

UNITED CAPITAL PLC

UNAUDITED RESULTS FOR THE PERIOD ENDED MARCH 31, 2023

UNITED CAPITAL PLC NAVIGATES TOUGH TERRAIN IN Q1-2023 SUSTAINS POSITIVE GROWTH AS REVENUE, PBT and PAT RISES

Setting the tone for Q1-2023 financials declaration period, foremost investment bank and pan-African financial services group, United Capital Plc, (**NGX: UCAP**, **Bloomberg: UCAP:NL**, **Financial Times: UCAP: LAG**) successfully navigated tough financial market conditions in Q1-2023 to deliver decent top and bottom-line earnings growth as captured in its recently released Unaudited Financial Statements for the period ended March 31, 2023.

The Group delivered stable growth across key income lines as Gross Earnings rose 27% year-on-year to ₦5.34 billion, PBT grew 5% year-on-year to ₦2.82 billion, and PAT was up 6% year-on-year to ₦2.44 billion.

Earnings	Q1 2023	Q1 2022
Gross Earnings (₦'bn)	5.34	4.21
PBT (₦'bn)	2.82	2.69
PAT (₦'bn)	2.44	2.31
Financial Position	March 2023	December 2022
Total Assets (₦'bn)	727.55	601.92
Total Liabilities (₦'bn)	700.85	568.93
Shareholders' Funds (₦'bn)	26.71	32.99
Financial Ratios	Q1 2023	Q1 2022
*Return on Equity	36.56%	38.72%
*EPS (kobo)	163	154

*UCAP share price at 31/03/2023

**Annualized

Commenting on the Group's performance, the Group Chief Executive Officer, Mr. Peter Ashade, had this to say:

"I am pleased to inform our stakeholders that despite the economic peculiarities associated with election years, we recorded positive growth across our top and bottom line earnings during the first quarter, amid elevated cost of doing business and volatile financial markets globally in addition to a heated political landscape among other uncertainties in our domestic economy.

Our business diversification strategy which we have pursued concertedly since 2019, and prudent risk management practice is yielding desired results in line with our long-

term vision, sustaining our earnings growth, protecting investors' assets, and strengthening our business model to withstand macroeconomic shocks in the harsh operating environment which continues to present a challenge for policymakers globally.

Our business outlook and projections for the year remains positive and we are laser-focused on creating new business opportunities, improving our value propositions to meet our clients' needs, and capturing optimal economic value to deliver decent returns to shareholders".

HIGHLIGHTS OF THE RESULT

Lagos, Nigeria – April 14, 2023:

This Earnings Press Release should be read in conjunction with the Unaudited Financial Statements for the period ended March 31st, 2023. The Earnings Press Release and the Unaudited Financial Statements for the period ended March 31st, 2023 are available on our website at <https://www.unitedcapitalplcgroup.com/investor-relations/>. This analysis is dated April 14th, 2023. Unless otherwise indicated, all amounts are expressed in the Nigerian Naira, and have been primarily derived from the Group'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 Group's Unaudited Financial Statements for the period ended March 31st, 2023. Additional information relating to the Group is available on the Group's website.

<http://www.unitedcapitalplcgroup.com/>

Statement of Profit or Loss:

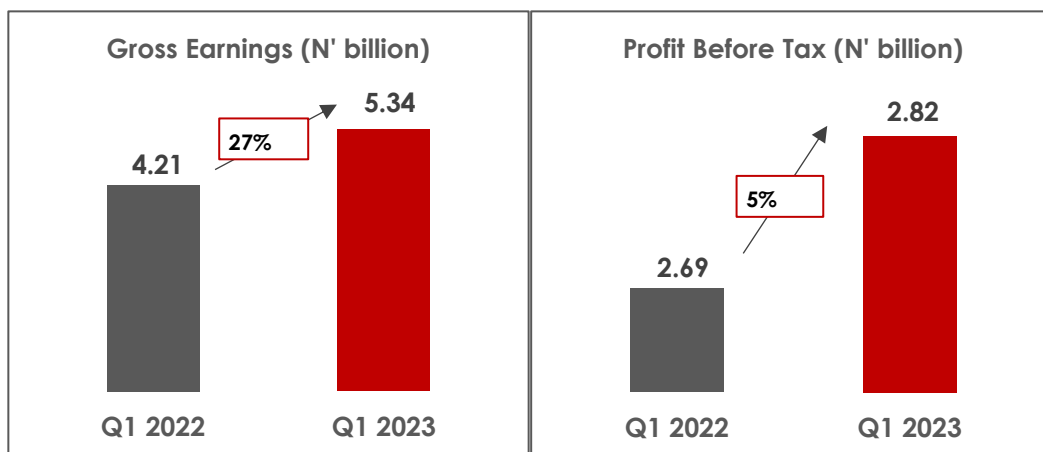
Year-on-Year Analysis reveals the following:

- ❖ Gross Earnings: ₦5.34 billion in Q1 2023, compared to ₦4.21 billion in Q1 2022 (27% growth year-on-year)
- ❖ Net Operating Income: ₦4.94 billion in Q1 2023, compared to ₦3.55 billion in Q1 2022 (39% growth year-on-year)
- ❖ Operating expenses: ₦2.66 billion in Q1 2023, compared to ₦1.64 billion in Q1 2022 (62% growth year-on-year)
- ❖ Profit Before Tax: ₦2.82 billion in Q1 2023, compared to N ₦2.69 billion in Q1 2022 (5% growth year-on-year)
- ❖ Profit After Tax: ₦2.44 billion in Q1 2023, compared to ₦2.31 billion in Q1 2022 (6% growth year-on-year)

- ❖ Annualized Earnings Per Share: 163 kobo. (Q1 2022: 154 kobo)

Statement of Financial Position:

- ❖ Total Assets: ₦727.55 billion, compared to ₦601.92 billion as at FY 2022 (21% year-to-date growth)
- ❖ Total Liabilities: ₦700.85 billion, compared to ₦568.93 billion as at FY 2022 (23% year-to-date growth)
- ❖ Shareholders Fund: ₦26.71 billion, an 19% year-to-date decrease relative to FY 2022's value at ₦32.99 billion.



Comparing Q1-2023 with Q1-2022, the following are worthy of note:

- **Gross Earnings:** Gross earnings grew by 27% year-on-year driven by growth in Fee and Commission income (+4% year-on-year), Investment Income (+66% year-on-year) and Net trading income (+148% year-on-year).
- **PBT and PAT:** PBT and PAT grew 5% and 6% to N2.68billion and N2.57billion respectively driven by strong revenue growth which helped offset the impact of 62% rise in operating expenses amid high inflation and impairments.
- **Total Assets:** United Capital's total assets appreciated by 21% year-to-date largely driven by 22% growth in cash and cash equivalents and 24% growth in investment securities during the period under review

- **Total Liabilities:** The company's total liabilities grew by 23% year-to-date driven by 7% year-to-date growth in managed funds and 214% year-to-date increase in other liabilities during the period under review.

COMPANY UPDATE:

Following the release of our Q1 2023 result, we shall be hosting an Investors and Analysts conference call in due course to discuss our performance and overall outlook for the next quarter of 2023. The date and further details with respect to the conference call would be circulated in due course.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD
ENDED 31 MARCH 2023**

	Mar-23	Mar-22
	=N=' 000	=N=' 000
Gross Earnings	5,344,033	4,212,263
Investment income	2,721,303	1,640,575
Fee and commission income	1,823,405	1,747,037
Net trading income	396,007	159,788
Net operating income	4,940,715	3,547,400
Other income	70,439	517,458
Net gain/(loss) on financial assets at fair value through profit or loss	332,879	147,405
Total Revenue	5,344,033	4,212,263
Personnel expenses	(589,614)	(546,701)
Other operating expenses	(1,575,800)	(924,858)
Depreciation of properties and equipment	(51,664)	(49,239)
Amortization of intangible & right of use assets	(38,675)	(26,030)
Impairment for credit losses	(407,618)	(97,379)
Total Expenses	(2,663,370)	(1,644,207)
Operating profit before income tax	2,680,663	2,568,056
Share of accumulated (loss)/profit of associates	136,393	119,885
Profit before income tax	2,817,056	2,687,941
Taxation	(375,879)	(379,204)
Profit for the period	2,441,177	2,308,738
Other comprehensive income, net of income tax		
Items that will not be reclassified subsequently to profit or loss		
Fair value (loss)/gain on investments in equity instruments measured at FVTOCI (net of tax)	324,377	(721,981)

Items that may be reclassified subsequently to profit or loss		
Fair value (loss)/gain on investments in debt instruments measured at FVTOCI (net of tax)	(46,218)	715,652
Share of other comprehensive income of associates		-
Other comprehensive income/(loss) for the period, net of taxes	278,159	(6,329)
Total comprehensive income for the period	2,719,336	2,302,409
Profit for the period attributable to:		
Equity holders of the Company	2,441,177	2,308,738
Total comprehensive income attributable to:		
Equity holders of the Company	2,719,336	2,302,409
Earnings per share-basic (kobo) annualized	163	154
Earnings per share-diluted (kobo) annualized	163	154

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Mar-23	Dec-22
	=N=' 000	=N=' 000
ASSETS		
Cash and cash equivalents	182,672,733	149,867,038
Investment securities	480,527,790	386,544,095
Trade and other receivables	57,663,943	58,943,090
Right of use assets	118,449	141,944
Intangible assets	165,022	179,301
Investments in associates	4,751,087	4,614,694
Property and equipment	416,367	386,555
Deferred tax assets	1,238,493	1,238,493
TOTAL ASSETS	727,553,883	601,915,211
LIABILITIES		
Managed funds	443,764,735	413,698,697
Borrowed funds	97,959,259	100,454,344
Other liabilities	152,621,701	48,649,198
Current tax liabilities	5,668,526	5,292,648
Deferred tax liabilities	833,034	833,034
TOTAL LIABILITIES	700,847,256	568,927,921
SHAREHOLDERS FUND		
Share capital	3,000,000	3,000,000
Share premium	683,611	683,611
Retained earnings	22,754,740	29,313,563
Fair value reserves	268,276	(9,884)
TOTAL SHAREHOLDERS FUND	26,706,627	32,987,290
TOTAL LIABILITIES AND SHAREHOLDERS FUND	727,553,883	601,915,211

EDITOR'S COMMENT

United Capital Plc is a leading Pan-African financial and investment services group, with a mission to provide bespoke and innovative value-added services to its client. The group aims to transform the African continent by providing innovative and creative investment banking solutions to governments, companies, and individuals.

The company which was listed on the Nigerian Stock Exchange on the 17th of January 2013 is setting the pace to becoming the financial and investment role model across Africa, by deploying innovation, technology, and specialist skills to exceed client expectations, while creating more value for all stakeholders.

As a pacesetter, United Capital is the first Investment Bank to be listed on the Nigerian Stock Exchange. It maintains a holding company structure with subsidiaries in the Consumer Lending, Trusteeship, Securities Trading and Asset Management business.

More information can be found at: <http://www.unitedcapitalplcgroup.com/>

For further enquiries:

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CAUTION REGARDING FORWARD LOOKING STATEMENTS

From time to time, the Group makes written and/or oral forward-looking statements, including in this press release and in other communications. In addition, representatives of the Group 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 Group's objectives and strategies to achieve them, and the Group'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 Group's investors and analysts in understanding the Group'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 Group 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.