

UNITED CAPITAL PLC

UNAUDITED RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021

UNITED CAPITAL PLC RECORDS 72% PROFIT GROWTH

*This Earnings Press Release should be read in conjunction with the Unaudited Financial Statements for the period ended September 30, 2021. The Earnings Press Release and the Unaudited Financial Statements for the period ended September 30, 2021 are available on our website at <https://www.unitedcapitalplcgroup.com/investor-relations/>. **This analysis was issued in Lagos dated October 15th, 2021.** 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 September 30, 2021. Additional information relating to the Group is available on the Group's website <http://www.unitedcapitalplcgroup.com/>*

United Capital Plc, (**NGX:** UCAP, **Bloomberg:** UCAP:NL, **Financial Times:** UCAP: LAG) announced its Unaudited Financial Statements for the period ended September 30, 2021. Total Revenue grew by 60% year-on-year to ₦11.33bn, PBT grew by 72% year-on-year to ₦7.09 billion, whilst total assets grew by 80% year-to-date to ₦400.75 billion.

HIGHLIGHTS OF THE RESULT:

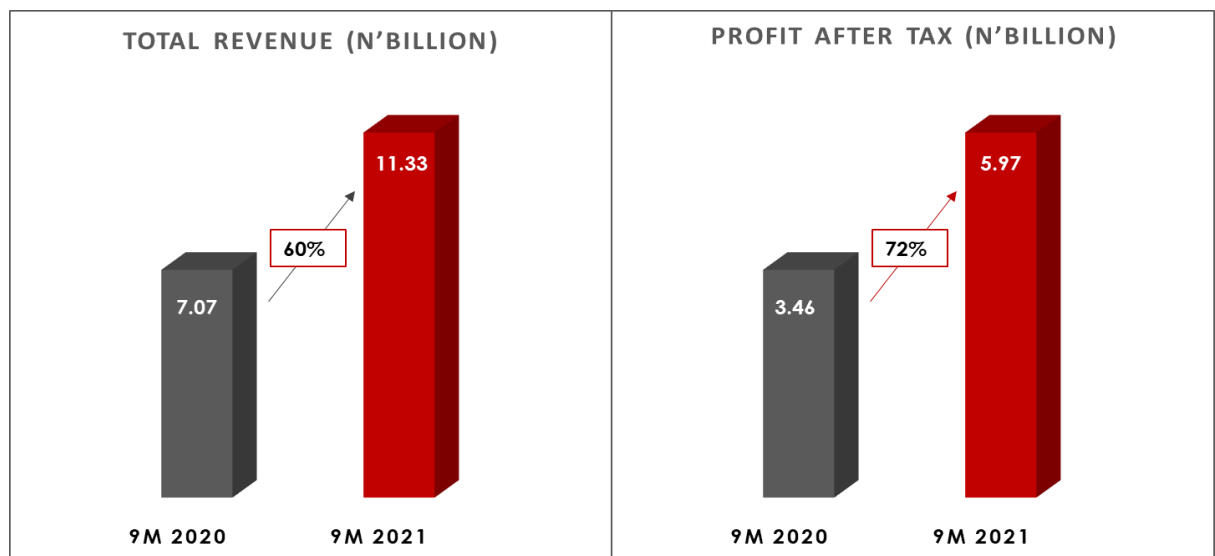
Statement of Profit or Loss:

Year-on-Year Analysis reveals the following:

- Revenue: ₦11.33 billion in 9M 2021, compared to ₦7.07 billion in 9M 2020 (60% growth year-on-year)
- Operating Income: ₦11.08 billion in 9M 2021, compared to ₦6.76 billion in 9M 2020 (64% growth year-on-year)
- Operating expenses: ₦4.24 billion in 9M 2021, compared to ₦2.95 billion in 9M 2020 (44% growth year-on-year)
- Profit Before Tax: ₦7.09 billion in 9M 2021, compared to ₦4.12 billion in 9M 2020 (72% growth year-on-year)
- Profit After Tax: ₦5.97 billion in 9M 2021, compared to ₦3.46 billion in 9M 2020 (72% growth year-on-year)
- Annualized Earnings Per Share: 133 Kobo. (2020: 77kobo). This represents 72% growth year-on-year.

Statement of Financial Position:

- Total Assets: ₦400.75 billion, compared to ₦222.75 billion as at FY 2020 (80% year-to-date growth)
- Total Liabilities: ₦373.86 billion, compared to ₦198.32 billion as at FY 2020 (89% year-to-date growth)
- Shareholders' Fund: ₦26.89 billion, compared to ₦24.43 billion as at FY 2020 (10% year-to-date growth)



Comparing 9M 2021 with 9M 2020, the following are worthy of note:

- **Total Revenue:** During the period under review, United Capital's total revenue increased by 60% year-on-year driven largely by growth in fee and commission income (+112% year-on-year) and Investment Income (+43% year-on-year)
- **Cost-to-Income ratio:** The company continue to maintain improvement in operational efficiency as cost-to-income ratio for the period declined by 10.25 percentage points largely attributable to the impressive growth in revenue (+64% year-on-year) relative to operating expenses (+44% year-on-year)
- **PBT Margin:** United Capital recorded improvement in Profitability margin during the period under review as PBT margin increased by 7.32 percentage points to 62.60% in 9M 2021 compared to 58.33% in 9M 2020 as PBT grew by 72% year-on-year during the period under review.
- **PAT Margin:** PAT margin also increased, gaining 7.47 percentage point to 52.65% in 9M 2021 compared to 49.00% in 9M 2020 as PAT increased by 72% year-on-year during the period
- **Total Assets:** United Capital's total assets during the period under review grew by 80% year-to-date on the account of 98% increase in cash and cash equivalents and 90% growth in financial asset investment

- **Total Liabilities:** The company's total liabilities increased by 89% year-to-date majorly due to 150% year-to-date increase in manage funds
- **Shareholders' Fund:** United Capital's Shareholders' funds increased by 10% year-to-date driven by 8% growth in retained earnings despite 4.20 billion dividends payout during the period under review

Financial Ratios	9M 2021	9M 2020
Return on Assets**	1.98%	2.07%
Return on Equity**	29.58%	18.91%
Net Asset Per Share	4.48	4.07
Price* - Earnings Ratio**	6.75	4.33
EPS (kobo)**	133	77
PBT Margin	62.60%	58.33%
PAT Margin	52.65%	49.00%
Cost-to-Income	37.40%	41.67%
Price* to book	2.00	0.82

*UCAP share price at 30/09/2021

**Annualized

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

I am pleased to inform our stakeholders that United Capital ended the third quarter of the year with another outstanding performance. We delivered an increased revenue of 60% year-on-year, PBT growth of 72% year-on-year to N7.09b and total asset growth of 80% year-to-date.

During the period under review, United Capital successfully listed three series commercial papers worth N19.72 billion on the FMDQ Securities Exchange. The CPs were issued under the company's N50 billion commercial paper issuance program. This has further positioned us as a company to provide a wider range of wholesale financing solutions to our clients and complement funding base and support for all our businesses.

Another remarkable point to note was the Nigerian Stock Exchange's reclassification of United Capital shares from Low Price Stock Group to Medium Price Stock Group in August 2021 driven by steady growth in the company's share price over the past months due to our consistent impressive performance over the years.

I want to assure our stakeholders that we are optimistic on sustaining this exciting performance in the last quarter of the year and beyond. We remain focused on our transformation agenda and to continue to provide best-in-class solutions to all client segments. We are also committed to deliver superior returns as we seek to always delight our shareholders.



Peter Ashade
Group Chief Executive Officer

COMPANY UPDATE:

Following the release of our 9M 2021 result, we shall be hosting an Investors and Analysts conference call on **4th November 2021** to discuss our performance and overall outlook for the next quarter of 2021. 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
30 SEPTEMBER 2021**

	30 September	30 September
	2021	2020
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Gross Earnings	11,329,284	7,069,171
Investment income	6,291,105	4,386,011
Fee and commission income	4,770,627	2,249,059
Net trading income	15,553	125,281
Net operating income	11,077,286	6,760,351
Other income	247,597	308,820
Dividend income from subsidiaries	-	-
Net loss on financial assets at fair value through profit or loss	4,402	-
Total Revenue	11,329,284	7,069,171
Personnel expenses	(1,306,994)	(1,186,744)
Other operating expenses	(2,136,359)	(1,325,890)
Depreciation of properties and equipment	(164,211)	(113,839)
Amortization of intangible & right of use assets	(66,009)	(45,708)
Impairment writeback /(charge) for credit losses	(563,613)	(273,678)
Total Expenses	(4,237,187)	(2,945,859)
Profit before income tax	7,092,097	4,123,312
Income tax expense	(1,126,851)	(659,730)
Profit for the period	5,965,246	3,463,582
Other comprehensive income, net of income tax		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Fair value gain on investments in equity instruments measured at FVTOCI	234,088	(2,320,471)
Related tax	(2,341)	23,205
Fair value gain on investments in equity instruments measured at FVTOCI (net of tax)	231,748	(2,297,266)
<i>Items that may be reclassified subsequently to profit or loss</i>		
Fair value (loss)/gain on investments in debt instruments measured at FVTOCI	470,260	2,349,930
Related tax	(4,703)	(23,499)
Fair value (loss)/gain on investments in debt instruments measured at FVTOCI (net of tax)	465,558	2,326,431
<i>Other comprehensive income for the period, net of taxes</i>	697,305	29,165
Total comprehensive income for the period	6,662,552	3,492,747
Profit for the period attributable to:		
Equity holders of the Company	5,965,246	3,463,582
Total comprehensive income attributable to:		
Equity holders of the Company	6,662,552	3,492,747
Earnings per share-basic (kobo) - Annualized	133	77

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	30 September	31 December
	2021	2020
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ASSETS		
Cash and cash equivalents	86,147,150	43,420,443
Investment in financial assets	275,958,939	145,148,841
Trade and other receivables	32,991,081	28,472,742
Dividend receivable from subsidiaries	-	-
Right of use assets	230,684	283,694
Intangible assets	65,916	42,015
Investments in subsidiaries	-	-
Investments in Associates	4,500,000	4,500,000
Property, plant and equipment	538,212	565,824
Deferred tax assets	314,736	314,736
TOTAL ASSETS	400,746,718	222,748,295
LIABILITIES		
Managed funds	289,779,065	116,019,077
Other borrowed funds	73,593,064	72,661,645
Other liabilities	7,721,909	7,683,308
Current tax liabilities	2,636,676	1,830,812
Deferred tax liabilities	126,974	126,974
TOTAL LIABILITIES	373,857,688	198,321,816
SHAREHOLDERS FUND		
Share capital	3,000,000	3,000,000
Share Premium	683,611	683,611
Retained earnings	23,367,046	21,601,800
Fair value reserves	(161,627)	(858,932)
TOTAL SHAREHOLDERS FUND	26,889,030	24,426,479
TOTAL LIABILITIES AND SHAREHOLDERS FUND	400,746,718	222,748,295

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 Asset Management, Trusteeship, Securities Trading and Consumer Lending 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.

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