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## Featured Stock: CFF

Caribbean Flavours and Fragrances Limited (CFF):  
Opening price - \$13.00 Price to book - 2.80 times;  
P/E - 13.40 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 \$423.68 million for the year ended June 30, 2018, an increase of 3% relative to last year. Cost of Sales increased to \$255.72 million compared to 2017's total of \$242.69 million. As such, Gross Profit increased slightly to \$167.97 million, relative to \$167.94 million for 2017. Management stated, "the Company expects that there will be improvements in the upcoming quarters, as our sugar replacement substitute "Flavor Fit" is gaining traction with the larger manufacturers and we anticipate to start seeing returns in the next reporting period." Administrative Expenses decreased 1% to \$87.39 million (2017: \$88.69 million), while Selling and Distribution Costs dropped \$1.24 million to \$5.09 million. Finance income increased improved by 9% to \$11.72 million compared to the \$10.78 million for the same period of 2017. Net profit totalled \$87.21 million (2017: \$82.88 million), an improvement of 5%. No taxation was booked for the period under review.

CFF noted, "We will continue with the implementation of Business Plans which are anchored on the pillars of revenue growth and expense management in order to deliver on the desired results."

CFF (as at Friday August 17, 2018) was trading at 2.80 times its book value with a P/E of 13.40 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.