

FEATURE
PZ CUSSONS GHANA LIMITED (PZ)

PZ Cussons Ghana Limited was incorporated in Ghana (then the Gold Coast) in 1934 as Peterson Zochonis, a wholly owned subsidiary of Peterson Zochonis (UK). The company among others were the first to be listed on the Ghana Stock Exchange in 1990, after becoming a public entity in 1976 when the initial share floatation was undertaken. In June 2002, the Group underwent a change of name, from Paterson Zochonis to PZ Cussons with the objective of invigorating and modernizing its corporate image while unifying the Group.

From its early activities of importing, exporting and general trading, PZ has evolved over the period into the manufacture and distribution of household products. These include pharmaceuticals, electrical, toiletries, cosmetics and nutritional products. The company has a solid product portfolio that includes a number of well established brands, such as Camel Soap & Antiseptic, Imperial Leather, Nunu Milk, Duck Bar Soap, Robb, Cussons Baby Care range, Premier, Carex, Zubes, Drastin and Haier Thermocool.

Over the last five years, PZ's financial performance was quite impressive until the 2013/14 financial year where its bottom line slumped. From GHS54.81 million in 2009/10, the company's top line indicator grew by a whopping 95.51% to end the 2014 financial year at GHS107.15 million. Similarly, Net Profit grew significantly by 105.82% from GHS3.82 million in 2010/11 to GHS7.86 million at the end of 2012/13 operational year amid dips. During the 2013/14 financial year however, PZ's suffered a loss of GHS1.70 million mainly due to high finance costs and the depreciation of the Ghana Cedi which adversely impacted on operational costs.

PZ has released its half-year results for the 2014/15 financial year and the results show an improved performance compared with the results of the same period in prior year. Total Revenue for the first six months came to GHS57.89 million, up by 23.42% from 2013/14 half-year figure of GHS46.91 million. Cost of Sales, Distribution Costs and Administrative Costs for the period went up by 17.97%, 19.86% and 21.64% respectively while Other Income fell by 42.38%. This resulted in a Profit before Finance Cost of GHS2.02 million, indicating a 902.34% increase from the Profit before Finance Cost of GHS0.21 million recorded in the same period last year. After deducting Finance Cost of GHS2.07 million and Income Tax of GHS0.01 million for the half-year, a Profit after tax of GHS0.03 million was recorded. Compared to the loss of GHS0.22 million suffered in prior year, this bottom line, although marginal represents an improvement in the indicator.

On the Ghana Stock Exchange, the performance of PZ has been satisfactory in terms of trading activity and price movement. From an initial price of GHS0.0105 in November 1990, the equity rose steadily to GHS1.42 by 29th November 2011, signifying a compounded annual growth rate (CAGR) of 126.32%. On 30th November 2011, the company embarked on a bonus share issue in the ratio of five (5) new shares for every one (1) share held. This resulted in a share price decline from GHS1.42 to GHS0.24.

Thereafter, the equity witnessed no activity closing 2011 at GHS0.24 and further declines of GHS0.06 to GHS0.18 by 2012 year-end. In 2013, the equity recorded an appreciation of 338.89% to end 2013 at GHS0.79 but fell once again by 62.03% to GHS0.30 in the subsequent year. Currently, PZ is trading at GHS0.24 as at today, Friday, February 27, 2015.

Income Statement

(All figures are stated in thousands of Ghana Cedis)

	2011/12	2012/13	2013/14	2014/15 Q2
Total Revenue	82,322	95,742	107,150	57,892
Net Profit	764	7,861	-1,703	25

Balance Sheet Summary

(All figures are stated in thousands of Ghana Cedis)

	2011/12	2012/13	2013/14	2014/15 Q2
Total Assets	62,278	72,907	85,261	85,873
Total Liabilities	30,950	33,718	48,548	49,135
Total Equity	31,328	39,189	36,713	36,738

Ratios/Statistics

	2011/12	2012/13	2013/14	2014/15 Q2
Profit Margin (%)	0.93	8.21	-1.59	0.04
Return on Assets (%)	1.23	10.78	-2.00	0.03
Return on Equity (%)	2.44	20.06	-4.64	0.07
Earnings Per Share (GHS)	0.0045	0.0468	-0.0101	0.0002
Dividend Per Share (GHS)	-	0.0046	-	-
Net Assets Per Share (GHS)	0.1865	0.2333	0.2185	0.2187
Share price				
High (GHS)	1.46	0.35	0.91	0.58
Low (GHS)	0.22	0.16	0.35	0.38
Close (GHS)	0.22	0.35	0.58	0.38

Investor Ratios

	2013/14	2014/15 Q2
Price to Book Value	2.65	1.74
Price Revenue Ratio	0.91	1.10
Price Earnings Ratio	57.20	n/m
Dividend Yield	-	-
Year-to-date Return (%)	65.71	-34.48

*n/m means not meaningful


Price Information

Year Opening Price (GHS)	Week Opening Price (GHS)	Current Price (GHS)	Weekly Change (GHS)	Weekly Change (%)	Year To Date (%)
01.01.15	23.02.15	27.02.15			
0.2973	0.2948	0.2954	0.0006 ▲	0.20 ▲	0.62 ▼

GHANA STOCK EXCHANGE NEWS

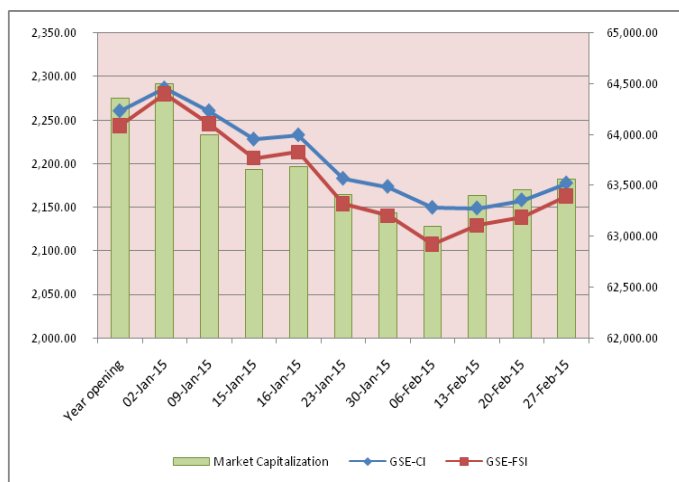
A total of 889,756 shares valued at GHS 1,977,340.82 traded on the Ghanaian bourse this week. Starwin Products Limited was the period's most active equity. It traded 303,000 shares, representing 34.05% of the market's trade for the period. UT Bank Limited was the only other equity which traded above 100,000 shares. Mechanical Lloyd Company was the period's least traded equity with trade of 600 shares.

The performance of the market improved this week as evidenced by the Exchange's indices. The GSE Composite Index (GSE-CI) went up by 19.55 points from its week opening position of 2,158.40 points to 2,177.95 points. The GSE Financial Stocks Index (GSE-FSI) also climbed up by 24.31 points to end the week at 2,162.85 points. This moved their respective year-to-date returns to -3.67% and -3.60%.

Following the increases in the Indices, the market's capitalization also increased by GHS107.93 million from GHS63,454.62 million as at last Friday. It therefore ended the period at GHS63,562.55 million.

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 Currencies

For the week under review, the Ghana Cedi continued to depreciate against the major trading currencies on the interbank market. The local currency depreciated against the US Dollar, the British Pound, the Euro, the South African Rand and the Japanese Yen by 2.03%, 1.94%, 0.68%, 3.31% and 1.89% respectively.

As a result, the year-to-date depreciation of the Cedi against the Dollar, Pound, Rand and Yen increased to 7.90%, 7.22%, 9.02% and 9.09% respectively as at today, Friday, 27th February, 2015. It also reduced the Cedi's year-to-date appreciation against the Euro from 0.71% as at close of last week to a marginal 0.02%.

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

Table 1 – Summary of Interbank Rates

	Buying		Selling	
	20.02.15	27.02.15	20.02.15	27.02.15
US Dollar	3.4021	3.4728	3.4055	3.4762
Pound	5.2488	5.3526	5.2550	5.3593
Euro	3.8719	3.8979	3.8751	3.9022
Rand	0.2916	0.3016	0.2918	0.3018
Yen	0.0286	0.0291	0.0286	0.0292

Source: Ghana Association of Bankers

Yields

The money market witnessed a mixed trend in the yields of government-backed securities during the period. Yield on the 91-day Treasury bill fell by 0.0022% to end the week at 25.8451% while that on the 182-day Treasury bill went up by 0.0171% to transact at 26.4170%. The 1-Year Note and the 2-Year Fixed Rate Note did not record any changes in yield during the week.

Total tenders received last week for short term securities amounted to GHS831.60 million out of which GHS831.42 million was sold. The medium term security pulled tenders totalling GHS1.71 million, all of which were sold.

Government's target this week is to raise a total of GHS1,060.00 million from the issue of short and medium term securities.

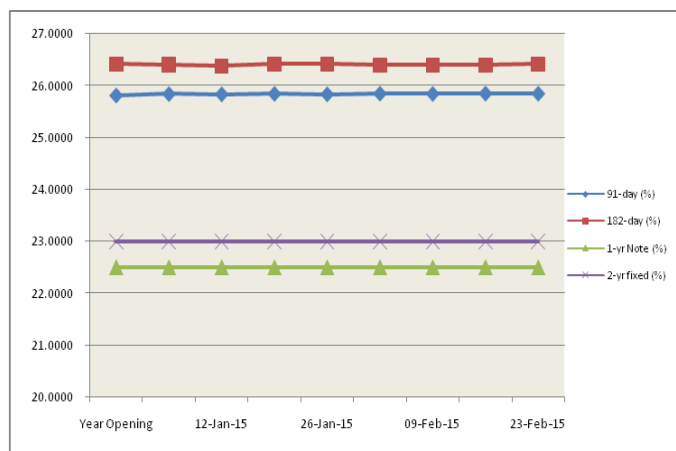
The table below shows the rates for the week under review alongside those of the previous week while the chart displays the trend of the rates so far this year.

Table 2 – Prevailing Interest Rates

Interest Rates (for Weeks Beginning)			
	16.02.15 (% p.a.)	23.02.15 (% p.a.)	Week Change (%)
91 Day	25.8473	25.8451	0.0022 ▼
182 Day	26.3999	26.4170	0.0171 ▲
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

CAL – FINAL DIVIDEND, CLOSURE OF REGISTER AND ANNUAL GENERAL MEETING

CAL Bank Limited (CAL) has announced that its Directors have proposed to the shareholders a final dividend of GHS0.081 per share in respect of the financial year ended December 31, 2014. This is subject to shareholders' approval at the bank's Annual General Meeting.

All shareholders registered in the books of the Bank at the close of business on Monday, March 23, 2015 will qualify for the dividend. The register of shareholders will be closed from Tuesday, March 24, 2015 to Thursday, March 26, 2015 (both dates inclusive).

The dividend will be paid on Thursday, April 30, 2015 and the bank's Annual General Meeting will be held on Friday, March 27, 2015 at the Conference Auditorium of the Ghana College of Physicians and Surgeons at 10.00am.

GSE Press Release: 055/2015

LISTED COMPANIES RELEASE UN-AUDITED FINANCIAL STATEMENTS

The Trust Bank Limited (The Gambia), Benso Oil Palm Plantation, CAL Bank Limited, Fan Milk Limited, SIC Insurance Company Limited, Unilever Ghana Limited, Sam Woode Limited, Starwin Products Limited, Camelot Ghana Limited, Ghana Oil Company Limited, Golden Star Resources and IZWE Loans Limited have released their un-audited financial statements for the year ended 31st December, 2014.

PBC Limited has also released its first quarter results for the period ended 31st December, 2014 while Guinness Ghana Breweries Limited and Ayrton Drugs Manufacturing Company have released their half-year financial statements for the period ended 31st December, 2014.

GSE Press Release: 021-022, 024-033/2015

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

FML – CHANGES IN BOARD AND EXECUTIVE MANAGEMENT

Fan Milk Limited has announced changes to its Board and executive management.

Mr. Mario Reis and Mr. Jens Jorgen Kollerup, both Non-Executive Directors, have resigned from the company's Board effective August 1, 2014 and October 31, 2014 respectively. On the other hand, Mr. Jacques Christian Gourmelon and Mr. Edouard Spicher were appointed onto the Board effective August 1, 2014 and October 31, 2014 respectively. Mr. Gourmelon

has twenty-eight (28) years working experience with Danone, a co-owner of the Fan Milk Group while Mr. Spicher has extensive international experience in both developed and emerging markets in dairy in Latin America, Europe, Africa and Asia.

In relation to executive management, Mr. Aamir Nadeem has been appointed Deputy Managing Director of the Company, effective November 19, 2014. He has a wealth of experience within the Fast Moving Consumer Goods (FMCG) industry in Africa, Middle East and Pakistan. He served as Commercial Director of Danone, Egypt from 2009 to September 2012 and from October 2012 to August 2014 as Sales Director of Al-Safi Danone, Saudi Arabia. Mr. J.K Appenteng also retired as Production and Distribution Manager after thirty-seven (37) years of service to the company, effective December 31, 2014.

GSE Press Release: 050/2015

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 PEF.	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	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

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
	27.02.15	23.02.15	27.02.15		27.02.15	27.02.15	27.02.15	27.02.15	27.02.15	27.02.15	27.02.15
ACI	0.001	0.02	0.02	-	-	-	-	-	-11.48	0.12	0.16
AGA	23.52	37.00	37.00	-	-	-	-	0.24	-22.74	4.55	1.67
ALW	0.01	0.03	0.03	-	-	50.00	-	-	-3.52	0.13	0.06
AYRTN	0.06	0.18	0.18	-	-	-	74	-	4.94	1.90	3.26
BOPP	0.23	4.20	4.26	0.06 ▲	1.43	3.90	12	0.78	12.64	3.34	4.11
CAL	0.86	0.98	1.00	0.02 ▲	2.04	-0.99	6	5.30	5.92	0.85	0.70
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	0.06	0.02	0.02	-	-	-	-	-	-2.68	-7.77	0.66
EBG	3.45	7.22	7.48	0.26 ▲	3.60	-1.58	7	5.75	1.42	0.33	7.74
EGL	0.33	1.60	1.57	0.03 ▼	-1.88	-10.29	12	2.87	11.47	1.26	0.66
ETI	8.72	0.26	0.26	-	-	-7.14	4	-	1.16	0.71	0.86
FML	0.96	5.25	5.25	-	-	-	40	1.71	21.45	7.98	4.39
GCB	2.15	5.11	5.15	0.04 ▲	0.78	-2.83	5	-	6.73	2.91	2.38
GGBL	1.06	3.20	3.20	-	-	-	-	-	3.77	3.21	3.00
GOIL	0.43	1.06	1.08	0.02 ▲	1.89	2.86	14	1.48	5.52	3.82	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	0.58	1.25	1.25	-	-	-16.67	4	2.80	3.73	0.98	0.94
MAC	0.06	4.50	4.50	-	-	-	2	-	27.56	1.87	3.83
MLC	0.02	0.25	0.24	0.01 ▼	-4.00	-14.29	-	4.17	-1.31	0.13	0.13
PKL	0.003	0.06	0.06	-	-	-	-	-	-35.20	-1.47	1.70
PBC	0.10	0.12	0.13	0.01 ▲	8.33	8.33	1	-	-2.70	1.46	0.05
PZ	0.06	0.24	0.24	-	-	-20.00	-	-	0.26	1.04	0.53
SCB	3.66	20.15	20.15	-	-	-0.98	9	5.71	1.70	1.07	2.24
SIC	0.07	0.21	0.22	0.01 ▲	4.76	-40.54	8	-	228.66	0.56	0.38
SPL	0.008	0.02	0.02	-	-	-	53	-	8.45	0.53	0.22
SOGEGH	0.56	1.06	1.06	-	-	6.00	5	5.66	2.99	1.83	1.79
SWL	0.001	0.04	0.04	-	-	-	1	-	38.67	0.38	0.08
TBL	0.08	0.24	0.24	-	-	-	50	-	2.94	0.11	0.06
TOTAL	1.08	6.11	6.11	-	-	0.16	22	2.87	10.59	0.79	0.06
TRANSOL	0.004	0.03	0.03	-	-	-	4	-	11.50	-0.70	13.71
TLW	49.86	34.94	34.94	-	-	-0.14	-	-	1.88	5.80	11.93
UNIL	0.83	8.41	8.40	0.01 ▼	-0.12	-21.50	-	-	7.32	16.11	1.63
UTB	0.13	0.18	0.18	-	-	-28.00	7	-	0.73	0.04	0.17
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

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