

- Lafarge Africa Plc Q3 '17 revenue and net income came in at 38.9% and 102.5% respectively compared to Q3 '16.
- Nigerian operations contributed 69.6% to the revenue while South Africa operations accounted for the remainder (30.4%).
- The company's gearing is significantly high at 2.44x owing to a spike of 347.6% in short term borrowing. The borrowing came mostly from inter-party related loan which represents 80.8% of total current liabilities.
- The cost of servicing borrowed fund spiked by 134.1% and eat up 94.1% of operating income. This was a major strain to weak net income reported.
- The Company is on the verge of raising capital through Rights Issue of N131.65bn. If fully subscribed, it could help to offset some of existing obligations.

Key Performance Indicators

Profitability Ratios

| | | |
|-------------------------|--------|---------|
| Gross profit Margin | 25.62% | 11.25% |
| Operating profit Margin | 11.40% | -1.30% |
| PBT Margin | 0.49% | -25.07% |
| PAT Margin | 0.42% | -23.22% |

Leverage ratio

| | | |
|----------------------|-------|------|
| Debt to Equity Ratio | 2.44 | 1.02 |
| Interest Cover | -1.47 | 0.28 |

Liquidity Ratio

| | | |
|-----------------|------|------|
| Current Ratio | 0.45 | 0.56 |
| Acid Test Ratio | 0.25 | 0.31 |

Management Efficiency

| | | |
|------------------|-------|-------|
| ROA | 0.00 | -0.07 |
| ROE | 0.01 | -0.15 |
| EPS | 0.10 | -8.27 |
| Book Value | 32.30 | 45.42 |
| Price/Book Value | 1.65 | 1.33 |

Consolidated Statement of Income

| ₦ 'million | Q3 '17 | Q3 '16 | % Change |
|--------------------------------------|----------------|----------------|---------------|
| Revenue | 223,689 | 161,044 | 38.90 |
| Cost of Sales | -185,767 | -142,934 | 29.97 |
| Gross Profit | 57,311 | 18,110 | 216.46 |
| Selling & Distribution Costs | -2,984 | -3,897 | 23.43 |
| Administrative Expenses | -29,436 | -16,307 | 80.51 |
| Operating Profit | 25,491 | -2,096 | 1316.2 |
| Operating expenses | -7,089 | -30,876 | 77.04 |
| Net operating income | 18,402 | -32,876 | 155.97 |
| Net finance cost | -17,309 | -7,395 | 134.06 |
| PBT | 1,094 | -40,368 | 102.71 |
| Taxation | -156 | 2,965 | -105.26 |
| Profit/Loss after Tax | 937 | -37,402 | 102.51 |
| Assets | | | |
| Property, plant and equipment | 393,295 | 390,489 | 0.72 |
| Intangible Assets | 1,849 | 1,563 | 18.30 |
| Other assets | 17877 | 4183 | 327.37 |
| Differed tax assets | 47,592 | 7,641 | 522.85 |
| Inventories | 62,101 | 44,531 | 39.46 |
| Trade and other receivables | 41,081 | 25,801 | 59.22 |
| Other assets | 12,525 | 8,845 | 41.61 |
| Cash and cash equivalents | 23,814 | 19,265 | 23.61 |
| TOTAL ASSETS | 609,828 | 502,491 | 21.36 |
| Liabilities | | | |
| Borrowings (long term) | 89,021 | 68,047 | 30.82 |
| Provisions | 3,155 | 2,448 | 28.88 |
| Employee benefits obligations | 5,007 | 3,780 | 32.46 |
| Bank overdraft | 35,019 | 22,995 | 52.29 |
| Trade and other payables | 105,145 | 100,808 | 4.30 |
| Current tax payable | 2,526 | 825 | 206.18 |
| Borrowings (short term) | 163,326 | 36,488 | 347.62 |
| TOTAL LIABILITIES | 432,186 | 253,538 | 70.46 |
| Equity | | | |
| Ordinary share Capital | 2,745 | 2,740 | 0.18 |
| TOTAL EQUITY | 177,341 | 248,953 | -28.77 |