



TRINIDAD CEMENT LIMITED

CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT

FOR THE THREE MONTHS ENDED MARCH 31, 2022



CONDENSED CONSOLIDATED INCOME STATEMENT

TT \$'000	UNAUDITED		AUDITED
	Three Months Jan to Mar		Year Jan to Dec
	2022	2021	2021
Revenue	529,386	492,571	1,896,518
Cost of sales	(343,422)	(337,266)	(1,326,431)
Gross profit	185,964	155,305	570,087
Operating expenses	(75,145)	(59,160)	(257,518)
Write-back (impairment) of trade accounts receivable	66	(431)	(819)
Operating earnings before other (expenses) income, net	110,885	95,714	311,750
Other (expenses) income, net	(13,348)	(2,399)	21,849
Operating earnings	97,537	93,315	333,599
Financial expense	(11,370)	(28,531)	(89,950)
Financial income	16	7	30
Earnings before taxation	86,183	64,791	243,679
Taxation charge	(28,166)	(18,629)	(53,260)
NET INCOME	58,017	46,162	190,419
Non-controlling interest	(18,974)	(15,073)	(49,646)
CONTROLLING INTEREST	39,043	31,089	140,773
Basic and diluted earnings per share - cents (Note 3):	10.5	8.4	37.9

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT \$'000	UNAUDITED		AUDITED
	Three Months Jan to Mar		Year Jan to Dec
	2022	2021	2021
NET INCOME	58,017	46,162	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	2,326	(470)	1,203
Currency translation results of foreign subsidiaries	(1,350)	(12,686)	(34,302)
	976	(13,156)	(33,099)
Total items of other comprehensive income, net	976	(13,156)	43,500
TOTAL COMPREHENSIVE INCOME	58,993	33,006	233,919
Non-controlling interest	(20,523)	(10,552)	(35,396)
CONTROLLING INTEREST	38,470	22,454	198,523

DIRECTORS' STATEMENT

Health and Safety

The TCL Group is pleased to report another incident-free quarter. The health and safety of our people is our top priority. We continue to instill our strong safety culture through our robust safety management system, which promotes ongoing training and monitoring.

We are also encouraged by the lower rate of COVID-19 infections among our employees when compared to the general population in our operating territories. This can be accredited to strict adherence to our 52+ safety protocols, responsible behaviours, and vaccination campaigns that have so far resulted in over 75% of our group-wide workforce being fully vaccinated.

Sustainability

The Group continues its commitment to global climate action. During the first quarter of 2022, our business units in Trinidad and Tobago, Jamaica, and Barbados reduced CO₂ emission rates by more than 7% when compared with the same quarter in 2021. Additionally, Jamaica and Trinidad and Tobago have successfully launched the co-branded Vertua-certified cement that offers at least 15% reduction in carbon emissions during the manufacturing process, while Barbados continues to reduce its heat consumption due to an improvement in its production processes.

Our 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.

Financial Performance

The TCL Group earned revenue of \$529 million in its first quarter, representing 7% growth when compared to the corresponding quarter in 2021. The increase in revenue was driven by continued strong domestic demand and our capacity to supply the market. Furthermore, our revenue from sales has improved with the implementation of

price increases across our markets, aimed at offsetting the significant inflation in most of our inputs.

The operating earnings before other income and expenses for the period was \$111 million and operating earnings after other expenses was \$98 million, representing increases of 15% and 4%, respectively, when compared to the first quarter of the previous year. This increase in operating earnings after other expenses was attributable to higher revenue partially offset by higher operational costs and other expenses incurred during the period.

For Q1, TCL Group's earnings before taxation of \$86 million represents an increase of \$21 million over the corresponding quarter. This increase resulted from the deleveraging initiative undertaken by the Group, which allowed the full repayment of all financial debts in Jamaica. This initiative contributed positively to the reduction of the interest expense and foreign exchange exposure. In the first quarter of 2022, the TCL Group reported a net income of \$58 million, compared to a net income of \$46 million in the same quarter in 2021.

During the first quarter of 2022, the Group generated \$37 million in cash from continuing operations, a 70% reduction from the prior year period. This is a direct result of the negative impact in change of working capital, driven primarily by a reduction of our trade payables, as a result of the cancellation of the factoring program of some services, mainly in Jamaica.

Outlook

We are reassured that the improved financial performance of the Group will continue based on the expected strong demand for cement, driven by the reopening economies in our region. We will remain vigilant with regard to impacts on business continuity due to the ongoing conflict between Ukraine and Russia, which has caused increased costs in fuel, power, and shipping, as well as threats from new strains of the COVID-19 infection.

The Board and Management continue to closely monitor the situation to ensure that our strategies are solid and able to withstand the current challenges and circumstances.

David G. Inglefield
Chairman
April 28, 2022

Francisco Aguilera Mendoza
Managing Director
April 28, 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT \$'000	UNAUDITED		AUDITED
	31.03.22	31.03.21	31.12.21
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	98,792	116,390	75,655
Trade accounts receivable, net	72,017	63,216	61,568
Other accounts receivable	52,852	41,571	34,660
Taxation recoverable	2,086	7,214	3,218
Inventories, net	318,544	257,529	324,522
Total current assets	544,291	485,920	499,623
NON-CURRENT ASSETS			
Investments	1	1	1
Property, machinery and equipment, net	1,629,551	1,643,535	1,646,605
Deferred taxation assets	129,042	135,731	114,564
Employee benefits	133,933	53,338	133,374
Other accounts receivable	-	74	-
Total non-current assets	1,892,527	1,832,679	1,894,544
TOTAL ASSETS	2,436,818	2,318,599	2,394,167
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term debt	-	442,426	-
Other financial obligations	6,854	7,112	7,091
Trade payables	306,124	300,683	356,507
Taxation payable	12,089	4,643	16,321
Other current liabilities	257,670	285,013	266,987
Total current liabilities	582,737	1,039,877	646,906
NON-CURRENT LIABILITIES			
Long-term debt	466,823	116,574	438,760
Other financial obligations	17,601	20,836	19,325
Employee benefits	197,645	244,278	195,146
Deferred taxation liabilities	219,325	203,382	199,121
Other non-current liabilities	1,503	2,374	2,718
Total non-current liabilities	902,897	587,444	855,070
TOTAL LIABILITIES	1,485,634	1,627,321	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	(325,800)	(313,955)	(325,227)
Retained earnings	283,984	65,554	143,211
Net income	39,043	31,089	140,773
Total controlling interest	804,940	590,401	766,470
Non-controlling interest	146,244	100,877	125,721
TOTAL SHAREHOLDERS' EQUITY	951,184	691,278	892,191
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,436,818	2,318,599	2,394,167

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

TT \$'000	UNAUDITED		AUDITED
	Three Months Jan to Mar		Year Jan to Dec
	2022	2021	2021
OPERATING ACTIVITIES			
Net income	58,017	46,162	190,419
Non-cash items:			
Depreciation and amortisation of property, machinery and equipment	30,690	32,169	127,043
Financial expense, net	11,354	28,524	89,920
Pension plan and other post-retirement benefit	(4,144)	6,161	(13,395)
Other items, net	-	(89)	(1,792)
Reversal of impairment losses on property, machinery and equipment	-	-	(21,799)
Taxation charge	28,166	18,629	53,260
Changes in working capital, excluding taxation	(87,355)	(7,198)	(12,443)
Cash generated from operating activities before financial expense, taxation and post-employment benefits paid	36,728	124,358	411,213
Financial expense paid	(2,377)	(3,685)	(25,317)
Taxation paid	(27,023)	(49,192)	(70,740)
Pension plan contributions and other post-retirement benefit paid	(3,562)	(3,869)	(14,764)
Net cash flows from operating activities	3,766	67,612	300,392
INVESTING ACTIVITIES			
Purchase of property, machinery and equipment, net	(10,544)	(15,312)	(147,900)
Proceeds from disposal of assets	-	-	1,790
Net cash flows used in investing activities	(10,544)	(15,312)	(146,110)
FINANCING ACTIVITIES			
Increase (repayment) of debt, net	32,427	(22,663)	(163,058)
Other financial obligations, net	(1,688)	(634)	(1,927)
Net cash flows used in financing activities	30,739	(23,297)	(164,985)
Increase (decrease) in cash and cash equivalents	23,961	29,003	(10,703)
Cash conversion effect, net	(824)	(918)	(1,947)
Cash and cash equivalents at beginning of period	75,655	88,305	88,305
CASH AND CASH EQUIVALENTS AT END OF PERIOD	98,792	116,390	75,655
Changes in working capital, excluding taxation:			
Trade accounts receivable, net	(10,490)	(6,100)	(5,065)
Other accounts receivable	(1,346)	(13,711)	7,241
Inventories, net	6,242	(12,030)	(88,452)
Trade payables	(50,493)	53,572	121,915
Other current and non-current liabilities	(31,268)	(28,929)	(48,082)
Changes in working capital, excluding taxation	(87,355)	(7,198)	(12,443)



CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT

FOR THE THREE MONTHS ENDED MARCH 31, 2022



TRINIDAD CEMENT LIMITED

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	
	2022	2021	2021	2022	2021	2021
Balance at beginning of period	766,470	567,947	567,947	125,721	90,325	90,325
Net income	39,043	31,089	140,773	18,974	15,073	49,646
Total items of other comprehensive income, net	(573)	(8,635)	57,750	1,549	(4,521)	(14,250)
Balance at end of period	804,940	590,401	766,470	146,244	100,877	125,721

SEGMENT INFORMATION

TT \$'000	CEMENT	CONCRETE	PACKAGING	CONSOLIDATION ADJUSTMENTS	TOTAL
UNAUDITED THREE MONTHS JAN TO MAR 2022					
Revenue					
Total	577,499	16,446	7,297	-	601,242
Intersegment	(64,686)	(597)	(6,573)	-	(71,856)
Third party	512,813	15,849	724	-	529,386
Earnings (loss) before taxation	84,819	1,546	(182)	-	86,183
Depreciation	28,635	1,937	118	-	30,690
Segment assets	3,328,860	133,784	70,074	(1,095,900)	2,436,818
Segment liabilities	2,304,795	46,135	11,279	(876,575)	1,485,634
Capital expenditure	10,544	-	-	-	10,544
UNAUDITED THREE MONTHS JAN TO MAR 2021					
Revenue					
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
AUDITED YEAR JAN TO DEC 2021					
Revenue					
Total	2,037,673	67,272	40,212	-	2,145,157
Intersegment	(208,981)	(3,605)	(36,053)	-	(248,639)
Third party	1,828,692	63,667	4,159	-	1,896,518
Earnings (loss) before taxation	229,529	14,704	(554)	-	243,679
Depreciation	119,707	6,740	596	-	127,043
Segment assets	3,261,356	132,690	73,313	(1,073,192)	2,394,167
Segment liabilities	2,316,206	45,571	14,273	(874,074)	1,501,976
Capital expenditure	141,764	6,136	-	-	147,900

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, 2021 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, 2022 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 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 374.648M, the weighted average of 2.845M shares that were held as unallocated shares by the Employee Share Ownership Plan (ESOP).

4. Cost of Sales, Operating and Other Income (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 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 income (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 royalties, past service cost of pension and post-retirement employee benefits, reversal of impairment losses on property, machinery and equipment, results on disposal of assets and restructuring costs, among others.