



**SEPROD LIMITED**  
INTERIM REPORT

**6 MONTHS ENDED**  
**30 JUNE 2022**



## HIGHLIGHTS FOR Q2 2022 YEAR-TO-DATE



### REVENUE

**June 2022 – \$27.81 billion**

June 2021 – \$19.83 billion



### NET PROFIT

**June 2022 – \$1.58 billion**

June 2021 – \$1.21 billion



### EPS

**June 2022 – \$2.02 per share**

June 2021 – \$1.65 per share



### STOCKHOLDERS' EQUITY

**June 2022 – \$27.51 billion**

December 2021 – \$23.45 billion



## INTERIM REPORT TO THE STOCKHOLDERS

- The Seprod Group acquired a majority stake in A.S. Bryden & Sons Holdings Limited (the Bryden Group) in June 2022 in a well-documented transaction. The results for the Seprod Group for Q2 and Q2 year-to-date, therefore, include the performance of the Bryden Group for the month of June 2022, which is a significant contributor to the uplift in the results relative to the comparative periods of the prior year.

- **Q2 performance (April-June 2022)**

For the three (3) months ended 30 June 2022 (Q2), the Seprod Group achieved revenues of \$16.00 billion, an increase of \$5.75 billion or 56% over the corresponding period in 2021.

The net profit was \$984 million, an increase of \$323 million or 49% over the prior period.

- **Q2 year-to-date performance (January-June 2022)**

For the six (6) months ended 30 June 2022 (Q2 year-to-date), the Seprod Group achieved revenues of \$27.81 billion, an increase of \$7.98 billion or 40% over the corresponding period in 2021.

The net profit was \$1.58 billion, an increase of \$372 million or 31% over the prior period.

- The revenue growth was driven by the contribution of the Bryden Group for the month of June 2022, robust export growth, improved product mix, improved production of fresh milk at the dairy farms, launch of new snack line and price increases.

The percentage growth in net profit is less than that of the revenue growth as the company continues to absorb some of the cost increases, rather than passing through the full extent of these cost increases to consumers.

- Overall, the global market remains volatile but we believe that we may be at, or close to, peak prices on certain key raw materials which creates the potential for some cost retreat by Q4.



---

P. B. Scott  
Chairman



---

R. R. Pandohie  
Chief Executive Officer

August 5, 2022



## SHAREHOLDERS PROFILE AS AT 30 JUNE 2022

### 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	10,261,583
7. ATL Group Pension Fund Trustee Nominee Limited	6,492,559
8. NCB Insurance Company Limited - A/C 109	5,648,346
9. Sagicor Select Fund Limited ('Class C' Shares)	4,189,298
10. Richard Pandohie	3,998,231

### 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	Nil
- connected persons	1,206,768
7. Christopher Gentles	Nil
8. Patrick Scott	3,000,000
9. Nicholas Jones	Nil
10. Brian Wynter	Nil
11. Mark Suomi	Nil



## Shareholding of Executive Committee

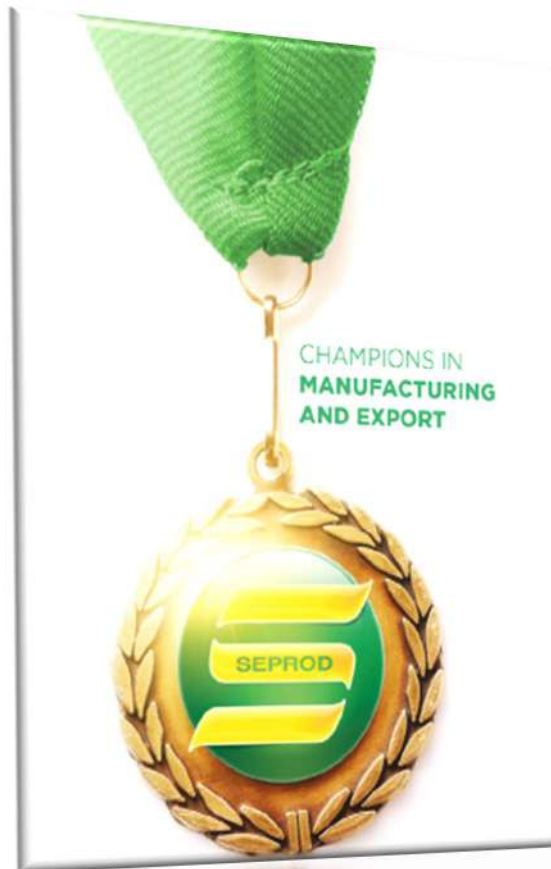
1. Marilyn Anderson	25,000
2. Carol Andrade	13,000
3. Juan Baez	Nil
4. Damion Dodd	300,000
5. Fredy Grael	Nil
6. Chana Hay	1,375,500
7. Richard Pandohie	3,998,231
8. Patrick Scott	3,000,000
9. Patrick Sterling	20,700
10. Perry Wright	13,947



## UNAUDITED INTERIM FINANCIAL STATEMENTS 6 MONTHS ENDED 30 JUNE 2022

### Index

Consolidated Statement of Comprehensive Income	7
Consolidated Statement of Financial Position	8
Consolidated Statement of Changes in Equity	9
Consolidated Statement of Cash Flows	10
Business Segments	11
Notes to the Interim Financial Statements	12





## Consolidated Statement of Comprehensive Income (Unaudited)

(expressed in Jamaican dollars unless otherwise indicated)

	3 months ended 30 June		6 months ended 30 June	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Revenue</b>	15,997,124	10,250,634	27,805,506	19,829,609
Direct expenses	(11,906,370)	(7,489,151)	(20,778,679)	(14,386,013)
<b>Gross Profit</b>	4,090,754	2,761,483	7,026,827	5,443,596
Other operating income	413,938	50,214	518,690	178,258
Other operating expenses	(2,671,364)	(1,756,609)	(4,715,358)	(3,621,607)
<b>Operating Profit</b>	1,833,328	1,055,088	2,830,159	2,000,247
Finance costs	(556,732)	(233,528)	(819,855)	(501,020)
Share of results of joint venture	49,343	18,099	55,263	32,227
<b>Profit before Taxation</b>	1,325,939	839,659	2,065,567	1,531,454
Taxation	(323,178)	(161,375)	(433,373)	(286,524)
<b>Net Profit from continuing operations</b>	1,002,761	678,284	1,632,194	1,244,930
Net loss from discontinued operations	(18,387)	(17,264)	(52,612)	(37,603)
<b>Net Profit</b>	984,374	661,020	1,579,582	1,207,327
Other comprehensive income, net of taxes	(141,684)	22,562	(122,613)	78,682
<b>Total Comprehensive Income</b>	842,690	683,582	1,456,969	1,286,009
<b>Net Profit is attributable to:</b>				
Stockholders of the Company	883,625	661,020	1,478,833	1,207,327
Non-controlling interests	100,749	-	100,749	-
Total	984,374	661,020	1,579,582	1,207,327
<b>Total Comprehensive Income is attributable to:</b>				
Stockholders of the Company	741,941	683,582	1,356,220	1,286,009
Non-controlling interests	100,749	-	100,749	-
Total	842,690	683,582	1,456,969	1,286,009
<b>Earnings per Stock Unit attributable to Stockholders of the Company</b>				
Continuing operations	\$1.23	\$0.92	\$2.09	\$1.70
Discontinued operations	(\$0.03)	(\$0.02)	(\$0.07)	(\$0.05)
Total	\$1.20	\$0.90	\$2.02	\$1.65



## Consolidated Statement of Financial Position (Unaudited)

(expressed in Jamaican dollars unless otherwise indicated)

	30 June 2022 \$'000	30 June 2021 \$'000	31 December 2021 \$'000
<b>Non-current Assets</b>			
Property, plant and equipment	20,117,623	7,146,417	13,928,077
Right of use assets	1,625,034	350,987	143,478
Intangible assets	11,369,544	9,052,888	8,931,168
Investments	1,213,072	1,803,152	883,791
Investment in joint venture	752,326	481,058	697,063
Long term receivables	1,527,340	693,504	1,383,940
Post-employment benefit asset	803,718	25,100	25,100
Biological assets	416,595	416,845	444,773
Deferred tax assets	1,412,508	1,246,664	1,297,889
	<u>39,237,760</u>	<u>21,216,615</u>	<u>27,735,279</u>
<b>Current Assets</b>			
Inventories	17,851,880	7,835,926	10,209,503
Biological assets	154,683	272,104	154,683
Receivables	15,837,224	6,442,683	6,649,259
Non-current assets held for sale	285,761	285,761	285,761
Taxation recoverable	206,468	214,032	227,407
Cash and bank balances	4,491,858	2,863,285	1,649,752
	<u>38,827,874</u>	<u>17,913,791</u>	<u>19,176,365</u>
<b>Current Liabilities</b>			
Payables	10,833,252	5,523,510	8,448,371
Current portion of long term liabilities	7,728,158	2,480,195	3,215,872
Current portion of lease obligations	215,613	81,177	65,633
Taxation payable	909,640	251,272	147,309
	<u>19,686,663</u>	<u>8,336,154</u>	<u>11,877,185</u>
<b>Net Current Assets</b>	<u>19,141,211</u>	<u>9,577,637</u>	<u>7,299,180</u>
	<u>58,378,971</u>	<u>30,794,252</u>	<u>35,034,459</u>
<b>Equity Attributable to Stockholders of the Company</b>			
Share capital	5,768,558	5,768,558	5,768,558
Preference shares	3,071,786	-	-
Capital reserves	6,577,551	1,264,953	6,700,164
Retained earnings	12,092,242	10,925,461	10,980,182
	<u>27,510,137</u>	<u>17,958,972</u>	<u>23,448,904</u>
<b>Non-controlling Interest</b>	2,673,597	-	-
	<u>30,183,734</u>	<u>17,958,972</u>	<u>23,448,904</u>
<b>Non-current Liabilities</b>			
Post-employment benefit obligations	217,074	134,300	134,600
Long term liabilities	23,627,665	10,731,565	9,281,196
Lease obligations	1,600,756	293,283	94,176
Deferred tax liabilities	2,749,742	1,676,132	2,075,583
	<u>28,195,237</u>	<u>12,835,280</u>	<u>11,585,555</u>
	<u>58,378,971</u>	<u>30,794,252</u>	<u>35,034,459</u>

Approved for issue by the Board of Directors on

5 August 2022

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)

	6 months ended 30 June 2022						
	Attributable to stockholders of the Company					Non-controlling Interest	Total
	Share Capital	Preference Shares	Capital Reserves	Retained Earnings	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	-	-	-	1,478,833	1,478,833	100,749	1,579,582
Currency translation gains and losses	-	-	(141,991)	-	(141,991)	-	(141,991)
Fair value gains on investments	-	-	19,378	-	19,378	-	19,378
	-	-	(122,613)	1,478,833	1,356,220	100,749	1,456,969
Dividends declared	-	-	-	(366,773)	(366,773)	-	(366,773)
Issue of preference shares by a subsidiary	-	3,071,786	-	-	3,071,786	-	3,071,786
On acquisition of subsidiary	-	-	-	-	-	2,572,848	2,572,848
<b>At 30 June 2022</b>	<b>5,768,558</b>	<b>3,071,786</b>	<b>6,577,551</b>	<b>12,092,242</b>	<b>27,510,137</b>	<b>2,673,597</b>	<b>30,183,734</b>

	6 months ended 30 June 2021						
	Attributable to stockholders of the Company					Non-controlling Interest	Total
	Share Capital	Preference Shares	Capital Reserves	Retained Earnings	Total Equity		
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 January 2021	5,768,558	-	1,186,271	9,938,198	16,893,027	-	16,893,027
Total comprehensive income:							
Profit for the period	-	-	-	1,207,327	1,207,327	-	1,207,327
Currency translation gains and losses	-	-	(21,210)	-	(21,210)	-	(21,210)
Fair value gains on investments	-	-	99,892	-	99,892	-	99,892
	-	-	78,682	1,207,327	1,286,009	-	1,286,009
Dividends declared	-	-	-	(220,064)	(220,064)	-	(220,064)
<b>At 30 June 2021</b>	<b>5,768,558</b>	<b>-</b>	<b>1,264,953</b>	<b>10,925,461</b>	<b>17,958,972</b>	<b>-</b>	<b>17,958,972</b>



## Consolidated Statement of Cash Flows (Unaudited)

(expressed in Jamaican dollars unless otherwise indicated)

	6 months ended 30 June	
	2022 \$'000	2021 \$'000
<b>Cash Flows from Operating Activities</b>		
Net profit	1,579,582	1,207,327
Items not affecting cash resources:		
Amortization of intangible assets	119,734	119,734
Depreciation	423,584	484,643
Interest income	(15,236)	(44,810)
Interest expense –		
Lease obligations	4,061	27,453
Loans and other	633,547	470,773
Results of joint venture	(55,263)	(32,227)
Taxation	433,373	286,524
	<u>3,123,382</u>	<u>2,519,417</u>
Changes in operating assets and liabilities:		
Inventories	(268,343)	(272,238)
Receivables	(855,806)	(916,984)
Biological assets	28,178	(1,544)
Payables and other	(2,090,192)	(230,719)
	<u>(62,781)</u>	<u>1,097,932</u>
Taxation paid	(616,897)	(262,648)
Cash (used in)/provided by operating activities	<u>(679,678)</u>	<u>835,284</u>
<b>Cash Flows from Investing Activities</b>		
Net purchase of property, plant and equipment	(1,012,380)	(672,727)
On acquisition of subsidiary	5,659,640	-
Long term receivables	(18,099)	428,072
Interest received	15,236	44,810
Cash provided by/(used in) investing activities	<u>4,644,397</u>	<u>(199,845)</u>
<b>Cash Flows from Financing Activities</b>		
Long term loans	(181,238)	179,459
Lease obligations	(27,772)	(14,791)
Dividends paid	(366,773)	(220,064)
Interest paid	(546,830)	(502,754)
Cash used in financing activities	<u>(1,122,613)</u>	<u>(558,150)</u>
Change in cash and cash equivalents	2,842,106	77,289
Cash and cash equivalents at beginning of period	<u>1,649,752</u>	<u>2,785,996</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>4,491,858</u>	<u>2,863,285</u>



## Business Segments (Unaudited)

(expressed in Jamaican dollars unless otherwise indicated)

<b>6 months ended 30 June 2022</b>	<b>Manufacturing</b>	<b>Distribution</b>	<b>Eliminations</b>	<b>Group</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
External revenue	7,003,388	20,802,118	-	27,805,506
Inter-segment revenue	7,872,581	-	(7,872,581)	-
<b>Total revenue</b>	<b>14,875,969</b>	<b>20,802,118</b>	<b>(7,872,581)</b>	<b>27,805,506</b>
Segment result	1,748,362	1,350,685	-	3,099,047
Unallocated income and expenses				(268,888)
<b>Operating profit</b>				<b>2,830,159</b>
Segment assets	17,858,496	40,522,096	-	58,380,592
Unallocated assets				19,686,042
<b>Total assets</b>				<b>78,065,634</b>
Segment liabilities	11,526,730	25,810,606	-	37,337,336
Unallocated liabilities				10,544,564
<b>Total liabilities</b>				<b>47,881,900</b>
Capital expenditure	440,383	571,997	-	1,012,380
Unallocated capital expenditure				-
<b>Total capital expenditure</b>				<b>1,012,380</b>
Depreciation	306,796	92,221	-	399,017
Unallocated depreciation				24,567
<b>Total depreciation</b>				<b>423,584</b>
<b>6 months ended 30 June 2021</b>	<b>Manufacturing</b>	<b>Distribution</b>	<b>Eliminations</b>	<b>Group</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
External revenue	4,909,068	14,920,541	-	19,829,609
Inter-segment revenue	6,766,498	-	(6,766,498)	-
<b>Total revenue</b>	<b>11,675,566</b>	<b>14,920,541</b>	<b>(6,766,498)</b>	<b>19,829,609</b>
Segment result	1,603,288	859,043	-	2,462,331
Unallocated income and expenses				(462,084)
<b>Operating profit</b>				<b>2,000,247</b>
Segment assets	12,945,390	10,400,413	-	23,345,803
Unallocated assets				15,784,603
<b>Total assets</b>				<b>39,130,406</b>
Segment liabilities	6,323,424	5,107,723	-	11,431,147
Unallocated liabilities				9,740,287
<b>Total liabilities</b>				<b>21,171,434</b>
Capital expenditure	526,010	21,457	-	547,467
Unallocated capital expenditure				125,260
<b>Total capital expenditure</b>				<b>672,727</b>
Depreciation	264,487	117,678	-	382,165
Unallocated depreciation				102,478
<b>Total depreciation</b>				<b>484,643</b>

Total revenue for the period includes export sales of \$1,518,301,000 (2021 – \$1,184,311,000).



## 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 2021.

These interim financial statements do not reflect adjustments 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 June 2022. Such adjustments are made during our annual audit process based on independent valuations and will be reflected in our annual audited financial statements.

### Acquisition of a consumer products distributor resident in Trinidad

On June 6, 2022, the company announced that it has reached an agreement to acquire a majority holding in A.S. Bryden & Sons Holdings Limited ("A.S. Bryden"), a company that is resident in, and primarily operates from, Trinidad. A.S. Bryden distributes food, pharmaceuticals, hardware, houseware and industrial equipment. A.S. Bryden operates through three principal operating subsidiaries – A.S. Bryden & Sons (Trinidad) Limited ("ASBT"), Bryden pi Limited ("Bryden pi") and F.T. Farfan Limited ("FT Farfan"):

- (i) ASBT distributes food, hardware and housewares and premium beverages for international brands. ASBT also owns the Eve brand of products.
- (ii) Bryden pi distributes healthcare, personal care and food and grocery products for international brands. Bryden pi also manufactures a line of over the counter products through its wholly-owned subsidiary, Genethics Limited, and operates in Guyana through its subsidiary, BPI Guyana Limited, as well as in Barbados through its joint venture, Armstrong Healthcare Inc. Limited.
- (iii) FT Farfan is an industrial supply and service company that serves leading international brands. FT Farfan operates in Trinidad as well as in Guyana through its subsidiary, Ibis Construction Equipment Sales & Rentals Inc. (ICON).

Finalization of the accounting for the acquisition is subject to the completion of valuation reports of intangible assets and other matters.



**SEPROD LIMITED**

3 Felix Fox Boulevard, Kingston, Jamaica