Mughal Iron and Steel Industries

Corporate Briefing Takeaways

13 November 2025

REP-300

- Mughal's senior management held an analyst briefing today to discuss financial performance of FY25 and the future outlook.
- To recall, Net Revenue of Ferrous segment increased by 7% YoY to PKR 73.1bn in FY25. Increase in revenue is mainly due to increase in higher priced value-added products and decrease in lower priced billets. Overall, Net Revenue of the company decreased by 3% YoY to PKR 88.9bn mainly due to reduction in non-ferrous operations.
- Ferrous segment contributed 82% to the overall revenue increasing by 6.4% YoY, whereas Non-Ferrous contribution was around 18% decreasing by 31.6%.
- Bar sales increased by 20% YoY to 192k tons in FY25 and Girder sales increased by 50% YoY to 120k tons in FY25.
- MUGHAL management expects 12-13% increase in long steel demand in FY26 and FY27 mainly due to higher PSDP spending by federal and Punjab governments and reconstruction of flood affected areas.
- Company expects to benefit from flood related rehabilitation due to a higher product basket in Girders/Sections which are utilized in rural areas. Rebars are used more in urban centers. According to the management Girders/Sections total market size is 1.8-2.0mn tons.
- BMR of bar mill is in progress. This will convert bar mill into multi purpose mill capable of simultaneously manufacturing rebars and minis sections. Mill is expected to be online in 2HFY26 with an estimated capex of PKR 2-3bn.
- Hydro test has successfully been achieved for coal captive plant under the banner of Mughal Energy. COD is expected by end of CY25.
- Regarding outlook of copper segment, management communicated that the segment is on hold rather than scrapped. Company has incurred substantial capex to setup automated copper recycling plant. Plan is to introduce further value-added products in non-ferrous segment.
- Non-ferrous segment is facing uncertainties due to price volatility in international markets and trade tensions between China and US.
- Currently full focus is on Ferrous segment where management is expecting volumetric growth and better margins. Currently steel scrap is priced between USD 350-400/ton whereas final products are selling at close to USD 800/ton.
- Regarding reduction in import duties in FY26 management commented that prices have been reduced by PKR 2.5-2.8/ton.
- Sugar companies operating in long steel constitute 0.25mn tons of 5.0mn tons market and is not a threat for MUGHAL.
- MUGHAL is trading at FY26e PE of 6.9x.

Nasheed Malik
UAN: (021) 3828 0256
nasheed.malik@arifhabibltd.com