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CELEBRATING 31 YEARS

Featured Stock: JBG

Jamaica Broilers Group (JBG);
Opening price — \$18.57 Price to book — 1.52 times;
P/E — 10.97 times

This week's stock pick is Jamaica Broilers Group (JBG). JBG is a fairly diversified company with operations that include a poultry segment, led by the Best Dressed Chicken- the Group's marketing arm for protein products, such as chicken and hamburgers; International Poultry Breeders, located in Georgia, USA, which manages the international sales of the products; and the Jamaica Poultry Breeders association.

Jamaica Broilers Group (JBG) for the three months ended July 31, 2017, booked revenues of \$11.49 billion, a 15% increase on the \$10.02 billion reported in 2016. The company's Jamaican operations contributed \$7.87 billion, a 9% increase compared to \$7.23 billion for the same period of 2016. The US operations recorded an increase of 27% to total \$3.09 billion relative to \$2.43 billion last year. According to the company, "our U.S. Operations continued to grow steadily and reported a segment result of \$318 million, which was a 7% increase over the prior year's result of \$297 million. Other Caribbean Operations contributed \$526.77 million, an increase of 47% when compared to \$3359.50 million. As a result, net profit amounted to \$197.69 million relative to \$400.02 million booking for the comparable period in 2016, while total comprehensive income for the first quarter amounted to \$211.35 million relative to a loss of \$459.85 million.

The Group recently announced it has acquired a second Hatchery in the United States which is expected to increase its capacity by 40%. The hatchery named Bell & Evans Hatchery, in Big Valley, Pennsylvania will be renamed International Poultry Breeders Hatcheries Inc. With this acquisition, the Group's growth potential is expected to increase as well as the bottom line. Additionally, management has indicated, "2017-2018 will be a year of consolidation and we are grateful for the economic stability being experienced in Jamaica and to a lesser extent, in Haiti." Management further highlighted that, "future growth for the Group will stem from the U.S. operations as there are numerous opportunities."

JBG (as at Friday November 20, 2017) was trading at 1.52 times its book value with a P/E of 10.97 times.

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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.