



MAYBERRY
INVESTMENTS LIMITED

1985 - 2016

31

CELEBRATING 31 YEARS

Featured Stock: GK

GraceKennedy Limited (GK);
Opening price — \$42.33 Price to book — 0.95 times;
P/E — 12.25 times

This week's stock pick is GraceKennedy Limited (GK) one of the Caribbean's largest food and finance group. The group originated in Jamaica in 1922 and has operations in the Caribbean, North and Central America, the United Kingdom and Africa.

Revenue totalled \$46.37 billion for six months ended June 30, 2017 (2016: \$44.12 billion), a year over year increase of 5%. The biggest contributor to the group's overall revenue for the period was income from the 'Food Trading' segment which contributed a total of \$36.29 billion (2016: \$34.62 billion), an increase of 5% relative to the prior year's corresponding period. Total Expenses amounted to \$44.50 billion relative to \$42.14 billion booked for the comparable period in 2016, a 6% growth. Other Income declined 41% to total \$903.88 million (2016: \$1.54 billion). GK indicated, "included in other income is a gain on the disposal of investments of \$37.80 million (2016: \$606.47 million). For both years, a significant portion of the amounts related to non-recurring gains realised on the liquidation of certain non-operating subsidiaries." Share of results of associated companies increased by 6% amounting to \$320.22 million, compared to \$300.86 million reported for June 2016. Net Profits attributable to shareholders amounted to \$1.89 billion compared to \$1.2.46 billion a year earlier, showing a 23% decline.

In July 2017, the group announced it has agreed to acquire 100% ownership of Consumer Brands Limited, a player in the Jamaican Distribution market According to the Group, "the acquisition is expected to be finalized before the end of Q3 2017." Additionally, Don Wehby, Group CEO highlighted, "this valuable portfolio of brands brings welcomed expansion to the range of products that we distribute in Jamaica. Our expertise in managing top tier brands and deep distribution channels makes us a natural fit for this acquisition and we expect the products to continue to perform very well."

GK (as at Friday September 22, 2017) was trading at 0.95 times its book value with a P/E of 12.25 times.

Sales Inquiries
managedequity@mayberryinv.com

General & Sales Inquiries
(876) 929-1908- 9

(876) 929-1501

[mayberryinvja](http://mayberryinvja.com)

[facebook.com/mayberryinvja](https://www.facebook.com/mayberryinvja)

Our weekly pick features a stock currently held in the Mayberry Managed Equity Portfolio (MMEP). For more information on the MMEP, please contact your investment advisor today.