



GODDARD ENTERPRISES LIMITED

CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE NINE MONTHS ENDED 30 JUNE 2024

UNAUDITED

Consolidated Statement of Income Highlights

	% Change	9 Months ended 30/06/24 Bds \$000's	9 Months ended 30/06/23 Bds \$000's	Audited Year ended 30/09/23 Bds \$000's
Continuing operations:				
Revenue from contracts with customers	21.0%	997,003	824,221	1,088,262
Profit from operations before the following:	-13.9%	55,111	64,005	84,356
Other gains/(losses) – net	-11.8%	11,786	13,370	15,571
Profit from operations	-13.5%	66,897	77,375	99,927
Finance costs	22.4%	(18,789)	(15,354)	(20,346)
Share of income of associated companies	-22.4%	48,108	62,021	79,581
Income before taxation from continuing operations	-0.8%	22,209	22,386	28,725
Taxation	-16.7%	70,317	84,407	108,306
	19.0%	(16,275)	(13,680)	(18,455)
Net income for the year from continuing operations	-23.6%	54,042	70,727	89,851
Discontinued operations:				
Income after tax for the period from discontinued operations	-100.0%	–	727	683
Net income for the period	-24.4%	54,042	71,454	90,534
Attributable to:				
Equity holders of the Company	-38.1%	32,771	52,958	67,902
Non-controlling interests	15.0%	21,271	18,496	22,632
	-24.4%	54,042	71,454	90,534
Earnings per share – basic and diluted	-38.4%	14.3¢	23.2¢	29.7¢

Consolidated Statement of Financial Position Highlights

	As at 30/06/24 Bds \$000's	As at 30/06/23 Bds \$000's	Audited As at 30/09/23 Bds \$000's
Current assets	659,996	546,997	544,010
Current liabilities	(386,118)	(283,535)	(288,281)
Working capital	273,878	263,462	255,729
Property, plant & equipment, financial investments & other non-current assets	916,782	848,475	863,020
Long term liabilities	(289,186)	(275,786)	(272,332)
Net assets employed	901,474	836,151	846,417
Equity			
Share capital	51,597	50,686	50,686
Other reserves	136,219	121,159	118,693
Retained earnings	558,591	530,158	539,531
	746,407	702,003	708,910
Non-controlling interests	155,067	134,148	137,507
	901,474	836,151	846,417

Consolidated Statement of Cash Flows Highlights

	9 Months ended 30/06/24 Bds \$000's	9 Months ended 30/06/23 Bds \$000's	Audited Year ended 30/09/23 Bds \$000's
Income before taxation from continuing operations	70,317	84,407	108,306
Income before taxation from discontinued operations	–	924	993
Income before taxation	70,317	85,331	109,299
Adjustments for non-cash items	29,410	24,405	30,872
Non-cash working capital changes	99,727	109,736	140,171
	(40,482)	(31,407)	(33,161)
	59,245	78,329	107,010
Net interest, taxation and pension contributions paid	(35,750)	(29,421)	(38,479)
Net cash from operating activities	23,495	48,908	68,531
Net cash used in investing activities	(57,374)	(87,023)	(78,350)
Net cash from financing activities	16,539	22,107	6,736
Net decrease in cash and cash equivalents	(17,340)	(16,008)	(3,083)
Cash and cash equivalents – beginning of year	100,679	103,762	103,762
Cash and cash equivalents – end of period	83,339	87,754	100,679

Consolidated Statement of Comprehensive Income Highlights

	9 Months ended 30/06/24 Bds \$000's	9 Months ended 30/06/23 Bds \$000's	Audited Year ended 30/09/23 Bds \$000's
Net income for the period	54,042	71,454	90,534
Other comprehensive income:			
Items net of tax that may be recycled to income in the future:			
Currency translation differences	(1,602)	1,498	1,149
Hyperinflationary adjustments	(531)	(35)	217
Cash flow hedge	18,441	20,731	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	172	(173)	115
Increase in revaluation surplus	–	–	8,436
Remeasurement of employee benefits	–	–	(2,434)
Other comprehensive income for the period, net of tax	16,480	22,021	17,683
Total comprehensive income for the period	70,522	93,475	108,217
Attributable to:			
Equity holders of the Company	50,297	73,337	84,713
Non-controlling interests	20,225	20,138	23,504
	70,522	93,475	108,217

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	–	–	32,771	21,271	54,042
Other comprehensive income	–	17,526	–	(1,046)	16,480
Increase in advances to non-controlling interests	–	–	–	2,287	2,287
Issue of common shares	911	–	–	–	911
Dividends declared	–	–	–	(4,952)	(4,952)
Dividends paid	–	–	(13,711)	–	(13,711)
Balance as at 30 June 2024 (unaudited)	51,597	136,219	558,591	155,067	901,474

BOARD REVIEW FOR THE NINE MONTHS ENDED 30 JUNE 2024

For the nine-month period ended 30 June, the Group achieved a topline growth of 21% with Revenue of \$997.0m compared with \$824.2m in the comparative period in the prior year. This growth was seen across all divisions except the Shipping Division. Despite this growth in revenue however, our net income for the period decreased by 24.4% to \$54.0m. This financial performance is reflective mainly of challenges experienced by the Manufacturing Division during the review period.

While revenue in the Manufacturing Division experienced a 40.9% increase, this growth was primarily attributable to the rise in cocoa prices during the same period. A decline in gross margin and productivity negatively impacted the financial results of the division. The main contributor to its revenue growth, Ecuador Kakao Processing Procuakao S. A., suffered from having to pay a premium above market price for its main raw material, cocoa beans. As a result of the market forces of demand and supply, the average premium paid during the review period was US\$700 per MT compared with a discount below market price of US\$250 per MT received in the comparative period. The market price of cocoa beans moved from US\$2500 per MT in the prior year to as high as US\$10,000 per MT in the current period. This has placed significant pressure on the working capital needs of the business and its ability to purchase beans to fulfill customers' contracts on time. We are in the process of securing working capital financing which would allow us to produce and deliver outstanding orders. Increased Borrowings in the division resulted in an increase in Finance cost of \$3.1m.

The Catering and Ground Handling Division demonstrated its dominance during the period, accounting for 59.4% of the Group's earnings per share with increases in its revenue and net income of 16.2% and 15.9% respectively. The Airline Catering business was the main area of growth as the Caribbean markets fuelled by an increase in tourist arrivals, outperformed the other markets.

Caribbean Distribution Partners Limited performed well during the period with a growth in revenue of 5.5% above the comparative period. There was marginal growth in net income as increases in the cost of goods traded resulted in a slight decline in gross margin.

The Building Supplies Division gave a noteworthy performance during the period, bolstered by increased sales from large projects in our St. Lucia and St. Vincent markets. Revenue growth of 6.9% resulted in a growth in net income of 22.6%.

Having overcome its supply challenges with its main suppliers, the Automotive Division is having its best year since the pandemic. This is evidenced by an increase in sales of 31.3%, with strong vehicle sales in the Barbados and Grenada markets. Net Income for the period increased by 73.7% above the same period in the prior year.

The Services Division had a marginal increase in its revenue for the period and a fair performance overall.

The Shipping Division, our smallest division, underperformed during the period. We are however taking the necessary steps to right size this business and to divest of Xpress Freight Services Inc. in Miami.

Included within other gains/(losses)-net is \$1.2m received from the liquidation of Mirexus Biotechnologies Inc. compared with \$5.0m received in the comparative period. A higher portion of our taxable profits being realised from higher taxed jurisdictions resulted in an increase in taxation.

As we continue to execute our strategy of creating value for shareholders, our Leadership will be proactive in addressing the challenges which are mainly within the Manufacturing Division at this time. We are confident of our ability to resolve these issues. Our diversity remains one of our key strengths which allows us to accelerate growth and achieve successes across the Group. The Group's balance sheet remains very strong with healthy cash flows and a net asset value at the end of June of \$3.26.

We have maintained our dividends at 2.0 cents per share and the first interim payment for 2024 will be made at the end of August.

We wish to thank all of our stakeholders for their continued support.

A. Charles Herbert
Chair
7 August 2024

Anthony H. Ali
Managing Director