Unilever Caribbean Limited

Unaudited Financial Statements

for the Period ended 30 September 2021

Expressed in Trinidad & Tobago Dollars

CHAIRMAN'S REVIEW

During the third quarter, the company continued to deliver considerable bottom line growth, resulting in a year-to-date profit after tax of $21.4 million, more than double that of the prior year, already having exceeded the 2020 full-year profit. This profit growth was delivered despite a decline in revenue in the quarter. The unprecedented challenges of the Global Supply Chain had an impact on our 3rd Quarter results arising from the consequences and shortages of raw materials, shipping containers, trucking services and international shipping turmoil. These logistics challenges and rising costs are expected to continue into 2022 until global supply catches up to demand.

Quarter 3 revenue, inclusive of discontinued operations, was $58.8 million, bringing the year-to-date revenue to $198.0 million. The quarter results were severely impacted by the logistics constraints, resulting in a high quantity of direct shipments for both local and export territories being re-phased into Q4, predominantly driven by shipping delays. This accounted for approximately half of the decline versus prior year. The other half was driven by a higher comparative in quarter 3 of the prior year due to 1) heavy phasing of orders in the early part of the second half in the export markets, and 2) a similar rephasing of Home Trade sales in anticipation of the warehouse closure during quarter 4 2020. The company is actively monitoring its supply chain, and actions have been put in place to mitigate the risk as much as possible to offset the topline interruptions during the ensuing quarter. Year-to-date, Beauty & Personal Care continued to grow in both the local and export markets, offset by the Home Care category, which is still recovering from the reduced consumption of fabrics cleaning products during lockdown.

During the third quarter, the company also announced that it approved the sale and transfer of the local Tea business to a newly incorporated global Unilever tea holding company on October 1st 2021. The sale was completed in October. The Company continues its commitment to evolve its operations and focus on delivering value to its shareholders and consumers over the long term.

Rodrigo Sotomayor
Chairman

SUMMARY STATEMENT OF FINANCIAL POSITION

	Unaudited as at		Audited
	30-Sep-21	30-Sep-20	31-Dec-20
	$'000	$'000	$'000
ASSETS			
Non-current assets			
Property, plant and equipment	**67,030**	62,770	65,802
Retirement benefit asset	**112,560**	92,758	109,505
Deferred tax asset	**6,393**	14,782	15,156
	185,983	170,310	190,463
Current assets			
Inventories	**27,578**	37,414	25,757
Taxation recoverable	**9,563**	9,703	9,559
Trade and other receivables	**98,209**	109,588	81,232
Value added tax recoverable	**12,762**	9,542	10,605
Due from related companies	**43,199**	37,515	43,574
Cash at bank and in hand	**79,376**	45,159	75,384
Assets held for sale	**3,053**	-	-
	273,740	248,921	246,111
Total assets	**459,723**	419,231	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	**229,145**	208,943	228,775
Total equity	**291,957**	270,830	291,587
LIABILITIES			
Non-current liabilities			
Retirement and termination benefit obligation	**8,886**	10,121	9,362
Lease liabilities	**751**	3,713	-
Deferred tax liabilities	**36,403**	28,132	35,284
	46,040	41,966	44,646
Current liabilities			
Trade and other payables	**62,838**	60,399	53,922
Lease liabilities	**1,496**	2,355	136
Provisions for other liabilities	**5,447**	5,909	6,888
Due to related companies	**51,945**	37,772	39,395
	121,726	106,435	100,341
Total liabilities	**167,766**	148,401	144,987
Total equity and liabilities	**459,723**	419,231	436,574

Jean-Marc Mouttet, Managing Director

Nicholas Gomez, Director

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited 3 months ended		Unaudited 9 months ended		Audited
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020	31 Dec 2020
	$'000	$'000	$'000	$'000	$'000
Continuing Operations					
Revenue	**50,962**	81,829	**167,844**	229,446	290,009
Cost of sales	**(26,503)**	(47,221)	**(87,148)**	(128,922)	(159,643)
Gross profit	**24,459**	34,608	**80,696**	100,524	130,366
Selling and distribution costs	**(15,892)**	(23,415)	**(48,135)**	(67,708)	(83,850)
Administrative expenses	**(4,960)**	(5,893)	**(13,516)**	(18,329)	(25,858)
Impairment gain on trade receivables	**37**	532	**224**	780	1,176
Asset write-downs	**-**	-	**-**	(2,198)	-
Gain on disposal of plant and equipment	**-**	-	**-**	-	185
Operating profit	**3,644**	5,832	**19,269**	13,069	22,019
Restructuring cost	**-**	-	**-**	-	(555)
Operating profit after restructuring	**3,644**	5,832	**19,269**	13,069	21,464
Finance expense	**(81)**	(116)	**(285)**	(250)	(239)
Other income	**1,412**	826	**2,700**	2,257	3,724
Profit before taxation	**4,975**	6,542	**21,684**	15,076	24,949
Taxation expense	**(1,360)**	(1,879)	**(7,376)**	(4,479)	(6,342)
Profit from continuing operations	**3,615**	4,663	**14,308**	10,597	18,607
Discontinued Operations					
Profit from discontinued operations, net of tax	**2,244**	-	**7,057**	-	-
Profit for the period	**5,859**	4,663	**21,365**	10,597	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	**5,859**	4,663	**21,365**	10,597	31,354
Earnings per share - continuing operations	**0.14**	0.18	**0.54**	0.40	0.71
Earnings per share - discontinued operations	**0.08**	0.00	**0.27**	0.00	0.00
Total earnings per share	**0.22**	0.18	**0.81**	0.40	0.71

SUMMARY STATEMENT OF CASH FLOWS

	Unaudited 3 months ended		Unaudited 9 months ended		Audited
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020	31 Dec 2020
	$'000	$'000	$'000	$'000	$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation					
Continued operations	**4,975**	6,542	**21,684**	15,076	24,949
Discontinued operations	**3,089**	-	**10,696**	-	-
Adjustment for items not affecting working capital	**696**	286	**1,332**	6,906	(1,641)
Operating profit before working capital changes	**8,760**	6,828	**33,712**	21,982	23,308
Net decrease/(increase) in working capital	**3,118**	9,421	**(6,211)**	11,410	42,982
Cash flows generated from operating activities	**11,878**	16,249	**27,501**	33,392	66,290
Taxation & interest paid	**(492)**	(627)	**(1,505)**	(1,701)	(2,165)
Net cash generated from operating activities	**11,386**	15,622	**25,996**	31,691	64,125
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	**-**	-	**-**	83	153
Purchase of plant and equipment	**-**	(200)	**(96)**	(2,106)	(2,106)
Proceeds from sale of property, plant and equipment	**-**	-	**2,466**	-	29
Net cash (used in)/generated from investing activities	**-**	(200)	**2,370**	(2,023)	(1,924)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	**(5,249)**	-	**(20,995)**	-	-
Payment of lease liabilities	**(1,127)**	(2,934)	**(3,379)**	(8,214)	(10,522)
Net cash flows used in financing activities	**(6,376)**	(2,934)	**(24,374)**	(8,214)	(10,522)
Increase in cash and cash equivalents	**5,010**	12,488	**3,992**	21,454	51,679
Cash and cash equivalents at beginning of period	**74,366**	32,671	**75,384**	23,705	23,705
Cash and cash equivalents at end of period	**79,376**	45,159	**79,376**	45,159	75,384
Represented by:					
Cash at bank and in hand	**79,376**	45,159	**79,376**	45,159	75,384

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SUMMARY STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Property Revaluation Surplus	Retained Earnings	Total Equity
	$'000	$'000	$'000	$'000
Balance as at 1 January, 2021	26,244	36,568	228,775	291,587
Total comprehensive income for the period	-	-	21,365	21,365
Dividends paid	-	-	(20,995)	(20,995)
Balance as at 30 September, 2021	**26,244**	**36,568**	**229,145**	**291,957**
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. The principal business activity is the sale of home care, personal care and food products. It is a subsidiary of Unilever Overseas Holdings AG, which is a wholly owned subsidiary of Unilever PLC, a company incorporated in the United Kingdom.

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.

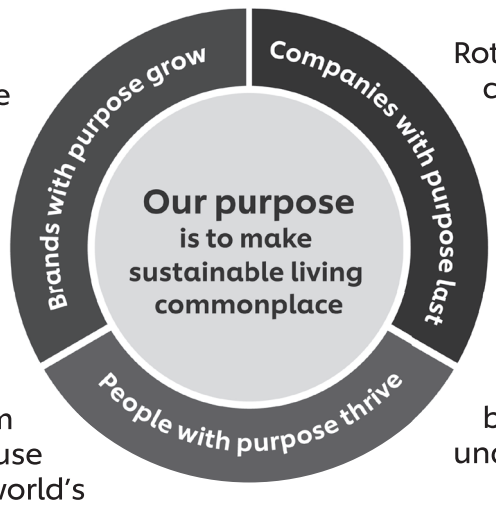
4. Discontinued Operations. During the third quarter, the company approved the sale and transfer of the local Tea business to a newly incorporated global Unilever tea holding company, effective October 1st 2021. For 2021 year-to-date September 30th the profit for the tea business has been reported as a single line, net of tax under discontinued operations. The detailed Income Statement, and the 2020 comparison is disclosed in a separate note to the Summary Financial Statements. Finished goods inventories for teas are reported as assets held for sale on the Summary Statement of Financial Position.

DISCONTINUED OPERATIONS

	Unaudited 3 months ended		Unaudited 9 months ended		Unaudited
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020	31 Dec 2020
	$'000	$'000	$'000	$'000	$'000
Revenue	**7,806**	12,309	**30,150**	35,805	47,864
Cost of sales	**(3,185)**	(5,287)	**(13,578)**	(15,834)	(20,647)
Gross profit	**4,621**	7,022	**16,572**	19,971	27,217
Selling and distribution Costs	**(1,578)**	(2,301)	**(5,807)**	(8,293)	(11,386)
Impairment gain/loss on trade receivables	**46**	15	**(69)**	(180)	(159)
Profit before taxation	**3,089**	4,736	**10,696**	11,498	15,672
Taxation expense	**(845)**	(1,879)	**(3,639)**	(3,416)	(3,984)
Profit for the period	**2,244**	2,857	**7,057**	8,082	11,688
Earnings per share	**0.08**	0.11	**0.27**	0.31	0.45

Our Vision

To be the global leader in sustainable business. We will demonstrate how our purpose-led, future-fit business model drives superior performance, consistently delivering financial results in the top third of our industry.



Our Purpose

To make sustainable living commonplace. We believe that this is the best way to ensure long-term growth. We have made this our purpose because we believe it's possible for 9 billion people – the world's population 30 years from now – to live well and live within the natural limits of the planet.

Our History

The origin of the present Company dates to 1929, when two predecessor companies—Trinidad Manufacturing & Refining and West Indian Oil Industries—were established in Trinidad to produce crude soaps and fats using local coconut oil. The London/ Rotterdam-based Unilever acquired these two companies in 1948, and eventually merged them to form Lever Brothers West Indies Ltd. (LBWI) in 1964.

In 2004, Unilever worldwide relaunched its corporate brand and logo and with this came the mandate to adopt the Unilever identity in all local operations. As a result in October 2004, Lever Brothers West Indies became Unilever Caribbean Limited due to a unanimous shareholder vote.

Today, Unilever Caribbean Limited (UCL) operates as part of the Greater Carribbean grouping. This grouping supports offices in four countries - Dominican Republic, Puerto Rico, Cuba and Trinidad and Tobago, and reports to Unilever's Regional office in Mexico. Unilever Caribbean Limited has responsibility for some seventeen countries in the Southern Caribbean through a network of distributors, and has captured a wide market outside of Trinidad and Tobago by continuing to live up to its vision.

Our Brands

Lifebuoy, Comfort, LUX, Cif, Quix, Breeze, Shea Moisture Established 1912, Pond's, Dove, baby Dove, Dove Men +Care, Degree, Vaseline, St. Ives, TRESemmé Used by Professionals, Axe, Suave Professionals, Suave Kids, Suave Men, Hellmann's Est. 1913, Breyers, Ben & Jerry's, Klondike, The Original Brand Popsicle, Magnum, Radiante, Simple Sensitive Skin Experts Kind to Skin