

Fort \ 72 IQ



Region – Guyana

Asset Class – Sterling Products Limited

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Company Description – Sterling Products Limited is a manufacturing and distribution company for food products and chemical agents such as ice-cream, and detergents.

General Market – Fueled by the newly emerging oil and gas sector, Guyana's experienced a remarkable growth rate of 62.3% in 2022. Contributions from other major industries such as agriculture, forestry, and fishing accounted for 11.9% of the overall economic growth. On the contrary, the sugar industry faced major setbacks that resulted in an 18.9% decline as unprecedented floods in 2021 disrupted supply chains.

Despite the flourishing economic data in Guyana, the global economy faced pressure in 2022 as rising prices in both domestic and non-domestic sectors were caused by high inflation. The value of the United States Dollar remained constant at US\$1.00 = G\$208 during the second half of 2022. Looking forward, investors should closely monitor inflation and interest rates as they play a crucial role in determining the forecasted growth for 2023.

Industry Analysis – This industry is going to be uptrend due to an increase in oil exports and robust oil commodity prices. 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 – TSD Lal & Co
- Earnings per share – \$12.17
- Dividend – per share for 2022 was GYD \$6.75
- Number of shares outstanding – 15,271,320
- Effective tax rate – non -commercial / commercial 40%

Management's Shares

	Shares Held 31/12/2022	Shares Held 31/12/2021
Mr. Edward Anand Beharry	1	1
Mr.Paul Christopher Cheong	1	1
Mr.Suresh Edward Beharry	1	1
Mr.Raymond Ramsaroop	1	1
Mr. Andrew M.F.Pollard	1	1
Ms.Anna Lisa Fraser-Phang	5,625	5,625
Ramsay Ali A.A (2,000 shares are held jointly with associates)	3,500	3,500

From Pg.13 of Sterling Products Limited Annual Report 2022

DIRECTOR'S FEES PER ANNUM	2022 G\$	2021 G\$
Mr. Andrew.M.F. Pollard	1,800,000	1,800,000
Mr. Edward Anand Beharry	950,000	950,000
Mr. Paul Christopher Cheong	950,000	950,000
Mr. Suresh Edward Beharry	950,000	950,000
Mr. Raymond Ramsaroop	950,000	950,000
Ms. Anna Lisa Fraser-Phang	950,000	950,000

From Pg.13 of Sterling Products Limited Annual Report 2022

Institutional Shareholders

	No. of Shares	% Shareholding
Secure International Finance Co. Inc.		
2022	8,868,780	58.1
2021	8,868,780	58.1
Demerara Fire and General Insurance Company Ltd		
2022	1,098,345	7.1
2021	1,098,345	7.1

From Pg.13 of Sterling Products Limited Annual Report 2022

Fort \ 72 IQ Metrics

Note: The data used for our evaluation below is based on the company's annual report and GASCI session 964-1015 for the fiscal year 2022– 2023.

Price movement: GY \$335 - \$521

Price to earnings: 55.4

Dividend: GYD \$6.75

Dividend yield: 1.29%

YOY dividend increase: 3.8%

Market Capitalization: GY\$ 7,956,357,720

At price per share 521 from GASCI trading sessions #1015

Guyana's Future Outlook

According to the World Bank's latest Global Economic Prospects report, Global growth for 2023 is expected to come in at 1.7. These estimates are expected to be widespread based on debt burdens and weak investments.

Guyana's economy is poised to sustain remarkable growth due to its emerging Oil and Gas Sectors. As Guyana continues to investments in these sectors, the economy will continue to experience exceptional growth at an abnormal pace. Furthermore, the Government of Guyana is expected to inject substantial capital investments into public infrastructure, including power and human capacity buildings. The impact of these investments and public policy measures is likely to contribute to additional development in the Guyanese economy, thereby contributing to the country's GDP growth.

Fort \ 72 Investment Thesis

- Track record of growth
- Strong cash flow generation ability
- Diversified lender o companies in country
- No international exposure to the world economy
- Knowledgeable and committed team
- Well positioned for future growth based on country economic conditions

Calendar of events

References

Demerara Distillers (2022). *Annual Report 2022*. Retrieved from Demerara Distillers:

https://www.demeraradistillers.com/images/pdf/DDL_AnnualReport_2022.pdf

Sterling Products Limited (2023). *Annual Report 2022*. Retrieved from Sterling Guyana: <https://sterlingguyana.com/2022-annual-report/>