

GRACEKENNEDY LIMITED [GK / GKC]

Flash Report

Q4 2025 (December 31, 2025)

Last Price:	J\$ 70.00/ TT\$ 3.35	52 Week Range:	TT\$3.26 – TT\$3.90	Market Cap:	TT\$ 3,312 M
Sector:	Conglomerates	Dividend Yield TTM:	3.02%	EPS (TTM):	J\$6.99
PE Ratio (5 YR):	10.81x	TTSE Price Change (YTD):	(9.46%)	PS Ratio (5 YR):	0.55x

GKC's revenue increases, but PBT falters

Highlights:

- 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, 2025, 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 communities. 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 a dividend payment on March 16th, 2026, of J\$0.55/sh. (TT\$0.02/sh.) [Payout ratio: 7.86%], as compared to J\$0.55/sh. (TT\$0.02/sh.) [Payout ratio: 6.46%] in the prior corresponding period.

Performance Review (12 months ended December 2025):

- GraceKennedy reported a +6.44% YoY increase in revenues from J\$167.04B for the 12-month period ended December 2024 to J\$177.79B for the 12-month period ended December 2025.
- Food Trading, GKC's largest segment by revenue, recorded growth of +6.00% for the 12-month period ended December 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. The Food segment profitability was impacted by the temporary closure of the Grace Food Processors (GFP) Meats plant in Westmoreland because of the negative impact of Hurricane Melissa. Thus, for the 12-month period ended December 2025, the segment's PBT decreased by -10.66%, mainly due to increased operating expenses in the Jamaican food business.
- Revenue from GKC's second largest segment by revenue, Insurance, grew +16.47% during the 12-month period ended December 2025 primarily due to growth in the motor and property insurance portfolios. However, profits in the insurance segment decreased by -30.24%. The decreased profitability was driven by increased finance expenses due to increased insurance expenses and legal, professional and other fees. This was primarily due to the one-off effects arising from Hurricane Melissa that increased insurance claims.
- Revenue from Banking and Investments increased by +3.72% for the 12-month period ended December 2025. PBT decreased by -1.57% for the same period. This was primarily due to the negative impact of

Financial Highlights	Year ended			
	J\$ MMs	Dec-23	Dec-24	Dec-25
Revenues		\$155,001	\$167,043	\$177,793
Operating Profit		\$11,637	\$12,529	\$10,190
Profit Before Taxation (PBT)		\$11,368	\$12,344	\$10,287
Profit After Tax (PAT)		\$8,379	\$8,864	\$7,250
Total Assets		\$219,485	\$236,641	\$266,587
Total Equity		\$83,257	\$91,407	\$96,711
Total Liabilities		\$136,228	\$145,235	\$169,876
Net Profit Margin		5.41%	5.31%	4.08%
Return on Assets		3.82%	3.75%	2.72%
Return on Equity		10.06%	9.70%	7.50%

Hurricane Melissa that resulted in decreased operating results, including increased administrative expenses.

- The company's Money Services segment reported a decrease in revenue of -4.15% primarily attributable to lower remittance flow and volatility of the Jamaican dollar against the US dollar. Similarly, the segment's PBT decreased by -20.37% 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 +8.76% from \$159.06B for the 12-month period ended December 2024 to \$172.99B for the 12-month period ended December 2025 primarily driven by higher direct and operating expenses. This was driven by increased insurance service expense by 154.47%. 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 -16.67% primarily due to the aforementioned increased expenses. EPS was J\$7.00 for the 12-month period ended December 2025 (12-month period ended December 2024: J\$8.52).
- GKC's assets and liabilities increased by +12.65% and +16.97%, respectively. This increase in assets was driven by increased cash and deposits (45.32%) and deferred tax assets (36.18%). While liabilities increased due to increased insurance contract liabilities (96.73%) and deferred tax liabilities (16.00%).

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 GKC 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. The company is strengthening its scenario planning and disaster response framework to enhance adaptability and resilience in the face of evolving environmental risks.

Figure 1: GKC EPS, DPS and Dividend Yield

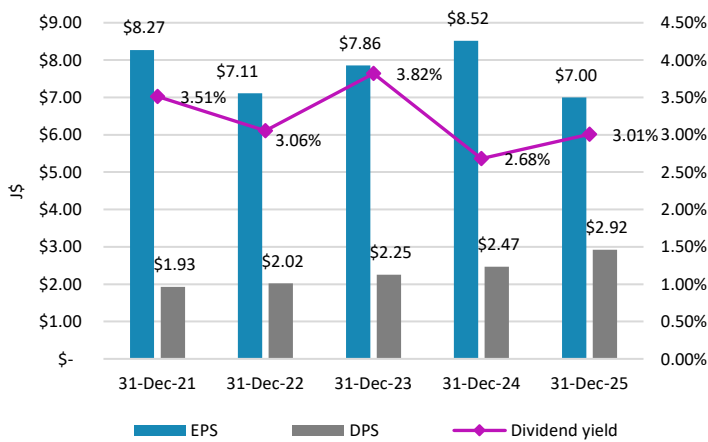


Figure 2: GKC Stock Price Movement and Volumes

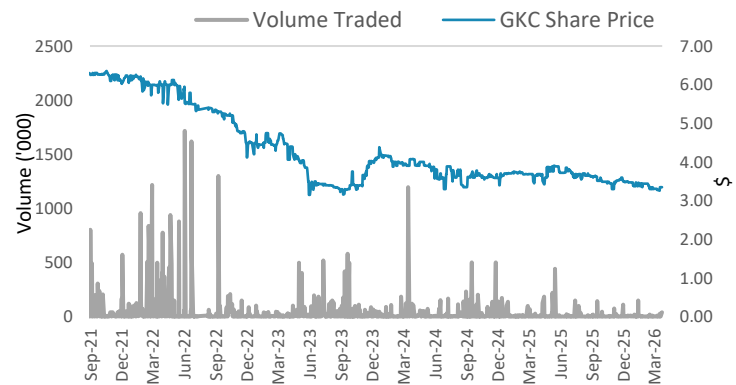


Chart 3: GKC Operating Profit and Growth by Operating Segment (\$ M)

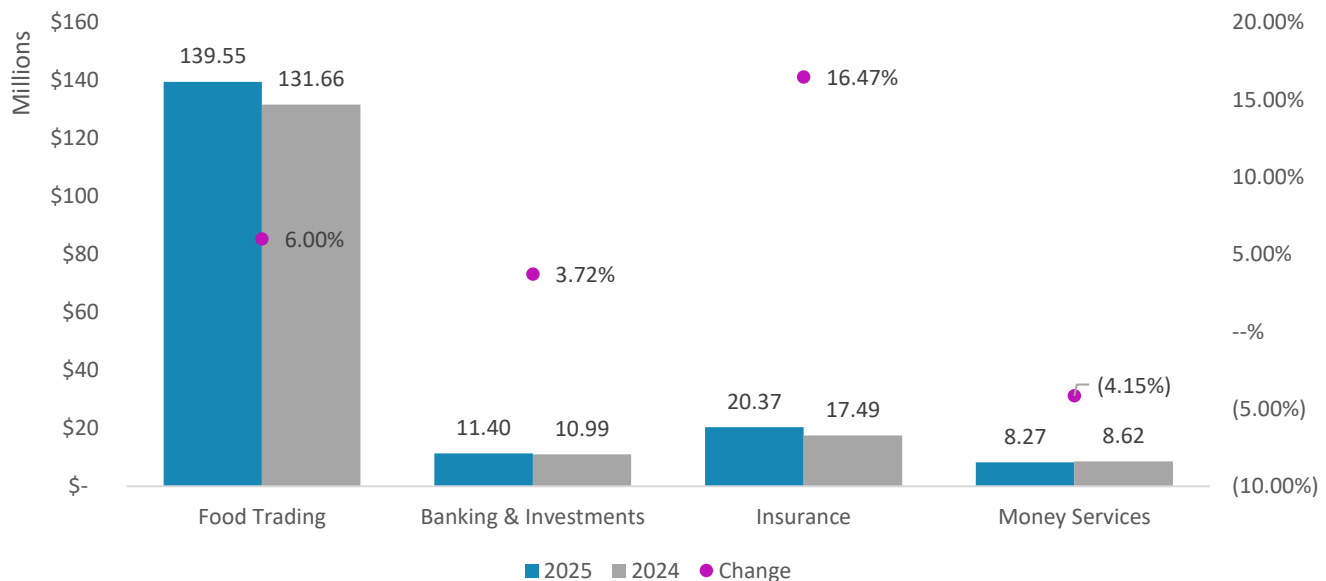


Chart 4: GKC Revenue by Operating Segment Q4 2025

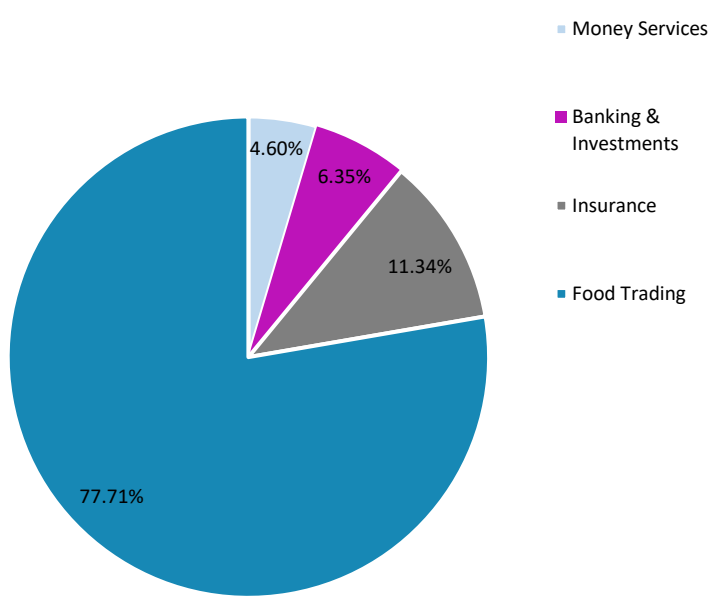
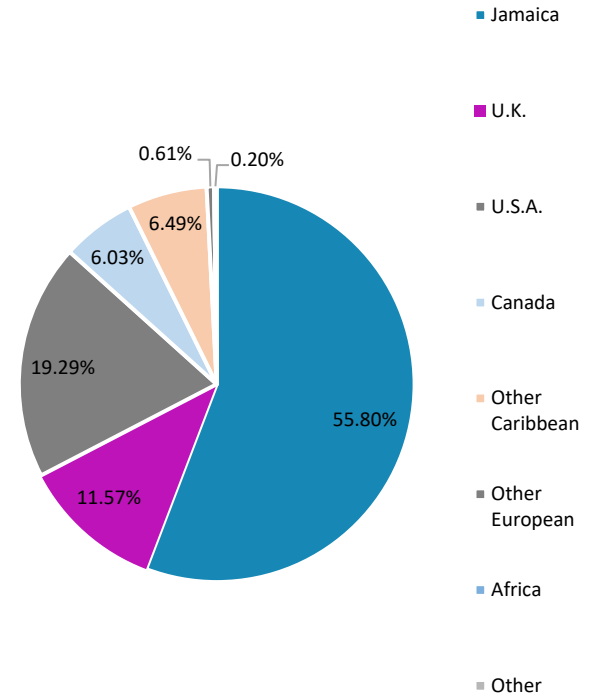


Chart 5: GKC Revenue by Geography 2025



DISCLAIMER

This information has been provided by Republic Wealth Management Limited ('RWML') and is for informational purposes only. It is not intended to provide investment, financial or other advice and such information should not be relied upon for providing such advice. RWML takes reasonable steps to provide up-to-date, accurate and reliable information, and believes the information to be so when printed. Any investment and economic outlook information contained in this article has been compiled by RWML from various sources. Information obtained from third parties is believed to be reliable, but no representation or warranty, express or implied, is made by RWML, its affiliates or any other person as to its accuracy, completeness or correctness. RWML and its affiliates assume no responsibility for any errors or omissions. The contents of this article should not be considered an offer to sell to, or a solicitation to buy securities from, any person in Trinidad & Tobago where such offer or solicitation is considered unlawful. When making an investment decision, you should consult with a qualified financial advisor who can provide advice on the suitability of any investment for you based on your investment objectives, investment experience, financial situation and needs, or other relevant information.