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Featured Stock: SALF

Salada Foods Jamaica Ltd. (SALF),
Opening price — \$30.95 Price to book — 3.39 times;
P/E — 16.33 times

This week's stock pick is Salada Foods Jamaica Ltd. (SALF), incorporated and domiciled in Jamaica. Its principal activity is the manufacture and sale of instant coffee and roasted and ground coffee beans and other consumer products.

Salada Foods Jamaica Limited (SALF), for the year ended September 30, 2019 recorded a 7% increase in turnover to close at \$1.11 billion (2018: \$1.04 billion). Cost of sales for the year increased by 17% to close the period at \$752.09 million relative to \$641.54 million in 2018. As such, gross profit amounted to \$361.57 million, a 10% decline year over year from the \$399.96 million booked in the prior year. Consequently, this resulted in an operating profit before other income, net finance cost and taxation of \$164.25 million, down 39% compared with the \$270.07 million reported for the prior year. Profit before taxation decreased by 42% to \$167.51 million versus \$290.71 million booked for the previous year. Net profit attributable to shareholders amounted to \$141.92 million relative to \$219.68 million booked twelve months earlier. Total comprehensive income for the year amounted to \$183.84 million versus \$240.69 million in 2018.

Management also noted, "In support of local coffee farmers, we invested \$180 million to purchase and process Blue Mountain coffee cherries, which has provided adequate inventory of local coffee for manufacturing and development of new products."

Additionally, SALF (as at Friday, December 20, 2019) was trading at 3.39 times its book value with a P/E of 16.33 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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