Unilever Caribbean Limited

Unaudited Financial Statements

for the Half Year ended 30 June 2021

Expressed in Trinidad & Tobago Dollars

CHAIRMAN'S REVIEW

The second quarter of 2021 was another eventful period in which the pandemic continued to impact people's lives and adversely affected economies across the Caribbean. Market conditions have remained challenging, with further lockdown measures and curfews having been put in place. In spite of these conditions, the Company managed to deliver top-line growth versus the prior year during the second quarter, while it continued to drive improved bottom-line performance. This resulted in Profit before tax for the first half of the year of $24.3 million, a 184.9% increase versus the prior year.

Q2 2021 Revenue was $68.5 million, a 3.5% increase versus Q2 2020. This was mainly driven by strong growth in the export markets, mostly within the Beauty and Personal Care categories. Sales in the Home Care category remain under pressure, especially in the local market, as the overall usage of Fabric Cleaning products has decreased. H1 Revenue was $139.2 million, down 5.7% versus the prior year. This was mostly due to the cycling on higher sales in the Home Care category in Q1 2020, and the reduction in Fabric Cleaning products in 2021.

The Company once again delivered strong profitability during the second quarter with an Operating Profit of $11.0 million, bringing the total for H1 to $23.2 million, which is more than triple that of the prior year. The new Home Care business model, reductions in distribution and warehousing costs, and growth in Beauty and Personal Care sales continue to contribute significantly to the delivery of the profit. The Company had strong cash generation from operating activities, and increased its cash position by $3.6 million during Quarter 2, despite paying out $15.7 million of dividends during the quarter.

Looking ahead, we anticipate positive signs as markets are in the process of reducing some of their Covid-19 restrictions and slowly opening up their economies further. The situation however remains unpredictable. The Company is determined, however, to capture any opportunity that this will bring, but will remain cautious and monitor the situation in each of the markets, as it continues to prioritise health and safety.

As a result of the strong cash generation and financial improvements, the Board of Directors declared an interim dividend of $0.20 per share, amounting to $5.2 million. These financial statements do not yet reflect this dividend.

Rodrigo Sotomayor
Chairman

SUMMARY STATEMENT OF FINANCIAL POSITION

	Unaudited as at 30-Jun-21 $'000	30-Jun-20 $'000	Audited 31-Dec-20 $'000
ASSETS			
Non-current assets			
Property, plant and equipment	**68,464**	62,428	65,802
Retirement benefit asset	**111,537**	92,203	109,505
Deferred tax asset	**8,082**	14,462	15,156
	188,083	169,093	190,463
Current assets			
Inventories	**26,755**	44,824	25,757
Taxation recoverable	**9,559**	9,702	9,559
Trade and other receivables	**95,240**	98,328	81,232
Value added tax recoverable	**12,663**	9,163	10,605
Due from related companies	**43,067**	62,929	43,574
Cash at bank and in hand	**74,366**	32,671	75,384
	261,650	257,617	246,111
Total assets	**449,733**	426,710	436,574
EQUITY AND LIABILITIES			
EQUITY			
Stated capital	**26,244**	26,244	26,244
Property revaluation surplus	**36,568**	35,643	36,568
Retained earnings	**228,534**	204,279	228,775
Total equity	**291,346**	266,166	291,587
LIABILITIES			
Non-current liabilities			
Retirement and termination benefit obligation	**8,813**	10,397	9,362
Lease liabilities	**894**	364	-
Deferred tax liabilities	**36,206**	26,416	35,284
	45,913	37,177	44,646
Current liabilities			
Trade and other payables	**57,759**	59,626	53,922
Lease liabilities	**2,436**	4,844	136
Provisions for other liabilities	**5,342**	4,298	6,888
Due to related companies	**46,937**	54,599	39,395
	112,474	123,367	100,341
Total liabilities	**158,387**	160,544	144,987
Total equity and liabilities	**449,733**	426,710	436,574

Jean-Marc Mouttet, Managing Director

Nicholas Gomez, Director

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited 3 months ended 30 June 2021 $'000	30 June 2020 $'000	Unaudited 6 months ended 30 June 2021 $'000	30 June 2020 $'000	Audited 31 Dec 2020 $'000
Revenue	**68,518**	66,182	**139,225**	147,617	290,009
Cost of sales	**(35,430)**	(37,430)	**(71,038)**	(81,700)	(159,643)
Gross profit	**33,088**	28,752	**68,187**	65,917	130,366
Selling and distribution costs	**(17,746)**	(20,580)	**(36,473)**	(44,293)	(83,850)
Administrative expenses	**(4,246)**	(4,856)	**(8,556)**	(12,437)	(25,858)
Impairment (loss)/gain on trade receivables	**(48)**	238	**72**	248	1,176
Asset write-downs	**-**	(2,198)	**-**	(2,198)	-
Gain on disposal of plant and equipment	**-**	-	**-**	-	185
Operating profit	**11,048**	1,356	**23,230**	7,237	22,019
Restructuring cost	**-**	-	**-**	-	(555)
Operating profit after restructuring	**11,048**	1,356	**23,230**	7,237	21,464
Finance expense	**(96)**	(134)	**(204)**	(135)	(239)
Other income	**677**	725	**1,289**	1,432	3,724
Profit before taxation	**11,629**	1,947	**24,315**	8,534	24,949
Taxation expense	**(4,431)**	(578)	**(8,810)**	(2,601)	(6,342)
Profit for the period	**7,198**	1,369	**15,505**	5,933	18,607
Other comprehensive income					
Re-measurements of defined benefit asset/liability	**-**	-	**-**	-	16,889
Revaluation of property	**-**	-	**-**	-	1,322
Related tax	**-**	-	**-**	-	(5,464)
Total comprehensive income for the period	**7,198**	1,369	**15,505**	5,933	31,354
Earnings Per Share	**0.27**	0.05	**0.59**	0.23	0.71

SUMMARY STATEMENT OF CASH FLOWS

	Unaudited 3 months ended 30 June 2021 $'000	30 June 2020 $'000	Unaudited 6 months ended 30 June 2021 $'000	30 June 2020 $'000	Audited 31 Dec 2020 $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation	**11,629**	1,947	**24,315**	8,534	24,949
Adjustment for items not affecting working capital	**563**	4,733	**636**	6,620	(1,641)
Operating profit before working capital changes	**12,192**	6,680	**24,951**	15,154	23,308
Net decrease/(increase) in working capital	**8,785**	9,931	**(9,328)**	1,989	42,982
Cash flows generated from operating activities	**20,977**	16,611	**15,623**	17,143	66,290
Taxation & interest paid	**(509)**	(518)	**(1,013)**	(1,108)	(2,165)
Net cash generated from operating activities	**20,468**	16,093	**14,610**	16,035	64,125
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	**-**	-	**-**	117	153
Purchase of plant and equipment	**-**	(805)	**(96)**	(1,906)	(2,106)
Proceeds from sale of property, plant and equipment	**-**	-	**2,466**	-	29
Net cash (used in)/generated from investing activities	**-**	(805)	**2,370**	(1,789)	(1,924)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	**(15,746)**	-	**(15,746)**	-	-
Payment of lease liabilities	**(1,126)**	(2,472)	**(2,252)**	(5,280)	(10,522)
Net cash flows used in financing activities	**(16,872)**	(2,472)	**(17,998)**	(5,280)	(10,522)
Increase/(decrease) in cash and cash equivalents	**3,596**	12,816	**(1,018)**	8,966	51,679
Cash and cash equivalents at beginning of period	**70,770**	19,855	**75,384**	23,705	23,705
Cash and cash equivalents at end of period	**74,366**	32,671	**74,366**	32,671	75,384
Represented by:					
Cash at bank and in hand	**74,366**	32,671	**74,366**	32,671	75,384

SUMMARY STATEMENT OF CHANGES IN EQUITY

	Stated Capital $'000	Property Revaluation Surplus $'000	Retained Earnings $'000	Total Equity $'000
Balance as at 1 January, 2021	26,244	36,568	228,775	291,587
Total comprehensive income for the period	-	-	15,505	15,505
Dividends paid	-	-	(15,746)	(15,746)
Balance as at 30 June, 2021	**26,244**	**36,568**	**228,534**	**291,346**
Balance as at 1 January, 2020	26,244	35,643	198,346	260,233
Total comprehensive income for the period	-	925	30,429	31,354
Balance as at 31 December, 2020	**26,244**	**36,568**	**228,775**	**291,587**

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

1. **General Information** - Unilever Caribbean Limited is incorporated in the Republic of Trinidad and Tobago, and its registered office is located at Eastern Main Road, Champs Fleurs. The Company is listed on the Trinidad and Tobago Stock Exchange.
2. **Basis of preparation.** These summary financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).
3. **Summary of significant accounting policies.** The principal accounting policies applied in the preparation of these summary financial statements are consistent with those disclosed in the audited financial statements as at and for the year ended December 31, 2020, and have been consistently applied to all periods presented, unless otherwise stated.