

- Robust revenue growth higher than inflation rate. This is as a result of improved sales volume and price
- Cost of sales grew faster than revenue due to increased raw material cost occasioned by Naira devaluation which led to a reduced growth rate in the gross profit
- Operating profit declined on the heels of increased operating expense
- Profit before tax increased because of a drop in the finance charge
- Profitability margins dropped mainly on account of the increase in the cost of sales
- Sales translated to less cash
- It conserved cash by managing its trade payables
- The company can free-up more cash from inventory, except it bought raw materials to hedge price increase
- **We maintain our BUY rating on the stock.**

N 'Million	Sep-16	Sep-15	Change
Revenue	115,253	73,046	57.78%
Cost of Sales	96,252	54,279	77.33%
Gross Profit	19,001	18,767	1.24%
Other Income	364	248	46.49%
Distribution Expenses & Admin Expenses (OPEX)	4,642	3,910	18.73%
Operating Profit (EBIT)	14,722	15,105	(2.54%)
Interest Expenses	395	891	(55.62%)
Interest Income	308	10	3,039.92%
Net Finance Income/Cost	(88)	(881)	(90.05%)
Fair Value Adjustment	684	0	
Profit Before Tax (PBT)	15,319	14,224	7.69%
Taxation Charge	5,202	4,889	6.39%
Profit After Tax (PAT)	10,117	9,335	8.38%
Cash Generated from Core Operations	18,298	18,683	(2.06%)

Key Performance Ratios			
	Sep-16	Sep-15	Change
Gross Profit Margin	16.49%	25.69%	(9.21%)
EBIT Margin	12.77%	20.68%	(7.91%)
PBT Margin	13.29%	19.47%	(6.18%)
PAT Margin	8.78%	12.78%	(4.00%)
Interest Cover	37.24	16.96	20.28
Income Gearing	2.69%	5.90%	(3.21%)
Cash from Core Operation to Revenue	15.88%	25.58%	(9.70%)
Net Debt to Equity			0.00%
Total Debt to Total Assets	49.24%	43.34%	5.90%
Trailing EPS (N)	1.03	0.99	4.16%
Trailing P/E Ratio	6.04	7.02	(0.98)
Current Ratio	1.18	1.13	0.05
Acid Test Ratio	0.74	0.72	0.02

N'Million	Financial Position			Relative to Total Assets	
	Sep-16	Dec-15	Change	Sep-16	Dec-15
Property Plant & Equipment (PPE)	54,947	54,800	0.27%	44.79%	53.40%
Other Long Term Assets	3,646	4,658	(21.74%)	2.97%	4.54%
Inventory	23,848	15,548	53.38%	19.44%	15.15%
Trade and Other Receivables	18,661	14,704	26.91%	15.21%	14.33%
Cash and Other Cash Equivalents	17,739	8,993	97.26%	14.46%	8.76%
Other Current Assets	3,827	3,922	(2.43%)	3.12%	3.82%
Total Current Assets	64,074	43,167	48.43%	52.23%	42.06%
Total Assets	122,666	102,625	19.53%	100.00%	100.00%
				Relative to TL**	
	Sep-16	Dec-15	Change	Sep-16	Dec-15
Others Long Term Liabilities	6,183	6,229	(0.74%)	10.24%	14.01%
Total Non-Current Liabilities	6,183	6,229	(0.74%)	10.24%	14.01%
Short Term Loans and Borrowing	-	2,500	(100.00%)	0.00%	5.62%
Trade Payables	48,476	28,092	72.56%	80.26%	63.16%
Other Current Liabilities	5,742	7,655	(25.00%)	9.51%	17.21%
Total Current Liabilities	54,218	38,247	41.76%	89.76%	85.99%
Total Liabilities	60,401	44,476	35.80%	100.00%	100.00%
Total Equity	62,266	58,149	7.08%		
Net Working Assets	9,856	4,920	100.34%		

** TL: Total Liabilities