



INTERIM REPORT

31 JULY 2021

Q1

QUARTER ONE



FIRST QUARTER REPORT

2021 / 2022 FISCAL YEAR | THREE MONTHS | UNAUDITED RESULTS

[Q1]

INTERIM REPORT TO OUR SHAREHOLDERS

The Directors of Jamaica Broilers Group Limited now release the unaudited financial results for the quarter ended July 31, 2021, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

For the three months ended 31 July 2021, net profit after tax for the first quarter was \$275 million, a 28% decrease versus the corresponding period in the prior year. This decline is primarily due to a 13% reduction in our gross margin ratio due to the rapid increases experienced procuring raw materials during the quarter due to the continued impact of the COVID-19 pandemic. Despite the exponential rise in raw material and shipping costs, the company has been taking steps to manage costs while not passing on the full increases to our customers.

During the prior year, at the onset of the COVID-19 pandemic, the company took aggressive steps to minimise the financial impact from the drastic loss of revenue which the company was experiencing and anticipating. These steps involved a reduction in salaries paid to staff and a proactive curtailing of variable expenditures which resulted in lower overheads during that quarter in the 2020/2021 financial year. When we benchmark our 'Administration and other expenses' of \$2.4 billion against the first quarters of the 2019/2020 (\$2.3 billion) and 2018/2019 (\$2.3 billion) financial years, this represents a 5% increase against those more comparable periods.

Group revenues for the first quarter amounted to \$17.6 billion, a 40% increase above the \$12.6 billion achieved in the corresponding quarter of the previous year. Our gross profit for the quarter was \$3.6 billion, a 22% increase over the previous year.

Jamaica Operations reported a segment result of \$665 million, which was \$65 million or 9% below last year's segment result of \$730 million. This decrease was attributed mainly to the rapid increase in international grain prices and shipping costs. Total revenue for our Jamaica Operations showed an increase of 41%.

Our US Operations reported a segment result of \$580 million, which was an 84% increase over the prior year's result of \$316 million. This increase was primarily driven by the increased production and sales in the Best Dressed Chicken line of products. The operations have also seen an increase in the sales of feed and fertile eggs, signaling a strong rebound from the effects of the pandemic experienced in the previous year.

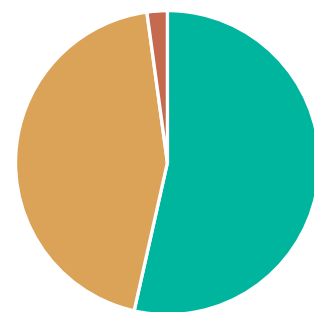
Haiti Operations reported a segment loss of \$48 million compared to prior year profit of \$11 million, a reduction of \$59 million. Total revenue reduced by 8%. Haiti continues to experience economic and political instability which continues to impact our Haiti Operations.

The Group's operations produced an operating profit of \$725 million, a decrease of 15% from the prior year. We remain hopeful that as our vaccination rate improves and the impact of the COVID-19 pandemic can be lessened, our markets will see a formidable rebound and our dedicated staff and contractors will always be ready to deliver reliable service and 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.

J\$395M PROFIT BEFORE TAX	J\$18B REVENUE
J\$53B TOTAL ASSETS	J\$0.29 EARNINGS PER STOCK UNIT

YTD OPERATIONAL REVENUES*



J\$9.9B
● JAMAICA OPERATIONS

J\$8.2B
● US OPERATIONS

J\$0.4B
● HAITI OPERATIONS

ROBERT E. LEVY
Chairman

CHRISTOPHER E. LEVY
Group President & CEO

GROUP STATEMENT OF CONSOLIDATED INCOME

JAMAICA BROILERS GROUP LIMITED
THREE MONTHS ENDED 31 JULY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Quarter ended 31 July 2021 \$'000	Quarter ended 1 August 2020 \$'000
Revenue	17,608,522	12,580,688
Cost of sales	(14,022,302)	(9,633,076)
Gross Profit	3,586,220	2,947,612
Other income	150,652	271,334
Distribution costs	(631,167)	(467,211)
Administration and other expenses	(2,380,615)	(1,900,642)
Operating Profit	725,090	851,093
Finance costs	(329,972)	(356,717)
Profit before Taxation	395,118	494,376
Taxation	(119,640)	(111,733)
Net Profit	275,478	382,643
Other Comprehensive Income, net of taxes - Item that will be reclassified to profit or loss -		
Exchange differences on translating foreign operations	(43,187)	246,124
Total Comprehensive Income	232,291	628,767
Net Profit Attributable to:		
Stockholders of the company	290,325	414,063
Non-controlling interests	(14,847)	(31,420)
	275,478	382,643
Total Comprehensive Income Attributable to:		
Stockholders of the company	269,927	666,403
Non-controlling interests	(37,636)	(37,636)
	232,291	628,767
Earnings per Stock Unit	28.80	40.60

GROUP BALANCE SHEET

JAMAICA BROILERS GROUP LIMITED 31 JULY 2021

(Expressed in Jamaican dollars unless otherwise indicated)

	31 July 2021 \$'000 Unaudited	1 May 2021 \$'000 Audited	1 August 2020 \$'000 Unaudited
Non-Current Assets			
Property, plant and equipment	13,667,895	13,653,259	13,048,387
Right of use assets	932,827	1,006,359	536,137
Intangible assets	2,698,755	2,382,124	1,939,451
Investment property	5,772	5,814	5,938
Investments	487,043	486,964	293,490
Deferred expenditure	13,658	18,210	31,869
Deferred income taxes	68,874	68,730	62,918
Post-employment benefit assets	993,500	993,500	379,900
	18,868,324	18,614,960	16,298,090
Current Assets			
Inventories	12,761,404	12,905,750	8,773,764
Biological assets	11,481,106	11,427,065	8,974,138
Receivables	5,302,079	4,521,295	4,230,933
Taxation recoverable	18,462	17,363	23,570
Deferred expenditure	18,210	18,210	18,210
Financial assets at fair value through profit or loss	187,393	182,144	244,396
Cash and short-term investments	4,281,791	3,424,664	5,469,290
	34,050,445	32,496,491	27,734,301
Current Liabilities			
Payables	9,688,346	9,671,650	7,637,857
Taxation payable	277,699	285,903	359,363
Borrowings	12,433,299	10,958,383	9,305,813
Lease liabilities	329,359	310,481	231,657
	22,728,703	21,226,417	17,534,690
Net Current Assets	11,321,742	11,270,074	10,199,611
	30,190,066	29,885,034	26,497,701
Stockholders' Equity			
Share capital	765,137	765,137	765,137
Reserves	2,478,282	2,503,992	1,938,318
Retained earnings	19,455,349	19,165,024	17,235,322
Shares held by Trust	(3,713,144)	(3,713,144)	(3,378,643)
	18,985,624	18,721,009	16,560,134
Non-controlling interests	166,379	198,703	31,016
	19,152,003	18,919,712	16,591,150
Non-Current Liabilities			
Borrowings	9,083,016	8,953,359	8,784,125
Lease liabilities	658,445	716,074	321,032
Deferred income taxes	1,276,402	1,275,689	781,394
Post-employment benefit obligations	20,200	20,200	20,000
	30,190,066	29,885,034	26,497,701

Robert E. Levy

Robert E. Levy

Chairman

Christopher E. Levy

Christopher E. Levy

President & CEO



GROUP STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

JAMAICA BROILERS GROUP LIMITED
THREE MONTHS ENDED 31 JULY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Attributable to the Company's Stockholders						Non- controlling Interests	Total Equity
	Number of Shares	Share Capital	Reserves	Retained Earnings	Shares held by Trust			
	'000	\$'000	\$'000	\$'000	\$'000	\$'000		
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	-	-	252,340	-	-	(6,216)	246,124	
Total other comprehensive income	-	-	252,340	-	-	(6,216)	246,124	
Net profit	-	-	-	414,063	-	(31,420)	382,643	
Total comprehensive income	-	-	252,340	414,063	-	(37,636)	628,767	
Balance at 1 August 2020	1,019,985	765,137	1,938,318	17,235,322	(3,378,643)	31,016	16,591,150	
Balance at 1 May 2021	1,007,966	765,137	2,503,992	19,165,024	(3,713,144)	198,703	18,919,712	
Exchange differences on translating foreign operations	-	-	(25,710)	-	-	(17,477)	(43,187)	
Total other comprehensive income	-	-	(25,710)	-	-	(17,477)	(43,187)	
Net profit	-	-	-	290,325	-	(14,847)	275,478	
Total comprehensive income	-	-	(25,710)	290,325	-	(32,324)	232,291	
Balance at 31 July 2021	1,007,966	765,137	2,478,282	19,455,349	(3,713,144)	166,379	19,152,003	

GROUP STATEMENT OF CASH FLOWS

JAMAICA BROILERS GROUP LIMITED
THREE MONTHS ENDED 31 JULY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Quarter ended 31 July 2021 \$'000	Quarter ended 1 August 2020 \$'000
Cash Flows from Operating Activities		
Net profit	275,478	382,643
Adjustments for:		
Depreciation	423,292	364,675
Amortisation	77,552	54,834
Deferred expenditure	4,552	4,551
Loss on disposal of property, plant and equipment	-	7,059
Fair value gain on financial assets at fair value through profit or loss	(1,965)	(24,300)
Taxation expense	119,640	111,733
Interest income	(20,169)	(9,026)
Unrealised foreign exchange losses/(gains)	35,704	(30,571)
Interest expense	241,922	221,457
	1,156,006	1,083,055
Changes in operating assets and liabilities:		
Inventories	144,346	703,624
Biological assets	(54,041)	132,996
Receivables	(780,784)	(350,870)
Payables	16,696	(1,741,406)
Financial assets at fair value through profit or loss	-	21,002
Translation gain on working capital of foreign subsidiaries	23,052	264,103
	505,275	112,504
Taxation paid	(130,371)	(97,757)
Cash provided by operating activities	374,904	14,747

GROUP STATEMENT OF CASH FLOWS CONT'D

JAMAICA BROILERS GROUP LIMITED
THREE MONTHS ENDED 31 JULY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Quarter ended 31 July 2021 \$'000	Quarter ended 1 August 2020 \$'000
Cash Flows from Operating Activities	374,904	14,747
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(709,129)	(833,968)
Proceeds from disposal of property, plant and equipment	12,622	7,319
Additions to right of use assets	(79,986)	(27,270)
Purchase of investments	-	(61,426)
Interest received	21,954	9,096
Cash used in investing activities	(754,539)	(906,249)
Cash Flows from Financing Activities		
Long term loans repaid	(367,308)	(2,045,007)
Long term loans received	1,838,610	2,584,234
Lease repayments	(57,278)	(12,212)
Interest paid	(242,860)	(219,374)
Cash provided by financing activities	1,171,164	307,641
Effect of changes in exchange rates on cash and cash equivalents	27,045	104,014
Increase/(decrease) in cash and cash equivalents	818,574	(479,847)
Cash and cash equivalents at beginning of year	3,221,660	5,621,343
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,040,234	5,141,496
 Cash and Cash Equivalents at end of period consists of:		
Cash and short term investments	4,281,791	5,469,290
Bank overdraft	(241,557)	(327,794)
	4,040,234	5,141,496

SEGMENT REPORTING INFORMATION

JAMAICA BROILERS GROUP LIMITED
THREE MONTHS ENDED 31 JULY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

3 Months to 31 July 2021

	Jamaica Operations	US Operations	Haiti Operations	Other Caribbean Operations	Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	9,902,805	7,280,011	425,706	-	-	17,608,522
Revenue from other segments	43,871	959,248	-	332,501	(1,335,620)	-
Total revenue	9,946,676	8,239,259	425,706	332,501	(1,335,620)	17,608,522
Segment result	665,605	579,836	(48,148)	1,499,994	(1,538,283)	1,159,004
Unallocated corporate expenses						(433,914)
Operating profit						725,090
Finance costs						(329,972)
Profit before tax						395,118
Taxation						(119,640)
Net profit						275,478
Segment assets -						
Current assets	18,256,724	20,938,634	1,136,361	1,142,960	(7,424,234)	34,050,445
Non-current assets	18,291,319	7,598,001	744,227	8,570,560	(16,335,783)	18,868,324
Total assets	36,548,043	28,536,635	1,880,588	9,713,520	(23,760,017)	52,918,769
Segment liabilities -						
Current liabilities	12,963,667	13,981,898	866,007	2,341,531	(7,424,400)	22,728,703
Non-current liabilities	8,044,974	2,993,089	-	3,983,846	(3,983,846)	11,038,063
Total liabilities	21,008,641	16,974,987	866,007	6,325,377	(11,408,246)	33,766,766

SEGMENT REPORTING INFORMATION CONT'D

JAMAICA BROILERS GROUP LIMITED
THREE MONTHS ENDED 31 JULY 2021
(Expressed in Jamaican dollars unless otherwise indicated)

3 Months to 1 August 2020

	Jamaica Operations	US Operations	Haiti Operations	Other Caribbean Operations	Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	7,009,034	5,109,003	462,651	-	-	12,580,688
Revenue from other segments	39,609	559,855	-	275,364	(874,828)	-
Total revenue	7,048,643	5,668,858	462,651	275,364	(874,828)	12,580,688
Segment result	730,344	315,573	11,476	27,192	(76,211)	1,008,374
Unallocated corporate expenses						(157,281)
Operating profit						851,093
Finance costs						(356,717)
Profit before tax						494,376
Taxation						(111,733)
Net profit						382,643
Segment assets -						
Current assets	16,750,936	13,108,950	1,053,303	1,596,738	(4,775,626)	27,743,301
Non-current assets	14,578,789	7,051,573	668,824	5,946,409	(11,947,505)	16,298,090
Total assets	31,329,725	20,160,523	1,722,127	7,543,147	(16,723,131)	44,032,391
Segment liabilities -						
Current liabilities	9,839,530	8,448,649	1,617,586	2,404,718	(4,775,793)	17,534,690
Non-current liabilities	7,455,389	2,433,030	12,520	3,651,561	(3,645,949)	9,906,551
Total liabilities	17,294,919	10,881,679	1,630,106	6,056,279	(8,421,742)	27,541,241

NOTES TO THE INTERIM FINANCIAL STATEMENTS

JAMAICA BROILERS GROUP LIMITED
31 JULY 2021
(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 1 May 2021.

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.

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.