

# Engro Corporation (ENGRO)

Engro proposes stake sale in Elengy Terminal

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## ENGRO selling 29% stake in Elengy Terminal for US\$38mn



- ENGRO Corporation (ENGRO) notified PSX about its proposed sale of up to 29% shares of Elengy Terminal Pakistan (ETPL) against likely proceeds of US\$38mn subject to all corporate and regulatory approvals.
- We estimate potential gain on sale from this transaction of Rs6.4/sh. ENGRO has 80% stake in ETPL at book value of Rs1.6bn. The gain will likely be recognized in company's unconsolidated P&L only as ENGRO is retaining controlling stake.
- As per our estimates, ETPL's contribution to ENGRO's consolidated earnings is Rs3-3.5/sh. The above stake sale will result in immediate net reduction in recurring earnings of around Rs0.5/sh (after accounting for investment of amount raised in short term paper). We believe amount from stake sale will likely be reinvested by ENGRO.

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