

## CHAIRMAN'S REVIEW

West Indian Tobacco has recorded a Profit after Taxation of \$92 million for the three-month period ended 31st March 2022, representing an increase of \$0.6 million or 0.7% over the corresponding period last year.

Revenue increased by \$2.4 million or 1.2% over the same period last year driven mainly by increased volumes and a sales mix improvement given that the entertainment channels were reopened with the gradual removal of COVID-19 restrictions. There has also been a significant increase in the Cost of Sales owing to a combination of factors including higher royalties and increased costs of direct raw materials.

The Company recognises that investment in its brands is critical to ensure that the portfolio remains relevant and dynamic as we operate in a challenging economic environment. We continue to be responsive in the ongoing process of portfolio transformation initiatives focused on meeting consumer needs. To this end, we will continue to leverage our robust Route to Market processes to ensure that our products are available to all our customers on time and in full.

Directors have considered the current operating and global environment and the volatility of associated economic factors and have taken the decision not to pay an interim dividend based on the results for the three-month period ended 31 March 2022.



**Ingrid Lashley**  
Chairman  
06 May 2022

## SUMMARY STATEMENT OF FINANCIAL POSITION

	UNAUDITED 31.03.22 TT\$'000	UNAUDITED 31.03.21 TT\$'000	AUDITED 31.12.21 TT\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	265,861	247,112	264,337
Deferred income tax asset	4,943	7,321	466
Retirement benefit asset	4,679	-	3,344
	<u>275,483</u>	<u>254,433</u>	<u>268,147</u>
<b>Current assets</b>			
Inventories	50,318	45,727	50,643
Trade and other receivables	152,292	95,220	126,877
Taxation recoverable	4,917	4,917	4,917
Cash and cash equivalents	371,317	516,348	368,496
	<u>578,844</u>	<u>662,212</u>	<u>550,933</u>
<b>Total assets</b>	<b>854,327</b>	<b>916,645</b>	<b>819,080</b>
<b>EQUITY</b>			
Share capital	42,120	42,120	42,120
Revaluation surplus	58,698	59,648	58,936
Retained earnings	551,494	545,297	499,283
<b>Total equity</b>	<b>652,312</b>	<b>647,065</b>	<b>600,339</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income tax liability	47,367	37,733	43,708
Retirement benefit obligation	-	18,954	-
Post-employment medical benefit obligation	4,896	5,131	5,028
Lease liabilities	589	724	535
	<u>52,852</u>	<u>62,542</u>	<u>49,271</u>
<b>Current liabilities</b>			
Trade and other payables	104,425	166,457	125,570
Dividends payable	44,454	40,345	43,360
Lease liabilities	284	236	540
	<u>149,163</u>	<u>207,038</u>	<u>169,470</u>
<b>Total liabilities</b>	<b>202,015</b>	<b>269,580</b>	<b>218,741</b>
<b>Total equity and liabilities</b>	<b>854,327</b>	<b>916,645</b>	<b>819,080</b>



**Ingrid Lashley**  
Chairman



**Laurent Meffre**  
Managing Director

## SUMMARY STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED Three Months Ended 31.03.22 TT\$'000	UNAUDITED Three Months Ended 31.03.21 TT\$'000
<b>Revenue</b>	<b>202,055</b>	<b>199,669</b>
Cost of sales	(52,793)	(42,651)
<b>Gross profit</b>	<b>149,262</b>	<b>157,018</b>
Distribution costs	(1,102)	(3,228)
Administrative expenses	(13,541)	(18,457)
Other operating expenses	(5,381)	(6,447)
<b>Operating profit</b>	<b>129,238</b>	<b>128,886</b>
Finance income	47	24
Finance cost	(38)	(62)
<b>Profit before taxation</b>	<b>129,247</b>	<b>128,848</b>
Taxation	(37,199)	(37,421)
<b>Profit for the period</b>	<b>92,048</b>	<b>91,427</b>
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Re-measurement of retirement and post-employment benefit obligations	-	31
Related tax	-	(9)
<b>Other comprehensive income – net of tax</b>	<b>-</b>	<b>(22)</b>
<b>Total comprehensive income for the period</b>	<b>92,048</b>	<b>91,405</b>
Earnings per ordinary share	\$0.36	\$0.36

## SUMMARY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital TT\$'000	Revaluation Surplus TT\$'000	Retained Earnings TT\$'000	Shareholders' Equity TT\$'000
<b>Unaudited Three Months Ended 31 March 2022</b>				
Balance at 1 January 2022	42,120	58,936	499,283	600,339
<b>Comprehensive income</b>				
Profit for the period	-	-	92,048	92,048
<b>Other comprehensive income</b>				
Re-measurement of retirement and post-employment benefit obligations - net of tax	-	-	-	-
Depreciation transfer on buildings - net of tax	-	(238)	238	-
<b>Transactions with owners</b>				
Dividends	-	-	(40,075)	(40,075)
<b>Balance at 31 March 2022</b>	<b>42,120</b>	<b>58,698</b>	<b>551,494</b>	<b>652,312</b>
<b>Unaudited Three Months Ended 31 March 2021</b>				
Balance at 1 January 2021	42,120	59,886	475,456	577,462
<b>Comprehensive income</b>				
Profit for the period	-	-	91,427	91,427
<b>Other comprehensive income</b>				
Re-measurement of retirement and post-employment benefit obligations - net of tax	-	-	(22)	(22)
Depreciation transfer on buildings - net of tax	-	(238)	238	-
<b>Transactions with owners</b>				
Dividends	-	-	(21,802)	(21,802)
<b>Balance at 31 March 2021</b>	<b>42,120</b>	<b>59,648</b>	<b>545,297</b>	<b>647,065</b>

# UNAUDITED INTERIM RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2022

## SUMMARY STATEMENT OF CASH FLOWS

	UNAUDITED Three Months Ended 31.03.22 TT\$'000	UNAUDITED Three Months Ended 31.03.21 TT\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	129,247	128,848
Adjustments for:		
Depreciation	3,595	3,107
Net increase/(decrease) in retirement and other post-employment benefits obligations excluding actuarial losses	1,203	(81)
Interest income	(47)	(24)
Interest expense	38	62
<b>Operating profit before working capital changes</b>	<b>134,036</b>	<b>131,912</b>
Changes in working capital:		
Decrease in inventories	325	1,189
Increase in trade and other receivables	(25,415)	(44,402)
(Decrease)/increase in trade and other payables	(24,330)	54,559
Decrease in due to parent company	-	(7,348)
<b>Cash generated from operating activities</b>	<b>84,616</b>	<b>135,910</b>
Interest paid	(38)	(62)
Taxation paid	(37,503)	(44,364)
<b>Net cash from operating activities</b>	<b>47,075</b>	<b>91,484</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(5,118)	(457)
Interest received	47	24
<b>Net cash used in investing activities</b>	<b>(5,071)</b>	<b>(433)</b>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Dividends paid	(38,981)	(22,104)
Lease payments	(202)	(519)
<b>Net cash used in financing activities</b>	<b>(39,183)</b>	<b>(22,623)</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,821</b>	<b>68,428</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>368,496</b>	<b>447,921</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>371,317</b>	<b>516,349</b>
<b>Represented by:</b>		
Cash at bank and in hand	228,861	374,645
Short-term deposits	142,456	141,704
	<b>371,317</b>	<b>516,349</b>

## NOTES TO THE SUMMARY INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022

### 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 06 May 2022.

### Note 2: Basis of Preparation

This summary financial information for the three-month period ended 31 March 2022, 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 summary interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2021, 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 2021, 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 TT\$'000	CARICOM TT\$'000	Unallocated TT\$'000	Total TT\$'000
<b>Three months ended 31 March 2022</b>				
Revenue	173,613	28,442	-	202,055
Gross Profit	147,303	1,959	-	149,262
Profit for the period includes:				
- Depreciation			(3,595)	(3,595)
<b>Three months ended 31 March 2021</b>				
Revenue	176,831	22,838	-	199,669
Gross Profit	153,890	3,128	-	157,018
Profit for the period includes:				
- Depreciation			(3,107)	(3,107)
<b>Total Segment assets</b>				
31 March 2022	150,281	50,174	653,872	854,327
31 March 2021	105,912	35,035	775,698	916,645
Total segment assets include additions to property, plant and equipment as follows:				
31 March 2022			5,118	5,118
31 March 2021			457	457

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.

### 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 two customers of the Company's Domestic segment represented approximately \$173,613,000 (2021: \$176,831,000) of the Company's total revenues. This consists of a 50% split between the two companies.

	31.03.22 TT\$'000	31.03.21 TT\$'000
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### Note 5: Related Party Transactions

#### Sale of goods and services:

Sale of goods - related parties	28,443	22,838
Recharge of services - related parties	7,619	-

#### Purchase of goods and services:

Purchase of goods - related parties	18,354	11,085
Purchase of services - related parties	13,520	11,347
Purchase of services - parent company	4,141	4,619

#### Period end balances arising from sales/purchases of goods and services:

Receivables from related parties	27,474	16,655
Payables to related parties	22,173	8,417

#### Key management compensation

Salaries and other short-term employee benefits	3,046	3,068
Post-retirement medical obligations	1	1
Post-retirement benefits	46	28

### Note 6: Capital Commitments

Authorised and contracted for, and not provided for in the financial statements	7,020	10,730
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### Note 7: Contingent Liabilities

Customs & immigration bonds	22,930	18,930
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### Note 8: Dividends Paid On Ordinary Shares

Final dividend – prior year	176,904	192,067
	176,904	192,067

The Board has taken the decision not to pay an interim dividend for the three months ended 31 March 2022.