



# INTERIM REPORT

30 JULY 2022

[Q1]

QUARTER ONE





# FIRST QUARTER REPORT

2022 / 2023 FISCAL YEAR | THREE MONTHS | UNAUDITED RESULTS

## [Q1]

### INTERIM REPORT TO OUR SHAREHOLDERS

The Directors of Jamaica Broilers Group Limited now release the unaudited financial results for the quarter ended July 30, 2022 which have been prepared in accordance with International Financial Reporting Standards (IFRS).

The Group's operations produced a profit before tax of \$1.4 billion, a 6% reduction from the \$1.5 billion achieved in the quarter ended April 30, 2022. Group revenues for the first quarter amounted to \$23.0 billion, a 12% increase above the \$20.6 billion achieved in the preceding quarter. Our gross profit for the quarter was \$5.3 billion, a 14% reduction from the quarter ended April 30, 2022.

Jamaica Operations reported a segment result of \$1.88 billion, which was 2% below the \$1.92 billion achieved in the quarter ended April 30, 2022. Total revenue for our Jamaica Operations showed an increase of 7% over the quarter ended April 30, 2022. This increase was primarily driven by increased production and sale of poultry, as well as increased sale of baby chicks to our small farmers. The reopening of the Jamaica economy particularly the tourism industry has

contributed to the increased demand driving sales.

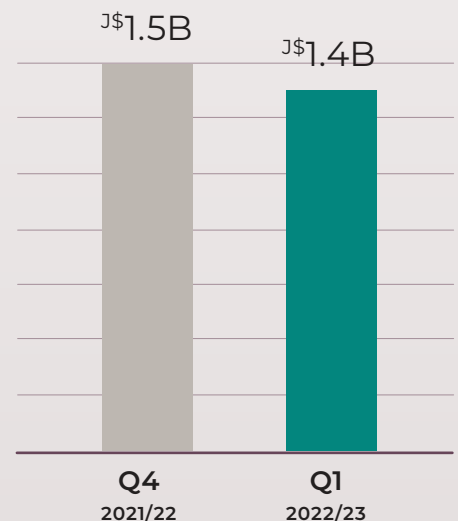
Our US Operations reported a segment result of \$815 million, which was \$168 million or 26% over the \$647 million achieved in the quarter ended April 30, 2022. This increase was primarily driven by the increased production and sales in the Best Dressed Chicken line of products, as well as increased feed sales. Total revenue showed an increase of 22% over the quarter ended April 30, 2022.

Haiti Operations reported a segment loss of \$83 million compared to losses of \$354 million in the quarter ended 30 April 2022, a reduction in the loss of \$271 million or 77%. Total revenues were reduced by 61% as a result of the continued downsizing exercise. Operations in Haiti are being reviewed and evaluated to determine the future viability of the business, amid the country's economic and political instability.

The Staff, Management and the Board of Directors of Jamaica Broilers Group Limited continue to trust in the Lord's guidance for our company and are grateful for His Blessings and Provision.

J\$1.1B NET PROFIT	J\$23B REVENUE
J\$63B TOTAL ASSETS	J\$1.07 EARNINGS PER STOCK UNIT

### QUARTERLY PROFIT BEFORE TAX (UNAUDITED)



  
 ROBERT E. LEVY  
 Chairman

  
 CHRISTOPHER E. LEVY  
 Group President & CEO

## GROUP STATEMENT OF CONSOLIDATED INCOME

THREE MONTHS ENDED 30 JULY 2022

(Expressed in Jamaican dollars unless otherwise indicated)

	Quarter ended 30 July 2022	Quarter ended 30 April 2022	Quarter ended 31 July 2021
	\$'000	\$'000	\$'000
<b>Revenue</b>	22,983,121	20,584,983	17,608,522
Cost of sales	(17,677,157)	(14,389,242)	(14,022,302)
<b>Gross Profit</b>	5,305,964	6,195,741	3,586,220
Other income	79,319	122,509	150,652
Distribution costs	(689,807)	(419,791)	(631,167)
Administration and other expenses	(2,975,808)	(4,142,886)	(2,380,615)
<b>Operating Profit</b>	1,719,668	1,755,573	725,090
Finance income	778	680	-
Finance costs	(319,632)	(262,882)	(329,972)
<b>Profit before Taxation</b>	1,400,814	1,493,371	395,118
Taxation	(331,910)	(455,490)	(119,640)
<b>Net Profit</b>	1,068,904	1,037,881	275,478
<b>Other Comprehensive Income, net of taxes -</b>			
<b>Item that will not be reclassified to profit or loss -</b>			
Re-measurements of post-employment benefits and obligations – net of taxes	-	(85,875)	-
<b>Item that will be reclassified to profit or loss -</b>			
Exchange differences on translating foreign operations	(149,151)	(278,367)	(43,187)
Total other comprehensive income	(149,151)	(364,242)	(43,187)
<b>Total Comprehensive Income</b>	919,753	673,639	232,291
<b>Net Profit Attributable to:</b>			
Stockholders of the company	1,079,021	1,080,226	290,325
Non-controlling interests	(10,117)	(42,345)	(14,847)
	1,068,904	1,037,881	275,478
<b>Total Comprehensive Income Attributable to:</b>			
Stockholders of the company	934,698	730,001	264,615
Non-controlling interests	(14,945)	(56,362)	(32,324)
	919,753	673,639	232,291
	\$	\$	\$
<b>Earnings per Stock Unit</b>	1.07	1.07	0.29

# GROUP BALANCE SHEET

30 JULY 2022

(Expressed in Jamaican dollars unless otherwise indicated)

	30 July 2022 \$'000 Unaudited	30 April 2022 \$'000 Audited	31 July 2021 \$'000 Unaudited
<b>Non-Current Assets</b>			
Property, plant and equipment	15,413,403	14,636,077	13,667,895
Right of use assets	1,004,539	1,031,035	932,827
Intangible assets	2,825,160	2,950,124	2,698,755
Investment property	5,606	5,648	5,772
Investments	280,301	307,105	487,043
Deferred expenditure	-	-	13,658
Deferred income taxes	84,186	84,522	68,874
	20,431,695	19,833,011	18,868,324
<b>Current Assets</b>			
Inventories	16,814,985	15,620,265	12,761,404
Biological assets	15,686,837	15,225,043	11,481,106
Receivables	6,169,981	5,380,105	5,302,079
Taxation recoverable	22,136	19,466	18,462
Deferred expenditure	13,658	18,210	18,210
Financial assets at fair value through profit or loss	167,762	170,003	187,393
Cash and short-term investments	3,376,757	3,778,551	4,281,791
	42,252,116	40,211,643	34,050,445
<b>Current Liabilities</b>			
Payables	11,993,415	12,701,305	9,688,346
Taxation payable	1,084,183	782,860	277,699
Borrowings	14,204,532	13,235,115	12,433,299
Lease liabilities	404,513	298,563	329,359
	27,686,643	27,017,843	22,728,703
<b>Net Current Assets</b>	14,565,473	13,193,800	11,321,742
	34,997,168	33,026,811	30,190,066
<b>Stockholders' Equity</b>			
Share capital	765,137	765,137	765,137
Reserves	2,163,017	2,307,340	2,478,282
Retained earnings	22,826,201	21,747,180	19,455,349
Shares held by Trust	(3,742,633)	(3,742,633)	(3,713,144)
	22,011,722	21,077,024	18,985,624
<b>Non-controlling interests</b>	85,751	100,696	166,379
	22,097,473	21,177,720	19,152,003
<b>Non-Current Liabilities</b>			
Borrowings	10,830,899	9,626,745	9,083,016
Lease liabilities	582,144	716,926	658,445
Deferred income taxes	1,474,052	1,492,820	1,276,402
Post-employment benefit obligations	12,600	12,600	20,200
	34,997,168	33,026,811	30,190,066

Robert E. Levy

Chairman

Christopher E. Levy

Group President & CEO

5 September 2022

## GROUP STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

THREE MONTHS ENDED 30 JULY 2022

(Expressed in Jamaican dollars unless otherwise indicated)

	Attributable to the Company's Stockholders						
	Number of Shares	Share Capital	Reserves	Retained Earnings	Shares held by Trust	Non- controlling Interests	Total Equity
	'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 May 2021</b>	1,007,966	765,137	2,503,992	19,165,024	(3,713,144)	198,703	18,919,712
Exchange differences on translating foreign operations	-	-	(25,710)	-	-	(17,477)	(43,187)
<b>Total other comprehensive income</b>	-	-	(25,710)	-	-	(17,477)	(43,187)
Net profit	-	-	-	290,325	-	(14,847)	275,478
<b>Total comprehensive income</b>	-	-	(25,710)	290,325	-	(32,324)	232,291
<b>Balance at 31 July 2021</b>	1,007,966	765,137	2,478,282	19,455,349	(3,713,144)	166,379	19,152,003
<b>Balance at 30 April 2022</b>	1,006,966	765,137	2,307,340	21,747,180	(3,742,633)	100,696	21,177,720
Exchange differences on translating foreign operations	-	-	(144,323)	-	-	(4,828)	(149,151)
<b>Total other comprehensive income</b>	-	-	(144,323)	-	-	(4,828)	(149,151)
Net profit	-	-	-	1,079,021	-	(10,117)	1,068,904
<b>Total comprehensive income</b>	-	-	(144,323)	1,079,021	-	(14,945)	919,753
<b>Balance at 30 July 2022</b>	1,006,966	765,137	2,163,017	22,826,201	(3,742,633)	85,751	22,097,473

**GROUP STATEMENT OF CASH FLOWS**  
**THREE MONTHS ENDED 30 JULY 2022**  
(Expressed in Jamaican dollars unless otherwise indicated)

	<b>Quarter ended 30 July 2022 \$'000</b>	<b>Quarter ended 31 July 2021 \$'000</b>
<b>Cash Flows from Operating Activities</b>		
Net profit	1,068,904	275,478
Adjustments for:		
Depreciation	430,956	423,292
Amortisation	77,019	77,552
Deferred expenditure	18,408	4,552
Fair value loss/(gain) on financial assets at fair value through profit or loss	22,974	(1,965)
Taxation expense	331,910	119,640
Interest income	(10,419)	(20,169)
Unrealised foreign exchange losses	42,912	35,704
Interest expense	333,282	241,922
	2,315,946	1,156,006
Changes in operating assets and liabilities:		
Inventories	(1,194,720)	144,346
Biological assets	(461,794)	(54,041)
Receivables	(786,971)	(780,784)
Payables	(709,932)	16,696
Financial assets at fair value through profit or loss	(1,509)	-
Translation (loss)/gain on working capital of foreign subsidiaries	(148,380)	23,052
	(987,360)	505,275
Taxation paid	(47,016)	(130,371)
Cash (used)/provided by operating activities	(1,034,376)	374,904

## GROUP STATEMENT OF CASH FLOWS (CONTINUED)

THREE MONTHS ENDED 30 JULY 2022

(Expressed in Jamaican dollars unless otherwise indicated)

	Quarter ended 30 July 2022 \$'000	Quarter ended 31 July 2021 \$'000
<b>Cash Flows from Operating Activities</b>	(1,034,376)	374,904
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(1,198,747)	(709,129)
Purchase of intangible assets	(16,485)	-
Proceeds from disposal of property, plant and equipment	-	12,622
Purchase of investments	(992)	-
Proceeds from encashment of investments	3,547	-
Additions to right of use assets	-	(79,986)
Interest received	12,077	21,954
Cash used in investing activities	(1,200,600)	(754,539)
<b>Cash Flows from Financing Activities</b>		
Long term loans repaid	(1,591,373)	(367,308)
Long term loans received	3,690,475	1,838,610
Lease repayments	(86,501)	(57,278)
Interest paid	(328,320)	(242,860)
Cash provided by financing activities	1,684,281	1,171,164
Effect of changes in exchange rates on cash and cash equivalents	17,103	27,045
(Decrease)/increase in cash and cash equivalents	(533,592)	818,574
Cash and cash equivalents at beginning of year	3,778,119	3,221,660
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>3,244,527</b>	<b>4,040,234</b>
<b>Cash and Cash Equivalents at end of period consists of:</b>		
Cash and short-term investments	3,376,757	4,281,791
Bank overdraft	(132,230)	(241,557)
	<b>3,244,527</b>	<b>4,040,234</b>

**SEGMENT REPORTING INFORMATION**  
**THREE MONTHS ENDED 30 JULY 2022**  
(Expressed in Jamaican dollars unless otherwise indicated)

**3 Months to 30 July 2022**

	<b>Jamaica Operations</b>	<b>US Operations</b>	<b>Haiti Operations</b>	<b>Other Caribbean Operations</b>	<b>Eliminations</b>	<b>Group</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
External revenues	13,688,984	9,208,511	85,626	-	-	22,983,121
Revenue from other segments	43,263	7,281,487	-	348,698	(1,805,532)	-
<b>Total revenue</b>	<b>13,732,247</b>	<b>10,622,082</b>	<b>85,626</b>	<b>348,698</b>	<b>(1,805,532)</b>	<b>22,983,121</b>
<b>Segment result</b>	<b>1,876,467</b>	<b>814,829</b>	<b>(83,016)</b>	<b>105,614</b>	<b>(195,663)</b>	<b>2,518,231</b>
Unallocated corporate expenses						(798,563)
<b>Operating profit</b>						<b>1,719,668</b>
Finance income						778
Finance costs						(319,632)
<b>Profit before tax</b>						<b>1,400,814</b>
Taxation						(331,910)
<b>Net profit</b>						<b>1,068,904</b>
<b>Segment assets -</b>						
Current assets	26,684,757	28,861,631	532,654	1,450,658	(15,277,584)	42,252,116
Non-current assets	17,398,127	8,825,686	309,304	6,826,701	(12,928,123)	20,431,695
<b>Total assets</b>	<b>44,082,884</b>	<b>37,687,317</b>	<b>841,958</b>	<b>8,277,359</b>	<b>(28,205,707)</b>	<b>62,683,811</b>
<b>Segment liabilities -</b>						
Current liabilities	15,520,732	20,693,372	382,666	6,338,425	(15,248,552)	27,686,643
Non-current liabilities	12,293,123	2,790,539	-	-	(2,183,967)	12,899,695
<b>Total liabilities</b>	<b>27,813,855</b>	<b>23,483,911</b>	<b>382,666</b>	<b>6,338,425</b>	<b>(17,432,519)</b>	<b>40,586,338</b>





## SEGMENT REPORTING INFORMATION (CONTINUED)

THREE MONTHS ENDED 30 JULY 2022

(Expressed in Jamaican dollars unless otherwise indicated)

3 Months to 31 July 2021

	<b>Jamaica Operations</b>	<b>US Operations</b>	<b>Haiti Operations</b>	<b>Other Caribbean Operations</b>	<b>Eliminations</b>	<b>Group</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
External revenues	9,902,805	7,280,011	425,706	-	-	17,608,522
Revenue from other segments	43,871	959,248	-	332,501	(1,335,620)	-
<b>Total revenue</b>	<b>9,946,676</b>	<b>8,239,259</b>	<b>425,706</b>	<b>332,501</b>	<b>(1,335,620)</b>	<b>17,608,522</b>
<b>Segment result</b>	<b>665,605</b>	<b>579,836</b>	<b>(48,148)</b>	<b>1,499,994</b>	<b>(1,538,283)</b>	<b>1,159,004</b>
Unallocated corporate expenses						(433,914)
<b>Operating profit</b>						<b>725,090</b>
Finance costs						(329,972)
<b>Profit before tax</b>						<b>395,118</b>
Taxation						(119,640)
<b>Net profit</b>						<b>275,478</b>
<b>Segment assets -</b>						
Current assets	18,256,724	20,938,634	1,136,361	1,142,960	(7,424,234)	34,050,445
Non-current assets	18,291,319	7,598,001	744,227	8,570,560	(16,335,783)	18,868,324
<b>Total assets</b>	<b>36,548,043</b>	<b>28,536,635</b>	<b>1,880,588</b>	<b>9,713,520</b>	<b>(23,760,017)</b>	<b>52,918,769</b>
<b>Segment liabilities -</b>						
Current liabilities	12,963,667	13,981,898	866,007	2,341,531	(7,424,400)	22,728,703
Non-current liabilities	8,044,974	2,993,089	-	3,983,846	(3,983,846)	11,038,063
<b>Total liabilities</b>	<b>21,008,641</b>	<b>16,974,987</b>	<b>866,007</b>	<b>6,325,377</b>	<b>(11,408,246)</b>	<b>33,766,766</b>

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

30 JULY 2022

(Expressed in Jamaican dollars unless otherwise indicated)

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## Accounting Periods

The company's financial year consists of 12 accounting periods ending on the Saturday closest to the calendar month end. The accounting year ends on the Saturday closest to April 30.

## Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost convention, as modified by the revaluation of biological assets and certain financial assets.

These financial statements are presented in Jamaican dollars unless otherwise indicated.

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended 30 April 2022.

## Segmental Financial Information

Management has determined the operating segments based on the reports reviewed by the President and Chief Executive Officer that are used to make strategic decisions.

Segment information is provided for reportable segments as follows:

- Jamaica Operations
- US Operations
- Haiti Operations
- Other Caribbean Operations

The business is considered primarily from a geographical perspective.

Finance income and Finance costs are not included in the measure of segment results and are not regularly reviewed by the President and Chief Executive Officer.

The Other Caribbean Operations segment includes the net results of the JBGL Stockholders Nominee Limited (JBGLSNL), which represents the unrealised fair value of the Jamaica Broilers Group Limited shares. The results of JBGLSNL are not included in the consolidated financial statements as the movements are eliminated on consolidation.