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## Featured Stock: CFF

Caribbean Flavours and Fragrances Limited (CFF):  
Opening price - \$10.00; Price to book - 2.02 times;  
P/E - 26.62 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 \$149.39 million for the three months ended March 31, 2019. Cost of Sales amounted to \$101.55 million. Management noted, "the Company's improved performance this quarter was driven by a growth in sales in both the local and overseas markets. During this quarter and as a response to the pandemic, we developed and manufactured hand sanitizer for internal uses as well as availing to the trade of which additional revenue was generated." Consequently, gross profit went up by 28% to \$47.84 million at the end of March 2020. Total expenses increased to \$31.95 million, in which, selling and distribution closed the period at \$1.76 million while administrative expenses amounted to \$30.19 million. CFF reported a profit from operation of \$15.89 million. Taxation incurred was \$4.74 million, resulting in a net profit of \$14.22 million to close the three months period.

Notably, CFF mentioned 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 29, 2020) was trading at 2.02 times its book value with a P/E of 26.62 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.