



# **TRANSCORP HOTELS PLC**

## **FY 2025**

# **Earnings Report Update**

**PREPARED BY:  
SAVEST RESEARCH**

 +234 913 444 6070

 [globaladvisory@savest-financial.com](mailto:globaladvisory@savest-financial.com)

 [www.savest-financial.com](http://www.savest-financial.com)

# Company Overview

Transcorp Hotels Plc is the hospitality subsidiary of Transnational Corporation Plc, one of Africa's leading listed companies with strategic investments in the power, hospitality, and energy sectors. Transcorp Hotels is redefining hospitality standards in Africa through its businesses, including the iconic Transcorp Hilton Abuja, Nigeria's flagship hospitality destination and digital platform, Aura by Transcorp Hotels.

Managing Director/CEO Uzoamaka Oshogwe stated that the company's full-year 2025 performance marked a major milestone, reflecting record revenue growth, rising retained earnings, and strengthened financial resilience driven by disciplined efficiency and strong cost management. She emphasized continued investment in transformative infrastructure, innovation, and technology to enhance brand leadership, elevate hospitality standards, and position Nigeria as a premier global destination for high-profile international events.

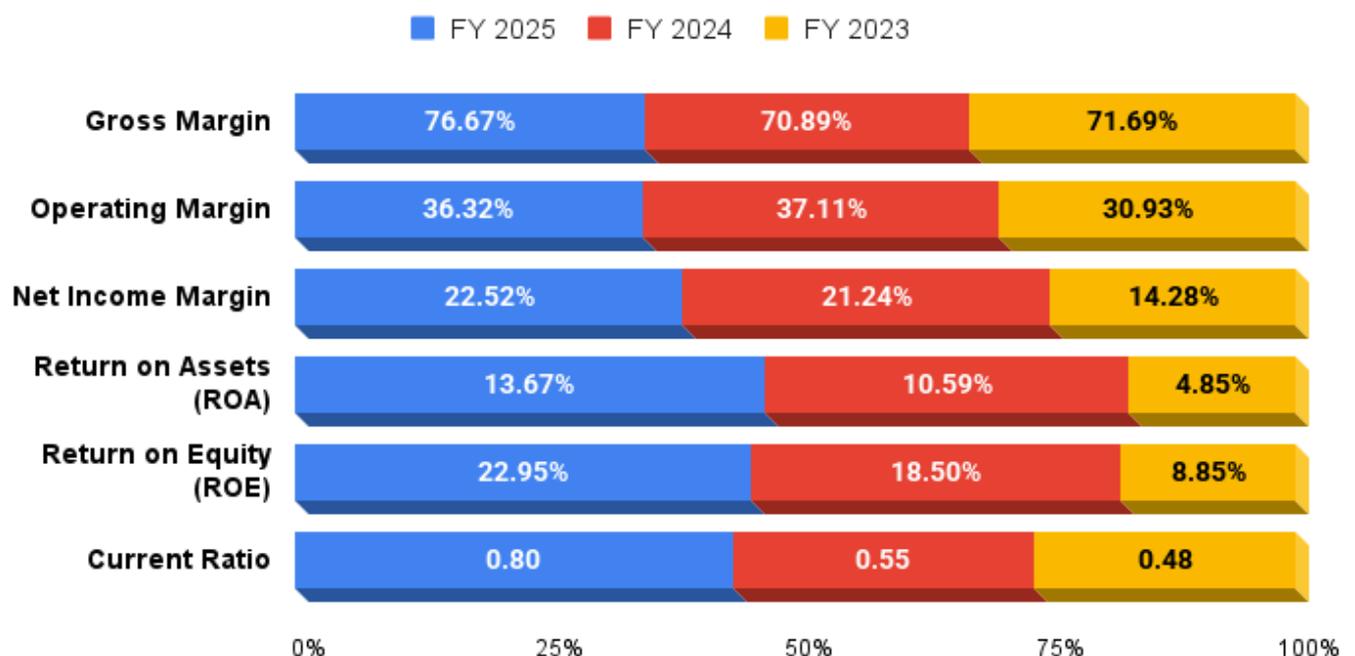
# CEO's Commentary

Revenue/Profitability Summary				
Million NGN(₦), except EPS	FY 2025	Q4 2025	YOY	
Revenue	97,038.18	24,724.89	38.36%	
Gross profit	74,403.24	19,345.05	49.65%	
Operating profit	35,241.70	10,556.40	35.39%	
Profit before income tax	32,817.63	10,413.46	45.13%	
Profit for the year	21,852.12	7,027.97	46.70%	
Earnings per share	214.00	69.00	46.58%	
Cost/Expenses Summary				
Million NGN(₦)	FY 2025	Q4 2025	YOY	
Cost of sales	22,634.94	5,379.84	10.87%	
Operating expenses	39,681.82	8,810.97	36.67%	
Finance costs	3,739.20	937.39	-6.78%	
Income tax	10,965.51	3,385.49	42.10%	
Segment Performance				
Million NGN(₦)	FY 2025	Q4 2025	% Revenue	YOY
Rooms	63,104.67	15,051.38	65.03%	38.39%
Food and beverages	29,007.50	7,990.79	29.89%	30.73%
Event centre hall rental	1,612.90	461.00	1.66%	-
Service charge	536.77	532.33	0.55%	75.56%
Shop rental	1,787.29	424.43	1.84%	13.45%
Accommodation and experiences	1.57	0.00	0.002%	-86.41%
Recreation Service	392.73	80.27	0.40%	57.59%
Secretarial Service	94.03	61.63	0.10%	-28.71%
Other operating revenue	500.72	123.07	0.52%	574.98%
Key Items of Financial Position Summary				
Million NGN(₦)	31st Dec, 2025	QOQ	YOY	
Non-current assets	130,416.01	1.71%	6.80%	
Current assets	29,489.90	13.31%	58.64%	
Total assets	159,905.92	3.67%	13.65%	
Non-current liabilities	27,899.58	5.78%	5.59%	
Current liabilities	36,776.90	-7.25%	8.95%	
Total liabilities	64,676.47	-2.04%	7.48%	
Total equity	88,225.27	6.71%	18.27%	

## Cash Flow Summary

Million NGN(₦)	FY 2025	Q4 2025	YOY
Net cash from operations	34,224.10	15,400.20	71.10%
Net cash used in investing	-10,710.45	-2,509.13	22.54%
Net cash used in financing	-14,713.54	-9,302.10	-43.23%
Closing cash balance	15,551.62	3,346.00	121.69%

## Margin and Efficiency Analysis



# Performance Highlights

- Revenue expanded strongly year-on-year, driven primarily by higher room occupancy, improved average daily rates, and stronger food and beverage traction. Topline growth reflected deeper utilization of hospitality assets and improved customer throughput across core service lines. The rooms segment remained the dominant contributor, while ancillary services such as event hall rentals and recreation services provided incremental support, reinforcing a diversified revenue mix and operational scale benefits.
- Cost of sales increased at a slower pace than revenue, resulting in a notable expansion in gross profit. The improvement was largely supported by operating leverage within the rooms division and better cost absorption across food and beverage operations. Direct operating inputs, including consumables and service delivery expenses, rose moderately but remained proportionally contained relative to topline momentum, enabling margin enhancement at the gross level.
- Gross profit recorded a significant double-digit uplift, underpinned by revenue acceleration and relatively stable cost intensity. The performance signals improved pricing discipline and enhanced service yield management, particularly within premium accommodation offerings.
- Operating expenses rose at a faster rate than revenue, driven mainly by higher management fees, employee benefit costs, energy expenses, and advertising outlays. Despite this pressure, operating profit still advanced meaningfully, reflecting robust revenue scale and incremental operating leverage. The expense structure indicates strategic reinvestment in brand positioning, staffing capacity, and service quality rather than structural inefficiency.
- Operating profit delivered solid growth, supported by strong gross margin expansion and sustained demand across hospitality services. The improvement demonstrates earnings resilience even in the face of elevated administrative and management-related costs.
- Profit before tax advanced at a robust double-digit pace, reflecting the combined effect of stronger operating earnings and a more favorable net finance outcome. The growth trajectory underscores the company's ability to translate topline momentum into pre-tax profitability despite cost pressures.
- Net profit recorded a strong year-on-year increase, supported by higher operating income and sustained earnings quality. Although tax expenses rose in absolute terms due to higher taxable income and deferred tax movements, profit growth outpaced the tax burden.
- Earnings per share improved materially, mirroring net profit growth and reflecting a stable equity base without dilution. The translation of profitability into per-share value highlights efficient capital structure management and reinforces investor attractiveness from a return-on-equity and per-unit earnings perspective, particularly within a consumer-services and hospitality investment framework.

## Concerns Raised

- Operating expense growth outpaced revenue expansion, largely driven by management fees, employee compensation, and energy costs. If this trajectory persists without commensurate revenue scaling, operating margin compression could emerge, reducing the benefits of current gross-margin gains and weakening medium-term earnings elasticity.
- Other operating income declined sharply due to the absence of prior foreign-exchange gains, revealing a degree of earnings sensitivity to non-core income streams. The normalization exposes the company to higher reliance on purely operational performance.
- Deferred tax liabilities increased significantly, reflecting the accumulation of temporary differences and higher taxable profitability. While not immediately cash-flow burdensome, the rising deferred tax position signals potential future tax outflows that could moderate net earnings growth and affect long-term distributable reserves.
- Liquidity and working-capital dynamics require close monitoring, as trade receivables expanded faster than historical trends and contractual liability maturities remain front-loaded. Although cash balances improved and gearing turned net-cash positive, sustained receivable growth or delayed customer settlements could constrain short-term cash conversion efficiency and elevate counterparty risk exposure.

### OUR INSIGHT

“

The company delivered strong operational and earnings growth, driven by higher occupancy rates, improved pricing power, and better asset utilization across its hospitality portfolio. Profitability strengthened despite rising operating costs, supported by operating leverage and improved treasury efficiency, indicating resilient core fundamentals. Long-term investment prospects remain constructive given sustained demand and margin expansion potential. However, investors should closely monitor expense escalation, working-capital pressures, deferred tax build-up, and reduced non-core income buffers that could moderate future earnings stability.

”

## INVESTMENT ADVISOR & INTER-DEALER BROKER

INDIVIDUALS

FAMILY OFFICES

INSTITUTIONS

### CONTACT US



+234 913 444 6070



globaladvisory@savest-financial.com



Scan the QR Code to access our  
website

### DISCLAIMER:

*Savest Financial Services Limited ("Savest Financial"), a SEC-registered investment advisor in Nigeria, provides this report strictly for informational purposes. This material does not constitute an offer, solicitation, or recommendation to buy or sell any security or investment product. The information contained herein is based on sources believed to be reliable; however, Savest makes no representation or warranty, express or implied, as to its accuracy or completeness. Opinions and estimates reflect the judgment of Savest as of the report date and are subject to change without notice. Past performance is not indicative of future results.*

*At the time of this analysis, Savest Financial model portfolios has a position in this company stock. Neither Savest nor any of its representatives accepts any liability for any direct or consequential loss arising from the use of this report or its contents.*