



News Release

GRACEKENNEDY CONTINUES TO RECORD SIGNIFICANT GROWTH IN 2020

Revenues up J\$9.09 billion or 11.8%; Profit before Tax up 51.5%

Kingston, Jamaica, November 5, 2020 – In the release of its results for the third quarter of 2020, the GraceKennedy Group has announced significant improvements in its performance compared to the corresponding period last year, marked by considerable increases in revenues and net profit.

For the three-month period ending September 30, 2020 the Group achieved revenues of J\$29.59 billion and net profit of J\$1.88 billion, compared to the same period in 2019, which registered J\$25.54 billion in revenue and J\$1.44 billion in net profit. Profit before tax for the third quarter of 2020 period has also increased by 48.8% or J\$914.1 million over last year. GK's revenue for the nine-month period ended September 30, 2020 now stands at J\$86.1 billion, an increase of 11.8% or J\$9.09 billion over the corresponding period in 2019. A 77.8% increase in profit before other income to J\$5.12 billion has also been reported, an increase of J\$2.24 billion compared to the same period in 2019. GK's profit before tax for the nine months ending September 30 also registered an increase of 51.5% to J\$7.31 billion, which is J\$2.49 billion higher than the same reporting period in 2019; and net profit after tax increased by J\$1.22 billion to J\$4.93 billion, an increase of 32.9%. Earnings per stock unit over the nine-month period was J\$4.47, and stockholders' equity increased by J\$4.17 billion to J\$56.5 billion.

Group CFO, Andrew Messado has announced a dividend payment of 55 cents per stock unit, payable on December 15, 2020 totalling approximately J\$545 million.

According to Group CEO, Don Wehby, GraceKennedy is on track to meet its financial targets this year. Discussing the Group's strong performance for the reporting period Mr Wehby explained, "GraceKennedy is performing extremely well in the face of market uncertainty caused by COVID-19. We have undertaken several risk management initiatives and have significantly improved our operating efficiency. We are also offering several new delivery channels for our products and services."

Mr Wehby also spoke to GK's ongoing support of the communities in which it operates during the pandemic, "COVID-19 is an ongoing and constantly evolving crisis and we will certainly be living with its effects for a long time. Now more than ever, we recognize the importance of supporting the communities we serve around the world as we navigate this challenging period in our history," said Wehby.

In keeping with the Group's focus on youth and education, last month the GK Foundation awarded J\$21.5 million in scholarships to 92 Jamaican tertiary students for the 2020-2021 academic year. This year, the GK Foundation has also provided food packages worth J\$7.5 million to students of UWI and UTech through its GK Campus Connect Food Bank. The Grace & Staff Community Development Foundation has also continued to provide community support throughout the pandemic through a series of initiatives including the GK Cares – Tools for Schools programme which purchased over 200 tablets and laptops valued at over J\$5 million for students and teachers ahead of the 2020/21 school year. On the heels of that donation, Group CEO Don Wehby recently announced that GK will be donating a further J\$5 million

**Released by the GraceKennedy Corporate Communication Department
GraceKennedy Limited**

73 Harbour Street, P.O. Box 86, Kingston, Jamaica, West Indies
Telephone: (876) 922 3440 Facsimile: (876) 948 3073
Website: www.gracekennedy.com

worth of digital devices to schools later this year, bringing the total value of GK's donation of devices for 2020 to over J\$10 million.

"The strength and commitment of our GK team members has never been more evident as it has been throughout the pandemic, and for this we are truly grateful. Our team has been working hard and making significant personal sacrifices to ensure that our customers continue to receive the high standard of goods and service from GraceKennedy that they are accustomed to," said Wehby.

Both GraceKennedy's local and international food businesses recorded strong performances when compared to the corresponding period in 2019, with notable improvements in revenue, operating margins and pre-tax profits, driven by higher sales in core products, elevated demand and expanded distribution channels. Locally, GK's chain of supermarkets, Hi-Lo Food Stores recorded notable increases in revenue and year-to-date profitability. GK has announced that it will continue upgrades to its Hi-Lo locations in 2021 and will relocate to a brand-new location in Negril. The Group's manufacturing segment also recorded strong performance as the Company continues to improve efficiencies through innovation and fostering strategic partnerships. GK has also increased its purchase of local produce, bolstering its support of Jamaican farmers who are experiencing reduced demand due to the pandemic.

In the international market, GraceKennedy Foods (USA) LLC recorded particularly strong growth, exceeding revenue and profit before tax targets for the third quarter of 2020; and as lockdown measures temporarily eased across the Atlantic, Grace Foods UK's performance also reflected encouraging revenue growth, with the Nourishment brand continuing to show recovery.

The GraceKennedy Financial Group (GKFG) also recorded significant growth in both revenue and profits over the comparable period last year, attributable to the strong performance of its insurance and money services businesses. GK's Money Services segment recorded a significant increase in pre-tax profit compared to the corresponding nine-month period of 2019 driven by the Group's digital transformation strategy. Year-to-date GK Money Services has recorded an increase of over 220% in the number of customers registered digitally, and a 400% increase in Western Union digital transactions. GK opened its first cashless digital GKONE store at its Downtown Kingston headquarters in July, and a new GKONE location in Port Maria was opened in September, bringing the total number of GKONE locations in Jamaica to 15.

GK's insurance segment also recorded a significant increase in revenue compared to the corresponding nine-month period in 2019, reporting that its new acquisition, Key Insurance, is producing encouraging results under the leadership of its new management team. Within GKFG's Banking and Investments segment, First Global Bank recorded growth in its loan and deposit portfolios as the bank continues to focus on business development and building customer relationships.

In the third quarter of 2020 GK established two new business units - Digital Transformation and Mergers & Acquisitions – as part of its strategic growth initiatives.

"I take this opportunity to thank all our stakeholders for their continued support of GraceKennedy as we continue to navigate these unprecedented times arising from the COVID 19 pandemic. I would also like to encourage that all of us continue to look out for one another and take the necessary steps to stop the spread of the virus. We will get through these difficult times stronger together," said Wehby.

An investor briefing to discuss the Group's third quarter results will be hosted virtually by GK on November 16, 2020; details to follow.

Contact: **Suzanne Stanley**
 Head of Corporate Communications
 (876) 932-3174; (876) 809-1121