

CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT

FOR THE THREE MONTHS ENDED MARCH 31, 2020

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

J\$'000	Notes	UNAUDITED		AUDITED
		Three Months Jan to Mar		Year Jan to Dec
		2020	2019	2019
Revenue		4,547,914	4,451,385	17,764,664
Cost of sales		(2,680,338)	(2,303,767)	(10,596,112)
Gross profit		1,867,576	2,147,618	7,168,552
Operating expenses		(651,378)	(568,438)	(2,494,189)
Operating earnings before other (expenses) income, net	5	1,216,198	1,579,180	4,674,363
Other (expenses) income, net	6	(76,534)	(44,134)	(426,566)
Operating earnings		1,139,664	1,535,046	4,247,797
Financial income		2,179	3,256	11,719
Financial expenses		(163,777)	(236,044)	(881,740)
(Loss) gain on foreign exchange		(281,963)	66,856	(640,362)
Earnings before taxation		696,103	1,369,114	2,737,414
Taxation charge		(212,909)	(241,355)	(853,736)
CONSOLIDATED NET INCOME		483,194	1,127,759	1,883,678
Earnings per stock unit (expressed in \$ per stock unit)	3	0.57	1.33	2.21

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

J\$'000	UNAUDITED		AUDITED
	Three Months Jan to Mar		Year Jan to Dec
	2020	2019	2019
CONSOLIDATED NET INCOME	483,194	1,127,759	1,883,678
Items that will not be reclassified subsequently to the statement of profit or loss:			
Net actuarial gains from remeasurement of employee benefits obligation	-	-	29,840
Deferred income tax recognised directly in other comprehensive income	-	-	(7,460)
Items that are or may be reclassified subsequently to the statement of profit or loss:			
Effects from derivative financial instruments designated as cash flow hedge	(13,013)	-	(13,715)
	(13,013)	-	(13,715)
Total items of other comprehensive (loss) income, net	(13,013)	-	8,665
TOTAL COMPREHENSIVE INCOME	470,181	1,127,759	1,892,343

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

J\$'000	UNAUDITED		AUDITED
	Three Months Jan to Mar		Year Jan to Dec
	2020	2019	2019
ASSETS			
CURRENT ASSETS			
Cash at bank and on hand	348,038	303,255	544,570
Trade accounts receivable, net	450,850	379,406	509,424
Other accounts receivable	81,900	169,388	78,698
Inventories, net	2,113,311	1,890,402	2,208,560
Accounts receivable from related parties	47,167	128,218	73,648
Other current assets	74,410	236,810	56,103
Total current assets	3,115,676	3,107,479	3,471,003
NON-CURRENT ASSETS			
Property, machinery and equipment, net	23,388,468	23,715,719	23,629,545
Total non-current assets	23,388,468	23,715,719	23,629,545
TOTAL ASSETS	26,504,144	26,823,198	27,100,548
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Other financial obligations	673,027	822,031	673,027
Trade payables	2,613,687	1,744,990	2,469,260
Accounts payable to related parties	544,274	666,711	527,383
Other current liabilities	1,046,665	1,103,942	1,284,881
Total current liabilities	4,877,653	4,337,674	4,954,551
NON-CURRENT LIABILITIES			
Long-term debt	7,976,874	10,248,535	9,155,656
Other financial obligations	2,429,300	3,062,620	2,496,746
Employee benefits obligation	845,311	842,409	839,047
Deferred income tax liabilities	1,453,531	756,258	1,285,723
Long-term accounts payable to related parties	86,676	-	4,207
Other non-current liabilities	54,094	39,118	54,094
Total non-current liabilities	12,845,786	14,948,940	13,835,473
TOTAL LIABILITIES	17,723,439	19,286,614	18,790,024
STOCKHOLDERS' EQUITY			
Share capital:			
Ordinary stock units	1,808,837	1,808,837	1,808,837
Capital contribution	3,839,090	3,839,090	3,839,090
Reserves:			
Realised capital gain	1,413,661	1,413,661	1,413,661
Other equity reserves	1,241,493	350,864	1,254,506
Accumulated profits (losses)	477,624	124,132	(5,570)
TOTAL STOCKHOLDERS' EQUITY	8,780,705	7,536,584	8,310,524
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	26,504,144	26,823,198	27,100,548

Approved and authorised for issue by the Board of Directors on April 24, 2020 and signed on its behalf by:


Parris A. Lyew-Ayee Chairman


Yago Castro Director

DIRECTORS' STATEMENT

Caribbean Cement Company Limited achieved important milestones in the areas of Health and Safety, production and community outreach in the first quarter of 2020.


By continuously prioritising safety, we have attained 1,741 days without lost time injury at our quarries and 917 days at the plant. In keeping with our determination to operate responsibly and minimise our impact, we have made further investments in improving our environmental footprint and are pleased that our robust environmental management system has again resulted in our successful retention of the ISO 14001:2015 certification. Efficiency in the packing and loading processes has been boosted by the commissioning of two state-of-the-art palletisers, which have been installed as part of our plant modernisation programme.

Our work in building a greater Jamaica through community development continued with the formal handover of three projects. These are: The Ancestral Gardens at Woodside, St. Mary; a block-making machine to the 10 Miles, Bull Bay community for a social enterprise project; and a decontamination unit to the Rollington Town Fire Station in Kingston. This decontamination unit is the only functioning facility of its kind in Jamaica.

In terms of the company's financial performance for the quarter, Caribbean Cement Company Limited earned revenue of \$4.5 billion, representing growth of two per cent (2%) when compared with the first quarter of 2019.

The "Operating earnings before other income and expenses" for the period was \$1.2 billion, lower than last year by 23%. This decrease is mainly attributable to a year on year timing difference in the execution of the annual maintenance shutdown. This shutdown occurred in Q2 in 2019 rather than Q1 in 2020. The "Operating earnings" after other expenses, for the period was \$1.1 billion, representing a 26% decrease, compared to Q1 of the prior year.

"Earnings before taxation" was \$0.7 billion, a 49% decline from the prior year, due to a \$0.3 billion foreign



Parris A. Lyew-Ayee
Chairman
April 24, 2020

exchange loss versus a gain in 2019.

The overall "Consolidated net income" for the quarter was \$0.5 billion, which is 57% lower than Q1 2019.

Net cash generated by operating activities was \$1.1 billion. The cash flow generation during the quarter and the available cash at the beginning of the period allowed us to reduce debt by \$1.3 billion.

COVID-19 and our Actions

The Covid-19 pandemic is undoubtedly one of the greatest challenges of our times. At Caribbean Cement Company Limited, we are acting decisively to properly analyse, develop, and execute measures to safeguard our company and our people, as well as our customers, suppliers, and communities. We are following Government regulations, while working to minimise, as much as possible, the impact on our business and on our ability to serve our customers. Our action plans are therefore focused on maximising the protection of our employees while fostering operational resilience. In this regard, we have implemented multiple protocols and other measures, including but not limited to:

- Focusing only on essential activities across our businesses to safeguard cash flows;
- Developing and considering different contingency plans to prepare for the possibility of further extensions to the current shutdown;
- Enhancing our communication with employees and all relevant stakeholders; and
- Protecting our employees working within our facilities by:
 - Reinforcing physical distancing measures and personal hygiene;
 - Temperature testing of all entrants to facilities at access points;
 - Enhanced cleaning and disinfecting procedures at all facilities; and
 - Promoting remote work where possible according to job responsibilities.

Local Rapid Response Teams (RRTs) also remain activated throughout our operations as we continue to implement preventive measures to reduce the risks to the company and the community.



Yago Castro
Director
April 24, 2020

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

J\$'000	UNAUDITED		AUDITED
	Three Months Jan to Mar		Year Jan to Dec
	2020	2019	2019
OPERATING ACTIVITIES			
Consolidated net income	483,194	1,127,759	1,883,678
Non-cash items:			
Depreciation, impairment and amortisation of assets	363,501	390,725	1,603,850
Loss on disposal of property, machinery and equipment	-	-	7,490
Net recovery of impaired receivables	309	-	(4,071)
Interest income	(2,179)	(3,256)	(11,719)
Interest expense	156,921	144,569	774,810
Taxation charge	212,909	241,355	853,736
Fixed asset write-off	-	-	76,285
Rehabilitation cost	-	-	4,513
Inventory impairment allowance	-	-	15,076
Employee benefit expenses	9,533	18,185	67,985
Unwinding of discount on preference shares	12,852	21,847	89,772
Unwinding of discount on rehabilitation provision	-	-	797
Unwinding of discount on lease liabilities	3,039	2,772	16,361
Unrealised foreign exchange losses (gains), net	147,838	(131,125)	84,993
Changes in working capital, excluding taxes	32,618	(537,254)	116,413
Net cash flows provided by operating activities before financial expenses and taxes	1,420,535	1,275,577	5,579,969
Employee benefits paid	(3,269)	(8,580)	(31,902)
Interest received	2,179	3,256	11,719
Interest paid	(166,156)	(84,173)	(794,251)
Taxation paid	(135,796)	(803)	(33,048)
Net cash flows provided by operating activities	1,117,493	1,185,277	4,732,487
INVESTING ACTIVITIES			
Property, machinery and equipment, net	(122,424)	(239,363)	(1,334,340)
Proceeds from disposal of assets	-	-	1,303
Net cash flows used in investing activities	(122,424)	(239,363)	(1,333,037)
FINANCING ACTIVITIES			
Repayment of long-term debt, net	(1,257,712)	(1,063,145)	(2,207,878)
Other financial obligations:			
Repayment of redeemable preference shares	-	-	(1,043,134)
Repayment of lease liabilities	(6,542)	(10,406)	(50,580)
Non-current liabilities	82,469	-	-
Net cash flows used in by financing activities	(1,181,785)	(1,073,551)	(3,301,592)
(Decrease) increase in cash at bank and on hand	(186,716)	(127,637)	97,858
Cash conversion effect, net	(9,816)	10,102	25,922
Cash at bank and on hand at beginning of period	544,570	420,790	420,790
CASH AT BANK AND ON HAND AT END OF PERIOD	348,038	303,255	544,570
Changes in working capital, excluding taxes:			
Trade accounts receivable, net	57,897	(27,368)	(158,413)
Other current assets	4,972	(127,672)	122,684
Inventories	95,249	(157,137)	(490,371)
Trade payables	151,955	218,538	506,596
Other current liabilities	(277,455)	(443,615)	135,917
Changes in working capital, excluding taxes	32,618	(537,254)	116,413

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

J \$'000	UNAUDITED		AUDITED
	Three Months Jan to Mar		Year Jan to Dec
	2020	2019	2019
Balance as at beginning of period, as previously reported	8,310,524	6,418,181	6,418,181
Adjustment on initial application of IFRS 16	-	(9,356)	-
Restated balance as at beginning of period	8,310,524	6,408,825	6,418,181
Profit for the period	483,194	1,127,759	1,883,678
Hedge reserve	(13,013)	-	(13,715)
Remeasurement of employee benefits obligation, net of tax	-	-	22,380
Total comprehensive income for the period	470,181	1,127,759	1,892,343
Balance as at end of period	8,780,705	7,536,584	8,310,524

NOTES

1. Basis of Preparation

These condensed consolidated interim financial statements are prepared in accordance with Practice Statement 2016 – 1, Summary Financial Statements issued by the Institute of Chartered Accountants of Jamaica (ICAJ). Management discloses the condensed consolidated statement of financial position, condensed consolidated statement of profit or loss, condensed consolidated statement of other comprehensive income, condensed consolidated statement of changes in stockholders' equity and condensed consolidated statement of cash flows. These condensed consolidated interim financial statements are derived from the unaudited consolidated interim financial statements of Caribbean Cement Company Limited and its Subsidiary (Group) as of and for the period ended March 31, 2020, which are prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and the requirements of the Jamaican Companies Act.

2. Accounting Policies

These condensed consolidated financial statements as of and for the period ended March 31, 2020, have been prepared in accordance with the accounting policies used in the audited financial statements as of and for the year ended December 31, 2019. Any new accounting standards amendments or interpretations which became effective in this financial year, were adjusted on the Group's financial position or results.

3. Earnings Per Stock Unit

Earnings per stock unit is calculated by dividing the profit for the year by the number of ordinary stock units outstanding during the year.

4. Comparative Information

These condensed consolidated financial statements have been rearranged and presented to conform with the presentation of the financial statements of the ultimate parent company, CEMEX S.A.B. de C.V.

Where necessary, the comparative figures are reclassified to conform with the current year's presentation.

5. Operating Earnings Before Other Income (Expenses), Net [expressed in J \$'000]

Operating earnings before other income (expenses), net by nature are as follows:

	UNAUDITED		AUDITED
	Three Months Jan to Mar		Year Jan to Dec
	2020	2019	2019
Revenue	4,547,914	4,451,385	17,764,664
Expenses:			
Raw material and consumables	306,818	270,012	1,229,620
Fuel and electricity	845,270	887,442	3,396,908
Personnel remuneration and benefits	555,664	553,595	2,133,613
Repairs and maintenance	249,404	150,566	867,341
Equipment hire	264,766	96,393	894,159
Cement transportation, marketing and selling expenses	200,900	168,977	707,642
Other operating expenses	266,346	244,757	1,202,431
Depreciation, impairment and amortisation	363,501	390,725	1,603,850
Changes in inventories of finished goods and work in progress	279,047	109,738	1,054,737
Total expenses	3,331,716	2,872,205	13,090,301
Operating earnings before other income (expenses)	1,216,198	1,579,180	4,674,363

6. Other (Expenses) Income, Net [expressed in J \$'000]

The details of the line item "Other (expenses) income, net" are as follows:

	UNAUDITED		AUDITED
	Three Months Jan to Mar		Year Jan to Dec
	2020	2019	2019
Manpower restructuring costs	(26,687)	-	(87,166)
Demolition expenses	-	-	(99,215)
Environmental costs	(12,148)	(12,474)	(49,615)
Management fees	(36,723)	(28,806)	(117,948)
Fixed asset write-off	-	-	(90,769)
Other, net	(976)	(2,854)	18,147
(76,534)	(44,134)	(426,566)	

CARIBBEAN CEMENT COMPANY LIMITED
TOP 10 SHAREHOLDERS INCLUDING THOSE LISTED
IN THE JAMAICA CENTRAL SECURITIES DEPOSITORY
AS AT 31 MARCH 2020

	NAME OF COMPANY	NUMBER OF SHARES	%AGE
1	T.C.L.(NEVIS) LIMITED	558,688,942	65.64%
2	TRINIDAD CEMENT LIMITED	71,876,497	8.44%
3	CEMEX OPERACIONES MÉXICO, S.A. de C.V.	42,187,482	4.96%
4	MAYBERRY JAMAICAN EQUITIES LIMITED	13,652,601	1.60%
5	SAGICOR POOLED EQUITY FUND	10,548,012	1.24%
6	JCSD TRUSTEE SERVICES LIMITED - SIGMA EQUITY	7,766,943	0.91%
7	VMWEALTH EQUITY FUND	7,173,037	0.84%
8	SAGICOR SELECT FUND LIMITED - ('CLASS C' SHARES) MANUFACTURING & DISTRIBUTION	6,827,319	0.80%
9	GUARDIAN LIFE LIMITED	5,674,357	0.67%
10	PAM - POOLED EQUITY FUND	3,872,719	0.46%

CARIBBEAN CEMENT COMPANY LIMITED
SHAREHOLDING OF DIRECTORS & CONNECTED PARTIES
AS AT 31 MARCH 2020

PARRIS A. LYEW-AYEE	(CHAIRMAN)	10,000
YAGO CASTRO	(GENERAL MANAGER)	NIL
HOLLIS N. HOSEIN		NIL
PETER MOSES		NIL
LUIS ALI MOYA		NIL
DANIA JOCELYN HEREDIA RAMIREZ		NIL
JOSE SEIJO		NIL
MELISSA FERGUSON	(LEGAL COUNSEL/COMPANY SECRETARY)	NIL

CARIBBEAN CEMENT COMPANY LIMITED
SHAREHOLDING OF SENIOR MANAGERS & CONNECTED PARTIES
AS AT 31 MARCH 2020

YAGO CASTRO	(GENERAL MANAGER)	NIL
MELISSA FERGUSON	(LEGAL COUNSEL/COMPANY SECRETARY)	NIL
VICTOR ACEITUNO		NIL
WAYNE BALLEEN		NIL
CHRISTOPHER BROWN		NIL
CHRISTOPHER BRYAN		NIL
JORGE CAMELO		NIL
MIGUEL ESTRADA		NIL
JORGE HERRERA		NIL
RICARDO LOPEZ		NIL
KLAO BELL-LEWIS		5,200
CARLOS PHIPPS		NIL
MARILYN CORTE RODRIGUEZ		NIL
ADRIAN SPENCER		23,750
ROBERTO VILLARREAL		NIL
GAREN WILLIAMS		NIL

Prepared by: Donna A. Josephs
Sagicor Bank Jamaica Limited
14-April-2020