



# HEMAS HOLDINGS PLC

Investor Presentation

Q3 2013/14

# Hemas Group: A Snapshot

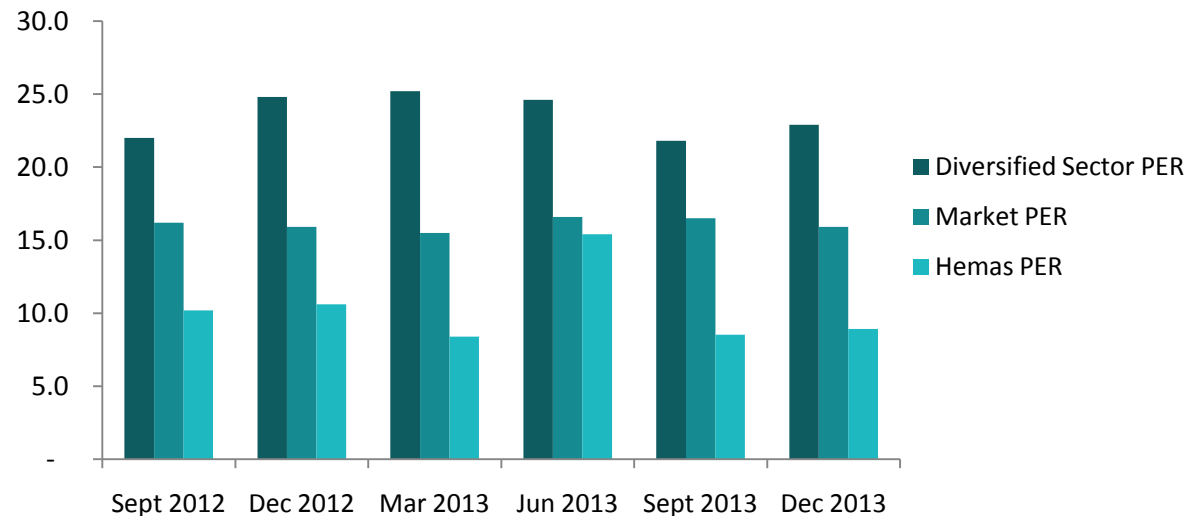
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Share Price (As at 20.02.2014)	: Rs. 37.50
Market Capitalization	: Rs. 19.3Bn
% of Total Market	: 0.82%
PER	: 9.84*
PBV	: 1.48
No of Shares	: 515Mn
Public Shareholding	: 28.73%





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\* PER based on annualized YTD Q3 earnings



## Sector & Market PER vs Hemas PER



# Hemas Group: Performance Highlights

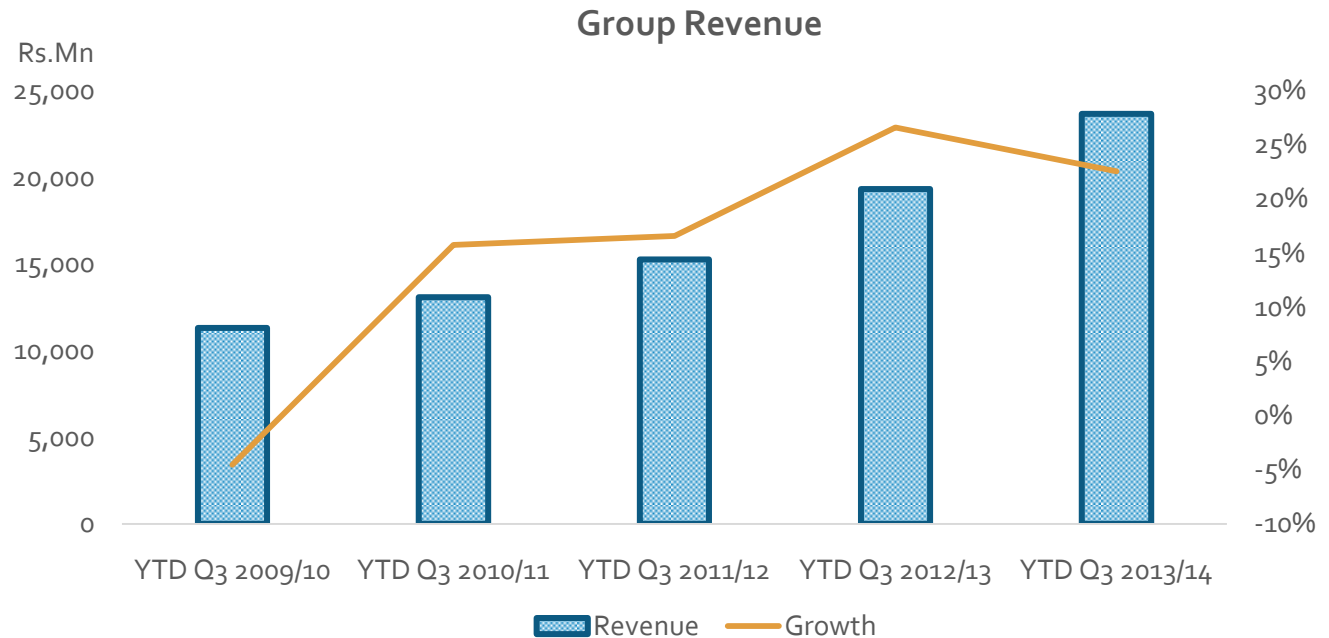
Figures are in Rs. Mn	YTD Q3 2013/14	YTD Q3 2012/13	% Change
Group Turnover	23,665	19,312	 23%
Operating Profit	2,281	1,651	 38%
Group Earnings	1,473	1,067	 38%
Cash from Operations	2,279	375	 507%

Figures are in Rs. Mn	YTD Q3 2013/14	31 March 2013	% Change
Total Assets	32,210	26,008	 24%
Net Current Assets	4,160	4,156	 0.1%
Shareholders' Funds	13,084	12,153	 8%
Capital Employed	23,754	19,339	 23%

	YTD Q3 2013/14	YTD Q3 2012/13	% Change
EPS*	3.81	2.76	 38%
Net Assets per Share	25.39	21.62	 17%
ROE*	16.2%	13.8%	
ROCE*	14.5%	13.1%	

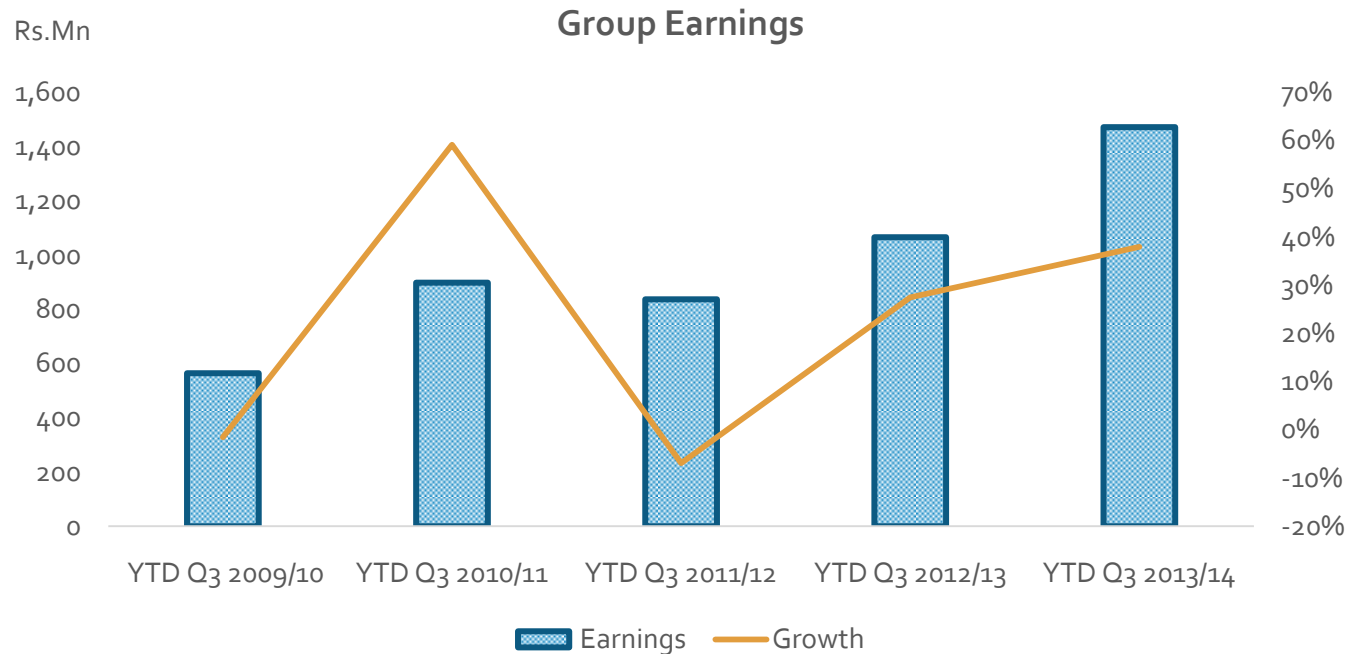
\* Annualized based on YTD Q3 results

# Group Revenue Growth Exceeds 20%



- Group Revenue for the period ending 31<sup>st</sup> December 2013 was recorded at Rs. 23.6 Bn, a growth of 23%
- Revenue growth was driven by the Healthcare, FMCG and Transportation sectors
- New acquisitions, J.L Morison and Panasian power contributed Rs. 1,495Mn and Rs. 175Mn to Group Revenue respectively

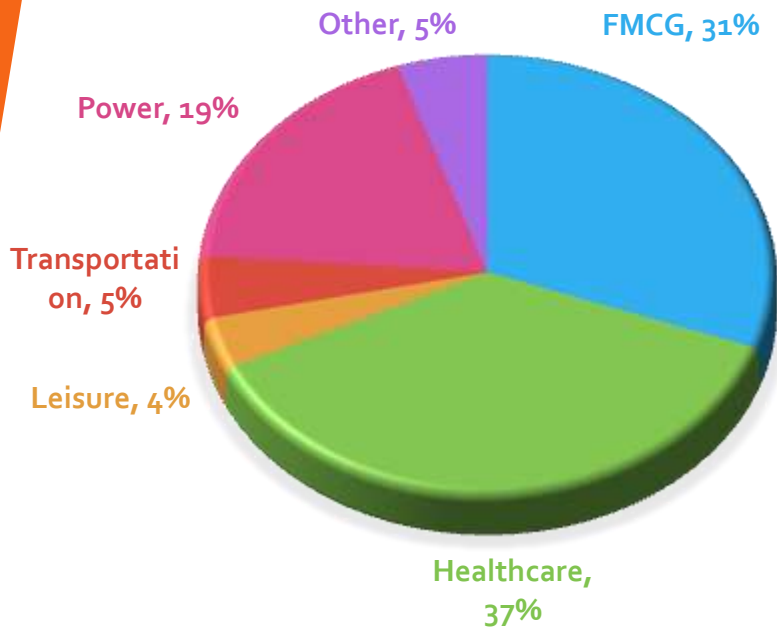
# Underlying Earnings Grow by 19%



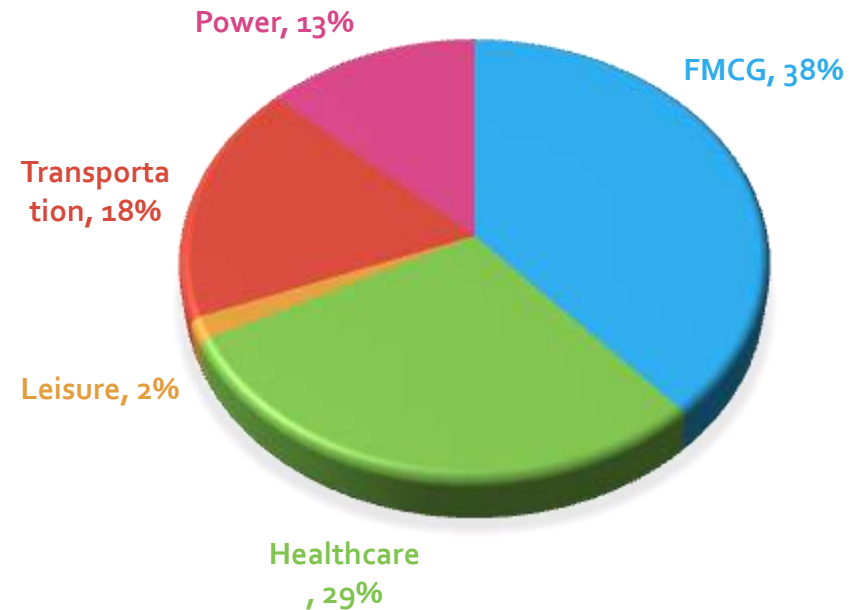
- Group Earnings for the period ending 31<sup>st</sup> December 2013 was reported at Rs. 1,473Mn, a growth of 38%
- Earnings growth was primarily driven by the capital gain of Rs. 375Mn recognized during the last quarter
- The underlying earnings growth adjusted for the capital gain, hotels closure and startup losses of Thalawathugoda hospital was 18.5%

# Revenue and Earnings Composition

## Revenue Composition



## Earnings Composition

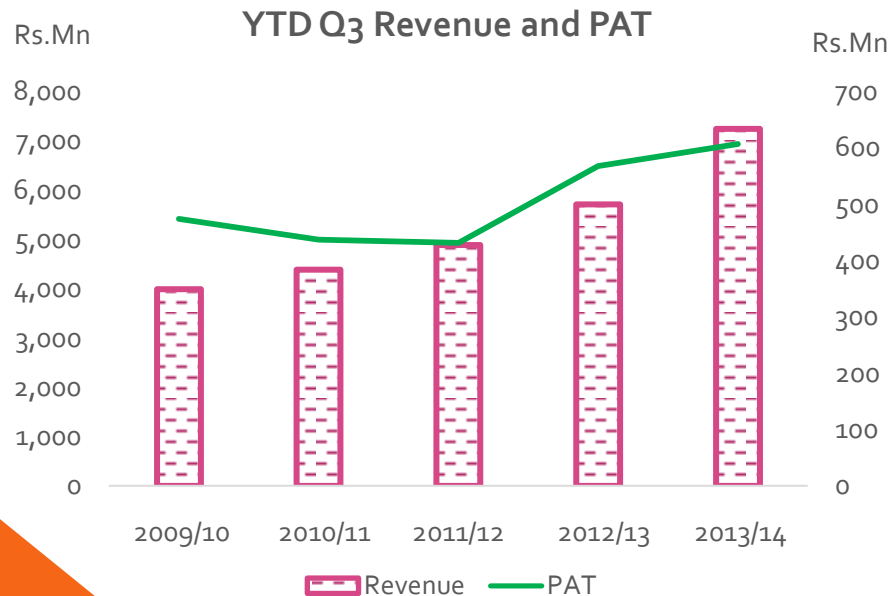


"Other" segment – (7%)

# FMCG, Focused on Innovation



	YTD Q3 2013/14	YTD Q3 2012/13	% Change
Turnover (Rs.Mn)	7,237	5,706	27%
PAT (Rs.Mn)	607	567	7%

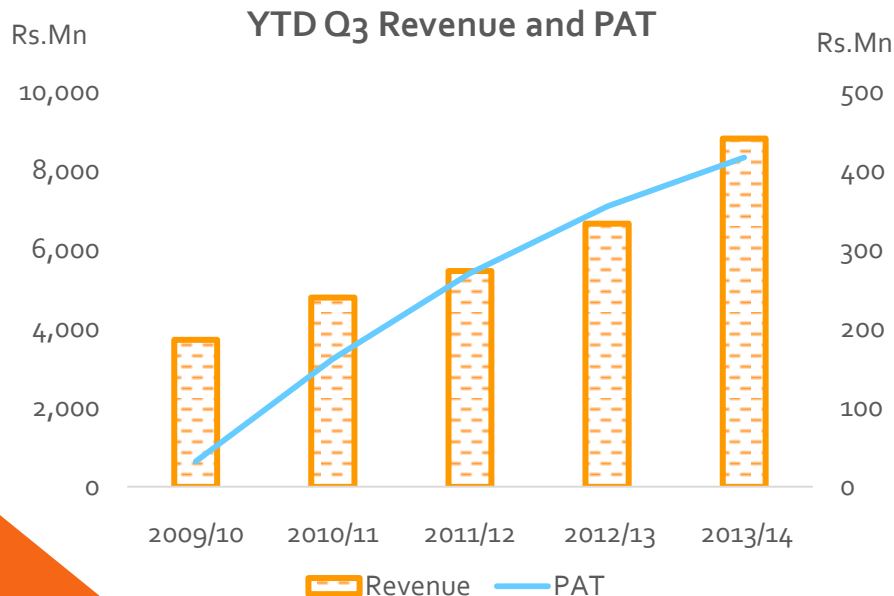


- FMCG sector posted a revenue of Rs. 7.2 Bn, a growth of 27%
- Revenue growth was led by the strong performance of personal wash and personal care categories
- Sector operating profits grew by 24% led by growth in volumes
- Profit after tax growth was impacted by the increased tax burden due to expiration of the tax holiday
- Dandex, Diva and PRO were re-launched during the quarter enhancing the customer appeal

# Hemas Pharma Outperforms Market



	YTD Q3 2013/14	YTD Q3 2012/13	% Change
Turnover (Rs.Mn)	<b>8,822</b>	6,662	<b>32%</b>
PAT (Rs.Mn)	<b>417</b>	355	<b>17%</b>



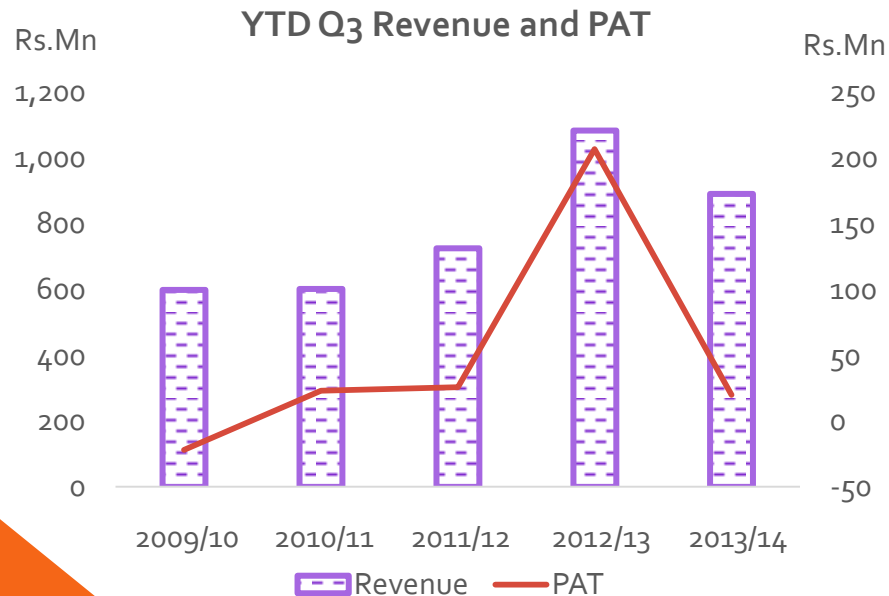
- Healthcare sector revenue was Rs. 8.8Bn with a growth of 32%, driven by the Pharmaceuticals revenue which grew by 19%
- Hemas Pharmaceuticals reinforced its market leadership with an increased share of 19.2% *(Source: IMS)*
- The business acquired a 35,000 sqft. modern warehouse at Elakanda, Wattala to expand the storage capacity
- Hospitals revenue experienced a growth of 29%, boosted with the revenue from our new hospital, Thalawathugoda
- Healthcare sector profits were impacted by the startup losses of the new hospital



# Hotels Geared up for the Winter



	YTD Q3 2013/14	YTD Q3 2012/13	% Change
Turnover (Rs.Mn)	891	1,082	-18%
PAT (Rs.Mn)	20	207	-90%

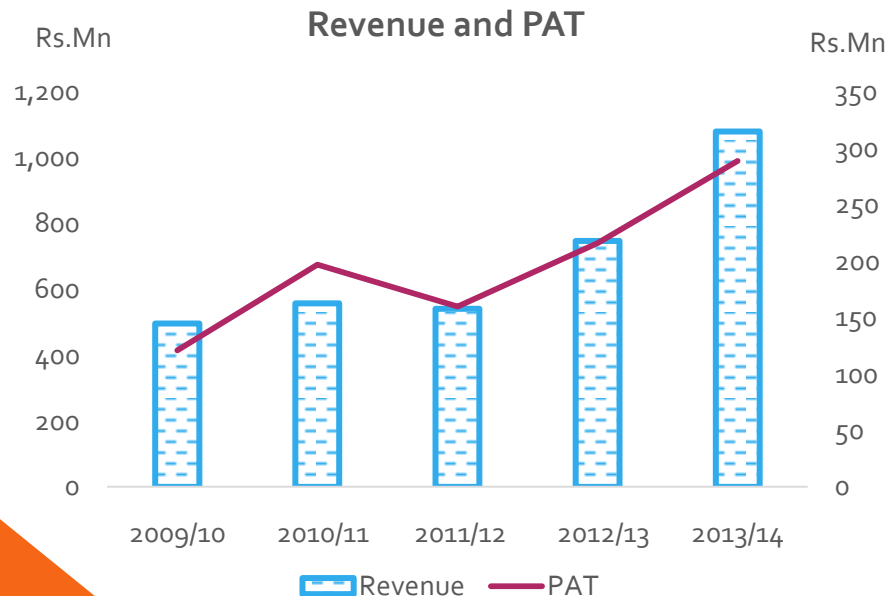


- Club Hotel Dolphin was re-opened after the refurbishment on 1<sup>st</sup> November 2013 and enjoys occupancy levels over 80%
- Leisure Sector revenue was negatively impacted during the 1<sup>st</sup> two quarters of the year due to the closure of the two key hotels for refurbishment
- All our four hotels received the 'Travelife GOLD' certification in recognition of the highest level of commitment towards sustainable tourism practices
- Avani Kalutara was awarded as the 'Top Hotel 2014' by Holiday check travel site
- All our hotels are geared up to close the year on a stronger note

# Container Yard Begins Operations

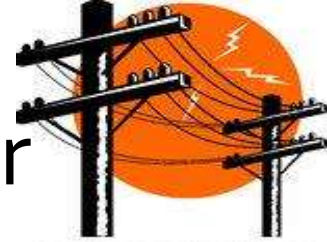


	YTD Q3 2013/14	YTD Q3 2012/13	% Change
Turnover (Rs.Mn)	<b>1,080</b>	747	<b>45%</b>
PAT (Rs.Mn)	<b>289</b>	216	<b>34%</b>

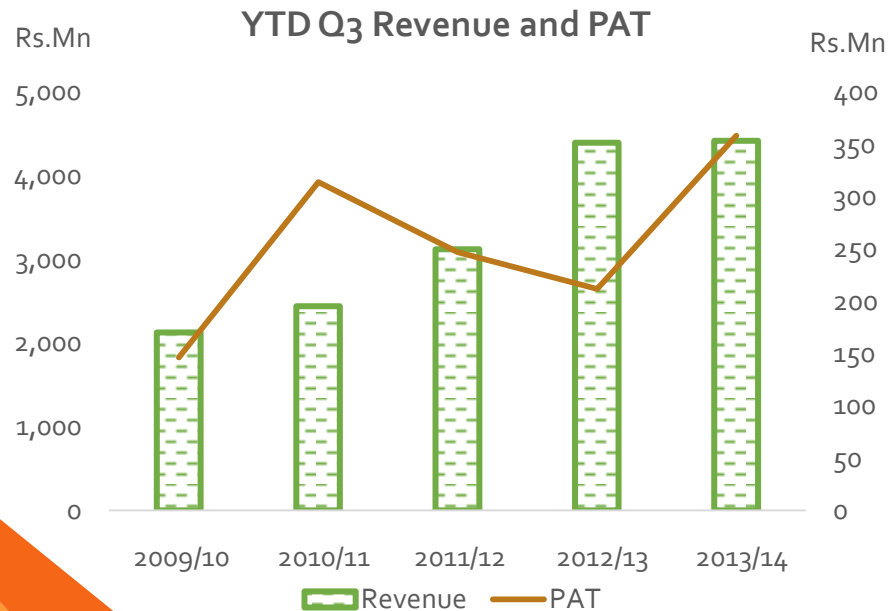


- Transportation sector revenue surpassed Rs. 1Bn mark posting an impressive growth of 45%
- Revenue growth was driven by the logistics and the aviation segments
- Maritime segment was positively impacted by the growth in transshipment volumes
- Sector operating profits grew by 25% to record at Rs. 335Mn
- Hemas Logistics declared open its first container yard at Welisara in November
- The container yard can store and service over 3000 TEUs at any time using state-of-the-art container handlers

# Healthy 9 Months for Hydro Power



	YTD Q3 2013/14	YTD Q3 2012/13	% Change
Turnover (Rs.Mn)	<b>4,416</b>	4,395	<b>0.5%</b>
PAT (Rs.Mn)	<b>358</b>	212	<b>69%</b>

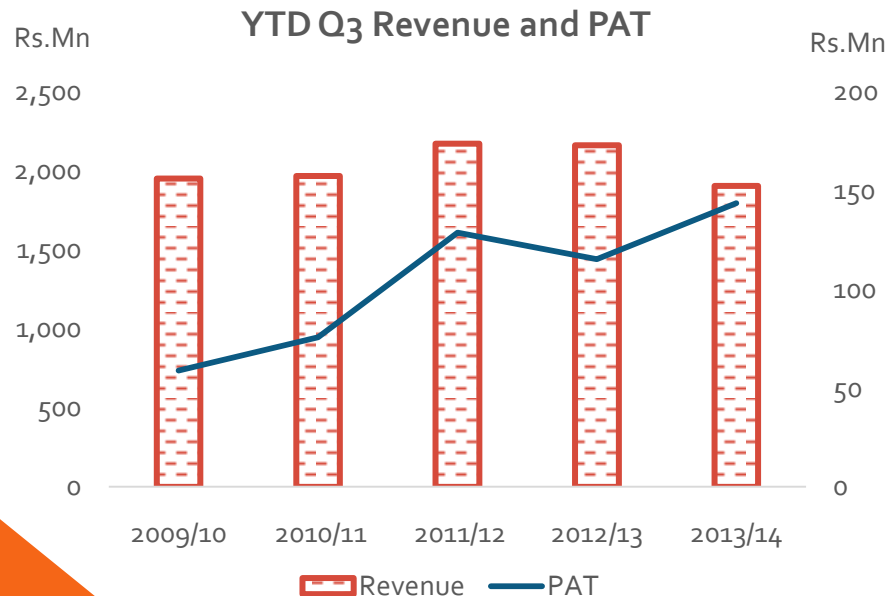


- Power sector revenue growth was hindered by the thermal power generation curtailment imposed by the CEB
- Hydro power segment enjoyed a healthy period with increased rainfall in catchment areas and the increase in avoided-cost-tariff
- Hydro power revenue (excluding Panasian Power) grew by an impressive 89%
- Panasian Power contributed Rs. 175Mn to the sector revenue
- Sector operating profits grew by 56% to record Rs. 433Mn, for which Panasian Power contributed Rs. 129Mn

# J.L Morison PAT Improves by 25%



	YTD Q3 2013/14	YTD Q3 2012/13	% Change
Turnover (Rs.Mn)	<b>1,905</b>	2,163	<b>-12%</b>
PAT (Rs.Mn)	<b>144</b>	115	<b>25%</b>



- J.L Morison recorded a revenue of Rs. 1.9Bn for the 9 months with the revenue of Pharmaceuticals and Agro segments growing by 15% and 14% respectively
- Operating profit and profit after tax improved by 23% and 25% respectively despite the drop in overall revenue
- Profit growth was largely driven by the pharmaceuticals segment of which operating profit grew by 33%
- J.L Morison contributed 6% to the Group revenue and 8% to Group profit after tax

# Corporate Social Responsibility

- “Piyawara” brand ambassador, Mr. Roshan Mahanama came forward to build the 39th Piyawara community pre-school with his personal funds, in Veheratenna, south of Mullathivu
- Christmas gifts were collected from the Hemas staff and were distributed among children in Malhawa, Bibile and Veheratanna, a resettled village in Welioya
- “Ape Sihiniya”, an exhibition to showcase the paintings and handicrafts of differently abled children from Hambantota Piyawara school was held at Hemas House on 9<sup>th</sup> and 10<sup>th</sup> of January 2014



# In Our Efforts of Going Green...

- The environmental club of J.L Morison, "Thuruliya Committee" greeted the new year by planting Mahogany trees in their premises
- The top management of Hemas appreciated and rewarded the staff at Dankotuwa Factory for maintaining over 3,500 plants of jak, mahogany, kohomba and maadang
- Hemas Green club embarked on a pilot project to produce compost with food waste at Hemas House canteen
- The club also organized a lecture by Mr. Srilal Mittapala, a well-known wildlife activist in Sri Lanka, on Udawalawe's iconic tusker "The Walawe Raja" on 6<sup>th</sup> December 2013



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