

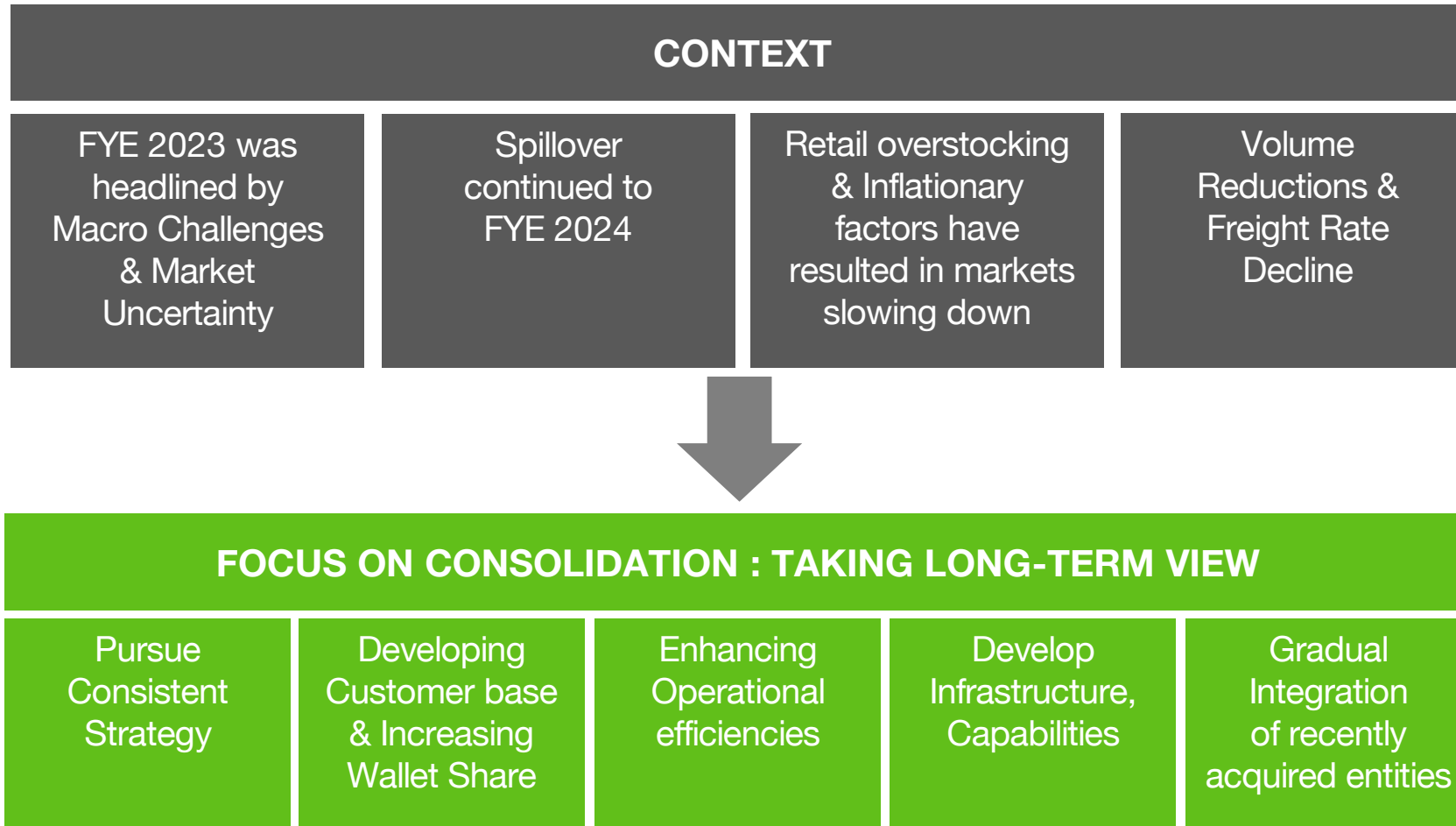


## SEASONS OF RESILIENCE



**EXPO IR PRESENTATION Q1 - FYE 2024**

# Q1 FYE 2024 - CONSOLIDATION REMAINS KEY



# RESILIENCE AMIDST MARKET CHALLENGES

RS. MN	Q1 FYE 24	Q1 FYE 23
Revenue	55,514	235,181
Gross Profit	11,270	36,972
EBIT	-5,306	24,943
PAT	-5,685	20,152

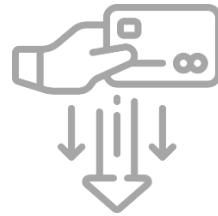
- Soft Market conditions & challenging Macro environment continued during the quarter
- Currency fluctuations (LKR Appreciation) result in **negative Rs. 973Mn** impact, diluting group performance
- Logistics sector experienced a drop in volumes whilst rates continued to see a steep decline
- Leisure sector sustained growth momentum
- Quality of earnings demonstrated with improved cashflow position - Group declared a Dividend of Rs. 3.48 Per Share

# MARKETS REMAIN CHALLENGED & UNCERTAIN

- Post-Covid economic slowdown across all key markets
- Geo-political uncertainties remain



High  
Inventory  
Levels



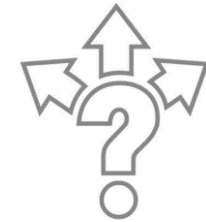
Tightening economic  
conditions &  
Monetary policies



Uncertainties in  
Global markets  
remain



Reduction in  
Consumer  
spending



Demand -  
Supply  
Imbalances

**Results in Reduction in Volumes & Fall in Rates**

# LOGISTICS SECTOR - STAYING ON COURSE FOR LONG TERM



Freight



Transport & Warehousing



Others

RS. MN	Q1 FYE 24	Q1 FYE 23
Revenue	53,412	233,098
Gross Profit	10,585	36,280
EBIT	-5,368	23,531
PAT	-5,693	18,800

- **Market Conditions remain Challenging** - Retail Inventory remains high, Inflationary fears & uncertainties in the macro environment dampen demand
- **Volumes Decline** - A reduction in Volumes across both Air & Ocean products was witnessed during the year.
- **Freight Rates Drop** - Rates across both Air & Ocean products saw a steep decline due to demand & supply imbalances
- Impacts have been felt across the Industry
- **Investing into the supply chain** - Continued progress on 3PL & Domestic logistics vertical
- **LKR Appreciation** results in a **negative Forex impact of Rs. XXX Mn** to the Logistic Sector performance

# INVESTING FOR THE FUTURE - BUILDING STRENGTH & CAPABILITIES

## Customers, Volume & Services

- Retaining Wallet Share with all key accounts
- Selective Customer acquisition
- Growing Domestic Logistics Portfolio
- Enhanced Service capabilities

## Procurement Management

- Strengthening & developing Partnerships
- Flexible procurement strategies



## Infrastructure, People & Technology

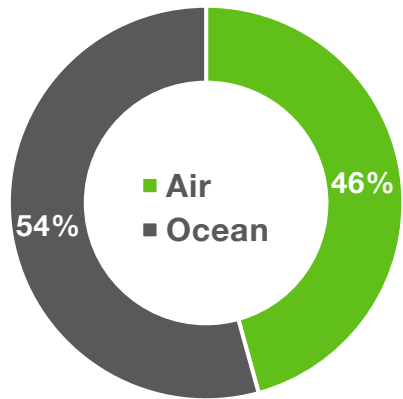
- Process Improvements & Visibility Platforms
- Service excellence & delivery
- Strengthened HR Resources

## Optimization

- Aligned & market driven E S G Framework
- Improved Back-office Functions

# VOLUME DROP RESULTING FROM SOFT MARKET CONDITIONS

REVENUE BY MAIN PRODUCTS (Q1 FYE 24)



Q1 FYE 24 REV MODERATION

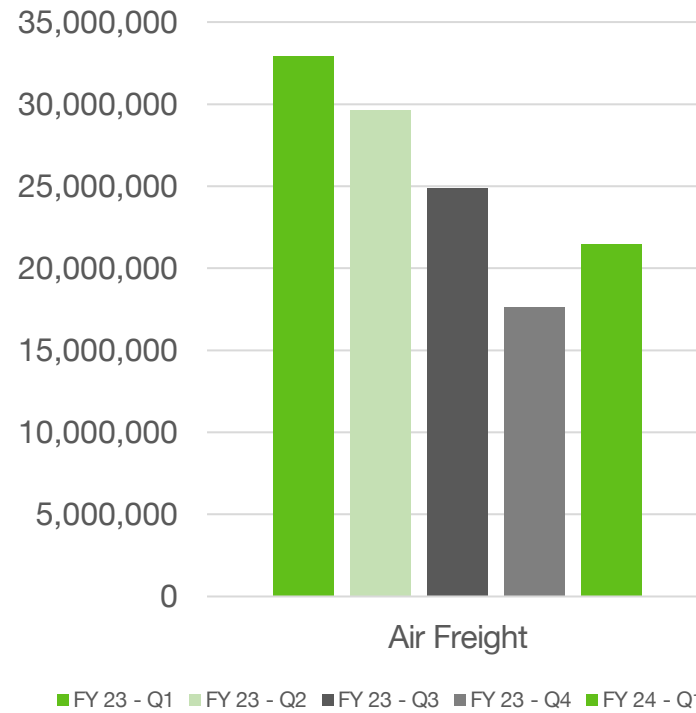


-60%



-83%

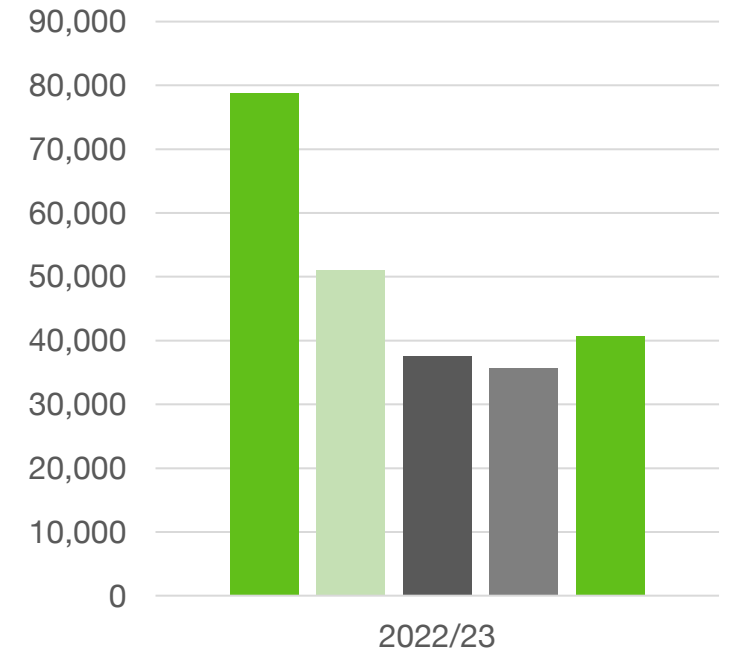
VOLUMES CONTINUE TO MODERATE VS PRE-PANDEMIC LEVELS



**AIR VOLUMES**

21Mn KG's  
Q1 - FYE 24

YoY (Q1) -34%



**OCEAN VOLUMES**

40K TEU'S  
Q1 - FYE 24

YoY (Q1) -48%

# LONG TERM - CONSISTENT STRATEGY

Consolidate Core markets | Expand into Europe, LATAM, Intra Asia  
| Enhance Service Capability | Leverage Industry Verticals | M&A



## STRATEGIC APPROACH

### SHORT TERM

- Markets in transition
- Market share consolidation and normalize earnings
- Customer focus to grow volumes
- Efficiency optimizations to drive profitability

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### MID TERM

- Leverage capabilities for Long term growth
- Cash build-up to fuel the next phase of growth
- Market & product development initiatives



# LEISURE SECTOR - RESURGENCE CONTINUES



Corporate Travel



Leisure



Inbound

RS. MN	Q1 FYE 24	Q1 FYE 23
Revenue	750	726
Gross Profit	672	403
EBIT	343	292
PAT	253	233

## Key Highlights

- Delivered best-ever quarter performance
- Corporate Travel segment contributes the largest growth, supported by the leisure segment
- Retain Market leadership position

## Focus & Initiatives

- **Outlook**
  - Market conditions to normalize
- **Strategy**
  - Grow current portfolio and enhance infrastructure capabilities
  - Pursue opportunities in International markets where possible
- **Focus**
  - Corporate Travel, Experiential Travel
  - Operating efficiency & lean structure

# INVESTMENT SECTOR - STABILIZING OPERATIONS

RS. MN	Q1 FYE 24	Q1 FYE 23
Revenue	1,561	1,471
Gross Profit	222	402
EBIT	-280	1,119
PAT	-238	17,344

## Key Highlights

### Export operations

- Re-alignment focusing on higher-yielding, less volatile business portfolio

### Value-added operations

- Stability in performance despite market challenges

### IT Operations

- Encouraging progress continues with a sustained focus on sales drive

# STRENGTHENING THE BALANCE SHEET FOR THE FUTURE

RS. MN	30-June-2023	31-Mar-2023
Total Non-Current Assets	63,999	61,608
Cash & Cash equivalents	73,008	77,781
Trade Debtors	51,694	67,930
Other Receivables	15,535	13,667
<b>Total Assets</b>	<b>204,237</b>	<b>220,989</b>
Trade Payables & Other Payables	33,455	38,340
Finance & Lease Payables - Current	14,932	15,062
Finance & Lease Payables - Non-Current	18,625	16,795
Other Non-Current Liabilities	1,059	1,163
<b>Equity attributable to Equity Holders</b>	<b>135,505</b>	<b>148,935</b>
<b>Non-Controlling Interest</b>	<b>659</b>	<b>693</b>
<b>Total Shareholder Funds &amp; Liabilities</b>	<b>204,237</b>	<b>220,989</b>

**Creating shareholder value**

**Quality of earnings remains strong**

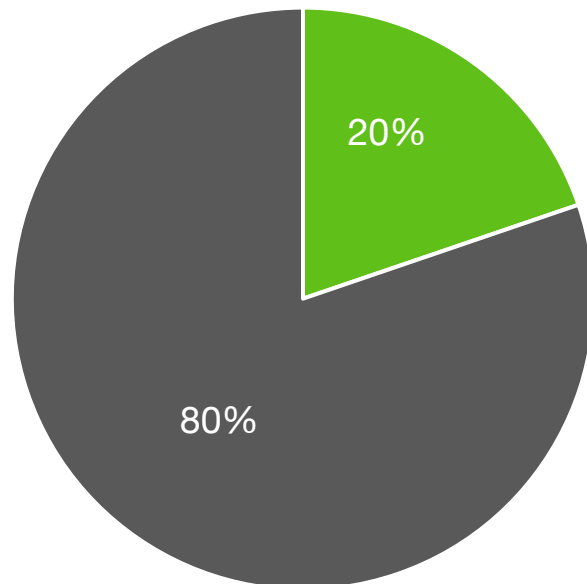
- Reduced Gearing
- Strengthened Capital Structure

**Working Capital Cycles Improve**

**Facilitating Future Growth**

# Q1 FYE 2024 - CONSOLIDATION REMAINS KEY

## OPTIMIZED CAPITAL STRUCTURE WITH LOW GEARING



■ Debt ■ Equity

## QUALITY OF EARNINGS - STRONG

Cashflow remains strong with group generating Rs. 3.6Bn Net Cash from Operations

Declared a Dividend of Rs. 3.48 Per share - Total Payment of Rs. 6.8Bn

