

# Trinidad Cement Limited

## Flash Report

Q3 2025 (September 30, 2025)

|                           |                    |                      |                 |                              |          |
|---------------------------|--------------------|----------------------|-----------------|------------------------------|----------|
| <b>Last Price (TTSE):</b> | \$1.88 (13-Nov-25) | <b>52 Wk. Range:</b> | \$1.67 - \$2.50 | <b>Market Cap (TT\$):</b>    | \$704.3M |
| <b>YTD Price Change:</b>  | (24.80%)           | <b>EPS (TTM):</b>    | \$0.27          | <b>Dividend Yield (TTM):</b> | 6.45%    |
| <b>Sector:</b>            | Manufacturing II   | <b>P/E (TTM):</b>    | 6.86x           |                              |          |

### ***TCL's Profit increases 148.6% y-o-y due to effective cost optimization***

#### Group Overview and Recent Developments

- The TCL Group is a manufacturing and service-oriented company producing bulk and bagged cement, clinker, packaging materials, and premixed concrete. TCL has operations throughout the English-speaking Caribbean.
- TCL's immediate parent, CEMEX, is a leading sustainable construction materials and solutions company that operates throughout the Americas, Europe, Africa, the Middle East and Asia.
- In Q3 2025, Caribbean Cement Company Limited (CCCL), TCL's subsidiary in Jamaica, set new monthly production records of clinker and cement and resumed exports to Curacao and the Cayman Islands. CCCL is also planning a strategic investment to enable bulk cement exports beginning in March 2026, which is a significant step in their regional expansion strategy. Additionally, after the commissioning of their debottleneck project in Q2 2025, they achieved a 7% reduction in CO<sub>2</sub> emissions compared to the prior year. CCCL also noted that their plant was not severely impacted by Hurricane Melissa, and details of their resumptions of operations will follow soon.
- TCL paid dividends of \$0.08/share (19.85% payout ratio) in 2024 and \$0.12/share (44.28% payout ratio) in 2025, after not paying dividends since 2017.

#### Financial Highlights

- TCL's revenue increased 16.3% (\$85.3M) y-o-y to \$607.7M. This growth was primarily due to strong sales in Jamaica and Guyana, coupled with favourable pricing across the region, which compensated for lower domestic sales in Trinidad & Tobago.
- Operating profit increased by 241.4% (\$105.8M) to \$149.6M, driven by increased revenues and effective cost optimization measures. These measures, coupled with completion and commissioning of their expansion projects led to TCL's costs decreasing by 5.4% (\$20.5M) y-o-y, and by 25.3% (\$121.9M) q-o-q. Approximately 88% of this increase was attributed to the better operational performance in Jamaica, while Trinidad & Tobago, Guyana and Barbados contributed 4% each.
- For Q3 2025, TCL recorded a net income of \$86.1M, which represents a 795.5% increase q-o-q, and a 148.6% increase y-o-y. This increase in net income led TCL's PAT margin to increase from 5.22% to 10.11% y-o-y, their ROA to increase from 1.02% to 2.09% y-o-y, and their ROE to increase from 3.01% to 6.35% y-o-y.
- Although TCL recorded increased net profits q-o-q and y-o-y, it should also be noted that total profits for the nine months ended September 2025 was 24.2% (\$51.0M) lower than the

| Financial Highlights                           | Quarter ended | Quarter ended | Year ended  |
|--|---------------|---------------|-------------|
|  | \$ 000s       | Sep-25        | Sep-24      |
| <b>Revenues</b>                                | \$607,693     | \$522,417     | \$2,214,771 |
| <b>Profit Before Taxation (PBT)</b>            | \$141,079     | \$43,721      | \$268,539   |
| <b>Profit After Tax (controlling interest)</b> | \$61,434      | \$27,278      | \$149,914   |
| <b>Total Assets</b>                            | \$2,942,240   | \$2,663,701   | \$2,796,944 |
| <b>Total Equity (controlling interest)</b>     | \$967,368     | \$905,854     | \$1,183,247 |
| <b>Total Liabilities</b>                       | \$1,704,144   | \$1,525,216   | \$1,613,697 |
| <b>PBT Margin</b>                              | 23.22%        | 8.37%         | 12.12%      |
| <b>PAT Margin</b>                              | 10.11%        | 5.22%         | 6.77%       |
| <b>Return on Assets</b>                        | 2.09%         | 1.02%         | 5.36%       |
| <b>Return on Equity</b>                        | 6.35%         | 3.01%         | 12.67%      |

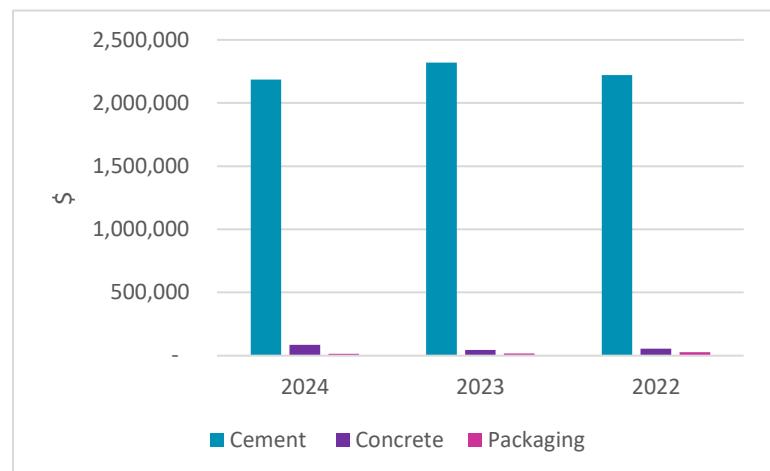
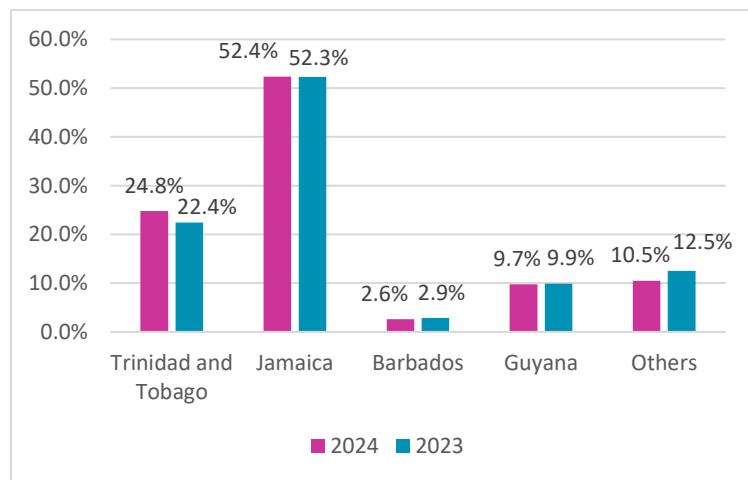
#### Financial Highlights (cont'd)

same period in 2024, largely attributable to increased costs, expenses, and net losses made in Q2 2025.

- As at September 30, 2025, TCL's total assets stood at \$2.94B, up 10.5% (\$278.5M) y-o-y. This increase was mainly attributable to PPE increasing 7.9% (\$128.5M), deferred taxation increasing 34.6% (\$37.4M), and cash increasing 14.4% (\$66.5M).
- This increase was primarily due to long-term debt increasing 39.0% (\$109.8M), trade payables increasing 21.0% (\$69.8M), deferred tax liabilities increasing 26.6% (\$58.5M), and short-term debt decreasing 71.1% (\$86.3M).
- TCL's total equity (controlling interest) increased 6.8% (\$61.5M) y-o-y, primarily due to an increase in retained earnings of 16.6% (\$74.7M) and a decrease in other reserves of 3.7% (\$13.2M).
- In Q3, TCL recorded an EPS of \$0.165, up from -\$0.05 in Q2.

#### Key Risks:

- TCL shares have an inherent liquidity risk as 81.75% of issued shares are held by two entities, Sierra Trading- owned by CEMEX (69.83%) and NIBTT (11.92%).
- Increased competition due to the return of Rock Hard Cement to the Trinidad and Tobago market, however, current prices remain comparable, with TCL cement retailing at approximately \$60.00 per bag, and Rock Hard cement at around \$62.00.
- In response to TCL's 2024 announcement regarding their intention to raise cement prices, the Ministry of Trade and Industry suspended the Quota and Registration System for Cement, which imposed a ceiling on cement imports. This can lead to pressure on TCL to reduce their prices and/or consumers getting their cement products elsewhere, reducing TCL's profitability.

Figure 1: TCL's EPS, DPS, and Dividend YieldFigure 2: TCL Revenue for 2022-2024 by Operating SegmentFigure 3: 2023 – 2024 Revenue by Geographical SegmentFigure 4: TCL Stock Price Movement and Volume**Disclosure:**

This information has been provided by Republic Wealth Management (RWML) and is for information purposes only. It is not intended to provide investment, financial or other advice and such information should not be relied upon for providing such advice. RWML takes reasonable steps to provide up-to-date, accurate and reliable information, and believes the information to be so when printed.

Any investment and economic outlook information contained in this article has been compiled by RWML from various sources. Information obtained from third parties is believed to be reliable, but no representation or warranty, expressed or implied, is made by RWML, its affiliates or any other person as to its accuracy, completeness or correctness. RWML and its affiliates assume no responsibility for any errors or omissions. The contents of this article should not be considered an offer to sell to, or a solicitation to buy securities from any person in Trinidad and Tobago where such offer or solicitation is considered unlawful. When making an investment decision, you should consult with a qualified financial advisor who can provide advice on suitability of any investment for you based on your investment objectives, investment experience, financial situation and needs, or other relevant information.