Lucky Cement Limited | Result review 1QFY27

- Lucky Cement Limited (LUCK) reported consolidated profit after taxation (PAT) of PKR 22,557mn in 1QFY27, down 4.3% YoY and 14.5% QoQ, translating into EPS of PKR 14.76 compared with PKR 15.01 in 1QFY26 and PKR 17.31 in 4QFY26.
- Net revenue increased by 5.3% YoY to PKR 131,863mn, compared with PKR 125,208mn in 1QFY26. However, revenue declined by 4.0% QoQ from PKR 137,421mn in 4QFY26.
- Gross profit increased by 3% YoY to PKR 33,965mn, while gross margin declined by 0.6ppt to 25.8% from 26.4% in 1QFY26. On a sequential basis, gross profit declined by 6% QoQ, with gross margin contracting by 0.4ppt from 26.2% in 4QFY26.
- Other income rose 4.2% YoY to PKR 2,638mn but fell 49.9% QoQ, while finance costs declined 3.4% YoY and 1.3% QoQ to PKR 4,643mn, providing modest support to profitability.
- The Board approved a 3.20 MTPA expansion at Karachi, expected to raise total cement capacity in Pakistan to 18.80 MTPA by December 2027. Energy projects include 22.5 MW of additional wind power and a 10 MW WHR plant at Karachi, alongside 15 MW solar power and a 15 MW BESS at Pezu, aimed at improving energy efficiency and supporting sustainable growth.
- LUCK is trading at a forward P/E of 6.4x based on FY27E earnings at the current share price of PKR 398. We therefore maintain our BUY stance on LUCK.

LUCK Financials					
(PKR mn)	**1QFY27**	**1QFY26**	**YoY**	**4QFY26**	**QoQ**
Net Revenue	131,863	125,208	5%	137,421	-4%
Gross Profit	33,965	33,094	3%	36,026	-6%
Admin Exp.	2,696	2,110	28%	1,464	84%
Distribution Exp.	4,640	4,157	12%	4,632	0%
Other Income	2,638	2,531	4%	5,269	-50%
Finance Cost	4,643	4,808	-3%	4,702	-1%
PBT	28,689	29,953	-4%	31,106	-8%
Taxation	6,132	6,391	-4%	4,733	30%
PAT	22,557	23,561	-4%	26,373	-14%
EPS (PKR)	14.76	15.01		17.31	
Ratio Analysis					
BVPS (PKR)	332.83	275.61		323.48	
Gross Margins	25.8%	26.4%		26.2%	
Net Margins	17.1%	18.8%		19.2%	
Return on Equity	21.1%	24.2%		22.0%	
Return on Assets	11.8%	12.2%		12.5%	
Effective Tax Rate	21.4%	21.3%		15.2%	

Source (s): Company Financials, AHCML Research

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