

6 November 2014

Namibia Asset Management	Current Price (c)	65
FY14 Initial Impression		

Year End 30 September	2011	2012	2013	2014	Recommendation	BUY
Revenues (N\$m)	45.5	41.6	63.8	80.4	NSX Code	NAM
Profit/(Loss)(N\$m)	4.8	8.0	10.5	12.6	No of shares (m)	169.5
HEPS (c)	2.9	4.6	6.0	7.5	Mkt cap (N\$m)	130
HEPS growth (%)	0.9	61.1	28.9	24.6	Free float (%)	52
P/E (x)	10.3	6.5	5.0	3.7	52 week high	65
DPS (c)	3.0	4.0	4.0	5.5	52 week low	30
Dividend Yield (%)	4.6	6.2	7.7	8.5		

Source: NAM, IJG

FY14 Financial Results

Namibia Asset Management (NAM) released its results for the financial year ended 30 September 2013. The company reported increased profitability with Basic and Diluted EPS both rising by 24.6%/y. NAM declared a dividend 5.5cps, with last day to trade 14 November 2014. Some salient points are:

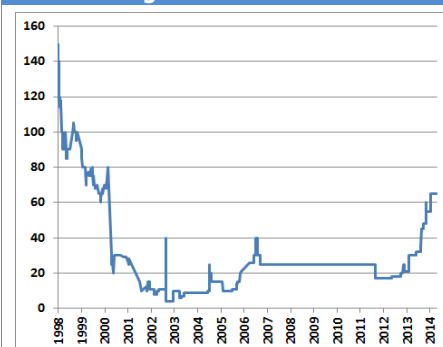
- Revenue increased by 26.0% in FY14, to N\$80.5m from N\$63.8m. This stemmed from strong growth in assets under management (AUM), which increased 19.0%, or N\$2.9bn, to N\$18.2bn.
- Total comprehensive income rose by 23.6% to N\$13.0m from N\$10.5m reported for FY13.
- Institutional AUM have increased by 16.4% from N\$13.4bn in FY13 to N\$15.6bn at the end of FY14. This performance was on the back excellent investment performance across all portfolios and good inflows during the period.
- Retail AUM increased 31.6% to N\$1.9bn again on excellent performance and flows.
- The company managed to increase return on equity from 53.9% to 59.9%.
- NAM sits on strong balance sheet with cash and equivalents amounting to N\$9.7m, representing approximately 34% of the company's total assets and in our view increasing the probability for a special dividend in the near future.

Valuation and recommendation

In the results statement, NAM highlighted that the outlook on the macroeconomic environment remains uncertain although recent US economic statistics have positively surprised. However, risks around Europe and China continue to increase and recent data confirms that growth is slowing.

We are currently reviewing our NAM valuation model; and thus leave our recommendation of a BUY on the stock, unchanged. This is largely due to the strong growth in headline earnings, and resultant share price moves, as well as the very attractive dividend yield of 8.5% and the positive economic outlook for Namibia, despite the global weakness. We will release a detailed report and updated forecasts following management discussions.

NAM Closing Price



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