

TRANSCORP POWER PLC

Q3:2024 Unaudited Earnings Flashnote

Wednesday, October 16th, 2024

Financial Highlights			
Statement of Comprehensive Income (N'bn)	Q3:2024	Q3:2023	% Change
Revenue	223.6	88.4	152.8%
Cost of Sales	127.1	45.9	176.6%
Gross Profit	96.5	42.5	127.0%
OPEX	11.6	5.1	129.0%
EBITDA	84.2	40.8	106.4%
EBIT	80.6	37.7	114.0%
PBT/(Loss)	81.1	27.3	197.6%
PAT/(Loss)	58.4	20.4	185.8%
EPS	7.8	2.7	185.8%
BVPS	14.0	7.7	81.5%

Statement of Financial Position	Q3:2024	Q3:2023	% Change
Cash and Cash Equivalents	37.0	6.4	480.6%
Property and Equipment	57.2	58.0	(1.3%)
Total Borrowings	33.2	29.8	11.5%
Total Assets	362.5	223.4	62.3%
Total Liabilities	257.5	165.5	55.5%
Total Equity	105.0	57.9	81.5%

Key	/ Performance Ratio		
Gross Profit Margin	43.1%	48.0%	(4.9%)
Cost of Sales Margin	56.9%	52.0%	4.9%
OPEX Margin	5.2%	5.7%	(0.5%)
EBITDA Margin	37.7%	46.1%	(8.5%)
Net Margin	26.1%	23.1%	3.0%
Leverage	24.0%	31.0%	(10.0%)

Dear Afrinvestor,

Transcorp Power Plc ("The Company") on Monday 14th October 2024 published its Q3:2024 unaudited finacial statements. See below for key highlights:

Income Statement

- Revenue grew by 152.8% y/y to ₹223.6bn in Q3:2024 driven by improved earnings from its core revenue streams (energy delivered up 164.4% y/y to ₹149.4.4bn), capacity charge (up 132.2% y/y to ₹74.2bn). We aver that the marked improvement in revenue is not unconnected to the upward review of the Multi Year Tariff Order (MYTO) earlier in the year, as well as customer segmentation.
- ❖ OPEX surged by 129.0% y/y to ¥11.6bn (although slightly lower than the 198.7% uptick in H1:2024), due to increased administrative expenses and impairment loss on financial assets which surged by 232.7% y/y and 129.6% y/y, respectively.
- Notwithstanding, PAT improved 180.5% y/y to ₹58.4bn minimising the effects of the higher effective tax rate of 28.0% (up 3.0% y/y).

Balance Sheet

- The company's asset base grew 62.3% y/y to ¥362.5bn driven by an uptick in current assets (up 91.1% y/y).
- ❖ Additionally, the company reported FCY gains of ₹3.6bn in Q3:2024 which is an improvement compared to the ₹7.4bn loss recorded in Q3:2023.
- ❖ Total equity increased by 81.5% y/y to ₹105.0bn, supported by slower expansion in total liabilities (up 55.5% to ₹257.5bn).

Key Margin

- Net margin strengthened to 25.7% (up 2.5%%) driven by a 152.8% increase in revenue.
- Additionally, the surge in OPEX exerted some pressure on EBIT margin (down 12.6%)
- Lastly, OPEX margin declined 0.5% y/y due to the 152.8% y/y uptick in revenue which
 outpaced the 129.0% y/y growth to

 №11.6bn in operating expenses.

Valuation Snapshot		Corporate Acti	Corporate Actions	
Shares Outstanding (bn)	7.5	Proposed Dividend (₦'bn)	Nil	
P/E Ratio	38.7x	Proposed Dividend per Share (₦)	Nil	
P/BV Ratio	21.5x	Dividend Yield	Nil	
ROAE	71.7%	Qualification Date	Nil	
ROAA	19.9%	Closure Date	Nil	
Closing Price (25/07/2024)	₩301.70	Payment Date	Nil	
Target Price	UR	AGM Venue	Nil	
Upside (Downside)	N/A	AGM Date	Nil	

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Afrinvest Securities Limited		Afrinvest R	Afrinvest Research & Consulting	
Name	Email	Name		
Adedoyin Allen	aallen@afrinvest.com	Abiodun Keripe	akeripe@afrinvest.com	
Taiwo Ogundipe	togundipe@afrinvest.com	Damilare Asimiyu	dasimiyu@afrinvest.com	
research@afrinvest.com www.afrinvest.com				