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A MEMBER OF THE JMMB GROUP

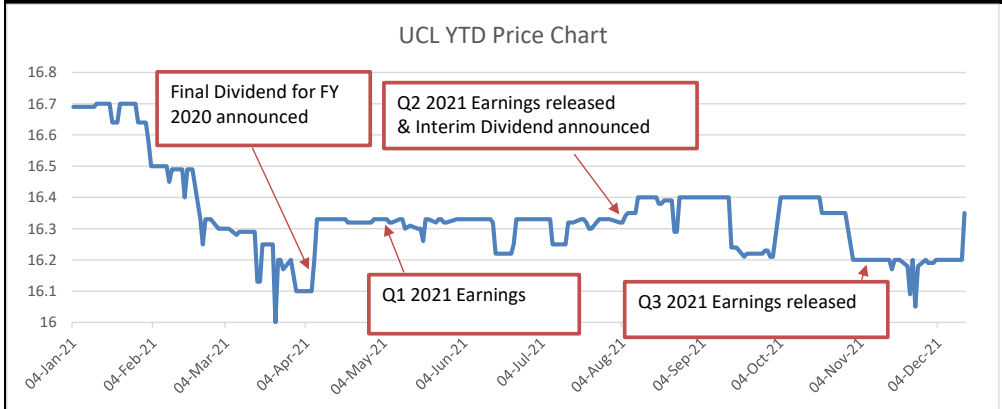
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Unilever Caribbean Limited's (UCL), performance driven by their revised business model.

UCL's Financial Summary	9 Month Ended 30-Sep-21	9 Month Ended 30-Sep-20	\$ change	% change
Income Statement Extract	TT\$'000	TT\$'000	TT\$'000	
Profit after Tax	21,365	10,597	10,768	↑ 101.6%
Earnings per share	0.81	0.40	0.41	↑ 102.5%
Dividend per share (in \$ per share)	\$ 0.20	\$ -	0.20	N/A
Balance Sheet Extract				
Total Assets	459,723	419,231	40,492	↑ 9.7%
Total Liabilities	167,766	148,401	19,365	↑ 13.0%
Shareholder's Equity	291,957	270,830	21,127	↑ 7.8%
Cash Flows Extract				
Net cash from operating activities	25,996	31,691	(5,695)	↓ -18.0%
Net cash from investing activities	2,370	(2,023)	4,393	↑ 217.2%
Net cash used in financing activities	(24,374)	(8,214)	(16,160)	↓ -196.7%
Cash and cash equivalents	79,376	45,159	34,217	↑ 75.8%
Metrics				
Book Value Per Share	11.12	10.32	0.81	↑ 7.8%
Market Price	16.20	16.80	-0.60	↓ -3.6%
Market to Book Ratio	1.46	1.63	-0.17	↓ -11%

Note: Green arrows indicate growth while red indicate contractions



Quarterly Update



Valuation	
Current Price	TT\$16.35
Trailing P/E	14.60x
Market to Book Value	1.47x
JMMB Target Price	TT\$21.28
Trailing Dividend Yield	4.9%

For the nine months ended September 30, 2021, Unilever Caribbean Limited (UCL) realized Profit After Tax of \$21.36 million, a 101.6% increase year over year (YoY). This increase in PAT was recorded despite a 26.8% decrease in revenue YoY. A basic EPS of \$0.81 was recorded at the end of the period. Total assets stood at \$459.7 million as at September 30, 2020, an increase of 9.7% YoY.

Similar to the previous 2 quarters, UCL has shown considerable bottom-line growth. Their stronger profit margins have been driven by the new Home Care business model, reductions in distribution and warehousing costs, and growth in Beauty and Personal Care sales.

During Q3, UCL faced the impacts of logistics constraints. A high quantity of direct shipments for both local and export territories were re-phased into Q4 due to shipping delays. Also, they experienced shortages of raw materials and other difficulties in their supply chain.

Outlook: UCL's Q3 performance follows the expectations JMMB research department stated in April 2021. The improvement initiatives taken on by the company have reduced costs, allowing for notable bottom-line growth.

Moving forward, JMMB research department expects UCL's revised business model to continue producing favourable results. However, it is likely that the logistics challenges and rising costs they are facing will continue into 2022. UCL's bottom-line growth will be challenged by these costs until the issues affecting global supply chains settle.

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 increased to \$16.35.

Due to their performance being in line with our expectations, we maintain our rating on UCL at **OUTPERFORM (up to 10% of your portfolio)** and revise our target price to \$21.28 and fair value range of \$20.22 - \$22.35.