



Angostura Holdings Limited

FY 2023 & Q1 2024

Last Price (TT\$):	\$18.06 (19-July-24)	52 Wk. Range:	\$17.00 - \$23.50	Market Cap (TT\$ MM):	\$3,717MM
YTD Price Change:	-22.3%	EPS (TTM):	\$0.74	Dividend Yield (TTM):	3.48%
Sector:	Manufacturing I	P/E (5 YR):	26.7x	P/B (5 YR):	3.0x

Successful internationalization strategy leads to 4.6% increase in PAT to \$151.9M for FY23;

Q1 performance less favorable – PAT down 2.5% YoY

Company Overview:

- Angostura is a leading rum manufacturer in the Caribbean. Its main business segments include: Rum, Bitters, LLB, Bulk and Other (Chart 3). Its geographic reach extends into 170 markets and its ordinary shares are listed on the Trinidad and Tobago Stock Exchange (TTSE).

Financial Highlights (FYE Dec 2023 & Q1 2024):

- Angostura Holdings saw its top line climb by TT\$26.0M over FY23, ending the year at TT\$1.06B (+2.5% YoY). This was propelled by growth in the Bitters segment in international markets (+TT\$16.7M). In addition, growth in the rum segment accounted for TT\$3.0M in incremental revenue, on account of increased passenger flow through duty-free, seasonal promotions by AHL and entry into new markets within LatAm.
- Over the year, AHL’s operating expenses rose to TT\$309.5M (+5.6%), driven by broad based increases in selling, marketing and administrative expenses. Nonetheless, the higher revenues recognized for the fiscal year more than offset the incremental opex, resulting in higher YoY operating profit of TT\$198.7M (+7.9%) and operating margin of 18.8% (2022: 17.9%).
- The company earned net finance income of TT\$21.2M (+7.2%), bringing its Profit before Tax to TT\$219.9M (+7.8%). Higher taxation expense for the year slightly eroded profitability, having risen by 15.6% to TT\$67.9M. Thus, net income amounted to TT\$152.0M (+4.6%), registering a modest improvement in net profit margin to 14.4% (2022: 14.1%).
- AHL’s asset base grew to \$1.8B (+6.0%) as at 31-Dec-23, largely driven by increases in cash (+48.0%), inventories (+7.7%) and PPE (+6.1%). The notable rise in cash YoY reflects the higher proportion of earnings retained. Total liabilities increased to TT\$333.5M (+6.8%), primarily reflecting a higher deferred tax liability, and Shareholder’s Equity rose to TT\$1.5B (+5.8%).
- Performance in Q1 2024 was subdued, as revenues declined across both local and international branded segments.

Highlights (TT \$'M)	Annual			Quarter	
	2021	2022	2023	Mar-23	Mar-24
Revenue	\$922	\$1,030	\$1,056	\$197	\$188
Gross Profit	\$433	\$477	\$508	\$106	\$95
Profit before tax	\$214	\$204	\$220	\$32	\$30
Profit after tax	\$158	\$145	\$152	\$21	\$21
Total Assets	\$1,577	\$1,699	\$1,801	\$1,673	\$1,743
Total Liabilities	\$242	\$312	\$333	\$265	\$255
Total Equity	\$1,335	\$1,386	\$1,467	\$1,408	\$1,488
EBT Margin	21.7%	17.9%	18.8%	14.8%	13.6%
Net Profit Margin	17.2%	14.1%	14.4%	10.7%	11.0%
Return on Assets	10.0%	8.5%	8.4%	11.1%	8.9%
Return on Equity	21.9%	10.5%	10.4%	13.1%	10.5%
Earnings per Share	\$0.77	\$0.71	\$0.74	\$0.10	\$0.10
Dividends per Share	\$0.39	\$0.36	\$0.35		
Dividend Payout Ratio	50.6%	50.7%	47.8%		

Pre-planned production line maintenance contributed to the decline in revenue; the Company expects a full recovery by Q3 2024. Operating expenses were lower in the first quarter, on account of prudent cost management strategies and stringent delinquency management. Revenue for Q1 2024 totaled T\$187.9M (-4.8%) and profit after tax amounted to TT\$20.6M (-2.5%). Total assets stood at TT\$1.7B (+4.2%), which represented a 3.2% contraction from the last fiscal year end.

Key Risks:

- Inflation may reverse the recent declining trend in raw material and other costs, thereby eroding profitability, if AHL is unable to sustain the benefits from its cost management strategies.
- Export growth may prove challenging if the recent resilience seen in global economies dwindles.
- Supply chain shocks and volatile energy prices amid geopolitical concerns may adversely impact the company’s bottom line.



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Chart 1: AHL Share Price and Volume Traded

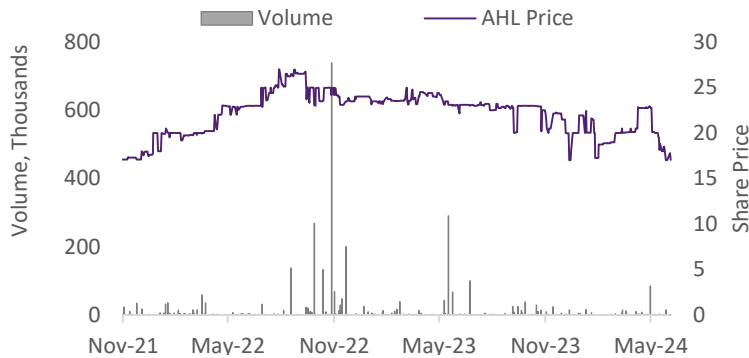


Chart 2: AHL's EPS, DPS and Dividend Yield

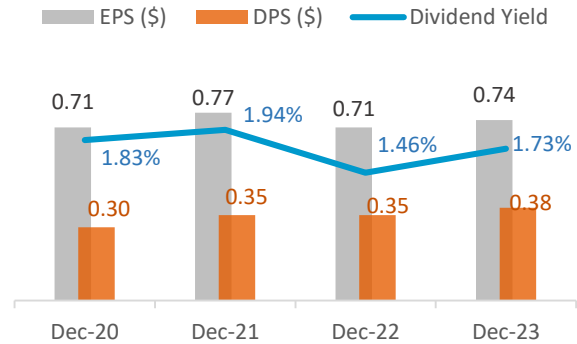


Chart 3: AHL Revenue from all activities by segment (TT\$'000s)

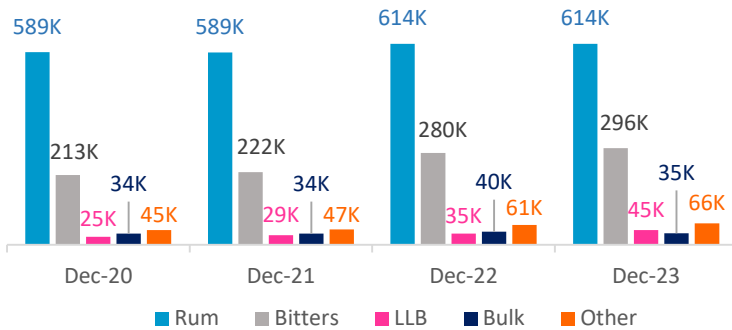


Chart 4: YoY Growth in Revenue by Market for FY23

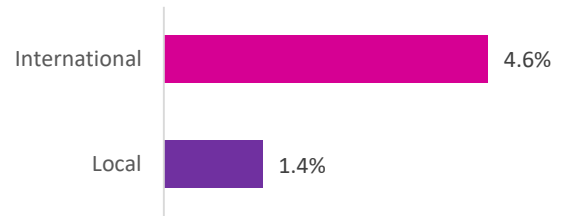


Chart 5: AHL Local and Export Distribution of Revenue (TT\$'000s)

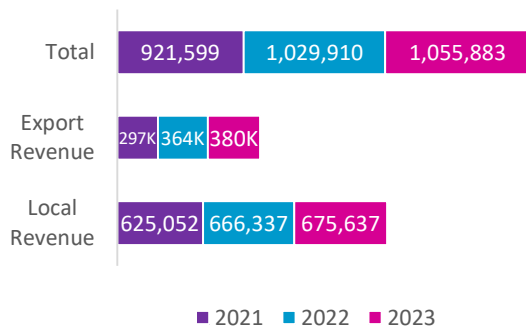


Chart 6: Top 4 Shareholders as at 31 Dec 2023

Name	%
Rumpro Company Limited	44.97%
National Investment Fund Holding Company Limited	29.97%
National Insurance Board	4.70%
Colonial Life Insurance Company (Trinidad) Ltd	2.57%

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