

## Highlights of the Unaudited Consolidated Financial Statements for the Six Months Ended 31st March 2020

### CHAIRMAN'S STATEMENT FOR SECOND QUARTER OF FY2020

During this period of global public health and economic crises, the safety and health of our employees, customers and the public continue to be our first priority. The Massy Group has been fortunate during the outbreak of the pandemic. Our recent focus on strengthening the governance in the Portfolios and giving greater autonomy and decision making to leaders throughout the ranks of all of our businesses has allowed the Group to respond to the crisis with great agility. HSE protocols and Business Continuity Plans were adapted to the situation and changes were made quickly to adjust to work from home and to ensure that any work that needed to be conducted at business premises were conducted safely and in a manner which mitigated the potential spread of the COVID-19 virus.

Starting during the month of March 2020, all of the countries in which we operate implemented varying degrees of curfews, lockdowns and restrictions to business activity. Fortuitously, most of the operations of the Group were deemed essential and/or could operate remotely. While some activities of most businesses were restricted, it is only the automotive dealership and rental businesses in Trinidad and Tobago and Colombia that were for the most part shut down.

The Group's strategy to focus on its three main industry Portfolios: Integrated Retail, Gas Products and Motors and Machines is working. The three main Portfolios performed commendably for the first half of FY 2020. Integrated Retail Third Party Revenue grew by 8% and its PBT grew by 9%. Motors and Machines Third Party Revenue grew by 4% and its PBT grew by 7%, despite losing a week or more of sales in March in Trinidad and Tobago and Colombia. While Gas Products Third Party Revenue declined by 6%, with loss of volumes from hotels and restaurants due to COVID restrictions, its PBT increased by 14%, driven by increased demands for packed LPG, Oxygen and Nitrogen, partly driven by changes in consumer behaviour and increased healthcare expenditure in response to COVID-19.

The strong Revenue growth by the main Portfolios were the anchors for the Group's Third Party Revenue growth of 3% in the second quarter and for the FY 2020 Half Year. This was achieved despite the fact that the Group has sold the security company in Guyana and Massy Technologies Applied Imaging; and has transferred Seawell Air Services to a buyer pending approval of the sale transaction from the Barbados Fair Trade Commission.


FY 2020 Half Year (HY) PBT declined by 12% or \$56.1 million from \$448.2 million in 2019 to \$392.1 million in HY 2020. This decline in PBT is fully explained by some extraordinary events. The transfer and pending sale of Seawell Air Services incurred \$24 million loss arising from severance costs required and an impairment on the value of the assets transferred. US Stock Market share prices plummeted in Q2 FY 2020 amidst the fears and economic slowdown created by the COVID

pandemic and adversely impacted the Investment Income earned by the Massy United Insurance Ltd. and TIRCL (captive reinsurance) investment Portfolios. The combined marked-to-market loss in value incurred was \$34.9 million. Without these two impacts, the Group's PBT would have increased by \$2.8 million or 0.6%.

With lower Tax Rates in Barbados, the Group's HY Profit After Tax decreased by 8% from \$286.8 million in 2019 to \$262.7 million in 2020. Earnings Per Share declined by 9% from \$2.66 for Half Year FY2019 to \$2.41 for the same period in FY 2020. While these are uncertain times, your Directors are confident that the Group's core Portfolios will continue to perform well. However, given the immediate challenges, significant uncertainties of the duration and direct and knock-on impact to economies regionally and globally, we believe a prudent dividend declaration for the Half Year is appropriate. Accordingly, your board of directors has declared a Half Year Dividend of \$0.50, which represents a 9% reduction over prior year.

As many of the countries in which the Group operates are initiating the process of re-opening their economies at different rates and with different perspectives on appropriate risk to take, our Group will remain vigilant in implementing protocols to keep our employees, customers and general public safe. Aligned with our purpose and values, the Group has been giving generously to numerous causes to assist with feeding frontline workers and those displaced from work. The Group has given donations to Ministries of Health for equipment to assist in battling the COVID-19 virus. Additionally, we are sharing all of our COVID-19 work protocols publicly.

Thankfully, the Massy Group is very resilient. The crisis has ushered in several positive changes which will serve the Group, its employees, customers and shareholders well in the future. The crisis has unleashed innovation and creative strategies for growth. New services such as online ordering, curb-side pickup and delivery to homes have been launched in record time. Remote working and digital technologies have become common place. Employee engagement has been enhanced with increased communication and constant engagement of staff. This has contributed to productivity improvements around the Group. As we emerge from this crisis, the Massy Group will be stronger, more agile and ready to face the new normal that awaits. In these uncertain times it is not possible to predict how the full year will turn out but we face the uncertainties with confidence in our ability to adapt as necessary.

  
**Robert Bermudez**  
May 18, 2020

### SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS For the Six Months Ended 31st March 2020

	UNAUDITED THREE MONTHS ENDED		UNAUDITED SIX MONTHS ENDED		AUDITED TWELVE MONTHS ENDED
	31-Mar-20 TTS'000	31-Mar-19 TTS'000	31-Mar-20 TTS'000	31-Mar-19 TTS'000	30-Sep-19 TTS'000
Revenue	3,062,446	2,955,031	6,329,055	6,169,304	11,958,666
Operating profit after finance costs	136,092	204,496	358,084	401,730	853,271
Share of results of associates and joint ventures	6,432	12,788	33,984	46,447	65,965
Profit before tax	142,524	217,284	392,068	448,177	919,236
Income tax expense	(47,033)	(78,223)	(129,383)	(161,344)	(306,004)
<b>Profit for the period</b>	<b>95,491</b>	<b>139,061</b>	<b>262,685</b>	<b>286,833</b>	<b>613,232</b>
Profit attributable to owners of the parent	81,525	126,563	235,293	260,193	563,164
Profit attributable to non-controlling interests	13,966	12,498	27,392	26,640	50,068
<b>Profit for the period</b>	<b>95,491</b>	<b>139,061</b>	<b>262,685</b>	<b>286,833</b>	<b>613,232</b>
<b>Earnings per share attributable to the owners of the parent (\$/cents):</b>					
Basic earnings per share	0.84	1.29	2.41	2.66	5.76

### SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY For the Six Months Ended 31st March 2020

	UNAUDITED SIX MONTHS ENDED		AUDITED TWELVE MONTHS ENDED
	31-Mar-20 TTS'000	31-Mar-19 TTS'000	30-Sep-19 TTS'000
Balance at the beginning of the year	5,713,898	5,384,821	5,384,821
IFRS 15 initial application adjustment	-	(1,999)	(1,999)
IFRS 16 initial application adjustment	(52,833)	-	-
Balance at the beginning of the year - restated	5,661,065	5,382,822	5,382,822
Profit attributable to owners of the parent	235,293	260,193	563,164
Other comprehensive income	-	-	(22,950)
Dividends paid	(168,118)	(154,434)	(208,192)
Other reserve movements	(3,246)	14,793	(946)
	5,724,994	5,503,374	5,713,898

### SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31st March 2020

	UNAUDITED 31-Mar-20 TTS'000	UNAUDITED 31-Mar-19 TTS'000	AUDITED 30-Sep-19 TTS'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment and investment properties	3,675,620	2,836,306	2,805,900
Investments in associates and joint ventures	172,631	258,499	146,801
Financial assets	1,171,231	1,186,883	1,032,084
Other non-current assets	1,088,223	859,499	1,000,920
	6,107,705	5,141,187	4,985,705
<b>Current assets</b>			
Cash and cash equivalents	1,569,453	1,546,283	2,073,058
Other current assets	5,337,075	5,246,869	5,266,310
	6,906,528	6,793,152	7,339,368
<b>Total assets</b>	<b>13,014,233</b>	<b>11,934,339</b>	<b>12,325,073</b>
<b>Equity and Liabilities</b>			
Capital and reserves attributable to owners of the parent	5,724,994	5,503,374	5,713,898
Non-controlling interests	248,015	252,927	233,043
Total equity	5,973,009	5,756,301	5,946,941
<b>Non-current liabilities</b>			
Borrowings	2,393,655	1,843,054	1,820,729
Deferred tax liabilities	220,965	240,106	227,051
Other non-current liabilities	314,246	381,993	352,895
	2,928,866	2,465,153	2,400,675
<b>Current liabilities</b>			
Borrowings	763,789	420,291	378,983
Other current liabilities	3,348,569	3,292,594	3,598,474
	4,112,358	3,712,885	3,977,457
<b>Total equity and liabilities</b>	<b>13,014,233</b>	<b>11,934,339</b>	<b>12,325,073</b>

### SUMMARY CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME For the Six Months Ended 31st March 2020

	UNAUDITED SIX MONTHS ENDED		AUDITED TWELVE MONTHS ENDED
	31-Mar-20 TTS'000	31-Mar-19 TTS'000	30-Sep-19 TTS'000
<b>Profit for the period</b>	262,685	286,833	613,232
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
- remeasurement of defined benefit pension plans	26,550	-	6,977
	26,550	-	6,977
<b>Items that may be subsequently reclassified to profit or loss</b>			
- currency translation differences	(30,909)	20,208	(29,564)
	(30,909)	20,208	(29,564)
<b>Other comprehensive income for the year, net of tax</b>	(4,359)	20,208	(22,587)
<b>Total comprehensive income for the period</b>	<b>258,326</b>	<b>307,041</b>	<b>590,645</b>
<b>Attributable to:</b>			
- owners of the parent	231,049	280,536	540,214
- non-controlling interests	27,277	26,505	50,431
<b>Total comprehensive income for the period</b>	<b>258,326</b>	<b>307,041</b>	<b>590,645</b>

### SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS For the Six Months Ended 31st March 2020

	UNAUDITED SIX MONTHS ENDED		AUDITED TWELVE MONTHS ENDED
	31-Mar-20 TTS'000	31-Mar-19 TTS'000	30-Sep-19 TTS'000
<b>Cash flows from operating activities</b>			
Profit before income tax	392,068	448,177	919,236
Share of results of associates and joint ventures	(33,984)	(46,447)	(65,965)
Adjustments for non cash items	256,022	126,876	229,639
<b>Operating profit before working capital changes</b>	<b>614,106</b>	<b>528,606</b>	<b>1,082,910</b>
Net working capital changes	(339,622)	(190,135)	(9,320)
<b>Cash generated from operations</b>	<b>274,484</b>	<b>338,471</b>	<b>1,073,590</b>
Tax payments	(135,947)	(128,355)	(267,721)
<b>Cash flows from operating activities</b>	<b>138,537</b>	<b>210,116</b>	<b>805,869</b>
Investing activities	(415,935)	(77,503)	16,942
Financing activities	(220,190)	(199,164)	(354,078)
<b>(Decrease)/Increase in short-term funds</b>	<b>(497,588)</b>	<b>(66,551)</b>	<b>468,733</b>
<b>Cash, cash equivalents and bank overdrafts at start of year</b>	<b>2,064,262</b>	<b>1,599,621</b>	<b>1,599,621</b>
<b>Translation difference on cash held</b>	<b>(2,964)</b>	<b>2,099</b>	<b>(4,092)</b>
<b>Cash, cash equivalents and bank overdrafts at end of year</b>	<b>1,563,710</b>	<b>1,535,169</b>	<b>2,064,262</b>

SEGMENT INFORMATION TTS'000	Motors & Machines	Integrated Retail	Financial Services	Gas Products	ITC	Strategic and Other Investments	Head Office and Other Adjustments	Total
<b>Six Months Ended 31st March 2020</b>								
Group revenue	1,391,350	3,877,311	348,318	503,463	221,640	336,049	-	6,678,131
Inter-segment revenue	(93,569)	(205,224)	(785)	(6,696)	(14,299)	(28,503)	-	(349,076)
Third party revenue	1,297,781	3,672,087	347,533	496,767	207,341	307,546	-	6,329,055
Operating profit/(loss) after finance costs	82,742	200,220	33,035	104,172	29,274	(6,602)	(84,757)	358,084
Share of results of associates and joint ventures	-	-	1,536	5,498	-	26,950	-	33,984
Profit before income tax	82,742	200,220	34,571	109,670	29,274	20,348	(84,757)	392,068
<b>Six Months Ended 31st March 2019</b>								
Group revenue	1,313,076	3,648,677	335,403	539,209	269,047	412,388	-	6,517,800
Inter-segment revenue	(61,369)	(236,913)	(863)	(6,703)	(13,051)	(29,597)	-	(348,496)
Third party revenue	1,251,707	3,411,764	334,540	532,506	255,996	382,791	-	6,169,304
Operating profit/(loss) after finance costs	77,153	183,148	60,281	87,635	25,295	35,664	(67,446)	401,730
Share of results of associates and joint ventures	-	-	810	8,770	-	36,867	-	46,447
Profit before income tax	77,153	183,148	61,091	96,405	25,295	72,531	(67,446)	448,177

	Group Revenue		Inter-Segment		Third-Party Revenue		Profit Before Tax	
	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19
Trinidad and Tobago	2,492,970	2,577,512	(115,263)	(127,318)	2,377,707	2,450,194	213,516	220,796
Barbados	1,614,570	1,537,432	(156,070)	(137,698)	1,458,500	1,399,734	58,980	108,396
Eastern Caribbean	711,804	677,189	-	(8,721)	711,804	668,468	59,930	53,777
Guyana	593,208	520,568	(19,831)	(21,586)	573,377	498,982	75,578	78,732
Jamaica	352,891	359,789	(2,573)	(2,795)	350,318	356,994	40,136	36,517
Colombia	808,586	754,781	-	-	808,586	754,781	26,577	15,894
Other	104,102	90,529	(55,339)	(50,378)	48,763	40,151	2,108	1,511
Head Office and Other adjustments	-	-	-	-	-	-	(84,757)	(67,446)
	6,678,131	6,517,800	(349,076)	(348,496)	6,329,055	6,169,304	392,068	448,177

**Notes:**  
All monetary amounts are stated in Trinidad and Tobago dollars. Highlights of the Unaudited 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)