



LUCK: 3QFY26 Result Review — Profitability beat expectation on higher dividend from LEPCL



AKD Securities Limited

Lucky Cement Ltd. (LUCK) announced its 3QFY26 financial results, reporting unconsolidated earnings of PkR13.5bn (EPS: PkR9.2), compared to PkR13.5bn (EPS: PkR9.2) in SPLY, flat YoY. Earnings came in above our expectation, due to higher-than-expected other income stemming from dividends received from LEPCL. On a consolidated basis, profitability increased by 6%YoY to PkR20.4bn (EPS: PkR13.0), primarily driven by better performance of domestic cement operations; in line with expectations.

- Standalone revenue clocked in at PkR33.2bn, up 10%YoY from PkR30.2bn in SPLY, led by 3%YoY increase in total offtakes and higher retention price during the period.
- Gross margins improved to 36.9% from 33.2% in SPLY, supported by higher retention prices, and lower grid tariffs along with incremental electricity package.
- Operating expenses increased by 6%YoY to PkR2.8bn, compared to PkR2.7bn in SPLY, mainly due to higher export volumes.
- Other income decreased by 24%YoY to PkR8.3bn, mainly due to decrease in yields, and absence of dividends from subsidiaries (LMC and YEL).
- Finance cost declined by 22%YoY to PkR223mn, primarily due to easing financing rates.
- Effective tax rate during the quarter stood at 18%, compared to 22% in SPLY. Notably, taxation was lower due to higher contribution of LEPCL in other income.
- We have a 'BUY' stance on the stock with Dec'26 SOTP target price of PkR731/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: Income Statement (Unconsol)

PkRmn	3QFY26	3QFY25	YoY	2QFY26	QoQ	9MFY26	9MFY25	YoY
Sales	33,247	30,227	10%	33,857	-2%	100,967	94,547	7%
COGS	20,978	20,189	4%	21,594	-3%	63,153	62,519	1%
Gross Profit	12,269	10,038	22%	12,263	0%	37,814	32,028	18%
Gross Margins	36.9%	33.2%	-	36.2%	-	37.5%	33.9%	-
Opex	2,828	2,673	6%	2,642	7%	8,263	8,789	-6%
Other Income	8,329	10,983	-24%	3,807	119%	21,180	17,835	19%
Finance Cost	223	287	-22%	301	-26%	776	1,113	-30%
PBT	16,510	17,215	-4%	12,209	35%	48,000	38,329	25%
Taxation	3,020	3,708	-19%	3,584	-16%	11,268	10,982	3%
ETR	18.3%	21.5%		29.4%		23.5%	28.7%	
NPAT	13,490	13,507	0%	8,624	56%	36,732	27,347	34%
EPS (PkR)	9.21	9.22	-	5.89	-	25.07	18.67	-
EPS (PkR) Consol	13.02	12.25	6%	15.44	-16%	43.47	39.12	11%

Source: PSX & AKD Research

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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
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