

UACN

28-Jul-08

Business summary:

Manufacturing, food, automobile, real estate

Sector:

Conglomerates

Year End:

31st December

Website:

www.uacnplc.com

e-mail:

info@uacnplc.com

2008FYE earnings outlook is robust on the back of consistent quarterly bottom line growths

Technicals

Current Price	41.62		
Price as at selected date	41.62		
52-week high	61.60	on	5-Mar-08
52-week low	32.00	on	26-Jul-07
Beta β (Volatility Index)	0.62		
Current RSI (14)	42.70		Within band

Returns Profile

	UACN	NSE ASI
1-Week Returns	-5.41%	-1.72%
1-Month Returns	-9.52%	-6.74%
6-Month Returns	-14.22%	-12.26%
52 Week Returns	30.06%	-0.26%
Sharpe Ratio	6.80	-0.11
Stand. Dev. of Returns	2.84%	0.90%

Quarterly Updates

	2008Q2	Prev Yr	Growth
Tunover (Nb)	21.99	17.60	25%
PBT (Nb)	3.13	2.14	46%
Tax (Nb)	1.35	0.95	42%
PAT (Nb)	1.78	1.19	49%
			Ind. Avg
Pre-Tax Margin	14.21%		19.63%
Net Margin	8.10%		15.43%
Earnings Yeild	8.17%		4.35%

Valuation Metrics

	UACN	Ind. Avg.
Shares Outstanding (bn)	1.28	4.64
Market Cap (Nbn)	53.47	40.00
Trailing Sales Per Share	27.92	21.78
Trailing EPS (N)	3.40	1.11
BVPS	13.43	8.13
P/E ratio (x)	12.24	26.63
PBV ratio (x)	3.10	6.57
P/S ratio (x)	1.49	1.41

Analyst Comment and Recommendation

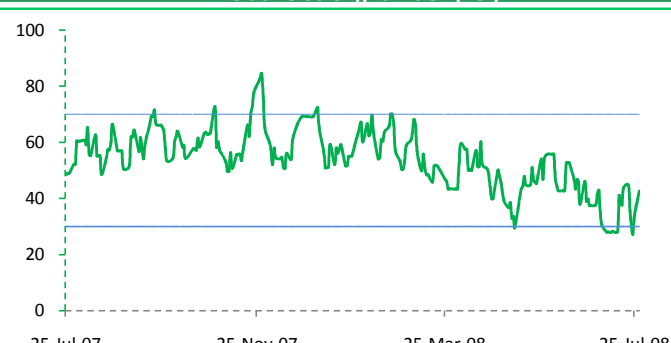
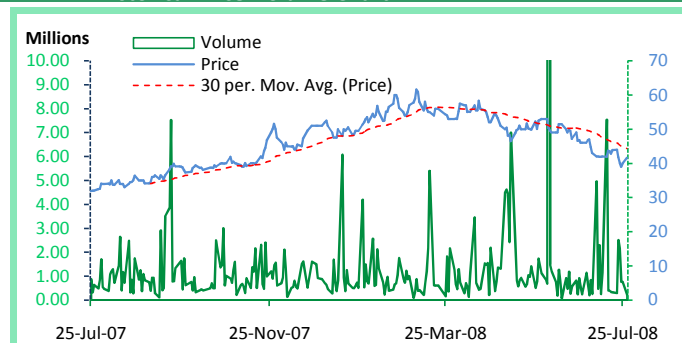
UACN, trading at 12.2x earnings, remains the cheapest in its industry. Based on 28% expected PAT growth in 2008FYE and 20% forecast growth in 2009, UACN's rolling PE stands at 13.6x with forward price of 11.3x 2009E earnings. Applying an industry forward PE multiple of 18.32x and a rolling 12-month EPS of 305k, we arrived at a 6-month target price of N55.87 for UACN. This presents a substantial upside potential (34%) for short to medium term investment horizons.

DuPont Analysis (Prev FYE)

	UACN	Ind. Avg.
Asset Turnover (x)	1.01	1.29
Equity Multiplier	1.80	2.44
Profit Margin	12.01%	10.78%
ROE	21.92%	15.99%
ROA	12.15%	6.85%

Historical Price-Volume Chart

Relative Streight Index (RSI)



Disclosures

Meristem Research equity analysis stock report and its attendant recommendations are prepared based on publicly available information and are meant for general informative purposes. Meristem Research can neither guarantee the accuracy or completeness of the information as they are an expression of our analysts' views and opinions

www.meristemng.com