

Starfish

While some are bioluminescent, starfish are known for their symmetry and regenerative capacity – embodying resilience and strength.



CONSTRUCTION MATERIALS

The Sector is the largest manufacturer and exporter of aluminium extrusions in Sri Lanka, offering a range of industrial, residential and architectural profiles with a global reputation for product design, quality and innovation.



Insights from Sector
Managing Director
Scan to view

Construction Materials

HIGHLIGHTS OF 2024/25



Revenue
Rs. 13.11 bn
(+32%)



Profit Before Tax
Rs. 1.14 bn
(+392%)



Profit After Tax
Rs. 867 mn
(+366%)



Assets
Rs. 16.56 bn
(+29%)



Liabilities
Rs. 11.66 bn
(+39%)

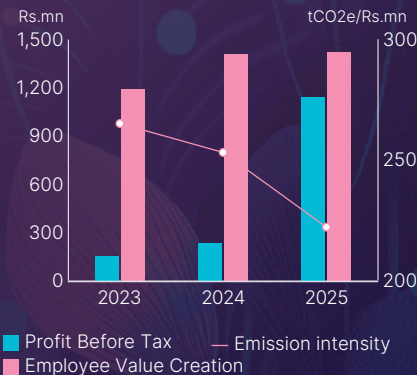


Employees
1,001
(-29%)

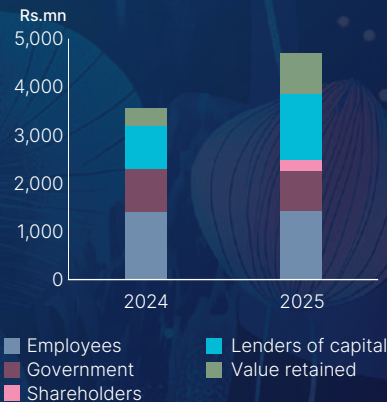


Carbon Footprint
(Scope 1 2,3)*
12,660 tCO2e

INTEGRATED PERFORMANCE



STAKEHOLDER VALUE CREATION



*The carbon footprint for 2024/25 represents an expanded coverage of Scope 3 emissions compared to the previous year

KEY DEVELOPMENTS IN 2024/25

Achieved strong volume growth in both domestic and export market

Commissioning 'Ascend' an advanced facility featuring cutting-edge technology

Successfully obtained the Aluminium Stewardship Initiative (ASI) certification, emerging as the first extrusion manufacturer in Sri Lanka to do so.

Launch of ESG Roadmap, 'Elevate'

Much like the natural phenomena of bioluminescence and biofluorescence—where organisms emit or transform light through symbiotic processes, Alumex thrives on deep and dynamic relationships across the value chain. The Sector adds value through continuous innovation, evolving with agility to create sustainable, high-performance solutions that power progress

INNOVATION AND AGILITY

- Continued expansion of the product portfolio with focus on innovative, value-added products which are at the forefront of the industry
- Reducing reliance on virgin aluminium through pursuing opportunities in circular models

SUSTAINABLE PRODUCT PROPOSITION

Aluminium is a key enabler of the low-carbon transition through,

- Essential component of renewable energy solutions
- Championing circularity through the use of recycled metal
- Supporting innovation in low-carbon green building design

SYMBIOTIC RELATIONSHIPS ACROSS VALUE CHAIN

Catalyst for skill development with **673** fabricators trained during the year

Value creation across the distribution network with **Rs.140.3 mn** commission paid

Indirect employment generation through a network of **1,167** fabricators


Rs. 8.9 bn supplier payments to local suppliers

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SECTOR OVERVIEW

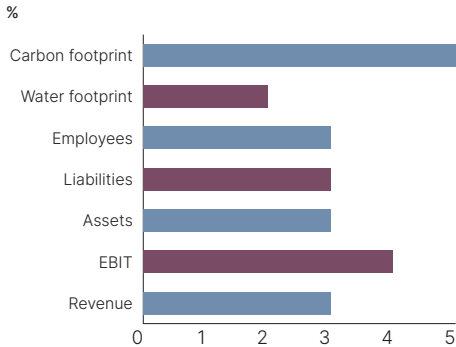
The Sector is represented by Alumex PLC, Sri Lanka’s leading, fully-integrated manufacturer of aluminium extrusions. Having dominated the market for over four decades and holding a market share of around 45%, the Sector is frequently recognised for excellence in innovation, quality and sustainability, establishing it as a trusted player in both the domestic and export markets. The Sector has obtained multiple local and international certifications, including manufacturing rights for globally renowned proprietary systems for aluminium windows.

 Manufacturing strength	 Quality commitment	 Global reach	 Access to proprietary systems
As the largest manufacturer in Sri Lanka the Sector has an annual capacity of 22,200 MTs. Infrastructure includes <ul style="list-style-type: none">- Extrusion, melting, powder coating and anodizing plants- 9 distribution centres- 13 Lumin Concept centres	A host of local and international certifications including QMEA, QUALANOD, QUALICOAT and several ISO Standards	Having expanded its presence in international markets such as UK, USA, Canada, Australia, New Zealand, Germany, Italy, Singapore and India , nearly 35% of the Sector’s Revenue is now generated through exports	Manufacturing rights for 09 globally renowned proprietary systems for Aluminium windows

OPERATING ENVIRONMENT

The Sector’s performance is directly correlated to the country’s construction industry, which demonstrated gradual recovery following consecutive years of contraction. Construction industry activities increased by 19% in 2024 (2023: -21%) reflecting improved sentiments, more favourable interest rates and an uptick in residential demand. The commercial construction sector value chains, which in recent years were hindered by liquidity constraints, also showed gradual improvement following government-led liquidity injections, although large-scale projects are only expected to materialise over the medium-term. The increasing preference for aluminium as an alternative to timber, given characteristics such as durability, sustainability, design flexibility and weather resistance has driven demand for the former in recent years. Meanwhile, global aluminium prices recorded a gradual increase during the year, reflecting stronger demand from the expanding use of renewable energy technologies together with a contraction in production stemming from global geopolitical tensions. As such, global prices increased from around USD 2,500/MT at the beginning of the financial year to around USD 2,600/MT by March 2025. With global supply expected to expand in the short-to-medium term, prices are likely to hold steady in 2025.

RELEVANCE TO GROUP



	SRI LANKAN CONSTRUCTION SECTOR +19% Growth in 2024	GLOBAL ALUMINIUM PRICING +6% March '24 to April 25	COMPETITION FOR RECYCLED ALUMINIUM +4% Increase in the price of local aluminium scrap	REGULATORY AND LEGAL ENVIRONMENT Carbon Border Adjustment Mechanism (CBAM) Trade tariffs
Description	Growth was driven by the gradual improvement in residential demand, supported by more favourable interest rates and a stabilisation of macro-economic fundamentals	Global geopolitical dynamics, trade restrictions and increased demand from the world's low-carbon transition resulted in an increase in global aluminium prices, which are expected to hold steady in 2025.	The prices of recycled aluminium in Sri Lanka escalated during the year, reflecting higher demand for scrap aluminium by local manufacturers including new competitors to the industry.	Emerging global regulations and trade policies including the CBAM in Europe trade tariffs from the USA are expected to challenge Sri Lankan exporters over the short-to-medium term
Impact	H	M	M	H
Implications	<ul style="list-style-type: none"> + Strong local volume growth - Intensifying competitive pressures 	<ul style="list-style-type: none"> - Adverse implications on cost of production and profitability margins 	<ul style="list-style-type: none"> - Compelled to rely on imported virgin aluminium - Challenges in achieving the Sector's circularity aspirations 	<ul style="list-style-type: none"> - Reduced global competitiveness - Investments required in decarbonisation

H-High, **M**-Medium, **L**-Low / Blue circle represents adverse effect while green circle represents positive effect

RISK LANDSCAPE

Market risks

Recent geopolitical trade dynamics including the increase in trade tariffs from the USA poses key short-term risk

Ⓢ Strategic response

→ Develop new markets in Europe and Australasia

Sustainability-related risks

CRRO 3

Emerging sustainability-related regulations such as the CBAM will entail additional import taxes to EU based on the manufacturers' emissions

Ⓢ Strategic response

→ Decarbonisation plan aligned to the requirements of ASI

Policy and regulatory risks

Significant tax exemptions for aluminium imports classified under Strategic Development Projects can insert pressure on local manufacturers

Ⓢ Strategic response

→ Ongoing engagement with policy makers

Market risks

The price of aluminium is expected to remain at the current elevated levels for the most part of 2025, reflecting rising demand

Ⓢ Strategic response

→ Pursuing growth in relatively price inelastic, value-added product solutions



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OPPORTUNITIES

Sustainability-related opportunities

SRRO 5

The low carbon transition presents significant opportunities for the aluminium sector as a key component in renewable energy and other energy-efficient solutions

© Strategic response

- Widen product range beyond traditional solutions

Market opportunity

Large scale construction projects are expected to recommence in the near term, following more conducive macro-economic conditions

© Strategic response

- Leverage on brand, customer relationships and customer touchpoints to offer attractive pricing and innovative solutions

Market opportunities

With customers increasing preference for sustainable, lightweight, corrosion free and durable solutions, the demand for alternatives to wood fixtures is expected to record continued growth

© Strategic response

- Continued expansion of product offerings



STRATEGY AND RESOURCE ALLOCATION

In line with its focus on expanding contributions from exports, the Sector has pursued growth in innovative high-value products, driving investments towards product development and state-of-the-art manufacturing infrastructure. This has also led to a strategic emphasis on sustainability aspects, as Alumex as sought to position itself as a sustainable manufacturer of world-class, innovative aluminium solutions. During the year, the Sector made considerable progress in these strategic pillars as summarised below:

Strategic KPIs/ Pre-financials

<div>FOCUS ON VALUE-ADDED PROPOSITIONS How we performed: Investments in advanced manufacturing capabilities enabled the production of high-end solutions such as aluminium balconies HPDC Products.</div> <div>New products developed<table><tr><td>2025</td><td><div></div></td><td>24</td></tr><tr><td>2024</td><td><div></div></td><td>29</td></tr><tr><td>2023</td><td><div></div></td><td>121</td></tr></table></div> <div>About this KPI and why we use it: This KPI demonstrates the effectiveness of the Sector's R&D strategy, its innovation output and market responsiveness</div> <div>Resource allocation Investment in research and development: Rs. 38.08 mn</div>	2025	<div></div>	24	2024	<div></div>	29	2023	<div></div>	121	<div>EXPORT DRIVE How we performed: The Sector achieved strong growth in export revenue supported by entry into new markets such as Italy and acquisition of new customers.</div> <div>Growth in export volumes (%)<table><tr><td>2025</td><td><div></div></td><td>56</td></tr><tr><td>2024</td><td><div></div></td><td>21</td></tr><tr><td>2023</td><td><div></div></td><td>23</td></tr></table></div> <div>About this KPI and why we use it: Showcases the effectiveness of the Company's export strategy and its ability to compete in the global market place</div> <div>Resource allocation Investment in sales and marketing expense in export markets: Rs. 42.37 mn</div>	2025	<div></div>	56	2024	<div></div>	21	2023	<div></div>	23	<div>STRATEGIC ESG INTEGRATION How we performed: The Sector made considerable progress in driving ESG integration, with launch of its ESG Roadmap- Elevate setting out targets, action plans and KPIs</div> <div>ASI Certification The first extrusion manufacturer to in Asia to obtain this certification</div> <div>About this KPI and why we use it: The ASI is a stringent, globally recognised sustainability certification for the aluminium industry.</div> <div>Resource allocation Investments in renewable energy over the past 3 years: Rs. 4.06 mn</div>
2025	<div></div>	24																		
2024	<div></div>	29																		
2023	<div></div>	121																		
2025	<div></div>	56																		
2024	<div></div>	21																		
2023	<div></div>	23																		

INTEGRATED PERFORMANCE REVIEW

Strong rebound: The Sector delivered a strong resurgence during the year, supported by impressive volume growth of nearly 33%. Timely strategic interventions in penetrating export markets came to fruition, with the Sector recording a near 56% increase in export volumes, which contributed nearly 34% to the Sector's Revenue. This, together with a domestic volume growth of 22% and the Sector's foray into increasingly value-added products resulted in a Revenue growth of 32% during the year. Increased capacity utilisation levels and strategic emphasis on lean practices and standardising processes enabled the Sector to improve its Operating Profit margin from 11% to 15%. Resultantly, the Sector's Profit Before Tax clocked in at Rs. 1.14 bn compared to Rs. 232 mn the previous year.

Investing for the future: In a major milestone of the year, the Sector commissioned 'Ascend' at an approximate investment of Rs.70 mn. The new state-of-the-art manufacturing facility features cutting edge technology such as aluminium High Pressure Die Casting (HPDC) and dedicated aluminium balcony assembly line machines. The former enables the production of complex components with high precision and superior strength, while the latter offers large-scale production of premium, customisable aluminium balcony systems, designed for both residential and commercial projects in overseas markets. The Sector also commissioned a new powder coating plant featuring dual booth operations, additional finishing lines and a timber decorating line.

ASI certification: The Company marked a step change in its sustainability aspirations during the year, successfully emerging as the first extrusion manufacturer in Sri Lanka to obtain the prestigious ASI certification. A globally recognised standard for responsible and sustainable practices along the entire aluminium value chain, obtaining the ASI certification involves a rigorous process which assesses performance on a range of environmental, social and governance aspects including curtailing emissions,

preserving biodiversity, respecting human rights, upholding ethical business conduct and due diligence along the value chain among others. This certification is expected to strengthen the Sector's export prospects as it seeks to position itself as a sustainability leader in the industry.

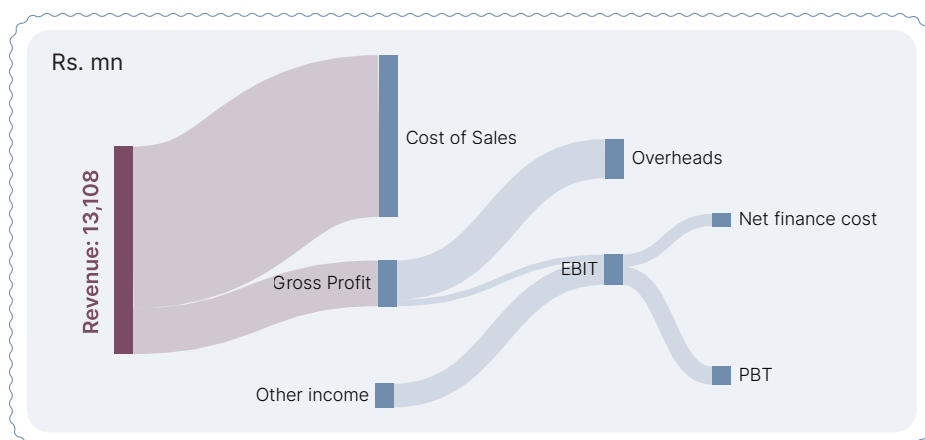
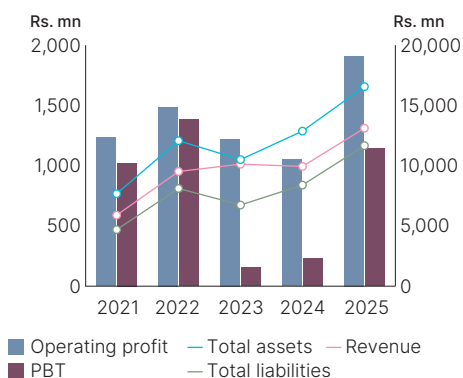
Focus on technical excellence: In line with its foray into export markets and value-added product segments, the Sector placed considerable emphasis on improving its technology capabilities. This entailed establishing a dedicated technical division, combining capabilities and skills in product development, compliance, quality and sustainability. During the year, the Sector also successfully obtained rights for a new international proprietary system, CAPRAL- one of Australia's leading suppliers of aluminium products and systems. This exclusive partnership includes a training component providing specialised training to fabricators on the effective use of the system.

Skill development: Alumex is a catalyst for skill development across the aluminium value chain, delivering training sessions to diverse industry stakeholders including fabricators, dealers, engineers and students of the Vocational Training Authority and NAITA among others. In partnership with the Department of Technical Education and Training the Sector also developed a state-of-the-art technical aluminium fabrication

training center, with the objective of uplifting the industry. During the year, the Sector provided training for over 673 fabricators across the island, supporting employability and skill development across the value chain.

Strategic ESG integration: The Sector made significant progress in strategically integrating ESG across its decision-making and processes with the launch of its ESG Roadmap- Elevate. Aligned to the Hayleys Group's ESG Roadmap, Elevate, includes ambitious targets, annual KPIs, action plans as well as policies to drive systematic implementation of ESG across the organisation. The Sector's emission reduction roadmap is aligned to the 1.50C emission pathway of the International Aluminium Institute entails targets to reduce emission intensity through shifting to renewable energy sources, reducing usage of compressed air and optimising transportation and distribution.

SECTOR FINANCIAL PERFORMANCE



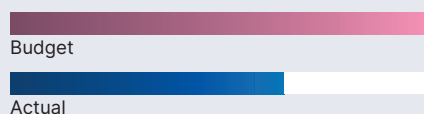
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PERFORMANCE HIGHLIGHTS

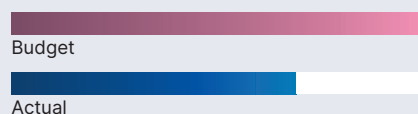
FINANCIAL METRICS	2025	2024	%	2023
Revenue	13,108	9,937	32	10,124
Earnings before interest and tax	1,911	1,053	82	1,222
Net finance income/(cost)	(770)	(821)	(6)	(1,069)
Profit before tax	1,141	232	392	153
Profit after tax	867	186	366	(10)
Assets	16,555	12,866	29	10,503
Liabilities	11,661	8,390	39	6,736
Operating cash flow	28	(1,366)	(102)	542
OPERATIONAL HIGHLIGHTS				
Production volumes (MT)	8,064	5,926	36	4,831
Capacity utilisation (%)	36	27	9	22

PERFORMANCE AGAINST TARGETS

Revenue



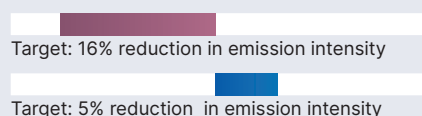
Profit before tax



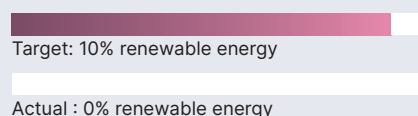
ENVIRONMENTAL METRICS		2025	2024	%	2023
ESG commitment areas	Energy consumption (GJ)	111,674	81,117	38	87,740
	Energy intensity (GJ/Revenue USD mn)	2,535	2,584	(2)	2,940
	Carbon footprint (tCO ₂ e)- Scope 1 & 2	9,782	7,945	23	7,440
	Emission intensity (tCO ₂ e/Revenue USD mn)	222	253	(12)	265
	Water withdrawn (m3)	124,966	116,693	7	87,740
	Water intensity (m3/Revenue Rs. mn)	2,837	3,717	(24)	3,121
	Gross global Scope 1 emissions	5,896	4,527	30	4,665
Relevant SASB metrics	Energy				
	- % grid electricity	29	29	-	29
	- % alternative energy	N/A	N/A	-	N/A
	- % renewable energy	N/A	N/A	-	-
	Water				
	- % water recycled	11	28	(17)	15
	- % in regions with high water stress**	100%	100%	-	100%
	Waste				
	- Waste generated (MT)	2,117	1,067	98	1,780
	- % hazardous	90	77	18	84
	- % recycled	25	34	(24)	-

PERFORMANCE AGAINST TARGETS

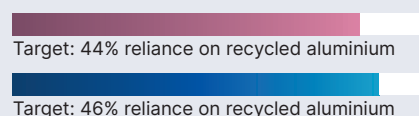
Emission reduction



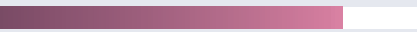
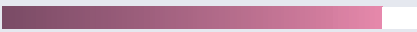
Renewable energy



Circularity



SOCIAL METRICS		2025	2024	%	2023
ESG commitment areas	No. of employees	1001	774	29	735
	Revenue per employee (Rs. mn)	13	13	-	14
	Remuneration per employee (Rs.mn)	1	2	(50)	2
	Investment in CSR (Rs.mn)	4	3	33	1
	No. of CSR beneficiaries	20,339	685	-	170
Relevant SASB metrics	Total recordable incident rate	2.82	1.13	150	1.19

PERFORMANCE AGAINST TARGETS		
Training hours  Target: 10 Average training hours/pa Actual: 11.63 Average training hours/pa	Health and Safety Target: zero significant injuries in workplace 2024/25: 22 occupational injuries	Customer satisfaction rate  Target: 85% customer satisfaction rate Target: 77% customer satisfaction rate

*The Environmental and Social metrics disclosed above represent the Sector's most material impact areas, long-term ESG commitments and topics prescribed by the SASB Standard- Construction Materials Standard

** The Aqueduct Water Risk Atlas places Sri Lanka in the medium to high risk category for water stress

Long-term ESG commitments

Accelerate climate action

- Conducting Lifecycle Analysis for 6 products in line with the customer and ASI requirements
- Modifications to rectifiers to enable higher energy efficiency
- Exploring alternatives to diesel

Restore and regenerate nature

- Planted 250 trees adjacent to the Meerigama Highway
- Reforestation efforts in partnership with Road Development Authority and Forest Conservation Department
- Beach clean-up with zero plastic movement

Optimise resource footprint

- 47% use of recycled aluminium through the use of 4,742 MT



Responsible work place

- 1,153 employee training hours covered through health and safety, technical, sustainability and other related training

Partner progress

- Rs. 4.06 mn investment in numerous CSR initiatives including the white cane project, lunch programme for school children and educational support
- Higher warranty on Akzo-Nobel paint finish providing increased customer value

Responsible and responsive corporate citizenry

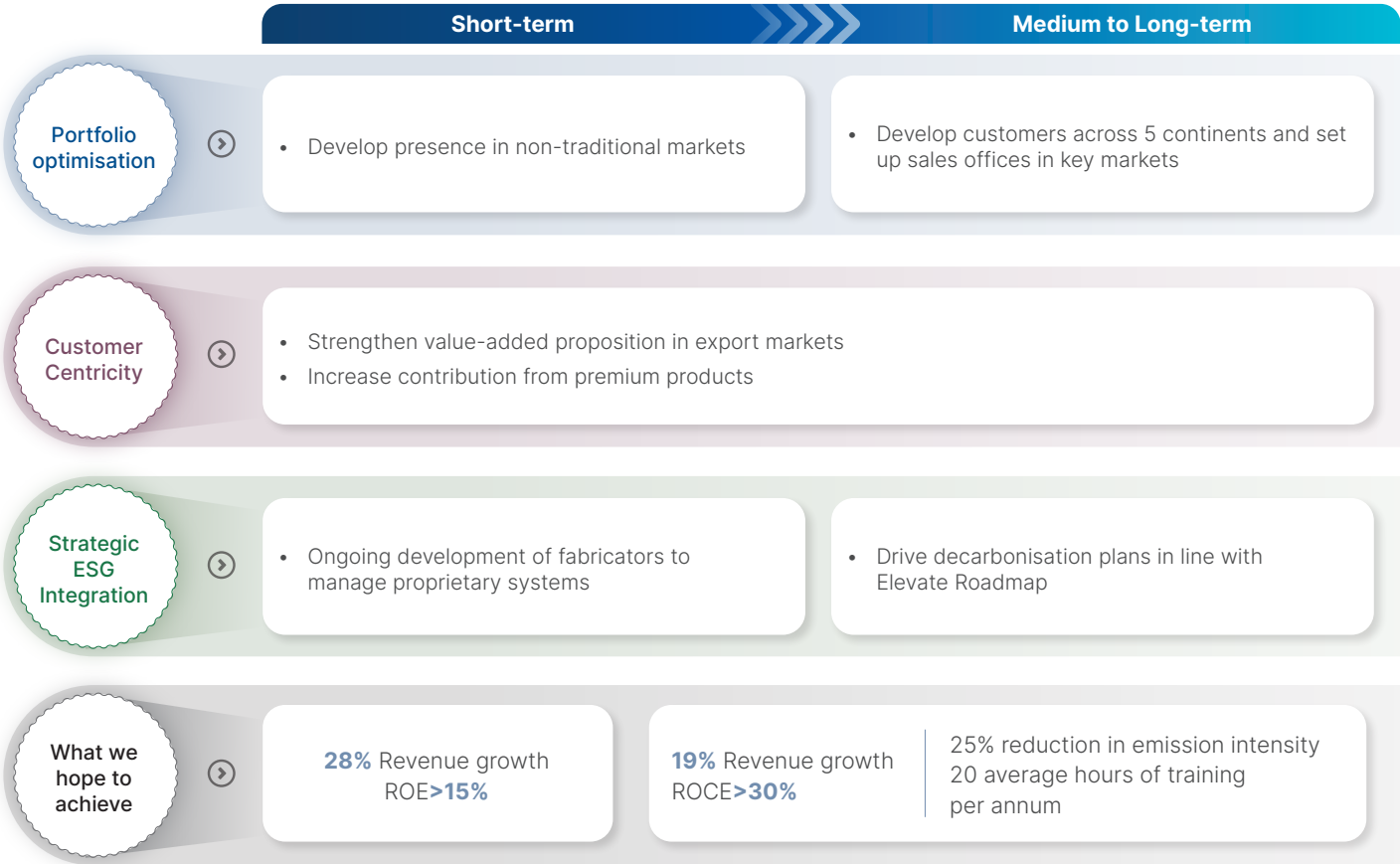
- ESG Framework Elevate launched during the year
- Strengthening ESG governance and reporting mechanisms
- Obtained ASI Certification during the year

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PROSPECTS AND PLANS

The country's construction sector is poised for growth in 2025/26, as stabilising macro-economic conditions, favourable interest rates and the initiation of large projects, both in the government and private sectors fuelling sector growth. Export markets also offer significant growth potential, and the sector will continue to pursue aggressive expansion in the regions it entered into in recent years. Given recent investments upgrading manufacturing infrastructure, the Sector is well positioned to drive increased efficiency and capacity utilisation levels with strategic focus on value-added product solutions.

Alignment to Group strategy



Opportunities and levers	Risks to strategy
→ Sustainability as a competitive edge in the industry	→ Escalating geo-economic confrontations
→ Recommencement of large-scale infrastructure projects in Sri Lanka	→ Increasing focus on industry decarbonisation through regulations such as the Carbon Border Adjustment Mechanism
→ Customer demand for convenient and alternatives to wood fixtures	