

East Africa Business Forum



Lesaffre Ethiopia

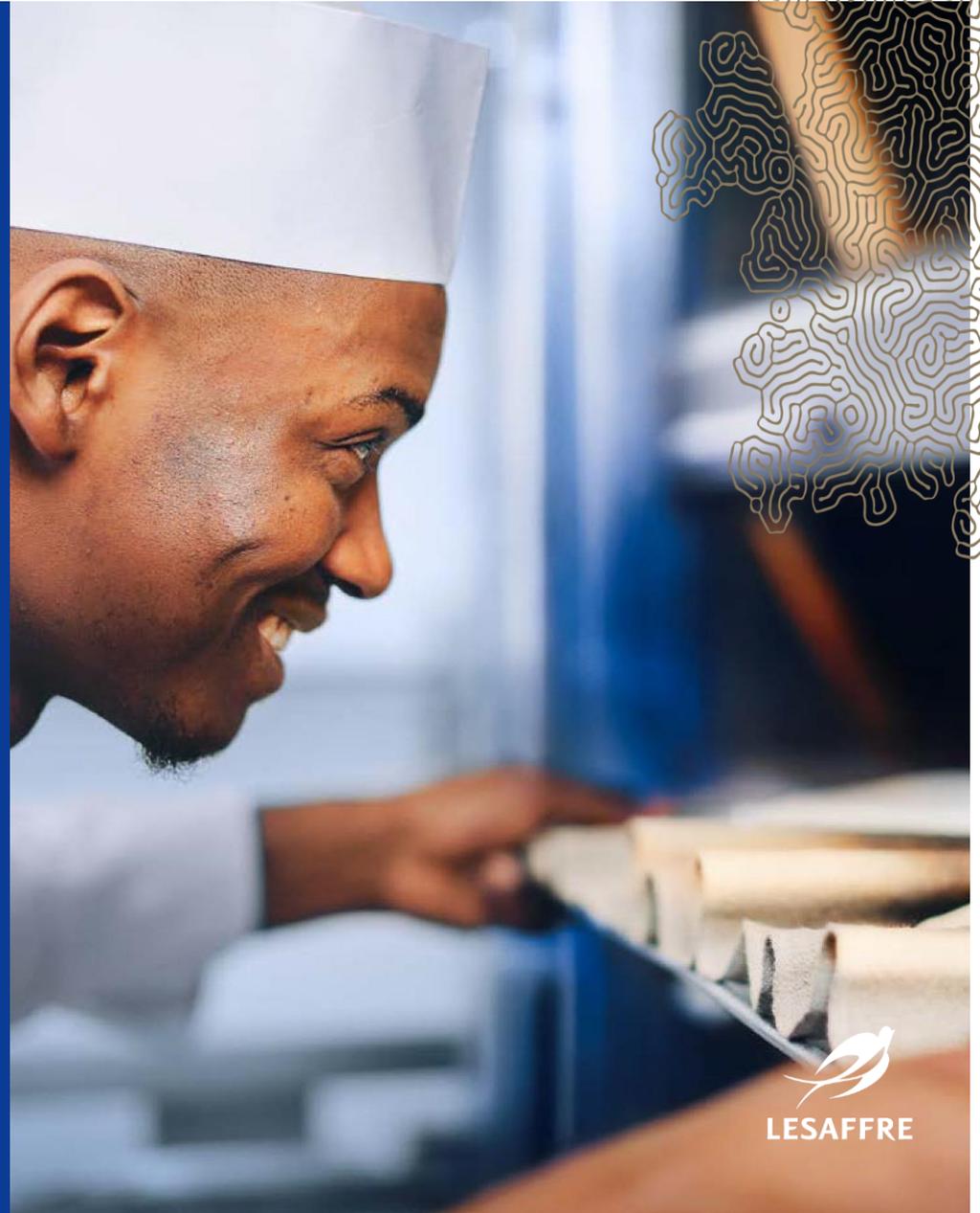


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1. Overview of Lesaffre Group



Lesaffre Group

- Family group founded in 1853 in Northern France
- Group originally specialized in yeast and fermentation, its range of activities is now the following: fermented beverages, plant and animal nutrition, human health and nutrition, and most recently, biotech and bioscience industries.
- Lesaffre is a company that throughout its history has recognized the value of geographical extension:
 - 1936: First French expansion
 - 1963: First international expansion, in Italy
 - 2021: Creation of Lesaffre Ethiopia

10,700

EMPLOYEES

€ **2,2** BILLION

TURNOVER

60

APPLIED SCIENCE
CENTERS

BASED IN

50

COUNTRIES

DISTRIBUTED IN

185

COUNTRIES

2. Overview of Lesaffre Ethiopia



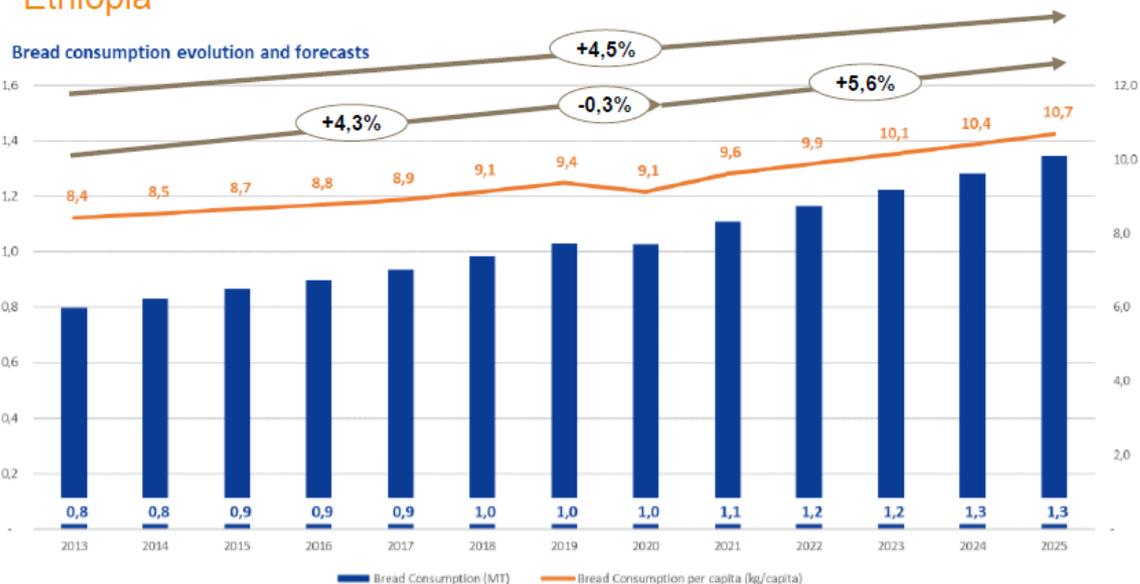
Lesaffre Ethiopia

- A statement : the Ethiopian market is moving towards the consumption of bread as a staple food:
 - Between 2013 and 2021, bread consumption estimated to rise from 8,4 kg/inhabitant/year to 9,6 kg
- Entity created in February 2021, specialized in the bread-making segment of the group activities
- 2 products: Yeast and bread improver
- Targeted customers: bakers & household consumption
- Targeted markets: domestic market, with regional ambitions in years to come
- 50 employees located in 1 factory near Addis Abeba



Context: Bread market and key figures

Ethiopia



	# bakeries	Bread price regulated	Price of bread EUR/kg
Ethiopia	2 000	Yes	1,37

Type of bread evolution (in %)

	2017	2018	2019	2020
Crusty bread	60%	60%	60%	60%
Rye bread	0%	0%	0%	0%
Sandwich bread	5%	5%	5%	5%
Yeastied laminated bread	0%	0%	0%	0%
Brioche bread	0%	0%	0%	0%
Fiat bread	35%	35%	35%	35%
Dry bakery goods	0%	0%	0%	0%
Fried products	0%	0%	0%	0%
Pizza	0%	0%	0%	0%

Data type	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	CAGR '13-'19 / delta '13-'19	CAGR '20-'25 / delta '20-'25
Population - Million inhab.	95	97	100	102	105	108	110	113	115	118	121	123	126	2,5%	2,3%
Bread Market - Million Ton	0,8	0,8	0,9	0,9	0,9	1,0	1,0	1,0	1,1	1,2	1,2	1,3	1,3	4,3%	5,6%
Bread consumption - kg/inhab/year	8,4	8,5	8,7	8,8	8,9	9,1	9,4	9,1	9,6	9,9	10,1	10,4	10,7	1,8%	3,2%
Urbanization rate	18,5%	19,0%	19,4%	19,9%	20,3%	20,8%	21,2%	21,7%	22,1%	22,6%	23,0%	23,5%	23,9%	2,7pp	2,3pp

3. Doing Business in Ethiopia

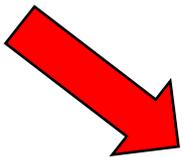


Opportunities of doing business in Ethiopia

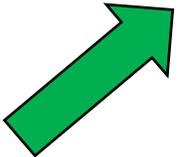
- 2nd most populous country in Africa with 115 millions inhabitants: huge domestic market
- Well located country in the horn of Africa, with a geographical proximity to the Middle East
- Fast growing number of middle-class households
- Big Market opportunities in food, agriculture, transport, ICT... industries
- 3 years Income tax exemption for foreign investors' project based off specific criterias.



Challenges of doing business in Ethiopia

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- Challenging administration with some heavy processes
 - Access to foreign currencies is very difficult (no foreign banks in Ethiopia and the Ethiopian government has direct control over foreign currency attribution)
 - Importing goods might be a very lengthy process
 - Current political situation very unstable
 - With a rampant inflation and devaluation of the ETB, reliable mid-term and long-term forecasts are increasingly harder to do

Major potential assets to have a successful investment in Ethiopia:

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- Having a wisely chosen local partner
 - Having a direct access to foreign currencies (via local partner, HQ support or exportation)
 - Investing in employees training at the very beginning of the business

Thank you
