

Highlights of the Unaudited Consolidated Financial Statements for the Nine Months Ended 30th June 2019

CHAIRMAN'S STATEMENT FOR THIRD QUARTER 2018 RESULTS (QUARTER ENDED 30TH JUNE 2019)

For the Third Quarter (Q3) of the 2019 Financial Year (FY), Group Third Party Revenue of \$9.1 billion is 1% below Q3 Revenue of the prior year. Group Profit Before Tax (PBT) of \$642 million is however 5.5% higher than PBT in Q3 prior year. Group Profit After Tax (PAT) increased by 6.7% from \$390 million to \$416 million and Earnings Per Share improved by 6.4% from \$3.61 in prior year to \$3.84 per share.

While Year To Date (YTD) PBT from Trinidad and Tobago and Barbados declined by 3% and 2% respectively, significant improvements were achieved from Guyana and Colombia, with gains of 16% and 30% respectively. The 8% decline in YTD PBT in St. Lucia and St. Vincent will regularise itself by year end.

Despite challenges in the Trinidad and Tobago market for new vehicle sales, the Automotive and Industrial Equipment Business Unit (BU) increased YTD PBT by 6% over the prior year. The Energy & Industrial Gases BU overcame one-time severance charges to Massy Energy Fabric Maintenance and lost Revenue from the closure of the Petrotrin Refinery to report a 1% improvement in YTD PBT. However, the Integrated Retail BU PBT declined by 7% with economic challenges faced by the Retail business in Trinidad

and the Distribution business in Barbados in particular. Positive contributions came from the Financial Services Line of Business which increased YTD PBT by 10%, and Head Office and Other Adjustment costs which were 24% lower than prior year due to the positive effect from the sales of the Group's interests in its security companies.

In May and June 2019 respectively, G4S International purchased the Group's shares in G4S Holdings (Trinidad) Ltd. and G4S Barbados. The sale of Massy Security Guyana was already reported at the Half Year. The Group has now exited the security and guarding business as it seeks to focus on its larger scale and more profitable units. The gain on these sales is included in the Group's results.

The exercise conducted by Infosys to assess the opportunities to optimise the processes and systems across the Group's support functions was completed in Q3. The results of this assessment will be validated in Q4 and decisions will be taken on the changes that would work best for the Group. In the coming FY, we will execute on the opportunities identified to improve efficiencies, effectiveness and user experience through automation, process standardisation and the centralisation of some activities.

The Group is proceeding with its plans to give greater autonomy and focus to its larger BUs to pursue growth and performance improvements, and we expect this to be in place to start the new FY. In the near term, the Group's growth is likely to come from stronger P&L management of its larger BUs, cost and efficiency initiatives and its operations in the growing economies of Guyana, Colombia and Jamaica. Acquisitions and new business expansions, such as the acquisition of the rights for the Mercedes Benz dealership in Cali, Colombia (completed in December 2018), are already making contributions to the Group's growing bottom line. The Group's strategy, organisational changes and initiatives are designed to keep the Group growing well into the future.



Robert Bermudez, Chairman
August 8, 2019

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the Nine Months Ended 30th June 2019

	UNAUDITED THREE MONTHS ENDED		UNAUDITED NINE MONTHS ENDED		AUDITED TWELVE MONTHS ENDED
	30-Jun-19 TTS'000	30-Jun-18 TTS'000	30-Jun-19 TTS'000	30-Jun-18 TTS'000	30-Sep-18 TTS'000
Revenue	2,924,135	2,991,594	9,093,439	9,167,252	12,004,802
Operating profit after finance costs	180,891	171,455	582,621	554,614	795,211
Share of results of associates and joint ventures	13,271	15,970	59,718	54,463	78,853
Profit before tax	194,162	187,425	642,339	609,077	874,064
Income tax expense	(65,145)	(70,427)	(226,489)	(219,268)	(308,589)
Profit for the period	129,017	116,998	415,850	389,809	565,475
Profit attributable to owners of the parent	115,284	106,323	375,477	352,520	519,753
Profit attributable to non-controlling interests	13,733	10,675	40,373	37,289	45,722
Profit for the period	129,017	116,998	415,850	389,809	565,475
Earnings per share attributable to the owners of the parent (\$/cents):					
Basic earnings per share	1.18	1.09	3.84	3.61	5.32

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th June 2019

	UNAUDITED 30-Jun-19 TTS'000	UNAUDITED 30-Jun-18 TTS'000	AUDITED 30-Sep-18 TTS'000
Assets			
Non-current assets			
Property, plant and equipment and investment properties	2,769,225	2,799,624	2,850,741
Investments in associates and joint ventures	140,728	255,012	248,291
Financial assets	1,258,241	1,374,383	1,040,568
Other non-current assets	855,505	1,131,310	871,238
	5,023,699	5,560,329	5,010,838
Current assets			
Cash and cash equivalents	1,613,234	1,484,121	1,626,132
Other current assets	5,371,685	6,259,455	5,840,220
	6,984,919	7,743,576	7,466,352
Total assets	12,008,618	13,303,905	12,477,190
Equity and Liabilities			
Capital and reserves attributable to owners of the parent	5,571,752	5,124,524	5,384,821
Non-controlling interests	258,070	237,094	230,337
Total equity	5,829,822	5,361,618	5,615,158
Non-current liabilities			
Borrowings	1,833,291	1,930,365	1,867,805
Deferred tax liabilities	239,194	232,517	235,788
Other non-current liabilities	382,703	426,204	363,409
	2,455,188	2,589,086	2,467,002
Current liabilities			
Borrowings	404,632	359,819	452,611
Other current liabilities	3,318,976	4,993,382	3,942,419
	3,723,608	5,353,201	4,395,030
Total equity and liabilities	12,008,618	13,303,905	12,477,190

SUMMARY CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the Nine Months Ended 30th June 2019

	UNAUDITED NINE MONTHS ENDED		AUDITED TWELVE MONTHS ENDED
	30-Jun-19 TTS'000	30-Jun-18 TTS'000	30-Sep-18 TTS'000
Profit for the period	415,850	389,809	565,475
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
- remeasurement of defined benefit pension plans	-	-	13,561
	-	-	13,561
Items that may be subsequently reclassified to profit or loss			
- available for sale financial assets	-	203	-
- currency translation differences	23,230	567	(11,266)
	23,230	770	(11,266)
Other comprehensive income for the year, net of tax	23,230	770	2,295
Total other comprehensive income for the period	439,080	390,579	567,770
Attributable to:			
- owners of the parent	399,307	353,515	521,321
- non-controlling interests	39,773	37,064	46,449
Total other comprehensive income for the period	439,080	390,579	567,770

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Nine Months Ended 30th June 2019

	UNAUDITED NINE MONTHS ENDED		AUDITED TWELVE MONTHS ENDED
	30-Jun-19 TTS'000	30-Jun-18 TTS'000	30-Sep-18 TTS'000
Balance at the beginning of the year	5,384,821	5,137,132	5,137,132
IFRS 9 Initial application adjustments for expected credit loss net of tax	-	(70,956)	(70,956)
Balance at the beginning of the year – restated	5,384,821	5,066,176	5,066,176
Profit attributable to owners of the parent	375,477	352,520	519,753
Other comprehensive income	-	-	1,568
Dividends paid	(208,192)	(205,260)	(205,260)
Other reserve movements	19,646	(3,583)	2,584
	5,571,752	5,209,853	5,384,821

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

For the Nine Months Ended 30th June 2019

	UNAUDITED NINE MONTHS ENDED		AUDITED TWELVE MONTHS ENDED
	30-Jun-19 TTS'000	30-Jun-18 TTS'000	30-Sep-18 TTS'000
Cash flows from operating activities			
Profit before income tax	642,339	609,077	874,064
Share of results of associates and joint ventures	(59,718)	(54,463)	(78,853)
Adjustments for non-cash items	168,562	219,955	297,072
Operating profit before working capital changes	751,183	774,569	1,092,283
Net working capital changes	(194,088)	(256,522)	(121,210)
Cash generated from operations	557,095	518,047	971,073
Tax payments	(189,060)	(162,894)	(235,122)
Cash flows from operating activities	368,035	355,153	735,951
Investing activities	(76,410)	(211,220)	(488,033)
Financing activities	(282,796)	(223,989)	(177,947)
Increase/(Decrease) in short-term funds	8,829	(80,056)	69,971
Cash, cash equivalents and bank overdrafts at start of year	1,599,621	1,531,457	1,531,457
Translation difference on cash held	(2,130)	862	(1,807)
Cash, cash equivalents and bank overdrafts at end of year	1,606,320	1,452,263	1,599,621

SEGMENT INFORMATION TTS'000	Automotive and Industrial Equipment	Integrated Retail	Financial Services	Energy and Industrial Gases	ITC	Other Investments	Head Office and Other Adjustments	Total
Nine Months Ended 30th June 2019								
Group revenue	1,973,755	5,367,494	501,182	927,924	419,877	411,357	-	9,601,589
Inter-segment revenue	(97,216)	(339,957)	(1,362)	(9,932)	(18,354)	(41,329)	-	(508,150)
Third party revenue	1,876,539	5,027,537	499,820	917,992	401,523	370,028	-	9,093,439
Operating profit/(loss) after finance costs	110,572	247,671	87,090	133,043	47,339	57,125	(100,219)	582,621
Share of results of associates and joint ventures	-	-	-	53,586	-	6,132	-	59,718
Profit before income tax	110,572	247,671	87,090	186,629	47,339	63,257	(100,219)	642,339
Nine Months Ended 30th June 2018								
Group revenue	2,070,009	5,415,382	443,035	866,425	427,732	427,891	-	9,650,474
Inter-segment revenue	(87,320)	(314,109)	(1,352)	(12,598)	(22,023)	(45,820)	-	(483,222)
Third party revenue	1,982,689	5,101,273	441,683	853,827	405,709	382,071	-	9,167,252
Operating profit/(loss) after finance costs	104,065	265,360	79,145	130,092	47,390	59,652	(131,090)	554,614
Share of results of associates and joint ventures	-	-	-	54,007	-	456	-	54,463
Profit before income tax	104,065	265,360	79,145	184,099	47,390	60,108	(131,090)	609,077

	Group Revenue		Inter-Segment		Third-Party Revenue		Profit Before Tax	
	Jun-19	Jun-18	Jun-19	Jun-18	Jun-19	Jun-18	Jun-19	Jun-18
Trinidad and Tobago	3,828,276	3,986,865	(190,313)	(216,686)	3,637,963	3,770,179	323,242	334,794
Barbados	2,245,565	2,226,591	(197,417)	(150,232)	2,048,148	2,076,359	145,166	147,600
Eastern Caribbean	998,906	1,005,246	(9,917)	(7,963)	988,989	997,283	77,888	85,257
Guyana	754,844	729,301	(31,495)	(20,052)	723,349	709,249	118,331	102,228
Jamaica	529,932	516,637	(3,526)	(3,194)	526,406	513,443	54,395	50,643
Colombia	1,105,641	1,035,806	-	-	1,105,641	1,035,806	20,904	16,093
Other	138,425	150,028	(75,482)	(85,095)	62,943	64,933	2,632	3,552
Head Office and Other adjustments	-	-	-	-	-	-	(100,219)	(131,090)
	9,601,589	9,650,474	(508,150)	(483,222)	9,093,439	9,167,252	642,339	609,077

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 2018. 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