



[Q1]

JAMAICA BROILERS GROUP LIMITED
INTERIM REPORT

29 JULY 2023 | QUARTER ONE



FIRST QUARTER REPORT

2023 / 2024 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 29 July 2023 which have been prepared in accordance with International Financial Reporting Standards (IFRS).

The Group's operations produced a net profit of \$1.2 billion for the three months ended 29 July 2023, a 16% increase over the \$1.1 billion achieved in the corresponding quarter of the prior year.

Group revenues for the first quarter amounted to \$23.4 billion, a 2% increase above the \$23.0 billion achieved in the corresponding quarter of the previous year. Our gross profit for the quarter was \$5.7 billion, an 8% increase over the prior year.

Jamaica Operations reported a segment result of \$1.7 billion which was \$130 million or 7% below last year's segment result. The reduction

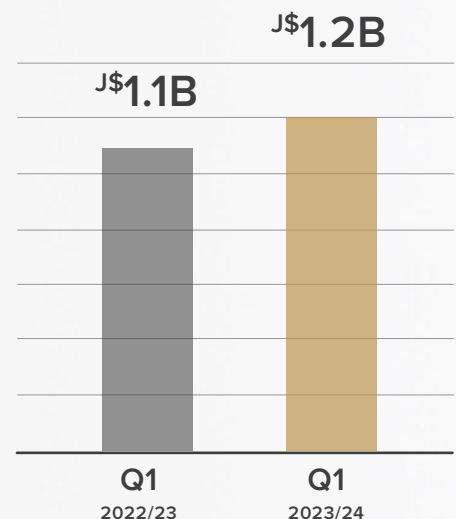
was mainly driven by increased pressure from high levels of imports, affecting baby chick sales to our small farmers. Total revenue for our Jamaica Operations showed an increase of 5% over the corresponding quarter, which was mainly driven by poultry sales.

Our US Operations reported a strong segment result of \$1.2 billion for the first quarter, which was 44% above last year's result. We did have a 3% decline in total revenue due primarily to falling prices in most of our product lines. However, a 56% year over year increase in poultry volumes assisted in offsetting the negative market pressures. Our South Carolina plant which produces the Best Dressed Chicken line of products has gained impressive market acceptance in the United States.

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.



QUARTERLY PROFIT AFTER TAX (UNAUDITED)



ROBERT E. LEVY
Chairman

CHRISTOPHER E. LEVY
Group President & CEO

GROUP STATEMENT OF CONSOLIDATED INCOME

THREE MONTHS ENDED 29 JULY 2023

(Expressed in Jamaican dollars unless otherwise indicated)

	Quarter ended 29 July 2023 \$'000	Quarter ended 30 July 2022 \$'000
Revenue	23,385,782	22,983,121
Cost of sales	(17,678,764)	(17,677,157)
Gross Profit	5,707,018	5,305,964
Other income	161,380	79,319
Distribution costs	(720,240)	(689,807)
Administration and other expenses	(2,919,890)	(2,975,808)
Operating Profit	2,228,268	1,719,668
Finance income	38,159	778
Finance costs	(632,629)	(319,632)
Profit before Taxation	1,633,798	1,400,814
Taxation	(392,750)	(331,910)
Net Profit	1,241,048	1,068,904
Other Comprehensive Income, net of taxes - Item that will be reclassified to profit or loss -		
Exchange differences on translating foreign operations	209,957	(149,151)
Total other comprehensive income	209,957	(149,151)
Total Comprehensive Income	1,451,005	919,753
Net Profit Attributable to:		
Stockholders of the company	1,241,048	1,079,021
Non-controlling interests	-	(10,117)
	1,241,048	1,068,904
Total Comprehensive Income Attributable to:		
Stockholders of the company	1,451,005	934,698
Non-controlling interests	-	(14,945)
	1,451,005	919,753
	\$	\$
Earnings per Stock Unit	1.24	1.07

GROUP BALANCE SHEET

29 JULY 2023

(Expressed in Jamaican dollars unless otherwise indicated)

	29 July 2023 \$'000 Unaudited	29 April 2023 \$'000 Audited	30 July 2022 \$'000 Unaudited
Non-Current Assets			
Property, plant and equipment	22,211,510	21,486,500	15,413,403
Right of use assets	865,711	937,820	1,004,539
Intangible assets	2,604,337	2,616,100	2,825,160
Investment property	5,440	5,481	5,606
Investments	352,276	348,353	280,301
Deferred income taxes	139,866	138,140	84,186
Post-employment benefit assets	1,163,300	1,163,300	818,500
	27,342,440	26,695,694	20,431,695
Current Assets			
Inventories	19,799,954	18,840,922	16,814,985
Biological assets	21,564,911	21,128,134	15,686,837
Receivables	7,113,822	5,881,340	6,169,981
Taxation recoverable	40,918	38,059	22,136
Deferred expenditure	-	-	13,658
Financial assets at fair value through profit or loss	156,972	165,075	167,762
Cash and short-term investments	2,775,445	4,664,361	3,376,757
	51,452,022	50,717,891	42,252,116
Current Liabilities			
Payables	11,769,590	14,132,342	11,993,415
Taxation payable	1,515,032	1,351,110	1,084,183
Borrowings	20,758,774	18,339,769	14,204,532
Lease liabilities	319,704	374,960	404,513
	34,363,100	34,198,181	27,686,643
Net Current Assets	17,088,922	16,519,710	14,565,473
	44,431,362	43,215,404	34,997,168
Stockholders' Equity			
Share capital	765,137	765,137	765,137
Reserves	2,984,986	2,775,029	2,163,017
Retained earnings	26,951,081	25,710,033	22,826,201
Shares held by Trust	(3,902,591)	(3,902,591)	(3,742,633)
	26,798,613	25,347,608	22,011,722
Non-controlling interests	-	-	85,751
	26,798,613	25,347,608	22,097,473
Non-Current Liabilities			
Borrowings	15,477,023	15,825,535	10,830,899
Lease liabilities	523,931	545,431	582,144
Deferred income taxes	1,622,095	1,487,130	1,474,052
Post-employment benefit obligations	9,700	9,700	12,600
	17,632,749	17,867,796	12,900,095
	44,431,362	43,215,404	34,997,168



ROBERT E. LEVY

Chairman



CHRISTOPHER E. LEVY

Group President & CEO



GROUP STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

THREE MONTHS ENDED 29 JULY 2023

(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
Balance at 30 April 2022	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)
Total other comprehensive income	-	-	(144,323)	-	-	(4,828)	(149,151)
Net profit	-	-	-	1,079,021	-	(10,117)	1,068,904
Total comprehensive income	-	-	(144,323)	1,079,021	-	(14,945)	919,753
Balance at 30 July 2022	1,006,966	765,137	2,163,017	22,826,201	(3,742,633)	85,751	22,097,473
Balance at 29 April 2023	1,001,467	765,137	2,775,029	25,710,033	(3,902,591)	-	25,347,608
Exchange differences on translating foreign operations	-	-	209,957	-	-	-	209,957
Total other comprehensive income	-	-	209,957	-	-	-	209,957
Net profit	-	-	-	1,241,048	-	-	1,241,048
Total comprehensive income	-	-	209,957	1,241,048	-	-	1,451,005
Balance at 29 July 2023	1,001,467	765,137	2,984,986	26,951,081	(3,902,591)	-	26,798,613

GROUP STATEMENT OF CASH FLOWS

THREE MONTHS ENDED 29 JULY 2023

(Expressed in Jamaican dollars unless otherwise indicated)

	Quarter ended 29 July 2023 \$'000	Quarter ended 30 July 2022 \$'000
Cash Flows from Operating Activities		
Net profit	1,241,048	1,068,904
Adjustments for:		
Depreciation	469,299	430,956
Amortisation	53,686	77,019
Deferred expenditure	5,740	18,408
Fair value (gains)/losses on financial assets at fair value through profit or loss	(840)	22,974
Taxation expense	392,750	331,910
Interest income	(10,034)	(10,419)
Unrealised foreign exchange (gains)/losses	(10,844)	42,912
Interest expense	634,653	333,282
	<u>2,775,458</u>	<u>2,315,946</u>
Changes in operating assets and liabilities:		
Inventories	(829,054)	(1,194,720)
Biological assets	(192,257)	(461,794)
Receivables	(1,204,933)	(786,971)
Payables	(2,465,945)	(709,932)
Financial assets at fair value through profit or loss	10,823	(1,509)
Translation on working capital of foreign subsidiaries	-	(148,380)
	<u>(1,905,908)</u>	<u>(987,360)</u>
Taxation paid	(112,752)	(47,016)
Cash used in operating activities carried forward	<u>(2,018,660)</u>	<u>(1,034,376)</u>

GROUP STATEMENT OF CASH FLOWS (CONTINUED)

THREE MONTHS ENDED 29 JULY 2023

(Expressed in Jamaican dollars unless otherwise indicated)

	29 July 2023 \$'000	30 July 2022 \$'000
Cash Flows used in Operating Activities	(2,018,660)	(1,034,376)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(951,760)	(1,198,747)
Purchase of intangible assets	(20,765)	(16,485)
Proceeds of investments	(731)	(992)
Purchase from sale of investments	3,582	3,547
Interest received	7,152	12,077
Cash used in investing activities	(962,522)	(1,200,600)
Cash Flows from Financing Activities		
Long term loans repaid	(664,327)	(1,591,373)
Long term loans received	2,443,912	3,690,475
Lease repayments	(88,051)	(86,501)
Interest paid	(619,722)	(328,320)
Cash provided by financing activities	1,071,812	1,684,281
Effect of changes in exchange rates on cash and cash equivalents	52,224	17,103
Decrease in cash and cash equivalents	(1,857,146)	(533,592)
Cash and cash equivalents at beginning of year	4,632,591	3,778,119
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2,775,445	3,244,527
 Cash and Cash Equivalents at end of period consists of:		
Cash and short-term investments	2,775,445	3,376,757
Bank overdraft	-	(132,230)
	2,775,445	3,244,527

SEGMENT REPORTING INFORMATION

THREE MONTHS ENDED 29 JULY 2023

(Expressed in Jamaican dollars unless otherwise indicated)

	3 Months to 29 July 2023				
	Jamaica Operations	US Operations	Other Caribbean Operations	Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	14,320,714	9,065,068	-	-	23,385,782
Revenue from other segments	52,828	1,213,333	527,581	(1,793,742)	-
Total revenue	14,373,542	10,278,401	527,581	(1,793,742)	23,385,782
Segment result	1,746,516	1,174,897	(480,437)	591,295	3,032,271
Unallocated corporate expenses					(804,003)
Operating profit					2,228,268
Finance income					38,159
Finance costs					(632,629)
Profit before tax					1,633,798
Taxation					(392,750)
Net profit					1,241,048
Segment assets -					
Current assets	20,164,521	32,629,318	1,528,031	(2,869,848)	51,452,022
Non-current assets	25,354,457	14,217,420	8,181,254	(20,410,691)	27,342,440
Total assets	45,518,978	46,846,738	9,709,285	(23,280,539)	78,794,462
Segment liabilities -					
Current liabilities	15,300,164	20,419,745	1,483,476	(2,840,285)	34,363,100
Non-current liabilities	11,656,956	8,063,046	5,335,261	(7,422,514)	17,632,749
Total liabilities	26,957,120	28,482,791	6,818,737	(10,262,799)	51,995,849

SEGMENT REPORTING INFORMATION (CONTINUED)

THREE MONTHS ENDED 29 JULY 2023

(Expressed in Jamaican dollars unless otherwise indicated)

	3 Months to 30 July 2022					
	Jamaica Operations	US Operations	Haiti Operations	Other Caribbean Operations	Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	13,688,984	9,208,511	85,626		-	22,983,121
Revenue from other segments	43,263	1,413,571	-	348,698	(1,805,532)	-
Total revenue	13,732,247	10,622,082	85,626	348,698	(1,805,532)	22,983,121
Segment result	1,876,467	814,829	(83,016)	105,614	(195,663)	2,518,231
Unallocated corporate expenses						(798,563)
Operating profit						1,719,668
Finance income						778
Finance costs						(319,632)
Profit before tax						1,400,814
Taxation						(331,910)
Net profit						1,068,904
Segment assets -						
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
Total assets	44,082,884	37,687,317	841,958	8,277,359	(28,205,707)	62,683,811
Segment liabilities -						
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
Total liabilities	27,813,855	23,483,911	382,666	6,338,425	(17,432,519)	40,586,338

NOTES TO THE INTERIM FINANCIAL STATEMENTS

29 JULY 2023

(Expressed in Jamaican dollars unless otherwise indicated)

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 29 April 2023.

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 (2022/2023)
- 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.