

- 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