

Massy Holdings Limited (MASSY) Results for the Half Year Ended March 31, 2020

Key Points:

- During the 2020 financial period, the Group made strategic changes to focus on three main industry portfolios: Integrated Retail, Gas Products and Motors and Machines.
- Third Party Revenue for Gas Products declined by 6.71 per cent owing to loss of volumes from hotels and restaurants due to COVID-19, while Profit Before Tax increased by 13.76 per cent. This increase was driven by the rise in demand for packaged liquefied petroleum gas, oxygen and nitrogen due to changes in consumer behavior and heightened healthcare expenditure in response to COVID-19.
- Massy's operations were deemed essential and / or could have operated remotely under restrictions of business activities during the COVID-19 pandemic. Only the automotive dealership and rental businesses in Trinidad and Tobago and Colombia was shut down for most of the period.
- In Q2 2020 the Group sold the security company in Guyana and Massy Technologies Applied Imaging. Seawell Air Services was transferred to a buyer pending approval of the sale from Barbados Fair Trade Commission.

Basic Earnings Per Share (EPS):

MASSY reported HY20 EPS of \$2.41, down 9.40 per cent or \$0.25 per share on the corresponding period's EPS of \$2.66 in HY19.

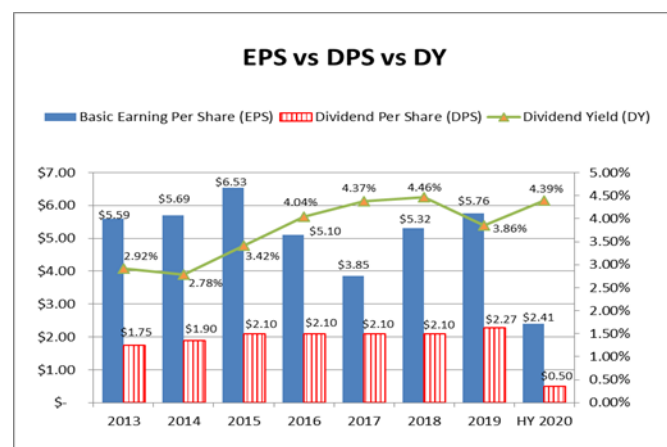
Dividend:

The Board of Directors declared an interim dividend of \$0.50 per share. This dividend was paid on June 15, 2020 to shareholders on record as at June 1, 2020. Based on historic data, the 2020 interim dividend payment of \$0.50 per share has been the lowest over the past six years.

Dividend	Interim	Final	Total	Dividend Yield
2020	0.50			4.39%
2019	0.55	1.72	2.27	3.86%
2018	0.52	1.58	2.10	4.46%
2017	0.52	1.58	2.10	4.37%
2016	0.51	1.59	2.10	4.04%
2015	0.51	1.59	2.10	3.42%
2014	0.51	1.39	1.90	2.78%
2013	0.50	1.25	1.75	2.92%

Sector	September 30
Symbol on TTSE	MASSY
Issued Share Capital	TTD97.74MM
Market Capitalization	\$5.06B
Current Price (June 24, 2020)	\$57.21
52 Week Price Range	\$44.95 - \$63.00
Trailing EPS	\$5.51
Price to Earnings Multiple	10.38x
Current Book Value/Share	\$58.57
Price to Book	0.98x
Return on Equity	8.81%
Return on Assets	4.13%

Basic EPS	Q1	Q2	Q3	Q4	Total
2020	1.57	0.84			2.41
2019	1.37	1.29	1.18	1.92	5.76
2018	1.37	1.15	1.09	1.71	5.32
2017	1.42	1.17	0.39	0.87	3.85
2016	1.38	1.15	1.15	1.42	5.10
2015	1.47	1.29	1.19	2.58	6.53
2014	1.39	1.34	1.01	1.95	5.69
2013	1.36	1.32	1.31	1.60	5.59



Income Statement for the period ended March 31, 2020						
	HY20	HY19	\$ Change	% Change		YE19
	\$'000	\$'000	HY20 - HY19	HY20 - HY19	Change	\$'000
Revenue	6,329,055	6,169,304	159,751	2.59%	↑	11,958,666
Operating Profit after Finance Costs	358,084	401,730	(43,646)	-10.86%	↓	853,271
Share of Results of Associates & JV	33,984	46,447	(12,463)	-26.83%	↓	65,965
Profit Before Taxation	392,068	448,177	(56,109)	-12.52%	↓	919,236
Income Tax Expense	(129,383)	(161,344)	(31,961)	-19.81%	↓	(306,004)
Profit for the Period	262,685	286,833	(24,148)	-8.42%	↓	613,232
Profit attributable to:						
Owners of the Parent	235,293	260,193	(24,900)	-9.57%	↓	563,164
Non-Controlling Interest	27,392	26,640	752	2.82%	↑	50,068
	262,685	286,833	(24,148)	-8.42%	↓	613,232
EPS - Basic	\$2.41	\$2.66	(\$0.25)	-9.40%	↓	\$5.76

Balance Sheet as at 31 March, 2020						
	HY20	HY19	\$ Change	% Change		YE19
	\$'000	\$'000	HY20 - HY19	HY20 - HY19	Change	\$'000
Total Assets	13,014,233	11,934,339	1,079,894	9.05%	↑	12,325,073
Total Liabilities	7,041,224	6,178,038	863,186	13.97%	↑	6,378,132
Total Equity	5,973,009	5,756,301	216,708	3.76%	↑	5,946,941
	13,014,233	11,934,339	1,079,894			12,325,073

Financials:

- Revenue closed at \$6.33B, up 2.59 per cent or \$159.75MM from HY19's total of \$6.17B.
- Profit Before Tax for HY20 stands at \$392.07MM, down 12.52 per cent or \$56.11MM from \$448.18MM in HY19. This decline was primarily due to:
 - \$24MM loss arising from severance costs and impairment of assets transferred pending the sale of Seawell Air services
 - \$34.9MM market to market loss on Investment Income earned by Massy United Insurance and TIRCL (captive reinsurance) investment portfolios, due to the plummet in market prices in the US Stock Market.
- Profit attributable to owners of the parent totaled \$235.29MM in HY20 down 9.57 per cent or \$24.90MM from \$260.19MM in HY19.
- Total Assets increased by 9.05 per cent or \$1.08B to \$13.01B in HY20. Total Liabilities amounted to \$7.04B in HY20 and Total Equity increased by 3.76 per cent or \$216.71MM to close at \$5.97B.

Segments:

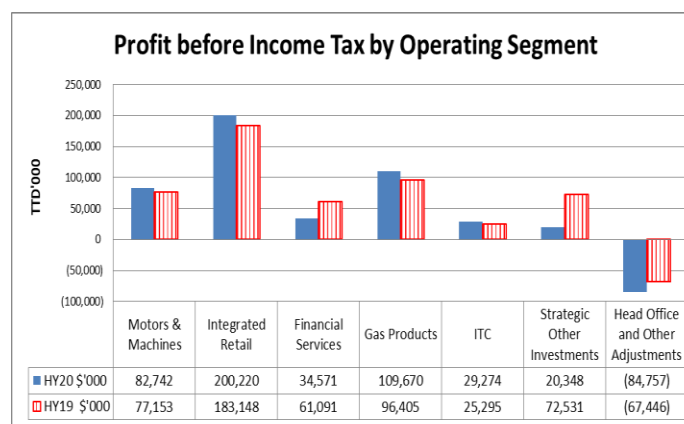
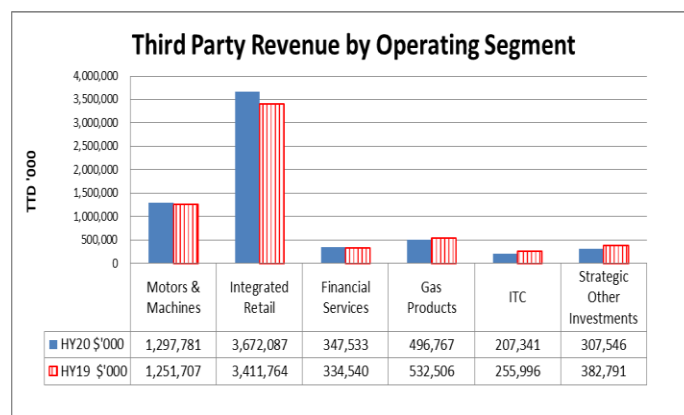
The Integrate Retail segment was the major contributor to the Group's Third Party Revenue (TPR) with 58.02 per cent. The Motors and Machines segment followed with 20.51 per cent. In third place was the Gas Products segment which accounted for 7.85 per cent of the Group's TPR.

The major contributor of the Group's Profit Before Taxation (PBT) was the Integrated Retail segment representing 51.07 per cent. In second place was the Gas Products segment accounting for 27.97 per cent of the Group's PBT. The Motors and Machines segment followed with 21.10 per cent.

Industry:

At the current price of \$57.21 the trailing P/E ratio is 10.38 times which is below the conglomerate sector weighted average P/E of 14.18 times. Massy's trailing dividend yield as at June 24, 2020 is 3.88 per cent,

which is above the conglomerate sector weighted average dividend yield of 1.95 per cent.



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