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IN THE NEWS

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Proven Group expanding presence in Barbados

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Proven Group Limited has deepened its presence in Barbados following a Bds\$13-million (US\$6.5million) joint venture investment in One Barbados Place.

This joint venture will see its subsidiary Proven Properties Limited (PPL) own 50 per cent of the shares in the investment vehicle while Caribbean Consultants Limited (CCL), a Barbados commercial real estate developer, will own the remaining stake. The deal was partially funded by a Bds\$9.10-million loan from Republic Bank (Barbados) Limited with the remaining balance likely coming from the joint venture partners. One Barbados Place is a five-storey 48,000-square foot Class A commercial office building located on a 1.15-acre lot.

“Our joint venture partnership with Caribbean Consultants Limited marks a significant milestone for Proven Properties. The acquisition of 50 per cent of the shares in One Barbados Place, with tenants such as Republic Bank and the Government of Barbados, reflects our confidence in the economic potential of this vibrant nation. This partnership diversifies our portfolio, aligns with our strategic goals, and promises solid returns for our investors. We are proud to collaborate with a reputable partner like Caribbean Consultants Limited and look forward to the value this deal will bring to our stakeholders,” said PPL Chief Executive Officer Aisha Campbell in a press release.

This is Proven Group’s latest investment into the Eastern Caribbean territory with it injecting US\$2.1 million during the financial year into Proven Wealth Barbados Limited to get the start-up operational. Proven Wealth Barbados was registered on September 30, 2022, but only got operational during Proven’s 2024 financial year ending March 31. This is the fifth Proven Wealth location in the region after Jamaica, Cayman Islands, Bermuda and British Virgin Islands. It falls under the remit of Simona Watkis, president and CEO of Proven Wealth region 1 and former CEO of NCB Capital Markets (Barbados) Limited.

“We at Caribbean Consultants Limited are delighted to welcome Proven Properties’ investment into the commercial real estate market in Barbados. This collaboration is a testament to the strength and potential of Barbados as a thriving commercial hub. We are excited about the opportunities this partnership will unlock and look forward to exploring future ventures that will continue to drive growth and innovation in the Barbadian real estate sector,” added CCL director James Edgehill.

Christopher Williams, CEO of Proven Management Limited, had said in July 2022 that Proven was looking to the villa market and other hospitality, residential and commercial real estate projects in Barbados. No other Barbadian real estate venture has been mentioned to date, but it is possible, considering that PPL received a US\$1.90-million injection from Proven Group in the 2024 FY.

Proven Group’s first major Barbadian investment was the acquisition of the 50.5 per cent stake in Roberts Manufacturing Company Limited in June 2021 for US\$21.45 million from Massy Holdings Limited. Roberts was responsible for 29 per cent of Proven Group’s US\$54.99 million in consolidated net operating revenue. During the year, Roberts’ revenue marginally increased to US\$74.65 million, but generated a net profit of US\$2.65 million compared to a net loss of US\$274,000 in the prior year. This allowed it to pay a US\$2.02 million dividend with Proven Group collecting US\$1.02 million while the rest went to Ansa McAl Limited.

Despite the contribution of Roberts during the year, Proven Group’s operating loss only dipped from US\$12.75 million to US\$1.06 million. Luckily, Proven Group had a profit before tax of US\$12.94 million and consolidated net profit of US\$13.63 million, with US\$12.32 million attributable to shareholders. This was largely due to its 20.01 per cent associate JMMB Group Limited’s spectacular profit from its one-time gain off Sagicor Financial Company Limited.

Proven Group’s total assets were up seven per cent to US\$1.10 billion with investment securities of US\$402.80 million and US\$156.93 million in cash making up the largest portion of the composition. Total liabilities and equity attributable to shareholders was US\$976.02 million and US\$108.55 million, respectively. This translates to a book value of US\$0.1354.

Proven Group will be reorganising its structure by having International Financial Planning Jamaica Limited [now Proven Wealth (Cayman Limited)] transfer and divest its business to Proven Wealth Limited to reduce the number of subsidiaries in the group. The pension arrangements for employees of former and current employees of Roberts Manufacturing is currently being finalized as a new pension plan is created.

Proven’s Jamaican dollar stock price increased by 12 per cent on Tuesday to \$18.42 but remains down 18 per cent in 2024 with the stock hitting a new 52-week low of \$15.01 on July 25. Proven’s United States dollar (July 2011 but remained unchanged at US\$0.11, the same price it listed at in July 2011, but remains down 27 per cent in 2024 as it hit a new 52-week low of US\$0.1002 on July 25.

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