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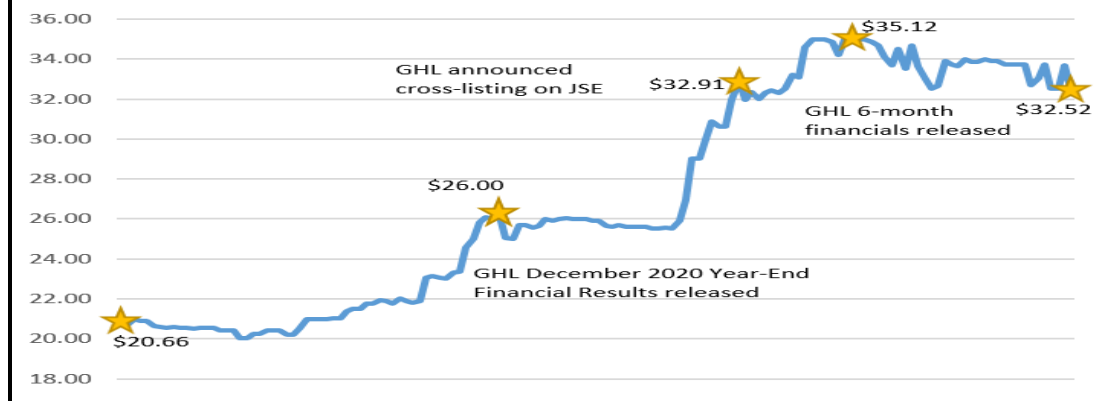
A MEMBER OF THE JMMB GROUP

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Guardian Holdings Limited declares interim dividend of 18 cents per share

| GHL's Financial Summary | Six-Months Ended | Six-Months Ended | \$ change | % change |
|-----------------------------------------|------------------|------------------|---------------|-----------|
| | 30-Jun-21 | 30-Jun-20 | | |
| <u>Income Statement Extract</u> | \$'000 | \$'000 | \$'000 | |
| Profit after Tax | 260,293 | 153,558 | 106,735 | ↑ 69.5% |
| Earnings per share (Expressed in cents) | 1.10 | 0.71 | 0.39 | ↑ 54.9% |
| Gross Written Premiums | 3,730,914 | 3,520,838 | 210,076 | ↑ 6.0% |
| <u>Balance Sheet Extract</u> | | | | |
| Total Assets | 34,304,842 | 30,107,963 | 4,196,879 | ↑ 13.9% |
| Total Liabilities | 29,652,759 | 26,216,698 | 3,436,061 | ↑ 13.1% |
| Shareholder's Equity | 4,652,083 | 3,891,265 | 760,818 | ↑ 19.6% |
| <u>Cash Flows Extract</u> | | | | |
| Net cash used in operating activities | (167,534) | 412,892 | (580,426) | ↓ -140.6% |
| Net cash from investing activities | (23,992) | (27,413) | 3,421 | ↑ 12.5% |
| Net cash used in financing activities | 247,719 | (121,116) | 368,835 | ↑ 304.5% |
| Cash and cash equivalents | 3,750,873 | 3,721,405 | 29,468 | ↑ 0.8% |
| <u>Metrics</u> | | | | |
| Book Value Per Share (in TT\$) | 20.05 | 16.77 | 3.28 | ↑ 19.6% |
| Market Price (in TT\$) | 33.00 | 19.20 | 13.80 | ↑ 71.9% |
| Market to Book Ratio | 1.65 | 1.14 | 0.50 | ↑ 43.8% |

Note: Green arrows indicate growth while red indicate contractions



Quarterly Update



| Valuation | |
|-----------------------|-----------|
| Current Price | TT\$32.52 |
| Trailing P/E Multiple | 8.71x |
| Market to Book Value | 1.65x |
| JMMB Target Price | TT\$37.64 |
| Dividend Yield | 0.55% |

For the six-month period ended June 30, 2021, GHL recorded a 69.5% increase in PAT to \$260.3 million from \$153.6 million in the prior period. This translates into a basic EPS of \$1.10 at the end of the period. Gross Written Premiums increased 6.0% to \$3.7 billion from \$3.5 billion driven by the Life, Health and Pension business segment from the Trinidad and Tobago (T&T) and Jamaica markets. Additionally, the integration of the life insurance and annuities portfolio acquired by Guardian Life Limited from NCB Insurance Company Limited contributed to the increase for period. The Group recorded a 24.0% increase in operating expenses to \$768.6 million from \$618.4 million, however, GHL continues to closely monitor its expenses associated with the implementation of IFRS 17 - Insurance Contracts and its transformation initiatives.

Furthermore, total assets increased by 13.9% to \$34.3 billion from \$30.1 billion in the corresponding prior period. Given GHL's financial performance over the period, an interim dividend of 18 cents per share was declared for the quarter ended June 30, 2021, payable on August 12, 2021.

Outlook:

In May 2021, JMMB's Research Department recommended an **OUTPERFORM** (10% of your portfolio) rating on GHL with a price target of \$40.34. The price of GHL at that date was \$32.01, which was below our fair value range. Since that rating, GHL's share price soared to a high of \$35.12 in June 2021, then closing at \$32.52 at the end of July 2021.

We maintain our rating on GHL at **OUTPERFORM** (10% of your portfolio) and revise our target price to \$37.64 (representing a 15.7% increase from the current price). The decrease in the target price is based on decreased dividend from the Group in the coming year. Our EPS forecast for year ending December 2021 is \$4.00.