

WISYNCO GROUP LIMITED



Corporate Head Office: Lakes Pen Road, Spanish Town, Saint Catherine, Jamaica, W.I.
Tel: (876) 665-9000

Wisynco Group Limited (Wisynco) – Report to Stockholders

The Directors are pleased to submit the audited financial results for the year ended June 30, 2023, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Revenues from operations for the year ended June 30, 2023 were \$48.7 billion or 24.7% greater than the \$39.0 billion of the prior year. In our final quarter for Fiscal 2023 we achieved a 19% Revenue growth over the same period of the prior year and represented the highest Revenue recorded, in our history, in a quarter (\$12.7 billion) and shows a continuation of the demand for all our products. We are seeing very strong demand in all channels however, during the quarter we experienced some production challenges that prevented us from achieving a higher level of sales and impacted our production cost.

Gross Profit for the year of \$16.9 billion was \$3.6 billion or 27.2% greater than the prior year. Our Gross Margin, in spite of our production challenges, improved to 34.6% compared to 33.9% for Fiscal 2022.

Selling, Distribution & Administrative expenses for the year of \$10.9 billion were 28% greater than the \$8.5 billion of the prior year. The increase resulted from expanded business activity and the corresponding increase in variable costs as well as inflationary increases across all expense categories. Our expense to sales ratio for the year was 22.4% compared to 21.8% for the prior year.

Interest income improved over the prior year by approximately \$144 million due to higher rates being earned and the significant increase in cash and short-term deposits.

The carrying value of our investment in associate was assessed as being below the recoverable amount resulting in an impairment being charged to the Consolidated Statement of Comprehensive Income for the year of \$105 million.

Profit before Taxation for the year was \$6.3 billion or 26.4% greater than the prior year's \$4.9 billion. Net profit after taxes was \$4.9 billion compared to \$4.1 billion of the prior year. Our net profit margin of 10.1% for 2023 was slightly lower than the 10.4% realized for 2022.

Earnings per share for the year was \$1.31 per share or 21.3% greater than the \$1.08 per share for the prior year.

A dividend of 23c per share was declared on June 28, 2023 and has been accrued in the June 30, 2023 audited financial statements. This dividend along with the dividend of 22c per share declared on February 1, 2023 brings the dividend for Fiscal 2023 to 45c per share, or 12.5% greater than the 40c per share for Fiscal 22, and a dividend yield of 2.4% (2.0% Fiscal 22), based on the closing stock price at June 30 of the respective fiscal years.

Our Current Ratio at 2.8 is better than the 2.4 achieved in our prior year, and our return on average equity at 25.2% improved by 50 basis points over the 24.7% of Fiscal 2022. The increased inventories are a result of carrying more inventory to meet the increased business activity however, importantly, the inventory represented only 70 days of sales at the end of 2023 compared to 77 days in 2022.

Our expansion is well underway, and we expect the results of the first phase of same to reflect in increased efficiencies and Revenues during Q2 of Fiscal 2024. Wisynco enters Fiscal 2024 with a very optimistic outlook and looks forward to continue expanding our company, and improving the lives of our people in Jamaica. The growth rates of our economy, the drop in unemployment, the thriving Tourism sector and brand Jamaica all augur well for the future of our company and our country.

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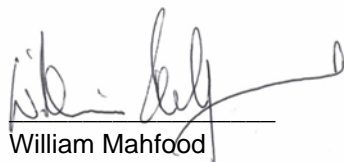
Throughout the financial year, the company continued to act as primary financier and champion to Recycling Partners of Jamaica (RPJ) which is the charitable non-government organization responsible for recycling polyethylene terephthalate (PETE) bottles island wide. Recycling efforts through RPJ involved collection, baling and exporting of bottles. We are pleased to report that we saw a significant increase in collection rates upwards of 30% for the financial year compared to 16% in the previous year. The industry's commitment and the strategic efforts are designed to ensure we (the industry) do our part to keep our country clean and we at Wisynco are committed to focusing on areas of water and energy conservation in our own production and operational processes, as a means to reducing our impact on the environment.

Through the WATA brand, the company continued to make an impact socially, presenting \$12 million worth of scholarships to 200 students nationally who were selected in the **Wata Jamaica 60** campaign. We also launched our **WATA Wednesdays School Tour** in early 2023, which is a program aimed at educating our youth on the benefits of staying healthy and hydrated. We were a key sponsor of the Issa School Boy football which provides opportunities to develop the talent of our youth and their abilities to excel. Internally the company donated \$8 million dollars to employees to offset the back-to-school costs for the 2022-2023 academic year at primary, secondary and tertiary levels.

Through our energy drink brand BOOM, in conjunction with Food for the Poor in the latter's **Build Back the Love for Jamaica** campaign, we continued to contribute to building homes for the homeless, making a further commitment to building an additional 10 homes for 2023 to bring our total from 2020 to 30 homes through Food for the Poor.

Internally, the company continued its staff engagement exercises, hosting a leadership forum for all Wisynco Leaders, as well as a Women's Day Luncheon to celebrate the dedication and commitment of the women of Wisynco.

Wisynco congratulates all our team members who have performed admirably in Fiscal 2023 and thank our stakeholders for their continued support. We did our best to serve our customers and sincerely apologize to those who have been impacted by some of the challenges we faced. We look forward to continuing to serve you to the best of our ability and wish you all the very best.



William Mahfood
Chairman



Andrew Mahfood
Chief Executive Officer