

Pakistan Monthly

September 8, 2017

Pakistan Comp Sheet

Pakistan Stock Market: Key Numbers

	2014A	2015A	2016A	2017E	2018F	2019F
PE	9.5	9.5	10.1	9.3	8.1	6.8
Earnings Growth	35%	21%*	1%*	8%	15%	20%
PBV	1.9	1.7	1.6	1.5	1.4	1.3
Dividend Yield	5%	5%	5%	5%	6%	7%
ROE	20%	18%	15%	15%	16%	18%

Source: Topline Research

*Excluding outliers



CFA Society
Pakistan

Best Local Brokerage House 2015

ASIAMONEY

Best Local Brokerage House
Brokers Poll 2011, 2012, 2013, 2014 & 2016



Jama
Punji

www.jamapunji.pk

Topline Research

research@topline.com.pk

Tel: +9221-35303330, Ext: 125

Topline Securities, Pakistan

Pakistan Comp Sheet



Symbol	Stance	Current Price (PKR)	Mkt Cap US\$mn	Year end	Earnings per share (EPS)			Earnings Growth			Dividend Yield			PE			PBV			EV/EBIDTA			ROE		
					2017E	2018F	2019F	2017E	2018F	2019F	2017E	2018F	2019F	2017E	2018F	2019F	2017E	2018F	2019F	2017E	2018F	2019F	2017E	2018F	2019F
OGDC	BUY	146	5,972	Jun	14.4	17.9	20.4	3%	24%	14%	4%	5%	6%	10.1	8.2	7.2	1.2	1.1	1.1	5.6	4.6	4.1	11%	13%	15%
PPL	HOLD	171	3,213	Jun	14.3	18.1	20.2	63%	27%	11%	4%	5%	6%	12.0	9.4	8.5	1.6	1.5	1.5	6.4	4.9	4.5	13%	16%	18%
UBL	BUY	192	2,241	Dec	22.1	27.0	31.8	-2%	22%	18%	7%	8%	10%	8.7	7.1	6.1	1.3	1.2	1.0	NM	NM	NM	15%	17%	17%
MCB	BUY	196	2,215	Dec	20.6	23.0	26.0	4%	11%	13%	8%	9%	10%	10.1	9.1	8.0	1.6	1.5	1.5	NM	NM	NM	15%	17%	19%
HBL	BUY	153	2,137	Dec	17.3	23.2	28.7	-26%	34%	24%	5%	8%	9%	8.9	6.6	5.3	1.0	1.0	0.8	NM	NM	NM	11%	15%	16%
LUCK	BUY	575	1,771	Jun	50.2	54.2	54.1	9%	8%	0%	2%	2%	2%	11.5	10.6	10.6	1.9	1.7	1.5	3.4	3.4	3.3	17%	16%	14%
KEL	UR	6	1,612	Jun	1.5	1.6	1.6	22%	8%	5%	0%	0%	0%	4.2	3.9	3.7	1.1	0.9	0.9	4.3	4.1	3.9	26%	22%	23%
ENGRO	HOLD	291	1,453	Dec	17.4	20.1	22.2	-13%	16%	10%	6%	7%	8%	16.7	14.5	13.1	3.0	3.0	3.0	4.0	3.7	3.5	18%	21%	23%
INDU	BUY	1689	1,265	Jun	165.4	188.1	203.0	14%	14%	8%	7%	8%	9%	10.2	9.0	8.3	4.6	4.0	4.0	5.1	4.9	4.7	45%	45%	49%
HUBC	HOLD	114	1,259	Jun	9.2	12.1	13.6	-10%	31%	13%	7%	10%	11%	12.4	9.5	8.4	4.1	3.9	3.9	9.4	8.6	8.2	33%	41%	46%
PSO	BUY	423	1,095	Jun	67.2	68.1	78.5	78%	1%	15%	6%	5%	6%	6.3	6.2	5.4	1.1	1.0	0.9	6.4	6.1	5.3	18%	16%	17%
NBP	BUY	54	1,087	Dec	8.7	10.3	11.8	-20%	19%	14%	12%	13%	15%	6.2	5.2	4.6	0.6	0.6	0.6	NM	NM	NM	10%	12%	13%
POL	HOLD	480	1,082	Jun	42.1	50.9	57.1	-1%	21%	12%	7%	9%	10%	11.4	9.4	8.4	3.2	3.0	3.0	6.0	5.2	4.7	28%	32%	36%
ABL	BUY	85	927	Dec	11.5	13.2	15.9	-10%	15%	20%	8%	9%	11%	7.4	6.4	5.3	0.9	0.9	0.8	NM	NM	NM	13%	14%	16%
SNGP	BUY	148	895	Jun	13.1	17.9	27.1	NM	37%	51%	1%	2%	2%	11.3	8.3	5.5	10.5	5.5	2.8	5.3	4.2	3.7	92%	67%	50%
FFC	HOLD	71	859	Dec	6.4	6.5	6.4	-31%	1%	-1%	8%	8%	8%	11.1	11.0	11.0	3.1	3.0	2.9	9.1	9.0	8.8	28%	28%	27%
HCAR	HOLD	565	768	Dec	43.0	61.1	67.1	73%	42%	10%	2%	3%	4%	13.1	9.2	8.4	7.9	5.6	3.9	9.7	7.1	6.5	60%	60%	46%
EFERT	HOLD	55	699	Dec	5.9	5.8	5.8	-15%	-2%	0%	10%	10%	10%	9.3	9.5	9.5	1.8	1.7	1.7	6.0	6.1	6.3	19%	18%	18%
PTC	BUY	14	668	Dec	1.1	1.2	1.5	NM	13%	23%	12%	15%	15%	13.1	11.6	9.5	0.7	0.7	0.7	1.4	1.3	1.2	5%	6%	7%
EFOODS	SELL	89	652	Dec	3.4	4.4	5.9	8%	29%	35%	1%	2%	2%	26.5	20.5	15.2	5.9	5.1	4.2	13.1	11.4	9.1	22%	25%	28%
DGKC	BUY	152	635	Jun	18.6	19.8	25.2	-3%	7%	27%	4%	4%	5%	8.2	7.7	8.5	0.9	0.8	0.7	3.0	2.8	2.1	11%	11%	12%

Pakistan Comp Sheet



Symbol	Stance	Current Price (PKR)	Mkt Cap US\$m	Year end	Earnings per share (EPS)			Earnings Growth			Dividend Yield			PE			PBV			EV/EBIDTA			ROE		
					2017E	2018F	2019F	2017E	2018F	2019F	2017E	2018F	2019F	2017E	2018F	2019F	2017E	2018F	2019F	2017E	2018F	2019F	2017E	2018F	2019F
BAFL	BUY	41	632	Dec	5.8	6.3	6.8	21%	9%	7%	4%	7%	8%	7.1	6.5	6.1	1.0	0.9	0.8	NM	NM	NM	13%	13%	13%
BAHL	BUY	56	588	Dec	7.2	8.5	10.0	-1%	18%	18%	6%	7%	8%	7.7	6.5	5.5	1.3	1.2	1.1	NM	NM	NM	17%	18%	19%
FATIMA	HOLD	29	570	Dec	3.8	4.1	4.7	-15%	8%	14%	9%	11%	12%	7.5	7.0	6.1	1.2	1.1	1.1	6.4	6.4	6.2	15%	16%	18%
SEARL	HOLD	386	566	Jun	13.9	16.6	19.2	7%	19%	16%	1%	2%	2%	27.7	23.3	20.1	6.3	5.5	4.8	19.4	15.0	13.0	23%	24%	24%
DAWH	BUY	119	544	Dec	6.3	7.1	8.2	-43%	14%	15%	5%	6%	7%	19.0	16.7	14.5	1.7	1.7	1.7	3.1	2.9	3.1	9%	10%	12%
PKGS	BUY	635	540	Dec	62.3	69.7	77.4	8%	12%	11%	4%	5%	5%	10.2	9.1	8.2	1.0	0.8	0.7	14.8	11.6	10.2	10%	9%	9%
ISL	BUY	122	504	Jun	7.0	9.0	17.2	158%	29%	90%	3%	3%	6%	17.4	13.4	7.1	6.2	4.7	3.3	10.7	10.5	5.5	36%	35%	46%
NML	BUY	139	466	Jun	18.4	19.9	21.1	6%	8%	6%	3%	3%	3%	7.6	7.0	6.6	0.7	0.7	0.6	5.6	5.7	5.5	9%	9%	9%
FCCL	HOLD	35	456	Jun	1.8	2.9	3.1	-54%	63%	7%	4%	7%	8%	19.6	12.0	11.2	2.6	2.4	2.4	10.2	6.9	6.3	13%	20%	21%
MLCF	BUY	90	453	Jun	8.0	9.3	10.5	-2%	16%	13%	5%	4%	4%	10.0	8.6	7.6	1.9	1.8	1.6	6.0	6.1	5.2	19%	21%	21%
IGIIL	BUY	315	368	Dec	15.7	18.7	21.0	11%	19%	12%	2%	2%	3%	20.0	16.8	15.0	2.3	2.0	1.8	NM	NM	NM	11%	12%	12%
PSMC	BUY	459	360	Dec	51.9	65.9	81.3	54%	27%	23%	2%	3%	3%	8.9	7.0	5.6	1.3	1.2	1.2	5.7	4.2	3.7	15%	17%	21%
HASCOL	BUY	296	340	Jun	14.1	18.1	24.2	41%	29%	33%	3%	3%	4%	21.0	16.3	12.2	6.1	5.3	3.6	7.9	6.2	4.8	29%	32%	29%
PAEL	BUY	71	335	Dec	9.9	11.5	12.7	34%	16%	11%	6%	7%	7%	7.2	6.2	5.6	1.2	1.1	1.0	5.7	5.1	4.7	17%	18%	17%
SSGC	BUY	37	310	Jun	7.0	3.9	5.2	NM	NM	36%	0%	0%	0%	NM	9.6	7.0	NM	NM	NM	NM	8.9	8.4	NM	NM	NM
FFBL	HOLD	33	292	Dec	2.6	3.3	4.0	943%	31%	19%	7%	8%	11%	12.8	9.8	8.2	1.9	1.8	1.8	10.2	10.2	8.4	14%	19%	22%
PIBTL	BUY	20	283	Jun	0.0	0.6	1.1	NM	NM	94%	0%	0%	3%	NM	36.1	18.6	2.0	1.9	1.8	NM	15.5	11.8	0%	5%	10%
ASTL	BUY	99	280	Jun	3.6	6.2	9.3	-16%	72%	50%	2%	3%	4%	27.4	15.9	10.6	2.6	2.4	2.1	19.3	13.6	9.5	10%	15%	20%
KOHC	BUY	181	267	Jun	27.4	25.7	24.1	-4%	-6%	-6%	6%	6%	5%	6.6	7.0	7.5	1.7	1.5	1.4	3.7	4.4	4.5	26%	22%	18%
CHCC	BUY	132	222	Jun	11.1	14.2	13.8	39%	28%	-3%	3%	3%	3%	11.9	9.3	9.5	2.2	1.9	1.7	8.6	6.1	5.0	19%	21%	18%
AICL	BUY	60	200	Dec	7.0	8.0	8.8	-28%	14%	11%	7%	7%	8%	8.6	7.5	6.8	1.2	1.1	0.9	NM	NM	NM	14%	14%	14%
Topline Universe			41,081					8%	15%	20%	5%	6%	7%	9.3	8.1	6.8	1.5	1.4	1.3	5.7	5.1	4.7	15%	16%	18%

UR= Under Review

Analyst Certification and Disclosures



The research analyst(s), denoted by an “AC” on the cover of this report, primarily involved in the preparation of this report, certifies that (1) the views expressed in this report accurately reflect his/her personal views about all of the subject companies/securities/sectors and (2) no part of his/her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

Furthermore, it is stated that the research analyst or its close relative have neither served as a director/officer in the past 3 years nor received any compensation from the subject company in the past 12 months.

Additionally, as per regulation 8(2)(i) of the Research Analyst Regulations, 2015, we currently do not have a financial interest in the securities of the subject company aggregating more than 1% of the value of the company.

Rating System

Topline Securities employs three tier ratings system to rate a stock, as mentioned below, which is based upon the level of expected return for a specific stock. The rating is based on the following with time horizon of 12-months.

Rating	Expected Total Return
Buy	Stock will outperform the average total return of stocks in universe
Neutral	Stock will perform in line with the average total return of stocks in universe
Sell	Stock will underperform the average total return of stocks in universe

For sector rating, Topline Securities employs three tier ratings system, depending upon the sector’s proposed weight in the portfolio as compared to sector’s weight in KSE-100 Index:

Rating	Sector’s Proposed Weight in Portfolio
Over Weight	> Weight in KSE-100 Index
Market Weight	= Weight in KSE-100 Index
Under Weight	< Weight in KSE-100 Index

Ratings are updated daily to account for the latest developments in the economy/sector/company, changes in stock prices and changes in analyst’s assumptions or a combination of any of these factors.

Valuation Methodology

To arrive at our 12-months Target Price, Topline Securities uses different valuation methods which include: 1). Present value methodology, 2). Multiplier methodology, and 3). Asset-based methodology.

Research Dissemination Policy

Topline Securities endeavors to make all reasonable efforts to disseminate research to all eligible clients in a timely manner through either physical or electronic distribution such as email, fax mail etc. Nevertheless, all clients may not receive the material at the same time.

Disclaimer

This report has been prepared by Topline Securities and is provided for information purposes only. Under no circumstances this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Topline Securities and/or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and Topline Securities accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of Topline Research Department and do not necessarily reflect those of Topline or its directors. Topline as a firm may have business relationships, including investment-banking relationships, with the companies referred to in this report.

All rights reserved by Topline Securities. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of Topline Securities. Action could be taken for unauthorized reproduction, distribution or publication.