



AMRELI STEELS LIMITED

CORPORATE BRIEFING SESSION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

DATE: 27 NOVEMBER 2025



FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2025



Sales

16.08

Billion



Gross Profit

76.01

Million



Operating Loss

1.06

Billion



Net (Loss)

3.81

Billion



Loss per
share

(12.83)

Per share



Bars Sold

71,602

MT

SALES ANALYSIS

SALE QUANTITY (TONS)



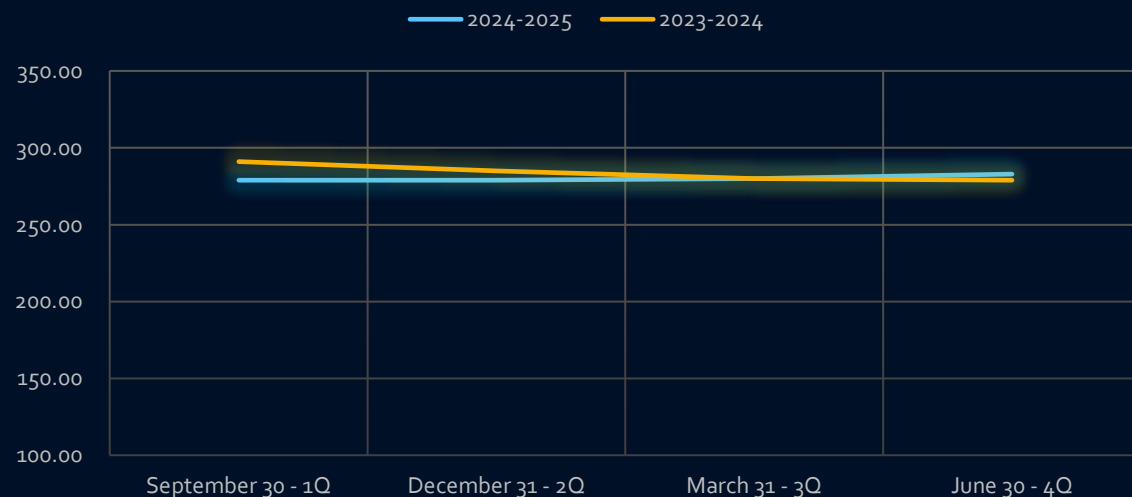
REASON FOR VARIANCE – YoY

In FY2025, the company recorded a 59% drop in rebar sales quantities compared to FY2024, totaling 71,602 MT vs 156,526 MT, with a variance of Rs. 22.7 billion in top line. The decline was primarily due to on-going financial restructuring resulting in unavailability of working capital lines. The company's rebars prices through out the year remained higher than market averages by considerable margin demonstrating robust brand loyalty.

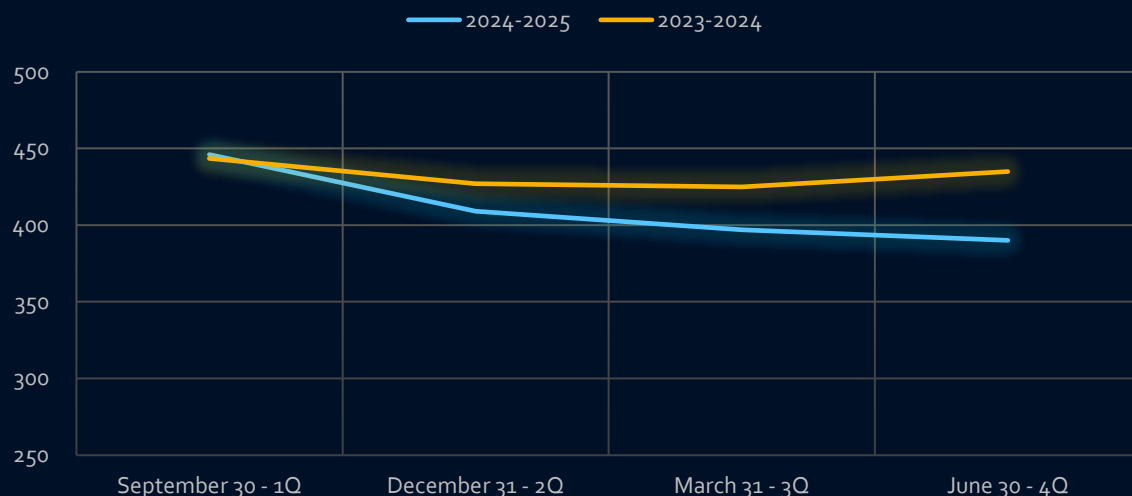
Macroeconomic indicators such as interest rates, inflation, and stability in exchange rates showed signs of improvement which may contribute positive impact in the long term. During the year, major sales were led by commercial and selective corporate customers. A small contribution was also made by government and mega project segments.

VARIANCE IN COST OF SALES

PKR Vs USD



SCRAP CNF USD



REASON FOR VARIANCE - YoY

Despite a reduction in average scrap costs driven by lower CNF prices (from 433 in FY24 to 409 in FY25) and rupee appreciation, overall cost of sales remained elevated in FY2025.

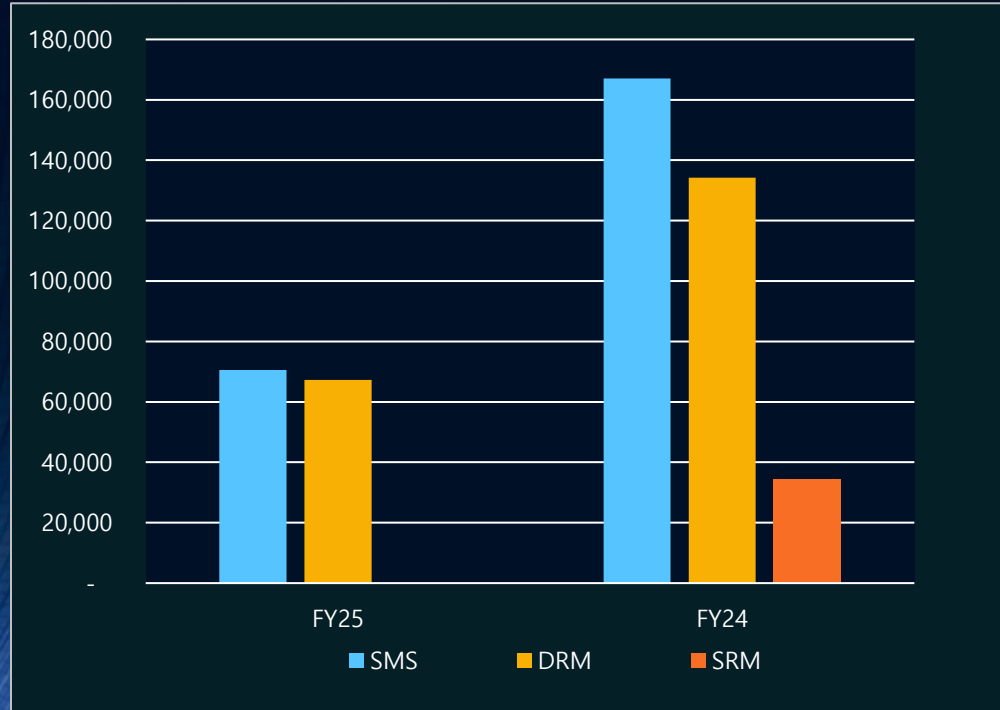
The main factors were higher depreciation expenses following the asset revaluation in Q4 FY2024 and a sharp decline in capacity utilization (from 28% to 11%), which significantly increased the burden of fixed overheads.

Electricity tariffs declined from Rs. 45/kWh to Rs. 34.6/kWh, but the benefit was offset by fixed load charges. Salary expenses decreased due to right-sizing initiatives. Further, the cost rose because of consumption of expensive opening inventory.

In essence, the benefits from lower scrap prices and reduced energy tariffs were eroded by limited material availability resulting in massive decline (60%) in capacity utilization as compared to last year.

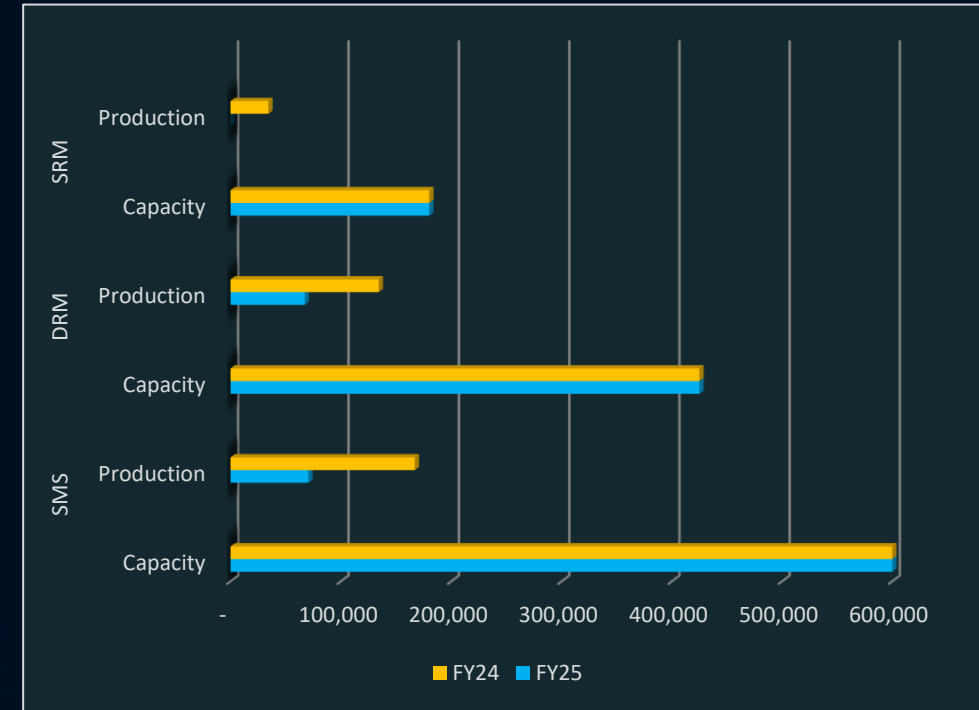
PRODUCTION AND CAPACITY UTILIZATION

PRODUCTION



	SMS		DRM		SRM	
QTY FY 25 (MT)	70,715	58% ↓	67,251	50% ↓	-	100% ↓
QTY -FY 24 (MT)	167,043		134,238		34,301	

CAPACITY UTILIZATION



	SMS	DRM	SRM
QTY - FY 25 (MT)	12%	16%	0%
QTY -FY 24 (MT)	28%	32%	19%

PROFIT OR LOSS STATEMENT

	Year ended 30 June. 2025		Year ended 30 June. 2024	
	Rs. '000	%	Rs. '000	%
Sales	16,082,614	100	38,775,737	100
Cost of sales	(16,006,608)	99.53	(36,374,311)	93.81
Gross (loss) / profit	76,006	0.47	2,401,426	6.19
Distribution cost	(546,321)	3.40	(1,114,552)	2.87
Administrative cost	(737,494)	4.59	(842,398)	2.17
ECL (Allowance) / Reversal	86,734	0.54	(379,205)	0.98
Other charges	(535,057)	3.33	(199,214)	0.51
Other income	592,800	3.69	3,156	0.01
Operating (loss)	(1,063,332)	6.61	(130,787)	0.34
Finance cost	(4,099,997)	25.49	(4,772,416)	12.31
(Loss) before taxation and levy	(5,163,329)	32.11	(4,903,203)	12.65
Levy	(222,874)	1.39	(488,193)	1.26
(Loss) before taxation	(5,386,203)	33.49	(5,391,396)	13.90
Taxation	1,574,844	9.79	(715,327)	1.84
(Loss) after tax	(3,811,359)	23.70	(6,106,723)	15.75



AMRELI STEELS
Building for Life

STATEMENT OF FINANCIAL POSITION

	30 JUNE 2025		30 JUNE 2024	
Non-Current Assets	-----Rs. '000'-----	%	-----Rs. '000'-----	%
Property, Plant & Equipment	27,253,432	62.86	29,955,370	63.95
Right of use assets	102,539	0.24	100,238	0.21
Intangible assets	1,363	0.00	3,187	0.01
Long term deposits	141,839	0.33	175,575	0.37
Total Non-Current Assets	27,499,173	63.43	30,234,370	64.55
Current Assets				
Stores and spares	1,995,376	4.60	2,453,480	5.24
Stock in-trade	4,011,727	9.25	7,162,016	15.29
Trade debts	1,564,494	3.61	2,349,962	5.02
Loans and advances	37,513	0.09	60,121	0.13
Trade deposits and prepayments	17,426	0.04	30,035	0.06
Shor-term Investment	14,389	0.03	14,289	0.03
Other receivables	648,340	1.50	988,633	2.11
Taxation – net	2,898,164	6.68	2,928,387	6.25
Cash and bank balances	3,905,295	9.13	195,444	0.42
	15,092,724	34.81	16,182,367	34.54
Non current asset held for sale	765,011	1.76	423,170	0.90
Total Assets	43,356,908	100.00	46,839,907	100.00

	30 JUNE. 2025		30 JUNE 2024	
	-----Rs. '000'-----	%	-----Rs. '000'-----	%
Share Capital & Reserves	10,449,568	24.37	14,226,001	30.37
Non-Current Liabilities				
Loan from related party	124,922	0.29	124,922	0.27
Deferred taxation	3,393,751	7.88	4,946,265	10.56
Deferred liability	327,311	0.75	511,949	1.09
Lease liabilities	88,217	0.20	105,818	0.23
Government grant	-	0.00	-	0.00
Total Non-Current Liabilities	3,934,201	9.13	5,688,955	12.15
Current Liabilities				
Trade and other payables	1,578,000	3.63	2,474,553	5.28
Contract liabilities	335,726	0.77	437,305	0.93
Unclaimed Dividend	5,255	0.01	5,274	0.01
Accrued interest	4,648,357	10.72	1,457,718	3.11
Short term finance - secured	17,793,259	41.04	17,861,957	38.13
Current maturity of long-term finances	3,975,727	9.17	4,002,484	8.55
Current maturity of long-term provision	282,238	0.65	282,189	0.60
Current portion of government grant	336,328	0.78	369,161	0.79
Current maturity of right of use assets	18,249	0.04	34,310	0.07
Total Current Liabilities	28,973,139	66.82	26,924,951	57.48
Total Equities and Liabilities	43,356,908	100.00	46,839,907	100.00

STATEMENT OF CASH FLOWS

	30 JUNE 2025		30 JUNE 2024
	---Rs.'000---		---Rs.'000---
Cash generated before working capital changes	(81,926)		974,477
Cash generated from operations	4,200,931		156,329
Income taxed paid	(454,836)		(334,309)
Gratuity paid	(214,881)		(54,379)
Finance cost paid	(887,933)		(3,997,871)
Long term deposits and loans – net	21,201		18,143
Net cash generated from / (used in) operating activities	2,664,482		(4,212,087)
Fixed capital expenditure	(103,911)		(513,506)
Proceeds from disposal of operating fixed assets	1,286,008		29,009
Short-term investment	(100)		-
Net cash from / (used in) investing activities	1,181,997		(484,497)
Dividend paid	(19)		(182)
Short-term borrowings – net	651,746		4,888,680
Long-term financing – net	(178,389)		(1,502,095)
Related party loan	-		(3,411)
Lease rental paid	(41,154)		(38,048)
Net cash from financing activities	432,184		3,344,944
Net increase / (decrease) in cash and cash equivalents	4,278,663		(1,351,640)
Cash and cash equivalent at the beginning of the year	(3,052,524)		(1,700,884)
Cash and cash equivalents at the end of period	1,226,139		(3,052,524)

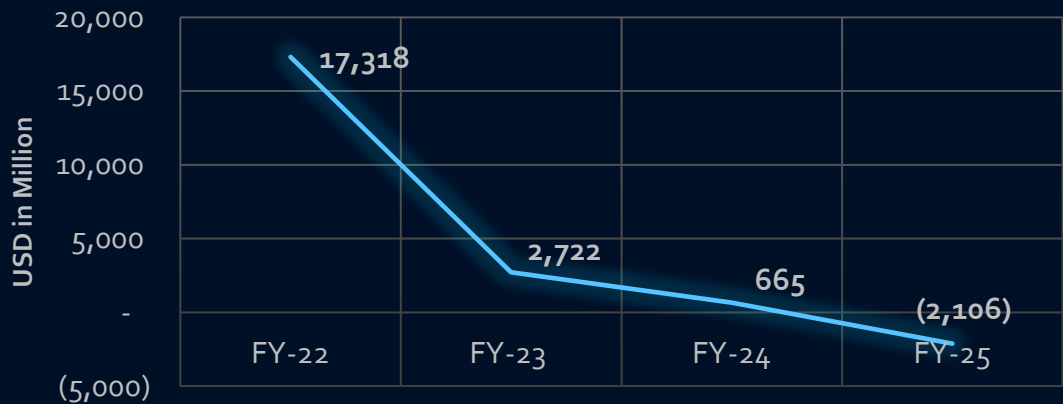


Economic Indicators during the year



AMRELI STEELS
Building for Life

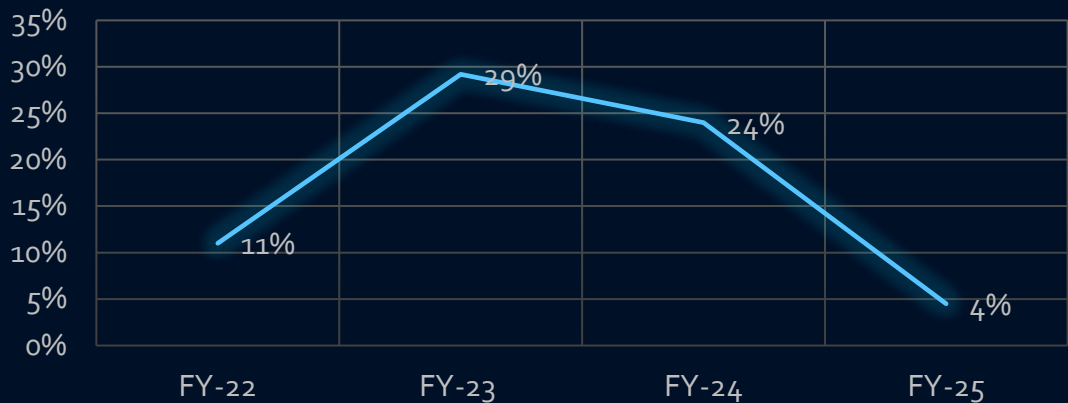
CURRENT ACCOUNT DEFICIT / (SURPLUS)



Monthly Averages

Import USD 5.8 bn (USD 5.2 bn)	Increased by 11%
Export USD 3.3bn (USD 3.2 bn)	Increased by 5%
Trade deficit USD 2.4 bn (USD 2.0 bn)	Increased by 21%
Remittances USD 2.6 bn (USD 1.9 bn)	Increased by 33%
CAS USD 176 mn (CAD USD 55 mn)	Increased by 417%

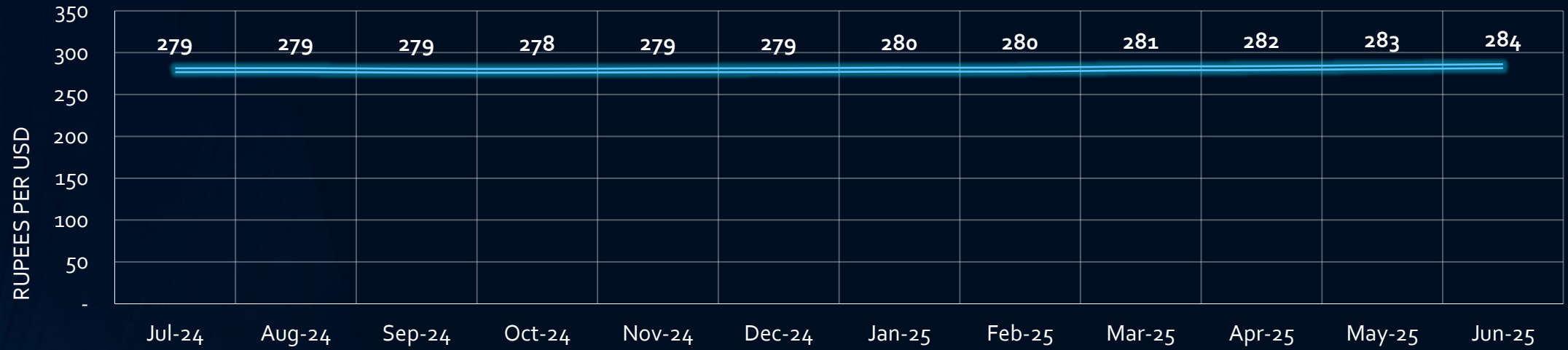
INFLATION RATE



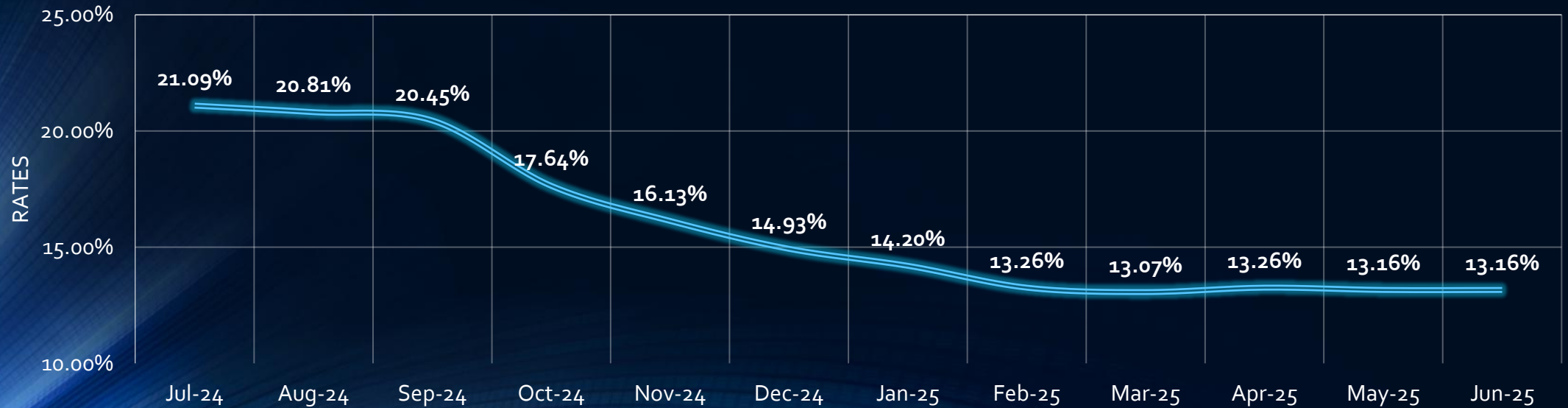
FX Reserves



FOREIGN EXCHANGE RATES



INTEREST RATES





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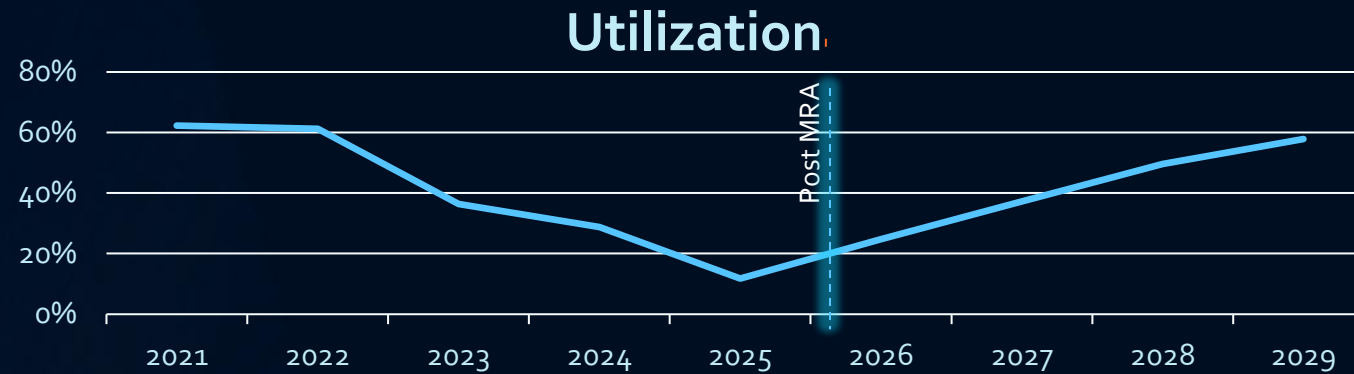
Financial Restructuring – LIQUIDITY UNLOCKED

Key contours of the financial restructuring approved by Board of Directors of the Company in its meeting held on September 24, 2025:

1. Cash flow will improve substantially as all restructured facilities, including principal and mark-up/profit, are deferred for 2-3 years (“Moratorium Period”).
2. Repayment cycle will be eased as existing short-term facilities of approximately PKR 11 billion will be converted into long-term facilities and will be payable over a 10 year period (including 3 years grace period) from the effective date (i.e. 01 July 2024).
3. Step up payments will provide further sustainability to the company’s debt obligations
4. Losses will start reducing and profitability will be back gradually as the mark up rate will be fixed at KIBOR, with no additional spread, for the entire tenor on the restructured amount.
5. Working capital will be further strengthened through injection of PKR 4 billion via a combination of equity from sponsor and sale of non-core company assets.

Financial Restructuring – LIQUIDITY UNLOCKED

1. Company will re-gain capacity utilization and market share



2. Reduction of finance costs by using the cash flow from the payment moratorium to finance working capital
3. More resilient in sustaining economic shocks
4. Improved and sustainable current ratio, debt service and interest coverage ratio will be witnessed due to short term debt conversion and as the capacity utilization increases



Future Outlook

EXTERNAL

Demand:

- Cement Dispatches are up 12% YoY which shows increase in construction demand
- Steel Scrap (key raw material) volumes has increased 56% YoY in 1QFY26.
- The increase in demand is being witnessed in Commercial and corporate segments
- Highest Ever PSDP this year (federal and provincial) combined of over PKR 4 Trillion – even if 50% is spent that will be large construction
- Post flood reconstruction – A higher percentage is expected to be spent of the PSDP budget due to post flood reconstruction activities

Competition:

- Energy differential narrowed between sugar based players in north versus rest of the industry. Freight element from North to South, particularly KHI cancels out such energy differential.
- Installation of cheaper power is next step for most large industry players.
- Many players wiped out during past two year steel industry recession so installed capacity has decreased.
- Shipbreaking is at a standstill
- TOR bars are phasing out of the market which means that smaller mills need to make substantial investments in upgrades to be able to manufacture deformed bar

EXTERNAL

Industry Profit Margins:

- Our highest inputs are coming down and remaining stable.
 - ❑ Electricity has come down drastically with current uniform tariff at PKR 31.5 as opposed to PKR 44 in January 2024.
 - ❑ Steel scrap has sunk to lowest in last 05 years – currently buying shredded scrap at USD 360
- Inflation is expected to remain at current level of 5 to 6%
- Stable PKR outlook given the current account position and FX reserves
- Kibor is expected to be in single digit in FY26.

Government Policy:

- Pro-active approach by FBR and Customs clamping down on tax evading steel manufacturers
- FATA/PATA exemptions have been cut down and will be at par with rest of industry
- Customs at Iran borders being strengthened to reduce smuggled material

INTERNAL

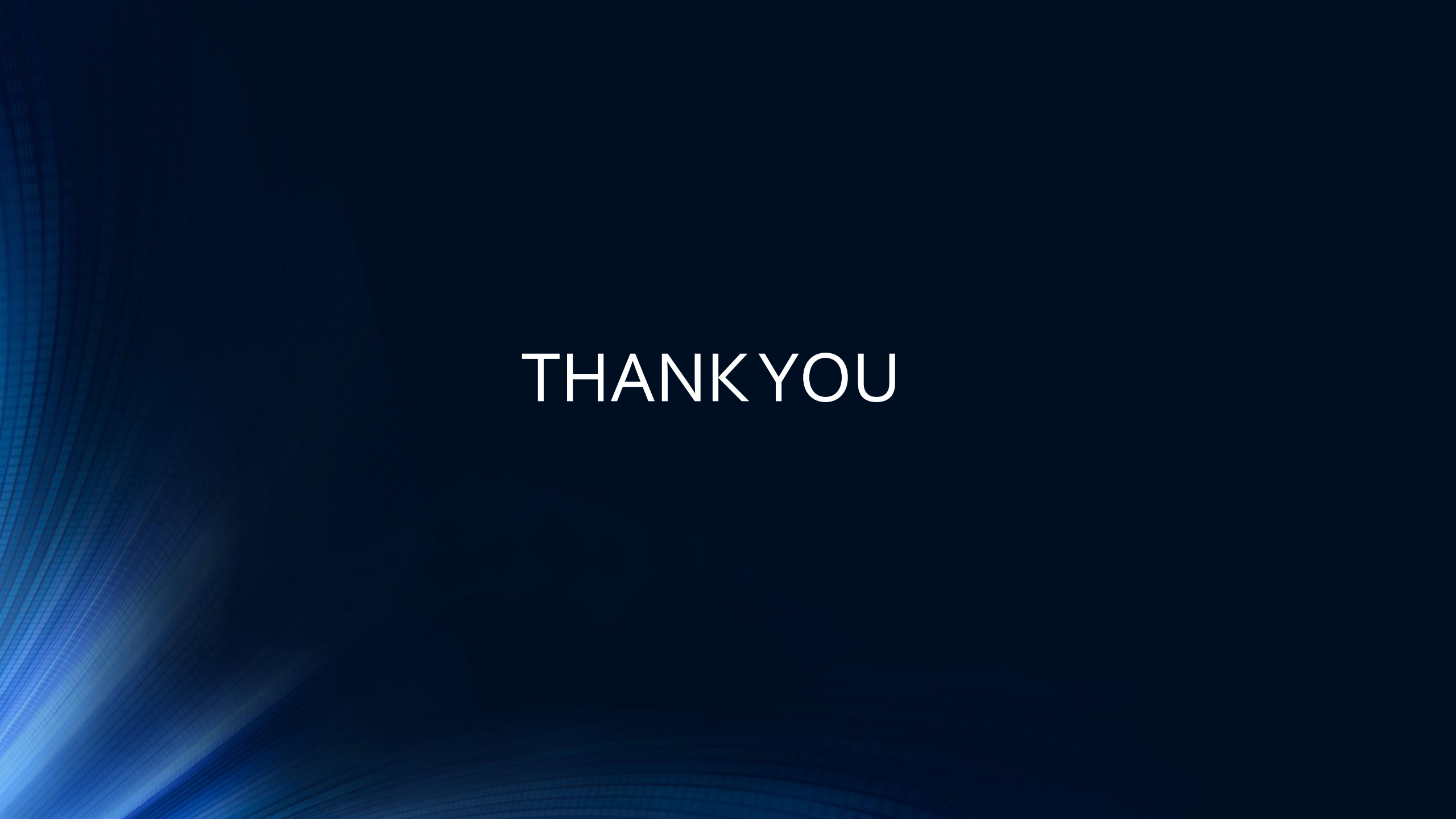
1. Cost cutting and right sizing measures have reduced fixed costs by approximately PKR 500 million
2. Focused strategy to regain our market share – mainly staying in south region to drive better margins. Our last priority will be to sell in the Government and Mega Projects on selective basis.
3. Management's is committed towards improving capacity utilization and regaining its lost market share while reducing capex to a minimum
4. Commitment towards de-leveraging over medium to long term

Disclaimer

This presentation contains statements regarding the future plans, objectives, and anticipated performance of Amreli Steels Limited. These statements are based on current assumptions and management's views on future conditions, but they involve uncertainties and factors beyond the Company's control.

Actual results may differ materially due to changes in economic or industry conditions, availability of financing and working capital, regulatory developments, energy costs, or unforeseen events such as natural disasters.

These statements reflect the Company's perspective as of the date of this presentation and should not be considered guarantees of future performance. Amreli Steels Limited undertakes no obligation to update or revise these statements publicly to reflect new information, future events, or changes in circumstances.

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THANKYOU