



Unilever Caribbean Limited

Unaudited Financial Statements

for the Half Year ended 30 June 2020

Expressed in Trinidad & Tobago Dollars

CHAIRMAN'S REVIEW

The Company delivered improved top and bottom line results in H1 2020. Revenue was TT\$147.6m, 7.1% above H1-2019, driven by strong year-to-date growth in all Categories. The impact of the recent restructuring initiatives is reflected in the Gross Profit improvement by 29.9% to TT\$65.9m and an increase in the PBT to TT\$8.5m, from TT\$1.0m, a year ago. Continued disciplined cash flow management improved the cash position by 86% to TT\$32.7m.

Q2-2020 Revenue was TT\$66.2m, a 9.1% decline versus Q2-2019. This was impacted by the exit of Sales to related companies (TT\$3.7m in Q2-2019) and declines in the Homecare category as the trade and consumers adjusted purchase patterns following the late Q1 surge.

Logistics transition costs increased Cost of Sales by TT\$6m in Q2, but Gross Margin nonetheless improved to 43.4% vs 37.9% in Q2-2019. Half-year Gross Margin increased to 44.7%, up from 36.8% a year ago. Selling and Distribution expenses increased, but Administrative expenses were significantly reduced. The Company incurred TT\$2.2m in asset write-downs from proceeds of sales that were less than the estimated net realizable value, initially charged to restructuring expenses in 2019. PBT for the Quarter was TT\$1.9m compared to a Loss before Tax of TT\$1.0m the year before.

The company launched impactful innovations such as anti-bacterial variants within its QUIX and CIF portfolios and has entered new consumer segments with BABY DOVE and SUAVE KIDS, creating new avenues for growth which will be supported by increased Marketing investment. The Value and Affordability portfolio is delivering accretive growth and will continue to be developed through an expanded assortment and enhanced distribution capabilities.

The company will continue to prioritise the safety of its employees in these challenging times, while focusing on driving volume-led profitable growth, operational excellence and further strengthening of its cash position.


Rodrigo Sotomayor,
Chairman

SUMMARY STATEMENT OF FINANCIAL POSITION

	Unaudited as at 30 June 2020 \$'000	30 June 2019 \$'000	Audited 31-Dec-19 \$'000
ASSETS			
Non-current assets			
Property, plant and equipment	62,428	142,471	66,002
Retirement benefit asset	92,203	56,433	91,017
Deferred tax asset	14,462	8,557	15,678
	169,093	207,461	172,697
Current assets			
Inventories	44,824	50,212	45,000
Taxation recoverable	7,102	9,934	9,703
Trade and other receivables	98,328	66,779	95,695
Value added tax recoverable	9,163	20,761	12,516
Due from related companies	62,929	138,439	103,063
Cash at bank and in hand	32,671	17,604	23,705
	255,017	303,729	289,682
Total assets	424,110	511,190	462,379
EQUITY AND LIABILITIES			
EQUITY			
Stated capital	26,244	26,244	26,244
Property revaluation surplus	35,643	35,643	35,643
Retained earnings	204,279	252,699	198,346
Total equity	266,166	314,586	260,233
LIABILITIES			
Non-current liabilities			
Retirement and termination benefit obligation	10,397	26,428	10,777
Lease liabilities	364	10,199	364
Deferred tax liabilities	26,416	34,754	25,917
	37,177	71,381	37,058
Current liabilities			
Trade and other payables	57,026	93,081	81,006
Lease liabilities	4,844	6,113	9,872
Provisions for other liabilities	4,298	3,811	36,205
Due to parent and related companies	54,599	22,218	38,005
	120,767	125,223	165,088
Total liabilities	157,944	196,604	202,146
Total equity and liabilities	424,110	511,190	462,379


John De Silva, Managing Director


Nicholas Gomez, Director

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

1. Basis of preparation. These summary financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).

2. Summary of significant accounting policies. The principal accounting policies applied in the preparation of these summary financial statements are consistent with those disclosed in the audited financial statements as at and for the year ended December 31, 2019, and have been consistently applied to all periods presented, unless otherwise stated,

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited 3 months ended		Unaudited 6 months ended		Audited
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	31 Dec 2019
	\$'000	\$'000	\$'000	\$'000	\$'000
Continuing operations					
Revenue	66,182	72,791	147,617	137,791	284,548
Cost of sales	(37,430)	(45,170)	(81,700)	(87,061)	(179,194)
Gross profit	28,752	27,621	65,917	50,730	105,354
Selling and distribution costs	(20,580)	(19,643)	(44,293)	(36,972)	(76,227)
Administrative expenses	(4,856)	(10,746)	(12,437)	(16,709)	(26,809)
Impairment gain/(loss) on trade receivables	238	(187)	248	282	(1,235)
Asset write-downs	(2,198)	-	(2,198)	-	-
Loss on disposal of plant and equipment	-	-	-	-	(619)
Operating profit/(loss)	1,356	(2,955)	7,237	(2,669)	464
Restructuring cost	-	-	-	-	(103,744)
Operating profit/(loss) after restructuring	1,356	(2,955)	7,237	(2,669)	(103,280)
Finance (expense)/income	(134)	1,025	(135)	2,094	419
Other income	725	930	1,432	1,615	3,796
Profit/(loss) before taxation	1,947	(1,000)	8,534	1,040	(99,065)
Tax (expense)/credit	(578)	(64)	(2,601)	(659)	23,548
Profit/(loss) from continuing operations	1,369	(1,064)	5,933	381	(75,517)
Discontinued operations					
Loss from discontinued operations, net of tax	-	-	-	-	(418)
Profit/(loss) for the period	1,369	(1,064)	5,933	381	(75,935)
Other comprehensive income					
Re-measurements of defined benefit asset/ liability	-	-	-	-	30,970
Related tax	-	-	-	-	(9,291)
Total comprehensive income/(loss) for the period	1,369	(1,064)	5,933	381	(54,256)
Earnings/(loss) per share-continuing operations	0.05	(0.04)	0.23	0.01	(2.88)
Earnings/(loss) per share-discontinued operations	0.00	0.00	0.00	0.00	(0.01)
Total earnings/(loss) per share	0.05	(0.04)	0.23	0.01	(2.89)

SUMMARY STATEMENT OF CASH FLOWS

	Unaudited 3 months ended		Unaudited 6 months ended		Audited
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	31 Dec 2019
	\$'000	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(loss) before taxation	1,947	(1,000)	8,534	1,040	(99,065)
Continued operations	-	-	-	-	(557)
Discontinued operations	-	-	-	-	(557)
Adjustment for items not affecting working capital	4,733	6,538	6,620	7,764	79,681
Operating profit/(loss) before working capital changes	6,680	5,538	15,154	8,804	(19,941)
Net decrease in working capital	9,931	10,514	1,989	8,759	52,016
Cash flows generated from operating activities	16,611	16,052	17,143	17,563	32,075
Taxation & interest paid	(518)	(313)	(1,108)	(1,491)	(2,784)
Net cash generated from operating activities	16,093	15,739	16,035	16,072	29,291
Cash flows (used in)/generated from investing activities					
Interest received	-	1,220	117	2,437	1,409
Purchase of plant and equipment	(805)	(104)	(1,906)	(1,674)	(2,134)
Net cash (used in)/generated from investing activities	(805)	1,116	(1,789)	763	(725)
Cash flows used in financing activities					
Dividends paid	-	(56,949)	-	(56,949)	(56,949)
Payment of lease liabilities	(2,472)	(5,875)	(5,280)	(5,875)	(11,505)
Net cash flows used in financing activities	(2,472)	(62,824)	(5,280)	(62,824)	(68,454)
Increase/(Decrease) in cash and cash equivalents	12,816	(45,969)	8,966	(45,989)	(39,888)
Cash and cash equivalents at beginning of period	19,855	63,573	23,705	63,593	63,593
Cash and cash equivalents at the end of period	32,671	17,604	32,671	17,604	23,705
Represented by: Cash at bank and in hand	32,671	17,604	32,671	17,604	23,705

SUMMARY STATEMENT OF CHANGES IN EQUITY

	Stated Capital \$'000	Property Revaluation Surplus \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance as at 1 January, 2020	26,244	35,643	198,346	260,233
Total comprehensive income for the period	-	-	5,933	5,933
Balance as at 30 June, 2020	26,244	35,643	204,279	266,166
Balance as at 1 January, 2019	26,244	35,643	309,722	371,609
Adjustment on initial application of IFRS 16	-	-	(171)	(171)
Adjusted balance at January 1, 2019	26,244	35,643	309,551	371,438
Total comprehensive loss for the period	-	-	(54,256)	(54,256)
Dividends paid	-	-	(56,949)	(56,949)
Balance as at 31 December, 2019	26,244	35,643	198,346	260,233