

CHAIRMAN'S REVIEW

The West Indian Tobacco Company Limited recorded a Profit Before Tax of \$19.6 million for the three months ended 31 March 2024. This represents a decrease of \$27.8 million or 58.6% over the corresponding period in 2023. Profit for the period was \$13.5 million, reflecting a decrease of 60.4% or \$20.6 million over 2023.

Decline in performance was anticipated over the previous financial quarter however, the shortfall was exacerbated by decrease in volumes in January in our export markets, in particular, Colombia, Guyana and Jamaica, as they managed their inventories. Despite recovery over the remaining months of the financial quarter, the slide in revenue did not allow for full recuperation. Factors affecting this quarter's performance have been remedied.

Our dedication to innovation remains unwavering as we continue to develop new products that will drive our future growth and maintain our position as a market leader. Our entrance into the vapour category with the launch of the leading worldwide vaping brand, VUSE, supports our mission to offer consumers in Trinidad & Tobago high-quality offers in their chosen format. Having created awareness and increased brand visibility during the Carnival Celebrations of 2024, VUSE was well positioned for its successful launch in April. This product offering is a direct response to consumer demand, and its performance thus far has been encouraging.

Looking ahead, we are confident that investment in our products and processes will position us for stronger performance. Our strategic decisions will pave the way for sustained growth and value creation for our shareholders. In light of the quarterly delivery, however, it is prudent at this time to defer any dividend distribution.




Ingrid L-A Lashley
Chairman
08 May 2024

SUMMARY STATEMENT OF FINANCIAL POSITION

	UNAUDITED 31.03.24 TT\$'000	UNAUDITED 31.03.23 TT\$'000	AUDITED 31.12.23 TT\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	278,047	280,164	282,407
Deferred income tax asset	14,238	13,618	12,893
	292,285	293,782	295,300
Current assets			
Inventories	71,030	88,109	61,651
Trade and other receivables	158,333	108,991	266,027
Taxation recoverable	1,888	4,969	1,888
Cash and cash equivalents	319,005	285,640	268,102
	550,256	487,709	597,668
Total assets	842,541	781,491	892,968
EQUITY			
Share capital	42,120	42,120	42,120
Revaluation surplus	60,645	57,746	60,645
Retained earnings	448,866	386,389	435,386
Total equity	551,631	486,255	538,151
LIABILITIES			
Non-current liabilities			
Deferred income tax liability	49,878	44,785	49,087
Retirement benefit obligation	849	4,695	2,129
Post-employment medical benefit obligation	4,707	4,729	4,974
Lease liabilities	3,503	3,653	3,814
	58,937	57,862	60,004
Current liabilities			
Trade and other payables	119,374	101,221	167,585
Due to parent company	72,582	88,475	73,618
Dividends payable	38,067	46,459	38,310
Taxation payable	-	-	13,173
Lease liabilities	1,950	1,219	2,127
	231,973	237,374	294,813
Total liabilities	290,910	295,236	354,817
Total equity and liabilities	842,541	781,491	892,968



Ingrid L-A Lashley
Chairman



Raoul Glynn
Managing Director

SUMMARY STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED Three Months Ended 31.03.24 TT\$'000	UNAUDITED Three Months Ended 31.03.23 TT\$'000
Revenue	74,640	124,914
Cost of sales	(34,080)	(51,504)
Gross profit	40,560	73,410
Distribution costs	(1,504)	(1,729)
Administrative expenses	(17,730)	(16,635)
Other operating expenses	(2,373)	(8,670)
Operating profit	18,953	46,376
Finance income	795	1,133
Finance cost	(114)	(110)
Profit before taxation	19,634	47,399
Taxation	(6,154)	(13,363)
Profit for the period	13,480	34,036
Other comprehensive income:		
Items that will not be reclassified to profit or loss	-	-
Total comprehensive income for the period	13,480	34,036
Earnings per ordinary share	\$0.05	\$0.13

SUMMARY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital TT\$'000	Revaluation Surplus TT\$'000	Retained Earnings TT\$'000	Shareholders' Equity TT\$'000
Unaudited Three Months Ended 31 March 2024				
Balance at 1 January 2024	42,120	60,645	435,386	538,151
Comprehensive income				
Profit for the period	-	-	13,480	13,480
Balance at 31 March 2024	42,120	60,645	448,866	551,631
Unaudited Three Months Ended 31 March 2023				
Balance at 1 January 2023	42,120	57,986	352,113	452,219
Comprehensive income				
Profit for the period	-	-	34,036	34,036
Other comprehensive income				
Depreciation transfer on buildings - net of tax	-	(240)	240	-
Balance at 31 March 2023	42,120	57,746	386,389	486,255

SUMMARY STATEMENT OF CASH FLOWS

	UNAUDITED Three Months Ended 31.03.24 TT\$'000	UNAUDITED Three Months Ended 31.03.23 TT\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	19,634	47,399
Adjustments for:		
Depreciation	4,597	4,180
Net decrease in retirement and other post-employment benefit obligations excluding actuarial losses	(1,547)	(1,412)
Interest income	(795)	(1,133)
Interest expense	114	110
Operating profit before working capital changes	22,003	49,144
Changes in working capital:		
Increase in inventories	(9,379)	(2,811)
Decrease in trade and other receivables	107,694	15,286
Decrease in trade and other payables	(41,235)	(27,051)
Decrease in due to parent company	(1,036)	(12,379)
Cash generated from operating activities	78,047	22,189
Interest paid	(114)	(110)
Taxation paid	(26,858)	(11,335)
Net cash from operating activities	51,075	10,744
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(236)	(841)
Interest received	795	1,133
Net cash used in investing activities	559	292
CASH FLOWS USED IN FINANCING ACTIVITIES		
Dividends paid	(243)	(1,157)
Lease payments	(488)	(611)
Net cash used in financing activities	(731)	(1,768)
Net increase in cash and cash equivalents	50,903	9,268
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	268,102	276,372
CASH AND CASH EQUIVALENTS AT END OF PERIOD	319,005	285,640
Represented by:		
Cash at bank and in hand	224,364	143,975
Short-term deposits	94,641	141,665
	319,005	285,640

NOTES TO THE SUMMARY INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2024

Note 1: General Information

The West Indian Tobacco Company Limited is incorporated in the Republic of Trinidad and Tobago. The Company is listed on the Trinidad and Tobago Stock Exchange. The address of the registered office is Corner Eastern Main Road and Mount D'or Road, Champs Fleurs, Trinidad, West Indies. It is a subsidiary of British American Tobacco (Investments) Limited, a company registered in the United Kingdom. Its ultimate parent company is British American Tobacco p.l.c., a company registered in the United Kingdom.

The principal business activities of the Company are the manufacture and sale of cigarettes.

This summary financial information was approved for issue on 08 May 2024.

Note 2: Basis of Preparation

This summary financial information for the three-month period ended 31 March 2024, has been prepared in accordance with International Accounting Standard 34 (IAS34), 'Interim Financial Reporting' as well as the requirements of the Securities Act 2012 which goes beyond IAS 34. The summary interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Note 3: Material Accounting Policy

The financial statements are prepared on the historical cost basis except for the inclusion of the net defined benefit asset (obligation) which is recognised at the fair value of plan assets, adjusted by remeasurement through other comprehensive income ("OCI"), less the present value of the defined benefit obligation adjusted by experience gains/losses on revaluation. Revaluation of land and building are recorded at fair value less depreciation and impairment losses.

Note 4: Segment Information

Primary reporting format – geographical segment

	CARICOM & Unallocated			Total
	Domestic	Non-CARICOM	Unallocated	
	TT\$'000	TT\$'000	TT\$'000	TT\$'000
Three months ended 31 March 2024				
Revenue	58,483	16,157	-	74,640
Gross Profit	40,913	(353)	-	40,560
Profit for the period includes:				
- Depreciation			(4,597)	(4,597)
Three months ended 31 March 2023				
Revenue	94,989	29,925	-	124,914
Gross Profit	49,371	2,133	-	51,504
Profit for the period includes:				
- Depreciation			(4,180)	(4,180)
Total segment assets				
31 March 2024	166,449	61,055	615,037	842,541
31 March 2023	119,680	77,781	584,030	781,491

Company is organised and managed on the basis of two geographic regions, namely the Domestic market and the CARICOM market. During 2023, the Company was also contracted as a contingent supplier to a Non-CARICOM market. The Non-CARICOM market was included with the CARICOM market. These are the reportable segments for the Company as they form the focus of the Company's internal reporting systems and are the basis used by the Managing Director and the local management team, as the chief operating decision makers, for assessing performance and allocating resources.

The Company is a single product business providing cigarettes. While the Company has clearly differentiated brands, segmentation among a wide portfolio of brands is not part of the regular internally reported financial information.

Primary reporting format – geographical segment

With the exception of the Domestic market, no other individual country within the CARICOM market contributes more than 10% of total revenue. Information is analysed by segment only where relevant and applicable. Where there is no logical allocation basis, items have been disclosed as unallocated.

All the Company's non-current assets are located in Trinidad and Tobago. Revenues from the two customers of the Company's Domestic segment represented approximately \$58,483,000 (2023: \$94,989,000) of the Company's total revenues. This consists of a 50% split between the two companies.

	31.03.24 TT\$'000	31.03.23 TT\$'000
--	------------------------------	------------------------------

Note 5: Related Party Transactions

Sale of goods and services:

Sale of goods - related parties	16,157	29,925
Recharge of services - related parties	4,984	5,393

Purchase of goods and services:

Purchase of goods - related parties	17,246	13,528
Purchase of services - related parties	9,845	8,402
Purchase of services - parent company	2,832	3,608

Period end balances arising from sales/

purchases of goods and services:

Receivables from related parties	36,231	25,735
Payables to related parties	40,409	16,661
Payables to parent company	3,590	-

Key management compensation

Salaries and other short-term employee benefits	3,270	3,133
Post-retirement medical obligations	2	1
Post-retirement benefits	141	92

Note 6: Capital Commitments

Authorised and contracted for, and not provided for in the financial statements	11,061	1,378
---	--------	-------

Note 7: Contingent Liabilities

Customs & immigration bonds	24,982	24,930
-----------------------------	--------	--------

Note 8: Dividends Paid/Payable On Ordinary Shares

Final dividend – prior year	131,414	65,707
	131,414	65,707

The Board has taken the decision not to pay an interim dividend for the three months ended 31 March 2024.