

EMPOWERING

LIVES THROUGH INNOVATIVE SOLUTIONS



Performance review for the Six Months ended 30th September 2024

Hemas Holdings PLC reported a cumulative revenue of Rs. 54.4 billion, with operating profits of Rs. 5.0 billion and earnings of Rs. 2.5 billion. The decrease in revenue compared to same period last year was a result of cautious consumer spending accompanied by several strategic downward price adjustments, particularly in the Consumer Brands segment. However, the Group's ongoing commitment to efficiency improvements alongside favourable foreign exchange movements, contributed to enhanced profitability margins. Additionally, the initiatives aimed at optimising working capital combined with the advantages of a declining interest rate environment, led to a further reduction in finance costs thereby boosting earnings.

Operating Environment

The country's GDP recorded a growth of 4.7 per cent while the local currency demonstrated resilience, appreciating against the United States Dollar to 299.36. Furthermore, the Average Weighted Prime Lending Rate (AWPLR) closed at 9.3 per cent. The Colombo Consumer Price Index experienced a deflation of 0.5 per cent, primarily due to easing of food inflation. However, despite these positive indicators, people faced considerable pressure on purchasing power due to high direct and indirect taxes, resulting in ongoing affordability challenges.

Consumer Brands

During the quarter, the strengthening of the domestic currency and declining global commodity prices have led to aggressive pricing and promotion strategies among industry players, intensifying competition in key categories. A strong focus on value-for-money (VFM) options continues, reflecting the current constraints on purchasing power.

The stationery market experienced heightened competition as new brands continue to emerge. This influx has prompted some players to reduce prices, often at the cost of compromising quality. As consumers navigate this landscape, their focus remains firmly on affordability, leading to a gradual shift in their purchasing habits. More specifically, there is a notable trend toward VFM offerings, as consumers seek products that deliver both quality and cost-effectiveness.

The Consumer Brands Sector reported a cumulative revenue of Rs. 19.9 billion while the operating profit and earnings Rs. 2.5 billion and Rs. 1.8 billion for the year respectively.

The Sector reported a revenue of Rs. 11.0 billion for the quarter, while the operating profits and earnings increased to Rs. 1.7 billion and Rs. 1.2 billion respectively due to the improved profitability margins compared to the last year. Despite the decline in revenue compared to the same period last year, a combination of margin improvement and cost rationalization initiatives led to overall growth for the businesses.

LKR Mn

Quarterly Financial Snapshot

	FY25 Q2	Vs FY24 Q2	Vs FY25 Q1
Consumer Brands	10,990.8	-4.6%	24.0%
Healthcare	17,442.1	-2.6%	8.1%
Mobility	476.7	26.7%	0.2%
Other	2.4	-87.8%	-52.6%
Revenue	28,912.1	-3.1%	13.5%
Gross Profit	9,139.7	5.6%	20.1%
Gross Profit Margin	31.6%	2.6 pt	1.7 pt
EBITDA	3,565.0	12.4%	49.7%
EBITDA Margin	12.3%	1.7 pt	3.0 pt
Operating Profit	3,092.7	11.8 %	60.2%
Operating Profit Margin	10.7%	1.4 pt	3.1 pt
Net Interest Cost	(259.6)	-66.0%	21.0%
Income Tax Expenses	(1,244)	71.3%	74.3%
Earnings	1,508.8	23.7%	59.6%

Home and Personal Care

Although overall industry demand declined, company witnessed improvements in overall market share, consumer reach and product availability this quarter. Increased emphasis on personal and beauty care, along with efficiency enhancements and supply chain optimisations resulted in increased profitability margins.

While competitive pricing and promotions were introduced in key categories, new product launches gained positive momentum, enhancing brand visibility and consumer engagement. This quarter marked the successful re-launch of Vivya, strengthening the brand's presence in the market.

Learning

Despite severe competition in the market, the company has successfully maintained its leading position by adapting to evolving consumer preferences for high quality products at competitive pricing. This quarter, the segment expanded its 'Homerun' stationery line to include books, providing an accessible and cost-effective range for consumers.

To mitigate the impact of seasonal fluctuations on turnover, the Learning Segment also launched its first-ever range of educational toys, marking a strategic entry into the educational toys market. This move not only diversifies the product portfolio but also reinforces the brand's commitment to enhancing learning experiences for children.

Consumer Brands International

Amidst ongoing challenges stemming from the increasing strain on disposable incomes and a demanding economic environment in Bangladesh, 'Kumarika' increased its market share in the Value-Added Hair Oil (VAHO) market.

Healthcare

During the quarter under review, the pharmaceutical industry experienced volume growth, for the first time since the economic crisis in the year 2022. This increase was largely attributed to local manufacturers and low-cost products, particularly in categories such as diabetic drugs and vitamins. This trend highlights a shift in consumer preference toward more affordable pharmaceutical options.

The sector achieved a cumulative revenue of Rs. 33.6 billion, with operating profits totaling Rs 2.8 billion and earnings of Rs. 1.8 billion. The increase in operating margins was driven mainly by the portfolio mix and initiatives focused on optimising overhead cost. Additionally, strategic management of working capital, along with declining interest rates, reduced finance costs and enhanced sector earnings.

The Sector posted a revenue of Rs. 17.4 billion for the quarter, while the operating profits increased to Rs. 1.6 billion. In addition, the benefit of lower finance costs contributed to achieving earnings of Rs. 1.0 billion for the quarter.

Pharmaceuticals

The Distribution business continues to hold its market-leading position this quarter. Both Distribution and Manufacturing divisions focused on optimising overheads, driving margin improvements, and leveraging synergies to enhance overall performance.

Aligned with its mission to make premium healthcare accessible, the Pharmaceutical Manufacturing business of the Group concentrated on expanding the Morison branded portfolio. Recent product launches include *BisoMor* blister packs for hypertension and *SalMor*, a Salbutamol Oral Solution for respiratory conditions. Morison's recognition as the "Sector Winner for Pharmaceuticals" in LMD's Most Respected Entities in Sri Lanka 2024 highlights its strong standing in the industry.

Hospitals

A decline in hospital admissions was reported, primarily due to a reduction in communicable diseases compared to the same period last year. In contrast, there has been an uptick in outpatient volumes, fueled by increased medical screenings. Moreover, the implementation of targeted efficiency initiatives has led to a decline in administrative costs, enhancing the overall operational effectiveness of the hospitals.

Mobility

The maritime sector experienced a positive boost in both volume and freight rates. Market share in the Gulf sector improved despite facing schedule challenges, while volumes to the Far East increased following the resumption of the CEM/E (Europe-China Shuttle) service.

Amidst aggressive competition in the aviation market, cargo volume saw a significant year-on-year increase, primarily driven by the growth of sea-air general cargo movements related to the Red Sea situation and heightened demand for shipments to Europe and the USA. Additionally, cargo yields improved, reflecting increased general cargo volumes to Europe and the USA at higher rates.

The Mobility Sector posted a cumulative revenue of Rs 941.4 million while the earnings were reported at Rs. 378.1 million. Accordingly, the quarter witnessed Rs 476.7 million in revenue and Rs.108.4 million in earnings.

Continuing focus on ESG

During the quarter, the Group continued its work on the Environmental Agenda, focusing responsible consumption of plastic, reducing water usage and increasing the use of renewable energy across its operations. During the year, the Group reduced its water intensity at 1.5 m³ per rupee million in revenue, a 11.8 per cent reduction compared to the previous quarter. Additionally, the Group made notable progress toward its target of sourcing 25 per cent of its energy from renewable sources, with 10.1 per cent of energy now coming from renewable sources, marking a 119 per cent increase compared to Q2 of FY24.

Ensuring the responsible consumption of plastic remained a priority, with the Group targeting collection of 100 per cent of its plastic waste by 2030. To date, over 830,000 kg of plastic has been collected through various island-wide initiatives. Furthermore, Hemas Consumer Brands accelerated its plastic waste collection efforts by investing in a new baling facility in Galle, aimed at collecting 360,000 kg of plastic over the next three years.

The Group also maintained its focus on empowering families through its purpose initiatives, positively impacting over 107,000 families during the quarter. One significant initiative was the launch of Fio, Sri Lanka's first trilingual period-tracking app, providing credible menstrual health education, cycle tracking, and personalized health advice, supporting Fems' mission to empower women and break the taboo surrounding menstruation.

As part of its commitment to ensuring no child is left behind, the Hemas Outreach Foundation added two new preschools in Galgamuwa and Badulla to the national network, benefitting over 100 children.

Outlook

Looking to the future, the economic landscape in Sri Lanka and globally presents both challenges and opportunities. While signs of recovery are evident locally, consumer disposable income remains pressured. However, policy stability following the recent elections accompanied by anticipated structural reforms may create a more favorable environment for rebounding the economy.

In this context, there is cautious optimism regarding consumption growth. As economic conditions gradually improve, consumer sentiment is expected to strengthen, potentially leading to increased spending.

Moving forward, the Group will continue to prioritise consumer and patient centric approaches that address evolving needs to drive sustainable growth in the upcoming quarters.



Ravi Jayasekera

Acting Chief Executive Officer

November 06, 2024

Colombo

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Three Months Ended 30 September			Six Months Ended 30 September		
	2024	2023	Change %	2024	2023	Change %
Revenue from Contracts with Customers	28,912,080	29,829,387	-3.1%	54,388,243	58,950,822	-7.7%
Cost of Sales	(19,772,337)	(21,174,529)	-6.6%	(37,638,240)	(42,440,585)	-11.3%
Gross Profit	9,139,743	8,654,858	5.6%	16,750,003	16,510,237	1.5%
Other Operating Income	226,016	253,727	-10.9%	425,026	370,132	14.8%
Selling and Distribution Expenses	(2,466,012)	(2,421,325)	1.8%	(4,718,469)	(4,595,294)	2.7%
Administrative Expenses	(3,752,096)	(3,503,293)	7.1%	(7,388,250)	(7,121,031)	3.8%
Share of Results of Equity Accounted Investees (Net of Tax)	(54,920)	(217,243)	74.7%	(45,098)	(244,161)	81.5%
Operating Profit	3,092,731	2,766,724	11.8%	5,023,212	4,919,883	2.1%
Finance Cost	(376,317)	(899,532)	-58.2%	(750,311)	(1,870,061)	-59.9%
Finance Income	116,758	136,444	-14.4%	276,160	365,633	-24.5%
Profit Before Tax	2,833,172	2,003,636	41.4%	4,549,061	3,415,455	33.2%
Income Tax Expense	(1,243,950)	(726,347)	71.3%	(1,957,543)	(1,012,181)	93.4%
Profit for the Period	1,589,222	1,277,289	24.4%	2,591,518	2,403,274	7.8%
Attributable to:						
Equity Holders of the Parent	1,508,766	1,219,721	23.7%	2,454,325	2,313,366	6.1%
Non-Controlling Interests	80,456	57,568	39.8%	137,193	89,908	52.6%
	1,589,222	1,277,289	24.4%	2,591,518	2,403,274	7.8%

	LKR	LKR	LKR	LKR
Earnings Per Share				
Basic	2.53	2.04	4.11	3.88
Diluted	2.53	2.04	4.11	3.88
Dividend Per Share	-	-	3.00	1.95

All values are in LKR'000, unless otherwise stated.
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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three Months Ended 30 September		Six Months Ended 30 September	
	2024	2023	2024	2023
Profit for the Period	1,589,222	1,277,289	2,591,518	2,403,274
Other Comprehensive Income				
Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Periods (Net of Tax)				
Exchange Differences on Translation of Foreign Operations	(17,988)	48,010	(70,992)	(56,266)
	(17,988)	48,010	(70,992)	(56,266)
Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods (Net of Tax)				
Gains/ (Losses) on Financial Assets at FVOCI (Equity)	(1,729)	15,818	2,991	8,023
	(1,729)	15,818	2,991	8,023
Other Comprehensive Income for the Period, Net of Tax	(19,717)	63,828	(68,001)	(48,243)
Total Comprehensive Income for the Period, Net of Tax	1,569,505	1,341,117	2,523,517	2,355,031
Attributable to:				
Equity Holders of the Parent	1,489,049	1,283,549	2,386,324	2,265,123
Non-Controlling Interests	80,456	57,568	137,193	89,908
	1,569,505	1,341,117	2,523,517	2,355,031

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 September		As at 31 March
	2024	2023	2024
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	22,260,777	18,502,660	20,052,363
Investment Properties	4,051,485	3,739,720	4,008,116
Right-of-Use Assets	1,108,032	1,398,242	1,314,167
Intangible Assets	3,268,608	3,288,663	3,282,996
Investment in Equity Accounted Investees	1,427,528	457,570	1,473,663
Lease Receivables	34,206	61,934	42,186
Other Non-Current Financial Assets	174,617	199,883	209,633
Deferred Tax Asset	418,719	179,176	496,400
	32,743,972	27,827,848	30,879,524
Current Assets			
Inventories	26,181,001	24,592,748	22,775,145
Trade and Other Receivables	24,977,023	26,689,865	26,298,715
Tax Recoverable	354,723	360,522	347,038
Lease Receivables	18,990	49,496	30,639
Other Current Financial Assets	160,724	163,585	168,880
Cash and Cash Equivalents	9,671,889	15,049,825	13,222,991
	61,364,350	66,906,041	62,843,408
Total Assets	94,108,322	94,733,889	93,722,932
EQUITY AND LIABILITIES			
Equity			
Stated Capital	7,815,873	7,781,811	7,783,875
Other Capital and Revenue Reserves	82,845	114,487	103,084
Other Components of Equity	7,433,242	6,493,392	7,501,243
Retained Earnings	28,707,173	24,504,575	28,043,567
Equity Attributable to Equity Holders of the Parent	44,039,133	38,894,265	43,431,769
Non-Controlling Interests	825,022	619,303	687,829
Total Equity	44,864,155	39,513,568	44,119,598
Non-Current Liabilities			
Interest-Bearing Loans and Borrowings	4,298,979	6,986,008	5,407,779
Other Non-Current Financial Liabilities	279,375	275,505	279,505
Deferred Tax Liability	2,967,554	2,690,152	2,898,818
Employee Benefit Liability	1,443,999	1,230,718	1,383,856
	8,989,907	11,182,383	9,969,958
Current Liabilities			
Trade and Other Payables	29,279,380	28,088,893	30,847,653
Income Tax Liabilities	967,553	748,284	1,488,137
Interest-Bearing Loans and Borrowings	9,016,657	12,767,579	5,887,178
Bank Overdraft	990,670	2,433,182	1,410,408
	40,254,260	44,037,938	39,633,376
Total Equity and Liabilities	94,108,322	94,733,889	93,722,932
Net Assets per share - (LKR)	73.74	65.19	72.79

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These financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



Moiz Rehmanjee

Group Chief Financial Officer

The Board of Directors is responsible for these financial statements.
Signed for and on behalf of the Board by,



Husein Esufally

Chairman

Colombo

November 06, 2024



Imtiaz Esufally

Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent							Non - Controlling Interests	Total Equity
	Stated Capital	Other Capital & Revenue Reserves	Revaluation Reserve	Foreign Currency Translation Reserve	Fair Value Reserve of Financial Assets at FVOCI	Cash Flow Hedge Reserve	Retained Earnings		
As at 1 April 2023	7,776,111	119,164	6,845,833	522,611	(51,775)	(775,034)	23,967,649	715,842	39,120,401
Profit for the Period	-	-	-	-	-	-	2,313,366	89,908	2,403,274
Other Comprehensive Income	-	-	-	(56,266)	8,023	-	-	-	(48,243)
Total Comprehensive Income	-	-	-	(56,266)	8,023	-	2,313,366	89,908	2,355,031
Subsidiary Dividend to Non-Controlling Interest	-	-	-	-	-	-	-	(36,000)	(36,000)
Final Dividend - 2022/23	-	-	-	-	-	-	(1,163,274)	-	(1,163,274)
Exercise of ESOS	5,700	-	-	-	-	-	-	-	5,700
Share Based Payments	-	(4,677)	-	-	-	-	-	-	(4,677)
Adjustment in Respect of Changes in Group Holding	-	-	-	-	-	-	(148,257)	(154,743)	(303,000)
Reclassification of Non-Controlling Interest to be Acquired	-	-	-	-	-	-	-	4,296	4,296
Fair Value Changes in Non-Controlling Interest to be Acquired	-	-	-	-	-	-	(464,909)	-	(464,909)
As at 30 September 2023	7,781,811	114,487	6,845,833	466,345	(43,752)	(775,034)	24,504,575	619,303	39,513,568
As at 1 April 2024	7,783,875	103,084	7,721,486	409,292	(44,052)	(585,483)	28,043,567	687,829	44,119,598
Profit for the Period	-	-	-	-	-	-	2,454,325	137,193	2,591,518
Other Comprehensive Income	-	-	-	(70,992)	2,991	-	-	-	(68,001)
Total Comprehensive Income	-	-	-	(70,992)	2,991	-	2,454,325	137,193	2,523,517
Final Dividend -2023/24	-	-	-	-	-	-	(1,790,719)	-	(1,790,719)
Exercise of ESOS	31,998	-	-	-	-	-	-	-	31,998
Share Based Payments	-	(20,239)	-	-	-	-	-	-	(20,239)
As at 30 September 2024	7,815,873	82,845	7,721,486	338,300	(41,061)	(585,483)	28,707,173	825,022	44,864,155

All values are in LKR'000, unless otherwise stated.
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COMPANY STATEMENT OF PROFIT OR LOSS

	Three Months Ended 30 September			Six Months Ended 30 September		
	2024	2023	Change %	2024	2023	Change %
Revenue from Contracts with Customers	264,529	280,394	-5.7%	666,173	546,689	21.9%
Cost of Sales	-	-	-	-	-	-
Gross Profit	264,529	280,394	-5.7%	666,173	546,689	21.9%
Other Operating Income	1,942,512	754	257527.6%	1,943,850	2,231	87029.1%
Administrative Expenses	(478,192)	(385,833)	23.9%	(927,116)	(769,291)	20.5%
Operating Profit/ (Loss)	1,728,849	(104,685)	1751.5%	1,682,907	(220,371)	863.7%
Finance Cost	(60,867)	(114,043)	-46.6%	(123,501)	(215,138)	-42.6%
Finance Income	556	7,625	-92.7%	1,154	57,375	-98.0%
Profit/ (Loss) Before Tax	1,668,538	(211,103)	890.4%	1,560,560	(378,134)	512.7%
Income Tax Expense	(5,769)	(6,724)	-14.2%	(50,842)	(15,069)	237.4%
Profit/ (Loss) for the Period	1,662,769	(217,827)	863.3%	1,509,718	(393,203)	484.0%

COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Three Months Ended 30 September		Six Months Ended 30 September	
	2024	2023	2024	2023
Profit/ (Loss) for the Period	1,662,769	(217,827)	1,509,718	(393,203)
Other Comprehensive Income				
Net Gain/ (Loss) on Financial Assets at FVOCI	(429)	2,954	421	1,505
Other Comprehensive Income for the Period, Net of Tax	(429)	2,954	421	1,505
Total Comprehensive Income for the Period, Net of Tax	1,662,340	(214,873)	1,510,139	(391,698)


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COMPANY STATEMENT OF FINANCIAL POSITION

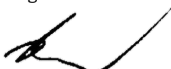
	As at 30 September		As at 31 March
	2024	2023	2024
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	80,935	89,080	94,525
Investment Properties	1,143,000	1,065,305	1,143,000
Right-of-Use Assets	32,134	87,771	64,267
Intangible Assets	16,100	34,616	21,083
Investment in Subsidiaries	18,347,946	18,351,396	18,271,547
Other Non-Current Financial Assets	21,101	14,482	15,143
	19,641,216	19,642,649	19,609,565
Current Assets			
Trade and Other Receivables	584,375	498,334	440,943
Tax Recoverable	16,419	17,596	29,473
Other Current Financial Assets	21,822	6,633	316,878
Cash and Cash Equivalents	32,918	72,876	24,589
	655,534	595,439	811,883
Total Assets	20,296,750	20,238,088	20,421,448
EQUITY AND LIABILITIES			
Equity			
Stated Capital	7,815,873	7,781,811	7,783,875
Other Capital and Revenue Reserves	304,196	335,838	324,435
Other Components of Equity	3,266	3,069	2,845
Retained Earnings	8,547,967	8,039,154	8,828,968
Total Equity	16,671,302	16,159,872	16,940,123
Non-Current Liabilities			
Interest-Bearing Loans and Borrowings	432,500	605,500	519,000
Deferred Tax Liability	263,953	237,808	257,166
Employee Benefit Liability	43,400	82,145	38,746
	739,853	925,453	814,912
Current Liabilities			
Trade and Other Payables	799,129	835,257	769,189
Interest-Bearing Loans and Borrowings	1,975,542	2,170,746	1,706,753
Bank Overdraft	110,924	146,760	190,471
	2,885,595	3,152,763	2,666,413
Total Equity and Liabilities	20,296,750	20,238,088	20,421,448
Net Assets per share - (LKR)	27.91	27.08	28.39

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Moiz Rehmanjee
Group Chief Financial Officer

The Board of Directors is responsible for these financial statements.
Signed for and on behalf of the Board by,


Husein Esufally
Chairman
Colombo
November 06, 2024


Imtiaz Esufally
Director

COMPANY STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Other Capital Reserves	Other Components Of Equity Fair Value Reserve of Financial Assets at FVOCI	Retained Earnings	Total Equity
As at 1 April 2023	7,776,111	340,515	1,564	9,595,631	17,713,821
Loss for the Period	-	-	-	(393,203)	(393,203)
Other Comprehensive Income	-	-	1,505	-	1,505
Total Comprehensive Income	-	-	1,505	(393,203)	(391,698)
Final Dividend 2022/23	-	-	-	(1,163,274)	(1,163,274)
Exercise of ESOS	5,700	-	-	-	5,700
Share Based Payments	-	(4,677)	-	-	(4,677)
As at 30 September 2023	7,781,811	335,838	3,069	8,039,154	16,159,872
As at 1 April 2024	7,783,875	324,435	2,845	8,828,968	16,940,123
Profit for the Period	-	-	-	1,509,718	1,509,718
Other Comprehensive Income	-	-	421	-	421
Total Comprehensive Income	-	-	421	1,509,718	1,510,139
Final Dividend 2023/24	-	-	-	(1,790,719)	(1,790,719)
Exercise of ESOS	31,998	-	-	-	31,998
Share Based Payments	-	(20,239)	-	-	(20,239)
As at 30 September 2024	7,815,873	304,196	3,266	8,547,967	16,671,302

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STATEMENT OF CASH FLOWS

Six Months Ended 30 September	Group		Company	
	2024	2023	2024	2023
Operating Activities				
Profit Before Taxation	4,549,061	3,415,455	1,560,560	(378,134)
Adjustments for,				
Depreciation	746,169	627,772	14,429	13,337
Amortisation of Right-of-Use Assets	143,108	129,647	32,134	29,257
(Gain) on Disposal of Property, Plant and Equipment/ Intangible Assets	(25,928)	(5,286)	-	(374)
Provision / (Reversal) for Share Based Payment Expense	(13,865)	(3,317)	(3,077)	317
Provision / (Reversal) for Impairment of Trade and Other Receivables	2,623	44,156	5,920	(20,591)
Provision for Obsolete and slow-moving Stocks	40,315	211,636	-	-
Amortisation of Intangible Assets	34,061	50,801	4,982	14,868
Finance Cost	750,311	1,870,061	123,501	215,138
Finance Income	(276,160)	(365,633)	(1,154)	(57,375)
Share of Results of Equity Accounted Investees (Net of Tax)	45,098	244,161	-	-
Investment Income	-	-	(1,943,038)	(1)
Movement in Employee Benefit Liability	147,451	108,390	5,749	10,950
Operating Cash Flows before Working Capital Changes	6,142,244	6,327,843	(199,994)	(172,608)
Working Capital Adjustments				
(Increase)/Decrease in Inventories	(3,446,171)	3,797,977	-	-
(Increase)/Decrease in Trade and Other Receivables	1,323,388	(1,247,916)	(167,751)	546,537
Increase/(Decrease) in Trade and Other Payables	(1,568,272)	(1,536,839)	29,944	58,331
Increase/(Decrease) in Other Non-Current Financial Liabilities	(130)	-	-	-
Cash Generated from Operations	2,451,059	7,341,065	(337,801)	432,260
Finance Cost Paid	(654,894)	(1,774,969)	(117,828)	(209,462)
Finance Income Received	269,588	359,419	1,084	57,281
Income Tax Paid	(2,340,208)	(1,572,220)	(31,001)	(2,373)
Employee Retirement Benefit Paid	(87,299)	(76,725)	(1,096)	(8,499)
Net Cash Flows From/(Used in) Operating Activities	(361,754)	4,276,570	(486,642)	269,207
Investing Activities				
Purchase of Property, Plant and Equipment	(3,047,572)	(722,096)	(839)	(42,046)
Investment in Intangible Assets	(19,835)	(9,856)	-	-
Net Movement in Financial Assets	65,791	(962)	297,200	529,250
Acquisition / Investment in Subsidiaries	-	(3,410,096)	(76,400)	(351,500)
Investment Income Received	-	-	1,943,038	1
Proceeds on Disposal of Property, Plant and Equipment/ Intangible Assets	41,447	8,468	-	547
Net Cash Flows From/(Used in) Investing Activities	(2,960,169)	(4,134,542)	2,162,999	136,252
Financing Activities				
Interest-Bearing Loans and Borrowings (Net)	2,011,621	1,937,667	176,615	1,391,302
Proceeds from/to Non-Controlling Interest	-	(303,000)	-	-
Proceed from Exercise of Employee share option	25,624	4,341	25,624	4,341
Dividends Paid to Equity Holders of the Parent	(1,790,719)	(1,163,274)	(1,790,719)	(1,163,274)
Dividends Paid to Non-Controlling Interest	-	(36,000)	-	-
Net Cash Flows From/(Used in) Financing Activities	246,526	439,734	(1,588,481)	232,369
Net Increase/(Decrease) in Cash and Cash Equivalents	(3,075,398)	581,762	87,876	637,827
Net Foreign Exchange Difference	(55,966)	(27,258)	-	-
Cash and Cash Equivalents at the Beginning of the Period	11,812,583	12,062,139	(165,882)	(711,711)
Cash and Cash Equivalents at the End of the Period	8,681,219	12,616,643	(78,006)	(73,884)

All values are in LKR'000, unless otherwise stated.
The above figures are provisional and subject to audit.

SEGMENTAL INFORMATION

	Consumer Brands		Healthcare		Mobility		Others		Group	
Three Months Ended 30 September	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue from Contract with Customers										
Segmental Revenue - Gross	11,016,187	11,554,653	18,957,244	19,278,203	488,898	383,048	398,025	397,690	30,860,354	31,613,594
Intra Segmental Revenue	(25,355)	(33,648)	(1,515,137)	(1,364,093)	(12,194)	(6,818)	(58,233)	(45,658)	(1,610,919)	(1,450,217)
Segment Revenue	10,990,832	11,521,005	17,442,107	17,914,110	476,704	376,231	339,792	352,032	29,249,435	30,163,378
Inter Segmental Revenue	-	-	-	(2,010)	-	-	(337,355)	(331,981)	(337,355)	(333,991)
Total Revenue from Contract with Customers	10,990,832	11,521,005	17,442,107	17,912,100	476,704	376,231	2,437	20,051	28,912,080	29,829,387
Results										
Segmental Results	1,663,864	1,476,879	1,554,353	1,616,323	265,753	245,338	(336,320)	(354,573)	3,147,651	2,983,968
Finance Cost	(62,909)	(171,040)	(254,279)	(643,987)	(15,806)	7,060	(43,322)	(91,565)	(376,317)	(899,532)
Finance Income	55,266	27,852	46,939	89,500	14,099	23,809	454	(4,717)	116,758	136,444
Share of Results of Equity Accounted Investees (Net of Tax)	-	-	-	-	5,645	1,760	(60,565)	(219,003)	(54,920)	(217,243)
Profit/(Loss) before Tax	1,656,221	1,333,691	1,347,013	1,061,836	269,691	277,967	(439,753)	(669,858)	2,833,172	2,003,637
Income Tax	(418,757)	(302,229)	(336,019)	(285,023)	(109,630)	(103,991)	(379,544)	(35,104)	(1,243,950)	(726,347)
Profit/(Loss) for the Period	1,237,464	1,031,462	1,010,993	776,813	160,061	173,976	(819,297)	(704,962)	1,589,222	1,277,290
Attributable to:										
Equity Holders of the Parent	1,235,573	1,030,981	984,062	756,931	108,428	136,772	(819,297)	(704,962)	1,508,766	1,219,722
Non-Controlling Interests	1,891	481	26,931	19,882	51,633	37,205	-	-	80,456	57,568
	1,237,464	1,031,462	1,010,993	776,813	160,061	173,976	(819,297)	(704,962)	1,589,222	1,277,290

All values are in LKR'000, unless otherwise stated.

The above figures are provisional and subject to audit.

SEGMENTAL INFORMATION

	Consumer Brands		Healthcare		Mobility		Others		Group	
Six Months Ended 30 September	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue from Contract with Customers										
Segmental Revenue - Gross	19,939,677	22,668,551	36,357,735	38,512,764	964,812	800,592	928,100	767,556	58,190,324	62,749,463
Intra Segmental Revenue	(84,070)	(92,992)	(2,774,117)	(2,951,138)	(23,377)	(13,635)	(121,772)	(88,350)	(3,003,336)	(3,146,115)
Segment Revenue	19,855,607	22,575,559	33,583,618	35,561,626	941,436	786,957	806,328	679,206	55,186,989	59,603,348
Inter Segmental Revenue	-	-	-	(4,088)	-	-	(798,746)	(648,438)	(798,746)	(652,526)
Total Revenue from Contract with Customers	19,855,607	22,575,559	33,583,618	35,557,538	941,436	786,957	7,582	30,768	54,388,243	58,950,822
Results										
Segmental Results	2,479,690	2,623,483	2,841,470	2,706,345	570,505	465,179	(823,356)	(630,963)	5,068,310	5,164,045
Finance Cost	(102,598)	(347,863)	(535,833)	(1,337,296)	(16,997)	(15,489)	(94,882)	(169,413)	(750,311)	(1,870,061)
Finance Income	114,495	121,706	132,464	188,737	27,824	61,725	1,377	(6,535)	276,160	365,633
Share of Results of Equity Accounted Investees (Net of Tax)	-	-	-	-	156,213	6,450	(201,311)	(250,611)	(45,098)	(244,161)
Profit/(Loss) before Tax	2,491,587	2,397,326	2,438,101	1,557,786	737,545	517,865	(1,118,172)	(1,057,522)	4,549,061	3,415,456
Income Tax	(666,880)	(450,780)	(588,361)	(285,846)	(263,017)	(205,592)	(439,284)	(69,963)	(1,957,543)	(1,012,181)
Profit/(Loss) for the Period	1,824,707	1,946,546	1,849,740	1,271,940	474,528	312,273	(1,557,456)	(1,127,485)	2,591,518	2,403,275
Attributable to:										
Equity Holders of the Parent	1,821,697	1,950,202	1,811,986	1,232,202	378,099	258,448	(1,557,456)	(1,127,485)	2,454,325	2,313,367
Non-Controlling Interests	3,010	(3,656)	37,754	39,738	96,429	53,826	-	-	137,193	89,908
	1,824,707	1,946,546	1,849,740	1,271,940	474,528	312,273	(1,557,456)	(1,127,485)	2,591,518	2,403,275

All values are in LKR'000, unless otherwise stated.

The above figures are provisional and subject to audit.

SEGMENTAL INFORMATION

As at	Consumer Brands		Healthcare		Mobility		Others		Group	
	30.09.2024	31.03.2024	30.09.2024	31.03.2024	30.09.2024	31.03.2024	30.09.2024	31.03.2024	30.09.2024	31.03.2024
ASSETS										
Non-Current Assets										
Property, Plant and Equipment	6,134,905	5,809,925	12,299,179	10,376,065	66,068	32,350	812,343	880,601	19,312,495	17,098,941
Right of Use Assets	519,054	594,278	586,575	782,117	23,667	64,667	83,790	80,511	1,213,086	1,521,573
Investment Property	2,200	2,200	-	-	1,339,500	1,334,331	5,781,641	5,724,800	7,123,341	7,061,331
Other Non Current Financial Assets	35,149	55,718	87,559	118,669	-	-	85,996	77,312	208,704	251,699
Other Non Current Assets	6,217,242	6,233,794	1,512,049	1,504,978	1,441,279	1,284,833	26,412,433	26,542,345	35,583,003	35,565,950
Segmental Non Current Assets	12,908,550	12,695,915	14,485,362	12,781,829	2,870,514	2,716,181	33,176,203	33,305,569	63,440,629	61,499,494
Deferred Tax Assets									418,719	496,400
Eliminations/Adjustments									(31,115,376)	(31,116,370)
Total Non Current Assets	12,908,550	12,695,915	14,485,362	12,781,829	2,870,514	2,716,181	33,176,203	33,305,569	32,743,972	30,879,524
Current Assets										
Other Current Financial Assets	1,114,551	65,720	1,277,138	821,802	107,116	134,887	628,875	1,012,287	3,127,680	2,034,696
Segmental Current Assets	20,825,672	18,601,479	35,801,384	39,941,520	4,985,064	4,428,512	1,017,166	795,877	62,629,286	63,767,388
Tax Recoverable									354,723	347,038
Eliminations/Adjustments									(4,747,339)	(3,305,714)
Total Current Assets	21,940,223	18,667,199	37,078,522	40,763,322	5,092,180	4,563,399	1,646,041	1,808,164	61,364,350	62,843,408
Total Assets	34,848,773	31,363,114	51,563,884	53,545,151	7,962,694	7,279,580	34,822,244	35,113,733	94,108,322	93,722,932
Non Current Liabilities										
Segmental Non Current Liabilities	1,117,601	1,065,034	4,339,118	5,357,511	58,718	64,049	519,319	600,963	6,034,756	7,087,557
Other Non-current Financial Liabilities		-	40	40	4,335	4,465	275,000	275,000	279,375	279,505
Deferred Tax Liability									2,967,554	2,898,818
Eliminations/Adjustments									(291,778)	(295,922)
Total Non Current Liabilities	1,117,601	1,065,034	4,339,158	5,357,551	63,053	68,514	794,319	875,963	8,989,907	9,969,958
Current Liabilities										
Segmental Current Liabilities	10,535,210	7,907,403	26,565,599	27,660,626	3,828,235	3,093,251	3,090,715	2,865,536	44,019,759	41,526,816
Income Tax Liability									967,553	1,488,137
Eliminations/Adjustments									(4,733,051)	(3,381,577)
Total Current Liabilities	10,535,210	7,907,403	26,565,599	27,660,626	3,828,235	3,093,251	3,090,715	2,865,536	40,254,260	39,633,376
Total Liabilities	11,652,811	8,972,437	30,904,757	33,018,177	3,891,288	3,161,765	3,885,034	3,741,499	49,244,167	49,603,334
Total Segment Assets	34,848,773	31,363,114	51,563,884	53,545,151	7,962,694	7,279,580	34,822,244	35,113,733	129,197,595	127,301,578
Total Segment Liabilities	11,652,811	8,972,437	30,904,757	33,018,177	3,891,288	3,161,765	3,885,034	3,741,499	50,333,890	48,893,878
Other Segmental Information										
Acquisition Cost of Property Plant and Equipment	634,611	772,872	2,339,325	758,620	43,591	25,497	30,045	822,145	3,047,572	2,379,134
Depreciation of Segmental Assets	274,355	490,716	396,634	721,959	9,718	18,867	65,462	93,978	746,169	1,325,520
Provision for Employee Benefit Liability	50,691	125,230	79,350	166,819	6,253	9,487	11,157	29,263	147,451	330,799
Impairment/Amortisation of Intangible Assets	8,101	12,967	20,882	37,654	78	41	5,001	28,493	34,061	79,155
Amortisation of Right-of-Use Assets	34,517	76,461	85,033	168,704	19,834	32,349	3,724	765	143,108	278,279

All values are in LKR'000, unless otherwise stated.
The above figures are provisional and subject to audit.

NOTES TO THE FINANCIAL STATEMENTS

1 Basis of Preparation

The condensed interim financial statements have been prepared in accordance with Sri Lanka Accounting Standard LKAS- 34, Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2024. Further, provisions of the Companies Act No. 7 of 2007 have been considered in preparing the interim financial statements.

Management is currently not aware of any material uncertainties that may cast significant doubt upon the Group's continuing performance.

2 Employee Share Option Scheme (ESOS)

(a) Employee Share Option Scheme (ESOS) - 2015

The Board of Directors, with the approval in principal of the Colombo Stock Exchange, and authorised by the shareholders at an Extraordinary General Meeting dated 10 April 2015, to create an Employee Share Option Scheme (ESOS) to offer 13,900,000 ordinary shares being 2.4% of the total number of shares in issue to Executive Directors and Senior Executives of the Company and its Subsidiaries whom the Board deems to be eligible to be awarded the shares.

Accordingly the options were granted to the Executive Directors and Senior Executives of the Company and its subsidiaries as follows,

	Date Of Grant	No of Shares Granted	Grant Price (LKR)	Vesting Period	No of Shares Vested	Exercise Period
Grant 1	27.07.2015	3,053,750	82.00	1 Year	2,574,423	3 Years
Grant 2	27.07.2016	3,008,750	87.50	1 Year	2,421,867	3 Years
Grant 3	27.07.2017	3,420,000	149.50	1 Year	2,034,796	3 Years
Grant 4	27.07.2018	3,491,250	108.81	1 Year	2,032,822	3 Years
Grant 5	27.07.2019	4,115,000	69.00	1 Year	2,204,212	3 Years
Grant 6	27.07.2020	2,630,758	60.00	1 Year	1,924,065	3 Years

(b) Employee Share Option Scheme (ESOS) - 2021

The Board of Directors, with the approval in principal of the Colombo Stock Exchange, and authorised by the shareholders at an Extraordinary General Meeting dated 30 June 2021, to create an Employee Share Option Scheme (ESOS) to offer 13,500,000 ordinary shares being 2.26% of the total issued and fully paid ordinary voting shares of the Company. The ESOS 2021 is applicable to Eligible Employees, who are employees of a company in the Hemas Group (i.e. the Company and subsidiaries of the Company as identified by the Board whose employees are eligible to participate in the Scheme)

The Grant Period under the ESOS 2021 shall commence on 20 July 2021 and end on 19 July 2026.

	Date Of Grant	No of Shares Granted	Grant Price (LKR)	Vesting Period	No of Shares Vested	Exercise Period
Grant 1	20.07.2021	3,538,112	82.46	1 Year	1,156,726	5 Years
Grant 2	20.07.2022	3,071,647	43.84	1 Year	927,454	5 years
Grant 3	20.07.2023	3,375,000	71.02	1 Year	-	5 years

Under the Group's Employee Share Option Scheme (ESOS), share options of the parent are granted to executives of the Group/ Company generally with more than 12 months of service. The exercise price of the share options is equal to the 30 day volume weighted average market price of the underlying shares on the date of grant. The share options vested after period of one year from the date of grant and it depends on the performance criteria and time criteria. The fair value of the share options is estimated at the grant date using the Black Scholes option pricing model taking into account the terms and conditions upon which the share options were granted.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options.

3 Events After The Reporting Date

The Board of Directors of the Company has declared a dividend of LKR 1.00 per share for the financial year ending 31 March 2025 as required by section 56(2) of the companies Act No 07 of 2007, the Board of Directors has confirmed that the Company satisfies the solvency test in accordance with section 57 of the companies Act No. 07 of 2007, and has obtained a certificate from the Auditors, prior to declaring the interim dividend which is to be paid on or before 5 December 2024.

In accordance with the Sri Lanka Accounting Standard (LKAS 10) - Events after the reporting date, the interim dividend has not been recognised as a liability in the Financial Statements as at 30 September 2024.

Other than above, there were no circumstances have arisen since the reporting date, which would require adjustment to or disclosure in the financial statements.

4 There have been no significant changes in the nature of the contingent liabilities which were disclosed in the Audited Financial Statements for the year ended 31 March 2024.

INVESTOR INFORMATION

	Three Months Ended 30 September	
	2024	2023
Market Value of Shares		
Closing Price on 30 September (LKR)	78.10	79.80
Last Traded Price on 30 September (LKR)	78.10	79.80
Highest Price During the Period (LKR)	84.00	85.90
Lowest Price During the Period (LKR)	67.90	72.00
Market Capitalisation on 30 September (LKR Mn)	46,644	47,612
Ratios		
Net Asset Per Share on 30 September (LKR)	73.74	65.19
Price Earnings Ratio on 30 September (Times)	15.46	19.52
Share Trading		
No of Transactions During the Period	4,381	7,132
No of Shares Traded During the Period	21,651,443	21,629,652
Value of Shares Traded During the Period (LKR Mn)	1,671	1,680
Number of Shares	597,230,274	596,643,192

SHARE INFORMATION

List of 20 Major Shareholders as at 30 September

	2024		2023	
	No. of Shares	%	No. of Shares	%
1 A Z Holdings (Pvt) Ltd.	94,092,305	15.75	94,092,305	15.77
2 Amagroup (Pvt) Ltd.	91,427,333	15.31	91,427,333	15.32
3 Saraz Investments (Pvt) Ltd.	89,565,277	15.00	89,565,277	15.01
4 Blueberry Investments (Pvt) Ltd.	88,927,940	14.89	88,927,940	14.90
5 BBH-Kopernik Global All Cap Fund	16,019,905	2.68	16,019,905	2.69
6 Citibank Newyork S/A Norges Bank Account 2	15,736,861	2.63	18,509,585	3.10
7 BBH-Kopernik Global All Cap Equity Fund	12,263,194	2.05	12,263,194	2.06
8 J.B. Cocoshell (Pvt) Ltd	10,351,673	1.73	9,274,565	1.55
9 Mrs. R.G. Abdulhussein	10,011,662	1.68	-	-
10 Mr. H.H. Abdulhusein	9,000,000	1.51	5,795,000	0.97
11 Rubber Investment Trust Ltd Account 1	8,145,002	1.36	7,339,008	1.23
12 BBH-Tundara Sustainable Frontier Fund	7,001,928	1.17	7,001,928	1.17
13 BBH -Tundra Shikari Global	5,524,000	0.92	-	-
14 Mellon Bank N.A-United Technologies CORP	5,488,757	0.92	5,488,757	0.92
15 Mr. M.J.Fernando (Deceased)	5,448,160	0.91	5,448,160	0.91
16 Ceylon Investment PLC Account 2	4,706,719	0.79	3,706,719	0.62
17 Akbar Brothers (Pvt) Ltd	4,518,420	0.76	3,768,568	0.63
18 Ceylon Guardian Investment Trust PLC Account 2	3,802,856	0.64	2,983,216	0.50
19 CB London s/a Verdipapirfondet Holberg Rurik	3,709,293	0.62	5,289,130	0.89
20 BBH-Kopernik Global All Cap Master Fund	3,252,575	0.54	3,252,575	0.55

Directors' Shareholding as at 30 September

	2024	2023
	No. of Shares	No. of Shares
DIRECTORS' INDIRECT SHAREHOLDING		
A Z Holdings (Pvt) Ltd.	94,092,305	94,092,305
Amagroup (Pvt) Ltd.	91,427,333	91,427,333
Saraz Investments (Pvt) Ltd.	89,565,277	89,565,277
Blueberry Investments (Pvt) Ltd.	88,927,940	88,927,940
DIRECTORS' DIRECT SHAREHOLDING		
Mr. H.N. Esufally (Chairman)	2,291,640	2,291,640
Dr. S.A.B Ekanayake (Deputy Chairman)	-	-
Mr. A.N. Esufally	167,353	167,353
Mr. I.A.H. Esufally	2,086,284	7,086,284
Mr. M. A. H. Esufally	582,633	6,164,633
Mr. A.S. Amaratunga	-	-
Mr.P. Subasinghe	-	-
Mr. Ranil Pathirana	-	-
Mr. W.V.S.D. Weerasinghe	-	-
Mr. W.A.T. Fernando	-	-
Ms. W.T.V. Perera (Appointed w.e.f 01 September 2024)	-	-
	369,140,765	379,722,765

Public Holding as at 30 September

	2024	2023
Issued Share Capital (No. of Shares)	597,230,274	596,643,192
Public Holding as a % of Issued Share Capital	36.83%	35.08%
Total Number of Shareholders	7,894	7,703
Number of Shareholders representing the Public Holding	7,877	7,687

Minimum Public Holding Requirement as per Listing Rules 7.13.1

	Float Adjusted Market Capitalisation - (LKR)	Public Holding Percentage	No of Shareholders	Option
Minimum Public Holding as at 30 September 2024	17,177,936,091	36.83%	7,877	1

CORPORATE INFORMATION

Legal Form

A limited Liability Company incorporated in Sri Lanka and listed on the Colombo Stock Exchange on 15th October 2003.

Date of Incorporation

10 December 1948

Date of Registration

30 May 2007

Company Registration Number

PQ 6

Accounting year end

31 March

Registered Office

Hemas House
No. 75, Braybrooke Place,
Colombo 2.

Website

www.hemas.com

Telephone

+ 94 11 4731731

Auditors

Ernst & Young
Chartered Accountants
Rotunda Towers, No.109, Galle Road, P.O. Box 101, Colombo 03.

Directors

Husein Esufally (Chairman)
Dr. Anura Ekanayake (Deputy Chairman)
Abbas Esufally
Imtiaz Esufally
Murtaza Esufally
Amitha Saktha Amaratunga
Prabhash Subasinghe
Ranil Pathirana
Ajith Fernando
Supun Weerasinghe
Thusitha Perera (Appointed w.e.f 01 September 2024)

Secretaries

Hemas Corporate Services (Pvt) Ltd.
No.75, Braybrooke Place, Colombo 02.
Telephone: +94 11 4731731 (hunting)
Facsimile: +94 11 4731777

Registrars

SSP Corporate Services (Pvt) Ltd.
No. 101, Inner Flower Road, Colombo 03.
Telephone: +94 11 2573894, +94 11 2576871
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Lawyers to the Company

Group Legal
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Investor Relations

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Email: ir@hemas.com

Bankers

Bank of Ceylon
Citi Bank N.A.
Commercial Bank of Ceylon PLC
Deutsche Bank AG
DFCC Bank PLC
Hatton National Bank PLC
National Development Bank PLC
Nations Trust Bank PLC
People's Bank
Sampath Bank PLC
Standard Chartered Bank
Seylan Bank PLC
The Hongkong & Shanghai Banking Corp. Ltd.
Union Bank PLC