

FEATURE
AYRTON DRUG MANUFACTURING LIMITED (AYRTN)

Ayrton Drug Manufacturing Company Limited was incorporated by the late Mr. Samuel Benson Adjepong – the first Ghanaian Chief Pharmacist at the Ministry of Health, in September 1965 as a private company. The company began operation with one tablet making machine from a small plant situated at Kokomlemlé in Accra after acquiring a certificate to commence business in October the same year. The company has since 1969 moved to its current location on the Abeka Road. Thereafter, Ayrton was converted from a private company to a public entity and subsequently listed on the Ghana Stock Exchange in 2006. In April 2010, Adcock Ingram Holding Limited, a South African company, successfully acquired 65.59% of the issued shares of Ayrton in a bid to transform the company into a dominant participant in the pharmaceutical industry in Ghana and West Africa. In June 2014, Adcock Ingram Holding Limited changed its financial year from October-September to July-June following the acquisition of controlling interest by Bidvest South Africa. To ensure consistency with the financial reporting requirements of its majority shareholder, Ayrton also changed its financial year to July-June.

The company's objective is to manufacture the highest quality medicines at affordable prices with the aim of extending and enhancing human life. In line with this, Ayrton has developed a wide range of products comprising syrups, capsules, creams, ointments and analgesics. Some of its well known brands include Virol Blood Tonic, Samalin, Panacin, Teedar, Res-Q, Clofen Gel and Silverzine Cream.

A look at the financial performance of Ayrton Drug Manufacturing Limited showed a mixed performance in the top and bottom line indicators over the last four years. The company's Total Revenue which stood at GHS20.05 million as at 30th September, 2011 grew by 20.07% to GHS24.08 million by 30th September, 2013. Due to the change in financial year, the financial statement for the 2013/2014 period covered a nine (9) month period instead of the usual twelve (12) month period. Over this nine-month period ended 30th June 2014, the company's top line indicator stood at GHS21.34 million, a marginal dip from the previous year's figure. Over the period, the company's Net Profit witnessed some fluctuations from GHS2.87 million as at 30th September, 2011 to GHS0.34 million by the end of the 2012/2013 financial year. Over the nine-month period ended June 30, 2014, Ayrton recorded a loss of GHS1.58 million.

The company has released its first quarter results for the 2014/2015 financial year and the results reveal an improved performance compared to the same period in 2013. Total Revenue of GHS8.42 million was recorded during the period, representing a 29.97% increase over the GHS6.48 million earned by the first quarter of prior year. Cost of Sales, Other Income and Selling and Distribution Expenses increased by 20.60%, 1,867.66% and 83.03% respectively while Administrative & General Expenses declined by 27.13% over the period. This resulted in an Operating Profit of GHS0.25 million and a Net Profit of GHS0.14 million after incorporating Finance Cost of GHS0.11 million. Compared to prior year's Loss of GHS1.08 million, this bottom line signifies an improvement. This performance moved Ayrton's Earnings per Share from GHS-0.0050 to GHS0.0006 during the review period.

On the Ghanaian bourse, the performance of Ayrton has been satisfactory. After listing in November 2006 at GHS0.098, the stock moved steadily to trade at GHS0.17 in May 2008 before declining to GHS0.13 by the end of 2009. In 2010, the stock's price inched up to close the year at GHS0.16 and thereafter fluctuated between GHS0.16 and GHS0.18 in the next four years. Currently, Ayrton is trading at GHS0.18 as at Friday, January 23, 2015.

Income Statement

(All figures are stated in thousands of Ghana Cedis)

	2011/12	2012/13	2013/14*	2014/15 Q1
Total Revenue	22,872	24,077	21,339	8,420
Net Profit	2,476	341	-1,584	139

Balance Sheet Summary

(All figures are stated in thousands of Ghana Cedis)

	2011/12	2012/13	2013/14*	2014/15 Q1
Total Assets	21,632	23,339	28,830	28,105
Total Liabilities	2,409	4,044	11,118	10,254
Total Equity	19,223	19,295	17,712	17,851

Ratios/Statistics

	2011/12	2012/13	2013/14*	2014/15 Q1
Profit Margin (%)	10.83	1.42	-7.42	1.66
Return on Assets (%)	11.45	1.46	-5.49	0.50
Return on Equity (%)	12.88	1.77	-8.94	0.78
Earnings Per Share (GHS)	0.0115	0.0016	-0.0074	0.0006
Dividend Per Share (GHS)	0.0013	-	-	-
Net Assets Per Share (GHS)	0.0894	0.0897	0.0824	0.0830
Share price				
High (GHS)	0.18	0.18	0.18	0.18
Low (GHS)	0.17	0.17	0.17	0.17
Close (GHS)	0.17	0.17	0.17	0.17

Investor Ratios

	2013/14*	2014/15 Q1
Price to Book Value	2.06	2.05
Price Revenue Ratio	1.71	4.34
Price Earnings Ratio	-23.07	262.08
Year-to-date Return (%)	-5.56	-

*For a 9-month period


Price Information

Year Opening Price (GHS)	Week Opening Price (GHS)	Current Price (GHS)	Weekly Change (GHS)	Weekly Change (%)	Year To Date (%)
01.01.15	19.01.15	23.01.15			
0.2973	0.2974	0.2950	0.0024 ▼	0.81 ▼	0.77 ▼

GHANA STOCK EXCHANGE NEWS

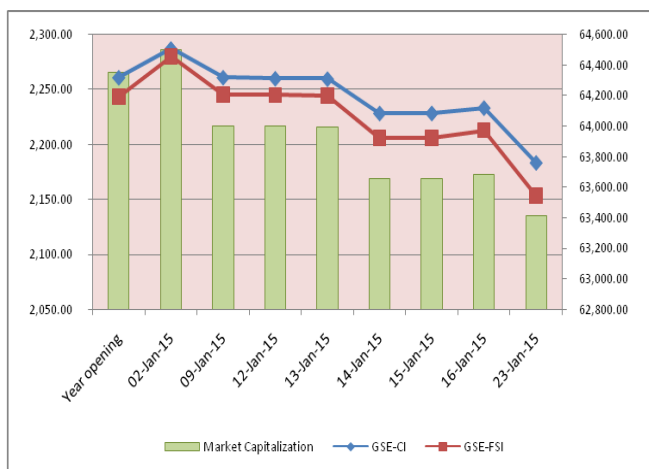
Activity on Ghana's stock market slowed down during the week under review with total trade of 2,160,614 shares worth GHS3,434,931.46. Compared to last week's trading levels, this signifies a decline of 52.62% in volume of trade while value of trade climbed up by 30.88%. Ecobank Transnational Incorporated was the period's most active equity with trade of 586,916 shares. On the other hand, Aluworks Limited traded 100 shares to be the least active equity for the week.

The net effect of the week's activities on the overall performance of the market was a 50.15 point fall by the GSE Composite Index (GSE-CI) from a week opening position of 2,233.39 points to 2,183.24 points. The GSE Financial Stocks Index (GSE-FSI) also lost 59.38 points to stand at 2,153.76 points from 2,213.14 points. Their year-to-date returns therefore stood at -3.44 and -4.01% respectively at the end of the week.

As a result, market capitalization of the Exchange declined from GHS63,684.16 million to GHS63,410.72 million representing a GHS273.44 million dip. This was on the back of price declines in highly weighed equities such as Standard Chartered Bank Ghana, Ecobank Ghana Limited, Ghana Commercial Bank and Unilever Ghana Limited.

The graph below shows the trend in the GSE Composite Index, GSE Financial Stocks Index and Market capitalization since the beginning of the year.

Chart 1 – Trend of Market Indicators



MONEY MARKET NEWS

Cedi Records Mixed Performance

In its interactions with major trading currencies on the foreign currency market, the Ghana Cedi recorded a mixed performance during the review week. The Cedi depreciated against the US Dollar, the Euro and the South African Rand by 0.16%, 0.23% and 0.11% respectively but appreciated against the British Pound by 0.32% and the Japanese Yen by 0.36%.

So far this year, the local currency's has depreciated against the Dollar by 0.77%, the Rand by 1.96% and the Yen by 3.46%. It has however appreciated against the Pound and the Euro by 1.92% and 3.88% respectively.

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

Table 1 – Summary of Interbank Rates

	Buying		Selling	
	16.01.15	23.01.15	16.01.15	23.01.15
US Dollar	3.2179	3.2232	3.2211	3.2264
Pound	4.8880	4.8728	4.8941	4.8780
Euro	3.7450	3.7541	3.7480	3.7561
Rand	0.2796	0.2799	0.2798	0.2801
Yen	0.0275	0.0274	0.0276	0.0275

Source: Ghana Association of Bankers

Interest Rates

The week under review saw the 91 and 182-day Treasury bills inching up after the marginal decline recorded last week. The 91-day Treasury bill went up from 25.8335% to 25.8426%, representing an upward climb of 0.0091%. The 182-day Treasury bill also went up by 0.0315% to end the week at 26.4121%. Interest rates on the 1-Year Note and the 2-Year Fixed Rate Note remain unchanged at 22.5000% and 23.0000% respectively.

A total amount of GHS782.84 million and GHS72.07 million were tendered in last week for short and medium term securities respectively. Of the amount tendered, GHS772.83 million was sold for the short term securities while the medium term securities were sold out.

This week, government plans to raise GHS946.00 million from the sale of both short and medium term securities.

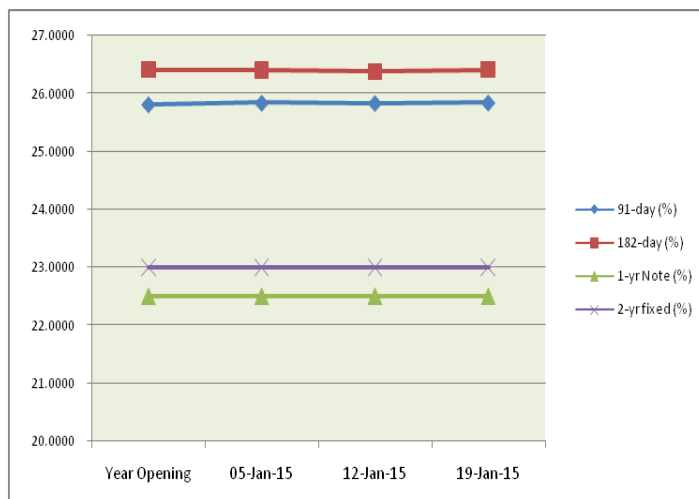
The table below shows the rates for the week under review alongside those of the previous week while the chart displays the trend of the rates so far this year.

Table 2 – Prevailing Interest Rates

Interest Rates (for Weeks Beginning)			
	12.01.15 (% p.a.)	19.01.15 (% p.a.)	Week Change (%)
91 Day	25.8335	25.8426	0.0091▲
182 Day	26.3806	26.4121	0.0315▲
1-Year Note	22.5000	22.5000	-
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

SCB – MARCH 2015 PREFERENCE SHARE DIVIDEND PAYMENT

Standard Chartered Bank Ghana Limited (SCB) has announced a dividend of GHS0.0758 per preference share in respect of the dividend period of six months up to March, 2015.

All preference shareholders registered in the books of the Bank at the close of business on Friday, February 27, 2015 will qualify for the dividend. The register of preference shareholders will be closed from Monday, March 2, 2015 to Wednesday, March 4, 2015 (both dates inclusive).

The dividend will be paid on Monday, March 30, 2015

GSE Press Release: 008/2015

HFC – NOTICE OF CANCELLATION OF EXTRAORDINARY GENERAL MEETING

In December 2014, HFC Bank (Ghana) Limited (HFC) announced an Extraordinary General Meeting scheduled for January 20, 2015.

In relation to this, HFC has further announced that two shareholders of the bank have gone to court against thirteen (13) defendants including SSNIT and Ernest Thompson, Director General of SSNIT, seeking an interlocutory injunction against the Extraordinary General Meeting. As a result the meeting scheduled for the said date will no longer be held as previously communicated to HFC shareholders.

GSE Press Release: 010/2015

GoG – LISTING OF 2-YEAR BONDS

The Government of Ghana (GoG) has listed 2-Year bonds issued between October 2014 and December 2014 on the Ghana Stock Exchange.

Trading in these bonds can therefore take place on the Exchange.

GSE Press Release: 001/2015

2013 DIVIDEND INFORMATION

Company	Dividend Per Share	Qualifying date	Book Closure	Payment Date
INTERIM DIVIDEND				
EGE	GHS0.020	Oct 1 (2013)	Oct 2 - 3	Nov 4
TOTAL	GHS0.0771	Dec 18 (2013)	Dec 19 - 20	Dec 24
FINAL DIVIDEND*				
CAL	GHS0.053	Mar 21	Mar 24 - 26	Apr 30
SOGEGH	GHS0.06	Mar 27	Mar 28 - 31	May 15
EBG	GHS0.43	April 21	April 22-29	May 14
HFC	GHS0.035	April 21	April 22-23	May 15
FML	GHS 0.09	May 5th	May 6-7	June 12
BOPP	GHS0.0334	May 7th	May 8-9	June 20
EGE	GHS0.025	May 19th	May 20-22	June 30
SCB	GHS1.15	May23rd	May 26-27	June 30
TBL	25 bututs	May 29th	May 30	June 4
TOTAL	GHS0.0985	June 11	June 18	June 25
GOIL	GHS0.0160	June 11	June 12	
MLC	GHS0.010	June 25	June 26-28	July 21
CMLT	GHS0.006	July 10	July 11	Aug 15

**All dates for final dividends are in 2014*

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
INTERIM DIVIDEND				
TBL	43.60 bututs	Oct. 9 (2014)	Oct. 10	Oct. 13
TOTAL	GHS0.0771	Dec. 3 (2014)	Dec. 4 - 11	Dec. 14
EGE	GHS 0.19	Dec. 8 (2014)	Dec. 9 - 10	Dec. 11

Listed Equities	% of Market Capitalization	Week Opening Price (GHS)	Week Closing Price (GHS)	Price Change (GHS)	Weekly Return (%)	Year-to-Date Return (%)	P/E Ratio	Dividend Yield (%)	Return on Assets (%)	Price/Book Value	Price/Revenue
	23.01.15	19.01.15	23.01.15		23.01.15	23.01.15	23.01.15	23.01.15	23.01.15	23.01.15	23.01.15
ACI	0.001	0.02	0.02	-	-	-	-	-	-11.48	0.12	0.16
AGA	23.49	37.00	37.00	-	-	-	-	0.24	-22.74	4.55	1.67
ALW	0.01	0.02	0.02	-	-	-	-	-	-3.52	0.09	0.04
AYRTN	0.06	0.18	0.18	-	-	-	-	-	4.94	1.90	3.26
BOPP	0.23	4.10	4.10	-	-	-	11	0.81	12.64	3.27	4.03
CAL	0.82	1.02	0.95	0.07 ▼	-6.86	-5.94	4	5.58	5.92	0.82	0.68
CLYD	0.002	0.03	0.03	-	-	-	14	-	1.10	0.01	0.002
CMLT	0.001	0.12	0.12	-	-	-	12	5.00	3.86	0.48	0.21
CPC	0.03	0.01	0.01	-	-	-50.00	-	-	-2.68	-3.89	0.33
EBG	3.39	7.49	7.34	0.15 ▼	-2.00	-3.42	7	5.86	1.42	0.33	7.87
EGL	0.34	1.70	1.64	0.06 ▼	-3.53	-6.29	13	2.74	11.47	1.29	0.67
ETI	8.40	0.25	0.25	-	-	-10.71	3	-	1.16	0.69	0.83
FML	0.96	5.25	5.25	-	-	-	45	1.71	21.45	7.98	4.39
GCB	2.11	5.50	5.06	0.44 ▼	-8.00	-4.53	5	-	6.73	2.88	2.36
GGBL	1.07	3.20	3.20	-	-	-	-	-	3.77	3.21	3.00
GOIL	0.43	1.06	1.07	0.01 ▲	0.94	1.90	10	1.50	5.52	3.85	0.03
GSR	0.94	2.34	2.34	-	-	-	55	-	1.09	0.01	0.02
GWEB	0.002	0.03	0.03	-	-	-	-	-	2.25	-0.45	1.86
HFC	0.70	1.50	1.49	0.01 ▼	-0.67	-0.67	5	2.35	3.73	1.16	1.12
MAC	0.06	4.50	4.50	-	-	-	2	-	27.56	1.87	3.83
MLC	0.02	0.28	0.27	0.01 ▼	-3.57	-3.57	-	3.70	-1.31	0.14	0.14
PKL	0.003	0.06	0.06	-	-	-	-	-	-35.20	-1.47	1.70
PBC	0.09	0.12	0.12	-	-	-	-	-	-2.70	1.46	0.05
PZ	0.06	0.24	0.24	-	-	-20.00	-	-	0.26	1.04	0.53
SCB	3.65	20.10	20.06	0.04 ▼	-0.20	-1.43	9	5.73	1.70	1.07	2.23
SIC	0.09	0.35	0.28	0.07 ▼	-20.00	-24.32	17	-	228.66	0.75	0.50
SPL	0.008	0.02	0.02	-	-	-	5	-	8.45	0.53	0.22
SOGEGH	0.56	1.06	1.07	0.01 ▲	0.94	7.00	5	5.61	2.99	1.84	1.81
SWL	0.001	0.04	0.04	-	-	-	16	-	38.67	0.38	0.08
TBL	0.08	0.24	0.24	-	-	-	50	-	2.94	0.11	0.06
TOTAL	1.08	6.10	6.12	0.02 ▲	0.33	0.33	22	2.87	10.59	0.79	0.06
TRANSOL	0.004	0.03	0.03	-	-	-	4	-	11.50	-0.70	13.71
TLW	50.05	34.99	34.99	-	-	-	-	-	1.88	5.81	11.95
UNIL	0.99	10.70	10.00	0.70 ▼	-6.54	-6.54	-	-	7.32	19.15	1.93
UTB	0.14	0.22	0.20	0.02 ▼	-9.09	-20.00	8	-	0.73	0.05	0.19
Depository Shares											
AADS	0.08	0.52	0.52	-	-	-	-	-	-	-	-
Preference Shares											
SCB-PREF	0.02	0.58	0.58	-	-	-	-	-	-	-	-
ETF											
GLD	0.02	35.80	35.80	-	-	-	-	-	-	-	-

Key ABL—Accra Brewery Ltd, ACI—African Champion Industries, AGA—AngloGold Ashanti Ltd, ALW—Aluworks Ltd, AYRTN—Ayrton Drug Manufacturing Ltd, BOPP—Benso Oil Palm Plantation Ltd, CAL—CAL Bank Ltd, CFAO—CFAO Ghana Ltd, CLYD—Clydestone Ghana Ltd, CMLT—Camelot Ghana Ltd, CPC—Cocoa Processing Company Ltd, EBG—Ecobank Ghana Ltd, EGL—Enterprise Group Ltd, ETI—Ecobank Transnational Incorporated, FML—Fan Milk Ltd, GCB—Ghana Commercial Bank Ltd, GGBL—Guinness Ghana Breweries Ltd, GOIL—Ghana Oil Company Ltd, GSR—Gold Star Resources Ltd, GWEB—Golden Web Ltd, HFC—HFC Bank Ltd, MAC—Mega African Capital, MLC—Mechanical Lloyd Company Ltd, PKL—Pioneer Kitchenware Ltd, PBC—Produce Buying Company Ltd, PZ—PZ Cussons Ghana Company Ltd, SCB—Standard Chartered Bank Ltd, SIC—SIC Insurance Company Ltd, SPL—Starwin Products Ltd, SOGEGH—Société Générale Ghana Ltd, SWL—Sam Woode Ltd, TBL—Trust Bank (The Gambia) Ltd, TOTAL—Total Petroleum Ghana Ltd, TRANSOL—Transaction Solutions Ghana Ltd, UNIL—Unilever Ghana Ltd, UTB—UT Bank Ltd, AADS—AngloGold Ashanti Depository Shares, SCB-PREF—Standard Chartered Bank Preference Shares, ETF—Exchange Traded Fund, GLD—New Gold

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

The content in this report represents the views of the analysts and is intended for informational purposes only. It should not therefore be construed as investment advice relating to the purchase or sale of any securities. Information used in the analysis was acquired from sources believed to be accurate. NTHC Limited makes no guarantee, representation or warranty and accepts no legal responsibility or liability for any inaccuracies or misrepresentation contained herein.