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September 2021  
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**Angostura Holdings Limited (AHL) Improving through Exports**

| AHL's Financial Summary                | Six Months Ended 30-Jun-21 | Six Months Ended 30-Jun-20 | \$ change | % change |
|----------------------------------------|----------------------------|----------------------------|-----------|----------|
| <b><u>Income Statement Extract</u></b> |                            |                            |           |          |
|                                        | TT\$'000                   | TT\$'000                   | TT\$'000  |          |
| Profit after Tax                       | 55,561                     | 40,827                     | 14,734    | ↑ 36.1%  |
| Revenue                                | 370,358                    | 358,477                    | 11,881    | ↑ 3.3%   |
| Earnings per share                     | 0.27                       | 0.20                       | 0.07      | ↑ 35.0%  |
| Dividend per share (in \$ per share)   | \$ 0.09                    | \$ -                       | 0.09      | NA       |
| <b><u>Balance Sheet Extract</u></b>    |                            |                            |           |          |
| Total Assets                           | 1,495,920                  | 1,342,480                  | 153,440   | ↑ 11.4%  |
| Total Liabilities                      | 199,708                    | 171,553                    | 28,155    | ↑ 16.4%  |
| Shareholder's Equity                   | 1,296,212                  | 1,170,927                  | 125,285   | ↑ 10.7%  |
| <b><u>Cash Flows Extract</u></b>       |                            |                            |           |          |
| Net cash from operating activities     | 70,858                     | 71,368                     | (510)     | ↓ -0.7%  |
| Net cash from investing activities     | (78,757)                   | (84,084)                   | 5,327     | ↑ 6.3%   |
| Net cash used in financing activities  | (1,896)                    | (1,601)                    | (295)     | ↓ -18.4% |
| Cash and cash equivalents              | 46,548                     | 81,321                     | (34,773)  | ↓ -42.8% |
| <b><u>Metrics</u></b>                  |                            |                            |           |          |
| Book Value Per Share                   | 6.28                       | 5.68                       | 0.61      | ↑ 10.7%  |
| Market Price                           | 16.48                      | 15.30                      | 1.18      | ↑ 7.7%   |
| Market to Book Ratio                   | 2.62                       | 2.70                       | -0.07     | ↓ -3%    |

Note: Green arrows indicate growth while red indicate contractions



# Quarterly Update



| Valuation               |           |
|-------------------------|-----------|
| Current Price           | TT\$16.55 |
| Trailing P/E Multiple   | 21.49x    |
| Market to Book Value    | 2.63x     |
| JMMB Target Price       | TT\$19.04 |
| Trailing Dividend Yield | 2.4%      |

For the six months ended June 30th 2021, Angostura Holdings Limited (AHL) realised Profit after Tax of \$55.56 million, a 36.1% increase from the comparable period for the previous year. This translated to a 35% increase in EPS YoY to \$0.27.

While Revenue increased 3.3% YoY, the increase in Profit after Tax was driven by 3 main factors:

1. There was improvement in gross profit margins due to more consistent demand which allowed smoother operations.
2. Improved credit outlook in international markets reduced Expected Credit Loss calculations.
3. Return on investment of surplus funds saw an increase for the period.

The group has also seen an increase in demand for their products internationally but this was offset by a decrease in demand for their products locally.

For the period, AHL's Board of Directors have announced an interim dividend of \$0.09.

**Outlook:**

Since early 2020, AHL has used innovation in its product line as a means to grow revenue. Many of the alterations to their existing product lines were well received in the local market. However, declining local market conditions have slowed this trend. While this slowdown is currently being offset by an increased foreign demand, JMMB's research department expects that local demand will re-accelerate as vaccination programs continue to take effect.

JMMB's research department, in November 2020, assigned a MarketPerform (up to 5% of your portfolio) rating on AHL with a price target of \$18.38. AHL's price at that time was \$16.75 and it has since decreased to \$16.55.

Due to the decrease in AHL's price since our last update, and moderate improvements in our outlook on AHL's performance, we revise our rating to **OUTPERFORM (up to 10% of your portfolio)** and adjust our target price to \$19.04 (representing a 15% upside from current price).