Massy Holdings Ltd. and its subsidiaries

Highlights of the Audited Consolidated Financial Statements for the Twelve Months Ended 30th September 2021

CHAIRMAN'S STATEMENT FOR YEAR END RESULTS 2021

2021 was another extraordinary year for the Massy Group of Companies. The transformational work that the Group has been undertaking for several years has unleashed a new energy across our organisation, in our business operations, among our people and in the societies in which we operate. The Group's commendable financial results are a lagging indicator of the way the Group is operating.

The Financial Year saw the continuation of an environment of volatility, uncertainty and anxiety that was precipitated by the COVID-19 pandemic and the public safety and economic challenges which ensued. In all societies around the world, we have seen waves of surges in the pandemic and myriad resultant reactions. Never before has stress and anxiety been more prevalent in the workplace and in our societies. We have increased our Employee Assistance Programmes (EAP) and encourage preventative health care and well-being as we recognise that these levels of disruption and uncertainty are continuing.

Taking care of people was a particularly important priority for our Group during this time. Taking care of our employees, our customers, our retirees, our communities and of course, our shareholders. In addition to creating safe working environments and practices to protect our employees, we also supported them and their extended families with individualised attention to COVID cases. We continued to ensure safe, pleasant environments and transaction experiences for our customers which measurably improved customer service in our operations. Despite supply chain disruptions, we continued to assure critical food and oxygen supply throughout the region. We contributed to the societies in which we operate with disaster relief efforts, laptops to less-privileged families to support remote learning, contributions to campaigns to address vaccine hesitancy and in Trinidad and Tobago we were one of the lead organisations in the largest-ever private/public sector collaborations to operate mass vaccination sites to accelerate the government's efforts to vaccinate the population. In 2021, we also launched Nudge, a social enterprise to encourage, nurture and support the growth of entrepreneurs and small and medium businesses throughout the Caribbean. Our Group will continue to work with the governments and societies in which we operate to support the critical needs, recovery and growth of our economies in the future. We recognise that doing so is an essential element of how we do business. It creates purpose for our employees and a supportive environment for our businesses.

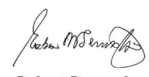
With the increased focus on and devolution of more autonomy to our three main portfolios, we have unleashed an energy that we have been curating for several years as individuals are more engaged and empowered within the organisation. Our people now experience less overwhelm with all that is going on around them with greater autonomy to react to changes and uncertainty. Our organisations have cultivated a confidence to continue striving for growth even when the economic climate is not friendly towards it. There is more creativity and commitment to achieving the extraordinary.

Against this backdrop, the Group's Revenue from Continuing Operations increased by 9% from $10.2 billion to $11.1 billion. Profit Before Tax from Continuing Operations increased by 41% from $660 million to $929 million; and with lower effective tax rates in Barbados, Guyana and Colombia, Profit After Tax (PAT) from Continuing Operations increased by 68% from $403 million to $678 million. It is our employees and leaders who have negotiated these very difficult times with grace and creativity that permitted such results to be produced; their resilience drives our success. On behalf of the Board of Directors and our shareholders, I thank them for their outstanding contributions and unwavering confidence and commitment.

As the Group continues to narrow its focus on its three main portfolios and the strategic financial services companies, the Group has been divesting non-core assets and businesses and investing the proceeds judiciously ahead of the new investment programmes being pursued by the portfolios. In 2021, the Group sold Massy Pres-T-Con and Roberts Manufacturing Co. Limited. The Group also entered into a Share Purchase Agreement with the Coralisle Group (a leading multi-line insurance company with headquarters in Bermuda) to sell Massy United Insurance Ltd. The Gains/Losses on Sale and 2021 profits of the businesses are noted in the Discontinued Operations of the Group. Profit from Discontinued Operations for 2021 was $144 million compared to $340 million in 2020. As a result, Group PAT for 2021 of $822 million is 11% above 2020 PAT of $743 million. With less profit attributable to minority shareholders, Earnings Per Share increased by 13% from $7.11 in 2020 to $8.02 in 2021.

Based on this performance, the Board has declared a final dividend of $2.30, which when added to the interim dividend of $0.55, gives a total dividend for the year of $2.85. This represents an increase of 14% over dividends declared for 2020 and a 3.5% yield on the share price of $82.50 on September 30th, 2021. With an opening share price of $59.00 for the 2021 Financial Year, Massy Holdings delivered a 44.15% Total Return to Shareholders in 2021.

As Chairman, I wish to congratulate the management and staff in all of the Group's operations on their exemplary work in 2021. I am confident that the focused strategy being employed and the leadership approach being taken will permit the Group to appropriately respond to continuing uncertainty. I remind shareholders that the Group will cross-list the Massy Holdings share on the Jamaica Stock Exchange (JSE) in January 2022. To support the success of the cross-listing and to ensure continued accessibility of the Massy share to all retail shareholders, the Board of Directors recommends to shareholders for approval at the Annual General Meeting in January, a stock-split of 20 new shares for every 1 share presently held. Shareholders who need technical advice of the cross-listing or the stock-split should contact their brokers.



Robert Bermudez, Chairman
December 10, 2021

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the Twelve Months Ended 30th September 2021

	THREE MONTHS ENDED		AUDITED TWELVE MONTHS ENDED	
	30-Sep-21 TT$'000	30-Sep-20 TT$'000 (restated)	30-Sep-21 TT$'000	30-Sep-20 TT$'000 (restated)
Continuing Operations:				
Revenue	2,975,342	2,545,571	11,127,944	10,243,236
Operating profit after finance costs	311,544	161,126	878,580	611,349
Share of results of associates and joint ventures	18,267	8,239	50,296	48,948
Profit before tax	329,811	169,365	928,876	660,297
Income tax expense	(59,163)	(95,136)	(250,863)	(257,143)
Profit for the period from continuing operations	270,648	74,229	678,013	403,154
Discontinued Operations:				
Profit for the period from discontinued operations	51,076	301,712	144,015	339,997
Profit for the period	321,724	375,941	822,028	743,151
Owners of the parent:				
Profit for the period from continuing operations	260,163	63,804	639,833	367,415
Profit for the period from discontinued operations	51,074	295,821	148,625	328,988
Profit attributable to owners of the parent	311,237	359,625	788,458	696,403
Non-controlling interests:				
Profit for the period from continuing operations	10,485	10,425	38,180	35,739
Profit/(loss) for the period from discontinued operations	2	5,891	(4,610)	11,009
Profit attributable to non-controlling interests	10,487	16,316	33,570	46,748
Profit for the period	321,724	375,941	822,028	743,151
Earnings per share attributable to the owners of the parent ($/cents):				
Basic earnings per share				
- from continuing operations	2.65	0.65	6.51	3.75
- from discontinued operations	0.52	3.03	1.51	3.36
	3.17	3.68	8.02	7.11

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30th September 2021

	AUDITED 30-Sep-21 TT$'000	AUDITED 30-Sep-20 TT$'000
Assets		
Non-current assets		
Property, plant and equipment and investment properties	2,453,389	2,588,416
Right of use assets	854,536	792,920
Investments in associates and joint ventures	129,608	170,498
Financial assets	923,521	1,021,432
Other non-current assets	818,440	872,122
	5,179,494	5,445,388
Current assets		
Cash and cash equivalents	2,034,141	2,533,621
Assets classified as held for sale	2,508,194	8,000
Other current assets	3,813,080	5,252,738
	8,355,415	7,794,359
Total assets	13,534,909	13,239,747
Equity and Liabilities		
Capital and reserves attributable to owners of the parent	6,668,132	6,170,638
Non-controlling interests	164,039	246,406
Total equity	6,832,171	6,417,044
Non-current liabilities		
Borrowings	1,448,159	1,440,184
Lease liabilities	919,516	844,004
Deferred tax liabilities	234,043	236,050
Other non-current liabilities	244,786	243,863
	2,846,504	2,764,101
Current liabilities		
Borrowings	261,742	677,096
Liabilities classified as held for sale	1,699,489	-
Other current liabilities	1,895,003	3,381,506
	3,856,234	4,058,602
Total equity and liabilities	13,534,909	13,239,747

SUMMARY CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
For the Twelve Months Ended 30th September 2021

	AUDITED TWELVE MONTHS ENDED	
	30-Sep-21 TT$'000	30-Sep-20 TT$'000
Profit for the period	822,028	743,151
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
- remeasurement of defined benefit pension plans	(19,924)	54,778
Items that may be subsequently reclassified to profit or loss		
- currency translation differences	(12,750)	(24,739)
Other comprehensive (loss)/income for the period, net of tax	(32,674)	30,039
Total comprehensive income for the period	789,354	773,190
Attributable to:		
- owners of the parent	755,851	722,715
- non-controlling interests	33,503	50,475
Total comprehensive income for the period	789,354	773,190

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the Twelve Months Ended 30th September 2021

	AUDITED TWELVE MONTHS ENDED	
	30-Sep-21 TT$'000	30-Sep-20 TT$'000
Balance at the beginning of the year	6,170,638	5,713,898
IFRS 16 initial application adjustment	-	(70,400)
Balance at the beginning of the year- restated	6,170,638	5,643,498
Profit attributable to owners of the parent	788,458	696,403
Other comprehensive (loss)/income	(32,607)	26,312
Dividends paid	(250,775)	(217,289)
Other reserve movements	(7,582)	21,714
	6,668,132	6,170,638

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS
For the Twelve Months Ended 30th September 2021

	AUDITED TWELVE MONTHS ENDED	
	30-Sep-21 TT'000	30-Sep-20 TT'000
Cash flows from operating activities		
Profit before income tax from continuing operations	928,876	660,297
Profit before tax from discontinued operations	161,731	377,838
Share of results of associates and joint ventures	(52,344)	(53,459)
Adjustments for non-cash items	65,472	117,020
Operating profit before working capital changes	1,103,735	1,101,696
Net working capital changes	(444,244)	780
Cash generated from operations	659,491	1,102,476
Tax payments	(245,454)	(263,303)
Cash flows from operating activities	414,037	839,173
Investing activities	221,891	14,898
Financing activities	(794,623)	(389,621)
(Decrease)/Increase in short-term funds	(158,695)	464,450
Cash, cash equivalents and bank overdrafts at start of year	2,525,521	2,064,262
Translation difference on cash held	(4,734)	(3,191)
Cash, cash equivalents and bank overdrafts at end of year	2,362,092	2,525,521

SEGMENT INFORMATION TT$'000 CONTINUING OPERATIONS	Integrated Retail	Gas Products	Motors & Machines (Restated)	Financial Services (Restated)	Strategic & Other Investments (Restated)	Head Office & Other Adjustments (Restated)	Total
Twelve Months Ended 30th September 2021							
Group revenue	7,378,300	1,123,593	2,870,521	126,800	255,084	22,082	11,776,380
Inter-segment revenue	(435,185)	(13,886)	(162,854)	-	(14,429)	(22,082)	(648,436)
Third party revenue	6,943,115	1,109,707	2,707,667	126,800	240,655	-	11,127,944
Operating profit/(loss) after finance costs	426,010	198,969	173,289	88,426	28,532	(36,646)	878,580
Share of results of associates and joint ventures	-	16,819	-	-	33,477	-	50,296
Profit/(loss) before income tax	426,010	215,788	173,289	88,426	62,009	(36,646)	928,876
Twelve Months Ended 30th September 2020							
Group revenue	7,411,149	943,881	2,338,181	114,538	203,003	20,430	11,031,182
Inter-segment revenue	(558,566)	(15,547)	(172,517)	-	(20,886)	(20,430)	(787,946)
Third party revenue	6,852,583	928,334	2,165,664	114,538	182,117	-	10,243,236
Operating profit/(loss) after finance costs	368,067	185,440	172,650	67,427	(42,887)	(139,348)	611,349
Share of results of associates and joint ventures	-	7,302	-	-	41,646	-	48,948
Profit/(loss) before income tax	368,067	192,742	172,650	67,427	(1,241)	(139,348)	660,297

	Group Revenue		Inter-Segment		Third Party Revenue		Profit before Tax	
	Sep-21	Sep-20 (Restated)	Sep-21	Sep-20 (Restated)	Sep-21	Sep-20 (Restated)	Sep-21	Sep-20 (Restated)
Trinidad and Tobago	4,597,891	4,637,590	(186,485)	(356,956)	4,411,406	4,280,634	416,281	380,649
Barbados	1,970,558	1,903,646	(262,920)	(249,212)	1,707,638	1,654,434	104,235	63,737
Eastern Caribbean	1,282,128	1,297,641	-	-	1,282,128	1,297,641	107,713	100,916
Guyana	1,258,755	1,077,072	(52,246)	(49,106)	1,206,509	1,027,966	202,359	160,172
Jamaica	603,262	557,201	(4,956)	(3,557)	598,306	553,644	62,897	62,546
Colombia	1,816,791	1,321,458	-	(98)	1,816,791	1,321,360	66,961	27,183
Other	246,995	236,574	(141,829)	(129,017)	105,166	107,557	5,076	4,442
Head Office and Other Adjustments	-	-	-	-	-	-	(36,646)	(139,348)
	11,776,380	11,031,182	(648,436)	(787,946)	11,127,944	10,243,236	928,876	660,297

Notes:
All monetary amounts are stated in Trinidad and Tobago dollars. Highlights of the Audited 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 2021.
For comparative purposes, adjustments and reclassifications to the prior year have been made to conform to the current year reporting. The prior year's results have been restated to disclose separately, operations that were discontinued in the current year. The discontinued operations are Massy Pres-T-Con Holdings Ltd., Roberts Manufacturing Co. Ltd., Massy United Insurance Ltd., Highway Properties Ltd. and a major line of business within Massycard (Barbados) Ltd.
These financial highlights can be accessed online at **www.massygroup.com**