



engro fertilizers

Q1 2026

Corporate Briefing Session

24th APRIL 2026





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Agenda

	1	Highlights
	2	Business Performance
	3	Contributions & Challenges
	4	Q&A Session



1. Highlights





Macro Economic Overview – Global & Local



Global



Geopolitical uncertainty due to Middle East Crisis



Brent crude prices surged from \$65/bbl (Jan) to \$109/bbl (Mar)



Disrupted trade routes increasing cost of doing business



Rising Inflation



Local



Inflation

Mar'26: **7.3% YoY** (vs 5.6% in Dec);
HSD surged from 257/ltr to 336/ltr (Jan–Mar)



Exchange Rate

Remained stable at **~280**
PKR/USD



Policy Rate

Maintained at **10.5%** since Dec'25



Stock Market

KSE-100: **148,743** (Q1'26);
below Dec '25 peak of 174,054 points

Ongoing geopolitical tensions in Q1'26 continued to drive macroeconomic uncertainty and fuel price volatility, impacting the broader economy, trade and households.

Sources: Pakistan Bureau of Statistics, State Bank, IMF and PSX.



Q1 2026 – Agricultural Landscape



1. Farmer Economics

Farmer economics improved in Q1'26, with wheat prices up **~40% YoY** (PKR 3,200/maund vs. 2,300/maund SPLY) driven by government support initiatives, sustaining positive returns despite elevated production costs amid fuel price pressures.

2. Water Avails

Stable water supply and favorable crop conditions supported the Rabi season with no major climate-related disruptions and encouraging wheat prospects.

Kharif 2026 water availability remains strong at 3.3 million acre-feet (MAF) (highest in 7 yrs), a sharp improvement versus 2025's early-season shortages.



3. Input Costs

Cost of production rose amid fuel price escalations due to the Middle East conflict.

Government has announced targeted relief subsidies including small farmers to be offered a one-time diesel subsidy of Rs.1,500/acre to support harvesting activities during the ongoing crop season. Continued conflict may further increase input costs.

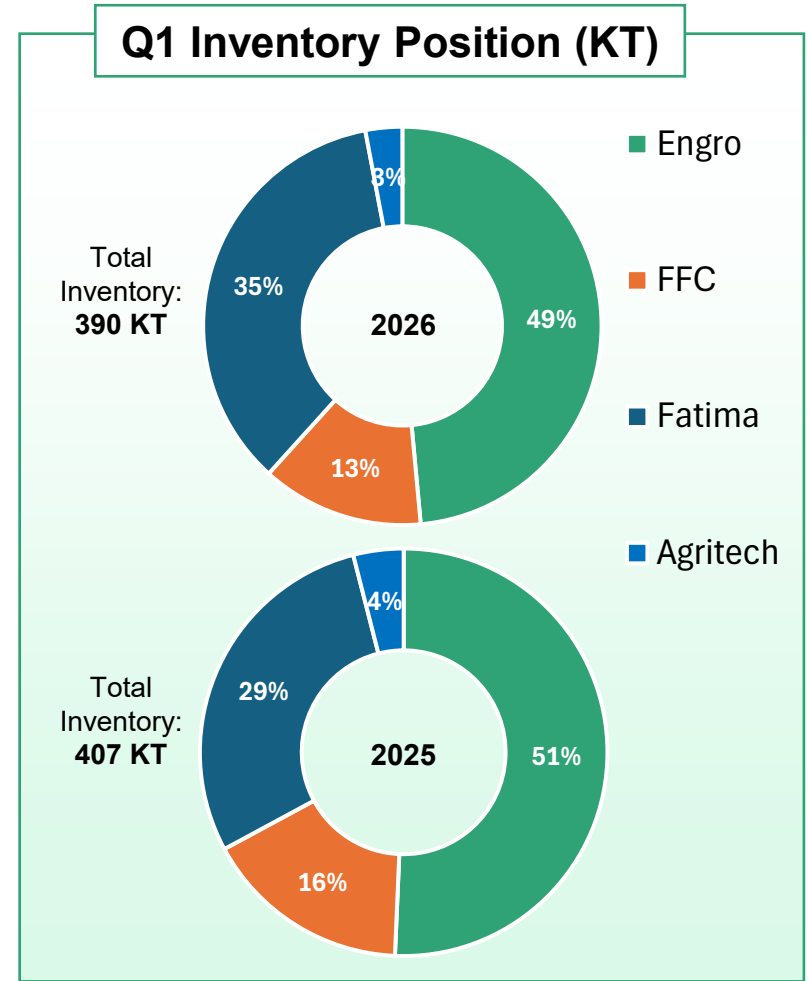
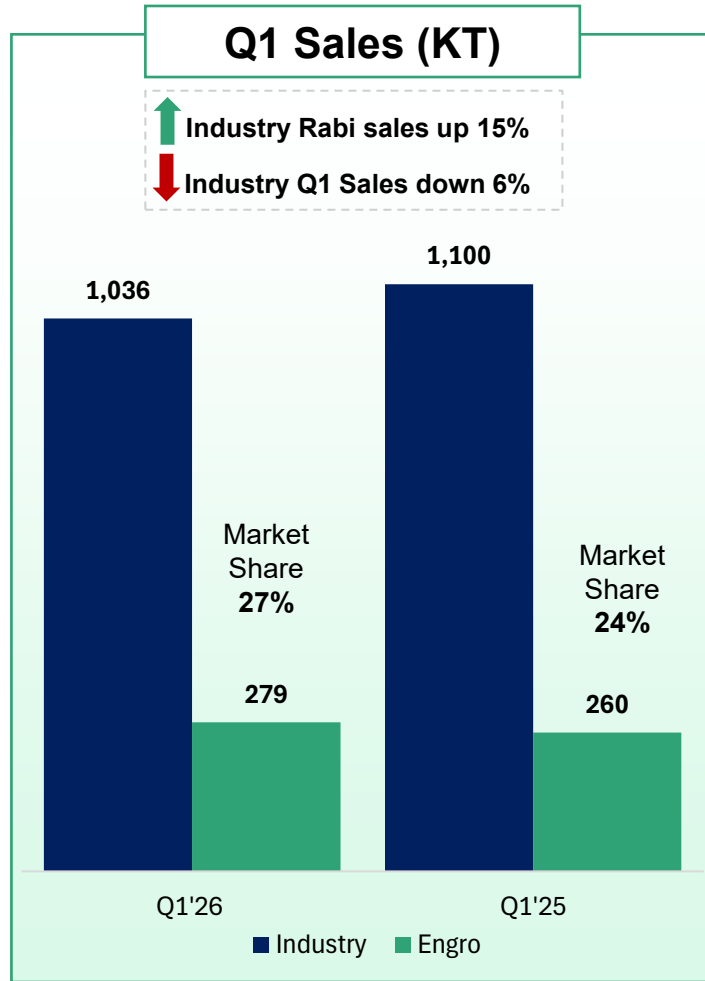


2. Business Performance





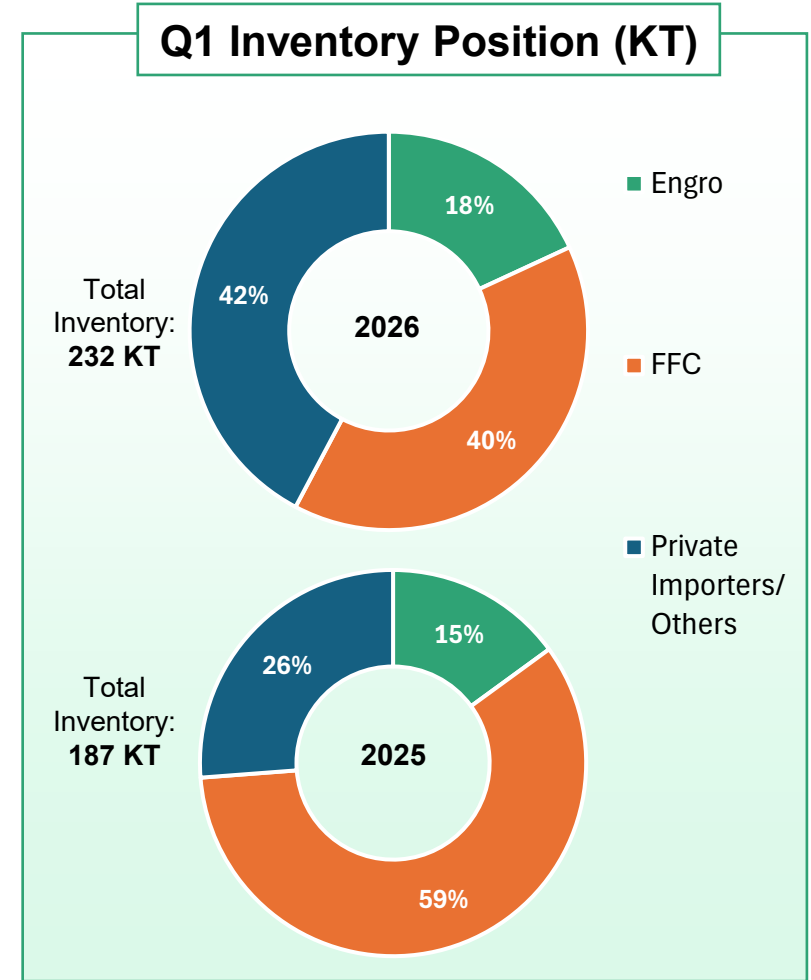
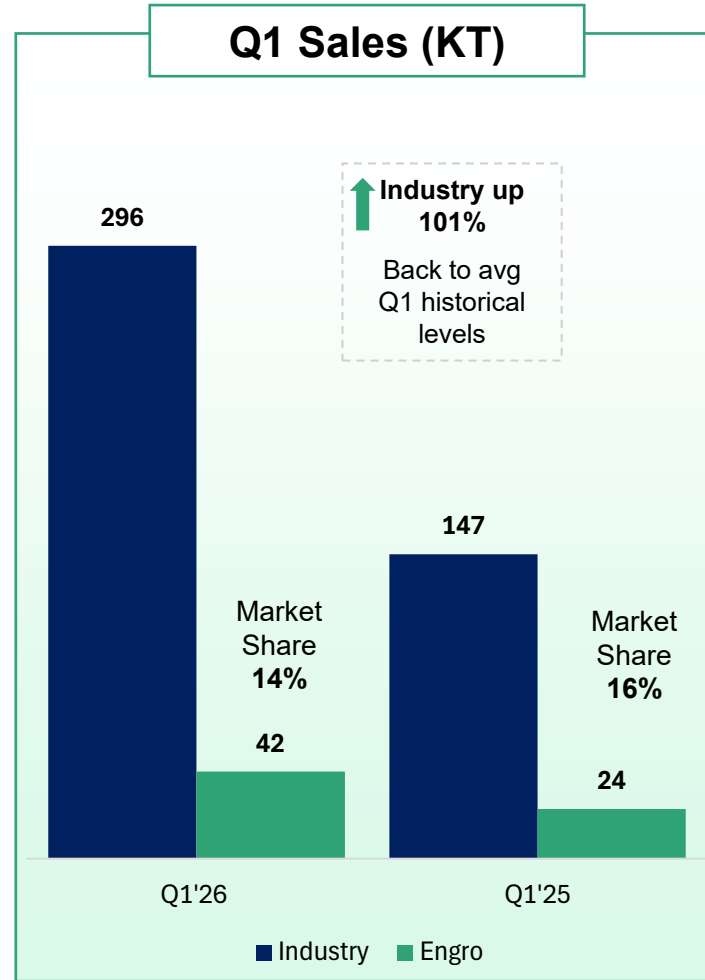
Urea Business



Industry offtake declined by 6% YoY in Q1'26 due to weak Jan'26 sales resulting from Dec'25 carryover inventory. Rabi season sales rose 15% YoY to 3,555 KT, with EFERT achieving a 38% market share, driven by favorable farm economics, stable water availability, and a positive crop outlook.



DAP Business



EFERT's market share slightly declined due to ongoing geopolitical uncertainty and pricing.



Financial Highlights – 1/2



Quarterly Financial Highlights



Revenue

↑ PKR **37.8** bn
24.8% vs SPLY



Profitability

↑ PKR **3.3** Bn
14.5% vs SPLY



EPS

↑ PKR **2.49**
vs. 2.17 SPLY

EFERT has announced first interim dividend of **PKR 2.0/share** for Q1'26.



Financial Highlights – 2/2



Revenue increased by
25%

Higher sales volumes, with urea sales up 19 KT (market share improved) and phosphate sales up 18 KT.



Gross Profit increased
by 10%

- Gross Profit increased due to higher sales volumes achieved
- Gross Margin has declined to 31% from 35% SPLY due to change in sales mix (higher contribution of trading portfolio) & higher cost of doing business



Net Profit increased
by ~15%

- Increase mainly driven by Gross Profit
- Net Profit Margin declined by 1% vs. 4% decline in Gross Margin, as a result of efficient management of S&D & Admin expenses

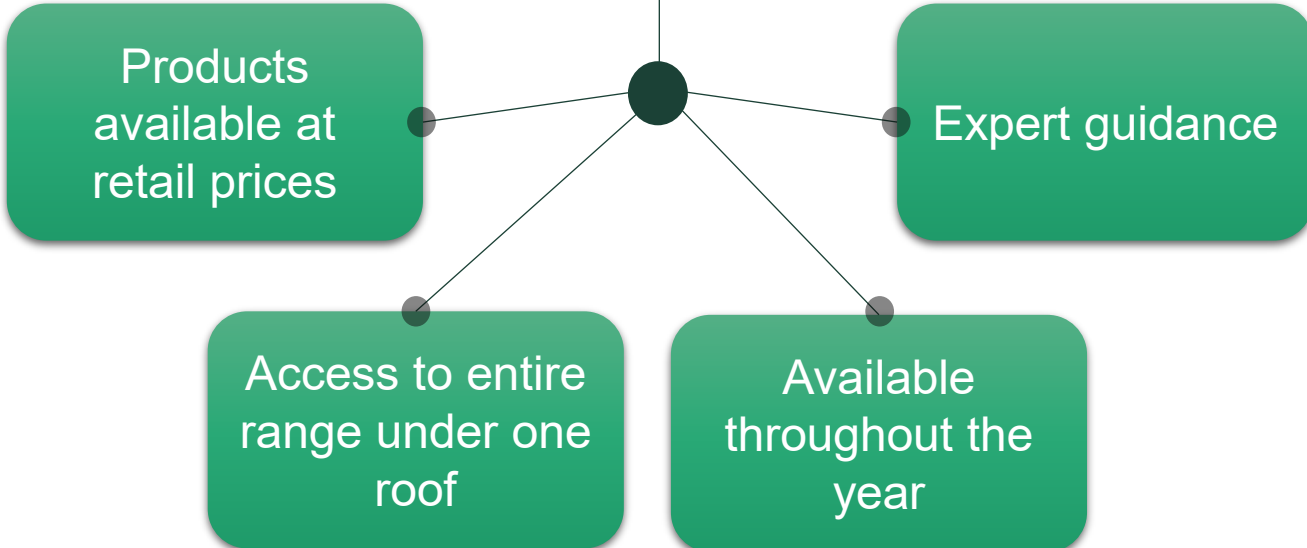


Debt to Capital 55%
vs 50% on Dec'25

Long Term Facility secured from SCB guaranteed by IFC for reliability projects.



Engro Markaz



Key Highlights of Engro Markaz

	To Date	Q1'26
Farmers Onboarded	1,500	170
No. of Stores*	6	2

*Four additional stores to come live by Q2'26

3. Contributions & Challenges





Contributing to the Nation

Contribution to the National Exchequer

The Company contributed ~**PKR 5.0 Bn** towards the National Exchequer by way of Government taxes, duties, and levies.

Import Substitution - shielding farmers from higher costing international Urea

	International Urea	Local Urea
MRP PKR / Bag Avg for Q1'26	10,420	4,649
Discount	5,770 (55%)	
MRP PKR / Bag As at 31 st Mar'26	14,811	4,649
Discount	10,160 (69%)	

Current Discount; As at 17th Apr'26 discount to international Urea Price is ~11,340 PKR/Bag (~71%)



Pressure Enhancement Facility

- **Approximately USD 300Mn CAPEX** by the fertilizer industry to enhance gas pressure from Mari field, thereby securing long-term sustainability of company operations
- **Phase 1**
 - **Scope 1:** Completed
 - **Scope 2:** In Progress, expected completion by Q3 2026
- **Phase 2:** Procurement & installation of compressors and other activities are in progress.

As of now, project timelines remain unchanged despite of the ongoing supply disruptions.





Thank you