

LUCK's Diversified Dominance | PE 6.9x PBV 1.1x | Annualized Net Margin 18.15%

Wednesday, 06 May 2026

Lucky Cement Limited (LUCK) is one of the biggest cement capacity plant holders in Pakistan with the 15mn tons capacity. LUCK posted a robust consolidated performance in 9MFY26, reporting a Net Profit of **PKR 68.47bn**, 8.4% up YoY. The Gross Revenue of **PKR 473.72 bn** is **14.5% up**, driven by the strong operational footprint of the company's diverse subsidiaries. The group achieved an **EPS of PKR 43.47**, reflecting an 11.1% increase over SPLY.

Segmental Performance & Operational Highlights:

- **Cement Operations:** Local sales volumes increased **8.9%** to **4.9 MT**, reflecting a gradual stabilization in demand. Export volumes declined by **9.7%** to **2.3 MT** as part of a strategic rationalization of geographic exposure. The company is expanding its Karachi solar capacity to **89.3 MW by 4Q FY26** and has successfully commissioned **UTIS technology** to reduce production costs as per the company report.
- **Lucky Motor Corporation (LMC):** The automobile sector observed a volume increase of approximately **46%** compared to the previous year, supported by stable pricing and exchange rate parity. LMC is enhancing competitiveness against new Chinese brands through a partnership with **GAC Group** to introduce **New Energy Vehicles (NEVs)** and focusing on the low-cost smartphone segment. They are yet to roll out variants.
- **Lucky Core Industries (LCI):** The Pharmaceuticals and Animal Health businesses grew by **10%** and **19%**, respectively; the Polyester and Soda Ash segments faced challenges from high energy costs and tariff reductions. To support future growth and reduce import reliance, LCI inaugurated a **new veterinary medicine** manufacturing facility in **Sheikhupura** in **March 2026**.
- **Power (LEPCL):** The plant continues to deliver **steady performance** by optimizing its fuel mix through the **blending of Thar and imported coal**. It remains positioned as a low-cost provider in the national merit order to bridge impending generation gaps.

LUCK Snapshot

Price	418
MKT Cap	615bn
Avg Vol (12m)	2,138,596
Paid-up	2,930 mn
Authorized Cap	5,000 mn
Beta	1.28
Expected D/Y	1.06%
Leading PE	6.9 x
Exp PBV	1.1x
Annualized Net Margin	18.15%

Source: SCS Research

9M FY26 YoY COMPARISON (consolidated)

PKR bn except EPS	9MFY26	9MFY25	Change (%)
Gross Revenue	473.72	413.90	14.5%
Net Revenue	377.33	332.82	13.4%
Gross Profit	93.67	94.52	-0.9%
GP as % of Net Revenue	24.8%	28.4%	-12.7%
Operating Profit	74.24	74.80	-0.7%
EBITDA	89.67	88.70	1.1%
Net Profit	68.47	63.14	8.4%
EPS (PKR)	43.47	39.12	11.1%

Driving the Future: Lucky Group's Evolution into a Multi-Sector Chinese vehicles

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As per the media reports, Lucky Motor Corporation's partnership with **GAC Group** marks an expansion into Pakistan's New Energy Vehicle (NEV) market, positioning the company in EV mobility business.

By integrating GAC's premier electric marques, Aion and Hyptec, LMC leverages the power of a Fortune 500 leader, renowned for its vertical integration and proprietary Magazine Battery 2.0 technology, which offers industry-leading safety and energy density.

This alliance diversifies Lucky's portfolio beyond Kia and Peugeot, securing a critical first-mover advantage while setting the groundwork for the necessary infrastructure through commercial battery swapping stations.

For investors, this collaboration signals a high-value, future-ready strategy grounded in technology transfer and localization, ensuring long-term margin resilience and a commanding competitive edge in an evolving automotive landscape.

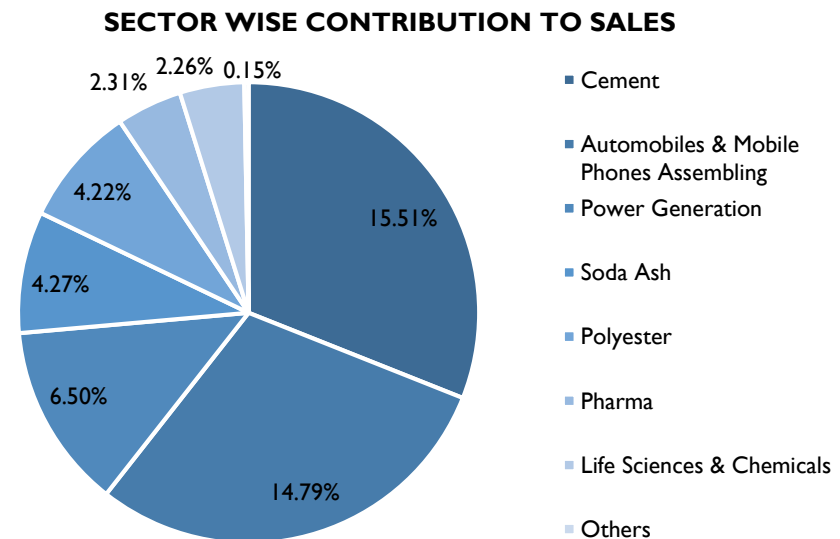
Natural Resources factor...

LUCK Group owns 33.33% stake in Natural Resources (NRL), and the other stakeholders in NRL are Fatima Fertilizer and Mari Energies.

The key leading sectors are minerals, copper, gold, barite-lead-zinc, and exploration licenses for rare earth minerals at Chaghi, Balochistan.

We expect some positive cash flows to start from 2030-32 onwards.

SECTOR WISE CONTRIBUTION TO SALES	
SECTORS	IN %
Cement	15.51%
Polyester	4.22%
Soda Ash	4.27%
Pharma	2.31%
Life Sciences & Chemicals	2.26%
Automobiles & Mobile Phones	14.79%
Power Generation	6.50%
Others	0.15%



*This chart illustrates that **Cement** and **Automobiles & Mobile Phones** are the primary drivers of Sales, collectively contributing over 30% of the Total Sectoral Revenue.

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- (Target Price, if any/Current Price - 1) > 10% Positive
- (Target Price, if any/Current Price - 1) < 10% Hold
- (Target Price, if any/Current Price - 1) < -10% Negative

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Following research techniques adopted to calculate target price/recommendation

- Price to earnings & Price to Book, EV-EBITDA multiple
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