



Wisynco Group Limited

Interim Report

Third Quarter ended

31 March 2019

Wisynco Group Limited (Wisynco) – Interim Report to Shareholders

The Directors are pleased to present the unaudited financial results for the third quarter ended March 31, 2019, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Revenues for the quarter of \$6.9 billion represented an increase of 18.7% over the \$5.8 billion achieved in the corresponding quarter of the previous year. Gross Profit also increased to \$2.6 billion or 24.9% over the \$2.1 billion achieved in the same quarter of the previous year. Gross Margin of 37.8% was greater than the 35.9% for the corresponding quarter of the previous year.

Selling, Distribution & Administrative Expenses for the quarter totaled \$1.7 billion or 14.2% more than the \$1.5 billion for the corresponding quarter of the prior year, however, they are in line with the increased revenue. Finance expenses included a loss of \$69.3 million due to the revaluation of our USD deposits as the Jamaican Dollar revalued from a rate of 125.89 at December 31, 2018 to 123.57 at March 31, 2019.

Profit before Taxation for the quarter increased to \$791.4 million or 35.4% over the \$584.6 million realized in Q3 2018. For the quarter ended March 31, 2019, Wisynco recorded Profits Attributable to shareholders of \$693.9 million or 19 cents per share compared to \$504.3 million or 14 cents per share, an improvement of 37.6% over the corresponding period of the prior year.

Much of these improvements in gross profit are as a result of increased efficiencies starting to be realized from new capital investments made in the past year.

The Company recently announced an exciting 30% investment in JP Snacks Caribbean Ltd and commenced the exclusive distribution of the St Mary's range of Tropical Chips in Jamaica, at the end of April 2019.

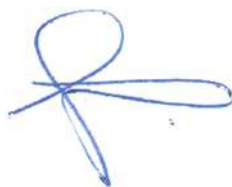
During the quarter the Company successfully introduced its first flavour of low sugar Sparkling product under the Cran Wata brand.

Additionally, as a part of the Company's industry initiative on the recycling efforts for plastic bottles, on February 1st it commenced a self-imposed cess of J\$1 per bottle towards the development of a national recycling programme.

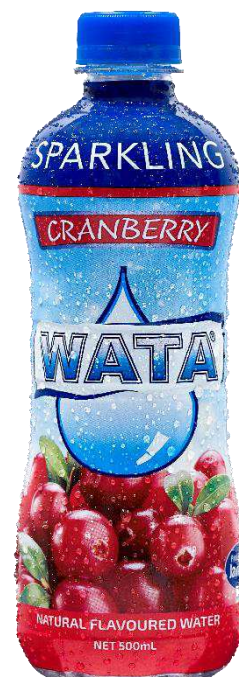
We thank the Wisynco team for their passion and solid efforts during our third quarter as well as consumers of all Wisynco brands.



William Mahfood
Chairman



Andrew Mahfood
Chief Executive Officer



Wisynco Group Limited
Group Statement of Comprehensive Income
Quarter ended 31 March 2019

	Quarter ended 31 March 2019 \$'000	Quarter ended 31 March 2018 \$'000	Nine Months ended 31 March 2019 \$'000	Nine Months ended 31 March 2018 \$'000
Revenue	6,908,519	5,820,566	20,835,379	18,058,954
Cost of Sales	(4,299,358)	(3,730,859)	(12,817,129)	(11,324,183)
Gross Profit	2,609,161	2,089,707	8,018,250	6,734,771
Other operating income	30,490	16,152	85,387	52,330
Selling and distribution expenses	(1,466,195)	(1,287,992)	(4,404,025)	(3,919,719)
Administration expenses	(256,439)	(220,165)	(799,944)	(584,641)
Operating Profit	917,017	597,702	2,899,668	2,282,741
Finance income	21,175	38,832	63,379	50,552
Finance costs	(146,812)	(51,921)	(301,791)	(177,107)
Profit before Taxation	791,380	584,613	2,661,256	2,156,186
Taxation	(97,458)	(80,332)	(422,977)	(460,919)
Profit for the year from continuing operations	693,922	504,281	2,238,279	1,695,267
Profit from discontinued operations	-	-	-	41,555
Net Profit	693,922	504,281	2,238,279	1,736,822
Other Comprehensive Income				
Items that may be subsequently reclassified to P&L				
Exchange differences on translation of foreign subsidiary	(1,425)	1,120	3,254	(911)
Unrealised gains on available-for-sale investments	(842)	1,201	6,772	9,509
Total Comprehensive Income	691,655	506,602	2,248,305	1,745,420
Net Profit attributable to:				
Shareholders of Wisynco Group Limited	693,922	504,281	2,238,279	1,736,858
Non-controlling interest	-	-	-	(36)
	693,922	504,281	2,238,279	1,736,822
Total Comprehensive Income attributable to:				
Shareholders of Wisynco Group Limited	691,655	506,602	2,248,305	1,745,456
Non-controlling interest	-	-	-	(36)
	691,655	506,602	2,248,305	1,745,420
Earnings per share from continuing and discontinued operations attributable to shareholders of the group	3			
From continuing operations	\$0.19	\$0.14	\$0.60	\$0.47
From discontinued operations	\$0.00	\$0.00	\$0.00	\$0.01
Basic earnings per share	\$0.19	\$0.14	\$0.60	\$0.48

Wisynco Group Limited
Group Statement of Financial Position
31 March 2019

		Unaudited	Unaudited	Audited
		March 31	March 31	June 30
		2019	2018	2018
Notes		\$'000	\$'000	\$'000
Non-Current Assets				
	Property, Plant and Equipment	6,725,809	6,061,511	6,775,727
	Available-for-sale investments	355,817	429,320	215,760
		7,081,626	6,490,831	6,991,487
Current Assets				
	Inventories	2,930,840	1,625,665	2,199,273
	Receivables and prepayments	2,880,076	2,042,859	2,302,693
	Available-for-sale investments - current portion	123,987	-	269,530
	Cash and short-term deposits	3,236,298	3,768,974	3,968,075
5		9,171,201	7,437,498	8,739,571
Current Liabilities				
	Trade and other payables	2,980,259	2,307,961	3,873,904
	Short-term borrowings	488,169	387,110	376,686
	Taxation payable	398,592	409,402	362,940
		3,867,020	3,104,473	4,613,530
Net Current Assets				
		5,304,181	4,333,025	4,126,041
		12,385,807	10,823,856	11,117,528
Shareholders' Equity				
	Share capital	1,192,647	1,192,647	1,192,647
	Capital reserve	126,718	125,727	119,946
	Translation Reserve	33,340	2,322	30,086
	Retained earnings	9,042,011	7,027,629	7,347,482
		10,394,716	8,348,325	8,690,161
Non-current Liabilities				
	Deferred tax liabilities	231,341	213,560	257,430
	Borrowings	1,759,750	2,261,971	2,169,937
		1,991,091	2,475,531	2,427,367
		12,385,807	10,823,856	11,117,528

William Mahfood
Chairman

Andrew Mahfood
Chief Executive Officer

Wisynco Group Limited
Group Statement of Changes in Equity
Quarter ended 31 March 2019

	Number of Shares	Share Capital \$'000	Capital Reserves \$'000	Retained Earnings \$'000	Translation Reserve \$'000	Non Controlling Interest \$'000	Total Equity \$'000
Balance as at 1 July 2017	3,600,585,424	57,927	116,218	7,377,182	3,233	5,740	7,560,300
Net profit	-	-	-	1,736,858	-	-	1,736,858
Unrealised gain on investments	-	-	9,509	-	-	-	9,509
Exchange differences on translating foreign subsidiary	-	-	-	-	(911)	-	(911)
Total comprehensive income	-	-	9,509	1,736,858	(911)	-	1,745,456
Transactions with Owners:							
Dividends Paid	-	-	-	(1,068,683)	-	-	(1,068,683)
Sale of ordinary shares (Net)	149,414,576	1,134,720	-	-	-	-	1,134,720
Transfer to owners consequent on reorganization	-	-	-	(1,017,728)	-	(5,740)	(1,023,468)
	149,414,576	1,134,720	-	(2,086,411)	-	(5,740)	(957,431)
Balance at 31 March 2018	3,750,000,000	1,192,647	125,727	7,027,629	2,322	-	8,348,325
Balance as at July 1, 2018	3,750,000,000	1,192,647	119,946	7,347,482	30,086	-	8,690,161
Net profit	-	-	-	2,238,279	-	-	2,238,279
Unrealised gains on investments	-	-	6,772	-	-	-	6,772
Exchange differences on translating foreign subsidiary	-	-	-	-	3,254	-	3,254
Total comprehensive income	-	-	6,772	2,238,279	3,254	-	2,248,305
Transactions with Owners:							
Dividends Paid	-	-	-	(543,750)	-	-	(543,750)
Total comprehensive income	-	-	6,772	1,694,529	3,254	-	1,704,555
Balance as at 31 March 2019	3,750,000,000	1,192,647	126,718	9,042,011	33,340	-	10,394,716

Wisynco Group Limited
Group Statement of Cash Flows
Quarter ended 31 March 2019

	Nine months ended 31 March 2019 \$'000	Nine months ended 31 March 2018 \$'000
Net profit from operations:		
Continuing operations	2,238,279	1,695,267
Discontinued operations	-	41,555
Items not affecting cash:		
Depreciation	742,982	547,167
Gain on sale of property, plant and equipment	(5,119)	(2,305)
Interest income	(62,193)	(49,428)
Dividend income	(1,186)	(1,124)
Interest expense	133,685	157,227
Taxation expense	422,977	460,919
Exchange loss on foreign currency balances	120,815	49,469
	3,590,240	2,898,747
Changes in operating assets and liabilities:		
Inventories	(731,567)	314,717
Receivables and prepayments	(577,383)	(177,608)
Trade and other payables	(893,645)	(739,053)
Cash generated from operations	1,387,645	2,296,803
Taxation paid	(413,414)	(233,236)
Cash provided by operating activities	974,231	2,063,567
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(695,508)	(1,736,886)
Purchase of investments	-	(562,780)
Proceeds from investments	12,258	611,298
Proceeds from the sale of property, plant and equipment	7,563	5,034
Dividend received	1,186	1,124
Interest received	62,193	49,428
Cash used in investing activities	(612,308)	(1,632,782)
Cash Flows from Financing Activities		
Interest paid	(149,244)	(117,874)
Dividend Paid	(543,750)	(1,068,683)
Long-term loans repaid	(264,250)	(457,968)
Long-term loan received	-	725,000
Proceeds from IPO	-	1,134,720
Finance leases repaid	(20,478)	(30,231)
Cash (used in)/provided by financing activities	(977,722)	184,964
Effects of changes in foreign exchange rates	(101,104)	(64,218)
(Decrease)/Increase in cash and cash equivalents	(716,903)	551,531
Cash and cash equivalents at beginning of year	3,917,663	3,148,381
Cash and Cash Equivalents at end of Year	3,200,760	3,699,912

Wisynco Group Limited
Notes to the Interim Financial Statements
31 March 2019

1. Basis of preparation

These financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* and should be read in conjunction with the annual financial statements which have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The financial statements have been expressed in Jamaican dollars unless otherwise indicated.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets.

IFRS 9

The Group Executive Management Committee is in the process of evaluating the impact of IFRS 9 on the financial statements of the Group. The preliminary assessment to date will result in the Group continuing to account for available for sale investments at fair value through other comprehensive income and loans and receivables will continue to be accounted for at amortised cost based on the criteria of the standard. There is no anticipated impact on the accounting for financial liabilities as these liabilities within the Group would continue to be accounted for similar to the existing standard IAS 39 *Financial Instruments: Recognition and Measurement*.

The Group will apply the 'general model' as required under IFRS 9 for debt Instruments other than trade receivables by assessing on a forward-looking basis the expected credit losses associated with its available for sale investments carried at fair value through other comprehensive income. A simplified approach, permitted by IFRS 9 will be used for trade receivables, utilising historical default rates by aged receivables as well as forward looking information to determine impairment

IFRS 15

The Group Executive Management Committee has completed the evaluation of the impact of IFRS 15 adoption on the financial statements of the Group. Management's assessment indicates that accounting for contracts with variable consideration such as rights of return, trade discounts or volume rebates were impacted and as a result have made the necessary adjustment to the quarterly financial statements to reflect the impact of the adoption. There was no material impact to the opening retained earnings arising from the adoption of this standard.

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended June 30, 2018.

2. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses and whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment. Operating segments are reported in a manner consistent with the internal reporting to the chief operating decision maker. The chief operating decision maker is the Chief Executive Officer (CEO).

The CODM regularly reviews local versus export sales, however, the export sales do not meet the threshold of a reportable segment under IFRS 8 and as such no separate segment information is presented. There are no individual customers that constitute more than 10% of total revenue and the CODM does not review assets on a segment basis.

Wisynco Group Limited
Notes to the Interim Financial Statements
31 March 2019

3. Earnings per share

Earnings per share is calculated on net profit and is based on the weighted average number of ordinary shares in issue during both years.

	Quarter ended March 31 2019	Quarter ended March 31 2018	Nine months March 31 2019	Nine months March 31 2018
Net profit attributable to ordinary shareholders (\$'000)	693,922	504,281	2,238,279	1,736,858
Weighted average number of ordinary shares in issue ('000) for the end of the period	3,750,000	3,600,585	3,750,000	3,600,585
Basic earnings per share	\$0.19	\$0.14	\$0.60	\$0.48

4. Profit from Discontinued Operations

The financial performance for the quarter for discontinued operations at 31 December 2017 is as below.

	Quarter ended 31 December 2017 \$'000	Six months ended 31 December 2017 \$'000
Revenue	147,392	595,457
Cost of sales	(97,354)	(390,977)
Gross Profit	50,038	204,481
Other income	51	1,255
Administration and other expenses	(46,608)	(180,530)
Operating Profit	3,481	25,205
Finance income	(2,067)	(1,220)
Finance costs	(1,516)	(4,892)
Profit before taxation	(102)	19,094
Taxation	(10)	(4,057)
Net profit after tax of discontinued operations	(112)	15,036
Share of results of associate	8,315	26,519
Profit for the period from discontinued operations	8,203	41,555

Wisynco Group Limited
Notes to the Interim Financial Statements
31 March 2019

5. Cash and Cash Equivalents

	31 March 2019 \$'000	31 March 2018 \$'000
Cash and bank balances	1,331,144	1,480,085
Short term deposits	1,905,154	2,288,889
	<u>3,236,298</u>	<u>3,768,974</u>
Bank overdraft	(35,538)	(69,062)
	<u><u>3,200,760</u></u>	<u><u>3,699,912</u></u>

6. Subsequent Events

The Company acquired a thirty percent (30 %) stake in JP Snacks Caribbean Limited, a subsidiary of Jamaica Producers Group Limited (JP) resulting in Wisynco having exclusive distribution rights in Jamaica.



10 Largest Shareholders of Wisynco Group Limited as at March 31, 2019

Name of Shareholder	Units	Percentage Ownership
1. Wisynco Group Caribbean Limited	2,776,183,736	74.0316%
2. ATL Group Pension Fund Trustees Nom Ltd.	54,887,475	1.4637%
3. JCSD Trustee Services Ltd - SIGMA EQUITY	43,018,032	1.1471%
4. Francois Paul Chalifour	37,729,580	1.0061%
5. Devon Hugh Reynolds	32,229,613	0.8595%
6. Guardian Life Limited	29,341,646	0.7824%
7. GraceKennedy Pension Fund Custodian Ltd.	25,877,285	0.6901%
8. Sagicor Pooled Equity Fund	23,913,562	0.6377%
9. SJIML A/C 3119	23,132,836	0.6169%
10. NCB Insurance Co. Ltd. A/C WT160	22,732,309	0.6062%

Shareholdings of Directors as at March 31, 2019

Directors	Direct	Connected Parties	Total
* Joseph Mahfood	0	2,791,583,736	2,791,583,736
* William Mahfood	2,083,333	2,784,637,536	2,786,720,869
* Andrew Mahfood	2,083,333	2,784,285,236	2,786,368,569
Francois Chalifour	37,729,580	0	37,729,580
Devon H. Reynolds	32,229,613	0	32,229,613
John Lee	0	4,283,333	4,283,333
Lisa Soares Lewis	3,167,600	0	3,167,600
Adam Stewart	0	2,938,936	2,938,936
Odetta Rockhead Kerr	0	0	0

* These Directors have a beneficial holding in Wisynco Group Caribbean Limited, which owns 74.03% of Wisynco Group Limited in addition to other connected party holdings.

Shareholdings of Senior Executives as at March 31, 2019

Senior Executives	Direct	Connected Parties	Total
Christopher Ramdon	2,202,383	0	2,202,383
Andrew Fowles	2,200,300	0	2,200,300
Halcott Holness	2,085,333	0	2,085,333
Jacinth Bennett	1,420,000	0	1,420,000
Tabitha Athey	937,420	0	937,420
N. Craig Clare	776,318	0	776,318
Leilani Hunt	535,059	0	535,059
Rachel Zacca	368,596	0	368,596
Annette Morrison	100,000	0	100,000