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Featured Stock: JAMT

Jamaican Teas Limited (JAMT): Opening price — \$4.39
Price to Book — 2.71 times; P/E — 17.10 times

Jamaican Teas Limited is a local manufacturing company that has been in operations since 1967. The Company has since ventured into the real estate and retail industry and has expanded its manufacturing operations. The business manufactures several teas under the Tetley Teas and Caribbean Dreams brands while the real estate arm currently has housing developments in St. Thomas with sales completed on a majority of units.

For the nine months ended June 30, 2018, JAMT reported a 14% increase in revenue to total \$1.34 billion (2017: \$1.18 billion). According to the company, "Export sales increased by a strong 25%, domestic manufacturing revenues grew 9% and supermarket sales increased by 10%." With Cost of Sales increasing by 16%, gross profit increased 5% to close at \$264.57 million (2017: \$252.31 million). Other Income for the nine months amounted to \$61.77 million versus \$47.97 million booked for the prior year's corresponding period. Total expenses rose 21% \$183.18 million relative to \$151.08 million in 2017. "This was due to higher salary costs and depreciation provisions," as noted by Management. Pre-tax profits fell by 20% for the nine months, decreasing from \$179.84 million in 2017 to \$143.15 million. Tax expense incurred for the period amounted to \$10.57 million compared to \$20.37 million during the 2017 comparable period. As such, net profit from continuing operations fell by 12% to close the nine months at \$132.58 million (2017: \$150.86 million). Profit after discontinued operations amounted to \$131.32 relative to \$148.96 million. However, for the period net profit attributable to shareholders declined by 12% to close the period at \$131.67 million (2017: \$149.62 million).

JAMT (as at Friday October 12, 2018) was trading at 2.71 times its book value with a P/E of 17.10 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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