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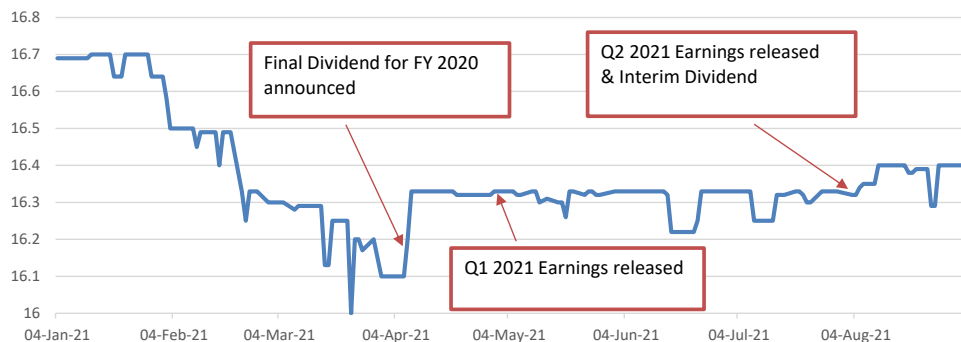
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**Unilever Caribbean Limited's (UCL), performance driven by their revised business model.**

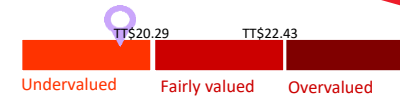
UCL's Financial Summary	6 Month Ended 30-Jun-21	6 Month Ended 30-Jun-20	\$ change	% change
<b><u>Income Statement Extract</u></b>	<b>TT\$'000</b>	<b>TT\$'000</b>	<b>TT\$'000</b>	
Profit after Tax	15,505	5,933	9,572	↑ 161.3%
Earnings per share	0.59	0.23	0.36	↑ 156.5%
Dividend per share (in \$ per share)	\$ 0.20	\$ -	0.20	N/A
<b><u>Balance Sheet Extract</u></b>				
Total Assets	449,733	426,710	23,023	↑ 5.4%
Total Liabilities	158,387	160,544	(2,157)	↓ -1.3%
Shareholder's Equity	291,346	266,166	25,180	↑ 9.5%
<b><u>Cash Flows Extract</u></b>				
Net cash from operating activities	14,610	16,035	(1,425)	↓ -8.9%
Net cash from investing activities	2,370	(1,789)	4,159	↑ 232.5%
Net cash used in financing activities	(17,998)	(5,280)	(12,718)	↓ -240.9%
Cash and cash equivalents	74,366	32,671	41,695	↑ 127.6%
<b><u>Metrics</u></b>				
Book Value Per Share	11.10	10.14	0.96	↑ 9.5%
Market Price	16.40	17.00	-0.60	↓ -3.5%
Market to Book Ratio	1.48	1.68	-0.20	↓ -12%

**Note: Green arrows indicate growth while red indicate contractions**

UCL YTD Price Chart



# Quarterly Update



Valuation	
Current Price	TT\$16.40
Forward P/E Multiple	26.03x
Market to Book Value	1.48x
JMMB Target Price	TT\$21.36
Trailing Dividend Yield	4.9%

For the six months ended June 30, 2021, Unilever Caribbean Limited (UCL) realized Profit After Tax of \$15.5 million, a 161% increase year over year (YoY). This increase in PAT came despite a 5.6% decrease in revenue YoY. A basic EPS of \$0.59 was recorded at the end of the period. Total assets stood at \$449.7 million as at September 30, 2020, an increase of 5.4% YoY.

The stronger profit margins seen in FY 2021 has been driven by the new Home Care business model, reductions in distribution and warehousing costs, and growth in Beauty and Personal Care sales.

Although revenue decreased YoY for the six month period, Q2 Revenue increased 3.5% YoY. The increase was attributed to strong growth in the export markets, mainly within the Personal Care and Beauty categories. In the local market, sales in the Home Care category decreased as overall usage of Fabric Cleaning products reduced.

The Board of Directors has declared an interim dividend of \$0.20 per share.

## Outlook:

UCL's Q2 performance follows the expectations JMMB research department stated in April 2021. The improvement initiatives taken on by the company have reduced costs, allowing for the higher profit margins.

Moving forward, JMMB research department expects UCL's revised business model to continue producing favourable results. In addition, the resilience UCL's revenue generation showed toward COVID-19's effects in FY 2020 is a good sign. If further lockdown measures take effect, we expect a similar resilience to be shown.

In April 2021, JMMB research department assigned an OUTPERFORM rating on UCL with a target price of \$21.36 and a fair value range of \$20.29 - \$22.43. UCL's price at that time was \$16.33. It has since climbed to \$16.40.

Due to accuracy of our previous forecast, we maintain our rating on UCL at **OUTPERFORM (up to 10% of your portfolio)** and maintain our target price of \$21.36 and fair value range of \$20.29 - \$22.43.