

# HEMAS HOLDINGS PLC

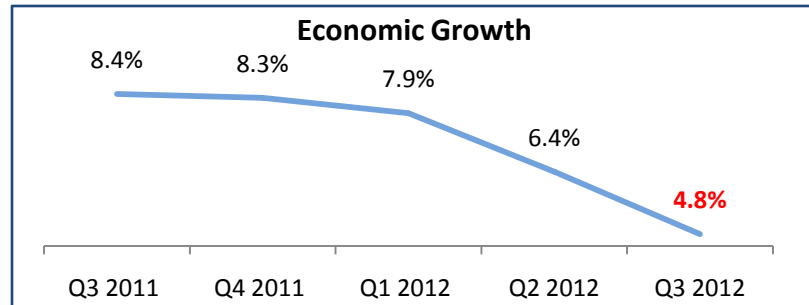


ENRICHING LIVES. INSPIRING CHANGE.

Investor Presentation  
Q3 2012/13

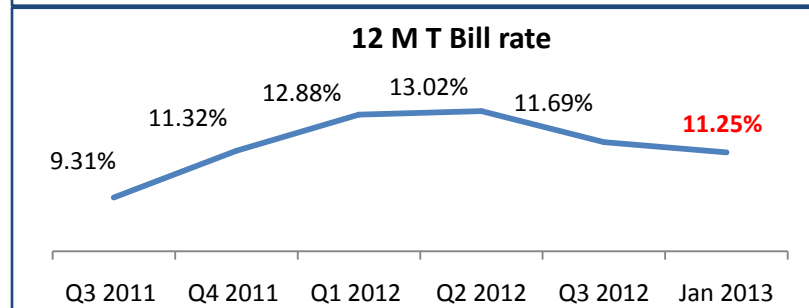
# Sri Lanka: Macro Highlights

## Economic Growth



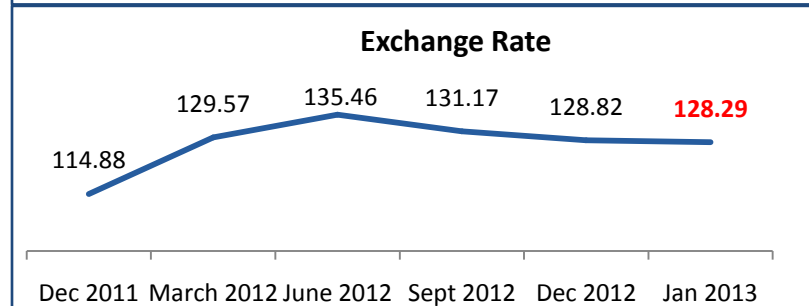
Decreased to 4.8% in Q3; lowest in 3 years

## Interest Rates



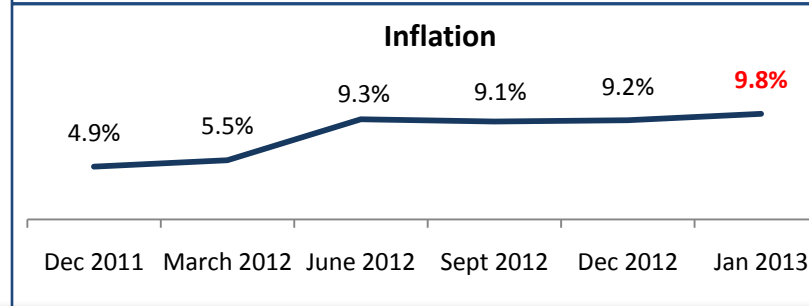
Dropped to 11.25% posting a downward trend

## Exchange Rate



Showed a tendency of recovering: Rs 128.29/USD

## Inflation



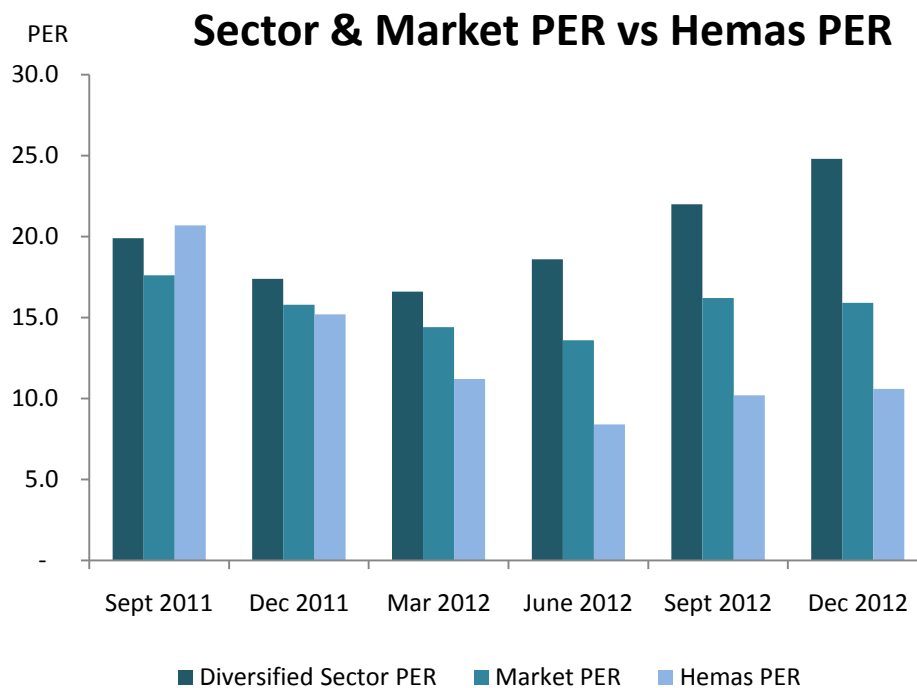
Moved upwards; YoY 9.8% Annual average for 2012 was recorded at 7.6%

# Hemas Group: A Snapshot

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Share Price (As at 26.02.2013)	Rs. 27.90
Market Capitalization	Rs. 14.4Bn
% of Total Market	0.65%
PER	10.2*
PBV	1.25
No of Shares	515,290,620
Public Shareholding	28.33%

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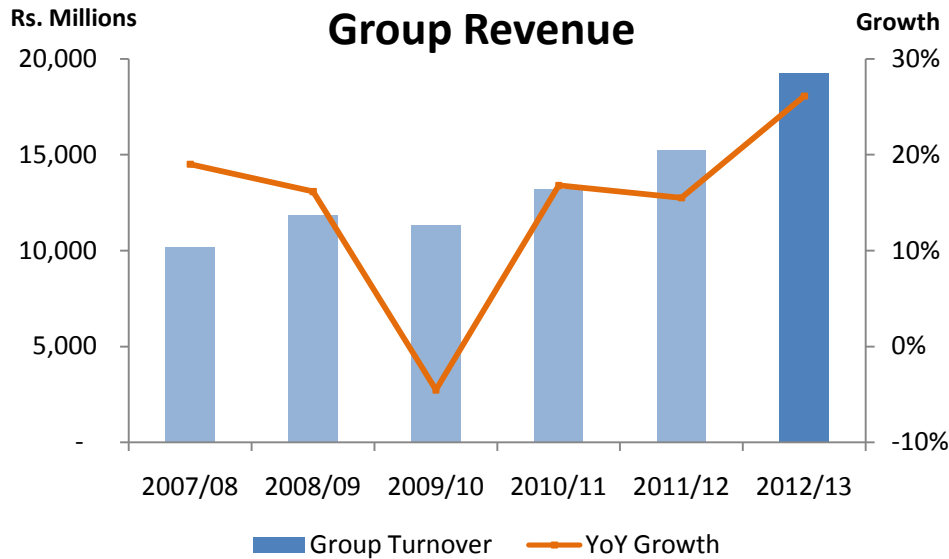


\* PER based on annualized earnings

# Hemas Group: Performance Highlights

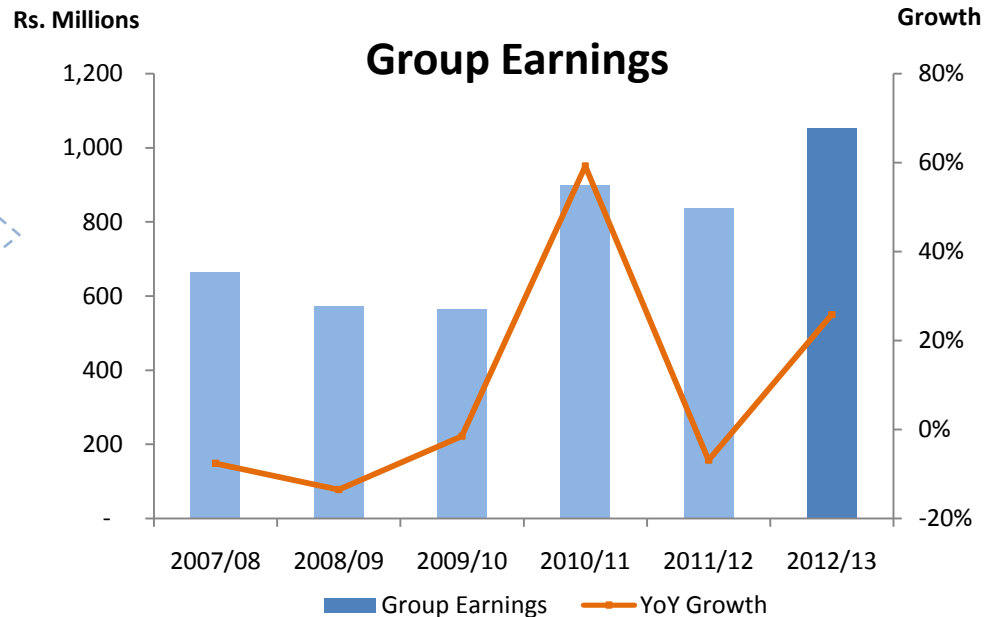
Figures are in Rs. Millions	Q3 2012/13	Q3 2011/12	% Change	
Group Turnover	19,244	15,255	↑	26%
PAT	1,196	917	↑	30%
Group Earnings	1,053	837	↑	26%
Cash from Operations	382	625	↓	-39%
Total Assets	24,926	20,385	↑	22%
Shareholders' Funds	11,540	9,549	↑	21%
Capital Employed	18,745	15,240	↑	23%
	Q3 2012/13	Q3 2011/12	% Change	
EPS	2.72	2.17	↑	26%
Net Assets per Share	22.40	18.53	↑	21%
ROE	13.3%	12.4%	↑	8%
ROCE	12.8%	11.3%	↑	13%

# Q3: Revenue and Earnings Highlights



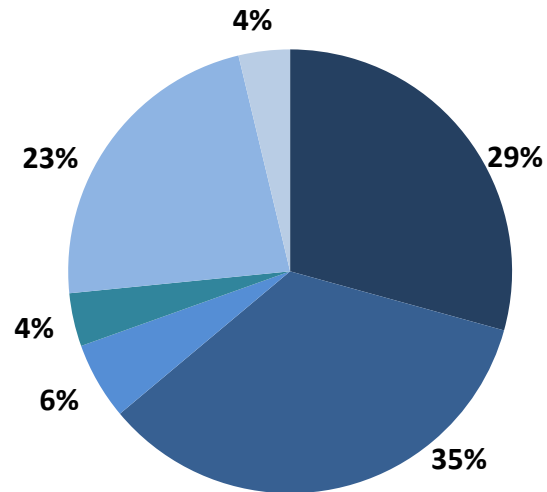
- Group revenue recorded a growth of 26.1%, YoY
- Revenue growth was driven by Power, Healthcare and FMCG sectors

- Group earnings recorded a growth of 25.8%, YoY
- Earnings growth was driven by FMCG, Leisure, Healthcare and Transportation sectors



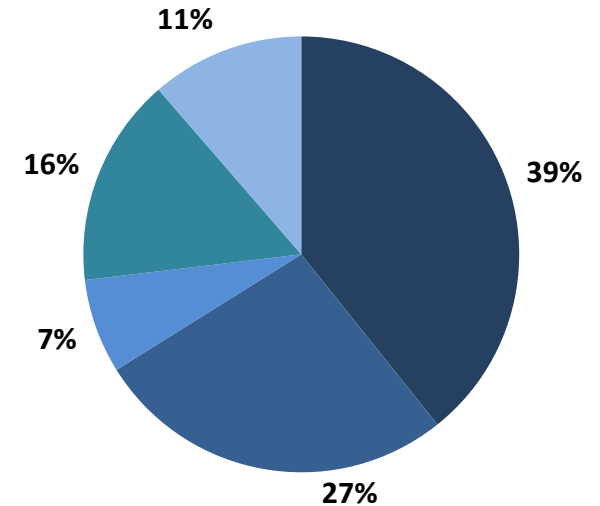
# Q3: Revenue and Earnings Contribution

## Q3: Revenue Contribution



■ FMCG      ■ Healthcare      ■ Leisure  
■ Transportation      ■ Power      ■ Other

## Q3: Earnings Contribution



■ FMCG      ■ Healthcare      ■ Leisure  
■ Transportation      ■ Power

# FMCG: Performance Highlights

	Q3 12/13	Q3 11/12	Change
Turnover (Rs. Mn)	<b>5,636</b>	4,884	<b>15%</b>
PAT (Rs. Mn)	<b>548</b>	431	<b>27%</b>

- Revenue growth was driven by strong performance in personal care and personal wash categories led by Baby Chermay, Kumarika and Velvet brands
- Personal care category posted the highest market share achieved over two years
- Clogard recorded the highest market share since 2008, while Kumarika recorded the highest market share since its introduction
- Hemas entered the deodorant market by introducing two new variants under Gold and new fragrances under Goya & Pro Sport, strengthening our market position in the fragrance category
- VAT on large scale wholesalers and supermarkets by the 2013 Budget proposal impacted modern trade sales





## Big Heart Project continues



- Continuing the Big Heart project which was commenced to fund the educational needs of disadvantaged children, a 20-20 cricket match was organized and played in January 2013
- This cricket match reunited the 96 world cup champions who stepped forward as volunteers for this worthy cause and they played against Sri Lankan cricket legends
- Mr. Roshan Mahanama appeared as the honorary project ambassador for this project which was directed towards fulfilling a national need
- Funds raised from this event which was a great success, was donated to the 'Nana Diriya' program of the Ministry of Child Development and Women Affairs





# Healthcare: Performance Highlights

	Q3 12/13	Q3 11/12	Change
Turnover (Rs. Mn)	<b>6,662</b>	5,462	<b>22%</b>
PAT (Rs. Mn)	<b>360</b>	270	<b>33%</b>

- Pharmaceutical business was the main contributor to sector revenue growth
  - Revenue growth of Pharma: 20.8%
  - Revenue growth of Hospitals: 28.1%
- Hemas Pharmaceuticals reinforced its position as the market leader with an improved market share of 17.77% (*Source: IMS*)
- Hemas Wattala Hospital celebrated its 4<sup>th</sup> year of operations during the quarter
- Construction of our 3<sup>rd</sup> hospital at Thalawathugoda is on schedule, and we expect to serve our first patient in mid 2013
- Preliminary discussions were successfully concluded to introduce dialysis services in our hospitals with the aim of strengthening the healthcare service portfolio



# Leisure: Performance Highlights

	Q3 12/13	Q3 11/12	Change
Turnover (Rs. Mn)	<b>1,084</b>	725	<b>50%</b>
PAT (Rs. Mn)	<b>204</b>	26	<b>696%</b>

- Strong performance of the Leisure sector was mainly driven by the hotel business which experienced an average occupancy over 70% resulting from an attractive winter season
- Gross operating profit of the Hotels grew by an impressive 147% over last year
- Avani Kalutara resort was officially declared open by Hon. Basil Rajapakse in November 2012
- Serendib Leisure Hotels were recognized with the following accolades during Q3:
  - ▶ Avani Bentota Resort & Spa - Agoda Gold Circle Award for excellence in on-line distribution
  - ▶ Club Hotel Dolphin - Holiday Check Award 2013 for being one of the 99 most popular hotels worldwide in the “Family” category
  - ▶ Avani Bentota Resort & Spa and Hotel Sigiriya - Merit Certificates awarded by the EU-SWITCH ASIA for conservation & waste management
- Our destination management company, Diethelm Travels enjoyed a healthy quarter with 41% increase in revenue



# Transportation: Performance Highlights

	Q3 12/13	Q3 11/12	Change
Turnover (Rs. Mn)	<b>747</b>	541	<b>38%</b>
PAT (Rs. Mn)	<b>217</b>	160	<b>36%</b>

- Strong performance in Aviation and Maritime segments resulted 38% growth in revenue over the last year
- Aviation segment enjoyed a healthy quarter with outbound travel business continuing to increase its market share
- “MercMas”; joint venture with Mercantile Shipping which commenced its operations to transport crew and sea marshals continues to gain acceptance among key clients
- Feeder agency business enjoyed a good quarter serving new customers with maritime services, which contributed positively towards sector earnings
- Our Logistics segment expanded its service portfolio into contract warehousing apart from the empty container transport business



# Power: Performance Highlights

	Q3 12/13	Q3 11/12	Change
Turnover (Rs. Mn)	<b>4,395</b>	3,119	<b>41%</b>
PAT (Rs. Mn)	<b>212</b>	247	<b>-14%</b>

- Revenue growth of the sector was mainly driven by growth of our thermal power plant Heladhanavi due to the pass-through effect of escalating fuel price
- Despite 'Giddawa' hydro power plant being affected by floods during the quarter, our hydro power plants recorded a revenue growth of 31.6%, led by the performance of Magal Ganga
- Hydro power segment recorded a 33% increase in energy generation headed by Magal Ganga plant supported by the healthy north-east monsoonal rains
- Sector earnings reported a decline of 14% with higher costs of borrowing and exchange losses on foreign currency borrowings, most of which is unrealized
- Pre-development work on new projects in Sri Lanka and in the East-African region are expected to continue over the next quarter



# Corporate Social Responsibility

- Our 36<sup>th</sup> “Piyawara” preschool was opened in Theethakarie, Mulativue in February 2013; this is the second community pre-school opened in Mulativue
- First model pre school in Kilinochchi is under construction and scheduled to be opened in March 2013



- An Angel Christmas tree was set up to collect Christmas gifts to be distributed among underprivileged children in Killinochchi, Ambalnagar, Mulativue, Pudukuduiruppu and Dharmapuram



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