



FEATURE

PZ CUSSONS GHANA LIMITED (PZ)

PZ Cussons Ghana was incorporated in 1934 as a wholly owned subsidiary of Peterson Zochonis (Ghana) Limited. 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 soap, Robb, Cussons Baby Care range, Premier, Carex, Zubes, Drastin, Super Atlas and Haier Thermocool.

For the last five years, PZ Cussons Limited has posted an impressive track record in terms of financial performance with Revenue level trending upwards. The top line indicator grew by a whopping 114.46% from GHS44.64 million in 2009 to GHS95.74 million by the end of 2013. Similarly, Net Profit also went up significantly by 654.28% from GHS0.84 million in 2009 to GHS6.31 million at the end of 2011 before declining steeply to end 2012 at 0.76 million. It however recovered impressively to close 2013 at GHS7.86 million, signifying a year-on-year growth of 929.47%.

PZ's financials covering the nine-month period ended February 28, 2014 show mixed results compared with those of the same period in 2013. Total Revenue for the period came to GHS75.71 million, up by 11.47% from 2013 third quarter figure of GHS67.92 million. Similarly, Cost of Sales and General, Administrative and Selling Expenses for the period went up by 19.02% and 16.42% respectively to stand at GHS52.75 and GHS4.95 million. This resulted in an Operating Profit of GHS0.12 million, indicating a 97% fall from the Operating Profit of GHS3.94 million recorded in the same period last year. Additionally, Other Income also fell by 33.16% while Finance Cost went up from GHS4.25 million to GHS4.95 million. After deducting Income tax, the bottom line of the company declined sharply to GHS0.21 million from GHS3.08 million in 2013. Earnings per share (EPS) subsequently fell from GHS0.018 to GHS0.001 during the review period. The company attributes the low bottom line figures to the sharp depreciation of the Ghanaian cedi as it has impacted on its cost and margins.

The performance of PZ on the Ghanaian bourse mirrors the satisfactory show 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 to decline from GHS1.42 to GHS0.24. Thereafter, the equity witnessed no activity closing 2011 at GHS0.24. In 2012, the equity gradually fell to GHS0.18 before bouncing back to record an appreciation of 338.89% to end 2013 at GHS0.79. Currently, PZ is trading at GHS0.55 as at today Friday, July 18, 2014.

Income Statement

(All figures are expressed in thousands of Ghana cedis)

	2010/11	2011/12	2012/13	2013/14 Q3*
Revenue	66,184	82,322	95,742	75,706
Operating Profit	5,751	965	10,316	116
Net Profit	6,314	764	7,861	213

Balance Sheet Summary

(All figures are expressed in thousands of Ghana cedis)

	2010/11	2011/12	2012/13	2013/14 Q3*
Total Assets	56,946	62,278	72,907	81,688
Total Liabilities	25,749	30,950	33,718	43,058
Total Equity	31,197	31,328	39,189	38,630

Ratios/Statistics

	2010/11	2011/12	2012/13	2013/14 Q3*
Profit Margin (%)	9.54	0.93	8.21	0.28
Return on Assets (%)	11.09	1.23	10.78	0.26
Return on Equity (%)	20.24	2.44	20.06	0.55
Earnings Per Share (GHS)	0.2255	0.0045	0.0468	0.0013
Dividend Per Share (GHS)	0.0226	-	0.0046	-
Net Assets Per Share (GHS)	1.1142	0.1865	0.2333	0.2299
Share price				
High (GHS)	1.39	1.46	0.35	0.79*
Low (GHS)	1.10	0.22	0.16	0.66*
Close (GHS)	1.39	0.22	0.35	0.66*

*As at February 28, 2014

Investor Ratios

	2012/13	2013/14 Q3*
Price to Book Value	1.50	2.87
Price Revenue Ratio	0.61	1.46
Price Earnings Ratio	7.48	519.40
Dividend Yield	0.01	-
Year-to-date Return (%)	59.09	88.57

*Operational year begins in June and ends in May



Price Information

Year Opening Price (GHS)	Week Opening Price (GHS)	Current Price (GHS)	Weekly Change (GHS)	Weekly Change (%)	Year To Date (%)
01.01.14	11.07.04	18.07.14			
			0.0006 ▼	0.20 ▼	10.83 ▲

GHANA STOCK EXCHANGE NEWS

Ghana's capital market witnessed an improved performance during the week under review. A total 2,177,099 shares worth GHS3,806,055.48 were traded, indicating a 66.00% and 47.25% increase over the 1,314,746 shares traded last week for a total consideration of GHS2,584,786.47.

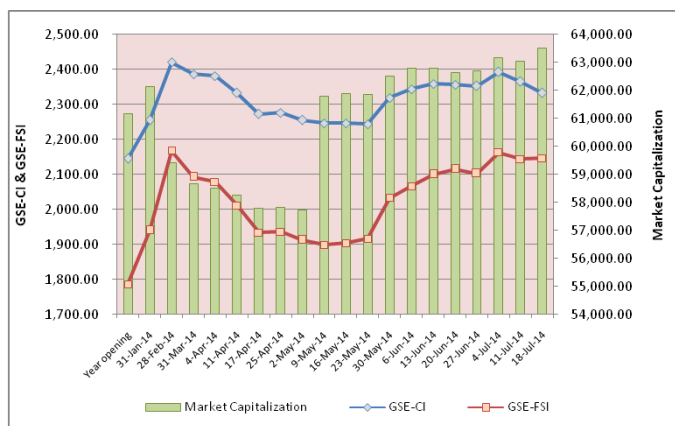
Ecobank Transnational Incorporated dominated the market again with a total trade of 773,100 shares, indicating 58.80% of the period's total trade volume. Starwin Products Limited however recorded the least trade of 40 shares.

The performance of the market, as measured by the GSE Composite Index (GSE-CI) declined during the week. From a week opening position of 2,365.72 points, the GSE-CI lost 6.91 points to finish the week at 2,332.62 points. The GSE-Financial Stocks Index (GSE-FSI) however inched up by 1.82 points to move from 2,151.65 points to 2,146.34 points. The respective year-to-date returns of the GSE-CI and GSE-FSI at the end of the week were 8.74% and 20.14%.

In spite of decline in the GSE-CI, the stock market's capitalization went up by GHS 328.94 million from GHS63,174.37 million to GHS63,503.31 million, principally due to appreciations in the value of highly weighed securities such as Tullow Oil plc and Ecobank Transnational Incorporated.

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

This week saw the Ghana cedi lose ground to three major trading currencies on the foreign currency market while recording gains against two. The local currency lost 0.33% of its value to the US Dollar, 0.46% to the British Pound and 0.32% to the Rand. The cedi however appreciated by 0.17% against the Euro and 0.17% against the Japanese Yen.

So far this year, the cedi has depreciated against the Dollar, Pound, Euro, Rand and the Yen by 28.74%, 31.28%, 27.26%, 27.12% and 30.87% respectively.

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

Table 1 – Summary of Interbank Rates

	Buying		Selling	
	11.07.14	18.07.14	11.07.14	18.07.14
US Dollar	3.0218	3.0319	3.0244	3.0343
Pound	5.1718	5.1958	5.1772	5.2011
Euro	4.1089	4.1041	4.1125	4.1070
Rand	0.2820	0.2829	0.2822	0.2831
Yen	0.0298	0.0298	0.0299	0.0298

Source: Ghana Association of Bankers

Interest Rate

For the week under review, yields on money market securities continued to increase. The 91 and 182-day Treasury bills moved up by 0.2086% and 3.5366% respectively while the yields on the 1-Year Note and the 2-Year Fixed Rate note remained at 22.5000% and 23.0000% respectively during the week.

Tenders worth GHS505.83 million and GHS6.79 million were received for short term securities and the 2-Year Fixed Rate Note respectively for last week. Of these, GHS505.70 million of the short term securities were sold while the 2-Year Fixed Rate Note were sold out.

For this week, the Bank of Ghana hopes to raise GHS913.00 million from both short and medium term securities.

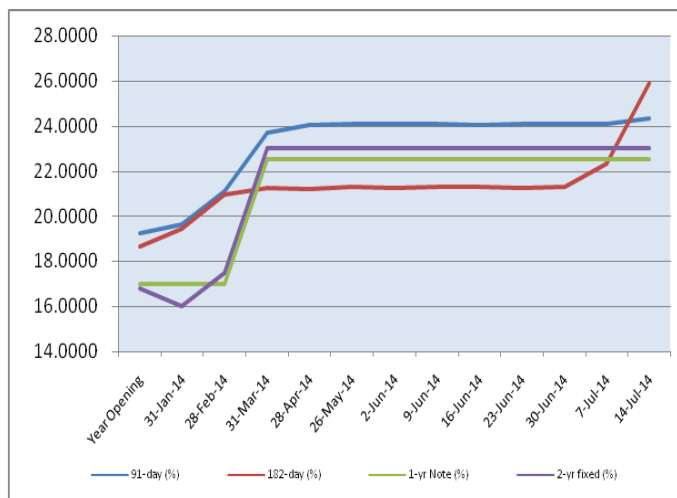
The table below shows the rates for the week under review alongside those of the previous week while the chart displays the trend of the rates so far this year.

Table 2 – Prevailing Interest Rates

Interest Rates (for Weeks Beginning)			
	07.07.14 (% p.a.)	14.07.14 (% p.a.)	Week Change (%)
91 Day	24.1023	24.3109	0.2086▲
182 Day	22.3453	25.8819	3.5366▲
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

ETI – OBTAINS NOD TO OPEN INVESTMENT BANK IN KENYA

Ecobank Transnational Incorporated has announced that EBI Investment Corporate Kenya Limited, a subsidiary of Ecobank Capital has been granted an investment bank license by the Capital Market Authority in Kenya. Ecobank Capital (registered as Ecobank Development Corporation) is the investment banking arm of the Ecobank Group, with operating offices currently in Abidjan, Accra, Lagos and Duala, including dealing membership of five African stock exchanges: the Ghana Stock Exchange, Nigerian Stock Exchange, Bourse Régionale des Valeurs Mobilières in Abidjan, Douala Stock Exchange and Bourse des Valeurs Mobilières d’Afrique Centrale in Libreville.

Ecobank Capital’s entry into Kenya following its acquisition of the investment advisor Iroko Securities Kenya Limited in July 2013 and subsequent application to the Capital Market Authority for an investment bank license in November 2012. Ecobank Capital joins a growing number of financial services institutions in Kenya which are moving into investment banking to complete their commercial banking services.

GSE Press Release: 182/2014

AYRTN – ANNUAL GENERAL MEETING

Ayrton Drug Manufacturing Company has announced that the company’s Annual General Meeting would be held at the Osu Ebenezer Presbyterian Church Hall on Friday, August 1, 2014 at 10am.

GSE Press Release: 183/2014

AGA – INCREASE IN SHARE CAPITAL

AngloGold Ashanti Limited has announced an increase in its share capital to 403,364,237 as at June 30, 2014. 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	-	58,890 ordinary shares
Bokamoso ESOP Trust	-	430 ordinary shares

By this arrangement, AGA share capital has also been increased to 49,342,276,064.06 South African Rand.

GSE Press Release: 185/2014

GGBL– RESIGNATION OF A DIRECTOR

Guinness Ghana Limited has announced the resignation of Mrs. Agnes Emefa Essah as Director of the Board with effect from July 15, 2014.

GSE Press Release: 184/2014

COMPANIES THAT DECLARED FINAL DIVIDENDS IN 2012

Company	Final Dividend Per Share	Qualifying date	Book Closure	Payment Date
AYRTN	GHS0.00125	Jun 25	Jun 26 - 27	Aug 8
AADS	GHS0.0009			Apr 2
AGA	GHS0.0900			Apr 2
BOPP	GHS0.0770	Apr 23	April 24 - 26	May 10
CAL	GHS0.035	Mar 22	Mar 25 - 26	Apr 30
CMLT	GHS0.0060	Jun 26	Jun 27	Aug 30
EBG	GHS0.29	Apr 10	Apr 11 - 18	May 10
EGL	GHS0.016	May 17	May 20 - 22	Jun 28
ETI	0.4 US cents	Jul 5	Jul 5	Jul 19
FML	GHS0.06	Apr 19	April 22 - 24	May 8
GCB	GHS0.14	May 31	Jun 3 - 7	Jun 28
GOIL	GHS0.015	Aug 15	Aug 16	Aug 30
MLC	GHS0.015	Jun 25	June 26 - 28	July 19
PBC	GHS0.0062	Mar 15	March 18 - 22	May 7
PZ	GHC0.0046	Sept 23	Sept 24 - 27	Oct 14
SCB	GHS0.47	May 17	May 20 - 21	Jun 28
SOGEGH	GHS0.04	Mar 22	Mar 25 - 26	May 15
SPL	GHS0.0022	Sept 26	Sept 27	Oct 8
TBL	20 Bututs	Apr 18	Apr 19	Apr 30
TOTAL	GHS0.69	Jul 18	Jul 19 - 24	Jul 26
UNIL	GHS0.2560	Apr 10	April 11 - 24	May 24
UTB	GHS0.02	Apr 12	Apr 15 - 17	May 31

COMPANIES THAT HAVE DECLARED DIVIDENDS FOR 2013

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	GHS 0.0334	May 7th	May 8-9	June 20
EGL	GHS 0.025	May 19th	May 20-22	June 30
SCB	GHS1.15	May23rd	May 26-27	June30
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	June25	June 26-28	July21
CMLT	GHS0.006	July10	July11	Aug 15

**All dates for final dividends are in 2014*

Listed Equities	% of Market Capitalization	Week Opening Price (GH¢)	Week Closing Price (GH¢)	Price Change (GH¢)	Weekly Return (%)	Year-to-Date Return (%)	P/E Ratio	Dividend Yield (%)	Return on Assets (%)	Price/Book Value	Price/Revenue
	18.07.14	11.07.14	18.07.14		18.07.14	18.07.14	18.07.14	18.07.14	18.07.14	18.07.14	18.07.14
ACI	0.002	0.03	0.03	-	-	-50.00	-	-	-11.48	0.18	0.24
AGA	23.44	37.00	37.00	-	-	-	-	0.24	-22.74	4.55	1.67
ALW	0.02	0.05	0.05	-	-	-	-	-	-3.52	0.22	0.09
AYRTN	0.06	0.17	0.17	-	-	-	89	0.74	4.94	1.79	3.08
BOPP	0.16	2.86	2.87	0.01 ▲	0.35	-10.59	19	2.68	12.64	2.29	2.82
CAL	0.77	0.89	0.89	-	-	-8.25	4	3.93	5.92	0.77	0.64
CLYD	0.002	0.04	0.04	-	-	-	8	-	1.10	0.02	0.002
CMLT	0.001	0.14	0.14	-	-	-12.50	12	4.29	3.86	0.56	0.24
CPC	0.06	0.02	0.02	-	-	-	-	-	-2.68	-7.77	0.66
EBG	3.31	7.32	7.17	0.15 ▼	-2.05	27.81	7	4.04	1.42	0.33	7.69
EGL	0.36	1.78	1.80	0.02 ▲	1.12	-4.26	-	0.89	11.47	1.42	0.74
ETI	7.29	0.27	0.29	0.02 ▲	7.41	52.63	9	-	1.16	0.80	0.96
FML	1.22	6.70	6.64	0.06 ▼	-0.90	0.30	36	0.90	21.45	10.10	5.55
GCB	2.25	5.46	5.39	0.07 ▼	-1.28	11.13	6	2.60	6.73	3.06	2.51
GGBL	1.31	4.75	3.95	0.80 ▼	-16.84	-36.29	203	-	3.77	3.97	3.71
GOIL	0.38	0.96	0.96	-	-	7.87	15	1.56	5.52	3.46	0.03
GSR	1.11	2.75	2.75	-	-	-	-	-	1.09	0.01	0.03
GWEB	0.002	0.04	0.04	-	-	-	-	-	2.25	-0.60	2.48
HFC	0.63	1.35	1.35	-	-	40.63	10	-	3.73	1.06	1.02
MCA	0.04	3.30	3.30	-	-	6.45	2	-	27.56	1.37	2.81
MLC	0.02	0.33	0.30	0.03 ▼	-9.09	-21.05	-	5.00	-1.31	0.16	0.16
PKL	0.003	0.06	0.06	-	-	-	-	-	-35.20	-1.47	1.70
PBC	0.11	0.14	0.14	-	-	-17.65	9	4.43	-2.70	1.70	0.06
PZ	0.15	0.56	0.55	0.01 ▼	-1.79	-30.38	-	-	0.26	2.39	1.22
SCB	3.31	18.20	18.20	-	-	21.82	9	2.58	1.70	0.97	2.02
SIC	0.13	0.44	0.42	0.02 ▼	-4.55	7.69	18	-	228.66	1.12	0.76
SPL	0.005	0.04	0.04	-	-	-	5	-	8.45	1.07	0.44
SOGEGH	0.46	0.88	0.88	-	-	17.33	13	4.55	2.99	1.52	1.49
SWL	0.001	0.04	0.04	-	-	33.33	16	-	38.67	0.38	0.08
TBL	0.08	0.24	0.24	-	-	-31.43	5	-	2.94	0.11	0.06
TOTAL	1.13	6.50	6.41	0.09 ▼	-1.38	26.68	20	10.76	10.59	0.83	0.07
TRANSOL	0.004	0.03	0.03	-	-	-	16	-	11.50	-0.70	13.71
TLW	50.06	34.62	35.05	0.43 ▲	1.24	0.20	27	-	1.88	5.82	11.97
UNIL	1.73	17.60	17.60	-	-	-3.88	-	1.45	7.32	33.71	3.40
UTB	0.28	0.40	0.39	0.01 ▼	-2.50	-13.33	20	5.13	0.73	0.09	0.38
Depository Shares											
AADS	0.08	0.52	0.52	-	-	-	-	0.17	-	-	-
Preference Shares											
SCB-PREF	0.02	0.55	0.55	-	-	5.77	-	-	1.70	0.03	0.05
ETF											
GLD	0.01	23.00	23.00	-	-	-11.98	-	-	-	-	-

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—

■ 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