

April 27, 2026

**The General Manager**

Pakistan Stock Exchange Limited  
Stock Exchange Building, Stock Exchange Road  
Karachi

Dear Sir / Madam,

**ANNOUNCEMENT OF FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED MARCH 31, 2026 (CONSOLIDATED AND STANDALONE)**

We would like to inform you that the Board of Directors of Engro Holdings Limited (the “Company”) in their meeting held on Monday, April 27, 2026 at 11:30 am (Pak Time) at Karachi, reviewed and approved the un-audited consolidated and standalone financial results of the Company for the first quarter ended March 31, 2026, and recommended the following:

**(i) CASH DIVIDEND**

Nil

**(ii) BONUS SHARES**

Nil

**(iii) RIGHT SHARES**

Nil

**(iv) ANY OTHER ENTITLEMENT / CORPORATE ACTION**

Nil

**(v) ANY OTHER PRICE-SENSITIVE INFORMATION**

Nil

**FINANCIAL RESULTS**

The un-audited financial results of the Company consisting of Consolidated and Standalone (1) Statement of Financial Position; (2) Statement of Profit or Loss Statement; (3) Statement of Other Comprehensive Income; (4) Statement of Changes in Equity and (5) Statement of Cash Flows along with (6) Directors' Report are annexed.

**EXPLANATION TO THE CONSOLIDATED FINANCIAL RESULTS**

- a) In the prior period financial results for the quarter ended March 31, 2025, as the thermal energy assets were classified as held for sale, a one-off accounting adjustment of Rs. 5,964 million (owners' share: Rs. 2,981 million) was recognized in accordance with IFRS 5. However, current period financial results for the quarter ended March 31, 2026 do not include any such accounting adjustment as the thermal assets are now part of continuing operations.



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- b) As previously notified to the Pakistan Stock Exchange on May 23, 2025, August 28, 2025, October 30, 2025, and February 27, 2026, the Scheme of Arrangement for the amalgamation of Deodar (Private) Limited (“DPL”) was sanctioned by the Islamabad High Court with an effective date of June 3, 2025. Accordingly, the consolidated financial results for the Group for the current period include the results of DPL, whereas no such contribution existed in the corresponding period last year.

The Quarterly Report of the Company for the first quarter ended March 31, 2026 will be transmitted through PUCARS separately, within the specified time and shall also be made available on our website [www.engro.com](http://www.engro.com).

Your sincerely,

For and on behalf of Engro Holdings Limited

**MOHAMMAD AMIN**  
Company Secretary

**Copied:**

Director / HOD, Listing Companies Department, Supervision Division, SECP  
NIC Building, 63 Jinnah Avenue, Blue Area, Islamabad

**ENGRO HOLDINGS LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2026**

(Amounts in thousand)

	(Unaudited) March 31, 2026	(Audited) December 31, 2025
-----Rupees-----		
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	552,588,413	544,183,262
Right-of-use assets	25,092,928	26,180,797
Intangible assets and Goodwill	51,974,531	52,490,603
Long-term investments	50,125,680	48,202,409
Deferred taxation	1,738,532	1,534,786
Financial assets at amortized cost	5,220,538	5,220,538
Derivative financial instruments	2,701,873	-
Net investment in leases	36,073,845	38,629,208
Long-term loans, advances, deposits and other receivables	7,206,011	6,586,382
	<u>732,722,351</u>	<u>723,027,985</u>
<b>CURRENT ASSETS</b>		
Derivative financial instruments	13,101	16,859
Stores, spares and loose tools	15,587,000	15,049,658
Stock-in-trade	49,015,355	38,133,228
Trade debts	58,961,993	71,192,485
Loans, advances, deposits and prepayments	16,991,236	9,808,859
Other receivables	56,559,140	50,280,994
Accrued income	319,777	216,630
Contract assets	9,373,906	8,579,687
Current portion of net investment in leases	9,648,352	9,411,277
Taxes recoverable	15,436,175	11,383,179
Short-term investments	97,308,339	110,653,667
Cash and bank balances	46,385,104	35,592,668
	<u>375,599,478</u>	<u>360,319,191</u>
<b>TOTAL ASSETS</b>	<u><u>1,108,321,829</u></u>	<u><u>1,083,347,176</u></u>

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(Amounts in thousand)

	(Unaudited) March 31, 2026	(Audited) December 31, 2025
-----Rupees-----		
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	12,042,320	12,042,320
<b>Reserves</b>		
Reserve arising as a consequence of Scheme of Arrangement	118,339,406	118,339,406
Revaluation reserve on business combination	1,665	1,665
Maintenance reserve	360,320	360,320
Exchange revaluation reserve	802,465	830,743
Hedging reserve	2,535,372	(162,743)
General reserve	700,000	700,000
Remeasurement of investments	(132,225)	223,816
Remeasurement of post-employment benefits	(37,886)	(37,886)
Unappropriated profit	84,971,222	75,011,114
	207,540,339	195,266,435
	219,582,659	207,308,755
Non-controlling interest	100,708,888	95,777,986
<b>TOTAL EQUITY</b>	<b>320,291,547</b>	<b>303,086,741</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	252,198,970	234,355,320
Long-term payable	-	3,942,473
Government grant	1,022,006	1,097,127
Deferred taxation	62,305,187	63,649,273
Lease liabilities	55,451,485	58,730,321
Deferred liabilities	8,252,148	6,762,931
	379,229,796	368,537,445
<b>CURRENT LIABILITIES</b>		
Trade and other payables	249,881,966	259,598,264
Accrued interest / mark-up	4,735,172	4,321,709
Current portion of:		
- borrowings	45,529,110	42,607,440
- government grant	380,867	405,870
- lease liabilities	17,636,294	17,296,290
- deferred liabilities	102,680	102,437
Provisions	29,218,973	27,966,674
Minimum tax payable	3,952,445	3,594,672
Short-term borrowings	54,370,900	55,169,480
Dividend payable	2,992,079	660,154
	408,800,486	411,722,990
<b>TOTAL LIABILITIES</b>	<b>788,030,282</b>	<b>780,260,435</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,108,321,829</b>	<b>1,083,347,176</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		

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**ENGRO HOLDINGS LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT**  
**OF PROFIT OR LOSS (UNAUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2026**

(Amounts in thousand except for earnings per share)

	Three months ended	
	March 31, 2026	(Restated) March 31, 2025
-----Rupees-----		
<b>CONTINUING OPERATIONS</b>		
Revenue	131,970,605	101,248,009
Cost of revenue	(95,253,480)	(69,601,411)
<b>Gross profit</b>	<b>36,717,125</b>	<b>31,646,598</b>
Selling and distribution expenses	(3,021,558)	(3,357,270)
Administrative expenses	(3,881,791)	(3,471,959)
Other income	3,055,688	2,477,943
Other operating expenses	(892,825)	(1,004,139)
(Loss) / gain on subsidy receivable from GoP	(129,559)	10,523
Remeasurement loss on carrying value of thermal assets	-	(8,130,000)
<b>Operating profit</b>	<b>31,847,080</b>	<b>18,171,696</b>
Finance costs	(11,161,772)	(8,054,963)
Share of income from joint venture and associates	1,960,103	684,179
<b>Profit before income tax, minimum tax and final tax</b>	<b>22,645,411</b>	<b>10,800,912</b>
Minimum tax and final tax	(2,968,361)	(1,082,991)
<b>Profit before income tax</b>	<b>19,677,050</b>	<b>9,717,921</b>
Income tax	(3,749,397)	(5,404,145)
<b>Profit from continuing operations</b>	<b>15,927,653</b>	<b>4,313,776</b>
<b>DISCONTINUED OPERATIONS</b>		
Loss from discontinued operations	-	(273,874)
<b>Profit for the period</b>	<b>15,927,653</b>	<b>4,039,902</b>
<b>Profit attributable to:</b>		
- Owners of the Holding Company	10,235,731	1,826,643
- Non-controlling interest	5,691,922	2,213,259
	<b>15,927,653</b>	<b>4,039,902</b>
<b>Earnings / (Loss) per share - basic and diluted</b>		
- continuing operations	8.50	1.75
- discontinued operations	-	(0.23)
	<b>8.50</b>	<b>1.52</b>

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**ENGRO HOLDINGS LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT**  
**OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2026**

(Amounts in thousand)

	Three months ended	
	March 31, 2026	(Restated) March 31, 2025
	-----Rupees-----	
Profit for the period	15,927,653	4,039,902
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Gain / (loss) arising during the period on hedging reserves	2,698,115	(129,893)
Exchange differences on translation of foreign operations	(28,278)	47,683
(Loss) / gain on remeasurement of short-term investment classified at fair value through other comprehensive income	(319,209)	53,680
Items that will not be reclassified subsequently to profit or loss		
Loss on remeasurement of long-term investments classified at fair value through other comprehensive income	(36,832)	(26,999)
<b>Other comprehensive income / (loss) for the period, net of tax</b>	<b>2,313,796</b>	<b>(55,529)</b>
<b>Total comprehensive income for the period</b>	<b>18,241,449</b>	<b>3,984,373</b>
<b>Total comprehensive income attributable to:</b>		
- Owners of the Holding Company	12,549,527	1,771,114
- Non-controlling interest	5,691,922	2,213,259
	<b>18,241,449</b>	<b>3,984,373</b>
<b>Total comprehensive income attributable to:</b>		
- continuing operations	18,241,449	4,258,247
- discontinued operations	-	(273,874)
	<b>18,241,449</b>	<b>3,984,373</b>

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ENGRO HOLDINGS LIMITED  
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED MARCH 31, 2026

(Amounts in thousand)

	Attributable to Owners of the Holding Company													Non-controlling interest	Total				
	Reserves																		
	Capital reserves						Revenue reserves												
	Reserves arising as a consequence of Schemes of Arrangement						Share capital	Share premium	Acquisition reserve	Demerger reserve	Against transfer of distributable reserves	Revaluation reserve on business combination	Maintenance reserve			Exchange revaluation reserve	Hedging reserve	General reserve	Remeasurement of Investments
Share capital	Share premium	Acquisition reserve	Demerger reserve	Against transfer of distributable reserves	Revaluation reserve on business combination														
Rupees																			
Balance as at January 1, 2025 (Audited)	4,812,871	-	-	-	-	1,665	390,074	832,468	46,486	700,000	36,812	67,258,071	(56,263)	69,209,313	158,096,795	232,118,979			
Effects of Scheme of Arrangement - restated	7,229,449	136,220,468	(53,817,783)	(10,063,279)	-	-	-	-	-	-	-	-	-	72,339,406	(89,632,134)	(10,063,279)			
<b>Total comprehensive income for the three months ended March 31, 2025 - restated</b>																			
Profit for the period - restated	-	-	-	-	-	-	-	47,683	(129,893)	-	26,681	1,826,643	-	1,826,643	2,213,259	4,039,902			
Other comprehensive income / (loss)	-	-	-	-	-	-	-	47,683	(129,893)	-	26,681	-	-	1,771,114	2,213,259	(55,529)			
	-	-	-	-	-	-	-	47,683	(129,893)	-	26,681	1,826,643	-	1,771,114	2,213,259	3,984,373			
<b>Transactions with owners</b>																			
Dividend by subsidiaries allocable to Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,066,964)	(10,066,964)			
Share issuance costs - restated	-	-	-	-	-	-	-	-	-	-	-	(60,664)	-	(60,664)	(60,664)	(60,664)			
	-	-	-	-	-	-	-	-	-	-	-	(60,664)	-	(60,664)	(10,066,964)	(10,127,628)			
<b>Balance as at March 31, 2025 (Unaudited) - restated</b>	12,042,320	136,220,468	(53,817,783)	(10,063,279)	-	1,665	390,074	880,151	(63,407)	700,000	63,493	69,024,050	(56,263)	143,259,169	60,610,956	215,912,445			
Effects of Scheme of Arrangement	-	-	-	-	46,000,000	-	-	-	-	-	-	(46,000,000)	-	-	-	-			
<b>Total comprehensive income for the nine months ended December 31, 2025</b>																			
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	53,805,975	-	53,805,975	49,184,773	102,990,748			
Other comprehensive income / (loss)	-	-	-	-	-	-	-	(49,408)	(79,336)	-	160,323	-	18,377	49,956	13,704	63,560			
	-	-	-	-	-	-	-	(49,408)	(79,336)	-	160,323	53,805,975	18,377	53,855,931	49,198,477	103,054,408			
Adjustment for allocation of profit from owners to NCI preference dividend shares	-	-	-	-	-	-	-	-	-	-	-	(1,848,665)	-	(1,848,665)	1,848,665	-			
<b>Transactions with owners</b>																			
Dividend by subsidiaries allocable to Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15,880,112)	(15,880,112)			
Transfer from unappropriated profit to maintenance reserve	-	-	-	-	-	-	(29,754)	-	-	-	-	29,754	-	-	-	-			
	-	-	-	-	-	-	(29,754)	-	-	-	-	29,754	-	-	(15,880,112)	(15,880,112)			
<b>Balance as at December 31, 2025 (Audited)</b>	12,042,320	136,220,468	(53,817,783)	(10,063,279)	46,000,000	1,665	360,320	830,743	(162,743)	700,000	223,816	75,011,114	(37,886)	195,266,435	95,777,986	303,086,741			

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ENGRO HOLDINGS LIMITED  
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED MARCH 31, 2026

(Amounts in thousand)

	Attributable to Owners of the Holding Company													Non-controlling Interest	Total	
	Reserves															
	Capital reserves						Revenue reserves									
	Reserves arising as a consequence of Schemes of Arrangement															
Share capital	Share premium	Acquisition reserve	Demerger reserve	Against transfer of distributable reserves	Revaluation reserve on business combination	Maintenance reserve	Exchange revaluation reserve	Hedging reserve	General reserve	Remeasurement of investments	Unappropriated profit	Remeasurement of post employment benefits	Sub-total			
Rupees																
Balance as at January 1, 2026 (Audited)	12,042,320	136,220,468	(53,817,783)	(10,063,279)	46,000,000	1,665	360,320	830,743	(162,743)	700,000	223,816	75,011,114	(37,886)	195,266,435	95,777,986	303,086,741
<b>Total comprehensive income for the three months ended March 31, 2026</b>																
Profit for the period	-	-	-	-	-	-	-	-	-	-	10,235,731	-	-	10,235,731	5,691,922	15,927,653
Other comprehensive income / (loss)	-	-	-	-	-	-	(28,278)	2,698,115	-	(356,041)	-	-	-	2,313,796	-	2,313,796
Effect of partial disposal of shares held in subsidiary company	-	-	-	-	-	-	(28,278)	2,698,115	-	(356,041)	10,235,731	-	-	12,549,527	5,691,922	18,241,449
Transactions with owners																
Dividend by subsidiaries allocable to Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,536,643)	(2,536,643)
Balance as at March 31, 2026 (Unaudited)	12,042,320	136,220,468	(53,817,783)	(10,063,279)	46,000,000	1,665	360,320	802,465	2,535,372	700,000	(132,225)	84,971,222	(37,886)	207,540,339	100,708,888	320,291,547

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**ENGRO HOLDINGS LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT**  
**OF CASH FLOWS (UNAUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2026**

(Amounts in thousand)

	Three months ended	
	March 31, 2026	(Restated) March 31, 2025
	-----Rupees-----	
<b>Cash flows from operating activities</b>		
Cash generated from operations	25,482,076	12,167,802
Retirement and other service benefits paid - net	(125,650)	(463,935)
Proceeds from net investment in leases	2,204,734	2,119,278
Finance income received on net investment in leases	1,292,881	1,524,878
Deferred incentive	(89,407)	82,894
Financial charges paid	(9,681,457)	(5,738,991)
Minimum and final tax paid	(2,610,588)	(1,082,991)
Taxes paid	(9,350,225)	(5,908,109)
Long-term loans and advances - net	(619,629)	(137,882)
Bank balance held under lien	(3,031,223)	208,569
Net cash generated from operating activities	<u>3,471,512</u>	<u>2,771,513</u>
<b>Cash flows from investing activities</b>		
Capital expenditure incurred	(16,296,032)	(5,488,363)
Sale proceeds on disposal of property, plant and equipment	110,273	132,217
Sale proceeds on disposal of subsidiary	-	2,406,754
Proceeds against partial disposal of subsidiary	1,500,000	-
Investments (made) / redeemed during the period - net	(3,050,883)	14,472,492
Income on deposits / other financial assets	2,775,286	4,121,072
Dividends received	-	225,000
Net cash (utilized in) / generated from investing activities	<u>(14,961,356)</u>	<u>15,869,172</u>
<b>Cash flows from financing activities</b>		
Borrowings / deferred liabilities - net	19,396,208	(7,249,089)
Loan note paid to PMCL	(12,769,033)	-
Lease rentals paid	(2,902,052)	(2,164,974)
Finance cost paid on lease liability	(875,779)	(1,043,030)
Shares issuance costs paid during the period	-	(60,664)
Dividends paid	(204,718)	(5,642,086)
Net cash generated from / (utilized in) financing activities	<u>2,644,626</u>	<u>(16,159,843)</u>
Net (decrease) / increase in cash and cash equivalents	(8,845,218)	2,480,842
Effect of exchange rate changes on cash and cash equivalents	(64,815)	94,317
Cash and cash equivalents at beginning of the period	62,907,427	27,883,296
Cash and bank balances transferred to DHPL	-	(261,767)
Cash and cash equivalents at end of the period	<u><u>53,997,394</u></u>	<u><u>30,196,688</u></u>

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**ENGRO HOLDINGS LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2026**

(Amounts in thousand)

	Unaudited March 31, 2026	Audited December 31, 2025
-----Rupees-----		
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property and equipment	1,054	1,359
Long-term investments	166,758,844	166,758,844
	<u>166,759,898</u>	<u>166,760,203</u>
<b>CURRENT ASSETS</b>		
Advances, deposits and prepayments	37,185	43,980
Other receivables	28,578	13,731
Taxation - net	-	1,100
Short-term investments	117,904	226,178
Cash and bank balances	3,619	4,708
	<u>187,286</u>	<u>289,697</u>
<b>TOTAL ASSETS</b>	<u><u>166,947,184</u></u>	<u><u>167,049,900</u></u>
<b>EQUITY</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Issued, subscribed and paid-up capital	12,042,320	12,042,320
Reserves	154,798,609	154,909,014
<b>TOTAL EQUITY</b>	<u>166,840,929</u>	<u>166,951,334</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	105,802	98,566
Taxation - net	453	-
<b>TOTAL LIABILITIES</b>	<u>106,255</u>	<u>98,566</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>166,947,184</u></u>	<u><u>167,049,900</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>		

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**ENGRO HOLDINGS LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND**  
**OTHER COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2026**

(Amounts in thousand except for earnings per share)

	Three months ended	
	March 31, 2026	(Restated) March 31, 2025
	-----Rupees-----	
Dividend income	-	134,150
Other income	4,217	93
<b>Total revenue</b>	<b>4,217</b>	<b>134,243</b>
Administrative expenses	(114,150)	(27,007)
<b>Gross (loss) / profit</b>	<b>(109,933)</b>	<b>107,236</b>
Finance costs	(6)	(1)
<b>(Loss) / profit before taxation</b>	<b>(109,939)</b>	<b>107,235</b>
Taxation	(466)	-
<b>(Loss) / profit for the period</b>	<b>(110,405)</b>	<b>107,235</b>
Other comprehensive income for the period	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(110,405)</b>	<b>107,235</b>
<b>(Loss) / Earnings per share - basic and diluted</b>	<b>(0.09)</b>	<b>0.09</b>

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ENGRO HOLDINGS LIMITED  
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED MARCH 31, 2026

(Amounts in thousand)

	Share Capital Issued, subscribed and paid-up capital Ordinary shares	Reserves				Sub-total	Total
		Capital Reserves		Revenue reserves			
		Reserve arising as a consequence of Scheme of Arrangement		General reserve	Unappropriated profit		
Share premium	Demerger reserve						
-----Rupees-----							
Balance as at January 1, 2025 (Audited)	4,812,871	-	-	700,000	27,859,335	28,559,335	33,372,206
Effect of Scheme of Arrangement - restated	7,229,449	136,220,468	(10,063,279)	-	-	126,157,189	133,386,638
Profit for the the three months ended March 31, 2025 - restated	-	-	-	-	107,235	107,235	107,235
Shares issuance costs - restated	-	-	-	-	(60,664)	(60,664)	(60,664)
<b>Balance as at March 31, 2025 (Unaudited) - restated</b>	<b>12,042,320</b>	<b>136,220,468</b>	<b>(10,063,279)</b>	<b>700,000</b>	<b>27,905,906</b>	<b>154,763,095</b>	<b>166,805,415</b>
Profit for the nine months ended December 31, 2025	-	-	-	-	145,919	145,919	145,919
<b>Balance as at December 31, 2025 (Audited)</b>	<b>12,042,320</b>	<b>136,220,468</b>	<b>(10,063,279)</b>	<b>700,000</b>	<b>28,051,825</b>	<b>154,909,014</b>	<b>166,951,334</b>
Loss for the the three months ended March 31, 2026	-	-	-	-	(110,405)	(110,405)	(110,405)
<b>Balance as at March 31, 2026 (Unaudited)</b>	<b>12,042,320</b>	<b>136,220,468</b>	<b>(10,063,279)</b>	<b>700,000</b>	<b>27,941,420</b>	<b>154,798,609</b>	<b>166,840,929</b>

**ENGRO HOLDINGS LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2026**

(Amounts in thousand)

	Three months ended	
	March 31, 2026	(Restated) March 31, 2025
	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash utilized in operations	(114,629)	(24,656)
Finance costs paid	(6)	(1)
Taxes and levy refund / (paid)	1,087	(14)
Dividend received	-	134,150
Income on deposits and other financial assets	4,217	93
Short-term investments - net	108,274	-
<b>Net cash (utilized in) / generated from operating activities</b>	<b>(1,057)</b>	<b>109,572</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(32)	-
<b>Net cash utilized in investing activities</b>	<b>(32)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Shares issuance costs paid during the period	-	(60,664)
<b>Net cash utilized in financing activities</b>	<b>-</b>	<b>(60,664)</b>
Net (decrease) / increase in cash and cash equivalents	(1,089)	48,908
Cash and cash equivalents at the beginning of the period	4,708	260,773
Cash and bank balances transferred to DHPL	-	(260,773)
<b>Cash and cash equivalents at the end of the period</b>	<b>3,619</b>	<b>48,908</b>

*Asst*

## Directors' Report for the three months ended March 31, 2026

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The Directors of Engro Holdings Limited (the "Company") are pleased to present their report for the first quarter ended March 31, 2026.

During the quarter, global conditions initially showed signs of stability but weakened toward the end of February following the escalation of the United States/Israel–Iran conflict. The resulting disruption in energy markets pushed Brent crude above US\$100 per barrel, leading to heightened volatility across LNG and fuel supply chains and intensifying global inflationary pressures. This reinforced the growing linkage between geopolitical risks and energy markets, with implications for trade flows and pricing dynamics.

Against this backdrop, Pakistan's diplomatic engagement in facilitating a two-week ceasefire between the United States and Iran on 8 April 2026, through coordinated efforts led by the Prime Minister and the Field Marshal, represents a constructive contribution toward regional de-escalation and supported near-term stability in market sentiment.

On the domestic front, macroeconomic indicators showed early signs of improvement but came under renewed pressure toward the end of the quarter. Inflation rose to 7.3% YoY in March 2026, while the trade deficit widened to US\$27.8 billion (+23% YoY), primarily driven by higher energy import costs and regional uncertainty.

The KSE-100 Index declined by 14.5% during 1QCY26 amid global risk-off sentiment and oil price shocks; however, relative currency stability and continued progress under the IMF program supported macroeconomic stability.

Pakistan does not only face a shortage of infrastructure; it also underutilises what it already has. Building new capacity requires time and capital. Using existing capacity better requires coordination and clearer prioritisation. In a capital-constrained environment, this distinction matters.

In the LNG and fertilizer value chains, current market conditions create a time-bound opportunity at a system level. Better alignment between LNG imports, pipeline capacity and fertilizer production across the industry could unlock additional value using existing infrastructure rather than new investment. While this requires coordination beyond any one company, it highlights the broader potential to improve returns by utilising what already exists more effectively.

### Our Central Goal

Engro Holdings remains focused on disciplined stewardship of shareholder capital, with the objective of generating sustainable, compounding cashflows per share over the long term.

This commitment is anchored not only in financial outcomes but also in Character and Good Manners (CGM), encompassing Truthfulness, Trustworthiness, Humility, Integrity, and Striving in Hardship (TTHIS). We view CGM not as a destination achieved, but as an ongoing journey that continues to shape how we think, decide, and act. That is the promise: not the absence of error, but the honesty to face it.

## Financial Performance

For the three months ended March 31, 2026, the Company reported consolidated PAT of PKR 15,928 million (attributable to shareholders: PKR 10,236 million), compared to PKR 4,040 million (attributable to shareholders: PKR 1,827 million) in the corresponding period last year, translating into an EPS of PKR 8.50 versus PKR 1.52. Prior period results included one-off impairment and related adjustments on thermal assets. Excluding this, PAT attributable to shareholders improved from PKR 4,808 million to PKR 10,236 million – growth of PKR 5,428 million year-on-year. The increase in core earnings is driven by inclusion of Deodar's financial results, higher volumes with improved margins in fertilizer and polymer businesses, and continued cost optimization efforts across the group.

On a standalone basis, the Company reported a loss after tax (LAT) of PKR 110 million, compared to a profit after tax (PAT) of PKR 107 million in the corresponding period last year, translating into an EPS of PKR (0.09) versus PKR 0.09. Shareholders should not read this as a deterioration. The result reflects the Group's capital allocation approach, where cash is retained at the operating level unless required upstream. For the foreseeable future, standalone profitability is not a meaningful measure of performance; consolidated cashflow per share is the appropriate lens, and it is on that basis that we ask to be measured.

## Our Assets

### Fertilizers

The fertilizer segment delivered improved performance during the quarter, supported by higher urea offtake driven by better farmer economics and water availability.

Inventory levels increased during the period and remain an area to monitor. Margins continue to be influenced by input costs, particularly phosphates (DAP), packaging and energy. While urea pricing remains relatively stable, movements in input costs and the phosphates segment remain key drivers of profitability.

### Polymers

The polymer business delivered improved profitability during the quarter, supported by stronger PVC margins and stable operations.

However, elevated RLNG prices and energy levies remain key headwinds. While the business benefits from its position as the only domestic PVC producer, it operates with structurally higher energy costs than international producers. This cost gap continues to constrain long-term competitiveness.

During the quarter, Lotte Chemical Pakistan Limited expressed interest in acquiring Engro Corporation's shareholding in EPCL. We are evaluating this opportunity and will update the market as appropriate.

### Telecom Infrastructure (Towers)

In the towers business, returns are driven primarily by utilisation of existing sites through colocation rather than only expanding the footprint. The focus remains on increasing tenancy across the current network, which improves returns without significant additional capital.

Industry structure is an important driver of this. Consolidation among operators can improve pricing discipline and support higher ARPUs, enabling greater investment in network quality and coverage. While this may create some near-term rationalisation in networks, it strengthens the sector's ability to invest over time.

The rollout of 5G further reinforces this dynamic. Growth in data consumption, along with increasing demand for network reliability and speed, is expected to drive densification, higher power requirements and greater fiber connectivity across the ecosystem.

In this environment, our role is gradually evolving beyond simply providing sites, as we work more closely with customers to support efficient network rollout. By aligning infrastructure availability with customer requirements, we can help improve utilisation of existing sites while lowering the overall cost of network expansion for operators. Over time, this alignment between demand, investment and infrastructure utilisation is expected to be a key driver of growth.

### **Energy**

The energy portfolio continues to generate steady cashflows, supported primarily by availability-based returns rather than dispatch levels. This provides stability in earnings, although the broader power system continues to face structural inefficiencies.

Our assets are anchored in local resource utilisation. The Thar coal mine and power plant generate electricity from domestic coal, while the Qadirpur plant uses indigenous gas. These assets sit among the lower-cost sources of power in the system and reduce reliance on imported fuels.

At a system level, parts of the generation fleet, including low-cost capacity, remain underutilised due to transmission constraints and demand absorption. Addressing these bottlenecks would improve overall efficiency and enable more productive use of existing capacity.

Within this context, our focus remains on maintaining operational reliability and cost discipline, while navigating ongoing regulatory and sector reforms.

### **Terminals**

While contributing less than 3% to profitability, the terminals business plays a critical strategic role, supporting approximately 15% of Pakistan's gas supply.

Throughput remains exposed to LNG supply disruptions, particularly in the context of geopolitical instability. Over the longer term, liberalisation of the LNG sector and effective third-party access could enable more efficient utilisation of infrastructure.

The renewal of the Implementation Agreement for Engro Vopak remains a priority; we continue to engage constructively with the Government on this matter.

### **Trading**

The trading business delivered strong topline performance during the quarter, driven by higher volumes and margins. Activity remains exposed to supply disruptions and commodity price volatility, while continuing to provide diversification and international market access.

### **Foods**

Pakistan's dairy sector remains one of the country's most significant consumer categories, contributing approximately 5% to GDP and representing an estimated PKR 5 trillion market. However, only around 5% to 7% of total milk consumed is processed, highlighting substantial headroom for formal market expansion. Within this context, the business retains an estimated 60% market share of the processed segment. Consumer preference for lower-priced loose milk, often perceived as fresher or higher quality, continues to influence category dynamics and makes broad-based conversion to packaged milk gradual in nature.

In this context, sustained value creation depends on strengthening value-added dairy categories, expanding distribution capabilities and improving market reach and penetration. The business continued to execute against this strategy resulting in a notable increase in profitability versus last year supported by higher sales of value-added products, efficiency gains across the value chain and stronger overall volumes while maintaining disciplined cost and operational controls. We remain mindful that the business is still in the early stages of this transition - early signals are encouraging, but consistent execution over time will be the real test.

## Capital Allocation

Your Board has elected not to declare an interim cash dividend for the quarter ending March 31, 2026. During the year, the Board approved a proposal to undertake a share buyback, which will be presented to shareholders for approval at the Annual General Meeting scheduled for April 28, 2026.

This decision is grounded in the Company's disciplined capital allocation framework, which prioritises: (i) maintaining balance sheet strength and liquidity; (ii) reinvestment in high-return internal opportunities; (iii) evaluation of external growth opportunities; (iv) share buybacks; and (v) dividends.

In this context, the Board considered returning cash through dividends but chose to retain flexibility given ongoing investment commitments and current market conditions.

The proposed buyback is intended not only as a mechanism for capital return, but also as an optionality tool, providing the Company with flexibility to act when the Company's shares trade *meaningfully below their intrinsic value*.

## Business Outlook

As we look ahead, Pakistan's macroeconomic environment remains vulnerable to ongoing geopolitical tensions, particularly the conflict in the Middle East, which is impacting global energy markets, trade flows, and supply chains. Elevated oil prices, freight disruptions, especially around key maritime routes and currency pressures are expected to sustain inflationary trends and strain external balances. While macro stability at the start of the year provided some support, the current external shocks may weigh on growth, increase input costs, and disrupt availability of critical commodities going forward. In this environment, operational resilience and disciplined capital allocation remain central to sustaining performance.

**Fertilizers:** Margins remain sensitive to DAP prices and vessel availability, while urea demand is supported by farmer economics and favourable water availability ahead of the Kharif season. Global supply chain risks persist.

**Polymers:** Despite improvement in PVC prices, the business remains exposed to elevated energy costs and supply constraints in key inputs arising from cargo disruptions.

**Towers:** Growth will depend on colocation demand and customer investment cycles, particularly as 5G rollout progresses. The focus remains on building on the progress made in the first year as a combined platform, while maintaining disciplined capital allocation and supporting the expansion of digital connectivity across Pakistan.

**Energy:** The business is expected to remain stable, with EPTL and EPQL continuing to operate reliably while supporting the economy through the use of local fuel, particularly at a time of global turmoil when

imported fuel costs remain elevated. However, mining operations at SECMC may face disruptions in case of diesel shortage.

**Foods:** Demand remains sensitive to consumer purchasing power in an inflationary environment, while the business focuses on cost optimisation and expanding its value-added portfolio.

**Terminals:** Throughput remains exposed to LNG supply disruptions and potential force majeure events linked to the Middle East conflict, which could reduce throughput and lead to lower capacity utilisation.

**Trading:** Activity remains constrained by supply-side disruptions, including force majeure by major suppliers and closure of product flow through the Strait of Hormuz, with higher commodity prices further impacting customer demand.

## Closing

The portfolio remains aligned with long-term demand across food, energy, and digital infrastructure. Management continues to monitor the evolving geopolitical and geo-economic landscape and is actively evaluating mitigations across each business.

As stewards of your capital, we do not promise the absence of mistakes, but we do commit to honest accountability, disciplined learning, and continuous improvement in every decision we make. Our responsibility is to allocate capital thoughtfully, act with integrity, and remain focused on building a stronger enterprise that can compound durable long-term value for all shareholders.



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**Hussain Dawood**  
Chairman



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**Abdul Samad Dawood**  
Chief Executive Officer