



engro holdings

Engro Holdings Limited (Formerly Dawood Hercules Corporation)

1H 2025 Analyst Briefing

August 2025





Important Disclaimer

THIS PRESENTATION IS NOT AN OFFER OR SOLICITATION OF AN OFFER TO BUY OR SELL ANY SECURITIES OR ANY INVESTMENT

This presentation has been prepared by Engro Holdings Limited (Formerly Dawood Hercules Corporation Limited) (“Engro”) solely for information purposes. No representation or warranty express or implied is made thereto, and no reliance should be placed on, the fairness, accuracy, sufficiency, completeness or correctness of the information or any opinion contained herein, or any opinion rendered thereto. The information contained in this presentation should be considered in the context of the circumstances prevailing at the time and will not be updated to reflect any developments that may occur after the date of the presentation. Neither Engro nor any of its respective subsidiaries, affiliates, officials, advisors, associates, employees or any person working for, under or on behalf, shall have any responsibility and/or liability of any nature whatsoever (in contract or otherwise) for any loss whatsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation.

This presentation does not constitute or form part of a prospectus, offering circular or offering memorandum or an offer, solicitation, invitation or recommendation to purchase or subscribe for any securities and no part of it shall form the basis of, or be relied upon in connection with, or act as any inducement to enter into any arrangement, agreement, contract, commitment or investment decision in relation to any securities. This presentation shall not at all be intended to provide any disclosure upon which an investment decision could be made. No money, securities or other consideration is being solicited, and, if sent in response to this presentation or the information contained herein, will not be accepted.

The presentation may contain statements that reflect Engro’s own beliefs and expectations about the future. These forward-looking statements are based on a number of assumptions about the future, which are beyond Engro’s control. Such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. Such forward looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. Engro does not undertake any obligation to update any forward-looking statements to reflect events that occur or circumstances that arise after the date of this presentation and it does not make any representation, warranty (whether express or implied) or prediction that the results anticipated by such forward-looking statements will be achieved. In addition, past performance should not be taken as an indication or guarantee of future results.

Certain data in this presentation was obtained from various external data sources that Engro believes to its knowledge, information and belief to be reliable, but Engro has not verified such data with independent sources and there can be no assurance, representation or warranty as to the accuracy, sufficiency, correctness or completeness of the included data. Accordingly, Engro makes no assurance, representation or warranty as to the accuracy, sufficiency, correctness or completeness of that data, and such data involves risks and uncertainties and is subject to change based on various factors.

You agree to keep the contents of this presentation strictly confidential. All or any part of this presentation may not be taken away, reproduced, copied, redistributed, retransmitted or disclosed in any manner or form and for any purpose whatsoever.

By attending this presentation, you are agreeing to be bound by the foregoing limitations.

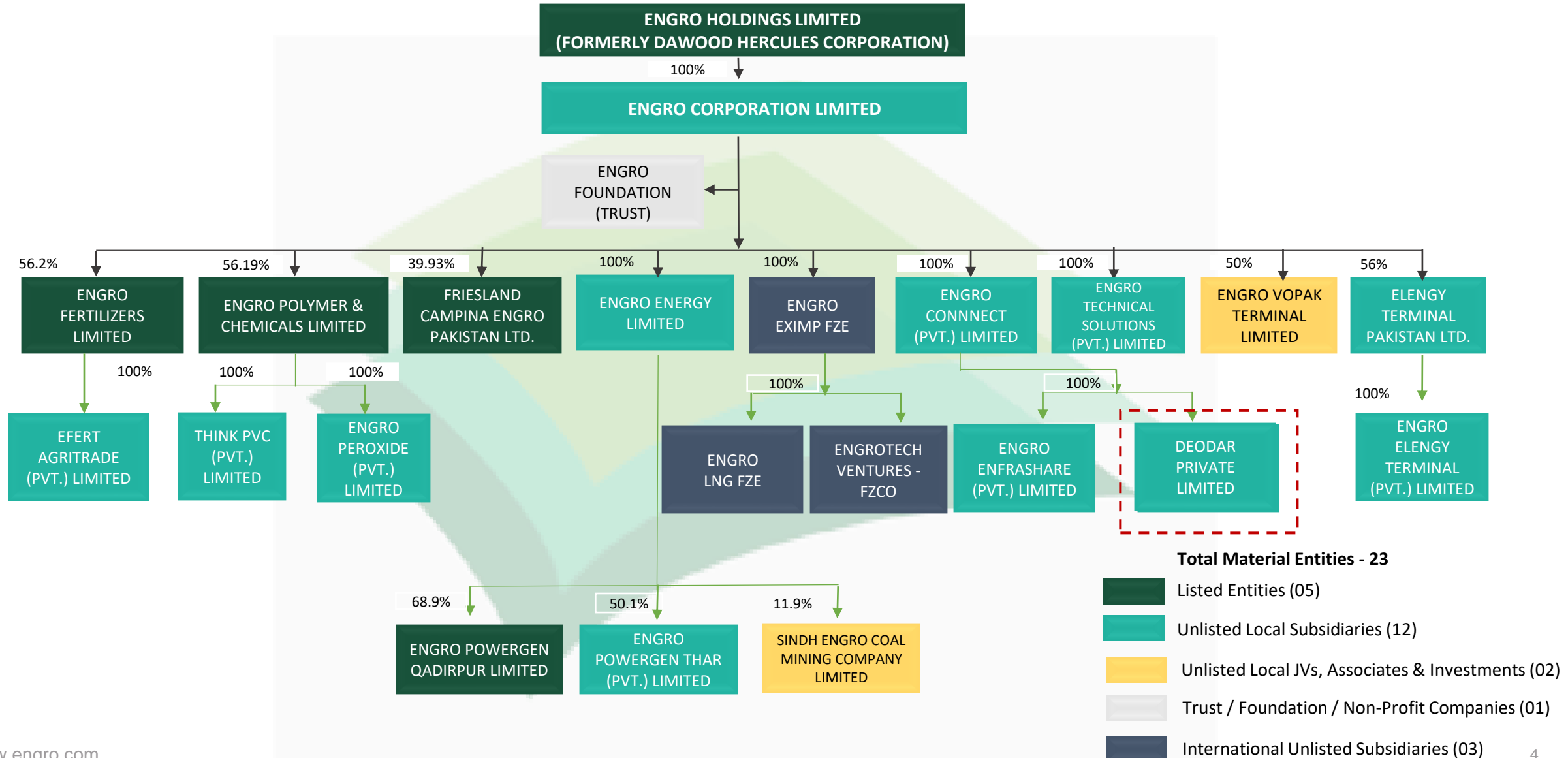
Agenda

	1	Group Overview
	2	Pakistan Economy
	3	Key Achievements during 1H 2025
	4	Financial Highlights & Other Key Information
	5	Awards & Sustainability
	6	Q&A Session





Companies and Legal Entities within Engro Holdings Limited





H1 2025 saw macroeconomic stabilization, while H2 2025 is set for IMF-guided reforms, however uncertainties from floods, debt pressures, and global headwinds remain.

1H 2025 – Economic environment demonstrated continued strengthening



Pakistan's **real GDP grew by ~2.68%** in FY2025, vs govt. target of 3.6%



Monetary easing by GoP, policy rate reduced to **11.0%**

IMF ~ **\$1bn disbursement**, IMF Board **approval of \$1.4bn** under RSF, **\$3.4bn loan rollover** from China



Inflation average of 4.49%—a nine-year low, attributed to fiscal consolidation and monetary easing



Current account surplus of **\$328 Mn** in Jun' 25, **fiscal deficit narrowed to 5.6% of GDP**



KSE-100 rallied past 125K in June, with ~60% gain since June 2024



Flash floods severely impacted causing casualties, displacement, and infrastructure damage

Outlook 2025 – Economic outlook reflects cautious optimism



World Bank forecast **3.1%** & IMF projects **3.6%** economic growth for FY26



SBP likely to **continue cautious easing** if inflation remains under control



Continued **reserve rebuilding expected** from rollovers and inflows; **sustainability concerns persist**



ADP anticipates FY 2026 **inflation to be at 5.8%**



Govt. aims to reduce the fiscal deficit to 3.9% of GDP through **new taxes and broadening the tax base**



Momentum may continue if macro stabilizes; Pakistan's **rating improved to Caa1** by Moody's



Emergency response and reconstruction needs could strain finances; climate resilience efforts more critical



So far, 2025 has been a year of restructuring and strategic repivoting for the Group

Scheme of arrangement of Engro Corp, Engro Holdings and DH Partners got effective, enabling financial synergies that are value additive to the enterprise

Jan' 01, 2025



Apr' 05, 2025



SPAs for the divestment of in thermal energy assets terminated, thermal energy assets become our continuing business

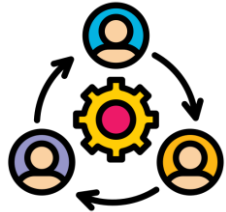
PMCL's portfolio of over 10,600 tower assets, held through Deodar, vested into Engro Connect

Jun' 03, 2025





Restructuring of Engro Group



Background

Engro achieved a **value-accretive proposition to harmonize capital allocation** for the group, aimed at improving returns to shareholders.

To recap,

- (i) All net assets of Engro Holdings (other than its investment in Engro Corp) carved out into a new company, DH Partners. Following the carveout, **Engro Holdings is now only holding investment in Engro Corp**
- (ii) Shares in Engro Corp held by its shareholders vested into Engro Holdings in exchange whereof the **shareholders have been issued shares of Engro Holdings** in the same proportion in which they held shares of Engro Corp.



Impact on Earnings per Share (EPS)

On January 1, 2025, an additional **722,944,878 shares of Engro Holdings** were issued to the shareholders of Engro Corp to increase the Company' ownership in Engro Corp from 39.97% to 100%.

- **Impact on Owner's Share:** The profit attributable to owners for 2025 reflects **100% ownership** interest in ECORP as compared to 39.97% in same period of 2024
- **Impact on Outstanding Shares:** Post issuance of shares of EngroH to the shareholders of ECORP, the no. of shares increased from 481,287,116 to 1,204,231,994.

Hence, the consolidated EPS has been tabulated by dividing the profit attributable to owners with increased number of shares.



Share Purchase Agreements of Thermal Energy Assets



Background

Engro Energy Limited entered into **Share Purchase Agreements** with Liberty Power Holdings Limited and associated parties for the sale of its entire shareholding in EPQL, EPTL, and SECMC.

The joint conditions precedent under the SPAs were not fulfilled by the long stop date of April 4, 2025, therefore, EEL, **terminated all SPAs** with immediate effect from **April 5, 2025**.



Way-Forward

The Group reassessed its strategic decision regarding the divestment of thermal assets. **The eventual closure of the SPAs proved to be value-accretive**, enabling us to unlock superior value relative to earlier expectations.

This outcome **enhances our ability to redeploy capital** toward growth opportunities that are better aligned with our long-term strategy and shareholder value creation

However, the Group remains **committed to the divestment of EPQL** as part of its efforts to safeguard and maximize shareholder value



Accounting in IPPs

Due to SECP's exemptions to IPPs, **debt component** recovered from CPPA-G as part of tariff approved by NEPRA is recorded as revenue in the P&L over the life of the loan. However, the corresponding depreciation expense is recorded over the term of the Power Purchase Agreement. The term of the loan being shorter than the term of the PPA results in **higher Net Assets in the Financial Statements**.

During the years 2023 and 2024, based on accounting Standards, our assessment indicated that the carrying value of thermal energy assets was higher than their realizable value. Accordingly, a consolidated **accounting impact was recognized** in the financial statements for the aforementioned years.



Accounting Impact of SPAs termination on the Consolidated Financial Statements

Impact on Balance Sheet

Following this termination, the classification criteria under **IFRS 5 – 'Non-Current Assets Held for Sale and Discontinued Operations'** are no longer met.

Therefore, the **assets and liabilities of thermal assets are no longer classified as held for sale and have been reclassified back** to their respective financial statement line items.

However, **comparative figures for December 2024 presented in the balance sheet are not reclassified** and hence are not comparable.

Impact on Profit or Loss

cThe impact of the reversal is as below:

	Consol PAT.	Owner's Share	Earnings per Share
Profit after tax – before remeasurement of thermal energy assets and other related adj.	19,562	9,002	7.47
Accounting impact of reassessment of recoverable amount and remeasurement gain on carrying value of thermal energy assets and other related adj.	53,756	26,573	22.07
Profit after tax – after remeasurement of thermal energy assets and other related adj.	73,318	35,575	29.54

Profitability from thermal assets are now reported as **continued business**.

The **comparative profitability remains unchanged**; however, operations from thermal assets have been **represented from discontinued operations to continuing operations**.



Acquisition of Tower Portfolio from PMCL



Background

Engro Corp entered into an Agreement with Pakistan Mobile Communications Limited, under which **PMCL's tower assets housed under Deodar would vest into Engro Connect (ECPL)**, a wholly owned subsidiary of Engro Holdings.

As part of the Arrangement, Engro guarantees the repayment of Deodar's debt of **USD 375 million** (PKR equivalent) and provide PMCL with an additional amount of **USD 187.7 million** (PKR equivalent).

All requisite corporate and regulatory approvals for the transaction have been successfully obtained and the Scheme of Arrangement has been duly sanctioned by the Islamabad High Court.



Way-Forward

With effect from June 3, 2025, PMCL's shareholding in Deodar has been transferred and vested in ECPL.

Accordingly, Deodar has been integrated into ECPL, resulting in an **increase of 10,617 tower sites** to our footprint.

This strategic partnership **will help in bridging the digital divide** by allowing Mobile Network Operators to focus on delivering enhanced services, expanding coverage, and improving connectivity for its customers.



Accounting Impact acquisition of Tower Portfolio

Amounts in
PKR'000

Impact on Balance Sheet

Recognition of Goodwill

The fair value of the purchase consideration exceeds the provisional fair value of net assets, resulting in **recognition of goodwill**.

FV of payment to PMCL	55,238,483
Less: FV of net assets	52,933,258
Recognition of Goodwill	2,306,225

This FV of payment reflects **discounted PKR amount of \$187.7mn** plus certain adjustments.

Consolidation of Deodar's Net Assets

All assets and liabilities of Deodar have been recognized at **provisional fair values** in the Group's balance sheet as at June 30, 2025.

As permitted under IFRS 3, the Group is allowed a maximum period of **one year to finalize** the determination of fair values.

These **provisional values may change** once the fair value assessment is completed.

Impact on Profit or Loss

Consolidation of Deodar's Financial Performance

The consolidated financial statements include financial results from **Deodar for the 28 days period** from the amalgamation effective date.



Key Merits of the transactions



Stable and
Compounding
Cashflows



Deodar + Enfra now
amongst Top 20 independent
TowerCos globally



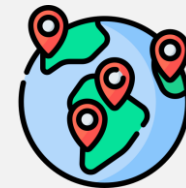
Backed by
cashflows of largest MNO in
Pakistan with over 71mn
subscribers



Synergy of SG&A costs and capex
with Enfrashare



Bridging of digital divide and
enhance passive Infrastructure
Sharing

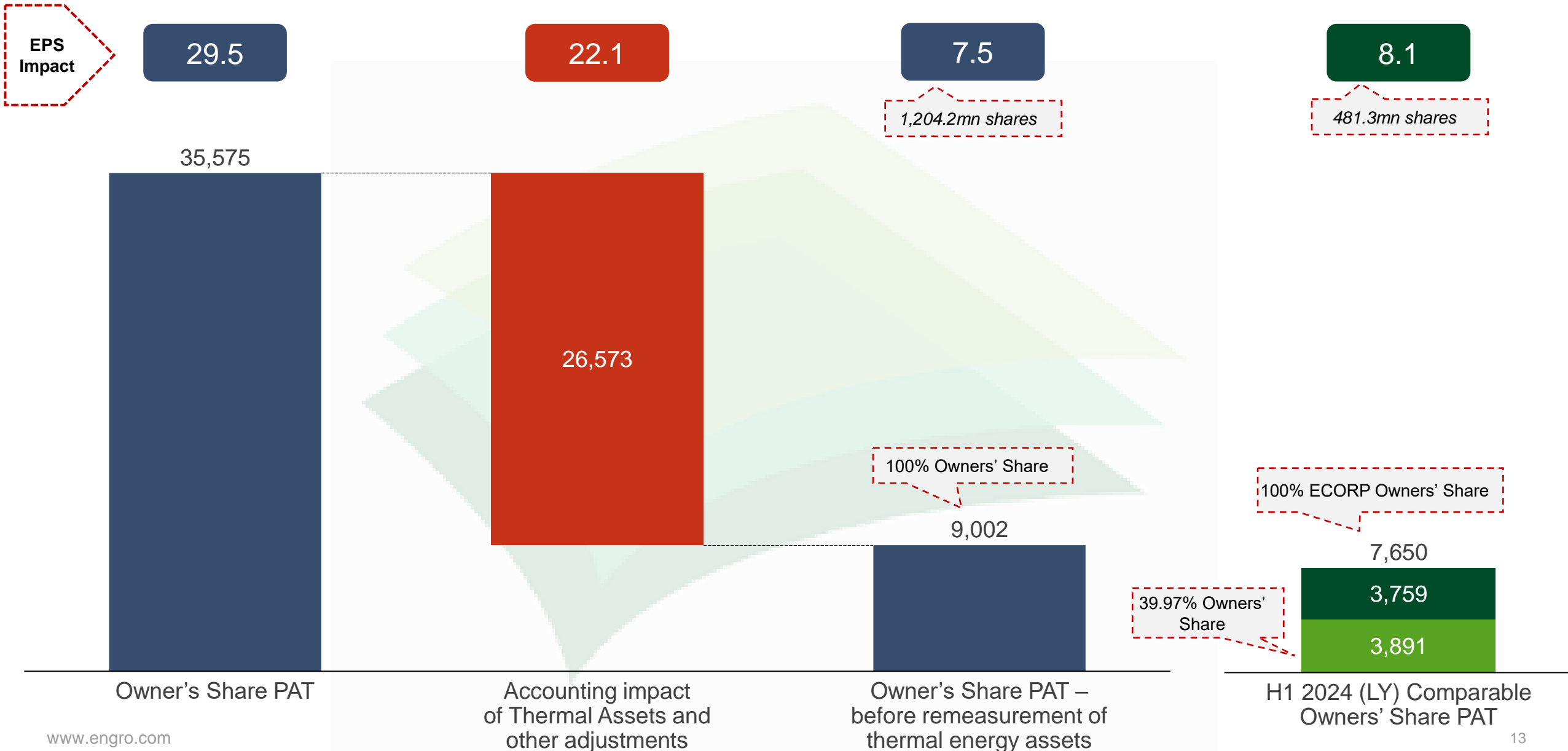


Opportunity to
Internationalize



Profitability excluding one-time adjustments relating to Thermal assets

Amounts in
PKR MN





Engro Holdings: Financial Highlights – 1H 2025

Consolidated Financial Highlights

Statutory Results

Revenue	Profitability Consolidated	Profitability Owners' share	EPS
PKR 248 bn same vs LY	PKR 73.3 bn ↑ Vs 13.8bn LY	PKR 35.6 bn ↑ Vs 3.9bn LY	PKR 29.54 ↑ Vs 8.09 LY

Operating Results – excl. adjustment in thermal assets

Revenue	Profitability – Consolidated	Profitability – Owners' share	EPS
PKR 248 bn	PKR 19.6 bn	PKR 9.0 bn	PKR 7.5

Standalone Financial Highlights

Dividend Income	Profitability	EPS
↓ PKR 134 mn vs 3,319mn LY	↓ PKR 67 mn vs 4,177mn LY	↓ PKR 0.06 PKR. 8.68 LY

Highlights

Consolidated

Higher profitability is attributable to:

- Accounting impact of reversal of adjustments in thermal energy assets
- Profit contribution from Deodar and improved operational performance from Enfrashare
- Lower financial charges due to lower interest rates

Partially netted off by:

- Lower urea volumes due to distressed farmers' economics
- Global commodity downturn in PVC business and high gas prices

Increase in owners' share also includes impact of change in ownership % from 39.97% to 100%

Standalone

Lower profitability mainly due to:

- Reduced dividends from Engro Corp due to reallocation of funds towards growth projects; and
- Transfer of income generating portfolio to DH Partners post effectiveness of the Scheme



Key Operational Achievements during 1H 2025

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



Performance Excellence

- Fertilizer business delivered **urea sales of 2,351 KT** vs 3,035 KT while providing **discount of 44%** to international urea prices.
- Polymer business delivered improved domestic PVC **volumes of 115 KT** vs 95KT last year
- Telecom business reached a **total of 14,975 tower sites**
- LNG terminal contributed **13-15% towards gas supply** of Country
- The Group contributed **PKR 39 bn to government** exchequer
- Thermal assets contributed **2,224 GWH to the national grid**
- Mining operations continued **uninterrupted coal supply**
- Chemical terminal handled **570 KT**

















Awards & Recognition

- Engro Group won **40 group-wide awards for DE&I by HR Metrics**
- Engro Group won **11 group-wide awards by Pakistan Digital Awards 2025**
- 6th OICCI Women Empowerment Award for '**Conductive Workplace Environment**'
- Global recognition for Talent development by **ATD Best Awards 2025**
- Effie Awards 2025** secured for Influencer Marketing and Social Media Campaign
- Distinction by the British Safety Council**, recognized for world-class HSE standards.
- 6th OICCI **2nd Runner Up Award for Overall Category**










Portfolio Performance – Petrochemicals


Company	KPI		Highlights
Engro Fertilizers Limited 	 Revenue PKR.	81bn -29% vs LY 	<ul style="list-style-type: none"> Lower profitability due to lower urea volumes primarily due to weak farmers' economics. Ensuring availability of urea to farmers at a discount of 44% over int. prices Outlook <ul style="list-style-type: none"> The long supply market will continue to prevail in the near-term Fertilizers demand continues to be impacted on account of distorted farm economics and effects of climate change
	 Profitability PKR.	8.5bn -10% vs LY 	
	 Urea Volumes (KT)	691KT -20% vs LY 	
Engro Polymers Limited 	 Revenue PKR.	38bn 9% vs LY 	<ul style="list-style-type: none"> Loss due to significant decline in global commodity prices, and higher energy cost Despite these challenges, EPCL delivered higher revenue due to higher volumetric sales and commencement of HPO Outlook <ul style="list-style-type: none"> International prices are expected to remain bearish Domestic PVC demand shows signs of recovery supported by stabilizing inflation and easing monetary policy.
	 Profitability PKR.	-3.2bn -1.5bn vs LY 	
	 Domestic Sales	115KT vs. 95KT LY 	




Portfolio Performance – Terminals & Connectivity

Company	KPI		Highlights	
<div>Engro Elengy & Vopak</div> 		Chemical handled	570KT -8% vs LY 	<ul style="list-style-type: none">Lower chemical volumes handled driven by lower demand from the customersThe LNG terminal handled 36 cargoes this year with availability over 97%Profitability remains strong driven by dollar denominated earnings
		LPG Market Share (adj.)	75% vs. 66% LY 	
		% of total gas demand	13% - 15% 	
				Outlook <ul style="list-style-type: none">Chemical handling likely to improve on the back of resumed demand from the customersProfitability to constrain by increased taxation under Finance Act 2025

Connectivity







Site Count

14,975

4,063vs LY






Revenue

14 bn

vs. 8bn LY



• Amongst **top 20 independent tower companies** in the World

• **Leading the ITC market** in Pakistan

Outlook










• Continue to **increase footprint** across Pakistan

• **Leveraging our site portfolio to drive colocation**, allowing MNOs to extend their reach

• Continued focus to **bridge the digital divide** in Pakistan






Portfolio Performance – Energy & FZE (Trading)

Company	KPI		Highlights
Engro Energy Limited 		EPQL Profitability PKR. 460mn vs 1,160 LY 	<ul style="list-style-type: none"> EPQL lower profitability mainly attributable to lower dispatch and decrease in capacity payments owing to implementation of Hybrid Take and Pay mechanism post Power Purchase amendment. EPTL investment is yielding dividends, underpinned by structural tailwinds as the lowest-cost thermal baseload producer Mining operations continued smoothly
		Dispatch GWH ¹ 2,224 vs 2,038 LY 	
Engro Eximp FZE 		Revenue (USD Mn) 239¹ 20% vs LY 	<ul style="list-style-type: none"> Strong focus on securing third party trades – 3P ratio improved to 57% versus 24% last year. Expanded 3rd Party product portfolio by trading in several new categories
		Total trade Volume (KT) 294 Vs 398 LY	
			Outlook <ul style="list-style-type: none"> Continue to expand our footprint in the Global Trade Market. Actively pursuing opportunities in the non-captive space



Portfolio Performance – Foods

Company	KPI	KPI	Highlights
<div>Friesland Campina Engro</div> <div></div>	<div></div> <div>Revenue PKR.</div> <div>52bn -5% vs LY</div> <div>↓</div>	<div></div> <div>Profitability PKR.</div> <div>1.3bn 5% vs. LY</div> <div>↑</div>	<ul style="list-style-type: none">Post implementation of Sales Tax on UHT Milk, the packaged milk category has declined significantlyIncrease in profitability is mainly on the back of better mix and cost optimization. <div>Outlook</div> <ul style="list-style-type: none">The imposition of sales tax on packaged milk will continue to add financial strain on consumersContinue driving efficiencies across the value chain to deliver growth in challenging macro environment.



Recognition in 2025: Engro Group's Commitment to Excellence resonates Globally

40 awards for DE&I

Global Diversity, Equity & Inclusion Benchmarks (GDEIB) 2025 by HR Metrics.



11 Pakistan Digital awards

Pakistan Digital Awards on digital transformation, industrial tech, and sustainable innovation



OICCI Women Empowerment Awards

Winner for conducive workplace environment (EPCL)



Effie Pakistan Awards 2025

Secured Gold in Influencer Marketing and Silver in Social Media campaign



International Safety Award 2025

Distinction by the British Safety Council for world-class HSE standards at Daharki Plant.



ATD Best Awards 2025

Global recognition for talent development



OICCI Awards

Secured 2nd Runner-Up overall





Sustainability Initiatives

Environment



Society



Our People and Business





Sustainability Initiatives

PLANET

We manage our environmental footprint through

- **Energy efficiency projects** (e.g. feed gas enrichment unit 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)

PEOPLE

Our employees are our key resource that we empower through

- **Employee wellbeing programs and benefits**
- **Learning and development opportunities** (e.g. leadership development and functional trainings)
- **Talent and culture** (e.g. talent development program)
- **DE&I initiatives** (e.g. Break ke Baad returnship program, RISE series - a leadership development initiative for Engro women)
- **Health and safety** (e.g. robust HSE systems, implementation of Risk based assessment (RBA))

COMMUNITY DEVELOPMENT

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)

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**

