

Highlights of the Unaudited Consolidated Financial Statements for the Nine Months Ended 30th June 2020

CHAIRMAN'S STATEMENT FOR THIRD QUARTER OF FY2020

Most countries in which the Group operates implemented government-mandated curfews and lockdowns from mid-March and started phased approaches to reopening economies towards the middle of May. The Massy Group of Companies has been at the forefront of implementing strict protocols in all our places of business to assure the safety and health of our employees, customers and the public.

Our Third Quarter (Q3) performance reflects the resilience of the Group. During this period, in which most countries were under lockdown and curfew orders for much of the quarter, almost all companies in the Group were negatively impacted. Notable exceptions were the Integrated Retail Portfolio in Trinidad, which was able to operate without major interruption throughout the lockdown period; Massy United Insurance, which benefited from a recovery in investment income as the US Stock market rallied in Q3 from the decline earlier in the year; Massy Services in Guyana; Massy Motors ACL; and Massy Machinery.

While sales in automotive dealerships collapsed in Q3 of Financial Year (FY) 2020 versus Q3 FY2019 (67% for Massy Motors in Trinidad and 59% in Colombia), Group Revenue for the three-month period in Q3 was only 20% below the same period in FY2019 and Group Profit Before Tax (PBT) for the three-month period in Q3 FY2020 was similarly 20% below the same period in FY2019.

Assisted by the strong performance for the first five months of the FY, Group Year To Date (YTD) Third Party Revenue at Q3 of FY2020 only declined by 5% over prior year. This was achieved despite the fact that the Group has sold the security company in Guyana, and Massy Technologies Applied Imaging, as well as transferred (pending regulatory approval) Seawell Air Services in Barbados. The Integrated Retail Portfolio was the only line of business in which YTD Revenue has continued to increase (4%) over Prior Year.

FY2020 YTD Q3 Profit Before Tax (PBT) declined by 15% from \$642.3 million in FY2019 to \$548.1 million in Q3 2020 YTD. With lower tax rates in Barbados, Group YTD Profit After Tax (PAT) only declined by 12% from \$415.9 million to \$367.2 million.

The Group's strategy to focus on its three main industry portfolios: Integrated Retail, Gas Products, and Motors and Machines is working. The increased decentralisation of decision-making improved the Group's ability to respond to different emerging developments in various sectors and countries. The Group's Values and Purpose, as well as the governance structure of more independent boards for the Portfolios, provide sufficient commonality to leverage the Group's collective strengths while releasing the creativity and performance that comes with greater autonomy.

We are all now living in a new reality of operating our businesses while COVID-19 cases are still increasing in many of the countries in which the Group operates. The Group is increasing its vigilance in applying its protocols. As we have with our HSE practices, we will start emphasising personal responsibility with respect to preventing the spread of COVID-19. We recognise that the best precautions at work must be complemented by personal behaviours and choices when not at work. In all countries in which the Group operates, we also continue to support charitable causes, especially in this time of great need.

While the future is uncertain, we are confident in the Group's resilience and ability to adapt to the changes in the environment as they emerge. We will continue the path of innovation, productivity improvement, enhanced employee engagement and agile decision-making that the pandemic has helped us to forge.



Robert Bermudez, Chairman
August 6, 2020

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS For the Nine Months Ended 30th June 2020

	UNAUDITED THREE MONTHS ENDED		UNAUDITED NINE MONTHS ENDED		AUDITED TWELVE MONTHS ENDED
	30-Jun-20 TTS'000	30-Jun-19 TTS'000	30-Jun-20 TTS'000	30-Jun-19 TTS'000	30-Sep-19 TTS'000
Revenue	2,347,122	2,924,135	8,676,177	9,093,439	11,958,666
Operating profit after finance costs	146,903	180,891	504,987	582,621	853,271
Share of results of associates and joint ventures	9,103	13,271	43,087	59,718	65,965
Profit before tax	156,006	194,162	548,074	642,339	919,236
Income tax expense	(51,481)	(65,145)	(180,864)	(226,489)	(306,004)
Profit for the period	104,525	129,017	367,210	415,850	613,232
Profit attributable to owners of the parent	101,485	115,284	336,778	375,477	563,164
Profit attributable to non-controlling interests	3,040	13,733	30,432	40,373	50,068
Profit for the period	104,525	129,017	367,210	415,850	613,232
Earnings per share attributable to the owners of the parent (\$/cents):					
Basic earnings per share	1.03	1.18	3.44	3.84	5.76

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30th June 2020

	UNAUDITED 30-Jun-20 TTS'000	UNAUDITED 30-Jun-19 TTS'000	AUDITED 30-Sep-19 TTS'000
Assets			
Non-current assets			
Property, plant and equipment and investment properties	3,584,708	2,769,225	2,805,900
Investments in associates and joint ventures	178,961	140,728	146,801
Financial assets	1,145,070	1,258,241	1,032,084
Other non-current assets	880,537	855,531	1,000,920
	5,789,276	5,023,725	4,985,705
Current assets			
Cash and cash equivalents	1,795,592	1,613,234	2,073,058
Other current assets	5,476,805	5,376,120	5,266,310
	7,272,397	6,989,354	7,339,368
Total assets	13,061,673	12,013,079	12,325,073
Equity and Liabilities			
Capital and reserves attributable to owners of the parent	5,794,397	5,569,753	5,713,898
Non-controlling interests	243,325	257,553	233,043
Total equity	6,037,722	5,827,306	5,946,941
Non-current liabilities			
Borrowings	2,351,069	1,833,291	1,820,729
Deferred tax liabilities	221,157	239,194	227,051
Other non-current liabilities	269,453	382,703	352,895
	2,841,679	2,455,188	2,400,675
Current liabilities			
Borrowings	763,072	404,632	378,983
Other current liabilities	3,419,200	3,325,953	3,598,474
	4,182,272	3,730,585	3,977,457
Total equity and liabilities	13,061,673	12,013,079	12,325,073

SUMMARY CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME For the Nine Months Ended 30th June 2020

	UNAUDITED NINE MONTHS ENDED		AUDITED TWELVE MONTHS ENDED
	30-Jun-20 TTS'000	30-Jun-19 TTS'000	30-Sep-19 TTS'000
Profit for the period	367,210	415,850	613,232
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
- remeasurement of defined benefit pension plans	39,818	-	6,977
	39,818	-	6,977
Items that may be subsequently reclassified to profit or loss			
- currency translation differences	(26,054)	23,230	(29,564)
	(26,054)	23,230	(29,564)
Other comprehensive income for the period, net of tax	13,764	23,230	(22,587)
Total comprehensive income for the period	380,974	439,080	590,645
Attributable to:			
- owners of the parent	350,262	399,307	540,214
- non-controlling interests	30,712	39,773	50,431
Total comprehensive income for the period	380,974	439,080	590,645

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY For the Nine Months Ended 30th June 2020

	UNAUDITED NINE MONTHS ENDED		AUDITED TWELVE MONTHS ENDED
	30-Jun-20 TTS'000	30-Jun-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	(53,442)	-	-
Balance at the beginning of the year – restated	5,660,456	5,382,822	5,382,822
Profit attributable to owners of the parent	336,778	375,477	563,164
Other comprehensive income	-	-	(22,950)
Dividends paid	(217,289)	(208,192)	(208,192)
Other reserve movements	14,452	19,646	(946)
	5,794,397	5,569,753	5,713,898

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS For the Nine Months Ended 30th June 2020

	UNAUDITED NINE MONTHS ENDED		AUDITED TWELVE MONTHS ENDED
	30-Jun-20 TTS'000	30-Jun-19 TTS'000	30-Sep-19 TTS'000
Cash flows from operating activities			
Profit before income tax	548,074	642,339	919,236
Share of results of associates and joint ventures	(43,087)	(59,718)	(65,965)
Adjustments for non-cash items	294,346	168,562	229,639
Operating profit before working capital changes	799,333	751,183	1,082,910
Net working capital changes	(280,345)	(194,088)	(9,320)
Cash generated from operations	518,988	557,095	1,073,590
Tax payments	(208,552)	(189,060)	(267,721)
Cash flows from operating activities	310,436	368,035	805,869
Investing activities	(286,678)	(76,410)	16,942
Financing activities	(295,457)	(282,796)	(354,078)
(Decrease)/Increase in short-term funds	(271,699)	8,829	468,733
Cash, cash equivalents and bank overdrafts at start of year	2,064,262	1,599,621	1,599,621
Translation difference on cash held	(4,640)	(2,130)	(4,092)
Cash, cash equivalents and bank overdrafts at end of year	1,787,923	1,606,320	2,064,262

SEGMENT INFORMATION TTS'000	Motors and Machines	Integrated Retail	Financial Services	Gas Products	ITC	Strategic and Other Investments	Head Office and Other Adjustments	Total
Nine Months Ended 30th June 2020								
Group revenue	1,733,311	5,516,720	496,877	680,728	303,273	459,738	-	9,190,647
Inter-segment revenue	(143,208)	(299,996)	(1,218)	(9,123)	(19,360)	(41,565)	-	(514,470)
Third party revenue	1,590,103	5,216,724	495,659	671,605	283,913	418,173	-	8,676,177
Operating profit/(loss) after finance costs	102,872	252,581	77,673	131,635	37,841	(8,341)	(89,274)	504,987
Share of results of associates and joint ventures	-	-	2,378	6,430	-	34,279	-	43,087
Profit before income tax	102,872	252,581	80,051	138,065	37,841	25,938	(89,274)	548,074
Nine Months Ended 30th June 2019								
Group revenue	1,937,096	5,367,494	501,182	770,623	419,877	605,317	-	9,601,589
Inter-segment revenue	(97,216)	(339,957)	(1,362)	(9,183)	(18,354)	(42,078)	-	(508,150)
Third party revenue	1,839,880	5,027,537	499,820	761,440	401,523	563,239	-	9,093,439
Operating profit/(loss) after finance costs	108,235	247,671	87,090	136,592	47,339	55,913	(100,219)	582,621
Share of results of associates and joint ventures	-	-	1,215	12,201	-	46,302	-	59,718
Profit before income tax	108,235	247,671	88,305	148,793	47,339	102,215	(100,219)	642,339

	Group Revenue		Inter-Segment		Third Party Revenue		Profit Before Tax	
	Jun-20	Jun-19	Jun-20	Jun-19	Jun-20	Jun-19	Jun-20	Jun-19
Trinidad and Tobago	3,495,051	3,828,276	(170,814)	(190,313)	3,324,237	3,637,963	277,405	323,242
Barbados	2,224,858	2,245,565	(223,838)	(197,417)	2,001,020	2,048,148	96,746	145,166
Eastern Caribbean	988,700	998,906	-	(9,917)	988,700	988,989	70,458	77,888
Guyana	855,349	754,844	(31,893)	(31,495)	823,456	723,349	115,329	118,331
Jamaica	488,167	529,932	(3,684)	(3,526)	484,483	526,406	53,918	54,395
Colombia	979,979	1,105,641	-	-	979,979	1,105,641	20,400	20,904
Other	158,543	138,425	(84,241)	(75,482)	74,302	62,943	3,092	2,632
Head Office and Other Adjustments	-	-	-	-	-	-	(89,274)	(100,219)
	9,190,647	9,601,589	(514,470)	(508,150)	8,676,177	9,093,439	548,074	642,339

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 interim prior year have been made to conform to the current year reporting.

These financial highlights can be accessed online at www.massygroup.com