

National Enterprises Limited Results for the Nine Months Ended December 31, 2016

Earnings Per Share

For the Nine Months Ended December 31, 2016 (NM17), National Enterprises Limited (NEL) recorded Earnings Per Share (EPS) of \$0.32. This represented a decline of 21.95 per cent or \$0.09 per share on the comparable period's EPS of \$0.41 in fiscal 2016.

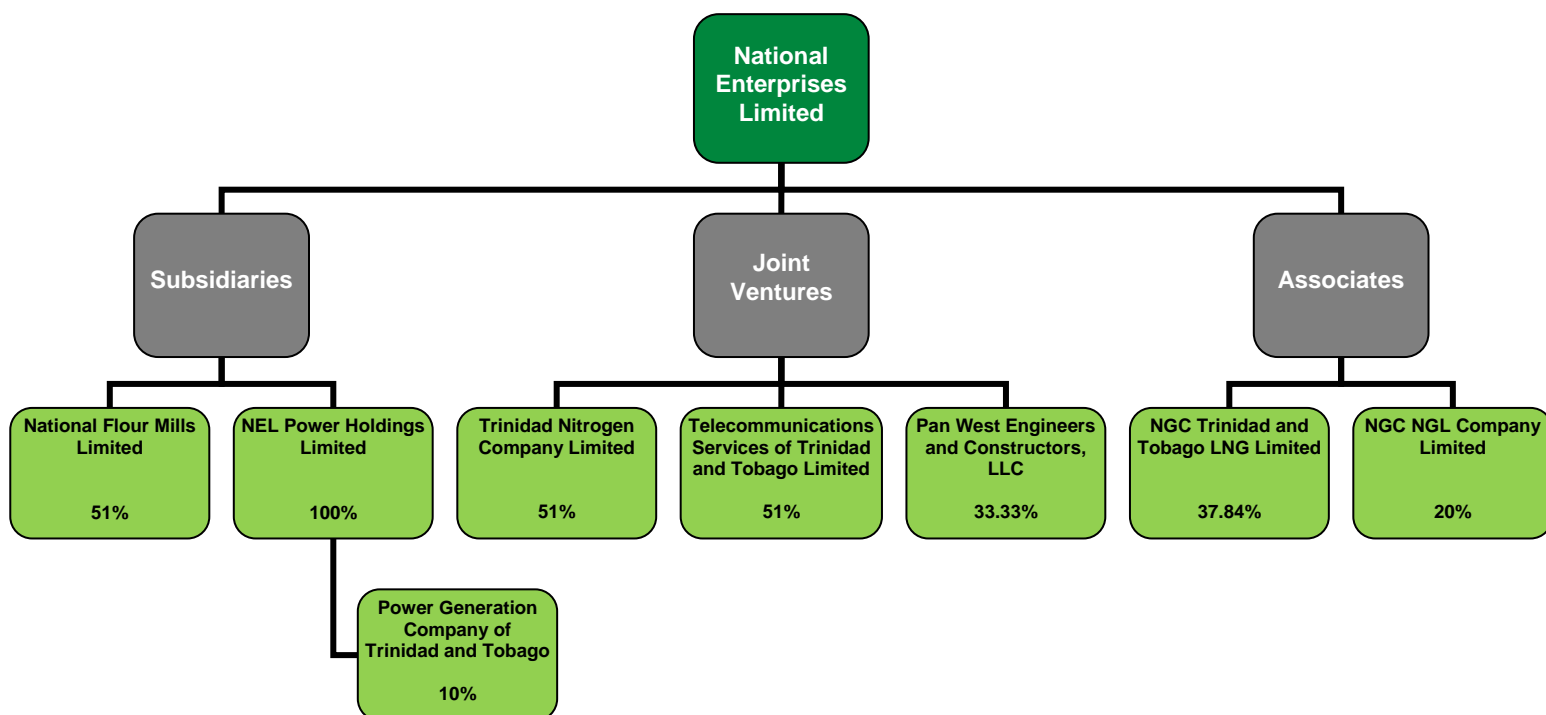
Financial Highlights (NM17 on NM16)

	NM17 \$'000	NM16 \$'000	\$ Change NM17 - NM16 \$'000	% Change NM17 - NM16	YE16 \$'000
Revenue	355,970	358,747	(2,777)	-0.77%	481,214
Cost of Sales	(250,979)	(272,792)	21,813	-8.00%	(365,463)
Gross Profit	104,991	85,955	19,036	22.15%	115,751
Other Income	5,806	10,334	(4,528)	-43.82%	15,543
Operating Expenses	(63,060)	(59,218)	(3,842)	6.49%	(87,295)
Operating Profit	47,737	37,071	10,666	28.77%	43,999
Finance Income	19,978	17,589	2,389	13.58%	17,416
Finance Costs	(14,248)	(4,977)	(9,271)	186.28%	(7,284)
Net Finance Income	5,730	12,612	(6,882)	-54.57%	10,132
Share of Profit of Equity Accounted Investments (Net of Tax)	161,521	220,909	(59,388)	-26.88%	65,385
Profit Before Tax	214,988	270,592	(55,604)	-20.55%	119,516
Tax Expense	(11,089)	(7,795)	(3,294)	42.26%	(9,931)
Net Profit for the Year	203,899	262,797	(58,898)	-22.41%	109,585
Earnings Per Share	\$0.32	\$0.41	-\$0.09	-21.95%	\$0.15

Revenue for NM17 fell marginally by 0.77 per cent or \$2.78MM to \$355.97MM from \$358.75MM in NM16 while Cost of Sales declined by 8.00 per cent or \$21.81MM moving from \$272.79MM to \$250.98MM. This resulted in NEL reporting a Gross Profit for NM16 of \$104.99MM, up 22.15 per cent or \$19.04MM on NM16's figure of \$85.96MM

Other Income closed the nine-month period at \$5.81MM, down 43.82 per cent or \$4.53MM from the \$10.33MM recorded in the comparable period in 2016. Operating Expenses increased 6.49 per cent or \$3.84MM from \$59.22MM in NM16 to \$63.06MM in NM17. Thus, Operating Profit for the period under review stood at \$47.74MM compared to \$37.07MM in NM16, reflecting a 28.77 per cent improvement.

NM17 on NM16, Finance Income climbed 13.58 per cent or \$2.39MM from \$17.59MM to \$19.98MM while Finance Costs rose 186.28 per cent or \$9.27MM from \$4.98MM to \$14.25MM. As such, Net Finance Income decreased 54.57 per cent or \$6.88MM to \$5.73MM in NM17 from \$12.61MM in NM16.



Share of Profit of Equity Accounted Investments (Net of Tax) which accounts for the majority of NEL's profits saw a 26.88 per cent decline or \$59.39MM from \$220.91MM in NM16 to \$161.52MM in NM17. As stated by the Chairman, this decline was due in part to lower hydrocarbon-related prices and production as well as slower levels of economic activity. Overall NEL posted Net Profit for the Year in NM17 of \$203.90MM, down 22.41 per cent or \$58.90MM from NM16's figure of \$262.80MM.

Investment	Activity
Subsidiary National Flour Mills Limited NEL Power Holdings Limited	Food processing Investment
Joint Ventures Trinidad Nitrogen Company Limited (Tringen) Telecommunications Services of Trinidad and Tobago Limited Pan West Engineers and Constructors, LLC	Manufacturer of ammonia Telecommunications provider Investment
Associates NGC Trinidad and Tobago LNG Limited NGC NGL Company Limited	Investment holding company Investment holding company

At the current price of \$10.85 the trailing P/E ratio is 180.83 times. NEL's historic dividend yield is 4.61 per cent compared to the non-banking/finance sector weighted average dividend yield of 3.61 per cent.



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Financial Year End	March 31
Symbol on TTSE	NEL
Issued Share Capital	600.00MM
Market Capitalization	\$6.39B
Current Price (as at March 14, 2017)	\$10.85
52 Week Price Range	\$8.99 - \$14.45
Trailing EPS	\$0.06
Trailing Price to Earnings Multiple	180.8 x
Current Book Value/Share	\$5.21
Price to Book	2.1 x
Return on Equity	8.2%
Return on Assets	7.0%
Dividend Yield	4.6%

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