



BUILDING WEALTH BRIDGING MARKETS

INITIAL PUBLIC OFFERING



CAL

Sri Lanka's Leading
Full-Fledged Investment Bank

TEASER

OVERVIEW

TWO DECADES OF CAPITAL MARKETS LEADERSHIP

Capital Alliance Holdings (CAL) is a full service investment bank with a transaction footprint of over LKR 800bn/annum. Leveraging on market insight, knowledge and technology, CAL provides an exceptional value proposition across primary dealing, asset management, IB/advisory services, and stockbroking in Sri Lanka and Bangladesh..

CAL has created a data driven, internationally replicable, macro-modeling capability that differentiates its service offering from peers and offers market-beating insights. These insights have helped CAL and its clients consistently outperform the market across multiple asset classes.

REGIONAL SUCCESS DRIVING NEW EXPANSION

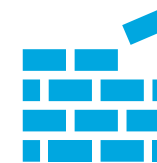
CAL strengthened its regional presence in 2022 with the launch of stockbroking, asset management, and corporate finance operations in Bangladesh.

CAL is looking to broaden its reach with the planned launch of a full-service investment bank in Kenya*, enhancing its operations in Sri Lanka and Bangladesh. Coupled with future expansions, CAL aims to service economies with a combined GDP of over USD 1 Trillion by 2030.



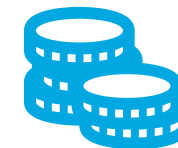
25

Years of Experience



LKR 9.33

Net Asset Per Share
December 2024



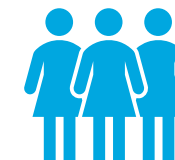
LKR 14 Bn

FY24 Net Profit



40,000+

Customers



180+

Of Employees



LKR 250bn+

Assets Under
Management
(Capital Alliance
Investments)



#2

Stock brokering firm in
Sri Lanka by turnover
for FY2025
(Out of 25)



45.5% ROE

Capital Alliance PLC
(CALT) 7 year
average ROE

**CAL is considering potential acquisition opportunities, in Kenya but no transactions have been finalised as of the date of this publication. Any potential transaction would be subject to commercial viability and regulatory approvals, amongst other variables. The statements made in this and other documents of the CALH IPO are not a guarantee that CAL will expand into Kenya.*

ISSUE AT A GLANCE

ISSUE DETAILS

Ordinary Voting
Type of shares

LKR 1,575 Mn
Issue Size

Offer for Subscription

LKR 20.7Bn
Post IPO Market Capitalisation

LKR 10/ Share
IPO Price

7.6%
Stake Offered

USE OF FUNDS

TOTAL
LKR 1,575 Mn

EXPANSION INTO FOREIGN
MARKETS

BOOST TRANSACTIONS BY
EXPANDING BROKER
CREDIT

INVEST IN ASSETS BY
LEVERAGING MARKET
EXPERTISE

DIGITAL INNOVATION

LKR 750 Mn

LKR 375 Mn

LKR 300 Mn

LKR 150 Mn

KEY INVESTMENT HIGHLIGHTS



END-TO-END CAPITAL MARKETS PLATFORM

Comprehensive Capital Markets Solutions

Delivers a full-spectrum offering from corporate finance and asset management to brokering and treasury through a seamlessly integrated platform.

Cross-Selling Opportunities

Synergies across verticals boost client retention and wallet share. 46% of CAL's client base are customers of more than one segment.



REGIONAL PRESENCE WITH ACCESS TO 10x SRI LANKA'S MARKET SIZE

Strategic Cross-Border Growth

Replicate the proven Sri Lanka/Bangladesh model in high-potential regions like Kenya.

Diversified Revenue Streams

Reduce reliance on a single market and tap into rapidly developing frontier economies.



FOCUS ON INNOVATION AND DIGITISATION

Scalable Retail Strategy

Cost-effective client onboarding and expansion. Digital innovation has allowed CAL to maintain TTM cost/income ratio of 21.1% vs 25.9% of the closest peer.

Unified Digital Ecosystem

The CAL portal provides seamless access to stock brokering, unit trusts, and government treasuries with comprehensive research insights.



ATTRACTIVE VALUATION AT 1.07x P/BV

Attractive IPO Pricing

21% Discount in share price relative to independent valuation providing an attractive potential upside.

Sustainable Earnings Base

Multiple revenue sources—from brokerage to asset management—mitigate earnings volatility with the ability to maintain an average ROE of 48.2% over the past 5 years.

BUSINESS VERTICALS

Primary Dealing

Since 2003

LKR 15+ Bn
Average Daily
Transactions

Fund Management

Since 2012

LKR 250+ Bn
Assets Under
Management

Equity Trading

Since 2006

Second-largest stockbroker in
Sri Lanka for FY2025 & one of
the fastest growing in
Bangladesh

Corporate Finance &
Advisory

Since 2003

A Leader in M&A Advisory with
over USD 1.8bn transactions
completed since 2015

Sri Lanka

Capital Alliance PLC
(CALT)

Capital Alliance
Investments Ltd.
(CALI)

Capital Alliance
Securities (Pvt) Ltd.
(CALS)

Capital Alliance
Partners Ltd. (CALP)

Bangladesh

CAL Investments Ltd.

CAL Securities Ltd.

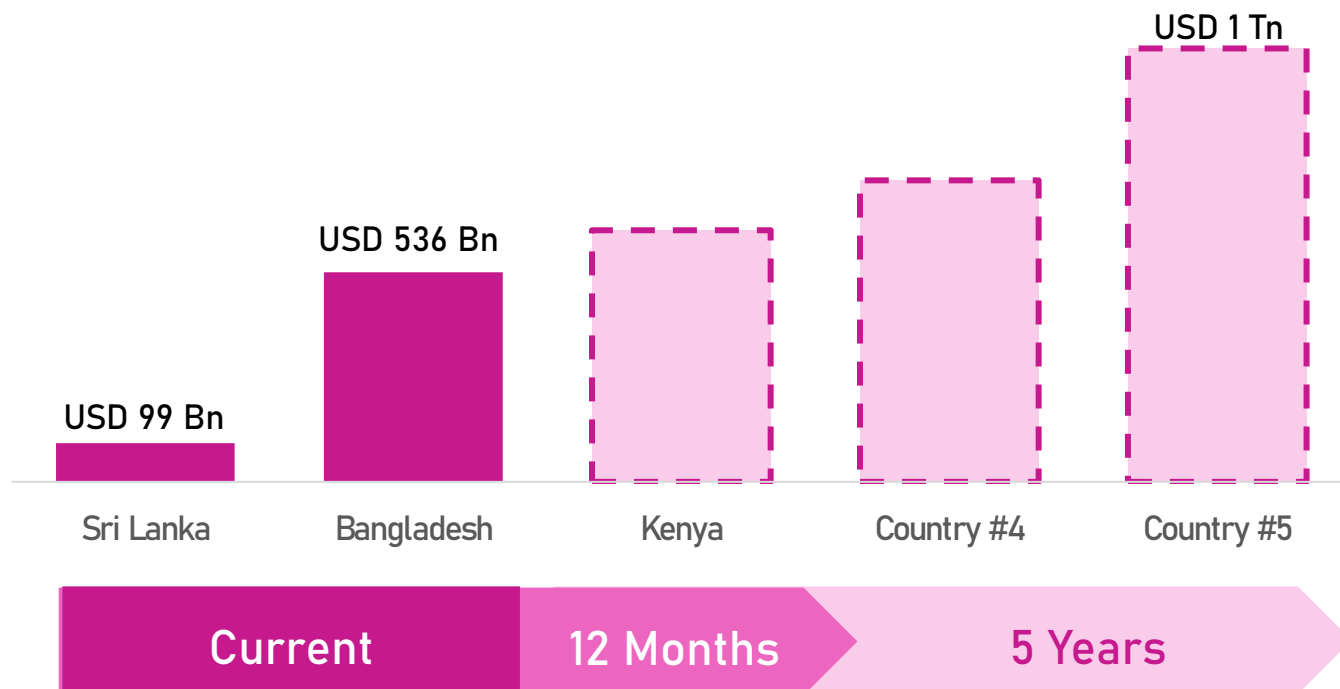
CAL Investments Ltd.

STRATEGIC CROSS BORDER GROWTH

EXPANDING TO CAPTURE A USD 1 TRILLION FRONTIER MARKET GDP FOOTPRINT – 10x SRI LANKA'S GDP

With 25 years of experience in Sri Lanka, CAL has strengthened its business model and is now focused on expanding into new markets. In addition to its current operations in Sri Lanka and Bangladesh—markets with a combined GDP of USD 536 billion—the company intends to broaden its footprint into other frontier economies, starting with the East African region by setting up operations in Kenya in the near future.

Cumulative GDP exposure of the company with planned foreign expansion



STRATEGIC ADVANTAGES OF REGIONAL EXPANSION

- Expanding into a broader regional market enables the company to access a wider range of high-value transactions, ensuring a more stable and diversified deal flow across multiple economies.
- A regional presence positions CAL to dominate the advisory space on deal flows between the countries it operates in, giving CAL a competitive advantage over other service providers.
- Operating in a larger GDP footprint gives CAL access to deals that interest larger global players, allows it to create true interconnectivity between developed and frontier markets.

Source : CBSL, World Bank

VALUATION MULTIPLES & BREAKDOWN

ATTRACTIVE IPO PRICING

20.6%

DISCOUNT TO
THE VALUATION

Attractive Price

An independent valuation as at Sep 2024 valued CALH at 12.59 LKR per share. CALH posted a net profit of LKR 1.34/share in Q3 (Oct-Dec 2024) which is not captured in the valuation. The IPO is priced at LKR 10.00 per share

1.07x

IMPLIED
P/BV MULTIPLE
Dec 2024

Attractive Relative Valuation

Based on the NAVPS LKR 7.97 and LKR 9.33 as at September 2024 and December 2024, the IPO price equates to a P/B ratio of 1.26x and 1.07x respectively, suggesting a more attractive price compared to peers.

1.26x

IMPLIED
P/BV MULTIPLE
Sep 2024

4.77x

IMPLIED
P/E MULTIPLE¹

4.8%

DIVIDEND YIELD
5 Year Historic
Average

BREAKDOWN OF CALH'S VALUE

LKR 20,720 Mn
Post IPO Market Capitalisation

LKR 15,525 Mn
Value of CALT shares
owned by CALH

1.3x PBV³

LKR 5,195 Mn
Implied value of other
companies in CALH

5.0x PER²

¹ P/E is calculated by comparing the IPO price against the EPS for the TTM earnings as at 31st December 2024

² PER is calculated on the TTM unaudited earnings of CALH excluding CALT contribution to group profit as at December 2024

³ PBV of CALT.N0000 on the CSE as at 31st December 2024

INDEPENDENT VALUATION

Independent valuation of the ordinary equity capital of CALH by Deloitte

Deloitte has assessed the value of the ordinary equity capital of Capital Alliance Holdings Limited (CALH) on a Sum of the Parts Approach to capture the value of material operating businesses within the CALH group and an adjusted net asset value approach to arrive at the overall value of the Company.

Material and core business entities were valued using distinct valuation approaches and aggregated with other net assets on the CALH balance sheet to arrive at the valuation.

The valuation arrived at is for the 100% ordinary equity interest of CALH as at the Valuation Date, i.e., 30 September 2024.

Valuation of Capital Alliance Holdings Limited (CALH)

Valuation	
Overall valuation range of CALH	LKR 23,285 Mn to LKR 24,929 Mn
*Per Share Valuation range	LKR 12.16 to LKR 13.02

Constituent components of the Adjusted Net Asset basis valuation of CALH

Material business entity	Absolute valuation range (LKR Mn)	Effective ownership interest held by CALH	Attributable valuation range (LKR Mn)
Capital Alliance PLC (CALT)	13,580 to 15,010	86%	11,679 to 12,909
Capital Alliance Securities (Pvt) Ltd (CALS)	1,716 to 1,826	100%	1,716 to 1,826
Capital Alliance Investments Limited (CALI)	3,985 to 4,257	95%	3,786 to 4,044
Capital Alliance Partners Ltd (CALP)	653 to 700	100%	653 to 700
CAL Investment Consultancy FZ LLC*	1,664	100%	1,664
Reported Net Assets held by CALH as at Valuation Date			5,675
Less: recorded balance sheet cost of affiliates valued separately			(1,888)
Value of 100% Ordinary Equity of CALH			23,285 to 24,929

*CAL Investment Consultancy FZ LLC includes Bangladesh operations and net debt of the company

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