



Wisynco Group Limited

Interim Report (Unaudited)

2nd Quarter ended

31 December 2022

Wisynco Group Limited (Wisynco) – Interim Report to Stockholders

The Directors are pleased to present the unaudited financial results for the second quarter ended December 31, 2022, which have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

Revenues for the quarter of \$12.1 billion is the highest turnover in a quarter in the company's history and represent an increase of 28% above the \$9.5 billion achieved in the corresponding quarter of the previous year. We are seeing continued demand in all channels, which is very encouraging, unfortunately we had production challenges that kept us from achieving our production forecasts and sales targets for both the local and export markets. Exports for the quarter were up 8% over the same quarter of the prior year.

Gross Profits of \$4.2b were 27.6% greater than the \$3.3b of the prior year's quarter however Gross Margins at 34.7% were lower than expectations due, in most part, to lower than budgeted production levels and sub optimum mix of products manufactured resulting in cost of sales being higher than planned.

Selling, Distribution & Administrative expenses (SD&A) for the quarter totaled \$2.7 billion or 31.1% more than the \$2.1 billion for the corresponding quarter of the prior year. Our SD&A expense to sales ratio was 22.7% for the quarter, compared to 22.1% in the prior year. During the quarter under review we experienced some incremental Marketing and Promotional costs above plan as well as inflationary increases in variable expenses associated with the increased Revenues.

Profit before Taxation for the quarter was \$1.49 billion or 3.3% lower than the \$1.54 billion of the comparative quarter for the prior year. This quarter included an exchange loss of \$71.4 million compared to a \$279.5 million exchange gain for the comparative quarter last year.

After provision for taxes, Wisynco recorded Net Profits Attributable to Stockholders of \$1.2 billion, or 32c per stock unit for the quarter, which was 4.6% greater than the \$1.16 billion or 31c per stock unit earned for the prior year.

Our Balance Sheet remains strong with a current ratio of 3.1 compared to 2.85 for last year's quarter. Inventories remain on the high side due to continued supply chain issues and production lagging behind production forecasts. Management expects these inventories to normalize going into Q3 and Q4.

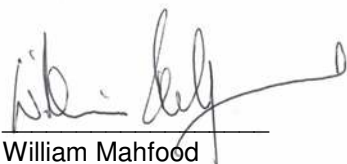
Our expansion activities have ramped up with new equipment to arrive later this year and new buildings being constructed which will boost our productive capacity and give us the ability to introduce new brands and innovations. This represents a major growth driver for our company and will be the largest capital expansion undertaken by Wisynco. We look forward to the successful implementation of these projects and increased revenue.

Wisynco continues to be a primary contributor financially and in areas of strategy and governance to Recycle Partners of Jamaica (RPJ) as the Charitable organization responsible for PETE recycling nationally. RPJ intends to start reporting nationally its success rates on collections. We also continue to focus on areas of energy conservation and reduction of our Carbon footprint, through various measures.

During the quarter the company presented 200 scholarships nationally valued at \$60,000.00 each to students who were selected in the Wata Jamaica 60 campaign. We were also a key sponsor of the Issa School Boy football which provides opportunities to develop the talent of our youth and their abilities to excel. We partnered with numerous organizations to have Christmas treats all over the island and assisted with the Tarrus Riley and Friends free Christmas concert in Emancipation Park.

We declared an interim dividend of 22c per stock unit payable on March 3, 2023 to our Stockholders, and this represents a 10% increase over the 20c interim dividend per stock unit paid on March 1, 2022.

We express our sincere gratitude to all our team members for their dedication and execution and are thankful to all our customers, consumers and stockholders.



William Mahfood
Chairman



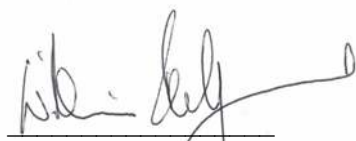
Andrew Mahfood
Chief Executive Officer

Wisynco Group Limited
Group Statement of Comprehensive Income
Six months ended 31 December 2022

	Unaudited Quarter ended 31 December 2022 Note	Unaudited Quarter ended 31 December 2021	Six months ended 31 December 2022	Six months ended 31 December 2021	Audited Year ended June 2022
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	12,126,809	9,493,297	24,074,236	18,699,200	39,045,880
Cost of sales	(7,915,957)	(6,192,150)	(15,537,985)	(12,117,109)	(25,794,948)
Gross Profit	4,210,852	3,301,147	8,536,251	6,582,091	13,250,932
Other operating income	53,670	26,833	111,202	71,418	151,559
Selling and distribution expenses	(2,310,806)	(1,740,917)	(4,435,161)	(3,386,579)	(7,094,702)
Administration expenses	(438,738)	(356,662)	(893,569)	(735,238)	(1,437,412)
Operating Profit	1,514,978	1,230,401	3,318,723	2,531,692	4,870,377
Finance income	90,386	353,667	175,602	361,020	301,258
Finance costs	(99,099)	(31,679)	(248,608)	(58,659)	(149,059)
Share of results of associate	(13,597)	(9,217)	(24,955)	(7,583)	(28,124)
Profit before Taxation	1,492,668	1,543,172	3,220,762	2,826,470	4,994,452
Taxation	(280,270)	(384,169)	(711,195)	(700,455)	(940,769)
Net Profit	1,212,398	1,159,003	2,509,567	2,126,015	4,053,683
Other Comprehensive Income					
Items that may be subsequently reclassified to P&L:					
Exchange differences on translation of foreign subsidiary	(266)	11,701	(1,803)	3,124	(570)
Share of other comprehensive income of associate	1,704	(10,233)	(5,630)	(10,601)	18,504
Items that may not be subsequently reclassified to P&L:					
Unrealised gains/(losses) on investment securities	1,331	4,288	(18,702)	3,650	114,701
Total Comprehensive Income	1,215,167	1,164,759	2,483,432	2,122,188	4,186,318
Net Profit attributable to:					
Stockholders of Wisynco Group Limited	1,212,398	1,159,003	2,509,567	2,126,015	4,053,683
Total Comprehensive Income attributable to:					
Stockholders of Wisynco Group Limited	1,215,167	1,164,759	2,483,432	2,122,188	4,186,318
Basic and diluted earnings per stock unit attributable to stockholders of the group					
3	\$0.32	\$0.31	\$0.67	\$0.57	\$1.08

Wisynco Group Limited
Group Statement of Financial Position
31 December 2022

		Unaudited December 31 2022 \$'000	Unaudited December 31 2021 \$'000	Audited June 30 2022 \$'000
	Note			
Non-Current Assets				
Property, plant and equipment		6,804,428	6,405,296	6,276,824
Intangible asset		1,243	12,579	6,911
Investment in associate	4	539,976	561,997	570,561
Loans receivable		214,017	217,696	212,723
Investment securities		1,793,735	832,986	1,070,595
		9,353,399	8,030,554	8,137,614
Current Assets				
Inventories		5,384,303	2,912,290	5,415,339
Receivables and prepayments		4,885,040	3,429,430	4,017,597
Investment securities		640,483	667,322	641,526
Cash and short-term deposits	5	6,833,999	8,914,892	7,679,736
		17,743,825	15,923,934	17,754,198
Current Liabilities				
Trade and other payables		4,099,687	3,959,821	5,998,416
Short-term borrowings		780,574	769,386	759,322
Lease Liability		142,000	35,281	63,115
Taxation payable		765,517	830,126	453,639
		5,787,778	5,594,614	7,274,492
Net Current Assets		11,956,047	10,329,320	10,479,706
		21,309,446	18,359,874	18,617,320
Shareholders' Equity				
Share capital	6	1,258,873	1,211,550	1,258,319
Capital reserve		529,235	376,925	515,130
Translation reserve		70,365	52,387	77,798
Retained earnings		18,406,176	15,558,616	15,985,222
		20,264,649	17,199,478	17,836,469
Non-current Liabilities				
Deferred tax liabilities		33,885	99,966	33,885
Borrowings		928,819	980,681	642,053
Lease Liabilities		82,093	79,749	104,913
		1,044,797	1,160,396	780,851
		21,309,446	18,359,874	18,617,320


William Mahfood
Chairman


Andrew Mahfood
Chief Executive Officer

Wisynco Group Limited
Group Statement of Changes in Equity
Six months ended 31 December 2022

	Number of Shares	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Translation Reserve \$'000	Total Equity \$'000
Balance as at 1 July 2021	3,750,000,000	1,192,647	369,039	13,432,757	59,864	15,054,307
Net profit	-	-	-	2,126,015	-	2,126,015
Changes in fair value of equity instruments measured at fair value through other comprehensive income	-	-	3,650	-	-	3,650
Long Term Incentive Plan (LTIP) expenses, net of taxes	-	-	13,795	-	-	13,795
Share of other comprehensive income of associate	-	-	-	-	(10,601)	(10,601)
Exchange differences on translating foreign subsidiary	-	-	-	-	3,124	3,124
Total comprehensive income	-	-	17,445	2,126,015	(7,477)	2,135,984
Transactions with Owners:						
Issue of Shares	6,250,000	-	-	-	-	-
Amount held as treasury shares	(5,062,600)	-	-	-	-	-
Shares issued through LTIP	1,187,400	18,903	(9,559)	-	-	9,344
Dividends	-	-	-	(156)	-	(156)
	-	18,903	7,886	2,125,859	(7,477)	2,145,172
Balance at 31 December 2021	3,751,187,400	1,211,550	376,925	15,558,616	52,387	17,199,478
Balance as at 1 July 2022	3,754,125,000	1,258,319	515,130	15,985,222	77,798	17,836,469
Net profit	-	-	-	2,420,954	-	2,420,954
Changes in fair value of equity instruments measured at fair value through other comprehensive income	-	-	(18,702)	-	-	(18,702)
LTIP expenses	-	-	33,112	-	-	33,112
Share of other comprehensive income of associate	-	-	-	-	(5,630)	(5,630)
Exchange differences on translating foreign subsidiary	-	-	-	-	(1,803)	(1,803)
Total comprehensive income	-	-	14,410	2,420,954	(7,433)	2,427,931
Transactions with Owners:						
Issue of shares	6 6,250,000	-	-	-	-	-
Amount held as treasury shares	6 (2,096,525)	-	-	-	-	-
Shares issued through LTIP	6 4,153,475	554	(305)	-	-	249
Balance as at 31 December 2022	3,754,143,475	1,258,873	529,235	18,406,176	70,365	20,264,649

Wisynco Group Limited
Group Statement of Cash Flows
Six months ended 31 December 2022

	Six months ended 31 December 2022 \$'000	Six months ended 31 December 2021 \$'000
Net profit from operations:	2,509,567	2,126,015
Items not affecting cash:		
Share of results of associate	24,955	7,583
Depreciation	526,313	471,613
Gain on sale of property, plant and equipment	(9,138)	-
Adjustment to property, plant & equipment	10,692	-
Amortisation of intangibles	5,668	5,668
Amortisation of loan commitment fees	792	347
Long Term Incentive Plan (LTIP) expenses	33,112	13,795
Interest income	(175,363)	(140,064)
Dividend income	(239)	(244)
Interest expense	50,179	58,100
Taxation expense	711,195	700,455
Exchange difference on foreign currency balances	21,682	(339,017)
	3,709,415	2,904,251
Changes in operating assets and liabilities:		
Inventories	(69,462)	678,828
Receivables and prepayments	(867,443)	(794,381)
Trade and other payables	(1,136,019)	119,491
Cash generated from operations	1,636,491	2,908,189
Taxation paid	(399,317)	(334,528)
Cash provided by operating activities	1,237,174	2,573,661
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(940,992)	(159,463)
Purchase of investments securities	(904,875)	(462,395)
Net (withdrawals)/placements of deposits over 3 months	-	291,935
Proceeds on disposal of property, plant and equipment	9,138	-
Proceeds from sale of investments securities	149,721	76,267
Long term receivables	3,589	2,001
Dividend received	239	244
Interest received	173,991	148,095
Cash used in investing activities	(1,509,189)	(103,316)
Cash Flows from Financing Activities		
Interest paid	(42,133)	(57,605)
Proceeds from long term loan	541,061	-
Proceeds from shares issued under LTIP	249	9,344
Long-term loans repaid	(254,295)	(330,975)
Lease liabilities repaid	(63,398)	(55,852)
Dividend paid	(750,825)	(750,156)
Cash used in financing activities	(569,341)	(1,185,244)
Effects of changes in foreign exchange rates	(25,633)	256,788
(Decrease)/Increase in cash and cash equivalents	(866,989)	1,541,889
Cash and cash equivalents at beginning of period	7,582,364	7,265,567
Cash and Cash Equivalents at end of period	6,715,375	8,807,456

Wisynco Group Limited
Notes to the Interim Financial Statements
31 December 2022

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. Items presented in these interim consolidated financial statements have been recognized and measured in accordance with International Financial Reporting Standards (IFRS).

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 3,753,120,000 (2021 – 3,750,460,000) weighted average number of ordinary stock units in issue.

	Quarter ended December 31 2022	Quarter ended December 31 2021	Six months ended December 31 2022	Six months ended December 31 2021
Net profit attributable to ordinary stockholders (\$'000)	1,212,398	1,159,003	2,509,567	2,126,015
Basic & diluted earnings per stock unit	\$0.32	\$0.31	\$0.67	\$0.57

Wisynco Group Limited
Notes to the Interim Financial Statements
31 December 2022

4. Investment in Associate

	2022 \$'000
At July 1st 2022	570,561
Amounts recognized in other comprehensive income	(5,630)
Amounts recognized in profit & loss	(24,955)
Amounts recognized in the Statement of Financial Position	<u>539,976</u>

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.

5. Cash and Short Term Deposits

	Six months ended December 31 2022 \$'000	Six months ended December 31 2021 \$'000
Cash and bank balances	1,765,732	2,238,516
Short term deposits	5,068,267	6,676,376
	<u>6,833,999</u>	<u>8,914,892</u>
Bank overdraft	(118,624)	(107,436)
	<u>6,715,375</u>	<u>8,807,456</u>

6. Share Capital

An additional 6,250,000 ordinary stock units were listed on The Jamaica Stock Exchange on July 1, 2021, increasing the company's total issued ordinary stock units to 3,756,250,000. Of the 6,250,000 additional stock units, 2,096,525 were retained by the Group as Treasury stock units and 4,153,475 units were issued to employees who exercised stock options under the Company's Long-Term Incentive Plan.

7. Subsequent Events

The Company declared a dividend of 22c per share payable to shareholders on record at February 17, 2023 with a payment date of March 3, 2023.

SHAREHOLDING REPORT as at December 31, 2022

10 Largest Shareholders of Wisynco Group Limited

Name of Shareholder	Units	Percentage ownership
Wisynco Group Caribbean Limited	2,776,183,736	73.9084%
ATL Group Pension Fund Trustees Nom Ltd.	58,408,056	1.5550%
GraceKennedy Pension Fund Custodian Ltd.	32,922,285	0.8765%
SJIML A/C 3119	31,329,914	0.8341%
Sagikor Select Fund Ltd. ('Class C' Shares) Manufacturing & Distribution	30,964,303	0.8243%
Guardian Life Limited	29,341,646	0.7811%
National Insurance Fund	28,571,979	0.7607%
Devon Reynolds	28,123,827	0.7487%
Francois Chalifour	26,355,295	0.7016%
Sagikor Pooled Equity Fund	25,913,562	0.6899%

Shareholdings of Directors

Directors	Direct	Connected Parties	Total
*William Mahfood	1,596,431	2,781,183,324	2,782,779,755
*Andrew Mahfood	727,763	2,780,739,959	2,781,467,722
Francois Chalifour	26,355,295	4,476,223	30,831,518
Devon Reynolds	28,123,827	0	28,123,827
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	1,938,936
Odetta Rockhead Kerr	113,715	0	113,715

*These Directors have beneficial holdings in Wisynco Group Caribbean Limited, which owns 73.9084% of Wisynco Group Limited in addition to other connected party holdings.

Shareholdings of Senior Executives

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	2,595,333	0	2,595,333
Jacinth Bennett	1,369,249	0	1,369,249
Kisha-Ann Brown	0	0	0
Leilani Hunt	995,059	0	995,059
N. Craig Clare	878,318	0	878,318
Sean Scott	0	1,294,175	1,294,175
Tabitha Athey	923,420	0	923,420
Vanessa Young	3,000	0	3,000