



EVERYTHING FRESH LIMITED
REPORT TO THE SHAREHOLDERS
FOR THE QUARTER ENDED 31 MARCH, 2021

The Directors hereby present the unaudited financial statements for the first quarter ended 31 March 2021 which have been prepared in accordance with International Financial Reporting Standards (IFRS).

For the first Quarter of 2021, the Company reported a Net Loss of \$27.6 million.

During 2020 our company took the strategic decision to reduce our reliance on the hotel sector and increase our sales efforts in the supermarket and restaurant sectors. This initiative has increased the customer base and led to additional new product lines. As a result of this, sales to these sectors grew by 71% in the first quarter of 2021 as compared with same quarter in the previous year. During the first quarter of 2020, sales to the hotel sector were strong up until Mid-March when that sector began shutting down due to the Covid-19 pandemic. Throughout the first quarter of 2021 sales to the hotel sector contributed to only 35% of the total sales of the Company, down from over 80% in the same quarter of the previous year. Following on this our sales of \$195.6 million in this quarter represents a reduction of 61% in total sales when compared to the same quarter of the previous year.


The change in our customer mix saw gross margins in our Trading division improve from 14% in the first quarter of 2020 to 23% in the first quarter of 2021. Overall, Gross margins for the total company increased from 15% in the first quarter of 2020 to 23% in the first quarter of 2021.

Administrative and selling expenses fell by 14% to \$67.3 million in this quarter down from \$78.3 million in the same quarter of the previous year. This is a result of the decrease in production and delivery activities arising from the reduced demand from the hotel sector.

Finance costs declined by 37% to \$5.3 million this quarter down from \$8.4 million in the comparative quarter from the previous year. This was a result of the improved working capital management between the two periods. Inventory shrunk from \$393.8 million to \$225.3 million. Receivables reduced from \$300.3 million to \$156.3 million. Correspondingly, total liabilities also fell, contracting from \$536.1 million to \$378.9 million at the end of March 2021.

Outlook

There are positive signs that the hotel sector is beginning to recover as the recently concluded Easter (Spring) period reflected an increase in arrivals and occupancy. It is expected that by summer the majority of US citizens will be fully inoculated against the Covid 19 virus and hotel occupancy in Jamaica is expected to rise significantly in the second half of 2021. This year we expect to significantly reduce non-profitable components of our business as well as to continue growing sales in retail. The foundation has been laid to begin the turnaround of the business in the coming quarters.



Courtney Pullen
Managing Director