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CELEBRATING 31 YEARS

Featured Stock: JBG

Jamaica Broilers Group Ltd (JBG);
Opening price—\$21.00 Price to book— 1.63 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.

For the nine months ended January 31, 2018 JBG reported total revenues of \$35.68 billion, an 11% increase relative to \$32.12 billion reported for the comparable period in 2017. Gross profit for the period of \$8.95 billion (2017: \$8.28 million), an 8% increase year over year. According to the Company, the US Operations continued to grow steadily, while the Other Caribbean Operations continued to benefit from increased production and sale of table eggs. The Jamaican Operations reported a segment result of \$2 billion, 16% below last year, due to higher distribution costs as a result of a rebalancing of the inventory in the poultry segment. Following increased expenses due to distribution and administrative costs associated with inflation and the development costs associated with the improvement of the Group's information system and IT security, JBG booked nine months net profit of \$1.41 billion, 11% below the prior year's corresponding period of \$1.58 billion.

Jamaica Broilers Group Limited (JBGL) through an agreement to lend JBGL Stockholders Nominee Limited ("the Shareholder Trust") the sum of J\$4.35 billion. According to the Company, a portion of the proceeds will be used to purchase a total of 165,452,446 shares previously held by family branches of one of the Founders of the Company and the trustees and entities connected to them. According to the JBG, "the Shareholders Trust will hold the shares purchased, and all benefits derived will be for the benefit of all shareholders of the Company."

JBG (as at Friday June 1, 2018) was trading at 1.63 times its book value with a P/E of 12.35 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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