

Week beginning **08-Oct-18**

BANKS	Rating	Price Target (N)	Price (N)	Potential Up/Downside	P/E (x) 2017	P/E (x) 2018E	P/B (x) 2017	P/B (x) 2018E	EPS gr. 2017 (y/y)	EPS gr. 2018E (y/y)	ROAE 2017	Div Yield 2018E
ACCESS	BUY	13.34	8.05	77.52%	4.9	2.7	0.6	0.5	-13.4%	38.8%	17.4%	11.8%
FBNH	BUY	12.38	8.90	44.72%	6.6	9.3	0.5	0.5	177.1%	-27.8%	3.0%	5.6%
GUARANTY	BUY	52.45	36.40	53.2%	7.0	5.8	1.9	2.1	29.0%	8.3%	30.2%	9.1%
UBA	UR	10.14	8.20	34.6%	4.7	3.3	0.8	0.5	9.0%	15.7%	18.5%	11.0%
ZENITHBANK	UR	30.15	21.55	50.3%	4.5	4.2	1.3	0.7	37.3%	-10.1%	23.3%	10.4%
AVERAGE		23.69	16.62	52.1%	5.6	5.1	1.0	0.9	47.8%	5.0%	18.5%	9.6%

CEMENT	Rating	Price Target (N)	Price (N)	Potential Up/Downside	EV/SALES (x) 2017	EV/EBITDA (x) 2017	EV/EBITDA (x) 2018E	P/E (x) FY 2017	P/E (x) FY 2018E	EPS gr. FY 2017/16	EPS gr. FY 2018E/17	Div Yield 2018E
CCNN	SELL	17.79	25.00	-23.02%	0.3	1.0	5.4	3.7	8.6	157.1%	13.1%	5.8%
DANGCEM	HOLD	216.00	200.00	14.0%	5.2	10.7	9.0	20.2	14.2	32.8%	20.6%	6.0%
WAPCO	HOLD	27.22	23.00	24.9%	1.6	19.1	8.5	-7.1	-51.5	-302.1%	-93.0%	6.5%
AVERAGE		87.00	82.7	5.3%	2.3	10.3	7.6	5.6	-9.5	-37.4%	-19.7%	6.1%

CONSUMER GOODS	Rating	Price Target (N)	Price (N)	Potential Up/Downside	EV/SALES (x) 2017/18	EV/EBITDA (x) 2017/18	EV/EBITDA (x) 2018/19E	P/E (x) FY 2017/18	P/E (x) FY 2018/19E	EPS gr. FY 2017/16	EPS gr. FY 2018E/17	Div Yield 2018/19E
CADBURY	HOLD	10.98	9.65	14.41%	0.9	13.2	7.3	98.1	158.2	-201.2%	-61.8%	0.6%
DANGSUGAR	BUY	20.76	14.50	51.5%	1.0	3.9	3.8	6.0	6.3	175.9%	-30.8%	8.3%
FLOURMILL	BUY	48.45	19.95	153.4%	0.5	4.4	3.8	5.8	7.6	2.0%	-14.9%	10.5%
GUINNESS	HOLD	70.91	79.00	-7.1%	1.3	7.9	7.2	31.9	19.1	140.1%	34.7%	3.1%
NB	HOLD	101.82	89.70	17.8%	3.1	11.7	8.7	31.7	23.1	15.3%	-5.9%	4.3%
NESTLE	SELL	1,026.07	1,400.00	-22.4%	5.1	20.0	15.1	36.6	23.3	325.5%	41.4%	4.3%
PZ	HOLD	12.18	12.55	-1.4%	0.9	13.4	7.6	47.0	31.8	-44.5%	-15.1%	1.6%
UNILEVER	HOLD	40.94	45.00	-4.9%	2.1	10.9	20.2	23.0	23.2	119.2%	9.0%	4.1%
AVERAGE		166.51	208.79	25.2%	1.9	10.7	9.2	35.0	36.6	66.5%	-5.4%	4.6%

Multiples for GUINNESS, FMN and PZ are a year ahead due to end-June, March and May year ends respectively

UR= Under Review

Source: Bloomberg, Cordros Research estimates

CADBURY NIGERIA PLC (CADBURY) – HOLD

- The shares of CADBURY appreciated by 6.04% to NGN9.65. CADBURY trades at a significant forward PE above its 5-year historical average of 24.9x.
- CADBURY released Q2-18 result, with a loss after tax of NGN455 million. We had expected a loss of NGN740 million. The result shows welcome growth in revenue and double-digit decline in opex, offset by significantly lower gross margin.
- Ahead of Q3 earnings release, we roll forward estimates and valuation to 2019E with a BUY rating (21% upside) – and expected total return of 18% after incorporating 2018E dividend yield of c.1%.
- From NGN460 million loss in H1-18, we expect NGN140 million net profit in 9M-18E on estimated NGN560 million profit in Q3-18E. While we expect lower revenue relative to Q2-18, earnings should gain support from relatively improved gross margin.
- It would be interesting to see the feedthrough to gross margin from the rising price of cocoa (17% y/y in Q3-18) and the offsetting impact of softer raw sugar prices (-22% y/y in Q3-18).

DANGOTE SUGAR REFINERY PLC (DANGSUGAR) – BUY

- The shares of DANGSUGAR closed higher by 2.11% to NGN14.50. DANGSUGAR trades at forward PE of 6.3x, lower than its 5-year historical average of 7.5x.
- We update on DANGSUGAR following the release of the Q2-18 result, wherein revenue and net profit came behind Q2-17s at strong double-digits. Compared to our estimates, both revenue and net profit were lower by 14% and 13% respectively. Stronger gross margin minimized the effect of still-weak volume and higher-than-expected opex, in what would have been a more disappointing quarter. We now expect 2018FY net profit will be lower by 31% vs. 2017FY (-20% previously), whilst noting possible upside from (1) continued resilient margin over H2-18 (even in the traditionally weak Q4) and (2) strong reduction of opex from the current surprisingly high level (Q2-18 figure highest since Q4-16).
- Ahead of Q3 earnings release, we roll forward estimates and valuation to 2019E and upgrade rating to BUY with 41% upside – and expected total return of 50% after incorporating 2018E dividend yield of c.9%.
- We expect Q3-18E net profit will be flat relative to Q2-18, but lower by c.19% vs. Q3-17, largely on lower revenue (owing to weaker sales volume and softer selling prices) and gross margin.
- It would be interesting to see how softer raw sugar prices (-22% y/y in Q3) have impacted gross margin (via the mix of lower unit input costs and possibly, selling prices) and volume (via increased activities of illegal importers).

FLOUR MILLS OF NIGERIA PLC – BUY

- The shares of FLOURMILL declined by 0.25% to NGN19.95. FLOURMILL trades at 2018 PE of 7.6x, below its 5-year average of 19x.
- FLOURMILL released Q1-19 result and held conference call with analysts. The three months period (April-June) is typically strong for the company, so the reported PBT of NGN5.21 billion, from a loss of NGN2.96 billion in the January-March period, came as no surprise. But compared to Q1-18, the result showed weak performance across all lines, save for the stronger gross margin and relatively lower finance costs. We update our model.
- Ahead of Q2 earnings release, we maintain BUY with 143% upside – and expected total return of 154% after incorporating 2019E dividend yield of 11%. FLOURMILL is likely to report lower profit in Q2-19E (-16% y/y on our estimate) relative to Q2-18.
- The slow start (-11% y/y) at the crucial first quarter (accounting for 26% of yearly sales) is instructive, and we believe conditions – increased competition, softer selling prices, generally weak demand, and Apapa traffic gridlock – have not improved.

- We are also conservative in gross margin estimate amidst rising wheat prices and softer selling prices. It would be interesting to see the feedthrough to gross margin from the rising price of wheat (13% y/y as at September ending) and the offsetting impact of softer raw sugar prices (-22% y/y in Q3-18).

GUINNESS NIGERIA PLC – HOLD

- The shares of GUINNESS fell by 1.25% to NGN79.00. GUINNESS trades at 2018 PE of 19.1x, below its 5-year average of 27.7x.
- We update on GUINNESS following Q4-18 and 2018FY results and call with management. The 2018FY result was helped by performance in the earlier quarters, masking a very disappointing fourth quarter (EBITDA: -38% y/y and -16% q/q, EBIT: -55% y/y and -33% q/q, and net profit: -64% y/y and -45% q/q). The operating environment is expected to remain challenging, and competition intense in the near term. Management shares this view, but is confident that its strategies are yielding the desired result. We still expect EPS to grow in 2019E, but have revised estimate lower.
- We cut our TP lower to NGN70.91/share (previously NGN73.75/share) and maintain SELL on 22% downside, including our estimated dividend yield of c.3%. While noting that equities have broadly been bearish YTD, we attribute part of GUINNESS' share price decline to investor reaction to the unimpressive H2-18 earnings (-31% PAT vs. H1-17). On our revised estimates, the stock is trading at forward (2018E) P/E and EV/EBITDA multiples of 21.3x and 8.0x, a discount to its five-year historical averages of 33.1x and 9.3x respectively.
- Management said that about 70% of the revenue growth in 2018FY was on volume, driven by accessible beer and malt, as well as mainstream spirits. We forecast 10% revenue growth in 2019E, and expect volume will gain support from the stronger commercial and RTM activities we have observed with GUINNESS, including portfolio expansion/extension and the reversal of earlier price increases.
- We leave our gross margin estimate for 2019E at 34%, unchanged vs. 2018FY. In our view, both the cost environment and competitor price actions offer no positive outlook for gross margin in the near term. And we see little-to-no impact on margin from volume mix, as we expect assessible brands will continue to drive most of GUINNESS' volume performance. On competition and margin effect, it is instructive to note that even the market leader has resolved to taking the full hit of the excise tariff hike.
- Compared to our previous estimate, we cut EBIT margin lower by 90 bps to 9.5% (2018FY: 9.4%). We raise estimate for opex-to-revenue ratio to 25% (previously 24%), reflecting (1) the negative surprise in Q4-18 –which impacted earnings the most during the period and (2) expected higher spend on commercial activities and RTM in support of our volume outlook.
- The net impact of the changes to our model is a slight cut to 2019E EPS estimate to NGN4.13 (previously NGN4.71), implying 35% growth over 2018FY. Net finance cost, which we forecast to more than halve in 2019E on the assumption of nil FX losses, is a major driver of our EPS estimate.

NIGERIAN BREWERIES PLC – HOLD

- The shares of NB depreciated by 1.97% to NGN89.70. NB trades at forward PE of 23.1x, below its 5-year average of 31.5x.
- NB reported 33.1% y/y decline in Q2-18 EPS, impacted by sales and gross margin declines, as well as higher effective tax rate, which offset a significantly lower net finance cost. Both the achieved revenue and net profit trailed our estimates for the three months period by 6% and 39% respectively. And annualized, the H1-18 EPS of NGN2.31 is 8% behind consensus estimate for 2018E.
- We roll forward estimates and valuation to 2019E, ahead of Q3 earnings release, and maintain HOLD with 9.5% upside – and expected total return of 13.5% after incorporating 2018E dividend yield of 4%.
- On our estimate, NB's net profit grew by over 800% y/y in Q3- 18E, supported by lower opex and finance charges. We estimate that revenue will likely be flat compared to Q3-17.
- Compared to the Q1 and Q2 this year, NB's Q3-18 net profit is likely to be much lower (we estimate - 70% on average), reflecting the typically lower revenue and gross margin reported during the period. It would be interesting to see the feedthrough to gross margin from the rising prices of sorghum (44% y/y in Q3-18), maize (11% y/y in Q3-18) and barley (2% y/y in Q3-18).

NESTLE NIGERIA PLC – SELL

- The shares of NESTLE closed flat at NGN1,400.00. NESTLE trades at 12-M PE of 23.3x below its 5-year average of 43x.
- NESTLE reported 56.9% y/y EPS growth in Q2-18, driven by strong revenue and margin growth, marginal increase in opex, and a net finance income (vs. loss the previous year). Compared to our estimate, the achieved Q2 EPS was ahead by 8%. Annualized, the H1-18 EPS of NGN27.07 is c.3% ahead of consensus estimate for 2018E.
- We roll forward estimates and valuation to 2019E, ahead of Q3-18 result, and maintain SELL, with 26% downside – and expected total return of -21% after incorporating 2018E dividend yield of 4%.
- On our estimate, NESTLE's net profit grew by 86% y/y in Q3- 18E, supported by significantly lower finance charges (-88% y/y), continued double-digit revenue growth (10% y/y), and slightly higher gross margin.
- It would be interesting to see the feedthrough to gross margin from the rising prices of cocoa (17% y/y in Q3-18) and maize (11% y/y in Q3), and the offsetting impact of softer raw sugar prices (-22% y/y in Q3).

PZ CUSSONS NIGERIA PLC – HOLD

- The shares of PZ closed flat at NGN12.55. PZ trades at 2018 PE of 31.8x, below its 5-year average of 40.0x.
- PZ published Q1-19 result on Friday last week, with a loss of NGN204.6 million (Q1-18: NGN123.1 million loss). Compared to 2018, we now expect the group's earnings in Q2, and indeed the rest of 2019E, will be weaker, with the trading update also released last week by the parent company guiding to still challenged conditions in Nigeria ahead of the general elections. We recently spoke to some PZ's distributors in Lagos and they confirmed to us that "the market has been subdued since June across all segments", with new HPC launches gaining only little traction.
- At -14% y/y and -8% q/q in Q1-19, PZ's revenue has declined y/y and q/q for the third quarter in a row. June-August is off-peak period for the group, and management had in June, guided to continued difficult trading conditions in the local market. We had expected revenue will decline by low single-digit over the low base of Q4-18, and given new products had just been introduced to the market. While revenue performance will be better over the remaining quarters – in the historical pattern – following the last result, we believe upside is limited compared to 2018FY, against a backdrop of still subdued consumer spending (reinforced by the September trading update).
- At 24.3%, reported LFL gross margin was higher by 167bps vs. Q1-18. The gross margin is consistent with our expectation, and also an improvement over the last two quarters of 2018FY. We believe the lower FX loss of NGN670 million (-63% vs. Q1-18 and -68% vs. Q4-18) was supportive of the improved gross margin, but while FX – and broadly, gross margin – outlook is positive, risk is that PZ's FX loss is somewhat unstable and pricing pressure persists (we learnt from distributors that the prices of Joy and Imperial Leather bar soaps were recently returned to their pre-hike levels).
- Despite lower revenue, opex grew by 0.2% y/y and 11% q/q, with the corresponding ratio to revenue at a record-high of 26%. On LFL basis, we estimate that PZ recorded operating loss of NGN250 million (Q1-2018: NGN90 million) in the review period. While the focus for PZ must be on maintaining cost control, we are afraid that increasing competition will force the group to retain opex around current level (NGN4 billion average quarterly spend since Q1-18) to maintain market share across product segments. On our forecast 2% decline in revenue, we reduce our 2019E EBIT margin estimate to 3.5% (previously 4.1%).
- Our adjusted PBT estimate is NGN2.4 billion in 2019E, (previously NGN3.2 billion), equating to 4% growth vs. 2018FY. Save for materially lower opex and finance costs compared to our estimates, we see no catalysts for PZ's earnings in the near term. On our revised TP of NGN12.18/s (previously NGN14.60/s), the stock trades at 3% downside – and expected total return of -1% after incorporating 2019E dividend yield of c.2%. HOLD.

UNILEVER NIGERIA PLC – HOLD

- The shares of UNILEVER close flat at NGN45.00. UNILEVER trades at forward PE of 23.2x, below its 5-year average of 57.1x.
- UNILEVER published H1-18 result, with the first quarter numbers restated. For the three months ended June (Q2), revenue grew 7.5% y/y, while EBIT was down 24% y/y. PAT grew by 36% y/y, thanks to net finance income of NGN1 billion (vs. loss of NGN780 million in Q2-17).
- Ahead Of Q3 result, we roll forward estimates and valuation to 2019E and upgrade rating to HOLD with 5% downside – and expected total return of -0.5% after incorporating 2018E dividend yield of 4%.
- On our estimate, UNILEVER's net profit grew by about 90% y/y in Q3-18E, mainly accruing from significantly lower finance charges (94% y/y). Revenue growth slowed in Q2 (7% y/y) compared to Q1 (19% y/y), and we expect to see the trend continue in the third and final quarters, with impact of carryover price having largely waned.
- In the H1-18 results conference call, management guided to challenging short term trading outlook, citing continued pressured purchasing power and poor credit to the private sector as major risks. It would be interesting to see the feedthrough to gross margin from softer CPO prices (15% y/y in Q3-18) and the possible offsetting impact of higher petroleum products prices.

DANGOTE CEMENT PLC – HOLD

- The shares of DANGCEM declined by 2.44% to NGN200.00. DANGCEM trades at forward PE of 14.2x, below its 5-year average of 15.8x.
- DANGCEM published Q2-18 result, showing Group revenue grew 18% y/y, while net profit was lower by 24% y/y. Revenue beat our estimate by 2% while net profit was much lower (52% variance), on higher (Nigeria) effective tax rate. Following changes to our tax rate assumption, we revise 2018-2019E EPS estimates lower by 17% average, whilst noting possible upside in the event that the Group receives the pending approval for pioneer tax incentive in Nigeria. However, the impact of the EPS cut on target price is offset by the significant cut to our 2018-2019E capex estimates (25% average) following the very low outturn (-37% vs. H1-17) over H1-18.
- We revise 2018 Group EBITDA estimate higher by 3% to NGN472.1 billion (2017FY: NGN388.1 billion), equating to 49.7% margin (2017FY: 48.2%). That reflects mainly the upward revision of (1) volume estimate to 24Mts (previously 23.7Mts) and (2) gross margin to 58% (previously 57%), both representing c.8% and 79 bps increases over 2017FY. Our view of the Nigerian operation remains constructive.
- Following the better-than-expected sales in H1-18 (+14% y/y), we now expect the local market to deliver 14.9Mts volume (2017FY:12.7Mts) in 2018E, whilst retaining gross and EBITDA margin estimates at 73% (2017FY: 71%) and 65% (2017FY: 63%) respectively, on continued energy efficiency gain and stable exchange rate. Elsewhere, we cut our Non-Nigerian volume (-4% y/y in H1-18) estimate further by 6% to 9.1Mts (2017FY: 9.2Mts), reflecting our more conservative view of outputs from Congo, Ethiopia, South Africa, and Tanzania. We model full year Non-Nigerian gross and EBITDA margins at 25% (2017FY:24%) and 16% (2017FY: 15%) respectively.
- Effective tax rate further increased to 47% in Q2, which management had said it expected to receive the awaiting approval for pioneer tax incentive in Nigeria. Consequently, our 2018-2019E tax rate estimate is now higher at 28% average (previously 14%), on the assumption that the tax incentive fails to come through. That said, we should also guide to potential strong re-rating of EPS and TP in the event that the tax incentive comes through in H2-18. Our 33% tax rate assumption beyond 2019 is unchanged, in line with earlier guidance provided by management for possible 30% rate in Nigeria when all plants exit tax holidays.
- We revise our DCF-based target price higher to NGN216.00 (previously NGN195.58) – as we cut 2018-2019E capex by 25% average and reduce risk free rate to 13.6% (previously 14.1%) – and upgrade rating to HOLD (previously SELL).

LAFARGE AFRICA PLC – HOLD

- The shares of LAFARGE rose 3.60% to NGN23.00. LAFARGE trades at forward PE of -51.5x, below its 5-year average of 11.8x.
- We update on LAFARGE following H1-18 result, with HOLD recommendation. The recently announced rights issue is incorporated into our valuation, as we believe it is already being factored in by investors. We also roll forward our estimates and valuation by one year, as we believe investors are already trading on 2019E multiples. On our DCF-derived TP of

NGN27.22, the stock offers 18% potential upside – and expected total return of 21.5% after incorporating 2018E dividend yield of 6.5%. The stock has lost 21% since the H1-18 result release and RI announcement, not surprisingly faster than the (1) broader market (11%) and (2) fellow cement companies (DANGCEM: -11%, CCNN: +8%) have dipped.

- We see LAFARGE closing 2018E with a net loss. From our estimates, profit can be achieved only through better-than-expected revenue performance, strong gross margin recovery, and significant opex and finance cost savings, which we do not see coming through in the second half – opex and finance cost savings especially. We forecast NGN3.87 billion net loss in 2018E.
- We acknowledge that our revenue and gross margin estimates are conservative, as such, actual net loss may turn out lower. Both the group's seemingly recovered Nigerian sales volume, and the sharp q/q expansion of gross margin in Q2-18 are instructive. However, we believe we are rightly conservative particularly vis-à-vis gross margin, given the observed volatility of this line in recent quarters, and also considering the typically low print in Q3.
- Our rights assumption is based on current market price of NGN23.00, potentially delivering additional 3.9 billion shares on the proposed NGN90 billion issue. At 12.6 billion units, the post-rights shares we used in our valuation are higher than the current issued shares by 45%. We also assumed the rights could be issued at up to 15% discount or premium to current market price, both implying 13.5 billion (+56%) or 12.3 billion (+41%) post-rights shares respectively, with varying impact on our TP estimates (see sensitivity analysis in figure 7).
- In our view, the latter is more likely, with no respite to the current bearish equities market condition in-sight. Given the timing of the RI – management has guided to possible completion of the issue in Q4-18 – we expect to see the impact on both earnings and balance sheet from 2019E, where we forecast finance charges will be lower by 38% vs. 2018E and net-debt-equity ratio of 0.9x (2018E: 1.8x).

CEMENT COMPANY OF NORTHERN NIGERIA PLC – SELL

- The shares of CCNN fell by 1.19% to NGN25.00. CCNN trades at forward PE of 8.6x, above its 5-year average of 7.1x.
- CCNN started 2018 on an impressive note, reporting EPS growth of 111% y/y to NGN0.86, which when annualized, is almost 2x market expectation. The EPS is only 9% below the company's single-quarter best of NGN0.95 recorded in Q4-17. The impressive Q1-18 performance is broad-based, and in our view, is one of the company's best yet, when the significant difference in prices in the recent past quarters is adjusted for.
- Revenue grew by 24% y/y during the three months period, the best we have seen among the quoted companies from Nigerian operations. Compared to Q1-17, industry cement prices are higher by single digit on average, suggesting that most of CCNN's Q1-18 revenue growth is volume driven. The company achieved 94% utilization rate in 2017FY, despite reported 46% increase in selling price. We remain bullish on volume in 2018E and retain our 5% growth forecast on (1) relatively competitive selling price (disclosed 2017FY price was lower than DANGCEM's by 3% and higher than ASHAKACEM's by only 1%), (2) improved security condition in the North, and (3) the low presence of competitors in the markets – including cross border – where the company supplies cement. We are yet to hear from CCNN's management, but we consider the NGN50/bag price increase recently implemented by DANGCEM (effective April) a tailwind for other smaller cement producers' revenues in 2018.
- Gross margin of 42% was achieved in Q1-18 and is also a major driver of the earnings outperformance in the review period. The gross margin beat our estimate for the quarter by 916 bps and is immune to the energy cost pressure we had expected with the rallying price of crude oil. CCNN's management said it is managing the risk associated with the volatile price of its kiln fuel LPFO (linked to both FX and the price of crude oil, and accounts for 6065% of production cost) by exploring other alternate energy generation, although without detailed disclosure. We believe the stability of the naira is also supportive of the resilient margin.
- Also noteworthy from the result are the 1200 bps average increase each in EBIT and PBT margins and 364% increase in RoAE. Operating expense was lower by 8% y/y while the ratio to revenue decreased by 543 bps y/y. An amount of NGN961 million was reported as capex in Q1-18, which annualized, is ahead of last year's record NGN2.6 billion. About 48% of the spending (NGN468 million) was for the addition/repair of trucks, in continuation from the NGN750 million spent in 2017FY – this could be to support distribution.
- Compared to our previous estimate, we revise 2018E net profit higher by 16% to reflect the changes on the gross margin line. On 2017FY results, our revised net profit estimate is higher by 13% (previously -3%). On our revised estimates, we have a DCF-based TP of NGN17.82 (previously NGN15.64) for CCNN.

ACCESS BANK PLC – BUY

- The shares of ACCESS declined by 1.23% to NGN8.05. ACCESS trades at forward PE of 2.7x, below its 5-year average of 2.9x.
- **We resume coverage of ACCESS with a BUY recommendation.** In its latest result for H1-2018, EPS grew by a marginal by 0.42% vs. H1-17 to NGN1.37. Interest income increased by 15.31%, driven by growth in interest earned on customer loans. However, a faster growth in interest expense by 29%, led to a meagre 3% increase in net interest income. Most non-interest income (NIR) lines – net fee & commission, net trading income and other income – grew, but offset by forex income which dropped by 157%. As a result, NIR in H1-18 was lower by 22% y/y – weighing significantly on the bank's performance. The bottom line, however, was supported by decline in impairment charge provision (-29%), lower opex (-6.5%), and significantly low ETR of 13.6%.
- ACCESS recorded impressive growth in asset yield in H1-18 (+86 bps to 12.97% in H1 vs. FY-17), despite the drop in interest rates on fixed income securities – which was largely accountable for the decline in interest income for some of its peers: ZENITHBANK (-12.81%), GUARANTY (-2.41%), and FBNH (-3.00%). The growth emanated from improved yields on customer loans, which, by our estimate, surged 297 bps to 14.54% (vs. 11.56% in FY-17) in the half year, following fx translation impact (H1-18: NGN350/USD, vs. FY-17: NGN331/USD) on FCY loans, which constitutes 39% of total loan book. We estimate 64 bps y/y increase in asset yield to 12.75% in 2018E. Together, with expected growth in interest-earning assets by 7.80%, we estimate growth in interest income by 20% y/y in 2018E.
- An expensive debt mix, as well as high cost of deposits, were major drivers of the elevated cost of funds (5.49%) recorded in H1-18. Cost of deposits was higher by 133 bps in H1 (vs. FY-17), amidst growth in total deposits by 7.31% in H1, vs. FY-17. The cost of debt securities issued by the bank was also higher by 21 bps in H1, at 12.11% (vs. FY-17), as the bank continued to run its NGN100 billion CP programme, of which three tranches matured in H1, and three others are due for maturity in H2 (valued at NGN56 billion).
- However, there are efforts by management to reduce CoF, by repricing some outstanding CPs in the second half, and this reflected in the most recent tranche issued this month, wherein its implied yield reduced to 13.79%, as against 16.05% in its previous issue in February. However, the recent rise in yields may limit how much room the bank has to reduce its cost of debt. As a result, we expect CoF will be lower by 23 bps (vs. H1-18) in FY-18 at 5.26%, but still higher than our computed CoF of 4.73% recorded in FY-17.
- Overall, we forecast EPS of NGN3.00 and NGN3.05 in 2018E and 2019E respectively. Our TP of NGN13.34/s translates to a BUY rating. On our estimates, ACCESS trades at forward P/E and P/BV multiples of 4.4x and 0.79x, below Bloomberg's Middle East Africa peer average multiple of 10.2x and 1.0x, respectively.

FBN HOLDINGS PLC – BUY

- The shares of FBNH closed flat at NGN8.90. FBNH trades at forward PE of 9.3x, above its 5-year historical average of 6.3x.
- **We resume coverage of FBNH holdings plc and update our model, following H1-18 result.** The H1-18 result was impressive, with EPS growth of 13.68% to NGN0.93, against NGN0.82 in similar period last year. Interest income, as with peers (ZENITHBANK: -12.81% and GUARANTY: -2.41%), was down 3.0% in the half year period. But following an impressive NIR (+23.25% y/y), gross earnings grew by 1.63% y/y. A lower provision for loan loss impairment (-15.38% y/y) also gave earnings a boost.
- We forecast NII to decline by 2.95% in 2018E, as we expect interest income to drop by 0.17% and interest expense to increase by 6.52%, vs. FY-2017. While we expect improvement in interest income in H2, relative to H1 – on the back of higher interest rate as well as a moderate growth in the loan book – it is unlikely to result to higher interest income in 2018E, vs 2017 FY. We forecast asset yield of 11% in 2018E, 37 bps higher than H1-2018 (10.62%), but 101 bps lower than FY-17. Overall, we expect only a marginal improvement in the yields on both investment securities and bank and customer loans in H2-2018, from H1-2018.
- Meanwhile, from 3.56% in H1-18, we expect cost of funds to moderate to 3.32% in 2018E, as we look to improved cost of borrowings (following the recent prepayment of the USD300 million Eurobond) and customer deposits. However, this remains above 3.27% recorded in FY-17, following higher costs of FCY borrowings (following higher interest rates in the international markets) as well
- The increase in e-banking fees (40.8% y/y) was a major contributor to the growth in fee & commission income (13% y/y) in H1-18. This was attributable to growth recorded across the bank's digital platforms. As at H1-2018, total value of transactions on the USSD banking platform had grown by 187.66%, mobile banking by 100.5%, and agency banking by

545.82%, all on year-on-year basis. The contribution of e-business to NIR also improved to 24.3% during the half year, against 22.0% in FY-2017. We believe this is likely to improve going forward, in line with management's guidance to a 40% contribution to NIR in 2018E. Thus, we forecast a 21.6% growth in net fee and commission income in 2018E. Together with expected improvements in net insurance premium, as well as gains on investment securities, forex income, and dividend income, we forecast NIR growth of 19.4% in 2018E.

- On asset quality, we forecast cost of risk of 5.9% – in line with management's guidance of 6%-7% -- owing to the pending resolution of some of the bank's big NPLs (especially Atlantic Energy and 9mobile), as well as IFRS 9 requirement of increased provisions on expected new loans. Our forecast is higher than the annualized CoR of 4.8% recorded in H1-18, but lower than the 6.4% in FY-17. This, coupled with our expected 4% growth in gross loans, brings our estimated loan loss provision to NGN137.93 billion in FY-18E, 8.30% lower vs. FY-17.
- The recent prepayment of the called USD300 million Eurobond, according to management, would have neutral impact on the bank's FCY net long position. The prepayment is also not expected to impact capital adequacy, as tier two capital remains at comfortable levels.
- Overall, we forecast 2018E and 2019E EPS to grow by 27.59% y/y and 20.89% y/y to NGN1.70 and NGN2.05, respectively. On our estimates, FBNH trades at forward P/E and P/BV multiples of 7.2x and 0.60x, below Bloomberg's Middle East Africa peer median multiples of 10.5x and 1.7x respectively.

GUARANTY TRUST BANK PLC – BUY

- The shares of GUARANTY fell by 0.41% to N36.40. GUARANTY trades at forward PE of 5.8x, below its 5-year average of 6.09x.
- **We resume coverage of GUARANTY with a BUY recommendation, following impressive H1-2018 performance.** The result showed gross earnings grew by 5.85% y/y to NGN226.63 billion, following a 31.95% growth in non-interest income (NIR), which made up for the 8.96% drop in interest income. PBT and PAT also grew by 8.44% y/y and 14.22% y/y respectively, supported by continued decline in impairment charges (-71.83% y/y), as well as marginal growth in opex (+2.02% y/y).
- We estimate NIM of 9.6% in 2018E (46 bps above H1-18 and 60 bps below FY-17), with asset yield of 13.12% (64 bps above H1-2018, but 36 bps below FY-2017) and cost of funds estimate of 3.5% (H1-18:3.27%; FY-17: 3.28%) in 2018E. Our expectation of improved asset yield in H2-18 stems from expected growth in interest earned on loans – following the conversion of USD700-USD800 million foreign placements to loans. The CBN's new Differentiated Cash Reserves Requirement (DCRR) programme -- aimed at incentivizing DMBs to direct credit to the real sector, and to which management signified interest -- is also supportive of our expectation of expansion in GUARANTY's loan book over the second half.
- On cost of funds, the slight uptick in our estimate is attributable to the USD276.93 million Eurobond maturing in November, which decreases our interest-bearing liabilities, vis-à-vis interest expense for the period. However, ex-interest expense for the Eurobond, our estimated CoF stands flat at 3.3%. According to management, the bond is unlikely to be renewed upon maturity. Meanwhile, we estimate deposits growth of 13.07% y/y in 2018E, against 10.42% YTD growth in H1-18.
- Our 9% growth in gross earnings in 2018E is driven by NIR. NIR growth in 2018E is estimated at 27% y/y, with net fee & commission income also estimated to grow by 13% y/y. Despite mixed performance across the bank's digital platforms -- USSD (+65% y/y to NGN1.24 trillion), mobile banking (+35% y/y to NGN2.39 billion), and internet banking (-36% to NGN1.04 billion) – we remain optimistic of positive contribution of e-business income to fees & commission income.
- Among peers, GUARANTY leads with the lowest cost of risk (CoR) of 0.29% as at H1-18, following a faster decline in impairment charges than compared to loans. The decline in impairment charges stems from payoff of some of the bank's loans (particularly in the upstream oil & gas sector), which led to contraction in the loan book. The creative treatment of IFRS 9's stringent initial adoption adjustments through equities, as opposed to the income statement also contributed to improvement in CoR. However, we expect uptick in CoR to 0.65% by FY-18, hinged on our estimated increase in customer loans by 8.75% in the second half, following management's guidance to deploy USD700-USD800 million of its foreign placements (constituting cash inflow from the loan repayments) to creation of more loans (particularly to the upstream oil & gas sector).
- Overall, we forecast EPS growth of 8.27% y/y and 7.83% y/y to NGN6.27 and NGN 6.70 in 2018E and 2019E respectively. Based on updates to our model, we estimate TP of NGN52.45 for GUARANTY's shares. On our estimates, GUARANTY trades at forward P/E multiple of 8.36x, below Bloomberg's Middle East Africa peer median multiple of 9.1x.

UNITED BANK FOR AFRICA PLC – UNDER REVIEW

- The shares of UBA were lower by 2.38% at NGN8.20. UBA trades at forward PE of 3.3x, slightly above its 5-year average of 3.2x.



- United Bank for Africa plc released results for Q1 2018, showing growth in Gross earnings (+17.89%), PBT (+4.26% y/y), and PAT (+6.20%), from the previous year, to NGN119.37 billion, NGN26.56 billion, and NGN23.74 billion respectively. Quarter-on-quarter, however, Gross earnings and PAT were lower by 6.49% and 1.43%, while PAT was 34.33% higher, following a significantly favourable ETR of 10.62% in the quarter, against high base of 34.41% in Q4-2017.
- Interest income (+17.68% y/y, +3.16% q/q) posted solid growth in the quarter to NGN90.33 billion, following a 78.62% growth in interest income via cash and bank balances -- comprising money market placements and unrestricted balances with CBN which grew 55% and 49.72% respectively – as well as a 4.9x surge in interest earned on loans to banks (NGN948 billion).
- Interest expense increased at a faster pace than interest income by 46.10% y/y (+14.12% q/q) to NGN36.78 billion. This was largely attributable to the 55.14% upturn in interest paid on customer deposits (which constitutes 65.57% of total interest expense: NGN24.12 billion), and the 87.12% increase in interest paid on borrowings (NGN7.66 billion). Funding cost, on an annualized basis, inched 2 bp higher to 3.72% in the quarter, from 3.70% in FY2017. The dip in asset yield, coupled with the increase in the cost of fund, translated to a 70 bps drop in the NIM to 6.91%, from 7.61% in FY-2017.
- NIR, against similar period in the previous year, posted 14.41% positive growth, while it declined by 30.09% q/q to NGN24.00 billion. Growth in net fee and commission income (making up the largest chunk of NIR: 62.48%) grew by 15.40% y/y (-22.28% q/q) to NGN15 billion and coupled with the 859.07% y/y (+408.50% q/q) surge in other income, muted the 13.09% y/y (-53.85% q/q) decline in other income to NGN2.27 billion.
- Impairment charges, as has been the case in tier 1 banks' Q1-18 result released so far (GUARANTY: -51.96% y/y to NGN1.64 billion; Zenith: -42.01% y/y to NGN4.57 billion), plunged by 53.14% y/y to NGN1.45 billion in the quarter, against expectation of increased provisions, following implementation of IFRS 9. Total loans and advances also came lower by 1.55%
- In its implementation of IFRS 9, UBA deducted NGN34 billion (vs. NGN138.13 billion in Zenith and NGN82.15 billion in GUARANTY) from its retained earnings as at beginning of the year. However, the effect was muted following a transfer of same sum from regulatory credit risk reserve to the retained earnings. **Our estimates are under review.**

ZENITH BANK PLC – UNDER REVIEW

- The shares of ZENITHBANK inched higher by 0.23% to NGN21.55. ZENITH trades at forward PE of 4.2x, below its 5-year average of 5.0x.
- Zenith Bank Plc released Q2-2018 result, showing a decline across major income lines, which resulted in a 34.25% y/y and 9.56% q/q drop in Gross earnings. Interest income was 40.31% down from the corresponding period last year, and lower by 39.66% q/q. The decline offset a 63.08% y/y and 40.09% q/q decline in interest expense, resulting in net interest income falling by 15.06% y/y and 39.45% q/q in the quarter. Overall, pre (-1.19%) and post-tax (-26.38%) profits were lower q/q, and while PBT was up 11.20% y/y, PAT lower by 8.36%, following an increase in effective tax rate to 35.05%, from 21.18% in the previous year. Meanwhile, a higher dividend of NGN0.30 was declared, compared to H1-2017 (NGN0.25).
- Cost of funds, on an annualized basis, was significantly lower, by 300 bps y/y, at 3.4%. This was largely attributable to cheaper deposits, as interest paid on deposits in H1 dropped sharply by 63.72% y/y to NGN37.88 billion, despite a 6.42% y/y increase in customer deposits. In particular, interest paid on time deposits declined significantly by 306.19% y/y to NGN22.8 billion, amidst continued decline in interest rates.
- On interest income, earnings on loans and advances in the first half was down by 18.0% y/y to NGN146.43 billion, amidst 14.36% y/y drop in loans and advances to customers (YtD: -10.82%) to NGN1.87 trillion. Overall, thanks to an impressive improvement in the CoF, NIM sustained growth (+150 bps y/y), at 10.1%, despite drop in our estimated yield on assets by 263 bps to 12.71%.
- Provision for impairment loss, on a year-on-year basis, dipped further in Q2 by 85.09% to NGN5.15 billion. As a result, cost of risk improved by 270 bps to 0.9%, against 3.6% in H1-2017. A 20 bps uptick in NPL ratio to 4.9%, was more-than-sufficiently pacified by the 8,580 bps increase in the coverage ratio to 229.2%, against 143.4% in FY-17.
- On its audited financial statement, the Group's CAR stood at 21%, 600 bps lower than the 27% recorded in FY-2017. However, CAR stands a notch higher than the 19.9% estimated in the unaudited Q1-2018 result. The improved CAR estimate is likely attributable to the reduced deduction for initial implementation of IFRS 9 from retained earnings (-21.73%) to NGN108.12 billion, against NGN138.13 billion in Q1. The Group's CAR remains well-above regulatory requirement of 16%.
- Overall, ZENITH's performance in Q2 was below expectation. On annualized basis, PAT is 10.49% lower than Bloomberg's polled estimates. **Our estimates are under review.**

TICKER	FINANCIAL SERVICES	Current Price	Daily chg	Week-Hi	Week-Lo	WTD chg	Month-Hi	Month-Lo	3 Month-MTD chg	3Month-Hi	3Month-Lo	3MTD chg	6Month-Ho	6Month-Lo	6MTD chg	Year High	Year Low	YTD Chg	52wk Hi	52wk Lo	52wk chg
ACCESS		8.05	0.63	8.15	8.00	-1.23	9.70	7.50	-11.05	10.50	7.60	-22.60	12.00	7.60	-32.92	13.45	7.60	-22.97	13.60	7.50	-17.44
AFRIPRUD		3.90	0.00	3.99	3.90	-2.26	4.00	3.66	4.00	4.20	3.70	-2.50	4.40	3.70	-4.65	5.20	3.70	-7.58	5.20	3.47	11.43
AIICO		0.83	2.47	0.83	0.77	7.79	1.00	0.68	16.90	0.99	0.61	25.76	0.99	0.57	22.06	0.99	0.53	59.62	1.00	0.51	53.70
CONTINSURE		1.39	-1.42	1.41	1.39	-1.42	1.60	1.37	-0.71	1.69	1.37	-4.14	1.89	1.37	-22.35	1.89	1.37	-0.71	1.94	1.31	0.72
CUSTODIAN		5.18	0.00	5.18	5.18	0.00	5.90	5.04	-4.95	6.27	5.04	-0.58	6.27	4.68	4.44	6.27	3.79	33.16	6.89	3.50	41.92
DIAMONDBNK		1.23	-1.60	1.25	1.18	4.24	1.39	1.09	1.65	1.40	1.09	-12.77	2.11	1.09	-35.94	3.57	1.09	-18.00	3.73	0.97	17.14
ETI		17.50	0.00	17.90	17.50	-2.23	20.05	17.50	-12.50	22.15	17.50	-14.63	22.15	17.05	2.94	22.15	16.27	2.94	22.25	16.01	4.48
FBNH		8.90	-2.20	9.20	8.90	0.00	9.70	7.90	-6.32	10.50	8.00	-15.24	13.45	8.00	-26.75	14.75	8.00	1.14	15.16	5.91	44.95
FCMB		1.72	0.00	1.82	1.72	-3.37	1.94	1.53	-6.01	2.15	1.60	-21.10	2.63	1.60	-26.81	3.61	1.58	16.22	3.65	1.02	62.26
FIDELITYBK		1.81	-2.69	1.86	1.80	6.47	1.89	1.51	9.70	2.13	1.51	-16.97	2.57	1.51	-30.38	3.99	1.51	-26.42	4.33	1.35	29.29
GUARANTY		36.40	-0.95	36.75	36.40	-0.41	39.05	31.95	-4.21	41.50	32.50	-12.29	45.65	32.50	-17.46	54.71	32.50	-10.67	57.00	31.95	-13.37
INFINITY		1.42	0.00	1.42	1.42	0.00	1.42	1.42	0.00	1.42	1.42	0.00	1.44	1.42	-1.39	1.44	1.42	-1.39	1.44	1.42	-1.39
MANSARD		1.95	0.00	1.95	1.95	0.00	2.55	1.86	-23.53	2.80	1.86	-30.36	2.80	1.86	-18.75	2.94	1.86	1.04	2.94	1.86	-2.50
NEM		2.95	0.00	2.95	2.95	-1.67	3.50	2.82	-1.67	3.45	2.79	-13.24	3.45	2.40	9.26	3.45	1.53	77.71	3.50	1.22	136.00
NPFMCRFBK		1.56	0.00	1.56	1.50	5.41	1.71	1.45	-2.50	1.80	1.45	-10.86	2.02	1.45	-22.77	2.12	1.25	24.80	2.12	1.20	25.81
SKYEBANK		0.77	0.00	0.77	0.77	0.00	0.77	0.51	40.00	0.77	0.48	5.48	1.01	0.48	8.45	1.55	0.48	54.00	1.61	0.48	48.08
STANBIC		42.50	0.00	42.50	42.50	-7.61	49.50	41.00	-14.14	51.50	41.00	-18.27	52.05	41.00	-11.46	52.05	40.90	2.41	52.05	39.76	3.63
STERLNBANK		1.50	0.00	1.50	1.50	0.00	1.50	1.31	13.64	1.50	1.26	2.74	1.85	1.22	-5.06	2.42	1.13	38.89	2.66	0.95	42.86
UBA		8.20	-0.61	8.40	8.20	-2.38	8.45	7.00	0.61	10.30	7.05	-20.77	11.85	7.05	-31.09	13.00	7.05	-20.39	13.50	7.00	-12.49
UBN		5.00	-1.96	5.10	5.00	-1.96	5.85	5.00	-10.71	6.00	5.00	-15.97	6.75	5.00	-24.81	8.78	5.00	-35.90	9.10	5.00	-16.53
UCAP		2.99	1.36	2.99	2.90	3.10	3.05	2.74	-0.33	3.18	2.74	-4.47	3.40	2.74	-12.57	4.41	2.74	-15.30	4.60	2.74	-0.99
UNITYBNK		0.88	0.00	0.88	0.87	1.15	0.99	0.72	18.92	1.10	0.73	-20.72	1.33	0.73	-12.87	1.92	0.55	66.04	1.92	0.50	66.04
WAPIC		0.40	8.11	0.40	0.37	5.26	0.43	0.32	17.65	0.48	0.34	-13.04	0.57	0.34	-24.53	0.75	0.34	-20.00	0.78	0.31	-20.00
WEMABANK		0.56	-3.45	0.58	0.56	-1.75	0.64	0.55	-6.67	0.76	0.55	-25.33	0.95	0.55	-34.12	1.50	0.50	7.69	1.54	0.50	12.00
ZENITHBANK		21.55	-3.79	22.40	21.50	0.23	22.50	19.60	-2.05	24.40	19.60	-11.32	28.90	19.60	-21.06	33.51	19.60	-15.95	34.20	19.60	-14.65
CONSUMER GOODS																					
CADBURY		9.65	4.32	9.65	9.20	6.04	10.65	9.05	-4.46	12.30	9.05	-21.54	14.50	9.05	-33.45	18.40	9.05	-38.42	18.40	9.05	-3.50
CHAMPION		1.80	5.88	1.80	1.70	5.88	1.80	1.50	0.00	2.14	1.62	-9.55	2.50	1.62	-21.05	3.22	1.62	-13.46	3.29	1.50	-24.05
DANGSUGAR		14.50	1.05	14.50	13.90	2.11	16.45	13.85	-3.33	19.50	13.90	-20.77	22.25	13.90	-32.40	23.35	13.90	-27.50	23.95	13.17	5.07
FLOURMILL		19.95	0.00	19.95	19.75	-0.25	25.00	18.90	-15.47	31.50	19.00	-35.02	37.00	19.00	-45.34	38.00	19.00	-31.21	39.50	18.90	-22.00
GUINNESS		79.00	1.22	79.00	78.05	-1.25	99.00	77.60	-12.22	97.05	78.05	-18.56	104.00	78.05	-24.04	120.25	78.05	-15.96	120.25	77.60	-19.80
HONYFLOUR		1.41	0.71	1.45	1.40	-2.76	1.63	1.27	-7.24	2.07	1.27	-30.20	2.85	1.27	-41.49	3.52	1.27	-32.86	3.69	1.27	-29.85
INTBREW		32.50	0.00	32.50	32.50	0.00	34.00	28.60	1.56	41.00	30.00	-20.73	54.00	30.00	-33.88	64.00	30.00	-40.37	69.40	28.60	-18.55
NASCON		18.50	-0.54	18.60	18.50	0.00	20.15	18.00	-7.04	20.80	18.50	-15.14	24.00	18.50	-12.74	24.75	18.50	0.00	24.75	13.00	42.31
NB		89.70	3.70	91.50	86.50	-1.97	100.50	84.00	-10.75	111.10	84.00	-19.26	130.00	84.00	-30.47	152.68	84.00	-33.51	173.50	84.00	-47.24
NESTLE		1,400.00	0.00	1,400.00	1,399.00	0.00	1,500.00	1,340.00	-6.67	1,645.00	1,350.00	-6.67	1,645.00	1,350.00	1.08	1,645.00	1,317.00	-10.03	1,645.00	1,200.00	13.82
PZ		12.55	0.00	12.55	12.55	0.00	15.00	12.50	-3.83	19.00	12.50	-33.95	23.45	12.50	-46.48	25.40	12.50	-39.08	27.30	12.50	-46.00
UNILEVER		45.00	0.00	46.00	45.00	0.00	52.50	41.65	-11.76	55.00	43.00	-12.62	55.00	43.00	-24.75	64.60	39.86	9.76	65.00	36.10	3.45
UNIONDICON		13.45	0.00	13.45	13.45	0.00	13.45	13.45	0.00	13.45	13.45	0.00	13.45	13.45	0.00	13.45	13.45	0.00	13.45	12.78	0.00
VITAFOAM		3.50	0.00	3.50	3.50	0.00	3.50	3.02	8.02	3.60	3.10	12.90	3.60	2.99	11.46	3.60	2.82	16.67	3.60	2.63	25.00

	Current Price	Daily chg	Week-Hi	Week-Lo	WTD chg	Month-Hi	Month-Lo	3 Month-MTD chg	3Month-Hi	3Month-Lo	3MTD chg	6Month-Ho	6Month-Lo	6MTD chg	Year High	Year Low	Year YTD Chg	52wk Hi	52wk Lo	52wk chg
AGRICULTURE																				
OKOMUOIL	73.20	0.00	77.00	73.20	-4.94	80.00	70.10	2.81	92.00	70.10	-20.43	94.20	70.10	0.69	94.20	67.69	8.14	94.70	65.00	10.29
LIVESTOCK	0.60	0.00	0.60	0.60	5.26	0.63	0.52	9.09	0.80	0.52	-25.00	0.90	0.52	-32.58	1.22	0.52	-27.71	1.22	0.52	-27.71
PRESKO	56.55	0.00	56.55	56.55	0.00	62.00	56.55	-5.75	73.50	56.55	-25.10	75.60	56.55	-21.46	78.00	56.55	-17.45	78.00	56.55	-16.63
CONGLOMERATES																				
AGLEVENT	0.40	0.00	0.40	0.37	-2.44	0.44	0.37	-9.09	0.50	0.37	-13.04	0.64	0.37	-40.30	0.75	0.37	-42.86	0.75	0.37	-32.20
JBERGER	23.90	0.00	23.90	23.90	0.00	25.00	22.50	-4.40	30.00	23.50	-18.98	30.00	23.50	-3.24	32.00	23.50	-14.64	32.51	22.00	-18.51
JOHNHOLT	0.53	0.00	0.53	0.53	0.00	0.58	0.53	-8.62	0.58	0.53	-8.62	0.58	0.52	-1.85	0.58	0.46	6.00	0.59	0.46	3.92
TRANSCORP	1.27	-0.78	1.30	1.27	0.00	1.33	1.08	7.63	1.30	1.08	-0.78	1.80	1.08	-28.65	2.55	1.08	-13.01	2.80	1.05	-5.93
UACN	11.50	7.48	11.50	10.70	7.48	12.90	10.00	-4.17	14.00	10.00	-16.06	18.00	10.00	-33.53	19.42	10.00	-31.95	20.38	10.00	-24.88
UAC-PROP	1.76	0.00	1.76	1.76	-9.74	1.95	1.57	12.10	1.95	1.55	-7.85	3.01	1.55	-42.30	3.20	1.55	-36.92	3.30	1.55	-38.25
HEALTHCARE																				
EKOCORP	3.37	0.00	3.37	3.37	0.00	3.37	3.37	0.00	3.37	3.37	0.00	3.37	3.37	0.00	3.37	3.37	0.00	3.37	3.37	0.00
FIDSON	6.00	0.00	6.00	6.00	0.00	6.15	4.90	-2.44	6.15	5.40	0.00	6.24	5.13	5.63	6.24	3.71	62.16	6.24	3.25	71.43
GLAXOSMITH	14.05	0.36	14.50	14.00	0.36	15.30	13.10	-6.33	19.00	13.10	-26.05	34.15	13.10	-51.55	34.85	13.10	-34.98	35.70	13.10	-33.10
MAYBAKER	2.30	0.00	2.30	2.30	0.00	2.59	2.27	0.88	2.49	2.25	-3.77	3.04	2.05	-28.13	3.39	2.05	-11.54	3.42	2.05	-18.44
NEIMETH	0.59	0.00	0.65	0.59	-10.61	0.72	0.59	-1.67	0.80	0.42	3.51	0.82	0.42	-28.05	0.97	0.42	-21.33	0.97	0.39	-16.90
PHARMDEKO	1.90	0.00	1.90	1.90	0.00	1.90	1.90	0.00	2.20	1.90	-13.64	2.25	1.90	-15.56	2.36	1.90	-19.49	2.42	1.90	-15.56
ICT																				
CWG	2.54	0.00	2.54	2.54	0.00	2.54	2.54	0.00	2.54	2.54	0.00	2.54	2.54	0.00	2.54	2.54	0.00	2.54	2.42	0.00
NCR	6.30	0.00	6.30	6.30	0.00	6.30	5.95	0.00	6.30	6.30	0.00	6.30	6.30	0.00	6.30	6.30	0.00	6.63	5.70	-4.98
TRIPPLEG	0.77	0.00	0.77	0.77	0.00	0.85	0.70	-9.41	0.88	0.77	-12.50	0.88	0.77	-12.50	1.06	0.77	-27.36	1.06	0.70	-27.36
INDUSTRIAL GOODS																				
BERGER	6.30	0.00	6.30	6.30	0.00	7.10	6.30	-3.82	8.55	6.30	-26.32	9.85	6.30	-36.04	10.35	6.30	-25.80	10.35	6.30	-10.00
BETAGLAS	78.00	0.00	78.00	78.00	0.00	78.00	72.00	0.00	90.00	72.90	-13.33	90.45	71.95	3.04	90.45	51.31	52.02	90.50	51.31	37.20
CAP	28.45	0.00	28.45	28.45	0.00	30.00	27.05	0.35	35.00	27.20	-18.71	40.00	27.20	-26.58	40.00	27.20	-16.32	40.10	27.05	-12.46
CCNN	25.00	0.00	25.00	23.20	-1.19	30.90	22.60	-19.09	31.85	22.60	3.73	31.85	18.00	40.45	31.85	9.50	163.16	32.00	8.46	195.51
CUTIX	4.73	0.00	4.73	4.10	15.37	4.88	3.95	17.66	4.73	3.00	57.67	4.73	2.81	68.33	4.73	1.91	135.32	4.88	1.91	105.65
DANGCEM	200.00	-0.05	205.00	200.00	-2.44	240.00	200.00	-13.04	236.00	200.00	-11.11	260.00	200.00	-21.54	278.00	200.00	-13.04	290.00	200.00	-10.71
FIRSTALUM	0.42	7.69	0.42	0.37	2.44	0.44	0.29	16.67	0.45	0.30	10.53	0.53	0.30	-20.75	0.55	0.30	-16.00	0.55	0.29	-19.23
PORTPAINT	2.80	0.00	2.80	2.80	0.00	2.98	2.47	13.36	2.98	2.05	36.59	2.98	2.05	33.33	2.98	2.05	27.27	2.98	2.00	33.33
VANLEER	9.10	0.00	9.10	9.10	0.00	9.10	9.10	0.00	9.10	9.10	0.00	9.10	9.10	0.00	9.10	9.09	0.11	9.10	9.09	0.11
WAPCO	23.00	0.00	23.00	23.00	3.60	27.00	20.70	-14.81	38.00	20.70	-41.03	46.60	20.70	-47.96	56.90	20.70	-48.76	57.35	20.70	-57.28
OIL AND GAS																				
BOCGAS	4.21	0.00	4.21	4.21	0.00	4.21	3.80	0.00	4.21	4.21	0.00	4.63	3.79	-8.48	4.63	3.79	-8.08	4.80	3.78	11.38
CONOIL	22.20	1.37	22.20	21.90	1.37	24.30	20.65	-8.64	27.00	21.90	-19.27	33.45	21.90	-33.63	41.38	21.90	-20.71	42.00	20.65	-20.71
ETERNA	6.35	0.00	6.35	6.25	1.60	7.35	6.00	5.83	7.20	5.90	-8.50	7.26	5.27	0.95	7.26	4.26	56.40	7.90	3.32	84.06
FO	22.10	0.00	22.10	21.40	10.22	23.00	17.50	-3.91	31.30	17.50	-16.13	47.70	17.50	-44.75	52.62	17.50	-49.17	57.22	17.50	-54.90
MOBIL	175.20	0.00	175.20	175.20	0.00	180.00	175.20	-2.67	180.50	165.00	6.18	200.00	164.50	3.06	216.00	164.50	-9.97	216.00	142.00	5.54
MRS	28.55	0.00	28.55	28.55	0.00	28.55	25.70	0.00	28.55	25.70	0.00	36.05	25.70	0.71	36.05	25.70	3.97	36.05	25.70	3.97
OANDO	5.20	1.96	5.20	5.00	4.00	5.50	4.85	1.96	6.55	4.55	-19.38	9.60	4.55	-13.19	9.60	4.55	-13.19	10.05	4.50	-13.33
SEPLAT	630.00	0.00	630.00	630.00	0.00	650.00	595.00	-3.08	710.00	600.00	-3.08	769.00	600.00	-5.28	785.00	600.00	0.60	785.00	472.49	33.34
THOMASWY	0.23	-8.00	0.25	0.23	-8.00	0.26	0.23	-11.54	0.34	0.23	-32.35	0.35	0.23	-34.29	0.50	0.23	-54.00	0.50	0.23	-54.00
TOTAL	183.00	0.00	183.00	183.00	0.00	192.00	177.60	1.10	210.00	177.60	-12.86	236.60	177.60	-22.65	254.00	177.60	-20.42	254.00	177.60	-27.67

SERVICES	Current Price	Daily chg	Week-Hi	Week-Lo	WTD chg	Month-Hi	Month-Lo	3 Month-Lo	3 Month-Hi	3Month-Lo	3MTD chg	6Month-Ho	6Month-Lo	6MTD chg	Year High	Year Low	YTD Chg	52wk Hi	52wk Lo	52wk chg
AIRSERVICE	6.00	7.14	6.00	5.60	7.14	6.00	4.80	13.21	6.00	4.05	33.33	6.00	4.05	22.45	6.00	4.05	0.84	7.87	4.05	-20.00
CAPHOTEL	3.10	0.00	3.10	3.10	0.00	3.10	3.10	0.00	3.10	2.79	0.00	3.15	2.79	-1.59	3.15	2.79	-1.59	3.15	2.79	-1.59
CAVERTON	1.84	0.00	1.84	1.80	2.22	2.09	1.77	3.95	2.21	1.77	-8.46	2.90	1.77	-34.05	3.05	1.29	42.64	3.25	1.15	47.20
CILEASING	3.00	-0.66	3.02	3.00	-0.66	3.15	2.50	20.00	3.15	2.31	30.43	3.15	1.27	74.42	3.15	1.27	132.56	3.15	1.20	56.25
INTERLINK	3.61	0.00	3.61	3.61	0.00	3.61	3.61	0.00	3.61	3.61	0.00	3.61	3.61	0.00	3.80	3.61	-5.00	3.80	3.61	-5.00
LEARNAFRCA	1.10	0.00	1.10	1.10	0.00	1.23	1.01	-1.79	1.40	1.01	-28.57	1.58	1.01	13.40	1.58	0.88	25.00	1.60	0.76	42.86
NAHCO	3.27	0.00	3.27	3.27	0.00	4.00	3.27	-13.95	4.08	3.27	-13.03	4.32	3.27	-16.58	4.72	3.27	-17.84	4.90	3.18	0.31
REDSTAREX	4.30	0.00	4.30	4.20	-4.44	5.45	4.20	-17.31	6.20	4.20	-30.65	6.50	4.20	-28.33	6.50	4.20	-16.02	6.50	4.20	-9.47
TOURIST	3.50	0.00	3.50	3.50	0.00	3.50	3.50	0.00	3.50	3.50	0.00	3.50	3.50	0.00	3.50	3.50	0.00	3.50	3.50	0.00
TRANSEXPR	0.78	0.00	0.78	0.78	0.00	0.78	0.71	0.00	0.81	0.72	-3.70	0.90	0.72	-13.33	0.90	0.72	0.00	0.90	0.71	-1.27
UPL	2.05	0.00	2.05	2.05	0.00	2.07	1.91	-0.97	2.55	1.91	-19.61	2.55	1.91	-5.96	2.76	1.91	-10.09	3.05	1.91	-20.23

Rating Definition

Cordros Capital uses the following rating system:

BUY (OVERWEIGHT) - Over the next twelve months, we expect the stock to return at least 20% above the current market price.

HOLD (NEUTRAL) - Over the next twelve months, we expect the stock to range between <-10% and <+20% from the current market price.

SELL (UNDERWEIGHT) - Over the next twelve months, we expect the stock to be more than 10% below the current market price.

Definition of Terms

Div. Yield	Dividend Yield
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortisation
EPS	Earnings Per Share
EPS gr.	Earnings Per Share Growth
EV	Enterprise Value
FY	Full Year
P/B	Price-to-Book Ratio
P/E	Price-Earnings Ratio
ROAE	Return on Average Equity

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