



SEPROD LIMITED

INTERIM REPORT

9 MONTHS ENDED
30 SEPTEMBER 2023



HIGHLIGHTS FOR Q3 2023



REVENUE

September 2023 – \$82.20 billion

September 2022 – \$51.44 billion



NET PROFIT

September 2023 – \$3.96 billion

September 2022 – \$2.63 billion



EPS

September 2023 – \$3.78 per share

September 2022 – \$3.07 per share



STOCKHOLDERS' EQUITY

September 2023 – \$36.00 billion

December 2022 – \$32.89 billion



INTERIM REPORT TO THE STOCKHOLDERS

Quarter 3 performance (July to September 2023)

For the three (3) months ended September 30, 2023 (Q3), the Seprod Group achieved revenues of \$27.75 billion, an increase of \$4.11 billion or 17% over the corresponding period in 2022; and net profit of \$1.42 billion, an increase of \$370 million or 35% over the prior period.

The Group had a one off non-operational gain from the restructuring of health benefits offered by its subsidiary in Trinidad and Tobago that mitigated and reversed previous exposure related to the health plan.

Year-to-date performance (January to September 2023)

For the nine (9) months ended September 30, 2023, the Seprod Group achieved revenues of \$82.20 billion, an increase of \$30.76 billion or 60% over the corresponding period in 2022; and net profit of \$3.96 billion, an increase of \$1.33 billion or 51% over the prior period.

The explanation for the improved business performance remains consistent with the prior quarter:

- Continued growth in the business post A.S. Bryden Group (ASB) acquisition in June 2022
- 45% increase in export sales
- Elimination of third party warehousing costs following the activation of the new logistics centre
- Significant progress in the modernization of the margarine plant, which has led to improved availability of key Shortening and Margarine products.

The outlook for the group remains positive, despite the high risk of uncertainty in the geo-political environment.

We are particularly pleased to have listed A.S. Bryden and Sons Holdings Limited (ASBH) on the Jamaica Stock Exchange; this is a huge moment in Seprod's history and one that we are confident will unlock value for our shareholders, employees, customers, principals and the people of the Caribbean.

We thank you for your support and remain confident that the Seprod Group will deliver an outstanding year.


P. B. Scott
Chairman
R. R. Pandohie
Chief Executive Officer

November 14, 2023



SHAREHOLDERS PROFILE AS AT 30 SEPTEMBER 2023

Ten Largest Shareholders

1. Musson (Jamaica) Limited	233,747,988
2. Coconut Industry Board	163,420,345
3. JCSD Trustee Services Limited – Facey Group Limited	125,234,043
4. Grace Kennedy Limited Pension Scheme	21,955,904
5. National Insurance Fund	15,443,045
6. Scotia Jamaica Investment Management - A/C 3119	12,162,075
7. ATL Group Pension Fund Trustee Nominee Limited	6,492,559
8. NCB Insurance Company Limited - A/C 109	5,648,346
9. JCSD Trustee Services Limited – Barita Unit Trust Capital Growth Fund	4,421,470
10. Sagicor Select Fund Limited ('Class C' Shares)	4,189,298

Shareholding of Directors, along with their connected persons

1. Paul B. Scott (Chairman)	Nil
- connected persons	366,772,031
2. Richard R. Pandohie (Chief Executive Officer)	3,998,231
3. Byron E. Thompson	1,220,668
4. Melanie Subratie	Nil
- connected persons	366,772,031
5. Michael J. Subratie	Nil
6. Nicholas Scott	122,884
- connected persons	961,000
7. Christopher Gentles	Nil
8. Patrick Scott	3,000,000
9. Nicholas Jones	Nil
10. Brian Wynter	Nil
11. Mark Suomi	Nil
12. Ron Schindler	Nil



Shareholding of Management

1. Marilyn Anderson	25,000
2. Carol Andrade	13,000
3. Juan Baez	Nil
4. Damion Dodd	300,000
5. Fredy Graell	Nil
6. Chana Hay	1,375,500
7. Hossam Monir	Nil
8. Keshia Nelson-Brown	Nil
9. Richard Pandohie	3,998,231
10. Patrick Scott	3,000,000
11. Patrick Sterling	20,700
12. Tameka Williamson-Smart	Nil
13. Perry Wright	6,500

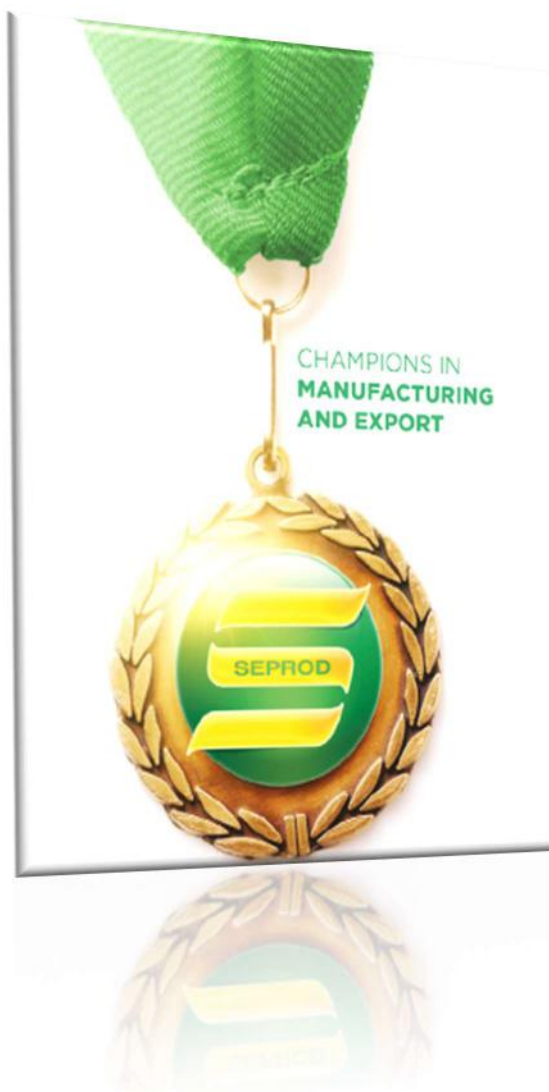


UNAUDITED INTERIM FINANCIAL STATEMENTS

9 MONTHS ENDED 30 SEPTEMBER 2023

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Consolidated Statement of Comprehensive Income (Unaudited)

(expressed in Jamaican dollars unless otherwise indicated)

	3 months ended 30 September		9 months ended 30 September	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Revenue	27,747,873	23,635,590	82,202,935	51,441,096
Direct expenses	(20,707,603)	(17,239,320)	(61,344,485)	(38,017,999)
Gross Profit	7,040,270	6,396,270	20,858,450	13,423,097
Other operating income	1,270,395	19,995	1,724,228	538,685
Other operating expenses	(5,338,980)	(4,436,203)	(15,076,887)	(9,151,561)
Operating Profit	2,971,685	1,980,062	7,505,791	4,810,221
Finance costs	(947,162)	(481,156)	(2,391,805)	(1,301,011)
Share of results of associate & joint venture	40,928	(19,627)	177,332	35,636
Profit before Taxation	2,065,451	1,479,279	5,291,318	3,544,846
Taxation	(620,042)	(401,545)	(1,280,683)	(834,918)
Net Profit from continuing operations	1,445,409	1,077,734	4,010,635	2,709,928
Net loss from discontinued operations	(23,114)	(25,805)	(46,147)	(78,417)
Net Profit	1,422,295	1,051,929	3,964,488	2,631,511
Other comprehensive income, net of taxes	136,898	5,584	322,155	(326,194)
Total Comprehensive Income	1,559,193	1,057,513	4,286,643	2,305,317
Net Profit is attributable to:				
Stockholders of the Company	886,667	771,605	2,772,780	2,250,438
Non-controlling interests	535,628	280,324	1,191,708	381,073
Total	1,422,295	1,051,929	3,964,488	2,631,511
Total Comprehensive Income is attributable to:				
Stockholders of the Company	885,643	777,189	3,094,935	1,924,244
Non-controlling interests	673,550	280,324	1,191,708	381,073
Total	1,559,193	1,057,513	4,286,643	2,305,317
Earnings per Stock Unit attributable to Stockholders of the Company				
Continuing operations	\$1.24	\$1.09	\$3.84	\$3.18
Discontinued operations	(\$0.03)	(\$0.04)	(\$0.06)	(\$0.11)
Total	\$1.21	\$1.05	\$3.78	\$3.07



Consolidated Statement of Financial Position (Unaudited)

(expressed in Jamaican dollars unless otherwise indicated)

	30 September 2023 \$'000	30 September 2022 \$'000	31 December 2022 \$'000
Non-current Assets			
Property, plant and equipment	21,116,148	20,356,541	20,778,802
Right of use assets	1,814,155	1,740,554	1,856,714
Intangible assets	12,898,626	11,309,463	13,205,047
Investments	1,242,424	1,236,806	1,221,434
Investment in associate & joint venture	1,302,878	732,699	1,125,546
Long term receivables	1,146,077	1,542,343	1,180,972
Post-employment benefit asset	674,693	803,718	674,693
Biological assets	460,271	404,310	458,981
Deferred tax assets	1,635,543	1,412,751	1,796,354
	<u>42,290,815</u>	<u>39,539,185</u>	<u>42,298,543</u>
Current Assets			
Inventories	24,815,868	20,270,982	27,464,700
Biological assets	51,254	154,683	51,254
Receivables	20,104,916	15,672,706	19,648,145
Non-current assets held for sale	285,761	285,761	285,761
Taxation recoverable	169,272	207,728	278,639
Cash and bank balances	5,277,668	4,681,646	4,469,995
	<u>50,704,739</u>	<u>41,273,506</u>	<u>52,198,494</u>
Current Liabilities			
Payables	16,804,038	12,444,245	21,244,218
Current portion of long term liabilities	8,960,864	9,964,184	6,031,153
Current portion of lease obligations	294,946	214,550	377,761
Taxation payable	503,405	945,159	863,207
	<u>26,563,253</u>	<u>23,568,138</u>	<u>28,516,339</u>
Net Current Assets	<u>24,141,486</u>	<u>17,705,368</u>	<u>23,682,155</u>
	<u>66,432,301</u>	<u>57,244,553</u>	<u>65,980,698</u>
Equity Attributable to Stockholders of the Company			
Share capital	5,768,558	5,768,558	5,768,558
Preference shares	3,191,020	3,191,020	3,191,020
Capital reserves	7,376,545	6,373,970	7,054,390
Retained earnings	13,358,173	12,497,073	11,535,884
	<u>29,694,296</u>	<u>27,830,621</u>	<u>27,549,852</u>
Non-controlling Interest	<u>6,307,014</u>	<u>3,043,852</u>	<u>5,344,763</u>
	<u>36,001,310</u>	<u>30,874,473</u>	<u>32,894,615</u>
Non-current Liabilities			
Post-employment benefit obligations	505,416	134,600	1,655,416
Long term liabilities	25,639,906	21,770,035	26,981,402
Lease obligations	1,350,239	1,715,681	1,720,532
Deferred tax liabilities	2,935,430	2,749,764	2,728,733
	<u>30,430,991</u>	<u>26,370,080</u>	<u>33,086,083</u>
	<u>66,432,301</u>	<u>57,244,553</u>	<u>65,980,698</u>

Approved for issue by the Board of Directors on 14 November 2023 and signed on its behalf by:

Paul B. Scott

Chairman

Richard R. Pandohie

Director



Consolidated Statement of Changes in Equity (Unaudited)

(expressed in Jamaican dollars unless otherwise indicated)

9 months ended 30 September 2023							
	Attributable to stockholders of the Company					Non-controlling Interest	Total
	Share Capital	Preference Shares	Capital Reserves	Retained Earnings	Sub-total Equity		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2023	5,768,558	3,191,020	7,054,390	11,535,884	27,549,852	5,344,763	32,894,615
Total comprehensive income:							
Profit for the period	-	-	-	2,772,780	2,772,780	1,191,708	3,964,488
Currency translation gains and losses	-	-	301,165	-	301,165	-	301,165
Fair value gains on investments	-	-	20,990	-	20,990	-	20,990
	-	-	322,155	2,772,780	3,094,935	1,191,708	4,286,643
Dividends declared by the company	-	-	-	(806,902)	(806,902)	-	(806,902)
Dividends declared by subsidiaries	-	-	-	-	-	(229,457)	(229,457)
Preference dividends				(143,589)	(143,589)	-	(143,589)
At 30 September 2023	5,768,558	3,191,020	7,376,545	13,358,173	29,694,296	6,307,014	36,001,310

9 months ended 30 September 2022							
	Attributable to stockholders of the Company					Non-controlling Interest	Total
	Share Capital	Preference Shares	Capital Reserves	Retained Earnings	Sub-total Equity		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2022	5,768,558	-	6,700,164	10,980,182	23,448,904	-	23,448,904
Total comprehensive income:							
Profit for the period	-	-	-	2,250,438	2,250,438	381,073	2,631,511
Currency translation gains and losses	-	-	(369,306)	-	(369,306)	-	(369,306)
Fair value gains on investments	-	-	43,112	-	43,112	-	43,112
	-	-	(326,194)	2,250,438	1,924,244	381,073	2,305,317
Dividends declared by the company	-	-	-	(733,547)	(733,547)	-	(733,547)
Issue of preference shares by a subsidiary	-	3,191,020	-	-	3,191,020	-	3,191,020
On acquisition of subsidiary	-	-	-	-	-	2,662,779	2,662,779
At 30 September 2022	5,768,558	3,191,020	6,373,970	12,497,073	27,830,621	3,043,852	30,874,473



Consolidated Statement of Cash Flows (Unaudited)

(expressed in Jamaican dollars unless otherwise indicated)

	9 months ended 30 September	
	2023 \$'000	2022 \$'000
Cash Flows from Operating Activities		
Net profit	3,964,488	2,631,511
Items not affecting cash resources:		
Amortization of intangible assets	306,421	179,815
Depreciation	1,215,082	736,549
Interest income	(58,251)	(23,157)
Interest expense –		
Lease obligations	4,568	7,771
Loans and other	2,249,176	1,159,917
Results of associate & joint venture	(177,332)	(35,636)
Post-employment benefits	(1,150,000)	-
Taxation	1,280,683	834,918
	7,634,835	5,491,688
Changes in operating assets and liabilities:		
Inventories	2,648,832	(2,687,445)
Receivables	(467,602)	(689,429)
Biological assets	(1,290)	40,463
Payables and other	(4,139,015)	(946,597)
	5,675,760	1,208,680
Taxation paid	(1,163,610)	(984,404)
Cash provided by operating activities	4,512,150	224,276
Cash Flows from Investing Activities		
Net purchase of property, plant and equipment	(1,446,466)	(1,544,925)
On acquisition of subsidiary	-	5,659,640
Long term receivables	45,726	(34,961)
Interest received	58,251	23,157
Cash (used in)/provided by investing activities	(1,342,489)	4,102,911
Cash Flows from Financing Activities		
Long term loans	1,598,553	110,310
Lease obligations	(473,216)	(45,058)
Dividends paid	(1,227,811)	(366,773)
Interest paid	(2,259,514)	(993,772)
Cash used in financing activities	(2,361,988)	(1,295,293)
Change in cash and cash equivalents	807,673	3,031,894
Cash and cash equivalents at beginning of period	4,469,995	1,649,752
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5,277,668	4,681,646



Business Segments (Unaudited)

(expressed in Jamaican dollars unless otherwise indicated)

9 months ended 30 September 2023	Manufacturing \$'000	Distribution \$'000	Eliminations \$'000	Group \$'000
External revenue	9,887,831	72,315,104	-	82,202,935
Inter-segment revenue	15,086,547	-	(15,086,547)	-
Total revenue	24,974,378	72,315,104	(15,086,547)	82,202,935
Segment result	2,809,700	4,662,170	-	7,471,870
Unallocated income and expenses				33,921
Operating profit				7,505,791
Segment assets	17,383,193	54,262,990	-	71,646,183
Unallocated assets				21,349,371
Total assets				92,995,554
Segment liabilities	8,976,237	32,524,115	-	41,500,352
Unallocated liabilities				15,493,892
Total liabilities				56,994,244
Capital expenditure	1,069,155	377,311	-	1,446,466
Unallocated capital expenditure				-
Total capital expenditure				1,446,466
Depreciation	473,165	654,394	-	1,127,559
Unallocated depreciation				87,523
Total depreciation				1,215,082

9 months ended 30 September 2022	Manufacturing \$'000	Distribution \$'000	Eliminations \$'000	Group \$'000
External revenue	10,426,398	41,014,698	-	51,441,096
Inter-segment revenue	12,453,184	-	(12,453,184)	-
Total revenue	22,879,582	41,014,698	(12,453,184)	51,441,096
Segment result	2,631,432	2,934,405	-	5,565,837
Unallocated income and expenses				(755,616)
Operating profit				4,810,221
Segment assets	17,931,040	42,642,094	-	60,573,134
Unallocated assets				20,239,557
Total assets				80,812,691
Segment liabilities	8,430,021	26,920,568	-	35,350,589
Unallocated liabilities				14,587,629
Total liabilities				49,938,218
Capital expenditure	745,171	799,754	-	1,544,925
Unallocated capital expenditure				-
Total capital expenditure				1,544,925
Depreciation	461,172	239,056	-	700,228
Unallocated depreciation				36,321
Total depreciation				736,549

Total revenue for the period includes export sales of \$3,795,909,000 (2022 – \$2,324,612,000).



Notes to the Interim Financial Statements

(expressed in Jamaican dollars unless otherwise indicated)

Basis of preparation

These unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, as modified by the measurement of: land and buildings, investments and defined benefit pension plan assets at fair value; and assets held for sale and biological assets at fair value less costs to sell.

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2022.

These interim financial statements do not reflect adjustments for the fair value of intangibles assets on the acquisition of subsidiaries, for the re-measurement of post-employment benefits or for the fair value of investments (other than those resulting from changes in foreign exchange rates) as at 30 September 2023. Such adjustments are made during the annual audit process based on independent valuations and will be reflected in the annual audited financial statements.



SEPROD LIMITED

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