

**COTE D'IVOIRE, SOCIETE DE DISTRIBUTION D'EAU
DE CÔTE D'IVOIRE (SODECI)**

Credit rating note
September 2015

Category of values	Rating scale	Currency	Current rating	Previous rating	Outlook
Long-term	Regional	CFA	AA-	AA-	Stable
Short-term	Regional	CFA	A1	A1	Stable

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Basic data

(In million CFA)	31.12.2013	31.12.2014
Net fixed assets	20 908	22 997
Financial debt*	10 796	5 642
Total equity	12 700	13 388
Cash and cash-equivalents	16 592	7 191
Turnover	76 744	81 230
Gross operating surplus	6 648	8 404
Operating result	3 230	4 670
Income from extraordinary activities	443	-133
Net result	2 448	3 118

* Lease credits and cash assets
Introduction

Société de Distribution d'Eau de la Cote d'Ivoire (SODECI S.A.) is an Ivorian public limited company established in 1960 and listed on the WAMU Regional Stock Exchange (BRVM).

It has been entrusted, by the State of Côte d'Ivoire, with the national public service of urban distribution of drinking water in Côte d'Ivoire and the management of the public service of sanitation in the city of Abidjan as part of lease contracts.

Its CFA 4.5 billion capital is held at 46.07% by ERANOVE, 3.25% by the State of Cote d'Ivoire, 6.72% by the staff, 4.81% by SIDIP and 39.15% by various shareholders.

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 very high assurance 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:

- socio-economic context conducive to the development of the company with high demand among the population;
- revenue growth supported by works and services;
- performance indicators on the rise and significant improvement of the financial result;
- sustainable financial flexibility;
- strong support from shareholders and the State.

Below are the major rating factors regarded as negative:

- structural deficit of distribution facilities to be met in order to ensure efficient distribution;
- financial deficit in the water sector due to the fact that actual operating costs are not passed on the public tariff of drinking water;
- still fragile security and political situation.