

- Growth in revenue compared with Q3 2015 is higher than the inflation rate
- Cost of sales grew faster than revenue on account of higher input cost
- Unrealised foreign exchange loss due to the impact of devaluation/depreciation of the Naira on the Dollar denominated loan
- Difficulty in accessing foreign currency affected the plan to convert the Dollar denominated loan to local currency
- Generating capacity for Transcorp Power Limited declined significantly as a result of the deteriorating gas supply situation and load restrictions from the national grid.
- Hospitality business remains resilient
- Sales translated to less cash
- Increase in trade and other receivables on account of huge receivables from the Nigeria Bulk Electricity Trading Plc (NBET)
- **We maintain our BUY rating on the stock on account of the improvement in EBIT**

N 'Million	Sep-16	Sep-15	Change
Revenue	41,921	30,425	37.78%
Cost of Sales	22,082	12,248	80.29%
Gross Profit	19,839	18,177	9.14%
Other Income	711	1,169	(160.82%)
Distribution Expenses & Admin Expenses (OPEX)	8,967	8,308	7.94%
Operating Profit (EBIT)	11,584	11,039	4.93%
Interest Expenses	25,153	4,793	424.77%
Interest Income	786	943	(16.58%)
Net Finance Income	(24,367)	(3,851)	532.80%
Profit/Loss Before Tax (LBT)	(12,783)	7,188	(277.83%)
Taxation Charge	1,425	1,303	9.41%
Profit/Loss After Tax (LAT)	(14,208)	5,886	(341.40%)
Cash Generated from Core Operations	13,739	13,077	5.06%

Key Performance Ratios			
	Sep-16	Sep-15	Change
Gross Profit Margin	47.33%	59.74%	(12.42%)
EBIT Margin	27.63%	36.28%	(8.65%)
PBT Margin	(30.49%)	23.63%	(54.12%)
PAT Margin	(33.89%)	19.34%	(53.24%)
Interest Cover	0.46	2.30	(1.84)
Income Gearing	217.14%	43.42%	173.72%
Cash from Core Operation to Revenue	32.77%	42.98%	(10.21%)
Net Debt to Equity	124.31%	71.75%	52.55%
Total Debt to Total Assets	66.57%	56.87%	9.70%
Trailing EPS (N)	-	0.02	(100.00%)
Trailing P/E Ratio	-	75.20	
Current Ratio	1.06	1.18	(0.12)
Acid Test Ratio	0.97	1.07	(0.10)

N'Million	Financial Position			Relative to Total Assets	
	Sep-16	Dec-15	Change	Sep-16	Dec-15
Property Plant & Equipment (PPE)	120,174	109,761	9.49%	54.51%	54.10%
Other Long Term Assets	42,715	42,363	0.83%	19.38%	20.88%
Inventory	4,645	4,597	1.04%	2.11%	2.27%
Trade and Other Receivables	48,442	31,354	54.50%	21.97%	15.45%
Cash and Other Cash Equivalents	4,370	14,420	(69.70%)	1.98%	7.11%
Other Current Assets	116	389	(70.26%)	0.05%	0.19%
Total Current Assets	57,572	50,760	13.42%	26.11%	25.02%
Total Assets	220,461	202,884	8.66%	100.00%	100.00%
				Relative to TL**	
	Sep-16	Dec-15	Change	Sep-16	Dec-15
Long Term Loan and Borrowing	81,807	61,845	32.28%	55.74%	53.60%
Others Long Term Liabilities	10,502	10,502	0.00%	7.16%	9.10%
Total Non-Current Liabilities	92,309	72,347	27.59%	62.90%	62.70%
Short Term Loans and Borrowing	14,174	15,364	(7.75%)	9.66%	13.32%
Trade Payables	34,024	20,098	69.29%	23.18%	17.42%
Other Current Liabilities	6,258	7,570	(17.33%)	4.26%	6.56%
Total Current Liabilities	54,456	43,032	26.55%	37.10%	37.30%
Total Liabilities	146,765	115,379	27.20%	100.00%	100.00%
Total Equity	73,696	87,505	(15.78%)		
Net Working Assets	3,116	7,728	(59.67%)		

\*\* TL: Total Liabilities