



SEPROD LIMITED
INTERIM REPORT

3 MONTHS ENDED
31 MARCH 2023



HIGHLIGHTS FOR Q1 2023



REVENUE

March 2023 – \$27.06 billion

March 2022 – \$11.81 billion



NET PROFIT

March 2023 – \$1.36 billion

March 2022 – \$595 million



EPS

March 2023 – \$1.34 per share

March 2022 – \$0.81 per share



STOCKHOLDERS' EQUITY

March 2023 – \$33.83 billion

December 2022 – \$33.00 billion



INTERIM REPORT TO THE STOCKHOLDERS

● **Q1 Performance (January-March 2023)**

For the three (3) months ended 31 March 2023 (Q1), the Seprod Group achieved revenues of \$27.06 billion, an increase of \$15.25 billion or 129% over the corresponding period in 2022; and net profit of \$1.36 billion, an increase of \$761 million or 128% over the prior period.

This performance is in line with expectations.

● The increase in revenue was driven by:

- Continued growth in the Trinidad and Guyana markets. Trinidad has had strong consumer demand after lifting COVID-19 restrictions on public events. Guyana's growth trajectory makes it the fastest growing economy in the world, and this is evident in consumer and business demand.
- 25% increase in export sales.
- Organic growth in the domestic market due to post COVID-19 economic recovery.

The profit line has been positively impacted as the Group transitions to its new distribution campus, thus eliminating over J\$300m of extraordinary warehousing and logistics costs incurred due to the destruction of our main logistics centre in 2021. The modernization of the major margarine plant is in progress and this unfortunately limited the availability of key skus in Q1; this challenge will be behind us by the end of June 2023.

The Group continues to pass on price reductions to retail and business customers as it experiences lower input costs, particularly in its manufacturing facilities. Despite the high level of uncertainty in the geo-political environment, The Seprod Group remains confident that it will deliver an outstanding year.



P. B. Scott
Chairman



R. R. Pandohie
Chief Executive Officer

May 4, 2023



SHAREHOLDERS PROFILE AS AT 31 MARCH 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	4,416,147
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	245,768
- 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

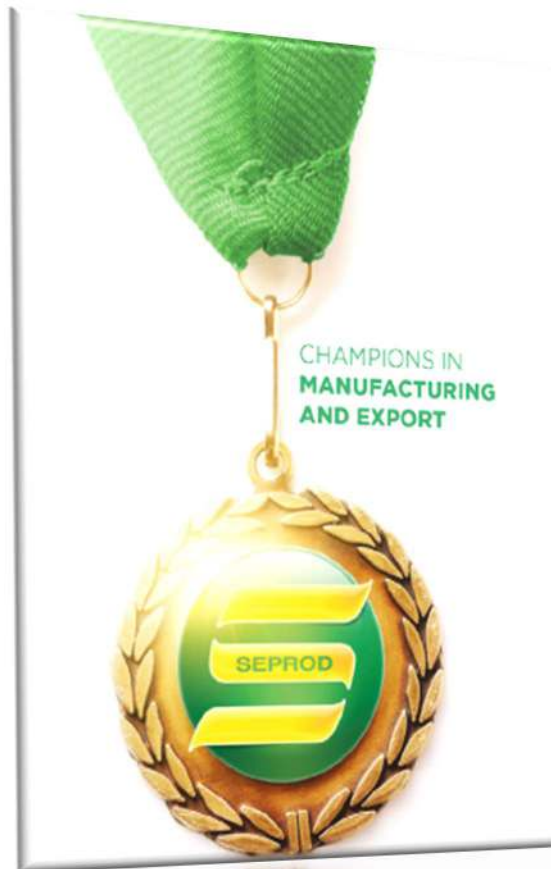
1. Marilyn Anderson	25,000
2. Carol Andrade	13,000
3. Juan Baez	Nil
4. Damion Dodd	300,000
5. Fredy Graell	Nil
6. Chana Hay	1,375,500
7. Hossam Monir	Nil
8. Keshia Nelson-Brown	Nil
9. Richard Pandohie	3,998,231
10. Patrick Scott	3,000,000
11. Patrick Sterling	20,700
12. Tameka Williamson-Smart	Nil
13.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



UNAUDITED INTERIM FINANCIAL STATEMENTS 3 MONTHS ENDED 31 MARCH 2023

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Consolidated Statement of Comprehensive Income (Unaudited)

(expressed in Jamaican dollars unless otherwise indicated)

	3 months ended 31 March	
	2023 \$'000	2022 \$'000
Revenue	27,062,574	11,808,382
Direct expenses	(20,150,266)	(8,872,309)
Gross Profit	6,912,308	2,936,073
Other operating income	222,190	104,752
Other operating expenses	(4,860,208)	(2,043,994)
Operating Profit	2,274,290	996,831
Finance costs	(619,444)	(263,123)
Share of results of associate & joint venture	106,081	5,920
Profit before Taxation	1,760,927	739,628
Taxation	(396,050)	(110,195)
Net Profit from continuing operations	1,364,877	629,433
Net loss from discontinued operations	(8,757)	(34,225)
Net Profit	1,356,120	595,208
Other comprehensive income, net of taxes	(28,079)	19,071
Total Comprehensive Income	1,328,041	614,279
Net Profit is attributable to:		
Stockholders of the Company	981,323	595,208
Non-controlling interests	374,797	-
Total	1,356,120	595,208
Total Comprehensive Income is attributable to:		
Stockholders of the Company	953,244	614,279
Non-controlling interests	374,797	-
Total	1,328,041	614,279
Earnings per Stock Unit attributable to Stockholders of the Company		
Continuing operations	\$1.35	\$0.86
Discontinued operations	(\$0.01)	(\$0.05)
Total	\$1.34	\$0.81



Consolidated Statement of Financial Position (Unaudited)

(expressed in Jamaican dollars unless otherwise indicated)

	31 March 2023 \$'000	31 March 2022 \$'000	31 December 2022 \$'000
Non-current Assets			
Property, plant and equipment	20,405,422	14,025,461	20,442,689
Right of use assets	1,691,499	121,378	1,710,924
Intangible assets	12,040,026	8,871,633	12,123,533
Investments	1,204,601	903,213	1,238,035
Investment in associate & joint venture	924,439	702,983	818,358
Long term receivables	1,302,548	1,386,852	1,440,469
Post-employment benefit asset	669,197	25,100	669,197
Biological assets	477,486	442,256	458,981
Deferred tax assets	1,333,018	1,319,889	1,539,181
	<u>40,048,236</u>	<u>27,798,765</u>	<u>40,441,367</u>
Current Assets			
Inventories	23,787,273	9,147,583	24,072,093
Biological assets	51,254	154,683	154,683
Receivables	19,115,095	6,887,493	18,259,103
Non-current assets held for sale	285,761	285,761	285,761
Taxation recoverable	206,399	371,833	194,796
Cash and bank balances	3,791,175	1,139,032	4,088,873
	<u>47,236,957</u>	<u>17,986,385</u>	<u>47,055,309</u>
Current Liabilities			
Payables	15,426,042	6,175,047	16,611,427
Current portion of long term liabilities	6,603,323	3,890,785	6,084,612
Current portion of lease obligations	222,737	69,087	268,815
Taxation payable	438,325	-	668,247
	<u>22,690,427</u>	<u>10,134,919</u>	<u>23,633,101</u>
Net Current Assets	<u>24,546,530</u>	<u>7,851,466</u>	<u>23,422,208</u>
	<u>64,594,766</u>	<u>35,650,231</u>	<u>63,863,575</u>
Equity Attributable to Stockholders of the Company			
Share capital	5,768,558	5,768,558	5,768,558
Preference shares	3,071,786	-	3,071,786
Capital reserves	6,437,926	6,719,235	6,466,005
Retained earnings	13,411,507	11,575,390	12,833,635
	<u>28,689,777</u>	<u>24,063,183</u>	<u>28,139,984</u>
Non-controlling Interest	5,142,664	-	4,860,016
	<u>33,832,441</u>	<u>24,063,183</u>	<u>33,000,000</u>
Non-current Liabilities			
Post-employment benefit obligations	134,600	134,600	134,600
Long term liabilities	26,234,789	9,304,940	26,413,778
Lease obligations	1,559,592	71,925	1,510,647
Deferred tax liabilities	2,833,344	2,075,583	2,804,550
	<u>30,762,325</u>	<u>11,587,048</u>	<u>30,863,575</u>
	<u>64,594,766</u>	<u>35,650,231</u>	<u>63,863,575</u>

Approved for issue by the Board of Directors on

May 4, 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)

	3 months ended 31 March 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	3,071,786	6,466,005	12,833,635	28,139,984	4,860,016	33,000,000
Total comprehensive income:							
Profit for the period	-	-	-	981,323	981,323	374,797	1,356,120
Currency translation gains and losses	-	-	5,355	-	5,355	-	5,355
Fair value gains on investments	-	-	(33,434)	-	(33,434)	-	(33,434)
	-	-	(28,079)	981,323	953,244	374,797	1,328,041
Dividends declared	-	-	-	(403,451)	(403,451)	(92,149)	(495,600)
At 31 March 2023	5,768,558	3,071,786	6,437,926	13,411,507	28,689,777	5,142,664	33,832,441

	3 months ended 31 March 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	-	-	-	595,208	595,208	-	595,208
Currency translation gains and losses	-	-	(351)	-	(351)	-	(351)
Fair value gains on investments	-	-	19,422	-	19,422	-	19,422
	-	-	19,071	595,208	614,279	-	614,279
At 31 March 2022	5,768,558	-	6,719,235	11,575,390	24,063,183	-	24,063,183



Consolidated Statement of Cash Flows (Unaudited)

(expressed in Jamaican dollars unless otherwise indicated)

	3 months ended 31 March	
	2023 \$'000	2022 \$'000
Cash Flows from Operating Activities		
Net profit	1,356,120	595,208
Items not affecting cash resources:		
Amortization of intangible assets	83,507	59,535
Depreciation	416,716	262,116
Interest income	(25,088)	(10,478)
Interest expense –		
Lease obligations	1,656	2,207
Loans and other	667,406	244,211
Results of associate & joint venture	(106,081)	(5,920)
Taxation	396,050	110,195
	<u>2,790,286</u>	<u>1,147,074</u>
Changes in operating assets and liabilities:		
Inventories	284,820	1,061,920
Receivables	(874,258)	(243,283)
Biological assets	84,924	2,517
Payables and other	(1,583,481)	(2,273,675)
	<u>702,291</u>	<u>(195,447)</u>
Taxation paid	(402,618)	(423,930)
Cash provided by/(used in) operating activities	<u>299,673</u>	<u>(619,377)</u>
Cash Flows from Investing Activities		
Net purchase of property, plant and equipment	(297,932)	(342,976)
Long term receivables	156,187	2,137
Interest received	25,088	10,478
Cash used in investing activities	<u>(116,657)</u>	<u>(330,361)</u>
Cash Flows from Financing Activities		
Long term loans	224,807	696,475
Lease obligations	(60,881)	(15,428)
Dividends paid	(92,149)	-
Interest paid	(552,491)	(242,029)
Cash (used in)/provided by financing activities	<u>(480,714)</u>	<u>439,018</u>
Change in cash and cash equivalents	(297,698)	(510,720)
Cash and cash equivalents at beginning of period	4,088,873	1,649,752
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>3,791,175</u></u>	<u><u>1,139,032</u></u>



Business Segments (Unaudited)

(expressed in Jamaican dollars unless otherwise indicated)

3 months ended 31 March 2023	Manufacturing	Distribution	Eliminations	Group
	\$'000	\$'000	\$'000	\$'000
External revenue	3,558,454	23,504,120	-	27,062,574
Inter-segment revenue	4,477,638	-	(4,477,638)	-
Total revenue	8,036,092	23,504,120	(4,477,638)	27,062,574
Segment result	868,494	1,804,091	-	2,672,585
Unallocated income and expenses				(398,295)
Operating profit				2,274,290
Segment assets	17,456,476	49,571,734	-	67,028,210
Unallocated assets				20,256,983
Total assets				87,285,193
Segment liabilities	8,917,160	28,969,039	-	37,886,199
Unallocated liabilities				15,566,553
Total liabilities				53,452,752
Capital expenditure	150,525	147,407	-	297,932
Unallocated capital expenditure				-
Total capital expenditure				297,932
Depreciation	157,736	232,591	-	390,327
Unallocated depreciation				26,389
Total depreciation				416,716

3 months ended 31 March 2022	Manufacturing	Distribution	Eliminations	Group
	\$'000	\$'000	\$'000	\$'000
External revenue	3,359,509	8,448,873	-	11,808,382
Inter-segment revenue	3,847,168	-	(3,847,168)	-
Total revenue	7,206,677	8,448,873	(3,847,168)	11,808,382
Segment result	713,989	472,634	-	1,186,623
Unallocated income and expenses				(189,792)
Operating profit				996,831
Segment assets	16,144,505	10,280,892	-	26,425,397
Unallocated assets				19,359,753
Total assets				45,785,150
Segment liabilities	5,515,455	4,453,887	-	9,969,342
Unallocated liabilities				11,752,625
Total liabilities				21,721,967
Capital expenditure	169,876	173,100	-	342,976
Unallocated capital expenditure				-
Total capital expenditure				342,976
Depreciation	170,562	40,863	-	211,425
Unallocated depreciation				50,691
Total depreciation				262,116

Total revenue for the period includes export sales of \$1,090,766,000 (2022 – \$870,286,000).



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 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 31 March 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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