PAKISTAN STOCK EXCHANGE | SYMBOL: AGHA

AGHA STEEL INDUSTRIES LIMITED

Corporate Briefing Session (CBS) — FY2026 & Q1 FY2027

Financial Performance, Operational Dispatch Review, Debt Restructuring Progress, Equity Valuation & Strategic Path to Recovery

REGULATORY & GOVERNANCE COMPLIANCE SCOPE

- Convened pursuant to PSX Rule Book Clause 5.7.3 (Mandatory Annual Corporate Briefing Session)
- Prepared in accordance with SECP Listed Companies (Code of Corporate Governance) Regulations, 2019
- Reporting Period: Audited FY2026 (Ended 30 June 2026) & Unaudited Q1 FY2027 (Ended 30 September 2026)

FY2026 NET SALES

PKR 8.39 bn

Down 21.4% YoY; 56,077 MT dispatched

FY2026 NET LOSS (PAT)

PKR 4.74 bn

Narrowed 34.3% vs. PKR 7.21 bn in FY25

RESTRUCTURING MILESTONE

PKR 3.28 bn

Bank AL Habib facility signed 13 Jul 2026

EQUITY & VALUATION

PKR 27.53 BVPS

Trading at 0.31x P/B (PKR 8.48 MVPS)

Corporate Overview & SECP CCG / PSX Compliance Framework

Institutional governance structure, core manufacturing footprint, and mandatory regulatory disclosures

COMPANY PROFILE & INDUSTRIAL INFRASTRUCTURE

- **Core Business:** Integrated long-steel producer manufacturing deformed steel rebars (Grade 60/80), billets, and wire rods.
- **Manufacturing Base:** Port Qasim industrial facility (Karachi) featuring Electric Arc Furnace (EAF) & Mi.Da. continuous rolling technology.
- **Product Standards:** PSQCA, ASTM A615 / A706, and BS 4449 certified seismic-grade reinforcement bars serving mega-infrastructure & real estate.
- **Share Capital Base:** 721.38M shares post-conversion of PKR 116.5M sponsor loan and advance.

PSX RULE BOOK CLAUSE 5.7.3 — BRIEFING AGENDA SCOPE

- **Financial & Operational Review:** Full disclosure of FY2026 audited financial results, Q1 FY2027 interim performance, and segment dispatch trends.
- **Material Developments:** Transparent update on bank debt restructuring (Bank AL Habib PKR 3.28bn facility), covenant status, and going concern mitigation.
- **Forward Outlook & Risks:** Macroeconomic interest rate headwinds, billet/scrap conversion spreads, and staged Mi.Da. capex discipline.
- **Interactive Investor Q&A:** Open forum for analysts, institutional funds, and minority shareholders with simultaneous PSX PUCARS upload.

SECP CODE OF CORPORATE GOVERNANCE (CCG 2019) COMPLIANCE

Board Composition & Independence

Balanced Board comprising Executive, Non-Executive, Independent, and Female Directors per CCG Regulations 6 & 7.

Board Audit Committee (BAC)

Chaired by an Independent Director; reviews quarterly/annual financial statements, internal audit findings, and external auditor independence.

HR & Remuneration Committee

Chaired by an Independent Director; oversees executive succession, KMP evaluation, and transparent remuneration policies.

Internal Audit & Risk Controls

Dedicated Internal Audit function reporting functionally to BAC; monitors ERP controls, credit limits, and covenant compliance.

Related Party Transactions (RPT)

All RPTs (including PKR 1.165bn non-cash sponsor loan-to-equity conversion) reviewed by BAC and approved per Section 208 of Companies Act 2017.

Investor Relations & PUCARS

Timely dissemination of price-sensitive information, financial results, and CBS presentation on PSX PUCARS and corporate website.

Pakistan Macroeconomic & Long-Steel Industry Environment

Moderate GDP recovery offset by elevated financing costs and diverging cement vs. steel demand

FY2026 REAL GDP GROWTH

3.65%

Slowed to 2.0% in Q4; IMF FY27F: 3.5%

OCTOBER 2026 CPI (YOY)

9.6%

Down from 10.3% in Sep; above 6.2% YoY

SBP POLICY RATE

12.0%

Hiked +50 bps effective 27 Oct 2026

GLOBAL STEEL DEMAND

Flat / +1.7%

CY26 flat; CY27 +1.7% (worldsteel)

Industrial Output Divergence: Cement vs. Iron & Steel

Year-on-year production index change (PBS & Economic Survey)

Production Index	Jul–Mar FY2026	Jul–Aug FY2027
Cement Dispatches / Output	+9.1%	+1.3%
Iron & Steel Manufacturing	-6.3%	-11.5%
Performance Spread (Steel vs. Cement)	-15.4 pp	-12.8 pp

ANALYTICAL TAKEAWAY FOR INVESTORS

Cement and aggregate steel indices track distinct construction phases. While low-rise housing lifted cement in FY26, large-scale commercial and PSDP infrastructure projects—the primary drivers of graded rebar—remained liquidity-constrained.

Local Long-Steel Fundamentals & Margin Levers

Domestic Demand Catalysts

Funded PSDP infrastructure, industrial capex, and urban high-rise housing projects translate directly into deformed rebar orders once site mobilization begins.

Conversion Spread & Input Costs

Rebar selling prices must absorb landed imported scrap/billet costs and industrial power tariffs. PKR stability and energy tariff predictability are critical.

Working Capital & Credit Discipline

High policy rates (12.0%) penalize extended dealer credit. AGHA prioritizes cash-backed and short-cycle orders (CBD / 100% Advance / 7–15 days).

Global Steel Backdrop

worldsteel projects flat global steel demand in CY2026 followed by +1.7% recovery in CY2027, keeping regional billet export/import parity competitive.

Four-Year Financial Trajectory & FY2026 Profitability Bridge

Top-line contraction and under-absorption weighed on gross margins, while finance cost savings narrowed PAT loss

FY2026 NET SALES

PKR 8.39 bn

Down 21.4% YoY (-59.2% vs FY23)

FY2026 GROSS LOSS

PKR 2.35 bn

Gross Margin -28.1% vs -18.5% FY25

FINANCE COSTS

PKR 2.88 bn

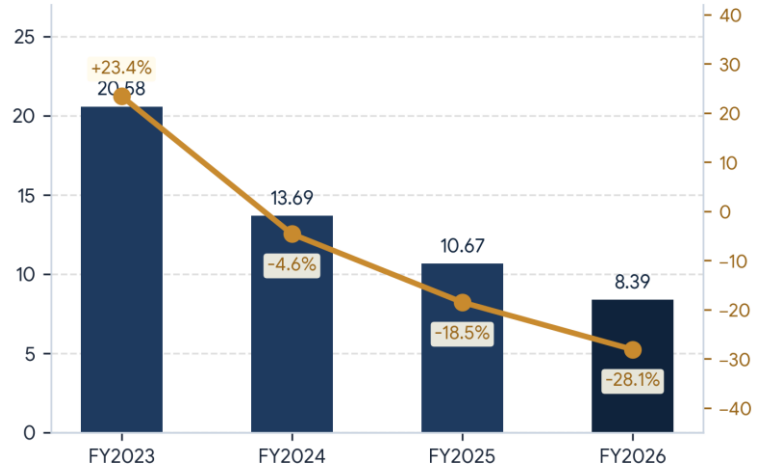
Reduced by PKR 1.32 bn (-31.4% YoY)

NET LOSS AFTER TAX

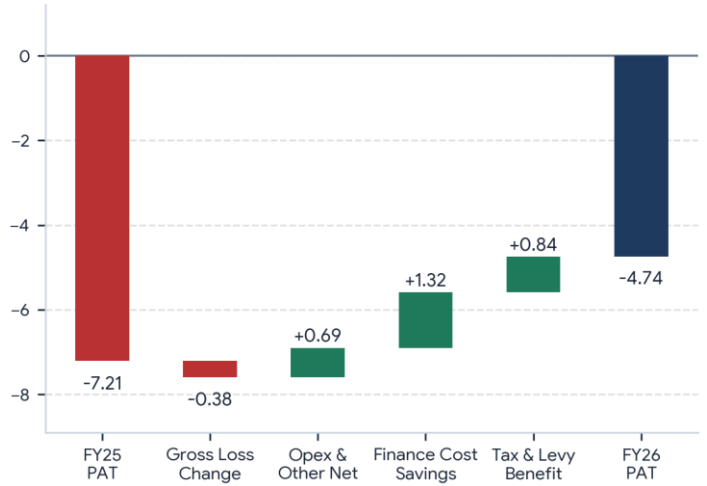
PKR 4.74 bn

Improved PKR 2.47 bn vs FY25 (-7.21bn)

Net Sales (PKR bn) & Gross Margin (%)



Net Loss Narrowing Bridge (PKR bn)



4-Year Key Metrics (PKR bn)

Metric	FY23	FY24	FY25	FY26
Net Sales	20.58	13.69	10.67	8.39
Gross Margin	23.4%	-4.6%	-18.5%	-28.1%
Finance Cost	3.14	3.89	4.20	2.88
LBT / PBT	1.12	-6.45	-7.86	-6.23
PAT (PKR bn)	0.90	-5.09	-7.21	-4.74
EPS (PKR)	1.50	-8.41	-11.92	-7.62

- Fixed overhead under-absorption at sub-optimal rolling utilization drove gross margin compression.
- PKR 1.32 bn lower finance charges and PKR 0.84 bn higher net tax/levy credit narrowed bottom-line loss by 34.3%.

First Quarter FY2027 Performance (Ended 30 September 2026)

Continued top-line softness amid working capital constraints, partially cushioned by cost containment

Q1 FY2027 vs. Q1 FY2026 Financial Comparison

Financial Metric	Q1 FY2026	Q1 FY2027	YoY Variance
Net Sales (PKR bn)	2.16	1.44	-33.2%
Gross Loss (PKR bn)	(0.33)	(0.32)	-2.7% (Narrower)
Gross Margin (%)	-15.3%	-22.3%	-7.0 pp
Net Loss After Tax (PKR bn)	(1.17)	(0.97)	-17.0% (Narrower)
Loss Per Share — LPS (PKR)	(1.93)	(1.34)	-30.6% (Improved)

Note: Q1 FY2027 LPS improvement (-30.6% vs -17.0% PAT loss reduction) also reflects the expanded weighted-average share base following sponsor loan equity conversion.

Q1 FY2027 OPERATIONAL & LIQUIDITY DYNAMICS

- **Top-Line Compression (-33.2%):** Quarterly revenue moderated to PKR 1.44 bn due to liquidity-rationed billet procurement and selective order acceptance.
- **Rupee Gross Loss Stabilized:** Absolute gross loss edged down slightly from PKR 0.33 bn to PKR 0.32 bn, though percentage margin dipped 7.0 pp on lower denominator sales.
- **Overhead & Finance Rationalization:** Strict fixed-cost controls and lower accrued markup charges narrowed quarterly net loss by PKR 0.20 bn (+17.0% YoY).
- **Transition Quarter Focus:** Management prioritized cash preservation and conditions precedent fulfillment under bilateral bank restructuring talks.

KEY Q1 FY2027 BENCHMARK SIGNALS

PKR 1.44 bn
Q1 Net Revenue (vs PKR 2.16 bn SPLY)

-22.3%
Q1 Gross Margin (Fixed cost drag on low volume)

PKR 0.97 bn
Q1 Net Loss (PKR 200M YoY bottom-line improvement)

PKR 1.34
Q1 Loss Per Share (vs PKR 1.93 in Q1 FY2026)

Production Output, Customer Segments & Regional Footprint

Bar output rose +5.6% YoY, while commercial dispatches anchored 96.3% across Karachi & Sindh

FY2026 BAR PRODUCTION

48.1k MT

+5.6% YoY vs 45.5k MT in FY2025

INVOICED DISPATCH VOL.

56,077 MT

-14.6% YoY vs 65,661 MT in FY2025

AVG. REALIZED PRICE

PKR 227.9k/t

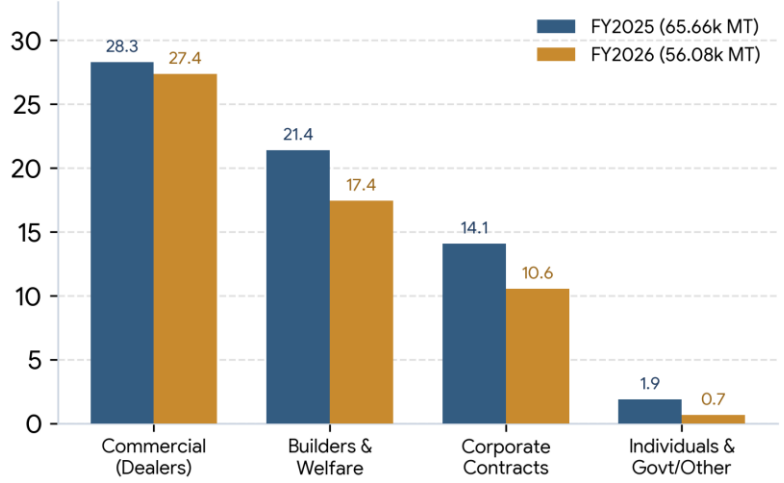
-7.1% YoY vs PKR 245.3k/MT in FY25

CORE SINDH SHARE

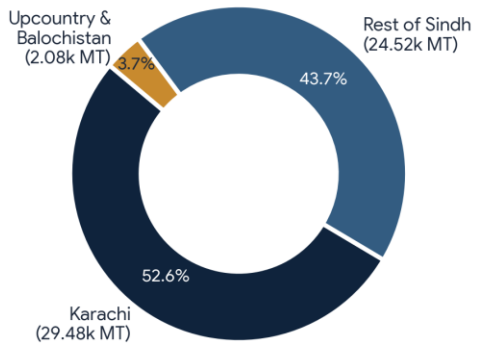
96.3%

Karachi 52.6% + Rest of Sindh 43.7%

Dispatch Volume by Customer Segment (k MT)



FY2026 Geographic Dispatch Share (56.08k MT)



Payment Term & Credit Mix (FY26)

Payment Term	FY26 MT	Share
100% Advance & CBD	16,005	28.5%
3 to 7 Days Credit	19,240	34.3%
15 Days Credit	11,142	19.9%
50% Adv + Short Cr.	4,645	8.3%
21+ Days / Other	5,045	9.0%

- **Billet Bottleneck:** Own billet output stayed at 1.6k MT; rolling relied on external billet procurement.
- **Tight Receivables:** 62.8% of FY26 volume sold on Advance/CBD or ≤7-day terms to protect cash.

Liquidity Position, Covenant Breaches & Debt Restructuring

Active bilateral bank restructuring and sponsor equity conversion underway to resolve working capital deficit

WORKING CAPITAL DEFICIT (30 JUN 2026)

PKR 25.27 bn

Current liabilities exceeded current assets

DEMAND-CLASSIFIED DEBT & MARKUP

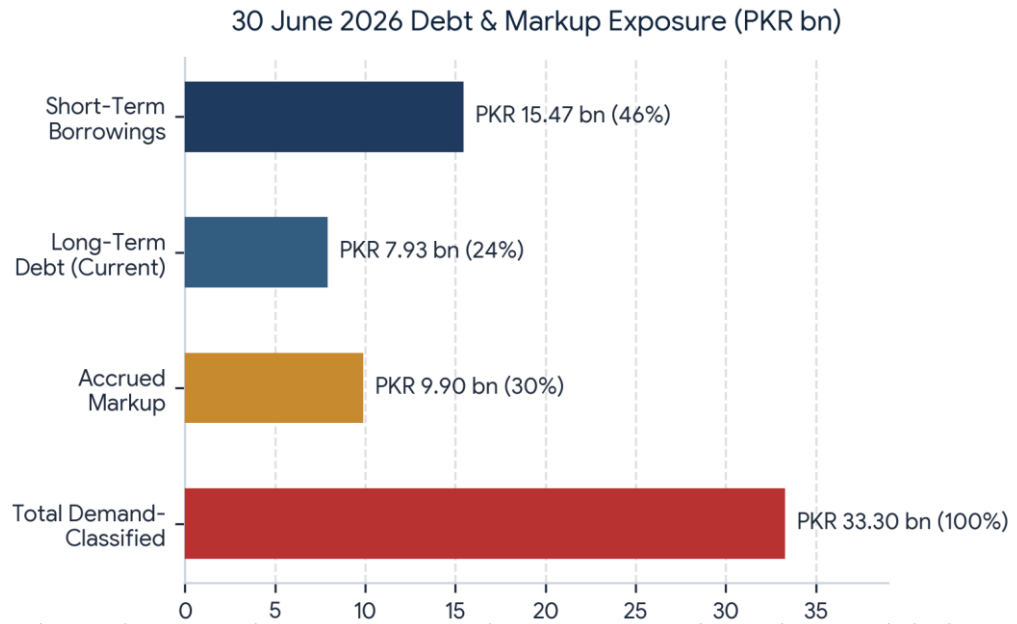
PKR 33.30 bn

Reclassified due to overdue installments/covenants

OPERATING CASH FLOW & CASH BALANCE

+PKR 0.14 bn

Turned positive vs -PKR 0.58bn; Cash PKR 196m



Auditor Emphasis: Material uncertainty exists regarding going concern until comprehensive multi-lender restructuring agreements become effective.

BALANCE SHEET REHABILITATION & LENDER RESTRUCTURING STATUS

1. Bank AL Habib Bilateral Agreement (13 July 2026)

Signed post year-end for PKR 3.28 bn covering long-term debt reprofiling and revolving working capital lines, subject to conditions precedent (CPs) satisfaction.

2. Sponsor Equity Injection (PKR 1.165 bn)

Sponsors converted PKR 1.165 bn of advances and related-party loans into ordinary share capital in FY2026 via non-cash issuance, strengthening permanent equity.

3. Multi-Lender Syndicate & Legal Risk Management

Parallel negotiations ongoing with remaining syndicate banks for markup freeze/reprofiling. Certain recovery suits remain contested while out-of-court settlements progress.

4. Accounting Classification Impact

Because Bank AL Habib's agreement was signed on 13 July 2026 (post balance sheet date), 30 June 2026 debt remained current; reclassification follows CP completion.

Break-Up Value (BVPS) vs. Market Value (MVPS) Analysis

AGHA trades at a 69.2% discount to FY2026 book value (0.31x P/B), pricing in near-term leverage headwinds

FY2026 NET EQUITY

PKR 18.55 bn

Assets PKR 53.77bn vs Liab. PKR 35.22bn

FY2026 BREAK-UP VALUE

PKR 27.53

On 673.89M shares (PKR 25.72 on 721.38M)

FY2026 MARKET PRICE

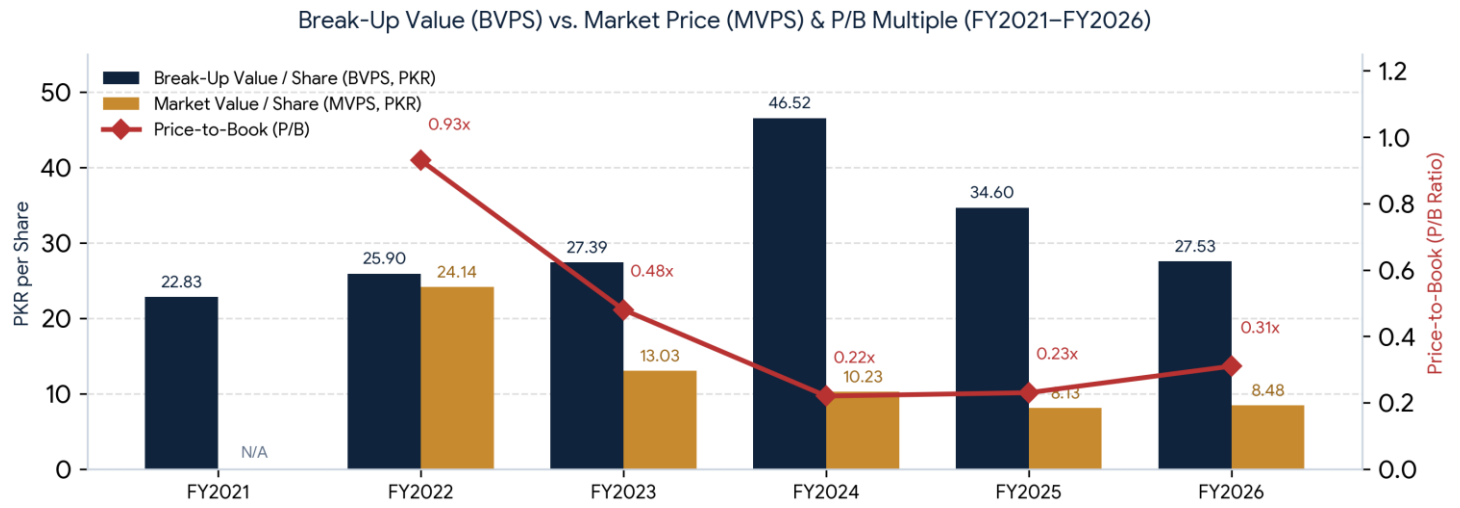
PKR 8.48

Live PSX benchmark trading level

VALUATION DISCOUNT

69.2%

0.31x Price-to-Book multiple



FY2021–FY2026 Valuation Schedule

Year	Equity	BVPS	MVPS	P/B
FY21	13,811	22.83	N/A	N/A
FY22	15,666	25.90	24.14	0.93x
FY23	16,570	27.39	13.03	0.48x
FY24	28,138	46.52	10.23	0.22x
FY25	20,927	34.60	8.13	0.23x
FY26	18,550	27.53	8.48	0.31x

- **FY24 Peak Revaluation:** Fixed asset revaluation lifted FY24 BVPS to PKR 46.52.
- **Dilution & Market Gap:** Post-conversion 721.38M shares adjust BVPS to PKR 25.72; re-rating hinges on debt restructuring.

Four-Pillar Recovery Roadmap & Volume Contribution Sensitivity

Disciplined execution focused on positive contribution per tonne, working capital unlock, and staged capex

PILLAR 01

Restore Unit Economics

Enforce strict gross contribution floors per tonne; optimize EAF/rolling power efficiency and billet sourcing parity.

PILLAR 02

Rebuild Cash Dispatches

Scale saleable rebar tonnage selectively toward advance-paying commercial dealers and funded infrastructure contracts.

PILLAR 03

Activate Lender Facilities

Complete conditions precedent on Bank AL Habib (PKR 3.28bn) and finalize syndicate reprofiling to unlock working capital.

PILLAR 04

Stage Mi.Da. Capex

Ring-fence operating cash flows; synchronize remaining Mi.Da. mill capex strictly with dedicated project funding milestones.

Illustrative Incremental Gross Contribution Sensitivity (PKR Millions)

Annualized variable contribution impact across incremental dispatch volumes & unit margins

Incremental Volume (MT)	PKR 5,000 / MT	PKR 10,000 / MT	PKR 15,000 / MT
+10,000 Tonnes / Year	PKR 50 mn	PKR 100 mn	PKR 150 mn
+20,000 Tonnes / Year	PKR 100 mn	PKR 200 mn	PKR 300 mn
+30,000 Tonnes / Year	PKR 150 mn	PKR 300 mn	PKR 450 mn

Disclaimer: Illustrative sensitivity matrix multiplying incremental tonnes sold by assumed positive contribution per tonne after variable costs. Excludes incremental fixed costs, finance charges, taxes, and working capital funding needs. Not a formal profit forecast.

KEY INVESTOR MONITORABLES (FY2027)

- **Lender Drawdowns:** Actual utilization of Bank AL Habib working capital limits and signing of remaining bilateral bank agreements.
- **Monthly Rolling Tonnage:** Sustained monthly dispatch recovery above 6,000–7,000 MT/month to absorb fixed plant overheads.
- **Scrap-to-Rebar Spread:** International shredded scrap / billet import parity vs. Karachi retail rebar prices.
- **SBP Rate Trajectory:** Any monetary easing below 12.0% directly lowers debt servicing burden.

PSX RULE BOOK CLAUSE 5.7.3 | Q&A

Questions & Investor Discussion

Agha Steel Industries Limited welcomes questions from analysts, institutional investors, and shareholders.

CORPORATE & REGISTERED OFFICE

Plot N.W.I.Z. / 1 / P-133, (SP-6), D-2,
Port Qasim Authority, Karachi, Pakistan
PSX Symbol: AGHA | ISIN: PK0121901017

INVESTOR RELATIONS & COMPANY SECRETARY

Corporate Affairs & Investor Relations Desk
Email: corporate@aghasteel.com
Website: www.aghasteel.com
Disclosures: PSX PUCARS Portal

STATUTORY COMPLIANCE ATTESTATION

Prepared for the FY2026 Corporate Briefing Session
in compliance with PSX Rule Book Clause 5.7.3 &
SECP Code of Corporate Governance Regulations, 2019.

REGULATORY DISCLAIMER & FORWARD-LOOKING STATEMENTS

This presentation has been prepared by Agha Steel Industries Limited solely for information purposes during its Corporate Briefing Session under PSX Rule Book Clause 5.7.3. While historical financial data is derived from audited FY2026 and unaudited Q1 FY2027 financial statements, forward-looking statements, sensitivity illustrations, and restructuring expectations involve risks and uncertainties (including macroeconomic policy shifts, energy tariffs, PKR exchange rates, and lender conditions precedent). Neither the Company nor its management assumes any obligation to update forward-looking statements except as required under PSX Regulations and the Securities Act, 2015.