

# 9M 2023: Dangote Cement



Nigeria | Cement | Dangote Cement

o2 November 2023

## **Equities**

## Pan African operations to the rescue.

Dangote Cement's operations were affected negatively by the election uncertainty and cash unavailability which impacted business operations in Q1 2023. The company also noted that the significant FX devaluation in Q2 2023 also hampered sales volumes. Consequently, the group sales volume declined 2.3% y/y to 20.29m MT in 9M 2023. However, the combination of increases in prices and strong volume growth from its Pan African operations came to the rescue, resulting in Revenue growth of 28.7% y/y in 9M 2023. We believe constrained purchasing power and low CAPEX expenditure by the government continue to affect sales volumes across the whole industry.

Dangote cement controls the largest market share in the industry (61.2%) and is well-positioned to meet increased demand when industry volumes pick up. Also, we are optimistic that the Pan-African region will continue to support the company's topline. The management announced the commencement of operations at its 0.45Mta grinding plant in Ghana and noted that the company has reached an advanced stage in the deployment of 1.5Mta grinding plant in Cote d'Ivoire. Clinker export to Cote d'Ivoire is also expected to commence in 2024.

We forecast total price increase of 20%, which will be the main driver of the group's topline performance for 2023e (14.4% price growth ytd) while we expect a marginal 5% increase in volume due to the identified concerns. We maintain our price target of N428.36/s, with a BUY recommendation. We arrived at our target price using a blend of DCF and Relative valuation in the ratio of 50:50. Current Price: N328/s.

Dangcem	٩М	2023

Nm, except mentioned otherwise	9M 2023	9M 2022	y/y	Q3 2023	Q2 2023	q/q
Sales	1,514,601	1,177,256	28.7%	563,769	544,110	3.6%
Cost of Sales (Ex-Dep)	(560,061)	(421,607)	32.8%	(228,029)	(192,016)	18.8%
Gross Profit	954,540	755,649	26.3%	335,740	352,094	-4.6%
Other Income	16,635	3,115	434.0%	5,578	9,580	-41.8%
Selling and Distribution Expenses (ex-dep)	(242,241)	(198,187)	22.2%	(95,709)	(81,285)	17.7%
Administrative Expenses (ex-dep)	(65,748)	(45,351)	45.0%	(25,736)	(23,053)	11.6%
EBITDA	662,762	515,586	28.5%	219,507	257,547	-14.8%
Depreciation and Amortization	101,754	81,963	24.1%	38,535	34,378	12.1%
EBIT	561,008	433,623	29.4%	180,972	223,169	-18.9%
Net Finance Income/ (Cost)	(70,414)	(25,333)	178.0%	(22,587)	(33,217)	-32.0%
Profit before tax	404,890	335,900	20.5%	165,027	93,039	77.4%
Tax expense	(127,342)	(122,799)	3.7%	(66,082)	(23,937)	176.1%
Net Profit	277,548	213,101	30.2%	98,945	69,102	43.2%
Net income attributable to equity holders	270,837	209,513	29.3%	92,234	69,102	33.5%
Diluted EPS	16.08	12.41	29.6%	5.48	3.95	38.7%

Margins:	9M 2023	9M 2022	y/y	Q3 2023	Q2 2023	q/q
Gross margin	63.0%	64.2%	-1.2ppts	59.6%	64.7%	-5.2ppts
EBITDA Margin	43.8%	43.8%	o.oppts	38.9%	47.3%	-8.4ppts
PBT Margin	26.7%	28.5%	-1.8ppts	29.3%	17.1%	12.2ppts
Net margin	18.3%	18.1%	o.2ppts	17.6%	12.7%	4.9ppts

Source: Company data, CSL Research

Recommendation	BUY
Target Price	N428.36
Closing Price	N328.00
*Price as of on November	

#### Key data

#### Year to December, Nbn

	2022	2023e	2024e	2025e
Sales	1618.3	1968	2203	2448
EBITDA	706.2	930.0	1048.9	1172.2
EBIT	585.8	812.6	929.9	1049.2
PBT	524.0	789.5	932.9	1043.9
Net Profits	382.3	536.8	633.8	709.9
EV/EBITDA	7.8	5.2	4.6	4.1
PE	13.2	13.4	9.5	8.1
Dividend Yield	6.7%	6.4%	9.5%	8.1%
Market cap.	N5.94tn			
Free float	11.8%			
Bloomberg	DANGC	EM NL		
Reuters	DANGC	EM.LG		

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#### Price increment drives Revenue growth

Dangote Cement's recently released 9M 2023 results showed the company's revenue increased by 28.7% y/y, to N1.51tn in 9M 2023 from N1.18tn in 9M 2022. On a quarterly basis, performance was resilient, as Revenue was up marginally by 3.6% q/q to N563.77bn in Q3 2023 from N544.11bn in Q2 2023. Given a 2.4% decrease in group sales volumes to 20.29m MT from 20.80m MT, we attribute the growth in Revenue to price increases. Specifically, Revenue from the Nigerian operations increased by 4.8% y/y to N933.0bn in 9M 2023 from N890.65bn in 9M 2022 and we also attribute the growth in Revenue to price increases as we saw price per tonne increase y/y to N77,628 from the N66,072 recorded as at 9M 2022, indicating a y/y increase of 17.49% amidst a y/y decrease in volumes (10.9% to 12.02m MT).

The company attributed the y/y decline in sales volumes to multiplier effects of election uncertainty, cash unavailability which impacted business operations in Q1 2023, and the significant FX devaluation in Q2 2023. We believe that constrained purchasing power and low CAPEX expenditure by the government continue to affect sales volumes across the whole industry. We believe further price increases will be required to protect profit margins, thus we forecast a 20% y/y growth in price per tonne for the year (14.4% ytd price increase) while projecting a 5% y/y volume growth. Overall, we expect Revenue from the Nigerian operations to increase by 15% y/y to N1.5tn in FY 2023.

The Pan African region recorded significant Revenue growth in 9M 2023. Revenues grew by 103.9% to N588.24bn from N288.51bn in 9M 2022. The growth in revenue reflects strong growth in sales volumes, up 15.2%, as well as strong growth in prices. According to the management, volume growth was driven by strong performances from Ethiopia, Cameroon, Senegal, Zambia, and Congo operations. The company's Pan-African volume now accounts for 42% of the Group's total volume, reinforcing its diversification strategies. It was noted that there was capacity maximization in its Senegal, Ethiopia, and Cameroon operations. Going forward, we are optimistic about an increase in production volumes in the Pan-African region. The management announced the commencement of operations at the 0.45Mta grinding plant in Ghana and noted that the company is at an advanced stage of the deployment of the 1.5Mta grinding plant in Cote d'Ivoire. The company also noted that it will start clinker export to Cote d'Ivoire in 2024. This makes us believe that the pan Africa region's production volumes will maintain its uptrend trajectory and continue to support Revenue growth. Consequently, we maintain our forecasts and expect sales volume to increase by 10% y/y in 2023 while assuming price growth of 10% y/y in the Pan-African segment. Thus, we forecast Revenue from Pan-African operations to rise by 9% y/y in FY 2023. All in, we forecast the FY 2023 Group Revenue to grow by 26.0% y/y to N1.9tn.

#### Cost pressures on the horizon

In 9M 2023, Cost of Sales (adjusted for depreciation) increased by 32.8% y/y to N560.06bn. A significant growth in other production expenses (86.51% y/y) drove the y/y growth in Cost of Sales (adjusted for depreciation). Increases in plant maintenance costs (+34.32% y/y) and fuel and power consumed (+28.91% y/y) also contributed to the increase in Cost of Sales. Gross profit climbed by 26.3% y/y to N954.54bn in 9M 2023, up from N755.65bn in 9M 2022. However, on a quarterly basis, Gross Profit fell by 4.6% to N335.74bn in Q3 2023 from N352.09bn in Q2 2023. Gross margin fell 1.2% y/y to 63% in 9M 2023, down from 64.2% in 9M 2022.

Amidst the current inflationary environment and persistent Naira depreciation which has negatively impacted operating costs, we saw the company's operating Expenses

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(adjusted for depreciation) rise by 24.23% y/y to N327.06bn in 9M 2023 from N263.28bn in 9M 2022. The growth in Opex reflects the 22.2% y/y and 45% y/y growth in Selling and distribution Expenses (adjusted for depreciation) and Administrative Expenses (adjusted for depreciation), respectively. Other Income rose by 434% to N16.64bn in 9M2023. EBITDA increased by 28.5% y/y to N662.76bn in 9M 2023 from N515.59bn in 9M 2022. EBITDA margin remained constant at 43.8% in 9M 2023. Despite a 24.1% y/y rise in Depreciation and amortization to N101.75bn, EBIT climbed by 29.4% y/y to N561bn in 9M 2023 from N433.62bn in 9M 2022.

We expect EBITDA Margin to remain stable, driven by strong double-digit Revenue growth and continued cost containment measures. Though inflationary pressures on energy costs remain a downside risk, we expect the Okpella alternative fuel system which is expected to be commissioned in December, and the Phase transition from diesel power trucks to Compressed Natural Gas (CNG) to provide respite. Overall, we estimate EBITDA of N93obn in 2023, which translates to an EBITDA Margin of 47.9% in 2023.

Net Finance Cost increased by 178% y/y to N70.41bn in 9M 2023 from N25.33bn in 9M 2022. While Finance Cost was up 68.15% y/y to N91.08bn, Finance Income was down by 28.32% y/y to N20.67bn. We note that the company recorded a Net FX loss of N99.01bn, a 37.5% rise from the N72.39bn recorded in 9M 2022.

Pre-tax profit was up by 20.5% y/y to N404.89bn in 9M 2023 from N335.90bn in 9M 2022. We saw a slight increase of 3.7% y/y decrease in Tax Expense, However, Net Income grew significantly by 30.2% y/y to N277.55bn in 9M 2023 from N213.10bn in 9M 2022. Overall, Earnings per Share settled at N16.08/s in H1 2023 compared with N12.41/s in H1 2022.

We note that Dangote Cement successfully completed Tranche I of its second share buyback program in July, repurchasing 0.71% of outstanding shares. The buyback was exercised at an average price of \\ \frac{1}{339}.00/s\). This brings the total number of outstanding shares to 16,841 from 16,883 as of 9M 2022.

#### **Valuation**

We maintain our price target of N428.36/s, with a BUY recommendation. We arrived at our target price using a blend of DCF and Relative valuation in the ratio of 50:50. Current Price: N328/s.



Dangote Cement			,									
Income statement	2015	2016	2017	2018	2019	2020	2021	2022	2023 E	2024E	2025E	2026E
Turnover	491,725	615,103	805,582	901,213	891,671	1,034,196	1,383,637	1,618,323	1,967,784	2,203,084	2,448,620	2,782,553
ost of sales (ex-depreciation)	(163,565)	(272,571)	(291,692)	(318,767)	(344,735)	(373,024)	(475,065)	(572,133)	(652,352)	(732,770)	(815,697)	(909,073)
Gross profit	328,160	342,532	513,890	582,446	576,936	661,172	908,572	1,046,190	1,315,431	1,470,314	1,632,922	1,873,480
Total opex	(124,289)	(170,581)	(214,895)	(253,970)	(280,023)	(279,004)	(331,961)	(465,870)	(508,293)	(545,864)	(589, 383)	(643,446)
Otherincome	3,951	10,542	5,213	10,222	2,980	4,754	6,221	5/333	5,440	5,548	5,659	5,773
вп	207,822	182,493	304, 208	338,698	299,893	386,922	582,832	585,876	812,578	929,999	1,049,199	1,235,807
Depreciation and Amortisation	54,626	74,750	83,939	96,203	95,463	89,538	100,766	120,390	117,428	118,945	122,986	133,817
BITDA	262,448	257,243	388,147	434,901	395,356	476,460	683,598	706,266	930,006	1,048,943	1,172,185	1,369,624
let interest (expense)/income	(19,528)	(1,564)	(16,785)	(38,455)	(50,063)	(14,174)	(44,942)	(62,633)	(23,088)	2,125	(5,221)	(12,753)
PBT	188,294	180,929	289,590	300,806	250,479	373,498	538,707	524,002	789,490	932,123	1,043,978	1,223,054
axation	(6,971)	(38,071)	(85,342)	89,519	(49,958)	(97,242)	(173,927)	(141,691)	(252,637)	(298,279)	(334,073)	(391,377)
Profit afterta x	181,323	142,858	204, 248	390,325	200,521	276,256	364,780	382,311	536,853	633,844	709,905	831,677
Balance sheet	2015	2016	2017	2018	2019	2020	2021	2022		2024E	2025E	2026E
Property plant and equipment	919,822	1,159,856	•	1,177,833	1,210,412				2023E		1,858,150	
Other non-current asests	919,022	66,084	1,198,495 57.089	87,792	1,210,412	1,395,241 64,478	1,477,981 22,430	1,533,518	1,632,237 18,938	1,735,089	18,938	2,003,724 18,938
Fotal non-current assets	944,963	1,225,940	1,255,584	1,265,625	1,322,659	1,459,719	1,500,411	1,568,643	1,651,175	1,754,027	1,877,088	2,022,662
Furrent Assets	944,903	1,225,940	1,255,504	1,205,025	1,322,059	1,453,/13	1,500,411	1,500,043	1,051,1/5	1,/54,02/	1,0//,000	2,022,002
Stocks	53,118	82,903	94,594	106,998	114.806	108.270	167,205	239,563	193,025	200.210	212,305	236.608
Trade debtors	11,544	26,279	30,155	44,468	31,093	35,194	47,469	45,490	70,085	72,232	80,503	91,481
Other debtors & prepayment	60,526	78,280	115,496	101,883	127,042	35,194 248,561	4/,409 311,722	45,490	323,471	331,065	335,427	381,172
Due from related companies	-	,5,200	1,608	2,380	4,266	5,249	3,752	5,981	7,856	7,979	9,643	10,724
Short term deposits			-,	-,500	-,200	5/243	3/52	3/30-	-	11313	3/~43	
Cash	40,792	115,693	168,387	166,896	123,903	145,835	339,843	283,843	699,749	830,052	927,838	1,059,045
Total non-current assets	165,980	303,164	410,299	428,838	407,828	550,138	873,042	1,023,461	1,295,622	1,442,973	1,567,151	1,780,465
otal assets 1	1,110,943	1,529,104	1,665,883	1,694,463	1,730,487	2,009,857	2,373,453	2,592,104	2,946,798	3,197,000	3,444,239	3,803,127
lon-current liabilities												
Deferred taxation	24,504	103,162	116,898	83,350	93,841	122,980	135,003	154,026	154,026	154,026	154,026	154,026
Long term loans	208,329	152,475	242,894	125,725	107,279	158,908	176,562	333,498	167,505	202,693	221,143	295,369
Other	32,692	22,146	4,255	3,269	4,053	12,004	12,283	19,442	17,611	17,611	17,611	17,611
otal Non-current liabilities	265,525	277,783	364,047	212,344	205,173	293,892	323,848	506,966	339,142	374,330	392,780	467,006
urrent Liabilities												
Bank overdrafts	-				-		-		-	-		
Trade creditors	44,044	83,164	78,561	86,265	63,277	56,168	105,518	334,899	125,109	140,147	167,609	186,796
Other creditors	83,553	185,802	192,160	144,705	222,554	293,220	265,706		404,339	451,452	503,141	571,757
Dues to related companies	-				1,409	2,073	2,187	1,713	3,481	3,714	4,229	4,810
Short term debts	47,275	220,300	144,783	220,128	260,631	335,011	401,393	392,378	311,081	345,126	393.143	407,891
Taxation	1,289	18,220	63,901	9,223	49,932	59,781	153,385	167,971	153,385	153,385	153,385	153,385
Other Otal Current Liabilities	24,537	18,307	41,071	35,185	34,083 631,886	83,460	148,294	124,724	135,595	148,025	135,429	174,677
Otal Current Liabilities QUITY	200,698	525,793	520,476	495,506		829,817		1,021,685	1,132,989	1,241,848		
					032,000		1,076,483				1,356,936	1,499,316
	0	0							0	0		
Share premium	8,520	8,520	8,520	8,520	8,520	8,520	8,520	8,520	8,520	8,520	8,520	8,520
Share premium	8,520 42,430	8,520 42,430							8,5 20 42,430	8,520 42,430		
Share premium Other reserve	42,430	42,430	8,520 42,430 -	8,520 42,430 -	8,520 42,430 -	8,520 42,430 -	8,5 20 42,430 -	8,520 42,430 -	42,430 -	42,430 -	8,520 42,430 -	8,5 20 42,430 -
Share premium Other reserve Revenue reserve	42,430 - 620,501	42,430 - 605,662	8,520 42,430 - 639,462	8,520 42,430 - 848,695	8,520 42,430 - 776,839	8,520 42,430 - 779,271	8,5 20 42,430 - 868,274	8,520 42,430 - 969,478	42,430 - 1,111,573	42,430 - 1,284,655	8,520 42,430 - 1,450,823	8,520 42,430 - 1,673,259
Share premium Other reserve Re venue reserve Non controlling interest	42,430 - 620,501 (6,235)	42,430 - 605,662 (12,925)	8,520 42,430 - 639,462 12,630	8,520 42,430 - 848,695 11,486	8,520 42,430 - 776,839 11,297	8,520 42,430 - 779,271 15,024	8,520 42,430 - 868,274 18,299	8,520 42,430 - 969,478 24,578	42,430 - 1,111,573 28,380	42,430 - 1,284,655 32,817	8,520 42,430 - 1,450,823 37,786	8,5 20 42,430 - 1,673,2 59 43,608
Share premium Other reserve Revenue reserve Non controlling interest	42,430 - 620,501	42,430 - 605,662	8,520 42,430 - 639,462	8,520 42,430 - 848,695	8,520 42,430 - 776,839	8,520 42,430 - 779,271	8,5 20 42,430 - 868,274	8,520 42,430 - 969,478	42,430 - 1,111,573	42,430 - 1,284,655	8,520 42,430 - 1,450,823	8,520 42,430 - 1,673,259
Share premium Other reserve Revenue reserve Non controlling interest otal shareholders' funds	42,430 - 620,501 (6,235)	42,430 - 605,662 (12,925)	8,520 42,430 - 639,462 12,630	8,520 42,430 - 848,695 11,486	8,520 42,430 - 776,839 11,297	8,520 42,430 - 779,271 15,024	8,520 42,430 - 868,274 18,299	8,520 42,430 - 969,478 24,578	42,430 - 1,111,573 28,380	42,430 - 1,284,655 32,817	8,520 42,430 - 1,450,823 37,786	8,5 20 42,430 1,673,2 59 43,608 1,801,758
Share premium Other reserve Revenue reserve Non controlling interest Total shareholders' funds VALUATION	42,430 - 620,501 (6,235) 644,720	42,430 - 605,662 (12,925) 725,528	8,520 42,430 - 639,462 12,630 781,360	8,520 42,430 - 848,695 11,486 986,613	8,520 42,430 - 776,839 11,297 897,937	8,520 42,430 - 779,271 15,024 890,970	8,520 42,430 - 868,274 18,299 983,669	8,520 42,430 - 969,478 24,578 1,078,947	42,430 - 1,111,573 28,380 1,224,844	42,430 - 1,284,655 32,817 1,402,363	8,520 42,430 - 1,450,823 37,786 1,573,500	8,520 42,430 - 1,673,259 43,608 1,801,758
Share premium Other reserve Revenue reserve Non controlling interest otal shareholders' funds VALUATION rice to earnings	42,430 - 620,501 (6,235) 644,720 2015 15.8x	42,430 - 605,662 (12,925) 725,528 2016 20.0X	8,520 42,430 - 639,462 12,630 781,360 2017	8,520 42,430 - 848,695 11,486 986,613 2018 7.3X	8,520 42,430 - 776,839 11,297 897,937	8,520 42,430 - 779,271 15,024 890,970	8,520 42,430 - 868,274 18,299 983,669	8,520 42,430 - 969,478 24,578 1,078,947	42,430 1,111,573 28,380 1,224,844 2023 E 9.5×	42,430 - 1,284,655 32,817 1,402,363 2024E 8.1x	8,520 42,430 - 1,450,823 37,786 1,573,500 2025E 7.2x	8,520 42,430 - 1,673,259 43,608 1,801,758 2026E 6.1x
Share premium Other reserve Revenue reserve Non controlling interest lotal shareholders' funds VALUATION Vice to earnings lividend yield	42,430 - 620,501 (6,235) 644,720	42,430 - 605,662 (12,925) 725,528	8,520 42,430 639,462 12,630 781,360 2017 14,0x 5,196	8,520 42,430 - 848,695 11,486 986,613	8,520 42,430 - 776,839 11,297 897,937	8,520 42,430 - 779,271 15,024 890,970	8,520 42,430 868,274 18,299 983,669	8,520 42,430 - 969,478 24,578 2,078,947 2022 13,4× 6.7%	42,430 - 1,111,573 28,380 1,224,844	42,430 - 1,284,655 32,817 1,402,363	8,520 42,430 - 1,450,823 37,786 1,573,500	8,520 42,430 - 1,673,259 43,608 1,801,758 2026E 6.1x 11.8%
Share premium Other reserve Revenue reserve Non controlling interest otal shareholders' funds  VALUATION rice to earnings iividend yield V / Sales	42,430 620,501 (6,235) 644,720 2015 15.8× 3.6% 5.1×	42,430 - 605,662 (12,925) 725,528 2016 20.0X 4.896 4.2X	8,520 42,439 639,462 12,630 781,360 2017 14,0X 5,196 3,1X	8,520 42,430 848,695 11,486 986,613 2018 7.3X 6.396 2.8X	8,520 42,430 776,839 11,297 897,937 2019 14,3% 9,5% 2,9%	8,520 42,430 779,271 15,024 890,970 2020 13,3X 7,496 2,6x	8,520 42,430 - 868,274 18,299 983,669 2021 13,2× 5.796 3,6×	8,520 42,430 - 969,478 24,578 2,078,947 2022 13,4% 6.796 3.4%	42,430 - 1,111,573 28,380 1,224,844 2023 E 9.5× 6.496 2.5x	42,430 - 1,284,655 32,817 1,402,363 2024E 8.1x 8.9% 2.2x	8,520 42,430 - 1,450,823 37,786 2,573,500 2025E 7.2× 10.5%	8,520 42,430 - 1,673,259 43,608 1,801,758 2026E 6.1x 11.896
Share premium Other reserve Revenue reserve Non controlling interest total shareholders' funds  //ALUATION rice to earnings rividend yield // Sales // EBITDA	42,430 - 620,501 (6,235) 644,720 2015 15.8× 3.6%	42,430 - 605,662 (12,925) 725,528 2016 20.0X 4.896	8,520 42,430 639,462 12,630 781,360 2017 14,0x 5,196	8,520 42,430 84,8,695 11,486 986,613 2018 7.3% 6.396 2.8% 5.7%	8,520 42,430 776,839 11,297 897,937 2019 14,3% 9,5%	8,520 42,430 - 779,271 15,024 890,970 2020 13.3X 7.496	8,520 42,430 868,274 18,299 983,669	8,520 42,430 - 969,478 24,578 1,078,947 2022 13.4× 6.796 3.4× 7.8×	42,430 1,111,573 28,380 1,224,844 2023 E 9.5× 6.4% 2.5× 5.2×	42,430 - 1,284,655 32,817 1,402,363 2024E 8.1x 8.9%	8,520 42,430 - 1,450,823 37,786 2,573,500 2025E 7.2x 10.5% 1.9x 41x	8,520 42,430 - 1,673,259 43,608 1,801,758 2026E 6.1x
Share premium Other reserve Revenue reserve Non controlling interest otal shareholders' funds  VALUATION ice to earnings ividend yield V/ Sales V/ EBITDA	42,430 - 620,501 (6,235) 644,720 2015 15.8x 3.696 5.1x 9.6x 12.1x	42,430 605,662 (12,925) 725,528 2016 20.0x 4.896 4.2x 9.9x 14.0x	8,520 42,430 - 639,462 12,630 781,360 2017 14,0x 5,196 3,1x 6,5x 8,3x	8,520 42,430 848,695 11,486 986,613 2018 7.3X 6.396 2.8X	8,520 42,430 - 776,839 13,297 897,937 2019 14.3X 9,5% 2.9X 6.4X 8.5X	8,520 42,430 - 779,271 15,024 890,970 2020 13.3X 7.496 2.6x 5.6x	8,5 20 42,430 - 868,274 18,299 983,669 2021 13,2× 5,796 3,6× 7,3× 8,6×	8,520 42,430 - 969,478 24,578 1,078,947 2022 13,4× 6.796 3.4× 7.8× 9.4×	42,430 1,111,573 28,380 1,224,844 2023 E 9.5× 6.4% 2.5x 5.2x 6.0x	42,430 - 1,284,655 32,817 1,402,363 2024E 8.1x 8.9% 2.2x 4.6x	8,520 42,430 - 1,450,823 37,786 1,573,500 2025E 7.2x 10.596 1.9x 4.1x 4.5x	8,520 42,430 - 1,673,259 43,608 1,801,758 2026E 6.1x 11.896 1.7x 3.4x 3.8x
Share premium Other reserve Re venue reserve Non controlling interest otal shareholders' funds  VALUATION rice to earnings lividend yield V/ Sales V/ EBITDA V/ EBITDA	42,430 - 620,501 (6,235) 644,720 2015 15.8x 3.696 5.1x 9.6x	42,430 - 605,662 (12,925) 725,528 2016 20.0x 4.896 4.2x 9.9x	8,520 42,430 639,462 12,630 781,360 2017 14,0x 5,196 3,14x 6,5x	8,520 42,430 - 84,8,695 11,486 986,613 2018 7.3X 6.396 2.8% 5.7% 7.3X	8,520 42,439 - 776,839 11,297 897,937 2019 14.3% 9.5% 2.5% 6.4x	8,520 42,430 - 779,271 15,024 890,970 2020 13.3× 7.496 2.6× 5.6× 6.8×	8,520 42,430 - 868,274 18,299 983,669 2021 13,2× 5,7% 3,6× 7,3×	8,520 42,430 - 969,478 24,578 1,078,947 2022 13.4× 6.796 3.4× 7.8×	42,430 1,111,573 28,380 1,224,844 2023 E 9.5× 6.4% 2.5× 5.2×	42,430 1,284,655 32,817 1,402,363 2024E 8.1x 8.9% 2.2x 4.6x 5.1x	8,520 42,430 - 1,450,823 37,786 2,573,500 2025E 7.2x 10.5% 1.9x 41x	8,5 20 42,430 1,673,259 43,608 1,801,758 2026E 6.13 11.896 1.79 3.49
Share premium Other reserve Revenue reserve Non controlling interest otal shareholders' funds  VALUATION rice to earnings iv/dend yield V/ Sales V/ EBIT TDA V/ EBIT rice to book value	42,430 - 620,501 (6,235) 644,720 2015 15.8x 3.696 5.1x 9.6x 12.1x	42,430 605,662 (12,925) 725,528 2016 20.0x 4.896 4.2x 9.9x 14.0x	8,520 42,430 - 639,462 12,630 781,360 2017 14,0x 5,196 3,1x 6,5x 8,3x	8,520 42,430 - 84,8,695 11,486 986,613 2018 7.3X 6.396 2.8% 5.7% 7.3X	8,520 42,430 - 776,839 13,297 897,937 2019 14.3X 9,5% 2.9X 6.4X 8.5X	8,520 42,430 - 779,271 15,024 890,970 2020 13.3× 7.496 2.6× 5.6× 6.8×	8,5 20 42,430 - 868,274 18,299 983,669 2021 13,2× 5,796 3,6× 7,3× 8,6×	8,520 42,430 - 969,478 24,578 1,078,947 2022 13,4× 6.796 3.4× 7.8× 9.4×	42,430 1,111,573 28,380 1,224,844 2023 E 9.5× 6.4% 2.5x 5.2x 6.0x	42,430 1,284,655 32,817 1,402,363 2024E 8.1x 8.9% 2.2x 4.6x 5.1x	8,520 42,430 - 1,450,823 37,786 1,573,500 2025E 7.2x 10.596 1.9x 4.1x 4.5x	8,510 42,430 1,673,259 43,608 1,801,758 2026E 6.11 11,896 1,79 3,47 3,89 2,89
Share premium Other reserve Revenue reserve Non controlling interest otal shareholders' funds  VALUATION rice to earnings ividend yield V/ Sales V/ EBIT DA V/ EBIT rice to book value  Profitability ratios	42,430 620,501 (6,235) 644,720 2015 15.8x 3.6% 5.1x 9.6x 12.1x 4.4x	42,430 - 605,662 (12,925) 725,528 2016 20.0x 4.896 4.2x 9.9x 14.0x 3.9x	8,520 42,430 	8,520 42,430 84,8,695 11,486 986,613 2018 7.3X 6.396 2.8X 5.7X 7.3X 2.9X	8,520 42,439 - 776,839 11,297 897,937 2019 14,3% 9,5% 2,9% 6,4% 8,5% 3,2%	8,520 42,430 779,271 15,024 890,970 2020 13,3% 7,496 2,6% 5,6% 6,8% 4,1%	8,520 42,430 - 868,274 18,299 983,669 2021 13,2% 5,796 3,6% 7,3% 8,6% 4,8%	8,520 42,430 969,478 24,578 1,078,947 2022 13,4% 6,796 3,4% 7,8x 9,4% 4,7%	42,430 - 1,111,573 28,380 1,224,844 2023 E 9.5× 6.496 2.5× 5.2× 6.0× 4.2×	42,430 - 1,284,655 32,817 1,402,363 2024E 8.1x 8.9% 2.2x 4.6x 5.1x 3.6x	8,520 42,430 - 1,450,823 37,786 1,573,500 2025E 7.2x 10.596 1.9x 4.1x 4.5x 3.2x	8,520 42,430 - 1,673,259 43,608 1,801,758 2026E 6.17 11,896 1,77 3,47 3,88 2,89
Share premium Other reserve Revenue reserve Non controlling interest otal shareholders' funds  VALUATION rice to earnings ividend yield V/ Sales V/ EBITDA V/ EBIT rice to book value  Profitability ratios ross margin	42,430 	42,430 605,662 (12,925) 725,528 2016 20.0x 4,896 4,22x 9.9x 14,0x 3.9x 2016 55,786	8,520 41,439 . 639,461 12,639 781,360 2017 14,0% 5,196 3,1% 6,5% 8,3% 3,7%	8,520 42,430 848,695 11,486 986,613 2018 7.3% 6.396 1.8% 5.7% 7.3% 2.9%	8,520 42,430 -,776,839 11,297 897,937 2019 14,3% 9,5% 1,5% 6,4% 8,5% 3,2%	8,520 42,430 - 779,274 15,024 890,970 2020 13,3% 7,496 2.6% 5.6% 4.1%	8,520 42,430 868,274 18,399 983,669 2021 13,2× 5,796 3,6× 7,3× 8,6× 4,8×	8,520 42,439 969,478 24,578 2022 13,4% 6,766 3,4% 7,8x 9,4% 4,7%	42,430 - 1,111,573 28,380 1,224,844  2023E 9,5% 6,496 2,5% 5,2% 6,0% 4,2% 2033E 66.896	42,430 1,284,655 32,827 1,402,363 2024E 8.1x 8.9% 2.2x 4.6x 5.1x 3.6x	8,520 42,430 1,450,823 37,786 1,573,590 2025E 7,2x 10,5% 1.9% 41x 4.5x 3.2x	8,520 42,430 - 1,673,259 43,608 1,801,758 2026E 6.1) 11.896 1.7) 3,44 3,80 2,80 2,75 4,70 3,80 3,80 4,70 4,70 4,70 4,70 4,70 4,70 4,70 4,7
Share premium Other reserve Re venue reserve Non controlling interest otal shareholders' funds  VALUATION rice to earning s ividend yield V/ Sales V/ EBITDA V/ EBIT rice to book value  Profitability ratios ross margin BIT margin	42,430 620,501 (6,235) 644,720 2015 15,8x 3,696 5,1x 9,5x 12,1x 4,4x 2015 66,796 42,396	42,430 605,662 (12,925) 725,528 2016 20.0x 4.896 4.2x 9.9x 14.0x 3.9x	8,520 42,439 639,461 11,639 781,360 2017 14,0X 5,196 3,114 6,5X 8,3X 3,7X	8,520 42,430 84,8,695 11,486 986,613 2018 7.3% 6.3% 2.8% 5.7% 7.3% 2.9%	8,520 42,430 -,776,839 11,297 897,937 2019 14,37 9,59 6,4% 8,5% 3,2% 2019 64,7% 33,6%	8,520 42,430 .779,271 15,024 890,970 2020 43,3× 7,496 2.6× 5.6× 6.8× 41×	8,520 42,430 	8,520 42,430 - 969,478 24,578 2022 13,4X 6,786 3,4X 7,8X 9,4X 4,77 2022 64,696 36,296	42,430 1,111,573 18,380 1,224,844 2023 E 95% 6,496 2,5% 5,2% 6,0% 4,2% 2023 E 66,896 41,396	42.430 - 1,284,652 32.847 1,402,363 2024E 8.1x 8.9% 2.2x 4.6x 5.1x 3.6x 2024E 66.7% 42.2%	8,520 42,430 - 1,450,823 27,786 1,573,500 2025E 7.2x 10.5% 1.9x 4.1x 4.5x 3.2x 2025E 66,7%	8,520 42,430 - 1,673,259 43,608 1,801,758 2026E 6.1) 11,899 17,73 34,73 28,83 2026E 67,394 44,496
Share premium Other reserve Revenue reserve Non controlling interest Total shareholders' funds  VALUATION Price to earnings Dividend yield V/ Sales V/ EBITDA V/ EBIT Price to book value  Profitability ratios Gross margin EBIT margin EBITDA margin	42,430 620,501 (6,235) 644,720 2015 15,8x 3,6% 5,1x 9,6x 12,1x 4,4x 2015 66,7% 42,3% 53,4%	42,430 605,661 725,528 2016 20.0x 4,8% 4,2x 9,9x 14,0x 3,9% 2016 55,7% 12,7% 4,18%	8,520 42,439 	8,520 42,430 84,8,695 11,486 986,613 2018 7.3% 6.396 2.8% 5.7% 7.3% 2.9% 2.9% 5.7% 9.3% 6.4,696 37,696 48,396	8,520 42,430 -,776,839 11,297 897,937 2019 14,34 9,59 6,4% 8,5% 3,2% 2019 64,79 33,659 44,396 44,396	8,520 42,430 -779,271 15,024 890,970 2020 43,3% 7,456 5,6% 6,8% 4,1%	8,520 42,430 - 868,274 18,299 983,669 2021 13,2x 5,796 3,6x 7,3x 8,6x 4,8x	8,520 42,439 - 959,478 24,578 2022 13,4% 6,796 3,4% 7,8% 9,4% 4,7% 2022 64,696 36,296 43,696	42,430 1,111,573 18,380 1,224,844 203E 95× 6,496 1,5× 6,0× 4,2× 203E 66,896 41,396 41,396 47,396	42.430 1,28,655 23,817 2,402,363 2024E 8.1x 8.9% 1.2x 4.6x 5.1x 3.6x 2024E 66,7% 42,19% 47,6%	8,520 42,430 - 1,450,823 27,786 1,573,500 2025E 7.2x 10.5% 41x 4.5x 3.2x 2055E 66,7% 42,8% 42,8% 42,9%	8,520 42,430 1,673,259 43,668 1,801,758 2026E 6.1X 1,87% 3,47% 2,8% 2026E 67,3% 44,4,4% 49,29%
Share premium Other reserve Re venue reserve Non controlling interest Total shareholders' funds  VALUATION Price to earnings Inivident yield V/ Sales V/ EBITDA V/ EBIT Price to book value Profitability ratios Gross margin BIT D margin BIT D margin BIT D margin	42,430 620,501 (6,235) 644,720 2015 15,8x 3,6% 5,1x 9,6x 12,1x 4,4x 2015 66,7% 42,3% 53,3%	42,430 605,661 (12,925) 725,528 2016 20.0x 4,896 4.2x 9.9x 14,0x 3.9x 2016 55,796 19,796	8,520 42,439 .639,461 11,639 781,360 2017 14,0X 5,136 6,5X 8,3X 3,7X 2017 63,896	8,520 42,430 848,695 11,486 986,613 2018 7.3% 6.396 2.8% 5.7% 7.2% 2.9% 2018 64,696 37,696 48,396 48,396 48,396	8,520 42,430 -,776,839 11,297 897,937 2019 14,37 9,59 6,4% 8,5% 3,2% 2019 64,7% 33,6%	8,520 42,430 -779,271 15,024 890,970 2020 13,3% 7,496 2.6% 5.6% 6.8% 4,1% 2020 63,996 37,496	8,520 42,430 	8,520 42,430 - 969,478 24,578 2022 13,4X 6,786 3,4X 7,8X 9,4X 4,77 2022 64,696 36,296	42,430 1,111,53 18,380 1,224,844 2023 E 95% 6,496 2,5% 5,2% 6,0% 4,2% 2038 E 66,896 41,396 47,336 47,336 40,196	42.430 - 1,284,652 32.847 1,402,363 2024E 8.1x 8.9% 2.2x 4.6x 5.1x 3.6x 2024E 66.7% 42.2%	8,520 42,430 - 1,450,823 27,786 1,573,500 2025E 7.2x 10.5% 1.9x 4.1x 4.5x 3.2x 2025E 66,7%	8,520 42,430 1,673,259 43,608 2026E 6.1) 11,896 1,771 3,47 3,83 2,89 2026E 67,396 44,496 49,296 49,296 44,096
Share premium Other reserve Revenue reserve Non controlling interest Total shareholders' funds  VALUATION Price to earnings Dividend yield V/ Sales V/ EBITDA V/ SBIT Price to book value Profitability ratios ross margin EBIT margin EBIT margin EBIT margin EBIT margin Het profit margin VOA av.	42,430 620,501 (6,235) 644,720 2015 15,8x 3,6% 5,1x 9,6x 12,1x 4,4x 2015 66,7% 42,3% 53,4%	42,430 605,661 (12,925) 725,528 2016 20.0x 4,856 4,2x 9,9x 14,0x 3,9x 2016 55,756 29,756 41,856 19,456 19,456 10,316	8,520 42,430 	8,520 42,430 84,8,695 11,486 986,613 2018 7.3% 6.396 2.8% 5.7% 7.3% 2.9% 2.9% 5.7% 9.3% 6.4,696 37,696 48,396	8,520 42,430 -,776,839 11,297 897,937 2019 14,34 9,594 6,434 8,574 3,234 2019 64,794 33,694 44,394 18,194 21,594 11,794	8,520 42,430 - 779,374 15,024 890,970 2020 13,3X 7,496 2,6X 5,6X 4,1X 2020 63,996 37,496 46,196 36,196	8,520 42,430 	8,520 42,439 969,478 24,578 2022 13,4% 6,796 3,4% 4,7% 2022 64,696 35,296 43,696 43,696 43,696 43,696 43,696 43,696 43,696 43,696 32,496	42,430 1,111,573 18,380 1,224,844 203E 95× 6,496 1,5× 6,0× 4,2× 203E 66,896 41,396 41,396 47,396	42.430 1,284,655 22,817 1,402,363 2024E 8.132 8.9% 2.232 4.632 5.132 3.632 2024E 66.7% 42.19% 42.19% 42.19% 42.19% 42.19%	8,520 42,430 - 1,450,823 27,786 1,573,500 2025E 7.2x 10.59 4.1x 4.5x 3.2x 2025E 66,796 42,896 42,896 42,896 42,896 42,996 42,996 42,696 21,496	8,520 42,430 - 1,673,259 43,608 1,801,758 2026E 6.1) 11,898 1,7) 3,4) 3,8) 2,8) 2,9 44,4,94 44,94 44,94 44,94 44,94 44,94 42,93
Share premium Other reserve Non controlling interest Total shareholders' funds  VALUATION Interest color amings Interest of the shareholders' funds  VY Jesins VY Jesins VY Jesins VY Jesins VY Jesins Jesins of the shareholders' funds  VI Sales Jesins of the shareholders' funds  VI Sales Jesins of the shareholders' funds  Jesins of	42,430 620,501 (6,234) 644,720 2015 15,8x 3,6% 5,1x 9,6x 12,1x 4,4x 2015 66,7% 42,3% 53,4% 38,3% 36,3% 36,3% 43,3% 36,3% 42,3% 43,2% 44,720	42,430 - 605,662 (12,925) 725,528 2016 20.0X 4,886 4,2X 9.93 14,0X 3.9X 2016 55.7% 19,7% 41,8% 19,4% 13,2% 10,3	8,520 41,430  781,450 2017 11,650 2017 14,0% 6.5% 8.3% 3.7% 2017 63,896 48,296 25,496 11,896 17,596	8,520 42,430 848,695 11,486 986,613 7.3X 6.396 2.8X 5.7X 7.3X 2.9X 2018 64,696 37,696 48.396 43.396 43.396 23.294	8,520 42,430 -,776,839 11,297 897,937 2019 14,3% 9,596 2,5% 6,4% 8,5% 3,2% 2019 64,796 33,656 44,296 18,196 18,196 11,796 11,796	8,520 42,430 - 775,271 15,024 890,970 2020 13,3% 7,4% 2.6% 5.6% 4.1% 2020 63,9% 37,4% 46,1% 36,1	8,520 42,430 	8,520 42,430 969,478 24,578 2022 13,478 6,796 3,42 7,82 9,42 4,772 2022 64,696 32,496 23,696 13,496 23,696 11,596 21,296	42,430	42.430 1,284,655 22,817 1,402,363 2024E 8.3% 2.2x 4.6x 3.6x 2024E 66.7% 42.196 47.696 18.8% 20.886 20.8	8,520 42,430 1,450,823 37,786 1,577,500 2025E 7,22 10,5% 1.92 4,12 4,52 2,22 2025E 66,7% 4,28% 4	8,520 42,430 1,673,159 43,608 1,801,758 2026E 6.11 1.896 1.77 3.47 3.83 2.83 2.83 44,496 44,996 44,996 44,996 44,996 44,996 33,398
Share premium Other reserve Revenue reserve Non controlling interest Fotal shareholders' funds  VALUATION Price to earnings Dividend yield V/ Sales V/ EBIT DA V/ EBIT Price to book value  Profitability ratios From smargin BIT DA margin BIT DA margin VI Tamargin	42,430 -620,501 (6,235) 644,720 2015 15,8x 3,696 5,12x 4,4x 2015 66,796 42,396 38,396 38,396 37,396 37,396	42,430 605,661 (12,925) 725,528 2016 20.0x 4,856 4,2x 9,9x 14,0x 3,9x 2016 55,756 29,756 41,856 19,456 19,456 10,316	8,520 42,430 	8,520 42,430 84,8,695 11,486 986,613 2018 7.3X 6.396 2.8X 5.7X 7.3X 2.9X 2018 64,696 27,696 48,396 33,496 43,396 43,396 43,396	8,520 42,430 -,776,839 11,297 897,937 2019 14,34 9,594 6,434 8,574 3,234 2019 64,794 33,694 44,394 18,194 21,594 11,794	8,520 42,430 -779,271 15,024 890,970 2020 43,3% 7,456 5,6% 6,8% 4,1% 2020 63,9% 37,4% 46,1	8,520 42,430 - 868,274 18,299 983,669 2021 13,2x 5,796 3,6x 7,3x 8,6x 4,8x 2021 65,796 42,196 38,996 26,496 16,696	8,520 42,439 - 969,478 24,578 2022 13,4% 6,796 3,4% 7,8% 9,4% 4,7% 2022 64,696 36,996 32,496 23,696 15,496 16,496 1	42,430 1,111,5380 1,224,844 203E 95X 6,496 1,5x 6,0x 42X 203E 66.896 41.396 40.196 27.396 19.496	42.430 1,284,655 23.817 2,402,363 2024E 8.1x 8.96 2.2x 4.6x 5.1x 3.6x 2024E 66.76 42.26 42.26 42.26 28.86 28.86 28.86 28.86 42.86 43.86 43.86 43.86 43.86 44.86 45.86 45.86 45.86 46.86	8,520 42,430 - 1,450,823 27,786 1,573,500 2025E 7.2x 10.59 4.1x 4.5x 3.2x 2025E 66,796 42,896 42,896 42,896 42,896 42,996 42,996 42,696 21,496	8,520 42,430 1,673,259 43,608 1,801,758 2026E 6.1x 11.896 1.7x 3.4x

Source: Company, CSL estimates

o2 November 2023

### **Important Risk Warnings and Disclaimers**

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