

Investor Presentation

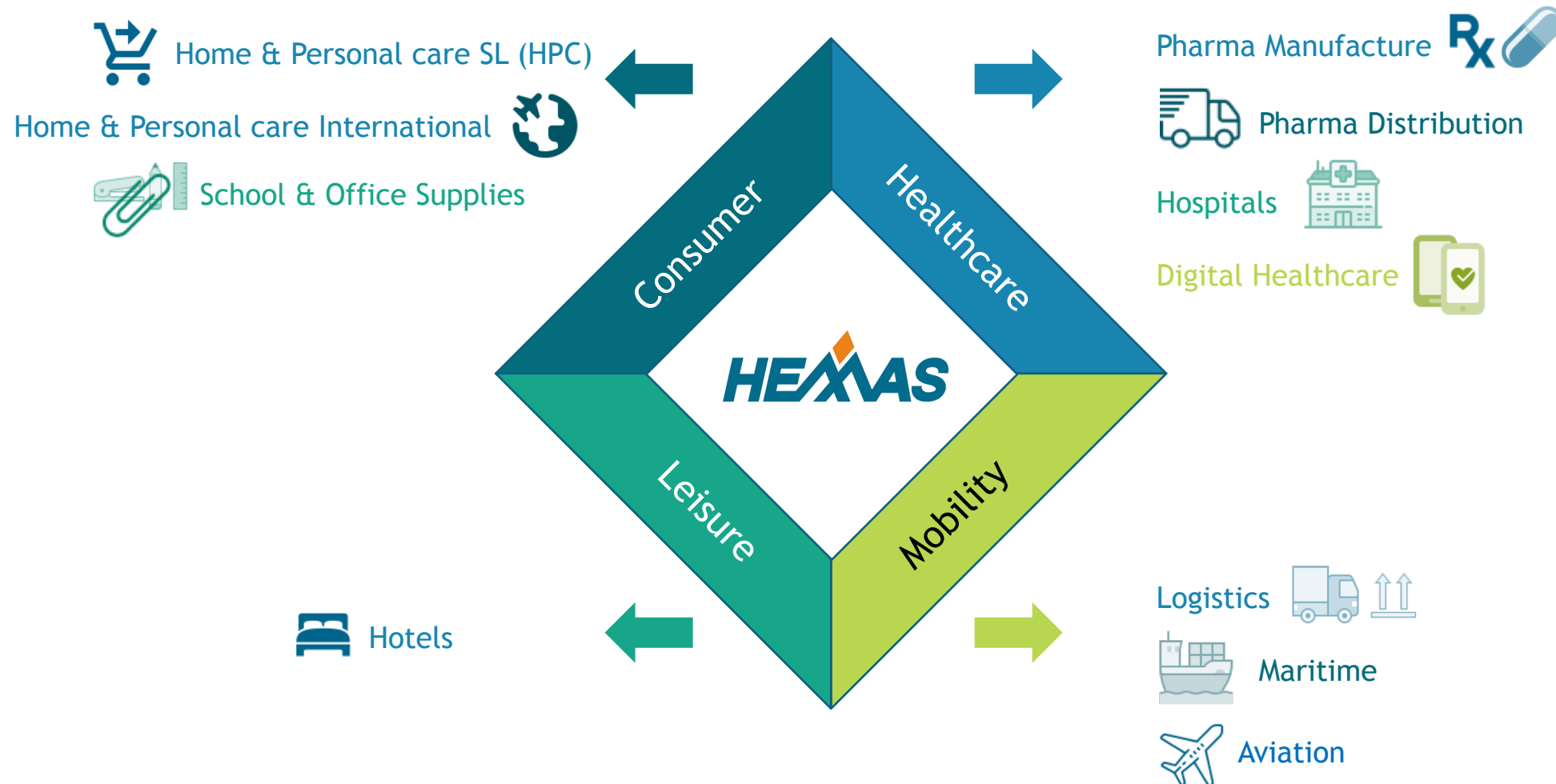


Hemas Holdings PLC

Q1 FY 2020-2021

August 14, 2020

Hemas Holdings PLC: Our portfolio



Impact of the COVID-19 Pandemic in Sri Lanka and the Group's Response

- ▶ Through the aggressive and proactive measures undertaken by the Government and the relevant authorities, Sri Lanka has been successful in curtailing the spread of the COVID-19 pandemic within the country.
- ▶ The Company and its subsidiaries have taken appropriate measures including, engaging high quality medical and public health advice, provision of protective equipment and working from home to safeguard the health of all the employees.
- ▶ The Group has shown resilient performance and is ahead of the initial COVID-19 impacted expectations due to relentless determination to keep core Consumer and Healthcare businesses operating and providing essential products and services to customers across the country.
 - ▶ Group performance was significantly negative in April; however, Consumer and Healthcare businesses have shown continued recovery in May and June.
 - ▶ In the month of June, these sectors, which account for more than 90% of Group revenues, was broadly in line with the original pre-COVID budget.
- ▶ Cost cutting and cash conservation measures initiated earlier on to protect the business have led to a positive net cash reserves of Rs. 379 million during the quarter.
- ▶ Hemas has put in place a wide-ranging set of measures to support national efforts to tackle the Covid-19 pandemic.
 - ▶ Hemas Pharmaceuticals donated a fully fledged Centrifuge Device to the Ratnapura Teaching Hospital.
 - ▶ Atlas engineering team developed 5 Automated Guided Vehicles for use in Government Hospitals treating Covid-19 patients and converted its school bag manufacturing plant to produce face masks to support the Sri Lanka Army.
 - ▶ Atlas engaged over 100,000 children with free online arts and crafts content.
 - ▶ Club Hotel Dolphin and Avani Bentota were given away as a quarantine centres.
 - ▶ Donated essential hygiene products and medicines to the Sri Lanka Navy to aid against the virus.

Resilient performance by the core consumer and healthcare businesses in a volatile and challenging operating environment.

Impact from COVID-19 to the Group

HEALTHCARE

Revenue **LKR 8.6Bn** | EBIT **LKR 647Mn**

- Pharmaceutical distribution is operating at normal levels.
- Growth was driven by the new distribution agency
- Morison ramped up in May and June in fulfilling Government pharmaceutical supply requirements.
- The new manufacturing facility will be delayed.
- Hospitals saw month on month recovery post April.



CONSUMER

Revenue LKR 3.8Bn | EBIT LKR (48)Mn

- Gradual month on month pick-up in demand through modern trade and e-commerce channels.
- Health and hygiene brand *Shield* was well received.
- HPC domestic performed well over last year
- Pro-longed school closure impacted Atlas.
- Spread of COVID in Bangladesh has impacted HPC International severely.



MOBILITY

Revenue **LKR 456Mn** | EBIT **LKR 43Mn**

- Weakened trade and transshipment volumes impacted shipping agency volumes.
- Closure of the airport limited airline aviation activity to cargo operations only.



LEISURE

Revenue **LKR 42Mn** | EBIT - **LKR (277)Mn**

- Through the divestment of Travel and Aviation businesses, the impact is limited to Hotels.
- Hotels re-opened in July



Hemas Holdings PLC: Market leading positions in Consumer and Healthcare



Sri Lanka's Largest
Pharma Supplier

Market leading
HPC Brands



Island-wide Coverage of Diagnostics
& Healthcare Services



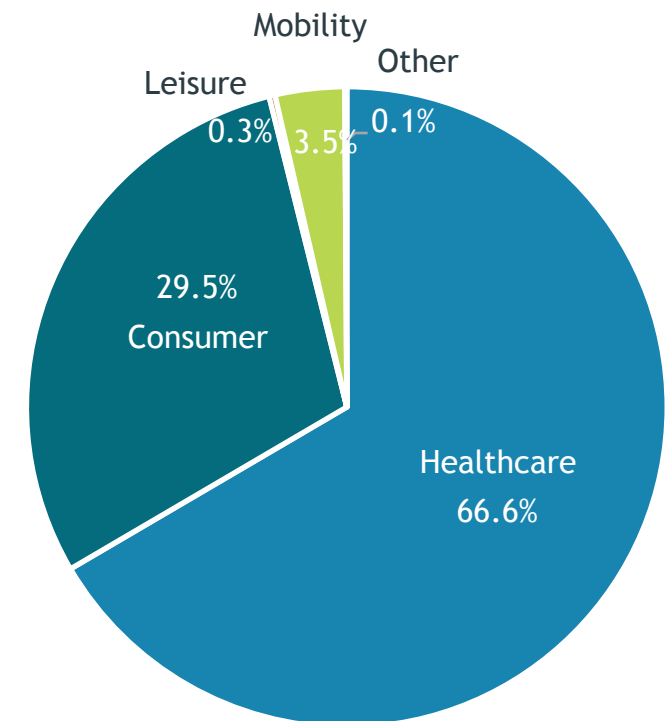
Partnered with Global Maritime
and Logistics Brands

Luxury to Boutique Hotel
Properties



Group Revenue by Segment

Q1 FY 2020-21



Consumer Sector Performance: Q1 FY 2020-2021

No. 1 School & Office Supplies Brand



No. 1 Baby Care Brand



No. 2 Oral Care Player



No. 1 Hair Oil



No. 2 Beauty Soap



No. 2 Washing Powder Brand



No. 2 Feminine Hygiene Brand

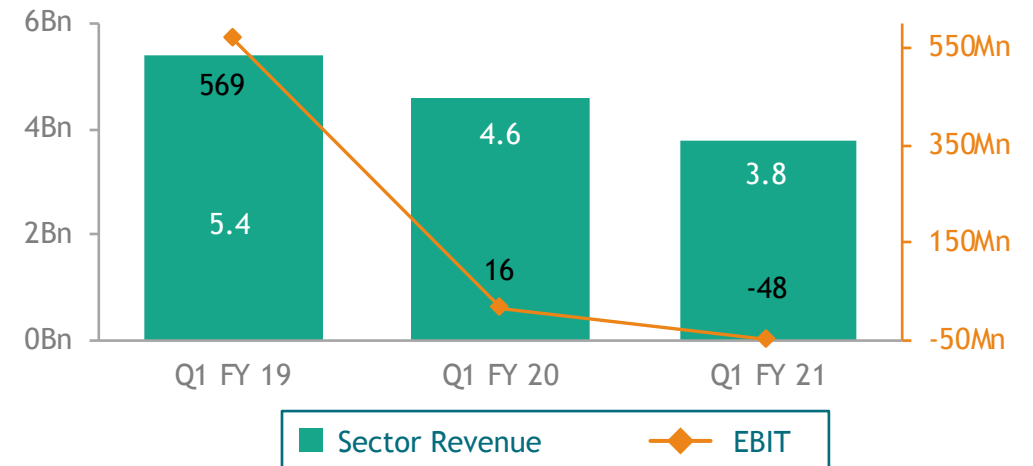


Newly launched Family Soap Brand



Sector Revenues & EBIT in LKR

Q1 FY 19 - Q1 FY 21



Business Update

- ▶ HPC Domestic business grew steadily as demand for personal hygiene increased and reached near normal levels in June.
- ▶ All categories within personal wash, home care and oral care segments performed strongly over last year.
- ▶ Newly launched health and hygiene brand *Shield* was well received in Sri Lanka.
- ▶ HPC International experienced contraction in the first two months of the pandemic due to hair oil not being an essential category.
- ▶ Performance in Atlas was impacted due to the prolonged closure of schools. Schools reopened in July with a phased out plan.

Home & Personal Care International with our brand *Kumarika*

Sector Highlights

- ▶ New brand architecture on *Kumarika* was introduced to the market in May 2019
- ▶ Continued focus on expanding into rural markets in Bangladesh.
- ▶ Introduced a marbleized herbal beauty soap under *Kumarika* brand in Bangladesh and continue to push visibility of *Kumarika* facewash
- ▶ Continuing to drive early stage performance of West Bengal

Hair Oil



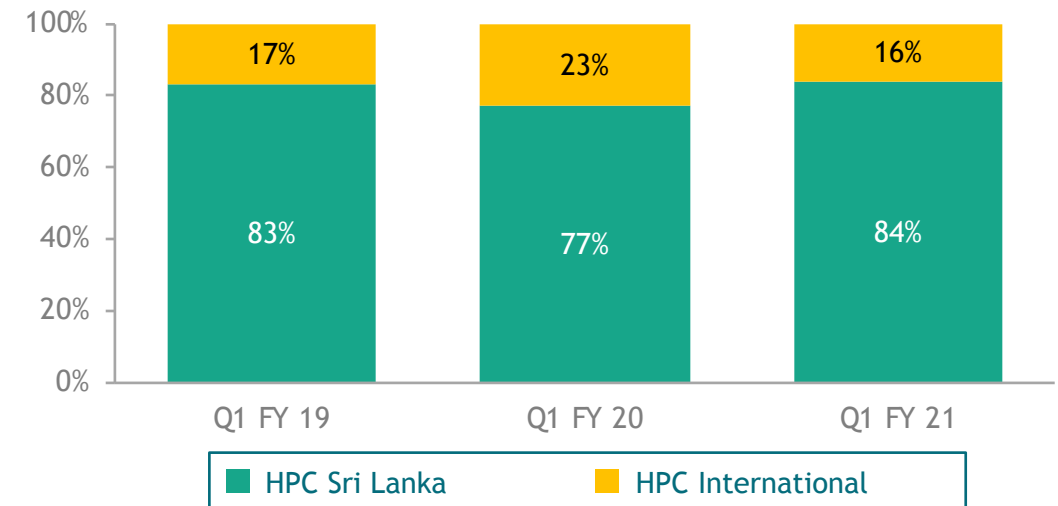
Face Wash



Herbal Beauty Soap



International Segment as a % of total HPC segment Q1 FY 19 - Q1 FY 21



Business Update

- ▶ HPC International experienced a contraction in the first two months of the pandemic due to hair oil not being an essential category.
- ▶ Launched a hand sanitizer in May under the brand *Kumarika*

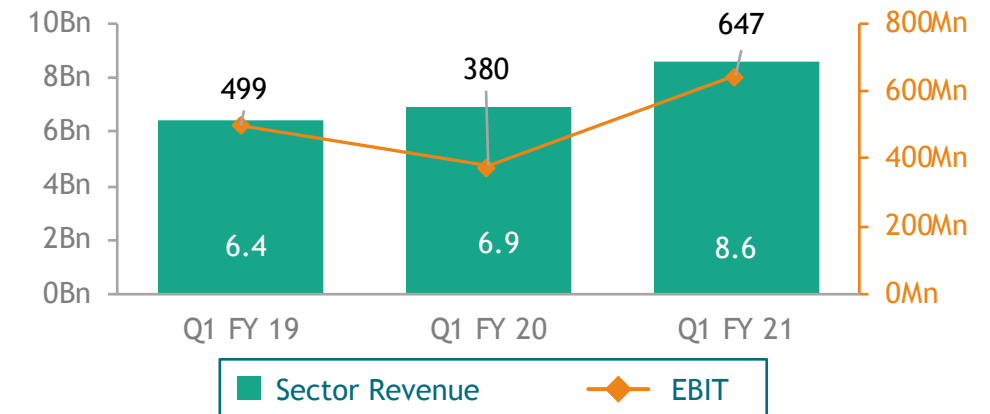
Healthcare Sector Performance: Q1 FY 2020-2021

Hemas Healthcare Sectors



Sector Revenues & EBIT in LKR

Q1 FY 19 - Q1 FY 21



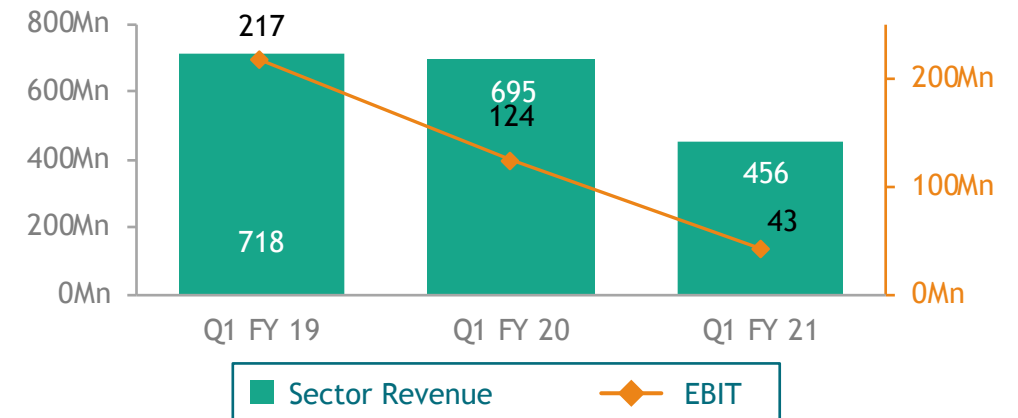
Business Update

- ▶ Pharmaceutical Distribution arm showed resilient performance with the newly added distribution agency.
- ▶ E-commerce venture, *Healthnet* experienced a significant spike and the momentum still continues.
- ▶ Morison increased production in fulfilling Government's pharmaceutical supply requirements.
- ▶ Morison plant commissioning has been delayed and expected to commence commercial operations in April 2021.
- ▶ Hospitals experienced a decline in patient footfall and elective surgeries during lockdown. However, a month on month recovery is now visible. 45% occupancy.

Mobility Sector Performance: Q1 FY 2020-2021



Sector Revenues & EBIT in LKR
Q1 FY 19 - Q1 FY 21



Business Update

- ▶ First quarter with the addition of Aviation into the segment.
- ▶ Weakened trade and transshipment volumes impacted shipping agency volumes.
- ▶ The Closure of the airport limited airline aviation activity to cargo operations only.
- ▶ Restructured the shareholding in one of the shipping agencies and recorded a disposal loss of Rs. 89 million.

Leisure Sector Performance: Q1 FY 2020-2021

Hotels

ANANTARA
PEACE HAVEN - TANGALLE
RESORT

AVANI SENTOTA
RESORT & SPA

Club Hotel
Dolphin

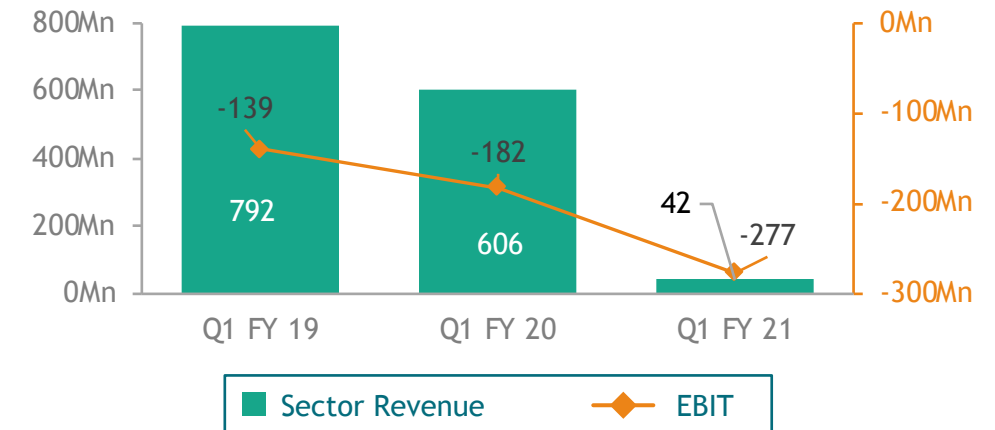
ANANTARA
KALUTARA - RESORT

AVANI KALUTARA
RESORT

Hotel
Sigiriya

Sector Revenues & EBIT in LKR

Q1 FY 19 - Q1 FY 21



Business Update

- ▶ First quarter since the divestment of the Travel and Aviation segment.
- ▶ Leisure segment is comprised of hotel investments of Serendib Hotels PLC and Anantara Peace Haven Tangalle after the restructure.
- ▶ Hotels recommenced operations in July and airports are yet to re-open.
- ▶ Domestic tourism has been encouraging.

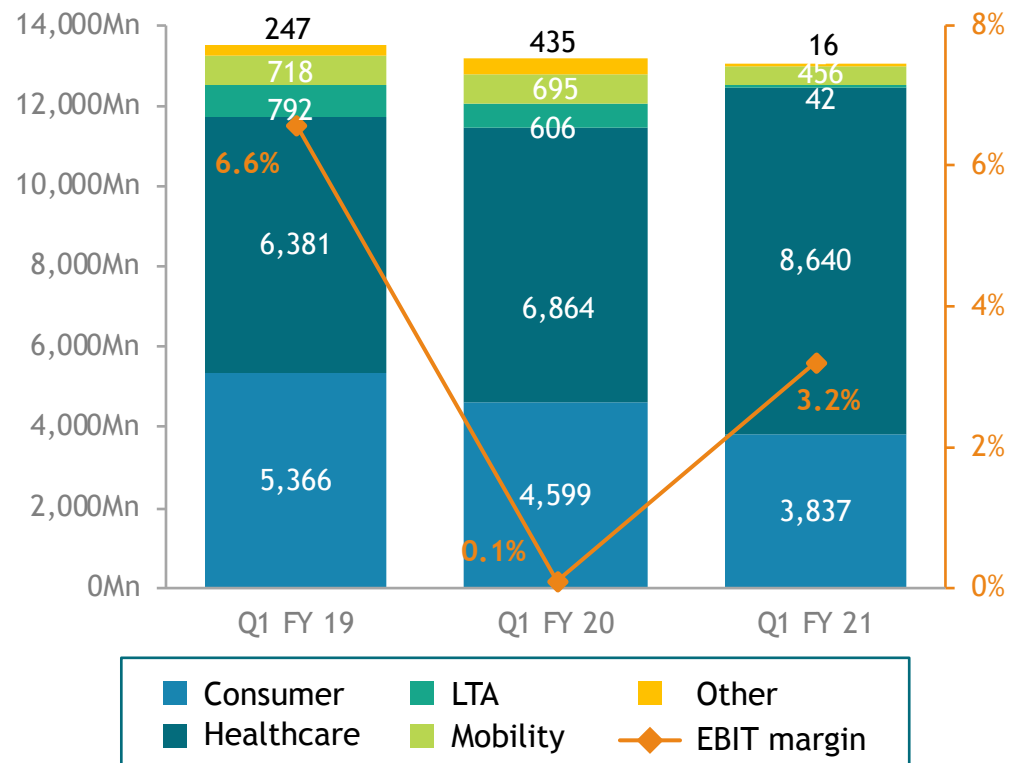
Overview: Q1 FY 2020-2021

- Group Operational Highlights
- Free Cash Flow

Q1 FY 2020-21 - Operational Summary

Sector Revenue & EBIT Margin (%)

Q1 FY 19 - Q1 FY 21

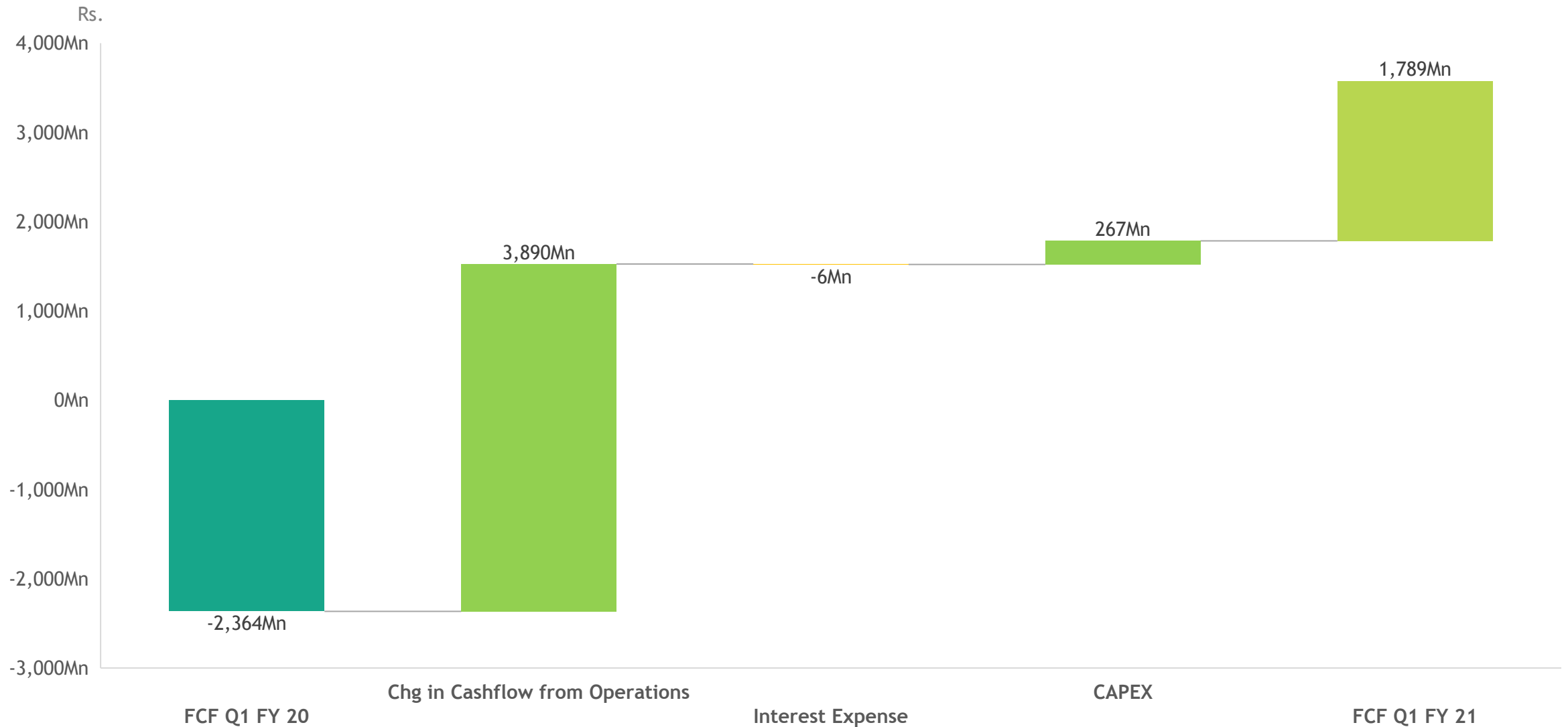


Note: In understanding the financial performance, relative to last year, it is important to note Q1 FY19/20 was negatively impacted by the aftermath of the 21st April terrorist attacks, with the COVID-19 pandemic impacting Q1 FY20/21.

- ▶ Consolidated revenue of Rs.13.0Bn for the quarter ended March 31, 2020 was recorded with 1.6% lower than last year. Operating profits stood at Rs.414.9Mn, a YoY improvement of Rs.395.1Mn.
- ▶ Group recorded a resilient quarter amidst economic volatility, primarily driven by the core segments of Consumer and Healthcare.
 - ▶ Of importance is month on month performance during Q1 FY20/21, as a measure of the impact of COVID-19 on the Group.
 - ▶ A strong month on month recovery was visible and June reached near normal levels of activity with increased production.
 - ▶ Consumer and Healthcare together reported a revenue of Rs.12.4Bn, a growth of 9.2% over LY
 - ▶ Similarly, an EBIT of Rs.599.5Mn from both the sectors indicated an improvement of Rs.200Mn over LY. Negative performance in the widely impacted leisure business led to a dip in profitability.
- ▶ Underlying revenue grew by 5.0%, adjusting for the divestment of N*able in July and Travel & Aviation segment in March 2020.
- ▶ Exchange rate fluctuations impacted profitability margins, however, no supply shortages were experienced.

Group delivers resilient performance amidst COVID-19 Pandemic

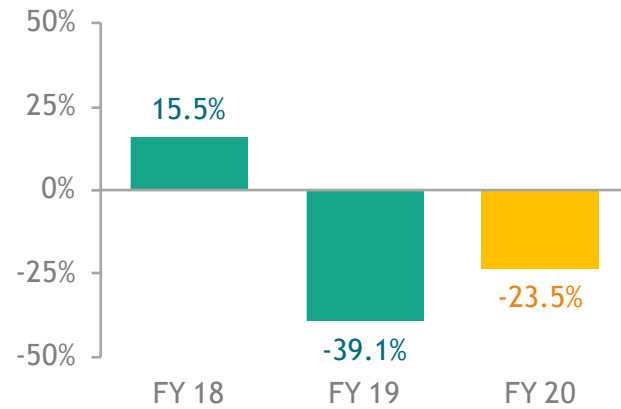
Free Cash Flow for the Quarter



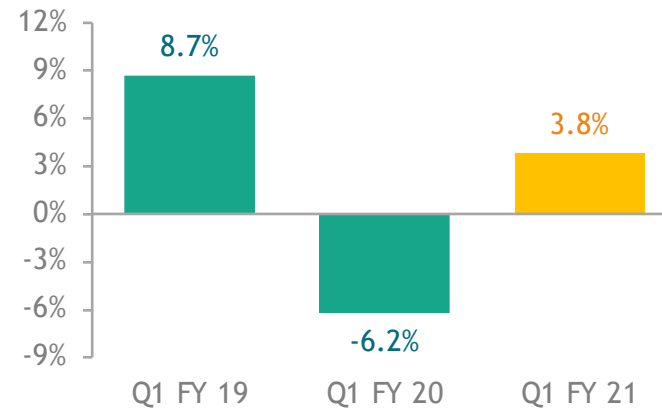
- Investment Highlights
- Sustainability

Investment Highlights

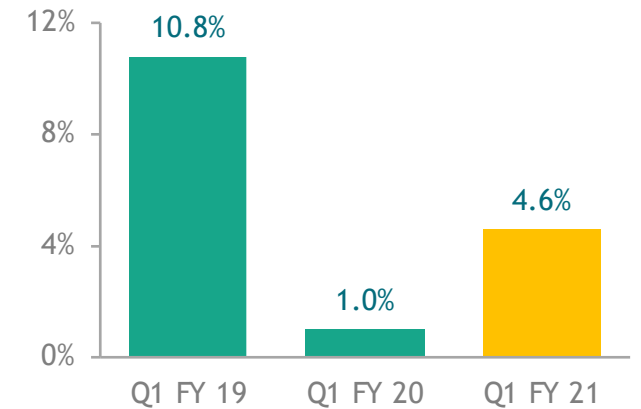
Total Shareholder Return (%)



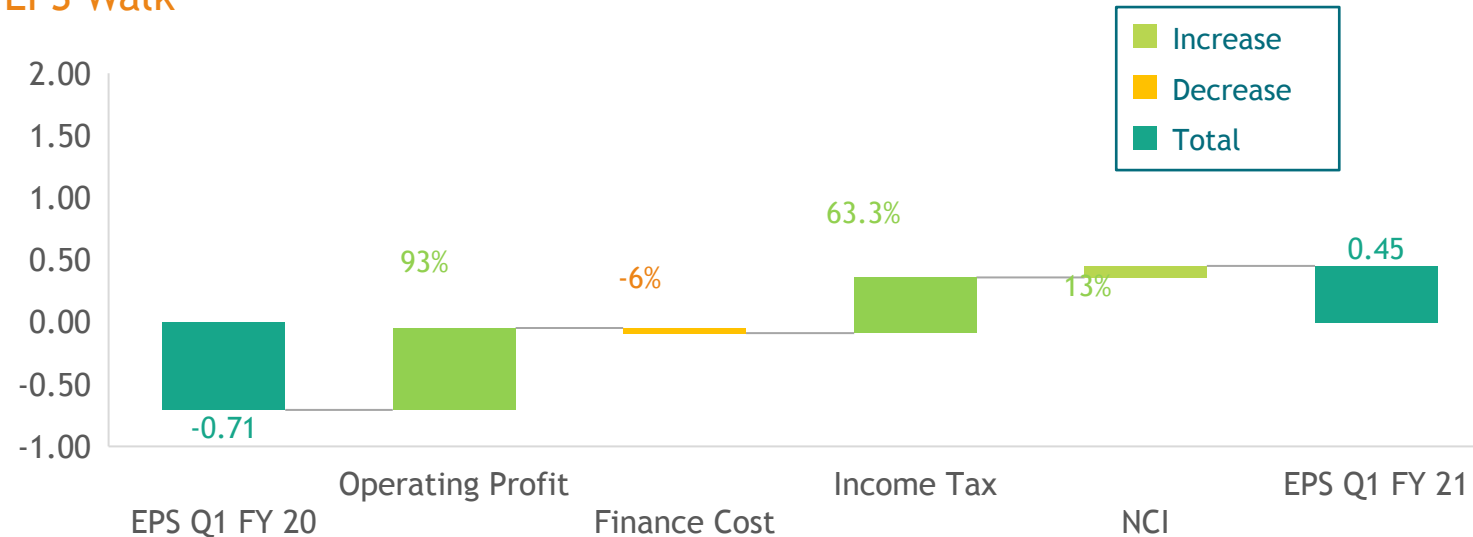
Return on Equity (%)



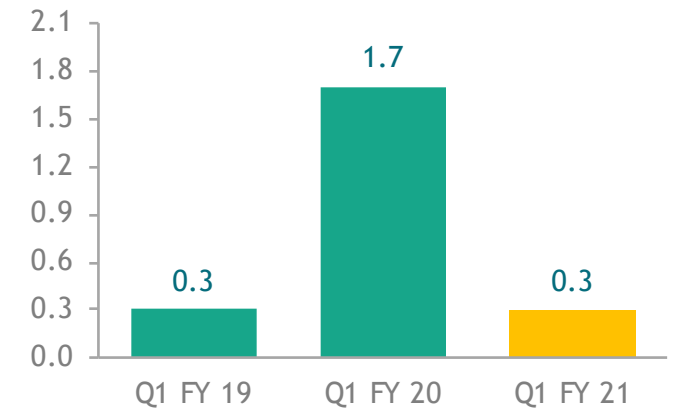
Return on Capital Employed (%)



EPS Walk



Net Debt/EBITDA



Sustainability

Group Environmental Goals by 2025



Reduction of consumption of water by 50%



25% reduction of energy consumption by 2022 and then 50% of energy to be offset by renewable energy



Zero waste to landfill

Engaging with Our Community



- 56 Pre schools
- 3500+ children impacted
- 150 Piyawara teachers



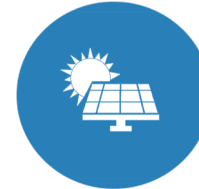
AYATI is a long-term initiative with three main aims:

- Sri Lanka's first national center for children with disabilities has been opened. To date 5311 children are registered.
- Changing the mindset of the public to eliminate any stigma and promote acceptance of children with disabilities
- Extending the services to the rural areas of Sri Lanka in time to come

Performance (Q1 2020/21 vs Q1 2019/20)



Carbon Footprint
3,652 MT
↓ 18%



Renewable Energy Generated
24,748 kWh
↑ 115%



Water Consumption
58,591 m3
↓ 23%



Waste Generated
167,002 Kg
↓ 54%

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