Q2 2026

Corporate Briefing Session

5th August 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 SHOCKS

- Strait of Hormuz severely disrupted: **~30%** of global fertilizer flows disrupted
- Disrupted trade routes also increased cost of doing business

COMMODITY PRICES

- Crude peaked > **$100/bbl**; freight & insurance costs spiked sharply
- Urea peaked ~**$900/t**; DAP ~**$933/t** — highest levels since 2022 food crisis
- Sulphur hit record **$1,095/t** — squeezing phosphate production economics

FERTILIZER SUPPLY

- Iran & Qatar lost export access: **~11** Mn tons urea removed from global markets
- OCP Morocco production curtailed; Chinese export restrictions compounded supply shock

Local

Inflation

Jun’26: **11.1% YoY** (vs 7.3% Mar’26);

Energy & transport costs elevated due to ME conflict

Policy Rate

Raised by 100bps to **11.5%** in Apr’26

first hike since Jun’23

Exchange Rate

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

Stock Market

KSE-100: **169,000** (Avg Q2); up 43% YoY

Pakistan's domestic urea production capacity proved a critical buffer, insulating local farmers from the full impact of global nitrogen price spikes and supply disruptions.

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

Q2 2026 – Agricultural Landscape

1. Farmer Economics

Farmer economics were broadly positive, Punjab's official wheat support price of PKR 3,500/maund and open market prices of PKR 3,700–4,650 per 40 kg improved returns for wheat growers; however, DAP prices surging from PKR 14,000 to PKR 16,000/bag significantly compressed demand and impacted farmer affordability, particularly for smallholder farmers.

Improved rice prices (IRRI-6: PKR 3,000-3,200/maund; Long Grain: PKR 4,000-4,400/maund), is expected to enhance farmer liquidity and support fertilizer consumption, provided weather conditions remain favourable.

2. Water Avails

Stable water supply and favourable crop conditions supported the season with no major climate-related disruptions and encouraging crop prospects. Looking ahead, satisfactory water availability in reservoirs and canal systems is supporting ongoing Kharif sowing activity, with favourable crop outlooks expected to sustain healthy fertilizer demand.

3. Input Costs

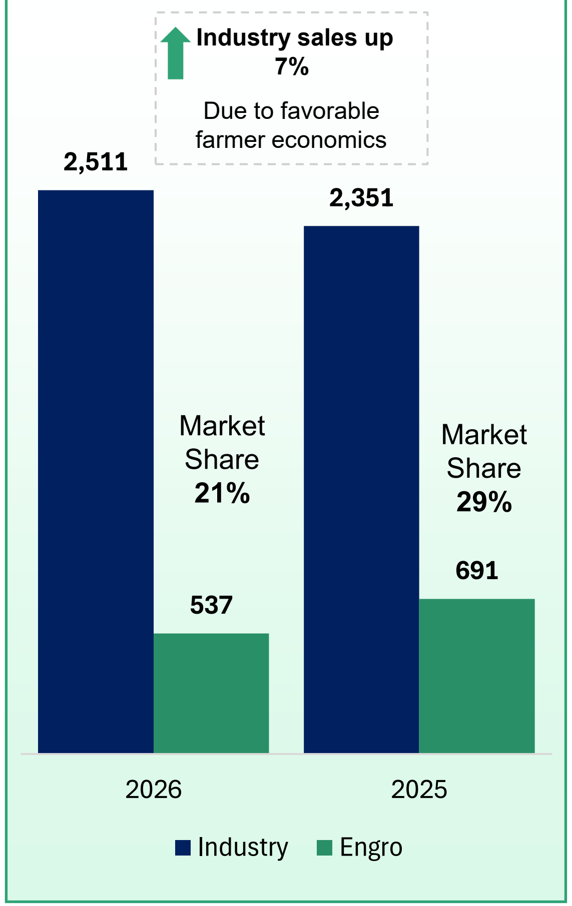
Farm input costs rose in Q2 2026, primarily driven by fuel price escalation — while DAP prices spiked sharply on global supply disruptions.

While geopolitical uncertainty and its impact on input costs remains a risk, projected increase in institutional agricultural credit alongside healthy water availability and strong wheat returns, should help sustain farmer confidence and cushion elevated input costs.

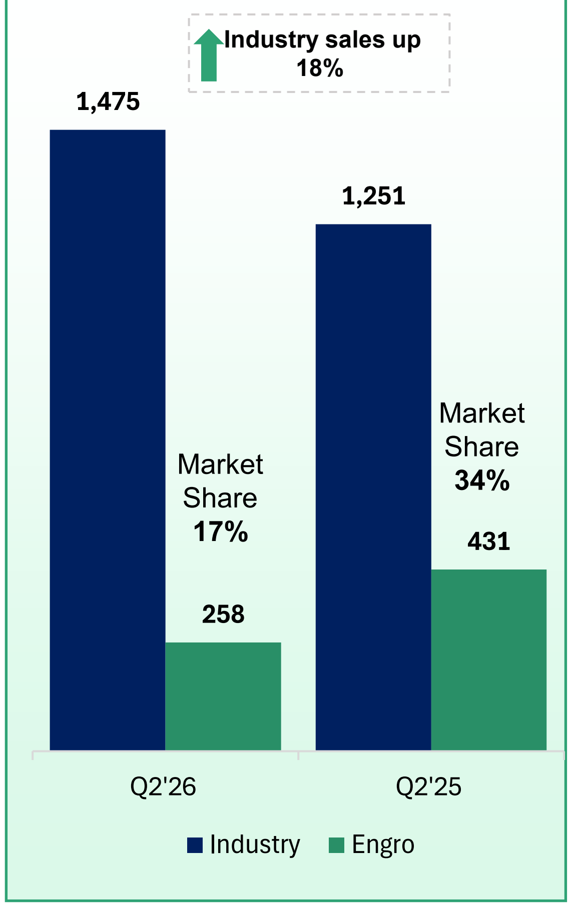
2. Business Performance

Urea Business

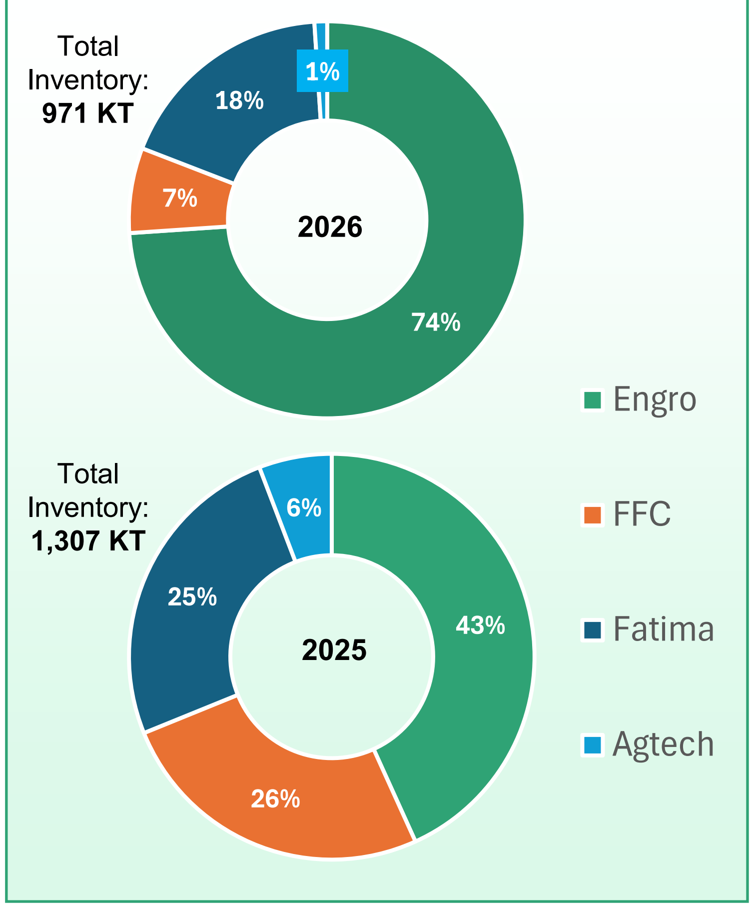
YTD Sales (KT)



Q2 2026 Sales (KT)

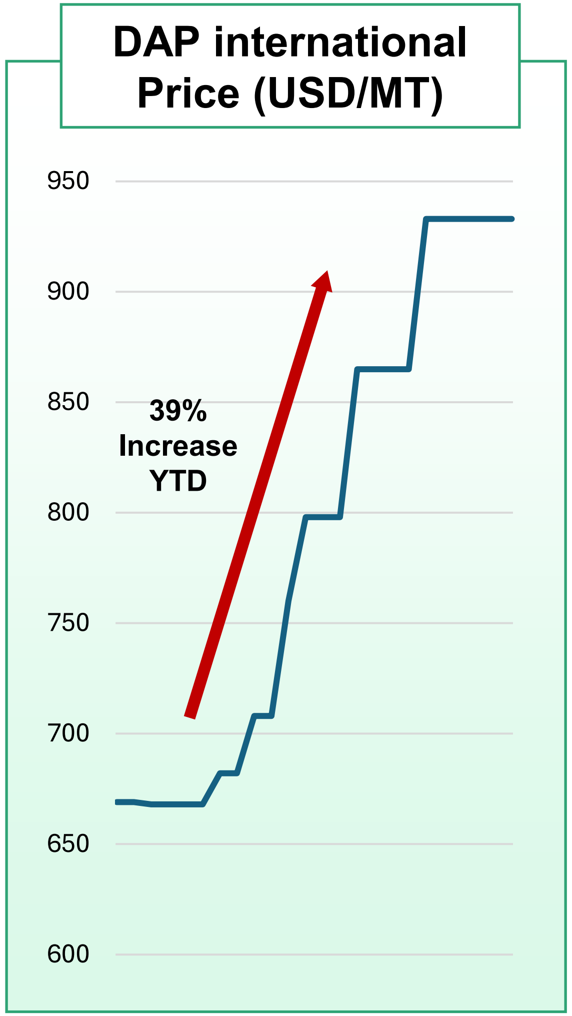


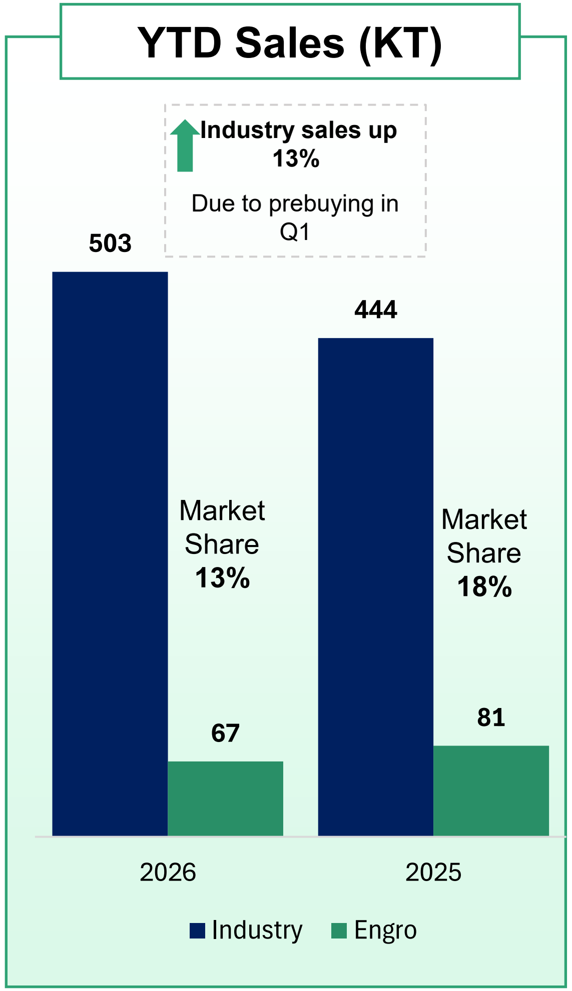
Q2 Inventory Position (KT)

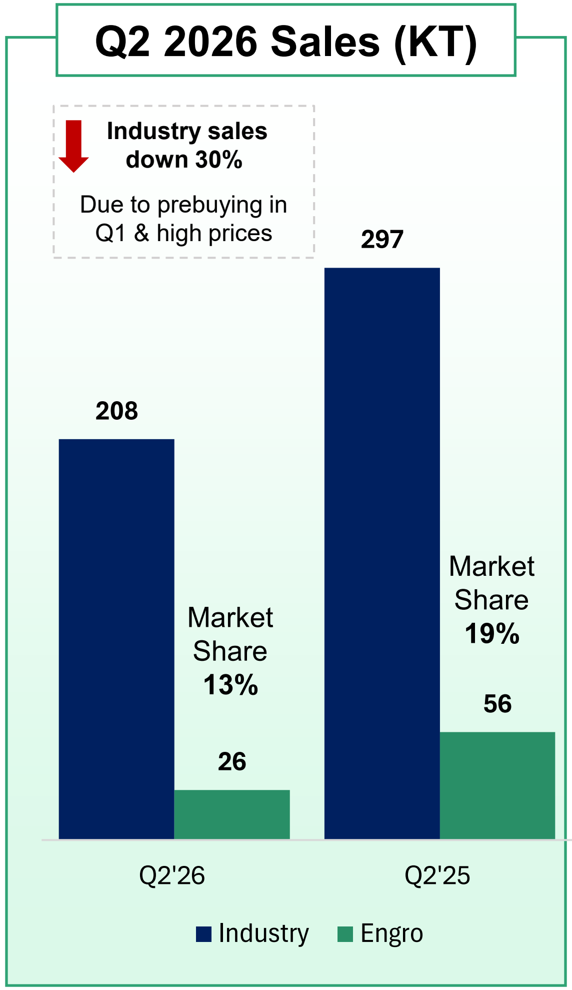


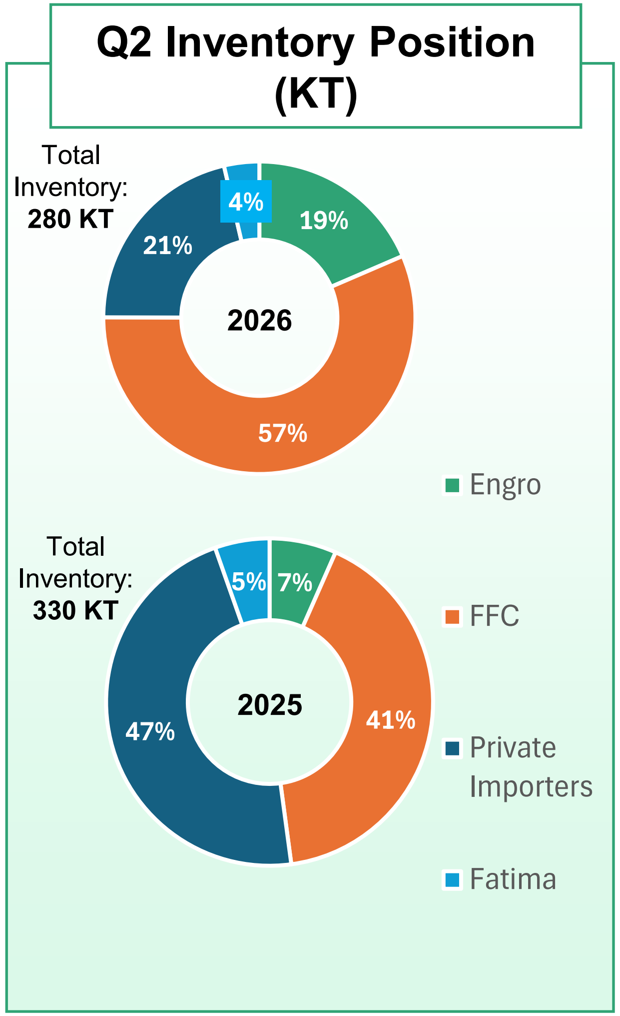
EFERT's market share declined due to planned pricing actions - necessitated by a comparatively higher gas cost structure - though EFERT remains well-positioned to capitalise on 2H 2026 demand recovery with a strong inventory.

DAP Business









Despite trade route disruptions and volatile global prices, EFERT ensured continuous product availability; however, market share was impacted by elevated pricing.

Note: All figures for phosphates fertilizers (DAP +TSP)

Financial Highlights – 1/2

Quarterly Financial Highlights

Revenue	Profitability	EPS
PKR **33.1** Bn	PKR **3.8** Bn	PKR **2.85**
-34% vs SPLY	-32% vs SPLY	vs. 4.17 SPLY

Year To Date Financial Highlights

Revenue	Profitability	EPS
PKR **70.9** Bn	PKR **7.1** Bn	PKR **5.33**
-12% vs SPLY	-16% vs SPLY	vs. 6.34 SPLY

EFERT has declared a dividend of **PKR 1.75/share** for **Q2'26, vs** PKR 4.25/share in Q2'25.
YTD Dividend PKR 3.75/share vs. PKR 6.50/share SPLY**.**

Financial Highlights – 1H 2026 vs 1H 2025 – 2/2

Revenue decreased by **12%**	• Lower urea sales volumes (down 154 KT) reflecting planned pricing actions to preserve margins amid a higher gas cost structure. • Lower DAP sales (down 14 KT) due to ongoing geopolitical uncertainty, supply disruptions and elevated import prices.
Gross Profit decreased by **11%**	• Gross Profit decreased due to lower sales volumes while Gross Margin has been maintained at 33%.
Net Profit decreased by **16%**	• Decrease driven by lower sales volumes, decrease in other income, partially offset by a one-off gain of remeasurement gain on SIDC provision.
Debt to Capital 56% vs 50% on Dec'25	• Increase in financing due to higher working capital requirements.

Engro Markaz

- Products available at retail prices
- Expert guidance
- Access to entire range under one roof
- Available throughout the year

Key Highlights of Engro Markaz

	To Date	Q2’26	Q1’26
Farmers Onboarded	1,957	487	170
No. of Stores	10	2	2

*Two additional stores to come live by Q3’26

3.Contributions & Challenges

Contributing to the Nation

Contribution to the National Exchequer

The Company contributed **PKR 8.8 Bn** towards the National Exchequer by way of Government taxes, duties, and levies.

Import Substitution - shielding farmers from higher costing international Urea

	International Urea (Landed Cost)	Local Urea
MRP PKR / Bag Avg for Q2'26	12,700	4,749
Discount	**7,951 (63%)**	

Current Discount; As at 31st Jul'26 discount to international Urea Price is ~3,800 PKR/Bag (45%)

PEF Update

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**: Construction, installation other activities are in progress expected completion by Q1 2027.