

IPO Price (including issuance fees) Implied Market Cap
EGP1.02/share **EGP200mn**

Investment Rating **Not rated** ★ ★ ★
Risk Rating **Not rated** ! ! !

IPO Update

Subscription period extended, subscription ceiling raised

Nada Wagdy
Equity Analyst
T +202 3300 5726
nwagdy@egy.primegroup.org

Figure 1: IPO details

Shares outstanding (post-IPO)	200mn
Offered stake	49.0%
Offered shares	98mn shares
IPO price *	EGP1.02/share
Capital increase value	EGP98mn
Public subscription per investor	
Min subscription (shares)	1,000
Max subscription (shares)	15,000,000
Allocation rate	
Up to 25,000 shares **	100%
More than 25,000 shares	Pro rata
Founders' lockup period *** (for 80mn shares)	2 years

* Par value of EGP1/share in addition to issuance fees of EGP0.02/share.
** If the quantity offered for subscription permits.
*** The contribution of both Misr Insurance Holding Co. and Misr Spinning & Weaving Co.
Source: IPO Prospectus.

Subscription period extended: In view of summer holidays and the long Eid Al-Adha vacation in July, the subscription period for Ghazl El-Mahalla Football Co.'s [GMFC] EGP98mn capital increase has been extended through 14 August 2022. This should provide ample time for potential investors to consider the credentials of the investment.

Subscription ceiling raised: Simultaneously, subscription ceiling has been raised from 2mn shares to 15mn shares. Hence, the maximum amount of shares that any investor can subscribe is now 7.5x the initial amount.

Revenues and earnings assumptions recap: As previously stated in [our Pre-IPO Note published on 14 June 2022](#):

- Revenues to grow at a 7-year CAGR of 13% to EGP155mn by 2030.
- EBITDA to grow at a 7-year CAGR of 27% to EGP70mn by 2030.
- Net income to grow at a 7-year CAGR of 22% to EGP67mn by 2030.

Valuation: The company's projections (as per its prospectus) imply the following valuation multiples at the subscription price:

- 2023 EV/revenues of 1.1x (vs. 7-year CAGR of 13%),
- 2023 EV/EBITDA of 5.5x (vs. 7-year CAGR of 27%), and
- 2023 P/E of 11.8x (vs. 7-year CAGR of 22%).

As such, GMFC's PEG ratio (P/E vs. earnings growth) as implied by the subscription price is 0.5x.

Figure 2: IPO timeline

Event	Date
Subscription opened	12 June 2022
Subscription closes	14 August 2022

Source: IPO Prospectus.

Figure 3: GMFC's multiples

Multiples (based on the IPO price)	2023e	2024e	2025e
EV/Revenues	1.1x	0.5x	0.1x
EV/EBITDA	5.5x	1.4x	0.3x
P/E	11.8x	7.4x	4.7x

Source: IPO Prospectus, Prime Research.

Prime Securities

Shawkat El Maraghy

Managing Director

T +202 3300 5622

SElmaraghy@egy.primegroup.org

Sales

Mohamed Ezzat

Head of Sales & Branches

T +202 3300 5784

MEzzat@egy.primegroup.org

Mohamed Ashmawy

Head of Institutional Sales

T +202 3300 5612

MAshmawy@egy.primegroup.org

Amr Alaa CFTe

Team Head –Institutional Desk

T +202 3300 5609

AAlaa@egy.primegroup.org

Mohamed El Metwaly

Manager

T +202 3300 5610

MElmetwaly@egy.primegroup.org

Emad El Safoury

Manager

T +202 3300 5624

EElsafoury@egy.primegroup.org

Shawkat Raslan

Heliopolis Branch Manager

T +202 3300 5110

SRaslan@egy.primegroup.org

Nashwa Abuelatta

Alexandria Branch Manager

T +202 3300 5173

NAbuelatta@egy.primegroup.org

Research

Amr Hussein Elalfy CFA

Head of Research

T +202 3300 5724

AElalfy@egy.primegroup.org

Head Office

Prime Securities S.A.E.

Regulated by FRA License No. 179.
Member of the Egyptian Exchange.

2 Wadi Elnil St, Liberty Tower, 7th Fl.
Mohandessin, Giza, Egypt

T +202 3300 5700 / 770 / 650 / 649

F +202 3760 7543

Branches

Heliopolis

7 Elhegaz Square

Heliopolis, Cairo, Egypt

T +202 2777 0600

F +202 2777 0604

Alexandria

7 Albert Al Awal St.

Smouha, Alexandria, Egypt

T +202 3300 8170

F +202 3305 4622

Website

www.primeholdingco.com

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