



Unaudited  
Quarterly  
Report

Q<sub>2</sub>



## 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 six months ended March 31, 2024.

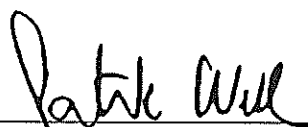
	Q2 March 2024	Q2 March 2023	% Change	YTD March 2024	YTD March 2023	% Change
Gross Revenue	\$ 426,886,000	\$ 394,220,000	8%	\$ 726,779,000	\$ 688,262,000	6%
Gross Margin (\$)	\$ 137,598,000	\$ 122,087,000	13%	\$ 229,308,000	\$ 215,571,000	6%
Gross Margin (%)	32.2%	31.0%	4%	31.6%	31.3%	1%
Operating Profit	\$ 86,199,000	\$ 60,481,000	43%	\$ 124,069,000	\$ 96,384,000	29%
Profit after Tax	\$ 67,883,000	\$ 47,510,000	43%	\$ 98,764,000	\$ 74,882,000	32%
EPS	\$ 0.07	\$ 0.05		\$ 0.10	\$ 0.07	

Revenues for the second quarter of the fiscal year were \$426.9 million, representing an 8% increase, compared to revenues of \$394.2 million in the corresponding period in the prior year. This resulted in revenues of \$726.8 million, a growth of 6% or \$38.5 million, for the six months ended March 31, 2024. During the six-month period, domestic sales increased by 6.9% over prior year while exports grew by 14.4%, buoyed by the gradual expansion of our footprint in the Caribbean, including initial shipments to Trinidad and Tobago in March 2024.

Gross margins improved by 13% for the quarter ended March 2024 due to strategic purchases and efforts to improve plant efficiencies.

Operating profit for the half year increased from \$96.4 million in the corresponding period in the prior year to \$124.1 million in the current period, which represents an increase of 29%. Selling and promotional expenses declined by 29%, from \$44.4 million in the prior year to \$31.9 million, as the Company prioritized strategic digital marketing to support the recent promotional launch activities in new export markets.

Net profit attributable to shareholders increased by 32% from \$74.9 million in the prior year to \$98.8 million for the six-month period ending March 31, 2024. Earnings per stock unit improved from \$0.07 in the prior year to \$0.10 for the current period.



Patrick Williams, Chairman



Michael Bernard, Director



## Salada Foods Jamaica Limited (Group)

### Unaudited Consolidated Statement of Comprehensive Income For Six months ended March 31, 2024

	Three Months ended		Six Months ended	
	Mar 31 2024	Mar 31 2023	Mar 31 2024	Mar 31 2023
	\$'000	\$'000	\$'000	\$'000
Sales	426,886	394,220	726,779	688,262
Cost of Sales	(289,288)	(272,132)	(497,471)	(472,691)
<b>Gross Profit</b>	<b>137,598</b>	<b>122,088</b>	<b>229,308</b>	<b>215,571</b>
<b>Other operating (loss)/income</b>	<b>139</b>	<b>774</b>	<b>786</b>	<b>1,100</b>
Administrative expenses	(35,035)	(39,163)	(74,146)	(75,907)
Selling and promotional expenses	(16,501)	(23,216)	(31,878)	(44,380)
<b>Operating profit</b>	<b>86,199</b>	<b>60,482</b>	<b>124,069</b>	<b>96,384</b>
Net Finance income	4,343	2,866	7,647	3,459
<b>Profit before taxation</b>	<b>90,543</b>	<b>63,348</b>	<b>131,716</b>	<b>99,843</b>
Taxation	(22,660)	(15,837)	(32,953)	(24,961)
<b>Total comprehensive income/(Loss)</b>	<b>67,883</b>	<b>47,511</b>	<b>98,764</b>	<b>74,882</b>
<b>Attributable to:</b>				
Stockholders of the company	67,883	47,511	98,764	74,882
Non-controlling interest	0	0	0	0
	<b>67,883</b>	<b>47,511</b>	<b>98,764</b>	<b>74,882</b>
<b>Earnings per stock unit</b>	<b>\$0.07</b>	<b>\$0.05</b>	<b>\$0.10</b>	<b>\$0.07</b>



## Salada Foods Jamaica Limited (Group)

### Unaudited Consolidated Statement of Financial Position

March 31, 2024

	Unaudited March 31 2024 \$'000	Unaudited March 31 2023 \$'000	Audited September 30 2023 \$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	113,127	121,347	115,708
Intangible assets	1,300	1,300	1,300
Investment	76,040	75,324	67,507
Deferred tax asset	16,261	17,576	16,261
	<u>206,728</u>	<u>215,546</u>	<u>200,776</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	215,858	175,831	120,756
Investments	276,555	244,722	247,219
Accounts receivable	304,504	266,347	397,823
Inventories	417,165	419,239	374,461
	<u>1,214,082</u>	<u>1,106,139</u>	<u>1,140,259</u>
<b>TOTAL ASSETS</b>	<u>1,420,809</u>	<u>1,321,685</u>	<u>1,341,035</u>
<b>STOCKHOLDERS' EQUITY</b>			
Share capital	73,216	73,216	73,216
Capital reserves	16,275	16,275	16,275
Retained earnings	1,040,226	973,415	1,003,792
	<u>1,129,717</u>	<u>1,062,906</u>	<u>1,093,283</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable	271,652	244,147	237,227
Tax payable	19,440	14,632	10,525
	<u>291,092</u>	<u>258,779</u>	<u>247,752</u>
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>	<u>1,420,809</u>	<u>1,321,685</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 Six Months Ended March 31, 2024.

	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Total \$'000
<b>Balances at September 30, 2023</b>	73,216	16,275	1,003,792	1,093,283
Total comprehensive income for the period			98,764	98,764
	73,216	16,275	1,102,556	1,192,047
Dividends paid			(62,330)	(62,330)
<b>Balances at March 31, 2024</b>	<u>73,216</u>	<u>16,275</u>	<u>1,040,226</u>	<u>1,129,717</u>
	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Total \$'000
<b>Balances at September 30, 2022</b>	73,216	16,275	960,862	1,050,353
Total comprehensive income for the period			74,882	74,882
	73,216	16,275	1,035,744	1,125,236
Dividends paid			(62,330)	(62,330)
<b>Balances at March 31, 2023</b>	<u>73,216</u>	<u>16,275</u>	<u>973,415</u>	<u>1,062,906</u>



## Salada Foods Jamaica Limited (Group)

### Unaudited Consolidated Statement of Cash Flows

Period ended March 31, 2024

	Unaudited Mar 31 2024 <u>\$'000</u>	Unaudited Mar 31 2023 <u>\$'000</u>
<b>Cash flows from operating activities:</b>		
Profit for the period	98,764	74,882
Adjustments for Items not involving cash:		
Depreciation	13,076	11,653
Income Tax Expense	32,953	24,961
Interest Income	(9,766)	(5,329)
Other Comprehensive income	3,608	(7,480)
	<u>138,634</u>	<u>98,688</u>
Changes in operating assets and liabilities:		
Inventories	(51,105)	63,386
Accounts receivable	59,160	(13,308)
Accounts payable	66,605	(27,896)
Cash provided by operations	<u>213,294</u>	<u>120,870</u>
Taxation paid or deducted at source	(24,038)	(40,888)
Net cash provided by operating activities	<u>189,256</u>	<u>79,982</u>
<b>Cash flows from investing activities</b>		
Investments, Net	(30,313)	5,343
Interest Received	8,984	6,881
Purchase of property, plant and equipment	(10,495)	(20,920)
	<u>(31,825)</u>	<u>(8,697)</u>
Cash provided/(used) by investing activities	<u>(31,825)</u>	<u>(8,697)</u>
<b>Cash flows from Financing activities</b>		
Interest Expense	-	-
Cash used by Financing Activities	<u>-</u>	<u>-</u>
Cash provided before dividends	157,432	71,285
Dividends paid	(62,330)	(62,330)
Increase/(decrease) in cash and cash equivalents	95,102	8,955
Cash and cash equivalents at beginning of period	120,756	166,876
Cash and cash equivalents at end of period	<u>215,858</u>	<u>175,831</u>



# Salada Foods Jamaica Limited (Group)

## Notes to the Interim Financial Statements

Period ended March 31, 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 March 31, 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 March 31, 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 March 31, 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.

<b>Weighted Average Number of Shares-Stock Split</b>		2024	2023	
				Comments
Profit after Tax		98,764,000.00	74,882,000.00	
EPS		98,764,000.00	74,882,000.00	
		1,038,830,000.00	1,038,830,000.00	
		0.10	0.07	