

BRIEF ON LAST WEEK:

The Nigerian Stock Exchange All Share Index (NSEASI) declined further by 1.27% WoW to close at 30,046.70 points (-4.40% YtD) after the equities market recorded losses on three (3) out of four (4) trading days in the week. The total traded volume and value advanced by 16.87% and 25.94% WoW respectively. Also, the total number of deals consummated on the Floor of the Exchange advanced by 8.06% WoW to 12,201 deals compared to 11,291 deals in the prior week.

CORPORATE NEWS:

In the week, Fitch Ratings, a global ratings company, confirmed the rating of the Nigerian economy at "B+". The company also stated that the nation's GDP growth rate will hover around 2.20% for the next two (2) years. Fitch Ratings further stated that the Nigerian economy will experience a slow-moving recovery driven by the rebound in oil prices and expansion of the services sector.

****Kindly note: The briefs on companies that have recently released their financial results are highlighted in light grey for easy identification.**

WHAT TO EXPECT THIS WEEK:

We expect that due to the dearth of positive news inflow, the equities market might witness mixed trading activities from investors. However, we envisage that investors' BUY sentiment will be slightly scintillated by the announcements of the nation's ministerial positions and other notable positions.

Overall, we anticipate that the equities market will close marginally positive for its Week-on-Week performance.

We recommend that investors should keep a well-diversified portfolio in a bid to avoid concentration risk and we advise investments in fundamentally sound stocks with a consistent dividend payment history.

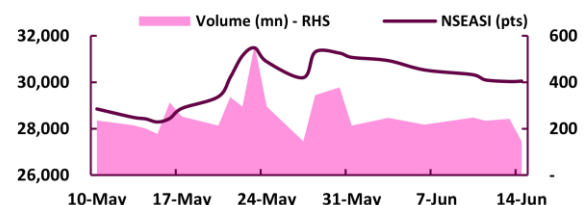
NISL TOP RECOMMENDATIONS:

S/N	COMPANY	CURRENT PRICE (₦)	TARGET PRICE (₦)	UPSIDE (%)	YtD GAIN/(LOSS) (%)	RATING	Most Recent Earning Releases
1.	ACCESS	6.40	8.68	35.55	(5.88)	STRONG BUY	Q1'19
2.	DANGCEM	184.00	233.55	26.93	(3.00)	BUY	Q1'19
3.	DANGFLOUR	16.00	UR	UR	133.58	UR	Q1'19
4.	DANGSUGAR	10.60	16.00	50.90	(30.49)	STRONG BUY	Q1'19
5.	FBNH	6.95	9.68	39.28	(12.58)	STRONG BUY	Q1'19
6.	FIDELITYBK	1.68	2.67	58.63	(17.24)	STRONG BUY	Q1'19
7.	FO	29.40	33.32	13.32	2.44	HOLD	Q1'19
8.	GUARANTY	31.00	42.25	36.27	(10.01)	STRONG BUY	Q1'19
9.	GUINNESS	47.50	61.23	28.89	(34.03)	BUY	Q3'19
10.	MTNN	135.60	151.72	11.89	50.67	HOLD	Q1'19
11.	NB	58.00	66.61	14.84	(32.16)	HOLD	Q1'19
12.	NESTLE	1,430.00	1,574.24	10.09	(3.70)	HOLD	Q1'19
13.	PRESCO	55.00	63.62	15.66	(14.06)	BUY	Q1'19
14.	SEPLAT	513.40	768.07	49.60	(19.78)	STRONG BUY	Q1'19
14.	TOTAL	150.00	179.51	19.67	(26.11)	BUY	Q1'19
15.	TRANSCORP	1.13	1.30	14.60	(14.39)	HOLD	Q1'19
17.	UAC-PROP	1.51	1.62	7.28	(20.94)	HOLD	Q1'19
18.	UACN	6.20	8.50	37.10	(36.41)	STRONG BUY	Q1'19
19.	UNILEVER	31.00	35.00	12.90	(16.22)	HOLD	Q1'19
20.	WAPCO	9.75	UR	UR	(21.69)	UR	Q3'18
21.	ZENITHBANK	20.00	27.76	38.78	(13.23)	STRONG BUY	Q1'19

UR: Under Review

NSEASI SUMMARY

	Most Recent Week	Previous Week	% Change
NSEASI	30,046.70	30,432.13	(1.27)
YtD Return (%)	(4.40)	(3.18)	
Market Cap (₦'bn)	13,232.71	13,402.46	(1.27)
Market Cap (\$'bn)	43.10	43.66	(1.28)
Total Volume (mn)	868.55	743.17	16.87
Total Value (₦'bn)	15,792.23	12,539.89	25.94



NISL STOCK RECOMMENDATION ANALYSIS:

MTNN	Price: ₦135.60	Target Price: (₦136.55 – ₦166.89)	Rating: HOLD
P/B: 12.58	P/E: 18.95	Upside: 11.89%	Div. Yield: 4.04%
			1Yr Range: ₦90.00 – ₦149.00

- **Our valuation of MTN NIGERIA COMMUNICATIONS PLC. (herein referred to as “MTNN” or “the Company”) currently indicates an upside potential of 11.89%, hence we place a HOLD rating on the stock.**
- **MTNN pared by 0.66% WoW to settle its YtD return at 50.67%.**
- In Q1'19, MTNN's Service revenue increased by 13.4% YoY, as led by a 32.4% and 12.7% YoY increase in Data and Voice revenue respectively. Growth in Data revenue was supported by an increase in smartphone penetration, improved network quality and a 9.1% increase QoQ in active data subscribers to 20.4 million users. Total subscribers increased by 3.6% QoQ to 60.3 million subscribers. **MTNN reported an EBITDA margin of 53.3% in the quarter (up from 44% in FY'18), driven by the growth in revenue and effective cost management.**
- **In FY'18, MTNN's Revenue advanced by 17.13% YoY from ₦887.18bn in FY'17 to ₦1.04tn, while Profit After Tax jumped by 79.70% YoY from ₦81.07B to ₦145.69B. EPS also surged by 79.70% YoY from 398kobo to 716kobo. TTM EPS holds at 716kobo.**
- **The Company's surge in topline Revenue was largely buoyed by the 19.00% increase in Voice revenue in the period (FY'18 ₦783bn vs. ₦660bn in FY'17). Voice revenue contributed 75% of MTNN's revenue in the period. Direct Network Operating Costs in the period increased by 13.85% YoY to ₦305.52bn from ₦268.36bn mainly due to the 14.75% YoY jump in Base Transceiver Stations (BTS) leases from ₦203.25bn to ₦233.22bn. Operating profit for MTNN settled at ₦266.11bn in FY'18, up by 35.82% YoY from ₦195.93bn in FY'17, in spite of the 13.58% YoY increase in Interconnect costs to ₦95.63bn and 21.67% YoY hike in Other Operating Expenses to ₦67.80bn (due to a ₦7.75bn bad debt that was written off). Consequently, the MTNN's PBT and PAT jumped by 105.16% and 79.70% YoY to ₦221.34bn and ₦145.69bn respectively.**
- Further to our pre-listing recommendation of MTNN we note the three main reasons below as pointers to why the stock is expected to perform credibly well on the local bourse.
- **NCC's Penalty Payment Obligation:** The Nigerian Communication Commission (NCC) imposed a fine of ₦330bn in Jun-16 due to disputes over the disconnection of unregistered and improperly registered SIMs. In the course of 3 years, MTNN has obliged the NCC with the full payment of its fine, with the last installment of ₦55bn paid on 24-May-19. This releases MTNN from all imposed punitive obligations by the NCC.
- **Imminent Earnings Jump:** MTNN wrapped up the payment of the balance of the NCC imposed fine (₦110bn) in two tranches in H1'19 (₦220bn already paid in five tranches as at FYE'18) with the last ₦55bn being paid on 24-May-19. With this done, the Profit After Tax position of the Company is anticipated to increase by over ₦120bn (FY'18 PAT: ₦145.69bn) noting that c. ₦20bn was paid as settlement for the Certificate of Capital Importation issues it had with the CBN last year. This will create an additional windfall of earnings to the equity holders of the firm from 2020 and beyond and also considerably improve the company's dividend payout.
- **MTN: Payment Service Bank (PSB) License:** A key booster to a positive post-listing financial performance by MTN Nigeria is anticipated to be the PSB License secured by the mobile operator in Dec-18 from the Central Bank of Nigeria (CBN) for the take-off of its mobile money operation across the country. With a subscriber base of over 65 million users (38% market share by GSM operators) as at Feb-19, MTN Nigeria Communications Plc. will leverage massively on its market leader position to provide easy, fast and secured mobile money facility to an estimated 40 million to 60 million addressable unbanked adult population in Nigeria. The broad network coverage of MTN across rural areas in the country when compared to its peers places it at a vantage position to corner a sizeable portion of the mobile money market once it goes into full operation. Furthermore, MTNN is expected to leverage majorly on its existing operations and network infrastructure for an efficient and seamless rollout of its mobile money business. This will translate to a significant revenue stream in addition to what it currently has. The mobile money service offering of the MTN Group is in operation in over ten African countries.
- **The Company declared a Dividend Per Share (DPS) of 548kobo for FY'18, 123% higher than a DPS of 246kobo in FY'17.**
- **Ex-Div. Date: 18-Feb-19; Payment Date: Mar-19.**



ACCESS	Price: ₦6.40	Target Price: (₦7.81– ₦9.54)	Rating: STRONG BUY
P/B : 0.39	P/E : 1.63	Upside: 35.55%	Div. Yield: 7.81%
			1 Yr Range: ₦5.30 – ₦10.65

- Our valuation of ACCESS BANK PLC (herein referred to as “ACCESS” or “the Bank”) indicates that the stock currently trades at an upside potential of 35.55% to fair value, therefore we maintain a **STRONG BUY** recommendation on the stock.
- ACCESS advanced by 1.59% WoW to close the YtD return of the counter at -5.88%.
- In Q1’19, ACCESS posted 16.42% YoY growth in Gross Earnings from ₦137.53B to ₦160.12B and Profit After Tax advanced by 86.05% YoY from ₦22.12B to ₦41.15B. EPS advanced by 80.52% YoY from 77kobo in Q1’18 to 139Kobo in Q1’19. The counter’s Trailing 12M EPS holds at 393kobo.
- The bank’s topline growth can be attributed to the jump of 15.88% YoY in Interest Income from ₦95.59B in Q1’18 to ₦110.78B in Q1’19, while the Net Gain on Investment Securities declined by 28.58% YoY to ₦19.76B from ₦27.67B in Q1’18. ACCESS’s Net Foreign Exchange Income surged by 191.05% YoY to ₦6.21B from the Loss Position of ₦6.82B in Q1’18. The Net Fees and Commission Income declined by 6.14% YoY to ₦13.07B. Loan Impairment Charges declined by 31.97% YoY to ₦3.38B from ₦4.96B in Q1’18, also Fee and Commission Income declined by 1.47% YoY to ₦15.63B. ACCESS’ PBT advanced by 64.37% YoY to ₦45.10B while PAT advanced by 86.05% YoY to ₦41.15B.
- On 17-Dec-18, ACCESS and DIAMONDBNK signed a Memorandum of Agreement (MoA) regarding a merger of the two banks that created Nigeria and Africa’s largest retail bank by customers (DIAMONDBNK shareholders received ₦1.00 per share in the form of cash and 2 units of ACCESS for every 7 units of DIAMONDBNK). Following Regulatory approvals by the Central Bank of Nigeria and the Securities Exchange Commission, the combined business commenced banking operations on 01-Apr-19.
- The current shares outstanding of ACCESS due to the merger is 35.55B units, up from 28.93B units of shares before the merger.
- For FY’18, ACCESS posted a 15.18% growth in Gross Earnings from ₦459.08B to ₦528.74B whilst Profit After Tax advanced by 58.07% from ₦60.09B to ₦94.98B. EPS also advanced by 56.87% YoY from 211kobo to 331kobo.
- The bank declared a Final Dividend of 25kobo/share for FY’18 leading to a total dividend of 50kobo/share (vs 65kobo/share declared as Final dividend for its FY’17).
- Ex-Div. Date: 11-Apr-19; Payment Date: 25-Apr-19. (Final Dividend)

AFRIPRUD	Price: ₦3.40	Target Price: (₦4.28 – ₦5.23)	Rating: STRONG BUY
P/B : 0.85	P/E : 3.62	Upside: 39.85%	Div. Yield: 14.71%
			1 Yr Range: ₦3.45 – ₦4.92

- Our valuation of AFRICA PRUDENTIAL REGISTRARS PLC (herein referred to as “AFRIPRUD” or “the Company”) indicates that the stock currently trades at an upside potential of 39.85% to fair value, therefore we maintain a **STRONG BUY** recommendation on the stock.
- AFRIPRUD dropped by 2.86% WoW to settle its YtD return of the stock at -12.14%.
- In Q1’19, AFRIPRUD’s Revenue declined by 9.23% YoY from ₦958M to ₦869M, while Profit After Tax also declined by 17.22% YoY from ₦461M in Q1’18 to ₦382M in Q1’19. EPS decreased by 17.22% from 23kobo to 19kobo. Trailing 12M EPS for AFRIPRUD holds at 94kobo.
- The contraction in AFRIPRUD’s Gross Revenue is largely attributed to the drop in Interest Income, which pared by 18.90% YoY from ₦734M in Q1’18 to ₦596M in Q1’19. Other Income also declined by 94.08% YoY from ₦48M in Q1’18 to ₦2.83M in Q1’19. AFRIPRUD recorded a drop of 45.75% YoY to ₦101.03M in its Finance Cost. Also, the Company’s Profit Before Tax and Profit After Tax declined by 16.24% and 17.22% YoY to ₦453.72M and ₦381.53M respectively.
- In FY’18 AFRIPRUD’s Revenue surged by 35.28% YoY from ₦3.32B to ₦4.49B, while Profit After Tax also advanced by 13.89% YoY from ₦1.72B to ₦1.95B. EPS settled higher by 13.89% from 86kobo to 98kobo.
- The Company declared a total Dividend Per Share (DPS) of 50kobo/Share for FY’18 representing a 25.00% increase from FY’17 Dividend per share of 40kobo/Share.
- Ex-Div. Date: 13-Mar-19; Payment Date: 26-Mar-19. (Final Dividend)



DANGOTE CEMENT	Price: ₦184.00	Target Price: (₦210.19 – ₦256.90)	Rating: BUY
P/B : 3.00	P/E : 8.30	Upside: 26.93% Div. Yield: 8.70%	1 Yr Range: ₦170.00 – ₦239.00

- Our valuation of DANGOTE CEMENT PLC (herein referred to as “DANGCEM” or “the Company”) currently shows an upside potential of 26.93%, hence we maintain a **BUY** recommendation on the stock.
- DANGCEM pared by 2.65% WoW to peg its YtD return at -3.00%.
- In Q1'19, DANGCEM's Revenue pared by 0.81% YoY from ₦242.12B in Q1'18 to ₦240.16B, while Profit After Tax declined by 16.46% YoY from ₦72.12B to ₦60.25B. EPS also pared by 15.71% YoY from 420kobo to 354kobo. TTM EPS holds at 2,217kobo.
- The Company's decline in topline Revenue can be attributed to the reduction in the volume and sales price (approx. ₦37,881.19/T vs. ₦39,061.34/T in Q1'18) of cement in the period relative to Q1'19. The company scaled up its production capacity to 45.55MMT in the period. DANGCEM's Cost-to-Sales ratio rose to 41.42% (vs. 40.21% in Q1'18), whilst Gross Profit pared by 2.82% YoY to ₦140.68B. DANGCEM's operating expense increased by 27.56% to ₦52.83B (albeit translating to an increase of 22.00% in OPEX Ratio vs. 17.11% in Q1'18), while the company's operating profit declined by 14.84% to ₦88.38B. Also, the Company's Profit Before Tax and Profit After Tax declined by 27.16% and 16.46% YoY to ₦78.96B and ₦60.25B respectively.
- *On 19-Jul-18, DANGCEM had its ₦150bn Commercial Paper issuance (shelf) Programme listed on the FMDQ Trading Platform. The initial issuance of ₦50bn is for 180 and 270 days. Proceeds of the sale is to be used for the funding of short term working capital requirements and for general purposes.*
- DANGCEM's FY'18 Revenue grew by 11.87% from ₦805.58B to ₦901.21B, while Profit After Tax advanced by 91.10% from ₦204.25B in FY'17 to ₦390.33B. EPS also advanced by 95.97% from 1,165kobo to 2,283kobo.
- The Company declared a Dividend Per Share (DPS) of 1,600kobo for FY'18; an increase of 52.38% when compared to the 1,050kobo DPS paid in FY'17.
- Ex-Div. Date: 03-Jun-19; Payment Date: 18-Jun-19 (Final Dividend).

DANGFLOUR	Price: ₦16.00	Target Price: UNDER REVIEW	Rating: UR
P/B : 2.52	P/E : -	Upside: UR Div. Yield : -	1 Yr Range: ₦5.50 – ₦18.95

- Our valuation of DANGOTE FLOUR MILLS PLC (herein referred to as “DANGFLOUR” or “the Company”) is currently **UNDER REVIEW**.
- DANGFLOUR declined by 2.44% WoW to settle its YtD return at 133.58%.
- In Q1'19, DANGFLOUR's Revenue declined by 13.40% YoY from ₦26.51B to ₦22.98B, while it recorded a Loss After Tax of ₦2.90B from a Profit After Tax of ₦1.58B in Q1'19, EPS also declined by 283.10% YoY to a Loss Per Share of 58Kobo in comparison to the EPS of 32kobo in Q1'18. TTM EPS holds at a Loss of 113kobo.
- The decline in DANGFLOUR's Revenue was exacerbated by the 16.57% drop in Flour sales in the period to ₦19.49B in Q1'19 from ₦23.36B in Q1'18 (Flour sales contributed 85% of Revenue in the period). The Company's Cost-to-Sales ratio in the period increased to 99.77% (vs 82.61% in Q1'18) in light of higher import costs, while the Gross Profit declined by 98.88% YoY to ₦51.86M from ₦4.61B in Q1'18. DANGFLOUR's Operating Expense advanced by 39.45% YoY to ₦3.43B, as the OPEX Ratio rose to 14.93%, compared to 9.27% in Q1'18. Operating Loss in the period settled at ₦2.77B (-210.31% YoY), while the Finance Cost dropped by 13.66% YoY to ₦851B from ₦985B in Q1'18. DANGFLOUR recorded a Loss Before Tax and Loss After Tax of ₦3.55B (-256.80% YoY) and ₦2.90B (-283.27% YoY) respectively.
- *Through a Scheme of Arrangement, the Company has received a binding offer from Olam International Limited (OLAM) to acquire the entire 5,000,000,000 issued shares of DANGFLOUR for the consideration of ₦130,000,000,000.00 (One Hundred and Thirty Billion Naira) only. This consideration will be adjusted for net working capital and net debt as at 31-Mar-19 as well to exclude shares held by OLAM through its subsidiary.*
- In FY'18, DANGFLOUR's Revenue declined by 9.91% YoY from ₦124.69B to ₦112.34B, while it recorded a Loss After Tax of ₦1.16B from a Profit After Tax of ₦15.13B in FY'17, EPS also declined by 107.85% YoY to a Loss Per Share of 23Kobo in comparison to the EPS of 291kobo. TTM EPS holds at a Loss of 23kobo.
- DANGFLOUR declared “no dividend” for FY'18 (vs 20Kobo/share in FY'17).



DANGOTE SUGAR	Price: ₦10.60	Target Price: (₦14.40 – ₦17.59)	Rating: STRONG BUY
P/B: 1.20	P/E : 5.33	Upside: 50.90%	Div. Yield: 10.38%
		1 Yr Range: ₦11.50 – ₦19.50	

- Our valuation of DANGOTE SUGAR REFINERY PLC (herein referred to as “DANGSUGAR” or “the Company”) indicates that the stock currently trades at an upside potential of 50.90% to fair value, therefore we maintain a **STRONG BUY** recommendation.
- DANGSUGAR pared by 7.83% in the week to close its YtD return at -30.49%.
- In Q1'19, DANGSUGAR reported a 7.27% decline in Turnover from ₦41.13B to ₦38.15B while Profit After Tax advanced by 32.68% YoY from ₦5.28B to ₦7.00B. EPS was also appreciated by 31.11% YoY from 45kobo to 59kobo. The counter's Trailing 12M EPS holds at 199kobo.
- Gross Profit Margin for DANGSUGAR (33.00% in Q1'19 vs. 25.00% in Q1'18) was higher in Q1'19, as the Company efficiently managed its Cost of Sales in the period in view (Cost-to-Sales moderated to 67.00% vs. 75.00% in Q1'18).
- The OPEX Ratio declined to 4.62% as against 4.72% in Q1'18, while the Operating Profit subsequently settled at ₦10.86B (+28.48% YoY) from ₦8.50B in Q1'18. However, DANGSUGAR's recorded a hike in the Loss of the Fair Value Adjustments of the Company's biological assets plus investment income, which was 1,295.27% higher to ₦113M, compared to ₦80.95M in Q1'18. Consequently, DANGSUGAR's PBT settled at ₦10.70B (+27.50% YoY).
- DANGSUGAR reported a 26.44% decline in Turnover from ₦150.373B in FY'17 to ₦204.42B in FY'17 while Profit After Tax declined by 44.76% YoY from ₦39.78B to ₦21.98B. EPS was also pared by 44.11% YoY from 331kobo to 185kobo. The counter's Trailing 12M EPS holds at 185kobo.
- The Company declared a final Dividend Per Share (DPS) of 110kobo for FY'18 (vs the total dividend of 175kobo/share in FY'17).
- Ex-Div. Date: 31-May-19; Payment Date: 19-Jun-19 (Final Dividend).

ETI	Price: ₦9.85	Target Price: (₦12.65 – ₦15.46)	Rating: STRONG BUY
P/B : 0.28	P/E : 3.02	Upside: 42.69%	Div. Yield : -
		1 Yr Range: ₦9.15 – ₦22.15	

- Our valuation of ECOBANK TRANSNATIONAL INCORPORATED PLC (herein referred to as “ETI” or “the Bank”) currently shows an upside potential of 42.69%, hence we maintain a **STRONG BUY** recommendation on the stock.
- ETI declined by 1.50% in the week to peg its YtD return at -29.64%.
- In Q1'19, ETI reported 0.44% YoY growth in its Gross Earnings from ₦198.62B to ₦199.49B, while its PAT increased by 9.77% YoY to ₦30.59B. However, EPS pared by 4.35% YoY from 96kobo in Q1'18 to 92kobo in Q1'19. The Trailing 12M EPS for the stock holds at 326kobo.
- The Bank's Net Interest Income declined by 17.79% YoY to ₦62.36B (vs ₦75.85B in Q1'18) while its Net Fees & Commission Income advanced by 20.99% YoY to ₦32.49B (vs ₦39.31B in Q1'18). Also, its Net Trading Income advanced by 1.37% YoY to ₦34.75B (vs ₦34.27B in Q1'18).
- Furthermore, ETI recorded Operating Profit before Impairment to the tune of ₦47.45B (-13.30% YoY), while the Bank recorded an advance of 192.02% YoY on Impairment Loss on Financial Assets to the tune of ₦5.94B, ETI's Operating Profit After Impairment was ₦37.08B (+9.41% YoY), while the Profit Before Tax came in at ₦37.09B (+9.39% YoY) in Q1'19. After accounting for Tax charges, ETI recorded Profits from Continuing Operations worth ₦29.66B (+6.86% YoY) and Discontinued Operations ₦931M (+741.45% YoY), to bring the Profit After Tax to ₦30.59B (+9.77 YoY).
- ETI reported 1.27% YoY growth in its Gross Earnings from ₦763.63B in FY'17 to ₦773.34B in FY'18, while its PAT increased by 45.97% YoY to ₦102.17B. EPS was higher by 48.65% from 222kobo in FY'17 to 330kobo. The Trailing 12M EPS for the stock holds at 222kobo.
- The Bank did not declare any dividend for FY'18 (same as FY'17).



FBNH	Price: ₦6.95	Target Price: (₦8.71 - ₦10.65)	Rating: STRONG BUY
P/B : 0.46	P/E : 4.16	Upside: 39.28%	Div. Yield : 3.74%
		1 Yr Range: ₦6.80 – ₦11.20	

- Our valuation of FBN HOLDINGS PLC (herein referred to as “FBNH” or “the Bank”) is currently shows an upside potential of 39.28%, hence we maintain a **STRONG BUY** recommendation on the stock.
- FBNH traded flat in the week to hold YtD return of the stock at -12.58%.
- For its Q1’19, FBNH reported its Gross Earnings advanced by 4.98% YoY from ₦138.87B to ₦145.79B while Its Profit After Tax advanced by 6.93% YoY from ₦14.77B to ₦15.79B. EPS also advanced by 5.00% YoY to 42Kobo from 40kobo in Q1’18. The Trailing 12M EPS for the counter holds at 167kobo.
- FBNH’s topline growth was due to the 1.04% YoY increase in the Bank’s Interest Income to ₦112.05B (vs. ₦110.90B in Q1’18). Net gains on FX dropped by 36.52% YoY to ₦2.94B (vs ₦4.63B in Q1’18), while FBNH’s Net Fees and Commission Income increased by 24.06% YoY to ₦19.82B. Its Net Insurance Premium Revenue pared by 41.67% YoY to ₦1.96B (vs ₦3.36B in Q1’18). Loan impairment charges in the period declined by 45.35% YoY to ₦13.85B. The Bank’s Operating Income settled at ₦104.67B (+2.08% YoY), while Total Operating Expense advanced by 27.10% YoY to ₦70.20B. FBNH’s PBT advanced by 2.59% YoY to ₦19.30B, while overall PAT settled at ₦15.79B (+6.93% YoY) for Q1’19.
- On 6-Jul-18, FBNH announced the intention of First Bank Nigeria Limited (“the Bank”) to redeem the fixed rate subordinated Notes held by FBN Finance Company B.V. Accordingly, \$300mn 8.25% subordinated Notes raised from the international debt markets and due in August 2020 was called at the next callable date of 07-Aug-18.
- For FY’18 the Bank registered a 2.01% depreciation in Gross Earnings from ₦595.45B in FY’17 to ₦583.45B. Also, its overall Profit After Tax advanced by 58.23% from ₦37.71B to ₦59.67B. EPS also advanced by 43.48% to 165kobo (FY’17: 115kobo).
- The Bank declared a 26kobo Dividend per share (DPS) for FY’18; 4% increase from the 25kobo DPS declared for FY’17.
- Ex-Div. Date: 22-Apr-19; Payment Date: 06-May-19 (Final Dividend).

FIDELITYBK	Price: ₦1.68	Target Price: (₦2.40 – ₦2.93)	Rating: STRONG BUY
P/B : 0.24	P/E : 2.00	Upside: 58.63%	Div. Yield : 6.55%
		1 Yr Range: ₦1.51– ₦2.78	

- Our valuation of FIDELITY BANK PLC (herein referred to as “FIDELITYBK” or “the Bank”) currently shows an upside potential of 58.63%, hence we maintain a **STRONG BUY** recommendation on the stock.
- FIDELITYBK declined by 2.33% in the week to settle its YtD return at -17.24%.
- In its Q1’19, FIDELITYBK reported a 11.81% YoY increase in Gross Earnings from ₦43.33B to ₦48.44B. Also, its Profit After Tax increased by 28.36% YoY from ₦4.63B to ₦5.94B. EPS also settled higher at 21kobo (vs Q1’18: 16kobo). The Trailing 12M EPS for the stock settled at 84kobo.
- The Bank’s growth in gross earnings was on the back of a 2.64% increase in Interest Income from ₦37.68B in Q1’18 to ₦38.67B in Q1’19. Its Net Fee and Commission Income also advanced by 47.47% YoY from ₦3.63B in Q1’18 to ₦5.36B in Q1’19. The bank’s Net Interest Income After Impairment Charge declined by 4.78% YoY to ₦14.74B in Q1’19 (vs ₦15.48B in Q1’18), as Loan Impairment Charges surged by 47.44% YoY to ₦1.04B in Q1’19 (vs. ₦702M in Q1’18). FIDELITYBK recorded Net Trading Income of ₦777M compared to the gain of ₦435M in Q1’18, while Other Income skyrocketed by 348.56% YoY to ₦2.49B vs. ₦556M in Q1’18.
- The Bank’s Operating Expense advanced by 10.40% YoY to ₦16.69B, while Operating Income settled at ₦23.37B vs. ₦20.10B in Q1’18. Consequently, Profit Before Tax and Profit After Tax for the Bank advanced by 33.96% and 28.36% YoY to ₦6.67B and ₦5.94B respectively.
- For FY’18, FIDELITYBK reported a 4.79% YoY increase in Gross Earnings from ₦180.24B to ₦188.87B. Also, its Profit After Tax increased by 29.03% YoY from ₦17.77B to ₦22.93B. EPS also settled higher at 79kobo (FY’17: 61kobo). The Trailing 12M EPS for the stock settled at 79kobo
- The Bank declared 11kobo as Final Dividend per share (DPS) for FY’18 (same as FY’17).
- Ex-Div. Date: 12-Apr-19; Payment Date: 15-Apr-19 (Final Dividend).



FIDSON	Price: ₦5.05	Target Price: (₦4.55 – ₦5.56)	Rating: HOLD
P/B : 1.04	P/E : -	Upside: 0.10%	Div. Yield : 2.97%
			1Yr Range: ₦4.05 – ₦6.15

- Our valuation of FIDSON HEALTHCARE PLC (herein referred to as “FIDSON” or “the Company”) shows an upside potential of 0.10%, hence we maintain a HOLD recommendation on the stock.
- FIDSON traded flat in the week to hold the YtD return of the stock at 2.02%.
- In Q1’19, FIDSON recorded a 2.02% YoY decline in Revenue from ₦3.61B to ₦3.54B while it recorded a Profit After Tax of ₦145M from ₦203M in Q1’18. EPS also declined by 28.55% YoY from 14kobo to a 10kobo. The Trailing 12M EPS settled at a loss of 20kobo.
- FIDSON’s drop in top-line performance was due to the decline in the Ethical goods sales to ₦1.97B (vs ₦2.01B in Q1’18) and the decline in the Over-The-Counter drug sales to ₦1.568B (vs ₦1.569B in Q1’18).
- FIDSON’s Gross Profit was recorded at ₦1.49B (-13.99% YoY) due to the advance of 9.09% in Cost of Sales to ₦2.04B (vs ₦1.87B in Q1’18). On the other hand, the Operating Expense of the Company pared by 22.90% YoY from ₦1.23B to ₦947M. However, FIDSON’s Operating Profit advanced by 12.38% YoY from ₦539M to ₦605M as Finance Cost advanced by 57.34% YoY to ₦393M. The Profit Before Tax declined by 28.55% YoY to ₦213M from ₦298M in Q1’18 while it settled at a Profit After Tax of ₦145M.
- FIDSON announced its Proposed Rights Issue of 750,000,000 Ordinary Shares of 50kobo each at ₦4.00 per share on the basis of one (1) new Ordinary Share for every 2 Ordinary Shares held. Its Acceptance list opened and closed on 06-Mar-19 and 09-Apr-19 respectively.
- In FY’18, the Company recorded 15.45% YoY growth in Revenue from ₦14.06B to ₦16.23B while it recorded a Loss After Tax of ₦97M from a Profit After Tax of ₦1.06B in FY’17. EPS also declined by 108.48% YoY from 71kobo to a Loss per share of 6kobo. The Trailing 12M EPS settled at a loss of 6kobo.
- The Company declared a dividend of 15kobo/share in FY’18 (vs 20kobo/share in FY’17)
- Ex-Div. Date: 17-Apr-19; Payment Date: Not Available (Final Dividend).

FLOURMILL	Price: ₦13.90	Target Price: (₦20.29-₦24.79)	Rating: STRONG BUY
P/B : 0.37	P/E : 6.44	Upside: 62.16%	Div. Yield : 7.19%
			1 Yr Range: ₦13.50 – ₦32.80

- Our valuation of FLOURMILLS OF NIGERIA PLC (herein referred to as “FLOURMILL” or “the Company”) currently shows an upside potential of 62.16%, hence we maintain a STRONG BUY recommendation on the stock.
- FLOURMILL traded flat in the wee to maintain the YtD return of the counter at -39.83%.
- In Q3’19 (9M ended 31-Dec-18), FLOURMILL’s Revenue declined by 6.28% YoY from ₦427.51B to ₦400.64B, while Profit After Tax plunged by 40.40% YoY to ₦7.90B. EPS declined by 58.55% from 456kobo in Q3’18 (9M ended 30-Dec-17) to 189kobo. The Trailing 12M EPS settled at 216kobo.
- Sustained high prices of goods (which has translated to persistent month-on-month hike in the Consumer Price Index) remains a major drag to the Revenue drive of several consumer goods companies. FLOURMILL’s Gross Profit Margin pared to 11.63% from 13.11% in Q3’18 (9M ended 30-Dec-18), as its Cost-to-Sales increased to 88.37% as against 86.89% in Q3’18 (9M ended 30-Dec-17). OPEX in the period increased by 20.30% YoY to ₦20.87B, while it recorded Net Operating Gains to the tune of ₦1.57B (-71.53% YoY). FLOURMILL’s operating profit declined by 38.24% YoY from ₦44.19B to ₦27.29B and the Company’s Finance Cost pared by 34.21% YoY to ₦16.55B.
- PBT and PAT for the Company waned by 42.17% and 40.40% YoY to ₦11.28B and ₦7.90B respectively.
- In FY’17 (FY ended 30-Mar-17), FLOURMILL recorded a 53.09% YoY rise in Revenue to ₦524.46B, whilst PAT plunged by 38.72% YoY to ₦8.84B. EPS fell by 45.60% YoY to 303kobo. The poor bottom-line performance was due to the one-off effect of the gain on disposal of asset (₦23.73B) in the prior year. Discounting this gain, the company’s PAT advanced by c.172% YoY.
- For FY’18 the Company declared a Dividend Per Share of 100kobo. (FY’17: 100kobo).
- Ex-div Date: 6-Aug-18. Payment Date: 3-Sep-18.



FO	Price: ₦29.40	Target Price: (₦29.98-₦36.65)	Rating: BUY
P/B : 2.24	P/E : 24.92	Upside: 13.32%	Div. Yield: 3.91%
			1Yr Range: ₦17.30 – ₦37.00

- Our valuation of FORTE OIL PLC (herein referred to as "FO" or "the Company") shows an upside potential of 13.32%, hence we maintain a **BUY** recommendation on the stock.
- FO advanced by 14.17% WoW to settle its YtD return at 2.44%.
- In Q1'19, FO's Revenue grew by 50.02% YoY to ₦42.56B from ₦28.37B recorded in Q1'18. Also, the Profit After Tax (PAT) advanced by 14.25% YoY to ₦3.39B (vs. ₦2.96B in Q1'18). EPS moved to 13kobo from 41kobo in Q1'18, while the Trailing 12M EPS settled at 118kobo.
- The gross profit margin for the period came in at 7.20% YoY from 8.84% in Q1'18 due to the 52.72% YoY rise in Cost of Sales to ₦39.49B.
- FO's OPEX increased by 4.45% YoY to ₦2.31B, while the Operating Profit advanced from ₦556M to ₦1.11B. PBT from continuing operations settled at ₦454M (+7,873.60% YoY), while PAT from discontinued operations was ₦2.74B (-12.49% YoY). Consequently, PAT in the period settled at ₦3.39B compared to ₦2.96B in Q1'18.
- On 03-May-18, FO. notified the NSE and its shareholders that as part of its divestment from and sale of shares in Amperion Power Distribution Company Limited and Forte Upstream Services Limited, the Company has entered into a Share Sale and Purchase Agreement with Calvados Global Services Limited and Gbonka Oil and Gas Limited respectively. It also noted that it had concluded the divestment from and sale of its shares in AP Oil and Gas Ghana Limited to Cobalt International Services (Ghana) Limited.
- FO's Revenue in FY'18 grew by 56.33% from ₦86.17B to ₦134.70B while Profit After Tax on the other hand declined by 31.75% to settle at ₦8.34B (FY'17: ₦12.23B). EPS pared by 48.77% YoY from 285kobo to 146kobo.
- For FO declared a special dividend of 115kobo from proceeds of its divestment in its subsidiaries in Q1'19 while the Company did not declare any dividend for FY'18 (vs No Dividend in FY'17).

GUARANTY	Price: ₦31.00	Target Price: (₦38.02 – ₦46.47)	Rating: STRONG BUY
P/B : 1.45	P/E : 4.63	Upside: 36.27%	Div. Yield : 8.87%
			1Yr Range: ₦30.40 – ₦41.50

- Our valuation of GUARANTY TRUST BANK PLC (herein referred to as "GUARANTY" or "the Bank") currently indicates an upside potential of 36.27%, hence we maintain a **STRONG BUY** rating on the stock.
- GUARANTY grew by 1.97% WoW to close its YtD return at -10.01%.
- GUARANTY reported a 1.25% YoY increase in Gross Earnings from ₦108.97B in Q1'18 to ₦110.33B in Q1'19, while its Profit after Tax was higher at ₦49.30B (+10.37% YoY). EPS settled higher at 174kobo, increasing by 10.13% YoY from 158kobo in Q1'18. The Trailing 12M EPS settled at 670kobo.
- GUARANTY's topline performance was buoyed by the 66.70% YoY rise in Other Income (largely due to FX revaluation gains) from ₦7.82B in Q1'18 to ₦13.04B in Q1'19. Net Interest Income for the bank declined by 2.47% YoY to ₦58.22B in Q1'19 (vs ₦59.69B in Q1'18). Also, Loan Impairment charges plunged by 60.27% YoY to ₦651M (vs. ₦1.64B in Q1'18). Net Fee & Commission Income for the bank advanced by 24.32% to ₦18.01B, while GUARANTY's Net Trading Income pared by 17.52% YoY to ₦4.25B in Q1'19 (vs ₦5.15B in Q1'18).
- In Q1'19, the bank's Operating Income advanced by 7.93% YoY to ₦92.21B from ₦85.44B in Q1'18 with the total Operating Expense advancing by 9.10% YoY to ₦35.88B from ₦32.89B in Q1'18. Consequently, Profit-Before-Tax for the bank rose by 8.29% YoY to ₦56.98B in Q1'19 from ₦52.62B in Q1'18, while Profit-After-Tax appreciated by 10.37% YoY to ₦49.30B from ₦44.67B in Q1'18.
- GUARANTY reported a 3.69% increase in Gross Earnings in FY'18 from ₦419.20B to ₦434.70B and Profit After Tax was higher by 9.96% from ₦167.91B to ₦184.64B. EPS settled higher at 654kobo increasing by 10.10% from 594kobo in FY'17.
- The bank declared a final dividend of 245Kobo/share in FY'18 making a total dividend of 275kobo/share for the same period. This indicates an advance of 1.85% in comparison to the total dividend of 270kobo/share for FY'17.
- Ex-Div. Date: 08-Apr-19; Payment Date: 18-Apr-19. (Final Dividend)



GUINNESS

Price: ₦47.50

Target Price: (₦55.10 – ₦67.35)

Rating: **BUY**

P/B : 1.18

P/E : 25.54

Upside: 28.89% Div. Yield: -

1 Yr Range: ₦47.50– ₦99.05

- Our valuation of **GUINNESS NIGERIA PLC** (herein referred to as “**GUINNESS**” or “the Company”) currently indicates an upside potential of 28.89%, hence we maintain a **BUY** rating on the stock.
- **GUINNESS** traded flat in the week to maintain its YtD return at -34.03%.
- In Q3'19 (9M ended 31-Mar-19), Revenue for **GUINNESS** declined by 3.87% YoY from ₦105.48B to ₦101.40B and its Profit After Tax pared by 16.45% YoY from ₦5.09B to ₦4.25B. EPS declined by 42.57% to 194kobo from 338kobo in Q3'19 (9M ended 31-Mar-19). Trailing 12M EPS holds at 186kobo.
- The topline drop recorded in the period in our opinion is not unconnected to pressured consumer discretionary income in the period, as costs of basic necessities remain relatively high. The Company's Cost of Sales in the period remained the same as it settled at ₦69.90B in Q1'19 and Q1'18 respectively, whilst its Gross Profit declined by 11.47% YoY to ₦31.50B in Q3'19.
- Operating Expense for **GUINNESS** pared by 2.23% YoY to ₦24.79B, while Finance Cost declined by 63.62% YoY to ₦1.82B. Operating Profit in the period declined by 31.34% YoY to ₦7.33B from ₦10.68B in Q3'19. Profit Before Tax and Profit After Tax for **GUINNESS** declined by 20.77% and 16.45% YoY to ₦6.25B and ₦4.25B respectively.
- In FY'18 (12M ended 30-Jun-18), Revenue for **GUINNESS** advanced by 13.55% YoY from ₦125.92B to ₦142.98B and its Profit After Tax advanced by 249.20% YoY from ₦1.92B to ₦6.72B. EPS also advanced by 157.81% to 330kobo. Trailing 12M EPS holds at 330kobo.
- The Company declared a dividend of 184kobo per share for FY'18 compared to 64kobo in FY'17.
- Ex-Div. Date: 21-Sep-18; Payment Date: 24-Sep-18 (Final Dividend).

INTBREW

Price: ₦18.55

Target Price: (₦27.23 – ₦33.28)

Rating: **STRONG BUY**

P/B : 4.52

P/E : -

Upside: 63.10% Div. Yield : -

1 Yr Range: ₦20.00 – ₦44.00

- Our valuation of **INTERNATIONAL BREWERIES PLC** (herein referred to as “**INTBREW**” or “the Company”) currently shows an upside potential of 63.10%, hence we maintain a **STRONG BUY** recommendation on the stock.
- **INTBREW** depreciated by 7.25% to peg its YtD return at -39.18%.
- **INTBREW**'s Q3'18 Revenue grew by 128.17% YoY to ₦83.35B while the Company recorded a Loss After Tax of ₦7.14B, from a Profit After Tax position of ₦1.43B in Q3'17. EPS settled at a loss position of 83kobo from a profit position of 17kobo in Q3'17, while the Trailing 12M EPS settled at a loss of 83kobo.
- The Company's impressive topline performance is a reflection of the merger it undertook with Intafact Beverages Limited and Pabod Breweries Limited, vis-à-vis improved FX availability in the economy stemming from increased FX earnings to the FGN and the implementation of the Investors/Exporters window. Finance Cost for **INTBREW** advanced by 61.65% YoY to ₦11.20B from ₦6.93B in Q3'17, while the Operating Expense surged by 110.39% YoY to ₦25.73B on the back of large one-off costs during the merger.
- Consequent on the jump in operating expense and finance cost relative to the topline growth, **INTBREW** recorded Loss Before Tax and Loss After Tax positions to the tune of ₦9.19B and ₦7.14B, as against Loss Before Tax and Profit After Tax positions of ₦3.20B and ₦1.43B in Q3'17.
- Due to the concluded merger between Anheuser-Busch InBev-International Breweries Plc, Intafact Beverages Limited and Pabod Breweries Limited, the total issued and fully paid up shares of International Breweries moved to 8.596bn ordinary shares from 3.294bn.
- In FY'17 (FY ended 31-Mar-17), **INTBREW**'s Revenue grew by 40.58% YoY to ₦32.71B, while PAT declined by 61.01% to ₦1.03B due to the 203.95% spike in Finance Cost (FX related issues). EPS was also down at 31kobo from 81kobo (FY'16).
- The Company did not declare a dividend for FY'17 (Dividend Per Share of 35kobo was declared for FY'16).



JBERGER	Price: ₦21.65	Target Price: (₦32.79-₦40.07)	Rating: STRONG BUY
P/B : 0.80	P/E : 6.62	Upside: 68.27%	Div. Yield : 9.24%
			1Yr Range: ₦19.70 – ₦30.00

- Our valuation of JULIUS BERGER NIGERIA PLC (herein referred to as “JULIUS BERGER” or the “Company”) currently shows an upside potential of 68.27%, hence we recommend a **STRONG BUY** on this stock
- JBERGER traded flat in the week to maintain its YtD return at 7.71%.
- In Q1’19, JBERGER’s Revenue advanced by 78.13% YoY to ₦62.92B with its Profit After Tax declining by 67.41% YoY to ₦486m. EPS plunged by 91.03% YoY to 20kobo from 223kobo in Q1’18. The Trailing 12M EPS of the stock holds at 327kobo.
- The Company’s Gross Profit settled at ₦13.95B (+96.39% YoY) from ₦7.10B in Q1’19 even as the Cost-of-Sales rose by 73.54% YoY to ₦48.98B (vs ₦28.22B in Q1’18).
- Operating Expense advanced by 20.75% YoY to ₦11.65B from ₦9.65B in Q1’18, thus translating to a decrease in Operating Profit (-36.15% YoY) to ₦2.47B. Other Income came in at Loss of ₦246.50M in Q1’19 from a gain ₦6.42B in Q1’18. The Company’s PBT declined by 43.92% YoY to ₦1.24B from ₦2.21B in Q1’18. Consequently, JBERGER recorded its Profit After Tax depreciated by 67.41% YoY to ₦486M from ₦1.49B in Q1’18.
- In FY’18, JBERGER’s Revenue advanced by 37.16% YoY to ₦194.62B with its Profit After Tax advancing by 142.37% YoY to ₦6.10B. EPS advanced by 46.81% to 530kobo from 361kobo in FY’17. The Trailing 12M EPS of the stock holds at 530kobo.
- In Jun-17, JBERGER announced that it has entered into a strategic partnership and joint investment agreement with Petrolan Energy Limited. In a notification to the NSE, JBERGER said the partnership is for the acquisition and development of oil fields in Nigeria. According to the Company, the alliance is in line with its strategic goal to diversify into the oil and gas sector.
- The Company declared a dividend of 200Kobo/Share for FY’17 (vs 100kobo/share in FY’17).
- Ex-Div. Date 31-May-19 and Payment Date: 21-Jun-19. (Final Dividend)

MOBIL	Price: ₦163.50	Target Price: (₦190.65 – ₦233.02)	Rating: BUY
P/B : 1.65	P/E : 6.85	Upside: 29.56%	Div. Yield: 5.05%
			1Yr Range: ₦150.00 – ₦199.99

- Our valuation of MOBIL NIGERIA PLC (DOUBLE ONE PLC: 11 Plc) (herein referred to as “MOBIL” or “the Company”) currently indicates an upside potential of 29.56%, hence we place a **BUY** rating on the stock.
- MOBIL pared by 3.82% WoW to peg its YtD return at -11.86%.
- In Q1’19 MOBIL’s Revenue advanced by 2.21% YoY to ₦46.07B, however PAT pared by 25.99% YoY to settle at ₦2.04B (vs Q1’18: ₦2.76B). EPS also pared by 25.99% YoY from 764kobo to 566kobo. The Trailing 12M EPS settled at 2,388kobo.
- The rise in Revenue is attributed to the Company’s ability to push relatively higher sales volume of petroleum products locally, as there were no export sales in the period. The Company’s Gross Profit Margin was lower (7.92% in Q1’19 vs. 11.13% in Q1’18) in the period due to the 5.91% YoY increase in Cost of Sales to ₦42.42B.
- MOBIL recorded a 3.31% YoY drop in Other Income to ₦2.01B, largely due to the decrease in rental income from its Real Estate business to ₦1.98B (vs ₦2.05B in Q1’18). Consequently, MOBIL’s Operating Profit pared by 19.67% YoY up to ₦3.18B (vs ₦3.96B in Q1’18). MOBIL’s PBT and PAT settled at ₦3.02B (-25.97% YoY) and ₦2.04B (+25.99% YoY) respectively.
- On 13-Jun-18, MOBIL announced its re-entry into retailing of Liquefied Petroleum Gas popularly called domestic cooking gas after 20 years of exit from the line of business. Also on 23-Nov-18, MOBIL announced its re-entry (after 5 years) into the sale and marketing of aviation jet fuel (ATK) at the Muritala Mohammed International Airport and General Aviation Terminal (GAT-Domestic) in collaboration with Air BP after the construction of a new 20 million liter aviation jet fuel (ATK) tank and pipelines at Apapa. We expect a positive long-term benefit to the topline growth of 11 Plc from these reactivated business lines.
- MOBIL’s Revenue in FY’18 increased by 31.42% from ₦125.26B to ₦164.61B while Profit After Tax advanced by 24.11% settling at ₦9.33B (FY’17: ₦7.52B). EPS was higher by 24.08% from 2,085kobo to 2,587kobo.
- For FY’18 the Company declared a dividend of 825kobo/share (vs 800Kobo/Share in FY’17).
- Ex-Div. Date: 02-May-19; Payment Date: 17-May-19 (Final Dividend).



NB	Price: ₦58.00	Target Price: (₦59.95-₦73.27)	Rating: HOLD
P/B : 2.65	P/E : 15.68	Upside: 14.84%	Div. Yield : 4.19%
			1Yr Range: ₦56.90 – ₦117.10

- Our valuation of NIGERIAN BREWERIES PLC (herein referred to as “NB” or “the Company”) currently indicates an upside potential of 14.84%, hence we place a HOLD rating on the stock.
- NB traded flat in the week to maintain its YtD return at -32.16%.
- In Q1’19 NB’s Revenue advanced by 3.33% YoY to ₦91.39B while PAT declined by 21.34% YoY from ₦10.20B in Q1’18 to ₦8.03B in Q1’19. EPS also declined by 21.34% from 128kobo to 100kobo. The Trailing 12M EPS for NB currently holds at 370kobo.
- NB’s Revenue was stifled by inflationary pressures and an increase in the Excise Duty Expense which advanced by 48.02% YoY to settle at ₦8.11B in Q1’19 (vs ₦5.48B in Q1’18). The Company’s Cost of Sales advanced by 7.29% YoY to ₦48.22B while its OPEX in the period also advanced by 2.83% YoY to ₦21.15B. Operating Profit settled at ₦14.06B from ₦17.66B in Q1’18. NB’s Finance Cost advanced by 6.36% YoY to ₦2.61B from ₦2.45B in Q1’18. PBT declined by 24.86% YoY to ₦11.46B from ₦15.25B in Q1’18.
- *We expect that companies in the sector will further engage improved cost-cutting measures in a bid to improve their bottom-line positions by FYE.*
- In FY’18 NB’s Revenue declined by 4.26% YoY to ₦350.23B and PAT declined by 41.18% YoY from ₦33.05B in FY’17 to ₦19.44B in FY’18. EPS also declined by 41.18% from 413kobo to 243kobo. The Trailing 12M EPS for NB currently holds at 243kobo.
- The Company declared a total dividend of 243kobo for FY’18 (vs 413kobo for FY’17).
- Ex-Div. Date: 06-Mar-19; Payment Date: 20-May-19. (Final Dividend)

NESTLE	Price: ₦1,430.00	Target Price: (₦1,416.81-₦1,731.66)	Rating: HOLD
P/B : 18.00	P/E : 23.99	Upside: 10.09%	Div. Yield : 4.09%
			1Yr Range: ₦1,320.00 – ₦1,617.10

- Our valuation of NESTLE NIGERIA PLC (herein referred to as “NESTLE” or “the Company”) indicates that the stock currently trades at an upside potential of 10.09% to fair value, therefore we maintain a HOLD recommendation.
- NESTLE depreciated by 1.38% WoW to close its YtD return at -3.70%.
- In Q1’19, NESTLE’s Revenue increased by 5.19% YoY to ₦70.97B from ₦67.46B in Q1’18. Also, its PAT increased by 49.27% YoY to ₦12.85B. EPS was also higher by 49.27% YoY from 1,086kobo to 1,621kobo. The Trailing 12M EPS for NESTLE currently holds at 5,961kobo.
- NESTLE’s Cost of Sales depreciated by 5.29% YoY to settle at ₦39.50B (vs ₦41.71B in Q1’18), while Gross Profit increased by 22.17% YoY to ₦31.47B. OPEX in the period increased by 10.17% YoY to ₦12.38B, whereas Operating Profit increased by 31.46% YoY to ₦19.09B from ₦14.52B in Q1’18. On the other hand, Finance Cost declined by 59.53% YoY from ₦1.16B to ₦469M in the period (exacerbated by improved FX sourcing modalities). NESTLE recorded a 49.27% YoY advance in PBT from ₦8.61B in Q1’18 to ₦12.85B in Q1’19.
- In FY’18, NESTLE’s Revenue increased by 9.06% YoY to ₦266.28B from ₦244.15B in FY’17. Also, its PAT increased by 27.53% YoY to ₦43.01B. EPS was also higher by 27.53% YoY from 4,255kobo to 5,426kobo.
- The Company declared a final dividend of 3,850kobo/share in FY’18 to bring the total dividend to 5,850kobo/share in the period (vs a total dividend of 4,250kobo/share in FY’17).
- Ex-Div. Date: 10-May-19; Payment Date: 29-May-19. (Final Dividend)



PRESCO	Price: ₦55.00	Target Price: (₦57.25 – ₦69.98)	Rating: HOLD
P/B : 2.09	P/E : 14.31	Upside: 15.66%	Div. Yield: 3.64%
			1Yr Range: ₦53.00 – ₦75.50

- Our valuation of PRESCO PLC (herein referred to as “PRESCO” or “the Company”) currently indicates an upside potential of 15.66%, hence we maintain a HOLD rating on the stock.
- PRESCO dropped by 5.17% WoW to close its YtD return at -14.06%.
- In Q1’19, PRESCO’s Revenue declined by 16.45% YoY from ₦6.59B in Q1’18 to ₦5.51B and Profit After Tax declined by 17.58% YoY from ₦2.60B to ₦2.14B. EPS also declined by 17.58% YoY from 260Kobo to 214Kobo. The Trailing 12M EPS settled at 384kobo.
- PRESCO’s Revenue moderated in the current period due to reduced volume sales relative to the corresponding period in the prior year. The Company’s Cost-to-Sales ratio declined to 14.93% from 22.12% in Q1’18 on the basis of improved cost management, translating to PRESCO’s Gross Profit Margin increase to 85.07% from 77.88% in Q1’18.
- OPEX for PRESCO rose by 13.96% YoY to ₦1.65B, which led to the Operating Profit declining by 16.28% YoY to ₦3.12B. The Company recorded no activity on their Biological Asset Revaluation in Q1’19 in comparison to their gain of ₦96,000 in Q1’18. PRESCO’s Finance Cost settled at ₦539.78M compared to ₦289.85M in Q1’18. Profit Before Tax for PRESCO declined by 24.94% YoY to ₦2.58B (vs ₦3.43B in Q1’18) while its Profit After Tax declined by 17.58% YoY to ₦2.14B (vs ₦2.60B in Q1’18).
- PRESCO posted a 4.56% decrease in FY’18 Revenue from ₦22.37B to ₦21.34B and Profit After Tax declined by 25.18% from ₦5.73B to ₦4.28B. EPS also settled lower at 430kobo (FY’17: 568kobo).
- For FY’18 the Company proposed a Dividend Per Share (DPS) of 200kobo (same as FY’17).
- Ex-Div. Date: N/A Payment Date: N/A. (Final Dividend)

SEPLAT	Price: ₦513.40	Target Price: (₦691.26 – ₦844.87)	Rating: STRONG BUY
P/B : 0.60	P/E : 6.00	Upside: 49.60%	Div. Yield: 2.98%
			1Yr Range: ₦500.00 – ₦769.00

- Our valuation of SEPLAT PETROLEUM DEVELOPMENT COMPANY PLC. (Herein referred to as “SEPLAT” or “the Company”) currently reveals an upside potential of 49.60%, hence we maintain a STRONG BUY rating on the stock.
- SEPLAT traded flat in the week to maintain its YtD return at -19.78%.
- In Q1’19, SEPLAT’s Revenue declined by 11.40% YoY to ₦48.94B while its Profit After Tax advanced by 59.41% YoY to ₦10.02B. Its Earning Per Share grew by 57.97% YoY to 1,763kobo from 1,116Kobo in Q1’18. Its Trailing 12M EPS was captured at 8,551kobo.
- The drop in SEPLAT’s topline performance came in as a result of crude oil sales declining by 16.24% YoY to ₦36.13B (vs ₦43.14B in Q1’18), however gas sales advanced by 5.08% YoY to ₦12.81B (vs ₦12.10B in Q1’18). SEPLAT’s Cost-to-Sales in Q1’19 rose to 48.95% (vs. 48.58% in Q1’18), as such translating to a 12.03% YoY drop in Gross Profit to ₦24.99B (Gross Profit Margin; 51.05% vs. 51.42% in Q1’18). In Q1’19, OPEX for SEPLAT settled at ₦6.27B (vs. ₦4.92B in Q1’18), as its OPEX Ratio jumped to 12.82% compared to 8.91% in Q1’18. Consequently, SEPLAT’s Operating Profit plunged by 61.07% YoY to ₦9.97B, while PBT declined by 66.88% YoY to ₦5.96B in Q1’19 (vs. ₦17.99B in Q1’18) while PAT rose by 59.41% YoY to ₦10.02B (vs ₦6.29B in Q1’18) after dispensation of Income Tax Credit of ₦4.07B in the same period.
- In FY’18, SEPLAT’s Revenue advanced by 65.16% YoY to ₦228.39B while its Profit After Tax declined by 44.68% YoY to ₦44.87B. Its Earning Per Share declined by 45.10% YoY to 7,904kobo from 14,396Kobo in FY’17.
- The Company declared a final dividend of \$0.05/share in FY’18 leading to a Total dividend of \$0.15/share in the same period. No dividend was paid in FY’17.
- Ex-Div. Date: 20-Mar-19; Payment Date: 23-May-19. (Final Dividend)



TOTAL	Price: ₦150.00	Target Price: (₦161.55 – ₦197.46)	Rating: BUY
P/B : 1.68	P/E : 8.76	Upside: 19.67%	Div. Yield : 11.33%
		1Yr Range: ₦150.00 – ₦223.30	

- Our valuation of TOTAL NIGERIA PLC (herein referred to as “TOTAL” or “the Company”) currently indicates an upside potential of 19.67%, hence we maintain a **BUY** rating on the stock.
- TOTAL traded flat in the week to maintain its YtD return at -26.11%.
- In Q1’19, TOTAL’s Revenue advanced by 2.35% YoY from ₦75.65B to ₦77.42B, while the Company recorded a Loss After Tax of ₦474.09M from a Profit After Tax of ₦1.67B in Q1’18. EPS also settled at Loss Per Share of 140kobo (-128.40% YoY) from a profit position of 492kobo recorded in Q1’18. The Trailing 12M EPS of the stock holds at 1,713kobo.
- TOTAL’s Revenue was buoyed by an advance in the sale of Petroleum Products and Lubricants & Others which advanced by 1.32% and 7.57% YoY to settle at ₦64.00B and ₦13.42B respectively.
- Cost-to-Sale ratio of the company moved from 88.99% in Q1’18 to 89.49% in Q1’19 as the Cost of Sales advanced by 2.92% YoY to ₦69.29B in Q1’19 (+2.92% YoY). Consequently, TOTAL’s Gross Profit pared by 2.31% YoY to ₦8.14B. OPEX in the period increased by 22.22% YoY to ₦6.94B. PBT for TOTAL plunged by 115.91% YoY from ₦2.63B in Q1’18 to a Loss Position of ₦418.30M in Q1’19, and the Company recorded a Loss after Tax of ₦474.09M (-128.40% YoY).
- In FY’18, TOTAL’s Revenue advanced by 6.92% YoY from ₦288.06B to ₦307.99B, while the PAT declined by 0.73% YoY from ₦8.02B to ₦7.96B. EPS also settled at 2,345kobo representing a 0.73% YoY decline from the 2,362kobo recorded in FY’17.
- The Company declared a final dividend of 1,400kobo/share for FY ’18 leading to a total dividend of 1,700kobo/share in FY’18, same as for FY’17.
- Ex-Div. Date: 18-Apr-19; Payment Date: 28-Jun-19. (Final Dividend)

TRANSCORP	Price: ₦1.13	Target Price: (₦1.17 – ₦1.42)	Rating: HOLD
P/B : 0.44	P/E : 4.98	Upside: 14.60%	Div. Yield : 2.65%
		1Yr Range: ₦1.08 – ₦1.73	

- Our valuation of TRANSNATIONAL CORPORATION PLC (herein referred to as “TRANSCORP” or “the Company”) currently reveals an upside potential of 14.60% to fair value, hence we maintain a **HOLD** recommendation on the stock.
- TRANSCORP pared by 2.59% WoW to settle its YtD return at -14.39%.
- TRANSCORP recorded a 30.40% YoY decrease in Revenue from ₦26.30B to ₦18.31B in Q1’19, while PAT settled at ₦2.09B (-61.34% YoY) from ₦5.41B in Q1’18. EPS came in lower at 2kobo from 6kobo from Q1’18. The TTM EPS for the stock holds at 19Kobo.
- The Company’s decline in Revenue came in as a result of the decline in its Power business and Corporate Centre business by 37.21% and 62.044% YoY to ₦14.12B and ₦924M in Q1’19 (vs ₦22.4B and ₦2.44B in Q1’18) respectively, while it recorded its Hospitality business advanced by 9.70% YoY to ₦4.19B (vs ₦3.82B in Q1’18). Cost-to-Sales for TRANSCORP settled at 55.52% (vs 54.46% in Q1’18). The Company recorded ₦8.14B (-32.03% YoY) in Gross Profit and ₦5.15B (-39.08% YoY) in Operating Profit, as the Operating Expense in the period declined by 13.82% YoY from ₦3.57B to ₦3.08B in Q1’19.
- TRANSCORP recorded a surge of 197.68% YoY in FX Gain on Financing activities from a Loss position of ₦284M in Q1’18 to ₦277.89M in Q1’19. Also, its Finance Cost advanced by 28.51% YoY to ₦2.88B. Subsequently, PBT for TRANSCORP in FY’18 settled at ₦2.55B (-56.99% YoY).
- TRANSCORP recorded a 29.74% YoY increase in Revenue from ₦80.28B to ₦104.16B in FY’18, while PAT settled at ₦20.63B (+94.46% YoY) compared to a Profit After Tax position of ₦10.61B in FY’17. EPS was 23kobo (FY’17: 12kobo). The TTM EPS for the stock holds at 23Kobo.
- TRANSCORP declared a dividend of 3Kobo/Share as final dividend for FY’18, (vs 3Kobo/Share in FY’17).
- Ex-Div. Date: 28-Feb-19; Payment Date: 19-Mar-19. (Final Dividend).



UACN	Price: ₦6.20	Target Price: (₦7.65-₦9.35)	Rating: BUY
P/B : 0.24	P/E : -	Upside: 37.10%	Div. Yield : 10.32%
			1Yr Range: ₦6.25 – ₦14.70

- Our valuation of UAC OF NIGERIA PLC (herein referred to as “UACN” or “the Company”) currently shows an upside potential of 37.10%, hence we maintain a **BUY** recommendation on the stock.
- UACN depreciated by 1.59% WoW to peg its YtD return at -36.41%.
- In Q1’19, UACN reported its Revenue advanced by 12.63% YoY to ₦20.63B from ₦18.31B in Q1’18, as it recorded a Profit After Tax of ₦995.99M in the same period (vs ₦598.13M in Q1’18). EPS settled at a Profit per Share of 23Kobo/share (vs 12Kobo/share in Q1’18). The Trailing 12M EPS for the stock remained at a Loss of 10kobo.
- The Company’s earnings was buoyed by the combined 17.10% YoY growth in revenue from key subsidiaries, with Animal Feeds, Real Estate and Other Revenue contributing ₦12.84B in total from ₦10.21B in Q1’18. The Paints segment increased by 12.02% YoY to ₦2.90B, while Its Logistics subsidiary revenue also advanced by 3.21% YoY to ₦1.48B. The Cost of Sales advanced by 11.50% YoY to ₦16.17B (vs ₦14.50B in Q1’18) to settle the Gross Profit at ₦4.46B from ₦3.81B (+16.93% YoY).
- Operating Profit for the Company advanced by 21.16% YoY to ₦1.49B, as Operating Expense increased by 3.14% YoY to ₦2.95B. The Net Finance Cost plunged by 98.12% YoY from ₦446.45B in Q1’18 to ₦8.39M in Q1’19. The Company recorded a Profit Before Tax of ₦1.48B (+52.24% YoY). Also, the Company recorded a Profit After Tax from Continued Operations came to ₦1.04B while UACN recorded a Loss from Discontinued Operations of ₦41.53M which led to Profit After Tax of ₦995.99M from Profit After Tax of ₦598.13M in Q1’18.
- In Feb-18, a disclosure of changes in beneficial ownership of UACN Shares was released by the company to the NSE stating that STANBIC IBTC Nominees Nig. Ltd., BLAKENEY GP111 Ltd. and THEMIS Capital Management currently hold 8%, 6% and 8% respectively of the company’s shares outstanding.
- UACN reported an 11.70% decline in Revenue to ₦78.74B for FY’18 from ₦89.18B in FY’17, while it recorded a Loss After Tax of ₦9.58B from a Profit After Tax position of ₦960M in FY’17. EPS settled at a Loss per Share of 21Kobo/share (vs 50Kobo/share in FY’17).
- For FY’18 UACN declared a Dividend Per Share (DPS) of 64kobo, (vs 65Kobo/share in FY’17).
- Ex-Div. Date; 20-May-19; Payment Date: 27-Jun-19

UAC-PROP	Price: ₦1.51	Target Price: (₦1.46 – ₦1.78)	Rating: HOLD
P/B : 0.14	P/E : -	Upside: 7.28%	Div. Yield: -
			1Yr Range: ₦1.44 – ₦2.11

- Our valuation of UACN PROPERTY DEVELOPMENT COMPANY PLC (herein referred to as “UAC-PROP” or “the Company”) currently shows an upside potential of 7.28%, hence we maintain a **HOLD** recommendation on the stock.
- UAC-PROP appreciated by 0.67% WoW to peg its YtD returns at -20.97%.
- UAC-PROP’s Revenue declined by 14.11% YoY in Q1’19 to ₦507.75M, while its Loss After Tax settled at ₦1.03B (vs. Loss After Tax of ₦900M in Q1’18). Its EPS recorded a loss of 39kobo in Q1’19 from a Loss position of 35Kobo in Q1’18. The Trailing 12M EPS holds at a loss of 511kobo/share.
- UAC-PROP’s Gross profit for Q1’19 settled at ₦28.34M as against ₦20.97M recorded in Q1’18. Gross profit margin however increased to 5.58% from 3.55% recorded a year ago. OPEX in Q1’19 advanced by 13.05% YoY to ₦164M from ₦145M in Q1’18, while the Operating Loss was ₦232M (vs Operating Loss of ₦37.84M in Q1’18). The Net Finance Cost in the period settled at ₦735.66M (vs. ₦897.41M in Q1’18). Consequent on the foregoing, Loss after tax for the company in the current period grew to ₦1.03B from a loss position of ₦900M in Q1’18.
- On 7-Aug-18, UACN Property Development Company PLC announced the resignation of the Chairman of the Board of Directors, Mr. Larry Ettah from Board of the Company with effect from 23-Jul-18. The Company also announced the appointment of three new Directors to its Board. They are Babatunde Kasali, who takes over as the Chairman of the Board of Directors, while Mr. Folasope Aiyesimoju resumes as the Chief Executive Officer (CEO) and Mrs. Awuneba Ajumogobia as a Non-Executive Director. Mrs. Adeniun Taiwo assumes the role the Chief Operating Officer (COO) of the company. All the appointments take effect from 6th August 2018.
- UAC-PROP’s FY’18 Revenue dropped by 42.17% YoY from ₦3.98B in FY’17 to ₦2.30B, while Loss After Tax of ₦15.06B was recorded in contrast to FY’17 Loss After Tax of ₦2.95B. EPS settled at a loss position of 579kobo from a loss position of 144 kobo in FY’17.
- For FY’18 the Company did not declare any dividend.
- Ex-Div. Date: N/A; Payment Date: N/A



UBA	Price: ₦6.15	Target Price: (₦7.53 – ₦9.20)	Rating: STRONG BUY
P/B : 0.42	P/E : 2.80	Upside: 36.02%	Div. Yield : 13.82%
			1Yr Range: ₦5.65 – ₦11.10

- Our valuation of UNITED BANK FOR AFRICA PLC (herein referred to as “UBA” or “the Bank”) currently shows an upside potential of 36.02%, hence we maintain a **STRONG BUY** recommendation on the stock.
- UBA pared by 1.60% in the week to close its YtD return at -20.13%.
- For its Q1’19 financial performance, UBA reported its Gross Earnings advanced by 10.31% YoY from ₦119.37B in Q1’18 to ₦131.67B. Similarly, its Profit After Tax advanced by 20.77% YoY from ₦23.74B in Q1’18 to ₦28.67B in Q1’19. Also, the Bank’s Earnings per Share (EPS) advanced by 22.39% YoY to 82kobo from 67kobo in Q1’18. The Trailing 12M EPS stood at 232Kobo.
- The Bank’s Net Trading and FX Income for the Bank declined by 8.76% YoY from ₦6.73B to ₦6.14B, while Other Income advanced by 20.41% YoY to ₦2.74B from ₦2.27B in Q1’18. Fees and Commission Income grew by 20.97% YoY to ₦24.23B in Q1’19 from ₦20.03B in Q1’18. In Q1’19, UBA’s Net Interest Income advanced by 8.44% to ₦58.08B with its Impairment Loss on Loans and Receivables advancing by 17.88% YoY to ₦1.71B (vs ₦1.45B in Q1’18). Thusly, its Net Interest Income after Impairment Loss settled at ₦56.36B in Q1’19 (vs ₦52.10B in Q1’18), the Bank’s Operating Income advanced by 7.94% YoY during the period to ₦83.71B from ₦77.55B in Q1’18. UBA’s PBT rose by 13.56% YoY to ₦30.16B, while the PAT also advanced by 20.77% YoY to ₦28.67B in Q1’19.
- In FY’18 UBA’s Gross Earnings advanced by 7.04% YoY to ₦494.05B from ₦461.56B. Its PBT advanced by 2.44% YoY to ₦106.77B while PAT also advanced by 1.37% YoY to ₦78.61B. EPS rose by 0.46% YoY to 220Kobo.
- The Bank declared a Final Dividend of 65kobo/share for FY’18 leading to a Total dividend of 85kobo/share in the same period. It also declared a Total Dividend of 85Kobo/share for its FY’17.
- Ex-Div. Date: 02-Apr-19; Payment Date: 23-Apr-19. (Final Dividend)

UNILEVER	Price: ₦31.00	Target Price: (₦31.50 - ₦38.50)	Rating: HOLD
P/B : 2.11	P/E : 19.38	Upside: 12.90%	Div. Yield : 4.84%
			1Yr Range: ₦30.95 – ₦55.00

- Our valuation of UNILEVER NIGERIA PLC (herein referred to as “UNILEVER” or “the Company”) currently shows an upside potential of 12.90%, hence we maintain a **HOLD** recommendation on the stock.
- UNILEVER waned by 0.16% WoW to peg its YtD return at -16.22%.
- In Q1’19 UNILEVER reported a 20.83% YoY drop in Revenue from ₦24.30B to ₦19.24B, while PAT also declined by 47.55% YoY from ₦2.90B to ₦1.52B. The Company’s EPS dropped by 47.55% YoY from 50kobo to 26kobo for the period. The Trailing 12M EPS for the stock holds at 160kobo.
- The decline in UNILEVER’s Revenue came in as a result of the shrinking of all its revenue segments as Food Products segment’s Turnover for Q1’19 settled at ₦9.25B (vs ₦10.65B in Q1’18), while the Home and Personal Care segment Turnover for Q1’19 came to ₦9.98B (vs ₦13.64B in Q1’18). Cost of Sales in the period declined by 12.55% YoY to ₦15.37B, as well as OPEX declining by 30.02% YoY to ₦2.38B. UNILEVER’s Operating Profit settled at ₦1.32B (-60.40% YoY), while the Finance Cost plunged by 89.82% YoY to ₦94.39M. Overall, Profit Before Tax and Profit After Tax for UNILEVER in the period declined by 45.21% and 47.55% YoY to ₦2.03B and ₦1.52B respectively.
- In FY’18 UNILEVER reported a 9.05% YoY boost in Revenue from ₦85.19B to ₦92.90B, while PAT advanced by 41.64% YoY from ₦7.45B to ₦10.55B.
- UNILEVER declared a dividend of 150kobo/share for FY’18 (200% advance from 50kobo/share for FY’17).
- Ex-Div. Date: 05-Apr-19; Payment Date: 10-May-19 (Final Dividend).



WAPCOPrice: **₦9.75**

Target Price: (₦13.05-₦15.95)

Rating: **STRONG BUY**

P/B : 1.18

P/E : -

Upside: 48.72% Div. Yield : 15.38%

1Yr Range: ₦10.00 – ₦40.79

- Our valuation of LAFARGE AFRICA PLC (herein referred to as “WAPCO” or the “the Company”) is currently shows an upside potential of 48.72% hence we maintain a **STRONG BUY** recommendation on the stock.
- WAPCO depreciated by 2.50% WoW to peg its YtD return at -21.69%.
- For its Q3'18 WAPCO's Revenue advanced by 4.75% YoY from ₦223.67B in Q3'17 to ₦234.30B while the Loss After Tax of the company settled at ₦10.37B (-1205.98% YoY) from a Profit After Tax position of ₦938M in Q3'17. EPS also declined by 1300.00% YoY to a loss per share of 120kobo compared to EPS of 10kobo in Q3'17. The Trailing 12M EPS for the stock holds at a loss of 761kobo.
- WAPCO's Gross Profit pared by 3.14% YoY to ₦56.09B due to the upward movement in Cost of Sales (+7.51% YoY to ₦178.21B) in the period with the Company's Cost-to-Sales ratio advancing to 76.06% (vs. 74.11% in Q3'17).
- WAPCO's Operating Expense grew by 15.34% YoY from ₦32.15B in Q3'17 to ₦37.08B in Q3'18, while it recorded its Operating Profit declined by 33.29% YoY to ₦19.13B in Q3'18 (vs ₦28.68B in Q3'17). The company recorded a 21.38% YoY rise in Net Finance Cost to ₦33.48B in the period, the Loss Before Tax settled at ₦14.36B (vs. -1413.21% YoY to ₦1.09B Profit Before Tax in Q3'17), while the Loss After Tax held at ₦10.37B (vs -1205.98% YoY to ₦938M Profit After Tax in Q3'17).
- In FY'17, WAPCO's Revenue advanced by 36.16% YoY to ₦299.15B, while it recorded a Loss Before Tax of ₦34.03bn. Loss After Tax settled at ₦34.60B (-304.76% YoY). EPS was at a Loss of 631kobo.
- On 04-Dec-18, WAPCO announced its decision to raise ₦89.21B by way of Rights Issue at ₦12.00 per share by issuing 6 new shares for every 7 shares held by the shareholders. The Right's price will be a 10.45% discount on its traded closing price on 03-Dec-18. The company declared the Qualification date is the 4-Dec-18 while the offer open and close dates are 17-Dec-18 and 23-Dec-18 respectively.
- The company declared a dividend of 150kobo per share in FY'17, compared to a dividend of 105Kobo in FY'16.
- Ex-Div. Date: 23-Apr-18; Payment Date: 16-May-18. (Final Dividend)

ZENITHBANKPrice: **₦20.00**

Target Price: (₦24.98 – ₦30.53)

Rating: **STRONG BUY**

P/B : 0.80

P/E : 3.20

Upside: 38.78% Div. Yield : 14.00%

1Yr Range: ₦18.80 – ₦27.20

- Our valuation of ZENITH BANK PLC (herein referred to as “ZENITHBANK” or “the Bank”) currently shows an upside potential of 38.78%, hence we maintain a **STRONG BUY** recommendation on the stock.
- ZENITHBANK declined by 1.72% WoW to settle its YtD return at -13.23%.
- ZENITHBANK's Q1'19 financial performance indicated its Gross Earnings declined by 6.55% YoY from ₦169.19B in Q1'18 to ₦158.11B while PAT advanced by 6.70% YoY from ₦47.08B to ₦50.23B. EPS also increased by 6.67% from 150kobo to 160kobo. The counter's Trailing 12M EPS holds at 625kobo.
- The decline in the Bank's Gross Earnings came from the drop in Trading Income to ₦7.81B (vs. ₦27.62B in Q1'18) while the Interest and Similar Income advanced by 4.94% to ₦122.48B (vs ₦116.71B in Q1'18). Fees & Commission Income in the period advanced by 14.35% YoY to ₦21.35B (vs. ₦18.64B in Q1'18). The Bank recorded that its Impairment Loss on Financial Assets dropped by 54.17% YoY to ₦2.10B from ₦4.57B in Q1'18 which led to the Bank's PBT and PAT advancing by 6.10% and 6.70% YoY to ₦57.29B and ₦50.23B respectively.
- The Bank reported a 15.41% YoY growth in Gross Revenue in FY'18 from ₦745.19B to ₦630.34B while PAT grew by 11.30% from ₦173.79B to ₦193.42B. EPS also increased by 11.21% from 553kobo to 615kobo.
- The Bank declared a final dividend of 250kobo for FY'18 to bring the total dividend per share in the period to 280kobo compared to a total dividend of 270kobo per share in FY'17.
- Ex-Div. Date: 08-Mar-2019; Payment Date: 18-Mar-19. (Final Dividend)



NISL Rating System

STRONG BUY	> 35%	Upside
BUY	15% - 35%	Upside
HOLD	(5)% – 15%	Upside
SELL	< (5)%	Downside

Metric	Definition
P/E*	Price to Earnings
P/B**	Price to Book
Target Price	One year Price Estimate
Div Yield*	Dividend Yield
SHO (M)**	Shares Outstanding
UR	Under Review
Ex Div*	Closure date

*Annualized, **Most Recent Quarter

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