

LUCK Lucky Cement Ltd. Consolidated

PSX · CEMENT

Lucky Cement's approved brownfield expansion at Karachi and its wider green energy mix: what the added capacity means for a long-term holding at the current valuation

THE STORY

As you know, we follow Lucky Cement Ltd. (Consolidated) closely, and the company has now approved a **3.2 MTPA** brownfield expansion at its Karachi plant. Upon completion, total installed cement capacity in Pakistan will increase to **18.8 MTPA**.

On valuation, the stock is trading at a P/E of **6.7x**.

The company is also adding to its green energy mix. The projects we note are a **22.5MW** Wind Turbine, a **15MW** Battery Energy Storage System (BESS), and a Solar power plant and Waste Heat Recovery.

We read the expansion and the energy additions together as a structural, long-term development for the business rather than a trading signal, and we leave the portfolio decision with you.

THE NUMBERS

Brownfield expansion approved, Karachi plant

3.2 MTPA

capacity addition approved by the company

Total installed cement capacity in Pakistan, upon completion

18.8 MTPA

Price to earnings (P/E)

6.7x

current trading multiple

Wind Turbine

22.5MW

part of the green energy mix

Battery Energy Storage System (BESS)

15MW

part of the green energy mix

WHAT WE ARE WATCHING

- ▶ Progress and completion of the 3.2 MTPA brownfield expansion at the Karachi plant, which brings total installed capacity in Pakistan to 18.8 MTPA.
- ▶ Rollout of the 22.5MW Wind Turbine and the 15MW Battery Energy Storage System (BESS).
- ▶ Delivery of the Solar power plant and Waste Heat Recovery projects within the green energy mix.
- ▶ How the stock's P/E of 6.7x evolves as the expansion and energy projects come through.

GENERAL CONCEPT · EDUCATION, NOT A VIEW ON THIS STOCK

Brownfield expansion

A brownfield expansion adds new production capacity at a site where a company already operates, instead of building on fresh land. It can lean on existing infrastructure, utilities and workforce, which often makes it quicker and less complex than a new plant. Investors usually weigh the added capacity against how demand develops and how long construction takes.

GENERAL CONCEPT · EDUCATION, NOT A VIEW ON THIS STOCK**Price to earnings (P/E) multiple**

The P/E multiple compares a company's share price with its earnings per share. It gives a quick sense of how much the market is paying for each unit of profit. A lower multiple can reflect modest expectations or an undemanding valuation, while a higher one can reflect growth expectations. It is most useful when compared with the company's own history and with peers in the same sector.