



A SOCIAL CAPITAL FOCUSED COMPANY

FY2021/22

Earnings Release Update

# LANDMARK YEAR OF GROWTH AND CONSOLIDATION

ACQUISITION OF  
FIRST BRA FACILITY

RECORD REVENUE  
GROWTH

STRENGTHENED  
BALANCE SHEET

LARGEST IPO FOR A  
DECADE

EXPANSION TO  
EGYPT

LAUNCH OF THE  
*HELA DIRILIYA*  
INITIATIVE



# FY 2021/22 | FINANCIAL HIGHLIGHTS OF THE GROUP

Revenue

**LKR 56.2 Bn**

+74.7%



EBIT

**LKR 2.6 Bn**

+32.8%



Profit Attributable to  
Equity Holders

**LKR 818.4 Mn**

+6.7%



EBIT Margin

**4.6%**

-146 bps



Net Profit Margin

**1.5%**

-126 bps



Debt : Equity

**2.4 (x)**

(4.0x : FY 21)



# FY 2021/22 | HIGHLIGHTS

**Exceeded revenue targets** with year-on-year growth of 75%

- **Strong recovery in consumer demand** in Europe and North America
- **Successful customer engagement strategies** to onboard high margin customers

**Accelerated expansion** into the African region

- Establishment of a **second factory in Ethiopia** (first focused on bras)
- Expansion of manufacturing footprint to **Egypt**
- Agreement on **partnered capacity in Tanzania**

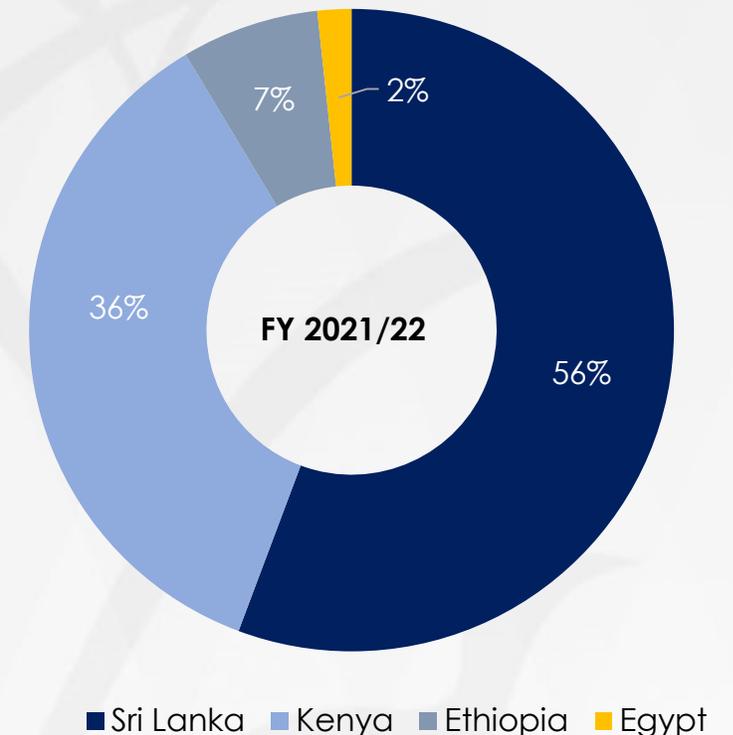
**Profit margin pressures** driven partly by global factors

- **External Factors** – Cotton prices at decade high; Rising freight costs
- **Global Supply Chain Disruptions** – Impact on raw material deliveries
- **Operational One-Offs** – Labour dispute in Kenya, Egypt ramp-up costs

**Balance sheet strengthening** is underway

- **Debt-to-Equity ratio down** from 4.5x on 30<sup>th</sup> Dec. to 2.4x by 31<sup>st</sup> March.

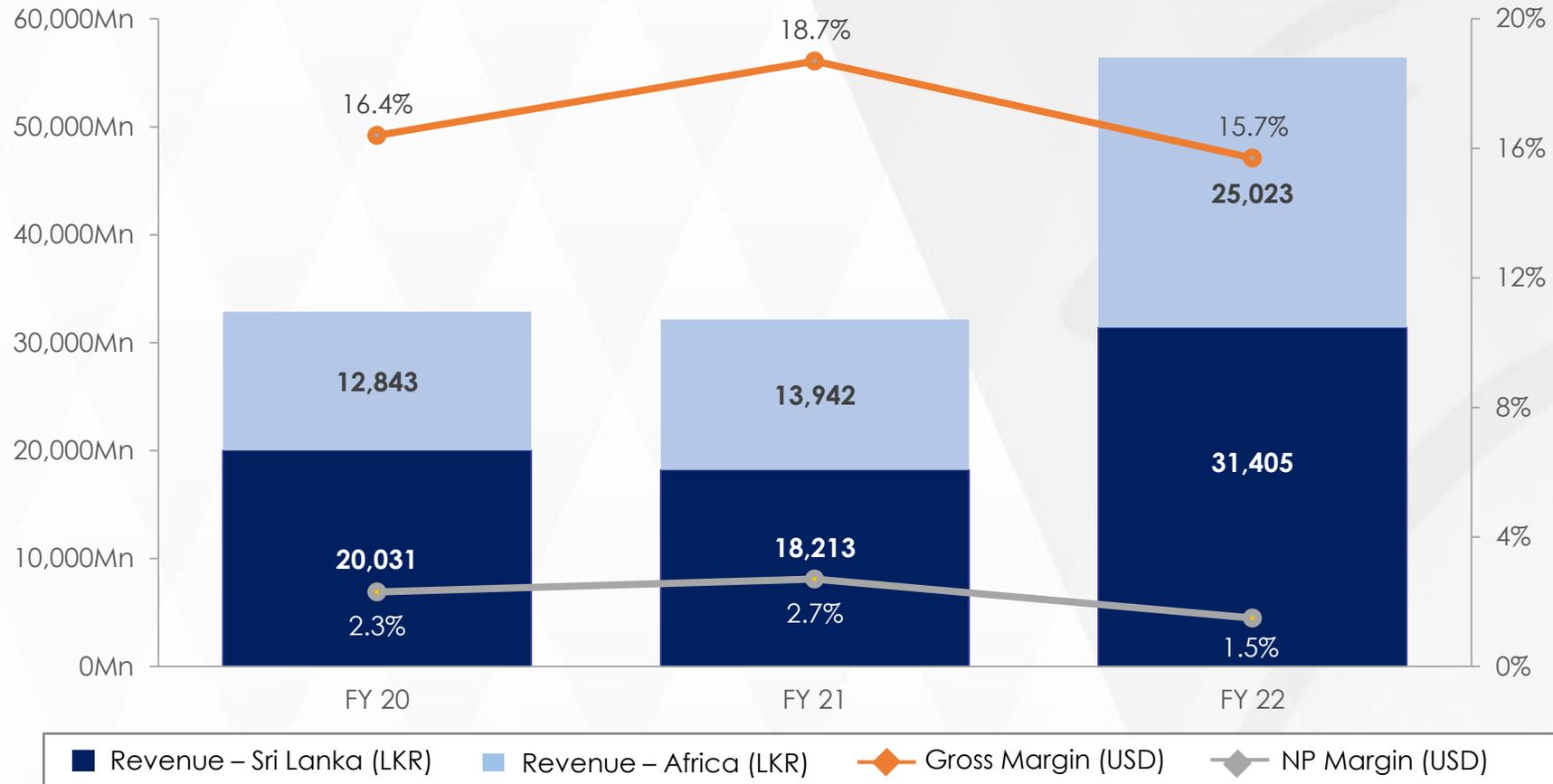
Revenue by Country of Manufacture  
(% of Group Revenue)



# FY 2021/22 | PERFORMANCE UPDATE

## Group Revenue and Profitability Margins (LKR Mn, %)

FY 20 – FY 22

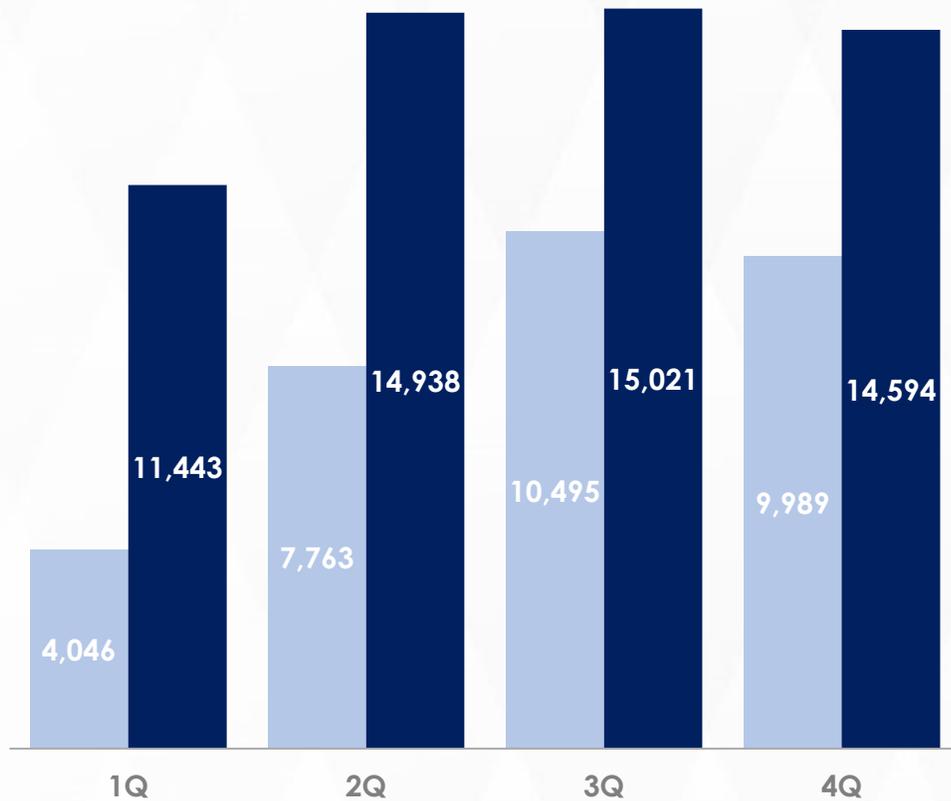


*Exceptional growth in revenue across Sri Lanka and Africa, but pressure on profit margins was a key feature of FY2021/22*

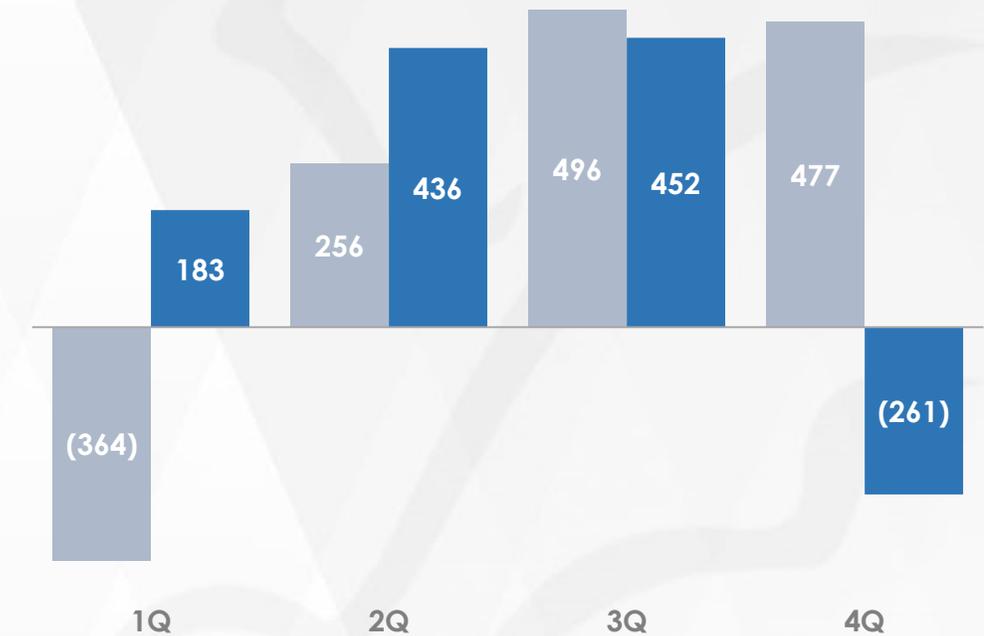


# Q4 FY 2021/22 | PERFORMANCE UPDATE

Group Revenue (LKR Mn)  
1Q FY 21 – 4Q FY 22



Group Profits Attributable to Equity Holders (LKR Mn)  
1Q FY 21 – 4Q FY 22



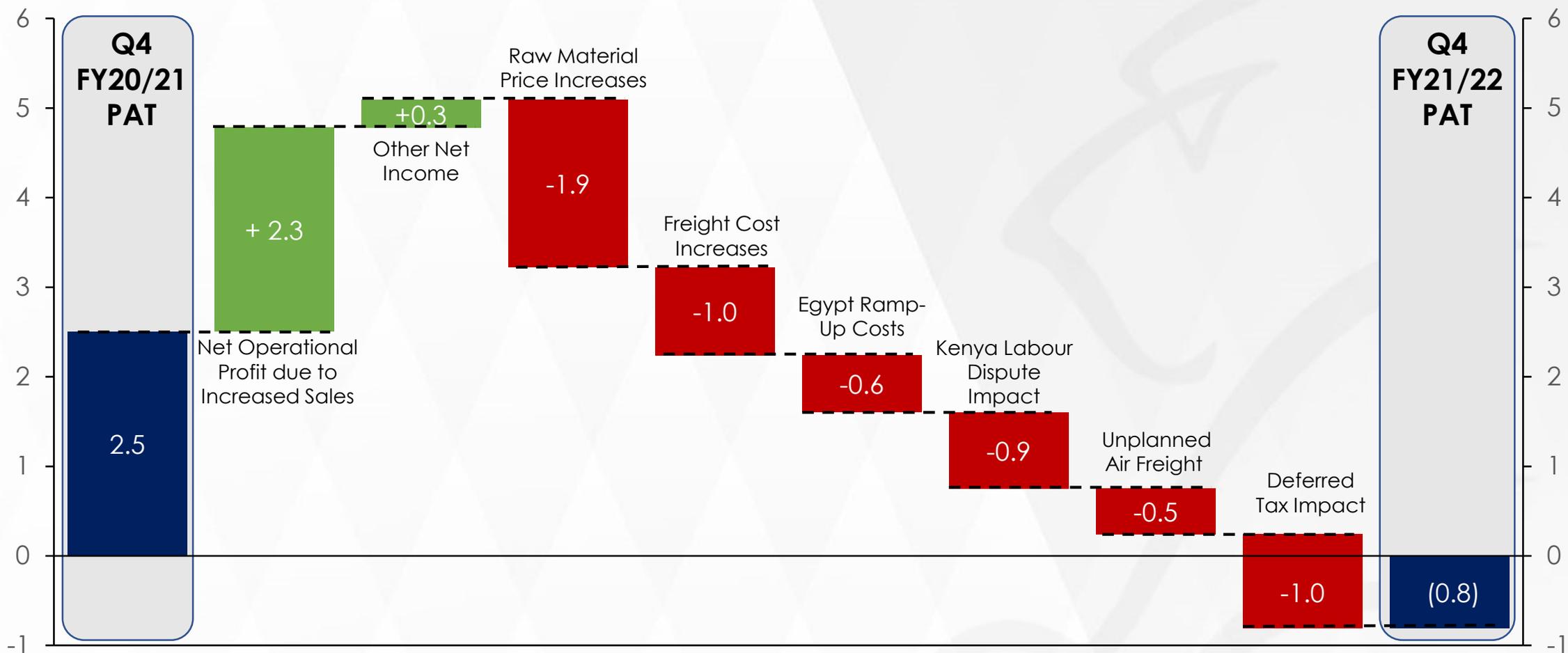
■ FY 2020-21 ■ FY 2021-22

■ FY 2020-21 ■ FY 2021-22

# Q4 FY 2021/22 | PROFITABILITY BRIDGE

Group Profit-After-Tax (USD Mn)

4Q FY 21 vs. 4Q FY 22



Note: The profit impact of different factors should be considered as estimates and are based on a number of assumptions that may not continue to apply in future periods.



# Q4 FY 2021/22 | UPDATE ON IPO PROCEEDS

Objective	Amount Allocated (LKR)	Amount Utilised as of 31 <sup>st</sup> March (LKR)	Remarks
<b>Fabric Mill Investment</b>	1.0 billion	-	<i>In order to avoid the impact of further depreciation in the LKR, the remaining funds of LKR 2.0 billion will be immediately directed to investment in the subsidiaries for the purpose of settling additional debt.</i>
<b>Implementation of New ERP</b>	0.6 billion	0.1 billion	
<b>Investment in Subsidiaries</b>	2.4 billion	1.9 billion	
<i>Of which: Retirement of Debt</i>	<i>2.0 billion</i>	<i>1.9 billion</i>	
<i>Productivity-Enhancing CAPEX</i>	<i>0.4 billion</i>	-	
<b>Total</b>	<b>LKR 4.0 billion</b>	<b>2.0 billion</b>	

*The Company remains committed to the IPO objectives, which will now be funded via of debt (supported by the stronger balance sheet) and internally generated cash*

# OUTLOOK | OVERVIEW

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## **Robust order book;**

Driven by strong demand condition and customer engagement



Revenue growth to be more measured; **contribution from Egypt set to grow**



Focus for FY22/23 is on **margin improvement**

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## KEY RISK FACTORS



Impact of high rates of inflation and rising interest rates on real household incomes



US Dollar liquidity constraints in Sri Lanka



Further disruptions to supply chains & volatile freight costs

# SAFE HARBOR STATEMENT

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THANK YOU