

11th February 2025



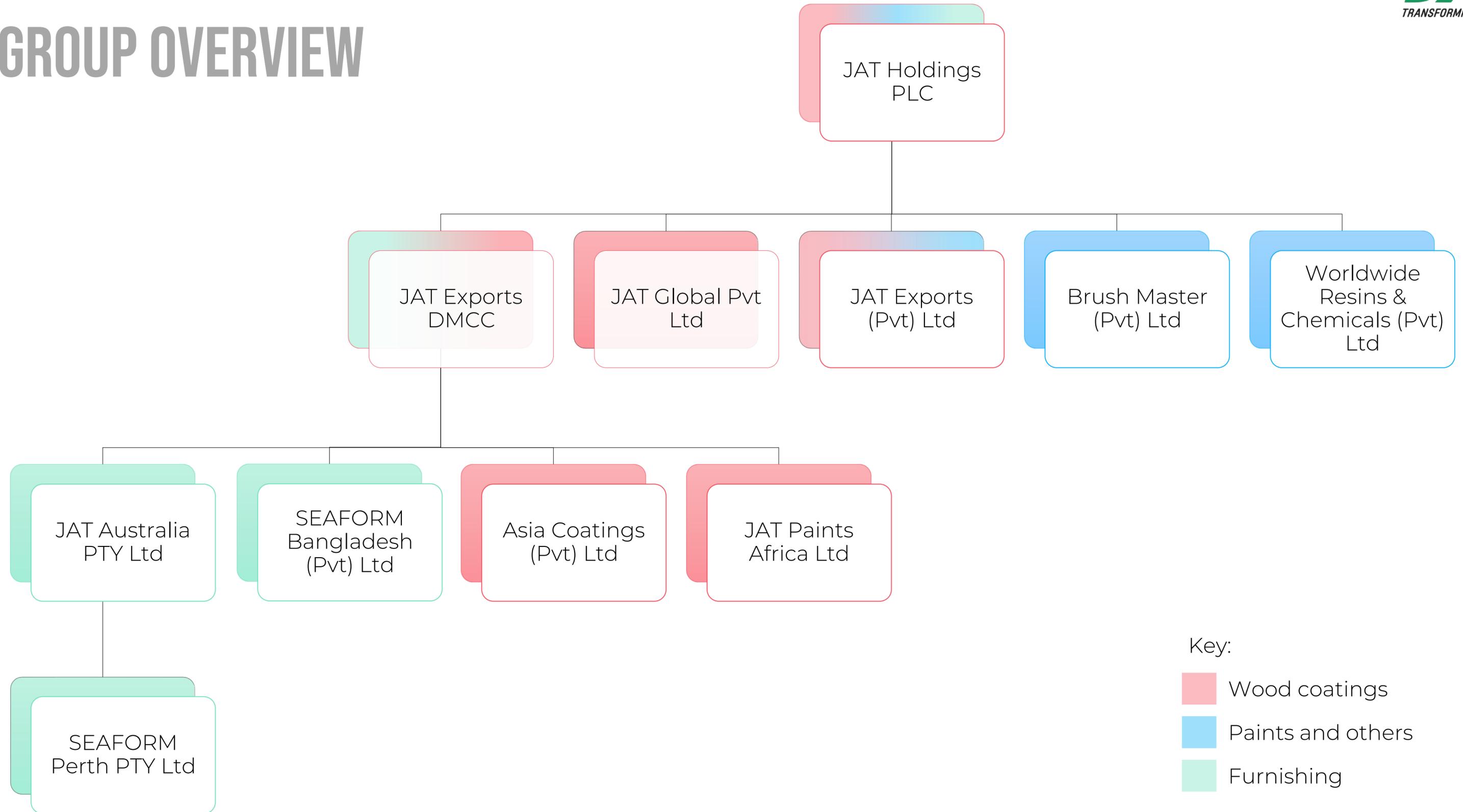
INVESTOR PRESENTATION

JAT Holdings PLC

Q3 of FY 2024-25

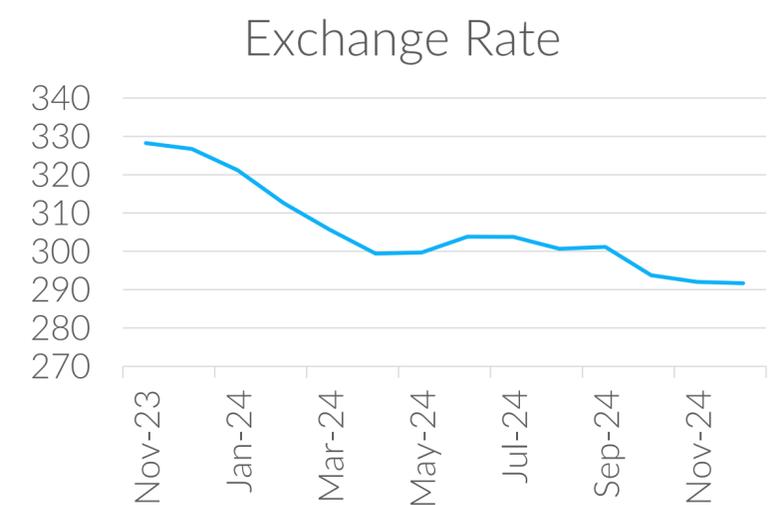
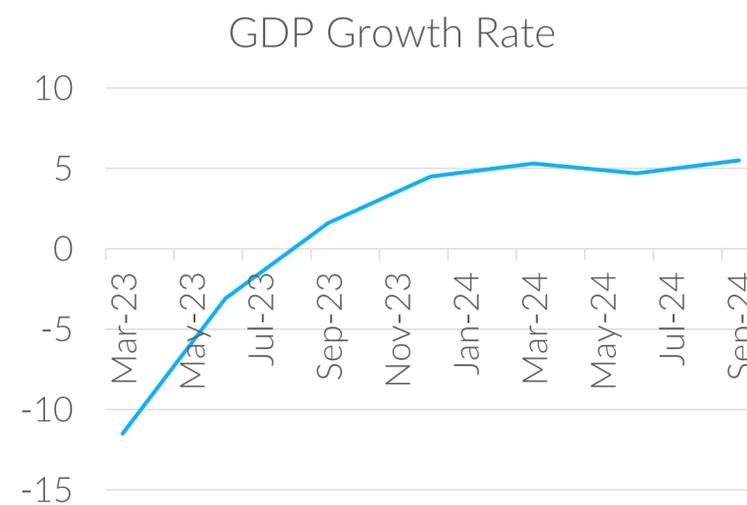
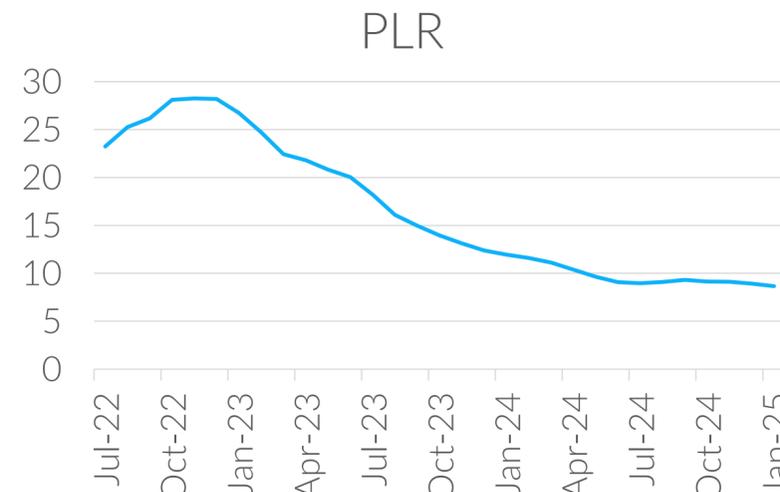
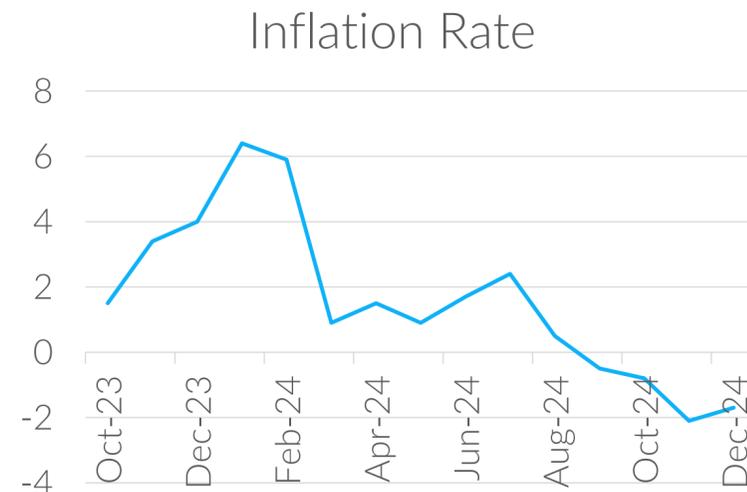


GROUP OVERVIEW



MACRO FACTORS

Sri Lankan macro environment

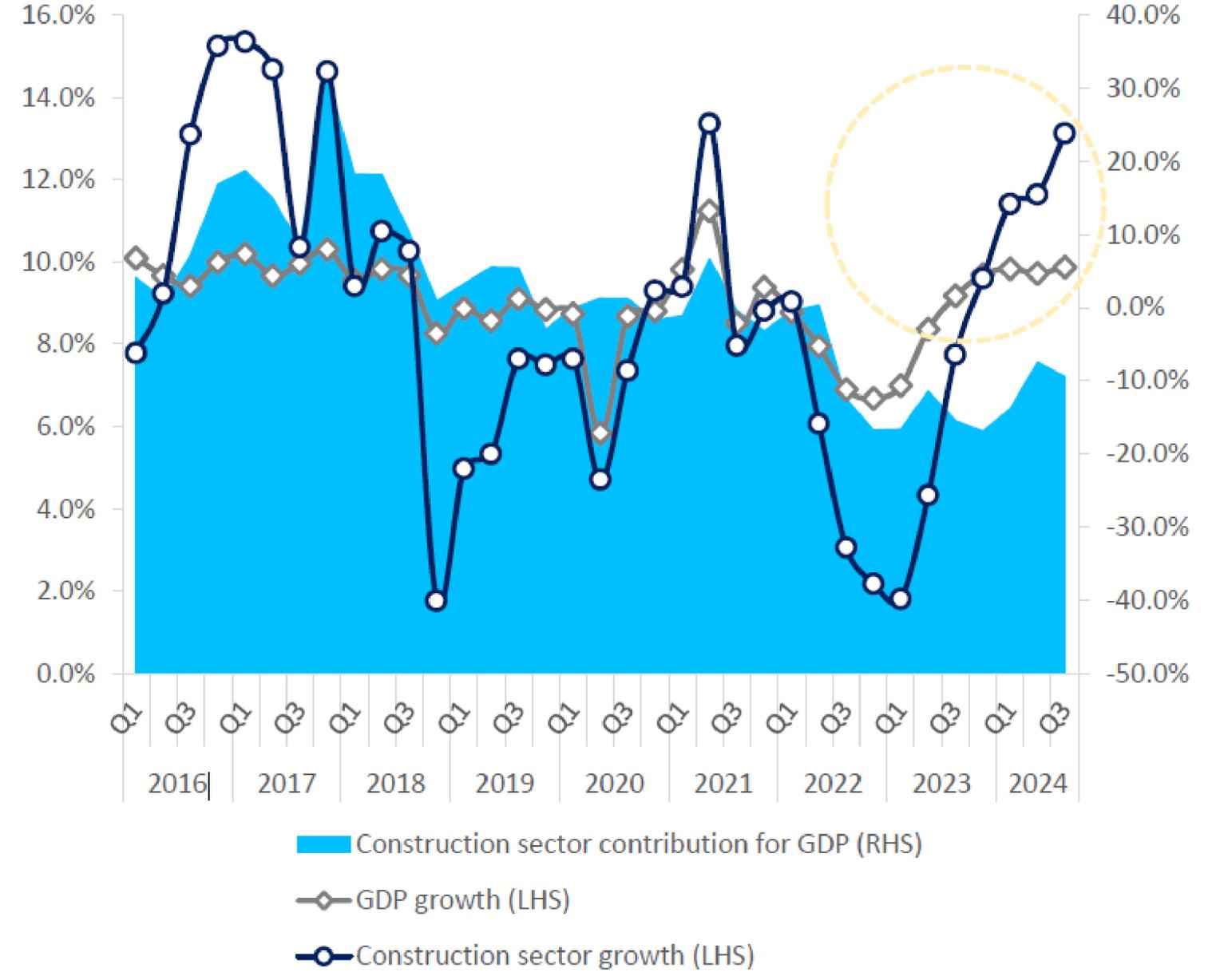
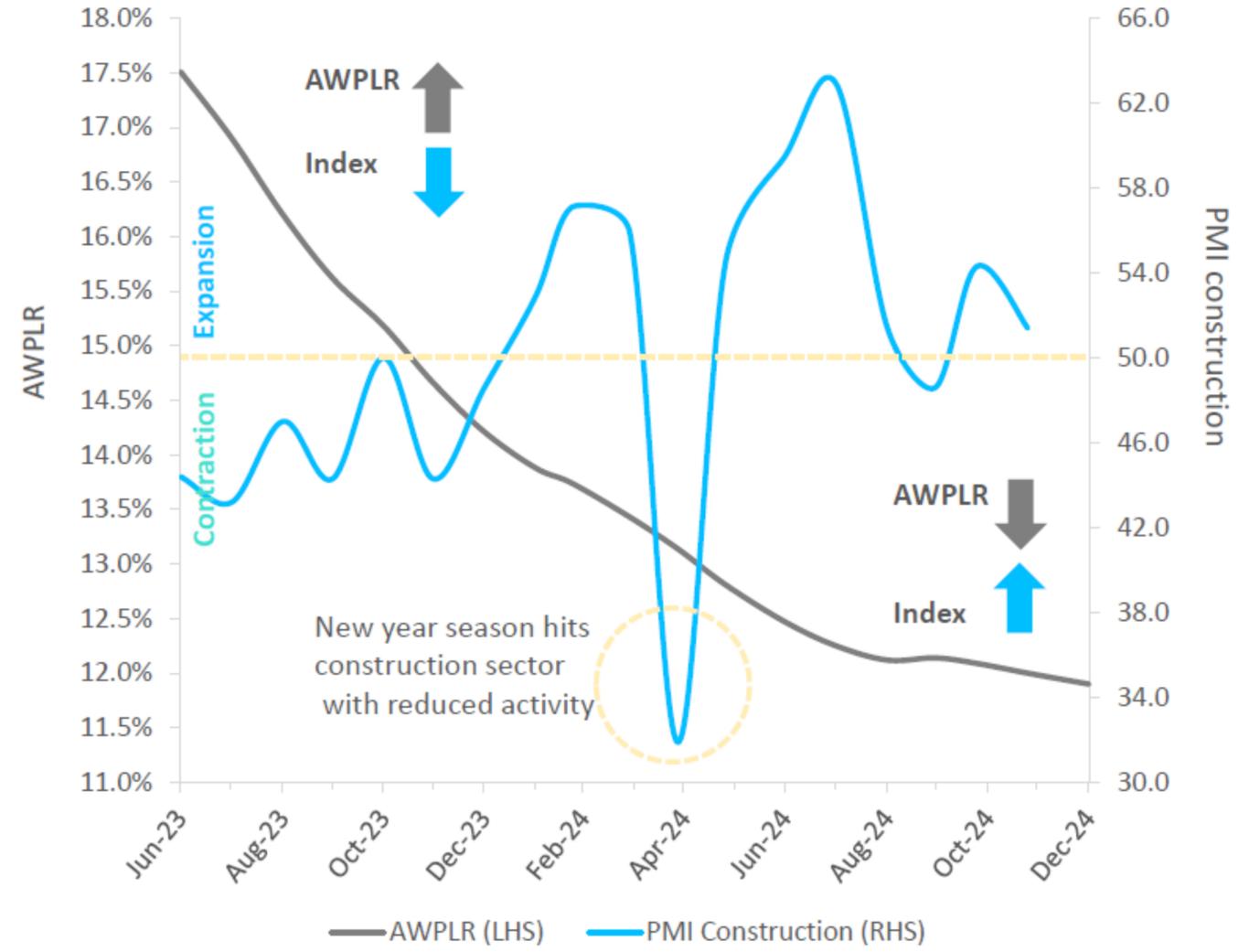


Outlook

- Lower inflation and stable interest rates create an environment conducive to growth in paint and wood coating industry
- Improvises a more stable, steady demand for its products, along with increased consumer spending on home improvement projects
- Rising aluminium prices, as the next-best effective alternative for wood, which may likely boost demand for wood products in the medium to long term

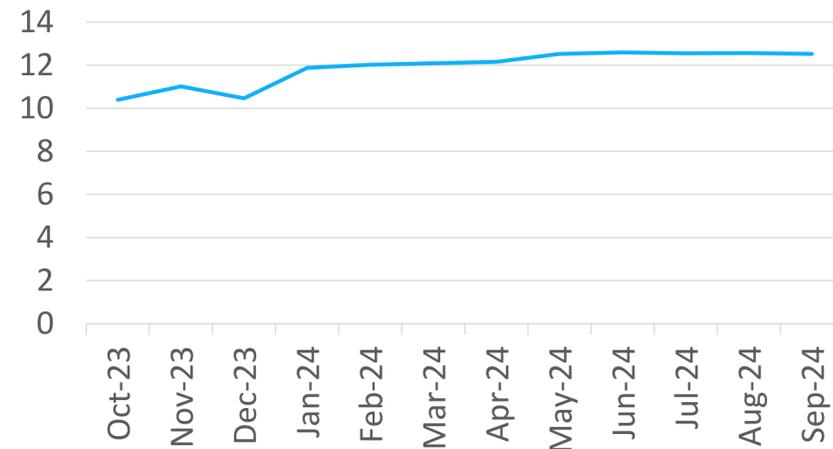
Key drivers

- Sri Lanka's tropical climate with high humidity and sunshine drives demand for water-based wood coatings, which offer durability and weather resistance for exterior products
- Increasing awareness of high quality and eco-friendly coatings, like water-based products drives demand
- Regulations and policies, particularly those on environmental standards, influence the supply of eco-friendly or low-VOC coatings

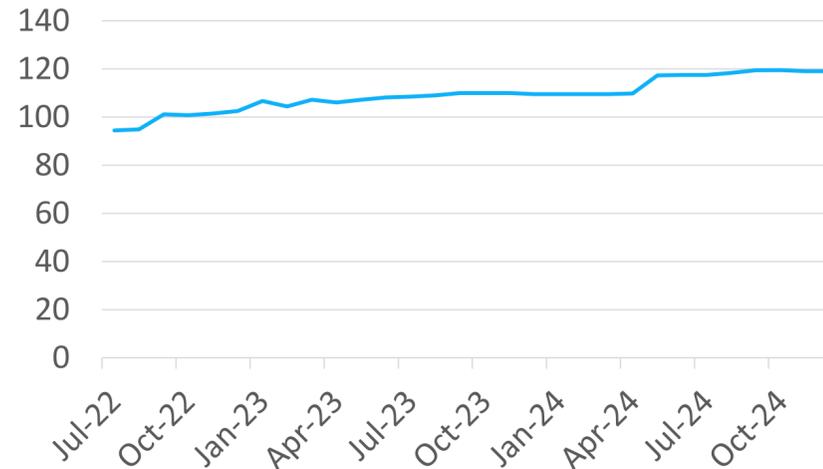


Bangladeshi macro environment

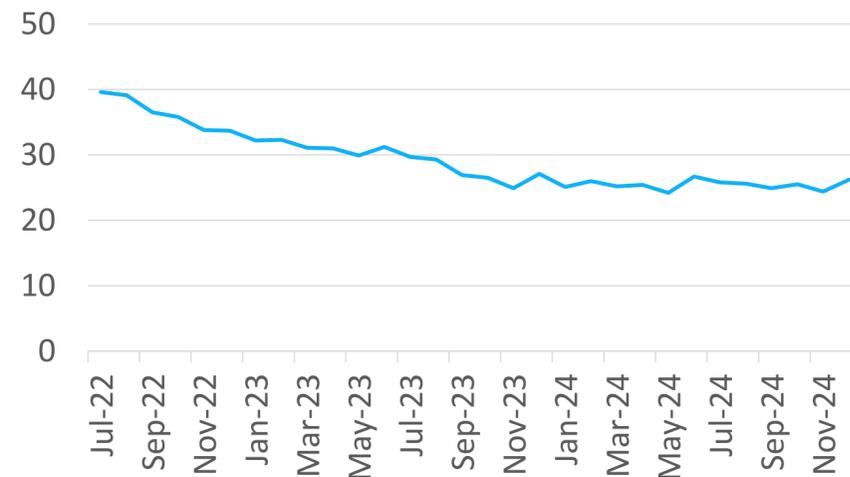
Interest Rate



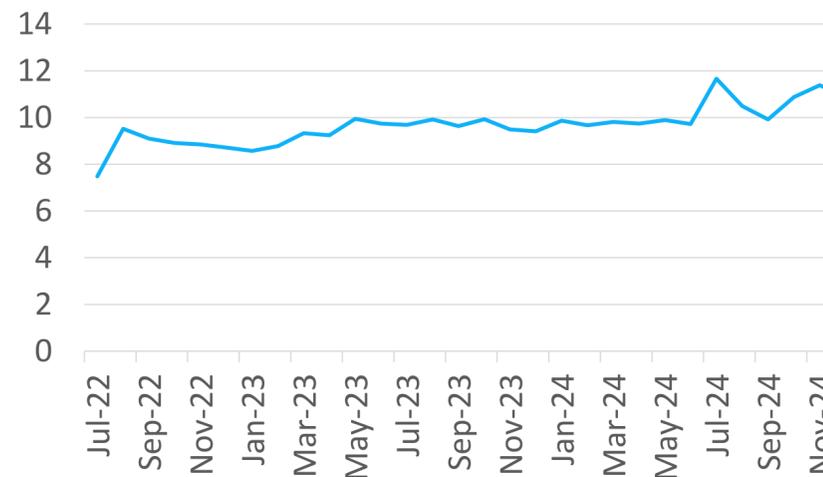
Exchange Rate



Foreign Reserves



Inflation



Outlook

- Political environment is not yet stabilized therefore a volatility is expected
- Although the indicators are stabilizing, ground situation has a certain amount of volatility

Key drivers

- The wood coating segment is experiencing rapid growth, driven by urbanization in Bangladesh and the growing demand for domestic furniture is fueling the need for PU-based wood coatings

FINANCIAL HIGHLIGHTS



(Mn)	Q3	QOQ	YTD	YOY
Revenue	3,035	1%	7,571	-4%
EBIT	553	57%	1,074	23%
PBT	430	28%	838	11%
PAT	490	81%	1,002	74%

Local Sales

YOY
↑ 10%

GP Margin

YOY
↑ 5%

Profit After Tax Margin

YOY
↑ 6%

Q2 to Q3 Bangladesh revenue

↑ 47%

Q3-24 to Q3-25 Bangladesh revenue (BDT)

↑ 17%

FINANCIAL INDICATORS



Witnessed a near 19% revenue drop (LKR) for Bangladesh in comparison to previous year due to the macro-economic factors prevailed but this is only a 6% drop in BDT terms.

Maldives operation witnessed a YOY revenue drop (LKR) of 27%. In USD terms, this is a drop of 18%.

Capitalization of acrylic binder manufacturing plant created a differed tax asset

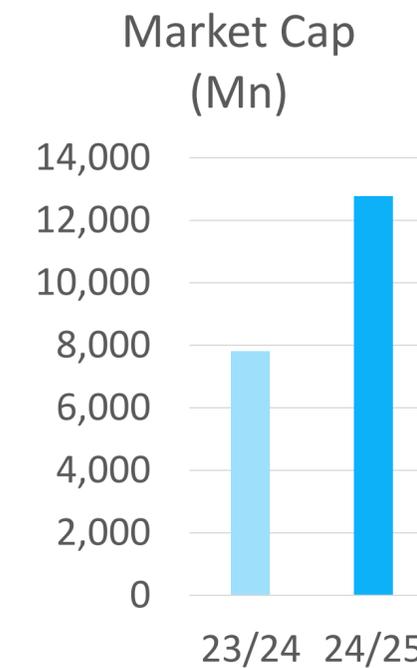
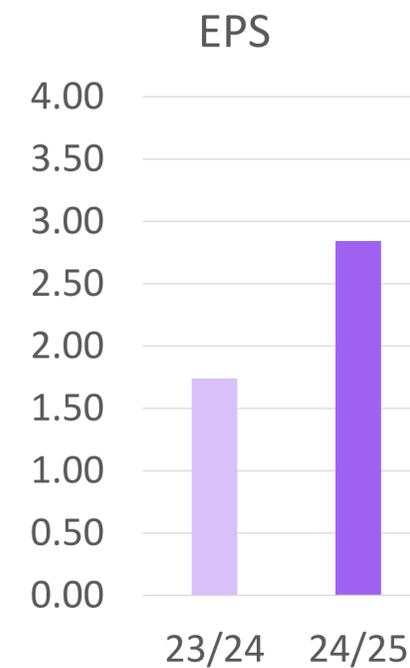
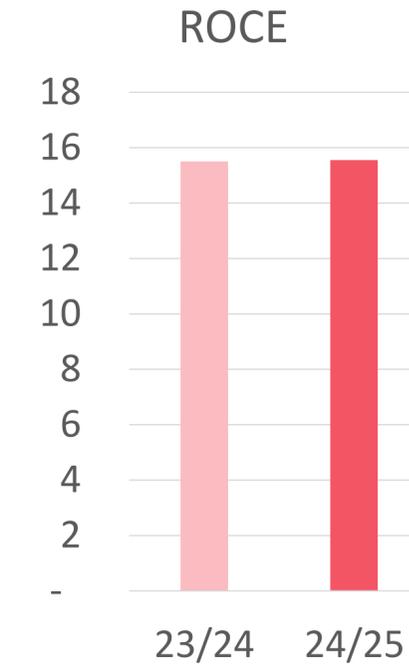
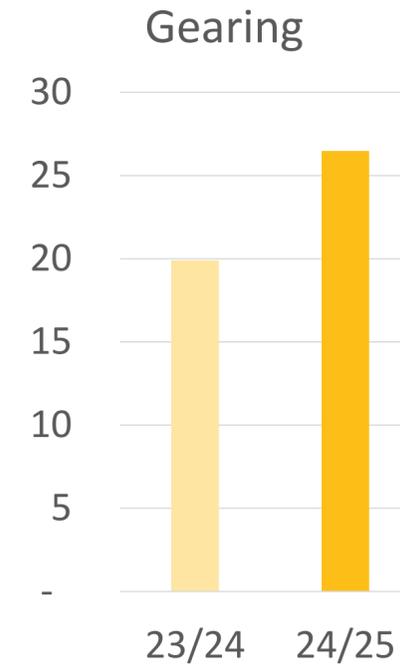
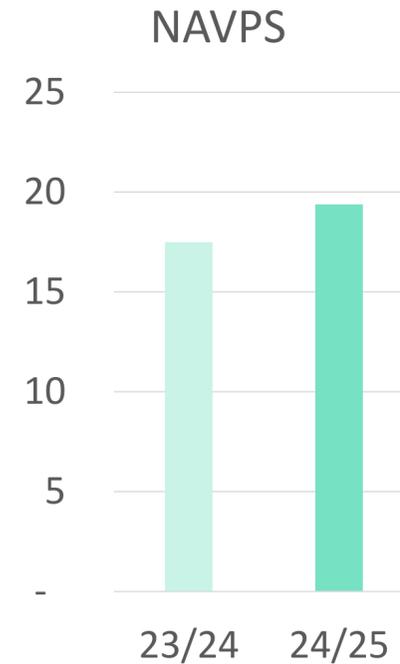
Admin expenses are almost the same as last year due to proper inventory management

Share of JV loss is attributed to JAT Africa and SEAFORM Perth

For the nine months ended	2024	2023
31st December		
Local revenue	5,571	5,065
Foreign operations	2,000	2,822
Revenue	7,571	7,887
Cost of sales	(4,971)	(5,593)
Gross profit	2,600	2,294
<i>GP margin</i>	34%	29%
Other income	67	66
Selling and distribution exp.	(861)	(772)
Administrative expenses	(732)	(717)
EBIT	1074	871
Operating profit margin	14%	11%
Finance cost	(268)	(210)
Finance income	76	95
Share of Joint Venture Profit/ (Loss)	(44)	(2)
Profit before tax	838	755
Taxation	163	(179)
Profit for the period	1002	576
<i>PAT margin</i>	13%	7%

FINANCIAL HIGHLIGHTS

(As of 31 st December)	2024	2023
Non-Current Assets	5,133	3,328
Current Assets	10,149	10,334
Inventories	3,412	3,500
Cash & cash equivalents	1,502	1,210
Other current assets	5,235	5,624
Total Assets	15,282	13,662
Total Equity	9,890	8,932
Non-Current Liabilities	200	217
Current Liabilities	5,192	4,513
Interest bearing loans & borrowings	3,460	2,160
Other current liabilities	1,732	2,353
Total equity & liabilities	15,282	13,662



19.38

NAVPS

2.84

EPS
(TTM)

26.46

Gearing

As of Dec 31 closing rate

8.80x

PER

1.29x

PBV

STRATEGIC DRIVERS



New markets/ products

- Secured orders worth AUD 1.4 mn through Perth showroom
- First franchised JAT Tech showroom to be opened in Cambodia
- Initial order shipped to Vietnam
- Appointed a distributor in Nepal



Core products

- Launched Coat-Ex in Bangladesh
- JChem One Coat was launched in Sri Lanka
- GP improvement through roller manufacturing
- GP improvement through binders



Investments

- Opened JAT Lifestyle Studio in the heart of Colombo
- Invested in a UV curing oven in order to develop UV coatings in-house

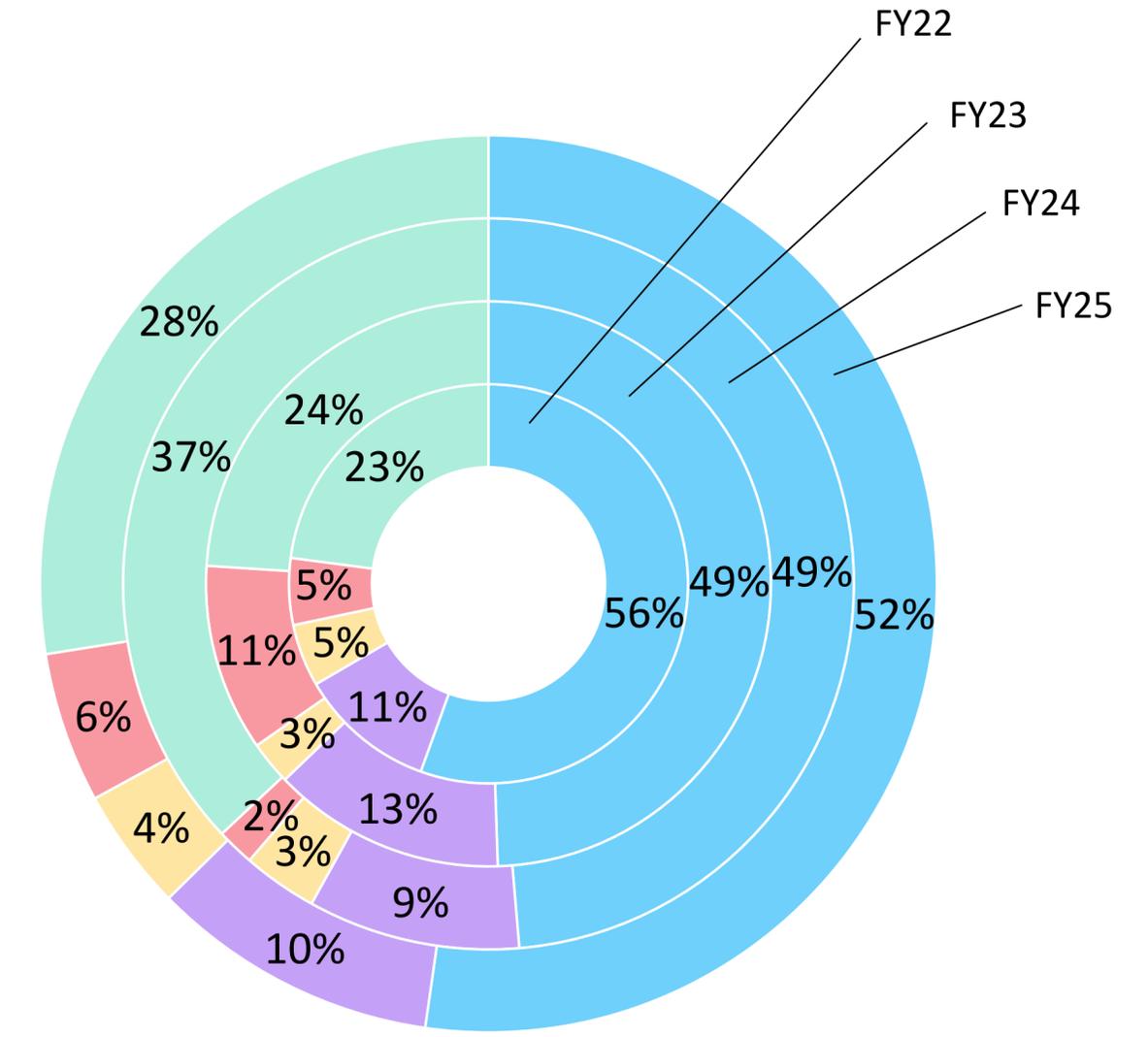
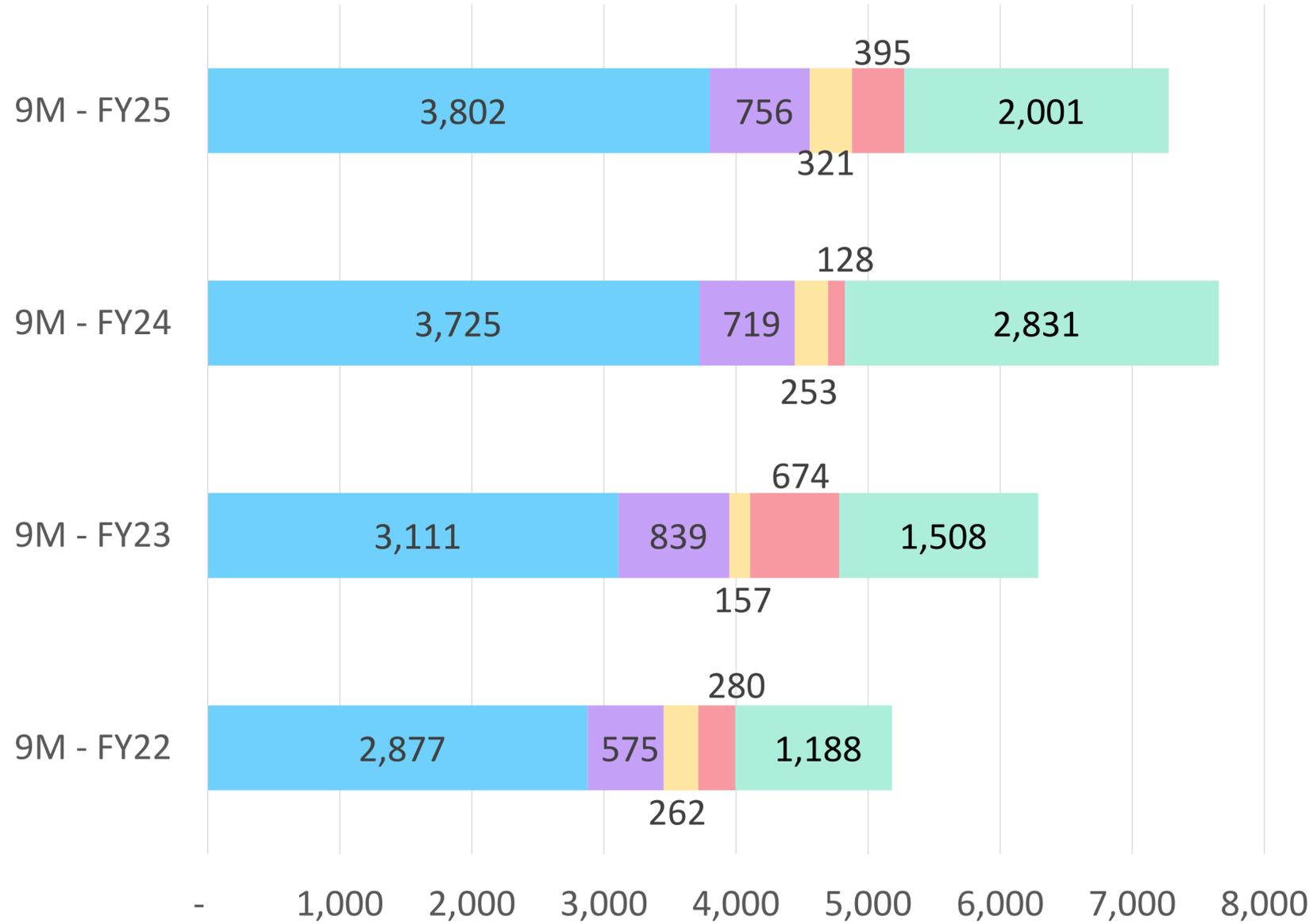


Process Excellence

- Revamped the JAT Loyalty program
- Early adoption of SLFRS S1 and S2
- Adoption of lean initiatives

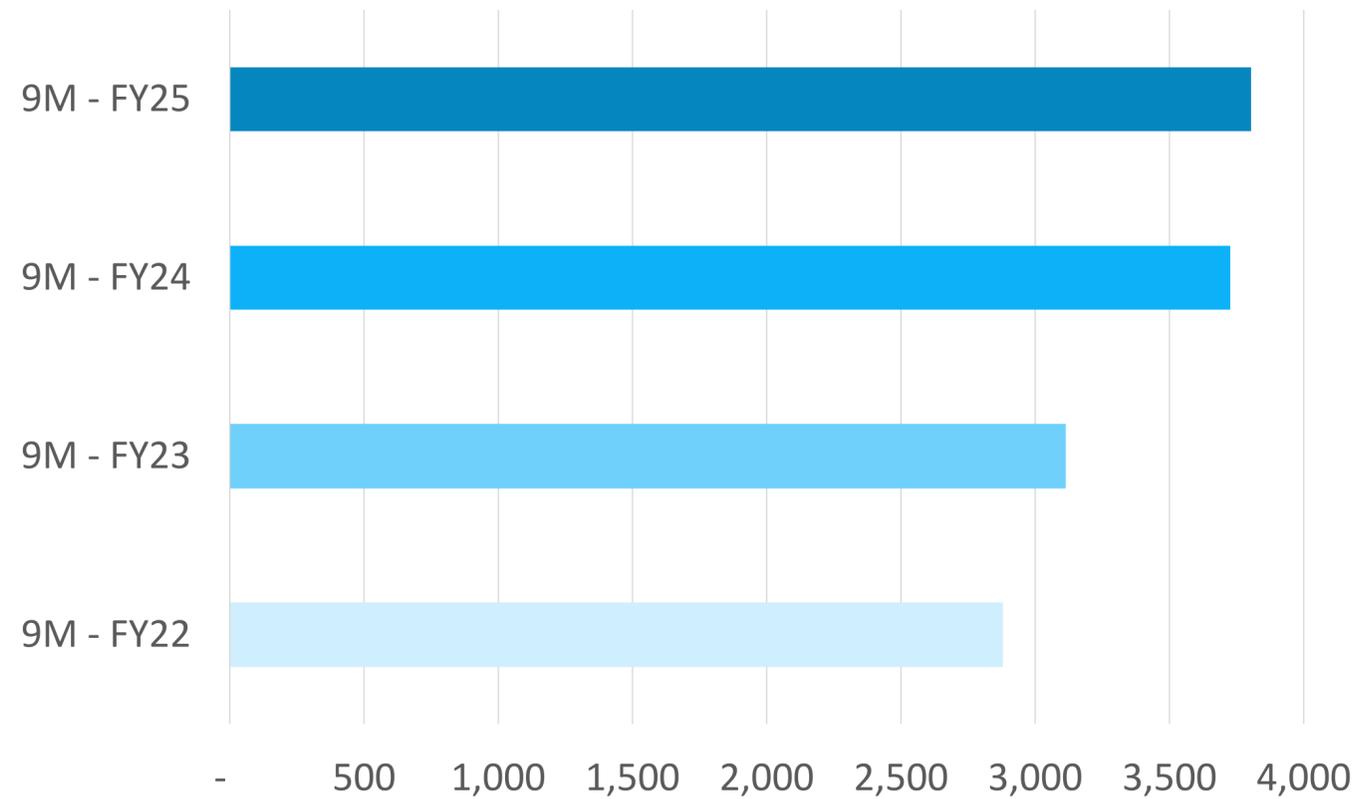
SECTOR WISE PERFORMANCE

Category wise Breakup



- Wood coatings
- Decoratives and other
- Brushes
- Furnishing
- Foreign markets

WOOD COATINGS

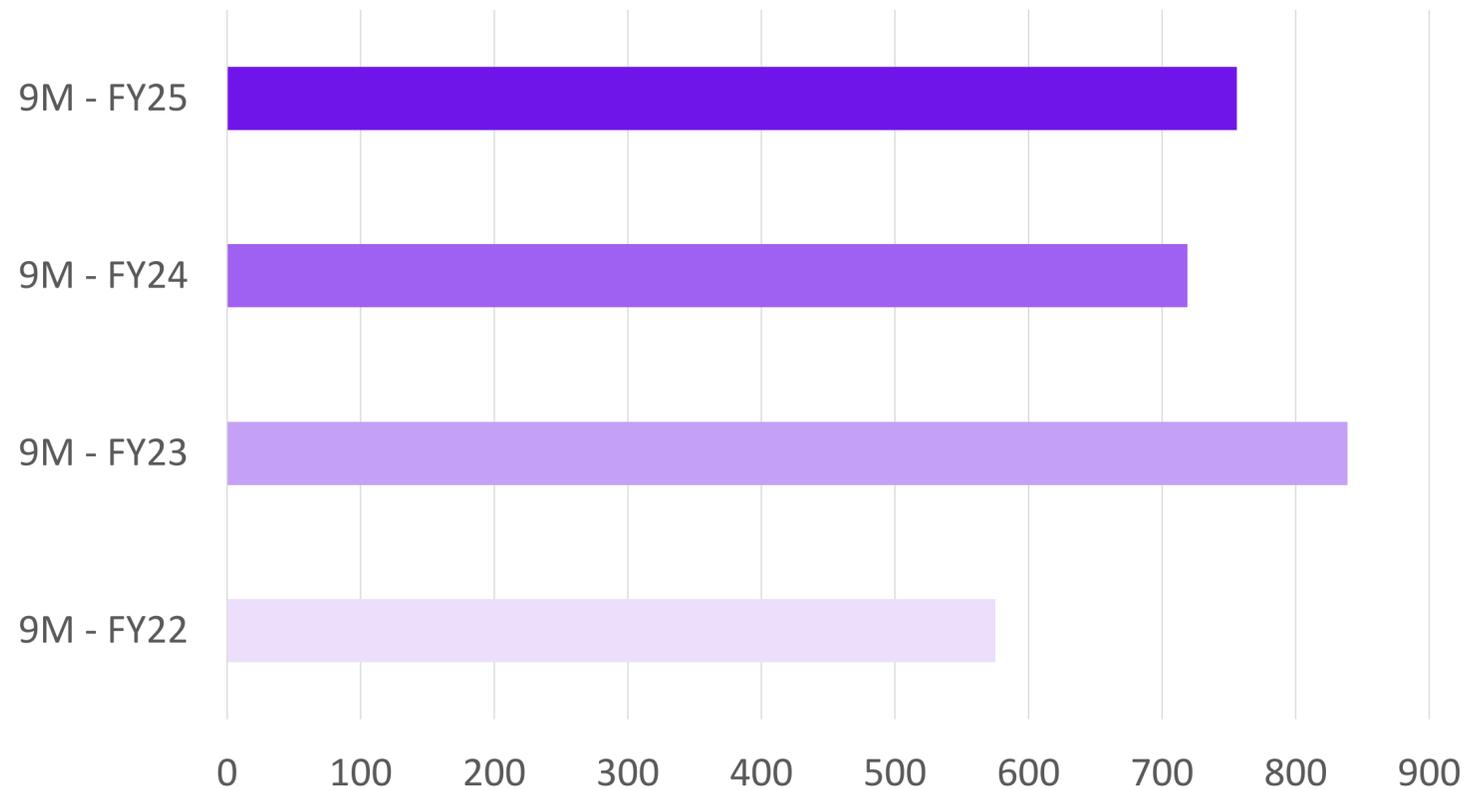


Masters



- Over the past 4 years, a consistent upward trend is observed
- The wood coatings category has experienced a steady 2% YOY growth, with Sayerlack depicting a 5% increase, 5% rise in Borma and Masters showing a strong 8% rise.
- JChem witnessed a 12% decrease due to thinner sales drop. To counter this, JChem one Coat was launched.
- Over 500 painters trained across the country through 5 Pintharoo Abhiman training programs
- Loyalty program has been revamped and points have been tripled, which fueled the Q3 growth
- The wood coating binder is manufactured in-house, incorporated into the products, and has been well-accepted in the market
- The Acrylic Binder Manufacturing Plant operates at a 60% capacity, adhering to European standards

DECORATIVES & OTHER

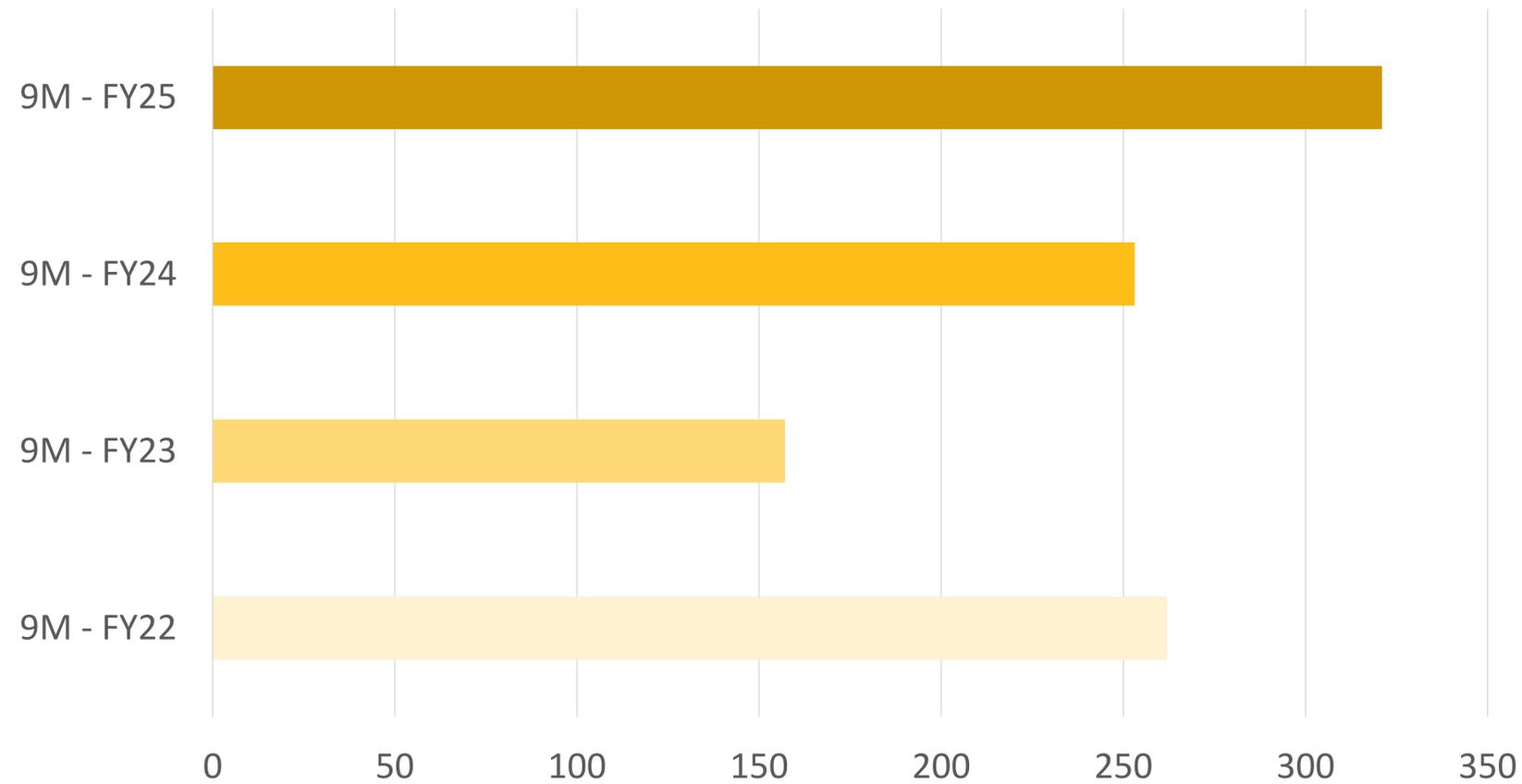


Wallz

WHITE
by JAT

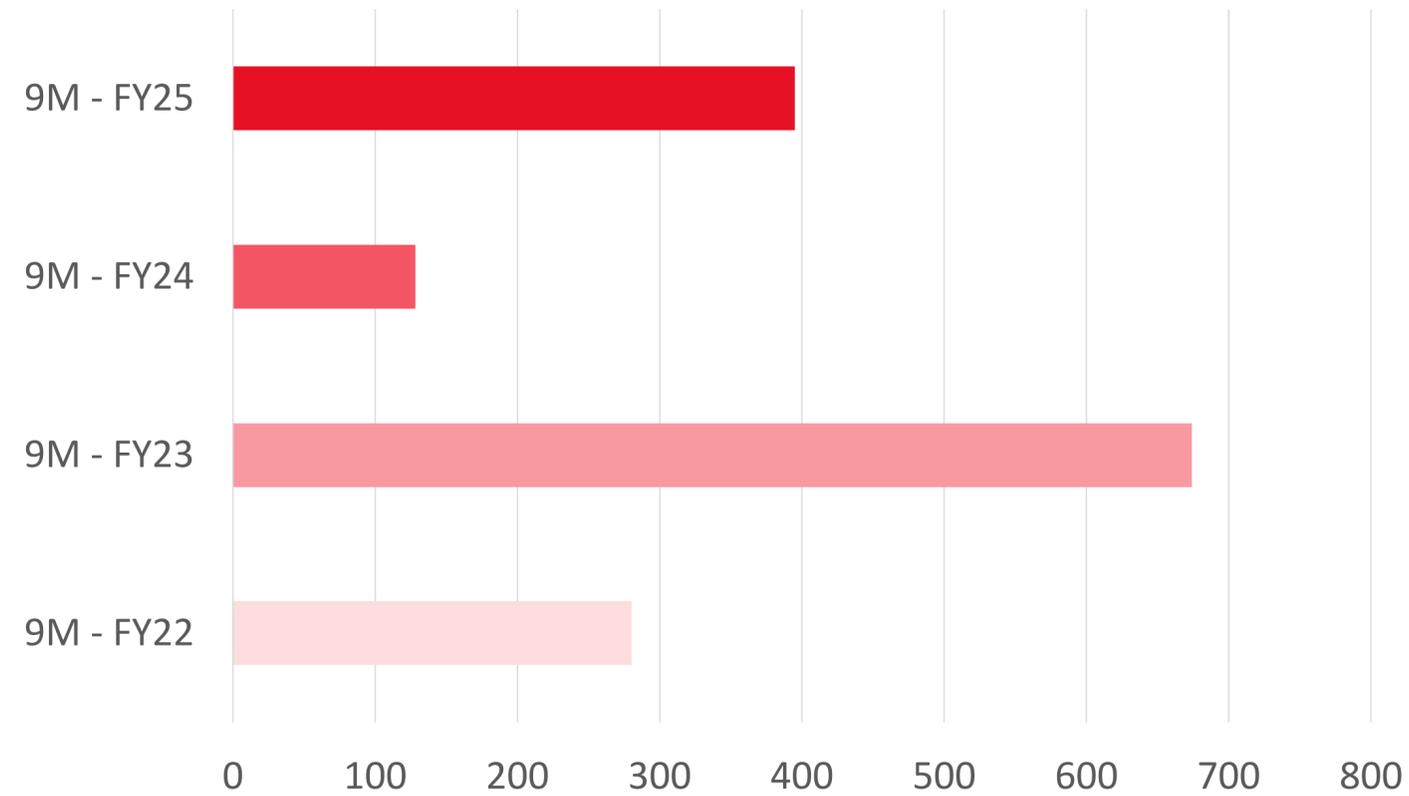
- The emulsion category has seen a 5% YOY growth, with WHITE By JAT leading the way with an 18% increase, while Wallz shows a 2% rise, reflecting a strong recovery from the sales drop experienced in FY24
- Price adjustment was done to increase sales
- Value additions done helped in keeping the GP margins relatively the same
- Franchise outlet sales increase 30%
- Kolorz by JAT was introduced through the franchise network with tinting machines
- Online sales recorded an increase of 15%

BRUSHES



- A YOY growth of 27% was recorded
- Regular workshops are being conducted for the painters on brushes
- GP of Brush category was increased by 5% due to roller manufacturing
- Harris brand has a 22% growth and Brush Master witnessed a 32% growth

FURNISHING



- A YOY growth of 210% was recorded with the removal of import restrictions
- JAT Lifestlye Studio was opened setting a new benchmark for contemporary living
- Oppein confirmed order value is 225 Mn and we have launched a new business line which is 'OPEIN Doors'
- Sold a record number of chairs of HM which significantly contributed to the growth of the brand

SEAFORM

KNAUF CEILING
Solutions

OPPEIN

BURG

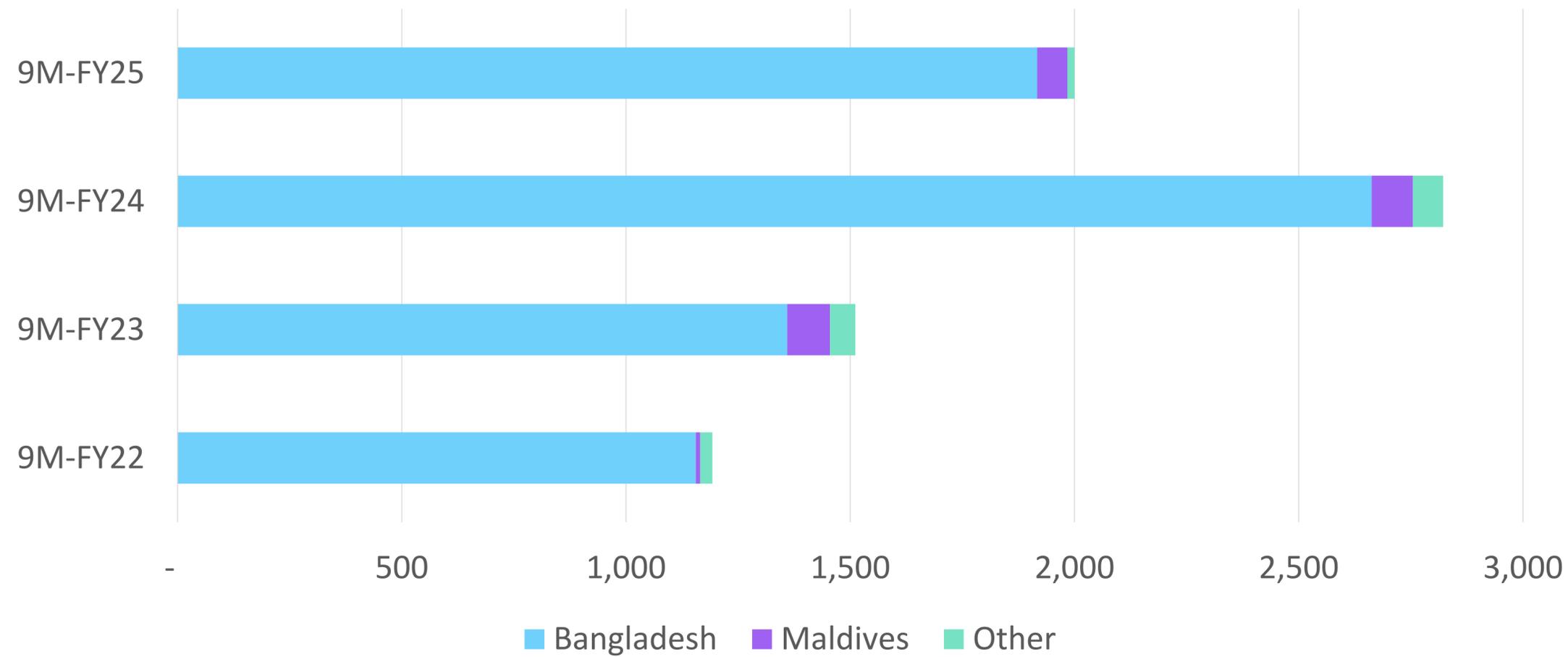


LIFE WOOD

COLAN

FOREIGN REVENUE

FY	Foreign Revenue	Bangladesh	Maldives	Other
9M-FY22	1,193	1,155	10	27
9M-FY23	1,511	1,360	96	56
9M-FY24	2,822	2,663	92	68
9M-FY25	2,000	1,917	67	16



SECTORAL PERFORMANCE - BANGLADESH

Factor disclosed previously	Update in Q2	Update in Q3												
<p>Political and economic instability, along with declining foreign reserves and FDIs, are likely to lead to import restrictions and a dollar shortage</p> <ul style="list-style-type: none"> • ACL being a manufacturer of wood coating products and key raw materials like Alkyd Resin in Bangladesh will give JAT a significant advantage over competitors who rely on imports • Operating in the domestic market will minimize the impact of exchange rate fluctuations due to the depreciation of BDT since it would be passed to the domestic customer • ACL will be able to capture the market share from competitors. JAT's main competitors operate only in the Bangladesh market therefore will not be able to leverage from the positives of any other foreign markets 	<p>JAT did not have an issue in importing goods in comparison to finished goods importers</p> <p>Still to be passed to the customers but will be done in the near future</p> <p>Too early to analyse the market share, will be done in the next 2 quarters</p>	<p>Due to the market situation it was not passed on to the end consumer but we have managed to keep the same GP through value engineering</p> <p>Q3 revenue (values in BDT):</p> <table border="1"> <thead> <tr> <th></th> <th>JAT</th> <th>Berger</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>290</td> <td>7,502</td> </tr> <tr> <td>2023</td> <td>248</td> <td>6,780</td> </tr> <tr> <td>Growth</td> <td>17%</td> <td>11%</td> </tr> </tbody> </table>		JAT	Berger	2024	290	7,502	2023	248	6,780	Growth	17%	11%
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SECTORAL PERFORMANCE - BANGLADESH

Factor disclosed previously	Update in Q2	Update in Q3
Bangladesh's declining disposable income – a low-cost wood coating product range will enable JAT to compete with low-cost brands	The low-cost product 'Coat-Ex' was launched in September targeting the price sensitive-turned market due to the adverse economic conditions	Consumers are beginning to use the product. 7% of the sales in Bangladesh are of Coat-Ex
Increased levels of securities for borrowings – with all expansions in Bangladesh completed, the need for borrowing will be minimal	Increase of borrowings is 45% compared to the semester 1 of last FY	Increase of borrowings is 48% compared to the 9 months of last FY
Having a state-of-the-art R&D facility in Sri Lanka enables JAT to produce value for money solutions to the Bangladesh market depending on the situation	Cumulative savings worth LKR 18 mn was generated through the alkyd resin manufacturing plant from Q2 onwards	Cumulative savings worth LKR 35 mn was generated through the alkyd resin manufacturing plant from Q2 onwards
JAT Group has faced similar crisis in SL and has experience in overcoming economic turmoil successfully	<ul style="list-style-type: none"> • Company implemented cost-saving measures, overhead cost audits and consolidation of warehouses • Focusing on key SKUs • Expanding the dealer network through the low cost product • Extending more services from Sri Lanka to Bangladesh 	Same mechanism has been continued



EXPECTATION OF Q4

Sri Lanka: Capitalize on the stable political environment

Wood coatings:

- Drive to penetrate and further increase market share through strong thematic advertising campaigns, increase of Loyalty points and dealer promotions
- Further GP improvement through utilization of acrylic binder manufacturing plant with the upcoming season

Emulsion:

- Launch of waterproofing range

Brushes:

- Launch of painting accessories

Furnishing:

- Maximising the invoicing from already secured projects
- Maximising retail sales through the Lifestyle Studio

Bangladesh:

- Market penetration through Coat-Ex
- Capitalize on the stabilizing economy as per the trend going forward

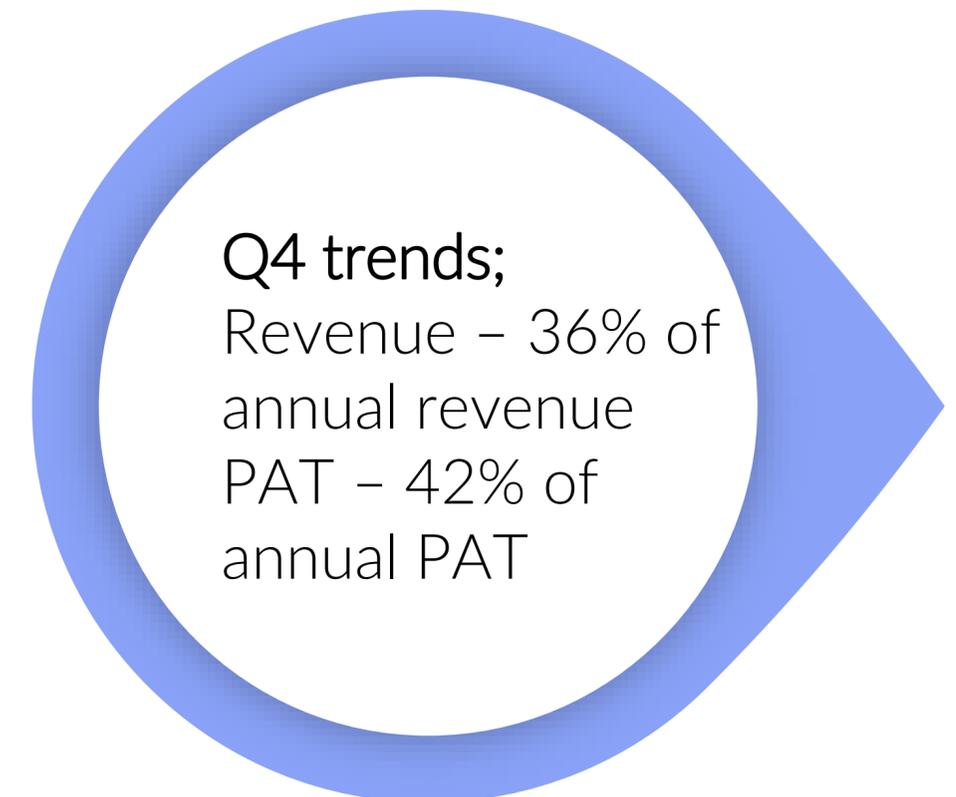
Maldives:

- Market revival

Q4 FORECAST

	Q4FY24	Q4FY25E	Gap
Sri Lanka revenue	2,497	2,800	
Bangladesh revenue	946	840	
	3,443	3,640	197
GP %	29%	35%	6%

Q4FY24 PAT	447
Revenue increase into 40% (GP% of Q3FY25)	78
Increased GP for revenue	195
Overheads	(35)
Finance cost	(19)
	667
YTD Q3FY25 PAT	1,002
FY25E PAT	1,668





Q&A Session

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