

RATING RELEASE

April 8, 2021

CariCRIS reaffirms overall 'high creditworthiness' ratings for Massy Holdings Limited

<i>CariAA+</i>	Regional Scale Foreign Currency
<i>CariAA+</i>	Regional Scale Local Currency
<i>ttAA+</i>	Trinidad & Tobago National Scale Foreign Currency
<i>ttAA+</i>	Trinidad & Tobago National Scale Local Currency

Caribbean Information and Credit Rating Services Limited (CariCRIS) has reaffirmed the assigned issuer/corporate credit ratings of *CariAA+* (Foreign and Local Currency Ratings) on its regional rating scale, and *ttAA+* on the Trinidad and Tobago (T&T) national scale to Massy Holdings Limited (MHL). These ratings indicate that the level of creditworthiness of this obligor, adjudged in relation to other obligors in the Caribbean and within T&T, is **high**.

CariCRIS has also maintained a **stable** outlook on the ratings. The stable outlook is based on our expectation of continued good financial performance by the Group, notwithstanding the negative impacts of the COVID-19 pandemic. We expect continued strong profitability and cash flow from operations, as well as healthy debt protection metrics over the next 12 - 15 months.

Massy's ratings continue to reflect its moderate industry diversification and good market position in the Group's three core business portfolios. Massy possesses a wide geographic reach, which allows the Group to diversify its earnings in key operating territories where there is significant growth potential. The ratings continue to be underpinned by the Group's diverse portfolio of complementary businesses which promotes cross selling and value chain maximization. Furthermore, the Group's strong cash flows and healthy debt protection metrics continue to drive its solid financial performance. These rating strengths are tempered by continued weak economic performance in T&T and Barbados which places downward pressure on the Group's profitability, as well as access to US\$ liquidity in T&T.

Rating Sensitivity Factors:

Factors that may lead to an improvement in the ratings and/or outlook:

- An improvement in the CariCRIS credit rating of the GoRTT

Factors that may lead to a lowering of the ratings and/or outlook:

- Decline in operating cash flows of above 30% leading to a deterioration in effective DSCR to < 1.2 times
- A lowering of CariCRIS' sovereign credit risk rating of the GoRTT

About the company

Massy Holdings Limited (Massy) has its genesis in 1932 when Neal Engineering Company Limited led by Harry Neal, and Massy Limited headed by Charles Massy merged to establish Neal & Massy Engineering Company Limited. In 1958, the company continued its expansion and listed on the Trinidad and Tobago Stock Exchange. The Group rebranded in 2014 to form a unified brand and create a common identity. The holding company name was formally changed from Neal & Massy Holdings Limited to Massy Holdings Limited. It is one of the largest conglomerates in the region comprising of over 60 companies with a presence in the automotive, industrial equipment, energy and industrial gases, retail, distribution, consumer finance and insurance industries.

In 2019, the Group commenced an initiative of moving away from the traditional model of a conglomerate, to being an Investment Holding/Management company. To this end, the Group has been focusing on 3 core autonomous business portfolios: Motors and Machines, Integrated Retail and Gas Products. Consistent with this strategy, the Group has exited the Information Communication Technology industry and has also been disposing of companies held in its Strategic & Other Investments portfolio. Over the last year, focus has been placed on the implementation of key operating governance and performance management frameworks.

CariCRIS ID: 055000000000



Caribbean Information &
Credit Rating Services Limited

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