

CHAIRMAN'S REVIEW

West Indian Tobacco has recorded Profit Before Taxation of \$128.8 million, for the three-month period ended 31st March 2021, representing a decline of \$22 million or 14.6% over the corresponding period last year. Profit for the period is \$91.4 million reflecting a decline of \$13.5 million or 12.9% less than 2020.

These results reflect the continued impact of COVID-19 and the absence of Carnival celebrations during this period. The challenging business environment coupled with a 20% increase in Excise Tax levied in 2020 and its effect on consumer purchasing power must also be noted. Competition from the growing list of suspected illicit trade and low-price offerings continues to engage the industry.

As the new reality of COVID-19 continues to affect our landscape, the Company continues to leverage its agility and Route to Market processes to ensure that our products are available to all our Customers on time and in full.

Operationally, cost-saving opportunities continue to be realized by simplifying key business processes while ensuring that our Employees are retained and functioning under exemplary COVID-19 and Environmental, Health and Safety protocols. We continue to ensure that our Brand portfolio remains relevant and dynamic, targeting consumers in all segments of the market while recognizing the changing purchasing patterns of consumers.

Notwithstanding the challenging economic environment, and the restrictions associated with the Pandemic, we are confident in our innovativeness during this period. The Company continues to comply with all Public Health Regulations and fully supports the efforts of the Government of Trinidad and Tobago as they manage and reduce the impact of this Pandemic.

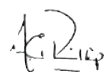
Considering the continuing uncertainty of the full impact of COVID-19 on our business, the Board has taken a decision not to pay an interim dividend for the three months ended 31 March 2021.



Anthony E Phillip
Chairman
04 May 2021

CONDENSED STATEMENT OF FINANCIAL POSITION

	UNAUDITED 31.03.21 TT\$'000	UNAUDITED 31.03.20 TT\$'000	AUDITED 31.12.20 TT\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	247,112	246,604	249,763
Deferred income tax asset	7,321	12,390	8,488
	<u>254,433</u>	<u>258,994</u>	<u>258,251</u>
Current assets			
Inventories	45,727	35,414	46,916
Trade and other receivables	95,220	108,801	50,818
Taxation recoverable	4,917	4,940	4,917
Cash and cash equivalents	516,348	375,817	447,921
	<u>662,212</u>	<u>524,972</u>	<u>550,572</u>
Total assets	916,645	783,966	808,823
EQUITY			
Share capital	42,120	42,120	42,120
Revaluation surplus	59,648	60,599	59,886
Retained earnings	545,297	453,880	475,456
Total equity	647,065	556,599	577,462
LIABILITIES			
Non-current liabilities			
Deferred income tax liability	37,733	38,875	39,568
Retirement benefit obligation	18,954	36,260	18,902
Post-employment medical benefit obligation	5,131	3,464	5,232
Lease liabilities	724	1,332	858
	<u>62,542</u>	<u>79,931</u>	<u>64,560</u>
Current liabilities			
Trade and other payables	166,457	98,889	117,406
Due to parent company	-	7,318	7,348
Dividends payable	40,345	37,775	40,648
Taxation payable	-	1,859	778
Lease liabilities	236	1,595	621
	<u>207,038</u>	<u>147,436</u>	<u>166,801</u>
Total liabilities	269,580	227,367	231,361
Total equity and liabilities	916,645	783,966	808,823



Anthony E Phillip
Chairman



Laurent Meffre
Managing Director

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED Three Months Ended 31.03.21 TT\$'000	UNAUDITED Three Months Ended 31.03.20 TT\$'000
Revenue	199,669	232,785
Cost of sales	(42,651)	(51,532)
Gross profit	157,018	181,253
Distribution costs	(3,228)	(4,673)
Administrative expenses	(18,457)	(17,969)
Other operating expenses	(6,447)	(8,317)
Operating profit	128,886	150,294
Finance income	24	652
Finance cost	(62)	(93)
Profit before taxation	128,848	150,853
Income tax expense	(37,421)	(45,937)
Profit for the period	91,427	104,916
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Re-measurement of retirement and post-employment benefit obligations - net of tax	(22)	429
Other comprehensive income - net of tax	(22)	429
Total comprehensive income for the period	91,405	105,345
Profit attributable to		
Controlling interest	45,830	52,592
Non-controlling interest	45,597	52,324
	<u>91,427</u>	<u>104,916</u>
Total comprehensive income attributable to:		
Controlling interest	45,819	52,807
Non-controlling interest	45,586	52,538
	<u>91,405</u>	<u>105,345</u>
Earnings per ordinary share	\$0.36	\$0.42

CONDENSED STATEMENT OF CASH FLOWS

	UNAUDITED Three Months Ended 31.03.21 TT\$'000	UNAUDITED Three Months Ended 31.03.20 TT\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	128,848	150,853
Adjustments for:		
Depreciation	3,107	2,967
Net decrease in retirement and other post-employment benefit obligations excluding actuarial losses	(81)	(1,105)
Interest income	(24)	(652)
Interest expense	62	93
Operating profit before working capital changes	131,912	152,156
Changes in working capital:		
Decrease in inventories	1,189	1,213
(Increase) in trade and other receivables	(44,402)	(28,908)
Increase/(Decrease) in trade and other payables	54,559	(459)
(Decrease) in due to parent company	(7,348)	(27)
(Decrease) in lease liabilities	-	(651)
Cash generated from operating activities	135,910	123,324
Taxation paid	(44,364)	(45,957)
Net cash from operating activities	91,546	77,367
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(457)	(1,087)
Interest received	24	652
Interest expense	-	(93)
Net cash used in investing activities	(433)	(528)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Dividends paid	(22,104)	(1,041)
Lease payment	(581)	-
Net cash used in financing activities	(22,685)	(1,041)
Net increase in cash & cash equivalents	68,428	75,798
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	447,921	300,018
CASH AND CASH EQUIVALENTS AT END OF PERIOD	516,349	375,816
Represented by:		
Cash at bank and in hand	374,645	253,933
Short-term deposits	141,704	121,883
	<u>516,349</u>	<u>375,816</u>

CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital	Revaluation Surplus	Retained Earnings	Shareholders' Equity
	TT\$'000	TT\$'000	TT\$'000	TT\$'000
Unaudited three months ended 31 March 2021				
Balance at 1 January 2021	42,120	59,886	475,456	577,462
Comprehensive income				
Profit for the period	-	-	91,427	91,427
Other comprehensive income				
Re-measurement of retirement and post-employment benefit obligations - net of tax	-	-	(22)	(22)
Depreciation transfer on buildings - net of tax	-	(238)	238	-
Transactions with owners				
Dividends	-	-	(21,802)	(21,802)
Balance at 31 March 2021	42,120	59,648	545,297	647,065
Unaudited three months ended 31 March 2020				
Balance at 1 January 2020	42,120	60,836	348,298	451,254
Comprehensive income				
Profit for the period	-	-	104,916	104,916
Other comprehensive income				
Re-measurement of retirement and post-employment benefit obligations - net of tax	-	-	429	429
Depreciation transfer on buildings - net of tax	-	(237)	237	-
Balance at 31 March 2020	42,120	60,599	453,880	556,599

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2021

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 condensed consolidated financial information was approved for issue on 04 May 2021.

Note 2: Basis of Preparation

This condensed consolidated financial information for the three month period ended 31 March 2021, has been prepared in accordance with International Accounting Standard 34 (IAS34), 'Interim Financial Reporting' as well as the requirements of the Securities Act 2012 which goes beyond IAS 34. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Note 3: Significant Accounting Policies

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and in accordance with International Financial Reporting Standards (IFRS).

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2020, as described in those annual financial statements with the exception of taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Note 4: Segment information

Primary reporting format – geographical segment

	Domestic	CARICOM	Unallocated	Total
	TT\$'000	TT\$'000	TT\$'000	TT\$'000
Three months ended 31 March 2021				
Revenue	176,831	22,838	-	199,669
Gross profit	153,890	3,128	-	157,018
Profit for the three months includes:				
- depreciation			(3,107)	(3,107)
Three months ended 31 March 2020				
Revenue	207,611	25,174	-	232,785
Gross profit	178,156	3,097	-	181,253
Profit for the three months includes:				
- depreciation			(2,967)	(2,967)
Total Segment assets				
31 March 2021	105,912	35,035	775,698	916,645
31 March 2020	111,014	33,201	639,751	783,966
Total segment assets include additions to property, plant and equipment as follows:				
31 March 2021			457	457
31 March 2020			1,087	1,087

The Company is organised and managed on the basis of two geographic regions, namely the Domestic market and 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.

The Company has several transactions and relationships with related parties as defined by IAS 24 Related Party Disclosures, all of which are undertaken in the normal course of business.

These transactions include the sale and purchase of manufactured cigarettes and raw materials and charges for Royalties, Services and Fees. The recharges of services include reimbursement for shared employee costs and writeoffs relating to contract manufacturing.

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.

	31.03.21	31.03.20
	TT\$'000	TT\$'000
Note 5: Related Party Transactions		
Sale of goods and services:		
Sale of goods - related parties	22,838	25,174
Purchase of goods and services:		
Purchase of goods - related parties	11,085	14,850
Purchase of services - related parties	8,462	16,661
Purchase of services - parent company	7,504	9,181
Period end balances arising from sales/purchases of goods and services:		
Receivables from related parties	16,655	20,647
Payables to related parties	8,417	12,651
Payables to parent company	-	7,318
Key management compensation		
Salaries and other short-term employee benefits	3,068	3,241
Post-retirement medical obligations	1	1
Post-retirement benefits	28	116
Note 6: Capital Commitments		
Authorised and contracted for, and not provided for in the financial statements	10,730	10,967
Note 7: Contingent Liabilities		
Customs & immigration bonds	18,930	16,937
Note 8: Dividends Paid On Ordinary Shares		

Considering the continuing uncertainty of the full impact of COVID-19 on our business, the Board has taken a decision not to pay an interim dividend for the three months ended 31 March 2021.