West Indian Tobacco Co. Ltd.

Flash Report Q2 2026 (Jun 30, 2026)

Last Price (TT$):	$4.15	**52 Wk. Range:**	$2.25 - $4.30	**Market Cap (TT$ MM):**	$1,049
YTD Price Change:	59.00%	**EPS (TTM):**	0.45	**Dividend Yield (TTM):**	13.67%
Sector:	Manufacturing I	**P/E (TTM):**	6.67x	**P/B (TTM):**	1.73x

YTD PBT up 7%; Regulatory developments cloud WCO's outlook

Company Overview and Recent Developments

- The West Indian Tobacco Company is a cigarette manufacturer, incorporated in Trinidad and Tobago. Its immediate parent – British American Tobacco (Investments) Limited – and ultimate parent – British American Tobacco plc. is registered in the United Kingdom. The ordinary shares of WCO are listed on the Trinidad and Tobago Stock Exchange (TTSE).
- In September 2025, WITCO reintroduced its du Maurier brand, seeking to offer a compelling, value-driven option to compete at low price points.
- A 100% increase in excise duty for locally manufactured tobacco products was announced in the National Budget in October 2025.
- As at June 2026, WCO's share price had increased by 59.00% year to date; however, this recovery was insufficient to offset earlier declines, with its three-year annualized price return remaining negative at (37.18%).
- On 7th October 2026, the senate passed legislation increasing the legal age for purchasing and using tobacco products in Trinidad and Tobago from 18 to 21 years.

2026 Financial Highlights (6-months ended 30 June):

- WCO recorded Q2 revenue of TT$113.1M, representing an increase of TT$5.5M/5.1% YoY, bringing its top line to TT$200.3M for the first six months of the year, an increase of 5.0% compared with the corresponding period in 2025. This increase was driven by stronger domestic and export market volumes.
- Operating expenses declined by TT$2.1M/7.0% to TT$28.2M in Q2 and was 9.0% lower YTD than the corresponding period in 2025, reflecting reductions across distributions, administration, and other operating expenses. For the six-month period ended Jun-26, operating profit increased by 7.26% to TT$48.3M.
- Year-to-date PBT amounted to TT$49.0M, representing an increase of 6.9% compared to the corresponding period last year and resulting in after-tax profit of TT$36.7M for the six-month period ended Jun-26. For Q2 2026, net profit margin increased 187bps to 20.15% from 18.28% in Q2 2025.
- WCO's total assets increased by TT$35.3M/4.8% YoY to TT$770.4M. The increase was primarily driven by higher cash & equivalents (TT$23.3M/10.6%), increases in trade and other receivables (TT$26.6M/18.69%), and partially offset by the decrease in inventory by TT$10.4M/13.8%. Consequently, inventory turnover increased to 83.9% in Q2 2026 vs 75.7% in Q2 2025 driven by stronger YoY domestic and export sales volumes.

Highlights (JM $'M)	Annual			Quarterly	
	Dec-23	Dec-24	Dec-25	Jun-26	Jun-25
Revenue	755.2	623.5	507.4	113.1	107.6
Gross Profit	493.8	394.6	270.5	56.8	55.7
Operating Profit	382.9	273.8	166.5	28.7	25.4
Profit before tax (PBT)	386.9	277.2	168.2	29.2	26.0
Profit after tax (PAT)	277.1	177.6	109.8	22.8	19.7
Total Assets	893.0	853.5	840.7	770.4	735.1
Total Liabilities	354.8	349.4	384.6	331.4	272.0
Total Equities	538.2	504.1	456.1	439.0	463.0
Operating Margin	50.71%	43.92%	32.81%	25.36%	23.59%
Net Profit Margin	36.69%	28.49%	21.64%	20.15%	18.28%
ROA (TTM)	31.03%	20.81%	13.06%	2.96%	2.68%
ROE (TTM)	55.96%	35.23%	24.08%	5.19%	4.25%

Financial Highlights (continued):

- Total liabilities also trended upwards in Q2, increasing by TT$59.4M/21.8% to TT$331.4M YoY. However, this represented a 13.8% decrease YTD. YoY changes are mainly attributed to increases in trade and other payables by TT$69.4M/66.0% and partially offset by the decrease in payables to the parent company by TT$19.9M/37.2%. As of 30 Jun. 2026, total shareholders' equity stood at TT$439.0M.
- WCO recorded Earnings per Share of TT$0.09 for Q2 2026, compared to TT$0.08 for Q2 2025, and TT$0.15 for the six-month period versus TT$0.14 in 2025.

Key Risks:

- Shifting domestic consumption patterns towards a healthier lifestyle and the availability of lower priced competitive products may continue to subdue WCO's top line.
- The Government of Trinidad and Tobago's ongoing efforts to reduce the use of alcohol, tobacco, and illicit substances may result in the introduction of additional regulatory measures, which could adversely affect WCO's future profitability.
- Limited supply of foreign exchange may adversely impact raw material costs.
- The illegal cigarette market, which accounts for 5%-10% of the local market, may continue to pose challenges for WCO.

Chart 1: WCO Share Price and Volume Traded

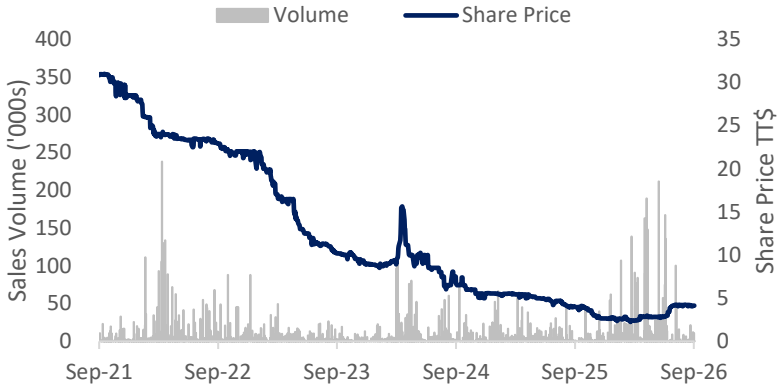


Chart 2: WCO's EPS, DPS and Dividend Yield

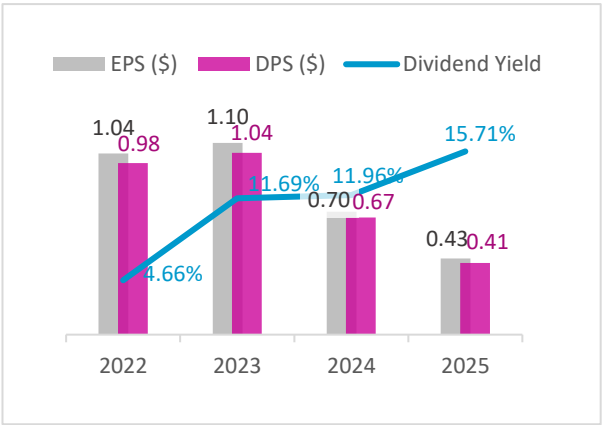


Chart 3: WCO Profitability Metrics

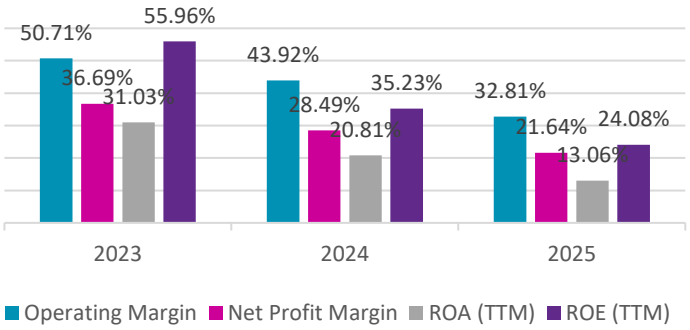
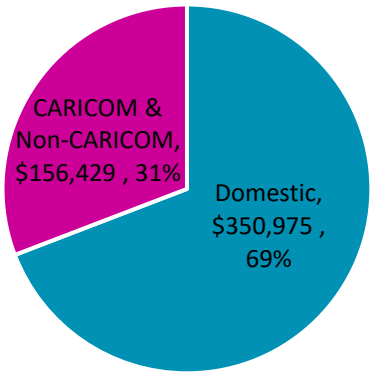


Chart 4: Revenue by Geographic Segment FY25



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