



National Flour Mills Limited and its Subsidiary

UNAUDITED RESULTS AS AT JUNE 30, 2024 (EXPRESSED IN THOUSANDS OF TRINIDAD AND TOBAGO DOLLARS)

CHAIRMAN'S REVIEW

Dear Shareholders

I am pleased to report that NFM continues to earn healthy profits, ending the first half of 2024 with a profit after tax of \$20.5M, a 29% increase over the same period in 2023. It should be noted that while overall volumes increased by more than 5% year-on-year, revenue declined by 12% driven by significant decreases in prices as we shared the benefit of lower grain prices with our customers.

Prudent management of grain purchases, helped by stability in grain markets, led to an increase in our gross profit margins; and lower sales and finance costs paved the way for an increase in our net profit margin from 5.5% in the first half of 2023 to 8.1% this year. In addition to passing on some of the savings achieved to our customers we continued to sharpen the saw, investing in upgrades to our plant and machinery.

We are pleased to report that our new 2kg packaging line was installed and commissioned. This new line will improve not only the quality of our products but also our production efficiency. Planned upgrades to our packaging lines for the next three quarters will also increase efficiency while allowing us to introduce new, exciting product offerings. Additionally, we will begin transitioning some of our existing products to more modern, consumer-friendly packaging.

In keeping with our promise to create value, we continue to support our customers with various initiatives. We hosted a Baking Mastery Workshop for our customers in collaboration with our partners, the U.S Wheat Associates. We also continued to provide technical solutions for issues faced by our feed customers helping them to respond to the growing threat of imported meats.

The ability to deliver on time and in full remains an important metric for us and in an effort to provide better service to our customers in Central and South Trinidad, we launched the distribution of food products from our location in Central Trinidad. Informed by ongoing feedback from our customer surveys, we will continue to improve the quality of our products and services.

I wish to thank the NFM team and my fellow directors for their continued dedication and support as we learn, grow and develop the company. Together, we will continue to make and keep commitments that will allow us to take NFM from strength to strength.


Nigel Romano
Chairman

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED SIX MONTHS ENDED		AUDITED
	30-Jun-24	30-Jun-23	31-Dec-23
	\$'000	\$'000	\$'000
ASSETS			
Current assets			
Cash and cash equivalents	51,571	41,296	18,305
Accounts receivable and prepayments	94,665	87,584	90,824
Amounts due from the GORTT	-	752	-
Inventories	79,664	130,590	131,071
Restricted deposit	1,598	1,593	1,598
Taxation recoverable	4,266	4,266	4,266
	<u>231,764</u>	<u>266,081</u>	<u>246,064</u>
Non-current assets			
Retirement benefit asset	15,190	17,739	12,567
Investment at fair value through OCI	866	724	866
Right of use asset	3,850	4,759	4,317
Property, plant and equipment	176,385	152,628	168,754
Intangible assets	1,176	1,309	1,069
Deferred tax assets	<u>13,384</u>	<u>11,914</u>	<u>13,384</u>
	<u>210,851</u>	<u>189,073</u>	<u>200,957</u>
Total assets	<u>442,615</u>	<u>455,154</u>	<u>447,021</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accruals	49,179	57,273	41,064
Amount due to the GORTT	90	62	285
Borrowings	-	35,000	25,000
Current portion of lease liabilities	2,378	1,200	2,378
Taxation payable	-	6,002	8,901
Related parties	<u>76</u>	<u>134</u>	<u>76</u>
	<u>51,723</u>	<u>99,671</u>	<u>77,704</u>
Non-current liabilities			
Deferred taxation	37,874	38,470	37,874
Medical and life assurance plan	38,982	37,234	37,452
Lease liabilities	<u>3,512</u>	<u>5,122</u>	<u>4,043</u>
	<u>80,368</u>	<u>80,826</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	196,381	159,644	175,805
Other reserves	<u>(1,868)</u>	<u>(1,868)</u>	<u>(1,868)</u>
Total equity	<u>310,524</u>	<u>274,657</u>	<u>289,948</u>
Total liabilities and shareholders' equity	<u>442,615</u>	<u>455,154</u>	<u>447,021</u>

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated Capital \$'000	Treasury Shares \$'000	Retained Earnings \$'000	Other Reserves \$'000	Total \$'000
Balance as at January 1, 2024	120,200	(4,189)	175,805	(1,868)	289,948
Profit/(loss) for the period	-	-	20,531	-	20,531
Other movements	-	-	46	-	46
Balance as at June 30, 2024	<u>120,200</u>	<u>(4,189)</u>	<u>196,381</u>	<u>(1,868)</u>	<u>310,524</u>
Balance as at January 1, 2023	120,200	(3,319)	145,776	(1,868)	260,789
Profit/(loss) for the period	-	-	15,921	-	15,921
Other movements	-	-	(2,053)	-	(2,053)
Balance as at June 30, 2023	<u>120,200</u>	<u>(3,319)</u>	<u>159,644</u>	<u>(1,868)</u>	<u>274,657</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 SIX MONTHS ENDED JUNE 30, 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 June 30, 2024 prepared in accordance with International Financial Reporting Standards.

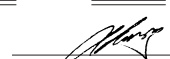
SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED SIX MONTHS ENDED		AUDITED
	30-Jun-24	30-Jun-23	31-Dec-23
	\$'000	\$'000	\$'000
Revenue	253,312	289,226	577,333
Cost of sales	(182,329)	(216,013)	(425,283)
Gross profit	70,983	73,213	152,050
Selling and distribution expenses	(21,459)	(21,773)	(47,456)
Administrative expenses	(26,150)	(24,998)	(52,117)
Other operating income	3,171	2,772	6,843
Operating profit/(loss)	26,545	29,214	59,320
Finance cost	(505)	(3,923)	(5,063)
Profit/(loss) before taxation	26,040	25,291	54,257
Taxation	(5,509)	(9,370)	(18,805)
Profit/(loss) after taxation	<u>20,531</u>	<u>15,921</u>	<u>35,452</u>
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>20,531</u>	<u>15,921</u>	<u>32,931</u>
Basic earnings per share (in cents)	17.39	13.49	30.03

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED SIX MONTHS ENDED		AUDITED
	30-Jun-24	30-Jun-23	31-Dec-23
	\$'000	\$'000	\$'000
Cash flows from operating activities			
Profit/(loss) before taxation	26,040	25,291	54,257
Adjustments for:			
Depreciation	9,149	7,476	15,102
Amortisation	710	841	1,527
Lease interest expense	174	174	319
Interest and finance costs	(90)	2,973	4,027
Interest income	(5)	(25)	(171)
Dividend income	(158)	(1)	(192)
Gain or loss on foreign exchange	45	1,554	717
(Loss)/gain on revaluation of treasury shares	-	-	(870)
Retirement benefit expense	-	-	5,449
Medical plan expense	2,078	-	3,184
Retirement benefit asset contributions paid	(2,623)	(4,341)	(7,434)
Medical and life assurance plan contributions paid	(548)	1,480	(1,232)
Provision for doubtful accounts	600	600	(686)
Gain on investment at fair value through OCI	-	-	(142)
Operating profit before working capital changes	35,372	36,022	73,855
Changes in working capital:			
(Increase)/decrease in accounts receivable and prepayments	(4,441)	(5,132)	(11,233)
(Increase)/decrease in inventories	51,407	42,963	42,482
Increase/(decrease) in accounts payable and accruals	8,115	(31,419)	(47,628)
Increase/decrease in amounts due to/from GORTT	(195)	180	1,155
Increase in current amounts due to related parties	-	-	(58)
Taxes refunded	-	-	4,147
Cash generated from operating activities	<u>90,258</u>	<u>42,614</u>	<u>62,720</u>
Interest paid	90	(2,973)	(4,921)
Taxes paid	<u>(14,410)</u>	<u>(3,370)</u>	<u>(11,055)</u>
Net cash generated from operating activities	<u>75,939</u>	<u>36,271</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	10	1	-
Sale of investments	-	-	14
Purchase of property, plant and equipment	(16,791)	(3,544)	(27,298)
Dividend income	158	1	192
Interest received on investments	5	25	171
Purchase of intangible assets	(350)	-	(3)
Net cash used in investing activities	<u>(16,968)</u>	<u>(3,517)</u>	<u>(21,478)</u>
Cash flows from financing activities			
Borrowings repaid	(25,000)	(40,757)	(50,757)
Dividends paid	-	-	(3,606)
Lease liability repaid	(705)	(1,069)	(1,121)
Net cash (used in)/generated from financing activities	<u>(25,705)</u>	<u>(41,826)</u>	<u>(55,484)</u>
Net change in cash and cash equivalents	33,266	(9,072)	(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>51,571</u>	<u>39,451</u>	<u>18,305</u>

 Director

 Director