

# INVESTOR PRESENTATION

FY - 2019/20

l i m i t | e s s



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Group Highlights



Logistics Sector



Leisure Sector



Investments Sector



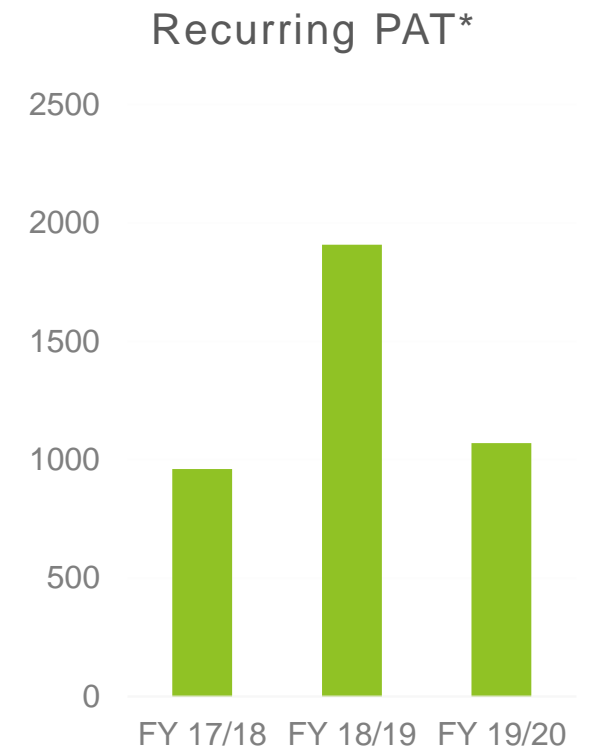
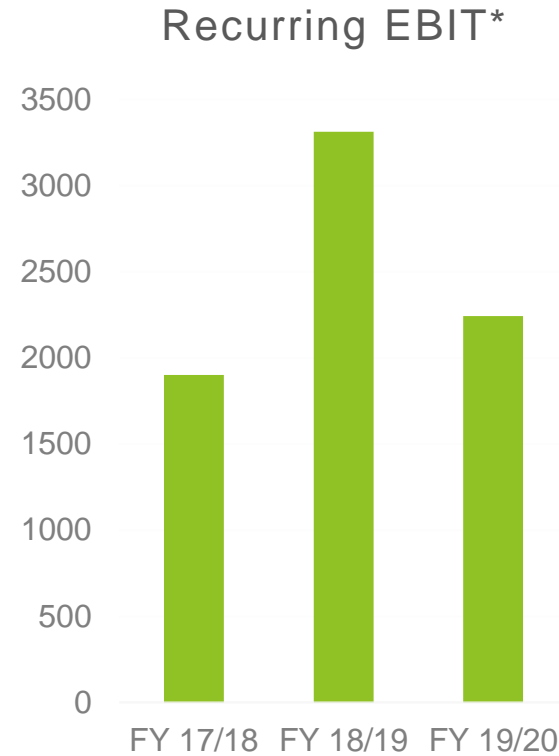
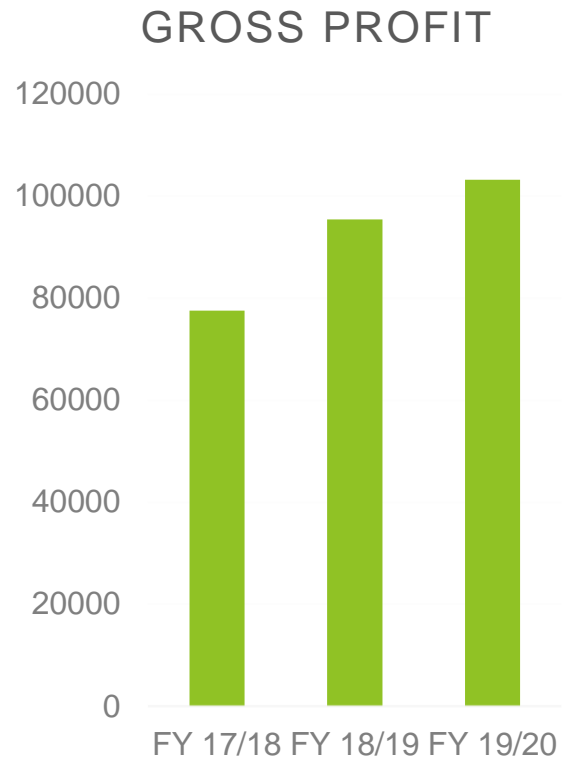
Group Financials

# RESILIENT PERFORMANCE AMIDST CHALLENGING MACRO ENVIRONMENT



- **+8% YoY growth** enabling Revenue of Rs. 103BN
- **Stable performance in Logistics sector** despite soft market conditions
- External factors affected **leisure sector adversely**
- **EXPO's recurring profit** after Tax for the year is Rs. 1.071BN
- COVID 19 & resulting economic uncertainties **impacted Q4 performance**

# OVERVIEW OF GROUP PERFORMANCE



Note: Recurring EBIT & PAT are calculated excluding the one-time Legal Settlement

# COVID 19 RELATED RISKS & MITIGATION STRATEGY

Managing Employee Safety, Lockdowns & Business Continuity	Refocusing efforts in the face of reducing customer demand	Positioning the organization for conducting business with Covid-19
<ul style="list-style-type: none"><li>• Work from home orders were issued by the company in early March for our global staff</li><li>• Business continuity plans were developed, health guidelines issued, staff allocated to ensure smooth operations in freight cluster</li><li>• Cost reduction program implemented from April onwards on a global basis</li></ul>	<ul style="list-style-type: none"><li>• Sales teams from our key markets - USA, China, and India worked towards onboarding PPE and Pharma related customers</li><li>• Organizational capabilities were reevaluated to work based on new business norms - reduced capacity, charter programs</li><li>• Supporting the existing customers in order to meet their specific needs</li></ul>	<ul style="list-style-type: none"><li>• Cautious approach to opening work even in countries which successfully managed Covid-19 Sri Lanka and Vietnam</li><li>• Increased engagement with regular customers to meet their specific needs when opening business</li><li>• Managing continuing PPE and Pharma business with the improvement of normal business</li></ul>



# LOGISTICS SECTOR

# LOGISTICS SECTOR FINANCIALS



Freight



Transport &  
Warehousing



Others


Rs. MN	31-Mar-2020 (Recurring)*	31-Mar-2019	YoY
Revenue	98,695	90,953	+9%
Gross Profit	17,826	16,714	+7%
EBIT	2,436	3,473	<b>-30%</b>
PAT	1,419	2,207	<b>-36%</b>

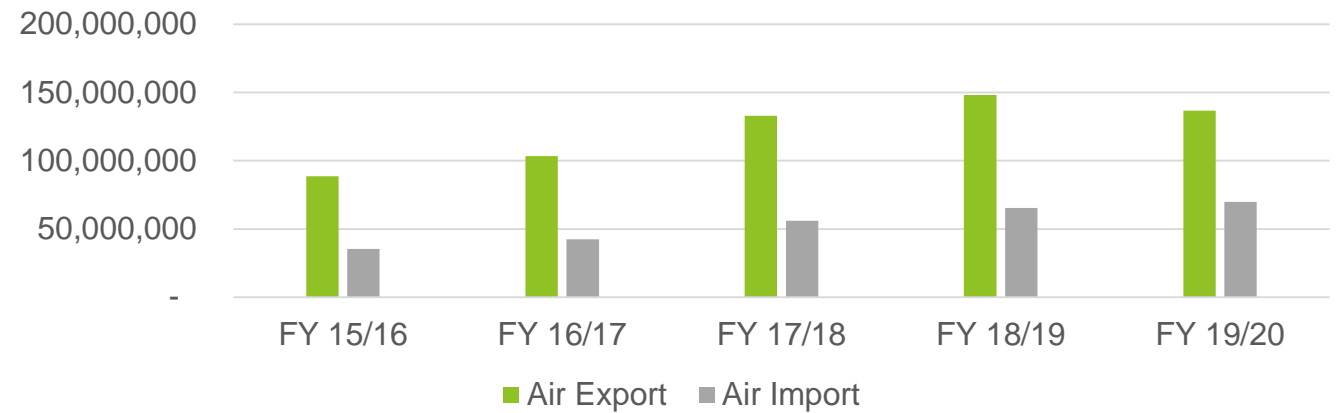
Note: Recurring Financials are excluding the one-time Legal Settlement


## Key Highlights

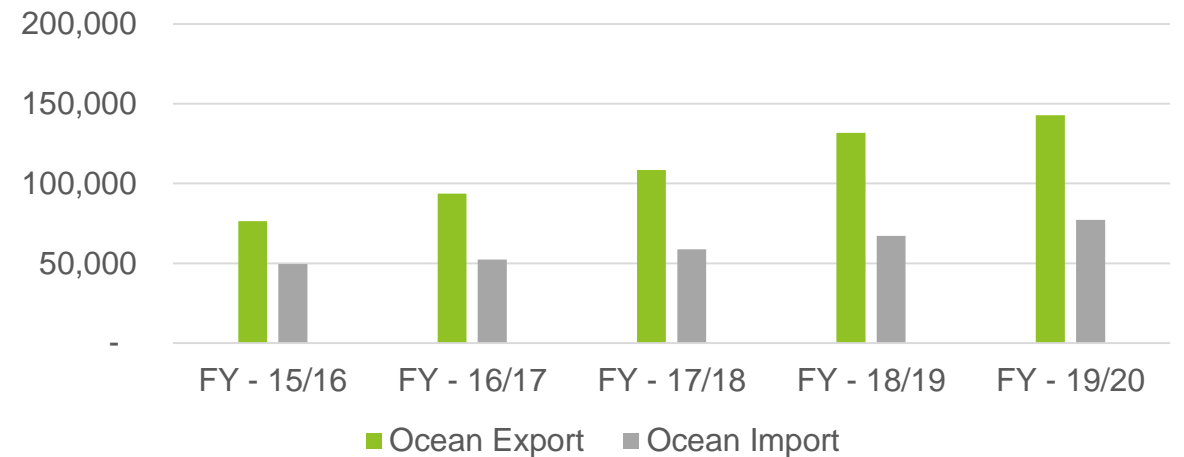
- Revenue driven by steady volumes despite lower air freight rates
  - Healthy contributions from most customers with new customer volumes in line with expectations
- Effective procurement strategy enabled consistent GP Margins In spite of weak market conditions
- Long term view on Transpacific operations resulting in Overhead growth during current year.
- An upward trajectory was visible in the overall warehouse & transport operations, with enhanced capacities and improved efficiencies
- Legal settlement of USD 6.75 incurred during the current year to settle a claim of damages without accepting any responsibility

# CONSOLIDATING VOLUMES

<p><b>Air Export</b> 136.6 MN KG's 19/20</p> <p><b>YoY -7%</b></p> 	<p><b>Air Import</b> 69.7 MN KG's FY 19/20</p> <p><b>YoY +6%</b></p> 
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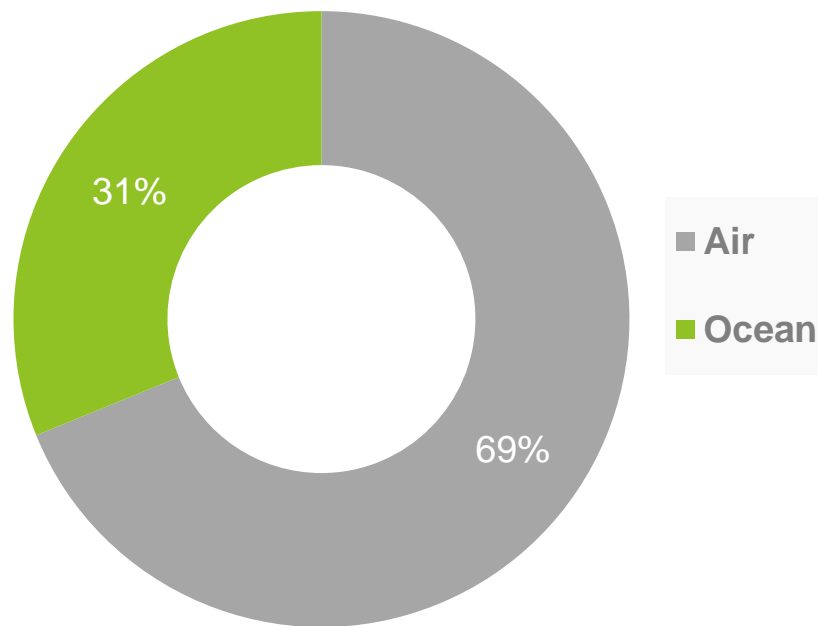
<p><b>Ocean Export</b> 142.8K TEUs FY 19/20</p> <p><b>YoY +8%</b></p> 	<p><b>Ocean Import</b> 77.2K TEUs FY 19/20</p> <p><b>YoY +15%</b></p> 
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# RESILIENT OPERATIONS OF MAIN PRODUCTS SUPPORTED OVERALL PERFORMANCE

Gross Profit by Main Products

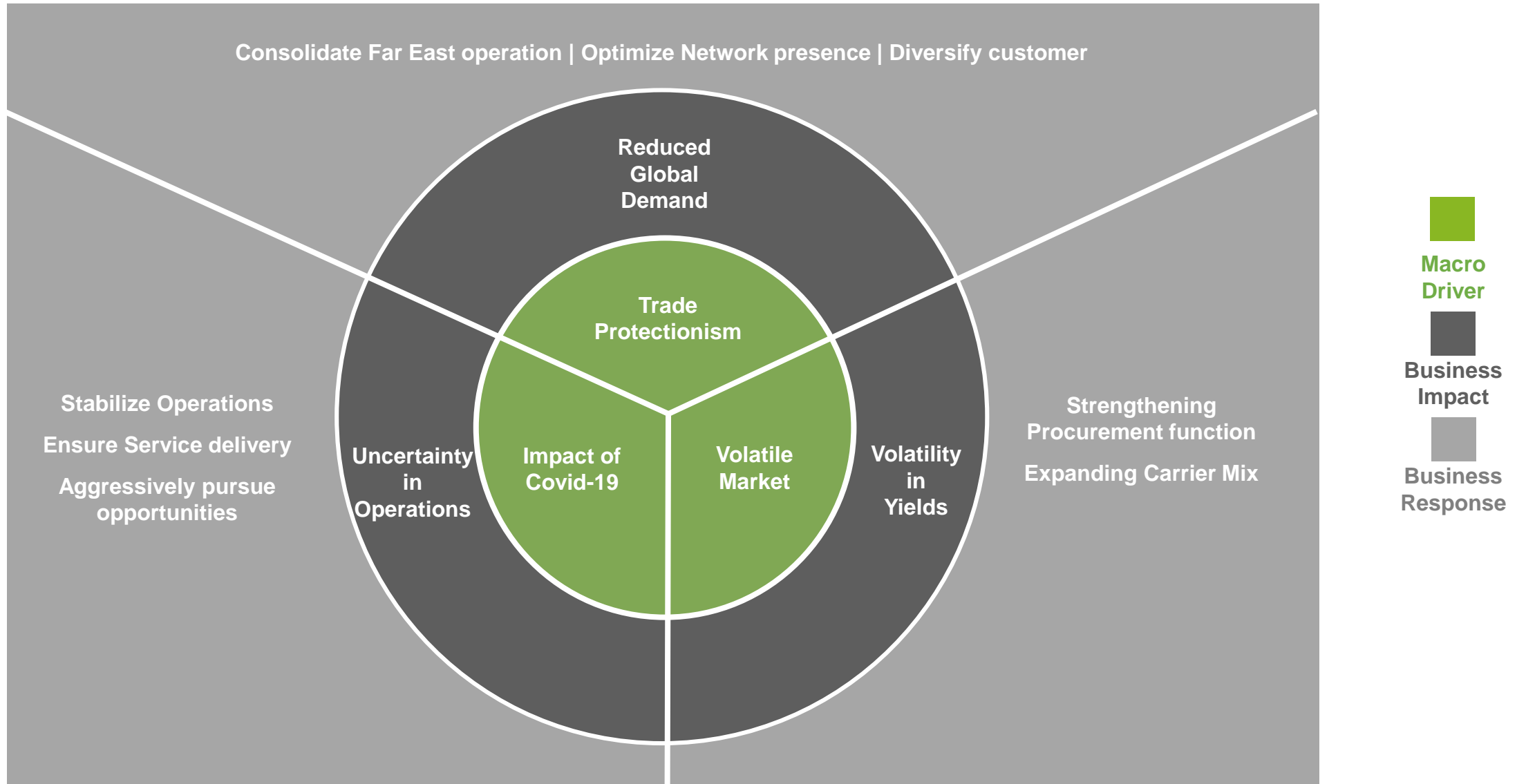


- A soft air freight market moderated the overall performance of the sector
- NAM Trade lane saw a recovery during the 2H of the year after a volatile first half due to the trade tensions.
  - Transpacific operations remained encouraging
  - Indian sub-continent recorded modest results
- Consolidating Intra Asia & Europe Trade Lanes performances
- Ocean volumes trending upwards, inline with strategic initiatives

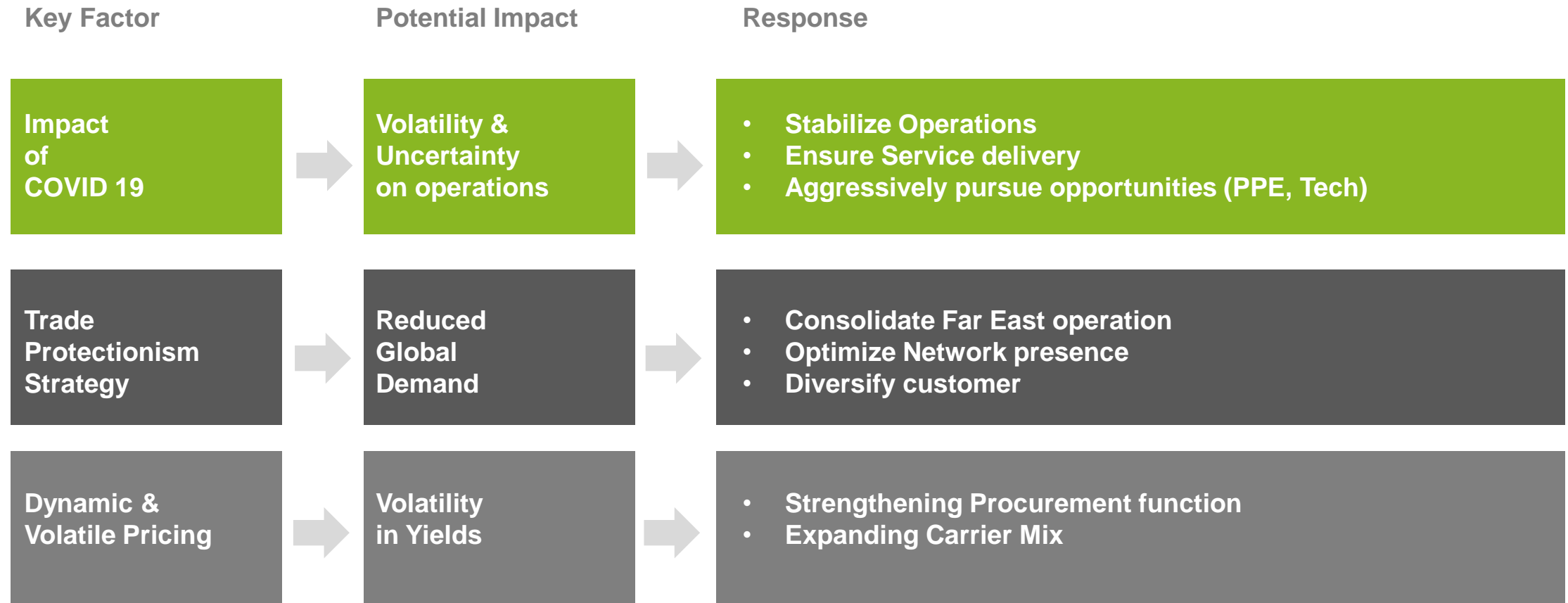
# EFL ADDED 4 NEW STATIONS WITHIN THE YEAR



# NIMBLE & FLEXIBLE, RESPONSE TO MARKET CHALLENGES



# NIMBLE & FLEXIBLE, RESPONSE TO MARKET CHALLENGES



# EFL'S STRATEGIC PRIORITIES

## Maintain focus on Growth

- Driven by the NAM Trade Lane
- Optimizing Customer performance & Customer acquisition
- Expanding Transpacific operations
- Consolidating ISC Operations

## Augmenting Solutions

- Further developing the 3PL operations
- Increasing value added services



## Broadening Vertical Portfolio

- Consolidating the Apparel Vertical
- Growing the Tech, Pharma & Perishable Verticals

## Technology Integration

- Drive efficiency through workflow optimization
- Solution enabling customer Intimacy
- Visibility & Transparency to enhance competitiveness



# LEISURE SECTOR

# ENCOURAGING PERFORMANCE DESPITE CHALLENGING ENVIRONMENT



Corporate Travel



Leisure



Inbound &  
Event Management

Rs. MN	31- Mar- 2020	31- Mar- 2019	YoY %
Revenue	1,262	1,375	-8%
Gross Profit	1,047	1,067	-2%
EBIT	187	303	-38%
PAT	110	208	-47%

## Key Highlights

- Corporate Travel segment continued to grow within expectations during Q1-Q3. Service innovation with a focus on customer intimacy continued to facilitate growth within the segment
- C-19 Impacts resulted in low operating volumes during Q4
- Dynamic market conditions & evolving operating environment expected to remain in the short term, accelerating process improvements, efficiencies, and technology adoption in the company

## Focus & Initiatives

- The implications of C-19 expected to weaken the performance of the sector in the short term
  - Several short-term cost reduction measures were implemented to soften the impacts to the P&L
  - Aim to remain strong and optimize performance with overall market recovery
- Continued emphasis on operating efficiency, Optimizing strengths, enhancing value added offering & focusing on customer experience will be the medium-term approach of the sector





# FOCUS ON STABILIZING OPERATIONS

Rs. MN	31-Mar-2020	31-Mar-2019	YoY %
Revenue	3,289	3,126	+5%
Gross Profit	310	319	-3%
EBIT	-379	-463	-18%
PAT	-458	-506	-10%

## Key Highlights

- **Export operations**
  - Desiccated coconut operations delivered a satisfactory performance
- Quiet performance from Value adding unit, impacted by lockdown
- **IT Services unit**
  - Optimizing Value from Corp. & IT Services



# GROUP FINANCIALS

# GROUP INCOME STATEMENT

Rs. MN	FY 19/20	FY 18/19	FY 17/18	FY 16/17
Revenue	103,254	95,454	77,532	63,492
Gross Profit	19,182	18,099	13,726	11,199
Other Income & Gains	421	568	237	324
Administration Expenses	17,766	14,231	11,025	8,361
Selling Expenses	1,216	1,234	1,080	1,087
Finance Cost	455	239	232	403
Finance Income	83	50		
Share of results of equity accounted investees (net tax)	31	60	44	22
PBT	280	3,073	1,670	1,694
PAT	(438)	1,908	962	1,229

Note: Total impact of applying IFRS 16 has resulted in an impact of adjusting Rs. 63.5 MN to the Profit of the company.  
The significant impact has been the increase of Finance Cost

# GROUP BALANCE SHEET

Rs. MN	31-Mar-2020	31-Mar-2019
Total PPE	7,728	5,400
Cash & Cash	7,156	4,459
Trade Debtors	18,400	21,302
Other Receivables	2,463	2,435
Assets held for sale	275	
<b>Total Assets</b>	<b>36,022</b>	<b>33,596</b>
Trade Payables & Other Payables	10,379	11,962
Finance & Lease Payables – Current	6,727	4,133
Finance & Lease Payables – Non-Current	5,469	1,199
Other Non-Current Liabilities	618	515
<b>Shareholder Funds</b>	<b>12,830</b>	<b>15,787</b>
<b>Total Shareholder Funds &amp; Liabilities</b>	<b>36,022</b>	<b>33,596</b>

## Balance Sheet Objectives

- Improving Returns
- Improving Cashflow
- Optimize gearings

## Balance Sheet Review

- Impact of IFRS 16 increasing the PPE & Leases
- Working Capital growth inline with Revenue growth
- Maintained gearing despite growth in Revenue

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