







JBG

Jamaica Broilers Group Ltd (JBG);

Opening price— \$33.68;

Price to book— 1.47 times;

P/E— 8.23 times

Week to Date:	1.75%	
Month to Date:	-0.91%	
Quarter to Date:	-1.38%	
Year to Date:	-1.38%	

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.

Despite operating in a highly competitive market, JBG has managed to increase its sales at a compound annual rate of 13% over the past five years. The company has grown both naturally and via careful acquisitions. The company, looking to broaden its reach, has purchased several strategically located US properties. Since the Company exited Haiti, they have entered six markets in the past year and is now looking towards both its regional and US segments to drive growth for the poultry company, notwithstanding logistical problems faced in exporting to new Caribbean markets. The foray into new markets comes amid the expansion of production capacity in the United States, a project that cost the company US\$20 million.

For the six months ended October 28, 2023, JBG reported a 2% increase in Revenue totaling \$46.77 billion compared to \$45.84 billion in the corresponding period last year. Revenue for the second quarter had a 2% increase to close at \$23.39 billion compared to \$22.94 billion for the comparable quarter of 2022. Management noted, "Jamaica Operations reported a segment result of \$3.7 billion which was \$204 million or 6% above last year's segment result. Total revenue for our Jamaica Operations showed an increase of 3% over the prior year six-month period. This increase was primarily driven by increased production, increased sale and export of poultry and implementation of cost containment efforts." Additionally, "Our US Operations reported a segment result of \$2.2 billion which was \$401 million, 22% above last year's segment result. This increase was driven by increased volumes of poultry meat and eggs, as well as the implementation of cost management initiatives." Operating Profit over the same period amounted to \$4.46 billion, a negligible increase relative to \$4.45 billion reported in 2022. Operating Profit for the second quarter amounted to \$2.24 billion (2022: \$2.64 billion). Finance Costs totalled \$1.37 billion, an 80% increase from the corresponding period last year. (2022: \$756.49 million). Net profit attributable to shareholders for the six-month period was \$2.53 billion (2022: \$2.07 billion). Net profit attributable to shareholders for the second quarter was \$1.29 billion (2022: \$992.99 million).

JBG (as at Friday March 1, 2024) was trading at 1.47 times its book value with a P/E of 8.23 times.