35. Lion Brewery Ceylon

The Company demonstrated its characteristic lion-hearted spirit of facing challenges head-on.

Board of Directors

Amal Cabraal

Chairman

Hari Selvanathan

Deputy Chairman

Suresh Shah

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

Rajiv Meewakkala

Chief Executive Officer

Chandima Gunawardena

Ranil Goonetilleke

Krishna Selvanathan

Susan Evans

Sudarshan Selvanathan

Vivian Gun Ling Ling

Lim Chee Keat

(Resigned W.e.f. 16/10/2020)

Lion Brewery Ceylon recorded a good post-tax profit of Rs.2.47 billion, albeit a drop of 12% versus last year's post-tax profit of Rs.2.81 billion. However, turnover in 2020/21 increased by 4% over the previous year to Rs.49.85 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. The profit before tax was Rs.4.25 billion – an increase of 4% and a decrease of 3% respectively over the numbers recorded last year.

Consequent to the payment of corporate tax at 40%, the profit after tax for 2020/21 was Rs.2.47 billion. During the financial year, the Group paid Rs.36.7 billion in total Government taxes.

Expanding global exports

Expanding the global export footprint Lion Brewery's exports grew 15% in volume, driven mainly by significant growth in Africa and the Middle East, which are relatively new markets offering much potential. Consumers across 26 countries now enjoy Lion's beer brands. Exports performed strongly despite the global disruptions in supply chains, border closures, and other pandemic-induced impacts.

The Company'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. Africa, Rwanda, Uganda, and South Sudan are key markets, along with the Middle East, Qatar, UAE, Bahrain, and Iraq.

Lion has also entered the Chinese market and is getting some good traction there with its brands. In the image markets, Lion beer is sold in the UK, Australia, US, Canada, France, Switzerland, Italy, Korea, and Japan, markets with a concentration of Sri Lankan diaspora. Already, the Lion brand has cornered a 40% market share in the Maldives, which unfortunately suffered during the year with a marked drop in tourists.

Growing exports remains a priority for the business but will be a demanding task. Lion's brands have to face and overcome stiff challenges from over 20,000 competing local and international brands spread across these markets. It is therefore essential that world-class marketing strategies are adopted to compete

against well-entrenched brands.

Making strides in the sustainability agenda

Lion has made significant strides in improving its sustainability agenda over the last few years as part of its plans. During 2020/21, electricity consumption reduced by 22%, Furnace fuel consumption was reduced by 27%, and water consumption by 38% per unit of product – some of the Company’s journey’s success stories. Despite being heavily impacted by the pandemic, the year under review was still a year of achievement, as YOY improvements were achieved in the electricity index, which showed a 5% reduction while achieving a 7% reduction in overall water consumption.