



# DataPro



## **CORPORATE RATING REPORT**

## **JULIUS BERGER NIGERIA PLC**

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January, 2023

# JULIUS BERGER NIGERIA PLC

## Long-Term Rating:

# A

Short Term Rating: A1

Previous Rating: A

Rating Outlook: Positive

Trend: Up

Currency: Naira

Date Issued: 23 Jan, 2023

Valid Till: 22 Jan., 2024

## Reference:

Abiodun Adeseyoju, FCA.  
Abimbola Adeseyoju  
Oladele Adeoye

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## EXECUTIVE SUMMARY

	2021 ₦'000	2020 ₦'000	2019 ₦'000
Gross Earnings	317,210,503	235,206,675	243,488,979
Profit Before Tax	10,794,746	8,075,009	10,079,724
Shareholders' Funds	29,912,838	22,764,368	20,394,170
Total Liabilities	424,916,943	268,582,396	252,482,837
Non-Current Assets	185,329,194	159,430,122	140,420,982
Total Assets	454,829,781	291,346,764	272,877,007

### Rating Explanation:

The Short-Term Rating of **A1** indicates *Good Credit Quality* and Satisfactory capacity for timely payment of financial commitments.

The Long-Term Rating of **A** indicates *Low Risk*. It shows Very Good Financial Strength, Operating Performance and Business Profile when compared to the standard established by *DataPro*. This Company, in our opinion, has a strong ability to meet its ongoing obligations.

## RATING SYNOPSIS

The Rating took into consideration all relevant qualitative and quantitative factors to arrive at the assigned risk indicator.

The qualitative information used were based on industry and market intelligence including public information. The quantitative information was obtained from the Company's Audited and Management Accounts.

The risk factors were assessed using the Company's Capitalization, Earnings Profile, Liquidity, Corporate Governance, Regulatory Compliance and Sustainability of its current healthy profile in the medium to long term period.

Overall, the following were observed:

### Positive Rating Factors

- Good Liquidity
- Good Profitability
- Experienced Management Team
- Strong Brand Presence

### Negative Rating Factors

- High Debt Profile
- High Credit Risk

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## BACKGROUND

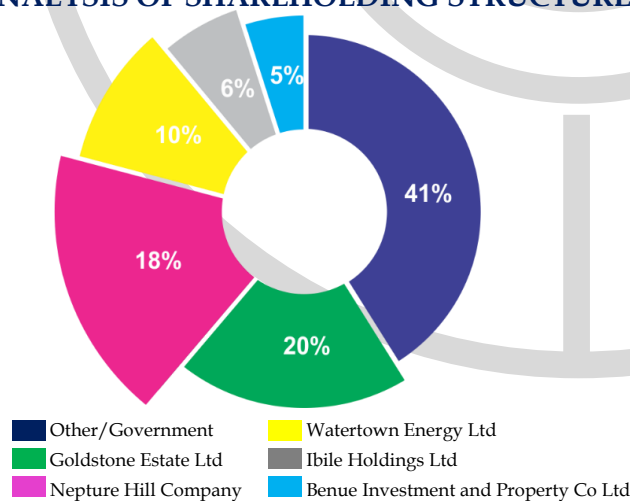
*Julius Berger Nigeria Plc ("The Company")*, originally known as *Julius Berger Nigeria Limited*, was established as a construction company with its registered office in Nigeria. The Company was incorporated on February 18, 1970 as a Private Limited Liability Company. It subsequently converted to a Public Limited Liability Company and its Shares became listed on the *Nigerian Exchange Group (NGX)* on September 20, 1991.

The principal activities of the Company are the planning and construction of all kinds of civil engineering works. The Company focuses on providing a wide range of services in design, engineering, procurement and construction, as well as operation, facility management services and maintenance. It specializes in developing complex infrastructure systems.

The infrastructure portfolio includes bridges, highways and regional roads as well as the construction of harbors, wharfs, jetties, airports and railways across Nigeria's six geopolitical zones. The Company has successfully designed, constructed and engineered buildings, which serve a range of functions, including administration, commercial and industrial, hotels, hospitals, airport terminals, sports facilities and residential districts. Over the past five (5) decades the Company has successfully completed numerous construction projects of important highways, bridges, and buildings throughout the nation.

The Construction experience of the Company spans over 600 buildings, 20 industrial facilities and 130 infrastructure projects. Its customers include Public and Private Clients.

### ANALYSIS OF SHAREHOLDING STRUCTURE



Source: Julius Berger Plc

Some of the major projects executed by the Company include: *Second Mainland Bridge (Eko Bridge), Falomo Bridge, Lekki-Ikoyi (Admiralty Alexander) Link Bridge in Lagos, Tin Can Island Port, Ajaokuta Road Bridge, Steel Plant and Administration Building, the New Carter Bridge, Jos Steel Rolling mill* amongst several others.

Operations of the Company also spans through the domestic and international Oil and Gas industry

in southern Nigeria.

The Company has seven (7) subsidiaries which enables it to effectively manage and fulfill construction projects from the initial idea, through to design and engineering, construction as well as maintenance. The Subsidiaries and the respective holdings of the Company are: *PrimeTech Design and Engineering Nigeria Limited* (100%), *Julius Berger Medical Services Limited* (100%), *Julius Berger Services Nigeria Limited* (100%), *Julius Berger International GmbH* (100%), *Julius Berger Free Zone Enterprise* (100%), *Julius Berger Investment Limited* (100%) and *Abumet Nigeria Limited* (90%).

## DIRECTORS' PROFILE

The following are the current Board Members of the Company: *Mr Mutiu Sunmonu - Chairman; Mr George Marks - Vice Chairman; Dr Lars Richter - Managing Director; Mr Christian Hausemann; Alhaji Zubairu Ibrahim Bayi; Mr. Tobias Meletschus; Engr. Jafaru Damulak; Dr Ernest Nnaemeka Azudialu-Obiejesi; Mrs Gladys Olubusola Talabi; Mrs. Belinda Ajoke Disu; Engr. Goni Musa Sheikh and Mr Ernest Chukwudi Ebi*

The profile of the Company directors is as follows:

- 1. Name:** Mr Mutiu Sunmonu, CON  
**Position:** Chairman  
**Education:** •B.Sc- University of Lagos, Akoka  
**Experience:** •Shell Petroleum Development Company  
**Board Membership:** •Julius Berger Investment Ltd  
 •SanLeon Energy (UK) Plc  
 •Alpha Mead Group  
 •Coronation Insurance Plc  
 •Petralon Energy Limited  
 •Unilever Nigeria Plc  
**Year of Board Membership:** 2015
- 2. Name:** Mr George Marks  
**Position:** Vice Chairman  
**Education:** •Bachelor of Business Administration - Chamber of Commerce and industry, Mannheim, Germany  
 •Hon. Doctorate of Science in Engineering - Lagos State University.  
**Experience:** •Bilfinger Berger SE  
 •Julius Berger International GmbH  
**Board Membership:** •Centenary City Plc  
**Year of Board Membership:** 2013
- 3. Name:** Dr Lars Richter  
**Position:** Managing Director  
**Education:** •Technical University of Berlin

**Experience:**

- Technical University of Darmstadt, Germany
- Bilfinger Berger AG
- Julius Berger Nigeria Plc

**Board Membership:**

- PrimeTech Design and Engineering Nigeria Ltd.

**Year of Board Membership:** 2018

4. **Name:** Mr Christian Hausemann  
**Position:** Executive (Financial) Director  
**Education:**
  - B. Sc - SLS Business School, Erfurt, Germany.**Experience:**
  - Bilfinger Berger
  - Julius Berger International GmbH**Board Membership:**
  - Julius Berger Medical Services Ltd
  - Julius Berger FZE**Year of Board Membership:** 2022
5. **Name:** Alhaji Zubairu Ibrahim Bayi  
**Position:** Executive Director  
**Education:**
  - B.Sc - Ahmadu Bello University, Kaduna**Experience:**
  - Julius Berger Nigeria Plc**Board Membership:**
  - Julius Berger Services Nigeria Ltd**Year of Board Membership:** 2013
6. **Name:** Mr. Tobias Meletschus  
**Position:** Executive Director  
**Education:**
  - M.Sc - Saarland University, Germany**Experience:**
  - Julius Berger Nigeria Plc
  - Julius Berger International GmbH**Board Membership:**
  - Abumet Nigeria Limited
  - Julius Berger Investment Ltd**Year of Board Membership:** 2018
7. **Name:** Engr. Jafaru Damulak  
**Position:** Non-Executive Director  
**Education:**
  - B.Sc - Ahmadu Bello University, Kaduna**Experience:**
  - Julius Berger Nigeria Plc
  - Elm Properties and Estate Development Company Limited**Board Membership:**
  - PrimeTech Designs and Engineering Nigeria Limited
  - Julius Berger Free Zone Enterprise
  - Elm Properties and Estate Development Company Ltd.
  - NETCOM Africa Ltd
  - Duport Midstream Company Ltd.**Year of Board Membership:** 2007
8. **Name:** Mr. Ernest Chukwudi Ebi, MFR

**Position:** Independent Executive Director  
**Education:**

- Howard University, Washington DC, USA.
- MBA

**Experience:**

- Central Bank of Nigeria

**Board Membership:**

- Agrited Nigeria Ltd
- AIICO Pension Managers Ltd
- Beloxi Industries Ltd
- Julius Berger Services Nigeria Ltd
- Dangote Cement Plc
- Travelex Nigeria Ltd
- Coronation Capital Ltd
- Coronation Asset Management Ltd.

**Year of Board Membership:** 2019

**9. Name:** Mrs Gladys Olubusola Talabi  
**Profession:** Non-Executive Director  
**Position:** Executive Director  
**Education:**

- LLB, M.Sc (Law)-University of Lagos
- PGD (Banking and Finance) Financial Institution Training Center (FITC) Lagos

**Experience:**

- Julius Berger Nigeria Plc
- Elm Properties and Estate Development Company Limited

**Board Membership:**

- Globacom Limited

**Year of Board Membership:** 2017

**10. Name:** Dr Ernest Nnaemeka Azudialu-Obiejesi  
**Position:** Non-Executive Director  
**Education:**

- B.Sc- University of Benin, Edo State
- M.Sc- University of Benin, Edo State
- PhD-University of Nigeria, Nnsukka

**Experience:**

- Obijackson Business Conglomerate
- Elm Properties and Estate Development Company Limited

**Board Membership:**

- Nestoil PLC
- Watertown Energy Ltd
- Smile Telecommunication Ltd
- Neconde Energy Ltd
- B&Q Dredging Ltd
- Energy Works Technology Ltd
- Royaloak Hydrocarbon Ltd

**Year of Board Membership:** 2012

**11. Name:** Mrs Belinda Ajoke Disu  
**Position:** Non-Executive Director  
**Profession:** Legal Practitioner  
**Education:**

- B.A- University of Massachusetts, USA

**Experience:**

- M.Sc (Leadership) – Northeastern University
- Julius Berger Nigeria Plc
- Elm Properties and Estate Development Company Limited

**Board Membership:**

- Abumet Limited
- Globacom Limited
- Cobblestone Properties & Estates Limited
- Mike Adenuga Centre

**Year of Board Membership:** 2017

**12. Name:** Engr. Goni Musa Sheikh  
**Position:** Non-Executive Director  
**Education:**

- B.Sc - University of Exeter, Camborne School of Mines, England
- M.Sc- Imperial College, University of London
- Diploma of the membership of Imperial College (DIC)

**Experience:**

- Nigeria Mining Corporation, Jos

**Board Membership:**

- Oriental Energy Resources Ltd
- Ezikel Refinery Ltd
- Nigsrve Energy Services Ltd

**Year of Board Membership:** 2019

**13. Name:** Amb. Adamu Saidu Daura, MFR  
**Position:** Non-Executive Director  
**Education:**

- Advanced Diploma in Public Administration - University of Jos

**Experience:**

- Federal Republic of Nigeria

**Board Membership:**

- Ripen Marine Contractor Limited
- Daberam Ventures Limited
- Atlantic Consortium Limited
- Feren’s Nigerian Limited
- Kaira Investment Limited

**Year of Board Membership:** 2022

**14. Name:** Mr Chidi Anya, ESQ  
**Position:** Non-Executive Director  
**Education:**

- LLB - University of Nigeria
- MILD - University of Lagos
- Nigerian Bar Association

**Experience:**

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**Board Membership:**

- Channings Law Firm
- FBN Holdings Plc

**Year of Board Membership:** 2019

## SECTORAL REVIEW

According to the National Bureau of Statistics, Nigeria's Gross Domestic Product grew by 3.54 per cent in the second quarter of 2022 on a year-on-year basis. This performance is higher when compared with the second quarter of 2021.

The Non-Oil sectors continued to drive the growth in GDP. This was due to the poor performance of the Oil Sector occasioned by pipeline vandalism and theft. The specific sectors contributing to the GDP growth are: Telecommunication, Trade, Financial and Insurance. Others include: Transportation, Agriculture and Manufacturing.

However, GDP from Construction in Nigeria decreased by 24% in the second quarter of 2022 compared with the first quarter of 2022.

Nigeria has a huge infrastructure deficit with total infrastructure stock in the country amounting to 30% of Gross Domestic Product (GDP), falling short of the international benchmark of 70% of GDP set by the World Bank. With Nigeria's population growing at a rate of over 2.5% per annum, and an expected population of 400 million people by 2050, the current state of infrastructure in the country is likely to be overwhelmed in the near future.

Nigeria's Construction market is expected to grow by 3.2% annually between 2021 and 2025 (*source: International Trade Administration*). This is coming at the back of a 7.7% decline in 2020 because of COVID-19 restrictions and drop in demand for Oil and Gas, being the main source of government earnings.

Despite several challenges, Nigeria's Construction sector is set to continue expanding. Construction projects in Nigeria are driven by both the government and private investors. Due to the increasing cost of key infrastructure projects in the country and dwindling government financing, the government has made use of **Public Private Partnership (PPP)** as a tool to finance projects for which the Government was not able to secure debt financing.

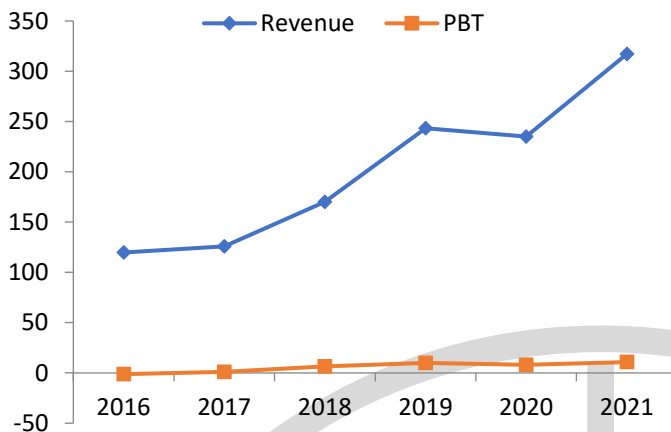
The Federal Government of Nigeria received the Senate approval in 2014 to begin the process of securing about \$22 billion in external loans for key infrastructure projects in the National Infrastructure Master Plan. Based on the proposed share of investment across critical sectors in Nigeria, the housing sector is expected to account for 11% of this fund while transportation (including roads) will account for 25% of the infrastructure investments.

## PROFITABILITY

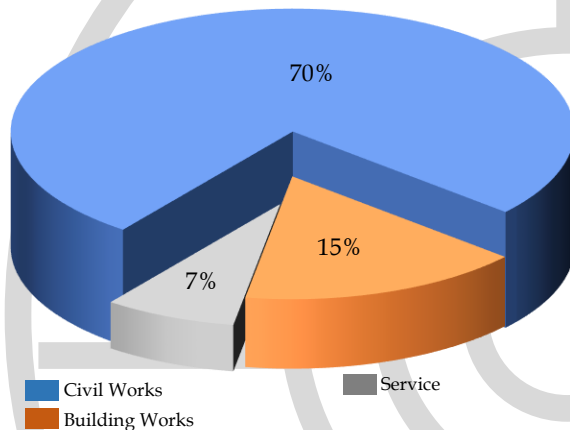
### • EARNINGS PROFILE

The Company continued to enjoy wide market share and increasing capacity through the development of essential infrastructure, establishment of local production facilities and transfer of new technologies.



**REVENUE GROWTH (2016 - 2021)**


Source: Julius Berger Plc

**COMPOSITION OF GROSS EARNINGS**


Source: Julius Berger Plc

There were two (2) main sources of Revenue for the Company; Construction Contract and Service Rendering. The Revenue of the business was generated primarily from Construction Contracts. In the year 2021, this contributed 93% of the Gross Earnings. Earnings as a whole increased by 35% from ₦235b (Yr.20) to ₦317 (Yr.21).

Revenue by segments was classified into Civil Works, Building Works and Services. Earnings were derived primarily from civil works accounting for 70% of total Revenue. Other income generated during the period includes Investment Income as well as gains arising from disposals. This amounted to ₦3.7b.

Direct costs increased by 38% from ₦189.7b (Yr. 19) to ₦260.8b (Yr. 20). This was slightly above the rise in Total Revenue during the reviewed year. Therefore, Gross Profit Margin declined from 19% (Yr.20) to 18% (Yr.21).

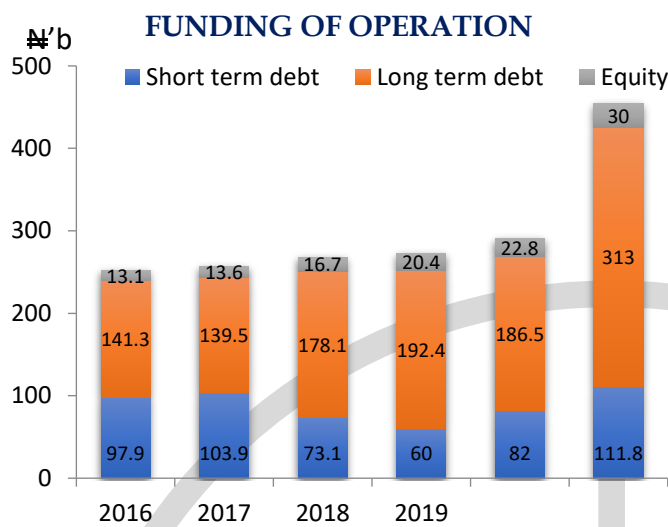
In view of rising administrative costs from ₦29.9b (Yr. 20) to ₦34.1b (Yr.21) and increase in foreign exchange acquisition losses to ₦9b (Yr. 20) as compared with ₦4b (Yr.21), Profit margin remained same at 4%. However, in absolute term, Profit Before Tax increased from ₦8.1b (Yr. 19) to ₦10.8b (Yr. 20).

## CAPITALIZATION

The Company's Equity continued to appreciate due to profit retention. Therefore, Shareholders' Fund grew by 32% from ₦22.8b (Yr. 20) to ₦29.9b (Yr. 21). Share Capital increased marginally in the year 2021 by ₦8m bringing its balance to ₦800m.

Total Assets comprised of Current and Non-Current Assets. The value at the year ended 2021 was ₦454b. This was 56% more than the value deployed to operation in the year 2020. Property, Plant & Equipment accounted for 15% of the Company's Total Assets. The Company invested an amount of ₦34.6b in the acquisition of Property,

Plant & Equipment during the year. Inventories made up 8%, while Trade & Other Receivables held 50% of Total Assets.



Source: Julius Berger Plc

Total Liabilities grew significantly from ₦268b (Yr.20) to ₦424b(Yr.21). The Company Liabilities were largely concentrated in Long term obligation. This amounted to 70% in the year 2021.

Equity funding of Company's Assets remained relatively same at 7% in the year 2020 and 2021. Debt funding was 93% during the year 2021.

Non-Interest-Bearing Liabilities represented by Contract liabilities stood at ₦289.6b. The total Interest-Bearing Loan of the

Company as at 2021 was ₦24.8b as against ₦27b held in year 2020.

## ASSET UTILITY

Total Assets deployed to operation in 2021 was ₦454.8b as against ₦291.3b in the year 2020. Growth in Current and Non-Current Assets contributed significantly to the expansion. The majority of the Company's Total Assets are short-termed in nature.

### COMPANY OPERATIONS FACILITIES

S/N	DESCRIPTION	CAPACITY (Approximate:m <sup>2</sup> )
1	Julius Berger's Main Yard	240,000
2	Julius Berger's Idu Yard	290,000
3	Berger's Utako Estate	152,000
4	Julius Berger's Uyo Yard	130,137,800
5	Julius Berger's Opolo Yard	60,000
6	Julius Berger's Lagos Yard	60,500

Source: Julius Berger Plc

Due to additions during the year, Property, Plant & Equipment recorded a total of ₦69.7b (Yr.21) as opposed to ₦42.3b (Yr. 20). It made up 15% of the Total Assets of the Company.

Administratively, the Company operates from its Registered Head office in **Abuja** as well as other operation hubs in **Uyo** and **Lagos**.

It maintains project related offices and site facilities across Nigeria. The major ones are as presented:

**COMPONENT OF TOTAL ASSETS**

Year Item	2020 ₦'000	%	2019 ₦'000	%
PPE	69,734,897	15.3	42,315,804	14.5
Investment in Subsidiaries	16,916,771	3.7	16,916,771	5.8
Trade and other receivables	224,374,966	49.2	159,003,275	54.6
Deferred tax Assets	5,213,061	1.1	4,011,003	1.4
Inventories	33,992,281	7.5	15,340,561	5.3
Tax receivables	31,783,928	7	29,471,664	10.1
Cash	55,978,451	13	20,253,663	7.0
Others	3,930,882	1.3	3,930,882	1.3
<b>Total Assets</b>	<b>454,829,781</b>	<b>100</b>	<b>291,346,764</b>	<b>100</b>

Trade and Other Receivables accounted for the major portion of Non-Current Assts. It represented 50% of the Company's Assets in the year 2021. These are Receivables with maximum age of 3years which the Company deemed recoverable.

*Source: Julius Berger Audited Accounts*

As at the year ended 2021, Current Assets doubled from ₦131.9b (Yr.20) to ₦269b (Yr.21). The reduction was largely due to the increase in Inventories, Cash Balances, dues from Related Parties and Trade Debtors. The Company's Current Assets comprised of Trading Properties which are: Inventory (12%), Trade and Other Receivables (61%), Tax receivable (5%) and Cash (21%).

Ability of the Company to effectively utilize Assets to generate Revenue was 69% and 81% in the year 2020 and 2021 respectively. Profit to Total Assets stood at 2% (Yr. 21) as against 3% in the previous year.

## LIQUIDITY

Total Liabilities stood at ₦424b (Yr.21). This accounted for a 56% growth compared with the year 2020. Short Term Liabilities constituted 26% of Total Liabilities. However, Long Term Liabilities increased significantly by 68%.

Contract Liabilities and Trade Payables contributed largely to the significant growth in Long Term Liabilities. The Contract Liability is a non-interest-bearing obligation. It grew from ₦167b (Yr. 20) to ₦289b (Yr. 21). Trade payables held 23% of Total Liabilities. This went up from ₦59b (Yr. 20) to ₦93b (Yr. 21).

The Company's Short-Term financing went up by 36% to ₦111b (Yr. 20) on account of the increase in Payables. As at 31<sup>st</sup> December, 2021, Short Term Liabilities mainly comprised of Bank Overdraft, Borrowings, Retirement Benefit Liabilities, Trade and other Payables, Lease Liabilities and Current Tax Payables. Bank Overdraft and Current Trade Payables majorly contributed to the rise in Current Liabilities during the year.

The Company generated positive cash flow of ₦75b (Yr. 21) from its operation. A significant growth compared to ₦9b (Yr. 20). The Company's ability to settle short term obligations using liquid assets was a healthy ratio of 241% in the year 2021.

## CORPORATE GOVERNANCE & RISK MANAGEMENT

The Board of the Company comprised five (4) Executives and Seven (9) Non-Executive members, of which one is Independent.

The Board recognizes that it has Reputational, Credit, Market and Operational Risks. The most significant Risk is the Credit Risk. The Company has policy in place to deal with its Risks. This is contained in its Audited Account for the year 2021.

## RISK FACTORS

In the course of our review of the Company's documents, we observed the following risk factors:

- **LIQUIDITY RISK**

This is the risk arising from inability to meet obligations as they fall due.

Based on our review, The Company's Liquid Assets provided adequate coverage for its most current Liabilities.

- **INTEREST RATE RISK**

This is the risk of loss to income arising from adverse movements in Interest Rates. The Company's interest-based liabilities are sourced from providers with required Interest charge. The inability of the Company to attract funds at favorable terms may affect Earnings. Especially, where the burden could not be passed to the clients.

- **CREDIT RISK**

This is the risk arising from the inability of counterparties to honor their obligations as and when due.

Based on our review, the Company's Total receivables for the year 2021 was ₦229b translating to 50% of its Total Assets. Therefore, inability of its trading partners to pay as at when due may affect the Company's profitability.

- **REPUTATIONAL RISK**

This is the risk that the Company will be exposed to reputational damage of its brand which may lead to loss of business.

Based on our review, there was no negative public information or adverse press report against the Company or its Board of Directors.

- **LEGAL RISK**

This is the risk that the Company will be exposed to Legal actions that may lead to payment of significant fees. The company is involved in several court cases as a result of the nature of its business.

- **EXCHANGE RATE RISK**

This is the risk of loss to income as a result of adverse movement in the Exchange Rate. Based on our review, we observed that the Company undertakes transaction dominated in foreign currency.

Therefore, adverse movement in exchange rate could have significant effect on its earnings.

## **FUTURE OUTLOOK**

The future outlook of the Company is hinged on its Investment and Development strategies. The Company has ongoing plans to expand its operations through diversification to the Agro-Processing Sector. The Board of Directors and Management believes that this will support the continued success of the Company in the future and will align with the strategic objective of the Government to stimulate value creation in Nigeria

## **REGULATORY ENVIRONMENT**

The Operation of the Company is subject to the regulations of the *Corporate Affairs Commission (CAC), Securities and Exchange Commission (SEC) and the Nigerian Exchange (NGX)*.

The Company subscribes to the regulations of the following Acts; *Corporate Governance Regulation FRC of Nigeria, SEC Codes, Investment and Securities Act 2007, Foreign Exchange Act, Cabotage Act, Nigerian Content Development Act, Public Procurement Act* and Applicable tax laws and regulations. The registration status of the Company is active as at the time of compiling this report.

## **CONCLUSION**

We have reviewed the document presented by the Company. The Rating is supported by its Very Good Liquidity Position, Good Profitability and Strong Brand Presence.

Consequently, we assigned a Rating of "A".

## FINANCES

Financial Position as at

	Dec, 2021		Dec, 2020		Dec, 2019
	₦'000	Δ%	₦'000	Δ%	₦'000
<b>ASSETS</b>					
Property, plant and Equipment	69,734,897	64.80	42,315,804	6.59	39,700,230
Right of use Assets	2,305,788	17.76	1,957,975	2.07	1,918,354
Investment Property	2,006,525	1.70	1,972,907	10.07	1,792,431
Investment in Subsidiary	16,916,771	-	16,916,771	-	16,916,771
Trade and other receivables	60,031,624	(7.43)	64,847,570	22.56	52,908,763
Tax Receivables	29,120,528	6.25	27,408,092	16.30	23,566,705
Deferred Tax Assets	5,213,061	29.97	4,011,003	10.87	3,617,728
Net Current Liabilities	157,716,008	216.40	49,847,723	(31.14)	72,391,777
<b>TOTAL ASSETS</b>	<b>343,045,202</b>	<b>63.92</b>	<b>209,277,845</b>	<b>(1.66)</b>	<b>212,812,759</b>
<b>NON CURRENT LIABILITIES</b>					
Borrowings	(3,279,636)	(40.41)	(5,503,437)	(24.34)	(7,273,975)
Retirement Benefit Liabilities	(2,863,996)	(11.17)	(3,224,121)	56.35	(2,062,135)
Deferred Tax Liabilities	(9,412,896)	22.34	(7,694,250)	2.47	(7,508,543)
Contract Liabilities	(289,640,487)	73.06	(167,360,747)	(1.51)	(169,930,198)
Lease liabilities	(878,382)	110.48	(417,324)	(12.43)	(476,568)
Trade and Other Payables	(6,756,967)	235.57	(2,013,598)	(58.63)	(4,867,170)
Provisions	(300,000)	-	(300,000)	-	(300,000)
<b>Net Assets</b>	<b>29,912,838</b>	<b>31.40</b>	<b>22,764,368</b>	<b>11.62</b>	<b>20,394,170</b>
<b>EQUITY</b>					
Share capital	800,000	1.01	792,000	20.00	660,000
Share Premium	425,440	-	425,440	-	425,440
Retained earnings	28,687,398	33.14	21,546,928	11.59	19,308,730
Attributable to equity holders of the parent	<b>29,912,838</b>	<b>31.40</b>	<b>22,764,368</b>	<b>11.62</b>	<b>20,394,170</b>
<b>Revenue and profit</b>					
Revenue	317,210,503	34.86	235,206,675	(3.40)	243,488,979
Profit Before Tax	10,794,746	33.68	8,075,009	(19.89)	10,079,724
Profit after taxation	7,782,070	55.32	5,010,198	(20.77)	6,323,248
Dividend			633,600	(76.00)	2,640,000

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**Signed:**   
**Name:** Oladele Adeoye  
**Designation:** Chief Rating Officer  
**Date:** 23 January, 2023

For and on behalf of:  
**DataPro Limited**  
Ground Floor, Foresight House  
By Marina Water Front  
163/165 Broad Street, Lagos Island, Lagos.  
Tel: 234-1-4605395, 4605396  
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## USER GUIDE

*DataPro's* credit rating is an opinion of an issuer's/issues overall creditworthiness and its capacity to meet its financial commitment.

Our *short-term* ratings have a time horizon of less than 12 months in line with industry standards reflecting risk characteristics. The ratings place greater emphasis on the liquidity to meet financial commitment in a timely manner.

The long-term risk indicator is divided into 8 bands ranging from AAA through DD. Each band could be modified by + or -. With + representing slightly less risk than -. Such suffixes are not added to the 'AAA' long -term rating category and to categories below 'CCC'. Or to short-term rating older than A1+.

### LONG-TERM RATING

#### Investment Grade

Indicator	Meaning	Explanation
AAA	Lowest Risk.	<i>(Superior)</i> Assigned to companies which have superior financial strength, operating performances and profile when compared to the standards established by <i>DataPro Limited</i> . These companies, in our opinion, have a Excellent ability to meet their ongoing obligations.
AA	Lower Risk	<i>(Excellent)</i> Assigned to companies which have excellent financial strength, operating performance and profile when compared to the standards established by <i>DataPro Limited</i> . These companies, in our opinion, have a very strong ability to meet their ongoing obligations.
A	Low Risk	<i>(Very Good)</i> Assigned to companies which have very good financial strength, operating performance And profile when compared to the standards established by <i>DataPro Limited</i> . These companies, in our opinion, have a strong ability to meet their ongoing obligation.
BBB	Slight Risk	<i>(Fair)</i> Assigned to companies which have fair financial strength, operating performance and profile when compared to the standards established by <i>DataPro Limited</i> . These companies, in our opinion, have an ability to meet their



current obligations, but their financial strength is vulnerable to adverse changes in economic conditions.

## Non-Investment Grade

### Indicator Meaning Explanation

BB	Moderate Risk	<i>(Marginal)</i> Assigned to companies which have, marginal financial strength, operating performance and profile when compared to the standards established by <i>DataPro Limited</i> . These companies, in our opinion have an ability to meet their current obligation, but their financial strength is vulnerable to adverse changes in economic conditions.
B	High Risk	<i>(Weak)</i> Assigned to companies which have, weak financial strength, operating performance and profile when compared to the standard established by <i>DataPro Limited</i> . These companies, in our opinion have an ability to meet their current obligation, but their financial strength is vulnerable to adverse changes in economic conditions.
CCC	Higher Risk	<i>(Poor)</i> Assigned to companies, which have poor financial strength, operating performance and profile when compared to the standards established <i>DataPro Limited</i> . These companies, in our opinion may not have an ability to meet their current obligation and their financial strength is extremely vulnerable to adverse changes in economic conditions.
DD	Highest Risk	<i>(Very Poor)</i> Assigned to companies, which have very poor financial strength, operating performance and profile when compared to the standards established by <i>DataPro Limited</i> . These companies, in our opinion may not have an ability to meet their current obligation and their financial strength is extremely vulnerable to adverse changes in economic conditions.

## SHORT-TERM RATING

Indicator	Meaning	Explanation
A1+	Highest credit quality	Indicates the strongest capacity for timely payment of financial commitments. May have an added “+” to denote any exceptionally strong credit feature.
A1	Good credit quality	A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of the higher ratings.
A2	Fair credit quality	The capacity for timely payment of financial commitments is adequate. However, near term adverse changes could result in reduction to non investment grade.
B	Speculative	Minimal capacity for timely payment of financial commitments, plus vulnerability to near term adverse changes in financial and economic conditions.
C	High default risk	Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon a sustained, favorable business and economic environment. Indicates an entity that has defaulted on all its financial obligations.