

FEATURE
MECHANICAL LLOYD COMPANY LIMITED (MLC)

Mechanical Lloyd Company Limited (MLC) started operations in Ghana in the 1960's as Technical Lloyd Limited, a Dutch-owned company. The core business of the company at commencement was dealing in knapsack sprayers, motorcycles and BMW cars. The company was acquired by Mr. R.A Darko, a Ghanaian entrepreneur in August 1970 and was incorporated as Mechanical Lloyd Limited in 1977. MLC became a public company in 1992 and, after a successful initial public offer in May 1994, listed on the Ghana Stock Exchange.

MLC deals in automobile and agricultural equipment. The company currently holds franchises for the sale and servicing of BMW Cars and Motor Cycles, Ford Vehicles and Massey Ferguson Agricultural Machinery in Ghana – franchises it has held for over ten (10) years.

Over the last five years, the financial performance of MLC has been mixed with considerable increases and declines in both top and bottom line indicators. The period saw the company's Revenue grow by 111.85% from GHS22.16 million in 2009 to GHS46.95 million in 2012. In 2013 however, the company's top line indicator dipped to GHS38.41 million and further to GHS30.64 million in 2014. In a similar fashion, MLC's bottom line grew from GHS1.02 million to GHS6.21 million in 2012 before recording losses of GHS1.03 million and 3.51 million in 2013 and 2014 respectively.

MLC has released its financial results for the first quarter ended 31st March 2015 and the results show an improved performance compared to that of 2014 first quarter. MLC mobilised Total Revenue of GHS15.49 million for the first three months of the year, as against an amount of GHS6.67 million earned in the first quarter of 2014. This signifies growth of 132.33% in the company's top line indicator during the period. On Expenditure, Cost of sales, Operating Costs and Net Finance Costs went up by 110.11%, 20.61% and 3,928.17% respectively while Other Income also fell by 37.68%. This led to a Profit before Tax position of GHS1.89 million and a Net Profit of GHS1.52 million after deducting Income tax of GHS0.37 million. This compares favourably to the GHS0.02 million earned as Net Profit during the 2014 first quarter. Should this performance be replicated in subsequent quarters, MLC would witness a turnaround to profitability in 2015.

On the Ghana Stock Exchange, the performance of Mechanical Lloyd Company Limited has been mixed. After its initial listing price of GHS0.0052 in May 1994, the stock recorded a steady rise to close at GHS0.2100 by the end of 2006 indicating a Compounded Annual Growth Rate of 36.10%. Subsequently, MLC's stock price remained stable and then slipped to GHS0.2000 in 2009 and further to GHS0.1000 in 2010. It however moved up in 2011 and 2012, recording capital gains of 10.00% and 36.36% to stand at GHS0.1100 and GHS0.1500 respectively. The stock bounced back in 2013 to trade at GHS0.3800 by the end of the year indicating a growth of 153.33%. This impressive performance continued into the year 2014 as the stock rose to hit all-time high of GHS0.3900 in 26th February 2014 before dropping to stand at GHS0.2800 by 2014 year-end. Currently, MLC is trading at GHS0.17 as at Friday, 26th June, 2015.

Income Statement

(All figures are stated in thousands of Ghana Cedis)

	2012	2013	2014	2015 Q1
Revenue	46,951	38,411	30,641	15,495
Operating Profit/Loss	7,589	1,033	-2,382	2,537
Net Profit	6,215	-1,027	-3,506	1,520

Balance Sheet Summary

(All figures are stated in thousands of Ghana Cedis)

	2012	2013	2014	2015 Q1
Total Assets	81,678	78,387	80,651	79,269
Total Liabilities	41,504	39,991	46,262	43,360
Total Equity	40,174	38,396	34,389	35,909

Ratios/Statistics

	2012	2013	2014	2015 Q1
Profit Margin (%)	13.24	-2.67	-11.44	9.81
Return on Assets (%)	7.61	-1.31	-4.35	1.92
Return on Equity (%)	15.47	-2.68	-10.19	4.23
Earnings Per Share (GHS)	0.1241	-0.0205	-0.0700	0.0303
Dividend Per Share (GHS)	0.0150	0.0100		
Net Assets Per Share (GHS)	0.8019	0.7664	0.6865	0.7168
Share price				
High (GHS)	0.15	0.38	0.39	0.28
Low (GHS)	0.09	0.13	0.25	0.20
Close (GHS)	0.15	0.38	0.28	0.20

Investor Ratios

	2014	2015 Q1
Price to Book Value	0.41	0.28
Price Revenue Ratio	0.46	0.65
Price Earnings Ratio	-4.00	6.59
Year-to-date Return (%)	-46.00	-45.00


Price Information

Year Opening Price (GHS)	Week Opening Price (GHS)	Current Price (GHS)	Weekly Change (GHS)	Weekly Change (%)	Year To Date (%)
01.01.15	22.06.15	26.06.15			
0.2973	0.3041	0.3048	0.0007 ▲	0.23 ▲	2.53 ▲

GHANA STOCK EXCHANGE NEWS

Market activity on the Ghana Stock Exchange witnessed a decline during the week under review. A total of 647,945 shares were traded over the period for a total consideration of GHS930,171.34. These represent declines of 75.07% and 84.16% from the previous week's total trade volume of 2,598,635 shares and total trade value of GHS5,870,492.56.

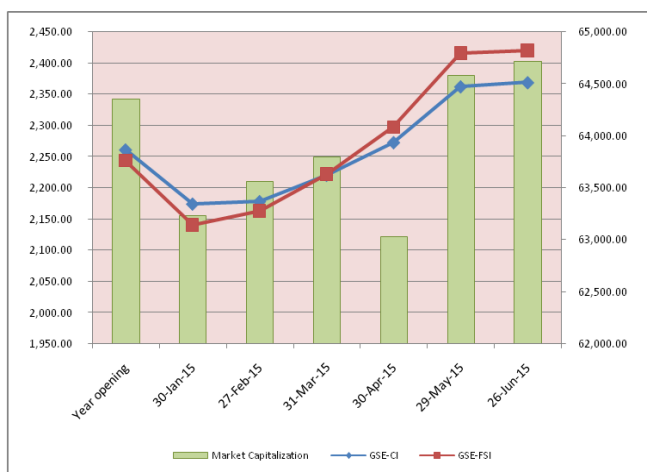
With a total trade of 386,384 shares representing 59.63% of the week's total volume of trade, UT Bank Limited was the period's most active equity. On the other hand, HFC Bank (Ghana) Limited was the least traded equity with trade of 1 share.

From a week opening position of 2,368.85 points, the GSE Composite Index (GSE-CI) inched up by a marginal 0.45 points ending the week under review at 2,369.30 points with a year-to-date return of 4.79%. The GSE-Financial Stocks Index (GSE-FSI) on the other hand dipped by 2.57 points from its previous level of 2,423.43 to close at 2,420.86 points with a corresponding year-to-date return of 7.90%.

Total market capitalization of the Exchange went up by GHS2.49 million from GHS64,707.07 million to stand at GHS64,709.56 million as at Friday, June 26, 2015.

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 Depreciates Against Major Trading Currencies

On the interbank market this week, the Ghana Cedi continued to perform poorly against most of the major trading currencies. The local currency depreciated against the US Dollar, the British Pound, the South African Rand and the Japanese Yen by 1.39%, 0.43%, 2.07% and 1.00% respectively. The Ghana Cedi, however, appreciated against the Euro by 0.48% during the period.

So far this year, the Cedi has recorded year-to-date depreciations of 25.72%, 26.65%, 19.13%, 22.82% and 23.96% against the Dollar, Pound, Euro, Rand and Yen respectively.

The following table gives a summary of the interbank rates for the week under review.

Table 1 – Summary of Interbank Rates

	Buying		Selling	
	19.06.15	25.06.15	19.06.15	25.06.15
US Dollar	4.2460	4.3057	4.2502	4.3101
Pound	6.7418	6.7703	6.7493	6.7785
Euro	4.8446	4.8218	4.8490	4.8256
Rand	0.3482	0.3556	0.3484	0.3557
Yen	0.0345	0.0348	0.0345	0.0349

Source: Ghana Association of Bankers

Interest Rates

The money market witnessed a mixed trend in the yields of government-backed securities during the week under review. The yield on the 91-day Treasury bill climbed up by 0.0252% to transact at 25.1801% while that on the 182-day Treasury bill fell by 0.0545% to 25.8439%. Yields on the 1-Year Note and the 2-Year Fixed Rate Note, however, remain unchanged at 22.5000% and 23.0000% respectively.

As demand for government debt securities remain high, total tenders received last week for short securities exceeded the amount sold by GHS0.51 million while the total amount tendered for medium term securities were all sold.

Government's target this week is to raise a total of GHS905.00 million from both short and medium term securities. This signifies a 26.40% rise from the previous week's target amount of GHS716.00 million.

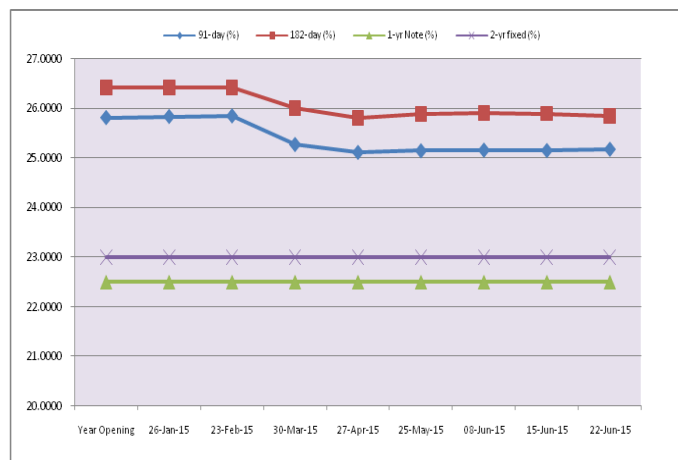
The table below shows the rates for the week under review alongside those of the previous week while the chart displays the trend of the rates so far this year.

Table 2 – Prevailing Interest Rates

Interest Rates (for Weeks Beginning)			
	15.06.15 (% p.a.)	22.06.15 (% p.a.)	Week Change (%)
91 Day	25.1549	25.1801	0.0252 ▲
182 Day	25.8984	25.8439	0.0545 ▼
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

ESTABLISHMENT OF GHANA FIXED INCOME MARKET

A number of key stakeholders in Ghana's financial market have collaborated to set up the Ghana Fixed Income Market (GFIM). These stakeholders include the Bank of Ghana, The Ghana Stock Exchange (GSE), the Central Securities Depository Ghana Limited (CSD), the Ghana Association of Bankers (GAB), ACI Ghana and Licensed Dealing Members (LDM) of the Ghana Stock Exchange.

The objective of GFIM is to provide a fair, orderly, transparent and efficient market for all fixed income and similar securities as well as bring secondary trading activities in fixed income securities and other similar securities and to provide a market for the secondary trading of such securities.

Relating to securities, all Government of Ghana treasury bills, notes and bonds and Bank of Ghana money market instruments are to be admitted and traded on the GFIM. In addition, quasi-Government of Ghana institutions' money market instruments, notes and bonds; corporate notes and bonds; municipal and/or metropolitan bonds; supra-national bonds; repos; and other fixed income or money market securities may be admitted and traded on the GFIM.

Trading on the GFIM would be limited to entities licensed by the Securities and Exchange Commission to deal in securities (dealers) and in addition authorized by the Bank of Ghana as a primary dealer or licensed by the Bank of Ghana as a bank or licensed by the Ghana Stock Exchange as an LDM. The Bank of Ghana, for monetary policy purposes, is permitted to deal in Government of Ghana and Bank of Ghana securities listed of the GFIM.

In terms of Infrastructure, secondary trading of securities on the GFIM will be by way of an electronic trading and market surveillance system provided by Bloomberg L. P. Cash settlement of trades will be done through the Bank of Ghana while securities settlement will be done at the CSD.

For governance, the GFIM will be governed by an eleven-member governing committee to be chaired by the first deputy governor of the Bank of Ghana. There will be representatives from GSE, CSD, GAB, ACI Ghana, the Ghana Securities Industry Association and the Bank of Ghana and the Debt Management Division of the Ministry of Finance on the committee.

Trading of fixed income securities on GFIM is expected to commence by the end of June 2015.

GSE Press Release: 187/2015

SPL – NOTICE OF EXTRAORDINARY GENERAL MEETING

Starwin Products Limited (SPL) gives notice to shareholders that pursuant to Section 297 (3) of the Companies Act, 1963 (Act 179) and at the instance of Dannex Ltd., a shareholder of Starwin Products Limited (the "Company"), an Extra Ordinary General Meeting of the company is to be held at the GNAT Hall, Accra on Friday, 8th July, 2015 at 10:00am.

The Agenda and Business to be transacted are as follows;

- To remove Dr. Albert Gyan Boohene as a Director with immediate effect.
- To remove Mr. Justice Awuku-Sao as a Director with immediate effect.
- To remove Mr. Samuel Anthony De-Abba as a Director with immediate effect.
- To remove Dr. Esther Oduraa Ofei-Aboagye as a Director with immediate effect.
- To elect and appoint new Directors to fill all vacancies on the Board of Directors.

5b. The new recommended board members are as follows;

- Mr. Nik Amarteifio
- Mr. Yaw Opare-Asamoah
- Dr. Barima Afrane
- Mr. Alex Bonney
- Ms. Amartekor Amarteifio
- Mr. Samuel Atta- Mensah

6. A Special Resolution for a merger between Dannex and Starwin Products Limited.

7. A Special Resolution to modify/change name to Dannex Starwin Limited pursuant to section 176 of the Companies Code, Act 179.

GSE Press Release: 203/2015

2013 DIVIDEND INFORMATION

Company	Dividend Per Share	Qualifying date	Book Closure	Payment Date
INTERIM DIVIDEND				
EGL	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
EGL	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
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

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
	26.06.15	22.06.15	26.06.15		26.06.15	26.06.15	26.06.15	26.06.15	26.06.15	26.06.15	26.06.15
ACI	0.001	0.02	0.02	-	-	-	-	-	-11.48	0.12	0.16
AGA	23.11	37.00	37.00	-	-	-	-	-	-22.74	4.55	1.67
ALW	0.03	0.07	0.06	0.01 ▼	-14.29	200.00	-	-	-3.52	0.26	0.11
AYRTN	0.06	0.18	0.17	0.01 ▼	-5.56	-5.56	-17	-	4.94	1.79	3.08
BOPP	0.27	5.00	5.00	-	-	21.95	39	1.41	12.64	3.99	4.91
CAL	0.93	1.10	1.10	-	-	8.91	4	7.36	5.92	0.95	0.79
CLYD	0.002	0.03	0.03	-	-	-	14	-	1.10	0.01	0.002
CMLT	0.001	0.12	0.12	-	-	-	-1	-	3.86	0.48	0.21
CPC	0.06	0.02	0.02	-	-	-	-	-	-2.68	-7.77	0.66
EBG	4.11	9.08	9.00	0.08 ▼	-0.88	18.42	7	8.78	1.42	0.41	9.65
EGL	0.39	1.90	1.95	0.05 ▲	2.63	11.43	18	9.74	11.47	1.54	0.80
ETI	12.19	0.37	0.37	-	-	32.14	5	-	1.16	1.02	1.23
FML	1.01	5.60	5.75	0.15 ▲	2.68	9.52	43	1.57	21.45	8.74	4.81
GCB	1.99	4.85	4.90	0.05 ▲	1.03	-7.55	4	6.53	6.73	2.79	2.29
GGBL	1.03	3.15	3.15	-	-	-1.56	-	-	3.77	3.16	2.95
GOIL	0.55	1.41	1.41	-	-	34.29	11	1.42	5.52	5.08	0.04
GSR	0.79	1.99	1.99	-	-	-14.96	-3	-	1.09	0.01	0.02
GWEB	0.001	0.02	0.02	-	-	-33.33	-	-	2.25	-0.30	1.24
HFC	0.79	1.72	1.72	-	-	14.67	8	3.49	3.73	1.34	1.30
MAC	0.07	5.50	5.50	-	-	22.22	2	0.91	27.56	2.28	4.68
MLC	0.01	0.17	0.17	-	-	-39.29	-	-	-1.31	0.09	0.09
PKL	0.003	0.05	0.05	-	-	-16.67	-	-	-35.20	-1.23	1.41
PBC	0.08	0.11	0.11	-	-	-8.33	3	-	-2.70	1.34	0.05
PZ	0.09	0.35	0.36	0.01 ▲	2.86	20.00	-	-	0.26	1.57	0.80
SCB	3.57	19.98	19.94	0.04 ▼	-0.20	-2.01	17	1.76	1.70	1.06	2.22
SIC	0.06	0.21	0.19	0.02 ▼	-9.52	-48.65	8	-	228.66	0.51	0.34
SPL	0.02	0.04	0.03	0.01 ▼	-25.00	50.00	20	-	8.45	0.80	0.33
SOGEGH	0.52	0.91	0.91	-	-	-9.00	7	-	2.99	1.57	1.54
SWL	0.001	0.04	0.04	-	-	-	12	-	38.67	0.38	0.08
TBL	0.11	0.34	0.35	0.01 ▲	2.94	45.83	6	-	2.94	0.16	0.09
TOTAL	0.92	5.30	5.30	-	-	-13.11	10	1.45	10.59	0.68	0.06
TRANSOL	0.004	0.03	0.03	-	-	-	111	-	11.50	-0.70	13.71
TLW	46.25	33.00	33.00	-	-	-5.69	-	-	1.88	5.48	11.27
UNIL	0.73	7.52	7.53	0.01 ▲	0.13	-29.63	9	-	7.32	14.42	1.46
UTB	0.13	0.19	0.19	-	-	-24.00	8	-	0.73	0.04	0.18
Depository Shares											
AADS	0.08	0.52	0.52	-	-	-	-	-	-	-	-
Preference Shares											
SCB-PREF	0.02	0.69	0.69	-	-	18.97	-	-	-	-	-
GAX											
SAMBA	0.01	0.73	0.73	-	-	-	-	-	-	-	-
ETF											
GLD	0.03	47.00	47.00	-	-	31.28	-	-	-	-	-

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—Everbance Traded Fund, GLD—New Gold, GAX—Ghana Alternative Everbance

■ 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

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