



LUCK commissioned capacity enhancement and optimization project



AKD Securities Limited

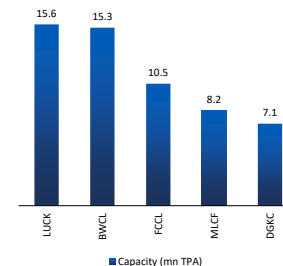
Lucky Cement Ltd. (LUCK) has announced the successful completion and commissioning of a Process Optimization and Capacity Enhancement Project at its Karachi Plant. The aforesaid project has lifted the Karachi plant's annual cement production capacity by ~0.3mn tons to 5.35mn tons per annum (from 5.05mn tons), taking the Company's total domestic capacity to 15.6mn tons and reinforcing its position as Pakistan's largest cement manufacturer.

Beyond the capacity uplift, the said project is expected to improve thermal efficiency and reduce specific fuel consumption. The incremental capacity would enhance company's offtakes, with south plant capacity utilization at 101% in 9MFY26. We expect the incremental capacity to have annual EPS impact of PKR0.52 and positive valuation impact of PKR4.3/sh.

Outlook: We increase our Dec'26 target price to PKR735/sh from PKR731/sh previously, on incorporation of aforesaid capacity enhancement. We maintain our 'BUY' stance on the stock underpinned by i) improvement in core margins, ii) increase in dividend from power segment and iii) expected recovery in cyclical segments benefiting its subsidiaries.

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LUCK leads with the highest capacity



Source: PSX & AKD Research

LUCK domestic and international capacities post-aforementioned expansion

Company	Location	Capacity (ton/annum)
Lucky Cement Limited	Pezu, Lakki Marwat, Pakistan	10.25
	Karachi, Pakistan	5.35
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		23.45

Source: PSX & AKD Research



461.8

Price (PKR/sh)



1,465.0

Shares (mn)



676,595.6

Market
Capitalization
(PKRmn)



2,432.3

Market
Capitalization
(USDmn)

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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.)

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