

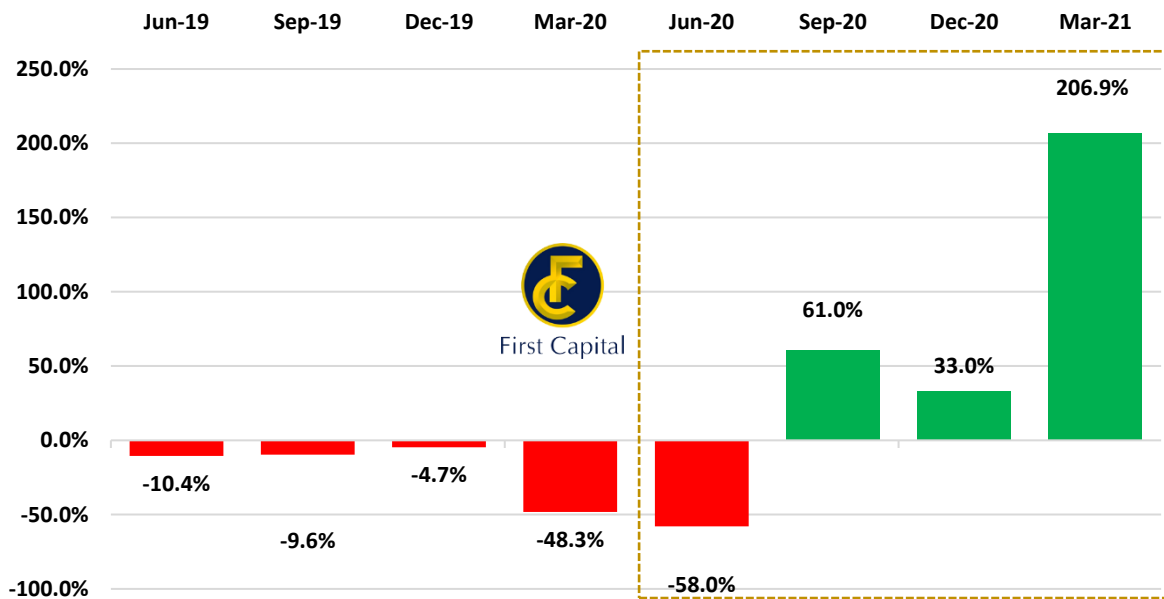


Quarterly Results Review

Quarter: Mar 2021

Robust performance in multiple sectors support to hit all-time high Qtr. earnings

Market Earnings YoY Growth (%) for all listed entities



Mar 2021 quarter earnings surged by 207%YoY for 253 companies: March quarter earnings surged by 207%YoY to LKR 110.8Bn led by Diversified Financials (988%YoY), Capital Goods (214%YoY), Food, Beverage & Tobacco (669%YoY), Banks (70%YoY) and Materials (267%YoY). However, sluggish quarterly performance was witnessed on Consumer Services (-643%YoY) and Real Estate (-19%YoY) Consumer Durable & Apparel (-170%YoY) and Insurance (-4%YoY).

Multiple sectors perform energetically: Diversified Financials, Food, Beverage & Tobacco, Capital Goods, Banks and Materials sectors were witnessed exceptional results. Diversified Financials recorded a growth of 988%YoY primarily driven by the growth in LOLC (7,781%YoY) boosted by net other income and PLC (2,936%) owing to the reduction in impairment. Food, Beverage and Tobacco sector earnings grew 669%YoY to LKR 16.7Bn led by MELS, NEST BUKI and CARS. MELS earnings spiked by 255%YoY due to increase in other income and lower taxation rate. Capital goods sector witnessed a growth of 214%YoY benefited from remarkable performance in HAYL (1,417%) due to the strong performance in Hand Protection and Consumer & Retail segments while also benefiting from currency depreciation. Further the sector was benefited by TILE (962%YoY), LWL (1,753%) and RCL (330%YoY) supported by the import restrictions. Banks witnessed a 70%YoY growth in earnings to record at LKR 24.8Bn primarily driven by COMB (79%YoY), SAMP (91%) and HNB (55%). Profits were boosted due to financial investment gains (forex and market to market gains) coupled with reduction in impairment provisioning. Material sector witnessed a 267%YoY largely benefited by DYPD (1448%YoY), LLUB (198%YoY) and TKYO (92%YoY).

Consumer Services and Real Estate illustrated dull performance: However, the Tourism industry continued to be adversely influenced, hence, Consumer Services sector earnings recorded a dip of 643%YoY. Real Estate sector earnings (-19%YoY) have slowed down due to the ongoing pandemic, out of which RIL and SHAW witnessed a decline in earnings by 65%YoY and 89%YoY, respectively.



Annexure 1 – Market Earnings Sector Summary



First Capital

Results Update

March 2021

Friday, June 4, 2021

Company	Quarter Earnings LKR 'mn					4 Qtr Trailing	
	4QFY21	4QFY20	YoY%	3QFY21	QoQ%	PER (x)	PBV (x)
	1Q2021	1Q2020	YoY%	4Q2020	QoQ%		
	1H2021	1H2020	YoY%	2H2020	HoH%		
<i>Consumer Durables & Apparel Earnings</i>	-134	191	-170%	-594	77%	482.2x	1.4x
<i>Retailing Sector Earnings</i>	1,153	-849	236%	884	30%	16.8x	0.8x
<i>Consumer Services Sector Earnings</i>	-4,606	-620	-643%	-5,682	19%	N/A	0.6x
<i>Automobiles & Components Sector Earnings</i>	268	93	189%	300	-11%	7.2x	1.2x
<i>Food, Beverage & Tobacco Sector Earnings</i>	16,747	2,178	669%	16,567	1%	14.4x	2.0x
<i>Food & Staples Retailing Sector Earnings</i>	3,286	1,350	143%	1,456	126%	16.6x	2.0x
<i>Household & Personal Products Sector Earnings</i>	134	89	51%	171	-21%	11.8x	1.8x
<i>Energy Sector Earnings</i>	974	-346	381%	687	42%	51.0x	0.9x
<i>Diversified Financials Sector Earnings</i>	21,718	1,996	988%	16,440	32%	7.1x	1.0x
<i>Banks Sector Earnings</i>	24,881	14,626	70%	18,720	33%	5.3x	0.5x
<i>Insurance Sector Earnings</i>	2,885	2,994	-4%	6,540	-56%	6.5x	0.9x
<i>Health Care Equipment & Services Sector Earnings</i>	2,325	368	532%	1,689	38%	15.4x	1.9x
<i>Capital Goods Sector Earnings</i>	22,323	7,099	214%	13,657	63%	18.0x	1.0x
<i>Commercial & Professional Services Sector Earnings</i>	300	-108	378%	89	238%	5.4x	0.8x
<i>Transportation Sector Earnings</i>	3,999	-445	998%	4,551	-12%	6.1x	3.9x
<i>Materials Sector Earnings</i>	7,956	2,168	267%	6,731	18%	7.0x	1.8x
<i>Real Estate Sector Earnings</i>	1,575	1,935	-19%	804	96%	14.3x	0.6x
<i>Telecommunications Sector Earnings</i>	4,592	3,366	36%	4,568	1%	8.0x	1.0x
<i>Utilities Sector Earnings</i>	457	62	20%	889	-49%	19.1x	1.4x
Market Valuations						11.1x	1.1x
Market Earnings - Mar 2021	110,833	36,146	207%	88,614	25%		253
Market Earnings - Dec 2020	88,614	66,483	33%	73,890	20%		270



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