Interim Report

2020 / 2021 FISCAL YEAR | SIX MONTHS | UNAUDITED RESULTS

31 OCTOBER 2020

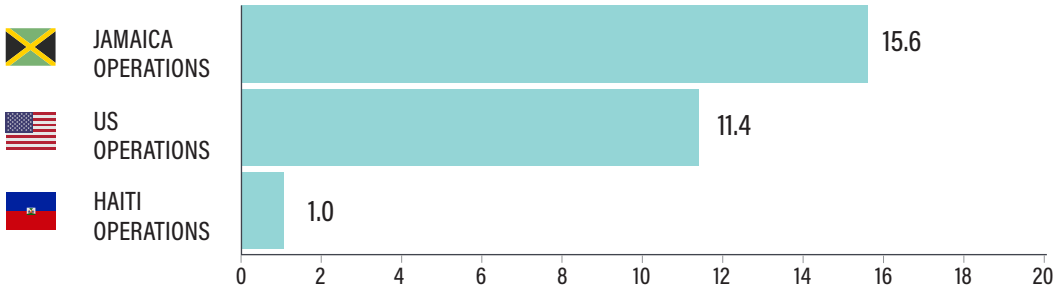
[Q2]

QUARTER TWO

Second Quarter [Q2] Report

2020 / 2021 FISCAL YEAR | SIX MONTHS | UNAUDITED RESULTS

YTD OPERATIONAL REVENUES – $JB*



* Includes revenue from other segments

J$1.5B ▲ 85%
PROFIT BEFORE TAX

J$26.5B ▲ 1%
REVENUE

J$45B ▲ 18%
TOTAL ASSETS

J$1.02 ▲ 51%
EARNINGS PER STOCK UNIT

INTERIM REPORT TO OUR SHAREHOLDERS

The Directors of Jamaica Broilers Group Limited now release the unaudited financial results for the quarter ended October 31, 2020, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Group revenues for the six months amounted to $26.5 billion while gross profit for the six months was $6.5 billion.

Jamaica Operations reported a segment result of $1.8 billion, which was $400 million or 25% above last year's segment result of $1.4 billion. The COVID-19 pandemic has adversely impacted our Jamaica Operations revenue as we have seen a decline of 8% from the prior year. However, the Jamaica Operations was able to record a commendable 25% improvement over the prior year by improving efficiencies and the continued enhancing of our customer relationships.

Our US Operations reported a segment result of $696 million a 4% increase over the previous year. Total revenue increased by 18% over the prior year driven by increased poultry and feed sales. The Best Dressed Chicken line of products continue to surpass expectations and has been well received in the market.

Haitian Operations reported a segment loss of $38.7 million compared to a prior year loss of $5.8 million. Total revenue declined by 6% and the current decline in performance is as a direct result of the political and economic instability being experienced in Haiti along with effects from the pandemic.

Finance costs for the Group, showed a reduction of $338 million compared to last year, resulting from increased foreign exchange gains mainly from the significant currency revaluation in our Haiti Operations.

The Group's operations produced profit before tax of $1.5 billion, an increase of 85% over the prior year, while we recorded profits attributable to stockholders of $1.0 billion (51% increase over the corresponding six months of the prior year) or $1.02 per stock unit for the six months.

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.

Robert Levy
Chairman

Christopher Levy
Group President & CEO

Jamaica Broilers Group Limited

Group Statement of Comprehensive Income

Six Months ended 31 October 2020

	Quarter ended 31 October 2020 $'000	Quarter ended 26 October 2019 $'000	Six months ended 31 October 2020 $'000	Six months ended 26 October 2019 $'000
Revenue	13,962,751	13,006,225	26,543,439	26,265,655
Cost of sales	(10,456,999)	(9,839,028)	(20,090,075)	(19,774,318)
Gross Profit	3,505,752	3,167,197	6,453,364	6,491,337
Other income	(42,865)	26,156	228,469	102,534
Distribution costs	(544,512)	(545,654)*	(1,101,632)	(1,106,859)*
Administration and other expenses	(2,068,319)	(2,021,956)*	(3,879,052)	(4,181,915)*
Operating Profit	850,056	625,743	1,701,149	1,305,097
Finance income	-	-	-	36,457
Finance costs	176,841	(218,766)	(179,876)	(518,153)
Profit before Taxation	1,026,897	406,977	1,521,273	823,401
Taxation	(303,657)	(101,263)	(415,390)	(156,677)
Net Profit	723,240	305,714	1,105,883	666,724
Other Comprehensive Income, net of taxes -				
Item that will be reclassified to profit or loss -				
Exchange differences on translating foreign operations	424,043	74,319	670,167	186,013
Total other comprehensive income	424,043	74,319	670,167	186,013
Total Comprehensive Income	1,147,283	380,033	1,776,050	852,737
Net Profit Attributable to:				
Stockholders of the company	619,668	317,225	1,033,731	685,628
Non-controlling interests	103,572	(11,511)	72,152	(18,904)
	723,240	305,714	1,105,883	666,724
Total Comprehensive Income Attributable to:				
Stockholders of the company	961,000	390,784	1,627,403	874,452
Non-controlling interests	186,283	(10,751)	148,647	(21,715)
	1,147,283	380,033	1,776,050	852,737
	$	$	$	$
Earnings per Stock Unit	0.61	0.31	1.02	0.67

* Reclassified for comparative purposes.

Jamaica Broilers Group Limited

Group Balance Sheet

31 October 2020

	31 October 2020 $'000 Unaudited	2 May 2020 $'000 Audited	26 October 2019 $'000 Unaudited
Non-Current Assets			
Property, plant and equipment	13,835,312	12,454,524	11,423,173
Right of use assets	925,054	534,437	-
Intangible assets	1,856,602	1,941,399	1,542,450
Investment property	5,896	5,980	6,063
Investments	464,830	225,059	217,074
Deferred expenditure	27,316	36,420	63,736
Deferred income taxes	61,915	41,509	62,525
Post-employment benefit assets	379,900	379,900	803,600
	17,556,825	15,619,228	14,118,621
Current Assets			
Inventories	8,526,641	9,477,388	8,099,946
Biological assets	9,246,700	9,107,134	7,101,260
Receivables	4,327,213	3,880,063	4,862,335
Deferred expenditure	18,210	18,210	-
Taxation recoverable	44,659	22,994	28,907
Financial assets at fair value through profit or loss	220,587	233,545	663,614
Cash and short term investments	4,907,929	5,874,444	2,903,786
	27,291,939	28,613,778	23,659,848
Current Liabilities			
Payables	7,285,778	9,379,263	6,824,272
Dividends payable	-	-	194,511
Taxation payable	541,734	364,428	215,262
Borrowings	9,497,607	9,650,736	7,594,765
Lease liabilities	232,179	236,902	-
	17,557,298	19,631,329	14,828,810
Net Current Assets	9,734,641	8,982,449	8,831,038
	27,291,466	24,601,677	22,949,659
Stockholders' Equity			
Share capital	765,137	765,137	765,137
Reserves	2,279,650	1,685,978	1,370,215
Retained earnings	17,722,392	16,821,259	16,528,417
Shares held by Trust	(3,618,536)	(3,378,643)	(3,273,909)
	17,148,643	15,893,731	15,389,860
Non-controlling interests	217,299	68,652	103,889
	17,365,942	15,962,383	15,493,749
Non-Current Liabilities			
Borrowings	8,346,355	7,572,178	6,612,727
Lease liabilities	680,064	311,526	-
Deferred income taxes	879,105	735,590	820,283
Post-employment benefit obligations	20,000	20,000	22,900
	27,291,466	24,601,677	22,949,659

Robert E. Levy, Chairman

Christopher E. Levy, President & CEO

December 9, 2020

Jamaica Broilers Group Limited

Group Statement of Changes in Stockholders' Equity

Six Months ended 31 October 2020

	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 27 April 2019	1,023,746	765,137	1,181,391	16,037,300	(3,273,909)	125,604	14,835,523
Exchange differences on translating foreign operations	-	-	188,824	-	-	(2,811)	186,013
Total other comprehensive income	-	-	188,824	-	-	(2,811)	186,013
Net profit	-	-	-	685,628	-	(18,904)	666,724
Total comprehensive income	-	-	188,824	685,628	-	(21,715)	852,737
Dividends	-	-	-	(194,511)	-	-	(194,511)
Movement during the period	-	-	188,824	491,117	-	(21,715)	658,226
Balance at 26 October 2019	1,023,746	765,137	1,370,215	16,528,417	(3,273,909)	103,889	15,493,749
Balance at 2 May 2020	1,019,985	765,137	1,685,978	16,821,259	(3,378,643)	68,652	15,962,383
Exchange differences on translating foreign operations	-	-	593,672	-	-	76,495	670,167
Total other comprehensive income	-	-	593,672	-	-	76,495	670,167
Net profit	-	-	-	1,033,731	-	72,152	1,105,883
Total comprehensive income	-	-	593,672	1,033,731	-	148,647	1,776,050
Dividends	-	-	-	(132,598)	-	-	(132,598)
Purchase of shares by Trust	(8,769)	-	-	-	(239,893)	-	(239,893)
Transactions with owners	(8,769)	-	-	(132,598)	(239,893)	-	(372,491)
Movement during the period	(8,769)	-	593,672	901,133	(239,893)	148,647	1,403,559
Balance at 31 October 2020	1,011,216	765,137	2,279,650	17,722,392	(3,618,536)	217,299	17,365,942

Jamaica Broilers Group Limited

Group Statement of Cash Flows

Six Months ended 31 October 2020

	Six months ended 31 October 2020	Six months ended 26 October 2019
	$'000	$'000
Cash Flows from Operating Activities		
Net profit	1,105,883	666,724
Adjustments for:		
Depreciation	796,356	503,196
Amortisation	110,558	64,244
Deferred expenditure	9,104	9,105
Loss on disposal of property, plant and equipment	4,902	17,702
Fair value (gain)/loss on financial assets at fair value through profit or loss	(31,125)	2,101
Taxation expense	415,390	156,677
Interest income	(17,003)	(25,984)
Unrealised foreign exchange gains	(41,864)	(32,893)
Interest expense	221,457	425,922
	2,573,658	1,786,794
Changes in operating assets and liabilities:		
Inventories	950,747	(1,277,691)
Biological assets	(139,566)	(147,467)
Receivables	(447,150)	(757,433)
Payables	(2,093,485)	486,457
Financial assets at fair value through profit or loss	38,299	(26,655)
Translation on working capital of foreign subsidiaries	366,216	214,096
	1,248,719	278,101
Taxation paid	(138,956)	(159,852)
Cash provided by operating activities	1,109,763	118,249

Jamaica Broilers Group Limited

Group Statement of Cash Flows (continued)

Six Months ended 31 October 2020

	Six months ended 31 October 2020	Six months ended 26 October 2019
	$'000	$'000
Cash Flows from Operating Activities	1,109,763	118,249
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(1,541,134)	(1,052,693)
Purchase of intangible assets	-	(49,121)
Right of use assets	(48,431)	-
Cash outflow on business combination	-	(1,513,912)
Proceeds from sale of investments	-	68,814
Purchase of investments	(224,222)	-
Proceeds from disposal of property, plant and equipment	13,749	14,703
Loan repayments received	-	1,444,374
Interest received	14,323	33,172
Cash used in investing activities	(1,785,715)	(1,054,663)
Cash Flows from Financing Activities		
Long term loans repaid	(2,477,446)	(2,562,811)
Long term loans received	2,682,523	3,985,836
Lease repayments	(118,917)	-
Other long term liabilities paid	-	(720,383)
Shares purchased by Trust	(239,893)	-
Interest paid	(222,932)	(436,937)
Dividends paid	(132,598)	(212,332)
Cash (used in)/provided by financing activities	(509,263)	53,373
Effect of changes in exchange rates on cash and cash equivalents	43,176	30,739
Decrease in cash and cash equivalents	(1,142,039)	(852,302)
Cash and cash equivalents at beginning of year	5,621,343	3,334,880
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,479,304	2,482,578

Jamaica Broilers Group Limited

Segment Reporting Information

Six Months ended 31 October 2020

	6 Months to 31 October 2020					
	Jamaica Operations	**US Operations**	**Haiti Operations**	**Other Caribbean Operations**	**Eliminations**	**Group**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
External revenues	15,557,405	9,937,447	1,048,587	-	-	26,543,439
Revenue from other segments	72,762	1,447,418	-	304,347	(1,824,527)	-
Total revenue	15,630,167	11,384,865	1,048,587	304,347	(1,824,527)	26,543,439
Segment result	1,767,184	696,417	(38,668)	670,529	(710,276)	2,385,186
Unallocated corporate expenses						(684,037)
Operating profit						1,701,149
Finance income						-
Finance costs						(179,876)
Profit before tax						1,521,273
Taxation						(415,390)
Net profit						1,105,883
Segment assets -						
Current assets	16,350,972	12,913,405	1,694,737	920,642	(4,587,817)	27,291,939
Non-current assets	15,193,262	7,309,353	1,180,070	6,839,334	(12,965,194)	17,556,825
Total assets	31,544,234	20,222,758	2,874,807	7,759,976	(17,553,011)	44,848,764
Segment liabilities -						
Current liabilities	9,592,156	8,392,827	2,058,638	2,101,662	(4,587,985)	17,557,298
Non-current liabilities	7,407,180	2,453,972	58,850	3,892,243	(3,886,721)	9,925,524
Total liabilities	16,999,336	10,846,799	2,117,488	5,993,905	(8,474,706)	27,482,822

Jamaica Broilers Group Limited

Segment Reporting Information (continued)

Six Months ended 31 October 2020

	6 Months to 26 October 2019					
	Jamaica Operations	**US Operations**	**Haiti Operations**	**Other Caribbean Operations**	**Eliminations**	**Group**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
External revenues	16,846,805	8,429,834	989,016	-	-	26,265,655
Revenue from other segments	123,690	1,646,347	-	271,714	(2,041,751)	-
Total revenue	16,970,495	10,076,181	989,016	271,714	(2,041,751)	26,265,655
Segment result	1,416,827	670,819	(5,786)	964,242	(989,767)	2,056,335
Unallocated corporate expenses						(751,238)
Operating profit						1,305,097
Finance income						36,457
Finance costs						(518,153)
Profit before tax						823,401
Taxation						(156,677)
Net profit						666,724
Segment assets -						
Current assets	14,733,404	10,163,229	1,226,861	2,277,219	(4,740,865)	23,659,848
Non-current assets	14,681,508	5,453,611	773,027	6,414,887	(13,204,412)	14,118,621
Total assets	29,414,912	15,616,840	1,999,888	8,692,106	(17,945,277)	37,778,469
Segment liabilities -						
Current liabilities	10,228,227	5,943,414	1,662,862	1,769,532	(4,775,225)	14,828,810
Non-current liabilities	5,809,776	1,642,982	-	3,559,100	(3,555,948)	7,455,910
Total liabilities	16,038,003	7,586,396	1,662,862	5,328,632	(8,331,173)	22,284,720

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 2 May 2020.

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
- 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.