



IKEJA HOTEL PLC (RC 10845)

**A Presentation of Facts Behind The
Restructuring at The Nigerian Stock Exchange**

*Presented By
Chief Anthony Idigbe, SAN (Chairman)
Ikeja Hotel Plc*



May 2018

OUR AGENDA FOR TODAY



Corporate Profile



Key Milestones



Board of Directors



Journey So Far



Financial Performance



Snapshot of Recent Renovations



Current Focus



Questions and Answers

CORPORATE PROFILE



The company's principal business is the provision of hospitality services



Has controlling interest in Capital Hotels Plc, the owners of Sheraton Abuja Hotel



Has significant influence in the Tourist Company of Nigeria, owners of Federal Palace Hotel & Casino by virtue of its shareholding



Has a long-standing operating agreement with global hospitality brand, Marriott International

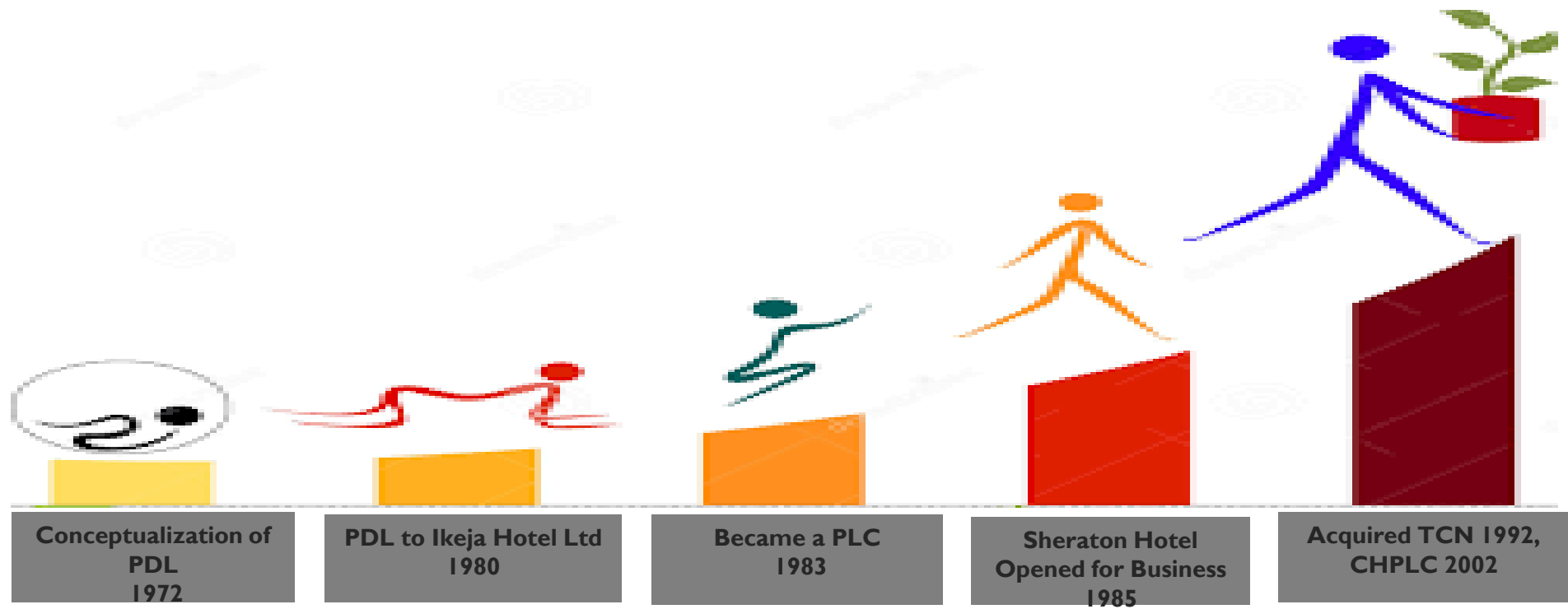


663 rooms, 8 outlets, 14 meeting rooms and 2 conference halls



Top choice hotel for 7 international airline crews

KEY MILESTONES



Key:
PDL- Properties Development Limited

TCN- Tourist Company of Nigeria

CHPLC- Capital Hotels Plc



IKEJA HOTEL PLC

THE BOARD

BOARD OF DIRECTORS



Chief Anthony Idigbe (SAN) - Chairman

- A seasoned legal practitioner with over 30 years' experience. Chief Anthony Idigbe is a Senior Advocate of Nigeria and the Senior Partner at Punuka Attorneys & Solicitors.
- He is a member of the Institute of Directors and the International Insolvency Institute and sat as the immediate past President of the Business Recovery and Insolvency Practitioners Association of Nigeria (BRIPAN)



Dr. Alex Thomopolus

- He attended the University of Kansas, United States where he read and obtained a PHD in 1974 in Environmental Health Science. He is a Laureate and Fellow of the Nigerian Environmental Society. He was an Executive Consultant to Sheraton Hotels Lagos and Federal Palace Hotel from 1996-2009. He is currently the Chief Operating Officer and Executive Director Guardian Press Limited, the Parent Company of Guardian Newspaper limited.



Mr. Waheed Olagunju

- Mr Waheed Olagunju joined the Bank of Industry's precursor institution the Nigerian Industrial Development Bank (NIDB) in August 1990 as a Senior Manager and rose to the position of Executive Director (Business Development) in November 2012. He is currently the Executive Director (Small and Medium Enterprises) in BOI.



Mr. Toke Alex-Ibru

- Toke Alex Ibru is The Executive Director of The Guardian, a role he has played for over 10 years. In this time, he has overseen its transformation from a traditional newspaper to an all-encompassing integrated multimedia group. Toke sits on the boards of The Guardian, Ikeja Hotels and Capital Hotels.

BOARD OF DIRECTORS



Mrs. Fadeke Alamutu

- Fadeke Alamutu is an experienced business executive with over two decades of work experience. She currently heads the Investment & Portfolio Management unit of the Honeywell Group Limited where she has oversight for the professional management of Assets & Equity Investment Portfolio.
- She currently serves as Non-Executive Director on the board of two other companies.



Mr. Kunle Aluko

- Mr. Aluko's background is in commercial banking principally in Nigeria and punctuated by on-the-job attachment and training stints in England. He enjoyed a long career with Barclays Bank, which later became Union Bank and progressed through the ranks to senior management cadre.
- Mr. Aluko is presently serving as Non-Executive Director on the boards of Law Union & Rock Insurance Plc and Wise Health Services Limited.



Mr. Ufuoma Ibru

- Ufuoma Ibru has over thirteen years' experience in hospitality investment and strategy, having participated in the planning, implementation and negotiation of public offers, special placements, off-shore lending, private equity transactions and major loan restructuring in the hotel industry in Nigeria.



Alh. Abatcha Bulama

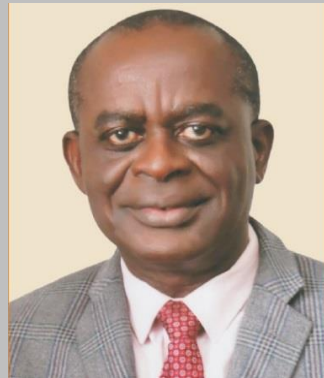
Alh. Abatcha Bulama is Fellow of the Chartered Institute of Bankers of Nigeria (CIBN) and Institute of Chartered Accountants of Nigeria (ICAN). He has over 35 years of varied working experience. His career included Commercial Banking and Capital Market regulatory sector at senior levels of responsibility. At various times he was on the board of S.E.C., Financial Reporting Council, IOD Centre for Corporate Governance etc. He is currently a Council member of the CIBN.

MANAGEMENT



Mr. Barry Curran **General Manager**

- Barry Curran is the General Manager, Sheraton Lagos Hotel and the Area Manager of Marriot Hotels and Resorts in Nigeria since 2013. Prior to this appointment, Barry was Area Manager Cairo Hotels based at Le Meridien Pyramids Hotel & Spa in Egypt.
- With over 25 years of experience in the hospitality industry and Barry has held various key positions across hotels in Ireland, the United Kingdom, Guyana and Egypt.



Mr. Theophilus Eniola Netufo **Chief Operating Officer**

- Mr. Netufo is a seasoned Business Administrator with relevant experience spanning over two and half decades. He qualified as a Chartered Accountant in May 1991 and was elected as a Fellow of the Institute on March 29, 2001.
- He is also a Fellow of Chartered Institute of Taxation, Member, Nigeria Institute of Management and also an active member of Institute of Directors (IOD). He has put in several years of meritorious services in professional practice and in multinational and hospitality entities.



JOURNEY SO FAR...

REGULATORY INTERVENTION

Regulatory Action

- Dissolution of the former Board of Directors by the Securities and Exchange Commission (SEC) on the 4th of May 2017
- Appointment of an interim board led by Chief Anthony Idigbe SAN

Objective

- To protect the investors of the company
- To protect the integrity of the capital market
- To restore the lost fortunes of the company in the shortest time possible

Mandate

- To oversee the conduct of a forensic investigation into the affairs of the company (investigation into the allegations of unauthorized sale of shares and diversion of proceeds from sale of shares amongst others)

RESULTS OF THE INTERVENTION

The current BOD, which was inaugurated on the 15th of May 2017, together with the management, swung into action in the following areas:

- Concluded the audit of financial statements for the years ended 2012, 2013, 2014, 2015 and 2016
- Successfully convened the 40th Annual General Meeting of the company on the 25th of October 2017
- Reorganized the staff with resultant return to vibrancy and company efficiency
 - ***Reduced operating expenses by 9%***
- Reviewed existing/commenced drafting of new corporate governance policies
- Commenced active engagement with the regulators in a bid to resolve all regulatory sanctions levied against the company
- Actively engaged with the operators, key shareholders and staff in a bid to restoring business confidence
- Appointed Meristem Capital as Financial Advisers to propel the ongoing restructuring activities

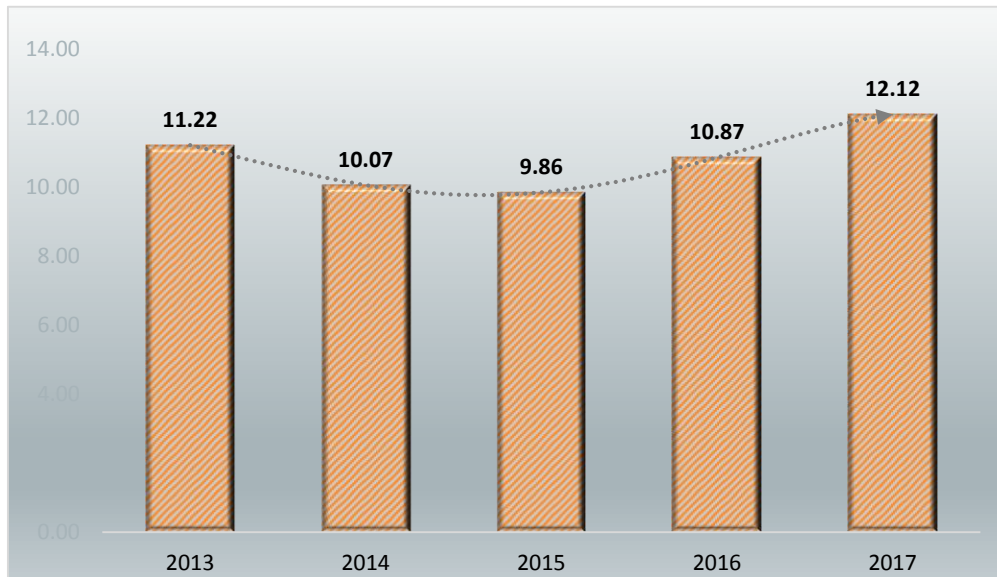
FINANCIAL PERFORMANCE

FIVE YEAR FINANCIAL SUMMARY

IKEJA HOTEL PLC - GROUP						
	Q1 2018 N'000	31-Dec-17 N'000	31-Dec-16 N'000	31-Dec-15 N'000	31-Dec-14 N'000	31-Dec-13 N'000
Assets						
Non-current assets	29,881,372	29,743,840	17,390,047	13,514,269	11,727,959	9,642,624
Current assets	8,746,929	7,548,362	7,284,163	7,682,335	7,939,360	7,823,069
Total Assets	38,628,301	37,292,202	24,674,210	21,196,604	19,667,319	17,465,693
Equity & Liabilities						
Non-current liabilities	9,181,098	9,073,160	8,347,268	8,009,794	8,027,534	7,018,630
Current liabilities	10,221,755	9,289,342	8,761,281	6,755,207	5,868,362	4,693,978
Equity	19,225,448	18,929,700	7,565,661	6,431,603	5,771,423	5,753,085
Total Equity & Liabilities	38,628,301	37,292,202	24,674,210	21,196,604	19,667,319	17,465,693
Revenue	3,090,861	12,122,014	10,865,037	9,855,086	10,065,898	11,223,700
Profit before tax	328,320	747,528	1,607,431	824,257	562,632	1,627,040
Profit after tax	224,204	617,323	1,106,452	560,730	2,934	994,806
Total comprehensive income for the Year	224,204	598,784	1,134,059	660,180	96,606	1,375,153
Earnings (kobo)	11	30	53	27	14	48

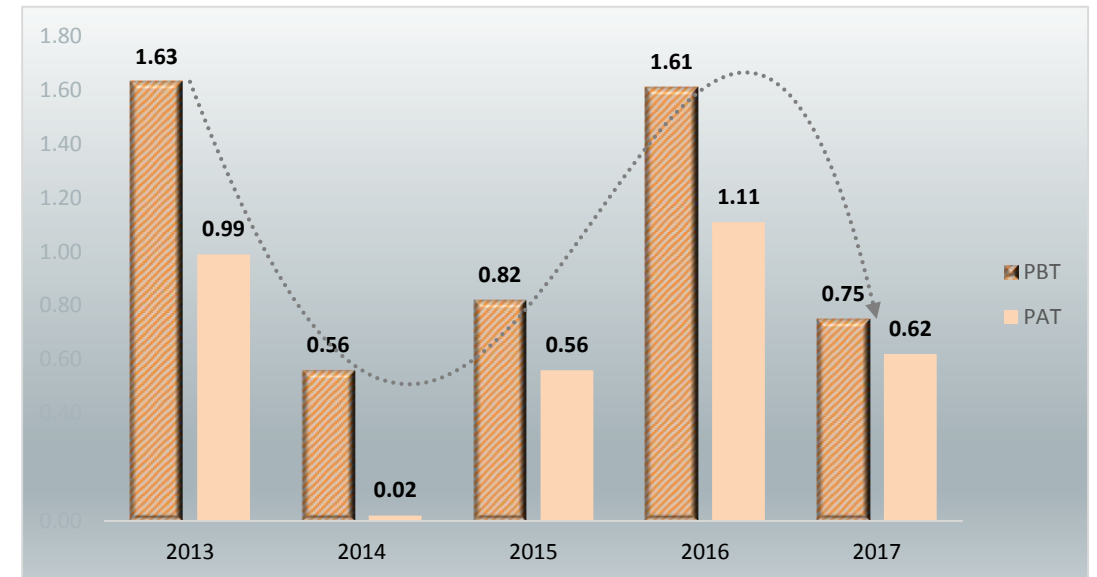
FIVE YEAR PERFORMANCE TREND

Revenue Growth Trend (NGN' billions)



Revenue decline in 2014 and 2015 may be attributed to the renovation activities which led to the closure of rooms on the 5th and 6th floors.

PBT and PAT Growth Trend (NGN' billions)



Spike in Profit-Before-Tax and Profit-After-Tax in 2016 was due to the significant foreign exchange gains recorded during the period.

2017 FY PERFORMANCE

NGN ' 000	FY 2017	FY 2016	% Change
Revenue	12,122,014	10,865,037	12
Gross Profit	3,705,339	3,361,213	10
Gross Profit Margin	31%	31	
Operating Expenses	(2,519,038)	(2,767,502)	9
Operating Profit	1,690,611	2,338,949	(28)
Operating Profit Margin	14 %	22%	
Net Finance Charges	(681,762)	(674,006)	1
Profit Before Tax (PBT)	747,528	1,607,431	(53)
Taxation	(130,205)	(500,979)	74
Profit After Tax	617,323	1,106,452	(44)
Earnings (kobo)	30	53	

Comments

- 12% growth in revenue was due to the completion of the 5th and 6th floors
- Increase in Gross Profit in line with improved revenue performance
- Re-organization led to a 9% decrease in operating expenses
- Significant foreign exchange gain of c.N1.2billion which impacted the operating profit in 2016 was not repeated in 2017.



SNAPSHOT OF RECENT RENOVATION ACTIVITIES



Club Lounge



Presidential Suite



Business Suite



Club Room



Club Room
Bathroom

Presidential Suite
Bathroom





Meeting Rooms



IKEJA HOTEL PLC

CURRENT FOCUS

IMMEDIATE ACTION PLANS

- Complete the forensic audit on the company and its investee companies, CHPLC and TCN
- Implement the decision and recommendations of the Forensic Auditors.
- Work with the Financial Advisers to unlock inherent value.
- Ensure adherence to best standards of regulatory compliance and Corporate Governance.
- Restore investor confidence in the company.
- Return the company to its position as the leader in the Tourism and Hospitality industry in Nigeria.



THANK YOU



QUESTIONS AND ANSWERS