Day Break

Friday, July 24, 2026

Earnings Preview 2QCY26

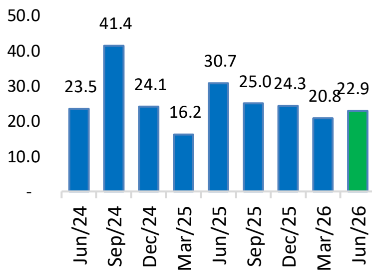
EPS Estimate for 2QCY26

PKR	2Q'26e	y/y	1Q'26	q/q
EFERT	1.7	-59%	2.5	-31%
FFC	14.3	-18%	12.1	18%

DPS Estimate for 2QCY26

PKR	2Q'26e	2Q'25	1Q'26
EFERT	1.5	4.3	2.0
FFC	11.0	12.0	8.5

Exhibit: Fertilizer Sector Historical Earnings (PKRbn)



Fertilizer

Sector Earnings to drop by -26%y/y during 2QCY26

- IGI Fertilizer universe earnings are expected to decline by -26%y/y in 2QCY26 to PKR 22.9bn compared to PKR 30.7bn in the same period last year. On a sequential basis, earnings are expected to incline by +10%q/q. During 2QCY26, total industry urea offtakes inclined by 18%y/y(+42%q/q) while DAP offtakes declined by -37%y/y(-33%q/q).
- Engro Fertilizer Limited (EFERT) is scheduled to hold its board meeting to announce the financial results of 2QCY26 on July 29th, 2026 in which we expect the Company to report earnings of PKR 2.3bn (EPS: PKR 1.7), -31%q/q lower compared to PKR 3.3bn (EPS PKR 2.5) in the previous quarter on the back of decline in urea and DAP offtakes by -7%q/q and -57%q/q respectively in 2QCY26.
- Fauji Fertilizer Company's (FFC) board meeting is scheduled to be held on July 29th, 2026 to announce the financial results for 2QCY26 in which we expect the Company to register earnings of PKR 20.6bn (EPS: PKR 14.3) up by +18%q/q compared to PKR 17.5bn (EPS: PKR 12.1) in the previous quarter.

Fertilizer Sector: Earnings to decrease by -26%y/y to PKR 22.9bn in 2QCY26

IGI Fertilizer universe earnings are expected to decline by -26%y/y in 2QCY26 to PKR 22.9bn compared to PKR 30.7bn in the same period last year. On a sequential basis, earnings are expected to incline by +10%q/q. During 2QCY26, total industry urea offtakes inclined by 18%y/y(+42%q/q) while DAP offtakes declined by -37%y/y(-33%q/q).

Exhibit: Fertilizer sector profit after tax preview for 2qCY26
PKR bn

Period end = Jun	Jun/26	Mar/26	q/q	Mar/25	y/y	1HCY26e	1HCY25a	y/y
EFERT	1.7	2.5	-31%	4.2	-59%	4.2	6.3	-34%
FFC	14.3	12.1	18%	17.5	-18%	26.5	26.7	-1%
Total (in PKRbn)	**22.9**	**20.8**	**10%**	**30.7**	**-26%**	**43.7**	**46.9**	**-7%**

Source: Company Accounts, IGI Research

EFERT: Earnings to drop by -59%y/y during 2QCY26e to PKR 1.7/share

Engro Fertilizer Limited (EFERT) is scheduled to hold its board meeting to announce the financial results of 2QCY26 on July 29th, 2026 in which we expect the Company to report earnings of PKR 2.3bn (EPS: PKR 1.7), -31%q/q lower compared to PKR 3.3bn (EPS PKR 2.5) in the previous

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quarter on the back of decline in urea and DAP offtakes by -7%q/q and -57%q/q respectively in 2QCY26. During 2QCY26, EFERT's urea market share declined to 18% as compared to 27% in the previous quarter. DAP sales also remained subdued due to elevated DAP prices. On yearly basis, earnings are estimated to decrease by -59%y/y. The total earnings for 1HCY26, are expected to clock in at PKR 5.6bn (EPS PKR: 4.2), as compared to PKR 8.5bn (EPS PKR: 6.3) recorded in the same period last year. We expect the Company to announce cash dividend of PKR 1.5/share along with the result.

FFC: Earnings to decrease by -18%y/y to PKR 14.3/share during 2QCY26

Fauji Fertilizer Company's (FFC) board meeting is scheduled to be held on July 29th, 2026 to announce the financial results for 2QCY26 in which we expect the Company to register earnings of PKR 20.6bn (EPS: PKR 14.3) up by +18%q/q compared to PKR 17.5bn (EPS: PKR 12.1) in the previous quarter. During 2QCY26, FFC's urea offtakes inclined by +33%q/q whereas DAP offtakes declined by -25%q/q. On a yearly basis, earnings are expected to decline by -18%y/y. The total earnings for 1HCY26 are expected to clock in at PKR 38.1bn (EPS: PKR 26.5), as compared to PKR 38.4bn (EPS: PKR 26.7), remaining largerly stable on a y/y basis. We expect the company to announce cash dividend of PKR 11.0/share along with the result.

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