







JBG

Jamaica Broilers Group Ltd (JBG);

Opening price— \$32.73;

Price to book— 1.46 times;

P/E— 8.51 times

Week to Date:	0.52%	
Month to Date:	-2.88%	
Quarter to Date:	-2.88%	
Year to Date:	5.58%	

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.

Jamaica Broilers Group Limited (JBG) was founded in 1958 and its headquartered is located in St. Catherine, Jamaica. The Company's principal activities include the production and distribution of poultry products, animal feeds and agricultural items. JBG is a fully integrated poultry operation and has diversified into feed milling and cattle rearing, along with the development and marketing of other value-added products for both local consumption and export.

For the first quarter ended July 29, 2023, JBG reported a 2% increase in revenue totalling \$23.39 billion compared to \$22.98 billion in the corresponding three months last year. Cost of Sales amounted to \$17.68 billion, a negligible increase from the corresponding quarter last year. Consequently, gross profit increased by 8% to \$5.71 billion compared to \$5.31 billion. Other income increased by 103% to close at \$161.38 million (2022: \$79.32 million), while Distribution Costs increase by 4% from \$689.81 million in 2022 to \$720.24 million for the three months. Consequently, Administration and other expenses for the first quarter amounted to \$2.92 billion, a 2% decrease relative to \$2.98 billion reported in 2022. Operating Profit for the three months amounted to \$2.23 billion, a 30% increase relative to \$1.72 billion reported in 2022. Finance Costs totalled \$632.63 million, a 98% increase from the corresponding period last year. (2022: \$319.63 million). Profit before taxation amounted to \$1.63 billion, a 17% increase relative to \$1.40 billion reported in 2022. Taxation amounted to \$392.75 million (2022: \$331.91 million). Net Profit for the three months amounted to \$1.24 billion, a 16% increase from the \$1.07 billion reported in 2022. Net profit attributable to shareholders amounted to \$1.24 billion (2022: \$1.08 billion).

Management noted, "Jamaica Operations reported a segment result of \$1.7 billion which was \$130 million or 7% below last year's segment result. The reduction was mainly driven by increased pressure from high levels of imports, affecting baby chick sales to our small farmers. Total revenue for our Jamaica Operations showed an increase of 5% over the corresponding quarter, which was mainly driven by poultry sales." Additionally, "our US Operations reported a strong segment result of \$1.2 billion for the first quarter, which was 44% above last year's result. We did have a 3% decline in total revenue due primarily to falling prices in most of our product lines. However, a 56% year over year increase in poultry volumes assisted in offsetting the negative market pressures. Our South Carolina plant which produces the Best Dressed Chicken line of products has gained impressive market acceptance in the United States."

JBG (as at Friday October 27, 2023) was trading at 1.46 times its book value with a P/E of 8.51 times.

