Flash Note

Monday, October 19, 2026

IGI Securities
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Fertilizer

Engro Fertilizer Limited (EFERT)

Earnings: Engro Fertilizer Limited (EFERT) announced it 3QCY26 result. The Company reported consolidated earnings of PKR 9.1bn (EPS PKR 6.83) during 3QCY26, up by +57%y/y, compared to profit of PKR 5.8bn (EPS PKR 4.35) in the same period last year. For the nine months period ended September 30, 2026, the Company's earnings clocked in at PKR 16.2bn (EPS PKR 12.2), up by +14%y/y, as compared to PKR 14.3bn (EPS PKR 10.7) in the same period last year.

Dividend/Payout: The Company announced cash dividend of PKR 5.5/share along with the result taking the cumulative dividend for 9MCY26 to PKR 9.3/share.

Operating Performance: During 3QCY26, Company's net sales inclined by +45%y/y clocking in at PKR 79.6bn as compared to PKR 54.8bn in the same period of last year. However, net sales were up by -2.4xq/q on the back of higher Urea and DAP offtakes. Gross margins increased to 35% during the quarter compared to 33% in the same period last year. Company's administrative expenses increased by +2%y/y while selling costs rose by +33%y/y. Other Income decreased by -19%y/y to PKR 433mn. Company's finance cost increased by +90%y/y to PKR 2.4bn during 3QCY26 likely due to higher borrowings. Tax charge clocked in at PKR 6.7bn as compared to PKR 3.8bn charged in 3QCY25. Effective tax rate during 3QCY26 stood at 42% as compared to 39% in the same period last year.

Exhibit: Engro Fertilizers Limited (EFERT)

in PKRbn

Period end (Mar)	3Q'26	3Q'25	y/y	2Q'26	q/q	9MCY'26	9MCY'25	y/y
Net Sales	79.6	54.8	45%	33.1	141%	150.4	135.5	11%
Cost of Sales	51.7	36.9	40%	21.2	143%	99.0	91.1	9%
Gross Profit	27.9	17.8	56%	11.8	136%	51.4	44.4	16%
Gross Profit margin	35%	33%		36%		34%	33%	
Admin	1.3	1.3	2%	1.3	-2%	3.8	4.3	-10%
Selling & Dist.	7.1	5.3	33%	3.9	81%	14.3	11.9	19%
EBIT	18.5	10.8	71%	6.5	186%	32.1	27.6	16%
EBIT margin	23%	20%		20%		21%	20%	
Finance Cost	2.4	1.3	90%	1.9	28%	5.7	4.1	38%
Profit before tax	15.8	9.6	65%	6.6	141%	27.9	23.7	18%
Tax	6.7	3.8	78%	2.8	143%	11.7	9.4	24%
Effective tax rate	42%	39%		42%		42%	40%	
Profit after tax	9.1	5.8	57%	3.8	140%	16.2	14.3	14%
Net Margins	11%	11%		11%		11%	11%	
EPS	**6.8**	**4.4**		2.8		**12.2**	10.7	
DPS	**5.5**	**4.5**		1.8		**9.3**	11.0	

Source: Company Accounts, IGI Research No. of Shares: 1335.3mn.

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