



TRINIDAD CEMENT LIMITED

CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT

FOR THE SIX MONTHS ENDED JUNE 30, 2022

**CONDENSED CONSOLIDATED INCOME STATEMENT**

TT '\$000	UNAUDITED		UNAUDITED		AUDITED
	Three Months		Six Months		Year
	Apr to Jun	Jan to Jun	Jan to Jun	Jan to Jun	Jan to Dec
	2022	2021	2022	2021	2021
Revenue	533,887	446,359	1,063,273	938,930	1,896,518
Cost of sales	(361,601)	(302,923)	(705,023)	(640,189)	(1,326,431)
Gross profit	172,286	143,436	358,250	298,741	570,087
Operating expenses	(74,511)	(57,839)	(149,656)	(116,999)	(257,518)
Write-back (impairment) of trade accounts receivable	683	27	749	(404)	(819)
Operating earnings before other (expenses) income, net	98,458	85,624	209,343	181,338	311,750
Other (expenses) income, net	(15,567)	(9,274)	(28,915)	(11,673)	21,849
Operating earnings	82,891	76,350	180,428	169,665	333,599
Financial expense	(7,840)	(16,623)	(19,210)	(45,154)	(89,950)
Financial income	75	8	91	15	30
Earnings before taxation	75,126	59,735	161,309	124,526	243,679
Taxation charge	(20,793)	(22,089)	(48,959)	(40,718)	(53,260)
NET INCOME	54,333	37,646	112,350	83,808	190,419
Non-controlling interest net income	(17,998)	(18,219)	(36,972)	(33,292)	(49,646)
CONTROLLING INTEREST NET INCOME	36,335	19,427	75,378	50,516	140,773
Basic and diluted earnings per share - cents (Note 3):	9.8	5.2	20.3	13.6	37.9

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT '\$000	UNAUDITED		UNAUDITED		AUDITED
	Three Months		Six Months		Year
	Apr to Jun	Jan to Jun	Jan to Jun	Jan to Jun	Jan to Dec
	2022	2021	2022	2021	2021
NET INCOME	54,333	37,646	112,350	83,808	190,419
Items that will not be reclassified subsequently to the income statement					
Net actuarial gains from remeasurements of employee benefit plans	-	-	-	-	105,642
Taxation recognised directly in other comprehensive income	-	-	-	-	(29,043)
	-	-	-	-	76,599
Items that are or may be reclassified subsequently to the income statement					
Effects from derivative financial instruments designated as cash flow hedges	(1,700)	1,625	626	1,155	1,203
Currency translation results of foreign subsidiaries	13,504	(4,578)	12,154	(17,264)	(34,302)
	11,804	(2,953)	12,780	(16,109)	(33,099)
Total items of other comprehensive income, net	11,804	(2,953)	12,780	(16,109)	43,500
TOTAL COMPREHENSIVE INCOME	66,137	34,693	125,130	67,699	233,919
Non-controlling interest comprehensive income	(20,608)	(16,912)	(41,131)	(27,464)	(35,396)
CONTROLLING INTEREST COMPREHENSIVE INCOME	45,529	17,781	83,999	40,235	198,523

DIRECTORS' STATEMENT

Health and Safety		plus our price increase strategy implemented earlier in the year to offset the significant inflation in most of our input costs. The TCL Group's adjusted EBITDA of \$118 million in the second quarter of 2022 reflected an increase of 9% compared to the same period of the previous year. This quarter's result reflects the positive impact of increased sales, and our management of escalating costs.	
At the TCL Group, Health and Safety is our number one priority and we work diligently to ensure that all our employees and contractors return safely to their families each day. Unfortunately, during the second quarter, we had two Lost Time Incidents (LTIs) after more than 15 months without an LTI. Although injuries were minor, both cases have been taken very seriously and are being investigated to determine the cause but also to ensure that the correct measures are put in place to avoid any recurrence.		The TCL Group's adjusted EBITDA for the first six months of 2022 was \$246 million, a 5% improvement on the same period during the prior year. This increase resulted mainly from improved cement sales in Trinidad and Tobago and Barbados that offset the significant inflation in input costs experienced. In the second quarter of 2022, the TCL Group reported net income of \$54 million, compared to a net income of \$38 million in the same quarter in 2021. This increase was mainly driven by increased revenues partially offset by higher operational costs and other expenses incurred during the period. Net financial expenses including exchange losses, decreased by \$9 million arising from the repayment of US\$-denominated borrowings in Jamaica. On a year-to-date basis, the TCL Group reported a net income of \$112 million, a 34% increase over the prior year. This increase resulted from increased operating earnings and a 57% reduction in financial expenses which were partially offset by higher other expenses and taxation.	
Relative to COVID-19, we continue to strictly follow our 52+ protocols towards keeping our employees as protected as possible against this virus. We have not yet relaxed our measures since we believe it is still important to keep these controls in place to avoid internal spread. Fortunately, we have been able to maintain a very low COVID-19 infection rate.		During the second quarter of 2022, the TCL Group utilised cash of \$11 million for operating activities. This was mainly driven by a reduction of our trade payables, as a result of the cancellation of the factoring programme of some services, mainly in Jamaica. On a year-to-date basis, the TCL Group used \$8 million in continuing operations.	
Sustainability Sustainability is an important core value for us at the TCL Group. We recognise that every decision and action we take is an opportunity for us to make a positive impact on the people around us and are stepping stones to a sustainable, greener world. With a relentless focus on global climate action, we continue to promote our low-carbon Vertua-certified cement both in our domestic markets of Jamaica and Trinidad and Tobago as well as our export markets. The use of alternative fuels through our end-of-life tyre programme in Jamaica, and the utilisation of waste oil in our production processes in Barbados and Jamaica continue to move the TCL Group along the path to a greener enterprise. The TCL Group's achievements in the development of low-carbon cement products and solutions align with the mandate of CEMEX's "Future in Action" global sustainability strategy, which follows the United Nations' Sustainable Development Goals on climate action.		Outlook We are pleased with the TCL Group's improved financial performance during the first six months, a performance driven by disciplined cost control, and the implementation of price increases that helped to contain margin erosion. Moving forward, we remain vigilant to potential impacts on business performance driven by high inflation and restrictions on the supply chain for our materials and services. The conflict between Russia and Ukraine has aggravated the situation, translating into increased costs in fuel, power, and shipping, as well as threats from new strains of the COVID-19 virus.	
Financial Performance The TCL Group recorded consolidated revenue from continuing operations of \$534 million during the second quarter of 2022, representing a 20% increase when compared to the second quarter of 2021. Revenue for the quarter was positively impacted by increased cement sales in Trinidad and Tobago, where there was a severe lockdown during this period in 2021, and also due to price increases implemented in most of our markets earlier this year. On a year-to-date basis, the TCL Group recorded consolidated revenue from continuing operations of \$1.1 billion, 13% higher than that of the same period in 2021. This increase is also associated with higher volumes in Trinidad and Tobago,		The Board and Management continue to closely monitor the situation to ensure that our strategies are solid and able to withstand the current global and regional challenges and unpredictable market conditions.	

David G. Inglefield
Chairman
July 28, 2022

Francisco Aguilera Mendoza
Managing Director
July 28, 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT '\$000	UNAUDITED	UNAUDITED	AUDITED
	30.06.22	30.06.21	31.12.21
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	83,866	62,635	75,655
Trade accounts receivable, net	69,628	61,496	61,568
Other accounts receivable	84,952	51,694	34,660
Taxation recoverable	2,051	4,297	3,218
Inventories, net	365,750	280,856	324,522
Total current assets	606,247	460,978	499,623
NON-CURRENT ASSETS			
Investments	1	1	1
Property, machinery and equipment, net	1,634,515	1,619,330	1,646,605
Deferred taxation assets	127,102	128,777	114,564
Employee benefits	134,650	52,246	133,374
Other accounts receivable	155	775	-
Total non-current assets	1,896,423	1,801,129	1,894,544
TOTAL ASSETS	2,502,670	2,262,107	2,394,167
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term debt	-	266,750	-
Other financial obligations	6,692	7,138	7,091
Trade payables	273,400	299,322	356,507
Taxation payable	15,957	11,884	16,321
Other current liabilities	260,288	227,609	266,987
Total current liabilities	556,337	812,703	646,906
NON-CURRENT LIABILITIES			
Long-term debt	489,716	253,567	438,760
Other financial obligations	16,207	19,271	19,325
Employee benefits	200,722	246,409	195,146
Deferred taxation liabilities	220,784	201,791	199,121
Other non-current liabilities	1,583	2,395	2,718
Total non-current liabilities	929,012	723,433	855,070
TOTAL LIABILITIES	1,485,349	1,536,136	1,501,976
SHAREHOLDERS' EQUITY			
Controlling interest:			
Stated capital	827,732	827,732	827,732
Unallocated ESOP shares	(20,019)	(20,019)	(20,019)
Other equity reserves	(316,606)	(315,601)	(325,227)
Retained earnings	283,984	65,554	143,211
Net income	75,378	50,516	140,773
Total controlling interest	850,469	608,182	766,470
Non-controlling interest	166,852	117,789	125,721
TOTAL SHAREHOLDERS' EQUITY	1,017,321	725,971	892,191
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,502,670	2,262,107	2,394,167

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

TT '\$000	UNAUDITED		UNAUDITED		AUDITED
	Three Months		Six Months		Year
	Apr to Jun	Jan to Jun	Jan to Jun	Jan to Jun	Jan to Dec
	2022	2021	2022	2021	2021
OPERATING ACTIVITIES					
Net income	54,333	37,646	112,350	83,808	190,419
Non-cash items:					
Depreciation and amortisation of property, machinery and equipment	35,105	31,605	65,795	63,774	127,043
Financial expense, net	7,765	16,615	19,119	45,139	89,920
Pension plan and other post-retirement benefit	4,148	946	8,292	7,107	(13,395)
Other items, net	527	37	527	(52)	(1,792)
Reversal of impairment losses on property, machinery and equipment	-	-	-	-	(21,799)
Taxation charge	20,793	22,089	48,959	40,718	53,260
Changes in working capital, excluding taxation	(107,344)	(59,960)	(202,987)	(67,158)	(12,443)
Cash generated from operating activities before financial expense, taxation and post-employment benefits paid	15,327	48,978	52,055	173,336	411,213
Financial expense paid	(8,674)	(5,897)	(11,051)	(9,582)	(25,317)
Taxation paid	(14,438)	(4,073)	(41,461)	(53,265)	(70,740)
Pension plan contributions and other post-retirement benefit paid	(3,608)	(3,562)	(7,170)	(7,431)	(14,764)
Net cash flows (used in) from operating activities	(11,393)	35,446	(7,627)	103,058	300,392
INVESTING ACTIVITIES					
Purchase of property, machinery and equipment	(24,920)	(21,007)	(35,464)	(36,319)	(147,900)
Proceeds from disposal of property, machinery and equipment	-	-	-	-	1,790
Net cash flows used in investing activities	(24,920)	(21,007)	(35,464)	(36,319)	(146,110)
FINANCING ACTIVITIES					
Increase in (repayment of) debt, net	22,284	(66,439)	54,711	(89,102)	(163,058)
Other financial obligations, net	(1,829)	(1,539)	(3,514)	(2,173)	(1,927)
Net cash flows from (used in) financing activities	20,455	(67,978)	51,197	(91,275)	(164,985)
(Decrease) increase in cash and cash equivalents	(15,858)	(53,539)	8,103	(24,536)	(10,703)
Cash conversion effect, net	932	(216)	108	(1,134)	(1,947)
Cash and cash equivalents at beginning of period	98,792	116,390	75,655	88,305	88,305
CASH AND CASH EQUIVALENTS AT END OF PERIOD	83,866	62,635	83,866	62,635	75,655
Changes in working capital, excluding taxation:					
Trade accounts receivable, net	2,728	1,122	(7,762)	(4,978)	(5,065)
Other accounts receivable	(40,293)	4,173	(41,639)	(9,538)	7,241
Inventories, net	(44,097)	(33,124)	(37,855)	(45,154)	(88,452)
Trade payables	(34,902)	11,415	(85,395)	64,987	121,915
Other current and non-current liabilities	9,220	(43,546)	(30,336)	(72,475)	(48,082)
Changes in working capital, excluding taxation	(107,344)	(59,960)	(202,987)	(67,158)	(12,443)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

TT '\$000	CONTROLLING INTEREST		NON-CONTROLLING INTEREST		
	UNAUDITED	AUDITED	UNAUDITED	AUDITED	
	Jan to Jun	Jan to Dec	Jan to Jun	Jan to Dec	
	2022	2021	2022	2021	
Balance at beginning of period	766,470	567,947	567,947	125,721	90,325
Net income	75,378	50,516	140,773	36,972	33,292
Total items of other comprehensive income (loss), net	8,621	(10,281)	57,750	4,159	(5,828)
Balance at end of period	850,469	608,182	766,470	166,852	117,789

SEGMENT INFORMATION

TT '\$000	CEMENT	CONCRETE	PACKAGING	CONSOLIDATION ADJUSTMENTS	TOTAL
UNAUDITED SIX MONTHS JAN TO JUN 2022					
Revenue					
Total	1,149,055	30,641	17,529	-	1,197,225
Intersegment	(116,535)	(1,424)	(15,993)	-	(133,952)
Third party	1,032,520	29,217	1,536	-	1,063,273
Earnings before taxation	158,690	1,724	895	-	161,309
Depreciation	61,467	4,092	236	-	65,795
Segment assets	3,427,428	130,472	70,055	(1,125,285)	2,502,670
Segment liabilities	2,336,150	43,277	10,427	(904,505)	1,485,349
Capital expenditure	34,560	904	-	-	35,464
UNAUDITED SIX MONTHS JAN TO JUN 2021					
Revenue					
Total	999,751	30,317	18,930	-	1,048,998
Intersegment	(91,776)	(2,098)	(16,194)	-	(110,068)
Third party	907,975	28,219	2,736	-	938,930
Earnings (loss) before taxation	133,226	5,894	(14,594)	-	124,526
Depreciation	60,296	3,150	328	-	63,774
Segment assets	3,088,996	123,543	81,867	(1,032,299)	2,262,107
Segment liabilities	2,285,285	47,651	33,709	(830,509)	1,536,136
Capital expenditure	34,298	2,021	-	-	36,319
AUDITED YEAR JAN TO DEC 2021					
Revenue					
Total	2,037,673	67,272	40,212	-	2,145,157
Intersegment	(208,981)	(3,			