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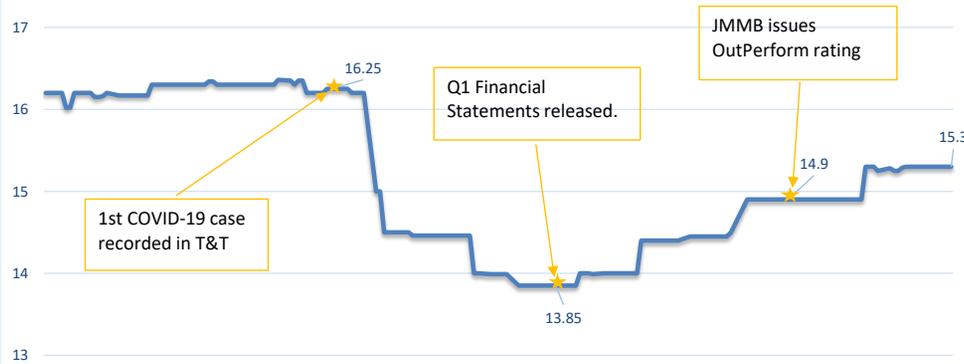
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Angostura Holdings Limited (AHL) Revenue Up But Profits Down

AHL's Financial Summary	Six Months Ended 30-Jun-20	Six Months Ended 30-Jun-19	\$ change	% change
Income Statement Extract				
	TT\$'000	TT\$'000	TT\$'000	
Profit after Tax	40,827	52,600	(11,773)	↓ -22.4%
Revenue	358,477	346,378	12,099	↑ 3.5%
Earnings per share	0.20	0.26	(0.06)	↓ -23.1%
Dividend per share (in \$ per share)	\$ -	\$ 0.26	(0.26)	↓ -100.0%
Balance Sheet Extract				
Total Assets	1,335,404	1,264,970	70,434	↑ 5.6%
Total Liabilities	153,076	157,204	(4,128)	↓ -2.6%
Shareholder's Equity	1,182,328	1,107,766	74,562	↑ 6.7%
Cash Flows Extract				
Net cash from operating activities	71,368	82,946	(11,578)	↓ -14.0%
Net cash from investing activities	(84,084)	(8,721)	(75,363)	↓ -864.2%
Net cash used in financing activities	(1,601)	(1,472)	(129)	↓ -8.8%
Cash and cash equivalents	81,321	191,409	(110,088)	↓ -57.5%
Metrics				
Book Value Per Share	5.73	5.37	0.36	↑ 6.7%
Market Price	14.90	16.05	-1.15	↓ -7.2%
Market to Book Ratio	2.60	2.99	-0.39	↓ -13%

Note: Green arrows indicate growth while red indicate contractions

AHL YTD Price Chart



Quarterly Update



Valuation	
Current Price	TT\$15.30
Trailing P/E Multiple	24.29x
Market to Book Value	2.67x
JMMB Target Price	TT\$18.20
Trailing Dividend Yield	0.0%

Angostura Holdings Limited (AHL) recorded Revenue for the six months ended June 30th, 2020 (2Q-2020) of \$358.5 million, a 3.5% (\$12.1m) improvement over the comparative period in 2019. According to the Chairman's report, the growth in revenue was due to an increase in local rum sales, up 11%, and Bitters sales to the North American Market, up 8.4% when compared to 2Q-2019. Despite the increase in Revenue, Profit After Tax declined by ~23% when compared to the comparative period in 2019. Upgrade works on AHL's waste water treatment facility was impacted by the COVID-19 pandemic resulting in a reduction in capacity and an increase in production and operating costs. These factors, along with the recording of an expected credit loss due to the pandemic resulted in a reduction in AHL's profitability measures.

AHL's Board of Directors have agreed to defer the recommendation of an interim dividend payment at this stage.

Outlook:

Over the last month AHL has launch two new products which it expects to do well in its international and local markets. It launched its "Cocoa Bitters" product, which is expected to be sold in 1,200 Walmart stores in the US and 150 countries around the world. This new development will likely benefit AHL's bottom-line as bitters sold in the international markets are more profitable than AHL's other segments. AHL also launched White Oak Watermelon in the local market and this is also expected to do well. Earlier this month AHL also commissioned its waste water facility; we expect an improvement in profit margins for the rest of the financial year as a result of the commissioning of the facility. JMMB research department on July 2nd, 2020, issued an OutPerform (up to 10% of your portfolio) rating on AHL with a price target of \$18.32. The price of AHL at that date was \$14.90, which was below our fair value range. AHL's price has since increased by 2.7% to \$15.30. We maintain our rating on AHL at **OUTPERFORM (up to 10% of your portfolio)** and adjust our target price at \$18.20 (representing a 19% upside from current price). JMMB forecasts that EPS for Q3 will be \$0.14 and our EPS forecast for year ending December 2020 is \$0.68.