



## Republic Wealth Management Limited

### Prestige Holdings Limited (PHL)

### 30 September 2021 (Q2 2021)

Last Price	\$7.25	52 Week Range	\$6.52 to \$8.00	Market Cap (TT\$)	\$62,513 MM
Sector	Trading	Dividend Yield TTM	0.86%	EPS (TTM)	(\$0.50)
PE Ratio (TTM)	N/A	YTD Price Change	-7.89%	P/E 5-Yr	1.88x
Payout Ratio	N/A	Total Return TTM	-6.67%		

**Revenues for 9M ended 2021 falls by 26% due to restrictions on the economy**

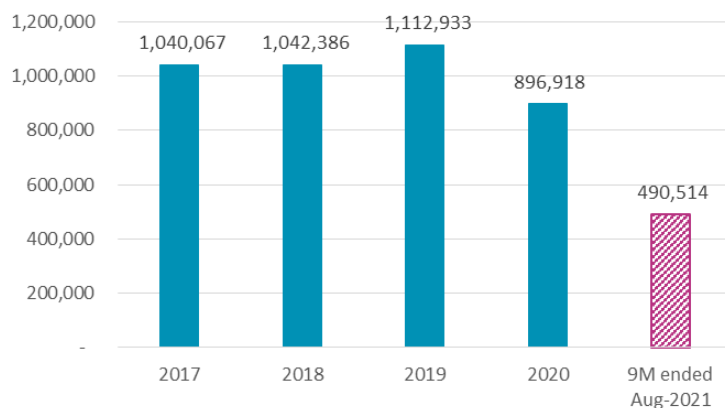
#### Quarterly Highlights/ Key Update

- PHL is a holding company principally engaged in the restaurant industry (casual and quick service). The company operates the KFC, Pizza Hut, Subway, Starbucks and TGI Fridays franchise in Trinidad and Tobago and the TGI Fridays franchise in Jamaica.
- The restaurant sector in T&T reopened on 19-July-2021, operating at a reduced capacity due to dine-in channels remaining closed along with the curfew restrictions resulting in an adverse impact on company sales.
- In Q3 PHL opened a new Starbucks branch at the Shops of Trincity and closed a Subway restaurant at Tropical Plaza in Point a Pierre, taking the company's restaurant count to 129.

**Table 1: PHL EPS, DPS and Dividend yield for fiscal year end**

	2017	2018	2019	2020
Earnings per share	\$0.55	\$0.43	\$0.59	(\$0.29)
Dividends per share	\$0.34	\$0.32	\$0.12	\$0.06
Dividend Yield	2.99%	4.37%	1.33%	0.79%

**Figure 1: PHL's Revenue performance (TT\$ '000)**



**Table 2: Peer group comparables**

	PHL	AGL	Group Average
P/E Ratio	N/A	N/A	N/A
P/B Ratio	1.72x	1.40x	1.56x
Dividend Yield	N/A	2.24%	N/A

- Compared to its peer group (Table 2), which consists of other locally listed companies in the Trading sector, PHL is overvalued on a P/B basis.

#### Performance Review/ Financials

Highlights (TT \$'Million)	Annual			9-month end	
	Nov-20	Nov-19	Nov-18	9M 2021	9M 2020
Revenue	896.9	1,112.9	1,042.4	490.5	666.1
EBIT (Reported)	5.5	59.4	43.8	-23.2	16.5
Profit before taxation	-15.7	54.4	38.7	-37.7	2.3
Profit for the year	-17.7	35.8	26.4	-30.9	0.5
Total Assets	505.5	505.5	505.5	744.7	759.7
Total Liabilities	508.8	226.8	216.4	489.6	451.3
Total Equity	289.7	308.0	289.1	255.0	308.4
EBIT Margin	0.61%	5.34%	4.20%	-4.73%	2.47%
NI Margin	-1.98%	3.22%	2.53%	-6.30%	0.08%
Debt/Equity	29.12%	25.01%	27.67%	N/A	N/A
ROA	-3.51%	7.09%	5.22%	-4.15%	0.07%
ROE	-6.13%	11.63%	9.12%	-12.12%	0.17%

- For the 9-month ended 2021, PHL's top line declined by \$175million (26.36%) as compared to the 9-month ended 2020 due to the impact of the restrictions on the economy caused by the pandemic which directly affected company's operations and by extension its profitability.
- The Profit Before Tax (PBT) declined to \$37.7million for 9-month ended 2021 compared to \$2.3million in the same period of the previous year. The drop in PBT was attributable to the operating loss and increase in finance costs.
- Net cash generated from operations for the year was \$3.65million, ending the quarter with \$42million in cash as compared to \$59.7million at the beginning of the year.
- PHL's results reflect the difficulties the restaurant industry has experienced during 2021 due to the impact of the COVID-19 pandemic.

#### Key Risks

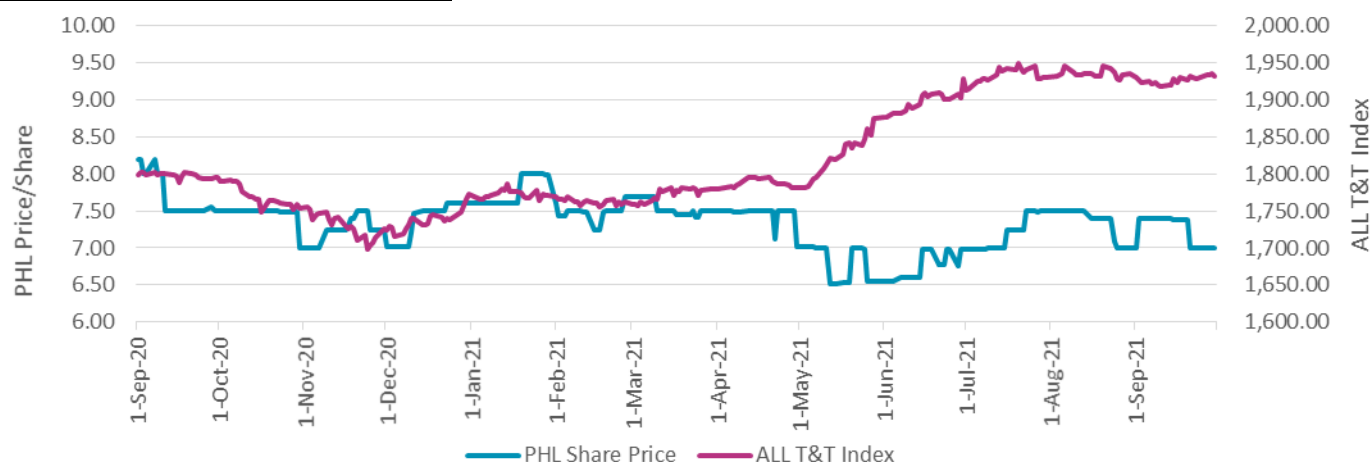
- Domestic economic recovery remains tentative and the successful and sustained re-opening of the economy is reliant on the success of the Government's vaccination drive and the containment of the spread of COVID-19.



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**Figure 2: PHL share price vs ALL T&T Index**



**Table 3: Historic Dividend Payments (TTD)**

	Payment Dates	Interim Dividends	Total Dividend per share
2017	Oct-17	\$0.14	\$0.34
	May-18	\$0.20	
2018	Oct-18	\$0.12	\$0.32
	May-19	\$0.20	
2019	Aug-19	\$0.12	\$0.12
2020	May-21	\$0.06	\$0.06

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