

Week beginning 20-Nov-17

BANKS	Rating	Price Target (N)	Price (N)	Potential Up/Downside	P/E (x) 2016	P/E (x) 2017E	P/B (x) 2016	P/B (x) 2017E	EPS gr. 2016 (y/y)	EPS gr. 2017E (y/y)	ROAE 2016	Div Yield 2017E
ACCESS	HOLD	11.58	9.70	19.4%	2.3	3.7	0.4	0.5	-5.7%	6.0%	17.4%	7.2%
FBNH	HOLD	7.38	6.90	7.0%	7.0	4.6	0.2	0.4	11.6%	212.5%	3.0%	4.3%
GUARANTY	HOLD	42.81	43.00	-0.4%	5.3	7.3	1.4	2.1	33.0%	25.5%	28.8%	4.9%
UBA	HOLD	10.14	9.60	5.6%	2.3	4.0	0.4	0.7	11.2%	19.6%	18.5%	8.3%
ZENITHBANK	BUY	30.15	24.12	25.0%	3.6	4.5	0.7	0.9	22.6%	30.6%	20.0%	8.5%
AVERAGE		20.41	18.66	11.3%	4.1	4.8	0.6	0.9	14.6%	58.8%	17.5%	6.7%

CEMENT	Rating	Price Target (N)	Price (N)	Potential Up/Downside	EV/SALES (x) 2016	EV/EBITDA (x) 2016	EV/EBITDA (x) 2017E	P/E (x) FY 2016	P/E (x) FY 2017E	EPS gr. FY 2016/15	EPS gr. FY 2017E/16	Div Yield 2017E
CCNN	HOLD	9.52	9.27	2.7%	0.2	0.9	0.6	5.0	5.2	4.2%	78.3%	0.0%
DANGCEM	HOLD	221.34	230.00	-3.8%	5.2	12.5	9.9	15.3	15.1	4.4%	34.0%	5.0%
WAPCO	SELL	38.98	50.00	-22.0%	2.4	17.5	12.7	13.0	69.4	-45.1%	-77.1%	4.9%
AVERAGE		89.95	96.4	-7.7%	2.6	10.3	7.7	11.1	29.9	-12.2%	11.7%	3.3%

CONSUMER GOODS	Rating	Price Target (N)	Price (N)	Potential Up/Downside	EV/SALES (x) 2016	EV/EBITDA (x) 2016	EV/EBITDA (x) 2017E	P/E (x) FY 2016	P/E (x) FY 2017E	EPS gr. FY 2016/15	EPS gr. FY 2017E/16	Div Yield 2017E
CADBURY*	SELL	9.18	11.25	-18.4%	0.5	21.8	11.6	-65.2	3913.8	-125.7%	-101.8%	0.0%
DANGSUGAR	BUY	19.03	14.33	32.8%	0.4	3.0	1.2	5.1	4.6	24.8%	158.3%	10.5%
FLOURMILL	HOLD	38.89	34.89	11.5%	0.4	4.2	4.4	6.1	11.7	-44.8%	-1.8%	5.6%
GUINNESS	SELL	76.70	100.3	-23.5%	1.6	14.8	5.4	65.0	23.6	-195.4%	232.7%	2.5%
NB	SELL	123.16	138.80	-11.3%	3.8	14.3	10.7	41.3	23.6	-25.3%	64.0%	4.2%
NESTLE	SELL	843.54	1,251.03	-32.6%	3.5	14.5	9.7	81.0	32.1	-66.6%	289.4%	3.1%
PZ	SELL	14.86	22.49	-33.9%	0.9	10.9	12.7	17.3	25.3	78.4%	6.3%	3.2%
UNILEVER*	HOLD	35.92	37.50	-4.2%	2.0	16.9	9.3	43.1	18.9	157.6%	143.9%	1.1%
AVERAGE		145.16	201.32	-10.0%	1.7	12.5	8.1	24.2	506.7	-24.6%	98.9%	3.8%

Multiples for GUINNESS, FMN and PZ are a year ahead due to end-June, March and May year ends respectively

*Under Review

Source: Bloomberg, Cordros Research estimates

CADBURY NIGERIA PLC (CADBURY) – SELL

- The shares of CADBURY declined by 8.83% last week to N11.25. CADBURY trades at a significant forward PE above its 5-year historical average of 24.9x.
- CADBURY published Q3-17 result, showing revenue growth of 9.3% y/y and PAT of N702 million, from a loss reported in Q2. Also worthy of note is that the reported profit is CADBURY's single-quarter largest since Q4-15, thanks to significant expansion of gross margin.
- While top-line continued to grow, the slower growth pace compared to the last three quarters, and notwithstanding the still low base prices of Q3-16, suggest that sales volume may have been very low y/y. That said, revenue has grown 14.3% y/y in nine months, with Non-Nigerian sales up 25%.
- Gross margin of 30% was reported, as the technical fees (included in cost of sales) that significantly pressured margin in Q2 appears to have been fully settled. We note also the positive feed-through from both the continued stable exchange rate and softer cocoa prices (-6.83% Ytd and -4.82% compared to end-March in the international market).
- Although there was no finance charge in Q3-16, the N60 million reported in the review period was significantly lower than Q2's N212 million (including FX loss of N105 million) which adversely impacted earnings during the period. Bank overdraft – which CADBURY has resorted to in recent quarters as a result of the devaluation impact on working capital – stood at N2.7 billion as at September ending, from N2.3 billion in June.
- CADBURY's strong profit in Q3, following a negative surprise in Q2, leaves post tax loss after nine months at N64 million, from N766 million in H1. Compared to other quarters, CADBURY's results have been more stable in Q4. We look for the same this year, suggesting – given a stronger than expected Q3 – the company's earnings will likely close the year ahead of our previous estimate. That said, we do not expect investor will react accordingly to this result, given doubts as to the consistency of CADBURY's performance. **Our estimates are under review.**

DANGOTE SUGAR REFINERY PLC (DANGSUGAR) – BUY

- The shares of DANGSUGAR lost by 6.03% to N14.33. DANGSUGAR trades at forward PE of 7.0x, in line with its 5-year historical average of 7.5x.
- DANGSUGAR recently released Q3-17 result, showing revenue declined 1% y/y while EBITDA (226% y/y) and PAT (244% y/y) grew strongly. Continued stronger gross margin and tamed opex, primarily, in addition to higher investment income, was the lever for earnings growth. The decline in revenue, was driven by lower sales volume, which more than offset the relatively higher price. Compared to 2016, sales volume has closed lower in all three quarters this year in response to the sharp increase in price (+75% in 9M-17 vs. 9M-16). The management reduced the per bag price of sugar by N1,000, effective in April, to help support sales.
- Despite cuts to sales estimates, we raise DANGSUGAR's 2017F EBITDA and net profit by 50% each, and for 2018-2019F by 55% and 56% respectively. The upward revision follows better margin outlook on declining per tonne production cost (see below), which we expect will offset price cuts. Our revised estimates translate to EBITDA and net profit growth of 158% (+131% in 9M-17) and 155% (+162% in 9M-17) respectively in 2017F, and 3% and 5% average growth in 2018-2019F.
- We cut revenue estimates for 2017-2019F by 10% average, on downwardly revised volume (for 2017F only) and selling price estimates Sales volume (-17% in 9M-17) has been hit by weakened demand, and more recently, by both the influx of smuggled sugar and the terrible condition of the road to the Apapa factory. While retaining average growth of 10% in freight income, net impact is for 2% growth in gross revenue over our forecast period.
- We raise gross margin estimate for 2017F by 983 bps to 27%, following the significant formation over 9M-17 (+895 bps vs. 9M-16), particularly the last two quarters (33% average) and also raise estimates for 2018-2019F by about 1,000 bps average, on the assumption that the expected cut in selling price will trail decline in per tonne production cost. Upside risks to our per tonne production estimate (down consistently q/q to -34% between Q3-17 and Q4-16) include (1) better energy efficiency and stronger exchange rate, (2) stable outlook of global raw sugar prices, and (3) positive mix from growing contribution of higher margin Savannah. Downside risks to our margin estimate include (1) deeper-than-expected cut in selling price and (2) an upturn in global prices of raw sugar (sugar prices for 2019 delivery are higher by 4% for November contracts).
- On net, we raise TP for the stock by 39% to NGN19.03/share and upgrade our rating to BUY. We roll forward our estimates and valuation by one year.

FLOUR MILLS OF NIGERIA PLC – HOLD

- The shares of FLOURMILL rose 2.62% last week to N34.89. FLOURMILL trades at 2018 PE of 11.7x, below its 5-year average of 19x.
- FLOURMILL published Q2-17/18 and H1-17/18 results showing high double-digit growth in post-tax profit. The primary driver of the profit growth (as was the case in Q1) is a net operating gain of N1.92 billion, against a loss reported in Q2-16. That aside, gross profit was down 14% y/y while opex and finance costs increased by 13% y/y and 31% y/y respectively. Revenue grew by 9.8% y/y, the slowest pace since Q4-15/16, as pricing effect continues to taper. The y/y decline in gross profit was on the backdrop of faster increase in cost of sales (14.1%) and 331 bps contraction of gross margin (GM).
- We revise 2018 forecasts for FLOURMILL following H1, wherein EBITDA and net profit were impacted by strong FX-linked net operating gains and double-digit revenue growth, which more than offset both weaker y/y gross margin and higher finance costs. While we look for relatively (to H1-18) weaker earnings in H2-18, we expect they would be stronger compared to H2-17. Overall, we raise our EBITDA and net profit forecasts by 10% and 72% respectively for 2018F. Upward revision to estimates was conservative (flattish and 2% respectively) for 2019-2020F.
- We increase revenue growth forecast for 2018 to 8.9% (previously 7.6%) on stronger run rate of 17% in H1 and retain revenue growth forecast of 9.4% for 2019-2020, on continued resilience of the Food division, and stronger growth in the Agro-Allied and Packaging divisions, amidst the gradually recovering consumer purchasing power and spending from general elections.
- We revise net operating gain forecast for 2018F to NGN7.7 billion (previously –NGN1.4 billion), following the strong formation (NGN5.1 billion) over H1, on the revaluation of liabilities (via FX hedges using NDFs and forwards) and biological assets (the sugar plantation). These items are excluded from our estimates for 2019-2020. Notwithstanding the 331 bps q/q improvement in gross margin in Q2, we revise 2018 estimate lower by 69bps to 12.01% on slower-than-expected recovery (-237 bps in H1).
- We revise 2018F finance cost forecast lower by 4%, following the reduction of borrowings to NGN188.2 billion, from end-2017FY NGN241.6 billion. FLOURMILL's management recently announced plans to raise NGN70 billion via Medium Term Notes. We have not factored this into our model, as management stated at the Q2 results analysts call that the signing will be in 2018, "depending on the evolution of interest rates". On net, we raise our TP for the stock by 35% to NGN38.89.

GUINNESS NIGERIA PLC – SELL

- The shares of GUINNESS depreciated by 1.72% last week to close at N100.25. GUINNESS trades at 2018 PE of 23.6x, below its 5-year average of 27.7x.
- GUINNESS reported revenue growth of 30% y/y in Q1-18 and net profit of N41.4 million, from a loss in the corresponding period of Q1-16/17, and the N4.5 billion profit reported in Q4 ended March 2017. Compared to our estimate, the reported revenue was ahead by 20% while net profit missed by 96%. The significant deviation on the net profit line was on the back of (1) lower-than-expected gross margin and (2) higher net finance costs. Gross margin was lower by 153 bps y/y (on restated Q1-16/17 numbers) and 1,000 bps q/q, reflecting, as observed partly in the case of NB, higher sorghum prices in Nigeria during the period.
- Despite higher y/y EBITDA and net profit in Q1-18, we revise 2018 forecasts for GUINNESS lower by 15% and 26% respectively, on negative surprises on gross margin and finance cost lines, which more than offset better-than-expected revenue. The realized net profit in Q1 was below consensus by 97%. Estimates for 2019-2020 were also revised lower by 3% and 5% average. We raise revenue growth estimate to 20% (previously 5%), after realized Q1 sales came ahead of our estimate by 20%.
- We cut gross margin estimate for 2018 by 405 bps to 39% and by 200 bps average to 41%, for 2019-2020. Our forecast for finance cost was increased by 68% to NGN5.9 billion, following the sharp spike (249% q/q) at the beginning of the year, however, we retained our lower finance cost forecasts for 2019-2020, reflecting the significantly (1) deleveraged balance sheet and (2) reduced FX headwinds from repaying large portion of FCY loans (-61% q/q).
- Net impact of the above changes is for EBITDA and net profit growth of 23% (previously 45%) and 260% (previously 384%) respectively in 2018F, and 2019-2023 CAGR of 8% and 8.6% respectively. On net, we cut our TP for the stock by 16% to NGN76.70/share.



▪ **NIGERIAN BREWERIES PLC – SELL**

- The shares of NB closed lower by 3.54% last week to N138.80. NB trades at forward PE of 23.6x, below its 5-year average of 31.5x.
- NB released Q3-17 result last week. In our view, NB's performance during the three months period was broadly disappointing. Although revenue grew 12.8% y/y, it was below our estimate by c.9%. PAT on the other hand, was down 75% y/y, and 97% below our estimate on (1) significantly weaker gross margin and (2) higher opex and net financing costs. The PAT is NB's record low. For 9M-17 however, the strong performance in H1 held net profit up 19% relative to 9M-16. The Board proposed an interim dividend of N1.00 per share.
- Having shown consistent recovery from the trough of Q3-16, gross margin faltered in the Jul-Sep 2017 period to 34.4%, from the average of 44% achieved between Q4-16 and Q2-17. Compared to Q3-16 also, the recently reported margin is down 143 bps.
- We cut NB's 2017F EBITDA and net profit forecasts by 14% and 23% respectively, on downwardly revised revenue growth and gross margin estimates, following the surprise miss in Q3. We also cut forecasts for 2018-2019 by 8% and 13% average respectively, specifically on the cut to revenue forecasts.
- We cut revenue growth estimate to 12% (previously 18%), after realized Q3 sales came 9% behind our estimate, notwithstanding that price was increased at the beginning of the quarter. Average growth estimate of 5% for 2018-2019 is unchanged, as the effects of price hikes wane.
- We cut gross margin estimate for 2017 by 220 bps to 43% and by 100 bps average to 44%, for 2018-2019. While we consider the surprise 1,100 bps decline in Q3-17 GM one-off (as we do not expect amount recognized for technical fees will remain elevated), the slight downward revision to 2018-2019 estimates reflects the upward price outlook of key production material inputs.
- Net impact of the above changes is for EBITDA and net profit growth of 15% (previously 33%) and 27% (previously 64%) respectively in 2017F, and 2018-2022 CAGR of 6% and 6.6% respectively. On net, we cut our TP for the stock by 3% to NGN123.16/share and roll forward our estimates and valuation by one year.

NESTLE NIGERIA PLC – SELL

- The shares of NESTLE closed lower by 3.02% to N1,251.03. NESTLE trades at 12-M PE of 32.1x, below its 5-year average of 43x.
- NESTLE reported revenue growth of 29% y/y in Q3-17 and a net profit of N6.4 billion, from a loss in the corresponding period of 2016. The positives from the result are (1) y/y and q/q revenue growth and (2) y/y and q/q expansion of gross margin. The negatives are (1) continued double-digit increase in operating expenses (although the amount was less than we expected) and notably, (2) the significantly higher-than-expected net finance charges.
- Following Q3-17 result, we raise NESTLE's 2017F EBITDA estimate by 10% but cut net profit by 9.7%, on net, equating to growth forecasts of 51% (previously 37%) and 290% (previously 331%) respectively. While we cut sales forecasts for 2018-2019F by 0.4% average, we raise EBITDA and net profit by 15% and 14% respectively on (1) better margin assumptions and (2) lower finance cost estimates.
- We raise gross margin estimates for 2017F by 141 bps to 41% and by 216 bps to 42% in 2018-2019F on better-than-expected formation over 9M-17 (+85 bps vs. 9M-16). Our 2018-2019F gross margin estimate, at 200 bps discount to the 44% achieved in Q3-17, factors in the key risk of potential pricing pressure from competition – as stronger dollar liquidity encourages more imports – and is therefore conservative.
- We raise our finance cost estimate for 2017F by 58% on higher-than-expected amount recognized in Q3-17 (+190% vs. our estimate) and overall, 9M-17 (+49% vs. our estimate). We are surprised that both net FX losses and interest charges on borrowings realized over 9M-17 were way ahead of our estimates which assumed (1) 20% NGN devaluation rate (on NGN366/USD vs. NGN305/USD) and (2) average borrowing cost of 7%.
- From estimated 39% growth in 2017F, we forecast sales growth to moderate to 10% average over 2018-2019F, as the impact of price hikes wanes. Our 2018-2019F revenue growth forecast, 300 bps below NESTLE's five-year historical average growth rate, is conservative. On net, we forecast average EBITDA and net profit growth of 9% and 31% respectively in 2018-2019F.
- On our revised estimates, we value NESTLE at NGN843.54/share and reiterate SELL rating on the stock. We roll forward our model estimates and valuation by one year.

PZ CUSSONS NIGERIA PLC – SELL

- The shares of PZ declined by 2.20% to N22.49. PZ trades at 2018 PE of 25.3x, below its 5-year average of 37.3x.
- PZ released Q1-18 result showing a post-tax loss of N123.1 million, despite revenue growing by 12.8% y/y. The loss after tax was much lower than the N1.59 billion loss reported in the same period of 2017.
- Guidance from our recent discussion with the management is for flat to slight earnings growth in 2018F. The consumer environment is expected to remain challenging and competition intense. Outlook for prices is dovish (there has been a marginal price cut this year for Electrical goods, wherein increase was higher last year), yet volumes are unlikely to recover strongly. Dollar liquidity has improved, outlook is positive, and likewise, the expected impact on business performance.
- That said, latest economic data (rising PMI, consumer confidence, and business expectation) suggest that the pressure that Nigerian consumers face may be over-exaggerated. With prices largely stable and economic activities improving, we think consumers are actually better-off now, compared to a year ago.
- From the loss in Q1, we expect PZ will return to profit in the coming quarters, and close 2018F with N3.52 billion net profit (vs. N3.69 billion in 2017FY). The assumptions driving our forecast are (1) continued revenue growth, (2) modest margin recovery, and (3) higher opex (ratio of revenue to increase by 70 bps) and effective tax rate (to increase by 448 bps).
- The stock has accumulated 62% YtD, supported by the same positive investor sentiment that has driven both the broader and consumer goods indices up by 31.6% and 28.3% respectively YtD. Following the upward review of our estimates, we have increased our 2018F TP slightly higher to N14.86 (previously N14.26). While we remain constructive of PZ, we believe the stock has outrun the level supportive of its fundamentals. SELL.

UNILEVER NIGERIA PLC – HOLD

- The shares of UNILEVER lost by 6.25% to N37.50. UNILEVER trades at forward PE of 18.9x, below its 5-year average of 61.8x.
- UNILEVER released Q3-17 result, showing revenue and net profit grew by 36.6% y/y and 142.7% y/y respectively. Finance costs increased by 48% y/y and 25% q/q, on the repayment of short term USD intercompany loans, and compared to Q3-16, gross margin (31%) was higher by 661 bps and beat our 30% estimate.
- On net, UNILEVER's Q3 result is impressive, with net profit as at 9M-17 already 4% ahead of consensus' 12-months forecast. That said, we expect to revise our forecast of N7.48 billion lower, in consideration of the surprisingly higher finance costs.
- We like the fact that the company has been able to maintain a higher margin. The top-line growth, in our view, is a reflection of UNILEVER's (1) broad product portfolio -- through constant innovation -- of primarily staples, (2) increased products visibility following years of strong promotional activities, (3) products packaged in packs that encourage affordability across categories of consumers, (4) broad distribution network aiding nationwide availability, and (5) improved penetration to the North East of the country.
- Shareholders had approved in May, the application of the parent company loan towards payment for the shares subscribed for by the parent through Rights Issue. As at end September, gross debt stood at N7.96 billion, the lowest since Q1-14, suggesting – and validated by the N30.7 billion outflow reported under financing cash flow – that management has commenced the process of significantly deleveraging the balance sheet. **Our estimates are under review**

DANGOTE CEMENT PLC – HOLD

- The shares of DANGCEM appreciated by 0.43% last week to N230.00. DANGCEM trades at forward PE of 15.1x, below its 5-year average of 17.2x.
- In its recently released Q3-17 result, revenue (27.4% y/y), EBITDA (95.1% y/y), and PAT (63.1% y/y) all grew strongly at the Group level. Compared to Q2-17, decline was recorded across all line items – revenue (-6.7%), EBITDA (-10%), and PAT (-33%). The y/y revenue growth was underpinned by higher average prices (40% y/y), which more than compensated for the decline in volume (9% y/y). Compared to Q2-17, volume was lower by 12% while price increased by 6%. Notwithstanding the lower-than-expected Q3 earnings, DANGCEM's performance over the nine months of 2017 was very strong, and consistent with the broadly expected impressive year for the Group.

- Following Q3-17 results, we revise both DANGCEM's 2017 and 2018-2019 EPS slightly downward by 1% and 0.5% respectively relative to previous estimates. While we look for continued strong margins on stable Nigerian prices and energy efficiency (including the eventual resolution of power challenges in Tanzania).
- We cut group sales volume forecast for 2017 by 2%, and over 2018-2019 by 1.7% average, primarily on the back of expected lower output in Nigeria. Amidst continued high selling prices, we believe the recovery of private sector cement consumption will be very modest. And we are in a wait-and-see mode on public sector demand which has failed to make an impact in two years of Nigeria's huge infrastructure budget. Specifically for DANGCEM, we are mindful of the impact of competition, (1) upon delivery of the speculated BUA's 1.5Mts capacity in Sokoto next year and (2) with LAFARGE likely to experience less production challenges.
- We left volume forecast for Rest of Africa (RoA) unchanged, having previously factored Congo into our model. Broadly in this segment, selling prices (+19% q/q in Q3-17) have also been increasing (both directly and through reduced discounts, as confirmed by management) and utilization rate is above 70% in more than half of the markets. Overall, we forecast Group sales volume will decline 5.2% in 2017 and grow by 7% average over 2018-2019. Over the latter period, we forecast volume will grow in mid single-digits of 8% and 5% respectively in Nigeria and RoA.
- On net, we forecast net profit of N258.8 billion in 2017F (previously NGN261.4 billion), and NGN281.3 billion and NGN311.11 billion in 2018 and 2019 respectively (previously NGN283.4 billion and NGN312 billion). On net, we reduce TP for the stock by 1.3% to NGN215.56/share. Over the medium term, we continue to see value in DANGCEM.

LAFARGE AFRICA PLC – SELL

- The shares of LAFARGE lost by 2.82% to N50.00. LAFARGE trades at forward PE of 69.4x, above its 5-year average of 11.8x.
- LAFARGE released Q3-17 result, showing revenue growth of 28.2% y/y, and a loss after tax of N18.8 billion which almost erased the N19.73 billion profit reported as at H1. Given the largely stable cement prices across markets, we attribute the higher-than-expected revenue to both higher (than expected) sales volume in Nigeria and the stronger performance of the aggregate and concrete business. Further impacting earnings was other operating loss of N9.3 billion, attributed to the net forex loss of N9.9 billion reported during the period. In addition, finance charge increased 85.7% y/y and 24.7% q/q, driven by interest on borrowings which increased 27% q/q and 185% y/y. Compared to Q2 closing balance, borrowings increased by 12.5% when it stood at N245 billion (from N147 billion in Q1).
- We revise forecasts for LAFARGE following 9M-2017 results, and adjust our TP for the stock for the Rights Issue (RI). We cut net profit forecasts by 85% for 2017F and by 3% average for 2018-2019F, increase shares outstanding (NOSH) by 57% to 8.6 billion, and roll-forward valuation to 2018F. The broad industry challenge aside, LAFARGE's sales volume, among our universe, lags expectation the most. Margin recovery outlook is relatively less assuring. And there is an underlying FX risk on the outstanding sizeable quasi-equity USD borrowings (USD286 million). On the positive, proceeds of the RI will partly address the Group's debt overhang condition and allow management focus on profitable operations.
- Following Q3-17 result, we raise 2017F volume forecast slightly to 6.2Mts (previously 6.1Mts), representing 18.6% contraction (previously 19.3%), on better-than-expected Nigerian volume (precisely Mfamosing). For 2018 and 2019 however, we revise volume forecast lower to 6.7Mts (previously 7.2Mts) and 6.9Mts (previously 7.6Mts), after cutting expected utilization rates for the West (2,000bps) and North (500 bps) of Nigerian operations. Volume forecast for the South African operation, struggling with high competition and weak infrastructure spending, is unchanged. We retained estimated end-2017 selling price of NGN32,340/bag for the Group (Nigeria: NGN44,800/bag) for 2018F.
- LAFARGE's unsteady gross margin between Q4-16 and 9M-17 (compared to DANGCEM's) does not make for strong reliance on management's claims of strong contribution from coal, pet-coke, and alternative fuels in cement production. Overall, we cut 2017F EBITDA forecast by 25% and 2018-2019F by 7% on higher OPEX and lower gross margin than previous estimates. Our revised EBITDA forecasts imply EBITDA margin of 18% in 2017F and 23% in 2018F and 2019F.
- The slight cut to 2018-2019 net profit forecast, notwithstanding the above revisions, reflects the potential gain from the part refinancing of debts using RI proceeds. From 9M-17's NGN267.4 billion, we estimate gross debt will reduce to NGN135.7 billion in 2018F, and consequently reduce finance costs to NGN16.1 billion, from our previous estimate of NGN 23.1 billion, and NGN24.4 billion potentially in 2017F.
- On net, we reduce TP for the stock by 55% to NGN38.98/share (NGN80.04/share on the old NOSH). LAFARGE's RI price of NGN42.5/share is trading close (9% premium) to our TP.

CEMENT COMPANY OF NORTHERN NIGERIA PLC – HOLD

- The shares of CCNN closed flat at N9.27. CCNN trades at forward PE of 5.2x, below its 5-year average of 7.1x.
- In Q3-17 result, revenue (86.1% y/y), EBITDA (553% y/y), and PAT (1,500% y/y) all grew strongly. Compared to Q2-17, strong double-digit growth was also recorded across all line items – revenue (23%), EBITDA (90%), and PAT (95%). We assume that price increase during the quarter entirely accounted for the surprised strong q/q growth in revenue. At 43% (+2,100 bps y/y and +900 bps q/q), the gross margin reported over the three months period was a positive surprise.
- We revise forecasts for CCNN following impressive 9M-17 results, and roll forward estimates and valuation to 2018. The revision to our estimates was driven by improved EBITDA and EBITDA margin (+113% and +774 bps respectively in 9M-17) on (1) higher realized sales volume and stronger selling price and (2) improved energy cost (-10% YtD and -35% q/q cost/tonne in Q3). On net, we raise our EBITDA and net profit forecasts by 33% and 38% respectively for 2017F, and by 14% and 16% average respectively for 2018-2019F.
- We increase sales volume and price forecasts for 2017 by 6% and 9% respectively, equating to -16% (previously -20%) and +58% (previously 44%) from 2016. Following the contraction in 2017, we forecast sales volume will grow by 2% in 2018 and flattish in 2019 on estimated 85% plant utilization rate.
- Compared to Q2-17, we estimate that CCNN achieved 35% decline in per tonne energy cost in Q3-17. Outlook for the price of CCNN's type of energy is positive, on significantly reduced demand from the bigger consumers in the cement industry and positive feed-through from stronger one-year naira outlook. Downside risk, however, is the potential increase in the unregulated LPFO price, on rising crude oil price; hence, our EBITDA margin estimates of 23% average for 2018-2019F (albeit above 5-year average of 17%), vs. 27% for 2017F (on the backdrop of the 33% margin achieved in Q3).
- Media reports have recently quoted top management member of CCNN reiterating progress on expansion work (additional 1.5Mts/year to increase capacity to 2Mts/year) in Sokoto and guiding to delivery in 2018. While noting the significance of the delivery of additional volume on EBITDA formation going forward, we are still reluctant to factor the expansion into our model, given that the company's recent financials (balance sheet and cash flow statements) are yet to capture the movement of capital to support management's claim. On net, we raise our TP for the stock by 28% to NGN9.52/share.

ACCESS BANK PLC – HOLD

- The shares of ACCESS closed lower by 2.12% last week to N9.70. ACCESS trades at forward PE of 3.7x, above its 5-year average of 2.9x.
- ACCESS recently released its Q3-17 results, wherein gross earnings (9.31% q/q and 18.26% y/y) came in lower relative to Q2-17. This follows lackluster performance across income lines - interest income grew lower than expected (1.69% q/q and 21.84% y/y) and non-interest income declined 28.25% q/q (+10.35% y/y). However, following significant declines in loan loss provision and opex, PBT (+0.12% q/q and -5.08 y/y) grew marginally, while PAT (26.04% q/q and -3.81% y/y) grew double-digit, supported by a lower effective tax rate during the quarter.
- Overall, over 9M-17, gross earnings grew double-digit (by 33.05%). While PBT grew marginally by 1.26%, PAT declined slightly by 1.23%. The impressive growth in gross earnings over the period broadly reflects robust interest income, on impressive yield on interest earning assets (+190 bps to 12.92%), and the surge in foreign exchange trading income, which supported 27.91% growth in NIR. The bottom-line contraction was due to opex increasing by 34.49% y/y, with cost to income ration expanding 665 bps y/y to 64.32%.
- We update our model with a cut in gross earnings growth forecast to 27.68% (previously 28.26%) for 2017F to N486.88 billion, on expected lower growth in interest income and NIR. We also revise cost of funds and opex estimates higher, but lower cost of risks. On net, we now forecast PBT and PAT growth of 7.00% and 7.50% (previously 22.57% and 23.59% respectively) to N96.66 and N76.80 billion respectively. As a result, our 2017F EPS of N2.65 is now 12.96% lower than the previous estimate.
- In line with the persisting high yields on interest earning assets over 9M-17 (+190 bps y/y to 12.90%), we maintained 2017F assets yield estimate of 12.60%. However, we lowered interest earning assets portfolio by 0.31%, resulting in interest income growth of 36.44% y/y (previously 36.71%) to N337.41 billion. We believe the high interest rates environment will keep yields on fixed income securities at current levels and drive interest income over Q4. On the other hand, we have lowered NIR growth to 11.62% (previously 13.40%), reflecting the loss on net trading income in Q3.



- Similarly, we believe the high interest rate environment will impact funding cost (rose 180 bps y/y to 5.8% in 9M-17). As a result, we raised our 2017F cost of fund estimate by 16 bps to 5.74% (previously 5.58%), resulting in 53.47% growth in interest expense to N165.96 billion. Overall, we look for 12 bps y/y decline in net-interest margin to 6.12%, on faster increase in interest expense over interest income.
- Over 9M-17, NPL ratio rose 41 bps y/y to 2.51% (3 bps above the 2.48% in H1-17). We have raised our forecast NPL to 2.55% (previously 2.20%) following the shrinking loan book, but lowered cost of risk estimate to 1.12% (previously 1.32%), resulting in a 3.85% y/y decline in loan loss charges to N21.12billion in FY-17. While we expect opex to moderate in Q4, we raise estimate for 2017F (26.41% growth, vs. 20.05% previously) to N202.65 billion following the sizeable increase over 9M-17 (34.49%).
- Our current 12-month TP implies upside potential of 16.85% from current levels; consequently, we recommend a HOLD on the stock.

FBN HOLDINGS PLC – HOLD

- The shares of FBNH lost by 4.56% last week at N6.90. FBNH trades at forward PE of 4.6x, below its 5-year historical average of 6.3x.
- FBNH released unaudited Q3-17 last week, wherein gross earnings grew marginally by 1.85% q/q and 0.40% y/y, while PBT and PAT rose 28.01% q/q (71.19% y/y) and 24.44% q/q (145.47% y/y), respectively. The growth in earnings is broadly supported by (1) growth in funding income (by 7.73% q/q and 17.43% y/y), which more than subdued the 6.57% and 37.91% y/y contraction in NIR and (2) decline in opex by 3.51% q/q (+2.27% y/y).
- Specifically, over 9M-17, gross earnings grew by 5.17% while PBT declined 3.52%, PAT grew by 7.81%. The marginal growth in gross earnings over the period broadly reflects the impressive yield on interest earning assets (+210 bps to 12.28%) and consequently, robust interest income, which more than offset the significant decline in NIR (47.08%).
- While the performance over 9M-17 is broadly in line with our estimate, we have now revised estimate for Q4 and FY-2017 upward to reflect the relative consistency over the first three quarters of 2017, compared with same periods in 2016. We revise gross earnings growth forecast slightly higher to 0.81% (previously -4.63%) in 2017F to N586.54 billion, on expected higher growth in interest income and a lower contraction in NIR. While we maintained our 2017F costs or risk estimate, we have lowered net loan growth estimate by 8.76%. As a result, we now forecast PBT and PAT growth of 107.87% and 214.18% (previously 51.78% and 51.74%) to N65.92 billion and N53.85 billion respectively. As a result, our 2017F EPS of N1.50 is now 107.06% higher than the previous estimate of N0.72.
- We revise asset yield estimate for 2017F higher to 12.45% (previously 11.65%), on expected continued elevated yields on interest earning assets over Q4 (expanded 210 bps y/y to 12.28% in 9M-17). Overall, we look for interest income growth of 17.88% (previously 12.38%) to N477.76 billion. On NIR, we believe the growth in net insurance revenue, dividend income, and other operating income will persist for the rest of the year. However, we expect a significant contraction in foreign exchange – reflecting the limited legroom for revaluation gains in 2017 with the relative stability of the NGN –, as such, we have lowered the expected contraction in NIR to 45.41% (previously 51.63%).
- We have revised our 2017F cost of funds estimate higher by 16 bps to 3.85% (+62 bps y/y), translating to 31.54% growth in interest expense to N132.64 billion. However, with the upward review of the high yields on interest earning assets, we believe the impact of the expansion in cost of funds will be muted, thus, we estimate net interest margin to decline 13 bps to 8.72% (previously 8.49%).
- Over 9M-17, asset quality deterioration persisted, albeit with some respite as NPL ratio moderated 190 bps to 20.10% compared to H1-17. Following the moderation in NPL and the 90.08% y/y growth in net recoveries from loans previously written off (with an additional recovery of N1.32 billion over Q3), we have revised our forecast NPL to 19.55% (previously 21.65%), but maintain our 6.65% estimate - translating to additional provisioning of N45.85 billion for Q4 and total credit loss provision of N143.47 billion for 2017F.
- Our current 12-month TP implies upside potential of 2.07% from current levels; consequently, we recommend a HOLD on the stock.

GUARANTY TRUST BANK PLC – HOLD

- The shares of GUARANTY closed flat at N43.00. GUARANTY trades at forward PE of 7.3x, above its 5-year average of 6.2x.
- GUARANTY published Q3-2017 result wherein gross earnings declined by 19.85%y/y and 12.03% q/q, with PBT (-1.06% y/y and -3.51% q/q) and PAT (-1.34% y/y and -72 bps q/q) consequently coming in lower. The key driver of the decline in earnings was a significant contraction in NIR (down 72.80% y/y and 52.75% q/q), which more than subdued the 14.21% y/y (and 74 bps q/q) growth in interest income.

- We have cut our gross earnings growth forecast to 3.40% for 2017F to N428.70 billion, on expected deeper contraction in NIR. That said, following a downward revision of costs of risk and opex, amid upward adjustment to cost of funds, we now forecast PBT and PAT growth of 24.31% and 30.39% to NGN205.28 and NGN172.49 billion respectively. As a result, our 2017F EPS of N5.86 is now 1.75% higher than the previous estimate.
- Reflecting the lower than expected FX revaluation gains which drove a steep contraction in NIR, we have raised our expected contraction in NIR by 38.72% and estimate NIR contribution to gross earnings to drop to 21.25% in 2017F. We maintained our 2017F asset yields estimate of 13.60%, however, following a 2.84% cut back in our forecast average interest earning assets, we now expect interest income to grow by of 27.62% y/y to NGN334.99 billion – reflecting the persisting high yields on interest earning assets.
- We raised our cost of fund estimate by 15 bps to 3.30% for 2017F (34 bps y/y uptick from 2.81% in FY-16), resulting in 19.13% y/y (previously 19.77%) growth in interest expense to N79.93 billion, reflecting the relatively tight domestic system liquidity – which has driven upward repricing of deposits – as well as the impact of the US Fed's rate hike. However, we expect the impact of the higher funding cost will be marginal on net interest margin, wherein we forecast a 134 bps y/y expansion to 10.35% (previously 10.43%).
- While NPL increased by 27 bps (compared to the level in FY-16) to 3.93%, credit loss provision at N8.38 billion in 9M-17 was 85.36% below the amount reported same period in the previous year, following the recovery of a previously written off loan worth N4.55 billion. Hence, we lowered forecast cost of risk to 1.15% (previously 2.15%), translating to a 73.19% y/y decline in impairment charge to NGN17.50 billion in 2017F.
- We raised our target price marginally by 86 bps to N42.81 (previous: N42.45) and rolled forward our valuation to 2018. Our current 12-month TP implies downside potential of 0.44% from current levels; consequently, we recommend a HOLD on the stock.

UNITED BANK FOR AFRICA PLC – HOLD

- The shares of UBA lost by 1.03% last week to close at N9.60. UBA trades at forward PE of 4.0x, above its 5-year average of 3.2x.
- In its recently released Q3-17 results, UBA recorded decline in gross earnings (8.46% q/q), driven largely by 38.60% q/q decline in NIR (+26.55% y/y), which muted the growth in interest income (6.33% q/q and 10.01% y/y). However, over 9M-17, gross earnings grew by 25.75% (against our 29.20% y/y growth estimate), driven by growth across income lines – interest income (+30.11%, in line with our estimate) and non-interest revenue (+18.84%, below our 29.75% y/y growth estimate).
- We have raised our gross earnings growth forecast slightly higher to 49.73% (previously 49.44%) in 2017F to N471.40 billion, on expected higher growth in interest income. That said, following an upward revision to our 2017F cost of funds, downward revision of NIR, and the expectation of a higher opex, we now forecast PBT and PAT growth of 66.29% and 13.24% (previously 74.51% and 14.28%) to N104.69 and N81.83 billion respectively. However, following the adjustment of our weighted average number of shares to reflect the complete cancellation of the 2.08 billion shares under the Staff Share Investment Trust scheme, our 2017F EPS is now 4.94% higher than previous estimate at N2.38.
- We revise asset yield estimate for 2017F higher to 12.35% (previously 12.15%) and we look for interest income growth of 27.25% (previously 22.18%) to N335.89 billion. On NIR, we believe the gains on FX trading (due to FX related gains and derivative transactions) and growth in fixed income securities trading will persist for the rest of the year, we have revised growth estimate lower to 14.03% (previous 24.90% y/y), equating to N120.55 billion for 2017F.
- On funding cost, we have reviewed our 2017F cost of funds estimate higher by 11 bps to 4.22%, translating to an interest expense growth of 31.24% (previously 27.82%) to N129.63 billion. However, we believe the high yields on interest earning assets will outweigh the expansion in funding cost, thus, we estimate net interest margin to advance 118 bps to 7.48% (previously 7.02%).
- In Q3-17, UBA made additional provisioning of N3.47 billion for credit loss, which raised total provision for 9M-17 to N12.91 billion. At 4.2% in 9M-17 (the same as H1-17), NPL was already ahead of 2017FY's c.4.00% guided by management. We maintain our 4.80% NPL forecast, but lower cost of risk estimate by 45 bps to 1.55% for 2017F, translating to additional provisioning of N11.92 billion for Q4 and total credit loss provision of N24.83 billion for 2017F.
- While noting the (1) flattish growth in funding income over the last three quarters, (2) limited room for any significant growth in FX trading and revaluation gains with the relative stability of the naira, and (3) impact of the adoption of IFRS 9 from 2018F, we now expect PAT to grow lower than previously estimated over 2018-2019F, as FX related and revaluation gains taper and NIR contribution to gross earnings contract significantly. Accordingly, we cut target price by 19.63% to N10.14 (previous: N12.62) and roll forward our valuation to 2018.
- Our current 12-month TP implies upside potential of 4.54% from current levels; consequently, we recommend a HOLD on the stock.

ZENITH BANK PLC – BUY

- The shares of ZENITH closed lower last week by 3.52% to N24.12. ZENITH trades at forward PE of 4.5x, below its 5-year average of 5.0x.
- In Q3-17, ZENITH report declines across most line items – gross earnings declined 35.19% q/q and 8.89% y/y – following higher than expected contraction in interest income (-30.96% q/q and +4.54% y/y) and a steep decline in non-interest revenue (42.07% q/q and 16.29% y/y). However, decline in Opex Supported 42.57% q/q Growth in PAT, resulting in 41.32% growth in annualized EPS to N1.71. Specifically, over 9M-17, ZENITH's gross earnings is up 39.68% (supported by 26.6% and 79% increase in interest and non-interest incomes) while PBT and PAT are both ahead by 25.79% and 29.14% respectively.
- We have cut our gross earnings growth forecast to 35.21% (previously 39.97%) for 2017F to N686.40 billion, on expected lower growth in interest income. That said, following a downward revision of cost of funds and cost of risks, and the expectation of lower opex, we now forecast PBT and PAT growth of 28.39% and 30.36% (previously 9.61% and 8.28% respectively) to N201.85 and N169.01 billion respectively. As a result, our 2017F EPS of N5.38 is now 20.43% higher than the previous estimate.
- While we maintain 12.98% (119 bps expansion from 11.79% in FY-16) estimated assets yield, we now expect loan growth to contract 7.09% y/y (previously estimated to grow by 9.41%) in 2017F, equating to 25.42% y/y (previously 36.38% y/y) growth in interest income. On the other hand, we have raised NIR growth to 65.73% (previously 51.16%), buoyed by strong trading income and revaluation gains.
- On funding cost, we have revised our 2017F cost of funds lower by 55 bps to 4.85% (+70 bps y/y) translating to 47.44% growth in interest expense to N212.88 billion. Our forecast y/y growth in interest expense reflects the impact of the elevated domestic interest rate environment and the high refinancing costs of maturing FCY obligations via the recently issued Eurobond (at a coupon rate of 7.375%, a 113 bps premium over the first tranche) and borrowings secured during the year. Overall, we look for 9 bps decline in net-interest margin to 7.46%, on faster increase in interest expense over interest income.
- Over 9M-17, asset quality deterioration persisted, with NPL ratio rising 200 bps to 4.20% (albeit below the 4.30% in H1-17). While we acknowledge the restructuring (with oil & gas accounting for a larger proportion) and declassification of some power exposures, however, following the classification of some transportation and general commerce exposures as NPL, we maintain our 2017F NPL estimate of 4.50% and cost of risks of 2.02% (previously 2.68%) – translating to a credit loss provision of N53.56 billion in 2017F.
- Hence, we revise our target price on the stock higher to N30.15 (Previous: N27.18), translating to 20.60% from current level and recommend a BUY on the stock.

Ticker	Current	Week-H	Week-L	WTD chg	Month-H	Month-L	MTD chg	3 Month-H	3Month-L	3MTD chg	6Month-H	6Month-L	6MTD chg	Year High	Year Low	YTD Chg	52wk Hi	52wk Lo	52 week chg
FINANCIAL SERVICES																			
ACCESS	9.70	9.91	9.70	-2.12%	10.14	9.7	-1.02%	10.24	9.50	-1.52%	10.76	7.28	31.44%	10.76	5.81	65.25%	10.76	5.39	78.5%
DIAMONDBNK	1.10	1.15	1.09	-5.17%	1.22	1	8.91%	1.25	1.00	-9.84%	1.44	0.86	18.28%	1.44	0.78	25.00%	1.44	0.78	14.6%
ETI	17.00	17.00	17.00	0.00%	17.20	17	0.00%	18.00	16.75	-5.56%	18.00	9.31	73.47%	18.00	7.10	65.37%	18.00	7.10	74.9%
FIDELITYBK	1.60	1.65	1.56	-4.76%	1.70	1.54	5.26%	1.70	1.28	23.08%	1.70	0.95	66.67%	1.70	0.77	90.48%	1.70	0.77	97.6%
GUARANTY	43.00	43.10	41.56	0.00%	43.10	41.56	2.38%	43.10	37.00	5.63%	43.10	31.50	40.07%	43.10	22.90	74.09%	43.10	21.00	100.0%
SKYEBANK	0.50	0.50	0.50	0.00%	0.50	0.5	0.00%	0.67	0.50	-25.37%	0.81	0.50	0.00%	0.81	0.50	0.00%	0.81	0.50	0.0%
STERLNBANK	1.02	1.04	1.00	-1.92%	1.04	1	2.00%	1.06	0.95	-1.92%	1.16	0.72	36.00%	1.16	0.67	34.21%	1.16	0.67	42.3%
UBA	9.60	9.60	9.50	-1.03%	10.00	9.5	0.00%	10.00	8.46	2.35%	10.41	7.01	47.69%	10.41	4.45	113.33%	10.41	4.25	123.9%
UBN	6.15	6.15	6.04	0.00%	6.15	6.04	0.82%	6.19	5.67	7.71%	6.19	4.97	23.00%	6.19	4.67	11.82%	6.19	4.26	44.0%
UNITYBNK	0.53	0.53	0.51	1.92%	0.53	0.51	3.92%	0.60	0.50	-10.17%	0.86	0.50	-14.52%	0.86	0.50	-3.64%	0.86	0.50	-3.7%
WEMABANK	0.50	0.50	0.50	0.00%	0.50	0.5	0.00%	0.51	0.50	-1.96%	0.67	0.50	0.00%	0.67	0.50	-7.41%	0.67	0.50	-9.1%
ZENITHBANK	24.12	24.84	23.68	-3.52%	25.87	23.68	-5.37%	26.45	22.00	4.64%	26.45	17.70	41.05%	26.45	13.30	63.53%	26.45	13.30	83.4%
FBNH	6.90	7.20	6.62	-4.56%	7.24	6.51	11.29%	7.24	5.14	15.00%	7.24	4.00	73.37%	7.24	2.96	105.97%	7.24	2.96	101.6%
FCMB	1.10	1.15	1.10	-3.51%	1.20	1.07	2.80%	1.20	1.02	-6.78%	1.42	1.02	-4.35%	1.42	0.93	0.00%	1.42	0.93	2.8%
STANBIC	42.60	42.60	42.50	0.24%	42.60	42.5	-2.38%	44.30	38.00	12.11%	44.30	25.01	63.85%	44.30	15.00	184.00%	44.30	14.00	178.8%
AICO	0.55	0.55	0.53	3.77%	0.55	0.53	5.77%	0.59	0.52	-3.51%	0.64	0.51	5.77%	0.64	0.51	-12.70%	0.64	0.51	-5.3%
CONTINSURE	1.38	1.38	1.33	-4.17%	1.44	1.33	3.76%	1.57	1.29	6.15%	1.57	1.19	14.05%	1.57	0.96	39.39%	1.57	0.96	26.0%
CUSTODYINS	3.75	3.75	3.72	-3.85%	4.00	3.72	-6.25%	4.00	3.41	7.14%	4.00	3.36	9.33%	4.00	3.00	-3.60%	4.00	3.00	6.7%
MANSARD	2.05	2.10	2.05	-2.38%	2.10	2.04	0.99%	2.60	1.86	5.13%	2.62	1.56	31.41%	2.62	1.45	22.75%	2.62	1.45	3.2%
NEM	1.33	1.47	1.33	-1.48%	1.47	1.3	6.40%	1.47	0.99	33.00%	1.47	0.92	40.00%	1.47	0.79	26.67%	1.47	0.70	72.2%
WAPIC	0.50	0.50	0.50	0.00%	0.50	0.5	-3.85%	0.52	0.50	0.00%	0.55	0.50	0.00%	0.55	0.50	0.00%	0.55	0.50	0.0%
NPFMCRFBK	1.29	1.35	1.29	-0.77%	1.35	1.24	3.20%	1.35	1.10	9.32%	1.45	1.10	-5.84%	1.45	1.05	17.27%	1.45	1.00	22.5%
INFINITY	1.44	1.44	1.44	0.00%	1.44	1.44	0.00%	1.44	1.44	0.00%	1.44	1.44	0.00%	1.47	1.44	-2.04%	1.47	1.44	-2.0%
AFRIPRUD	3.79	3.80	3.77	-0.79%	3.85	3.77	-2.32%	3.88	3.08	19.94%	3.88	2.75	39.85%	3.88	2.27	24.26%	3.88	2.27	45.1%
UCAP	3.21	3.25	3.18	-2.73%	3.38	3.1	6.64%	3.38	2.88	7.00%	3.41	2.88	8.08%	3.82	2.41	17.58%	3.82	2.41	25.5%
CONSUMER GOODS																			
CHAMPION	1.98	2.09	1.98	-5.26%	2.46	1.98	-19.51%	2.70	1.98	-18.18%	3.44	1.98	-8.76%	3.44	1.98	-19.18%	3.44	1.98	8.8%
GUINNESS	100.25	102.01	100.00	-1.72%	102.02	100	0.25%	102.02	75.00	18.64%	102.02	60.00	43.21%	102.02	60.00	20.71%	102.02	60.00	12.8%
INTBREW	51.80	51.80	49.55	3.60%	51.80	41	5.74%	56.23	34.50	50.14%	56.23	20.90	147.85%	56.23	15.00	180.00%	56.23	15.00	148.5%
NB	138.80	139.75	138.15	-3.54%	150.00	138.15	-7.47%	190.00	138.15	-24.16%	193.00	138.15	-6.22%	193.00	112.82	-6.21%	193.00	112.82	7.4%
DANGSUGAR	14.33	15.16	14.25	-6.03%	15.50	14.25	-4.47%	15.84	12.78	11.60%	15.84	6.75	109.81%	15.84	5.71	134.53%	15.84	5.71	129.9%
FLOURMILL	34.89	34.89	34.00	2.62%	34.89	32.11	10.76%	34.89	26.50	16.88%	34.89	19.00	79.38%	34.89	17.20	88.70%	34.89	17.00	85.2%
HONYFLOUR	1.94	2.02	1.90	-8.49%	2.12	1.9	-8.49%	2.12	1.85	-7.62%	2.28	1.21	52.76%	2.28	0.92	49.23%	2.28	0.92	93.6%
NASCON	14.50	15.40	14.30	-4.98%	16.00	14.3	-10.49%	16.77	12.02	7.41%	16.77	8.39	70.59%	16.77	6.65	70.59%	16.77	6.65	110.2%
UNIONDICON	13.45	13.45	13.45	0.00%	13.45	13.45	0.00%	13.45	13.45	0.00%	14.15	13.45	-4.95%	15.67	13.45	-14.17%	16.49	13.45	-18.4%
CADBURY	11.25	12.31	11.25	-8.83%	12.34	10.11	7.14%	12.34	10.00	-6.79%	15.67	9.42	5.63%	15.67	7.41	9.33%	15.67	7.41	9.5%
NESTLE	1251.03	1290.00	1250.00	-3.02%	1290.00	1250	-0.08%	1290.00	1150.20	2.53%	1290.00	835.00	51.63%	1290.00	570.00	54.45%	1290.00	570.00	53.8%
VITAFOAM	2.70	2.95	2.70	-8.47%	2.97	2.7	-9.09%	2.97	2.51	-2.88%	3.00	2.30	17.39%	3.00	1.64	12.50%	3.00	1.64	15.5%
PZ	22.49	23.00	20.40	-2.22%	23.10	20.4	-2.22%	27.30	20.40	-16.49%	27.30	17.85	24.94%	27.30	11.04	55.10%	27.30	11.04	53.4%
UNILEVER	37.50	40.00	36.10	-6.25%	41.00	36.1	-8.96%	46.00	36.10	-17.67%	46.00	33.00	4.17%	46.00	27.81	7.14%	48.00	27.81	-10.9%

	Current	Week-H	Week-L	WTD chg	Month-H	Month-L	MTD chg	3 Month-H	3Month-L	3MTD chg	6Month-H	6Month-L	6MTD chg	Year High	Year Low	YTD Chg	52wk Hi	52wk Lo	52 week chg
AGRICULTURE																			
OKOMUOIL	66.01	68.20	66.01	1.55%	68.20	65	1.55%	69.09	59.90	-4.46%	80.03	50.00	32.02%	80.03	40.17	64.33%	80.03	36.20	54.8%
PRESKO	66.00	66.00	66.00	0.00%	69.82	64	-0.75%	71.98	57.06	-8.31%	76.95	48.00	34.69%	76.95	40.10	64.59%	76.95	40.00	51.7%
LIVESTOCK	0.88	0.90	0.84	-1.12%	0.90	0.84	8.64%	0.99	0.81	-7.37%	1.10	0.78	8.64%	1.10	0.58	4.76%	1.10	0.58	6.3%
CONGLOMERATES																			
AGLEVENT	0.70	0.70	0.57	27.27%	0.70	0.54	25.00%	0.71	0.54	-1.41%	0.90	0.54	1.45%	0.96	0.54	-27.08%	0.96	0.54	-24.3%
JOHNHOLT	0.50	0.50	0.50	0.00%	0.50	0.5	0.00%	0.53	0.50	-5.66%	0.63	0.50	-20.63%	0.66	0.50	-24.24%	0.66	0.50	-24.2%
TRANSCORP	1.35	1.40	1.33	-4.26%	1.51	1.33	-6.25%	1.52	1.16	-2.88%	1.86	1.16	15.38%	1.86	0.69	55.17%	1.86	0.67	98.6%
UACN	17.20	19.10	17.20	-9.95%	19.10	17.2	-8.46%	19.10	14.50	9.55%	19.10	14.33	13.23%	19.10	12.02	2.32%	19.10	12.02	2.0%
CONSTRUCTION/REAL ESTATE																			
JBERGER	29.33	29.33	29.33	0.00%	29.33	29.33	0.00%	35.99	29.33	-18.51%	43.84	29.33	-26.42%	43.84	29.33	-23.98%	43.84	29.33	-22.8%
UAC-PROP	2.85	2.85	2.83	0.71%	2.97	2.7	5.56%	3.05	2.58	-1.04%	3.05	1.70	67.65%	3.15	1.63	8.78%	3.15	1.63	-3.6%
HEALTHCARE																			
EKOCORP	3.37	3.37	3.37	0.00%	3.37	3.37	0.00%	3.37	3.37	0.00%	3.37	3.21	4.98%	3.37	3.21	4.98%	3.54	3.21	-4.8%
FIDSON	3.91	3.91	3.77	3.99%	3.99	3.76	-2.01%	3.99	2.97	22.19%	3.99	1.79	114.84%	3.99	0.89	205.47%	3.99	0.89	206.5%
GLAXOSMITH	25.25	25.25	25.25	1.00%	25.55	25	0.20%	25.55	21.00	20.24%	25.55	15.43	63.64%	25.55	14.00	60.32%	25.55	13.54	86.1%
MAYBAKER	2.72	2.89	2.69	-4.90%	2.94	2.69	-2.51%	3.15	2.52	-7.80%	5.52	1.40	102.99%	5.52	0.85	189.36%	5.52	0.85	181.3%
NEIMETH	0.57	0.59	0.57	-3.39%	0.65	0.57	-12.31%	0.87	0.57	-25.00%	0.98	0.55	7.55%	0.98	0.53	-26.92%	0.98	0.53	-24.4%
PHARMDEKO	2.36	2.36	2.25	4.89%	2.36	2.25	4.89%	2.36	2.25	4.89%	2.36	2.08	13.46%	2.36	1.78	32.58%	2.36	1.70	32.4%
ICT																			
CWG	2.54	2.54	2.54	0.00%	2.54	2.54	0.00%	2.54	2.54	0.00%	2.54	2.54	0.00%	2.67	2.54	-4.87%	2.67	2.54	-4.9%
NCR	6.63	6.63	6.63	0.00%	6.63	6.63	0.00%	7.33	6.63	-9.55%	7.71	6.63	-14.01%	8.53	6.63	-22.27%	8.99	6.63	-26.3%
TRIPPLEG	1.06	1.06	1.06	0.00%	1.06	1.06	0.00%	1.09	1.06	-2.75%	1.24	1.06	-14.52%	1.36	1.06	-22.06%	1.36	1.06	-22.1%
INDUSTRIAL GOODS																			
AFRPAINTS	2.35	2.35	2.35	0.00%	2.35	2.35	0.00%	2.35	2.35	0.00%	2.47	2.35	-4.86%	2.47	2.35	-4.86%	2.47	2.35	-4.9%
BERGER	7.35	7.35	7.35	0.00%	7.35	7.35	5.00%	7.35	7.00	2.94%	7.40	5.88	25.00%	7.40	5.88	14.84%	7.40	5.88	12.4%
CAP	34.00	34.00	34.00	0.00%	34.12	34	-0.35%	34.50	32.50	-1.45%	37.80	32.00	-1.45%	37.80	28.01	6.25%	37.80	28.01	1.3%
CGNN	9.27	9.27	9.27	0.00%	9.70	9.27	-4.43%	10.18	8.06	0.76%	11.27	4.60	85.40%	11.27	4.13	85.40%	11.27	4.04	116.5%
DANGCEM	230.00	238.00	230.00	0.43%	238.00	227	2.68%	238.00	204.52	2.27%	245.00	162.99	41.10%	245.00	149.26	32.19%	245.00	149.26	35.6%
FIRSTALUM	0.50	0.52	0.50	0.00%	0.52	0.5	-1.96%	0.63	0.50	-20.63%	0.66	0.50	0.00%	0.66	0.50	0.00%	0.66	0.50	2.0%
PAINTCOM	0.59	0.59	0.59	0.00%	0.59	0.59	0.00%	0.65	0.59	-4.84%	0.65	0.59	-9.23%	0.65	0.59	-9.23%	0.73	0.59	-19.2%
PORTPAINT	2.10	2.10	2.10	0.00%	2.10	2.1	0.00%	2.10	2.10	0.00%	2.10	2.10	5.00%	2.10	1.71	16.67%	2.29	1.38	52.2%
WAPCO	50.00	51.45	50.00	-2.82%	51.45	50	0.10%	58.50	48.54	-14.53%	63.00	47.45	5.26%	63.00	34.50	22.10%	63.00	34.50	13.4%
CUTIX	2.02	2.12	2.02	-4.72%	2.15	2.02	-3.81%	2.73	2.01	0.50%	2.73	1.86	-0.98%	2.73	1.42	6.88%	2.73	1.42	11.1%
AVONCROWN	1.18	1.18	1.18	0.00%	1.18	1.18	0.00%	1.18	1.18	0.00%	1.18	0.99	13.46%	1.18	0.99	3.51%	1.32	0.99	-10.6%
BETAGLAS	51.31	54.01	51.31	-5.00%	54.01	51.31	-5.00%	59.84	51.31	-14.25%	60.34	48.29	6.25%	60.34	29.00	69.23%	60.34	28.88	80.5%
VANLEER	9.09	9.09	9.09	0.00%	9.09	9.09	0.00%	9.09	9.09	0.00%	9.09	9.09	0.00%	9.69	9.09	-6.19%	9.69	9.09	-6.2%

Rating Definition

Cordros Capital uses the following rating system:

BUY (OVERWEIGHT) - Over the next twelve months, we expect the stock to return at least 20% above the current market price.

HOLD (NEUTRAL) - Over the next twelve months, we expect the stock to range between <-10% and <+20% from the current market price.

SELL (UNDERWEIGHT) - Over the next twelve months, we expect the stock to be more than 10% below the current market price.

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