

Investor Relations

Group Highlights

The ensuing section details the key highlights of the year under review, followed by an overview of the key verticals, its industry potential, outlook and the initiatives that are undertaken to drive growth.

The JKH Investor Presentations are available on the Corporate Website to provide easier access and in-depth details of the operational performance of the Group.



www.keells.com/investor-presentation

Financial and Manufactured Capital

Performance Highlights

Group (Rs.million)	2021/22	2020/21	2019/20
Revenue - consolidated	244,356	145,446	157,833
Recurring profit before interest and tax (EBIT)	31,149	7,893	13,403
Recurring profit before interest, tax, depreciation and amortisation (EBITDA)	39,259	15,572	20,069
Recurring profit before tax (PBT)	24,432	3,498	10,299
Recurring profit after tax (PAT)	20,760	2,003	7,636

Key operational and financial highlights of our performance during the year under review.

- The Group witnessed a strong recovery momentum during the year under review with the recurring performance of most of our businesses reaching pre COVID-19 levels.
- Group revenue increased by 71 per cent to Rs.218.07 billion while recurring Group EBITDA increased by 152 per cent to Rs.39.26 billion. Performance was driven by the turnaround in the Leisure business, the revenue recognition at 'Cinnamon Life' and improved performance across all other business verticals.
- The Leisure industry group, in particular, recorded a significant turnaround in performance with a recurring EBITDA of Rs.3.78 billion compared to the EBITDA of a negative Rs.3.59 billion in the corresponding year.
- The Maldivian Resorts segment continued its strong recovery where the occupancy and room rates at our hotels reached pre-pandemic levels. With the relaxation of travel restrictions, the Colombo Hotels and Sri Lankan Resorts segments recorded a significant turnaround, recording a positive EBITDA and PBT in the fourth quarter.
- Revenue recognition at 'Cinnamon Life' commenced during the year with the completion and handing over of the residential and commercial towers. The remainder of the project is scheduled for commencement of operations, in a phased manner, in the first half of the calendar year 2023.
- The Group's Port business recorded an increase in profitability driven by volume growth and ancillary revenues whilst the Group's Bunkering business recorded an increase in profitability driven primarily by higher margins on account of the increase in global fuel prices.
- The Retail industry group recorded an encouraging performance with same store sales growth driving profitability in the Supermarket business, whilst the Office Automation business recorded a strong increase in mobile phone volumes, although profitability was impacted on account of the sharp depreciation of the Rupee.
- The Consumer Foods industry group continued its strong recovery momentum with all segments recording strong double-digit growth in volumes during the year with volumes reaching pre-pandemic levels.
- The Insurance business recorded double digit growth in gross written premiums during the year driven by a strong growth in regular new business premiums. The Banking business recorded an increase in profitability driven by loan growth, focused recovery efforts and cost management initiatives.

Insights - Private Placement to ADB

In November 2021, the Company resolved to raise funds through a private placement of ordinary shares for a maximum cumulative amount of the LKR equivalent of USD 80 million to Asian Development Bank (ADB) in two phases.

- In January 2022, the first phase of the above transaction was completed where JKH issued 65,042,006 ordinary shares at Rs.154.50 per share to ADB for a consideration of the LKR equivalent of USD 50 million.
- Additionally, in terms of the second phase, the Company also issued non-tradable/non-transferable options, entitling ADB to subscribe for additional 39,025,204 new ordinary shares of the Company, for an investment amount of up to a maximum of the LKR equivalent of USD 30 million.
- ADB has the option of exercising the aforementioned options between 19 October 2022 and 18 January 2023 at an option exercise price, which would be based on the volume weighted average price of the Company's ordinary shares as quoted on the Colombo Stock Exchange during the 90 calendar days ending immediately prior to the option exercise date, subject to the floor price of Rs.165.00 and cap price of Rs.200.00. If exercised, this would result in strengthening the cash position of the Group by a range of ~Rs.6.4 billion - Rs.7.8 billion, based on the floor price and cap price, respectively.

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Annual Recurring EBITDA and PBT

Rs.million	2021/22	2020/21	2019/20	2018/19*
Recurring EBITDA				
Transportation	6,141	3,610	4,375	4,598
Consumer Foods	3,485	3,318	3,366	2,864
Retail	7,549	5,523	5,108	2,988
Leisure	3,785	(3,588)	2,306	5,431
Property	7,867	(17)	641	378
Financial Services	5,024	3,645	2,988	3,359
Other, incl. Information Technology & Plantation Services	5,408	3,082	1,286	4,106
Group	39,259	15,572	20,069	23,724
Recurring PBT				
Transportation	5,712	3,269	4,044	4,281
Consumer Foods	2,319	2,304	2,284	1,885
Retail	3,056	1,608	1,490	351
Leisure	(1,512)	(8,546)	(1,597)	1,945
Property	7,650	(109)	535	245
Financial Services	4,995	3,360	2,755	2,966
Other, incl. Information Technology & Plantation Services	2,213	1,612	787	3,632
Group	24,432	3,498	10,299	15,305

*Adjusted for SLFRS 16 - Leases, for comparison purposes.

- As seen in the tables above, the performance of the Group demonstrates the realisation of the capacity building and investments into profit growth.
- With the exception of Property, which has benefited from the profit recognition at the 'Cinnamon Life Integrated Resort', profits of all other businesses are at a sustainable level, not withstanding the short-term impacts on account of the macroeconomic environment.

Insights - Managing the Group's Foreign Currency Exposure

The steep depreciation of the Rupee witnessed during the latter end of the year had the following implications on the Group's financial position:

- Gross debt noted a significant increase, particularly given the exposure of the USD 175 million long-term loan facility at the Holding Company and the USD 225 million long-term loan facility and a six-month bridging facility of USD 100 million at Waterfront Properties (Private) Limited.
- The Holding Company maintained a strong net cash position. The foreign currency cash holdings include the funds earmarked for the equity infusions of the 'Cinnamon Life Integrated Resort' project and the funds raised for the Group's investment pipeline via the debt drawdown from the IFC term loan facility and the private placement of ordinary shares to ADB.
- At a Group level, the translation risk is also largely hedged 'naturally' as a result of the conscious strategy of matching liabilities against foreign currency denominated revenue streams, to the extent possible.
- It is pertinent to note that the pressures on the exchange rate exposure arising from the 'Cinnamon Life Integrated Resort' project is mitigated to a large extent as the functional currency of Waterfront Properties (Private) Limited, its project company, is US Dollars.
- Similarly, at present, there is no foreign exchange translation risk on the IFC loan since the cash is retained in foreign currency at the Holding Company.

Recurring Group EBITDA

Rs.39.26bn

2020/21: Rs.15.57 bn

↑
152%

Diluted earnings per share

Rs.15.12

2020/21: Rs.3.62

↑
318%

Return on equity (ROE)

7.5%

2020/21: 2.2%

Recurring Group PBT

Rs.24.43bn

2020/21: Rs.3.50 bn

↑
599%

Total assets

Rs.717.8bn

2020/21: Rs.536.8 bn

↑
34%

Net debt to equity

23.5%

2020/21: 20.0%

Refinancing of the USD 395 million syndicated loan facility at 'Cinnamon Life Integrated Resort'

In December 2021, Waterfront Properties (Private) Limited (WPL), the project company of 'Cinnamon Life Integrated Resort', refinanced the USD 395 million syndicated loan through a USD 225 million long-term loan facility and a six-month bridging facility of USD 100 million, which was structured in order to align with the maturity date of July 2022 of the original USD 395 million facility.

- The USD 225 million facility was concluded at a rate similar to the previous facility taking into account step-down pricing mechanisms based on pre-agreed triggers.
- The facility is a five-year loan with a two-year grace period and back-ended capital payments.



Industry Group-Wise Quarterly Performance

The following provides an insight to the performance of the industry groups across the quarters and demonstrates the recovery trajectory witnessed in Group businesses.

- The Group businesses were impacted in Q1 due to the rapid outbreak of a third wave of COVID-19 cases in the country from late April 2021 onwards due to the imposition of island-wide travel restrictions and other health and safety measures implemented from mid-May to mid-June, although impacts to the Group's businesses were less pronounced compared to the preceding year, given better insights on consumer behaviour and better business preparedness. It is noted that the comparative performance of 2020/21 entailed an island-wide lockdown for a similar length of time.
- With the rapid outbreak of a fourth wave of COVID-19 cases in Q2, mainly as a result of the highly transmissible Delta variant, the Government imposed an island-wide quarantine curfew from mid-August till end September to contain the spread of the virus. The resultant curtailing of movement caused a slowdown in business activity and dampened consumer sentiment, exerting pressure on Group performance during Q2, particularly during the month of September.
- The subsequent gradual easing of restrictions from Q3 onwards enabled the businesses across the Group to recover to near 'normal' levels by end of Q3. The Group witnessed a strong recovery momentum during Q3 with the performance of Group businesses reaching close to pre COVID-19 levels. The Leisure business, in particular, recorded a significant turnaround in performance.
- The recovery momentum continued during Q4, with Group businesses witnessing a significant recovery and a strong growth in overall performance, particularly on the back of improved consumer sentiment despite the challenging macroeconomic landscape, including rising inflation levels, constraints in sourcing raw materials, challenges in foreign exchange markets, and fuel and power shortages, amongst others.
- While there were pandemic related disruptions in the first half, the table illustrates the quarter-on-quarter improvement in performance, barring seasonality, in each of the businesses. This is further reinforced by the year-on-year growth percentage of each of the businesses

Group Revenue 2021/22	Rs.million				YoY %			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Transportation	5,412	7,763	7,602	11,111	88	104	46	101
Consumer Foods	3,691	4,580	5,433	7,303	28	(4)	50	40
Retail	20,163	20,855	26,043	23,781	64	20	31	15
Leisure	1,933	3,089	5,586	8,271	1,159	165	309	210
Property	3,585	8,071	3,486	20,590	5,190	7,175	2,085	7,420
Financial Services	3,022	3,906	4,846	3,911	32	3	18	15
Other, incl. Information Technology & Plantation Services	992	1,005	882	1,161	6	(5)	(5)	13
Group	38,799	49,269	53,878	76,129	80	53	53	96

Recurring EBITDA 2021/22	Rs.million				YoY %			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Transportation	1,023	1,201	1,396	2,521	159	29	50	86
Consumer Foods	318	600	1,004	1,563	(35)	(37)	66	22
Retail	1,563	1,328	2,275	2,384	211	(3)	34	22
Leisure	(649)	(46)	1,234	3,247	56	96	222	4,709
Property	542	1,261	707	5,356	1,978	10,290	5,037	52,732
Financial Services	770	982	2,111	1,161	43	51	62	0
Other, incl. Information Technology & Plantation Services	1,197	1,079	803	2,329	222	78	7	72
Group	4,764	6,405	9,530	18,559	494	93	122	159

- Whilst the fourth quarter performance was strong, with a recurring EBITDA of Rs.18.56 billion, it should be noted that the reported EBITDA and profitability were negatively impacted by the one-off non-cash impairments within the quarter in the Transportation businesses and at 'Cinnamon Life Integrated Resort'.

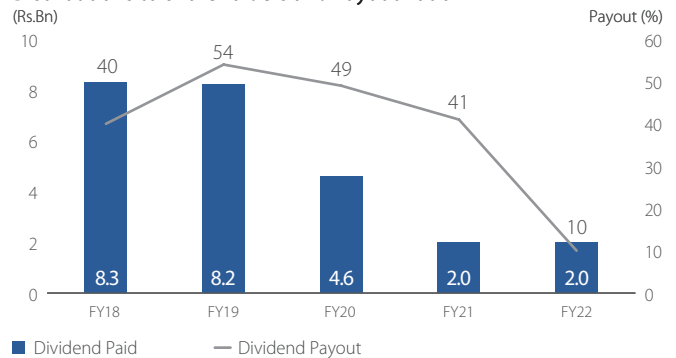
Investor Relations

Group Highlights

Distributions to Shareholders

- During the year under review, the Company paid two interim dividends of Rs.0.50 per share, each, in November 2021 and February 2022.
- Whilst the Group recorded a strong recovery momentum and growth in core operating profits, in addition to significant non-cash exchange gains for 2021/22, given the prevailing volatile and uncertain macroeconomic environment which could result in stress on operating performance, cashflows and the pipeline of strategic investments such as the WCT-1 project, the final dividend for 2021/22 was maintained at Rs.0.50 per share.
- The dividend declared for 2021/22 is Rs.1.50 per share [2020/21: Rs.2.00 per share].
- The Group will follow its dividend policy which corresponds with growth in profits, whilst ensuring that the Company maintains adequate funds to ensure business continuity, particularly given the prevailing challenging circumstances, and fund its pipeline of strategic investments.

Distributions to Shareholders and Payout Ratio

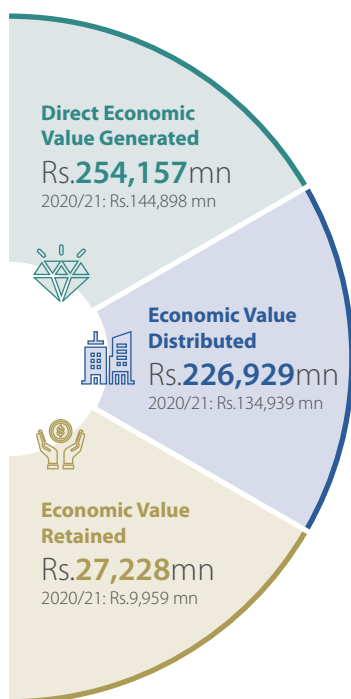


Market Information of the Ordinary Shares of the Company

	2021/22	2020/21
Average daily turnover (Rs.million)	169	238
Percentage of total market turnover (%)	4	8
Market capitalisation (Rs.million)	200,813	195,970
Percentage of total market capitalisation (%)	5.2	6.3



Economic Value Added Statement



Revenue

Rs.218,075 mn
2020/21: Rs.127,676 mn

Profit on Sale of Assets and Other Income

Rs.2,615 mn
2020/21: Rs.2,627 mn

Operating Costs

Rs.195,677 mn
2020/21: Rs.109,977 mn

Payments To Government

Rs.4,478 mn
2020/21: Rs.3,066 mn

Depreciation

Rs.5,015 mn
2020/21: Rs.4,726 mn

Finance Income*

Rs.30,806 mn
2020/21: Rs.10,689 mn

Valuation Gain/(Loss) on Investment Property

Rs.(4,085) mn
2020/21: Rs.(253) mn

Employee Wages and Benefits

Rs.17,335 mn
2020/21: Rs.15,342 mn

Community Investments

Rs.159 mn
2020/21: Rs.135 mn

Amortisation

Rs.3,546 mn
2020/21: Rs.3,261 mn

Share of Results of Equity Accounted Investees

Rs.6,746 mn
2020/21: Rs.4,159 mn

Payments to Providers of Funds

Rs.9,280 mn
2020/21: Rs.6,419 mn

Profit After Dividends

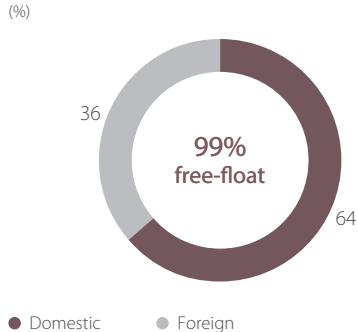
Rs.18,667 mn
2020/21: Rs.1,972 mn

*Includes interest income from life insurance policyholder funds at Union Assurance PLC.



Governance

Shareholding Structure

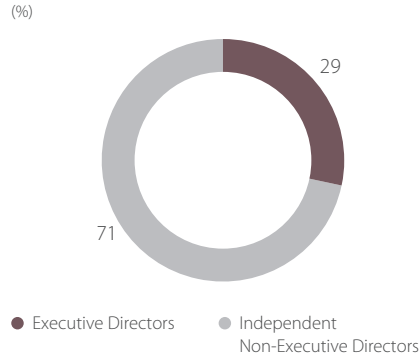


● Domestic ● Foreign



John Keells Holdings PLC was pronounced the Gold award winner for 'Overall Excellence in Annual Financial Reporting' at the 56th Annual Report Awards Ceremony 2021, organised by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

Board Composition



● Executive Directors ● Independent Non-Executive Directors

- The Group continued with its multi-pronged approach to internal audits and process reviews by augmenting its integrated fraud deterrent and investigation framework to foster synergy and collaboration efficiencies between components that deliver governance and assurance and related services, in facilitating business strategies.
- The Group continued to strengthen its Information Technology governance framework through the adoption of a Zero Trust Policy Framework.

Transparency in Corporate Reporting

JKH was ranked first in the Transparency in Corporate Reporting (TRAC) Assessment by Transparency International Sri Lanka (TISL) for the second consecutive year. JKH was the only entity to obtain a 100 per cent score for transparency in disclosure practices.



Diversity, Equity and Inclusion

Key initiatives during the year:

- Women-centric training initiatives
- Childcare support
- Champions of change pledge
- Bi-lingual DE&I newsletter
- SanNap programme
- Launched the Group's diversity, equity and inclusion (DE&I) policy



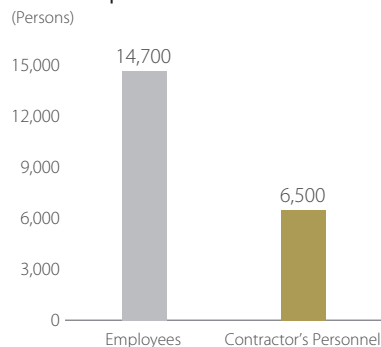
Human Capital



Launch of Learning Management System 'BRIDGE'

Designed to deliver value through a transformative learning experience through which learning management systems across the Group are connected, promotes social and engagement-based learning

Total Group Workforce



Training Hours

363,278 hours ↑
2020/21: 315,547 hours 15%

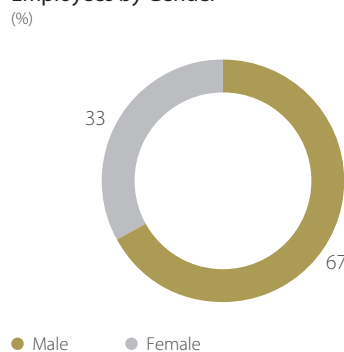
Training Hours per Employees

24.7 hours ↑
2020/21: 22.7 hours 9%

Employee benefit liability as of 31 March (Rs.billion)

2021/22	2020/21
3.1	2.3

Employees by Gender



● Male ● Female

A one-off, uniform financial care package in the form of an ex-gratia payment was provided to all eligible Group employees in April 2022. This care package is intended to assist the John Keells family in bridging the gap in the costs of basic essential items, epitomising one of the core Values of the Group - Caring.

100%

Employees receive feedback on performance.



33% female participation as at 31 March 2022 against a goal of 40% by 2025/26.

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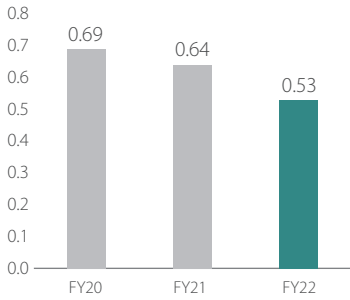


Natural Capital

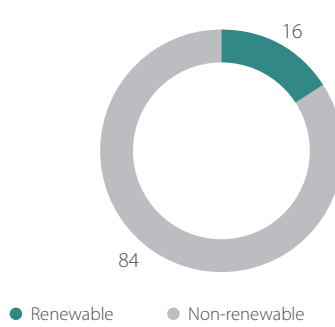


Carbon Footprint (MT) per Rs.million of Revenue

(Rs.Mn)



Energy Breakdown (%)



Carbon Footprint

96,100 MT

2020/21: 82,009 MT

↑
17%

Water Withdrawn

1,940,542 m³

2020/21: 1,677,672 m³

↑
16%

Waste Generated

8,301 MT

2020/21: 6,763 MT

↑
23%

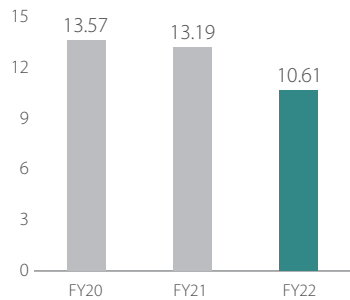
Sustainability Goals for 2024/25

Performance during the year against the committed goals have been disclosed in this Report

26.9 MT
of recyclable plastic waste collected island-wide

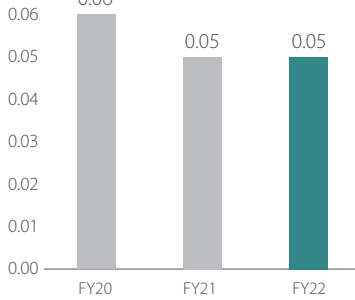
Water Withdrawal (m³) per Rs.million of Revenue

(Rs.Mn)



Waste Generated (MT) per Rs.million of Revenue

(Rs.Mn)



Paper Conservation

Collected **15,632 kg** for recycling



Energy Saving

2,603 GJ

of energy saved through energy efficiency and other initiatives at business unit level



Intellectual Capital



Research and Development

JKR entered into its first Technology License agreement to commercialise JKR's proprietary SilmetiTM technology, which will be exclusively utilised to develop a range of antibacterial skin care products.



25

No. of start-ups under incubation at John KeellsX

OCTAVE

- Several 'use cases' in the Retail industry group and the Beverages business were successfully piloted, scaled and deployed.
- Initial assessment of the business impacts provides strong indication that the anticipated benefits that were evident through initial pilot projects can be sustained at scale.
- OCTAVE also commenced work on 'use cases' in the Frozen Confectionery and Beverage businesses and on 'use cases' in the Leisure industry group.

Awards

- The 'Beverage Brand of the Year' at the SLIM Kantar People's Choice Awards was awarded to 'Cream Soda' for the 16th consecutive year.
- 'Keells' supermarkets ranked as the 'Strongest Brand in Sri Lanka 2021' for the first time in its history and the 'Most Valuable Supermarket Brand 2021' by Brand Finance.
- Union Assurance was awarded the 'Most Innovative Digital Insurance Company and Digital Innovative Sri Lanka' at the International Business Magazine Awards 2021.



Social and Relationship Capital

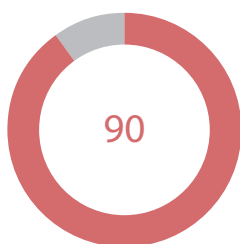


Supplier Engagement¹

- **89** suppliers engaged through supplier fora
- Supplier Code of Conduct in place

Purchases from Suppliers within Sri Lanka (%)

(%)



Economic Value Generated

Rs. **249,309**mn

Economic Value Distributed

Rs. **222,082**mn

Economic Value Distributed

Rs. **27,227**mn

100%

Businesses analysed for risk of corruption



Rs. **97**mn

CSR spend



1,955,639

Number of people impacted

CSR Focus Areas:

Education

Persons Benefited

2,005



Key Projects:

- Launch of the pilot of John Keells 'Praja Shakthi' Digital Learning Initiative to facilitate online learning of disadvantaged school children in Colombo 2 and Ranala
- English and IT scholarships awarded to disadvantaged school children
- Higher Education scholarships awarded to disadvantaged Advanced Level and university students
- Continuation of Skill into Progress (SKIP) programme to upskill selected suppliers of the Group in useful business skills.

Health

Persons Benefited

1,501,595



Key Projects:

- Public awareness campaigns to commemorate the International Day for the Elimination of Violence against Women, National Children's Day and International Day against Drug Abuse and Illicit Trafficking.
- Several internal and external awareness sessions on Gender Based Violence and Child Protection under Project WAVE.
- External awareness on substance abuse prevention for Government officials.

Livelihood Development

Persons Benefited

165,355



Key Projects:

Under 'John Keells Praja Shakthi' (JKF's business-centric community empowerment initiative):

- Execution of the Cooperation Agreement between JKH and International Finance Cooperation (IFC) for a Street Market Project in Colombo 2 (with a focus on low income communities/women's livelihoods) and site related negotiations with the Urban Development Authority.
- Continued upskilling and market access support for women-based enterprises engaged in batik craft (Hikkaduwa) and in producing paper products (Ranala), cognizant of the severe post-pandemic and socio-economic challenges in Sri Lanka.
- Launch of 'Praja Shakthi' in Ja-Ela and Habarana.

Environment

Land Area Impacted

59 Acres



Key Projects:

- Launch of the 'Cinnamon Rainforest Restoration' Project to restore a 59 Ha degraded plot in Sudawelipotha in proximity to the Sinharaja Forest Reserve and undertaking of site preparation and planting work in collaboration with Ruk Rakaganno and the Forestry Department.
- Reopening of the Nature Field Centre in Rumassala for educational programmes in October 2021 (post pandemic restrictions) and work in progress on an awareness and publicity video towards enabling the Centre to be self-sustainable.
- 224 persons benefited.

Arts and Culture

Persons Benefited

133,322



Key Projects:

- Two virtual events of Kala Pola (Art Fair) hosted in the lead up to Christmas (2021) and Sinhala and Tamil New Year (2022) as ongoing support for artists affected by the pandemic and socio-economic conditions in Sri Lanka.
- Continuation of primary sponsorships for the Museum of Modern and Contemporary Art and the Gratiaen Trust.
- Initiation of the restoration of the George Keyt Art Collection under JKH's patronage.

Disaster Relief

Persons Benefited

71,802



Key Projects:

- Support for COVID-19 front liners and Government hospitals through the donation of various medical equipment and consumables.
- Immediate relief and other support for pandemic and flood affected communities.

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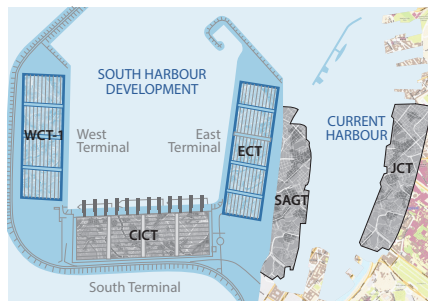
Industry Group Highlights



Transportation

Industry Potential

- Envisaged capacity enhancements in the POC and shipping lines opting for 'hub and spoke' services will spearhead the thrust to establish Colombo as a leading transshipment hub in the region.
- Expected increase in bunkering market share driven by increased storage and infrastructure.
- Growing demand for logistics services through growth in inbound project cargo and other major industries.



Capacity enhancements in the POC - WCT-1 and ECT.

West Container Terminal (WCT-1)

- The conditions precedent stipulated in the build, operate and transfer (BOT) agreement, including work towards project design and costs and other structuring arrangements were met, and the site was handed over to the project company in February 2022 for construction.
- The project, which has a lease period for 35 years, was granted Strategic Development Project (SDP) status considering its strategic importance to the Port of Colombo and the country. The debt funding for the project was also secured during the year and financing documents were executed.



The Port of Colombo (POC) is strategically positioned on the main East-West shipping routes.

Our Business

- 42 per cent stake in SAGT – container terminal (capacity of ~2 million TEUs).
- Development of the WCT-1 (capacity of ~3.2 million TEUs).
- Leading bunkering services provider.
- One of the largest cargo and logistics service providers in the country.
- JV with Deutsche post for DHL air express and AP Moller for Maersk Lanka.
- GSA for KLM Royal Dutch Airlines and Gulf Air.
- Warehousing and supply chain management.
- Domestic scheduled and charter air flight operations.

Key Performance Indicators

		2021/22	2020/21	%	2019/20
SAGT volumes	(TEU '000)	1,831	1,810	1	2,066
Transshipment: Domestic mix		86:14	87:13	-	81:19
Port of Colombo volumes	(TEU '000)	7,351	6,800	8	7,241
LMS volume growth	(%)	3	(22)	-	(7)
Warehouse space under management	(Sq. ft. '000)	337	337*	0	318

* Restated on account of the transfer of the Distribution Centre in Kerawalapitiya to the Group's Supermarket business during the year under review.

Insight into Quarterly Performance

2021/22	Q1	Q2	Q3	Q4	Q3+Q4	Full Year
SAGT volumes (TEU '000)	462	434	478	457	935	1,831
Port of Colombo volumes (TEU '000)	1,826	1,794	1,881	1,850	3,731	7,351
LMS volume growth (%)	1	16	(6)	2	(2)	3

Strategy and Outlook

Immediate to Short-Term

Ports, Shipping and Bunkering

- Largely insulated from the ongoing domestic macroeconomic circumstances, given that its revenue model is primarily driven by offshore markets and customers.
- Given the prioritisation of the Ports industry by the Government as an essential service, it is less likely that there will be significant disruptions of operations at the POC.

Logistics and Transportation

- Challenges in ensuring a seamless supply chain, especially given challenges in sourcing fuel for its distribution operations.
- Impact on the Airline businesses is envisaged to mirror the challenges and impacts of the Leisure businesses.

Medium to Long-Term

Ports, Shipping and Bunkering

- Anticipated growth in regional and global economies coupled with a rebound in the domestic economy is expected to facilitate a growth in overall volumes in the POC.
- Focus on improving transshipment: domestic TEU mix to optimise profitability.
- Continue to explore opportunities arising from the Ports of Colombo, Hambantota and Trincomalee, particularly in relation to bunkering and storage.

Logistics and Transportation

- Explore opportunities arising from the anticipated growth in regional and domestic trading activity, and ongoing infrastructure developments in the country.
- Optimise cost and operational efficiencies through emphasis on digitisation initiatives.
- Recovery in tourism is expected to improve performance of the Airline segment.



Consumer Foods

Industry Potential

- Per capita consumption of beverages at 14 litres, is below peer markets.
- Per capita consumption of ice creams at 3 litres, is far below developed markets.
- Bulk:Impulse ice cream mix in regional markets is highly skewed towards the Impulse segment, demonstrating significant potential within the Impulse category.
- Emerging 'health conscious' consumers and growing need for convenient and affordable main meal options.

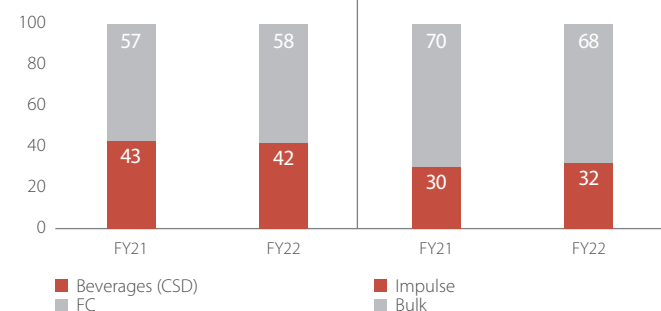
Our Business

- Strong market presence in Beverages, Frozen Confectionery and processed meats through 'Elephant House' and 'Keells-Krest' brands.
- Frozen Confectionery products including premium ice cream range 'Imorich' and the 'Feelgood' guilt-free frozen yoghurt range for customers seeking wellness and balanced lifestyles.
- A portfolio of CSD and non-CSD beverages catering to a wide array of customers and island-wide distribution network.

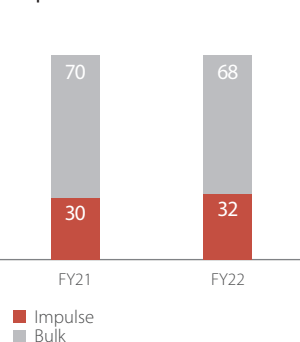
Key Performance Indicators

%	2021/22	2020/21	2019/20
Volume Growth			
Beverages (CSD)	18	(14)	7
Frozen Confectionery (FC)	17	(1)	3
Convenience Foods	12	(6)	0
EBITDA Margins			
Beverages and FC	16.8	20.3	21.2
Convenience Foods	16.1	19.0	13.5
PBT Margins			
Beverages and FC	11.2	14.2	14.7
Convenience Foods	11.3	12.3	8.1

Revenue Mix Beverages (CSD):FC (%)



Volume Mix Impulse:Bulk



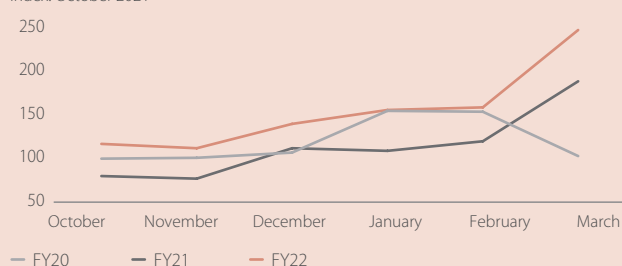
Insight into Quarterly Performance

Volume Growth 2021/22 (%)	Q1	Q2	Q3	Q4	Q3+ Q4	Full Year
Frozen Confectionery	25	(12)	37	25	30	17
Bulk	24	(15)	34	18	25	13
Impulse	29	(5)	46	40	43	26
Beverages (CSD)	18	(14)	37	34	35	18
Convenience Foods	30	0	22	2	12	12

- The Consumer Foods industry group continued its strong recovery with all segments recording double-digit growth in sales volume.
- The volumes of all three businesses exceeded pre-pandemic levels, reaching the highest levels of sales in its history of operations in March 2022.

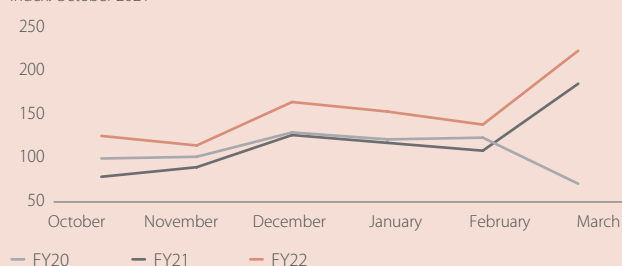
CSD Volumes

Index: October 2021



Frozen Confectionery Volumes

Index: October 2021



100,000+
Outlet reach

52
Ice cream flavours

15
CSD flavours

2
Frozen yoghurt flavours

~3,700
Total freezers and coolers deployed during the year

Investor Relations

Industry Group Highlights

Strategy and Outlook

Immediate to Short-Term

- The challenging macroeconomic circumstances may result in a moderation in consumer discretionary spending and hamper the momentum of volume growth.
- Margins will be under pressure on the back of a notable increase in input costs, particularly prices of raw materials both domestically and globally.
- The prevailing foreign currency shortage may further exert pressure on supply chains and, unless the liquidity position and ability to establish trade facilities improve, there could be disruptions to manufacturing and seamless distribution of the product portfolio.
- Proactively engage with suppliers and distributors to ensure a seamless supply chain and better handle the working capital cycle.

Medium to Long-Term

- Activity levels are expected to rebound in tandem with improving consumer confidence and economic activity post the fiscal consolidation process.
- Continue to invest in supply chain and augment product portfolio to drive growth in both urban and rural areas.
- Focus on initiatives aimed at improving product margins across the portfolio.
- Focus on consolidating product portfolio.
- Invest in digitisation, particularly leveraging on data analytics to optimise cost savings, production practices and productivity, and identify growth opportunities.



Retail

Industry Potential

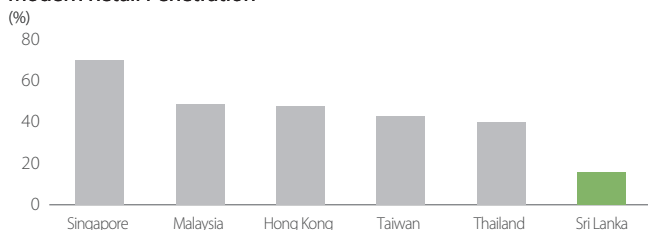
Supermarket Business

- Modern trade penetration at 16 per cent, is one of the lowest in the region.
- Growing popularity of modern trade as a result of:
 - Convenient and modern shopping experience.
 - Access to diverse categories and brands at affordable prices.
 - Rising per capita income, rapid urbanisation and changing consumption patterns.

Office Automation Business

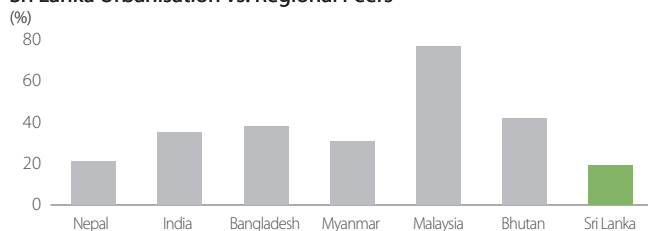
- Increased smartphone penetration in the country.
- Increased digital adoption within the country driven by smart mobile devices.

Modern Retail Penetration



Source: Central Bank of Sri Lanka, Nomura Research Institute.

Sri Lanka Urbanisation vs. Regional Peers



Source: World Bank indicators.

Our Business

Supermarket Business

- High brand equity post the re-branding of 'Keells' – recognised as the 'Strongest Brand in Sri Lanka 2021' for the first time in its history and the 'Most Valuable Supermarket Brand 2021' by Brand Finance.
- 128 modern trade outlets uniquely branded to cater to evolving consumer lifestyles.
- Private-label consisting of ~340 SKUs.
- Operates 'Nexus mobile', one of the most successful loyalty programmes in the country with ~1.7 million active members.

Office Automation Business

- John Keells Office Automation (JKOA) is the authorised distributor for Samsung smartphones and leading global office automation brands.

Distribution Centre

- The state-of-the-art centralised distribution centre (DC) in Kerawalapitiya, constructed at a cost of Rs.4.30 billion, commenced operations in January 2022, centralising offerings across fresh, dry and chilled categories.
- The DC will be instrumental in streamlining the 'Keells' supply chain over ~250 outlets.

Key Performance Indicators

Supermarkets (%)	2021/22	2020/21	2019/20
Same store sales growth	12.9	(8.6)	4.0
Same store footfall growth	4.5	(31.5)	1.8
Average basket value growth	8.0	33.4	2.2
EBITDA margin	7.8	7.6	8.0
PBT margin	1.3	0.8	1.7

Office Automation (%)	2021/22	2020/21	2019/20
EBITDA margin	9.9	8.9	7.5
PBT margin	(3.5)*	9.1	5.1

*Impacted by exchange losses due to the steep depreciation of the Rupee.

Insight into Quarterly Performance

2021/22 (%)	Q1	Q2	Q3	Q4	Q3+Q4	Full Year
Same store sales	39.3	(8.7)	9.5	18.9	14.2	12.9
Same store footfall	37.6	(37.2)	18.5	17.0	17.7	4.5
Average basket value	1.2	45.3	(7.6)	1.6	(3.0)	8.0

The statistics on footfall and basket values are distorted in the short-term due to changes in shopping patterns.

- With the easing of COVID-19 restrictions, consumer sentiment and 'pent up' demand led to an increase in footfall and same store sales during the second half of the year under review.
- The average basket value (ABV) is derived based on the weight of purchase (WOP) and the retail selling price (RSP). Given the inverse relationship between the WOP and inflation, the ABV witnessed a decline due to the rapid increase in food inflation towards the latter half of the year.

Strategy and Outlook

Immediate to Short-Term

Supermarket business

- Performance largely insulated, considering that essential and regular grocery, and household items constitute a large portion of a consumer basket.
- Conversion from general trade to modern trade expected to continue given the ability for the modern trade outlets to ensure less disruptions to its supply chains.
- Private-label range to increase its contribution given better choice and 'value for money' in the range.
- The new DC will augment the business given its ability to cater to its outlet expansion in the medium to long-term and translate into significant process and operational efficiencies.

Office Automation business

- Envisaged to undergo challenges in lieu of the current shortage of foreign exchange in the market, particularly given issues in establishing trade lines.

Medium to Long-Term

Supermarket business

- Capitalise on the low penetration of modern trade in the country.
- Expansion of outlets in both urban and suburban areas through a mix of modular and standard stores.
- DC to drive significant process and operational efficiencies.
- Leverage on data analytics for the development and implementation of 'use cases' to enhance business performance and productivity.
- Increase private-label penetration to enhance customer choice and drive profitability margins.
- Differentiate the shopping experience through its 'fresh' promise, service excellence and quality within five activity pillars; product, price, place, people and the customer.

Office Automation business

- Underlying demand for office automation solutions and smart mobile phones to be driven by increasing commercial activity and an improvement in business sentiment, beyond the current economic crisis.
- Increased potential given the rapid urbanisation witnessed in the recent years.



Leisure

Industry Potential

- Encouraging growth momentum of tourist arrivals to Sri Lanka (5-year CAGR of 13 per cent – as at CY2018).
- Proximity to India and increased flight connectivity.
- Infrastructure led growth driving MICE and corporate tourists.
- Sought after tourist destination in the region, with increased popularity and recognition – centred around its natural diversity and cultural heritage.

Key Highlights

- The Maldivian Resorts segment continued its recovery momentum where occupancy and average room rates reached pre-pandemic levels.
- The Colombo Hotels and Sri Lankan Resorts segments recorded a significant turnaround, recording a positive EBITDA and PBT in the fourth quarter.



Investor Relations

Industry Group Highlights

3
Colombo Hotels

12
Resort Hotels
in Sri Lanka and the Maldives

Sri Lanka **2,112**
Maldives **454**
Rooms under management

Our Business

- 'Cinnamon', a well-established hospitality brand in Sri Lanka and the Maldives.
- Diverse product offering based on 'Inspired living'.
- Combined room inventory of 2,566 rooms under management in both Sri Lanka and the Maldives.
- Land bank of 128 acres of freehold and 140 acres of leasehold land in key tourism locations.
- Leading inbound tour operator.

Pipeline of Hotels

Cinnamon Life Colombo

- Consists of an 800-room hotel, 15 speciality restaurants, 14 meeting facilities, along with many other hotel amenities, retail, and entertainment spaces. Operations to commence in a phased manner in mid-2023.

Cinnamon Red Kandy

- The hotel will feature 216 rooms with completion scheduled for first half 2023/24.

Key Performance Indicators

		2021/22	2020/21	2019/20
Colombo Hotels*				
Occupancy	(%)	29	3	34
ARR	(USD)	70	64	100
EBITDA margin	(%)	1.5	(84.8)	10.5
Sri Lankan Resorts				
Occupancy	(%)	32	16	62
ARR	(USD)	78	62	77
EBITDA margin	(%)	(7.2)	(140.6)	11.4
Maldivian Resorts				
Occupancy	(%)	75	27	56
ARR	(USD)	333	349	364
EBITDA margin	(%)	34.8	(8.4)	27.0

*Excludes 'Cinnamon Red Colombo'.

Insight into Quarterly Performance

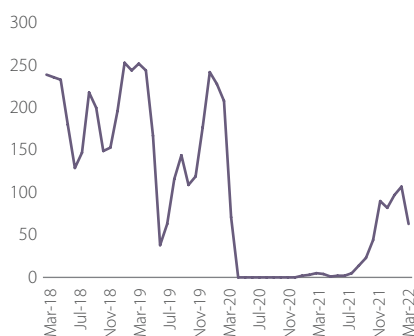
2021/22		Q1	Q2	Q3	Q4	Q3+Q4	Full Year
Colombo Hotels*							
Occupancy	(%)	6	20	39	52	45	29
ARR	(USD)	61	54	71	77	74	70
EBITDA margin	(%)	(73)	(40)	11	23	18	2
Sri Lankan Resorts							
Occupancy	(%)	18	18	35	57	46	32
ARR	(USD)	50	38	82	93	85	78
EBITDA margin	(%)	(138)	(179)	(16)	38	20	(7)
Maldivian Resorts							
Occupancy	(%)	48	76	88	89	88	75
ARR	(USD)	259	262	344	423	384	333
EBITDA margin	(%)	3	25	37	49	44	35

*Excludes 'Cinnamon Red Colombo'.

- With the easing of restrictions, the Group's Sri Lankan Leisure businesses recorded a significant turnaround in performance on account of activity and consumer trends being near 'normal' since the onset of the pandemic in early CY2020. This was particularly evident from December 2021 driven by the notable resumption in tourism.
- The Maldivian tourism industry continued its strong recovery with occupancies and average room rates reaching pre-pandemic levels during the fourth quarter of the year under review, supported by arrivals from both traditional and new source markets.

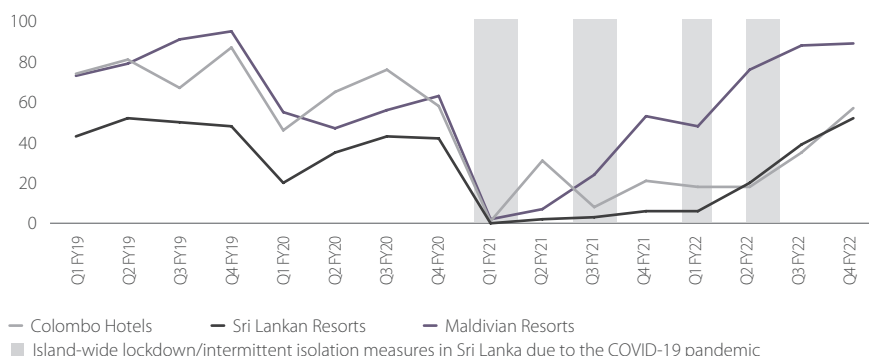
Tourist Arrivals to Sri Lanka

Arrivals ('000)



Leisure - Occupancies

(%)



Strategy and Outlook

Immediate to Short-Term

- Tourism in Sri Lanka recorded a significant turnaround from December 2021 onwards. However, uncertainty and volatility on the macroeconomic stability and resultant social unrest, further exacerbated by the ongoing fuel and power crisis, may continue to pose challenges in attracting foreign arrivals.
- Given the ongoing discussions to strengthen Sri Lanka's fiscal position, tourist arrivals are expected to rebound after a few months if the necessary economic outcomes to address the shortage of essential items are achieved.
- The slowdown in arrivals are envisaged to be limited for a few months which are typically the low season months and recovery should take place well in time for the peak season which commences from around December onwards.

Medium to Long-Term

- The prospects for tourism remain extremely positive considering the diversity of the offering and the potential for regional tourism.
- Greater focus on asset-light investment models as a part of the strategy to enhance the 'Cinnamon' footprint.
- Colombo Hotels segment will uniquely position itself to capitalise on the MICE and banqueting segment through the addition of 'Cinnamon Life Colombo' to its portfolio in first half of CY2023.
- Capitalise on the envisaged growth in tourism by leveraging on the availability of the full complement of the portfolio of hotels in Sri Lanka and the Maldives post-refurbishment and upgrades.



Property

Our Business

- Projects developed under the 'Luxe Spaces', 'Metropolitan Spaces' and 'Suburban Spaces' verticals which cater to the luxury, mid-tier and suburban multi-family housing segments.
- Construction of the iconic integrated mixed-use development 'Cinnamon Life Integrated Resort' comprising an 800-room hotel, 15 speciality restaurants, 14 meeting facilities, along with many other hotel amenities, retail, and entertainment spaces, in addition to two residential apartment towers and an office tower.
- Ongoing development of 'Tri-Zen', a 'Metropolitan' development based on smart living in the heart of the city.
- Ownership and operation of the 'Crescat Boulevard' mall and 'K-Zone' malls in Moratuwa and Ja-Ela.
- Land bank:
 - Prime land bank of over 36 acres in central Colombo.
 - Developable freehold land of ~25 acres in close proximity to Colombo city.
 - Over 500-acres of scenic leased land with an 18-hole golf course with a developable land extent of ~80 acres.

Cumulative Sales (units)	2021/22	2020/21	2019/20
The Residence	152	140	137
Suites	115	111	110
Commercial complex	4	4	4
Tri-Zen	659	342	262

Mall Occupancy (%)	2021/22	2020/21	2019/20
K-Zone Ja-Ela	82	82	87
K-Zone Moratuwa	99	90	98
Crescat Boulevard	61*	71	85

*Occupancy as at 31 March 2022 was 69 per cent.

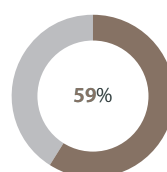
Key Highlights

- Revenue on the 267 units sold with regard to the residential towers at the 'Cinnamon Life Integrated Resort', has been fully recognised during 2021/22, with a remaining inventory of 160 units to be sold.
- Structural work of all three towers at Tri-Zen was completed with a 'topping-off' ceremony was held in January 2022.
- All land plots in 'Peacock Valley' and 'Mara Ridge' were fully sold by the second quarter of 2021/22.
- In November 2021, the newly revamped 'Crescat Boulevard' was launched offering a revitalised, upmarket shopping and dining experience to consumers.

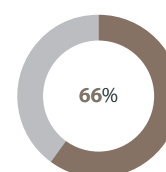
Industry Potential

- An urban population of 19 per cent, far below regional peers.
- Emerging suburban multi-family housing market.
- Increasing demand for mid-tier housing units within the city.
- Port City Colombo project, positioning Sri Lanka as a regional financial and trade hub.
- Increased demand for commercial space.

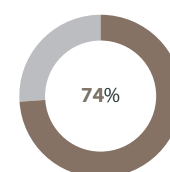
'The Residence at Cinnamon Life Integrated Resort'



'The Suites at Cinnamon Life Integrated Resort'



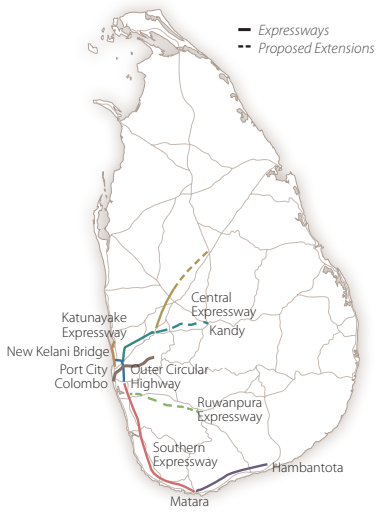
'Tri-Zen'



● Units Sold ● Units Unsold

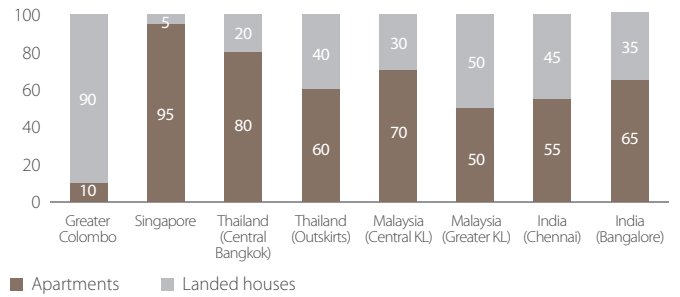
Investor Relations

Industry Group Highlights



Investments in public infrastructure enabling better connectivity and mobility which contributes to significant land price appreciation.

Apartment Penetration in Sri Lanka in Comparison to Regional Peers (%)



Source: Company analysis.

Strategy and Outlook

Immediate to Short-Term

- Demand may witness an uptick on the back of increased investor interest in real estate as a long-term investment vehicle as a hedge against the inflationary environment.
- Considering the high inflationary environment and significant increase in the cost of construction, the pricing in any new development will also increase interest in the secondary markets, supported by the tapering of housing supply as the commencement of new projects is likely to slow down.
- Businesses are envisaged to face supply chain constraints and continued challenges in sourcing labour.

Medium to Long-Term

- Monetise the existing land bank available to the industry group, subject to market conditions, through systematic development strategies to roll-out a robust pipeline of developments via the land parcels available.
- Shift to a broader customer base, targeting domestic demand for high quality housing at attractive price points.
- Continue to explore the expanding of its commercial real estate offering, subject to demand shifts due to the pandemic, at attractive price points.
- Focused strategies for expansion via developer/landowner tie-ups.

Financial Services

Industry Potential

Life Insurance Industry

- Increased labour mobility is expected to increase the level of urbanisation in Sri Lanka, which is currently low compared to the rest of the world.
- Increased requirement for digital capabilities amidst COVID-19 pandemic.
- Under-utilised bancassurance and digital distribution channels, despite high bank branch density.

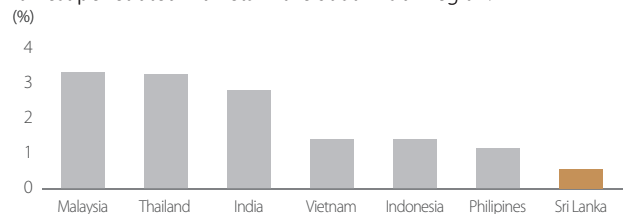


11.2% of working population

Over 65 age group

- Elderly population (over 65) as a proportion of the working population is expected to rise from 9 per cent in 2015 to 21 per cent by 2045.

Life insurance penetration at 0.55 per cent of GDP, one of the lowest penetrated markets in the South Asian region.



Source: Swiss Re sigma No 4/2020.

Banking Industry

- Industry loans and advances growth of 15 per cent in calendar year 2021.
- Advances in technology around customer experience, disintermediation, delivery channels, and process automations.

Our Business

Life Insurance

- Operating footprint of 75 branches, excluding virtual locations.
- Agency force of over 3,927.
- Market share of 12 per cent.

Banking

- Branch network of 96 outlets, 99 ATMs and 64 CRMs.
- Strong online presence.
- Sri Lanka's first digital bank, 'FriMi'.
- Largest issuer of credit cards in Sri Lanka.

Insights - Nations Trust Bank PLC (NTB)

- An impairment provision of Rs.990 million was made on its portfolio of Sri Lanka Government securities denominated in foreign currency during the fourth quarter of 2021/22.
- NTB has a relatively low exposure given that this investment portfolio accounts for only 3.6 per cent of the Bank's assets as of 31 March 2022.

Strategy and Outlook

Immediate to Short-Term

Life Insurance

- Disruptions in new business and collections due to a reduction in disposable income and moderation in consumer spending.
- Impacts on consumer income may increase the risk of policy lapses.
- Increased requirement for digital solutions amidst the COVID-19 pandemic will bode well given significant investments undertaken in digital capabilities.
- Continued focus on an optimal asset allocation to maximise return while managing risks.

Banking

- Key focus will be to manage collections and recoveries, and selective return-based loan growth.
- The Bank will proactively look to manage its asset quality which may weaken on the back of increased stresses in cash flows of the borrowers.
- Continue to leverage on its digital platforms and channels, driven by increasing demand for digital infrastructure.

Key Performance Indicators

		CY2021	CY2020	CY2019
Life Insurance				
Premium growth	(%)	18	13	4
Market share	(%)	12	13	13
Life fund	(Rs.billion)	48.9	41.9	35.5
Capital adequacy ratio	(%)	228	31	362
Banking				
Growth in loans and advances	(%)	18	(7)	2
Return on equity	(%)	17.9	12.1	12.8
Net interest margin	(%)	3.9	4.1	4.9
Non-performing loan ratio	(%)	4.9	7.2	6.2
Capital adequacy ratio – total capital	(%)	17.5	18.3	18.0

Medium to Long-Term

Life Insurance

- Continue to develop innovative insurance products to expand bancassurance and alternate channels, thereby diversifying its channel mix.
- Focus on innovation, digitisation and data analytics for higher operational efficiencies and better customer insights.
- Execute strategies aimed at the continuous improvement of the agency force.

Banking

- Grow in select verticals whilst leveraging on its strong customer relationships and digital offering.
- Augment its digital infrastructure and processes to ensure better customer service, innovative solutions and efficiency in operations.
- Efficient management of credit costs, management of impairment and preserving credit quality.

Investor Relations

Industry Group Highlights



Other, including Information Technology and Plantation Services

Industry Potential

Information Technology

- Increased digital adoption within the country and growing digital literacy.
- Investment in futuristic technology infrastructure.
- Businesses and operations increasingly adopting digital practices.
- Competitive labour force and high-quality services to drive the business process management (BPM) industry.

Plantation Services

- Sustained growth in global tea consumption with growing demand for value-added tea.
- Anticipated growth in demand from Middle Eastern countries.
- Increased focus on existing as well as new markets, whilst capitalising on the unique flavour, quality and brand presence of 'Ceylon Tea'.

Our Business

Information Technology

- Software solutions and consultation services based on Internet of Things (IOT), Robotic Process Automation (RPA) and other digital stack solutions.
- Brand presence in Middle East and North Africa (MENA) and Asia Pacific (APAC) regions as a leading digital solutions provider.
- Strategic partnerships with SAP, Microsoft and UiPath.
- BPM service provider with the mandate of driving greater efficiencies for their clientele. Core focus areas of finance and accounting, payroll management and data digitisation.

Plantation Services

- Leading tea and rubber broker.
- Operates six tea factories producing both CTC and orthodox tea. Manufacturer of low grown teas.
- Manufacturer of low grown teas.
- Potential reduction in oil prices and devaluation of currencies in major tea drinking nations may exert pressure on demand.

Strategy and Outlook

Information Technology

Immediate to Short-Term

- Leverage on its strategic partnerships and capabilities to offer smart software solutions, especially in the areas of cloud computing, software as a service (SaaS) and automation.
- Explore potential opportunities for managed services, outsourcing and offshoring given the 'new' ways of working.

Medium to Long-Term

- Explore opportunities in cloud-based solutions and services across industries, with emphasis on cloud, SaaS, automation, advanced analytics, application modernisation, cyber resilience and, platform/ecosystem thinking, among others.
- Focus on delivering innovative consultative solutions and services across the four value stacks of 'Strategy', 'Core', 'Cloud', 'Platforms' and 'Ecosystems'.
- Build and expand its capabilities beyond core enterprise resource planning (ERP), enterprise applications and managed development centres.
- Expand the range of solutions offered as shared services to drive greater adoption across clients and expand third party clients, locally and offshore.

Plantation Services

Immediate to Short-Term

- The depreciation of the Rupee will augur well for the country in ensuring Ceylon tea remains competitive regionally and globally.
- Potential reduction in oil prices, continued impacts and disruptions from the Russia-Ukraine crisis and a devaluation of currencies in major tea drinking nations may exert pressure on demand.

Medium to Long-Term

- Explore opportunities to capitalise on demand for low grown tea from the Middle East and Russia, and emerging tea drinking countries such as Germany and the United States.
- Emphasis on the quality of products while also diversifying the manufacturing mix to meet market trends and mitigate risks.
- Optimise costs and improve factory utilisation.