

RATINGS RELEASE

Agusto & Co assigns a rating of “Bb+” to Swap Technologies & Telecoms Plc

The rating of Swap Technologies & Telecoms Plc (“Swap” or “the Company”) reflects the Company’s strengthened capital position, adequate working capital and satisfactory profitability. The rating is hampered by weak operating cash flows resulting from the size of trade debtors and level of inventory.

Swap has established itself as a leading player in the telecom infrastructure sub-sector with a large customer base comprising both dominant and fringe players in the telecommunication sector. The Company operates in a sector, which is one of the fastest growing in Nigeria. Over the years, Swap’s operation has evolved from the distribution of recharge cards to the supply of tower (masts) to the major telecommunication operators. Swap has technical alliances with various organisations locally and overseas.

In a bid to expand its operations, Swap diversified into the importation of shelters, supply of batteries and rectifiers. The Company opened an office in Ghana in 2008, as part of its plans to expand its business to other West African countries. In 2008, Swap injected additional capital of ₦3.9 billion to finance fixed assets and refinance debt obligation. The additional capital was raised through private placement and right issue.

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