

EFERT 3QCY26 Corporate Briefing Takeaways**Oct 23, 2026**

Engro Fertilizers Limited held its corporate briefing today to discuss the financial results of 3QCY26 and future outlook of the company. Key highlights of the briefing are follows:

- To recall, in 3QCY26, the company reported consolidated PAT of PKR 9.13bn (EPS: PKR 6.83), reflecting a 2.36x increase QoQ. Alongside the result, the company announced a cash dividend of PKR 5.5/share for the quarter.
- Commenting on the agricultural outlook, management noted an improvement in farmer economics, supported by the recovery in wheat prices, with the support price set at PKR 4,000/maund. Furthermore, stable water availability is expected to support the upcoming cropping season.
- The company highlighted that industry-wide urea offtake increased by 5% YTD as of 3QCY26. Meanwhile, EFERT witnessed a stronger recovery in offtake, with its market share increasing to 38% from 17% QoQ. Additionally, the company accounted for approximately 80% of total industry urea inventories.
- On DAP, the company reported sales of 110k tons during 9MCY26, compared to 98k tons in SPLY, with market share improving to 14% from 13%. Meanwhile, industry-wide DAP offtake remained broadly stable at 793k tons, compared to 779k tons in the corresponding period last year.
- Regarding DAP inventories, industry-wide stocks declined to approximately 269k tons in 3QCY26, compared to 383k tons in SPLY. EFERT's share of total DAP inventories increased to 16% from 13% in the corresponding period last year.
- Regarding progress on the Pressure Enhancement Facility (PEF) project, management stated that Phase 2, comprising construction and installation activities, is currently underway and is expected to become fully operational by 1QCY27.
- In response to queries regarding the increase in borrowings, management attributed the rise primarily to higher working capital requirements and financing needs associated with the PEF project.
- On gas pricing, the company reiterated that 40% of gas volumes at the base plant are charged under the Fertilizer Policy, while the remaining volumes are priced under the Petroleum Policy.
- Regarding dividend policy, management indicated that its overall payout approach remains unchanged, with the company intending to maintain healthy distributions. However, the lower payout is aimed at creating a financial buffer against potential liabilities, including GIDC related provisions.

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- On dealer margins, management stated that margins currently stand at PKR 225/bag, with no discounts being offered to dealers and no plans to introduce discounts going forward.
- Regarding the decline in short-term investments, management attributed the reduction to liquidity requirements and payments related to SIDC.
- On the urea outlook, management expects industry-wide urea offtake to reach approximately 6.5mn tons in CY26.