



# Fort \ 72 IQ

Region – Guyana

Asset Class – Banks DIH Equities

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*Risk Disclaimers: "Please note that the information presented in this report is classified under Fort 72's research program. Fort 72 is currently a shareholder in Banks DIH and therefore has analyzed and consolidated the company's data for evaluation. This report does not recommend nor promote any investment decisions, rather it should be used as additionally reference before investing in Banks DIH. If you have any doubts as to the merits of this report, please refer to the cited source.*

**Company Description** – Banks DIH Is a Guyanese conglomerate that specialize in the food and beverage industry, the company’s products range from soft drinks and alcoholic beverages to sweet and savory snacks. On the operations side of the business, Banks DIH manage fast food restaurants, bars, laundromat services, and hotels. Additionally, Bank DIH receives part of its revenue from Citizens Bank, a 51% beneficial interest, and Bank Automotive, an owned subsidiary.

**General Market** – Guyana’s economy continues to record the highest growth rate in the world on account of its new emerging Oil and Gas Sector, growing by 21.2 percent in 2021, following the growth of 43.5 percent recorded in 2020. (Demerara Distillers Limited, 2021, p.25)

**Industry Analysis** – This industry is going to be uptrend due to an increase in oil exports and a robust oil commodity prices, also demand for products will increase due the relaxing of COVID -19 pandemic restrictions including curfews, limitation on space for workers and more gathering of large groups of people and indoor events.

### **Annual Report Highlights:**

- Auditor – Jack A. Ali and Sons
- Earnings per share – \$8.44 GY
- Dividend –per share for 2021 was \$1.70 GY
- Total number of shares outstanding (thousand) – 849,862
- Effective tax rate – non -commercial / commercial (25%/ 40%)
- Social distribution matrix of revenue – operation 40%, employees 11%, Guyana revenue authority 32%, Shareholder 3%, Retained for future 14%

## Management's Shares

Ordinary Shares of No Par Value Banks DIH Ltd			
	Beneficial	Non Beneficial	Associates' Beneficial Interest
Clifford B. Reis	636,635	-	2,022,865
Roy E. Cheong	562,500	-	293,985
George G. Mc Donald	656,353	-	-
Michael H. Pereira	1,509,231	64,591	339,983
Paul A. Carto	567,911	-	567,911
Mohamed S. Hussein	610,180	-	-
Frances S. Parris	1,000	-	-
Ronald G. Burch-Smith	62,272	-	-
Melissa J. De Santos	2,465	-	-
Alester Cameron	2,800	-	-

## Institutional Shareholders

Demerara Life Group of Companies		
	No. of Shares	% Shareholding
2021	96,931,679	11.4
2020	96,931,679	11.4

  

Trust Company (Guyana) Ltd		
	No. of Shares	% Shareholding
2021	70,732,211	8.3
2020	75,851,215	8.9

  

Banks Holdings Ltd		
	No of Shares	% Shareholding
2021	50,046,155	5.9
2020	50,046,155	5.9

  

Hand-in-Hand Group of Companies		
	No of Shares	% Shareholding
2021	46,628,451	5.5
2020	45,768,132	5.4

## Fort \ 72 IQ Metrics:

*Note: The data used for our evaluation below is based on the company's annual report and GASCI sessions 899 - 951 for the fiscal year 2021 – 2022.*

Price movement: GY \$79.00 – GY \$153.50 (January 25<sup>th</sup>, 2021 – January 24<sup>th</sup>, 2022)

Price to earnings: 18.2

Dividend: GY \$1.70

Dividend yield: 1.107%

YOY dividend increase: 26%

Market Cap: GY \$130,453,817

## Guyana's Future Outlook:

According to the World Bank's latest Global Economic Prospects report, Global growth for 2022 is expected to come in at 4.1%, which is a few basis points lower than the recent 5.5% growth in 2021. These estimates are based on the possibility that COVID-19 will continue to disrupt economic and supply chain activities. Moreover, the global economy is faced with further uncertainty due to the tension between Ukraine and Russia causing sanctions on trade agreements and rising inflation.

However, those global pressures, position Guyana with the opportunity to surpass other countries that are directly faced by these factors. Instead, Guyana's economy continues to record the highest growth rate in the world on account of its new emerging Oil and Gas Sector, growing by 21.2 percent in 2021, following the growth of 43.5 percent recorded in 2020. (Demerara Distillers Limited, 2021, p.25)

In addition, it is estimated that there will be major investments by the Government of Guyana into public infrastructure such as power and human capacity buildings. The effects of these public policy measures are likely to contribute to additional growth in the domestic market as well as increased spending by local consumers, contributing to the overall GDP.

## Fort \ 72 Investment Thesis:

- Track record of growth
- Strong cash flow generation ability
- Recurring revenue streams in the franchising segment
- Diversified portfolio of companies in market
- Knowledgeable and committed team
- Well positioned for future growth based on country economic conditions

## Calendar of events:

- Next shareholder meeting is at Thirst Park, Georgetown January 2023

## References Page

Banks DIH (2022). *Annual Report 2021*. Retrieved from Banks DIH:  
<https://www.banksdih.com/sites/default/files/document/Banks%20Annual%20Report%202021.pdf>

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