

# UPDC PLC.

BUILDING IN NIGERIA . FOR NIGERIANS . BY NIGERIANS.



## ABOUT UPDC PLC

UPDC PLC, a subsidiary of Custodian Investment PLC, is an institutional property company, founded in 1997, and listed on the NSE in 1998. UPDC has a solid track record in the acquisition, development, sale and management of a diverse mix of commercial, residential, hospitality and retail assets across Nigeria.

## Financial Results for the fourth quarter and year ended 31 December 2020 - Balance sheet deleveraging to reposition UPDC for long term growth.

FY 2020 Financial Performance (in million naira)	Group			Company		
	FY 2020	FY 2019	Δ%	FY 2020	FY 2019	Δ%
Revenue	1,662	2,158	(23)	1,597	2,158	(26)
Operating Loss	(713)	(1,269)	(44)	(423)	(562)	(25)
Net finance cost	(1,478)	(2,611)	(43)	(1,478)	(2,586)	(43)
Loss before taxation	(263)	(16,195)	(98)	(946)	(12,890)	(93)
Loss from discontinued operations	(228)	(143)	59	-	-	-
Loss for the year	(606)	(15,883)	(96)	(1,059)	(12,436)	(91)
EPS (N/share)	(4)	(116)	(96)	(8)	(91)	(91)
Cash and Cash Equivalent	2,947	1,262	134	2,650	1,261	110
Total Assets	22,293	28,936	(23)	20,287	27,858	(27)
Interest bearing loans	5,423	20,807	(74)	5,423	20,807	(74)
Total Equity	9,642	2,172	344	9,181	2,283	302

## GROUP PERFORMANCE AND FINANCIAL REVIEW: FY 2020

- ❖ **Revenue** in FY 2020 declined by 23% due to a slowdown in real estate demand in the wake of the Covid-19 pandemic. The Nigerian real estate GDP contracted by -3.6%, equally evident in UPDC's 2020 performance.
- ❖ **Operating Loss:** The implementation of the Group's cost optimisation strategy continues to yield positive results as operating losses declined significantly (44%) despite lower revenue in FY 2020.
- ❖ **Net Finance Costs** for FY 2020 reduced by nearly 43% to ₦1.5 billion (vs ₦2.6 billion in FY 2019). UPDC repaid a large portion of its interest-bearing loans.
- ❖ **Net Cash Position** for FY 2020 improved significantly from N1.3 billion in FY 2019 to ₦2.9 billion (134% increase).
- ❖ **Overall Performance:** UPDC recorded a loss of ₦0.6 billion vs the ₦15.9 billion loss recorded in 2019.

## OVERVIEW OF FY 2020 CORPORATE ACTIONS

### SALE OF 51% STAKE

UPDC became a subsidiary of Custodian Investment PLC (with 51% stake) and an associate of UAC of Nigeria Plc on Nov. 17th 2020.

### UNBUNDLING OF UPDC REIT UNITS

An initiative embarked on to maximize returns to UPDC's shareholders by providing direct access to UPDC's REIT dividend distributions.

### RECAPITALIZATION

Strengthened capital structure following the completion of the c.₦1.6bn rights issue, with an 80% reduction in the Company's debt from c.₦21bn to c.₦6bn.

## 2021 OUTLOOK

Focus on core competency (property development and facility management of real estate assets) while divesting from non-core business lines is expected to drive growth in 2021 through emphasis on the following key strategies;



### PROJECT DEVELOPMENT

Execution of residential real estate projects delivered to time, cost and quality, and targeted at the middle-income market



### OPERATIONAL EFFICIENCY


UPDC will continue to build on its optimization strategy to ensure an organization-wide approach towards cost savings and operational efficiency.



### STRATEGIC PARTNERSHIP

UPDC will continue to foster strategic relationships and associations across the real estate value chain to maximize returns to its shareholders.

For: UACN Property Development Company Plc.

  
Folakemi Fadahunsi  
CFO