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Featured Stock: (WIG)

Wigton Windfarm Limited (WIG),
Opening price – \$0.79 Price to book – \$2.54 times;
P/E – 16.94 times

This week's stock pick is Wigton Windfarm Limited (WIG), which is the largest wind energy facility in the English-speaking Caribbean. Located in Rose Hill, Manchester, the wind farm currently comprises three plants, the 20.7 MW Wigton I, which began operating in 2004 and Wigton II, an 18 MW extension facility that was commissioned in 2010 and Wigton III, a 24 MW facility commissioned in 2016.

Wigton Windfarm Limited (WIG) reported sales of \$1.83 billion (2018: \$1.95 billion) for the nine months ended December 31, 2019. WIG noted that, "the lower revenues are directly related to a 25.6% decreased in production in the current reporting quarter due to a decline in average wind speed from 8 meters per second in 2018 to 7 meters per second in 2019." Cost of Sales for the nine months ended December 2019 amounted to \$592.14 million, resulting in a gross profit of \$1.24 billion for the nine months period. Other Income for the nine months fell by 50%, amounting to \$233.57 million. General expenses was \$266.40 million for the period under review. Consequently, operating profit closed at \$1.20 billion (2018: \$1.63 billion). There was finance cost of \$511.96 million, which resulted in a profit before tax of \$691.62 million (2018: \$746.07 million). WIG after incurring tax charges of \$165.99 million, booked net profit of \$525.63 million (2018: \$567.02 million).

Notably, Wigton mentioned that, "For 2020 and beyond, WWFL's key objective is to expand its operation beyond wind energy generation in order to increase its revenue base and add value for its shareholders. In order to drive growth and expansion, the company is broadening the scope of its commercial propositions to include energy facility development and construction, project management, operations and maintenance management, innovative project financing as well as enhanced training and development services."

Additionally, WIG (as at Friday June 19, 2020) was trading at 2.54 times its book value with a P/E of 16.94 times.

Our weekly pick features a stock currently held in the Mayberry Managed Equity Portfolio (MMEP). For more information on the MMEP, please contact your investment advisor today.

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