33. Ceylon Beverage Holdings

The Group demonstrated its characteristic lion-hearted spirit of facing challenges headon, to deliver a satisfactory noteworthy performance during the year under review.

Board of Directors

Amal Cabraal

Chairman

Hari Selvanathan

Deputy Chairman

Mano Selvanathan

Suresh Shah

(Retired As Chief Executive Officer/ Director W.e.f. 30/06/2021)

Rajiv Meewakkala

Chief Executive Officer

Chandima Gunawardena

Stefano Clini

Susan Evans

(Appointed W.e.f. 01/10/2020)

Solid results

Despite severe limitations, Cold Beverage Holdings’ staunch resilience resulted in a

satisfactory post-tax profit of Rs.2.43 billion, albeit a drop of 14% versus last year's post-tax profit of Rs.2.82 billion.

However, turnover in 2020/21 increased by 4% over the previous year to Rs.51.17 billion. This marginal increase in turnover was not volume-driven but a result of price revisions necessitated to pass through the excise duty increase effective December 2019. This increase in excise duty was a measure adopted to recoup lost Government revenue due to the reduction in the VAT rate to 8%, from the previous rate of 15%.

Honoring all obligations with pride

Despite uncertainties, the Company ensured that there were no job cuts or salary reductions. Given the difficult circumstances, all employees were paid their full salaries plus bonuses as per the pre-COVID-19 formula, including an additional special ex-gratia payment in recognition of their efforts to continue operations uninterrupted.

The Company also honored all commitments towards its business partners and the Government. No business partner lost money on account of any transactions.

Despite the complete drying up of revenue and cash flows, Rs.687 million was paid to the Government as Excise Duty. In addition to this, it also paid Rs.202 million as VAT on 30th April 2020 and a further Rs.71 million as income tax.

Robust export performance

Exports performed strongly despite the global disruptions in supply chains, border closures, and other pandemic-induced impacts.

The Group's beer exports witnessed overall growth in volumes by 15% over the previous year while recording revenue growth of 23%. The brand performed strongly in East African markets.

Some of the markets, which were severely impacted by COVID-19, such as France and the UK, saw a temporary drop in sales during the year.

Ceylon Beverages Holdings aims to widen its brand portfolio to provide more choices to consumers, expand export markets to mitigate risks and seek sustainable growth across diverse channels.

The Group will continue investing in its operations to infuse value into its supply chain while partnering with internal and external stakeholders to prosperity.