



ENGROH: 4QCY25 Result Review — Earnings exceeded expectations on admin cost reversal

Engro Holdings Ltd. (ENGROH) announced its 4QCY25 results, reporting consolidated earnings of Pkr13.6bn (EPS: Pkr11.3) compared to Pkr9.6bn (EPS: Pkr8.0) in SPLY, up 41%YoY. Earnings came in above our expectations, mainly due to admin expense reversal and lower-than-anticipated taxation. Company did not announce dividend, due to increased cash requirements for acquisition of Deodar.

- Company reported admin expense reversal of Pkr1.3bn, likely attributable to adjustments in transaction fee related to Deodar acquisition; we await further clarity on this.
- Segment wise, energy portfolio has contributed Pkr4.3bn (Pkr3.6/sh) during 4QCY25, as per our estimates. Wherein, EPTL, SECMC, and EPQL are expected to have contributed Pkr3.0/0.5/0.0 per share.
- EFERT reported a decline of 19%YoY in earnings to Pkr8.4bn in 4QCY25, mainly due to i) higher discount offering during the quarter despite higher urea offtakes and ii) higher taxation.
- EPCL reported loss of Pkr446mn during 4QCY25, against profit of Pkr2.1bn in SPLY, primarily due to the absence of a tax reversal that had supported earnings in SPLY.
- Engro Connect is estimated to have contributed Pkr0.5/sh in 4QCY25, largely supported by the addition of Deodar's portfolio of 10.6k towers.
- Taxation during the quarter remained lower than expected, with ETR calculating to 18.0% from ~27.4% in SPLY.
- Full-year earnings accumulated to Pkr55.6bn (EPS: Pkr46.2), up 2.6x YoY, largely due to accounting impact of Pkr27bn (Pkr22/sh) stemming from the reclassification of the energy portfolio to continued operations.
- We have a 'BUY' stance on ENGROH with Dec'26 TP of Pkr351. Our positive outlook is underpinned by i) turnaround of telecom segment, ii) stable earnings from energy portfolio, and iii) recovery in fertilizer offtakes supporting EFERT's profitability.

ENGROH: Income Statement (Consolidated)

Pkrmn	4QCY25	4QCY24	YoY	3QCY25	QoQ	CY25	CY24	YoY
Sales	191,510	159,622	20%	158,606	21%	598,360	540,171	11%
COGS	142,444	111,433	28%	116,514	22%	450,670	387,433	16%
Gross Profit	49,066	48,189	2%	42,092	17%	147,690	152,737	-3%
Gross Margins	25.6%	30.2%		26.5%		24.7%	28.3%	
Admin exp	-1,299	3,908	n.m	3,592	n.m	15,504	14,823	5%
Selling & Distribution	7,039	6,364	11%	4,736	49%	17,631	16,028	10%
Other Income	-1,896	8,742	n.m	2,117	n.m	12,008	27,340	-56%
Finance Cost	11,531	12,394	-7%	12,370	-7%	44,934	40,630	11%
Adj gains/-loss	-417	-3,052	-86%	418	n.m	59,858	-33,056	n.m
Share of profit	2,854	-1,993	n.m	1,323	116%	8,968	3,393	164%
Taxation	4,584	7,162	-36%	11,383	-60%	32,322	28,585	13%
NPAT*	13,615	9,628	41%	6,443	111%	55,633	21,812	2.5x
EPS	11.31	8.00	-	5.35	-	46.20	18.11	-
DPS	0.00	0.00	n.m	0.00	n.m	0.00	10.69	n.m

Source: PSX & AKD Research
@1,204mn sh *attributable to holding company shareholders

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