



LUCK announces capacity expansion in DR Congo



AKD Securities Limited

Lucky Cement Ltd. (LUCK) has announced capacity expansion at its JV company of 'Nyumba Ya Abika' (LUCK shareholding: 50%), in Democratic Republic of Congo. The project entails adding 1.6mn TPA of fully integrated cement line, taking total cement capacity to 2.91mn TPA (present capacity: 1.3mn TPA).

As per our estimates, the new integrated line would contribute around PkR1.7/4.4 per share in consolidated earnings of FY28E/29E, assuming commissioning by mid FY28, utilization levels of 70%/85% and an exchange rate of PkR308/319/US\$, respectively. We have not yet incorporated this expansion in our base case.

To highlight, DR Congo operations contributed PkR4.6/3.7 per share in the company's consolidated earnings for FY24/FY23, respectively.

Outlook: We have a 'Buy' stance on the stock with Jun'26 SOTP target price of PkR558.6/sh. Our liking for LUCK stems from; i) improvement in core margins, ii) increase in dividend from power segment and iii) expected recovery in cyclical segments benefiting its subsidiaries.

LUCK domestic and international capacities post-forementioned expansion

Company	Location	Capacity (MTPA)
Lucky Cement Limited	Pezu, Lakki Marwat, Pakistan	10.25
	Karachi, Pakistan	5.05
Al-Mabrooka Cement Company	Basra, Iraq	1.74
Najmat-Al-Samawah	Samawah, Iraq	3.20
Nyumba Ya Akiba	Democratic Republic of Congo	1.31
	DR Congo (New Plant)	1.60
Total		23.15

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465.4
Price
(PkR/sh)



1,465.0
Shares (mn)



681,737.8
Market
Capitalization
(PkRmn)



2,429.9
Market
Capitalization
(USDmn)



1.5
3M Avg
Turnover (mn)



698.1
3M Avg DT
Value (PkRmn)

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Valuation Methodology

To arrive at our period end target prices, AKDS uses different valuation techniques including:

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

New Rating Definitions

Buy > 15% expected total return

Neutral > 0% to < 15% expected total return

Sell < 0% expected total return

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