

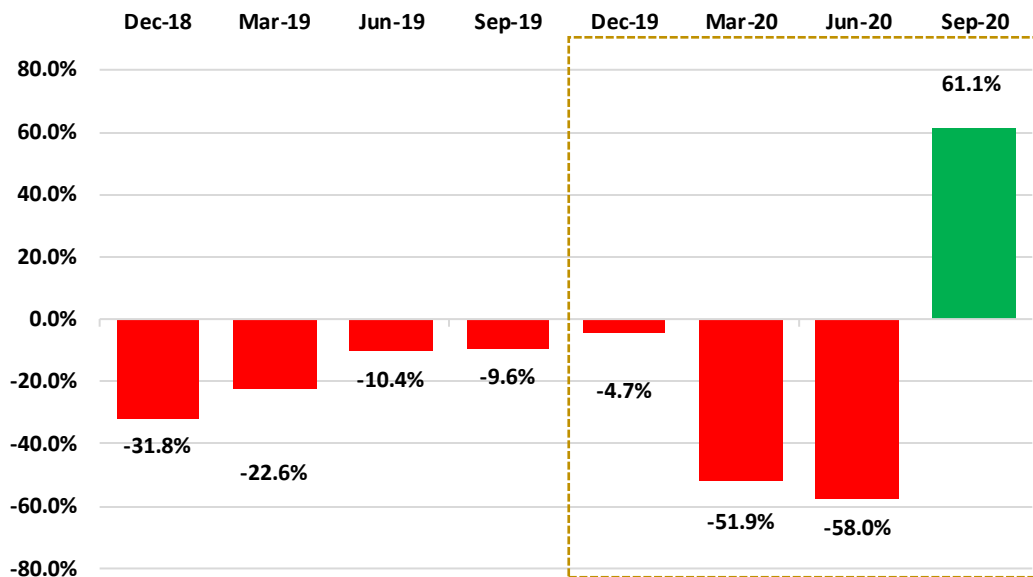


Quarterly Results Review

Quarter: Sep 2020

Super September advances on healthy earnings in most sectors owing to recovery from C-19

Market Earnings YoY Growth (%) for all listed entities



Sep 2020 quarter earnings surged by 61.1%YoY for 268 companies: September quarter earnings surged by 61.1%YoY to LKR 73.9Bn owing to the robust performance in most of the sectors primarily led by Food, Beverage & Tobacco (96%YoY), Transportation (578%YoY), Capital Goods (112%YoY) and Materials (154%YoY). However, sluggish quarterly performance was witnessed on Consumer Services (-32%YoY), Banks (-17%YoY) and Real Estate (-37%YoY).

Food, Beverage & Tobacco, Transportation, Capital Goods and Materials sectors perform vigorously: Resilient performance in Food, Beverage & Tobacco, Transportation, Capital Goods and Materials witnessed significant recovery on the back of recommencement of economic activities. CTC's earnings was up by 9%YoY on the back of volume growth while earnings of MELS spiked by 193%YoY through the positive contribution from the Beverage segment and LION's earnings was up by 17%YoY owing to the recovery in activities during the quarter amidst significant growth in Beer exports. Consequently, led by the contribution from the above-mentioned counters, Food, Beverage & Tobacco sector earnings recorded an increase of 96%YoY. Transportation sector witnessed a growth of 578%YoY primarily driven by the super normal profits attained by EXPO (646%YoY) because of the pandemic situation where there was a surge in demand for emergency supplies via air freight into North American markets. Capital Goods witnessed a surge of 112%YoY, led by the growth in HAYL (19612%) boosted by the strong performance in Hand Protection, Purification Products, Agriculture and Plantation sectors. Lastly, Materials sector witnessed a growth of 154%YoY largely benefitted from the exceptional performance in TKYO (163%YoY) amidst the increased demand for cement mainly arising from the residential sector.

Consumer Services, Banks and Real Estate presented lackluster performance: Amid the prevalent situation, the hospitality industry continues to be adversely influenced, hence, Consumer Services sector earnings recorded a dip of 149%YoY. Banking sector witnessed a decline of 17%YoY largely driven by SAMP (-53%YoY) and COMB (-23%YoY) impacted by the increase in impairment. Real Estate sector earnings (-37%YoY) has slowed down due to the ongoing pandemic out of which OSEA witnessed a decline in earnings of 50%YoY chiefly due to the decrease in the sale of apartments by 81%YoY while rental income too dipped by 3%YoY.



Annexure 1 – Market Earnings Sector Summary



First Capital

Results Update

September 2020

Monday, December 7, 2020

Company	Quarter Earnings LKR 'mn					4 Qtr Trailing	
	2QFY21	2QFY20	YoY%	1QFY20	QoQ%	PER (x)	PBV (x)
	3Q2020	3Q2019	YoY%	2Q2020	QoQ%		
	2H2020	2H2019	YoY%	1H2019	HoH%		
<i>Consumer Durables & Apparel Earnings</i>	1,115	847	32%	-252	543%	25.5x	1.4x
<i>Retailing Sector Earnings</i>	1,480	-61	2511%	-410	461%	144.8x	0.8x
<i>Consumer Services Sector Earnings</i>	-5,597	-2,247	-149%	-7,778	28%	N/A	0.6x
<i>Automobiles & Components Sector Earnings</i>	316	109	189%	81	288%	11.3x	1.3x
<i>Food, Beverage & Tobacco Sector Earnings</i>	17,215	8,772	96%	6,953	148%	21.7x	2.3x
<i>Food & Staples Retailing Sector Earnings</i>	1,047	808	30%	193	441%	22.5x	2.1x
<i>Household & Personal Products Sector Earnings</i>	210	124	69%	119	77%	13.2x	2.0x
<i>Energy Sector Earnings</i>	413	535	-23%	-978	142%	N/A	1.1x
<i>Diversified Financials Sector Earnings</i>	11,284	7,006	61%	17,295	-35%	7.5x	0.9x
<i>Banks Sector Earnings</i>	13,160	15,797	-17%	11,504	14%	5.2x	0.5x
<i>Insurance Sector Earnings</i>	2,318	2,541	-9%	3,270	-29%	7.2x	1.0x
<i>Health Care Equipment & Services Sector Earnings</i>	1,135	725	57%	-849	234%	45.5x	1.9x
<i>Capital Goods Sector Earnings</i>	8,598	4,048	112%	-5,205	265%	41.6x	0.9x
<i>Commercial & Professional Services Sector Earnings</i>	177	-41	534%	43	317%	15.2x	1.1x
<i>Transportation Sector Earnings</i>	4,797	-1,003	578%	1,748	174%	0.0x	N/A
<i>Materials Sector Earnings</i>	7,080	2,793	154%	2,868	147%	9.0x	1.9x
<i>Real Estate Sector Earnings</i>	1,345	2,136	-37%	597	125%	10.6x	0.6x
<i>Telecommunications Sector Earnings</i>	6,962	2,973	134%	5,016	39%	8.4x	1.0x
<i>Utilities Sector Earnings</i>	817	481	16%	456	79%	9.5x	1.6x
<i>Closed End Funds Sector Earnings</i>	20	13	55%	35	-43%	65.2x	1.1x
Market Valuations						13.6x	1.0x
Market Earnings - September 2020	73,890	45,859	61%	17,696	318%	268	
Market Earnings - June 2020	34,694	54,656	-37%	33,556	3%	267	
Market Earnings - June 2020 (Adjusted)	17,696	42,126	-58%	33,556	-47%	267	



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