

# Engro Holdings Limited

## Divestment of Engro Eximp Agriproducts (Pvt) Ltd.

- Engro Holding Limited announced via notice on PSX that Engro Corporation Limited has decided to divest its wholly owned subsidiary, Engro Eximp Agriproducts (Private) Limited (100%), by entering into a Share Purchase Agreement with MAP Rice Mills (Pvt) Ltd (an affiliate of the Bestway Group).
- SPA has been executed with MAP Rice Mills (Private) Limited for a transaction valued at PKR 2.4bn on a debt-free and cash-free basis.
- The completion of the sale is subject to corporate and regulatory approvals as outlined in the SPA.
- According to Engro Corp. Ltd's CY23 financial accounts, the investment (at cost) in Engro Eximp Agriproducts is PKR 7,527mn.
- The company has made provision for impairment of PKR 3,270mn in CY23. Hence, the net book value will arrive at 4,257mn.
- Hence, we estimate that ENGROH will book a loss on divestment of PKR 1.54/share.
- In the event the company books further impairment on the subsidiary, the loss on divestment will further reduce.

Exhibit: Loss on divestment of Engro Eximp Agriproduct	
	PKR mn
Investment in Engro Eximp Agriproducts (at cost)	7,527
Impairment booked	3,270
Net Book Value	4,257
SPA amount	2,400
Gain / (loss)	(1,857)
Gain / (loss) (PKR/share)	(1.54)
Source(s): AHL Research	

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