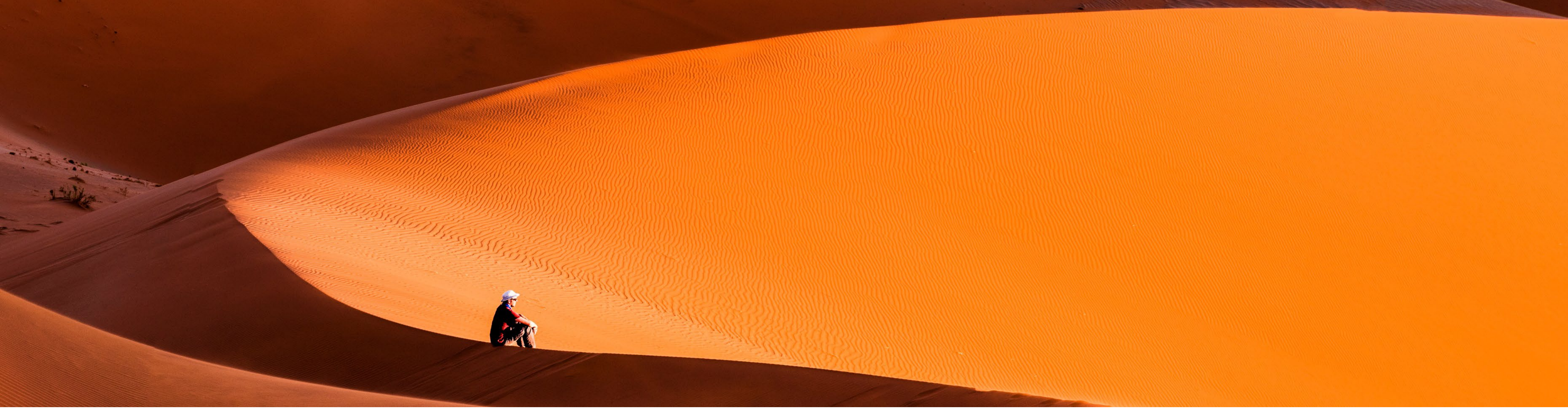

Sub-Saharan African Corporates

Rating evolution

S&P Global Ratings

Omega Collocott

Manuel Vela Monserrate, CFA

Munya Chawana

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April 8, 2024

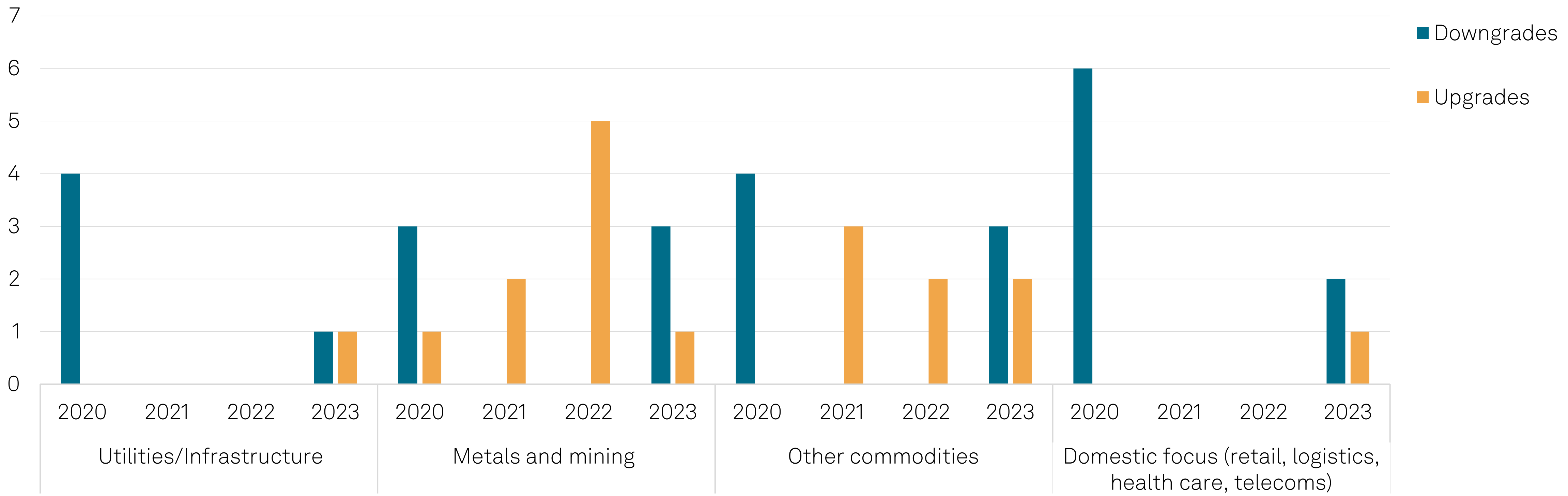
This report does not constitute a rating action

Key Takeaways

- Our ratings on Sub-Saharan African companies were volatile throughout the COVID-19 pandemic and the subsequent recovery. In 2020, sovereign rating actions were behind 50% of the corporate rating actions in Sub-Saharan Africa, 95% of which were downgrades. Upgrades in 2021 and 2022--mainly on the back of lower financial risks--gave way to a mixed picture in 2023 as some commodity markets flagged.
- Ratings on utilities and infrastructure companies are largely holding up thanks to government support. However, financial and operational weakness--for example, power outages and poor rail and port capacity in South Africa--and rising debt pose structural risks to the respective economies.
- Weaker prices for some metals, diamonds, and coal are putting pressure on mining company ratings. High precious metal prices, low net debt, cost-cutting, and manageable capital expenditure profiles supported resilience throughout the pandemic.
- Other commodity producers continue to experience volatile market conditions. While ratings recovered close to pre-pandemic levels by 2023, slower global growth and destocking are hurting demand.
- Ratings on domestically focused companies are proving resilient. Most of our rated issuers are able to keep earnings relatively stable, but discretionary spending pressures and infrastructure failures are reducing their efficiency and increasing costs.

Rating Action Summary--2020-2023

- In 2020, sovereign rating actions drove nine out of 17 downgrades.
- Moderating financial risk largely drove upgrades from 2020 to the present.

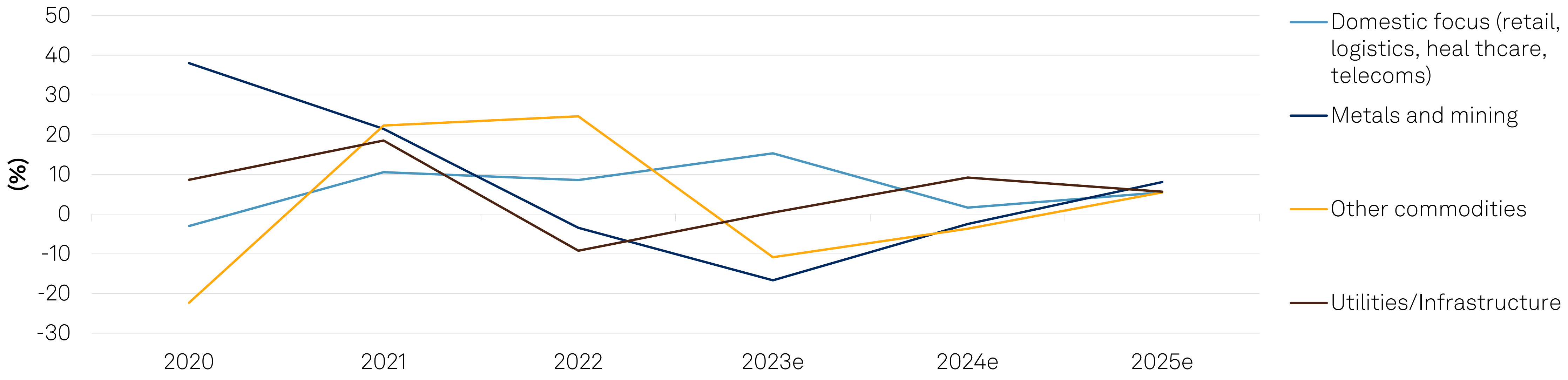


Source: S&P Global Ratings.

Sectoral Growth Rates--Converging By 2025

- We expect domestically focused groups' revenue growth to remain resilient.
- For metals and mining entities, we expect a recovery in growth, albeit from a low base. We forecast mid-single-digit growth as the market gradually recovers through to 2025.
- Overall, we expect growth for all sectors to converge in the mid-single digits over 2023-2025

Revenue growth rate

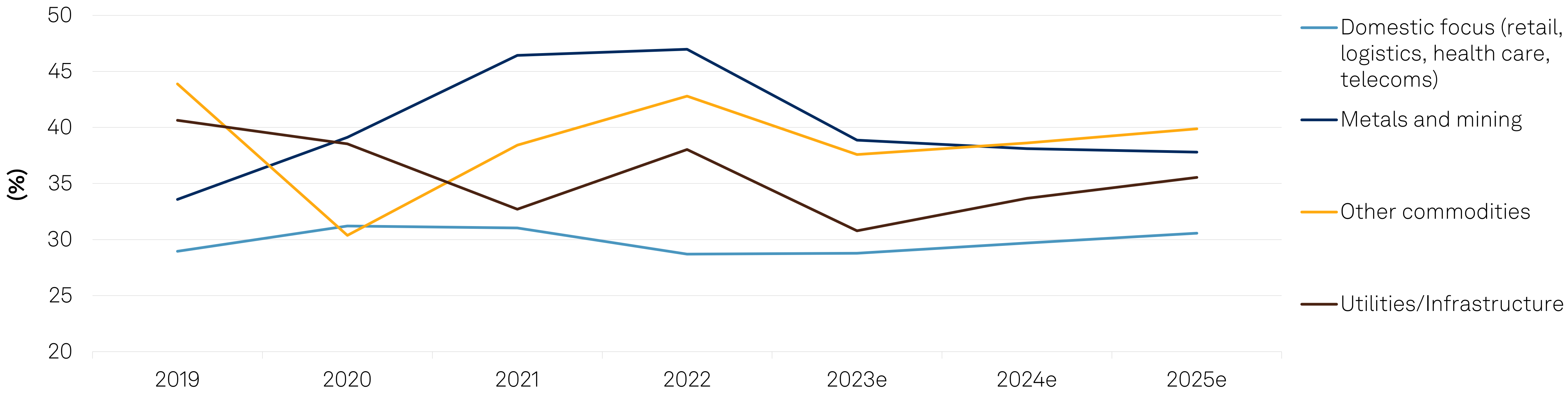


Source: S&P Global Ratings.

EBITDA Margin Evolution--Resilience

- Despite volatile economic conditions, we expect margin resilience on the back of cost-containment measures.
- We expect the weaker prices of some commodities to pressurize metals and mining groups' profitability.
- Utilities and infrastructure entities should benefit from continued government support.

S&P Global Ratings-adjusted EBITDA margin

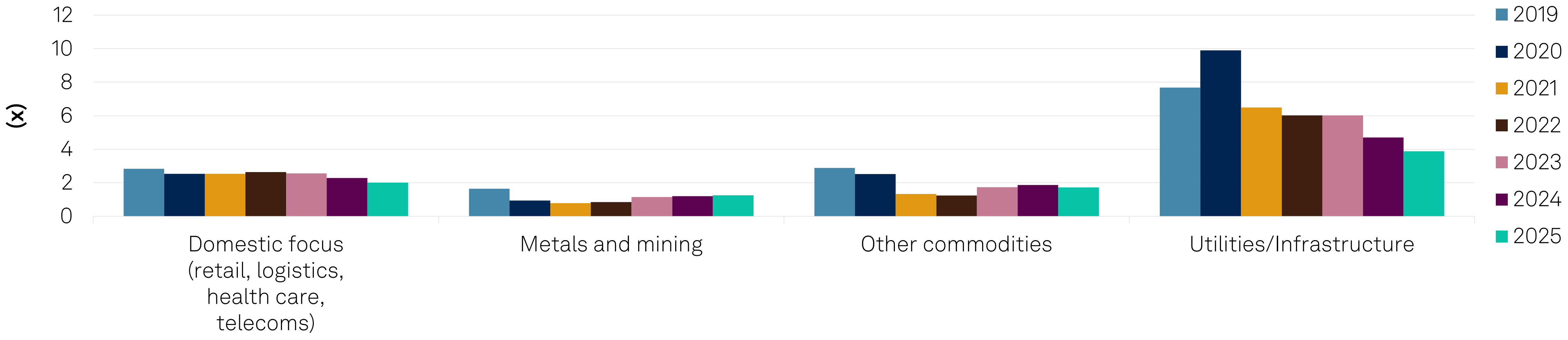


Source: S&P Global Ratings.

Leverage Evolution--Diverging Trends

- We expect gradual deleveraging for domestically focused companies and utilities and infrastructure firms. In contrast, other commodities and metal and mining groups should see an increase in leverage.
- Lower profitability on the back of some weak commodity prices and destocking will likely be the main drivers of leverage increases.
- Margin resilience, demand recovery, and a diligent financial policy should allow utilities, infrastructure, and domestically focused companies to reduce their adjusted leverage.

S&P Global Ratings-adjusted debt to EBITDA



Source: S&P Global Ratings.

Issuers

Publications as of March 22, 2024

S&P Global
Ratings

Contents

Utilities/Infrastructure

Cote d'Ivoire Energies

No rating or outlook change | Rating or outlook change

2021		2022	2023	2024
July	November	September	October	February
B+/Stable/--	B+/Stable/--	B+/Negative/--	B+/Negative/--	B/Positive/--
Rating Action	**Full Analysis**	**Rating Action**	**Tear Sheet**	**Rating Action**
We rated Ivory Coast-based power generator Cote d'Ivoire Energies (CI Energies) 'B+'. CI Energies manages all cash flows in the energy sector on behalf of the state. State-owned, it is the key player for the Ivory Coast to achieve full electrification by 2025.	CI Energies is the only government-owned power producer in the Ivory Coast and represents 44% of the country's installed capacity. CI Energies invests on behalf of the entire energy sector, increasing its debt under International Financial Reporting Standards, although we view its liquidity position as comfortable until at least 2025.	Rating pressure comes from increased leverage, with our forecast of debt to EBITDA around 30x and our expectation of strained liquidity over the coming few years as grace periods come to an end.	Weak profitability and a sustained investment pace hinder CI Energies' ability to deleverage rapidly. State support will remain critical for the rating.	The growing debt quantum relative to CI Energies' size is a risk, as the company needs to continue investing in the energy sector on behalf of the country. The positive outlook indicates the potential for the coming sector reform to reduce CI Energies' debt quantum and improve its leverage.

Click on the article type to read the full article.

ESKOM Holdings SOC Ltd.

No rating or outlook change | Rating or outlook change

2020		2021	2022	2023		
May	November	November	November	March	July	November
CCC+/Negative/--	CCC+/Negative/--	CCC+/Negative/--	CCC+/Stable/--	CCC+/Watch Pos/--	CCC+/Watch Pos/--	B/Stable/--
Rating Action	Rating Action	Rating Action	Rating Action	Rating Action	Full Analysis	Rating Action
We took rating actions following the downgrade of South Africa. The negative outlook reflects our view that subdued power demand, economic growth, and debt collection due to COVID-19 will further squeeze Eskom's already low cash flow generation.	Ongoing extraordinary government support, together with external fundraising, are key to the utility's ability to make upcoming debt repayments. We do not foresee specific default scenarios within the next 12 months.	Eskom will continue to fund its upcoming debt repayments with a combination of extraordinary government support and external fundraising.	We revised the outlook on Eskom to stable from negative on anticipated debt transfer. Persistent liquidity and operational challenges are balanced by the government's intention to provide stronger financial support over the coming years.	The South African government's proposed debt relief agreement will improve Eskom's liquidity and capital structure and put the company on a path to financial sustainability. This is notwithstanding the severe operating challenges that remain.	Ongoing extraordinary support from the South African government, as seen in the latest debt relief package, is key to Eskom reducing its refinancing risks and improving its near-term liquidity.	We upgraded Eskom to 'B' on revised government support. The South African government's South African rand (ZAR) 254 billion financial support package, as part of the Eskom Debt Relief Act signed into law on July 7, 2023, will cover Eskom's debt servicing and repayment obligations over the current and coming two fiscal years.

Click on the article type to read the full article.

Rand Water

No rating or outlook change | Rating or outlook change

2020		2021	2022	2023	
May	August	June	May	March	August
BB-/Stable/--	BB-/Stable/--	BB-/Stable/--	BB-/Positive/--	BB-/Stable/--	BB-/Stable/--
Rating Action	Full Analysis	Full Analysis	Rating Action	Rating Action	Tear Sheet
Following the downgrade of South Africa, we lowered our long-term foreign currency issuer credit rating on Rand Water to 'BB-' from 'BB'. We have also revised down our assessment of the likelihood of extraordinary government support for Rand Water to extremely high from almost certain.	Solid financial metrics despite COVID-19 effects and weak South African economic growth. Despite a lack of regulatory independence, which constrains our view of regulatory advantage, water tariff determinations are supportive.	We expect lower tariffs and cost recovery issues to constrain Rand Water's financial performance. The credit ratings on Rand Water are influenced by those on South Africa.	The revision of the outlook to positive on our foreign currency rating on Rand Water follows a similar action on the sovereign.	We revised our outlook to stable from positive and affirmed our ratings on Rand Water. The outlook revision reflects that on the sovereign.	We expect Rand Water's metrics to remain supportive of its current credit quality over the fiscal years 2023-2025 (ending June 30).

Click on the article type to read the full article.

Transnet SOC Ltd.

No rating or outlook change | Rating or outlook change

2020		2021	2022		2023	
May	November	November	July	November	January	November
BB-/Stable/--	BB-/Stable/--	BB-/Watch Neg/--	BB-/Negative/--	BB-/Negative/--	BB-/Negative/--	BB-/Negative/--
Rating Action	Rating Action	Rating Action	Rating Action	Rating Action	Rating Action	Rating Action
Following the downgrade of South Africa, we lowered our ratings on Transnet to 'BB-' from 'BB'. COVID-19 impacts and constrained economic, import, and export growth trajectories and prospects for Transnet's customers could lead to sharp declines in freight, port, and pipeline volumes in the fiscal year ending March 31, 2021, with a modest recovery thereafter. This points to higher financial risk and weaker credit metrics.	We expect that South Africa's COVID-19-related lockdown, introduced at the end of March 2020, will have a significant negative impact on Transnet's revenue and EBITDA in fiscal years 2021 and 2022. However, we have already observed some recovery in freight volumes, and a modest improvement in economic activity should drive a recovery in fiscal years 2022 and 2023.	We placed Transnet 'BB-' ratings on CreditWatch negative. Transnet's liquidity has deteriorated since Nov. 2020, and we could revise our assessment downward to weak if acute refinancing risks are not resolved in the short term.	Pressure on Transnet's liquidity profile has eased following the recent issuance of a five-year senior unsecured syndicated term loan facility of up to $1.5 billion and a bridge-to-bond facility of the South African rand equivalent of up to $1 billion. The negative outlook reflects that operational challenges and insufficient investment might result in weaker performance than we anticipated, reintroducing liquidity and covenant headroom risks.	We negatively reassessed Transnet's financial risk profile to aggressive from significant given persistent operational challenges and insufficient investment hampering a robust cash flow recovery. We believe that further funding success and improved cash flow are required before Transnet achieves healthy liquidity levels and reduces covenant headroom risk.	We rated Transnet's proposed senior unsecured notes 'BB-'. Transnet will use the cash proceeds from each tranche of notes issued under the global medium-term note program to fund its capital investment plan and for general corporate purposes.	We lowered our assessment of Transnet's stand-alone credit profile to reflect its weakening competitive position relative to similarly rated peers. We now assess Transnet's financial risk as highly leveraged, from aggressive before, due to the more stringent financial thresholds now applicable following our revised business risk assessment.

Click on the article type to read the full article.

uMngeni-uThukela Water

No rating or outlook change | Rating or outlook change

2020		2021	2022	2023	
May	July	August	May	March	July
zaAAA/--/zaA-1+	zaAAA/--/zaA-1+	zaAAA/--/zaA-1+	zaAAA/--/zaA-1+	zaAAA/--/zaA-1+	zaAAA/--/zaA-1+
Rating Action	Full Analysis	Full Analysis	Rating Action	Rating Action	Tear Sheet
We aligned the national scale ratings on uMngeni-uThukela Water with those on South Africa. We now believe there is an extremely high likelihood of extraordinary government support for uMngeni-uThukela Water, versus almost certain previously.	COVID-19 business disruptions and constrained South African economic growth could weigh on water sales volumes, particularly to industrial customers.	We expect lower tariffs and cost recovery issues to constrain uMngeni-uThukela Water's financial performance. However, financial metrics will remain solid.	We affirmed our 'zaAAA/zaA-1+' South Africa national scale ratings on uMngeni-uThukela Water. We continue to believe that uMngeni-uThukela Water's creditworthiness is not insulated from that of the sovereign, and consequently it cannot be rated higher than the sovereign.	Our ratings on uMngeni-uThukela Water remain influenced by those on South Africa and we continue to equalize the ratings on the utility with those on the sovereign.	We view the merger of uMngeni-uThukela Water and Mhlathuze Water as credit neutral. We expect uMngeni-uThukela Water’s metrics to remain supportive of its current credit quality over the fiscal years 2023-2025 (ending June 30).

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Metals And Mining

AngloGold Ashanti Ltd.

No rating or outlook change | Rating or outlook change

2020			2021	2022		2023
July	September	November	October	April	May	September
BB+/Stable/--	BB+/Stable/--	BB+/Positive/--	BB+/Positive/--	BB+/Stable/--	BB+/Stable/--	BB+/Stable/--
Full Analysis	**Rating Action**	**Rating Action**	**Rating Action**	**Rating Action**	**Full Analysis**	**Full Analysis**
The sale of the South African assets will help AngloGold Ashanti to reduce its leverage, despite its high capital expenditure.	We rated the proposed $700 million senior unsecured notes due 2030 'BB+'. The company intends to use the net proceeds of the proposed notes to repay a portion of the outstanding borrowings under its $1.4 billion revolving credit facility.	The outlook revision to positive reflected our expectation that the company will generate substantial free cash flow over the next few years, led by strong gold margins and largely stable production.	We rated AngloGold Ashanti's proposed $750 million senior unsecured notes rated 'BB+'. The company intends to use the net proceeds, together with cash on hand, to redeem its $750 million, 5.125% notes due in 2022 and settle related fees.	We expect that the company will maintain low leverage during periods of lower gold prices but see upward pressure on both country risk and costs.	The company has improved its balance sheet materially in recent years, and we expect it to maintain conservative credit measures over the next few years.	AngloGold Ashanti's unit cash costs will remain higher than those of its investment-grade-rated peers over the next three years.

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Endeavour Mining PLC

No rating or outlook change | Rating or outlook change

2021	2022			2023
October	February	May	December	August
BB-/Stable/--	BB-/Watch Neg/--	BB-/Negative/--	BB-/Negative/--	BB-/Negative/--
Rating Action	**Rating Action**	**Rating Action**	**Full Analysis**	**Tear Sheet**
We rated West African gold producer Endeavour Mining 'BB-'. Endeavour Mining is a significant player in the gold mining sector and operates in a high-risk region.	The recent political developments in Burkina Faso have so far not translated into business disruptions for Endeavour Mining, which has about 50% of its operations in Burkina Faso.	The removal of the ratings from CreditWatch negative and assignment of the negative outlook reflect a potential impact on the company's portfolio quality and its ability to generate cash flow if the currently quiet situation in Burkina Faso deteriorates, leading to Endeavour Mining being unable to run its operations in the country for an extended period.	The political situation in Burkina Faso has so far had no material impact on Endeavour Mining's operations in the country.	Although Endeavour Mining reduced its operating exposure to Burkina Faso via two asset disposals in June, the political situation remains fluid. In our view, the company's operating performance will deteriorate marginally in 2023.

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Exxaro Resources Ltd.

No rating or outlook change | Rating or outlook change

2020		2021	2022	2023
January	May	June	September	November
zaA-/--/zaA-2	zaA-/--/zaA-2	zaA/--/zaA-1	zaA/--/zaA-1	zaA/--/zaA-1
Rating Action	Rating Action	Rating Action	Rating Action	Tear Sheet
We affirmed the ratings on Exxaro Resources because we believe that the company's long-term take-or-pay contracts with Eskom and growing production capacity earmarked for the export market will support S&P Global Ratings-adjusted debt to EBITDA of 1.0x-1.5x and funds from operations to debt above 50% on average, alongside adequate liquidity.	Following the downgrade of South Africa, we affirmed our 'zaA-/zaA-2' South Africa long-term and short-term national scale issuer credit ratings on Exxaro Resources, reflecting our view that the COVID-19 fallout has not materially affected the company's production.	We raised our South Africa national scale ratings on Exxaro Resources to 'zaA/zaA-1' from 'zaA-/zaA-2', as company continues to deliver stable operational and financial performances, despite headwinds.	We expect South Africa-based Exxaro Resources to generate strong earnings in the near term, supported by strong pricing in the export coal market.	We expect weak pricing in the coal export market to pressurize revenue growth for Exxaro Resources. The impact of elevated mining inflation will lead to lower annual EBITDA in 2023-2025.

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S&P Global Ratings

Gold Fields Ltd.

No rating or outlook change | Rating or outlook change

2020	2022	2023
November	April	September
BB+/Positive/B	BBB-/Stable/A-3	BBB-/Stable/A-3
Rating Action	**Rating Action**	**Full Analysis**
We revised our outlook on Gold Fields to positive from stable. Despite COVID-19-related disruption to production, supply chains, and capital expenditure planning, higher gold prices and the related cash windfall will accelerate Gold Fields' debt-reduction initiatives, while the increased contribution from its lower-cost international portfolio should allow it to generate solid earnings under low-cycle price conditions.	We upgraded Gold Fields to 'BBB-/A-3' from 'BB+/B' on low leverage. The outlook is stable. The upgrade reflects our expectation that Gold Fields will maintain strong credit metrics over the next several years. We expect improvements in operating efficiency to enhance the group's resilience to future periods of lower gold prices.	We expect that Gold Fields will maintain low adjusted debt to EBITDA over the next three years, with improved resilience to future declines in gold prices.

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Petra Diamonds Ltd.

No rating or outlook change | Rating or outlook change

2020		2021	2022		2023	2024
February	May	April	February	November	February	February
CCC+/Negative/--	D/--	B-/Negative/--	B-/Positive/--	B-/Positive/--	B/Stable/--	B/Negative/--
Rating Action	**Rating Action**	**Rating Action**	**Rating Action**	**Rating Action**	**Rating Action**	**Rating Action**
Petra's capital structure appears unsustainable, and the negative outlook reflects our belief that the likelihood of a distressed exchange on its $650 million 2022 notes has increased.	The downgrade follows the missed interest payment on the senior secured notes. We do not believe that Petra will make the interest coupon payment within the 30-day grace period, given its need to preserve liquidity and draw on its additional revolving credit facility to continue operating.	The upgrade follows the restructuring. In our view, the restructuring has stabilized the capital structure by eliminating debt through the equity conversion, as well as by reducing the overall interest burden.	The outlook revision to positive reflects the recovery in diamond prices, coupled with improved liquidity, which will allow Petra to direct cash flows toward planned expansionary capital expenditure (capex) projects, while maintaining debt to EBITDA (leverage) below 3.0x on average.	Petra's strengthened financial profile is somewhat tempered by our view that lower cash balances reduce the company's financial flexibility given the potential for elevated cash uses for capex, dividends. In addition, the company faced some rehabilitation costs relating to operational setbacks.	The upgrade reflects our anticipation that Petra's operating performance and credit measures will remain consistent with our base-case projections, supported by continuing robust demand and a flat supply outlook.	The outlook revision to negative primarily reflects weaker credit metrics than we previously anticipated. This stems from weaker diamond market conditions, combined with lower cash flow generation than we expect.

Click on the article type to read the full article.

Sibanye Stillwater Ltd.

No rating or outlook change | Rating or outlook change

2020		2021		2022	2023	
May	November	May	November	May	June	December
B+/Stable/--	BB-/Stable/--	BB-/Positive/--	BB-/Positive/--	BB/Stable/--	BB/Stable/--	BB-/Negative/--
Rating Action	Rating Action	Rating Action	Rating Action	Rating Action	Full Analysis	Rating Action
We assigned our 'B+' issuer credit rating to Sibanye Stillwater (Sibanye). Strong gold and platinum group metal (PGM) basket prices will allow Sibanye to maintain its deleveraging trajectory and offset reduced production issues caused by COVID-19-related lockdown measures in South Africa.	The upgrade of Sibanye follows the company's significant deleveraging and debt reduction over the past 12 months. Materially higher cash flows owing to strong gold and PGM basket prices have resulted in a stronger-than-expected balance sheet and credit metrics.	The outlook revision to positive from stable reflects Sibanye's strengthened financial profile and cash flows as it continues to benefit from extremely strong PGM basket prices with close to nil net leverage. We forecast leverage remaining substantially below 1.0x under most precious metal pricing scenarios.	We affirmed the 'BB-' rating. The outlook is positive. We rated the proposed $1 billion senior unsecured notes 'BB-'. We expect that Sibanye will maintain adjusted debt to EBITDA below 1.0x. It will use the bond proceeds to redeem S$350 million of notes maturing in 2025, and to finance the green metals strategy.	We upgraded Sibanye to 'BB' on low leverage. We have revised our financial risk assessment upward to modest from intermediate, supported by our expectation that leverage will remain below 1.0x under our base-case price forecasts, despite the ongoing strike at Sibanye's South African gold operations.	We expect that Sibanye will maintain leverage around 1.0x in fiscal 2023 under most precious metal pricing scenarios.	We downgraded Sibanye to 'BB-' on low commodity prices and a debt increase. The outlook is negative. Lower PGM prices and operational challenges, which reduced production, have lowered our revenue and EBITDA expectations. Sibanye raised $500 million of new convertible debt in November 2023 to fund a $155 million acquisition and shore up liquidity. Sibanye expects to raise another $500 million in 2024 to fund its Keliber lithium project.

Click on the article type to read the full article.

Other Commodities

Sappi Ltd.

No rating or outlook change | Rating or outlook change

2020		2021	2022		2023	
May	September	March	July	August	January	December
BB/Negative/B	BB-/Stable/B	BB-/Stable/B	BB-/Stable/B	BB-/Stable/B	BB/Positive/B	BB/Stable/B
Rating Action	**Rating Action**	**Full Analysis**	**Rating Action**	**Full Analysis**	**Rating Action**	**Rating Action**
Following our downgrade of South Africa to 'BB-' from 'BB', we affirmed our 'BB/B' issuer credit ratings on Sappi. The outlook is still negative. Our ratings on Sappi are not currently capped by our sovereign rating on South Africa, a jurisdiction to which Sappi's earnings and operating assets are materially exposed.	We downgraded Sappi to 'BB-/B' on COVID-19 stress. The impact of COVID-19 on Sappi's earnings has exceeded our initial estimates, given the company's exposure to textile end markets and graphic paper.	We foresee a modest recovery in Sappi's adjusted EBITDA in fiscal 2021 (ended Sept. 30), with COVID-19 continuing to affect graphic paper end-market demand, logistics in the dissolving pulp segment, and production downtime in fiscal 2021.	Sappi is on track to deliver record-high adjusted EBITDA exceeding $1.1 billion in fiscal 2022 following supportive demand and selling price increases. We expect that Sappi's financial headroom will grow, and that funds from operations (FFO) to debt will exceed 40% in fiscal 2022.	Sappi's revenue growth is likely to exceed 30% in fiscal 2022, during which we expect adjusted EBITDA to exceed $1.1 billion.	We upgraded Sappi to 'BB' on lower debt. We think that Sappi's reduced debt, teamed with a revised financial-policy leverage target and efforts to reduce exposure to the structurally declining graphic paper sector, will allow the group to maintain FFO to debt above 45% on average over the coming two years, versus its previous average of 25%-30%.	We revised the outlook on Sappi to stable from positive on weaker-than-expected performance. Softer consumer demand and still-elevated stock levels are likely to further constrain Sappi's operating performance in fiscal 2024 before a gradual recovery in 2025-2026.

Click on the article type to read the full article.

Sasol Ltd.

No rating or outlook change | Rating or outlook change

2020				2021	2022	2023
March	March	May	November	October	October	November
BBB-/Negative/A-3	BB/Negative/B	BB/Negative/B	BB/Negative/B	BB/Positive/B	BB+/Stable/B	BB+/Stable/B
Rating Action	Rating Action	Rating Action	Rating Action	Rating Action	Rating Action	Tear Sheet
Weaker earnings for the first half of fiscal 2020 (ending June 30) and higher leverage in fiscal 2020 will result in tighter covenant headroom, leading us to regard Sasol's liquidity as adequate rather than strong.	We downgraded Sasol to 'BB/B' from 'BBB-/A-3' on slumping oil and chemicals markets. Significantly lower oil and chemical prices, combined with falling demand given global disruptions linked to COVID-19, have led us to significantly reduce Sasol's earnings forecasts through fiscal 2021, leading to a higher assessment of financial risk.	Following our downgrade of South Africa to 'BB-' from 'BB', we affirmed our 'BB/B' issuer credit ratings on Sasol. The outlook is still negative. Our ratings on Sasol are not currently capped by our sovereign rating on South Africa, a jurisdiction to which Sasol's earnings and operating assets are materially exposed.	Low oil and chemical prices and constrained global demand are weighing on Sasol's cash flow generation and credit metrics, although asset sales worth about $3 billion and a rights issue that the company anticipates at no more than $2 billion should accelerate deleveraging.	We revised the outlook to positive on debt reduction. The swift recovery in Sasol's credit metrics has been predicated on a combination of asset sales, management's targets for cash preservation, and supportive market conditions.	We upgraded Sasol to 'BB+' on debt reduction. The improvement in credit metrics is supported by a gross debt reduction using asset disposal proceeds, improvements in operating efficiency, and supportive market conditions.	Global economic volatility and lackluster chemical demand, worsened by a lack of rail capacity and power outages in South Africa, will pressurize Sasol's operating performance in fiscal 2024. We anticipate that leverage will remain at 1.3x-1.7x in fiscal years 2024-2025, with sufficient rating headroom and strong liquidity.

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Seplat Energy PLC

No rating or outlook change | Rating or outlook change

2020		2021	2023		
March	April	March	February	August	August
B/Stable/--	B/Negative/--	B/Stable/--	B/Negative/--	B/Stable/--	B/Stable/--
Rating Action	**Rating Action**	**Rating Action**	**Rating Action**	**Rating Action**	**Full Analysis**
Following an outlook revision on Nigeria, we affirmed our 'B' issuer credit rating and maintained the stable outlook on Seplat, reflecting our expectation that Seplat will maintain funds from operations (FFO) to debt of more than 45% under the current rating over the next 12 months.	The outlook revision to negative reflects our expectation of lower Brent oil prices until year-end 2020, resulting in higher leverage for the company. We expect FFO to debt to decline to 12%-16% in 2020, below our rating threshold, but recover in 2021.	We revised the outlook to stable and rated the proposed benchmark-size senior unsecured notes 'B'. We forecast that leverage will recover in line with pre-COVID-19 levels by 2022, supported by slightly improved production and strong oil prices.	The outlook revision to negative reflects Seplat's earnings concentration in Nigeria (100% exposure), which leads to a direct cap of one notch above our transfer and convertibility assessment on Nigeria. it is therefore linked to the rating action on Nigeria.	The outlook revision to stable follows the outlook revision on the foreign currency rating on Nigeria to stable from negative. It is also based on our expectation that Seplat's FFO to debt will remain commensurate with the current rating, at about 30% over 2023-2025, amid continued strong hydrocarbon prices.	Continued high hydrocarbon prices should enable Seplat to maintain stable credit metrics. We view the recent devaluation of the Nigerian naira as broadly neutral to Seplat's creditworthiness but as highlighting the company's high exposure to country risk.

Click on the article type to read the full article.

Tullow Oil PLC

No rating or outlook change | Rating or outlook change

2021	2022		2023			
May	May	August	June	November	December	December
B-/Stable/--	B-/Positive/--	B-/Negative/--	CCC+/Stable/--	CC/Negative/--	SD/--	B-/Negative/--
Rating Action	**Rating Action**	**Rating Action**	**Rating Action**	**Rating Action**	**Rating Action**	**Rating Action**
The upgrade follows the completion of Tullow's refinancing, which eliminated previous short-term liquidity pressures.	The outlook revision to positive is based on the supportive conditions in the oil market, which will help Tullow accelerate its reduction in leverage.	The negative outlook on Tullow follows the downgrade of Ghana, where a significant portion of its assets is located.	Tullow completed a partial repurchase of its senior unsecured notes due 2025 below par. The downgrade reflects the risk of further debt buybacks below par (which we are likely to view as distressed transactions).	The downgrade to 'CC' follows Tullow's announcement that it launched tender offers to repurchase some of its senior unsecured notes due 2025 (for up to $300 million in cash), as well as some of its senior secured notes due 2026 (for up to $100 million in cash).	The downgrade reflects Tullow's repurchase of a portion of its senior secured notes at a discount to par. We view this transaction as distressed and tantamount to a default.	Tullow completed the repurchases of portions of its senior notes and we do not expect more below-par repurchases in the coming months.

Click on the article type to read the full article.

Domestic Focus

Axian Telecom

No rating or outlook change | Rating or outlook change

2022	2023	
April	March	December
B+/Stable/--	B+/Stable/--	B/Stable/--
Rating Action	**Full Analysis**	**Rating Action**
We assigned 'B+' ratings to Axian Telecom and its senior unsecured notes. Despite strong market positions, its business risk is constrained by high country risk. We anticipate that the company will generate robust free operating cash flow that will enable it to steadily deleverage to adjusted debt to EBITDA of about 1.8x in 2023, from about 2.0x in 2020.	Recent acquisitions have a high cost base, and we expect Axian Telecom's management will take about two-to-three years to optimize them. We expect the group to maintain stable credit metrics, with debt to EBITDA below 2.0x and funds from operations to debt of 45%-60% on average over 2021-2023.	The downgrade primarily reflects our view that Axian Telecom's tolerance for increased leverage indicates a less supportive financial policy.

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Helios Towers PLC

No rating or outlook change | Rating or outlook change

2020		2022	2023
March	June	March	Jul
B/Stable/--	B/Stable/--	B/Stable/--	B/Stable/--
Rating Action	Rating Action	Rating Action	Full Analysis
We rated telecommunications tower operator Helios Towers 'B'. We anticipate that the company will pursue acquisition opportunities in other African markets in the coming three years, and we forecast that it will maintain adjusted debt to EBITDA of 3.5x-4.5x on average.	We rated the proposed $425 million senior unsecured notes 'B'. The company will use the proceeds to partially refinance $325 million of its existing $600 million notes due 2022.	We affirmed our 'B' issuer credit ratings on Helios Towers, and our 'B' issue rating on the senior unsecured notes issued by HTA Group Ltd. We anticipate tight financial headroom within the current rating, with debt to EBITDA likely to peak at 5.5x in 2022.	We anticipate that Helios Towers will steadily manage to reduce its leverage below the 5.0x threshold. This is due to solid revenue growth prospects and improvements in profitability as tenancies, supported by structural growth, steadily improve from 1.81x in 2022 to about 1.95x by 2024.

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IHS Holding Ltd.

No rating or outlook change | Rating or outlook change

2021			2022	2023		
June	July	November	September	February	August	November
B/Stable/--	B/Stable/--	B/Stable/--	B/Positive/--	B+/Negative/--	B+/Stable/--	B+/Stable/--
Rating Action	Rating Action	Rating Action	Rating Action	Rating Action	Rating Action	Tear Sheet
We assigned our 'B' long-term foreign and local currency issuer credit rating to IHS Holding. We assess IHS Netherlands Holdco B.V. (IHS Netherlands) as a core subsidiary as it contributes more than 80% of group EBITDA. We also view IHS Netherlands' stand-alone credit profile ('b+') as equal to that of the parent.	IHS Holding (the group) is now guarantor of the senior unsecured notes ($1.45 billion on March 31, 2021) issued by IHS Netherlands following the consent solicitation process with noteholders. We are raising our ratings on the notes to 'B' from 'B-' and removing them from CreditWatch.	We rated IHS Holding's proposed senior unsecured notes 'B'. IHS Holding will use the proceeds from the proposed issuance to redeem US$510 million of notes maturing in 2025 and cover the associated redemption premium and transaction expenses of about US$40 million.	We expect that IHS Holding's recently completed tower acquisitions will accelerate its earnings diversification and reduce its exposure to Nigeria, with 30%-35% of group EBITDA in 2022-2024 being derived from other countries of operation, up from 24% in 2021. As a result, we revised the outlook on IHS Holding to positive from stable.	IHS Holding has significant, but declining, economic exposure to Nigeria, and we now view the company as incrementally less exposed to Nigerian sovereign risk. We raised our long-term rating on IHS Holding to 'B+' from 'B' because we now cap our rating on the company at two notches above our 'B-' transfer and convertibility assessment for Nigeria.	The outlook revision to stable from negative on IHS Holding mirrors a similar rating action on Nigeria. It also reflects our expectation that the group's adjusted funds from operations to debt will remain commensurate with the current rating, at 20%-30% over 2023-2025.	We expect reduced financial headroom for IHS Holding during 2023-2025 due to MTN Nigeria Communications PLC's nonrenewal of lease agreements. We believe that the loss of the telecom tower leases does not induce significant uncertainty about IHS Holding's future earnings.

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Life Healthcare Group Holdings Ltd.

No rating or outlook change | Rating or outlook change

2022	2023	
June	March	October
zaAA/--/--	zaAA/--/--	zaAA/--/--
Rating Action	**Full Analysis**	**Rating Action**
We assigned our 'zaAA' national scale rating to Life Healthcare. The group is an international health care service provider with solid competitive positions in its southern Africa and international operations.	We expect Life Healthcare to have modest free operating cash flow generation in 2023, mainly due to lower EBITDA generation and higher capital expenditure requirements. We also expect revenue growth to gradually improve, driven by a volume recovery in southern Africa and strong, sustained Alliance Medical Group (AMG) scan volumes.	The affirmation reflects our expectation that with the completion of the AMG sale, Life Healthcare's credit metrics will improve while its competitive position and scale, scope, and diversification will weaken.

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MTN Group Ltd.

No rating or outlook change | Rating or outlook change

2020				2021	2022	2023
March	April	May	November	October	October	December
BB+/Negative/--	BB/Negative/--	BB-/Stable/--	BB-/Stable/--	BB-/Stable/--	BB-/Stable/--	BB-/Stable/--
Rating Action	Rating Action	Rating Action	Full Analysis	Rating Action	Rating Action	Tear Sheet
The negative outlook reflects our view that the blended sovereign rating was trending lower largely because MTN's Nigerian business has been expanding faster than its South African business.	The downgrade follows a similar action on Nigeria. We see COVID-19 as having a modest effect on MTN's financial metrics, given the heightened importance of telecommunications during a period of social distancing and restricted movement.	Following our downgrade of South Africa to 'BB-' from 'BB', we lowered our ratings on MTN to 'BB-' from 'BB'. Overall, our ratings on MTN are constrained by the foreign currency ratings on South Africa and Nigeria. The downgrades reflect the same action on South Africa.	Lost wholesale revenue continues to weigh down MTN South Africa, but strong cost control supports the EBITDA margins. MTN's divestments and strategic shifts are positive moves, in our view.	Sales of nonstrategic assets have played a material role in lowering MTN's financial risk. We expect robust topline growth in the forecast period, despite near-term headwinds.	High-growth markets and a solid competitive position, resulting in resilient cash flow generation and proceeds from its asset realization program, support MTN's robust operational performance and deleveraging.	MTN's robust cash flow conversion, coupled with upstreaming success and proceeds from the asset realization program, continue to drive balance sheet derisking.

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Super Group Ltd.

No rating or outlook change | Rating or outlook change

2020		2021	2022	2023
April	May	October	October	November
zaAA/--/zaA-1+	zaAAA/--/zaA-1+	zaAAA/--/zaA-1+	zaAAA/--/zaA-1+	zaAAA/--/zaA-1+
Rating Action	**Rating Action**	**Rating Action**	**Rating Action**	**Tear Sheet**
We lowered our South Africa national scale long-term issuer credit rating on Super Group as we expect that the COVID-19 pandemic will worsen an already difficult economic and business environment for the automotive sector. This will exacerbate the economic headwinds that Super Group has faced over the past 18 months.	We raised our long-term South Africa national scale rating on Super Group to 'zaAAA' from 'zaAA'. The rating action primarily reflects a weakening of the sovereign's underlying creditworthiness relative to the group, as well as the related changes to the South Africa national scale mapping table.	Super Group delivered a solid operating performance in fiscal 2021, which saw leverage returning to pre-pandemic levels. We believe that the acquisition of LeasePlan ANZ will transform Super Group's consolidated earnings profile and capital structure.	We affirmed our 'zaAAA' and 'zaA-1+' South Africa national scale long- and short-term issuer credit ratings on Super Group. Super Group's existing and acquired operations delivered solid results in fiscal 2022 despite challenging operating conditions in some business units.	We anticipate that Super Group will maintain adjusted funds from operations to debt of 20%-30%. This range reflects our expectation that the EBITDA margins will remain stable.

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Telkom SA SOC Ltd.

No rating or outlook change — Rating or outlook change

2020		2021	2022		2023	
May	October	October	May	October	March	August
BB/Stable/--	BB/Stable/--	BB/Stable/--	BB/Positive/--	BB/Positive/--	BB/Stable/--	BB/Stable/--
Rating Action	Full Analysis	Full Analysis	Rating Action	Full Analysis	Rating Action	Rating Action
We lowered our long-term issuer credit ratings on Telkom to 'BB' from 'BB+' following the downgrade of South Africa.	Telkom's continued investment in the mobile business is yielding strong growth in mobile subscriber numbers, supporting a modestly positive revenue growth trajectory.	We expect Telkom's revenue growth to steadily improve over 2022-2024. Our ratings on Telkom are constrained at one notch above the foreign currency rating on South Africa (BB-/Stable/B).	The positive outlook on Telkom mirrors the positive outlook on South Africa. Due to Telkom's government-related entity status, we limit the uplift above the sovereign foreign currency rating to one notch.	The topline will remain under pressure over the fiscal years 2023-2025 (ending March 31). Potential mergers and acquisitions could unlock value in Telkom's business, but the format and timing of this activity is uncertain.	We revised our outlook on Telkom to stable from positive to mirror the rating action on South Africa .	We lowered our assessment of Telkom's stand-alone credit profile to reflect reduced funds from operations generation in fiscal years 2024-2026. Free operating cash flow in the near term will remain under pressure, absent improvements to operating performance.

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Vivo Energy PLC

No rating or outlook change | Rating or outlook change

2020	2021	2022	2023	
September	June	October	July	October
BB+/Negative/--	BB+/Stable/--	BB+/Stable/--	BB+/Positive/--	BB+/Positive/--
Rating Action	Rating Action	Rating Action	Rating Action	Tear Sheet
The outlook revision to negative reflects the deterioration in the macroeconomic outlook and the heightened uncertainty around Vivo's trading environment over the next 12 months.	We revised the outlook to stable from negative as Vivo's operating performance recovered well following a pandemic-related slowdown in first-half 2020. This led to sound credit metrics at the end of the fiscal year, which we believe will strengthen more over the medium term.	Vitol's acquisition of a majority stake in Vivo has a sound rationale and could, over time, further foster Vivo's intrinsic credit quality if tangible operational and financial benefits from the new ownership become obvious and credit material.	We revised the outlook to positive on a debt refinancing and the announced acquisition of Engen, South Africa's leading fuel retailer. We believe that the acquisition of Engen will boost Vivo's business model, with the company accessing one of Africa's richest and largest economies.	We expect that rising oil prices will improve Vivo's performance in the second half of 2023. Volumes will recover in East Africa in the second half of 2023, with the resolution of supply constraints in Kenya.

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Woolworths Holdings Ltd.

No rating or outlook change | Rating or outlook change

2020			2021	2022	2023	
April	May	September	September	September	June	October
zaA-/Watch Neg/--	zaA-/Watch Neg/--	zaA-/--	zaA+/--/--	zaAA/--/--	zaAAA/--/--	zaAAA/--/--
Rating Action	Rating Action	Rating Action	Rating Action	Rating Action	Rating Action	Full Analysis
We downgraded Woolworths to 'zaA-' and placed the rating on CreditWatch negative on COVID-19 disruption. The pandemic will result in a sharp drop in turnover in Australia and South Africa due to store closures and weaker economic growth prospects, only partially offset by resilient food sales.	We continue to factor into our analysis the weaker growth outlook for South Africa and business disruption to clothing retailers caused by the COVID-19 fallout. Assuming a recovery in trading activity by mid-2020, we believe that the pandemic will result in a sharp drop of nearly 10% in Woolworths' turnover for the fiscal year ending June 30, 2020, with a 15%-25% decline in its non-food business and low-single-digit growth in food.	We affirmed the 'zaA-' rating on Woolworths and removed it from CreditWatch. Woolworths managed COVID-19 disruptions through cost and capital expenditure re ductions. This was boosted by strong demand in the South Africa food business, which allowed Woolworths to deliver almost flat revenue for fiscal 2020.	We raised our South Africa national scale rating on Woolworths to 'zaA+' from 'zaA-'. Woolworths' solid operating performance and cash preservation measures in fiscal 2021 significantly improved its metrics, with funds from operations (FFO) to debt rising to 28% from 16% in fiscal 2020 and adjusted debt to EBITDA falling to 2.5x from 4.2x.	We raised our South Africa national scale rating on Woolworths to 'zaAA' from 'zaA+'. Woolworths showed a resilient topline performance during fiscal 2022, despite pandemic restrictions limiting trade at its Australian operations during the first half of the fiscal year.	We raised our South Africa national scale rating on Woolworths to 'zaAAA' from 'zaAA'. The sale of David Jones (DJ) reduces the group's pro forma fiscal 2022 adjusted debt to EBITDA to 1.1x from 2.4x. The divestment removes earnings volatility and seasonality associated with DJ.	The group posted strong fiscal 2023 results, with Australia reopening and South Africa's Fashion Beauty Home segment continuing to recover, although growth slowed in the second half. Woolworths has a highly supportive cash flow profile, with FFO to debt of more than 40% and meaningful reported free operating cash flow after leases.

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S&P Global Ratings

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