AGHA STEEL INDUSTRIES LIMITED

Corporate Briefing Session

FY2026 performance and the path to recovery

Year ended 30 June 2026 / PSX: AGHA

Management review draft



Pakistan grew, but financing stayed costly

Pakistan macroeconomic indicators available by 11 November 2026

3.65%

FY2026 real GDP growth

PBS revised FY2026 growth to 3.65%. Growth slowed to 2.0% in the June quarter.

9.6%

October 2026 CPI, YoY

Down from 10.3% in September and above 6.2% a year earlier.

12.0%

SBP policy rate

The SBP raised the rate by 50 basis points, effective 27 October 2026.

The IMF projects 3.5% real GDP growth and 9.9% average inflation for Pakistan in FY2027.

Sources: PBS National Accounts Committee, PBS October CPI and SBP October MPC and IMF October WEO

Steel output lagged cement

Pakistan industrial production, year-on-year change

Production index	Jul–Mar FY2026	Jul–Aug FY2027
Cement	+9.1%	**+1.3%**
Iron and steel	−6.3%	**−11.5%**

What to watch

Track local rebar orders and realised prices alongside construction indicators. Cement and aggregate steel production measure different markets.

Sources: Pakistan Economic Survey 2025–26 and PBS August 2026 industrial production release

The long-steel opportunity is local

Housing, infrastructure and industrial construction can support rebar demand as funded projects move to site.

Demand	Project starts and funded public works drive actual steel orders. Track dealer orders, payment terms and collections.
Margins	Rebar prices must cover landed billet or scrap costs and conversion costs. PKR moves, power tariffs and competitive pricing can squeeze that spread.
Global backdrop	worldsteel expects global finished steel demand to be broadly flat in calendar 2026 and rise 1.7% in 2027. That forecast covers all finished steel products.

For Agha Steel, higher demand helps when orders generate cash and positive contribution per tonne.

Sources: worldsteel October 2026 outlook and Pakistan Economic Survey 2025–26

FY2026 set a lower operating base

Sales contracted and the gross loss widened. The reported net loss narrowed.

8.39bn

Net sales, PKR

Down 21.4% year on year and 59.2% below FY2023.

−28.1%

Gross margin

Down from −18.5% in FY2025 as gross loss widened to PKR 2.35bn.

4.74bn

Net loss, PKR

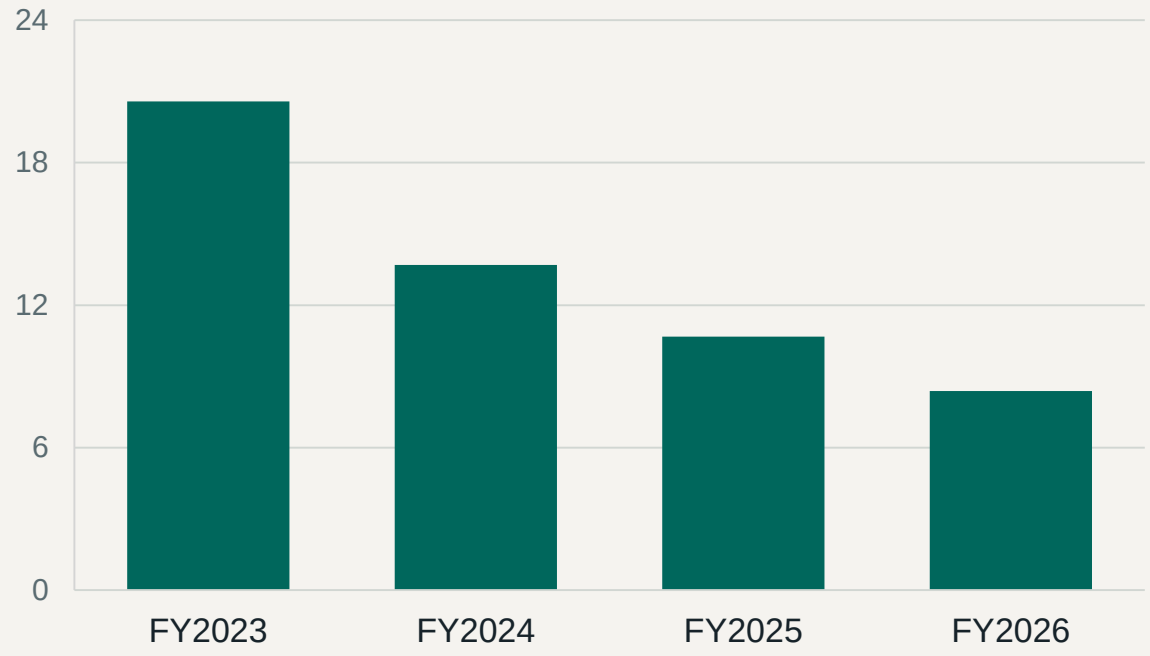
Down from PKR 7.21bn. Lower finance costs and a higher net tax and levy benefit supported the improvement.

A recovery depends on better margins, dependable working capital and effective lender arrangements.

Source: Agha Steel FY2026 results and PSX four-year financials

Sales fell 59% from FY2023

Net sales in PKR billion and four-year financial comparison



Metric	FY23	FY24	FY25	FY26
Sales, PKR bn	20.58	13.69	10.67	**8.39**
Gross margin	23.4%	−4.6%	−18.5%	**−28.1%**
PAT, PKR bn	0.90	−5.09	−7.21	**−4.74**
EPS, PKR	1.50	−8.41	−11.92	**−7.62**

FY2026 marked the weakest gross margin in the four-year comparison.

Sources: PSX AGHA financials and Agha Steel FY2025 and FY2026 results

Lower finance costs helped narrow the loss

FY2025 to FY2026 / selected movements in PKR billion

Line item	FY2025	FY2026	Movement
Gross loss	(1.98)	(2.35)	**0.38 wider**
Finance costs	4.20	2.88	**1.32 lower**
Loss before levy and tax	(7.86)	(6.23)	**1.63 narrower**
Loss after tax	(7.21)	(4.74)	**2.47 narrower**

A larger net tax and levy benefit accounted for PKR 0.84bn of the improvement.

Sources: Agha Steel FY2026 results and annual report filing summary

More bar output, less revenue

Output measures factory production. Sales depend on dispatch volumes, product mix and realised prices.

48.1k MT

FY2026 bar production

Up from 45.5kt, an increase of 5.6% based on the working production schedule.

1.6k MT

FY2026 billet production

Own billet output remained low. Input availability and landed billet cost matter for rolling.

−21.4%

FY2026 net sales

Revenue drivers include tonnes sold, realised prices and the mix of bars, wire rods and billets.

Sources: Agha Steel FY2026 results and working Directors' Report production figures

Liquidity remains the main constraint

30 June 2026 / PKR billion unless stated

25.27

Working capital deficit

Current liabilities exceeded current assets by PKR 25.27bn.

33.30

Demand-classified debt and markup

PKR 15.47bn short-term debt, PKR 7.93bn long-term debt and PKR 9.90bn accrued markup.

0.14

Operating cash inflow

Improved from a PKR 0.58bn outflow. Cash and bank balances rose from PKR 49m to PKR 196m.

Defaults and covenant breaches drove demand classification. Going concern remains materially uncertain.

Sources: FY2026 results and working Directors' Report / balances rounded

Restructuring could ease the cash squeeze

The Bank AL Habib agreement was signed after year-end. Lender effectiveness and funding determine the benefit.

Bank AL Habib	Signed 13 July 2026 for PKR 3.28bn of facilities. The reported structure includes term reprofiling and revolving working capital, subject to conditions precedent.
Other lenders	The broader restructuring depends on separate lender agreements, documentation and effective dates. Lender litigation remains a risk.
Sponsor support	PKR 1.165bn of advances and related-party loans converted to ordinary equity in FY2026 through a non-cash transaction.
Year-end treatment	The July agreement left the 30 June classification of affected borrowings unchanged. Any cash-flow benefit depends on implementation.

Sources: Agha Steel restructuring notice, FY2026 annual report filing and working Directors' Report

What would make a recovery visible

Operating and financing milestones to track as the business rebuilds from a low base.

Restore unit economics	Track realised prices, billet cost, power cost and gross contribution per tonne before increasing output.
Rebuild dispatches	Prioritise orders that cover conversion costs and fit cash and credit limits. Watch saleable tonnes, plant uptime and collections.
Secure usable funding	Track lender conditions, effective dates, facility availability and actual drawdowns against cash requirements.
Stage capital spending	Link further Mi.Da. commitments to funding and completion milestones. Preserve cash for the existing business.

September showed continued pressure

Q1 FY2027 / three months ended 30 September 2026 / unaudited

Metric	Q1 FY2026	Q1 FY2027	YoY change
Net sales, PKR bn	2.16	1.44	**−33.2%**
Gross margin	−15.3%	−22.3%	**−7.0 pp**
Net loss, PKR bn	1.17	0.97	**17.0% narrower**
Loss per share, PKR	1.93	1.34	**30.6% lower**

Gross loss narrowed slightly in rupees, but it absorbed a larger share of sales.

Source: Agha Steel September 2026 quarterly results, filed 26 October 2026

What higher volumes could contribute

Illustrative annual contribution sensitivity / PKR million

Incremental tonnes sold	PKR 5,000/t	PKR 10,000/t	PKR 15,000/t
10,000 tonnes	50	100	**150**
20,000 tonnes	100	200	**300**
30,000 tonnes	150	300	**450**

Each cell multiplies additional tonnes sold by assumed positive contribution per tonne after variable costs. The calculation excludes incremental fixed costs, finance costs, taxes and funding requirements.

The assumptions illustrate sensitivity. Actual outcomes may vary.

Investor Q&A