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## Featured Stock: CFF

Caribbean Flavours and Fragrances Limited (CFF):  
Opening price - \$10.96 Price to book - 2.64times;  
P/E - 11.95 times

This week's stock pick is Caribbean Flavours and Fragrances Limited (CFF). The Company is a manufacturer and distributor of flavours, to a number of well established companies mainly for the beverage, baking and confectionary industries. The Company also manufactures fragrances primarily for household and general cleaning and sanitation purposes.

The Company reported revenue of \$214.26 million for the six month ended December 31, 2017, an increase of 1% relative to corresponding period last year. Cost of Sales increased by 2% to \$130.35 million compared to 2016's total of \$127.76 million for the second quarter. As such, Gross Profit remained flat, amounting to \$83.91 million, relative to \$84.10 million for 2016. Administrative Expenses increased 5% to \$44.37 million (2016: \$42.15 million), while Selling and Distribution Costs increased by \$376,000 to \$2.11 million for 2017. Net Finance income increased declined by 79% to \$5.04 million compared to the \$2.82 million for the same period of 2016. Net profit totalled \$42.47 million (2016: \$42 million), a decline of 1%. No taxation was booked for the period under review.

Management noted, "the Company expects that there will be normality to the many issues faced during this quarter and as such, expects to report an improvement in these results over the next reporting period as many of these challenges would have been normalized. We will continue with the refinement of our strategies and the improvement to our various cost structures in order to drive the desired efficiency".

CFF (as at Friday March 29, 2018) was trading at 2.64 times its book value with a P/E of 11.95 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.