

CHAIRMAN'S REVIEW

The West Indian Tobacco Company Limited recorded a Profit Before Tax of \$108.2 million for the six months ended 30th June 2024. This represents a decrease of \$36.1 million or 25% below the corresponding period in 2023. Profit for the period was \$79.7 million, reflecting a decrease of 22% or \$22.5 million below 2023.

In reviewing the Second Quarter performance of 2024, it is noted that our revenue reflected a 1% decline compared to the same period in 2023. The primary contributor was a 25% or \$9.3 million decline in export revenue, partially offset by an improvement of 6% or \$8 million in the domestic market. As a result, the year-to-date performance has been significantly influenced by the carry-over effect of our First Quarter performance, which we were unable to fully offset by the close of the financial Half-Year. While we acknowledge the hurdles faced during the Quarter, we are actively reassessing our strategies to address these issues and are focused on implementing the necessary adjustments to improve our performance going forward.

In the previous Quarter, we launched our globally renowned vaping brand, VUSE, and ventured into the vapor category. This aligns with our strategic goal of providing adult consumers with less harmful alternatives to smoking. This product range was developed in direct response to customer needs, and its performance to date has been promising.

The Directors have recommended an interim dividend of \$0.20 per ordinary share which will be paid on 26th August 2024 to shareholders on record at the close of business on 7th August 2024. The Register of Shareholders will be closed on 8th and 9th August 2024 for the processing of transfers.



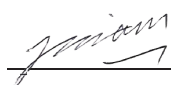
Ingrid L-A Lashley
Chairman
24 July 2024

SUMMARY STATEMENT OF FINANCIAL POSITION

	UNAUDITED 30.06.24 TT\$'000	UNAUDITED 30.06.23 TT\$'000	AUDITED 31.12.23 TT\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	273,715	281,454	282,407
Deferred income tax asset	15,771	11,496	12,893
Retirement benefit asset	8,250	285	-
	<u>297,736</u>	<u>293,235</u>	<u>295,300</u>
Current assets			
Inventories	75,195	76,587	61,651
Trade and other receivables	170,698	116,781	266,027
Taxation recoverable	1,888	255	1,888
Cash and cash equivalents	268,576	205,767	268,102
	<u>516,357</u>	<u>399,390</u>	<u>597,668</u>
Total assets	<u>814,093</u>	<u>692,625</u>	<u>892,968</u>
EQUITY			
Share capital	42,120	42,120	42,120
Revaluation surplus	60,210	57,508	60,645
Retained earnings	389,933	393,906	435,386
Total equity	<u>492,263</u>	<u>493,534</u>	<u>538,151</u>
LIABILITIES			
Non-current liabilities			
Deferred income tax liability	51,364	43,711	49,087
Retirement benefit obligation	-	-	2,129
Post-employment medical benefit obligation	4,440	4,590	4,974
Lease liabilities	2,961	4,531	3,814
	<u>58,765</u>	<u>52,832</u>	<u>60,004</u>
Current liabilities			
Trade and other payables	106,433	70,327	167,585
Due to parent company	111,961	37,174	73,618
Dividends payable	42,653	37,305	38,310
Taxation payable	-	-	13,173
Lease liabilities	2,018	1,453	2,127
	<u>263,065</u>	<u>146,259</u>	<u>294,813</u>
Total liabilities	<u>321,830</u>	<u>199,091</u>	<u>354,817</u>
Total equity and liabilities	<u>814,093</u>	<u>692,625</u>	<u>892,968</u>



Ingrid L-A Lashley
Chairman



Hiram Murillo
Acting Managing Director

SUMMARY STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED Three Months Ended 30.06.24 TT\$'000	UNAUDITED Three Months Ended 30.06.23 TT\$'000	UNAUDITED Six Months Ended 30.06.24 TT\$'000	UNAUDITED Six Months Ended 30.06.23 TT\$'000
Revenue	180,783	182,047	255,423	306,961
Cost of sales	(59,251)	(65,104)	(93,331)	(116,608)
Gross profit	121,532	116,943	162,092	190,353
Distribution costs	(4,491)	(2,759)	(5,995)	(4,488)
Administrative expenses	(19,334)	(16,195)	(37,064)	(32,830)
Other operating expenses	(10,057)	(2,182)	(12,430)	(10,852)
Operating profit	87,650	95,807	106,603	142,183
Finance income	1,062	1,289	1,857	2,422
Finance cost	(104)	(127)	(218)	(237)
Profit before taxation	88,608	96,969	108,242	144,368
Taxation	(22,375)	(28,836)	(28,529)	(42,199)
Profit for the period	66,233	68,133	79,713	102,169
Other comprehensive income:				
Re-measurement of retirement and post-employment benefit obligations	8,306	6,936	8,306	6,936
Related tax	(2,492)	(2,081)	(2,492)	(2,081)
Other comprehensive income - net of tax	5,814	4,855	5,814	4,855
Total comprehensive income for the period	72,047	72,988	85,527	107,024
Earnings per ordinary share	\$0.26	\$0.27	\$0.32	\$0.40

SUMMARY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital TT\$'000	Revaluation Surplus TT\$'000	Retained Earnings TT\$'000	Shareholders' Equity TT\$'000
Unaudited Six Months Ended 30 June 2024				
Balance at 1 January 2024	42,120	60,645	435,386	538,151
Comprehensive income				
Profit for the period	-	-	79,713	79,713
Other comprehensive income				
Re-measurement of retirement and post-employment benefit obligations - net of tax	-	-	5,814	5,814
Depreciation transfer on buildings - net of tax	-	(435)	435	-
Transactions with owners				
Dividends	-	-	(131,415)	(131,415)
Balance at 30 June 2024	42,120	60,210	389,933	492,263
Unaudited Six Months Ended 30 June 2023				
Balance at 1 January 2023	42,120	57,986	352,113	452,219
Comprehensive income				
Profit for the period	-	-	102,169	102,169
Other comprehensive income				
Re-measurement of retirement and post-employment benefit obligations - net of tax	-	-	4,855	4,855
Depreciation transfer on buildings - net of tax	-	(478)	478	-
Transactions with owners				
Dividends	-	-	(65,709)	(65,709)
Balance at 30 June 2023	42,120	57,508	393,906	493,534

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

SUMMARY STATEMENT OF CASH FLOWS

	UNAUDITED Six Months Ended 30.06.24 TT\$'000	UNAUDITED Six Months Ended 30.06.23 TT\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	108,242	144,368
Adjustments for:		
Depreciation	9,134	8,531
Net (decrease)/increase in retirement and other post-employment benefit obligations excluding actuarial losses	(2,607)	405
Interest income	(1,857)	(2,422)
Interest expense	218	237
Operating profit before working capital changes	113,130	151,119
Changes in working capital:		
(Increase)/decrease in inventories	(13,544)	8,711
Decrease in trade and other receivables	95,329	7,496
Decrease in trade and other payables	(41,643)	(46,891)
Increase/(decrease) in due to parent company	38,343	(63,680)
Cash generated from operating activities	191,615	56,755
Tax refund received	-	4,279
Interest paid	(218)	(237)
Taxation paid	(64,306)	(49,165)
Net cash from operating activities	127,091	11,632
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(443)	(6,482)
Interest received	1,857	(237)
Net cash used in investing activities	1,414	(6,719)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Dividends paid	(127,069)	(76,019)
Lease payments	(962)	501
Net cash used in financing activities	(128,031)	(75,518)
Net increase/(decrease) in cash and cash equivalents	474	(70,605)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	268,102	276,372
CASH AND CASH EQUIVALENTS AT END OF PERIOD	268,576	205,767
Represented by:		
Cash at bank and in hand	173,979	97,509
Short-term deposits	94,597	108,258
	268,576	205,767

NOTES TO THE SUMMARY INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

Note 1: General Information

The West Indian Tobacco Company Limited is incorporated in the Republic of Trinidad and Tobago. The Company is listed on the Trinidad and Tobago Stock Exchange. The address of the registered office is Corner Eastern Main Road and Mount D'or Road, Champs Fleurs, Trinidad, West Indies. It is a subsidiary of British American Tobacco (Investments) Limited, a company registered in the United Kingdom. Its ultimate parent company is British American Tobacco p.l.c., a company registered in the United Kingdom.

The principal business activities of the Company are the manufacture and sale of cigarettes.

This summary financial information was approved for issue on 24 July 2024.

Note 2: Basis of Preparation

This summary financial information for the six-month period ended 30 June 2024, has been prepared in accordance with International Accounting Standard 34 (IAS 34), 'Interim Financial Reporting' as well as the requirements of the Securities Act 2012 which goes beyond IAS 34. The summary interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Note 3: Material Accounting Policy

The financial statements are prepared on the historical cost basis except for the inclusion of the net defined benefit asset (obligation) which is recognised at the fair value of plan assets, adjusted by remeasurement through other comprehensive income ("OCI"), less the present value of the defined benefit obligation adjusted by experience gains/losses on revaluation. Revaluation of land and buildings is recorded at fair value less depreciation and impairment losses.

Note 4: Segment Information

Primary reporting format – geographical segment

	Domestic	CARICOM & Non-CARICOM	Unallocated	Total
	TT\$'000	TT\$'000	TT\$'000	TT\$'000
Six months ended 30 June 2024				
Revenue	211,621	43,802	-	255,423
Gross Profit	161,603	489	-	162,092
Profit for the period includes:				
- Depreciation			(9,134)	(9,134)
Six months ended 30 June 2023				
Revenue	239,372	67,589	-	306,961
Gross Profit	184,274	6,079	-	190,353
Profit for the period includes:				
- Depreciation			(8,531)	(8,531)
Total segment assets				
30 June 2024	175,632	66,043	572,418	814,093
30 June 2023	117,184	76,686	498,755	692,625
Total segment assets include additions to property, plant and equipment as follows:				
30 June 2024			443	443
30 June 2023			6,482	6,482

The Company is organised and managed on the basis of two geographic regions, namely the Domestic market and the CARICOM market. During 2023, the Company was also contracted as a contingent supplier to a Non-CARICOM market. The Non-CARICOM market was included with the CARICOM market. These are the reportable segments for the Company as they form the focus of the Company's internal reporting systems and are the basis used by the Managing Director and the local management team, as the chief operating decision makers, for assessing performance and allocating resources.

The Company is a single product business providing cigarettes. While the Company has clearly differentiated brands, segmentation among a wide portfolio of brands is not part of the regular internally reported financial information.

Primary reporting format – geographical segment

With the exception of the Domestic market, no other individual country within the CARICOM market contributes more than 10% of total revenue. Information is analysed by segment only where relevant and applicable. Where there is no logical allocation basis, items have been disclosed as unallocated.

All the Company's non-current assets are located in Trinidad and Tobago. Revenues from the one customer of the Company's Domestic segment represented approximately \$211,621,000 (2023: \$239,372,000) of the Company's total revenues. This consists of a 50% split between the two companies in 2023.

	30.06.24 TT\$'000	30.06.23 TT\$'000
Note 5: Related Party Transactions		
Sale of goods and services:		
Sale of goods - related parties	44,107	67,589
Recharge of services - related parties	11,666	15,971
Purchase of goods and services:		
Purchase of goods - related parties	39,773	24,934
Purchase of services - related parties	27,594	28,117
Purchase of services - parent company	6,541	6,132
Period end balances arising from sales/ purchases of goods and services:		
Receivables from related parties	34,951	29,289
Payables to related parties	33,158	20,630
Payables to parent company	3,338	-
Key management compensation		
Salaries and other short-term employee benefits	4,842	4,968
Post-retirement medical obligations	4	3
Post-retirement benefits	282	184
Note 6: Capital Commitments		
Authorised and contracted for, and not provided for in the financial statements	1,275	3,134
Note 7: Contingent Liabilities		
Customs & immigration bonds	24,982	24,930
Note 8: Dividends Paid/Payable On Ordinary Shares		
Final dividend – prior year	131,414	65,707
Interim dividend	50,544	65,707
	181,958	131,414

An interim dividend of \$0.20 per share (2023: \$0.26 per share) was approved by the Board of Directors on 24 July 2024, and will be paid on 26 August 2024 to shareholders of record as at 7 August 2024. This interim dividend, amounting to \$50,544,000 (2023: \$65,707,000) has not been recognised in these interim financial statements. It will be recognised in shareholders' equity in the year to 31 December 2024.