ENGROH: 3QCY26 Corporate Briefing Takeaways

Flashnote: Engro Holdings Limited (ENGROH) – Corporate Briefing Takeaways **Wednesday, November 04, 2026**

- Engro Holdings (ENGROH) posted consolidated profit (attributable to owners) of ~PKR 10.47Bn in 3QCY26, (EPS of PKR 8.69), up 17% YoY with no dividend announced. This is also ~17% higher from 2QCY26, up from ~PKR 9.0Bn (EPS; PKR 7.45). The improvement came from three sources: a sharp recovery at Engro Fertilizers (EFERT), a first meaningful earnings contribution from the tower business, and better results at FrieslandCampina Engro (FCEPL) compared with last year.
- Over the nine months, owner's share profit rose about 36% to ~PKR 29.1Bn from ~PKR 21.4Bn, and EPS rose to ~PKR 24.33 from ~PKR 17.79 LY. Consolidated revenue grew about 15% to ~PKR 426Bn, and consolidated profit rose to ~PKR 48.4Bn from ~PKR 38.2Bn. The main reasons are the full-period inclusion of Deodar, higher urea margins, better PVC margins at EPCL and a stronger coal mining result at SECMC. Terminals were the only meaningful drag, hit by regional disruption.
- **Fertilizer (EFERT):** EFERT earned about ~PKR 9.1Bn, up 57% YoY and roughly 2.4x its 2Q profit ~PKR 3.8Bn, as net sales rose 45% YoY to ~PKR 79.6Bn and gross margin reached about 35%. Urea offtake recovered after a weak first half because inventory cleared and farm economics improved, while DAP offtake rose 168% YoY to 37,000 tons. The nine-month picture is more modest, with profit of about ~PKR 16Bn against ~PKR 14Bn, so most of the gain came from margins and a very strong 3Q rather than a full-period volume recovery. EFERT declared a dividend of ~PKR 5.50 per share, up from ~PKR 2.0 in 1Q.
- **Energy (EPQL):** Earning of ~PKR 13.0Bn for the nine months against ~PKR 10.2Bn, about 45% of owner's share profit. Within it, Engro Powergen Thar earned about PKR 7.6Bn in 3Q, while Engro Powergen Qadirpur earned PKR 354Mn on higher plant utilization. Dispatch for the nine months was 3,607 GWh against 3,359 GWh LY, and Qadirpur's load factor was 47% against 41% on stronger grid demand. SECMC has started its Phase III expansion, which lifts mine capacity to 11.2 million tons.
- **Engro Connect:** For the nine months, owner's share profit was ~PKR 5.8Bn against ~PKR 2.3Bn last year, as revenue doubled to ~PKR 62Bn from ~PKR 31Bn LY, with Deodar fully consolidated. The network grew to 15,418 sites from 15,078, with a tenancy ratio above 1.35x. About 5G, with ongoing investment in power upgradation, 2000 towers are already 5G enabled with more towers to be upgraded in coming periods.

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- **Chemical (EPCL):** EPCL posted a loss of about ~PKR 1.3Bn in 3Q, but nine-month profit of ~PKR 0.3Bn is a clear turnaround from a PKR 3.5Bn loss last year. Revenue rose about 12% YoY to ~PKR 65Bn and domestic PVC sales rose about 5% to 182KT, helped by the revised captive gas levy formula and record hydrogen peroxide sales. Separately, Engro Corporation signed an agreement to sell its 56.19% EPCL stake to Lotte Chemical Pakistan for ~PKR 19.7Bn (PKR 38.6 per share). The deal has Competition Commission clearance but still needs other approvals.
- **Friesland Campina Engro:** Nine-month revenue rose about 10% YoY to ~PKR 88Bn and profit tripled to ~PKR 6.5Bn from ~PKR 2.1Bn LY, driven by a better product mix and efficiency gains. Demand may stay soft near term as consumer purchasing power remains stretched.
- **Engro Elengy & Vopak:** Nine-month profit fell to ~PKR 1.6Bn from ~PKR 2.3Bn YoY, and revenue to ~PKR 11.0Bn from ~PKR 14.6Bn LY, as lower LNG imports and throughput hit volumes. EVTL's Implementation Agreement was renewed for a further 30 years, providing long-term operating certainty and supporting future growth opportunities.
- **Engro Eximp FZE:** Revenue was USD 548Mn (including USD 264Mn of captive sales), and profit rose about 19% YoY to USD 5.1Mn on higher trade volumes (668KT vs 637KT LY) and better margins. Commodity volatility and supply availability remain the key swing factors.
- On standalone basis, nine-month profit was ~PKR 9.3Bn against ~PKR 0.4Bn, with dividend income of ~PKR 9.8Bn against ~PKR 0.5Bn. This came from Engro Corporation's share buyback and is a timing effect that should not be extrapolated. On the balance sheet, total assets rose to ~PKR 1,113Bn from ~PKR 1,051Bn at December 2025, largely on higher urea inventory, and equity rose to ~PKR 330Bn from ~PKR 300Bn. Borrowings remain elevated at about ~PKR 329Bn after financing the tower acquisition, and finance costs rose 12% YoY to ~PKR 12.9Bn. This is the main drag on net earnings.

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- Justified price to book (JPB)
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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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