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Sales Inquiries
managedequity@mayberryinv.com

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

(876) 929-1501

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

facebook.com/mayberryinvja

Featured Stock: JBG

Jamaica Broilers Group (JBG);
Opening price — \$18.00 Price to book — 1.45 times;
P/E — 10.63 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 six months ended October 31, 2017, booked revenues of \$23.02 billion, a 13% increase on the \$20.43 billion reported in 2016. The company's Jamaican operations contributed \$16.04 billion, an 8% increase compared to \$14.85 billion for the same period of 2016. The US operations recorded an increase of 23% to total \$5.95 billion relative to \$4.85 billion last year, while the Other Caribbean Operations contributed \$1.03 billion, an increase of 42% when compared to \$725.14 million. JBG expenses for the period grew 11% due to, inflation and increased development costs associated with the improvement of the Group's information systems and IT security. Finance income for the six months slid 95% to close at \$13.84 million (2016: \$266.47 million) as a result of the appreciation of the Jamaica dollar against the United States dollar. Consequently, JBG's net profit for the period amounted to \$658.44 million relative to \$841.17 million booking for the comparable period in 2016.

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 January 05, 2018) was trading at 1.45 times its book value with a P/E of 10.63 times.

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.