

BPE HOLDING FOR FINANCIAL INVESTMENTS

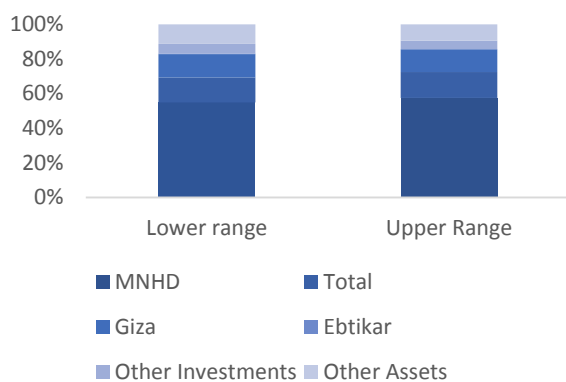
IPO Note - Executive Summary

March 2018

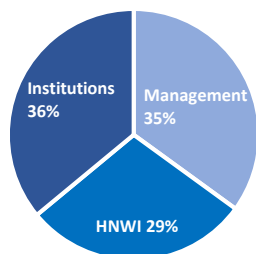


IPO	Reuters Code BINV.CA
Par Value/share EGP 5.0	No. of Shares – Pre IPO 116,892,862
IPO Share Price EGP 10.75	Paid-in Capital - Pre IPO EGP 584mn
IFA Fair Value/share EGP 13.97	Private Subscription Size 38,131,554
Sigma Fair Value/share EGP 15.82-18.74	Public Offering Size 5,000,000

Valuation Breakdown



Current Ownership Structure



Aboubakr Emam, CFA

Head of Research

aboubakr.emam@sigma-capital.com

BPE Holding for Financial Investments (“BPE Holding” or “B Investments” or the “Company” or “BPE”), a top-tier private equity firm, is looking to raise up to c. EGP464mn equivalent to 43,131,554 shares, representing 36.9% of the Company’s existing shares of 116,892,862 shares, through two tranches: a) a capital increase via issuing up to 38,131,554 new shares in a primary private subscription at a price of EGP10.75/share (including an issuance expense of EGP0.125/share) and b) EGP53.8mn via a second round of capital increase subsequent to the 38,131,554 shares of capital increase mentioned herein, using the existing shareholders selling of up to 5,000,000 shares in a secondary public offering at a price of EGP10.75/share.

Our equity value range for the Company lies within EGP1,848.78mn-2,190.31mn (equivalent to USD104.69mn-USD124.03mn). We reached our value range using Sum of the Parts (SOTP) valuation methodology, where we valued each company in the portfolio of BPE on a standalone basis then applied a holding company discount of 15%.

A distinctive opportunity to public investors

BPE Holding boasts a well-diversified portfolio, offering heterogeneity that leads to a high degree of risk mitigation. The Company’s portfolio provides a unique exposure to public investors as it provides them with exclusive access to invest in highly attractive private companies in prosperous sectors including: A. **TOTAL Egypt**: the largest subsidiary of TOTAL S.A. outside Europe, engaging in the downstream distribution of fuel, lubricants, marine and jet fuels, and aviation gasoline. TOTAL Egypt is the country’s second largest private oil marketing player with an approximate market share of 7-9% and a network of 246 gas stations across Egypt, B. **Madinet Nasr for Housing and Development**: a growth-seeking real estate player with a primly-located land bank on 9mn sqm, c. **Giza Systems**, a leading system integrator in the MEA region that operates within the Information and Communication Technology (ICT) sector, D. **Infinity Solar**: a renewable energy platform, with a portfolio of three solar power generation plants located in Ben Ban, Aswan, Egypt with a total capacity of 130 MW, and E. **Ebtikar, the Company’s platform for non-banking financial services** that operates in the electronic payment industry (through TBE for E-Payments Solutions [Bee] and the promising microfinance industry (through its arm Vitas Misr).

Superior investment model to unlock value

BPE Holding capitalizes on its superior shareholder base of HNWI, providing a reliable platform to the execution of the Company’s co-investor model. BPE Holding’s co-investor model enables the Company to acquire influencing stakes in investments undertaken, in order to enforce its strategy of active value management. This can be emphasized through shedding light on current portfolio companies including Madinet Nasr for Housing and Development (MNHD).