

PSX Holds Gong Ceremony to Mark Listing of Citi Pharma Limited

Karachi, July 12, 2021 – Another positive development for Pakistan Stock Exchange (PSX) as a new company gets listed! The Initial Public Offering (IPO) of Citi Pharma Limited (CPL) results in the first listing on PSX for the current fiscal year, 2022. CPL was listed on the Stock Exchange on 9th July, 2021. A gong ceremony was held at the Exchange to mark this special occasion on 12th July 2021.

The book building phase of the IPO was a tremendous success with the strike price being discovered at PKR 32/- per share whereas the floor price was PKR 28/- per share. A large number of institutional and individual investors, totaling 516 investors, took part in the book building, of which 340 investors became successful participants. The issue was oversubscribed by 2.0x with total participation of PKR 4.087 Bn being received against an issue size of PKR 2.035 Bn at the floor price.

The general public portion of the Issue was oversubscribed by 1.6 times showing tremendous interest by the public. Applications for a total of 28,751,041 ordinary shares against the issue size of 18,173,000 ordinary shares were received. Significant number of investors also showed interest in investing in the Issue through the EIPO system of Pakistan Stock Exchange. A total of 232 applications for 416,000 shares were filed through the EIPO system.

The Issue of CPL consisted of 72,692,000 ordinary shares or 35% of the total post-IPO paid-up capital. The entire issue was offered through book building method at the floor price of PKR 28/- per share with a maximum price band of up to 40%. Initially, 75% of the issue size i.e. 54,519,000 ordinary shares were allotted to successful bidders and 25% of the issue size i.e. 18,173,000 ordinary shares were offered to the retail investors at the strike price. The book building dates of the Issue were 15th to 16th June, 2021, whereas the public subscription dates for the retail portion of the Issue were 23rd to 24th June, 2021.

The principal purpose of the IPO was to raise capital for:

- i. Expansion in API (Active Pharmaceuticals Ingredient) Segment: CPL intends to expand their existing capacity of 3,600 tons per annum of Paracetamol to 6,000 tons per annum, and to add new APIs to its existing product line, i.e. (i) Ascorbic Acid, (ii) Chloroquine Phosphate, and (iii) Hydroxyl Chloroquine Sulfate.
- ii. Expansion in the Formulation Segment: CPL intends to build three manufacturing facilities having total capacity of 200,000 vials per day, dry powder/suspension 60,000 bottles per day, capsules 4,200,000 per day, and tablets 4,500,000 per day. These include dedicated lines for (i) Penicillin, (ii) Cephalosporin and (iii) Psychotropic & Narcotic Drugs.
- iii. Healthcare: CPL intends to build a 50-bed health care facility in Lahore having Out Patient Department (OPD), General Operations and Diagnostic Services.

Speaking about the successful subscription of the Issue of CPL, Mr. Nadir Rahman, COO of PSX, stated, “PSX is very proud of the fact that the first company of the current fiscal year FY22 has already been listed, in the 1st half of July 2021. As a prominent API manufacturer in Pakistan, CPL, having a net turnover of Rs 3.5Bn in FY20, is one of the important players in the pharmaceutical industry of Pakistan, given it’s current focus on APIs, a substitute for imports. Apart from its goals to expand and increase its manufacturing facilities, CPL has noble goals as well as it intends to set up a 50 bed hospital in Lahore, to further reduce the shortage in healthcare facilities in Pakistan.” He further stated, “I am very pleased to see the immense interest by investors in yet another IPO. This proves the viability and feasibility of raising capital by business and industry

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in the country through the capital market. The healthy pipeline of prospective issuers who are seeking to raise capital on the Exchange will enable the Exchange to play its integral role as an effective and efficient source of capital formation.”

Mr. Rizwan Ahmad Sheikh, CEO of Citi Pharma Limited, speaking about the listing of CPL on the Stock Exchange, said, “We are thankful to Almighty Allah that with this listing, he has elevated us to the next level amongst the Pakistani Companies. However, this elevation comes with increased responsibility and inshALLAH we will put in our best efforts to not only welcome all new shareholders to the Citi Family and give them good results. I would like to take this opportunity to request all capital markets stakeholders as well as shareholders to pray for our success and I would like to highlight here that we have re-aligned our aim, which is to become the No. 1 Company in Pakistan, not just in pharmaceutical sector but across the board by 2030. This will take untiring efforts from our side but we are ready and geared up for the challenge and look forward to aligning with the PSX family and giving the investors a good return on their investment as well as enhancing our aim of serving mankind, Pakistani public and Pakistan, inshALLAH!”

Mr. Mohammed Sohail, CEO of Topline Securities Limited, who were the Consultants & Book Runners to the Issue, added, “Citi Pharma is a unique Company and caters to the growing API needs of entire Pakistan – along with its other products. The Listing will help the Company sponsors realize their expansion plans and also give investors a new flavor of local entrepreneurial skillset and expertise, which Citi sponsors possess. This will also add to the float of the pharma sector at the PSX – something investors have been desiring for a long time.”