



EV/EBITDA	11.56	P/E	17.57
RoA	4.48%	P/S	0.81
RoE	9.43%	P/B	1.66

Stock Price of Sopharma



- Sopharma announced higher profits for the quarter and became one of the best performing companies on yearly basis. The net profit improved by almost 30% to BGN 9.7 million. It is also surpassed the quarterly results for 2006 and 2007. Revenues improved by 5.78% y-o-y as the natural gas crisis didn't have any impact on the company and pharmaceutical markets remained defensive sector despite the economic slump.

- Sales to the domestic pharmaceutical market are strengthening as compared to exports during the quarter. The consolidation of the distributing company Sopharma Trading is increasing the domestic sales, which represented 76% of the total revenues of the group. The largest export markets of Sopharma are Russia and Ukraine but revenues from both countries contracted this year. The new markets of Turkey and Serbia has insignificant contribution for the revenues – EUR 435 000.

- The non-consolidated revenues of Sopharma, which include only the production of pharmaceuticals, continued to increase on yearly basis. For the period January-April the company increased its revenues by 14%, mainly due to the soaring domestic sales – 35% y-o-y, whereas exports gained 4%.

- The management of Sopharma announced in March that a cost cutting program is implementing to improve the profitability of the company. The plans for expansion in Eastern Europe are temporarily frozen. Sopharma is aiming to maintain the net profit at its 2008 level.

- The regulatory body approved in early March the prospectus for public offering on the Warsaw stock exchange. The management of Sopharma is expecting that the dual listing will improve the liquidity as the company is well known in the local pharmaceutical market.

- The P/E ratio remains above the average for Bulgarian stocks. The company's practice to announce its monthly financial results is well received among investors and is improving the confidence.

- The stock jumped 60% from its February bottom and maintained its place among the most liquid positions. Year-to-date Sopharma is 30% up as compared to 7% increase of SOFIX.

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Outperform	More than 5% higher as compared to SOFIX and BG40 performance
Market Perform	Market performance, +/-5% as compared to SOFIX and BG40
Underperform	More than 5% lower as compared to SOFIX and BG40 performance

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