

# Press release

## SOCFIN SA successfully plants inaugural 5 year bond

Friday, the 2<sup>nd</sup> of December 2016

ING assists Socfin with its first public debt offering targeted at institutional & private banking accounts

### Company background

- Société Financière des Caoutchoucs SA ('Socfin'), established in 1909 and based in Luxembourg, is a vertically integrated industrial producer of palm oil and natural rubber operating in Africa and Asia. The Company is known as one of the leaders in the production of high quality palm planting materials.
- The Group is one of the oldest tropical agro-industrial companies in the world. This longevity has been possible through the Group's long term approach which supports sustainable development and a strong social commitment.
- At FYE2015, SOCFIN had 186,767 hectares under cultivation; 120,780 ha of oil palm trees and 65,987 ha of rubber trees. The Company has operations in Liberia, Côte d'Ivoire, Nigeria, Cameroon, Congo DRC, Sierra Leone, Indonesia, Cambodia, Ghana & Sao Tome. At June 30<sup>th</sup>, Socfin employed c. 46 135 people directly & indirectly.
- Socfin as well as its subsidiaries Socfinaf and Socfinasia are listed on the Luxembourg Stock Exchange.

### Execution details

- Socfin had been considering entering the debt capital markets for several years in order to optimise its balance sheet and to diversify its funding sources. However, due to several external macro factors such as the outbreak of the Ebola epidemic in 2014, as well as the decline in commodity prices in 2015, market conditions were not optimal for an inaugural bond issue for Socfin.
  - In September '16 however, considering the strong recovery of commodity prices, the liquidity available in the market, positive reports and certification confirmations of Socfin's sustainable activities (done on a voluntary basis), the company mandated ING to proceed with the preparation of a potential bond issue for a size between €50m and €100m. This process would take the form of a roadshow presentation followed by an institutional public offering in December, subject to market conditions.
  - After extensive preparation on documentation and marketing materials with the Company, the potential trade was publicly announced on the screens on
-

November 22<sup>nd</sup>. A group lunch presentation took place one week later in Brussels on November 29<sup>th</sup> in which Socfin's senior management had the chance to present its activities to a selection of Belgian institutional and private banking investors. Market conditions at this time had stabilised with rates gradually decreasing again following a period of Trump-induced volatility on the bond markets.

- Considering the good window, the bookbuilding process was launched the morning after the roadshow on November 30<sup>th</sup> at a coupon guidance of 4.00%/4.25%. Substantial interest was gathered with various orders being placed by Belgian and European institutional and private banking accounts. In order to allow sufficient time to investors to perform their internal analysis of Socfin's credit, books were kept open for two days until closing on December 2<sup>nd</sup> at 2pm CET.

- At this point, books had reached a final size of €80m with good granularity from institutional & private banking accounts. Considering positive investor feedback and the absence of price sensitivity in the book, final pricing was set at a coupon of 4.00%, meaning syndicate was able to price at the tight end of guidance despite the increase in rates witnessed during the bookbuilding process.

#### Transaction key terms

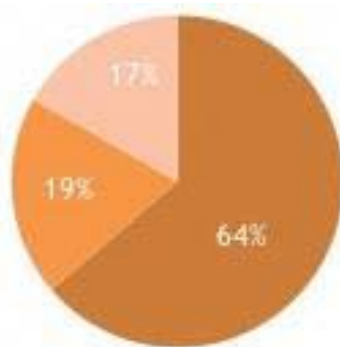
Issuer	SOCFIN SA
Issuer rating	Non-rated
Status	Senior Unsecured
Trade date	December 2 <sup>nd</sup> 2016
Maturity date	December 9 <sup>th</sup> 2021
Size	€80m
Coupon	4.000%
Re-offer price	100.00%
Issue price	100.50%
Denomination	€100k+1k
Docs & listing	Stand-alone, EuroMTF
ING's role	Sole structurer & Bookrunner

## Financial profile

(€m)	FY2015
Revenue	509
Total assets	1,080
EBITDA	136
Net debt/EBITDA	1.15

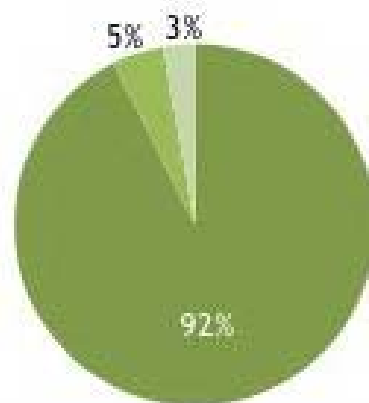
## Investor Analysis :

### Type



■ Private Banking ■ Insurance ■ Asset Managers

### Geography



■ Belgium ■ Luxembourg ■ Other

## Contact :

[info@socfin.com](mailto:info@socfin.com)

[www.socfin.com](http://www.socfin.com)