

Flash Note

Tuesday, October 28, 2025



Cement

Lucky Cement Limited (LUCK)

Earnings: LUCK announced its 1QFY26 result, reporting unconsolidated earnings of PKR 14.6bn (EPS PKR 9.98) compared to PKR 6.6bn (EPS: PKR 4.48) in the same period last year, reflecting an impressive 1.23x y/y growth. On a quarterly basis, earnings surged 1.54x, driven by robust topline growth, improved gross margins, and lower finance costs. On a consolidated basis, LUCK reported earnings of PKR 23.56Bn (EPS: PKR 15.01) vs PKR 19.8Bn (EPS: PKR 12.24) in SPLY. The strong earnings performance was supported by higher local dispatches which rose +18% y/y (up +16% q/q). Overall dispatches rose +11% y/y (up +9% q/q).

Dividend/Payout: The Company did not announce any cash dividend along with the result.

Operating Performance: During 1QFY26, net sales increased by 14% y/y and 13% q/q to PKR 33.9bn, supported by higher volumes and improved pricing. Gross profits rose to PKR 13.3bn, up 35% y/y, translating into a gross margin of 39%, compared to 34% in 1QFY25. Gross margin improvement mainly stems from lower power costs due to higher renewable energy use. EBIT almost doubled to PKR 19.5bn, reflecting a 92% y/y increase and a significant 1.11x q/q jump. Finance costs decreased slightly by 2% q/q to PKR 0.3bn, indicating controlled leverage levels. The effective tax rate stood at 24%, down from 34% in the previous quarter, further boosting profitability. Overall, net margins expanded sharply to 43%, compared to 21% in 1QFY25, marking one of the strongest quarterly margins in recent periods.

Exhibit: Lucky Cement Company Limited (LUCK) Financial highlights; Unconsolidated*							
For period ending: 1q/26							
PKRbn	1q/26	4q/25	3q/25	2q/25	1q/25	ΔYoY	ΔQoQ
Net Sales	33.9	30.0	30.2	34.5	29.8	14%	13%
Gross Profits	13.3	10.7	10.0	12.2	9.8	35%	25%
Admin	0.6	0.6	0.6	0.6	0.6	4%	3%
EBIT	19.5	9.3	17.5	11.8	10.2	92%	1.11x
Finance cost	0.3	0.3	0.3	0.5	0.4	-30%	-2%
Profit before tax	19.3	8.7	17.2	11.3	9.8	96%	1.22x
Taxation	4.7	2.9	3.7	4.0	3.3	43%	58%
Profit after Tax	14.6	5.7	13.5	7.3	6.6	1.23x	1.54x
EPS*	9.98	3.92	9.22	4.97	4.48	1.23x	1.54x
DPS	0.00	4.50	0.00	0.00	0.00		-
Gross Margins	39%	36%	33%	35%	33%	6%	10%
EBIT Margins	58%	31%	58%	34%	34%	24%	87%
Effective tax	24%	34%	22%	35%	33%	-9%	-29%
Net Margins	43%	19%	45%	21%	22%	21%	1.25x

Source: Company Accounts, IGI Research, *Number of Shares (mn): 1465

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Hold if target price on aforementioned security (ies) is in between -10% and 10%, from its last closing price(s)

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- Reserve Based DCF
- Dividend Discount Model (DDM)
- Justified Price to Book
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