



Wisynco Group Limited

Interim Report

Third Quarter ended

31 March 2018

Wisynco Group Limited (Wisynco) – Interim Report to Shareholders

The Directors of Wisynco present our report on the unaudited financial results for the third quarter ended March 31, 2018, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Revenues for the quarter of \$5.82 billion represented an increase of 13.5% over the \$5.13 billion achieved in the corresponding quarter of the previous year. Gross profit also increased to \$2.09 billion or 16.2% over the \$1.80 billion achieved in the same quarter of the previous year. Gross Margin of 35.9% was slightly higher than the 35.1% for the corresponding quarter of the previous year, and for the 9 months ended March 2018, Gross Margin improved by 1.4% when compared to the first 9 months of 2017.

Selling, Distribution & Administrative Expenses for the quarter totaled \$1.51 billion or 4.4% more than the \$1.44 billion for the corresponding quarter of the prior year. Other Income for the corresponding quarter of the prior year included net proceeds from insurance of \$597 million.

Wisynco recorded profits attributable to shareholders of \$504 million or 14 cents per share on a normalized basis for the quarter compared to \$340 million or 9 cents per share on a normalized basis for the corresponding quarter of the previous year (Note 7).

The third quarter normally represents lower demand for beverages due to the cooler climate in the January to March period which results in lower production and inefficient overhead absorption as compared to periods of higher demand. Wisynco also conducts preventative maintenance in the 3rd quarter of each Fiscal Year which results in some additional production expenses to ensure continuous efficiencies. The construction of our cold storage facilities continues, and the expectation is now for completion at the end of the 4th quarter which should result in reduced operating cost and improved service levels.

Wisynco has led an industry charge to look at the reduction of plastic and especially recyclable materials in our environment for years. Recently an outline proposal for a national Deposit Refund Scheme (DRS) was presented to the Partnership for Prosperity (a national social partnership). The outline was endorsed in principle by the Partnership and the final proposal incorporating further feedback is expected to be presented within the near future. Wisynco strives for the betterment of the environment through the actions of Wisynco Eco, which through its Eco Club initiative recovered over 500,000 bottles from its 32 participating schools in the quarter.

Wisynco manufactures and distributes the widest range of zero and low sugar beverage formats in the market and we continue to explore various beverage options with better health alternatives.

The company declared an interim dividend of 6.3c to all shareholders with an ex-dividend date of May 21st and a payment date of May 29th. We thank the Wisynco Team for all their efforts and thank all our Customers for their continued support for all Wisynco Brands.



William Mahfood
Chairman



Andrew Mahfood
Chief Executive Officer

Wisynco Group Limited
Group Statement of Comprehensive Income
Quarter ended 31 March 2018

	Quarter ended 31 March 2018 \$'000	Quarter ended 31 March 2017 \$'000	Nine Months ended 31 March 2018 \$'000	Nine Months ended 31 March 2017 \$'000
Revenue	5,820,566	5,130,035	18,058,954	15,752,100
Cost of Sales	(3,730,859)	(3,330,904)	(11,324,183)	(10,095,531)
Gross Profit	2,089,707	1,799,131	6,734,771	5,656,569
Other operating income	16,152	611,764	52,330	667,674
Selling and distribution expenses	(1,287,992)	(1,247,203)	(3,919,719)	(3,574,677)
Administration expenses	(220,165)	(197,575)	(594,150)	(499,381)
Operating Profit	597,702	966,117	2,273,232	2,250,185
Finance income	38,832	28,987	50,552	124,974
Finance costs	(51,921)	(55,093)	(177,107)	(119,141)
Profit before Taxation	584,613	940,011	2,146,677	2,256,018
Taxation	(80,332)	(204,104)	(460,919)	(431,805)
Profit for the year from continuing operations	504,281	735,907	1,685,758	1,824,213
Profit from discontinued operations	-	84,337	41,555	133,018
Net Profit	504,281	820,244	1,727,313	1,957,231
Other Comprehensive Income				
Items that may be subsequently reclassified to P&L				
Unrealised gains on available-for-sale investments	1,201	(11,015)	9,509	(3,693)
Total Comprehensive Income	505,482	809,229	1,736,822	1,953,538
Net Profit attributable to:				
Shareholders of Wisynco Group Limited	504,281	820,253	1,727,349	1,957,238
Non-controlling interest	-	(9)	(36)	(7)
	504,281	820,244	1,727,313	1,957,231
Total Comprehensive Income attributable to:				
Shareholders of Wisynco Group Limited	505,482	809,238	1,736,858	1,953,545
Non-controlling interest	-	(9)	(36)	(7)
	505,482	809,229	1,736,822	1,953,538
Earnings per share	\$0.14	\$0.23	\$0.47	\$0.54

Wisynco Group Limited
Group Statement of Financial Position
31 March 2018

	Unaudited March 31 2018 \$'000	Unaudited March 31 2017 \$'000	Audited June 30 2017 \$'000
Notes			
Non-Current Assets			
Property, Plant and Equipment	6,061,511	4,503,309	5,175,738
Investment in Associates	-	664,169	664,854
Intangibles	-	54,813	56,786
Available-for-sale investments	429,320	293,224	293,452
Deferred Tax Asset	-	-	52,156
Investment Property	-	13,449	13,449
	6,490,831	5,528,964	6,256,435
Current Assets			
Inventories	1,625,665	1,460,145	1,957,852
Receivables and prepayments	2,042,859	1,968,809	1,910,075
Available-for-sale investments - current portion	-	185,013	184,386
Cash and short-term deposits	3,699,912	3,685,621	3,385,944
	7,368,437	7,299,588	7,438,257
Current Liabilities			
Trade and other payables	2,307,962	2,040,852	3,186,245
Short-term borrowings	318,048	137,651	432,840
Taxation payable	409,402	351,760	177,797
Due to parent company	-	259,745	259,745
	3,035,412	2,790,008	4,056,627
Net Current Assets	4,333,025	4,509,580	3,381,630
	10,823,856	10,038,544	9,638,065
Shareholders' Equity			
Share capital	4 1,192,647	57,927	57,927
Capital reserve	125,727	116,869	116,218
Translation Reserve	2,322	3,500	3,233
Retained earnings	7,027,629	7,496,642	7,377,182
	8,348,325	7,674,938	7,554,560
Non-controlling interest	-	5,753	5,740
	8,348,325	7,680,691	7,560,300
Non-current Liabilities			
Deferred tax liabilities	213,560	258,770	215,015
Borrowings	2,261,971	2,099,083	1,862,750
	2,475,531	2,357,853	2,077,765
	10,823,856	10,038,544	9,638,065



William Mahfood



Andrew Mahfood

Wisynco Group Limited
Group Statement of Changes in Equity
Nine Months ended 31 March 2018

	Number of Shares '000	Share Capital \$'000	Capital Reserves \$'000	Retained Earnings \$'000	Translation Reserve \$'000	Non Controlling Interest \$'000	Total Equity \$'000
Balance as at July 1, 2016	3,600,585	57,927	120,562	6,134,931	3,254	5,760	6,322,434
Total comprehensive income	-	-	(3,693)	1,957,238	-	(7)	1,953,538
Exchange differences on translating foreign subsidiary	-	-	-	-	246	-	246
Transactions with Owners:							
Dividends Paid	-	-	-	(595,527)	-	-	(595,527)
Balance at 31 March 2017	3,600,585	57,927	116,869	7,496,642	3,500	5,753	7,680,691
Balance as at July 1, 2017	3,600,585	57,927	116,218	7,377,182	3,233	5,740	7,560,300
Total comprehensive income	-	-	9,509	1,736,858	-	-	1,746,367
Exchange differences on translating foreign subsidiary	-	-	-	-	(911)	-	(911)
Sale of Ordinary Shares (IPO) (Net)	149,415	1,134,720	-	-	-	-	1,134,720
Transactions with Owners:							
Dividends Paid	-	-	-	(1,068,683)	-	-	(1,068,683)
Transfer to owners consequent on reorganization (Note 5)	-	-	-	(1,017,728)	-	(5,740)	(1,023,468)
Balance as at March 31, 2018	3,750,000	1,192,647	125,727	7,027,629	2,322	-	8,348,325

Wisynco Group Limited
Group Statement of Cash Flows
Nine Months ended 31 March 2018

	Nine months ended 31 March 2018 \$'000	Nine months ended 31 March 2017 \$'000
Net profit from operations	1,727,313	1,957,231
Items not affecting cash:		
Unremitted equity in associates	-	(80,410)
Depreciation	547,167	438,740
Amortization of intangible assets	-	7,111
Gain on sale of property, plant and equipment	(2,305)	(2,986)
Gain on fire claim	-	(636,472)
Interest income	(49,428)	(52,149)
Gain on sale of investments	-	(10,805)
Dividend income	(1,124)	(2,438)
Interest expense	157,227	115,532
Taxation expense	460,919	431,805
Exchange gain/(loss) on foreign currency balances	49,469	(28,889)
	2,889,237	2,136,270
Changes in operating assets and liabilities:		
Inventories	314,717	132,217
Receivables and prepayments	(177,608)	439,848
Trade and other payables	(729,543)	(1,321,807)
Cash generated from operations	2,296,803	1,386,528
Insurance proceeds	-	156,623
Taxation paid	(233,236)	(622,201)
Cash provided by operating activities	2,063,567	920,950
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(1,736,886)	(1,577,828)
Proceeds from the sale of property, plant and equipment	5,034	3,000
Investments (net)	48,518	(248,811)
Insurance proceeds	-	479,849
Dividend received	1,124	2,438
Interest received	49,428	52,149
Cash used in investing activities	(1,632,782)	(1,289,203)
Cash Flows from Financing Activities		
Interest paid	(117,874)	(115,532)
Long-term loans repaid	(457,968)	(891,440)
Long-term loans received	725,000	1,899,381
Proceeds from IPO	1,134,720	-
Finance leases repaid	(30,231)	(69,813)
Dividend paid	(1,068,683)	(595,527)
Cash provided by financing activities	184,964	227,069
Effects of changes in foreign exchange rates	(64,218)	47,312
Increase/(Decrease) in cash and cash equivalents	551,531	(93,872)
Cash and cash equivalents at beginning of year	3,148,381	3,779,493
Cash and Cash Equivalents at end of Period	3,699,912	3,685,621

Wisynco Group Limited
Notes to the Interim Financial Statements
31 March 2018

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.

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, 2017.

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 (CODM) 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 CODM who is the Chief Executive Officer.

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.

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 2018	Quarter ended March 31 2017	Nine months ended March 31 2018	Nine months ended March 31 2017
Net profit attributable to ordinary shareholders (\$'000)	517,087	820,233	1,755,098	1,957,238
Weighted average number of ordinary shares in issue ('000) at the start of the period	3,602,223	3,600,585	3,600,585	3,600,585
Issue of shares during the period ('000)	36,842	-	38,480	-
Weighted average number of ordinary shares in issue ('000) at the end of the period	3,639,065	3,600,585	3,639,065	3,600,585
Basic earnings per share	\$0.14	\$0.23	\$0.47	\$0.54

Wisynco Group Limited
Notes to the Interim Financial Statements
31 March 2018

4. Share Capital

Consequent on the decision to become a publicly listed company the existing shares in the Company were sub-divided into 3,382 for each share in issue. This resulted in the number of shares in issue increasing from 1,064,632 to 3,600,585,424. The company also had an IPO in which 149,414,576 shares were issued bringing the total number of shares issued to 3,750,000,000. Additionally, the authorized share capital was increased to 4,000,000,000 shares.

5. Reconstruction of the Wisynco Group of Companies

On 30 October 2017, the Company effected a Scheme of Reconstruction ("the reconstruction") approved by the Tax Administration Jamaica under the laws of Jamaica. This resulted in the Company retaining its core businesses along with the operations of its subsidiary Indies Insurance Company Limited. The ownership of the other subsidiaries and associates namely Wisynco Foods Limited, Seville Development Corporation Limited and Fusion Limited were transferred to separate legal entities of the ultimate parent company.

As a result of this reconstruction effective 30 October 2017 these entities are no longer a part of the Wisynco Group Limited and are a deemed disposal.

The net assets of the entities involved in the reconstruction at 30 October 2017 transferred to the owners were as follows:

The financial performance and cash flow information presented are for nine months ended 31 March 2018.

	Quarter ended 31 March 2018	Quarter ended 31 March 2017	Nine months ended 31 March 2018	Nine months ended 31 March 2017
	\$'000	\$'000	\$'000	\$'000
Revenue	-	439,611	595,457	1,229,105
Cost of sales	-	(282,393)	(390,977)	(795,916)
Gross Profit	-	157,218	204,481	433,189
Other income	-	1,059	1,255	3,092
Administration and other expenses	-	(125,834)	(180,530)	(361,646)
Operating Profit	-	32,443	25,205	74,635
Finance income	-	880	(1,220)	5,845
Finance costs	-	(2,338)	(4,892)	(7,458)
Profit before taxation	-	30,985	19,094	73,022
Taxation	-	(8,196)	(4,057)	(20,414)
Net profit after tax of discontinued operations	-	22,789	15,036	52,608
Share of results of associate	-	61,548	26,519	80,410
Profit for the period from discontinued operations	-	84,337	41,555	133,018

Wisynco Group Limited
Notes to the Interim Financial Statements
31 March 2018

5. Reconstruction of the Wisynco Group of Companies, Cont'd ...

	Nine months ended 31 March 2018	Nine months ended 31 March 2017
	\$'000	\$'000
Operating cash flows	39,270	126,132
Investing cash flows	(47,312)	(40,749)
Financing cash flows	(25,156)	(40,057)
(Outflows)/Inflows	(41,542)	583
Effect of exchange rate changes	1,430	(1,238)
Net cash flows	(73,310)	44,671

Details of the net assets of the subsidiaries and associates transferred to owners

	31 March 2018 \$'000
The carrying amounts of assets and liabilities as at the date of the sale were:	
Intangible Asset	15,879
Property, plant and equipment	330,280
Investment Property	13,449
Receivables	138,594
Inventories	18,098
Cash & short term deposits	135,108
Total assets	651,408
Payables	(243,357)
Net assets	408,051
Borrowings	(119,868)
Net assets from subsidiaries	288,183
Cost of investments transferred (net)	467,670
Share of associates profits	261,875
Transfer to owners	1,017,728

No consideration was received on de-recognition of these entities. The transaction was deemed to be between shareholders, the effects of which are recorded in equity.

Wisynco Group Limited
Notes to the Interim Financial Statements

31 March 2018

6. Other Operating Income

	Quarter ended 31 March 2018 \$'000	Quarter ended 31 March 2017 \$'000	Nine Months ended 31 March 2018 \$'000	Nine Months ended 31 March 2017 \$'000
Other Income	16,152	14,092	50,025	45,874
Gain on disposal of fixed assets	-	-	2,305	24,128
Insurance proceeds/Business Interruption	-	597,672	-	597,672
	16,152	611,764	52,330	667,674

7. Normalized Earnings

	Quarter ended 31 March 2018 \$'000	Quarter ended 31 March 2017 \$'000	Nine Months ended 31 March 2018 \$'000	Nine Months ended 31 March 2017 \$'000
Net profit attributable to shareholders of Wisynco	504,281	820,253	1,727,349	1,957,238
Net insurance proceeds received	-	(597,672)	-	(597,672)
Business Interruption	-	117,823	-	117,823
Normalized Earnings	504,281	340,404	1,727,349	1,477,389
Weighted average number of ordinary shares ('000)	3,639,065	3,600,585	3,639,065	3,600,585
Basic EPS per ordinary share	\$0.14	\$0.09	\$0.47	\$0.41

8. Subsequent Events

On April 26, 2018, the Board of Directors considered an interim dividend payment of 6.3c per share, which was subsequently approved by a resolution of the Board on May 7 and which will be paid on May 29, 2018.



10 Largest Shareholders of Wisynco Group Limited as at 31 March 2018

Name of Shareholder	Units	Percentage Ownership
Wisynco Group (Caribbean) Limited	2,776,183,736	74.03%
JCSD Trustee Services Limited - SIGMA OPTIMA	43,547,623	1.16%
Devon Hugh Reynolds	37,729,613	1.01%
Francois Paul Chalifour	37,729,580	1.01%
Guardian Life Limited	29,341,646	0.78%
NCB Capital Markets X Trading A/C	24,933,502	0.66%
Sagicor Pooled Equity Fund	23,913,562	0.64%
NCB Insurance Co. Ltd. A/C WT160	22,732,309	0.61%
NCB Insurance Co. Ltd. A/C WT109	22,191,926	0.59%
NCB Insurance Co. Ltd. A/C WT157	22,191,926	0.59%
SJIML A/C 3119	22,132,836	0.59%

Shareholdings of Directors as at 31 March 2018

Directors	Direct	Connected Parties	Total
* Joseph Mahfood	0	2,800,025,236	2,800,025,236
* 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
Devon H. Reynolds	37,729,613	0	37,729,613
Francois Chalifour	37,729,580	0	37,729,580
John Lee	0	4,283,333	4,283,333
Lisa Soares Lewis	3,167,600	0	3,167,600
Adam Stewart	-	2,938,936	2,938,936

* 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 31 March 2018

Senior Executives	Direct	Connected Parties	Total
Gerald Mahfood	2,083,333	0	2,083,333
Christopher Ramdon	2,202,383	0	2,202,383
Halcott Holness	2,083,333	0	2,083,333
Sean Scott	0	1,588,713	1,588,713
Jacinth Bennett	1,420,000	0	1,420,000
Caron Anderson	267,496	0	267,496
Andrew Fowles	2,200,300	0	2,200,300
Rachel Zacca	368,596	0	368,596
Leilani Hunt	535,059	0	535,059