

Fireflies

Fireflies illuminate the night and uplift our spirits – resonating with the joy and positivity we provide to our consumers.



CONSUMER & RETAIL

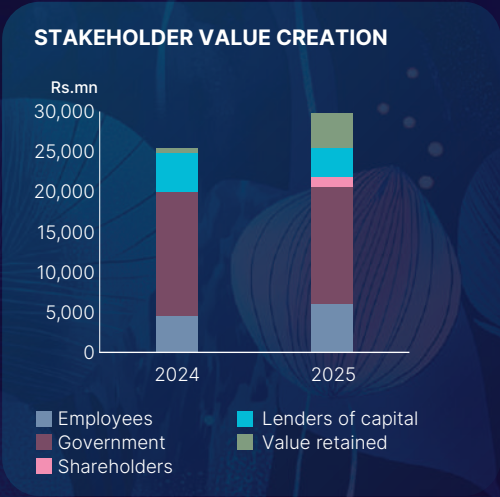
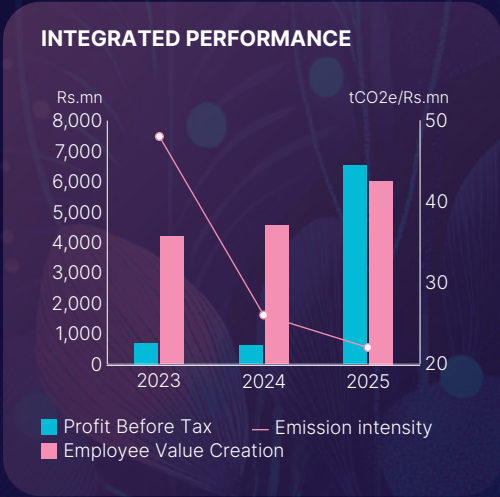
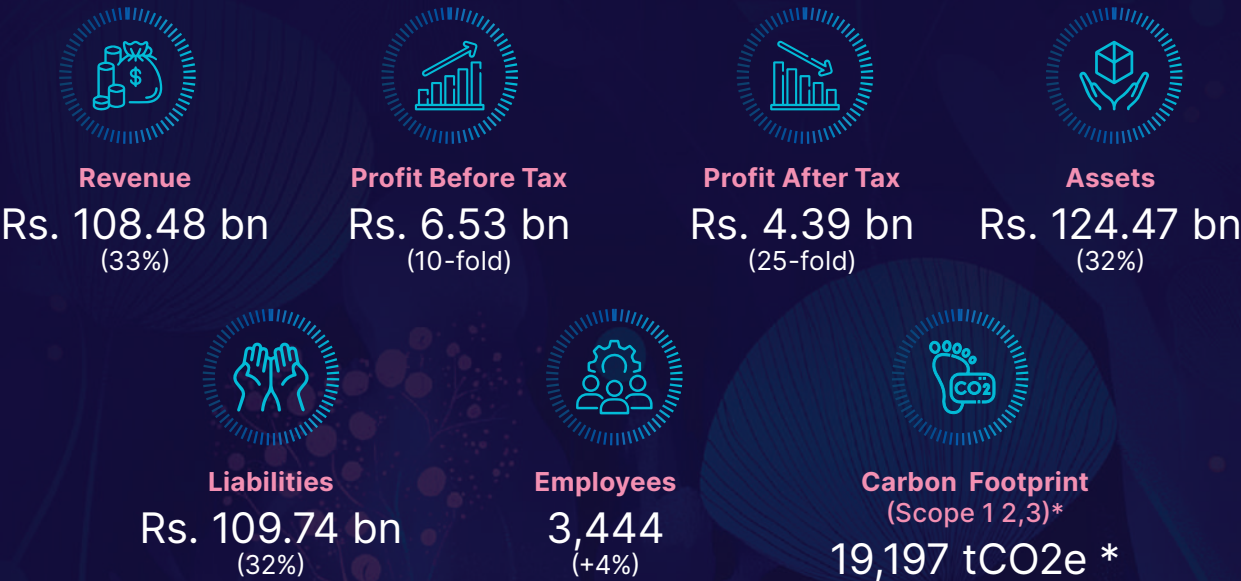
Singer is Sri Lanka's leading retailer of consumer durable products, enriching and elevating lifestyles across the country, through providing access to world-class products via a network of 405 outlets.



Insights from Sector
Managing Director
Scan to view

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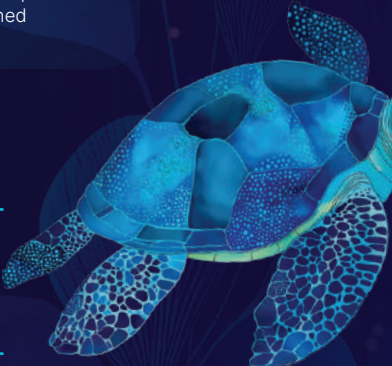
HIGHLIGHTS OF 2024/25



KEY DEVELOPMENTS IN 2024/25

Singer (Sri Lanka) PLC achieved record-breaking profitability during the year	Widened the product and brand portfolio while pursuing diversification of customer segments	93 Singer showrooms upgraded and 2 new branches opened by Singer Finance
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*The carbon footprint for 2024/25 represents an expanded coverage of Scope 3 emissions compared to the previous year



Much like the natural phenomena of biofluorescence and bioluminescence—where organisms emit light to enrich their surroundings, Singer plays a catalytic role in its ecosystem- driving innovation, creating shared value, and uplifting quality of life. By offering convenience-led solutions and enabling easier lifestyles, it supports sustainable progress while fostering a more connected, empowered community.

VALUE GENERATION ACROSS ECOSYSTEM

- Business partners supported through 405 branches on entrepreneurial model
- Skill development through 52 branches of Singer Fashion Academy
- Economic value creation of **Rs. 28.50 bn**

MULTI-PRODUCT, MULTI-BRAND PORTFOLIO OFFERING CONVENIENCE, COMFORT AND CONNECTIVITY

Home appliances

Range of refrigerators, air conditioners, washing machines and kitchen appliances among others

Consumer electronics

Televisions, Audio, and other entertainment equipment

Digital products

Computers, mobile phones, head phones and other accessories

Others

Water pumps, tractors, paddy threshers and solar systems and others

Sewing machines

Domestic and industrial sewing machines

Furniture

Solid furniture, modular furniture and Signature kitchens

Financial Services

Leasing, hire purchase and loans

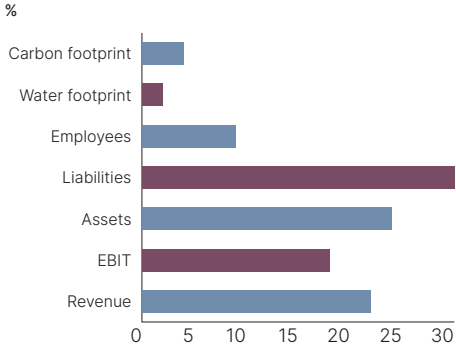
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SECTOR OVERVIEW

Singer (Sri Lanka) PLC is the undisputed leader in the country's consumer durables industry with a customer penetration rate of over 50%. Singer's competitive edge is underpinned by its multi-brand, multi-product portfolio, unmatched island-wide retail network and strength of its brand as a household name in Sri Lanka. In addition to representing an array of local and global brands, Singer also manufactures a range of SINGER and SISIL refrigerators, washing machines, sewing machines, furniture and water pumps among others. The Consumer & Retail Sector of the Hayleys Group also includes the Hayleys Consumer Division, which operates as a distributor for Proctor & Gamble products in Sri Lanka as well as Singer Finance (Lanka) PLC, a mid-sized Licensed Finance Company offering an array of lending, deposit and transactional solutions to individuals and SMEs.

RELEVANCE TO GROUP



SECTOR OPERATIONS

Sub-Sector	Contribution to Sector (%)	
	Revenue	PBT
Singer Marketing Represents 405 outlets across the country and an island-wide dealer distributor network and 3 manufacturing facilities engaged in the production of refrigerators, sewing machines, water pumps and furniture	84	73
Singer (Finance) Lanka PLC Licensed Finance Company engaging in leasing and loans	9	22
Hayleys Consumer Exclusive distributor for Proctor & Gamble products in Sri Lanka and Maldives	7	5

Market Presence	Brand Strength	Innovation	Sustainability Focus
Singer operates an extensive network of 405 outlets across 25 districts and 16 service centres. Meanwhile, Singer Finance operates a network of 56 branches	One of Sri Lanka's strongest brands , having won the People's Brand of the Year for 19 consecutive years at the SLIM-Kantar People's Awards	A portfolio of over 600 electronic items and 1,200 home appliances which includes representation of over 60 international consumer brands such as Samsung, Dell, Huawei, Honor, Philips and Panasonic	Hayleys Consumer is the distributor of Proctor & Gamble products in Sri Lanka including personal care brands such as Head & Shoulders, Gillette, Whisper and Olay as well as Group products such as Mabroc Teas and Hayleys Agriculture Products

OPERATING ENVIRONMENT

The stabilising macro-economic fundamentals together with improved customer sentiments and favourable interest and exchange rates led to a significant improvement in consumer demand during the year. While the country's economic woes had led to a contraction in demand in recent years, this trend reversed during the reviewed period as the release of pent-up demand and aspirations for a higher standard of living, convenience and sophistication fuelled consumer spending across all categories of consumer durables including home appliances, consumer electronics and furniture. Meanwhile, the government's efforts to curb further expansion of the grey market is commendable; the growth of the informal sector not only threatens the survival of legal importers but also deprives the Government of tax revenue.

	PER CAPITA GDP +19% Increase in 2024	HOUSEHOLD EXPENDITURE +6% Private consumption expenditure +5% Expenditure on furnishing, household equipment and maintenance	DEMOGRAPHIC CHANGES	ESCALATING CUSTOMER CONSIDERATIONS ON SUSTAINABILITY +6% Y-o-y appreciation of the Sri Lankan Rupee (Monthly average rate)
Description	The increase in per capita GDP to USD 4,516 represents the growth in GDP and demonstrates increased potential for consumer spending	While food and transportation represented the highest categories of expenditure, 2024 a moderate pick up in non-discretionary household expenditure	Despite vulnerabilities stemming from the country's recent economic crisis, Sri Lanka's increasing urbanisation, rising female participation in the workforce and higher education levels are fuelling demand for more affluent and aspirational lifestyles	The Sri Lankan Rupee strengthened against the US Dollar during the year, thereby benefitting net importers such as Singer
Impact	H	H	M	M
Implications	+ Increased spending on discretionary items, resulting in sales growth	+ Improved demand conditions across all key product categories	+ Opportunities in increasing contributions from the premium segment + Increased demand for advanced and sophisticated products	+ Benefit arising from lower import cost of goods transferred to customers through downward price revisions

H-High, **M**-Medium, **L**-Low / Blue circle represents adverse effect while green circle represents positive effect

RISK LANDSCAPE

Market risks

Emerging geopolitical trade dynamics and resultant implications on key sectors of the economy

Ⓢ Strategic response

- Customer diversification including increased focus on premium customer segments

Sustainability-related risks

Impacts of climate change on farmer income and potential impact on consumer demand, given Singer's strong rural presence

Ⓢ Strategic response

- Diversification of customers and customer segments

Market risks

Macro-economic fundamentals including a depreciation in the exchange rate and/or increase in interest rates could affect consumer spending

Ⓢ Strategic response

- Product and brand diversification catering to different price points in the market

Market risks

Expansion of the grey market presents a significant threat for legal importers, given the high price disparity between legal and taxed products

Ⓢ Strategic response

- Build customer awareness and ongoing lobbying to the government

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OPPORTUNITIES

Market opportunities

Shifts in the global competitive landscape has given rise to the emergence of rapidly growing, fresh brands

© Strategic response

- Diversification of market and brand portfolio



Sustainability-related opportunities

SRRO 8

Sri Lanka's renewable energy aspirations include a target of achieving 70% by 2030, which can lead to price adjustments to fossil-fuel based sources

© Strategic response

- Design, manufacture and importation of energy-efficient products

Market opportunities

Potential certification requirements on consumer durable products by the Sri Lanka Standards Institution, presents an opportunity for Singer to further widen market access

© Strategic response

- Strategic focus on ensuring quality of manufactured and imported products

STRATEGY AND RESOURCE ALLOCATION

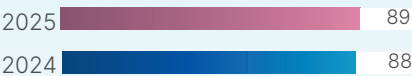
The Sector's strong performance for the year was underpinned by the meticulous execution of its clearly defined strategy, the Singer Smart Plan, which is centered on the 5 pillars of customer centricity, growth and profitability, people, manufacturing and supply chain excellence and digital transformation. The Sector's strategy was cascaded across all levels of the organisation through ongoing engagement and alignment to remuneration structures, facilitating organisation-wide buy in and goal congruence.

Strategic KPIs/ Pre-financials

CUSTOMER CENTRICITY

How we performed: Ongoing investments in showroom upgrades, training service centre staff, enhancing after- sales care, launch of Singer Care app and strengthening the omni-channel presence through increased focus on digital

Net promoter score (%)



About this KPI and why we use it: Effective measure of customer loyalty and advocacy and growth potential

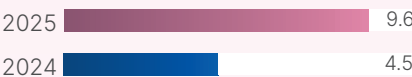
Resource allocation

Customer-service related training:
Rs. 12.5 mn

EFFICIENCY AND COST MANAGEMENT

How we performed: Strategic emphasis on cost efficiencies in the factories, showroom efficiency audits, effective inventory management and proactive negotiations of import costs enabled improved profitability margins.

Operating profit margin (%)



About this KPI and why we use it: Demonstrates effectiveness of cost saving initiatives and showcases core profitability

Resource allocation

Proactive negotiations with suppliers and nurturing a culture of cost-consciousness

INTEGRATED PERFORMANCE REVIEW

Record-breaking performance:

Effective and timely strategic interventions amidst rapidly evolving operating conditions enabled the Sector to deliver record-breaking performance during the reviewed period, with Revenue and Profit After Tax reaching unprecedented highs. Singer's strong performance was underpinned by its strategic foresight in anticipating market shifts and its agility in accelerating growth as macro-economic conditions stabilised. Resultantly, the Sector's Revenue increased by 33% to Rs.108.48 bn during the year, fuelled by broad-based improvements in demand as well as proactive sales, marketing and branding efforts. While the appreciation of the Rupee led to more favourable import costs, Singer passed on this cost benefit to customers through downward price revisions. Despite these revisions, the Sector successfully widened its Operating Profit margin from 4% to 8% during the year reflecting strategic emphasis on driving internal efficiencies

and productivity improvements. Meanwhile, Hayleys Consumer also recorded improved profitability, supported by stronger customer sentiments and a wider product portfolio. Overall, the Sector generated a Profit Before Tax and Profit After Tax growth of 10-fold and 25-fold respectively. Supported by Singer's improving performance and financial profile, Fitch Ratings upgraded Singer's National Long-Term Rating by two notches to 'AA-(lka)' from 'A (lka)', with a stable outlook.

Internal efficiency drive: During the year, Singer placed strategic emphasis on driving efficiencies, cost reductions and productivity improvements, which in turn supported wider profitability margins. This included proactive negotiations with suppliers, effective inventory management as well as manufacturing efficiencies in the factories. Singer also strengthened mechanisms to monitor showroom efficiency through a structured audit programme which evaluates financial and operating metrics across its showroom network. Singer also focused on improving supply chain efficiencies through route and load optimisation and strengthening capabilities in Sales and Operating Process systems.

Widening product proposition: Singer continued to evolve its product and brand portfolio to cater to emerging customer needs and gradually deepen penetration in the premium customer segment through an elevated product offering. Accordingly, the Sector added premium brands such as BOSCH and Miele while also launching locally manufactured glass-door refrigerators and a new range of water pumps. During the year, the Company was also appointed as the sole distributor for Nubia smartphones in Sri Lanka. Singer maintained its market leadership position across key product categories including refrigerators, washing machines, televisions and sewing while gaining market share in digital devices. At the SLIM-KANTAR People's Awards

2025, Singer was recognised as the People's Brand of the Year for the 19th consecutive year, as well as the Consumer Durables and Youth Brand of the year.

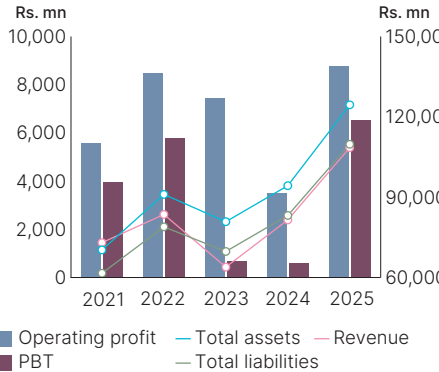
Digital transformation: Singer is embracing digital technology as a cross-cutting enabler which facilitates data-driven decision making, omni-channel retailing, predictive analytics, improved customer experience and more robust risk management among others. Given its unparalleled customer reach, AI-driven data insights are expected to pave way for targeted marketing and personalised customer service, thereby further sharpening the Company's competitive edge. In a key milestone during the year, Singer also unveiled Sri Lanka's first AI-powered Samsung Smart Store offering an immersive experience of AI-powered technology and smart living solutions.

Employee value proposition: Following several years of relatively high attrition rates, Singer recorded an improvement in employee retention during the year. Key people-related priorities during the year included building a performance-driven culture, structured succession planning for critical roles, encouraging cross-generational collaboration and intensifying efforts to engage and empower the emerging younger workforce.

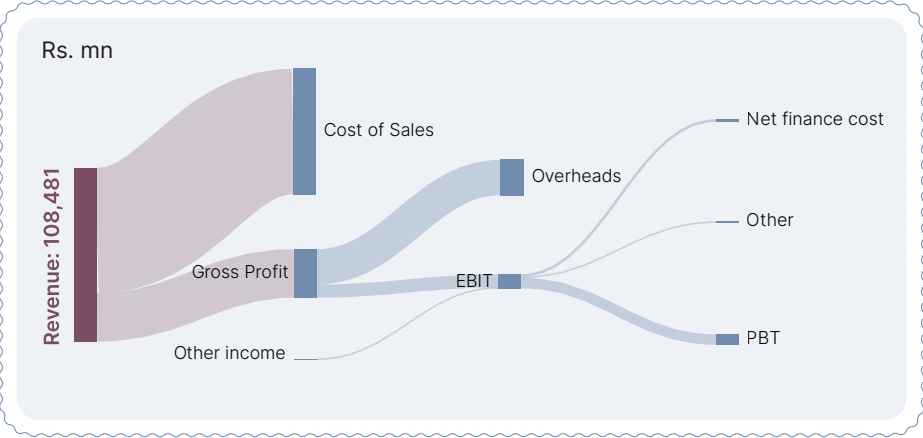
Performance of Singer Finance: Singer Finance delivered a year of strong

growth, generating a Profit Before Tax of Rs. 1,458.1 mn, compared to Rs. 652.40 million the previous year. Performance was upheld by strong portfolio growth supported by an expanding branch network, effective margin management and increasing contributions from high-yielding products such as gold loans. The Company also maintained above average portfolio quality, liquidity and capitalisation levels in comparison to industry peers.

SECTOR FINANCIAL PERFORMANCE



	Revenue (y-o-y) %	PBT (y-o-y) %
Singer marketing	+18	19-fold
Singer (Finance) Lanka PLC	+37	+124
Hayleys Consumer	+16	+21



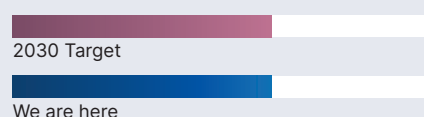
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PERFORMANCE HIGHLIGHTS

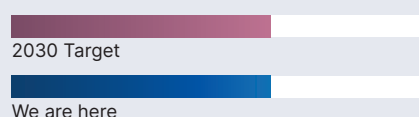
FINANCIAL METRICS	2025	2024	%	2023
Revenue	108,481	81,497	33	63,893
Earnings before interest and tax	8,770	3,487	152	7,457
Net finance income/(cost)	(1,641)	(2, 502)	(35)	(6,371)
Profit before tax	6,528	611	10-fold	691
Profit/ (Loss) after tax	4,386	175	25-fold	493
Assets	124,474	94,285	32	80,836
Liabilities	109,742	83,169	32	69,720
Operating cash flow	(14,290)	(6,477)	121	874
OPERATIONAL HIGHLIGHTS				
Singer branches	405	407	0.5	416
Revenue per branch (Rs.mn)	143	116	23	85

PERFORMANCE AGAINST TARGETS

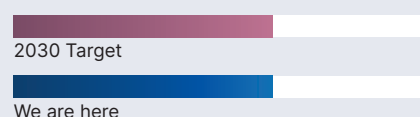
Emission reduction



Renewable energy



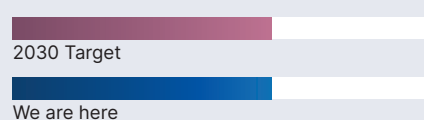
Sustainable water sourcing



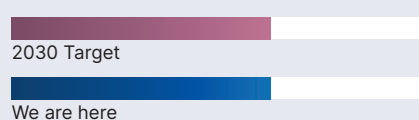
ENVIRONMENTAL METRICS		2025	2024	%	2023
ESG commitment areas	Energy consumption (GJ)	60,309	58,507	3	74,499
	Energy intensity (GJ/Revenue USD mn)	165	227	(27)	420
	Carbon footprint (tCO ₂ e) Scope 1 & 2	8,042	6,644	21	8,515
	Emission intensity (tCO ₂ e/Revenue Rs. mn)	22	26	(14)	48
	Water withdrawn (m3)	121,618	103,500	18	120,953
	Water intensity (m3/Revenue USD mn)	334	402	(17)	682
Relevant SASB metrics	Energy consumption -% grid electricity	95	100	-	100
	Product sourcing and packaging -Revenue from products that are third-party certified (MEP labelled refrigerators)	2,535	2,847	(11)	-

PERFORMANCE AGAINST TARGETS

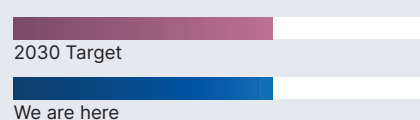
Emission reduction



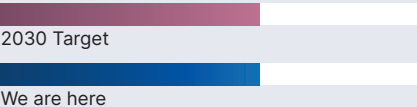
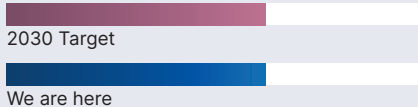
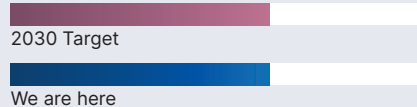
Renewable energy



Sustainable water sourcing



SOCIAL METRICS		2025	2024	%	2023
ESG commitment areas	No. of employees	3,444	3,316	4	3190
	Revenue per employee (Rs. mn)	31	25	24	20
	Remuneration per employee (Rs.mn)	2	1	70	1
	Investment in CSR (Rs.mn)	4	3	14	6
	No. of CSR beneficiaries	4205	2157	95	6222
Relevant SASB metrics	% of tier 1 suppliers that have completed the Higg FEM assessment	75	86	-13	92
	% of suppliers that have been audited to a labour code of conduct	79	84	-16	70
	No. of Tier 1 suppliers	48	58	-17	64

PERFORMANCE AGAINST TARGETS		
Emission reduction 	Renewable energy 	Sustainable water sourcing 

*The Environmental and Social metrics disclosed above represent the Sector's most material impact areas, long-term ESG commitments and topics prescribed by the SASB Standard- Multiline and Specialty Retailers and Distributors Standard

Long-term ESG commitments

Accelerate climate action

- Solar installation in two factories with a combined capacity of 1,491 kWp
- 9 locally manufactured refrigerators certified as Minimum Energy Performance by the Sri Lanka Sustainable Energy Authority
- 9 models of smart inverter refrigerators

Restore and regenerate nature

- A tree for every Tuk Tuk initiative by Singer Finance with 4,500 trees planted to date
- Coastal mangrove restoration project carried out by Madu River by Singer Finance

Optimise resource footprint

- Island-wide e-waste collection across Singer's branch network (refer to page 336)
- 361 Televisions
- 92 Refrigerators
- 107 Washing machines

Responsible work place

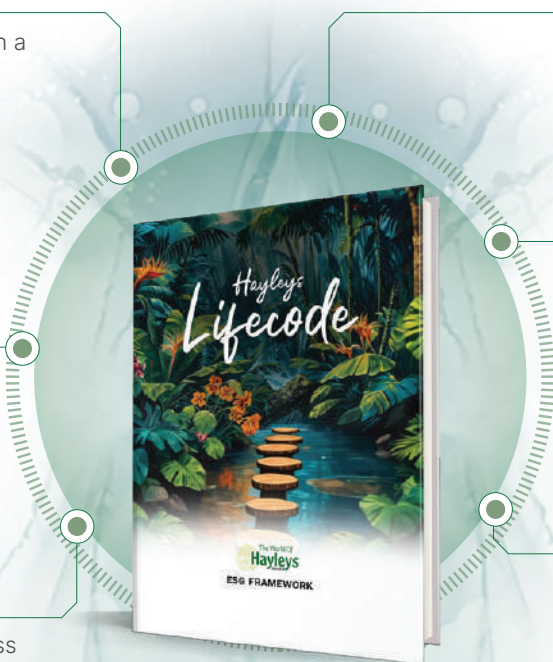
- Demonstration of Corporate Values linked to remuneration schemes
- Rs. 37.8 mn investment in training translating to an average training hours per employee of 13

Partner progress

- Skill development through Singer Fashion Academy
- 52 academies across the island
- 3,470 new students enrolled
- Ecosystem of business partners supported through 405 branches on entrepreneurial model

Responsible and responsive corporate citizenry

- Strengthened ESG governance and risk management mechanisms
- Winner of Sector Award in the Retail Sector at Best Corporate Citizen Sustainability Awards 2024



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PROSPECTS AND PLANS

While recent geopolitical trade dynamics have led to increasing global uncertainty, the long-term prospects for the industry remaining promising, presenting niche opportunities for manufacturers. Key trends shaping the industry landscape will include increasing popularity of e-commerce platforms in fashion, value-driven and price sensitive customer behaviour, demographic shifts and emergence of sustainability as a competitive edge. Against this backdrop, the Sector will continue to leverage its strengths in innovation and sustainability to sharpen its competitive edge, access new markets and create long-term value.

Alignment to Group strategy



Opportunities and levers	Risks to strategy
→ Increasing customer sophistication and demographic changes	→ Expansion of the grey market
→ Omni-channel preference	→ Implications of climate change on farmer income