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GLIMMERING YEARS

Featured Stock: JAMT

Jamaican Teas Limited (JAMT): Opening price — \$3.81
Price to Book — 2.08 times; P/E — 13.38 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.

Jamaican Teas Limited (JAMT), for the period ended December 31, 2018, reported a 17% decline in revenues to total \$378.23 million (2017: \$456.15 million). JAMT stated that, "this was primarily due to a stock reduction exercise by the main distributor in the USA. Export sales fell by almost 40% overall, but domestic sales improved by almost 16 percent." Cost of sales fell 17% to \$286.46 million (2017: \$347.17 million), in which gross profit went down 16% to close at \$91.78 million (2017: \$108.98 million). Administrative expenses fell 4% to \$41.44 million for the three months ended December 2018 relative to \$42.95 million for the same period of 2017. Sales and Marketing costs went up 10% totaling \$10.57 million (2017: \$9.58 million). Net profit for the period rose by 20% to \$61.72 million relative to \$51.30 million recorded twelve months earlier. While, net profit attributable to shareholders closed the period at \$49.80 million compared to \$51.88 million in the prior comparable quarter.

Management noted that, "Inventories and receivables have been reduced over the last 12 months due to the winding down of the Orchid Estates development and the conversion of KIW's 138 Spanish Town Road property from a current asset held for sale to cash which has subsequently been reinvested in quoted equities."

JAMT (as at Friday March 08, 2019) was trading at 2.08 times its book value with a P/E of 13.38 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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