



## **LASCO Manufacturing Limited Report to Shareholders**

The Board of Directors of LASCO Manufacturing Limited is pleased to present the Audited Financial Statements for the year ended March 31, 2020.

The year was a solid one, delivering Net Profit of \$981.67M, and with other performance metrics in line with expectations.

Total Sales revenue was \$7.88B representing a 4% increase on the revenue for the previous year while Gross Profit was \$2.91B or 9% above the gross profit of the prior year. Importantly, Gross Profit Margin increased to 37% up 200 basis points from 35% recorded in the previous year. This gain in gross profit margin was fuelled mainly by gains in efficiencies in the manufacturing operations.

Selling and Administrative Expenses, inclusive of marketing and promotional support for the various brands in both the local and export markets, were \$1.65B or 16% above the expenses in the previous year. The significant increase above prior year was primarily due to the inclusion of charges for stock options granted during the year under the Employee Stock Option Plan.

Operating Profit for the year stood at \$1.29B, a 3% increase on the previous year's \$1.26B.

Net Profit was \$981.67M compared to \$1.07B in the prior year. Profit for the year was impacted by deferred tax charge of \$101M.

Capital Investments amounted to \$196M (prior year \$588M), the main capital project being continued work on the expansion of the powder manufacturing operations.

Total Assets at year-end were \$9.73B an increase of 11% over prior year with Non-Current Assets increasing by 1.3% to \$5.14B. Current Assets were \$4.59B or 24% above the previous year while Current Liabilities were \$1.78B.

An interim dividend of \$0.061 per share, totalling \$250M was paid to shareholders on June 28, 2019. Shareholders equity at year end was \$6.75B or 15% above prior year. Return on equity was 14.5% compared to 18.0% in the prior year. Earnings per stock unit was \$0.24 (prior year \$0.26).

Cash and short-term investments at year end totalled \$1.45B compared to \$1.00B at the end of the prior year.

We maintained a strong programme of research and development and introduced four new flavours of Reduced Sugar iCool Juice Drink and one additional flavour of Flavoured Water (Cran -Grape).

Employee training and development was again given priority with strong emphasis on safety, good manufacturing practices and cross training.

Consistent with our philosophy of giving back and supporting community building initiatives the company continued to initiate, sponsor, and support a range of activities – the main ones being:

- i) Environmental awareness, conservation, resource utilization and sustainability with the main sponsorship being of the LASCO Releaf Environmental Awareness Programme (REAP).

REAP is an on-going Environmental NGO focussing on recycling, conservation and tree planting initiatives in schools across the country.

- ii) Education through sponsorship of the annual LASCO/Ministry of Education Teacher and Principal of the year award which took place in December 2019. The Teacher of the year Awardee was Mrs. Bhagya Malladi, Science Teacher of the Immaculate Conception High School, while the Principal of the year was Mr. Lynton Weir of the Old Harbour High School.
- iii) Part sponsorship of the LASCO/Nurses Association of Jamaica Nurse of the year award.

In the latter part of the last quarter of the year we faced issues from the Covid-19 pandemic. This led to disruptions in aspects of the operations due to lockdowns, restricted working hours and curfews in various sections of the country. The company has responded by being guided by the Company's Business Continuity Plans and adopting the guidance of the Government/Ministry of Health and Wellness on the Pandemic. We introduced new work schedules, implemented, and continued to maintain adherence to the guidelines regarding social distancing, hygiene, and workforce education.

Our focus has been on:

- Protecting the health and well-being of our people
- Protecting the supply chain in order to be able to supply our customers and consumers
- Managing cash

It is evident that the pandemic will have negative effects on business in terms of revenue and earnings in the periods ahead. The extent of the effects will depend on the duration and severity of the Pandemic.

We take this opportunity to thank all our team members for their invaluable support, effort and dedication in producing these results and you our shareholders for your continued support and trust.



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James E.D. Rawle  
**Managing Director**



**LASCO MANUFACTURING LIMITED**

**SENIOR MANAGERS AND CONNECTED PARTIES SHAREHOLDING**

**AS AT MARCH 31, 2020**

<b>Name</b>			
<b>Primary Holder</b>	<b>Units</b>	<b>Percentage</b>	
JAMES RAWLE	0.00	0.0000	
ROBERT PARKINS	2,813,132	0.0680	
SOPHIA GAYLE	0.00	0.0000	
JEAN GRANT	0.00	0.0000	
DANIEL STRATCHAN	0.00	0.0000	
CLEVERICK DOUGHORTY	5,800,000	0.1404	
ERROL GRANT	0.00	0.0000	
LISA WATTS	0.00	0.0000	



## LASCO MANUFACTURING LIMITED

TOP TEN SHAREHOLDERS AS AT MARCH 31, 2020

<b>NAMES</b>	<b>UNITS</b>	<b>PERCENTAGES</b>
EAST WEST (ST. LUCIA) LIMITED	2,002,693,780	48.48
LASCELLES A. CHIN	1,244,428,470	30.12
NATIONAL INSURANCE FUND	103,794,541	2.51
SAGICOR SELECT FUND LETTER – ('CLASS C' SHARES) MANUFACTURING & DISTRIBUTION	32,816,914	0.79
SJIML A/C 3119	31,777,000	0.77
MAYBERRY JAMAICAN EQUITIES LIMITED	26,994,751	0.65
PAM - POOLED EQUITY FUND	23,385,950	0.57
JCSD TRUSTEE SERVICES LTD. A/C #76579-02	20,657,468	0.50
YUAN LIAO	20,391,220	0.49
LIUDMILA GONZALEZ DIAZ	20,000,000	0.48



**LASCO MANUFACTURING LIMITED**

**DIRECTORS AND CONNECTED PARTIES SHAREHOLDINGS**

**AS AT MARCH 31, 2020**

<b>NAME OF PRIMARY HOLDERS</b>	<b>POSITION *CONNECTED PARTIES</b>	<b>UNITS</b>	<b>PERCENTAGES</b>
LASCELLES CHIN		1,244,428,470.00	30.1248
	*EAST WEST (ST. LUCIA) LTD	2,002,693,780.00	48.4807
	*EILEEN CHIN - DIRECT	{16,000,000.00}	{0.3873}
EILEEN CHIN		16,000,000.00	0.3873
	*LASCELLES CHIN -DIRECT	{1,244,428,470.00}	{30.1248}
ROSALEA HAMILTON		110,000.00	0.0026
VINCENT ANTHONY CHEN		0.00	0.0000
JACINTH HALL-TRACEY		0.00	0.0000
JAMES RAWLE		0.00	0.0000
COMPTON RODNEY		0.00	0.0000
KENNETH SYLVESTER		0.00	0.0000