

- Revenue increased during the period but marginally higher than the inflation rate. This is as a result of weak volumes sales and weak purchasing power.
- Cost of sales grew faster than revenue leading to a reduced growth rate in the gross profit
- Operating profit grew marginally but the finance cost occasioned by the devaluation of the Naira adversely impacted the bottom line.
- Increase in tax provision was a result of the expiration of the pioneer status
- Sales translated to less cash
- Short-term borrowings increased significantly during the period due to exchange difference
- May face short-term liquidity challenges
- We maintain our BUY rating on the stock on account of a marginal improvement in EBIT

N 'Million	Sep-16	Sep-15	Change
Revenue	129,482	107,986	19.91%
Cost of Sales	77,549	59,975	29.30%
Gross Profit	51,933	48,011	8.17%
Other Income	-	-	-
Distribution Expenses & Admin Expenses (OPEX)	26,563	23,334	13.84%
Operating Profit (EBIT)	25,370	24,676	2.81%
Interest Expenses	21,984	4,241	418.36%
Interest Income	2,119	379	459.49%
Net Finance Income/Cost	(19,866)	(3,862)	414.33%
Profit Before Tax (PBT)	5,504	20,814	(73.55%)
Taxation Charge	5,020	3,577	40.33%
Profit After Tax (PAT)	485	17,237	(97.19%)
Cash Generated from Core Operations	30,194	29,750	1.49%
<b>Key Performance Ratios</b>			
	Sep-16	Sep-15	Change
Gross Profit Margin	40.11%	44.46%	(4.35%)
EBIT Margin	19.59%	22.85%	(3.26%)
PBT Margin	4.25%	19.27%	(15.02%)
PAT Margin	0.37%	15.96%	(15.59%)
Interest Cover	1.15	5.82	(466.43%)
Income Gearing	86.65%	17.19%	69.47%
Cash from Core Operation to Revenue	23.32%	27.55%	(4.23%)
Net Debt to Equity	28.16%	44.77%	(16.60%)
Total Debt to Total Assets	80.30%	68.12%	12.18%
Trailing EPS (N)	8.81	28.52	(69.11%)
Trailing P/E Ratio	90.22	28.92	61.30
Current Ratio	0.87	0.82	0.06
Acid Test Ratio	0.70	0.63	0.06

N'Million	Financial Position			Relative to Total Assets	
	Sep-16	Dec-15	Change	Sep-16	Dec-15
Property Plant & Equipment (PPE)	66,457	69,148	(3.89%)	41.48%	58.00%
Other Long Term Assets	2,221	1,352	64.28%	1.39%	1.13%
Inventory	18,506	10,814	71.13%	11.55%	9.07%
Trade and Other Receivables	25,447	24,446	4.10%	15.89%	20.51%
Cash and Other Cash Equivalents	45,483	12,930	251.78%	28.39%	10.85%
Other Current Assets	2,080	525	296.13%	1.30%	0.44%
Total Current Assets	91,517	48,715	87.86%	57.13%	40.86%
Total Assets	160,195	119,215	34.37%	100.00%	100.00%
<b>Relative to TL**</b>					
	Sep-16	Dec-15	Change	Sep-16	Dec-15
Long Term Loan and Borrowing	12,675	12,530	1.15%	9.85%	15.43%
Others Long Term Liabilities	11,223	8,946	25.45%	8.72%	11.02%
Total Non-Current Liabilities	23,897	21,476	11.27%	18.58%	26.45%
Short Term Loans and Borrowing	41,697	17,109	143.71%	32.41%	21.07%
Bank Overdraft	-	305	(100.00%)	0.00%	0.38%
Trade Payables	59,097	36,662	61.19%	45.94%	45.15%
Other Current Liabilities	3,945	5,656	(30.25%)	3.07%	6.97%
Total Current Liabilities	104,738	59,732	75.35%	81.42%	73.55%
Total Liabilities	128,635	81,208	58.40%	100.00%	100.00%
Total Equity	31,560	38,007	(16.96%)		
Net Working Assets	(13,222)	(11,017)	(20.01%)		

\*\* TL: Total Liabilities