

- Revenue growth dropped as at Q2 2016, compared with Q2 2015, due to fall in disposable income and the purchasing power of consumers
- The company has witnessed lower capacity utilization sequel to the inability to source key input materials coupled with acute gas shortage.
- Cost cutting and production efficiency led to a reduced cost of sales with a cushioning effect on the operating profit
- Finance charge rose significantly because of the impact of devaluation/depreciation of the Naira
- PBT margins dropped as a result of high finance cost
- More sales translated to cash
- May face short-term liquidity problems
- Significant increase in account payables
- Worsening current ratio
- We maintain our BUY rating on the stock

N 'Million	Sep-16	Sep-15	Change
Revenue	24,423	26,192	(6.75%)
Cost of Sales	17,927	21,115	(15.10%)
Gross Profit	6,496	5,077	27.95%
Other Income	31	83	(137.35%)
Distribution Expenses & Admin Expenses (OPEX)	3,388	3,589	(5.60%)
Operating Profit (EBIT)	3,139	1,571	99.81%
Interest Expenses	2,881	575	401.04%
Interest Income	224	133	68.42%
Net Finance Income	(2,657)	(442)	501.13%
Profit Before Tax (LBT)	482	1,129	(57.31%)
Taxation Charge	93	226	(58.85%)
Profit After Tax (LAT)	389	903	(56.92%)
Cash Generated from Core Operations	4,093	2,561	59.82%

Key Performance Ratios			
	Sep-16	Sep-15	Change
Gross Profit Margin	26.60%	19.38%	7.21%
EBIT Margin	12.85%	6.00%	6.85%
PBT Margin	1.97%	4.31%	(2.34%)
PAT Margin	1.59%	3.45%	(1.85%)
Interest Cover	1.09	2.73	(1.64)
Income Gearing	91.78%	36.60%	55.18%
Cash from Core Operation to Revenue	16.76%	9.78%	6.98%
Net Debt to Equity	161.13%	218.73%	(57.59%)
Total Debt to Total Assets	70.39%	78.48%	(8.10%)
Trailing EPS (N)	-	0.12	(100.00%)
Trailing P/E Ratio	-	20.50	-
Current Ratio	0.42	0.50	(0.09)
Acid Test Ratio	0.26	0.38	(0.11)

N'Million	Financial Position			Relative to Total Assets	
	Sep-16	Sep-15	Change	Sep-16	Sep-15
Property Plant & Equipment (PPE)	91,485	53,758	70.18%	81.64%	70.69%
Other Long Term Assets	26	31	(16.13%)	0.02%	0.04%
Inventory	7,487	5,586	34.03%	6.68%	7.35%
Trade and Other Receivables	1,800	1,169	53.98%	1.61%	1.54%
Cash and Other Cash Equivalents	11,260	15,502	(27.36%)	10.05%	20.39%
Total Current Assets	20,547	22,257	(7.68%)	18.34%	29.27%
Total Assets	112,058	76,046	47.36%	100.00%	100.00%
				Relative to TL**	
	Sep-16	Sep-15	Change	Sep-16	Sep-15
Long Term Loan and Borrowing	24,833	10,617	133.90%	31.48%	17.79%
Others Long Term Liabilities	4,652	4,853	(4.14%)	5.90%	8.13%
Total Non-Current Liabilities	29,485	15,470	90.59%	37.38%	25.92%
Short Term Loans and Borrowing	39,898	40,673	(1.91%)	50.58%	68.15%
Trade Payables	9,368	3,118	200.45%	11.88%	5.22%
Other Current Liabilities	123	423	(70.92%)	0.16%	0.71%
Total Current Liabilities	49,389	44,214	11.70%	62.62%	74.08%
Total Liabilities	78,874	59,684	32.15%	100.00%	100.00%
Total Equity	33,184	16,362	102.81%		
Net Working Assets	-28,842	-21,957	31.36%		

** TL: Total Liabilities