

Feedlot fattening in Punjab and Sindh

Investment pitchbook

September 2025

KEARNEY



Disclaimer

This pitchbook has been prepared for informational purposes only and should not be considered as an offer, solicitation, or recommendation to invest in any securities, projects, or financial instruments. The information contained herein is based on sources believed to be reliable; however, the party providing the information (nor its officers, directors, employees, affiliates, advisors or consultants) make any representations or warranties, express or implied, as to the accuracy, completeness, or reliability of the information provided.

This document is not intended to constitute investment, financial, legal, or tax advice. Any prospective investor should conduct their own due diligence and seek independent professional advice before making any investment decisions. Neither the party providing the information nor its officers, directors, employees, affiliates, consultants or advisors, accept any liability for any direct, indirect, or consequential loss arising from the use of this information.

This pitchbook may contain forward-looking statements, including projections, estimates, and expectations about future performance. These statements are based on current assumptions and are subject to risks, uncertainties, and changes that could cause actual results to differ materially. Neither the party providing the information, nor its officers, directors, employees, affiliates, consultants, or advisors, assume any obligation to update or revise these statements in light of future events.

Neither the party providing the information, nor any of their respective officers, directors, employees, affiliates, consultants or advisors shall be held liable for any reliance by any third party on the information provided. The recipient assumes full responsibility for any investment or business decisions made based on this pitchbook

Executive Summary

Attractive Investment Destination

- **Pakistan** is emerging as a regional powerhouse, with a **reformed economy** (inflation stabilized at lower level in the past 50 years and GDP expected to cross USD 3.3T by 2050) and **vibrant talent** (7th largest workforce with 64% under the age of 30)
- Pakistan boasts a **thriving beef and meat sector**, with **livestock accounting for about 63.6% of agricultural value-added** and contributing roughly 14.97 % to national GDP




Captive demand

- Capitalize on **rapid growth in the commercial beef sector**, especially across nearby GCC markets
- Leverage Pakistan's **competitive pricing** to expand export market share
- **Invest in commercial beef fattening farms** to ensure supply of relevant quality for large commercial buyers

Feasible and Scalable Operations

- Invest in **40 commercial beef fattening farms**, each with 2,500 calves per cycle, enabling a quarterly output of 100,000 heads and scaling to 400,000 annually
- Channel **capital through HBL Asset Management**, leveraging its proven HBL Livestock Fund which has a track record of successful at scale pilots within the sector
- Scale operations by aligning with **targeted government support offering fiscal incentives** and high compliance of robust disease control and quality assurance frameworks

The Beef Sector in Pakistan is a prime opportunity for sustainable returns in a robust established industry

Pakistan Value Proposition						
Reformed Economy 	USD 3.3Tn¹ Expected GDP in 2050 (from USD >410Bn ² today)	B- Improved Credit Rating ³ from CCC-	2nd best performing stock market ⁴ in 2024	Top 10 In Business Entry Regulations ranking ⁵	Stabilized Inflation At lowest levels since 1968 ⁶	Special Economic Zones (SEZs) Robust fiscal and trade incentive packages ⁷
Vibrant Demographics and Talent 	255 million Large and growing population ⁸	64% Population younger than 30 ⁸	7th largest Global workforce ⁹	2 million University students enrolled every year ¹⁰		
Vibrant Beef & Meat Sector 	14.97% Contribution to GDP	63.6% Beef Contribution to Agri-Industry	PKR 5.8 Bn Gross Value Add	+500 Mn USD Export Earnings on Meat	~2.5 Mn Tons Annual Beef production	Strategic Geographic Positioning Relatively close to lucrative GCC markets

1. Goldman Sachs; 2. National Accounts Committee; 3 Fitch Ratings; 4. Bloomberg, 84% in PKR; 5. World Bank's B-READY assessment; 6. US (St Louis) Federal Reserve Bank; 7. Pakistan Government; 8. United Nations; 9. CIA World Factbook; 10. Higher Education Commission; 11. Pakistan Tourism Insights

Value proposition: Investors can tap into strong returns from high-volume beef exports via farms in Punjab and Sindh

- Invest in the **livestock fund** and gain significant returns
- Get consistent and secure beef supply to meet needs through **guaranteed offtake agreements**
- Fund managed by **Pakistan's largest bank**



Opportunity overview and key highlights

Opportunity Description



- Invest in a **fund of livestock farms** (for export) in core areas of Punjab and Sindh, as well as secure beef offtake through agreements
- **Successful runs** conducted by HBL, with significant returns achieved

High-Level Opportunity Facts



Business model overview

A



Punjab
Sindh



Beef



2500 calves /
farm



40
Farms

B

Target market

GCC Markets

Beef import 3Y forecasted growth of +3.1%

Run-rate
revenues

USD 4.1 Mn
per farm

Return Profile

~22% Yearly Return

C

Estimated
Project Cost

USD 1.7 Mn
per farm (working Capital)

Proposed
Model

- Investing in a **fund of farms fattening of 100k heads quarterly** with optional offtake contracts (if required)

Value Proposition



- Secure **year long procurement of meat** through reliable, long-term sourcing partnerships



- Ensure access to **competitively-priced meat**



- Achieve **attractive financial returns** with high margins and short payback period

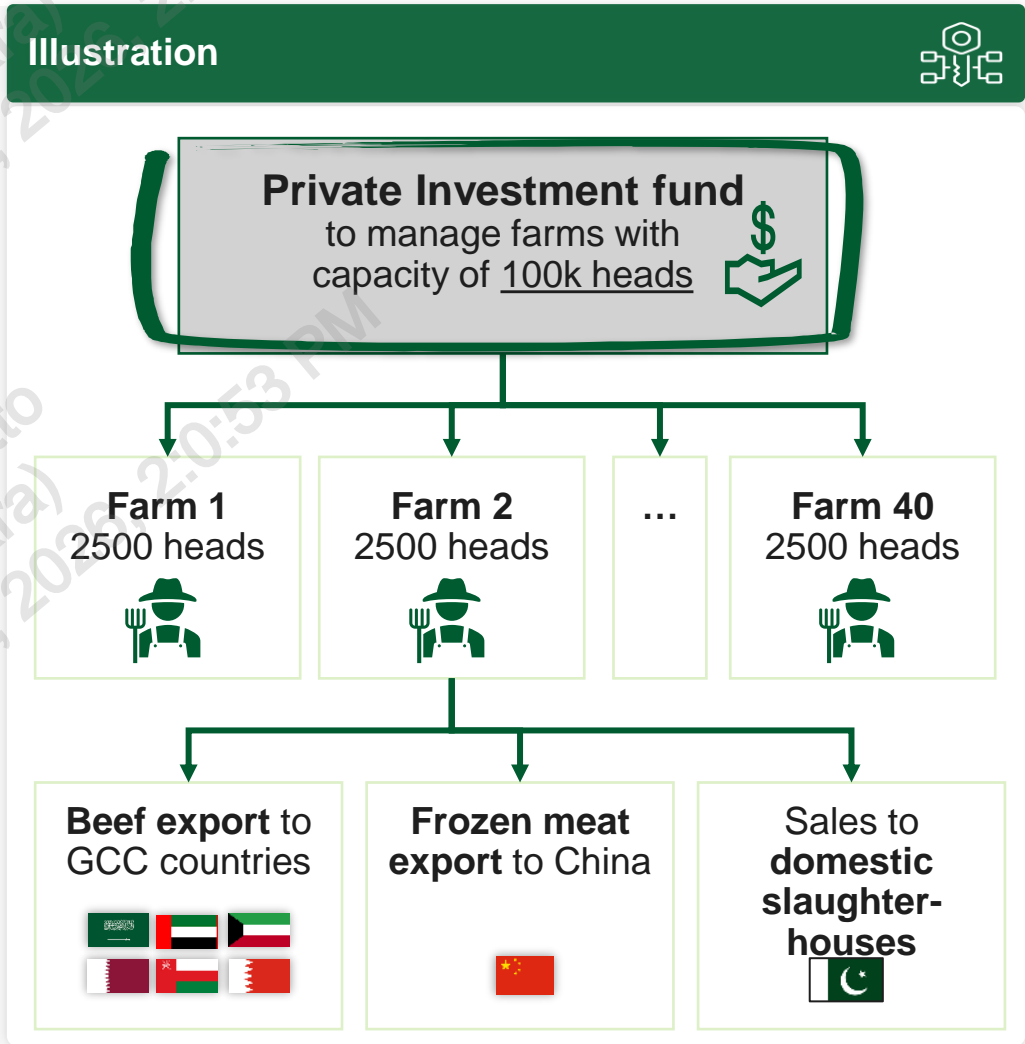


- Achieve **incremental value-add** driven by adjacent revenue stream of offals, as well as by-products like hides

A. Business model overview: Investment will enable expansion of a network of export-driven large-scale, efficient commercial beef fattening farms in Punjab and Sindh

Project details

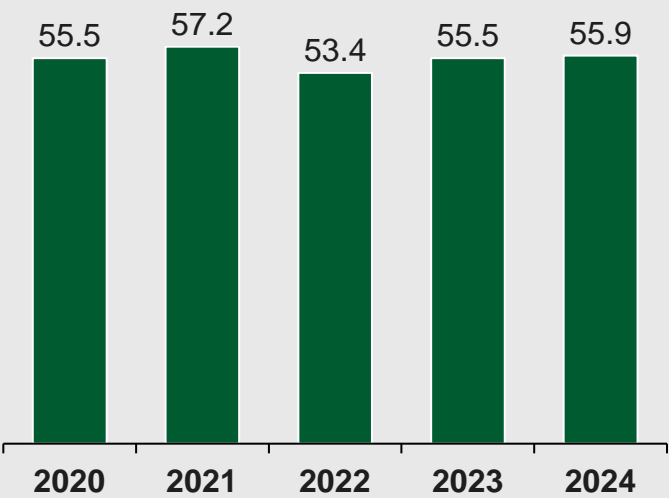
Offering	<ul style="list-style-type: none">– Year-round supply security of beef– High-volume supply of 100k heads quarterly at maturity (90 – 100 days fattening period)
Project scope	<ul style="list-style-type: none">– Establish 40 commercial fattening farms– Each farm to host 2,500 heads, total capacity: 100,000 heads per batch– Fattening cycle: 90–120 days
Targeted end-users	<ul style="list-style-type: none">– Livestock exporters and traders, mainly to GCC– Heat treated beef exports to China
Location	<ul style="list-style-type: none">– Primarily Punjab and Sindh, with eventual expansion to KPK and Baluchistan
Financing	<ul style="list-style-type: none">– Perpetual program with quarterly funding and operations of 100k heads per quarter– Investment in a fund with yearly return
Technical specifications	<ul style="list-style-type: none">– Selection of suitable breeds by agro-climatic zones– Recommended breeds: Sahiwal, Cholistani, Dhanni, Dajal, Red Sindhi, crossbreds, and nondescript– Ideal induction age: 9–12 months, with slaughter age at 2 years
Export markets clarification	<ul style="list-style-type: none">– Primary market to be GCC offtake– Heat treated beef export to China may be a strong future export avenue



A. Business model overview: Pakistan boasts a cattle population of ~55.9 Million, mainly in Punjab and the proposed supply can easily be provided for the investors

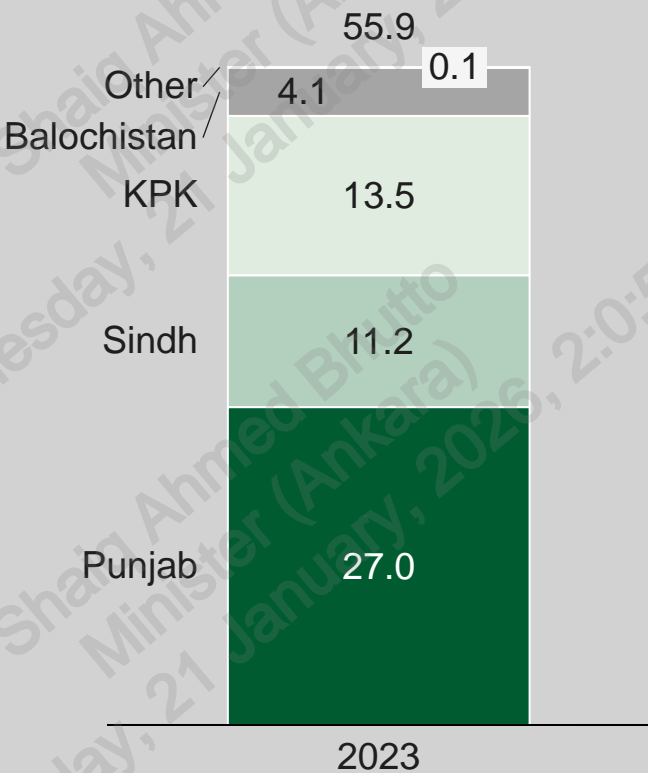
Beef demand tailwinds

CATTLE POPULATION IN PAKISTAN (2020-24,MN)



Estimated population of ~55.9 Mn suggests that system can easily **support proposed operation** (100k head set up)

CATTLE POPULATION BY REGION (2023,MN)



Key Drivers



Domestic demand for Milk and Meat

- Strong demand for dairy as a staple part of diet
- Large part of meat needs are served as a by-product of dairy farms



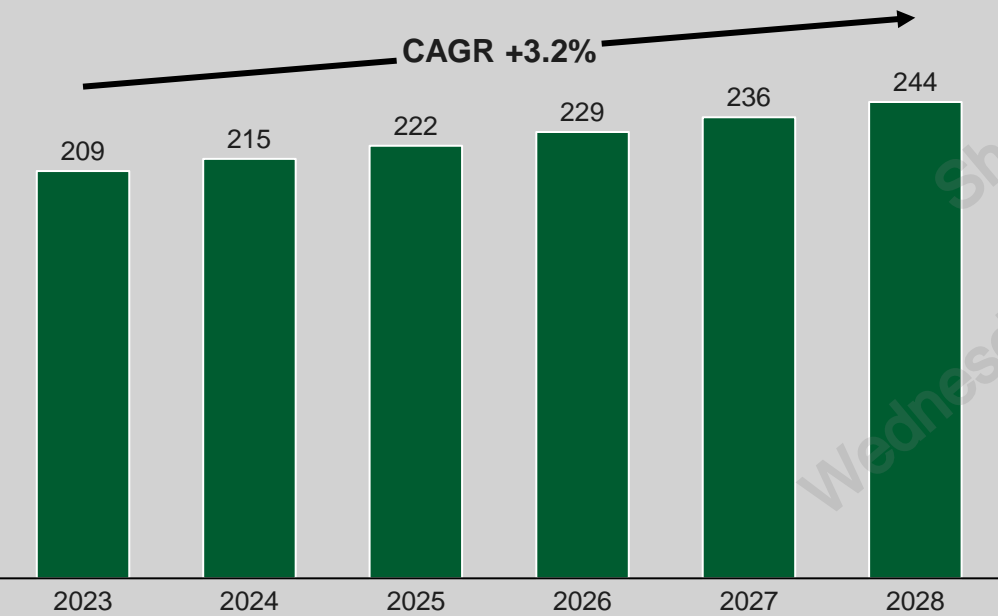
Frag-mented livestock farms

- Livestock farming done at a small scale with most farming done using traditional means
- Investors may enable consolidation of the farms and bring efficiencies

B. Target market: While the global beef market will grow steadily at a CAGR of 3.2% p.a., the commercial beef market is expected to outpace the overall market




Beef demand tailwinds

Global beef market growth (USD BN)



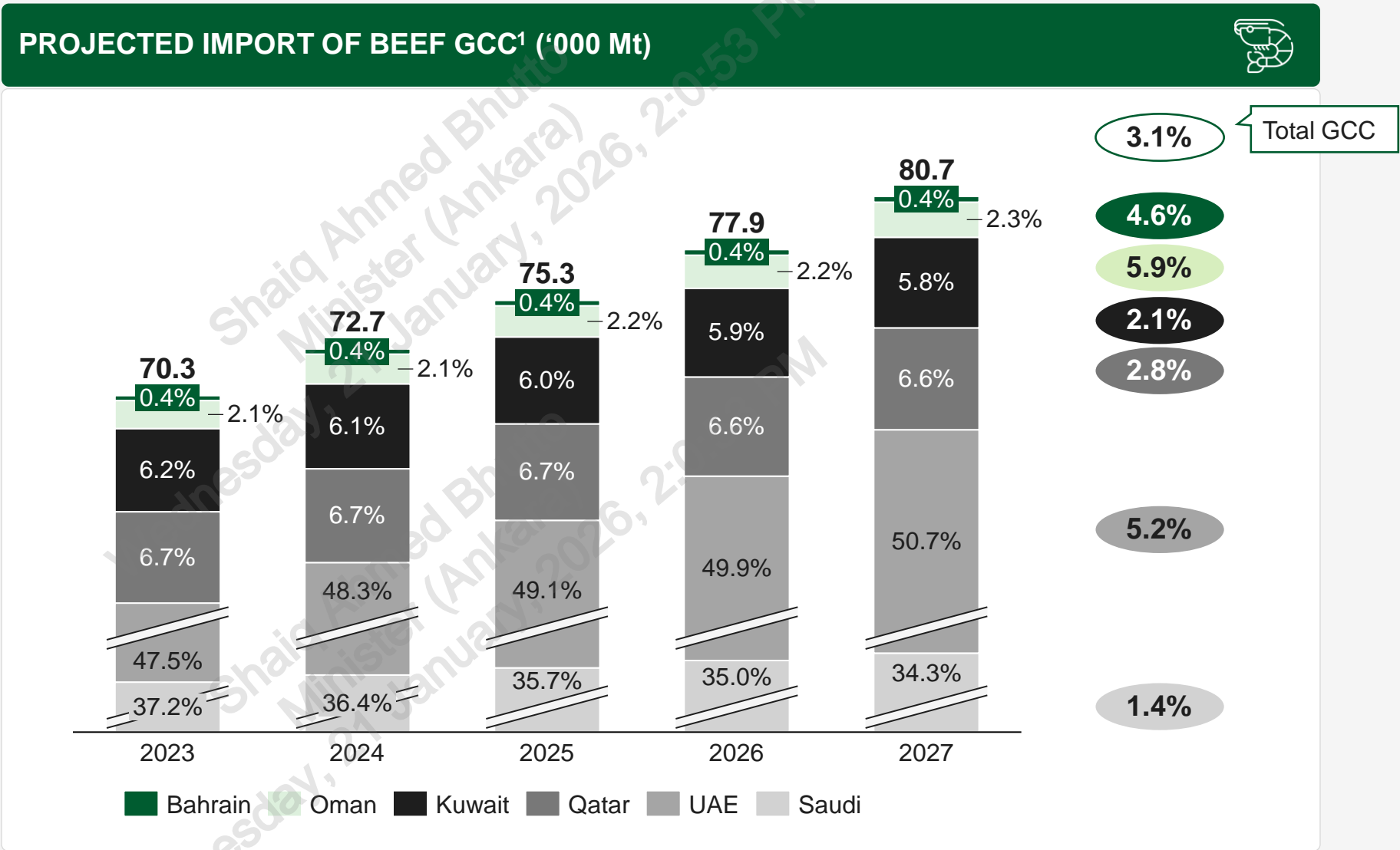
Commercial beef is expected to outpace the overall market, driven by the increased consumption of processed meat and foodservice (+4-6% estimated CAGR for processed meat over 23-28 period)

Key Growth Drivers

 Changing Dietary Preferences	<ul style="list-style-type: none">– Rising health consciousness and global dietary shifts, especially toward high-protein, low-fat options, are driving beef consumption, alongside growing influence from Western cuisines
 Rising global incomes and urbanization	<ul style="list-style-type: none">– Increased incomes and urbanization in Asia-Pacific, especially in China and India, are driving higher meat demand, with China relying on imports due to limited domestic production
 Rising demand from middle-class	<ul style="list-style-type: none">– Rising global demand in emerging markets– Increased consumption of value cuts (e.g., ground beef, brisket), and expansion of foodservice and processed beef in retail channels

B. Target market:
GCC offers a substantial market for Pakistan's beef exports, with strong forecasted growth across the region, especially in the UAE

Beef imports projections in the GCC

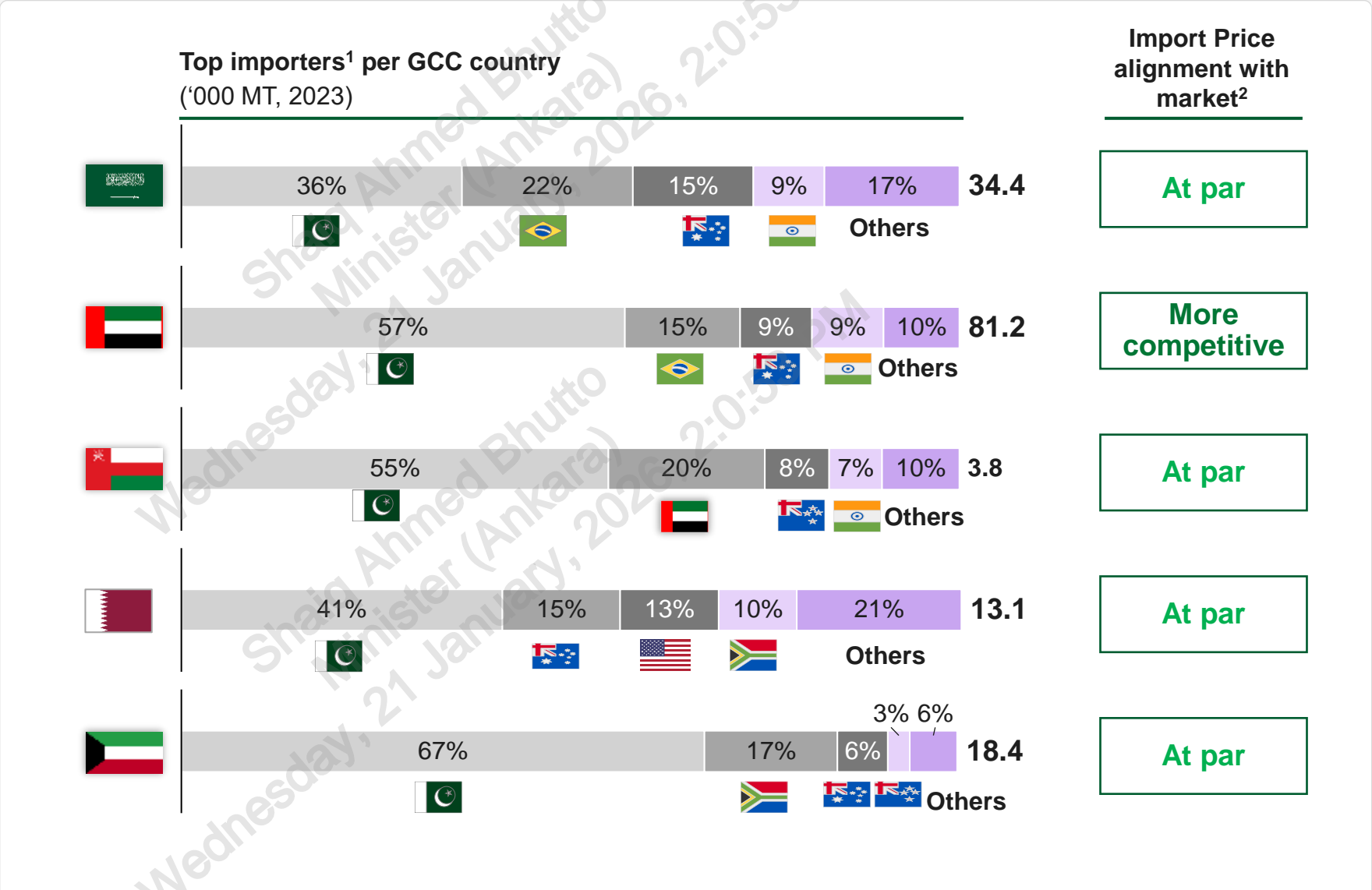


1. 2024-27 represent team projections based on 2023 base year. Values calculated by applying forecast growth CAGR for each market
Source: WITS for 2023 data, Team analysis

B. Target market: Pakistan's pricing positions it competitively to secure additional market share

- Pakistan is a major import source, especially in **carcass and half-carcass for GCC**
- In **boneless bovine meat** category, Pakistan has a much lower share

Beef imports volumes and prices GCC



C. Business case feasibility:

Investors gain from targeted government policies designed to catalyze Beef farming growth

Key opportunity enablers and incentives

Ease of Doing Business

Special Investment Facilitation Council (SIFC)

Central body for facilitating and fast-tracking foreign and domestic investments

2023 Pakistan Investment Policy

Allow 60% stake for foreign investors in agricultural projects

Foreign Private Investment Act

Allow 100% repatriation of dividends



Investment in Beef sector

Budgetary support of Bn 400 Rs allocated to the sector for years 2025-2026

Financial support to farmers offered by states like KP

Rs 4,000 quarterly per animal

Negotiations for meat export protocols are ongoing with Russia, USA, Malaysia, and Lebanon



Fiscal Support

Zero sales tax on live animals and bovine meat for export

Duty-free import of livestock/meat supplies and equipment.

Concessional customs duty on food-processing machinery.

Export Finance Scheme (EFS) offers credit at reduced rates (~3 %) to exporters



Disease & Quality control

Food and Mouth Disease control includes vaccine production and WOA-compliant guidelines

Investment in vaccine development

National Agri-trade & Food Safety Authority (NAFSA) (2025) enforces sanitary/phytosanitary (SPS) standards, manages disease control and lab accreditation



C. Business case feasibility: The Investors can allocate capital to HBL Asset Management

Presentation of HBL Asset Management Fund

Why HBL?	Partnership objectives	Benefits for the Investor	Profit split between Fund and Investor
<p>Strong Institutional backing</p> <ul style="list-style-type: none"> — Pakistan's leading brand of Habib Bank Limited — \$75 million agriculture finance facility from British International Investment for scale <p>A track record of solid returns, especially in equity funds (>20%)</p> <p>Dedicated Livestock financing</p> <p>Direct loans for cattle purchase & feed</p>	<p>Invest in HBL Fund and gain significant returns in an attractive business</p> <p>Offtake agreement Get consistent and secure beef throughout the year and at a competitive price</p>	<p>Robust governance HBL won "Best Board of the Year" for transparency and oversight</p> <p>Quality offering Veterinarian-certified cattle for superior safety and standards</p> <p>Consistent delivery to off-takers Supply security of beef and timely fund disbursement</p>	<p>To be detailed during negotiation</p>

HBL | ASSET MANAGEMENT



C. Business case feasibility: When expanded to encompass a target of 40 farms, investors can anticipate the entire investment portfolio to yield USD 165 Mn in revenues the first year of operations with robust margins of ~9%.

Key Investment Highlights

Scalable investment to encompass ~40 farms with USD 4.1 Mn revenues each per annum

Healthy Revenues

- **USD 165** Mn per annum for 40 farms
- Average **growth rate of 3%**
- **Stable and predictable inflow** and due to exposure to year-round demand from export markets



Impressive Margins

- EBITDA Margins ~**9%** for the farm
- Projected **profitability from year one** of operations



Attractive Return Profile

- **Estimated yearly return of >22%** for investors (PKR); in line with estimated historical returns
- **Significantly outperforming benchmarks** like S&P 500 and MSCI index historically yields 7% to 12% annual returns.



Ancillary Revenues

- Potential to **expand revenue** sources and tap into **USD 52 Bn global raw-hides market**
- Potential to **add value** by processing Beef into Offal



Source: Team Analysis

C. Business case feasibility: Investors can expect >22% yearly return in the space

Estimated project financials and investment case










Business Case			
Return profile	Yearly Return ¹	~22%	<ul style="list-style-type: none"> – 10 operating years and 1 year asset development lead time – Profitability from Year one of Operations with positive cash commencing in year two
	Payback Period	c.a. 1 year	
Operations	Revenues ²	USD 4.1 Mn USD PKR 1.06 Bn PKR	<ul style="list-style-type: none"> – 2500 Head of Cattle Per Facility (40 intended facilities) – Expected PKR 119k per head of cattle (105 Kg sold per animal post fattening)
	EBITDA Margin	c.a. ~9%	<ul style="list-style-type: none"> – Costs (Raw Material Procurement; Personnel, Utilities, Transportation) computed bottom-up – EBITDA margin aligned with comparable projects in similar emerging markets
	NOPAT ²	USD 315k PKR 81,5 Mn	
	Equity Input	USD 1.7 Mn	– 100% equity
Develop-ment	Buildings and Equipment	USD 198k PKR ~65 Mn	<ul style="list-style-type: none"> – PKR13 Mn construction CAPEX required per acre (five acres per facility) – Acquisitions financed 100% through equity
	Land Cost ²	USD 5k PKR 1.54 Mn	

Source: Team Analysis

1. IRR in PKR 2/ USD–PKR rate at 20 June 2025 (1-258)

C. Business case feasibility: The government has actively implemented measures to reduce the negative effects of the identified risks on investors

Key investment risks and mitigation measures (1/2)

RISK TYPE 	DESCRIPTION 	DEGREE OF RISK 	INVESTOR MITIGATION ACTIONS 	PUBLIC SECTOR SUPPORT 
MARKET RISK 	Risk of not achieving projected revenues or sales targets	Low Consistent demand as beef remains a staple across most markets where consumption continues to grow	<ul style="list-style-type: none"> Partnerships with key off-takers in the GCC (minimum volume guaranteed) Marketing of Pakistan's beef in target markets 	<ul style="list-style-type: none"> Pakistan's Trade Development Authority is executing a Meat Export Strategy to tackle competitive constraints like high sourcing costs and low yields
MACROECONOMIC AND FOREIGN EXCHANGE CONDITIONS 	Risk of inflation or currency depreciation affecting profitability	Medium Recent track record of currency depreciation , restrictions on profit repatriation and inflation but strong stability shown over last 12 – 18 months	Global commodity export business to mitigate risk of currency devaluation on top line and local OPEX (e.g., payroll, supplies)	<ul style="list-style-type: none"> Facilitate access to local currency loans for investment in proposed storages Ensure repatriation of Forex
INFRASTRUCTURE 	Delays in utilities or access roads affecting timely operations	Low Strong road connectivity in Punjab and Sindh where farms are expected to be set up	Assess site readiness and secure transport from farms/ to ports	Supporting infrastructure such as farm roads, utilities, etc.
POLICY/ REGULATORY / LEGAL 	Risk of sudden policy changes impacting contract or taxes	Low <ul style="list-style-type: none"> Recent reforms and deregulation trend suggesting commitment to private sector partnerships and promotion of Meat exports 	Include independent jurisdiction (e.g., UK) in contract; include robust stabilization and early termination clauses	<ul style="list-style-type: none"> NAFSA, has been established (2025) and regulates food safety, biosecurity, and agri-trade, ensuring SPS compliance and supporting export certification

C. Business case feasibility: The government has actively implemented measures to reduce the negative effects of the identified risks on investors

Key investment risks and mitigation measures (2/2)

RISK TYPE	DESCRIPTION	DEGREE OF RISK	INVESTOR MITIGATION ACTIONS	PUBLIC SECTOR SUPPORT
OPERATIONAL RISKS	— Fodder supply risk	Medium — Fodder shortage may significantly impact output and economics of the farm	— Additional insurances in HBL financing	— Ensure availability of alternative sources of cattle / livestock feed
	— Beef Quality (disease free)	Medium — Risk of not procuring the required volume of disease-free calves to meet production	— Secure procurement of disease-free calves	— Food and Mouth Disease control provides vaccines for Bovines
	— Cold chain from farms to off-takers	Medium - Low — Live animal slaughters located next to Ports	— Slaughterhouses positioned next to ports and partnerships with cold-chain carriers to manage high volumes	— Financial, tax, and infrastructural incentives to support the development of cold-chain infrastructure
	— Land availability for scalability	Low — Land for 70% of production is already secured	— Identify additional land for the residual production	— Green Pakistan Initiative to provide available public land
	— Processing of meat	Low — Challenges in using state of the art slaughterhouses / international standards may impact export volumes	— Strong compliance and inspection bodies at the regulatory level	— High engagement of public sector in ensuring international standards are met at slaughterhouses

Connect with SIFC
to learn more



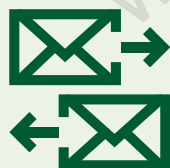
Website

<https://sifc.gov.pk/>



SIFC E-Service Gate

<https://ticketinghub.sifc.gov.pk/>



Email

invest@sifc.gov.pk



Stay connected



Thank you

Kearney is a leading global management consulting firm. For nearly 100 years, we have been a trusted advisor to C-suites, government bodies, and nonprofit organizations. Our people make us who we are. Driven to be the difference between a big idea and making it happen, we work alongside our clients to regenerate their businesses to create a future that works for everyone.

www.kenarney.com

Stay connected with Kenarney



This document is exclusively intended for selected client employees. Distribution, quotations and duplications – even in the form of extracts – for third parties is only permitted upon prior written consent of KEARNEY.

KEARNEY used the text and charts compiled in this report in a presentation; they do not represent a complete documentation of the presentation.



KEARNEY

Case study: Proven scalable model with operational strength

PROVEN MODEL WITH REAL EXAMPLES



Pakistan

Green Corporate Livestock Initiative

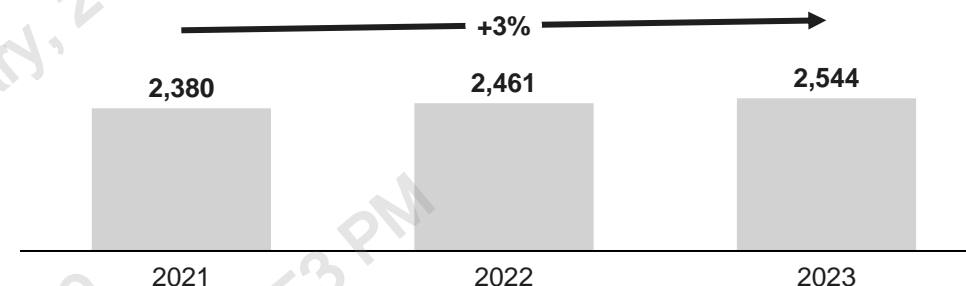
- Revitalizes government livestock farms through **30-year private investor leases**
- Successfully implemented projects include **Rakh Ghulaman** in Bhakkar
- Additional **1,000 acres** are being developed for rearing **2,800 superior breed cattle**.

Bangladesh

BRAC Livestock Grow Initiative

- Empowering smallholder farmers involved in dairy and cattle fattening through **financial services, insurance, and healthcare support**
- Notable players like Bengal Meat invested in relationship with over **1000 farmers with process capacity >20 000 per annum**

PAKISTAN BEEF PRODUCTION GROWTH ('000 MT)



OPERATIONAL STRENGTHS & TECHNICAL FEASIBILITY



Synergies with Dairy Industry

- Similar production clusters (with similar favorable environmental conditions)
- Similar distribution networks and access to inventory

Proximity to lucrative markets

i.e., GCC, China