



Unilever Caribbean Limited

Unaudited Financial Statements

for the Period ended 30 September, 2023

Expressed in Trinidad & Tobago Dollars

CHAIRMAN'S REVIEW

For the nine-month period ending September 30, 2023, the Company reported a Profit After Tax of \$13.3m, representing an increase of \$12.8m over the same period last year. This was achieved despite a decline in revenue of 14.6% from the prior comparative period to \$168.1m. The revenue performance was impacted by changing market forces in selected channels as well as the decline in the macroeconomic environment, resulting in declines in the Solution Wash sales in both the local and regional markets. This negative impact in the Home Care business overshadowed strong growth in the Beauty & Personal Care and Food channels.

Profitability, as measured by gross margin, has improved as the Company continues to recognise more favourable material and freight costs with an improved sales mix. Savings in operating expenses from improved efficiency and consistent cost management strategies have also facilitated margin improvements. Additionally, during this period, the Company recorded \$6.2m in freight and logistics benefits, which were related to the previous quarters of this year. These benefits arise out of the conclusion of global freight rate negotiations and the attendant reductions in freight rates in previous quarters. During the third quarter, Management has adjusted downwards pricing to pass these freight benefits on to our consumers. The impact of this \$6.2m reduction in freight expenses to the period ending June 30, 2023, was an increase in Gross profit from \$45.8m to \$52m and an increase in Profit before tax from \$8.7m to \$14.9m.

The Company's steadfast focus on accelerating profitable growth is supported by the improvement in the category mix, where increases in Beauty and Personal Care sales have contributed 59% of total year to date revenue, up from 39% in the prior comparative period. This significant shift in product mix has boosted profitability and is aligned to our strategic plan centered on portfolio optimisation and sustainable profitable growth for a future fit organisation.

Notwithstanding the challenging environment, local and in the Caribbean markets, UCL maintains a strong financial position, with healthy cash holdings and retained earnings, and reported Earnings Per Share (EPS) of \$0.51 for the period ending September 30, 2023.

Daniela Bucaro
Chairman

SUMMARY STATEMENT OF FINANCIAL POSITION

	Unaudited as at		Audited
	30 Sep 2023	30 Sep 2022	31 Dec 2022
	\$'000	\$'000	\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	4,235	6,996	4,285
Retirement benefit asset	102,056	147,263	99,142
Deferred tax asset	9,111	9,159	14,250
	115,402	163,418	117,677
Current assets			
Inventories	24,628	33,879	29,250
Taxation recoverable	7,575	7,575	7,575
Trade and other receivables	44,534	95,552	60,486
Value added tax recoverable	453	8,456	3,502
Due from related companies	36,132	70,454	74,491
Cash at bank and in hand	153,929	87,105	171,778
Assets held for sale	-	58,013	-
	267,251	361,034	347,082
	382,653	524,452	464,759
Total assets			
EQUITY AND LIABILITIES			
EQUITY			
Stated capital	26,244	26,244	26,244
Property revaluation surplus	-	36,568	-
Retained earnings	249,008	301,755	311,319
Total equity	275,252	364,567	337,563
LIABILITIES			
Non-current liabilities			
Retirement and termination benefit obligation	3,010	807	3,085
Lease liabilities	1,636	2,245	1,979
Deferred tax liabilities	30,135	43,374	29,105
	34,781	46,426	34,169
Current liabilities			
Trade and other payables	50,458	64,533	72,280
Lease liabilities	1,528	1,478	711
Provisions for other liabilities	2,682	11,818	5,158
Due to related companies	17,952	32,681	14,878
Liabilities directly associated with the assets held for sale	-	2,949	-
	72,620	113,459	93,027
Total liabilities	107,401	159,885	127,196
Total equity and liabilities	382,653	524,452	464,759

Jean-Marc Mouttet, Managing Director

Nicholas Gomez, Director

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited 3 months ended		Unaudited 9 months ended		Audited
	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022	31 Dec 2022
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	48,822	68,330	168,104	196,864	256,146
Cost of sales	(20,101)	(41,550)	(93,567)	(111,592)	(150,897)
Gross profit	28,721	26,780	74,537	85,272	105,249
Selling and distribution costs	(13,577)	(14,469)	(41,315)	(48,565)	(60,554)
Administrative expenses	(4,481)	(4,356)	(12,918)	(13,179)	(16,252)
Impairment (loss) reversal on trade receivables	(13)	(38)	421	358	358
Gain on disposal of plant and equipment	-	943	-	1,595	-
Operating profit	10,650	8,860	20,725	25,481	28,801
Restructuring cost comprising of:					
Net gain of property, plant and equipment	-	-	-	-	4,493
Manpower cost	-	(366)	(1,256)	(32,943)	(31,528)
Gain on curtailment and settlement	-	10,813	-	10,813	10,752
Other expenses	636	(1,721)	(1,777)	(6,974)	(14,272)
Restructuring cost	636	8,726	(3,033)	(29,104)	(30,555)
Operating profit/(loss) after restructuring	11,286	17,586	17,692	(3,623)	(1,754)
Finance income/(expense)	565	(131)	1,343	(290)	101
Other (expense) income	(1)	1,914	1,540	6,285	7,028
Profit before taxation	11,850	19,369	20,575	2,372	5,375
Taxation (expense)/credit	(3,800)	(6,295)	(7,304)	(1,900)	4,394
Profit for the period	8,050	13,074	13,271	472	9,769
Other comprehensive income/(loss)					
Re-measurements of defined benefit asset/ liability	-	-	-	-	(51,857)
Related tax	-	-	-	-	15,557
Total comprehensive income/(loss) for the period	8,050	13,074	13,271	472	(26,531)
Earnings per share	0.31	0.50	0.51	0.02	0.37

SUMMARY STATEMENT OF CASH FLOWS

	Unaudited 3 months ended		Unaudited 9 months ended		Audited
	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022	31-Dec-22
	\$'000	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation	11,850	19,369	20,575	2,372	5,375
Adjustment for items not affecting working capital	2,336	(14,104)	2,509	(15,472)	(17,511)
	14,186	5,265	23,084	(13,100)	(12,136)
Net (increase)/decrease in working capital	(12,254)	(9,996)	37,738	98,067	118,327
Cash flows generated from/(used in) operating activities	1,932	(4,731)	60,822	84,967	106,191
Taxation & interest paid	(352)	(438)	(1,753)	(1,727)	(2,237)
Net cash generated from/(used in) operating activities	1,580	(5,169)	59,069	83,240	103,954
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	625	69	2,158	108	551
Purchase of plant and equipment	-	-	-	-	(1,434)
Proceeds from sale of property, plant and equipment	-	953	-	1,726	67,345
Net cash generated from investing activities	625	1,022	2,158	1,834	66,462
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	(2,099)	-	(75,582)	(112,848)	(112,849)
Payment of lease liabilities	(1,323)	(1,085)	(3,494)	(3,253)	(3,921)
Net cash flows used in financing activities	(3,422)	(1,085)	(79,076)	(116,101)	(116,770)
(Decrease)/increase in cash and cash equivalents	(1,217)	(5,232)	(17,849)	(31,027)	53,646
Cash and cash equivalents at beginning of period	155,146	92,337	171,778	118,132	118,132
Cash and cash equivalents at end of period	153,929	87,105	153,929	87,105	171,778
Represented by: Cash at bank and in hand	153,929	87,105	153,929	87,105	171,778

SUMMARY STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Property Revaluation Surplus	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January, 2023	26,244	-	311,319	337,563
Total comprehensive income for the period	-	-	13,271	13,271
Dividends paid	-	-	(75,582)	(75,582)
Balance as at 30 September, 2023	26,244	-	249,008	275,252
Balance as at 1 January, 2022	26,244	36,568	414,131	476,943
Total comprehensive income for the period	-	-	472	472
Dividends paid	-	-	(112,848)	(112,848)
Balance as at 30 September, 2022	26,244	36,568	301,755	364,567
Balance as at 1 January, 2022	26,244	36,568	414,131	476,943
Total comprehensive loss for the period	-	-	(26,531)	(26,531)
Dividends paid	-	-	(112,849)	(112,849)
Transfer	-	(36,568)	36,568	-
Balance as at 31 December, 2022	26,244	-	311,319	337,563

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

1. General Information - Unilever Caribbean Limited is incorporated in the Republic of Trinidad and Tobago, and its registered office is located at Albion Plaza, Third Floor, 22-24 Victoria Avenue, Port of Spain. The Company is listed on the Trinidad and Tobago Stock Exchange. The principal business activity is the sale of home care, personal care and food products. It is a subsidiary of Unilever Overseas Holdings AG, which is a wholly owned subsidiary of Unilever PLC, a company incorporated in the United Kingdom.

2. Basis of preparation - These summary financial statements have been derived from the audited financial statements for the year ended 2022, which were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).

3. Significant accounting policies - The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold properties and re-measurements of retirement and termination benefit obligations. 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, 2022, and have been consistently applied to all periods presented, unless otherwise stated.