

Pakistan Equity | Pharmaceuticals | Company Report

AGP Limited

Value-Accretive Merger Strengthens Growth Outlook

23 June 2026



An OBS Group Company

Um e Hanni | Nasheed Malik

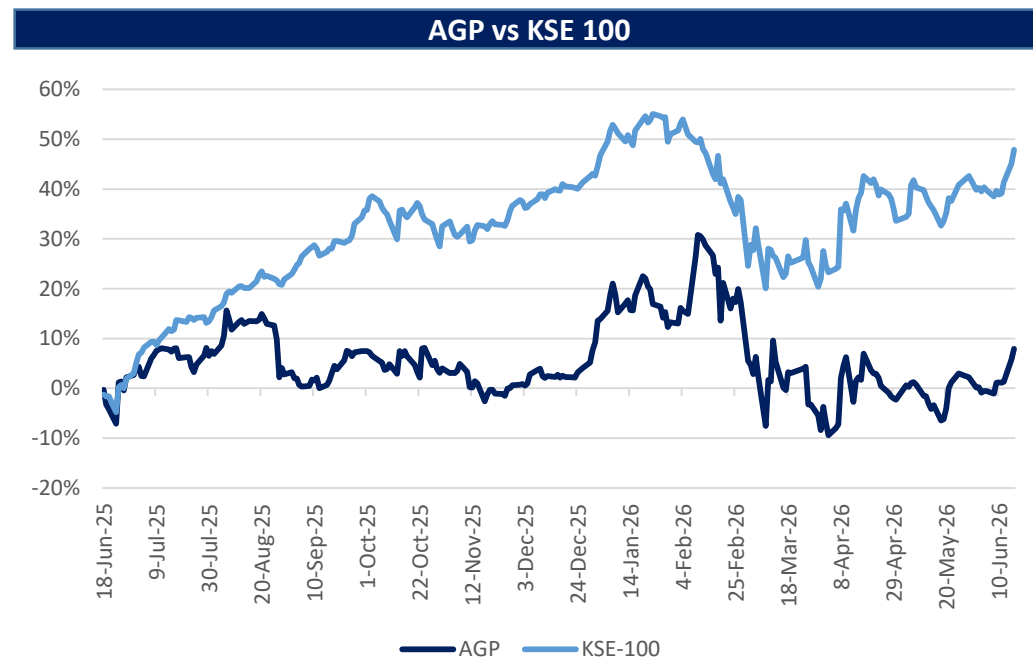
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AGP TP PKR 274.6/share; Upside of 35.7%

Symbol	AGP
Recommendation	BUY
Current Price	PKR 202.30
Target Price	PKR 274.6
Potential Upside	35.7%
Market Cap (mn)	PKR 56,644
Shares (mn)	388.7
Free Float	30%

Source: Company Accounts, Growth Securities



Source: PSX, Growth Securities

- We initiate our coverage on AGP Limited (AGP) with a Target Price of PKR 274.6/sh offering potential upside of 35.7% along with the dividend yield of 5.2%, taking total return to 41.0%. Our investment thesis is based on 1) Transformational OBS Pharma merger 2) Demographic Tailwinds and untapped healthcare potential, 3) Drug price deregulation unlocks growth and margin expansion, 4) firm margins on lower API cost and stable PKRUSD parity, 5) Growing presence in emerging markets, and 6) Sustained gross margin leadership across the industry.
- **Transformational OBS Pharma Merger:** The merger with OBS Pharma is expected to enhance AGP's scale, diversify its therapeutic presence, and strengthen its position in high-growth segments, particularly women's healthcare. The transaction is likely to be earnings accretive and could elevate AGP among Pakistan's top 10 pharmaceutical companies.
- **Demographic Tailwinds and Untapped Healthcare Potential:** Pakistan's pharma demand is rising fast, driven by a 255mn population with 41% under 15 and a small but high-consuming 60+ segment (12–15% of usage). Urbanization, higher incomes, and better healthcare access are boosting medicine consumption, supported by regulatory improvements and exports. With healthcare spending at just 2.52% of GDP, well below global levels, the sector has strong long-term growth potential.
- **Drug Price Deregulation Unlocks Growth and Margin Expansion:** Pakistan's pharma market has reached PKR 1.05trn (USD 3.75bn), growing at a 14% CAGR (2021–2025). Historically price-controlled, the 2018 policy linked prices to CPI with stricter caps on essential drugs. In Feb 2024, non-essential drugs were deregulated, improving pricing flexibility. For AGP Limited, ~35% of products remain capped, while 65% benefit from deregulation supporting margins and earnings growth.

AGP TP PKR 274.6/share; Upside of 35.7%

Key Ratios – Post Merger

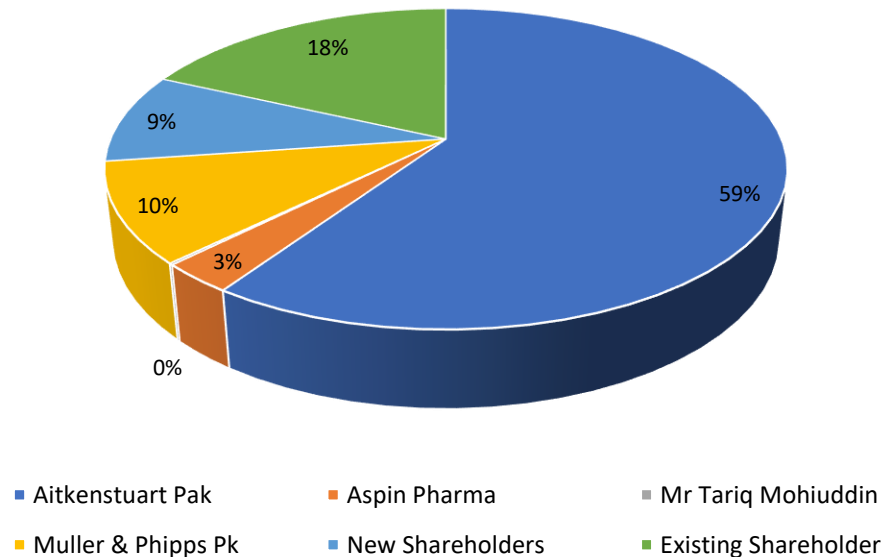
	CY24A	CY25A	CY26E	CY27F	CY28F
EPS	9.5	13.4	17.5	21.1	24.3
EPS YoY	71%	40%	17%	20%	15%
Price Earnings	10.6	14.2	11.5	9.6	8.3
Price to Book	2.1	3.4	3.8	3.0	2.5
Dividend Yield	4.0%	4.2%	4.3%	5.2%	6.0%
Gross Margins	58.1%	59.8%	58.2%	59.1%	59.8%
EBITDA Margins	30.7%	30.7%	32.0%	32.9%	33.4%
Net Margins	10.7%	13.0%	16.5%	17.9%	18.8%
ROE	18.3%	21.9%	28.3%	28.5%	27.7%
ROA	9.1%	11.7%	15.8%	17.7%	18.9%

Source: Company Accounts, Growth Securities

- **Firm Margins on Lower API Costs & Stable PKR/USD:** Pakistan's pharma sector relies heavily on imported APIs, mainly from China and India. Lower oil prices and easing supply chains have reduced costs, boosting margins—further supported by pricing flexibility after deregulation. However, geopolitical risks may cause volatility, though margins are expected to remain stable around 58–59% in the medium term.
- **Growing Presence in Emerging Markets:** AGP's expanding presence in regional markets enhances its growth prospects beyond Pakistan. Increasing export penetration is expected to diversify revenue streams, mitigate concentration risk, and provide an incremental driver for long-term earnings growth.
- **Sustained Gross Margin Leadership Across the Industry:** Gross margins have remained robust at approximately 58%–62%, consistently ranking among the highest in the sector. The Company's superior margin profile reflects its strong brand equity, favorable product mix, and effective cost management, supporting earnings resilience amid inflationary pressures.
- **Valuation:** We have used blended valuation incorporating a Discounted Cash Flow (DCF) model based on Free Cash Flow to Equity (FCFE) and a long-term PE multiple to arrive at target price of PKR 274.6/share, with a capital upside of 35.7% and dividend yield of 5.2%, taking total return to 41.0%.
- **Risks:** 1) lower than estimated volumetric growth, 2) removal or change in pricing policy, 3) higher than expected PKR devaluation against USD, 4) raw material & API cost volatility, 5) regulatory delays or change in regulatory regime, 6) supply-chain disruptions & import restrictions, and 7) slower-than-expected realization of benefits from the OBS Pharma merger.

OBS Pharma Merger – A Transformational Step for AGP

Shareholding Structure – Post Merger

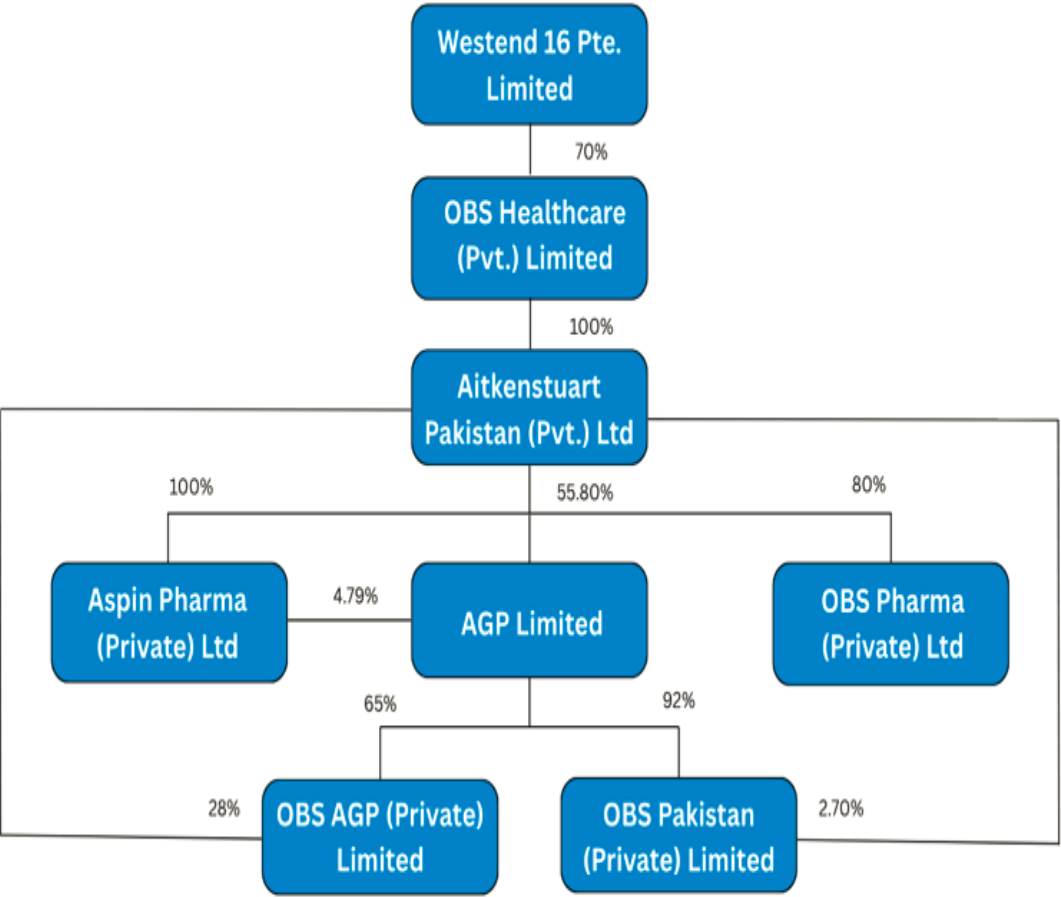


Source: Company Accounts, Growth Securities

- AGP Limited's proposed merger with OBS Pharma (Private) Limited, which holds the former Bayer pharmaceutical portfolio in Pakistan, represents a transformational milestone in the Company's growth strategy. Effective from 1 January 2026, the transaction is expected to enhance AGP's scale, diversify its therapeutic footprint, and strengthen its competitive positioning within the domestic pharmaceutical sector.
- The acquisition brings a portfolio of established brands, including **Primolut N**, **Gravibinan**, **Ciproxin**, **Travocort**, **Travogen**, **Skinoren**, **Noctamid**, **Testoviron**, and **Utrogestan**, significantly expanding AGP's presence in high-margin segments such as women's healthcare, dermatology, and consumer healthcare. Importantly, the addition of the Bayer portfolio further diversifies AGP's revenue base, with approximately 77% of OBS Pharma's portfolio comprising non-essential products, which are generally subject to greater pricing flexibility compared to essential medicines. Notably, Gravibinan and Primolut N command market shares of approximately 99% and 88%, respectively, positioning AGP as a leading player in the women's healthcare segment.
- Based on IQVIA market data, the combined entity is expected to improve its industry ranking from 15th position to among Pakistan's top 10 pharmaceutical companies.
- The transaction also appears attractive from a valuation standpoint, with the OBS Pharma portfolio being acquired at an estimated 10.4x–10.7x 2025 earnings multiple, representing a 25–30% discount to AGP's standalone valuation and prevailing industry multiples.
- From an operational standpoint, AGP's manufacturing footprint will expand from three to four facilities through the addition of a dedicated 3-acre hormonal and psychotropic manufacturing plant located at the Quaid-e-Azam Industrial Estate, Lahore.

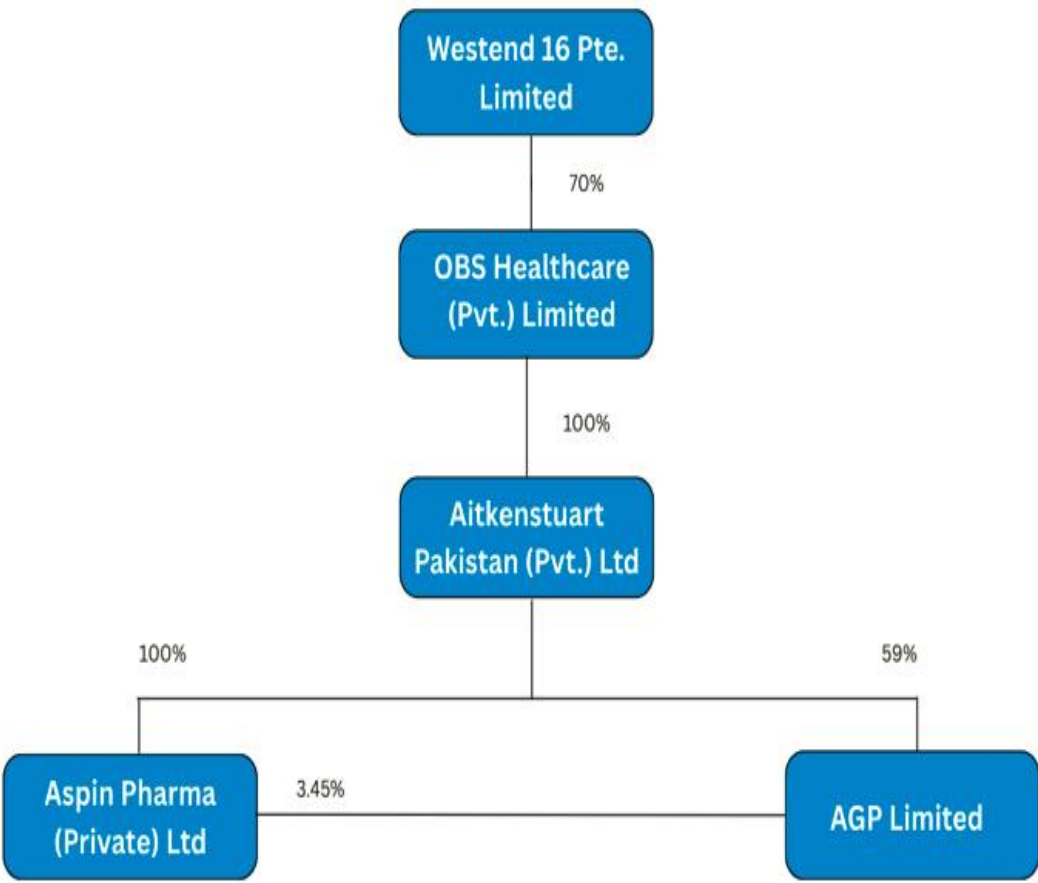
Shareholding Structure

Shareholding and Group Structure – Pre Merger

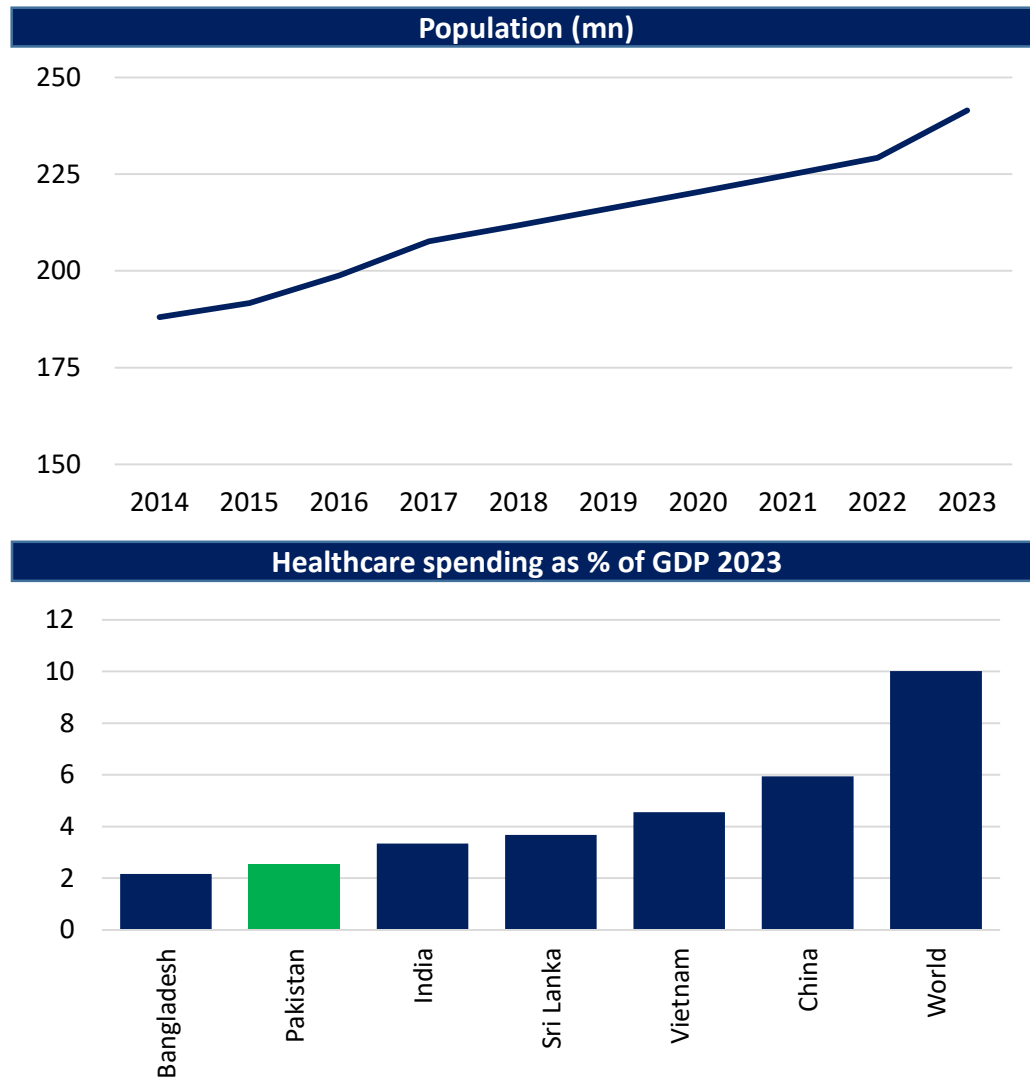


Source: Company Account, Growth Securities

Shareholding and Group Structure – Post Merger



Demographic Tailwinds and Untapped Healthcare Potential

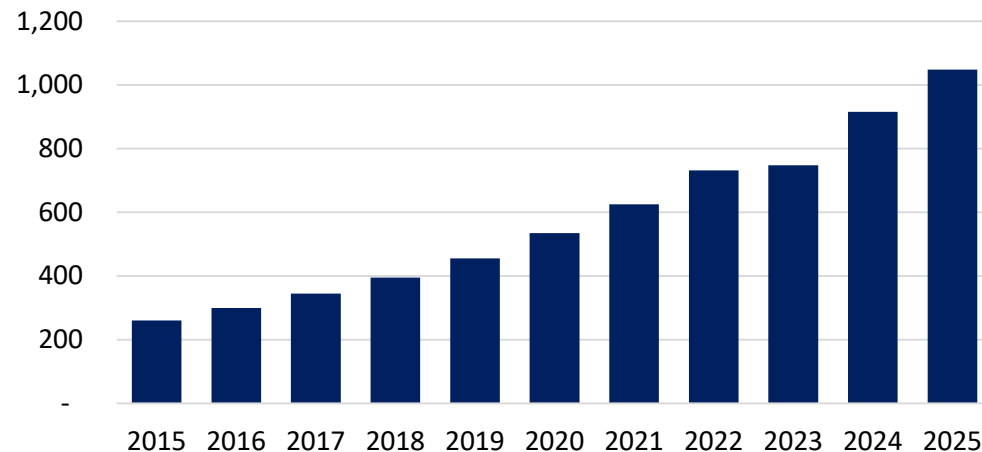


Source: World Bank, PBS, Growth Securities

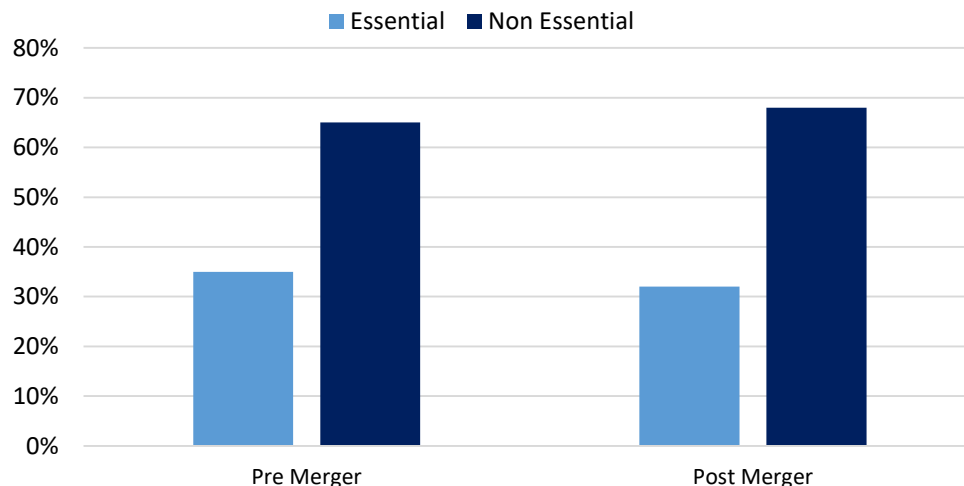
- Pakistan's population has surged from 177mn in 2011 to approximately 255mn by December 2025, with around 41% under the age of 15. This young demographic drives strong consumption of pediatric medicines, vaccines, vitamins, and analgesics, forming a solid structural base for pharmaceutical volumes. At the same time, the population aged 60 and above has increased from 6mn in FY10 to approximately 9.5mn in FY25. This segment consumes 3–5x more medicines than the average individual and, despite representing less than 4% of the total population, contributes around 12–15% of pharmaceutical volumes, supporting overall sector resilience.
- The demand for pharmaceuticals in Pakistan is rising rapidly, driven by a combination of structural and socioeconomic factors. At the same time, rapid urbanization is improving access to hospitals and pharmacies, leading to higher diagnosis and treatment rates.
- In addition, the expansion of healthcare infrastructure and rising income levels particularly among the middle class are enabling greater spending on healthcare. Institutions like the Drug Regulatory Authority of Pakistan have further contributed by improving regulatory oversight and drug availability, while export demand from regional markets adds another layer of growth.
- Despite population growth and the rising prevalence of diseases, which increase the demand for healthcare services, Pakistan's healthcare expenditure stood at 2.52% of GDP in 2023, remaining among the lowest in the region. It is lower than India (3.34%) but slightly higher than Bangladesh (2.17%). However, it remains significantly below countries such as China (5.94%), Vietnam (4.56%), and Sri Lanka (3.68 %). The world average stands at approximately 10.0% of GDP, highlighting the substantial growth potential in the healthcare and pharmaceutical sectors as the country gradually increases allocations to meet rising demand and evolving health challenges.

Drug Price Deregulation Unlocks Growth and Margin Expansion

Pharmaceuticals Industry in Pakistan (PKR bn)



Share of Essential & Non Essential (AGP)

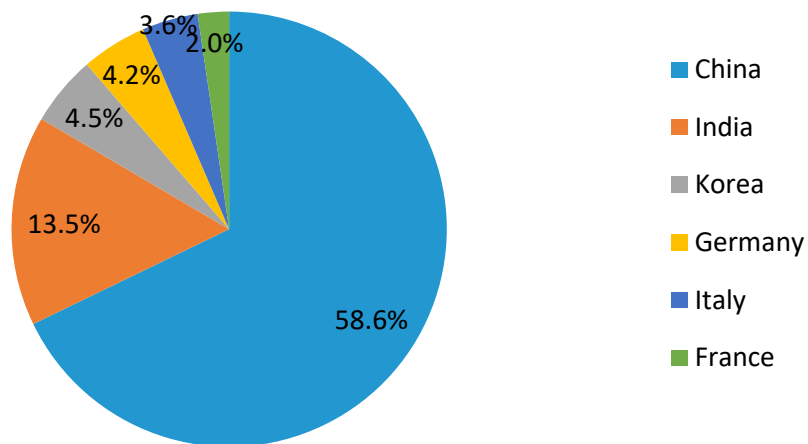


Source: IQVIA, Growth Securities

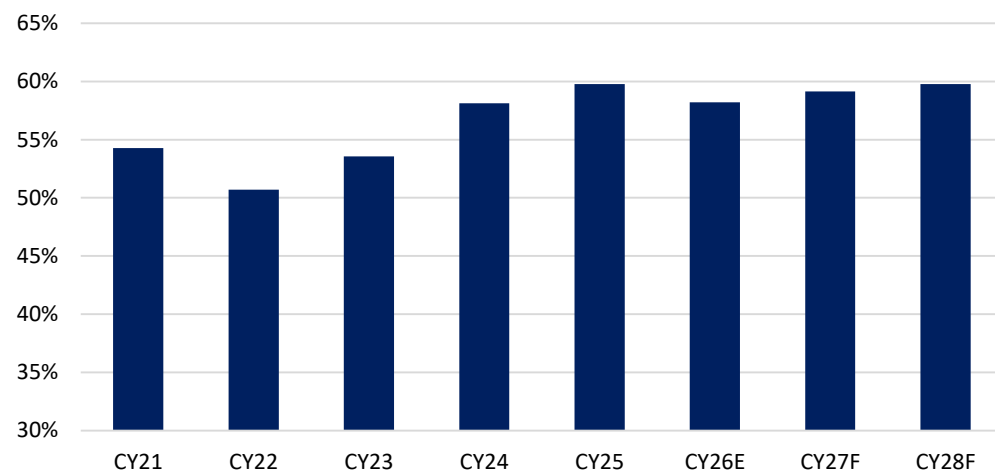
- Following the deregulation of non-essential drugs, Pakistan's pharmaceutical retail market reached PKR 1.049tn (USD 3.75bn) in sales, according to IQVIA data. Over the period 2021–2025, the industry recorded a solid revenue CAGR of 14%, driven by both price increases and volume growth.
- Pakistan's pharmaceutical sector is regulated by the Ministry of National Health Services Regulations & Coordination and the Drug Regulatory Authority of Pakistan, which was established in 2012 under the DRAP Act. Historically, the sector has operated under strict price controls, limiting companies' ability to pass on rising input costs.
- Between 2001 and 2015, drug prices in Pakistan remained largely controlled under government-imposed restrictions. In 2018, the government introduced the Drug Pricing Policy, linking DRAP-regulated prices to the Consumer Price Index (CPI), effective July 1, 2018. Under the revised policy, pharmaceutical companies were allowed to adjust prices by providing a 30-day notice to DRAP, compared to the previous six-month approval process.
- Drugs were categorized into essential and non-essential segments; essential drugs were permitted price increases of up to 70% of the annual CPI (capped at 7%), while non-essential drugs could be adjusted up to the full annual CPI (capped at 10%). In February 2024, DRAP deregulated the prices of non-essential drugs. Following this change, companies dealing in non-essential drugs gained greater pricing flexibility, providing them with a competitive advantage.
- Post-merger, AGP's portfolio is expected to comprise 68% non-essential and 32% essential products. The higher share of non-essential drugs, which offer greater pricing flexibility compared to essential medicines capped at 70% of CPI or 7%, is expected to support stronger margins and earnings growth.

Firm Margins on Lower API Costs & Stable PKR/USD

Key API import destinations



AGP Gross Margins

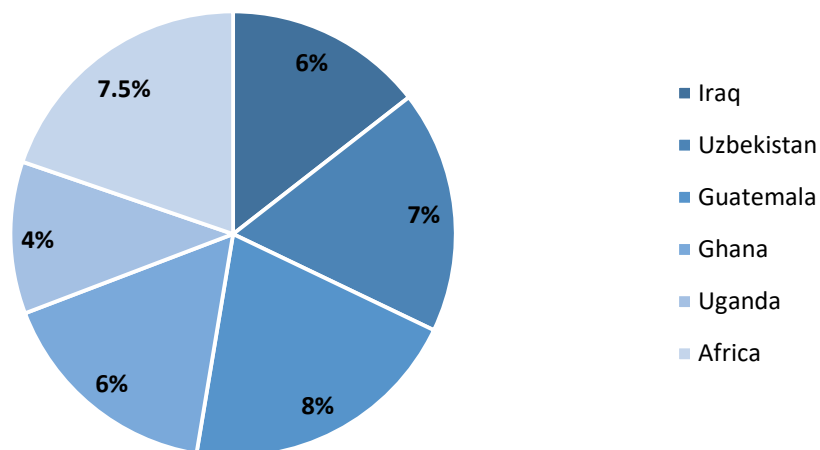


Source: Company Account, Growth Securities

- Pharma sector is highly dependent on imports to meet the demand of basic raw materials APIs (Active Pharmaceutical Ingredients) and Excipients/Chemicals. The majority of APIs used in the industry are imported from countries such as China, India, and Korea. In FY24, country-wise data shows that China was the largest exporter of pharmaceutical products to Pakistan constituting more than half of the Pakistan's total imports ~58.6% in FY24, followed by India with a share of ~13.5%, Korea (~4.5%), Germany (~4.2%) and Italy (~3.6%).
- Declining active pharmaceutical ingredient (API) costs—supported by a sharp fall in crude oil prices (down from a peak of ~USD 94 per barrel in 2022 to ~USD 75.8 in 2024 and averaging ~USD 68.2 in 2025, a decline of ~27%) along with normalization of global supply chains.
- Combined with improved pricing for non-essential drugs post-deregulation and continued price rationalization allowed by the regulator, have created a significantly supportive cost and pricing environment for the pharmaceutical sector; as APIs form a major cost component for Pakistan's largely import-dependent industry, this decline has directly contributed to margin expansion, with industry improving gross margins.
- The US-Iran conflict that spiked in early 2026 has been defused through diplomatic efforts led by Pakistan and Qatar. Brent crude has responded sharply, falling ~40% from its USD 126/bbl peak to USD 79/bbl the lowest since early March—as markets price in resumed Iranian exports and normalized shipping routes.
- This collapse in energy prices materially reduces API input cost inflation, reinforcing our outlook for stable gross margins in the 59–60% range through 2027–2028, supported by contained PKR/USD parity and moderating inflation.

Growing Presence in Emerging Markets

Healthcare Spending (% of GDP) 2023



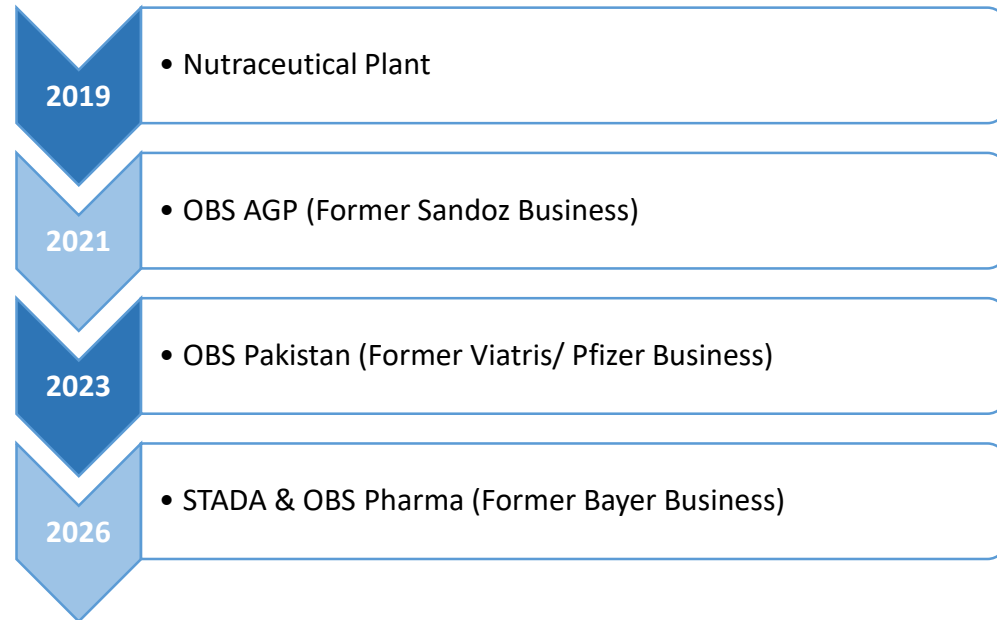
Country	Healthcare Spending (% of GDP)	Year
Iraq	5.5%	2023
Uzbekistan	6.7%	2023
Guatemala	7.8%	2023
Ghana	6.3%	2023
Uganda	4.2%	2023
Africa	7.5%	2023-2024

Source: World Bank, Growth Securities

- AGP Pharma is expanding its export portfolio across multiple emerging markets in Central & South America, Africa, and the Asia/Middle East region, targeting 31 new international markets. This strategy is expected to support long-term revenue growth through export diversification, higher foreign currency earnings, and reduced reliance on Pakistan's domestic market.
- These regions collectively represent a population base exceeding 350mn people with improving healthcare infrastructure, rising urbanization, and growing demand for affordable generic medicines. Key markets include Iraq (population: 46mn in 2025), Uzbekistan (37mn), Guatemala (18mn), Ghana (35mn), and Uganda (50mn).
- Several of these markets remain heavily dependent on imported pharmaceuticals due to weak domestic manufacturing capacity, limited R&D investment, and insufficient specialty drug production. In many African economies, approximately 70–90% of pharmaceutical demand is fulfilled through imports, while imported medicines account for nearly 78% of pharmaceutical purchases in Uzbekistan. Additionally, healthcare supply shortages in countries such as Iraq, Yemen, and Somalia continue to support demand for imported generic medicines.
- Africa's pharmaceutical market was valued at approximately USD 27.7bn in 2024 and is expected to witness steady long-term growth, supported by rising healthcare expenditure, increasing disease burden, and improving medicine accessibility.
- This creates a favorable environment for AGP to expand exports through its cost-competitive portfolio across anti-infectives, cardiovascular, diabetes, gastrointestinal, and OTC segments. Pakistan's pharmaceutical sector benefits from relatively lower manufacturing costs compared to Western producers, enabling companies such as AGP to compete effectively in price-sensitive frontier markets.

Diversified Product Portfolio and Strategic Acquisitions

Key Acquisitions Journey

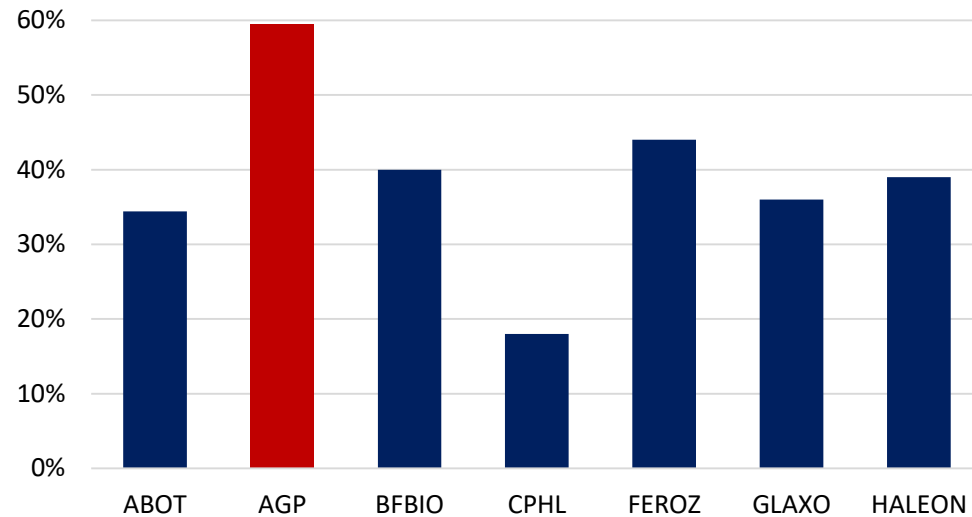


Source: Company Accounts, Growth Securities

- AGP Limited maintains a diversified pharmaceutical portfolio across acute, chronic, specialty, and consumer healthcare segments, with products spanning anti-infectives, cardiovascular, diabetes, gastrointestinal, respiratory, dermatology, gynecology, hormonal, neuropsychiatric, nutraceutical, and OTC categories. This broad therapeutic presence supports stable revenue generation while reducing dependence on any single segment. In recent years, AGP has strategically expanded into higher-margin chronic and specialty therapeutic areas, with the chronic segment currently contributing approximately 19% of total revenue. This shift is supported by rising prevalence of diabetes, cardiovascular diseases, and lifestyle-related disorders in Pakistan.
- A key milestone in AGP's portfolio expansion was the acquisition and integration of selected brands and portfolios associated with multinational pharmaceutical companies including Sandoz and Viatris. These acquisitions strengthened AGP's market presence across dermatology, gynecology, hormonal, and specialty care segments while adding established pharmaceutical brands with strong prescription demand.
- In addition, AGP's proposed integration of Bayer-related products is expected to further deepen its product portfolio through established brands such as Primolut N, Skinoren, Travocort, Testoviron, and Utrogestan. The Company has also secured approvals for the manufacturing and marketing of globally recognized products such as Viagra and Xanax in Pakistan, while entering the skincare segment through the distribution of Oilatum products.
- These strategic initiatives are further more expected to enhance AGP's product mix, improve profitability margins, strengthen its positioning in specialized therapeutic categories, and reduce reliance on conventional acute-care therapies, thereby supporting sustainable long-term growth.

Sustained Gross Margin Leadership Across the Industry

Industry-Leading Gross Margins (2025)



Source: Company Accounts, Growth Securities

- AGP Limited has consistently maintained the highest gross margins among its pharmaceutical peers, averaging around 58–62% over the past several years, which reflects the strength of its business model and product portfolio. The primary driver behind this margin leadership is the Company's higher exposure to branded and non-essential pharmaceutical products, which provide greater pricing flexibility compared to essential medicines that remain subject to stricter regulatory oversight. This allows AGP to better pass on increases in raw material, energy, and currency-related costs to consumers, thereby preserving profitability.
- In addition, AGP has strategically focused on specialized and relatively high-margin therapeutic areas such as gastroenterology, women's health, dermatology, hormones, and neuropsychiatry. Products in these segments generally face lower competitive pressure and command stronger pricing power than conventional essential medicines. The Company has also strengthened its portfolio through partnerships with multinational pharmaceutical companies, enabling it to market premium and differentiated products that further support margins.
- Moreover, AGP's export operations contribute positively to profitability through foreign currency earnings and geographical diversification, although exports are not the primary reason for its superior margins. The Company's long-standing distribution arrangement with Muller & Phipps ensures efficient product availability and nationwide market penetration, supporting sales growth and operational efficiency. Overall, AGP's favorable product mix, strong pricing power, focus on specialized therapies, and strategic partnerships remain the key factors behind its consistently higher gross margins relative to its peers.

Major Revenue-Contributing Brands



- Following the merger of OBS Pharma, AGP Limited's portfolio has become broader and more diversified, encompassing several market-leading brands across therapeutic areas including anti-allergy, anti-infectives, women's healthcare, dermatology, nutraceuticals, gastroenterology, and central nervous system disorders. The expanded portfolio enhances the Company's brand equity and strengthens its presence in both prescription and consumer healthcare markets
- **Rigix** (anti-allergy/antihistamine therapy) remains one of AGP's flagship brands and a leading product in the allergy segment. The brand enjoys strong prescription demand and widespread market acceptance, supporting recurring revenues and reinforcing AGP's position in respiratory and allergy care.
- **Azomax** (azithromycin antibiotic) remains a key contributor to the Company's anti-infective portfolio. Its strong brand recognition among physicians and patients has enabled AGP to maintain a competitive presence in the highly penetrated antibiotic market.
- **Anafortan Plus** (antispasmodic and pain management therapy) is a prominent brand within AGP's gynecology portfolio. The product is widely prescribed for abdominal and menstrual pain management, supporting the Company's leadership in women's healthcare.
- **Osnate-D and Kosnate-D** (calcium and vitamin D supplements) strengthen AGP's nutraceutical portfolio. These brands benefit from growing health awareness and increasing demand for bone health supplements, providing stable and recurring revenue streams.

Source: Company Accounts, Growth Securities

Major Revenue-Contributing Brands

Top 10 products value wise

S. No	Products	Amount PKR mn	Share % 2025
1	AZOMAX	5,003	14%
2	RIGIX	3,928	11%
3	GRAVIBINAN	2,959	8%
4	OSNATE-D	2,419	7%
5	NORVASC	2,051	6%
6	PRIMOLUT N	1,913	5%
7	CECLOR	1,773	5%
8	CIPROXIN	1,487	4%
9	TRAVOCORT	1,052	3%
10	SPASLER-P	884	2%

Source: IQVIA, Growth Securities

Top 10 products volume wise

S. No	Products	mn units	Share % 2025
1	RIGIX	18.9	19%
2	AZOMAX	10.3	11%
3	GRAVIBINAN	6.8	7%
4	PRIMOLUT N	5.5	6%
5	OSNATE-D	4.8	5%
6	TRAVOCORT	4.8	5%
7	CECLOR	4.7	5%
8	ZATOFEN	4.6	5%
9	NORVASC	4.1	4%
10	SPASLER-P	3.5	4%

Source: IQVIA, Growth Securities

- **Primolut N** (women's healthcare) is a market-leading therapy used in menstrual cycle regulation and related gynaecological conditions. The brand commands an estimated 88% market share, significantly strengthening AGP's presence in women's healthcare.
- **Gravibinan** (progesterone therapy) is a flagship addition from the former Bayer portfolio, primarily indicated for pregnancy support. The brand enjoys an estimated 99% market share, reflecting its strong physician preference and limited competition.
- **Utrogestan** (progesterone therapy) further enhances AGP's women's healthcare franchise and expands its presence in fertility and hormone-related treatments.
- **Skinoren** (dermatology therapy) is a well-recognized dermatological brand used in the treatment of acne and hyperpigmentation. The addition of Skinoren broadens AGP's footprint in the consumer healthcare and dermatology segments.
- **Travocort/Travogen** (antifungal therapies) are established brands in the dermatology segment, providing AGP with exposure to a large and relatively resilient therapeutic category.
- **Ciproxin** (ciprofloxacin antibiotic) is a globally recognized anti-infective brand that complements AGP's existing antibiotic portfolio and strengthens its position in the infectious disease segment.
- Recently acquired global brands including **Viagra**, **Xanax**, **Lipitor**, **Lyrica**, **Zoloft**, and **Norvasc** have further strengthened AGP's portfolio in urology, psychiatry, cardiovascular, and pain management segments. These internationally recognized brands are expected to support future revenue growth while enhancing the Company's exposure to premium and high-value therapeutic categories.

Valuation: Trading at discount of 11.4% to industry

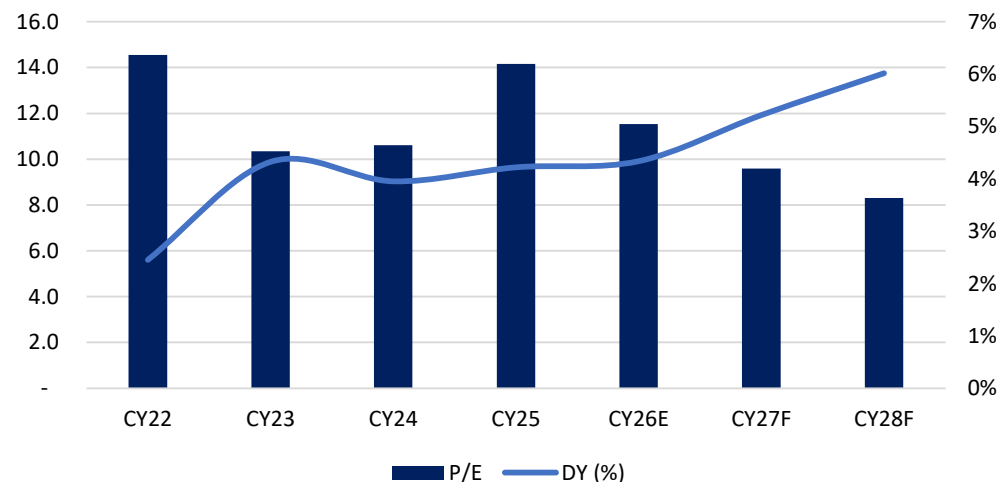
Valuation Assumption

Risk Free Rate	12.0%
Risk Premium	6.0%
Beta	1.00
Discount Rate	18.0%
Growth Rate	9.0%

Source: Growth Securities

- We have used blended valuation incorporating a Discounted Cash Flow (DCF) model based on Free Cash Flow to Equity (FCFE) and a long-term PE multiple to arrive at target price of PKR 274.6/share, with a capital upside of 35.7% and dividend yield of 5.2%, taking total return to 41.0%.
- In DCF, we have applied a cost of equity of 18.0%, which is derived from a risk-free rate of 12%, equity risk premium of 6%. The terminal growth rate assumed is 9.0%. Through DCF, we arrived at a valuation of PKR 259.0/share.
- While for PE multiple, we have calculated 5-Year average PE of AGP which is 13.57x and calculated fair value of PKR 290.2/share.
- AGP is trading at a forward P/E of 11.53x and 9.59x for CY26E and CY27F, respectively. Further, the relative valuation highlights AGP's attractive positioning compared to other listed pharmaceutical peers. While sector peers trade near a trailing twelve months P/E average of 14.7x, AGP trades at a 11.4% discounted multiple of 13.0x based on TTM earnings.
- **Key Risks:**
 1. lower than estimated volumetric growth,
 2. removal or change in pricing policy,
 3. higher than expected PKR devaluation against USD,
 4. raw material & API cost volatility,
 5. regulatory delays or change in regulatory regime, and
 6. supply-chain disruptions & import restrictions.
 7. slower-than-expected realization of benefits from the OBS Pharma merger.

P/E and DY (%)



Source: Company Account,, Growth Securities

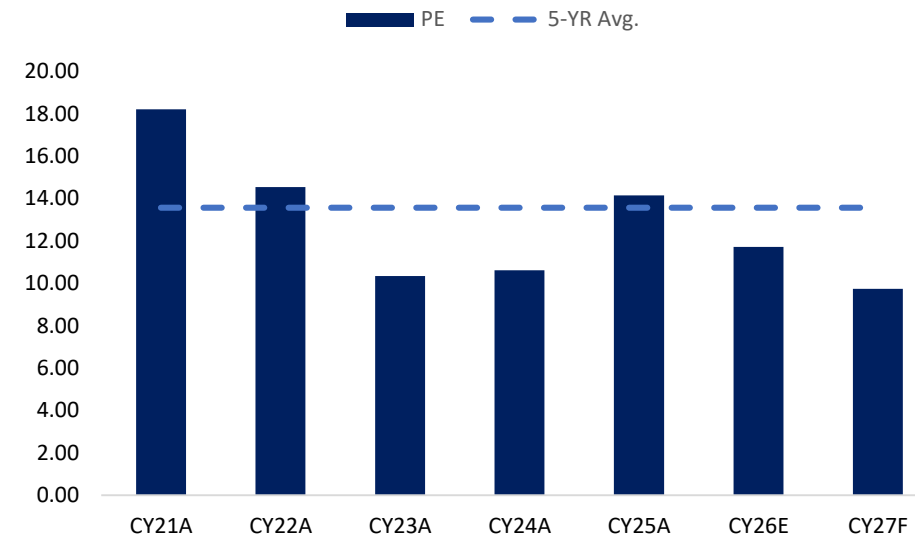
Cash flow based and historical valuations

Cash Flow Based Valuation (FCFF) – Post Merger

PKRmn	CY27F	CY28F	CY29F	CY30F	CY31F
Net Income	8,204	9,460	10,838	12,350	13,909
Add: Depreciation	728	788	852	918	987
▲ in Working Capital	(583)	(450)	(556)	(580)	(746)
Capital Expenditure	(1,016)	(1,064)	(1,115)	(1,168)	(1,224)
Add: Net Borrowing	(2,016)	(2,043)	(1,672)	(1,247)	(1,093)
Free Cash Flow to Equity	5,317	6,692	8,347	10,273	11,833
Discount Factor	0.5	1.5	2.5	3.5	4.5
Discounted FCFE	4,895	5,221	5,518	5,756	5,619
PV of Future Cash Flows	27,008				
PV of Terminal Value	73,665				
Equity Value	100,673				
Outstanding shares (mn)	388.7				
Value/Share (PKR)	259.0				
PE Multiple Valuation					
Forward EPS	24.3				
Exit Multiple	13.6				
Target Price	330.3				
Equity Value/Share	290.2				
Blended Equity Value/Sh.	274.6				

Source: Company Accounts, Growth Securities

Trading at discount to its 5 year average P/E

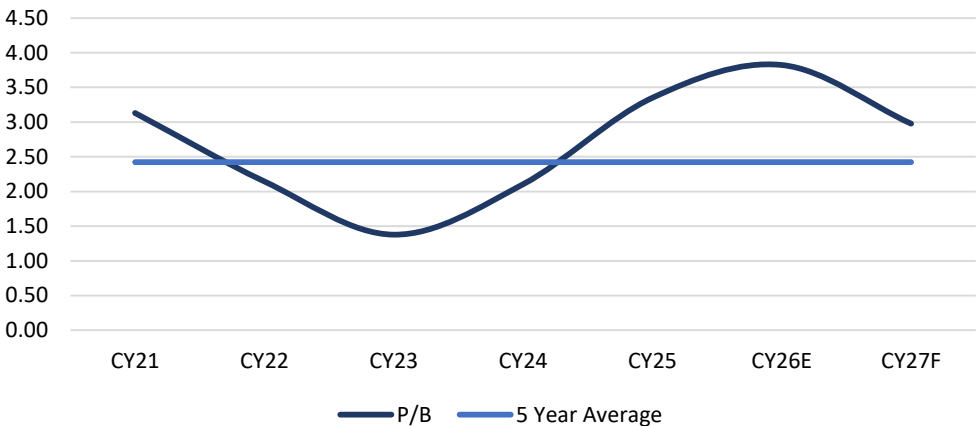


Source: PSX, Company Accounts, Growth Securities

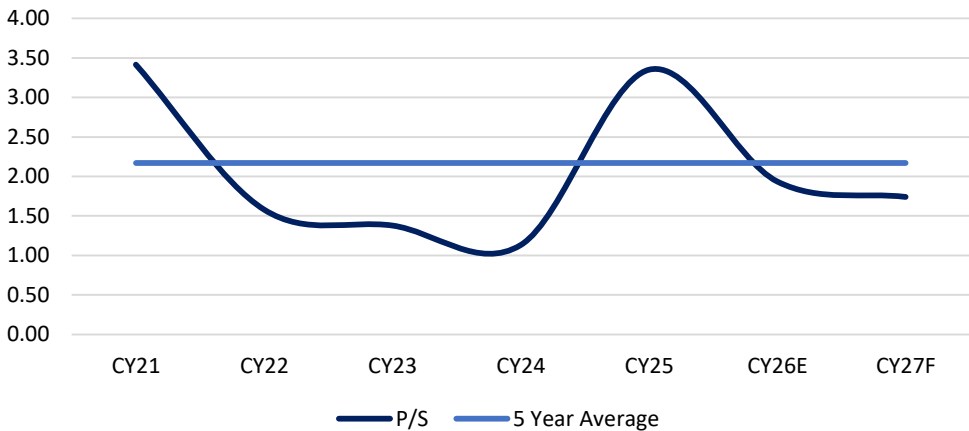
Valuation Metrics



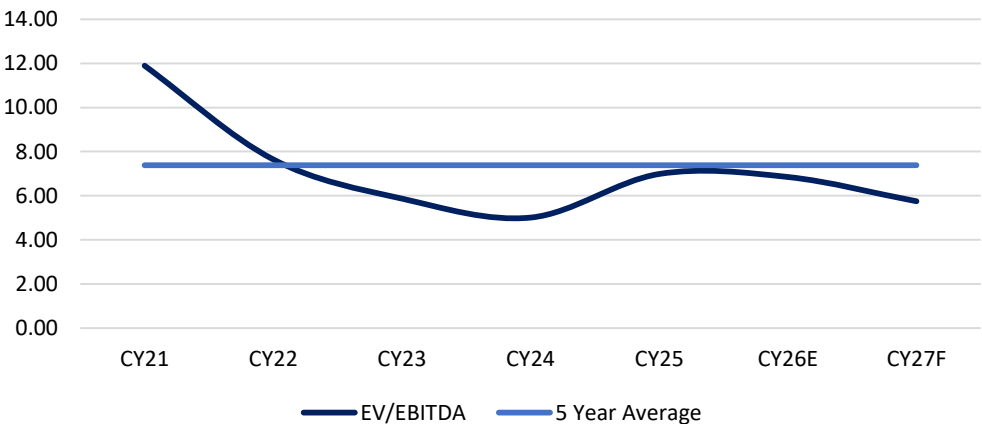
Trading at CY27F P/B of 2.97x vs 5 Year Average P/B of 2.4x



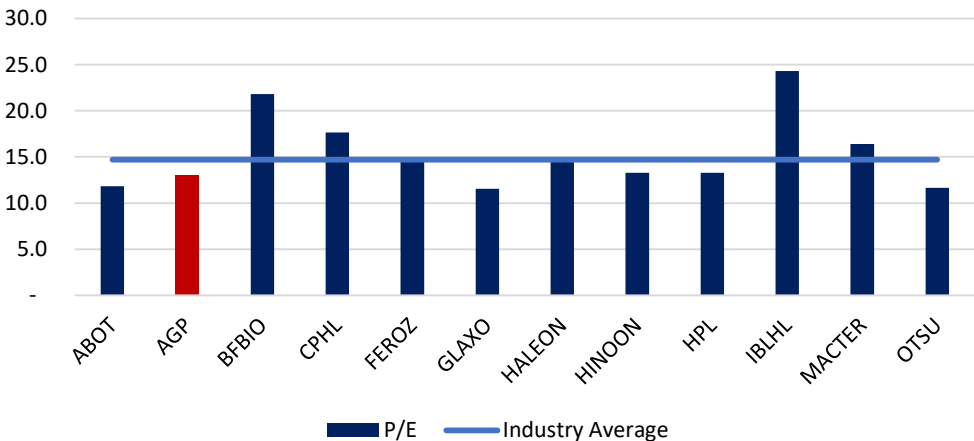
Trading at CY27F P/S of 1.71x vs 5 Year Average P/S of 2.2x



Trading at CY27F EV/EBITDA of 5.67x vs 5 Year Average EV/EBITDA of 7.4x



Trading at discount of 11.4% to industry P/E of 14.7x



Source: Company Account, PSX, Growth Securities

Financial Summary – AGP Limited



Income Statement					
PKRmn	CY24A	CY25A	CY26E	CY27F	CY28F
Net sales	25,034	28,890	31,603	35,323	39,133
Cost of sales	10,482	11,620	12,325	13,423	14,479
Gross profit	14,552	17,269	19,278	21,900	24,654
Dist. Exp.	6,303	7,887	8,628	9,643	10,683
Admin Exp.	940	1,003	1,097	1,226	1,359
Operating profit	7,307	8,380	9,553	11,031	12,612
Finance cost	2,692	1,444	1,046	836	671
Other Income	135	120	126	133	139
Other Exp.	302	344	405	459	516
Profit before tax	4,448	6,712	8,228	9,868	11,563
Taxation	1,778	2,962	2,896	3,473	4,069
Profit After Tax	2,670	3,751	5,333	6,395	7,494

Source: Company Accounts, Growth Securities

Balance Sheet					
PKRmn	CY24A	CY25A	CY26E	CY27F	CY28F
Non-Current Assets	21,888	23,170	23,625	24,074	24,518
Current Assets	7,461	8,870	8,668	10,037	11,908
Total Assets	29,349	32,039	32,295	34,112	36,426
Equity	14,568	17,118	19,518	22,396	25,768
Non-Current Liabilities	7,856	6,173	5,606	4,072	2,646
Current Liabilities	6,925	8,748	7,171	7,645	8,013
Total Equity & Liabilities	29,349	32,039	32,295	34,112	36,426

Source: Company Accounts, Growth Securities

Financial Summary – OBS Pharma

Income Statement					
PKRmn	CY24A	CY25A	CY26E	CY27F	CY28F
Net sales	7,569	9,147	9,655	10,547	11,068
Cost of sales	4,345	4,308	4,920	5,324	5,713
Gross profit	3,224	4,839	4,735	5,223	5,355
Dist. Exp.	829	1,330	1,404	1,534	1,609
Admin Exp.	281	309	326	356	374
Operating profit	2,114	3,200	3,005	3,333	3,372
Finance cost	1,427	783	577	504	426
Other Income	114	27	74	186	324
Other Exp.	63	214	225	246	258
Profit before tax	739	2,230	2,276	2,769	3,011
Taxation	271	774	790	961	1,045
Profit After Tax	468	1,456	1,486	1,808	1,966

Source: Company Accounts, Growth Securities

Balance Sheet					
PKRmn	CY24A	CY25A	CY26E	CY27F	CY28F
Non-Current Assets	7,097	6,990	6,838	6,681	6,519
Current Assets	2,422	3,789	3,896	5,536	7,092
Total Assets	9,519	10,778	10,734	12,217	13,611
Equity	2,337	3,132	4,618	6,427	8,393
Non-Current Liabilities	4,626	3,740	2,774	2,129	1,645
Current Liabilities	2,556	3,906	3,342	3,662	3,573
Total Equity & Liabilities	9,518	10,778	10,734	12,217	13,611

Source: Company Accounts, Growth Securities

Financial Summary – Post Merger

Income Statement - Post Merger					
PKRmn	CY24A	CY25A	CY26E	CY27F	CY28F
Net sales	25,034	28,890	41,258	45,870	50,201
Cost of sales	10,482	11,620	17,246	18,746	20,192
Gross profit	14,552	17,269	24,013	27,123	30,008
Dist. Exp.	6,303	7,887	10,032	11,177	12,293
Admin Exp.	940	1,003	1,312	1,423	1,583
Operating profit	7,307	8,380	12,669	14,523	16,133
Finance cost	2,692	1,444	1,623	1,340	1,097
Other Income	135	120	200	319	463
Other Exp.	302	344	631	705	775
Profit before tax	4,448	6,712	10,504	12,637	14,574
Taxation	1,778	2,962	3,685	4,433	5,114
Profit After Tax	2,670	3,751	6,819	8,204	9,460
EPS (PKR)	9.5	13.4	17.5	21.1	24.3
DPS (PKR)	4.0	8.0	8.8	10.6	12.2

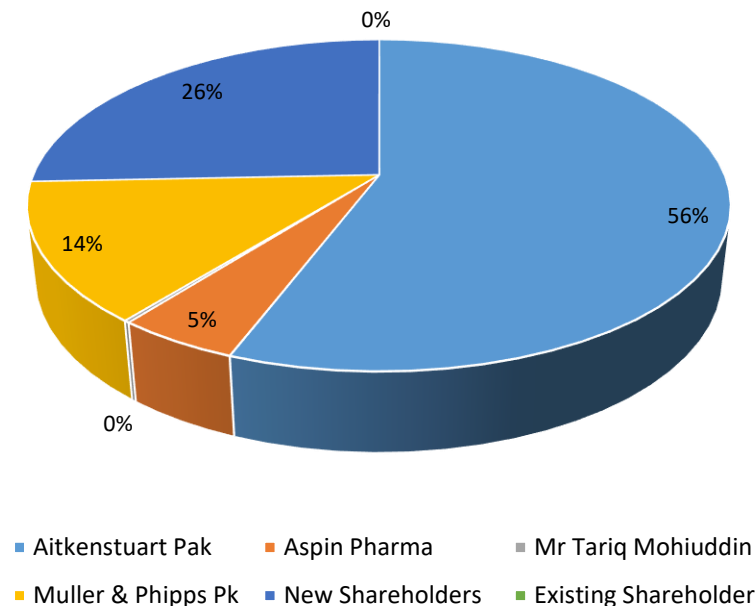
Source: Company Accounts, Growth Securities

Balance Sheet					
PKRmn	CY24A	CY25A	CY26E	CY27F	CY28F
Non-Current Assets	21,888	23,170	30,463	30,756	31,037
Current Assets	7,461	8,870	12,564	15,573	18,999
Total Assets	29,349	32,039	43,028	46,329	50,037
Equity	14,568	17,118	24,136	28,822	34,161
Non-Current Liabilities	7,856	6,173	8,380	6,201	4,290
Current Liabilities	6,925	8,748	10,513	11,306	11,585
Total Equity & Liabilities	29,349	32,039	43,029	46,329	50,037

Source: Company Accounts, Growth Securities

Appendix A: About the company

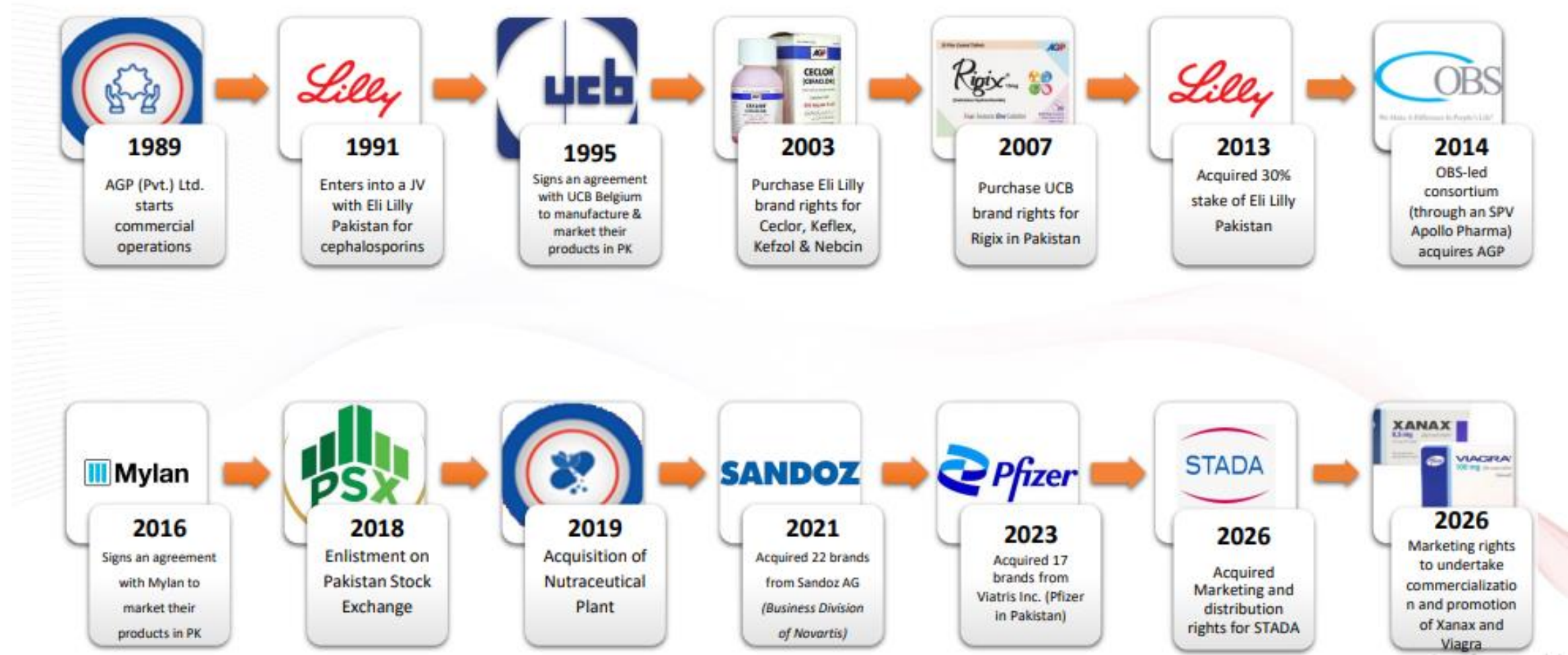
Shareholding Structure – Pre Merger



Source: Company Account, Growth Securities

- AGP Limited is a leading pharmaceutical and healthcare company in Pakistan, engaged in the manufacturing, marketing, import, export, and sale of pharmaceutical, nutraceutical, and consumer healthcare products in domestic and international markets. Following its merger with OBS Pakistan (Private) Limited, AGP has significantly expanded its product portfolio and therapeutic presence, strengthening its position among the country's leading pharmaceutical companies. The Company distributes its products nationwide through Muller & Phipps Pakistan, and maintains an export presence in regional markets, including Afghanistan. Aitkenstuart Pakistan (Private) Limited remains the principal sponsor of the Company.
- Overview of Manufacturing Facilities;**
- Plant 1:** Located in the SITE Area, Karachi, this is AGP's largest manufacturing facility and produces a wide range of pharmaceutical dosage forms, primarily tablets. Key brands manufactured at this plant include Rigix, Osnate, Anafortan Plus, and Chymoral Forte.
- Plant 2:** Situated in the SITE Area, Karachi, this facility is dedicated to the production of Cephalosporin antibiotics, with suspensions representing the major dosage form. Prominent brands include Ceclor, Keflex, and M-Span.
- Plant 3:** Located on the Super Highway, Karachi, this facility focuses on AGP's nutraceutical portfolio, manufacturing products such as All-D, Kosnate-D, Lipomax, Coffif, and Coffif Plus.
- Plant 4:** Located in the Quaid-e-Azam Industrial Estate, Lahore, this specialized facility was added through the merger with OBS Pakistan. The plant manufactures hormonal and psychotropic products, enhancing AGP's capabilities in specialized therapeutic segments.

Appendix B: AGP Journey



Source: Company Account, Growth Securities

Analyst Certification and Disclosures



The research analyst(s), 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, (2) research analyst or persons associated with research analyst or their financially dependent close relative has no financial interest in the securities of the subject company (3) 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, (4) 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, (5) the subject company currently is, and during the 12 month period preceding the date of publication or distribution of the research report was not a client of the research analyst, and (6) research analyst or persons associated with research analyst have not received any compensation for corporate advisory services in the past 12 months from subject company and will not receive any compensation from the subject company in next three months.

Rating System and Valuation Methods

‘Buy’ – Total stock return > 15%

‘Hold’ – Total stock return > 0% and < 15%

‘Sell’ – Total stock return < 0%

Growth Securities (Pvt.) Limited uses different valuation methods such as 1) Discounted Cash Flow, 2) Relative Valuation (PE, PB, PS etc.), 3) Asset Based Valuation etc.

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