

ANSA McAL CEO: Suspending dividend will drive future growth



Part of the Bleachtech facilities in Ohio



ANSA McAL's Group CEO, Anthony Sabga III, speaks during the group's meeting to announce its 2024 results at the ANSA McAL boardroom, Tatil Building in Port-of-Spain in March PHOTO BY ROGER JACOB



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ANSA McAL Group CEO, Anthony Sabga III, says he has absolutely no regrets at the group's decision to suspend its dividends for three years in order to reallocate capital to fund future acquisitions, as well as continue investing in technology and automation to drive efficiencies and optimise supply chains.

Speaking to the Business Guardian, Sabga said the suspension of dividends is going to correlate with very substantial growth and it is going to ensure the delivery of future prosperity.

"The reallocation of resources to support the investment horizon and also the future sustainable delivery of income and dividends is not something we're rethinking and not something that we're regretting," Sabga said.

The ANSA McAL group paid out \$1.80 per share in dividends in the four-year period 2021 to 2024. With 176,197,617 shares in issue, that equals \$317.15 million (US\$47 million) a year or \$1.26 billion (US\$188 million) over the four-year period.

In attempting to achieve its Times Two goals, the group has been strengthening its core businesses, which are beverages, chemicals and banking and insurance.

Asked if there were any formal complaints from shareholders over the suspension of dividends, Sabga said, "I wouldn't say that I have had any formal complaints.

What we have noticed is that interestingly, there were some public letters written in the newspaper. But when we checked, those people were not even shareholders.

"We have, though, looked into and got appreciation from some shareholders who have traded in their shares. And also interestingly, the shareholders who have now bought into the share and the level of confidence that they continue to have, even those that sold, remains quite robust."

He noted that some people sold their shares based on where they are in their life cycle. What has been quite interesting, he said, is the crop of new shareholders has included active groups of young

people.

“This is a generation of investors that we are deeply committed to, deeply interested in, and encouraged by for environmental and governance and sustainability programmes as well as the very good feedback around the market’s interest.”

As it pertains to acquisitions, Sabga said the group—having just completed the most significant acquisition in the history of the group, the US-based chloralkali producer Bleachtech LLC via its US subsidiary ANSA Chemicals US LLC—has been very busy ensuring the integration of the company and the execution of the post-acquisition plan.

“That being said, we are not in a position to reveal or speak directly on any of the acquisitions that we have in the pipeline. As an organisation, as a team, we continue to manage and hold quite a robust and quite beneficial view of acquisitions. So we do have our sights set on quite a few other items, our balance sheet remains available for additional points, and that is something that is a part of our culture of the organisation. We remain very forward looking,” the CEO explained.

Bleachtech, which is based in Cleveland, Ohio, operates two chloralkali plants in Seville, Ohio and Petersburg, Virginia that produce sodium hypochlorite (bleach), sodium hydroxide (caustic soda) and hydrochloric acid.

The purchase price was US\$327 million.

During a stakeholders meeting last Thursday, Sabga said, “The group closed the Bleachtech transaction in November 2024, and in the first quarter of 2025, the company was impacted by what is affectionately called the big freeze. Having operated a chlorine business in the Caribbean for over 40 years, the group has dealt with many things, but freezing over was not one of them.

“Apart from the plant, and the pipes in the plant freezing, we realised that you cannot treat ice. We ended up in a very muted market, and so our plant had some challenges. That afforded us an opportunity to bring forward some of the much-needed interventions and some of the much-needed repair work for the plant and equipment,” Sabga said.

He added that ANSA McAL bought a business that was operating at sub-44 per cent efficiency. I’m happy to report that the team has done quite a bit of work and the reliability and operating efficiencies of the plant are north of 60 per cent and treading upwards,” he explained.

The acquisition of Bleachtech was largely financed by a US\$200 million term loan originated in the international market.

The acquisition and other capital improvements increased the group’s gearing ratio—a comparison of a company’s debt to its shareholder equity—from 7.5 per cent at the end of 2023 to 28.4 per cent at the end of 2024.

Sabga said the debt the group took on to support the acquisition, and the interest expense of that debt, is going to be on its profit and loss account.

In its financial year ended December 31, 2024, ANSA McAL declared profit after tax of \$675.54 million, an increase of 13.6 per cent compared to the \$594.48 million profit in 2023.

For the two months from the date of the acquisition, Bleachtech contributed \$67.7 million towards the group’s revenue of \$7.4 billion. Bleachtech recorded a profit before tax of \$36.5 million in the last two month of 2024. The group recorded profit before tax of \$905.8 million for all of its 2024 financial year.

In the three months ended March 31, 2025, ANSA McAL reported after-tax profit of \$65.02 million,

a decline of 48.5 per cent compared to the prior year's first quarter profit of \$126.33 million.

Sabga said the group started the amortisation of the debt from the acquisition in 2025 and ANSA McAL was challenged by not being able to report the expected level of revenues in the first quarter. For the period January 1 to March 31, 2025, ANSA McAL generated \$1.80 billion in revenue, 9.5 per cent more than for the same period in 2024 "What I'm encouraged by is that this is not a systemic issue. This is what I refer to as a bit of a sizeable glitch. We also, as an organisation, took advantage of the opportunity to procure a fairly sizeable acquisition of some foreign exchange, which has been placed in our reserves and to support ongoing acquisitions."

Asked whether ANSA McAL has considered divesting companies or divisions in order to generate cash to fund its expansion, the conglomerate's CEO said, "The group has an extremely large portfolio of businesses and assets and, as we've been going along, we have been divesting certain non-strategic real estate. You would have seen very recently we divested ANSA Tech which remains not strategic in our portfolio.

We're always looking at where there are opportunities to trim the portfolio, and that is ongoing. It's part of what we do."

Questioned on whether the environment in this country is conducive for companies expanding their foreign exchange generation, Sabga III said he believes there's always an opportunity.

"Culturally and philosophically as a group, we seek to intervene in those opportunities that exist, and I think those opportunities are there for whoever has the wherewithal and the determination. I mean, success comes from steadfastness and a commitment to doing the right thing and to serving people with assets, with products, with services. So I think, I would say yes, absolutely, the opportunity is there," he added.