

Investtradeservice Ltd - Oil Press Plant

The opportunity to invest in the production of soybean products, rape and sunflower. The project involves the construction of oil press plant with processing capacity of 100 thousand tons per year. Investments of 9 million USD will be used for the construction of the plant.

Investment attractiveness

Ukraine lacks soybean processing capacities. The soybean production now equals 2.9 million tons per year, where the capacity of processing facilities reaches only 1.4 million tons per year. Construction of the new plant will increase the export of soybean products, which is more cost-effective.

The growing demand for oilcake in the world, as well as the increase in the number of pigs and poultry, allows expecting the high price of the product.

Ukraine processes less than 5% of grown rape. New facilities for the production of rapeseed oil and rapeseed oilcake will reduce the dependence of the Ukrainian oilseed market from sunflower and increase export of processed rape products.

The local partner of the project, Investtradeservice Ltd, is able to load the plant with the necessary amount of raw material. The company also has the opportunity to sell the products in the export markets.

Top management of the company consists of highly qualified professionals with substantial experience in the field of trade in agricultural products.

The possibility to process several crop species minimizes the risks of production and increases the plant efficiency.

Project financing

Investtradeservice Ltd invests 2 million USD and provides the plant with the necessary raw materials.

The basic strategy of the project financing involves attracting 9 million USD as the loan with an interest rate of 8% per annum. Repayment of the loan will be made in equal parts during 5 year period.

The alternative strategy presumes attracting 9 million USD as a mezzanine loan with an annual interest rate of 11%. Repayment of the loan will be made in equal parts during 5 year period. The investor will receive the right to buy 30% stake in the plant for 4.3 million USD.

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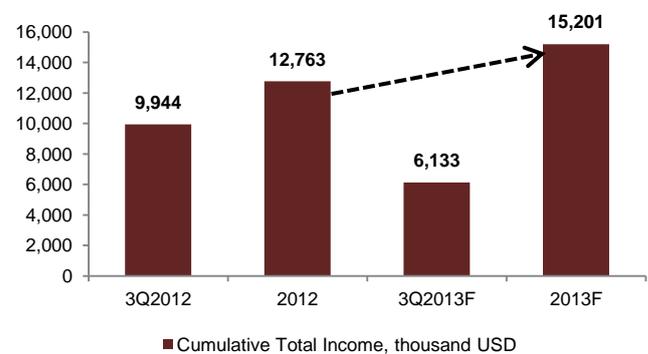
Key figures

(basic variant of the project financing)

Project period	2016-2020
Year of investment	2015F
Credit resource*	9 million USD
Exit from the project	2020F
Interest rate	8%
Total cash flow	12.6 million USD
ROI	40%

* The investment project is under development. The exact amount of investment will be known after the execution of the contract with the equipment supplier.

Gross Income of Investtradeservice LTD



Financial performance of the project

Million USD	2016F	2017F	2018F	2019F	2020F
Revenue	46.5	45.7	44.7	45.5	46.2
VAT	-5.8	-5.9	-5.9	-6.1	-6.3
Net cost	41.4	42.1	42.3	43.6	44.7
EBITDA	10,9	9,5	8,3	8,0	7,8
EBITDA margin, %	23.5	20.8	18.7	17.7	16.8

Structure of oilseed crops processing from the total working time

