WISE

Equity Research: Trinidad & Tobago

Readymix (West Indies) Limited
RML

HY08 Results

Date	19-Aug-08
Recommendation	**BUY**
Price (TT$)	31.50
Target Price (TT$; 12 months)	38.00
52 week high - low (TT$)	31.50 - 7.00
Market cap. (TT$MM)	378.0
Float cap. (TT$MM)	88.1

Earnings Per Share

For the Half Year Ended June 30, 2008, Readymix (West Indies) Limited (RML) reported Earnings Per Share (EPS) of $1.85. This represented an increase of 15.6 per cent or 25 cents on the comparable period of fiscal 2007. Q208 on Q207, RML's EPS grew an outstanding 31.3 per cent or 25 cents from $0.80 to $1.05.

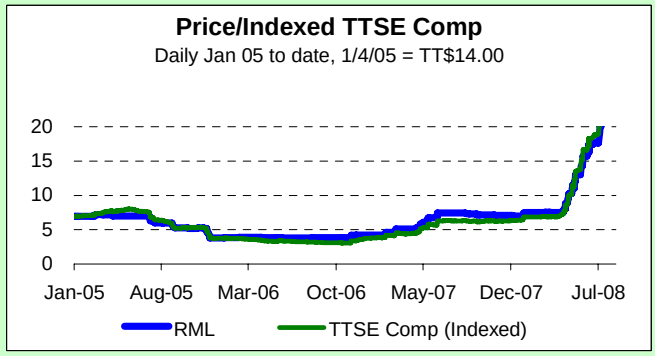
Financials

- Revenue, up 3.3 per cent or $5.0 million to $158.9 million
- Operating Profit, up 14.3 per cent or $4.0 million to $31.9 million
- Net Finance Costs, down 36.2 per cent or $0.7 million to $1.2 million
- Profit After Taxation, up a significant 16.0 per cent or $3.1 million to $22.3 million

Recommendation

The Directors expect a good second half performance and continued profitability for the remainder of the year.

We have forecasted an EPS of $3.80 for FY08. At the current price of $31.50 and this forecasted EPS, RML is trading at a price to earnings multiple of 8.3 times. While we continue to recommend a BUY on this share, we remind clients that approximately 80 per cent of the issued share capital of this company is secured by substantial interests. Hence it may be difficult to obtain this share.



On 12/31/04 the TTSE Comp was at 1,074.

Period	YE08E	YE07A	YE06A	Chnge. %
($MM)				
Revenue		295	259	13.9%
Operating Profit		55	28	96.4%
Net Finance Costs		(4)	(5)	-20.0%
PBT		52	23	126.1%
EPS	**3.80**	3.16	1.29	145.0%
- Q1	**0.80**	0.77	0.03	2466.7%
- Q2	**1.05**	0.83	0.18	361.1%
- Q3		0.74	0.47	57.4%
- Q4		0.82	0.61	34.4%

Period	Q308E	Q208A	Q207A	Chnge. %
($MM)				
Revenue		86	83	3.6%
Operating Profit		18	14	28.6%
Net Finance Costs		(1)	(1)	0.0%
PBT		17	13	
EPS (Diluted)		1.05	0.83	26.5%

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