

FEATURE
AYRTON DRUG MANUFACTURING LIMITED (AYRTN)

Ayrton Drug Manufacturing Company Limited was incorporated in September 1965 as a private company by the late Mr. Samuel Benson Adjepong – the first Ghanaian Chief Pharmacist at the Ministry of Health. That same year, the company began operation with one tablet making machine from a small plant situated at Kokomlemle in Accra having acquiring a certificate to commence business in October. In 1969, the company moved to its current location on the Abeka Road. After forty years in operation, the company was converted into a public entity and subsequently listed on the Ghana Stock Exchange in 2006. In April 2010, Adcock Ingram Holding Limited, a South African company, acquired 65.59% of the issued shares of Ayrton with the aim of transforming the company into a dominant player in the Pharmaceutical Industry in Ghana and West Africa.

The company's mission is to manufacture the highest quality medicines at affordable prices so as to extend and enhance human life. In line with this, Ayrton has developed a wide range of products comprising syrups, capsules, creams, ointments and analgesics. Among the well-known brands of the company are Virol Blood Tonic, Samalin, Clofen Gel, Silverzine Cream, Minavita, Teedar Syrup, Panacin and Paradex.

Relating to its financial performance, Ayrton Drugs has performed creditably especially over the last five years. From Revenue of GH¢11.90 million in 2008, the company's top line indicator had grown by 92.16% over the five-year period to record GH¢22.87 million by the end of the 2011/12 operational year. Likewise, Net Profit moved from GH¢1.77 million to GH¢2.48 million, indicating a 39.55% improvement over the same period.

Ayrton Drugs has released financial statements for its 2012/2013 financial year and the results show a mixed performance compared to the previous year's figures. The full-year saw the company earning Revenue of GH¢24.08 million, representing a marginal 5.27% increase over the 2011/12 figure. Cost of Sales, Distribution and Selling, Administrative and General Expenses however went up by 5.56%, 4.67% and 70.70% respectively causing a 71.18% drop in Operating Profit from GH¢3.40 million in 2011/12 to GH¢0.88 million. After incorporating Finance Income and Income Tax, a Net Profit of GH¢0.34 million was obtained. This signifies an 86.24% dip in the bottom line indicator in year-on-year terms which is mainly be attributed to significant increase in Administration and General Expenses during the period.

On the Ghanaian bourse, the performance of the company has been average in terms of its level of activity and price trend. The stock was listed in November 2006 at GH¢0.0976 and thereafter rose steadily to hit its highest price of GH¢0.1700 per share on May 12, 2008. It then dropped to close 2009 at GH¢0.1300 before recovering to stand at GH¢0.1600 by December 31, 2010. In 2011, the stock's price floated between GH¢0.16 and GH¢0.17 and in subsequent years has been between GH¢0.17 and GH¢0.18. Currently, Ayrton is trading at GH¢0.18 with a Price Earning (P/E) ratio of twenty (20) as at Friday, January 10, 2014.

Income Statement Summary

(All figures are stated in thousands of Ghana Cedis)

	2010*	2010/11	2011/12	2012/13
Revenue	12,455	20,053	22,872	24,077
Operating Profit	2,828	3,744	3,042	877
Net Profit	2,324	2,866	2,476	341

Balance Sheet Summary

(All figures are stated in thousands of Ghana Cedis)

	2010*	2010/11	2011/12	2012/13
Total Assets	16,457	19,442	21,632	23,339
Total Liabilities	1,937	2,426	2,409	4,044
Total Equity	14,520	17,016	19,223	19,295

Ratios/Statistics

	2010*	2010/11	2011/12	2012/13
Profit Margin (%)	18.66	14.29	10.83	1.42
Return on Assets (%)	14.12	14.74	11.45	1.46
Return on Equity (%)	16.00	16.84	12.88	1.77
Earnings Per Share (GH¢)	0.0108	0.0133	0.0115	0.0016
Dividend Per Share (GH¢)	0.0021	0.00125	0.00125	
Net Assets Per Share (GH¢)	0.0675	0.0791	0.0894	0.0897
Share price				
High (GH¢)	0.16	0.17	0.18	0.18
Low (GH¢)	0.15	0.16	0.17	0.17
Close (GH¢)	0.16	0.17	0.17	0.17

**Company changed its Operational year from January – December to October – September. Also, financial figures were restated for the 2010 operational year*

Investor Ratios

	2011/12	2012/13
Price to Book Value	1.90	1.89
Price Revenue Ratio	1.60	1.52
Price Earnings Ratio	14.76	107.25
Dividend Yield	0.01	
Year-to-date Return (%)	-	-


Price Information

Year	Week	Current	Weekly	Weekly	Year To
Opening	Opening	Price	Change	Change	Date
Price	Price				
(GH¢)	(GH¢)	(GH)	(GHS)	(%)	(%)
01.01.14	06.01.14	10.01.14			
0.2668	0.2662	0.2675	0.0013 ▲	0.49 ▲	0.25 ▲

GHANA STOCK EXCHANGE NEWS

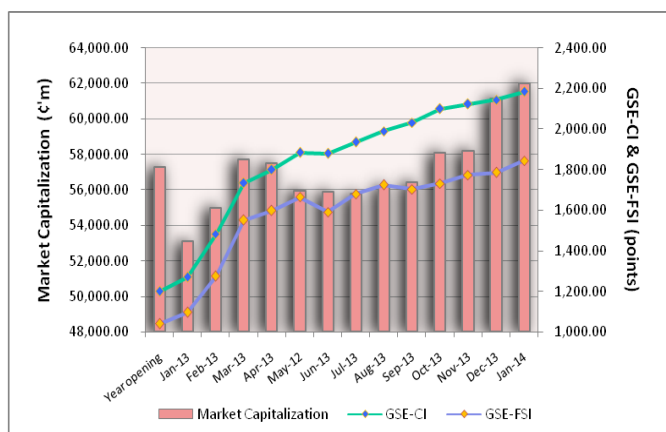
Activity on the Ghanaian bourse during the week was quite impressive considering the general low level of activity in the economy following the Christmas and New Year festivities. A total of 2,597,827 shares valued at GH¢3,851,049.62 traded during the week with CAL Bank Limited accounting for about 59% of the volume traded. Benso Oil Palm Plantation on the other hand was the least traded equity with only 20 shares exchanged during the week.

The activity on the market resulted in several price changes which were dominated by appreciations. This moved the GSE Composite Index (GSE-CI) from a week opening of 2,152.54 points to 2,184.82 points, representing a 32.28 points increase while the GSE-Financial Stocks Index (GSE-FSI) went up by 43.02 points from 1,801.42 points to 1,844.44 points. This brings their respective year-to-date returns to 1.85% and 3.24%.

Subsequently, the total capitalization of the market also climbed up to GH¢61,983.17 million by close of Friday, January 10, 2014.

The graph below shows the trend in the GSE Composite Index, GSE Financial Stocks Index and Market capitalization from January 2013 to January 2014.

Chart 1 – Trend of Market Indicators



MONEY MARKET NEWS

Cedi Depreciates Against Major Currencies

On the foreign currency market this week, the Ghana Cedi depreciated against all the major trading currencies. In its interaction with the US Dollar, the British Pound, the Euro, the South African Rand and the Japanese Yen, the cedi lost 2.50%, 2.70%, 2.12%, 1.14% and 2.37% respectively of its value

So far this year, the cedi has depreciated by 4.80%, 4.40%, 3.08%, 1.45%, and 4.85% 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	
	03.01.14	10.01.14	03.01.14	10.01.14
US Dollar	2.2088	2.2640	2.2113	2.2665
Pound	3.6295	3.7272	3.6341	3.7322
Euro	3.0128	3.0768	3.0153	3.0792
Rand	0.2068	0.2091	0.2070	0.2094
Yen	0.0211	0.0216	0.0211	0.0216

Source: Bank of Ghana

Interest Rates

During the period under review, three out of the four government-backed securities sold saw changes in their interest rates. The 91 and 182-day Treasury bills witnessed increases of 0.0094% and 0.5246%, moving their rates to 19.2330% and 19.1813% respectively for the week. The rate on the 2-Year Fixed rate note however declined by 0.3000% while that on the 1-Year Note remained unchanged at 17.0000%. There were no transactions in the 3, 5 and 7-year fixed rate notes within the period.

For last week, amounts tendered in for short and medium term securities stood at GH¢512.82 million and GH¢0.36 million respectively. Of these, 99.8% of short term securities and 100% of medium term securities were sold.

This week's tender is expected to raise a total of GH¢490.00 million from both short and medium term securities.

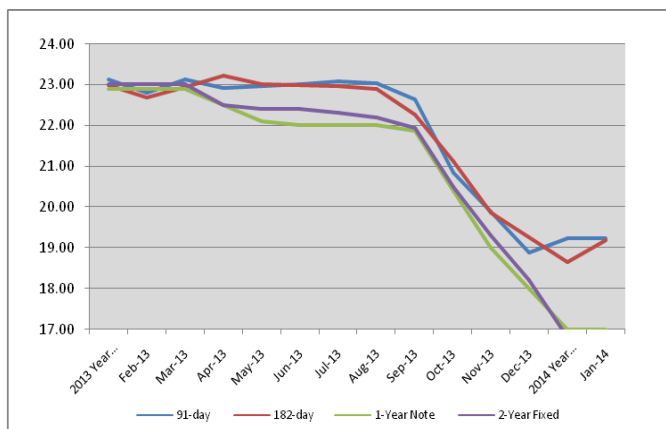
The table below shows the rates for the week under review alongside that of the previous week while the chart displays the trend of the yields from January 2013 to January, 2014.

Table 2 – Prevailing Interest Rates

Interest Rates (for Weeks Beginning)			
	30.12.13 (% p.a.)	06.01.14 (% p.a.)	Year-to-date change (%)
91 Day	19.2236	19.2330	0.0094▲
182 Day	18.6567	19.1813	0.5246▲
1-Year Note	17.0000	17.0000	-
2-Year Fixed Rate Note	16.8000	16.5000	0.3000▼

Source: Bank of Ghana

Chart 2 – Trend of Interest Rates on Money Market Securities



RELEVANT CORPORATE NEWS

TOTAL – INTERIM DIVIDEND AND CLOSURE OF REGISTER

An interim dividend of GH¢0.0771 per share has been announced by Total Petroleum Ghana Limited for the 2013 financial year. The ex-dividend date has been set as Monday, December 16, 2013. To qualify for the interim dividend, a member ought to be registered in the books of Total by the close of business on Wednesday, December 18, 2013. The register of shareholders will be closed from Thursday, December 19, 2013 to Friday, December 20, 2013.

The interim dividend will be paid on Tuesday, December 24, 2013.

GSE Press Release: 317/2013

COMPANIES THAT DECLARED FINAL DIVIDENDS IN 2012

Company	Final Dividend Per Share	Qualifying date	Book Closure	Payment Date
AYRTN	GH¢0.00125	Jun 25	Jun 26 - 27	Aug 8
AADS	GH¢0.0009			Apr 2
AGA	GH¢0.0900			Apr 2
BOPP	GH¢0.0770	Apr 23	April 24 - 26	May 10
CAL	GH¢0.035	Mar 22	Mar 25 - 26	Apr 30
CMLT	GH¢0.0060	Jun 26	Jun 27	Aug 30
EBG	GH¢0.29	Apr 10	Apr 11 - 18	May 10
EGL	GH¢0.016	May 17	May 20 - 22	Jun 28
ETI	0.4 US cents	Jul 5	Jul 5	Jul 19
FML	GH¢0.06	Apr 19	April 22 - 24	May 8
GCB	GH¢0.14	May 31	Jun 3 - 7	Jun 28
GOIL	GH¢0.015	Aug 15	Aug 16	Aug 30
MLC	GH¢0.015	Jun 25	June 26 - 28	July 19
PBC	GH¢0.0062	Mar 15	March 18 - 22	May 7
SCB	GH¢0.47	May 17	May 20 - 21	Jun 28
SOEGEH	GH¢0.04	Mar 22	Mar 25 - 26	May 15
SPL	GH¢0.0022	Sept 26	Sept 27	Oct 8
TBL	20 Butus	Apr 18	Apr 19	Apr 30
TOTAL	GH¢0.69	Jul 18	Jul 19 - 24	Jul 26
UNIL	GH¢0.2560	Apr 10	April 11 - 24	May 24
UTB	GH¢0.02	Apr 12	Apr 15 - 17	May 31

Listed Equities	% of Market Capitalization	Week	Week	Price	Weekly	Year-to-	P/E	Dividend	Return on	Price/	Price/	
		Opening	Closing	Change	Return	Date	Ratio	Yield	Assets	Book	Revenue	
		Price	Price	(GH¢)	(%)	Return		(%)	(%)	Value		
		(GH¢)	(GH¢)			(%)						
		06.01.14	10.01.14			10.01.14	10.01.14	10.01.14	10.01.14	31.12.12	10.01.14	10.01.14
ACI	0.004	0.06	0.06	-	-	-	-	-	-11.48	0.37	0.49	
AGA	23.96	37.00	37.00	-	-	-	-	0.24	-19.21	2.07	1.67	
ALW	0.02	0.05	0.05	-	-	-	-	-	-2.66	0.10	0.06	
AYRTN	0.06	0.17	0.18	0.01 ▲	5.88	5.88	20	0.69	4.94	1.90	3.26	
BOPP	0.18	3.21	3.21	-	-	-	18	2.40	10.29	2.63	3.94	
CAL	0.86	0.97	0.97	-	-	-	6	3.61	34.67	0.92	0.97	
CLYD	0.002	0.04	0.04	-	-	-	8	-	1.10	0.02	0.002	
CMLT	0.002	0.16	0.16	-	-	-	9	3.75	2.54	0.63	0.36	
CPC	0.07	0.02	0.02	-	-	-	-	-	-2.68	-7.77	0.66	
EBG	2.70	5.68	5.70	0.02 ▲	0.35	1.60	10	5.09	3.20	2.63	2.70	
EGL	0.39	1.88	1.88	-	-	-	5	0.85	7.91	0.40	0.65	
ETI	6.18	0.20	0.24	0.04 ▲	20.00	26.32	4	-	1.16	0.66	0.79	
FML	1.24	6.62	6.64	0.02 ▲	0.30	0.30	31	0.90	18.86	10.80	7.75	
GCB	2.10	4.85	4.91	0.06 ▲	1.24	1.24	7	2.85	4.16	3.42	2.73	
GGBL	2.11	6.20	6.20	-	-	-	-	-	9.59	6.11	4.17	
GOIL	0.36	0.89	0.89	-	-	-	16	1.69	5.52	3.20	0.03	
GSR	1.13	2.75	2.75	-	-	-	-	-	1.09	0.01	0.03	
GWEB	0.002	0.04	0.04	-	-	-	-	-	2.25	-0.60	2.48	
HFC	0.45	0.96	0.94	0.02 ▼	-2.08	-2.08	9	-	2.26	0.85	1.81	
MLC	0.03	0.38	0.38	-	-	-	11	3.95	1.66	0.19	0.29	
PKL	0.003	0.06	0.06	-	-	-	-	-	-35.20	-1.47	1.70	
PBC	0.13	0.17	0.17	-	-	-	6	3.65	0.92	1.48	0.21	
PZ	0.21	0.79	0.79	-	-	-	-	-	11.44	3.39	1.39	
SCB	2.80	14.94	15.00	0.06 ▲	0.40	0.40	9	3.13	4.14	0.71	0.77	
SIC	0.12	0.39	0.39	-	-	-	17	-	1.09	1.07	0.90	
SPL	0.005	0.03	0.04	0.01 ▲	33.33	-	8	-	6.14	1.04	0.64	
SOGEGH	0.40	0.75	0.75	-	-	-	7	5.33	2.40	1.37	1.92	
SWL	0.001	0.03	0.03	-	-	-	12	-	7.65	1.00	0.19	
TBL	0.11	0.35	0.35	-	-	-	9	-	2.11	2.55	0.01	
TOTAL	0.91	5.02	5.03	0.01 ▲	0.20	-0.59	14	13.72	8.16	0.68	0.07	
TRANSOL	0.004	0.03	0.03	-	-	-	16	-	11.50	-0.70	13.71	
TLW	51.18	34.98	34.98	-	-	-	24	-	7.10	5.94	13.49	
UNIL	1.83	18.10	18.10	-	-	-	47	1.41	12.68	33.26	4.84	
UTB	0.32	0.45	0.44	0.01 ▼	-2.22	-2.22	9	4.55	0.54	0.99	2.37	
Depository Shares												
AADS	0.08	0.52	0.52	-	-	-	-	0.17	-	-	-	
Preference Shares												
SCB-PREF	0.01	0.52	0.52	-	-	-	-	-	-	-	-	
ETF												
GLD		26.13	26.13	-	-	-	-	-	-	-	-	

Key ABL—Accra Brewery Ltd, ACI—African Champion Industries, AGA—AngloGold Ashanti Ltd, ALW—Aluworke 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, 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—Societe Generale 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 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