

BRIEF ON LAST WEEK:

The Nigerian Stock Exchange All Share Index (NSEASI) pared by 2.48% WoW to close at 26,987.45 points (-14.14% YtD) after the equities market recorded losses on all trading days in the week. The total traded volume and value pared by 39.74% and 45.05% WoW respectively. Also, the total number of deals consummated on the Floor of the Exchange waned by 18.24% WoW to 12,032 deals compared to 14,717 deals in the prior week.

CORPORATE NEWS:

In the week, the Central Bank of Nigeria (CBN) released a bulletin wherein the CBN announced the minimum Loan to Deposit Ratio (LDR) target for all Deposit Money Banks (DMBs) had been reviewed upwards from 60% to 65% in order to sustain the growth momentum witnessed in the previous months. Therefore, all DMBs are required to attain a minimum of 65% by 31-Dec-19. Furthermore, the CBN reiterated that DMBs in violation of this rule will receive a levy of additional Cash Reserve Requirement equal to 50% of the lending shortfall implied by the target LDR.

Also, UACN Property Development Company Plc. (UACPROP) applied to the NSE for the approval and listing of a Rights Issue of 15,961, 563, 260 ordinary shares of 50Kobo each at ₦1.00 per share, on the basis of 43 new ordinary shares for every 7 ordinary shares held.

****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 continuity in sell pressures as witnessed at the Nigerian bourse in prior weeks due to the dearth of positive market news inflow and an elevated rate of foreign capital outflow. However, we envisage that the equities market will witness pockets of bargain hunting activities as bellwether stocks trade at a discount to their fair value and as such give room for good dividend yield at current price levels.

Overall, we opine that the equities market may close marginally negative in the current week.

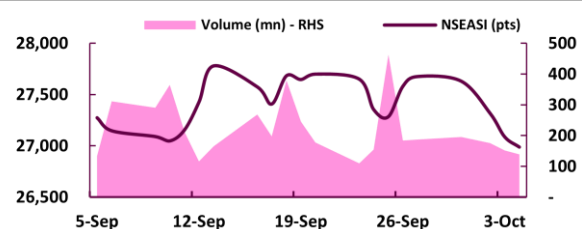
We recommend that investors should keep a well-diversified portfolio in a bid to avoid concentration risk and we advise investments in fundamentally sound stocks with a consistent dividend payment history.

NISL TOP RECOMMENDATIONS:

S/N	COMPANY	CURRENT PRICE (₦)	TARGET PRICE (₦)	UPSIDE (%)	YtD GAIN/(LOSS) (%)	RATING	Most Recent Earning Releases
1.	ACCESS	7.20	8.92	23.82	5.88	BUY	H1'19
2.	DANGCEM	151.00	205.06	35.80	(20.40)	STRONG BUY	H1'19
3.	DANGFLOUR	22.35	24.00	7.38	226.28	HOLD	H1'19
4.	DANGSUGAR	10.55	13.65	29.38	(30.82)	BUY	H1'19
5.	FBNH	5.30	6.56	23.68	(33.33)	BUY	H1'19
6.	FIDELITYBK	1.67	2.15	28.74	(17.73)	BUY	H1'19
7.	FO	14.80	20.59	39.09	(48.43)	STRONG BUY	H1'19
8.	GUARANTY	26.50	34.00	28.30	(23.08)	BUY	H1'19
9.	GUINNESS	32.90	48.30	46.81	(54.31)	STRONG BUY	FY'19
10.	MTNN	130.00	151.72	16.71	44.44	BUY	H1'19
11.	NB	50.35	57.86	14.92	(41.11)	HOLD	H1'19
12.	NESTLE	1,255.50	1,574.24	25.39	(15.45)	BUY	H1'19
13.	PRESCO	40.35	50.50	25.15	(36.95)	BUY	H1'19
14.	SEPLAT	555.00	695.54	25.32	(13.28)	BUY	H1'19
14.	TOTAL	123.20	120.01	(2.59)	(39.31)	HOLD	H1'19
15.	TRANSCORP	1.01	1.17	15.84	(23.48)	BUY	H1'19
17.	UAC-PROP	1.13	1.20	5.75	(40.84)	HOLD	H1'19
18.	UACN	6.55	9.50	45.04	(32.82)	STRONG BUY	H1'19
19.	UNILEVER	26.70	33.90	26.97	(27.84)	BUY	H1'19
20.	WAPCO	16.25	17.34	6.71	30.52	HOLD	H1'19
21.	ZENITHBANK	18.00	23.00	27.78	(21.91)	BUY	H1'19

UR: Under Review

NSEASI SUMMARY	Most Recent Week	Previous Week	% Change
NSEASI	26,987.45	27,675.04	(2.48)
YtD Return (%)	(14.14)	(11.95)	
Market Cap (₦bn)	13,137.38	13,472.09	(2.48)
Market Cap (\$bn)	42.79	43.89	(2.50)
Total Volume (mn)	660.67	1,096.45	(39.74)
Total Value (mn)	9,188.50	16,720.16	(45.05)



NISL STOCK RECOMMENDATION ANALYSIS:

ACCESS	Price: ₦7.20	Target Price: (₦8.02 – ₦9.81)	Rating: BUY
P/B: 0.44	P/E: 1.87	Upside: 23.82%	Div. Yield: 6.94%
		1 Yr Range: ₦5.30 – ₦8.35	

- 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 23.82% to fair value, therefore we maintain a **BUY** recommendation on the stock.
- ACCESS declined by 5.88% WoW to settle the YtD return of the counter at 5.88%.
- In H1'19, ACCESS posted 28.20% YoY growth in Gross Earnings from ₦253.02B to ₦324.38B and Profit After Tax advanced by 59.05% YoY from ₦39.63B to ₦63.02B. EPS advanced by 39.86% YoY from 138kobo in H1'18 to 193Kobo in H1'19. The counter's Trailing 12M EPS holds at 386kobo.
- The bank's topline growth can be attributed to the jump of 33.40% YoY in Interest Income (combination of Interest Income on Financial Assets at not at FVTPL and Interest Income on Financial Assets at FVTPL) from ₦186.89B in H1'18 to ₦272.90B in H1'19, while the Net Gain on Investment Securities plunged by 93.04% YoY to ₦4.15B from ₦59.56B in H1'18. ACCESS's Net Foreign Exchange Loss pared by 43.94% YoY to ₦18.94B from the Loss Position of ₦33.78B in H1'18. The Net Fees and Commission Income grew by 24.82% YoY to ₦37.53B. Loan Impairment Charges declined by 33.52% YoY to ₦4.88B from ₦7.34B in H1'18, also Fee and Commission Income advanced by 38.21% YoY to ₦41.86B. ACCESS' PBT advanced by 61.67% YoY to ₦74.12B while PAT advanced by 59.05% YoY to ₦63.02B.
- 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 an interim dividend of 25kobo/share in H1'19. ACCESS declared a total dividend of 50kobo/share (vs 65kobo/share declared as total dividend for its FY'17).
- Ex-Div. Date: 23-Sep-Apr-19; Payment Date: 03-Oct-19. (Interim Dividend)

AFRIPRUD	Price: ₦3.52	Target Price: (₦3.69 – ₦4.51)	Rating: BUY
P/B: 0.82	P/E: 3.53	Upside: 16.48%	Div. Yield: 14.20%
		1 Yr Range: ₦3.40 – ₦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 16.48% to fair value, therefore we maintain a **BUY** recommendation on the stock.
- AFRIPRUD pared by 9.97% WoW to settle its YtD return of the stock at -9.04%.
- In Q2'19, AFRIPRUD's Revenue declined by 7.40% YoY from ₦2.17B to ₦2.01B, while Profit After Tax advanced by 4.34% YoY from ₦985.30M in Q2'18 to ₦1.03B in Q2'19. EPS increased by 4.34% from 49kobo to 51kobo. Trailing 12M EPS for AFRIPRUD holds at 100kobo.
- The contraction in AFRIPRUD's Gross Revenue is largely attributed to the drop in Interest Income, which pared by 27.72% YoY from ₦1.58B in Q2'18 to ₦1.14B in Q2'19. Other Income also declined by 67.40% YoY from ₦67.79M in Q2'18 to ₦22.10M in Q2'19. However, AFRIPRUD recorded a drop of 76.36% YoY to ₦101M in its Finance Cost leading to the Company's Profit Before Tax and Profit After Tax advancing by 6.04% and 4.34% YoY to ₦1.21B and ₦1.03B 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: ₦151.00	Target Price: (₦184.55 – ₦225.57)	Rating: STRONG BUY
P/B: 3.10	P/E: 6.50	Upside: 35.80%	Div. Yield: 10.60%
		1 Yr Range: ₦150.70 – ₦216.00	

- Our valuation of DANGOTE CEMENT PLC (herein referred to as “DANGCEM” or “the Company”) currently shows an upside potential of 35.80%, hence we maintain a **STRONG BUY** recommendation on the stock.
- DANGCEM rose by 0.20% WoW to settle the YtD return at -20.40%.
- In H1'19, DANGCEM's Revenue pared by 3.05% YoY from ₦482.44B in H1'18 to ₦467.13B, while Profit After Tax advanced by 5.37% YoY from ₦113.16B to ₦119.24B. EPS grew by 6.21% YoY from 660kobo to 701kobo. TTM EPS holds at 2,324kobo.
- The Company's decline in topline Revenue can be attributed to the reduction in the volume and sales price (approx. ₦38,082.56/T vs. ₦39,025.97/T in H1'18) of cement in the period relative to H1'19. The company scaled up its production capacity to 45.55MMT in the period. DANGCEM's Cost-to-Sales ratio rose to 41.30% (vs. 40.96% in H1'18), whilst Gross Profit pared by 3.61% YoY to ₦274.56B. DANGCEM's operating expense increased by 21.21% YoY to ₦105.29B (translating to an OPEX Ratio of 22.51% in H1'19 vs. 18.00% in H1'18), while the company's operating profit declined by 14.97% to ₦170.50B. Also, the Company's Profit Before Tax declined by 16.20% YoY to ₦155.49B (vs ₦185.54B in H1'18) while Profit After Tax advanced by 5.37% YoY to ₦119.24B (vs ₦113.16B in H1'18).
- *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: ₦22.35	Target Price: (₦21.60-₦26.40)	Rating: HOLD
P/B: 3.52	P/E: -	Upside: 7.38%	Div. Yield: -
		1 Yr Range: ₦5.50 – ₦23.00	

- Our valuation of DANGOTE FLOUR MILLS PLC (herein referred to as “DANGFLOUR” or “the Company”) is currently shows a upside potential of 7.38%, hence we maintain a **HOLD** recommendation on the stock.
- DANGFLOUR pared by 0.22% WoW to settle its YtD return at 226.28%.
- In H1'19, DANGFLOUR's Revenue declined by 13.57% YoY from ₦56.39B to ₦48.74B, while it recorded a Loss After Tax of ₦6.17B from a Profit After Tax of ₦3.25B in H1'18, EPS also declined by 289.85% YoY to a Loss Per Share of 123Kobo in comparison to the EPS of 65kobo in H1'18. TTM EPS holds at a Loss of 212kobo.
- The decline in Revenue was exacerbated by the 16.58% drop in Flour sales in the period to ₦40.77B from ₦48.88B in H1'18 (Flour sales contributed 83.65% of Revenue in the period). The Company's Cost-to-Sales ratio in the period increased to 101.78% (vs 84.63% in H1'18) in light of higher import costs, while the Gross Profit declined by 110.00% YoY to a Loss of ₦867M. DANGFLOUR's Operating Expense advanced by 40.55% YoY to ₦7.55B, as the OPEX Ratio rose to 15.49%, compared to 9.53% in H1'18. Operating Loss in the period settled at ₦7.33B (-280.29% YoY), while the Finance Cost dropped by 12.54% YoY to ₦1.50B from ₦1.72B in H1'18. DANGFLOUR recorded a Loss Before Tax and Loss After Tax of ₦8.67B (-297.14% YoY) and ₦6.17B (-289.85% YoY) respectively.
- *Further to the announcement by DANGFLOUR to have received a binding offer from Olam International Limited (OLAM) to acquire the entire 5,000,000,000 issued shares of the Company for a consideration of ₦130B (after adjustment for net working capital and net debt as at 31-Mar-19 as well as to exclude shares held by OLAM through its subsidiary), a revised offer of ₦120B amounting to ₦24/share was made following the adjustments.*
- 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).
- Ex-Div. Date: N/A Payment Date: N/A



DANGOTE SUGAR	Price: ₦10.55	Target Price: (₦14.40 – ₦17.59)	Rating: BUY
P/B: 1.31	P/E: 6.21	Upside: 29.38%	Div. Yield: 10.43%
			1 Yr Range: ₦8.50 – ₦15.50

- 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 29.38% to fair value, therefore we maintain a **BUY** recommendation.
- DANGSUGAR pared by 3.21% WoW to settle its YtD return at -30.82%.
- In H1'19, DANGSUGAR reported a 4.42% decline in Turnover from ₦84.077B in H1'18 to ₦80.36B while Profit After Tax also waned by 13.69% YoY from ₦12.72B to ₦10.98B. EPS was also declined by 14.02% YoY from 107kobo to 92kobo. The counter's Trailing 12M EPS holds at 170kobo.
- Gross Profit Margin for DANGSUGAR settled at 26.27% in H1'19 (vs. 27.71% in H1'18), as the Company's Cost of Sales in the period rose to 73.73% (vs. 72.29% in H1'18). The OPEX Ratio declined to 4.87% as against 5.03% in H1'18, while the Operating Profit subsequently settled at ₦17.28B (-10.80% YoY) from ₦19.37B in H1'18. However, DANGSUGAR's recorded its Fair Value Adjustments of the Company's biological assets plus investment income came in at a Loss of ₦182M (-128.85% YoY). Consequently, DANGSUGAR's PBT and PAT settled at ₦17.03B (-14.43% YoY) and ₦10.98 (-13.69% YoY) respectively.
- 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: ₦7.60	Target Price: (₦8.10 - ₦9.90)	Rating: BUY
P/B: 0.21	P/E: 2.21	Upside: 18.42%	Div. Yield: -
			1 Yr Range: ₦6.00 – ₦17.55

- Our valuation of ECOBANK TRANSNATIONAL INCORPORATED PLC (herein referred to as “ETI” or “the Bank”) indicates that the stock is currently trading at an upside potential of 18.42% to its fair value, therefore we maintain a **BUY** recommendation
- ETI declined by 14.61% WoW to close its YtD return at -45.71%.
- In H1'19, ETI reported a 5.36% YoY growth in its Gross Earnings from ₦384.59B to ₦405.20B, while its PAT increased by 15.40% YoY to ₦59.49B. Also, EPS grew by 8.21% YoY from 168kobo in H1'18 to 181kobo in H1'19. The Trailing 12M EPS for the stock holds at 344kobo.
- The Bank's Net Interest Income declined by 10.70% YoY to ₦130.89B (vs ₦146.57B in H1'18) while its Net Fees & Commission Income advanced by 14.64% YoY to ₦76.94B (vs ₦67.12B in H1'18). Also, its Net Trading Income advanced by 9.02% YoY to ₦64.18B (vs ₦58.87B in H1'18).
- Furthermore, ETI recorded Operating Profit before Impairment to the tune of ₦94.11B (-11.37% YoY), while the Bank recorded an advance of 183.83% YoY on Impairment Loss on Financial Assets to the tune of ₦8.64B, ETI's Operating Profit After Impairment was ₦73.43B (+12.87% YoY), while the Profit Before Tax came in at ₦73.43B (+12.80% YoY) in H1'19. After accounting for Tax charges, ETI recorded Profits from Continuing Operations worth ₦58.29B (+13.43% YoY) and Discontinued Operations ₦1.20B (+649.75% YoY), to bring the Profit After Tax to ₦59.49B (+15.40% YoY).
- ETI announced the completion of the transfer of shares held by International Finance Corporation (IFC) and the funds managed by the IFC Asset Management Company in ETI to Arise B.V (Arise). Consequently, Arise holds c. 14.1% stake in ETI.
- 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: ₦5.30	Target Price: (₦5.90 - ₦7.21)	Rating: BUY
P/B: 0.34	P/E: 3.35	Upside: 23.68%	Div. Yield: 4.91%
			1 Yr Range: ₦4.35 – ₦9.65

- Our valuation of FBN HOLDINGS PLC (herein referred to as "FBNH" or "the Bank") is currently shows an upside potential of 23.68%, hence we maintain a **BUY** recommendation on the stock.
- FBNH waned by 3.64% WoW to peg its YtD return of the stock at -33.33%.
- For its H1'19, FBNH reported its Gross Earnings grew by 0.31% YoY from ₦293.34B to ₦294.23B while Its Profit After Tax declined by 5.48% YoY from ₦33.48B to ₦31.64B. EPS also declined by 7.69% YoY to 84kobo from 91kobo in H1'18. The Trailing 12M EPS for the counter holds at 158kobo.
- FBNH's topline growth was buoyed by the climb in Fee and Commission Income and Net Insurance Premium Revenue which settled at ₦49.49B(+18.79%YoY) and ₦7.12B (+17.77% YoY) respectively. However, the Bank's Interest Income declined by 1.61% to ₦221.78B (vs. ₦225.40B in H1'18). Net gains on FX dropped by 63.71% YoY to ₦4.70B (vs ₦12.94B in H1'18), while FBNH's Net Fees and Commission Income increased by 15.81% YoY to ₦40.59B. Loan impairment charges in the period declined by 58.14% YoY to ₦22.11B. The Bank's Operating Income settled at ₦210.49B (-0.12% YoY), while Total Operating Expense advanced by 23.08% YoY to ₦144.62B. FBNH's PBT advanced by 2.56% YoY to ₦39.87B, while overall PAT settled at ₦31.64B (-5.48% YoY) for H1'19.
- On 25-Jun-19, 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, \$450mn 8.00% subordinated Notes raised from the international debt markets and due in July 2021 will be called at the next callable date of 23-Jul-19.
- 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: ₦1.67	Target Price: (₦1.89 – ₦2.31)	Rating: BUY
P/B: 0.22	P/E: 1.96	Upside: 28.74%	Div. Yield: 6.59%
			1 Yr Range: ₦1.40– ₦2.78

- Our valuation of FIDELITY BANK PLC (herein referred to as "FIDELITYBK" or "the Bank") currently shows an upside potential of 28.74%, hence we maintain a **BUY** recommendation on the stock.
- FIDELITYBK waned by 1.76% WoW to close its YtD return at -17.73%.
- In its H1'19, FIDELITYBK reported a 12.31% YoY increase in Gross Earnings from ₦92.30B in H1'18 to ₦103.66B. Also, its Profit After Tax increased by 15.55% YoY from ₦11.84B to ₦13.69B. EPS also settled higher at 47kobo (vs H1'18: 41kobo). The Trailing 12M EPS for the stock settled at 85kobo.
- The Bank's growth in gross earnings was on the back of a 9.94% increase in Interest Income from ₦76.67B in H1'18 to ₦84.29B in H1'19. Its Net Fee and Commission Income also advanced by 30.88% YoY from ₦8.15B in H1'18 to ₦10.67B in H1'19. The bank's Net Interest Income After Credit Loss Expense advanced by 19.48% YoY to ₦42.37B in H1'19 (vs ₦35.47B in H1'18), as Credit Loss Writeback came in at ₦5.47B (+311.07% YoY) in H1'19 from a loss of ₦2.59B in H1'18. FIDELITYBK recorded Net Trading Income of ₦129M compared to a loss of ₦285M in H1'18, while Other Income skyrocketed by 103.42% YoY to ₦4.76B from ₦2.34B in H1'18.
- The Bank's Operating Expense advanced by 16.87% YoY to ₦38.17B (vs ₦32.66B in H1'18), while Operating Income settled at ₦57.93B (+26.84% YoY) from ₦45.67B in H1'18. Consequently, Profit Before Tax and Profit After Tax for the Bank advanced by 15.69% and 15.55% YoY to ₦15.05B and ₦13.69B 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: ₦3.65	Target Price: (₦4.11 – ₦5.03)	Rating: BUY
P/B: 0.79	P/E: -	Upside: 25.21%	Div. Yield: 4.11%
			1Yr Range: ₦3.65 – ₦6.00

- Our valuation of FIDSON HEALTHCARE PLC (herein referred to as “FIDSON” or “the Company”) shows an upside potential of 25.21%, hence we maintain a **BUY** recommendation on the stock.
- FIDSON depreciated by 18.89% in the week to peg its YtD at -26.26%.
- In Q2’19, FIDSON recorded its Revenue declined marginally by 0.83% YoY from ₦7.43B in Q2’18 to ₦7.37B while it recorded a Profit After Tax of ₦275.94M from ₦521.40M in Q2’18. EPS also declined by 47.08% YoY from 25kobo to a 13kobo. The Trailing 12M EPS settled at a loss of 25kobo.
- FIDSON’s drop in top-line performance was due to the decline in the Ethical goods sales to ₦3.78B (vs ₦4.03B in Q2’18) and the decline in the Consumer sales to ₦2.51M (vs ₦50.29M in Q2’18). However, the Company reported that revenue for Over-the Counter (OTC) sales settled at ₦3.59B from ₦3.35B in Q2’18 (+7.16% YoY). The Company’s Gross Profit was recorded at ₦3.32B (-4.10% YoY) due to the advance of 2.02% in Cost of Sales to ₦4.06B (vs ₦3.97B in Q2’18). On the other hand, the Operating Expense of the Company pared by 4.89% YoY from ₦2.89B to ₦2.17B. However, FIDSON’s Operating Profit advanced by 2.70% YoY from ₦1.24B to ₦1.27B as Finance Cost surged by 85.34% YoY to ₦896.87M. The Profit Before Tax and Profit After Tax declined by 47.08% YoY to ₦405.79M and ₦275.94M (vs ₦766.77M and ₦521.40M).
- FIDSON announced the Listing of additional 586,360,250 Ordinary Shares Issued by way of a Rights Issue. The additional shares arose from FIDSON’s 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. Consequently, FIDSON’s total issued and fully paid shares has now increased from 1,500,000,000 to 2,086,360,250 Ordinary Shares.
- 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: ₦15.00	Target Price: (₦20.29-₦24.79)	Rating: STRONG BUY
P/B: 0.40	P/E: 13.12	Upside: 50.27%	Div. Yield: 8.00%
			1 Yr Range: ₦12.80 – ₦23.10

- Our valuation of FLOURMILLS OF NIGERIA PLC (herein referred to as “FLOURMILL” or “the Company”) currently shows an upside potential of 50.27%, hence we maintain a **STRONG BUY** recommendation on the stock.
- FLOURMILL advanced by 7.14% WoW to settle the YtD return of the counter at -35.06%.
- In Q1’20 (3M ended 30-Jun-19), FLOURMILL’s Revenue advanced by 1.29% YoY from ₦133.03B to ₦134.75B, while Profit After Tax also advanced by 16.09% YoY to ₦4.24B. EPS grew by 16.09% from 89kobo in Q1’19 (3M ended 30-Jun-18) to 103kobo. The Trailing 12M EPS settled at 114kobo.
- FLOURMILL’s Gross Profit Margin pared to 12.23% from 12.98% in Q1’19 as its Cost-to-Sales increased to 87.77% as against 87.02% in Q1’19. OPEX in the period pared by 0.04% YoY to ₦6.70B, while it recorded Net Operating Gains to the tune of ₦126.17M (-80.70% YoY). FLOURMILL’s operating profit declined by 11.71% YoY from ₦11.21B to ₦9.89B and the Company’s Finance Cost pared by 26.56% YoY to ₦4.55B.
- PBT and PAT for the Company advanced by 5.54% and 16.09% YoY to ₦5.50B and ₦4.24B respectively.
- In FY’19 (FY ended 31-Mar-19), FLOURMILL’s Revenue declined by 2.81% YoY from ₦542.87B to ₦527.40B, while Profit After Tax plunged by 70.62% YoY to ₦4.00B. EPS declined by 79.30% from 483kobo in FY’18 (FY ended 31-Mar-19) to 100kobo. The Trailing 12M EPS settled at 100kobo.
- For FY’18 the Company declared a Dividend Per Share of 120kobo. (FY’18: 100kobo).
- Ex-div Date: 9-Aug-19. Payment Date: 6-Sep-19.



FO	Price: ₦14.80	Target Price: (₦18.53-₦22.64)	Rating: STRONG BUY	
P/B: 1.09	P/E: 2.76	Upside: 39.09%	Div. Yield: 7.77%	1Yr Range: ₦14.00 – ₦35.30

- Our valuation of FORTE OIL PLC (herein referred to as “FO” or “the Company”) shows an upside potential of 39.09%, hence we maintain a **STRONG BUY** recommendation on the stock.
- FO pared by 6.33% WoW to close the YtD’s return at -48.43%.
- In H1’19, FO’s Revenue grew by 33.89% YoY to ₦82.79B from ₦61.83B recorded in H1’18 while its Profit After Tax (PAT) advanced by 1,386.97% YoY to ₦5.45B (vs. ₦366.55B in H1’18). EPS moved to 418kobo from 28kobo in H1’18, while the Trailing 12M EPS settled at 536kobo.
- The gross profit margin for the period came in at 6.75% YoY from 9.19% in H1’18 due to the 37.50% YoY rise in Cost of Sales to ₦77.20B. FO’s OPEX increased by 20.26% YoY to ₦5.54B, while the Operating Profit advanced from ₦2.03B to ₦3.53B. PBT and PAT settled at ₦6.33B (+857.57% YoY) and ₦5.45B (+1,386.97% YoY) respectively.
- On 24-Dec-18, Forte Oil Plc. (FO) notified the public that its majority shareholder, Mr. Femi Otedola reached an agreement with the Prudent Energy team investing through Ignite Investments and Commodities Limited. The agreement holds that Mr. Femi Otedola settled to divest his full 75% direct and indirect shareholding in the Company’s downstream business. This was resolved by the shareholders to be done subject to an independent valuation on fair value at an Extra-ordinary General Meeting on 08-May-19. On 21-Jun-19, FO announced on the NSE that the agreement had been executed and full transfer of the 970,166,694 units of FO shares (at an average price of ₦66.25/share) has been successfully transferred to Ignite Investments and Commodities 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).
- Ex-Div. Date: 03-Jun-19 ; Payment Date: 10-Jun-19

GUARANTY	Price: ₦26.50	Target Price: (₦30.60 – ₦37.40)	Rating: BUY	
P/B: 1.29	P/E: 3.98	Upside: 28.30%	Div. Yield: 10.38%	1Yr Range: ₦25.75 – ₦38.95

- Our valuation of GUARANTY TRUST BANK PLC (herein referred to as “GUARANTY” or “the Bank”) currently indicates an upside potential of 28.30%, hence we maintain a **BUY** rating on the stock.
- GUARANTY declined by 3.99% WoW to close its YtD return at -23.08%.
- GUARANTY reported a 2.10% YoY decrease in Gross Earnings from ₦226.63B in H1’18 to ₦221.87B in H1’19, while its Profit after Tax came in higher at ₦99.13B (+3.72% YoY). EPS settled higher at 350kobo, increasing by 3.55% YoY from 338kobo in H1’18. The Trailing 12M EPS settled at 666kobo.
- GUARANTY’s topline performance was buoyed by the 13.31% YoY rise in Other Income (largely due to FX revaluation gains) from ₦24.75B in H1’18 to ₦28.04B in H1’19 and a 29.22% YoY growth in Fee and Commission Income from ₦27.36B in H1’18 to ₦35.35B in H1’19. Net Interest Income for the bank declined by 1.48% YoY to ₦114.18B in H1’19 (vs ₦115.90B in H1’18). Also, Loan Impairment charges advanced by 7.59% YoY to ₦2.19B (vs. ₦2.03B in H1’18). Net Fee & Commission Income for the bank advanced by 30.62% to ₦33.84B, while GUARANTY’s Net Trading Income pared by 24.99% YoY to ₦9.49B in H1’19 (vs ₦12.65B in H1’18).
- In H1’19, the bank’s Operating Income advanced by 3.60% YoY to ₦185.66B from ₦179.20B in H1’18 with the total Operating Expense advancing marginally by 0.43% YoY to ₦69.87B from ₦69.57B in H1’18. Consequently, Profit-Before-Tax for the bank rose by 5.61% YoY to ₦115.79B in H1’19 from ₦109.63B in H1’18, while Profit-After-Tax appreciated by 3.72% YoY to ₦99.13B from ₦95.58B in H1’18.
- 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 an interim dividend of 30kobo/share for H1’19. Also, the Bank declared a total dividend of 275kobo/share for F’18 (vs a total dividend of 270kobo/share for FY’17).
- Ex-Div. Date: 02-Sep-19; Payment Date: 11-Sep-19. (Interim Dividend)



GUINNESS

Price: ₦32.90

Target Price: (₦43.47 – ₦53.13)

Rating: **STRONG BUY**

P/B: 0.81

P/E: 13.14

Upside: 46.81% Div. Yield: 4.62%

1 Yr Range: ₦32.90– ₦80.60

- Our valuation of **GUINNESS NIGERIA PLC** (herein referred to as “**GUINNESS**” or “the Company”) currently indicates an upside potential of 46.81%, hence we maintain a **STRONG BUY** rating on the stock.
- **GUINNESS** declined by 3.24% WoW to settle its YtD return at -54.31%.
- In FY’19 (12M ended 30-Jun-19), Revenue for **GUINNESS** declined by 8.03% YoY from ₦142.98B in FY’18 to ₦131.50B. Also, its Profit After Tax pared by 18.37% YoY to ₦5.48B from ₦6.72B. EPS declined by 24.13% to 250kobo from 330kobo in FY’18 (12M ended 30-Mar-18). Trailing 12M EPS holds at 250kobo.
- The topline drop recorded in the period in our opinion is not unconnected to pressured consumer discretionary income in the period, as costs of living remain relatively high. The Company’s Cost of Sales in the period declined by 3.16% YoY to ₦91.37B in H1’19 from ₦94.35B in H1’18 respectively, whilst its Gross Profit declined by 17.47% YoY to ₦40.13B in FY’19.
- Operating Expense for **GUINNESS** pared by 11.97% YoY to ₦31.61B, while Finance Cost declined by 53.70% YoY to ₦2.61B. Operating Profit in the period declined by 33.02% YoY to ₦8.97B from ₦13.39B in FY’19. Profit Before Tax and Profit After Tax for **GUINNESS** declined by 28.56% and 18.37% YoY to ₦7.10B and ₦5.48B 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 Per Share (DPS) of 152kobo for FY’18 which is 17.39% YoY lower than 184kobo DPS in FY’18.
- Ex-Div. Date: 20-Sep-19; Payment Date: 24-Oct-18 (Final Dividend).

INTBREW

Price: ₦12.60

Target Price: (₦10.33 - ₦12.62)

Rating: **SELL**

P/B: 3.82

P/E: -

Downside: 8.93% Div. Yield: -

1 Yr Range: ₦9.75 – ₦33.55

- Our valuation of **INTERNATIONAL BREWERIES PLC** (herein referred to as “**INTBREW**” or “the Company”) currently indicates a downside potential of 8.93%, hence we recommend a **SELL** rating on the stock.
- **INTBREW** traded flat in the week to hold its YtD return at -58.69%.
- **INTBREW**’s H2’19 Revenue grew by 29.22% YoY to ₦68.63B while the Company recorded a Loss After Tax of ₦6.84B, from a Loss After Tax position of ₦2.85B in H2’18. EPS settled at a loss position of 80kobo from a Loss position of 33kobo in H2’18, while the Trailing 12M EPS settled at a loss of 92kobo.
- The Company’s Cost of Sales advanced by 41.12% YoY to ₦45.44B from ₦32.20B in H2’18, while the Operating Expense grew by 45.99% YoY to ₦26.50B from ₦18.15B in H2’18. Consequently, **INTBREW** recorded Operating Loss to the tune of ₦3.50B (vs Operating Profit of ₦943.45M in Q2’18). The Company’s Finance Cost advanced by 13.54% YoY to ₦7.03B in the period (vs ₦6.19B in H2’18), **INTBREW** reported a Loss Before Tax of ₦10.53B from a Loss Position of ₦5.43B in H2’18. However, due to the impact of deferred taxes (₦3.75B in H2’19), **INTBREW**’s Loss After Tax came in at ₦6.84B in H2’19.
- 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’18 (FY ended 31-Dec-18), **INTBREW**’s Revenue grew by 230.19% YoY to ₦120.61B, while **INTBREW** recorded a Loss After Tax of ₦3.87B from a Loss After Tax Position of ₦1.40B in Q3’17 (as reported). EPS was also at a Loss Position of 45kobo from a Loss Position of 16kobo in Q3’17.
- The Company did not declare a dividend for FY’18 (same as prior year).



JBERGER	Price: ₦18.55	Target Price: (₦18.51-₦22.62)	Rating: HOLD
P/B: 0.67	P/E: 4.16	Upside: 10.86%	Div. Yield: 10.78%
			1Yr Range: ₦18.00 – ₦28.40

- Our valuation of JULIUS BERGER NIGERIA PLC (herein referred to as “JULIUS BERGER” or the “Company”) currently shows an upside potential of 10.86%, hence we recommend a HOLD rating on this stock
- JBERGER remained unchanged to hold its YtD return at -7.71%.
- In Q2’19, JBERGER’s Revenue advanced by 80.33% YoY to ₦131.78B with its Profit After Tax advancing by 9.28% YoY to ₦2.83B. EPS pared by 23.53% YoY to 273kobo from 357kobo in Q2’18. The Trailing 12M EPS of the stock holds at 446kobo.
- The Company’s Gross Profit settled at ₦29.85B (+55.65% YoY) from ₦19.18B in Q2’18 even as the Cost-of-Sales rose by 89.12% YoY to ₦101.93B (vs ₦53.90B in Q2’18).
- Operating Expense rose by 29.52% YoY to ₦22.53B from ₦17.39B in Q2’18, however Operating Profit advanced by 15.55% YoY to ₦7.66B (inclusion of ₦243.41M of Impairment Loss on Trade and Tax Receivable in Q2’19). Other Income settled at ₦100M in Q1’19 (-97.96% YoY) from ₦4.85B in Q2’18. The Company’s PBT grew by 16.07% YoY to ₦4.56B from ₦3.93B in Q2’18. Consequently, JBERGER recorded its Profit After Tax appreciated by 9.28% YoY to ₦2.83B from ₦2.59B in Q2’18.
- 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: ₦140.00	Target Price: (₦168.18 – ₦205.55)	Rating: BUY
P/B: 1.44	P/E: 6.27	Upside: 33.48%	Div. Yield: 5.89%
			1Yr Range: ₦139.00 – ₦188.00

- Our valuation of DOUBLE ONE PLC: 11 Plc (formerly MOBIL NIGERIA PLC.) (herein referred to as “MOBIL” or “the Company”) currently indicates an upside potential of 33.48%, hence we place a BUY rating on the stock.
- MOBIL depreciated by 8.79% WoW to settle its YtD return at -24.53%.
- In Q2’19 MOBIL’s Revenue advanced by 8.02% YoY to ₦92.81B, however PAT pared by 23.40% YoY to settle at ₦4.17B (vs Q2’18: ₦5.45B). EPS also pared by 23.40% YoY from 1,511kobo in Q2’18 to 1,157kobo. The Trailing 12M EPS settled at 2,233kobo.
- 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 (8.12% in Q2’19 vs. 10.88% in Q2’18) in the period due to the 11.37% YoY increase in Cost of Sales to ₦85.27B.
- MOBIL recorded an 8.66% YoY drop in Other Income to ₦4.05B, largely due to the decrease in rental income from its Real Estate business to ₦3.96B (vs ₦4.09B in Q2’18). Consequently, MOBIL’s Operating Profit pared by 17.80% YoY up to ₦6.38B (vs ₦7.77B in Q2’18). MOBIL’s PBT and PAT settled at ₦6.19B (-23.24% YoY) and ₦4.17B (+23.40% 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).



MTNN	Price: ₦130.00	Target Price: (₦136.55 – ₦166.89)	Rating: BUY
P/B: 26.12	P/E: 15.46	Upside: 16.71%	Div. Yield: 6.48%
			1Yr Range: ₦99.00 – ₦149.00

- **Our valuation of MTN NIGERIA COMMUNICATIONS PLC. (herein referred to as “MTNN” or “the Company”) currently indicates an upside potential of 16.71%, hence we place a BUY rating on the stock.**
- **MTNN declined by 4.41% WoW to settle its YtD return at 44.44%.**
- In Q2'19, MTNN's total revenue increased by 12.12% YoY to ₦566.95B from ₦505.67B in Q2'18, as led by a 9.73% and 30.01% YoY increase in Data and Voice revenue respectively. The Company's OPEX pared by 28.04% YoY to ₦265.13B. Therefore, Operating Income advanced by 39.49% YoY to ₦190.40B in Q2'19. MTNN reported an EBITDA margin of 53.77% in Q2'19 (vs 43.09% in Q2'18) due to the growth in 39.93% growth in EBITDA of ₦304.87B (+39.93% YoY). The Company recorded Other Income grew by 5.79% YoY to ₦48.06M (vs. ₦45.43M). However, MTNN's Net Finance Income came in at a loss of ₦48.61B (vs ₦28.15B in Q2'18).
- **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 credily 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.
- **Inclusion of MTNN on the MSCI Frontier Index:** On 07-Aug-19, Morgan Stanley Capital International (MSCI) announced that MTN Nigeria Communications Plc. (MTNN) will be included in the MSCI Frontier Index on the 27-Aug-19 based on its MSCI Equity Indexes August 2019 Index Review. There will be no deletions from the MSCI Frontier Markets Index.
- **The Company declared an Interim dividend of 295Kobo/share. (MTNN's declared a dividend of 548kobo for FY'18).**
- **Ex-Div. Date: 08-Aug-19; Payment Date: 16-Aug-19.**



NB	Price: ₦50.35	Target Price: (₦52.07-₦63.65)	Rating: HOLD
P/B: 2.44	P/E: 15.12	Upside: 14.92%	Div. Yield: 4.83%
			1Yr Range: ₦49.00 – ₦92.50

- Our valuation of NIGERIAN BREWERIES PLC (herein referred to as “NB” or “the Company”) currently indicates an upside potential of 14.92%, hence we place a HOLD rating on the stock.
- NB declined by 4.10% WoW to close its YtD return at -41.11%.
- In H1’19 NB’s Revenue declined by 1.43% YoY to ₦170.19B while PAT declined by 27.76% YoY from ₦18.43B in H1’18 to ₦13.32B in H1’19. EPS also declined by 27.76% from 231kobo to 167kobo. The Trailing 12M EPS for NB currently holds at 333kobo.
- NB’s top-line performance remained stifled by high inflationary pressures and flattened consumer purchasing power. The Company’s Cost of Sales advanced by 2.03% YoY to ₦98.54B while its OPEX in the period also advanced by 6.05% YoY to ₦47.61B. Operating Profit settled at ₦24.46B from ₦31.62B in H1’18. NB’s Finance Cost advanced by 24.24% YoY to ₦5.05B from ₦4.07B in H1’18. PBT declined by 29.54% YoY to ₦19.41B from ₦27.55B in H1’18.
- *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.*
- *On 25-Jun-19, NB announced the continuation of its Commercial Paper (“CP”) Programme with the launch of the Series 3 and 4 of the programme which opened on 24-Jun-19. The aim of the issue of the CP is to raise ₦15B to support the Company’s short-term funding needs. The Series 3 would be for a tenor of 91 days while Series 4 would be for 172 days.*
- 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: ₦1,255.50	Target Price: (₦1,416.81-₦1,731.66)	Rating: BUY
P/B: 21.70	P/E: 20.82	Upside: 25.39%	Div. Yield: 4.66%
			1Yr Range: ₦1,080.00 – ₦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 25.39% to fair value, therefore we maintain a BUY recommendation.
- NESTLE pared by 6.65% WoW to close its YtD return at -15.45%.
- In H1’19, NESTLE’s Revenue increased by 4.89% YoY to ₦141.91B from ₦135.30B in H1’18. Also, its PAT increased by 22.32% YoY to ₦26.25B. EPS was also higher by 22.32% YoY from 2,707kobo to 3,311kobo. The Trailing 12M EPS for NESTLE currently holds at 6,030kobo.
- NESTLE’s Cost of Sales depreciated by 4.88% YoY to settle at ₦75.83B (vs ₦79.72B in H1’18), while Gross Profit increased by 18.90% YoY to ₦66.08B. OPEX in the period increased by 9.49% YoY to ₦25.65B, whereas Operating Profit increased by 25.75% YoY to ₦40.43B from ₦32.15B in H1’18. On the other hand, Finance Cost declined by 20.57% YoY from ₦1.12B to ₦889M in the period (exacerbated by improved FX sourcing modalities). NESTLE recorded a 26.87% YoY advance in PBT from ₦31.87B in H1’18 to ₦40.44B in H1’19.
- 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: ₦40.35	Target Price: (₦45.45 – ₦55.55)	Rating: BUY
P/B: 1.53	P/E: 10.50	Upside: 25.15%	Div. Yield: 4.96%
			1Yr Range: ₦40.35 – ₦75.00

- Our valuation of PRESCO PLC (herein referred to as “PRESCO” or “the Company”) currently indicates an upside potential of 25.15%, hence we maintain a **BUY** rating on the stock.
- PRESCO traded flat in the week to hold its YtD return at -36.95%.
- In H1’19, PRESCO’s Revenue declined by 9.52% YoY from ₦11.66B in H1’18 to ₦10.55B and its Profit After Tax declined by 24.39% YoY from ₦3.99B to ₦3.02B. EPS also declined by 24.39% YoY from 399Kobo to 302Kobo. The Trailing 12M EPS settled at 333kobo.
- 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 rose to 20.22% from 19.40% in H1’18 translating to PRESCO’s Gross Profit Margin depreciation to 79.78% from 80.60% in H1’18.
- OPEX for PRESCO rose by 12.38% YoY to ₦3.69B, which led to the Operating Profit declining by 22.80% YoY to ₦4.88B. The Company recorded no activity on their Biological Asset Revaluation in H1’19 in comparison to their gain of ₦175,000 in H1’18. PRESCO’s Finance Cost settled at ₦997.81M compared to ₦603.03M in H1’18. Profit Before Tax for PRESCO declined by 32.11% YoY to ₦3.88B (vs ₦5.72B in H1’18) while its Profit After Tax declined by 24.39% YoY to ₦3.02B (vs ₦3.99B in H1’18).
- 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: ₦555.00	Target Price: (₦625.98 – ₦765.09)	Rating: BUY
P/B: 0.63	P/E: 4.67	Upside: 25.32%	Div. Yield: 2.76%
			1Yr Range: ₦397.70 – ₦668.50

- Our valuation of SEPLAT PETROLEUM DEVELOPMENT COMPANY PLC. (Herein referred to as “SEPLAT” or “the Company”) currently reveals an upside potential of 25.32%, hence we maintain a **BUY** rating on the stock.
- SEPLAT depreciated by 0.29% WoW to settle its YtD return at -13.28%.
- In H1’19, SEPLAT’s Revenue grew by 3.98% YoY to ₦108.97B while it’s Profit After Tax surged by 152.60% YoY to ₦37.50B. Its Earning Per Share grew by 152.47% YoY to 6,592kobo from 2,611Kobo in H1’18. Its Trailing 12M EPS was captured at 11,885kobo.
- SEPLAT’s topline performance was buoyed by Gas Tolling (Revenue received from the Nigerian Petroleum Development Company Ltd (NPDC) for processing its share of the gas extracted from OML 4, 38 and 41 from 2015 and 2018) settling at ₦20.53B in H1’19 as crude oil sales dwindled by 15.76% YoY to ₦66.293B (vs ₦78.70B in H1’18) and gas sales also pared by 15.13% YoY to ₦22.15B (vs ₦26.10B in H1’18). SEPLAT’s Cost-to-Sales in H1’19 dropped to 41.70% (vs. 49.13% in H1’18), as such translating to a 19.19% YoY rise in Gross Profit to ₦63.53B (Gross Profit Margin; 58.30% vs. 50.87% in H1’18). In H1’19, OPEX for SEPLAT settled at ₦12.92B (vs. ₦11.77B in H1’18), as its OPEX Ratio jumped to 11.85% compared to 11.23% in H1’18. Consequently, SEPLAT’s Operating Profit pared by 11.89% YoY to ₦42.68B, while PBT pared by 0.39% YoY to ₦36.96B in H1’19 (vs. ₦37.10B in H1’18), Profit from Discontinued Operation settled at ₦977M. Therefore, PAT rose by 152.60% YoY to ₦37.50B (vs ₦14.84B in H1’18).
- In FY’18, SEPLAT’s Revenue advanced by 65.16% YoY to ₦228.39B while it’s 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: ₦123.20	Target Price: (₦108.00 – ₦132.01)	Rating: HOLD
P/B: 1.60	P/E: 17.31	Downside: 2.59%	Div. Yield: 13.80%
		1Yr Range: ₦96.50 – ₦223.30	

- Our valuation of TOTAL NIGERIA PLC (herein referred to as "TOTAL" or "the Company") currently indicates a downside potential of 2.59%, hence we maintain a HOLD rating on the stock.
- TOTAL advanced by 2.67% WoW to close its YtD return at -39.31%.
- In H1'19, TOTAL's Revenue pared by 3.48% YoY from ₦156.27B to ₦150.83B, while the Company recorded a Profit After Tax of ₦129.98M from ₦5.68B in H1'18. EPS settled at 38kobo (-97.71% YoY) from 1,671kobo recorded in H1'18. The Trailing 12M EPS of the stock holds at 712kobo.
- The decline in TOTAL's top-line performance was of the drop-in sale of Petroleum Products which waned by 5.05% YoY to ₦123.90B (vs ₦130.50B in H1'18). However, the sale in Lubricants & Others which advanced by 4.50% YoY to ₦26.93B (vs ₦25.77 in H1'18).
- Cost-to-Sale ratio of the company moved from 86.41% in H1'18 to 88.91% in H1'19 as the Cost of Sales dropped by 0.69% YoY to ₦134.10B in H1'19. However, TOTAL's Gross Profit pared by 21.24% YoY to ₦16.73B. OPEX in the period increased by 14.89% YoY to ₦13.51B. PBT for TOTAL plunged by 97.66% YoY from ₦8.65B in H1'18 to ₦202.09M in H1'19, and the Company recorded a Profit after Tax of ₦129.98M (-97.71% 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: ₦1.01	Target Price: (₦1.05 – ₦1.29)	Rating: BUY
P/B: 0.38	P/E: 6.56	Upside: 15.84%	Div. Yield: 2.97%
		1Yr Range: ₦0.84 – ₦1.71	

- Our valuation of TRANSNATIONAL CORPORATION PLC (herein referred to as "TRANSCORP" or "the Company") currently reveals an upside potential of 15.84% to fair value, hence we maintain a BUY recommendation on the stock.
- TRANSCORP pared by 0.98% WoW to hold its YtD return at -23.48%.
- TRANSCORP recorded a 30.19% YoY decrease in Revenue from ₦54.09B in H2'18 to ₦37.76B in H2'19, while PAT settled at ₦4.61B (-57.57% YoY) from ₦10.88B in H2'18. EPS came in lower at 4kobo from 12kobo in H2'18. The TTM EPS for the stock holds at 15Kobo.
- The Company's decline in Revenue came in as a result of the decline in its Power business and Corporate Centre business by 38.24% and 60.45% YoY to ₦28.46B and ₦1.69B in H2'19 (vs ₦46.08B and ₦4.28B in H2'18) respectively, while it recorded its Hospitality business advanced by 16.18% YoY to ₦9.30B (vs ₦8.01B in H2'18). Cost-to-Sales for TRANSCORP settled at 54.24% (vs 54.57% in H2'18). The Company recorded ₦17.28B (-29.68% YoY) in Gross Profit and ₦11.17B (-35.62% YoY) in Operating Profit, as the Operating Expense in the period declined by 14.24% YoY from ₦7.62B in H2'18 to ₦6.53B in H2'19.
- TRANSCORP recorded a surge of 139.66% YoY in FX Gain on Financing activities from a Loss position of ₦861.79M in H2'18 to a Gain position of ₦341.82M in H2'19. Also, its Finance Cost advanced by 42.25% YoY to ₦6.46B. Subsequently, PBT and PAT for TRANSCORP in H2'19 settled at ₦5.05B (-57.72% YoY) and ₦4.61B (-57.57% 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: ₦6.55	Target Price: (₦8.55-₦10.45)	Rating: STRONG BUY
P/B: 0.26	P/E: 38.76	Upside: 45.04%	Div. Yield: 9.77%
			1Yr Range: ₦4.50 – ₦12.00

- Our valuation of UAC OF NIGERIA PLC (herein referred to as “UACN” or “the Company”) currently shows an upside potential of 45.04%, hence we maintain a **STRONG BUY** recommendation on the stock.
- UACN declined by 14.38% WoW to peg its YtD return at -32.82%.
- In H1’19, UACN reported its Revenue advanced by 12.40% YoY to ₦41.57B from ₦36.98B in H1’18, as it recorded a Profit After Tax of ₦2.59B in the same period (vs ₦1.29B in H1’18). EPS advanced by 158.33% YoY to 62Kobo/share (vs 24Kobo/share in H1’18). The Trailing 12M EPS for the stock came in at 17kobo.
- The Company’s earnings was buoyed by the combined 26.23% YoY growth in revenue from key subsidiaries, with Animal Feeds, Real Estate and Other Revenue contributing ₦26.66B in total from ₦21.12B in H1’18. On the flip side, the Paints segment and Logistics subsidiary revenue pared by 0.14% and 6.45% YoY to ₦5.27B and ₦2.82B respectively. The Cost of Sales advanced by 11.96% YoY to ₦32.94B (vs ₦29.42B in H1’18) to settle the Gross Profit at ₦8.63B from ₦7.56B (+14.13% YoY).
- Operating Profit for the Company advanced by 9.30% YoY to ₦2.97B, while Net Finance Cost plunged by 84.78% YoY from ₦1.08B in H1’18 to ₦163.86M in H1’19. The Company recorded a Profit Before Tax of ₦3.39B (+61.33% YoY). Also, the Company recorded a PAT of ₦2.59B from a PAT of ₦1.29B in H1’18.
- 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.
- On 02-Sep-19, UACN announced that subject to regulatory review and approval it would be unbundling its c.64.16% stake in the shares of UAC-PROP such that UACN no longer holds any shares in UAC-PROP and UAC-PROP operates as a standalone legal entity. More so, UACN’s stake in the shareholding of UAC-PROP will be transferred pro-rata to all UACN shareholders who will hold such UAC-PROP shares and corresponding UPDC REIT allocation in addition to their existing equity shares in UACN.
- 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: ₦1.13	Target Price: (₦1.08 – ₦1.31)	Rating: HOLD
P/B: 0.10	P/E: -	Upside: 5.75%	Div. Yield: -
			1Yr Range: ₦0.79 – ₦1.87

- Our valuation of UACN PROPERTY DEVELOPMENT COMPANY PLC (herein referred to as “UAC-PROP” or “the Company”) currently shows an upside potential of 5.75% therefore we maintain a **HOLD** on the stock
- UAC-PROP declined by 2.59% WoW to settle its YtD returns at -40.84%.
- UAC-PROP’s Revenue grew by 24.36% YoY in H1’19 to ₦1.49B, while its Loss After Tax settled at ₦1.29B (vs. Loss After Tax of ₦1.83B in H1’18). Its EPS recorded a loss of 50kobo in H1’19 from a Loss position of 71Kobo in H1’18. The Trailing 12M EPS holds at a loss of 463kobo/share.
- UAC-PROP’s Gross profit for H1’19 settled at ₦331.46M as against ₦63.75M recorded in H1’18. Gross profit margin however increased to 22.21% from 5.58% recorded a year ago. OPEX in H1’19 dropped by 12.63% YoY to ₦290.78M from ₦332.80M in H1’18, while the Operating Loss was ₦45.47M (vs Operating Profit of ₦227.74M in H1’18). The Net Finance Cost in the period settled at ₦1.57B (vs. ₦2.21B in H1’18). Consequent on the foregoing, Loss after tax for the company in the current period settled at ₦1.29B from a loss position of ₦1.83 in H1’18.
- 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 Mr. Babatunde Kasali, Mr. Folasope Aiyesimoju and Mrs. Awuneba Ajumogobia. Mrs. Adeniun Taiwo assumes the role of the Chief Operating Officer (COO) of the company. All the appointments take effect from 6th August 2018.
- On 02-Sep-19, UAC-PROP announced the proposed recapitalization of its shares structure (Rights Issue) and unbundling of its interest in UPDC REITs. As such each shareholder of UAC-PROP in addition to their shares will receive their corresponding units of UAC-PROP’s stake in UPDC REITs.
- 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.



UBA	Price: ₦6.15	Target Price: (₦7.30– ₦8.93)	Rating: BUY
P/B: 0.39	P/E: 2.40	Upside: 31.95%	Div. Yield: 13.82%
			1Yr Range: ₦5.50 – ₦8.30

- Our valuation of UNITED BANK FOR AFRICA PLC (herein referred to as “UBA” or “the Bank”) currently shows an upside potential of 31.95%, hence we maintain a **BUY** recommendation on the stock.
- UBA depreciated by 0.81% WoW to settle its YtD return at -20.13%.
- For its H1'19 financial performance, UBA reported its Gross Earnings advanced by 13.87% YoY from ₦257.92B in H1'18 to ₦293.69B. Similarly, its Profit After Tax advanced by 29.56% YoY from ₦43.79B in H1'18 to ₦56.74B in H1'19. Also, the Bank's Earnings per Share (EPS) advanced by 31.71% YoY to 162kobo from 123kobo in H1'18. The Trailing 12M EPS stood at 256Kobo.
- The Bank's Net Trading and FX Income for the Bank advanced by 60.08% YoY from ₦20.46B to ₦32.75B, while Other Income pared by 14.06% YoY to ₦3.72B from ₦4.32B in H1'18. Fees and Commission Income grew by 14.18% YoY to ₦52.34B in H1'19 from ₦45.85B in H1'18. In H1'19, UBA's Net Interest Income dropped by 0.86% to ₦110.12B with its Impairment Loss on Loans and Receivables declining by 53.65% YoY to ₦3.12B (vs ₦6.73B in H1'18). The Bank's Operating Income advanced by 16.84% YoY during the period to ₦182.64B from ₦156.31B in H1'18. UBA's PBT rose by 20.87% YoY to ₦70.27B, while the PAT also advanced by 29.56% YoY to ₦56.74B in H1'19.
- 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 an interim dividend of 20kobo/share for H1'19. Also, the bank declared Final Dividend of 65kobo/share for FY'18 leading to a Total dividend of 85kobo/share (vs a Total Dividend of 85Kobo/share in FY'17).
- Ex-Div. Date: 02-Apr-19; Payment Date: 23-Apr-19. (Final Dividend)

UNILEVER	Price: ₦26.70	Target Price: (₦30.51 - ₦37.29)	Rating: BUY
P/B: 1.97	P/E: 18.37	Upside: 26.97%	Div. Yield: 5.62%
			1Yr Range: ₦24.65 – ₦47.50

- Our valuation of UNILEVER NIGERIA PLC (herein referred to as “UNILEVER” or “the Company”) currently shows an upside potential of 26.97%, hence we maintain a **BUY** recommendation on the stock.
- UNILEVER declined by 7.93% WoW to settle its YtD return at -27.84%.
- In H1'19 UNILEVER reported an 11.36% YoY drop in Revenue from ₦48.13B to ₦42.66B, while PAT also declined by 38.54% YoY from ₦5.72B to ₦3.52B. The Company's EPS dropped by 38.54% YoY from 100kobo to 61kobo for the period. The Trailing 12M EPS for the stock holds at 145kobo.
- 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 H1'19 settled at ₦21.36B (vs ₦22.04B in H1'18), while the Home and Personal Care segment Turnover for H1'19 came to ₦21.30B (vs ₦26.09B in H1'18). Cost of Sales in the period declined by 4.55% YoY to ₦31.31B, as well as OPEX declining by 17.46% YoY to ₦7.52B. UNILEVER's Operating Profit settled at ₦3.85B (-37.95% YoY), while the Finance Cost surged by 110.91% YoY to ₦357.32M. Overall, Profit Before Tax and Profit After Tax for UNILEVER in the period declined by 37.34% and 38.54% YoY to ₦4.70B and ₦3.52B 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).



WAPCO	Price: ₦16.25	Target Price: (₦15.61 - ₦19.07)	Rating: HOLD
--------------	----------------------	--	---------------------

P/B: 1.15 P/E: - Upside: 6.71% Div. Yield: - 1Yr Range: ₦9.55 – ₦22.34

- Our valuation of LAFARGE AFRICA PLC (herein referred to as “WAPCO” or the “the Company”) currently shows an upside potential of 6.71%, hence we maintain a HOLD recommendation on the stock.
- WAPCO advanced by 1.56% WoW to settle its YtD return at 30.52%.
- For its H1’19 WAPCO’s Revenue pared by 1.23% YoY from ₦162.29B in H1’18 to ₦160.30B while the Profit After Tax of the company settled at ₦9.01B (+330.86% YoY) from a Loss After Tax position of ₦3.90B in H1’18. EPS advanced by 224.29% YoY to 56kobo compared to a Loss Per Share of 45kobo in H1’18. The Trailing 12M EPS for the stock holds at a loss of 4kobo.
- WAPCO’s Gross Profit grew by 4.58% YoY to ₦40.75B due to the downward movement in Cost of Sales (-3.06% YoY to ₦119.55B) in the period, with the Company’s Cost-to-Sales ratio settling at 74.58% from 75.99% in H1’18.
- WAPCO’s Operating Expense declined by 19.06% YoY from ₦22.73B in H1’18 to ₦18.40B in H1’19, while it recorded its Operating Profit appreciated by 37.04% YoY to ₦22.39B in H1’19 (vs. ₦16.34B in H1’18). The company recorded a 42.39% YoY drop in Net Finance Cost to ₦13.07B in the period. The Profit Before Tax settled at ₦9.27B (+246.15% YoY) from a Loss Before Tax Position of ₦6.35B in H1’18, while the Profit After Tax held at ₦9.01B from a Loss After Tax of ₦3.90B in H1’18.
- In FY’18, WAPCO’s Revenue advanced by 3.10% YoY to ₦308.43B from ₦299.15B in FY’17, while it recorded a Loss Before Tax position of ₦19.51bn. Loss After Tax settled in the period settled at ₦8.80B (-74.56% YoY), while loss per share was 105kobo.
- On 26-Mar-19, WAPCO announced the listing on the NSE an additional 7,434,367,256 ordinary shares raised by way of Rights Issue at ₦12.00/share on the basis of 6 new ordinary shares for every 7 ordinary shares held as at 04-Dec-18. Furthermore, on 19-Jun-19, WAPCO announced that it had redeemed its ₦26.4B Bond with a 3-years tenor and at a fixed coupon of 14.25%.
- On 31-Jul-19, Lafarge Africa Plc. (WAPCO) announced the conclusion of the sale of Lafarge South Africa Holdings (LSAH) at the agreed Sales price of US\$316,289,060.55 which was used to settle the entire principal of US\$293,000,000.00 and accrued interest of US\$23,289,060.55 on the inter-company loan owed to Caricement BV (Purchaser). Therefore, this allows WAPCO to clear all its foreign currency debt leaving only ₦33.6B corporate bond redeemable in Jun-21 and ₦16B on the Central Bank of Nigeria Intervention loans through the Bank of Industry.
- The company did not declare any dividend for FY’18 (vs a declared dividend of 105Kobo in FY’17).

ZENITHBANK	Price: ₦18.00	Target Price: (₦20.70 – ₦25.30)	Rating: BUY
-------------------	----------------------	--	--------------------

P/B: 0.69 P/E: 2.82 Upside: 27.78% Div. Yield: 15.56% 1Yr Range: ₦16.20 – ₦26.00

- Our valuation of ZENITH BANK PLC (herein referred to as “ZENITHBANK” or “the Bank”) currently shows an upside potential of 27.78%, hence we maintain a BUY recommendation on the stock.
- ZENITHBANK pared by 2.70% WoW to hold its YtD return at -21.91%.
- ZENITHBANK’s H1’19 financial performance indicated its Gross Earnings advanced by 2.91% YoY from ₦322.20B in H1’18 to ₦331.59B while its PAT also advanced by 8.74% YoY from ₦81.74B in H1’18 to ₦88.88B. EPS also increased by 8.85% from 260kobo in H1’18 to 283kobo in H1’19. The counter’s Trailing 12M EPS holds at 638kobo.
- The growth in the Bank’s Gross Earnings was buoyed by its Fee and Commission Income advancing by 33.62% YoY to ₦55.82B (vs. ₦41.77 in H1’18) and Trading Income advancing by 22.53% YoY to ₦45.10B (vs. ₦36.81B in H1’18). However, Interest and Similar Income declined by 6.15% YoY to ₦214.60B (vs. ₦228.67B in H1’18). The Bank recorded that its Impairment Loss on Financial Assets grew by 41.31% YoY to ₦13.74B from ₦9.72B in H1’18 which led to the Net Interest Income After Impairment Charges dropping by 10.72% YoY to ₦128.78B in H1’19 (vs. ₦144.24B in H1’18). The Bank’s PBT and PAT advanced by 4.02% and 8.74% YoY to ₦111.68B and ₦88.88B (vs. ₦107.36B and ₦81.74B in H1’18) 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 an interim dividend of 30Kobo/share. Also, ZENITHBANK declared a total dividend per share of 280kobo in FY’18 compared to a total dividend of 270kobo per share in FY’17.
- Ex-Div. Date: 29-Aug-2019; Payment Date: 02-Sep-19. (Interim 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

Copyright © 2019 Nigerian International Securities Limited (“NISL”).

All rights reserved. Unauthorized use, reproduction, distribution or disclosure of this document is strictly prohibited. This material has been issued by Nigerian International Securities Limited (“NISL”), a Company regulated by the Nigerian Securities and Exchange Commission. The analyst(s) primarily responsible for preparing this research report, in whole or in part, certifies that with respect to each security or issuer covered; all of the views expressed accurately reflect his/her personal views about the subject securities and issuers and no part of his/her compensation was, is, or will be, directly or indirectly, related to the inclusion of specific recommendations or views in the report. This research report is based on information from sources that NISL and its analysts believe to be reliable. Neither NISL nor any of its research analysts, gives any representation or warranty, express or implied, or undertaking of any kind or assumes responsibility or liability of any kind with respect to the accuracy or completeness of the information set out in this report or any third party’s use (or the results of such use) of such information. This report is provided solely for informational purposes and is not to be construed as providing advice, recommendations, or endorsements of any kind whatsoever. The investments and strategies discussed here may not be suitable for all investors; counsel of investment advisor should be obtained with regard to such investments and or strategies. This research report is not a replacement for advice from an accountant, lawyer, personal finance advisor or other category of investment advisor. The investments discussed in this report may oscillate in price or value. Opinions and information provided are made as of the date of the report issue and are subject to change without notice. This research report is not intended as an offer or solicitation for the purchase or sale of any financial instrument. Reference herein to any specific security or financial instrument does not necessarily constitute or imply its endorsement or recommendation by NISL, its directors, officers, employees or designated agents. NISL may act as broker, advisor or lender, or make a market in any investments or issuers referenced in this report. Further information on any of the securities discussed herein may be obtained upon request to NISL. By accepting this document, you agree to be bound by the foregoing limitations.

