Corporate Briefing Session

FY2026 Annual Results & Q1 FY2027 Update

Crescent Steel and Allied Products Limited

PSX: CSAP

Agenda

01 **Company Overview**
Vision, mission, values and business structure

02 **FY2026 Performance**
Financial and operational highlights

03 **Sustainability & Recognition**
ESG contribution and awards

04 **Segment Review**
Steel and Investment & Infrastructure Development (IID)

05 **Financial Position & Shareholder Value**
Balance sheet, consolidated results, returns

06 **Q1 FY2027 Results**
Quarterly performance and segment results

07 **Outlook & Project Pipeline**
Operating environment, pipeline and strategic priorities

Vision, Mission & Core Values

VISION

To lead with purpose and create sustainable value for all stakeholders based on a legacy of excellence.

MISSION

We build Pakistan's resilience by delivering infrastructure, industrial and capital solutions, that power long-term growth, create stakeholder value and uplift communities.

Driven by:

- *a pursuit of excellence*
- *leading with integrity*
- *capital stewardship*
- *empowerment that multiplies impact*

CORE VALUES

Integrity	Ownership	Customer Focus	Continuous Improvement	Community Care
Consistently doing the right thing	**Acting with stewardship**	**Leveraging relationships for out-performance**	**Continuous improvement gives us a competitive advantage**	**Social responsibility is at the heart of our business**
Ethically unyielding and honest in how we conduct business	Building a better, stronger and more dynamic organisation	Delivering value through responsiveness to internal and external customers	Fostering collaboration, innovation and creativity as individuals and as teams	Facilitating social equity in communities where we operate

Business Overview

Steel & Engineering	Investment & Infrastructure Development (IID)	CS Energy
Spiral line pipe, coatings, cement mortar lining & fabrication	Strategic and trading equity portfolio; investment properties	15 MW co-generation power plant at Bhone

WHOLLY OWNED SUBSIDIARIES

CS Capital (Pvt) Ltd – Rs. 705 million
Solution de Energy (Pvt) Ltd – 100 MW solar park investment

INVESTMENTS

Strategic investments* – Rs. 2,332m (FY25: Rs. 2,239m)
Trading investments – Rs. 2,422m (FY25: Rs. 1,450m)

200,000 MT

Spiral pipe capacity p.a.

8"–120" dia, grades up to API 5L X-100

600,000 m²

Coating capacity (notional basis)

External & internal coatings; cement mortar lining

~33%

Of national gas transmission network

~14,000 km built since 1987



**This includes investment in wholly owned subsidiaries amounting to Rs. 855m (FY25: 905M)*

FY2026 at a Glance

Higher sales, stronger steel margins and a substantially de-levered balance sheet

Rs. 7,936m
Net sales
▲ 25.1% (FY25: Rs. 6,346m)

25.4%
Gross margin
▲ FY25: 25.2%

Rs. 1,748m
PBT – continuing ops
▼ 16.2% (FY25: Rs. 2,085m)

Rs. 1,291m
Profit after tax
▼ 3.9% (FY25: Rs. 1,343m)

Rs. 16.63
Earnings per share
▼ 3.9% (FY25: Rs. 17.30)

Rs. 19.74
Consolidated Earnings per share
▲3625.0% (FY25: LPS Re. 0.56)

4.1%
Gearing ratio
▼ FY25: 21.5%

Rs. 5.50
Dividend per share
▼ 36.4% (FY25: Rs. 7.50)

Rs. 3,227m
Operating cash flow
▲299.6% (FY25: outflow of Rs. 1,617m)

- **Steel Division PBT up 75% to Rs. 1,268m**
- **Investment income down 56%** against FY25 base that included one-off ALTN gains amounting to Rs.1,164m
- **Debt down ~70%** – finance costs lower by 45%;

Operational Performance

First year of Internal cement mortar lining

~198 km
Line pipe dispatched
▼ 2.9% (FY25: ~204 km)

20,228 MT
Bare pipe produced
▼ 50.9% (FY25: 41,175 MT)

246,959 m²
Line-pipe coating (notional basis)
▼ 22.8% (FY25: 319,711 m²)

129,522 m²
Internal cement mortar lining
New capability – first full year

Rs. 8,168m
Deemed revenue*
▼ 32.8% (FY25: Rs. 12,161m)

92.9%
Customer satisfaction index
▼ FY25: 95.0%

- K-IV Phase I: ~70% of the ~210 km pipeline delivered; balance ~65 km against client-supplied HRC
- Enabled SNGPL to add 100 MMCFD to the national gas network four months ahead of schedule
- Production: The production volume of bare pipe has decreased due to manufacturing of small dia pipes

**Sales including the value of client-supplied raw material.*

Sustainability & Social Impact

Creating value beyond the balance sheet

Rs. 163m
Community investment
9.3% of PBT; ~94% to education

Rs. 1,920m
Paid to national exchequer
▲ 21% YoY; 98% of PBT

9,185
Trees planted
Incl. 1,000 mangrove saplings

76.66 mL
Water reused
Across operations

4,049 GJ
Solar power generated
Renewable energy on site

401
Employees
17% female representation in corporate offices

- Rs. 120m supporting 2,835 students through The Citizens Foundation
- Rs. 728m (9.2% of sales) distributed to employees as compensation and benefits
- Rs. 5,239m net wealth generated and distributed to stakeholders

FY2026 Financial Performance

Unconsolidated statement of profit or loss (Rs. in million)

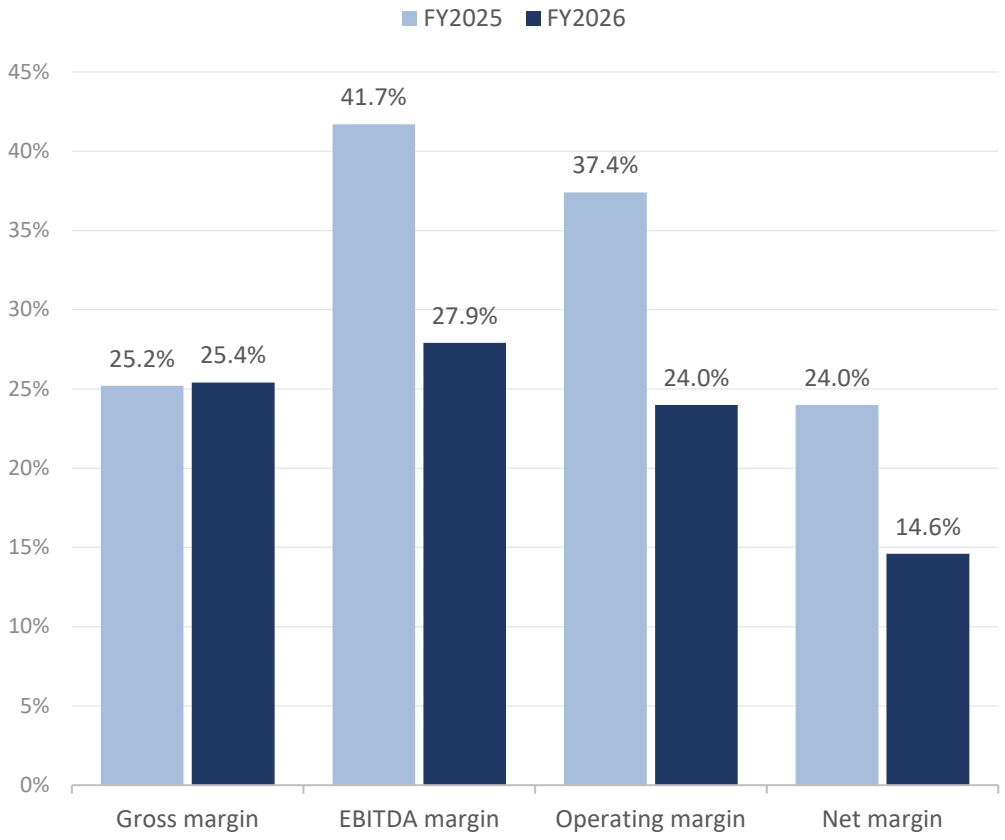
Rs. in million	FY2026	FY2025	Change
Net sales	**7,936**	6,346	+25.1%
Gross profit	**2,014**	1,597	+26.1%
Income from investments – net	**644**	1,462	−56.0%
Operating profit (EBIT)	**1,908**	2,373	−19.6%
EBITDA – continuing	**2,214**	2,645	−16.3%
Finance costs	**(160)**	(288)	−44.4%
Profit before tax – continuing	**1,748**	2,085	−16.2%
Profit after tax – continuing	**1,155**	1,520	−24.0%
Profit / (loss) – discontinued	**136**	(177)	+176.8%
Profit after tax	**1,291**	1,343	−3.9%
Earnings per share (Rs.)	**16.63**	17.30	−3.9%

KEY TAKEAWAYS

- Sales increased by 25.1%
- Gross margin held at 25.4% despite rising input costs
- Investment income after FY25's one-off ALTN gains amounting to Rs. 1,164m
- Finance costs nearly halved as ~70% debt was retired
- Disposal of plant and machinery from discontinued operations added other income to FY26 P&L

Profitability & Margins

Margins to net sales (%)



Rs. 2,214m

EBITDA (continuing)

▼ 16.3% (FY25: Rs. 2,645m)

26.1%

Steel gross margin

FY25: 26.1% – maintained

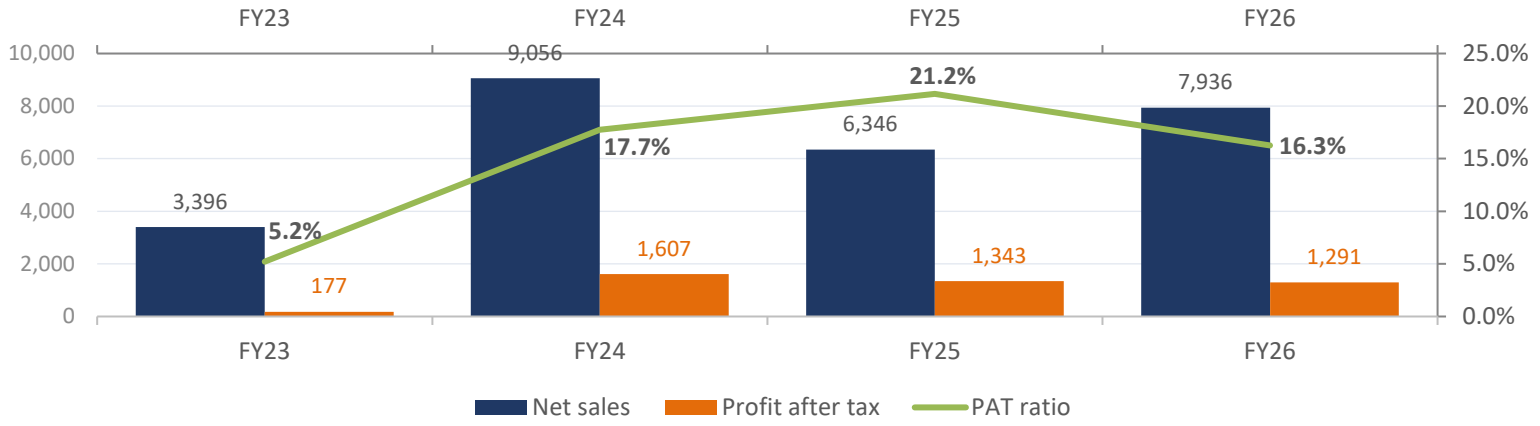
13.4%

Return on equity

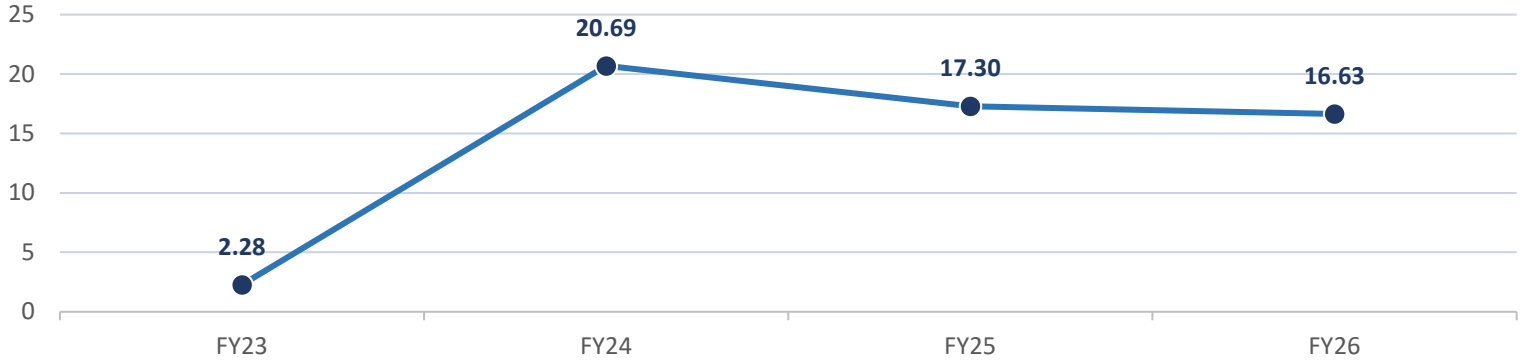
▼ FY25: 15.4%

Four-Year Performance

Net sales and profit after tax (Rs. in million)

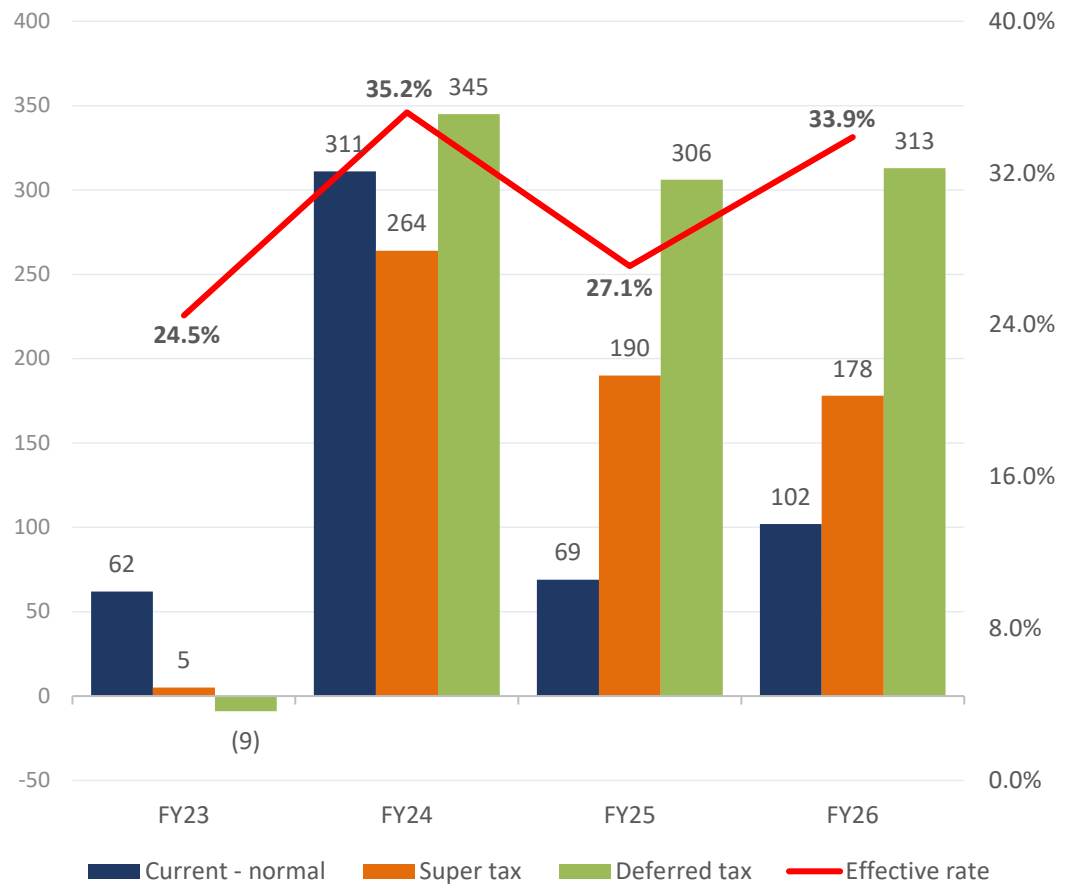


Earnings per share (Rs.)



Taxation

Taxation charge / (reversal) (Rs. in million)

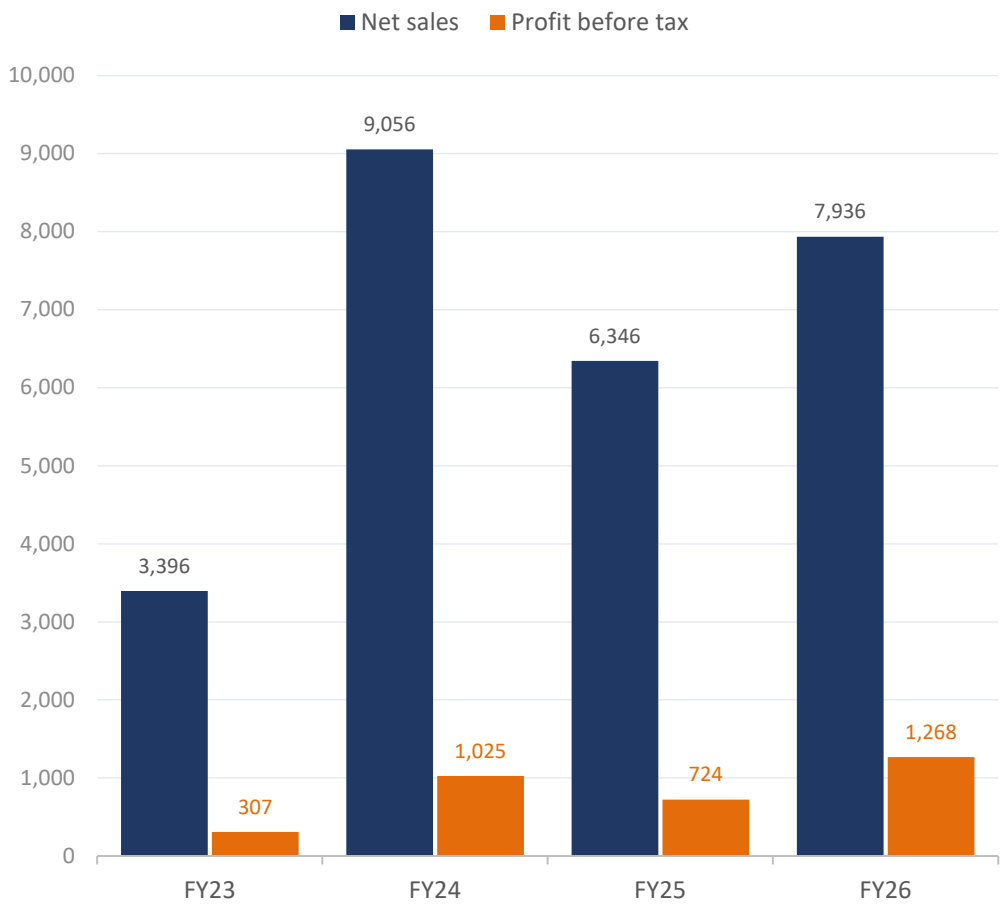


Rs. 1,748m
Profit before taxation
▼ 16.2% (FY25: 2,085m)

Rs. 1,155m
Profit after taxation
▼ 24.0% (FY25: Rs. 1,520m)

Segment Review – Steel

Steel segment sales and PBT (Rs. in million)



Rs. 7,936m

Segment revenue

▲ 25.1% (FY25: Rs. 6,346m)

Rs. 1,268m

Profit before tax

▲ 75% (FY25: Rs. 724m)

26.1%

Gross margin

Rs. 2,074m gross profit

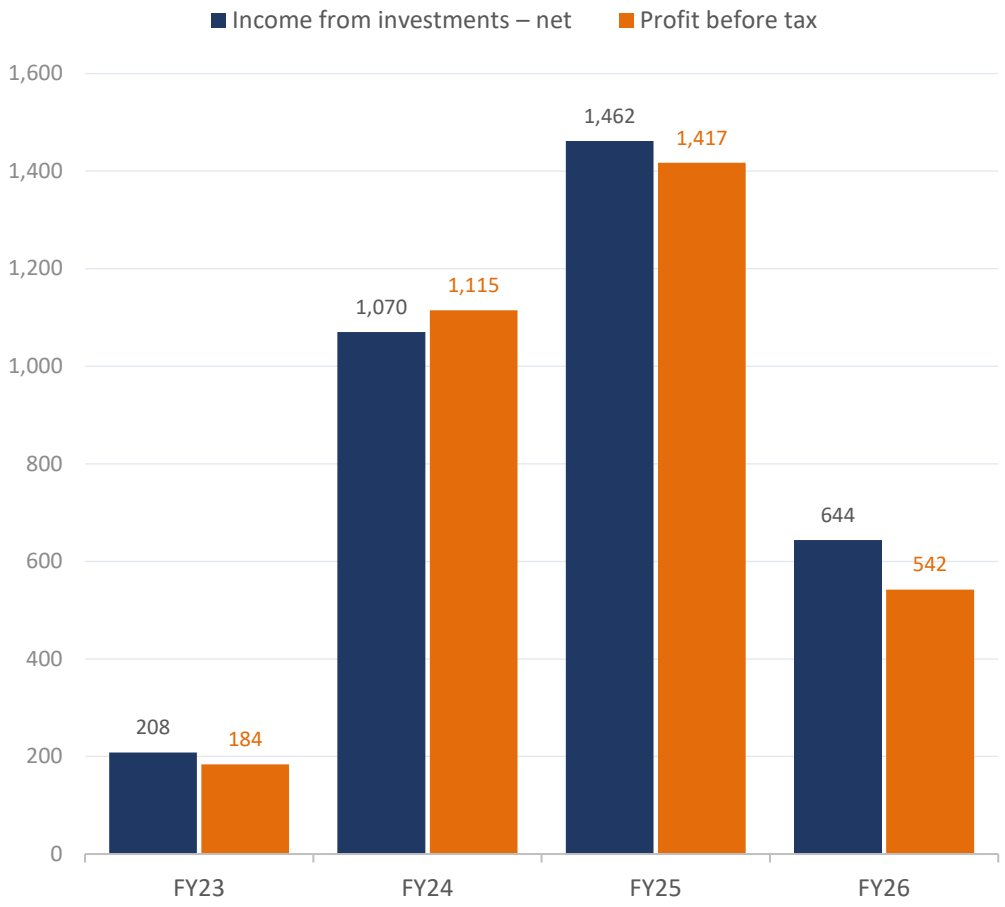
~73%

Share of continuing PBT

▲ FY25: ~35%

Segment Review – IID

IID income from investments and PBT (Rs. in million)



Rs. 542m

Segment PBT

▼ 61.8% (FY25: Rs. 1,417m (incl. ALTN gain)

35.8%

Trading portfolio ROI

On avg. investment of Rs. 1,481m

Rs. 2,332m

Strategic investments

▲ 4.1% (FY25: Rs. 2,239m)

Rs. 2,422m

Trading investments

▲ 67.0% (FY25: Rs. 1,450m)

Key Performance Indicators

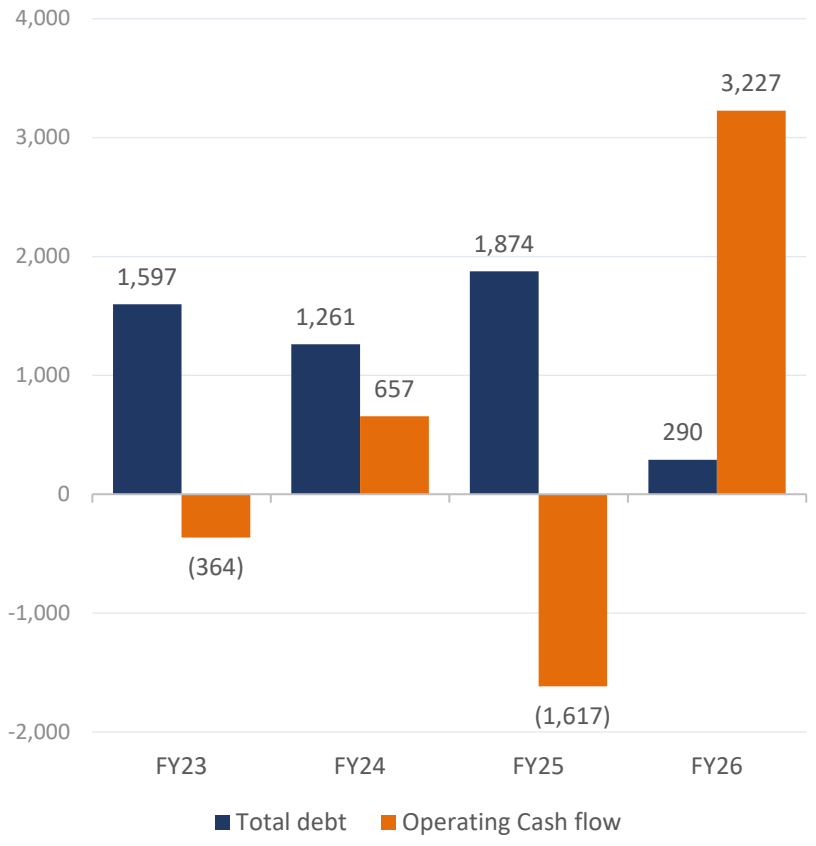
Unconsolidated – four-year comparison

Indicator	FY2026	FY2025	FY2024	FY2023
Return on equity (%)	**13.4**	15.4	20.8	2.9
Return on capital employed (%)	**21.4**	24.3	37.4	9.0
Earnings per share (Rs.)	**16.63**	17.30	20.69	2.28
Dividend per share (Rs.)	**5.50**	7.50	5.50	–
Dividend payout (%)	**33.1**	43.4	26.6	–
Current ratio (times)	**3.6 : 1**	1.6 : 1	2.0 : 1	1.3 : 1
Gearing ratio (%)	**4.1**	21.5	11.6	24.9
Interest cover (times)	**13.2**	7.6	6.1	1.6
Break-up value per share (Rs.)	**124.6**	112.8	99.4	78.9
Market value per share (Rs.)	**114.1**	115.6	54.0	21.5
Price / earnings (times)	**6.9**	6.7	2.6	9.4

Balance Sheet & Cash Flow

Strong operating cash flow used to retire ~70% of debt

Total debt & operating cash flow (Rs. in million)



Rs. 160m
Finance costs
▼ 44.4% (FY25: Rs. 288m)

Rs. 1,014m
Capital expenditure
▲ 74.5% (FY25: 581m)

3.6x
Current ratio
▲ FY25: 1.6x

Rs. 4,826m
Net working capital
▲ 22.4% (FY25: Rs. 3,944m)

Rs. 9,666m
Shareholders' equity
▲ 10.4% (FY25: Rs. 8,752m)

Rs. 12,105m
Total assets
▼ 24.0% (FY25: Rs. 15,920m)

Consolidated Results

Group profitability (Rs. in million)

Rs. in million	FY2026	FY2025	Change
Net sales	**7,936**	6,346	+25.1%
Operating profit	**2,258**	1,216	+85.7%
Share of loss from associates	**–**	(475)	+100.0%
Profit before tax – continuing	**2,096**	452	+364%
Profit / (loss) after tax	**1,533**	(43)	+3665.1%
Earnings / (loss) per share (Rs.)	**19.74**	(0.56)	+3665.1%
Total assets	**12,651**	15,651	–19.2%
Shareholders' equity	**9,857**	8,407	+17.2%
Break-up value per share (Rs.)	**127.0**	108.3	+17.3%
Return on equity (%)	**15.5**	(0.5)	3200.0%

Rs. 1,533m

Group profit after tax

▲ 3665.1% (FY25: loss of Rs. 43m)

+85.7%

Group operating profit

Margin 28.4% (FY25: 19.2%)

4.9%

Group gearing

▼ FY25: 22.2%

Q1 FY2027 Results

Quarter ended September 30, 2026 – unconsolidated (Rs. in million)

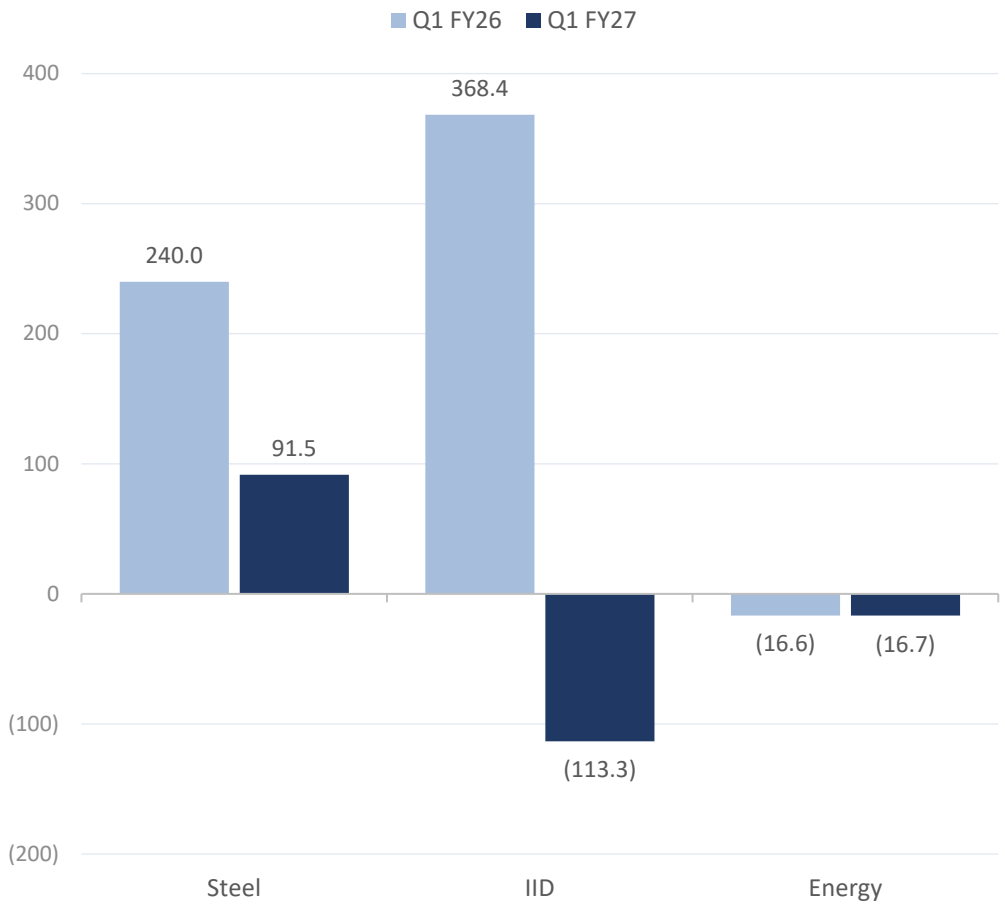
Rs. in million	Q1 FY27	Q1 FY26	Change
Net sales	**977**	1,270	−23.1%
Gross profit	**232**	424	−45.3%
Gross margin	**23.7%**	33.4%	−9.7%
(Loss) / income from investments - net	**(103)**	378	-127%
EBITDA	**38.1**	777.7	−95.1%
(Loss) / profit before tax – continuing	**(39)**	592	-106.6%
Net (loss) / profit	**(100)**	431	-123.2%
(LPS) / EPS (Rs.)	**(1.29)**	5.55	-123.2%
Consolidated (LPS) / EPS (Rs.)	**(1.66)**	7.25	-122.9%

QUARTER IN BRIEF

- 25 km of 12" & 24" bare pipe supplied to Gas Company – Rs. 763m
- 3.1 km supplied for Water transmission Project – Rs. 96m (part of a 29 km order)
- KSE-100 fell 5.73%; trading portfolio ROI −3.78%

Q1 FY2027 – Segments & Balance Sheet

Profit / (loss) before tax by segment (Rs. in million)



5.1x

Current ratio

▲ June 30, 2026: 3.6x

4.8%

Gearing

Incl. short-term borrowings

Rs. 123.2

Break-up value per share

▼ 11.2% (June 30, 2026: Rs. 124.6)

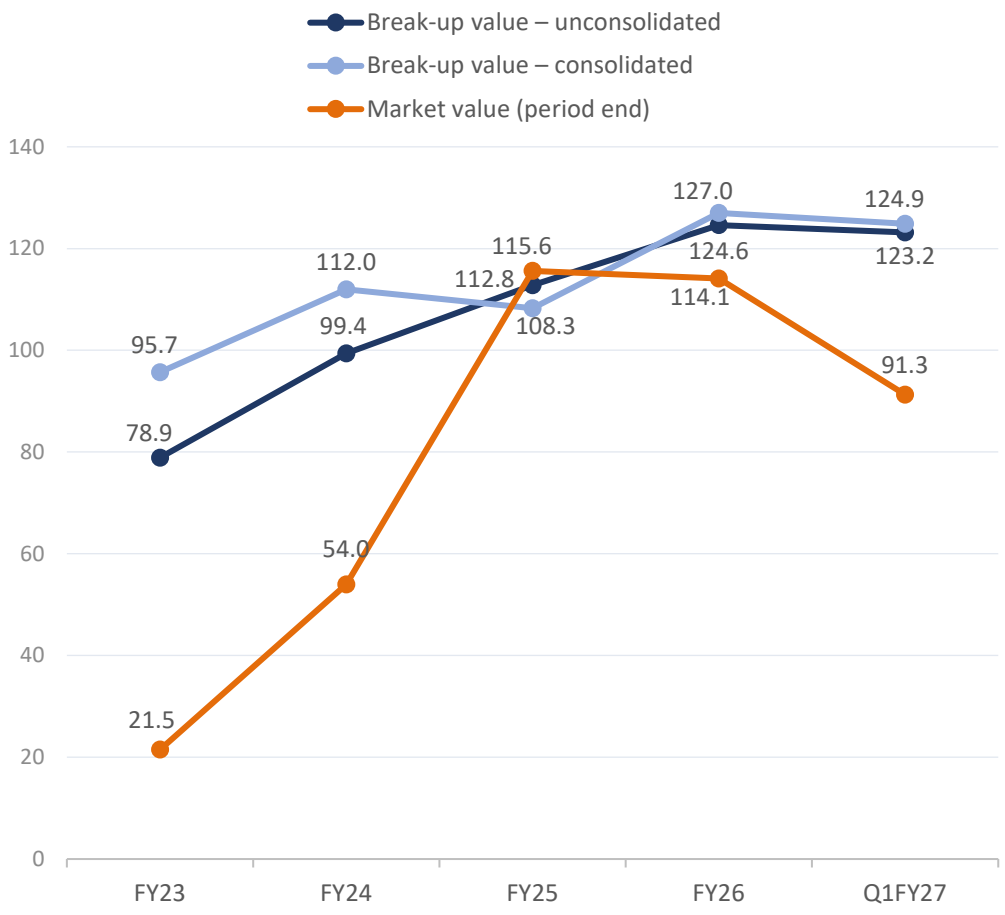
Rs. 11,384m

Total assets

▼ 6.0% (June 30, 2026: Rs. 12,105m)

Shareholder Value

Break-up value vs market value (Rs. per share)



Rs. 5.50

Dividend per share

Interim Rs. 2.00 + final Rs. 3.50

33.1%

Payout ratio

Rs. 427m distributed

0.92x

Price to book

P/E 6.9x at Rs. 114.1 (FY26)

Rs. 170.8

Break-up value incl. RP investments at market (FY26)

Operating Environment & Key Risks

FY2027 headwinds are largely external – the balance sheet gives us room to manage them

HEADWINDS

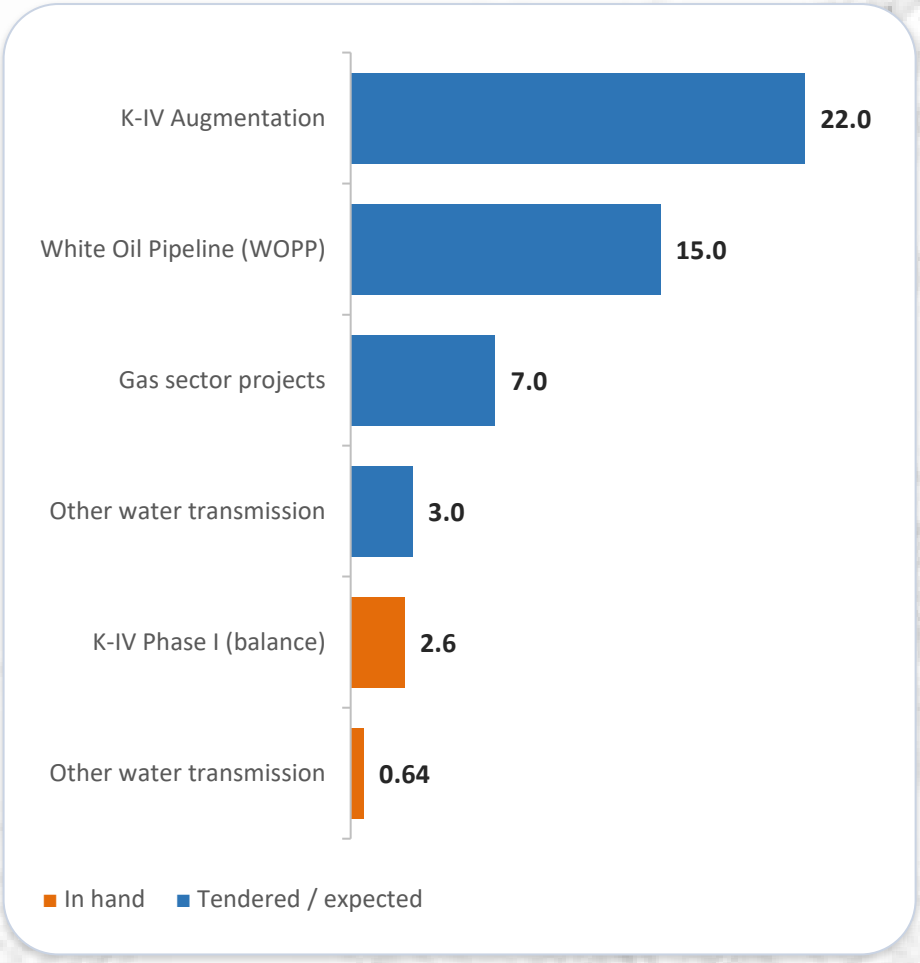
- **Regional conflict:** US–Iran war has delayed planned pipeline projects; significant idling expected in FY27
- **Oil & freight:** volatility raises imported steel costs and affects large-project feasibility
- **Monetary tightening:** SBP raised the policy rate after quarter end
- **Fiscal restraint:** lower development spending weighs on energy-sector demand
- **Market volatility:** KSE-100 fell 5.73% in Q1 FY27

OUR RESILIENCE

- **Liquid balance sheet:** current ratio 5.1x and gearing 4.8% at Sep 30, 2026
- **Water sector:** multilateral-funded projects continue to progress
- **K-IV credentials:** larger water projects are adopting similar specifications
- **Diversified earnings:** investment portfolio and strategic holdings
- **Post-war recovery:** greater stability and ease of doing business expected

Order Book & Project Pipeline

~Rs 50bn of identified opportunities across water and energy (estimated value, Rs bn)



Project	Scope	Timing
K-IV Phase I	Balance order; cement mortar lining	Resume Q2 FY27
Other water transmission	29 km coated, lined & bare pipe	Complete by Q3 FY27
Gas sector	Up to 100 km assorted dia.	Q4 FY27 – FY28
WOPP	~30,000 tons	Tender H2 FY27
K-IV Augmentation	68 km 72" + 23 km 96", epoxy-lined	Tendered by KWSSIP
Other water transmission	Announcement expected	Sales from H1 FY28

Estimated values per Q1 FY2027 Directors' Report; prospective projects are subject to tender and award

Outlook – Key Milestones

FY2027 a year of transition; activity expected to build into FY2028



Strategic Priorities

Reinforcing our engineering franchise and deploying capital for long-term value

01

Engineering focus

Concentrate on line-pipe for water and energy transmission, where we have four decades of capability and K-IV credentials.

02

Expand the product wallet

Install an Internal Fusion Bonded Epoxy and Liquid Epoxy Lining facility within twelve months, building on cement mortar lining.

03

Win in the water sector

Convert K-IV Phase I, K-IV Augmentation and other water transmission opportunities as larger projects adopt similar specifications.

04

Capital discipline

Keep leverage low, maintain portfolio flexibility and a consistent dividend payout as a share of profit.

"Our strategy remains clear. We are committed to reinforcing our position in the engineering sector and deploying capital for long term growth and value creation."

Awards & Recognition

Recognised for performance, governance and reporting excellence

#12

PSX Top 25 Companies

Ranked 12th among the Pakistan Stock Exchange's Top 25 Companies for calendar year 2024

MAP

40th Corporate Excellence Awards 2025

Runner-Up – Engineering Sector, Management Association of Pakistan

SAFA

Best Presented Annual Report Awards 2024

Joint Bronze Award – Diversified Holdings category

ICAP & ICMAP

Best Corporate Report Awards 2024 & 2025

Certificate of Merit – Engineering & Autos Sector (ICAP & ICMAP)

Q&A

Thank You

Crescent Steel and Allied Products Limited