



The Others Sector comprises Hayleys Business International Solutions and Group Services of Hayleys PLC. HBSI engages in BPO operations and Shared Services specialising in providing a range of backend services including accounting, payroll, digital marketing, data management and IT solutions among others. Hayleys Fentons, which was previously classified under the Others Sector is now presented separately as the 'Projects and Engineering' Sector given its increased contribution to the Group and wider socio-economic impacts. Sector financial and non-financial indicators have been adjusted to reflect this reclassification.

### HBSI

Provider of BPO services and shared services within the Group

#### **Contribution to Sector**

Revenue: 27% PBT: 13%

# Performance 2023/24

Revenue: 13% growth PBT: 4% decline



# HAYLEYS PLC

Holding company

#### **Contribution to Sector**

Revenue: 24% PBT: 68%

# Performance 2023/24

Revenue: 2% growth PBT: 23%% decline



#### SECTOR PERFORMANCE OVERVIEW

The Others Sector's Revenue declined by 38% to Rs. 1.44 bn during the year, reflecting a reduction in dividends upstreaming to Hayleys PLC in line with the decreased profitability in certain key sectors. The decline in Profit Before Interest and Tax was, however contained at 8% while Net Finance Cost decreased marginally to Rs.4.39 bn due to the lower interest rate scenario that prevailed during the year. Total tax expenses increased by 49% due to upward revision in tax rates resulting ain the Sector's Profit After Tax declining by 25% to Rs.1.94 bn during the year under review.

Rs.mn	2024	2023	% у-о-у	2022
Revenue	1,439	1,534	(6)	1,753
Earnings before interest and tax	6,728	7,198	(7)	5,830
Net finance income/(cost)	(4,389)	(4,418)		(1,854)
Profit before tax	2,380	2,824	(16)	4,043
Profit after tax	1,940	2,581	(25)	3,975
Assets	73,736	72,750	1	69,977
Liabilities	33,082	31,795	4	31,218
Operating cash flow	5,831	6,655	(12)	5,254
OPERATIONAL HIGHLIGHTS	2024	2023	% у-о-у	2022
ESG HIGHLIGHTS				
ESG HIGHLIGHTS  No. of employees	387	356	9	333
	387 3,087	356 11,445	9 (73)	333 7,254
No. of employees				
No. of employees Energy consumption (GJ)	3,087	11,445	(73)	7,254
No. of employees Energy consumption (GJ) Energy intensity (GJ)	3,087 2.2	11,445 7.5	(73) (71)	7,254 4.1
No. of employees  Energy consumption (GJ)  Energy intensity (GJ)  Carbon footprint (tCo2e)	3,087 2.2 592	11,445 7.5 1,479	(73) (71) (60)	7,254 4.1 1,193

# **HAYLEYS PLC**

With the reclassification of Hayleys Fentons, Hayleys PLC emerged as the most significant contributor to the Others Sector. Overall performance of Hayleys PLC eased in comparison to the previous year, reflecting a decline in dividends received as well as a considerable increase in tax payments. Dividend received during the year amounted to Rs.5.35 bn a decline of 8% compared to the previous year reflecting lower profitability in several key verticals, while administrative expenses increased by 7% led by higher staff costs. Resultantly the Company's Earnings Before Interest and Tax reduced by 8% to Rs.6.23 bn during the year. A near

42% increase in tax expenses, stemming from the upward revision in the tax rate as well as the claiming of brought forward tax losses in 2022/23, resulted in the Company's Profit After Tax declining by 30% to Rs.1.33 bn.

# HAYLEYS BUSINESS SOLUTIONS INTERNATIONAL LTD

HBSI recorded strong top line growth of 13% during the year supported by broadbased expansion across all business verticals. Profitability, however, was adversely affected by the appreciation of the Sri Lankan Rupee, resulting in Profit-Before-Tax declining by 4% to Rs. 301.18 mn during the year. The BPO operations delivered strong growth

during the year, upheld by increased penetration in the Australian market and a wider service proposition with the addition of pharmacy accounting to the retinue of services offered. The Company also strengthened its position in web services and digital media solutions with a surge in demand from new and existing customers. The Company's unique operating model, which offers flexible and hybrid work arrangements continues to empower new mothers returning to work and this coupled with increased focus on training opportunities across both technical and soft skills has aided in the retention of employees amidst an industry-wide exodus of skilled migration.

# CAPITAL MANAGEMENT

The Group's six capital resources (as defined in the IR Framework) interact and are transformed through the Group's strategy and processes to drive value creation, preservation and/or erosion. The interplay between these capitals typically necessitate trade-offs, which require decision-makers to give due consideration of quantity and time frame of impacts when allocating resources. The subsequent changes of this Report demonstrate how the Group relied on these resources and relationships during the year to generate outputs and long-term outcomes for stakeholders.

### **FINANCIAL CAPITAL**

Equity: **Rs.125.53 bn** 

Total borrowings: Rs.171.77 bn

#### Interactions

**MC:** Financial resources required for enhancing physical infrastructure

**HC:** Investments in employees

**NC:** Investments in addressing our environmental impacts and preserving nature

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# MANUFACTURED CAPITAL

Property, Plant and Equipment: **Rs.133.79 bn** 

#### Interactions

FC: Enhances profit generating capabilities through manufacturing activities across verticals

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#### **NATURAL CAPITAL**

Natural resources that generate energy as well as water use and ecosystems

#### Interactions

**FC:** Ensures continuity of operations through,

- Land in which agricultural cultivation occurs
- Continued water supply which is essential for manufacturing

(4)

- Access to agricultural raw materials
- Healthy functioning of eco systems



Total employees: 36,266

#### Interactions

**FC:** Profit generation through driving the Group's strategic aspirations

IC: knowledge sharing and mentoring across the organisation

**NC:** Driving the Group's environmental aspirations

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# SOCIAL AND RELATIONSHIP CAPITAL

Extensive stakeholder relationships across value chains, business partners and communities

#### Interactions

**FC:** Supports continuous generation of value through facilitating the social license to operate

**NC:** Partnerships and collaborations with likeminded organisations to drive environmental aspirations

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**S&R:** Strengthen customer relationships through innovation and product development

**FC:** Process and product innovations leading to a sharper competitive edge



competitive edge