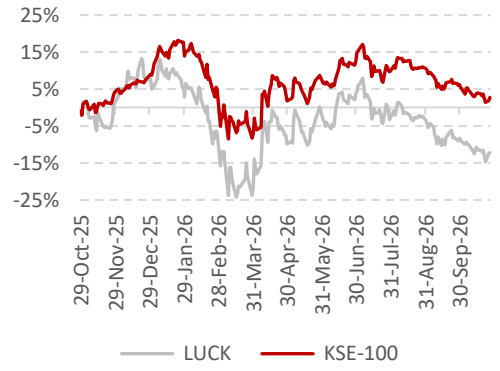
Lucky Cement Limited (LUCK)

1QFY27 EPS at PKR 11.69/sh, up by 17%/73% YoY/QoQ

Thursday, October 29, 2026

- Lucky Cement (LUCK) reported consolidated earnings attributable to equity holders of PKR 21.6bn (EPS: PKR 14.76) in 1QFY27, compared to PKR 21.9bn (EPS: PKR 15.01) in 1QFY26. Overall, consolidated earnings remained in line with industry expectations.
- On an unconsolidated basis, earnings stood at PKR 17.1bn (EPS: PKR 11.69) in 1QFY27, compared to PKR 14.6bn (EPS: PKR 9.98) in 1QFY26, up by 17% YoY and 73% QoQ. Unconsolidated earnings exceeded our expectations, primarily driven by higher-than-anticipated gross margin.
- Along with the results, the company did not announce any cash dividend.
- In its cement operations, company's gross margin settled at 36.8% in 1QFY27, compared to 39.2% in 1QFY26 and 37.6% in 4QFY26. The improvement was primarily driven by higher local cement prices and efficient energy mix and fuel mix.
- The company's topline increased by 21% YoY and 16% QoQ to PKR 41.0bn. The YoY and QoQ growth was driven by higher cement prices and increased total cement dispatches.
- LUCK's local dispatches in 1QFY26 totaled 1.74mn tons, up 8% YoY and 8% QoQ. Meanwhile, exports decline by 4% YoY and 9% QoQ to 0.85mn tons.
- Distribution expenses increased by 16% YoY and down 3% QoQ to PKR 2.5bn. The YoY increase was primarily driven by higher dispatch volumes along with higher high-speed diesel prices.
- Other income/expenses-net increased by 19% YoY and 250% QoQ to PKR 10.7bn.
- Effective tax rate (ETR) clocked in at 23.1% in 1QFY27 compared to 24.2% in 1QFY26 and 23.3% in 4QFY26.
- Alongside the results, LUCK announced a 3.2mn tons brownfield expansion at its Karachi plant, which will increase its total cement capacity to 18.8mn tons, the highest in the industry. The company also plans to install 10MW of waste heat recovery (WHR) and 22.5MW of wind power at its Karachi plant, along with 15MW of solar capacity at its Pezu plant, taking its total renewable energy capacity to 222MW. Following the completion of these projects, LUCK expects to meet 60% of its energy requirements through these sources. All projects are expected to be completed by 2QFY28.

KSE100 Index vs. LUCK Performance Chart



Source: PSX, BMA Research

Lucky Cement Ltd. - (PSX: LUCK) Earnings Snapshot

PKR Mn	1QFY27A	1QFY26A	YoY	4QFY26A	QoQ
Sales	41,074	33,862	21%	35,560	16%
Cost of sales	25,947	20,580	26%	22,203	17%
Gross profit	15,127	13,282	14%	13,357	13%
Gross Margin (%)	**36.8%**	**39.2%**		**37.6%**	
Distribution expenses	2,527	2,172	16%	2,615	-3%
Admin. Expenses	832	621	34%	702	18%
Other income/expenses-net	10,752	9,044	19%	3,072	250%
Finance costs	233	252	-7%	213	9%
Profit before taxation	22,287	19,282	16%	12,898	73%
Taxation	5,156	4,664	11%	3,001	72%
Profit after taxation	17,131	14,618	17%	9,898	73%
EPS (PKR/sh)	**11.69**	**9.98**		**6.76**	
DPS (PKR/sh)	**0.00**	**0.00**		**5.00**	

Source: Company Accounts, BMA Research

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Old rating system

Valuation Methodology

To arrive at our period end target prices, BMA Capital uses different valuation methodologies including

- Discounted cash flow (DCF, DDM)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)