



## ASTL: FY25 Analyst Briefing Takeaways



AKD Securities Limited

**Amreli Steels Ltd. (ASTL) held its corporate briefing today to discuss its FY25 financial results and future outlook. Following are the key highlights:**

- In FY25, ASTL recorded a sales of PkR16.1bn, down 59%YoY, compared to PkR38.8bn during SPLY, primarily due to 59%YoY drop in rebar sales during the period. Company's utilization during the period dropped to 11% from to 28% during SPLY.
- Notably, company sold 72k tons of rebar during FY25 compared to 157k tons during SPLY, due to on-going financial restructuring, which resulted in unavailability of working capital lines. Moreover, company has temporarily shut-down it's Site Rolling Mill during the year given lower utilizations.
- Management briefed that the company charged a premium of PkR25–30k/ton on rebars during the period. However, due to raw material shortages stemming from a working capital crunch, they concentrated solely on retail sales and temporarily stepped back from government and institutional segments.
- Company reported a loss of PkR3.8bn in FY25 (LPS: PkR12.8), down 16%YoY, compared to PkR6.1bn (LPS: PkR20.6) in FY24, due to tax reversal during the period.
- Company has recently entered a Master Restructuring Agreement with it's lenders, where, principal and mark-up payments are deferred by 2-3 years under the Moratorium Period. An existing short-term facility of around PkR11bn will be converted into long-term facility, and payments will be made over a 10-year period, including 3-years grace period.
- Moreover, the company aims to ease working capital pressures through the planned sale of non-core assets valued at approximately PkR4bn, along with an additional PkR1bn equity injection from the sponsor.
- Management targets achieving a utilization rate of 38–40% going forward, with the goal of regaining their historical market share of around 7–10%. However, management anticipates earning a premium of PkR7–8k/ton once volumes normalize.
- Recently, the tightening of customs controls at the Iran border to curb smuggling has yielded positive results. Additionally, the reduction of exemptions for the FATA/PATA regions has also had a favorable impact.
- Management stated that steel scrap prices have fallen to a five-year low of US\$360/ton.
- Management noted that grid tariffs have fallen to PkR31.5/kWh, down from PkR44/kWh during the SPLY. Moreover, the company expects significant relief from the Prime Minister's recently announced industrial incremental power package, once implemented, given their low base resulting from reduced utilization.
- The scrip is not under our formal coverage.

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23.1

Price (PkR/sh)



297.0

Shares (mn)



6,852.1

Market  
Capitalization  
(PkRmn)



24.4

Market  
Capitalization  
(USDmn)



2.62

3M Avg  
Turnover (mn)



64.7

3M Avg DT  
Value(PkRmn)

### Price Performance

