



## CREDIT RATING ANNOUNCEMENT

GCR assigns an initial national scale long-term issue rating of A<sub>(NG)</sub> to Presco Plc's NGN82.9Bn Series 1 Bond; Outlook Stable.

### Rating action

Lagos, 7 March 2025 – GCR Ratings (GCR) has assigned an initial national scale long term issue rating of A<sub>(NG)</sub> to Presco Plc's NGN82.9Bn Series 1 Senior Unsecured Bond, with the Outlook accorded as Stable.

Rated issue	Rating class	Rating scale	Rating	Outlook
Presco Plc's NGN82.9Bn Series 1 Bond	Long-term issue	National	A <sub>(NG)</sub>	Stable

### Rating rationale

The rating assigned to Presco Plc's NGN82.9Bn Series 1 Senior Unsecured Bond reflects the long-term rating of the Issuer, namely Presco Plc, a leading Nigerian palm oil producer. In August 2024, GCR affirmed the Issuer's national scale long-term rating of A<sub>(NG)</sub> and revised the outlook to Stable from Evolving.

GCR has utilised a group credit analysis using the consolidated financial statements of SIAT N.V, which owns 60% of Presco's shares and wholly owns other subsidiaries. Presco remains the largest contributor to SIAT N.V group earnings, with over 60% of revenue in financial year 2023. While the new ultimate parent is Sarsafrica Limited (UK), via an acquisition through Oak and Saffron Limited, management has indicated the entities remain as separate operational and legal entities without consolidation. The ratings affirmations reflect the strong financial profile of the SIAT N.V group, given the sustained reduction in debt and improvement in earnings.

Presco Plc registered a NGN150Bn Bond Issuance Programme (the Programme) with Securities and Exchange Commission and raised NGN82.9Bn (USD56.1 million) in January 2025 in Series 1 Bond Issue under the Programme, at a coupon rate of 23.75%, with a tenor of seven years, inclusive of a three-year moratorium on the principal amount from the issue date. The principal redemption on the Bond will be on an amortised basis from July 2028, following expiration of the principal moratorium period, while coupon payments will accrue from the issue date and be due and payable semi-annually in arrears, up to and including the maturity date.

The NGN82.9Bn Series 1 Bonds will be direct, unconditional, senior, unsubordinated, and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves. The Bonds will also rank *pari passu* with all other senior unsecured and unsubordinated obligations assumed by the Issuer other than those mandatorily preferred by law.

Being senior unsecured debt, the NGN82.9Bn Series 1 Bonds will rank *pari passu* with all other senior unsecured creditors of the Issuer. As such, the Bonds will bear the same national scale long term rating as that accorded to the Issuer. Accordingly, any change in the Issuer's long-term rating would impact the Bond rating.

### Outlook statement

The Stable Outlook reflects our view that the group's ongoing corporate reorganisation would, itself, not lead to ratings transition over the medium term. In this regard, we expect SIAT's financial and business profiles to remain strong over the rating horizon, while gearing would remain conservative because of the relatively small debt book.

Rating triggers

Given that the bonds rating is intrinsically linked to the Issuer's national scale rating, any change in the rating assigned to the Issuer or non-compliance with the transaction terms, will directly affect the rating.

Analytical contacts

Primary analyst	Samuel Popoola	Sector Head: Corporates (LRG)
Lagos	Samuel@GCRatings.com	+234 1 904 9462
Committee chair	Eyal Shevel	Sector Head: Corporate & Public Sector Debt
Sandton	Shevel@GCRatings.com	+27 11 784 1771

Related criteria and research

Criteria for the GCR Ratings Framework, May 2024  
Criteria for Rating Corporate Entities, May 2024  
GCR Ratings Scales, Symbols & Definitions, May 2023  
GCR Country Risk Scores, August 2024

Ratings history

Presco Plc's NGN82.9Bn Series 1 Senior Unsecured Bond					
Rating class	Review	Rating scale	Rating	Outlook	Date
Long-term issue	Initial/last	National	NA	NA	NA

Commented [BA5]: Please align the table with the page margin.

## Glossary

Bond	A long-term debt instrument issued by either a company, institution or the government to raise funds.
Coupon	The interest paid on a bond expressed as a percentage of the face value. If a bond carries a fixed coupon, the interest is usually paid on an annual or semi-annual basis. The term also refers to the detachable certificate entitling the bearer to the interest payment.
Credit Rating	An opinion regarding the creditworthiness of an entity, a security or financial instrument, or an issuer of securities or financial instruments, using an established and defined ranking system of rating categories.
Credit	A contractual agreement in which a borrower receives something of value now and agrees to repay the lender at some date in the future, generally with interest. The term also refers to the borrowing capacity of an individual or company
Creditor	A credit provider that is owed debt obligations by a debtor.
Debt	An obligation to repay a sum of money. More specifically, it is funds passed from a creditor to a debtor in exchange for interest and a commitment to repay the principal in full on a specified date or over a specified period.
Downgrade	The rating has been lowered on its specific scale.
Issue Date	The date of issue of a new security. Often used as the date from which interest begins to accrue.
Issuer	The party indebted or the person making repayments for its borrowings.
Leverage	With regard to corporate analysis, leverage (or gearing) refers to the extent to which a company is funded by debt.
Liquidity	The speed at which assets can be converted to cash. It can also refer to the ability of a company to service its debt obligations due to the presence of liquid assets such as cash and its equivalents. Market liquidity refers to the ease with which a security can be bought or sold quickly and in large volumes without substantially affecting the market price.
Maturity	The length of time between the issue of a bond or other security and the date on which it becomes payable in full.
Moratorium	A period of time in which an activity is suspended until such time as a change in circumstances permits its removal. For example, a borrower can declare a moratorium on the repayments of the principal, and sometimes the interest, on a loan.
Pari Passu	Side by side; at the same rate or on an equal footing. Securities issued with a pari passu clause have rights and privileges that are equivalent to those of existing securities of the same class.
Principal	The total amount borrowed or lent, e.g. the face value of a bond, excluding interest.
Redemption	The repurchase of a bond at maturity by the issuer.
Senior Unsecured Debt	Securities that have priority ahead of all other unsecured or subordinated debt for payment in the event of default.
Tenor	The time from the value date until the expiry date of an instrument, typically a loan or option.
Unconditional	Not subject to any conditions.

#### Salient points of accorded ratings

GCR affirms that a.) no part of the rating process was influenced by any other business activities of the credit rating agency; b.) the ratings were based solely on the merits of the rated entity, security or financial instrument being rated; and c.) such ratings were an independent evaluation of the risks and merits of the rated entity, security or financial instrument.

The credit ratings have been disclosed to the rated entity.

The rating above was solicited by, or on behalf of, the rated entity.

The rated entity participated in the rating process via in person interaction and/or via online virtual interaction and/or via electronic and/or verbal communication and correspondence. Furthermore, the quality of information received was considered adequate and has been independently verified where possible. The information received from the rated entity and other reliable third parties to accord the credit ratings included executed signed versions of:

- Series 1 Trust Deed
- Programme Trust Deed
- Pricing Supplement
- Programme Shelf Prospectus
- Exchange rate source: Central Bank of Nigeria | USD1.00 = NGN1,477.72 (31 January 2025).

© 2025 Global Credit Rating Co. (Proprietary) Limited and/or its licensors and subsidiaries (collectively, GCR). All rights reserved.

CREDIT RATINGS ISSUED BY GCR ARE GCR'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED BY GCR (COLLECTIVELY, PUBLICATIONS) MAY INCLUDE SUCH CURRENT OPINIONS. GCR DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE. SEE APPLICABLE GCR RATING SCALES, SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY GCR'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: FRAUD, LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS") AND OTHER OPINIONS INCLUDED IN GCR'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. GCR'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND GCR'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL OR HOLD PARTICULAR SECURITIES. GCR'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. GCR ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES ITS PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING OR SALE.

GCR'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE GCR'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT GCR'S PRIOR WRITTEN CONSENT.

GCR'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by GCR from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. GCR adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources GCR considers to be reliable including, when appropriate, independent third-party sources. However, GCR is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing its Publications.

To the extent permitted by law, GCR, its affiliates and its and their directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if GCR or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by GCR.

To the extent permitted by law, GCR, its affiliates and its and their directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, GCR or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY GCR IN ANY FORM OR MANNER WHATSOEVER.

GCR hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) rated by GCR have, prior to assignment of any credit rating, agreed to compensate GCR for the provision of those credit ratings opinions and services rendered by it. GCR also maintains policies and procedures to address the independence of GCR's credit ratings and credit rating processes.