



December 14, 2023

General Manager

Pakistan Stock Exchange Limited
Pakistan Stock Exchange Building,
Stock Exchange Road,
Karachi

Subject: CORPORATE BRIEFING SESSION

Dear Sir,

This is to inform you that Corporate Briefing Session ("CBS") of **Next Capital Limited** (the Company) For the shareholders/Investors and Analysts, to provide highlight about the Company's performance for the period ended June 30th, 2023 is schedules as follows:

Date of session	December 21 st , 2023
Venue	2 nd Floor Imperial Court Building, Dr. Ziauddin Ahmed Road, Karachi & Via Zoom
Presentation	09:00 am
Question and Answers	09:20 am

The shareholder/investor and analyst who are interested to attend the session through video link are requested to register themselves by providing the particulars as follows:

Name of Shareholder / Analyst / Investor	CNIC Number	Folio Number (if applicable)	Name of Organization (If any)	Contact Number	Email Address

Only registered participants will be able to login and participate in the CBS. Interested participants are requested to send their registration details at co.secretary@nextcapital.com.pk maximum by 05:00 pm December 20th, 2023. Link to video connectivity will be sent to the registered email addresses.

Further, presentation on CBS is also enclosed with the letter as well as placed on the Company's website.

Please communicate the information to the TRE certificate holders of the Exchange accordingly.

Yours' Truly

For and on behalf of **Next Capital Limited**



Muhammad Rizwan Yousuf
Company Secretary



CORPORATE BRIEFING SESSION

For the Year ended

June 30, 2023

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Company Overview

One of the leading securities brokerage & investment banks in Pakistan with successful track record and solid financial advisory services experience, having strong access to a network of local and international investors

- Next Capital Limited was incorporated as a public limited company in Pakistan on 14 December 2009 under Companies Act, (previously Companies Ordinance, 1984). NCL got listed on the Pakistan Stock Exchange on 27 April 2012
- NCL is a TREC holder of Pakistan Stock Exchange Limited and a member of Pakistan Mercantile Exchange Limited and is accredited broker by Financial Market Association of Pakistan
- NCL is principally engaged in brokerage of shares, stocks, equity and debt securities, commodities, forex, other financial instruments, and corporate investment banking
- NCL is also engaged in trading in equity and debt securities on its own account through ready, spot and forward counters of the stock exchange
- The registered office of the Company is situated at 2nd Floor, Imperial Court Building, Dr. Ziauddin Ahmed Road, Karachi. The branch office is situated at 63 - A Agora Eden City, Phase 8, Lahore



Investment Banking

Lead various high-profile M&A and capital market transactions worth more than PKR 100 billion in aggregate



Equities

Being TREC holder of PSX, we offer brokerage services to a wide network of Institutional & High Net Worth Individual investors



Research

Comprehensive research coverage of KSE-100 with periodic research reports on industries, companies, economy, and strategy



Fixed Income

Debt brokerage services to various clients for trading in Term Finance Certificates, Commercial Papers and Sukuks



Portfolio Management

Manage equity portfolios on a discretionary basis for High Net Worth and Corporate investors

Next Capital Limited

Pattern of Shareholding & Board of Directors



Strong shareholder base including prominent Individuals and Institutional Investors

Name	Number of Shares (as on June 30, 2023)	Shareholding (as on June 30, 2023)
Muhammad Najam Ali	15,645,836	27.5%
Muhammad Zulqarnain Mahmood Khan	9,005,908	15.8%
Adnan Afridi	5,691,867	10.0%
MCB Bank Limited – Treasury	5,516,032	9.7%
Mrs. Hanna Khan	4,408,401	7.7%
Maple Leaf Cement Factory Ltd	4,269,375	7.5%
Others	12,387,581	21.8%
Total	56,925,000	100%

Name	Designation
Lt. Gen. Tariq Waseem Ghazi (Retd.)	Non-Executive Independent Director, Chairman
Mr. Muhammad Najam Ali	Executive Director, Chief Executive Officer
Mrs. Hanna Khan	Non-Executive Director
Mr. M. Zulqarnain Mahmood Khan	Non-Executive Director
Dr. Ali Akhtar Ali	Executive Director
Mr. Malik Khurram Shahzad	Non-Executive Director
Mr. Hasan Shahnawaz	Non-Executive Director



Mr. Najam Ali



Regulatory background	Access to market intelligence
Extensive relationships with public & private decision makers	Renowned for Conflict resolution

Experience

- Najam Ali has over 35 years of rich experience of working in different capacities in Pakistan's capital markets. Prior to forming Next Capital Limited, he served as the CEO at JS Investments Limited during which period the company achieved the highest rating of AM2 Plus in the industry and remained the largest asset management company in the private sector. During this time, he also served twice as the Chairman of Mutual Funds Association of Pakistan
- Prior to that, he served at Securities and Exchange Commission of Pakistan (SECP) in the capacity of Executive Director where he headed the Securities Market Department and Non- Banking Finance Companies (NBFC) Department
- He was also the founding CEO of the Central Depository Company (CDC), Pakistan's first and only securities depository. Prominent shareholders of CDC included Citigroup, IFC and Pakistan's stock exchanges. While at CDC, he also led the development and implementation of the National Clearing and Settlement System, which is the centralized clearing system in Pakistan for the stock exchange. The success of these projects has laid the foundation of a world class capital market infrastructure that has earned him praise and recognition at the national level
- He has also served on the Board of Directors of Pakistan Oilfields Limited, the Karachi Stock Exchange (Guarantee) Limited, the National Clearing Company of Pakistan Limited and Askari Bank Limited

Education

- Najam Ali is a member of the Institute of Chartered Accountants in England & Wales and Institute of Chartered Accountants of Ontario – Canada. He has also qualified as a Certified Public Accountant – USA and holds a Bachelor degree in Economics from the University of Michigan, Ann Arbor, USA. He has also attended and successfully completed the 'Advanced Management Program' at the world renowned Harvard Business School, USA

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Company Rating

No.	Brokerage House	Rating	Outlook	Date	Rating Agency
1	AKD Securities	BMR1	Stable	9-Feb-23	VIS
2	Arif Habib Limited	BMR1	Stable	16-Dec-22	PACRA
3	JS Global Capital	BMR1	Stable	14-Dec-22	PACRA
4	Next Capital	BMR2++	Stable	1-Nov-23	VIS

No.	Brokerage House	Rating	Outlook	Date	Rating Agency
1	Arif Habib	BFR1	Stable	16-Dec-22	PACRA
2	JS Global Capital	BFR1	Stable	14-Dec-22	PACRA
3	AKD Securities	BFR2++	Stable	9-Feb-23	VIS
4	IGI Finex Securities	BFR2+	Stable	25-Aug-23	PACRA
5	AL Habib Capital Markets	BFR2+	Stable	19-Jul-23	PACRA
6	Alfalah CLSA	BFR2+	Stable	28-Apr-23	PACRA
7	EFG Hermes Pakistan	BFR2+	Stable	23-Dec-22	PACRA
8	Next Capital	BFR2	Stable	14-Sep-23	VIS

No.	Brokerage House	Long Term	Short Term	Outlook	Date	Rating Agency
1	JS Global Capital	AA	N/A	Stable	14-Dec-22	PACRA
2	Arif Habib	AA-	A-1	Stable	9-Oct-23	VIS
3	AKD Securities	AA-	A-1	Stable	7-Dec-22	VIS
4	Taurus Securities	A	A-2	Negative	17-Aug-23	VIS
5	Topline Securities	A	A-1	Stable	24-Jul-23	VIS
6	Next Capital	A-	A-2	Stable	2-Oct-23	VIS

Broker Management Rating

Next Capital stands amongst **top 4 full-service brokerage houses** of Pakistan with the **second highest Broker Management Rating** of “**BMR2++**” by VIS rating Company

Broker Fiduciary Rating

Next Capital is assigned a Broker Fiduciary Rating of “**BFR2**”, making it amongst the **top strong full-service brokerage houses** of the country

Entity Rating

Next Capital enjoys a healthy credit rating, Only five brokers have ratings higher than Next Capital

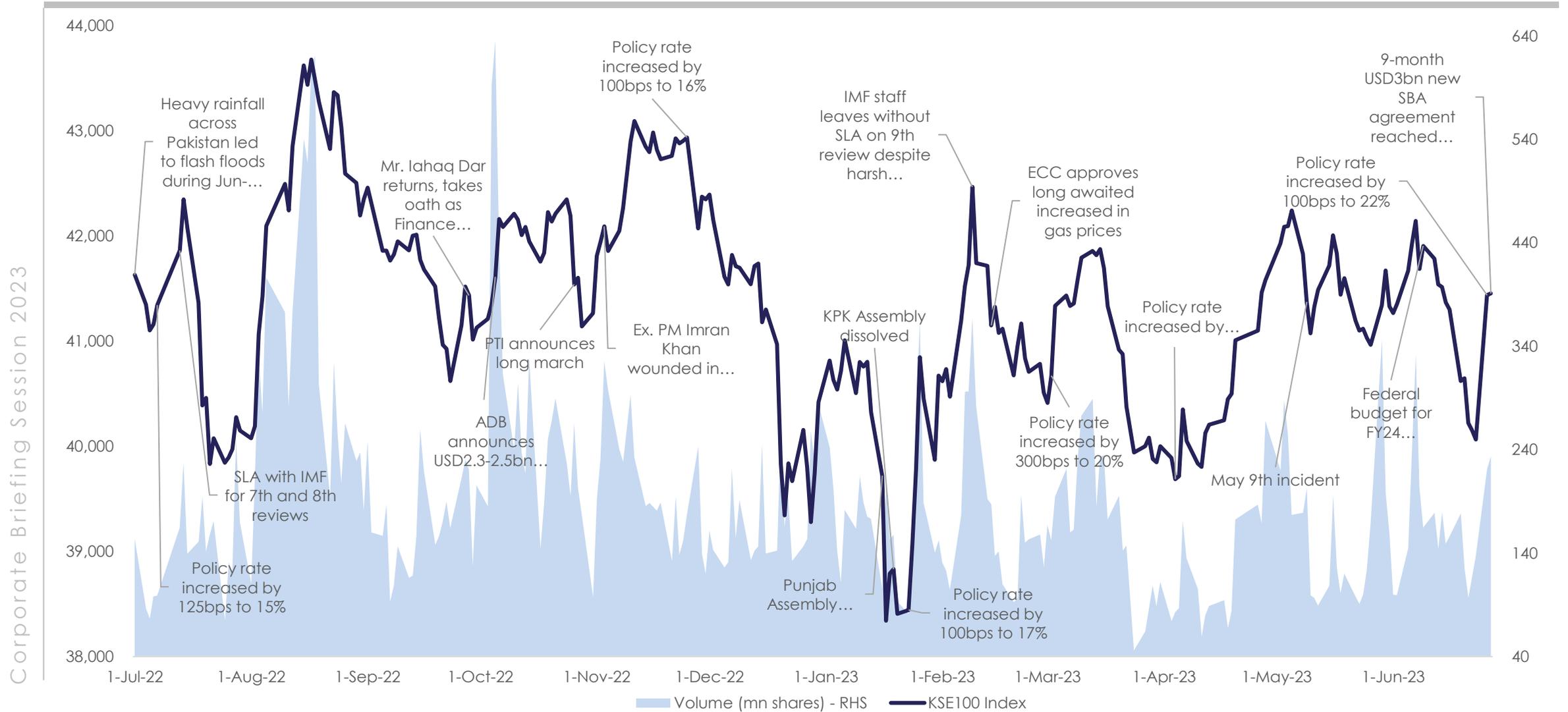


Performance of PSX and market liquidity during the year ended June 30, 2023

Market Performance



Market responses to key events during the year



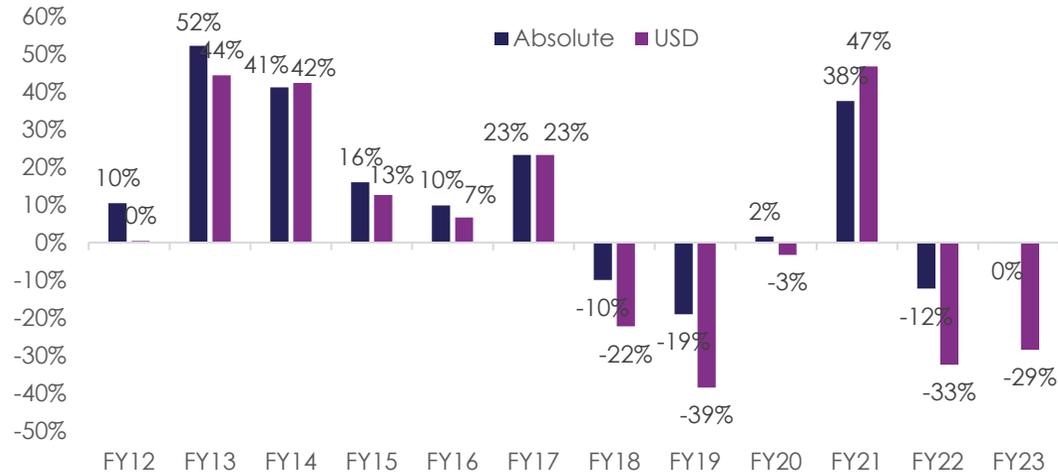
Market Performance

Market remained dull where activity continued to decline

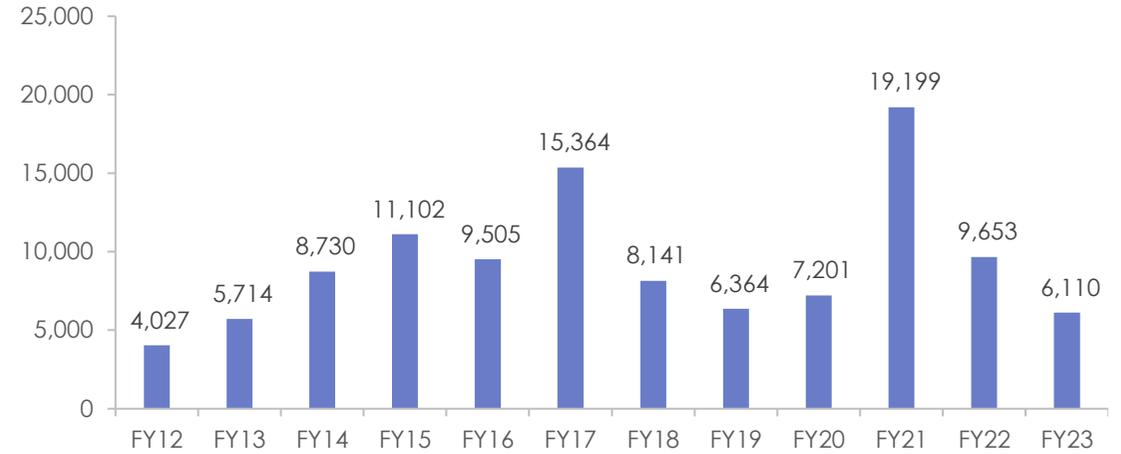


Corporate Briefing Session 2023

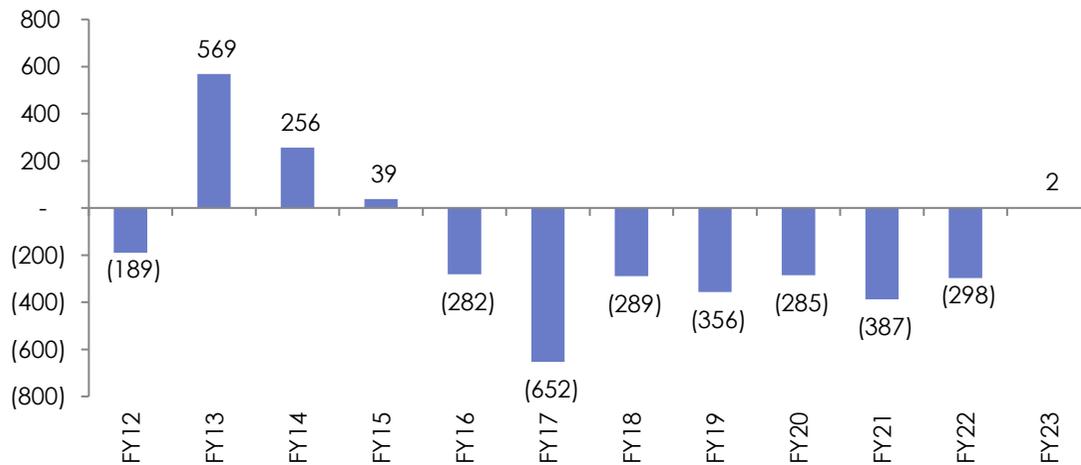
KSE100 Index Performance – Absolute & USD return



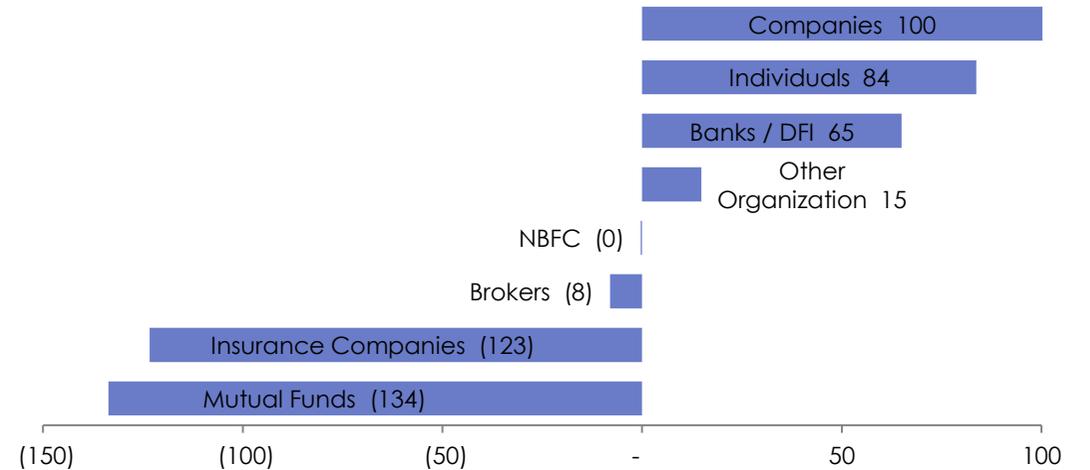
Average Daily Value Traded (PKRmn)

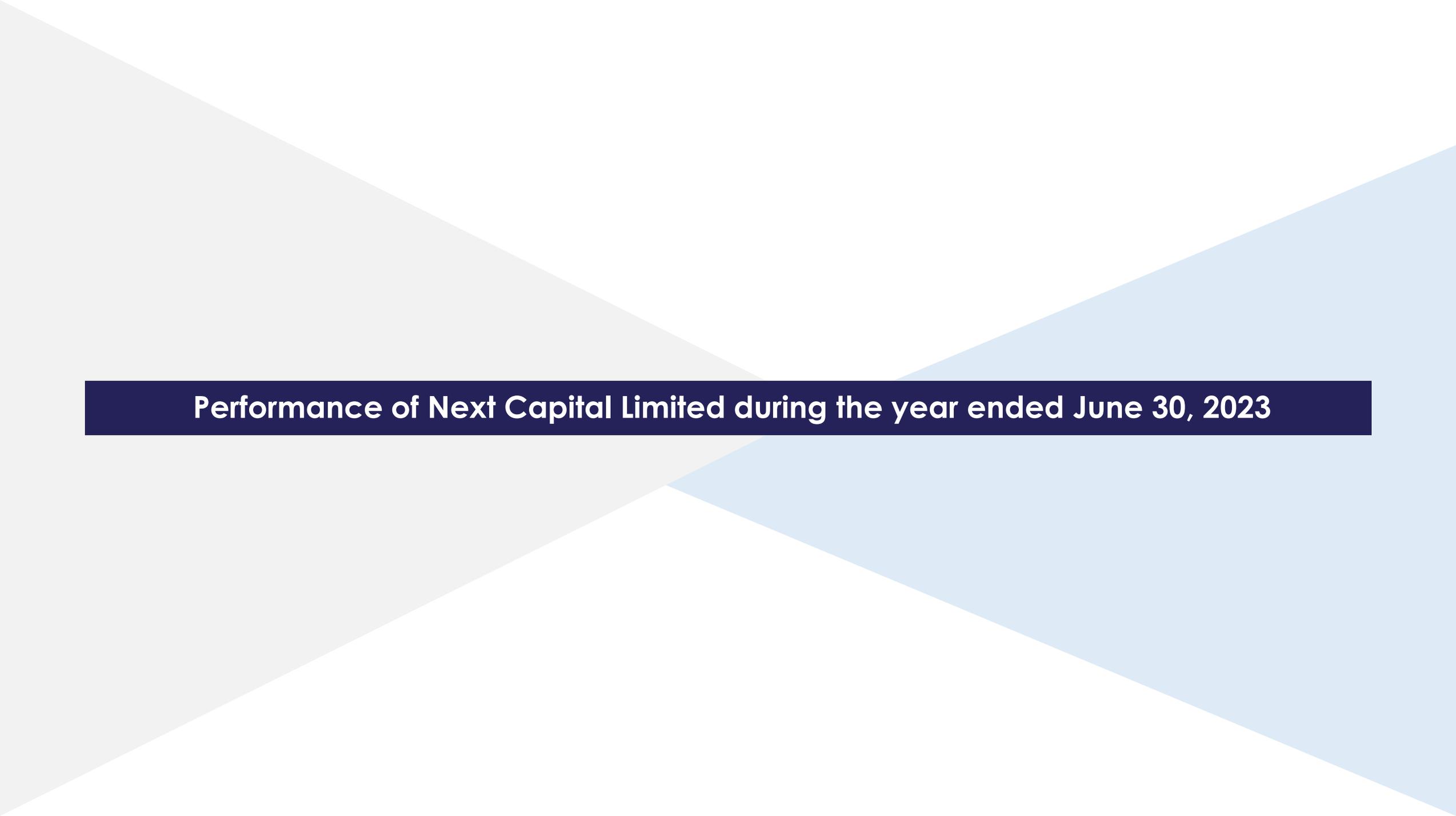


FIPI Yearly Flow (USDmn)



LIPI Investor wise – FY23 (USDmn)





Performance of Next Capital Limited during the year ended June 30, 2023

- The performance of Pakistan's equities market was marred by the overall deterioration in the macroeconomic environment along with heightened political uncertainties.
- Economic woes include slowdown in growth, inflationary pressures, high interest rates, fast depleting foreign exchange reserves, a weak currency caused by Pakistan's external vulnerabilities to high international commodities prices amidst Russia-Ukraine war.
- Investor activity have greatly reduced due to these concerns in the equities market with average daily turnover falling to PKR6.1bn and 191mn shares compared to PKR9.7bn and 291mn shares of the previous year.
- The company posted a loss after tax of PKR97.2 million compared to a profit after tax of PKR30.8 million of the previous year. Resultantly the loss per share for the year is PKR1.71 compared to earnings per share of PKR0.54 of the previous year.
- The loss primarily emanated from significantly lower revenues due to a significant decline in turnover at the PSX amid the challenging business environment prevailing in the country. However, the management's control over expenses restricted the overall loss.
- Total gross brokerage income dropped to PKR100.5 million from PKR194.3 million of the previous year depicting a decline of 48.2%. This decline is primarily instigated by extremely thin activity in the equities market.
- The Advisory and related income of the company also shrunk to PKR33.6 million compared to PKR277.3 million of the previous year primarily due to the overall slowdown in economic activities in the country, and absence of a large transaction during the year as was the case last year.
- Operating expenses decreased to PKR91.2 million showing an improvement of 47.3% over the previous year, owing to lower business activities. The company also controlled its administrative expenses, which decreased by 23.4% over last year to PKR122.5 million.

Next Capital Limited

Investment Banking and Advisory



- The Investment Banking Division of Next Capital remained involved in numerous capital raising and advisory deals during the year.
- NCL was the Manager to the Offer for the largest Merger & Acquisition transaction in the banking sector during 2023 where **JS Bank Limited** acquired majority stake in **BankIslami Pakistan Limited**. The public offer was valued at **PKR6.6bn** against which shares worth **PKR11.6bn** were tendered by the public.
- The division is conducting pioneering efforts to develop multiple revenue streams for NEXT and has recently ventured into **Management Consultancy**
- In addition to this, NEXT has entered into a joint venture agreement with a leading development advisor to offer **unique solutions in the real estate/REIT sector**. The venture would be involved in providing end-to-end solutions for real estate projects under REIT structure.
- There is significant deal flow pipeline that would further augment the revenue for the company. Below are the key transactions that NEXT has been engaged on during the year.

<p>REIT Fund</p> <p>CONFIDENTIAL</p> <p>Listing Financial Advisor Ongoing</p>	<p>Packaging Converter</p> <p>CONFIDENTIAL</p> <p>Consultancy on Financial Mgt. Management Consultant Ongoing</p>	<p>Life Insurance Company</p> <p>CONFIDENTIAL</p> <p>Merger Financial Advisor Ongoing</p>	<p>First Iron Ore Pellets Project PKR ~48,000 million</p> <p>CONFIDENTIAL</p> <p>Debt & Equity Raising Financial Advisor Ongoing</p>	<p>REIT Management Company</p> <p>CONFIDENTIAL</p> <p>Restructuring Financial Advisor Ongoing</p>	<p>Construction Company PKR ~4,000 million</p> <p>CONFIDENTIAL</p> <p>Fund Raising for REIT Financial Advisor & Arranger Ongoing</p>
<p>JS Bank Limited</p> <p> Acquisition of BankIslami Pakistan Manager to the Offer 2023</p>	<p>Air Link Communication Limited</p> <p> Acquisition of Shell Pakistan Manager to the Offer 2023</p>	<p>JS Global Capital Limited</p> <p> Target: EFG Hermes Manager to the Offer 2023</p>	<p>ISE RMC</p> <p> Registration of REIT Scheme Financial Advisor 2023</p>	<p>JS Bank Limited PKR 2,207 million</p> <p> Rights Issue Underwriting of PKR 542 million 2023</p>	

Next Capital Limited

Financial Highlights



Income Statement	2023	2022	2021	2020	2019
PKR 000's					
Operating revenue	119,203	417,290	368,170	195,817	174,309
Investment gains – net	(3,229)	(37,831)	13,362	(1,676)	5,250
Other income	40,517	47,568	39,980	52,465	40,107
Total Turnover	156,491	427,027	421,512	246,606	219,666
Operating & administrative expenses	227,596	337,662	287,488	197,121	197,622
Financial cost	18,548	26,069	22,970	13,008	6,319
Profit/(loss) before taxation	(89,652)	63,295	111,054	36,477	15,725
Profit/(loss) after taxation	(97,214)	30,779	81,998	17,794	5,307
Balance Sheet					
PKR 000's					
Share capital	569,250	495,000	495,000	450,000	450,000
Reserves	91,203	80,260	49,482	(43,023)	(54,945)
Share holders' equity	428,047	525,260	494,482	406,977	395,055
Long term liabilities	25,400	22,796	31,322	32,614	-
Current assets	603,054	965,156	1,044,111	659,265	735,762
Current liabilities	363,372	602,491	673,698	344,509	430,867
Total Assets	816,818	1,150,547	1,199,501	784,099	825,922
Total Liabilities	388,771	625,287	705,020	377,122	430,867

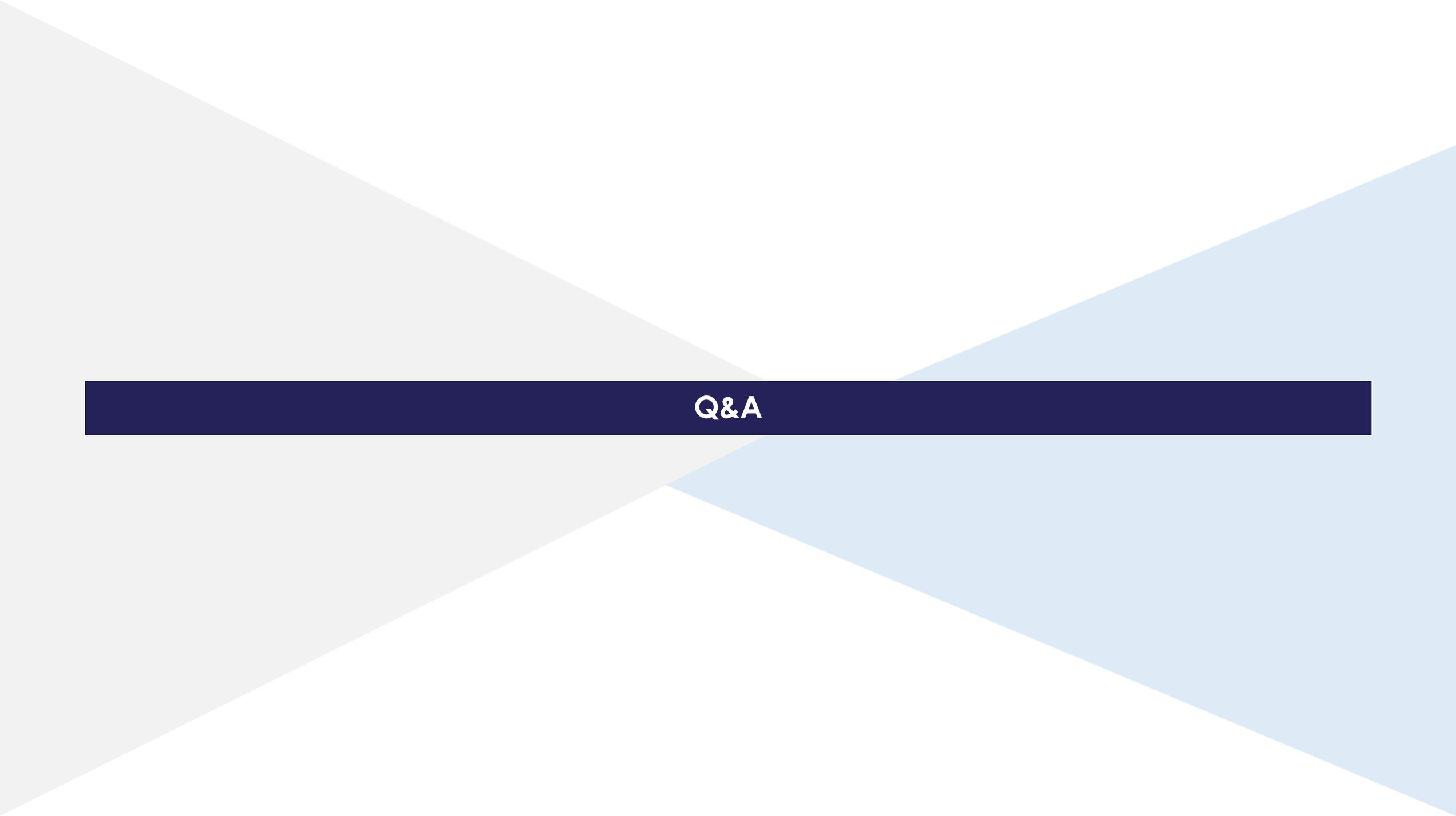
Key Ratios	2023	2022	2021	2020	2019
Performance					
Net Profit/(loss) Margin	-81.6%	7.4%	22.3%	9.1%	3.0%
Profit/(loss) before tax	-75.2%	15.2%	30.2%	18.6%	9.0%
Expense/income	190.9%	80.9%	78.1%	100.7%	113.4%
Return on equity	-22.7%	5.9%	16.6%	4.4%	1.3%
Price Earning (x)	(3.0)	12.5	8.9	18.9	44.9
Leverage					
Debt to equity	0.1	0.0	0.1	0.1	-
Interest cover (x)	(3.8)	3.4	5.8	3.8	3.5
Liquidity					
Current (x)	1.7	1.6	1.5	1.9	1.7
Earning Per Share (EPS)	(1.71)	0.62	1.66	0.40	0.12
Breakup Value / Net Assets per share	7.52	10.61	9.99	9.04	8.78
Market Value Per Share	5.17	7.77	14.72	7.48	5.30

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Business Outlook

- During the first four months of FY24, outlook for Pakistan has significantly improved compared to FY23 due to factors including:
 - Signing of the new 9-month USD3bn Stand-By Arrangement with the IMF in Jul'23, and achieving Staff Level Agreement after meeting almost all performance targets and successfully completing the first review in Nov'23 (approval by IMF's Executive Board expected in Dec'23).
 - Deceleration in inflation with expectations of further deceleration from Feb'24 onwards to below 20% in June'24. This has given confidence that interest rates have peaked with monetary easing expected to commence from 2HFY24, where both primary and secondary market yields on government papers have significantly come down.
 - Current Account deficit numbers are encouraging with 4MFY24 CAD standing at USD1.1bn compared to USD3.1bn of the same period last year supporting a stable exchange rate at around PKR285/USD after strengthening from a low of PKR307.10/USD in the interbank market in Sep'23. This was a result of strict administrative and regulatory actions taken by the LEAs and the regulator also shrinking the spread between interbank and open market exchange rates within the IMF specified range.
 - Positive revisions in external account estimates and financing requirements for Pakistan by the IMF.
 - Smooth transition to the caretaker set-up and fixing of elections date at Feb. 8th, 2024.
- As a result, the domestic bourse performed exceptionally well during Jul'23 till Dec. 1st 2023, with KSE100 Index standing at an historic high level of 61,691 posting a gain of 49% (20,239 points).
- Average daily turnover has improved significantly to PKR12.3bn and 373mn shares compared to PKR7bn and 226mn shares of the same period last year.
- Foreign investors have bought equities worth over USD46mn during FY24TD with significant improvement in Pakistan's international bond yields.
- With improved investor confidence amid improved macroeconomic outlook for the country where interest rates are expected to start coming down from early CY24, the equities market is expected to witness a flush of liquidity supported by low valuations including competitive dividend yields.
- Key risks include resurge in international commodities prices, non and/or delayed materialization of expected foreign exchange inflows, political instability, and delays in agreeing on a new, bigger and longer-term program with the IMF after the current one expires in Mar'24.

- In a recent development, the debt office of the MoF, has proposed some amendments in rules relating to Government Debt Securities (GDS) including T-Bills, Ijara Sukuks, and PIBs, enabling issuance of GDS through capital market auction process and enabling secondary market trading of GDS through PSX allowing its participants to hold custody of GDS.
- PSX, NCCPL and CDC along with brokers are currently conducting mock sessions for the same.
- This could potentially be a crucial development towards diversification of investor base in GDS to retail and high net worth investors, where banks currently hold the major stock of GDS.
- In addition, it will open a new business line for brokers and aid in additional revenues.
- Next Capital Limited aims at achieving a long-term sustainable growth through optimization of business strategies across its business lines in brokerage, and advisory and consultancy.
- Next Capital Limited with a strong brand, both in brokerage and advisory, and with capable personnel, is poised to ride the current wave that is hoped to be transpiring into a long-term sustainable growth and value addition for the shareholders.



Q&A