

August 22, 2024

The General Manager
Pakistan Stock Exchange Ltd
Stock Exchange Building, Stock Exchange Road
Karachi.

Dear Sir / Madam,

FINANCIAL RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 (CONSOLIDATED AND STANDALONE)

We would like to inform you that the Board of Directors of Engro Corporation Limited (the “Company”) in their meeting held on Wednesday – August 21, 2024, at 10:30 a.m. (Pak Time) at the Harbor Front Building, Block 4, Clifton, Karachi, reviewed and approved the un-audited consolidated and standalone financial results of the Company for the six months ended June 30, 2024, and recommended the following:

(i) CASH DIVIDEND

An Interim Cash Dividend for the six months ended June 30, 2024 @ Rs. 8.00 per share i.e. 80%.
This is in addition to the interim cash dividend already paid at Rs. 11.00 per share i.e. 110%.

(ii) BONUS SHARES

Nil

(iii) RIGHT SHARES

Nil

(iv) ANY OTHER ENTITLEMENT / CORPORATE ACTION

Nil

(v) ANY OTHER PRICE-SENSITIVE INFORMATION

DIVESTMENT OF THERMAL ENERGY ASSETS

As notified to PSX on April 4, 2024, Engro Energy Limited, a wholly owned subsidiary of the Holding Company, has entered into definitive agreements with Liberty Power Holding (Pvt.) Limited and other parties acting in concert (Acquirers) for the sale of its entire shareholding in EPQL, EPTL and SECMC, subject to certain adjustments as agreed in the definitive agreements.

The divestment meets the classification criteria of International Financial Reporting Standard 5 – “Non-Current Assets Held for Sale and Discontinued Operations”. Accordingly, in the consolidated financial results of the Company for the six months ended June 30, 2024, the financial results of thermal energy assets have been reported as discontinued operations.

IMPACT OF UREA IMPORTED BY GOVERNMENT OF PAKISTAN

In January 2024, Ministry of Industries and Production (“MoIP”) requested the fertilizer industry to procure higher cost GoP (“Government of Pakistan”) imported urea and sell it at a lower price, similar to locally produced urea. To recover the additional cost of imported urea, the fertilizer manufacturers increased the price of locally produced urea to the extent that additional cost is recovered in 12 months.



Although Engro Fertilizers sold its entire stock of imported urea during March quarter, the additional cost of imported urea was amortized on a pro-rata basis in the consolidated profit and loss of the Company and unamortized portion of Rs. 5,319,500,000 was retained in the consolidated balance sheet of the Company as at March 31, 2024, to be amortized over the remaining period.

During review of six months consolidated financial statements of the Company, the management reassessed the above treatment and in order to better reflect the transaction in accounting terms, the entire unamortized portion of Rs. 5,319,500,000 (post tax impact of Rs. 3,023,485,000) has been charged in the consolidated profit or loss of the Company for the period ended March 31, 2024. Accordingly, this has an impact of Rs. 1,701,315,000 on profit attributable to the Owners of the Holding Company.

The un-audited consolidated and standalone financial results of the Company for the six months ended June 30, 2024, are enclosed.

The above entitlement will be paid to the shareholders whose names will appear in the Register of Members on Tuesday – September 3, 2024.

The Share Transfer Books of the Company will remain closed from Wednesday - September 4, 2024 to Thursday - September 5, 2024 (both days inclusive). Transfers received in order at the office of our Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited, 8 - F, Near Hotel Faran, Block 6, P.E.C.H.S. Shahr-e-Faisal, Karachi, PABX No. (+92-21) 34380101-5 and email: info.shares@famcosrs.com by the close of business (05:00 p.m.) on Tuesday – September 3, 2024 will be treated in time for the purpose of determining entitlement of above interim cash dividend to the transferees.

The Quarterly Report of the Company for the six months ended June 30, 2024 will be transmitted through PUCARS separately, within the specified time and shall also be made available on our website www.engro.com.

Best Regards,

For and on behalf of
Engro Corporation Limited

A handwritten signature in blue ink, appearing to read "Yasir Khan", with a horizontal line underneath.

MOHAMMAD YASIR KHAN
Company Secretary

Enclosed: Consolidated & Standalone Financial Results

Copied:
Director / HOD
Listing Companies Department, Supervision Division
Securities & Exchange Commission of Pakistan
NIC Building, 63 Jinnah Avenue
Blue Area, Islamabad.

ENGRO CORPORATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2024

(Amounts in thousand except for earnings per share)

	Quarter ended		Half year ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
-----Rupees-----				
Dividend income	9,206,081	5,376,041	15,727,311	11,282,601
Royalty income	428,397	441,326	1,111,407	902,288
Total revenue	9,634,478	5,817,367	16,838,718	12,184,889
Administrative expenses	(594,179)	(723,425)	(1,282,596)	(1,769,859)
	9,040,299	5,093,942	15,556,122	10,415,030
Other income	1,481,294	1,524,002	2,977,627	3,490,179
Other operating expenses	(234,712)	(352,881)	(305,020)	(505,725)
Operating profit	10,286,881	6,265,063	18,228,729	13,399,484
Finance cost	(42,203)	(4,946)	(86,984)	(92,041)
Profit before tax	10,244,678	6,260,117	18,141,745	13,307,443
Taxation	(2,014,616)	(2,848,567)	(3,945,275)	(3,856,893)
Profit for the period	8,230,062	3,411,550	14,196,470	9,450,550
Unappropriated profit brought forward			49,606,749	68,900,878
Final cash dividend for the year ended December 31, 2022 @ Rs. 1.00 per share			-	(546,244)
First interim cash dividend for the year ending December 31, 2023 @ Rs. 40.00 per share			-	(21,465,059)
Own shares purchased for cancellation			-	(11,629,302)
Final cash dividend for the year ended December 31, 2023 @ Rs. 2.00 per share			(1,073,253)	-
First interim cash dividend for the year ending December 31, 2024 @ Rs. 11.00 per share			(5,902,891)	-
Profit available for appropriation			56,827,075	44,710,823
Earnings per share - basic and diluted	15.34	6.35	26.46	17.09

ENGRO CORPORATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT
OF PROFIT OR LOSS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2024

(Amounts in thousand except for earnings per share)

	Quarter ended		Half year ended	
	June 30, 2024	Restated June 30, 2023	June 30, 2024	Restated June 30, 2023
	-----Rupees-----		-----Rupees-----	
CONTINUING OPERATIONS				
Revenue	74,588,917	75,087,559	178,888,645	147,161,170
Cost of revenue	(61,580,569)	(53,899,878)	(143,606,649)	(108,070,201)
Gross profit	13,008,348	21,187,681	35,281,996	39,090,969
Selling and distribution expenses	(1,371,727)	(1,948,149)	(5,118,150)	(4,035,191)
Administrative expenses	(3,895,995)	(2,757,477)	(7,249,095)	(5,404,143)
Other income	3,722,229	2,264,858	7,204,897	6,138,928
Other operating expenses	(1,324,142)	(1,758,555)	(2,252,371)	(3,705,179)
Other gains / (losses):				
- Gain / (loss) allowance on subsidy receivable from GoP	177,508	(71,896)	235,291	(504,345)
Operating profit	10,316,221	16,916,462	28,102,568	31,581,039
Finance cost	(5,480,147)	(3,761,486)	(9,527,021)	(8,117,465)
Share of income from joint venture and associates	637,064	452,529	1,268,102	1,070,730
Profit before income tax, minimum tax and final tax	5,473,138	13,607,505	19,843,649	24,534,304
Minimum tax and final tax	(975,217)	(1,048,039)	(1,963,228)	(1,872,282)
Profit before income tax	4,497,921	12,559,466	17,880,421	22,662,022
Taxation	(2,274,930)	(11,079,636)	(8,296,037)	(15,078,976)
Profit from continuing operations	2,222,991	1,479,830	9,584,384	7,583,046
DISCONTINUED OPERATIONS				
Profit from discontinued operations	2,853,843	11,549,764	2,853,843	14,301,657
Profit for the period	5,076,834	13,029,594	12,438,227	21,884,703
Profit attributable to:				
- Owners of the Holding Company	2,242,882	6,123,852	6,260,870	10,803,874
- Non-controlling interest	2,833,952	6,905,742	6,177,357	11,080,829
	5,076,834	13,029,594	12,438,227	21,884,703
Earnings/(loss) per share - basic and diluted				
- Continuing operations	1.60	(1.39)	9.09	4.81
- Discontinued operations	2.58	12.79	2.58	14.73
	4.18	11.40	11.67	19.54