

MISIL/NCBS/2022(1)

November 22, 2022

The General Manager

Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.
By PUCARS & Courier

SUBJECT: CORPORATE BRIEFING SESSION

Dear Sir,

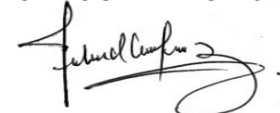
It is to inform you that Mughal Iron & Steel Industries Limited is holding its Corporate Briefing Session (CBS) on the basis of Company's Annual Audited Accounts for the financial year ended June 30, 2022 at the Nishat Hotel Gulberg, Lahore and through Zoom-video link as on Tuesday, November 29th, 2022 at 4:00 p.m.

Interested participants who wish to participate in person are requested to register themselves for participation in the meeting maximum by Friday, 25th November 2022 by emailing their credentials at fahadhafiez@mughalsteel.com. Zoom video link details are attached herewith.

We would appreciate your assistance in communicating this information to members of the Exchange.

Yours Sincerely,

for **MUGHAL IRON & STEEL INDUSTRIES LIMITED**



Muhammad Fahad Hafeez
(Company Secretary)



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MUGHAL IRON & STEEL INDUSTRIES LTD

FY22 ANALYST BRIEFING

DATE: 29th NOVEMBER, 2022

TIME: 4:00 PM

Speakers

Introductory remarks:

Muhammad Farid Alam, FCA

CEO, AKD SECURITIES
LTD

Presented by:

Khurram Javaid

Chief Executive Office
(CEO)

**Muhammad Mubeen
Tariq Mughal**

Executive Director

Shakeel Ahmed

Chief Operating Officer
(COO)

Zafar Iqbal

Chief Financial Officer
(CFO)

[Click here to join](#)

Meeting ID: 875 7606 2004

Passcode: 594934

CORPORATE BRIEFING

**MUGHAL IRON & STEEL
INDUSTRIES LIMITED**

FY -2022

MUGHAL
STEEL

GOING
GLOBAL






COMPANY PROFILE

Mughal Iron & Steel Industries Limited (“Mughal Steel”) was incorporated in 2010 as a public limited company. The Company took over the running business of a partnership concern by the name of “Mughal Steel” which had been in the steel business for over 50 years and was being run by the major sponsors of the Company. Today, the Company is one of the leading steel companies in Pakistan.

The management team is being led by Mr. Khurram Javaid, Director and CEO.



○ The Company is involved in multidimensional activities from making billets to steel rebars, girders and copper ingots.

○ **The main markets of the Company are domestic housing sector market both in urban and rural areas, large infrastructure projects market and international market for copper ingots.**

○ The housing sector market for steel rebars comprises mainly of housing sector in the urban areas, whereas, the housing sector market for girders mainly comprises of housing sector in the rural areas.

○ **Steel rebars cater to both housing sector market and large infrastructure projects market, while girders mainly cater the housing sector market.**

○ The large infrastructure projects market on the other hand comprises of demand from different projects initiated by various private sector, public sector and semi-government institutions.

○ **Mughal Supreme steel rebars are used to target the housing sector in the urban areas since steel rebars are used for construction of roofs in urban areas, whereas G60 steel rebars are mainly used to cater large infrastructure projects market.**


○ On the other hand since girders are products used for construction of roofs in rural areas, therefore they are used to target the rural housing market.



KEY STRENGTHS

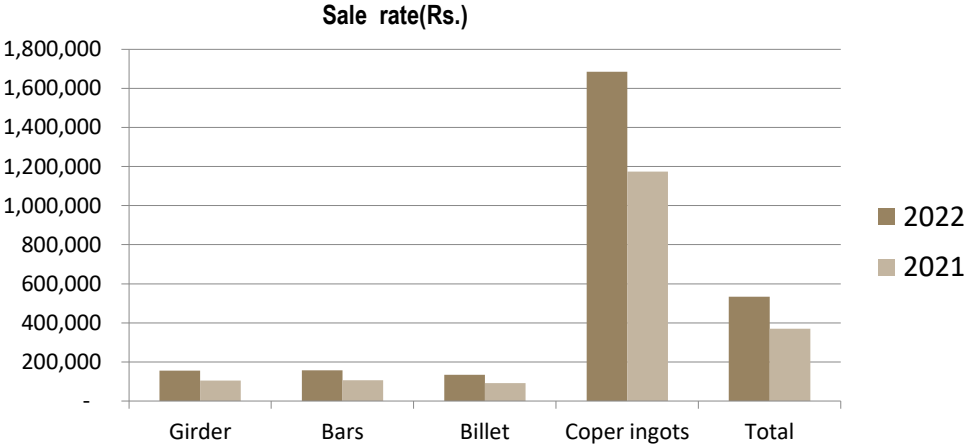
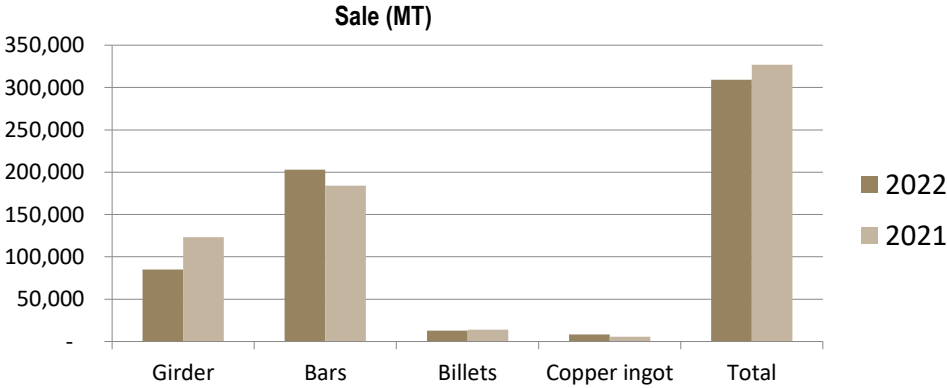


STRATEGIC / OPERATIONAL DEVELOPMENTS FY - 2022

- Highest ever exports of approx. 14 billion
 - Expansion announcement in non-ferrous segment
 - Expansion of melting capacity for ferrous segment
 - Payment of 30% interim cash dividend
 - Significant increase in copper export operations
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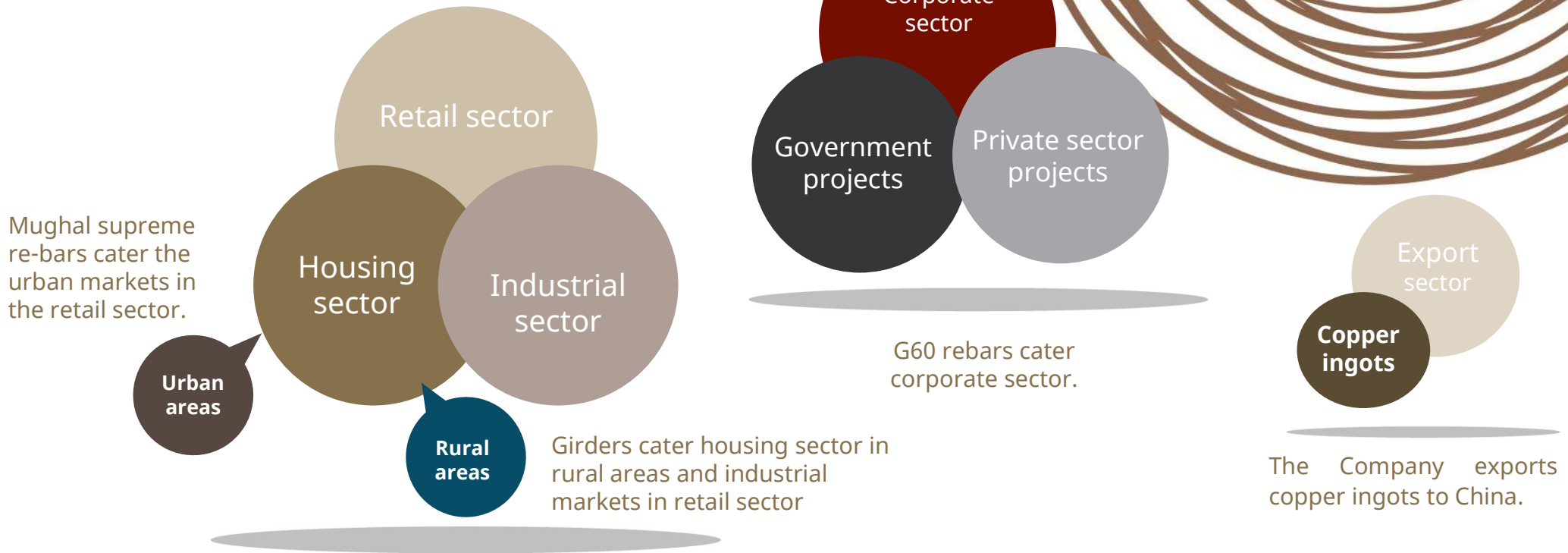
PRODUCT PORTFOLIO

The company has a strategically developed diversified product port folio making it capable of mitigating risks due to adverse economic changes and markets / political risks.

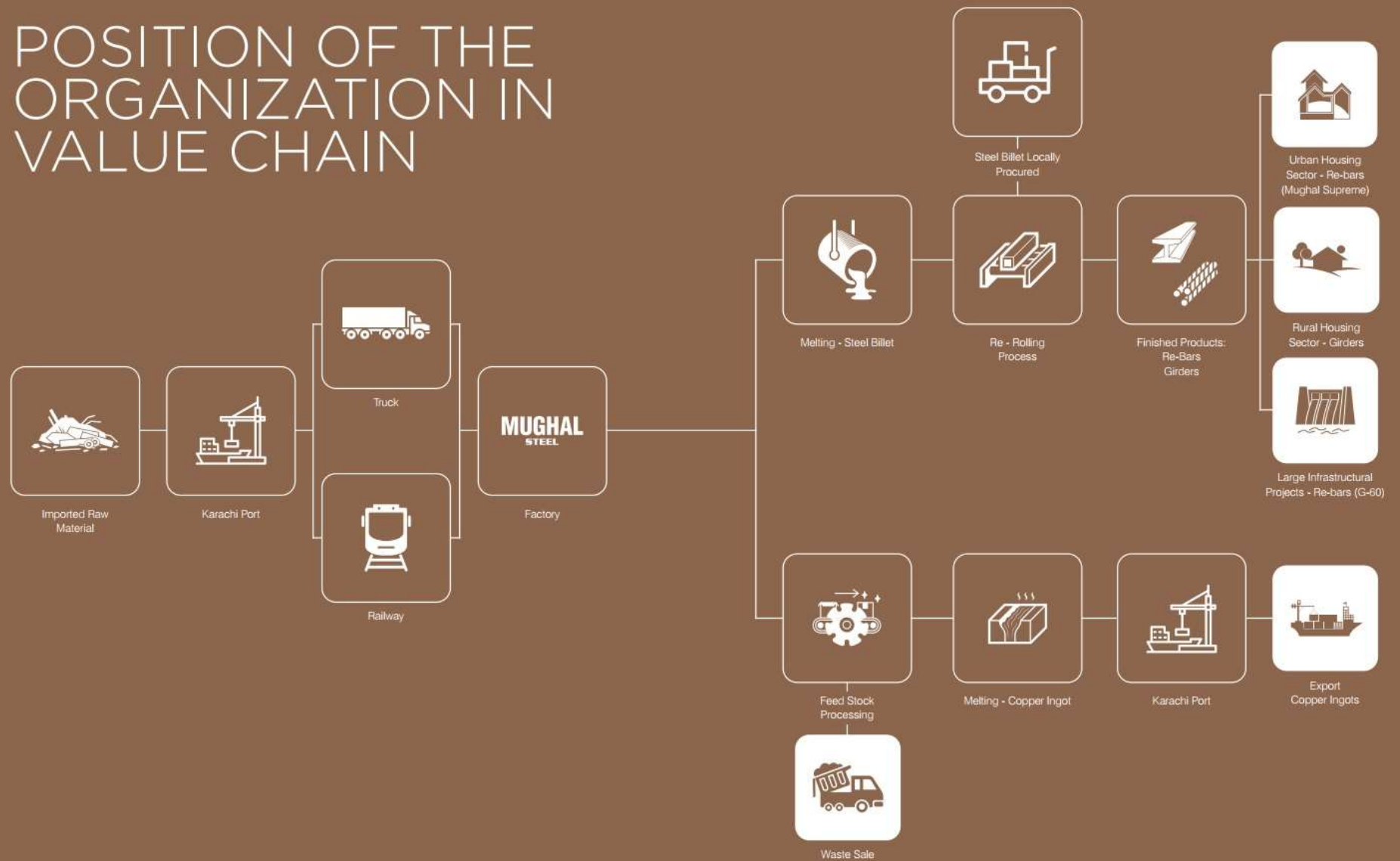


MARKET PORTFOLIO

The overall market portfolio comprises of retail, corporate and export sector.



POSITION OF THE ORGANIZATION IN VALUE CHAIN

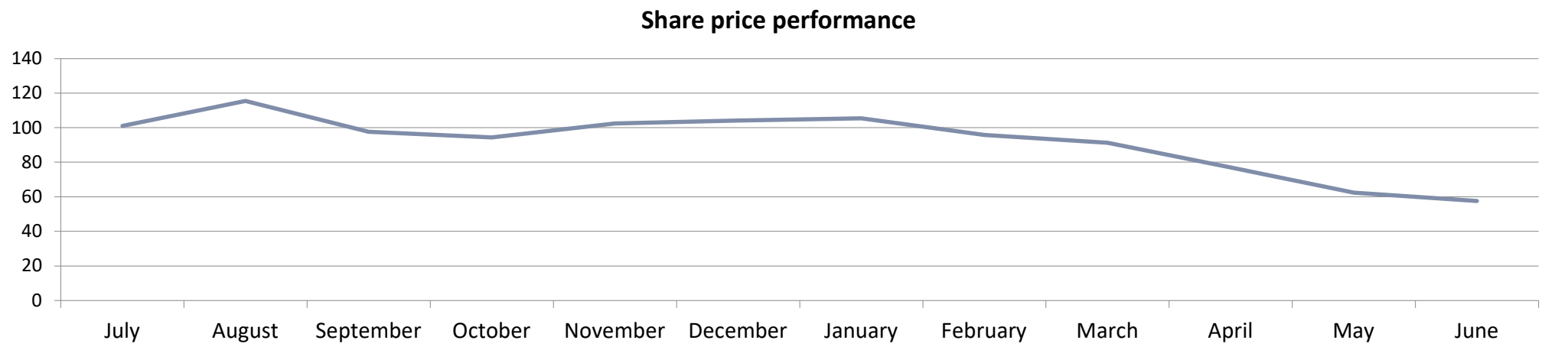


KEY FIGURES




KEY PERFORMANCE INDICATORS

	FY16	FY17	FY18	FY19	FY20	FY 2021
GP Margin (%)	10.85	10.45	12.57	10.34	9.59	14.88
Net Margin (%)	4.71	5.27	5.81	4.45	2.17	7.63
ROE (%)	21.09	14.93	17.28	18.30	7.27	20.78
ROCE (%)	18.28	16.58	17.24	14.35	5.28	20.91
Cash dividend paid (Re/share)	3.00	2.60	2.20	1.20	-	3.00
Bonus (%)	-	-	-	-	-	15.00



PROFIT OR LOSS & COMMENTS



Rs. in millions	FY 22	FY 21
Sales	66,152.807	44,971.836
Gross profit	10,127.887	6,691.368
Finance cost	(2,622.146)	(1,370.294)
Taxation	(791.024)	(732.338)
Profit for the year	5,410.959	3,429.150
EPS	16.12	11.16

Topline witnessed significant increase of 47.10% as compared to previous year. The overall increase in topline is mainly associated with increase in sale prices. Sales volumes of ferrous segment declined slightly, whereas sales volumes of non-ferrous segment witnessed increased as compared to last year.

Overall gross margins declined slightly.

Finance costs increased significantly due to increase in interest rates.

No major change in taxation. However taxation expense was controlled despite of levy of super tax due to availability of tax credits.

Resultantly, profit for the year and EPS increased significantly as compared to corresponding period.

GOING FORWARD

The growth and profitability of the Company is dependent upon a number of external factors such as economic development, international raw material prices, political stability, consistent economic policies and law and order situation of the country.



Going forward, we expect volumes in ferrous segment to maintain or dip slightly. However, in case of increase in any public sector development activities, volumes are expected to improve.

As far as non-ferrous segment is concerned, volumes are expected to improve post expansion.

Overall performance will be impacted by the impact of increased financial costs and slowdown in economic activities.

Question & **Answers**