CORPORATE BRIEFING SESSION

STRENGTHENING THE CORE

FY-2026



Company profile

Mughal Iron & Steel Industries Limited ("Mughal Steel") is one of Pakistan's leading companies in the ferrous and non-ferrous metals sector.

The Company operates with a diversified portfolio, a strong market presence and a focus on quality, operational excellence and continuous reinvestment.

Ferrous

Comprise of re-bars, girders and billets.

Non-ferrous

Copper and other non-ferrous metals recovered from scrap.

Captive energy

25 MW gas-fired captive power plant.

Listed on PSX

Ordinary and Ordinary Class-C shares; paid-up capital Rs 3,687 million; 2,247 employees.

Key figures

Gross sales
90,922 Rs m

EBITDA
8,064 Rs m

Profit before levies & taxation
3,594 Rs m

Profit for the year
2,487 Rs m

Earnings per share
6.75 Rs

Number of employees
2,247

Break-up value per share
98.23 Rs

Contribution to national exchequer
18,776 Rs m

Shareholders' equity
36,216 Rs m

Total assets
86,093 Rs m

Gearing ratio
51.24 %

Current ratio
1.71 times

Key strengths

- Sustainability
- Diversified product profile
- Global footprint
- Self-operated trains
- Financial & strategic strength
- Economies of scale
- Capacity expansion & modernisation



- One-stop shop
- Strong clientele network
- Backward integration & recycling model
- Technological efficiencies
- Captive power generation
- Resilient supply chain

Entity Rating

Pakistan Credit Rating Agency Limited (PACRA) and VIS Credit Rating Company Limited, as per their latest reports till June 30, 2026 have issued the following ratings:

Pakistan Credit Rating Agency



Long-Term A+ (A Plus)

- High credit quality.
- Low expectation of credit risk.
- The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be vulnerable to changes in circumstances or in economic conditions.



Short-Term A1 (A One)

- A strong capacity for timely repayment.

VIS Credit Rating Company Limited



Long-Term A+ (A Plus)

- Good credit quality.
- Protection factors are adequate.
- Risk factors may vary with possible changes in the economy.



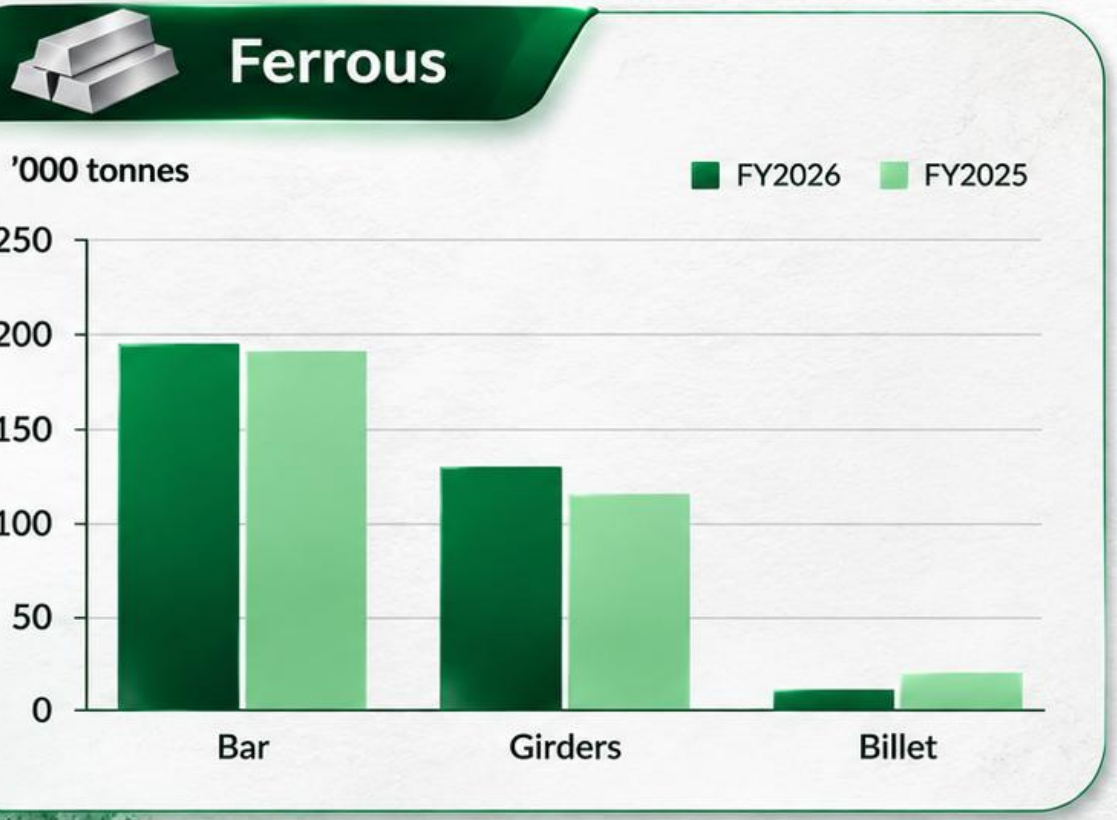
Short-Term A1 (A One)

- High certainty of timely payments;
- Liquidity factory are excellent and supported by good fundamental protection factors.
- Risk factors are minor.

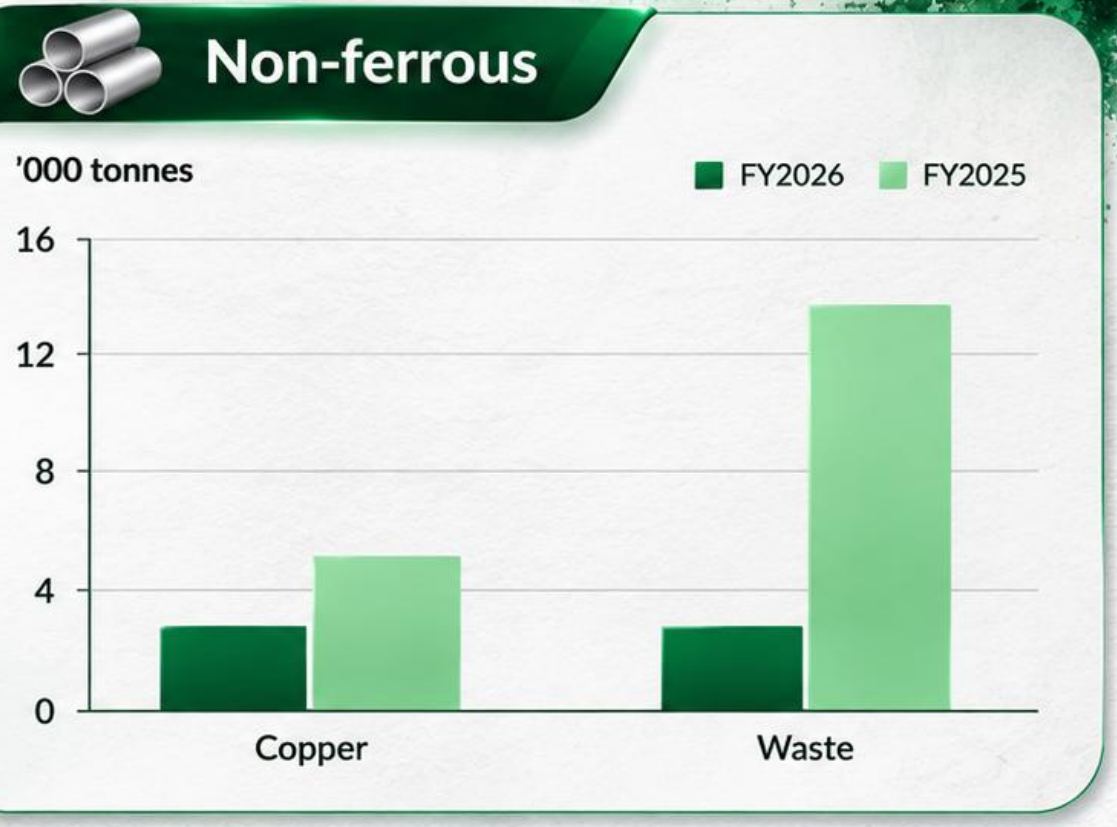
KEY REVENUE DRIVERS

Sales volumes

Ferrous



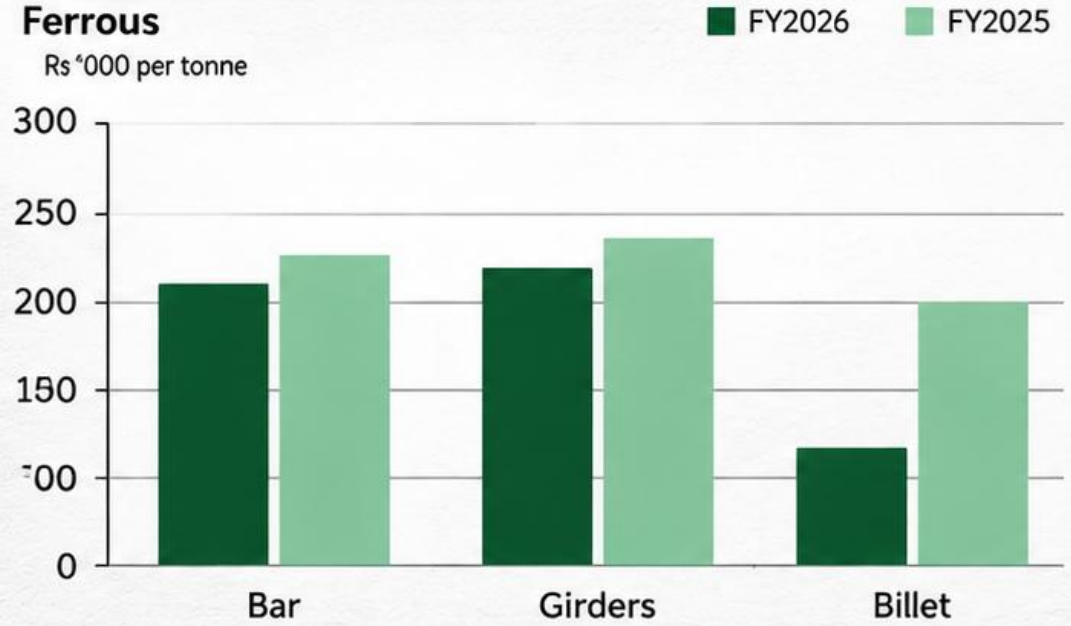
Non-ferrous



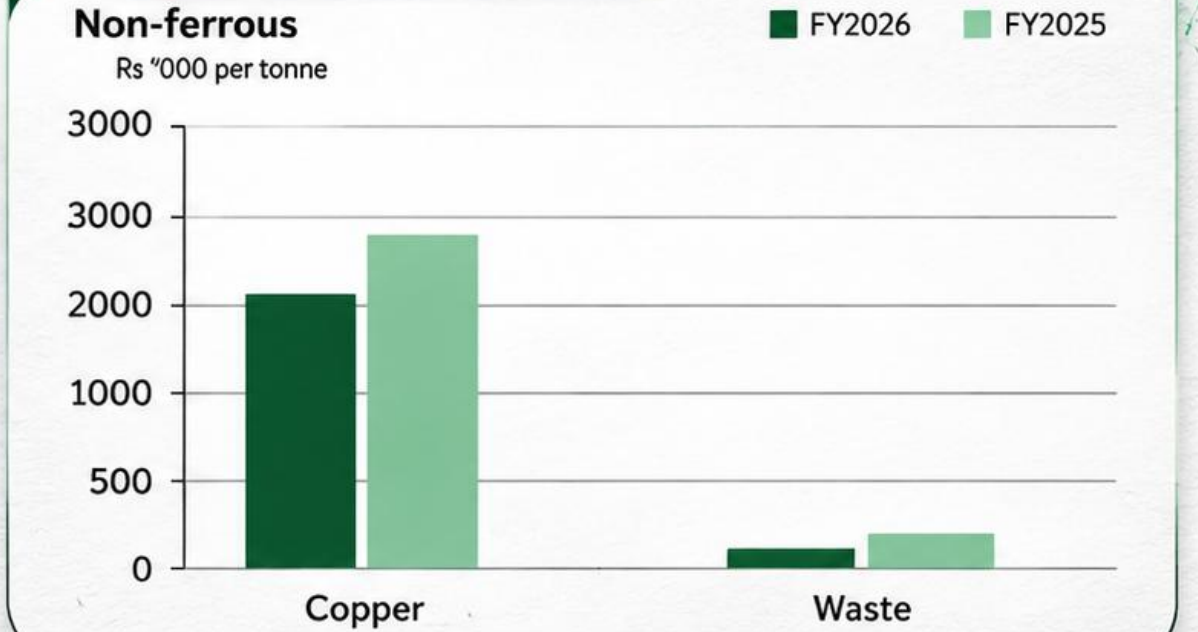
KEY REVENUE DRIVERS

Average sales prices

Ferrous



Non-ferrous



OPERATING SEGMENT

Rs. in millions	Ferrous	Non-ferrous
Net external sales	71,402	6,630
Gross profit	6,249	2,408

Ferrous — Rs. million	FY2026	FY2025
Re-bars	39,870	41,542
Girders	28,000	26,834
Billets	1,363	3,129
Others	2,169	1,607
Total	**71,402**	**73,113**

Non-ferrous — Rs. million	FY2026	FY2025
Copper products	6,485	13,904
Waste / local waste	135	1,892
Other (incl. local dust)	10	135
Total	**6,630**	**15,931**

Major customers

- **Ferrous:** major customers accounted for 60% (FY2025: 32%) of segment revenue.
- **Non-ferrous:** major local customers accounted for 2% (FY2025: 9%); major foreign customers accounted for approximately 66% (FY2025: 85%) of non-ferrous revenue.

Geographical information

- All ferrous revenue was generated in Pakistan. Non-ferrous revenue generated outside Pakistan represented 98% (FY2025: 87%), mainly from customers in China. All non-current assets were located and operating in Pakistan at June 30, 2026 and 2025.

Within the ferrous segment, sales volumes increased, reflecting the Group's strategic focus on strengthening its presence in the domestic market.

Conversely, non-ferrous volumes declined as the Group adopted a more selective approach towards the segment in view of prevailing market dynamics and associated risks. Despite lower overall revenue, gross margins improved during the year, supported by a favorable sales mix, enhanced operational efficiencies and disciplined inventory management.

The improvement in margins, alongside higher ferrous volumes, reflects the Group's continued emphasis on strengthening its core operations and pursuing sustainable, value-accretive growth.

Within the energy segment, since the subsidiary company was in the process of installing a 36.50 MW captive hybrid power plant, therefore there was no reported revenue from operations.

Subsequent to the year end, the subsidiary company successfully commissioned the main 31.50 MW turbine and achieved its Commercial Operation Date (COD) following the successful completion of all requisite testing and commissioning activities with effect from August 31, 2026.

KEY FINANCIAL METRICS

STANDALONE | FOUR-YEAR COMPARISON

Financial ratios	Unit	FY2026	FY2025	FY2024	FY2023
Profitability Ratios					
Gross profit ratio	%	11.10%	9.10%	8.35%	14.35%
Net profit to sales ratio	%	3.19%	1.08%	2.16%	5.16%
EBITDA margin to sales	%	10.34%	8.55%	8.18%	13.89%
Return on equity	%	6.87%	3.35%	7.65%	13.72%
Return on capital employed	%	13.11%	12.48%	22.70%	28.35%
Liquidity Ratios					
Current ratio	Times	1.71	1.33	1.23	1.50
Quick / Acid test ratio	Times	1.32	0.83	0.54	0.64
Cash / current liabilities	Times	0.26	0.10	0.09	0.11
Activity / Turnover Ratios					
Inventory turnover ratio	Times	6.59	4.58	3.88	2.80
No. of days in inventory	Days	55	80	94	130
Debtor turnover ratio	Times	4.09	6.87	9.20	9.07
No. of days in receivables	Days	89	53	40	40
Creditor turnover ratio	Times	28.2	3.01	4.1	4.20
No. of days in payables	Days	13	121	89	87
Total assets turnover ratio	Times	0.91	1.32	1.34	1.13
Fixed assets turnover ratio	Times	2.5	4.4	4.7	3.69
Investment / Market Ratios					
Earnings per share	Rs	6.75	2.83	5.98	10.37
Price earnings ratio	Rs	12.99	25.49	15.52	4.05
Cash dividend per share	Rs	2.00	–	3.20	–
Stock dividend per share	Rs	–	–	–	–
Market value per share					
– Closing	Rs	87.61	72.12	93.00	42.24
Break-up value per share	Rs	98.23	78.17	77.87	75.61
Capital structure ratios					
Financial leverage ratio	Times	1.05	0.97	1.32	1.02
Weighted average cost of debt	%	11.57%	18.33%	21.08%	17.01%
Long term debt to equity ratio	Times	0.45	0.18	0.25	0.20
Interest cover ratio	Times	1.97	1.24	1.10	1.95
SUMMARY OF PROFIT OR LOSS					
Sales – net	Rs.' 000	77,958,202	89,413,926	92,382,600	67,390,171
Gross profit	Rs.' 000	8,656,550	8,137,973	7,717,627	9,671,028
Profit after taxation	Rs.' 000	2,487,370	965,518	1,999,888	3,480,485
SUMMARY OF FINANCIAL POSITION					
Non-current assets	Rs.' 000	35,260,231	26,064,942	22,853,586	19,810,891
Current assets	Rs.' 000	50,832,838	41,627,720	46,223,586	40,021,096
Total assets	Rs.' 000	86,093,069	67,692,662	69,077,172	59,831,987
Total equity	Rs.' 000	36,216,299	28,819,255	26,135,491	25,372,435
Non-current liabilities	Rs.' 000	20,121,254	7,526,695	5,318,574	7,867,435
Current liabilities	Rs.' 000	29,755,515	31,346,712	37,623,107	26,592,117
Total liabilities	Rs.' 000	49,876,770	38,873,407	42,941,681	34,459,552
TOTAL EQUITY AND LIABILITIES	**Rs. '000**	**86,093,069**	**67,692,662**	**69,077,172**	**59,831,987**

STATEMENT OF PROFIT OR LOSS

Standalone and consolidated | Year ended 30 June 2026 | Amounts in Rupees

FINANCIAL METRIC	STANDALONE		CONSOLIDATED	
Rupees	FY2026	FY2025	FY2026	FY2025
Gross sales	90,921,567,527	102,791,772,465	90,921,567,527	102,278,112,016
Sales tax	(12,889,669,943)	(13,311,807,103)	(12,889,669,943)	(13,233,604,654)
Net sales before commission	78,031,897,584	89,479,965,362	78,031,897,584	89,044,507,362
Commission	(73,695,325)	(66,039,032)	(73,695,325)	(66,039,032)
NET SALES	**77,958,202,259**	**89,413,926,330**	**77,958,202,259**	**88,978,468,330**
Cost of sales	(69,301,652,592)	(81,275,953,032)	(69,261,358,640)	(80,887,405,032)
GROSS PROFIT	**8,656,549,667**	**8,137,973,298**	**8,696,843,619**	**8,092,063,298**
Sales and marketing expenses	(239,266,966)	(227,763,159)	(239,266,966)	(227,763,159)
Administrative expenses	(176,373,828)	(903,790,698)	(216,978,355)	(929,613,884)
Other charges	(27,568,967)	(149,313,774)	(272,404,177)	(150,104,024)
Allowance for expected credit losses – charge / reversal	(103,054,020)	22,558,982	(103,054,020)	22,558,982
Other income	548,762,708	200,631,712	188,642,907	84,855,450
Finance cost	(3,821,251,268)	(5,723,029,048)	(3,753,673,435)	(5,648,022,831)
Net other expenses / income	(5,062,752,341)	(6,780,705,985)	(5,396,734,046)	(6,848,089,466)
PROFIT BEFORE LEVIES AND TAXATION	**3,593,797,326**	**1,357,267,313**	**3,300,109,573**	**1,243,973,832**
Levies	(89,232,077)	482,232,687	(89,232,077)	482,232,687
PROFIT BEFORE TAXATION	**3,504,565,249**	**1,839,500,000**	**3,210,877,496**	**1,726,206,519**
Taxation	(1,017,195,675)	(873,981,826)	(1,017,195,675)	(873,981,826)
PROFIT FOR THE YEAR	**2,487,369,574**	**965,518,174**	**2,193,681,821**	**852,224,693**
Attributable to owners of the holding company	—	—	2,192,828,169	854,213,833
Attributable to non-controlling interest	—	—	853,652	(1,989,140)
EARNINGS PER SHARE – BASIC AND DILUTED (Rs.)	**6.75**	**2.83**	**5.95**	**2.50**

STATEMENT OF FINANCIAL POSITION

STANDALONE AND CONSOLIDATED | AS AT 30 JUNE 2026

Amounts in Rupees

FINANCIAL POSITION	STANDALONE		CONSOLIDATED	
	FY2026	FY2025	FY2026	FY2025
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	31,417,267,847	20,359,851,220	40,165,309,748	26,645,915,813
Long-term investment	3,150,000,000	3,150,000,000	—	—
Long-term loans	690,124,775	2,552,252,447	48,458,108	52,252,447
Long-term deposits	2,838,069	2,838,069	2,925,569	2,925,569
Total non-current assets	**35,260,230,691**	**26,064,941,736**	**40,216,693,425**	**26,701,093,829**
CURRENT ASSETS				
Inventories	11,860,923,805	15,616,656,225	13,161,305,319	15,616,656,225
Trade debts	22,854,968,545	15,231,833,733	22,854,968,545	15,231,833,733
Loans and advances	227,788,503	246,534,884	227,788,503	246,534,884
Deposits, prepayments and other receivables	296,406,301	474,062,912	410,300,013	461,136,265
Due from the government	7,900,939,089	6,728,228,115	9,156,312,162	7,486,813,380
Short-term investments and other financial assets	1,030,793,926	238,625,512	1,030,793,926	238,625,512
Cash and bank balances	6,661,017,783	3,091,778,725	6,766,428,390	3,106,539,505
Total current assets	**50,832,837,952**	**41,627,720,106**	**53,607,896,858**	**42,388,139,504**
TOTAL ASSETS	**86,093,068,643**	**67,692,661,842**	**93,824,590,283**	**69,089,233,333**
EQUITY AND LIABILITIES				
SHARE CAPITAL & RESERVES				
Authorized share capital	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
Issued, subscribed and paid-up capital	3,686,963,800	3,686,963,800	3,686,963,800	3,686,963,800
Capital reserves	4,447,578,494	4,447,578,494	4,447,578,494	4,447,578,494
Revaluation surplus on property, plant and equipment	8,710,382,435	3,898,891,432	9,254,936,817	3,898,891,432
Unappropriated profits	19,371,374,169	16,784,821,236	18,860,540,849	16,568,529,321
Equity attributable to owners of holding company	—	—	36,250,019,960	28,602,963,047
Non-controlling interest	—	—	378,108,510	321,104,240
TOTAL EQUITY	**36,216,298,898**	**28,819,254,962**	**36,628,128,470**	**28,924,067,287**
LIABILITIES				
NON-CURRENT LIABILITIES				
Long-term financing – secured	13,286,888,464	4,042,495,007	16,623,196,573	4,813,429,321
Deferred taxation	5,550,694,151	2,450,607,985	5,550,694,151	2,450,607,985
Defined benefit obligation	1,196,759,537	956,105,853	1,196,759,537	956,105,853
Deferred liabilities	86,902,178	77,486,288	86,902,178	77,486,288
Total non-current liabilities	**20,121,254,330**	**7,526,695,133**	**23,457,552,439**	**8,297,629,447**
CURRENT LIABILITIES				
Trade and other payables	4,375,120,656	6,766,003,470	4,525,724,942	6,922,946,600
Unclaimed dividends	2,954,068	2,954,068	2,954,068	2,954,068
Unpaid dividends	7,847,407	7,847,407	7,847,407	7,847,407
Accrued profit / mark-up	588,332,016	595,746,145	640,513,390	614,701,293
Short-term borrowings	21,616,237,799	22,884,735,854	22,019,617,370	22,884,735,854
Short-term loans from directors and relatives – unsecured	—	—	3,127,545,844	264,508,448
Current portion of long-term financing – secured	3,623,731,006	1,086,385,517	3,412,001,890	1,166,803,643
Current portion of deferred grant	2,650,463	3,039,286	2,650,463	3,039,286
Total current liabilities	**29,755,515,415**	**31,346,711,747**	**33,738,909,374**	**31,867,536,599**
TOTAL LIABILITIES	**49,876,769,745**	**38,873,406,880**	**57,196,461,813**	**40,165,166,046**
TOTAL EQUITY AND LIABILITIES	**86,093,068,643**	**67,692,661,842**	**93,824,590,283**	**69,089,233,333**

OPERATING SEGMENT

Rs. in millions	Ferrous	Non-ferrous
Net external sales	71,402	6,630
Gross profit	6,249	2,408

Ferrous — Rs. million	FY2026	FY2025
Re-bars	39,870	41,542
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Major customers

- **Ferrous:** major customers accounted for 60% (FY2025: 32%) of segment revenue.
- **Non-ferrous:** major local customers accounted for 2% (FY2025: 9%); major foreign customers accounted for approximately 66% (FY2025: 85%) of non-ferrous revenue.

Geographical information

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Conversely, non-ferrous volumes declined as the Group adopted a more selective approach towards the segment in view of prevailing market dynamics and associated risks. Despite lower overall revenue, gross margins improved during the year, supported by a favorable sales mix, enhanced operational efficiencies and disciplined inventory management.

The improvement in margins, alongside higher ferrous volumes, reflects the Group's continued emphasis on strengthening its core operations and pursuing sustainable, value-accretive growth.

Within the energy segment, since the subsidiary company was in the process of installing a 36.50 MW captive hybrid power plant, therefore there was no reported revenue from operations.

Subsequent to the year end, the subsidiary company successfully commissioned the main 31.50 MW turbine and achieved its Commercial Operation Date (COD) following the successful completion of all requisite testing and commissioning activities with effect from August 31, 2026.

Strategic decisions



BMR of bar mill

Significant progress was achieved on key strategic initiatives, most notably the completion of major works relating to the Bar Re-Rolling Mill BMR project, which is expected to enhance operational efficiencies, product flexibility, and long-term competitiveness. The Board also remained focused on expanding the Company's local ferrous operations to strengthen raw material sourcing capabilities, improve supply chain resilience, and support sustainable future growth.



Mughal Energy Limited – 36.50 MW hybrid power plant

Subsequent to the year end, the subsidiary company successfully commissioned the main 31.50 MW turbine and achieved its Commercial Operation Date (COD) following the successful completion of all requisite testing and commissioning activities with effect from August 31, 2026.

Key business risks

Risk	Response to risk
Political	Changes in government, regulations and business policies are monitored closely so that timely decisions can avoid, mitigate or address unfavourable impacts.
Economic	Economic conditions and foreign currency exposure are closely monitored. Currency risk is managed by limiting imports, shifting to local buying and increasing exports; interest-rate impact by controlling working-capital cycles.
Technological	Regular balancing, modernisation and replacement keeps facilities state of the art, minimising cost and maximising energy efficiency and output.
Credit	Most sales are against cash or advance; credit customers have assigned limits. Bank default risk is mitigated by placing funds with banks with satisfactory credit ratings.
Liquidity	A proactive cash management system, with committed credit lines from banks available to bridge any liquidity gap.
Energy	25 MW gas-fired captive power plant plus a solar power plant; 36.50 MW hybrid power plant through Mughal Energy Limited.

Going forward

Although, the macroeconomic environment in Pakistan has continued to improve, characterized by declining inflation, easing interest rates, relative exchange rate stability and improving business confidence, however, the pace of recovery remains dependent upon sustained economic stability, fiscal discipline and continuity of government policies.

The Group's future performance will continue to be influenced by domestic and international developments.

Geopolitical tensions in the Middle East and other regions remain a source of uncertainty due to their potential impact on global energy prices, freight costs, supply chains and overall business sentiment. On the domestic front, the Government's continued emphasis on housing and infrastructure development, including initiatives aimed at promoting affordable housing and home ownership under the Prime Minister's housing-related programs, is expected to support demand for construction materials over the medium term. In addition, public sector development spending and private sector construction activity are expected to contribute positively towards demand for long steel products.

The Group remains focused on strengthening its leadership position in the ferrous segment. Demand fundamentals for steel in Pakistan continue to be supported by urbanization, population growth, chronic housing shortages and ongoing infrastructure requirements. In line with this strategy, the Group is increasing its focus on rebars, girders and other value-added long steel products.

A key strategic initiative nearing completion is the Balancing, Modernization and Replacement ("BMR") of the existing bar re-rolling mill. The upgraded facility is expected to enhance operational flexibility and facilitate the commercial production of T-Iron and other mini-sections, resulting in expansion of product portfolio and improved market penetration.

Within the non-ferrous segment, the Group will continue to pursue a cautious and selective approach, focusing on disciplined capital allocation and prudent risk management in light of ongoing volatility in international commodity markets and global trade dynamics.

Disclaimer

This presentation may contain certain “forward-looking statements” – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance and financial condition, and often contain words such as “expect”, “anticipate”, “intend”, “plan”, “believe”, “seek”, “see”, “will”, “would” or “target”.

These statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to differ materially from those expressed or implied. Actual results may vary from any forecast or estimate presented.

Forward-looking statements speak only as of the date of this presentation. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this presentation.

Figures are taken from the audited standalone financial statements for the year ended 30 June 2026 unless labelled “consolidated”.

Questions Received in Advance

1. What was the total quantity sold compared to production in FY26, and what was the breakdown of each?

2. Which element contributed most to the cost of production, and what was its average cost during the year?

3. When does the Company expect copper exports to resume?

4. What is the future outlook in terms of demand and growth?

Questions and answers

