



GODDARD ENTERPRISES LIMITED

CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS ENDED 31 MARCH 2024

UNAUDITED

Consolidated Statement of Income Highlights

	% Change	6 Months ended 31/03/24 Bds \$000's	6 Months ended 31/03/23 Bds \$000's	Audited Year ended 30/09/23 Bds \$000's
Continuing operations:				
Revenue from contracts with customers	18.3%	658,541	556,899	1,088,262
Profit from operations				
before the following:	12.5%	49,633	44,121	84,356
Other gains/(losses) – net	-28.4%	7,771	10,857	15,571
Profit from operations	4.4%	57,404	54,978	99,927
Finance costs	25.5%	(12,373)	(9,858)	(20,346)
Share of income of associated companies	-0.2%	45,031	45,120	79,581
	-1.5%	16,012	16,253	28,725
Income before taxation				
from continuing operations	-0.5%	61,043	61,373	108,306
Taxation	9.8%	(10,383)	(9,452)	(18,455)
Net income for the period				
from continuing operations	-2.4%	50,660	51,921	89,851
Discontinued operations:				
Income after tax for the period from discontinued operations	-100.0%	–	331	683
Net income for the period	-3.0%	50,660	52,252	90,534
Attributable to:				
Equity holders of the Company	-9.8%	34,758	38,553	67,902
Non-controlling interests	16.1%	15,902	13,699	22,632
	-3.0%	50,660	52,252	90,534
Earnings per share – basic and diluted	-10.1%	15.2¢	16.9¢	29.7¢

Consolidated Statement of Comprehensive Income Highlights

	6 Months ended 31/03/24 Bds \$000's	6 Months ended 31/03/23 Bds \$000's	Audited Year ended 30/09/23 Bds \$000's
Net income for the period	50,660	52,252	90,534
Other comprehensive income:			
Items net of tax that may be recycled to income in the future:			
Currency translation differences	1,341	2,174	1,149
Hyperinflationary adjustments	(295)	237	217
Cash flow hedge	86,581	16,086	10,200
Items net of tax that will not be recycled to income in the future:			
Unrealised gains/(losses) on investments at fair value through other comprehensive income	340	(180)	115
Increase in revaluation surplus	–	–	8,436
Remeasurement of employee benefits	–	–	(2,434)
Other comprehensive income for the period, net of tax	87,967	18,317	17,683
Total comprehensive income for the period	138,627	70,569	108,217
Attributable to:			
Equity holders of the Company	122,210	55,885	84,713
Non-controlling interests	16,417	14,684	23,504
	138,627	70,569	108,217

Consolidated Statement of Financial Position Highlights

	As at 31/03/24 Bds \$000's	As at 31/03/23 Bds \$000's	Audited As at 30/09/23 Bds \$000's
Current assets	686,398	525,204	544,010
Current liabilities	(335,814)	(270,891)	(288,281)
Working capital	350,584	254,313	255,729
Property, plant & equipment, financial investments & other non-current assets	920,613	842,718	863,020
Long term liabilities	(295,301)	(280,769)	(272,332)
Net assets employed	975,896	816,262	846,417
Equity			
Share capital	51,101	50,255	50,686
Other reserves	206,145	118,103	118,693
Retained earnings	565,150	519,210	539,531
	822,396	687,568	708,910
Non-controlling interests	153,500	128,694	137,507
	975,896	816,262	846,417

Consolidated Statement of Cash Flows Highlights

	6 Months ended 31/03/24 Bds \$000's	6 Months ended 31/03/23 Bds \$000's	Audited Year ended 30/09/23 Bds \$000's
Income before taxation from continuing operations	61,043	61,373	108,306
Income before taxation from discontinued operations	–	471	993
Income before taxation	61,043	61,844	109,299
Adjustments for non-cash items	16,551	9,064	30,872
	77,594	70,908	140,171
Non-cash working capital changes	(51,200)	(23,062)	(33,161)
	26,394	47,846	107,010
Net interest, taxation and pension contributions paid	(24,522)	(18,427)	(38,479)
Net cash from operating activities	1,872	29,419	68,531
Net cash used in investing activities	(53,132)	(71,743)	(78,350)
Net cash from financing activities	16,794	25,423	6,736
Net decrease in cash and cash equivalents	(34,466)	(16,901)	(3,083)
Cash and cash equivalents – beginning of year	100,679	103,762	103,762
Cash and cash equivalents – end of period	66,213	86,861	100,679

Consolidated Statement of Changes in Equity Highlights

Bds \$000's	Share capital	Other reserves	Retained earnings	Non-controlling interests	Total
Balance as at 1 October 2022	49,906	104,017	484,254	114,719	752,896
Net income for the year	–	–	67,902	22,632	90,534
Other comprehensive income	–	14,576	2,235	872	17,683
Increase in advances to non-controlling interests	–	–	–	342	342
Value of employee services	–	100	–	–	100
Issue of common shares	780	–	–	–	780
Dividends declared	–	–	–	(1,058)	(1,058)
Dividends paid	–	–	(14,860)	–	(14,860)
Balance as at 30 September 2023 (audited)	50,686	118,693	539,531	137,507	846,417
Net income for the period	–	–	34,758	15,902	50,660
Other comprehensive income	–	87,452	–	515	87,967
Increase in advances to non-controlling interests	–	–	–	607	607
Issue of common shares	415	–	–	–	415
Dividends declared	–	–	–	(1,031)	(1,031)
Dividends paid	–	–	(9,139)	–	(9,139)
Balance as at 31 March 2024 (unaudited)	51,101	206,145	565,150	153,500	975,896

BOARD REVIEW FOR THE SIX MONTHS ENDED 31 MARCH 2024

At the half-way mark of its current financial year, Goddard Enterprises Limited is reporting an increase in Revenues of 18.3% and in Profit from operations before other gains/(losses)-net of 12.5%. Profit from Operations for the six-month period was \$57.4m as the performance during the second quarter (Q2) exceeded a strong first quarter (Q1) performance. Included within other gains/(losses)-net in the comparative period in the prior year was \$5.0m recovered from the liquidation of Mirexus Biotechnologies Inc. compared with \$1.2m recovered in Q1 in the current financial year.

The Catering and Ground Handling Division continued to lead the way in contribution to our earnings per share as sales grew by 17.5% above the comparative period. The Airline Catering business benefitted from a vibrant tourist season in our major Caribbean markets. The strategic acquisition of International Meals Company (IMC) Colombia was completed at the end of Q1 and was immediately accretive.

Our food and consumer goods associate, Caribbean Distribution Partners Limited (CDP), included within our Share of Income of Associated Companies, delivered growth in its top line of 4.8% and in net income of 3.5%. The 80% shareholding in Chinook Trading Canada Limited acquired in the last financial year contributed positively to the performance of the CDP joint venture.

During the period under review, the Building Supplies Division improved its margin with a growth in Revenues of 4.1%. The division's performance was bolstered by an uptick in construction activity as regional economies continue to show signs of post-pandemic recovery.

After a disappointing Q1, attributed mainly to reduced margins in our cocoa processing subsidiary and low productivity levels in some of the other major subsidiaries, the Manufacturing Division began its recovery during Q2. Sales for the review period were 30.0% above the comparative period, however margins fell below expectations.

The Automotive Division recorded an improved operating result with an increase in the top line of 37.4% due to strong sales of the electric and hybrid models of our Nissan and Hyundai brands.

The Services Division gave a commendable performance.

The result for the Shipping Division was disappointing. However, we are working on resolving some of the operational challenges.

An increase in Borrowings in the last financial year to fund recent acquisitions and capital projects has resulted in a 25.5% rise in our Finance costs.

We ended the period with a net income attributable to equity holders of \$34.8m and earnings per share of 15.2 cents for the six-month period.

Of significance, there is an unrealized gain of \$86.6m recorded in Other Comprehensive Income as a result of a significant increase in the price of cocoa and the current orders on hand in Ecuador Kakao Processing Procucaokao S.A. The commodity price has increased from an average of US\$2,100 per metric ton (MT) a year ago to over US\$10,000 per MT at the end of March. To mitigate against the negative effects of the volatility of price changes, we hedge 100% of cocoa purchases and contracted future semi-finished product sales on which the price is fixed. This reported gain represents the movement in our hedging reserve from the end of the prior financial year to the end of the current reporting period. It will be used to offset the negative effect of the increase in the raw material price on future raw material purchases used to fulfill fixed price contracted sales, thereby creating a nil effect on the bottom line.

Net asset value was \$3.60 per share at the end of the review period.

Our diversification continues to be one of our main strengths as demonstrated by our resilience and our ability to deliver strong results. We will continue to accelerate growth; cognizant of the risks faced by our core businesses and the importance of optimizing capital employed.

The final dividend for the financial year 2023 of 2.0 cents per share will be paid at the end of May 2024.

A. Charles Herbert
Chair
24 April 2024

Anthony H. Ali
Managing Director