

# Mughal Iron & Steel Industries Limited

## Corporate Briefing Takeaways

The management of Mughal Iron & Steel Industries Limited (MUGHAL) held a corporate briefing session on 23th Nov'23 to discuss the FY23 financial result and future outlook.

### Brief Takeaways

- To recall, the company posted a profit after tax of PKR 3,480mn (EPS: PKR 10.37) in FY23 vis-à-vis 5,410mn (EPS: PKR 16.12). The profitability was mainly impacted by increase in finance cost.
- Currently, the company has a copper handling capacity of 7000 tons. This is anticipated to increase by 25%, after the completion of second phase which is expected to come online in FY24.
- The local price of scrap is available at PKR 170,000- 180,000/ton. The company does not use local scrap for its production.
- Currently the rebar prices are trading at PKR 265,000-275,000/ton for graded and PKR 240,000-250,000/ton for ungraded.
- The weighted average cost of electricity is around ~PKR30-35/unit.
- The company has tapped into new markets, through the introduction of copper granules. Heating and melting cost are eliminated in the production of copper granules.
- Copper ingots and copper granules are exported to China.
- After the completion of coal power plant, the total captive generation will contribute to about 30-40% of total electricity requirement.
- Mughal steel has its own transport, so axle load factor will not have any impact on its profitability, as per management.

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