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Quarterly Update

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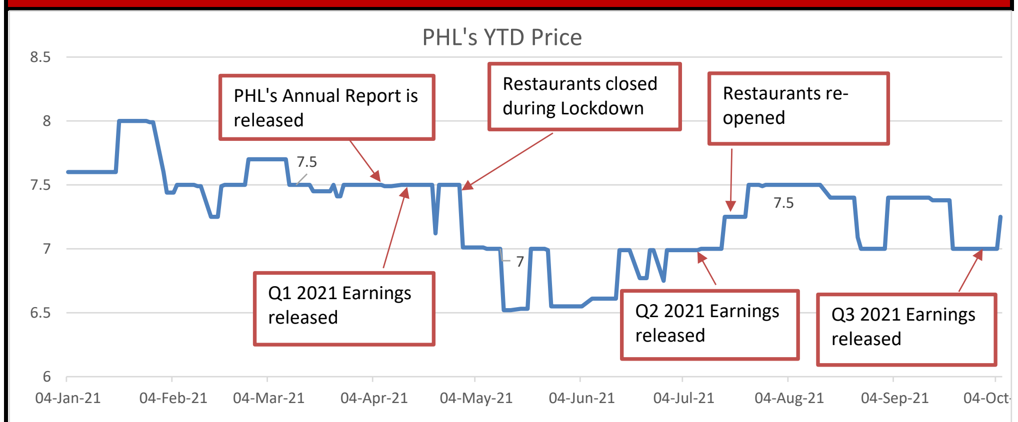
Prestige Holdings Limited (PHL), continued struggles.

PHL's Financial Summary	Nine Months Ended 31-Aug-21	Nine Months Ended 31-Aug-20	$ change	% change
Income Statement Extract	TT$'000	TT$'000	TT$'000	
Loss before Tax	(37,714)	2,600	(40,314)	-1550.5%
Earnings per share	(0.50)	(0.01)	(0.49)	-4900.0%
Dividend per share (in $ per share)	$ -	$ -	-	0.0%
Balance Sheet Extract				
Total Assets	744,661	759,687	(15,026)	-2.0%
Total Liabilities	489,621	451,311	38,310	8.5%
Shareholder's Equity	255,040	308,376	(53,336)	-17.3%
Cash Flows Extract				
Net cash from operating activites	3,651	36,617	(32,966)	-90.0%
Net cash from investing activites	(19,393)	(46,070)	26,677	57.9%
Net cash used in financing activites	(1,953)	(4,961)	3,008	60.6%
Cash and cash equivalents	42,018	49,876	(7,858)	-15.8%
Metrics				
Book Value Per Share	4.08	4.93	-0.85	-17.3%
Market Price	7.25	7.50	-0.25	-3.3%
Market to Book Ratio	1.78	1.52	0.26	17%

Note: Green arrows indicate growth while red indicate contractions



Valuation	
Current Price	TT$7.25
Trailing P/E Multiple	NA
Market to Book Value	1.78x
JMMB Target Price	TT$6.36
Trailing Dividend Yield	0.8%

For the nine months ended August 31, 2021, Prestige Holdings Limited (PHL) realized a loss before tax of $37.7 million, a further decrease from the previous year. This translates to a Loss per share of $0.50 at the end of the period. Total assets stood at $744.66 million as at August 31, 2021, a decrease of 2% over August 2020.

Since the onset of the pandemic, PHL has struggled to generate revenue. Group sales decreased by 26% for the period compared to the prior year. This comes as no surprise since the restaurant sector was completely closed for 70 days through Q2 and Q3. Even after reopening, dine-in channels remained closed and restaurants operated with reduced opening hours. Restrictions are currently being rolled back, but market conditions are still not near pre-pandemic levels.

PHL's Board has taken the decision not to pay an interim dividend for the nine months ended 31 May 2021.

Outlook:
PHL is continuing to face considerable headwind. They have struggled to build momentum since the onset of the pandemic. The lack of Carinval celebrations and an unconfirmed 2022 celebration brings PHL's ability to generate revenues into question.

In our last update, we highlighted how the restrictions placed on restaurants have caused many citizens to reduce their dependancy on fast food services. We are seeing a potential shift in the paradigm where persons have more access to cooked meals as an alternative to the fast food. This comes as a threat to PHL's current business model.

Unless PHL is able to capitalize on the shifting dynamics of this period, we expect the climb back to their pre-pandemic performance will be slow. However, that may change as the Government's aggressive vaccination programme has shown promise.

Our expectation is that there will be a slight rebound in PHL's earnings for Q4, but demand for PHL’s products will remain slow unless excellent marketing strategies are employed to regain customer loyalty.

We assign a rating of **UNDERPERFORM (2.5% - 4.9% of your portfolio)** to PHL and revise our target price downward to $6.36 with a fair value range of $6.04 - $6.68.