



MPICO Limited – MK9.0bn (ZAR178m) Rights Offer



MPICO Limited

November 2016
MK9.0bn/ZAR178m
Rights Offer

Sole Financial Advisor and
Lead Receiving bank




CIRCULAR TO SHAREHOLDERS OF MPICO

MPICO LIMITED
Incorporated in Malawi (Company No. 1234567890)
Registered Office: Plot 1, Industrial Area, Lilongwe, Malawi

Standard Bank
MAGBANK & CO. (PVT) LTD
1000 Bankers Drive

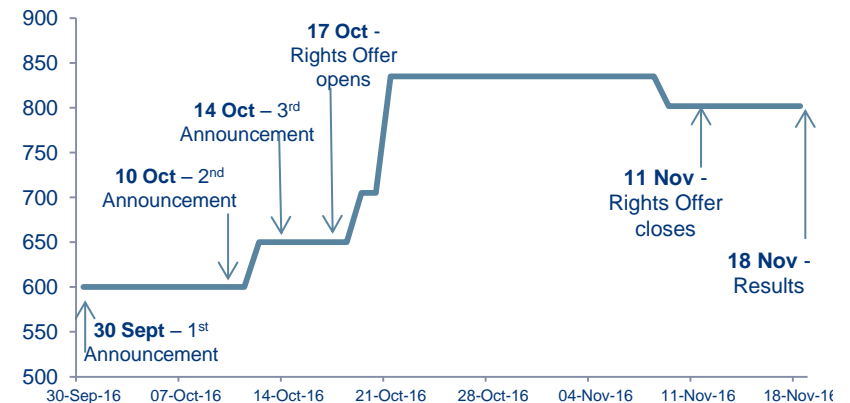
Transaction highlights

- On 21 November 2016 MPICO successfully completed one of the largest Rights Issues on the Malawi Stock Exchange, raising MK9.0bn (ZAR178m)
- The listing concludes a 6-month journey where Standard Bank, acting as Sole Financial Advisor, managed the transaction and played a key role in assisting the client in coordinating with key stakeholders, including:
 - assisting in appointing key third party advisors;
 - managing interactions with key government stakeholders, including the MSE, the Registrar of Financial Institutions and the Registrar of Companies;
 - identifying and securing underwriting commitments, to fully de-risk the transaction, from high quality financial institutions; and
 - pricing and valuation analysis to justify a rights issue price of 783 tambala which was at a premium to the spot price of 600 tambala
- In terms of the offer, existing shareholders and the investing public took up 82% of the rights with the remaining 18% being allocated to the underwriters
- A positive read of the transaction from shareholders saw MPICO's share price increase from 600 tambala at first announcement to 835 tambala by the end of the rights issue, ultimately bringing the market price well above TERP
- Standard Bank's understanding of Malawi's real estate space coupled with our regional view of the valuation of similar counters meant we were able to price the rights issue and help MPICO attain a 34% capital gain in its share price through the rights issue.
- Standard Bank also acted as the Lead Receiving Bank to ensure a successful listing debut on 21 November 2016

Term sheet

Issuer	MPICO Limited
Country	Malawi
Exchange	Malawi Stock Exchange (MSE)
Sector	Real Estate
Offer type	Rights Offer
Rationale	Repayment of existing debt
Standard Bank role	Sole Financial Advisor and Lead Receiving Bank
Offer size	~MK9.0bn (ZAR178m)
Ratio	1 new share for every 1 share held
Rights Issue price	783 tambala per share
TERP at launch	692 tambala per share
Premium to TERP	13.2%
Market cap at launch	MK7.47bn (ZAR60.4bn)
% Market cap	131% pre money, 98% post money
Subscription	82%

MPICO Share Performance Through the Offer



Allocation of Rights Shares

