

# Highlights of the Audited Consolidated Financial Statements for the Twelve Months Ended 30th September 2019

## CHAIRMAN'S STATEMENT

2019 was another good year for the Group. Through a combination of initiatives and strategies the Group continued its profitable growth trajectory in 2019. Profit After Tax increased by 8% over prior year from \$565 million (US\$83.7 million) in 2018 to \$613 million (US\$90.8 million) in 2019. Earnings Per Share similarly grew by 8% to \$5.76 (US\$0.85). While the Group's insurance business incurred net claims associated with Hurricane Dorian in the vicinity of \$40 million (US\$6 million), gains from the sale of some of our non-core assets cushioned that effect. Third Party Revenue remained flat at \$11.9 billion (US\$1.8 billion) with a 2% decline from Trinidad and Tobago being offset by \$120 million (US\$17.8 million) of continued Revenue growth in Colombia. The Group's Balance Sheet remains healthy with \$2.1 billion (US\$311 million) in cash and a declining Debt to Debt and Equity Ratio of 27.8%.

The Automotive & Industrial Equipment Business Unit produced PBT growth of 7% driven by the continued growth of our car dealership business in Colombia and the reversal of the loss position for Massy Pres-T-Con from 2018. The Integrated Retail Business Unit PBT grew by 2% despite economic headwinds in Trinidad and Barbados that set back Massy Stores in Trinidad and Massy Distribution in Barbados. The Energy & Industrial Gases Business Unit produced a PBT decline of 4% due to various factors including the accounting treatment of expenses for an upcoming Turnaround (scheduled major maintenance) at the Caribbean Industrial Gases plant, the absence of the 2018 gain on the sale of the LPG business in Barbados and the write off of a secured, legacy receivable related to the 2014 acquisition of the Wood Group company in Colombia. The Financial Services Business Unit produced a 6% decline in PBT from

prior year given the full impact of Hurricane Dorian. Without the claims from Dorian, the Financial Services unit would have posted a 30% increase in PBT.

Our Group's PBT results were augmented by contributions from gains on the sale of our interests in the security businesses in Guyana, Barbados and Trinidad & Tobago, and the disposal of Massy Technology Applied Imaging (MTAI). After a competitive process carried out by Ernst & Young, the assets of MTAI were sold to a Management Buyout team whose proposal represented the best value to MHL shareholders.

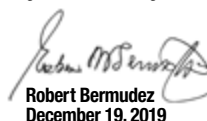
The Board has declared a final dividend of \$1.72 (US\$0.255), which when added to the interim dividend of \$0.55 (US\$0.081), gives a total dividend for the year of \$2.27 (US\$0.336). This represents an increase of 8% over dividends paid in FY 2018. This dividend is a 3.8% return on the share price at the time of preparing this report and represents a Dividend Payout Ratio of 39.4% of the Group's Earnings in 2019. This Payout Ratio is consistent with the Group's historical Payout Ratio and appropriately shares the benefits of the Group's growth with its shareholders.

To assure the future growth of the Group, the Board and Senior Management have determined that Massy needs to place emphasis on its key operations, improving its expertise and becoming increasingly more competitive and more performance oriented. To facilitate this, the Group has reorganised itself around three main industry portfolios and will provide greater autonomy to the Executives and Boards of these portfolios. We expect them to focus more intently on building distinctive capabilities to drive innovation, to effect strategies for addressing opportunities and threats which are

specific to those portfolios. The three main portfolios were selected after a process of assessing the competence and capabilities in all of our Business Units and identifying the most significant and credible growth opportunities. The three main portfolios identified are: Integrated Retail, Motors & Machines, and Gas Products.

The other activities in the Group will be organised as follows: The ITC Line of Business (LoB), consisting of the four Massy Technologies Infocom companies will continue to be managed as a single Line of Business. The Financial Services Line of Business will continue to include the insurance, money transfer, credit card and asset finance companies. The Strategic and Other Investments Line of Business includes Roberts Manufacturing, the property management and real estate brokerage companies in Trinidad and Barbados together with the Energy Services companies in Trinidad.

As Chairman, I am personally excited for the executives and professionals in the Group who will experience greater autonomy and participation in driving the success of their businesses and will enjoy the opportunity to unleash their creativity and drive. I feel certain that these changes will redound to the benefit of all stakeholders, producing greater value and growth from Massy's main businesses.



**Robert Bermudez**  
December 19, 2019

## SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS For the Twelve Months Ended 30th September 2019

	AUDITED THREE MONTHS ENDED		AUDITED TWELVE MONTHS ENDED	
	30-Sep-19 TT\$'000	30-Sep-18 TT\$'000 (Restated)	30-Sep-19 TT\$'000	30-Sep-18 TT\$'000 (Restated)
Revenue	2,865,227	2,742,801	11,958,666	11,910,053
Operating profit after finance costs	270,650	240,597	853,271	795,211
Share of results of associates and joint ventures	6,247	24,390	65,965	78,853
Profit before tax	276,897	264,987	919,236	874,064
Income tax expense	(79,515)	(89,321)	(306,004)	(308,589)
<b>Profit for the period</b>	<b>197,382</b>	<b>175,666</b>	<b>613,232</b>	<b>565,475</b>
Profit attributable to owners of the parent	187,687	167,233	563,164	519,753
Profit attributable to non-controlling interests	9,695	8,433	50,068	45,722
<b>Profit for the period</b>	<b>197,382</b>	<b>175,666</b>	<b>613,232</b>	<b>565,475</b>
<b>Earnings per share attributable to the owners of the parent (\$/cents):</b>				
Basic earnings per share	1.92	1.71	5.76	5.32

## SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30th September 2019

	AUDITED 30-Sep-19 TT\$'000	AUDITED 30-Sep-18 TT \$'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment and investment properties	2,805,900	2,850,741
Investments in associates and joint ventures	146,801	248,291
Financial assets	1,032,084	1,040,568
Other non-current assets	1,000,920	871,238
	4,985,705	5,010,838
<b>Current assets</b>		
Cash and cash equivalents	2,073,058	1,626,132
Other current assets	5,266,310	5,840,220
	7,339,368	7,466,352
<b>Total assets</b>	<b>12,325,073</b>	<b>12,477,190</b>
<b>Equity and Liabilities</b>		
Capital and reserves attributable to owners of the parent	5,713,898	5,384,821
Non-controlling interests	233,043	230,337
Total equity	5,946,941	5,615,158
<b>Non-current liabilities</b>		
Borrowings	1,820,729	1,867,805
Deferred tax liabilities	227,051	235,788
Other non-current liabilities	352,895	363,409
	2,400,675	2,467,002
<b>Current liabilities</b>		
Borrowings	378,983	452,611
Other current liabilities	3,598,474	3,942,419
	3,977,457	4,395,030
<b>Total equity and liabilities</b>	<b>12,325,073</b>	<b>12,477,190</b>

## SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the Twelve Months Ended 30th September 2019

	AUDITED TWELVE MONTHS ENDED	
	30-Sep-19 TT\$'000	30-Sep-18 TT\$'000
<b>Profit for the period</b>	613,232	565,475
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified to profit or loss</b>		
- remeasurement of defined benefit pension plans	6,977	13,561
	6,977	13,561
<b>Items that may be subsequently reclassified to profit or loss</b>		
- currency translation differences	(29,564)	(11,266)
<b>Other comprehensive income for the year, net of tax</b>	<b>(22,587)</b>	<b>2,295</b>
<b>Total comprehensive income for the period</b>	<b>590,645</b>	<b>567,770</b>
<b>Attributable to:</b>		
- owners of the parent	540,214	521,321
- non-controlling interests	50,431	46,449
<b>Total comprehensive income for the period</b>	<b>590,645</b>	<b>567,770</b>

## SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the Twelve Months Ended 30th September 2019

	AUDITED TWELVE MONTHS ENDED	
	30-Sep-19 TT\$'000	30-Sep-18 TT\$'000
Balance at the beginning of the year	5,384,821	5,137,132
IFRS 15 initial application adjustment	(1,999)	-
IFRS 9 initial application adjustments for expected credit loss net of tax	-	(70,956)
Balance at the beginning of the year- restated	5,382,822	5,066,176
Profit attributable to owners of the parent	563,164	519,753
Other comprehensive income	(22,950)	1,568
Dividends paid	(208,192)	(205,260)
Other reserve movements	(946)	2,584
	5,713,898	5,384,821

## SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS For the Twelve Months Ended 30th September 2019

	AUDITED TWELVE MONTHS ENDED	
	30-Sep-19 TT\$'000	30-Sep-18 TT\$'000
<b>Cash flows from operating activities</b>		
Profit before income tax	919,236	874,064
Share of results of associates and joint ventures	(65,965)	(78,853)
Adjustments for non cash items	229,639	297,072
<b>Operating profit before working capital changes</b>	<b>1,082,910</b>	<b>1,092,283</b>
Net working capital changes	(9,320)	(121,210)
<b>Cash generated from operations</b>	<b>1,073,590</b>	<b>971,073</b>
Tax payments	(267,721)	(235,122)
<b>Cash flows from operating activities</b>	<b>805,869</b>	<b>735,951</b>
Investing activities	16,942	(488,033)
Financing activities	(354,733)	(177,947)
<b>Increase in short term funds</b>	<b>468,733</b>	<b>69,971</b>
<b>Cash, cash equivalents and bank overdrafts at start of year</b>	<b>1,599,621</b>	<b>1,531,457</b>
Translation difference on cash held	(4,092)	(1,807)
<b>Cash, cash equivalents and bank overdrafts at end of year</b>	<b>2,064,262</b>	<b>1,599,621</b>



# Massy Holdings Ltd. and its subsidiaries

## Highlights of The Audited Consolidated Financial Statements for the Twelve Months Ended 30th September 2019

SEGMENT INFORMATION \$ (TT'000)	Automotive and Industrial Equipment	Integrated Retail	Financial Services	Energy and Industrial Gases	ITC (Restated)	Other Investments	Head Office and Other Adjustments	Total (Restated)
<b>Twelve Months Ended 30th September 2019</b>								
Group revenue	2,654,564	6,963,994	680,525	1,220,709	514,809	546,354	22,833	12,603,788
Inter-segment revenue	(122,373)	(389,155)	(3,120)	(19,142)	(27,561)	(60,938)	(22,833)	(645,122)
Third party revenue	2,532,191	6,574,839	677,405	1,201,567	487,248	485,416	-	11,958,666
Operating profit/(loss) before finance costs - net	182,664	354,778	102,901	184,896	106,792	93,126	(99,517)	925,640
Finance costs - net	(15,863)	(30,935)	1,986	(721)	(2,164)	-	(24,672)	(72,369)
Operating profit/(loss) after finance costs	166,801	323,843	104,887	184,175	104,628	93,126	(124,189)	853,271
Share of results of associates and joint ventures	-	-	153	56,514	-	9,298	-	65,965
Profit before income tax	166,801	323,843	105,040	240,689	104,628	102,424	(124,189)	919,236
<b>Twelve Months Ended 30th September 2018</b>								
Group revenue	2,701,187	6,928,913	625,838	1,171,790	524,430	568,557	1,348	12,522,063
Inter-segment revenue	(115,802)	(374,858)	(1,853)	(14,328)	(28,505)	(75,316)	(1,348)	(612,010)
Third party revenue	2,585,385	6,554,055	623,985	1,157,462	495,925	493,241	-	11,910,053
Operating profit/(loss) before finance costs - net	174,576	348,952	111,819	175,870	87,883	84,184	(114,017)	869,267
Finance costs - net	(18,234)	(31,863)	(287)	360	(3,371)	1,190	(21,851)	(74,056)
Operating profit/(loss) after finance costs	156,342	317,089	111,532	176,230	84,512	85,374	(135,868)	795,211
Share of results of associates and joint ventures	-	-	-	74,818	-	4,035	-	78,853
Profit before income tax	156,342	317,089	111,532	251,048	84,512	89,409	(135,868)	874,064

	Group Revenue		Inter-Segment		Third Party Revenue		Profit before Tax	
	Sep-19	Sep-18 (Restated)	Sep-19	Sep-18 (Restated)	Sep-19	Sep-18 (Restated)	Sep-19	Sep-18
Trinidad and Tobago	4,945,026	5,057,761	(156,569)	(165,146)	4,788,457	4,892,615	504,897	498,264
Barbados	2,972,584	2,944,314	(309,555)	(282,998)	2,663,029	2,661,316	167,789	180,844
Eastern Caribbean	1,330,311	1,318,626	(8,974)	(12,483)	1,321,337	1,306,143	99,423	96,752
Guyana	976,882	957,534	(43,573)	(35,552)	933,309	921,982	179,552	143,021
Jamaica	687,756	687,161	(5,146)	(3,755)	682,610	683,406	77,229	69,621
Colombia	1,480,396	1,360,364	-	-	1,480,396	1,360,364	11,108	15,220
Other	210,833	196,303	(121,305)	(112,076)	89,528	84,227	3,427	6,209
Head Office and Other adjustments	-	-	-	-	-	-	(124,189)	(135,867)
	12,603,788	12,522,063	(645,122)	(612,010)	11,958,666	11,910,053	919,236	874,064

### Notes:

All monetary amounts are stated in Trinidad and Tobago dollars. Highlights of the Audited Consolidated Financial Statements (Highlights) have been prepared in accordance with International Financial Reporting Standards. The Highlights do not include all information and disclosures required in the Annual Financial Statements, and should be read in conjunction with the Group's Annual Financial Statements as at 30th September 2019. For comparative purposes, adjustments and reclassifications to the prior year have been made to conform to the current year reporting.

These financial highlights can be accessed online at [www.massygroup.com](http://www.massygroup.com)