

Pandohie: AS Bryden facing a mini-Melissa in T&T customs duties



CEO of Seprod and the Bryden Group, Richard Pandohie, PHOTO BY ANISTO ALVES



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In June 2022, Jamaica's publicly listed manufacturing and distribution giant, Seprod, acquired 60 per cent of T&T's privately held distribution company, AS Bryden & Sons Holdings (ASBH), for about US\$45 million.

That acquisition was funded by a loan of US\$25 million and 6.0% preference shares worth US\$20 million.

Seprod's shareholding in ASBH declined to 54 per cent when the T&T company acquired a smaller local distributor, Micon Holdings, in November 2023, with the owners of Micon receiving some of Seprod's ASBH shares as payment.

Seprod's shareholding in ASBH declined again to 50 per cent in 2024, when the T&T company acquired Caribbean Producers Jamaica for a total of US\$54 million in cash, loans and ASBH shares. A significant percentage of CPJ's business is the manufacture and distribution of products to Jamaica's tourism sector.

Seprod's stake in ASBH climbed back up to 80 per cent when it made an offer to acquire up to 447,491,012 ordinary shares of its subsidiary ASBH, representing 29.85 per cent of ASBH's outstanding shares.

A T&T company with over 100 years of history, ASBH was listed by its parent company, Seprod, on the Jamaica Stock Exchange in November 2023 and on the T&T Stock Exchange in August 2025.

The T&T listing was by introduction, meaning no new shares were offered to potential local investors, but existing shareholders were able to sell their shares on the local stock market.

Richard Pandohie is the CEO of both Seprod and ASBH. He spoke to Guardian Media Ltd's consultant business editor, Anthony Wilson, last Thursday.

Following is an abridged and lightly edited extract from that interview:

Q: Will Melissa have a material impact on the fortunes of Seprod?

A: We have operations right throughout Jamaica. One of our operations is actually owned by Bryden's CPJ, which is primarily in the hospitality sector.

CPJ would have been now going into our peak season, with the winter season, which is between December 15 and April 15. And with no winter season or the winter season to be badly affected, we estimate that 50 per cent of the winter season will be lost.

So that will have an impact in terms of that entity, CPJ. It was also badly affected by damage. We're now back up and running. Distribution is back up. Manufacturing started up last week. So we started up operations, but I think 50 per cent of the sales to the hotel industry is now under threat.

That will have an impact on our numbers for sure. The rest of the organisations are primarily based outside of the major hurricane path.

The operations in St Catherine, Kingston, and St Thomas are all unaffected to a large extent.

Overall, our exposure was to one company and that company is exposed to the hotel industry.

Q: So the direct material impact is going to be to CPJ, which was acquired by AS Bryden sometime last year?

A: Yes, at the end of June 2024, roughly.

Q: Is that the sequence of impact? Because CPJ sells to the tourism sector in Jamaica and the tourism sector is expected to be impacted. And because CPJ is owned by AS Bryden, there's going to be a material impact on AS Bryden's bottom line?

A: It will flow up. It will definitely flow up. I think that there are some aspects, though. We lost inventory, maybe around US\$14 million, but we are insured. So there is some impact.

We're going to pivot obviously, with retail space and to other markets within the region. I'm not sure where the effect is going to land at, but we believe that there will be a 6.0 to 7.0 per cent impact on the bottom line at this stage.

Q: And what do you expect the impact on the top line to be?

A: For the overall group? About 50 per cent of CPJ is their hotel business. It's 60 per cent of our total business. It's 30 per cent within that context. They are like 12 per cent of the group.

I'm looking at somewhere between 5.0 to 7.0 per cent and that will flow straight through to the bottom line.

Q: Absent Melissa, how was that acquisition going and how is CPJ expected to recover from the hit from Melissa?

Pre-Melissa, we were going really well. Then we started our ERP (enterprise resource planning) rollout that the business inherited and we approved to continue; had some challenges there.

And so that impacted the business in terms of costs, in terms of just fulfillment of goods in Q3. You'll see that in the Q3 results. Subsequently, we began to stabilise, getting our fulfillment rate back up, starting to get some of the expected benefits of the system.

That was one thing. We did have quite a bit of cash flow tied up in inventory. We had our own US\$42 million of inventory as we are going into the peak season and we are expecting to do very well there.

So pre-Melissa, CPJ had a challenging Q3 and Q2. It was now stabilising and looked to get back to its normal run rate. That was a major challenge we had. But also we are pivoting that business, expanding it into the retail space and we're consolidating manufacturing into CPJ from a couple of countries within the Caribbean in terms of their meat processing plant.

They do things like burgers and tenderloins and various things.

They do seafood processing also, consolidating that in Jamaica to supply a couple of the markets in the English-speaking Caribbean.

The trend outlook for CPJ was very positive and it is really supposed to be a net earner for an exchange for the Bryden's group.

Q So taking Melissa into consideration, where do you see Bryden and CPJ and Seprod?

A: Melissa, right now we're talking about the recovery. You have to grab a major rebuilding. There is a lot of stuff to be done. A lot of resources are flowing to the country, whether from relief agencies, from the diaspora, lots of homes have to be rebuilt, and people have to consume. So you're going to get a growth period also, especially along the food and pharmaceutical space.

We are going to have a shortterm challenge initially because some of the people are affected; approximately 180,000 to 200,000 Jamaicans were estimated to be impacted. The impact is actually a lot more than that when you consider extended families, et cetera.

The Jamaican tourist industry is going to experience a little bit of a slow period in November and December, maybe until mid-January to start back up.

There'll be some challenges in some channels, but on the flip side, there are channels that are now strongly positive that we didn't see before. For example, if you're in this food space, as we are, there's a huge demand for people to provide meals to people who don't have, to provide care packages, those types of things.

It's a mix, you know. In the case of Trinidad, though, Melissa, I mean, we had a little Melissa in the budget with the alcohol taxes. Those are huge. That's going to have an impact on the business also.

We're trying to assess how that's going to be. Will the new significantly increased price of alcohol in Trinidad create an illicit channel where people will be smuggling and therefore you lose volume, et cetera? There are a couple of things happening that we have to look around the group, but the huge opportunity for us continues to be synergy extraction.

We're going to do a better job of just trying to accelerate the extractions and to make sure the scale that we have built up with acquisitions actually translate to synergies and to cost efficiencies and also to expansion in a way that in a profitable expansion.

You'll see a lot more of those numbers coming through in results in 2026.

Q: Just circling back a little bit to the impact of the excise and the customs duties on AS Bryden. Can you give me a little bit more colour on that impact?

A: We are the principals of Moet Hennessy, Diageo, for example, several of the premium beverage players. Those products have been impacted by almost a 100 per cent duty increase. It's a significant change in price to consumers, and that will no doubt have an impact on consumption.

It's going to be hard to say because it's a function of how well the government polices the borders in terms of the illicit trade and making sure that those don't get into the market.

If that is controlled, then you probably get a 30 per cent reduction in consumption. If it's not controlled, it could be 50 per cent and more reduction in that consumption in the market. And that will have a material impact on the business.

Q: So you would be advocating for the government to tighten up on the prevention of illegal alcohol smuggling into T&T?

A: If the Government's objective is revenue, and to protect the revenue that they wish to get, then they're going to have to also tighten up on the borders to make sure the illicit players don't become a major player in the industry.

But now it's going to be super attractive to play in that space, right? So I'm hoping the government will put in the requisite resources to monitor and police smuggling.