CHASE SECURITIES

CORPORATE BRIEFING NOTES

03 Nov 2026

RA-07

STOCK SNAPSHOT

Symbol	ENGROH
Price	PKR 264.88
Market cap	PKR 318.97bn
Shares	1.20bn
Free float	903.17mn
52W high	PKR 302.50
52W low	PKR 209.03

SECTOR

Inv. Banks / Inv. Cos. / Securities Cos.

Muhammad Zohair

ENGROH PSX · HOLDING COMPANY

Engro Holdings Limited

3QCY26 EPS	3QCY26 SALES	TOWERS	TENANCY
PKR 8.69	PKR 188.1bn	15.0–15.5k	1.35–1.36x
▲ 43% YoY	▲ 28% YoY	+450–500 / yr	CY27E ~1.43x

KEY TAKEAWAYS

3QCY26: sales up 28%, profit to owners up 43%; tower base and 5G upgrades expanding

Net sales rose **28%** YoY to **PKR 188.1bn** and profit attributable to owners rose **43%** to **PKR 10.5bn** (EPS **PKR 8.69**). The session centred on Engro Connect, which runs **15,000–15,500** towers, has upgraded **~1,200** towers to 5G and expects its tenancy ratio to reach **~1.43x** by end-**CY27**.

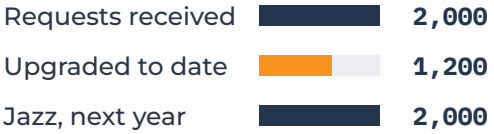
TOWERS & TENANCY

- Engro Connect operates **15,000–15,500** towers at a tenancy ratio of **~1.35–1.36x**, and captured **~60%** of industry collocation net additions.
- Rolls out **450–500** new towers a year, including build-to-suit sites in previously unserved areas such as new residential developments.
- The increase recorded in **Q2** reflects portfolio consolidation, higher collocations and baseline normalisation.

5G ROLLOUT

- Received **~2,000** 5G upgrade requests; **~1,200** towers upgraded so far. Jazz leads upgraded towers, followed by Zong.
- Jazz has requested **~2,000** more conversions for next year. A **~1.5 kW** power upgrade costs **~PKR 1.0mn** per tower.

5G CONVERSIONS



Towers, approximate, per management

OUTLOOK

- Tenancy ratio expected to reach **~1.43x** by end-**CY27**; 5G will need a denser site grid and more power capacity per tower.
- Management expects no near-term change in gas pricing for the fertiliser plant.

ENERGY & SOLARISATION

- **~3,500** towers (**~23–24%** of the portfolio) are solarised: **~50%** at Enfrashare, lower across Deodar. **~500** sites are added a year.
- Grid electricity makes up **~55–60%** of power costs and diesel **~40–45%**.
- Diesel cost pass-through with MNOs largely neutralises the effect of diesel price changes on net margins.

FIBRE & CAPEX

- A one-stop fibre backhaul product, with FTTH partners linking towers to fibre aggregation points, is planned for **Oct–Nov 2026**.
- Capex across the telecom infrastructure vertical exceeds **PKR 20bn** a year.

INDUSTRY

- PTCL's proposed tower carve-out is seen as positive for industry formalisation; the company will decide whether to bid or compete once terms are final.

Financial highlights

PKR mn (consolidated)	CY24	CY25	YoY	3QCY25	3QCY26	YoY
Net sales	**540,171**	**598,360**	**11%**	**146,640**	**188,091**	**28%**
Cost of sales	-387,433	-450,670	16%	-106,288	-137,113	29%
Gross profit	**152,737**	**147,690**	**-3%**	**40,353**	**50,978**	**26%**
Gross margin	*28%*	*25%*		*28%*	*27%*	
Selling & distribution	-16,028	-17,631	10%	-4,514	-6,031	34%
Administrative	-14,823	-15,504	5%	-3,104	-3,879	25%
Operating profit	**121,886**	**114,555**	**-6%**	**32,734**	**41,068**	**25%**
Depreciation & amortisation	13,588	44,130	n/a	12,386	8,996	-27%
EBITDA	**135,474**	**158,685**	**17%**	**45,121**	**50,064**	**11%**
Financial charges	-40,630	-44,934	11%	-11,445	-12,857	12%
Other income	27,340	12,008	-56%	2,594	2,279	-12%
Other charges	-7,975	-11,453	44%	-794	-1,725	117%
Share of associates' profit	3,393	8,968	164%	1,323	2,046	55%
Non-recurring items	-31,853	60,482	n/a	420	-218	-152%
Profit before tax	**72,161**	**139,626**	**93%**	**24,832**	**30,593**	**23%**
Taxation	-28,585	-32,322	13%	-10,903	-11,296	4%
PAT – continuing operations	43,576	107,305	146%	13,929	19,297	39%
PAT – discontinued operations	-331	-274	-17%	-222	-1,314	492%
Profit after tax	**43,245**	**107,031**	**147%**	**13,707**	**17,984**	**31%**
PAT – non-controlling interest	30,354	51,398	69%	6,392	7,515	18%
PAT – owners of the company	**12,890**	**55,633**	**332%**	**7,315**	**10,469**	**43%**
Net margin	*2%*	*9%*		*5%*	*6%*	
EPS – basic (PKR)	**26.78**	**47.21**		**6.07**	**8.69**	
DPS (PKR)	10.50	0.00		0.00	0.00	

Source: Company accounts, Chase Research

IMPORTANT DISCLOSURES

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