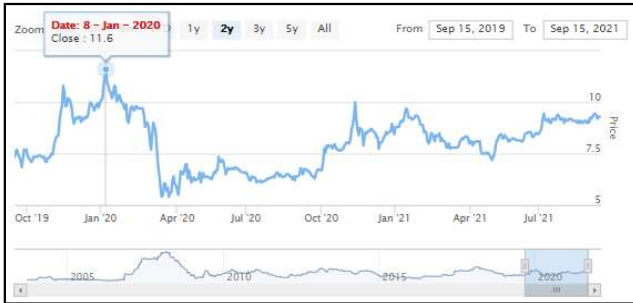
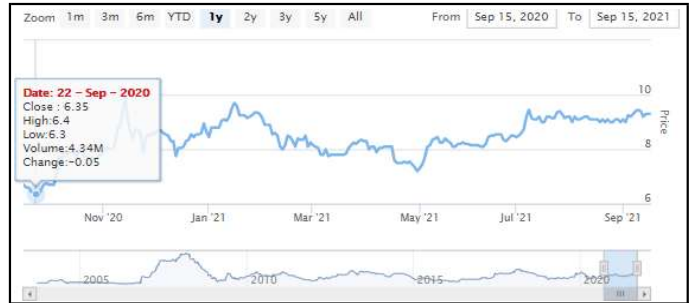


ACCESS BANK PLC, N9.00, September 17, 2021, BANKING



Access Bank 2-year stock chart



Access Bank 1-year stock chart

Earnings Based Valuation

ABL's Q2 shows topline growth, margin expansion and decrease in earnings from its previous quarter. We assume revenue growth will continue in Q3 causing us to revise EPS assumptions from N3.01 to N3.06. We await Q3 to confirm. This gives us a valuation range that sees its MPS trading above the low end of the range.

	2019	2020	2021	Val Range
EPS	2.07	2.48	3.06	=N=
PE High	5	5	5	15.30
PE Low	3	2	2	6.12

Dividend Yield Based Valuation

2007 was the last time ABL skipped an annual DPS. Our assumptions for EPS motivates us to believe it will match 2020 level keeping the payout ratio in the 20% range. This yield range provides a valuation that is at a discount to the PER numbers.

	2019	2020	2021	Val Range
DPS	0.65	0.55	0.62	=N=
Yield High	12.50%	10.38%	10.38%	13.54
Yield Low	5.91%	4.58%	4.58%	5.97

Book Value Based Valuation

ABL continues to trade at a discount to BVPS. We assume this will be the case in 2021 providing a valuation range that mirrors what is obtained using DY and puts the MPS above the low end of the range.

	2019	2020	2021	Val Range
BVPS	13.84	16.8	19.3	=N=
PBV High	0.79	0.71	0.71	13.69
PBV Low	0.38	0.31	0.31	5.98

Summary

The 2-year chart shows a steep drop from a high of N11.6 to a low of N5.3 in April 2020. The 1-year chart shows a recovery from the low of N6.35 to N10 and MPS in a narrow trading band in the last 2 months. The 10-day volume at 33m is above the 3-month at 11m which suggest an increase in demand. The current MPS is in the middle of the 50-day & 200-day moving average. We also see current price trading closer to the high end of the 52 week high and low.

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