



TRINIDAD CEMENT LIMITED

**CONDENSED CONSOLIDATED UNAUDITED  
INTERIM FINANCIAL REPORT**

FOR THE THREE MONTHS ENDED MARCH 31, 2021

**CONDENSED CONSOLIDATED INCOME STATEMENT**

TT \$'000	UNAUDITED		AUDITED
	Three Months Jan to Mar		Year Jan to Dec
	2021	2020	2020
Revenue	492,571	414,555	1,692,150
Cost of sales	(337,266)	(295,688)	(1,160,909)
<b>Gross profit</b>	<b>155,305</b>	<b>118,867</b>	<b>531,241</b>
Operating expenses	(59,160)	(62,937)	(241,895)
Impairment of trade accounts receivable	(431)	194	926
<b>Operating earnings before other expenses, net</b>	<b>95,714</b>	<b>56,124</b>	<b>290,272</b>
Other expenses, net	(2,399)	(4,756)	(74,354)
<b>Operating earnings</b>	<b>93,315</b>	<b>51,368</b>	<b>215,918</b>
Financial expense	(28,531)	(28,985)	(122,086)
Financial income and other items, net	7	7	62
<b>Earnings before taxation</b>	<b>64,791</b>	<b>22,390</b>	<b>93,894</b>
Taxation charge	(18,629)	(12,280)	(78,675)
<b>NET INCOME</b>	<b>46,162</b>	<b>10,110</b>	<b>15,219</b>
Non-controlling interest	(15,073)	(6,524)	(39,398)
<b>CONTROLLING INTEREST</b>	<b>31,089</b>	<b>3,586</b>	<b>(24,179)</b>
<b>Basic and diluted earnings (loss) per share - cents (Note 3):</b>	<b>8.4</b>	<b>1.0</b>	<b>(6.5)</b>

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

TT \$'000	UNAUDITED		AUDITED
	Three Months Jan to Mar		Year Jan to Dec
	2021	2020	2020
<b>NET INCOME</b>	<b>46,162</b>	<b>10,110</b>	<b>15,219</b>
<b>Items that will not be reclassified subsequently to the income statement</b>			
Net actuarial losses from remeasurements of employee benefit obligations	-	-	(57,518)
Taxation recognised directly in other comprehensive income	-	-	16,990
	-	-	(40,528)
<b>Items that are or may be reclassified subsequently to the income statement</b>			
Effects from derivative financial instruments designated as cash flow hedges	(470)	(587)	1,008
Currency translation results of foreign subsidiaries	(12,686)	(11,712)	(24,457)
	(13,156)	(12,299)	(23,449)
Total items of other comprehensive income, net	(13,156)	(12,299)	(63,977)
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>33,006</b>	<b>(2,189)</b>	<b>(48,758)</b>
Non-controlling interest	(10,552)	(2,918)	(30,367)
<b>CONTROLLING INTEREST</b>	<b>22,454</b>	<b>(5,107)</b>	<b>(79,125)</b>
<b>Out of which:</b>			
<b>COMPREHENSIVE LOSS FROM DISCONTINUED OPERATIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>COMPREHENSIVE INCOME (LOSS) FROM CONTINUING OPERATIONS</b>	<b>22,454</b>	<b>(5,107)</b>	<b>(79,125)</b>

**DIRECTORS' STATEMENT**

Health and Safety (H&S) continues to be the top priority of the TCL Group. The persistence of unprecedented challenges of the COVID-19 pandemic underscores the importance and relevance of keeping H&S at the forefront of our operations. The Group continues to prescribe and enforce strict protocols which were designed to protect all stakeholders and users of our facilities in all production and operating sites.

During the first quarter, the Group has continued to support our communities through the donation of laptops to students in Trinidad and Tobago and to empower residents in our communities by the donation of a concrete blockmaking plant in Jamaica. The Group continues to conduct regular training sessions and to provide constant reminders and warnings concerning COVID-19 protocols to employees and other stakeholders. In response to the recent volcanic activity in St. Vincent in the second quarter the TCL Group has provided assistance and donated drinking water and supplies. The TCL Group will remain ready and willing to support our neighbours in St. Vincent.

In terms of financial performance, the Group recorded consolidated revenue from continuing operations of \$493 million in the first quarter of 2021, representing an increase of 19% from Q1 2020. The increase was mainly due to higher cement sales volumes in Trinidad and Tobago and Jamaica. The TCL Group's adjusted EBITDA of \$127.8 million in the first quarter of 2021 reflected an increase of 37% compared with Q1 2020. This growth reflects improved sales volumes and the impact of operational efficiencies attributable to the investments in our main equipment and operational processes.

The TCL Group reported a net profit of \$46.1 million in the first quarter of 2021. This increase was mainly driven by increased revenues coupled with prudent management by containing operating costs.

During the first quarter of 2021, the TCL Group generated \$67.6 million in cash from continuing operations, a 15% increase from the prior year. The improved cash flow resulted from the increase in operating income and stringent management of all other discretionary cash flow items. Capital expenditure during the quarter was restricted to essential maintenance and projects, with all other projects deferred for the time being. The TCL Group invested \$15.3 million in the quarter in critical capital expenditure and repaid long term debt of \$22.7 million.

**Outlook**

The TCL Group's favourable financial results over the last few quarters, coupled with the continuing strength of cement demand in April month to date, lead us to a more optimistic outlook than previous quarters. Nevertheless, the outlook for our business will continue to be influenced by the ongoing COVID-19 pandemic in the economies in which we operate. While we believe we have endured the worst in terms of government-mandated lockdown measures, the outlook for the business will depend on, the emergence of new waves of infection, the pace of the vaccination programs and the extent of government restrictions in response. Management and the Board have developed plans to address possible scenarios and continue to respond to the pandemic as we gain more visibility on the near-term outlook.

David G. Inglefield  
Chairman  
April 19, 2021

Francisco Aguilera Mendoza  
Managing Director  
April 19, 2021

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

TT \$'000	CONTROLLING INTEREST				NON-CONTROLLING INTEREST	
	UNAUDITED		AUDITED		UNAUDITED	AUDITED
	Jan to Mar		Jan to Dec		Jan to Mar	Jan to Dec
	2021	2020	2021	2020	2021	2020
<b>Balance at beginning of period</b>	<b>567,947</b>	<b>647,072</b>	<b>647,072</b>	<b>90,325</b>	<b>59,958</b>	<b>59,958</b>
Net income (loss)	31,089	3,586	(24,179)	15,073	6,524	39,398
Total other items of comprehensive income, net	(8,635)	(8,693)	(54,946)	(4,521)	(3,606)	(9,031)
<b>Balance at end of period</b>	<b>590,401</b>	<b>641,965</b>	<b>567,947</b>	<b>100,877</b>	<b>62,876</b>	<b>90,325</b>

**SEGMENT INFORMATION**

TT \$'000	CEMENT	CONCRETE	PACKAGING	CONSOLIDATION ADJUSTMENTS	TOTAL
<b>UNAUDITED THREE MONTHS JAN TO MAR 2021</b>					
<b>Revenue</b>					
Total	517,007	20,585	12,139	-	549,731
Intersegment	(46,505)	(1,206)	(9,449)	-	(57,160)
Third party	470,502	19,379	2,690	-	492,571
Earnings (loss) before taxation	74,342	4,888	(14,439)	-	64,791
Depreciation	30,414	1,591	164	-	32,169
Segment assets	3,105,695	128,456	81,180	(996,732)	2,318,599
Segment liabilities	2,336,116	51,607	32,948	(793,350)	1,627,321
Capital expenditure	13,998	1,314	-	-	15,312
<b>UNAUDITED THREE MONTHS JAN TO MAR 2020</b>					
<b>Revenue</b>					
Total	454,149	18,206	23,185	-	495,540
Intersegment	(58,546)	(861)	(21,578)	-	(80,985)
Third Party	395,603	17,345	1,607	-	414,555
Earnings before taxation	21,296	476	618	-	22,390
Depreciation	34,620	1,917	546	-	37,083
Segment assets	3,087,893	109,240	98,424	(882,654)	2,412,903
Segment liabilities	2,328,920	50,229	29,941	(701,028)	1,708,062
Capital expenditure	8,648	1,784	6	-	10,438
<b>AUDITED YEAR JAN TO DEC 2020</b>					
<b>Revenue</b>					
Total	1,841,584	69,411	86,574	-	1,997,569
Intersegment	(220,540)	(3,373)	(81,506)	-	(305,419)
Third Party	1,621,044	66,038	5,068	-	1,692,150
Earnings (loss) before taxation	86,995	9,897	(2,998)	-	93,894
Depreciation	138,463	7,257	4,267	-	149,987
Segment assets	3,087,142	126,047	95,367	(984,316)	2,324,240
Segment liabilities	2,362,648	53,113	32,636	(782,429)	1,665,968
Capital expenditure	109,561	4,273	261	-	114,095

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

TT \$'000	UNAUDITED		AUDITED
	31.03.21	31.03.20	31.12.20
	<b>ASSETS</b>		
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	116,390	82,431	88,305
Trade accounts receivable, net	63,216	80,221	56,832
Other accounts receivable	41,571	45,964	44,440
Taxation recoverable	7,214	14,798	4,451
Inventories, net	257,529	231,213	240,452
<b>Total current assets</b>	<b>485,920</b>	<b>454,627</b>	<b>434,480</b>
<b>NON-CURRENT ASSETS</b>			
Investments	1	1	1
Property, machinery and equipment, net	1,643,535	1,770,838	1,703,078
Deferred taxation assets	135,731	134,917	132,183
Employee benefits	53,338	52,520	54,424
Other accounts receivable	74	-	74
<b>Total non-current assets</b>	<b>1,832,679</b>	<b>1,958,276</b>	<b>1,889,760</b>
<b>TOTAL ASSETS</b>	<b>2,318,599</b>	<b>2,412,903</b>	<b>2,324,240</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Short-term debt	442,426	18,000	400,887
Other financial obligations	7,112	6,779	7,151
Trade payables	300,683	239,069	240,192
Taxation payable	4,643	3,902	29,093
Other current liabilities	285,013	233,719	308,316
<b>Total current liabilities</b>	<b>1,039,877</b>	<b>501,469</b>	<b>985,639</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term debt	116,574	805,257	211,756
Other financial obligations	20,836	21,365	21,431
Employee benefits	244,278	177,580	242,863
Deferred taxation liabilities	203,382	199,691	201,890
Other non-current liabilities	2,374	2,700	2,389
<b>Total non-current liabilities</b>	<b>587,444</b>	<b>1,206,593</b>	<b>680,329</b>
<b>TOTAL LIABILITIES</b>	<b>1,627,321</b>	<b>1,708,062</b>	<b>1,665,968</b>
<b>SHAREHOLDERS' EQUITY</b>			
Controlling interest:			
Stated capital	827,732	827,732	827,732
Unallocated ESOP shares	(20,019)	(20,019)	(20,019)
Other equity reserves	(313,955)	(300,631)	(305,320)
Retained earnings	65,554	131,297	89,733
Net loss	31,089	3,586	(24,179)
Total controlling interest	590,401	641,965	567,947
Non-controlling interest	100,877	62,876	90,325
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>691,278</b>	<b>704,841</b>	<b>658,272</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,318,599</b>	<b>2,412,903</b>	<b>2,324,240</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

TT \$'000	UNAUDITED		AUDITED
	Three Months Jan to Mar		Year Jan to Dec
	2021	2020	2020
<b>OPERATING ACTIVITIES</b>			
<b>Net income</b>	<b>46,162</b>	<b>10,110</b>	<b>15,219</b>
Non-cash items:			
Depreciation and amortisation of assets	32,169	37,083	149,987
Financial expense, net	28,524	28,978	122,024
Pension plan and other post-retirement benefit	6,161	6,742	20,905
Other items, net	(89)	(13,798)	(384)
Taxation charge	18,629	12,280	78,675
Changes in working capital, excluding taxation	(7,198)	(176)	52,535
<b>Cash generated from operating activities from continuing operations before financial expense, taxation and post-employment benefits paid</b>	<b>124,358</b>	<b>81,219</b>	<b>438,961</b>
Financial expense paid	(3,685)	(10,951)	(40,607)
Taxation paid	(49,192)	(8,299)	(19,502)
Pension plan contributions and other post-retirement benefit paid	(3,869)	(3,392)	(15,668)
<b>Net cash flows from operating activities from continuing operations</b>	<b>67,612</b>	<b>58,577</b>	<b>363,184</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, machinery and equipment, net	(15,312)	(10,438)	(114,095)
Proceeds from disposal of assets	-	-	496
<b>Net cash flows used in investing activities</b>	<b>(15,312)</b>	<b>(10,438)</b>	<b>(113,599)</b>
<b>FINANCING ACTIVITIES</b>			
Repayment of debt, net	(22,663)	(53,405)	(248,398)
Other financial obligations, net	(634)	1,199	1,637
<b>Net cash flows used in financing activities</b>	<b>(23,297)</b>	<b>(52,206)</b>	<b>(246,761)</b>
Increase (decrease) in cash and cash equivalents	29,003	(4,067)	2,824
Cash conversion effect, net	(918)	(955)	(1,972)
Cash and cash equivalents at beginning of period	88,305	87,453	87,453
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>116,390</b>	<b>82,431</b>	<b>88,305</b>
<b>Changes in working capital, excluding taxation:</b>			
Trade accounts receivable, net	(6,100)	7,719	29,158
Other accounts receivable	(13,711)	1,320	(4,342)
Inventories, net	(12,030)	21,890	4,686
Trade payables	53,572	(8,438)	1,520
Other current and non-current liabilities	(28,929)	(22,667)	21,513
<b>Changes in working capital, excluding taxation</b>	<b>(7,198)</b>	<b>(176)</b>	<b>52,535</b>

**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 shareholders' 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 December 31, 2020 audited consolidated financial statements consistently applied from period to period. The Group has adopted all the new and revised accounting standards that are mandatory for annual accounting periods on or after January 1, 2021 and which are relevant to the Group's operations.

**3. Earnings Per Share**

Earnings per share (EPS) is calculated by dividing the net income or loss attributable to controlling interest by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares in issue for the period has been determined by deducting from the total number of issued shares of 374.648 million, the weighted average of 2.845 million shares that were held as unallocated shares by the Employee Share Ownership Plan (ESOP).

**4. Cost of Sales, Operating and Other Expenses, Net**

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 points of sale, as well as freight expenses of finished products between plants and points of sale and freight expenses between points of sale and the customers' facilities.

Other expenses, net consist primarily of income and expenses 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.