



Jamaica Teas Limited held their Annual General Meeting (AGM) today at Marriot Hotel in New Kingston. Mr. John Jackson a director at Jamaica Teas introduced the directors of the company present at the meeting and heaped praises on the management of JAMT. The Director noted that, “it has been 7 years since JAMT listed on the Junior Market Exchange and the company has seen tremendous growth since.” He highlighted that revenues moved from \$200 million in 2007 to \$1.3 billion in the last fiscal year. Earlier this year JAMT acquired the largest block of shares in KIW International for \$57 million, which they intend to upgrade to a modern warehouse for rental purposes. In ending his remarks Mr Jackson spoke to the fact that JAMT has divested its supermarket market holdings in Montego Bay after a cost-benefit analysis, “the sized, profitability and logistic suggest that we are better off selling, as such, we disposed of our interest of the supermarket in Montego Bay.”

Subsequent to Mr. Jackson’s address, Chief Executive Officer (CEO) John Mahfood gave a brief presentation on the company’s performance in 2016. JAMT’s revenues had increased 38% year over year, while export sales for 2016 financial year increased 47%. These results are expected to continue and improve for the 2017FY, due in part to JAMT plans to shelf space for five products in 445 supermarkets in the Kruger Foods store in the United States. “The increase in export sales was driven by a surge in exports to the Caribbean markets with numerous products performing well,” according to Mr. Mahfood.

In order to remain innovative and continuously boost sales Mr. Mahfood pointed to the fact that JAMT has introduced two new products. A dried sorrel product which he hopes will make sorrel available all year round and an instant sour sop product both of which are expected to boost domestic sales and export. The CEO stated, “I did my research and there are a lot of theories on the medicinal value of the sour sop, hence we launched this product which is doing well in Trinidad which has a higher Indian population.”

Turning to the real estate segment of JAMT Mr Mahfood highlighted that the housing development in St Thomas will be completed by June 2017, with 73 units in total. The CEO noted, “36 units have already been completed and paid for while we are awaiting funds for another 36 units.” This he says will cause a significant increase in the company’s inventories that is reflected on the balance sheet. The company has further plans in real estate with the next development of 635 square feet studio is expected to begin in August once the St Thomas project is completed. Also, of importance Mr Mahfood introduced the idea of splitting JAMT to major divisions manufacturing and Real Estates into separate entities with shareholders having a stake in both. He also spoke to the success of JAMT solar power program which has move from proving 60% of power needs to 100% of the company’s power needs.



Inclosing his remarks, Mr Mahfood said JAMT's focus will be to continue increases in export, making the production process more efficient and consistently paying a dividend. Finally, the shareholders at the meeting pass a resolution to perform a 2-1 stock split of JAMT shares.



Disclaimer:

Analyst Certification -The views expressed in this research report accurately reflect the personal views of Mayberry Investments Limited Research Department about those issuer (s) or securities as at the date of this report. Each research analyst (s) also certify that no part of their compensation was, is, or will be, directly or indirectly, related to the specific recommendation (s) or view (s) expressed by that research analyst in this research report.

Company Disclosure -The information contained herein has been obtained from sources believed to be reliable, however its accuracy and completeness cannot be guaranteed. You are hereby notified that any disclosure, copying, distribution or taking any action in reliance on the contents of this information is strictly prohibited and may be unlawful. Mayberry may effect transactions or have positions in securities mentioned herein. In addition, employees of Mayberry may have positions and effect transactions in the securities mentioned herein.