



Interloop Limited

Information Brief
February, 2019



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Transaction Overview



Overview	Interloop Limited intends to issue 109 million shares representing 12.50% of its post IPO paid up capital at a Floor Price of PKR 45.00/share to public.
Issuer	Interloop Limited (“Interloop” or “IL” or the “Company”)
Issue Size	109,000,000 ordinary shares representing 12.50% of total Post-IPO Paid-up Capital of the Company
Floor Price	PKR 45.00/- share
Transaction Size	PKR 4,905,000,000 at a floor price of PKR 45.00/- per share
Offer Structure	<p>The Issue is being made through 100% Book Building process whereby the bidders shall place bids for 100% of the Issue Size. However, the successful bidders shall be allocated only 75% shares and the remaining 25% shall be offered to the retail investors.</p> <p>In case retail portion remains unsubscribed, the unsubscribed shares will be allotted to the successful bidders on pro rata basis.</p>
Consultant to the Issue	Arif Habib Limited (“AHL”)
Book Runner	Ismail Iqbal Securities (Pvt.) Limited (“IISL”)
Proceed Utilization	The Company will utilize the proceeds raised from IPO to finance the expansion in Hosiery and Denim Plant

Introduction

Interloop Limited

1. Interloop Limited (“IL” or “Interloop” or the “Company”) is a public limited company incorporated in 1992, with 10 Knitting machines
2. The Company was established with an objective to manufacturing quality hosiery products
3. The Company is currently engaged in the manufacturing, selling and export of socks, leggings, yarn and providing yarn dyeing services
4. The Company currently operates 4 hosiery and 1 yarn production facility in Pakistan and a hosiery plant in Bangladesh through its Associate
5. Approximately 90% of the production is exported
6. Interloop produces over half a billion pairs of socks annually for top international brands & retailers
7. Majority of the customers (brands and retail outlets) are working with the Company for many years with the likes of Puma (15+ years of relationship); JC Penny, Tesco and C&A (10+ years) and Nike and H&M (5+ years)
8. Interloop is the largest global supplier of socks to Nike, Puma, Target and H&M
9. The Company holds 3.5% to 4.0% of the world’s socks supplies

Financial Summary

PKR in Millions	FY 14	FY 15	FY 16	FY 17	FY18	H1 FY19
Income Statement						
Sales	22,650	24,150	26,333	26,530	31,139	17,933
Profit After Tax	2,166	2,491	3,660	3,011	3,886	2,202
Balance Sheet						
Total Assets	21,375	22,980	23,649	28,479	32,750	39,475
Total Liabilities	13,589	13,562	11,192	14,036	23,668	28,186
Equity	7,785	9,418	12,456	14,443	9,082	11,289

Major Products



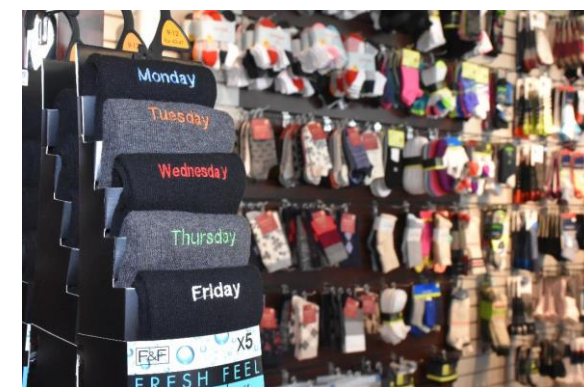
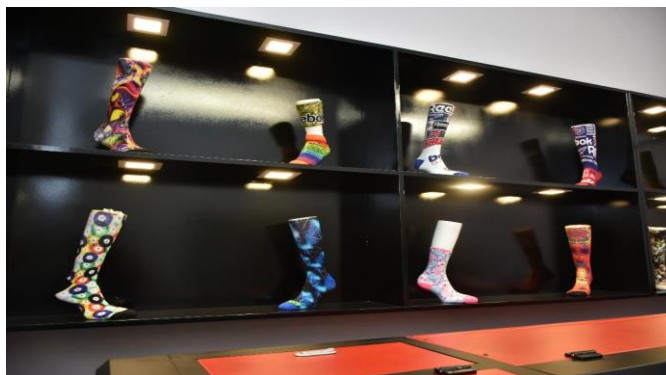
Key Company Stats

Annual Turnover	PKR 30 Billion +
Knitting Machines	4,500+
Annual Yarn Production	25 Million Kgs.
Annual Socks & Tights Production	530+ million pairs
Annual Yarn Dyeing Capacity	4.5 Million Kgs.

Product Range

Socks

1. Interloop is an international market leader in producing a wide range of top quality socks for distinguished world-class brands & retailers
2. The socks are engineered with true precision in fit & sizing, comfort, performance and aesthetic properties by using premium quality raw materials, advanced manufacturing techniques and stringent quality assurance systems
3. Socks produced at Interloop are unique and cover different sizes, genders, silhouettes, and fabrications and are a colorful reflection of all seasons.



Tights & Leggings

1. Interloop has the capability of developing tights for kids, infants, and women in flat knit & terry fabrications ranging from 120 to 200 Needles
2. With vertically integrated operation and Interloop's technical developers strong focus on graduated knitting patterns, cross stretches, elongations, stitching and volumetric fitting help deliver the best quality, size and fit, as per end-user requirement



Major Customers



Summary of Expansion



The expansion broadly pertains to two main areas including:

- I. Establishment of Hosiery Division V – The Company will set-up its 5th hosiery plant in Pakistan with a capacity of 1,200 knitting machines. The plant will be set-up in Faisalabad for which the land is already acquired.
- II. Setting up plant for Denim Production – The Company will set-up denim plant in Lahore for which the land is already acquired. Total capacity of the plant once complete will be 40,000 denim jeans per day.
- III. The expansion project will be financed by 44% equity (IPO Proceeds) and 56% debt

Hosiery Project:

Description	Funds Required	% Allocation	Already Incurred	% Completed
Plant and Machinery	2,698,000,000	60%	-	0%
Land & Building	872,000,000	19%	210,000,000	5%
Power & Utilities	903,000,000	20%	-	0%
Miscellaneous Expenses	31,000,000	1%	-	0%
Total	4,504,000,000	100%	210,000,000	5%

Denim Project:

Description	Funds Required	% Allocation	Already Incurred	% Completed
Plant and Machinery	3,893,389,515	58%	-	0%
Land & Building	2,192,800,134	32%	269,855,670	4%
Power & Utilities	528,883,879	8%	-	0%
Miscellaneous Expenses	135,349,206	2%	-	0%
Total	6,750,422,734	100%	269,855,670	4%

Thank you!