



# Annual General Meeting Financial Report Group CFO

January 2020



# Disclaimer

## FORWARD LOOKING STATEMENTS

“This presentation does not contain material non-public information as defined in the Trinidad and Tobago Securities Act, 2012. The presentation may however, contain ‘forward-looking statements’. Forward-looking statements may include statements about our future business, operations, capital expenditures, capabilities and financial projections. Our forward-looking statements reflect our views and assumptions on the date of this presentation regarding future events and operating performance. They involve known and unknown risks, uncertainties and other factors, many of which may be beyond our control, that may cause actual results to differ materially from any future results, performance or achievements expressed or implied by forward-looking statements. We do not undertake any obligation, other than as required in accordance with the laws of Trinidad and Tobago, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.”

# 2019 Snapshot



Employees  
**12,000+**



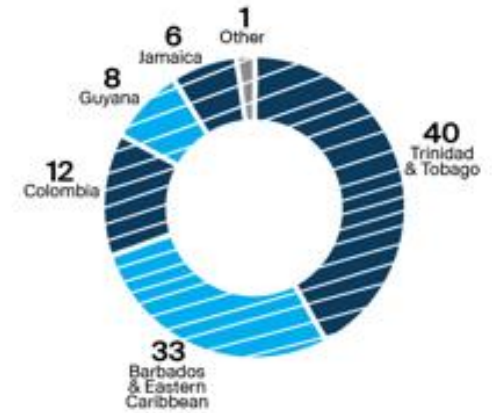
Revenue  
**\$11,959**  
TT\$ MILLIONS



Profit Before Tax  
**\$919**  
TT\$ MILLIONS



Revenue by Territory %



Countries  
**15+**



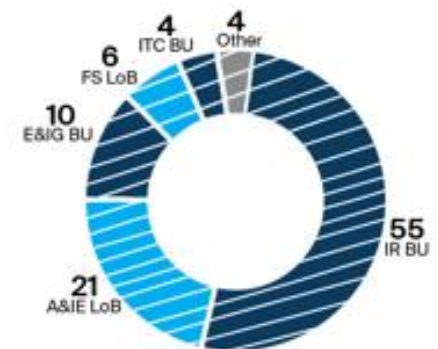
Earnings Per Share  
**\$5.76**  
TT\$



Dividends  
**\$2.27**  
TT\$



Revenue by Business Unit %



Companies  
**60+**

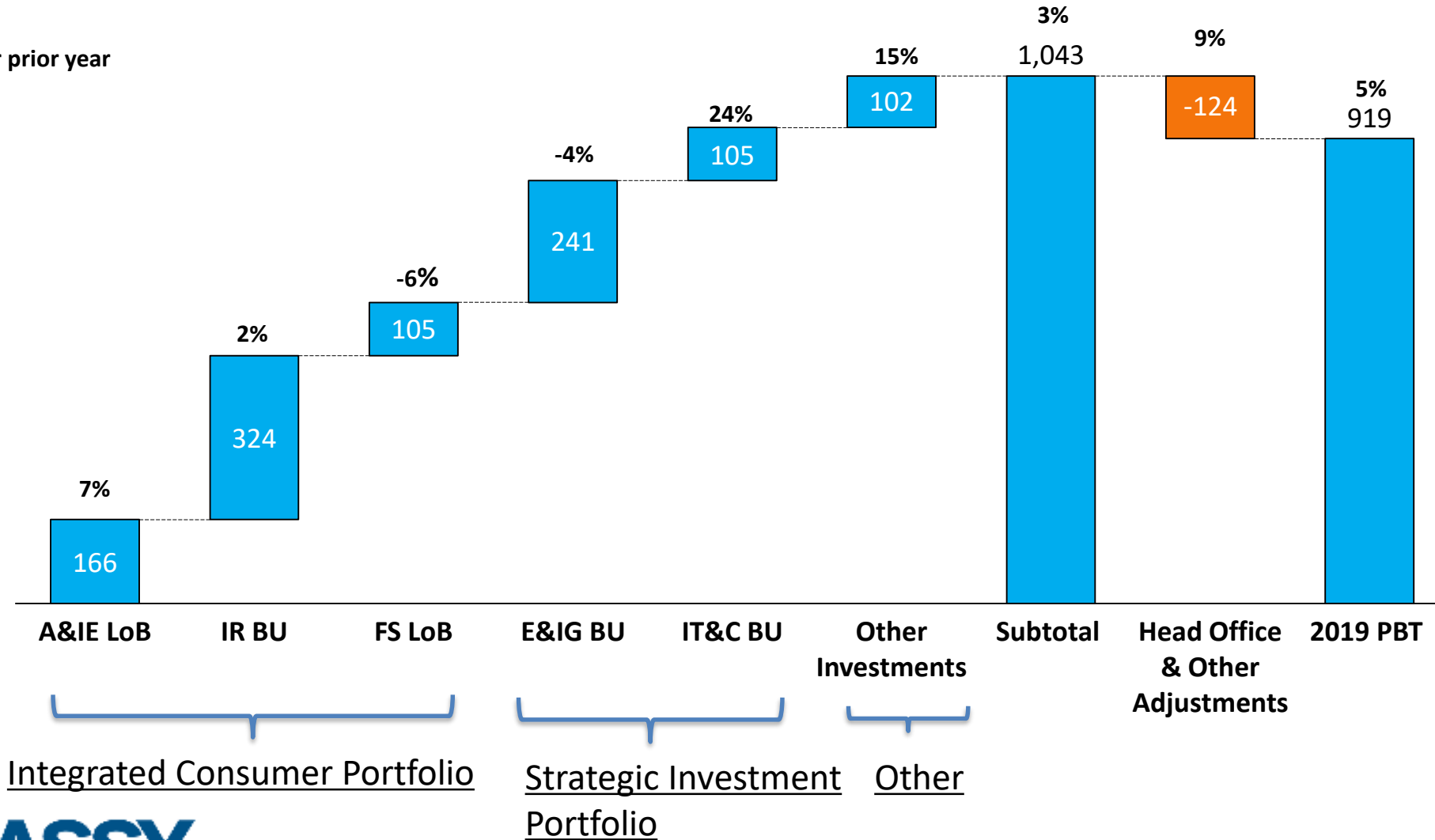
# Highlights 2019

- Third Party Revenue remained flat at \$11.9 billion
- Operating Profit before Finance Costs and Tax from Continuing Operations increased by 6 percent, from \$869 million to \$925.6 million
- Net Finance Costs decreased from \$74 million to \$72 million, Reduction in Total Debt
- Earnings per Share (EPS) was \$5.76, 8 percent above the 2018 EPS of \$5.32
- Strong Financial Performance in challenging Macro Environments
- Double Digit organic growth in Colombia\* and Guyana
- Completion of Massy Stores Mega in Guyana
- Group remains financially strong. Group Cash Balance, Cash flow and Debt to Debt and Equity Ratio are all still healthy.

# The Path To Profit Before Tax by Business Unit 2018-2019

PBT (TT\$)

x% - Growth over prior year



# Consolidated Income Statement TT\$ '000's

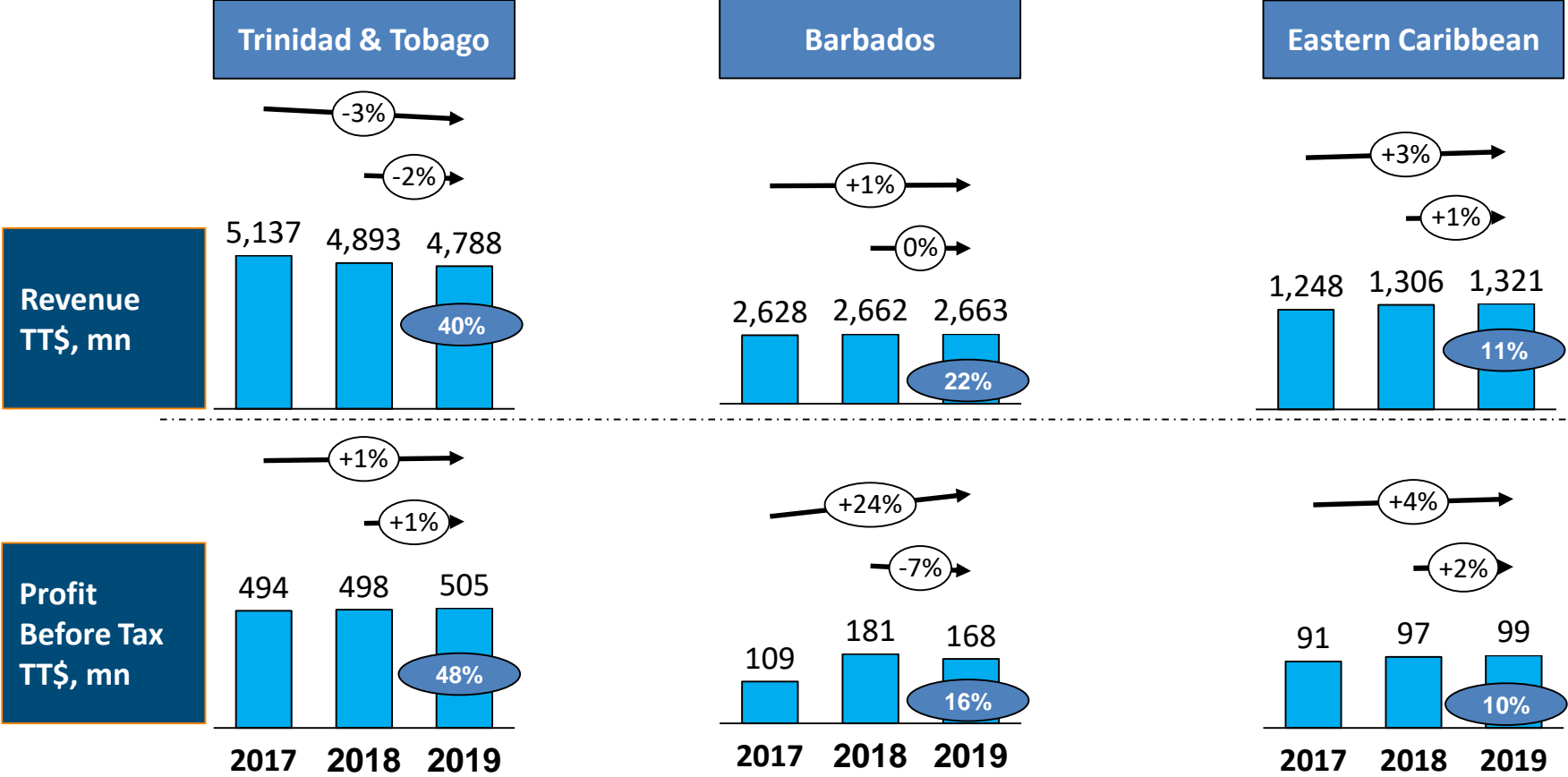
## For the Year Ended September 30, 2019

	% Variance 2019 / 2018	Sept 2019	Sept 2018	Sept 2017
Third party revenue	0%	11,958,666	11,910,053	11,637,149
Operating profit after net finance costs	7%	853,271	795,211	685,299
Share of results of associates and joint ventures	-16%	65,965	78,853	68,993
Profit before income tax	5%	919,236	874,064	754,292
Income tax expense	-1%	(306,004)	(308,589)	(274,465)
Loss on discontinued operations	-	-	-	(67,986)
Profit for the year	8%	613,232	565,475	411,841
Attributable to non-controlling interests	10%	(50,068)	(45,722)	(35,613)
Attributable to owners of the parent	8%	563,164	519,753	376,228

# Key Equity Performance Metrics TT\$ For the Year Ended September 30, 2019

	% Variance 2019 / 2018	Sept 2019	Sept 2018	Sept 2017
Basic EPS on Continuing Operations	8%	5.76	5.32	4.46
Basic EPS Total	8%	5.76	5.32	3.85
Return on equity	2%	9.9%	9.7%	7.3%
Dividends per share	8%	2.27	2.10	2.10

# Results by Key Territories (2017 - 2019)



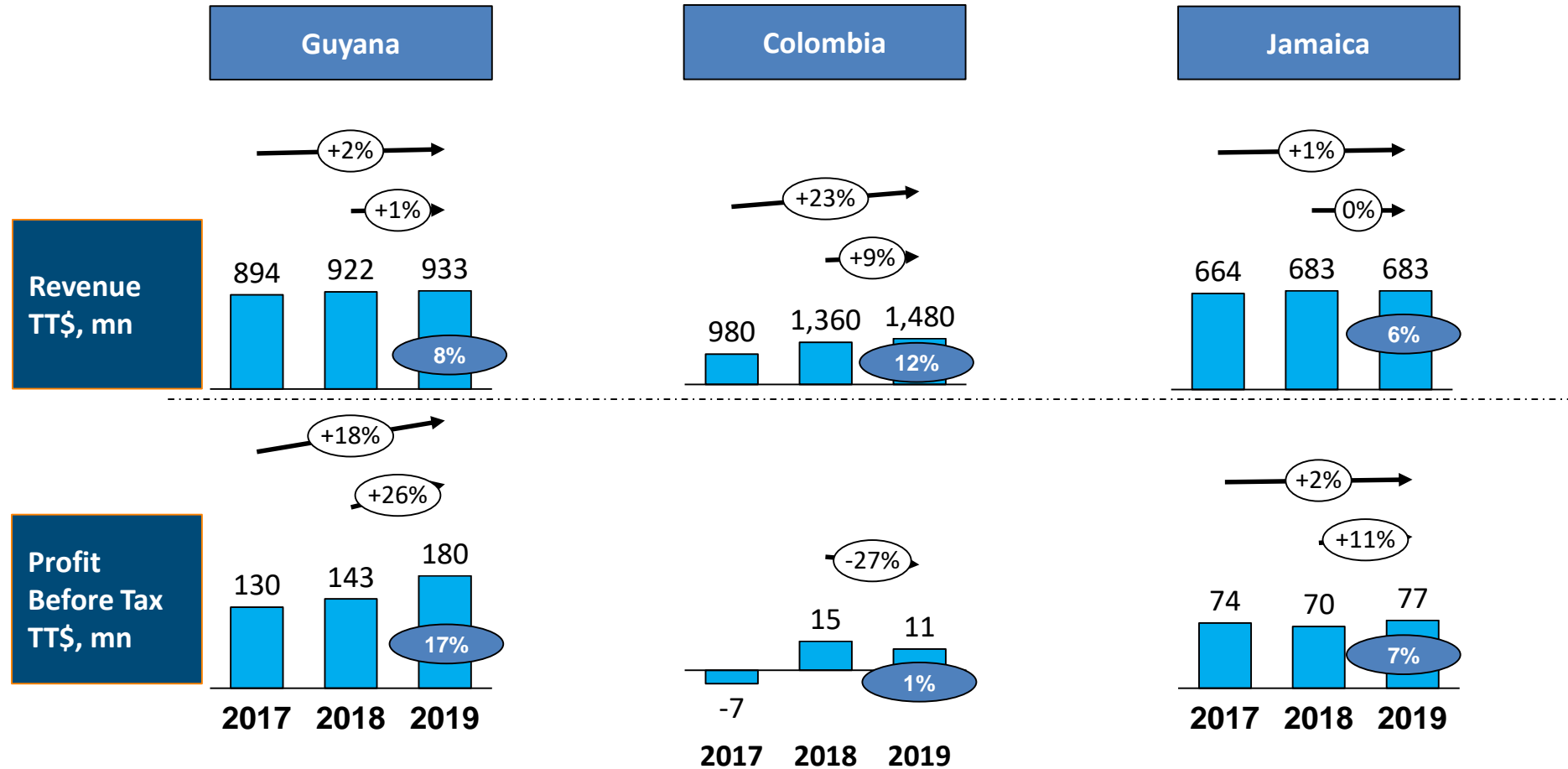
- Eastern Caribbean trading environments and operations have shown growth.
- Challenging trading environment in Trinidad and Tobago and Barbados.
- ITC Revenue was restated for 2017 & 2018



Note: xx% contribution. PBT % contribution is before Head Office Costs.



# Results by Key Territories (2017 - 2019)

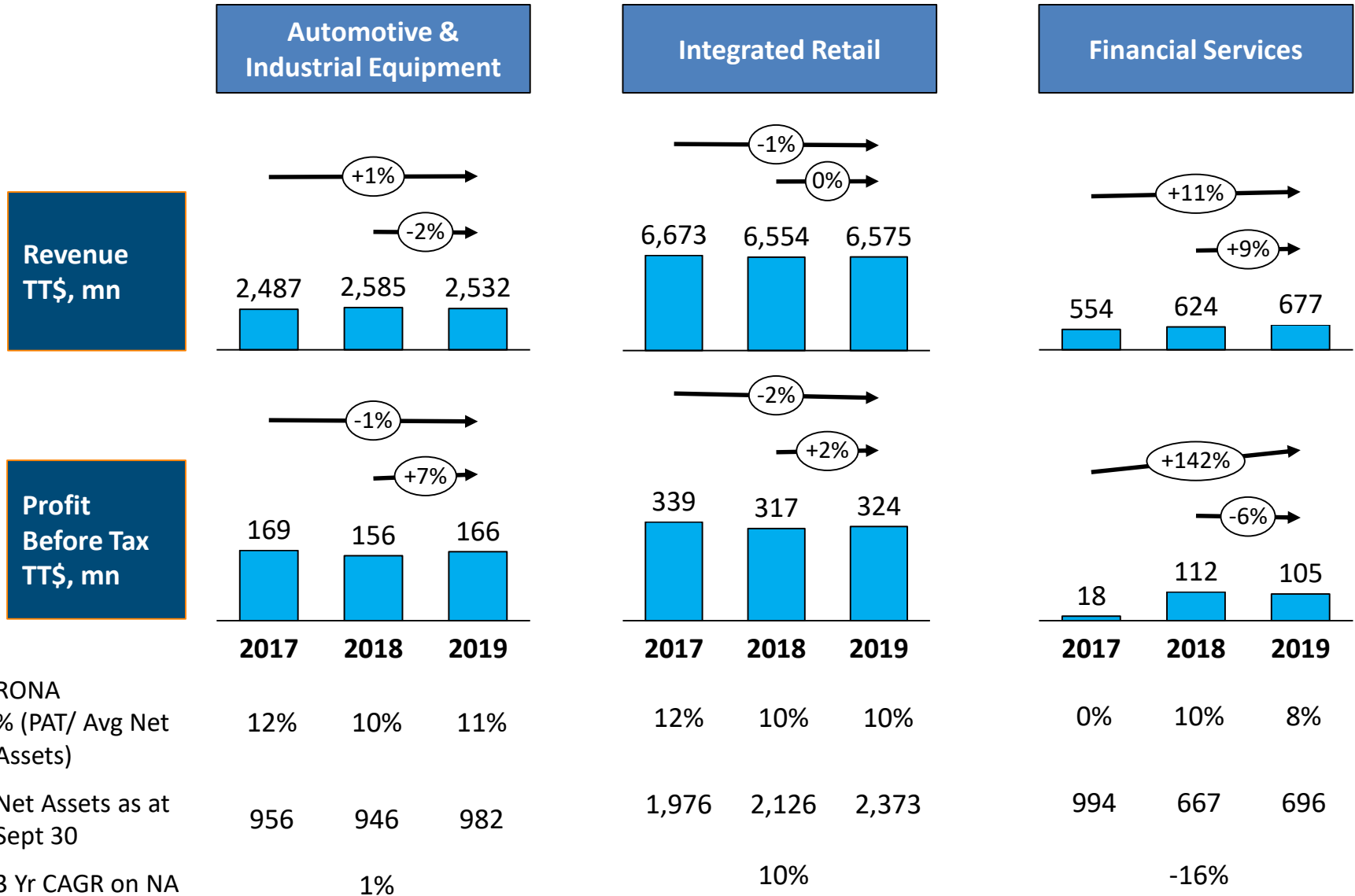


- Colombia underlying operations grew 32% to 19.8 million however P&L negatively impacted by write-off of a legacy trade receivable related to the acquisition of Wood Group PSN Colombia
- Guyana and Eastern Caribbean trading environments and operations have shown growth.
- ITC Revenue was restated for 2017 & 2018

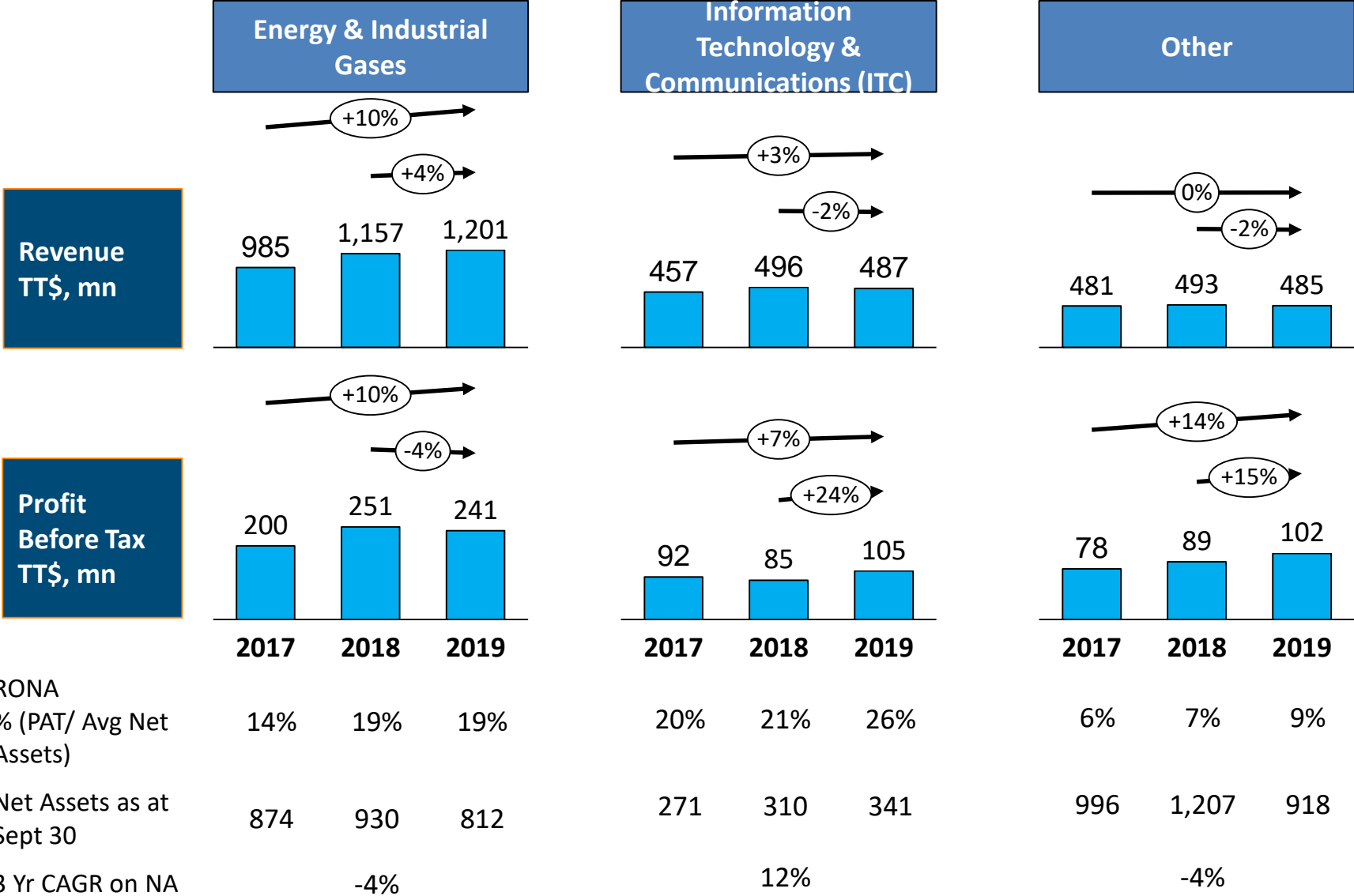
Note: **xx%** contribution. PBT % contribution is before Head Office Costs.



# Portfolio Level Performance



# Portfolio Level Performance



# Consolidated Statement of Cash Flows TT\$ M

## For the Year Ended September 30, 2019

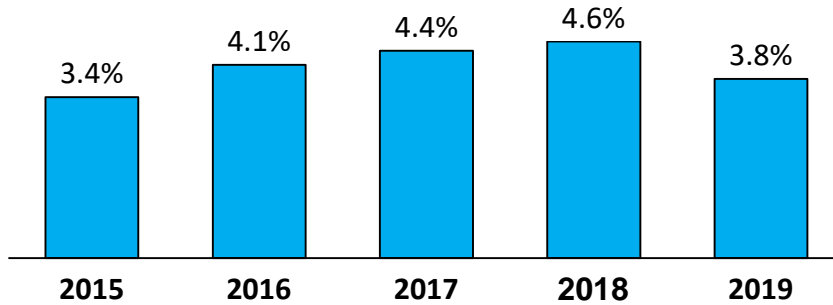
	Sept 2019	Sept 2018
<b>Profit before income tax</b>	919	874
Share of results of associates and joint ventures	(66)	(79)
Adjustments for non-cash items	230	297
<b>Operating profit before working capital changes</b>	<b>1,083</b>	1,092
Net working capital changes	(9)	(121)
<b>Cash generated from operations</b>	<b>1,074</b>	971
Tax payments	(268)	(235)
<b>Cash flows from Operating Activities</b>	<b>806</b>	736
Investing Activities	17	(488)
Financing Activities	(354)	(178)
<b>Increase in Short Term Funds</b>	<b>469</b>	70

# Key Performance Indicators

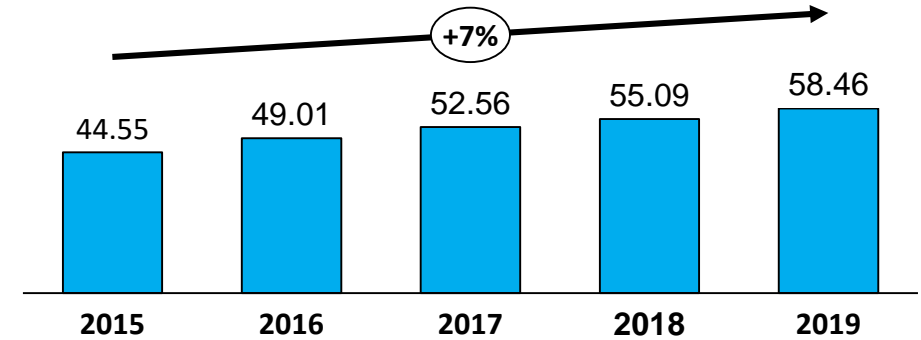
	Sept 2019	Sept 2018
Total Assets (TT\$ mn)	12,325	12,477
Net Current Assets (TT\$ mn)	3,362	3,071
Total Borrowings (TT\$ mn)	2,200	2,320
Total Cash (TT\$ mn)	2,073	1,626
Net assets per share (TT\$)	58.46	55.09
Gearing Ratio (Debt Less Cash/(Debt Less Cash + Equity) *)	2%	11%
Debt to Equity	38.5%	43.1%
Debt to Total Assets	17.8%	18.6%
Interest coverage ratio	8.08	7.56
Current ratio	1.85	1.70
Acid test ratio	1.46	1.32

# Increasing Shareholder Returns

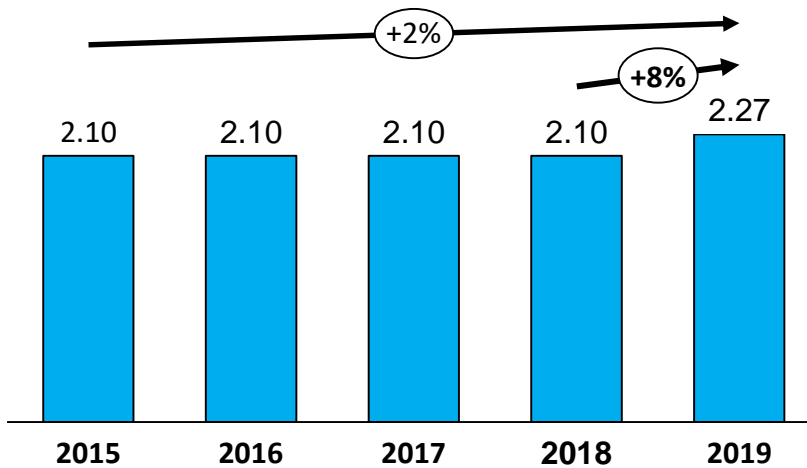
**Dividend Yield**  
(Based on share price at Board decision date)



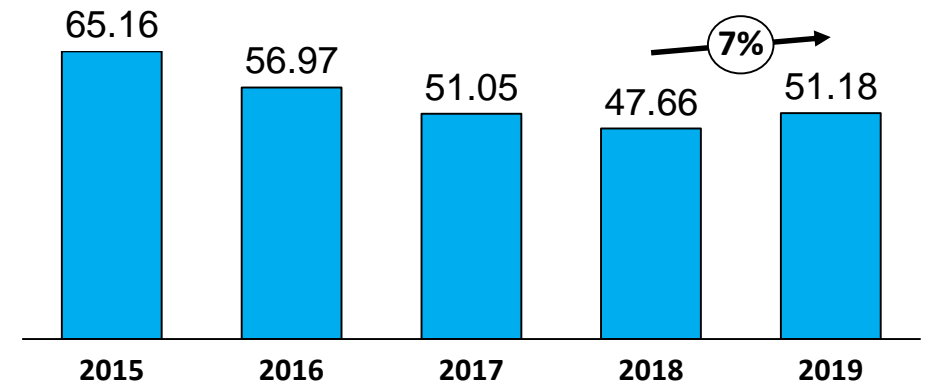
**Net Assets per share**



**Dividends per share TT\$.c.**



**Average Share Price TT\$**



Note: Average Share Price is calculated by the total share price of working days for the financial year divided by the total number of working days.



# Annual General Meeting Group CEO's Report

January 2020



Geographical  
diversification

Improved Value  
Creation for our  
Shareholders



# what's next

Drive Innovation

Strengthened  
Internal Controls

Focus on  
Key Verticals



# Unparalleled Change



Business Model Disruptions

Technology Transformations

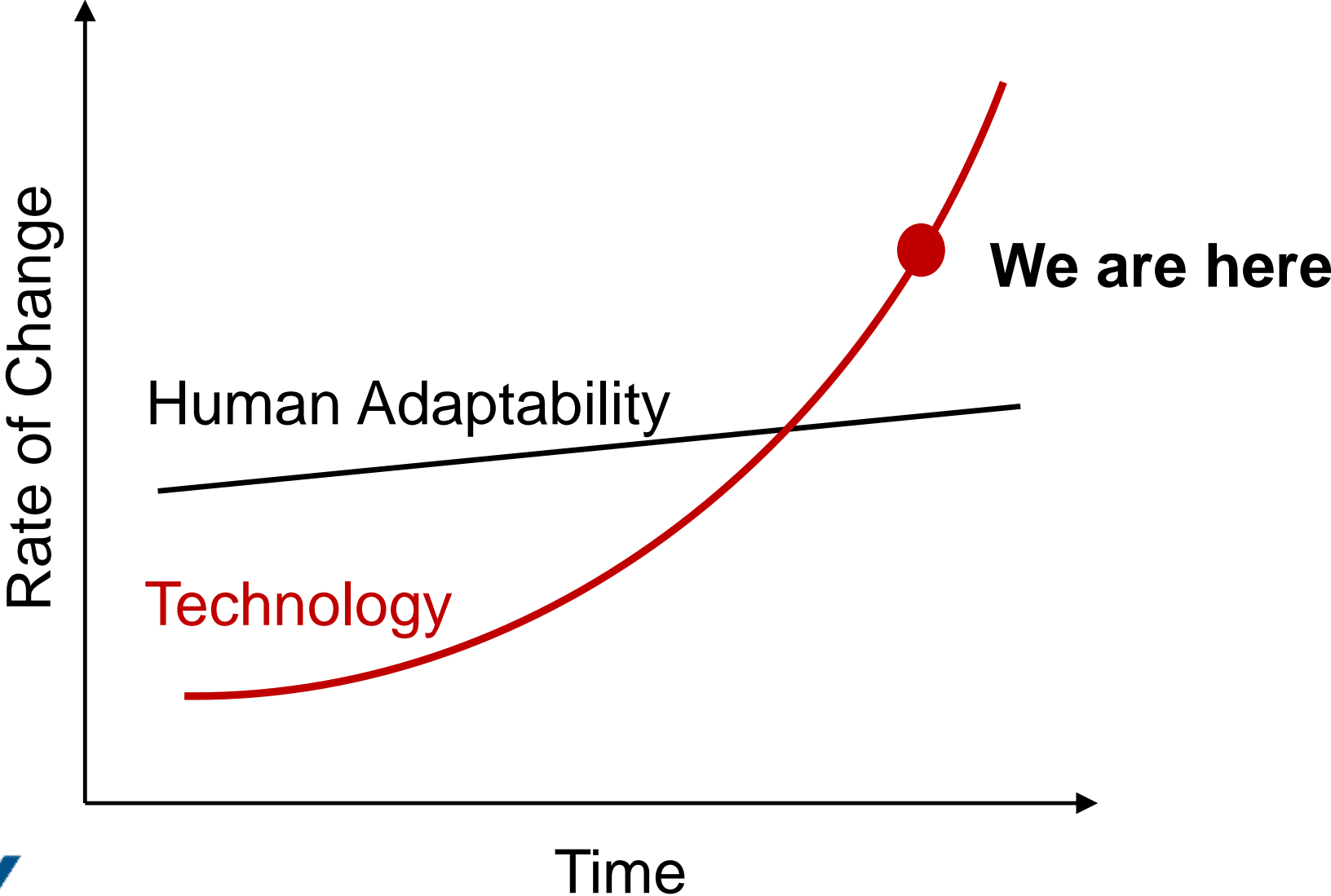


Competitive Changes

Changes in Economic Conditions



# Responding to Increasing Rate of Change



# To assure our future – We need Focus



**Strengthen & Deepen Expertise,  
Competence & Risk Management**

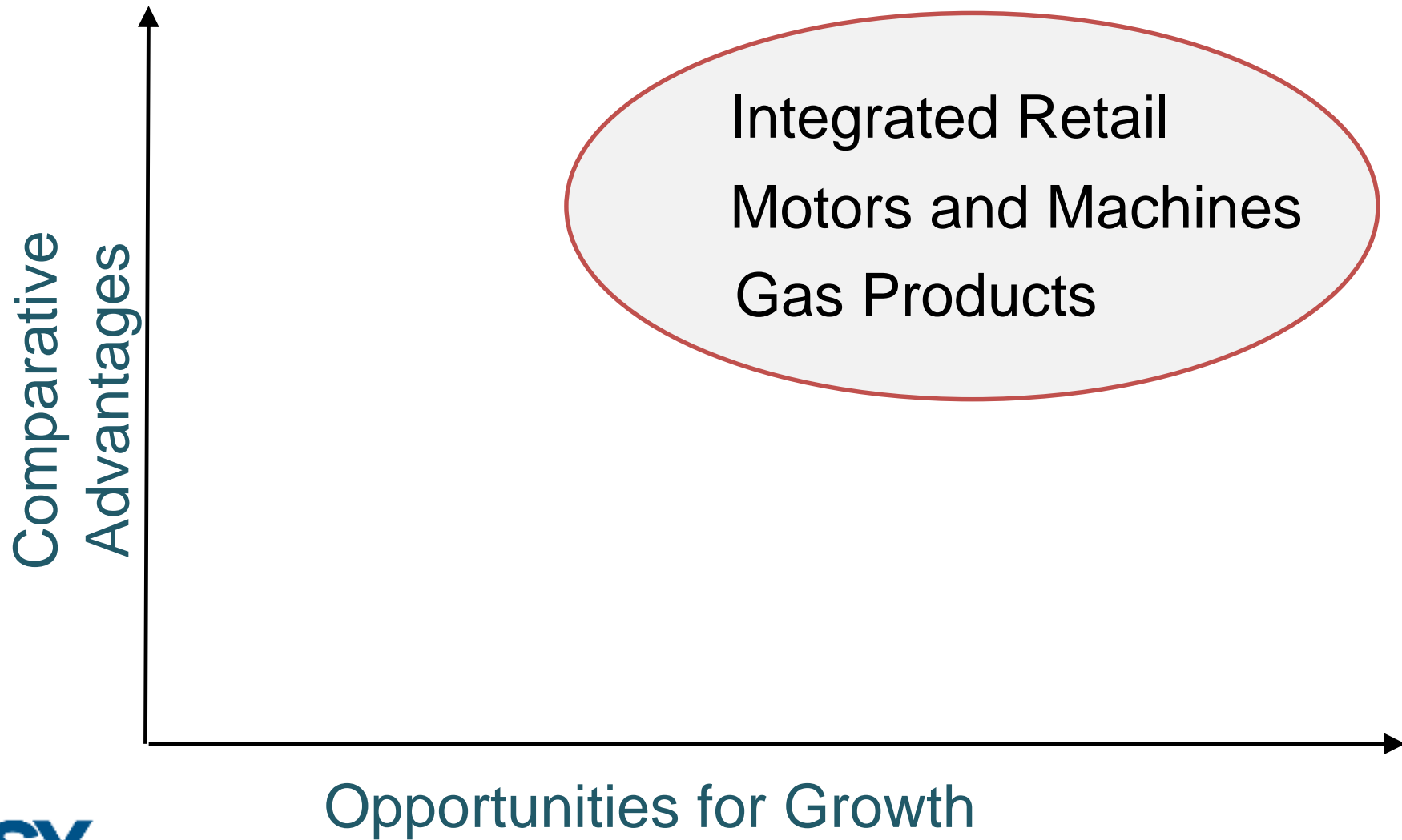
**Increasingly more Competitive**

**Become more Performance-oriented**

**Increase Agility to respond to changes**

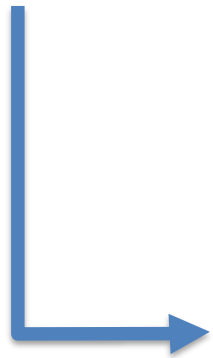


# Selecting Key Portfolios



# Introduction to Portfolio Boards

## Massy Holdings Parent Board



Industry  
Portfolio  
Boards

- Independent Directors
- Risk & Audit Committees
- People & Culture Committees
- Non-Portfolio Executives

# Portfolio Board Composition

- Portfolio Boards will comprise 4 members each from the Industry Portfolios and from MHL appointments respectively; 8 members in total.
- If a voting matter cannot be resolved at the Portfolio Board, matter is to be escalated to the Group CEO.

## Executive Members

- Portfolio Chairman
- Portfolio CFO
- 2 Other Executives from the Investment Portfolio
- Industry expert could be selected at the Portfolio level

## MHL Appointed Members

- Independent Audit Committee Chairperson
- Director from MHL Board (could be same as above)
- Others from Corporate Office
  - Group CFO
  - Group People & Culture
  - Group Strategy
- Non-Exec Industry Expert

# From Conglomerate to Investment Manager

	<i>Traditional Conglomerate Holding Model</i>	<i>New Investment Portfolio Management Model</i>
<b>Diversification strategy</b>	Geographic expansion all lines of Business	<i>Geographic expansion along Key Portfolios</i>
<b>Autonomy given to the Portfolios</b>	Some	<i>Much More</i>
<b>Role of the Head Office</b>	Report, Monitor and Control	<i>Report, Monitor, Support</i>
<b>Governance Structures</b>	Parent Layer Committees	<i>Multiple Layers, closer to the Business</i>
<b>Performance</b>	Revenue, Profit	<i>Total Shareholder Return, Profit, Revenue</i>

# Purpose and Values Firmly Embedded

## Our Vision

A Force for Good

The Most Responsible and Profitable  
Investment Holding/Management  
Company in the Caribbean Basin

## Our Purpose

A Force for Good;  
Creating Value, Transforming Life.

## Guided by Our Values

Honesty & Integrity



Responsibility



Collaboration



Growth & Continuous Improvement



Love & Care





*“Collaboration stands as one of the core values of the Massy Group.”*



boys to men movement



supporting farmers & agriculture

## CSR Activities

proactive for health

environmental clean-up

*It is essential in the work we do alongside many organisations and community groups as we help them to build and return value to the communities and countries in which we operate.”*



projects & initiatives  
400 +

total donations  
\$5.4 million +

Do you  
have your  
Reusable  
Bags?



+ 50 Million plastic bags  
displaced ...

The Farm to Table Link





# Annual General Meeting Portfolio Reports

January 2020





# Integrated Retail portfolio

**DAVID AFFONSO**  
EXECUTIVE VICE PRESIDENT & EXECUTIVE CHAIRMAN  
INTEGRATED RETAIL PORTFOLIO



# Integrated Retail

## Top Line Expansion Strategy

- Footprint Expansion - New locations T'dad, Bds, SLU, new channels, new territories
- Barbados has turned the corner and is improving
- Trinidad Stores are seeing year on year growth
- Trinidad Distribution strong organic growth
- Expand our Miami base – Gateway to the Caribbean
- Guyana new Mega store opened in September – customer base is growing rapidly
- Guyana Distribution Significant investments made poised for exponential growth



# Integrated Retail

## Operational Focus Areas

- **Focus on Retail Excellence**
  - Customer Service, variety, availability
  - Category management
  - Staying relevant in a rapidly changing world
- **Technology**
  - Automated demand-based ordering
  - Data analytics – across the business
  - Self check out
  - Expand our Click & Collect offering
- **Cost consolidation**
  - Back office and asset utilization





# Motors & Machines

portfolio

**DAVID O'BRIEN**  
EXECUTIVE VICE PRESIDENT & EXECUTIVE CHAIRMAN  
MOTORS & MACHINES PORTFOLIO



# Motors and Machines

## Top Line Expansion Strategy

- Trinidad to increase Nissan lines in Trinidad for gap in segment and revamp model line up inclusive of showroom changes, Truck centre in Chaguanas
- Increase volume of electric cars
- Increase motorist distribution locations for parts
- Guyana significant investment in with new building and showroom, additional truck and car lines, Mack, Volvo and UD trucks
- Colombia continues to grow market share through acquisitions with organic expansion through rentals, leasing and sale of used vehicles
- Acquiring dealerships in other Latin American countries
- Caribbean Shell Distribution in 17 territories







**EUGENE TIAH**

EXECUTIVE VICE PRESIDENT & EXECUTIVE CHAIRMAN  
GAS PRODUCTS PORTFOLIO

**The Gas Products portfolio** includes wholly owned industrial gas operations in Trinidad and Tobago, Guyana, and Jamaica. These companies distribute LPG (in Jamaica and Guyana), nitrogen, oxygen, argon, carbon dioxide, helium, nitrous oxide, acetylene, ammonia, hydrogen and other industrial gases. The portfolio also includes Massy Energy Colombia S.A.S. which provides operations and maintenance, facility modifications and other technical services to oil and gas, mining and pipeline companies in Colombia.



# Gas Products

## Top Line Expansion Strategy

- Trinidad cost and process efficiency, tracking and telemetry, CO2 export expansion
- Jamaica import terminal expansion and mobile distribution capability additions, new cylinder technology, new applications of LPG for vehicles
- Guyana increase of market penetration / conversion to LPG and non-cooking applications Boilers, Dryers and cars. Industrial gases focus on the expanding construction and oil & gas sector
- Colombia transformation into a gases business with a focus on LPG with energy services diversification
- Selective inorganic approaches to other gases businesses in other Caribbean and Latin American markets

## Territories of Interest



# Continuing Lines of Business



## Financial Services

### HOWARD HALL

SENIOR VICE PRESIDENT & EXECUTIVE CHAIRMAN,  
FINANCIAL SERVICES LINE OF BUSINESS

**The Financial Service Business** consists of the Insurance Business which regionally provides Property and Casualty Insurance. Our Money Services businesses operates the agencies for MoneyGram International in Guyana and Trinidad and Tobago and Western Union in Barbados. Our Consumer Finance business provides motor vehicle loans to customers, while in Barbados, our revolving credit business provides credit card services.



## Information Technology & Communications

### FENWICK REID

SENIOR VICE PRESIDENT & EXECUTIVE CHAIRMAN,  
INFORMATION TECHNOLOGY & COMMUNICATIONS

**The Information Technology & Communications Business** is a regionally diverse portfolio of companies operating in Trinidad and Tobago, Guyana, Barbados, Antigua and Jamaica. The unit has also established a presence in Colombia and the United States of America. The group provides a number of products, services and solutions in the Information Technology and Communications Space.



## Strategic & Other Investments

### VAUGHN MARTIN

SENIOR VICE PRESIDENT & EXECUTIVE CHAIRMAN,  
OTHER INVESTMENTS

**The Strategic & Other Investments Business** consists of subsidiaries, joint ventures and investments that are not directly related to the Group's Core Business Unit Activities.



**THANK YOU**

