



Chairman's Review

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the audited annual financial statements of your Company for the year ended June 30, 2025.

This year, the Board approved updated Vision and Mission statements, core corporate values, and a refreshed brand identity. Developed through a comprehensive, research-driven, bottom-up process, the exercise engaged multiple stakeholders to ensure alignment across the organization and with our markets.

The initiative represents an evolution of our brand identity, retaining the elements that carry strong brand equity, such as our name, while introducing revitalized brand imagery to enhance relevance and position the Company for the future.

Together, the renewed Vision, Mission, Values, and brand identity build on the Company's 77-year legacy and reinforce its leadership. They reflect our corporate slogan, **'built on trust'**, by embedding shared values more deeply in our culture, fostering accountability across the organization, and inspiring confidence among stakeholders. Most importantly, they signal the Company's readiness to lead in a rapidly changing business landscape.

The global economic landscape remains challenging, with heightened volatility following the imposition of trade tariffs by the United States on key partners, including China, the European Union, India, and others. These developments have contributed to inflationary pressures globally and diminished prospects for interest rate reductions in major economies. Additionally, the imposition of 50% tariffs on steel imports into the United States, alongside protective measures in other regions, has significantly disrupted global pricing dynamics and supply chains.

At the national level, Pakistan's economy showed signs of stabilization, primarily due to the successful implementation of the IMF's Extended Fund Facility (EFF) and the completion of periodic reviews. Inflation moderated to 4.6% annually, allowing the State Bank of Pakistan (SBP) to reduce the policy rate to 11%. The exchange rate remained relatively stable around RS 284/USD, supported by lower commodity prices and improved foreign exchange reserves. A current account surplus of USD 1.9 billion—the highest in recent years—was achieved, driven by strong remittance inflows and steady exports. The economy grew modestly by 2.68%, though large-scale manufacturing remained under pressure, contracting by 1.5%.

In this context, your Company delivered a strong performance in the second half and has overcome the challenges of the first half. For the year ended 30 June 2025 the Company recorded net sales of RS 25.1 billion, profit after tax of Rs. 1.1 billion, and earnings per share (EPS) of Rs.8.37 compared to same period last year net sales of Rs.29.2 Bn, PAT Rs.1.47 Bn translating into EPS of Rs.11.17.

The Board of Directors has recommended a final cash dividend of Rs. 4.00 (40%) per ordinary share of Rs. 10 each (FY24: Rs. 5.50).

Together, International Industries and its major subsidiary, International Steels Limited (ISL), achieved a consolidated turnover of Rs. 85.8 billion during the year. The combined contribution to the national exchequer was approximately Rs.21.2 Bn. ISL reported gross turnover of Rs.62.3 Bn, profit after tax of Rs 1.56 Bn and EPS of Rs.3.65 compared to last year gross turnover of Rs. 69.3 Bn and profit after tax of Rs.3.65 Bn and EPS of Rs.8.39.

Changes to the Board and Management

During the year, Mr. Shoaib Mir joined the Board to fill the casual vacancy created by the resignation of Mr. Adnan Afridi. The Board acknowledges and appreciates Mr. Afridi's valuable contributions and wishes him well in his future endeavors. As the Board's three-year term concludes on September 30, 2025, a new Board will be elected at the upcoming Annual General Meeting scheduled for September 26, 2025.

Furthermore, Mr. Yousuf H. Mirza was appointed as the Chief Executive Officer of your Company effective October 1, 2024, succeeding Mr. Sohail R. Bhojani. The Board thanks Mr. Bhojani for his leadership and wishes the incoming CEO success in the new assignment.

Board Performance and Governance

The Board has discharged its responsibilities diligently, providing strategic oversight, ensuring robust governance, and actively monitoring risk and management performance. It remained fully engaged in shaping the Company's long-term vision and strategic direction.

The Board places strong emphasis on maintaining the highest standards of corporate governance and transparency. All directors, including independent members, actively contributed to Board deliberations, fostering informed and collaborative decision-making.

As Chairman, I remain committed to fostering a culture of openness, constructive dialogue, and accountability. I will continue to ensure the Board receives timely and comprehensive information to support effective governance and value creation for all stakeholders.

The Company maintains a robust internal control framework and follows a risk-based audit approach, overseen by an independent Internal Audit function. The Board Audit Committee (BAC) reviews audit findings quarterly and ensures timely implementation of recommended improvements.

Annual self-evaluation exercises were conducted by the Board, the BAC, and the Human Resource & Remuneration Committee (HRRC), identifying key areas for continued enhancement in line with global best practices. Strategic growth, risk management, and organizational development remained core areas of focus.

The BAC and HRRC, chaired by independent directors Mr. Jehangir Shah and Mr. Mansur Khan respectively, continue to play a vital role in governance and oversight. The Board met regularly, including quarterly reviews of operational performance, an annual strategy session, and the annual budgeting process.

Future Outlook

Your Company remains committed to growth and diversification, and undertook several strategic initiatives during the year:

- Invested in Chinoy Engineering & Construction (Pvt.) Ltd., acquiring a combined direct and indirect 34% stake (including through ISL), to participate in the development of Reko Diq—one of Pakistan's largest mining projects.
- Launched IIL Trading (Pvt.) Ltd., a wholly owned subsidiary, to enhance domestic market presence across diversified industrial sectors
- Established INIL Europe Ltd., expanding the Company's footprint in the European Union, one of the world's most promising markets.
- Completed the installation of 4 MW solar power plants across all three manufacturing sites, reaffirming the Company's commitment to sustainability and clean energy

With GDP growth projected at 3.6% in FY26 and a forecasted 26% increase in public sector revenue, economic activity is expected to accelerate, particularly in infrastructure development. These trends are likely to drive greater demand for steel and associated products.

Your Board and management remain optimistic about the future and are well-positioned to capitalize on emerging opportunities with agility and resilience. We remain focused on delivering long-term value for our shareholders through prudent financial management, strategic investments, and operational excellence

On behalf of the Board of Directors, I extend my sincere appreciation to our shareholders, customers, employees, bankers, suppliers, and business partners for their continued trust and support.



Kamal A. Chinoy
Chairman

Karachi
August 21, 2025