



CEO REPORT

Q3 2022-2023

The Board of Directors at AML Foods Limited today announced results for the third quarter ended January 31st, 2023. Sales for the period were \$50.8m, an improvement of \$3.9m or 8.3%, for the same quarter in the prior year. Net profit for the period was \$0.6m, compared to \$1.5m for the same quarter in the previous year.

Although sales improved, quarterly and year to date gross margins have been impacted by inflationary pressures at supplier, customer, and regulatory levels. Our teams continue their efforts to find value and savings for our customers and we are expecting a gradual decline in inflationary pressures throughout 2023.

Our team continued to manage expenses well to mitigate increased costs, and Selling, General and Administrative expenses were 24.7% of sales compared to 26.5% in the prior year. Additionally, we remained focus on supporting optimal inventory levels in our stores, to maintain desired levels of stock to meet customer demand, while simultaneously managing costs. Current in-stock levels are close to or at pre-covid levels.

Our new store in Downtown Freeport has been well received by the community and initial sales have exceeded our expectations, growing our overall market share in the Grand Bahama market. We also continued to record improved sales and profitability in our franchise division.

During the quarter, \$1.5m was drawn down from the Company's RBC credit facility and was used to early redeem our Class C and D preference shareholders, allowing for further improvements to our overall interest costs.

On behalf of the Board of Directors I would like to say thank you to our team of dedicated associates and to our loyal customers for your continued commitment and support of our company and businesses.

Sincerely,
Gavin Watchorn
CEO & President

AML FOODS LIMITED
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31st JANUARY 2023
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed In thousands of Bahamian dollars)

	January 31, 2023	April 30, 2022
Assets		
Total Assets	\$ 110,639	\$ 106,826
Liabilities and Equity		
Total Liabilities	\$ 61,997	\$ 57,515
Total Equity	48,642	49,311
Total Liabilities and Equity	\$ 110,639	\$ 106,826

AML FOODS LIMITED
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31st JANUARY 2023
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Expressed In thousands of Bahamian dollars except per share amounts)

	Quarter ended January 31, 2023	Quarter ended January 31, 2022
Sales	\$ 50,812	\$ 46,904
Cost of sales	(37,209)	(32,627)
Gross profit	13,603	14,277
Selling, general and administrative expenses	(12,527)	(12,413)
Other operating income	312	212
Net operating profit	1,388	2,076
Interest expense	(511)	(411)
Dividends on preference shares	(115)	(134)
Net profit before extraordinary expenses	762	1,531
Pre-opening expenses	(162)	-
Profit / (Loss) on disposal of property, plant & equipment	1	(10)
Net profit	\$ 601	\$ 1,521
Earnings per share	\$ 0.04	\$ 0.10

AML FOODS LIMITED
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR YEAR TO DATE 31st JANUARY 2023
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Expressed In thousands of Bahamian dollars except per share amounts)

	Year to Date January 31, 2023	Year to Date January 31, 2022
Sales	\$ 136,336	\$ 130,473
Cost of sales	(96,617)	(90,125)
Gross profit	39,719	40,348
Selling, general and administrative expenses	(37,363)	(36,596)
Other operating income	1,113	606
Net operating profit	3,469	4,358
Interest expense	(1,277)	(1,366)
Dividends on preference shares	(384)	(422)
Net profit before extraordinary expenses	1,808	2,570
Pre-opening expenses	(215)	(133)
(Loss) / Profit on disposal of property, plant & equipment	(6)	100
Net profit	\$ 1,587	\$ 2,537
Earnings per share	\$ 0.11	\$ 0.17