

MMJ Group Holdings Ltd

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MMJ Group shares starting to close the gap on discount to NTA

MMJ Group Holdings Ltd (ASX:MMJ) has calculated its net tangible assets (NTA) per share as 38.5 cents post-tax as at 31 May 2019.

The NTA of a company is used to as a valuation metric and with MMJ shares trading at 24.5 cents, the share price represents a 63.6% discount to MMJ's NTA.

MMJ's publicly listed portfolio holdings are Harvest One Inc (CVE:HVT), Medipharm Labs Inc (CVE:LABS) and Fire & Flower Holdings (CVE:FAF) - and it has nine unlisted investments in the portfolio.

At the beginning of the year, MMJ's post-tax NTA was calculated at 22.35 cents illustrating the growth in NTA to date in 2019.

READ: MMJ Group reveals share buyback plan and appoints Embark Ventures as investment manager

Last week, MMJ revealed a share buy-back and updated the market on its dividend policy.

The company plans to buy-back up to 10 million shares on-market over the next 12 months as part of its active approach to capital management.

Given the discount the shares are trading to NTA, the board have determined that an on-market buyback of MMJ shares is a meaningful value accretive use of its funds.

Regarding the dividend policy, MMJ intends to distribute 20% of its annual profit after tax excluding unrealised gains and losses on investments from FY20 onwards.

The dividend would be payable within three months of each half year after the completion of the half year and annual financial statements.

It is MMJ's intention that the dividend would benefit from available franking credits held by the company.

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No investment advice

Price: 0.15

Market Cap: \$34.52 m

1 Year Share Price Graph



Share Information

Code: MMJ

Listing: ASX

52 week High Low
0.31 0.14

Sector: Cannabis

Website: www.mmjgh.com.au

Company Synopsis:

MMJ Group Holdings Ltd (ASX:MMJ), formerly known as MMJ Phytotech Ltd, owns a portfolio of minority investments and aims to invest across the full range of emerging cannabis-related sectors. The company is listed on the Australian Securities Exchange.

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