

Investor Presentation

For the Six Months Ending September 30, 2016



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Hemas is a Wellness, Leisure and Mobility Business

Segmental Revenue and Operating Profits, Q2 YTD FY 2016/17

Hemas Holdings PLC Business Segments by Revenue Q2 YTD FY 2016-17



Hemas Holdings PLC is a Wellness focused business with interests in Leisure and Mobility.

- In the first half of 2016-17 our revenues were Rs. 20.6 billion and Group Operating profits were Rs. 2.1 billion. Earnings grew by 47% for the first half of the year.
- Our Healthcare business accounts for 43% of revenues, and Consumer business comprises 39%.

Operating Profit (Rs. Mn)	Q2 YTD FY 2016/17	
Consumer	1,159	
Healthcare	1,004	
Leisure, Travel and Aviation	169	
Logistics and Maritime	141	
Other	(345)	
Total	2,128	



Consolidated YTD Q2 revenues for 2016/17 was LKR 20.6 Bn, up 12.1% over the previous year, with Group Earnings up 47.0%

Growth coming primarily from strong performance in Consumer and Healthcare sectors.

Hemas Holdings PLC, Q2 YTD FY 2016/17

Performance Indicator (Rs. Mn)	Q2 2016/17	Q2 2015/16	% Change
Group Revenue	20,630	18,412	12.1%
Operating Profit	2,077	1,612	28.9%
Profit After Tax	1,599	1,116	43.2%
Group Earnings	1,544	1,050	47.0%

Performance Indicator	Q2 2016/17	Q2 2015/16	% Change
ROE (%)	13.70%	9.85%	
ROCE (%)	16.84%	13.22%	
EPS	2.70	1.83	47.54%
Net Assets per Share	40.32	35.55	13.41%
Share Price (September 30)	104.10	85.00	22.47%
Market Cap Rs. Mn (September 30)	59,602	48,666	22.47%

HHL and its subsidiaries achieved a consolidated revenues of Rs.20.6Bn, year-on-year (YoY) growth of 12.1%

- Operating profit reached Rs.2.1Bn and earnings Rs.1.5Bn, growth of 28.9% and 47.0% respectively.
- Overall the Group has grown well despite lower than expected economic growth at 3.9%, unfavorable weather conditions, VAT uncertainty, and increasing inflation resulting in weakened domestic consumer demand.



Segmental Earnings Q2 YTD FY 2016–17

History and Milestones



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Hemas Consumer is Sri Lanka's largest domestic Personal Care business, accounting for 39% of Group Revenues



Hemas entered Bangladesh in 2011, and today we are the number one value-added hair oil brand with Kumarika

- Kumarika hair oil has 16% market share in the value added oil segment, with 3-year revenue CAGR of 90%.
- 115,000 urban and rural retail outlets reached; distribution reach grown 15% annually.
- Operate own distribution, through a network of 140 distributors and over 100 sub-distributors.
- 280 sales reps operating in 21 territories.
- New product launched under "Kumarika" brand platform: two variants of a science + nature face wash.







Bangladesh Revenue in Rs. Million Q2 YTD 2012/13–Q2 2016/17



Market leader in personal care, strong iconic brands with international relevance

Revenues up by 13.1% YoY, driven by market share improvement in our personal care and personal wash portfolio.

Sector Highlights

- Continued Market leadership in baby care, hair oil, and beauty soap.
- Strong competitive advantage in domestic distribution with direct retail coverage of 80,000+.
- Recent introductions of new Baby Diaper and gel variants of Clogard along with mouth wash product range and Velvet soap variants "Water Lily & Sea Minerals", "Honey and Yoghurt."
- Fems, Clogard, Baby Cheramy and Diva brands posted double digit topline growth rates underpinning sector revenue growth.

Financial Highlights

- Consumer business recorded a topline of Rs.8.4Bn for the first six months, a 13.1% YoY increase over the previous financial year.
- Our local consumer sector growth is driven by market share improvement in our personal care and personal wash portfolio.
- Further, relatively benign commodity prices during the first half of the year contributed towards the sector gross margin improvement. Bangladesh.



Consumer Revenue Share, Q1 FY 2016/17



Consumer Revenue and Operating Profit Q2 YTD FY 2011/12–2016/17





Hemas is the largest healthcare company in Sri Lanka with interests in Pharmaceuticals, Hospitals and Diagnostics





In pharmaceutical distribution, Hemas represents the largest global multinational pharmaceutical manufacturers



JLM, acquired in 2013, is a market leading Rx manufacturer with leading OTC brands

- Manufactures over sixty formulations of high quality pharmaceutical and OTC products.
- Import and distribution of internationally renowned products via our island-wide distribution network.
- JLM signed a five year buy-back agreement with the Government of Sri Lanka to provide essential medicines to the National Healthcare system.
- Rx Pharma portfolio continued to do well benefiting from new product launches.
- With a view to increasing our focus on our healthcare portfolio, we have exited from the agricultural supply operations which have been part of J. L. Morison's for many years.



J.L. Morison Son & Jones

Financial Highlights				
Rs. 000'	Q2 2015/16	Q2 2016/17		
Revenue	1,643,799	1,528,533		
Operating Profit	108,413	102,919		
Earnings	112,656	90,895		

OTC Own Brands

- Lacto Calamine
- Gripe Mixture
- Baby Cough Syrup
- Valmelix Cough Syrup

33% Earnings CAGR since acquisition



Hemas is the first hospital chain to take high quality private healthcare to rapidly growing Colombo suburbs

- 3 multi-specialty, ACHSI accredited hospitals built on international standards in the North of Colombo, East of Colombo and in the Southern Province.
- 3 additional laboratories opened this year; bring network up to 36 laboratories, serving over 500 physicians and addressing a patient population of 5 million.
- Through our new corporate polyclinic model, we are locating in large working population environments, with a continued focus on bringing healthcare to the consumer.

Services provided:

- Health check-ups
- Radiology Imaging
- Cardiology
- Emergency Care
- Surgery
- Laparoscopic Surgery
- Orthopaedic Surgery
- Baby Delivery
- Paediatric Care
- Physiotherapy
- Endoscopy
- Urology and renal care

Volumes:

- 3 multi-specialty hospitals
- 210 beds
- 3 Hospital based main labs and 33 satellite labs & collection centres
- 1,000 employees
- 500 consultants
 - 2 MRIs
- 2 CT scanners
- 10 operating theaters



Deep experience across healthcare value chain with market leading positions in distribution and diagnostics

Sector Highlights

- Hemas Hospital Wattala added a new wing with a dedicated surgical ward comprising of 27 rooms in addition to an expanded dialysis centre.
- Launched our advanced GE Centre and new surgical specialties in addition to the installation of its latest state-of-theart 128 slice CT scanner.
- Pharmaceutical business grew Rx and OTC portfolio consistently, adding new principles.
- JLM's buyback agreement and continued focus on distribution efficiency contributed to the growth in sales

Financial Highlights

- Healthcare segment of the Group achieved sales of Rs.9.2Bn, a growth of 17.3%.
- Hosptials recorded average occupancy of 53%, with the newest hospital, Thalawathugoda ramping up significantly.
- Hemas pharmaceutical distribution operation recorded a solid performance over last year including improved market share.

Healthcare Revenue and Operating Profit Q2 YTD FY 2011/12–2016/17



Healthcare Revenue Share, Q2 YTD FY 2015/16



HEXAS Logistics and Maritime



Through our Mobility arm, we are securing new accounts and growing capacity in logistics, warehousing and haulage



- Integrated portfolio of container haulage, container yard operations, warehousing, automotive logistics and transportation of project and over-dimensional cargo and a 6 acre container terminal.
- Growing base of leading domestic and MNC 3PL clients.



- Operates the largest feeder service to the Bay of Bengal
- Representatives of Far Shipping Lines (FSL) Singapore
- Exclusive agent for 'HC line' and NVOCC operator 'Asian Tiger Shipping'
- Appointed General Agents for Evergreen, the fourth largest mainliner with revenues of US\$ 4 Bn.



Our logistics and maritime business recorded LKR 841 million in revenues for Q2 YTD FY 2016/17, a year-on-year growth of 93%

Sector Highlights

- Hemas Maritime appointed General Agents for Evergreen Marine Corporation Taiwan, one of the largest feeder carriers servicing the Port of Colombo.
- Strategic investments in logistics verticals providing integrated end to end solutions
- Good growth in Logistics 3PL business with increased volumes stemming from the container depot which functioned at its optimum level of efficiency.

Financial Highlights

- Hemas maritime and logistics recorded growth of 93.3% over last year recording a topline of Rs. 841Mn. This growth has been driven by our new maritime agency, Evergreen.
- The acquisition of this agency gives us a stronger position in the logistics and maritime space an area where we are now planning to expand further.

Logistics & Maritime Revenue and Operating Profit Q2 YTD FY 2015/16-2016/17



Logistics & Maritime Revenue Share, Q2 YTD FY 2016/17



HEMAS Leisure, Travel and Aviation



Our Leisure business comprises leading travel brands and an inbound leisure business









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Hotel

- Serendib Leisure Group of Hotels which, includes four award winning properties with a total inventory of 550 rooms.
- The partnership with Minor Hotel Group (MHG) has enabled Serendib Leisure to be the only Sri Lankan hotel chain to manage an international brand, "AVANI".



We are investing in Sri Lanka's tourism boom with a selection of new builds, targeting the upper star class segment of the market

Q2 YTD revenues of LKR 1.8Bn, with 8.0% increase year on year.

Sector Highlights

- Owner and Manager of five properties with a combined room inventory of 563.
- Strategic partnership with Minor Hotel Group, a leading Asian hotel chain
- Latest addition to the portfolio is Anantara Kalutara opened in September in which we have a 12% shareholding.
- We continue our efforts to enhance and develop the luxury travel market in Sri Lanka through our close relationship with Minor Group.
- Hemas offers also complete passenger and cargo solutions in Airline Representation and travel related services, and is the GSA for Emirates Airlines, Malaysian and other major national airlines.

Financial Highlights

- Our Leisure, Travel and Aviation (LTA) business recorded a total revenue of Rs.1.8Bn, reflecting an 8.4% YoY growth for the first six months.
- Hotels sector recorded a revenue growth of 5.4% over last year recording a topline of Rs.754Mn.
- LTA experienced a decline in segmental profitability during the first six month compounded by losses at Anantara Peace Haven Tangalle Resort which is in its first full year of operations.



Leisure, Travel & Aviation Revenue Share, Q2 YTD FY 2015/16



HEXAS Sustainability



Enriching lives through the spirit of Abhimana

- Abhimana' is our ethos of sustainability that describes our vision of a sustainable and co-operative society, of people living and working together
- Inline with this, we have released our Sustainability Report providing insight into the Group's sustainability philosophy and initiatives in line with the Global Reporting Initiative G4 guidelines (GRI-G4): <u>http://www.hemas.com/reports</u>
- Today, our strategic path is governed not only by how well we develop growing commercial opportunities but also by listening to and responding to the communities of which we are a part.

Our Vision To be the best at Enriching Lives

Through Leadership in Wellness, Leisure and Mobility

Our Purpose

To Passionately deliver Outstanding Products and Services thus Enriching the Lives of our Customers and creating Superior Value to our Shareholders.

WE WILL DO THIS BY:

- Being a national leader in personal care and healthcare solutions.
- Investing in growth industries with potential for superior value creation.
- Establishing a regional footprint through a team of passionate, capable and empowered people.



Piyawara

- The Hemas 'Piyawara' project focuses on early childhood care and development, penetrating the segment by facilitating preschool education for children aged 3 to 5 years, from marginalised communities.
- With the mission "to nurture young children with good care in order to provide a solid foundation of a life long journey"



1. Wadduwa 23. Dankotuwa 2. Kalutara 24. Kurunegala 25. Badulla 4. Balapitiya 26. Ratnapura 5. Ambalangoda 27. Jaffna 1 28. Jaffna II 6. Hikkaduwa 7. Rathgama 29. Kalmunei 30. Ismailpuram 31. Navadanweli 10. Habaraduwa 32. Kantale 33. Ambalnagar 11. Tissamaharama 12 Weligama 34. Kilinochchi 13. Matara I 35. Mullaitivu Silawathi 14. Matara II 36. Mullaitivu Teetakarei 15. Tangalle 37. Mullaitivu Kepapilaru 16. Hungama 38. Boossa 17. Hambantota 1 39. Welioya 18. Hambantota 2 40. Monaragala, Malhawa 19. Gampaha 20. Matale 21. Polonnaruwa 22. Anuradhapura



Student at play area in Kantale Physicara Pre-school









Project Ayati

First National Centre for Children with Disabilities to be constructed at the Faculty of Medicine of the University of Kelaniya in Ragama

- Hemas being the largest private sector healthcare Company in Sri Lanka took an initiative to address a major gap in the national healthcare system by launching the first national center of excellence for children with disabilities.
- The AYATI center will provide opportunities and hope for children with disabilities to achieve their maximum potential and be fully integrated into our society.
- This initiative will address a burning national issue prevailing in the country, by establishing a national center of excellence to provide these children with multidisciplinary care.
- The proposed AYATI center designed by renowned Architect Mr. Channa Daswatte is spread across 1.5 acres in Ragama with a 42.000 sq.ft floor area.
- The centre will function as a hub with connected spokes to the peripheries within the 25 districts in Sri Lanka and will pioneer the provision of telemedicine to distant centers within low-resource areas during the initial phase.





Vision 2020 - To be the best at enriching lives



- Delighting South Asian consumers with our high quality innovative personal care solutions
- Providing excellent healthcare outcomes for all Sri Lankans
- Outstanding leisure experiences to the emerging traveler
- Driving exceptional mobility solutions for the travel and logistics needs of the nation
- · While at all times operating true to Hemas Values and our ethos of Abhimana



Thank You

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