

Ghani Dairies Limited - IPO

We recommend the IPO at the floor price of PKR 24.00



Equity Research | Food and Personal Care Products | Monday, 2 February, 2026

We recommend to subscribe the IPO at 24/- which offers a discount of 16% against the peer average price multiple.

The registration of eligible investors commenced at on January 28, 2026 and will close at 3:00 pm on February 03, 2026

Bidding dates are from 02nd Feb 2026 to 03rd Feb 2026 (From 9:00 am to 5:00 pm)

Dates of public subscription are from 09th Feb 2026 to 10th Feb 2026 (from 12:00 am to 11:59 pm)

Purpose of the Issue

Ghani Dairies Limited (“GDL”) is a Pakistan-based corporate dairy company engaged in the production and sale of fresh raw milk, operating a large-scale dairy farm covering approximately 2.37 million square feet in District Khushab, Punjab. Incorporated in October 2020 and commencing commercial operations in October 2021, the Company was converted into a public limited company in July 2025. As of September 30, 2025, GDL maintained a herd of 2,527 cows, including 1,398 milking cows (55% of the herd), managed under global best practices by experienced dairy professionals, with average milk production of around 34 liters per cow per day.

Purpose of the Issue

The principal purpose of the issue is to fund herd and operational expansion, infrastructure upgrades, and working capital. These initiatives will increase raw milk production from 17,840 TPA in FY2025–26 to 33,570 TPA by FY2026–27, and further to 38,371 TPA by FY2027–28 through heifer induction and organic herd growth.

Issue details

This issue consists of 104.2 million Ordinary Shares equivalent to 24.28% of the total Post-IPO Paid Up Capital of Ghani Dairies Limited of face value of Rs1.00/- each.

Out of the total issue size of 104,200,000 ordinary shares of PKR 1.00 each, 75.00% of the issue, comprising 78,150,000 ordinary shares, will be offered through the book building process at a floor price of PKR 24.00 per share and allotted to successful bidders, while the remaining 25.00%, consisting of 26,050,000 ordinary shares, will be offered to retail investors at the strike price

Financial Performance

Over the past three years, the Company has demonstrated exceptional financial growth, with revenue increasing from PKR 1,841.16 million in 2023 to PKR 4,111.95 million in 2025, representing a strong CAGR of 49%. Profit after tax also recorded robust growth, rising from PKR 41.99 million in 2023 to PKR 444.15 million in 2025, translating into an impressive CAGR of 225%, while diluted EPS improved significantly from PKR 0.10 to PKR 1.03 over the same period. Profitability margins have strengthened materially, with gross margins expanding to 15.08% in 2025 from 5.43% in 2023 and net margins improving to 10.80% from 2.28%.

The positive momentum continued into 1QCY26, with the Company reporting revenue of PKR 1,062.73 million and EPS of PKR 0.29, implying an annualized EPS of PKR 1.17, alongside further margin expansion to 17.42% at the gross level and 11.76% at the net level.

Key Statistics

Company Name	GHANI DAIRIES LIMITED
Floor Price	24.00
Upper Band of Floor Price (40%)	33.60
Book Building Dates	02-03 Feb 2026
IPO Dates	09-10 Feb 2026
Size of Issue	104.2 Million Ordinary Shares
Free Float	24.28%
Pre-IPO No. of Shares (mn)	325.0
Post-IPO No. of Shares (mn)	429.2

	CY23	CY24	CY25
Sales (Rs. Bn)	1,841.1	3,144.9	4,111.9
Sales Growth	-	70.8%	30.7%
GPM	5.4%	5.3%	15.1%
NPM	2.3%	2.3%	10.8%
Diluted EPS	0.10	0.17	1.03

Competitors	P/E	P/B
PREMA	15.2	1.4
NESTLE	21.7	16.9
FFL	44.4	5.2
FCEPL	29.4	4.1
Average	27.7	6.9
Median	25.6	4.6
GDL	23.2	6.9
(Discount)/Premium	-16%	1%

Haroon Abdul Razzaq

Phone: (+92) 42 38302028; Ext: 116
Email: haroon@abbasiandcompany.com

Valuation

At the floor price of PKR 24, Ghani Dairies Limited is offered at a P/E multiple of approximately 23.19x based on CY25 earnings and the post-IPO share count, which is at a 16% discount to the peer group average of around 27.67x, indicating relative valuation attractiveness. However, at the maximum book-building price of PKR 33.6, the implied P/E rises to about 33.47x, representing a premium of nearly 17% over peers, thereby highlighting stronger value at the floor price .

On a price-to-book basis, the post-IPO P/B stands at approximately 6.93x, broadly in line with the peer average of 6.76x. Importantly, the elevated P/B multiple, when viewed alongside a high return on equity of 29.86%, well above the estimated cost of equity of 16.22%, reflects value-creating growth and efficient capital deployment, supporting the justification of higher book multiples and reinforcing the overall valuation appeal.

Investment Rationale

At the floor price of PKR 24, the IPO offers a compelling investment opportunity, supported by strong earnings growth, expanding margins, and efficient capital deployment reflected in an ROE well above the cost of equity. Despite this superior financial performance, the implied CY25 P/E of ~23.19x represents a ~16% discount to the peer average, providing an attractive margin of safety, while the post-IPO P/B remains broadly in line with peers and is justified by value-accretive growth. Overall, the combination of robust fundamentals and discounted valuation at the floor price enhances the attractiveness of the offering for long-term investors.

Key Risks

- Commodity and Input Cost Volatility
- Biological and Operational Risks
- Regulatory and Price Risk

How to Apply

Click the link below to access the video tutorial and written instructions:

<https://eipo.psx.com.pk/EIPO/home/index#>

In case of any queries, please feel free to contact Mr. Junaid Dastagir at 03224026587.

This report has been prepared by Abbasi & Company (Private) Limited 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, Abbasi & Company (Private) Limited 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 Abbasi & Company (Private) Limited 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 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 Abbasi & Company (Private) Limited Research Department and do not necessarily reflect those of the company or its directors. Abbasi & Company (Private) Limited as a firm may have business relationships, including investment-banking relationships, with the companies referred to in this report. Abbasi & Company (Private) Limited does not act as a market maker in the securities of the subject company. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives do not have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company at the time of issuance of this report. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives are not currently serving or have served in the past three years as a director or officer of the subject company. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives have not received compensation from the subject company in the previous 12 months. The subject company currently is not, or during the 12-month period preceding the date of publication or distribution of this report, was not, a client of Abbasi & Company (Private) Limited. We have not managed or co-managed a public offering or any take-over, buyback or delisting offer of securities for the subject company in the past 12 months and/or received compensation for corporate advisory services, brokerage services or underwriting services from the subject company in the past 12 months. Abbasi & Company (Private) Limited does not expect to receive or intend to seek compensation for corporate advisory services or underwriting services from the subject company in the next 3 months

All rights reserved by Abbasi & Company (Private) Limited. 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 Abbasi & Company (Private) Limited. Action could be taken for unauthorized reproduction, distribution or publication

VALIDITY OF THE PUBLICATION OR REPORT

The information in this publication or report is, regardless of source, given in good faith, and may only be valid as of the stated date of this publication or report. The information may be subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the company, jurisdiction or financial instruments referred to in this report. The valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report and were based upon several estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein is not to be relied upon as a representation and/or warranty by Abbasi & Company (Private) Limited and/or its other associated and affiliated companies, that:

- I. Such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
- II. There is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein

DEFINITION OF TERMS

TP	Target Price	CAGR	Compound Annual Growth Rate	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	LDCP	Last Day Closing Price

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

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

RESEARCH DISSEMINATION POLICY

Abbasi & Company (Private) Limited 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

OTHER DISCLOSURES

The research analyst is primarily involved in the preparation of this report, certifies that:

- I. The views expressed in this report accurately reflect his/her personal views about the subject company/stock /sector and economy
- II. 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

The Research Analyst is not and was not involved in issuing of a research report on any of the subject company’s associated companies

RESEARCH DEPARTMENT

6 - Shadman, Lahore
 Phone: (+92) 42 38302028; Ext 116, 117
 Email: research@abbasiandcompany.com
 web: www.abbasiandcompany.com

HEAD OFFICE

6 - Shadman, Lahore
 Phone: (+92) 42 38302028
 Email: info@abbasiandcompany.com
 web: www.abbasiandcompany.com

BRANCH OFFICE

42 - Mall Road, Lahore
 Phone: (+92) 42 37320707
 Email: info@abbasiandcompany.com
 web: www.abbasiandcompany.com