



Commonwealth Brewery Limited (CBB)

Key Ratios & Statistics Sector: Consumer Goods

	Q1 2022	Q1 2021
Symbol	CBB	CBB
Current Price	\$7.90	\$4.40
Market Capitalization	\$237.00	\$132.00
Shares Outstanding (millions)	30.00	30.00
Financials [in millions]		
	Q1 2022	Q1 2021
Sales	\$26.12	\$21.79
Raw Materials	\$18.40	\$15.62
Gross profit	\$7.72	\$6.17
Total Expenses	\$6.09	\$5.90
Net operating profit	\$1.58	-\$0.16
Net Income to ordinary shareholders	\$1.29	-\$0.28
Operating cash flow	\$3.13	\$1.72
Total Assets	\$98.26	\$92.36
Profit Margins		
	Q1 2022	Q1 2021
Gross Profit Margin	29.56%	28.32%
Operating Profit	6.04%	-0.75%
Net Profit Margin	4.95%	-1.33%
ROAA	10.28%	-1.48%
ROAE	14.76%	-2.29%
Asset/Capital Ratios		
	Q1 2022	Q1 2021
Inventory Turnover	0.77x	0.58x
Current Ratio	2.07x	1.35x
Total Assets to Total Debt	3.72x	2.93x
Debt to Equity Ratio	0.37x	0.52x
Per Share Data		
	Q1 2022	Q1 2021
Market Price	\$7.90	\$4.40
Book value	\$2.40	\$2.03
Operating cash flow	\$0.10	\$0.06
Earnings TTM	\$0.33	-\$0.05
Dividend TTM	\$0.00	\$0.00
Value Measures		
	Q1 2022	Q1 2021
Price to book ratio	3.30x	2.17x
Price to operating cash flow	75.71x	76.90x
Price to earnings	24.19x	NM
Capital Appreciation	79.55%	-27.99%

Earnings Report Q1 2022:

Key Performance Highlights:

- ⇒ Revenue increased to \$26.12m, from \$21.79m in Q1 2021.
- ⇒ Net Income increased to \$1.29m, from -\$0.28m in Q1 2021.
- ⇒ Cost of Raw Materials increased to \$18.40m, from \$15.62m in Q1 2021.

CBB saw a significant increase in net income to \$1.58m from -\$0.16m in 2021, as the company continues to recover from the impact of Covid-19. Sales increased by \$4.32m, while cost of goods sold increased by \$2.78m, leading to a 25.05% increase in gross profit. This was all positive news as CBB was one of the companies hardest hit by the pandemic as retail sales decreased and the tourism sector ground to a halt, which both significantly reduced revenue.

Profit metrics improved as gross, operating and net profit margins all increased in the most recent quarter. CBB is poised to continue its recovery in 2022 with the only issue being that rising inflation may have a negative impact on input costs which drive up prices, potentially leading to lower profit margins. It is too early to determine if this will happen but it is worth watching. The reopening of the tourism sector will significantly improve revenues. Overall we are pleased with the recovery the company has shown over the past year and expect it to continue in the near future.

This rebound in performance can be seen in the movement of the stock price, from a price of 4.40 in Q1 2021 to 7.90 by Q1 2022. There is room for the stock to increase but the main driver will be continued recovery and the potential for a reintroduction of dividend payments. The last time a dividend was distributed to common shareholders was FY18.

