



Earnings Update: TRANSCORP PLC Q2-2021

04 August 2021

Hospitality Business Segment Support Revenue Growth

WHAT WE LIKE ABOUT THE RESULT

- Improvement in Revenue by 47.3% y/y to ₦28.8 billion from ₦19.6 billion driven by a significant pick up in sales in the Hospitality business line while the Power business line continues to sustain the Company as the major contributor to Revenue.
- Growth in all Profit figures (PBT was up by 474.5% y/y to ₦4.5 billion from ₦792.6 million, PAT was up by 539.7% y/y to ₦4.5 billion from ₦697.4 million) and Profit Margins.
- 9.8% y/y increases in Trade and Other Payables which evidencing the company making good use of its Credit arrangements with its Suppliers.
- Increase in Positive Cashflows from Operations due to good use of Trade and Other Payables during the period.

WHAT WE DID NOT LIKE ABOUT THE RESULT

- Administrative Expenses increased by 38.6% to ₦4.0 billion from ₦2.9 billion.
- Significant drop in Other Income as the Company did not receive Dividends from its Subsidiaries during the period compared to same period last year.
- Increase in Foreign Exchange Losses to the tune of ₦19.8 million.
- Total Borrowings climbed by 9.3%y/y to ₦112.8 million from ₦103.2 million during the period.
- Trade and Other Receivables form a significant portion of the Total Assets which relate to Revenues generated on the Power Business line.

TICKER	TRANSCORP
Price (₦) on 03 Aug. 2021	0.93
Shares Outstanding	40,647,990,293
PE Ratio	10.40
Entry Price 1 (₦)	0.92
Entry Price 2 (₦)	0.90
Exit Price 1 (₦)	1.02
Exit Price 2 (₦)	0.99
Expected Return 1 (%)	10.9
Expected Return 2 (%)	10.0
Rating	HOLD

REBASED YTD PRICE MOVEMENT IN TRANSCORP AND NGX ASI



Source: Investing, PSL Research

Kindly click [here](#) for the full financial statement.

Disclaimer

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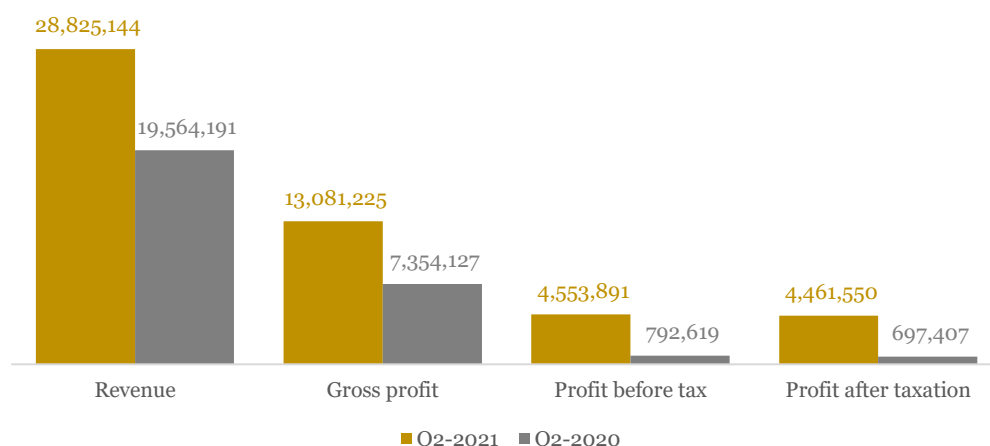


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INCOME STATEMENT	Q2-2021	Q2-2020	Change (%)
Revenue	28,825,144	19,564,191	47.34%
Cost of sales	(15,743,919)	(12,210,064)	28.94%
Gross profit	13,081,225	7,354,127	77.88%
Other Income/Gain (net)	359,240	931,029	-61.41%
Administrative expenses	(4,022,279)	(2,901,707)	38.62%
Operating Profit	9,418,186	5,383,449	74.95%
Net Finance Costs	(4,864,295)	(4,590,830)	5.96%
Profit before tax	4,553,891	792,619	474.54%
Income tax expense	(92,341)	(95,212)	-3.02%
Profit after taxation	4,461,550	697,407	539.73%
BALANCE SHEET	Q2-2021	Dec-2020	Change (%)
Total non-current assets	235,842,223	231,386,794	1.93%
Total current assets	122,418,914	106,808,471	14.62%
Total assets	358,261,137	338,195,265	5.93%
Total equity	119,854,997	114,409,383	4.76%
Total non-current liabilities	132,236,731	122,486,130	7.96%
Total current liabilities	106,169,409	101,299,752	4.81%
Total liabilities	238,406,140	223,785,882	6.53%
CASH FLOW STATEMENT	Q2-2021	Q2-2020	Change (%)
Operating Activities	23,146,961	18,456,861	25.41%
Investing Activities	(7,415,171)	(1,477,486)	401.88%
Financing Activities	(2,763,072)	(20,064,175)	-86.23%

KEY FINANCIAL DATA (₦ Million)



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