

# 2024: Record Equity Raising in Three Years 5 IPOs, 2 IOs

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EUROMONEY

Best for Research: '24  
Best for Diversity & Inclusion: '24  
Best Investment Bank: '23



ASIAMONEY

Best Securities House: '23  
Best Investment Bank: '23



CFA Society  
Pakistan

Best Brokerage House: '23 – '21  
Best Corporate Finance House: '23 – '13  
Best Economic Research House: : '23 – '21  
Best Research Analyst: '22 – '20



FinanceAsia

Best Investment Bank: '22



INTERNATIONAL  
FINANCE

Best Brokerage House: '23



PSX  
PAKISTAN  
STOCK EXCHANGE  
LIMITED

Top 25 Companies  
( '17-'19)



ASSET ASIAN AWARDS  
TRIPLE A

Best Gender Equality Bond: '24  
Best Equity Advisor: '21



CENTRAL  
DEPOSITORY  
COMPANY

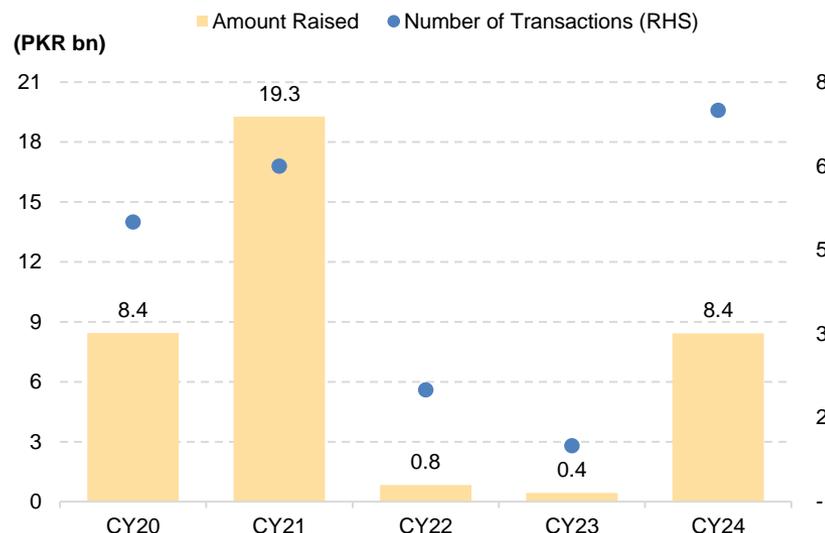
Excellence Award Leading  
Brokerage House for RDA '21

# 2024: Initial Public Offerings (IPOs)

## 5 IPOs raising 8bn during the year

- The IPO market in Pakistan has seen a significant revival in CY24, supported by an improved economic landscape and a tremendous performance by the stock market.
- Key macros including downward inflation trajectory, monetary easing, stable currency alongside successful negotiation of IMF Extended Funding Facility amounting USD 7bn have created an attractive environment for equity offerings, drawing investor interest and facilitating robust capital raising activities on the Pakistan Stock Exchange (PSX).
- KSE-100 Index surged by 42.4% during CY24TD, reflecting an overall positive sentiment and renewed investor interest. Also, the KSE-100 index profitability skyrocketed by 24.4% during FY24 to historic high level of PKR 1.6trn.
- The positive momentum in the stock market has encouraged companies to tap into public equity markets. A total of five (5) IPO transactions and two (2) have been concluded in 2024, as compared to only one (1) transaction last year.
- In 2024, main board welcomed new listings including Secure Logistics (SLGL), TPL REIT Fund-I (TPLRF1), International Packaging (IPAK), Fast Cables (FCL), and BF Biosciences (BFBIO). Meanwhile, Mughal Energy (GEMMEL) and Burj Clean Energy (GEMBCEM) has been added on the GEM board.
- Capital raised via IPOs this year reached its highest since CY21, underscoring a strong appetite for new investment opportunities in the market.
- Total demand for IPOs in 2024 amounted to PKR 13.0bn, with PKR 8.4bn raised, resulting in a 1.6x oversubscription.
- In addition to IPOs, 10 companies issued right shares, raising PKR 18.3bn, showcasing a consistent demand for capital expansion across various sectors.
- In CY24, four companies were listed at PSX through merger, as compared to three companies last year. The four companies are 1) Stylers International, 2) LSE Capital, 3) UDL International, and 4) Big Bird Foods.

Figure: Equity Capital Raising (IPO)



Source (s): PSX, AHL Research

# 2024: Capital Raising

## Details of Capital Raising (IPO and Right Issue)

### Exhibit: Equity Capital Raising (IPO) CY24TD

Company	Amount (PKR mn)
<b>Main Board</b>	
Secure Logistics Group Ltd.	600
TPL REIT Fund - I (Offer for Sale)	589
International Packaging Films Ltd.	1,767
Fast Cables Ltd.	3,130
BF Biosciences Ltd.	1,925
<b>Subtotal</b>	<b>8,010</b>
<b>GEM Board</b>	
Mughal Energy Ltd.	325
Burj Clean Energy Modaraba	100
<b>Subtotal</b>	<b>425</b>
<b>Total Capital Raising (IPO)</b>	<b>8,435</b>

Source (s): PSX, AHL Research

### Exhibit: Equity Capital Raising (Right Issue) in CY24TD

Company	Right (%)	Amount (PKR mn)
The Pakistan General Insurance Co. Ltd.	7.8%	36
Tariq Corporation Ltd.	25.0%	199
Gatron (Industries) Ltd.	41.7%	5,600
Mirpurkhas Sugar Mills Ltd.	43.0%	500
Image Pakistan Ltd.	75.0%	987
KSB Pumps Company Ltd.	134.1%	1,947
Allawasaya Tex. & Finishing Mills Ltd	25.0%	200
Faran Sugar	58.0%	551
Bawany Air Products	7997.3%	6,000
Stylers International	12.3%	2,329
<b>Total Capital Raising (Right Issue)</b>		<b>18,349</b>

Source (s): PSX, AHL Research

# 2024: Equity Raising Transaction Details

Company	Amount Raised (PKR mn)	Lead Manager / Advisor	Book Runner
	600	Arif Habib Ltd.	Arif Habib Ltd.
	589	Next Capital Ltd.	
	1,767	Arif Habib Ltd. AKD Securities.	Arif Habib Ltd. AKD Securities Intermarket Securities
	3,130	AKD Securities	AKD Securities
	1,925	Arif Habib Ltd.	Arif Habib Ltd.
	325	LSE Capital Ltd.	
	100	Arif Habib Ltd.	

Source (s): PSX, AHL Research

# 2024: Equity Raising Transaction Details

## Equity Initial Public Offerings (IPOs) during CY24

- 1. Secure Logistics Group Ltd. (SLGL):** Secure Logistics Group Ltd, formerly known as Asia Capital Partners (Pvt.) Ltd., was established in 2013 and serves as the holding company for four fully owned operational subsidiaries: 1) SecurLog (Pvt.) Ltd., 2) Secure Track (Pvt.) Ltd., 3) Fist Security (Pvt.) Ltd., and 4) TDM (Pvt.) Ltd. These subsidiaries are engaged in logistics, vehicle fleet management, security services, and commodity trading/indenting, respectively.

In Aug'16, Asia Capital Partners (Pvt.) Ltd. was rebranded as Secure Logistics Group Limited. The company has transformed into an integrated provider of logistics, asset monitoring, tracking, and security services, leveraging a unique set of horizontal synergies. There are notable synergies between the logistics and vehicle tracking operations, while the security services also enhance both the vehicle tracking and logistics sectors.

- 2. International Packaging Films Ltd. (IPAK):** The company specializes in producing Biaxially Oriented Polypropylene (BOPP) films. In 2017, IPAK acquired a production line with an annual capacity of 41,360 tons, producing films of various grades and thicknesses.

IPAK began manufacturing five-layer films in Sep'17, with Tri-pack as its main competitor. To expand its product range, IPAK launched Cast Packaging Films (Private) Limited (CPAK) for CPP film production, which began operations in 2021 with a capacity of 9,900 tons per annum. Additionally, IPAK is establishing PETPAK Films (Private) Limited, focusing on BOPET film production, with a capacity of 41,920 tons per annum, which began operations in Feb'24.

Secure Logistics Group Ltd	
Description	
Offer size (mn share)	50.0
Floor Price	12.0
Strike Price	12.0
Amount Raised (PKR mn)	600.0
Subscription (x)	1.02
Source (s): PSX, AHL Research	

International Packaging Films Ltd	
Description	
Offer size (mn share)	70.1
Floor Price	21.0
Strike Price	25.2
Amount Raised (PKR mn)	1,766.7
Subscription (x)	1.73
Source (s): PSX, AHL Research	

# 2024: Equity Raising Transaction Details

- 3. Fast Cables Ltd. (FCL):** Fast Cables is a manufacturer of electrical cables and conductors in Pakistan. With an annual production capacity of 8,400 metric tons for copper and 13,800 metric tons for aluminum products, the company operates two plants in Lahore.

Fast Cables utilizes technologies such as Catenary Continuous Vulcanization (CCV) Line and an Aluminum Alloy plant to produce durable products like Aerial Bundle Cables and All Aluminum Alloy Conductors.

The company's products have been approved by reputable local laboratories and institutions, and it offers a wide range of cables, including low and medium voltage options. Additionally, it has pioneered the production of Greeley Conductors and received type test certification from VEIKI-VNL in Hungary.

- 4. BF Biosciences Ltd. (BFBIO):** BF Biosciences Limited is a joint venture between Ferozsons Laboratories Limited and Argentina's Bagó Group, incorporated in 2006. The company operates in the pharmaceutical industry, focusing on the import, manufacturing, marketing, and distribution of biotech products. BFBIO is a pioneer in biotech manufacturing in Pakistan, producing life-saving medications for conditions like cancer, chronic kidney disease, and hepatitis C.

The company's facility in Lahore has been operational since 2009 and features two manufacturing lines. Line I, established in 2009, focuses on producing low-volume biological products, particularly for hepatology. In 2024, BF Biosciences expanded its capabilities with Line II, which includes advanced technology for both biological and non-biological products, including vaccines. This expansion positions the company to effectively meet the growing market demand in both segments.

Fast Cables Ltd	
Description	
Offer size (mn share)	128.0
Floor Price	23.5
Strike Price	24.5
Amount Raised (PKR mn)	3,129.6
Subscription (x)	1.57
Source (s): PSX, AHL Research	

BF Biosciences Ltd	
Description	
Offer size (mn share)	25.0
Floor Price	55.0
Strike Price	77.0
Amount Raised (PKR mn)	1,925.0
Subscription (x)	3.40
Source (s): PSX, AHL Research	

# 2024: Capital Raising

## PKR 8.6bn Raised Through Debt Instruments

In CY24, PKR 8.6bn was raised through debt instruments, compared to PKR 31.2bn in CY23.

- JS Bank Limited - Tier II:** JS Bank Ltd (JSBL) has issued a TFC of PKR 3,500mn. The purpose of the instrument was to contribute towards JSBL's Tier II Capital for complying with the Capital Adequacy Ratio requirement prescribed by the SBP. The tenure of the instrument is 10 years and carries a profit rate of 3M KIBOR+200bps.
- BankIslami Pakistan Limited - Ehad Sukuk II:** BIPL issued a SUKUK in denominations of PKR 5,000, offering a profit rate of base rate plus a maximum margin of 2.50%. The issue size was PKR 1,000mn and The proceeds of issue will contribute toward the Issuer's additional Tier I Capital for CAR as per guidelines set by SBP. The funds so raised will be utilized in the Bank's financing and investment activities (General Pool) as permitted by its Memorandum & Articles of Association.
- TPL Properties Ltd:** TPLP issued, secured, privately placed, medium term, term finance certificate, amounting PKR 1,575mn, to finance the company's working capital requirements and settlement of short term borrowing of the company. The tenor was 12 months and carrying a profit rate of 3M KIBOR+200bps. Profit will be paid on quarterly basis and TFC will be redeemed in bullet at the expiry of tenor.
- Kashf Foundation:** Kashf Foundation issued Pakistan's first gender bond of amount PKR 2,483mn, offering a profit rate of 3M KIBOR plus 1.50% p.a. The purpose of the issue is micro-infrastructure-finance loans directed towards the welfare of women via entrepreneurship, business support, flood-rehabilitation, education, and home rehabilitation. Arif Habib Limited & The Bank of Punjab were the lead advisors and arrangers.

**Exhibit:** Capital Raising (Debt) CY24TD

Company	Total Issue Size	Instrument Rating	Profit Rate
JS Bank Limited - Tier II	3,500	A +	3 M + 200 bps
BankIslami Pakistan Ltd - Ehad Sukuk II	1,000	A	1 M + 250 bps
TPL Properties Ltd	1,575	A +	3 M + 200 bps
Kashf Foundation	2,483	AAA	3 M + 150 bps
<b>Total Capital Raising (Debt)</b>	<b>8,558</b>		
Source (s): PSX, AHL Research			

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## Equity Research Ratings

Arif Habib Limited (AHL) uses three rating categories, depending upon return from current market price, with Target period as Jun 2025 for Target Price. In addition, return excludes all type of taxes. For more details, kindly refer the following table;

Rating	Description
BUY	Upside* of subject security(ies) is more than +15% from last closing of market price(s)
HOLD	Upside* of subject security(ies) is between -15% and +15% from last closing of market price(s)
SELL	Upside* of subject security(ies) is less than -15% from last closing of market price(s)

## Equity Valuation Methodology

AHL Research uses the following valuation technique(s) to arrive at the period end target prices;

- Discounted Cash Flow (DCF)
- Dividend Discount Model (DDM)
- Sum of the Parts (SoTP)
- Justified Price to Book (JPTB)
- Reserved Base Valuation (RBV)

**Risks:** The following risks may potentially impact our valuations of subject security (ies);

- Market risk
- Interest Rate Risk
- Exchange Rate (Currency) Risk

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