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NGL's Financial Summary	9 Months Ended 30-Sep-19	9 Months Ended 30-Sep-18	\$ change	% change
Income Statement Extract				
	TT\$'000	TT\$'000	TT\$'000	
Profit after Tax	\$80,096	\$210,613	(130,517)	↓ -62.0%
Earnings per share	\$0.52	\$1.36	(0.84)	↓ -61.8%
Dividend per share (in \$ per share)	\$1.50	\$1.50	-	→ 0.0%
Balance Sheet Extract				
Total Assets	\$3,218,215	\$3,342,011	(123,796)	↓ -3.7%
Total Liabilities	\$521	\$148	373	↑ 252.0%
Shareholder's Equity	\$3,217,694	\$3,341,863	(124,169)	↓ -3.7%
Cash Flows Extract				
Net cash from operating activities	\$101,200	\$150,406	(49,206)	↓ -32.7%
Net cash used in investing activities	\$313	\$365	(52)	↓ -14.2%
Net cash used in financing activities	-\$232,200	-\$232,200	-	→ 0.0%
Cash and cash equivalents	\$146,653	\$228,808	(82,155)	↓ -35.9%
Metrics				
Return on Equity	2.5%	6.3%		↓ -3.8%
Return on Assets	2.5%	6.3%		↓ -3.8%
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\$23.00
Trailing P/E Multiple	29.49x
JMMB Target Price	TT\$33.44
JMMB New Target Price	TT\$30.72
Dividend Yield (TTM)	6.52%

For the 9 months ended September 2019, NGL realized profit attributable to equity holders of \$80 million, a decrease of over 60% when compared to the prior year. This drop is largely attributable to depressed natural gas prices as a result shale production in the United States.

Total assets stood at \$3.2 billion at September 30, 2019, an decrease of \$123.8 million or 3.7% vs the prior year. The company's cash balance also declined \$82.2 million as the company maintains its historical dividend of \$1.50 per share, which is projected to be in excess of earnings in 2019.

Outlook:

A BUY rating was issued for NGL by the JMMB research department on October 28th, 2019. In their recently released financial results, NGL continued its run of poor performance in 2019, recording a 9M EPS figure of \$0.52. In the valuation report released by JMMB, full year EPS for 2019 was forecasted at \$1.13 per share, as we see the company performing much better in Q4 on the back of increased production and improved gas prices (Henry Hub gas price has averaged \$2.47 for Q4 thus far). This EPS forecast has since been revised to \$0.85, as the company released interim financials for its underlying asset Phoenix Park Gas Processors Limited. The availability of interim figures enables the team to refine its valuation model to project what we believe to be a more accurate forecast.

While NGL now trades at an exorbitant multiple (29.5X currently vs the historical average of 15.9X), at the current price its dividend yield is 6.52% per share, well above the market average of 3.52%. While we note that the company is currently paying dividends in excess of its earnings, its existing cash balance provides a buffer for NGL to continue paying \$1.50 for the next few years.

We maintain our BUY rating on NGL and revise our target price to \$30.72 based on our Discounted Cash Flow model. We remain bullish on the stock given the company's underlying asset [PPGPL] has a history of strong performance and we project an improvement in earnings with increased production and improved gas prices expected in Q4 2019. PPGPL's significant US dollar earnings also provides investors the ability to hedge against a possible devaluation of the TT dollar.