



Wisynco Group Limited
Interim Report (Unaudited)
3rd Quarter ended
31 March 2021

Wisynco Group Limited (Wisynco) – Interim Report to Stockholders

The Directors present the unaudited financial results for the third quarter ended March 31, 2021, which have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

Revenues for the quarter from continuing operations of \$7.6 billion represented a decrease of 6% below the \$8.1 billion achieved in the corresponding quarter of the previous year. The surge in Covid cases during January and February and the Government of Jamaica implemented curfews resulted in business activities being slower than anticipated, although we did see stronger than expected March Revenues.

Vaccinations have continued in earnest especially in the USA and the UK and we are seeing strong signs indicating a positive bounce-back in the Tourism industry and increases in the number of visitors who are expected to come to Jamaica in the months ahead. We have also seen some positive recovery in our Food Service business (inclusive of hotels and restaurants) which we expect to continue.

The expansion of our production facilities over the years have given us the flexibility to increase capacity and during this quarter we recommenced production of Bigga for the UK market at Wisynco. Our growth in the UK for the Bigga brand has been very good and, in the past, we licensed the production of Bigga in the UK to ensure availability. We are proud to therefore bring this production back to Jamaica and look forward to continue growing the UK and all our other export markets. Exports were up 50% in Q3 and 28% for the year to date.

Gross Profit for the quarter of \$2.6 billion was the same as the corresponding quarter of the previous year. Our Gross Margin at 34% was higher than the 32% in prior year and this was due primarily to better cost efficiencies which include our Cogeneration activities, as well as better than expected sales of our higher margin beverages in March.

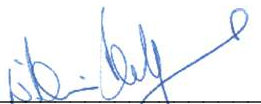
Selling, Distribution & Administrative (SD&A) expenses for the quarter totaled \$1.9 billion or 9.3% less than the \$2.1 billion for the corresponding quarter of the prior year. This expense reduction of \$191.9 million for the quarter brings our year to date cost reduction to \$694.1 million. Our expense to sales ratio for the quarter was 24.7% which was slightly higher than expected due to the lower Revenues achieved, however they were 90 basis points improved compared to the 25.6% for the same prior year quarter. Year to date the SD&A expenses to sales ratio was 23.7% compared to 25.0% in the prior year an improvement of 130 basis points with the year to date having a lower Revenue base than the prior year and we congratulate our management and team members on this achievement.

Profit before Taxation for the quarter from continuing operations was \$813.4 million, which was \$161.9 million or 25% higher than the comparative quarter of the prior year, and the year to date was \$2.7 billion, the same as that realized in Q3 2020. After provision for taxes, Wisynco recorded Net Profits Attributable to Stockholders from continuing operations of \$672.6 million or 18 cents per stock unit for the quarter which compared to the \$580.3 million earned for the prior year, and 3c greater per stock unit after discontinued operations. On a year to date basis our earnings per stock unit from continuing operations are 59c per stock unit compared to 58c per stock unit for the prior year.

Our Balance Sheet remains strong with a favourable current ratio and very good return on equity and return on asset ratios. We continue our review of investments for expansion and for cost-effective technologies to improve our costs of operations.

We want to recognize the passing of valued team members during the course of the quarter, including our past Chairman and one of our founders Mr. Joseph Mahfood.

We express our sincere gratitude to all our team members who continue to do their very best for their company. To all our customers and consumers we remain thankful for your continued support and wish everyone good health.



William Mahfood
Chairman


Andrew Mahfood
Chief Executive Officer

Wisynco Group Limited
Group Statement of Comprehensive Income
Nine months ended 31 March 2021

	Quarter ended 31 March 2021 \$'000	Quarter ended 31 March 2020 \$'000	Nine months ended 31 March 2021 \$'000	Nine months ended 31 March 2020 \$'000
Revenue	7,595,886	8,081,191	23,639,470	25,187,029
Cost of sales	(5,015,650)	(5,495,908)	(15,507,489)	(16,411,719)
Gross Profit	2,580,236	2,585,283	8,131,981	8,775,310
Other operating income	30,135	32,985	108,303	95,738
Selling and distribution expenses	(1,537,871)	(1,713,230)	(4,581,238)	(5,263,800)
Administration expenses	(339,085)	(355,638)	(1,029,727)	(1,041,269)
Operating Profit	733,415	549,400	2,629,319	2,565,979
Finance income	117,092	141,166	184,948	212,238
Finance costs	(30,344)	(41,839)	(107,059)	(118,968)
Share of results of associate	(6,721)	2,788	(27,549)	6,011
Profit before Taxation	813,442	651,515	2,679,659	2,665,260
Taxation	(140,809)	(71,219)	(465,290)	(492,737)
Profit for the period from continuing operations	672,633	580,296	2,214,369	2,172,523
Profit from discontinued operations	4	-	-	165,375
Net Profit	672,633	580,296	2,214,369	2,337,898
Other Comprehensive Income				
Items that may be subsequently reclassified to P&L:				
Exchange differences on translation of foreign subsidiary	22	(1,131)	(270)	(1,303)
Share of other comprehensive income of associate	(2,128)	-	14,021	-
Items that may not be subsequently reclassified to P&L:				
Unrealised gains on investment securities	5,420	24,993	10,553	47,811
Total Comprehensive Income	675,947	604,158	2,238,673	2,384,406
Net Profit attributable to:				
Stockholders of Wisynco Group Limited	672,633	580,296	2,214,369	2,337,898
Total Comprehensive Income attributable to:				
Stockholders of Wisynco Group Limited	675,947	604,158	2,238,673	2,384,406
Earnings per stock unit from continuing and discontinued operations attributable to stockholders of the group				
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From continuing operations	\$0.18	\$0.15	\$0.59	\$0.58
From discontinued operations	\$0.00	\$0.00	\$0.00	\$0.04
	\$0.18	\$0.15	\$0.59	\$0.62

Wisynco Group Limited
Group Statement of Financial Position
31 March 2021

		Unaudited March 31 2021 \$'000	Unaudited March 31 2020 \$'000	Audited June 30 2020 \$'000
	Note			
Non-Current Assets				
Property, plant and equipment		6,730,267	7,205,072	7,088,491
Intangible asset		20,771	53,996	32,162
Investment in associate	5	590,739	599,972	604,267
Loans receivable		198,326	167,600	175,932
Investment securities		541,052	370,273	131,253
		8,081,155	8,396,913	8,032,105
Current Assets				
Inventories		2,793,551	3,060,264	3,316,760
Receivables and prepayments		2,673,357	3,138,399	2,528,374
Due from parent company		130	-	-
Investment securities		217,256	426,877	447,267
Cash and short-term deposits	6	6,897,541	4,354,640	4,950,743
		12,581,835	10,980,180	11,243,144
Current Liabilities				
Trade and other payables		2,923,493	3,576,101	3,339,033
Short-term borrowings		768,373	562,688	702,393
Lease Liability		26,501	-	73,966
Taxation payable		329,177	439,418	437,338
		4,047,544	4,578,207	4,552,730
Net Current Assets		8,534,291	6,401,973	6,690,414
		16,615,446	14,798,886	14,722,519
Shareholders' Equity				
Share capital		1,192,647	1,192,647	1,192,647
Other reserve		324,573	203,978	248,534
Translation reserve		61,886	29,989	48,135
Retained earnings		13,324,826	11,358,452	11,485,457
		14,903,932	12,785,066	12,974,773
Non-current Liabilities				
Deferred tax liabilities		155,647	213,511	155,647
Borrowings		1,476,623	1,800,309	1,546,947
Lease Liabilities		79,244	-	45,152
		1,711,514	2,013,820	1,747,746
		16,615,446	14,798,886	14,722,519


William Mahfood
Chairman


Andrew Mahfood
Chief Executive Officer

Wisynco Group Limited
Group Statement of Changes in Equity
Nine months ended 31 March 2021

	Number of Shares	Share Capital \$'000	Capital Reserves \$'000	Retained Earnings \$'000	Translation Reserve \$'000	Total Equity \$'000
Balance as at 1 July 2019	3,750,000,000	1,192,647	130,832	9,733,054	29,048	11,085,581
Net profit	-	-	-	2,337,898	-	2,337,898
Unrealised gain on investments	-	-	73,146	-	-	73,146
Exchange differences on translating foreign subsidiary	-	-	-	-	941	941
Total comprehensive income	-	-	73,146	2,337,898	941	2,411,985
Transactions with Owners:						
Dividends paid	-	-	-	(712,500)	-	(712,500)
	-	-	73,146	1,625,398	941	1,699,485
Balance at 31 March 2020	3,750,000,000	1,192,647	203,978	11,358,452	29,989	12,785,066
Balance as at 1 July 2020	3,750,000,000	1,192,647	248,534	11,485,457	48,135	12,974,773
Net profit	-	-	-	2,214,369	-	2,214,369
Changes in fair value of equity instruments measured at fair value through other comprehensive income	-	-	10,553	-	-	10,553
Changes in share-based expenses	-	-	65,486	-	-	65,486
Share of other comprehensive income of associate	-	-	-	-	14,021	14,021
Exchange differences on translating foreign subsidiary	-	-	-	-	(270)	(270)
Total comprehensive income	-	-	76,039	2,214,369	13,751	2,304,159
Transactions with Owners:						
Dividends paid	-	-	-	(375,000)	-	(375,000)
Balance as at 31 March 2021	3,750,000,000	1,192,647	324,573	13,324,826	61,886	14,903,932

Wisynco Group Limited
Group Statement of Cash Flows
Nine months ended 31 March 2021

	Nine Months ended 31 March 2021 \$'000	Nine Months ended 31 March 2020 \$'000
Net profit from operations:		
Continued Operations	2,214,369	2,172,523
Discontinued Operations	-	165,375
Items not affecting cash:		
Share of results of associate	27,549	(6,011)
Depreciation	782,824	831,615
Fixed assets written-off	-	115,716
(Gain)/Loss on sale of property, plant and equipment	(973)	105
Loss on sale of investment	85	-
Amortisation of intangibles	17,477	41,182
Long term investment plan (LTIP) expense	65,486	-
Interest income	(135,229)	(106,279)
Dividend income	(699)	(647)
Interest expense	113,298	110,233
Taxation expense	465,290	492,737
Exchange differences on foreign currency balances	(36,907)	(4,038)
	3,512,570	3,812,511
Changes in operating assets and liabilities:		
Inventories	523,209	165,422
Receivables and prepayments	(145,113)	(552,880)
Trade and other payables	(78,040)	264,756
Cash generated from operations	3,812,626	3,689,809
Taxation paid	(573,451)	(498,288)
Cash provided by operating activities	3,239,175	3,191,521
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(424,600)	(1,491,387)
Purchase of intangible assets	(6,086)	(21,275)
Purchase of investments	(463,034)	(252,843)
Net proceeds from deposit held over 90 days	1,057,067	522,837
Proceeds on disposal of property, plant and equipment	973	1,378
Proceeds from sale of investments	308,725	-
Dividend received	699	647
Interest received	135,826	106,279
Cash provided by/(used in) investing activities	609,570	(1,134,364)
Cash Flows from Financing Activities		
Interest paid	(114,038)	(135,500)
Proceeds from long term loan	500,000	-
New finance lease commitment	55,739	-
Long-term loans repaid	(496,463)	(412,537)
Lease liabilities repaid	(69,112)	-
Dividend paid	(712,500)	(712,500)
Cash used in financing activities	(836,374)	(1,260,537)
Effects of changes in foreign exchange rates	(3,405)	28,661
Increase in cash and cash equivalents	3,008,966	825,281
Cash and cash equivalents at beginning of period	3,637,130	3,415,897
Cash and Cash Equivalents at end of period	6,646,096	4,241,178

Wisynco Group Limited
Notes to the Interim Financial Statements
31 March 2021

1. Basis of preparation

These financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* and should be read in conjunction with the annual financial statements which have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The financial statements have been expressed in Jamaican dollars unless otherwise indicated.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets.

2. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses and whose operating results are regularly reviewed by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment. Operating segments are reported in a manner consistent with the internal reporting to the CODM. The CODM is the Chief Executive Officer (CEO).

The CODM regularly reviews local versus export sales, however, the export sales do not meet the threshold of a reportable segment under IFRS 8 and as such no separate segment information is presented. There are no individual customers that constitute more than 10% of total revenue and the CODM does not review assets on a segment basis.

3. Earnings per stock unit

Earnings per stock unit is calculated on net profit and is based on the weighted average number of ordinary stock units in issue.

	Quarter ended March 31 2021	Quarter ended March 31 2020	Nine months ended March 31 2021	Nine months ended March 31 2020
Net profit attributable to ordinary stockholders (\$'000)	672,633	580,296	2,214,369	2,337,898
Earnings per stock unit from continuing and discontinued operations attributable to stockholders of the group				
From continuing operations	\$0.18	\$0.15	\$0.59	\$0.58
From discontinued operations	\$0.00	\$0.00	\$0.00	\$0.04
Basic earnings per stock unit	\$0.18	\$0.15	\$0.59	\$0.62

Wisynco Group Limited
Notes to the Interim Financial Statements
31 March 2021

4. Profit from Discontinued Operations

On 31 December 2019, the Company ceased operations of the manufacturing of foam products due to the January 1, 2020 ban on styrofoam products by the government.

The financial performance and cash flow information presented at March 31, 2021.

	Nine months ended	Nine months ended
	31 March 2021	31 March 2020
	\$'000	\$'000
Revenue	-	945,035
Cost of sales	-	(664,111)
Gross profit	-	280,924
Other operating expense	-	(115,716)
Profit before taxation	-	165,208
Taxation	-	(25,472)
Profit for the period from discontinued operations	-	139,736

	Nine months ended	Nine months ended
	31 March 2021	31 March 2020
	\$'000	\$'000
Operating cash flows, being net cash flows	-	286,118

5. Investment in Associate

	2021 \$'000
At July 1st 2020	604,267
Amounts recognized in other comprehensive income	14,021
Amounts recognized in profit & loss	(27,549)
Amounts recognized in the Statement of Financial Position	590,739

The Company owns 30% of the share capital in JP Snacks, which is the manufacturer of St. Mary's Snacks.

JP Snacks is a private company and there is no quoted market price available for its shares.

There are no contingent liabilities relating to the Company's interest in JP Snacks.

Wisynco Group Limited
Notes to the Interim Financial Statements
31 March 2021

6. Cash and Short Term Deposits

	Nine months ended March 31 2021 \$'000	Nine months ended March 31 2020 \$'000
Cash and bank balances	2,431,301	2,440,614
Short term deposits	4,466,240	1,914,026
	<hr/>	<hr/>
Bank overdraft	(106,826)	(113,462)
Balances with maturity dates over three months	(144,619)	-
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	6,646,096	4,241,178

7. Subsequent Events

The Directors confirm that there have been no material events subsequent to the end of the interim reporting period that have not been reflected in these financial statements.



10 Largest Shareholders of Wisynco Group Limited as at March 31, 2021

Name of Shareholder	Units	Percentage Ownership
1. Wisynco Group Caribbean Limited	2,776,183,736	74.0316%
2. ATL Group Pension Fund Trustees Nom Ltd.	54,887,475	1.4637%
3. GraceKennedy Pension Fund Custodian Ltd.	32,922,285	0.8779%
4. Sagicor Select Fund Ltd. ('Class C' Shares) Manufacturing & Distribution	30,964,303	0.8257%
5. SJIML A/C 3119	30,148,676	0.8040%
6. Guardian Life Limited	29,341,646	0.7824%
7. Devon Hugh Reynolds	29,229,613	0.7795%
8. National Insurance Fund	28,571,979	0.7619%
9. Francois Chalifour	27,053,295	0.7214%
10. Sagicor Pooled Equity Fund	23,913,562	0.6377%

Shareholdings of Directors as at March 31, 2021

Directors	Direct	Connected Parties	Total
* William Mahfood	696,431	2,795,587,733	2,796,284,164
* Andrew Mahfood	527,763	2,780,659,959	2,781,187,722
Francois Chalifour	27,053,295		27,053,295
Devon H. Reynolds	29,229,613	0	29,229,613
John Lee	0	5,546,491	5,546,491
Lisa Soares Lewis	3,167,600	0	3,167,600
Adam Stewart	0	1,938,936	2,938,936
Odetta Rockhead Kerr	113,715	0	113,715

* These Directors have a beneficial holding in Wisynco Group Caribbean Limited, which owns 74.03% of Wisynco Group Limited in addition to other connected party holdings.

Shareholdings of Senior Executives as at March 31, 2021

Senior Executives	Direct	Connected Parties	Total
Andrew Fowles	2,225,300	0	2,225,300
Christopher Ramdon	2,202,383	0	2,202,383
Halcott Holness	2,085,333	0	2,085,333
Jacinth Bennett	1,420,000	0	1,420,000
Tabitha Athey	787,420	0	787,420
N. Craig Clare	776,318	0	776,318
Leilani Hunt	485,059	0	485,059
Rachel Zacca	368,596	0	368,596
Annette Morrison	100,000	0	100,000