

- Sales volumes were affected by gas availability, logistics challenges and the interconnection of the newly added line in Mfamosing, Nigeria
- Foreign currency debt subsequent to the acquisition of Unicem has been restructured into equity.
- Cement prices increased by 40% in September 2016. Only a portion of the price increase is reflected in the period ended September 2016
- Investment in coal energy is underway to embrace fuel flexibility
- Drop in profit margins a reflection of the increase in expenses as well as the lower selling price in Nigeria for most of 2016
- Trading at lower earnings multiples than the emerging market building materials companies.
- Increase in short-term financial liabilities on account of an increase in Bank Overdraft
- May face short-term financial challenges
- **We place a short-term SELL rating on the stock.**

N 'Million	Sep-16	Sep-15	Change
Revenue	161,043.88	215,039.331	-25.11%
Cost of Sales	142,933.72	143,280.736	-0.24%
Gross Profit	18,110.16	71,758.595	-74.76%
Other Income/losses	-30,742.97	-6,754.913	-355.12%
Distribution Expenses & Admin Expenses (OPEX)	20,206.38	22,351.234	-9.60%
Operating Profit (EBIT)	133.30	1,338.333	-90.04%
Interest Expenses	-32,972.48	41,314.115	-179.81%
Interest Income	8,192.13	8,607.492	-4.83%
Net Finance Income/ (Cost)	796.99	3,798.301	-79.02%
Profit Before Tax (PBT)	7,395.14	4,809.191	-253.77%
Taxation Charge	-	6.618	
Profit After Tax (PAT)	-40,367.63	36,511.542	-210.56%
Cash Generated from Core Operations	-2,965.45	4,117.838	-172.01%

Key Performance Ratios			
	Sep-16	Sep-15	Change
Gross Profit Margin	11.25%	33.37%	-22.12%
EBIT Margin	-20.47%	19.21%	-39.69%
PBT Margin	-25.07%	16.98%	-42.05%
PAT Margin	-23.22%	15.06%	-38.29%
Interest Cover	(4.02)	4.80	(8.825)
Income Gearing	-24.85%	20.8%	-45.68%
Cash from Core Operation to Revenue	-1.97%	24.69%	-26.66%
Net Debt to Equity	57.04%	74.82%	-17.78%
Total Debt to Total Assets	59.89%	61.12%	-1.23%
Trailing EPS (N)	-	7.12	-100.00%
Trailing P/E Ratio	-	13.48	(13.48)
Current Ratio	0.64	0.83	(0.18)
Acid Test Ratio	0.36	0.46	(0.10)

N'Million	Financial Position			Relative to Total Assets	
	Sep-16	Dec-15	Change	Sep-16	Dec-15
Property Plant & Equipment (PPE)	399,833	364,397	9.72%	79.01%	80.44%
Other Long Term Assets	4,092	14,738	-72.24%	0.81%	3.25%
Inventory	44,930	33,027	36.04%	8.88%	7.29%
Trade and Other Receivables	37,113	23,474	58.10%	7.33%	5.18%
Cash and Other Cash Equivalents	17,538	16,493	6.33%	3.47%	3.64%
Other Current Assets	2,539	882	187.92%	0.50%	0.19%
Total Current Assets	102,120	73,877	38.23%	20.18%	16.31%
Total Assets	506,045	453,012	11.71%	100.00%	100.00%
				Relative to TL**	
	Sep-16	Dec-15	Change	Sep-16	Dec-15
Long Term Financial Liabilities	99,957	142,943	-30.07%	32.98%	51.63%
Others Long Term Liabilities	44,093	44,531	-0.98%	14.55%	16.08%
Total Non-Current Liabilities	144,050	187,473	-23.16%	47.53%	67.71%
Short Term Financial Liabilities	33,368	5,345	524.25%	11.01%	1.93%
Trade and Other Payables	107,577	76,847	39.99%	35.50%	27.76%
Other Current Liabilities	18,059	7,196	150.97%	5.96%	2.60%
Total Current Liabilities	159,004	89,388	77.88%	52.47%	32.29%
Total Liabilities	303,054	276,861	9.46%	100.00%	100.00%
Total Equity	202,991	176,152	15.24%		
Net Working Assets	-56,884	-15,511	-466.74%		

** TL: Total Liabilities