



National Flour Mills Limited and its Subsidiary

UNAUDITED RESULTS AS AT SEPTEMBER 30, 2024 (EXPRESSED IN THOUSANDS OF TRINIDAD AND TOBAGO DOLLARS)

CHAIRMAN'S REVIEW

Dear Shareholders

I am pleased to report that for the period ended September 30th, 2024, NFM continued its strong, in-year performance recording a profit of \$38.3M as compared to \$26M for the comparative period in 2023 and \$35.4M for the period ending December 31st 2023.

While revenue declined 10% year on year from \$431M in 2023 to \$386M in 2024, the cost of sales declined by 15.8% from \$320M in 2023 to \$270M for the comparative period in 2024. This was attributable to favourable grain prices and prudent grain purchasing. The stability of expenses and a significant decrease in finance costs were also contributory factors.


At the Annual General Meeting held on September 27th, 2024, two directors retired. Mr. Nigel Romano retired as a director and Chairman after laying a strong foundation for the company. Ms. Annalee Inniss also retired and I wish to express my sincere gratitude and appreciation to both of them. At the AGM, we also welcomed three new directors, Ms. Stacy Adams, Mr. David Robinson along with myself.

I wish to assure all of our shareholders that despite these changes, the Board remains committed to the pursuit of strategies to achieve sustained profitability. Apart from completing the initiatives already in progress, there will be a strong emphasis on increasing exports and deepening our footprint throughout the Caribbean.

The installation of the new Dry-Mix Pouch Packaging line following on the heels of the new 2KG Packaging line earlier this year is consistent with this strategy. We look forward to providing you, our customers with our traditional dry-mix products in new and improved reusable pouch packaging, and significantly enhancing your experience of using our products.

Our focus continues to be on product and process innovation as well as marketing innovation as increased exports will directly impact profitability. To support this thrust, the training and development of our people continues to be a priority.

I wish to thank the loyal employees of NFM for their continued hard work and dedication as well as the directors of the company for their effective oversight and guidance. I also wish to thank all of our other stakeholders for their continued support and trust that we can continue to count on that support.


Ashmeer Mohamed
Chairman

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED NINE MONTHS ENDED		AUDITED 31-Dec-23 \$'000
	30-Sep-24 \$'000	30-Sep-23 \$'000	
ASSETS			
Current assets			
Cash and cash equivalents	45,992	29,085	18,305
Accounts receivable and prepayments	98,153	101,426	90,824
Amounts due from the GORTT	334	1,890	-
Inventories	86,027	125,775	131,071
Restricted deposit	1,598	1,593	1,598
Taxation recoverable	4,264	-	4,266
	<u>236,368</u>	<u>259,769</u>	<u>246,064</u>
Non-current assets			
Retirement benefit asset	15,052	19,204	12,567
Investment at fair value through OCI	866	724	866
Right of use asset	3,617	4,510	4,317
Property, plant and equipment	188,033	151,787	168,754
Intangible assets	1,045	1,167	1,069
Deferred tax assets	13,384	11,914	13,384
	<u>221,997</u>	<u>189,306</u>	<u>200,957</u>
Total assets	<u>458,365</u>	<u>449,075</u>	<u>447,021</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accruals	46,697	43,637	41,064
Amount due to the GORTT	-	-	285
Borrowings	-	35,000	25,000
Current portion of lease liabilities	2,378	1,200	2,378
Taxation payable	-	4,893	8,901
Related parties	76	134	76
	<u>49,151</u>	<u>84,864</u>	<u>77,704</u>
Non-current liabilities			
Deferred taxation	37,873	38,471	37,874
Medical and life assurance plan	39,415	37,370	37,452
Lease liabilities	3,579	5,176	4,043
	<u>80,867</u>	<u>81,017</u>	<u>79,369</u>
Total liabilities	<u>130,018</u>	<u>165,881</u>	<u>157,073</u>
Shareholders' equity			
Stated capital	120,200	120,200	120,200
Treasury shares	(4,189)	(3,319)	(4,189)
Retained earnings	214,204	168,181	175,805
Other reserves	(1,868)	(1,868)	(1,868)
Total equity	<u>328,347</u>	<u>283,194</u>	<u>289,948</u>
Total liabilities and shareholders' equity	<u>458,365</u>	<u>449,075</u>	<u>447,021</u>

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated Capital \$'000	Treasury Shares \$'000	Retained Earnings \$'000	Other Reserves \$'000	Total \$'000
Balance as at January 1, 2024	120,200	(4,189)	175,805	(1,868)	289,948
Profit/(loss) for the period	-	-	38,354	-	38,354
Other movements	-	-	46	-	46
Balance as at September 30, 2024	<u>120,200</u>	<u>(4,189)</u>	<u>214,204</u>	<u>(1,868)</u>	<u>328,347</u>
Balance as at January 1, 2023	120,200	(3,319)	145,776	(1,868)	260,789
Profit/(loss) for the period	-	-	26,003	-	26,003
Transactions with owners of the Company:					
Dividends declared	-	-	(3,606)	-	(3,606)
Other movements	-	-	8	-	8
Balance as at September 30, 2023	<u>120,200</u>	<u>(3,319)</u>	<u>168,181</u>	<u>(1,868)</u>	<u>283,194</u>
Balance as at January 1, 2023	120,200	(3,319)	145,776	(1,868)	260,789
Profit for the year	-	-	35,452	-	35,452
Loss on revaluation of treasury shares	-	(870)	-	-	(870)
Gain on investment at fair value through OCI	-	-	142	-	142
Re-measurement of retirement benefit asset and medical and life assurance plan, net of tax	-	-	(1,794)	-	(1,794)
Other movements	-	-	(165)	-	(165)
Dividends declared	-	-	(3,606)	-	(3,606)
Balance as at December 31, 2023	<u>120,200</u>	<u>(4,189)</u>	<u>175,805</u>	<u>(1,868)</u>	<u>289,948</u>

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

1. Basis of Preparation

The summary interim consolidated financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the interim summary consolidated statement of financial position, interim consolidated statement of comprehensive income, interim summary consolidated statement of changes in equity and interim summary consolidated statement of cash flows. These interim summary consolidated financial statements are derived from the unaudited consolidated financial statements of National Flour Mills Limited and its subsidiary for the period September 30th, 2024 prepared in accordance with International Financial Reporting Standards.

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED NINE MONTHS ENDED		AUDITED YEAR ENDED 31-Dec-23 \$'000
	30-Sep-24 \$'000	30-Sep-23 \$'000	
Revenue	386,148	431,311	577,333
Cost of sales	(270,008)	(320,858)	(425,283)
Gross profit	116,140	110,453	152,050
Selling and distribution expenses	(34,459)	(32,028)	(47,456)
Administrative expenses	(40,112)	(38,727)	(52,117)
Other operating income	4,590	4,332	6,843
Operating profit/(loss)	46,159	44,030	59,320
Finance cost	(782)	(4,608)	(5,063)
Profit/(loss) before taxation	45,377	39,422	54,257
Taxation	(7,023)	(13,419)	(18,805)
Profit/(loss) after taxation	38,354	26,003	35,452
Other comprehensive income/(loss):			
Items that will never be reclassified to profit or loss			
Re-measurement of retirement benefit asset	-	-	(2,816)
Re-measurement of medical and life assurance plan	-	-	254
Changes to deferred taxes related to remeasurements	-	-	769
Gain/(loss) on investment at fair value through OCI	-	-	142
(Loss)/gain on revaluation of treasury shares	-	-	(870)
Other comprehensive (loss)/income, net of tax	-	-	(2,521)
Total comprehensive income/(loss) for the period	<u>38,354</u>	<u>26,003</u>	<u>32,931</u>
Basic earnings per share (in cents)	32.49	22.04	30.03

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED NINE MONTHS ENDED		AUDITED YEAR ENDED 31-Dec-23 \$'000
	30-Sep-24 \$'000	30-Sep-23 \$'000	
Cash flows from operating activities			
Profit/(loss) before taxation	45,377	39,422	54,257
Adjustments for:			
Depreciation	12,177	11,231	15,102
Amortisation	1,074	1,232	1,527
Lease interest expense	261	261	319
Interest and finance costs	12	3,473	4,027
Interest income	(6)	(29)	(171)
Dividend income	(158)	(83)	(192)
Gain or loss on foreign exchange	45	9	717
(Loss)/gain on revaluation of treasury shares	-	-	(870)
Retirement benefit expense	-	-	5,449
Medical plan expense	2,078	-	3,184
Retirement benefit asset contributions paid	(2,485)	(5,806)	(7,434)
Medical and life assurance plan contributions paid	(115)	1,617	(1,232)
Provision for doubtful accounts	900	900	(686)
Gain on investment at fair value through OCI	-	-	(142)
Dividend proposed	-	(3,606)	-
Operating profit before working capital changes	59,160	48,621	73,855
Changes in working capital:			
(Increase)/decrease in accounts receivable and prepayments	(8,229)	(19,274)	(11,233)
(Increase)/decrease in inventories	45,044	47,778	42,482
Increase/decrease in accounts payable and accruals	5,633	(45,055)	(47,628)
Increase/(decrease) in amounts due to/from GORTT	(619)	(1,020)	1,155
Increase in current amounts due to related parties	-	-	(58)
Taxes refunded	-	-	4,147
Cash generated from operating activities	100,989	31,050	62,720
Interest paid	(12)	(3,473)	(4,921)
Taxes paid	(15,908)	(4,262)	(11,055)
Net cash generated from operating activities	<u>85,069</u>	<u>23,315</u>	<u>46,744</u>
Cash flows from investing activities			
Increase in restricted deposits	-	(9)	(14)
Redemption of VAT bonds	-	5,460	5,460
Disposal of fixed asset	10	1	-
Sale of investments	-	-	14
Purchase of property, plant and equipment	(31,467)	(6,458)	(27,298)
Dividend income	158	83	192
Interest received on investments	6	29	171
Purchase of intangible assets	(350)	-	(3)
Net cash used in investing activities	<u>(31,643)</u>	<u>(894)</u>	<u>(21,478)</u>
Cash flows from financing activities			
Borrowings repaid	(25,000)	(40,757)	(50,757)
Dividends paid	-	-	(3,606)
Lease liability repaid	(739)	(1,102)	(1,121)
Net cash (used in)/generated from financing activities	<u>(25,739)</u>	<u>(41,859)</u>	<u>(55,484)</u>
Net change in cash and cash equivalents	27,687	(19,438)	(30,218)
Cash and cash equivalents at the start of the year	18,305	48,523	48,523
Cash and cash equivalents at the end of the period/year	<u>45,992</u>	<u>29,085</u>	<u>18,305</u>

 Director

 Director