

# Pursuing significant growth, responsibly

The Group continues to make outstanding progress on our strategy and the exceptional growth from our continued operations reflects our target business strategies at work

## Review from Our Chief Financial Officer James McLetchie

### Dear Shareholders,

I'm humbled but excited to join Massy as the Group Chief Financial Officer (CFO) in August of this year. In my capacity as CFO, I have the honor and privilege to update you on the Group's consolidated financial performance for fiscal year 2023.

As you heard from the Group CEO, the Group continues to make outstanding progress on our strategy and the exceptional growth from our continued operations reflects our target business strategies at work. Our existence as an Investment Holding Company has continued our journey to empower our portfolio companies as performing operators in our local and regional markets. This year, in keeping with our strategies for global expansion, and resulting diversity in risk, cash flow and currency exposure, we continued to expand into international territories to achieve our Global Vision. At the same time, we continue to stay focused on the current businesses to ensure they continue to deliver on their full potential for the Group.

With results like this, it is easy to miss the challenges of the current environment. Amidst continued rising inflation for most of 2023, global and regional economic challenges, geopolitical concerns from the ripple effects

## Our Chief Financial Officer's Report

of the ongoing war in Ukraine, we are proud to report double-digit growth of 21 percent in Profit After Tax (PAT) from Continuing Operations.

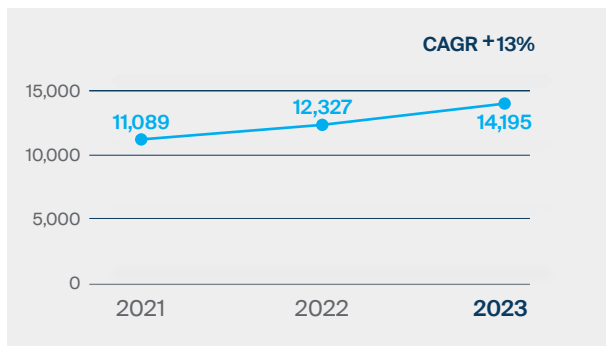
The Group has successfully acquired three value-creating entities whilst prudently managing associated financial and other risks. We have proven we can remain strategically focused, highly resilient to pursue significant growth responsibly.

We are excited by what the future holds for the Massy Group of Companies, and we will 'go out into the world' with confidence, while being firmly grounded by our Purpose and Core Values.

## 2023 Financial Performance Overview

Massy Holdings Ltd. (MHL) Third Party Revenue increased to \$14.2 billion (US\$2.1 billion) in 2023 up 15 percent from 2022. Integrated Retail Portfolio (IRP) Revenue grew by 20 percent, while Gas Products and Motors and Machines Portfolio Revenues grew by 11 percent and 5 percent respectively.

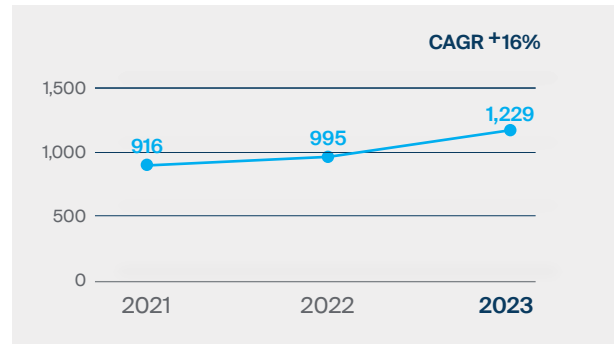
### Revenue (TT\$M)



The Group continued with robust performance in 2023 with Profit Before Tax (PBT) from Continuing Operations reaching \$1,229 million (US\$182 million) from \$995 (US\$148) million in 2022 which represents growth of 24 percent. We are excited and energized by the performance of our portfolios/LoBs whose combined performance contributed to a 15 percent improvement from the prior year. Furthermore, our three core portfolios all recorded double digit growth in 2023! The Integrated Retail Portfolio aided by its Rowe's IGA acquisition continued its strong performance with growth of 23 percent in PBT from 2022, Gas Products followed suit with a 12 percent increase over 2022 supported by

their acquisition of Air Liquide Trinidad and Tobago Limited and I.G.L. (St. Lucia) I.B.C Limited and the Motors & Machines Portfolio saw an increase of 10 percent from 2022.

### Profit Before Tax (TT\$M)



In FY 2023 the DFP recorded a gain of \$17 million (US\$2.6 million) with a positive variance of \$51 million (US\$7.5 million) versus its losses of \$33 million (US\$4.9 million) in FY 2022, these losses were curtailed in FY 2022 when the Group revised its investment philosophy thereby limiting further losses and volatility while at the same time making a significant contribution to Group profits.

## Acquisitions

In FY 2023, the Group had three major acquisitions: Rowe's IGA supermarkets in Jacksonville, Florida (US\$47 million), Air Liquide operations in Trinidad (\$51.5 million with a deferred consideration) and IGL Jamaica (US\$142 million).

Rowe's IGA acquisition closed on December 12th and is a major step in achieving the Group's global vision as it provides an excellent beachhead for further niche supermarket acquisitions in the United States, while providing strength in hard currency cash generation.

In January, the Group acquired Air Liquide's operations in Trinidad solidifying the Group's position as the leading industrial gas manufacturer and distributor in the region and generating additional export opportunities.

The IGL Jamaica acquisition closed in May 2023, and this consolidated the Group's position as the leading LPG business in the region and will also provide access to additional economies of scale to bring efficiencies to consumers.

The outlook for the Group continues to be full of potential. We believe we have exportable value creation capabilities in 3 very specific businesses. This will allow us to successfully acquire and grow the companies in our core portfolios delivering results that are accretive to both earnings and cash flow.

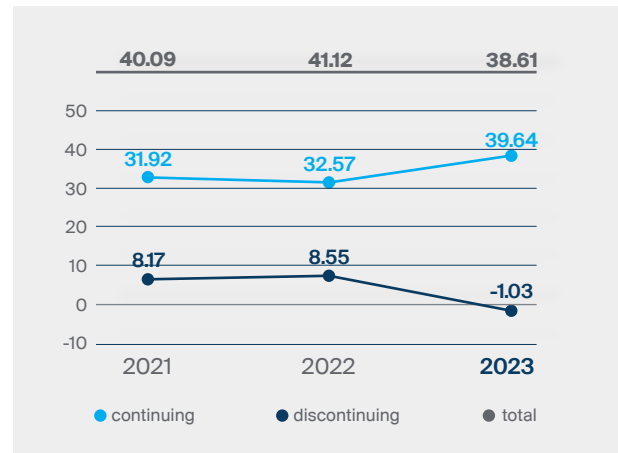
### MHL's Performance

The Group is taking the opportunity to live out its Purpose through its celebrations and engagement initiatives around its 100 Year Anniversary (Our100). On February 1, 2023, the Group celebrated its 100th Anniversary. This is a significant milestone for the Group. Throughout our 100-year journey, the lessons we've learned along the way, our successes, and the mistakes we've made, have all helped us grow and shape who we are today.

Financially, the Group continues to perform commendably. As mentioned above, PBT from Continuing Operations and PAT from Continuing Operations grew by 24 percent and 21 percent respectively. As mentioned in the Chairman's message, we expected PAT from Discontinued Operations to decline in FY2023, knowing that the companies whose operations were discontinued in FY2022 would no longer contribute to the Group and some of the one-off gains on sales of assets and companies (such as Massy United) would also not be repeated in FY2023. In FY2023, Discontinued Operations produced a loss of TT\$20.4 million (US\$3.0 million) mainly derived from impairments associated with non-core real estate assets and businesses in Barbados slated for divestment in FY2024. This is in comparison to PAT contribution of TT\$169 million (US\$25 million) from Discontinued Operations in FY2022. As a result, Group's Profit After Tax (After Discontinued Operations) declined by 5 percent to TT\$813 million; and Earnings Per Share declined by 6 percent to 38.61 TT cents per share. EPS

from Continuing Operations grew by 22 percent while EPS from Discontinued Operations declined by 112 percent.

### Earnings Per Share (TT¢)



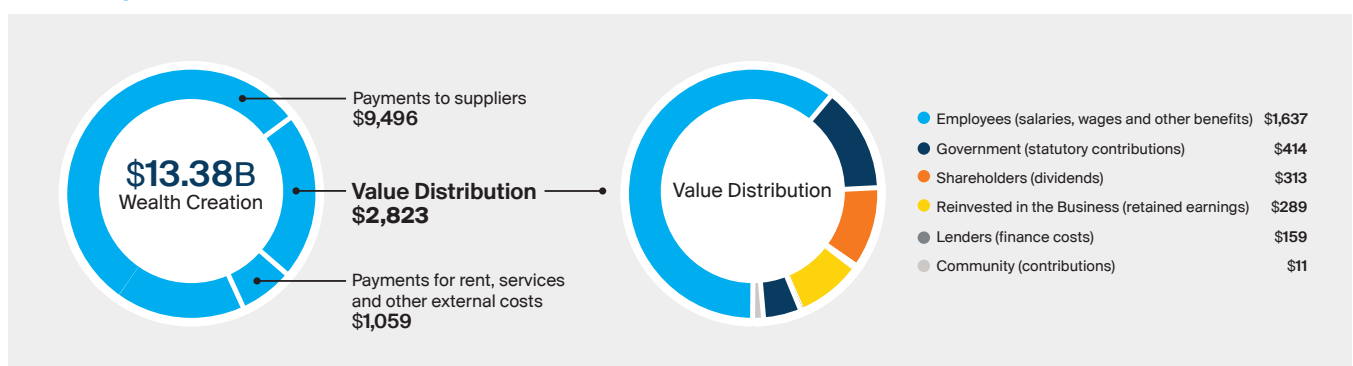
### Wealth Creation and Value Distribution

Cash generated from operating activities increased by 18 percent from TT\$681 million in 2022 to TT\$802 million in 2023. This cash flow from operations growth, is driven by the efficient conversion of our increase in PBT into cash. This was further enhanced with increased working capital through inventory management and increased deposits from our Financial Services line of businesses. As we continue to put plans in place for additional growth, we will continue to put increased emphasis on working capital management to ensure an efficient cash conversion from our businesses.

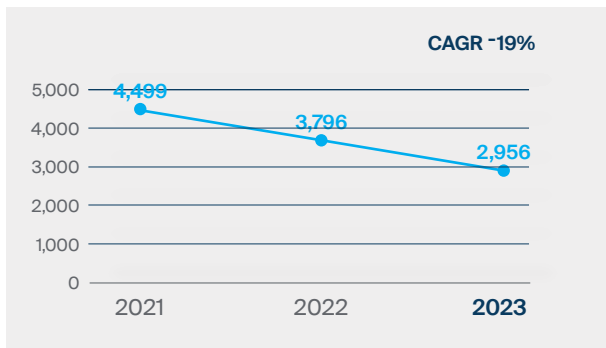
The Group's working capital ratio decreased by 22 percent in the current year primarily due to the margin loans taken to fund our acquisitions.

### Wealth Creation and Value Distribution (TT\$M)

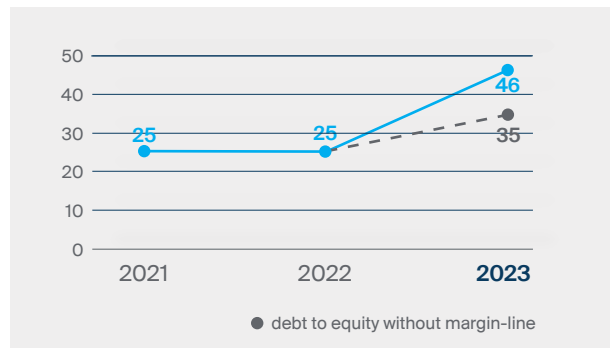
Including held for sale



Group Working Capital (TT\$M)



Debt to Equity (%)

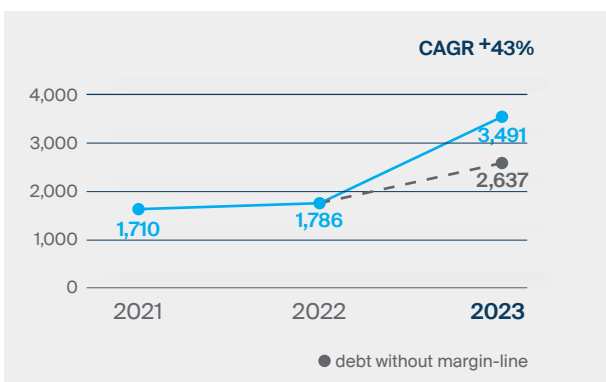


Group debt has been on an upward trajectory as we have increased our debt in 2023 (as previously mentioned) shown in the table below. The Group's debt to equity ratio has increased from 25 percent to 46 percent which in comparison is above the Caribbean Conglomerates average benchmark of 23.89 percent, but below the LATAM Peer Group median benchmark of 50.18 percent. As mentioned in the Letter from the Group CEO, the Group is holding financial investments securing more than 100 percent of the margin line borrowings. If the DFP's financial assets are netted against the margin line borrowings, the Group's Debt to Equity ratio would drop from 46 percent to 35 percent. It must be noted that in March 2023, CariCRIS reaffirmed its overall 'High creditworthiness' rating for the Group.

MHL Share Performance and Investor Return Analysis

Our Shareholder performance is best illustrated by the Total Return to Shareholders (TRS) generated during the financial year as this comprises the sum of share price appreciation percent and return on cash dividends paid. For FY2023, the TRS is 6.97 percent made up of 3.61 percent due to share price appreciation [(\$4.88 - \$4.71) divided by \$4.71] and a 3.36 percent 12-month return on cash dividends paid [\$0.1583 per share divided by \$4.71 closing FY2022 price]. Comparatively, the Trinidad and Tobago Composite Index (TTCI) had an annual TRS of -6.99 percent for the period matching our financial year i.e., negative returns for the period matching MHL's financial year, further highlighting the strong performance of our shares in FY2023.

Group Debt (TT\$M)



Massy's shares continue to appeal to different types of investors as our strong and consistent dividend return maintains its lead over Caribbean and LATAM Peer Groups thus attracting income investors. Our Price-to-Earnings (P/E) ratio from Continuing Operations trailing below Caribbean and LATAM Peer Groups maintains the attraction for growth investors who believe that Massy's vision, strategic business model and strong capitalization

Notes:

- 1 Based on EPS from Continuing Operations only. PE based on Continuing and Discontinued Operations is 12.6x
- 2 Based on the 12M Trailing Dividends Paid relative to the Share Price at the End of the Financial Year
- 3 Represents the selected Peer Group average
- 4 Determined independently by BICS Best Fit as per Bloomberg

	Market CAP TT\$million	P/E <sup>1</sup> Multiple	Dividend <sup>2</sup> Yield %	Debt/ Equity %
<b>Massy</b>	<b>9,659</b>	<b>12.3</b>	<b>3.36</b>	<b>45.88</b>
Average Caribbean Conglomerate Peer Group	7,715	18.8	2.77	23.89
Median Latin American <sup>3</sup> Peer Group	19,010	14.4	2.98	50.18

will further drive high growth and consequent share price appreciation.

MHL's P/E ratio from Continuing Operations declined in FY2023 from 14.5x to 12.3x, as EPS from Continuing Operations surged 22 percent YoY while MHL's share price increased 3.61 percent for the financial year. Compared to both sets of regional Peer Groups, Massy is seen to have good upside potential for further share price growth, as our P/E ratio of 12.3x trails the benchmark levels for both groups at 18.8x and 14.4x for the Caribbean and LATAM Peer Groups respectively. The table also highlights Massy's capacity to favourably drive Shareholder Value going forward, as the low level of gearing highlights the Company's ability to access additional debt capital for organic and/or acquisitive growth opportunities.

Over the last 5 years, the Massy share has outperformed both local and international benchmarks. This is demonstrated in the following table which looks at the performance of a \$100 investment in Massy from September 2018 to September 2023 versus an identical investment in the TTCI and the S&P 500 Index for the same period assuming that all dividends were reinvested. The above demonstrates the superior performance of an

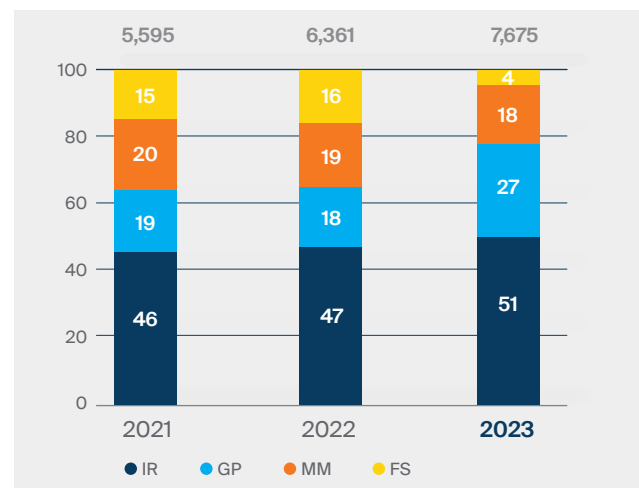
	Massy	TT Composite Index	S&P 500 Index
Opening Price (Sep 28 2018)	2.35	1219.43	2913.98
Closing Price (Sep 29 2023)	4.88	1209.63	4288.05
% price	107.7%	-0.8%	47.20%
Dividends	41.1%	15.6%	13.20%
Total Return	148.8%	14.8%	60.30%
<b>Value of \$100 investment in 2018</b>	<b>\$248.78</b>	<b>\$114.77</b>	<b>\$160.31</b>

investment in the Massy share over the last five years, as you would have more than doubled your money (148.8 percent return) by investing in Massy at the end of September 2018 whereas you would have only achieved approx. 15 percent to 60 percent total returns by investing in the domestic and international benchmark equity indices.

## Portfolio/LOB Performance

The Group's invested capital in our three main portfolios has steadily increased over the last 3 years from 85 percent in 2021 to 96 percent of all invested capital in 2023, as we divest the few remaining non-core assets and continue to integrate our new acquisitions, we expect to fortify our positions and progress growth within our main portfolios/LOBs.

### Invested Capital (%)

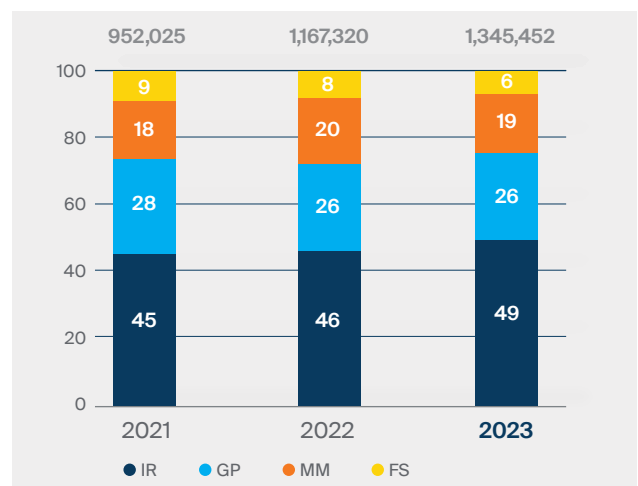


We continue to assess the performance of the Portfolios and the Lines of Business both comparatively within the Massy Group and across relevant industry benchmarks. Included are some of the measurements used in that assessment for your consideration:

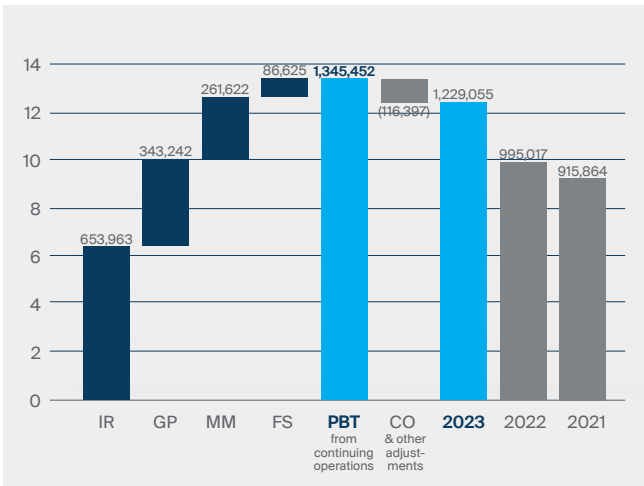
- 1 Portfolio Line of Business Contribution to the Massy Group's PBT
- 2 Portfolio and Line of Business Contribution to the Massy Group's EPS
- 3 Portfolio and Line of Business Return on Net Assets

### Continuing Operations PBT (%)

Contribution by Business Unit (TT'000s)



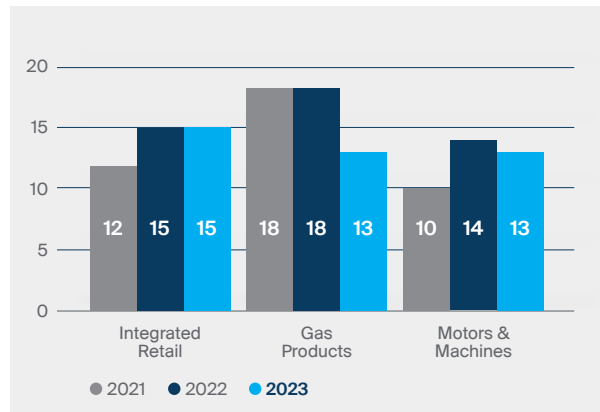
Group Profit Before Tax (TT\$'000s)



The Integrated Retail Portfolio led contributions with 63 percent of Group Revenue, 49 percent of Group PBT and 52 percent of EPS. Motors & Machines contributed to 23 percent of Group Revenue, 19 percent of Group PBT and 19 percent of its EPS. While Gas Products contributed 13 percent of Group Revenue, 26 percent of Group PBT and 22 percent of EPS.

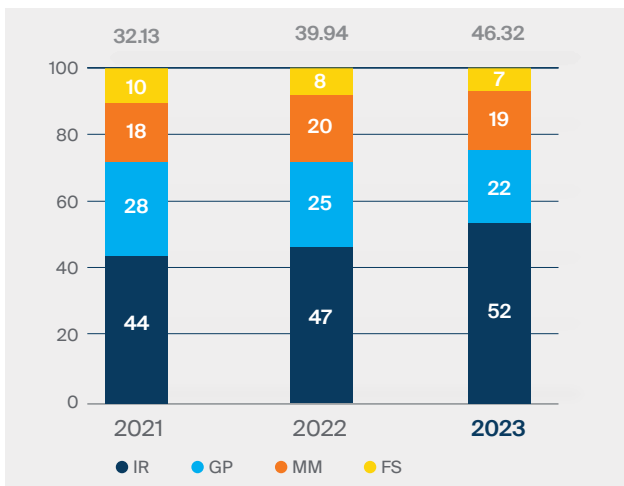
The portfolio's contribution to Return on net assets is shown below:

Return On Net Assets (%)



Continuing Operations EPS (%)

Contribution by Business Unit (%)



Conclusion

In conclusion, the financial year 2023 has been a milestone in our journey as we evolve for the next 100 years of Massy impact.

I want to also add, consistent with our Group CEO's vision, I firmly believe that conscious capitalism is effectively realized through conscious leadership. At Massy, embodying this philosophy means aligning our corporate actions with our unique Caribbean Heart to deliver extraordinary impact. We are on this journey and stand committed to being a global force for good, demonstrating that Massy Group can thrive as both a successful and conscious organization.

On behalf of the management team, like our Chairman and our Group CEO, I extend my sincere gratitude to our employees, customers, partners, and you, our shareholders, for your unwavering support and confidence in Massy.

Earnings Per Share (TT¢)

