



CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT

FOR THE THREE MONTHS ENDED MARCH 31, 2020



READYMIX (WEST INDIES) LIMITED

CONDENSED CONSOLIDATED INCOME STATEMENT

TT \$'000	UNAUDITED		AUDITED
	Three Months Jan to Mar		Year Jan to Dec
	2020	2019	2019
Revenues	18,978	16,197	70,471
Cost of sales	(15,919)	(14,700)	(60,751)
Gross profit	3,059	1,497	9,720
Operating expenses	(2,064)	(3,675)	(10,537)
Impairment of trade receivables	210	(258)	1,196
Operating earnings (loss) before other income and other expenses	1,205	(2,436)	379
Other income	369	-	1
Other expenses	(1,041)	(2,049)	(16,975)
Operating earnings (loss)	533	(4,485)	(16,595)
Financial expense	(117)	(122)	(731)
Financial income and other items, net	60	31	110
Earnings (loss) before taxation	476	(4,576)	(17,216)
Taxation	(162)	(141)	(1,501)
Net income (loss) from continuing operations	314	(4,717)	(18,717)
Discontinued operation	-	-	423
CONSOLIDATED NET INCOME (LOSS)	314	(4,717)	(18,294)
Basic earnings (loss) per share (Note 3):	0.03	(0.39)	(1.52)
Basic earnings (loss) per share from continuing operations (Note 3):	0.03	(0.39)	(1.56)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT \$'000	UNAUDITED		AUDITED
	Three Months Jan to Mar		Year Jan to Dec
	2020	2019	2019
CONSOLIDATED NET INCOME (LOSS)	314	(4,717)	(18,294)
Items that will not be reclassified subsequently to the income statement			
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)	314	(4,717)	(10,123)

DIRECTORS' STATEMENT

RML's ongoing commitment to safety, health and well-being of our employees and contractors, as demonstrated by our safety record of zero Lost Time Incidents for 13 consecutive quarters and the implementation of our "ZERO4Life" programme, continues to be a source of pride. Our safety focus extends beyond employees and contractors to nearby communities, where school children are taught correct road safety practices under our Vulnerable Road Users programme.

In the face of the significant challenges faced by the construction industry over the last few years, the company has developed strategies to generate sustainable returns in an environment of low economic activity and fierce competition. In the first quarter of 2020 (Q1), the company benefitted from one such strategy, continued diversification of its revenue base, through a strategic participation in the development and sale of housing units to augment our concrete and aggregate sales. This project progressed as expected in Q1 and is reflected in our financial results.

Despite a decline year over year in concrete sales in Q1 2020, our revenues rose due to increased aggregates sales and the participation in the housing development project. Total revenue increased by \$2.8 million or 17% compared to Q1 2019 while gross profit was \$3.1 million versus \$1.5 million in the prior year. Net profit for Q1 2020, including restructuring costs, was \$0.3 million compared to a net loss of \$4.7 million in Q1 2019.


We await the finalisation of the order arising from the hearing held by the Trinidad and Tobago Securities and Exchange Commission (TTSEC) on February 14, 2020 for determination of our de-registration application.


Covid-19 and our Actions

The Covid-19 pandemic is undoubtedly one of the greatest challenges of our times. At RML, we are acting decisively to analyse, develop, and execute measures to safeguard our company and our people, as well as our customers, suppliers and communities. Our operations must comply with new restrictions imposed by the authorities on commercial and industrial activities which has led us to devise new protocols to keep our employees and customers even safer. We are following government regulations, while working to minimise as much as possible the impact on our business and on our ability to serve our customers. Our action plans are therefore focused on maximising the protection of our employees while fostering operational resilience. In this regard, we have implemented multiple protocols and other measures, including but not limited to:

- Focusing only on essential activities across our businesses to safeguard cash flows;
- Developing and considering different contingency plans to prepare for the possibility of further extensions to the current shutdown;
- Enhancing our communication with employees and all relevant stakeholders; and
- Protecting our employees working within our facilities by:
 - Reinforcing physical distancing measures and personal hygiene;
 - Temperature testing of all entrants to facilities at access points;
 - Enhancing the cleaning and disinfecting procedures at all facilities; and
 - Promoting remote work where possible according to job responsibilities.

Local Rapid Response Teams (RRTs) also remain activated throughout our operations as we continue to implement preventive measures to reduce the risks to RML and the community.


Michael Glenn Hamel-Smith
Chairman
April 24, 2020


Jose L. Seijo Gonzalez
Director
April 24, 2020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT \$'000	UNAUDITED		AUDITED
	31.03.20	31.03.19	31.12.19
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6,545	5,268	2,934
Trade accounts receivable, net	3,168	7,559	4,348
Other accounts receivable	6,910	18,035	9,971
Inventories, net	5,612	10,165	7,250
Total current assets	22,235	41,027	24,503
NON-CURRENT ASSETS			
Other investments	1	1	1
Property, machinery and equipment, net	58,330	59,226	58,532
Employee benefits	6,409	-	6,409
Deferred taxation assets	18,767	21,233	18,767
Total non-current assets	83,507	80,460	83,709
TOTAL ASSETS	105,742	121,487	108,212
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Other financial obligations	826	635	418
Trade payables	7,474	8,891	8,862
Other current liabilities	39,763	46,043	42,693
Liabilities directly associated with the discontinued operation	-	423	-
Total current liabilities	48,063	55,992	51,973
NON-CURRENT LIABILITIES			
Other financial obligations	2,177	951	1,051
Employee benefits	-	4,986	-
Deferred taxation liabilities	12,664	11,628	12,664
Total non-current liabilities	14,841	17,565	13,715
TOTAL LIABILITIES	62,904	73,557	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)	314	(4,717)	(18,294)
Total controlling interest	42,838	52,831	42,524
Non-controlling interest	-	(4,901)	-
TOTAL STOCKHOLDERS' EQUITY	42,838	47,930	42,524
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	105,742	121,487	108,212

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

TT \$'000	UNAUDITED		AUDITED
	Three Months Jan to Mar		Year Jan to Dec
	2020	2019	2019
OPERATING ACTIVITIES			
Consolidated net income (loss)	314	(4,717)	(18,294)
Discontinued operation	-	-	(423)
Net income (loss) from continuing operations	314	(4,717)	(18,717)
Non-cash items:			
Depreciation and amortisation of assets	1,917	2,183	7,958
Results on sale of subsidiaries, other disposal groups and others	(369)	-	(1)
Financial income and other items, net	113	87	618
Pension plan expense	225	202	1,695
Taxation	162	141	1,501
Change in working capital, excluding taxation	1,541	6,033	15,314
Net cash flow provided by operating activities from continuing operations before financial expenses, pension payments and taxation	3,903	3,929	8,368
Interest paid	(117)	(122)	(510)
Interest received	12	35	113
Taxation paid	(150)	(150)	(630)
Pension payments	(225)	(236)	(1,437)
Net cash flow provided by operating activities from continuing operations	3,423	3,456	5,904
INVESTING ACTIVITIES			
Proceeds from the sale of property, machinery and equipment	403	-	1
Net cash flow from discontinued operation	-	-	423
Acquisition of property, machinery and equipment	-	(84)	(4,735)
Net cash flow provided by (used in) investing activities	403	(84)	(4,311)
FINANCING ACTIVITIES			
Payment of lease liabilities	(215)	(348)	(903)
Net cash flow used in financing activities	(215)	(348)	(903)
Increase in cash and cash equivalents	3,611	3,024	690
Cash conversion effect, net	-	-	-
Cash and cash equivalents at beginning of period	2,934	2,244	2,244
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6,545	5,268	2,934
Changes in working capital, excluding taxation:			
Trade receivables, net	1,168	2,984	6,195
Other accounts receivable and other assets	3,061	1,657	8,850
Inventories, net	1,638	(825)	2,090
Trade payables	(1,388)	(1,399)	(1,428)
Other accounts payable and accrued expenses	(2,938)	3,616	(393)
Changes in working capital, excluding taxation	1,541	6,033	15,314



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

TT \$'000	PARENT			NON-CONTROLLING INTEREST		
	UNAUDITED	AUDITED		UNAUDITED	AUDITED	
	Jan to Mar	Jan to Dec		Jan to Mar	Jan to Dec	
	2020	2019	2019	2020	2019	
Balance at beginning of period	42,524	57,548	57,548	-	4,901	4,901
Net income (loss)	314	(4,717)	(18,294)	-	-	-
Total other items of comprehensive income	-	-	8,171	-	-	-
Change in non-controlling interest	-	-	(4,901)	-	-	(4,901)
Balance at end of period	42,838	52,831	42,524	-	4,901	-

SEGMENT INFORMATION

TT \$'000	CONCRETE	AGGREGATES	OTHERS	TOTAL
UNAUDITED YEAR JAN TO MAR 2020				
Revenue	11,143	6,757	1,078	18,978
(Loss) earnings before taxation	(1,374)	772	1,078	476
UNAUDITED YEAR JAN TO MAR 2019				
Revenue	12,902	3,295	-	16,197
Loss before taxation	(3,798)	(778)	-	(4,576)
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 points of sales, as well as freight expenses of finished products between plants and points of sale and freight expenses between points of sales and the customers' facilities.

Other expenses and other income consist primarily of expenses and revenues 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 59% (2019 - 80%) of its revenue from the sale of concrete, 36% (2019 - 20%) from the sale of aggregates and 5% (2019 - nil) from other activities. The Group's sales strategy is associated with these product lines; accordingly the segment information is so presented.