



[Q3]

JAMAICA BROILERS GROUP LIMITED
INTERIM REPORT

27 JANUARY 2024 | QUARTER THREE



THIRD QUARTER REPORT

2023 / 2024 FISCAL YEAR | NINE MONTHS | UNAUDITED RESULTS

[Q3] INTERIM REPORT TO OUR SHAREHOLDERS

The Directors of Jamaica Broilers Group Limited now release the unaudited financial results for the quarter ended January 27, 2024, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

The Group produced a net profit attributable to shareholders of \$1.3 billion, for the quarter ended January 27, 2024. The operations of the Group continue to be strong, and our gross margins are consistent with expectations. Quarterly Group revenues amounted to \$23.6 billion, a 4% increase above the \$22.7 billion achieved in the corresponding quarter. Our gross profit for the quarter was \$5.9 billion, a 7% increase above the \$5.5 billion achieved in the corresponding quarter in the prior year.

Jamaica Operations reported a segment result of \$5.9 billion which was \$448 million or 8% above last year's segment result. Total revenue for our Jamaica

Operations showed an increase of 2% over the prior year nine-month period. This increase was primarily driven by the growth in the sale and export of poultry and implementation of cost containment efforts.

Our US Operations reported a segment result of \$3 billion which was \$226 million or 8% above last year's segment result. This increase was driven by increased volumes of poultry meat and eggs, as well as the implementation of cost management initiatives. Total revenue for the US Operations increased by 3% over the prior year nine-month period. We have begun to realise additional volumes through the US operations, which has resulted in increased financing requirements primarily around working capital.

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.

2023/2024 Q3 HIGHLIGHTS

NET PROFIT
ATTRIBUTABLE TO SHAREHOLDERS

J\$1.3B

REVENUE

J\$23.6B

SEGMENT RESULTS (YTD)

 **J\$5.9B** +8%

 **J\$3.0B** +8%

ROBERT E. LEVY

Chairman

CHRISTOPHER E. LEVY

Group President & CEO

GROUP STATEMENT OF COMPREHENSIVE INCOME

NINE MONTHS ENDED 27 JANUARY 2024

(Expressed in Jamaican dollars unless otherwise indicated)

	Quarter ended 27 January 2024 \$'000	Quarter ended 28 January 2023 \$'000	Nine months ended 27 January 2024 \$'000	Nine months ended 28 January 2023 \$'000
Continuing operations				
Revenue	23,575,906	22,672,940	70,346,795	68,513,709
Cost of sales	(17,695,749)	(17,178,241)	(52,987,242)	(51,923,613)
Gross Profit	5,880,157	5,494,699	17,359,553	16,590,096
Other income	127,717	119,011	387,390	384,091
Distribution costs	(826,502)	(727,838)	(2,337,741)	(2,165,719)
Administration and other expenses	(2,925,306)	(2,514,060)	(8,688,246)	(7,990,022)
Operating Profit	2,256,066	2,371,812	6,720,956	6,818,446
Finance income	3,276	5,647	59,227	10,125
Finance costs	(651,311)	(521,655)	(2,016,470)	(1,278,146)
Profit before Taxation	1,608,031	1,855,804	4,763,713	5,550,425
Taxation	(311,999)	(372,384)	(937,701)	(1,043,629)
Net Profit from continuing operations	1,296,032	1,483,420	3,826,012	4,506,796
Discontinued operations				
Loss from discontinued operations	-	-	-	(1,112,004)
Net Profit	1,296,032	1,483,420	3,826,012	3,394,792
Other Comprehensive Income, net of taxes - Item that will be reclassified to profit or loss -				
Exchange differences on translating foreign continuing operations	167,693	38,600	350,526	(46,742)
Exchange differences on translating foreign discontinued operations	-	-	-	529,964
Total other comprehensive income	167,693	38,600	350,526	483,222
Total Comprehensive Income	1,467,725	1,522,020	4,176,538	3,878,014
Net Profit Attributable to:				
Stockholders of the company	1,296,032	1,483,420	3,826,012	3,555,427
Non-controlling interests	-	-	-	(160,635)
	1,296,032	1,483,420	3,826,012	3,394,792
Net Profit from continuing operations:				
Stockholders of the company	1,296,032	1,483,420	3,826,012	4,506,796
Non-controlling interests	-	-	-	-
	1,296,032	1,483,420	3,826,012	4,506,796

GROUP STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

NINE MONTHS ENDED 27 JANUARY 2024

(Expressed in Jamaican dollars unless otherwise indicated)

	Quarter ended 27 January 2024 \$'000	Quarter ended 28 January 2023 \$'000	Nine months ended 27 January 2024 \$'000	Nine months ended 28 January 2023 \$'000
Net Loss from discontinued operations:				
Stockholders of the company	-	-	-	(951,369)
Non-controlling interests	-	-	-	(160,635)
	-	-	-	(1,112,004)
Total Comprehensive Income Attributable to:				
Stockholders of the company	1,463,725	1,522,020	4,176,538	3,977,886
Non-controlling interests	-	-	-	(99,872)
	1,463,725	1,522,020	4,176,538	3,878,014
Total Comprehensive Income Attributable to Stockholders:				
From continuing operations	1,463,725	1,522,020	4,176,538	4,460,054
From discontinued operations	-	-	-	(482,168)
	1,463,725	1,522,020	4,176,538	3,977,886
Earnings per Stock Unit	\$	\$	\$	\$
From continuing operations	1.29	1.48	3.82	4.48
From discontinued operations	-	-	-	(0.94)
	1.29	1.48	3.82	3.54

GROUP BALANCE SHEET

27 JANUARY 2024

(Expressed in Jamaican dollars unless otherwise indicated)

	27 January 2024 \$'000 Unaudited	29 April 2023 \$'000 Audited	28 January 2023 \$'000 Unaudited
Non-Current Assets			
Property, plant and equipment	21,941,313	21,486,500	18,612,502
Right of use assets	855,545	937,820	882,236
Intangible assets	2,897,977	2,616,100	2,884,859
Investment property	5,357	5,481	5,523
Investments	354,614	348,353	330,871
Deferred income taxes	140,692	138,140	84,338
Post-employment benefit assets	1,163,300	1,163,300	818,500
	<u>27,358,798</u>	<u>26,695,694</u>	<u>23,618,829</u>
Current Assets			
Inventories	20,349,236	18,840,922	17,710,617
Biological assets	22,270,322	21,128,134	17,701,160
Receivables	6,746,843	5,881,340	7,113,624
Taxation recoverable	50,396	38,059	36,237
Deferred expenditure	-	-	4,553
Financial assets at fair value through profit or loss	174,675	165,075	164,366
Cash and short-term investments	2,847,312	4,664,361	4,110,555
	<u>52,438,784</u>	<u>50,717,891</u>	<u>46,841,112</u>
Current Liabilities			
Payables	10,824,998	14,132,342	9,837,862
Taxation payable	1,659,445	1,351,110	1,877,562
Borrowings	19,712,496	18,339,769	20,436,899
Lease liabilities	437,056	374,960	424,465
	<u>32,633,995</u>	<u>34,198,181</u>	<u>32,576,788</u>
Net Current Assets	<u>19,804,789</u>	<u>16,519,710</u>	<u>14,264,324</u>
	<u>47,163,587</u>	<u>43,215,404</u>	<u>37,883,153</u>
Stockholders' Equity			
Share capital	765,137	765,137	765,137
Reserves	3,125,555	2,775,029	2,885,392
Retained earnings	29,095,401	25,710,033	24,785,331
Shares held by Trust	(3,902,591)	(3,902,591)	(3,902,591)
	<u>29,083,502</u>	<u>25,347,608</u>	<u>24,533,269</u>
Non-Current Liabilities			
Borrowings	16,002,072	15,825,535	11,601,496
Lease liabilities	386,381	545,431	428,832
Deferred income taxes	1,681,932	1,487,130	1,306,956
Post-employment benefit obligations	9,700	9,700	12,600
	<u>47,163,587</u>	<u>43,215,404</u>	<u>37,883,153</u>



ROBERT E. LEVY

Chairman



CHRISTOPHER E. LEVY

Group President & CEO

March 6, 2024



GROUP STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

NINE MONTHS ENDED 27 JANUARY 2024

(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	-	-	422,459	-	-	60,763	483,222
Total other comprehensive income	-	-	422,459	-	-	60,763	483,222
Net profit	-	-	-	3,555,427	-	(160,635)	3,394,792
Total comprehensive income	-	-	422,459	3,555,427	-	(99,872)	3,878,014
Dividends	-	-	-	(362,507)	-	-	(362,507)
Purchase of shares by Trust	(5,499)	-	-	-	(159,958)	-	(159,958)
Transfer to capital reserve	-	-	155,593	(155,593)	-	-	-
Transfer to retained earnings	-	-	-	824	-	(824)	-
Transactions with owners	(5,499)	-	155,593	(517,276)	(159,958)	(824)	(522,465)
Movement during the period	(5,499)	-	578,052	3,038,151	(159,958)	(100,696)	3,355,549
Balance at 28 January 2023	1,001,467	765,137	2,885,392	24,785,331	(3,902,591)	-	24,533,269
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	-	-	350,526	-	-	-	350,526
Total other comprehensive income	-	-	350,526	-	-	-	350,526
Net profit	-	-	-	3,826,012	-	-	3,826,012
Total comprehensive income	-	-	350,526	3,826,012	-	-	4,176,538
Dividends	-	-	-	(440,644)	-	-	(440,644)
Transactions with owners	-	-	-	(440,644)	-	-	(440,644)
Movement during the period	-	-	350,526	3,385,368	-	-	3,735,894
Balance at 27 January 2024	1,001,467	765,137	3,125,555	29,095,401	(3,902,591)	-	29,083,502



GROUP STATEMENT OF CASH FLOWS

NINE MONTHS ENDED 27 JANUARY 2024

(Expressed in Jamaican dollars unless otherwise indicated)

	Nine months ended 27 January 2024 \$'000	Nine months ended 28 January 2023 \$'000
Cash Flows from Operating Activities		
Net profit	3,826,012	3,394,792
Adjustments for:		
Depreciation	1,529,118	1,281,189
Amortisation	146,416	208,447
Deferred expenditure	15,700	46,448
Gain on disposal of property, plant and equipment	-	(101,184)
Loss on disposal of subsidiary	-	1,040,877
Fair value (gains)/losses on financial assets at fair value through profit or loss	(11,499)	50,551
Taxation expense	937,701	1,043,629
Interest income	(28,591)	(34,637)
Unrealised foreign exchange (gains)losses	(7,765)	18,744
Interest expense	1,954,464	1,257,286
	<hr/> 8,361,556	<hr/> 8,206,142
Changes in operating assets and liabilities:		
Inventories	(1,291,942)	(2,221,640)
Biological assets	(745,080)	(2,550,768)
Receivables	(820,294)	(1,815,990)
Payables	(3,465,155)	(2,742,826)
Financial assets at fair value through profit or loss	(1,057)	(980)
Translation on working capital of foreign subsidiaries	-	(75,370)
	<hr/> 2,034,028	<hr/> (1,201,432)
Taxation paid	(474,470)	(148,820)
Cash provided by/(used In) operating activities carried forward	<hr/> 1,563,558	<hr/> (1,350,252)

GROUP STATEMENT OF CASH FLOWS (CONTINUED)

NINE MONTHS ENDED 27 JANUARY 2024

(Expressed in Jamaican dollars unless otherwise indicated)

	Nine months ended 27 January 2024 \$'000	Nine months ended 28 January 2023 \$'000
Cash Flows provided by/(used in) Operating Activities	1,563,558	(1,350,252)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(1,547,251)	(5,453,632)
Purchase of intangible assets	(363,208)	(152,725)
Proceeds from sale of investments	10,829	10,681
Purchase of investments	(2,307)	(79,216)
Proceeds from disposal of property, plant and equipment	-	178,265
Interest received	26,212	33,430
Cash used in investing activities	(1,875,725)	(5,463,197)
Cash Flows from Financing Activities		
Long term loans repaid	(4,859,685)	(14,382,748)
Long term loans received	5,899,634	23,536,163
Lease repayments	(231,280)	(257,625)
Shares purchased by Trust	-	(159,958)
Interest paid	(1,929,241)	(1,242,729)
Dividends paid	(440,644)	(362,507)
Cash (used in)/provided by financing activities	(1,561,216)	7,130,596
Effect of changes in exchange rates on cash and cash equivalents	72,132	(7,407)
(Decrease)/increase in cash and cash equivalents	(1,801,251)	309,740
Cash and cash equivalents at beginning of year	4,632,591	3,778,119
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2,831,340	4,087,859
Cash and Cash Equivalents at end of period consists of:		
Cash and short-term investments	2,847,312	4,110,555
Bank overdraft	(15,972)	(22,696)
	2,831,340	4,087,859

SEGMENT REPORTING INFORMATION

NINE MONTHS ENDED 27 JANUARY 2024

(Expressed in Jamaican dollars unless otherwise indicated)

9 Months to 27 January 2024

	Jamaica Operations	US Operations	Other Caribbean Operations	Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	44,578,265	25,768,530	-	-	70,346,795
Revenue from other segments	118,876	3,882,790	812,857	(4,814,523)	-
Total revenue	44,697,141	29,651,320	812,857	(4,814,523)	70,346,795
Segment result	5,947,313	2,984,648	(432,419)	779,215	9,278,757
Unallocated corporate expenses					(2,557,801)
Operating profit					6,720,956
Finance income					59,227
Finance costs					(2,016,470)
Profit before tax					4,763,713
Taxation					(937,701)
Net profit					3,826,012
Segment assets -					
Current assets	21,432,849	34,423,088	1,458,017	(4,875,170)	52,438,784
Non-current assets	26,398,648	13,891,408	7,912,229	(20,843,487)	27,358,798
Total assets	47,831,497	48,314,496	9,370,246	(25,718,657)	79,797,582
Segment liabilities -					
Current liabilities	15,760,160	20,622,120	1,037,427	(4,785,712)	32,633,995
Non-current liabilities	12,504,374	7,677,394	5,245,025	(7,346,708)	18,080,085
Total liabilities	28,264,534	28,299,514	6,282,452	(12,132,420)	50,714,080

SEGMENT REPORTING INFORMATION (CONTINUED)

NINE MONTHS ENDED 27 JANUARY 2024

(Expressed in Jamaican dollars unless otherwise indicated)

9 Months to 28 January 2023

	Jamaica Operations	US Operations	Other Caribbean Operations	Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	43,684,918	24,828,791	-	-	68,513,709
Revenue from other segments	130,950	4,062,107	518,946	(4,712,003)	-
Total revenue	43,815,868	28,890,898	518,946	(4,712,003)	68,513,709
Segment result	5,499,104	2,758,214	384,100	(154,458)	8,486,960
Unallocated corporate expenses					(1,668,514)
Operating profit					6,818,446
Finance income					10,125
Finance costs					(1,278,146)
Profit before tax					5,550,425
Taxation					(1,043,629)
Net profit from continuing operations					4,506,796
Loss from discontinued operations					(1,112,004)
Net profit					3,394,792
Segment assets -					
Current assets	24,476,811	31,119,309	1,119,824	(9,874,832)	46,841,112
Non-current assets	18,939,735	11,936,827	7,120,775	(14,378,508)	23,618,829
Total assets	43,416,546	43,056,136	8,240,599	(24,253,340)	70,459,941
Segment liabilities -					
Current liabilities	14,147,259	23,741,642	4,475,864	(9,787,977)	32,576,788
Non-current liabilities	11,855,711	3,685,380	1,420,469	(3,611,676)	13,349,884
Total liabilities	26,002,970	27,427,022	5,896,333	(13,399,653)	45,926,672

NOTES TO THE INTERIM FINANCIAL STATEMENTS

27 JANUARY 2024

(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
- 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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

27 JANUARY 2024

(Expressed in Jamaican dollars unless otherwise indicated)

Discontinued Operations

Effective 29 October 2022, the operations of Haiti Broilers S.A. & its subsidiary T&S Rice S.A. were discontinued.

The financial performance is presented below:

	Six months ended 29 October 2022 \$'000
Revenue	83,973
Cost of sales	(119,810)
Gross Profit	(35,837)
Other income	1,476
Distribution costs	(399)
Administration and other expenses	(46,652)
Operating Loss	(81,412)
Finance costs	10,285
Loss before Taxation	(71,127)
Taxation	-
Net Loss of discontinued operations	(71,127)
Discontinued operations	
Loss on disposal of subsidiary	(1,040,877)
Loss from discontinued operations	(1,112,004)
	29 October 2022 \$'000
The carrying amounts of the assets and liabilities as at the date of the disposal were:	
Property plant and equipment	310,924
Receivables	82,471
Inventory	131,288
Biological assets	74,651
Total assets	599,334
Payables	(120,617)
Net assets	478,717
Net assets	478,717
Reclassification of foreign currency translation reserves	562,160
Loss on disposal of subsidiary	1,040,877