

# IPO SOPAT

Increase in capital in the alternate market by the issue of 522 742 new shares at a price of 11 TND.

## Subscription Period

From the 3<sup>rd</sup> of December 2007 to the 15<sup>th</sup> of December 2007

Co Arrangers



# The Alternate Market

Transparency	Access conditions	Listing Sponsor	Access mode
<ul style="list-style-type: none"><li>▪ Same responsibilities</li><li>▪ Prospectus</li><li>▪ Public information periodicity</li><li>▪ Governance</li></ul>	<ul style="list-style-type: none"><li>▪ Less restrictive</li><li>▪ Without requirement of benefits</li><li>▪ Without requirement of seniority</li><li>▪ No obligation to distribute dividend</li></ul>	<ul style="list-style-type: none"><li>▪ Assist the company during the IPO</li><li>▪ Help the company to achieve its obligations during 2 years</li><li>▪ Make sure of the information given by the company</li></ul>	<ul style="list-style-type: none"><li>▪ Increase in capital</li><li>▪ Minimum of 10% of the company capital or minimum of 1 million TND on the public</li><li>▪ Minimum of 100 shareholders or 5 institutional</li></ul>

# IPO Objectives

1. Finance an investment program
2. Improve the firm notoriety
3. Perform the corporate governance
4. Reduce of the company debt level
5. Reach efficient financing means for future development

# Dates flash

1987



Setting up of  
SOPAT

Beginning of the  
activity and  
transformation of  
the company from  
Limited company to  
Inc. one

1990



1996-1997



Setting up of  
subsidiaries: N  
UTRITOP et  
AVITOP

2006

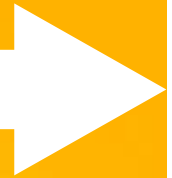


Cleaning up and  
restructuring  
operations

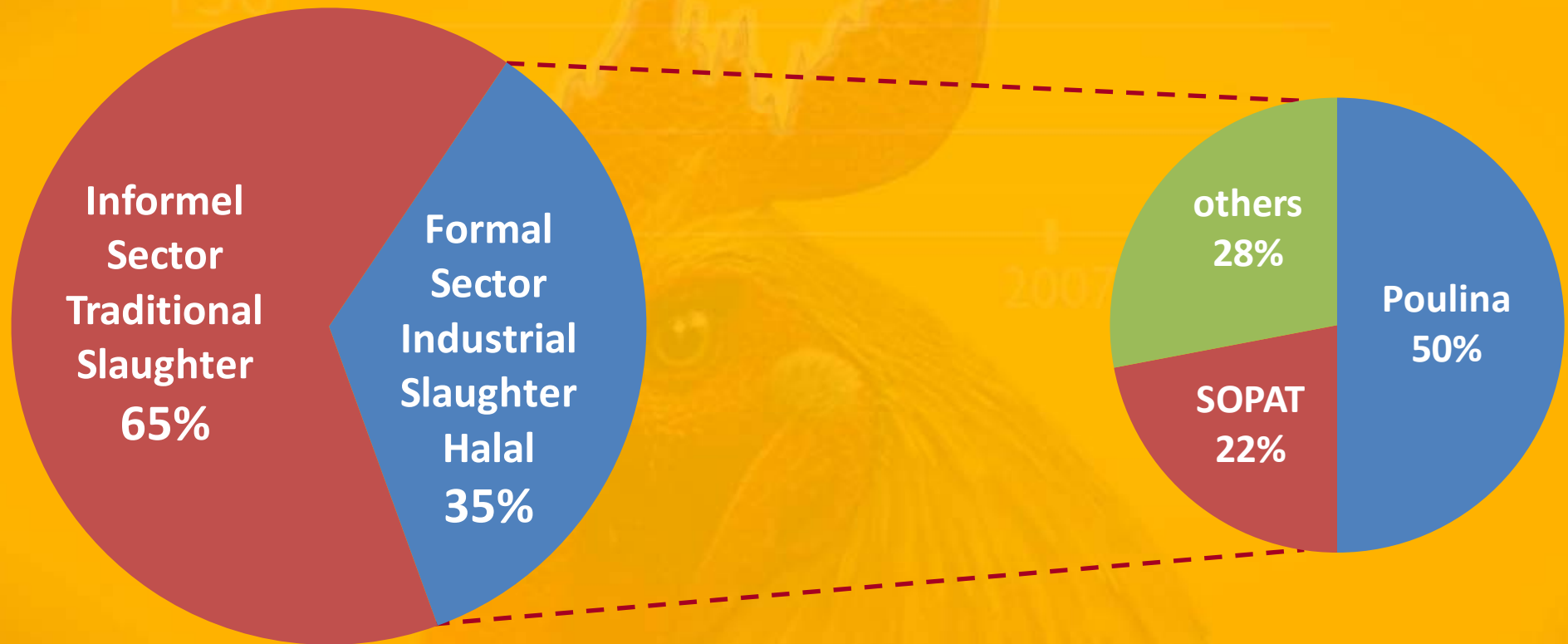
2007




Increase in capital  
on the alternate  
market



# White Meat Market

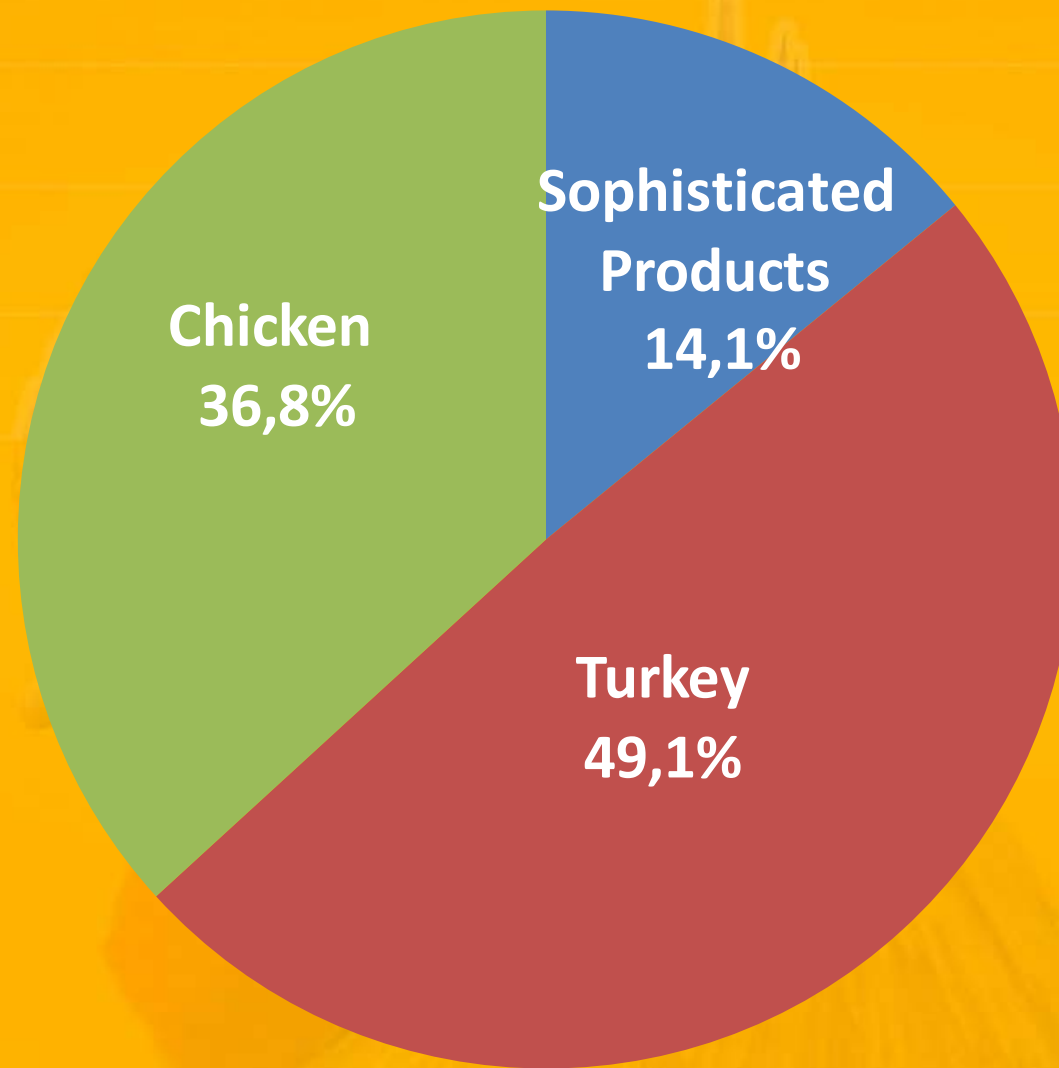


# Key figures

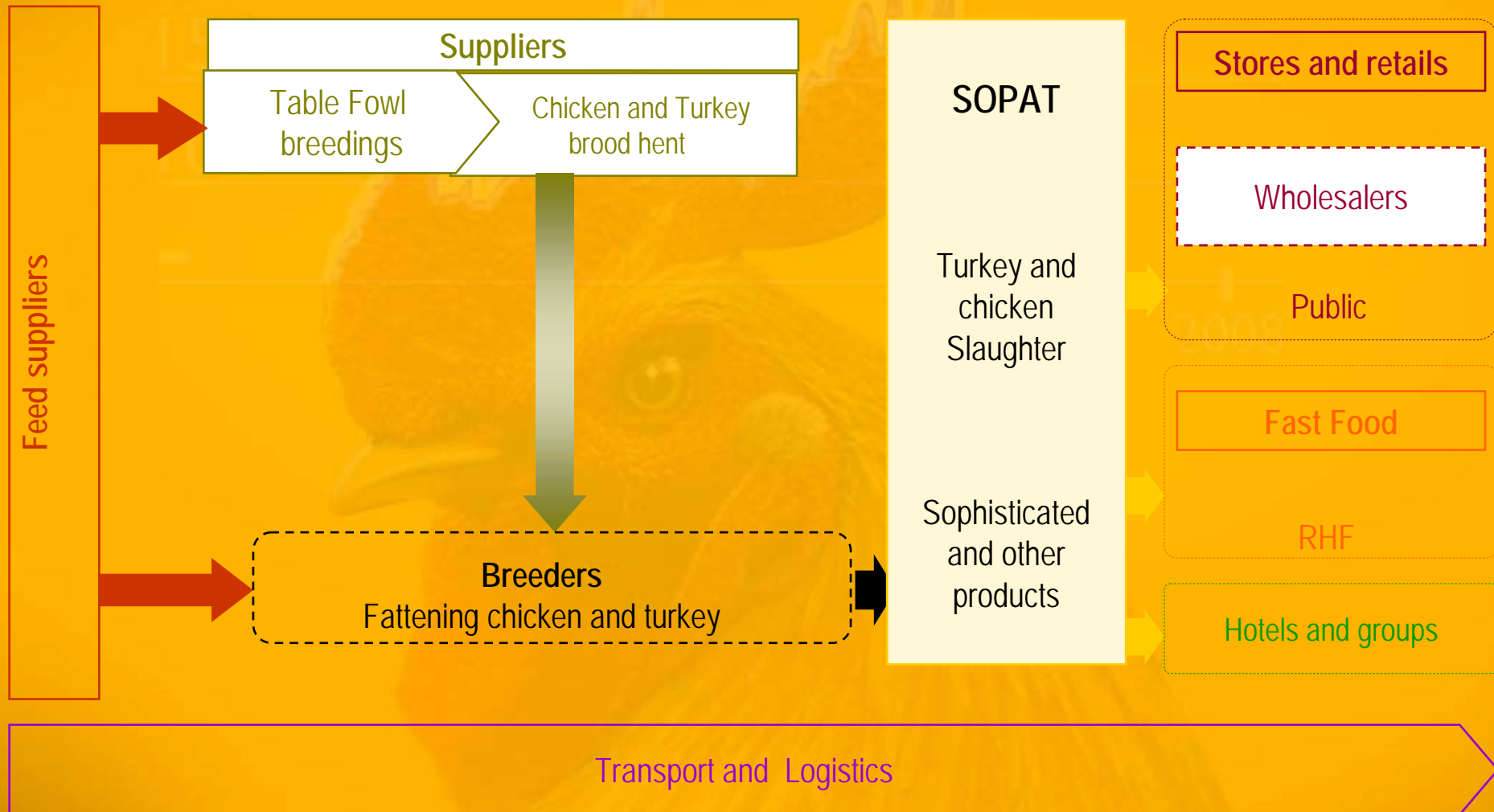


Capital	7,4 MTND
Staff	314
Production	
Chicken	3,8 th tons
Turkey	4,0 th tons
Sophisticated prod.	1,3 th tons
Turnover 2006	29,6 MTND
Net Income 2006	1,81 MTND

# 2006' turnover sharing out

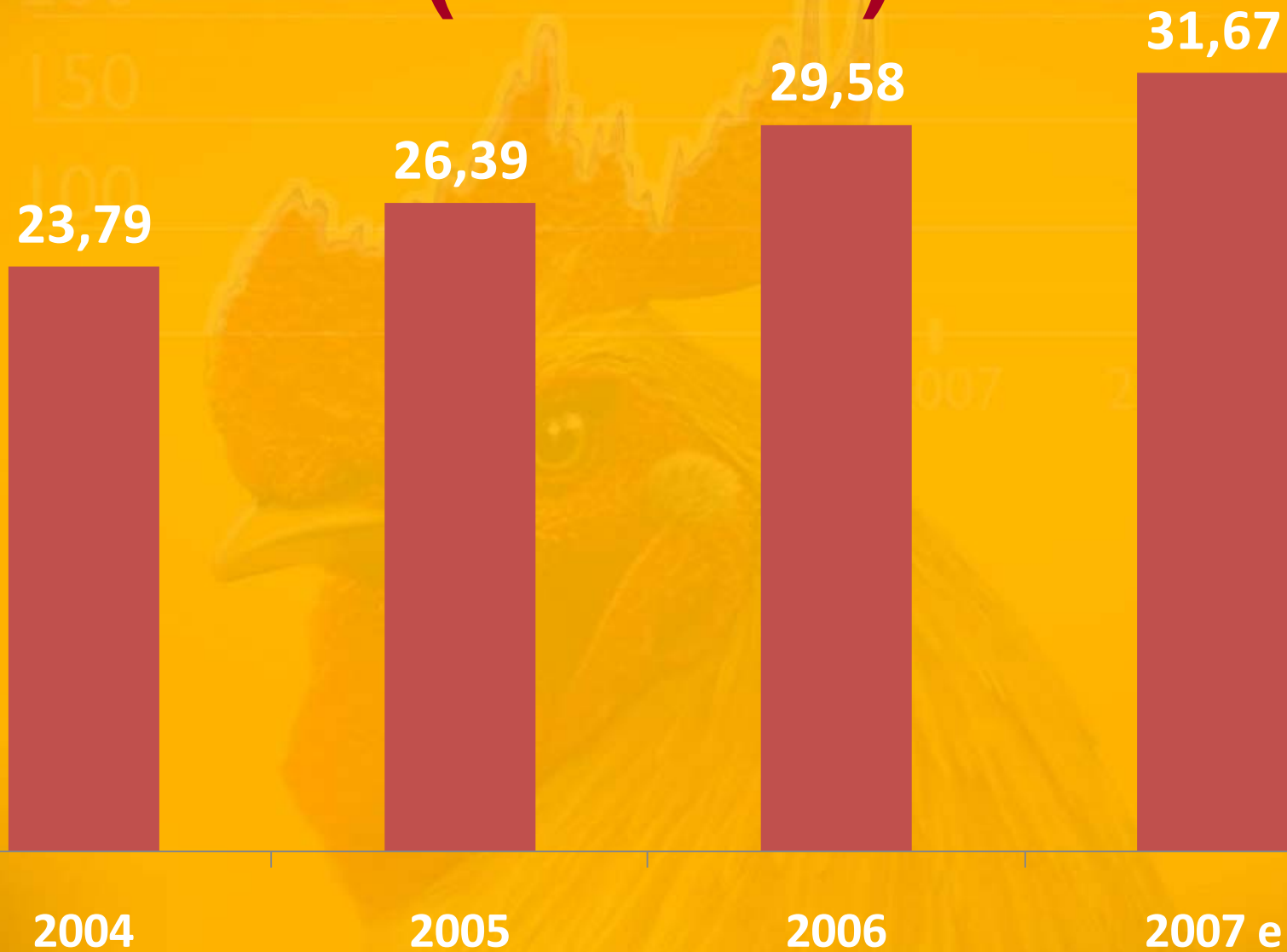


# Added Value Chain description

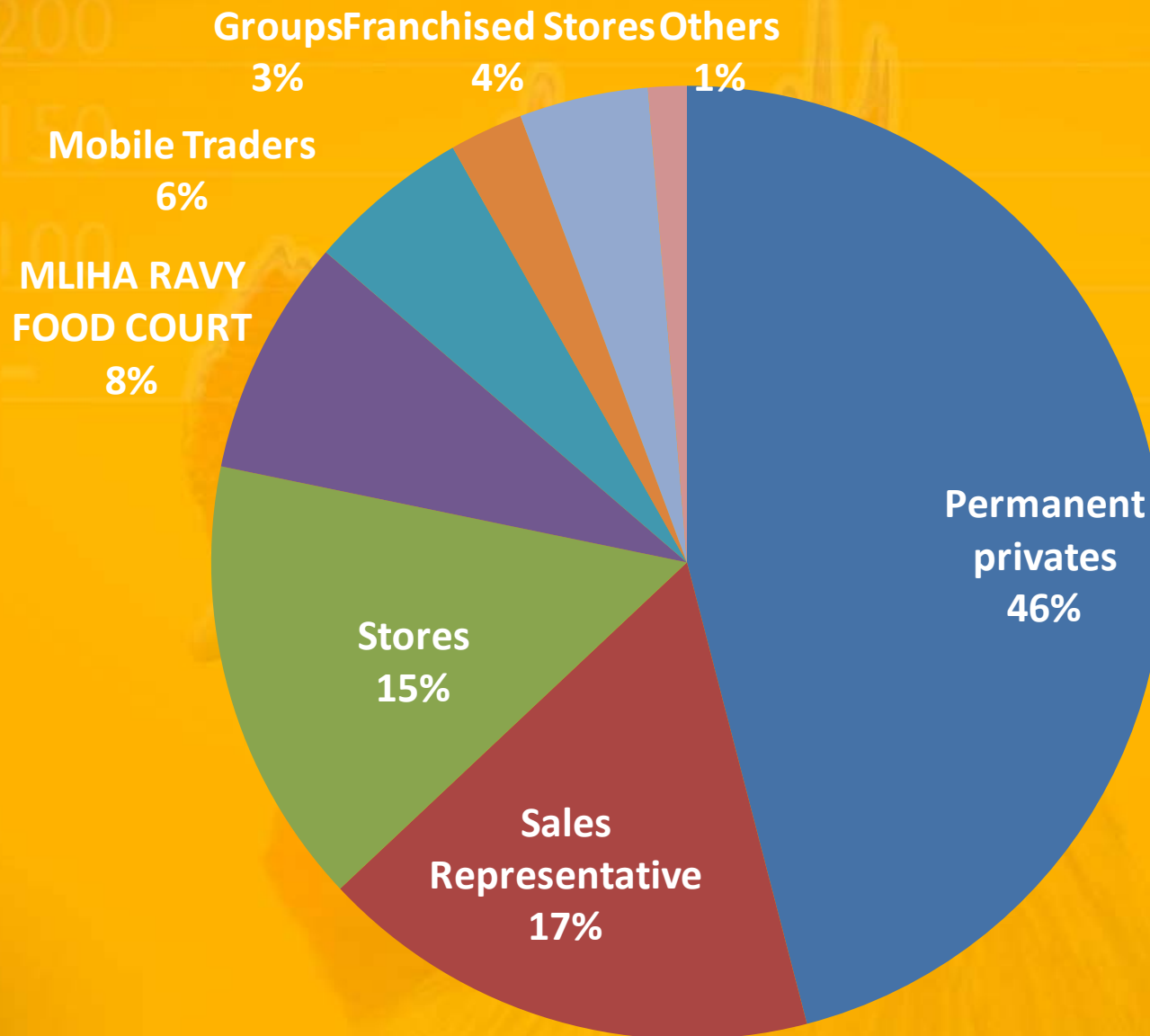




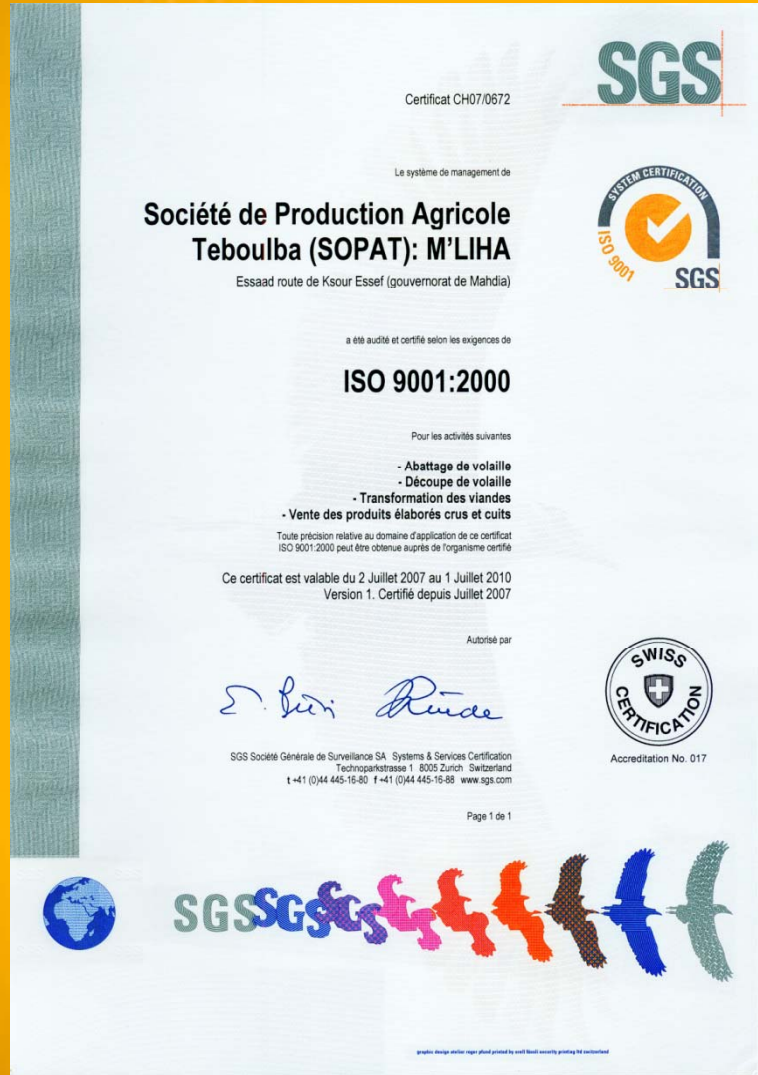
# Sales Evolution (in MTND)



# Turnover / important Customers



# Certifications



# Summarized Profit and Loss Account (in MTND)

In MTND

Years	2 004	2 005	2 006
sales	23,8	26,4	29,6
Growth rate		10,9%	12,1%
Gross profit	6,8	5,1	6,4
Gross Margin	28,8%	19,5%	21,6%
EBIT	1,4	0,8	1,9
EBIT Margin	5,8%	3,1%	6,4%
Net income	0,3	-0,5	1,8
Net Margin	1,30%	-1,99%	6,11%

# Development strategy

Three axes

The consolidation of the chicken line following the slaughter regulation which fixed rules to impose the industrial slaughter « HALAL »

The development of the turkey line by the integration of the whole value chain

The development of the sophisticated products with the intensification of the communication and marketing means

# Fund Use

Investment Plan  
2007-2011

5,7M

Debts reduction

2,7 M

7,7 M  
with the  
futurs  
cash-flows

Increase of the  
turnover

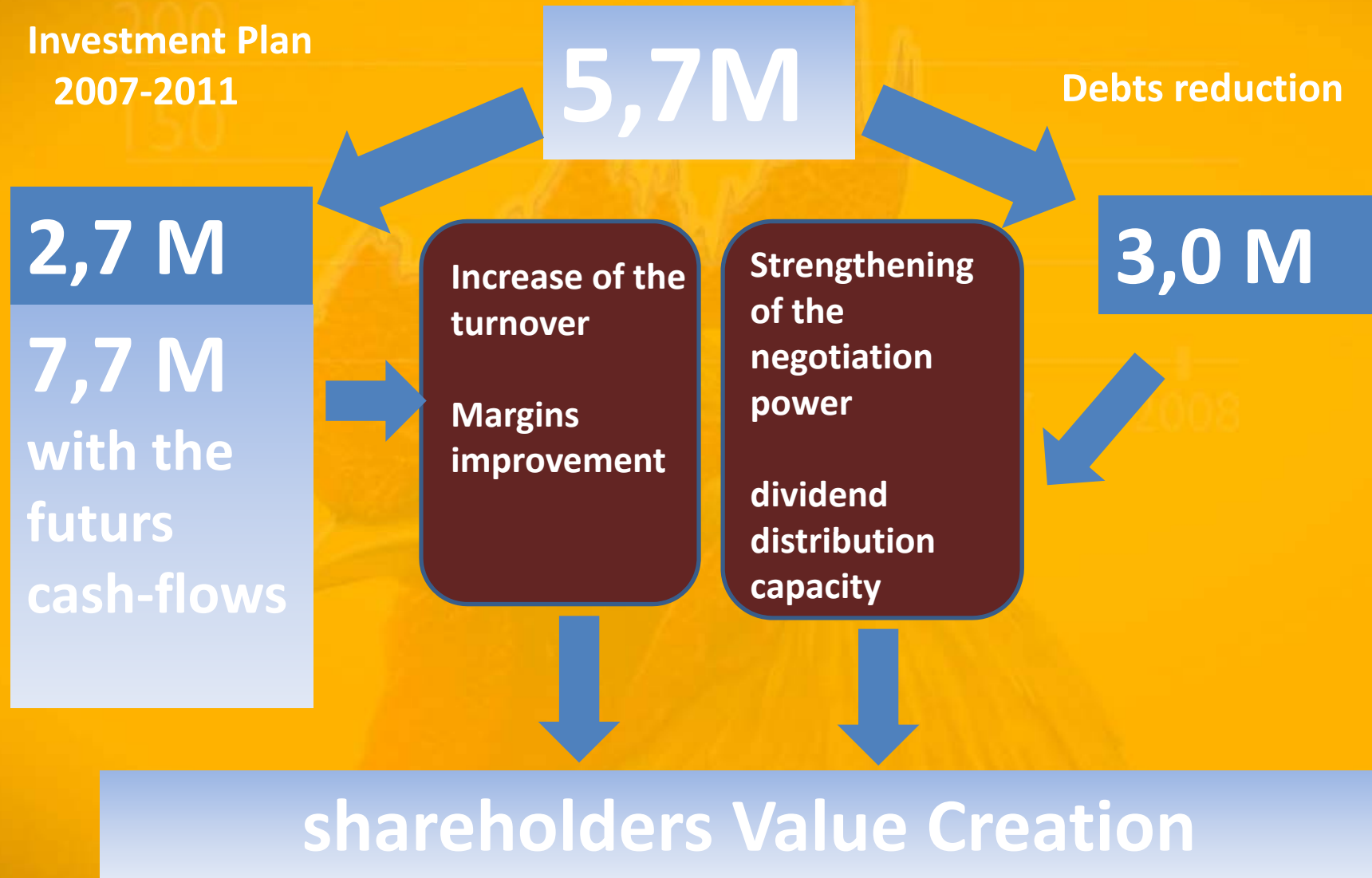
Margins  
improvement

Strengthening  
of the  
negotiation  
power

dividend  
distribution  
capacity

3,0 M

shareholders Value Creation



# Governance

## Information system

Setting up of an Audit committee

Implantation of an ERP software

A regular update of the proceedings Manuel

## Direction System

Two seats in the board of directors for the public

Setting up of an executive committee



# SWOT Analysis

## Strength

- Good competitive position on the Tunisian market (2nd operator);
- Upmarket range of sophisticated products;
- a good experience on the field;
- Certification ISO 9001
- Certification HACCP;
- Perfect command control of the production process;
- Conformity to the standards of hygiene and international standards

## Weakness

- Heavily in debt company structure;
- Overdrawn treasury
- Absence of a marketing budget because of the financial situation;
- Disparity of the market share compared to the leader;

## Opportunities

- Increase in demand for products with strong margins (sophisticated products);
- Diversification on the line of products;
- Development of the distribution landscape in Tunisia;
- Improvement of the Tunisian standards of life;
- Export to the European market through the HALAL products;
- Application of terms and conditions relating to the poultries slaughter.

## Threats

- Increasingly rules as regards quality;
- Norms and standards of hygiene increasingly intensified;
- Threat of the emergent diseases in poultry farming;



# Business Plan hypothesis

## Chicken

Sales increase by 10%, and then 5%

Gross margin at 17%

## Turkey

Sales increase by 10%

Great margin at 27% than at 30%

## Sophisticated products

Sales increase by 15%

Great Margin at 60%

The sale prices are stable at their 2006'level for the three product lines

# Business Plan (in MTND)

In MTND

Years	2 006	2007 e	2008 f	2009 f	2010 f	2011 f
<b>sales</b>	<b>29,6</b>	<b>31,7</b>	<b>35,0</b>	<b>38,8</b>	<b>42,9</b>	<b>46,7</b>
<b>Growth rate</b>	<b>12,1%</b>	<b>7,1%</b>	<b>10,6%</b>	<b>10,7%</b>	<b>10,7%</b>	<b>8,9%</b>
<b>Gross profit</b>	<b>6,4</b>	<b>7,6</b>	<b>8,5</b>	<b>10,0</b>	<b>11,2</b>	<b>12,4</b>
<b>Gross Margin</b>	<b>21,6%</b>	<b>24,1%</b>	<b>24,2%</b>	<b>25,9%</b>	<b>26,1%</b>	<b>26,5%</b>
<b>EBIT</b>	<b>1,9</b>	<b>2,1</b>	<b>2,8</b>	<b>3,8</b>	<b>4,6</b>	<b>5,4</b>
<b>EBIT Margin</b>	<b>6,4%</b>	<b>6,8%</b>	<b>8,0%</b>	<b>9,9%</b>	<b>10,7%</b>	<b>11,6%</b>
<b>Net income</b>	<b>1,8</b>	<b>1,1</b>	<b>2,5</b>	<b>3,6</b>	<b>4,5</b>	<b>4,9</b>
<b>Net Margin</b>	<b>6,1%</b>	<b>3,3%</b>	<b>7,1%</b>	<b>9,4%</b>	<b>10,6%</b>	<b>10,4%</b>

e: expect

f: Forecast

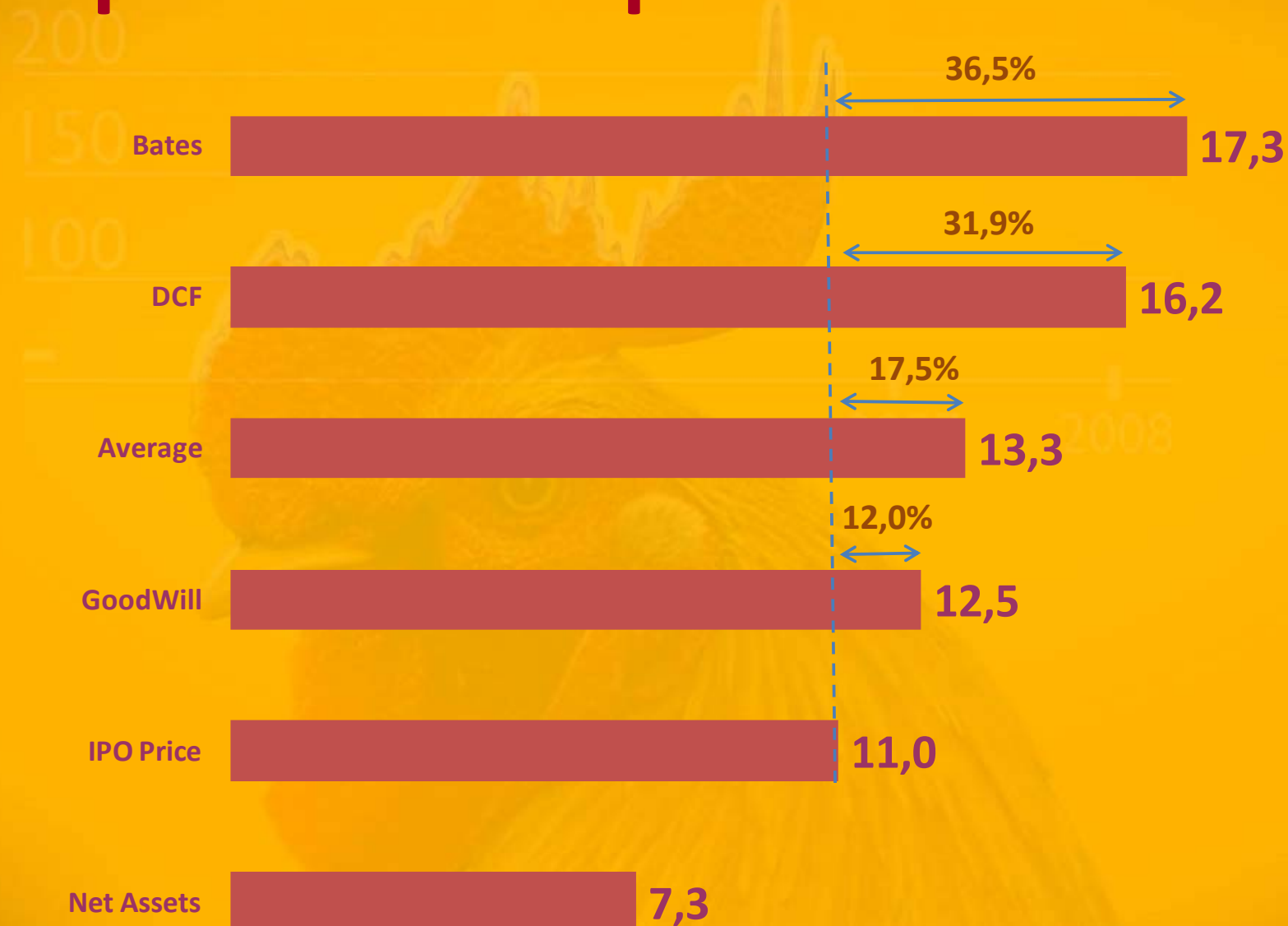
# Cost of Equity Capital

- The Beta used for the cost of Equity capital was calculated on the basis of an arithmetic average between Beta (equal to 0.8) and leveraged Beta (equal to 2.2);
- The cost of equity capital will pass from 16.55% in 2007 to 11.91% in 2011;
- The weighted average cost of capital (WACC) will pass from 12.38% in 2007 to 11.93% in 2011.

# The Valuation Used Methods

- Method of the net assets;
- Method of the Goodwill;
- Method of the discounted cash-flows;
- Method of Bates

# Corporate Value per share in TND



# Investment motivation +

An interesting price that is represent a loss of 18% compared to the methods average

The estimated IRR is very interesting for an horizon of placement from 3 to 5 years, it can exceed 32%

The transfer of the SOPAT, in a three years horizon, from the alternate market to the central one will allow the company shares to be more efficient and to reduce the risk of illiquidity

This new capital issue will be the vehicle for SOPAT to obey to Sharia Complaint

# Figures

- **Forecasted Profit 2008 : 2.5 MDT**
- **PAY OUT: 50%**
- **Forecasted Dividend: 0.620 DT per share**
- **IPO price : 11 DT per share**
- **Dividend yield of 5.6%, higher than the market average**
- **ROE in 2008 19,28%, higher than the cost of equity capital**
- **P/E 2008 : 8.8**

# Repartition Mode

**5,7 MTND**

522 742 Shares

**1,7 MTND**

156 823 Shares

**Orders  
less than  
10.000  
Shares**

**1,0 MTND**

91 480 Shares

**Orders  
between  
10.000  
and  
45.000  
Shares**

**3,0 MTND**

274 439 Shares

**Orders  
more than  
45.000  
Shares**

**Proportionnal Mode**