



## PRESS RELEASE July 31, 2017

### **C&I Leasing Plc Records Revenue Growth of 32.3% To ₦11.5 Billion From ₦8.7 Billion And 248.1% Increase In Profit Before Tax To ₦614.9 Million**

C&I Leasing Plc. ('C&I Leasing', 'the Company' or 'the Group') announces its unaudited results for the half year ended 30 June 2017

#### **Consolidated Income Statement**

- Revenue of ₦11.5 billion, up 32.3% year-on-year (June 2016: ₦8.7 billion)
- Net operating income of ₦3.4 billion, up 33.1% year-on-year (June 2016: ₦2.6 billion)
- Profit before tax of ₦614.9 million, an increase of 248.1% year-on-year (June 2016: ₦176.7 million)
- Profit after tax of ₦580.0 million, up 298.9% year-on-year (June 2016: ₦145.4 million)
- Basic earnings per share<sup>1</sup> of 35.87 kobo, up 299.0% year-on-year (June 2016: 8.99 kobo)

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

- Total assets of ₦44.2 billion, up 18.5% year-on-year (June 2016: ₦37.3 billion)
- Operating lease assets of ₦27.7 billion, up 33.2% year-on-year (June 2016: ₦20.8 billion)

#### **Key Ratios**

- EBITDA margin<sup>2</sup> of 31.2% (June 2016: 27.2%)
- Net profit margin<sup>3</sup> of 5.0% (June 2016: 1.7%)
- EBITDA/Interest expense of 2.0x (June 2016: 1.8x)
- Return on equity<sup>4</sup> (post tax) of 6.9% (June 2016: 2.0%)
- Net Debt<sup>5</sup>/ EBITDA of 9.6x (June 2016: 11.5x)
- Net Debt/Equity of 4.3x (June 2016: 3.2x)
- Net Debt/Total Capitalisation of 0.79x (June 2016: 0.73x)
- Total Debt/Total Capitalisation of 0.82x (June 2016: 0.77x)

<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

- Net Debt/Operating Profit of 59.9x (June 2016: 197.7x)
- Asset turnover<sup>6</sup> of 0.28 times compared to 0.26 times in June 2016
- Capital adequacy ratio<sup>7</sup> of 18.3% (June 2016: 23.2%) (CBN: 12.5%)

### Operational Highlights

- Marine Services remains strong and stable during the year as it commenced a contract for the provision of 4 new vessels to NLNG and has recently received its 80 ton bollard pull vessel, 'MV Bello 2015' for a SNEPCO contract. The marine unit recorded 85% utilization on its assets despite the industry related challenges in the Oil and Gas sector. C&I is also building three more boats which will be delivered next year.
- Fleet Management continues to grow the business across the country, despite the high price of new vehicles. It is also using technology to improve its cost efficiency, especially in the maintenance of vehicles.
- 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.

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

“ The strength in the diversity of our business is once again at play in our financial performance. Our three business lines namely, Marine, Fleet management and Outsourcing are gaining strength in their different markets with each contributing positively to the overall performance of the business. This is not without the difficulties faced in the operating environment with rising financing and operating costs coupled with continuous pressure on turnover.

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. Despite inflation averaging 17.2% in the period under review, our operating expenses grew by a meagre 2% - underscoring the strength of the cost control and efficiency measures we have put in place. Furthermore, demonstrating the benefits of diversification, our subsidiaries (Leasafic, Ghana and EPIC International FZE, United Arab Emirates) contributed 27% to the Group's revenue for the period relative to 22% in 2016.

Our plan for the rest of the year includes improving on cost efficiency while growing market share in our areas of operation. We are therefore investing a lot in technology based solutions that will help improve operational efficiency in the business.

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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

We are also 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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<b>C &amp; I LEASING PLC</b>				
<b>CONSOLIDATED INCOME STATEMENT</b>				
<b>FOR THE HALF YEAR ENDED 30 JUNE 2017</b>				
	<b>Group</b>		<b>Company</b>	
	<b>6 Months to June 2017</b>	<b>6 Months to June 2016</b>	<b>6 Months to June 2017</b>	<b>6 Months to June 2016</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>Gross earnings</b>	<b>11,546,025</b>	<b>8,729,225</b>	<b>8,467,860</b>	<b>6,704,157</b>
Lease rental income	8,072,232	5,493,112	5,088,874	3,539,818
Lease interest expenses	(1,782,156)	(1,305,805)	(949,441)	(752,119)
<b>Net lease rental income</b>	<b>6,290,077</b>	<b>4,187,307</b>	<b>4,139,433</b>	<b>2,787,699</b>
Outsourcing income	3,012,837	2,713,835	3,012,837	2,714,334
Outsourcing expenses	(2,655,060)	(2,476,440)	(2,655,060)	(2,476,440)
<b>Net outsourcing income</b>	<b>357,777</b>	<b>237,394</b>	<b>357,777</b>	<b>237,893</b>
Vehicle sales	330,196	98,244	330,196	98,244
Vehicle operating expenses	(413,557)	(112,958)	(413,557)	(112,958)
<b>Net income from vehicle sales</b>	<b>(83,361)</b>	<b>(14,714)</b>	<b>(83,361)</b>	<b>(14,714)</b>
Tracking income	109,329	76,245	109,329	76,245
Tracking expenses	(44,805)	(51,661)	(44,805)	(51,661)
<b>Net tracking income</b>	<b>64,524</b>	<b>24,583</b>	<b>64,524</b>	<b>24,583</b>
Interest income	39,205	33,517	191	2,124
Other operating income	(17,774)	314,272	(73,567)	273,393
Operating expenses	(3,232,375)	(2,214,957)	(2,594,258)	(2,003,706)
	<b>3,418,073</b>	<b>2,567,404</b>	<b>1,810,739</b>	<b>1,307,273</b>
Impairment charge	(227,182)	(61,950)	(229,059)	(61,950)
Depreciation expense	(1,209,894)	(830,112)	(209,024)	(309,017)
Personnel expenses	(477,826)	(388,644)	(370,483)	(355,500)
Distribution expenses	(11,015)	(5,439)	(11,015)	(5,439)
Other operating expenses	(877,229)	(1,104,585)	(781,583)	(788,385)
<b>Profit on continuing operations before taxation</b>	<b>614,927</b>	<b>176,672</b>	<b>209,575</b>	<b>(213,018)</b>
<b>Income tax</b>	<b>(34,897)</b>	<b>(31,267)</b>	<b>(34,897)</b>	<b>(31,267)</b>
<b>Profit for the year from continuing operations</b>	<b>580,030</b>	<b>145,405</b>	<b>174,678</b>	<b>(244,285)</b>
<b>Profit for the year</b>	<b>580,030</b>	<b>145,405</b>	<b>174,678</b>	<b>(244,285)</b>
<b>Profit attributable to:</b>				
Owners of the parent	506,303	77,295	174,678	(244,285)
Non-controlling interests	73,727	68,111		
	<b>580,030</b>	<b>145,405</b>	<b>174,678</b>	<b>(244,285)</b>
<b>Appropriation of profit attributable to owners of the parent:</b>				
Transfer to statutory reserve	151,891	94,803	52,403	(73,286)
Transfer to statutory credit reserve				-
Transfer to retained earnings	354,412	221,206	122,275	(171,000)
	<b>506,303</b>	<b>316,009</b>	<b>174,678</b>	<b>(244,285)</b>
Basic earnings per share [kobo]	<b>35.87</b>	<b>20.28</b>	<b>10.80</b>	<b>-15.11</b>

<b>C&amp;I LEASING PLC</b>				
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>				
<b>AS AT 30 JUNE 2017</b>				
	<b>Group</b>		<b>Company</b>	
	<b>30 June 2017</b>	<b>31 December 2016</b>	<b>30 June 2017</b>	<b>31 December 2016</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>Assets</b>				
Cash and balances with banks	1,356,234	983,183	372,065	255,259
Loans and receivables	273,760	226,512	270,699	226,512
Trade and other receivables	10,473,257	9,962,673	17,401,998	16,527,685
Finance lease receivables	1,424,599	1,728,632	1,402,104	1,724,539
Available for sale assets	20,044	20,044	20,044	20,044
Investment in subsidiaries	-	-	758,967	758,967
Other assets	472,804	314,778	299,160	122,411
Inventories	168,831	229,219	168,831	229,219
Operating lease assets	27,694,959	22,521,767	4,946,443	5,124,241
Property, plant and equipment	1,484,986	1,479,740	1,142,337	1,144,951
Intangible assets	22,580	27,631	15,787	24,472
Current income tax assets	-	26,556	-	-
Deferred income tax assets	854,607	850,965	854,607	854,607
<b>Total assets</b>	<b>44,246,661</b>	<b>38,371,700</b>	<b>27,653,042</b>	<b>27,012,907</b>
<b>Liabilities</b>				
Balances due to banks	673,628	910,963	601,725	803,740
Commercial notes	8,189,091	7,060,371	8,162,279	7,337,187
Trade and other payables	6,879,939	5,300,648	5,644,928	4,669,794
Current income tax liability	101,460	102,392	135,742	102,393
Borrowings	19,918,729	16,699,543	7,216,732	8,377,788
Retirement benefit obligations	94,813	37,024	94,813	37,024
Deferred income tax liability	164,432	167,732	-	-
<b>Total liabilities</b>	<b>36,022,093</b>	<b>30,278,673</b>	<b>21,856,219</b>	<b>21,327,926</b>
<b>Equity</b>				
Share capital	808,505	808,505	808,505	808,505
Deposit for shares	2,405,112	2,466,012	2,405,112	2,466,012
Share premium	679,526	679,526	679,526	679,526
Statutory reserve	1,191,119	1,039,228	703,606	651,203
Statutory credit reserve	626,343	626,343	613,583	613,585
Retained earnings	866,271	511,859	(56,414)	(176,753)
Foreign currency translation reserve	709,728	1,097,318	-	-
AFS fair value reserve	(848)	(848)	(848)	(848)
Revaluation reserve	643,246	643,246	643,751	643,751
	7,929,003	7,871,189	5,796,822	5,684,981
Non-controlling interest	295,565	221,838	-	-
<b>Total equity</b>	<b>8,224,568</b>	<b>8,093,027</b>	<b>5,796,822</b>	<b>5,684,981</b>
<b>Total liabilities and equity</b>	<b>44,246,661</b>	<b>38,371,700</b>	<b>27,653,042</b>	<b>27,012,907</b>

**- Notes to Editors –**

C&I Leasing is a foremost brand for leasing and logistics solution 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 high quality service delivery. Today, the C&I Leasing plc brand can be seen in major sectors of the Nigerian economy, providing specialised services 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 on some 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.