



First Capital
A Janashakthi Group Company

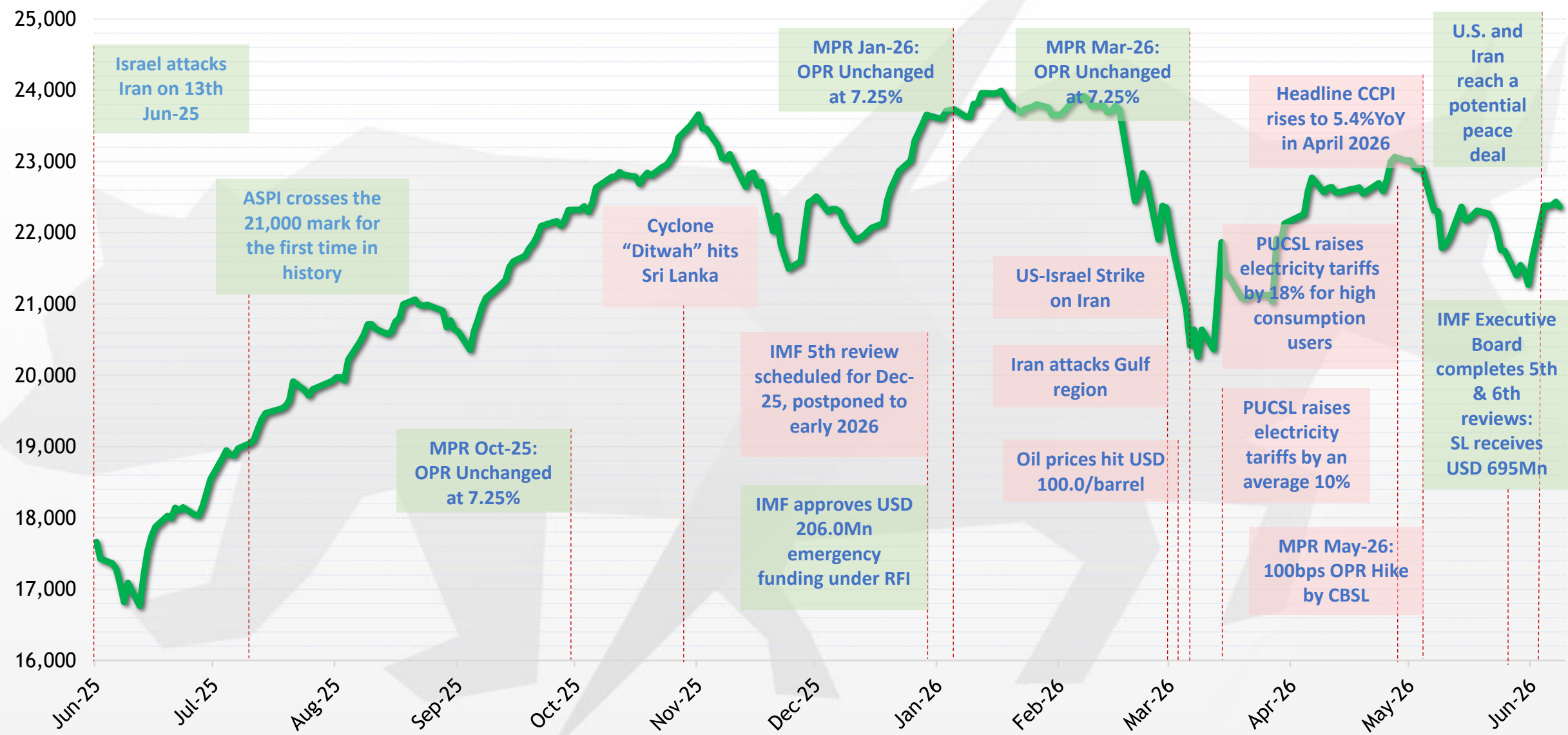
QUARTERLY RESULTS REVIEW

JAN – MAR 2026





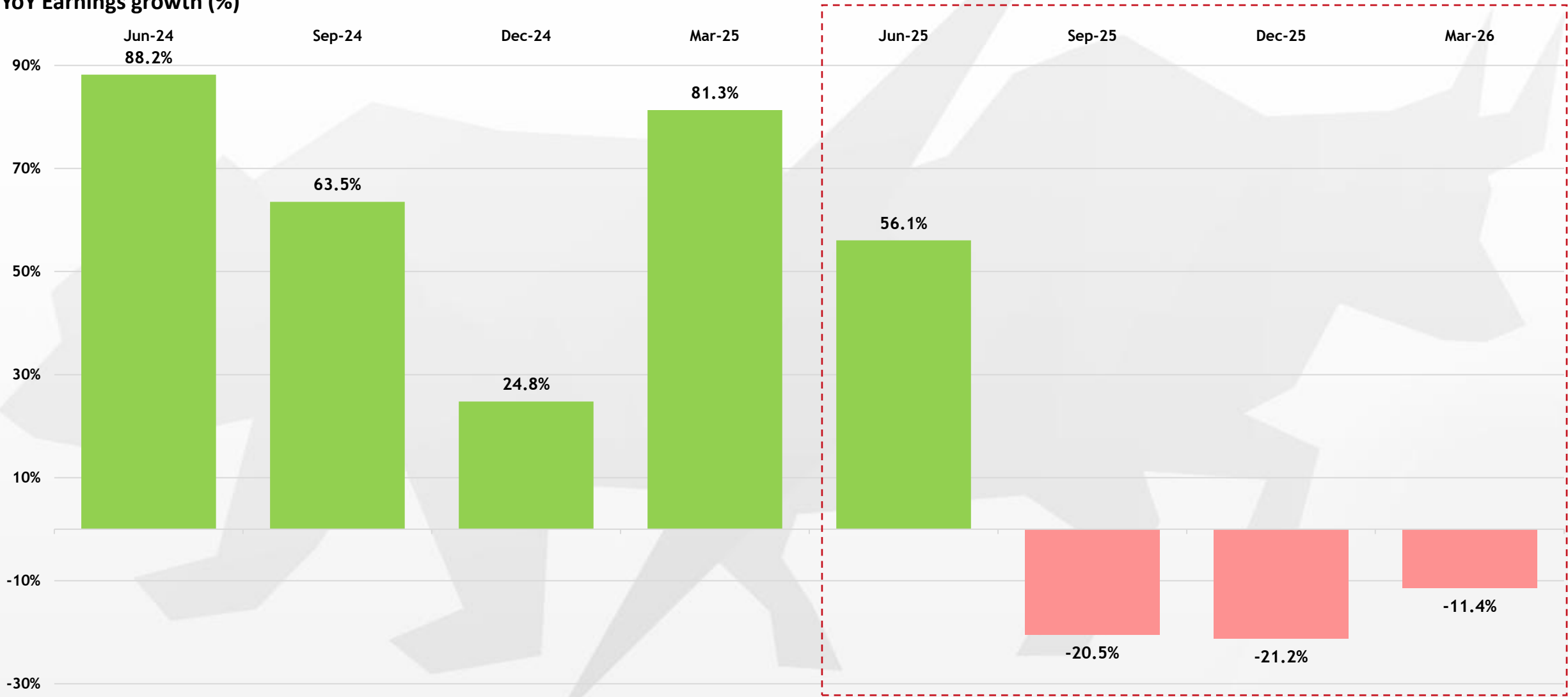
ASPI performance and key highlights from Jun-25 to Jun-26



Corporate earnings declined for the 3rd consecutive quarter, falling 11.4%YoY in 1Q2026, with the Food, Beverage & Tobacco sector emerging as the largest drag on aggregate profitability



YoY Earnings growth (%)



Mar-26 quarter earnings declined by 11.4%YoY for 271 companies:



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- ✓ Mar-26 quarter earnings declined 11.4%YoY, marking a 3rd consecutive quarter of contraction. The weakness was primarily driven by the Food, Beverage and Tobacco sector, with earnings of BIL, BUKI and CARS coming under pressure. In particular, BUKI's Indonesian palm oil operations were impacted by a one-off administrative fine of c.LKR 24.0–25.0Bn (USD 108.4Mn) imposed on Goodhope Asia Holdings Ltd. Offsetting this weakness, the Retailing, Telecommunications, and Real Estate sectors delivered robust underlying earnings growth, each recording increases of over 100%YoY. **After adjusting for big-ticket one-off gains and losses recorded by BUKI, CARS, BIL, and BRWN in both 4QFY26 and 4QFY25, the aggregate corporate earnings delivered underlying earnings growth of 30.1%YoY; a more representative reflection of core profitability trends.**

Key sectors that depleted quarterly earnings in Mar-26:

- 1. Food, Beverage and Tobacco (-73.8%YoY):** Food, Beverage & Tobacco earnings declined -73.8%YoY and -55.0%QoQ in Mar-26, primarily reflecting a high base effect from one-off gains recorded in BIL during Mar-25 amounting to LKR 35.0Bn. CARS and BUKI faced incremental headwinds from a one-off administrative fine related to their Indonesian subsidiary, Goodhope Asia Holdings Ltd. BIL compounded the weakness, swinging to a loss amid a meaningful increase in its overall cost base. Notably, 31 of 45 sector constituents remained profitable, with the majority recording YoY earnings improvements on the back of volume-driven revenue expansion amid improving economic conditions in 1Q2026.
- 2. Diversified Financials (-5.0%YoY):** The Diversified Financials sector reported a 5.0%YoY decline in earnings, despite a 12.8%QoQ increase. The decline was largely driven by CFVF, which recorded a mark-to-market losses on trading portfolio. Additionally, GUAR and CINV also weighed on the decline in earnings. In contrast, other major financial companies posted robust earnings growth, supported by NII expansion driven by loan book growth, underpinned by higher vehicle imports and registrations.

Key sectors that strengthened quarterly earnings in Mar-26:

- 1. Retailing Sector (+404.6%YoY):** The sector continued to deliver robust earnings growth in Mar-26, with earnings rising 404.6%YoY and 62.5%QoQ. UML and SMOT were the key contributors, benefiting from the lifting of vehicle import restrictions, while SINS gained from stronger sales. RIL also posted earnings growth, supported by improved contributions from its subsidiaries UML and PAP.
- 2. Telecommunications Sector (+99.8%YoY):** Telecommunications sector earnings grew 99.8%YoY and 26.9%QoQ in Mar-26, driven by strong performances from both DIAL and SLTL. The earnings expansion was underpinned by subscriber growth and higher ARPU along with cost efficiencies.

Market Earnings Sector Summary – Mar 2026



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Results Update

Mar 2026

Monday, June 22, 2026

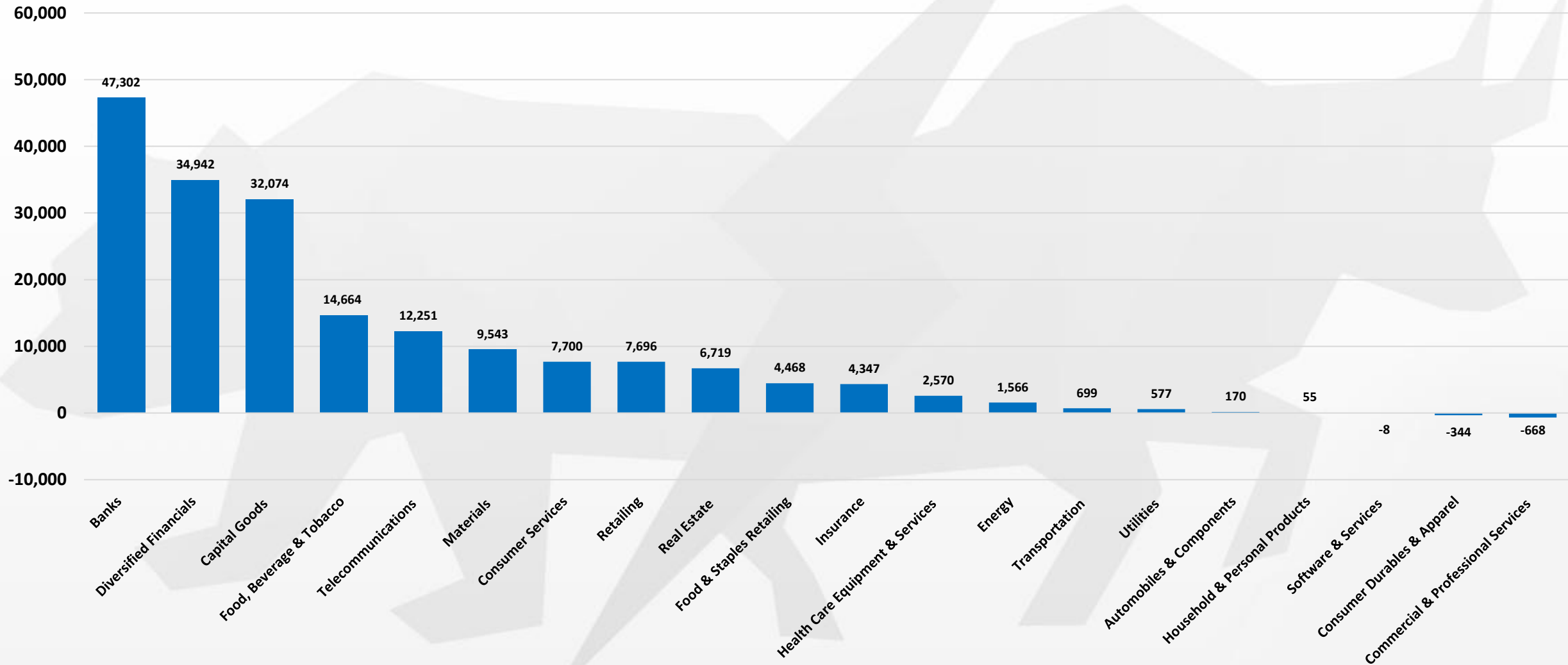
Sector	Quarter Earnings LKR 'Mn					4 Qtr Trailing	
	4QFY26	4QFY25	YoY%	3QFY26	QoQ%	PER (x)	PBV (x)
	1Q2026	1Q2025	YoY%	4Q2025	QoQ%		
<i>Consumer Durables & Apparel Earnings</i>	-344	548	-163%	-1,761	80%	6.7x	1.9x
<i>Retailing Sector Earnings</i>	7,696	1,525	405%	4,737	62%	10.7x	1.8x
<i>Consumer Services Sector Earnings</i>	7,700	8,556	-10%	2,050	276%	44.5x	1.0x
<i>Automobiles & Components Sector Earnings</i>	170	181	-6%	105	62%	15.2x	1.0x
<i>Food, Beverage & Tobacco Sector Earnings</i>	14,664	55,873	-74%	32,592	-55%	16.8x	2.2x
<i>Food & Staples Retailing Sector Earnings</i>	4,468	3,662	22%	4,953	-10%	15.6x	3.6x
<i>Household & Personal Products Sector Earnings</i>	55	-298	118%	67	-18%	10.3x	1.3x
<i>Energy Sector Earnings</i>	1,566	2,042	-23%	1,515	3%	13.1x	1.0x
<i>Diversified Financials Sector Earnings</i>	34,942	36,796	-5%	30,990	13%	7.5x	1.0x
<i>Banks Sector Earnings</i>	47,302	46,066	3%	53,281	-11%	5.3x	0.8x
<i>Insurance Sector Earnings</i>	4,347	4,213	3%	11,768	-63%	8.9x	1.1x
<i>Health Care Equipment & Services Sector Earnings</i>	2,570	986	161%	2,658	-3%	11.6x	1.8x
<i>Capital Goods Sector Earnings</i>	32,074	32,706	-2%	21,106	52%	19.5x	1.2x
<i>Commercial & Professional Services Sector Earnings</i>	-668	-106	-530%	-112	-497%	0.0x	1.4x
<i>Transportation Sector Earnings</i>	699	380	84%	567	23%	26.3x	13.3x
<i>Materials Sector Earnings</i>	9,543	7,943	20%	8,894	7%	11.6x	2.0x
<i>Real Estate Sector Earnings</i>	6,719	2,881	133%	3,068	119%	10.0x	1.2x
<i>Software & Services Sector Earnings</i>	-8	3	-331%	35	-123%	0.0x	7.2x
<i>Telecommunications Sector Earnings</i>	12,251	6,131	100%	9,651	27%	15.6x	2.9x
<i>Utilities Sector Earnings</i>	577	195	13%	1,598	-64%	21.1x	2.3x
Market Valuations						11.4x	1.4x
Market Earnings - Mar 2026	186,322	210,282	-11%	187,761	-1%	271	
Market Earnings - Dec 2025	187,761	232,924	-19%	176,403	6%	271	

Earnings for majority of the sectors recorded gains, whilst only three sectors made losses



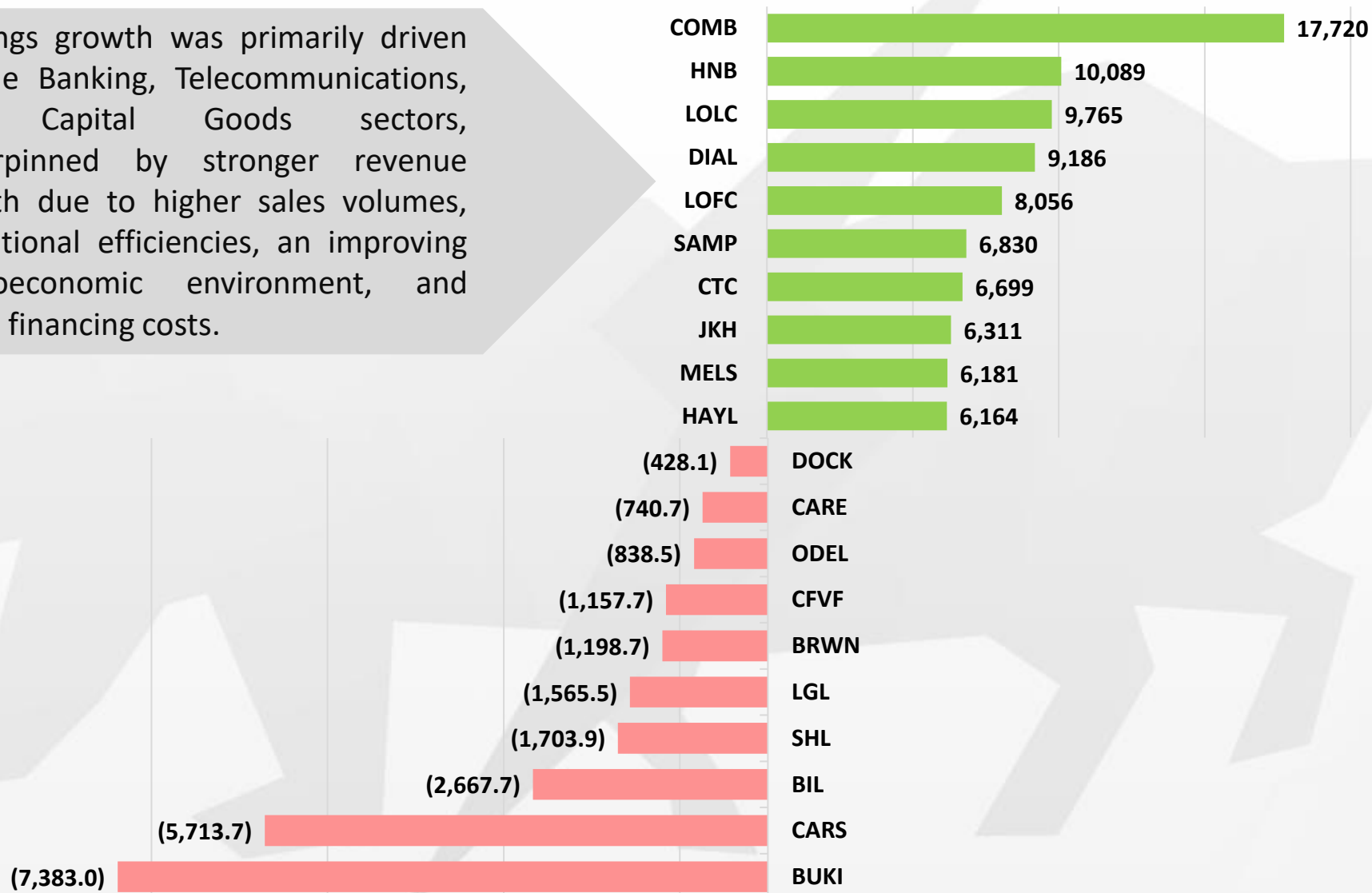
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Sector-wise breakdown of earnings (LKR Mn)



Top 10 Profit- and Loss-making companies in 1Q2026/4QFY26

Earnings growth was primarily driven by the Banking, Telecommunications, and Capital Goods sectors, underpinned by stronger revenue growth due to higher sales volumes, operational efficiencies, an improving macroeconomic environment, and lower financing costs.



*LKR Mn

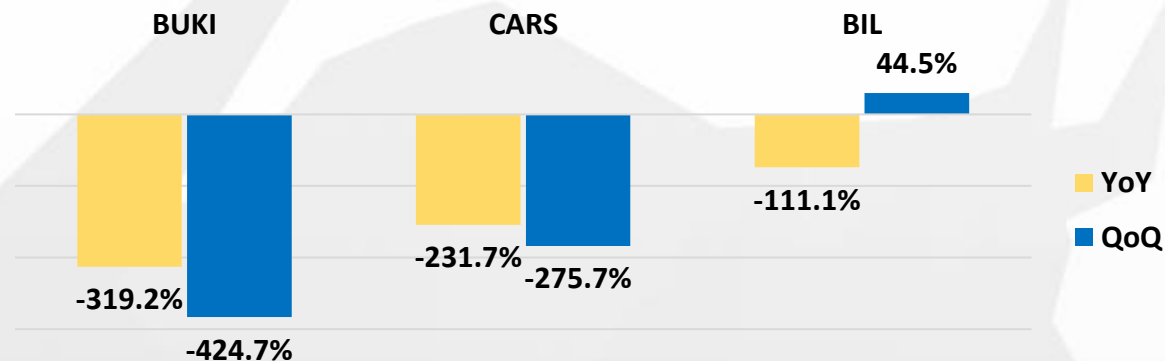
Earnings insight – Sector wise

The **Food, Beverage & Tobacco** sector reported a sharp earnings decline of 73.8%YoY and 55.0%QoQ in Mar-26. The contraction was primarily driven by a high base effect from the LKR 35.0Bn one-off gain recognized by BIL in Mar-25. Further weighing on sector profitability, BIL swung to a loss in Mar-26 as a higher cost base resulted in an earnings decline of 111.1%YoY. In addition, CARS and BUKI faced headwinds from a one-off administrative fine imposed on their Indonesian subsidiary, Goodhope Asia Holdings Ltd, leading to earnings contractions of 231.7%YoY and 319.2%YoY, respectively. Despite the pressure on earnings, BUKI and BIL continued to deliver double-digit revenue growth, while CARS was the exception, recording a decline in topline performance. Furthermore, adverse weather conditions and cost headwinds drove losses at KAHA, BALA, MAL, MADU, and AGAL, whilst by strong earnings growth across CTC, MELS, DIST, CCS, LION, BREW, GRAN, LMF, and SUN was also observed due to robust revenue increments.

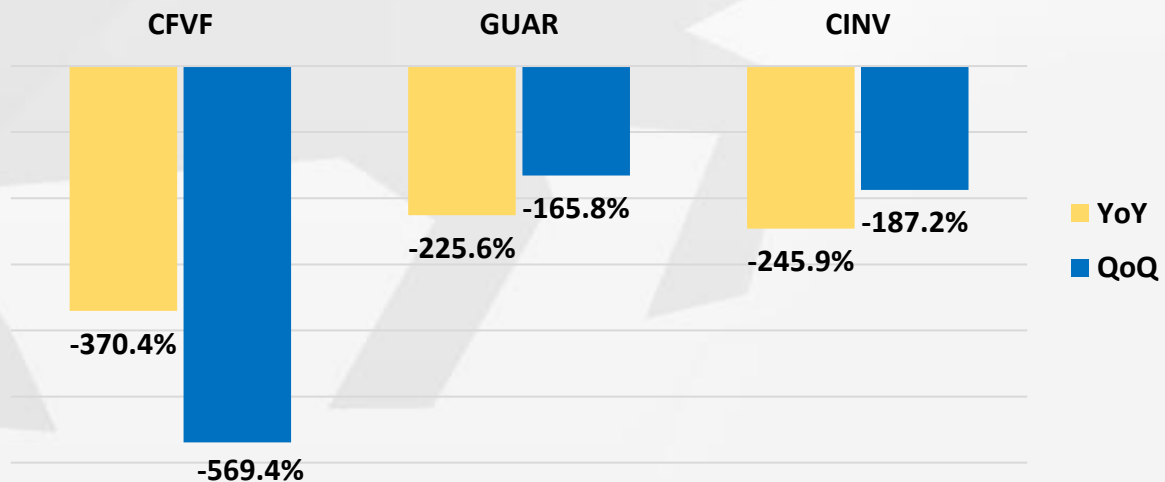
The **Diversified Financials** sector reported a 5.0%YoY decline in earnings, despite a 12.8%QoQ increase. The decline was largely driven by CFVF, which recorded mark-to-market losses on its financial assets as market yields moved higher amid heightened geopolitical tensions following the onset of the U.S.–Iran conflict. Accordingly, CFVF made a loss of LKR 1.2Bn during the quarter reflecting a 370.4%YoY and 569.4%QoQ decline. GUAR and CINV compounded the weakness, with combined earnings losses of LKR 587.6Mn serving as an additional drag on overall sector profitability. In contrast, other major financial companies posted robust earnings growth, supported by NII expansion driven by loan book growth, underpinned by higher vehicle imports and registrations. Sequentially, LOLC, LFIN, CFIN, PLC, VFIN, SFCL, HNBF, and SFIN all registered stronger profitability versus 4QFY25.

Counters with the most significant decline in earnings

Food, Beverage & Tobacco



Diversified Financials

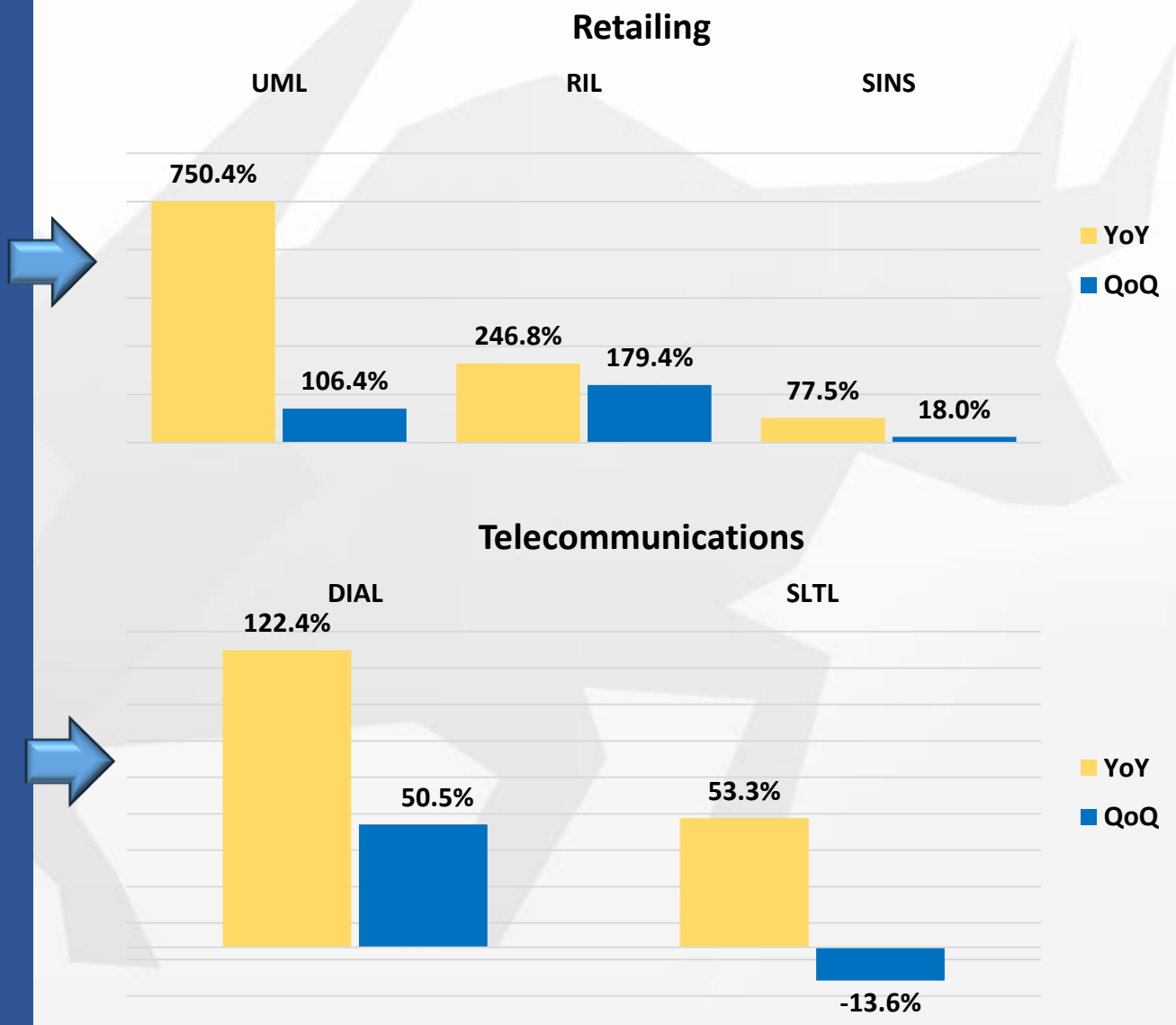


Earnings insight – Sector wise

The **Retailing sector** emerged as the top-performing sector in Mar-26, posting earnings growth of +404.6%YoY and +62.5%QoQ. The primary catalyst was a significant rise in vehicle imports over Jan-Mar 26, which drove higher vehicle sales and propelled UML earnings +750.4%YoY to LKR 2.1Bn (vs. LKR 248.8Mn in the prior year period). RIL reflected a similar trajectory, with earnings advancing +246.8YoY to LKR 2.6Bn (vs. LKR 750.6Mn in 4QFY25), supported by the strong performance of UML and PAP and >300%YoY revenue growth. SINS contributed positively, with earnings expanding +77.5%YoY alongside 47.4%YoY revenue growth, driven by heightened demand for electronic appliances amid higher imports and continued GDP expansion.

The **Telecommunications sector** posted a strong Mar-26 quarter, with aggregate earnings advancing +99.8%YoY (+26.9%QoQ), driven by solid performances from both DIAL and SLTL on the back of subscriber growth and higher ARPU. DIAL was the key contributor, with 1Q2026 earnings surging +122.4%YoY (+50.5%QoQ) alongside revenue growth of +9.0%YoY (+2.0%QoQ). A significant tailwind came from the deliberate scaling back of the low-margin International Wholesale Business, which drove a meaningful improvement in the cost structure; the cost-to-revenue ratio compressing 580bps YoY to 48.7% in 1Q2026 from 54.5% in 1Q2025. ARPU trends remained healthy, with the mobile and home businesses recording double-digit growth and television delivering single-digit expansion, while subscriber bases expanded +3%, +1%, and +2% across mobile, home, and television segments, respectively. SLTL similarly delivered a solid quarter, with +10.6%YoY revenue growth and EBIT margin expansion underpinning a +53.3%YoY earnings uplift in 1Q2026.

Counters with the most significant growth in earnings



Thank you!

*“SUCCESSFUL INVESTMENTS IS ABOUT
MANAGING RISKS”*



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