



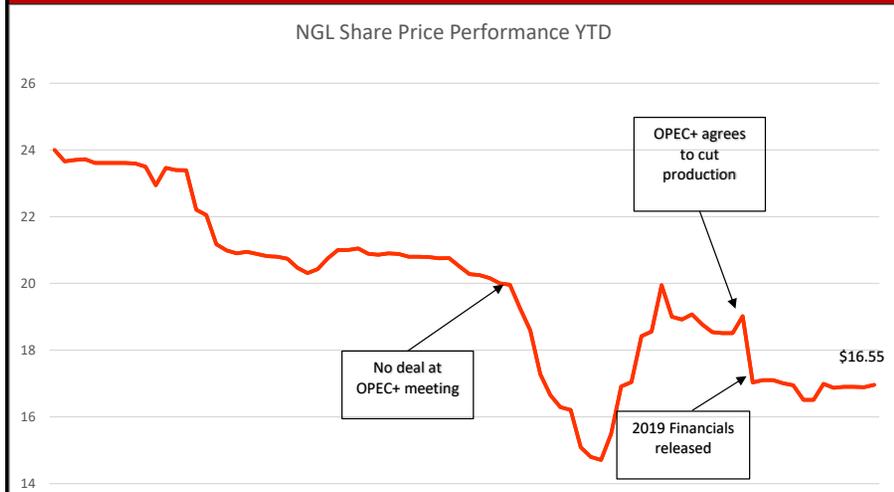
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NGL's Financial Summary	Financial Year End 31-Dec-19	Financial Year End 31-Dec-18	\$ change	% change
<u>Income Statement Extract</u>				
	TT\$'000	TT\$'000	TT\$'000	
Profit after Tax	\$129,508	\$252,975	(123,467)	↓ -48.8%
Earnings per share	\$0.84	\$1.63	(0.79)	↓ -48.5%
Dividend per share (in \$ per share)	\$0.75	\$1.50	(0.75)	↓ -50.0%
<u>Balance Sheet Extract</u>				
Total Assets	\$3,281,876	\$3,393,479	(111,603)	↓ -3.3%
Total Liabilities	\$736	\$262	474	↑ 180.9%
Shareholder's Equity	\$3,281,140	\$3,393,217	(112,077)	↓ -3.3%
<u>Cash Flows Extract</u>				
Net cash from operating activities	\$100,904	\$199,387	(98,483)	↓ -49.4%
Net cash used in investing activities	\$388	\$493	(105)	↓ -21.3%
Net cash used in financing activities	-\$232,200	-\$232,200	-	⇒ 0.0%
Cash and cash equivalents	\$147,073	\$278,886	(131,813)	↓ -47.3%
<u>Metrics</u>				
Return on Equity	3.9%	7.5%		↓ -3.5%
Return on Assets	3.9%	7.5%		↓ -3.5%
Average Price of Natural Gas	\$2.33	\$2.87	-0.54	↓ -19%

Note: Green arrows indicate growth while red indicate contractions



Quarterly Update



Valuation	
Current Price	TT\$16.55
Trailing P/E Multiple	19.70x
JMMB Target Price	TT\$30.72
JMMB New Target Price	TT\$16.99
Dividend Yield	4.53%

For the Financial Year 2019, TTNGL realized profit attributable to equity holders of \$129.5 million, a decrease of almost 50% when compared to the prior year. This drop is largely attributable to depressed natural gas liquid prices as a result shale production in the United States which depressed earnings for TTNGL's underlying holdings, namely Phoenix Park Gas Processors Limited.

Total assets stood at \$3.3 billion at December 31st, 2019, an decrease of \$111.6 million or 3.3% vs the prior year. The company's cash balance also declined \$131.8 million as the company paid out dividends of \$1.50 per share. In its year end release, TTNGL cut its final dividend from \$1.00 to \$0.25 per share, bringing its total dividend to \$0.75. Historically, TTNGL has regularly paid dividends in excess of its earnings. This cut brings the company's dividend to a more sustainable level.

Outlook:

TTNGL received an Overweight recommendation following its previous financial release in November 2019. This recommendation was based upon, among other factors, strong demand for natural gas liquids and a rebound in prices following a difficult 2019. Full year EPS for 2019 came in at \$0.84 versus our forecast of \$0.85. However, this falls to \$0.58 when we adjust for the impairment reversal at year end. The energy sector has seen historic volatility in the past few months, with the market currently oversupplied following a brief price war between Saudi Arabia and Russia, and global demand almost non-existent due to measures taken worldwide to slow the spread of COVID-19.

With the uncertainty on both demand and supply side, our projections have been adjusted to suit. For FY 2020, we expect TTNGL to earn \$0.33 per share. This assumes prices for WTI Oil and Natural Gas of \$25.00 and \$2.00 respectively, in line with S&P estimates as at March 2020 as energy markets are expected to remain in a glut for the remainder of the year.

We revise our rating on NGL down to Equalweight (hold) with a price target of \$16.99. While bullish factors remain such as PPGPL's history of strong performance and significant US dollar earnings provide a devaluation hedge, uncertainty surrounding the duration and effects of COVID-19 along with the length of time energy markets will take to return to some semblance of equilibrium continue to weigh on our optimism in the short term. Investors can look forward to a further update upon release of the company's annual report.

NGL	Fair Value Under Stress Testing - Short Term fall in 2020 Earnings		
	(10% fall in Earnings)	(20% fall in Earnings)	(30% fall in Earnings)
	15.92	14.98	14.23