



## Earnings Update: UNITED CAPITAL PLC. (Ticker: UCAP)

### Forging Ahead Despite Murky Waters

#### THINGS WE LIKE ABOUT THE RESULT

1. Total revenue grew by 70.64% year-on-year (y/y) to ₦45.91 billion in full year 2023 from the ₦26.91 billion recorded in full 2022.
2. Net trading income and other income both advanced by 62.78% and 865.49% respectively.
3. The surge in net gain on financial instruments by 4093.14%.
4. Profit Before Tax and Profit After Tax both appreciated by 28.18% and 18.30% to ₦17.30 billion and ₦11.41 billion, respectively.
5. Total assets grew by 54.83% as at December 2023 compared to the full year 2022.

#### THINGS WE DID NOT LIKE ABOUT THE RESULT

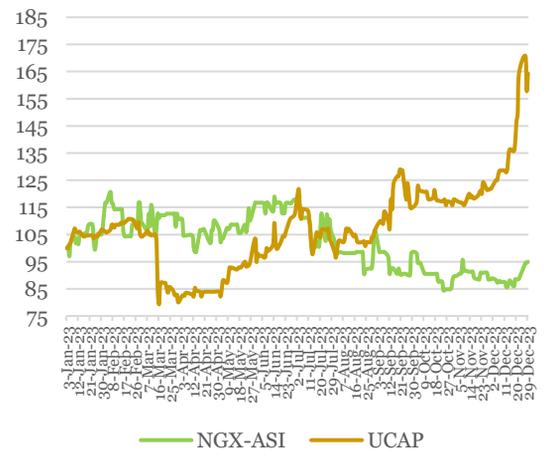
1. The sharp increase in other operating and total expenses by 34.73%/y/y and 113.47%/y/y in full year 2023 compared to full year 2022.
2. Investment and Net operating income both declined by 38.31% and 15.53% respectively.

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

#### Fiscal Year End: December

TICKER	UCAP
Price (₦) at 26 Mar 2024	21.90
Shares Outstanding	6,000,000,000.00
52 Weeks High (₦)	27.65
52 Weeks Low (₦)	11.20
Market Cap	131,400.00m
Price-to-Book	3.10
EPS – P/E	1.59 - 13.76
RSI 14	48.80
MACD	0.11
Proposed Dividend	₦1.80k

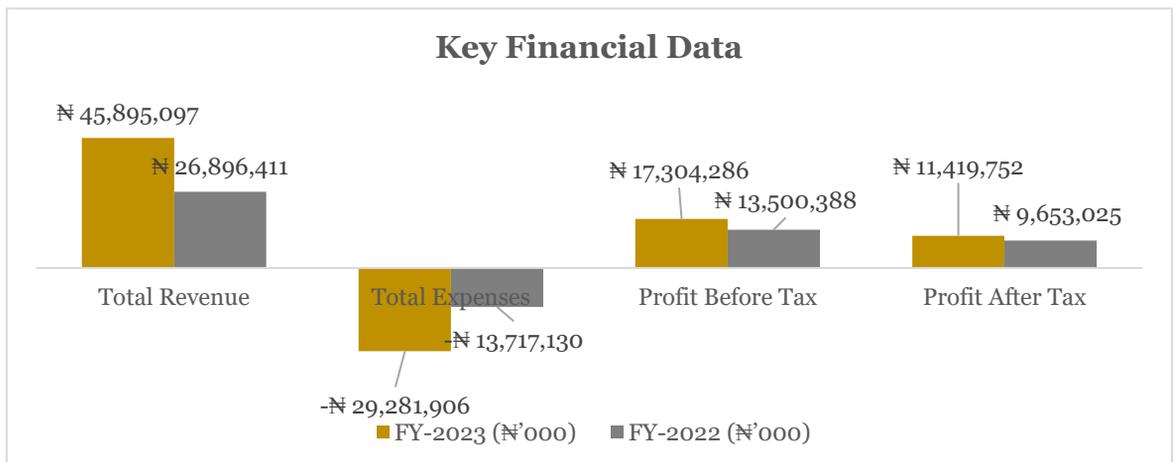
Rebased Price Performance of UCAP and NGX-ASI in 2023



Source: investing.com, Parthian Securities Research



<b>INCOME STATEMENT</b>	<b>FY-2023 (₹'000)</b>	<b>FY-2022 (₹'000)</b>	<b>Change (%)</b>
Investment income	8,524,788	13,819,670	-38.31%
Fee and commission income	8,096,450	8,123,215	-0.33%
Net trading income	3,977,495	2,443,423	62.78%
Net operating income	20,598,733	24,386,308	-15.53%
Other income	24,445,753	2,531,952	865.49%
Net (loss)/gain on financial assets at fair value through profit or loss	850,612	(21,849)	4093.14%
<b>Total Revenue</b>	<b>45,895,097</b>	<b>26,896,411</b>	<b>70.64%</b>
Personnel expenses	(3,537,746)	(2,339,058)	51.25%
Other operating expenses	(6,601,607)	(4,899,778)	34.73%
Depreciation of properties and equipment	(311,251)	(197,595)	57.52%
Amortisation of intangible & right of use assets	(133,517)	(108,005)	23.62%
Impairment for credit losses	(18,697,784)	(6,172,694)	202.91%
<b>Total Expenses</b>	<b>(29,281,906)</b>	<b>(13,717,130)</b>	<b>113.47%</b>
Operating profit before income tax	16,613,192	13,179,281	26.06%
Share of accumulated profit of associates	691,094	321,107	115.22%
<b>Profit before income tax</b>	<b>17,304,286</b>	<b>13,500,388</b>	<b>28.18%</b>
Taxation	(5,884,534)	(3,847,363)	52.95%
<b>Profit for the period</b>	<b>11,419,752</b>	<b>9,653,025</b>	<b>18.30%</b>
<b>STATEMENT OF FINANCIAL POSITION</b>	<b>Dec-2023 (₹'000)</b>	<b>Dec-2022 (₹'000)</b>	<b>Change (%)</b>
Cash and cash equivalents	145,255,523	149,867,038	-3.08%
Investment securities	693,984,483	386,544,095	79.54%
Trade and other receivables	85,463,551	58,943,091	44.99%
Right of use assets	94,692	141,944	-33.29%
Intangible assets	188,615	179,301	5.19%
Investments in associates	5,305,788	4,614,694	14.98%
Property and equipment	1,253,484	386,555	224.27%
Deferred tax assets	402,044	1,238,493	-67.54%
<b>Total Assets</b>	<b>931,948,180</b>	<b>601,915,211</b>	<b>54.83%</b>
Managed funds	600,106,217	413,698,697	45.06%
Borrowed funds	200,822,968	100,454,344	99.91%
Other liabilities	27,782,946	48,649,198	-42.89%
<b>Total Liabilities</b>	<b>841,234,755</b>	<b>568,927,921</b>	<b>47.86%</b>
<b>Total Shareholders Fund</b>	<b>90,713,425</b>	<b>32,987,290</b>	<b>175.00%</b>
<b>Total Liabilities and Shareholders Fund</b>	<b>931,948,180</b>	<b>601,915,211</b>	<b>54.83%</b>
<b>STATEMENT OF CASHFLOW</b>	<b>Dec-2023 (₹'000)</b>	<b>Dec-2022 (₹'000)</b>	<b>Change (%)</b>
Net cash used in operating activities	139,944,966	109,625,972	27.66%
Net cash used in investing activities	(240,584,502)	(20,087,996)	1097.65%
Net cash used in financing activities	89,648,627	8,035,653	1015.64%





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