

ANSA McAL Limited **Results for the Year Ended December 31, 2016**

Earnings Per Share

For the Year Ended December 31, 2016 (YE16), ANSA McAL Limited (AMCL) reported Earnings Per Share (EPS) of \$4.01, a decline of 9.89 per cent or \$0.44 per share on the corresponding period's EPS of \$4.45 in YE15.

Financial Highlights (YE16 on YE15)

	YE16	YE15	\$ Change	% Change
	\$'000	\$'000	YE16 - YE15	YE16 - YE15
			\$'000	
Revenue	6,000,610	6,214,994	(214,384)	-3.45%
Operating Profit	1,115,845	1,183,603	(67,758)	-5.72%
Finance Costs	(41,493)	(43,613)	2,120	-4.86%
Share of Results of Associates and Joint Venture Interests	32,933	22,595	10,338	45.75%
Profit Before Tax	1,107,285	1,162,585	(55,300)	-4.76%
Taxation	(304,177)	(271,232)	(32,945)	12.15%
Profit for the Year	803,108	891,353	(88,245)	-9.90%
Attributable to:				
Equity Holders of the Parent	691,320	766,585	(75,265)	-9.82%
Non-Controlling Interests	111,788	124,768	(12,980)	-10.40%
	803,108	891,353	(88,245)	-9.90%
EPS - Basic	\$4.01	\$4.45	(\$0.44)	-9.89%
EPS - Diluted	\$4.01	\$4.45	(\$0.44)	-9.89%

Revenue for YE16 fell 3.45 per cent or \$214.38MM to \$6.00B from \$6.21B in YE15. Operating Profit declined by 5.72 per cent or \$67.76MM from \$1.18B in YE15 to \$1.12B in YE16. Finance Costs slipped 4.86 per cent or \$2.12MM to \$41.49MM from the \$43.62MM reported in the prior fiscal year. Share of Results of Associates and Joint Venture Interests rose 45.75 per cent or \$10.34MM from \$22.60MM in YE15 to \$32.93MM in YE16.

AMCL's YE16 results were impacted by two one-off events:

- 1) a fire at Carib Glassworks Limited which resulted in the shut-down of one furnace and impacted profitability by \$38MM
- 2) the increased rate in corporate tax resulted in a non-cash hit to the Group's after-tax earnings of \$38MM

The Group recorded Profit Before Tax of \$1.11B, a 4.76 per cent decline from the \$1.16B reported in YE15. The Effective Tax Rate increased from 23.33 per cent in YE15 to 27.47 per cent in YE16. As such, Taxes rose from \$271.23MM (YE15) to \$304.18MM (YE16). Profit for the Year amounted to \$803.11MM, down 9.90 per cent or \$88.25MM from \$891.35MM in YE15.

Manufacturing, Packaging & Brewing

As previously mentioned, the Manufacturing, Packaging & Brewing segment was affected by a fire at Carib Glassworks Limited which resulted in the shut-down of one furnace and impacted the Group's profitability by \$38MM. Revenue in this segment remained relatively flat from \$2.163B in YE15 to \$2.161B in YE16 and was the second largest contributor to the Group's Revenue, accounting for 36.01 per cent of the total. Profit Before Tax from this segment closed YE16 at \$454.61MM, down 9.96 per cent or \$50.31MM from \$504.93MM in the corresponding period last fiscal year.

During YE16 the Group made two acquisitions, one in the USA and the other in Trinidad & Tobago.

- Indian River Beverage Company (USA) which is the largest indigenous brewery in Florida. Local brands are now being manufactured in the USA
- Easi Industrial Supplies Limited (Trinidad and Tobago)

AMCL expects both of these acquisitions to generate US dollar income.

Automotive, Trading & Distribution

The Automotive, Trading & Distribution segment saw Revenue fall 3.75 per cent or \$101.45MM from \$2.71B in YE15 to \$2.60B in YE16. This segment is the largest contributor to the Group's Revenue and accounted for 43.40 per cent of Revenue for YE16. Profit Before Tax fell 24.53 per cent or \$62.53MM to \$192.42MM (YE16) from \$254.95MM (YE15).

Some of the initiatives undertaken during the year:

- the Group opened a new 50,000 square foot automotive showroom in Chaguanas
- a new chiller facility was opened in Guyana to expand the Group's portfolio in this segment
- a TWEE duty-free store was opened at the Cheddi Jagan International Airport in Guyana
- AMCO was appointed co-distributor for Servier, one of the leading pharmaceutical houses and distributor for the Cover Girl make-up line

Insurance & Financial Services

Revenue from the Insurance & Financial Services segment rose 5.27 per cent or \$38.39MM to \$766.84MM from \$728.45MM in YE15. This segment contributed 12.78 per cent of the Group's Revenue. Included in these results would be ANSA Merchant Bank Limited's (AMBL) performance which saw Net Operating Income increase by 8.16 per cent from \$493.24MM (YE15) to \$533.48MM (YE16) and Profit After Tax increase by 1.74 per cent from \$247.45MM in YE15 to \$251.75MM in YE16. The Insurance & Financial Services segment saw Profit Before Tax increase by 17.71 per cent or \$49.76MM from \$281.01MM in YE15 to \$330.77MM in YE16. During the year, AMBL completed the acquisition of Consolidated Finance Co. Limited in Barbados offering AMBL a regional presence.

Media, Services, Retail & Parent Company

The Media, Services, Retail & Parent Company segment recorded Revenue of \$469.12MM for YE16, down 24.10 per cent or \$148.98MM from the \$618.10MM reported in YE15. This segment contributed 7.82 per cent of the Group's Revenue. The performance of Guardian Media Limited (GML) impacted this segment's financial results. GML saw a significant decline in Revenue, down 21.68 per cent from \$209.85MM in YE15 to \$164.36MM in YE16 while Net Income for the Year fell 82.63 per cent from \$36.04MM (YE15) to \$6.26MM (YE16). Despite the decline in Revenue in this business segment, Profit Before Tax rose 6.39 per cent or \$7.78MM to close the year at

\$129.48MM from \$121.69MM in YE15. During the year, the Group divested the Trimart supermarket chain and thus the losses of \$7MM will not re-occur going forward. The Group also continued its multi-million dollar Standard Distributors showroom upgrade project.

Revenue by Business Unit (YE16 on YE15)

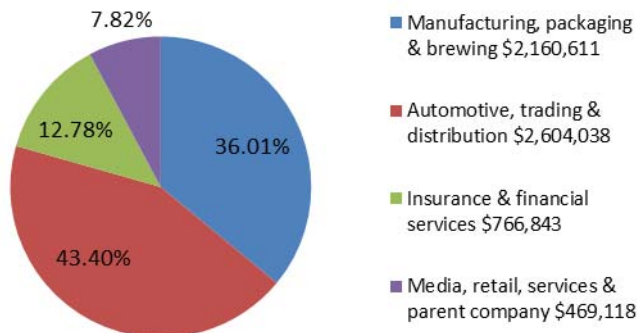
	YE16 \$'000	YE15 \$'000	\$ Change YE16 - YE15 \$'000	% Change YE16 - YE15
Manufacturing, packaging & brewing	2,160,611	2,162,955	(2,344)	-0.11%
Automotive, trading & distribution	2,604,038	2,705,489	(101,451)	-3.75%
Insurance & financial services	766,843	728,453	38,390	5.27%
Media, retail, services & parent company	469,118	618,097	(148,979)	-24.10%
Total	6,000,610	6,214,994	(214,384)	-3.45%

Profit Before Tax by Business Unit (YE16 on YE15)

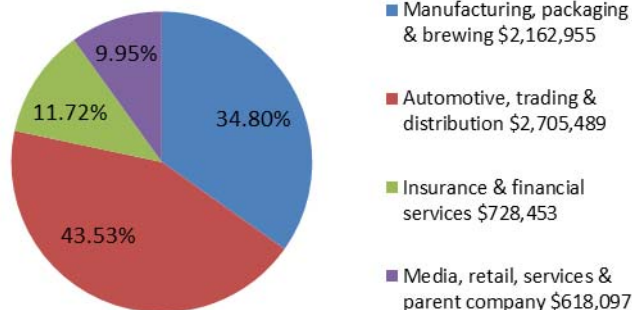
	YE16 \$'000	YE15 \$'000	\$ Change YE16 - YE15 \$'000	% Change YE16 - YE15
Manufacturing, packaging & brewing	454,614	504,928	(50,314)	-9.96%
Automotive, trading & distribution	192,424	254,953	(62,529)	-24.53%
Insurance & financial services	330,772	281,011	49,761	17.71%
Media, retail, services & parent company	129,475	121,693	7,782	6.39%
Total	1,107,285	1,162,585	(55,300)	-4.76%

Contribution to Revenue by Business Unit (YE16 and YE15)

Contribution to Revenue (YE16)

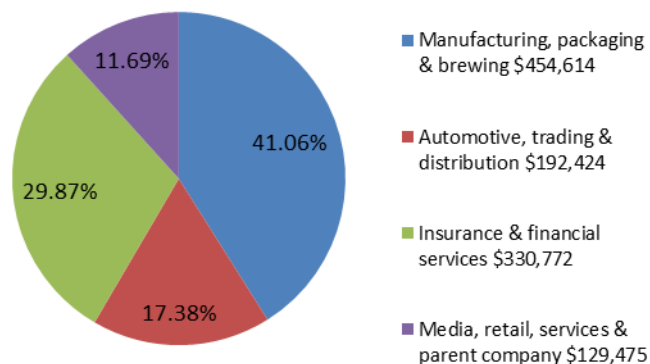


Contribution to Revenue (YE15)

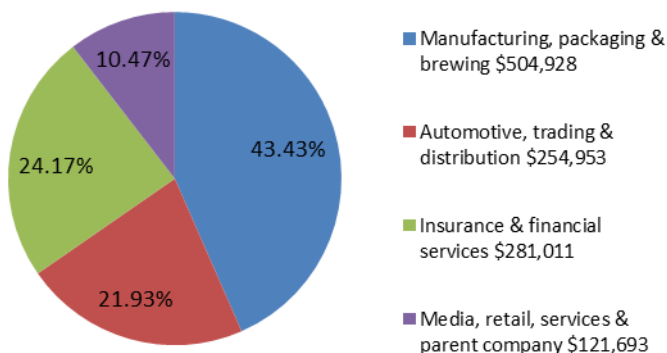


Contribution to Profit Before Tax by Business Unit (YE16 and YE15)

Contribution to Profit Before Tax (YE16)



Contribution to Profit Before Tax (YE15)



Dividends

The Board of Directors declared a final dividend of \$1.20 per share (2015: \$1.10) which when coupled with the interim dividend of \$0.30 brings the total dividend paid for fiscal 2016 to \$1.50 per share (2015: \$1.40). The final dividend will be paid on June 8, 2017 to shareholders on record as at May 19, 2017.

At the current price of \$66.50 the P/E ratio is 16.58 times which is above the conglomerate sector weighted average P/E of 14.36 times. AMCL's historic dividend yield is 2.30 per cent compared to the conglomerate sector weighted average dividend yield of 2.83 per cent.

Financial Year End	December 31
Symbol on TTSE	AMCL
Issued Share Capital	176.19MM
Market Capitalization	\$11.72B
Current Price (as at April 26, 2017)	\$66.50
52 Week Price Range	\$61.92 - \$66.54
EPS	\$4.01
Price to Earnings Multiple	16.6 x
Current Book Value/Share	\$38.46
Price to Book	1.7 x
Return on Equity	10.6%
Return on Assets	5.1%
Dividend Yield	2.3%



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