

Equity Snapshot

UACN

14-Nov-08

BUY

Business summary: Manufacturing, food, automobile, real estate
Sector: Conglomerates
Year End: 31st December
Website: www.uacnplc.com
e-mail: info@uacnplc.com

Intrinsic Value: NGN 40.23 12-Month Target Price: NGN 52.13

Technicals			
Current Price	33.67		
Price as at selected date	33.67		
52-week high	61.60	on	5-Mar-08
52-week low	33.67	on	14-Nov-08
Beta β (Volatility Index)	0.65		
Current RSI (14)	20.85		Oversold

Returns Profile		
	UACN	NSE ASI
1-Week Returns	-4.99%	10.26%
1-Month Returns	-26.63%	-12.34%
6-Month Returns	-32.25%	-39.36%
52 Week Returns	-15.89%	-27.10%
Sharpe Ratio	-9.37	-0.38
Stand. Dev. of Returns	2.84%	1.05%

Quarterly Updates			
	2008Q3	Prev Yr	Growth
Tunover (Nb)	28.10	21.96	28%
PBT (Nb)	4.83	2.71	78%
Tax (Nb)	1.14	0.41	180%
PAT (Nb)	3.69	2.30	60%
			<u>Ind. Avg</u>
Pre-Tax Margin	17.19%		18.74%
Net Margin	13.12%		15.74%
Earnings Yield	11.94%		7.92%

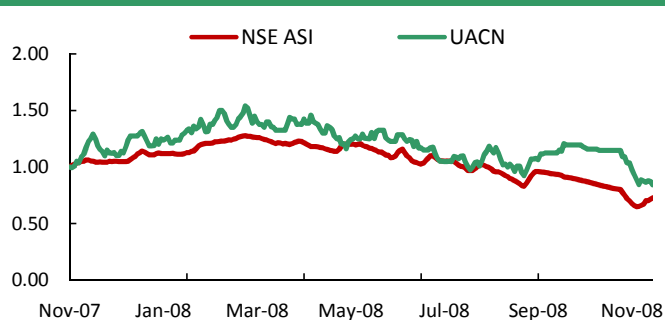
Valuation Metrics		
	UACN	Ind. Avg.
Shares Outstanding (bn)	1.28	4.64
Market Cap (Nbn)	43.25	36.04
Trailing Sales Per Share	29.29	23.69
Trailing EPS (N)	4.02	1.60
BVPS (N)	13.43	6.91
P/E ratio (x)	8.37	17.14
PBV ratio (x)	2.51	4.01
P/S ratio (x)	1.15	1.14

Analyst's Comment and Recommendation

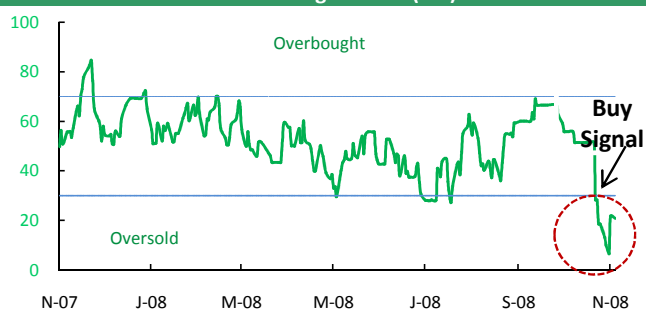
UACN shares are severely oversold with an RSI of 20.85. Besides, the stock's fundamentals dwarf all sector peers. With a forward PE of 8.8x based on 2008e EPS of N3.83k, the stock remains cheap premised on all relative valuation metrics. Hence, our 12-month target price, based on the current fundamental market metrics, which in our opinion are fair, **stands at N52.17k**. This presents a 12-month upside potential of 55%. We therefore **place a BUY recommendation** on the stock for short to medium term investment horizon.

DuPont Analysis (Prev FYE)		
	UACN	Ind. Avg.
Asset Turnover (x)	1.01	1.27
Equity Multiplier	1.80	2.57
Profit Margin	12.01%	11.38%
ROE	21.92%	13.31%
ROA	12.15%	6.53%

52-Week Relative Price Performance Chart



Relative Strength Index (RSI)



Disclosures

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