

TRANSCORP AUDITED 2018 FULL YEAR RESULT PRESENTATION

MR. VALENTINE OZIGBO, PRESIDENT/CEO

Distinguished Ladies and Gentlemen, I welcome you all to this conference call, it is also my utmost pleasure to welcome you all to this new year.

To set this conference call in motion, I will start by providing highlights of our Full Year 2018 Audited Results and give a brief about the operating environment. Stemming from this, I will discuss our expectation as regards this new fiscal year, after which I will field any questions which you may have.

OPERATING ENVIRONMENT

In the first quarter of 2018, the global market started strongly with US stocks being boosted by the tax cuts, improved economic data and robust corporate earnings; emerging markets stocks also initially outperformed projections led majorly by Brazil. As the US-China trade war continued in 2018, the emerging market stocks began to drag falling 10% in the face of a strong dollar and threat of tariffs.

Global growth slowed down in 2018 as the World Bank cut down forecast by 0.1 percent point from 3.0% to 2.9%, majorly due to the trade war waxing stronger. The Chinese Yuan dropped sharply on the strength of the trade war, thereby offsetting the 10% tariff imposed by the US. In Europe, the EU rejected the Italian budget twice before reaching a deal while Theresa May postponed parliamentary votes on the UK/EU Brexit deal.

On the Local scene, the Monetary policy rate was kept constant at 14% throughout the year as the CBN opined that an increment of the indicator would lead to a reversal of the gains that had accrued to the economy during the year. Inflation touched a 7-Month high of 11.44% in December 2018 up from 11.28% recorded in the prior month. The Nigerian economy increased 0.3 percent points as it expanded 1.81% in Q3 2018 largely driven by a 2.3% growth in the non-oil sector, while the Oil Sector contracted by 2.9% YoY due to lower oil production level.

According to the NBS 2018 Q3 power sector report, power generation declined by 2,644 MWh to an average of 78,917 MWh daily from 81,561 MWh in Q2 2018, within this period the highest power generated was 90,197 MWh recorded in August 2018. The report also gave details of the Multi-year Tariff order (MYTO) percent load allocation and with respect to power generation this showed that Ibadan Disco had the highest at 13.4% followed by Ikeja Disco with 13.23% while Yola Disco had the lowest at 3.64%.

FINANCIAL HIGHLIGHTS

The major highlights worthy of note from the FY 2018 Audited Results include:

- A 30% year-on-year growth in Revenue to ₦104.16billion in FY 2018, compared to ₦80.29billion in FY 2017;
- A 33% year-on-year growth in Operating Profit to ₦34.65billion in FY 2018, compared to ₦26.03billion in FY 2017;
- An 82% increase in Profit Before Tax year-on-year, to ₦22.40billion in FY 2018, compared to ₦12.31billion in FY 2017;
- A 94% year-on-year growth in Profit After Tax to ₦20.62billion in FY 2018 compared to ₦10.61billion in FY 2017;
- Earnings per share stood at **23 kobo**

In keeping up with our fundamental values of Enterprise, Excellence and Execution, we were able to sustain the growth momentum as can be gleaned from our financial results, delivering on both top and bottom lines.