

COTE D'IVOIRE, CROWN SIEM
Analysis of metal packaging manufacturing
Credit rating note
September (2013)

Category of values	Rating scale	Currency	Current rating	Previous rating	Outlook
Long-term	Regional	CFA	BBB+	N/A	Stable
Short-term	Regional	CFA	A3	N/A	Stable

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basic financial data

(In million FCFA)	2008	2009	2010	2011	2012
Net fixed assets	2 398	2 269	2 248	2 066	1 931
Financial debt*	2 953	2 652	1 684	2 600	1 630
Total own capital	6 573	9 234	6 642	7 709	6 808
Cash and cash-equivalents	867	1 313	1 090	3 493	2 032
Turnover	23 734	22 698	20 088	19 521	22 228
Gross operating surplus	2 521	2 479	-321	1 204	480
Operating result	2 359	5 069	-618	1 003	279
Net result	1 519	4 236	-1 018	1 539	-51

* Including cash liabilities. Not including financial provisions for risks and charges

Introduction

Société Ivoirienne d'Emballages Métalliques (CROWN SIEM) is a public limited company with a capital of CFA 1,889,220 000.

Its main activity is the manufacturing and marketing of metal packaging.

Its capital is distributed between CROWN EUROPEAN HOLDING (85.24%), FONDATION MASSEYE (3.69%), various shareholders regional stock exchange BRVM (10.42%) and minority shareholders in France (0.65%):

CROWN SIEM has a wholly owned subsidiary in Ghana, CROWN CANS GHANA LTD

The company's head office is located in Abidjan, Boulevard Valery Giscard d'Estaing.

Justification of the rating and outlooks

Long-term: Protection factors are appropriate and regarded as sufficient to ensure prudent investments.

However, risks are significantly variable during economic cycles.

Short-term:

Liquidity is satisfactory and other protection factors mitigate possible issues as regards the investment index. However, risk factors are greater and are subjected to more variations.

The rating is based on the following positive factors:

- improved economic environment and anticipated recovery of economic growth;
- good reputation among customers because of its seniority, proximity, after sales service and quality of marketed products and professionalism;
- presumptive strong support of the main shareholder
- overall credit-worthiness and good financial autonomy because of the absence of long-term loans
- strong involvement of the group in the company's governance and management;
- recovered positive cash position that remains to be consolidated

Below are the major rating factors regarded to as negative

- relative stability of the socio-political climate and still fragile security environment
- Market not regulated and opened to competition;
- Dependence on major customers;
- Decline in operational performance with a lower operating result;
- Unstable operating cash flow impacted by a high WCR made necessary by the maintenance of a high level of inventories