



STOCK



RECOMMENDATIONS

## STOCK MARKET UPDATE – August 2023

The Ghana Stock Composite Index rallied 108.02 points (3.36%) in August 2023 to 3,084.79 index-points, this represents a year-to-date return of +26.22%. The GSE Financial Index also gained 40.95 points (2.39%) to 1,756.12 index-points, which represents a year-to-date change of -14.44%.

The market closed the month with nine (9) advancers and five (5) decliners. The top gainer for the month was Societe Generale Ghana [SOGEGH] (+64.38%), followed by (TOTAL: +32.35%), (SCB: +23.33%), (BOPP: +21.00%), (SIC: +20.00%), (UNIL: +9.94%), (GCB: +6.06%), (FML: +4.55%) and (MTNGH: +3.50%).

Whereas Ecobank Ghana Plc [EGH] top the losers by -27.78%, followed by (ABG: -14.02%), (GGBL: -10.00%), (GOIL: -4.85%) and (CAL: -4.69%).

By the close of month, a total volume of 92,823,740 shares valued at GH¢125,153,873.29 exchanged hands. The market capitalization of the Ghana Stock Exchange by close of August 2023 is GH¢73,250.18 million.

### TOP TEN (10) MARKET MOVERS (YEAR-TO-DATE).

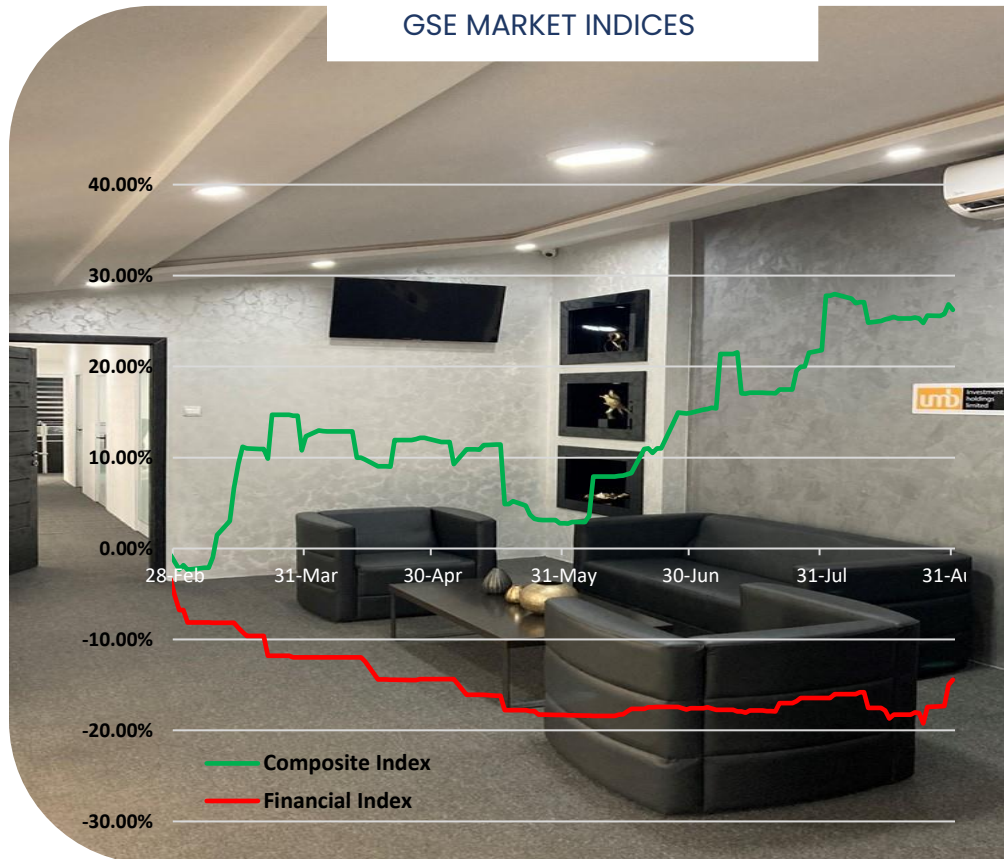
#### Advancers

- TOTAL (+125.00%)
- BOPP (+121.44%)
- UNIL (+76.80%)
- MTNGH (+68.18%)
- GGBL (+22.93%)

#### Decliners

- FML (-54.00%)
- EGH (-41.27%)
- ABG (-29.68)
- EGL (-24.68%)
- SIC (-22.58%)









#### GSE MARKET INDICES



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## COMPANIES UNDER REVIEW – September 2023

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	SHARE PRICE	YEAR-TO-DATE
	..... GH¢ 2.41 .....	
	..... GH¢ 1.57 .....	
	..... GH¢ 1.45 .....	
	..... GH¢ 1.20 .....	



## Glossary

**Bearish movement** - A bear movement is when a market experiences prolonged price decline. It typically describes a condition in which securities prices fall 20% or more from recent highs amid widespread pessimism and negative investor sentiment.

**Beta of stock** - Beta is a concept that measures the expected move in a stock relative to movements in the overall market. A beta greater than 1.0 suggests that the stock is more volatile than the broader market, and a beta less than 1.0 indicates a stock with lower volatility.

**Book value per share** - Book value per share (BVPS) is the ratio of equity available to common shareholders divided by the number of outstanding shares. This figure represents the minimum value of a company's equity and measures the book value of a firm on a per-share basis.

**Bullish movement** - Bullish price action is an indicator giving positive signals that a security's price is due for future increases.

**Dividend** - A dividend is usually a cash payment from earnings that companies pay to their investors. Dividends are typically paid on annually or semi-annually.

**Dividend yield** - The dividend yield is a financial ratio, expressed as a percentage, that shows how much a company pays out in dividends each year relative to its stock price. The dividend yield is calculated by taking the annual dividend per share and dividing it by the price per share.

**Earnings per share (EPS)** - EPS is calculated as a company's profit divided by the outstanding shares. It indicates how much money a company makes for each share of its stock and is a widely used metric for estimating corporate value.

**Intrinsic value** - Intrinsic value is a measure of what an asset is worth. This measure is arrived at by means of an objective calculation or complex financial model. Intrinsic value is different from the current market price of an asset. This gives the investors an idea of whether the asset is undervalued or overvalued.

**Market capitalization** - This is calculated by multiplying the number of shares outstanding by the current price of a single share.

**Price-to-earnings (P/E) ratio** - is the ratio for valuing a company that measures its current share price relative to its earnings per share (EPS). The price-to-earnings ratio is also sometimes known as the price multiple or the earnings multiple.

**price-to-book (P/B) ratio** - is used to compare a firm's market capitalization to its book value to identify potentially overvalued and undervalued stocks.

**Return on assets (ROA)** - is a metric that indicates a company's profitability in relation to its total assets.

**Return on equity (ROE)** - is the measure of a company's net income divided by its shareholders' equity. ROE is a gauge of a corporation's profitability and how efficiently it generates those profits.

**Required rate of return (RRR)** - RRR is the minimum return an investor will accept for owning a company's stock, as compensation for a given level of risk associated with holding the stock.

**Year to date (YTD)** - Refers to the period beginning the first day of the current calendar year or fiscal year up to the current date

**52-week High/Low** - This is the highest value and the lowest value that a stock's price has traded in the past 52 weeks, or one year. It provides traders and investors with insight into how the stock has traded over the course of the last year.

**200-day moving average** - The 200-day moving average is the average price the stock has traded over the past 200 days (or 40 weeks). The moving average can give traders a sense regarding whether the trend is up or down, while also identifying potential support or resistance areas.

**100-day moving average** - The 100-day moving average is the average price the stock has traded over the past 100 days (or 20 weeks).

Enterprise Group PLC (EGL).



# Enterprise Group PLC (EGL).

Opinion:> Buy

SHARE PRICE: GH¢2.41

Intrinsic Value: GH¢3.37

YTD Change	Year High	Year Low	Book value	1-Year change	52-week High	52-week Low	Market Cap	Issued Shares
-24.69%	3.20	2.41	6.22	-26.97%	3.30	2.41	411.85(cM)	170.89 (M)
200-Days Avg.	100-Days Avg.	50-Days Avg.	15-Days Avg	6-Month Chg.	3-Month Chg.	Vol. Traded YTD	Val. Traded YTD	
2.83	2.51	2.41	2.41	-24.69%	-10.74%	162,135+	395,681 +	

Enterprise Group Plc's share price opened the year (2023) at GH¢3.20 and has traded at an average daily price of GH¢2.86 (YTD) with a year-to-date change of -24.69%. The 200-Days (GH¢2.83), 100-Days (GH¢2.51), 50-Days (GH¢2.41) moving averages shows a steady decline in share price. The decline in price is the best buy for investors who are looking forward to taking position in the company.

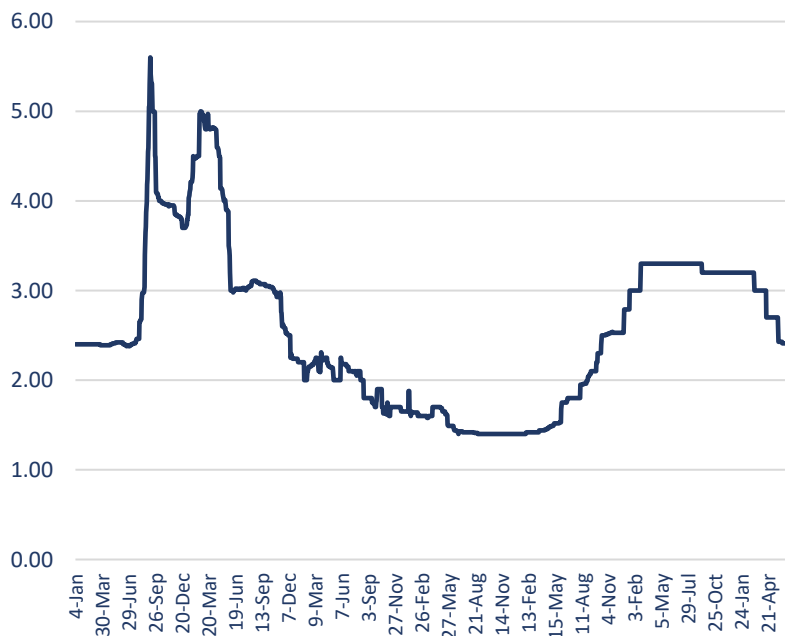
Between 2018 and 2023, the share price has traded at an average price of GH¢3.20 for 1,358 days and an average price of GH¢4.57 for 379 days. Based on our estimates and the growth of the company over the years, we believe the share price should be trading above the GH¢3.00 mark.

Our historical price behavioral analysis and forecast suggests that the share price has an upward potential of 107.47% rise to its 5-year high of GH¢5.00, and 41.91% downside to its 5-year low GH¢1.40. The share price is currently trading slightly above the 5-year average traded price of GH¢2.46. The share price is 158.09% below its book value per share of GH¢6.22.

## HISTORICAL PRICE TREND

	2017	2018	2019	2020	2021	2022	2023
YEAR HIGH (¢)	5.60	5.00	2.31	1.88	2.79	3.30	3.20
YEAR LOW (¢)	2.38	2.24	1.60	1.40	1.40	2.79	2.41
MARKET RETURN (%)	+54.17	-39.46	-26.34	-15.15	+99.29	+14.70	-24.69
AVERAGE DAILY TRADED PRICE (¢)	3.06	3.53	1.98	1.50	1.87	3.22	2.88

## PRICE PERFORMANCE (2017-DATE).



## BETA OF STOCK



## 5-YEARS AVERAGE TRADED PRICE



Highest Price Traded GH¢5.60

Lowest Price Traded GH¢0.026

- Trader's Bullish Pricing:** Traders usually trade cautiously when the stocks hit the GH¢4.50 - GH¢5.60 mark.
- Trader's Bearish Pricing:** Traders hold on to their stocks when the price of the stock ranges between GH¢1.40 - GH¢1.95.
- Comfortable Trading Zone:** Demand usually meets supply on a level ground when the stock is trading between GH¢2.46- GH¢3.90.

## FINANCIAL OVERVIEW

### HIGHLIGHT OF KEY NOTES (Financial Report – Second Quarter 2023)

- Net Income rose +22.53% to GH¢797.77 million in Q2 2023 (Q2 2022: GH¢651.06 million).
- Profit after tax down by -7.61% to GH¢66.97 million (Q2 2022: GH¢72.48 million).
- Total Asset up by +12.43% to GH¢2.66 billion (Q2 2022: GH¢2.37 billion).
- Total Liability up by +7.72% to GH¢1.60 billion (Q2 2022: GH¢1.49 billion).
- Total shareholder's equity up +20.35% to GH¢1.06 billion (Q2 2022: GH¢883.09 million)

5-years Dividend Growth.

**+65.33%**

5-years Growth in Earnings per share

**+138.38%**

5-years Growth in Net income

**+157.76%**

5-years Growth in Net Profit

**+114.53%**

5-years Growth Total Asset

**+87.28%**

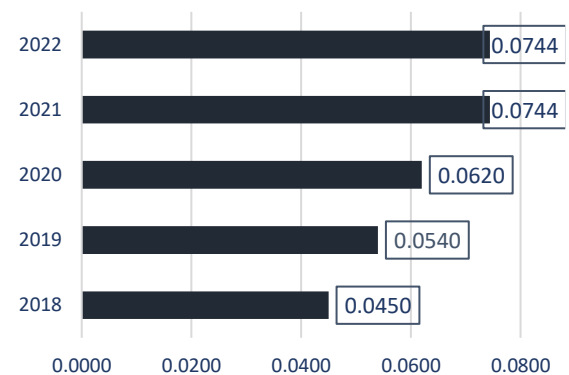
5-years Growth in Total Equity

**+78.15%**

### Valuation & Opinion

- Dividend per share and Yield: The company paid 0.0744 per share as dividend for the full year 2022, with a dividend yield of 3.087%. Dividend payment has grown by 65.33% since 2018. Centered on our estimates, the company is expected to pay dividend at an average annual growth rate of 10.97% in the medium term.
- Profits & Earnings per share: The 114.53% growth in the company's earnings per share as well as the 138.38% growth in net profit within 5-years is expected to reflect on its share price. We believe the growth in the company's financials should influence the share price by pushing it above its current price.
- Book Value per share: The share price is trading GH¢3.81 above its book value per share of GH¢6.22, which is a notably higher margin.
- Market Sensitivity and volatility ( $\beta$ ): The company has a beta of 0.80 which implies that EGL is a less sensitive stock with a lower risk when compared to stock market index. This means that if the GSE Composite Index moves up 1 point, EGL share price moves up 0.80 point and vice versa.
- Required Rate of Return (Gordon Growth Model): Using this model we estimated the company's value to be up by 21.78% next year once dividend is paid.

### Dividend paid in the last 5-years



Price-to-Book Value → **0.39x**

Price-to-Earnings Ratio → **5.12x**

Return on Equity → **6.30%**

Return on Asset → **2.51%**

Require rate of return (GGM) → **21.78%**

Estimated Dividend growth rate → **10.97%**

Based on a comprehensive assessment using historical and forecasted financial data, standard valuation techniques and other trading multiples, we expect the share price to trade above GH¢3.00 within the short to medium-term. We believe that an equity investment in Enterprise Group Limited will yield an attractive return, with a reasonable upside price potential. Our analysis suggests that the forecasted price appreciation of about 46.06% and the required rate of return (RRR) of 21.78% is expected to push the value of equity up by 67.84% within the short-to-medium term.

Ghana oil Company  
Limited(GOIL).





# Ghana Oil Company (GOIL).

Opinion:> Buy

SHARE PRICE: GH¢1.57

Intrinsic Value: GH¢1.79

YTD Change	Year High	Year Low	Book value	1-Year change	52-week High	52-week Low	Market Cap	Issued Shares
-8.72%	1.72	1.57	1.53	-7.82%	1.79	1.64	646.57(¢M)	391.86 (M)
200-Days Avg.	100-Days Avg.	50-Days Avg.	15-Days Avg	6-Month Chg.	3-Month Chg.	Vol. Traded YTD	Val. Traded YTD	
1.67	1.64	1.64	1.61	-6.55%	-4.85%	565,786+	938,763 +	

GOIL PLC's share price opened the year (2023) at GH¢1.72 and has traded at an average daily price of GH¢1.66 (YTD) with a year-to-date change of -8.72%. The 200-Days (GH¢1.67), 100-Days (GH¢1.64), 50-Days (GH¢1.64) moving averages shows a steady trend in share price with no signs of aggressive bargains.

The stable price is the best buy for investors who are looking forward to taking position in the company. Between 2017 and 2023, the share price has traded at an average price of GH¢1.63 for 1,091 days, and an average of GH¢2.42 for 328 days.

The share price also traded at an average price of GH¢3.37 and GH¢4.30 for 132 days and 85 days, respectively.

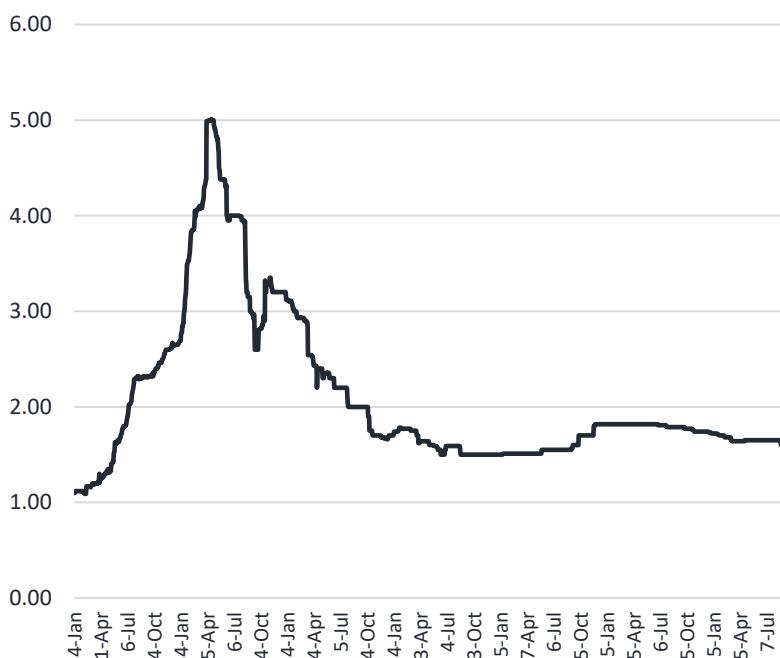
Our historical price behavior analysis and projections shows that the share price has an upward potential of 140.13% rise to its 7-year high of GH¢5.00, and 44.04% downside to its 7-year low GH¢1.09.

The share price is trading about its book value per share of GH¢1.53.

## HISTORICAL PRICE TREND

	2017	2018	2019	2020	2021	2022	2023
YEAR HIGH (¢)	2.69	5.05	3.12	1.78	1.82	1.82	1.72
YEAR LOW (¢)	1.09	2.92	1.66	1.50	1.50	1.72	1.57
MARKET RETURN (%)	+144.55	+15.99	-45.51	-11.76	+21.33	-5.49	-8.72
AVERAGE DAILY TRADED PRICE (¢)	1.87	3.71	2.25	1.59	1.59	1.79	1.66

## PRICE PERFORMANCE (2017-DATE).



## BETA OF STOCK



## 5-YEARS AVERAGE TRADED PRICE



Highest Price Traded

GH¢5.01

Lowest Price Traded

GH¢0.14

- Trader's Bullish Pricing:** Traders are reluctant to bid higher when the stock peaks between GH¢5.00 - GH¢4.30 mark.
- Trader's Bearish Pricing:** Traders and investors hold on to their stocks when its trading low between GH¢1.10 - GH¢1.63.
- Comfortable Trading Zone:** The easy traded price of GOIL shares is between GH¢2.42- GH¢3.37.

## FINANCIAL OVERVIEW

### HIGHLIGHT OF KEY NOTES (Financial Report – Second Quarter 2023)

- Revenue rose +39.77% to GH¢6.14 billion in Q2 2023 (Q2 2022: GH¢4.39 billion).
- Profit after tax drop -36.95% to GH¢40.60 million (Q2 2022: GH¢64.40 million).
- Total Asset up by +11.56% to GH¢3.64 billion (Q2 2022: GH¢3.26 billion).
- Total Liability up by +12.54% to GH¢3.04 billion (Q2 2022: GH¢2.70 billion).
- Total shareholder's equity up +6.79% to GH¢597.71 million (Q2 2022: GH¢559.68 million)

5-years Dividend Growth.

**+33.33%**

5-years Growth in Earnings per share

**-0.95%**

5-years Growth in Revenue

**+249.23%**

5-years Growth in Net Profit

**-1.03%**

5-years Growth Total Asset

**+191.32%**

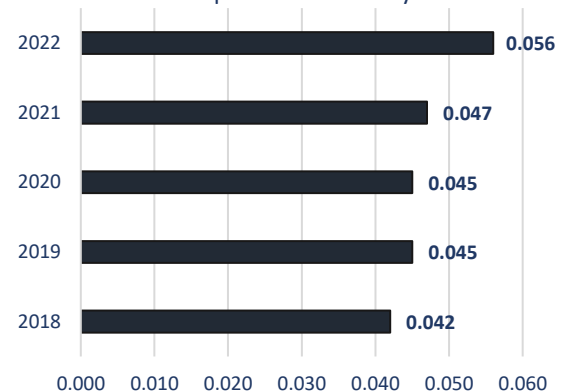
5-years Growth in Total Equity

**+53.13%**

### Valuation & Opinion

- Dividend per share and Yield: The company paid 0.056 per share as dividend for the full year 2022, with a dividend yield of 3.57%. Dividend payment has grown by 33.33% since 2018. Based on our estimations, the company is expected to pay dividend at an average annual growth rate of 16.17% between the medium term.
- Total asset & Shareholders' equity: The company's total asset surged 191.31% between 2019 to 2023. The shareholder's equity also went up 53.13% in 5-years. The total revenue generate by the company has also increased by 249.23% in 5-years.
- Book Value per share: The share price is trading GH¢0.04 above its book value per share of GH¢1.53. The share price of GH¢ 1.57 infers that the stock is trading at fair value on the stock market without any premium.
- Market Sensitivity and volatility ( $\beta$ ): The company has a beta of 0.70 which implies that GOIL is a less sensitive stock with a lower risk when compared to stock market index. This indicates that if the GSE Composite Index moves up 1 point, GOIL share price moves up 0.70 point and vice versa.
- Required Rate of Return (Gordon Growth Model): Using this model we estimated the company's value to be up by 45.66% next year once dividend is paid.

Dividend paid in the last 5-years



Price-to-Book Value → **1.08x**

Price-to-Earnings Ratio → **15.10x**

Return on Equity → **6.79%**

Return on Asset → **1.12%**

Require rate of return (GGM) → **45.66%**

Estimated Dividend growth rate → **16.17%**

Based on a thorough study of past and projected financial data, conventional valuation methodologies, and other trading multiples, we expect the share price will trade above the intrinsic value of GH¢1.79 in the near to medium term. We believe that investing in Ghana Oil Company Limited's stock will yield an attractive return with a reasonable upside price potential. According to our research, a price growth of about 173.40% and a required rate of return (RRR) of 45.66% will enhance the equity value in the short to medium term.

Scancom PLC (MTNGH).



# Scancom PLC (MTNGH).

Opinion:> Buy

SHARE PRICE: GH¢1.45

Intrinsic Value: GH¢1.84

YTD Change	Year High	Year Low	Book value	1-Year change	52-week High	52-week Low	Market Cap	Issued Shares
+64.77%	1.55	0.82	0.47	+57.89%	1.55	0.80	19,854.26(¢M)	13,236.18(M)
200-Days Avg.	100-Days Avg.	50-Days Avg.	15-Days Avg	6-Month Chg.	3-Month Chg.	Vol. Traded YTD	Val. Traded YTD	
1.13	1.31	1.43	1.50	+61.11%	+31.82%	293,403,718+	314,353,197+	

Scancom Plc's share price opened the year (2023) at GH¢0.88 and has traded at an average daily price of GH¢1.17 (YTD) with a year-to-date change of +70.45%. The 200-Days (GH¢1.13), 100-Days (GH¢1.31), 50-Days (GH¢1.43) moving averages shows a constant surge in share price. MTNGH share price is the best buy for investors who are looking forward to taking position in the company for the long-term.

Between 2018 and 2023, the share price has traded at an average price of GH¢0.75 for 863 days and an average of GH¢1.25 for 275 days. The share price also traded at an average price of GH¢1.04 for 95days.

Centered on our estimates and the growth of the company over the years, we believe the share price should be trading above the GH¢1.50 mark.

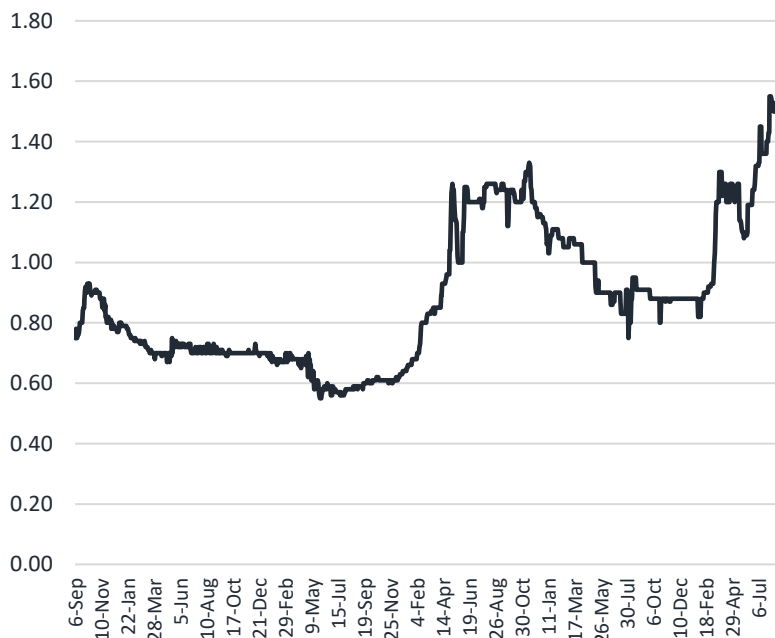
The share price during the month of August 2023 traded at its all-time high of GH¢1.55. Furthermore, the 6-year average traded price of the stock is GH¢0.88.

Comparing the intrinsic value of GH¢1.84 to the current share price of GH¢1.48, we can see growth potential.

## HISTORICAL PRICE TREND

	2019	2020	2021	2022	2023
YEAR HIGH (¢)	0.80	0.70	1.33	1.11	1.55
YEAR LOW (¢)	0.67	0.55	0.64	0.75	0.82
MARKET RETURN (%)	-11.39	-8.57	+73.44	-20.72	+64.77
AVERAGE DAILY TRADED PRICE (¢)	0.71	0.62	1.07	0.94	1.18

## PRICE PERFORMANCE (IPO-DATE).



## BETA OF STOCK



## 5-YEARS AVERAGE TRADED PRICE



Highest Price Traded	GH¢1.55
Lowest Price Traded	GH¢0.55

- Trader's Bullish Pricing:** Traders usually trade carefully when the stock spikes above the GH¢1.25 - GH¢1.55 mark.
- Trader's Bearish Pricing:** Traders usually hold on to their stock when its trading between GH¢0.55 - GH¢0.75.
- Comfortable Trading Zone:** Demand sweeps supply on a plain ground without any significant bargains when the stock is trading between GH¢0.80- GH¢1.10.

## FINANCIAL OVERVIEW

### HIGHLIGHT OF KEY NOTES (Financial Report – Second Quarter 2023)

- Total revenue up +32.40% to GH¢6.18 billion in Q2 2023 (Q2 2022: GH¢4.67 billion).
- EBITDA up +29.40% to GH¢3.47 billion (Q2 2022: GH¢2.68 billion).
- Service revenue up +32.30% to GH¢6.16 billion (Q2 2022: GH¢4.65 billion).
- Profit after tax up +27.90% to GH¢1.71 billion (Q2 2022: GH¢1.34 billion).
- Total Asset up by +32.96% to GH¢11.31 billion (Q2 2022: GH¢8.51 billion).
- Total Equity up +50.20% to GH¢6.19 billion (Q2 2022: GH¢4.13 billion).

### Valuation & Opinion

- Dividend per share and Yield: The company paid 0.164 per share as dividend for the full year 2022, with a dividend yield of 10.93%. Dividend payment has grown by 173.33% since 2019. The company is expected to pay dividend at an average annual growth rate of 39.90% between the short and medium term.
- Profits & Earnings per share: The 240.74% growth in the company's earnings per share as well as the 219.70% growth in net profit within 5-years is expected to reflect on its share price. The growth in revenue levels and asset base as well as increase in profitability of the company should influence the share price by driving it above its current price.
- Total asset & Shareholders' equity: The company's total asset rose 91.41% between 2019 to 2023. The shareholder's equity also went up 91.22% in 5-years.
- Market Sensitivity and volatility ( $\beta$ ): The company has a beta of 1.77 which shows that MTNGH stock is considered highly volatile and has a significant impact on the movement of the stock market index.
- Required Rate of Return (Gordon Growth Model): Using this model we estimated the company's valued to be up by 55.20%.

5-years Dividend Growth.

**65.33%**

5-years Growth in Earnings per share

**240.74%**

5-years Growth in Revenue

**153.28%**

5-years Growth in Net Profit

**219.70%**

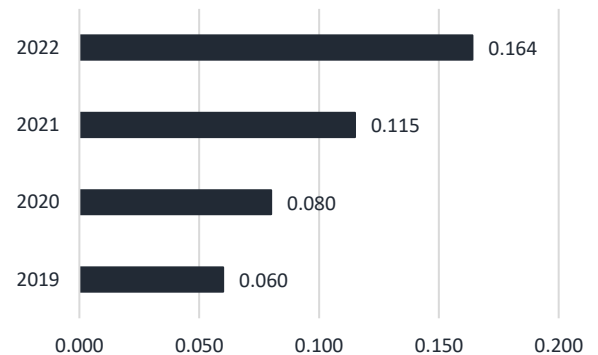
5-years Growth Total Asset

**91.41%**

5-years Growth in Total Equity

**91.22%**

Dividend paid (2019-2022)



Price-to-Book Value → **3.19x**

Price-to-Earnings Ratio → **12.0x**

Return on Equity → **24.69%**

Return on Asset → **13.53%**

Require rate of return (GGM) → **55.20%**

Estimated Dividend growth rate → **39.90%**

We anticipate that the share price will trade over the intrinsic value of GH¢1.84 in the short to medium term, based on our analysis and other trading multiples. We are optimistic that investing in Scancom PLS (MTNGH) will provide an impressive yield with a reasonable upward price potential. According to our study, the share price is likely to surge above its current pricing looking at its intrinsic value. The required rate of return (RRR) of 55.20% suggests that the value of shares held by an investor will increase by 55.20% in the short-to-medium term.

Societe Generale Ghana PLC  
(SOGEGH).



# Societe Generale Ghana PLC (SOGEGH).

Opinion: > Buy

SHARE PRICE: GH¢1.20

Intrinsic Value: GH¢1.40

YTD Change	Year High	Year Low	Book value	1-Year change	52-week High	52-week Low	Market Cap	Issued Shares
+20.00%	1.00	0.59	1.79	-10.00%	1.09	0.59	683.23(¢M)	709.14 (M)
200-Days Avg.	100-Days Avg.	50-Days Avg.	15-Days Avg	6-Month Chg.	3-Month Chg.	Vol. Traded YTD	Val. Traded YTD	
0.80	0.68	0.76	0.95	+33.33%	+100.00%	1,325,313+	1,289,241+	

Societe Generale Ghana's share price opened the year (2023) at GH¢1.20 and has traded at an average daily price of GH¢0.77 (YTD) with a year-to-date change of +20.00%. The 200-Days (GH¢0.80), 100-Days (GH¢0.68), 50-Days (GH¢0.76) moving averages shows U-turn of the share price which signifies its recovery after the dip during the half year. The surge of the share price from GH¢0.59 to GH¢1.20 shows a remarkable recovery with further upswing potential by the end of the year.

Between 2017 and 2023, the share price has traded at an average price of GH¢0.75 for 1,087 days and an average price of GH¢0.59 for 33 days as its minimum average price traded.

The historical price behavioral analysis suggests that the share price has an upward potential of 100.0% rise to its 7-year high of GH¢2.40, and 110.53% downside to its 7-year low GH¢0.57.

The share price is trading 37.99% below the current book value per share of GH¢1.79. This implies that the share price on the Ghana Stock Exchange (GSE) is under value by 37.99%, and a market correction is expected to push price higher.

## HISTORICAL PRICE TREND

	2017	2018	2019	2020	2021	2022	2023
YEAR HIGH (¢)	0.82	2.40	0.98	0.76	1.25	1.20	1.20
YEAR LOW (¢)	0.62	0.73	0.57	0.60	0.64	0.96	0.82
MARKET RETURN (%)	+32.26	-8.54	-4.00	-11.11	+87.50	-16.67	+20.00
AVERAGE DAILY TRADED PRICE (¢)	0.75	1.41	0.76	0.66	0.94	1.11	0.77

## PRICE PERFORMANCE (2017-DATE).



## BETA OF STOCK

0.97

## 5-YEARS AVERAGE TRADED PRICE

GH¢0.85

Highest Price Traded GH¢3.18

Lowest Price Traded GH¢0.08

- Trader's Bullish Pricing:** The market usually trades on guard when the stock is trading between GH¢1.76 - GH¢2.22 mark.
- Trader's Bearish Pricing:** Traders usually hold on to their stocks when its trading at an average of GH¢0.59
- Comfortable Trading Zone:** The comfortable traded price of SOGEGH shares is when its ranges between GH¢1.18- GH¢1.70.

## FINANCIAL OVERVIEW

### HIGHLIGHT OF KEY NOTES (Financial Report – Second Quarter 2023)

- Operating Income rose +59.61% to GH¢582.08 million in Q2 2023 (Q2 2022: GH¢364.68 million).
- Profit after tax up +46.65% to GH¢158.38 million (Q2 2022: GH¢108.0 million).
- Total Asset up +43.65% to GH¢8.47 billion (Q2 2022: GH¢5.89 billion).
- Total Liability up +51.74% to GH¢7.22 billion (Q2 2022: GH¢4.76 billion).
- Total shareholder's equity up +9.76% to GH¢1.25 billion (Q2 2022: GH¢1.14 billion).

5-years Dividend Growth.

**+106.67%**

5-years Growth in Earnings per share

**+244.04%**

5-years Growth in Revenue

**+136.76%**

5-years Growth in Net Profit

**+230.52%**

5-years Growth Total Asset

**+109.35%**

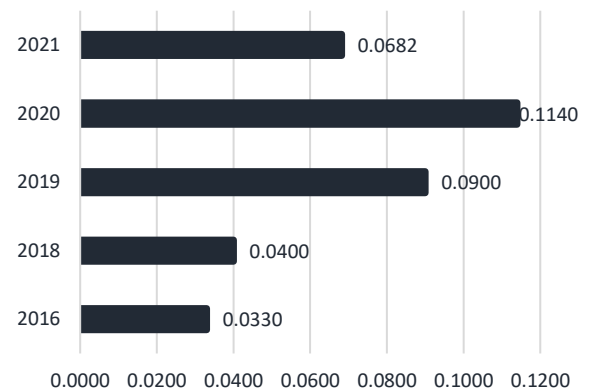
5-years Growth in Total Equity

**+72.81%**

### Valuation & Opinion

- Dividend per share and Yield:** The company paid 0.0682 per share as dividend for the full year 2021, with a dividend yield of 6.82% (2022). Although the bank did not record any losses during the full year 2022 as compared to its peers, dividends were not paid as the bank decided to retain all its earnings during the period for expansion.
- Profits & Earnings per share:** The 244.04% growth in the company's earnings per share as well as the 230.52% growth in net profit within 5-years is expected to reflect on its share price. We believe the company's is undervalued considering the growth in their financials over the years and its book value per share.
- Book Value per share:** The share price is trading GH¢0.68 below its book value per share of GH¢1.79.
- Market Sensitivity and volatility ( $\beta$ ):** The company has a beta of 0.97 which indicates that SOGEGH marginally high volatility on the stock market. The 0.97 beta means that the stock moves closely in line with the movement of the GSE indices over the years
- Required Rate of Return (Gordon Growth Model):** Using this model we estimated the company's value to be up by 33.18% next year once dividend is paid.

Dividend paid (2016-2021)



Price-to-Book Value → **0.56x**

Price-to-Earnings Ratio → **2.47x**

Return on Equity → **12.71%**

Return on Asset → **1.87%**

Required rate of return (GGM) → **42.17%**

Estimated Dividend growth rate → **33.18%**

We anticipate that the share price will trade above the intrinsic value of GH¢1.40 in the short to medium term based on our valuations. We are positive that investing in Societe Generale Ghana PLC (SOGEGH) will yield a good return for its shareholder. According to our study, the share price is likely to surge up to 100%. The required rate of return (RRR) of 42.17% implies that the value of shares held by an investor will increase by 42.17% in the short-to-medium term.



## NOTICE TO INVESTOR

- Past performance does not guarantee future results.
- Diversification does not guarantee investment returns and does not eliminate the risk of loss.
- Our stock recommendation is a summary of our analysis, valuations, and opinion on the companies and may not contain technical work details as expected by valuation experts. The reason is to make it understandable and simple for all levels of investors.

### Multiples for value Estimation

Before arriving at an opinion, we estimated the intrinsic value of these companies as well as several trading multiples: including historical, recent, and estimated earnings per share; historical and estimated average price to earnings ratios; historical and estimated dividend per share; historical and recent dividend payout ratios; book value per share, average price to book ratio, historical and projected price movement, dividend discount model, Beta of the stock, etc.

The above approach is purely quantitative and may not reflect the likely events on the market. Therefore, qualitative consideration was also used to support our opinion.

### Below are factors which may affect our projections.

Huge volumes transfer of shares over a period, insider dealings, changes in revenue and profitability of the company published at a given point. Significant changes in dividend payout ratio and P/E ratios, expected required rate of returns. Traders' discretion and opinions on the price, publicly published news of the company at any given time, and the economic conditions in which the market operates.

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