

Market Review

For the week ended February 17th, 2023

- Following five consecutive weeks of positive close, profit-taking activities on AIRTELAFRI and some other tickers drove the Nigerian equities market to the red zone. Thus, the All-Share Index lost 0.96% WoW to close at 53,804.46pts.
- However, performance across the sectoral indices was broadly positive, as only the NGXBNK (-1.34%) recorded a week-on-week loss.
- TRIPPLEG remained the top gainer for the second consecutive week (+45.26% WoW), while CWG (-17.35% WoW) was the week's top loser. GTCO and BUAFOODS led the activities' charts as the most traded stocks by volume and value, respectively.

Market Preview

For the week commencing February 20th, 2023

- We note that this week is a pivotal one for the Nigerian economy being the election week. This period is accompanied by uncertainties in the macroeconomic environment and is further intensified by the existing challenges (fuel scarcity and cash crunch).
- Therefore, we expect profit-taking activities in the equities market as investors shy away from risky assets.
- Thus, we expect the market to close in the negative region this week barring bargain hunting on heavy weight tickers.

The Week That Was (A Review)	Cur. Week	Prev. Week
NGXASI [pts]	53,804.46	54,327.30
Market Cap [NGN'trn]	29.31	29.59
Market Cap [USD'bn]	63.51	64.12
Volume Traded [bn]	0.74	0.94
Value Traded [bn]	20.57	22.88

Sectoral Indices	WtD	MtD	QtD	YtD
NGXASI	-0.96%	+1.06%	+4.98%	+4.98%
NGX-30	-1.05%	+1.02%	+4.86%	+4.86%
NGX-B10	-1.34%	-0.42%	+7.06%	+7.06%
NGX-FB10	+0.67%	-0.47%	+5.15%	+5.15%
NGX-OG5	+0.91%	+10.84%	+16.84%	+16.84%
NGX-INS10	+1.18%	-3.57%	+1.60%	+1.60%
NGX-IND	+0.06%	+0.72%	+2.88%	+2.88%

Top Traded by Value (NGN)		Top Traded by Volume	
BUAFOODS	3,753,824,004	GTCO	96,215,866
DANGCEM	3,053,882,905	UBA	91,644,822
GTCO	2,418,767,849	FBNH	61,805,821
SEPLAT	1,606,608,379	BUAFOODS	50,461,328
GEREGU	1,300,521,358	ACCESSCORP	49,736,864

Highest Gainers	%	Highest Losers	%
TRIPPLEG	45.26%	CWG	-17.35%
CHAMS	16.00%	FIDELITYBK	-14.70%
CONOIL	9.98%	PHARMDEKO	-10.00%
MRS	8.24%	NGXGROUP	-8.63%
GUINNESS	7.14%	TRANSCORP	-6.98%

	Fundamentals			Trailing		Market Performance			Valuation			
	NM	ROE	EPS	P/E	P/BV	Yr Hi	Yr Lo	Ytd Ret	TP	CP	UPP	RT
Banks												
ACCESSCORP	15%	17%	4.93	1.87x	0.32x	9.40	8.75	+8.24%	11.12	9.20	+21%	BUY
ETI	15%	17%	8.68	1.42x	0.25x	12.35	10.60	+16.51%	14.14	12.35	+15%	BUY
FCMB	12%	12%	1.65	2.60x	0.31x	4.99	3.51	+11.17%	4.26	4.28	-1%	HOLD
FIDELITYBK	14%	14%	1.63	2.92x	0.42x	6.00	4.36	+9.43%	5.61	4.76	+18%	BUY
FBNH	23%	23%	5.62	2.07x	0.47x	11.95	11.00	+6.88%	14.08	11.65	+21%	BUY
GTCO	37%	20%	5.97	4.21x	0.85x	25.25	23.25	+9.35%	25.51	25.15	+1%	HOLD
STANBIC	28%	20%	6.26	5.51x	1.10x	34.50	32.00	+3.14%	38.67	34.50	+12%	BUY
STERLNBANK	11%	12%	0.65	2.36x	0.28x	1.63	1.40	+9.29%	1.53	1.53	-0%	HOLD
UBA	17%	16%	3.80	2.19x	0.35x	8.45	7.95	+9.87%	9.43	8.35	+13%	BUY
UBN	10%	7%	0.67	9.93x	0.69x	6.95	6.35	+3.91%	6.84	6.65	+3%	HOLD
WEMABANK	10%	16%	0.98	4.07x	0.65x	4.13	3.58	+2.56%	3.55	4.00	-11%	SELL
ZENITHBANK	35%	20%	8.23	3.04x	0.62x	25.65	24.00	+4.17%	26.69	25.00	+7%	HOLD
Insurance												
AIICO	5%	9%	0.11	5.42x	0.49x	0.67	0.59	0.00%	0.66	0.59	+12%	BUY
LASACO	4%	5%	0.32	3.16x	0.16x	1.10	0.89	+17.24%	1.16	1.02	+13%	BUY
MANSARD	3%	7%	0.12	16.07x	1.09x	2.14	1.91	0.00%	2.66	2.00	+33%	BUY
NEM	17%	19%	1.05	3.92x	0.76x	4.50	4.05	-8.89%	4.80	4.10	+17%	BUY
WAPIC	7%	6%	0.06	8.00x	0.51x	0.46	0.41	+12.50%	0.41	0.45	-9%	HOLD
CORNERST	15%	14%	0.17	3.63x	0.50x	0.63	0.54	0.00%	0.61	0.60	+2%	HOLD
CUSTODIAN	11%	15%	1.93	3.11x	0.48x	6.10	5.90	+0.84%	7.87	6.00	+31%	BUY
Other Financial Services												
UCAP	61%	44%	2.17	7.06x	3.10x	15.30	14.00	+9.29%	16.39	15.30	+7%	HOLD
AFRIPRUD	39%	18%	0.79	7.81x	1.37x	6.30	5.90	+3.33%	8.12	6.20	+31%	BUY
Breweries												
GUINNESS	7%	15%	6.55	10.30x	1.59x	72.70	63.00	-2.60%	82.68	67.50	+22%	BUY
NB	4%	10%	2.34	17.55x	1.83x	47.95	40.50	0.00%	52.82	41.00	+29%	BUY
INTBREW	-3%	-5%	-0.24	-19.11x	0.91x	5.05	4.60	-2.13%	-	4.60	-	UR
Packaged Foods												
BUAFOODS	22%	37%	5.02	14.81x	5.46x	74.50	71.50	+14.46%	53.95	74.40	-27%	SELL
CADBURY	2%	7%	0.51	23.72x	1.65x	12.30	11.45	+0.84%	13.86	12.00	+16%	BUY
DANGSUGAR	9%	22%	2.58	6.64x	1.47x	17.50	16.00	+6.85%	17.31	17.15	+1%	HOLD
HONYFLOUR	-8%	-25%	-1.48	-1.48x	0.38x	2.43	2.08	-6.41%	-	2.19	-	UR
FLOURMILL	5%	11%	5.12	6.04x	0.64x	30.90	28.40	+8.80%	40.68	30.90	+32%	BUY
NASCON	7%	21%	1.30	8.48x	1.77x	11.20	10.50	-0.90%	13.17	11.00	+20%	BUY
NESTLE	11%	113%	58.80	18.37x	20.75x	1,100.00	1,080.00	-1.79%	1,521.84	1,080.30	+41%	BUY
UACN	-4%	-11%	-1.60	-5.63x	0.60x	10.75	9.00	-12.20%	10.96	9.00	+22%	BUY
UNILEVER	7%	9%	1.04	12.71x	1.10x	13.60	11.10	+14.22%	12.46	13.25	-6%	HOLD
Agricultural												
OKOMUOIL	29%	47%	18.17	9.97x	4.69x	181.20	165.00	+9.82%	191.95	181.20	+6%	HOLD
PRESCO	26%	50%	21.47	7.03x	3.54x	150.80	137.50	+9.67%	172.34	150.80	+14%	BUY
Pharmaceutical												
MAYBAKER	12%	21%	1.00	4.50x	0.95x	4.85	4.28	+4.65%	5.03	4.50	+12%	BUY
FIDSON	10%	25%	1.81	5.29x	1.31x	9.89	9.23	+6.56%	15.70	9.59	+64%	BUY
GLAXOSMITH	3%	7%	0.58	11.87x	0.87x	6.95	6.15	+11.38%	8.10	6.85	+18%	BUY
NEIMETH	-8%	-33%	-0.15	-10.16x	3.31x	1.56	1.43	+8.39%	2.00	1.55	+29%	BUY
Construction												
BUACEMENT*	29%	26%	2.90	34.30x	8.77x	99.45	96.00	+1.74%	76.13	99.45	-23%	SELL
DANGCEM*	19%	36%	17.56	15.37x	5.49x	270.00	261.00	+3.45%	299.15	270.00	+11%	BUY
WAPCO*	16%	14%	3.45	7.47x	1.04x	26.65	24.00	+7.29%	38.65	25.75	+50%	BUY
Chemicals												
CAP	11%	35%	2.58	7.83x	2.71x	20.30	17.80	+13.48%	19.19	20.20	-5%	HOLD
BERGER	5%	9%	1.10	6.34x	0.59x	7.00	6.00	+16.67%	7.30	7.00	+4%	HOLD

	Fundamentals			Trailing		Market Performance			Valuation			
	NM	ROE	EPS	P/E	P/BV	Yr Hi	Yr Lo	Ytd Ret	TP	CP	UPP	RT
Energy												
CONOIL	5%	24%	8.96	3.93x	0.93x	35.25	26.50	+33.02%	25.95	35.25	-26%	SELL
ETERNA	2%	13%	1.36	5.01x	0.64x	7.50	6.65	+1.64%	5.88	6.80	-14%	SELL
ARDOVA	-3%	-82%	-5.85	-2.89x	2.37x	19.10	16.90	-8.15%	15.58	16.90	-8%	HOLD
MRS	1%	8%	4.18	5.51x	0.44x	23.00	14.10	+63.12%	16.11	23.00	-30%	SELL
SEPLAT	18%	9%	113.67	11.66x	1.06x	1,325.00	1,100.00	+20.45%	1,191.42	1,325.00	-10%	SELL
TOTAL	3%	32%	48.40	4.52x	1.47x	224.00	193.00	+13.37%	237.70	218.80	+9%	HOLD
Telecoms												
MTNN	18%	148.49%	17.77	13.82x	20.52x	245.50	215.00	+14.19%	301.42	245.50	+23%	BUY
AIRTELAFRI*	11%	12%	49.50	31.52x	3.87x	1,660.00	1,500.00	-4.59%	1,481.13	1,560.00	-5%	HOLD

NM= Net Margin

ROE=Return on Equity

Lev=Leverage

EPS=Earnings Per Share

BVP= Book Value Per Share

P/E=Price-to-Earnings

P/E=Price-to-Book Value

Yr Hi= Year High

Yr Lo= Year Low

YtD Ret= Year-to-Date Return

*TP calculated with EV/EBITDA multiple

TP=Target Price

CP= Current Price

UPP=Upside Potential

RT= Rating

UR=Under Review

Data in the Fundamental columns are based on trailing performance.

NASD OTC Exchange

Dividends Declared in 2023

Company	Dividend Declared	Bonus	Dividend Yield	Interim/Final	Declaration Date	Qualification Date	Closure Date	Payment Date	AGM Date
---------	-------------------	-------	----------------	---------------	------------------	--------------------	--------------	--------------	----------

NGX Exchange

Upcoming Closure Dates

Company	Dividend Declared	Bonus	Dividend Yield	Interim/Final	Declaration Date	Qualification Date	Closure Date
GEREGU	8.00	Nil	3.57%	2022Final	1-Feb-23	27-Feb-23	28-Feb-23
MTNN	10.00	Nil	4.07%	2022Final	31-Jan-23	27-Mar-23	28-Mar-23

Upcoming Payment Dates

Company	Dividend Declared	Bonus	Dividend Yield	Interim/Final	Declaration Date	Qualification Date	Payment Date
VITAFOAM	1.52	Nil	7.27%	2022Final	29-Dec-22	10-Feb-23	02-Mar-23
MTNN	10.00	Nil	4.07%	2022Final	31-Jan-23	27-Mar-23	20-Apr-23

Upcoming AGM Dates

Company	Dividend Declared	Bonus	Dividend Yield	Interim/Final	Declaration Date	Qualification Date	AGM Date
VITAFOAM	1.52	Nil	7.27%	2022Final	29-Dec-22	10-Feb-23	2-Mar-23

Dividends Declared in 2023

Company	Dividend Declared	Bonus	Dividend Yield	Interim/Final	Declaration Date	Qualification Date	Closure Date	Payment Date	AGM Date
GEREGU	8.00	Nil	3.57%	2022Final	1-Feb-23	27-Feb-23	28-Feb-23	TBA	TBA
MTNN	10.00	Nil	4.07%	2022Final	31-Jan-23	27-Mar-23	28-Mar-23	20-Apr-23	N/A

**TBA – To be Announced **NA – Not Available

Contact Information

Brokerage and Retail Services

topeoludimu@meristemng.com (+234 905 569 0627)
adaezeonyemachi@meristemng.com (+234 808 369 0213)
contact@meristemng.com

Investment Banking/Corporate Finance

rasakisalawu@meristemng.com (+234 806 022 9889)
seunlijofi@meristemng.com (+234 808 536 5766)

Wealth Management

funmilolaadekola-daramola@meristemng.com (+234 803 355 0008)
crmwealth@meristemng.com (+234 01 738 9948)

Registrars

oluwaseyiowoturo@meristemregistrars.com (+234 802 321 0561)
martinaosague@meristemregistrars.com (+234 802 303 1783)
www.meristemregistrars.com (+234 01-280 9250)

Group Business Development

saheedbashir@mersitemng.com (+234 802 454 6575)
ifeomaanyanwu@meristemng.com (+234 802 394 2967)
info@meristemng.com

Trust Services

damilolahassan@meristemng.com (+234 803 613 9123)
trustees@meristemng.com

Investment Research

research@meristemng.com
damilareojo@meristemng.com (+234 816 890 2771)
praiseihansekhien@meristemng.com (+234 817 007 1512)

Client Services

adefemitaiwo@meristemng.com (+234 803 694 3034)
car@meristemng.com (+234 012 809 250)

Finance

olasokomubo@meristemfinance.com (+234 803 324 7996)
matthewawotundun@meristemfinance.com (+234 802 390 6249)

Corporate websites:

www.meristemng.com
 www.meristemwealth.com
 www.meristemregistrars.com

Meristem Research can also be accessed on the following platforms:

Meristem Research Portal: research.meristemng.com

Bloomberg: MERI <GO>

Capital IQ: www.capitaliq.com

ISI Emerging Markets: www.securities.com/ch.html?pc=NG

Reuters: www.thomsonreuters.com

FactSet: www.factset.com

Analyst's Certification and Disclaimer

This research report has been prepared by the research analyst(s), whose name(s) appear(s) on the cover of this report. Each research analyst hereby certifies, with respect to each security or issuer covers in this research that:

- (1) all of the views expressed in this report accurately reflect his or her personal views about any and all of the subject securities or issuers (the Issuer); and
- (2) no part of any of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst(s) in this report. Research analysts' compensation is determined based upon activities and services intended to benefit the investor clients of Meristem Securities Limited (the Firm). Like all of the Firm's employees, research analysts receive compensation that is impacted by overall Firm profitability, which includes revenues from other business units within the Firm.
- (3) each research analyst and/or persons connected with any research analyst may have interacted with sales and trading personnel, or similar, for the purpose of gathering, synthesizing and interpreting non-material non-public or material public market information.

As at the date of this report, any ratings, forecasts, estimates, opinions or views herein constitute a judgment, and are not connected to research analysts' compensations. In the case of non-currency of the date of this report, the views and contents may not reflect the research analysts' current thinking. This document has been produced independently of the Issuer. While all reasonable care has been taken to ensure that the facts stated herein are accurate and that the ratings, forecasts, estimates, opinions and views contained herein are fair and reasonable, neither the research analysts, the Issuer, nor any of its directors, officers or employees, shall be in any way responsible for the contents hereof, and no reliance should be placed on the accuracy, fairness or completeness of the information contained in this document. No person accepts any liability whatsoever for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection therewith.

Analysts' Compensation: The equity research analysts responsible for the preparation of this report receive compensation based upon various factors, including the quality and accuracy of research, client feedback, competitive factors, and overall firm revenues, which include revenues from, among other business units, Investment Banking.

Important Disclosure

For U.S. persons only: This research report is a product of Meristem Securities, which is the employer of the research analysts who has prepared the research report. The research analysts preparing the research report are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analysts are not subject to supervision by a U.S. broker-dealer, and are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Meristem Securities only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

Legal entity disclosures

Meristem Securities Limited is a member of The Nigerian Stock Exchange and is authorized and regulated by the Securities and Exchange Commission to conduct investment banking and financial advisory business in Nigeria. However, the company through its subsidiaries carries out stock broking, wealth management, trustees and registrars' businesses which are regulated by the SEC and ICMR.

Copyright 2023 Meristem Securities Limited. All rights reserved. This report or any portion hereof may not be reprinted, sold or redistributed without the written consent of Meristem Securities Limited.

IMPORTANT INFORMATION: DISCLAIMER

Meristem Securities Limited ("Meristem") equity reports and its attendant recommendations are prepared based on publicly available information and are meant for general information purposes only and it may not be reproduced or distributed to any other person. All reasonable care has been taken to ensure that the information contained herein is not misleading or untrue at the time of publication; **Meristem** can neither guarantee its accuracy nor completeness as they are an expression of our analysts' views and opinions.

Meristem and any of its associated or subsidiary companies or the employees thereof cannot be held responsible for any loss suffered by relying on the said information as this information as earlier stated, is based on publicly available information, analysts' estimates and opinions and is meant for general information purposes and should not be construed as an offer to buy or sell or a solicitation of an offer to buy or sell securities or any financial instruments. The value of any investment is subject to fluctuations, i.e. may fall and rise. Past performance is no guide to the future. The rate of exchange between currencies may cause the value of investment to increase or diminish. Hence investors may not get back the full value of their original investment. Meristem Securities is registered with the Securities and Exchange (SEC) and is also a member of The Nigerian Exchange Group (The NGX). Meristem Securities' registered office is at 20A Gerrard Ikoyi, Lagos, Nigeria. Website: www.meristemng.com; Email: research@meristemng.com. © **Meristem Securities Limited 2023**.