

# JKH Investor Presentation

Review of Q2 2024/25

13 November 2024

Version 3.0

# EBITDA: For the quarter ended 30 September

EBITDA* (Rs. Million)	Q2 2024/25	Q2 2023/24	Variance	Variance %
Transportation	1,982	1,700	282	17
Consumer Foods	1,611	1,237	374	30
Retail	2,390	1,983	407	21
Leisure	(136)	1,065	(1,201)	(113)
<i>City of Dreams Sri Lanka</i>	<i>(1,181)</i>	<i>(198)</i>	<i>(983)</i>	<i>(495)</i>
<i>Leisure excl. City of Dreams Sri Lanka</i>	<i>1,045</i>	<i>1,263</i>	<i>(218)</i>	<i>(17)</i>
Property	111	(435)	546	126
Financial Services	1,809	1,702	107	6
Other, incl. IT and Plantation Services	327	1,169	(842)	(72)
<b>Group</b>	<b>8,095</b>	<b>8,420</b>	<b>(325)</b>	<b>(4)</b>
Pre-opening costs at City of Dreams Sri Lanka	1,181	198	983	495
<b>Group excl. pre-opening costs at City of Dreams Sri Lanka</b>	<b>9,276</b>	<b>8,618</b>	<b>657</b>	<b>8</b>

\*EBITDA includes interest income and the share of results of equity accounted investees which is based on the share of profit after tax but excludes all impacts from foreign currency exchange gains and losses (other than for equity accounted associates), to demonstrate the underlying cash operational performance of businesses.

# EBITDA: For the six months ended 30 September

EBITDA* (Rs. Million)	YTD 2024/25	YTD 2023/24	Variance	Variance (%)
Transportation	3,537	4,118	(581)	(14)
Consumer Foods	3,104	1,956	1,148	59
Retail	4,636	3,970	666	17
Leisure	(930)	1,349	(2,279)	(169)
<i>City of Dreams Sri Lanka</i>	<i>(1,957)</i>	<i>(457)</i>	<i>(1,499)</i>	<i>(328)</i>
<i>Leisure excl. City of Dreams Sri Lanka</i>	<i>1,027</i>	<i>1,806</i>	<i>(780)</i>	<i>(43)</i>
Property	44	(248)	292	118
Financial Services	3,729	3,395	334	10
Other, incl. IT and Plantation Services	1,671	2,747	(1,077)	(39)
<b>Group</b>	<b>15,791</b>	<b>17,288</b>	<b>(1,497)</b>	<b>(9)</b>
Pre-opening costs at City of Dreams Sri Lanka	1,957	457	1,499	328
<b>Group excl. pre-opening costs at City of Dreams Sri Lanka</b>	<b>17,748</b>	<b>17,745</b>	<b>2</b>	<b>0</b>

\*EBITDA includes interest income and the share of results of equity accounted investees which is based on the share of profit after tax but excludes all impacts from foreign currency exchange gains and losses (other than for equity accounted associates), to demonstrate the underlying cash operational performance of businesses.

# Quarterly EBITDA movement

EBITDA (Rs. Million)	2023/24			2024/25	
	Q2	Q3	Q4	Q1	Q2
Transportation	1,700	2,327	2,328	1,555	1,982
Consumer Foods	1,237	897	2,157	1,493	1,611
Retail	1,983	2,390	2,407	2,246	2,390
Leisure	1,065	2,560	5,249	(794)	(136)
Property	(435)	60	(634)	(67)	111
Financial Services	1,702	4,040	1,861	1,920	1,809
Other, incl. IT and Plantation Services	1,169	1,466	822	1,344	327
<b>Group</b>	<b>8,420</b>	<b>13,740</b>	<b>14,189</b>	<b>7,697</b>	<b>8,095</b>
Pre-opening costs at City of Dreams Sri Lanka	198	241	364	776	1,181
<b>Group excl. City of Dreams Sri Lanka</b>	<b>8,618</b>	<b>13,981</b>	<b>14,553</b>	<b>8,473</b>	<b>9,276</b>
USD/LKR exchange rate (period average in Rs.)	322	323	313	301	302
USD/LKR closing exchange rate (Rs.)	324	324	300	306	297

# Quarterly movement of finance costs

Finance Costs (Rs. Million)	Q2 2024/25	Q1 2024/25	Q4 2023/24	Q3 2023/24	Q2 2023/24
Transportation	143	163	149	156	178
Consumer Foods	82	88	155	179	173
Retail	584	618	672	731	832
Leisure	(563)*	1,947	(1,515)*	983	2,928
Property	20	25	29	34	27
Financial Services	136	-	-	0.1	-
Other, incl. IT and Plantation Services	2,991	2,482	2,944	3,133	2,648
<b>Group</b>	<b>3,393</b>	<b>5,323</b>	<b>2,435</b>	<b>5,216</b>	<b>6,786</b>
Exchange (loss)/ reversal of exchange losses on WPL loan translation	1,252**	(1,252)	2,285***	(145)	(2,139)
<b>Group excl. exchange (loss)/ reversal of exchange losses on WPL loan translation</b>	<b>4,645</b>	<b>4,071</b>	<b>4,719</b>	<b>5,071</b>	<b>4,647</b>
Average weekly AWPLR (% for the period)	9.1	9.8	11.6	13.2	16.4

\*Due to reversal of prior foreign exchange (FX) losses recognised on the WPL loan, as detailed below.

\*\*Total FX translation impact amounted to Rs.1.90 billion during Q2 2024/25. Of this gain, Rs.1.25 billion is captured as a FX loss reversal under finance costs since the Group recognised translation losses on the loan in Q1 2024/25. The residual amount is captured under finance income.

\*\*\*Total FX translation impact amounted to Rs.5.29 billion during Q4 2023/24. Of this gain, Rs.2.29 billion is captured as a FX loss reversal under finance costs since the Group recognised translation losses on the loan in the second and third quarters of 2023/24. The residual amount is captured under finance income.

# PBT: For the quarter ended 30 September

PBT (Rs. Million)	Q2 2024/25	Q2 2023/24	Variance	Variance (%)
Transportation	1,718	1,530	188	12
Consumer Foods	1,190	779	411	53
Retail	890	500	390	78
Leisure	(331)	(2,721)	2,390	88
Property	(6)	(395)	390	99
Financial Services	1,808	1,695	113	7
Other, incl. IT and Plantation Services	(2,995)	(1,542)	(1,453)	(94)
<b>Group</b>	<b>2,274</b>	<b>(154)</b>	<b>2,427</b>	<b>1,581</b>
Forex (gain)/loss on WPL loan translation	(1,939)	2,139	(4,078)	-
Net Exchange (gains)/losses at Hold. Co.	320	(388)	708	-
Net Exchange (gains)/losses excl. Hold. Co. and WPL loan translation	224	(927)	1,151	-
<b>Group excl. exchange (gains)/losses</b>	<b>879</b>	<b>671</b>	<b>208</b>	<b>31</b>

# Key financial indicators: For the quarter ended 30 September

(Rs. Million)	Q2 2024/25	Q1 2024/25	Q4 2023/24
Group debt* excl. leases and incl. convertible debenture	241,472	233,026	214,101
Group debt excl. leases and convertible debenture	230,410	222,417	203,899
Cash and cash equivalents	91,751**	89,567	86,828
Net debt excl. leases and convertible debenture	138,659	132,850	117,071
Net debt excl. leases and convertible debenture/Equity (%)	36.9	35.2	31.0
Net debt excl. leases and convertible debenture/ recurring EBITDA (times)	-	-	2.7
EBITDA	8,095	7,697	14,189

*\*Group debt includes the convertible debentures issued in August 2022. The liability component amounting to Rs. 11.06 billion is recognised under current financial liabilities from Q2 2024/25. In the event the debenture is not converted during the conversion window, an obligation for Rs. 12.76 billion will materialise in August 2025.*

*\*\*Excluding proceeds from the Rights Issue, funds of which were received post closure of the financial statements as of 30 September 2024.*

# Rights Issue followed by a Sub-division of Ordinary Shares

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- As announced to the CSE, on 30<sup>th</sup> July 2024, the Board recommended to the Shareholders a Rights Issue of Ordinary Shares, followed by a Sub-division of Ordinary Shares.
- The Rights Issue was in the proportion of One (1) new Ordinary Share for every Ten (10) Ordinary Shares in issue, at a consideration of Rs.160/- per share.
- The proceeds of the Rights Issue will be used to support the project funding requirement at Waterfront Properties (Private) Limited (WPL), a subsidiary of the Company. WPL is the developer of the 'City of Dreams Sri Lanka' integrated resort.
- The Company raised Rs.24,042,175,200/- through the Rights Issue of 150,263,595 new Ordinary Shares at an issue price of Rs.160/- per share. The Rights Issue was oversubscribed, and the new Ordinary Shares allotted from the Rights Issue were listed on 22 October 2024.
- The Sub-division of Ordinary Shares in the ratio of one (1) existing share post the Rights Issue into ten (10) Ordinary Shares was completed, with recommencement of the trading of shares on 6 November 2024. Upon the completion of the Sub-division of shares, the total number of shares in the Company will be 16,528,995,520.



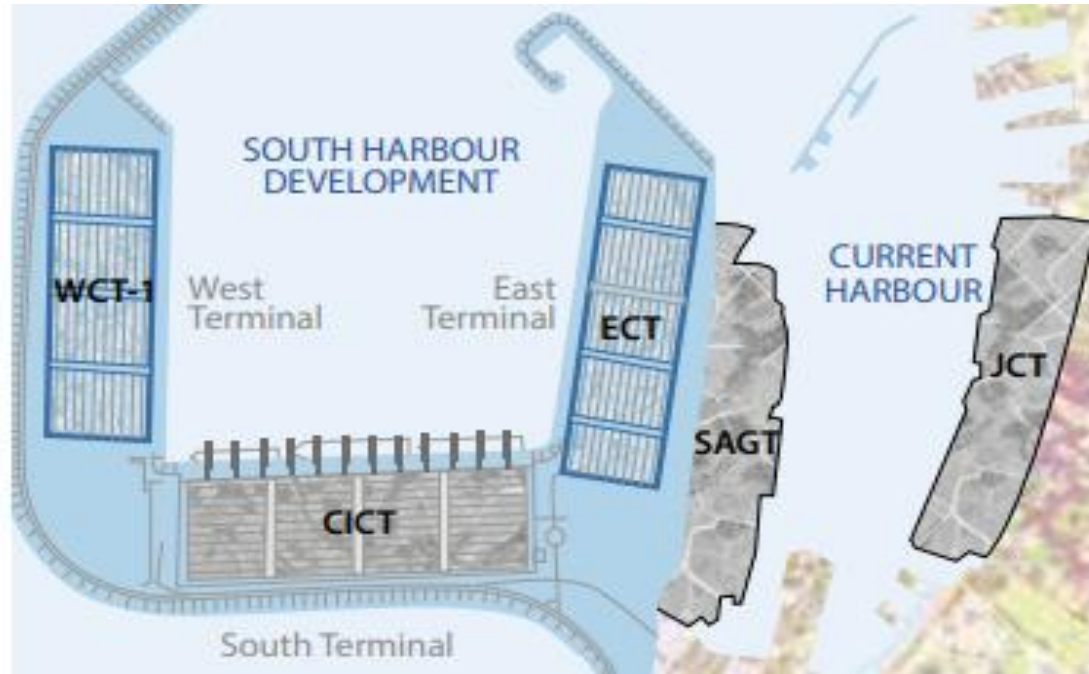
# Overview of ESG initiatives

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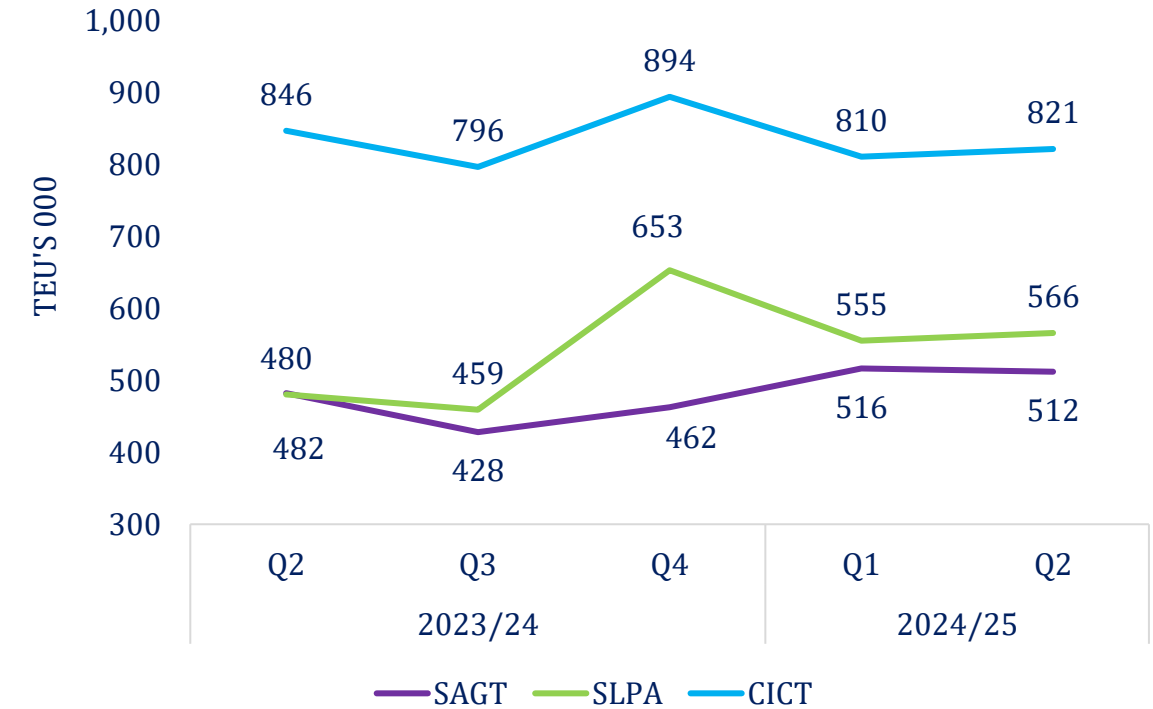
- The Group's carbon footprint per million rupees of revenue decreased by 11% to 0.38 MT.
  - In absolute terms, the Group's carbon footprint increased by 6% to 30,793 MT primarily due to the increased operational activities in the Transportation, Consumer Foods and Supermarket businesses.
- The Group's water withdrawal per million rupees of revenue decreased by 26% to 6.79 cubic meters.
  - In absolute terms, the water withdrawal decreased by 12.2% to 545,479 cubic meters despite higher operational activity.
- The 'ONE JKH Champions of Change Pledge' was launched in 2021 in a phased manner where the Group's senior leadership committed to not only spearheading the DE&I focus areas under ONE JKH but also to take accountability for eliminating gender and other stereotypes and eliminating discrimination.

# Transportation: Port of Colombo

## Port of Colombo



## Port of Colombo Volumes



\*SLPA includes volumes of JCT and ECT terminals

# Transportation: Q2 2024/25

## Port Business (South Asia Gateway Terminal)

Volumes (TEUs)	2023/24			2024/25	
	Q2	Q3	Q4	Q1	Q2
SAGT	482,255	427,922	462,379	516,373	511,987
Domestic: Transshipment volume mix	10:90	11:89	10:90	10:90	13:87

## Bunkering Business (Lanka Marine Services)

LMS (%)	2023/24			2024/25	
	Q2	Q3	Q4	Q1	Q2
YoY volume growth	(25)	2	52	13	78

## Q2 Earnings Update:

(Rs. mn)	Q2 2024/25	Q2 2023/24
EBITDA	1,982	1,700

- SAGT and LMS recorded a strong growth in profitability, despite the translation impact of a stronger Rupee compared to Q2 2023/24.
- Profitability at SAGT recorded an increase driven by a growth in volumes and an improvement in the mix.
- Profitability at LMS recorded an increase on account of significant growth in volumes on the back of increased demand from continued disruptions in the Red Sea, and higher margins.



# WCT-1: Construction progress



- The construction and installation works on the West Container Terminal (WCT-1) at the Port of Colombo is progressing well.
- The first batch of quay and yard cranes arrived in September 2024, following which the commissioning is expected to be completed by the third quarter of 2024/25.
- The first phase of the terminal is slated to be operational in Q4 2024/25.
- The quay length in Phase 1 facilitates the servicing of two large vessels concurrently, which will enable a higher throughput once Phase 1 is operational.
- The remainder of the terminal is expected to be completed in mid-2026.

# Consumer Foods: Q2 2024/25

Key performance indicators (%)	2023/24			2024/25	
	Q2	Q3	Q4	Q1	Q2
Volume growth:					
Frozen Confectionery (FC)	(2)	(2)	24	27	17
Beverages (CSD)	5	0	42	8	13
Convenience Foods	(18)	(1)	42	31	21
EBITDA (Rs. Million)	1,237	897	2,157	1,493	1,611
EBITDA margin	15	13	22	16	17
Revenue mix (CSD:FC)					
	41:59	40:60	44:56	44:56	43:57

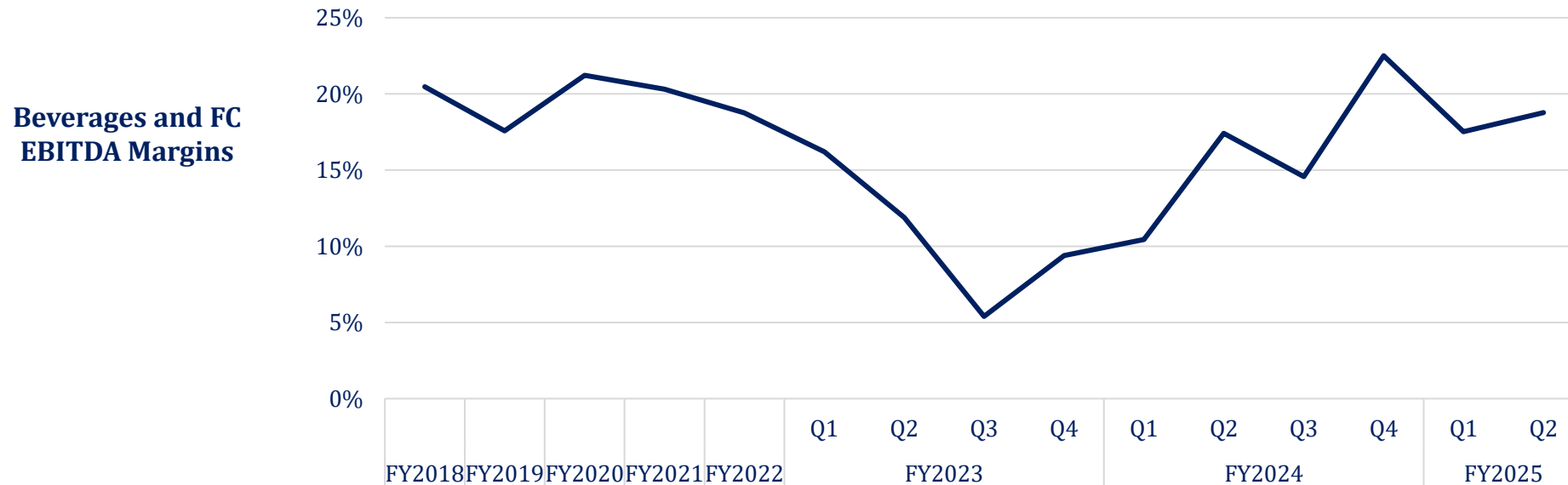
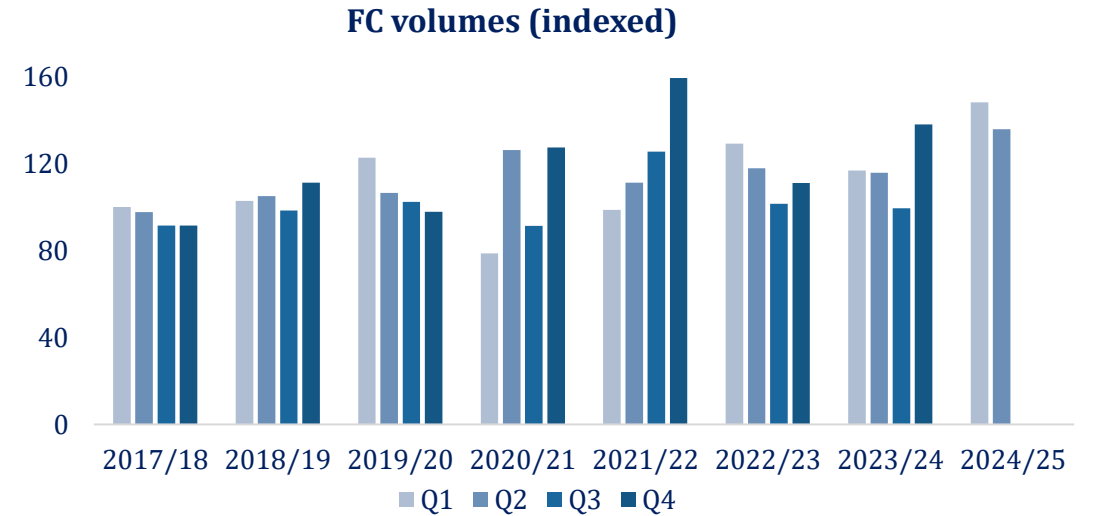
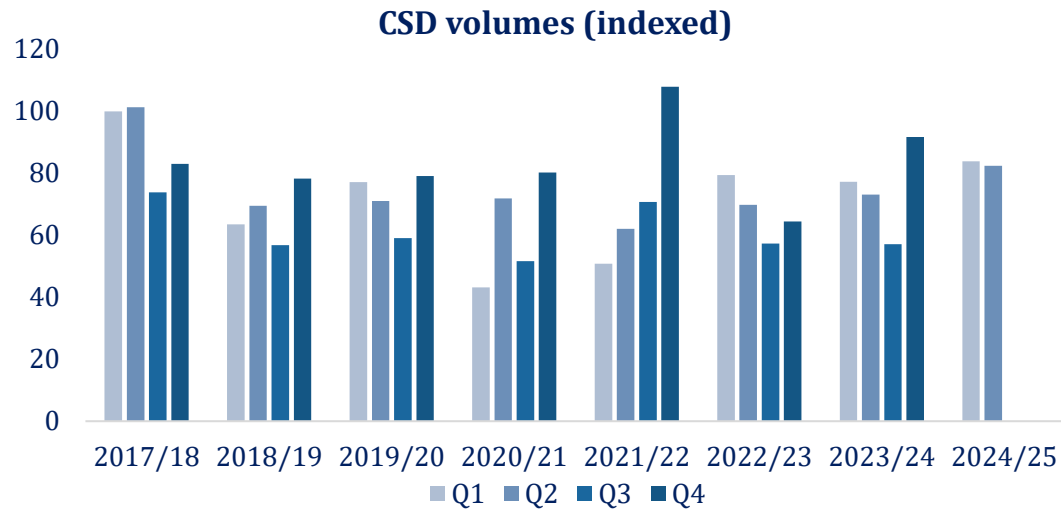
Key performance indicators (%)	FY2020	FY2021	FY2022	FY2023	FY2024
Recurring EBITDA margin	20	20	17	10	15

## Q2 Earnings Update:

(Rs. mn)	Q2 2024/25	Q2 2023/24
EBITDA	1,611	1,237

- Growth in profitability is mainly driven by the Beverages and FC businesses.
- Volumes in the FC business were driven by higher sales in the impulse segment which comprises of higher margin products.
- Both businesses recorded a sustained improvement in margins on account of lower raw material prices and electricity costs and the increased operating leverage, due to higher volumes, enabling absorption of fixed costs.
- The Convenience Foods business recorded an increase in profitability and an improvement in margins driven by an increase in volumes combined with declining input costs.

# Beverages and FC: EBITDA margin analysis





# Retail: Q2 2024/25

## Supermarket business:

Key performance indicators (%)	2023/24			2024/25	
	Q2	Q3	Q4	Q1	Q2
Same store sales growth	10.4	10.7	10.7	12.0	13.8
Same store footfall growth	10.6	15.7	14.4	11.9	12.3
Average basket value growth	(0.2)	(4.3)	(3.2)	0.1	1.4
Revenue (Rs. Million)	27,248	28,756	27,358	30,029	30,103
EBITDA (Rs. Million)	1,750	1,997	2,158*	2,026	2,151
EBITDA margin	6.4	6.9	7.9*	6.7	7.1

\*Includes promotional income and rebates from suppliers, which is typically seen in the fourth quarter.

One new outlet was opened while one outlet was closed during the quarter. The total count of 'Keells' outlets as at 30 September 2024 is 134.

Further to the Group's partnership with BYD Auto Industry Company Limited, the world's leading manufacturer of new energy vehicles (NEVs), John Keells CG Auto (Private) Limited opened its flagship showroom and service station in August 2024.

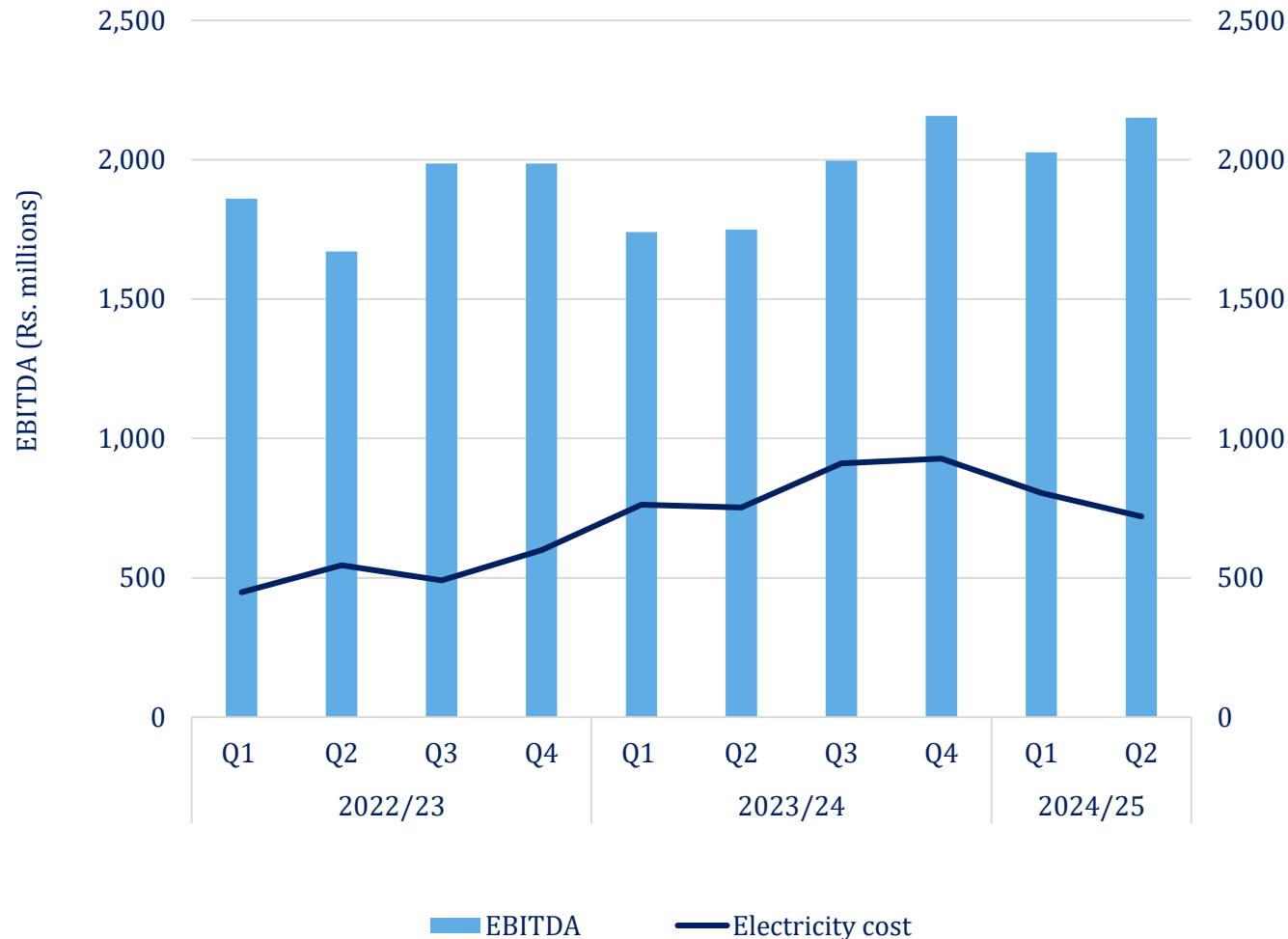
## Q2 Earnings Update:

(Rs. mn)	Q2 2024/25	Q2 2023/24
EBITDA	2,390	1,983

- The Supermarket business recorded a strong performance, with same store sales recording an encouraging growth driven by a growth in customer footfall growth.
- Average basket values continued to recover driven by an increase in the weight of purchase due to a decrease in year-on-year inflation rates and improved consumer confidence.
- The Office Automation business witnessed an improvement in both mobile phones and office automation sales volumes.

# Supermarket business EBITDA margins and electricity cost impact

**EBITDA and electricity cost**



		Recurring EBITDA margin (%)	Electricity cost (as a % of revenue)
2022/23	Q1	7.6	1.8
	Q2	6.9	2.2
	Q3	7.7	1.9
	Q4	7.7	2.4
2023/24	Q1	6.3	2.8
	Q2	6.4	2.8
	Q3	6.9	3.2
	Q4	7.9	3.4
2024/25	Q1	6.7	2.7
	Q2	7.1	2.4



# Retail: Q2 2024/25: vs Q2 2023/24

Same Store  
Sales  
13.8%

## Q2 2023/24:

- The conversion of standard format outlets to an extended format, along with promotional campaigns, contributed to same store sales growth.

## Q2 2024/25:

- Promotional campaigns contributed to same store sales growth.

Same Store  
Footfall  
12.3%

## Q2 2023/24:

- Continued to attract new customers as well as improved footfall from existing customers with the easing of inflationary pressures.

## Q2 2024/25:

- Customer count increased driven by initiatives to attract new customers as well as improved footfall from existing customers on the back of improved consumer sentiment.
- Continued demand towards Modern Trade in comparison to General Trade.

ABV  
1.4%

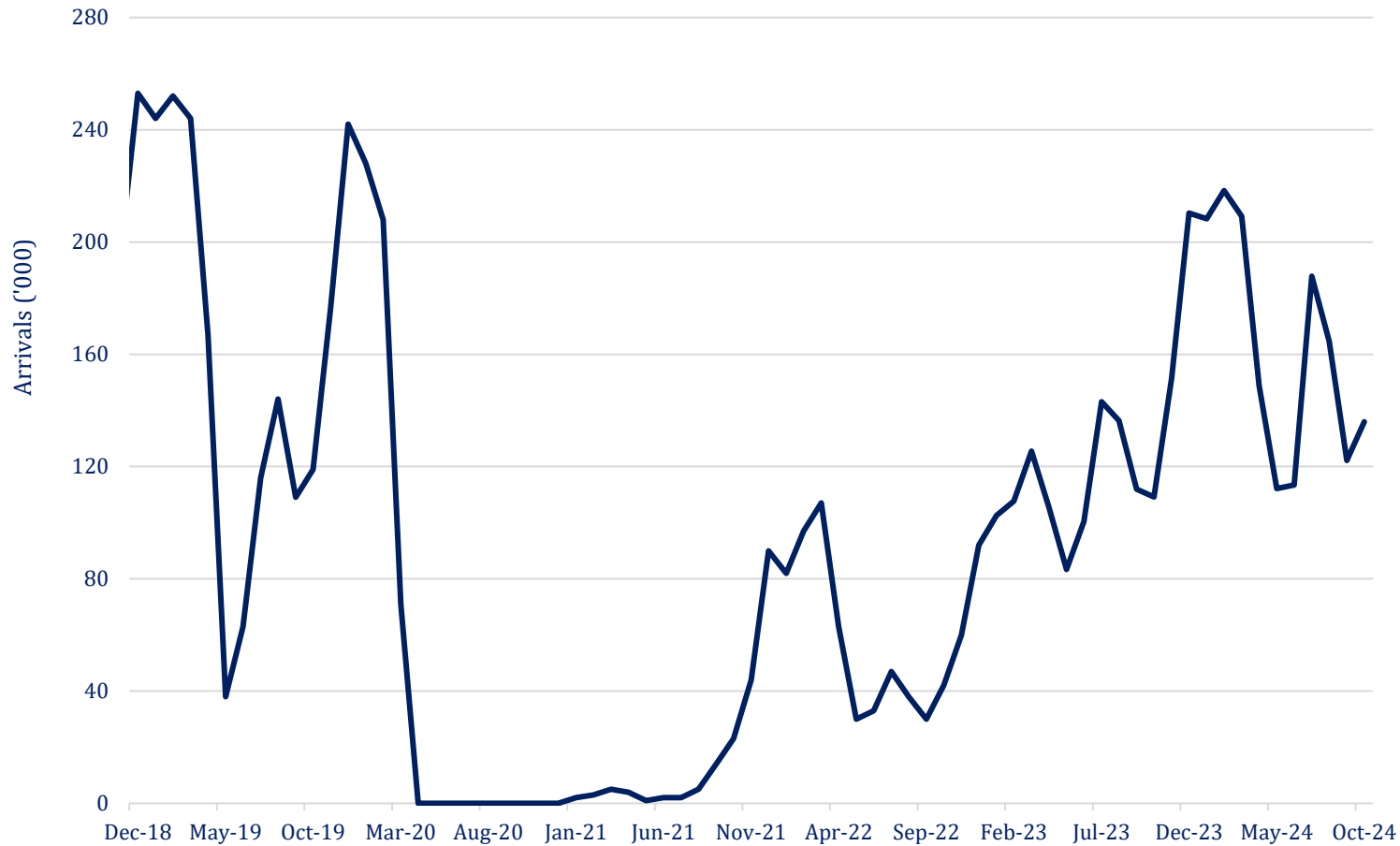
## Q2 2023/24:

- September 2023 NCPI (YoY): 0.8%.
- Despite a QoQ tapering down of inflation, the slight YoY increase in inflation led to a rise in the RSP.
- The reduction in the consumption of non-essential items led to a decrease of the WOP, which contributed more significantly to the decline in the ABV.

## Q2 2024/25:

- September 2024 NCPI (YoY): (0.2)%.
- The recovery in the consumption of non-essential items lead to an increase of the WOP coupled with the decrease in inflation.

# Tourist arrivals to Sri Lanka: recovery trend post-pandemic

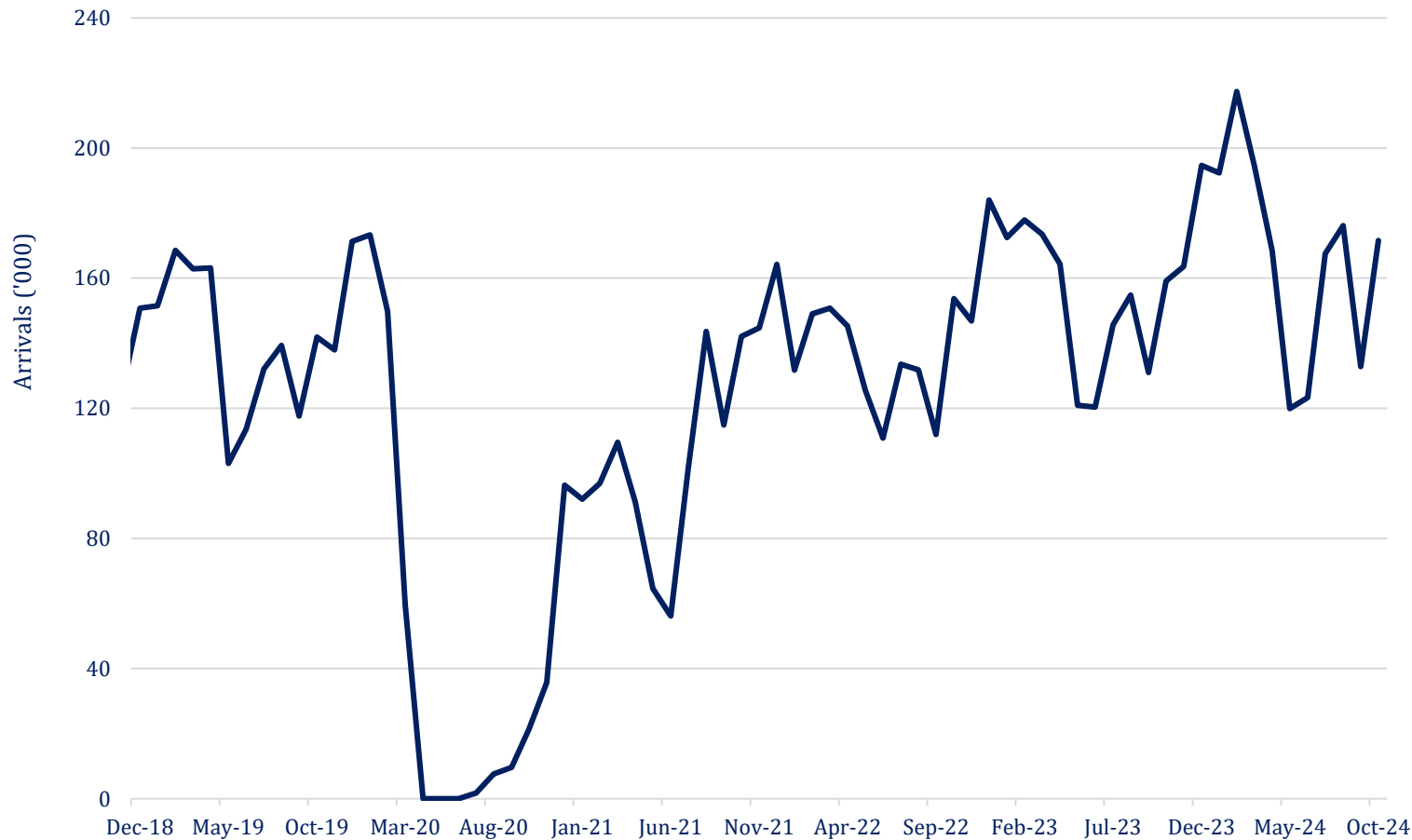


Source: Sri Lanka Tourism Development Authority

Sri Lanka - Monthly Tourist Arrivals			
Month	2018	2023	2024
Jan	238,924	102,545	208,253
Feb	235,618	107,639	218,350
Mar	233,382	125,495	209,181
Apr	180,429	105,498	148,867
May	129,466	83,309	112,128
Jun	146,828	100,388	113,470
Jul	217,829	143,039	187,810
Aug	200,359	136,405	164,609
Sep	149,087	111,938	122,140
Oct	153,123	109,199	135,907
Nov	195,582	151,496	
Dec	253,169	210,352	
<b>Total</b>	<b>2,333,796</b>	<b>1,487,303</b>	<b>1,620,715</b>

Arrivals for the period 2019-2022 were disrupted due to:  
 2019: Easter Sunday terror attacks  
 2020 and 2021: COVID-19 pandemic  
 2022: domestic financial crisis

# Tourist arrivals to the Maldives: recovery trend post-pandemic

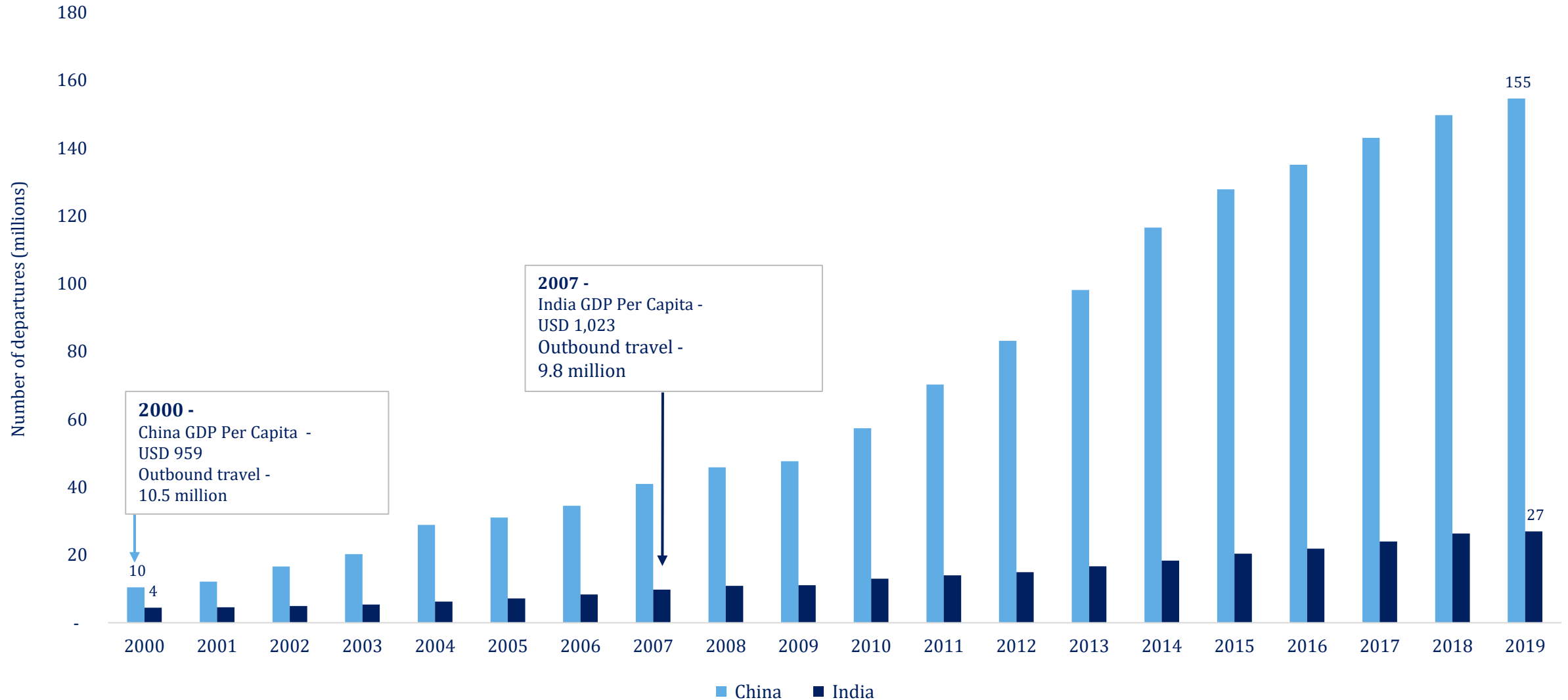


Source: Ministry of Tourism Maldives

The Maldives - Monthly Tourist Arrivals			
Month	2019	2023	2024
Jan	151,552	172,499	192,385
Feb	168,583	177,915	217,392
Mar	162,843	173,514	194,227
Apr	163,114	164,357	168,366
May	103,022	120,959	119,875
Jun	113,475	120,363	123,284
Jul	132,144	145,620	167,528
Aug	139,338	154,854	176,175
Sep	117,619	130,967	132,795
Oct	141,928	159,141	171,619
Nov	137,921	163,658	
Dec	171,292	194,969	
<b>Total</b>	<b>1,702,887</b>	<b>1,878,543</b>	<b>1,664,646</b>

Arrivals were disrupted in 2020 and 2021 due to the Covid-19 pandemic.

# Comparison of outbound travel – China and India



Source: World Bank

# Leisure: Q2 2024/25

Key indicators	2023/24			2024/25	
	Q2	Q3	Q4	Q1	Q2
<b>Colombo Hotels*</b>					
Occupancy (%)	67	57	67	40	66
ARR (USD)	69	88	84	98	83
EBITDA Margin (%)	13	16	18	(2)	11
<b>Sri Lankan Resorts</b>					
Occupancy (%)	71	66	81	49	64
ARR (USD)	62	80	106	81	78
EBITDA Margin (%)	4	15	35	(5)	6
<b>Maldivian Resorts</b>					
Occupancy (%)	82	88	90	71	89
ARR (USD)**	212	282	362	235	194
EBITDA Margin (%)	17	31	44	10	16

\*Occupancies and ARR exclude 'Cinnamon Red Colombo'

\*\*ARRs net of Green tax and allocation (F&B charge).

## Q2 Earnings Update:

(Rs. mn)	Q2 2024/25	Q2 2023/24
EBITDA	(136)	1,065

EBITDA excluding 'City of Dreams Sri Lanka' is Rs.1.04 billion for Q2 2024/25 and Rs.1.26 billion for Q2 2023/24.

- Profitability of the Sri Lankan Resorts segment profitability recorded an improvement due to an increase in room rates.
- The Colombo Hotels segment witnessed a marginal decline in occupancies.
- The Maldivian Resorts noted an increase in occupancies driven by lower ARR's due to a conscious volume-driven strategy during the off-season period, although profitability was impacted by the appreciation of the Sri Lankan Rupee, resulting in a lower translation of Rupee profits.

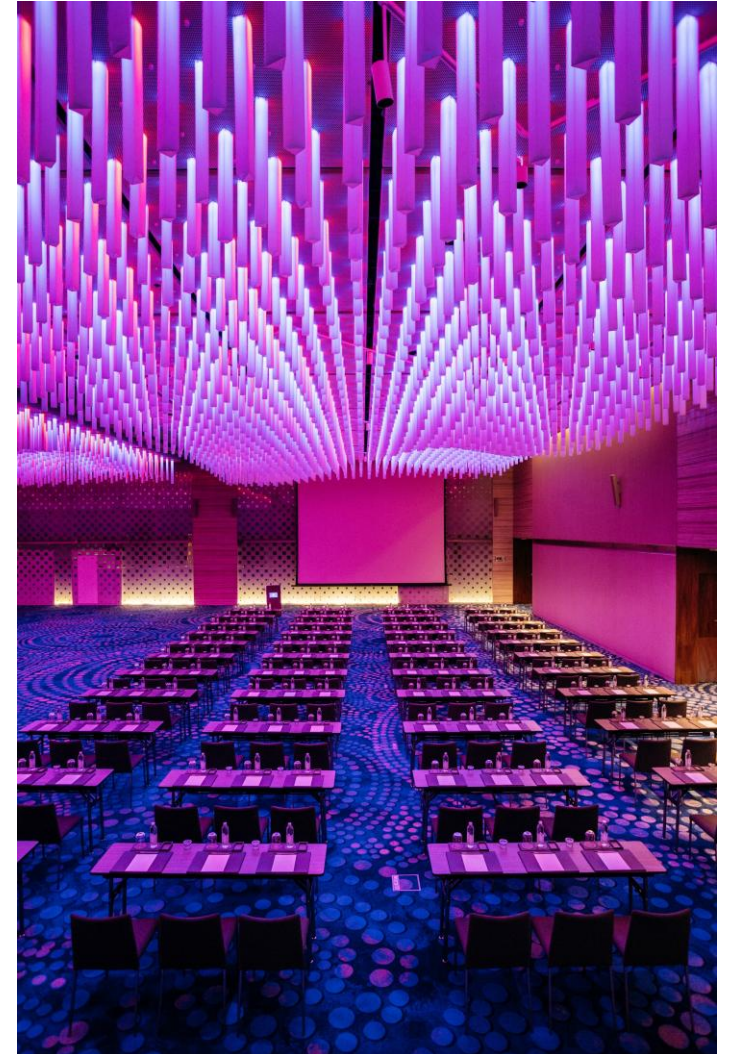
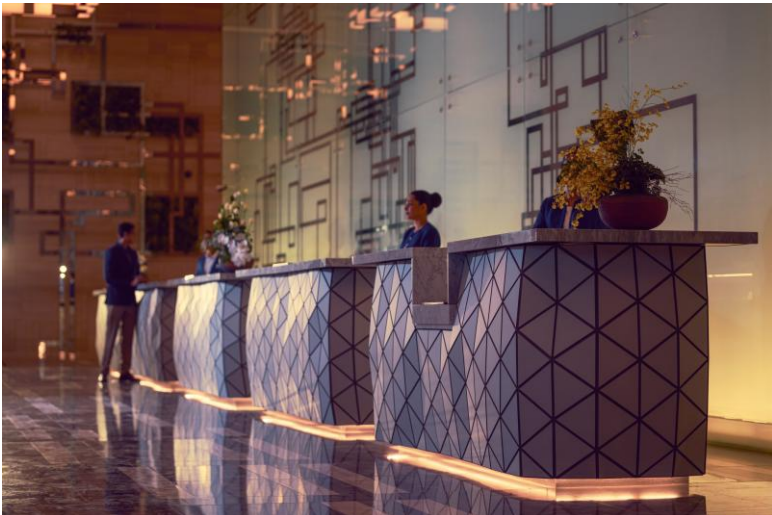
# City of Dreams Sri Lanka

- The 687-key 'Cinnamon Life' hotel, restaurants and banquet facilities commenced operations on 15 October 2024.
- The full array of food and beverage options, including the unique outdoor locations will be progressively launched as operations continue to ramp up.
- Fit-out works relating to the remainder of the project comprising of the 113-key 'Nuwa' hotel and gaming operations are progressing well and are expected to be operational along with the retail mall with overall completion of these elements scheduled for mid-CY2025.
- As of the end of the quarter under review, over 1,400 new employees have been onboarded and trained. Upon the full commencement of operations, 'City of Dreams Sri Lanka' is expected to generate over 20,000 direct and indirect employment and community engagement opportunities.



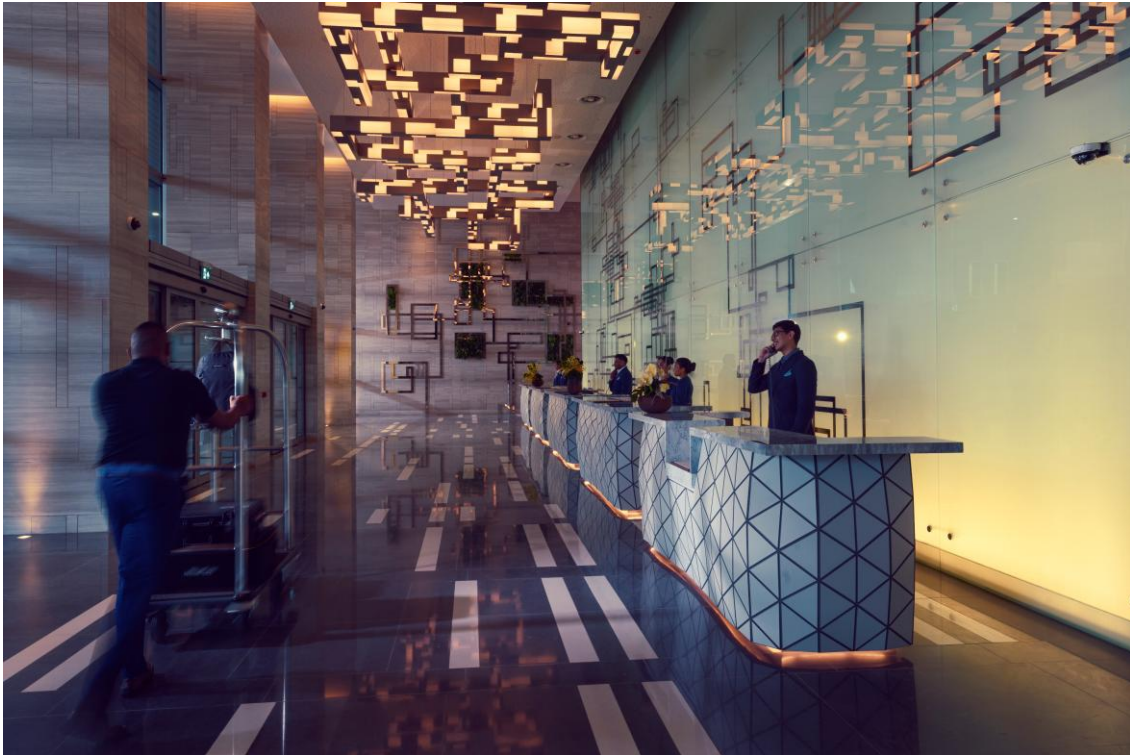


# City of Dreams Sri Lanka





# City of Dreams Sri Lanka





# Property: Q2 2024/25

## Cumulative sales update as at 30 September 2024:

	Number of units sold	Number of remaining units
<b>Cinnamon Life:</b>		
The Residence at Cinnamon Life	151	80
The Suites at Cinnamon Life	111	85
<b>Total</b>	<b>262</b>	<b>165</b>
<b>TRI-ZEN</b>	<b>717</b>	<b>174</b>
<b>VIMAN*</b>		
Phase 1	101	13
Phase 2	36	40

*\*Number of total units in Phase 1 and 2 of the development are 114 and 76 respectively.*

## Q2 Earnings Update:

(Rs. mn)	Q2 2024/25	Q2 2023/24
EBITDA	111	(435)

- The growth in profitability is driven by profit recognition from residential apartment unit sales at 'City of Dreams Sri Lanka', real estate sales in Digana, through Rajawella Holdings (Private) Limited, and revenue recognition at the 'TRI-ZEN' residential project.

# Financial Services: Q2 2024/25

## Union Assurance PLC:

Key performance indicators (%)	Q2 2023/24 (Jul-Sep 2023)	Q3 2023/24 (Oct-Dec 2023)	Q4 2023/24 (Jan-Mar 2024)	Q1 2024/25 (Apr-Jun 2024)	Q2 2024/25 (Jul-Sep 2024)
GWP growth	15	12	17	12	14
Net profit (Rs. Million)	435	2,410	484	376	445
Net profit growth	46	22	9	(20)	2
UA Surplus (Rs. Million)	-	2,800	-	-	-

## Nations Trust Bank PLC:

Key performance indicators (%)	Q2 2023/24 (Jul-Sep 2023)	Q3 2023/24 (Oct-Dec 2023)	Q4 2023/24 (Jan-Mar 2024)	Q1 2024/25 (Apr-Jun 2024)	Q2 2024/25 (Jul-Sep 2024)
Net profit (Rs. Million)*	3,230	1,948	3,698	4,170	4,079
Net profit growth	29	4	37	29	26
Loan growth	1	9	18	18	13
Net interest margin	6.7	6.6	6.8	7.1	6.4
Stage 3 loan ratio (net)	3.3	2.3	2.1	2.1	1.8

\*Share of profits from the associate will be 32.6%.

## Q2 Earnings Update:

(Rs. mn)	Q2 2024/25	Q2 2023/24
EBITDA	1,809	1,702

- NTB recorded a growth in profitability aided by loan growth, higher fee income and lower impairment.
- UA recorded encouraging double-digit growth in gross written premiums, driven by renewal premiums and regular new business premiums. Profitability was impacted by a decline in interest income compared with Q2 2023/24.

# THANK YOU

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