

Musandam Power IPO generates significant investor interest during investor roadshow meetings

The Company expects to pay first dividend of 27.6 baiza per share to all shareholders including the IPO investors in December 2019

Following the commencement of the Phase I (Book Building) investor meetings for the IPO of Musandam Power Company SAOG (under transformation) (MPC or the Company), investor interest is gaining momentum. The Company, alongside the issue manager – bank muscat investment banking, has been holding several meetings with key investors.

The meetings, which were held in Muscat, Salalah and Sohar were well attended by a wide cross-section of investor groups including institutional investors, high-net worth individuals and established family offices. Senior members representing the founding shareholders of the Company, including the management team of MPC interacted with investors and analysts.

Speaking on the positive response, Mr. Sultan Al Burtmani, shareholders spokesperson commented “the IPO of MPC, which is the first from Oman Oil and Orpic Group is generating significant interest amongst the investor community in Oman. MPC has the backing of its Project Founders with a demonstrated track record of implementing large and complex independent power plants globally, and in Oman. The Project Founders, Oman Oil and Orpic Group and LG International Corp (LGI), will remain shareholders post-IPO, with an aggregate holding of 60% and they will continue to ensure reliable management and governance of the Company. We are very pleased with the strong interest and enthusiasm surrounding this IPO.”

Further elaborating on the strength of the offer, Mr. Ahmed Tufail Al Rahman, Chairman of MPC added, “The keen interest of the investor community reflects the key highlights of the offering, which is an attractive and robust sector, strong & reputed founding shareholders, steady & reliable cash flows based on power purchase agreement with OPWP till the year 2032 indifferent to the power demand, and a dividend yield that compares favourably to the peers in the industry. Investors have particularly been attracted to the offer as it offers a clean equity story – only power plant in Musandam area with no cash sweeps, no litigation either with OPWP or with EPC contractor. Investors have also noted that the first dividend of 27.6 bzs is to be distributed to all shareholders including IPO investors within 1 month of IPO listing (in December 2019) ”.

Mr. Salim Al Hashmi, Project Director of MPC commented, “In the long-term perspective, the investment offers investors the opportunity to be part of a unique success story with a strategic asset situated in the Musandam peninsula”.

MPC is offering 28,156,000 shares in a price band of 260 bzs to 325 bzs per share. At the IPO price, the Company offers an average projected dividend yield of 8.6% to 10.7%. Investors in Phase I of the IPO can submit their application forms at the head offices of Bank Muscat, Bank Dhofar, Ahli Bank, NBO, Gulf Bader Capital Markets, U-Capital or United Securities from 10 am to 2 pm from 3 November to 6 November 2019 and from 10 am to 12 noon on 7 November 2019.

More information on the Company is available on www.musandampower.com and any queries about the offer can be addressed to bank muscat IPO team at the email id MusandamPowerIPO@bankmuscat.com.

Strengths of MPC

- Only independent power plant in Musandam Governorate of Oman
- Well-established contractual framework with long term power purchase agreement with the Government
- Stable and predictable cash flows
- State-of-the-art plant with efficient and proven technology and high reliability
- Fully operational project with an experienced operator

Ends.