

**COTE D'IVOIRE, COMPAGNIE IVOIRIENNE D'ELECTRICITE (CIE)**
**Credit Rating Note**
**Validity: August 2019 - July 2020**

| Category of values | Rating scale   | Currency | Current rating | Previous rating | Expiry date | Outlook |
|--------------------|----------------|----------|----------------|-----------------|-------------|---------|
| Long-Term          | Local Currency | CFA      | AA+            | AA+             | 31/07/2020  | Stable  |
| Short-Term         | Local Currency | CFA      | A1+            | A1+             | 31/07/2020  | Stable  |

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**Basic financial information**

| (In million FCFA)           | 2017    | 2018     |
|-----------------------------|---------|----------|
| Fixed assets                | 84 596  | 109 560  |
| Cash and cash-equivalents   | 68 350  | 28 633   |
| Financial debt*             | 54 059  | 58 155   |
| Equity                      | 18 791  | 21 851   |
| Net cash flow               | -83 237 | -125 727 |
| Sales Revenue CIE           | 176 676 | 174 374  |
| Gross Operating Surplus CIE | 20 085  | 19 084   |
| Operating Income            | 2 971   | 7 054    |
| Net profit after taxes      | 1 987   | 4 929    |

\* Consisting of advances on consumption and financial provisions for risks and charges

\*\* Revised Syscohada proforma data

**Introduction**

The Compagnie Ivoirienne d'Electricité (CIE) is responsible for the national public service of production, transport, distribution, export and import of electrical energy in Ivory Coast, since October 25<sup>th</sup> 1990, by application of the decree N° 90-1389.

It was created on August 24<sup>th</sup> 1990 by the french group BOUYGUES and the french company EDF (Electricité de France), who holds 54% of its share capital.

The share capital of CIE is 14 billion CFA francs at the end of 2018.

**Justification of the rating and outlooks**

**Long-term:** Very high credit quality.

Protection factors are very strong. Any adverse change in the business, economic or financial conditions will increase investment risks even though very less significantly.

**Short term:**

There is a very high certainty of timely repayment. Liquidity factors are excellent and are supported by good protection factors of key elements. Risk factors are minor.

**Key performance factors**

**The rating is based on the following positive factors:**

- An increase in the technical and financial performance indicators of the electricity sector;
- Management disruption risk under control;
- A global strategy focused on digitalization;
- A dynamic revenue optimization and cost control by dint of the "Plan Efficience Plus";
- A significant improvement in net income.

**Main factors of fragility of credit quality:**

- A decrease in the remuneration of the CIE;
- A unbalanced financial structure, bearing the weight of investments;
- An increase in the financial debt of the electrical energy sector;
- A fragile socio-political environment