JS Research Beep

Pakistan Engineering Sector

November 19, 2025

JS Global Capital Limited

MUGHAL: FY26 Corporate analyst briefing takeaways

Mughal Iron & Steel Industries Limited (MUGHAL) conducted its corporate briefing today to discuss the current business dynamics and outlook. To recall, the company reported earnings of Rs2,194mn, up 157.4% YoY, translating into an EPS of Rs5.95 during FY26. We present key highlights from the session.

- Ferrous revenue stood at Rs71bn, with gross profit of Rs6.2bn, while non-ferrous revenue was Rs6.6bn with gross profit of Rs2.4bn. The ferrous segment continues to anchor the company's operating performance.
- Ferrous sales volumes increased by ~25k tons YoY. Girders sales rose to 132k tons from 118k tons, while bar sales increased to around 200k tons from 193k tons.
- Management highlighted that copper processing currently offers only around 8–9% value addition in Pakistan, compared to its preferred 25–30% range. The limited margin of value addition increases exposure to price, inventory and logistics risks.
- The company's wholly owned subsidiary, Mughal Energy Limited, has successfully commissioned its power plant. Management expects the plant's contribution to become increasingly visible in the financial performance going forward.
- BMR at the long-haul bar mill has been completed, with the mini-section mill expected to commence operations shortly.
- Management expects infrastructure projects, including bridges, dams, roads and connectivity developments, to drive steel demand in FY27–FY28. It also highlighted development activity in Sindh, Gwadar and Punjab.
- Historically, Mughal's sales mix comprised 10% corporate/government and 90% retail customers; however, infrastructure-led demand and FWO contracts are expected to significantly increase the corporate contribution in FY27.
- Management estimates Pakistan's long-steel market at 6.5–7.0mn tons, with 2.5–3.0mn tons documented and 3.5–4.0mn tons undocumented, which could gradually formalize through improved tax compliance.

Bloomberg Code: MUGHAL PA

Market Price: Rs61.01

Market Cap: Rs20bn, US$74mn

1-yr ADTO: 1.4mn shrs, Rs121mn, US$0.4mn

1-yr High / Low: Rs110.51 / 57.35

Estimated free float: 117mn shares (35%)

MUGHAL (Consol): Key Statistics

(Rs mn)	FY25	FY26	1QFY27
Sales	**88,979**	**77,958**	**17,149**
YoY Growth	-3%	-12%	-15%
Gross Margin	9%	11%	9%
PAT	**852**	**2,194**	**201**
YoY Growth	-55%	257%	-78%
EPS (Rs)	**2.50**	**5.95**	**0.55**
DPS (Rs)	**0.00**	**2.00**	**0.00**
P/E (x)	30.40	12.42	25.22*
DY	0%	2%	0%

Source: Company accounts, JS Research
FY25 FY26 multiples calculated on avg prices
** Annualized*

- Management highlighted that inland freight via its logistics arrangement costs approximately Rs8k–9k/ton for Karachi to-and-from movement, compared to around Rs15k–16k/ton through road transportation, supporting its cost competitiveness.

- Management expects the steel market to remain promising over the next 1.5 years, driven by infrastructure and corporate demand, with retail demand for bars and girders likely to improve post-Ramadan.

Aliza Iftikhar
aliza.iftikhar@js.com
+ 9221 111-574-111 Ext: 3124

DISCLOSURES

JS Global hereby discloses that all its Research Analysts meet with the qualification criteria as given in the Research Analysts Regulations 2015 ('Regulations'). Each Analyst reports to the Head of Research and the Head of Research reports directly to the CEO of JS Global only. No person engaged in any non-research department has any influence over the research reports issued by JS Global and/or no person engaged in any non-research department (other than the CEO) has any influence on the performance of the Research Analysts or on their remuneration/compensation matters.

The Research Analyst(s), author of this report hereby certify that all of the views expressed in this research report accurately reflect their personal, unbiasedand independent views about any and all of the subject issuer(s) or securities, and such views are based on analysis of various information compiled from multiple sources, including (but not limited to) annual reports, newspapers, public disclosures, financial models etc. The given sources appear to be and consequently are deemed to be reliable forforming an opinion and preparation of this report. Such information may not have beenindependently verified or checked by JS Global or the Research Analyst, and therefore, all such information as given in this report may or may not prove to be correct. It is hereby certified that no part of the compensation of JS Global or the Research Analyst was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Rating System

JS Global Capital Limited uses a 3-tier rating system i.e. Buy, Hold and Sell, based on the level of expected return. Time horizon is usually the annual financial reporting period of the company.

'Buy': Stock will outperform the average total return of stocks in our universe

'Hold': Stock will perform in line with the average total return of stocks in our universe

'Sell': Stock will underperform the average total return of stocks in our universe

Target price risk

Company may not achieve its target price for various reasons including company specific risks, competition risks, sector related risks, change in laws, rules and regulations pertaining to the business of the Company as well as a change in any governmental policy. The results of operations may also be materially affected by global and country-specific economic conditions, including but not limited to commodity prices, prices of similar products internationally and locally, changes in the overall market dynamics, liquidity and financial position of the Company and change in macro-economic indicators. The company is exposed to market risks, such as changes in interest rates, foreign exchange rates and input prices. From time to time, the company may enter into transactions, including transactions in derivative instruments, to manage certain of these exposures.

Research Dissemination Policy

JS Global Capital Limited endeavours to make all reasonable efforts to disseminate research to all clients (without any preference, prejudice or biasness) in a timely manner through either physical or electronic distribution such as mail, fax and/or email.

Disclosure Pertaining To Shareholding/Conflict of Interest

The Research Analyst has not directly or indirectly received any compensation from the Subject Company for preparation of this report or for the views expressed herein, and the Subject Company is not associated with the Research Analyst in any way whatsoever.

No other material information (other than the one specifically disclosed in this report) exists (for JS Global as well as the Research Analyst) which could be a cause of conflict of interest in issuing this report.

Disclaimer of Liability

No guaranty, representation or warranty, expressed or implied, is made as to the accuracy, completeness, reasonableness, correctness, usability, suitability or purposefulness of the information contained in this report or of the sources used to compile the information contained in this report.

All information as given in this report may or may not prove to be correct, and is subject to change without notice due to market forces and/or other factors not in the knowledge of or beyond the control of JS Global or the Research Analyst(s), and neither JS Global nor any of its analysts, traders, employees, executives, directors, sponsors, officers or advisors accept any responsibility for updating this report and therefore, it should not be assumed that the information contained herein is necessarily complete, accurate, reliable or up-to-date at any given time.

The client is solely responsible for making his/her own independent investigation, appraisal, usability, suitability or purposefulness of the information contained in this report. In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors who should seek further professional advice or rely upon their own judgment and acumen before making any investment. This report should also not be considered as a reflection on the concerned company's management and its performances or ability, or appreciation or criticism, as to the affairs or operations of such company or institution

Consequently, JS Global and its officers, directors, sponsors, employees, executives, consultants, advisors and analysts accept no responsibility or liability towards the Client, and assume no obligation to do (or not to do) anything with respect to the information contained in this report. Research Analyst(s) and JS Global shall also not be liable in any way and under any circumstances whatsoever for any loss, penalty, expense, charge or claim that may be suffered/incurred by the client as a result of receiving, using, or having complied and distributing this report.

Warning: This report may not be reproduced, distributed or published by any person for any purpose whatsoever. Action will be taken for unauthorized reproduction, distribution or publication.