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## Q2 2022 Earnings Forecast for Manufacturing Firms

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# Q2 2022 Earnings Forecast for Manufacturing Firms

Profit taking on the floor of the Nigerian Exchange in the past couple of days has brought prices of many stocks down, thereby creating new entry opportunities for discerning investors.

In the last edition of this publication, we did Q2 earnings forecast for banking stocks. We shall continue our forecast this week with focus on select manufacturing stocks listed on the Nigerian Exchange.

Our projections of Q2 2022 earnings for manufacturing firms is based on their PEG ratios. PEG ratio (price/earnings to growth ratio) is a valuation metric for determining the relative trade-off between the price of a stock, the earnings per share (EPS), and the company's expected growth.

## FIDSON HEALTHCARE

Q2 earnings per share of Fidson Healthcare over the last 5 years ranged between 57 kobo and 22 kobo with earnings growth rate of 26.87%.

At the share price of N12 and Q2 2021 earnings per share of 57 kobo, its P.E ratio is estimated at 21.05x.

PEG ratio against the expected Q2 2022 earnings is 0.78.

Q2 earnings per share of about N0.72 is projected for Fidson Healthcare.

COMPANY	YEAR	Q1 (EPS)	Q2 (EPS)
FIDSON	2022	0.55	<b>0.72</b>
	2021	0.28	0.57
	2020	0.07	0.24
	2019	0.07	0.13
	2018	0.10	0.25
2017	0.01	0.22	

## MAY & BAKER

Q2 earnings per share of May & Baker over the last 5 years ranged between 32 kobo and 5 kobo with earnings growth rate of 59.05%.

At the share price of N3.98 and Q2 2021 earnings per share of 32 kobo, its P.E ratio is estimated at 12.44x.

PEG ratio against the expected Q2 2022 earnings is 0.21.

Q2 Earnings per share of about N0.51 is projected for May & Baker.

COMPANY	YEAR	Q1 (EPS)	Q2 (EPS)
MAY & BAKER	2022	0.11	<b>0.51</b>
	2021	0.14	0.32
	2020	0.02	0.25
	2019	0.08	0.17
	2018	0.08	0.15
2017	0.01	0.05	

## DANGOTE CEMENT

Dangote Cement over the last 5 years has Q2 earnings per share (EPS) ranging between N11.21 and N6.44 with earnings growth rate of 14.86%.

At the share price of N277 and Q2 2021 earnings per share of N11.21, its P.E ratio is estimated at 24.71x.

PEG ratio against the expected Q2 2022 earnings is 1.66.

Q2 earnings per share of about N12.88 is projected for Dangote Cement.

COMPANY	YEAR	Q1 (EPS)	Q2 (EPS)
DANGOTE CEMENT	2022	6.21	<b>12.88</b>
	2021	5.26	11.21
	2020	3.56	7.45
	2019	3.54	7.00
	2018	4.23	6.64
2017	3.28	6.44	

## BUA CEMENT

BUA Cement over the last 3 years has Q2 earnings per share (EPS) ranging between N1.28 and N0.90 with earnings

growth rate of 19.26%.

At the share price of N74.25 and Q2 2021 earnings per share of N1.28, its P.E ratio is estimated at 58x.

PEG ratio against the expected Q2 2022 earnings is 3.01.

Q2 earnings per share of about N1.53 is projected for BUA Cement.

COMPANY	YEAR	Q1 (EPS)	Q2 (EPS)
BUA CEMENT	2022	0.98	<b>1.53</b>
	2021	0.66	1.28
	2020	0.58	1.03
	2019	0.46	0.90

## LAFARGE AFRICA

Q2 earnings per share of Lafarge Africa over the last 4 years ranged between N1.76 and -N0.45 with earnings growth rate of 33.15%.

At the share price of N27.90 and Q2 2021 earnings per share of N1.76, its P.E ratio is estimated at 15.85x.

PEG ratio against the expected Q2 2022 earnings is 0.48.

Q2 earnings per share of about N2.34 is projected for Lafarge Africa.

COMPANY	YEAR	Q1 (EPS)	Q2 (EPS)
LAFARGE AFRICA	2022	1.09	<b>2.34</b>
	2021	0.57	1.76
	2020	0.50	1.45
	2019	0.20	0.56
	2018	0.23	0.45

## NESTLE

Q2 earnings per share of Nestle over the last 5 years ranged between N27.42 and N20.88 with earnings growth rate of 7.05%.

At the share price of N1400 and Q2 2021



earnings per share of N27.42, its P.E ratio is estimated at 51.06x.

PEG ratio against the expected Q2 2022 earnings is 7.24.

Q2 Earnings per share of about N29.35 is projected for Nestle.

COMPANY	YEAR	Q1 (EPS)	Q2 (EPS)
NESTLE	2022	22.68	<b>29.35</b>
	2021	15.64	27.42
	2020	14.12	27.53
	2019	16.21	33.11
	2018	10.86	27.07
	2017	10.55	20.88

#### NASCON ALLIED INDUSTRIES

Q2 earnings per share of Nascon Allied Industries over the last 5 years ranged between 74 kobo and 55 kobo with negative earnings growth rate of -7.15%.

At the share price of N12.85 and Q2 2021 earnings per share of N0.55, its P.E ratio is estimated at 23.36x.

PEG ratio against the expected Q2 2022 earnings is -3.27.

Q2 Earnings per share of about N0.51 is projected for Nascon Allied Industries.

COMPANY	YEAR	Q1 (EPS)	Q2 (EPS)
NASCON	2022	0.15	<b>0.51</b>
	2021	0.27	0.55
	2020	0.24	0.56
	2019	0.26	0.55
	2018	0.40	0.83
	2017	0.30	0.74

#### DANGOTE SUGAR

Q2 earnings per share of Dangote Sugar over the last 5 years ranged between N1.41 and 90 kobo with earnings growth rate of 7.5%.

At the share price of N16 and Q2 2021 earnings per share of N1.04, its P.E ratio is estimated at 15.38x.

PEG ratio against the expected Q2 2022 earnings is 2.05.

Q2 earnings per share of about N1.12 is projected for Dangote Sugar.

COMPANY	YEAR	Q1 (EPS)	Q2 (EPS)
DANGOTE SUGAR	2022	0.73	<b>1.12</b>
	2021	0.68	1.04
	2020	0.52	0.95
	2019	0.58	0.90
	2018	0.43	1.05
	2017	0.39	1.41

#### OKOMU

Q2 earnings per share of Okomu Oil Palm Company over the last 5 years ranged between N10 and N6.54 with earnings growth rate of 11.2%.

At the share price of N193.5 and Q2 2021 earnings per share of N10, its P.E ratio is estimated at 19.35x.

PEG ratio against the expected Q2 2022 earnings is 1.73.

Q2 Earnings per share of about N11.12 is projected for Okomu.

COMPANY	YEAR	Q1 (EPS)	Q2 (EPS)
OKOMU	2022	9.96	<b>11.12</b>
	2021	5.53	10.00
	2020	2.13	4.20
	2019	1.06	2.65
	2018	3.64	6.23
	2017	3.22	6.54

#### PRESCO

Q2 earnings per share of Presco over the last 5 years ranged between N10.13 and N5.55 with earnings growth rate of 16.23%.

At the share price of N166.8 and Q2 2021 earnings per share of N10.13, its P.E ratio is estimated at 16.47x.

PEG ratio against the expected Q2 2022 earnings is 1.01.

Q2 Earnings per share of about N11.77 is projected for Presco.

COMPANY	YEAR	Q1 (EPS)	Q2 (EPS)
PRESCO	2022	5.82	<b>11.77</b>
	2021	3.84	10.13
	2020	1.80	4.39
	2019	2.14	2.57
	2018	2.60	3.99
	2017	4.00	5.55

#### NIGERIAN BREWERIES

Q2 earnings per share of Nigerian Breweries over the last 5 years ranged between N1.54 and N0.97.

At the share price of N63.5 and Q2 2021 earnings per share of N0.97, its P.E ratio is estimated at 65.46x.

Based on its Q1 2022 earnings performance, a growth of 91.75% is projected for Nigerian Breweries in Q2 2022, relative to its Q2 2021 EPS of N0.97.

PEG ratio against the expected Q2 2022 earnings is 6.48.

Q2 Earnings per share of about N1.86 is projected for Nigerian Breweries.

COMPANY	YEAR	Q1 (EPS)	Q2 (EPS)
NIGERIAN BREWERIES	2022	1.69	<b>1.86</b>
	2021	0.95	0.97
	2020	0.69	0.70
	2019	1.00	0.66
	2018	1.28	1.03
	2017	1.44	1.54

#### CAP PLC

Q2 earnings per share of CAP Plc over the last 5 years ranged between N1.00 and N0.73 with earnings growth rate of 4.59%.

At the share price of N18.15 and Q2 2021 earnings per share of N0.73, its P.E ratio is estimated at 24.86x.

PEG ratio against the expected Q2 2022 earnings is 5.42.

Q2 Earnings per share of about N0.76 is projected for CAP Plc.

COMPANY	YEAR	Q1 (EPS)	Q2 (EPS)
CAP PLC	2022	0.67	<b>0.76</b>
	2021	0.26	0.73
	2020	0.65	0.87
	2019	0.71	1.24
	2018	0.66	1.31
	2017	0.56	1.00

# 04 Insider Watch

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## Market returns -2.68% WtD, sheds N767bn

Trading on the floor of the Nigerian Exchange last week closed bearish as the Telecom giants; MTN Nigeria and Airtel Africa as well as other 49 stocks closed the week lower on profit taking. The All Share Index and Market capitalization declined by 2.68% and

2.67% to settle at 51,778.08 points and N27.914 trillion respectively. An aggregate of 940.9 million units of shares were traded in 20,077

deals, valued at N11.5 billion. The market breadth closed negative as 13 stocks gained against 51 stocks that declined in their share prices.

### Top 10 Gainers

LEARNAFRICA led other gainers in the course of last week with 15.74% growth, closing at N2.50 from the previous close of N2.16. Sunu Assurance, TRIPPLEG, ELLAHLAKE and Living Trust Mortgage grew their share prices by

9.37%, 9.20%, 8.40% and 5.26% respectively. Other top 10 gainers include: UACN (4.55%), Fidelity Bank (2.74%), Sterling Bank (1.97%), Cornerstone Insurance (1.64%) and Consolidated Hallmark Insurance (1.49%) respectively.

### Top 10 Losers

Beta Glass led other price decliners, shedding 18.15% of its share price to close at N51.20 from the previous close of N62.55. Livestock Feeds, International Breweries, CUTIX and MEYER Plc shed their share

prices by 16.88%, 14.97%, 10.74% and 10.00% respectively. Other price decliners include: Conoil (10.00%), Etranzact (9.96%), CAP Plc (9.93%), MCNICHOLS (9.76%) and ARDOVA (9.70%) respectively.

INDEXES	JUNE 10, 2022	JUNE 17, 2022	% CHANGE (WoW)
ASI	53,201.38	51,778.08	-2.68
MKT CAP (NTRN)	28.681	27.914	-2.67
VOLUME	1,830,867,857	940,892,405	-48.61
DEALS	21,723	20,077	-7.58
VALUE (N)	19,494,163,150.31	11,493,613,630.96	-41.04

### Gainers

COMPANY	JUNE 10, 2022	JUNE 17, 2022	% CHANGE (WoW)
LEARNAFRCA	2.16	2.50	15.74
SUNUASSUR	0.32	0.35	9.37
TRIPPLEG	0.87	0.95	9.20
ELLAHLAKES	3.69	4.00	8.40
LIVINGTRUST [BLS]	1.14	1.20	5.26
UACN	11.00	11.50	4.55
FIDELITYBK	3.28	3.37	2.74
STERLNBANK	1.52	1.55	1.97
CORNERST	0.61	0.62	1.64
CHIPLC	0.67	0.68	1.49
NB	63.00	63.50	0.79
UNILEVER	14.90	15.00	0.67
SKYAVN	6.84	6.85	0.15

### Losers

COMPANY	JUNE 10, 2022	JUNE 17, 2022	% CHANGE (WoW)
BETAGLAS	62.55	51.20	-18.15
LIVESTOCK	1.60	1.33	-16.88
INTBREW [BLS]	7.35	6.25	-14.97
CUTIX	2.70	2.41	-10.74
MEYER	3.10	2.79	-10.00
CONOIL	32.00	28.80	-10.00
ETRANZACT	2.71	2.44	-9.96
CAP	20.15	18.15	-9.93
MCNICHOLS	2.05	1.85	-9.76
ARDOVA [MRF]	14.95	13.50	-9.70
CWG [BLS]	1.04	0.94	-9.62
ETI	11.10	10.10	-9.01
FBNH	10.55	9.70	-8.06
TRANSCORP	1.38	1.27	-7.97
MTNN	239.90	221.00	-7.88
BUAFOODS	59.70	55.00	-7.87
CAVERTON	1.15	1.06	-7.83
UBN	6.50	6.00	-7.69
CHAMPION [BLS]	3.67	3.40	-7.36
OANDO [MRF]	6.00	5.60	-6.67
ZENITHBANK	22.85	21.40	-6.35
ETERNA	8.00	7.50	-6.25
ACCESSCORP	9.80	9.30	-5.10
PRESTIGE [BLS]	0.40	0.38	-5.00
NAHCO	7.95	7.60	-4.40
GTCO	22.00	21.05	-4.32
TRANSEXPR	0.73	0.70	-4.11
COURTVILLE	0.51	0.49	-3.92
NEM	3.85	3.70	-3.90
REGALINS	0.28	0.27	-3.57
JAPPAULGOLD	0.31	0.30	-3.23
ROYALEX [MRF]	0.94	0.91	-3.19
JAIZBANK	0.97	0.94	-3.09
MANSARD	2.13	2.07	-2.82
FTNCOCOA [RST]	0.36	0.35	-2.78
UBA	7.70	7.50	-2.60
NGXGROUP	24.9	24.45	-1.81
DANGSUGAR	16.25	16	-1.54
ACADEMY [MRF]	1.32	1.3	-1.52
AIIICO	0.66	0.65	-1.52
STANBIC	34	33.55	-1.32
AIRTELAFRI	1766	1745	-1.19
UPDC [BLS]	1.03	1.02	-0.97
WEMABANK	3.2	3.17	-0.94
LASACO	1.09	1.08	-0.92
AFRIPRUD	5.8	5.75	-0.86
GLAXOSMITH	7.1	7.05	-0.70
UPL	2.9	2.88	-0.69
MAYBAKER	4	3.98	-0.50
UCAP	13.05	13	-0.38
WAPCO	28	27.9	-0.36

# The Path of least resistance: Lessons from Champions League Tournament



Dr Ajibola Awolowo

**T**he joy in my heart knows no bounds as I type this. The best football club in the world, Real Madrid, just won their 14th champions league title in grand style. I am a staunch supporter of this awesome football club and have been so for as long as I can remember. If you're a Liverpool fan, know that I feel your pain. The hope for revenge and a quadruple fizzled out as soon as it was conceived. It is what it is. #RespectYourElders.

For me, the big news was not that we won the champions league, again. Rather, the spectacular thing was the way in which we won it. In the group stages, we squared up with Inter Milan, Shakhtar Donetsk and Sheriff Tiraspol. In the round of 16, we faced the state backed Paris St. Germain over two legs and won that tie in a spectacular fashion. Then came Chelsea football club, Manchester City football club and finally, Liverpool Football club.

It was as if the difficulty level kept increasing

until the final match for us. I can safely say that this was the toughest run up to a champions league title any club has ever had.

It was only after the final that the reality hit me. To win the champions league trophy, all you have to do is qualify from the group stage, defeat the next three opponents over 2 legs and the last opponent in the final match. It does not matter if lose one leg in each of the round of 16, quarterfinal or semi-final matches. Just defeat them in the next leg and win on aggregate. Qualify from the group, defeat your next 4 opponents and you are the champions league winner.

Whether the four opponents you face happen to be clubs backed by infinite oil money or are minnows from unknown European Leagues, defeat them all and you'll be a Champion. The run up to the final match makes no real difference. You will earn more plaudits and bragging rights for facing and defeating clubs from top European leagues. Other than this, it makes no difference. 32 teams start the tournament all vying for the trophy but only one team will achieve this objective.

The means does not justify the end. Whether your path was tumultuous or easy, the trophy remains the same. There are no extra points for difficulty in this game. In the same vein, we all approach the stock market with the aim of making a profit. It does not matter if the profit comes from buying Dangote Cement, Zenith Bank, Japaul Gold or Daar communications. 10% profit coming from Transcorp is identical to 10% profit from Seplat.

Don't misinterpret me. All the companies listed on the stock exchange are not equal. Some are penny stocks while others have large capitalization. Some earn over one trillion naira in annual revenues while others do not even have a naira of revenue at all. Companies all have different inherent risks, operate in industries and have different likelihood of moving up or down in price at various times. However, a 10% loss or gain in all the various listed equities is identical. There is no extra benefit to be earned when one earns 10% from a large company as against earning the same from a semi-comatose company.

There is no advantage in trying to make profit from complex companies as that same effort will be better serve you in simple/straightforward companies. There are no additional points for taking on difficult tasks besides the bragging rights and plaudits from

other investors.

You can argue that the time invested in studying complex companies that have multiple subsidiaries pays off as you may be one of the few people who are willing to pay the price to identify a price/ value mismatch. This in turn may yield a higher possibility for profits once it becomes obvious to the crowd. You however need to realise the amount of risk you are taking when dealing with complexity. This increased risk can make the potential returns not worth the while.

If all profits and losses are identical, it will make sense for us to only concentrate our efforts on companies where we may have an advantage over other investors. In those situations, there is a limited downside risk and unlimited upside potential since we know those companies exceptionally well. This is equivalent to Real Madrid football club playing Shooting Stars of Ibadan, Gateway football club of Ogun, Enugu Rangers and El-Kanemi Warriors of Maiduguri in the knockout stages of the champions league. By doing this, Real Madrid increases their probability of winning the title while taking little risk in the process. Sometimes, it is best to choose the path of least resistance in as much as it leads to the same destination that a more complex path does.

As investors, we must ensure we only participate in games where we are at an advantage. Remember, there are no extra points for difficulty. You do not need to make money in the approximately 150 companies listed on the main board of the Nigeria Stock Market. Concentrate your effort on the few you truly understand in more details than the average investor.

If you are an electrician or sell electrical cables/ supplies, you will have unique insight into which company produces the best cables or which company's products fly off the shelves faster than other.

To illustrate this, I'll cite an example which I recall from about 8 years ago. I worked in a teaching hospital where the norm was to use imported and a select few locally manufactured intravenous fluids and medications. Gradually, I noticed a new entrant - Fidson Pharmaceuticals. The previously popular intravenous fluid brands were phased out over a few months and fluids/ Medications made by Fidson became the new normal.

This was a trend I noticed in the line of my job

which had nothing to do with investing. Was the same trend going on in other hospitals? I could have called colleagues in other hospitals to see if they had noticed the same thing. At the time, this increased sale was not obvious in the financial statements of the company but I arguably spotted it prior to other investors. Unfortunately, I did not buy the company as a reason of this insight and ended up missing out on the over 300% returns the share price has returned since then.

With deep reflection, a large dose of curiosity and attention to details, we are all able to spot trends that support or disprove a particular company or an industry earlier than other investors. This information may come to you through your day job, as you do your shopping or as you interact with others. You may need to read a book about a company or industry which can give you an edge. Strive to become a specialist in a company or an industry. This immediately gives you an edge over the average investor.

Real Madrids' successful champions league campaign also proves that you do not need to be right 100% of the time to get a positive outcome. In all, they played 13 matches, lost 4 matches (Sheriff Tiraspol, PSG, Chelsea and Manchester City) and won 9. You do not need to win all your matches to get the trophy. You just need to qualify from the group, win on aggregate scores in 3 of the 4 knockout matches and certainly, win the final match.

As investors, we do not need to make a profit on every single trade we place. If this is your aim, you have failed even before starting. Super investors such as Warren Buffett get things wrong 1/3rd of the time. Our aim should be to maximize gains when we are right and minimize losses when we are wrong. Often, we are quick to take profits but slow to cut our losers. We should rather be watering our flowers and plucking off the weeds. It takes discipline, patience and understanding of ones self/ process to do this consistently.

Even though calm seas do not make fine sailors, I suspect sailors would rather journey on calm waters all the time. If you have lived through a storm on the open sea, you won't blame them. Taking the path of least resistance may not be a sign of laziness but a mark of timeless wisdom. Embrace it.

Dr Ajibola Awolowo can be reached via this email: [Valuenigeriawithajibola@yahoo.com](mailto:Valuenigeriawithajibola@yahoo.com)



## Julius Berger delivers progressively highest dividend in five years to loyal shareholder

Chairman of the Board of foremost engineering construction company, Julius Berger Nigeria PLC, Mr. Mutiu Sunmonu, CON has said that though the company had challenges in the 2021 financial year, it excelled and overcame the challenges by dint of hard work and unflinching commitment to success on the part of the management and staff of the company.

He spoke just as the Managing Director, Engr Dr. Lars Richter disclosed that the company stood strong in the year under review even as the company's shareholders approved a N2.50k per share dividends.

Speaking at the 52nd Annual General Meeting of the company Saturday in Abuja, the Chairman presented the Consolidated Financial Statements of the year under review saying that within the period, Julius Berger Nigeria Plc performed positively despite the numerous macro-economic hiccups which affected businesses during the year. He added that the company achieved exceptional financial performance, meeting targets for both revenue and cash flow. "One for those challenges, of course is COVID-19, which remains ever present in our personal and professional lives - with prolonged consequences. Unfortunately, we are unable to put this virus behind us just yet," the Chairman said.

However, the Chairman did not mince words in declaring that, "while 2021 was certainly a challenging year, more positively, it was also a dynamic and industrious year," adding that, "within our core construction business, we made meaningful progress across our portfolio of private and public projects". He listed the projects to include the International Worship Centre, Uyo, the Office of the National Security Adviser in Abuja, the Bodo-Bonny Road as well as infrastructure projects in Lagos state and in Rivers state, where Julius Berger have supported the State Governments to achieve a remarkable infrastructure transformation within the year." Specifically, Dr Richter also listed some successfully commissioned major projects to include the Bill & Melinda Gates Foundation office, several flyovers and civil infrastructural works in Port Harcourt; and the Rehabilitated Control Towers at Tincan Island and the Lagos Port Complex.

Underscoring the shining example of the trust the federal government placed on Julius Berger, the Chairman harped on the priority projects of the government being financed via the Presidential Infrastructure

Development Fund at an excellent pace, Mr. Sunmonu said that the company forged ahead with all of them including the Second River Niger Bridge and the Abuja-Kano Road "with our values, standards and capacities remaining core to our competitive edge."

Stating that Julius Berger Nigeria Plc closed for the year under review "with a Lost Time Injury Frequency Rate of 0.19, equivalent to our 2020 results", the Chairman added that the various subsidiaries of the Group also made reasonable progress in 2021.

Mr. Sunmonu said, "the year 2021 has been largely positive, with many great accomplishments to reflect on", forecasting with good confidence that "...this year 2022, we will continue to work hard, remain resilient and champion progress in regard to the potentials ahead of us. Furthermore, Sunmonu also said, "We do not underestimate the effort or the endeavour it will take to achieve our vision, but we also do not underestimate our collective diligence and determination."

In his own remarks to shareholders at the AGM, the Managing Director, Engr. Dr Lars Richter built on the Chairman's earlier remarks saying that the three pillars of Julius Berger's business strategy, "the core business, group subsidiaries and diversification" have remained central to all operations even as he shared an update on the company's sustainability and inclusivity efforts, as well as on the company's outlook for 2022 and beyond.

The Managing Director firmly declared that "Julius Berger continues to stand strong, our values are firmly in place and our reputation for reliable and quality delivery remains unmatched.... And within our core business we continue to realize meaningful progress across our portfolio of projects as a foundation for our continued success and growth."

On the business trajectory of the company, Richter said Julius Berger continues to acquire new projects for major clients such as the Nigerian National Petroleum Corporation, Lagos and Port Harcourt State, the Federal Ministry of Works & Housing and the Central Bank of Nigeria.

Richter also celebrated Julius Berger's achievement with regard to the company's recertification of its Quality Management in accordance with ISO 9001:2015, "...proving that our commitment to quality and process continues to stand strong." Richter further stated that Julius Berger continues to "...bolster the foundations of its competitive edge, manpower and machine

power, with the modernization of our Human Resources structure and strategy and the update and expansion of our equipment fleet; both major investments that will payback in many folds, both today and in future." To emphasize the worthy development, Richter, cited the company's recent operational "rollout of more equipment to support the success of the Abuja-Kaduna-Zaria-Kano Road."

On the performance of the company in 2021, the Managing Director said that, as a group Julius Berger has achieved an overall exceptional financial performance in 2021 "meeting targets for both revenue and cash flow; enabling the company to extend a dividend payment to you, our loyal shareholders."

Enumerating the specific challenges faced by the company in 2021, Dr Lars Richter listed those stemming from the indirect impacts and aftermath of the COVID-19 pandemic, as well as "global procurement where prices for logistics remain elevated, shortages and delays remain a reality and as a result, prices for raw materials and goods continue to increase."

The Ukrainian war, Engr. Richter added, compounded supply chain disruptions, with prices soaring for other essential building materials like steel, sand and wood just as it has led to increases in the price of crude oil. "For us in Nigeria, the higher cost of diesel combined with fuel scarcity, has led to another layer of price increase... an extraordinary surge in transport costs," he added. Dr Richter also informed shareholders that the greatest and most hard-hitting challenge the company continues to face is the sustained shortage of FOREX. He described the forex scarcity as "...a critical crisis which has persisted with far reaching negative impact on the economy generally and on Julius Berger specifically, as it creates major and substantial financial losses." He, however, disclosed that management was able to put in place robust, resilient and business continuity planning; providing preparation and strategies to navigate the key risk.

Three directors including Chairman Mutiu Sunmomu, CON, Mrs Belinda Ajoke Disu, CAL, and Mrs Gady O. Talabi were also re-elected by Shareholders to the Board of the company at the 52<sup>nd</sup> Annual General Meeting in Abuja.

The highlight of the event was when Shareholders voted overwhelmingly for a N2.50 per share dividend owned compared to the 50kobo per share paid out last financial year. This year's dividend payout is the highest shareholders are receiving in the last five years. Happy Shareholders overwhelmingly commended the company's management for excellent performance.

## Nigeria's inflation rate grew to 17.71% in May 2022- NBS



Nigeria's inflation rate in May 2022 increased to 17.71% from 16.82% reported in the month of April 2022.

According to the National Bureau of Statistics, the figure is 0.22 percent points lower compared to the rate recorded in May 2021, which is (17.93) percent. This means that the headline inflation rate slowed down in the month of May when compared to the same month in the previous year. Increases were recorded in all Classification of Individual Consumption by Purpose (COICOP) divisions that yielded the Headline index.

On a month-on-month basis, the Headline inflation rate increased

to 1.78 percent in May 2022, this is also 0.02 percent rate higher than the rate recorded in April 2022 (1.76) percent. The percentage change in the average composite CPI for the twelve months period ending May 2022 over the average of the CPI for the previous twelve months period is 16.45 percent, showing a 0.95 percent increase compare to the 15.50 percent recorded in May 2021.

The urban inflation rate increased to 18.24 percent (year-on-year); this is a 0.27 percent decline compared to 18.51 percent recorded in May 2021. On a month-on-month basis, the urban inflation rate rose to 1.81 percent in May 2022, this is a 0.03 percent increase compared to April 2022 (1.78).

## NGX reclassifies Skyway Aviation Handling Company Plc to medium price stock

Trading License Holders have been notified of the reclassification of Skyway Aviation Handling Company Plc from the Low -Priced Stock Group to the Medium -Priced Stock Group, in line with the NGX's Pricing Methodology framework.

Equity securities of Quoted Companies on the Nigerian Exchange (NGX) are classified into three Stock Price Groups or Categories - High-Priced, Medium Priced, and Low-Priced Stocks, based on their market price. In this regard, securities must have traded for at least four out of the most recent six-month period within a Stock Price Group's specified price band to be classified into the category.

Accordingly, a review of Skyway Aviation Handling Company Plc stock price and trade activities over the most

recent six-month period provides the basis for reclassifying the security from the Low-Priced Stock Group to the Medium-Priced Stock Group.

This reclassification also necessitates the attendant change in the tick size change from N0.01 kobo to N0.05 kobo - in line with Rule 15.29: Pricing Methodology, Rulebook of The Exchange, 2015 (Trading License Holders' Rules).

Skyway Aviation Handling Company Plc stock price appreciated above the N5 price level on January 4, 2022 and traded above N5 up till close of business on May 25, 2022. This indicates that Skyway Aviation Handling Company Plc stock price has traded above N5 in at least 4 months out of the last 6 months.





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## World Bank warns as Nigeria's fuel subsidy overtakes health, education and welfare budgets



Development Update report, titled, 'The Continuing Urgency of Business Unusual', which was released on Tuesday.

The report read in part, "In 2021, Nigeria's petrol subsidy cost around \$4.5bn, or roughly two per cent of GDP, far exceeding federal government spending on health, education, and social protection.

"Therefore, diverting spending away from the petrol subsidy towards more pro-poor causes could help spread the gains of growth, which is essential for reducing poverty."

According to the bank, Nigeria is not benefiting from high oil prices due to lower oil output and fuel subsidy cost.

The report also read, "The cost of the petrol subsidy will increase significantly

as higher global petrol prices will entail larger subsidy payouts if pump prices continue to be frozen.

"The removal of the subsidy that the authorities had originally planned by mid-2022 was postponed until 2023 or later, which is expected to generate considerable fiscal costs.

"The 2022 amended budget (yet to be adopted at the time of this publication) allocates N4tn (almost two per cent of Gross Domestic Product) for the petrol subsidy, higher than the combined budget allocated for education, health, and social protection."

As of May 2022, the oil production output stood at 1.5 million barrels per day, which is the lowest in 15 years.

It was further stated that the fuel subsidy is estimated to cost the government over \$9bn in 2022, which is almost two per cent of the Gross Domestic Product.

The report added, "Due to the petrol subsidy and low oil production, Nigeria faces a potential fiscal time bomb."

The Nigerian National Petroleum Corporation deducted a significant portion of the Federation's oil revenues to pay for the petrol subsidy.

The World Bank encouraged the government to redirect the money spent on subsidy towards targeted and time-bound cash transfers and other priority investments in health, education, and critical infrastructure.

The World Bank has said that the cost of fuel subsidy in Nigeria has exceeded the government's spending on health, education and social protection for Nigerians. It therefore said that removing fuel subsidy would help the government towards its poverty reduction scheme. The Washington-based lender said this in its latest Nigeria

## FCMB empowers traders with N40bn credit facility



First City Monument Bank (FCMB) recently disclosed that it has provided micro loans valued at N40 billion to over 300,000 beneficiaries comprising 200,000 women traders across the country who have accessed over N28.7 billion of the total loan sum. Through EasyAgents, its

agency banking network and other channels, has successfully onboarded and empowered one million financially excluded Nigerians, ensuring they have a better

and more sustainable future through access to financial services.

The Managing Director of FCMB, Mrs Yemisi Edun, stated thus:

"We are proud of our significant role in integrating Nigeria's huge informal economy driven by small-scale farmers, traders, artisans, and other small and medium-sized businesses into the formal economy through affordable and sustainable access to

financial services. Access to financial services enables prosperity and allows disadvantaged and vulnerable people to improve their lives, create wealth and reduce poverty. So, we will continue championing and executing initiatives that deepen access to affordable and sustainable financial services in our local communities to empower individuals and businesses".





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more than banking

MTN Nigeria increases market share by 22.23% in Q1 2022



MTN Nigeria on Thursday published its unaudited results for the quarter ended 31 March 2022.

The telecom giant increased its market share by 22.23% as turnover grew to N470.98 billion from N385.32 billion reported the previous year.

Profit after tax grew year on year by 31.28% to N96.82 billion from N73.75 billion reported in Q1 2021.

Earnings per share of the Group increased to N4.76 in Q1 2022 from the EPS of N3.62 achieved in Q1 2021.

At the share price of N214, the P/E ratio of MTN stands at 44.99x with earnings yield of 2.22%.

NEM Insurance Plc grows Q1 2022 profit by 41.49%



NEM Insurance Plc in the First Quarter of 2022 reported significant growth in its top line and bottom line figures.

The underwriting firm reported Gross Premium Written of N12.709 billion for the 3 months period, up by 26.93% from N10.013 billion reported the previous year.

Profit after tax grew year on year by 41.49% to N1.55 billion from N1.09 billion reported in Q1 2021.

Earnings per share of NEM Insurance increased to 31 kobo from the EPS of 22 kobo achieved the previous year.

At the share price of N4, the P/E ratio of NEM Insurance stands at 12.99x with earnings yield of 7.70%.

Zenith Bank reports N191.52 as Gross Earnings, PAT rises by 9.68% in Q1 2022



Zenith Bank on Thursday publish its First Quarter report for the period ended 31 March 2022.

The financial giant for the period under review achieved growth in its top line and bottom line figures, year on year.

Gross Earnings of N191.52 billion was reported for the 3 months period, up by 21.75% from N157.31 billion reported the previous year.

Profit after tax grew year on year by 9.68% to N58.198 billion from N53.06 billion reported in Q1 2021.

Earnings per share of the Group increased by 9.68 to N1.85 from the EPS of N1.69 reported the previous year.

At the share price of N24.55, the P/E ratio of Zenith Bank stands at 13.24x with earnings yield of 7.55%.

Seplat Energy proposes interim dividend of 2.5 cents to shareholders in Q1 2022



Seplat Energy has proposed an Interim Dividend of US2.5cents (United States Two Point Five Cents) to its shareholders for the period ended 31 March 2022.

The Oil firm in its First Quarter report for the 3 months ended 31 March 2022 reported a turnover of N100.618 billion, up by 73.69% from N57.93 billion reported the previous year.

Profit after tax for the period under review stands at N8.29 billion, down by 12.27% from N9.449 billion reported in Q1 2021.

Earnings per share dropped N14.09 in Q1 2022 from the EPS of N16.06 achieved in Q1 2021.

At the share price of N1100, the P/E ratio of Seplat Energy stands at 78.08x with earnings yield of 1.28%.

The proposed interim dividend is subject to appropriate withholding tax and it will be paid to shareholders whose names appear in the Register of Members as at the close of business on 30th May 2022.

The Register of Shareholders will be closed on 31st May 2022.

On or around 24th June 2022, the interim dividend will be paid electronically to shareholders whose names appear on the Register of Members as of 30th May 2022, and who have completed the e-dividend registration and mandated the Registrar to pay their interim dividend directly into their Bank accounts.

The exchange rate for the Naira or Pounds Sterling amounts payable will be determined by reference to the relevant exchange rates applicable to the US dollar on 27th May 2022 and will be communicated by the Company on 30th May 2022.

Access Holdings posts N57.4bn as profit in 3 months



Access Holdings Plc has published its First Quarter result for the 3 months ended 31 March 2022.

The financial giant achieved growth year on year in its top line and bottom line figures for the period under review.

Gross Earnings of N322.881 billion was achieved for the 3 months period, up by 48.92% from N216.812 billion achieved the previous year.

Profit after tax grew moderately by 9.23% to N57.399 billion from 52.549 billion reported in Q1 2021.

Earnings per share of the Group increased to N1.61 from the EPS of N1.48 achieved the previous year.

At the share price of N9.85, the P/E ratio of Access Holdings stands at 6.10x with earnings yield of 16.39%.

FCMB reports N5.17bn as profit in Q1 2022



FCMB on Wednesday published its Unaudited Financial Statement for the 3 months ended 31 March 2022.

The Group reported Gross Earnings of N58.305 billion for the 3 months period, up by 33.91% from N43.541 billion reported the previous year.

Profit after tax in Q1 2022 grew year on year by 44.61% to N5.166 billion from N3.572 billion reported in Q1 2021.

Earnings per share of FCMB increased year on year by 44.51% to 26 kobo from the EPS 18 kobo achieved the previous year.

At the share price of N3.59, the P/E ratio of FCMB stands at 13.76x with earnings yield of 7.27%.

UBA increases market share by 18.31%, PAT rises to N41.5bn in Q1 2022



United Bank for Africa (UBA) in the First Quarter of 2022 has increased its market share by 18.31% as it recorded a Gross Earnings of N183.9 billion as against N155.45 billion recorded in Q1 2021.

The Group in 3 months reported profit after tax of N41.496 billion, up by 8.76% from N38.155 billion reported the previous year.

Earnings per share of UBA increased year on year by 8.76% to N1.21 from the EPS of N1.12 reported in Q1 2021.

At the share price of N8.1, the P/E ratio of UBA stands at 6.68x with earnings yield of 14.98%.

GTCO reports N43.21bn as profit in Q1 2022



Guaranty Trust Holding Company on Tuesday published its First Quarter report for the period ended 31 March 2022.

The Holding Company for the 3 months period recorded Gross Earnings of N119.59 billion, up by 12.65% from N106.17 billion recorded the previous year.

Profit after tax of N43.21 billion was reported for Q1 2022, down by 5.13% from N45.55 billion reported in Q1 2021.

Earnings per share of GTCO stands at N1.47, down by 5.13 from the EPS of N1.55 achieved the previous year.

At the share price of N24.25, the P/E ratio of GTCO stands at 16.52x with earnings yield of 6.05%.



# 11 Earnings

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	PRICE	TURNOVER (Nbn)			PAT(Nbn)			EPS(N)			PE RATIO	EARNINGS YIELD	PROFIT
		Q1 2022	Q1 2021	% CHANGE	Q1 2022	Q1 2021	% CHANGE	Q1 2022	Q1 2021	% CHANGE			
NIGERIAN BREWERIES	57.1	137.772	105.676	30.37	13.614	7.660	77.73	1.69	0.95	77.73	33.87	2.95	9.88
CHAMPION BREWERIES	2.52	3.320	2.376	39.75	0.554	0.212	161.49	0.07	0.03	161.49	35.60	2.81	16.69
ECOBANK	12	245.411	214.283	14.53	38.324	30.494	25.68	1.56	1.24	25.68	7.70	12.99	15.62
GTCO	24	119.593	106.166	12.65	43.208	45.546	-5.13	1.47	1.55	-5.13	16.35	6.12	36.13
LIVESTOCK FEEDS	1.74	3.635	3.356	8.32	0.018	0.177	-89.74	0.01	0.06	-89.74	288.06	0.35	0.50
NASCON ALLIED	13	10.760	8.337	29.06	0.386	0.723	-46.57	0.15	0.27	-46.57	89.14	1.12	3.59
UPDC	1.07	0.781	0.072	977.86	0.121	-0.399	130.27	0.01	-0.02	130.27	164.38	0.61	15.47
UBA	8.25	183.902	155.446	18.31	41.496	38.155	8.76	1.21	1.12	8.76	6.80	14.71	22.56
BERGER PAINTS	7.7	1.652	1.192	38.62	0.091	0.045	102.33	0.31	0.16	102.33	24.52	4.08	5.51
FCMB	3.88	58.305	43.541	33.91	5.166	3.572	44.61	0.26	0.18	44.61	14.87	6.72	8.86
CUSTODIAN	7.15	23.385	19.315	21.07	2.186	1.329	64.53	0.37	0.23	64.53	19.23	5.20	9.35
CAPITAL HOTEL	3.19	1.252	0.561	123.22	0.009	-0.150	106.07	0.01	-0.10	106.07	542.45	0.18	0.73
CADBURY	10.25	12.789	8.920	43.36	1.542	0.242	538.12	0.82	0.13	538.12	12.49	8.01	12.05
ACCESS	9.7	322.881	216.812	48.92	57.399	52.549	9.23	1.61	1.48	9.23	6.01	16.65	17.78
MEYER PLC	3	0.342	0.223	52.95	0.005	0.006	-15.15	0.01	0.01	-15.15	330.85	0.30	1.41
ALEX	7.2	0.533	0.679	-21.57	0.011	0.060	-81.16	0.05	0.27	-81.16	140.76	0.71	2.11
AIICO INSURANCE	0.79	24.664	19.691	25.26	4.735	1.546	206.27	0.13	0.04	206.27	6.11	16.37	19.20
SEPLAT	1200	100.618	57.930	73.69	8.290	9.449	-12.27	14.09	16.06	-12.27	85.18	1.17	8.24
CAP PLC	21.9	4.656	2.125	119.11	0.531	0.203	161.23	0.67	0.26	161.23	32.49	3.08	11.41
TOTAL ENERGIES	234.5	97.609	66.696	46.35	4.366	2.970	46.97	12.86	8.75	46.97	18.24	5.48	4.47
MAY & BAKER	4.4	3.339	2.703	23.54	0.195	0.247	-21.26	0.11	0.14	-21.26	38.97	2.57	5.83
GLAXOSMITH	5.85	7.360	3.462	112.60	0.194	-0.238	181.64	0.16	-0.20	181.64	35.99	2.78	2.64
REGENCY ALLIANCE	0.32	1.490	2.165	-31.19	0.644	0.428	50.48	0.10	0.06	50.48	3.31	30.17	43.22
NPF MICROFINANCE	1.98	1.468	1.292	13.67	0.238	0.236	0.76	0.04	0.04	0.76	44.88	2.23	16.20
NEM INSURANCE	4.4	12.709	10.013	26.93	1.545	1.092	41.49	0.31	0.22	41.49	14.29	7.00	12.16
ZENITH BANK	24.5	191.523	157.309	21.75	58.198	53.060	9.68	1.85	1.69	9.68	13.22	7.57	30.39
PRESTIGE ASSURANCE	0.44	4.277	3.004	42.37	0.599	0.711	-15.62	0.05	0.05	-15.62	9.72	10.28	14.02
MTN NIGERIA	214.5	470.984	385.318	22.23	96.820	73.748	31.28	4.76	3.62	31.28	45.09	2.22	20.56
UNION BANK	6.35	43.415	36.793	18.00	5.551	6.207	-10.57	0.19	0.21	-10.57	33.31	3.00	12.79
CORNERSTONE	0.59	6.012	5.824	3.22	0.078	0.658	-88.15	0.004	0.04	-88.15	137.45	0.73	1.30
NCR NIGERIA PLC	3.99	0.457	0.691	-33.97	0.004	0.166	-97.63	0.04	1.54	-97.63	109.18	0.92	0.86
JAIZ BANK	0.74	7.222	5.991	20.55	1.040	0.832	24.96	0.03	0.02	24.96	24.58	4.07	14.40
NESTLE	1440	110.225	87.258	26.32	17.980	12.400	45.00	22.68	15.64	45.00	63.48	1.58	16.31
GLOBAL SPECTRUM	3.78	0.671	0.346	93.64	0.090	0.015	491.67	0.11	0.02	491.67	33.65	2.97	13.40
DANGOTE SUGAR	16.2	94.449	67.394	40.15	8.870	8.302	6.84	0.73	0.68	6.84	22.19	4.51	9.39
TRANSCORP HOTEL	4.95	7.041	3.970	77.37	0.854	-0.204	519.14	0.08	-0.02	519.14	59.39	1.68	12.12
LINKAGE ASSURANCE	0.49	4.614	3.984	15.81	0.149	-0.902	116.56	0.01	-0.06	116.56	45.92	2.18	3.24
UAC	12	27.666	22.022	25.63	0.639	0.669	-4.46	0.22	0.23	-4.46	54.13	1.85	2.31
WEMA BANK	3.5	30.635	19.471	57.34	2.856	1.305	118.95	0.22	0.10	118.95	15.76	6.35	9.32
FIDELITY BANK	3.8	71.332	55.122	29.41	9.515	9.590	-0.78	0.33	0.33	-0.78	11.57	8.64	13.34
CAVERTON	1.2	7.951	8.160	-2.56	0.612	0.520	17.59	0.18	0.16	17.59	6.57	15.22	7.70
OKOMU OIL	147	20.486	12.554	63.18	9.498	5.271	80.19	9.96	5.53	80.19	14.76	6.77	46.36
STERLING BANK	1.54	38.050	30.886	23.19	3.543	2.395	47.93	0.12	0.08	47.93	12.51	7.99	9.31
ETERNA PLC	6.02	26.823	14.390	86.40	0.877	0.254	244.84	0.67	0.20	244.84	8.95	11.18	3.27
SOVEREIGN TRUST	0.27	7.356	5.376	36.83	0.489	0.392	24.74	0.04	0.03	24.74	6.27	15.94	6.65
DANGOTE CEMENT	292.4	413.181	332.651	24.21	105.851	89.710	17.99	6.21	5.26	17.99	47.07	2.12	25.62
FIDSON	8.15	10.244	6.353	61.23	1.150	0.580	98.37	0.55	0.28	98.37	14.79	6.76	11.22

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# Businesses at this time: What determines huge patronage?



Timi Olubiyi, Ph.D.

In recent times, we have seen more businesses reporting low or no profit and, in some cases, no revenue. The case of business failures is equally high and prevalent, which could be attributed to the changing landscape with the aftermath of coronavirus pandemic, high inflation, poor supply chains, high exchange rate regime, and a host of other struggles. Despite the coronavirus pandemic radically altering business operations and customer experiences, many businesses in Africa, particularly Nigeria, have stuck to the prevailing old pattern of customer service, which frequently involves poor customer convenience and low customer satisfaction. Though we have seen more of innovations around technology adoption in businesses to improve performance and retain customers, little is noticed in small businesses and large firms in Nigeria. Despite changing business models all across different industries around the world to meet current realities and customer expectations. Consequently, businesses that wish to maintain survival need to adjust to the realities around customer expectations, preferences, and convenience without further delay. If small businesses fail to recognise these changes in customer expectations, they may face a business continuity threat rather than just poor performance, likewise large firms.

The majority of business advances in recent times have been inspired by technology, noticeably in service businesses and food-service sectors, particularly restaurants and transportation. For instance, considering the case of Uber, the car hailing business and the likes, the business model was driven by changes in consumer behaviour and convenience was the major driver. The success of the business model does not rest on a deep emotional connection with customers

but the success may be summed up in a single word: convenience. Also, based on my observations around Lagos State, the adjudged economic capital of Nigeria, I have seen a restaurant with multiple outlets offer a single meal, rice with boiled egg, for N500. That is less than a dollar for the meal, noting that a \$1 is around N600 in the country. Similarly, banks provide mobile banking software applications (apps) through which accounts may be opened online and transactions can be completed, even to borrow funds, without having to enter the banking hall. Another example is the sudden deployment of point-of-sale (PoS) terminals to agents throughout the country, with the agents executing some banking transactions nearly everywhere outside banking halls. Further to this, in Somolu, a Lagos State suburb, I have also seen that a local café (Amala joint) opens on Sundays when competitors are all closed, and chooses to close on Mondays to observe the one day off per week. With this idea, the local café operator can give a lot of customers the flexibility and convenience they need on Sundays while also making premium on the business gains. All these concepts are intended to capitalise on customer convenience and the current realities nothing more.

Therefore, business owners and SME operators should understand this and know that when it comes to the most crucial aspects of customer needs, convenience is supreme. Each customer, though, may have different ideas of what constitutes convenience, from pricing to the business location, payment options, ease of shopping or making transactions, business opening days and time flexibility, customer experience of ordering, delivering, and the likes. It is important to note that most consumers are price sensitive

though and base their purchasing or service decisions on it.

According to my further observations in Lagos State, I noticed that despite a lack of solid business concepts and knowledge, the numerous neighbourhood corner-shops, traffic hawkers, and businesses without recognised classification, operate on this convenience model. Though it may seem to be an insignificant way to operate a business, the turnover, revenue, and profit could be sufficient to sustain the operators. The expectation is that customers will hurriedly need items or products, and such businesses exist on this premise. Whereas I see major enterprises with a brick-and-mortar retailing strategy still paying exorbitant rent to maintain a physical presence without operating online or adopting technology for convenience. Ignoring the digital age that has changed the retail industry, and indeed most sectors of the economy, where businesses can relate with customers anywhere and at any time.

As a result, it is high time for structured enterprises, retail outlets, and large businesses to adopt the convenience model in order to improve business sustainability and profitability. Convenience is more important to consumers than ever before, particularly in terms of pricing, (i.e., affordable services or products) and location that is easily accessible (physical or online). What matters to most consumers is the time and effort they have to expend because they are largely impatient – the less time, the better, and the less amount, the best.

Giving an illustration of how convenience can make a business more profitable in a case of a superstore, patronage can be increased by having a good and convenient location, reducing expensive, specialty, or high-end products and exponentially increasing convenient goods. Convenient goods are items or products that customers can easily afford and frequently buy on impulse without much thought. Such items are groceries, eatables, detergents, toothpaste, paper products, and emergency products such as light bulbs and so on. The idea is that large volume is likely to be sold within a short period, and repeat purchases will happen continually and such business will be active and performing. Furthermore, technology too can greatly help in this instance, that is where e-commerce comes in. The extra levels of convenience where customers can effectively use their phones with seamless payment platforms or gateways to effect purchases or transactions will help a great deal, no matter how small. For micro businesses social media platforms and WhatsApp status can equally help with cheap advertisement and keeping customers updated.

For other forms of businesses, particularly large firms a business model can be designed or redesigned around convenient solutions. To create convenience, firms must find ways to eliminate any "friction" that may arise when a potential customer interacts with or purchases from their business. Such convenience can be designed around, packaging, delivery, usability, automation,

and product variety. Let the truth be told, convenience can actually increase repeat purchases of any form of business, which in turn helps increase and grow the profit margin. Any strategy to boost the convenience of customers can also give brand loyalty, which will, at the end of the day, give a competitive edge and market-dominance. Therefore, providing convenience can be the key to business success at this time of high inflation, low disposable income, and weak purchasing power of the majority, who are the masses. Because by saving customers' time, money, and energy, businesses can also make more income.

Significantly, market survey and customer research may assist in determining which solutions will enhance business service, and overall provide a high degree of ease. Quite often, I have noticed that businesses do not leverage on feedbacks from customers. It is good to have present customers submit comments or reviews highlighting instances in which particular business (or rivals' business) failed to meet their convenience expectations, and this may be a pointer to what needs to be addressed. It takes more than pricing to outperform competition, so consider how to integrate convenience into a designed business model. Who says customers cannot order a haircut, photo shoot, home-cooked meals, or even a manicure directly from their mobile phones for a convenient home service? All that is needed is for the vendors or business owners to think critically and carry out research about the ways things should work.

In conclusion, to effectively engage with today's hyper-connected, technology-savvy, and impatient consumers, businesses must be preoccupied with offering quick, convenient and simple solutions. In short, nothing pays more for businesses at this time than being more convenience-oriented because it could be the shortest path to increasing customer retention, loyalty and business profitability. Good luck!

How may you obtain advice or further information on the article?

*Dr. Timi Olubiyi, an Entrepreneurship & Business Management expert with a Ph.D. in Business Administration from Babcock University Nigeria. A prolific investment coach, author, seasoned scholar, Chartered Member of the Chartered Institute for Securities & Investment (CISI), and Securities & Exchange Commission (SEC) registered capital market operator. He can be reached on the Twitter handle @drtimiolubiyi and via email: drtimiolubiyi@gmail.com, for any questions, reactions, and comments. The opinions expressed in this article are that of the author- Dr Timi Olubiyi and do not necessarily reflect the views of others.*



## Understanding Bulls, Bears & Market Sentiment



Investors often have differing opinions about particular stocks or about the direction of the economy as a whole. Each trading day is similar to a struggle between optimists and pessimists who buy and sell at various prices given different expectations. The stock market is said to incorporate all of the information that exists about the companies it represents, and that manifests itself as price. When optimists dominate, prices trend upwards, and we say that we are in a bull market. When the opposite is true, and prices trend lower, we are in a bear market. A bull market is when everything in the economy is running

objectively well: people are finding jobs and unemployment is low, the economy is growing as measured by gross domestic product (GDP), and stocks are rising. Picking stocks during a bull market is arguably easier because everything is going up. If a person is optimistic and believes that stocks will go up, he or she is called a bull and is said to have a bullish outlook. Bull markets cannot last forever though, and sometimes they can lead to dangerous situations if stocks become overvalued. In fact, one severe form of a bull market is known as a bubble, where the upward trajectory of stock prices no longer conforms to fundamentals, and optimistic sentiment completely takes over.

Historically, what happened around 2018 an example of what we can call bubbles, where prices of both good and bad stocks skyrocketed that eventually sparked the Great Recession. Bubbles always burst when reality catches up with overinflated prices, and people often realize bubbles in hindsight. It is difficult to recognize when investors are in a bubble and even harder to predict when it will pop. A bear market is informally defined as a 20% drop in broad indices. Bear markets happen when the economy appears to be in or near recession, unemployment rises, corporate profits fall, and GDP contracts. Bear markets make it tough for

investors to pick profitable stocks. One solution to this is to profit from when stocks are falling via short selling. Another strategy is to wait on the sidelines until you feel that the bear market is nearing its end, only starting to buy in anticipation of a bull market.

Bear markets are typically associated with an increase in stock market volatility, since investors typically fear losses more than they appreciate gains at an emotional level. People are not always rational actors – especially when it comes to money and investments. During bear markets, prices do not drop in an orderly or rational way to some fundamental level of price-to-earnings, but rather market participants often overreact in panic and send prices below reasonable valuations.

When there is panic, there is fear. Irrational behavior can spread, and markets can collapse. Expectations about future cash flows essentially drop to zero and people become more concerned with converting investments into cash than future growth. Only when rational investing behavior is restored does a bear market turn a corner. It is also worth pointing out that bear markets can be great opportunities for long-term investors to buy stocks “on sale” at relatively low prices, which can actually boost overall returns over long time horizons.



# Heart Attack, the Silent Killer



Nrs OKE OLOLADE

A heart attack is often confused for a cardiac arrest just as we read in the last week's edition. While they are both medical emergencies, a heart attack is the blockage of an artery leading to the heart damage, which consequently results in cardiac arrest. That is, it involves the heart stopping the pumping of blood around the body. According to WHO, an estimated 17.9 million people died from Cardiovascular disease (CVD) in 2016, representing 31% of all global deaths. Of these deaths, 85% are due to heart attack and stroke. Over three quarters of CVD deaths take place in low- and middle-income countries of which Nigeria is in this category. In Nigeria, more than 1.5 million cases per year are reported. In 2019, four out of five Cardiovascular disease (CVDs) deaths are due to heart attacks and strokes, which is responsible for the high burden of morbidity and disability. Most people with CVDs are not aware until catastrophes like stroke, heart attack or death occur.

A heart attack happens when something blocks the blood flow to your heart so it can't get the oxygen it needs. Heart attacks are also called myocardial infarctions (MI). "Myo" means muscle, "cardial" refers to the heart, and "infarction" means death of tissue because of a lack of blood supply. This tissue death can cause lasting damage to your heart muscle. The heart muscle needs a constant supply of oxygen-rich blood, while the coronary arteries give your heart this critical blood supply. If you have coronary artery disease, those arteries become narrow, and blood can not flow as much as it should. When the blood supply is blocked, you have a heart attack. Fat, calcium, proteins, and inflammatory cells build up in your arteries to form plaques. These plaque deposits are hard on the outside, soft and mushy on the inside. When the plaque



is hard, the outer shell cracks. This is called a rupture. Platelets (disc-shaped things in your blood that help it clot) come to the area, and blood clots form around the plaque. If a blood clot blocks your artery, your heart muscle becomes starved of oxygen. Then, muscle cells soon die, causing permanent damage. Rarely, a spasm in your coronary artery can also cause a heart attack. During this coronary spasm, your arteries restrict or spasm on and off, cutting off the blood supply to the heart muscle (ischemia). It can happen while one is at rest and an individual not having any history of serious coronary artery disease. Heart attack is referred to as silent killer because often times the signs and symptoms are mistakenly referred to as signs of anxiety. The amazing thing about this disease is that not all people who have heart attacks have the same symptoms or have the same severity of symptoms. Some people have

mild pain; others have more severe pain. Some people have no symptoms, for some, the first sign may be sudden cardiac arrest. However, the more signs and symptoms you have, the greater the chance of you having a heart attack. Many people have warning signs and symptoms hours, days or weeks in advance. The earliest warning might be recurrent chest pain or pressure (angina) that is triggered by activity and relieved by rest. Angina is caused by a temporary decrease in blood flow to the heart. Discomfort, pressure, heaviness, tightness, squeezing, or pain in your chest or arm or below your breastbone. Discomfort that goes into your back, jaw, throat, or arm. Feeling of fullness, indigestion, or a choking feeling (it may feel like heartburn), sweating, upset stomach, vomiting, or dizziness. Severe weakness, anxiety, fatigue, or shortness of breath, fast or uneven heartbeat. Women are more likely to have

symptoms like an upset stomach, shortness of breath, or back or jaw pain. With some, heart attacks symptoms are (a "silent" myocardial infarction) and is more common in people who have diabetes. Certain factors contribute to the unwanted build-up of fatty deposits (atherosclerosis) that narrows arteries throughout your body. You can improve or eliminate many of these risk factors to reduce your chances of having a first or another heart attack. Heart attack risk factors include:

- Age: Men age 45 or older and women age 55 or older are more likely to have a heart attack than are younger men and women.
- Tobacco: This includes smoking and long-term exposure to second-hand smoke.
- High blood pressure: Over time, high blood pressure can damage arteries that lead to the heart. High blood pressure that occurs with other

conditions, such as obesity, high cholesterol or diabetes, increases an individual's risk even more.

- Lack of physical activity: Being inactive contributes to high blood cholesterol levels and obesity. People who exercise regularly have better heart health, including lower blood pressure.

- Family history of heart attacks: If your siblings, parents or grandparents have had early heart attacks (by age 55 for males and by age 65 for females), you might be at increased risk.

- Stress: The body responds to stress in ways that can increase the risk of a heart attack.

- Illicit drug use: Using stimulant drugs, such as cocaine or amphetamines, can trigger a spasm of the coronary arteries that can cause a heart attack.

It is never too late to take steps to prevent a heart attack even if you have already had one.

#### Tips for Heart Attack Prevention:

The goal after an episode of heart attack is to keep the heart healthy and lower the risk of having another heart attack. Take medications as directed, make healthy lifestyle changes, and see the doctor for regular heart check-ups.

Medications: Taking medications can reduce the risk of a subsequent heart attack and help damaged heart function better.

Lifestyle factors: You know the drill; maintain a healthy weight with a heart-healthy diet, don't smoke, exercise regularly, manage stress and control conditions that can lead to a heart attack, such as high blood pressure, high cholesterol and diabetes.

Leaving you on this note this week, please, do remember, never to wait till something goes wrong before we see your health care providers; and the secret of health for both mind and body is not to mourn for the past, not to worry about the future, or not to anticipate troubles, but to live the present moment wisely and earnestly and to always remember to take care of your body because it is the only place you have to live.



## Confusion over alleged sacking of Kogi Assembly Speaker



A mild drama is currently playing out at the Kogi State House of Assembly as 19 lawmakers claimed to have sacked the Speaker, Matthew Kolawole. The development came barely a few hours after the sack of Ahmed Muhammed as the Deputy Speaker of the House and three other principal officers by 17 lawmakers. A letter made available to journalists in Lokoja, the state capital, on Saturday indicated that the Speaker was sacked by 19 lawmakers who signed the document. Lawmakers who signed the document claimed that the Speaker was removed over alleged misconduct and money laundering running into millions of naira. According to the lawmakers, Kolawole's sack took effect from Monday, June 13, 2022. The 19 lawmakers listed Kolawole's sins to include non-payment of Assembly members' constitutional entitlements, gross corruption and diversion of funds meant for the Assembly since 2019. They added that the embattled Speaker obtained a personal loan, using the Assembly account to the detriment of other members. The aggrieved lawmakers further alleged that Kolawole diminished the integrity of fellow members by serially recording meetings

and confidential conversations of members and using them to blackmail them in order to get favour from the state governor, Yahaya Bello. When contacted, the Chief Press Secretary to the Speaker, Femi Olugbemi, described Kolawole's sack as a figment of the imagination of the lawmakers involved. He said Kolawole remained the Speaker, adding that any legislative business not carried out on the floor of the House is illegal. He said, "How can you claim to have removed the Speaker without a replacement? There can be no vacuum."

## Kidnapped Abia journalist regains freedom



Kidnapped Abia State-based journalist, Chucks Onuoha, has been released. According to the wife, Onuoha was released early Saturday morning (today) in Imo State. She said, "Upon his release, he found his way to where he pleaded with people there to help him reach a place where we went to pick him up." However, she could not say if any ransom was paid and appreciated God for the release. In a release by his Ohuhu clan, the

Ohuhu Welfare Union thanked all Ohuhu people "for their prayers for this family and numerous others including friends and relations who stood with the family in this trying moment", urging Ohuhu people to continue to pray for the peace of our motherland Ohuhu, Abia State and Nigeria in general. Accordingly, the President General of Ohuhu Welfare Union, Sir Obi Aguocha, advised Ohuhu people to be conscious of their personal security. Unknown gunmen had Tuesday night abducted a former Sun Newspapers Correspondent in Umuahia, Mr Chucks Onuoha, from his Umungasi, Ohuhu Umuahia country home about 10 pm.

## Sokoto to spend N1bn on scholarships, others

The Sokoto State Government has approved about N1 billion for the payment of registration fees and upkeep allowances to the state's scholarship beneficiaries both within and outside the country. The Permanent Secretary of Sokoto State Scholarship Board, Bello Isah, disclosed this in a statement made available to members of the press in the state. According to Isah, N188.5 million has been earmarked for the payment of registration fees for 5,643 state students into the Sokoto State University. The allocation also includes N312.9 million for 7,096 students in Usmanu Danfodiyo University. The governor further approved \$89100 and £15,000 for the payment of tuition and upkeep allowances to some regular students in various institutions in London, Canada and in other countries across the world. Others include \$570,000 (equivalent to N342,000) for the payment of tuition and upkeep allowances for both

and new students studying various medical courses in the Republic of Sudan. According to the permanent secretary, the Governor, Aminu Tambuwal, had approved the redeployment of the evacuated Ukraine students to another country where they will continue with their studies adding that himself and one other officer will soon leave on facility tour to Sudan, Egypt, and Turkey in order to ascertain the best institutions as part of the preparation for their redeployment. He said the governor has approved the payment of some sponsored continuing students that are studying Medicine in Sudan, Nursing at American University in Niger Republic, and Computer Engineering at International University, Cyprus. He also disclosed that three state indigenes were sponsored to study two-year standard pilot course at international aviation college Ilorin, Kwara state, adding that a sum of N42.1m will be spent by the government for their tuition and upkeep allowances during the period.

## Ogun govt plans improved living standard for residents



The Ogun State Government has approved the work plan for its Human Capital Development Programme as part of its commitment to improving the standard of living of its residents. This was made known in a statement by the press officer, Kehinde Balogun, after the HCDP stakeholders' meeting held in Abeokuta on Friday. The Deputy Governor and Chair-in-Council for the HCDP, Mrs Noimot Salako-Oyedele, expressed satisfaction with the work plan, saying it would be forwarded to the Office of the Vice-President for final approval, execution, and implementation of the project in the state. "In Ogun State, we have engaged other officials in the Office of the Vice President, and Ogun has been commended for the

development of the working document, aimed at enhancing the capacities of the citizenry," she said. During the presentation of the work plan, the Commissioner for Budget and Planning and Focal Person for the Programme, Mr Olaolu Olabimtan, said the committee was the highest organ of HCDP in the state, as it comprises ministries, departments and agencies drawn from the health, education, and labour force thematic areas. The Technical Assistant of the programme, Dr Dayo Adeyanju, said poor human capital development indices in the country necessitated the establishment of a core working group to develop a unified framework on how best to improve health, education, and labour needs sectors.





## Africa Prudential Plc: Income from digital technology space to drive growth



110% growth in creditors and accruals.

Shareholders' Fund stood at N8.16 billion, down by 7% year on year from N8.77 billion as at Q1 2021. This is due to faster growth in liabilities relative to assets.

Commenting on the result, the MD/CEO of Africa Prudential, Obong Idiong, stated thus:

"We are pleased to start the year with the positive Q1 results. The recorded growth in our business is a testament to the impact of our deliberate effort at enhancing our traditional mono revenue lines to multiple income lines, innovating new ways to deliver value in an agile manner, and adopting cost efficiency in every facet of our operation. The 212% growth in digital technology income reiterates the effectiveness of our switch to a new business model and we remain positive about the potential growth from this revenue stream in the coming quarters and long term. As the year progresses, we remain focused on increasing shareholder's wealth and commit to delivering an exceptional customer experience to our expanding clientele base."

**A**frica Prudential Plc announced its Unaudited Financial Statements for the period ended March 31st, 2022, with moderate growth in its top line and bottom line figures, year on year.

The Company achieved Gross Earnings of N907.78 million, Profit after Tax of N403.15 million and Earnings per Share of 20 kobo.

### Income Statement:

- Revenue from contracts with customers for the 3 months period N 0.45 billion, up by 25% year on year, compared to N0.36 billion reported in Q1 2021. This is driven by a 212% year-on-year growth in digital technology services despite the 60% decline in Fees from Corporate Actions.
- Interest Income was down by 2% year on year to N0.46 billion, compared to N0.47 billion reported in Q1 2021. This is due to a 4% decline in the interest on loans and advances and an 86% decline in interest on short-term deposits during the period. On the other hand, Interest earned on bonds increased 44% year on year,

cushioning the effect of the significant decline from other interest income sources.

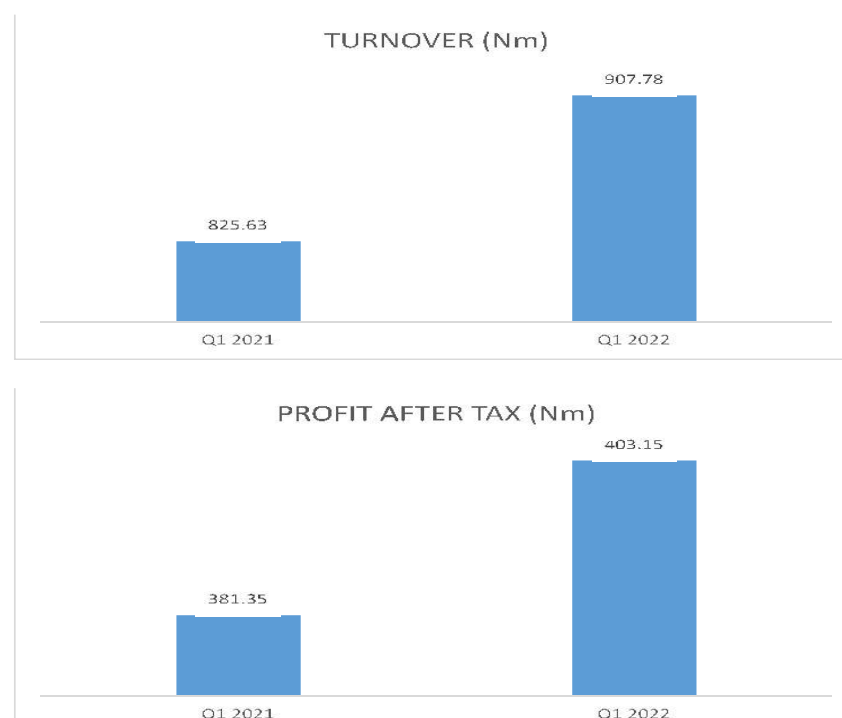
- Gross Earnings grew by 9.95% year on year to N0.91 billion, from N0.83 billion reported in Q1 2021.
- Total operating expenses: Despite the slight decrease in total operating expenses by 2% YoY our cost-to-income ratio reduced by 3 percentage points to 39% relative to 42% in the corresponding period.
- Profit before Tax grew by 15% to N0.55 billion from N0.48 billion reported in Q1 2021
- Profit after Tax in Q1 2022 grew by 5.71% to N0.40 billion, from N0.38 Billion reported in Q1 2021
- Earnings per share for the 3 months period stands at 20 kobo, up by 5.71% from the EPS of 19 kobo reported in Q1 2021.

### Balance Sheet:

- Total Assets of the company stands at N17.10 billion, up

by 11%, compared to N15.76 billion as at Q1 2021. During the period, the book value of total assets grew 9% year-on-year driven by an 11% increase in cash and cash equivalents and a 28% increase in Trade and other receivables.

Total Liabilities of AFRIPRUD stands at N8.94 billion, up by 28% year on year, compared to N6.99 billion as at Q1 2021. This due to due to a 27% growth in customers' deposits and a





## Nneka Onyeali-Ikpe: Transformational leader, daring achiever with decades of banking experience



**N**neka Onyeali-Ikpe is one of the few women shaking the banking industry in Nigeria. She is the Managing Director/CEO of Fidelity Bank Plc.

Mrs. Onyeali-Ikpe has been an integral part of the transformation team at Fidelity Bank in the last six years. She was formerly Executive Director, Lagos and South West, overseeing the bank's business in the six states that make up the South West region of the bank.

She is a consummate professional of over 30 years' experience across various banks including Standard Chartered Bank Plc, Zenith Bank Plc and Citizens

International Bank Limited, where she held several management positions in Legal, Treasury, Investment Banking, Retail/Commercial Banking, Corporate Banking. She has been involved in the structuring of transactions in various sectors including oil & gas, manufacturing, aviation, real estate and exports.

As an Executive Director at Enterprise Bank Plc, she received formal commendation from the Asset Management Corporation of Nigeria (AMCON) as a member of the management team that successfully turned around Enterprise Bank Plc.

Mrs. Onyeali-Ikpe holds

Bachelor of Laws (LLB) and Master of Laws (LLM) degrees from the University of Nigeria, Nsukka and Kings College, London, respectively. She has attended executive training programs at Harvard Business School, The Wharton School University of Pennsylvania, INSEAD School of Business, Chicago Booth School of Business, London Business School and IMD amongst others.

She is also an Honorary Senior Member (HCIB) of The Chartered Institute of Bankers of Nigeria (CIBN).

Under her watch, Fidelity Bank achieved significant growth in its top line and bottom line figures for the year ended 31 December 2021.

Gross Earnings of N250.774 billion was reported for the 12 months period, up by 21.61% from N206.204 billion reported the previous year.

Profit after tax grew by 33.5% to N35.579 billion from N26.65 billion reported in FY 2020.

Earnings per share increased to N1.23 from the EPS of N0.92, which translates to 33.5% growth, year on year.

Nneka Onyeali-Ikpe is on the quest to make the Fidelity Bank one of the Tier 1 banks

in Nigeria by 2025. Nigeria's Tier 1 banks include First Bank, UBA, Guaranty Trust Bank, Access Bank, and Zenith Bank.

Fidelity Bank is a full-fledged commercial bank operating in Nigeria, with over 5 million customers who are serviced across its 250 business offices and various other digital banking channels.

Focused on select niche corporate banking sectors as well as Micro Small and Medium Enterprises (MSMEs), Fidelity Bank is rapidly implementing a digital based retail banking strategy which has resulted in exponential growth in savings deposits over the last Six (6) years, with over 40 percent customer enrollment on the Bank's flagship mobile/internet banking products.

Quoted on the Nigerian Stock Exchange (NSE), Fidelity Bank Plc began operations in 1988 as a Merchant Bank. In 1999, it converted to Commercial Banking and then became a Universal Bank in February 2001. The current enlarged Fidelity Bank is a result of the merger with the former FSB International Bank Plc and Manny Bank Plc in 2005.