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Featured Stock: CFF

Caribbean Flavours and Fragrances Limited (CFF):
Opening price - \$8.94; Price to book - 1.83 times;
P/E - 25.52 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 \$462.46 million for the year ended December 31, 2019. Cost of Sales amounted to \$323.30 million. Management noted, "the company faced significant increase in logistics costs and increases from suppliers this resulted in substantial increases in cost of sales." Consequently, gross profit amounted to \$139.16 million for the year end. Total expenses which is comprised of selling and distribution closed the year at \$117.24 million, whereas, administrative Expenses amounted to \$113.84 million. CFF reported a finance income and Finance cost of \$15.41 million and \$520,000, respectively. Taxation incurred was \$5.31 million, resulting in a net profit of \$31.50 million to close the year end.

CFF noted that, "they been utilizing approximately 20% of their manufacturing capacity to supply the surplus demand for sanitizers and household chemicals during the pandemic."

CFF (as at Friday May 8, 2020) was trading at 1.83 times its book value with a P/E of 25.52 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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