



Computer Warehouse Group

Computer Warehouse Group

Facts behind the Listing

November 15, 2013

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Computer Warehouse Group

The Opportunity

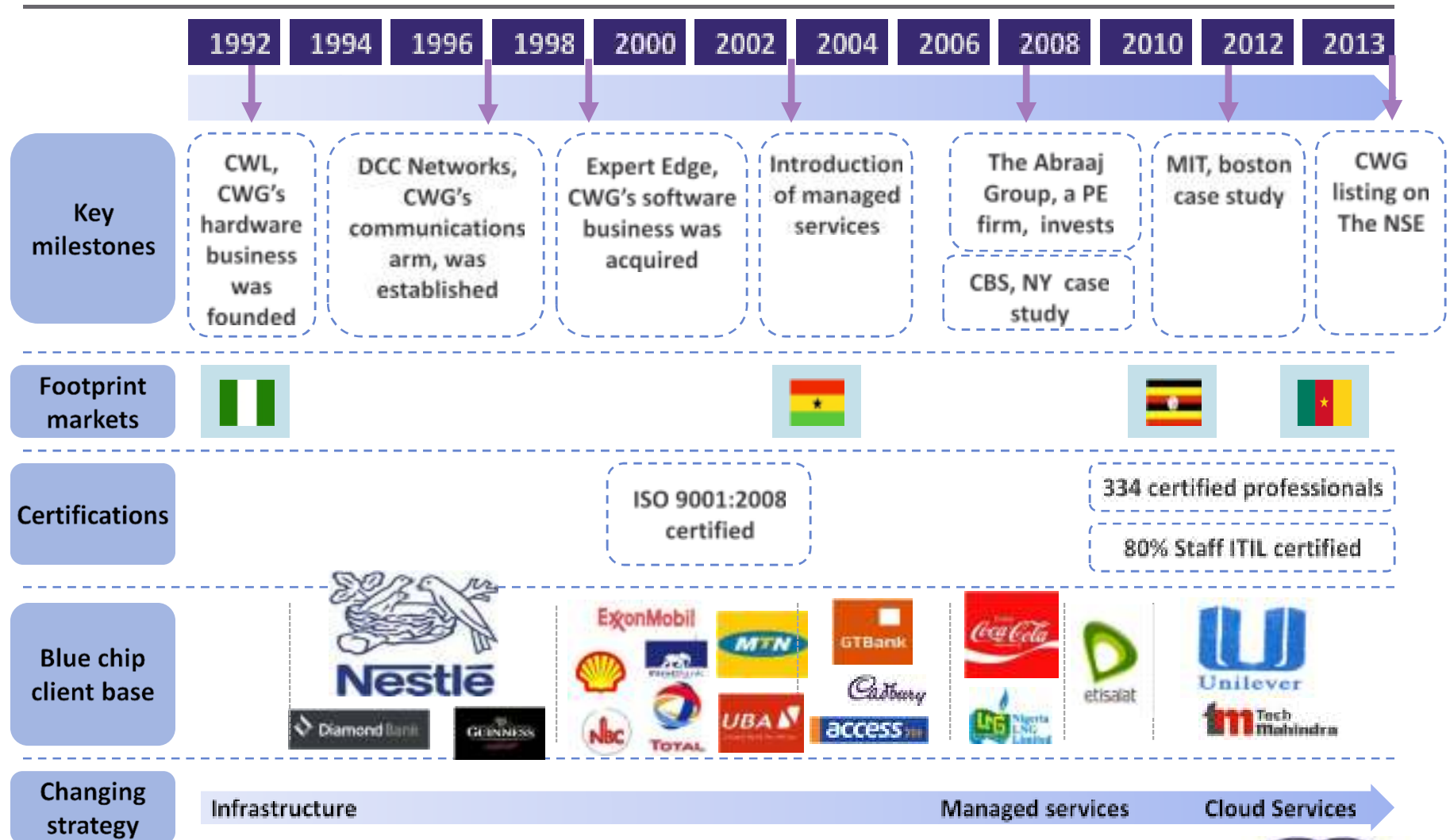


The Opportunity

- Computer Warehouse Group (“CWG” or “the Company”), a leading Pan African information and communications technology (“ICT”) company, is hereby listing by Introduction on The Nigerian Stock Exchange (“The NSE”)
- This historic event now presents institutional investors, high networth individuals and the general public with the opportunity to acquire listed shares of CWG.

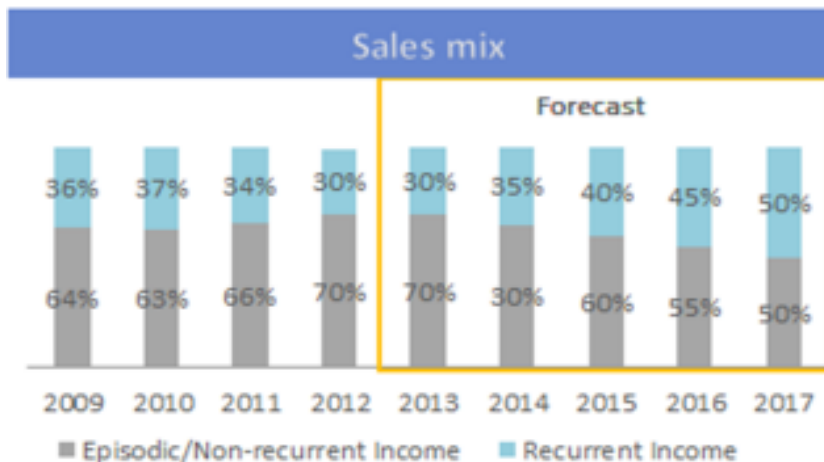
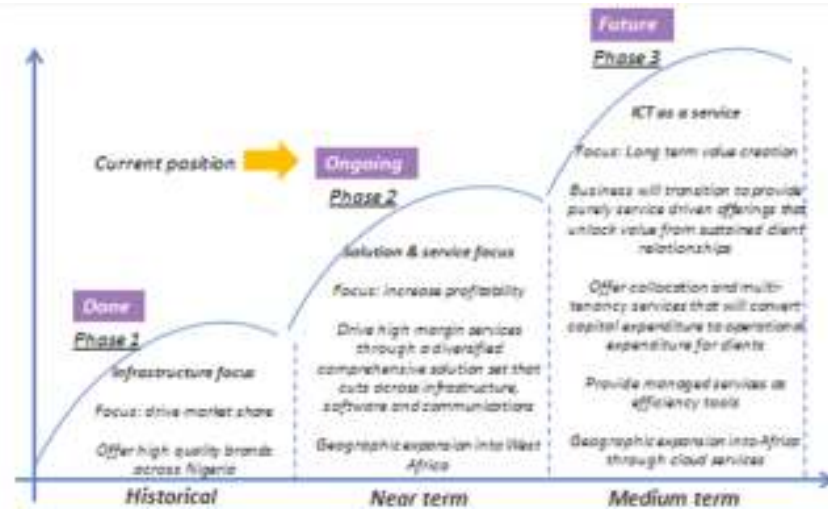
CWG: The Pan African ICT Company from inception

21 years of experience, delivering first rate IT products and services



CWG's competitive advantage

CWG is a unique player in the Nigerian IT industry



WINNING CULTURE

CWG is a unique player in the Nigerian IT industry



Columbia
CaseWorks

ID#090403

PUBLISHED ON
FEBRUARY 26, 2009

THE JEROME CHAZEN
CASE SERIES

Computer Warehouse Group

CWG CULTURE

- Inspite of – attitude
- People
- Systems
- Processes

CORPORATE GOVERNANCE TRANSFORMATION THROUGH RAPID
GROWTH AHEAD OF LISTING

THE
ABRAAJ
GROUP

The CWG Story

The Computer Warehouse Group ("CWG") commenced operations in September 1992 to undertake hardware projects with the objective of adding value to its customers' businesses through its information and communication technology ("ICT") solutions. Over the years, the Company has evolved to become a market leader in the ICT industry within the areas of:

- Hardware & Enterprise Systems;
- Software Development; and
- Networks Integration & Communications.

CWG's initial operational base in Lagos has since expanded to seven other operational offices across Nigeria. As part of its regional strategy, CWG has established offices in Ghana, Cameroon, and Uganda, with operational staff based in 7 additional African countries, serving the needs of its clients onsite.



LEGATUM CENTER
FOR DEVELOPMENT &
ENTREPRENEURSHIP
MANAGEMENT'S INSTITUTE OF TECHNOLOGY

Case #1-13-063, January 01, 2013



COMPUTER WAREHOUSE GROUP
SHIFTS STRATEGY

Nigeria's Indigenous ICT Success Has Reached a Crossroads: Which Way
Will It Go?





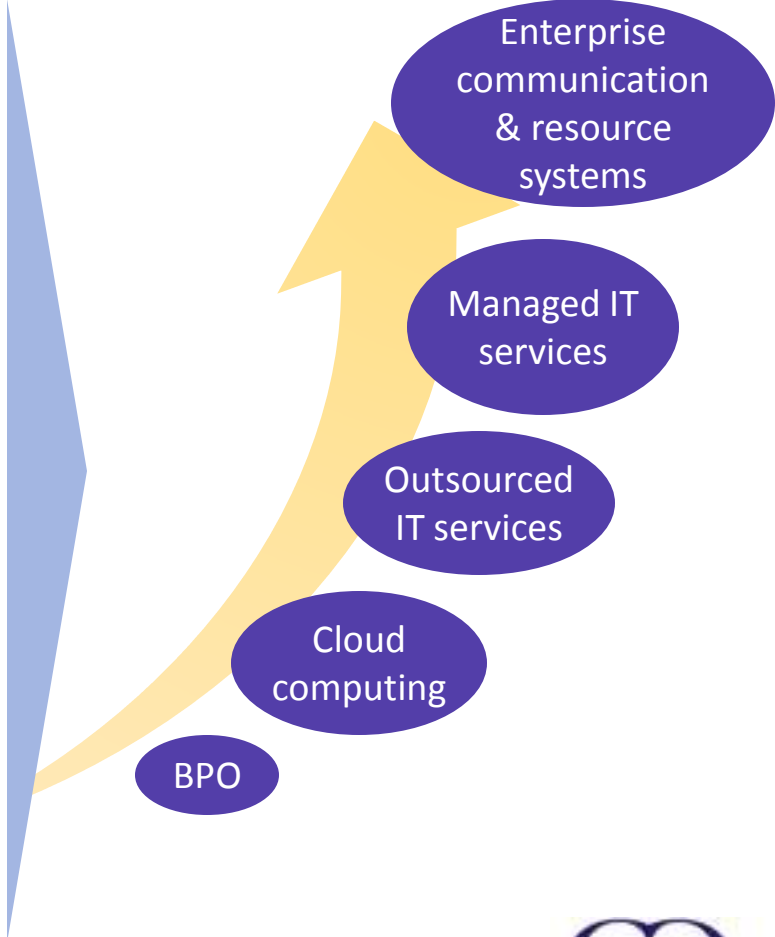
Computer Warehouse Group

Market Opportunity



Certain key factors expected to spur industry growth

The Nigerian ICT hardware and services industry, estimated at c.US\$7bn in 2010, and forecast to grow to US\$26bn by 2020.

| Drivers | | Opportunities in the Nigerian IT industry | |
|--|--|--|---|
| Undersea fibre optic network | Greater broadband speed and lower costs |  | Enterprise communication & resource systems |
| Favourable demographics | Increasingly affluent and youthful population | | Managed IT services |
| Booming telecom industry | Demand for efficient telecom technologies | | Outsourced IT services |
| Globalization | SMEs and large corporations efficiency demands | | Cloud computing |
| Privatisation of the Nigerian Power industry | Demand for efficient power technologies | | BPO |
| Cashless Initiatives | Mobile money | | |



Computer Warehouse Group



Strategic Positioning

CWG is well positioned to benefit from expected industry growth

The Nigerian IT industry presents significant untapped opportunities, CWG is well positioned to capitalize on this

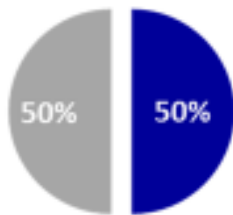


Strong positioning in key market segments

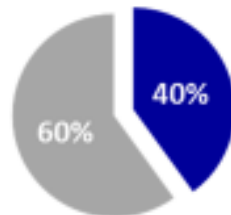
Leader in the Nigerian IT industry

Market share statistics

Mobile call enablement

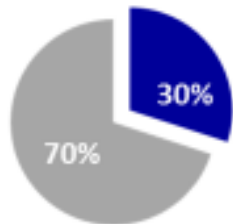


Telecom IS Managed Services

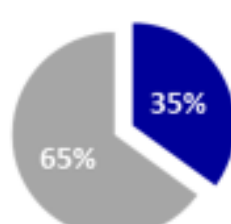


- ✓ 50% of Mobile calls are routed through enterprise servers and storage supplied by CWG
- ✓ 40% of Telecoms IS Managed Services provided by CWG

ATM transactions

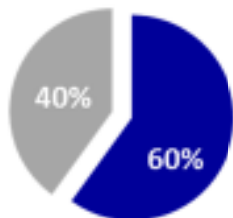


ATM Support

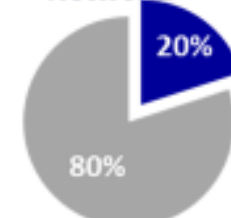


- ### Leading ATM provider
- ✓ 30% of ATM transactions pass through CWG's Wincor-Nixdorf ATMs
 - ✓ 35% of ATM installed base in Nigeria supplied & Supported by CWG

Banking Transaction

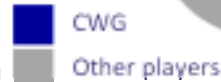


Banks' communication Networks



- ### Leading Banking technology provider
- ✓ 60% of banking transactions happen on our Finacle Core Banking system, installed in 10 of the 21 Nigerian banks
 - ✓ 20% of bank branch transactions on data links are carried through CWG's Network Infrastructure

Source: Company research



Wide National Coverage

CWG has operations in 18 of 36 Nigerian states

5 Regional Hubs

- ❑ Infrastructure and core systems support
 - Bank ATMs
 - Communication links
 - Power Sector

Largest data center in Africa outside South Africa

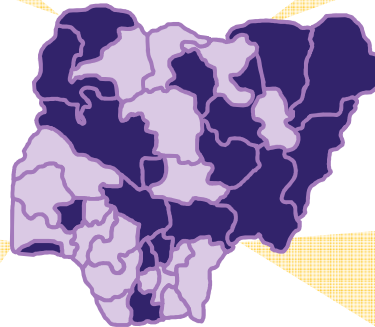
- ❑ More than 22,000 fiber terminations
- ❑ Over 5,000 copper points
- ❑ Provides Managed Service for MTN

Network for NUC/World Bank NgRen

- ❑ STM1 Lines to 29 Universities
- ❑ Eventual rollout to all Federal Universities.

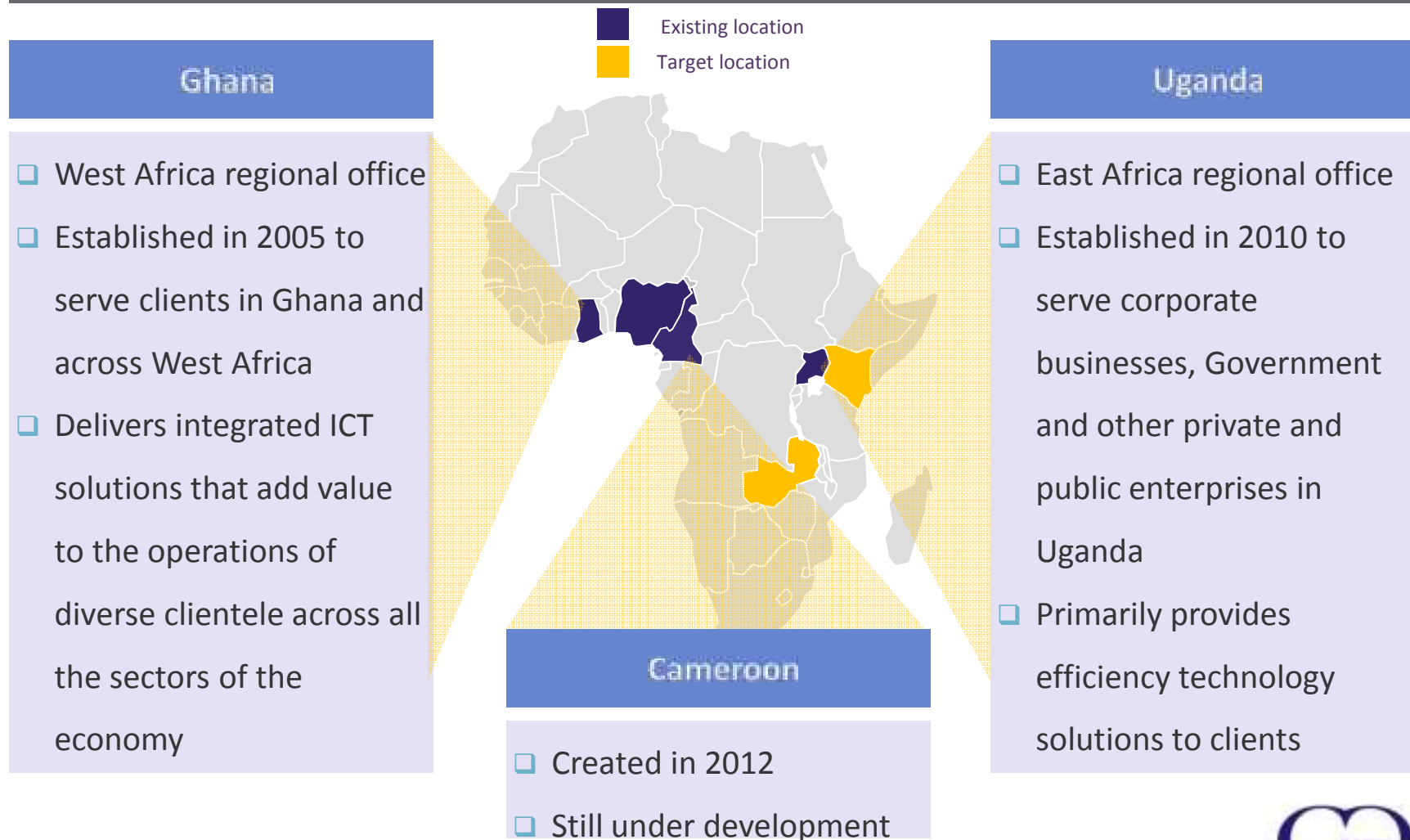
Electronic Document Management System for CBN

- ❑ Document management for 5,000 users across 36 offices and 27 departments.



Growing regional presence

CWG has operations in Ghana and Uganda, with plans to expand into neighboring countries . The Cameroon office is being developed.



Excellent track record





...we have received numerous accolades for our outstanding work



- 2012**
 - ✓ ICT Solutions Provider of the year
 - ✓ ICT Company of the year
 - ✓ ICT Personality of the year
 - ✓ Top 50 Technology Business Companies in West Africa
- 2011**
 - ✓ Industry Partner of the year
 - ✓ African ICT Conglomerate of the decade
 - ✓ Best ICT Company in CSR
 - ✓ Nigerian partner of the year
- 2010**
 - ✓ Africa's Most Admired Company in Financial Service Technology
 - ✓ Best Banking Software Company of the year
 - ✓ Communications Company of the year
 - ✓ African Best System Integration Partner
 - ✓ Most Outstanding ICT Conglomerate
 - ✓ Most Outstanding Corporate VPN of the Decade
 - ✓ Most Outstanding IT Support Service of the Decade

Board of Directors

CWG is led by an experienced Board of Directors

| | Name | Title | Background |
|---|----------------------|--|---|
|  | Chief Willie Belonwu | Chairman | <ul style="list-style-type: none"> • Director at Ecobank Nigeria • Chairman of Dreamworld Leisure • Previously CFO of Mobil Producing Nigeria until December 2005 |
|  | Austin Okere | Managing Director / CEO | <ul style="list-style-type: none"> • Over 20 years of experience in the Nigerian IT industry • Member of the Nigerian Economic Summit Group, Computer Association of Nigeria, and the Institute of Directors of Nigeria |
|  | Phillip Obioha | Chief Operating Officer | <ul style="list-style-type: none"> • Over 20 years of extensive engineering experience that cut across the manufacturing, information technology and the financial industry sectors • Member of Institute of Directors and Institutional of Electrical & Electronic Engineers |
|  | James Agada | Executive Director- Chief Technology Officer | <ul style="list-style-type: none"> • Spent over 20 years building a career in consulting, software development, implementation and support • Member of Computer Association of Nigeria and Institute of Directors |
|  | Abiodun Fawunmi | Non-executive Director | <ul style="list-style-type: none"> • Veteran Professional who has spent over 30 years in the Global ICT industry working for a number of international organizations, including the UN, Shell, PwC, Coca-Cola Group etc. |
|  | Ravi Sharma | Non-executive Director | <ul style="list-style-type: none"> • Managing Director with The Abraaj Group • Over 10 years' experience in private banking, investment banking and private equity |

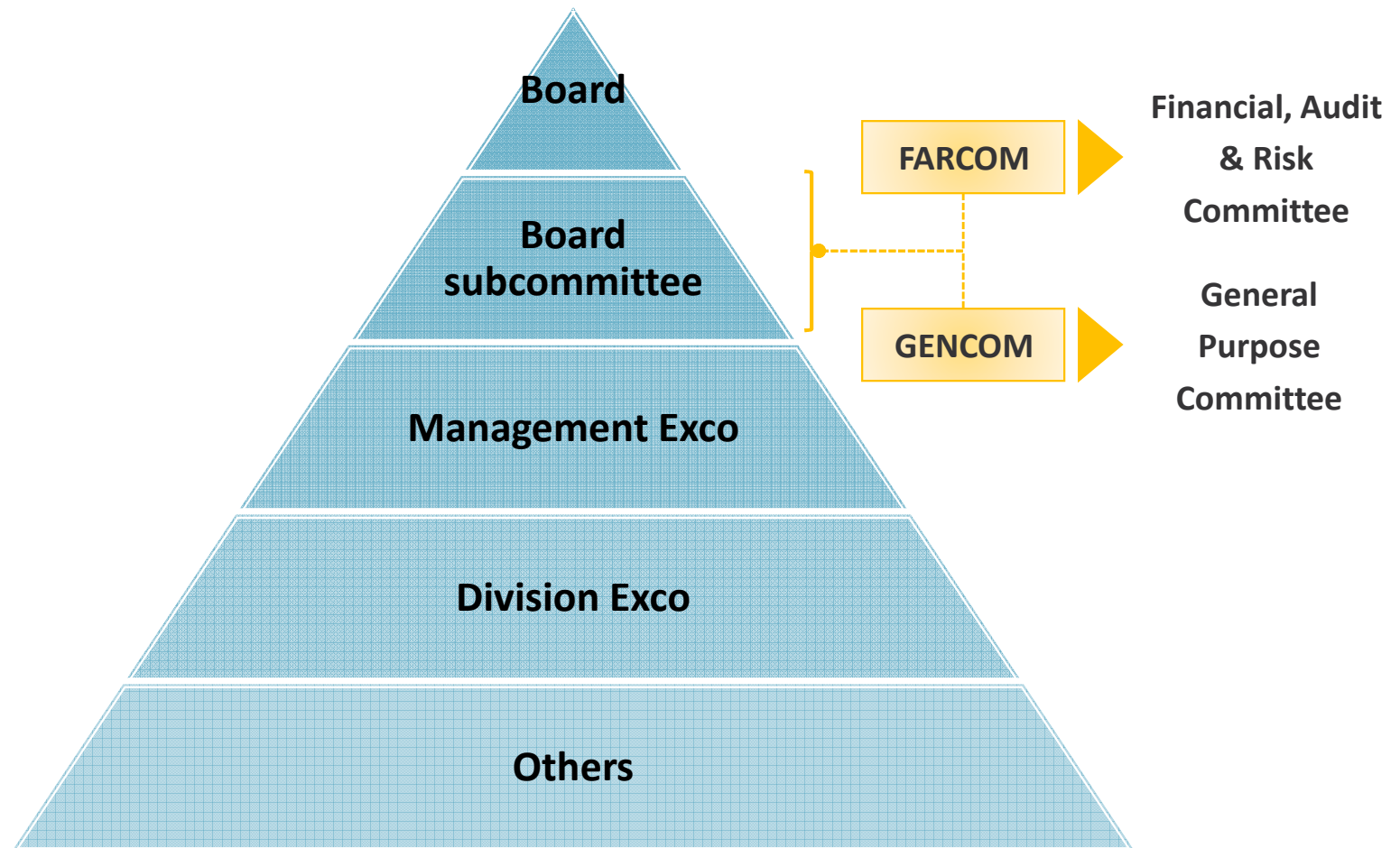
Experienced management team

CWG is overseen by the Chief Executive Officer, Mr. Austin Okere, supported by a competent management team with deep industry know-how

| Name | Title | Background |
|--------------------|---|--|
| Adedayo Abegunde | Assistant Vice President, Group Sales | <ul style="list-style-type: none"> • Extensive background in business development, account management, account acquisition, and consultative sales • Bachelor's degree in Chemical Engineering (University of Lagos) and MBA (Federal University of Technology) |
| Gbenga Odegbami | Assistant General Manager, DCC | <ul style="list-style-type: none"> • Over 10 years experience in leading technology and professional services companies. • BSc. Electrical and Electronics Engr. (University of Lagos) and MBA (Warwick Business School) • Over 20 Professional Certifications and accreditation including CCIE RS, Prince 2 Practitioner and Chartered IT Professional - BCS among others. |
| Femi Ibine | General Manager, ExpertEdge Software | <ul style="list-style-type: none"> • Formerly Country Manager for the Ghana Office • Bachelor's degree in Agricultural Economics (Federal University of Technology) and an MBA (Paris Graduate School of Management) |
| Olapeju Ayo-Fisher | Deputy General Manager, HR and Administration | <ul style="list-style-type: none"> • Bachelor's degree in English (University of Lagos) and Masters in Industrial Relations (University of Lagos) • Member of the Chartered Institute of Personnel Management and an alumnus of Lagos Business School |
| Remi Adelaye | HOD, Finance & Accounts | <ul style="list-style-type: none"> • Bachelor's degree in Economics (Obafemi Awolowo University, Ile-ife, Nigeria) and a Masters in Business Administration (Graduate Institute of Management, IESE, Barcelona, Spain) |

Strong governance frameworks

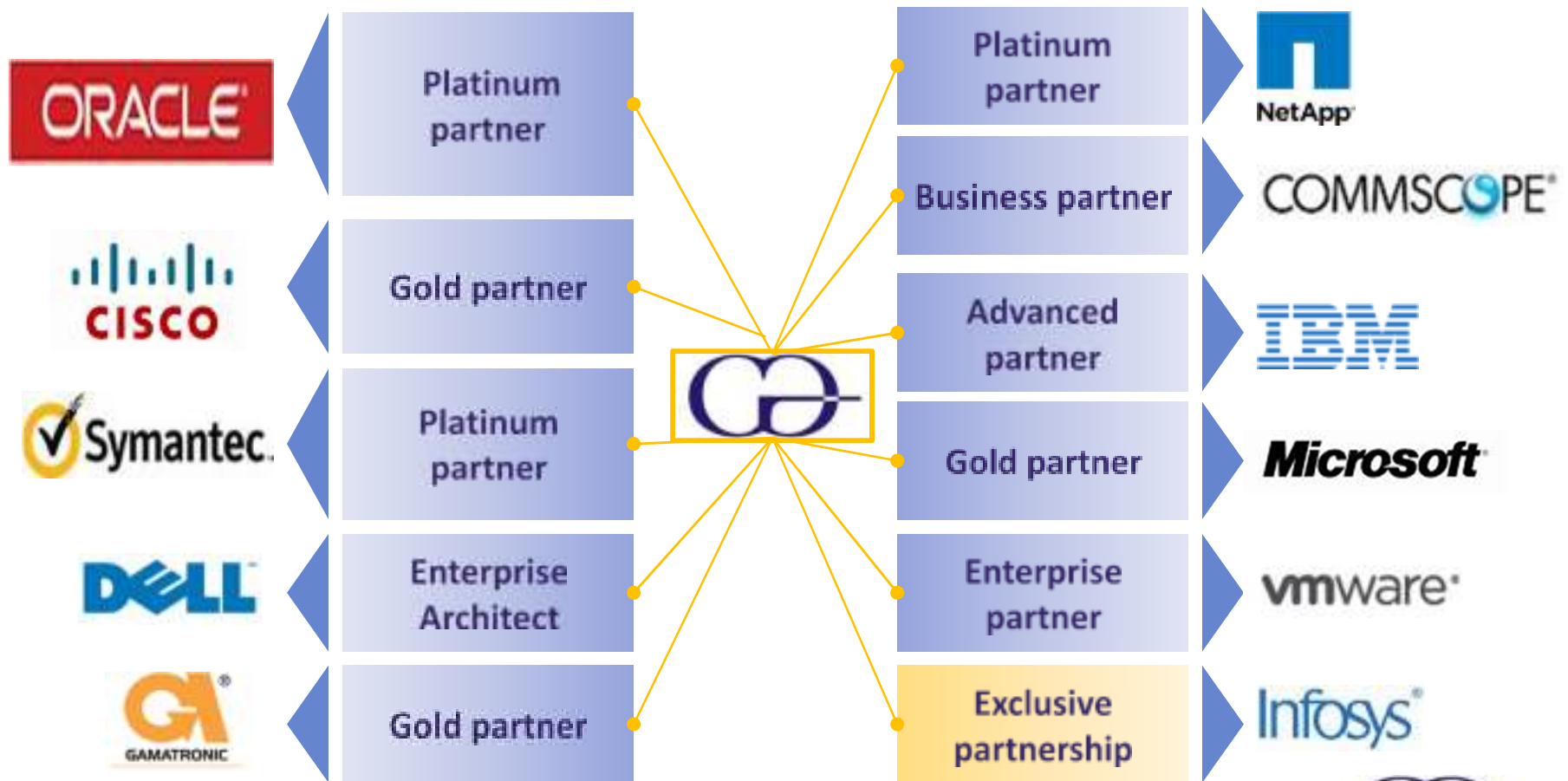
CWG has well organized corporate governance structures in place



Strong supplier partnerships

CWG leverages partnerships with leading global IT equipment manufacturers to offer clients world class IT solutions

Partnerships with leading IT players key for product delivery



Broad clientele

Client base is comprised of blue chip Corporates

Banking



Oil & Gas



Manufacturing



Telecomms



Services





Computer Warehouse Group



Investment Highlights



Investment Highlights

Large and fast growing market

- Nigerian ICT penetration and development metrics are below global levels, approximately at \$12bn and targeted to grow to **\$26bn** in the year 2020
- This is driven by the low internet, PC, broadband and mobile penetration and supported by the abundant natural resources that have underpinned growth in the durable consumer sector

Leadership position

- CWG is currently a market leader in the Nigerian ICT space. The Company provides network services to 18 out of the 24 banks in Nigeria and supports these clients across 12 African countries
- The Company manages the largest data centre by capacity in Africa outside of South Africa and supports over **3,000 out of 9000** ATM's for Nigeria's financial institutions
- The Company has a strong market share in all its business lines

Strong Management and Shareholder team

- Has a strong management team, led by Mr. Okere who is currently an entrepreneur in residence at the Columbia business school in NY
- CWG has a clear strategy for the future, of becoming the number one IT utility enabler by the year 2015

Track record

- CWG has a strong well respected brand that has aided in driving recent growth and profitability
- On value creation, The Initial shareholders funds of \$16k, has grown more than **5000 times** to about \$86m
- The Company achieved a CAGR of 9.3% in its net profit and 26.8% in revenue over the past 5 years and expects to achieve a CAGR of 11% in net profit and 10% in revenue over the next 5 years

Governance

- The Company has a good institutional framework and governance with its current composition of board and shareholder mix



Computer Warehouse Group



Business Prospects

Coming Opportunities

MSME

- ❑ 17.3M Micro, Small and Medium Enterprises in Nigeria

POWER SECTOR

- ❑ Metering GAP
 - ❑ estimated 7m meters need in the next 2 years
- ❑ ICT requirements for privatized power companies.

PAYMENT SOLUTIONS

- ❑ ATM GAP
 - ❑ 50,000+ ATM still needed
- ❑ POS
 - ❑ 100,000+ POS still needed
- ❑ MOBILE
 - ❑ 70m+ mobile phones

XaaS RollOut

- ❑ 1000 MFB in Nigeria
- ❑ XaaS launch in 29 countries
- ❑ Financial inclusion

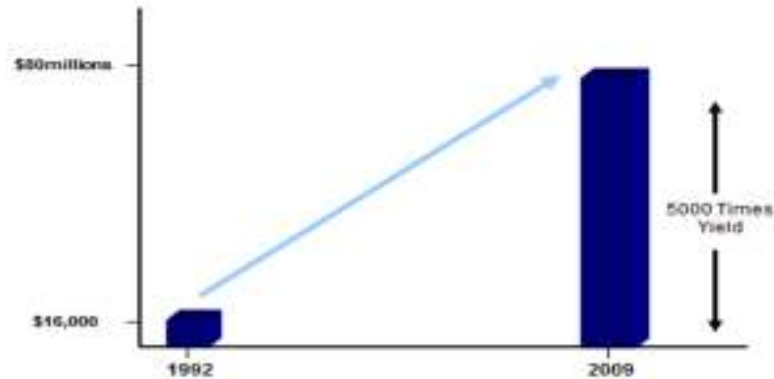


Computer Warehouse Group

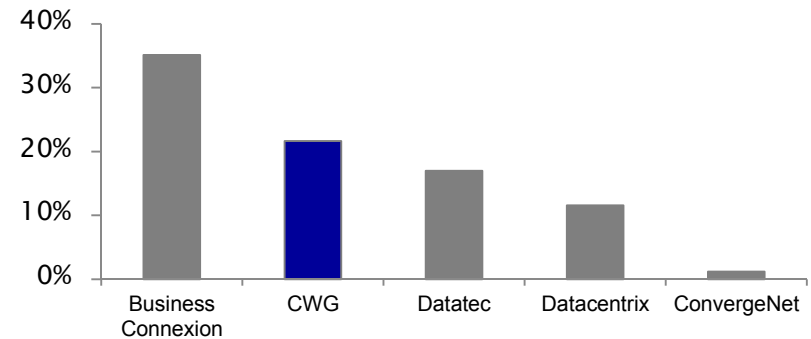
Summary Business & Financial Metrics

Benchmarking CWG performance with Regional Peers

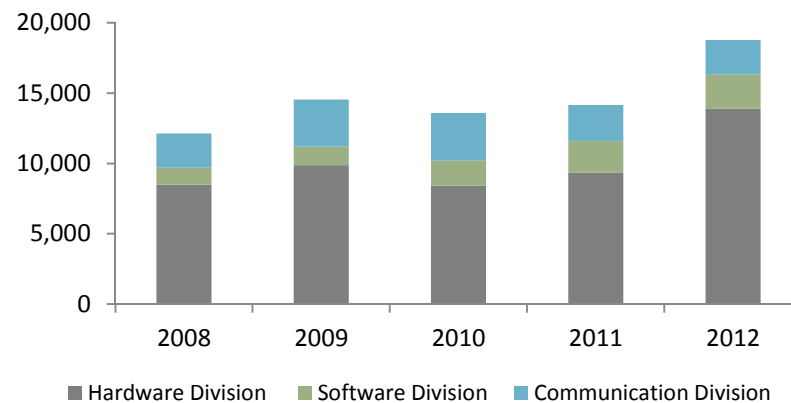
5k times capital appreciation since inception



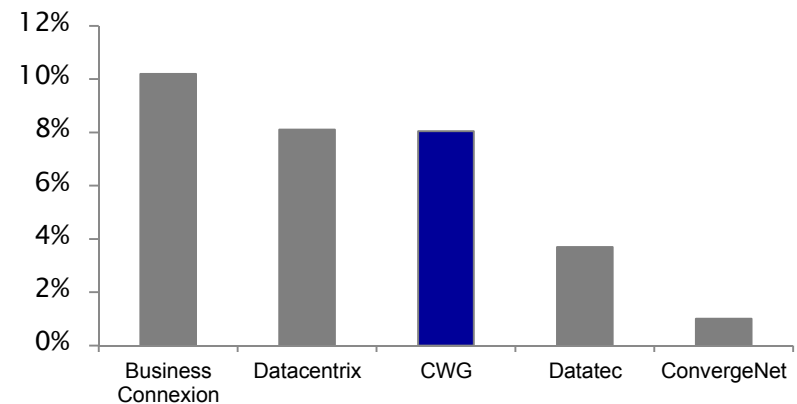
Strong revenue Growth % with regional peers



Consistent revenue growth across divisions



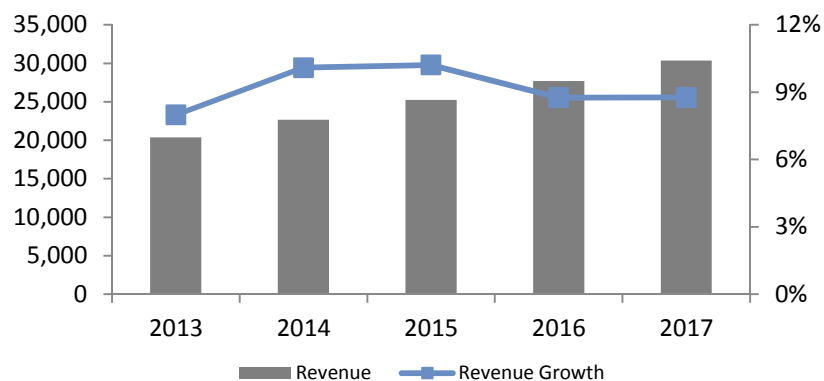
Strong EBITDA Margin % with regional peers



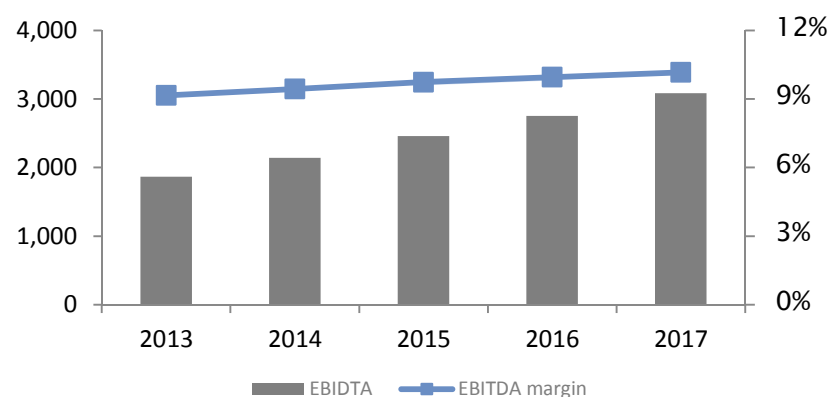
Financial Projections

Revenues are expected to grow by a CAGR of 12% over the next 5 years, earnings will grow at a CAGR of 20% over the same period.

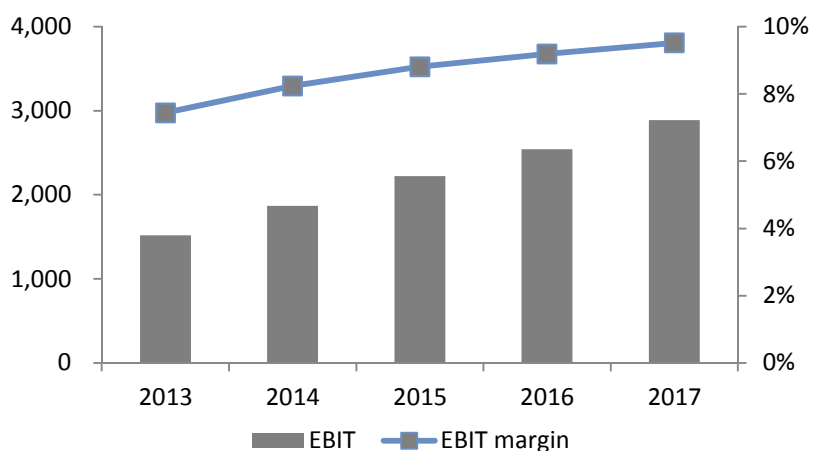
Revenue (N'millions)



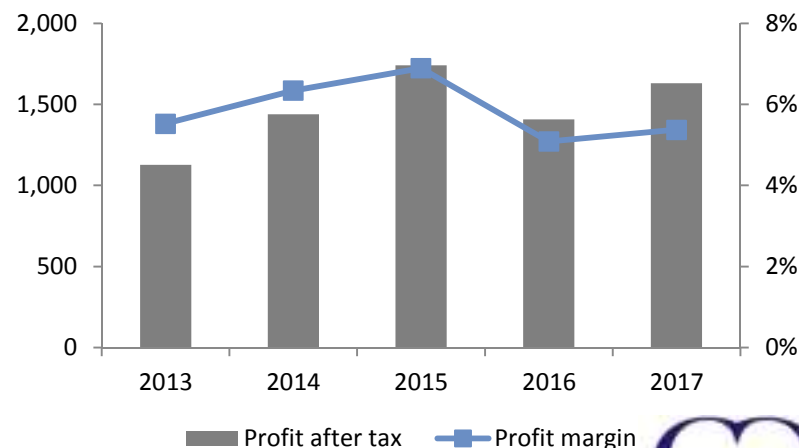
EBITDA (N'million)



EBIT (N'millions)



PAT (N'millions)



CWG currently enjoy a 5 year tax holiday for pioneer status. This expires in 2015.

** Projections subject to Caveat



Conclusion

Conclusion

CWG is a unique investment opportunity

- ✓ CWG is a leading player in the Nigerian ICT industry
- ✓ Over its two decades of operations, CWG has developed a strong reputation for quality and competence
- ✓ The company has strong relationships with leading global suppliers and blue chip domestic clients
- ✓ CWG is uniquely positioned to benefit from the significant expected growth in the Nigerian ICT industry
 - IT expenditure expected to increase from \$7 billion to \$26 billion over the next two decades
- ✓ CWG has a strategic partnership with The Abraaj Group and scope for further partnership that will move the company towards its vision of becoming the number one IT utility enabler in Africa



Thank You.