Interim Report

2020 / 2021 FISCAL YEAR | NINE MONTHS | UNAUDITED RESULTS

30 JANUARY 2021

[Q3]

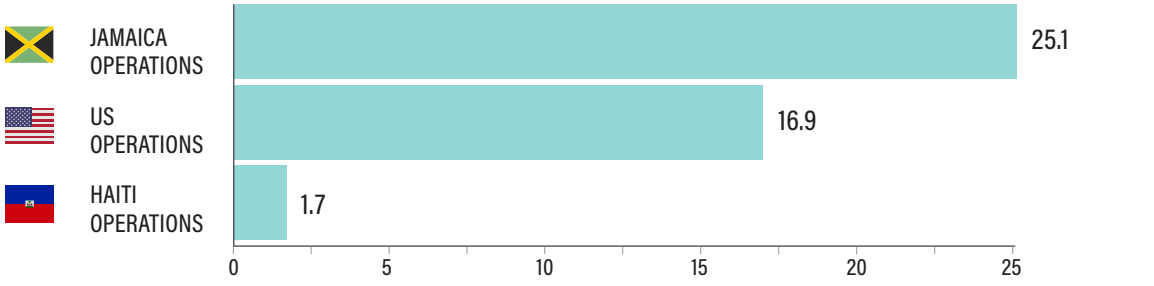
QUARTER THREE

LAYER FARM IN TROU CAÏMAN, HAITI

Third Quarter [Q3] Report

2020 / 2021 FISCAL YEAR | NINE MONTHS | UNAUDITED RESULTS

YTD OPERATIONAL REVENUES – $JB*



* Includes revenue from other segments

J$2.5B ▲ 66%
PROFIT BEFORE TAX

J$41.3B ▲ 2%
REVENUE

J$47B ▲ 18%
TOTAL ASSETS

J$1.77 ▲ 53%
EARNINGS PER STOCK UNIT

INTERIM REPORT TO OUR SHAREHOLDERS

The Directors of Jamaica Broilers Group Limited now release the unaudited financial results for the nine months ended January 30, 2021, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

The Group's operations produced a profit before tax of $2.5 billion, an increase of 66% over the prior year, while we recorded profits attributable to stockholders of $1.8 billion.

Group revenues for the nine months amounted to $41.3 billion (2% above the prior year) while gross profit for the nine months was $10.3 billion (3% above the prior year).

Jamaica Operations reported a segment result of $3.1 billion, which was $694 million or 29% above last year's segment result of $2.4 billion. The COVID-19 pandemic has adversely impacted our Jamaica Operations revenue as we have seen a decline of 4% from the prior year. However, the Jamaica Operations was able to record a commendable 29% improvement over the prior year by improving efficiencies and the continued enhancing of our customer relationships.

Our US Operations reported a segment result of $1.1 billion, a 10% increase over the previous year. Total revenue increased by 9% 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 $23.3 million compared to a prior year loss of $92.4 million, an improvement of 75%. Total revenue increased by 26%. Effective 1 November 2020 Jamaica Broilers Group Limited acquired an additional 13.48% ownership in the Haiti Broilers S.A, increasing its shareholdings to 85.48%.

Finance costs for the Group, showed a reduction of $251 million compared to last year, resulting from increased foreign exchange gains mainly from the significant currency revaluation in our Haiti Operations.

The implementation of the Group's diversification strategy has yielded positive results, including the strengthening of our various markets as economies continue to open. We are steadfastly praying for the well-being of all our stakeholders and remain committed to ensuring a continuous supply of our quality products to our customers.

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

Nine Months ended 30 January 2021

	Quarter ended 30 January 2021 $'000	Quarter ended 25 January 2020 $'000	Nine months ended 30 January 2021 $'000	Nine months ended 25 January 2020 $'000
Revenue	14,774,666	14,309,914	41,318,105	40,575,569
Cost of sales	(10,938,791)	(10,856,928)	(31,028,866)	(30,631,246)
Gross Profit	3,835,875	3,452,986	10,289,239	9,944,323
Other income	225,008	81,188	453,477	183,722
Distribution costs	(600,837)	(696,259)*	(1,702,469)	(1,803,118)*
Administration and other expenses	(2,190,094)	(1,940,749)*	(6,069,146)	(6,122,664)*
Operating Profit	1,269,952	897,166	2,971,101	2,202,263
Finance income	-	-	-	36,457
Finance costs	(329,594)	(239,905)	(509,470)	(758,058)
Profit before Taxation	940,358	657,261	2,461,631	1,480,662
Taxation	(182,663)	(186,551)	(598,053)	(343,228)
Net Profit	757,695	470,710	1,863,578	1,137,434
Other Comprehensive Income, net of taxes -				
Item that will be reclassified to profit or loss -				
Exchange differences on translating foreign operations	(21,600)	166,697	648,567	352,710
Total other comprehensive income	(21,600)	166,697	648,567	352,710
Total Comprehensive Income	736,095	637,407	2,512,145	1,490,144
Net Profit Attributable to:				
Stockholders of the company	761,957	499,959	1,795,688	1,185,587
Non-controlling interests	(4,262)	(29,249)	67,890	(48,153)
	757,695	470,710	1,863,578	1,137,434
Total Comprehensive Income Attributable to:				
Stockholders of the company	772,482	666,006	2,399,885	1,540,458
Non-controlling interests	(36,387)	(28,599)	112,260	(50,314)
	736,095	637,407	2,512,145	1,490,144
	$	$	$	$
Earnings per Stock Unit	0.74	0.49	1.77	1.16

* Reclassified for comparative purposes.

Jamaica Broilers Group Limited

Group Balance Sheet

30 January 2021

	30 January 2021 $'000 Unaudited	2 May 2020 $'000 Audited	25 January 2020 $'000 Unaudited
Non-Current Assets			
Property, plant and equipment	13,877,187	12,454,524	12,620,454
Right of use assets	869,742	534,437	-
Intangible assets	1,835,561	1,941,399	1,534,564
Investment property	5,855	5,980	6,022
Investments	472,533	225,059	220,177
Deferred expenditure	22,763	36,420	59,183
Deferred income taxes	63,271	41,509	63,453
Post-employment benefit assets	379,900	379,900	803,600
	17,526,812	15,619,228	15,307,453
Current Assets			
Inventories	11,528,607	9,477,388	8,295,695
Biological assets	9,679,122	9,107,134	7,342,252
Receivables	4,375,782	3,880,063	4,567,200
Deferred expenditure	18,210	18,210	-
Taxation recoverable	100,957	22,994	30,654
Financial assets at fair value through profit or loss	215,177	233,545	566,293
Cash and short term investments	3,638,966	5,874,444	3,807,110
	29,556,821	28,613,778	24,609,204
Current Liabilities			
Payables	7,732,468	9,379,263	7,882,461
Taxation payable	544,776	364,428	302,902
Borrowings	10,923,410	9,650,736	7,730,171
Lease liabilities	218,032	236,902	-
	19,418,686	19,631,329	15,915,534
Net Current Assets	10,138,135	8,982,449	8,693,670
	27,664,947	24,601,677	24,001,123
Stockholders' Equity			
Share capital	765,137	765,137	765,137
Reserves	2,290,175	1,685,978	1,536,262
Retained earnings	18,443,696	16,821,259	17,028,376
Shares held by Trust	(3,618,536)	(3,378,643)	(3,273,909)
	17,880,472	15,893,731	16,055,866
Non-controlling interests	221,565	68,652	75,290
	18,102,037	15,962,383	16,131,156
Non-Current Liabilities			
Borrowings	7,926,829	7,572,178	7,001,135
Lease liabilities	674,873	311,526	-
Deferred income taxes	941,208	735,590	845,932
Post-employment benefit obligations	20,000	20,000	22,900
	27,664,947	24,601,677	24,001,123

Robert E. Levy, Chairman

Christopher E. Levy, President & CEO

March 3, 2021

Jamaica Broilers Group Limited

Group Statement of Changes in Stockholders' Equity

Nine Months ended 30 January 2021

	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	-	-	354,871	-	-	(2,161)	352,710
Total other comprehensive income	-	-	354,871	-	-	(2,161)	352,710
Net profit	-	-	-	1,185,587	-	(48,153)	1,137,434
Total comprehensive income	-	-	354,871	1,185,587	-	(50,314)	1,490,144
Dividends	-	-	-	(194,511)	-	-	(194,511)
Movement during the period	-	-	354,871	991,076	-	(50,314)	1,295,633
Balance at 25 January 2020	1,023,746	765,137	1,536,262	17,028,376	(3,273,909)	155,457	16,131,156
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	-	-	604,197	-	-	44,370	648,567
Total other comprehensive income	-	-	604,197	-	-	44,370	648,567
Net profit	-	-	-	1,795,688	-	67,890	1,863,578
Total comprehensive income	-	-	604,197	1,795,688	-	112,260	2,512,145
Dividends	-	-	-	(132,598)	-	-	(132,598)
Acquisition of shares from non-controlling interest	-	-	-	(40,653)	-	40,653	-
Purchase of shares by Trust	(8,769)	-	-	-	(239,893)	-	(239,893)
Transactions with owners	(8,769)	-	-	(174,251)	(239,893)	40,653	(372,491)
Movement during the period	(8,769)	-	604,197	1,622,437	(239,893)	152,913	2,139,654
Balance at 30 January 2021	1,011,216	765,137	2,290,175	18,443,696	(3,618,536)	221,565	18,102,037

Jamaica Broilers Group Limited

Group Statement of Cash Flows

Nine Months ended 30 January 2021

	Nine months ended 30 January 2021	Nine months ended 25 January 2020
	$'000	$'000
Cash Flows from Operating Activities		
Net profit	1,863,578	1,137,434
Adjustments for:		
Depreciation	1,211,201	774,086
Amortisation	166,433	99,459
Deferred expenditure	13,657	13,658
Loss on disposal of property, plant and equipment	3,055	19,365
Fair value gain on financial assets at fair value through profit or loss	(46,257)	(15,421)
Taxation expense	598,053	343,228
Interest income	(29,841)	(25,984)
Unrealised foreign exchange gains	(66,630)	(30,989)
Interest expense	687,089	644,306
	4,400,338	2,959,142
Changes in operating assets and liabilities:		
Inventories	(2,051,219)	(1,473,440)
Biological assets	(571,988)	(388,459)
Receivables	(495,719)	(462,298)
Payables	(1,646,795)	1,544,646
Financial assets at fair value through profit or loss	64,760	84,821
Translation on working capital of foreign subsidiaries	384,350	348,369
	83,727	2,612,781
Taxation paid	(317,455)	(237,057)
Cash (used in)/provided by operating activities	(233,728)	2,375,724

Jamaica Broilers Group Limited

Group Statement of Cash Flows (continued)

Nine Months ended 30 January 2021

	Nine months ended 30 January 2021	Nine months ended 25 January 2020
	$'000	$'000
Cash Flows from Operating Activities	(233,728)	2,375,724
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(1,945,258)	(2,455,319)
Purchase of intangible assets	-	(57,568)
Right of use assets	(49,561)	-
Cash outflow on business combination	-	(1,513,912)
Proceeds from sale of investments	-	69,836
Purchase of investments	(229,133)	-
Proceeds from disposal of property, plant and equipment	46,124	16,840
Loan repayments received	-	1,444,374
Interest received	28,526	36,557
Cash used in investing activities	(2,149,302)	(2,459,192)
Cash Flows from Financing Activities		
Long term loans repaid	(3,070,310)	(3,174,216)
Long term loans received	4,413,831	5,029,337
Lease repayments	(175,822)	-
Other long term liabilities paid	-	(720,383)
Shares purchased by Trust	(239,893)	-
Interest paid	(688,699)	(658,245)
Dividends paid	(132,598)	(406,843)
Cash provided by financing activities	106,509	69,650
Effect of changes in exchange rates on cash and cash equivalents	63,319	47,288
Decrease/(increase) in cash and cash equivalents	(2,213,202)	33,470
Cash and cash equivalents at beginning of year	5,621,343	3,334,880
CASH AND CASH EQUIVALENTS AT END OF PERIOD	3,408,141	3,368,350

Jamaica Broilers Group Limited

Segment Reporting Information

Nine Months ended 30 January 2021

	9 Months to 30 January 2021					
	Jamaica Operations	**US Operations**	**Haiti Operations**	**Other Caribbean Operations**	**Eliminations**	**Group**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
External revenues	25,044,824	14,533,941	1,739,340	-	-	41,318,105
Revenue from other segments	94,699	2,321,636	-	536,014	(2,952,349)	-
Total revenue	25,139,523	16,855,577	1,739,340	536,014	(2,952,349)	41,318,105
Segment result	3,101,447	1,128,061	(23,348)	981,752	(1,055,894)	4,132,018
Unallocated corporate expenses						(1,160,917)
Operating profit						2,971,101
Finance income						-
Finance costs						(509,470)
Profit before tax						2,461,631
Taxation						(598,053)
Net profit						1,863,578
Segment assets -						
Current assets	16,010,740	14,774,012	1,407,803	865,442	(3,501,176)	29,556,821
Non-current assets	16,805,681	7,366,790	1,007,338	7,082,419	(14,735,416)	17,526,812
Total assets	32,816,421	22,140,802	2,415,141	7,947,861	(18,236,592)	47,083,633
Segment liabilities -						
Current liabilities	10,747,510	9,245,017	944,049	1,983,452	(3,501,342)	19,418,686
Non-current liabilities	7,079,041	2,412,811	65,414	3,892,364	(3,886,720)	9,562,910
Total liabilities	17,826,551	11,657,828	1,009,463	5,875,816	(7,388,062)	28,981,596

Jamaica Broilers Group Limited

Segment Reporting Information (continued)

Nine Months ended 30 January 2021

	9 Months to 25 January 2020					
	Jamaica Operations	**US Operations**	**Haiti Operations**	**Other Caribbean Operations**	**Eliminations**	**Group**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
External revenues	26,140,427	13,058,471	1,376,671	-	-	40,575,569
Revenue from other segments	165,432	2,409,569	-	491,454	(3,066,455)	-
Total revenue	26,305,859	15,468,040	1,376,671	491,454	(3,066,455)	40,575,569
Segment result	2,407,194	1,025,904	(92,366)	1,486,423	(1,487,957)	3,339,198
Unallocated corporate expenses						(1,136,935)
Operating profit						2,202,263
Finance income						36,457
Finance costs						(758,058)
Profit before tax						1,480,662
Taxation						(343,228)
Net profit						1,137,434
Segment assets -						
Current assets	14,545,559	11,315,270	1,169,700	1,579,703	(4,001,028)	24,609,204
Non-current assets	14,699,291	5,789,621	775,101	7,661,271	(13,617,831)	15,307,453
Total assets	29,244,850	17,104,891	1,944,801	9,240,974	(17,618,859)	39,916,657
Segment liabilities -						
Current liabilities	9,956,507	6,508,530	1,709,914	1,743,002	(4,002,419)	15,915,534
Non-current liabilities	5,654,877	2,211,891	-	3,559,147	(3,555,948)	7,869,967
Total liabilities	15,611,384	8,720,421	1,709,914	5,302,149	(7,558,367)	23,785,501

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.