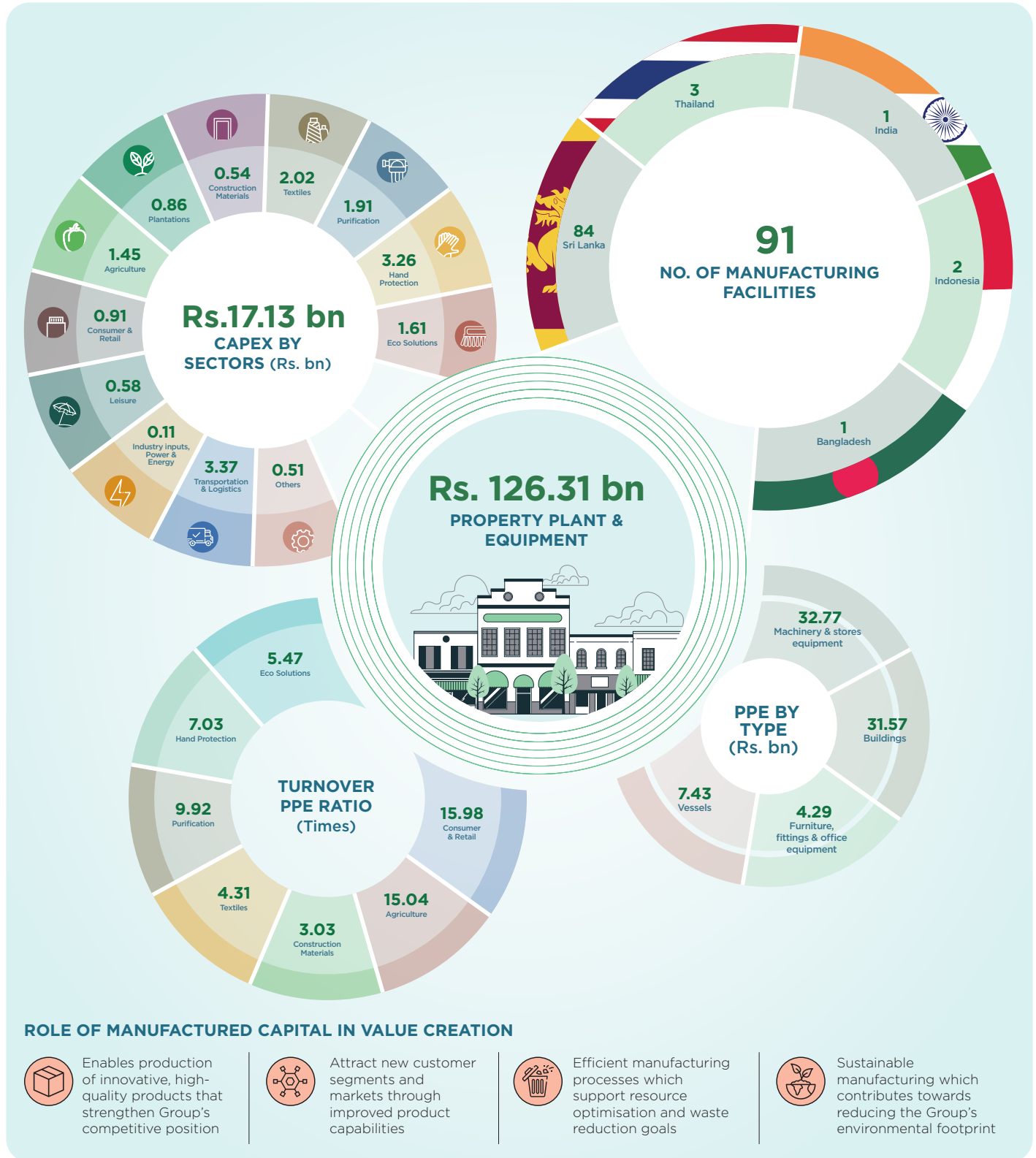


# MANUFACTURED CAPITAL

The Group's Manufactured Capital comprises of state-of-the-art manufacturing facilities, advanced technology and sustainable manufacturing capabilities which have sharpened the Group's competitive edge and enabled it to manufacture an array of world-leading products across its diverse verticals.



### INVESTING IN THE FUTURE

The Group continued to adopt a long-term approach to value creation, investing in strengthening capacities and capabilities in businesses earmarked for strategic growth. Total additions to PPE for the year amounted to Rs. 17.13 bn, reflecting investments in new product capabilities, capacity enhancements, inorganic growth and technology improvements. Additions to Property, Plant and Equipment during the year are summarised below:

### HIGHLIGHTS 2022/23

- Capacity expansion in value-added product capabilities across key Sectors
- Machinery and technology upgrades across several manufacturing facilities
- Strategic focus on manufacturing efficiency and sustainable production

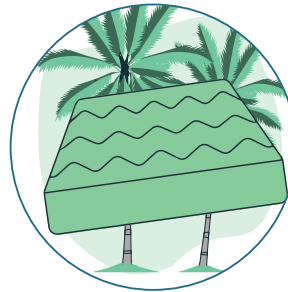
### HAND PROTECTION

New sports glove facility, central warehousing facility and thermic fluid heater in Biyagama

Workers' and staff facilities upgrades

Installation of new heater, new hostel rooms and 8 tumbler dryers

**Rs. 3.94 bn**



### ECO SOLUTIONS

Capacity expansion of mattress production facility

Investments in back-up generators

Capacity expansions in growing media range of products

**Rs. 1.01 bn**

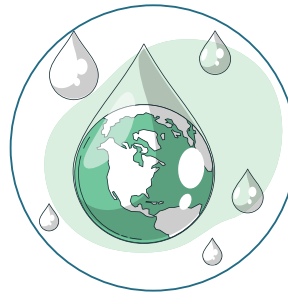
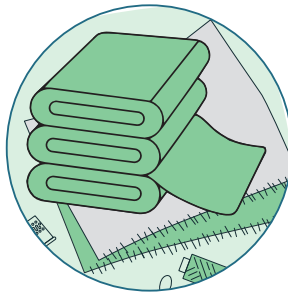
### TEXTILES

Energy efficient, state-of-the-art dye machines

Upgrade of manufacturing technology and capabilities at South Asia Textiles

Upgrade of effluent treatment plant in South Asia Textiles

**Rs. 3.49 bn**



### PURIFICATION

Investments in new washing plant in Thailand

Manufacturing capacity expansion in the electrical double-layer capacitor range Investment in 2 lands in Indoensia and Badalgama with a view to expanding capacity in the future

**Rs. 1.86 bn**

### TRANSPORTATION & LOGISTICS

2nd phase of Advantis Logistics Cityopening featuring Sri Lanka's largest single-roof, multi-user distribution centre Investments in machinery and equipment

**Rs. 3.67 bn**



### AGRICULTURE

Purchase of coconut-milk processing facility

**Rs. 1.63 bn**

# MANUFACTURED CAPITAL

## MANUFACTURING CAPABILITIES

The Group's competitive edge is sharpened by its advanced manufacturing capabilities, which enables the continuous production of an array of high-quality, innovative and customised products. Manufacturing operations contributed approximately 40% to the Group's Revenue, underscoring the importance of manufacturing in the Group's value creation process. The Group's manufacturing footprint spans nearly 91 facilities in Sri Lanka, Thailand, Indonesia, India and Bangladesh. In addition, the 416-strong branch network of Singer is also an important element of the Group's physical infrastructure, facilitating direct access to customers across the island. Please refer the note 13 of the Financial Statements for the accounting policy pertaining to the measurement and recognition of these assets.

The Group's manufacturing footprint is summarised below;





## MANUFACTURING EFFICIENCY

Over the last few years, the Group has relentlessly pursued organisation-wide efforts to improve manufacturing efficiencies and enhance productivity through initiatives such as Productivity Maintenance, Lean, and Six Sigma among others. These initiatives have enabled the Group to optimise resources, while enhancing productivity and efficiency and reducing waste. As testament to these efforts, the Turnover/PPE ratio recorded an improvement across the board.

	2023	2022	2021
Eco solutions	5.5	2.1	1.8
Hand protection	7.0	5.1	6.9
Purification	9.9	3.7	4.0
Textiles	4.3	2.4	2.5
Construction materials	3.0	2.2	1.6
Agriculture	15.0	14.9	15.9
Consumer	16.0	11.7	10.8

The Group has also focused on introducing sustainable manufacturing methods which aim to reduce the environmental footprint of operations while reducing costs and wastage. Details on these developments are available on the Natural Capital report on page 278.

## WAY FORWARD

The Group will continue to direct investments towards strengthening its value-added product offerings and export-oriented businesses with the aim of enhancing foreign exchange generation capacity. When making investment decisions, sustainable manufacturing methods will be given priority as the Group seeks to embed environmental consciousness across all aspects of its operations.

### Adequacy of Manufactured Capital

Having expanded manufacturing capacity in key sectors, including Hand Protection, Construction Materials, Purification and Textiles, the Group is well positioned to drive increased penetration in selected product and market segments in-line with its overall strategic ambitions.