EPCL: 3QCY26 EPS expected to clock-in at PKR 0.69; PAT down 49%QoQ

TAURUS SECURITIES LIMITED
A Subsidiary of National Bank of Pakistan

Flashnote: Chemical – Engro Polymer & Chemicals Limited (EPCL) - Result Preview

Monday, October 19, 2026

- **Board Meeting:** Tuesday, 20th October, 2026
- **3QCY26 EPS:** PKR 0.69; **DPS:** NIL; **PAT:** PKR 623Mn.
- **9MCY26 EPS:** PKR 2.57; **DPS:** NIL; **PAT:** PKR 2.3Bn
- During 3QCY26, we expect net sales to clock in at ~PKR 19.8Bn, up 1%YoY and 19%QoQ. On a sequential basis, we expect gross margin to arrive at ~16%, an increase of 4pptsYoY, the margins are expected to surge mainly due to reduction in captive gas levy and PVC prices rising again in Sep'26.
- To note, core delta (PVC-Ethylene) for the quarter was averaging around ~USD 316/ton, up 14%YoY. Additionally, the International PVC prices averaged at USD 809/ton, up 16%YoY and Ethylene prices averaged at USD 987/ton, up 18%YoY during the quarter—amid continued ME conflict and volatility in oil prices.
- Lastly, we do not expect the Company to declare an interim cash dividend for the quarter.

EPCL Result Preview 3QCY26

PKR Mn	3QCY26E	3QCY25A	YoY	2QCY26A	QoQ	9MCY26E	9MCY25A	YoY
Net sales	19,793	19,680	1%	16,668	19%	58,278	57,079	2%
Cost of sales	(16,625)	(17,227)	-3%	(14,713)	13%	(50,561)	(53,031)	-5%
Gross profit	3,169	2,453	29%	1,955	62%	7,718	4,048	91%
Other income	368	55	5.7x	1,732	-79%	2,542	569	3.5x
Operating profit	2,595	1,571	65%	3,001	-14%	7,895	1,809	3.4x
Finance Cost	(1,606)	(1,421)	13%	(1,893)	-15%	(5,270)	(4,420)	19%
Profit before tax	988	150	5.6x	1,108	-11%	2,626	(2,611)	2.0x
Taxation	(366)	159	NM	105	NM	(288)	(222)	NM
Profit after tax	623	(9)	71.7x	1,213	-49%	2,337	(2,833)	1.8x
EPS	0.69	(0.01)		1.33		2.57	(3.12)	
DPS	-	-		-		-	-	

Source: Company Accounts & TSL Research

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- Discounted cash flow (DCF, DDM)
- Justified price to book (JPB)
- Relative Valuation (P/E, P/B, P/S, EV/EBITDA, EV/Revenue etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)

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Frequently Used Acronyms

TP	Target Price	**DCF**	Discounted Cash Flow	**FCF**	Free Cash Flows
FCFE	Free Cash Flows to Equity	**FCFF**	Free Cash Flows to Firm	**DDM**	Dividend Discount Model
SOTP	Sum of the Parts	**P/E**	Price to Earnings ratio	**P/BVPS**	Price to Book ratio
P/S	Price to Sales	**EVA**	Economic Valued Added	**BVPS**	Book Value per Share
EPS	Earnings per Share	**DPS**	Dividend per Share	**DY**	Dividend Yield
ROE	Return on Equity	**ROA**	Return on Assets	**JPB**	Justified Price to Book

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