Unilever Caribbean Limited

Unaudited Financial Statements

for the Half Year ended 30 June, 2023

Expressed in Trinidad & Tobago Dollars

CHAIRMAN'S REVIEW

For the six-month period ending June 30, 2023, the Company reported a Profit after tax of $5.2m which was an increase of 141% over the same period last year. This result was despite revenue of $119.3m, which was a decrease of 7.2% from the prior comparative period because of lower sales in the local market with a marginal decline of in the regional markets. This revenue performance was mainly stymied by changes within market forces arising from the prolonged impact of a high inflationary environment.

Despite the reduction in revenue, the company saw an improvement in the Gross Margins over the last 2 quarters and the Company has begun to recognize anticipated improvement in material and freight costs.

Operating profit before restructuring costs decreased by $6.5m compared to the prior comparative period mainly due to shortfalls in revenue, offset by 16% savings in operating expenses. In the second quarter, the Company continued to improve efficiency and stringently manage costs resulting in a 24% reduction of reduced operating expenses compared to Q1 2023.

Consistent with our focus on accelerating profitable growth for sustainable returns, there were notable shifts in category mix. In the second quarter, Home Care represented 37% of total revenue compared to 55% in the prior comparative period and 43% in Q1 2023. Given the continued portfolio shift, the Beauty & Personal Care pillar now represents 52.8% of total revenue and has delivered a strong YOY growth throughout the period driven by exceptional performance of our globally sourced portfolio.

The Export market performance was impacted by the prevailing inflationary challenges plaguing the Home Care category and as in the local market, Beauty & Personal Care also reported healthy growth in the second quarter.

Despite the current fluid environment, UCL maintains a solid financial position, with healthy working capital and retained earnings, with an Earnings Per Share (EPS) of $0.30 for the period ending June 30, 2023.

Given the financial performance, the Board of Directors is pleased to approve an interim dividend of $0.08 for the half year.

Recent movements within the Unilever Group's Global and regional structures, including the resignation of my predecessor has provided for my appointment as Chairman effective July 14, 2023, as well as the welcoming of two new directors to fill vacancies. I look forward to leading the Board at this critical juncture of the journey of the Company creating shareholder value and being Purpose Led and Future Fit.

Daniela Bucaro
Chairman

SUMMARY STATEMENT OF FINANCIAL POSITION

	Unaudited as at		Audited
	30 Jun 2023 $'000	30 Jun 2022 $'000	31 Dec 2022 $'000
ASSETS			
Non-current assets			
Property, plant and equipment	**5,428**	6,431	4,285
Retirement benefit asset	**101,157**	140,147	99,142
Deferred tax asset	**12,350**	12,993	14,250
	118,935	159,571	117,677
Current assets			
Inventories	**29,053**	29,355	29,250
Taxation recoverable	**7,575**	7,575	7,575
Trade and other receivables	**34,204**	109,763	60,486
Value added tax recoverable	**408**	7,968	3,502
Due from related companies	**44,349**	85,494	74,491
Cash at bank and in hand	**155,146**	92,337	171,778
Assets held for sale	**-**	58,025	-
	270,735	390,517	347,082
Total assets	**389,670**	550,088	464,759
EQUITY AND LIABILITIES			
EQUITY			
Stated capital	**26,244**	26,244	26,244
Property revaluation surplus	**-**	36,568	-
Retained earnings	**243,058**	288,682	311,319
Total equity	**269,302**	351,494	337,563
LIABILITIES			
Non-current liabilities			
Retirement and termination benefit obligation	**3,049**	6,506	3,085
Lease liabilities	**1,752**	307	1,979
Deferred tax liabilities	**29,865**	41,354	29,105
	34,666	48,167	34,169
Current liabilities			
Trade and other payables	**57,952**	65,920	72,280
Lease liabilities	**2,532**	2,414	711
Provisions for other liabilities	**2,184**	43,601	5,158
Due to related companies	**22,915**	35,543	14,878
Value added tax payable	**119**	-	-
Liabilities directly associated with the assets held for sale	**-**	2,949	-
	85,702	150,427	93,027
Total liabilities	**120,368**	198,594	127,196
Total equity and liabilities	**389,670**	550,088	464,759

Jean-Marc Mouttet, Managing Director

Nicholas Gomez, Director

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited 3 months ended		Unaudited 6 months ended		Audited
	30 June 2023 $'000	30 June 2022 $'000	30 June 2023 $'000	30 June 2022 $'000	31 Dec 2022 $'000
Revenue	**49,226**	66,381	119,283	128,534	256,146
Cost of sales	**(28,935)**	(35,704)	(73,467)	(70,042)	(150,897)
Gross profit	**20,291**	30,677	45,816	58,492	105,249
Selling and distribution costs	**(11,376)**	(17,442)	(27,737)	(34,096)	(60,554)
Administrative expenses	**(4,108)**	(4,436)	(8,438)	(8,823)	(16,252)
Impairment reversal on trade receivables	**121**	88	434	397	358
Gain on disposal of plant and equipment	**-**	652	-	652	-
Operating profit before restructuring cost	**4,928**	9,539	10,075	16,622	28,801
Restructuring cost comprising of:					
Net gain of property, plant and equipment	**-**	-	-	-	4,493
Manpower cost	**-**	(32,577)	(1,256)	(32,577)	(31,528)
Gain on curtailment and settlement	**-**	-	-	-	10,752
Other expenses	**(1,462)**	(4,865)	(2,412)	(5,253)	(14,272)
Restructuring cost	**(1,462)**	(37,442)	(3,668)	(37,830)	(30,555)
Operating profit/(loss) after restructuring	**3,466**	(27,903)	6,407	(21,208)	(1,754)
Finance income/(expense)	**771**	6	1,344	(159)	101
Other income	**443**	2,423	974	4,371	7,028
Profit/(loss) before taxation	**4,680**	(25,474)	8,725	(16,996)	5,375
Taxation (expense)/credit	**(1,894)**	7,300	(3,503)	4,396	4,394
Profit/(loss) for the period	**2,786**	(18,174)	5,222	(12,600)	9,769
Other comprehensive income/(loss)					
Re-measurements of defined benefit asset/liability	**-**	-	-	-	(51,857)
Related tax	**-**	-	-	-	15,557
Total comprehensive income/(loss) for the period	**2,786**	(18,174)	5,222	(12,600)	(26,531)
Earnings/(loss) per share	**0.11**	(0.69)	0.20	(0.48)	0.37

SUMMARY STATEMENT OF CASH FLOWS

	Unaudited 3 months ended		Unaudited 6 months ended		Audited
	30 June 2023 $'000	30 June 2022 $'000	30 June 2023 $'000	30 June 2022 $'000	31-Dec-22 $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(loss) before taxation	**4,680**	(25,474)	8,725	(16,996)	5,375
Adjustment for items not affecting working capital	**1,078**	(1,822)	174	(1,368)	(17,511)
	5,758	(27,296)	8,899	(18,364)	(12,136)
Net increase in working capital	**45,406**	98,420	49,992	108,063	118,327
Cash flows generated from operating activities	**51,164**	71,124	58,891	89,699	106,191
Taxation & interest paid	**(431)**	(658)	(1,401)	(1,289)	(2,237)
Net cash generated from operating activities	**50,733**	70,466	57,490	88,410	103,954
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	**847**	-	1,532	39	551
Purchase of plant and equipment	**-**	-	-	-	(1,434)
Proceeds from sale of property, plant and equipment	**-**	773	-	773	67,345
Net cash generated from investing activities	**847**	773	1,532	812	66,462
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	**(73,483)**	(112,849)	(73,483)	(112,849)	(112,849)
Payment of lease liabilities	**(928)**	(1,084)	(2,171)	(2,168)	(3,921)
Net cash flows used in financing activities	**(74,411)**	(113,933)	(75,654)	(115,017)	(116,770)
(Decrease)/increase in cash and cash equivalents	**(22,831)**	(42,694)	(16,632)	(25,795)	53,646
Cash and cash equivalents at beginning of period	**177,977**	135,031	171,778	118,132	118,132
Cash and cash equivalents at end of period	**155,146**	92,337	155,146	92,337	171,778
Represented by:					
Cash at bank and in hand	**155,146**	92,337	155,146	92,337	171,778

SUMMARY STATEMENT OF CHANGES IN EQUITY

	Stated Capital $'000	Property Revaluation Surplus $'000	Retained Earnings $'000	Total Equity $'000
Balance as at 1 January, 2023	26,244	-	311,319	337,563
Total comprehensive income for the period	-	-	5,222	5,222
Dividends paid	-	-	(73,483)	(73,483)
Balance as at 30 June, 2023	26,244	-	243,058	269,302
Balance as at 1 January, 2022	26,244	36,568	414,131	476,943
Total comprehensive loss for the period	-	-	(12,600)	(12,600)
Dividends paid	-	-	(112,849)	(112,849)
Balance as at 30 June, 2022	26,244	36,568	288,682	351,494
Balance as at 1 January, 2022	26,244	36,568	414,131	476,943
Total comprehensive loss for the period	-	-	(26,531)	(26,531)
Dividends paid	-	-	(112,849)	(112,849)
Transfer	-	(36,568)	36,568	-
Balance as at 31 December, 2022	26,244	-	311,319	337,563

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 Albion Plaza, Third Floor, 22-24 Victoria Avenue, Port of Spain. 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 derived from the audited financial statements for the year ended 2022, which were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).
3. **Significant accounting policies** - The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold properties and re-measurements of retirement and termination benefit obligations. 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, 2022, and have been consistently applied to all periods presented, unless otherwise stated.