



## LUCK - Commissioning of new Iraq clinker line announced



AKD Securities Limited

Lucky Cement Ltd. (LUCK) has announced that kiln of the clinker line of 1.82mn TPA has been successfully fired. In addition, company has announced a new grinding line expansion of 0.65mn TPA in Samawah, Iraq.

As per our estimates, the new clinker expansion would contribute around PkR1.8/2.1 per share in consolidated earnings of FY26E/27E, assuming utilization levels of 70%/80% and an exchange rate of PkR289/300/US\$, respectively. We had already incorporated this in our base case.

Moreover, the said grinding unit would complement the newly commissioned clinker line and is expected to contribute PkR0.2/sh in FY26E and PkR0.5/sh in FY27E, and increase our target price by PkR2.1/sh. However, we haven't incorporated this in our base valuations.

Notably, Iraq cement operations contributed PkR7.0/sh in the company's consolidated earnings for FY24. After the COD of Iraq's new clinker line, LUCK's total capacity will increase to 21.5mn TPA (including a 1.7mn TPA grinding unit in Basra).

**Outlook:** We have revised our call to 'Neutral' given the recent rally in the stock. We believe the impact of gross margins improvement and upside in LEPCL has largely been priced in, following the announcement of second dividend distribution even before the tariff true-up. We maintain our Dec'25 target price of PkR393/sh, representing a potential upside of 12% and dividend yield of 1% during the same period.

### Upon completion of the aforementioned projects.

Company	Location	Capacity (MTPA)
Lucky Cement Limited	Pezu, Lakki Marwat, Pakistan	10.25
	Karachi, Pakistan	5.05
Nyumba Ya Akiba	Democratic Republic of Congo	1.31
Al-Mabrooka Cement Company	Basra, Iraq	1.74
Najmat-Al-Samawah	Samawah, Iraq	1.31
	Samawah, Iraq (new clinker line)	1.82
<b>Total</b>		<b>21.48</b>

Source: PSX & AKD Research

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**351.2**  
Price  
(PkR/sh)



**1,465.0**  
Shares (mn)



**514,493.4**  
Market  
Capitalization  
(PkRmn)



**1,826.6**  
Market  
Capitalization  
(USDmn)



**3.4**  
3M Avg  
Turnover (mn)



**1,089.7**  
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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