

Aitken Spence Records Stellar Performance In 1Q From Non-Tourism Sectors



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Aitken Spence made an impressive comeback in the first quarter ending June 30, 2021, by recording a 145 percent increase in Profit Before Tax (PBT) of 1.2 billion compared to 513 million in the previous year non-tourism sectors. The Group's non-tourism sectors recorded a 96 percent increase in EBITDA (Earnings-inclusive of equity accounted investees, before interest expenses, tax, depreciation, and amortization) of 1.9 billion rupees, compared to 990 million rupees in the previous year.

The non-tourism sectors include companies in the maritime and freight logistics, renewable energy, elevator agency, money transfer services, printing and packaging, plantations, apparel, insurance, and maritime education and management segments.

The Group's revenue for the quarter increased by 54.5 percent to 8.5 billion rupees compared to 5.5 billion rupees in the previous year.

In comparison, the Loss Before Tax (PBT) for the quarter decreased by 79.6 percent to 467.3 million rupees compared to 2.3 billion rupees in the previous year. The Group's profits from operations increased by 104 percent, which is a notable improvement to record a profit of 72 million rupees compared to a loss of 1.7 billion rupees in the previous year's quarter.

The Maritime and Freight Logistics sector recorded a growth in PBT of 84 percent to reach 845 million rupees, which was driven by an improved performance in freight management and liner shipping segments and overseas port management operations. The Strategic Investments sector recorded a significant growth in PBT of 798 percent to reach 296 million rupees, which was augmented by the contribution from the Group's investments in hydropower and waste to energy which were recent additions to the portfolio. The Services sector's performance was commendable, recording a PBT of 117 million rupees, a growth of 21 percent compared to the previous year with a substantial contribution from the money transfer segment. Companies in these sectors continued their operations and performed exceptionally well during the quarter amid constant travel restrictions and lockdowns imposed by the respective Governments in the operating countries.

The Tourism sector showed promising results with increased revenue and reduction in losses during the first quarter. One of the main contributing factors was the overseas hotels in the Maldives, which were operational during the first quarter. The Group's Tourism sector recorded a loss of 1.7 billion rupees, which was notably lower than the previous year's loss of 2.8 billion rupees.

"We are extremely proud of our hard-working teams across the Group who have shown their true Spensonian grit through purposeful leadership that has led to outstanding results despite being in industries that are heavily impacted by the pandemic that continues to hamper business growth. It echoes their perseverance and ability to adapt amidst many setbacks. We remain cautiously optimistic for a stronger recovery in the Group, particularly in the Tourism sector, than achieved during the first quarter," commented Dr. Parakrama Dissanayake, Deputy Chairman and Managing Director, Aitken Spence.