

Frogs

Certain frog species are biofluorescent – yet they all embody the agility, mobility, and powerful momentum we offer.



TRANSPORTATION & LOGISTICS

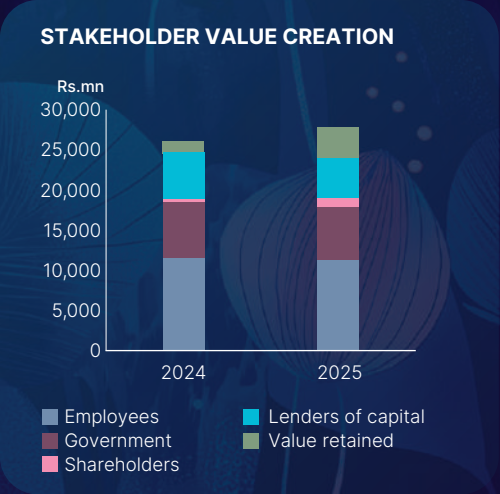
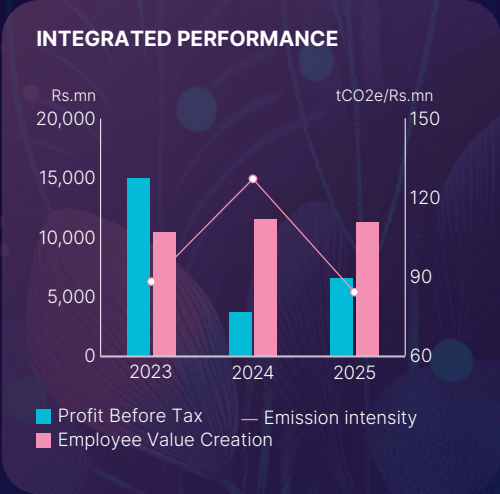
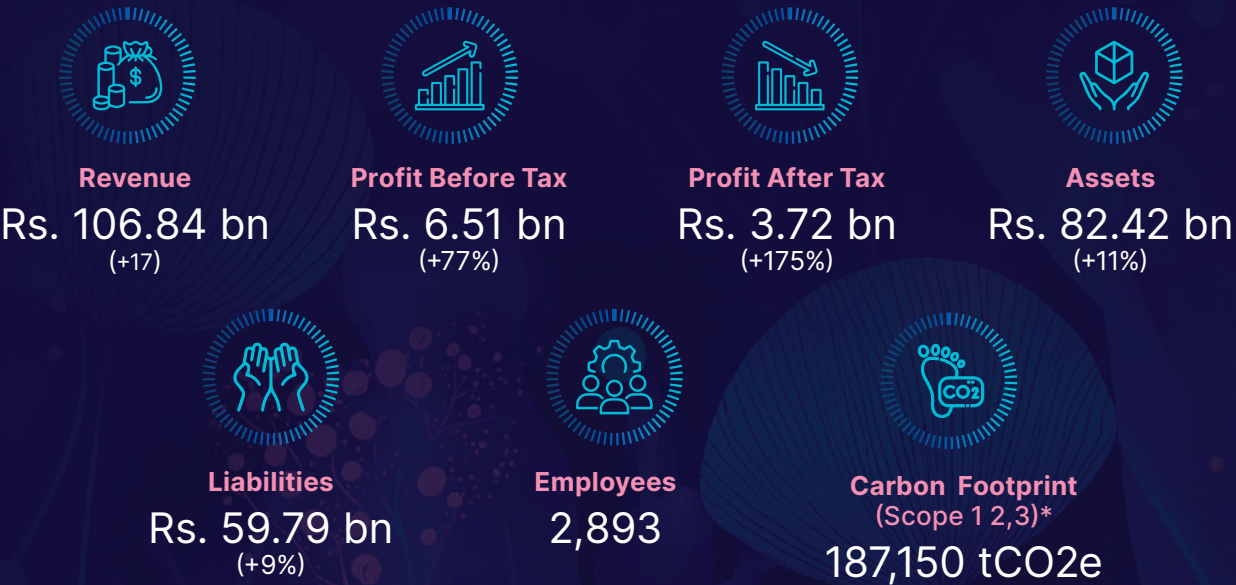
Hayleys Advantis Group is a regional leader in the transportation and logistics industry, offering end-to-end integrated solutions. Its expertise spans freight management, integrated logistics, marine and energy and travel & aviation among others.



Insights from Sector
Managing Director
Scan to view

Transportation & Logistics

HIGHLIGHTS OF 2024/25



*The carbon footprint for 2024/25 represents an expanded coverage of Scope 3 emissions compared to the previous year

KEY DEVELOPMENTS IN 2024/25

Expansion of the marine fleet with the addition of three vessels

Securing several new General Sales Agencies (GSAs) in the Travel & Aviation cluster

Establishing the Sector's Geo-Product organisational structure for focused regional expansions

Exploring avenues in sustainable fuels and alternative decarbonisation methods

Much like bioluminescence and biofluorescence-natural phenomena that represent adaptability, and illumination-Hayleys Advantis is committed to developing forward-thinking, environmentally responsible solutions that not only meet the evolving demands of mobility but also set new standards in shaping a brighter, sustainable future.

DRIVING INDUSTRIES FORWARD

FREIGHT MANAGEMENT

Major contributor in facilitating international trade through ocean freight, air freight, project cargo freight and multi-modal, multi-country transportation

INTEGRATED LOGISTICS

we provide third-party logistics (3PL), warehousing, free zone logistics, bonded storage facilities, inland container depot operations, international express, cross-border freight services and last-mile delivery services.

TRAVEL & AVIATION

As a leading Aviation services provider in Sri Lanka, our scope includes airline agency representation, travel agency services, aviation equipment supplies, and ground handling.

MARINE & ENERGY

Leading marine services and ship supplies provider in the region, offering a comprehensive range of services from vessel agency work, towage & salvage services, offshore support services crew management, ship operations shipping services, energy logistics, bunkering and agency & port services and bunkering services.

PROJECTS & ENGINEERING

We are a leader in providing project logistics and engineering solutions in Sri Lanka, and provide a diverse range of services, including logistics for heavy and out of gauge cargo, engineering & construction solutions, inland container depot operations, aluminium solutions, interiors & contracting, and project management services.

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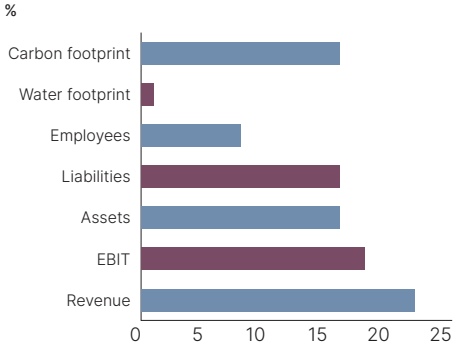
SECTOR OPERATIONS

Sub-Sector	Contribution to Sector (%)	
	Revenue	PBT
Freight Management One of the largest freight forwarding and shipping agency houses in Sri Lanka and the Maldives	12	62
Integrated Logistics Offers integrated logistics services covering storage, distribution, and freight solutions across diverse industry verticals	13	16
Marine & Energy A leading marine and energy services provider, delivering a comprehensive range of solutions across the region	49	28
Projects & Engineering A leader in project logistics and engineering solutions, with expertise in heavy cargo, construction and interiors	9	(6)
International Operations Represents the Sector's overseas operations across South and Southeast Asia, extending Sri Lankan logistics expertise to the region	10	16
Travel & Aviation A Leading travel and aviation service provider representing leading airlines in Sri Lanka and the Maldives	6	8
Others	1	(24)

SECTOR OVERVIEW

With an established track record spanning over 6 decades, Hayleys Advantis has led Sri Lanka's transportation and logistics industry by offering integrated, end-to-end solutions across diverse industries. Advantis' competitive edge lies in its unmatched service portfolio, world-class service standards, customer centricity and strong partnerships with global principals. Logistics underpin a nation's economic growth and Hayleys Advantis plays an unparalleled role in facilitating activity across diverse industry verticals through uninterrupted and comprehensive logistics solutions.

RELEVANCE TO GROUP



Best-in-class infrastructure		Strength of relationships	Sustainability Focus
<ul style="list-style-type: none">• Largest operator of floating assets in Sri Lanka, with a fleet of 21 assets• Largest shipping and airline agency house in Sri Lanka and the Maldives• Warehouse footprint of over 3.5 Mn sq.ft across 6 markets	<ul style="list-style-type: none">• Multi-purpose project logistics capabilities• B2B distribution footprint of 6.7 mn KM annually	<ul style="list-style-type: none">• Strengthening market presence in transportation and logistics in South Asia and Southeast Asia	<ul style="list-style-type: none">• Partnerships with numerous global principals including the world's leading shipping and freight forwarding companies and the world's largest air express company.• Collaborations with numerous Multinational companies across the region

OPERATING ENVIRONMENT

Global merchandise trade volumes grew by 2% in 2024, with developing economies driven mainly by East and South Asia fuelling growth, while developed economies saw their trade stagnate. During the year, the global shipping industry benefited from ongoing geopolitical conflicts and trade frictions—most notably the Red Sea disruption—which drove up demand for vessel space and led to a surge in freight rates towards the end of the year. Geopolitical tensions, protectionist policies and trade disputes signal likely disruptions ahead with uncertainty looming over the short-term industry outlook.

	GLOBAL TRADE VOLUMES 2% Growth in 2024	FREIGHT RATES 9% Increase in 2024	SRI LANKA TRADE VOLUMES +12% Increase in 2024	REGIONAL DYNAMICS GDP growth +5.8% Bangladesh +6.4% India +5.03% Indonesia
Description	Despite looming uncertainty global trade volumes increased by 2% in 2024, supported by easing inflation and monetary easing by Central Banks	Freight rates experienced significant volatility during the year, driven by geopolitical disruptions, capacity constraints and shifting demand patterns	The easing of import restrictions during the year and an overall improvement in consumer sentiments led to a recovery of Sri Lanka's port activities	Both regional markets of Bangladesh and Maldives were impacted by political instability and economic vulnerabilities, although the long-term outlook remains promising
Impact	M	H	H	H
Implications	- Volume growth and improved profitability supported by stronger freight rates	+ Positive impact on the profitability of the Freight Management cluster	+ Positive impact on demand and profitability	+ Implications on short-to medium term growth potential in regional markets

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

RISK LANDSCAPE

Market risks

Trade tensions stemming from geopolitical trade dynamics and its potential impact on Sri Lanka's export-oriented businesses

Ⓢ Strategic response

→ Geographical diversification with focus on regional markets

Sustainability-related risks

CRRO 3

As the world transitions to a low-carbon economy, environmental regulations pertaining to vessel emissions, marine pollution and sea farers' rights are likely to increase in stringency

Ⓢ Strategic response

→ Strategic integration of ESG considerations across processes and operations

Market risk

Freight rates are anticipated to be somewhat volatile over the medium term given emerging dynamics

Ⓢ Strategic response

→ Business diversification through leveraging the Sector's diverse verticals

Policy and regulatory risks

The IMO has committed to reducing international shipping emissions by at least 50% by 2050 (compared to 2008), which will necessitate investments in new technology

Ⓢ Strategic response

→ Currently exploring avenues of low-carbon technologies with the aim of decarbonising vessels



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Market opportunities

Sri Lanka's locational advantage and strategic positioning along the main maritime pathways present considerable potential for transforming the country into a central point linking the Middle East and the Far East hubs

☉ **Strategic response**

→ Customer acquisition and expansion of services provided

OPPORTUNITIES

Technology

Digital capabilities are transforming the global transportation and logistics industries with technologies such as Internet of Things (IOT), Artificial intelligence and big data acting as critical enablers in optimising operations and enhancing efficiency.

☉ **Strategic response**

→ Implementation of the Group's digital roadmap



STRATEGY AND RESOURCE ALLOCATION

The Sector's medium-to-long term aspirations centre on transforming Hayleys Advantis to a regional hub for integrated transportation and logistics solutions with a strong presence across the South Asian and Southeast Asian markets. Strategic interventions in recent years have been directed towards fulfilling this aspiration, with the Sector gradually transitioning to a geo-product organisational structure, widening its geographical footprint and strengthening relationships with regional partners.

Strategic KPIs/ Pre-financials

<h4>REGIONAL EXPANSION</h4> <p>How we performed: The Sector is now present across 8 regional markets, and sought to widen the portfolio of services offered and strengthen leadership capabilities in these regions during the year.</p> <div><p>4%</p><p>Revenue growth from overseas markets</p></div> <p>About this KPI and why we use it: This KPI demonstrates the effectiveness of the Sector's geographical diversification strategy and market penetration in regional markets</p> <p>Resource allocation Sales and marketing expenses in selected geographies: Rs. 78 mn</p>	<h4>PEOPLE FOCUS</h4> <p>How we performed: The Sector continued to attract the industry's top talent and improve retention levels through a unique approach to employee engagement and a strong employee value proposition</p> <p>Retention rate</p> <table><tr><td>2025</td><td><div></div></td><td>71</td></tr><tr><td>2024</td><td><div></div></td><td>76</td></tr><tr><td>2023</td><td><div></div></td><td>76</td></tr></table> <p>About this KPI and why we use it: Employee retention shows the Sector's employee satisfaction levels and strength of the employer brand</p> <p>Resource allocation Payments to direct employees: Rs. 11.23 bn</p>	2025	<div></div>	71	2024	<div></div>	76	2023	<div></div>	76	<h4>TECHNOLOGY AND DIGITALISATION</h4> <p>How we performed: The Sector continued to make progress against its digital roadmap, transitioning to a Tier 1 WMS system during the year and plans are in place to upgrade to RISE with SAP S/4 HANA in the next financial year.</p> <p>No. of processes automated</p> <table><tr><td>2025</td><td><div></div></td><td>11</td></tr><tr><td>2024</td><td><div></div></td><td>26</td></tr><tr><td>2023</td><td><div></div></td><td>14</td></tr></table> <p>About this KPI and why we use it: This KPI showcases the progress in the Sector's digital transformation as well as scalability and operational efficiency</p> <p>Resource allocation Investments in digital transformation: Rs. 130 mn</p>	2025	<div></div>	11	2024	<div></div>	26	2023	<div></div>	14
2025	<div></div>	71																		
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INTEGRATED PERFORMANCE REVIEW

Strength in diversification: The Sector leveraged its diversified business profile to capitalise on emerging opportunities and remain resilient to external volatilities during the year. Revenue increased by 17% to Rs. 106.84 bn during the year led by an improvement in trade activity, stronger freight rates and customer acquisition across key verticals during the year. Core profitability also improved during the year, with EBIT increasing by 26% to Rs. 8.60 bn, reflecting broad-based improvements in all key clusters. Meanwhile, the Sector's Profit Before Tax also improved to Rs.6.51 bn during the year, compared to Rs. 3.67 bn the previous year.

Regional aspirations: In line with its long-term regional aspirations, the Sector continued to optimise its organisational structure and leadership capabilities to facilitate increased penetration in the region including in the Maldives, Myanmar, Indonesia, Bangladesh, India, Thailand and Singapore. The sector is gradually transitioning to a geo-product structure, aiming to replicate the successful Sri Lankan model across selected geographies. Accordingly, regional leadership capabilities were also strengthened.

The Freight Management cluster recorded a near 24% increase in Profit Before Tax during the year, supported by the acquisition of several large customers and favourable freight rates during the year. Despite a relatively subdued start to the year, the Integrated Logistics cluster recorded a gradual pick up towards the latter part of the year, as the acquisition of new customers resulted in increased capacity utilisation. The performance of the Marine & Energy cluster was adversely affected by increased competitive pressure in the bunkering segment as well as several vessels being disengaged from services due to maintenance activities. However, the medium-term outlook for this cluster remains promising and in positioning itself to capture future opportunities, the cluster further expanded its fleet with the purchase of 03 vessels for both salvage and harbour operations.

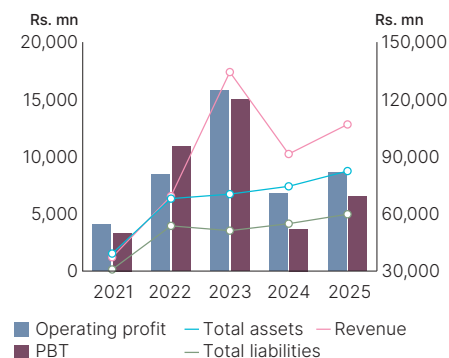
The Travel & Aviation cluster presents significant opportunities for growth given resurgence in the country's tourism sector. During the year the Sector strengthened its proposition in inbound travel by investing in expanding the fleet and people capabilities. The Cluster also successfully obtained the GSA for Jet Star and Fly Dubai during the year, thereby emerging as the largest airline GSA operator in Sri Lanka.

Strengthening the people proposition:

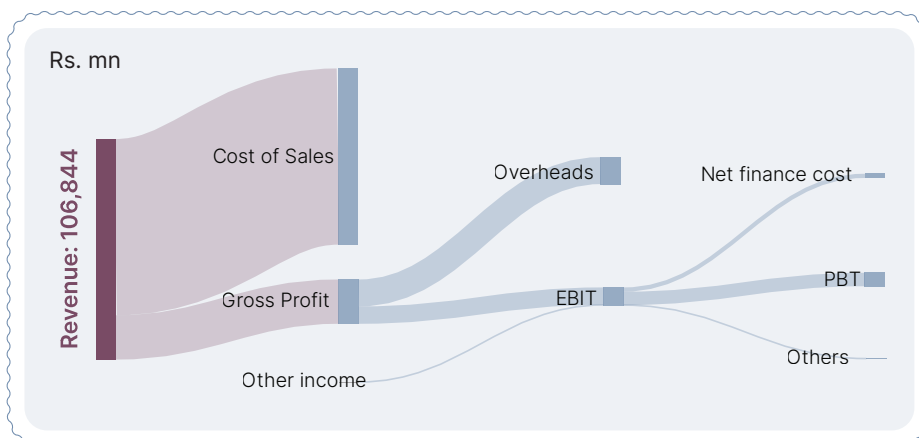
The Sector's people strategy is centred around nurturing a future-ready, performance-driven, inclusive culture which enables the team to thrive. During the year, efforts were made to strengthen the Sector's performance management frameworks, with a focus on transparency and meritocracy. Meanwhile, the Sector continues to invest in shaping its organisational culture through the Advantis DNA, which centres on four pillars: Purpose, Spirit, Philosophy and Values. In parallel, targeted Diversity, Equity, and Inclusion (DEI) initiatives are being implemented to promote a diverse workforce.

Decarbonisation agenda: The Sector's emission reduction aspirations are set out in its ESG Roadmap, Helios. The Sector has committed to achieving net zero by 2045 with a near 45% reduction target across Scope 1 and 2 GHG emissions by 2030. Emission reduction aspirations centre on pursuing opportunities in green energy, increasing energy efficiency of operations. While the use of green energy options is limited in Sri Lanka, the Sector is exploring opportunities in green fuels for powering its road and marine fleet and solarisation. The Sector also plans to gradually transition its road transport fleet to electric vehicles over the short to medium term.

SECTOR FINANCIAL PERFORMANCE



	Revenue (y-o-y) %	PBT (y-o-y) %
Freight Management	61	24
Integrated Logistics	25	25-fold
Marine & Energy	4	(17)
Projects & Engineering	5	56
International Operations	32	52
Travel & Aviation	466	(18)



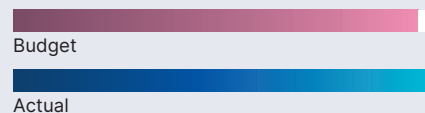
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PERFORMANCE HIGHLIGHTS

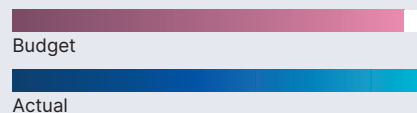
FINANCIAL METRICS	2025	2024	%	2023
Revenue	106,844	91,353	17	134,295
Earnings before interest and tax	8,597	6,806	26	15,737
Net finance income/(cost)	(2,066)	(3,113)	(34)	(967)
Profit before tax	6,515	3,671	77	15,008
Profit after tax	3,718	1,351	175	9,627
Assets	82,416	74,415	11	70,325
Liabilities	59,785	54,852	9	51,174
Operating cash flow	7,947	(5,124)	(255)	4,296
OPERATIONAL HIGHLIGHTS				
Cargo handled (MT)	4,314	3,182	36	N/A

PERFORMANCE AGAINST TARGETS

Revenue



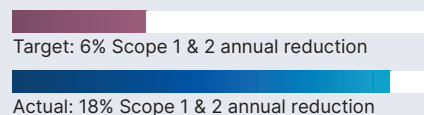
Profit before tax



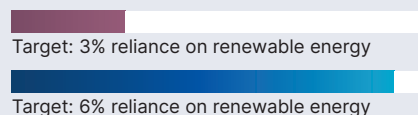
ENVIRONMENTAL METRICS		2025	2024	%	2023
ESG commitment areas	Energy consumption (GJ)	343,424	483,598	(29)	433,359
	Energy intensity (GJ/Revenue USD mn)	957	1,676	(43)	1,162
	Carbon footprint (tCO ₂ e): Scope 1 & 2	30,095	36,725	(18)	32,797
	Emission intensity (tCO ₂ e/Revenue USD mn)	84	127	(34)	88
	Water withdrawn (m ³)	77,694	48,966	59	54,017
	Water intensity (m ³ /Revenue USD mn)	216	170	28	145
Relevant SASB metrics	Gross global Scope 1 emissions (tCO ₂ e)	27,701	34,589	(20)	30,922
	Fuel consumption -Road transportation (%)	20%	13%	7	N/A
	GHG footprint across transport modes (tCO ₂ e)	27,058	33,204	(19)	N/A

PERFORMANCE AGAINST TARGETS

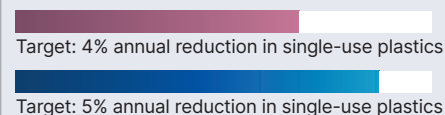
Emission reduction

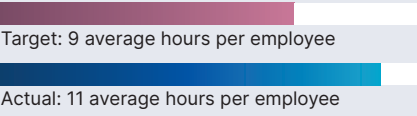
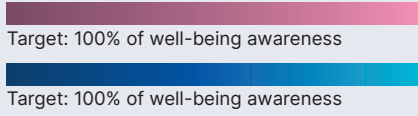
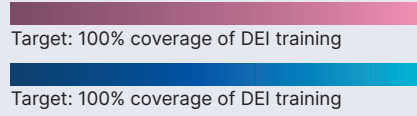


Renewable energy



Water consumption



SOCIAL METRICS		2025	2024	%	2023
ESG commitment areas	No. of employees	2,893	2,899	-	2,399
	Revenue per employee (Rs. Mn)	37	32	17	56
	Remuneration per employee (Rs.mn)	4	4	-	1
	Investment in CSR (Rs.mn)	16	5	237	2
	No. of CSR beneficiaries	3,653	4,970	(26)	612
SASB metrics	Total drivers classified as independent (No)	Nil	Nil	-	Nil
	Monetary losses from labour law violations (Rs.mn)	Nil	Nil	-	Nil
	Total recordable incident rate (%)	1.1	0.7	57	0.395
	Fatalities	1	1	-	0
	Road accident	16	15	(17)	11
PERFORMANCE AGAINST TARGETS					
Employee Development		Supplier screening		Diversity and inclusion	
 <p>Target: 9 average hours per employee</p> <p>Actual: 11 average hours per employee</p>		 <p>Target: 100% of well-being awareness</p>		 <p>Target: 100% coverage of DEI training</p>	

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- Air Freight and Logistics Standard

Long-term ESG commitments

Accelerate climate action

- Funding an alternate fuel project to explore opportunities in decarbonising the road and marine fleet (refer page 328)
- Three new rooftop solar projects commissioned during the year, with a collective capacity of 298 KW
- Widened the categories of the Sector's Scope 3 computation

Restore and regenerate nature

- Advantis Blue Carbon: Mangrove restoration and replenishment of coastal ecosystems in Anawilundawa (refer page 338)
- Initiative to address human elephant conflict in partnership with a principal

Optimise resource footprint

- Advantis Projects as part of climate-smart irrigated agriculture with the aim of boosting agricultural productivity
- Improved waste reporting

Responsible work place

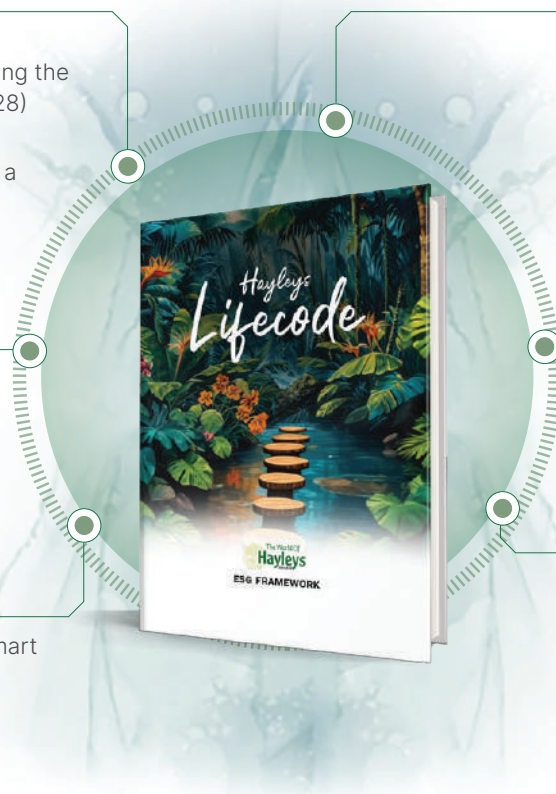
- Increased focus on health and safety with safety audits conducted in all divisions with a rating system introduced and a safety week launched to nurture a culture of safety
- Ongoing training through the Advantis Campus

Partner progress

- Rs. 16 mn in numerous CSR initiatives benefitted over 3,500 individuals during the year

Responsible and responsive corporate citizenry

- Strengthened ESG governance and reporting structure
- Enhanced remuneration systems with sustainability-linked KPIs

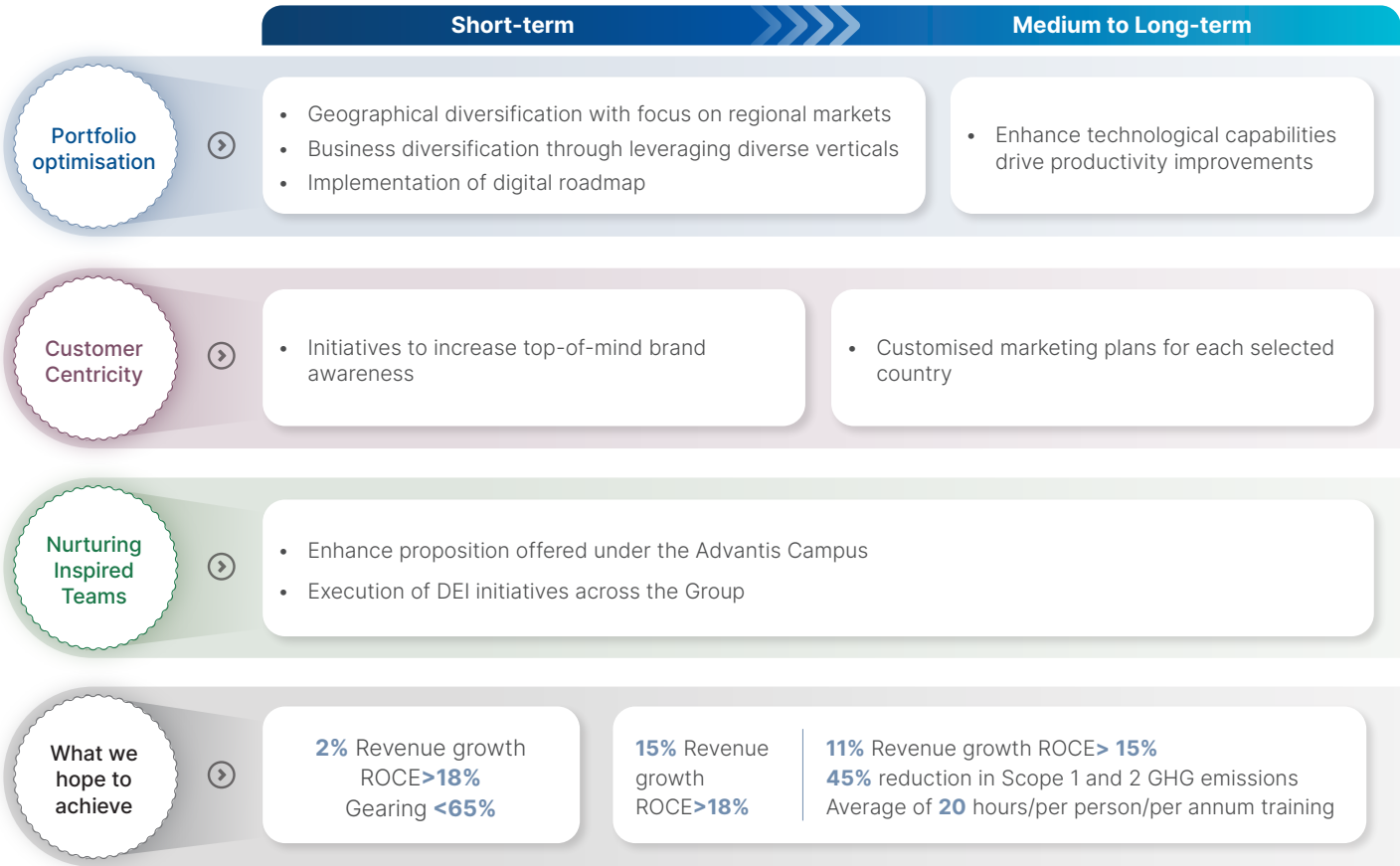


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PROSPECTS AND PLANS

The global industry outlook for 2025 is clouded by turmoil from geopolitical trade dynamics driven by the recent US policy shifts and tariffs that could disrupt global value chains, increase unpredictability and impact key trading partners. However, the impact of these uncertainties is expected to be transitory and can even result in short-term gains, as anticipation of tighter trade restrictions lead to front-loading of certain trade flows. Despite short-term vulnerabilities, Sri Lanka's port activity is poised for long-term growth, supported by the gradual recovery of the economy together with policy thrust towards strengthening exports and port infrastructure. Against this backdrop the Sector will continue to place strategic emphasis on geographically diversifying its revenue profile through regional expansion while pursuing both organic and inorganic growth.

Alignment to Group strategy



Opportunities and levers	Risks to strategy
→ Regional dynamics and economic growth opportunities	→ Geopolitical tensions
→ Digital transformation	→ Industry decarbonisation aspirations
→ Recovery of manufacturing sector	