

FEATURE
Fan Milk Limited Ghana (FML)

Ghana Milk Company Ltd was incorporated on the 6th January, 1960 under the Companies Ordinance (Cap 193) with the object of importing skimmed milk powder from Europe and the production of recombined milk. Due to a miscalculation on the needs of the Ghanaian market, Ghana Milk Company Limited lost its entire equity and found itself bankrupt in 1962. In a bid to repackage the Company, the objects and direction of the company, a special resolution was passed to change the name of the company to Fan Milk Limited and adopt the trademark of "Fan" at an extraordinary General Meeting on 26th March, 1962. On 2nd September, 1969, the shareholders passed a resolution to convert the company to a public limited liability company and increase authorized shares from 30,000 to 470,000.

In November 1990, the company did its provisional listing and finally had its formal listing on the Ghana Stock Exchange on October 18, 1991.

Fan Milk is a manufacturer and retailer of ice cream and frozen dairy products which has a leading position on the West African market. Among its product range are FanYogo Pouch- Strawberry, FanChoco Pouch- Chocolate, FanPop- Pineapple, FanIce Pouch- Vanilla, FanIce Cup- Vanilla, Chocolate & Strawberry, Fan Ice boxes (2 Lt & 5Lt), Fandango pouch- citrus and Fandango 500 ML bottle – Tropical and citrus.

Fan Milk Limited has for the past five years shown consistent strength in its financial performance. FML's Top line improved from GHS 105.03 million in 2010 to GHS 141.64million in 2012, slumped slightly to GHS 141.64 in 2013 and jumped to GHS 184.36 million in 2014 to chalk a compounded average growth rate of 12%. The bottom line on the other hand experienced a peak and trough oscillation in the five years under review. Net Profit fell from GHS 19.37 million in 2010 to GHS 18.12 million in 2011, peaked at GHS 27.20 million in 2012, sunk to GHS 21.72 million in 2013 and ended 2014 at GHS 15.05. The disjoint in the movement of the Revenue with the Net profit is attributable to Cost of sales and Operational expenses.

Third quarter results published for the 2015 financial year shows a strong improvement over same period last year. Total Revenue for 2015Q3 was GHS 230.11 million cedis signifying a 94.61% hike from GHS 118.24 million in 2014Q3. Cost of Sales matched Revenue in its surge upwards in 2015Q3 at a decreasing rate to attain a Gross Profit of GHS 111.61 million in 2015Q3 compared to GHS 58.01 million in 2014Q3. FML's bottom line chalked a 256% growth rate from GHS 10.26 million in 2014Q3 to GHS 36.54 million in 2015Q3.

In effect, every Cedi FML invested in its Asset generated a net profit of GHS 0.22 in 2015Q3 compared to GHS 0.10 in 2014Q3 and shareholders saw an improvement of 34% return on their Investment in 2015Q3 matched with the 14% in 2014Q3.

FML's share price on the Ghana Stock Exchange has since its listing performed creditably over the years. From an IPO price of GHS 0.025 in 1999, the share price appreciated to peak at an all time high of GHS 10.57 In 2010. The price has since survived a bonus share and currently trades at GHS 7.38 as at the week ending 22nd January, 2016.

Income Statement
(All figures are expressed in '000 Ghana Cedis)

	2013	2014	2014 Q3	2015 Q3
Total Revenue	141,642	184,244	118,244	230,110
Operating Expenses	(114,037)	(168,823)	(107,058)	(188,928)
Operating Profit	27,605	15,421	11,186	41,182
Net Profit	21,722	15,049	10,258	36,539

Balance Sheet Summary
(All figures are expressed in '000 Ghana Cedis)

	2013	2014	2014 Q3	2015 Q3
Total Assets	101,247	123,913	104,081	165,252
Total Liabilities	24,816	42,892	28,199	58,172
Total Equity	76,431	81,021	75,882	107,080

Ratios/Statistics

	2013	2014	2014 Q3	2015 Q3
Net Profit Margin (%)	15.63%	8.48%	8.88%	16.48%
Return on Assets (%)	21.45%	12.14%	9.86%	22.11%
Return on Equity (%)	28.42%	18.57%	13.52%	34.12%
Earnings Per Share (GHS)	0.1869	0.1295	0.0883	0.3144
Dividend Per Share (GHS)	0.09	0.09	-	-
Net Assets Per Share (GHS)	0.65	0.70	0.65	0.92
Share price				
High (GHS)	6.68	7.55	7.55	7.35
Low (GHS)	3.55	4.89	4.83	5.25
Close (GHS)	6.62	5.25	4.90	7.35

Investor Ratios

	2014 Q3	2015 Q3
Price to Book Value	7.50	7.98
Price Revenue Ratio	4.82	3.71
Price Earnings Ratio	55.51	23.38
Year-to-date Return (%)	-6.67	-50.00


Price Information

Year Opening Price (GHS)	Week Opening Price (GHS)	Current Price (GHS)	Weekly Change (GHS)	Weekly Change (%)	Year To Date (%)
01.01.16	15.01.16	22.01.16			
0.3163	0.3197	0.3184	0.0013 ▼	0.41 ▼	0.66 ▲

GHANA STOCK EXCHANGE NEWS

Trading on the Ghana Stock Exchange perked up in the week under review. A total of 3,715,105 shares valued at GHS 10,439,234.80 compared to last week's 6,351,555 shares valued at GHS 8,643,515.21 exchanged hands in the week under review representing a 41.5% fall in volume and a 20.78% increment in value.

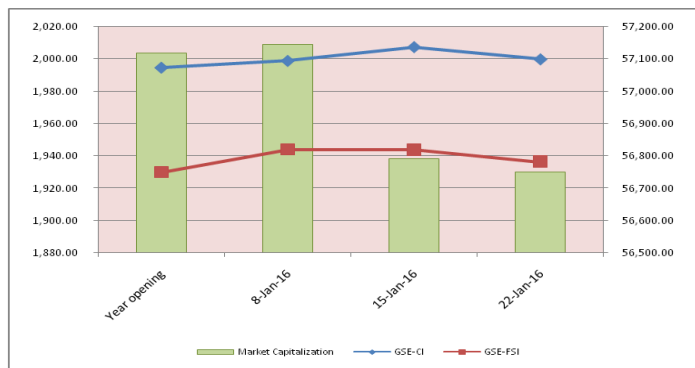
GCB was the most traded equity with 2,010,053 trades representing 54.10% of total trades for the week under review. This was followed by IIL, ETI and UNIL with 572,900, 297,488 and 236,267 share trades signifying 15.42%, 8.01% and 6.36% respectively. TLW was the least traded equity with 40 shares exchanging hands

The GSE Composite Index (GSE-CI) and the GSE Financial Stocks Index (GSE-FSI) declined in the week under review. The GSE-CI fell to 2000.02 from 2,007.50 points recorded for the preceding week representing a 0.37% decline. GSE-FSI also fell to 1936.53 from 1,944.00 at decline rate of 0.38%. The year- to-date returns for both GSE- CI and GSE-FSI stood at 0.26% and 0.34% at the end of the week under review.

Market capitalisation for the week under review fell slightly to GHS 56,748.67 million from GHS 56,789.47 million the preceding week at a rate of 0.072%

The chart below gives historical view of the market capitalisation so far.

Chart 1 – Trend of Market Indicators



MONEY MARKET NEWS

CEDI RECORDS MIXED PERFORMANCE

The cedi recorded mixed performance against the major trading currencies in the week under review. It appreciated against the British Pound and the South African Rand by 1.29% and 2.05% respectively but depreciated against the US Dollar, the Euro and the Japanese Yen by 0.34%, 0.68% and 1.68% respectively.

The Cedi's performance for the week under review culminated to a year-to-date appreciation against the Pound and the Rand by 3.90% and 9.47% respectively and a year to date depreciation against the Dollar, Euro and Yen by 0.39%, 0.03% and 3.52% respectively.

The following table summarizes the interbank rates for the week under review

Table 1 – Summary of Interbank Rates

	Buying		Selling	
	15.01.16	22.01.16	15.01.16	22.01.16
US Dollar	3.7995	3.8127	3.8033	3.8165
Pound	5.4831	5.4133	5.4901	5.4198
Euro	4.1248	4.1532	4.1269	4.1553
Rand	0.2316	0.2270	0.2318	0.2271
Yen	0.0321	0.0327	0.0322	0.0327

Source: Ghana Association of Bankers

INTEREST RATES

The 91-day and 182-day Treasury bill rates both fell in the week under review. The 91 day bill interest rate fell by 0.1070% to 22.6937% from 22.7814% in the week under review. In the same trend, the 182 day rate fell from 24.6480% to 24.3846%. The 1- year note rate remained unchanged at 23.000%.

A total amount of GHS 1,011.80 million was tendered and accepted for the short term securities in the week under review. For 1 Year notes, a total amount of GHS 9.51 million Cedis was tendered and accepted.

The Government of Ghana's intends to secure a total amount of GHS 1,307 million in short term securities for the ensuing week.

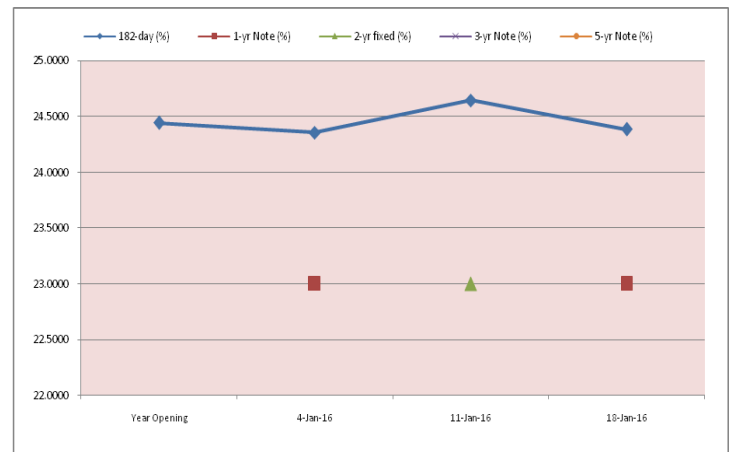
The table below shows the rates for the week under review alongside that of the previous week while the chart displays the trend of the rates so far this year.

Table 2 – Prevailing Interest Rates

Interest Rates (for Weeks Beginning)			
	11.01.16 (% p.a.)	18.01.16 (% p.a.)	Week change (%)
91 Day	22.7814	22.6934	0.0548 ▼
182 Day	24.6480	24.3846	1.1931 ▲
1-Year Note	-	-	-
2-Year Fixed Rate Note	23.0000	23.0000	-

Source: Bank of Ghana

Chart 2 – Trend of Yields on Money Market Securities



RELEVANT CORPORATE NEWS

AYRTN - ANNUAL GENERAL MEETING

Ayrton Drugs Manufacturing Company (AYRTN) announces the upcoming Annual General Meeting scheduled for 28th January, 2016 at the GNAT New Conference Hall at 10 am.

GSE Press Release: 004/2016

AGA - INCREASE IN ITS SHARE CAPITAL

AngloGold Ashanti Limited (AGA) has announced an increase in its issued ordinary shares to 405,231,034 as at November 30, 2015. This was as a result of the issue and listing of additional ordinary shares over the period on the Johannesburg Securities Exchange, South Africa.

The issued shares are as detailed below:

AGA Share Incentive Scheme (November 2015) - 62,348 ordinary shares

By this arrangement, AGA share capital has also been increased to 49,752,604,796.50 South African Rand.

GSE Press Release: 003/2016

2014 DIVIDEND INFORMATION

Company	Dividend Per Share	Qualifying date	Book Closure	Payment Date
PREFERENCE SHARES				
SCB PREF.	GHS 0.0758	Feb. 27 (2015)	Mar. 2 – 4	Mar. 30
SCB PREF.	GHS 0.0762	Aug. 28 (2015)	Aug. 31 – Sep. 2	Mar. 30
INTERIM DIVIDEND				
TBL	43.60 bututs	Oct. 9 (2014)	Oct. 10	Oct. 13
TOTAL	GHS 0.0771	Dec. 3 (2014)	Dec. 4 - 11	Dec. 14
EGL	GHS 0.19	Dec. 8 (2014)	Dec. 9 - 10	Dec. 11
FINAL DIVIDEND				
CAL	GHS 0.081	Mar. 23 (2015)	Mar. 24 - 26	Apr. 30
MAC	GHS 0.05	Apr. 7 (2015)	Apr. 8 - 10	May 7
GCB	GHS 0.32	May 15 (2015)	May 18 - 21	June 22
HFC	GHS 0.06	Apr. 22 (2015)	Apr. 23 - 24	May 22
EBG	GHS 0.79	Apr. 24 (2015)	Apr. 27 – May 6	May 21
BOPP	GHS 0.0706	May 7 (2015)	May 8	Jun. 18
FML	GHS 0.09	May 4 (2015)	May 5 - 6	Jun. 1
TBL	30 Bututs	May 4 (2015)	May 5	May 12
GOIL	GHS 0.02	May 6 (2015)	May 7 - 8	
SCB	GHS 0.35	May 15 (2015)	May 18 - 19	June 30
EGL	GHS 0.025	June 16 (2015)	June 17 - 18	July 28

2015 DIVIDEND INFORMATION

Company	Dividend Per Share	Qualifying date	Book Closure	Payment Date
INTERIM DIVIDEND				
TOTAL	GHS 0.0902	Nov. 27 (2015)	Nov. 30 – Dec. 3	Dec. 14
MLC	GHS 0.02	Dec. 2 (2015)	Dec. 3	Dec. 8

Listed Equities	% of Market Capitalization	Weekly Opening Price (GHS)	Weekly Closing Price (GHS)	Price Change (GHS)	Weekly Return %	Year-to-Date Return	P/E Ratio	Dividend Yield %	Return of Assets %	Price/Book Value	Price/Revenue
	22.01.2016	15.01.2016	22.01.2016		22.01.2016	22.01.2016	22/01/2016	22/01/2016	22/01/2016	22/01/2016	22/01/2016
ACI	0.001	0.02	0.02	-	-	-	(3.11)	-	-3.65	(0.95)	0.56
AGA	26.357	37.00	37.00	-	-	-	2,989.69	-	0.06	5.34	13.32
ALW	0.029	0.12	0.07	0.05 ▼	(41.67)	(50.00)	(2.01)	-	-5.83	0.31	0.40
AYRTN	0.049	0.14	0.13	0.01 ▼	(7.14)	(27.78)	57.52	-	1.64	2.07	2.84
BOPP	0.184	2.80	3.00	0.20 ▲	7.14	20.00	16.69	0.02	9.94	1.78	2.29
CAL	1.014	1.05	1.05	-	-	-	5.04	0.05	3.78	1.25	2.02
CLYD	0.002	0.03	0.03	-	-	-	223.88	-	0.23	(1.25)	5.69
CMLT	0.001	0.12	0.12	-	-	-	8.41	0.06	1.84	0.40	0.23
CPC	0.072	0.02	0.02	-	-	-	(20.11)	-	-1.45	3.96	4.57
EBG	3.648	7.05	7.06	0.01 ▲	0.14	0.71	7.20	0.11	4.49	2.47	2.79
EGL	0.565	2.41	2.41	-	-	0.41	9.62	0.01	5.97	1.27	1.28
ETI	10.603	0.25	0.25	-	-	(7.41)	13.83	-	0.51	0.64	3.23
FML	1.511	7.38	7.38	-	-	0.40	23.47	0.01	22.11	8.01	3.87
GCB	1.751	3.75	3.75	-	-	(1.05)	6.10	0.09	3.45	1.35	1.59
GGBL	0.741	1.99	1.99	-	-	-	(21.21)	-	-4.22	5.58	3.85
GOIL	0.640	1.45	1.44	0.01 ▼	(0.69)	2.86	11.37	0.14	6.00	3.26	0.27
GSR	0.896	1.99	1.99	-	-	-	(59.62)	-	-3.87	(3.49)	9.00
GWEB	0.001	0.01	0.01	-	-	-	-	-	0.00	-	-
HFC	0.577	1.20	1.10	0.10 ▼	(8.33)	22.22	(34.63)	0.05	-0.62	1.56	2.28
MAC	0.103	6.00	6.00	-	-	-	5.21	0.01	10.15	1.06	3.61
MLC	0.017	0.19	0.19	-	-	-	5.94	0.05	1.88	0.26	0.26
PKL	0.003	0.05	0.05	-	-	-	(3.38)	-	-4.06	0.25	7.94
PBC	0.085	0.10	0.10	-	-	-	(9.93)	0.09	-1.14	5.32	0.04
PZ	0.098	0.33	0.33	-	-	(2.94)	(17.29)	0.07	-2.87	1.80	1.85
SCB	3.318	16.30	16.30	-	-	-	12.46	0.02	4.27	2.94	47.40
SIC	0.052	0.14	0.15	0.01 ▲	7.14	7.14	11.04	-	1.56	0.37	0.67
SPL	0.009	0.04	0.02	0.02 ▼	(50.00)	(50.00)	34.71	-	1.35	1.57	2.29
SOGEGH	0.531	0.82	0.82	-	-	2.50	8.57	-	1.78	1.18	1.53
SWL	0.002	0.04	0.04	-	-	-	2.71	-	8.49	1.33	0.58
TBL	0.130	0.37	0.37	-	-	-	0.82	0.06	1.89	0.15	0.18
TOTAL	1.015	5.12	5.15	0.03 ▲	0.59	0.98	17.55	0.02	7.05	3.99	0.42
TRANSOL	0.004	0.03	0.03	-	-	-	119.92	-	7.42	(0.90)	6.51
TLW	44.750	28.00	28.00	-	-	-	(15.49)	0.00	-14.36	6.32	11.48
UNIL	0.936	8.50	8.50	-	-	-	14.48	0.03	12.29	8.99	1.41
UTB	0.088	0.12	0.11	0.01 ▼	(8.33)	10.00	(1.84)	-	-1.42	0.45	0.68
Depository Shares											
AADS	0.090	0.52	0.52	-	-	-	-	-	0.00	-	-
Preference Shares											
SCB-PREF	0.022	0.71	0.71	-	-	-	-	0.11	0.00	-	-
GAX											
SAMBA	0.008	0.73	0.73	-	-	-	(16.65)	-	0.00	-	-
MMH	0.019	0.11	0.11	-	-	-	-	-	0.00	-	-
HORDS	0.036	0.09	0.09	-	-	-	-	-	0.00	-	-
ETF	0.016	0.08	0.08	-	-	-	-	-	0.00	-	-
GLD	0.027	38.80	38.80	-	-	(0.51)	-	-	0.00	-	-

■ As at September 2013 ■ As at June 2013 ■ As at May 2013 ■ As at March 2013 ■ As at December 2012 ■ As at September 2012 ■ As at September 2012 ▲ Price Gainers ▼ Price Decliners

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