

Engro Corporation Limited

Transaction of Thermal Assets Valued at PKR 35bn

- Engro Energy Limited has entered into a definitive agreement with Liberty Power Holding (Pvt) Ltd and other parties in concert for sale of the entire shareholding in Engro Powergen Qadirpur Limited (68.9% stake), Engro Powergen Thar (Pvt) Limited (50.1% stake), and Sindh Engro Coal Mining Company Limited (11.9% stake), as per Engro Corporation's notice on PSX.
- As per the definitive agreement, the total transaction value of thermal assets is PKR 35bn. On a company-wide basis, the transaction value of EPQL, EPTL, and SECMC reported as per the definitive agreement is PKR 7.5bn, PKR 21.04bn, and PKR 6.21bn, respectively.
- We estimate the gain on divestment of thermal assets to be in the range of PKR 14bn - PKR 15bn on Engro Energy book after deducting taxation and cost.
- Furthermore, the completion of the transaction is subject to conditions agreed in the definitive agreements which consist of corporate/regulatory approval, and lender consent.
- ENGRO dividend will be dependent on the net proceeds from Engro Energy Limited, which we believe is estimated at around PKR 14bn (PKR 26.76/share) - PKR 15bn (PKR 27.90/share).

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