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## Featured Stock: SALF

Salada Foods Jamaica Ltd. (SALF);  
Opening price — \$10.38 Price to book — 1.39 times;  
P/E — 13.73 times

This week's stock pick is Salada Foods Jamaica Ltd. (SALF), incorporated and domiciled in Jamaica. Its principal activity is the manufacture and sale of instant coffee and roasted and ground coffee beans and other consumer products. Effective February 1, 2017, the company outsourced the distribution of its core products in local market to its subsidiary, Mountain Peak Food Processors Limited.

For the three months ended December 31, 2017 (SALF, recorded a 17% increase in turnover for the quarter to \$227.76 million (2017: \$195.27 million). The company stated that, "Export sales grew by 100% and is the key driver of revenue growth. Improvements in the distribution of our brands in South East United was the reason for this performance." SALF booked an overall increase in expenses due to administration costs for professional fees during the three months. Consequently, operating profit for the quarter jumped 101% to \$41.60 million (2016: \$20.73 million). SALF disclosed, "increased sales and lower selling and distribution expenses were the contributors." Net profit for the quarter rose by 55% to \$26.77 million in 2018 relative to \$17.29 million in 2016.

The company noted that its "contract manufacturing business line continues to record growth, increasing by 69.4% against the corresponding period," and that it will continue to "pursue the sale of Salada's interest in our Pimora Company subsidiary."

Additionally, SALF (as at Friday February 16, 2018) was trading at 1.39 times its book value with a P/E of 13.73 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.

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