



## PRESS RELEASE

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### **C&I Leasing Plc Records Revenue Growth Of 16.7% To ₦17.0 Billion From ₦14.6 Billion And 519.0% Increase In Profit After Tax To ₦920.9 Million**

C&I Leasing Plc. ('C&I Leasing', 'the Company' or 'the Group') today announces its audited results for the year ended 31 December 2016

#### **Consolidated Income Statement**

- Revenue of ₦17.0 billion, up 16.7% year-on-year (Dec 2015: ₦14.6 billion)
- Lease rental income of ₦9.1 billion, up 11.4% year-on-year (Dec 2015: ₦8.2 billion)
- Personnel Outsourcing income increased by 7.1% to ₦5.9 billion year-on-year (Dec 2015: ₦5.5 billion)
- Net operating income of ₦5.7 billion, up 23.1% year-on-year (Dec 2015: ₦4.6 billion)
- Profit before tax of ₦1.0 billion, an increase of 122.5% year-on-year (Dec 2015: ₦465.6 million)
- Profit after tax of ₦920.9 million, up 519.0% year-on-year (Dec 2015: ₦148.8 million)
- Basic earnings per share<sup>1</sup> of 54.17 kobo, up 529.3% year-on-year (Dec 2015: 8.61 kobo)

#### **Consolidated Statement of Financial Position**

- Total assets of ₦38.4 billion, up 31.1% year-on-year (Dec 2015: ₦29.3 billion)
- Operating lease assets of ₦22.5 billion, up 45.5% year-on-year (Dec 2015: ₦15.5 billion)
- Shareholders' funds of ₦8.1 billion, an increase of 42% year-on-year (Dec 2016: ₦5.7 billion)

#### **Key Ratios**

- EBITDA margin<sup>2</sup> of 34.9% (Dec 2015: 14.5% )
- Net profit margin<sup>3</sup> of 5.4% (Dec 2015: 0.1%)
- EBITDA/Interest expense of 2.2x (Dec 2015: 1.4x)
- Return on equity<sup>4</sup> (post tax) of 13.9% (Dec 2015: 2.6%)
- Net Debt<sup>5</sup>/ EBITDA of 4.9x (Dec 2015: 9.0x)
- Net Debt/Equity of 3.6x (Dec 2015: 3.7x)
- Net Debt/Total Capitalisation of 1.4x (Dec 2015: 2.0x)

<sup>1</sup> Basic earnings per share computed as profit after tax attributable to shareholders divided by the number of ordinary shares in issue

<sup>2</sup> EBITDA margin computed as earnings before interest, tax, depreciation and amortisation divided by gross earnings multiplied by 100

<sup>3</sup> Net profit margin computed as profit after tax divided by gross earnings multiplied by 100

<sup>4</sup> Post-tax return on average equity computed as profit after tax attributable to shareholders divided by the average opening and closing balances attributable to equity holders

<sup>5</sup> Net debt computed as total liabilities less cash and balances with banks

- Total Debt/Total Capitalisation of 1.5x (Dec 2015: 2.0x)
- Net Debt/Operating Profit of 7.7x (Dec 2015: 13.7x)
- Asset turnover<sup>6</sup> of 0.5 times compared to 0.6 times in 2015
- Capital adequacy ratio<sup>7</sup> of 21.6% (Dec 2015: 20.2%) ( CBN: 12.5%)

### Operational Highlights

- Fleet Management continues to expand existing contracts and sign new clients such as Novartis Pharmaceuticals, Dow Chemicals and Master Card
- Marine Services remains strong and revenues have been stable. It commenced a 5-year mooring service contract from April 2016 with Nigeria LNG Limited (NLNG) and provision of 1 unit of 80TBP AHTS for crude loading support service for Shell at the EA field
- The launch of 4 additional vessels for new NLNG contracts in the first quarter will positively impact the Company's performance in 2017
- Personnel Outsourcing continues to record stable revenues and has expanded across several industries including Oil & Gas, Telecommunications, Banking, Manufacturing and Agriculture. The business unit is currently exploring diversification of its outsourcing business from purely Personnel Outsourcing to business process outsourcing by developing core competencies in human resource management, direct sale/representation for clients and call centres
- In 2016, the Group executed a scheme of external restructuring, absorbing one of its subsidiaries, C&I Motors Limited, to eliminate surplus overheads whilst maintaining synergy with the fleet management service
- Demonstrating the high premium we place on safety, our personnel working on BW offshore FPSO won an award for working 5,000 days injury free

Commenting on the results, the MD/CEO of C&I Leasing Plc, Mr. Andrew Otike-Odibi said:

"2016 was a challenging year for the Company, given prevailing harsh market conditions; the scarcity of foreign exchange, rising inflationary pressures and the resultant increase in the cost of doing business coupled with the lower business volumes by both local and international oil and gas companies, on the back of the decline in oil prices which impacted the service sector especially in the reduction of day rates and work scope. Nevertheless, we delivered an impressive set of results, with revenues of ₦17.0 billion (+16.7%) and Profit After Tax of ₦920.9 million (+519.0%). This was achieved through a combination of cost-cutting measures, more efficient utilisation of assets, in addition to improved asset quality and foreign exchange gains.

We remain focused on sustaining delivery of superior customer service and continued diversification of earnings to take advantage of growth opportunities in the markets and business segments we operate in. In spite of inflation averaging 17.5% in the year under review, our operating expenses grew by a meagre 2.2% - underscoring the strength of the cost control and efficiency measures we have put in place.

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<sup>6</sup> Asset turnover computed as revenue divided by avg. total assets

<sup>7</sup> Capital adequacy ratio computed as total qualifying capital divided by Total risk-weighted assets

Furthermore, demonstrating the benefits of diversification, our subsidiaries (Leasafic, Ghana and EPIC International FZE, United Arab Emirates) contributed 18% to the Group's revenue for the period relative to 13.5% in 2015.

We are exploring additional avenues to provide exceptional support services to our numerous clients in meeting their diverse business needs, whilst maintaining the high quality of our product offerings. We remain optimistic about our growth prospects”.

- Ends -

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C & I LEASING PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Group		Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
<b>Assets</b>				
Cash and balances with banks	983,183	1,417,825	255,259	657,616
Loans and receivables	226,512	471,528	226,512	471,528
Trade and other receivables	9,962,673	6,542,523	16,527,685	11,945,566
Finance lease receivables	1,728,632	2,433,283	1,724,539	1,919,164
Available for sale assets	20,044	15,379	20,044	15,379
Investment in subsidiaries	-	-	758,967	1,458,967
Other assets	314,778	160,990	122,411	153,703
Inventories	229,219	431,200	229,219	62,992
Operating lease assets	22,521,767	15,475,375	5,124,241	5,384,311
Property, plant and equipment	1,479,740	1,418,287	1,144,951	1,094,794
Intangible assets	27,631	34,321	24,472	34,321
Current income tax assets	26,556	22,699	-	-
Deferred income tax assets	850,965	854,607	854,607	813,120
<b>Total assets</b>	<b>38,371,700</b>	<b>29,278,017</b>	<b>27,012,907</b>	<b>24,011,461</b>
<b>Liabilities</b>				
Balances due to banks	910,963	718,804	803,740	677,208
Commercial notes	7,060,371	5,598,090	7,337,187	5,587,884
Trade and other payables	5,300,648	3,261,843	4,669,794	3,041,772
Current income tax liability	102,392	464,216	102,393	440,816
Borrowings	16,699,543	13,356,957	8,377,788	7,610,963
Retirement benefit obligations	37,024	47,989	37,024	47,989
Deferred income tax liability	167,732	141,125	-	-
<b>Total liabilities</b>	<b>30,278,673</b>	<b>23,589,024</b>	<b>21,327,926</b>	<b>17,406,632</b>
<b>Equity</b>				
Share capital	808,505	808,505	808,505	808,505
Deposit for shares	2,466,012	2,453,528	2,466,012	2,453,528
Share premium	679,526	679,526	679,526	679,526
Statutory reserve	1,039,228	829,325	651,203	651,203
Statutory credit reserve	626,343	613,725	613,585	597,077
Retained earnings	511,859	(54,767)	(176,753)	1,223,732
Foreign currency translation reserve	1,097,318	(393,369)	-	(384,323)
AFS fair value reserve	(848)	(5,513)	(848)	(5,513)
Revaluation reserve	643,246	581,094	643,751	581,094
	7,871,189	5,512,054	5,684,981	6,604,829
Non-controlling interest	221,838	176,939	-	-
<b>Total equity</b>	<b>8,093,027</b>	<b>5,688,993</b>	<b>5,684,981</b>	<b>6,604,829</b>
<b>Total liabilities and equity</b>	<b>38,371,700</b>	<b>29,278,017</b>	<b>27,012,907</b>	<b>24,011,461</b>

C & I LEASING PLC

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Group		Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
<b>Gross earnings</b>	<b>17,015,799</b>	14,577,657	<b>14,511,291</b>	12,847,336
Lease rental income	9,110,756	8,177,053	6,734,162	6,690,641
Lease interest expenses	(2,750,118)	(2,193,854)	(1,503,388)	(1,355,274)
<b>Net lease rental income</b>	<b>6,360,638</b>	5,983,199	<b>5,230,774</b>	5,335,367
Outsourcing income	5,897,682	5,509,121	5,897,682	5,509,121
Outsourcing expenses	(5,179,863)	(4,821,896)	(5,179,863)	(4,821,896)
<b>Net outsourcing income</b>	<b>717,819</b>	687,225	<b>717,819</b>	687,225
Vehicle sales	386,584	259,185	386,584	-
Vehicle operating expenses	(345,959)	(210,888)	(345,959)	-
<b>Net income from vehicle sales</b>	<b>40,625</b>	48,297	<b>40,625</b>	-
Tracking income	388,880	130,594	388,880	130,594
Tracking expenses	(287,233)	(31,361)	(287,233)	(31,361)
Net tracking income	101,647	99,233	101,647	99,233
Interest income	8,927	20,391	8,927	170,580
Other operating income	1,222,970	481,313	1,095,056	346,400
Operating expenses	(2,741,266)	(2,681,670)	(4,316,854)	(3,214,250)
Impairment charge	(604,798)	(130,020)	(604,798)	(129,237)
Depreciation expense	(2,147,560)	(1,968,852)	(556,472)	(1,174,806)
Personnel expenses	(788,638)	(762,388)	(714,557)	(647,069)
Distribution expenses	(20,663)	(13,479)	(20,663)	-
Other operating expenses	(1,113,477)	(1,297,610)	(943,122)	(1,067,609)
Profit on continuing operations before taxation	1,036,224	465,639	38,382	405,834
<b>Income tax</b>	<b>(115,357)</b>	(316,871)	<b>(48,592)</b>	(262,803)
Profit after tax	920,867	148,768	(10,210)	143,031
<b>Profit for the year</b>	<b>920,867</b>	148,768	<b>(10,210)</b>	143,031
<b>Profit attributable to:</b>				
Owners of the parent	875,968	139,203	(10,210)	143,031
Non-controlling interests	44,899	9,565	-	-
	<b>920,867</b>	148,768	<b>(10,210)</b>	143,031
Appropriation of profit attributable to owners of the parent:				
Transfer to statutory reserve	209,903	106,804	-	42,909
Transfer to retained earnings	666,065	32,399	(10,210)	100,122
	<b>875,968</b>	139,203	<b>(10,210)</b>	143,031
Basic earnings per share [kobo]	<b>54.17</b>	8.61	<b>(0.63)</b>	8.85

**- Notes to Editors –**

C&I Leasing is a foremost brand for finance leases and other ancillary services in Nigeria. The C&I Leasing group of companies is made up of 3 divisions, Fleet Management, Outsourcing and Marine divisions and 2 subsidiaries in Leasafric, Ghana and EPIC International FZE, United Arab Emirates. With a Balance sheet of over ₦38 billion, a staff strength of over 4,500 people, and operational offices in Lagos, Port Harcourt, Abuja, and Ghana, the Company takes pride in its track record of exceptional and qualitative service delivery. Today, the C&I Leasing plc brand can be felt in major sectors of the Nigerian economy, providing specialised services especially in Marine, Telecommunications, oil and Gas, Equipment Rentals, Manpower outsourcing and Transportation.

In 1997, C&I Leasing Plc concluded a major restructuring that saw its conversion to a public company with its share listed on the official list of the Nigerian Stock Exchange as the only leasing and support and logistics rentals services company.

For more information, please visit the Company's website [www.c-ileasing.com](http://www.c-ileasing.com)

**Cautionary note regarding forward looking statements**

This release contains forward-looking statements which reflect management's expectations regarding the group's future growth, results of operations, performance, business prospects and opportunities. Wherever possible, words such as "anticipate", "believe", "expects", "intend", "estimate", "project", "target", "risks", "goals" and similar terms and phrases have been used to identify the forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to the Group's management. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking statements. These factors or assumptions are subject to inherent risks and uncertainties surrounding future expectations generally. Forward-looking statements therefore speak only as of the date they are made.

C&I Leasing Plc cautions readers that a number of factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and undue reliance should not be placed on the forward-looking statements. For additional information with respect to certain of these risks or factors, reference should be made to the Group's continuous disclosure materials filed from time to time with the Central Bank of Nigeria as well as the Nigerian Stock Exchange. The Group disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This Full Year 2016 Results press release should be read in conjunction with our audited Full Year 2016 financial statements. The results press release is also available on our website at [www.c-ileasing.com](http://www.c-ileasing.com) Unless otherwise indicated, all amounts are expressed in Nigerian naira, and have been primarily derived from the Company's annual consolidated financial statements prepared in accordance with the international financial reporting standards (IFRS). The accounting policies used in the preparation of these consolidated financial statements are consistent with those used in the Group's Full Year 2015 audited financial statements.