



[Q2]

JAMAICA BROILERS GROUP LIMITED  
**INTERIM REPORT**

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28 OCTOBER 2023 | QUARTER TWO



# SECOND QUARTER REPORT

2023 / 2024 FISCAL YEAR | SIX MONTHS | UNAUDITED RESULTS

## [Q2] INTERIM REPORT TO OUR SHAREHOLDERS

The Directors of Jamaica Broilers Group Limited now release the unaudited financial results for the quarter ended October 28, 2023, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

The Group produced a net profit attributable to shareholders of \$1.3 billion, for the quarter ended October 28, 2023. The operations of the Group continue to be strong, and our gross margins are consistent with expectations. We have begun to realise the additional volumes through the US operations, which has resulted in increased financing requirements primarily around working capital.

Quarterly Group revenues amounted to \$23.4 billion, a 2% increase above the \$22.9 billion achieved in the corresponding quarter. Our gross profit for the quarter was \$5.8 billion, which equaled the corresponding quarter in the prior.

Jamaica Operations reported a segment result of \$3.7 billion which was \$204 million or 6% above last year's segment result. Total revenue for our Jamaica Operations showed an increase of 3% over the prior year six-month period. This increase was primarily driven by increased production, increased sale and export of poultry and implementation of cost containment efforts.

Our US Operations reported a segment result of \$2.2 billion which was \$401 million, 22% above last year's segment result. This increase was driven by increased volumes of poultry meat and eggs, as well as the implementation of cost management initiatives.

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.

### 2023/2024 Q2 HIGHLIGHTS

NET PROFIT  
ATTRIBUTABLE TO SHAREHOLDERS

**J\$1.3B**

REVENUE

**J\$23.4B**

### SEGMENT RESULTS (YTD)

 **J\$3.7B** +6%

 **J\$2.2B** +22%

**ROBERT E. LEVY**

Chairman

**CHRISTOPHER E. LEVY**

Group President & CEO

## GROUP STATEMENT OF COMPREHENSIVE INCOME

SIX MONTHS ENDED 28 OCTOBER 2023

(Expressed in Jamaican dollars unless otherwise indicated)

	Quarter ended 28 October 2023 \$'000	Quarter ended 29 October 2022 \$'000	Six months ended 28 October 2023 \$'000	Six months ended 29 October 2022 \$'000
<b>Continuing operations</b>				
<b>Revenue</b>	23,385,107	22,943,274	46,770,889	45,840,769
Cost of sales	(17,612,729)	(17,190,384)	(35,291,493)	(34,745,372)
<b>Gross Profit</b>	5,772,378	5,752,890	11,479,396	11,095,397
Other income	98,293	187,266	259,673	265,080
Distribution costs	(790,999)	(748,481)	(1,511,239)	(1,437,881)
Administration and other expenses	(2,843,050)	(2,547,726)	(5,762,940)	(5,475,962)
<b>Operating Profit</b>	2,236,622	2,643,949	4,464,890	4,446,634
Finance income	17,792	3,700	55,951	4,478
Finance costs	(732,530)	(423,515)	(1,365,159)	(756,491)
<b>Profit before Taxation</b>	1,521,884	2,224,134	3,155,682	3,694,621
Taxation	(232,952)	(339,335)	(625,702)	(671,245)
<b>Net Profit from continuing operations</b>	1,288,932	1,884,799	2,529,980	3,023,376
<b>Discontinued operations</b>				
Loss from discontinued operations	-	(1,042,331)	-	(1,112,004)
<b>Net Profit</b>	1,288,932	842,468	2,529,980	1,911,372
<b>Other Comprehensive Income, net of taxes -</b>				
<b>Item that will be reclassified to profit or loss -</b>				
Exchange differences on translating foreign continuing operations	(27,124)	30,559	182,833	(85,342)
Exchange differences on translating foreign discontinued operations	-	563,214	-	529,964
Total other comprehensive income	(27,124)	593,773	182,833	444,622
<b>Total Comprehensive Income</b>	1,261,808	1,436,241	2,712,813	2,355,994
<b>Net Profit Attributable to:</b>				
Stockholders of the company	1,288,932	992,986	2,529,980	2,072,007
Non-controlling interests	-	(150,518)	-	(160,635)
	1,288,932	842,468	2,529,980	1,911,372
<b>Net Profit from continuing operations:</b>				
Stockholders of the company	1,288,932	1,884,799	2,529,980	3,023,376
Non-controlling interests	-	-	-	-
	1,288,932	1,884,799	2,529,980	3,023,376

## GROUP STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

SIX MONTHS ENDED 28 OCTOBER 2023

(Expressed in Jamaican dollars unless otherwise indicated)

	Quarter ended 28 October 2023 \$'000	Quarter ended 29 October 2022 \$'000	Six months ended 28 October 2023 \$'000	Six months ended 29 October 2022 \$'000
<b>Net Loss from discontinued operations:</b>				
Stockholders of the company	-	(891,813)	-	(951,369)
Non-controlling interests	-	(150,518)	-	(160,635)
	-	(1,042,331)	-	(1,112,004)
<b>Total Comprehensive Income Attributable to:</b>				
Stockholders of the company	1,261,808	1,521,168	2,712,813	2,455,866
Non-controlling interests	-	(84,927)	-	(99,872)
	1,261,808	1,436,241	2,712,813	2,355,994
<b>Total Comprehensive Income Attributable to:</b>				
From continuing operations	1,261,808	1,049,331	2,712,813	2,072,007
From discontinued operations	-	471,837	-	383,859
	1,261,808	1,521,168	2,712,813	2,455,866
<b>Earnings per Stock Unit</b>				
	\$	\$	\$	\$
From continuing operations	1.29	1.87	2.53	3.00
From discontinued operations	-	(0.88)	-	(0.94)
	1.29	0.99	2.53	2.06

## GROUP BALANCE SHEET

28 OCTOBER 2023

(Expressed in Jamaican dollars unless otherwise indicated)

	28 October 2023 \$'000 Unaudited	29 April 2023 \$'000 Audited	29 October 2022 \$'000 Unaudited
<b>Non-Current Assets</b>			
Property, plant and equipment	22,020,764	21,486,500	16,436,510
Right of use assets	920,931	937,820	934,672
Intangible assets	2,700,529	2,616,100	2,836,210
Investment property	5,398	5,481	5,564
Investments	350,267	348,353	280,563
Deferred income taxes	139,721	138,140	84,236
Post-employment benefit assets	1,163,300	1,163,300	818,500
	<u>27,300,910</u>	<u>26,695,694</u>	<u>21,396,255</u>
<b>Current Assets</b>			
Inventories	21,095,762	18,840,922	18,042,405
Biological assets	21,642,975	21,128,134	16,700,696
Receivables	5,907,389	5,881,340	6,109,415
Taxation recoverable	44,145	38,059	24,912
Deferred expenditure	-	-	9,105
Financial assets at fair value through profit or loss	163,472	165,075	167,960
Cash and short-term investments	2,271,165	4,664,361	3,855,368
	<u>51,124,908</u>	<u>50,717,891</u>	<u>44,909,861</u>
<b>Current Liabilities</b>			
Payables	10,724,843	14,132,342	12,399,347
Dividend payable	527,681	-	431,739
Taxation payable	1,512,754	1,351,110	1,508,342
Borrowings	20,724,324	18,339,769	15,117,562
Lease liabilities	366,722	374,960	421,662
	<u>33,856,324</u>	<u>34,198,181</u>	<u>29,878,652</u>
<b>Net Current Assets</b>	<u>17,268,584</u>	<u>16,519,710</u>	<u>15,031,209</u>
	<u>44,569,494</u>	<u>43,215,404</u>	<u>36,427,464</u>
<b>Stockholders' Equity</b>			
Share capital	765,137	765,137	765,137
Reserves	2,957,862	2,775,029	2,846,792
Retained earnings	27,712,332	25,710,033	23,232,679
Shares held by Trust	(3,902,591)	(3,902,591)	(3,742,633)
	<u>27,532,740</u>	<u>25,347,608</u>	<u>23,101,975</u>
<b>Non-Current Liabilities</b>			
Borrowings	14,846,652	15,825,535	11,479,157
Lease liabilities	527,752	545,431	488,909
Deferred income taxes	1,652,650	1,487,130	1,344,823
Post-employment benefit obligations	9,700	9,700	12,600
	<u>44,569,494</u>	<u>43,215,404</u>	<u>36,427,464</u>



**ROBERT E. LEVY**

Chairman



**CHRISTOPHER E. LEVY**

Group President & CEO

December 5, 2023



## GROUP STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

SIX MONTHS ENDED 28 OCTOBER 2023

(Expressed in Jamaican dollars unless otherwise indicated)

### Attributable to the Company's Stockholders

	Number of Shares '000	Share Capital \$'000	Reserves \$'000	Retained Earnings \$'000	Shares held by Trust \$'000	Non- controlling Interests \$'000	Total Equity \$'000
Balance at 30 April 2022	1,006,966	765,137	2,307,340	21,747,180	(3,742,633)	100,696	21,177,720
Exchange differences on translating foreign operations	-	-	383,859	-	-	60,763	444,622
Total other comprehensive income	-	-	383,859	-	-	60,763	444,622
Net profit	-	-	-	2,072,007	-	(160,635)	1,911,372
Total comprehensive income	-	-	383,859	2,072,007	-	(99,872)	2,355,994
Dividends	-	-	-	(431,739)	-	-	(431,739)
Transfer to capital reserve	-	-	155,593	(155,593)	-	-	-
Transfer to retained earnings	-	-	-	824	-	(824)	-
Movement during the period	-	-	539,452	1,485,499	-	(100,696)	1,924,255
Balance at 29 October 2022	1,006,966	765,137	2,846,792	23,232,679	(3,742,633)	-	23,101,975
Balance at 29 April 2023	1,001,467	765,137	2,775,029	25,710,033	(3,902,591)	-	25,347,608
Exchange differences on translating foreign operations	-	-	182,833	-	-	-	182,833
Total other comprehensive income	-	-	182,833	-	-	-	182,833
Net profit	-	-	-	2,529,980	-	-	2,529,980
Total comprehensive income	-	-	182,833	2,529,980	-	-	2,712,813
Dividends	-	-	-	(527,681)	-	-	(527,681)
Transactions with owners	-	-	-	(527,681)	-	-	(527,681)
Movement during the period	-	-	182,833	2,002,299	-	-	2,185,132
Balance at 28 October 2023	1,001,467	765,137	2,957,862	27,712,332	(3,902,591)	-	27,532,740

**GROUP STATEMENT OF CASH FLOWS**  
**SIX MONTHS ENDED 28 OCTOBER 2023**  
(Expressed in Jamaican dollars unless otherwise indicated)

	<b>Six months ended 28 October 2023 \$'000</b>	<b>Six months ended 29 October 2022 \$'000</b>
<b>Cash Flows from Operating Activities</b>		
Net profit	2,529,980	1,911,372
Adjustments for:		
Depreciation	986,658	864,463
Amortisation	99,575	148,958
Deferred expenditure	10,608	32,613
Gain on disposal of property, plant and equipment	-	(101,184)
Loss on disposal of subsidiary	-	1,040,877
Fair value (gains)/losses on financial assets at fair value through profit or loss	(119)	22,922
Taxation expense	625,702	671,245
Interest income	(21,282)	(12,238)
Unrealised foreign exchange losses	3,941	24,875
Interest expense	1,335,291	746,935
	5,570,354	5,350,838
Changes in operating assets and liabilities:		
Inventories	(2,140,035)	(2,553,428)
Biological assets	(297,114)	(1,550,304)
Receivables	(1,780)	(811,781)
Payables	(3,503,859)	(181,341)
Financial assets at fair value through profit or loss	(1,047)	(1,511)
Translation on working capital of foreign subsidiaries	-	(120,493)
	(373,481)	131,980
Taxation paid	(318,326)	(94,936)
<b>Cash (used in)/provided by operating activities carried forward</b>	(691,807)	37,044

## GROUP STATEMENT OF CASH FLOWS (CONTINUED)

SIX MONTHS ENDED 28 OCTOBER 2023

(Expressed in Jamaican dollars unless otherwise indicated)

	Six months ended 28 October 2023 \$'000	Six months ended 29 October 2022 \$'000
<b>Cash Flows (used in)/provided by Operating Activities</b>	(691,807)	37,044
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(1,230,375)	(2,949,278)
Purchase of intangible assets	(164,893)	(48,920)
Proceeds from sale of investments	(1,587)	3,552
Purchase of investments	7,155	(992)
Proceeds from disposal of property, plant and equipment	-	178,265
Interest received	21,696	13,914
Cash used in investing activities	(1,368,004)	(2,803,459)
<b>Cash Flows from Financing Activities</b>		
Long term loans repaid	(2,524,191)	(12,833,627)
Long term loans received	3,643,391	16,591,179
Lease repayments	(156,801)	(178,514)
Interest paid	(1,320,138)	(741,178)
Cash (used in)/provided by financing activities	(357,739)	2,837,860
Effect of changes in exchange rates on cash and cash equivalents	55,913	(19,932)
(Decrease)/increase in cash and cash equivalents	(2,361,637)	51,513
Cash and cash equivalents at beginning of year	4,632,591	3,778,119
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	2,270,954	3,829,632
 <b>Cash and Cash Equivalents at end of period consists of:</b>		
Cash and short-term investments	2,271,165	3,855,368
Bank overdraft	(211)	(25,736)
	2,270,954	3,829,632



## SEGMENT REPORTING INFORMATION

SIX MONTHS ENDED 28 OCTOBER 2023

(Expressed in Jamaican dollars unless otherwise indicated)

	6 Months to 28 October 2023				
	Jamaica	US Operations	Other	Eliminations	Group
	Operations		Caribbean		
\$'000	\$'000	\$'000	\$'000	\$'000	
External revenues	28,924,175	17,846,714	-	-	46,770,889
Revenue from other segments	77,567	2,641,258	674,490	(3,393,315)	-
Total revenue	29,001,742	20,487,972	674,490	(3,393,315)	46,770,889
Segment result	3,705,129	2,214,189	(669,182)	870,208	6,120,344
Unallocated corporate expenses					(1,655,454)
Operating profit					4,464,890
Finance income					55,951
Finance costs					(1,365,159)
Profit before tax					3,155,682
Taxation					(625,702)
Net profit					2,529,980
Segment assets -					
Current assets	21,043,685	32,357,270	1,420,448	(3,696,495)	51,124,908
Non-current assets	25,464,685	14,023,080	7,849,664	(20,036,519)	27,300,910
Total assets	46,508,370	46,380,350	9,270,112	(23,733,014)	78,425,818
Segment liabilities -					
Current liabilities	16,480,502	19,750,118	1,263,037	(3,637,333)	33,856,324
Non-current liabilities	11,318,484	7,816,999	5,276,451	(7,375,180)	17,036,754
Total liabilities	27,798,986	27,567,117	6,539,488	(11,012,513)	50,893,078

## SEGMENT REPORTING INFORMATION (CONTINUED)

SIX MONTHS ENDED 28 OCTOBER 2023

(Expressed in Jamaican dollars unless otherwise indicated)

	6 Months to 29 October 2022				
	Jamaica Operations	US Operations	Other Caribbean Operations	Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	28,180,792	17,659,977	-	-	45,840,769
Revenue from other segments	98,743	2,754,347	378,175	(3,231,265)	-
Total revenue	28,279,535	20,414,324	378,175	(3,231,265)	45,840,769
Segment result	3,500,868	1,813,092	(28,894)	271,659	5,556,725
Unallocated corporate expenses					(1,110,091)
Operating profit					4,446,634
Finance income					4,478
Finance costs					(756,491)
Profit before tax					3,694,621
Taxation					(671,245)
Net profit from continuing operations					3,023,376
Loss from discontinued operations					(1,112,004)
Net profit					1,911,372
Segment assets -					
Current assets	24,957,340	37,017,735	1,400,510	(18,465,724)	44,909,861
Non-current assets	18,741,811	10,000,811	6,644,240	(13,990,607)	21,396,255
Total assets	43,699,151	47,018,546	8,044,750	(32,456,331)	66,306,116
Segment liabilities -					
Current liabilities	14,645,157	28,881,796	4,759,426	(18,407,727)	29,878,652
Non-current liabilities	12,448,302	3,063,569	1,449,201	(3,635,583)	13,325,489
Total liabilities	27,093,459	31,945,365	6,208,627	(22,043,310)	43,204,141

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

28 OCTOBER 2023

(Expressed in Jamaican dollars unless otherwise indicated)

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### 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 29 April 2023.

### 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
- 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.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

28 OCTOBER 2023

(Expressed in Jamaican dollars unless otherwise indicated)

### Discontinued Operations

Effective 29 October 2022, the operations of Haiti Broilers S.A. & its subsidiary T&S Rice S.A. were discontinued.

The financial performance is presented below:

	Six months ended 29 October 2022 \$'000
<b>Revenue</b>	83,973
Cost of sales	(119,810)
<b>Gross Profit</b>	(35,837)
Other income	1,476
Distribution costs	(399)
Administration and other expenses	(46,652)
<b>Operating Loss</b>	(81,412)
Finance costs	10,285
<b>Loss before Taxation</b>	(71,127)
Taxation	-
<b>Net Loss of discontinued operations</b>	(71,127)
<b>Discontinued operations</b>	
Loss on disposal of subsidiary	(1,040,877)
<b>Loss from discontinued operations</b>	(1,112,004)

**29 October  
2022  
\$'000**

The carrying amounts of the assets and liabilities as at the date of the disposal were:

Property, plant and equipment	310,924
Receivables	82,471
Inventory	131,288
Biological assets	74,651
<b>Total assets</b>	599,334
Payables	(120,617)
<b>Net assets</b>	478,717
Net assets	478,717
Reclassification of foreign currency translation reserves	562,160
Loss on disposal of subsidiary	1,040,877
	1,040,877

