Pakistan National Shipping Corporation (PNSC)

Corporate Briefing Session for Financial Year 2024-25

Prepared in accordance with SECP Guidelines for Holding Corporate Briefing Sessions

Company Overview

Legal Framework & Ownership

Pakistan National Shipping Corporation (PNSC) is an autonomous body established under the PNSC Ordinance, 1979. The Federal Government of Pakistan holds **87.56% shares** as of June 30, 2025. PNSC operates under the administrative control of the Ministry of Maritime Affairs, serving as a cornerstone of Pakistan's maritime infrastructure and international trade capabilities.

Group Structure

The PNSC Group comprises **19 wholly owned subsidiaries** engaged in shipping operations, marine repair workshops, and real estate operations, creating a diversified portfolio that strengthens the Corporation's market position.

Credit Rating (PACRA)

Long-term: AA

Short-term: A1+

Vision, Mission, and Strategic Objectives

Vision

To be a prominent player and key stakeholder in global shipping industry by maintaining diversified and efficient marine assets.

Mission

To provide reliable & efficient shipping services to overseas and Pakistan's seaborne trade, maintaining relationship of integrity and trust with out customers, partners, employees safeguarding interest of our stakeholders and contributing towards betterment of national economy , society and environment.

Strategic Objectives

1. Persistent growth by strategic investment and diversification in marine sectors according to the past performance and future outlook of industry.
2. To be optimally profitable, viable, commercial and contribute to the national economy by securing reasonable return on capital and minimise outflow of national foreign reserves.
3. Ensure steady supplies to Pakistan Defence Forces in time of Peace and War.
4. To do highly ethical, environment friendly and socially responsible business practices.
5. Ensuring that every employee feels proud of being part of PNSC team.
6. To provide its clientele safe, secure, reliable and efficient shipping services.
7. To practice and believe in equal opportunity for everyone in every aspects of business.

Business Segments and Operations

Shipping Operations

Dry Bulk Cargo

Operates five bulk carriers with a combined deadweight tonnage (DWT) of over **250,000 tons**, serving international trade routes and contribution to national exchaquer

Liquid Bulk Cargo

Operates five tankers including three Aframax and two LR-1 tankers, ensuring safe and efficient transportation of petroleum products and crude oil.

Chartering & Slot Services

Engaged in international chartering and slot charter operations, maximizing fleet utilization and generating consistent revenue streams.

Workshop Services

PNSC Workshops in Karachi provide comprehensive ship repair facilities, safety equipment services (LSA/FFA), and ultrasonic thickness (UT) gauging facilities, serving both internal fleet and third-party vessels.

Real Estate

The Corporation owns and manages three commercial buildings in prime locations, generating steady rental income and contributing to diversified revenue streams with minimal operational risk.

Group Financial Statements

The following table presents PNSC's Group Financial Performance, specifically the Statement of Profit or Loss Account, comparing the period of July to June 2025 against July to June 2024.

Key Financial Metrics	July-Jun 2025 ('000 Rs.)	July-Jun 2024 ('000 Rs.)	Variance ('000 Rs.)	Variance (%)
Revenue	37,637,416	46,363,489	(8,726,073)	-19%
Variable Cost	(16,733,271)	(18,824,378)	2,091,107	-11%
Contribution Margin	**20,904,145**	**27,539,111**	**(6,634,966)**	**-24%**
Fixed Cost	(9,517,963)	(8,694,036)	(913,927)	11%
Real Estate Expenses	(170,469)	(132,653)	(37,816)	29%
Gross Profit	**11,215,714**	**18,802,420**	**(7,586,706)**	**-40%**
Administrative Expenses	(2,072,965)	(2,003,503)	(69,462)	3%
Impairment Reversal / (Loss)	1,833,924	(173,225)	2,007,149	-1159%
Other Expenses	(514,652)	(752,394)	237,742	-32%
Other Income	13,249,171	7,899,120	5,350,051	68%
Operating Profit	**23,711,192**	**23,772,477**	**(61,285)**	**0%**
Finance Cost	(430,400)	(1,014,771)	584,371	-58%
Profit before Levies & Tax	**23,280,792**	**22,757,706**	**523,086**	**2%**
Levies	(1,279,002)	(1,064,110)	214,892	-20%
Profit before Taxation	**22,001,790**	**21,693,596**	**308,194**	**1%**
Taxation	(1,553,049)	(1,511,862)	(41,187)	3%
Net Profit	**20,448,741**	**20,181,734**	**267,007**	**1%**

Executive Highlights and Key Ratios

A closer look at the financial performance reveals several key changes between 2024 and 2025:

- **Revenue** experienced a 19% decrease, moving from Rs. 46,363 million in 2024 to Rs. 37,637 million in 2025 due to correction in freight rates and decrease in voyages.
- **Other Income** experienced a substantial increase of 68%, reaching Rs. 13,249 million in 2025. due to gain on disposal of vessels.
- **During the year, reversal of Impairment** surged from loss of Rs. 173 million in 2024 to gain of Rs. 1,833 million in 2025, due to recovery of old outstanding balances from state owned entities.
- **Gross Profit** declined by 40%, largely influenced by the reduction in revenue.
- **Finance Cost** was significantly reduced by 58%, contributing positively to the bottom line.
- Overall, **Net Profit** experienced slight increase of 1%, demonstrating resilience in a challenging environment.

103.23

EPS (Rupees)

Earnings Per Share for 2025

30%

Gross Profit Margins

Gross Profit as a percentage of Revenue in 2025 (vs 41% in 2024)

54%

Net Profit Margins

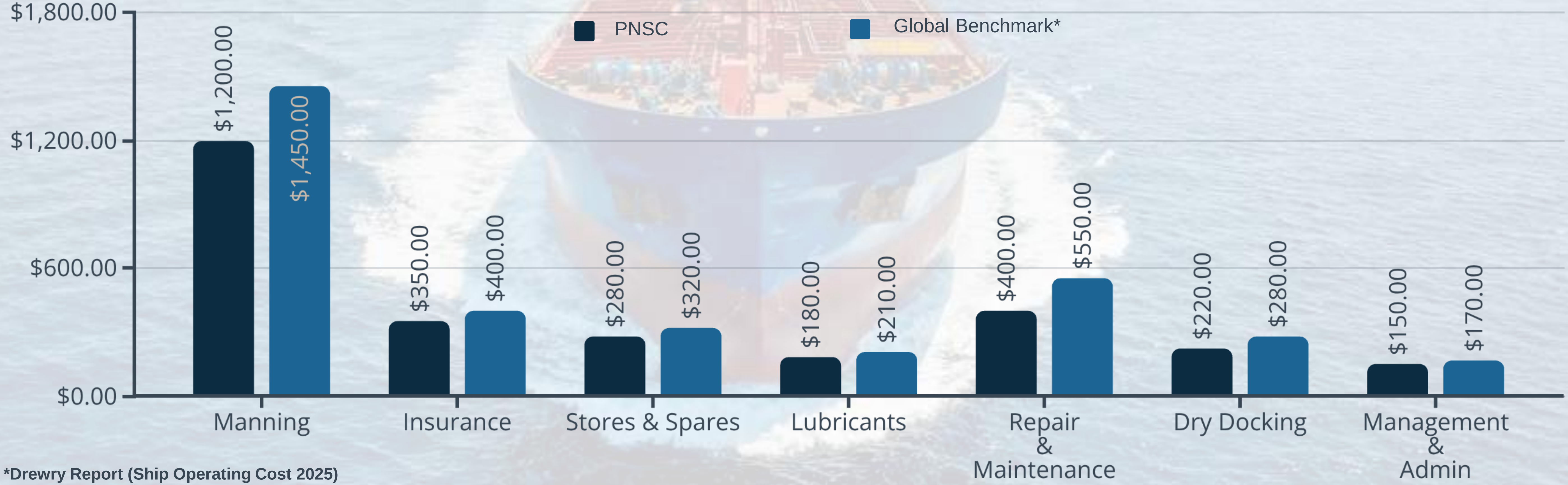
Net Profit as a percentage of Revenue in 2025 (vs 44% in 2024)

PNSC vs Global Benchmark: OPEX Analysis

This analysis compares PNSC's operational expenditures (OPEX) against global benchmarks for various vessel types, showcasing the Corporation's significant cost competitiveness and operational efficiency in key areas.

Bulk Carrier OPEX USD/Day

PNSC consistently demonstrates lower operational costs across most categories for Bulk Carriers, notably in Manning and Repair & Maintenance, providing a distinct competitive edge.

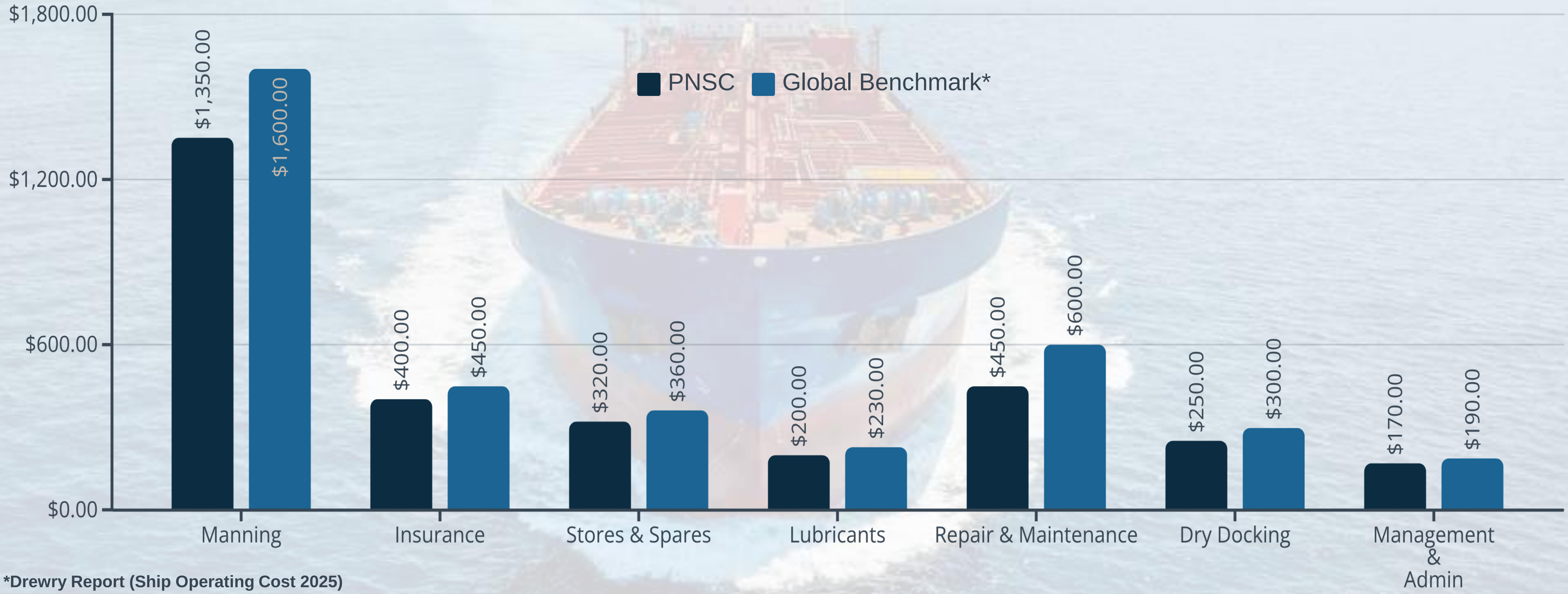


*Drewry Report (Ship Operating Cost 2025)

PNSC vs Global Benchmark: OPEX Analysis

LR1 Tankers OPEX USD/Day

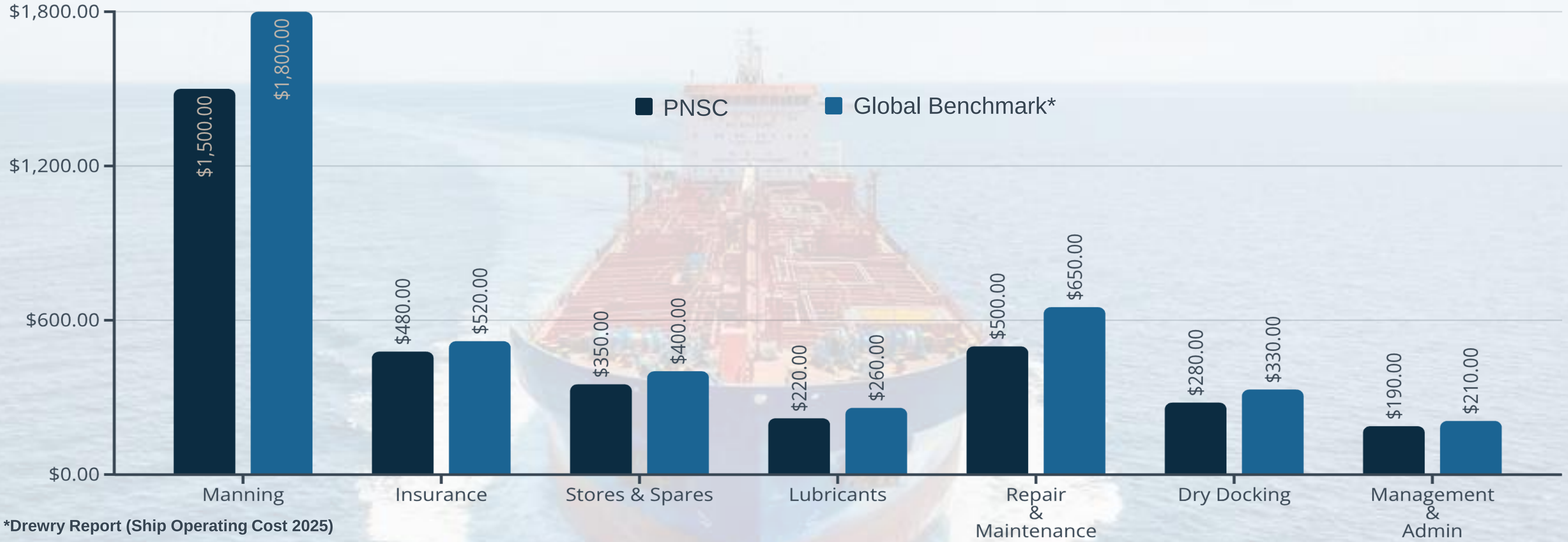
The LR1 Tankers data further highlights PNSC's competitive OPEX, particularly in Manning and Repair & Maintenance, reinforcing its ability to operate efficiently against global standards.



*Drewry Report (Ship Operating Cost 2025)

PNSC vs Global Benchmark: OPEX Analysis

Aframax OPEX USD/Day

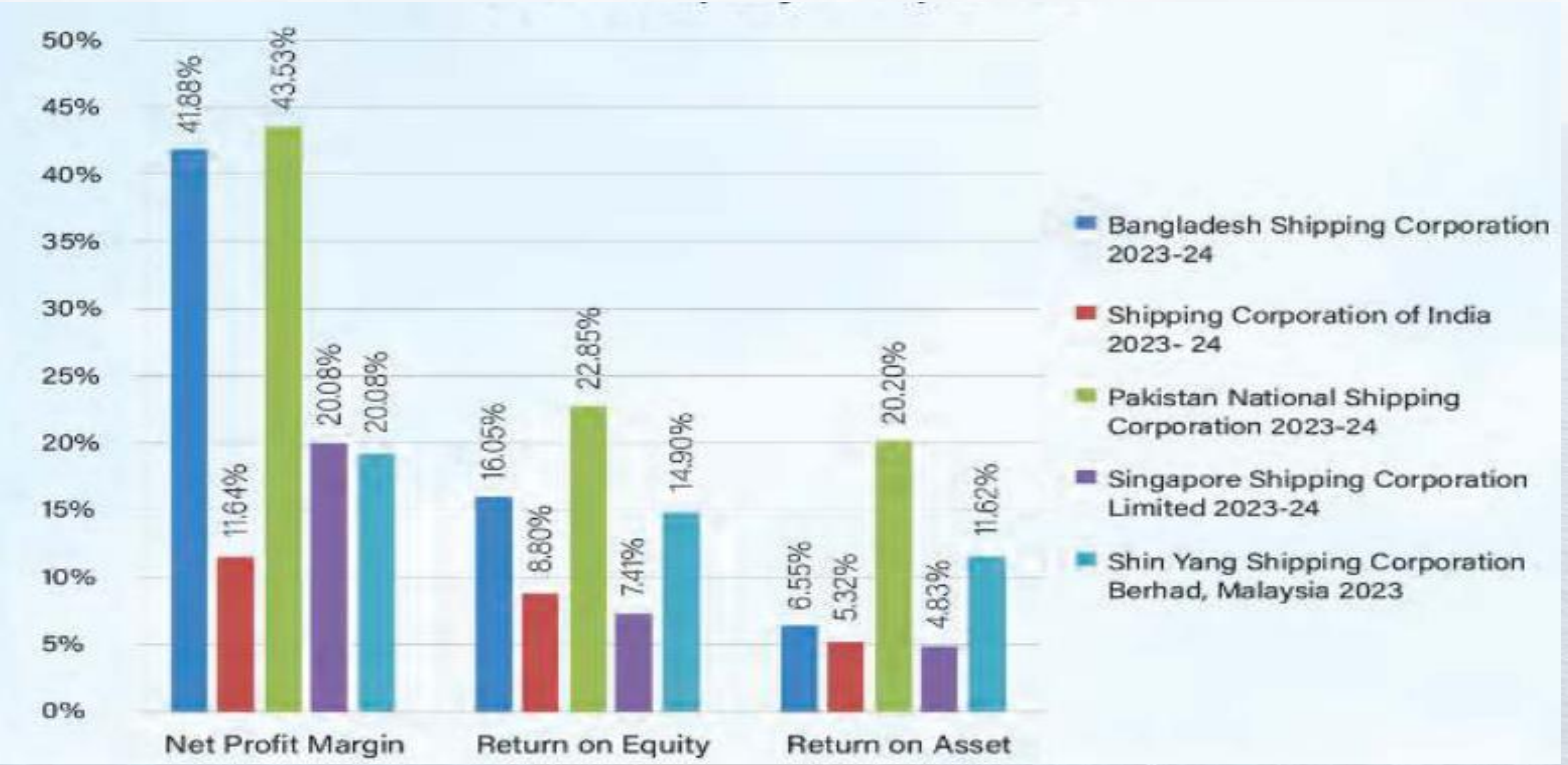


***Drewry Report (Ship Operating Cost 2025)**

For Aframax vessels, the largest category, PNSC maintains superior operational efficiency, particularly evident in lower Manning and Repair & Maintenance expenditures, showcasing robust cost control.

Overall, PNSC's ability to consistently operate with lower OPEX across various vessel types, especially in areas like Manning, Repair & Maintenance, and Dry Docking, positions it as a highly cost-competitive player in the international shipping markets. This operational advantage not only enhances profitability but also strengthens its market resilience and attractiveness to clients seeking efficient and reliable maritime services.

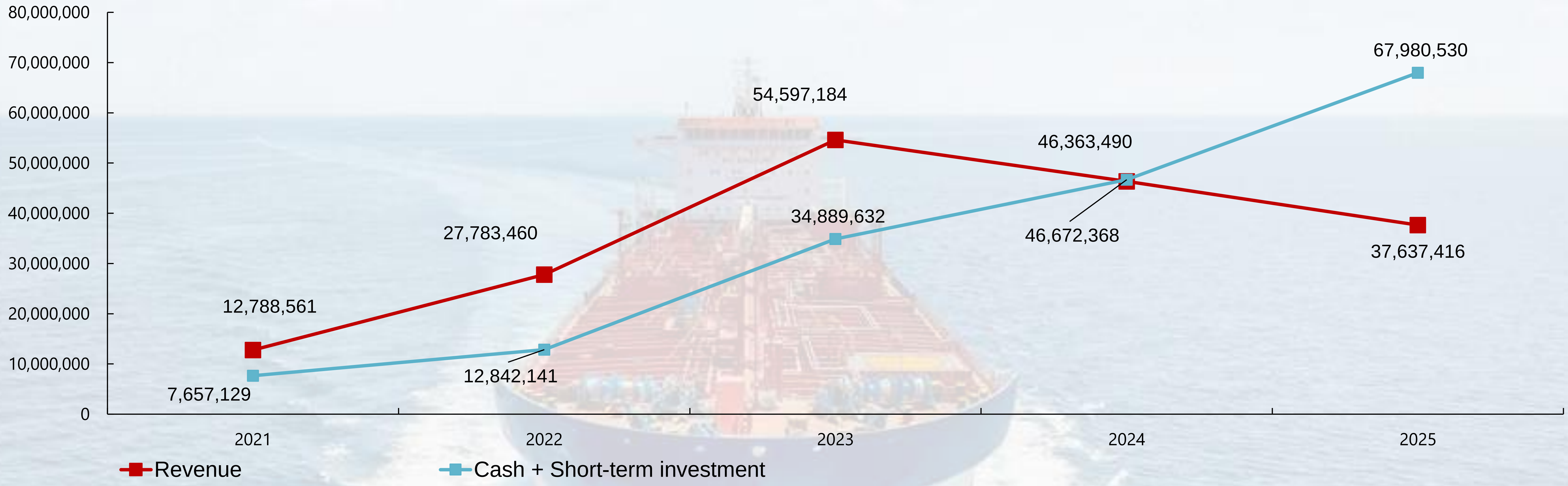
Peer Company Comparison



Revenue and Cash position Trends

Five-Year Performance (FY2021–FY2025)

Amount in PKR '000



The Corporation has demonstrated consistent revenue growth over the five-year period, increasing from Rs. 12.7 billion in FY2021 to Rs. 37.6 billion in FY2025. This upward trajectory reflects PNSC's strategic positioning in international shipping markets, effective fleet management, and resilience against global economic uncertainties.

Market Capitalisation

+289% (increased from 19 Billion in 2021Y to 74 Billion in 2025Y)

Market Position

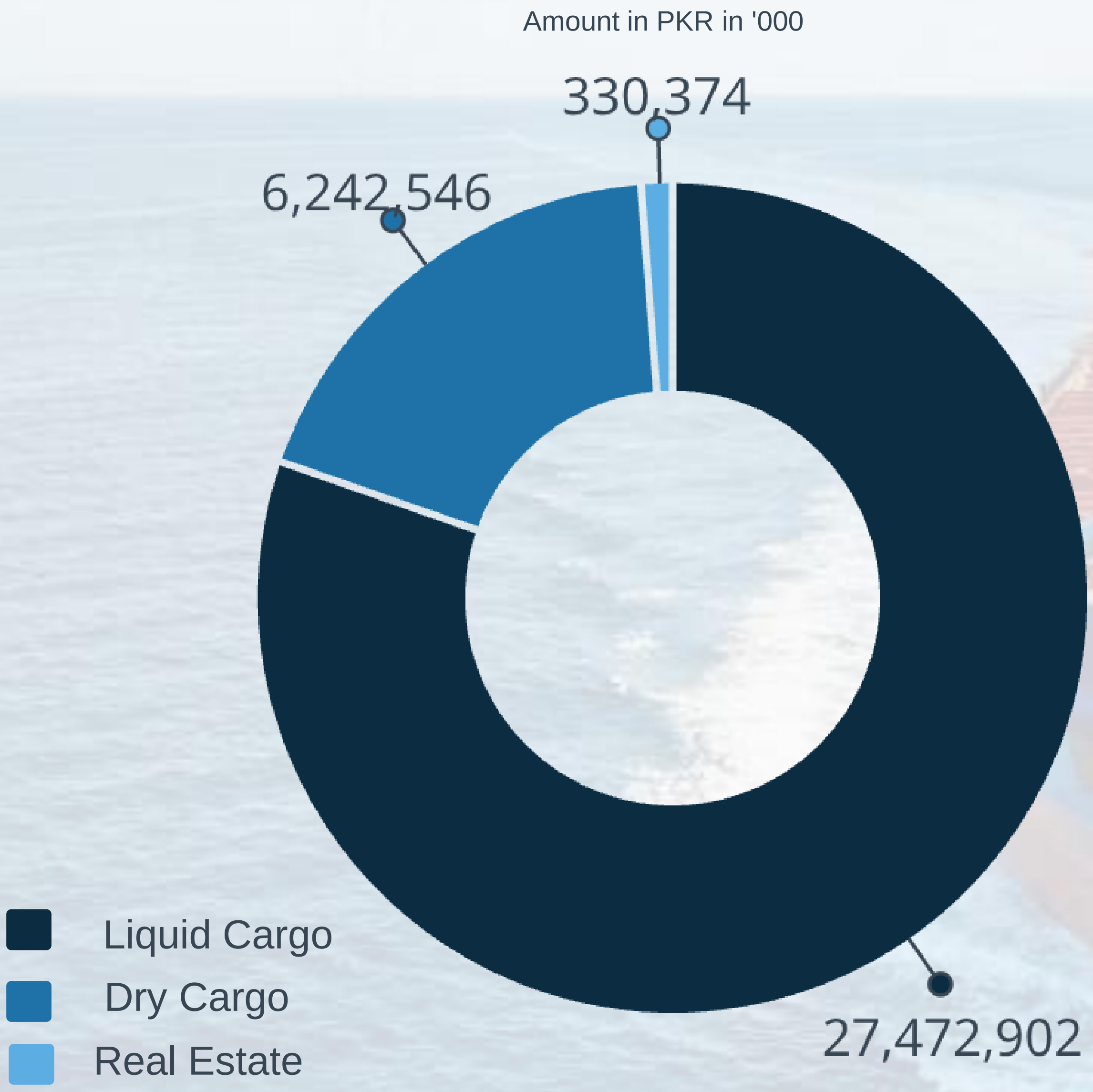
Strengthened presence in regional shipping corridors

Compounded Annual Growth Rate (Shareholder's wealth)

63.66% for last 5 years.

Segmental Performance Analysis

Detailed Segment Performance



Dry Cargo Operations

FY2025 Revenue: Rs. 6.2 billion

Fleet Utilization: 78%

Liquid Cargo Operations

FY2025 Revenue: Rs. 27.42 billion

Fleet Utilization: 93%

The tanker fleet maintained strong performance supported by elevated regional demand for petroleum products. Higher utilization rates and favorable charter agreements contributed to revenue growth.

Real Estate

FY2025 Revenue: Rs. 330 million

Exceptional growth in ancillary operations driven by increased occupancy rates in commercial properties.

Vessel Financial Performance Overview

This overview highlights the strong financial contributions of our active fleet, particularly the recently inducted vessels, which demonstrate annualised returns.

Total Fleet Cost	Total Net Cash Inflows	Active Vessels ROI
Rs. 33.62 Billion	Rs. 69.98 Billion	Up to 41%

S.No.	Vessel	Date of Induction	Status	Disposal Date	Total Cost	Loan Portion	Equity Portion	Net Cash inflows as at June 30, 2025	Annualised Return of Investment (AROI)
					(Rs. million)	(Rs. million)	(Rs. million)	(Rs. million)	
1	**MT Sargodha**	**07-Aug-22**	**Active**	**-**	**4,908.00**	**2,280.00**	**2,628.00**	**5,654.15**	**29%**
2	**MT Mardan (Lalazar)**	**11-Aug-22**	**Active**	**-**	**5,005.26**	**2,064.00**	**2,941.26**	**6,693.26**	**32%**
3	**MT Bolan**	**25-Mar-19**	**Active**	**-**	**4,200.00**	**3,780.00**	**420.00**	**3,091.00**	**39%**
4	**MT Khairpur**	**16-Apr-19**	**Active**	**-**	**4,242.60**	**3,818.34**	**424.26**	**3,395.33**	**41%**
5	**MT Shalamar**	**01-Dec-14**	**Active**	**-**	**3,666.67**	**3,300.00**	**366.67**	**8,628.31**	**33%**
6	MT Quetta	10-Jul-08	Non-active	15-Mar-25	4,989.47	-	4,989.47	15,849.62	7%
7	MT Lahore	23-Feb-10	Non-active	07-Mar-25	3,365.43	-	3,365.43	15,411.12	11%
8	MT Karachi	22-Apr-10	Non-active	03-Jan-23	3,242.87	-	3,242.87	11,254.74	10%
Total					**33,620.29**	**15,242.34**	**18,377.95**	**69,977.53**	

Price Earning Ratio Analysis

Price Earning Ratio (P/E) measures how much investors are willing to pay per rupee of earnings, indicating market confidence and valuation expectations.

Key Insights

The P/E ratio (restated for comparison basis) trend reflects significant market shifts and strategic responses:

Peak Performance (2021): 6.36x
Strong market confidence during post-pandemic recovery.

Market Correction (2022-2023): Decline to 0.88x
Reflecting global shipping volatility and freight rate normalization.

Recovery Trajectory (2024-2025): Rising to 3.66x
Showing renewed investor confidence and operational improvements.

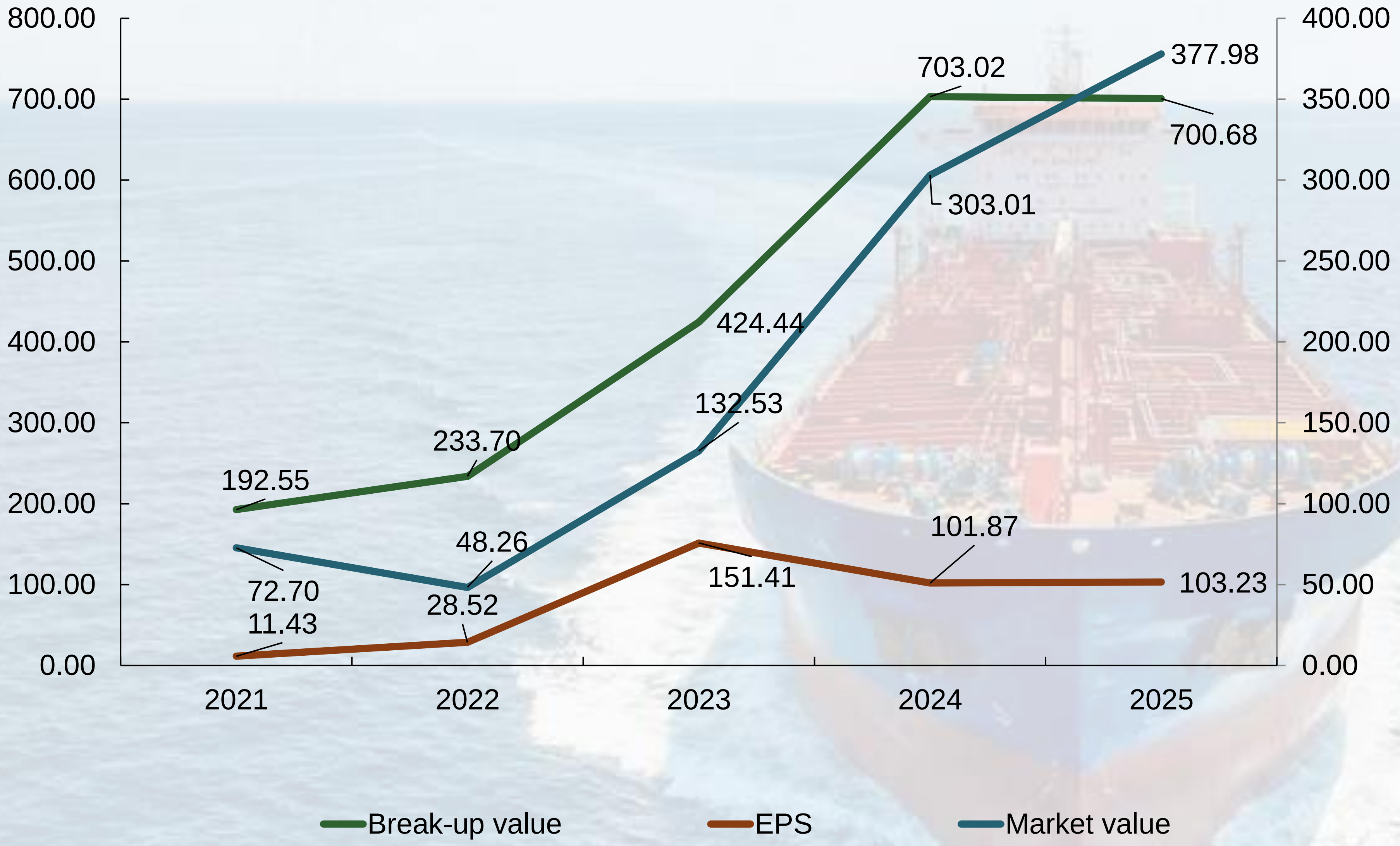
Strategic Commentary

The recovery demonstrates PNSC's resilience and effective management during challenging market conditions.

Current P/E ratio indicates balanced valuation with growth potential.

The trend suggests sustainable improvement in market perception.

Break-up value (in Rs.), Market value of shares (in Rs.) & Earning per share (in Rs.)



BREAK UP VALUE

Breakup (based on market value of assets and current no. of shares) value remains consistently high across the period, reflecting strong underlying asset strength. The stable valuation shows that even on a breakup basis, the company maintains solid recoverable worth, reinforcing long-term financial resilience

EPS (RESTATED)

EPS shows a sharp rise until 2023, followed by normalization in later years.
The pattern reflects strong earnings peaks supported by operational gains, with stability returning by 2025

MARKET VALUE

Market value continues a steady upward climb across all years, indicating strong investor confidence and consistent business expansion. Major acceleration after 2023 reflects strengthened fundamentals

ESG & Sustainability Initiatives

PNSC continues to align with global ESG benchmarks and the SECP's 2023 ESG Reporting Guidelines, demonstrating corporate responsibility across environmental, social, and governance dimensions. The Corporation recognizes that sustainable business practices are essential for long-term value creation and stakeholder trust.

Environmental Stewardship

Adoption of energy-efficient propulsion technologies and comprehensive carbon footprint assessment across the fleet. Implementation of ballast water management systems and fuel optimization programs to reduce emissions and environmental impact.

Social Responsibility

Significant CSR spending focused on healthcare facilities, educational programs, women empowerment initiatives, and coastal environment rehabilitation projects benefiting maritime communities across Pakistan.

Corporate Governance

Strengthened risk management and compliance framework under SOE Act 2023, ensuring transparency, accountability, and adherence to international best practices in corporate governance.

Corporate Social Responsibility Highlights

Education & Skill Development

Invested in educational infrastructure, scholarships for underprivileged students, and vocational training programs for maritime careers, empowering youth in coastal communities.

Women Empowerment

The Corporation organized cancer awareness programs and other health-related activities aimed at enhancing awareness, well-being, and inclusion of women within the community and workplace. These initiatives reflect PNSC’s dedication to fostering a supportive and equitable environment for women.

Environmental Conservation

Conducted coastal rehabilitation projects, marine pollution awareness campaigns, and beach cleanup initiatives to preserve Pakistan's maritime ecosystems for future generations.

Healthcare Initiatives

Supported medical camps, health awareness programs, and facility upgrades in underserved areas, improving access to quality healthcare for maritime workers and their families.

Governance & Compliance

Regulatory Adherence

PNSC maintains full compliance with the SECP Code of Corporate Governance 2019 and the SOE Act 2023, solidifying our commitment to regulatory excellence.

Board Composition

Features a 9-member Board, including 5 independent directors, all of whom are duly SECP-certified, promoting impartiality and expert oversight.

Board Evaluation

Board evaluations are rigorously conducted under the CMU Guidelines 2024 to ensure continuous improvement and effectiveness.

Leadership & Structure

A new CEO was appointed in April 2025, and the Board was reconstituted by the Government of Pakistan, bringing fresh perspectives and renewed direction.

Ethical Workplace

Enforced a comprehensive Code of Conduct, gender diversity, and anti-harassment policies, fostering an inclusive and respectful work environment.

ESG Oversight

ESG responsibilities are strategically assigned to the Sustainability, Strategy & Risk Committee, ensuring integrated oversight of our environmental, social, and governance objectives.

Strategic Developments

MoU with Shandong Xinxu Group

PNSC signed a significant MoU with China's Shandong Xinxu Group to enhance maritime cooperation and explore investment opportunities. This includes the sale, purchase, and leasing of merchant vessels like bulk carriers and tankers, boosting regional trade and strengthening economic ties between Pakistan and China.

Domestic Port Collaboration

PNSC signed separate agreements with Karachi Port Trust (KPT) and Port Qasim Authority (PQA). Both pledged financial support and issued Letters of Intent for PNSC's fleet expansion. This leverages combined expertise to modernize the fleet, reduce reliance on foreign vessels, and conserve foreign exchange.

Aframax Tankers Acquisition

PNSC signed agreements to acquire two Aframax tankers, MT Lorax (109,989 DWT) and MT Nafsika (111,600 DWT), to be renamed MT Karachi and MT Lahore. This is a key part of the strategic plan to enhance the nation's crude oil transportation capacity, reducing reliance on foreign-flagged vessels and strengthening Pakistan's energy security.

MR Tanker Acquisition

PNSC's subsidiary, Quetta Shipping Company, signed an agreement to acquire a Medium Range (MR) tanker, the MR-II class M.T. Stavanger Poseidon (49,999 DWT), which will be renamed M.T. Quetta. This critical acquisition bolsters Pakistan's energy security by ensuring a stable supply chain for refined petroleum products.

Strategic Priorities for Growth

Fleet Expansion Plan

Acquisition of modern eco-efficient tankers and dry bulk carriers to replace aging vessels and expand capacity. Target: 3 new vessels by end of year 2025 and 12 new vessels by end of FY2026.

Regional Expansion

Exploring strategic partnerships in the Middle East and South Asia to strengthen regional presence and secure long-term charter agreements in high-growth markets.

Sustainability Leadership

Introduction of comprehensive green shipping initiatives and evaluation of alternative fuels to exceed IMO 2030 environmental standards.

Financial Strategy

Capital Management

Maintain strong dividend yield while optimizing capital structure for growth investments. Target ROCE of 20%+ through operational excellence and strategic asset deployment.

$500M+

Investment in Pipeline

For fleet expansion and modernization

AAA

Target Rating

Long-term credit rating goal

PNSC is well-positioned for sustainable growth, with a clear strategic roadmap focused on fleet modernization, operational excellence, and environmental leadership. The Corporation's strong financial foundation and experienced management team provide confidence in executing these ambitious plans while maintaining consistent returns for shareholders.

Key Achievements & Recognition

SOE with Approved Procurement Policy

PNSC became the first State-Owned Enterprise to have its procurement policy officially approved.

Performance Audit Excellence

Achieved an impressive 8.4 rating in a comprehensive performance audit conducted by independent auditor on the instructions of Task Force (Government of Pakistan), reflecting operational efficiency.

Top 3 Infrastructure Sector Ranking

Ranked 3rd in the infrastructure, transport, and ICT sector, as highlighted in the SOE Bi-Annual Report 2025.

Regional Financial Performance Leadership

Ranked 1st in terms of net profit margin, return on equity, and return on assets compared to shipping companies in Bangladesh, India, Singapore, and Malaysia as published by Bangladesh Shipping Company its Annual Financial statements FY24.

Q&A and Investor Engagement

Commitment to Transparency

The Pakistan National Shipping Corporation welcomes investor and analyst queries to enhance transparency and engagement with our stakeholder community. We are committed to providing timely, accurate, and comprehensive information in accordance with regulatory requirements and international best practices.

Access to Information

This Corporate Briefing Session presentation and the complete summary report will remain publicly accessible on PNSC's official website as per SECP's guidelines, ensuring all stakeholders have equal access to material information.

Contact Information

Corporate Secretariat and Shares Department Pakistan National Shipping Corporation November 2025

For inquiries, please visit our website or contact our Investor Relations team through official channels.

Thank You

We appreciate your continued trust and support in PNSC's journey toward maritime excellence and sustainable growth.

Guidance and Limitation Notice

Certain statements in this presentation may be “forward-looking statements” and are subject to risks, uncertainties, and factors beyond PNSC’s control. Actual results may differ materially from those expressed or implied. PNSC undertakes no obligation to update or revise any such statements.