



CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023



Building a better future

TRINIDAD CEMENT LIMITED

CONDENSED CONSOLIDATED INCOME STATEMENT

TT\$'000	UNAUDITED				AUDITED
	Three Months Jul to Sep		Nine Months Jan to Sep		Year Jan to Dec
	2023	2022	2023	2022	2022
Revenue	553,252	489,440	1,702,506	1,552,713	2,061,227
Cost of sales	(347,524)	(314,545)	(1,159,282)	(1,019,568)	(1,379,886)
Gross profit	205,728	174,895	543,224	533,145	681,341
Administrative expenses	(43,387)	(33,067)	(114,102)	(97,393)	(128,024)
Selling expenses	(4,791)	(3,909)	(15,283)	(11,773)	(15,943)
Distribution and logistics expenses	(36,688)	(40,164)	(108,703)	(116,881)	(151,014)
Operating earnings before other expenses and other income and credits	120,862	97,755	305,136	307,098	386,360
Other expenses	(22,024)	(6,213)	(47,714)	(35,447)	(189,600)
Other income and credits	4,135	2,970	7,043	3,289	16,017
Operating earnings	102,973	94,512	264,465	274,940	212,777
Financial expense	(10,743)	(10,518)	(40,087)	(29,728)	(44,238)
Financial income	2,915	563	4,527	654	1,278
Earnings before taxation	95,145	84,557	228,905	245,866	169,817
Taxation charge	(29,122)	(29,815)	(59,658)	(78,774)	(112,012)
NET INCOME	66,023	54,742	169,247	167,092	57,805
Non-controlling interest	(21,755)	(13,814)	(49,478)	(50,786)	(71,969)
CONTROLLING INTEREST	44,268	40,928	119,769	116,306	(14,164)
Basic and diluted earnings (loss) per share - cents (Note 3):	11.9	11.0	32.2	31.3	(3.8)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT\$'000	UNAUDITED				AUDITED
	Three Months Jul to Sep		Nine Months Jan to Sep		Year Jan to Dec
	2023	2022	2023	2022	2022
NET INCOME	66,023	54,742	169,247	167,092	57,805
Items that will not be reclassified subsequently to the income statement					
Change in fair value of equity investments at fair value through other comprehensive income	-	-	2,269	-	-
Net actuarial losses from remeasurements of employee benefit plans	-	-	-	-	(84,235)
Taxation recognised directly in other comprehensive income	-	-	-	-	20,896
	-	-	2,269	-	(63,339)
Items that are or may be reclassified subsequently to the income statement					
Effects from derivative financial instruments designated as cash flow hedges	134	(904)	(2,139)	(278)	(2,281)
Currency translation results of foreign subsidiaries	(12,948)	(5,431)	(27,593)	6,723	11,889
	(12,814)	(6,335)	(29,732)	6,445	9,608
	(12,814)	(6,335)	(27,463)	6,445	(53,731)
Total items of other comprehensive (loss) income, net	53,209	48,407	141,784	173,537	4,074
TOTAL COMPREHENSIVE INCOME	16,104	12,067	39,231	53,198	72,266
Non-controlling interest	37,105	36,340	102,553	120,339	(68,192)
CONTROLLING INTEREST	53,209	48,407	141,784	173,537	4,074

DIRECTORS' STATEMENT

Health and Safety

At the TCL Group, the health and safety of our people remain our number one priority. We are pleased to share that during the first nine months of the year, there were no Lost Time Incidents (LTIs) at any of our operations. Our management team keeps a strong focus on the health and safety of our teams and contractors, and carefully analyses and learns from any incident that may occur at our plants. We consider these as unique opportunities which help us to prevent serious incidents.

TCL Guyana Incorporated (TGI), our subsidiary in Guyana, proudly accomplished five (5) years of being LTI-free in September. We wish to publicly salute Team TGI and all those who contributed to this success.

Financial Performance

The TCL Group recorded consolidated revenue from continuing operations of \$553 million during the third quarter of 2023, an increase of 13% when compared to the same quarter of 2022. The Group's adjusted EBITDA of \$151 million in the third quarter reflected an increase of 16% compared to the same period of the previous year. This result reflects the impact of higher sales volumes across the Group. In the third quarter of 2023, the TCL Group reported a net income of \$66 million, an increase of 21% when compared to the third quarter of 2022. This was driven by increased cement volumes in Jamaica, Trinidad & Tobago, and Guyana, the positive impact of price adjustments which were implemented to offset cost inflation, and the improved operating results achieved under the new business model in Barbados.

On a year-to-date basis, the Group recorded consolidated revenue from continuing operations of \$1.7 billion, 10% higher than the corresponding period in 2022. The Group's adjusted EBITDA on a year-to-date basis for 2023 was \$396 million, a 2% decrease compared to the prior year period, but a solid recovery from earlier in the year. Cement sales volumes increased by 2% in Jamaica, 4% in Trinidad & Tobago and 21% in Guyana.

Throughout this year, the Group has generated an accumulated net income of \$169 million, a minor increase of 1% when compared to the same period in 2022. All this has been boosted by our enhanced performance strategies in the second quarter of 2023, supported by lower maintenance costs and higher cement revenue.

During the third quarter of 2023, the TCL Group generated net cash of \$121 million from operating activities and invested \$23 million in capital expenditure and \$89 million in interest-bearing deposits. On a year-to-date basis, the TCL Group generated \$261 million from operating activities due to improved working capital management.

Sustainability

Sustainability is a strategic priority for us within the TCL Group. We continue to embrace climate action among our core responsibilities with an ambitious and dedicated programme grounded in the creation of sustainable products and solutions, decarbonisation of our operations, circular economy, water diversity, the promotion of a green economy, and innovation and partnerships.

During the quarter, Caribbean Cement Company in Jamaica continued its alliances with government, local agencies, and other companies involved in sustainable development to successfully execute beach clean-up campaigns and waste removal from water bodies, amassing over 830 kilograms of co-processable and recyclable waste during the Jamaica Environment Trust's International Coastal Clean-up Day. We are also proud to mention that our determination to drive our local circularity efforts in collaboration with our partners, Ocean Clean Up and Clean Harbours Jamaica to reduce waste that reaches the Kingston Harbour, has now grown into a global Cemex partnership with Ocean Clean Up.

As part of the Group's ongoing commitment to environmental conservation, key initiatives have been implemented under Cemex's 'Future in Action' programme. This includes the launch of a biodiversity community garden in Jamaica, which aims to enhance pollination, increase awareness among locals on endemic and endangered species and provide a space for children to learn about biodiversity and the role that we play as a people in driving change.

In Trinidad & Tobago, we have continued to use at least 40% and 100% non-freshwater in our cement operations and at our Melajo Aggregates Quarry respectively. This underscores the TCL Group's commitment to reduce freshwater consumption related to our processes as the world grapples with access to clean water and the impacts of climate change in water-stressed regions.

On a year-to-date basis, we have reduced overall net carbon emissions by 4%, mainly by using waste oils in Jamaica, and recorded a 3% reduction in heat consumption through the production of low-carbon products in Trinidad & Tobago and Jamaica. Notably, during the third quarter, low-carbon Premium Plus Limestone Cement accounted for 38% of the Group's total export volume to key CARICOM markets.

The TCL Group remains fully committed to following our sustainability roadmap towards the achievement of our targets. We are working to ensure that every decision and action we take, creates an opportunity to positively impact the communities in which we operate, and can be stepping stones to a sustainable, greener world.

Outlook

Our focus will remain foremost on the safety and well-being of our people, and the creation of value for all our stakeholders across the region. We will achieve this by our ongoing attention to sustainability and climate action as we continue to strictly adhere to our Cemex 'Future in Action' programme with further investments in the development of low-carbon brands and solutions. Additionally, through our strategies that drive customer value such as the implementation of our Call Center in Trinidad & Tobago (followed by Jamaica, Barbados, and Guyana), and the opening of additional Construrama stores in Trinidad & Tobago; community care; focused cost management and agility in responding to mounting global uncertainties and challenges.

While pleased with our achievements across various aspects of the business, the Board and Management remain fully vigilant to identify any headwinds that could affect our results in the short term and are committed to maximising all opportunities in the interest of creating value for our stakeholders.

David G. Inglefield
Chairman
TCL Group
October 27, 2023

Francisco Aguilera Mendoza
Managing Director
TCL Group
October 27, 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT\$'000	UNAUDITED		AUDITED
	30.09.23	30.09.22	31.12.22
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	97,074	119,657	87,004
Trade accounts receivable, net	56,497	53,408	49,248
Other accounts receivable	265,542	129,106	73,998
Taxation recoverable	7,524	2,064	2,201
Inventories, net	378,361	389,412	417,358
Total current assets	804,998	693,647	629,809
NON-CURRENT ASSETS			
Investments	2,270	1	1
Property, machinery and equipment, net	1,534,350	1,624,914	1,591,163
Deferred taxation assets	99,485	121,323	102,479
Employee benefits	31,230	135,519	33,847
Other accounts receivable	-	377	-
Total non-current assets	1,667,335	1,882,134	1,727,490
TOTAL ASSETS	2,472,333	2,575,781	2,357,299
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Other financial obligations	8,412	8,466	7,501
Trade payables	274,467	263,702	278,518
Taxation payable	17,058	30,820	33,205
Provisions	28,774	27,523	57,991
Other current liabilities	262,557	266,086	261,412
Total current liabilities	591,268	596,597	638,627
NON-CURRENT LIABILITIES			
Long-term debt	473,772	487,113	437,130
Other financial obligations	19,109	15,309	15,325
Employee benefits	186,988	202,537	180,390
Deferred taxation liabilities	205,480	221,719	204,925
Provisions	4,119	1,449	5,809
Total non-current liabilities	889,468	928,127	843,579
TOTAL LIABILITIES	1,480,736	1,524,724	1,482,206
SHAREHOLDERS' EQUITY			
Controlling interest:			
Stated capital	827,732	827,732	827,732
Unallocated ESOP shares	(20,019)	(20,019)	(20,019)
Other equity reserves	(335,642)	(321,194)	(313,888)
Retained earnings	213,074	283,984	219,608
Net income (loss)	119,769	116,306	(14,164)
Total controlling interest	804,914	886,809	699,269
Non-controlling interest	186,683	164,248	175,824
TOTAL SHAREHOLDERS' EQUITY	991,597	1,051,057	875,093
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,472,333	2,575,781	2,357,299

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

TT\$'000	UNAUDITED				AUDITED
	Three Months Jul to Sep		Nine Months Jan to Sep		Year Jan to Dec
	2023	2022	2023	2022	2022
OPERATING ACTIVITIES					
Net income	66,023	54,742	169,247	167,092	57,805
Non-cash items:					
Depreciation and amortisation of property, machinery and equipment	30,593	32,518	91,088	98,313	135,492
Financial expense, net	7,828	9,955	35,560	29,074	42,960
Pension plan and other post-retirement benefit	4,185	4,150	12,558	12,442	12,832
Other items, net	2,422	(715)	2,422	(188)	-
Write-off of property, machinery and equipment	-	-	-	-	57,015
Restructuring cost	-	-	-	-	77,324
Taxation charge	29,122	29,815	59,658	78,774	112,012
Changes in working capital, excluding taxation	5,666	(11,871)	(6,841)	(188,384)	(226,397)
Cash generated from operating activities before financial expense, taxation and post-employment benefits paid	145,839	118,594	363,692	197,123	269,043
Financial expense paid	(2,978)	(3,513)	(20,222)	(14,655)	(29,188)
Taxation paid	(19,178)	(14,347)	(74,008)	(55,808)	(71,086)
Pension plan contributions and other post-retirement benefit paid	(2,212)	(3,636)	(8,761)	(10,806)	(15,256)
Net cash flows from operating activities	121,471	97,098	260,701	115,854	153,513
INVESTING ACTIVITIES					
Purchase of property, machinery and equipment	(22,627)	(21,230)	(59,787)	(56,694)	(112,562)
Accounts receivable from related parties	(88,504)	(21,387)	(175,178)	(47,861)	-
Financial income received	2,915	563	4,527	654	1,278
Net cash flows used in investing activities	(108,216)	(42,054)	(230,438)	(103,901)	(111,284)
FINANCING ACTIVITIES					
Proceeds from debt	-	40,560	80,611	110,003	148,656
Repayment of debt	(6,769)	(43,211)	(81,947)	(57,943)	(158,074)
Other financial obligations	(3,679)	(1,855)	(7,529)	(5,372)	(6,911)
Dividends paid	-	(14,671)	-	(14,671)	(14,671)
Purchase of non-controlling interests in subsidiaries	-	-	(10,565)	-	-
Net cash flows (used in) from financing activities	(10,448)	(19,177)	(19,430)	32,017	(31,000)
Increase in cash and cash equivalents	2,807	35,867	10,833	43,970	11,229
Cash conversion effect, net	(288)	(76)	(763)	32	120
Cash and cash equivalents at beginning of period	94,555	83,866	87,004	75,655	75,655
CASH AND CASH EQUIVALENTS AT END OF PERIOD	97,074	119,657	97,074	119,657	87,004
Changes in working capital, excluding taxation:					
Trade accounts receivable, net	(9,139)	16,016	(7,708)	8,254	685
Other accounts receivable	5,441	(45,120)	(23,911)	(60,285)	(31,279)
Inventories, net	(891)	(23,508)	32,872	(61,363)	(135,555)
Trade payables	21,428	(10,314)	(217)	(95,709)	(66,475)
Other current and non-current liabilities	(11,173)	51,055	(7,877)	20,719	6,227
Changes in working capital, excluding taxation	5,666	(11,871)	(6,841)	(188,384)	(226,397)



TRINIDAD CEMENT LIMITED

CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

TT\$'000	CONTROLLING INTEREST			NON-CONTROLLING INTEREST		
	UNAUDITED		AUDITED	UNAUDITED		AUDITED
	Nine Months Jan to Sep		Year Jan to Dec	Nine Months Jan to Sep		Year Jan to Dec
	2023	2022	2022	2023	2022	2022
Balance at beginning of period	699,269	766,470	766,470	175,824	125,721	125,721
Net income (loss)	119,769	116,306	(14,164)	49,478	50,786	71,969
Total items of other comprehensive (loss) income, net	(17,216)	4,033	(54,028)	(10,247)	2,412	297
Dividends	-	-	-	(14,715)	(14,671)	(14,671)
Acquisition of non-controlling interest without change of control	3,092	-	991	(13,657)	-	(7,492)
Balance at end of period	804,914	886,809	699,269	186,683	164,248	175,824

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, 2022 audited consolidated financial statements consistently applied from period to period. The TCL Group has adopted all the new and revised accounting standards that are mandatory for annual accounting periods on or after January 1, 2023 and which are relevant to the TCL Group's operations.

3. Earnings Per Share

Earnings per share (EPS) is calculated by dividing the net income or loss attributable to the 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 and Other Income and Credits

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 TCL Group's readymix concrete business.

Operating expenses comprise administrative, selling, distribution and logistics expenses. Administrative expenses represent expenses related to managerial activities and back office for the TCL Group's management. 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 sales and the customers' facilities.

Other expenses and other income and credits consist primarily of income and expenses not directly related to the TCL Group's main activities, or which are of an unusual and/or non-recurring nature, including royalties, past service cost of pension and post-retirement employee benefits, reversal of impairment losses on property, machinery and equipment, results on disposal of property, machinery and equipment and restructuring costs, among others.

5. Other Accounts Receivable

Other accounts receivable includes a deposit investment account of \$176 million (US\$26 million) in CEMEX Innovation Holdings Limited, a related company, which generates interest at a rate equal to the Western Asset Institutional Liquid Reserves Fund rate plus 30 basis points on a daily basis of a year of 360 days.

SEGMENT INFORMATION

TT\$'000	CEMENT	CONCRETE	PACKAGING	CONSOLIDATION ADJUSTMENTS	TOTAL
UNAUDITED NINE MONTHS JAN TO SEP 2023					
Revenue					
Total	1,773,897	30,878	11,264	-	1,816,039
Inter-segment	(102,157)	(1,008)	(10,368)	-	(113,533)
Third-party	<u>1,671,740</u>	<u>29,870</u>	<u>896</u>	-	<u>1,702,506</u>
Earnings (loss) before taxation	229,384	(1,623)	1,144	-	228,905
Depreciation	84,738	6,224	126	-	91,088
Segment assets	3,520,594	128,130	95,975	(1,272,366)	2,472,333
Segment liabilities	2,492,457	52,268	5,165	(1,069,154)	1,480,736
Capital expenditure	55,050	4,737	-	-	59,787
UNAUDITED NINE MONTHS JAN TO SEP 2022					
Revenue					
Total	1,698,024	42,781	18,555	-	1,759,360
Inter-segment	(180,680)	(3,065)	(22,902)	-	(206,647)
Third-party	<u>1,517,344</u>	<u>39,716</u>	<u>(4,347)</u>	-	<u>1,552,713</u>
Earnings before taxation	244,072	201	1,593	-	245,866
Depreciation	95,030	2,929	354	-	98,313
Segment assets	3,519,116	127,510	73,999	(1,144,844)	2,575,781
Segment liabilities	2,391,815	42,367	13,668	(923,126)	1,524,724
Capital expenditure	58,521	904	-	-	59,425
AUDITED YEAR JAN TO DEC 2022					
Revenue					
Total	2,220,832	54,495	28,292	-	2,303,619
Inter-segment	(206,950)	(3,841)	(31,601)	-	(242,392)
Third-party	<u>2,013,882</u>	<u>50,654</u>	<u>(3,309)</u>	-	<u>2,061,227</u>
Earnings before taxation	159,312	3,560	6,945	-	169,817
Depreciation	126,597	8,462	433	-	135,492
Write-off of property, machinery and equipment	57,015	-	-	-	57,015
Segment assets	3,372,241	125,003	97,559	(1,237,504)	2,357,299
Segment liabilities	2,460,136	46,718	7,933	(1,032,581)	1,482,206
Capital expenditure	112,609	2,684	-	-	115,293