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Agostini seeks full ownership of Prestige Holdings

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CONGLOMERATE Agostini Ltd (AGL) has announced its intention to acquire 100% of Prestige Holdings Ltd (PHL), the restaurant management company behind major international brands such as KFC, Starbucks and TGI Fridays in Trinidad and Tobago.

The acquisition will be executed via a share swap offer, under which PHL shareholders will receive one AGL share for every 4.8 PHL shares held.

The offer, which opens today, is scheduled to close on July 21.

AGL shares closed at $66.49 on the Trinidad and Tobago Stock Exchange yesterday, while PHL shares ended the day at $10.95.

Victor E Mouttet Ltd (VEML), a private entity wholly owned by the Mouttet family, is the majority shareholder of both Agostini Ltd (48.5%) and PHL (52.9%).

Christian Mouttet, chairman of both Agostini Ltd and PHL, as well as of VEML, is said to have recused himself from all discussions and meetings related to the proposed acquisition.

To complete the transaction, the Companies Act requires AGL to acquire at least 90% of all PHL shares not already held by VEML or its affiliates or associates at the time of the offer.

'If AGL acquires more than 90% of PHL shares, from shareholders unconnected or unaffiliated with AGL, it triggers a mandatory takeover bid, requiring AGL to make an offer to all remaining PHL shareholders. This process will adhere to the timeline and requirements set forth in the Takeover By-laws Section 27,' it stated.

A special meeting of AGL shareholders is scheduled for July 9 to grant all necessary approvals for the proposed acquisition.

AGL described the proposed transaction as a key step in expanding its presence in the Caribbean's fast-growing retail food and beverage sector, with expectations of strong operational synergies.

Strategic rationale

PHL currently operates 136 restaurants across the Caribbean and employs more than 3,300 staff.

AGL stated that there are no immediate plans to affect jobs.

'PHL's operational success is central to Agostini's growth strategy,' it stated.

AGL, whose retail brands include SuperPharm, MPharmacy, and Presto, said the merger offers substantial opportunities for cost savings and operational efficiency.

In its Offer and Takeover Circular to PHL shareholders, AGL said: 'The company, as part of the Agostini Group, can benefit from synergies in areas such as imports, transportation, warehousing, marketing and other shared services. These synergies can lead to cost savings in the above-mentioned areas through ordering and purchasing goods in bulk, maximising the current fleet of transportation vehicles by delivering to similar or nearby locations, fully utilising warehouse and storage facilities and combining shared services to lead to a centralised operating system.'

Group CEO of Agostini Ltd Barry Davis described the acquisition as a strategic alignment between two strong Caribbean businesses.

'Prestige Holdings is a major part of Caribbean hospitality. This acquisition unlocks immediate synergies-from shared distribution networks to enhanced scale-that will deliver value to both shareholders and, most critically, value to customers. We are committed to preserving PHL's operational excellence while integrating its strengths into our growth framework,' it stated.

Leadership outlook

According to AGL, the acquisition of PHL aligns with its regional expansion strategy, building on its presence in more than ten markets with exports to more than 30 jurisdictions.

Davis highlighted the long-term value of the acquisition: 'PHL's proven leadership in restaurant management complements the group's diversified portfolio. We anticipate cumulative value through shared resources, improved cashflow and opportunities for market expansion, not just incremental revenue and synergies with Agostini's existing retail operations. Having a broader retail and restaurant group will generate a stronger platform for continued growth in the region.'

He gave the assurance that there were no plans to interfere with Prestige's proven operating model: 'PHL's success is rooted in its people and processes, and we have no plans to make any operational changes to PHL's brands or staffing.'

'This latest move by the group underscores its commitment to growth while fostering regional partnerships with the common purpose of improving lives through the building of strong, sustainable, and innovative businesses that serve as the benchmark for success,' the release stated.