



National Flour Mills Limited and its Subsidiary

UNAUDITED RESULTS AS AT MARCH 31, 2024 (EXPRESSED IN THOUSANDS OF TRINIDAD AND TOBAGO DOLLARS)

CHAIRMAN'S REVIEW

Dear Shareholders

We are pleased to report that NFM achieved a profit after tax of \$10.2M in 2024's first quarter, 35% higher than prior year, despite a 10% decline in revenue. This decline in revenue was mainly due to the reduction in prices as we passed on the reduction in the cost of grain to our customers. Notwithstanding, we achieved a 14% increase in Gross Profit of \$37.2M, up from \$32.5M in 2023. A reduction in finance costs also contributed to an increase in Profit before taxation to \$14.5M.

We continue to monitor the geopolitical situation globally and its impact on the cost of grain and transport, which adds a lot of volatility to our operating environment and must be carefully and prudently managed. We are also monitoring changes in the economic and commercial environment locally and regionally as we focus on offering valued products to satisfy the needs of our customers. In this regard, our top priority for 2024 is performance management to improve efficiency and effectiveness of all business processes.

Your Board continues to focus on maintaining an acceptable level of profitability, which will allow us to sustain our operations for the long-term, invest in new machinery and technology and weather economic downturns, while meeting our financial obligations.

I thank my fellow directors and the entire team at NFM, who continue to go over and above the call of duty as we continue to work on initiatives, including the purchase and installation of new plant and machinery and the new Enterprise Resource Planning (ERP) system, to improve productivity while delivering quality products to our customers. I am pleased with their ability to seamlessly implement these changes while continuing to serve our customers.

The external environment will continue to provide challenges, and we will respond by focusing on what we can control. With the commitment of our team of dedicated employees we will continue to create value for our customers and other stakeholders.


Nigel Romano
Chairman

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED THREE MONTHS ENDED		AUDITED
	31-Mar-24	31-Mar-23	31-Dec-23
	\$'000	\$'000	\$'000
ASSETS			
Current Assets			
Cash and cash equivalents	6,647	91,957	18,305
Accounts receivable and prepayments	87,720	82,231	90,824
Amounts due from the GORTT	1,394	18,493	-
Inventories	131,019	125,350	131,071
VAT bonds	-	5,460	-
Restricted deposit	1,598	1,584	1,598
Taxation recoverable	4,264	4,264	4,266
	<u>232,642</u>	<u>329,339</u>	<u>246,064</u>
Non-current assets			
Retirement benefit asset	13,754	15,161	12,567
Investment at fair value through OCI	866	724	866
Right of use asset	4,084	5,009	4,317
Property, plant and equipment	169,287	154,409	168,754
Intangible assets	1,283	1,475	1,069
Deferred tax assets	13,384	11,914	13,384
	<u>202,658</u>	<u>188,692</u>	<u>200,957</u>
Total assets	<u>435,300</u>	<u>518,031</u>	<u>447,021</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accruals	43,482	71,250	41,064
Amount due to the GORTT	62	19,240	285
Borrowings	-	75,961	25,000
Current portion of lease liabilities	2,378	1,200	2,378
Taxation payable	8,901	-	8,901
Due to related parties (ESOP advanced funding)	76	134	76
	<u>54,899</u>	<u>167,785</u>	<u>77,704</u>
Non-current liabilities			
Deferred taxation	37,873	38,470	37,873
Medical and Life assurance Plan	38,155	36,539	37,452
Lease liabilities	4,105	6,104	4,044
	<u>80,133</u>	<u>81,113</u>	<u>79,369</u>
Shareholders' equity			
Stated Capital	120,200	120,200	120,200
Treasury shares	(4,189)	(3,319)	(4,189)
Retained earnings	186,125	154,120	175,805
Other reserves	(1,868)	(1,868)	(1,868)
	<u>300,268</u>	<u>269,133</u>	<u>289,948</u>
Total equity	<u>300,268</u>	<u>269,133</u>	<u>289,948</u>
Total liabilities and shareholders' equity	<u>435,300</u>	<u>518,031</u>	<u>447,021</u>

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Treasury Shares	Retained Earnings	Other Reserves	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at January 1, 2024	120,200	(4,189)	175,805	(1,868)	289,948
Profit/(loss) for the period	-	-	10,273	-	10,273
Other movements	-	-	48	-	48
Balance as at March 31, 2024	<u>120,200</u>	<u>(4,189)</u>	<u>186,125</u>	<u>(1,868)</u>	<u>300,268</u>
Balance as at January 1, 2023	120,200	(3,319)	145,776	(1,868)	260,789
Profit/(loss) for the period	-	-	7,599	-	7,599
Other movements	-	-	746	-	746
Balance as at March 31, 2023	<u>120,200</u>	<u>(3,319)</u>	<u>154,120</u>	<u>(1,868)</u>	<u>269,133</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)
Transactions with owners of the Group: 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 THREE MONTHS ENDED MARCH 31, 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 31 March 2024 prepared in accordance with International Financial Reporting Standards.

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED THREE MONTHS ENDED		AUDITED
	31-Mar-24	31-Mar-23	31-Dec-23
	\$'000	\$'000	\$'000
Revenue	127,026	141,536	577,333
Cost of sales	(89,769)	(109,033)	(425,283)
Gross profit	37,257	32,503	152,050
Selling and distribution expenses	(10,376)	(10,274)	(47,456)
Administrative expenses	(13,169)	(12,795)	(52,117)
Other operating income	1,581	1,390	6,843
Operating profit/(loss)	15,293	10,824	59,320
Finance cost	(730)	(2,366)	(5,063)
Profit/(loss) before taxation	14,563	8,458	54,257
Taxation	(4,290)	(859)	(18,805)
Profit/(loss) after taxation	10,273	7,599	35,452
Other comprehensive income/(loss):			
<i>Items that will never be reclassified to profit or loss</i>			
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>10,273</u>	<u>7,599</u>	<u>32,931</u>
Basic earnings per share (in cents)	8.70	6.44	30.03

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED THREE MONTHS ENDED		AUDITED
	31-Mar-24	31-Mar-23	31-Dec-23
	\$'000	\$'000	\$'000
Cash flows from operating activities			
Profit/(loss) before taxation	14,563	8,458	54,257
Adjustments for:			
Depreciation	4,587	3,768	15,102
Amortisation	344	426	1,527
Lease interest expense	87	87	319
Interest and finance costs	280	1,207	4,027
Interest Income	(2)	(9)	(171)
Dividend income	-	(1)	(192)
Gain or loss on foreign exchange	363	1,082	717
(Loss)/gain on revaluation of treasury shares	-	-	(870)
Retirement benefit expense	-	-	5,449
Medical plan expense	-	-	3,184
Retirement benefit asset contributions paid	(1,187)	(1,763)	(7,434)
Medical and life assurance plan contributions paid	703	785	(1,232)
Provision for doubtful accounts	(300)	300	(686)
Gain on investment at fair value through OCI	-	-	(142)
Operating profit before working capital changes	19,438	14,340	73,855
Changes in working capital:			
(Increase)/decrease in accounts receivable and prepayments	3,114	521	(11,233)
(Increase)/decrease in inventories	52	48,203	42,482
Increase/(decrease) in accounts payable and accruals	2,418	(19,165)	(47,628)
Increase/decrease in amounts due to / from GORTT	(1,617)	1,617	1,155
Increase in current amounts due to related parties	-	-	(58)
Taxes refunded (VAT)	-	-	4,147
Cash generated from operating activities	23,405	45,516	62,720
Interest paid	(280)	(388)	(4,921)
Taxes paid	(4,290)	-	(11,055)
Net cash generated from operating activities	<u>18,835</u>	<u>45,128</u>	<u>46,744</u>
Cash flows from investing activities			
Increase in restricted deposits	-	-	(14)
Redemption of VAT bonds	-	-	5,460
Disposal of fixed asset	13	1	-
Sale of investments	-	-	14
Purchase of property, plant and equipment	(5,122)	(1,617)	(27,298)
Dividend Income	-	1	192
Interest received on investments	2	9	171
Purchase of intangible assets	(324)	-	(3)
Net cash used in investing activities	<u>(5,431)</u>	<u>(1,606)</u>	<u>(21,478)</u>
Cash flows from financing activities			
Borrowings repaid	(25,000)	-	(50,757)
Dividends paid	-	-	(3,606)
Lease liability repaid	(61)	(88)	(1,121)
Net cash (used in)/generated from financing activities	<u>(25,061)</u>	<u>(88)</u>	<u>(55,484)</u>
Net change in cash and cash equivalents	(11,657)	43,434	(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>6,648</u>	<u>91,957</u>	<u>18,305</u>

 Director

 Director