



# COMPUTER WAREHOUSE GROUP PLC

## 2014 FINANCIAL HIGHLIGHTS

# RESULT HIGHLIGHTS

## Summary of Results for the Year 2014

	<b>The Group 2014 N 'm</b>	<b>The Company 2014 N 'm</b>
Turnover	15,356	14,595
Profit Before Tax	58	109
Tax	62	67
Profit After Tax	120	176

# AGENDA

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- 2014 Group Financial Results
  - Group Consolidated Performance
- Segment Reports
  - Business Segments
  - Geographic Segments
- 2015 Focus & Prospects

# **GROUP FINANCIAL RESULTS**

# Computer Warehouse Group Plc

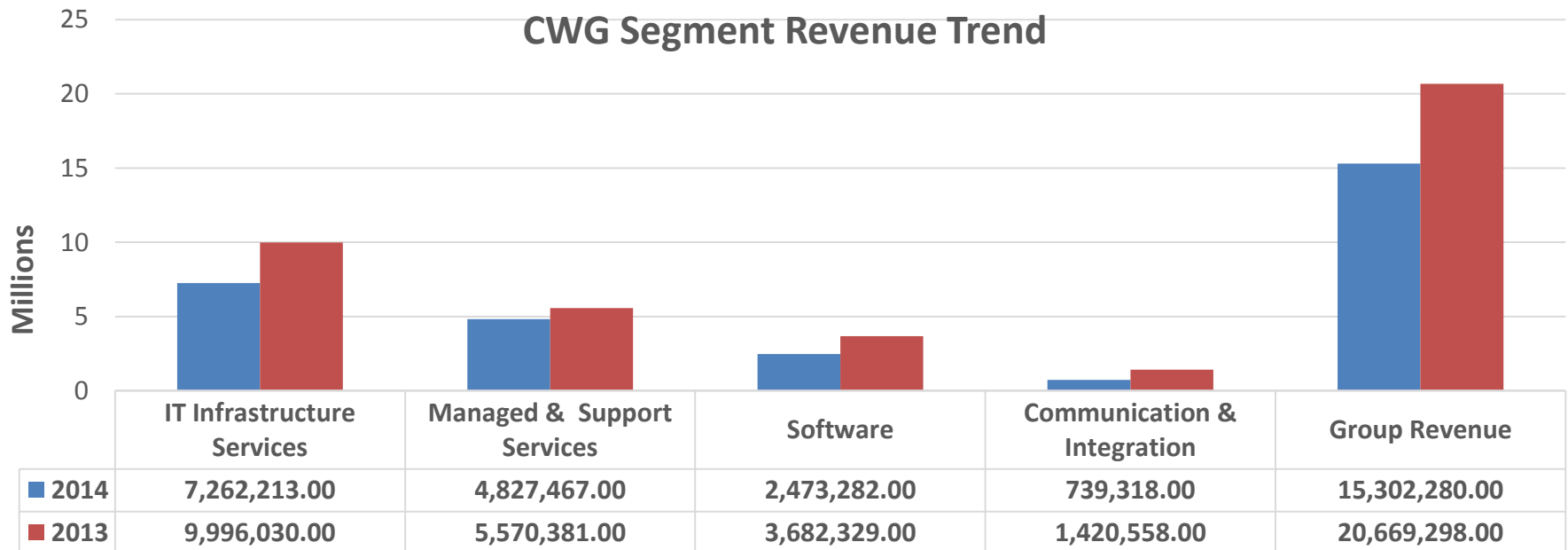
## Consolidated Financial Result

	GROUP				COMPANY		
	2014 N 'm	2013 N 'm	% Change		2014 N 'm	2013 N 'm	% Change
Revenue	15,356	20,669	-26%		14,595	20,056	-27%
Gross profit	3,050	3,908	-22%		2,916	3,760	-22%
Other income	90	217	-59%		90	205	-56%
Administrative expense	(2,462)	(2,802)	-12%		(2,290)	(2,641)	-13%
<b>EBITDA</b>	<b>678</b>	<b>1,322</b>	<b>-49%</b>		<b>715</b>	<b>1,324</b>	<b>-46%</b>
Depreciation	(277)	(405)	-32		(271)	(398)	-32
Currency devaluation	(192)	(35)	455%		(192)	(35)	455%
Finance cost	(200)	(349)	-43%		(192)	(343)	-44%
Finance income	49	85	-42%		49	85	-42%
<b>Profit before taxation</b>	<b>58</b>	<b>619</b>	<b>-91%</b>		<b>110</b>	<b>632</b>	<b>-83%</b>
Taxation	62	(6)	1212%		67		
<b>Profit after taxation</b>	<b>120</b>	<b>613</b>	<b>-80%</b>		<b>176</b>	<b>632</b>	<b>-72%</b>

# **SEGMENT REPORTS**

# REVENUE BY SEGMENT

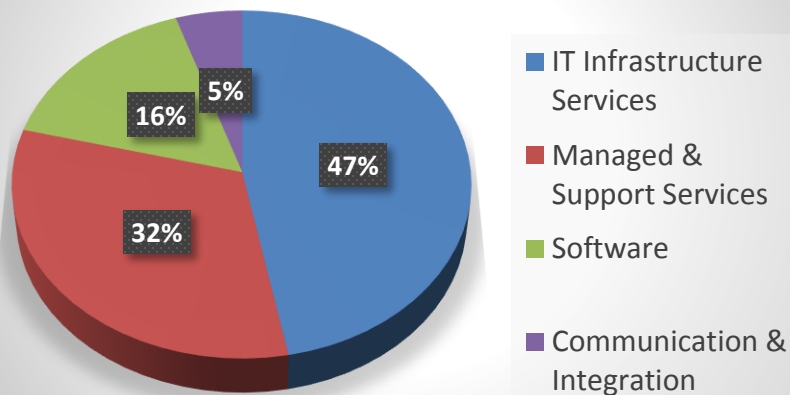
- Decline in revenue in 2014 was across all segments of our business. However, Managed and Support Services (MSS) showed the most resilience.
- The Company added new MSS contracts in 2014, however the impact of non-renewal of the NUC contract was so significant, as to result in a decline in the segment revenue.
- Decline in IT Infrastructure and Software business, is believed to be in line with new options provided consumers by Cloud services.



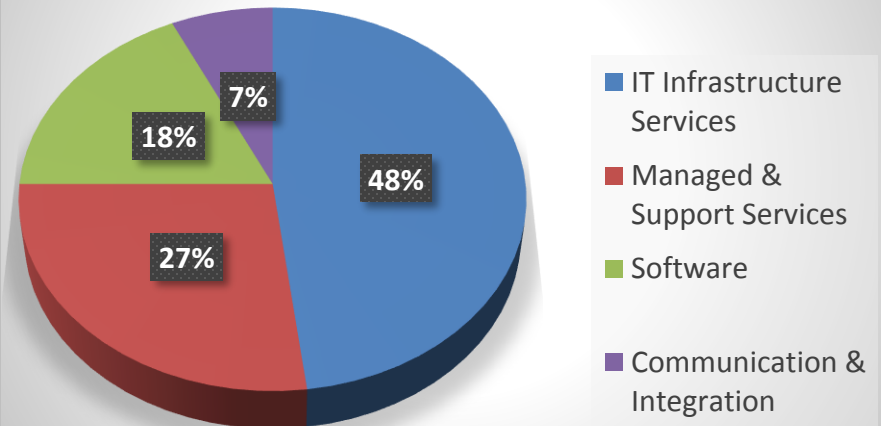
# REVENUE CONTRIBUTION BY SEGMENT

- The relative contribution of IT infrastructure services, reduced slightly in 2014 (48%) compared to 2013 (47%), in line with the overall decline in revenue of the Company - 2014 (N7.2b) compared to 2013 (N10b).
- Revenue and Margin Pressures on IT Infrastructure Segment is due to;
  - Proliferation of resellers and increasing OEM participation in the local market
  - Introduction of Cloud services options requiring less IT Infrastructure by Customers

Revenue Contribution by Segment  
2014



Revenue Contribution by Segment  
2013

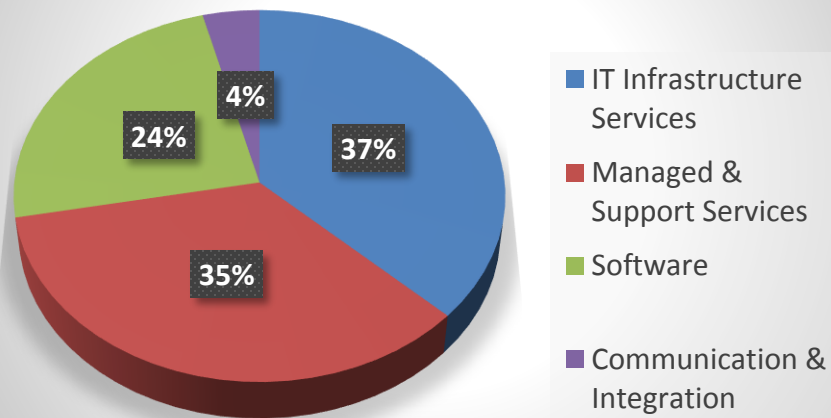




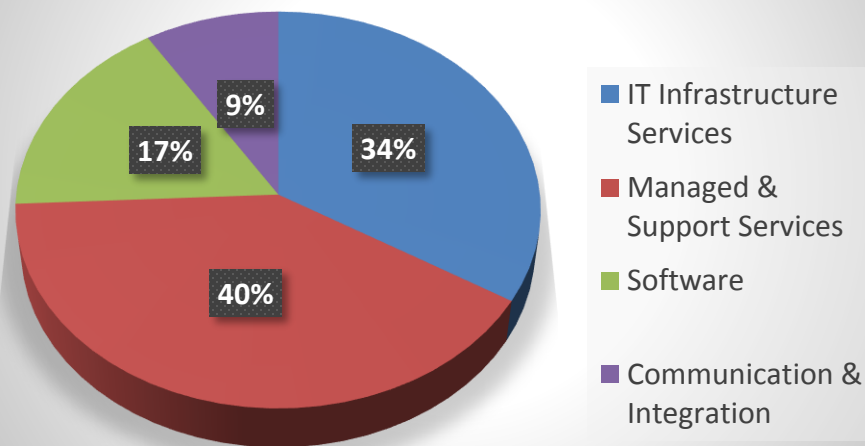
# PROFIT CONTRIBUTION BY SEGMENT

- Currency fluctuation and devaluation of the naira, impacted the general profitability of the businesses, especially in Quarter 4 of 2014.
- Whereas there was a decline in Software revenues, the segment made better contribution to profit, by focusing on achieving better margins.

**Profit Contribution by Segment  
2014**

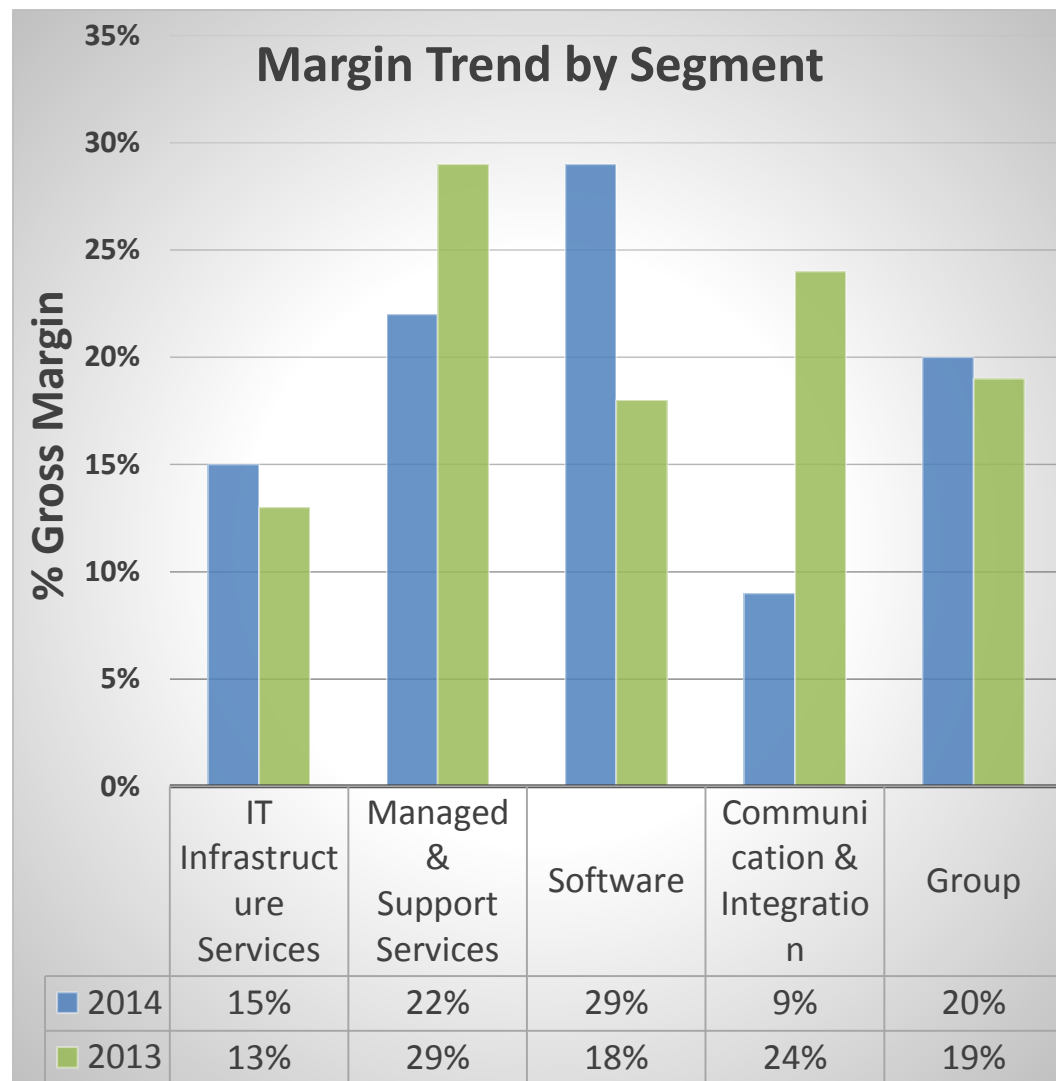


**Profit Contribution by Segment  
2013**



# MARGIN TREND BY SEGMENT

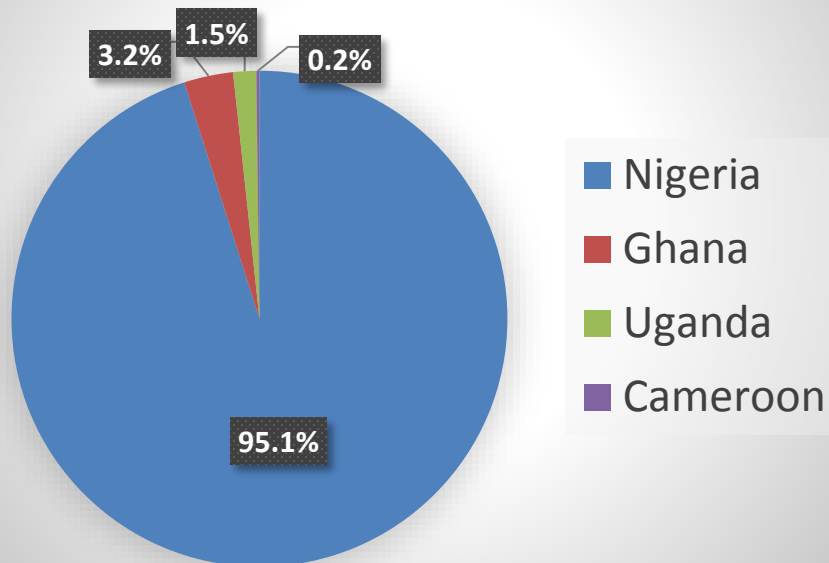
- The Group's gross margin in 2014 increased slightly (20%), compared to 2013 (19%).
- This is attributable to improvement in margin in the IT Infrastructure Services and Software Services Segments of the business.
  - In 2014, the Company put more focus on margin improvements through a combination of initiatives identified as Margin Accelerators.
- Margin on Communications Services declined significantly, reflecting the challenges of the business due to changes in technology.
  - This business line is being restructured for a turnaround.



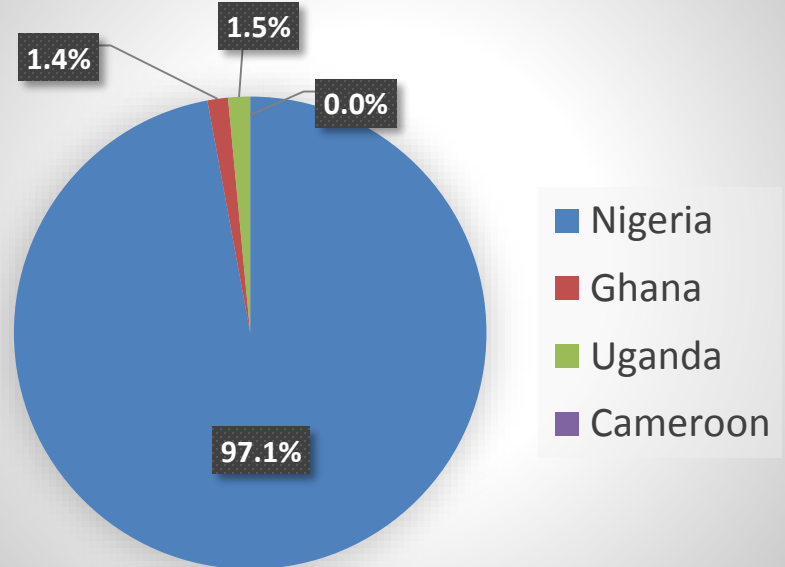
# REVENUE CONTRIBUTION BY GEOGRAPHY

- CWG Ghana grew revenues by 64% in 2014 to reach N489m (2013;N298m). However, about 30% - 40% of this increase is due to Inflationary growth due to currency devaluation.
- However, the relative growth in Revenue contribution by the foreign subsidiaries, is majorly due to the decline in CWG Nigeria Revenue contribution.

Revenue by Geographic Segments  
2014

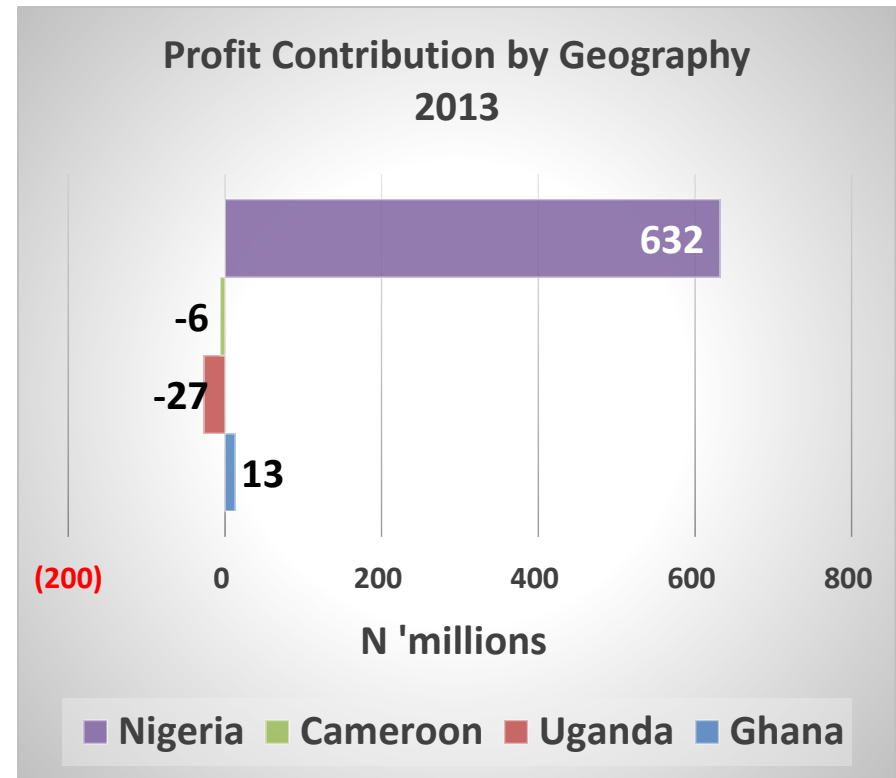
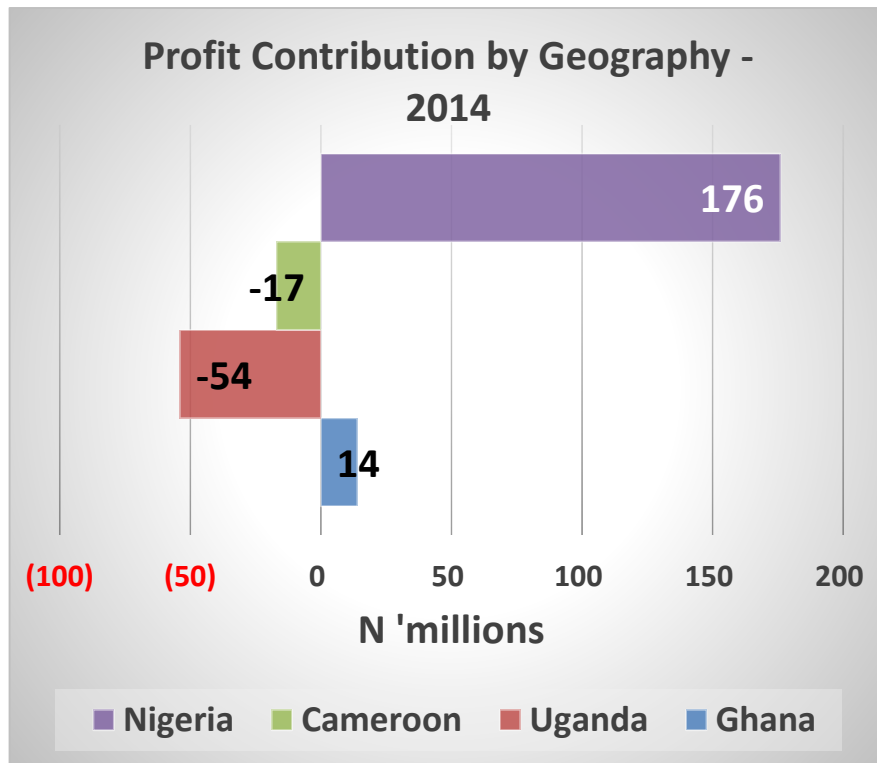


Revenue by Geographic Segment  
2013



# PROFIT CONTRIBUTION BY GEOGRAPHY

- In 2014 Uganda & Cameroon reduced the Group profit by about N71m (2013: N33m). However, Ghana continued to turn a profit, in spite of the local currency devaluations during the year.
- The impact of losses from the subsidiaries is more significant due to decline in profit of the Parent company in 2014. Our focus in 2015 is to review our international strategy, in order to curtail losses.



A conceptual illustration of cloud computing. A hand is shown holding a large, stylized orange cloud with a white outline. From the bottom of the cloud, several thin white lines hang down, each ending in a different technology icon: a laptop, a mobile phone, a server rack, a wireless antenna, a satellite dish, and two computer monitors. The background is a soft, out-of-focus grey.

# 2015 FOCUS & PROSPECTS

# CWG 2.0

## Utility / Cloud Enablement



### MTN Diamond Yellow Account

- 2m+ subscribers now on platform
- 1 Prospective Bank to join in 2015.



### ERP Solution targeted at 17.3M MSMEs in Nigeria

- Active acquisition of Franchisees and Partners

### A service platform for micro-finance banking operations

- Additional Outlets being opened for use of the Platform



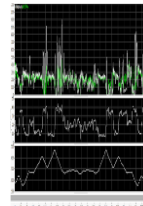
## Power Sector



### Power Theft Prevention Solution



2 Pilots Completed with Eko Disco & Ibadan Disco



Prospect of First Order with Port Harcourt Disco.