



United Capital

THIRD QUARTER, 2018


Presentation to Investors

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 Overview 3

 Operating Environment 7

 Financial Review 9

 Appendix 14



Overview



UNITED CAPITAL PLC

1
Investment Banking

- Debt Capital Market
- Equity Capital Market
- Project Finance
- Mergers & Acquisition
- Structured Finance

2
Asset Management

- Collective Investment Schemes (Mutual Funds)
- Portfolio Management
- Investment Advisory
- Wealth Management

3
Trustees

- Bond Trusteeship
- Collective Investment Schemes
- Private Trusts
- Debenture Trust

4
Securities

- Securities Dealing
- Receiving Agent to New Issues
- Stockbrokers to Primary Issues
- Designated Adviser to SMEs.

GROSS EARNINGS
N5.97 Billion



Year On Year
4%

FUNDS UNDER MANAGEMENT
N73.15 Billion



Year To Date
4%

SHAREHOLDERS' FUND
N18.15 Billion



Year To Date
8%

OPERATING EXPENSES
N2.30 Billion



Year On Year
-2%

RETURNS ON AVERAGE ASSETS
2.99%



Year To Date
2%

RETURNS ON AVERAGE EQUITY
24%



Year To Date
16%



Operating Environment

World Economy



- ❑ Currency depreciation occurred in emerging markets and developing economies due to capital flow reversal and tighter financial conditions.
- ❑ The Global growth Momentum towards achieving the 3.9% expected growth derailed as current trade tensions and uneven expansion in global output led the IMF to cut this projection by 2 basis point to 3.7% .
- ❑ The UK government confirmed that the UK would be leaving the EU on March 29, 2019, with the EU making concessions and agreeing to accept among other things, a free trade deal which does not include the free movement of EU citizens.

Nigerian Economy



- ❑ Foreign exchange inflow into the economy fell by 38.34% to \$6billion in July, 2018 from \$9.73billion in June, 2018.
- ❑ Crude oil price remained above the budget benchmark of \$51 averaging \$73.04 in Q3 2018.
- ❑ Growth projection for the economy was revised upward from 2.1% to 2.9%. This growth will be largely driven by the expected increase in oil production to 2.3 million barrels per day.

Economic Indicators



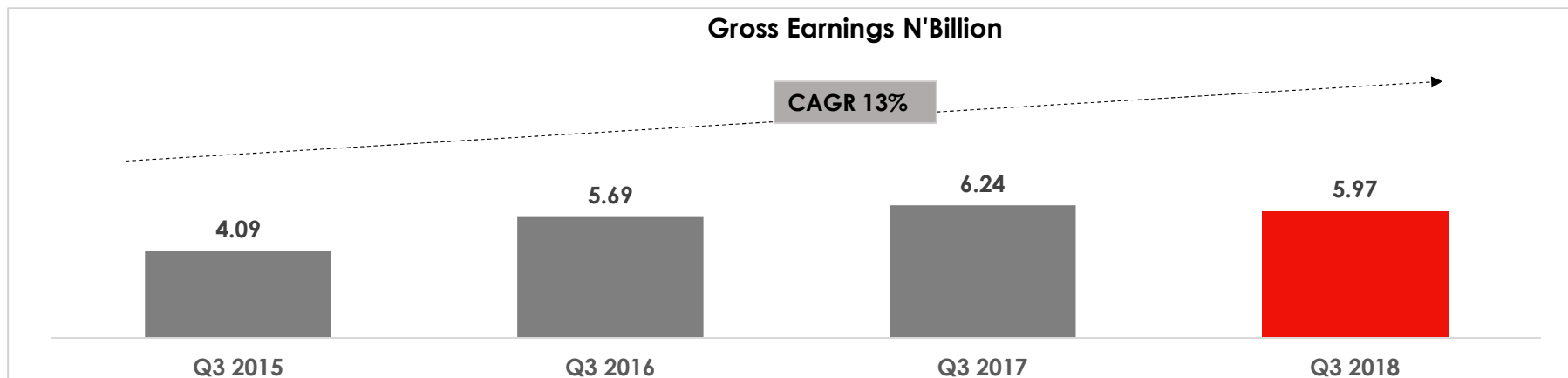
- ❑ The CBN monthly CPI report showed that inflation for the month of September 2018 rose by 5 basis point to 11.28% as against 11.23% in August, 2018.
- ❑ The NSE ASI decreased by 14.99% to 32,540.17 as at September 21, 2018 as against 38,278.55, at the end of June 2018.
- ❑ Broad Money Supply grew by 2.98% in August, 2018, annualized to 4.47%. This was however below the provisional benchmark of 10.48% for 2018. This growth was largely driven by growth in Net Foreign Assets to 18.63%.

Financial Review

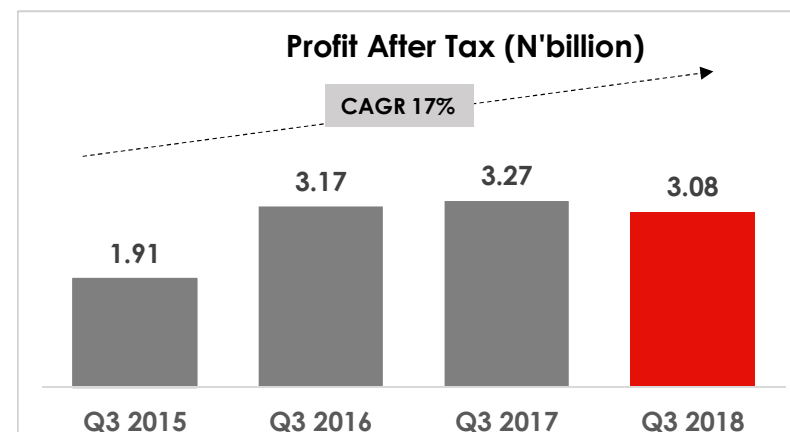
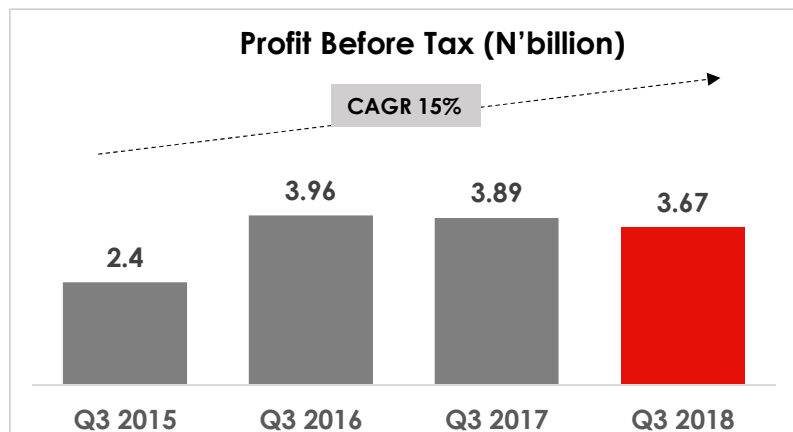


Group		Q3 2018	Q3 2017	Change(%)
INCOME STATEMENT (N' billion)	Gross Earnings	5.97	6.24	-4%
	Operating Income	4.85	5.48	-11%
	Other Income	1.12	0.76	47%
	Profit Before Tax	3.67	3.90	-6%
	Profit After Tax	3.08	3.27	-6%

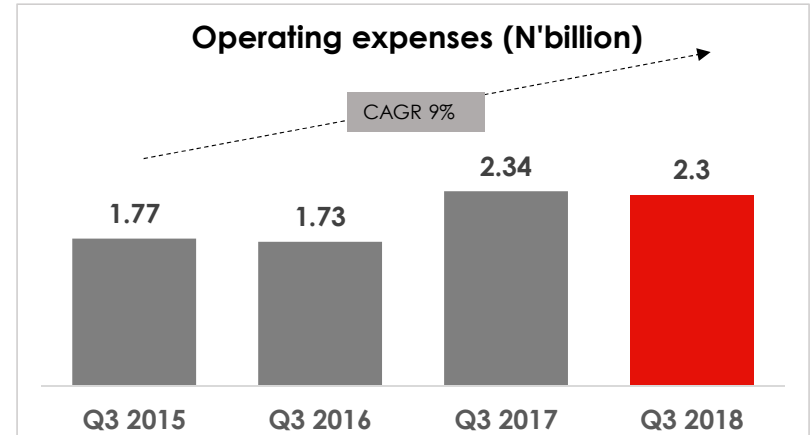
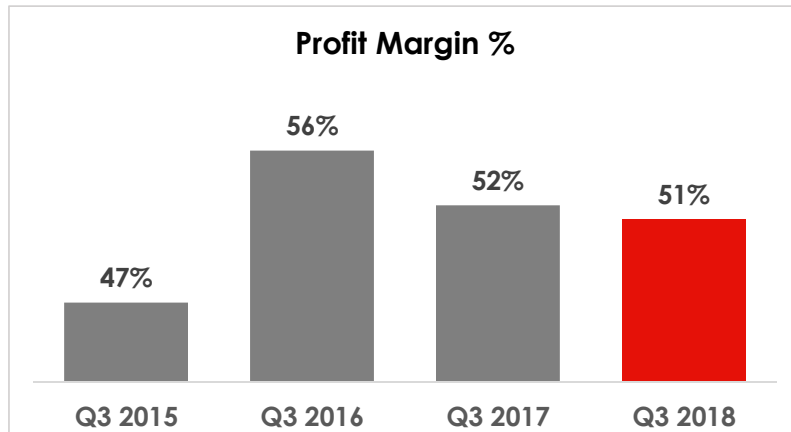
Group (YTD)		Q3 2018	FY 2017	Change (%)
BALANCE SHEET (N' billion)	Total Assets	138.70	136.60	1.54%
	Total Equity	18.15	16.77	8.23%
	Total Liabilities	120.55	119.83	0.61%



- ❖ United Capital Plc, over the past 4 years grew gross earnings by 13% CAGR.
- ❖ Other Income grew impressively by 47% in Q3 2018 to N1.12billion when compared with N0.76billion Q3 2017. The change was largely due to increase in dividend from equity investment and earnings on assets.
- ❖ Investment income, whilst still being the highest contributor to Net Operating income at 55% in Q3 2018, declined from 66% in Q3 2017.
- ❖ Net trading Income rose by 31% YoY to N0.12Billion in Q3 2018 as against N0.09Billion in Q3 2017. This was largely provoked by increase in financial assets for trading.



- ❖ The Company grew Profit Before Tax by 15% CAGR over the past 4 years. However, comparing YoY, PBT in Q3 2018 was N3.67billion as against N3.89billion in Q3 2017, representing a 6% decline.
- ❖ Profit After Tax saw a 6% dip in Q3 2018 at N3.08billion compared to N3.27billion in Q3 2017. However, looking at the past 4 years, the Company's PAT has grown by 17% CAGR.



- ❖ Profit margin for Q3 2018 stood at 51.64% as against 52.47% recorded in Q3 2017. This slight decline in Profit Margin can be attributed to the decrease in revenue due to the drop in interest income compelled primarily by declining yield environment in 2018 when compared with the corresponding period last year.
- ❖ Operating Expenses fell 2% to N2.30billion in Q3 2018 as against N2.34billion in Q3 2017. This was majorly due to an 11% fall in other operating expenses. However, the operating expenses grew 9% CAGR



Appendix



1

2000-2013

- Started out as UBA Global Markets, a division in UBA PLC.
- Spun-Off UBA PLC to become UBA Capital.
- Incorporated March 14, 2002.
- Listed on the NSE, January 11, 2013.



2

2014-2016

- Changed name from UBA Capital to United Capital in December 2014.
- Lead Issuing House of one of the largest Corporate bond, for Flour Mills of Nigeria- \$188 million
- Best Banking and Finance Firm (2015) by Corporate Live Wire.
- As at 30th June, 2016 , the group had 6 billion shares in issue with a market capitalization of \$48.5 million.



3

2017-2018

- Over 14,500 Subscriber to various research articles.
- Total Shareholders as at the end of 2017 was 265,375.
- Upgraded Credit Rating by Agosto & Co. (A-)
- Leveraging on UBA PLC's reach we are currently present in over 15 African Countries.

Why we are the intelligent choice



N20.32 Billion Municipality Waste Management Limited Bond 2017
Join Issuing House



US\$300 Million Diaspora Bond Issue by the Federal government of Nigeria 2017
Financial Adviser/Local Bookrunner



US\$780 Million on the NNPC/Chevron Joint Venture 2017
Joint Financial Adviser



N100 million Lagos State Government Bond Issue 2017
Joint Trustees



US\$500 Million UBA Eurobond 2017
Financial Adviser



N3.15 million Issuance of Series 1 Bond 2017
Joint Trustees


Why we are the intelligent choice



US\$250 million Prepayment Facility 2015
Structuring Bank



US\$188 million Bond Issue 2014
Lead Issuing House



Fee: Undisclosed.
The Merger of Transcorp Ughelli and Ughelli Power Plant 2015
Financial Adviser



US\$153 million Fidelity Bank Bond 2015
Joint Trustees



2 Billion units of United Capital Wealth for Women Fund & 100,000 units of United Capital EuroBond 2017



US\$40.8 million Cross River State Bond 2015
Joint Trustees



United Capital

IT STARTS WITH A CONVERSATION.

Secure your tomorrow today using comprehensive financial planning with Private Wealth Management at united Capital



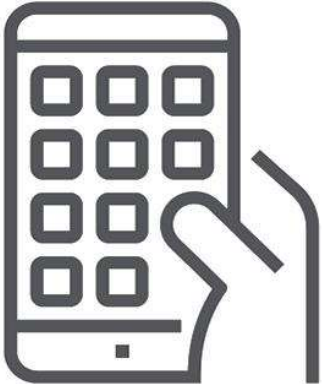
Speak to a United Capital Wealth Advisor
Adetola: 08087186969, Damola: 07068086832
Or wealthmanagement@unitedcapitalplcgroup.com



United Capital Plc.
12th Floor, UBA House, 57,
Marina, Lagos,
Nigeria.

www.unitedcapitalplcgroup.com

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Contact Investor Relations

Email:

investorrelations@unitedcapitalplcgroup.com

Tel: +234-1-2807596