

NATIONAL FLOUR MILLS LTD [NFM]

Flash Report Q3 2025 (September 30, 2025)

Last Price:	\$1.50 (Nov 26, 2025)	52 Week Range:	\$1.50 - \$1.76	Market Cap:	\$186.3M
Sector:	Manufacturing I	Dividend Yield (TTM):	6.67%	EPS (TTM):	\$0.39
PE Ratio (5 YR):	44.05x	YTD Price Change:	-11.76%	PE (TTM):	3.84x

NFM Revenues Increase 6.4% y-o-y Led by Brand Revitalization and Product Reformulations.

Company Overview:

- National Flour Mills Limited (NFM) was incorporated in 1972 and is primarily involved in the production and distribution of food products and animal and poultry feeds.
- The company's major shareholder is National Enterprises Limited (NEL), which is majority owned by the Government of the Republic of Trinidad and Tobago (GORTT). NEL owns 51% of the issued share capital. The ordinary shares of NFM are listed on the Trinidad and Tobago Stock Exchange (TTSE).
- Over the past three FYs, NFM has paid annual dividends per share as follows: 2022 (\$0.00/share, 0.00% payout ratio), 2023 (\$0.03/share, 10.17% payout ratio), 2024 (\$0.10/share, 27.21% payout ratio). As of September 30, 2025, NFM's DPS (TTM) was \$0.10/share (25.58% payout ratio).

Performance Review:

- NFM's revenue increased 6.4% (\$8.6M) y-o-y to \$141.4M. This was due to growth in Feed sales following product reformulations and their Ibis brand revitalization. NFM's cost of sales also increased q-o-q, by 6.5% (\$5.7M). These movements led to an overall increase in gross profits of 6.3% (\$2.9M) y-o-y. For the nine months ended September 30, 2025, revenue increased 4.0% (\$15.3M) compared to the same period in 2024.
- For Q3 2025, NFM recorded an operating profit of \$20.6M, which represents a 5.2% (\$1.0M) increase y-o-y, despite NFM's operating expenses increasing 6.8% (\$1.8M).
- Taking the above into account, coupled with NFM's income tax expense increasing by 115.2% (\$1.7M) y-o-y, net profit declined overall y-o-y, by 5.0% (\$0.9M), to \$16.9M.
- NFM's total assets increased 17.7% (\$81.2M) y-o-y to \$539.6M, mainly driven by increases in PPE of 18.7% (\$35.1M) and Accounts Receivable and Prepayments of 39.0% (\$38.3M). The increase in PPE was likely driven by increased purchases of equipment to facilitate efficiency improvements.
- NFM's total liabilities increased 30.9% (\$40.2M) y-o-y to \$170.2M primarily due to an increase in accounts payable and accruals of 61.2% (\$28.6M).
- NFM's total equity increased 12.5% (\$41.0M), driven by retained earnings increasing by 18.8% (\$40.2M).
- NFM recorded an EPS of \$0.14 this quarter, compared to \$0.15 in the previous quarter.

Financial Highlights \$ 000s	Quarter ended	Quarter ended	Year ended
	Sep-25	Sep-24	Dec-24
Revenues	\$141,398	\$132,836	\$523,405
Profit Before Taxation (PBT)	\$20,189	\$19,337	\$62,899
Profit After Tax (PAT)	\$16,931	\$17,823	\$44,182
Total Assets	\$539,563	\$458,365	\$471,103
Total Equity	\$369,383	\$328,347	\$329,503
Total Liabilities	\$170,180	\$130,018	\$141,600
PBT Margin	14.28%	14.56%	12.02%
PAT Margin	11.97%	13.42%	8.44%
Return on Assets	3.14%	3.89%	9.38%
Return on Equity	4.58%	5.43%	13.41%

Key Risks:

- Volatility in prices due to changing US policies tariffs can affect revenues.
- NFM faces the risk of not being able to pay their suppliers due to the limited USD supply in Trinidad and Tobago.
- In April 2025, NFM transitioned into a new Enterprise Resource Planning (ERP) platform which can expose NFM to risks such as cybersecurity threats, system failures, and disruption of service to customers.
- NFM's revenues are heavily concentrated in the flour segment.
- Given that NFM is GORTT owned, this may limit their ability to pass on cost increases to customers, which may create potential headwinds for profitability.

Figure 1: NFM Revenue from 2022 to 2024 by Operational Segment

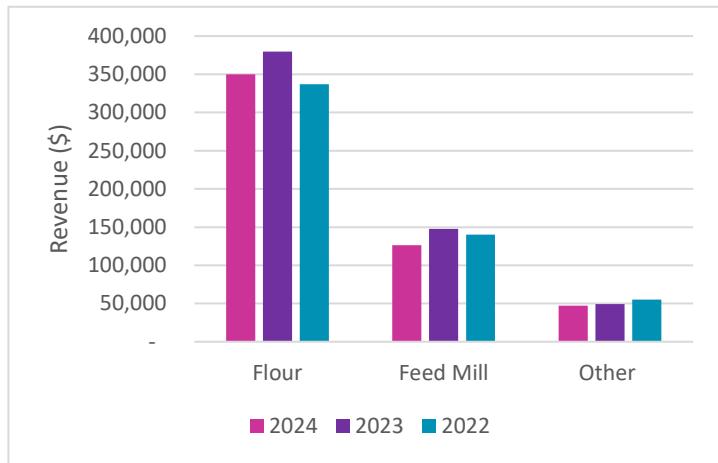


Figure 2: NFM EPS, Dividends Paid and Dividend Yield

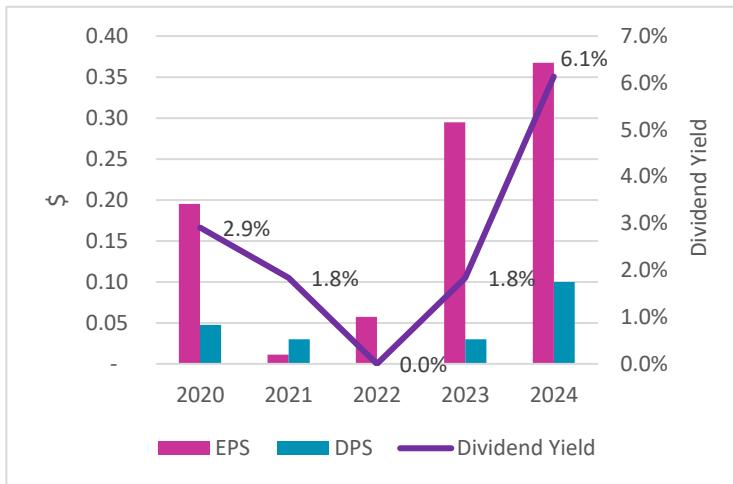


Figure 3: 2024 Revenue by Operational Segment

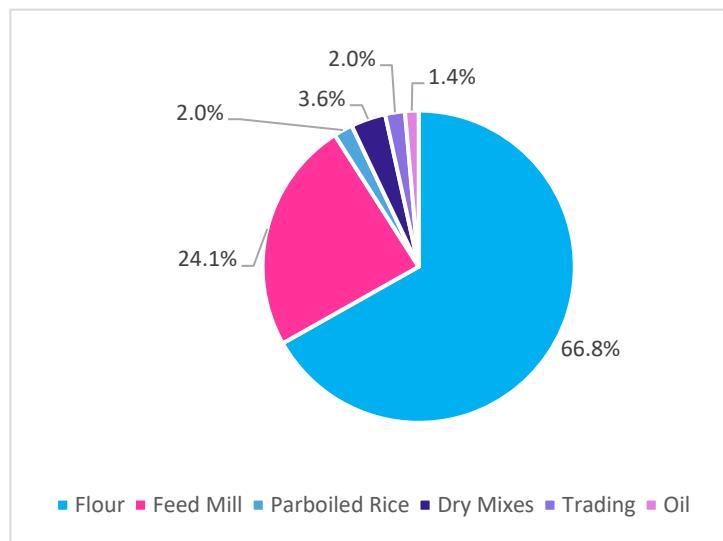
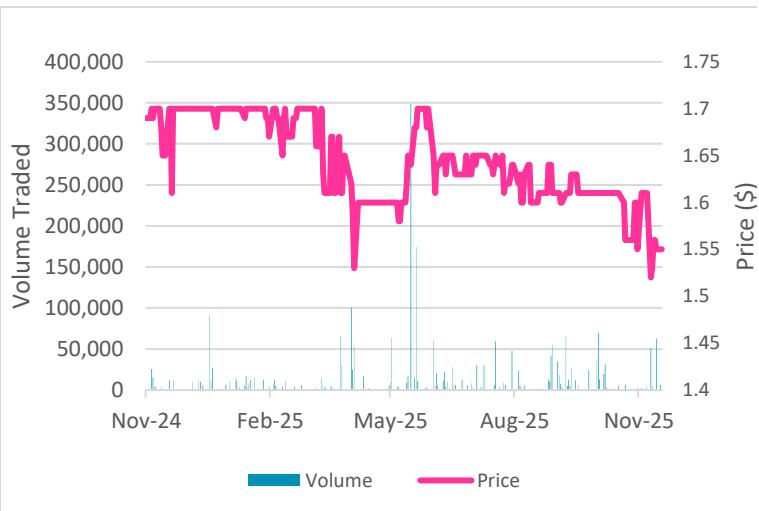


Figure 4: NFM Stock Price Movement and Volumes



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