



SEPROD LIMITED

INTERIM REPORT

9 MONTHS ENDED
30 SEPTEMBER 2024



HIGHLIGHTS FOR Q3 2024 YEAR-TO-DATE



REVENUE

September 2024 – \$93.43 billion

September 2023 – \$82.20 billion



NET PROFIT

September 2024 – \$2.97 billion

September 2023 – \$3.52 billion



EPS

September 2024 – \$3.29 per share

September 2023 – \$3.48 per share



STOCKHOLDERS' EQUITY

September 2024 – \$44.72 billion

December 2023 – \$38.83 billion



INTERIM REPORT TO THE STOCKHOLDERS

● **Q3 performance (July-September 2024)**

For the three (3) months ended 30 September 2024 (Q3), the Seprod Group achieved revenues of \$35.10 billion, an increase of \$7.35 billion (27%) over the corresponding period in 2023.

Gross profit closed at \$9.80 billion, an increase of \$1.76 billion (39%) above the corresponding period in 2023.

The net profit was \$828 million, a decrease of \$154 million (16%) versus the corresponding period in 2023 when profits were boosted due to a non-recurring gain of \$363 million on net profit and \$442 million on other comprehensive income in respect of the restructuring of A.S. Bryden's post-employment medical plan.

Effective 9 July 2024, A.S. Bryden & Sons Holdings Limited (ASBH) acquired 44.8% of the share capital of Caribbean Producers (Jamaica) Limited (CPJ), a company incorporated and domiciled in Jamaica which is a leading food and beverage distributor for major global brands with a focus on serving hotels and resorts in Jamaica and St. Lucia. CPJ's results have been consolidated in these financials.

● **Q3 year-to-date performance (January-September 2024)**

For the nine (9) months ended 30 September 2024 (Q3 year-to-date), the Seprod Group achieved revenues of \$93.43 billion, an increase of \$11.23 billion (14%) over the corresponding period in 2023.

Gross profit closed at \$24.72 billion, an increase of \$3.86 billion (19%) above the corresponding period in 2023.

The net profit was \$2.97 billion, a decrease of \$551 million or 16% versus the corresponding period in 2023.

The less than the usual stellar performance was influenced by a definite slowness in the economy post the Beryl hurricane in July plus the USA travel advisory to Jamaica that led to a material reduction in the hotels' occupancy rates.

● **Outlook**

- The Group anticipates a strong last quarter performance from ASBH as we enter the Christmas season and Carnival band launches.
- ASBH had no profit uplift from CPJ in this quarter, this will turn around in Q4 as the winter tourist season gets going in Jamaica, with the hotels already reporting stronger booking than last quarter experience.
- Seprod's export is at 20% growth this year and that will close the year even higher.
- Seprod's Jamaica business is banking on overcoming the sluggishness in the retail space, coupled with reducing cost and improving productivity.

- As we look to the last quarter of the year we remain optimistic that we will produce a strong performance that will enable us to partially close the YTD gaps.

We thank our employees for their continued dedication to our shared mission and to our valued partners their unwavering support as we continue on our journey.


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

November 14, 2024



SHAREHOLDERS PROFILE AS AT 30 SEPTEMBER 2024

Ten Largest Shareholders

1. Musson (Jamaica) Limited	231,832,585
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	4,708,662
9. JCSD Trustee Services Limited- Barita Unit Trust Capital Growth Fund	4,423,174
10. Sagicor Select Fund Limited ('Class C' Shares)	4,189,298

Shareholding of Directors

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 Executive Committee

1. Marilyn Anderson	25,000
2. Carol Andrade	13,000
3. Juan Baez	Nil
4. Harold Celis	Nil
5. Euton Cummings	Nil
6. Damion Dodd	300,000
7. Fredy Graell	Nil
8. Chana Hay	1,375,500
9. Hossam Monir	Nil
10. Richard Pandohie	3,998,231
11. Patrick Scott	3,000,000
12. Ferron Senior	Nil
13. Tameka Williamson-Smart	Nil
14. Perry Wright	3,500



UNAUDITED INTERIM FINANCIAL STATEMENTS

9 MONTHS ENDED 30 SEPTEMBER 2024

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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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Revenue	35,101,275	27,747,873	93,430,037	82,202,935
Direct expenses	(25,304,277)	(20,707,603)	(68,706,924)	(61,344,485)
Gross Profit	9,796,998	7,040,270	24,723,113	20,858,450
Other operating income	351,999	640,931	949,357	1,094,764
Other operating expenses	(7,963,360)	(5,338,980)	(18,591,649)	(15,076,887)
Operating Profit	2,385,637	2,342,221	7,080,821	6,876,327
Finance costs	(1,175,703)	(947,162)	(2,935,446)	(2,391,805)
Share of results of joint venture and associate	72,474	40,928	292,519	177,332
Profit before Taxation	1,282,408	1,435,987	4,437,894	4,661,854
Taxation	(436,073)	(431,212)	(1,404,658)	(1,091,853)
Net Profit from continuing operations	846,335	1,004,775	3,033,236	3,570,001
Net loss from discontinued operations	(18,681)	(23,114)	(59,831)	(46,147)
Net Profit	827,654	981,661	2,973,405	3,523,854
Other comprehensive income, net of taxes	201,085	577,532	214,586	762,789
Total Comprehensive Income	1,028,739	1,559,193	3,187,991	4,286,643
Net Profit is attributable to:				
Stockholders of the Company	653,837	667,546	2,415,984	2,553,659
Non-controlling interests	173,817	314,115	557,421	970,195
Total	827,654	981,661	2,973,405	3,523,854
Total Comprehensive Income is attributable to:				
Stockholders of the Company	854,922	885,643	2,630,570	3,094,935
Non-controlling interests	173,817	673,550	557,421	1,191,708
Total	1,028,739	1,559,193	3,187,991	4,286,643
Earnings per Stock Unit attributable to Stockholders of the Company				
Continuing operations	\$0.90	\$0.94	\$3.33	\$3.54
Discontinued operations	(\$0.01)	(\$0.03)	(\$0.04)	(\$0.06)
Total	\$0.89	\$0.91	\$3.29	\$3.48



Consolidated Statement of Financial Position (Unaudited)

(expressed in Jamaican dollars unless otherwise indicated)

	30 September 2024 \$'000	30 September 2023 \$'000	31 December 2023 \$'000
Non-current Assets			
Property, plant and equipment	29,338,613	21,116,148	23,119,352
Right of use assets	1,693,481	1,814,155	1,741,370
Intangible assets	15,553,802	13,391,682	13,294,758
Investments	1,981,748	1,242,424	1,767,162
Investment in associate & joint venture	1,774,810	1,302,878	1,482,291
Long term receivables	1,221,846	1,146,077	1,045,959
Post-employment benefit asset	634,464	674,693	634,464
Biological assets	506,532	460,271	447,922
Deferred tax assets	2,039,678	1,635,543	2,675,884
	<u>54,744,974</u>	<u>42,783,871</u>	<u>46,209,162</u>
Current Assets			
Inventories	31,521,041	24,815,868	28,938,437
Biological assets	34,218	51,254	34,218
Receivables	28,747,833	20,104,916	22,844,042
Non-current assets held for sale	285,761	285,761	285,761
Taxation recoverable	850,922	169,272	579,645
Cash and bank balances	5,137,941	5,277,668	5,673,878
	<u>66,577,716</u>	<u>50,704,739</u>	<u>58,355,981</u>
Current Liabilities			
Payables	21,230,768	16,731,828	24,777,868
Current portion of long term liabilities	16,891,699	8,960,864	11,185,213
Current portion of lease obligations	247,542	294,946	393,370
Taxation payable	343,578	503,405	212,387
	<u>38,713,587</u>	<u>26,491,043</u>	<u>36,568,838</u>
Net Current Assets	<u>27,864,129</u>	<u>24,213,696</u>	<u>21,787,143</u>
	<u>82,609,103</u>	<u>66,997,567</u>	<u>67,996,305</u>
Equity Attributable to Stockholders of the Company			
Share capital	5,768,558	5,768,558	5,768,558
Capital reserves	8,951,242	7,376,545	8,909,157
Retained earnings	15,017,542	13,563,126	13,536,070
	<u>29,737,342</u>	<u>26,708,229</u>	<u>28,213,785</u>
Non-controlling Interest	<u>14,809,568</u>	<u>9,858,347</u>	<u>10,620,102</u>
	<u>44,546,910</u>	<u>36,566,576</u>	<u>38,833,887</u>
Non-current Liabilities			
Post-employment benefit obligations	304,619	505,416	304,169
Long term liabilities	31,981,487	25,639,906	23,387,397
Lease obligations	2,984,753	1,350,239	1,466,996
Deferred tax liabilities	2,791,334	2,935,430	4,003,406
	<u>38,062,193</u>	<u>30,430,991</u>	<u>29,162,418</u>
	<u>82,609,103</u>	<u>66,997,567</u>	<u>67,996,305</u>

Approved for issue by the Board of Directors on 14 November 2024 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 2024					
	Attributable to stockholders of the Company				Non-controlling Interest	Total
	Share Capital \$'000	Capital Reserves \$'000	Retained Earnings \$'000	Sub-total Equity \$'000	\$'000	\$'000
At 1 January 2024	5,768,558	8,909,157	13,536,070	28,213,785	10,620,102	38,833,887
Total comprehensive income:						
Profit for the period	-	-	2,415,984	2,415,984	557,421	2,973,405
Fair value gains on investments	-	42,085	-	42,085	-	42,085
	-	42,085	2,415,984		557,421	
Acquisition of shareholding of non-controlling interest	-	-	(46,920)	(46,920)	(891,388)	(938,308)
Acquisition of subsidiaries	-	-	-	-	3,249,302	3,249,302
Issue of preference shares by subsidiary as part of consideration for acquisitions	-	-	-	-	1,564,000	1,564,000
Dividends declared by the company	-	-	(887,592)	(887,592)	-	(887,592)
Dividends declared by subsidiaries	-	-	-	-	(289,869)	(289,869)
At 30 September 2024	5,768,558	8,951,242	15,017,542	29,737,342	14,809,568	44,546,910

	9 months ended 30 September 2023					
	Attributable to stockholders of the Company				Non-controlling Interest	Total
	Share Capital \$'000	Capital Reserves \$'000	Retained Earnings \$'000	Sub-total Equity \$'000	\$'000	\$'000
At 1 January 2023	5,768,558	7,054,390	11,597,248	24,420,196	8,995,125	33,415,321
Total comprehensive income:						
Profit for the period	-	-	2,553,659	2,553,659	970,195	3,523,854
Post-employment medical benefits	-	-	219,121	219,121	221,513	440,634
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	-	-	-	-	(328,486)	(328,486)
At 30 September 2023	5,768,558	7,376,545	13,563,126	26,708,229	9,858,347	36,566,576



Consolidated Statement of Cash Flows (Unaudited)

(expressed in Jamaican dollars unless otherwise indicated)

	9 months ended 30 September	
	2023 \$'000	2023 \$'000
Cash Flows from Operating Activities		
Net profit	2,973,405	3,523,854
Items not affecting cash resources:		
Amortization of intangible assets	370,247	306,421
Depreciation	1,687,860	1,215,082
Gain on investment property	(300,000)	-
Interest income	(54,742)	(58,251)
Interest expense –		
Lease obligations	5,260	4,568
Loans and other	2,758,891	2,249,176
Results of associate & joint venture	(292,519)	(177,332)
Post-employment benefits	-	(709,366)
Taxation	1,404,658	1,280,683
	<u>8,553,060</u>	<u>7,634,835</u>
Changes in operating assets and liabilities:		
Inventories	4,713,617	2,648,832
Receivables	(2,315,425)	(467,602)
Biological assets	(58,610)	(1,290)
Payables and other	(5,783,896)	(4,139,015)
	<u>5,108,746</u>	<u>5,657,760</u>
Taxation paid	(1,708,772)	(1,163,610)
Cash (used in)/provided by operating activities	<u>3,399,974</u>	<u>4,512,150</u>
Cash Flows from Investing Activities		
Net purchase of property, plant and equipment	(3,333,123)	(1,446,466)
Net cash outflow on business combinations	(3,777,290)	-
Long term receivables	(23,234)	45,726
Interest received	54,742	58,251
Cash provided by/(used in) investing activities	<u>(7,251,406)</u>	<u>(1,342,489)</u>
Cash Flows from Financing Activities		
Long term loans	7,331,678	1,598,553
Lease obligations	(416,801)	(473,216)
Dividends paid	(1,177,461)	(1,227,811)
Interest paid	(2,421,921)	(2,259,514)
Cash used in financing activities	<u>3,315,495</u>	<u>(2,361,988)</u>
Change in cash and cash equivalents	(535,937)	807,673
Cash and cash equivalents at beginning of period	<u>5,673,878</u>	<u>4,469,995</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>5,137,941</u></u>	<u><u>5,277,668</u></u>



Business Segments (Unaudited)

(expressed in Jamaican dollars unless otherwise indicated)

9 months ended 30 September 2024	Manufacturing	Distribution	Eliminations	Group
	\$'000	\$'000	\$'000	\$'000
External revenue	9,716,176	83,713,861	-	93,430,037
Inter-segment revenue	15,549,326	-	(15,549,326)	-
Total revenue	25,265,502	83,713,861	(15,549,326)	93,430,037
Segment result	3,292,420	4,844,723	-	8,137,143
Unallocated income and expenses				(1,497,283)
Operating profit				6,639,860
Segment assets	19,106,121	80,043,938	-	99,150,059
Unallocated assets				22,172,631
Total assets				121,322,690
Segment liabilities	8,107,915	52,843,816	-	60,951,731
Unallocated liabilities				15,824,049
Total liabilities				76,775,780
Capital expenditure	2,206,901	1,126,222	-	3,333,123
Unallocated capital expenditure				-
Total capital expenditure				3,333,123
Depreciation	545,043	1,142,817	-	1,687,860
Unallocated depreciation				-
Total depreciation				1,687,860

9 months ended 30 September 2023	Manufacturing	Distribution	Eliminations	Group
	\$'000	\$'000	\$'000	\$'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				21,842,427
Total assets				93,488,610
Segment liabilities	8,976,237	32,524,115	-	41,500,352
Unallocated liabilities				15,421,682
Total liabilities				56,922,034
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

Total revenue for the period includes export sales of \$4,359,832,000 (2023 – \$3,795,909,000).



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 2023.

These interim financial statements do not reflect adjustments for the fair value of intangibles assets on the acquisition of subsidiary, 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 2024. Such adjustments are made during the annual audit process based on independent valuations and will be reflected in our annual audited financial statements.

Acquisition of non-controlling interest in subsidiary

During the quarter ended 31 March 2024, A.S. Bryden & Sons Holdings Limited (ASBH) acquired the ordinary shares of the 10% non-controlling interest in Bryden pi Limited. The Group will continue to build on the legacy of innovation and service excellence of this subsidiary in furtherance of its health care business objectives.

Acquisition of subsidiaries

Effective 1 March 2024, A.S. Bryden & Sons Holdings Limited (ASBH) acquired 55% of the share capital of Stansfeld Scott (Barbados) Limited, a company incorporated and domiciled in Barbados. This acquisition will allow the Group to expand and diversify its premium beverage and consumer retail business units.

Effective 9 July 2024, A.S. Bryden & Sons Holdings Limited (ASBH) acquired 45% of the share capital of Caribbean Producers (Jamaica) Limited (CPJ), a company incorporated and domiciled in Jamaica which is a leading food and beverage distributor for major global brands with a focus on serving hotels and resorts in Jamaica. ASBH intends to continue to acquire shares in CPJ in order to obtain a majority interest.



SEPROD LIMITED

3 Felix Fox Boulevard, Kingston, Jamaica