

Massy Holdings Ltd.

Unaudited Consolidated Financial Statements

31 December, 2019

Expressed in Thousands of Trinidad & Tobago Dollars

Massy Holdings Ltd.

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CHAIRMAN'S STATEMENT

For the First Quarter (Q1) of the 2020 Financial Year (FY), Third Party Revenue of \$3.27 billion is 2% above the prior year's Q1 Third Party Revenue. Group Profit Before Tax (PBT) of \$250 million is 8% higher than PBT in Q1 prior year. Lower Effective Tax Rate (arising from Barbados tax reforms in 2019) produced an even higher increase in Profit After Tax (PAT) of 13% to \$167 million. With less profit attributable to non-controlling shareholders, Earnings Per Share (EPS) increased from \$1.37 per share in the prior year to \$1.57 per share in Q1 of FY 2020. This represents a 15% increase in the Group's EPS.

The Group has started to see the benefits of the new Portfolio structure announced in its 2019 Annual Report and Annual General Meeting. The significant growth in most of the Group's Portfolios and Lines of Business (LoBs) is not a coincidence. In Q1 FY 2020, PBT growth from the Integrated Retail, Motors and Machines and Gas Products portfolios were 10%, 15% and 27% respectively. However, adoption of IFRS 15 (Revenue Recognition) and IFRS 16 (Leases) had a negative impact on Revenue and Expenses for the Retail business and reduced the PBT improvement for Integrated Retail to 4%. The Financial Services and ITC LoBs also reported excellent PBT growth of 38% and 37% respectively.

Our Portfolios and operating LoBs added \$37.6 million of PBT above Q1 2019. However, the Strategic & Other Investments LoB posted a decline of \$26.1 million owing to loss of income from divested interests in security companies and a reduction in profit from Massy Wood (as client activity declined versus the same period in FY 2019). Head Office and Other Costs posted a \$7.2 million improvement, which all together produced the Group's 8% PBT improvement in Q1 2020.

Strong Revenue improvement was generated by the Motors and Machines (10%) and Integrated Retail (5%) Portfolios. Revenue growth from Distribution companies (10%) outperformed Revenue improvement from the Retail companies (2%). However, it should be noted that Massy Stores Trinidad was without two stores in Q1 2020 which were, operating in Q1 2019, resulting in a loss of approximately 5% of its Revenue in Q1 2020. Additionally, all Massy Stores Revenue lines were negatively affected by IFRS 15, which requires loyalty points to be deducted from Revenue (loyalty points were previously booked to Cost of Sales). Declines in Revenue from Gas Products and ITC businesses, offset the improvements mentioned earlier. Revenue decline was also recorded from the absence of companies divested in 2019.

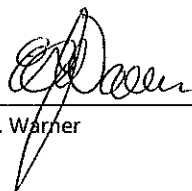
The Portfolio structure of the Group is providing more autonomy and participation for executives and professionals in the Portfolios to drive the successes of their businesses as they unleash their creativity and ambition. Executives are operating with greater focus and have intensified the time spent with their leadership teams and staff, focusing on strategy, operations and our people. We expect these changes to continue to redound to the benefit of all stakeholders, producing greater value and growth from Massy's main businesses.

Robert Bermudez
February 11, 2020

Massy Holdings Ltd.
Consolidated Statement of Financial Position
(Expressed in Thousands of Trinidad & Tobago dollars)

	UNAUDITED 31-Dec-19 \$'000	UNAUDITED 30-Dec-18 \$'000	AUDITED 30-Sep-19 \$'000
Assets			
Non-Current Assets			
Property, plant and equipment and investment properties	3,633,568	2,839,752	2,805,900
Investments in associates and joint ventures	169,487	249,894	146,801
Financial assets	1,033,749	963,029	1,032,084
Other non-current assets	1,068,511	866,294	1,000,920
	5,905,315	4,918,969	4,985,705
Current Assets			
Cash and cash equivalents	1,791,154	1,908,082	2,073,058
Other current assets	5,547,036	6,089,046	5,266,310
	7,338,190	7,997,128	7,339,368
Total Assets	13,243,505	12,916,097	12,325,073
Equity and Liabilities			
Capital and reserves attributable to owners of the parent	5,909,821	5,544,248	5,713,898
Non-controlling interests	240,474	245,999	233,043
Total Equity	6,150,295	5,790,247	5,946,941
Non-Current Liabilities			
Borrowings	2,595,373	1,852,675	1,820,729
Deferred tax liabilities	222,684	233,369	227,051
Other non-current liabilities	343,506	362,888	352,895
	3,161,563	2,448,932	2,400,675
Current Liabilities			
Borrowings	436,358	366,721	378,983
Other current liabilities	3,495,289	4,310,197	3,598,474
	3,931,647	4,676,918	3,977,457
Total Equity and Liabilities	13,243,505	12,916,097	12,325,073

On February 11th, 2020 the Board of Directors of Massy Holdings Ltd. authorized these consolidated financial statements for issue.


 Director
 E. G. Warner


 Director
 Ian Chinapoo

Massy Holdings Ltd.
Consolidated Income Statement
(Expressed in Thousands of Trinidad & Tobago dollars)

	UNAUDITED THREE MONTHS ENDED		AUDITED TWELVE MONTHS ENDED
	31-Dec-19 \$'000	31-Dec-18 \$'000	30-Sep-19 \$'000
Revenue	3,266,609	3,214,273	11,958,666
Operating profit after finance costs	221,992	197,234	853,271
Share of results of associates and joint ventures	27,552	33,659	65,965
Profit before tax	249,544	230,893	919,236
Income tax expense	(82,350)	(83,121)	(306,004)
Profit for the period	167,194	147,772	613,232
Profit attributable to owners of the parent	153,768	133,630	563,164
Profit attributable to non-controlling interests	13,426	14,142	50,068
Profit for the period	167,194	147,772	613,232
Earnings per share attributable to the owners of the parent (\$/cents):			
Basic earnings per share	1.57	1.37	5.76

Massy Holdings Ltd.
Consolidated Statement of Other Comprehensive Income
(Expressed in Thousands of Trinidad & Tobago dollars)

	UNAUDITED THREE MONTHS ENDED		AUDITED TWELVE MONTHS ENDED
	31-Dec-19 \$'000	31-Dec-18 \$'000	30-Sep-19 \$'000
Profit for the period	167,194	147,772	613,232
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
- remeasurement of defined benefit pension plans	13,276	-	6,977
	13,276	-	6,977
Items that may be subsequently reclassified to profit or loss			
- currency translation differences	32,358	26,447	(29,564)
	32,358	26,447	(29,564)
Other comprehensive income for the period, net of tax	45,634	26,447	(22,587)
Total other comprehensive income for the period	212,828	174,219	590,645
Attributable to:			
Owners of the Parent	198,208	159,233	540,214
Non-controlling interests	14,620	14,986	50,431
Total other comprehensive income for the period	212,828	174,219	590,645

Massy Holdings Ltd.**Consolidated Statement of Changes in Shareholders' Equity**
(Expressed in Thousands of Trinidad & Tobago dollars)

	UNAUDITED THREE MONTHS ENDED		AUDITED TWELVE MONTHS ENDED
	31-Dec-19 \$'000	31-Dec-18 \$'000	30-Sep-19 \$'000
Balance at the beginning of the year	5,713,898	5,384,821	5,384,821
IFRS 15 Initial application adjustment	-	-	(1,999)
Balance at beginning of year - restated	5,713,898	5,384,821	5,382,822
Profit attributable to owners of the Parent	153,768	133,630	563,164
Other comprehensive income	-	-	(22,950)
Dividends paid	-	-	(208,192)
Other reserve movements	42,155	25,797	(946)
	5,909,821	5,544,248	5,713,898

Massy Holdings Ltd.
Consolidated Statement of Cash Flows
(Expressed in Thousands of Trinidad & Tobago dollars)

	UNAUDITED THREE MONTHS ENDED		AUDITED TWELVE MONTHS ENDED
	31-Dec-19 \$'000	31-Dec-18 \$'000	30-Sep-19 \$'000
Cash flows from operating activities			
Profit before income tax	249,544	230,893	919,236
Share of results of associates and joint ventures	(27,552)	(33,659)	(65,965)
Adjustments for non-cash items	88,011	81,752	229,639
Operating profit before working capital changes	310,003	278,986	1,082,910
Net working capital changes	(287,819)	133,832	(9,320)
Cash generated from operations	22,184	412,818	1,073,590
Tax payments	(24,106)	(9,725)	(267,721)
Cash flows from operating activities	(1,922)	403,093	805,869
Investing activities	(236,556)	(24,504)	16,942
Financing activities	(53,954)	(78,718)	(354,078)
(Decrease) / Increase in short-term funds	(292,432)	299,871	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	6,777	4,381	(4,092)
Cash, cash equivalents and bank overdrafts at end of year	1,778,607	1,903,873	2,064,262

Massy Holdings Ltd.
Segment Information
(Expressed in Thousands of Trinidad & Tobago dollars)

	Motors & Machines	Integrated Retail	Financial Services	Gas Products	ITC	Strategic & Other Investments	Head Office and Other Adjustments	Total
Three Months Ended 31st December 2019								
Group revenue	734,831	1,973,691	175,490	258,271	106,929	186,794	-	3,436,006
Inter-segment revenue	(44,781)	(95,949)	(394)	(3,161)	(8,672)	(16,440)	-	(169,397)
Third party revenue	690,050	1,877,742	175,096	255,110	98,257	170,354	-	3,266,609
Operating profit/(loss) after finance costs	42,613	106,711	31,334	61,478	15,353	(3,133)	(32,364)	221,992
Share of results of associates and joint ventures	-	-	1,173	6,718	-	19,661	-	27,552
Profit before income tax	42,613	106,711	32,507	68,196	15,353	16,528	(32,364)	249,544
Three Months Ended 31st December 2018								
Group revenue	681,401	1,892,794	166,815	303,364	132,445	208,886	-	3,385,705
Inter-segment revenue	(37,654)	(98,971)	(480)	(3,685)	(9,997)	(20,645)	-	(171,432)
Third party revenue	643,747	1,793,823	166,335	299,679	122,448	188,241	-	3,214,273
Operating profit/(loss) after finance costs	36,898	102,695	23,104	49,386	11,187	13,566	(39,602)	197,234
Share of results of associates and joint ventures	-	-	405	4,138	-	29,116	-	33,659
Profit before income tax	36,898	102,695	23,509	53,524	11,187	42,682	(39,602)	230,893
	Group Revenue		Inter-Segment		Third-party revenue		Profit Before Tax	
	Dec-19	Dec-18	Dec-19	Dec-18	Dec-19	Dec-18	Dec-19	Dec-18
Trinidad and Tobago	1,303,240	1,307,342	(57,930)	(46,213)	1,245,310	1,261,129	130,459	122,483
Barbados	805,349	786,436	(75,746)	(73,030)	729,603	713,406	41,029	49,272
Eastern Caribbean	359,025	353,997	-	(3,798)	359,025	350,199	29,837	28,873
Guyana	295,082	274,632	(6,294)	(22,194)	288,788	252,438	38,102	38,229
Jamaica	178,991	183,792	(1,568)	(907)	177,423	182,885	19,234	18,920
Colombia	442,453	433,737	-	-	442,453	433,737	22,222	11,910
Other	51,866	45,769	(27,859)	(25,290)	24,007	20,479	1,025	808
Head Office and other adjustments	-	-	-	-	-	-	(32,364)	(39,602)
	3,436,006	3,385,705	(169,397)	(171,432)	3,266,609	3,214,273	249,544	230,893

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