

GRACEKENNEDY Limited

Flash Report

Q3 2025 (Sept 30, 2025)

Price as at 25/11/25 (TT\$):	J\$ 73.30/ TT\$ 3.52	52 Wk. Range:	TT\$3.30 - TT\$4.08	Market Cap (TT\$):	TT\$3,609M
YTD Price Change:	(4.86%)	EPS (TTM):	J\$8.01	Dividend Yield (TTM):	2.88%
Sector:	Conglomerates	P/E (5 YR):	10.77x	P/S (5 YR):	0.58x

GKC's revenue increased, while PBT falters

Company Overview and Recent Developments:

- GKC's Food segment 2030 objective is to become the number one Caribbean brand in the world with 70% of its revenues and profits earned outside of Jamaica.
- GraceKennedy continues to expand its operations in its core segments, with strategic mergers and acquisitions within these segments to capture greater market share and penetration of new and existing product lines.
- On October 28th, Hurricane Melissa, a Category 5 hurricane made landfall in western Jamaica causing extensive damage across several parishes. GKC launched a comprehensive relief programme valued at over J\$200M, focused on food, cash availability, health and wellness and education. GK Foundation Food Bank launched a special Hurricane Melissa Relief Initiative to deliver care packages to affected communicated. While the financial services segment ensured Jamaicans can access cash during this difficult time. As such, the effects of Hurricane Melissa are expected to be reflected in the fourth quarter results.
- The company declared its fourth dividend payment for 2025, declared on November 28th, 2025, of J\$0.75/sh. (TT\$0.03/sh.) [Payout ratio: 12.12%], as compared to J\$0.75/sh. (TT\$0.03/sh.) [Payout ratio: 11.19%] in the prior corresponding period.

Financial Highlights J\$ MM\$	9 months ended		Year ended
	Sep-24	Sep-25	Dec-24
Revenues	\$121,372	\$128,372	\$167,043
Operating Profit	\$9,788	\$8,873	\$12,529
Profit Before Taxation (PBT)	\$9,670	\$8,944	\$12,344
Profit After Tax (PAT)	\$7,059	\$6,395	\$8,864
Total Assets	\$234,042	\$258,201	\$236,641
Total Equity	\$144,314	\$161,608	\$91,407
Total Liabilities	\$89,729	\$96,593	\$145,235
Net Profit Margin	5.82%	4.98%	5.31%
Return on Assets	3.02%	2.48%	3.75%
Return on Equity	7.87%	6.61%	9.70%

Financial Highlights (9-months ended 30 September 2025):

- GraceKennedy reported a +5.86% YoY increase in revenues from J\$121.27B for the 9-month period ended September 2024 to J\$128.37B for the 9-month period ended September 2025.
- Food Trading, GKC's largest segment by revenue, recorded growth of +5.76% for the 9-month period ended September 2025, reflecting the company's strong performance in the international food business. However, higher than anticipated operating expenses in the Jamaican market impacted this segment's profitability. While, for the 9-month period ended September 2025, the segment's PBT decreased by -4.47%, mainly due to increased operating expenses in the Jamaican food business.
- Revenue from GKC's second largest segment by revenue, Insurance, grew +14.29% during the 9-month period ended September 2025 primarily due to growth in the motor and property insurance portfolios. As a result, profits in the insurance segment increased by +9.04%. The increased profitability was also driven by the improved performance of both GKGI and Key Insurance Company Limited.
- Revenue from Banking and Investments increased by +4.93% for the 9-month period ended September 2025. PBT increased by +7.03% for the same period. This was primarily due to increased loan volumes in First Global Bank Limited and increased asset management fees from GKC Capital Management Limited.

- The company's Money Services segment reported a decrease in revenue of -6.29% primarily attributable to lower remittance flow and volatility of the Jamaican dollar against the US dollar. Similarly, the segment's PBT decreased by -24.74% primarily due to the aforementioned lower remittance flow and volatility of the Jamaican dollar against the US dollar. This decline was also driven by reduced transaction volumes in Guyana and Trinidad and Tobago.
- GKC's total expenses increased by +6.99% from \$119.64B for the 9-month period ended September 2024 to \$128.00B for the 9-month period ended September 2025 primarily driven by higher direct and operating expenses. These increased expenses led to a marginal decrease in the net profit margin. Similarly, the return on equity decreased because the increase in equity was greater than the increase in profitability.
- GKC's PBT decreased by -7.51% primarily due to the aforementioned increased expenses. EPS was J\$6.19 for the 9-month period ended September 2025 (9-month period ended September 2024: J\$6.70).
- GKC's assets and liabilities increased by +10.31% and +11.98%, respectively. This increase in assets was driven by increased inventories (29.20%) and loans receivables (21.39%). While liabilities increased due to increased deferred tax liabilities (38.66%) and insurance contract liabilities (21.53%).

Key Risks:

- As a net earner of foreign exchange, GKC is subject to exchange rate volatility of the currencies in which it earns revenues, relative to the Jamaican dollar as Jamaica has a floating exchange rate regime.
- GKC is vulnerable to fluctuations in the global economy as it operates in both local and international markets. As such, changes in interest rates, inflation, or shifts in consumer spending could impact demand for its products and services, especially in sectors like food distribution and financial services.
- GKC is dependent on global supply chains for sourcing raw materials and distributing products, as such the company may be impacted by any disruptions in the supply chain.
- The company may experience increased pressure on its Money Services segment due to lower remittance flows and volatility of the Jamaican dollar against the US dollar.
- The geographic concentration of GEL within the Caribbean basin exposes the company to the effects of natural disasters. The company has a large exposure to Jamaica, which may have been significantly impacted by hurricane Melissa.

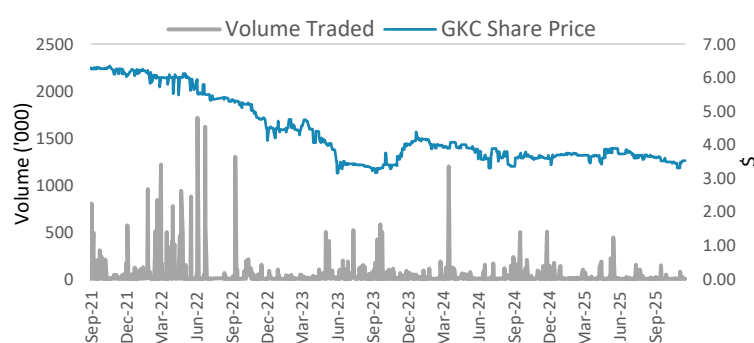
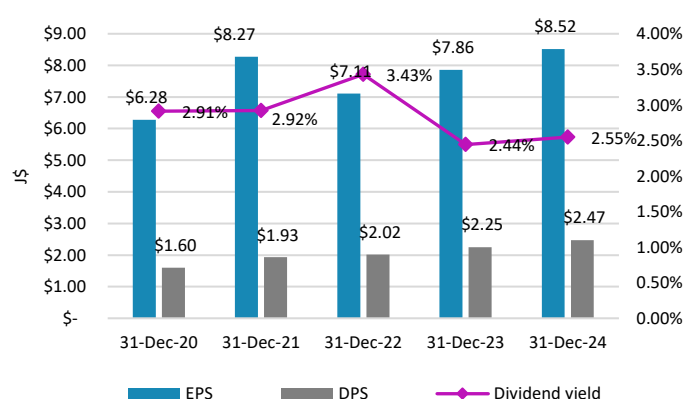
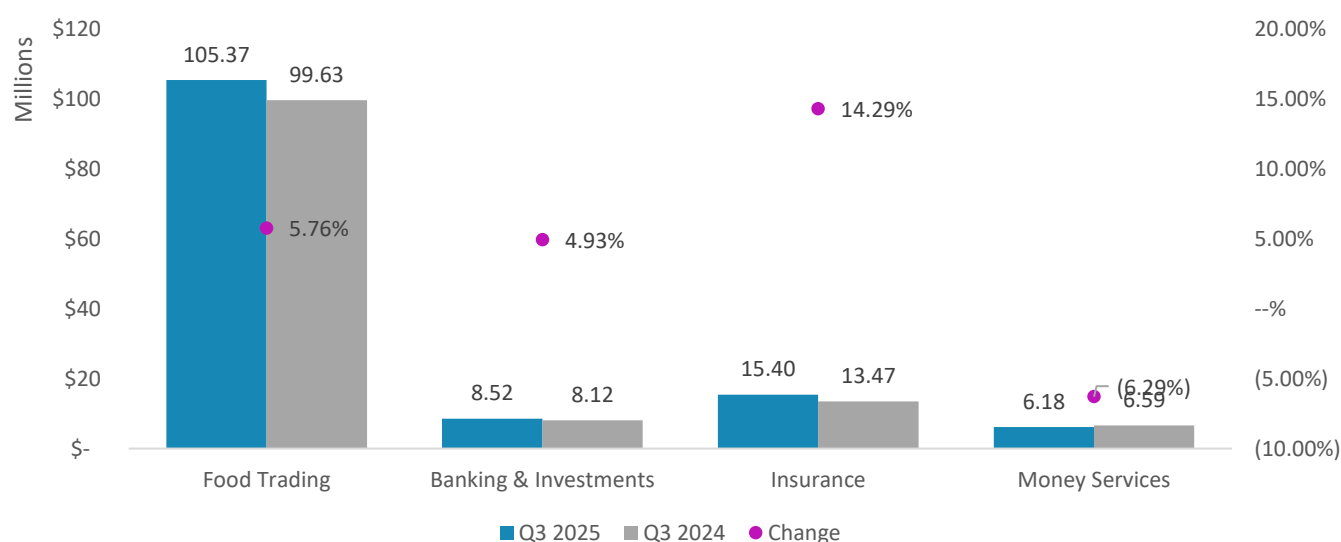
Chart 1: GKC's Share Price and Volume Traded**Chart 2: GKC's EPS, DPS and Dividend Yield****Chart 3: GKC Operating Profit and Growth by Operating Segment (\$M)**

Chart 4: GKC Revenue by Operating Segment Q3 2025

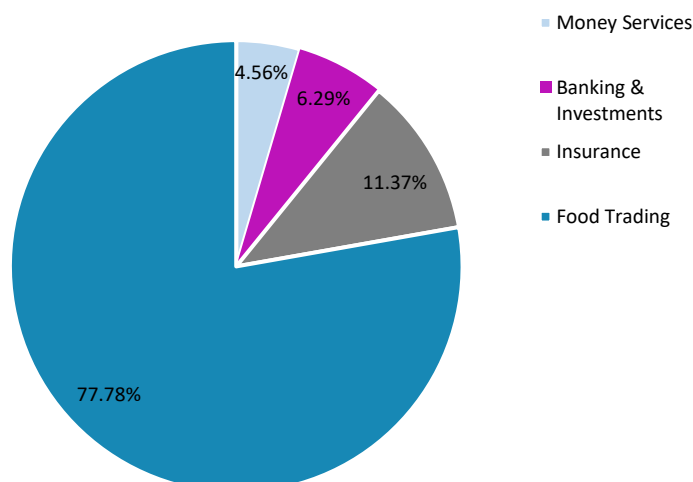
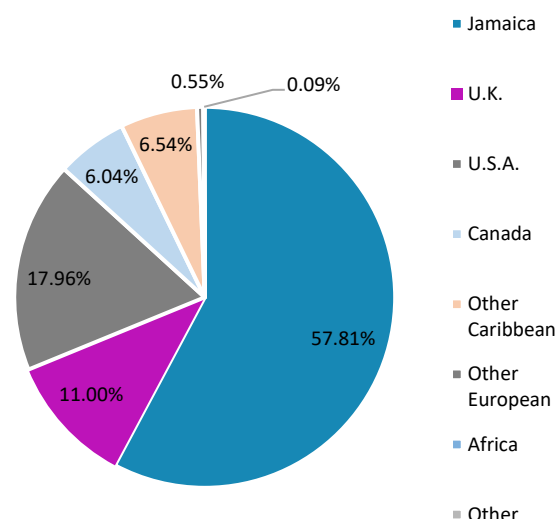


Chart 5: GKC Revenue by Geography 2024

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