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A MEMBER OF THE JMMB GROUP

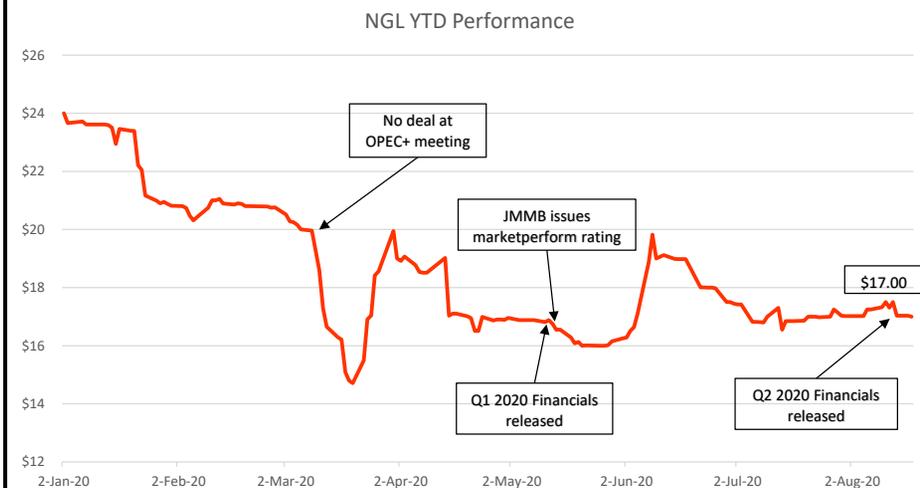
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No mention of interim dividend as NGL ekes out profit

NGL's Financial Summary	Three Months Ended 30-Jun-20	Three Months Ended 30-Jun-19	\$ change	% change
Income Statement Extract				
	TT\$'000	TT\$'000	TT\$'000	
Profit after Tax	\$7,603	\$27,670	(20,067)	↓ -72.5%
Earnings per share	\$0.05	\$0.18	(0.13)	↓ -72.2%
Dividend per share (in \$ per share)	\$0.00	\$0.50	(0.50)	
Balance Sheet Extract				
Total Assets	\$3,246,852	\$3,296,361	(49,509)	↓ -1.5%
Total Liabilities	\$717	\$920	(203)	↓ -22.1%
Shareholder's Equity	\$3,246,135	\$3,295,441	(49,306)	↓ -1.5%
Cash Flows Extract				
Net cash from operating activities	-\$106	\$30,558	(30,664)	↓ -100.3%
Net cash used in investing activities	\$54	\$97	(43)	↓ -44.3%
Net cash used in financing activities	-\$38,700	-\$154,800	116,100	
Cash and cash equivalents	\$107,501	\$207,554	(100,053)	↓ -48.2%
Metrics				
Return on Equity	0.2%	0.8%		↓ -0.6%
Return on Assets	0.2%	0.8%		↓ -0.6%
Average Price of Natural Gas	\$1.75	\$2.51	-0.76	↓ -30%

Note: Green arrows indicate growth while red indicate contractions



Quarterly Update



Valuation	
Current Price	TT\$17.00
Trailing P/E Multiple	29.31x
JMMB Target Price	TT\$16.99
JMMB New Target Price	TT\$17.48
Dividend Yield	1.47%

For the three month period ended June 30th 2020, TTNGL realized profit attributable to equity holders of \$7.6 million, a decrease of 72.5% when compared to the prior year. This drop is largely attributable to already depressed natural gas liquid prices experiencing a further shock due to COVID-19, which depressed earnings for TTNGL's underlying holdings, namely Phoenix Park Gas Processors Limited (PPGPL). Natural gasoline especially, which makes up 40% of PPGPL's exports, stayed depressed for most of the quarter. Total assets stood at \$3.2 billion at June 30th 2020, a decrease of \$49.5 million or 1.5% vs the prior year. The company's cash balance also declined by \$100 million as the company did not receive any dividends from PPGPL in 2020. We note that no mention of NGL's usual interim dividend was included in the recent financial release. Coupled with PPGPL's performance, we are lead to assume that **the company will not be paying its interim dividend in 2020**. The possibility of this outcome was raised in our last update to clients. We have reached out to NGL for confirmation but have been unsuccessful this far.

Outlook:

TTNGL received a MARKETPERFORM recommendation following its Q1 financial release in May 2020. This recommendation was based upon the expectation TTNGL will earn \$0.33 per share this year and assumes average 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 maintain our rating on NGL at MARKETPERFORM and adjust our price target to \$17.48. This price target represents a weighted average of 3 devaluation scenarios detailed in our initial coverage report on NGL available [here](#). Though our full year average 2020 prices for oil and gas have not changed, we note that NGL prices have seen some recovery in Q3 to date as a heat wave in the western United States has resulted in a surge in demand for electricity in that area, much of which is powered by natural gas plants. Prices still remain below their historical averages as significant demand is not expected until the industrial sector is back up and running close to full capacity, but the positive trend in prices since the end of Q2 is a welcome sign. Going forward we remain optimistic on the performance of the underlying PPGPL. PPGPL president Dominic Rampersad has repeatedly stated that throughout his 25 year tenure, PPGPL has always been profitable and despite the numerous headwinds in the first half of the year that statement has held true. The company has seen improved differentials (NGL sale prices vs benchmark) year on year for its products and the recent acquisition of Twin Eagles is expected to have a positive impact in the short term, though the size of the impact is not expected to be significant. In addition PPGPL's majority US dollar earnings provide a hedge for a possible devaluation, chatter for which has renewed following the conclusion of the recent general election.