BOLAN CASTINGS LIMITED

Corporate Briefing Session

Financial Year 2025-26

Results for the year ended June 30, 2026

Pakistan Stock Exchange | Symbol: BCL

AGENDA

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01

Company Profile

Who we are, what we make and whom we serve

Introduction

- Bolan Castings Limited (BCL) is a public limited company listed on the Pakistan Stock Exchange.
- Incorporated on July 15, 1982 by Pakistan Automobile Corporation Limited (PACO) under the Ministry of Production, Government of Pakistan.
- Plant commissioned in June 1986 with technical assistance from Foundry Management & Design Company (FMD), UK; commercial production began in July 1986.
- Subsidiary of Millat Tractors Limited, which holds 46.26% of the shares. Plant located at RCD Highway, Hub Chowki, District Lasbela, Balochistan.

INCORPORATED
1982

COMMERCIAL PRODUCTION
1986

ANNUAL INSTALLED CAPACITY
13,200 t

HELD BY MILLAT TRACTORS
46.26%

Employees at June 30, 2026: 118 (FY25: 124)

Production facilities

Two foundry plants able to produce **13,200 tons a year** of grey and ductile iron castings

- Duplex melting facilities
- Induction melting
- High-pressure moulding line
- Fully computerised green sand plant
- New sand pre-conditioning plant
- Sand washing plant
- Resin-coated sand plant
- Finishing shop: shot blasting, fettling, grinding, painting
- Pattern making through CAD/CAM
- Ancillary workshop for fabrication and maintenance

Group companies and customers

GROUP COMPANIES

Millat Tractors Limited

Parent company

Millat Industrial Products Limited

Group company

TIPEG Intertrade FZCO

Group company

CUSTOMERS

Tractors	Millat Tractors Limited Al-Ghazi Tractors Limited
Automobiles	Hino Pak Motors Limited Ghandhara Nissan Limited Ghandhara Industries Limited Master Motors Corporation Limited Afzal Motors (Daewoo)
Engineering / Others	Mecas Engineering Limited Infinity Engineering Limited

Sales to Millat Tractors were 98.43% of net sales in FY26 (FY25: 97.08%).

Product range













02

Economic Overview

Year ended June 30, 2026

02 ECONOMIC OVERVIEW

A firmer economy, but tractor demand stayed flat

GDP GROWTH	AGRICULTURE GROWTH	LARGE-SCALE MANUFACTURING	TRACTORS SOLD (UNITS)
3.7%	**2.89%**	**6.1%**	**28,791**
FY25: 3.18%	FY25: 1.53%	Highest in four years	Down 1% year on year

- Pakistan's economy grew 3.7% in FY26, the fastest pace in four years, though below the 4.2% target. Per capita income rose to US$1,901 (FY25: US$1,751).
- Agriculture improved to 2.89% growth, but crop output grew only 1.44%, so farm cash flows stayed under pressure.
- Tractor sales were broadly flat at 28,791 units. Demand for tractor castings, BCL's core business, therefore remained well below historical levels.
- Average CPI inflation was 6.2% (July–April) and the policy rate stood at 11.5%, easing financing costs for industry.

Sources: Pakistan Economic Survey 2025-26 (via Dawn, June 2026); PAMA tractor sales FY26 (via Dawn).

03

Business Review

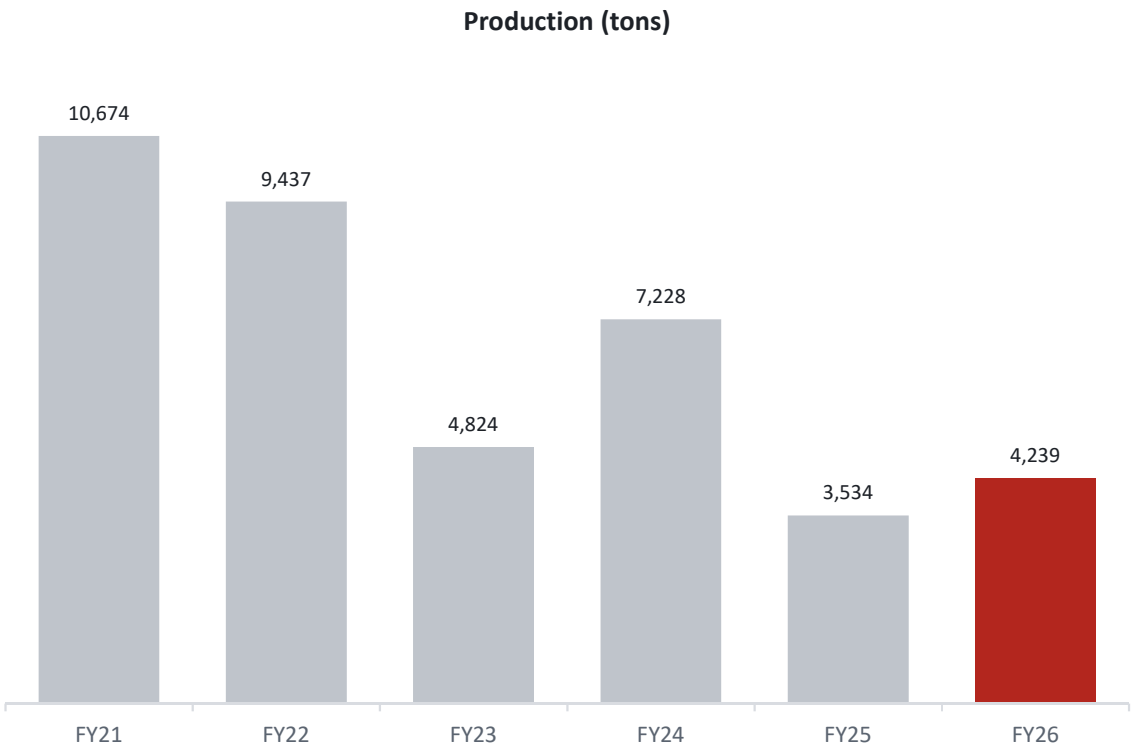
Operations and key developments in FY26

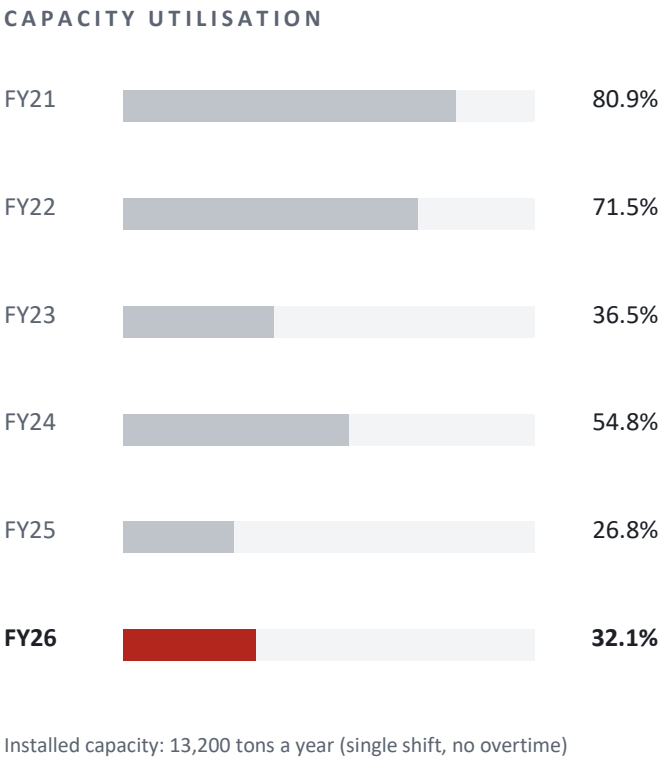
Higher output and a stronger balance sheet returned BCL to profit

PRODUCTION	CAPACITY UTILISATION	NET REVENUE	PROFIT AFTER TAX
4,239 t	**32.1%**	**Rs 1,694m**	**Rs 69.9m**
+20.0% vs 3,534 t	FY25: 26.8%	−1.1% vs Rs 1,713m	FY25: loss of Rs 19.1m

- Production rose 20% while net revenue was broadly flat; Millat Tractors took 98.43% of net sales.
- Gross margin improved to 15.4% (FY25: 9.2%), helped by better absorption of fixed manufacturing costs at higher volumes.
- All long-term financing (Rs 65m) was repaid and short-term borrowing cut to Rs 60m; finance cost fell 62% to Rs 13.4m.
- The investment in Baluchistan Wheels Limited was sold for Rs 54.3m, and the executives' gratuity fund was dissolved, returning Rs 18.7m.

Production recovered from FY25 but remains well below capacity





Installed capacity: 13,200 tons a year (single shift, no overtime)

04

Financial Highlights

Audited results for the year ended June 30, 2026

04 FINANCIAL HIGHLIGHTS

FY26 at a glance

NET REVENUE

Rs 1,694.0m

FY25: Rs 1,712.6m

GROSS PROFIT

Rs 260.7m

Margin 15.4% (FY25: 9.2%)

OPERATING PROFIT

Rs 109.9m

FY25: Rs 34.3m

PROFIT BEFORE TAX

Rs 96.5m

FY25: loss of Rs 0.6m

PROFIT AFTER TAX

Rs 69.9m

FY25: loss of Rs 19.1m

EARNINGS PER SHARE

Rs 6.10

FY25: loss of Rs 1.67

NET CASH

Rs 40.5m

FY25: net debt of Rs 115.3m

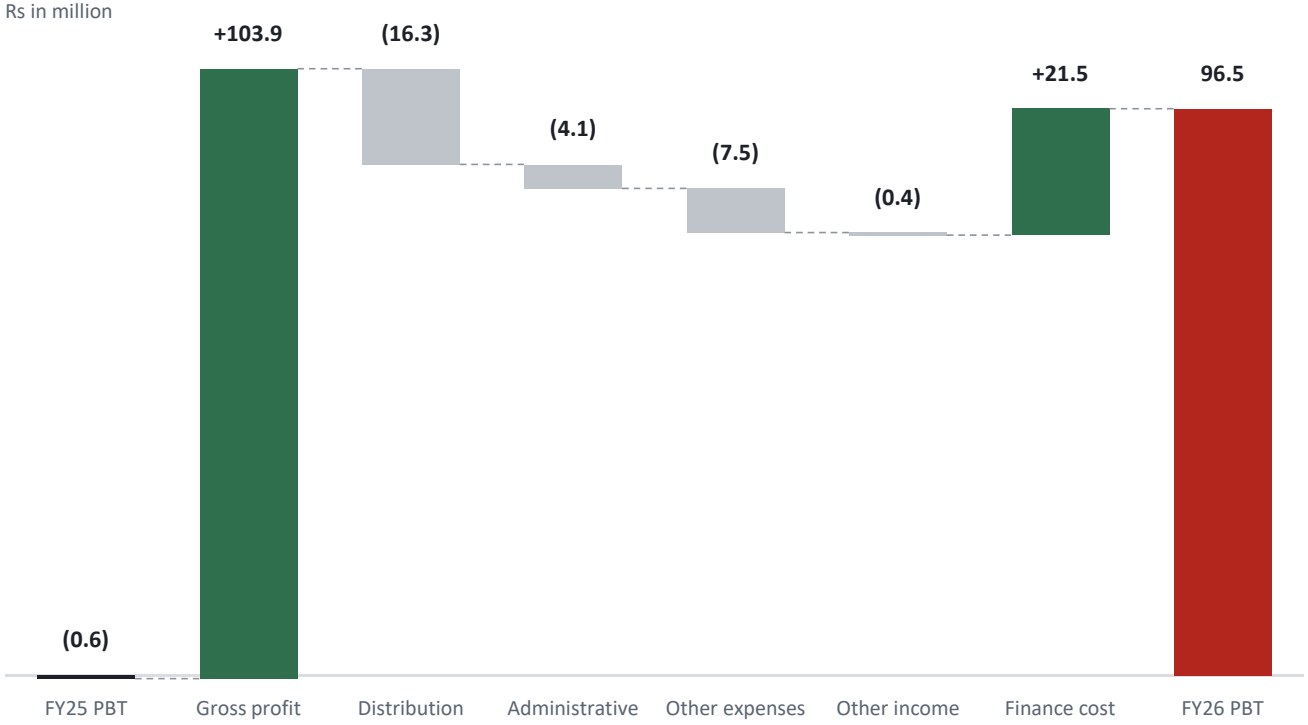
BREAK-UP VALUE / SHARE

Rs 34.67

FY25: Rs 28.01

Profit before tax bridge: FY25 to FY26

Rs in million



- **Gross profit +Rs 103.9m:** cost of sales fell 7.9% while revenue slipped 1.1%.
- **Distribution +31%:** freight charges rose to Rs 58.1m (FY25: Rs 42.7m).
- **Other expenses Rs 7.5m:** Workers' Profit Participation and Welfare Funds, payable now that BCL is profitable.
- **Finance cost –62%:** lower borrowings after repaying long-term loans.

Six-year summary: profit or loss and key ratios

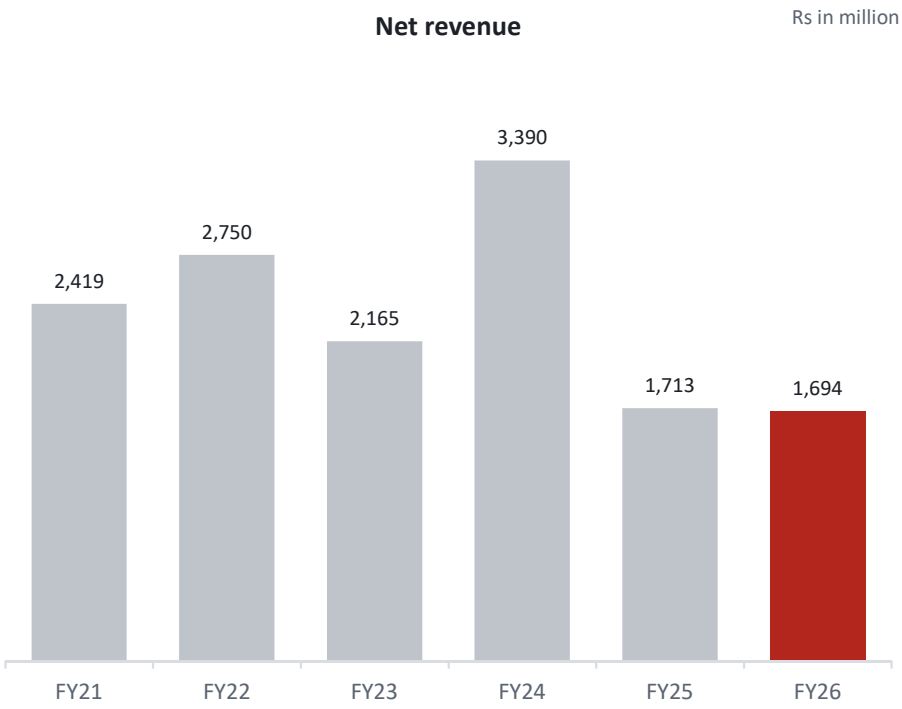
Rs in '000	FY26	FY25	FY24	FY23	FY22	FY21
PROFIT OR LOSS						
Revenue from contracts with customers	**1,694,002**	1,712,642	3,390,175	2,164,908	2,750,181	2,418,800
Gross profit	**260,655**	156,752	580,239	206,946	215,208	303,301
Operating profit	**109,896**	34,316	385,009	106,619	106,436	223,914
Profit / (loss) before tax	**96,525**	(555)	319,403	27,486	54,725	171,092
Profit / (loss) after tax	**69,943**	**(19,145)**	**118,667**	**(24,725)**	**15,321**	**132,380**
KEY RATIOS						
Gross profit margin (%)	**15.39**	9.15	17.12	9.56	7.83	12.54
Net profit / (loss) margin (%)	**4.13**	(1.12)	3.50	(1.14)	0.56	5.47
Return on equity (%)	**17.58**	(5.96)	35.37	(12.37)	6.70	63.79
Current ratio (times)	**1.83**	1.31	1.36	0.91	0.92	0.90
Earnings / (loss) per share (Rs)	**6.10**	(1.67)	10.34	(2.16)	1.34	11.54
Break-up value per share (Rs)	**34.67**	28.01	29.25	17.43	19.93	18.09

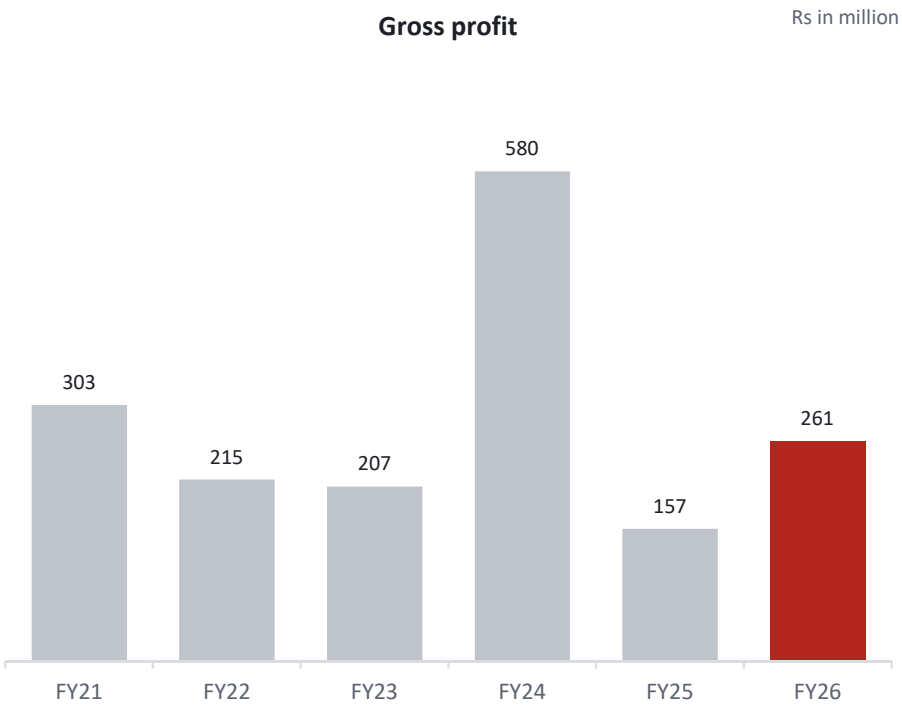
Return on equity is based on closing equity.

Six-year summary: financial position

Rs in '000	FY26	FY25	FY24	FY23	FY22	FY21
FINANCIAL POSITION						
Current assets	**650,125**	585,097	768,392	641,121	820,122	668,321
Less: current liabilities	**356,129**	445,477	563,469	701,012	890,405	740,080
Net working capital	**293,996**	**139,619**	**204,923**	**(59,891)**	**(70,283)**	**(71,759)**
Property, plant and equipment	**126,795**	142,688	159,519	170,928	187,096	206,739
Other non-current assets	**4,747**	68,993	60,033	117,472	140,730	136,531
Capital employed	**425,538**	**351,300**	**424,475**	**228,510**	**257,542**	**271,511**
Less: long-term debt	**-**	-	-	-	-	24,904
Less: other non-current liabilities	**27,770**	29,938	88,927	28,562	28,855	39,085
Shareholders' equity	**397,768**	**321,362**	**335,548**	**199,947**	**228,687**	**207,523**
REPRESENTED BY						
Share capital	**114,725**	114,725	114,725	114,725	114,725	114,725
General reserve and share premium	**436,656**	436,656	436,656	436,656	436,656	436,656
Unrealised gain on long-term investment	**-**	35,371	31,875	13,475	16,350	17,210
Accumulated loss	**(153,613)**	(265,390)	(247,708)	(364,909)	(339,044)	(361,068)

Revenue and gross profit



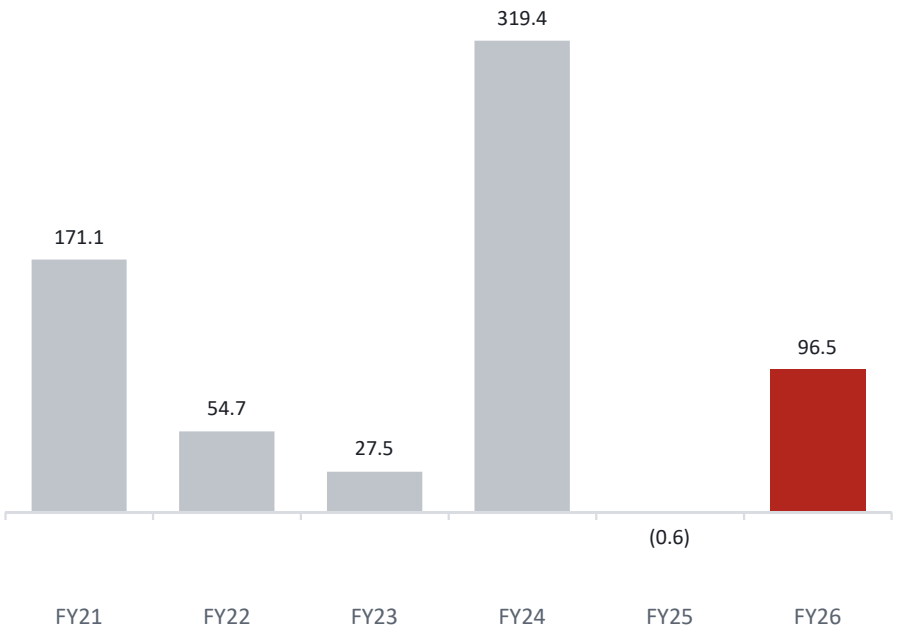


Gross margin: FY21 12.5% · FY22 7.8% · FY23 9.6% · FY24 17.1% · FY25 9.2% · **FY26 15.4%**

Profitability

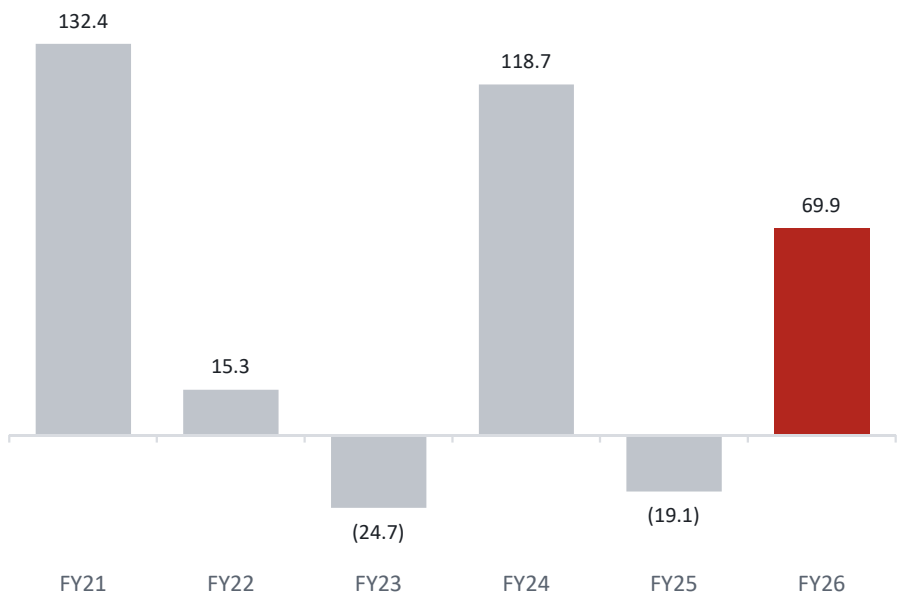
Profit / (loss) before tax

Rs in million



Profit / (loss) after tax

Rs in million

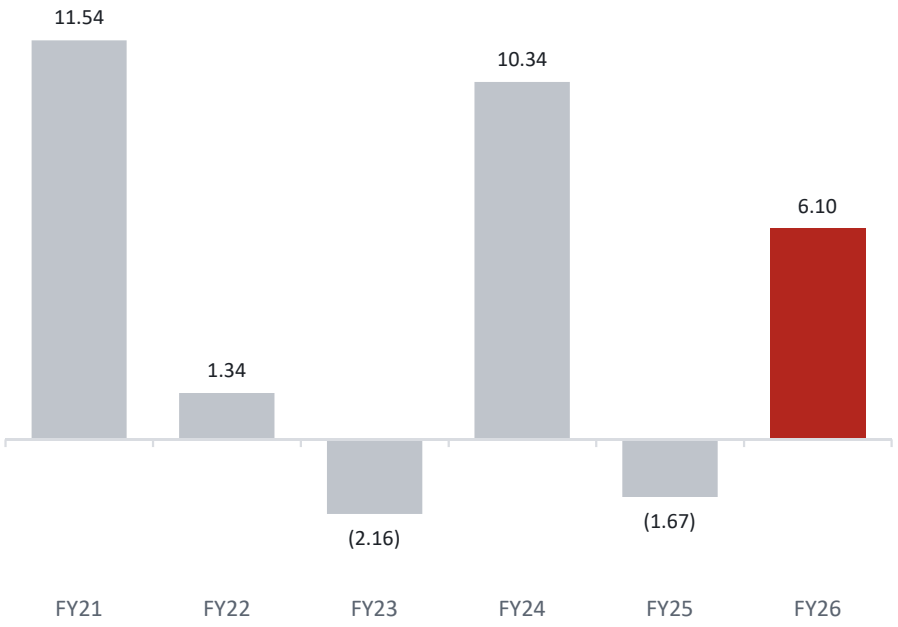


Net margin: FY21 5.5% · FY22 0.6% · FY23 (1.1)% · FY24 3.5% · FY25 (1.1)% · **FY26 4.1%**

Per-share data

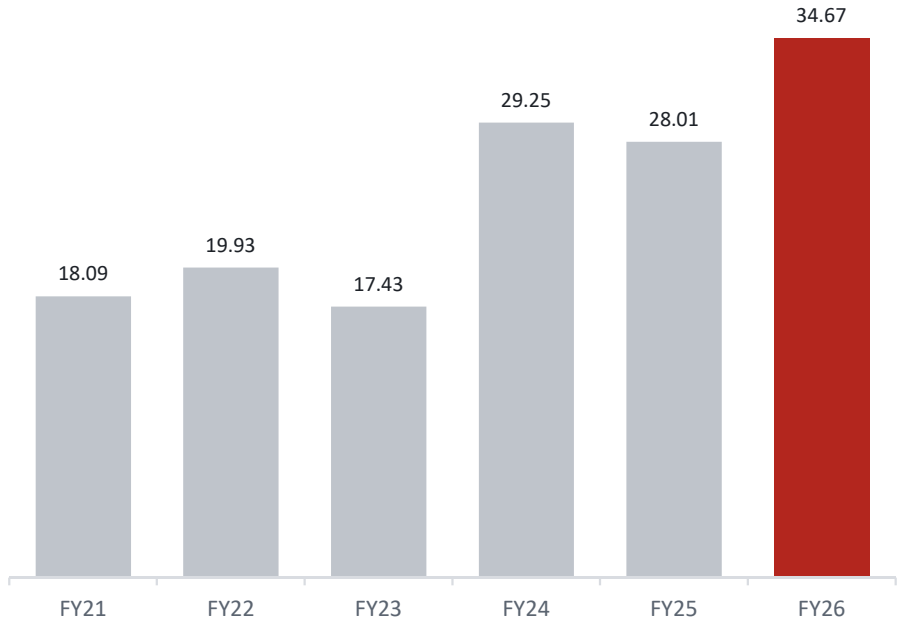
Earnings / (loss) per share

Rs



Break-up value per share

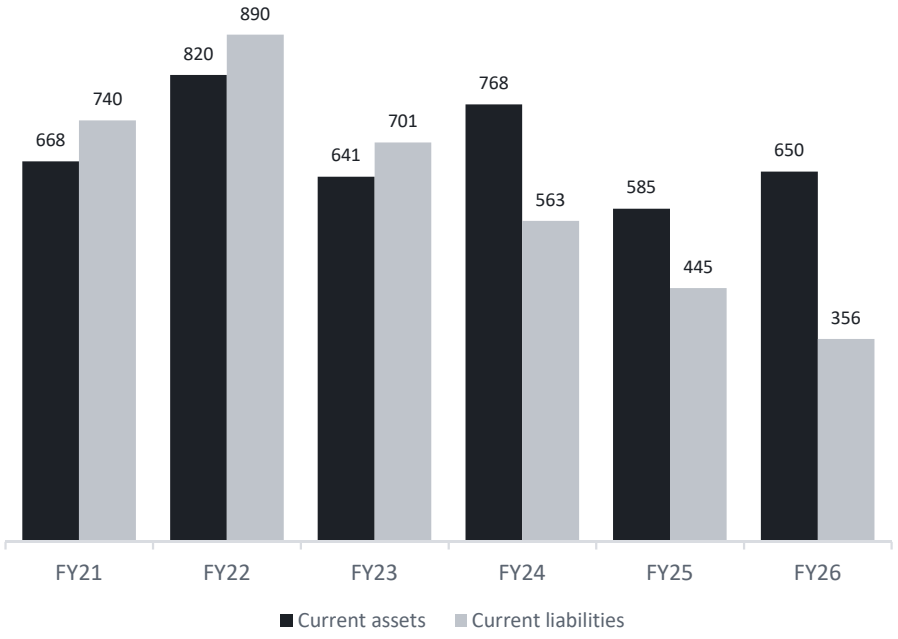
Rs



Liquidity and equity

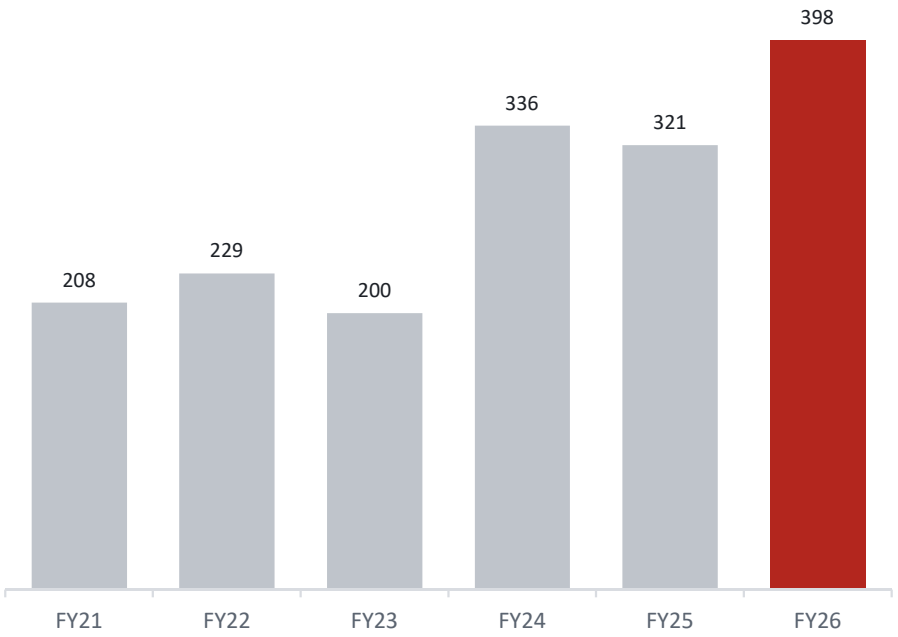
Current assets vs current liabilities

Rs in million



Shareholders' equity

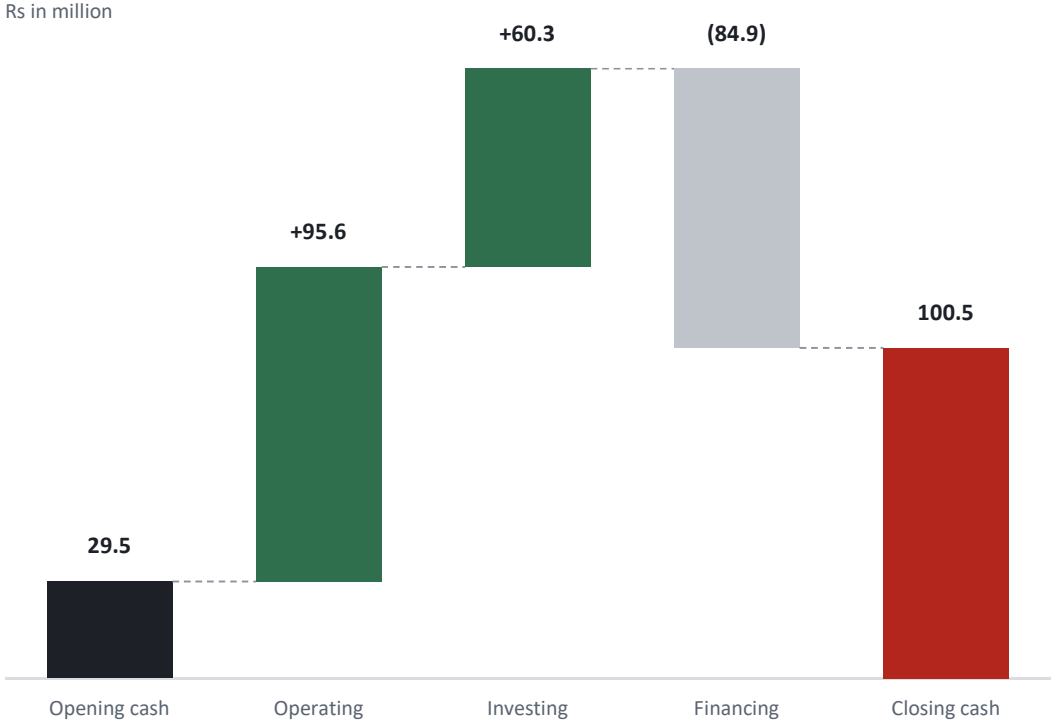
Rs in million



Current ratio improved to 1.83 times (FY25: 1.31); accumulated loss reduced to Rs 153.6m (FY25: Rs 265.4m).

Cash flow: BCL moved from net debt to net cash

Rs in million



NET DEBT / (NET CASH)

Rs in million	FY26	FY25
Short-term financing	**60.0**	79.9
Long-term financing	**-**	65.0
Total borrowings	**60.0**	144.9
Less: cash and bank	**(100.5)**	(29.5)
Net debt / (net cash)	**(40.5)**	**115.3**
Net debt to capital	**(11.35%)**	**26.41%**

Investing inflows include Rs 54.3m from the sale of the Baluchistan Wheels investment. Operating cash flow includes Rs 18.7m returned on dissolution of the executives' gratuity fund.

Key ratios: FY26 vs FY25

PROFITABILITY

	FY26	FY25
Gross profit margin	**15.39%**	9.15%
Operating profit margin	**6.49%**	2.00%
Net profit / (loss) margin	**4.13%**	(1.12%)
Return on equity	**17.58%**	(5.96%)
Return on assets	**8.95%**	(2.40%)

LIQUIDITY AND SOLVENCY

	FY26	FY25
Current ratio (times)	**1.83**	1.31
Quick ratio (times)	**0.74**	0.49
Interest cover (times)	**8.22**	0.98
Net debt to capital	**(11.35%)**	26.41%

PER SHARE

	FY26	FY25
Earnings / (loss) per share (Rs)	**6.10**	(1.67)
Break-up value per share (Rs)	**34.67**	28.01

Quick ratio excludes stores, spares and inventories. Interest cover = operating profit / finance cost. Returns use closing balances.

05

Risk Management

Business and financial risks, and how they are managed

Business risks

Assuming no major change in government policy for the agriculture and auto sectors after the FY 2026-27 budget, the Company foresees no major risk to sales and profitability beyond the following.

01

Demand

Lower demand for tractors and automobiles remains the main risk to sales and profitability.

02

Currency

Some raw materials are imported, so a weaker Pak rupee raises costs. Economic and political instability may increase this risk.

03

Customer base

Customers are mainly tractor manufacturers and assemblers, so a change in their line of business could hurt profitability.

Mitigation: management actively monitors these risk indicators. Contingency planning is a priority, so timely action can limit any adverse effect on financial performance.

Financial risks

Interest rate risk

Arises from mismatches between financial assets and liabilities that mature or reprice in a given period. Managed through strategies that adjust significant changes in the gap position.

FY26 POSITION

Total borrowings

Rs 60.0m (FY25: Rs 144.9m)

Finance cost

Rs 13.4m (FY25: Rs 34.9m)

Credit risk

Limited on liquid funds, as counterparties are banks with high credit ratings. On trade debts, managed by monitoring credit exposures, limiting transactions with specific customers and assessing creditworthiness.

FY26 POSITION

Sales to parent

98.43% of net sales

Cash and bank

Rs 100.5m

Liquidity risk

Managed by maintaining sufficient cash and committed credit facilities, through effective cash management and keeping committed credit lines available.

FY26 POSITION

Current ratio

1.83 times (FY25: 1.31)

Net cash

Rs 40.5m (FY25: net debt Rs 115.3m)

06

Future Prospects

Outlook for FY 2026-27

Positioned to grow with a recovery in tractor demand

01 Demand

Government support for agriculture, including the Punjab Green Tractor Scheme, is expected to support tractor sales and demand for castings.

02 Capacity headroom

At 32% utilisation of 13,200 tons, BCL can absorb a large rise in volumes without major new investment.

03 Balance sheet

Net cash of Rs 40.5m and no long-term debt give room to fund working capital and plant modernisation.

04 Priorities

Broaden the customer base beyond the parent, keep tight cost control, improve energy efficiency and continue local material substitution.

07

Question & Answer Session

Thank you for your time

Thank you

Bolan Castings Limited · Since 1982