



Windforce IPO

A refreshingly new opportunity

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Prepared by



Key Highlights: IPO price of LKR 16 per share with proceeds totalling LKR 3.2 Bn



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- **IPO price is at LKR 16.00 per share** which represents a 10% discount to a value-per-share of LKR 17.77 based off DCF valuation method.
- **Implied PER is at 7.04x, based off FY21E earnings.**
- Company is expected to **maintain a dividend payout ratio c. 80%.** The dividend yield is expected (Post IPO) to be **c. 9.5% over the next 4 years.**
- Of the **LKR 3.2 Bn:**
 - **LKR 927 Mn** will be utilised **to construct a 15MW Wind Plant in Mannar.**
 - **LKR 1.38 Bn** will be utilised **to construct a 30MW Solar Plant in Senegal.**
 - **LKR 932 Mn** will be kept as **funds retained.**

Issue Price: LKR 16.00 per share

Funds to be Raised: LKR 3.2 Bn

Amount to be raised: LKR 3,241,845,456

Number of Securities issued: 202,615,341

Type of Security: Ordinary Voting Shares

Opening Date: 24 March 2021

Closing Date: 15 April 2021

Sourced from prospectus document which can be found on the CSE

Company Highlights: A pioneer in wind generation with proposed expansions into Solar and Mini-Hydro



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- Started operations in 2010.
- **Currently operates 27 power plants** with a **total installed capacity of 218MW**. Bulk of this is based in Sri Lanka while the rest are spread across Pakistan, Uganda and Ukraine.
 - **Sri Lanka: 7 wind plants** generating 69.2MW, **6 solar plants** generating 35.4MW and **8 mini-hydros** generating 16.1MW.
 - **Pakistan: 2 solar plants** generating 68MW.
 - **Uganda: 1 solar plant** generating 10MW and **2 mini-hydros** generating 10.3MW
 - **Ukraine: 1 solar plant** generating 9MW.
- The **company's share structure is primarily consisted of leading local family businesses** – including Akbar Brothers Group, Hidramani and MAS.



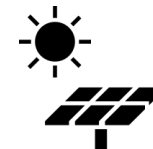
Currently operating in 4 countries



Installed capacity of 218MW



7 wind power plants (69MW)



10 solar power plants (123MW)



10 mini-hydro power plants (26MW)

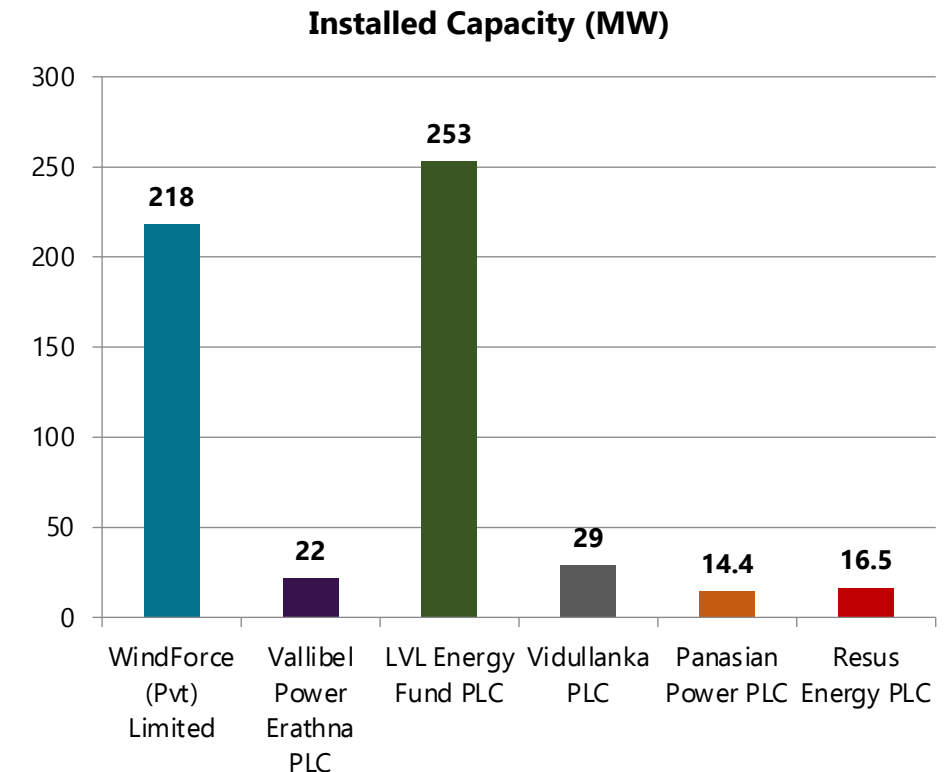
Sourced from prospectus document which can be found on the CSE

Despite being a relatively new player, Windforce has already established itself as the leader in renewable's and a giant amongst the established players



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Peer Entity Name	Installed Capacity (MW)	Basic 4QTEPS (LKR)	NAV per Share (LKR)	PER (Times)	PBV (Times)
WindForce (Pvt) Limited	218	0.95	15.41	16.84	1.04
Vallibel Power Erathna PLC	22	0.63	3.55	11.75	2.08
LVL Energy Fund PLC	253	1.14	8.10	8.33	1.17
Vidullanka PLC	29	0.85	3.96	6.47	1.39
Panasian Power PLC	14.4	0.24	3.37	14.58	1.04
Resus Energy PLC	16.5	3.49	14.70	6.88	1.63
Average of Peers				9.60	1.46



Peer share prices as of 10th March 2021
Source: CSE

Sourced from prospectus document which can be found on the CSE
Peer figures sourced from CSE

Financial metrics as at 31st March 2020



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Condensed Income Statement

<i>In LKR Mn</i>	2020	2019	YoY
Revenue	3,515	2,826	<i>24.4%</i>
Direct Costs	(1,131)	(814)	<i>39.0%</i>
Gross Profit	2,384	2,011	<i>18.5%</i>
Admin Expenses	(571)	(339)	<i>68.3%</i>
Operating Profit	2,046	1,741	<i>17.5%</i>
Profit Before Tax	2,359	1,715	<i>37.5%</i>
Profit After Tax	1,897	1,483	<i>27.9%</i>

Condensed Balance Sheet

<i>In LKR Mn</i>	2020	2019	YoY
Assets			
Non-Current Assets	21,468	12,848	<i>67.10%</i>
Current Assets	5,590	2,070	<i>170.08%</i>
Total Assets	27,058	14,917	<i>81.39%</i>
Total Equity			
	16,347	7,890	<i>107.17%</i>
Liabilities			
Non-Current Liabilities	6,071	4,115	<i>47.52%</i>
Current Liabilities	3,006	1,107	<i>171.50%</i>
Total Liabilities	9,077	5,223	<i>73.80%</i>

Sourced from prospectus document which can be found on the CSE

Financial metrics as at 31st December 2020



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Condensed Income Statement

<i>In LKR Mn</i>	9MFY2020	9MFY2019	YoY
Revenue	3,683	2,714	35.7%
Direct Costs	(1,151)	(636)	80.9%
Gross Profit	2,533	2,078	21.9%
Admin Expenses	(454)	(247)	83.6%
Operating Profit	2,135	1,893	12.8%
Profit Before Tax	2,110	1,973	7.0%
Profit After Tax	1,972	1,869	5.5%

Condensed Balance Sheet

<i>In LKR Mn</i>	9MFY2020	9MFY2019	YoY
Assets			
Non-Current Assets	21,543	21,468	0.35%
Current Assets	5,763	5,713	0.87%
Total Assets	27,307	27,181	0.46%
Total Equity			
	17,568	16,347	7.47%
Liabilities			
Non-Current Liabilities	5,837	6,071	-3.85%
Current Liabilities	1,982	3,129	-36.65%
Total Liabilities	7,819	9,200	-15.01%

Sourced from prospectus document which can be found on the CSE

Company shareholding structure pre and post-IPO



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Name	Pre-IPO		Post-IPO	
	No. of Ordinary shares	%	No. of Ordinary shares	%
Akbar Brothers (Private) Limited	446,050,732	38.8%	446,050,732	33.0%
Hirdaramani (Private) Limited	279,211,864	24.3%	279,211,864	20.7%
Debug Investments (Private) Limited	164,015,357	14.3%	164,015,357	12.1%
Star Pack Investments (Private) Limited	107,432,865	9.4%	107,432,865	8.0%
Amaliya (Private) Limited	44,676,826	3.9%	44,676,826	3.3%
Mr. K.B.M.I. Perera	36,150,518	3.1%	36,150,518	2.7%
Hirdaramani Power (Private) Limited	31,827,927	2.8%	31,827,927	2.4%
Mr. Maher Khalid Taleb Darwazah	7,413,761	0.6%	7,413,761	0.5%
Mr. Saad Khalad Taleb Darwazeh	7,413,761	0.6%	7,413,761	0.5%
Marina Blue (Private) Limited	6,969,184	0.6%	6,969,184	0.5%
Saboor Chatoor (Private) Limited	5,334,339	0.5%	5,334,339	0.4%
Mr. Mohomed Taleb Darwazah	3,705,844	0.3%	3,705,844	0.3%
Mr. Mazen Samih Taleb Darwazeh	2,372,457	0.2%	2,372,457	0.2%
Mr. R.P. Pathirana	1,963,323	0.2%	1,963,323	0.1%
Mr. Ahmad Khaled Taleb Darwazeh	2,008,123	0.2%	2,008,123	0.1%
Mr. Faisal Mohommad Darwazeh	1,606,720	0.1%	1,606,720	0.1%
IPO Shareholders	0	0.0%	202,615,341	15.0%
	1,148,153,601	100.0%	1,350,768,942	100.0%

*Sourced from prospectus document which
can be found on the CSE*

Primary Reference



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- Windforce Limited, CAL, CT CLSA, (2021), *Prospectus*. Accessed on 10th March 2021.

https://cdn.cse.lk/pdf/upcoming_listing/WINDFORCE-Prospectus-Part-1.pdf

https://cdn.cse.lk/pdf/upcoming_listing/WINDFORCE-Prospectus-Part-2.pdf

https://cdn.cse.lk/pdf/upcoming_listing/WINDFORCE-Prospectus-Part-3.pdf

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