



CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020



READYMIX (WEST INDIES) LIMITED

CONDENSED CONSOLIDATED INCOME STATEMENT

TT \$'000	UNAUDITED		UNAUDITED		AUDITED
	Three Months Jul to Sep		Nine Months Jan to Sep		Year Jan to Dec
	2020	2019	2020	2019	2019
Revenue	25,042	18,579	57,728	52,905	70,471
Cost of sales	(17,988)	(17,697)	(42,739)	(48,458)	(60,751)
Gross profit	7,054	882	14,989	4,447	9,720
Operating expenses	(1,874)	(2,716)	(5,151)	(9,402)	(10,537)
Impairment of trade receivables	338	1,078	663	807	1,196
Operating earnings (loss) before other income and other expenses	5,518	(756)	10,501	(4,148)	379
Other income	125	-	554	1	1
Other expenses	(1,223)	(3,267)	(3,067)	(12,749)	(16,975)
Operating earnings (loss)	4,420	(4,023)	7,988	(16,896)	(16,595)
Financial expense	(108)	(153)	(302)	(411)	(731)
Financial income and other items, net	103	32	270	96	110
Earnings (loss) before taxation	4,415	(4,144)	7,956	(17,211)	(17,216)
Taxation	(226)	(161)	1,837	(464)	(1,501)
Net income (loss) from continuing operations	4,189	(4,305)	9,793	(17,675)	(18,717)
Discontinued operation	-	-	-	-	423
CONSOLIDATED NET INCOME (LOSS)	4,189	(4,305)	9,793	(17,675)	(18,294)
Basic earnings (loss) per share (Note 3):	0.35	(0.36)	0.82	(1.47)	(1.52)
Basic earnings (loss) per share from continuing operations (Note 3):	0.35	(0.36)	0.82	(1.47)	(1.56)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT \$'000	UNAUDITED		UNAUDITED		AUDITED
	Three Months Jul to Sep		Nine Months Jan to Sep		Year Jan to Dec
	2020	2019	2020	2019	2019
CONSOLIDATED NET INCOME (LOSS)	4,189	(4,305)	9,793	(17,675)	(18,294)
<i>Items that will not be reclassified subsequently to the income statement</i>					
Net actuarial gains from remeasurement of defined benefit pension plans	-	-	-	-	11,672
Taxation recognised directly in other comprehensive income	-	-	-	-	(3,501)
	-	-	-	-	8,171
TOTAL COMPREHENSIVE INCOME (LOSS)	4,189	(4,305)	9,793	(17,675)	(10,123)

DIRECTORS' STATEMENT


With the relaxing of the restrictions imposed by the Government in relation to the COVID-19 pandemic in June, Readymix West Indies Limited (RML) moved quickly to fully reopen its facilities and satisfy pent-up demand. We remained committed to our three priorities identified in the second quarter for the COVID-19 pandemic: 1) ensuring the health and safety of our employees, customers and suppliers; 2) serving our customers; and 3) protecting the future of the company. Upon reopening, RML continued to further refine and adhere strictly to its COVID-19 protocols which were designed to create safe operating conditions for all parties during the pandemic and to assure business continuity. Our trend of safe operations has continued in this quarter with no loss time injuries (LTIs) or total recordable incidents (TRIs) reported.


The strategies we implemented to cope with the immediate effects caused by the COVID-19 disruption, such as the elimination of all discretionary expenditures and the postponement of all non-essential capital expenditure until there was more visibility on outlook, stabilised our operations during the shutdown. The Company continues to execute on these strategies as well as its medium and long-term strategies.

As a result of strong aggregate sales and the revenue derived from participation in the housing development project, revenue increased by \$6.5 million (or 35%) in the third quarter (Q3) 2020 compared to Q3 2019. Revenue growth from these activities was partially offset by reduced concrete sales due to a decline in economic activity leading to a 29% decrease in concrete volume when compared to Q3 2019. The investment to ramp up production in our aggregates business paid off in the quarter with aggregate volumes rising 131% year-over-year. Gross profit increased from \$0.9 million in Q3 2019 to \$7.1 million in Q3 2020, reflecting the benefits of our strategic initiatives under both the housing development and aggregates over the last few years as well as cost-saving measures. Net earnings grew from a loss of \$4.3 million in Q3 2019 to a profit of \$4.2 million in Q3 2020.

For the year-to-date, revenue increased by \$4.8 million or 9% while gross profit increased by \$10.5 million over the corresponding 2019 period. Net profit for the year-to-date was \$9.8 million compared to a net loss of \$17.7 million in 2019 (inclusive of restructuring costs). We wish to commend both our employees and management for the improved performance under what has been very challenging economic conditions.

Pursuant to the Deregistration Order (the Order) issued by the Trinidad and Tobago Securities and Exchange Commission (TTSEC), Trinidad Cement Limited (TCL) made an offer to the minority shareholders of RML to purchase their shares in accordance with the stipulated terms of the Order. The Trinidad and Tobago Central Depository is managing the process involving the purchase of the shares from the minority shareholders who have accepted the offer. This process will continue until December 15, 2020 as required by the Order. Thereafter, the TTSEC will have the discretion to de-register RML as a Reporting Issuer, once all of the Order's conditions are fulfilled.


Michael Glenn Hamel-Smith
Chairman
October 19, 2020


Jose L. Seijo Gonzalez
Director
October 19, 2020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT \$'000	UNAUDITED	UNAUDITED	AUDITED
	30.09.2020	30.09.2019	31.12.2019
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6,273	3,693	2,934
Trade accounts receivable, net	2,744	4,916	4,348
Other accounts receivable	16,918	12,311	9,971
Inventories, net	5,094	7,758	7,250
Total current assets	31,029	28,678	24,503
NON-CURRENT ASSETS			
Other investments	1	1	1
Property, machinery and equipment, net	54,423	56,998	58,532
Employee benefits	6,301	-	6,409
Deferred taxation assets	12,689	21,233	18,767
Total non-current assets	73,414	78,232	83,709
TOTAL ASSETS	104,443	106,910	108,212
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Other financial obligations	663	134	418
Trade payables	10,371	7,937	8,862
Other current liabilities	35,364	44,886	42,693
Liabilities directly associated with the discontinued operation	-	423	-
Total current liabilities	46,398	53,380	51,973
NON-CURRENT LIABILITIES			
Other financial obligations	1,533	1,434	1,051
Employee benefits	-	5,496	-
Deferred taxation liabilities	4,195	11,628	12,664
Total non-current liabilities	5,728	18,558	13,715
TOTAL LIABILITIES	52,126	71,938	65,688
STOCKHOLDERS' EQUITY			
Controlling interest:			
Stated capital	12,000	12,000	12,000
Retained earnings	30,524	45,548	48,818
Net income (loss)	9,793	(17,675)	(18,294)
Total controlling interest	52,317	39,873	42,524
Non-controlling interest	-	(4,901)	-
TOTAL STOCKHOLDERS' EQUITY	52,317	34,972	42,524
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	104,443	106,910	108,212

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

TT \$'000	UNAUDITED		UNAUDITED		AUDITED
	Three Months Jul to Sep		Nine Months Jan to Sep		Year Jan to Dec
	2020	2019	2020	2019	2019
OPERATING ACTIVITIES					
Consolidated net income (loss)	4,189	(4,305)	9,793	(17,675)	(18,294)
Discontinued operation	-	-	-	-	(423)
Net income (loss) from continuing operations	4,189	(4,305)	9,793	(17,675)	(18,717)
Non-cash items:					
Depreciation and amortisation of assets	1,776	1,886	5,469	6,128	7,958
Results on sale of subsidiaries, other disposal groups and others	(33)	-	(402)	(1)	(1)
Financial income and other items, net	5	121	32	315	618
Pension plan expense	476	547	985	1,646	1,695
Taxation	226	161	(1,837)	464	1,501
Change in working capital, excluding taxation	(9,827)	4,472	(9,007)	14,488	15,314
Net cash flows (used in) provided by operating activities from continuing operations before financial expenses and income, pension payments and taxation	(3,188)	2,882	5,033	5,365	8,368
Interest paid	(108)	(150)	(302)	(408)	(510)
Interest received	20	26	40	96	113
Taxation paid	(225)	(180)	(551)	(496)	(630)
Pension payments	(346)	(261)	(650)	(934)	(1,437)
Net cash flows (used in) provided by operating activities from continuing operations	(3,847)	2,317	3,570	3,623	5,904
INVESTING ACTIVITIES					
Proceeds from the sale of property, machinery and equipment	33	-	402	1	1
Acquisition of property, machinery and equipment	182	(1,493)	(81)	(1,800)	(4,735)
Acquisition of debt instruments	-	-	(313)	-	-
Proceeds from the sale of debt instruments	313	-	313	-	-
Net cash flow from discontinued operation	-	-	-	-	423
Net cash flows provided by (used in) investing activities	528	(1,493)	321	(1,799)	(4,311)
FINANCING ACTIVITIES					
Payment of lease liabilities	(180)	341	(552)	(375)	(903)
Net cash flow used in financing activities	(180)	341	(552)	(375)	(903)
Increase in cash and cash equivalents	(3,499)	1,165	3,339	1,449	690
Cash and cash equivalents at beginning of period	9,772	2,528	2,934	2,244	2,244
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6,273	3,693	6,273	3,693	2,934
Changes in working capital, excluding taxation:					
Trade receivables, net	(73)	680	1,607	5,624	6,195
Other accounts receivable and other assets	(9,952)	5,195	(6,950)	7,412	8,850
Inventories, net	800	3,317	2,156	1,582	2,090
Trade payables	3,420	590	1,509	(2,353)	(1,428)
Other accounts payable and accrued expenses	(4,022)	(5,310)	(7,329)	2,223	(393)
Changes in working capital, excluding taxation	(9,827)	4,472	(9,007)	14,488	15,314



READYMIX (WEST INDIES) LIMITED

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FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

TT \$'000	PARENT			NON-CONTROLLING INTEREST		
	UNAUDITED	AUDITED		UNAUDITED	AUDITED	
	Jan to Sep	Jan to Dec		Jan to Sep	Jan to Dec	
	2020	2019	2019	2020	2019	2019
Balance at beginning of period	42,524	57,548	57,548	-	4,901	4,901
Net income (loss)	9,793	(17,675)	(18,294)	-	-	-
Total other items of comprehensive income	-	-	8,171	-	-	-
Change in non-controlling interest	-	-	(4,901)	-	-	(4,901)
Balance at end of period	52,317	39,873	42,524	-	4,901	-

SEGMENT INFORMATION

TT \$'000	CONCRETE	AGGREGATES	OTHERS	TOTAL
UNAUDITED NINE MONTHS JAN TO SEP 2020				
Revenue	24,690	26,102	6,936	57,728
(Loss) earnings before taxation	(3,594)	4,614	6,936	7,956
UNAUDITED NINE MONTHS JAN TO SEP 2019				
Revenue	39,669	13,236	-	52,905
Loss before taxation	(13,555)	(3,656)	-	(17,211)
AUDITED YEAR JAN TO DEC 2019				
Revenue	50,527	17,434	2,510	70,471
(Loss) earnings before taxation	(14,693)	(5,033)	2,510	(17,216)

NOTES:

1. Basis of Preparation

These condensed consolidated financial statements are prepared in accordance with established criteria developed by management and disclose the condensed consolidated statement of financial position, condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in stockholders' equity and condensed consolidated statement of cash flows.

2. Accounting Policies

These condensed consolidated financial statements have been prepared in accordance with the accounting policies set out in "Note 2" of the audited financial statements for the year ended December 31, 2019, consistently applied from period to period, except where the Group has adopted the new and revised accounting standards that are mandatory for annual accounting periods on or after January 1, 2020 and which are relevant to the Group's operations.

3. Earnings Per Share

Earnings per share (EPS) is calculated by dividing the income or loss attributable to equity holders of the owner by the weighted average number of ordinary shares outstanding during the period.

4. Cost of Sales, Operating and Other Expenses and Other Income

Cost of sales represents the production cost of inventories at the moment of sale. Cost of sales includes depreciation, amortisation and depletion of assets involved in production, expenses related to storage in production plants and freight expenses of raw material in plants and delivery expenses of the Group's ready-mix concrete business.

Operating expenses comprise administrative, selling, distribution and logistics expenses. Administrative expenses represent expenses related to managerial activities and back office for the Group's management. Selling expenses represent the expenses associated with sales activities. Distribution and logistics expenses refer to expenses of storage at point of sale, as well as freight expenses of finished products between plants and point of sale and freight expenses between points of sale and the customers' facilities.

Other expenses and other income consist primarily of expenses and income not directly related to the Group's main activities, or which are of an unusual and/or non-recurring nature, including results on disposal of assets and restructuring costs, among others.

5. Segment Information

The Group derived 43% (2019: 75%) of its revenue from the sale of concrete, 45% (2019: 25%) from the sale of aggregates and 12% (2019: nil) from other activities. The Group's sales strategy is associated with these product lines; accordingly the segment information is so presented.