



CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT



Building a better future

TRINIDAD CEMENT LIMITED

FOR THE SIX MONTHS ENDED JUNE 30, 2024

CONDENSED CONSOLIDATED INCOME STATEMENT

TT \$'000	UNAUDITED		UNAUDITED		AUDITED
	Three Months		Six Months		Year
	Apr to Jun	2023	Jan to Jun	2023	Jan to Dec
	2024	2023	2024	2023	2023
Revenue	607,480	594,564	1,180,871	1,149,254	2,229,602
Cost of sales	(379,797)	(360,367)	(750,330)	(811,758)	(1,512,591)
Gross profit	227,683	234,197	430,541	337,496	717,011
Administrative expenses	(35,985)	(37,542)	(67,078)	(70,715)	(162,630)
Selling expenses	(5,567)	(5,334)	(11,189)	(10,492)	(20,882)
Distribution and logistics expenses	(36,194)	(37,617)	(68,940)	(72,015)	(149,148)
Operating earnings before other expenses and other income and credits	149,937	153,704	283,334	184,274	384,351
Other expenses	(24,551)	(6,841)	(43,418)	(25,690)	(104,365)
Other income and credits	2,176	2,458	4,260	2,908	15,221
Operating earnings	127,562	149,321	244,176	161,492	295,207
Financial expense	(11,943)	(11,420)	(26,146)	(29,344)	(54,773)
Financial income	4,471	1,280	7,489	1,612	6,785
Earnings before taxation	120,090	139,181	225,519	133,760	247,219
Taxation charge	(22,375)	(34,270)	(49,485)	(30,536)	(77,026)
NET INCOME	97,715	104,911	176,034	103,224	170,193
Non-controlling interest	(26,197)	(24,356)	(47,470)	(27,723)	(63,098)
CONTROLLING INTEREST	71,518	80,555	128,564	75,501	107,095
Basic and diluted earnings per share - cents (Note 3)	19.3	21.7	34.6	20.3	28.8

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT \$'000	UNAUDITED	UNAUDITED	AUDITED
	30.06.24	30.06.23	31.12.23
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	481,163	181,229	236,172
Trade accounts receivable, net	45,969	47,579	54,119
Other accounts receivable	76,212	88,373	63,875
Taxation recoverable	2,391	17,901	16,442
Inventories, net	355,745	379,484	378,468
Total current assets	961,480	714,566	749,076
NON-CURRENT ASSETS			
Investments	-	2,270	-
Property, machinery and equipment, net	1,611,935	1,540,748	1,556,352
Deferred taxation assets	103,297	97,074	94,175
Employee benefits	14,410	33,314	25,103
Total non-current assets	1,729,642	1,673,406	1,675,630
TOTAL ASSETS	2,691,122	2,387,972	2,424,706
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term debt	83,500	-	145,450
Other financial obligations	9,407	9,015	8,334
Trade payables	321,375	254,295	287,050
Taxation payable	15,477	15,533	22,046
Provisions	31,825	28,516	31,692
Other current liabilities	293,539	239,393	255,820
Total current liabilities	755,123	546,752	750,392
NON-CURRENT LIABILITIES			
Long-term debt	353,845	480,896	268,586
Other financial obligations	19,756	14,007	19,638
Employee benefits	173,702	184,920	169,741
Deferred taxation liabilities	219,990	204,195	210,108
Provisions	3,917	4,099	3,693
Total non-current liabilities	771,210	888,117	671,766
TOTAL LIABILITIES	1,526,333	1,434,869	1,422,158
SHAREHOLDERS' EQUITY			
Controlling interest:			
Stated capital	827,732	827,732	827,732
Unallocated ESOP shares	(20,019)	(20,019)	(20,019)
Other equity reserves	(340,508)	(323,118)	(334,318)
Retained earnings	449,492	283,214	326,442
Total controlling interest	916,697	767,809	799,837
Non-controlling interest	248,092	185,294	202,711
TOTAL SHAREHOLDERS' EQUITY	1,164,789	953,103	1,002,548
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,691,122	2,387,972	2,424,706

DIRECTORS' STATEMENT

Health and Safety

Across the TCL Group, the health and safety (H&S) of our workforce and contractors is our top strategic priority and core value. Our "Zero4life" slogan reflects our strong dedication to this significant goal, as we work tirelessly towards avoiding job-related injuries and illnesses, vehicular incidents and environmental impacts, supported by accountability, good conduct, and clear communication.

In the second quarter (Q2) of 2024, we continued our trend of no lost time incidents at any of our operations. While proud of our success, we recognise that strong safety results and improvement will always require our attention and efforts.

Our H&S performance continues to be supported by the continuous instilling of safety knowledge and values through practical and theoretical training, Visible Felt Leadership (VFL) initiatives, effective signage, vehicular safety features and active dialogue with our employees and contractors.

The well-being of our employees is also important, and in Q2, additional programmes were initiated in collaboration with the launch of a group-wide 'well-being challenge' that advocates physical activity and offers support for a healthier lifestyle.

Financial Performance

The TCL Group recorded consolidated revenue from continuing operations of \$607 million during the second quarter of 2024, an increase of 2% when compared to the same quarter of 2023.

The Group's adjusted EBITDA of \$184 million in Q2 reflected a decrease of 1% compared to the same period of the previous year. This result reflects the impact of increased costs across the Group.

Also, in the second quarter, the TCL Group reported net income of \$98 million, a decrease of 7% when compared to the same quarter of 2023.

On a year-to-date basis, the Group recorded consolidated revenue from continuing operations of \$1.2 billion, 3% higher than the corresponding period in 2023. The Group's adjusted EBITDA on a year-to-date basis for 2024 was \$351 million, a 43% increase compared to the prior year period. The 2024 operating result includes the benefit of restructuring activities while the 2023 result includes major maintenance costs incurred during the first quarter of the prior year. Throughout this year, the Group has generated accumulated net income of \$176 million, a noteworthy increase of 70% when compared to the same period in 2023.

During Q2 of 2024, the TCL Group generated net cash of \$215 million from operating activities and invested \$87 million in capital expenditure and \$132 million in short term interest-bearing deposits. On a year-to-date basis, the TCL Group generated \$341 million from operating activities due to improved working capital management.

Sustainability

Our focus remains on achieving sustainable excellence through climate action, including circularity, and the responsible use of natural resources in our operations in line with Cemex's "Future in Action" strategy.

As we continue to align with Cemex's target of becoming a net-zero CO₂ company by 2050, we are pleased to report that as at the end of Q2 2024, the year-on-year reduction in our carbon emissions was 18.7 kilogrammes (kgs) of net CO₂ per metric tonne (2.6pp net).

In Jamaica, we have been driving circularity through the successful co-processing of waste and tyres as alternative fuel for our operations as per our agreement with the government

of Jamaica to reduce local environmental impacts. We have also continued to reduce our waste both on plant and in the Kingston Harbour through ongoing collaboration with external stakeholder, Clean Harbours Jamaica Ltd. This is in line with our Cemex Regenera strategy and our plans to drive the restoration of ecosystems in the Kingston Harbour. Our recent partnerships with local companies successfully saw completion of 'The Great Mangrove Clean Up' in the Kingston Bay where a total of 197.5 kgs of waste was collected at our shared site along the Palisades strip. Our contribution to this project aligns with our 'Future in Action' goals, particularly in addressing climate change and striving for carbon neutrality.

In Trinidad and Tobago, our trials are continuing for the use of waste oil as an alternative fuel by year end at our Claxton Bay cement plant, while we are also working to achieve further excellence with coprocessing. Our team has executed coastal clean-up activities which saw the removal of 553 kgs of waste from Scotland Bay. A most notable accomplishment has also been our use of alternative raw materials in the manufacture of our products to reduce our CO₂ footprint. TCL has also contributed to the use of high non-freshwater consumption across the Group by using the company's ponds at its Mayo quarry to capture rainwater.

In Barbados, we have extended our responsibility by continuing to explore the opportunity for implementing projects around Construction Demolition and Excavation Waste management at one of our quarries. This will allow us to close the gap on the impact of construction waste.

All these achievements and collaborations aimed at building a better future are consistent with our dedication to the Group's decarbonisation goals, and ultimately, sustainable excellence.

Outlook

We will remain focused on our key strategic priorities of Health and Safety, Customer Centricity, Innovation, Sustainability, and EBITDA Growth aimed at the creation of value for all our stakeholders.

We are enthusiastic about our climate action initiatives and therefore the strides being made in our journey to carbon neutrality. We will continue to drive progress in this area carefully adhering to our 'Future in Action' plan including further investments in the development of low-carbon brands and solutions, and the reception, management, recycling and co-processing of waste under Cemex's Regenera business line.

We are confident about maintaining our strong share of the CARICOM market, supported by excellent customer service and value propositions for our customers, and we remain well positioned to create and develop growth opportunities. Consequently, our recent initiatives included the implementation of our Call Centre in Trinidad & Tobago (followed by Jamaica, Barbados, and Guyana), and the opening of more Construrama stores in Trinidad & Tobago. Notably, phase one of our expansion programme in Jamaica which is designed to increase Caribbean Cement Company Limited's production capacity by up to 30 percent is carded for completion by early 2025 and will bolster the national cement supply as well as cater to other regional markets.

While our robust performance is a good indicator of ongoing growth, the Board and Management are cautiously optimistic and will remain vigilant, especially considering the persistent global economic uncertainty and its potential impact on our region.

We take this opportunity to express our deep concern for our neighbours affected by Hurricane Beryl. Through our community care programme, our teams have been contributing to the relief efforts and we are confident that together, we can rebuild.

David G. Inglefield
Chairman
July 26, 2024

Francisco Aguilera Mendoza
Managing Director
July 26, 2024

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT \$'000	UNAUDITED		UNAUDITED		AUDITED
	Three Months		Six Months		Year
	Apr to Jun	2023	Jan to Jun	2023	Jan to Dec
	2024	2023	2024	2023	2023
NET INCOME	97,715	104,911	176,034	103,224	170,193
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	-	2,269	(1)
Net actuarial gains (losses) from remeasurements of employee benefit plans	99	-	(7,987)	-	17,055
Taxation recognised directly in other comprehensive income	-	-	2,456	-	(4,577)
	99	2,269	(5,531)	2,269	12,477
Items that are or may be reclassified subsequently to the income statement					
Effects from derivative financial instruments designated as cash flow hedges	1,988	1,109	1,847	(2,273)	(4,155)
Currency translation results of foreign subsidiaries	(11,542)	(36,102)	(10,109)	(14,645)	(22,162)
	(9,554)	(34,993)	(8,262)	(16,918)	(26,317)
Total items of other comprehensive loss, net	(9,455)	(32,724)	(13,793)	(14,649)	(13,840)
TOTAL COMPREHENSIVE INCOME	88,260	72,187	162,241	88,575	156,353
Non-controlling interest	24,074	18,819	45,381	23,127	58,877
Controlling interest	64,186	53,368	116,860	65,448	97,476
TOTAL COMPREHENSIVE INCOME	88,260	72,187	162,241	88,575	156,353



TRINIDAD CEMENT LIMITED

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FOR THE SIX MONTHS ENDED JUNE 30, 2024



Building a better future

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

TT \$'000	UNAUDITED		UNAUDITED		AUDITED
	Three Months		Six Months		Year
	Apr to Jun		Jan to Jun		Jan to Dec
	2024	2023	2024	2023	2023
OPERATING ACTIVITIES					
Net income	97,715	104,911	176,034	103,224	170,193
Non-cash items:					
Depreciation of property, machinery and equipment	34,119	32,350	67,479	60,495	129,973
Financial expense, net	7,472	10,140	18,657	27,732	47,988
Pension plan and other post-retirement benefit	4,468	4,186	9,067	8,373	17,012
(Gain) loss from the disposal of assets and others, net	(4)	–	309	–	1,890
Impairment losses and write-off of property, machinery and equipment	–	–	–	–	19,409
Taxation charge	22,375	34,270	49,485	30,536	77,026
Changes in working capital, excluding taxation	64,554	(80,216)	56,756	(12,507)	(1,684)
Cash generated from operating activities before financial expense, taxation and post-employment benefits paid	230,699	105,641	377,787	217,853	461,807
Financial expense paid	(3,618)	(11,774)	(6,862)	(17,244)	(20,987)
Financial income received	4,471	1,280	7,489	1,612	6,785
Taxation paid	(13,633)	(16,796)	(30,150)	(54,830)	(87,776)
Pension plan contributions and other post-retirement benefit paid	(2,604)	(2,686)	(6,287)	(6,549)	(12,738)
Net cash flows from operating activities	215,315	75,665	341,977	140,842	347,091
INVESTING ACTIVITIES					
Purchase of property, machinery and equipment	(87,231)	(23,599)	(107,597)	(37,160)	(126,391)
Net cash flows used in investing activities	(87,231)	(23,599)	(107,597)	(37,160)	(126,391)
FINANCING ACTIVITIES					
Proceeds from debt	29,216	37,928	45,216	80,611	94,606
Repayment of debt	(14,000)	(48,078)	(28,866)	(75,178)	(127,561)
Other financial obligations	(1,197)	(1,535)	(3,940)	(3,850)	(9,074)
Dividends paid	–	–	–	–	(18,333)
Acquisition of non-controlling interests	–	(10,565)	–	(10,565)	(10,565)
Net cash flows from (used in) financing activities	14,019	(22,250)	12,410	(8,982)	(70,927)
Increase in cash and cash equivalents from operations	142,103	29,816	246,790	94,700	149,773
Cash conversion effect, net	(1,612)	(611)	(1,799)	(475)	(605)
Cash and cash equivalents at beginning of period	340,672	152,024	236,172	87,004	87,004
CASH AND CASH EQUIVALENTS AT END OF PERIOD	481,163	181,229	481,163	181,229	236,172
Changes in working capital, excluding taxation:					
Trade accounts receivable, net	(1,340)	3,946	7,912	1,431	(5,176)
Other accounts receivable	5,464	(35,889)	(15,464)	(29,352)	15,310
Inventories, net	38,350	(44,890)	20,283	33,763	33,724
Trade payables	37,119	(25,541)	36,129	(21,645)	11,673
Other current and non-current liabilities	(15,039)	22,158	7,896	3,296	(57,215)
Changes in working capital, excluding taxation	64,554	(80,216)	56,756	(12,507)	(1,684)

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
	2024	2023	2023	2024	2023	2023
Balance at beginning of period	799,837	699,269	699,269	202,711	175,824	175,824
Net income	128,564	75,501	107,095	47,470	27,723	63,098
Total items of other comprehensive loss, net	(11,704)	(10,053)	(9,619)	(2,089)	(4,596)	(4,221)
Dividends	–	–	–	–	–	(18,333)
Acquisition of non-controlling interest without change of control	–	3,092	3,092	–	(13,657)	(13,657)
Balance at end of period	916,697	767,809	799,837	248,092	185,294	202,711

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, 2023 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, 2024 and which are relevant to the TCL Group's operations.

CONDENSED CONSOLIDATED SEGMENT INFORMATION

TT \$'000	CEMENT	CONCRETE	PACKAGING	CONSOLIDATION ADJUSTMENTS	TOTAL
UNAUDITED SIX MONTHS JAN TO JUN 2024					
Revenue					
Total	1,153,208	52,130	3,691	–	1,209,029
Inter-segment	(23,371)	(1,400)	(3,387)	–	(28,158)
Third-party	1,129,837	50,730	304	–	1,180,871
Earnings (loss) before taxation	222,253	3,587	(321)	–	225,519
Depreciation	64,075	3,337	67	–	67,479
Segment assets	3,677,265	129,680	41,155	(1,156,978)	2,691,122
Segment liabilities	2,617,665	62,212	3,436	(1,156,980)	1,526,333
Capital expenditure	109,134	3,594	–	–	112,728
UNAUDITED SIX MONTHS JAN TO JUN 2023					
Revenue					
Total	1,184,344	32,497	7,165	–	1,224,006
Inter-segment	(67,496)	(809)	(6,447)	–	(74,752)
Third-party	1,116,848	31,688	718	–	1,149,254
Earnings (loss) before taxation	134,610	(1,261)	411	–	133,760
Depreciation	56,274	4,137	84	–	60,495
Segment assets	3,410,134	124,499	93,899	(1,240,560)	2,387,972
Segment liabilities	2,422,193	47,493	3,822	(1,038,639)	1,434,869
Capital expenditure	35,543	1,617	–	–	37,160
AUDITED YEAR JAN TO DEC 2023					
Revenue					
Total	2,284,489	78,794	16,306	–	2,379,589
Inter-segment	(133,781)	(1,366)	(14,840)	–	(149,987)
Third-party	2,150,708	77,428	1,466	–	2,229,602
Earnings (loss) before taxation	246,579	(499)	1,139	–	247,219
Depreciation	121,925	7,886	162	–	129,973
Impairment losses and write-off of property, machinery and equipment	19,409	–	–	–	19,409
Segment assets	3,409,715	129,977	42,090	(1,157,076)	2,424,706
Segment liabilities	2,310,873	54,207	4,051	(946,973)	1,422,158
Capital expenditure	135,140	5,296	–	–	140,436

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 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. Subsequent Event

At the Annual Meeting of Trinidad Cement Limited (TCL) held on July 5, 2024, the shareholders of TCL declared a final dividend of \$0.08 per ordinary share, to be paid on September 9, 2024, to shareholders on record as at August 13, 2024, with an ex-dividend date of August 12, 2024.