Engro Fertilizers Limited
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October 20, 2026

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Subject: Analyst briefing on business results of Engro Fertilizers Limited for Q3 2026

Dear Sir,

Engro Fertilizers Limited is hosting an investors/analysts' briefing to brief about the Company's business results for Q3 2026. The briefing will be an online event that will be held via video conferencing (Zoom).

To join the session, please use the link given in the meeting details below on the given time.

Date	Friday, 23rd October 2026
Time	04:00 PM – 05:00 PM (Pak Time)
Venue	Virtual Zoom Meeting
Meeting link	https://engro.zoom.us/j/97640220507
Meeting ID	976 4022 0507
Passcode	308791

Questions for the analysts' briefing may be submitted in advance via email at efert.ir@engro.com. For any inquiries pertaining to the session, please contact Mr. Abdullah Yousuf Kothawala, General Manager – Finance & Planning, at the aforementioned email address.

Participants are requested to share their feedback on the session by submitting comments or indicating likes/dislikes on the recorded video through the following link: https://forms.gle/jdSedABk3TPGK1dFA.

We would appreciate your assistance in communicating this information to the TREC Holders of the exchange.

Best Regards,



Muhammad Imran Khalil
Chief Financial Officer

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Note for attendees of the Analyst Briefing

Following are the best practices to attend an Analyst Briefing via videoconferencing that we would request all online attendees to follow:

- Kindly join 5 to 10 minutes in advance of the scheduled time of the analyst briefing.
- Please enter your name and the name of your respective institution in the following format 'Full Name - Institution' while entering the meeting ID.
- The briefing attendees would be requested to stay on 'mute' mode.
- For the Q&A part of the session, the briefing attendees would be requested to type their questions or comments in the chat box so that the session moderator can read them along with their name and respond accordingly.
- The attendees can also use the actions available on Zoom and raise a hand so that it becomes visible to the session moderator, and the respective meeting attendee would subsequently be asked to go on 'unmute' mode and ask their questions or mention their comments.

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Q3 2026

Corporate Briefing Session

23rd October 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 remains disrupted since the June peace deal did not hold
- Recent attacks on Saudi airports and energy infrastructure add further risk to the supply chains
- Disrupted trade routes keep freight & insurance high

COMMODITY PRICES

- Brent Crude averaged > $90/bbl. in Q3 (spot ~$104)
- Urea eased to ~$450/t by Sept end vs. the peak of $900/t; DAP ~$910/t (+35% YTD) vs. the peak of $930/t
- Sulphur & ammonia costs remained elevated

FERTILIZER SUPPLY

- China added 1.5–2 Mn tons urea export quota
- Chinese phosphate export curbs and Saudi DAP rerouting maintained pressure on global prices

Local

Inflation

Sep'26: **10.3%** YoY (vs **5.8%** Sep'25);
Q3 Avg **10.2%** vs **11.2%** in Q2

Policy Rate

Held at **11.5%**
unchanged since Apr'26

Exchange Rate

Stable at **~277 PKR/USD**

Stock Market

KSE-100: **176,159** (Q3 Avg);
up 20% YoY
vs.180,301 Q2 26 closing

The GoP continued its efforts to maintain domestic macroeconomic stability amid geopolitical tensions and global economic volatility. This helped Pakistan's agricultural sector remain resilient, further supported by steady domestic fertilizer availability.

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

Q3 2026 – Agricultural Landscape



1. Farmer Economics

Farmer economics remained supportive in Q3 2026. Higher maize prices (PKR 2,400/maund vs PKR 2,100 last year), cotton prices (PKR 8,400/maund vs PKR 7,100) and hybrid paddy prices (PKR 2,800/maund vs PKR 2,100) improved grower returns. However, DAP prices escalation during the quarter from PKR 16,500 to PKR 17,000 per bag (vs PKR 13,580 in Q3 LY) constrained affordability and impacted demand, especially among smallholder farmers.

Healthy crop economics are expected to sustain farmer liquidity and fertilizer consumption, provided weather conditions remain favorable. The Government has also indicated that the Rabi 2026-27 wheat support price will tentatively be above PKR 4,000 per 40 kg under the upcoming National Wheat Policy, which should encourage farmers to plant wheat.



2. Water Avails

Water availability increased by approximately 11% during Kharif 2026 compared to last year, supporting higher crop sowing and strengthening fertilizer demand. Favorable weather conditions and the absence of major climate-related disruptions supported crop development throughout the season, resulting in encouraging yield prospects.



3. Input Costs

Farm input costs rose in Q3 2026, primarily driven by fuel price escalation and DAP price spike sharply due to global supply disruptions. However, domestic Urea continued to be sold at a significant discount to international prices.

Positive crop returns, indicative wheat support price and water availability should sustain farmer confidence and offset impact of elevated input costs

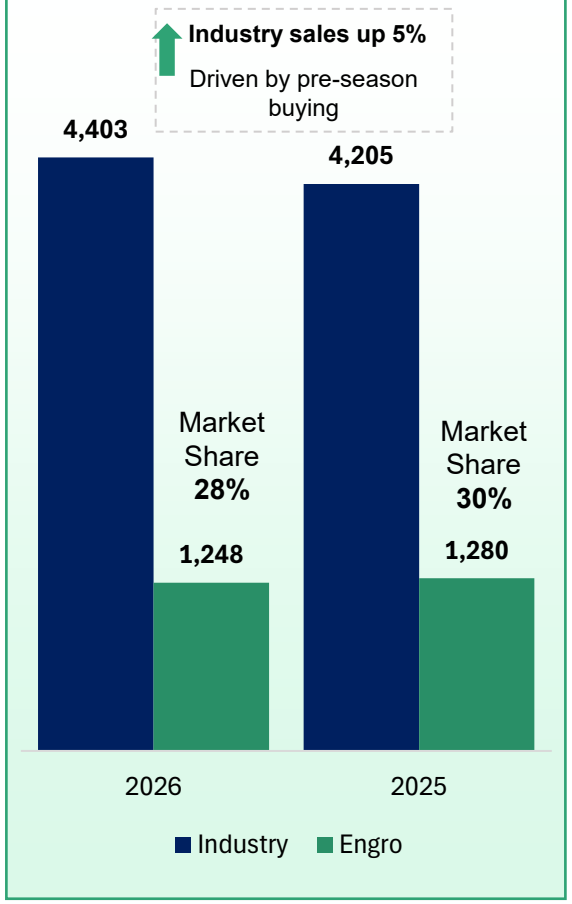
Sources: Based on internal estimates

2. Business Performance

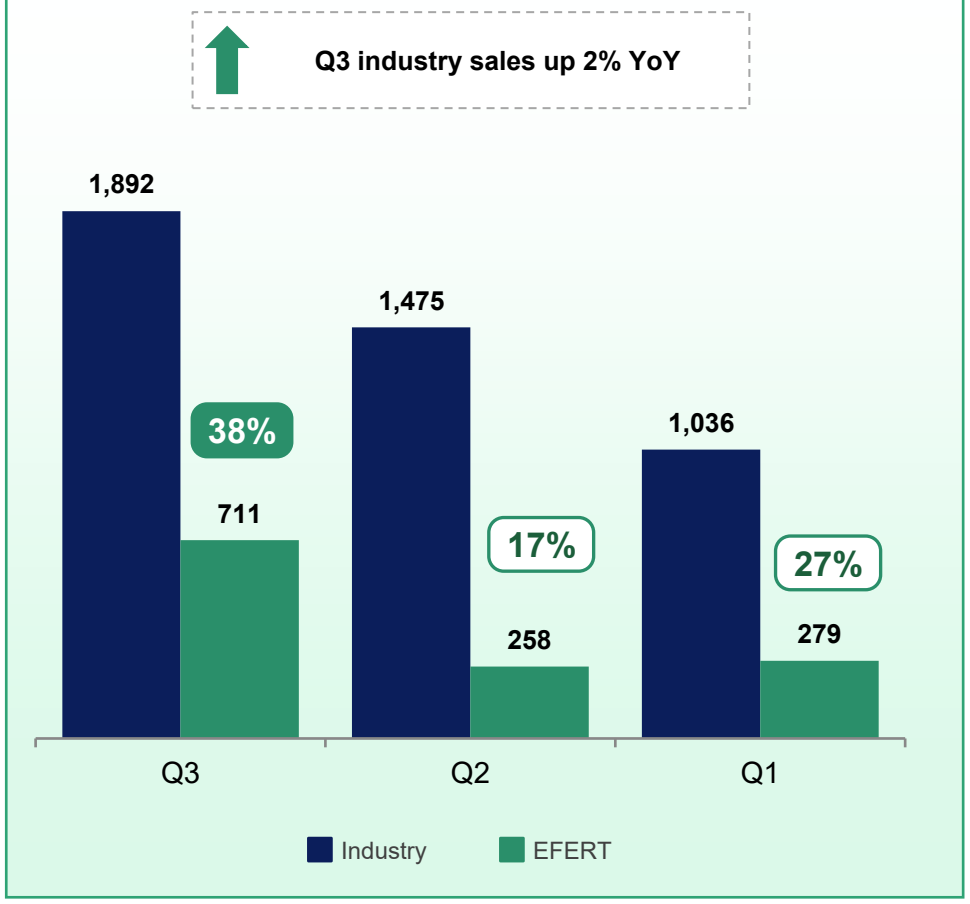


Urea Business

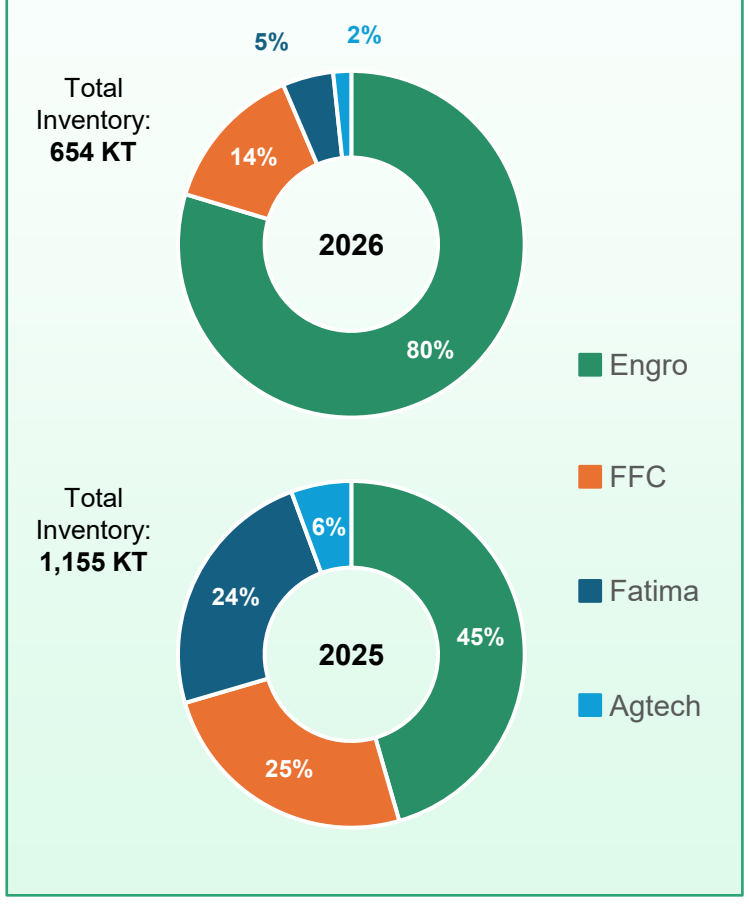
YTD Sales (KT)



Quarterly 2026 Sales (KT)



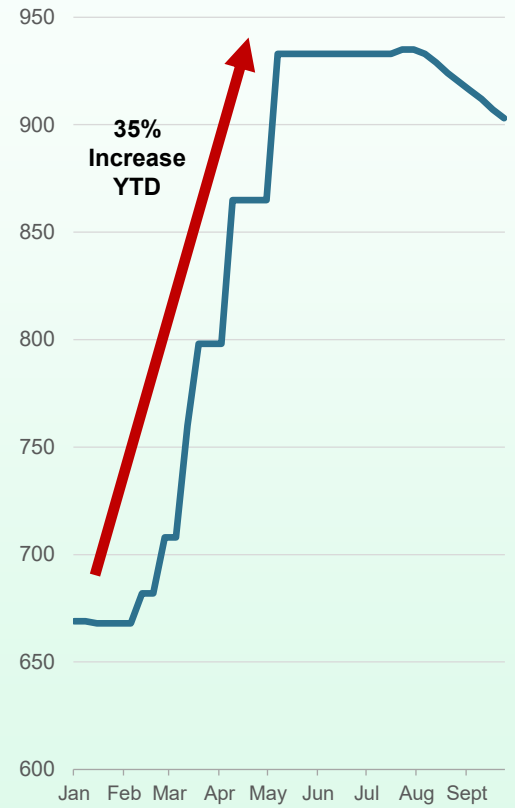
Q3 Inventory Position (KT)



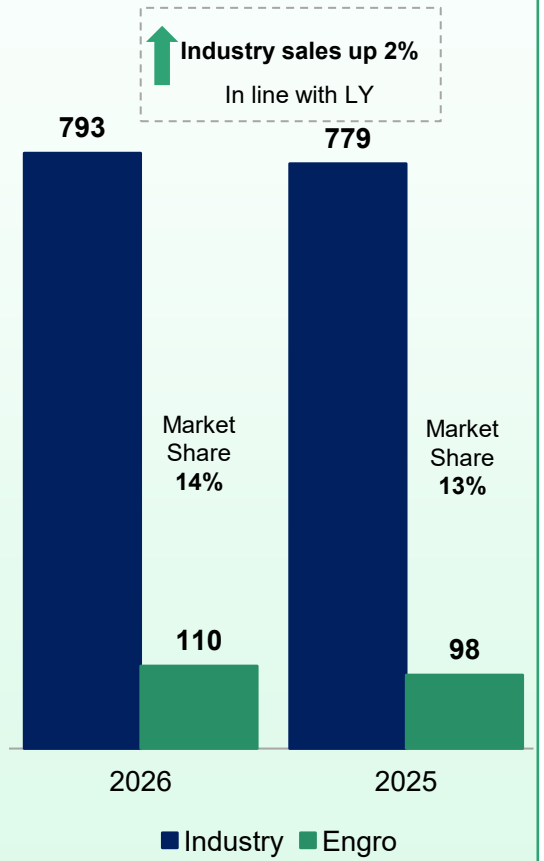
EFERT gained 38% market share in Q3 2026 despite premium pricing; Improved market share was achieved through strategic planning, product placement and timely supply-chain execution.

DAP Business

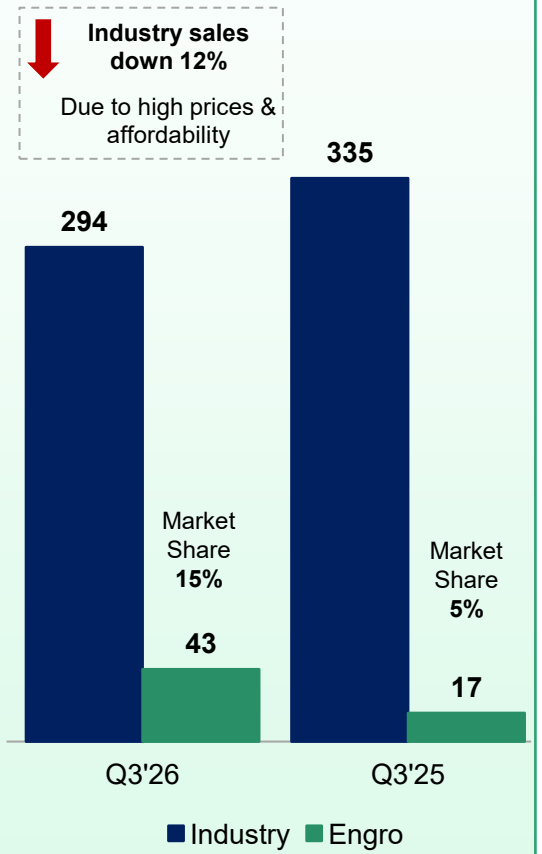
DAP international Price (USD/MT)



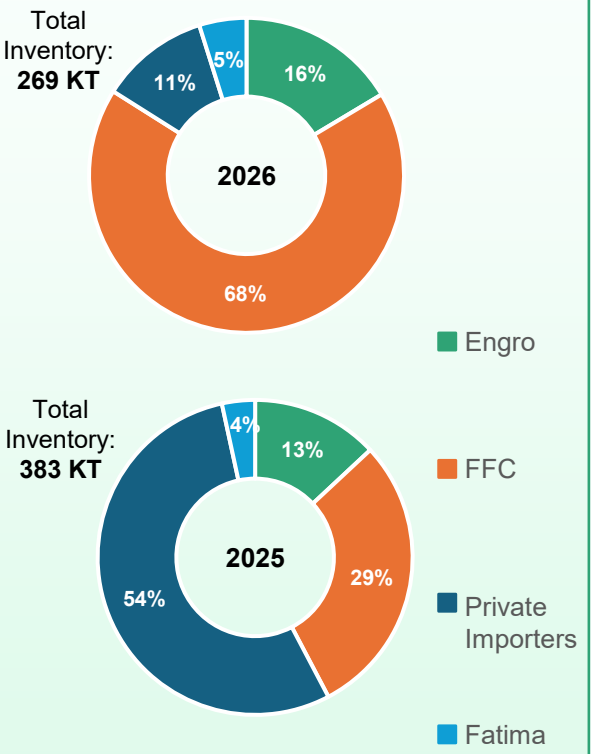
YTD Sales (KT)



Q3 2026 Sales (KT)



Q3 Inventory Position (KT)



- Despite disruption of key import routes, EFERT kept product available ahead of Rabi leading to improvement in market share by 10 p.p.
- Q3 industry offtake fell 12% YoY as record-high prices weighed on farmer affordability
- Margins remained thin considering the inability to take further price increases coupled with softening international prices

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

Financial Highlights – 1/2

Quarterly Financial Highlights

Revenue
PKR **79.6** Bn
+45% vs SPLY

Profitability
PKR **9.1** Bn
+57% vs SPLY

EPS
PKR **6.83**
vs. 4.35 SPLY

Year To Date Financial Highlights

Revenue
PKR **150.4** Bn
+11% vs SPLY

Profitability
PKR **16.2** Bn
+14% vs SPLY

EPS
PKR **12.16**
vs. 10.69 SPLY

EFERT has declared a dividend of **PKR 5.50/share for Q3'26, vs** PKR 4.50/share in Q3'25.
YTD Dividend PKR 9.25/share vs. PKR 11.00/share SPLY.

Financial Highlights – 9M 2026 vs 9M 2025 – 2/2



Revenue increased by 11%

- Urea sales revenue increased due to higher sales volumes and pricing actions
- Phosphates revenue increased on account of higher volumes & average selling prices



Gross Profit increased by 16%

- Full discount roll-back and price pass-on of incremental business costs (due to geopolitical conflict) coupled with higher sales volumes improved gross profit, with Gross Margin improving to 34% and reaching 35% in Q3



Net Profit increased by 14%

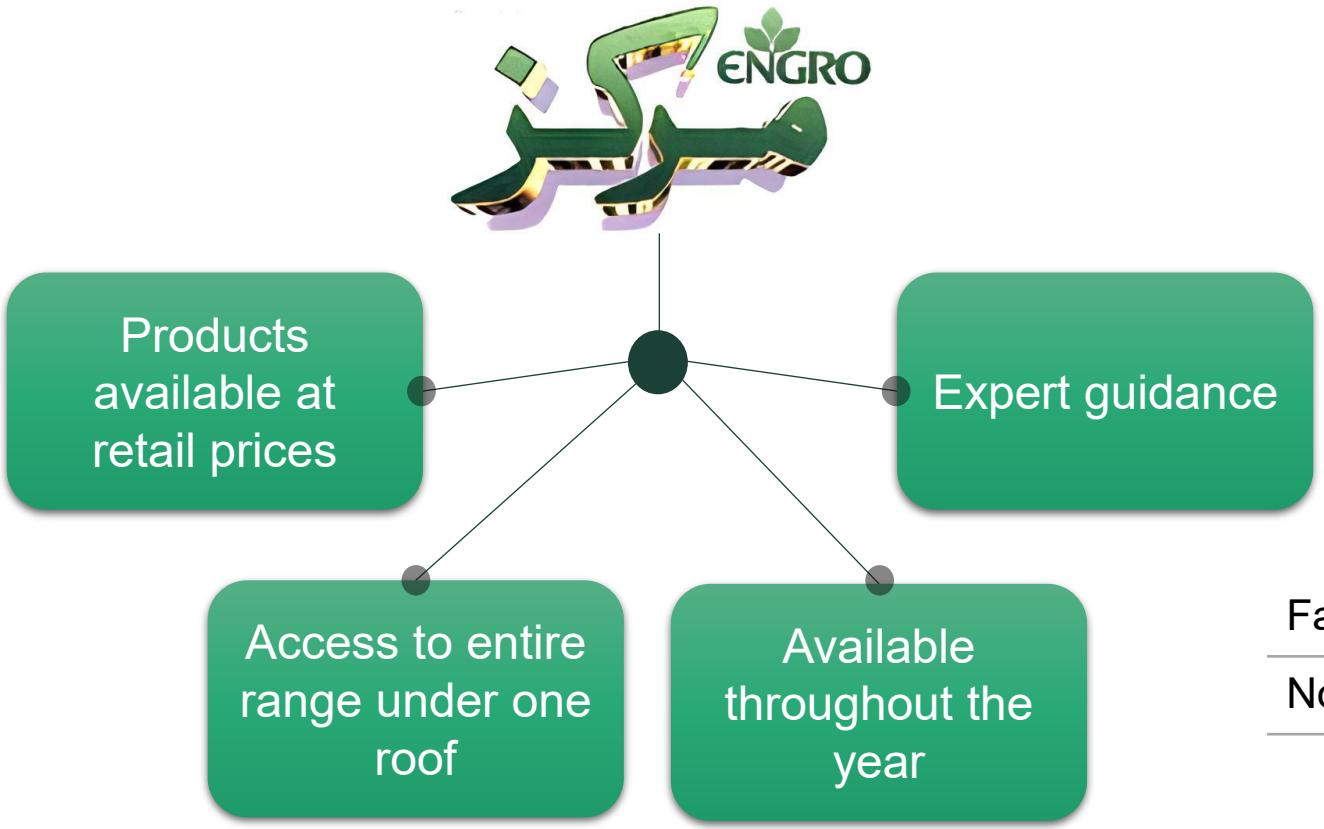
- Gross profit growth was further supported by a one-off SIDC remeasurement gain, partly offset by higher selling expenses & finance costs
- Net profit margin increased by 26 bps from 10.5% LY to 10.8% 9M 2026



Debt to Capital 52% vs 50% on Dec'25

- Debt level increased to PKR 79 Bn (Dec'25: PKR 43 Bn), mainly due to working capital and business requirements

Engro Markaz



Key Highlights of Engro Markaz

	Q1	Q2	Q3	YTD	Since Inception
Farmers Onboarded	261	643	**4,848**	5,752	**7,094**
No. of Stores Added	0	5	1	6	**10**

3.Contributions & Challenges



Contributing to the Nation

Contribution to the National Exchequer

The Company contributed **PKR 20 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)	EFert Urea
MRP PKR / Bag Avg for 9M 26	10,640	4,715
Discount	**5,910 (56%)**	

Current discount to international Urea Price is ~3,950 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

- **Phase 2**: Construction, installation other activities are in progress; expected completion by Q1 2027.