

## Cement

### LUCK: FY25 Management Call Takeaways

- Lucky Cement Limited (LUCK) held a corporate briefing session to discuss the FY25 financial results and provide key insights on the future outlook for the Company.
- FY25 results depicted robust growth against FY24, with standalone revenue rising 8%/y/y to PKR 124.5bn and PAT up 23.5%/y/y to PKR 20.5 bn, supported by better margins and stable costs. On a consolidated basis, revenue grew 9.4%/y/y to PKR 449.6bn while PAT increased 16.9% to PKR 84.5 bn.
- The management disclosed that overall volumetric dispatches grew 8% y/y in FY25, supported mainly by exports, while domestic sales declined 5.5% due to subdued local demand. Despite this, the company maintained its domestic market share at ~16%.

Lucky Cement Limited (LUCK) held a corporate briefing session to discuss the FY25 financial results and provide key insights on the future outlook for the Company.

#### Key highlights from Corporate Briefing

- FY25 results depicted robust growth against FY24, with standalone revenue rising 8%/y/y to PKR 124.5bn and PAT up 23.5%/y/y to PKR 20.5 bn, supported by better margins and stable costs. On a consolidated basis, revenue grew 9.4%/y/y to PKR 449.6bn while PAT increased 16.9% to PKR 84.5 bn.
- The management disclosed that overall volumetric dispatches grew 8%YoY in FY25, supported mainly by exports, while domestic sales declined 5.5% due to subdued local demand. Despite this, the company maintained its domestic market share at ~16%.
- Exports rose sharply by 53% to 3.4 MT, lifting Lucky's export market share to 36.6% (vs. 30.7% LY), making it the largest contributor to industry exports. Africa emerged as the leading export destination (62% share).
- The management highlighted that foreign cement operations remain robust, with Iraq plants operating at ~95% utilization and Congo at ~85%. Expansion is under consideration.

#### Analyst

Sania Bajwa

[Sania.bajwa@igi.com.pk](mailto:Sania.bajwa@igi.com.pk)

- Lucky commissioned a 28.8 MW wind power project at its Karachi plant during 2QFY25 and installed a Battery Energy Storage System (BESS) post-June 2025 to optimize its renewable mix. Karachi plant now operates on 55% renewable energy, with the remainder from coal and other fuels.
- Energy sourcing varies: South plant relies primarily on imported coal (~USD 100/ton), while North plant uses ~80% local and 20% Afghan coal. Management noted that local Thar coal supply is expected to start from FY26, which should reduce reliance on imported coal.
- The management disclosed progress in its mining venture through NRL, with encouraging early results however, a proper discovery and contribution to bottom line may take 6–7 years.
- Capital allocation remains focused on local and international expansion. Around PKR 70 bn is earmarked for PIA investment, while other funds are being held as contingency and for announced projects. Management reiterated that cash reserves are maintained for flexibility in expansion and due diligence processes.
- The company clarified it has no plans for additional capacity expansion for local plants in the near term, as the southern plant has surplus capacity to meet rising demand.
- The management expects domestic cement demand to recover gradually, supported by lower interest rates, easing inflation, and a pickup in housing and infrastructure activity.
- Dividend policy remains unchanged, with no major shift expected.

# Important Disclaimer and Disclosures

**Research Analyst(s) Certification:** The Research Analyst(s) hereby certify that the views about the company/companies and the security/ securities discussed in this report accurately reflect his or her or their personal views and that he/she has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report. The analyst(s) is principally responsible for the preparation of this research report and that he/she or his/her close family/relative does not own 1% or more of a class of common equity securities of the following company/companies covered in this report.

**Disclaimer:** The information and opinions contained herein are prepared by IGI Finex Securities Limited and is for information purposes only. Whilst every effort has been made to ensure that all the information (including any recommendations or opinions expressed) contained in this document (the information) is not misleading or unreliable, IGI Finex Securities Limited makes no representation as to the accuracy or completeness of the information. Neither, IGI Finex Securities Limited nor any director, officer or employee of IGI Finex Securities Limited shall in any manner be liable or responsible for any loss that may be occasioned as consequence of a party relying on the information. This document takes no account of the investment objectives, financial situation and particular needs of investors, who shall seek further professional advice before making any investment decision. The subject Company (ies) is a client of the IGI Finex Securities Limited and IGI Finex Securities offers brokerage services to Subject Company (ies) on a regular basis, in line with industry practice. This document and the information may not be reproduced, distributed or published by any recipient for any purpose. This report is not directed or intended for distribution to, or use by any person or entity not a client of IGI Finex Securities Limited, else directed for distribution. All Research Analysts are receiving fixed pay and reporting directly to Head of Research who reports to CEO.

**Rating system:** IGI Finex Securities employs three tier ratings system, depending upon expected total return (return is defined as capital gain exclusive of tax) of the security in stated time period, as follows:

## Recommendation Rating System

Buy if target price on aforementioned security (ies) is more than 10%, from its last closing price(s)

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

Sell if target price on aforementioned security (ies) is less than -10%, from its last closing price(s)

**Valuation Methodology:** To arrive at Target Prices, IGI Finex Securities uses different valuation methodologies including

- Discounted Cash Flow (DCF)
- Reserve Based DCF
- Dividend Discount Model (DDM)
- Justified Price to Book
- Residual Income (RI)
- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

**Risk:** Investment in securities are subject to economic risk, market risk, interest rate risks, currency risks, and credit risks, political and geopolitical risks. The performance of company (ies) covered herein might unfavorably be affected by multiple factors including, business, economic, and political conditions. Hence, there is no assurance or guarantee that estimates, recommendation, opinion, etc. given about the security (ies)/company (ies) in the report will be achieved.

**Basic Definitions and Terminologies used:** **Target Price:** A price target is the projected price level of a financial security stated by an investment analyst or advisor. It represents a security's price that, if achieved, results in a trader recognizing the best possible outcome for his investment, **Last Closing:** Latest closing price, **Market Cap.:** Market capitalization is calculated by multiplying a company's shares outstanding by current trading price. **EPS:** Earnings per Share. **DPS:** Dividend per Share. **ROE:** Return on equity is the amount of net income returned as a percentage of shareholders' equity. **P/E:** Price to Earnings ratio of a company's share price to its per-share earnings. **P/B:** Price to Book ratio used to compare a stock's market value to its book value. **DY:** The dividend yield is dividend per share, divided by the price per share.

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

© Copyright 2025 IGI Finex Securities Limited

## Contact Details

### Equity Sales

Zaeem Haider Khan	Head of Equities	Tel: (+92-42) 35301405	zaeem.haider@igi.com.pk
Syeda Mahrukh Hameed	Regional Head (North)	Tel: (+92-42) 38303564	mahrukh.hameed@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Faraz Naqvi	Branch Manager (Karachi)	Tel: (+92-21) 111 234 234 Ext: 826	faraz.naqvi@igi.com.pk
Shakeel Ahmad	Branch Manager (Faisalabad)	Tel: (+92-41) 2540843-45	shakeel.ahmad1@igi.com.pk
Asif Saleem	Equity Sales (RY Khan)	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	Equity Sales (Multan)	Tel: (+92-61) 4512003	mahtab.ali@igi.com.pk

### Research Team

Abdullah Farhan	Head of Research	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Sakina Makati	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 810	sakina.makati@igi.com.pk
Sania Bajwa	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 569	sania.bajwa@igi.com.pk
Sufyan Siddiqui	Database Officer	Tel: (+92-21) 111-234-234 Ext: 888	sufyan.siddiqui@igi.com.pk

### IGI Finex Securities Limited

Trading Rights Entitlement Certificate (TREC) Holder of Pakistan Stock Exchange Limited |

Corporate member of Pakistan Mercantile Exchange Limited

Website: [www.igisecurities.com.pk](http://www.igisecurities.com.pk)

### Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,  
Khayaban-e-Jami Block-09, Clifton, Karachi-75600  
UAN: (+92-21) 111-444-001 | (+92-21) 111-234-234  
Fax: (+92-21) 35309169, 35301780

### Lahore Office

Shop # G-009, Ground Floor,  
Packages Mall  
Tel: (+92-42) 38303560-69  
Fax: (+92-42) 38303559

### Islamabad Office

3<sup>rd</sup> Floor, Kamran Centre,  
Block- B, Jinnah Avenue, Blue Area  
Tel: (+92-51) 2604861-2, 2604864, 2273439  
Fax: (+92-51) 2273861

### Faisalabad Office

Office No. 2, 5 & 8, Ground Floor, The  
Regency International 949, The Mall  
Faisalabad  
Tel: (+92-41) 2540843-45

### Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,  
Model Town, Town Hall Road  
Tel: (+92-68) 5871652-3  
Fax: (+92-68) 5871651

### Multan Office

Mezzanine Floor, Abdali Tower,  
Abdali Road  
Tel: (92-61) 4512003, 4571183

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

© Copyright 2025 IGI Finex Securities Limited