

# JKH Investor Presentation

Review of Q3 2024/25

6 February 2025

Version 2.0

# Group EBITDA analysis

EBITDA (Rs. Million)	Quarter ending 31 December			Nine months ending 31 December		
	2024/25	2023/24	%	2024/25	2023/24	%
<b>Group</b>	<b>14,283</b>	<b>13,740</b>	<b>4</b>	<b>29,937</b>	<b>31,028</b>	<b>(4)</b>
Fair value gains on investment property*	(955)	-	-	(955)	-	-
Deferred tax credit at SAGT	-	(401)	-	-	(1,185)	-
Operating costs at City of Dreams Sri Lanka	1,567	241	-	3,524	699	-
<b>Group excl. adjustments</b>	<b>14,895</b>	<b>13,580</b>	<b>10</b>	<b>32,506</b>	<b>30,542</b>	<b>6</b>

*\*Group EBITDA in Q3 2024/25 includes fair value gains on investment property, whereas the gains from investment property in the previous year was recorded in Q4. The change in the timeline of the recording of the valuation gains/losses is to streamline and enhance the Group process on closure of the financial statements. Going forward, the Group will recognise and record such valuation impacts in Q3 of each financial year.*

# EBITDA: For the quarter ended 31 December

EBITDA* (Rs. Million)	Q3 2024/25	Q3 2023/24	Variance	Variance %
Transportation	1,642	2,327	(685)	(29)
Consumer Foods	1,306	897	409	46
Retail	2,898	2,390	509	21
Leisure	1,151	2,560	(1,410)	(55)
<i>City of Dreams Sri Lanka</i>	<i>(1,567)</i>	<i>(241)</i>	<i>(1,326)</i>	<i>549</i>
<i>Leisure excl. City of Dreams Sri Lanka</i>	<i>2,718</i>	<i>2,802</i>	<i>(84)</i>	<i>(3)</i>
Property	838	60	778	1,296
Financial Services	5,171	4,040	1,131	28
Other, incl. IT and Plantation Services	1,277	1,466	(189)	(13)
<b>Group</b>	<b>14,283</b>	<b>13,740</b>	<b>543</b>	<b>4</b>
Fair value gains on investment property	(955)	-	(955)	-
Deferred tax credit at SAGT	-	(401)	401	-
Operating costs at City of Dreams Sri Lanka	1,567	241	1,326	-
<b>Group excl. adjustments</b>	<b>14,895</b>	<b>13,580</b>	<b>1,315</b>	<b>10</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 nine months ended 31 December

EBITDA* (Rs. Million)	YTD 2024/25	YTD 2023/24	Variance	Variance (%)
Transportation	5,179	6,446	(1,266)	(20)
Consumer Foods	4,410	2,853	1,556	55
Retail	7,534	6,360	1,174	18
Leisure	220	3,909	(3,689)	(94)
<i>City of Dreams Sri Lanka</i>	<i>(3,524)</i>	<i>(699)</i>	<i>(2,825)</i>	<i>(404)</i>
<i>Leisure excl. City of Dreams Sri Lanka</i>	<i>3,744</i>	<i>4,608</i>	<i>(863)</i>	<i>(19)</i>
Property	882	(188)	1,070	569
Financial Services	8,764	7,435	1,329	18
Other, incl. IT and Plantation Services	2,948	4,214	(1,265)	(30)
<b>Group</b>	<b>29,937</b>	<b>31,028</b>	<b>(1,091)</b>	<b>(4)</b>
Fair value gains on investment property	(955)	-	(955)	-
Deferred tax credit at SAGT	-	(1,185)	1,185	-
Operating costs at City of Dreams Sri Lanka	3,524	699	2,825	-
<b>Group excl. adjustments</b>	<b>32,506</b>	<b>30,542</b>	<b>1,964</b>	<b>6</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		
	Q3	Q4	Q1	Q2	Q3
Transportation	2,327	2,328	1,555	1,982	1,642
Consumer Foods	897	2,157	1,493	1,611	1,306
Retail	2,390	2,407	2,246	2,390	2,898
Leisure	2,560	5,249	(794)	(136)	1,151
Property	60	(634)	(67)	111	838
Financial Services	4,040	1,861	1,920	1,809	5,171
Other, incl. IT and Plantation Services	1,466	822	1,344	327	1,277
<b>Group</b>	<b>13,740</b>	<b>14,189</b>	<b>7,697</b>	<b>8,095</b>	<b>14,283</b>
Operating costs at City of Dreams Sri Lanka	241	364	776	1,181	1,567
<b>Group excl. City of Dreams Sri Lanka</b>	<b>13,981</b>	<b>14,553</b>	<b>8,473</b>	<b>9,276</b>	<b>15,850</b>
USD/LKR exchange rate (period average in Rs.)	323	313	301	302	293
USD/LKR closing exchange rate (Rs.)	324	300	306	297	293

# Quarterly movement of finance costs

Finance Costs (Rs. Million)	Q3 2024/25	Q2 2024/25	Q1 2024/25	Q4 2023/24	Q3 2023/24
Transportation	155	143	163	149	156
Consumer Foods	89	82	88	155	179
Retail	506	584	618	672	731
Leisure	1,705	(563)	1,947	(1,515)	983
Property	22	20	25	29	34
Financial Services	-	136	-	-	0.1
Other, incl. IT and Plantation Services	2,547	2,991	2,482	2,944	3,021
<b>Group</b>	<b>5,024</b>	<b>3,393</b>	<b>5,323</b>	<b>2,435</b>	<b>5,103</b>
Exchange (loss)/ reversal of exchange losses on WPL loan translation	-	1,252	(1,252)	2,285	(145)
<b>Group excl. exchange (loss)/ reversal of exchange losses on WPL loan translation</b>	<b>5,024</b>	<b>4,645</b>	<b>4,071</b>	<b>4,719</b>	<b>4,958</b>
Non-cash interest charge on convertible debentures	480	460	410	750	820
Average weekly AWPLR (% for the period)	9.1	9.1	9.8	11.6	13.2

# PBT: For the quarter ended 31 December

PBT (Rs. Million)	Q3 2024/25	Q3 2023/24	Variance	Variance (%)
Transportation	1,401	2,103	(702)	(33)
Consumer Foods	846	407	439	108
Retail	1,532	904	628	70
Leisure	(2,178)	(389)	(1,789)	(459)
Property	715	22	693	3,182
Financial Services	5,034	4,045	989	24
Other, incl. IT and Plantation Services	(1,287)	(1,606)	319	20
<b>Group</b>	<b>6,062</b>	<b>5,485</b>	<b>577</b>	<b>11</b>
Fair value gains on investment property	(955)	-	(955)	-
Deferred tax credit at SAGT	-	(401)	401	-
PBT of City of Dreams Sri Lanka	3,641	783	2,858	-
Forex (gain)/loss on WPL loan translation	(818)	145	(963)	-
<b>Group excl. adjustments</b>	<b>7,930</b>	<b>6,012</b>	<b>1,918</b>	<b>32</b>

# Conversion of balance Convertible Debentures issued to HWIC

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- As announced to the Colombo Stock Exchange on 24 January 2025, HWIC Asia Fund (HWIC) exercised its option to convert the final remaining balance of 98,125,000 debentures, with a face value of Rs.12.76 billion.
- As previously announced on 29 February 2024, HWIC had already converted 110,000,000 debentures.
- Accordingly, JKH issued and listed 1,079,375,000 new ordinary voting shares of the Company, as adjusted for the recently concluded Rights Issue and Sub-division of shares, in accordance with the Debenture Deed.
- The dilution from this issuance is 6.13 per cent, based on the number of ordinary voting shares outstanding as at 22 January 2025.
- Post this conversion, HWIC has a shareholding of 24.31 per cent of the Company.
- There are no outstanding convertible debentures as all debentures originally issued have now been fully converted.



# Key financial indicators: For the quarter ended 31 December

(Rs. Million)	Q3 2024/25	Q2 2024/25	Q1 2024/25
Group debt excl. leases and convertible debenture	210,086	230,410	222,417
Group debt excl. leases and incl. convertible debenture*	221,626	241,472	233,026
Cash and cash equivalents	99,032	91,751	89,567
Net debt excl. leases and convertible debenture	111,054	138,659	132,850
Net debt excl. leases and convertible debenture/equity (%)	27.4**	36.9	35.2
EBITDA	14,283	8,095	7,697

- The primary reason for the reduction in gross debt and net debt in Q3 2024/25 is due to the Rights Issue proceeds of ~Rs.24 billion received in October 2024.

*\*The liability component of the convertible debentures amounts to Rs. 11.54 billion, recognised under current financial liabilities for Q3 2024/25. Given the conversion of the balance outstanding debentures, this liability will be eliminated from the financial statements in Q4 2024/25.*

*\*\*The net debt excl. leases to equity ratio post the conversion of the debentures is 26.7%.*

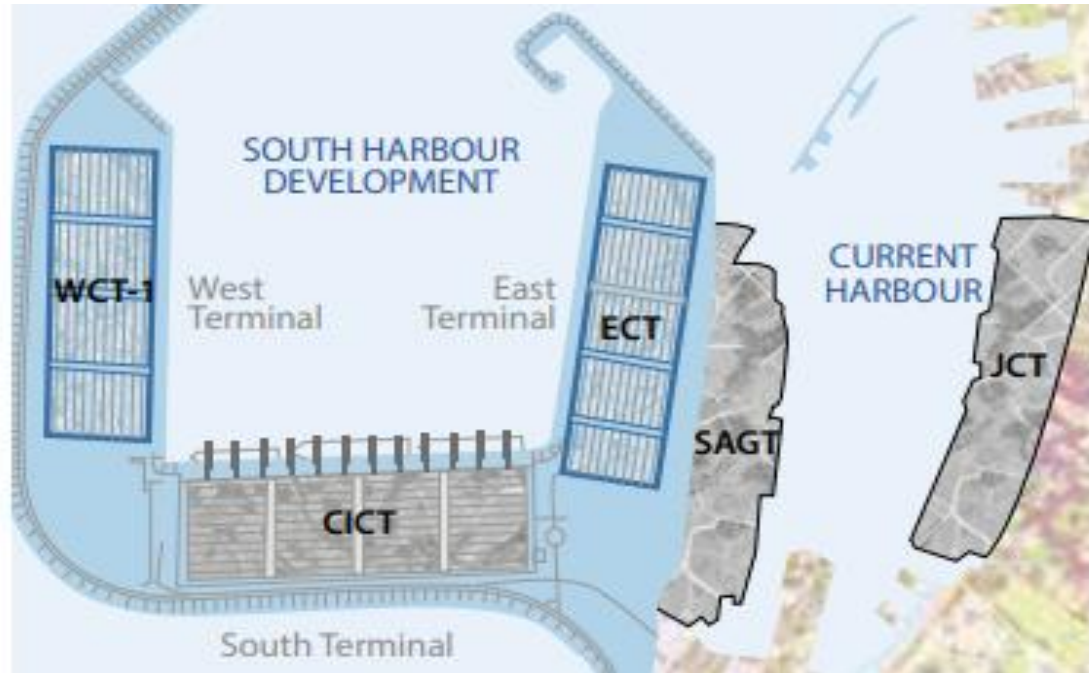
# Overview of ESG initiatives

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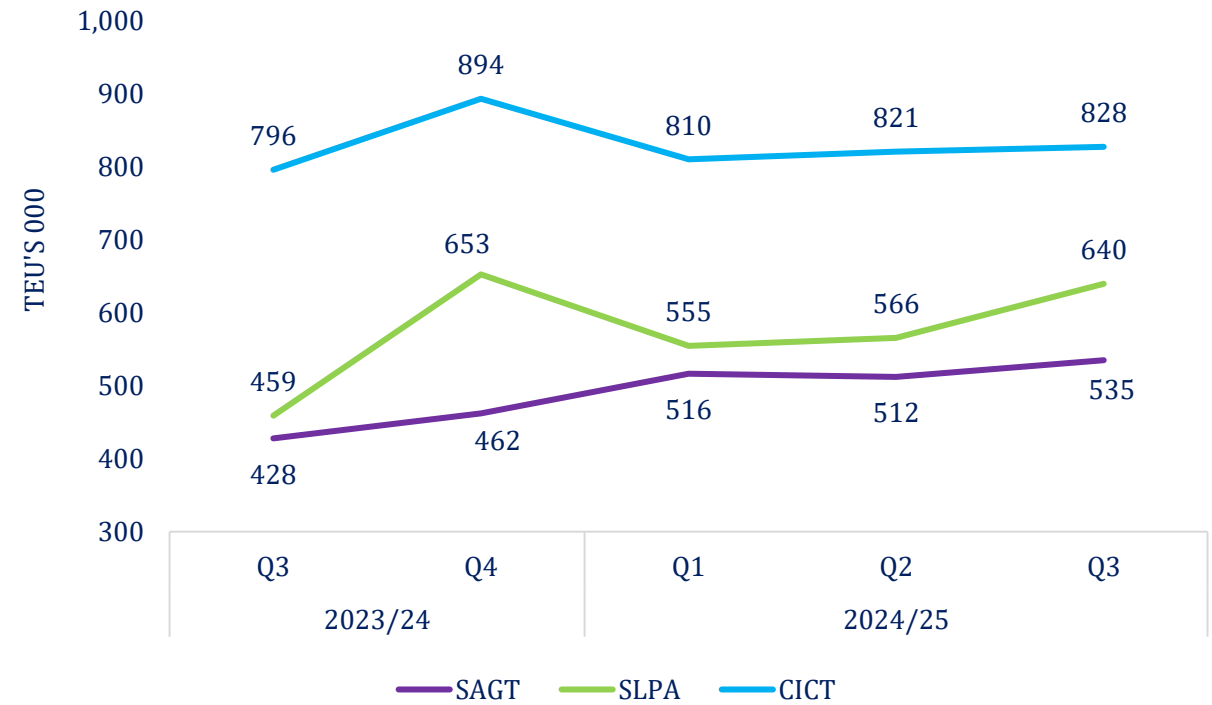
- Carbon footprint per million rupees of revenue decreased by 1.8% to 0.41 MT.
- Water withdrawal per million rupees of revenue decreased by 3.5% to 6.88 cubic meters.
- In absolute terms, the Group's carbon footprint increased by 15.3% to 34,553 MT and water withdrawal increased by 13.3% to 582,990 cubic meters, primarily due to the commencement of operations of the 'Cinnamon Life' hotel from October 2024.

# Transportation: Port of Colombo

## Port of Colombo



## Port of Colombo Volumes



\*SLPA includes volumes of JCT and ECT terminals

# Transportation: Q3 2024/25

## Port Business (South Asia Gateway Terminal)

Volumes (TEUs)	2023/24		2024/25		
	Q3	Q4	Q1	Q2	Q3
SAGT	427,922	462,379	516,373	511,987	535,098
Domestic: Transshipment volume mix	11:89	10:90	10:90	13:87	12:88

## Bunkering Business (Lanka Marine Services)

LMS (%)	2023/24		2024/25		
	Q3	Q4	Q1	Q2	Q3
YoY volume growth	2	52	13	78	20

## Q3 Earnings Update:

(Rs. mn)	Q3 2024/25	Q3 2023/24
EBITDA	1,642	2,327

*EBITDA excluding the deferred tax credit at SAGT is Rs.1.93 billion for Q3 2023/24.*

- The decline in EBITDA is mainly attributable to the Group's Bunkering business, Lanka Marine Services (LMS).
- The profitability of SAGT recorded an increase driven by a 25% growth in volumes and an improvement in the mix. Volume growth was driven by increased demand from continued disruptions in the Red Sea.
- Profitability at LMS was impacted due to a contraction in margins mainly on account of intensified local competition, the temporary oversupply of inventory and the appreciation of the Rupee.

# WCT-1: Construction progress



- All civil works pertaining to the first phase of the project is completed.
- All operating equipment relating to the first phase has been received and is being commissioned.
- The terminal will be completed by February 2025 and expected to receive its inaugural test vessel.
- The full completion of construction of the terminal is on-track for 2H 2026/27.
- WCT-1 will be the first automated terminal at the Port of Colombo.

# Consumer Foods: Q3 2024/25

Key performance indicators (%)	2023/24		2024/25		
	Q3	Q4	Q1	Q2	Q3
Volume growth:					
Frozen Confectionery (FC)	(2)	24	27	17	34
Beverages (CSD)	0	42	8	13	28
Convenience Foods	(1)	42	31	21	24
EBITDA (Rs. Million)	897	2,157	1,493	1,611	1,306
EBITDA margin	13	22	16	17	15
Revenue mix (CSD:FC)					
	40:60	44:56	44:56	43:57	41:59
Bulk:Impulse volume mix					
	66:34	61:39	68:32	62:38	67:33

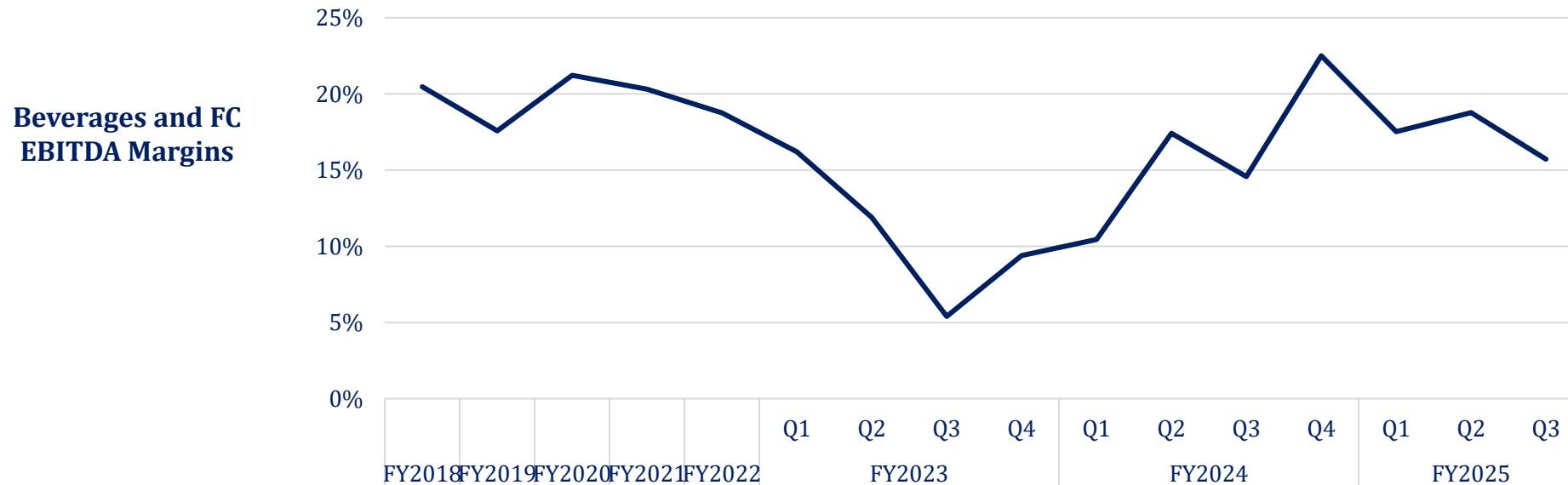
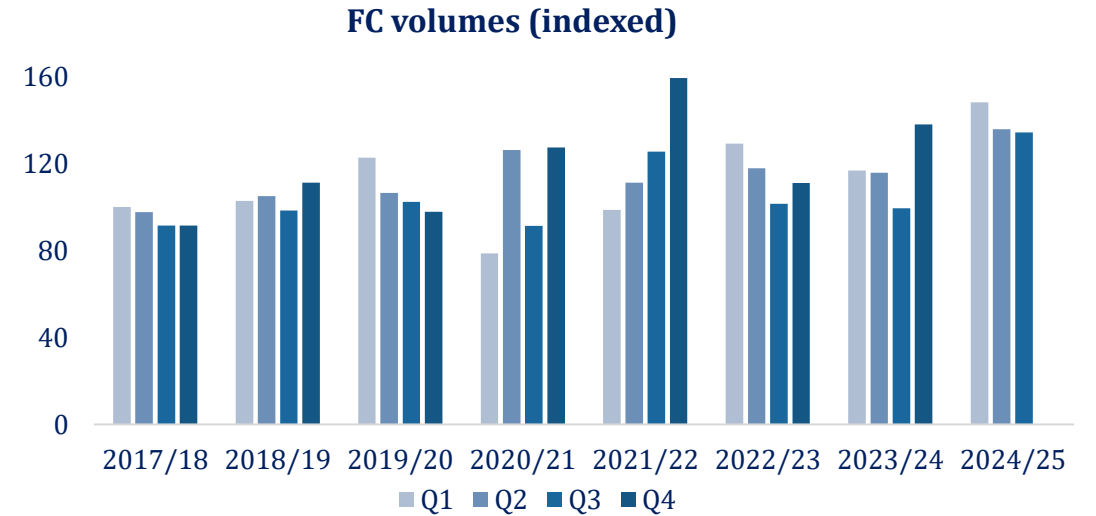
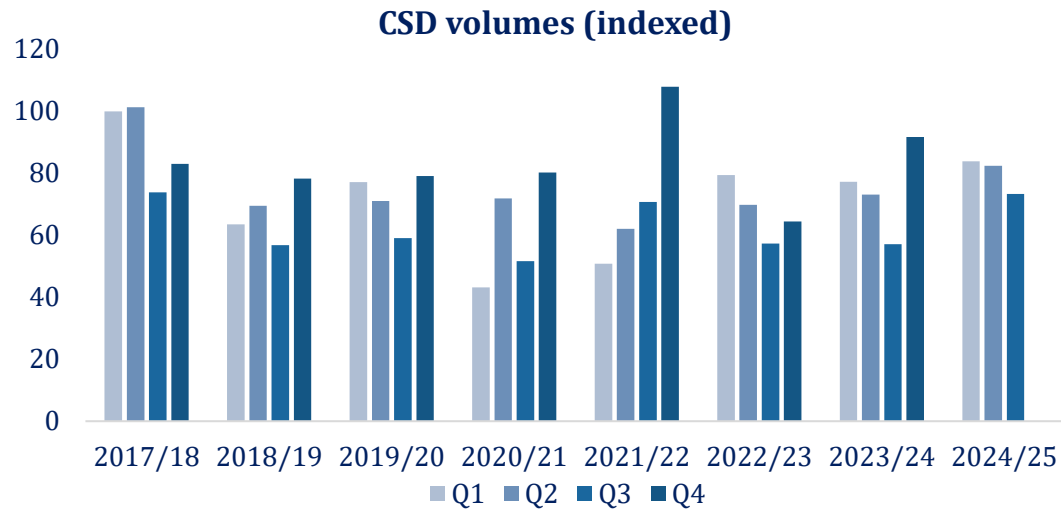
Key performance indicators (%)	FY2020	FY2021	FY2022	FY2023	FY2024
Recurring EBITDA margin	20	20	17	10	15

## Q3 Earnings Update:

(Rs. mn)	Q3 2024/25	Q3 2023/24
EBITDA	1,306	897

- The Beverages (CSD) and Frozen Confectionery (FC) businesses recorded volume growth and an improvement in margins.
- Margin improvement was on account of lower raw material prices, electricity costs and the increased operating leverage due to higher volumes enabling absorption of fixed costs.
- Profitability growth in the Convenience Foods business was on account of improved margins and volumes, combined with declining input costs.

# Beverages and FC: EBITDA margin analysis



# Retail: Q3 2024/25

## Supermarket business:

Key performance indicators (%)	2023/24		2024/25		
	Q3	Q4	Q1	Q2	Q3
Same store sales growth	10.7	10.7	12.0	13.8	14.2
Same store footfall growth	15.7	14.4	11.9	12.3	14.2
Average basket value growth	(4.3)	(3.2)	0.1	1.4	0.04
Revenue (Rs. Million)	28,756	27,358	30,029	30,103	32,029
EBITDA (Rs. Million)	1,997	2,158*	2,026	2,151	2,601
EBITDA margin	6.9	7.9*	6.7	7.1	8.1

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

Two new outlets were opened while one outlet was closed during the quarter. The total count of 'Keells' outlets as at 31 December 2024 is 135.

## Q3 Earnings Update:

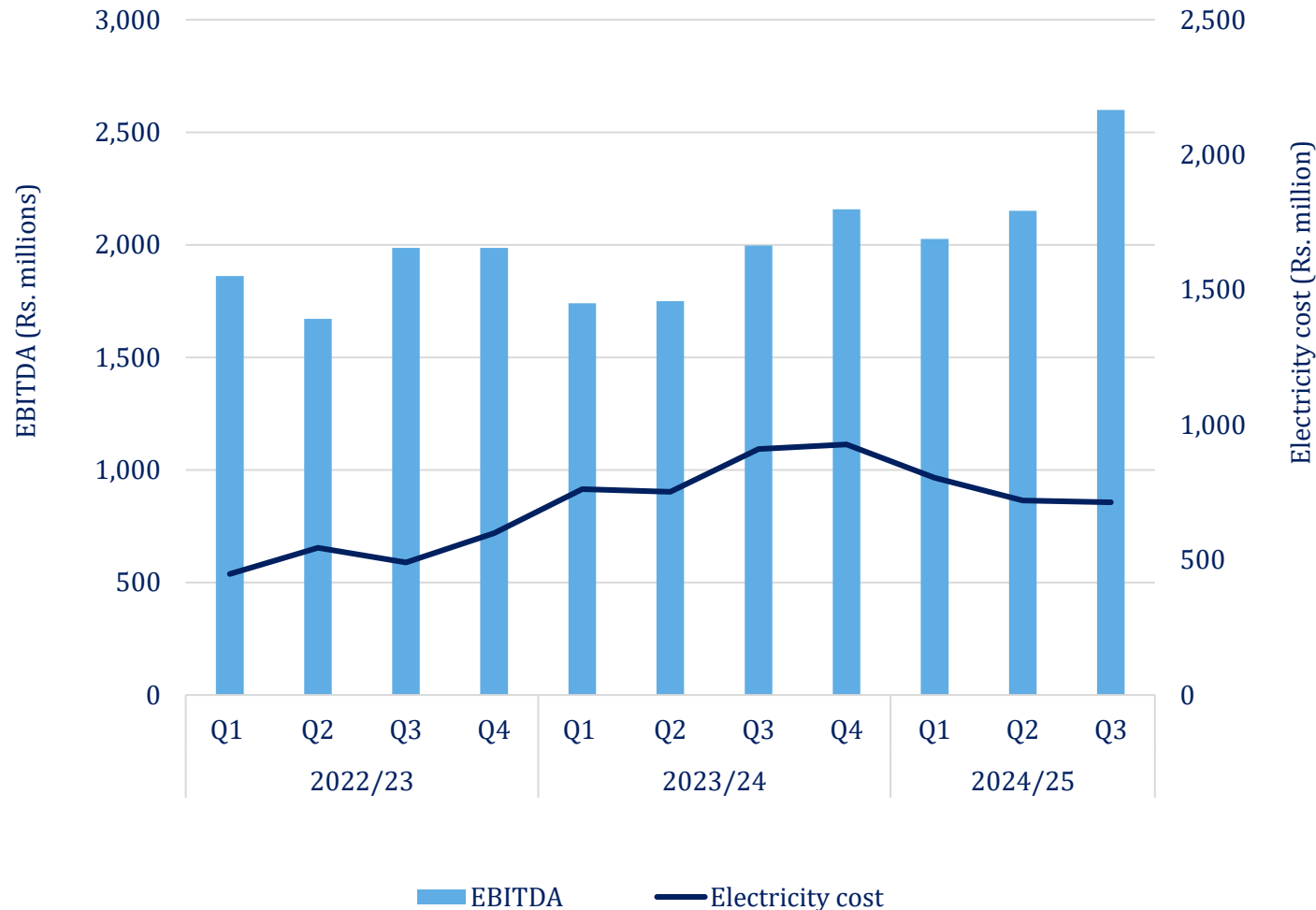
(Rs. mn)	Q3 2024/25	Q3 2023/24
EBITDA	2,898	2,390

- The Supermarket business recorded a strong performance, with same store sales recording a growth of 14% driven by customer footfall growth.
- Average basket values were flat due to a decrease in YoY inflation rates which was off-set by an increase in the average number of units within a basket.
- The sustained increase in footfall is encouraging as it demonstrates the continued potential for higher penetration of certain customer segments and the benefits accruing from the 'use cases' under the advanced data analytics transformation project.



# 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
	Q3	8.1	2.2

# Retail: Q3 2024/25: vs Q3 2023/24

Same Store  
Sales  
14.2%

## Q3 2023/24:

- Increase in revenue on account of seasonal sales in December along with promotional campaigns contributed to same store sales growth.

## Q3 2024/25:

- Increase in revenue on account of seasonal sales in December and promotional campaigns contributed to same store sales growth.

Same Store  
Footfall  
14.2%

## Q3 2023/24:

- Customer Count increased driven by seasonal sales.
- Continued demand towards Modern Trade in comparison to General Trade.

## Q3 2024/25:

- Customer count increased driven by initiatives to attract new customers, seasonal sales as well as improved footfall from existing customers.
- Continued demand towards Modern Trade in comparison to General Trade.

ABV  
0.04%

## Q3 2023/24:

- December 2023 NCPI (YoY): 4.2%.
- The YoY increase in inflation driven by Food inflation resulted in an increase in the RSP.
- The reduction in the consumption of nonessential items due to a decrease in the discretionary spend for non-essentials led to a decrease of the WOP.

## Q3 2024/25:

- December 2024 NCPI (YoY): (2.0)%.
- YoY decrease in inflation rates was off-set by an increase in the WOP, further reinforcing the continued recovery in consumer sentiment.

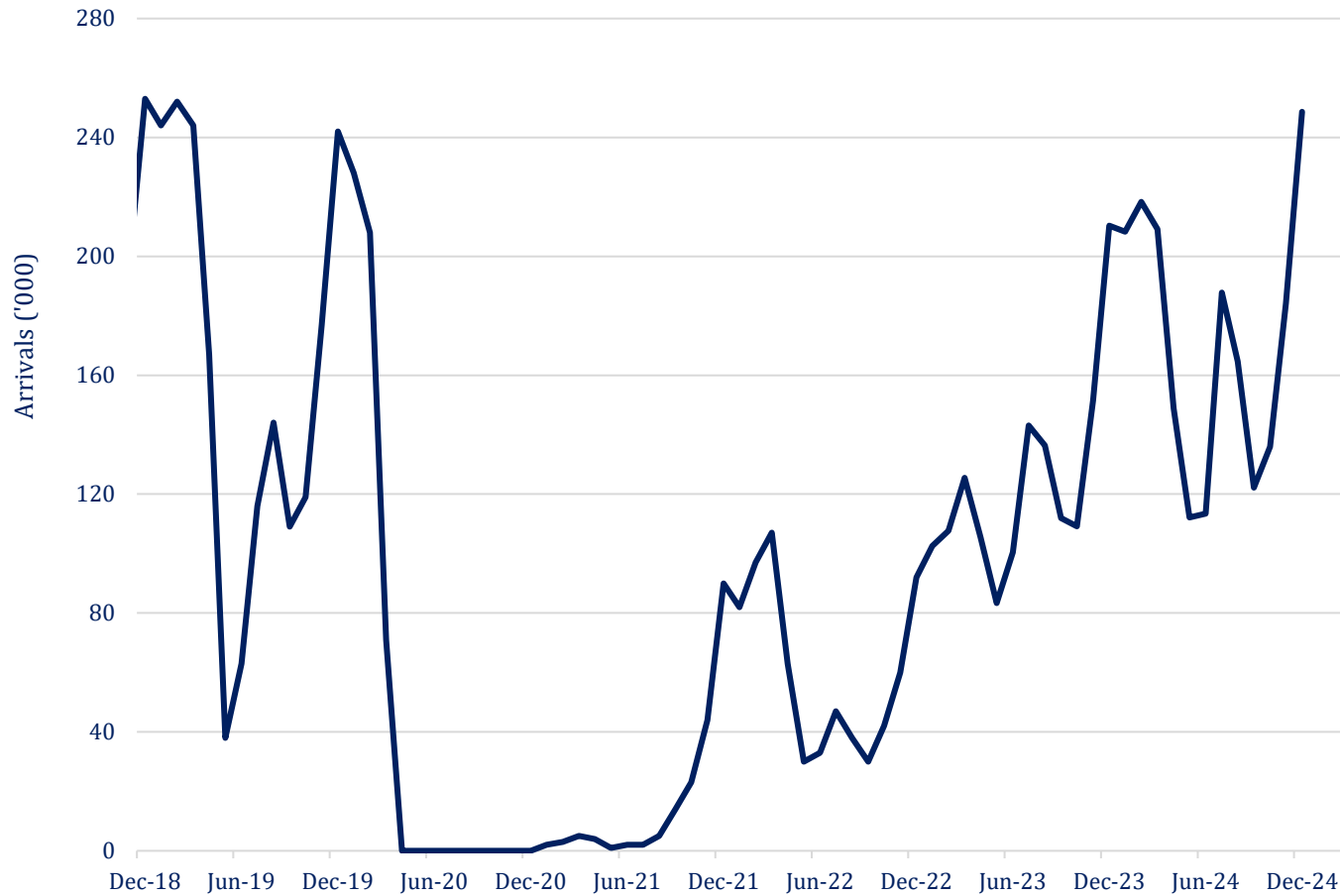
# Retail: Q3 2024/25

## New Energy Vehicles business:

- After a period of four years, restrictions on the import of vehicles for private use was lifted, commencing from 1 February 2025.
- The pipeline of vehicle bookings received to date is very encouraging.
- Ten charging outlets have been installed to date at select 'Keells' supermarket outlets.



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

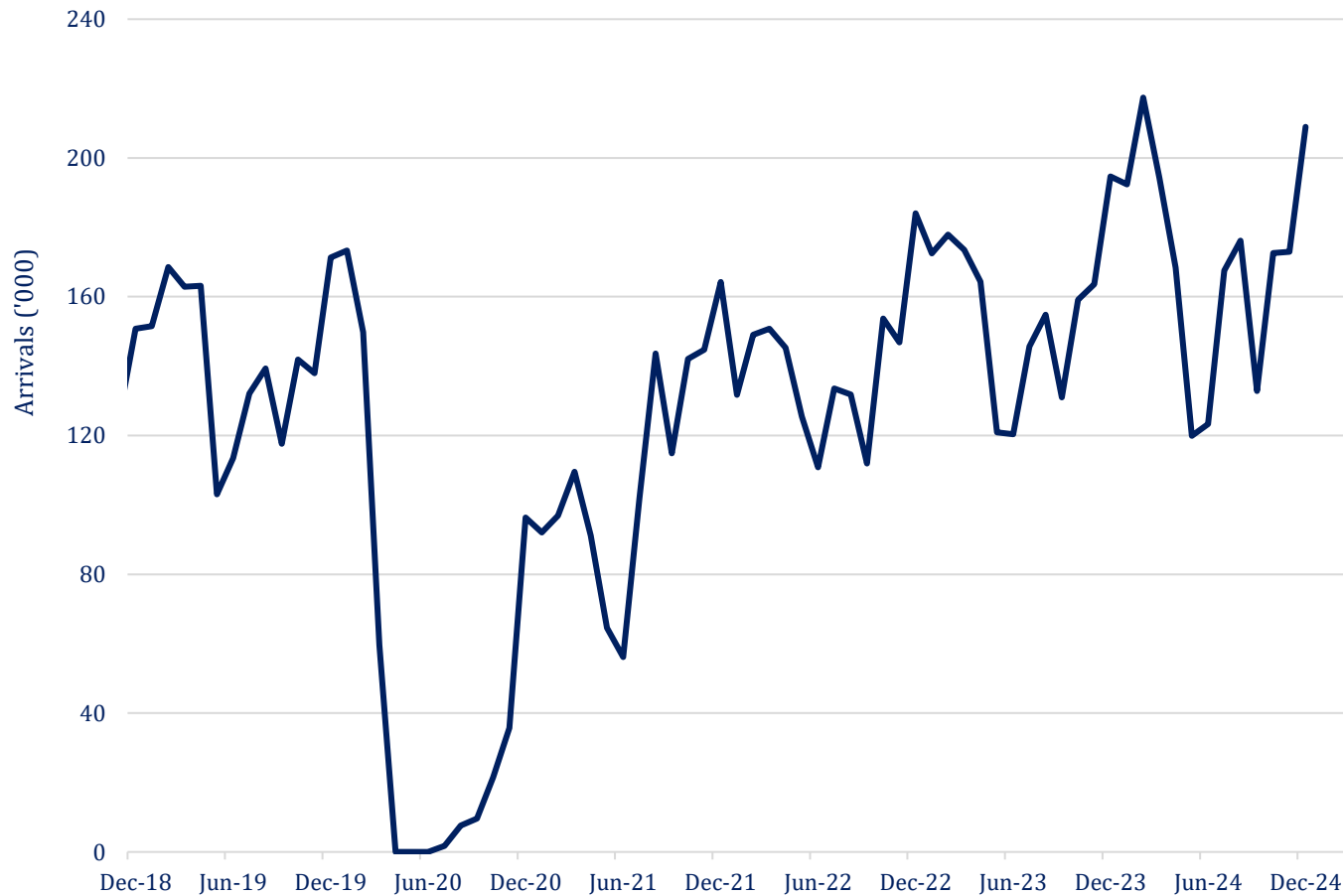


Source: Sri Lanka Tourism Development Authority

Sri Lanka - Monthly Tourist Arrivals				
Month	2018	2023	2024	2025
Jan	238,924	102,545	208,253	252,761
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	184,158	
Dec	253,169	210,352	248,592	
<b>Total</b>	<b>2,333,796</b>	<b>1,487,303</b>	<b>2,053,465</b>	<b>252,761</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

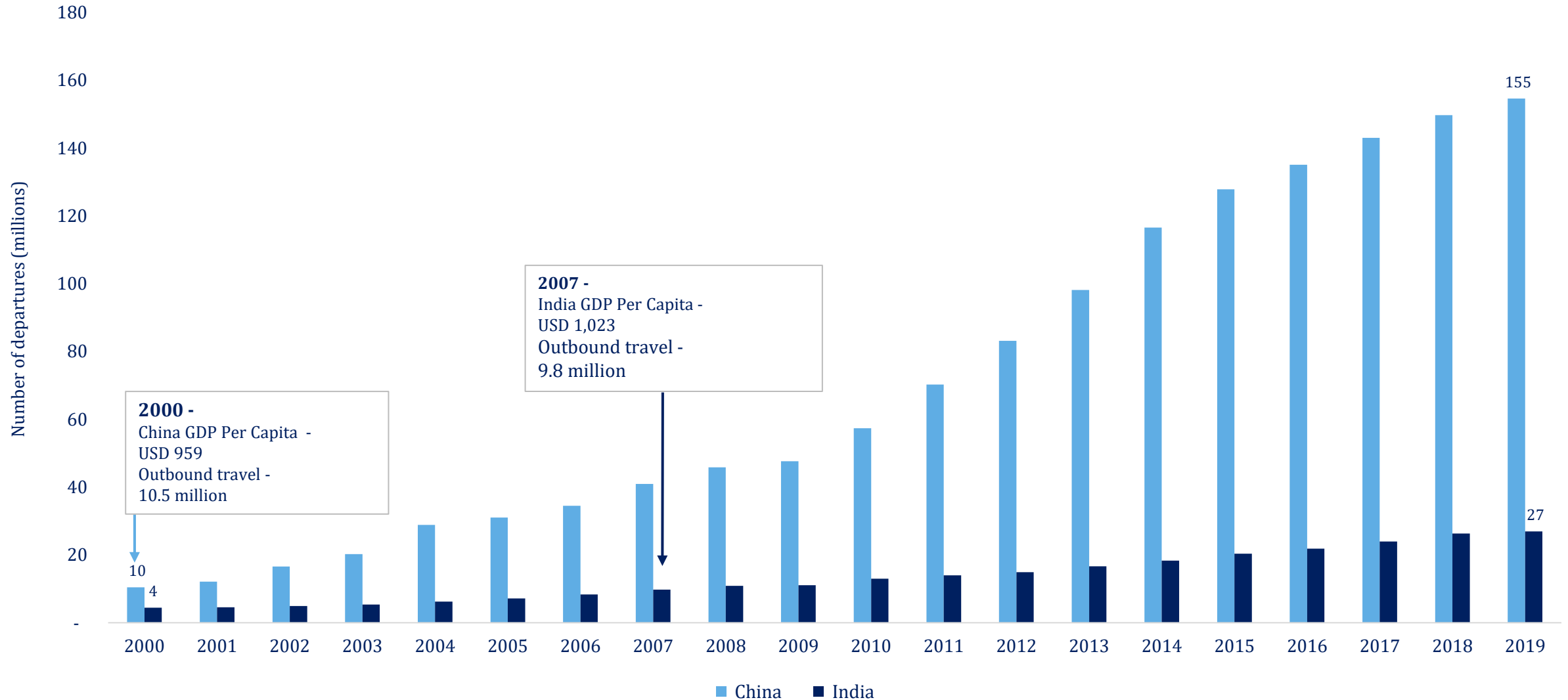


Source: Ministry of Tourism Maldives

The Maldives - Monthly Tourist Arrivals				
Month	2019	2023	2024	2025
Jan	151,552	172,499	192,385	214,864
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	172,621	
Nov	137,921	163,658	172,987	
Dec	171,292	194,969	208,980	
<b>Total</b>	<b>1,702,887</b>	<b>1,878,543</b>	<b>2,046,615</b>	<b>214,864</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: Q3 2024/25

Key indicators	2023/24		2024/25		
	Q3	Q4	Q1	Q2	Q3
<b>Colombo Hotels*</b>					
Occupancy (%)	57	67	40	66	66
ARR (USD)	88	84	98	83	78
EBITDA Margin (%)	16	18	(2)	11	13
<b>Sri Lankan Resorts</b>					
Occupancy (%)	66	81	49	64	68
ARR (USD)	80	106	81	78	96
EBITDA Margin (%)	15	35	(5)	6	23
<b>Maldivian Resorts</b>					
Occupancy (%)	88	90	71	89	86
ARR (USD)**	282	362	235	194	285
EBITDA Margin (%)	31	44	10	16	34

\*Occupancies and ARRs exclude 'Cinnamon Life' and 'Cinnamon Red Colombo'.

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

## Q3 Earnings Update:

(Rs. mn)	Q3 2024/25	Q3 2023/24
EBITDA	1,151	2,560

*EBITDA excluding 'City of Dreams Sri Lanka' is Rs.2.72 billion for Q3 2024/25 and Rs.2.80 billion for Q3 2023/24.*

- The Sri Lankan Resorts segment recorded a strong growth in profitability driven by higher rates and occupancies, particularly during the month of December.
- The Colombo Hotels segment witnessed an increase in occupancies although profitability was impacted by a decrease in rates.
- In US Dollar denominated terms, the Group's Maldivian Resorts recorded an increase in profitability on account of an increase in rates and a reduction in power and energy costs against the previous year, although the appreciation of the Sri Lankan Rupee resulted in a lower translation of Rupee profits.

# City of Dreams Sri Lanka

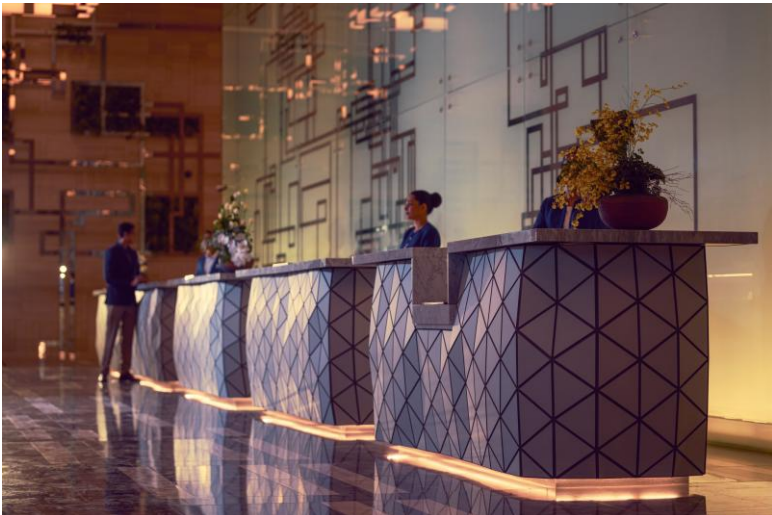
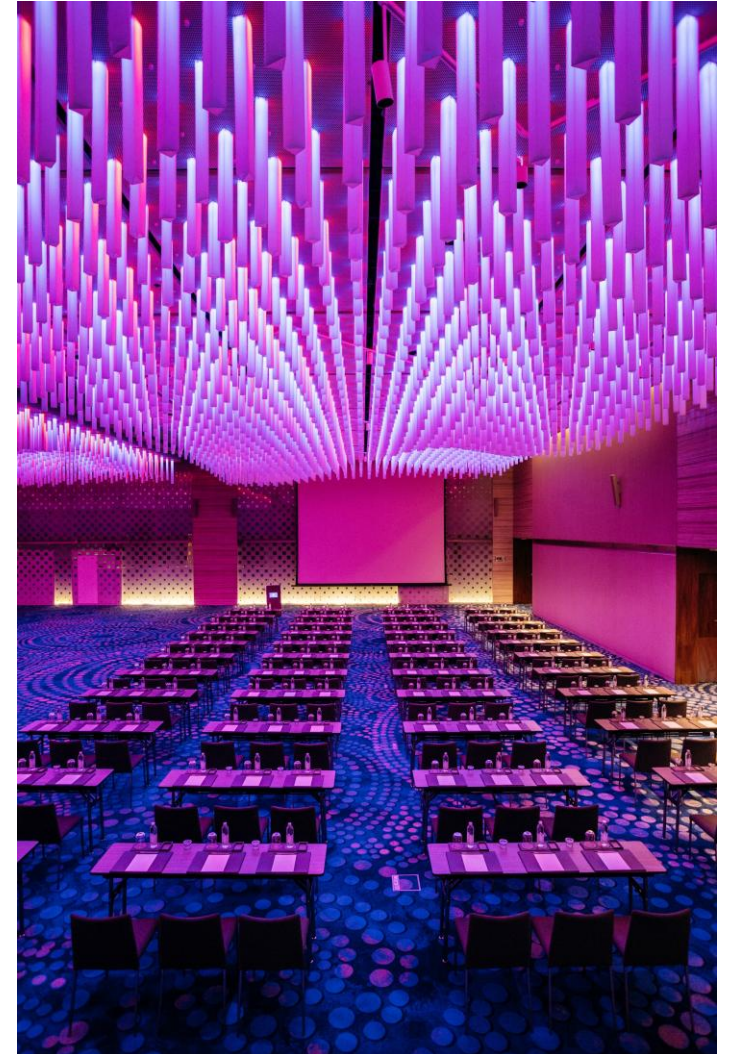
- The 687-key 'Cinnamon Life' hotel, restaurants and banquet facilities commenced operations on 15 October 2024.
- All the food and beverage offerings, including the unique outdoor locations and wellness centre, were progressively launched over the last few months.
- Demand and bookings for the various event spaces at the property have exceeded expectations.
- Hotel occupancy is expected to have a slow ramp up till demand for conferences and foreign events gather momentum.
- The 'Nuwa' hotel and gaming operations are expected to be operational along with the retail mall in Q3 of CY2025. Fit-out works are progressing well.



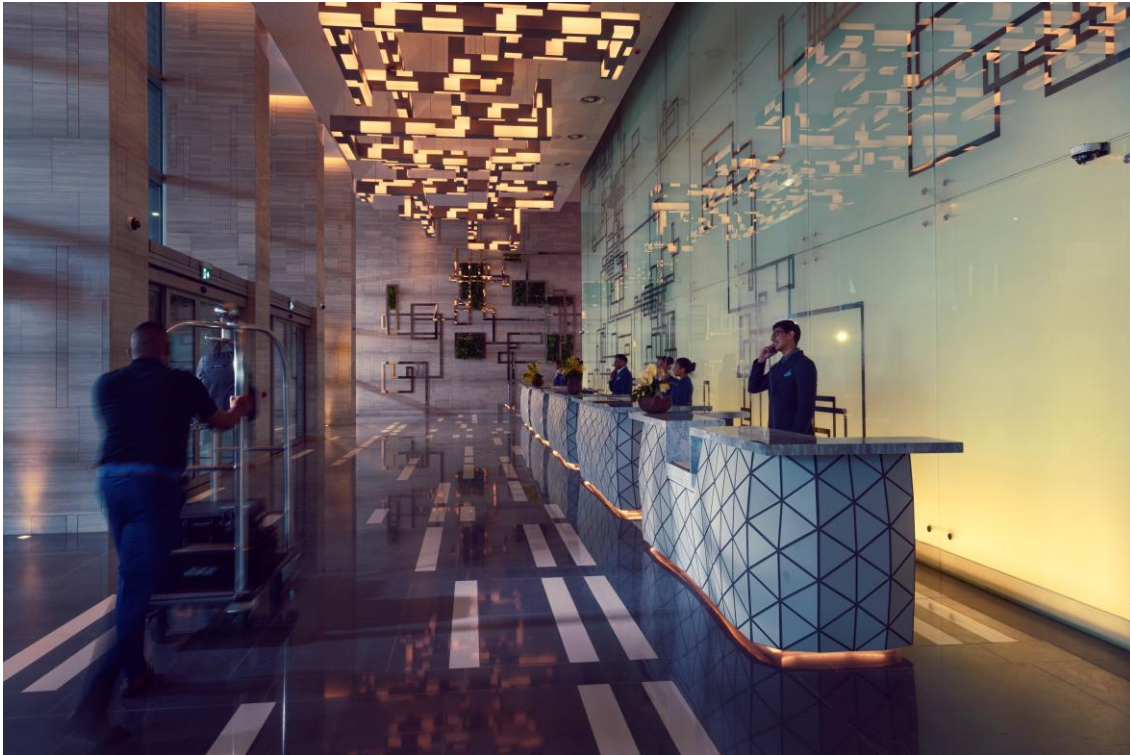
- The 'Cinnamon Life' hotel recognised a depreciation charge and interest expense amounting to a total of ~Rs.2.06 billion upon the commencement of the operations whereas these expenses were previously capitalised into the project cost.
- Whilst these expenses impact the profitability in the immediate term, it is anticipated that these impacts will be more than off-set by the increase in profitability once operations ramp up over the next few quarters.



# City of Dreams Sri Lanka



# City of Dreams Sri Lanka



# Property: Q3 2024/25

## Cumulative sales update as at 31 December 2024:

	Number of units sold	Number of remaining units
<b>Cinnamon Life:</b>		
The Residence at Cinnamon Life	156	75
The Suites at Cinnamon Life	123	73
<b>Total</b>	<b>279</b>	<b>148</b>
<b>TRI-ZEN</b>	<b>724</b>	<b>167</b>
<b>VIMAN*</b>		
Phase 1	104	10
Phase 2	49	27

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

The change in the timeline of the recording of the fair value gains/losses is to streamline and enhance the Group process on closure of the financial statements. Going forward, the Group will recognise and record such valuation impacts in the third quarter of each financial year.

## Q3 Earnings Update:

(Rs. mn)	Q3 2024/25	Q3 2023/24
EBITDA	838	60

- EBITDA includes fair value gains on investment property amounting to Rs.807 million recognised mainly pertaining to the Office tower at Waterfront Properties (Private) Limited (WPL).
- EBITDA excluding gains on investment property for Q3 2024/25 is Rs.31 million.
- Profitability of 'TRI-ZEN', which records the Group's share of profit after tax, as it is an equity accounted investee, was impacted by higher finance expenses on account of temporarily higher working capital requirements undertaken for the construction related costs of the project.

# Financial Services: Q3 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%.

## Q3 Earnings Update:

(Rs. mn)	Q3 2024/25	Q3 2023/24
EBITDA	5,171	4,040

- The Financial Services industry group profitability was mainly driven by Nations Trust Bank (NTB).
- NTB recorded a strong growth in profitability aided by a net gain on the disposal of international sovereign bonds, steady margins, assets growth, impairment reversals and gains on government securities.
- Union Assurance maintained a steady profitability, recording double digit growth in both first year premiums and renewal premiums.

# THANK YOU

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