



engro holdings

# Engro Holdings Limited (Formerly Dawood Hercules Corporation)

FY 2024 Analyst Briefing

March 2025





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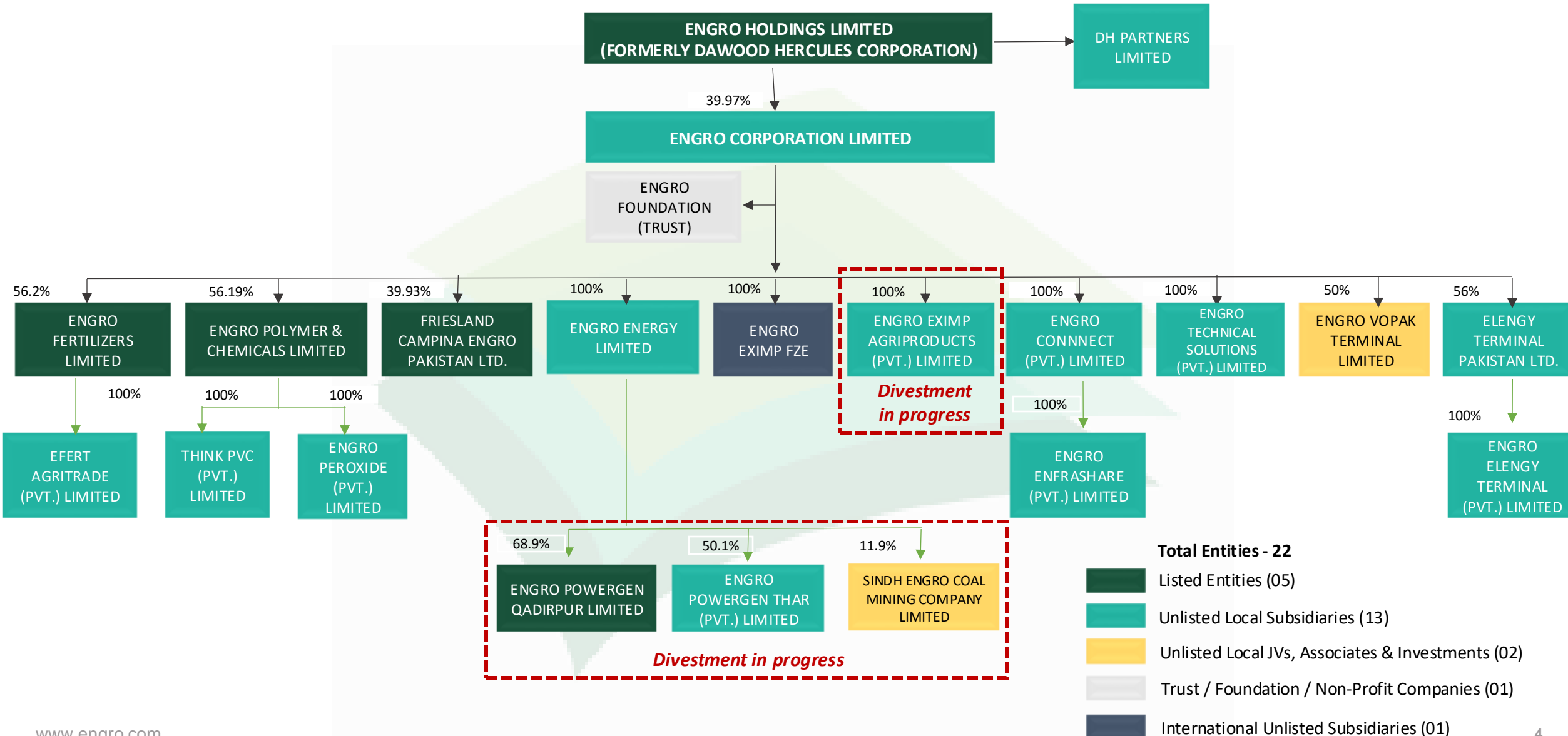
# Agenda

	1	Group Overview
	2	Pakistan Economy
	3	Key Achievements during FY 2024
	4	Financial Highlights & Other Key Information
	5	Awards & Sustainability
	6	Q&A Session





# Companies and Legal Entities within Engro Holdings Limited





# Economic recovery strengthens in 2024 amid IMF agreement and structural reforms, but elevated business costs persist due to base effect

## 1H 2024 – Signs of improvement emerged amidst challenges



**IMF ~ \$1.1bn disbursement**, CAD remained under control



**Monetary easing** by GoP, policy rate reduced to **19.5%**



Positive economic indicators bolstered the **business and consumer confidence**



**Inflation eased**, but businesses remained affected due to the elevated base effect



**Depressed domestic demand** due to distorted farmers' economics and reduced purchasing power



**Elections successfully concluded** with smooth transition of power



**Rising utility prices** / living expenses, increased **tax burden** fueling brain drain from the country

## 2H 2024 – Economic environment demonstrated continued strengthening



**SBP forex net reserves** recorded at **\$11.7 bn** (vs \$8.2 bn in Dec'23), FDI stood at **\$ 1.33 billion**, (+20% vs LY).



**Policy rate** further cuts by 650 bps to 13%



**KSE-100** crosses **all-time high index of 113K**, with strong future prospects



Inflation dropped to single digit at 4% for Dec'24 (30% Dec'23), **pressures persists due to base effect**



Domestic demand shows some **signs of recovery** however **farmers' economics remains distorted**



Govt continued to implement **structural reforms in compliance with IMF**



Industrial sectors remained sluggish amid **high energy prices**, high tax rates and low disposable income.



# Key Group Achievements during FY 2024

Leveraging improving macroeconomic conditions, the Group is resiliently positioned to remain on course to deliver exceptional performance



## Performance Excellence

- **EnVen plant** successfully completed a major **turnaround** to ensure long-term reliability.
- Fertilizer business achieved **import substitution of USD 750 mn while** providing a **discount of 35%** to **international urea prices**.
- Successful **launch of UgAi app** during the year, enabling direct fertilizer sale to farmers
- **Contributed 13-15% towards gas supply** of Country
- **Contributed PKR 84 bn to government** exchequer
- **Contributed 4,440 GWH** to the national grid



## Capital Allocation

- Amalgamation Agreement achieved with PMCL for the acquisition of **10,617 tower** sites of Deodar
- Achieved SPA with MAP Rice Mills (Bestway Group) to **divest from Rice Business**
- **Restructuring with Dawood Hercules** – The scheme of arrangement of Engro Corp, DH Corp and DH Partners limited got effective on January 01, 2025.
- **Thermal Divestments** – The transaction is in-progress and remains subject to stakeholders' approval.
- Enfrashare continued to expand its tower footprint – closed 2024 with **+4,200 tower sites**.



## Awards & Recognition

- Engro Corp secured **1st place**, while Engro Fertilizers **ranked 2nd** and Engro **Polymer ranked 13<sup>th</sup>** in the **Top 25 PSX Awards**.
- Winner for Recognizing **Gender Diversity** at Workplace and runner up for **best investor relations** at **CFA Awards**
- 6th OICCI Women Empowerment Award for **'Conductive Workplace Environment'**
- Two awards for **Best Emerging Technology and Big Data Analytics**
- Recognized at Pakistan Digital Award for **Best Aerial & Underwater Robots**
- Recognized Internationally with IFA Green Leaf Award **for Safety and Sustainability**

[\(Details ahead\)](#)



## Current Investments Portfolio

Market value as on 31 December 2024



**engro**

**Strategic Investment**

**PKR 95,499**



**Listed Equity**

**PKR 16,546**



# Engro Holdings: Financial Highlights – FY 2024

## As per Statutory Financial Statements

## Highlights

### Return on investments

#### Dividend Income

PKR **6.7** bn  
 ↓ -43% vs LY

#### Quoted Shares

PKR **7.7** bn  
 ↑ 144% vs LY

#### Others

PKR **0.1** bn  
 ↑ 67% vs LY

### Profit after tax

#### Return On Investments

PKR **14.4** bn  
 ↓ -3% vs LY

#### Profitability

PKR **9.9** bn  
 ↓ -5% vs LY

#### EPS

PKR **20.48**  
 ↓ PKR. 21.50 LY

- Lower dividend income due to bumper dividend by Engro Corporation in 2023
- Higher income from quoted shares driven by exceptional performance of PSX
- Higher interest income
- Lower return on investments and profitability primarily due to bumper dividend by Engro Corporation in 2023

*“As per the Scheme of Arrangement, which became effective on January 1, 2025, all assets, excluding shares of Engro Corporation Limited, amounting to PKR 16,941 million and liabilities amounting to PKR 6,879 million of Dawood Hercules Corporation Limited (Now Engro Holdings Limited) were transferred to DH partners Limited”*

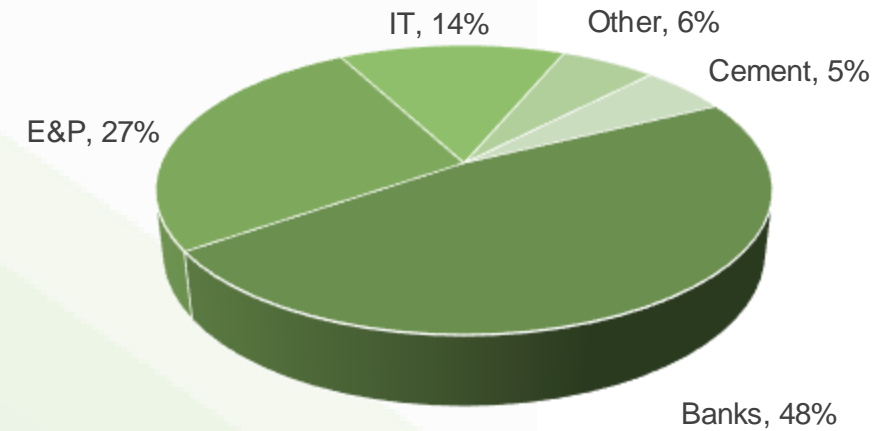


# Engro Holdings: Equity Portfolio Performance – FY 2024

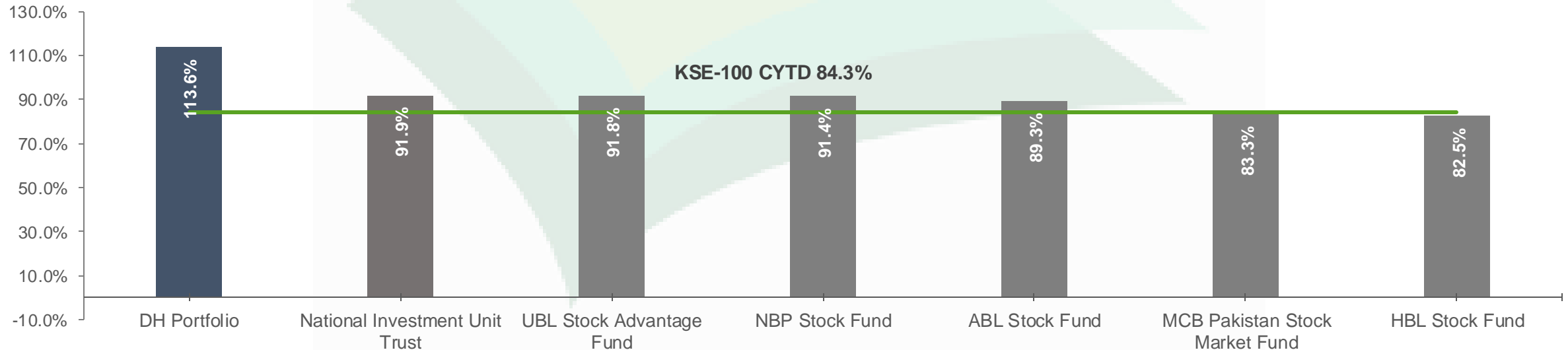
## Performance Snapshot CY'24

Portfolio	KSE-100	Alpha
113.6%	84.3%	29.3%
	75.7% (ex-group companies)	37.9%

## Portfolio Composition – 31-Dec-24



## DH Portfolio vs. Mutual Funds: A Relative Performance Analysis





# Engro Corporation: Financial Highlights – FY 2024

## Consolidated Financial Highlights

### Results from Continued Operations

Revenue	Profitability – Owners' share	EPS
PKR <b>406</b> bn	PKR <b>21</b> bn	PKR <b>38.57</b>
↑ 14% vs LY	↑ 7% vs LY	↑ vs. 35.52 LY

### Results including Discontinued Operations

Revenue	Profitability – Owners' share	EPS
PKR <b>540</b> bn	PKR <b>22</b> bn	PKR <b>40.33</b>
↑ 12% vs LY	↑ 2% vs LY	↑ vs. 39.12 LY

## Standalone Financial Highlights

Dividend & Royalty Income	Profitability	EPS
PKR <b>24.5</b> bn	PKR <b>18.8</b> bn	PKR <b>35.08</b>
↑ 3% vs LY	↑ 7% vs LY	↑ PKR. 32.26 LY

## Highlights

### Consolidated

Higher profitability from continued operations is attributable to:

- Higher urea prices
- Efficiencies derived through cost optimization

Partially netted off by:

- Lower PVC demand due to muted construction activities and lower core delta
- Higher finance cost
- Increase in energy prices, and cost of doing business

### Standalone















Higher profitability mainly due to:

- Cost optimization initiatives
- Lower tax expense due to retrospective application of super tax in last year

Partially offset by impairment of long-term investment.















## Portfolio Performance – Petrochemicals

Company	KPI		Highlights
 <b>Engro Fertilizers Limited</b>	 Revenue PKR.	<b>256bn</b> 15% vs LY 	<ul style="list-style-type: none"> <li>Higher profitability due to <b>higher prices, cost optimization and long-term reliability projects</b></li> <li>Ensuring availability of urea to farmers at a discount of <b>35% over int. prices</b></li> <li>Business enabled <b>import substitution of ~USD 750Mn</b></li> </ul> <p><b>Outlook</b></p> <ul style="list-style-type: none"> <li>Specialty Fertilizers <b>demand may be impacted</b> on account of distorted farm economics</li> </ul>
 <b>Engro Polymers Limited</b>	 Revenue PKR.	<b>76bn</b> -7% vs LY 	<ul style="list-style-type: none"> <li>Loss due to significant decline in <b>global commodity prices, subdued domestic construction activities and higher volume of imported PVC</b></li> <li>Despite challenges in domestic market, EPCL delivered <b>consistent domestics volumes</b> at 206kT</li> </ul> <p><b>Outlook</b></p> <ul style="list-style-type: none"> <li>With muted demand in India and China, <b>international prices are expected to remain bearish</b></li> <li><b>Domestic PVC demand shows signs of recovery</b> supported by stabilizing inflation and easing monetary policy in the latter half of the year.</li> </ul>
	 Profitability PKR.	<b>28.3bn</b> 8% vs LY 	
	 Urea Volumes (KT)	<b>2,026KT</b> -12% vs LY 	
	 Profitability PKR.	<b>-0.2bn</b> -102% vs LY 	
	 Domestic Sales	<b>206KT</b> vs. 199KT LY 	







## Portfolio Performance – Terminals & Connectivity


Company	KPI		Highlights	
<div>Engro Elengy &amp; Vopak</div> 	<div> Chemical handled</div> <div>1,238KT 30% vs LY</div> <div></div>	<div> LPG Market Share (adj.)</div> <div>60% vs. 64% LY</div> <div></div>	<div> % of total gas demand</div> <div>13% - 15%</div> <div></div>	<ul style="list-style-type: none"><li>Higher chemical volumes handled driven by <b>relative ease in LC opening</b> compared to last year and higher LPG marine imports resulting from <b>proactive commercial efforts</b></li><li>The LNG terminal <b>handled 72 cargoes</b> this year with availability over 97%</li><li>Profitability remains strong driven by <b>dollar denominated earnings</b></li></ul> <p><b>Outlook</b></p> <ul style="list-style-type: none"><li>Considering ease in imports and proactive efforts, chemical handling <b>likely to improve</b></li></ul>
<div>Engro Enfrashare Limited</div> 	<div> Operational Sites</div> <div>4,215 3,952 vs LY</div> <div></div>	<div> Tenancy Ratio</div> <div>1.26x vs. 1.21x LY</div> <div></div>	<ul style="list-style-type: none"><li>Captured <b>36% of the ITC colocations market</b></li><li>Tower footprint increased by <b>adding 263 towers</b>, achieve a <b>market share of 52% in the ITC market</b></li></ul> <p><b>Outlook</b></p> <ul style="list-style-type: none"><li>Continue to <b>increase footprint</b> across Pakistan</li><li><b>Incentivize colocation</b> to enable better coverage across Pakistan</li></ul>	




## Portfolio Performance – Energy & FZE (Trading)

Company	KPI		Highlights
<div>Engro Energy Limited</div> <div></div>		<div>EPQL Profitability PKR.</div> <div>2.1bn -15% vs LY</div> <div>↓</div>	<ul style="list-style-type: none"><li>EPQL lower profitability mainly attributable to provision against possibility of <b>potential alteration</b> in its power purchase agreement</li><li>EPQL <b>Generation License acquired</b> to include gas from Badar field as an alternate fuel and has received NEPRA tariff determination for this additional fuel.</li><li><b>Mining operations continued smoothly</b></li></ul>
		<div>Dispatch GWH<sup>1</sup></div> <div>4,440 vs 4,481 LY</div> <div>↓</div>	
	<div>The <b>divestment transaction is in-progress</b> and the process of obtaining stakeholders' approval for transaction execution is underway.</div>		

Engro Eximp FZE







Revenue  
(USD Mn)

510<sup>2</sup>

26% vs LY






Total trade  
Volume  
(KT)

788

18% vs LY



- Strong focus on securing third party trades – 3P ratio improved to **24% versus 14%** last year.
- Successfully secured **first ever 3P DAP cargo** in Pakistan.

Outlook

- Continue to expand our footprint in the **Global Trade Market**.
- Actively pursuing opportunities in the **non-captive space**



## Portfolio Performance – Foods

Company	KPI	Highlights
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### Friesland Campina Engro



Revenue  
PKR.

107bn  
7% vs LY



Profitability  
PKR.

2.2bn  
46% vs. LY



- Achieved **topline growth** on the back of **expanded retail presence, stable volumes, and favorable pricing dynamics**
- Increase in profitability is mainly due to **cost efficiencies throughout its value chain.**

#### Outlook

- The imposition of **sales tax** on packaged milk will add **financial strain** on consumers
- Continue driving efficiencies** across the value chain to deliver growth in challenging macro environment.



# Recognition in 2024: Engro Group's Commitment to Excellence resonates Globally (1 / 2)

## PSX Top 25 Companies awards

Engro Corp emerged as winner, EFERT runner up and EPCL positioned at the 13<sup>th</sup>



## Recognizing Gender Diversity at Workplace

Winner (ECORP)



## Best Investor Relations

Runner Up (EFERT)



## IFA Green Leaf Award 2024 for safety and sustainability

Winner (EFERT)



## Best Presented Annual Report

Certificate of Merit in the 'power and energy' category (EPQL)



## Best Corporate & Sustainability Report

2 merit of certificates in the 'chemical & fertilizer' category (EPCL and EFERT)



## Pakistan Digital Awards

Secured 3 awards in emerging technology, big data analytics and application (EPCL and EVTL)

## OICCI Women Empowerment Awards

Winner for conducive workplace environment (ECORP)





## Recognition in 2024: Engro Group's Commitment to Excellence resonates Globally (2 / 2)

### Corporate Excellence Award

*EFERT recognized in the fertilizer sector*



### Best Aerial & Underwater Robots

*Vopak recognized for showcasing innovation and excellence.*



### Vopak Flow Forward Global awards

*Vopak wins Global Service and Vopak WeConnect Foundation award.*



### Vopak Asia & middle East Award

*Vopak wins highest NPS and Inclusion & Diversity awards.*





# Sustainability Initiatives

## Environment



**Water Conservation**



**Biodiversity Preservation**



**Energy Efficiency**



**Waste Management**



**Nature-based Solutions**

## Society



**Agriculture and Food Security**



**Education & Skills Development**



**Livelihood & Capacity Building**



**Healthcare Services & Infrastructure**

## Our People and Business



**Employee Wellbeing and Benefits**



**Health & Safety**



**Diversity Equity & Inclusion**



**Governance and Compliance**



**Digitalization and Technology**



# Sustainability Initiatives



## ENVIRONMENT

We manage our environmental footprint through

- **Energy efficiency projects** (e.g. feed gas enrichment project at EFERT)
- **Renewable energy projects** (e.g. solar energy for telecom towers)
- **Waste management** (e.g. responsible disposal)
- **Water conservation** (e.g. effluent treatment plants at plant sites and cooling tower optimization at EPCL)
- **Biodiversity conservation** (e.g. Indus river dolphin conservation)
- **Nature based solution** (e.g. tree plantations and mangrove forest restoration)



## SOCIETY

We strive for inclusive growth and prosperity by deploying philanthropic capital to

- **Education and skills development**
- **Livelihood programs**
- **Health facilities and infrastructure**
- **Value chain projects** (e.g. farmer trainings,)



## OUR PEOPLE

Our employees are our key resource that we empower through

- **Employee wellbeing programs and benefits** (e.g.
- **Learning and development opportunities** (e.g. leadership development and functional trainings)
- **Talent and culture** (e.g.
- **DE&I initiatives** (e.g. Break ke Baad returnship program, Khudi for employment opportunities for persons with disability)
- **Health and safety** (e.g. robust HSE systems, implementation of Risk based assessment (RBA))



## PRINCIPLES OF GOVERNANCE

We manage robust governance structures through

- **Board oversight and committees**
- **Focus on ethics and compliance, and character and good manners (CGM)**
- **Robust systems and policies**
- **Sustainability reporting**

