



DataPro



CORPORATE RATING REPORT

OJAJA PAN AFRICA LIMITED

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February, 2025

OJAJA PAN AFRICA LIMITED

Long-Term Rating:

BBB⁺

Short Term Rating: A1

Rating Outlook: Positive

Trend: Up

Currency: Naira

Date Issued: 4 Feb., 2025

Valid Till: 3 Feb., 2026

Reference:

Abiodun Adeseyoju, FCA.
Abimbola Adeseyoju
Oladele Adeoye

This report is provided by DataPro subject to the Terms & Conditions stipulated in our Terms of Engagement

EXECUTIVE SUMMARY

	2024 ₦'000	2023 ₦'000	2022 ₦'000	2021 ₦'000	2020 ₦'000
Turnover	25,206,061	15,378,335	12,487,679	3,107,970	1,481,810
Pre-Tax Profit	6,965,452	5,633,455	4,395,744	393,640	155,562
Equity	13,286,588	7,235,011	3,332,770	409,255	106,695
Non-Current Assets	77,378,8838	76,674,750	69,836,350	30,350,450	24,680,450
Total Asset	83,481,533	77,791,524	70,296,270	30,403,302	24,747,371
Long-term Debt	69,012,511	68,823,799	65,489,771	29,901,467	24,580,308

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 **BBB⁺** indicates *Slight Risk*. It shows fair Financial Strength, Operating Performance and Business Profile when compared to the standard established by **DataPro**. This Company, in our opinion, has the ability to meet its current obligations, but its financial strength is vulnerable to adverse changes in economic conditions.

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 were 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:

- Diversified Revenue Profile
- Low External Debt Profile
- Good Asset Base

Negative Rating Factors:

- Low Asset Utility
- Governance Concentration Risk

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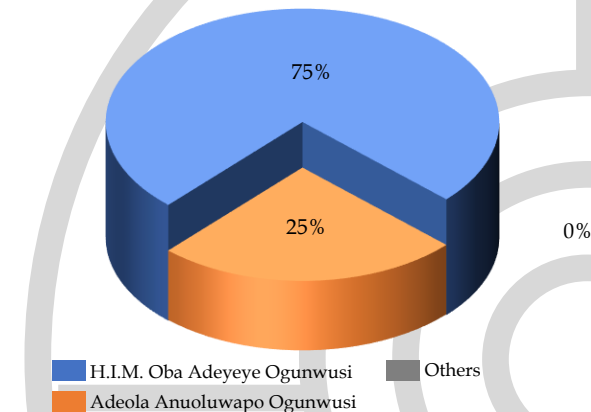
BACKGROUND

Ojaja Pan Africa Limited, ("The Company") was incorporated on 3rd June 2019 as a Private Limited Liability Company.

The Company is a conglomerate of diverse businesses comprising of Construction, Real Estate, Cocoa Produce Merchant, Hospitality, Supermarket Chain Stores, Farming, Animal Husbandry, Theme/ Amusement Park, Lounge and Shopping Mall.

These businesses are operated using brand names such as: *Ojaja More Ife, Ojaja More Akure, Ojaja More Osogbo, Ojaja More Lagos, Ojaja More, Ojaja Cinemas Ile-Ife, Ojaja Cinemas Akure, Ojaja Cinemas Lagos, Ojaja Suites Akure, Ojaja Hostel OAU Ife and Ojaja Park Akure.*

ANALYSIS OF SHAREHOLDING STRUCTURE



Source: *Ojaja Pan Africa Limited*

Others include: *Ojaja Mews, Osogbo, Ife Grand Resort, Inagbe Resort Lagos, Ojaja Mall Lekki Lagos, Ojaja University Ilorin, Adire Oodua Textile and House of Oduduwa Limited.*

The ownership of the Company is distributed among three (3) Shareholders. The most significant Shareholders are: *H.I.M Oba Adeyeye Ogunwusi and Adeola Anuoluwapo Ogunwusi.*

DIRECTORS' PROFILE

The following served as directors during the year under review; *HIM, Oba Enitan Adeyeye Ogunwusi - Chairman, Salami Idowu Ismail and Princess Anuoluwapo Ogunwusi*

The Directors' profiles is as follows.

- Name:** H.I.M, Oba Adeyeye Enitan Ogunwusi
Position: Chairman
Years of Experience: Over 25 years
Profession: Real Estate Developer
Education:
 - HND (Accounting) -The Polytechnic, Ibadan
 - PhD. - University of Nigeria, Nsukka
 - PhD. - Obafemi Awolowo University
 - Associate- Institute of Chartered Accountants of Nigeria**Job Experience:**
 - University of Nigeria, Nsukka**Year of Board:** 2019

Membership

- 2. Name:** Princess Adeola Anuoluwapo Ogunwusi
Position: Director
Professional: Project Management Professional
Years of Experience: Over 5 years
Education:
 - B.Sc.- The University of Manchester
 - M.Sc. - University College, London**Job Experience:**
 - Ojaja Pan Africa Limited
- 3. Name:** Salami Idowu Ismail
Position: Director
Education:
 - B.Sc – Ekiti State University**Job Experience:**
 - Ojaja Pan Africa Limited

SECTOR REVIEW

Nigeria is one of the leading economies in Africa, with a population of over 200 million people. In the third quarter of 2024, the country's Gross Domestic Product (GDP) demonstrated a real-term growth of 3.46% year-on-year, higher than the 2.54% recorded in the same quarter of 2023 and higher than 3.19% from the second quarter of 2024. Notably, the Services sector propelled this growth, contributing 53.58% to the overall GDP with a growth rate of 5.19%.

According to the data released by the NBS, the real GDP growth recorded in the Real Estate sector for the third quarter of 2024, stood at 0.68%, lower than the growth recorded in the third quarter of 2023 by 1.21% points and lower by 0.07% points compared to Q2 2024. On a quarter-on-quarter basis, the sector grew by 15.54% in the third quarter of 2024. It contributed 5.43% to real GDP in Q3 2024, lower than the 5.58% recorded in the corresponding quarter of 2023.

Nigeria's real estate sector is set to continue expanding. The sector is expected to benefit from the high rural to urban rate of migration, which has increased demand for residential and retail real estate. Furthermore, the continuous urbanization of the economy is bound to drive demand for commercial real estate. In the medium to long term, the fundamental case for real estate investment remains strong, especially given Nigeria's apparent infrastructure deficit, relative to its rapid urbanization.

The Agricultural sector for the third quarter of 2024, stood at 1.14%, lower than the growth recorded in the third quarter of 2023 by 0.15% points and lower by 0.27% points compared to Q2 2024.

Nigeria is a leading player in the global cocoa industry. It is the fourth largest producer, covering 6.5% share of global production and the fourth largest exporter of cocoa beans worldwide with over \$700 million. The production is projected to grow by 4% per annum in coming years. Cocoa beans account for almost 90% of the \$804

million of Nigerian cocoa exports. Cocoa butter and cocoa paste are also exported quite significantly (respectively \$67 million and \$28 million).

The Food Sector recorded real GDP growth of 4.44% in Q3 2024. This is higher by 0.87% points from 3.57% recorded in the corresponding period of 2023. Relative to the preceding quarter, the growth rate was 2.31% points higher than the 2.13% recorded.

Nigeria is battling with the challenge of foreign currency scarcity arising from lower Oil receipt and limited export capacity of the Country. In order to achieve a Unified Foreign Exchange regime, the CBN collapsed the multiple exchange rate windows. This is in addition to allowing the free float of the Naira against the US dollars. The value of the Naira to the Dollar at the CBN official rate (highest) is N1,517/\$1 as at 30th January, 2025

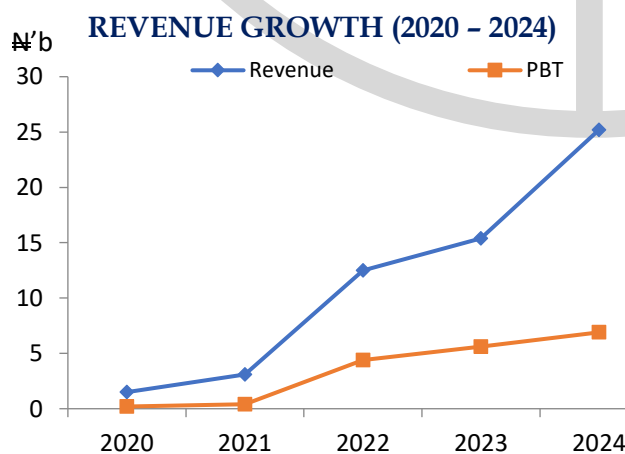
The Monetary Policy Committee (MPC) of the CBN at its 298th meeting on 26th November 2024, voted to raise the Monetary Policy Rate (MPR) by 25bps from 27.25% to 27.50% amid soaring inflation and skyrocketing food prices. This is the sixth consecutive MPR hike, showing the CBN's focus on price stability. The increase in MPR was done to manage the high rate of inflation.

Headline Inflation rate for December, 2024 rose to 34.80%. This is an increase of 0.20% points from the November 2024 figure of 34.60%, reflecting ongoing price pressures across the Country. The rise in MPR could have the effect of limiting borrowing from Financial Institutions due to the high costs and lead borrowers to find alternative sources of finance.

FINANCIAL PERFORMANCE

• EARNINGS PROFILE

We reviewed the Company's audited financials covering 2020-2024. The five-year account indicated a growth trend in Gross Earnings and Profit. This can be traced to the Company's diversified Earnings Profile and its recent investment in technology.



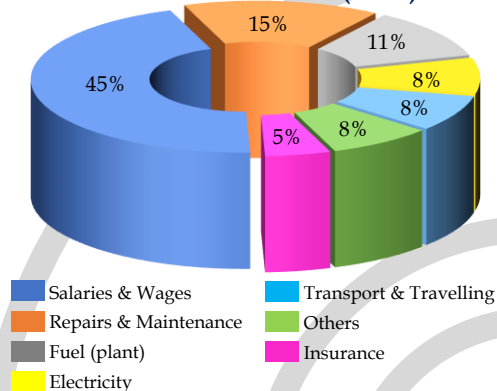
Business lines in operation as at 31st December, 2024 included: *Ife Grand Resort, OjajaMore, 1000 Bed Space Hostel, Ojaja Pan Africa Cocoa and Ojaja Park*. These operations are located in Osun and Ondo States of Nigeria.

Specifically, the Retail arm of the business which is Ojaja More operates from: Ile Ife, *Abere* and *Ogooluwa* in Osun State including Akure in Ondo State.

The hospitality segment comprising of *Ife Grand Resort and Ojaja Park* are located in Osun and Ondo states respectively. However, the 1000 bedspace facility is located within the *Obafemi Awolowo University, Ile-Ife* in Osun State.

Total Revenue for the year under review was classified into five (5) sources. These were: Accommodation (37%), Cocoa Trade (31%), Children Theme Park (0.1%), Space Rentals (8%), 1,000 Bedspace Hostel (1%), *OjajaMore Shopping Mall* (23%).

DISTRIBUTION OF OPERATING EXPENDITURE (2024)



Source: Ojaja Pan Africa Limited

Company grew its Revenue by 64% from ₦15.4b (Yr.23) to ₦25.2b (Yr.24). The Cocoa Trading and Student Hostel Accommodation which became operational during the year 2024 significantly impacted the growth.

Costs of Materials used by the Company in production and sales recorded 89% increase from ₦7.8b (Yr.23) to ₦14.8b (Yr. 24). The growth in Cost outpaced the increase in Revenue. Consequently, Gross

Profit Margin declined from 49% (Yr. 23) to 41% (Yr. 24).

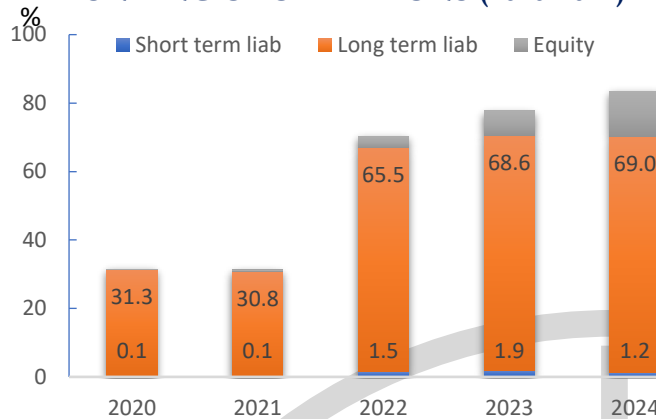
Operating Expenses were mainly Administrative in nature. The components included: Staff Cost, Repairs and Maintenance, Transport and Electricity. In absolute term, it recorded 201% growth from ₦209.5b (Yr. 23) to ₦630.9b (Yr. 24). The surge in operating expenses in the year 2024 was due to substantial growth of 190% recorded in Personnel Expenses.

The Company was able to grow its Profit Before Tax in absolute term by 24% in the year 2024. This amounted to ₦6.9b (Yr.24) as against ₦5.6b recorded in the year 2023. However, the growth could not translate to improvement in efficiency. This was due to significant components of the Company's businesses that were still at their different level of commencement and expansion. Consequently, Net Profit Margin declined from 37% (Yr.23) to 28% (Yr.24).

• CAPITALISATION

The Company recorded Total Assets amounting to ₦83.5b in the year 2024. This comprised mainly Property, Plants and Equipment (PPE) which accounted for 97% and 90% of Non-current Assets and Total Assets, respectively. The Company recorded approximately ₦2.0b worth of investments in Real Estate in the year 2024. The Equity Investments grew by 15% from ₦1.7b (Yr. 23) to ₦2.0b in the year 2024.

FUNDING OF OPERATIONS (2020-2024)



Source: Ojaja Pan Africa Limited

Current Assets comprised Inventories and Cash totaling ₦6.1b (Yr. 24). This represented a significant growth of 446% in the reviewed period.

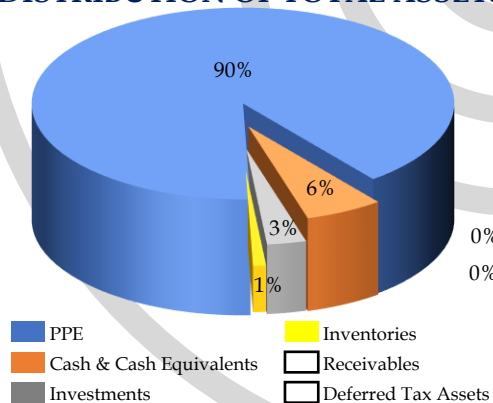
As at 31st July 2024, the Company increased its Share Capital from ₦10m to ₦250m via a Board resolution and registered it with the **Corporate Affairs Commission (CAC)**. Retained Profit was the major driver of Equity in the year

2023. It recorded a 87% increase to ₦13.0b (Yr.24). Consequently, Total Equity grew significantly by 84% to ₦13.3b in the year 2024.

The Company's Liability Funding was majorly from borrowings sourced from Bank of Industry and Microfinance Bank. Directors' Fund invested in Property, Plants and Equipment as well as the daily activities of the Company amounted to ₦67.5b (Yr.24). In total, Liabilities amounted to ₦70.2b (Yr. 24) and funded 84% of the Asset base, as against 91% and 95% recorded in the years 2022 and 2023, respectively.

• ASSET UTILITY

DISTRIBUTION OF TOTAL ASSETS



Source: Ojaja Pan Africa Limited

The business of the Company is Capital Intensive. The Company was able to grow its Asset base from ₦77.8b (Yr. 23) to ₦83.5b (Yr. 24). This growth was seen in the Investments made in PPE and the increase in cash balance in the year under review. PPE is the Company's major Asset, accounting for 90% of its total. It comprised Land, Building and Production Plants (completed and under construction).

The significant growth recorded in

Current Assets is attributable to Fixed Deposit and Treasury Bills including other Bank Placements amounting to ₦5.2b recorded in the year 2024.

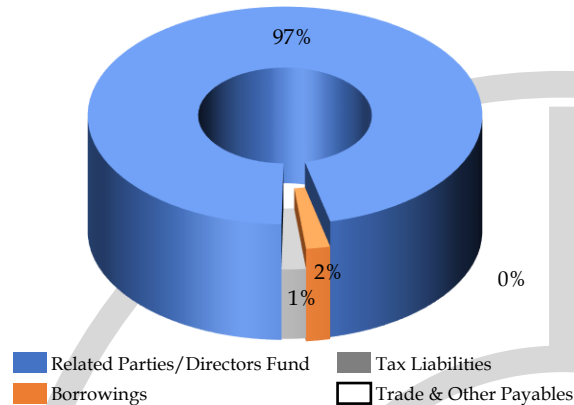
The Company's capacity for revenue generation using Assets increased from 20% (Yr. 23) to 30% (Yr. 24). Similarly, the ability of the Company to effectively utilize assets for profit generation increased marginally from 7% (Yr. 23) to 8% (Yr. 24).

• LIQUIDITY

As at the financial year ended 2024, The Company's liquidity position comprised Cash (₦1.6m), Fixed Deposit ((₦2.0b), Treasury Bills ((₦2.2b) and Bank Placements amounting to ₦1.0b. Its Current Assets totaled ₦6.1b, funding 516% of Current

Liabilities in the year. Current Liabilities was approximately ₦1.2b, comprising Trade Payables and Current Tax Liabilities.

COMPOSITION OF TOTAL LIABILITIES



Source: Ojaja Pan Africa Limited

In the year 2024, Total Current and Non-Current obligations amounted to ₦70.2b, representing a marginal decline of 1% compared to the prior year. Non-Current obligations accounted for the bulk of the Total Obligations for the year at 98%.

The Non-Current Liabilities were mostly Director's Funds and long-term Borrowings.

The ability of the Company to settle its short-term maturing obligations improved from 57% (Yr. 23) to 516% (Yr. 24). Also, Cash from operations amounted to ₦8.4b (Yr. 24).

CORPORATE GOVERNANCE & RISK MANAGEMENT

The affairs of the Company are directed by its Board of Directors which consists of the Chairman and two Executive Directors. The Directors also doubles as the Shareholders and Owners of the Company.

RISK FACTORS

In the course of our review, we observed the following significant risks.

• LIQUIDITY RISK

This is the risk that the Company will be unable to pay its obligations when they fall due. Based on our review, the Company maintained a current ratio of 5times the value of its current obligation.

• MARKET RISK

This is the risk that changes in market prices particularly that of commodity in the line of business of the Company could have adverse effect on its income.

- **DESTRUCTION RISK**

This is the risk of disruption to income as a result of damages to the physical structure of the properties arising from human and environmental factors.

The Company's Revenue depends largely on rental and other incomes from properties. The destruction of the properties of the Company will adversely affect its Revenue.

- **LEGAL RISK**

This is the risk that the Company will be exposed to legal actions that may lead to payment of significant fees.

- **REPUTATIONAL RISK**

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

- **SECURITY RISK**

This is the risk arising from unfavourable security situation that may affect patronage of the Company.

The Company operates largely in the hospitality industry. Consequently, adverse security events may threaten patronage of the Company.

- **GOVERNANCE CONCENTRATION RISK**

This is the risk of cessation of business arising from improper oversight from the Board due to keyman risk.

Based on our review, decisions affecting the operation of the Company are largely dependent on the major shareholder who also performs executive function.


CONCLUSION

The Rating of the Company is supported by its Strong Revenue Profile, Very Good Asset Base and Diversified Revenue Profile.

Consequently, we assigned a Rating of **"BBB+"**

FINANCES

	Dec, 2024		Dec, 2023		Dec, 2022
	₦'000	Δ%	₦'000	Δ%	₦'000
Non-current asset	77,378,838	0.9	76,674,750	9.8	69,836,350
Current assets	6,102,695	446.5	1,116,774	142.8	459,920
Current liabilities	(1,182,433)	-40.1	(1,972,714)	33.9	(1,473,729)
Non-current liabilities	(69,012,511)	0.6	(68,583,799)	4.7	(65,489,771)
Net assets/(liabilities)	13,286,589	83.6	7,235,011	117.1	3,332,770
Capital employed					
Ordinary share capital	250,000	0.0	250,000	2400.0	10,000
Retained earnings/ (loss)	13,036,588	86.6	6,985,011	110.2	3,322,770
Total equity	13,286,588	83.6	7,235,011	117.1	3,332,770
Revenue from contract with customer	25,206,061	63.9	15,378,335	23.1	12,487,679
Profit/ (loss) before tax	6,965,452	23.6	5,633,455	28.2	4,395,744
Income tax credit/ (expense)	(913,875)	-53.6	(1,971,214)	33.9	(1,472,229)
Profit/ (loss) for the year	6,051,577	(30)	3,662,241	62	2,923,515
Total comprehensive income/ (loss)	6,051,577	(30)	3,662,241	62	2,923,515

Signed: 
Name: Oladele Adeoye
Designation: Chief Rating Officer
Date: 4th February, 2025

For and on behalf of:
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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.