

**EQUITY RESEARCH  
REPORT  
2024**



**NESTLÉ COTE  
D'IVOIRE (CI) - NTLC**

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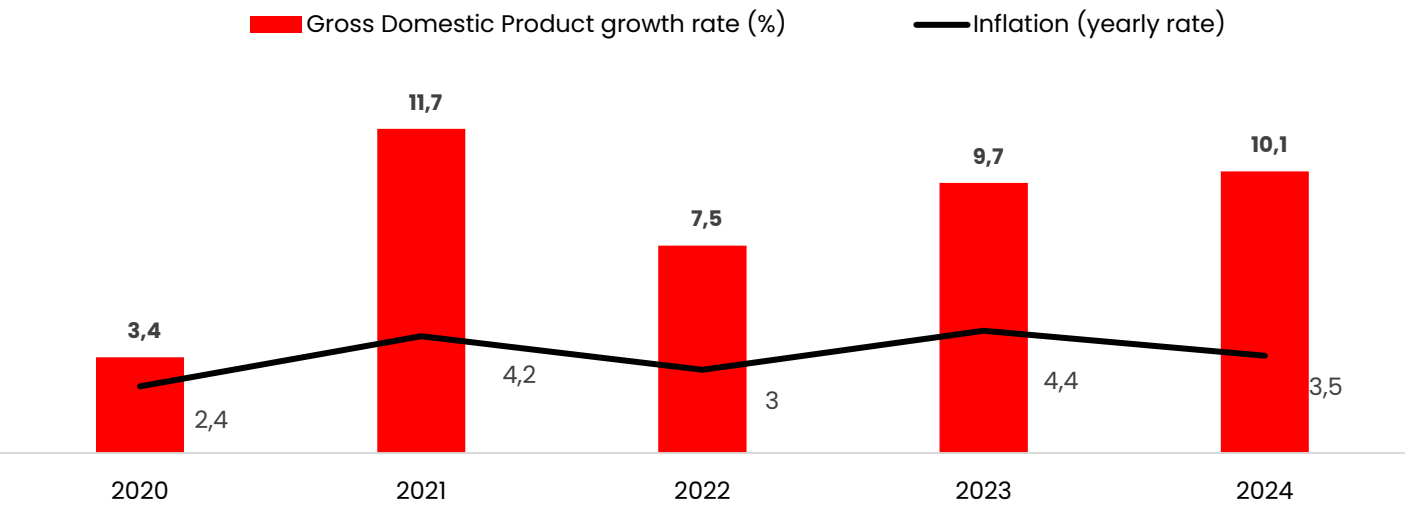


## Macroeconomic analysis of Ivory Coast

In 2024, Côte d'Ivoire experienced macroeconomic stabilization favorable to the fast-moving consumer goods sector. After high inflation in 2023, consumer prices slowed, reaching 2.9% at the start of the year, supported by restrictive monetary policies and targeted government measures. This moderation has boosted consumer purchasing power, boosting domestic demand. GDP grew robustly by 7 percent, supported by public and private investment, particularly in infrastructure and agriculture.

However, the sector has been confronted with rising commodity prices. The price of green coffee increased in September 2024 from XOF900/kg in 2023 to XOF1,500/kg, due to unfavorable weather conditions and diseases affecting production. This increase has impacted the margins of local processing companies. The outlook for 2025 points to continued cost pressure, although efforts to improve productivity and diversify sources of supply are underway.

Thus, the Ivorian macroeconomic context in 2024 offered a more stable environment for the fast-moving consumer goods sector, with sustained growth and controlled inflation. However, companies must remain vigilant against fluctuations in the prices of raw materials, especially coffee, and continue to invest in operational efficiency to maintain their competitiveness.



Source: Sika Finance, 2024

### Strengths

- **Diverse resources** : agricultural wealth (world's leading producer of cocoa, coffee, sugar, cashew nuts, rubber), hydrocarbons, minerals (gold, copper, iron, manganese, bauxite)
- **Infrastructures undergoing modernization** : an active development policy in the transport, energy and health sectors.
- **Access to international financial markets** : with the support of the IMF, through financing of USD 4.8 billion over 2023-2026
- **Monetary stability** : member of UEMOA, guaranteeing a stable currency and coordinated economic policy

### Weaknesses

- **Dependence on commodity exportation and vulnerability to external shocks** : diversified economy, vulnerable to fluctuations in world prices.
- **Socio-economic inequalities** : 80% of economic activity is concentrated in Abidjan, with 38.4% of the population living below the poverty line
- **High informality** : 90% of employment and 51% of GDP are outside the formal sector, limiting the competitiveness of the private sector
- **Infrastructural and financial weaknesses** : Deficit in water, sanitation and ICT, low public revenues (16.3% of GDP in 2023) and difficult access to credit

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History

Nestlé Côte d'Ivoire, a subsidiary of the Swiss group Nestlé, established itself in Côte d'Ivoire in 1959, becoming one of the first agri-food multinationals to operate in the country. For more than six decades, the company has established itself as a key player in the FMCG sector, with iconic brands such as Maggi, Nescafé, and Cerelac deeply rooted in local and regional eating habits.

Among its notable successes, Nestlé CI has been able to build a solid industrial and commercial network, including two major factories in Abidjan: one dedicated to Maggi broths and the other to the production of instant coffee. These industrial infrastructures have enabled the company to export to several areas in Africa, including ECOWAS. Nestlé CI has also distinguished itself by its policy of proximity to local producers, particularly coffee and cocoa cooperatives, by encouraging sustainable practices.

However, the company has experienced several challenges: fluctuations in raw material prices, regional economic crises, logistical instability, and rising operating costs. Despite this, it has been able to maintain its profitability thanks to rigorous management and the constant adaptation of its model.

Among the recent milestones, the industrial investments of 2022-2024 in the modernization of the production lines of the Maggi and Nescafé factories have strengthened the capacity and efficiency of the company. Today, Nestlé CI remains a high-performing, socially committed company with a strong focus on innovation and sustainable growth in West Africa.

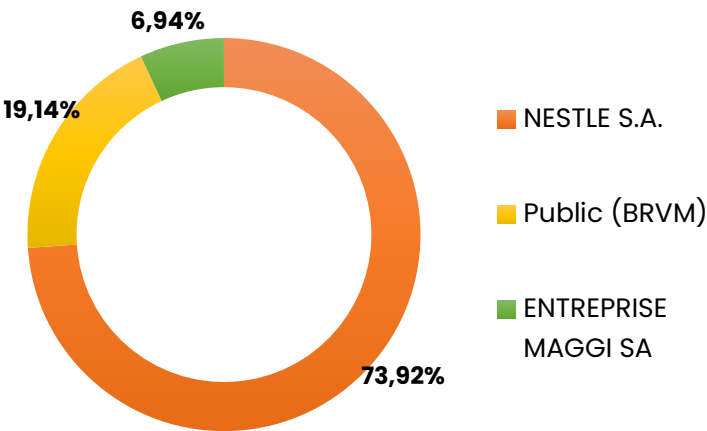
Strategy & Vision

Nestlé CI pursues a strategy focused on creating shared value, aiming to reconcile economic performance with a positive impact on society and the environment. This approach is divided into three pillars: nutrition, the environment and community development. In 2024-2025, Nestlé CI has strengthened its commitment to Corporate Social Responsibility (CSR). The company has collaborated with Nouvelle MICI Embaci for the recycling of cardboard waste from its factories, thus contributing to a local circular economy. It has also supported the education and professional integration of young people by organizing events such as open days, 7-month internship programs, and job fairs, reaching more than 20,000 young people.

In addition, Nestlé CI has set up programs to support local producers, particularly in the coffee and cocoa sectors, by providing them with training on good agricultural practices and improving their access to markets. These actions contribute to sustainable agriculture and the improvement of producers' living conditions.

Thus, Nestlé CI's strategy and vision are part of a responsible and sustainable approach, aimed at meeting societal and environmental challenges while ensuring sustainable economic growth.

Ownership



Source : Sika Finance, 2025

General information about NESTLE CI

Managing director	Mohamad ITANI
Number of shares	22 070 400
Company's valuation	244 981 MXOF

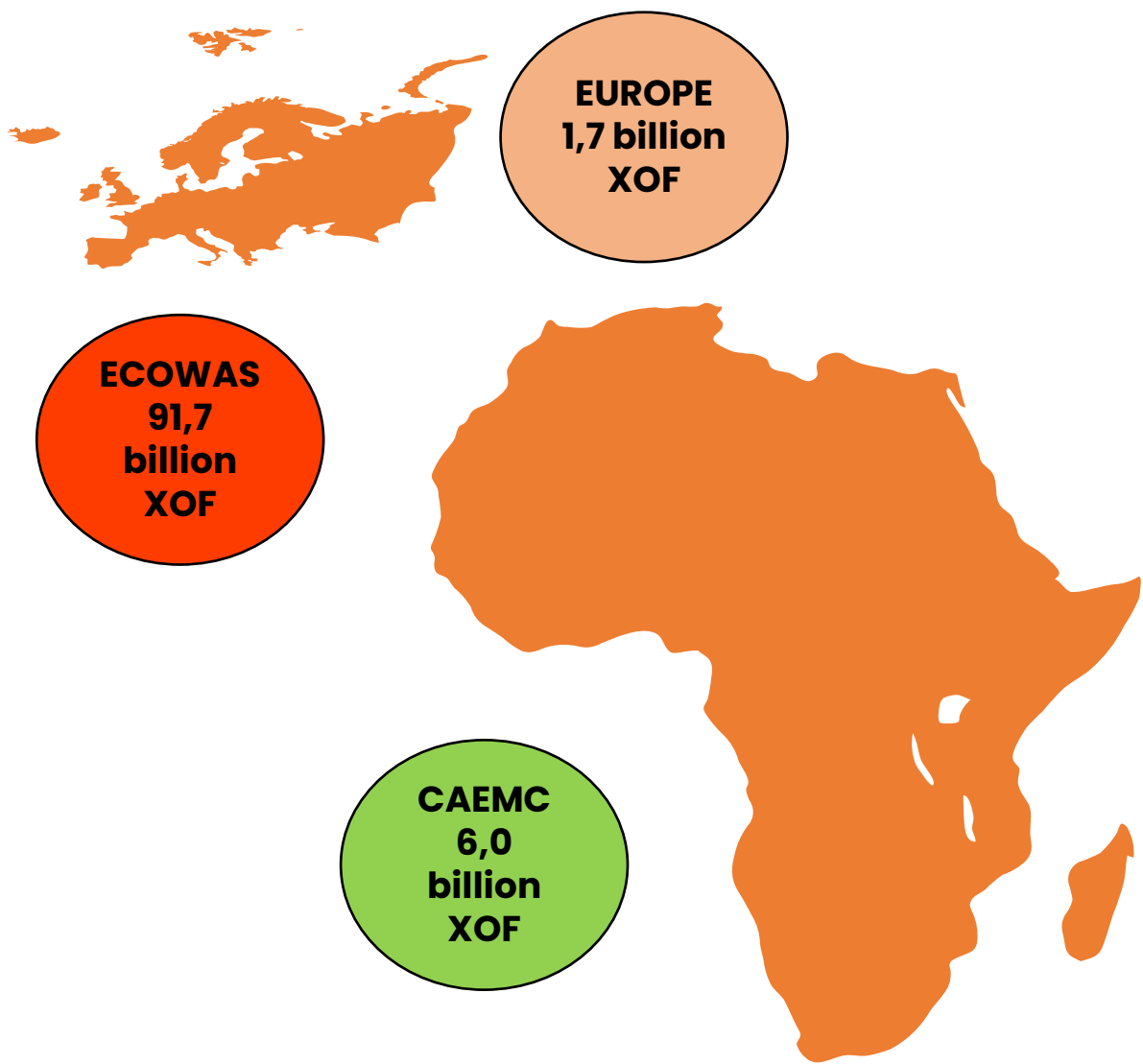
Source : Sika Finance, 2025

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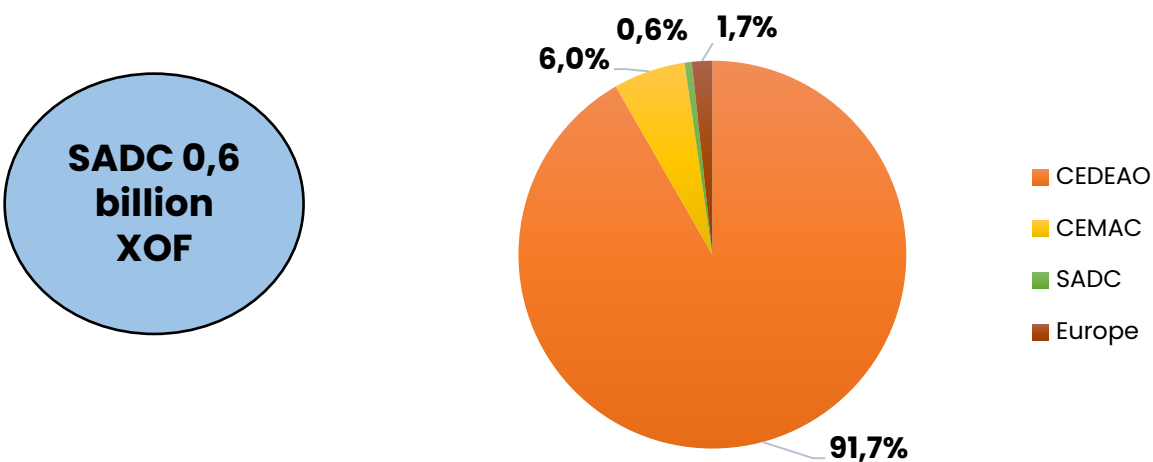


**The food and beverage distribution market**



**NESTLE CI : A commercial dynamic rooted locally and radiating internationally**

In 2024, Nestlé Côte d'Ivoire confirmed the solidity and diversity of its activities by generating a turnover of 220.1 billion, including XOF 100 billion from exports, representing 45% of turnover in 2024. While the ECOWAS zone remains the main pillar of its international sales, accounting for 91.7% of the total thanks to advantageous logistical proximity and sustained demand for its products, the company is also expanding its presence beyond the West African space. The CAEMC is positioned as the second largest export market with 6% of sales, followed by Europe (1.7%) and SADC (0.6%). This distribution illustrates Nestlé CI's ability to build on a strong local presence while gradually diversifying its outlets to other regions of Africa and to the European market, thus opening growth prospects in new segments on a regional and international scale.



*Source :* NESLTE CI Annual Report 2024

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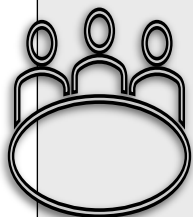
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## P.E.S.T.E.L Analysis

The PESTEL analysis makes it possible to assess the external factors (political, economic, socio-cultural, technological, environmental and legal) that influence the strategic environment of a company



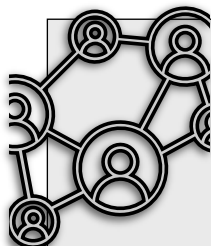
### Political

**Election year 2025:** vigilance on stability and operational security  
Maintaining production even in sensitive periods



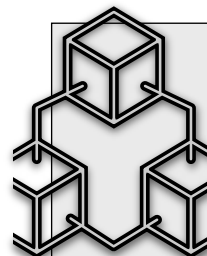
### Economical

The growth in turnover and net income in the 2024 financial year are positive signals of profitability. However, NESTLÉ CI must deal with challenges such as the rise in green coffee prices (63-70%), impacting input costs, and the increase in financial costs (related to debt)



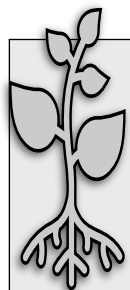
### Social

**Nutritional communication** around Maggi products (health, safety)  
**CSR programs:** literacy ("Mamies Maggi"), youth training, local roots  
**Importance of purchasing power:** adaptation of the product mix (affordable formats)



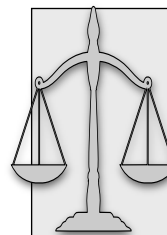
### Technological :

**Investments in new production lines and equipment modernization**  
Innovation in industrial processes to increase productivity and efficiency  
Technical training of young talents (via the Yopougon center)



### Environnemental

**Impacts of climate change** on the prices and availability of raw materials (e.g. coffee)  
**Projects focused on sustainability** and the creation of shared value  
Objective of responsible management of resources (water, energy)



### Legal :

Tax and customs adjustments (XOF 2.2 billion + VAT + control)  
**Transition to IFRS planned**  
Strict compliance with local and international standards (food safety, taxation, customs)

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**An effective commercial strategy, accompanied by a portfolio of popular products ...**



In 2024, Nestlé Côte d'Ivoire deployed a commercial strategy focused on agility, differentiation and customer proximity to strengthen the performance of its flagship products in a sometimes-unstable environment.

The **Maggi** brand has recorded strong growth, both in volume and turnover. This dynamic can be explained by the revitalization of distribution channels and impactful marketing campaigns, aimed at strengthening brand awareness and expanding the range. These efforts have allowed Maggi to further differentiate itself in a highly competitive market. In 2025, the brand plans to continue this momentum with large-scale communication activities and new offerings.

**Nescafé**, faced with a marked increase in green coffee prices in September 2024, was able to maintain a respectable performance thanks to targeted commercial actions and a reinforced commitment to consumers. The brand continues to capitalize on its proximity to the public to preserve its positive perception.

**Nido**, affected by the increase in the cost of raw materials, especially packaging, has found a growth driver thanks to the 16g individual bag format, supported by effective penetration campaigns.

**Milo**, for its part, has focused its efforts on the stability of its distribution and the optimization of investments, thus ensuring good financial health despite a difficult context.

The Nutrition category, driven by **Cerelac**, gained market share despite price controls and border competition. Nestlé CI has strengthened its presence in pharmacy and on modern channels, while developing partnerships with healthcare workers.

Finally, **Nestlé Professionals** has overcome the challenges associated with the disappearance of many informal points of sale thanks to sustained investments and a strong proximity to its partners on the ground.

# NESTLE CI's Financial and Operating Results 2020-2024

## ... Which contributes to the sustained growth in turnover

In 2024, Nestlé Côte d'Ivoire reached a turnover of XOF 220.1 billion, a growth of +8% compared to 2023 (XOF 203.6 billion). This increase confirms the strength of the recovery after a slight contraction the previous year, and is part of a five-year upward trajectory, with a compound annual growth rate (CAGR) of 6.17% between 2020 and 2024.

This performance is based on three main levers: first, the increase in local demand, particularly for Maggi and Nescafé products, consolidating its dominant position in the broth market in Côte d'Ivoire; secondly, the increase in exports to the countries of the Sahel, Cameroon and the DRC, and the resumption of trade with Guinea; and finally, a well-targeted sales strategy.

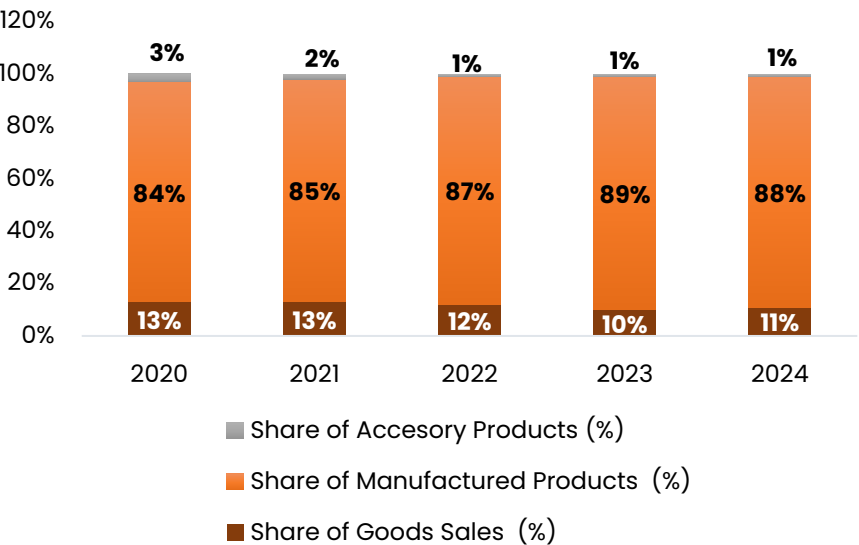
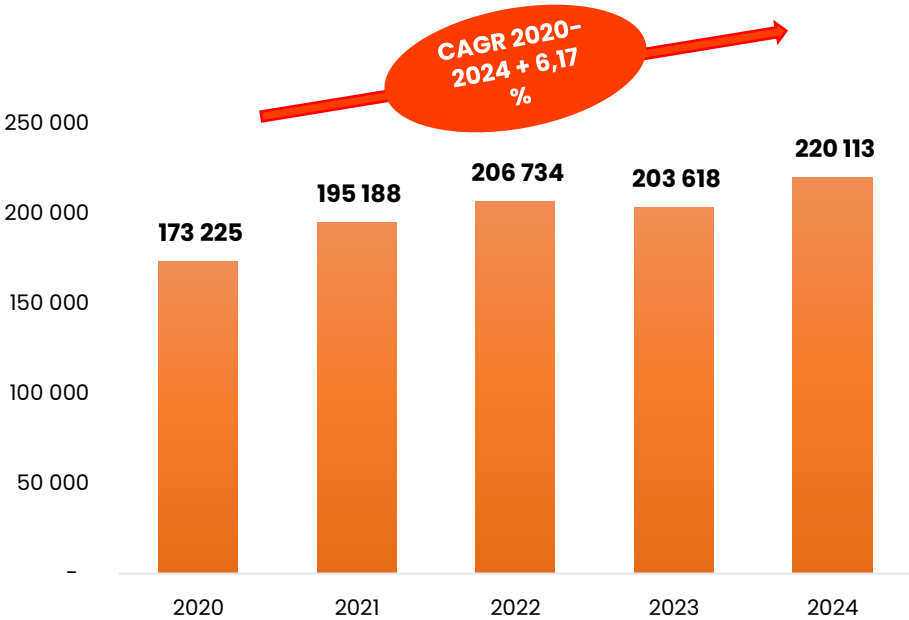
Nestlé CI has continued to roll out individual formats, which are more accessible to consumers, which has made it possible to support volumes in a still constrained economic context. In addition, the company has adjusted its prices in a measured manner to compensate for the rising costs of raw materials, such as green coffee, while preserving the quality of the products. This combination of local and regional initiatives reflects a balanced strategy between growth, affordability and margin control.

## A revenue's structure dominated by the share of manufactured products

The increase in sales in 2024 (+8% vs. 2023) was accompanied by a stable and controlled revenue structure, consolidating Nestlé CI's industrial model. The share of locally manufactured products remains dominant, accounting for 88% of turnover, compared to 89% in 2023. This slight variation reflects marginal growth in merchandise sales (11% in 2024, vs. 10% in 2023), while ancillary products remain stable at 1%.

This strategic orientation towards local production ensures better cost control, product differentiation, and strengthens the economic impact in the region. Flagship products such as Maggi, which historically accounts for most sales (+65%), continue to support this performance. Nescafé remains a key player despite the pressure on the costs of green coffee.

Geographically, exports to ECOWAS (particularly Sahel, Guinea, Cameroon) represent a significant share (45% of turnover), while Europe accounts for only XOF 1 billion, and the CEMAC/SADC zones remain marginal. As a result, Nestlé CI's revenue structure remains strongly oriented towards local manufacturing and West Africa, in line with its sustainable regional growth strategy.

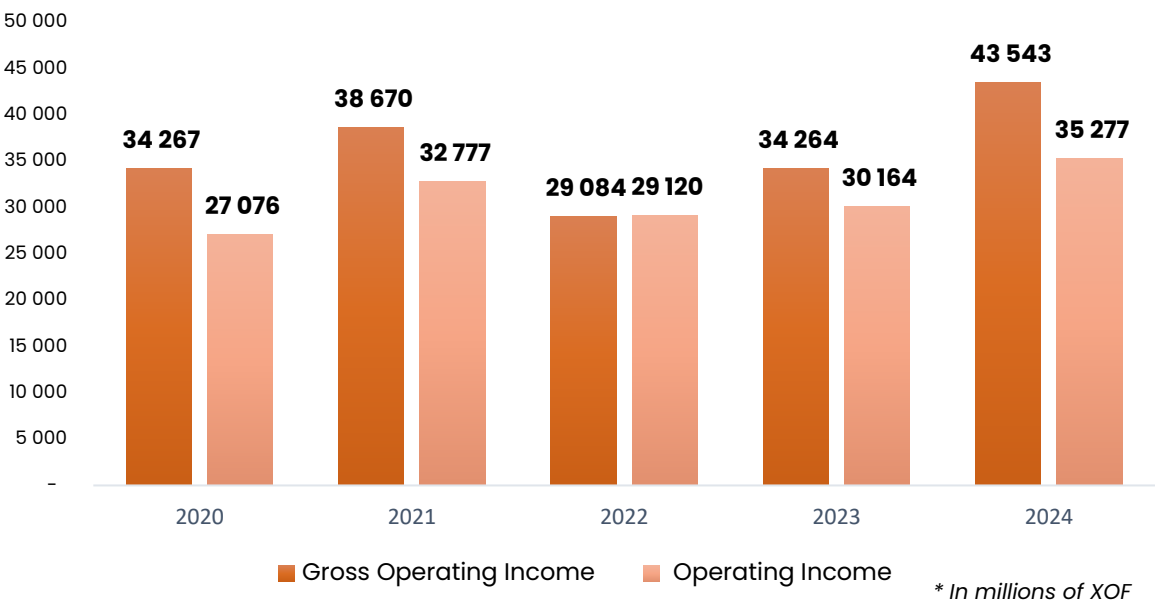
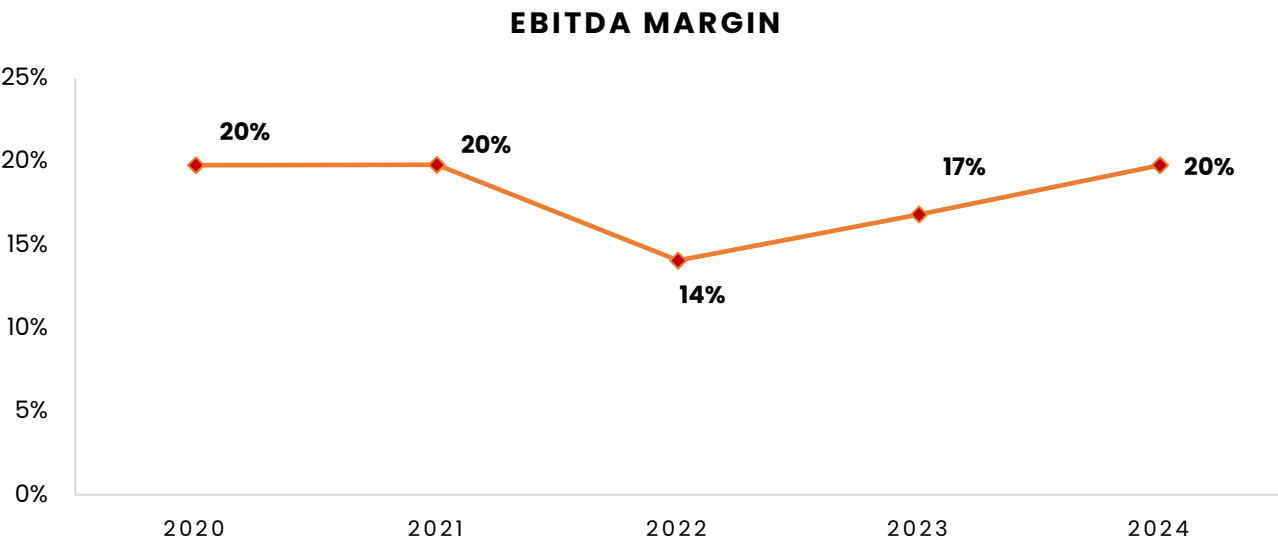


NESTLE CI's Financial and Operating Results 2020-2024

Between 2023 and 2024, Nestlé Côte d'Ivoire significantly improved its operational performance. Gross operating profit (EBITDA) increased from XOF 34.3 billion to XOF 43.5 billion, an increase of +27%, reflecting better gross profitability. This increase was driven by a series of cost-cutting initiatives and the optimization of industrial processes, including improved productivity and efficiency of production lines, which allowed for better absorption of fixed costs.

At the same time, operating profit reached XOF 35.3 billion in 2024, up +16.9% compared to 2023. This growth confirms the solidity of operational management, despite an environment marked by the increase in the costs of certain raw materials.

As a proportion of revenue, EBITDA rose from 17% to 20%, highlighting a significant improvement in margins. This demonstrates the company's ability to generate value from its industrial activity, while controlling its costs. This performance is a key lever to support net profitability and maintain a stable level of distribution in a still volatile regional context.



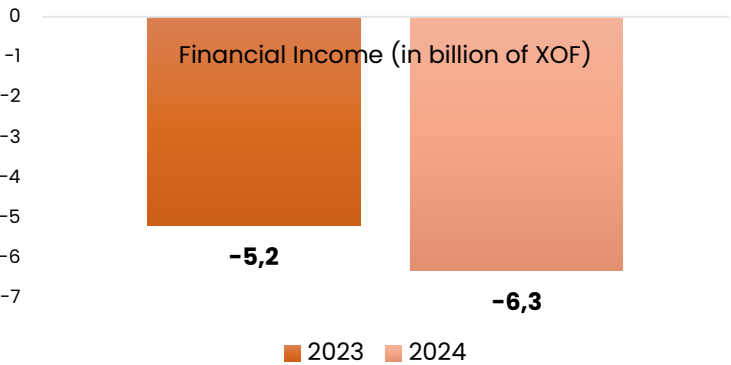
The EBITDA margin measures a company's ability to generate operating resources before depreciation and amortization, based on its turnover. Thus, it is an indicator of profitability and cost management.

Nestlé CI's EBITDA margin improved significantly in 2024, reaching 20% of sales, compared to 17% in 2023. This level marks a return to the performance standards observed in 2020 and 2021, after a low of 14% in 2022. This increase reflects the positive impact of the cost reduction measures undertaken by the company across its entire value chain, combined with improved industrial efficiency.

This improvement in gross profitability is a key lever for strengthening operating income, maintaining competitiveness and maintaining a high level of distribution capacity. It also demonstrates the strength of Nestlé CI's industrial model in the face of an inflationary environment and pressure on raw materials.

# NESTLE CI's Financial and Operating Results2020-2024

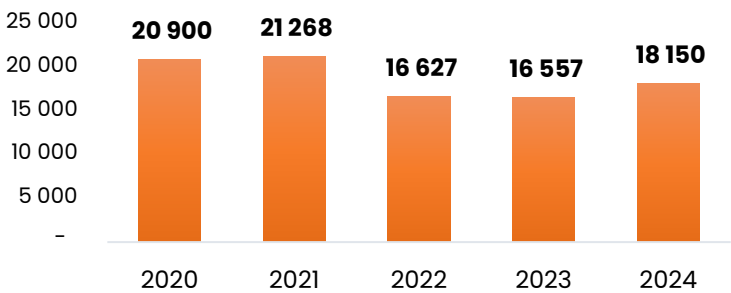
## FINANCIAL INCOME



Between 2023 and 2024, Nestlé Côte d'Ivoire's financial income deteriorated from XOF -5.2 billion to XOF -6.3 billion. This change reflects an increase in financial costs linked to the use of bank loans. Two main factors explain this increase in debt: on the one hand, the use of credit lines, banks; on the other hand, the industrial investments made in the Maggi and Nescafé factories, requiring additional financing. This strategy reflects a trade-off between maintaining the shareholder remuneration policy and developing production capacity.

Financial expenses remain under control (3% of sales) and consistent with a phase of industrial growth. In the short term, this implies pressure on net profitability, but in the medium term these investments should generate productivity gains capable of improving overall performance.

## NET INCOME



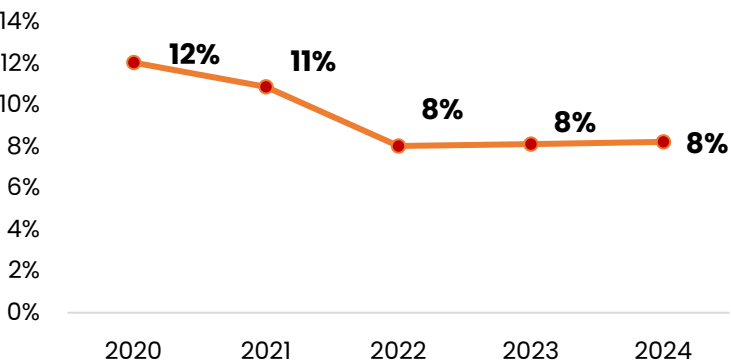
\* In millions of XOF

In 2024, Nestlé Côte d'Ivoire recorded a **net income** of XOF 18.15 billion, up +9.6% compared to 2023 (XOF 16.56 billion). This increase confirms the recovery after two years of relative stability and reflects the effectiveness of the efforts made at the operational level.

This improvement in net profit is part of a context of strengthening industrial performance, with a strong growth in EBITDA and operating profit. Cost control, better absorption of fixed costs, as well as an adapted commercial strategy (individual formats, price controls) have made it possible to support margins and offset tensions on raw materials.

Over the 2020-2024 period, net income remained stable overall despite fluctuations, with a low point in 2022 (XOF 16.6 billion), linked to external cost pressures. The gradual return to higher levels in 2024 shows the resilience of Nestlé CI's business model and its ability to generate sustainable results in a complex environment. This level of profitability also makes it possible to maintain a regular and attractive dividend distribution policy.

## NET MARGIN



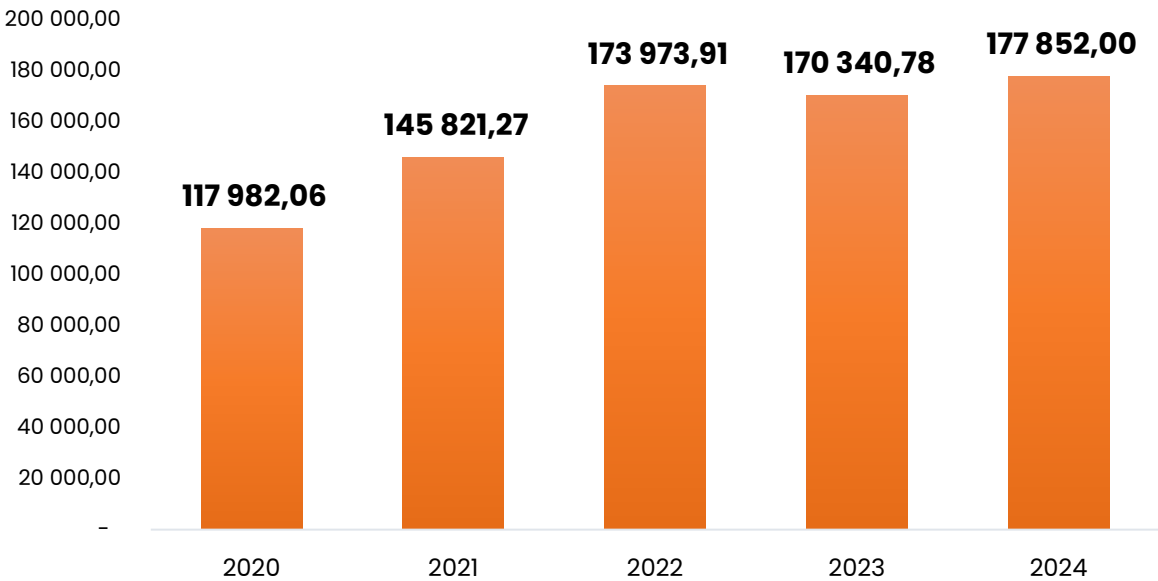
The **net margin** measures a company's ability to transform its turnover into net profit, after deduction of all expenses, including tax and financial expenses. It reflects overall profitability and sustainable financial performance.

In 2024, Nestlé CI posted a net margin of 8.2%, up slightly from 8.1% in 2023. This development, although modest, reflects a real improvement in final profitability, supported by the increase in net income (+9.6%) and turnover (+8%).

The maintenance of this margin in a context of rising input costs and increased financial costs reflects rigorous management, supported by operational efficiency gains and a controlled pricing policy.

The stability of the net margin between 2023 and 2024 confirms the robustness of Nestlé CI's business model and strengthens its ability to continue its industrial investments while ensuring a sustainable dividend distribution to its shareholders.

TOTAL ASSETS



ROA (Return on Assets) measures a company's profitability in relation to all its assets, i.e., its ability to generate net income from the assets it holds.

Between 2023 and 2024, Nestlé Côte d'Ivoire's ROA remained stable at 10%, despite an increase in total assets from XOF 170.3 billion to XOF 177.9 billion. This stability is explained by the fact that, although the company has invested heavily – in the increase of its property, plant and equipment (+XOF 16 billion) – these investments have not yet had a significant impact on the net result.

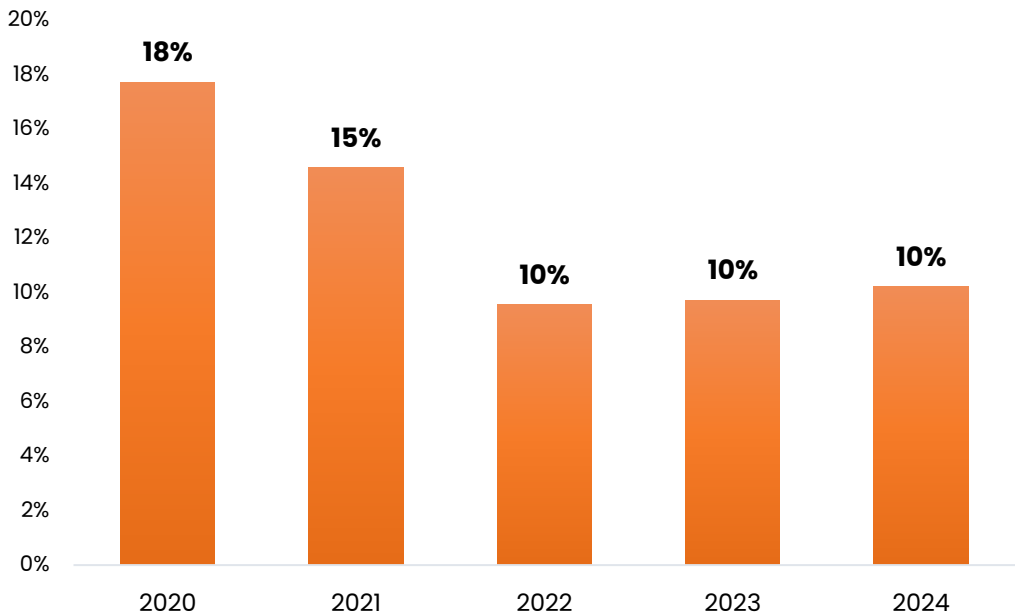
Expenses incurred in the Maggi plant (addition of production lines, installation of a mixing tower) and modernization of the Nescafé plant strengthened the asset base, but without an immediate improvement in financial performance.

Thus, while these initiatives are aimed at improving industrial efficiency and future growth, they have, in the short term, kept asset profitability stable. Their positive effect on ROA should be felt in the following years.

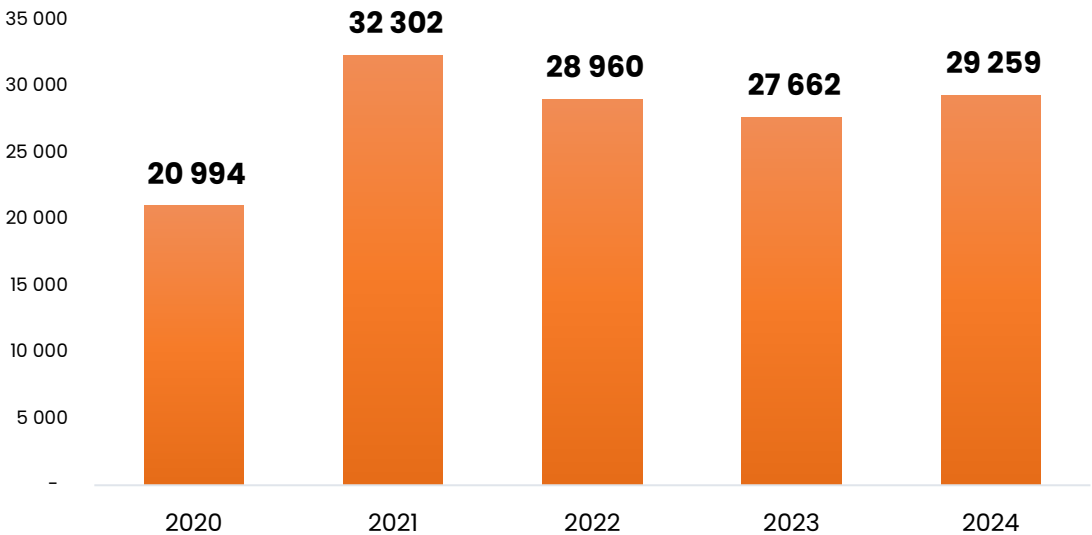
Between 2023 and 2024, Nestlé Côte d'Ivoire's total assets increased from XOF 170.3 billion to XOF 177.9 billion, an increase of about XOF 7.5 billion (+4%). This increase marks a recovery after a slight decline in 2023 compared to 2022. The positive development over the period 2023-2024 is largely explained by the increase in property, plant and equipment, which rose from XOF 155 billion in 2023 to XOF 171 billion in 2024, representing an increase of 12.5%.

This increase is the result of major industrial investments, particularly in the Maggi plant, with the addition of new production lines and a mixing tower. In addition, modernization work has been undertaken at the Nescafé factory, the group's oldest, including the optimization of existing lines. These strategic investments strengthen production capabilities and support the sustainable growth of the company's assets.

RETURN ON ASSETS (ROA)



EQUITY



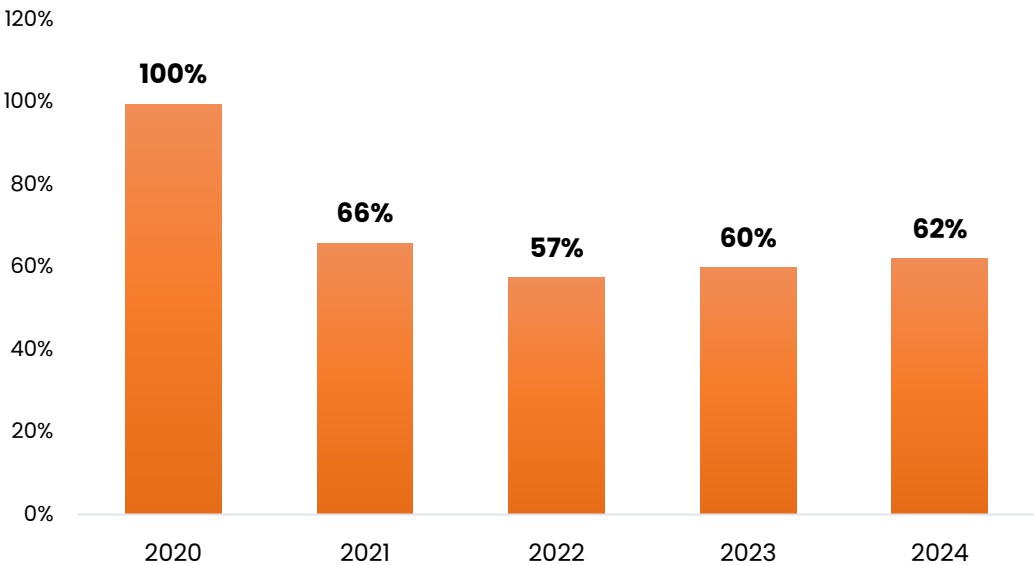
Between 2020 and 2024, Nestlé Côte d'Ivoire's equity increased overall, reflecting a policy of strengthening equity capital despite a context marked by sustained industrial investments. This development is a testament to the company's financial strength and ability to generate recurring profits. Equity growth was driven by controlled management of annual net income, as well as a balanced dividend distribution policy, allowing a significant portion of profits to be capitalized.

Over the recent period 2023–2024, shareholders' equity continued to grow, in line with the strategic investments made in property, plant and equipment (in particular the Maggi and Nescafé plants). Despite the financial effort linked to these projects, Nestlé CI has maintained a healthy balance sheet structure. This strengthening of equity capital is an indicator of shareholder confidence and provides a solid basis to support future growth, absorb potential shocks and support the company's industrial ambitions in a competitive environment.

ROE (Return on Equity) measures the return on equity, i.e. the ability of a company to generate net income from the funds invested by its shareholders. Between 2020 and 2024, Nestlé Côte d'Ivoire's ROE showed an overall downward trend, from 100% in 2020 to 62% in 2024, despite a slight recovery after 2022. This was mainly due to continued growth in shareholders' equity, which grew faster than net income.

Over the period 2023–2024, ROE fell from 60% to 62%, reflecting a slight improvement in return on equity. This moderate increase reflects Nestlé CI's ability to maintain attractive profitability for its shareholders, even in a phase of heavy investments in its industrial capacities. The increase in equity over this period therefore did not dilute profitability, reflecting efficient management of own resources. However, the level of ROE remains well below the peak reached in 2020, reflecting a stabilization of net income in a context of asset expansion and prudent strengthening of the capital structure.

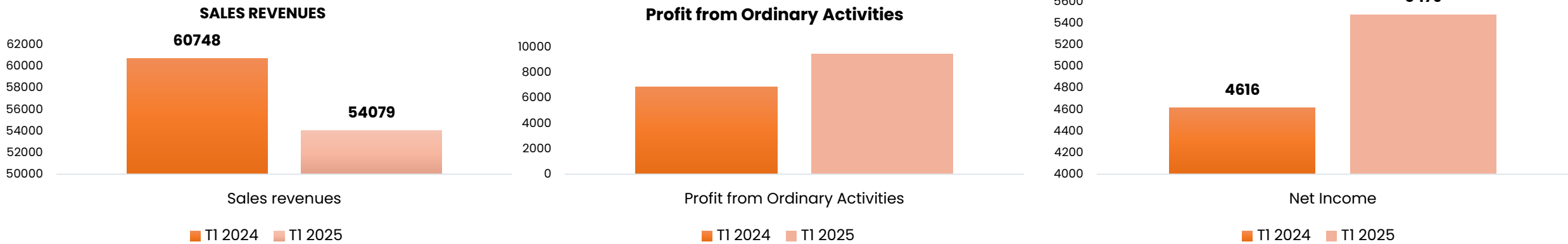
RETURN ON EQUITY (ROE)





# NESTLE CI's Financial and Operating Results: Q1 2024 vs Q1 2025 Analysis

\* In millions of XOF



Source: NESLTE CI Quarterly Report, 2025

In the first quarter of 2025, Nestlé Côte d'Ivoire recorded a turnover of XOF 54.1 billion, down 11% compared to Q1 2024 (XOF 60.7 billion). This decline may be due to weaker demand or price and volume adjustments. However, this contraction in turnover did not translate into a deterioration in profitability. Indeed, the result from ordinary activities increased by 38%, from XOF 6.9 billion to XOF 9.5 billion, reflecting a significant improvement in operational efficiency. Net income followed the same trend, with a 19% increase to XOF 5.5 billion compared to XOF 4.6 billion a year earlier, signalling good control of financial and tax costs.

Compared to the aggregates at the end of 2024, where the annual net result was XOF 17.8 billion, Nestlé CI has already achieved almost 31% of this level as early as Q1 2025. This quarterly performance, although part of a context of declining revenue, suggests a stronger profitability dynamic. It could reflect the first operational benefits of recent industrial investments, particularly in terms of productivity gains and cost optimization.

## Perspectives 2025

In 2025, Nestlé Côte d'Ivoire will continue its strategy towards sustainable growth and improved profitability, placing the satisfaction of consumer needs at the heart of its priorities. The company is relying on rigorous control of its operating expenses, while capitalizing on recent investments in its Maggi and Nescafé plants to increase its productivity. One of the major challenges will be to optimize the efficiency of production lines in an economic context marked by rising input costs and persistent tensions on international supply chains. To address this, Nestlé CI intends to strengthen its efforts to control costs and improve industrial performance in order to preserve its margins. In addition, the company intends to boost its sales through an intensification of production, distribution and communication activities. This commercial dynamic aims to expand its customer base while strengthening its presence in the market. Despite a constrained operating environment, Nestlé CI remains confident in its ability to turn these challenges into opportunities through an agile organization, continuous innovation and a strong performance culture, with the aim of generating profitable and sustainable growth for all its stakeholders.

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NESTLE CI's Financial and stock market ratios

Profitability	2020	2021	2022	2023	2024	Average
EBITDA margin	20%	14%	14%	17%	20%	17,69%
Net margin	10,90%	8,04%	8,04%	8,13%	8,25%	9,03%
Salaries and wages/ sales revenues	10,31%	10,13%	10,13%	11,20%	10,63%	10,93%
EBITDA/Total Assets	26,52%	16,72%	16,72%	20,12%	24,48%	20,48%
ROA	17,71%	14,59%	9,56%	9,72%	10,21%	11,42%
ROE	99,55%	65,84%	57,41%	59,85%	62,03%	66,52%
Balance Sheets Ratios	2020	2021	2022	2023	2024	Average
Total debts/Total Assets	32%	23%	23%	22%	22%	21,83%
Debt/ (Debt + Equity)	59%	58%	58%	57%	57%	57,43%
Equity/Total Assets	18%	22%	17%	16%	16%	17%
General liquidity	1,18	1,38	1,59	1,63	1,53	1,46
Stock Market Parameters	2020	2021	2022	2023	2024	Average
Share price on the 31/12	358	2 955	6 610	8 798	7 695	7 142
Net dividend per share	363,66	856,80	728,00	675,00	738,00	760,94
Dividend yield	101,7%	29,0%	11,0%	7,7%	9,6%	13,1%
PBR	0,4	2,0	5,0	7,0	5,8	5,48
PER	0,4	3,1	8,8	11,7	9,4	8,30

Between 2023 and 2024, SITAB showed a contrasting evolution of its main profitability and financial structure indicators, reflecting both an operational strengthening and some persistent tensions on the balance sheet structure.

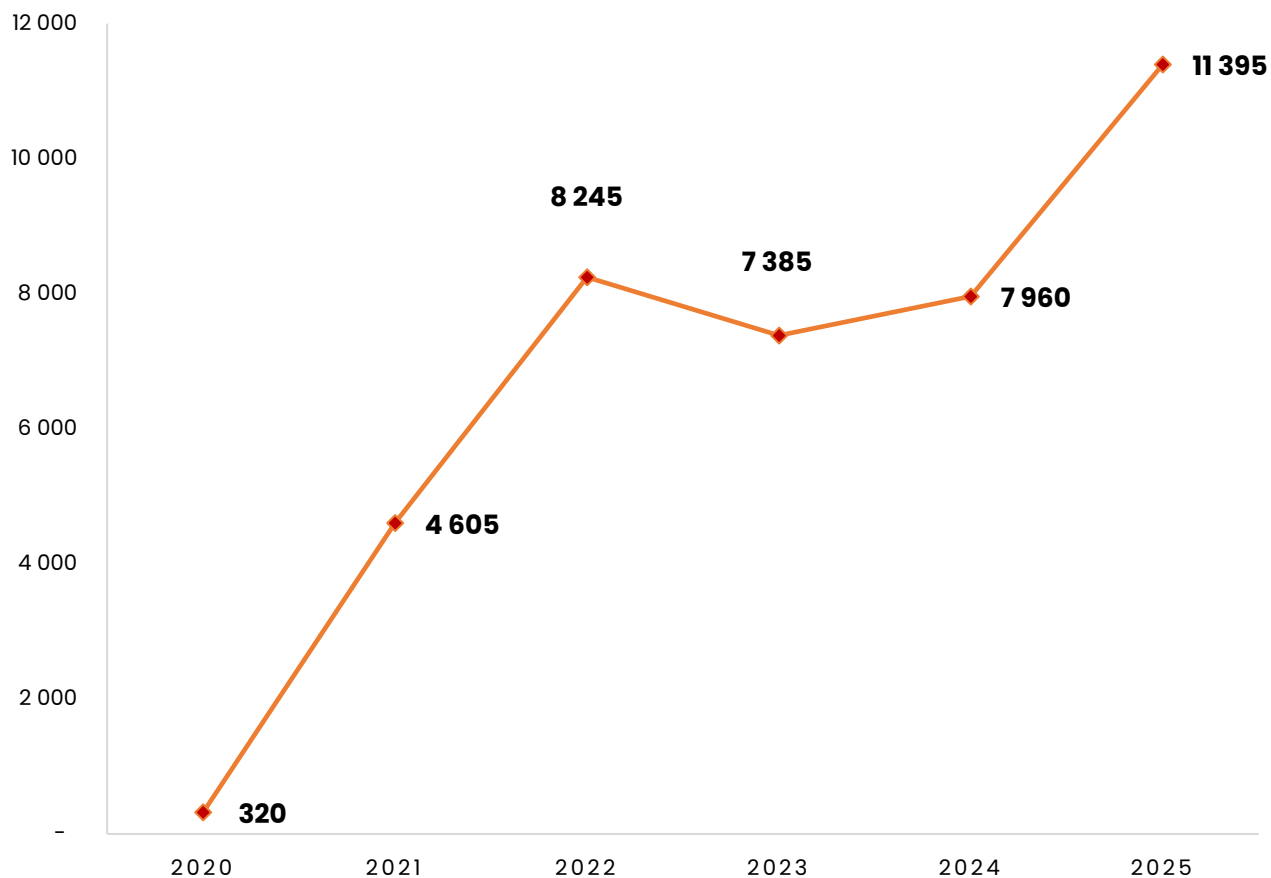
- ❖ On the profitability side, the EBITDA margin increased from 17% in 2023 to 20% in 2024, reaching its highest level in five years. This improvement is the result of good cost control and favorable pricing leverage for the main brands, despite a slight increase in personnel costs, which remain contained at 10.63% of sales. The net margin, on the other hand, shows a relative stability of around 8% over the entire period, remaining at 8.25% in 2024, which reflects an efficient conversion of operating income into net profit. The EBITDA/Total Assets ratio also increased, reflecting better use of assets to generate gross profitability. However, return on assets (ROA) and return on equity (ROE) ratios show a slight increase but remain below the exceptionally high levels of 2020, indicating a strengthened capital base and less leverage than before.
- ❖ The main balance sheet ratios indicate an overall healthy financial position. The ratio of total debt to total assets, on average at 21.83%, shows a moderate level of debt. The capital structure (debt/debt + equity) remains balanced, with debt representing an average of 57.43% of total financing. Financial autonomy, although slightly down over the last two years, remains at around 17%, reflecting a still solid capital base. Finally, general liquidity, with an average of 1.46, shows sufficient capacity to cope with short-term obligations.
- ❖ On the stock market, the median price fell slightly in 2024 to XOF 7,695 from XOF 8,798 in 2023, but the current dividend yield still attractive for shareholders. Overall, 2024 confirms operating profitability and good management of the business.

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### SHARE PRICE EVOLUTION(XOF) 2020-2025



The evolution of Nestlé Côte d'Ivoire's share price between 2020 and 2025 shows remarkable growth, supported by solid fundamentals and an ambitious industrial strategy, with some adjustment phases.

In 2020, the price was very low, at 320 XOF. In 2021, it exploded to XOF 4,605 (+1,339%), driven by solid financial performance, an attractive dividend policy and a positive market perception. The momentum continues in 2022 with a jump to XOF 8,245 (+79%), confirming investors' enthusiasm for the stock in a context of high profitability and controlled growth.

However, in 2023, the share price fell slightly to XOF 7,385 (-10%). This decline can be explained by pressures on operating costs, particularly related to higher input prices and logistical constraints, in an uncertain macroeconomic environment. Despite this correction, fundamentals remain strong.

In 2024, the stock is on the rise again, reaching XOF 7,960 (+8%). This recovery is explained by the improvement in the operating margin and the first positive effects of the investments made in the industrial sites (Maggi and Nescafé), which strengthen production capacity and productivity.

In 2025, the share reached a new high of XOF 11,395 (+43%), driven by growth in net income, better cost control, and renewed investor confidence. This development illustrates Nestlé Ci's strategic positioning as a sustainable growth stock in the regional market.

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## **S.W.O.T. Analysis**

The SWOT analysis aims to assess a company's strengths, weaknesses, opportunities and threats to guide its strategic choices.

For Nestlé Côte d'Ivoire, it highlights a **solid** and well-established player in the local and regional agri-food market.

Among its **strengths**, the company benefits from **historical leadership**, a **portfolio of powerful brands** (Maggi, Nescafé) and a high-performance export network (43% of turnover outside Côte d'Ivoire). It also benefits from **good management**.

However, its weaknesses include a dependence on volatile raw materials (e.g. green coffee) and an ageing of industrial facilities.

The **opportunities** lie in the **modernization of production capacities**, **regional expansion** and the **strengthening of CSR**.

Finally, the company faces macroeconomic, **fiscal** and **reputational threats**, in a regional environment marked by instability and rising costs.



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# HISTORICAL AND FORECAST INCOME STATEMENT

	HISTORICAL DATA					FORECASTS		
PRODUCTS	2020	2021	2022	2023	2024	2025	2026	2027
Sale of goods	22 680	25 423	25 233	21 113	24 678	25 413	26 169	26 948
Sales of manufactured products	144 890	165 153	180 295	181 033	193 571	204 220	215 454	227 307
Works, Services sold	-	-	-	-	-	-	-	-
Accessory products	5 656	4 612	1 206	1 472	1 864	1 708	1 564	1 433
<b>SALES REVENUES</b>	<b>173 225</b>	<b>195 188</b>	<b>206 734</b>	<b>203 618</b>	<b>220 113</b>	<b>195 949</b>	<b>204 119</b>	<b>212 630</b>
Inventory Variation	541	306	8 347	6 737	757	375	186	92
Operating subsidy	-	-	-	1 090	20	20	20	20
Other products	1 256	5 856	12 500	15 986	4 822	5 972	7 395	9 158
Subtotal Other Products	1 797	6 162	20 847	23 813	5 599	8 885	14 100	22 375
<b>Total</b>	<b>175 022</b>	<b>201 350</b>	<b>227 581</b>	<b>227 431</b>	<b>225 712</b>	<b>234 895</b>	<b>244 452</b>	<b>254 398</b>
<b>EXPENSES</b>	-	-	-	-	-	-	-	-
Purchasing Goods	12 530	13 696	15 252	11 588	14 012	14 398	14 794	15 201
Inventory variations	162	242	2 656	1 392	280	207	154	114
Raw material purchases	51 040	62 343	79 644	48 584	57 910	59 444	61 019	62 635
Inventory variations	4 234	7 005	8 780	6 202	3 988	3 460	3 002	2 604
Other purchases	24 409	25 703	34 891	25 966	29 050	31 185	33 476	35 936
Inventory variations	2 094	1 639	2 434	286	367	353	339	326
Transports	3 472	4 435	3 932	3 923	4 335	4 624	4 932	5 261
Outsourced services	33 430	136 740	36 551	38 530	36 030	27 101	20 385	15 333
Taxes	3 330	1 878	6 611	4 116	7 531	7 571	7 612	7 653
Other expenses	1 214	2 883	14 545	16 297	4 304	2 980	2 063	1 428
<b>Total</b>	<b>123 260</b>	<b>142 555</b>	<b>177 557</b>	<b>156 884</b>	<b>157 807</b>	<b>164 908</b>	<b>172 328</b>	<b>180 082</b>
Added value	51 762	58 795	50 024	57 073	66 949	70 626	74 505	78 597
Salaries and wages	17 495	20 125	20 940	22 809	23 405	24 621	25 900	27 246
Gross Operating Income	34 267	38 670	29 084	34 264	43 543	46 461	49 574	52 896
Reversals of provisions	3 343	3 059	15 604	3 273	354	145	60	25
Transfer of Expenses	-	-	-	-	-	-	-	-
Depreciation, amortization and provisions	10 534	8 952	15 568	7 373	8 620	9 717	10 954	12 348
<b>Operating income</b>	<b>27 076</b>	<b>32 777</b>	<b>29 120</b>	<b>30 164</b>	<b>35 277</b>	<b>36 380</b>	<b>37 517</b>	<b>38 690</b>
Financial Expenses	3 626	2 342	3 471	5 212	6 326	8 851	12 384	17 326
Foreign exchange losses	- 341	615	519	-	-	-	-	-
Depreciation and amortization and provisions	-	-	-	-	-	-	-	-
Financial Income	0	-	1	10	18	18	18	18
Foreign exchange gains	23 792	0	-	-	-	-	-	-
<b>Income from Ordinary Activities</b>	<b>23 792</b>	<b>29 820</b>	<b>25 131</b>	<b>24 962</b>	<b>35 277</b>	<b>37 041</b>	<b>37 782</b>	<b>38 537</b>
Capital losses on disposal	5 867	-	-	-	-	-	-	-
Capital gains on disposal	-	26	0	18	-	-	-	-
Income taxes	8 759	7 999	8 504	8 424	10 770	12 223	13 577	15 081
<b>NET INCOME</b>	<b>20 900</b>	<b>21 268</b>	<b>16 627</b>	<b>16 557</b>	<b>18 150</b>	<b>24 817</b>	<b>25 810</b>	<b>26 842</b>

## HISTORICAL AND FORECAST BALANCE SHEET

	HISTORICAL DATA					FORECASTS		
Balance sheet (in millions of XOF)	2020	2021	2022	2023	2024	2025	2026	2027
<b>ASSETS</b>								
Intangible assets								
Tangible assets	62 631	65 825	66 403	70 422	79 239	84 377	89 847	95 673
Financial assets	1 946	2 187	2 399	2 529	2 483	2 593	2 708	2 828
Inventory	27 291	39 339	60 203	42 871	39 294	41 377	43 571	45 880
Receivables and similar uses	25 303	37 684	42 336	50 013	54 004	60 927	68 737	77 549
Cash assets	802	785	2 501	4 386	2 623	4 842	8 938	16 499
Translation adjustments - Assets	6	-	101	121	209	273	357	466
<b>Total Assets</b>	<b>117 982</b>	<b>145 821</b>	<b>173 974</b>	<b>170 341</b>	<b>177 852</b>	<b>190 674</b>	<b>204 420</b>	<b>219 157</b>
<b>LIABILITIES</b>	-	-	-	-				
Capital	5 518	5 518	5 518	5 518	5 518	5 518	5 518	5 518
Merger premium	1 043	1	1 043	1 043	1 043	1 043	1 043	1 043
Revaluation surplus	3 435	3 435	3 435	3 435	3 435	3 435	3 435	3 435
Non-distributable reserves	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104
Free reserves	795	795	795	-	-	-	-	-
Retained earnings	- 11 800	182	439	6	10	-	-	-
Net income	20 900	21 268	16 627	16 557	18 150	17 602	17 071	16 556
<b>Total equity</b>	<b>20 994</b>	<b>32 302</b>	<b>28 960</b>	<b>27 662</b>	<b>29 259</b>	<b>28 376</b>	<b>27 520</b>	<b>26 689</b>
Borrowings	32 053	32 061	32 052	32 072	32 091	32 101	32 101	32 101
Other financial debts	16 424	14 307	7 792	5 16	6 620	5 494	4 559	3 783
Current liabilities	45 150	56 509	66 047	59 843	62 641	65 180	67 822	70 572
Cash liabilities	3 360	19 600	38 466	45 376	46 970	65 403	91 069	126 807
Translation adjustments - Liabilities	1	-	657	226	271	230	195	165
<b>Total liabilities</b>	<b>117 982</b>	<b>145 821</b>	<b>173 974</b>	<b>170 341</b>	<b>177 852</b>	<b>190 674</b>	<b>204 420</b>	<b>219 157</b>

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# NESTLE CI's Valuation by the DDM et Gordon Shapiro Methods

## ❖ DDM Method Parameters

- **The risk-free rate** : it comes from the yield curve of the UMOA Titres agency – 10 years Bond rate (7,51%).
- **The equity market risk premium** (MRP) : The equity market risk premium is set at 4.02% and comes from the "Damodaran" website.
- The **Beta** : it corresponds to NESTLE CI's beta on the SIKA Finance website..
- The **Cost of debt** : It represents the average interest rate that a company pays for its loans
- The **WACC** (Weighted Average Cost of Capital) : it represents the average rate a company is expected to pay to finance its assets, weighted by the proportion of debt and equity in its capital structure.

The risk-free rate	7,61%
The equity market risk premium	4,02%
Cost of debt	7,52 %
Beta of NESLTE CI	0,31
<b>WACC</b>	<b>8,67%</b>

❖ DDM (Millions XOF)	2025	2026	2027	« Terminal Value »
Dividend	19 854	20 579	21 332	354 240
Discounted dividend	18 270	17 426	16 621	276 020
Discounted dividend's sum	52 317			
Discounted terminal value	276 020			
<b>Equity value</b>	<b>328 337</b>			
Number of shares (in millions)	22			
<b>Estimated share price (XOF)</b>	<b>14 877</b>			
❖ Gordon & Shapiro (in millions of XOF)				
Early dividend for the first period	19 854			
Equity value	321 660			
<b>Estimated share price (XOF)</b>	<b>14 574</b>			

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Valuation method	Estimated value	Weighting	Weighted value
DDM	14 574	50%	7 287
Gordon & Shapiro	14 877	50%	7 438
Target Price (in XOF)			14 726

We recommend buying Nestlé Côte d'Ivoire, supported by strong fundamentals, a well-executed strategy, an encouraging outlook for 2025 and attractive valuation potential. At the recent close of around 11,000 XOF, the stock has an upside potential of +34% compared to our target price of 14,726 XOF.

The Q1 2025 performance confirmed the company's positive momentum, with net income up 19% despite an 11% drop in revenue. This growth reflects improved operational efficiency, supported by the ramp-up of new equipment at the Maggi and Nescafé plants, which are helping to improve productivity and margins. The company has been able to control its costs, while investing in growth, with a more active commercial strategy (communication, innovation, development of distribution), which is beginning to produce its effects with an increase in sales.

The shareholder remuneration policy also remains a strong point for Nestlé CI. The net dividend per share was maintained at an attractive level in 2024, and profitability (ROE of 62.03%) remains among the highest in the market, supporting the interest of long-term investors. Despite the challenges identified in 2025 (rising input costs, tensions in the supply chain), the company is showing a remarkable capacity for resilience and adaptation.

Finally, the stock market profile remains favorable : a valuation that has become attractive again (P/E ratio of 9.4 in 2024) and a dividend yield of 9.6%, which supports the total return of the investment. In short, the combination of solid prospects, improving earnings, a healthy financial structure and a valuation potential of +27% fully justifies a positive opinion and a buy recommendation on the Nestlé Côte d'Ivoire share.

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