

Initial
Public
Offering



NOVEMBER 2017

IRAN

CAPITAL MARKETS

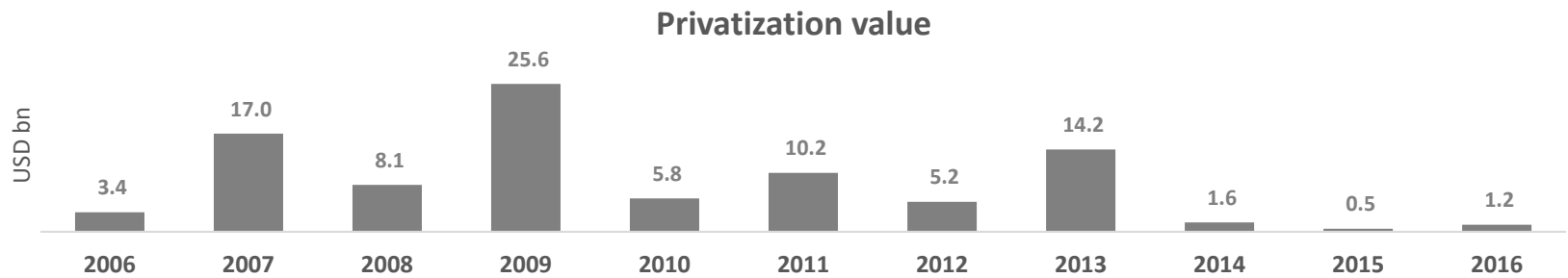
IPO OVERVIEW



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Large scale Privatization and IPOs - the last 10 years..

- The Iranian Privatization Organization was established in 2001 to privatize State owned companies and reduce the Government's direct engagement in the economy.
- The law implementing the privatization (Article 44), was enacted in 2008 with the aim to reduce Government asset ownership from 80% to 20%.
- >650 companies privatized since 2005, with a value of ~\$92bn.



- The Privatization and IPOs can be classified into 3 categories:
 - Selling predominantly State assets, as well as already private companies to the public
 - Settling Government's liabilities
 - Allocating State companies to the 'Justice Shares' Scheme (Edelat*)

*The Government approved a plan to offer shares in a select number of State owned/affiliated companies to low income families - the value would be reimbursed over a period of 10 years from the dividends generated by those shares.

Source: ipo.ir



Largest IPOs- last 5 yrs.

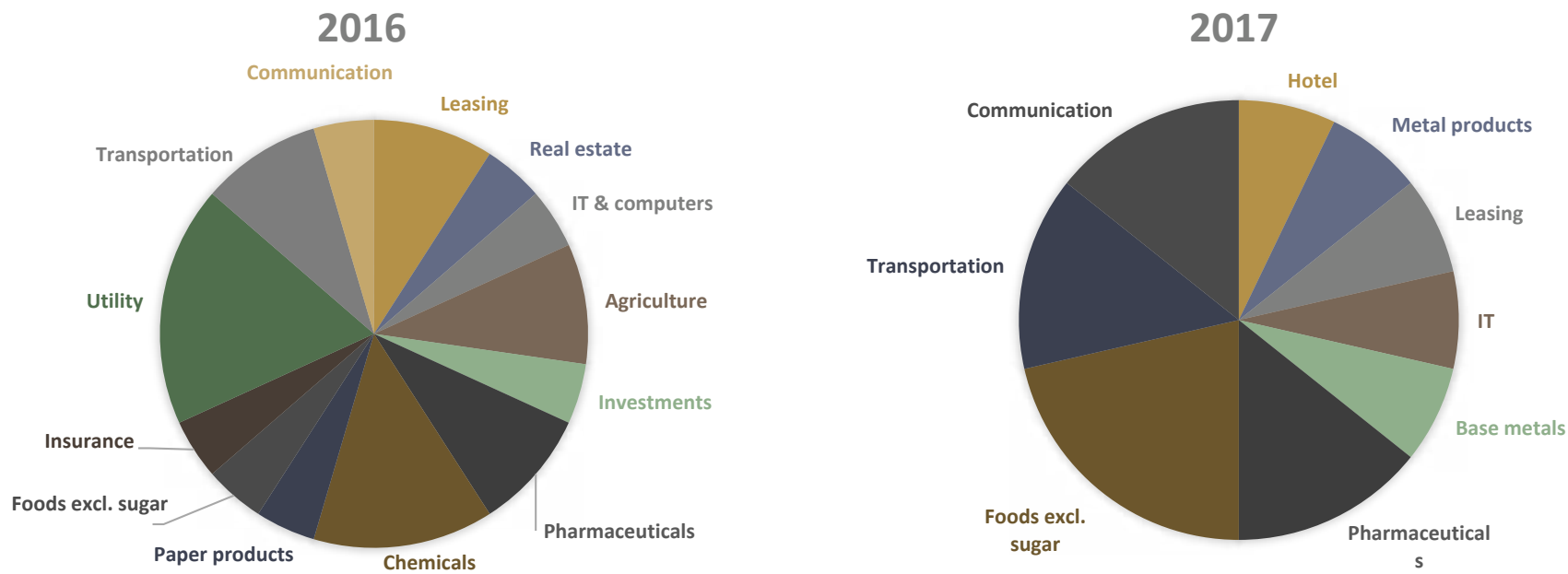
- 2013: Persian Gulf PI, MCI, TAPPICO
- 2014: Sepahan, CIDCO holding
- 2015: Jam Petchem, Mobin, M.E Bank
- 2016 :Fajr petchem, Damavand Power
- 2017: Behpardakht Mellat, Kish South Kaveh Steel Co.

In 2016 and 2017

- Over 36 IPOS on the TSE and IFB – \$5.1bn by market capitalisation.
- >40 companies have done private placements through the IFB - OTC (Base) segment.
- The Iranian Privatization Organization has sold State-owned companies with a value of USD 163m and USD 1.2bn via IPOS and the IFB (OTC) Base market respectively.

Source: ipo.ir, TSE, IFB

36 IPOs in 2016 & 2017 – Broad industry diversification

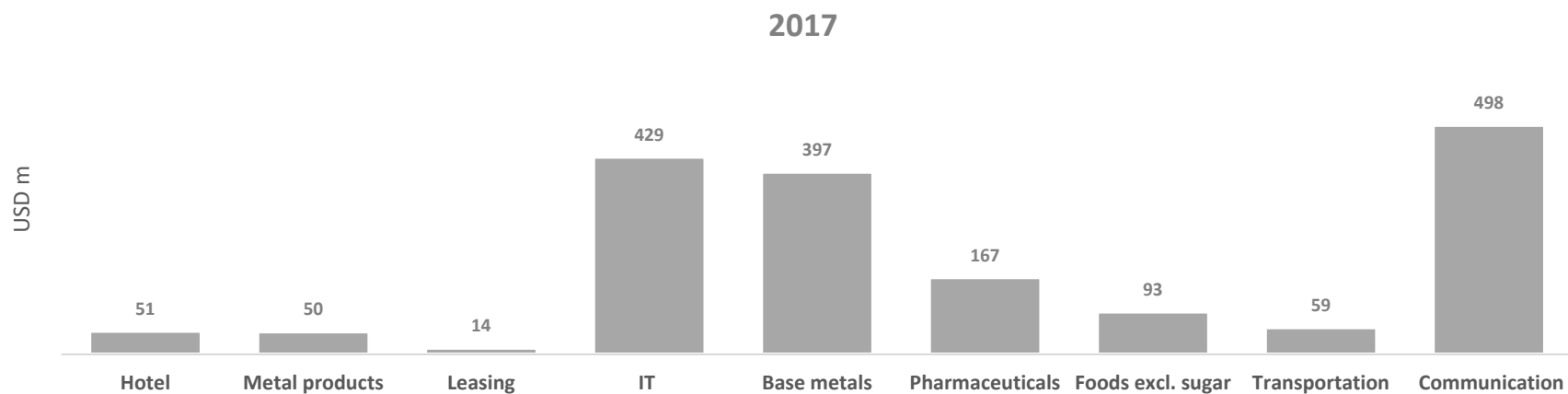
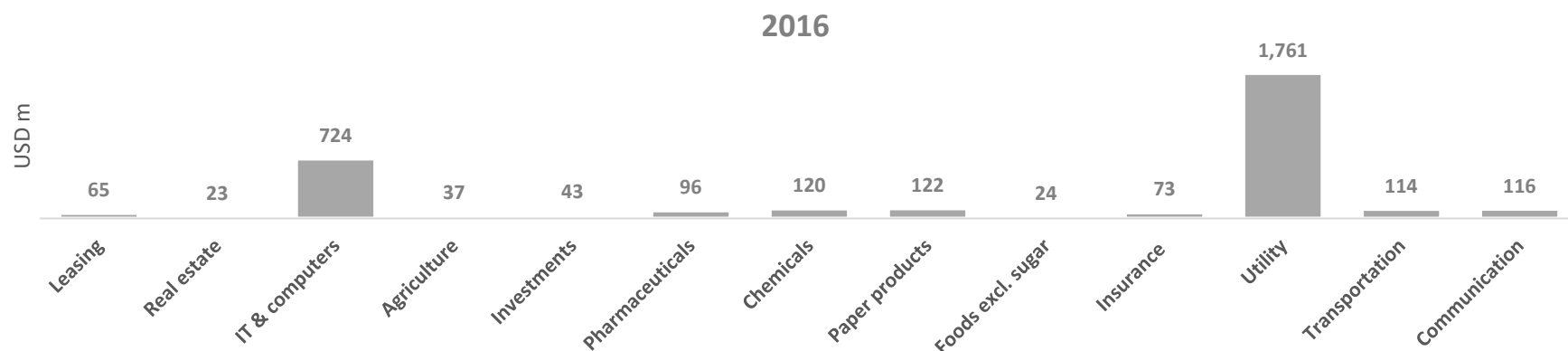


Leasing	Real estate	IT & computers	Agriculture	Investments	Pharmaceuticals	Chemicals	Paper products
#3	#1	#2	#2	#1	#4	#3	#1
Foods excl. sugar	Insurance	Utility	Transportation	Communication	Hotel	Metal products	Base metals
#4	#1	#4	#4	#3	#1	#1	#1

Source: TSE, IFB



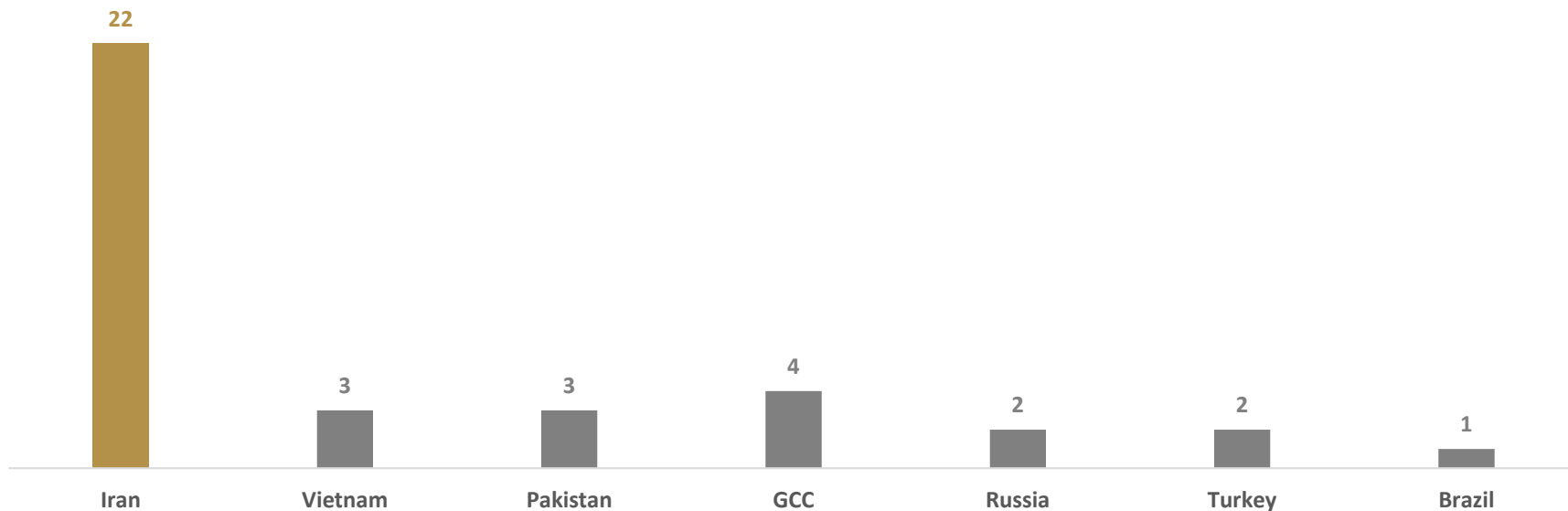
2016 and 2017 IPOs – Industries by market value (USD m)



Source: TSE, IFB



Number of IPOS in 2016: Iran and other EM & FM markets

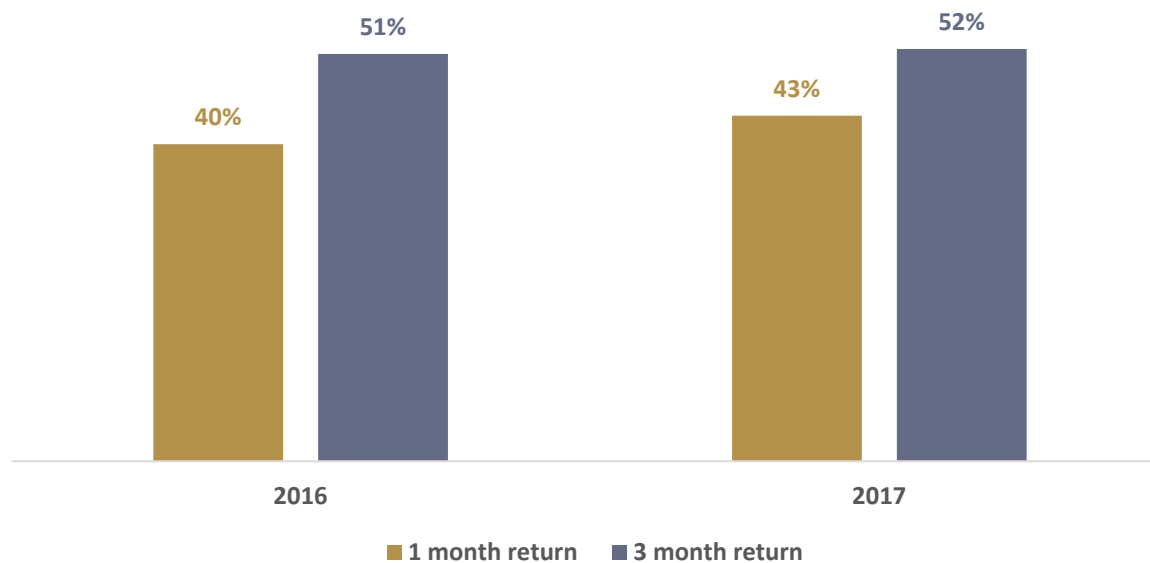


Number of IPOS: ~5-10x more than other comparable Emerging or Frontier markets!

Source: TSE, Country stock exchanges, Capital IQ



High IPO returns in 2016 & 2017



- 1 month average returns >40%
- 3 month average returns >50%.

Source: TSE

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101, No 38, Golfam Alley, Africa Blvd, Tehran, Iran
Tel: +98 21 26231278 www.griffoncapital.com

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