

**LINKASSURE**

**9-Sep-08**

Business summary: Insurance: Life & Non-Life Businesses  
Sector: Insurance  
Year End: 31st December  
Website: www.linkageassurance.com  
e-mail: info@linkageassurance.com

Technicals			
Current Price	1.81		
Price as at selected date	1.82		
52-week high	6.28	on	8-Feb-08
52-week low	1.33	on	26-Aug-08
Beta $\beta$ (Volatility Index)	0.75		
Current RSI (14)	53.86		Within band

Returns Profile	LINKASSURE	NSE ASI
1-Week Returns	13.84%	0.42%
1-Month Returns	-9.50%	-0.59%
6-Month Returns	-64.72%	-25.46%
52 Week Returns	-43.96%	-5.80%
Sharpe Ratio	-13.84	-0.17
Stand. Dev. of Returns	3.95%	0.98%

Quarterly Updates	2008Q2	Prev Yr	Growth
Gross Premium (Nb)	1.31	0.88	50%
PBT (Nb)	0.31	0.21	46%
Tax (Nb)	0.05	0.04	9%
PAT (Nb)	0.26	0.17	55%
			<b>Ind. Avg</b>
Pre-Tax Margin	23.47%		38.04%
Net Margin	19.95%		31.39%
Earnings Yield	4.94%		5.13%

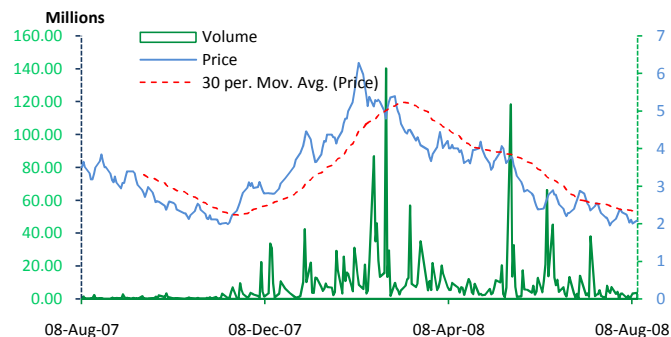
Valuation Metrics	LINKASSURE	Ind. Avg.
Shares Outstanding (bn)	4.08	5.87
Market Cap (Nbn)	7.43	16.96
Trailing GPPS	0.36	0.62
Trailing EPS (N)	0.09	0.16
BVPS (N)	-	0.86
P/E ratio (x)	20.26	32.24
PBV ratio (x)		11.18
PGP (x)	5.08	10.90

**Analyst's Comment and Recommendation - BUY**

Market based multiples show attractive valuations for **LINKASSURE**. A projected **FYE margin of 19.9%** on **98.9% gross premium growth** translates to a rolling EPS of N0.13k and a forward PE of 14.20x. Applying a market PE of 18.71x and price to gross premium of 2.88x to our forecasted earnings of N0.13k (assuming the sustenance of quarterly momentum to full year) and gross premium per share of N0.64k, we derived a simple average target price of N2.99k. This implies a discount of -39.18% to fair price and 64.4% upside potential.

DuPont Analysis (Prev FYE)	LINKASSURE	Ind. Avg.
Asset Turnover (x)	na	0.34
Equity Multiplier	na	1.68
Profit Margin	26.70%	32.52%
<b>ROE</b>	na	22.12%
<b>ROA</b>	na	13.26%

**Historical Price-Volume Chart**



**Relative Strength Index (RSI)**



**Disclosures**

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