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A MEMBER OF THE JMMB GROUP

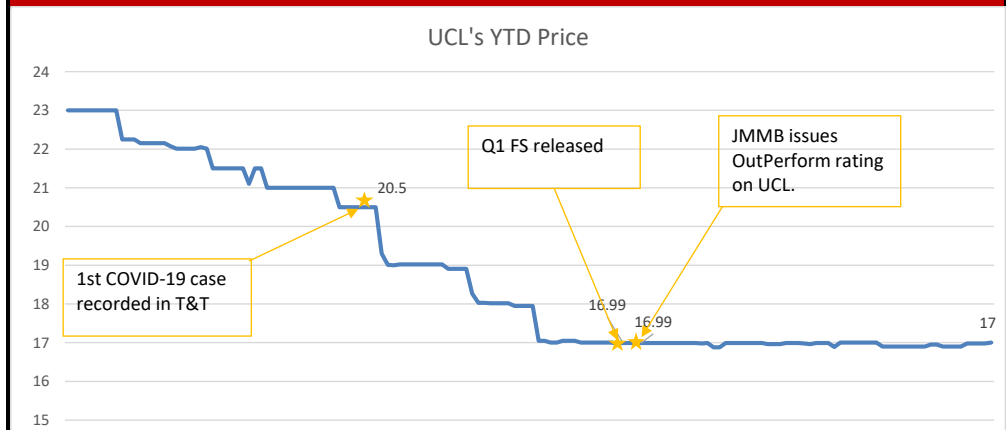
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Unilever Caribbean Limited (UCL) Continues To Improve.

| UCL's Financial Summary | 6 Month Ended 30-Jun-20 | 6 Month Ended 30-Jun-19 | \$ change | % change |
|---------------------------------------|----------------------------|----------------------------|-----------|-----------|
| Income Statement Extract | | | | |
| | TT\$'000 | TT\$'000 | TT\$'000 | |
| Profit after Tax | 5,933 | 381 | 5,552 | ↑ 1457.2% |
| Earnings per share | 0.23 | 0.01 | 0.22 | ↑ 2200.0% |
| Dividend per share (in \$ per share) | \$ - | \$ 2.17 | (2.17) | ↓ -100.0% |
| Balance Sheet Extract | | | | |
| Total Assets | 424,110 | 511,190 | (87,080) | ↓ -17.0% |
| Total Liabilities | 157,944 | 196,604 | (38,660) | ↓ -19.7% |
| Shareholder's Equity | 266,166 | 314,586 | (48,420) | ↓ -15.4% |
| Cash Flows Extract | | | | |
| Net cash from operating activities | 16,035 | 16,072 | (37) | ↓ -0.2% |
| Net cash from investing activities | (1,789) | 763 | (2,552) | ↓ -334.5% |
| Net cash used in financing activities | (5,280) | (62,824) | 57,544 | ↑ 91.6% |
| Cash and cash equivalents | 32,671 | 17,604 | 15,067 | ↑ 85.6% |
| Metrics | | | | |
| Book Value Per Share | 10.14 | 11.99 | -1.84 | ↓ -15.4% |
| Market Price | 16.99 | 25.00 | -8.01 | ↓ -32.0% |
| Market to Book Ratio | 1.68 | 2.09 | -0.41 | ↓ -20% |

Note: Green arrows indicate growth while red indicate contractions



Quarterly Update



| Valuation | |
|-------------------------|-----------|
| Current Price | TT\$17.00 |
| Forward P/E Multiple | 42.50x |
| Market to Book Value | 1.68x |
| JMMB Target Price | TT\$19.57 |
| Trailing Dividend Yield | 0.0% |

For the six months ended June 30th 2020, Unilever Caribbean Limited (UCL) realized profit attributable to equity holders of \$5.9 million, an increase of \$5.6 million over the comparable period in 2019. This translates into a basic EPS of \$0.23 at the end of the period. Total assets stood at \$424.1 million as at June 30, 2020, a decrease of 17% when compared to June 2019.

UCL's Chairman stated that the company achieved strong year to date growth in all categories. According to the Chairman's report, the recent restructuring initiatives is reflected in the gross profit improvements by 29.9% to \$65.9 million and an increase in Profit Before Tax to \$8.5 million. As a result of UCL's switch to a distribution model for its Home Care products, gross margins increased to 44.7% (36.8% HY 2019). During the period the company launched new innovations within its Home Care segments such as anti-bacterial variants within its QUIX and CIF portfolios. UCL has also entered new consumer segments with BABY DOVE and SUAVE KIDS.

Outlook:

JMMB research department on May 20th, 2020, issued an OutPerform (up to 10% of your portfolio) rating on UCL with a price target of \$19.67. The price of UCL at that date was \$16.99, which was below our fair value range. UCL's price has remained flat, trading at \$17.00 as at close on 13th August, 2020.

Although we remain cautious due to possible supply chain disruptions, as many countries have been experiencing second waves of COVID-19 cases; we are optimistic that UCL's new business model will continue to generate increased profitability. We also expect that the "new normal" of prioritizing hygiene will continue to aid UCL's Home Care segment. We are also encouraged by the UCL's innovations in the Home Care space as they seek to take advantage of the opportunities in the "new normal". We however note that actual gross margin improvements was less than what we forecasted thus far for 2020, hence earning were below what we forecasted (EPS Projection \$0.34 Vs Actual \$0.23).

Therefore, we maintain our rating on UCL at **OUTPERFORM (up to 10% of your portfolio)** but decrease our target price to \$19.57 (representing a 15% upside from current price). JMMB forecasts that EPS for 9 month ending September 30th, 2020 will be \$0.28 and our EPS forecast for year ending December 2020 is \$0.40.