



Public to Private Investment Opportunity in Pakistan's Power Distribution Utilities FESCO, GEPCO and IESCO

Transactional Overview

ALVAREZ & MARSAL

Proprietary & Confidential

2026

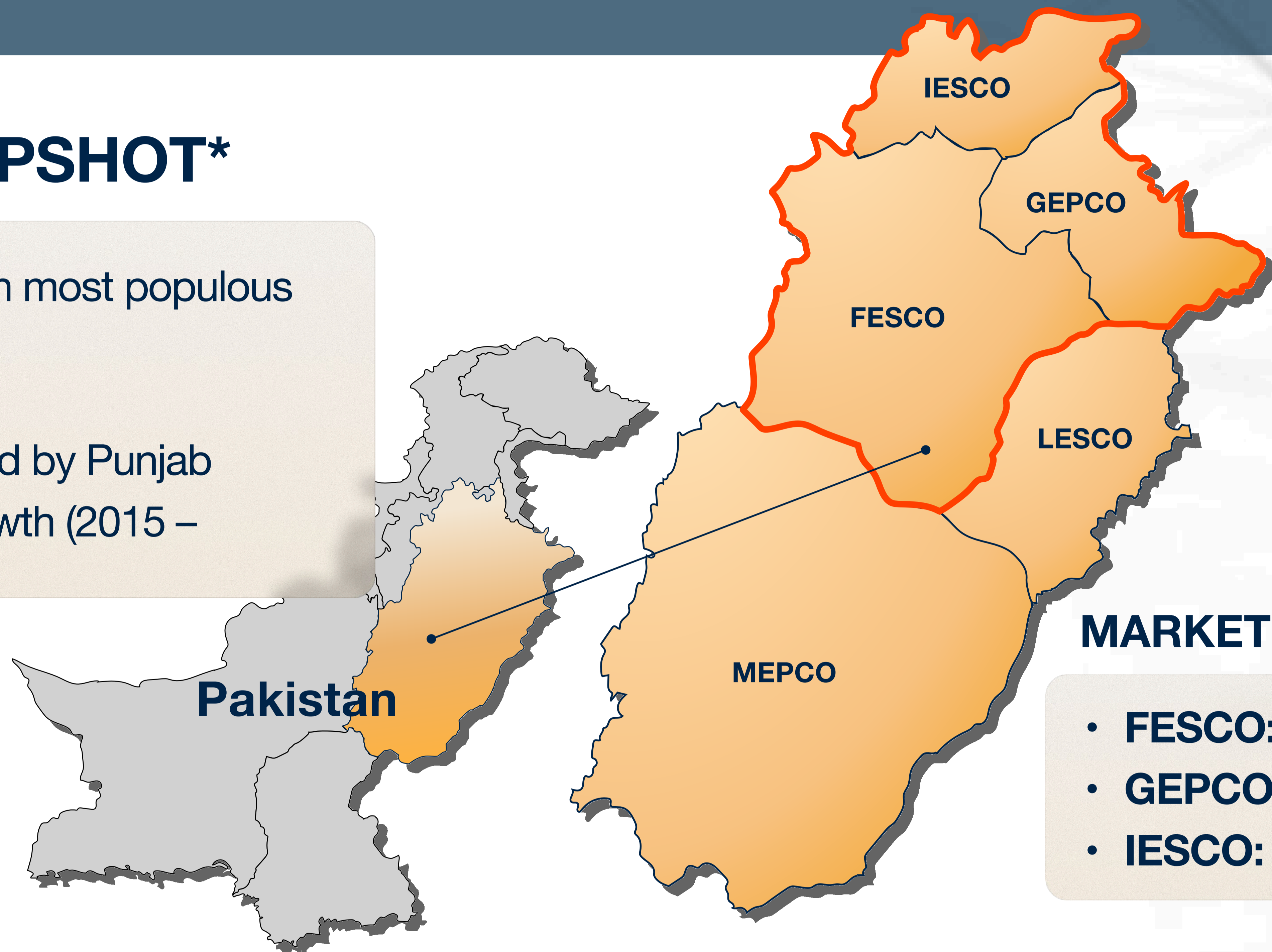
INVESTMENT OPPORTUNITY – PRIVATIZATION OF FESCO, GEPCO AND IESCO

- The Government of Pakistan (GoP) is seeking to privatize the three best performing power distribution companies FESCO, GEPCO and IESCO (DISCOs) located in North Pakistan, serving approximately 13 million consumers
- On 11 February 2025 Alvarez & Marsal (A&M) Middle East Limited and its Consortium partners were appointed as a Financial Advisor for this transaction
- As part of the first phase of the deal process A&M were assigned to gauge the potential interest (geography and industry-wise) from both local and international investors to better structure the upcoming deal in the coming several months

INVESTMENT SNAPSHOT*

- **245 million** population (5th most populous country in the world)
- **\$410bn** GDP (2025)
- **~60% of GDP** is generated by Punjab
- **4%** average real GDP growth (2015 – 2025)

- **B-** S&P Global
- **B-** Fitch ratings
- **Caa1** Moody's



MARKET SHARE

- **FESCO: 13%**
- **GEPCO: 12%**
- **IESCO: 10%**

KEY OPERATIONAL METRICS**	FESCO	GEPCO	IESCO	KEY CONSIDERATIONS****:
Number of consumers 2025, mill.	5.7	5.1	4.1	Lowest Transmission & Distribution (T&D) losses among all the DISCOs which have an average of 17.55% Above average revenue recovery rates vs other DISCOs (96.62%)
Service area 000, sq. km	44.3	17.2	23.2	
Headcount 000, FTE	13.0	10.9	11.9	
Total power capacity, GVA	3.5	5.0	5.2	
T&D Losses 2025, %	9.0%	10.6%	8.6%	
Revenue recovery rate 2025, %	100%	100%	100%	

KEY FINANCIAL HIGHLIGHTS***	FESCO			GEPCO			IESCO		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
\$US bn									
Revenue	1.5	1.6	1.7	1.2	1.2	1.3	1.1	1.2	1.2
Operating profit/(loss)	(0.07)	(0.02)	0.05	0.07	(0.04)	0.06	0.01	(0.04)	(0.03)
Total assets	1.1	1.4	1.4	0.8	0.8	0.8	1.2	1.4	1.9

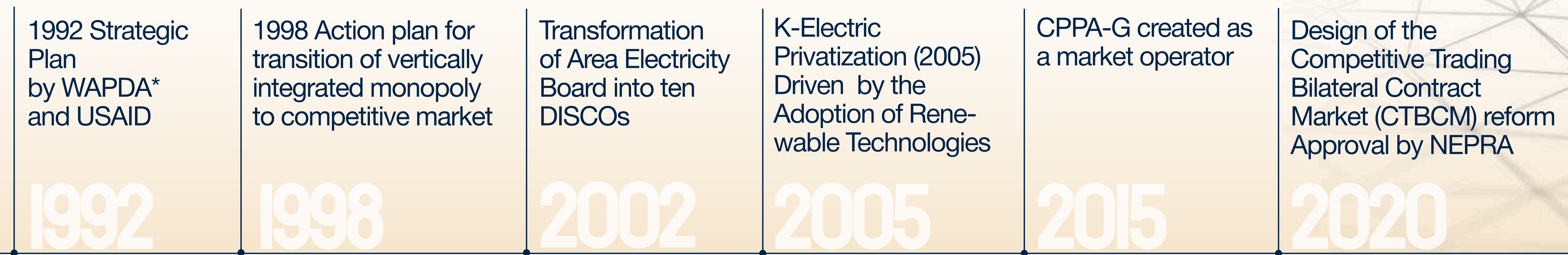
POTENTIAL REVENUE STREAMS

- **Value Added Services:** bundled energy, internet services under pay-as-you-go model and mobile wallets for payments etc.
- **Sale of excess capacity** under Competitive Trading Bilateral Contract Market (CTBCM) and additional revenue from wheeling charges
- **Additional revenue** from non-core sales to third-parties for ancillary businesses

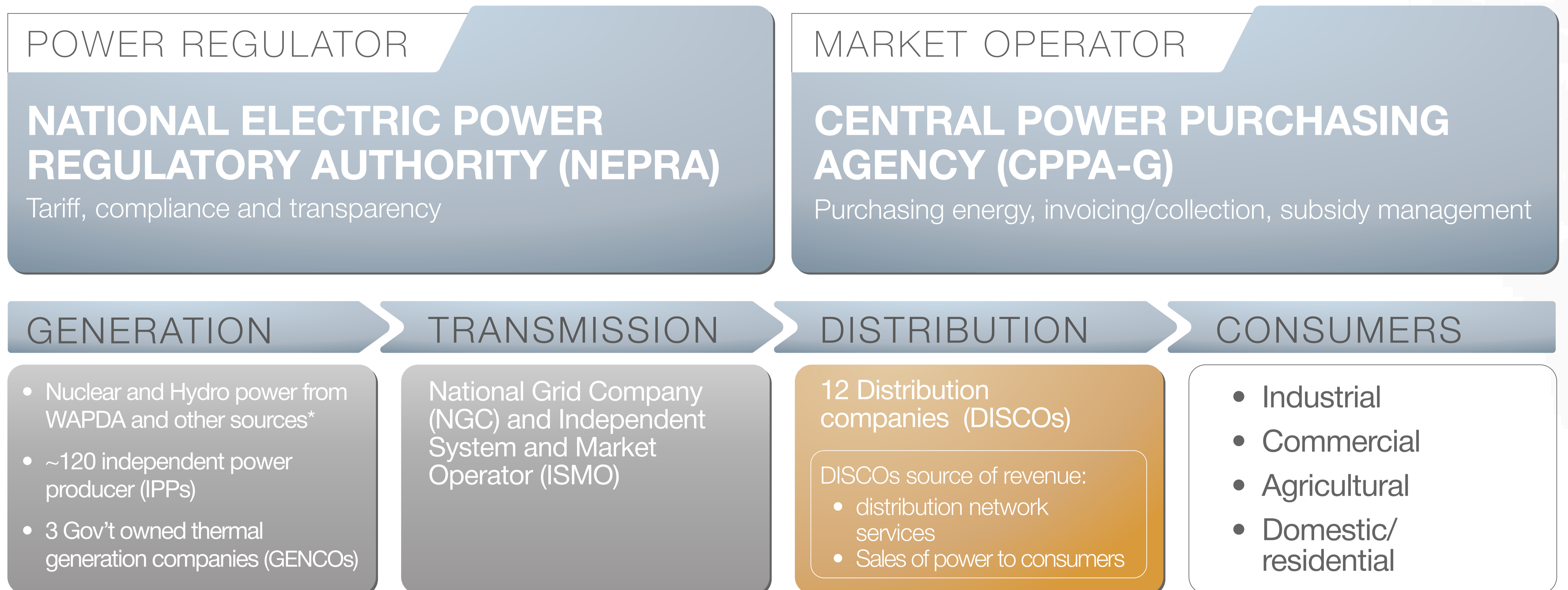
KEY INVESTMENT HIGHLIGHTS/ CONSIDERATIONS

- **High recovery rates:** 100% in 2025
- **Lowest T&D losses**
- **High-income consumer base**
- **High potential demand** due to CPEC & Industrial growth
- **Increase in power demand** due to Government policy to promote EVs

HISTORICAL DEVELOPMENT OF THE PAKISTANI POWER MARKET



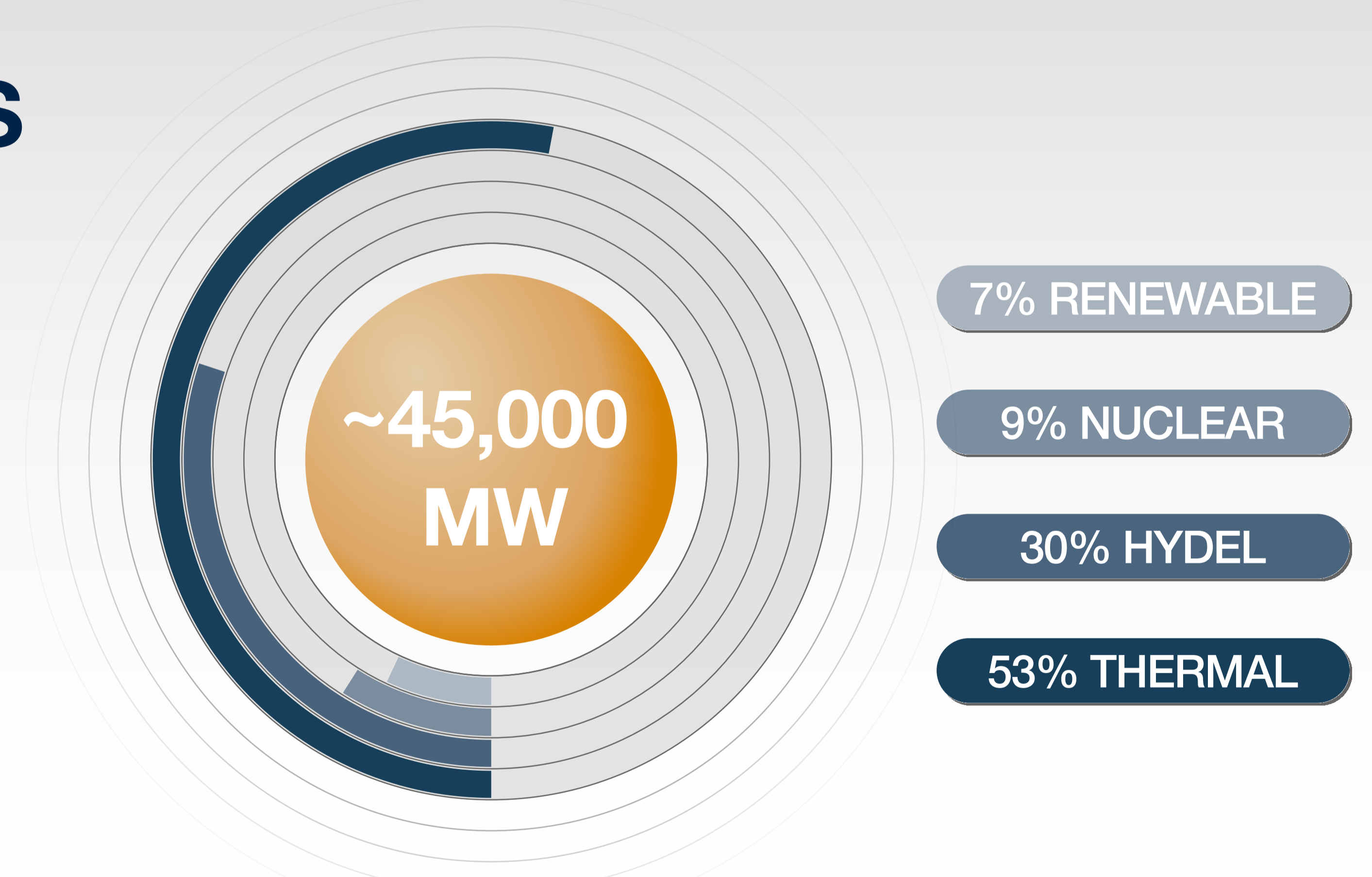
CURRENT STRUCTURE OF THE POWER MARKET OF PAKISTAN**



With phased implementation of CTBCM expected to begin soon, DISCOs are gradually being enabled to contract limited volumes directly from power generation companies under competitive bidding, laying the foundation for future diversification of the fuel mix and integration of clean and affordable technologies

POWER GENERATION TECHNOLOGIES IN PAKISTAN

- Pakistan's national transmission system, operated by NGC, primarily consists of **500 kV** and **220 kV** networks
- The distribution networks primarily consist of **132 kV**, **66 kV**, **11 kV**, and **0.4 kV** lines, along with associated substations and transformers



INVESTMENT CONSIDERATIONS

An investment in the company is a highly speculative investment, involving a high degree of risk. Any investor must have the financial capability and sophistication to evaluate this type of investment. Prior to investing, any investor must carefully consider, among other things, the risk factors contained in this memorandum that each investor will be asked to review.

While any financial projections that accompany this memorandum may be helpful to a prospective investor in evaluating return on investment potential, these projections cannot be viewed as facts and there can be no assurance they will be realized. Actual results may be higher or lower than the forecast, and the differences can be material.

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