

CONDENSED CONSOLIDATED INCOME STATEMENT

J \$'000	Notes	UNAUDITED				AUDITED
		Three Months Jul to Sep		Nine Months Jan to Sep		Year Jan to Dec
		2024	2023	2024	2023	2023
Revenue		6,205,725	6,989,659	21,490,271	21,267,039	27,719,929
Cost of sales		(4,447,779)	(3,477,699)	(12,236,049)	(12,769,053)	(16,418,152)
Gross profit		1,757,946	3,511,960	9,254,222	8,497,986	11,301,777
Administrative expenses		(350,389)	(304,122)	(866,894)	(810,877)	(1,134,564)
Selling expenses		(58,544)	(53,143)	(177,464)	(168,942)	(222,242)
Distribution and logistics expenses		(340,937)	(353,688)	(1,157,637)	(1,117,562)	(1,498,771)
Recovery of impairment loss on trade accounts receivables		-	170	-	32	32
Total operating expenses		(749,870)	(710,783)	(2,201,995)	(2,097,349)	(2,855,545)
Operating earnings before other income and other expenses	8	1,008,076	2,801,177	7,052,227	6,400,637	8,446,232
Other income	9	6,335	949	33,317	7,837	18,640
Other expenses	9	(389,291)	(234,872)	(1,068,742)	(639,398)	(1,040,241)
Operating earnings		625,120	2,567,254	6,016,802	5,769,076	7,424,631
Financial income		126,612	41,324	295,636	77,846	128,408
Financial expenses		(39,203)	(48,429)	(93,649)	(142,016)	(193,120)
Gain (loss) on foreign exchange		82,035	(3,199)	8,504	(77,758)	(100,189)
Earnings before taxation		794,564	2,556,950	6,227,293	5,627,148	7,259,730
Taxation charge		(164,781)	(617,139)	(1,317,134)	(1,241,700)	(1,683,300)
CONSOLIDATED NET INCOME		629,783	1,939,811	4,910,159	4,385,448	5,576,430
Basic and diluted earnings per share (expressed in \$ per share)	3	0.74	2.28	5.77	5.15	6.55

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

J \$'000	UNAUDITED				AUDITED
	Three Months Jul to Sep		Nine Months Jan to Sep		Year Jan to Dec
	2024	2023	2024	2023	2023
CONSOLIDATED NET INCOME	629,783	1,939,811	4,910,159	4,385,448	5,576,430
Items that will not be reclassified subsequently to the income statement:					
Net actuarial gains from remeasurement of employee benefits obligation	-	-	-	-	196,961
Deferred income tax recognised directly in other comprehensive income	-	-	-	-	(49,240)
	-	-	-	-	147,721
Items that are or may be reclassified subsequently to the income statement:					
Effects from derivative financial instruments designated as cash flow hedge	20,378	3,082	77,922	(48,372)	(94,387)
Total items of other comprehensive income (loss), net	20,378	3,082	77,922	(48,372)	53,334
TOTAL COMPREHENSIVE INCOME	650,161	1,942,893	4,988,081	4,337,076	5,629,764

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

J \$'000	Notes	UNAUDITED		AUDITED
		30.09.24	30.09.23	31.12.23
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	5	9,348,509	4,638,561	4,021,335
Trade accounts receivable, net		203,801	484,143	340,944
Other accounts receivable		279,615	411,954	335,157
Inventories, net		4,317,567	4,675,597	4,851,293
Accounts receivable from related parties		34,728	116,260	10,945
Other current assets		164,284	343,819	160,387
Total current assets		14,348,504	10,670,334	9,720,061
NON-CURRENT ASSETS				
Property, machinery and equipment, net		25,049,298	22,914,965	23,392,664
Total non-current assets		25,049,298	22,914,965	23,392,664
TOTAL ASSETS		39,397,802	33,585,299	33,112,725
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Lease liabilities		41,661	93,171	58,479
Trade payables		5,009,119	3,328,882	3,390,414
Accounts payable to related parties		1,137,660	1,564,257	359,084
Provisions		34,718	5,944	35,082
Other current liabilities		2,033,483	2,151,534	1,542,679
Total current liabilities		8,256,641	7,143,788	5,385,738
NON-CURRENT LIABILITIES				
Lease liabilities		96,816	135,543	120,912
Employee benefits obligation		860,300	993,728	818,919
Deferred income tax liabilities		2,745,474	2,451,176	2,672,494
Provisions		70,160	100,510	61,420
Total non-current liabilities		3,772,750	3,680,957	3,673,745
TOTAL LIABILITIES		12,029,391	10,824,745	9,059,483
SHAREHOLDERS' EQUITY				
Share capital:				
Ordinary shares		1,808,837	1,808,837	1,808,837
Capital contribution		3,840,224	3,840,224	3,840,224
Reserves:				
Realised capital gain		1,413,661	1,413,661	1,413,661
Other equity reserves		5,061,295	5,029,388	4,983,373
Accumulated net income		15,244,394	10,668,444	12,007,147
Total shareholders' equity		27,368,411	22,760,554	24,053,242
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		39,397,802	33,585,299	33,112,725

Approved and authorised for issue by the Board of Directors on October 23, 2024 and signed on its behalf by:


Parris A. Lyew-Ayee
Chairman


Jorge Martinez
Director

DIRECTORS' STATEMENT

Health and Safety

At Caribbean Cement Company Limited (CCCL), the safety and wellbeing of our employees will always be our highest priority. We are pleased to report that during the third quarter of 2024, no injuries or incidents were experienced at our facility.

Our commitment to inculcating a strong health and safety culture is clear by our ongoing training programmes and behavioural safety initiatives designed to foster employee engagement through interactive sessions that keep our team keenly involved.

Key components of our strategy include Health & Safety Academy training, 365 Behavioural Safety courses, and field engagements focused on Visible Felt Leadership (VFL). We consider these initiatives essential for cultivating a workplace where safety is paramount, and to uphold our excellent safety record and Zero4Life goal.

Through all these measures, we are not only protecting our employees but also reinforcing our collective commitment to ensuring that everyone returns home safely to their loved ones each day.

Sustainability

CCCL is dedicated to promoting activities under its 'Future in Action' programme, which encapsulates the company's sustainability initiatives.

This quarter saw CCCL collaborating with RUBIS Energy Jamaica Limited, the Rotary Club of East Kingston & Port Royal, the Jamaica Union of Tertiary Students, the University of Technology, Jamaica, and other partners for 'International Coastal Cleanup (ICC) Day' where 3,088 kilograms of waste were removed from the Palisadoes Beach strip and are to be coprocessed in the kiln as an alternate form of energy. These efforts reflect our commitment to preserving Jamaica's natural beauty, and further cements our commitment to circularity.

Additionally, we partnered with the Forestry Department, the Private Sector Organisation of Jamaica and the National Council for Senior Citizens for phase two of our reforestation project at our defunct quarry. A total of 450 trees (including fruit) were planted as part of the biodiversity pillar of the company's 'Future in Action' programme. This activity reinforces our dedication to enhancing local ecosystems and signals our commitment to a sustainable future for our communities. It also positions CCCL as a leader in environmental responsibility.


Social Impact

We are dedicated to making a positive and lasting impact on the communities where we work.

In response to the challenges posed by Hurricane Beryl in early July, we at once mobilised to help those affected, providing essential supplies, including cement, plywood, zinc, nails, and food items to over 100 families, helping them to quickly recover from the storm's impact.

This quarter also saw us focused on improving road infrastructure in various communities. We successfully completed concrete road pavements in areas such as Bay Farm Road in St. Andrew and in Eastern St. James, benefiting more than 300 residents. In addition, we trained over 30 individuals in concrete construction and health and safety practices, empowering them with valuable skills for future employment opportunities.

Through these initiatives, CCCL reaffirms its commitment to community development and social responsibility.


Parris A. Lyew-Ayee
Chairman
October 23, 2024

Financials

CCCL reported revenue of \$21.5 billion for the nine-month period ending September 30, 2024, marking a 1.0% increase compared to the same period in 2023. However, quarterly revenue decreased by 11.2%, falling to \$6.2 billion, which is 3% lower than the previous quarter. "Operating earnings" for the nine-month period reached \$6.0 billion, up by 4.3% from the \$5.8 billion reported for the same period in 2023.

In contrast, the third quarter "Operating earnings" were significantly lower at \$0.6 billion, reflecting a 75.7% drop from the \$2.6 billion reported in 2023. This sharp decline was primarily due to reduced sales caused by Hurricane Beryl, intensive weather that affected our ability to resume production after the major shutdown, and increased operating costs related to a scheduled plant maintenance shutdown. The maintenance was undertaken to enhance operational efficiency and boost production capacity to meet local market demand.

"Earnings before taxation" for the nine-month period increased by 10.7% to \$6.2 billion. However, for the third quarter, "Earnings before taxation" reduced by 68.9% to \$0.8 billion, down from \$2.6 billion in the same period last year. Despite this quarter's decline, the nine-month results show the ongoing benefits from the normalisation of operations.

"Consolidated net income" for the nine-month period was \$5.0 billion, reflecting a 12.0% increase year-over-year. This resulted in "Earnings per share" (EPS) of \$5.77, an increase of \$0.62. For the third quarter, net income fell to \$0.7 billion, a 66.5% decrease compared to the same period in 2023, leading to an EPS of \$0.74, a reduction of \$1.54.

The company continued to maintain a solid liquidity position at the end of the nine months with cash and cash equivalents totaling \$9.3 billion. Net cash flows from operating activities were \$2.2 billion for the quarter and \$10.0 billion for the year-to-date, of which \$3.0 billion was invested in capital projects and \$1.7 billion distributed to shareholders as dividends.

Outlook

Our commitment to Building a Stronger Jamaica stays firm, and we are grateful for the trust and support of our esteemed stakeholders.

Our expansion programme, which will satisfy 100% of Jamaica's cement market needs and allow for exports across CARICOM is well advanced and on track for completion during the first half of 2025.

Meanwhile, CCCL continues to position itself to meet market demand, particularly in the western region of the island as we look to capitalise on the major economic surge primarily driven by infrastructure development.

As we go into the final quarter of the year, we are committed to a return to pre-Hurricane Beryl supply which is another testament to the ongoing operational efficiency advancements being worked on by the company.

By actively engaging with our stakeholders, we have prioritised the needs of the local cement market and made strategic decisions that reflect our commitment to their interests. These include increased production and supply chain optimisation.

This has already begun paying dividends, resulting in a strengthening of product inflows into our islandwide depots, positioning the company robustly to meet market demands and reach inventory levels above our historical averages. Thus ensuring a sustainable supply.

Our solidly built strategy, supported by effective management, focuses on making sound decisions that not only address current issues but also position us for the future.


Jorge Martinez
Director
October 23, 2024

CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

J \$'000	UNAUDITED				AUDITED
	Three Months Jul to Sep		Nine Months Jan to Sep		Year Jan to Dec
	2024	2023	2024	2023	2023
OPERATING ACTIVITIES					
Consolidated net income	629,783	1,939,811	4,910,159	4,385,448	5,576,430
Adjustments for:					
Depreciation	439,295	377,920	1,302,518	1,114,296	1,509,191
Recovery of impairment loss on trade accounts receivables	-	(170)	-	(32)	(32)
Interest income	(126,612)	(41,324)	(295,636)	(77,846)	(128,408)
Interest expense	32,909	19,441	72,856	96,559	124,597
Taxation charge	164,781	617,139	1,317,134	1,241,700	1,683,300
Increase in rehabilitation provision	-	-	-	-	(15,499)
Inventory write off	193,023	75,678	465,409	75,678	254,987
Increase in inventory obsolescence provision	-	3,385	-	3,385	237,589
Gain on disposal of property, machinery and equipment	(4,870)	-	(4,870)	-	-
Write-off of property, machinery and equipment	22,575	-	22,575	-	-
Reversal of stockholding and inventory restructuring provision	(5,245)	(31,152)	(12,984)	(29,142)	(13,276)
Employee benefit expenses	2,997	2,871	8,991	8,615	11,487
Unwinding of discount on rehabilitation provision	2,913	5,524	8,739	16,595	22,142
Unwinding of discount on lease liabilities	3,644	2,581	11,528	7,991	13,047
Unrealised foreign exchange losses, net	26,668	17,860	5,621	46,944	60,155
Changes in working capital, excluding taxes	1,102,485	(2,243,669)	2,901,126	(3,736,357)	(112,467)
Net cash flow provided by operating activities before employee benefits paid, interest received, interest paid and taxation paid	2,484,346	745,895	10,713,166	3,153,834	9,223,243
Employee benefits paid	(11,454)	(9,435)	(34,512)	(31,655)	(41,306)
Interest received	126,612	41,324	295,636	77,846	128,408
Interest paid	(10,608)	7,746	(5,954)	(15,244)	(6,661)
Taxation paid	(342,945)	(364,333)	(943,281)	(1,431,327)	(1,795,659)
Net cash flows provided by operating activities	2,245,951	421,197	10,025,055	1,753,454	7,508,025
INVESTING ACTIVITIES					
Acquisition of property, machinery and equipment	(648,119)	(461,493)	(2,969,818)	(990,842)	(1,748,297)
Proceeds from disposal of property, machinery and equipment	4,870	-	4,870	-	-
Net cash flows used in investing activities	(643,249)	(461,493)	(2,964,948)	(990,842)	(1,748,297)
FINANCING ACTIVITIES					
Repayment of long-term debt	-	-	-	(608,208)	(608,208)
Dividends paid	(1,672,912)	-	(1,672,912)	(15,420)	(1,630,580)
Payment of lease liabilities	(22,903)	(33,878)	(65,003)	(76,902)	(84,625)
Net cash flows used in financing activities	(1,695,815)	(33,878)	(1,737,915)	(700,530)	(2,323,413)
(Decrease) increase in cash and cash equivalents	(93,113)	(74,174)	5,322,192	62,082	3,436,315
Cash conversion effect, net	(20,353)	(2,862)	4,982	2,150	10,563
Cash and cash equivalents at beginning of period	9,461,975	715,725	4,021,335	574,457	574,457
CASH AND CASH EQUIVALENTS AT END OF PERIOD	9,348,509	638,689	9,348,509	638,689	4,021,335
Changes in working capital, excluding taxes:					
Trade accounts receivable, net	293,471	(167,691)	136,813	(222,692)	(79,892)
Other current assets	(683)	(1,782,369)	27,862	(4,112,603)	252,744
Inventories	(195,096)	(192,503)	81,301	752,251	147,176
Trade payables	742,167	807,691	1,608,433	4,720	68,678
Provisions	-	(986)	(364)	(986)	(986)
Other current liabilities	262,626	(907,811)	1,047,081	(157,047)	(500,187)
Changes in working capital, excluding taxes	1,102,485	(2,243,669)	2,901,126	(3,736,357)	(112,467)

NOTES

1. Basis of preparation

The 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 consolidated statement of financial position, consolidated income statement, condensed statement of other comprehensive income, condensed statement of changes in shareholders' equity and condensed statement of cash flows. These condensed consolidated interim financial statements are derived from the unaudited condensed consolidated interim financial statements of Caribbean Cement Company Limited and its Subsidiary ("the Group") as of and for the period ended September 30, 2024, 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 interim financial statements as of and for the period ended September 30, 2024, have been prepared in accordance with the accounting policies used in the audited financial statements as of and for the year ended December 31, 2023. 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. Basic and diluted earnings per share

Basic and diluted earnings per share is computed by dividing the consolidated net income attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

4. Comparative information

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

J \$'000	UNAUDITED		AUDITED
	Three Months Jul to Sep		Year Jan to Dec
	2024	2023	2023
Balance as at beginning of period	24,053,242	20,038,638	20,038,638
Net income for the period	4,910,159	4,385,448	5,576,430
Remeasurement of employee benefits obligation, net of tax	-	-	147,721
Hedge reserve	77,922	(48,372)	(94,387)
Total comprehensive income for the period	4,988,081	4,337,076	5,629,764
Transaction with owners:			
Dividends	(1,672,912)	(1,615,160)	(1,615,160)
Balance as at end of period	27,368,411	22,760,554	24,053,242

5. Cash and cash equivalents

Cash and cash equivalents includes a deposit investment account of J\$8.7 billion (US\$53.5 million) in CEMEX Innovation Holding Limited, which generates interest at a rate equal to the Western Asset Institutional Liquid Reserves Fund rate plus 30 basis points on a daily basis of a year of 360 days. This is a highly liquid investment equivalent to cash which can be withdrawn at any time with minimal notice.

6. Total cost of sales and operating expenses

In August 2024, the Company undertook the planned major maintenance of its primary production equipment. In this period, the Company incurred higher costs due to 1) excess inventory items consumed in "Raw material and consumables", 2) additional hired manpower in "Personnel remuneration and benefits", 3) general higher maintenance cost in "Repairs and maintenance" and 4) higher "Changes in inventories of finished goods and work in progress".

7. Inventory write-off

During the period, the company conducted a comprehensive review of its inventory to identify items with no future use in operational activities. This write-off pertains to obsolete inventory items that are no longer viable for use or sale.

8. Operating earnings before other expenses, net [expressed in J\$'000]

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

	UNAUDITED				AUDITED
	Three Months Jul to Sep		Nine Months Jan to Sep		Year Jan to Dec
	2024	2023	2024	2023	2023
Revenue	6,205,725	6,989,659	21,490,271	21,267,039	27,719,929
Expenses:					
Raw material and consumables	949,388	684,416	1,990,911	2,502,314	2,902,314
Fuel and electricity	1,004,263	1,394,046	3,456,660	3,790,453	4,976,959
Personnel remuneration and benefits	801,394	670,247	2,264,840	2,106,955	2,868,949
Repairs and maintenance	667,455	380,672	1,706,509	1,573,828	1,860,444
Equipment hire	315,566	548,967	1,148,813	1,465,414	1,620,021
Cement transportation, marketing and selling expenses	202,095	160,290	701,104	676,605	890,983
Other operating expenses	322,311	323,393	1,089,965	912,458	1,372,921
Depreciation	439,295	377,920	1,302,518	1,114,296	1,509,191
Changes in inventories of finished goods and work in progress	495,882	(351,469)	776,724	724,079	1,271,915
Total expenses	5,197,649	4,188,482	14,438,044	14,866,402	19,273,697
Operating earnings before other income and other expenses	1,008,076	2,801,177	7,052,227	6,400,637	8,446,232

9. Other income and other expenses [expressed in J\$'000]

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

	UNAUDITED				AUDITED
	Three Months Jul to Sep		Nine Months Jan to Sep		Year Jan to Dec
	2024	2023	2024	2023	2023
Other income:					
Insurance claim recovery	-	949	-	2,182	2,182
Gain on disposal of property, machinery and equipment	4,870	-	4,870	-	-
Other	1,465	-	28,447	5,655	16,458
Total other income	6,335	949	33,317	7,837	18,640
Other expenses:					
Manpower restructuring costs	-	-	15,925	-	41,796
Reversal of stockholding and inventory restructuring provision	(5,245)	(31,152)	(12,984)	(29,142)	(13,276)
Demolition expenses	-	-	-	-	3,643
Receivables write-off	-	-	-	-	18,739
Property, machinery and equipment write-off	22,575	-	22,575	-	-
Inventory write-off (note 7)	193,023	75,678	465,409	75,678	254,987
Management fees	45,480	57,206	153,235	158,974	204,143
Royalty and service fees	131,208	125,539	405,428	391,544	501,154
Others, net	2,250	7,601	19,154	42,344	29,055
Total other expenses	389,291	234,872	1,068,742	639,398	1,040,241
Total other income and other expenses	382,956	233,923	1,035,425	631,561	1,021,601