



**STATIONERY &
OFFICE SUPPLIES
LTD.**



Agents for



Kingston: 23 Beechwood Avenue, Kingston 5, Jamaica, West Indies. Tel: (876) 926-5688, 926-2649 Fax: (876) 968-8200
Montego Bay: Unit #8, Fairview Office Park, Alice Eldermire Drive. Tel: (876) 953-6351 Fax: (876) 953-6386
Website: www.sosjm.com Email: mail@sosjm.com

AUDITED FINANCIAL STATEMENTS:

- 4TH QUARTER 2022**
- 12 MONTHS ENDED DECEMBER 31ST, 2022**





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AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31ST & 4TH QUARTER 2022

The Board of Directors of Stationery & Office Supplies is pleased to present the audited results for the company for the year and the 4th quarter ended December 31st, 2022.

Entering into 2022, expectations were sky high for SOS. With the change in leadership as Mr. David McDaniel stepped down from his role as Managing Director giving control to the next generation, along with the close of 2021, which showed the company rebounding back to pre-covid levels, the future for this office supplies company seemed bright.

As we examined the market the management team made plans that were put into motion in an attempt to continue to capture market share of the office supplies business in Jamaica. These plans included having a substantial amount of inventory on hand which climbed year on year by 24% (\$296M - \$368M), further incentivising our staff by allowing them to be more determined and focused on SOS's business, increasing our warehouse staff compliment to allow the business to grow while keeping our commitment of a 24-48hr delivery time frame and increasing our product range to provide a one stop shop for all of our customers.

SOS can proudly say that with all the time and effort that was made to continue to grow the business in 2022, it was worth it as we experienced a historic year. It can be seen in the chart below that SOS had all-time highs in the following categories: Revenues, Gross Profit, Expenses, Pre-Tax Profit as well as our highest Inventory level in the 58-year history of the company. It should also be noted that during 2022 all of SOS's lines of business increased, led by SEEK which saw its revenues increase by 73%. It was during the latter half of the year that an additional investment was made in SEEK as SOS purchased one of its competitors. This expansion which created an additional 15-20 jobs allowed SEEK to expand its offerings to include invoice books, receipt books, delivery books, graph paper and more. With the factory operating at maximum capacity the management will again look at various options to continue to promote the brand and have SEEK continue to grow as the number one book manufacturer in Jamaica. SOS launched its newest furniture line **EVOLVE** in August of 2022. This new furniture line, which was designed to bring a different look and feel to the market has been well received and after being on the market for only 5 months, EVOLVE had generated revenues of \$28M. SOS Montego Bay also had a great year due to the increase in tourism as many hotels and resorts reopened



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their doors. Revenues for this branch increased by 70% (\$130M - \$222M) and pre-tax profits increased by 160% rising from \$19.2M to \$50.5M in 2022.

August 9th, 2022 was the 5-year anniversary since the day SOS listed on the JSE. During these first 5 years SOS enjoyed the tax-free benefit offered by listing on the JSE and will continue to benefit for the next 5 years in paying only half tax. These 5 years have allowed the management of SOS to focus on the company’s growth which has seen its revenues more than double since listing going from \$702M at the end of 2016 to \$1.75B by the end of 2022.

#	ITEM	2021	2022	% INCREASE/DECREASE
1	REVENUE	\$ 1,124,846,375.00	\$ 1,749,163,656.00	56%
2	GROSS PROFIT	\$ 551,147,160.00	\$ 836,225,978.00	51%
3	EXPENSES	\$ 473,802,553.00	\$ 609,771,025.00	29%
4	PRE-TAX PROFIT	\$ 105,595,439.00	\$ 283,842,703.00	187%
5	INVENTORY	\$ 296,015,672.00	\$ 367,184,303.00	24%
6	GROSS PROFIT %	51.2%	51%	-0.5%

During the 4th quarter of 2022, SOS was able to create a partnership with “The Office Authority”. The Office Authority is a large office supplies dealer located in Trinidad that manufactures and distributes various brands of stationery products. The basis of the arrangement will see SOS exclusively distributing certain products manufactured by the Office Authority and in return they would enter the local furniture Market by distributing SOS’s furniture lines, IMAGE, TORCH, and EVOLVE in Trinidad.

The 4th quarter of 2022 was no different to the rest of the year as SOS continued to exceed all financial results reached in 2021. In the chart below it can be seen that the trend of continued success and growth of the company continued as all of these results grew by double digit percentage increases. Specifically it should be noted that the pre-tax profit for the quarter



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increased by 52% rising from \$27.2M to \$41.2M. SEEK sales with the additional machinery and staff grew also considerably by 55% from \$13.6M in 2021 to \$21.8M at the end of 2022.

	<u>ITEM</u>	<u>2021</u>	<u>2022</u>	<u>% INCREASE/DECREASE</u>
1	REVENUE	\$315M	\$430M	37%
2	GROSS PROFIT	\$158M	\$207M	31%
3	EXPENSES	\$131M	\$166M	27%
4	PRE-TAX PROFIT	\$27.2M	\$41.2M	52%

FINANCIAL POSITION

At the end of the year due to a revaluation exercise done on the properties owned, SOS increased its total assets by 55% from \$901M at the end of 2021 to \$1.39B at the end of 2022. As well, other noticeable changes in the total asset base were an increase in inventory that rose by 24% year on year as well as receivables and prepayments that rose by 25%.

Earnings per share at the end of 2022 was \$1.03, an increase of \$.60 compared to the \$.43 at the end of 2021.

We wish to thank all of our valued partners, customers and especially our shareholders for your continued support throughout the year and we look forward to continued success in 2023.

Allan McDaniel
 Managing Director

Marjorie McDaniel
 Chief Administrative officer & Company Secretary



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SOS TOP 10 SHAREHOLDERS AS OF DECEMBER 31ST, 2022

#	<u>SHARE HOLDER</u>	<u>SHAREHOLDING</u>	<u>% SHARES ISSUED</u>
1	OUTLOOK LIMITED	200,096,400.	80.0
2	QWI INVESTMENTS LIMITED	5,896,672.	2.3
3	ANJANETTE MARIANNA MCDANIEL	5,427,926.	2.2
4	JASON CARL CARBY	4,201,435.	1.7
5	JNBS PENSION TRUSTEES NOMINEE LTD.	2,337,495.	1.0
6	KENDALL MARIE TODD	1,784,900.	0.7
7	BRIDGETOWN MANAGEMENT SERVICES LTD	1,389,802.	0.6
8	JCDC TRUTEE SERVICES LTD	1,285,053.	0.5
9	NIGEL COKE	1,188,179.	0.5
10	DAVID ANTHONY STEPHENS	1,000,000.	0.4

DIRECTORS SHARE HOLDINGS AS OF DECEMBER 31ST, 2022

#	<u>DIRECTORS NAMES</u>	<u>SHAREHOLDING</u>	<u>CONNECTED PARTY</u>	<u>SHAREHOLDING</u>
1	DAVID MCDANIEL	NIL	OUTLOOK LTD	200,096,400.
2	MARJORIE MCDANIEL	NIL	OUTLOOK LTD	200,096,400.
3	ALLAN MCDANIEL	NIL		
4	KELLI MUSCHETT	NIL	OUTLOOK LTD	200,096,400.
5	STEPHEN TODD	NIL	OUTLOOK LTD	200,096,400.
6	KERRI TODD	NIL	OUTLOOK LTD	200,096,400.
7	ANTHONY BELL	NIL	-	
9	JERMAINE DEANS	NIL	-	
10	R. EVAN D. THWAITES	28,165.	-	

SENIOR MANAGERS SHARE HOLDING AS OF DECEMBER 31ST, 2022

#	<u>SHARE HOLDER</u>	<u>SHAREHOLDING</u>	<u>% SHARES ISSUED</u>
1	DENISE MCINTOSH	295,650.	0.12