News Release

GRACEKENNEDY HALF YEAR REVENUES UP J$6.8 BILLION OR 12% OVER PRIOR YEAR; PROFIT AFTER TAX UP 30%

July 29, 2021, Kingston, Jamaica - GraceKennedy (GK) Limited has released its unaudited results for the six months ended June 30, 2021. For the period under review GK realized revenue of J$63.4 billion, representing an increase of J$6.8 billion or 12.1% over the corresponding period of 2020. Profit before other income was J$3.9 billion, representing an increase of 26.1% over the same period last year. Profit before tax (PBT) was J$5.4 billion, reflecting a 20.4% increase, and net profit after tax was J$4.0 billion, a 30.3% increase over the same period last year. Net profit attributable to stockholders also reflected a double-digit increase of 30.6% over prior year. Earnings per stock unit for first half of 2021 were J$3.62, compared to $2.77 for the corresponding period in 2020.

Commenting on the half year results, GK Group CEO Don Wehby said "We are pleased to see the positive performance of our Company continue. All our business segments showed improved profits and revenue performance year over year, with our international businesses performing exceptionally well. Our accelerated growth in revenue and PBT in the second quarter is a reflection of the significant progress we have made towards improving our operating performance. For the remainder of 2021 the team will continue to focus on executing our strategic initiatives and managing our operating expenses, liquidity, and supply chain. Although the COVID-19 pandemic continues to make the outlook for the rest of 2021 uncertain, the accelerated rollout of vaccination programmes in the markets where we operate is encouraging and we support this drive wholeheartedly."

Group CFO, Andrew Messado has announced a dividend payment of 48 cents per stock unit, payable on 24 September 2021, totaling $476 million.

Both GK Foods Domestic and International performed well during the reporting period, recording increases in PBT and revenue over prior year. GK's Manufacturing Division also recorded strong gains compared to the first half of 2020, realizing growth both in revenue and PBT. The strong performance of GK Foods business was driven by notable growth in core products and strategic brands in Jamaica, and increased demand for Grace and Grace-owned products in overseas markets.

GK has indicated that it has been closely monitoring rising freight costs from South East Asia and is making every effort to manage the impact of food inflation on its products going forward.

The GraceKennedy Financial Group (GKFG) reported strong growth in both revenue and PBT in the first half of 2021. GK Capital Management and GK Investments continued to show top line growth and GK's insurance segment yielded positive results, with GraceKennedy General Insurance (GKGI) notably recording double-digit growth in revenue. GraceKennedy Money Services (GKMS) exceeded revenue and pre-tax profits compared to the corresponding period of 2020 and continues to innovate and expand its digital offerings across the region.

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Wehby commented, “GK’s digital transformation strategy is now fully operational with the support of our in-house Digital Factory team. I’m excited to announce that we are gearing up to launch two financial service digital products and Hi-Lo’s e-commerce website by the end of the third quarter. I am also pleased to report that we recently received regulatory approval for our acquisition of Scotia Insurance Eastern Caribbean Limited and that transaction is expected to close by the end of the month.”

“GK continues to do everything we can to ensure that we continue to provide our customers with the goods and services they need at the highest standard and in the safest way possible. We also remain committed to supporting those in need during what continues to be an extremely challenging period in our history. We are extremely grateful to our team for their outstanding commitment to our company, and to all our stakeholders for their unwavering support of GK,” said Wehby.

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