AGOSTINI'S

Audited Summary Results

for the Year Ended 30th September, 2020

Chairman's Report to the Shareholders of Agostini's Limited

In a year that was not short of challenges, the most significant being the unprecedented crisis brought about by the Covid-19 pandemic, our Company showed its true strength and resilience underpinned by dedicated and committed people, a strong portfolio of brands and products, an improved financial performance, and support from our staff and community. In the midst of this crisis, we have been able to deliver on our two core objectives: sustainable long term growth and financial strength. We do not take this achievement for granted and recognize that in 2020, this has as much to do with the industries in which we operate as it does with the quality of our people and the strength of our underlying businesses.

For our year ended September 30, 2020, sales increased by 5% from $3.27 billion to $3.43 billion and profit attributable to shareholders increased by 3% from $122 million to $126 million. As mentioned in my quarterly reports, our company has adopted the new IFRS 16 standard on Leases in this financial year which has resulted in a non-cash reduction in our after-tax profit. Without this adjustment, our profit would have improved 6% when compared to prior year

2020 Highlights

- Sales increased 5% to $3.4 billion
- Profit before tax increased by 10%
- Earnings per share increased from $1.76 to $1.83
- Operating cash flow improved by 24% from $221 million to $275 million
- Return on equity remained at 11%
- Dividend increased from $0.79 to $0.80 per share
- Acquisition of the assets of "Lightsource" which has been integrated into Agostini Building Solutions

Operational Review

Our Group's operations are in three core segments: Pharmaceutical & Health Care, Fast Moving Consumer Goods and Industrial and Construction.

Pharmaceutical & Health Care

Smith Robertson and its medical equipment subsidiary Curis Technologies both performed well in the year, exceeding their plan and prior year profit. In the case of Smith Robertson, this was partly due to increased demand for pharmaceuticals, in the private trade as well as increased purchases of pharmaceuticals by the Ministry of Health, as a result of the coronavirus. Conversely, we experienced a fall in sales of cosmetics and some personal care items as the lockdown and the need for social distancing significantly reduced social activity.

SuperPharm experienced a significant boost to sales during the second half of the financial year as customers across the country turned to us as their trusted partner during the Covid-19 crisis. By anticipating the demand that the virus would create for vitamins, OTC drugs, food, convenience items and health and sanitizing products, we were able to maintain a consistent supply chain and met most of our customer's needs. Additionally, from the very inception of the virus, we implemented the highest health and safety protocols at our stores to ensure that our customers could shop in a healthy and safe environment.

Fast Moving Consumer Goods (FMCG)

At Caribbean Distribution Partners, most of our companies performed well during 2020. Vemco and Hand Arnold in Trinidad and Tobago, Coreas Distribution in St. Vincent, Independence Agencies in Grenada and Desinco in Guyana all posted increased sales and profitability as demand for food and household products remained strong during the crisis. Exports from Vemco remained strong, growing by 14% and with recent investments at our condiments plant, we expect the sales of our manufactured products to continue to grow locally and regionally.

Hanschell Inniss in Barbados and Peter & Company in St Lucia had a difficult year and experienced reduced profitability, as their sales, with significant exposure to the tourism and hospitality industries, were negatively impacted by the Covid-19. We expect that these markets will show some improvement in the new financial year.

Industrial and Construction

2020 was very challenging for both Agostini Building Solutions and Rosco Petroavance, with both companies experiencing lower sales and significantly lower profitability. The Coronavirus crisis had a significant impact on the already weak construction sector and our business, along with many others in this sector were deemed to be non-essential during the first lockdown, and closed for a period of 65 days.

As an energy service company, Rosco Petroavance was able to continue its operations uninterrupted during the crisis. However, with low LNG prices prevailing and the collapse in the price of oil in early 2020, initially triggered by a price war between Saudi Arabia and Russia, and later by the fall in demand due to the Coronavirus, there was a sharp curtailment in expenditure of any kind in the energy sector, as companies focused on cash preservation.

Dividend

I am happy to advise that your board has approved a final dividend of 55 cents per share, bringing the total dividend for the year to 80 cents, one cent more than in the prior year. This dividend will be paid on January 26, 2021 to shareholders on the register of members on January 4, 2021. The Company's register of members will be closed from January 5th to 8th 2021.

Annual General Meeting

Our Annual Meeting of Shareholders will be held on Monday 25th January 2021 at 10.00 am and due to the prudence of observing Covid-19 health protocols, this meeting will be held "virtually". Details will be provided via notices in the daily newspapers in January 2021.

Outlook

If the year 2020 has taught us anything, it is to remind us that the world that we live in can be an unpredictable place. The cost that the Covid-19 pandemic has had, and continues to have, is immeasurable and in many cases irreparable. The pandemic and its devastating health and economic impact can truly be described as a "black swan" event, the very nature of which is the difficulty in predicting its type and timing. Trying to predict such events would not be the best use of management's time and in any case, to quote Thomas Hobbes, "the best prophet is the best guesser." We do have a responsibility however, to be prepared, so that when these events do occur, as they inevitably will, we are positioned as best as we can to not only survive, but thrive, when conditions once again improve. For us this means maintaining a strong balance sheet with adequate cash reserves, and building an organization that is resilient, with the agility to respond to changes in consumer demand and economic conditions. The after effects of the Covid-19 crisis will no doubt bring many changes to the industries and economies in which we operate, and if I may quote from my 2019 Chairman's Statement, "in the year and years ahead, our success will be very much determined by our ability to manage and influence change in our industries, and not just reacting to it."

In the short term there remains much uncertainty in Trinidad and Tobago and the other economies in the region in which we operate. Having said that, as we look to the new financial year, we expect our businesses in pharmaceutical and health care, and the FMCG sectors to remain stable, but without the short-term spike in sales that we enjoyed during the beginning of the Covid-19 crisis. We expect to see some improvement in our construction and energy services businesses as energy prices stabilize and companies once again resume capital and maintenance expenditure, and construction activity improves. We also expect that construction incentives announced in the recent national budget will act as a catalyst for new construction projects. As a group, we remain optimistic in our ability to achieve growth and improve profitability over the medium to long term.

Recognition

In a year like the one that recently ended, there are many who deserve our gratitude, starting firstly with the individuals in our Group. I would like to recognize and thank all at Smith Robertson for the tireless hours that were put in during the worst of the Covid-19 crisis, to ensure that the nation's pharmacies and health centers were supplied with the pharmaceuticals and health products that they required. At SuperPharm, considerable credit and thanks are due to our front-line staff who kept our doors open to serve our customers, at times under difficult circumstances, and to all of those in supply chain and admin who kept the supply channels open and the shelves stocked. Thanks must also be extended to the management and staff at our FMCG companies who kept our distribution centers and factories operating throughout the crisis in order to supply supermarkets and shops with much needed essential products.

Secondly, to our retail customers and consumers who, during a difficult year, placed their trust in us and remained loyal to our companies and brands. We recognize that we are fortunate to have engendered such loyalty and never take this for granted.

Thirdly, I would like to extend my personal thanks to the management and my fellow directors who together steered our Group through the most difficult period in recent history. Your dedication, hard work and wise counsel were instrumental in successfully guiding our Group over the last 12 months.

Fourthly, during the year we said farewell to our Finance Director Rajesh Rajkumarsingh who left the Group at the end of March 2020. We thank him for his sterling contribution during his years with the Company and wish him every success in all of his future endeavours. We were happy to welcome Barry Davis as the Group's new Finance Director in April 2020. Barry is no stranger to our Group having served as a non-executive director at the Parent Company for twelve years up to January 2020.

Finally, I would like to recognize the Victor & Sally Mouttet Foundation, which we fund along with Prestige Holdings Limited and Victor E. Mouttet Limited. Apart from the excellent work that the Foundation continues to do with the I-Care Program, providing eye glasses to Primary School children at a nominal cost and the funding of the Dyslexia Association, this year, as a result of the economic crisis caused by the Coronavirus, the Foundation contributed food products to various NGO's and individuals in need to the value of $2.2 million. Additionally, the Foundation provided a further $1 million to purchase 400 computers, 300 of which were given to the children of group employees and 100 to four schools, through the Ministry of Education.

Christian Mouttet
Chairman
November 26, 2020

Summary Consolidated Statement of Financial Position

	$'000 Audited Year ended 30 Sept 2020	$'000 Audited Year ended 30 Sept 2019
ASSETS		
Non-Current Assets	1,323,982	1,153,318
Current Assets	1,385,235	1,384,118
Total Assets	**2,709,217**	**2,537,436**
EQUITY AND LIABILITIES		
Capital and Reserves	1,172,053	1,142,447
Non-Controlling Interests	365,100	338,963
Non-Current Liabilities	545,381	396,396
Current Liabilities	626,683	659,630
Total Equity and Liabilities	**2,709,217**	**2,537,436**

Summary Consolidated Statement of Income

	$'000 Audited Year Ended 30 Sept 2020	$'000 Audited Year Ended 30 Sept 2019
Revenue from contracts with customers	3,425,476	3,272,135
Operating Profit	275,971	246,578
Loss on revaluation of investment property	-	(2,022)
Finance Costs - Net	(36,380)	(25,978)
Profit before taxation	239,591	218,578
Taxation	(70,645)	(55,675)
Profit for the period	168,946	162,903
Attributable To :		
Owners of the parent	126,187	122,018
Non-Controlling interests	42,759	40,885
	168,946	162,903
Earnings per share for profit attributable to equity holders of the parent		
Basic	$1.83	$1.76

Summary Consolidated Statement of Comprehensive Income

	$'000 Audited Year Ended 30 Sept 2020	$'000 Audited Year Ended 30 Sept 2019
Profit for the period	168,946	162,903
Other comprehensive income		
- (Loss)/Gain on defined benefit plans	(3,093)	2,336
- Tax relating to components of other recognised income and expense	868	(1,352)
- Exchange differences on translation of foreign operations	6,340	(638)
- Revaluation of land and buildings	(868)	-
Other comprehensive income for the period	3,247	346
Total comprehensive income	172,193	163,249
Attributable To :		
Owners of the parent	128,595	121,769
Non-Controlling interests	43,598	41,480
	172,193	163,249

Summary Consolidated Statement of Changes in Equity

	$'000 Audited Year Ended 30 Sept 2020	$'000 Audited Year Ended 30 Sept 2019
Balance at beginning of the period	1,481,410	1,371,638
Total comprehensive income for the year	172,193	163,249
Effect of adoption of IFRS 9	-	(3,030)
Effect of adoption of IFRS 16	(40,788)	
Other movements	(3,722)	(2,122)
Dividend paid	(71,940)	(48,325)
Balance at end of the period	1,537,153	1,481,410

AGOSTINI'S

Audited Summary Results for the Year Ended 30th September, 2020

Summary Consolidated Statement of Cash Flows

	\$'000 Audited Year Ended 30 Sept 2020	\$'000 Audited Year Ended 30 Sept 2019
Operating Activities		
Profit before tax	239,591	218,578
Adjustment to reconcile net profit to net cash provided by operating activities	114,218	85,282
Changes in operating assets/liabilities	5,223	537
Cash provided by operating activities	359,032	304,397
Pension contributions paid	(6,926)	(5,497)
Taxation paid	(41,138)	(51,604)
Finance cost paid	(36,380)	(25,978)
Net cash provided by operating activities	274,588	221,318
Net cash used in investing activities	(55,511)	(103,867)
Net cash used in by financing activities	(133,196)	(84,596)
Cash increase during the period	85,881	32,855
Net translation differences	4,918	2,541
Cash and cash equivalents, beginning of period	162,443	127,047
Cash and cash equivalents, end of period	253,242	162,443

Notes

1. The summary consolidated financial statements are prepared in accordance with the criteria developed by management. Under management's established criteria, management discloses the summary consolidated statements of financial position, income, comprehensive income and changes in equity and cash flow. These summary consolidated financial statements are derived from the audited consolidated financial statements of Agostini's Limited and its subsidiaries for the year ended 30 September, 2020, and are prepared in accordance with International Financial Reporting Standards.

2. Segment Information - Consolidated Business Segments

	Pharmaceutical & Health Care		Fast Moving Consumer Goods		Industrial, Construction and Holdings	
	\$'000 2020	\$'000 2019	\$'000 2020	\$'000 2019	\$'000 2020	\$'000 2019
Revenue	1,065,118	943,112	2,218,361	2,142,134	141,997	186,889
Operating Profit	137,327	109,585	124,865	113,072	13,779	23,921

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF AGOSTINI'S LIMITED

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at September 30, 2020, the summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Agostini's Limited and its subsidiaries ("the Group") for the year ended September 30, 2020.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, on the basis described in Note 1.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards ("IFRSs"). Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated November 26, 2020. That report also includes the communication of Key Audit Matters. Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

The audited consolidated financial statements and the summary consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

Responsibility of Management for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements on the basis described in Note 1.

Auditor's Responsibility for the Audit of the Summary Consolidated Financial Statements

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

EY

Port of Spain, Trinidad
November 26, 2020