

UNAUDITED RESULTS FOR THE PERIOD ENDED 31ST MARCH, 2019

AFRIPRUD PLC RECORDS A 23% INCREASE YEAR-ON-YEAR IN CONTRACT REVENUE

This Earnings Press Release should be read in conjunction with the Unaudited Financial Statements for the period ended March 31st, 2019. The Earnings Press Release and the Unaudited Financial Statements for the period ended March 31, 2019 are available on our website at <https://africaprudential.com/investors/>. This analysis is dated April 18, 2019. Unless otherwise indicated, all amounts are expressed in Nigerian Naira, and have been primarily derived from the Company's Financial Statements, prepared in accordance with the International Financial Reporting Standards ("IFRS"). The accounting policies used in the preparation of these financial statements are consistent with those used in the Company's Unaudited Financial Statements for the period ended 31st March 2019. Additional information relating to the Company is available on the Company's website. <https://africaprudential.com/investor-relations/>

RESULT HIGHLIGHT:

Income Statement:

- Revenue from contracts with customers: ₦0.27 Billion, compared to ₦0.22 Billion in Q1 2018 (23% YoY growth);
- Interest Income: ₦0.60 Billion, compared to ₦0.73 Billion in Q1 2018 (18% YoY Decline)
- Gross Earnings: ₦0.87 Billion, compared to ₦0.96 Billion in Q1 2018 (9% YoY Decline);
- Profit Before Tax: ₦0.45 Billion, compared to ₦0.54 Billion in Q1 2018 (17% YoY Decline);
- Profit After Tax: ₦0.38 Billion, compared to ₦0.46 Billion in Q1 2018 (17% YoY Decline);
- Earnings Per Share (Annualized): 76 Kobo

Balance Sheet:

- Total Assets: ₦20.38 Billion, compared to ₦21.27 Billion as at FY 2018 (4% YTD decline);
- Total Liabilities: ₦12.41 Billion, compared to ₦12.68 Billion as at FY 2018 (2% YTD decline);
- Shareholders' Funds: ₦7.97 Billion, declined by 7% YTD.

ITEMS OF NOTE;

Comparing Q1 2019 to Q1 2018, we observed the following key items of note:

- Revenue from contracts with customers: This saw a 23% increase y/y largely due to the 127% increase in Fees from corporate actions whose performance usually are satisfied over-time and payment due upon the completion of the specific action to which it relates (Dividend declaration, AGM completion etc.,).

- **Interest Income:** This fell by 19% y/y as a result of the reduction in debt instrument coupled with a decline in yield environment during the quarter under review as such, we saw the Interest on T-Bills and Bonds dip 51% and 64% respectively.
- **Finance Cost:** This experienced a noticeable decline of 46% within the quarter under review following the full settlement of the outstanding bank loans which led to a reduction in interest paid within the quarter compared to the same period last year.
- **Total Assets:** This dipped 4% y/y as a result of the 37% reduction in debt instruments at amortized cost, the latter which was the result of reduction in debt instruments such as Treasury bills and Loans & Advances by 67% and 28% respectively. Within the review period cash and cash equivalent appreciated by 144% largely due to the increase in current account balance with banks. Property and Equipment inched up mildly as Deferred tax assets and inventories remained unchanged.
- **Total Liabilities:** The company's liabilities fell by 2% y/y majorly due to the complete servicing of the bank loans of over N2 Billion. Deposit from our clients appreciated by 16% as a result of the increment in Dividend for ordinary shares. Creditors and accruals balance increased in the first quarter strictly due to increase in accrued expenses.
- **Operating Expenses -** This grew by 25% y/y owing to the growth experienced in personnel expenses and other operating expenses, both line items appreciated as a result of the formal establishment of some of the strategic business units (SBUs), that we planned on launching this year with a view to ensuring efficiency in operation while obtaining superior returns from our operations.

| Financial Metrics | Q1 2019 | Q1 2018 |
|-----------------------------|--------------|---------|
| Quick Ratio | 0.58x | 1.00x |
| Current Ratio | 0.58x | 1.00x |
| RoaA | 7% | 8% |
| RoaE | 18% | 27% |
| NAPS¹ | 3.98x | 3.32x |
| Gross Interest Cover | 5.49x | 3.91x |
| Asset Turnover Ratio | 0.17x | 0.18x |
| PAT Margin | 44% | 46% |
| EBIT Margin | 64% | 72% |

1- NAPS (Net Asset Per Share)

*Monetary Policy Committee

Lagos, Nigeria – 18 April, 2019 – Africa Prudential Plc

(NSE Ticker: AFRIPRUD, Bloomberg Ticker: AFRIPRUD NL, Financial Times Ticker: AFRIPRUD LAG) announced its Unaudited Financial Statements for the period ended March 31, 2019, With a Gross Earnings of ₦0.87 Billion and Profit Before Tax of ₦0.45 Billion. The Company delivered an annualized Earnings Per Share of 76 Kobo.

Commenting on the result, The Managing Director/CEO of Africa Prudential, Mr. Obong Idiong, had this to say;

“While we were faced with some challenges which impeded our performance this past quarter, one of which was the declining yield environment thus mildly impacting one of our income line item- Interest Income. On the other hand, we saw a 23% increase in our revenue from contracts with customers which was as a result of the several corporate actions undertaken by many of our clients in view of their full year Annual General Meetings, dividend declaration etc. The management is however committed to improving upon our performance in the coming quarter following the launch of our strategic business units (SBUs), namely; Digital Technology, EasyCoop Mart and Cooperative business.”

“To complement the traditional Registrar business, the benefits of the new business segments are expected to be felt from Q2 2019 going forward”.

Mr. Obong Idiong MD/CEO further reiterated that;

“The various strategic steps we have been taking is towards establishing us as the registrar of choice, while making foray into new ventures with high growth prospect, to do this we would be leveraging on technology, research & development as well as capacity building to ensure we achieve the aforesaid goals”.

“We would continue to bring to bear, our doggedness whilst taking pragmatic steps towards tackling the arrays of issues plaguing us and our industry for a long time now. Going into the second quarter of 2019, we would not be resting on our oars as we would ensure we keep to our promise of delivering unique customer experience to our wide clientele base”.

COMPANY UPDATE:

Africa Prudential Plc (NSE: Afriprud); At the company's 6th Annual General Meeting held on the 26th of March, 2019 in Lagos, shareholders approved the payment of the 50 kobo dividend per share amidst challenging macro-economic environment.

Notice of Q1 2019 Conference Call:

Sequel to the release of our Q1 2019 result, we would be hosting a conference call for Investors and Analysts, Further information would be circulated to all in due course.

For Further enquiries;

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Chief Financial Officer

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Africa Prudential

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 March 2019

| <i>In thousands of Nigerian Naira</i> | 31-Mar-19 | 31-Mar-18 | Variance (%) |
|---|------------------|------------------|---------------------|
| Revenue from Contracts with customers | 273,861 | 223,549 | 23% |
| Interest income | 595,508 | 734,254 | -19% |
| Gross earnings | 869,369 | 957,803 | -9% |
| Other income | 2,839 | 47,972 | -94% |
| Credit loss Expenses | - | - | |
| Impairment loss on goodwill | - | (24,700) | n/a |
| Personnel expenses | (155,146) | (112,443) | 38% |
| Other operating expenses | (145,188) | (122,144) | 19% |
| Depreciation and amortization | (17,121) | (18,567) | -8% |
| Profit Before Finance cost and Tax (EBIT) | 554,753 | 727,921 | -24% |
| Finance Cost | (101,030) | (186,245) | -46% |
| Profit before tax | 453,723 | 541,676 | -16% |
| Income tax expense | (72,189) | (80,778) | -11% |
| Profit after tax | 381,534 | 460,898 | -17% |
| Other Comprehensive Income, net of income tax | | | - |
| <i>Items that will not be reclassified subsequently to profit or loss:</i> | | | - |
| Net (Loss)/gain on quoted equity instruments at fair value through other Comprehensive Income | (8,250) | 43,454 | -119% |
| Net gain on unquoted equity instruments at fair value through other Comprehensive Income | - | - | - |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | - |
| Fair value gain on quoted equity | - | - | - |
| Fair value gain/(loss) on unquoted equity through OCI | - | - | - |
| Other comprehensive income, net of income tax | (8,250) | 43,454 | - |
| Total comprehensive income | 373,284 | 504,352 | -26% |
| Basic earnings per share (kobo) | 19 | 23 | n/a |

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

| <i>In thousands of Nigerian Naira</i> | 31-Mar-19 | 31-Dec-18 |
|--|-------------------|-------------------|
| ASSETS | | |
| Cash and cash equivalents | 6,249,414 | 2,559,899 |
| Equity Instruments at Fair value through OCI | 5,047,007 | 5,055,257 |
| Debt Instruments at Amortised Cost | 7,792,516 | 12,436,863 |
| Trade and other receivables | 952,583 | 875,056 |
| Inventory | 3,432 | 3,432 |
| Property and equipment | 210,997 | 210,975 |
| Intangible asset | 66,388 | 71,471 |
| Deferred tax assets | 58,797 | 58,797 |
| TOTAL ASSETS | 20,381,134 | 21,271,750 |
| LIABILITIES | | |
| Customers' deposits | 11,774,709 | 10,122,131 |
| Creditors and accruals | 116,876 | 63,104 |
| Current Income Tax Payable | 519,676 | 447,487 |
| Borrowings | - | 2,042,439 |
| TOTAL LIABILITIES | 12,411,261 | 12,675,161 |
| SHAREHOLDER'S EQUITY | | |
| Share capital | 1,000,000 | 1,000,000 |
| Share premium | 624,446 | 624,446 |
| Retained earnings | 5,310,475 | 5,928,941 |
| Fair Value Reserves | 1,034,952 | 1,043,202 |
| TOTAL EQUITY | 7,969,873 | 8,596,589 |
| TOTAL EQUITY AND LIABILITIES | 20,381,134 | 21,271,750 |

EDITOR'S COMMENT

Africa Prudential Plc is a leading share registration firm, investor and business support services provider in Nigeria; and the only registrar firm listed on the NSE; specializing in customer-focused, technologically driven service for corporations. Africa Prudential is driving change within the industry and delivering world-class service in the Nigerian Capital Market.

The company sets the pace in its industry, bringing technology into the standard share registration model, revolutionizing primary processes, and driving advocacy for regulatory initiatives within the evolving sector. Africa Prudential Plc manages 83 client-registers, made up of over three million shareholders. The company is the most capitalized registrar in the country with share capital of Two billion units.

More information can be found at: <https://africaprudential.com/investor-relations/>
Media Enquiries: Email Investorrelations@africaprudential.com; ir@arrhenn.com

CAUTION REGARDING FORWARD LOOKING STATEMENTS

From time to time, the Company makes written and/or oral forward-looking statements, including in this press release and in other communications. In addition, representatives of the Company may make forward-looking statements orally to analysts, investors, the media and others. All such statements are intended to be forward looking statements. Forward looking statements include, but are not limited to, statements regarding the Company's objectives and strategies to achieve them, and the Company's anticipated financial performance. Forward looking statements are typically identified by words such as "will", "should", "believe", "expect", "anticipate", "intend", "estimate", "may" and "could".

Any forward looking statements contained in this presentation represent the views of management only as of the date hereof and are presented for the purpose of assisting the Company's investors and analysts in understanding the Company's financial position, objectives and priorities and anticipated financial performance as at and for the periods ended on the dates presented, and may not be appropriate for other purposes. The Company does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf, except as required under applicable securities legislation

The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law and therefore persons in such jurisdictions into which this announcement is released, published or distributed should inform themselves about and observe such restrictions.



Obong Idiong
Managing Director/Chief Executive Officer