



## Third Quarter 2024 Interim report to our shareholders

The Directors of Express Catering Limited (ECL) are pleased to present the Third Quarter report on the operations of the company for fiscal 2024.

Total passengers accessing the post security departure lounge of the Sangster International Airport during the Third Quarter was 705,116. This generated revenue of US\$7.09 million for a spend rate per passenger of US\$10.05. For the similar Quarter in the prior year, 639,275 passengers spent a total of US\$6.04 million for a spend rate per passenger of US\$9.44. The following key metrics were realized:

- Revenue increased by 17.4% over the similar Quarter in the prior year.
- Spend rate per passenger increased by 6.5% compared to the prior year's Quarter. This translates to us converting more passengers into customers, as well as selling more to each customer.

US\$2.63 million of EBITDA was generated for the Quarter. This resulted in net profits of US\$1.06 million and earnings per share (EPS) of 0.065 US Cents. For the comparable Quarter in the prior year, EBITDA generated was US\$2.43 million for net profit of US\$1.15 million and EPS of 0.07 US Cents.

For the nine-months year to date, passenger totals increased by 11.9% to reach 1.96 million passengers. Revenue realized was US\$18.67 million compared to US\$15.15 million for the nine months in the prior year, a more than 23% increase. EBITDA generated was US\$6.24 million, compared to US\$5.63 million for the similar nine months in the prior year. Net profit earned was US\$2.09 million for an EPS of 0.127 US Cents. Net profit earned for the similar period in the prior year was US\$1.93 million, for an EPS of 0.118 US Cents.

Cost of sales improved appreciably for the Quarter and nine-months positions, registering a just under 1.0 %-point improvement for the Quarter and over 1.6 %-points improvement for the nine-months. The company continues to review the overall logistics strategy to carve out additional improvements in this cost category. Administrative expenses, driven mainly by staffing costs, have been identified for strategic review. There are still two outstanding new food and beverage concepts being prepared for rollout plus one additional outlet of an existing concept to be added to the overall food and beverage program in the post security lounge. Bento Sushi and Freshens are in construction phases and so is the additional Starbucks location. All will be ready by the first Quarter of fiscal 2025. The food court expansion has had a very positive impact on our revenue, but the overall staffing strategy now needs to be reviewed so that this cost category is brought in line with the overall business objectives.

The company had a successful Bond raise through the Jamaica Stock Exchange. The US\$10.0 million Bond on offer was upsized to US\$12.0 million and closed on March 8<sup>th</sup>. The main purpose of the Bond raise was to access improved pricing in the debt market. An existing instrument will be replaced from the proceeds.

The winter tourist season is now ending, and the expectations have been realized. Passenger totals increased and the revenue is supporting this position. The Company is on target to record its best year to date in passengers accessing the post security lounge, as well as top line revenue. We continue to work on re-aligning our cost structure.

**Express Catering Limited**

A handwritten signature in black ink, appearing to read 'Ian Dear', written over a horizontal line.

Ian Dear  
CEO/Director

A handwritten signature in black ink, appearing to read 'John Byles', written over a horizontal line.

John Byles  
Director



## Statement of Financial Position as at February 29, 2024

	Unaudited February 29, 2024 US\$	Audited May 31, 2023 US\$
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	6,625,730	6,113,053
Right-of-use-assets	20,150,727	21,913,863
Other intangible assets	533,437	645,377
	27,309,895	28,672,293
<b>Current assets</b>		
Trade and other receivables	468,413	471,817
Inventories	1,233,577	432,019
Owing by related companies	16,997,190	12,471,848
Cash and bank balance	273,996	143,524
	18,973,176	13,519,208
<b>Total assets</b>	46,283,071	42,191,501
<b>Equity and Liabilities</b>		
<b>Capital and reserves attributable to the company's owners</b>		
Share capital	73,861	73,861
Capital reserves	43,490	43,490
Retained profits	8,010,013	5,923,003
<b>Total equity</b>	8,127,364	6,040,354
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Deferred tax liability	89,150	115,538
Long term loans	9,647,435	9,439,225
Lease obligation	18,928,768	20,597,955
	28,665,353	30,152,718
<b>Current liabilities</b>		
Short Term Loans	1,000,000	-
Current portion of lease obligation	2,106,637	2,106,637
Trade and other payables	6,383,717	3,865,778
Bank overdrafts	-	26,014
	9,490,354	5,998,429
<b>Total liabilities</b>	38,155,707	36,151,147
<b>Total equity and liabilities</b>	46,283,071	42,191,501

Director

Director



## Statement of Comprehensive Income for the Period Ended February 29, 2024

	9 Months YTD February 29, 2024	Q3 February 29, 2024	9 Months YTD February 28, 2023	Q3 February 28, 2023	Audited May 31, 2023
	US\$	US\$	US\$	US\$	US\$
Revenue	18,672,825	7,088,341	15,153,418	6,036,497	21,198,904
Cost of sales	(6,174,151)	(2,340,065)	(5,263,251)	(2,008,501)	(7,432,646)
<b>Gross profit</b>	<b>12,498,674</b>	<b>4,748,276</b>	<b>9,890,167</b>	<b>4,027,995</b>	<b>13,766,258</b>
Other operating (expense)/income	(11,470)	1,319	19,755	5,114	-
Administrative expenses	(5,973,325)	(2,020,506)	(4,069,401)	(1,586,370)	(5,883,155)
Promotional expenses	(276,941)	(95,989)	(207,100)	(17,098)	(11,962)
Depreciation and amortisation	(2,211,942)	(854,014)	(2,035,331)	(678,444)	(2,714,003)
<b>Operating profit for the YTD</b>	<b>4,024,996</b>	<b>1,779,087</b>	<b>3,598,090</b>	<b>1,751,198</b>	<b>5,157,138</b>
Finance costs	5 (1,915,636)	(722,991)	(1,657,643)	(613,930)	(2,253,791)
Finance income	639	154	292	139	489
Foreign exchange (losses)/ gains	(22,990)	405	(14,269)	9,413	34,167
<b>Net Profit, being Total Comprehensive Income for the Year</b>	<b>2,087,010</b>	<b>1,056,656</b>	<b>1,926,469</b>	<b>1,146,820</b>	<b>2,938,003</b>
Income tax expense	-	-	-	-	(235,776)
<b>Profit for the year</b>	<b>2,087,010</b>	<b>1,056,656</b>	<b>1,926,469</b>	<b>1,146,820</b>	<b>2,702,227</b>
<b>Earnings per share - US Cents</b>	<b>0.127</b>	<b>0.065</b>	<b>0.118</b>	<b>0.070</b>	<b>0.165</b>



## Statement of Cash Flow as at February 29, 2024

	9 Months to February 29, 2024 US \$	9 Months to February 28, 2022 US \$
<b>Cash flows from operating activities:</b>		
Profit before tax	2,087,010	1,926,469
<b>Adjustments for:</b>		
Depreciation and amortisation	2,211,942	2,035,331
Interest income	(639)	(292)
Interest expense	1,915,636	1,657,643
	<b>6,213,948</b>	<b>5,619,152</b>
Decrease/ (Increase) in trade and other receivables	39,444	(226,732)
Increase in owing by related companies	(4,590,090)	(1,689,153)
Increase in inventories	(801,558)	(101,832)
Increase in trade and other payables	2,535,669	1,150,564
	<b>3,397,414</b>	<b>4,752,000</b>
Interest paid	(1,707,426)	(1,160,890)
<b>Net cash inflow from operating activities</b>	<b>1,689,988</b>	<b>3,591,110</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(849,544)	(2,192,970)
Interest income	639	292
<b>Net cash (outflow) from investing activities</b>	<b>(848,904)</b>	<b>(2,192,679)</b>
<b>Cash flows from financing activities</b>		
Loan proceeds	1,000,000	-
Lease repayment	(1,682,664)	(1,400,382)
<b>Net cash (outflow) from financing activities</b>	<b>(682,664)</b>	<b>(1,400,382)</b>
<b>Net Increase/ (Decrease) in cash and cash equivalents</b>	<b>158,420</b>	<b>(1,950)</b>
Effects of exchange rate changes on cash and cash equivalents	(1,934)	(4,999)
<b>Cash and cash equivalents at beginning of year</b>	<b>117,510</b>	<b>90,106</b>
<b>Cash and cash equivalents at February 29, 2024</b>	<b>273,996</b>	<b>83,156</b>



## Statement of Changes in Equity as at February 29, 2024

	Share Capital US\$	Capital Reserve US\$	Retained Profits US\$	Totals US\$
<b>Balance at May 31, 2023</b>	73,861	43,490	5,923,003	6,040,354
<b>Changes in equity 9 months to February 29, 2024</b>				
Dividends	-	-	-	-
Profit for the 9 months to February 29, 2024 being total Comprehensive Income	-	-	2,087,010	2,087,010
<b>Balance at February 29, 2024</b>	<b>73,861</b>	<b>43,490</b>	<b>8,010,013</b>	<b>8,127,364</b>

## Statement of Changes in Equity as at February 28, 2023

	Share Capital US\$	Capital Reserve US\$	Retained Profits US\$	Totals US\$
<b>Balance at May 31, 2022</b>	73,861	43,490	3,220,776	3,338,127
<b>Changes in equity 9 months to February 28, 2023</b>				
Dividends	-	-	-	-
Profit for the 9 months to February 28, 2023 being total Comprehensive Income	-	-	1,926,469	1,926,469
<b>Balance at February 28, 2023</b>	<b>73,861</b>	<b>43,490</b>	<b>5,147,245</b>	<b>5,264,596</b>



## Notes to the Financial Statements

### 1. Identification

The company was incorporated under the Laws of Jamaica on June 26, 2001. Its registered office is Unit 16 M19 Southern Cross Boulevard, Montego Freeport, Montego Bay.

Its main activities during the year were the operation of branded sports bars and restaurants at Sangster International Airport, Montego Bay. The company is a subsidiary of Margaritaville St. Lucia Inc, whose ultimate parent is Margaritaville Caribbean Group Ltd., a company registered under the Bahamas IBC Act of 2000.

The company was listed on the Junior Market of the Jamaica Stock Exchange in July 2017.

### 2. Basis of preparation

#### (i) Statement of compliance

These interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and have been prepared under the historical cost convention, except for certain non-financial assets measured at fair value.

#### (ii) Accounting policies.

There have been no changes in accounting policies since the most recent audited accounts as at May 31, 2023.

### 3. Reporting Currency

The financial statements are prepared and presented in United States dollars, which is the functional currency of all the group's operating companies.

### 4. Seasonality of Interim Results

The entire operations of the Group are dependent on the Caribbean tourism market. Despite the fairly stable climate, the Caribbean hotel and resort market shows a significant level of seasonality throughout the year. The seasonality is represented by strong occupancies throughout the winter season, typically between December and May. This is offset by lower occupancies between June and November with particularly low occupancies in the months of September and October.

### 5 Finance Costs

Finance costs includes all interest related expenses which have been included in the statement of profit or loss and comprises:

	9 Months YTD February 29, 2024 US\$	Q3 February 29, 2024 US\$	9 Months YTD February 28, 2023 US\$	Q3 February 28, 2023 US\$	Audited May 31, 2023 US\$
Interest on property lease (IFRS 16)	733,952	268,815	744,005	240,656	932,285
Overdraft and loan interest	1,181,685	454,175	913,639	373,274	1,321,506
<b>Total</b>	<b>1,915,636</b>	<b>722,991</b>	<b>1,657,643</b>	<b>613,930</b>	<b>2,253,791</b>



## EXPRESS CATERING LIMITED

### Top Ten ShareHoldings

As at February 29, 2024

NAMES		VOLUME	PERCENTAGE
MARGARITAVILLE ST. LUCIA	CASTRIES, ST LUCIA	1,060,221,961	64.746%
NATIONAL INSURANCE FUND	KINGSTON	181,789,338	11.102%
ESTATE HARRIAT P MARAGH	KINGSTON	173,142,504	10.574%
MAYBERRY JAMAICAN EQUITIES LIMITED	KINGSTON	41,538,639	2.537%
SAGICOR POOLED EQUITY FUND	KINGSTON	12,500,000	0.763%
MF&G TRUST & FINANCE LTD - A/C 57	KINGSTON	10,741,577	0.656%
JCSD TRUSTEE SERVICE LIMITED - SIGMA EQUITY	KINGSTON	10,500,000	0.641%
MANWEI INTERNATIONAL LTD.	CLARENDON	10,000,000	0.611%
JMMB SECURITIES LIMITED - HOUSE ACCOUNT #2	KINGSTON	8,600,000	0.525%
JAMAICA MONEY MARKET BROKERS LTD	KINGSTON	7,160,000	0.437%
		<b>1,516,194,019</b>	<b>92.592%</b>

Total Ordinary Stock Issued - 1,637,500,000

Total Number of Stock Holders - 2068

### Directors ShareHoldings

As at February 29, 2024

NAMES	DIRECT	CONNECTED	TOTAL	PERCENTAGE
HERRICK WINSTON DEAR	-	-	-	0.000%
IAN B. DEAR	-	1,060,221,961	1,060,221,961	64.746%
JOHN G. BYLES	-	-	-	0.000%
ROLAND P CLARKE	4,332,453	-	4,332,453	0.265%
	<b>4,332,453</b>	<b>1,060,221,961</b>	<b>1,064,554,414</b>	<b>65.011%</b>

### Senior Managers ShareHoldings

As at February 29, 2024

NAMES	DIRECT	CONNECTED	TOTAL	PERCENTAGE
ROLAND P CLARKE	4,332,453	-	4,332,453	0.265%
MARK SUTHERLAND	2,623,924	-	2,623,924	0.160%
ALTHON THELWELL	1,283,400	-	1,283,400	0.078%
	<b>8,239,777</b>	<b>-</b>	<b>8,239,777</b>	<b>0.503%</b>