

ACPL DIGEST

Equity Research | Wednesday, 17 March, 2021

Textile Composite

	Stance	Target Price		LDCP	Upside (%)	BV (T)	P/B (T)	Dividend		D/Y - F (%)	EPS		EPS	P/E (F)	Shares ('mn)	Free Float ('mn)	
NCL	BUY	Dec 21	63	47.12	33.7 ▲	58.8	0.8	FY21E	1.75	3.7	1HFY21	7.36	FY21E	14.94	3.2	240	108
ILP	HOLD	Dec 21	80	72.75	10.0 ▲	21.5	3.4	FY21E	2.00	2.7	1HFY21	3.34	FY21E	6.18	11.8	869	130
GATM	BUY	Dec 21	65	49.95	30.1 ▲	34.0	1.5	FY21E	1.50	3.0	1HFY21	4.13	FY21E	7.80	6.4	428	107

Oil & Gas Exploration Companies

	Stance	Target Price		LDCP	Upside (%)	BV (T)	P/B (T)	Dividend		D/Y - F (%)	EPS		EPS	P/E (F)	Shares ('mn)	Free Float ('mn)	
OGDC	BUY	Dec 21	140	101.99	37.3 ▲	165.6	0.6	FY21E	5.92	5.8	1HFY21	9.84	FY21E	20.40	5.0	4,301	645
PPL	BUY	Dec 21	120	87.29	37.5 ▲	131.9	0.7	FY21E	-	0.0	1HFY21	9.64	FY21E	20.13	4.3	2,721	482
POL	HOLD	Dec 21	450	395.57	13.8 ▲	141.9	2.8	FY21E	50.00	12.6	1HFY21	23.42	FY21E	47.47	8.3	284	108
MARI	HOLD	Dec 21	1,800	1595.98	12.8 ▲	764.2	2.1	FY21E	6.00	0.4	1HFY21	122.95	FY21E	262.30	6.1	133	22

Pharmaceuticals

	Stance	Target Price		LDCP	Upside (%)	BV (T)	P/B (T)	Dividend		D/Y - F (%)	EPS		EPS	P/E (F)	Shares ('mn)	Free Float ('mn)	
HINOON	BUY	Dec 21	750	625.00	20.0 ▲	115.9	5.4	CY21E	13.00	2.1	9MAY20	28.25	CY20E	37.67	16.6	35	9
SEARL	BUY	Dec 21	320	256.60	24.7 ▲	78.2	3.3	FY21E	3.00	1.2	1HFY21	6.21	FY21E	13.82	18.6	212	74
AGP	HOLD	Dec 21	110	108.74	1.2 ▲	28.8	3.8	CY21E	3.50	3.2	CY20	5.67	CY21E	5.98	18.2	280	84

Technology & Communication

	Stance	Target Price		LDCP	Upside (%)	BV (T)	P/B (T)	Dividend		D/Y - F (%)	EPS		EPS	P/E (F)	Shares ('mn)	Free Float ('mn)	
SYS	SELL	Dec 21	400	492.38	18.8 ▼	54.8	9.0	CY21E	5.00	1.0	CY20	17.76	CY21E	20.88	23.6	123	62

Food & Personal Care Products

	Stance	Target Price		LDCP	Upside (%)	BV (T)	P/B (T)	Dividend		D/Y - F (%)	EPS		EPS	P/E (F)	Shares ('mn)	Free Float ('mn)	
MFL	BUY	Dec 21	30	25.28	18.7 ▲	54.7	0.5	FY21E	-	0.0	1HFY21	(0.32)	FY21E	(1.71)	0.0	122	47
TOMCL	SELL	Dec 21	27	29.33	7.9 ▼	24.5	1.2	FY21E	-	0.0	1HFY21	1.31	FY21E	2.47	11.9	112	50

Vanaspati & Allied Industries

	Stance	Target Price		LDCP	Upside (%)	BV (T)	P/B (T)	Dividend		D/Y - F (%)	EPS		EPS	P/E (F)	Shares ('mn)	Free Float ('mn)	
UNITY	BUY	Dec 21	42	29.97	40.1 ▲	10.9	2.7	FY21E	0.30	1.0	1HFY21	1.53	FY21E	3.10	9.7	994	76

Real Estate Investment Trust

	Stance	Target Price		LDCP	Upside (%)	BV (T)	P/B (T)	Dividend		D/Y - F (%)	EPS		EPS	P/E (F)	Shares ('mn)	Free Float ('mn)	
DCR	BUY	Dec 21	12	9.87	20.1 ▲	23.1	0.4	FY21E	1.20	12.2	1HFY21	1.54	FY21E	3.27	3.0	2,224	556

Commercial Banks

	Stance	Target Price		LDCP	Upside (%)	BV (T)	P/B (T)	Dividend		D/Y - F (%)	Recent EPS		Expected EPS		P/E (F)	Shares ('mn)	Free Float ('mn)
MCB	BUY	Dec 21	230	171.98	33.7 ▲	156.4	1.1	CY21E	20.00	11.6	CY20	24.50	CY21E	28.02	6.1	1,185	415
BAHL	BUY	Dec 21	100	67.04	49.2 ▲	55.3	1.2	CY21E	5.00	7.5	CY20	16.03	CY21E	17.69	3.8	1,111	722
BAFL	BUY	Dec 21	42	32.50	29.2 ▲	52.7	0.6	CY21E	4.00	12.3	CY20	5.89	CY21E	6.80	4.8	1,777	563
BOP	BUY	Dec 21	11	9.00	22.2 ▲	19.4	0.5	CY21E	1.00	11.1	CY20	2.63	CY21E	1.79	5.0	2,644	1,116

Cement

	Stance	Target Price		LDCP	Upside (%)	BV (T)	P/B (T)	Dividend		D/Y - F (%)	EPS		EPS	P/E (F)	Shares ('mn)	Free Float ('mn)	
FCCL	BUY	Dec 21	28	22.68	23.5 ▲	14.9	1.5	FY21E	1.30	5.7	1HFY21	1.16	FY21E	2.27	10.0	1,380	759
ACPL	BUY	Dec 21	200	166.61	20.0 ▲	120.5	1.4	FY21E	3.50	2.1	1HFY21	3.96	FY21E	8.08	20.6	137	23
MLCF	BUY	Dec 21	65	46.01	41.3 ▲	32.0	1.4	FY21E	1.00	2.2	1HFY21	1.26	FY21E	2.43	18.9	1,098	267
CHCC	BUY	Dec 21	210	169.69	23.8 ▲	54.3	3.1	FY21E	1.00	0.6	1HFY21	5.81	FY21E	13.56	12.5	194	106

Engineering

	Stance	Target Price		LDCP	Upside (%)	BV (T)	P/B (T)	Dividend		D/Y - F (%)	EPS		EPS	P/E (F)	Shares ('mn)	Free Float ('mn)	
MUGHAL	BUY	Dec 21	125	102.65	21.8 ▲	40.5	2.5	FY21E	3.00	2.9	1HFY21	5.56	FY21E	10.50	9.8	252	61
ASTL	BUY	Dec 21	62	43.27	43.3 ▲	37.8	1.1	FY21E	1.80	4.2	1HFY21	1.42	FY21E	3.15	13.7	297	74
AGHA	BUY	Dec 21	45	32.68	37.7 ▲	22.6	1.4	FY21E	-	0.0	1HFY21	1.84	FY21E	2.19	14.9	576	120

Automobile Parts & Accessories

	Stance	Target Price		LDCP	Upside (%)	BV (T)	P/B (T)	Dividend		D/Y - F (%)	EPS		EPS	P/E (F)	Shares ('mn)	Free Float ('mn)	
PTL	HOLD	Dec 21	75	66.46	12.8 ▲	40.5	1.6	FY21E	-	0.0	1HFY21	3.42	FY21E	7.03	9.5	42	140

Source: ACPL Research, Company Financials, PSX

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DEFINITION OF TERMS

TP	Target Price	DDM	Dividend Discount Model	FCF	Free Cash Flows
FCFE	Free Cash Flows to Equity	FCFF	Free Cash Flows to Firm	DCF	Discounted Cash Flows
PE	Price to Earnings Ratio	PB	Price to Book Ratio	BVPS	Book Value Per Share
EPS	Earnings Per Share	DPS	Dividend Per Share	ROE	Return of Equity
ROA	Return on Assets	SOTP	Sum of the Parts	JPB	Justified Price to Book

Ratings are updated to account for any development impacting the economy/sector/company, changes in analysts' assumptions or a combination of these factors.

VALUATION METHODOLOGY

To arrive at our Target Price, Abbasi & Company (Private) Limited uses different valuation methods which include:

- I. Discounted Cash Flow Model
- II. Dividend Discount Model
- III. Relative Valuation Model
- IV. Sum of Parts Valuation

RATINGS CRITERIA

Abbasi & Company (Private) Limited employs a three-tier ratings system to rate a stock and sector, as mentioned below, which is based upon the level of expected return for a specific stock and outlook of sector. The rating is based on the following with stated time horizon

Stock Rating	Expected Total Return
BUY	Greater than 15%
HOLD	Between -5% to 15%
SELL	Less than and equal to -5%

Sector Rating	Sector Outlook
Overweight	Positive
Market Weight	Neutral
Underweight	Negative

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