



INTERIM REPORT

26 JANUARY 2019

(9 Months)



Interim Report to Our Shareholders

The Directors of Jamaica Broilers Group Limited now release the unaudited financial results for the quarter ended January 26, 2019, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Group revenues for the quarter amounted to \$14.6 billion, a 15% increase over the \$12.7 billion achieved in the corresponding quarter of the previous year. Our gross profit for the quarter was \$3.6 billion, an 8% increase over the previous year.

Jamaica Operations reported segment result of \$2.5 billion, which was \$476 million or 23% above last year's segment result of \$2.0 billion. This improvement was attributed to increased poultry sales and enhanced inventory management. Total revenue for our Jamaica Operations showed an increase of 6%.

Total revenue for our US Operations increased by 28% over the prior year driven by increased sales of our main products – fertile eggs and baby chicks, as well as feed sales from the acquired feed mill. Our US Operations reported a segment result of \$1.1 billion, which was a 16% increase from the prior year's result of \$973 million.

Total revenue for our Haitian Operations increased by 9% over the prior year driven by increased sales of table eggs. The segment result amounted to \$146 million, which is \$6 million or 4% below last year's segment result of \$152 million. Effective October 2018, Jamaica Broilers Group Limited acquired an additional 4% stake in Haiti Broilers S.A., thereby increasing our holdings to 72%.

The Other Caribbean Operations reported segment results of \$1.5 billion an increase of \$1.2 billion over the corresponding quarter of the previous year. The significant increase is mainly due to the net results of the JBGL Stockholders Nominee Limited, driven by the unrealised fair value gains (which are eliminated upon consolidation of the Group) of the shares held.

Distribution and administrative costs, reflected an increase of 14% over the previous year due primarily to exchange movements, salary increases, increased staff complement and distribution costs related to the recent acquisition of the feed mill. These results also include the operating expenses of the new hatchery in Pennsylvania and the costs associated with the formation of the Shareholders' Trust - these costs were not in last year's comparative results.

We recorded profits attributable to stockholders of \$755 million for the quarter. Our earnings per stock unit of 73 cents for the quarter represents an increase of 20% over the prior year.

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
President & Chief Executive Officer

March 4, 2019

Jamaica Broilers Group Limited

Group Statement of Comprehensive Income

Nine Months ended 26 January 2019

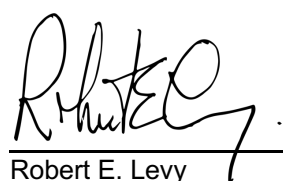
	Quarter ended 26 January 2019 \$'000	Quarter ended 27 January 2018 \$'000	Nine months ended 26 January 2019 \$'000	Nine months ended 27 January 2018 \$'000
Revenue	14,554,357	12,662,050	40,268,546	35,679,357
Cost of sales	(10,965,684)	(9,346,724)	(30,464,623)	(26,733,102)
Gross Profit	3,588,673	3,315,326	9,803,923	8,946,255
Other income	162,094	61,729	304,261	202,543
Distribution costs	(498,963)	(461,607)	(1,416,849)	(1,320,658)
Administration and other expenses	(2,263,504)	(1,881,765)	(6,475,783)	(5,599,067)
Operating Profit	988,300	1,033,683	2,215,552	2,229,073
Finance income	126,929	(57,081)	328,412	(43,241)
Finance costs	(257,135)	(166,157)	(728,589)	(476,684)
Profit before Taxation	858,094	810,445	1,815,375	1,709,148
Taxation	(95,224)	(61,375)	(408,243)	(301,637)
Net Profit	762,870	749,070	1,407,132	1,407,511
Other Comprehensive Income, net of taxes - Item that will be reclassified to profit or loss -				
Exchange differences on translating foreign operations	81,827	(95,491)	117,083	(104,216)
Total other comprehensive income	81,827	(95,491)	117,083	(104,216)
Total Comprehensive Income	844,697	653,579	1,524,215	1,303,295
Net Profit Attributable to:				
Stockholders of the company	754,557	729,999	1,383,874	1,363,464
Non-controlling interests	8,313	19,071	23,258	44,047
	762,870	749,070	1,407,132	1,407,511
Total Comprehensive Income Attributable to:				
Stockholders of the company	843,754	637,959	1,516,090	1,259,450
Non-controlling interests	943	15,620	8,125	43,845
	844,697	653,579	1,524,215	1,303,295
Earnings per Stock Unit	\$ 0.73	\$ 0.61	\$ 1.35	\$ 1.14

Jamaica Broilers Group Limited

Group Balance Sheet

26 January 2019

	26 January 2019 \$'000 Unaudited	28 April 2018 \$'000 Audited	27 January 2018 \$'000 Unaudited
Non-Current Assets			
Property, plant and equipment	9,824,540	8,186,112	8,140,120
Intangible assets	1,000,781	983,047	966,806
Investment property	6,188	6,313	6,354
Investments	276,020	260,319	259,527
Loans receivable	1,058,837	1,647,029	1,645,047
Deferred income taxes	63,029	59,317	36,400
Post-employment benefit assets	438,600	438,600	691,100
	<u>12,667,995</u>	<u>11,580,737</u>	<u>11,745,354</u>
Current Assets			
Inventories	6,264,816	5,783,503	5,056,847
Biological assets	5,849,967	5,443,704	4,716,805
Receivables	4,767,456	3,945,121	4,098,767
Loans receivable	349,226	341,535	340,691
Taxation recoverable	53,241	34,311	59,215
Financial assets at fair value through profit or	617,763	767,150	782,064
Cash and short term investments	2,751,062	3,116,000	1,150,372
	<u>20,653,531</u>	<u>19,431,324</u>	<u>16,204,761</u>
Current Liabilities			
Payables	4,357,613	5,019,273	3,673,832
Taxation payable	517,893	540,986	470,584
Borrowings	7,084,348	5,364,899	2,686,066
Other long term liabilities – current portion	720,383	1,540,268	-
	<u>12,680,237</u>	<u>12,465,426</u>	<u>6,830,482</u>
Net Current Assets			
	<u>7,973,294</u>	<u>6,965,898</u>	<u>9,374,279</u>
	<u>20,641,289</u>	<u>18,546,635</u>	<u>21,119,633</u>
Stockholders' Equity			
Share capital	765,137	765,137	765,137
Reserves	1,182,877	1,050,661	1,066,681
Retained earnings	14,997,560	13,815,849	13,664,585
Shares held by Trust	(3,258,408)	(3,010,231)	-
	<u>13,687,166</u>	<u>12,621,416</u>	<u>15,496,403</u>
Non-controlling interests			
	<u>155,457</u>	<u>38,957</u>	<u>21,008</u>
	<u>13,842,623</u>	<u>12,660,373</u>	<u>15,517,411</u>
Non-Current Liabilities			
Borrowings	6,152,869	4,658,531	5,014,283
Other long term liabilities	-	720,383	-
Deferred income taxes	619,797	481,348	565,539
Post-employment benefit obligations	26,000	26,000	22,400
	<u>20,641,289</u>	<u>18,546,635</u>	<u>21,119,633</u>



Robert E. Levy

Chairman

March 4, 2019



Christopher Levy

President & CEO

Jamaica Broilers Group Limited

Group Statement of Changes in Stockholders' Equity

Nine Months ended 26 January 2019

	Attributable to the Company's Stockholders						Total Equity \$'000
	Number of Shares '000	Share Capital \$'000	Reserves \$'000	Retained Earnings \$'000	Shares held by Trust \$'000	Non- controlling Interests \$'000	
	Balance at 29 April 2017	1,199,277	765,137	1,170,695	12,504,998	-	
Exchange differences on translating foreign	-	-	(104,014)	-	-	(202)	(104,216)
Total other comprehensive income	-	-	(104,014)	-	-	(202)	(104,216)
Net profit	-	-	-	1,363,464	-	44,047	1,407,511
Total comprehensive income	-	-	(104,014)	1,363,464	-	43,845	1,303,295
Dividends	-	-	-	(203,877)	-	-	(203,877)
Movement during the period	-	-	(104,014)	1,159,587	-	43,845	1,099,418
Balance at 27 January 2018	1,199,277	765,137	1,066,681	13,664,585	-	21,008	15,517,411
Balance at 28 April 2018	1,033,825	765,137	1,050,661	13,815,849	(3,010,231)	38,957	12,660,373
Exchange differences on translating foreign	-	-	132,216	-	-	(15,133)	117,083
Total other comprehensive income	-	-	132,216	-	-	(15,133)	117,083
Net profit	-	-	-	1,383,874	-	23,258	1,407,132
Total comprehensive income	-	-	132,216	1,383,874	-	8,125	1,524,215
Dividends	-	-	-	(201,966)	-	-	(201,966)
Purchase of shares by Trust	(9,579)	-	-	-	(248,177)	-	(248,177)
Shares purchased from non- controlling interest	-	-	-	(197)	-	(6,764)	(6,961)
Additional investment	-	-	-	-	-	115,139	115,139
Transactions with owners	(9,579)	-	-	(202,163)	(248,177)	108,375	(341,965)
Movement during the period	(9,579)	-	132,216	1,181,711	(248,177)	116,500	1,182,250
Balance at 26 January 2019	1,024,246	765,137	1,182,877	14,997,560	(3,258,408)	155,457	13,842,623

Jamaica Broilers Group Limited

Group Statement of Cash Flows Nine Months ended 26 January 2019

	Nine months ended 26 January 2019 \$'000	Nine months ended 27 January 2018 \$'000
Cash Flows from Operating Activities		
Net profit	1,407,132	1,407,511
Adjustments for:		
Depreciation	677,685	541,535
Amortisation	87,608	90,561
Loss/(gain) on disposal of property, plant and equipment	1,748	(2,248)
Fair value loss/(gain) on financial assets at fair value through profit or loss	63,710	(37,655)
Taxation expense	408,243	301,637
Interest income	(115,685)	(149,455)
Unrealised foreign exchange (gains)/losses	(169,148)	81,195
Interest expense	601,748	478,191
	<u>2,963,041</u>	<u>2,711,272</u>
Changes in operating assets and liabilities:		
Inventories	(481,313)	107,442
Biological assets	(406,263)	(259,433)
Receivables	(822,335)	(530,112)
Payables	(607,498)	(740,310)
Financial assets at fair value through profit or loss	85,677	16,826
Translation (losses)/gains on working capital of foreign subsidiaries	129,117	(70,591)
	<u>860,426</u>	<u>1,235,094</u>
Taxation paid	(313,146)	(166,651)
Cash provided by operating activities	<u>547,280</u>	<u>1,068,443</u>

Jamaica Broilers Group Limited

Group Statement of Cash Flows (Continued)

Nine Months ended 26 January 2019

	Nine months ended 26 January 2019 \$'000	Nine months ended 27 January 2018 \$'000
Cash Flows from Operating Activities	547,280	1,068,443
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(2,274,014)	(1,666,020)
Purchase of intangible assets	(57,327)	-
Purchase of investments	-	(253,593)
Proceeds from disposal of property, plant and equipment	6,401	5,085
Loan repayments received	682,227	339,607
Interest received	120,150	292,263
Cash used in investing activities	(1,522,563)	(1,282,658)
Cash Flows from Financing Activities		
Long term loans repaid	(3,129,645)	(763,430)
Long term loans received	5,888,071	943,520
Other long term liabilities paid	(1,540,268)	-
Shares purchased by Trust	(248,177)	-
Non-Controlling Interest	54,016	-
Interest paid	(623,955)	(473,587)
Dividend paid	(201,966)	(203,877)
Cash provided by/(used in) financing activities	198,076	(497,374)
Effect of changes in exchange rates on cash and cash equivalents	138,338	(3,176)
Decrease in cash and cash equivalents	(638,869)	(714,765)
Cash and cash equivalents at beginning of year	2,925,625	1,596,383
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2,286,756	881,618

Jamaica Broilers Group Limited

Segment Reporting Information

Nine Months ended 26 January 2019

	9 Months to 26 January 2019					
	Jamaica Operations \$'000	US Operations \$'000	Haiti Operations \$'000	Other Caribbean \$'000	Eliminations \$'000	Group \$'000
External revenues	26,587,226	11,921,447	1,759,873	-	-	40,268,546
Revenue from other segments	213,107	2,022,512	-	441,525	(2,677,144)	-
Total revenue	26,800,333	13,943,959	1,759,873	441,525	(2,677,144)	40,268,546
Segment result	2,503,181	1,125,223	146,001	1,461,836	(1,621,902)	3,614,339
Unallocated corporate expenses						(1,398,787)
Operating profit						2,215,552
Finance income						328,412
Finance costs						(728,589)
Profit before tax						1,815,375
Taxation						(408,243)
Net profit						1,407,132
Segment assets -						
Current assets	15,866,591	8,405,327	1,012,713	1,327,368	(5,958,468)	20,653,531
Non-current assets	10,220,961	3,959,525	794,455	5,224,978	(7,531,924)	12,667,995
Total assets	26,087,552	12,364,852	1,807,168	6,552,346	(13,490,392)	33,321,526
Segment liabilities -						
Current liabilities	7,912,485	5,134,629	1,290,537	4,301,053	(5,958,467)	12,680,237
Non-current liabilities	5,701,694	1,093,801	-	3,171	-	6,798,666
Total liabilities	13,614,179	6,228,430	1,290,537	4,304,224	(5,958,467)	19,478,903

Jamaica Broilers Group Limited

Segment Reporting Information (Continued)

Nine Months ended 26 January 2019

	9 Months to 27 January 2018					
	Jamaica Operations	US Operations	Haiti Operations	Other Caribbean Operations	Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	25,169,558	8,889,140	1,620,659	-	-	35,679,357
Revenue from other segments	168,992	1,976,199	-	385,678	(2,530,869)	-
Total revenue	25,338,550	10,865,339	1,620,659	385,678	(2,530,869)	35,679,357
Segment result	2,027,090	973,261	151,850	286,838	(209,686)	3,229,353
Unallocated corporate expenses						(1,000,280)
Operating profit						2,229,073
Finance income						(43,241)
Finance costs						(476,684)
Profit before tax						1,709,148
Taxation						(301,637)
Net profit						1,407,511
Segment assets -						
Current assets	10,872,204	6,561,384	699,540	1,090,887	(3,019,254)	16,204,761
Non-current assets	10,676,270	2,659,148	786,923	582,735	(2,959,722)	11,745,354
Total assets	21,548,474	9,220,532	1,486,463	1,673,622	(5,978,976)	27,950,115
Segment liabilities -						
Current liabilities	4,760,007	3,868,197	441,541	779,931	(3,019,194)	6,830,482
Non-current liabilities	4,651,196	2,690,772	657,814	3,079	(2,400,639)	5,602,222
Total liabilities	9,411,203	6,558,969	1,099,355	783,010	(5,419,833)	12,432,704

Jamaica Broilers Group Limited

Notes to the Interim Financial Statements

26 January 2019

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 28 April 2018.

The required adjustments for the newly effective IFRS 9, 'Financial Instruments' and IFRS 15, 'Revenue from contracts with customers' have not yet been implemented. The adjustments will be included in the year end results to be published.

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

Effective 29 April 2018, the Haiti Operations has been separated from the Other Caribbean Operations and is now presented as an individual segment. The prior year segment report has been restated to reflect this change.

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.