

- Increased revenue growth higher than the inflation rate. As a result of volume growth as well as better price management
- Gross profit grew faster than the revenue growth as cost of sales was kept under check
- N23.73bn is attributable to a one-off item in the prior period of 2015
- Profitability margins improved better in Q3, 2016 than Q3, 2015 without the exceptional item
- Although interest expenses dropped, it is still very high relative to the operating profit
- The company will need capital restructuring to deleverage its balance sheet
- Significant cash is tied up in inventory and deposit for imports
- May face short-term liquidity challenges
- **We place a BUY rating on the stock.**

N 'Million	Sep-16	Sep-15	Change
Revenue	255,305	177,583	43.77%
Cost of Sales	218,881	159,354	37.36%
Gross Profit	36,424	18,230	99.81%
Other (Income)/Losses	8,083	(1,777)	354.95%
Distribution Expenses & Admin Expenses (OPEX)	9,143	7,780	17.52%
Operating Profit (EBIT)	19,198	12,226	57.03%
Interest Expenses	10,926	12,334	(11.42%)
Interest Income	528	486	8.72%
Net Finance Income/Cost	(10,397)	(11,848)	(12.25%)
Gain on Disposal of Investment	0	23,732	(100.00%)
Profit Before Tax (PBT)	8,800	24,110	(63.50%)
Taxation Charge	2,332	91	2,474.23%
Profit After Tax (PAT)	6,468	24,019	(73.07%)
Cash Generated from Core Operations	25,761	19,008	35.53%

Key Performance Ratios			
	Sep-16	Sep-15	Change
Gross Profit Margin	14.27%	10.27%	4.00%
EBIT Margin	7.52%	6.88%	0.63%
PBT Margin	3.45%	13.58%	(10.13%)
PAT Margin	2.53%	13.53%	(10.99%)
Interest Cover	1.76	0.99	0.77
Income Gearing	56.91%	100.89%	(43.98%)
Cash from Core Operation to Revenue	10.09%	10.70%	(0.61%)
Net Debt to Equity	115.63%	137.88%	(22.25%)
Total Debt to Total Assets	75.11%	72.27%	2.84%
Adjusted Trailing EPS (N)	7.85	0.18	(100.00%)
Adjusted Trailing P/E Ratio	2.43	116.07	(1.97)
Current Ratio	0.83	0.68	0.15
Acid Test Ratio	0.41	0.36	0.05

N'Million	Financial Position			Relative to Total Assets	
	Sep-16	Dec-15	Change	Sep-16	Dec-15
Property Plant & Equipment (PPE)	214,510	213,562	0.44%	53.61%	61.84%
Other Long Term Assets	7,099	7,101	(0.03%)	1.77%	2.06%
Inventory	90,657	58,699	54.44%	22.66%	17.00%
Trade and Other Receivables	11,629	12,735	(8.68%)	2.91%	3.69%
Cash and Other Cash Equivalents	43,785	33,213	31.83%	10.94%	9.62%
Dep for Imp. & Other Current Assets	32,480	20,039	62.08%	8.12%	5.80%
Total Current Assets	178,552	124,686	43.20%	44.62%	36.10%
Total Assets	400,160	345,348	15.87%	100.00%	100.00%
				Relative to TL**	
	Sep-16	Dec-15	Change	Sep-16	Dec-15
Long Term Loan and Borrowing	61,559	48,010	28.22%	20.48%	19.24%
Others Long Term Liabilities	23,994	18,534	29.46%	7.98%	7.43%
Total Non-Current Liabilities	85,554	66,543	28.57%	28.47%	26.66%
Short Term Loans and Borrowing	70,514	100,830	(30.07%)	23.46%	40.40%
Bank Overdraft	26,882	16,413	63.79%	8.94%	6.58%
Trade Payables	51,994	38,494	35.07%	17.30%	15.42%
Other Current Liabilities	65,610	27,301	140.32%	21.83%	10.94%
Total Current Liabilities	215,000	183,039	17.46%	71.53%	73.34%
Total Liabilities	300,554	249,583	20.42%	100.00%	100.00%
Total Equity	99,606	95,766	4.01%		
Net Working Assets	-36,448	-58,353	(37.54%)		

** TL: Total Liabilities