



Unaudited
Quarterly
Report

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SALADA FOODS JAMAICA LIMITED (GROUP)

INTERIM REPORT TO SHAREHOLDERS

The Directors of Salada Foods Jamaica Limited are pleased to present the unaudited financial results of the Group for the nine months ended June 30, 2024.

	3 months June 2024	3 months June 2023	% Change	9 months June 2024	9 months June 2023	% Change
Gross Revenue	\$ 405,463,000	\$ 276,924,000	46%	\$ 1,132,242,000	\$ 965,185,000	17%
Gross Margin (\$)	\$ 134,039,000	\$ 73,126,000	83%	\$ 363,345,000	\$ 288,698,000	26%
Gross Margin (%)	33.1%	26.4%	25%	32.1%	29.9%	7%
Operating Profit	\$ 76,268,000	\$ 21,991,000	247%	\$ 200,335,000	\$ 118,377,000	69%
Profit after Tax	\$ 63,397,000	\$ 24,733,000	156%	\$ 162,160,000	\$ 99,616,000	63%
EPS	\$ 0.06	\$ 0.02		\$ 0.16	\$ 0.10	

Revenues for the third quarter of the fiscal year were \$405.5 million, which was a 46% increase, compared to revenues of \$276.9 million recorded for the corresponding period in the previous year. This resulted in revenues of \$1.1 billion, a growth of 17% or \$167.1 million, for the nine-month period ended June 2024. The increase in revenues is primarily attributable to sustained organic growth in the domestic market as well as the successful launch of the new consumer-driven product, *Golden Turmeric Latte*, in both domestic and export markets under the Company's flagship brand Jamaica Mountain Peak.

Gross margins improved by 83% for the quarter ended June 2024 due to significant increases in sales as well as strategic efforts to improve throughput and operational efficiencies in the plant. Operating profit for the nine months increased from \$118.4 million to \$200.3 million, which represents a 69% increase over the corresponding period in the prior year.

Selling and promotional expenses for the period were recorded at \$50.5 million, representing a decline from \$61.0 million for the previous period, as the Company continued its prioritization of strategic digital marketing to support the launch of its new product *Golden Turmeric Latte* and awareness initiatives in Caricom territories.

Net profit attributable to shareholders increased by 63% from \$99.6 million in the prior year to \$162.2 million in the nine-month period ended June 2024. Earnings per share improved from \$0.10 to \$0.16. The Company declared dividends of \$0.064 per stock unit for shareholders on record as at June 14, 2024.

The Company continues with its corporate social responsibility initiatives including, its continued financial support of Jebb Memorial Basic School, as well as the recent undertaking of the planting of an instructive vegetable garden on the school grounds.

Approved by:

Patrick Williams, Chairman

Michael Bernard, Director



Salada Foods Jamaica Limited (Group)

Unaudited Consolidated Statement of Comprehensive Income For Nine months ended June 30, 2024

	Three Months ended		Nine Months ended	
	June 30 2024	June 30 2023	June 30 2024	June 30 2023
	\$'000	\$'000	\$'000	\$'000
Sales	405,463	276,924	1,132,242	965,185
Cost of Sales	(271,425)	(203,797)	(768,897)	(676,487)
Gross Profit	134,039	73,126	363,345	288,698
Other operating (loss)/income	1,130	877	1,913	1,977
Administrative expenses	(40,300)	(35,350)	(114,446)	(111,257)
Selling and promotional expenses	(18,599)	(16,662)	(50,477)	(61,041)
Operating profit	76,268	21,991	200,335	118,377
Net Finance income	8,261	10,986	15,909	14,444
Profit before taxation	84,529	32,978	216,245	132,821
Taxation	(21,132)	(8,244)	(54,085)	(33,205)
Total comprehensive income/(Loss)	63,397	24,733	162,160	99,616
Attributable to:				
Stockholders of the company	63,397	24,733	162,160	99,616
Non-controlling interest	0	0	0	0
	63,397	24,733	162,160	99,616
Earnings per stock unit	\$0.06	\$0.02	\$0.16	\$0.10



Salada Foods Jamaica Limited (Group)

Unaudited Consolidated Statement of Financial Position

June 30, 2024

	Unaudited June 30 2024 \$'000	Unaudited June 30 2023 \$'000	Audited September 30 2023 \$'000
NON-CURRENT ASSETS			
Property, plant and equipment	112,130	118,441	115,708
Intangible assets	1,300	1,300	1,300
Investment	70,899	71,378	67,507
Deferred tax asset	16,261	17,576	16,261
	<u>200,590</u>	<u>208,695</u>	<u>200,776</u>
CURRENT ASSETS			
Cash and cash equivalents	191,412	146,637	120,756
Investments	315,414	291,125	247,219
Accounts receivable	309,461	232,030	397,823
Inventories	433,727	425,440	374,461
	<u>1,250,014</u>	<u>1,095,232</u>	<u>1,140,259</u>
TOTAL ASSETS	<u>1,450,603</u>	<u>1,303,927</u>	<u>1,341,035</u>
STOCKHOLDERS' EQUITY			
Share capital	73,216	73,216	73,216
Capital reserves	16,275	16,275	16,275
Retained earnings	1,103,622	998,148	1,003,792
	<u>1,193,112</u>	<u>1,087,639</u>	<u>1,093,283</u>
CURRENT LIABILITIES			
Accounts payable	233,050	207,120	237,227
Tax payable	24,441	9,168	10,525
	<u>257,491</u>	<u>216,288</u>	<u>247,752</u>
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	<u>1,450,603</u>	<u>1,303,927</u>	<u>1,341,035</u>

Approved by:


Patrick Williams, Chairman


Michael Bernard, Director



Salada Foods Jamaica Limited (Group)

Unaudited Consolidated Statement of Changes in Equity
Attributable to Stockholders of the Company
For Nine Months Ended June 30, 2024.

	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balances at September 30, 2023	73,216	16,275	1,003,792	1,093,283
Total comprehensive income for the period			162,160	162,160
	73,216	16,275	1,165,952	1,255,443
Dividends paid			(62,330)	(62,330)
Balances at June 30, 2024	<u>73,216</u>	<u>16,275</u>	<u>1,103,622</u>	<u>1,193,113</u>
	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balances at September 30, 2022	73,216	16,275	960,862	1,050,353
Total comprehensive income for the period			99,616	99,616
	73,216	16,275	1,060,478	1,149,969
Dividends paid			(62,330)	(62,330)
Balances at June 30, 2023	<u>73,216</u>	<u>16,275</u>	<u>998,149</u>	<u>1,087,639</u>



Salada Foods Jamaica Limited (Group)

Unaudited Consolidated Statement of Cash Flows

Period ended June 30, 2024

	Unaudited June 30 2024 \$'000	Unaudited June 30 2023 \$'000
Cash flows from operating activities:		
Profit for the period	162,160	99,616
Adjustments for Items not involving cash:		
Depreciation	19,676	18,866
Income Tax Expense	54,085	33,205
Interest Income	(15,822)	(9,333)
Other Comprehensive income	(1,533)	(11,426)
	<u>218,566</u>	<u>130,928</u>
Changes in operating assets and liabilities:		
Inventories	(62,527)	57,183
Accounts receivable	54,202	26,017
Accounts payable	28,003	(64,923)
Cash provided by operations	<u>238,244</u>	<u>149,204</u>
Taxation paid or deducted at source	(40,169)	(54,597)
Net cash provided by operating activities	<u>198,074</u>	<u>94,608</u>
Cash flows from investing activities		
Investments, Net	(64,031)	(37,114)
Interest Received	15,040	9,826
Purchase of property, plant and equipment	(16,098)	(25,228)
	<u>(65,089)</u>	<u>(52,516)</u>
Cash provided/(used) by investing activities	<u>(65,089)</u>	<u>(52,516)</u>
Cash flows from Financing activities		
Interest Expense	-	-
Cash used by Financing Activities	<u>-</u>	<u>-</u>
Cash provided before dividends	132,986	42,091
Dividends paid	(62,330)	(62,330)
Increase/(decrease) in cash and cash equivalents	<u>70,656</u>	<u>(20,239)</u>
Cash and cash equivalents at beginning of period	<u>120,756</u>	<u>166,876</u>
Cash and cash equivalents at end of period	<u>191,412</u>	<u>146,637</u>



Salada Foods Jamaica Limited (Group)

Notes to the Interim Financial Statements

Period ended June 30, 2024.

1) Identification

Salad Foods Jamaica Limited (“the company”) is incorporated and domiciled in Jamaica. Its principal activity is the manufacture and sale of instant coffee, roasted and ground coffee beans and other consumer products. The company and its subsidiaries are collectively referred to as the “group”. The company’s registered office is located at 20 Bell Road, Kingston 11 Jamaica, West Indies. Effective February 1, 2017, the company outsourced the distribution of its core products in local market to its subsidiary, Mountain Peak Food Processors Limited.

2) Statement of compliance, basis of preparation and significant accounting policies

a) Statement of Compliance:

- i) The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations, issued by the International Accounting Standards Board (IASB), and comply with the provisions of the Jamaican Companies Act.

b) Basis of preparation

- i) These financial statements are presented in Jamaican dollar (\$), which is the functional currency of the group. All information presented in Jamaican dollars has been rounded to the nearest thousand except when otherwise indicated.
- ii) The financial statements are prepared on the historical cost basis, where necessary, prior period comparatives have been reclassified to conform to current period presentation. The same accounting policies and methods of computation are followed in the interim financial statements, as were followed in the most recent annual financial statements.

c) Significant accounting policies

i) Property, plant & equipment:

Property, plant & equipment are measured at historical cost or deemed cost, less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The cost of day-to-day servicing of property, plant and equipment is recognised in profit or loss.

Salada Foods Jamaica Limited (Group)

Notes to the Interim Financial Statements

Period ended June 30, 2024.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

c). Significant accounting policies (cont'd)

ii) Depreciation:

Depreciation is computed on a straight-line basis at annual rates estimated to write down the property, plant & equipment to their estimated residual values at the end of their expected useful lives. No depreciation is charged on freehold land.

Annual depreciation rates are as follows:

Buildings	2.5 - 10%
Infrastructure	2.5 – 10%
Machinery and equipment	2.5 - 20%
Motor vehicles	20%

The depreciation methods, useful lives and residual values are reassessed at the reporting date.

iii) Inventories:

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis. The cost of finished goods and work-in-progress comprises raw and packaging materials, direct labour, other direct costs and a proportion of related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses comprising raw material packaging and goods in transit is based on their costs.

The cost of other inventories comprising raw and packaging materials and goods in transit is based on their cost and expenses incurred in acquiring and bringing them to their existing location and condition.

iv) Accounts receivable:

Trade and other receivables are stated at amortised cost, less impairment losses.

v) Cash and cash equivalents:

Cash and cash equivalents comprise cash and bank balances, other short-term investments and other monetary instruments with maturities ranging between one and three months from the reporting date.

vi) Accounts payable:

Trade and other payables are stated at amortised cost.



Salada Foods Jamaica Limited (Group)

Notes to the Interim Financial Statements

Period ended June 30, 2024.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

c). Significant accounting policies (cont'd)

vii) Revenue:

Revenue from the sale of goods is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or material associated costs on the possible return of goods.

viii) Income tax:

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss except to the extent that it relates to items recognised directly to equity, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

(ix) Finance leases:

(i) Determining whether an arrangement contains a lease

At inception of an arrangement, the company determines whether an arrangement is or contains a lease. If the company concludes for a finance lease that it is impracticable to separate payments reliably, then an asset and a liability are recognised as the amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the company's incremental borrowing rate.

(ii) Leased assets:

Assets held by the company under leases that transfer to the company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.



Salada Foods Jamaica Limited (Group)

Notes to the Interim Financial Statements

Period ended June 30, 2024.

The depreciation rates applied to leased assets are consistent with similar owned assets, except where there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, in which case the asset is depreciated at the shorter of the lease term and its useful life.

Assets held under other leases are classified as operating leases and are not recognised in the company's statement of financial position.

(iii) Lease payments:

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term to produce a constant periodic rate of interest on the remaining balance of the liability.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

c). Significant accounting policies (cont'd)

(x) Segment reporting:

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available.

Based on the information presented to and reviewed by the CODM, the entire operations of the company are considered as one operating segment.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(y) Earnings per ordinary stock unit:

Basic earnings per share are calculated by dividing the net profit attributable to members by the number of stock units in issue during the year. Effective March 31, 2021 each issued share of no par value in the capital of the company was subdivided into 10 ordinary shares of no par value.

Weighted Average Number of Shares-Stock Split		2024	2023	
				Comments
Profit after Tax		162,160,000.00	99,616,000.00	
EPS		162,160,000.00	99,616,000.00	
		1,038,830,000.00	1,038,830,000.00	
		0.16	0.10	