



HAYLEYS PLC [HAYL.N0000]

MAINTAIN BUY

“GRIPPING TIGHT WITH MANY HOOKS”

Fair Value: FY23E - LKR 125.0 [+26%]

Total Return with DPS: FY23E - 31% [AER 68%]

FY24E - LKR 140.0 [+41%]

FY24E - 50% [AER 31%]

HAYL delivered exceptional results during 1QFY23 posting an earnings growth of 383.0% to LKR 10.5Bn compared to LKR 2.2Bn recorded in 1QFY22. Outstanding results by multiple sectors enhanced the EBIT by 177.7% to LKR 18.2Bn highlighting the noteworthy contribution from Transportation and Logistics sector with a growth of 226.0% to LKR 4.9Bn. Elevated freight rates and resumption of global trades during 1QFY23 have positively impacted the sector performance. Moreover, major export earning sectors including Purification, Textiles, Hand Protection and Eco Solutions generated remarkable performance during the quarter which collectively accounted for c. 34.0% of the growth in EBIT. Additionally, Agriculture and Plantation sectors benefited from the LKR depreciation as well as the surge in prices of key export crops, Tea and Rubber. Despite the stagnated revenue, Consumer & Retail sector significantly enhanced the margins impacting positively on the bottom-line. Considering the multiple growth avenues which overshadow the effect of any underperforming sectors coupled with greater resilience, we enhanced the fair value target of HAYL to LKR 125.0 (previous – LKR 98.0) for FY23E and LKR 145.0 (previous – LKR 109.0) for FY24E with a capital gain of 26.0% and 41.0%, respectively.

MAINTAIN BUY

LKR (Mn)	1QFY22	1QFY23	YoY	FY21	FY22	YoY
Earnings (LKR 'Mn)						
Revenue	70,611	123,641	+75.1%	241,276	338,010	+40.1%
Gross profit	16,305	32,477	+99.2%	61,159	77,374	+26.5%
EBIT	6,536	18,154	+177.7%	25,954	33,594	+29.4%
PBT	4,840	20,008	+313.3%	19,526	36,098	+84.9%
Net Profit (Equity Holders)	2,171	10,489	+383.0%	7,637	18,257	+139.0%
Balance Sheet (LKR 'Mn)						
Shareholders' Equity	49,505	79,256	+60.1%	47,618	67,390	+41.5%
Borrowings	135,153	193,476	+43.2%	114,462	171,934	+50.2%
NAVPS	66.0	105.7		63.5	89.9	

Earnings magnified by 383.0%YoY aided by multiple sectors

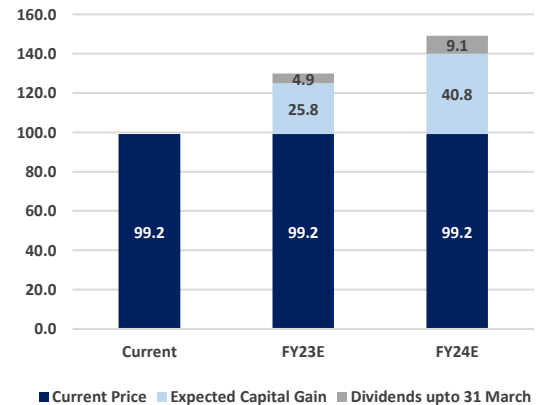
HAYL recorded outstanding earnings growth of 383.0%YoY to LKR 10.5Bn owing to exceptional performance in multiple sectors. The overall revenue grew by 75.1%YoY to LKR 123.6Bn compared to LKR 70.6Bn recorded in 1QFY22. Transportation and Logistics sector highlighted as the key contributor to the revenue growth recording LKR 35.9Bn (+191.6%YoY). Textiles and Purification sectors contributed via adding LKR 15.0Bn (+159.5%YoY) and LKR 14.9Bn (+101.4%YoY) to the group revenue respectively. Agriculture and Plantation sector also delivered noteworthy contribution to the revenue posting a growth of 65.8%YoY to LKR 8.4Bn and 64.0%YoY to LKR 7.4Bn, respectively. All remaining sectors, except for Consumer & Retail and Other sectors, contributed positively towards the growth in revenue while Consumer & Retail and Other sectors got severely impacted by the import restrictions on consumer durables, shortage of foreign currency and steep depreciation in LKR.

Transportation and Logistics thrived on increased global trade volumes and freight rates

Transportation and Logistics sector of HAYL, led by Hayleys Advantis which represented 29.0% of revenue in 1QFY23, delivered an impressive contribution to the EBIT growth recording an operating profit of LKR 4.8Bn (+226.0%YoY) compared to LKR 1.5Bn in 1QFY22. Increase in global trade volumes and higher freight rates coupled with steep depreciation in LKR against USD have impacted positively on the results of the sector. Global trade volumes which were suppressed by the Covid-19 pandemic witnessed a recovery since 2HFY22 driven by the pickup in industrial activities. Moreover, despite the declining trend in global freight rates from its all-time high levels, the rates remain well above the average rates prevailed during 1QFY22. Additionally, increased demand for warehousing and related services due to panic stockpiling in responding to the looming recessionary outlook may also have supported the volumes of the Transportation and Logistics arm of HAYL. Above all, as a major foreign income earner in the group, this sector was largely benefited out of the steep depreciation in LKR against USD (LKR depreciated by c. 74.0% in 1QFY23 compared to the average exchange rate prevailed during 1QFY22). However, it is expected to experience a temporary decline in volumes during the coming quarters due to the recessionary outlook in the USA and Western Europe. However, it is believed that the Asia Pacific's emerging markets may support the global growth during this period where HAYL has an edge in having its operations dispersed across Asia Pacific region including India, Bangladesh, Maldives, Myanmar and Singapore.

SUMMARY OF RECOMMENDATIONS

HAYL.N0000	MAINTAIN BUY
Fair Value – FY23E	LKR 125.0
Fair Value – FY24E	LKR 140.0
HAYC.N0000 (Page 3)	BUY
Fair Value – FY23E	LKR 85.0
Fair Value – FY24E	LKR 105.0
DIPD.N0000 (Page 4)	SELL
Fair Value – FY23E	LKR 45.0
Fair Value – FY24E	LKR 50.0

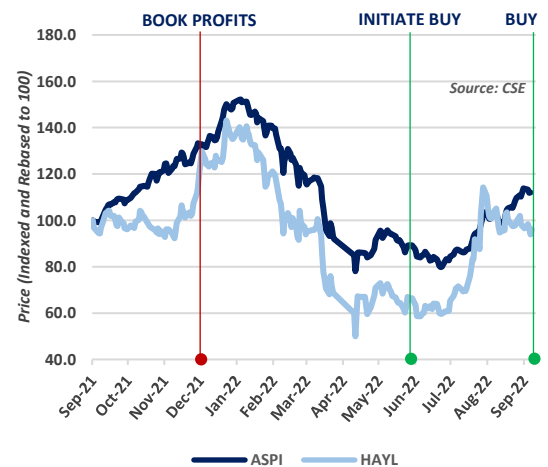


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Price movement of HAYL vs ASPI (Indexed and Rebased to 100)



Minimum Return for BUY:

Buy Below FY23E - [AER of 20% with DPS]: LKR 118.0
HAYL categorized as 'Grade A' counter

Disclosure on Shareholding:

First Capital Group or the covering analyst did not hold 1% or more of the total outstanding share capital of HAYL during the five trading days prior to the issuance of this document.

Textiles Sector emerged as the largest contributor to the export revenue

Textile sector led by Hayleys Fabric, accounted for 12.0% of the total revenue in 1QFY23 while emerging as the top contributor to the HAYL's export revenue. Despite the boost in revenue due to steep depreciation of LKR, the dollar earnings of the sector also improved during the quarter owing to the increase in capacities over developed synergies and capabilities following the acquisition of South Asia Textiles (SAT). Textiles sector also delivered a noteworthy contribution to EBIT growth of HAYL recording LKR 1.0Bn of EBIT with a growth of 199.0%YoY. The sector grappled with increased cost of production due to higher input costs stemming from all-time high cotton prices and crude oil prices which prevailed throughout the quarter. However, towards the latter part of the quarter, both cotton and crude oil prices exhibited some ease off and displayed a downward momentum during the 2QFY23. Accordingly, cotton prices tumbled c. 37.0% from its peak in May-22 and crude oil prices plunged by c. 31.0% from its peak in Mar-22. Expecting a slowdown in the global economy, the commodity prices are set for a further declining trend benefitting the Textiles sector to reduce the cost of production thereby, enjoy enhanced margins in the coming quarters. Moreover, despite an overall volume shrinkage over the looming recessionary environment, HAYL's Textile sector has the capacity to wider their market share through 'China Plus One' strategy as well as customer localization strategy by catering the untapped local demand for textile and textile articles in the country.

Strong export performance in Purification sector while Hand Protection sector moderated

Purification sector represented by Haycarb (HAYC) also contributed for 12.0% of the total revenue with an EBIT contribution of LKR 2.6Bn (+263.0%YoY) compared to LKR 0.7Bn recorded in 1QFY22. Steep depreciation in LKR coupled with volume growth has induced the growth in the sector. In contrast, Hand Protection sector led by Dipped Products (DIPD) delivered a moderate revenue growth of 8.7%YoY accounting for nearly 11.0% of the total revenue. The sector contribution to the EBIT was LKR 1.9Bn representing a growth of 52.0%YoY. Detailed analysis and valuations of HAYC and DIPD are available in page 3 and 4.

Agriculture and Consumer & Retail sectors flourished with improved EBIT margins

Despite posting a negative top-line growth, Consumer & Retail sector contributed LKR 2.7Bn for EBIT with a growth of 108.6%YoY mainly due to the alteration in sourcing strategies due to the constraints on foreign exchange liquidity. Despite the limited availability of imported consumer durables at stores, locally sourcing strategies have negated the impact on EBIT stemming from the static top-line. Moreover, increased demand for electronic products due to import restrictions coupled with frequent repricing to incorporate high cost of imported raw materials and rising inflation led EBIT margins to significantly improve to 16.4% from 7.9% recorded in 1QFY22. On the other hand, Agriculture sector contributed LKR 2.4Bn for EBIT posting a growth of 379.6%YoY. The sector benefited out of the steep depreciation in LKR which was further pampered by the improved operating results in Bangladesh which expanded with a new seed processing facility in supporting greater market penetration in the region. Furthermore, Sri Lankan operations also improved following the lifting of ban on chemical fertilizer in Sep-21 which increased the harvest, where HAYL act as an intermediary to connect local farmers to global supply chains. EBIT margin of the Agricultural sector notably expanded to 28.3% from 9.8% recorded in 1QFY22.

Plantation sector boomed with heightened Tea and Rubber prices

Plantation sector, represented by Kelani Valley Plantations and Talawakele Tea Estates, contributed LKR 1.2Bn for EBIT with a growth of 181.4%YoY. Steady export demand and increased prices of Tea and Rubber coupled with steep depreciation of LKR supported the improved results of the sector. Although the harvest got impacted with the ban on chemical fertilizer imports, unfavourable weather conditions, labour issues and rubber plant disease, the continuous increase in auction prices have negated the impact on the top-line. Moreover, Talawakele estate, being ranked as the 2nd in Asia may also have helped to retain the export demand for its quality while crop diversification also helped to enhance the sector performance.

FV raised to LKR 125.0 for FY23E and LKR 140.0 for FY24E - MAINTAIN BUY

Considering the growth potential stemming from multiple avenues while attributing greater prospects for Purification and Textile sector which are largely benefited by the higher forex rate, followed by resilience in Eco Solutions, Agriculture and Power & Energy sectors together with the high growth potential in Construction Materials, Transportation & Logistics and Consumer & Retail sectors which are tight to the global and domestic economic growth, we have revised upwards the earnings forecast for FY23E by 24.0% to LKR 23.0Bn and FY24E by 2.0% LKR 19.6Bn. Accordingly, the fair value for HAYL raised to LKR 125.0 for FY23E and LKR 140.0 for FY24E with an upside of 26.0% and 41.0%, respectively. **MAINTAIN BUY**



HAYCARB PLC [HAYC.N0000]

RECOMMENDATION - BUY

Fair Value: FY23E - LKR 85.0 [+13%]

Total Return with DPS: FY23E - 17% [AER 35%]

FY24E - LKR 105.0 [+40%]

FY24E - 47% [AER 29%]

Earnings delivered a massive growth of 553.9%YoY supported by the solid top-line

HAYC reported an earnings growth of 553.9%YoY to LKR 2.9Bn in 1QFY23 compared to LKR 0.4Bn recorded in 1QFY22. Steep depreciation in LKR coupled with a volume growth ranging from 9.0%-10.0% supported the top-line to grow by 103.4%YoY to LKR 15.0Bn contributing for a significant portion of bottom-line growth. Despite supply chain disruptions and higher distribution costs due to elevated freight rates, top-line delivered a solid growth owing to the resilience in demand for HAYC's major product categories including Air & Gas, Water and Gold which produce a higher contribution to both top-line and bottom-line performance. The positive global outlook of the activated carbon market is expected to be a major benefactor for HAYC which positioned itself as the largest producer of activated coconut shell carbon in the world possessing a market share of c. 16.0%. Accordingly, global activated carbon market is poised for growth by 8.0%-9.0% annually in the future. Moreover, given the essentiality of the supplies by HAYC (water and air purification) and the active involvement in majority of the government projects, the looming recessionary impact is projected to be minimal.

GP margin expanded to 27.7% in 1QFY23 from 21.3% in 1QFY22.

Strong revenue growth during the quarter induced GP margin to expand by 641bps to 27.7% compared to 21.3% in 1QFY22 negating the negative impact of the increased prices of coconuts during the quarter. However, during the latter part of the quarter, coconut prices started to ease off due to supply surpluses. Moreover, EBIT margin also posted an improvement of 752bps to 17.1% compared to 9.6% in 1QFY22. Dwindling input prices coupled with declining distribution costs supported by lower freight rates are expected to sustain GP margins at 25.0%-26.0% levels and EBIT margins at 13.0%-14.0% levels during the forecast period.

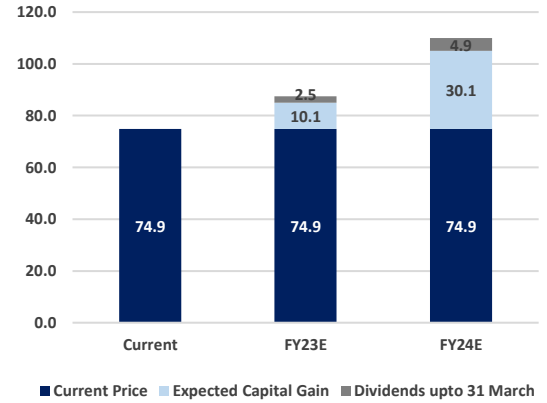
Capacity expansions to gain more market share with further operational diversification.

HAYC already deployed capacity expansion of 1,800MT during FY22 and further capacity expansions and process enhancements are underway for FY23E across all facilities. Additionally, continuous product developments and addition of value-added products to the portfolio are identified as key drivers in acquiring market share in this growing industry. Moreover, HAYC is also planning to extend its geographical presence via stretching its manufacturing footprint. Therefore, these capacity expansions may further solidify the growth potential of HAYC along with better diversification of operational risks.

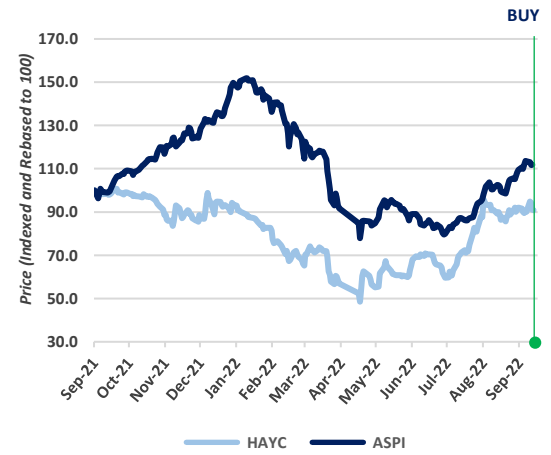
FV estimated at LKR 85.0 for FY23E and LKR 105.0 for FY24E - BUY

Considering the resilience in key revenue streams, strong growth outlook of the industry and expected margin enhancements coupled with sizeable forex gains realized in 1QFY23, we estimated HAYC's earnings for FY23E at LKR 4.9Bn and FY24E at LKR 4.8Bn. Accordingly, the fair value estimated at LKR 85.0 for FY23E and LKR 105.0 for FY24E with a capital gain of 13.0% and 40.0%, respectively. **BUY**

P/E 31 March	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Estimates (LKR 'Mn)							
Revenue	20,918	22,823	25,485	33,160	46,425	53,388	62,998
Gross Profit	4,039	5,390	7,537	7,218	11,606	13,881	15,750
EBIT	1,525	2,502	4,436	3,079	5,903	7,322	8,640
Net Profit (Equity Holders)	955	1,559	3,047	3,288	4,938	4,838	5,806
Adjusted EPS (LKR)	3.6	5.9	10.3	11.1	16.6	16.3	19.5
YoY Growth (%)	40%	63%	73%	8%	50%	-2%	20%
Valuations							
PER (x)	20.6	12.6	7.3	6.8	4.5	4.6	3.8
PBV (x)	2.7	2.4	1.7	1.2	1.0	0.9	0.8
DY (%)	1.1%	2.0%	4.9%	6.3%	6.7%	6.5%	9.1%
NAVPS	27.8	31.4	45.1	61.2	72.8	84.2	96.9
DPS (LKR)	0.8	1.5	3.7	4.7	5.0	4.9	6.8
Dividend Payout	22%	25%	36%	42%	30%	30%	35%



Price movement of HAYC vs ASPI (Indexed and Rebased to 100)



Source: CSE

Minimum Return for BUY:

Buy Below FY23E - [AER of 23% with DPS]: LKR 78.0
HAYC categorized as 'Grade B' counter

Disclosure on Shareholding:

First Capital Group or the covering analyst did not hold 1% or more of the total outstanding share capital of HAYC during the five trading days prior to the issuance of this document.



DIPPED PRODUCTS PLC [DIPD.N0000]

RECOMMENDATION – SELL

Fair Value: FY23E - LKR 45.0 [+4%]

Total Return with DPS: FY23E - 7% [AER 13%]

FY24E - LKR 50.0 [+15%]

FY24E - 21% [AER 13%]

Earnings grew by 197.0%YoY pushed by revenue increase of 23.5%YoY

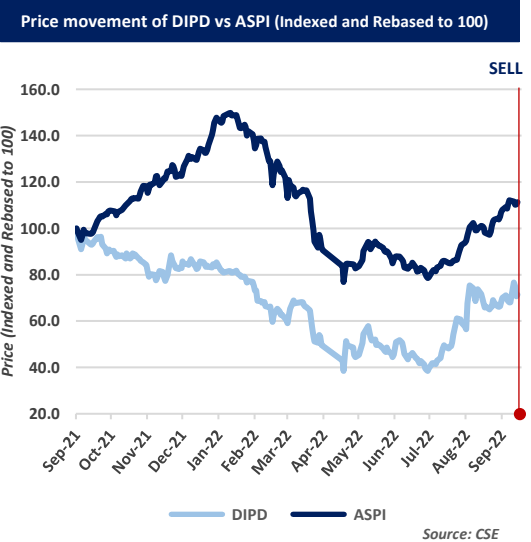
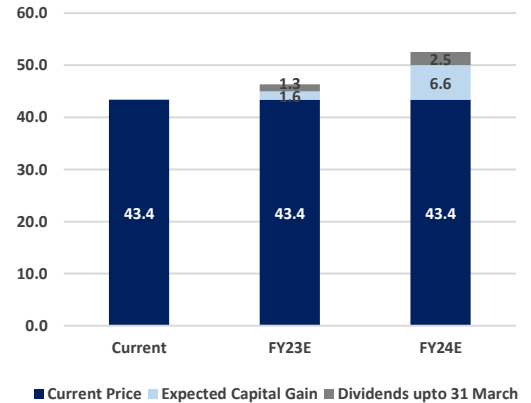
DIPD earnings for 1QFY23 recorded at LKR 3.7Bn striking a growth of 197.0%YoY compared to LKR 1.2Bn recorded in 1QFY22. Steep depreciation in LKR during the period and the exceptional revenue contribution from the Plantation sector fueled the overall top-line growth negating the adverse impact from the steep decline in global glove prices. Accordingly, revenue from Plantation sector recorded a growth of 62.5%YoY to LKR 7.4Bn while Hand Protection sector grew by only 8.7%YoY to LKR 13.4Bn owing to the plunge in global glove prices by c. 25.0% as the demand started to slow down following the surge in demand for medical gloves witnessed during the pandemic era. Additionally, contraction in global industrial activities may also have impacted the demand for gloves. DIPD also encountered reduction in volumes during the period which is currently hovering at the levels prevailed during pre-pandemic. However, significant capacity expansions undertaken during FY22 which increased the total manufacturing capacity by 16.0% and the continuous investment in innovation and product development coupled with market position and the brand name may give DIPD the opportunity to cater for a larger market share. However, DIPD may also has to face greater threat from competition in acquiring additional market share in the midst of stagnated demand.

GP margin enhanced by 593bps to 25.8% in 1QFY23, yet the sustainability is in doubt

GP margin for 1QFY23 enhanced by 593bps to 25.8% compared to 19.9% recorded in 1QFY22. Notable increase in top-line accounted for a significant portion of the growth amidst the continuous rise in prices of natural and synthetic rubber inputs. Therefore, sustainability of high margins may not be viable in the long run given the gloomy outlook of the global economy coupled with the fluctuation of rubber prices caused by the supply side volatilities. On the other hand, higher prices for Tea and Rubber have benefitted the Plantation sector which posted an EBIT growth of 153.1%YoY to LKR 1.1Bn compared to LKR 0.4Bn in 1QFY22. However, higher prices may not sustain for long term with the negative momentum in commodity prices and the remedial actions that are been taken across the globe to tame the inflation which may negatively impact on the prices of these key export commodities.

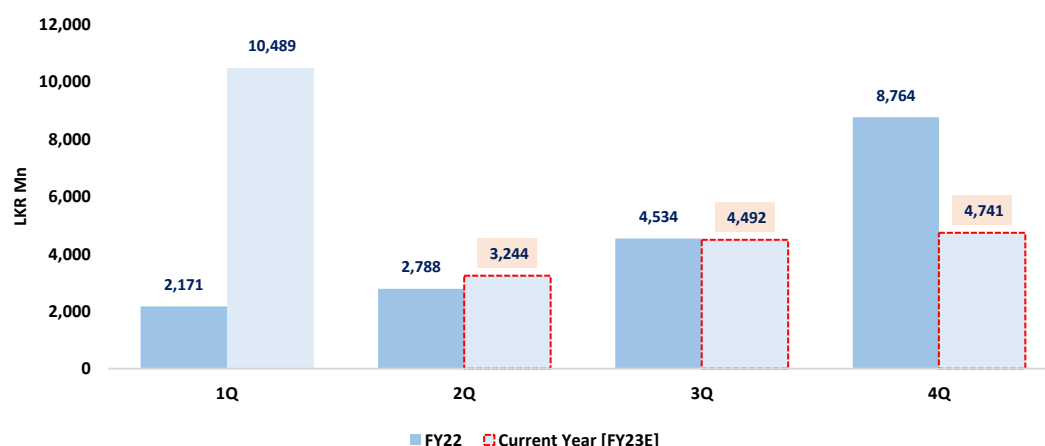
FV estimated at LKR 45.0 for FY23E and LKR 50.0 for FY24E – SELL

Despite the short-term boost in earnings stemming from DIPD’s foreign earnings, the long-term effect of the declining volumes and downward adjustment in global glove prices may weigh high on the future growth potential of DIPD. Therefore, we estimated the fair value at LKR 45.0 for FY23E and LKR 50.0 for FY24E, respectively. Despite leaving some probability of a sentiment driven upside movement, we opted for a sell recommendation on DIPD as the current price of the counter floats around our estimated fundamental value. **SELL**



P/E 31 March	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Estimates (LKR 'Mn)							
Revenue	30,089	30,563	46,387	55,294	74,647	83,605	93,637
Gross Profit	4,946	4,704	11,830	10,733	14,929	16,094	16,340
Profit Before Tax	1,643	1,160	7,191	7,597	7,438	6,645	6,622
Net Profit (Equity Holders)	868	748	5,164	5,383	5,335	4,767	4,750
Adjusted EPS (LKR)	1.5	1.2	8.6	9.0	8.9	8.0	7.9
YoY Growth (%)	75%	-14%	590%	4%	-1%	-11%	0%
Valuations							
PER (x)	29.9	34.7	5.0	4.8	4.9	5.5	5.5
PBV (x)	2.0	1.9	1.4	1.0	0.8	0.7	0.7
DY (%)	1.0%	0.9%	5.3%	5.8%	6.2%	5.5%	5.5%
NAVPS	22.1	23.4	32.0	44.0	51.8	58.8	65.8
DPS (LKR)	0.5	0.4	2.3	2.5	2.7	2.4	2.4
Dividend Payout	31%	32%	27%	28%	30%	30%	30%

Quarterly Earnings - HAYL



Estimate Revision - HAYL

In LKR Mn	FY23E - O	FY23E - R	% Change	FY24E - O	FY24E - R	% Change
Earnings Estimate						
Revenue	426,327	458,872	+8%	480,512	529,374	+10%
Gross profit	100,187	110,129	+10%	112,920	132,343	+17%
EBIT	45,355	51,256	+13%	46,924	56,330	+20%
Profit before tax	38,054	51,609	+36%	39,398	46,461	+18%
Net Profit	18,586	22,966	+24%	19,200	19,632	+2%
EPS	24.8	30.6		25.6	26.2	
Growth YoY	2%	26%		3%	-15%	
Balance Sheet Estimate						
Shareholders' Equity	83,374	86,681	+4%	67,522	70,808	+5%
Borrowings	118,540	148,201	+25%	105,958	134,882	+27%
NAVPS	111.2	115.6		133.2	137.6	
Ratio Estimate						
ROE (%)	24.7%	29.8%		25.4%	24.9%	
PER (x)	2.8	3.2		2.7	3.8	
PBV (x)	0.6	0.9		0.5	0.7	

Valuation Table - HAYL

P/E 31 March	FY19	FY20	FY21	FY22E	FY23E	FY24E	FY25E
Estimates (LKR 'Mn)							
Revenue	219,182	210,307	241,276	338,010	458,872	529,374	624,421
Gross Profit	48,975	50,153	61,159	77,374	110,129	132,343	146,739
EBIT	15,989	16,473	25,954	33,594	51,256	56,330	70,146
Net Profit	265	372	7,637	18,257	22,966	19,632	25,478
Adjusted EPS	0.4	0.5	10.2	24.3	30.6	26.2	34.0
YoY Growth (%)	-74%	40%	1951%	139%	26%	-15%	30%
Valuations							
PER (x)	280.3x	199.8x	9.7x	4.1x	3.2x	3.8x	2.9x
PBV (x)	0.2x	0.2x	1.6x	1.1x	0.9x	0.7x	0.6x
DY (%)	0.5%	0.0%	1.3%	4.0%	4.9%	4.2%	5.5%
Adjusted NAVPS	536.6	529.4	63.5	89.9	115.6	137.6	166.1
DPS (LKR)	0.5	-	1.3	4.0	4.9	4.2	5.4
Dividend Payout	141%	0%	13%	16%	16%	16%	16%



Valuation Summary - HAYL

Expected HAYL Price	FY23E	FY24E
PER Valuation Based Target Price	122.5	130.9
SOTP Based Target Price	124.9	149.8
Average Target Price	123.7	140.4
Target Price (Round Off)	125.0	140.0

Return	FY23E	FY24E
Target Price	125.0	140.0
Current Price	99.2	99.2
Capital Gain (LKR)	25.8	40.8
Dividends (LKR)	4.9	9.1
Capital Gain %	26%	41%
Dividend Yield %	5%	9%
Total Return %	31%	50%
Annualized Return %	68%	31%

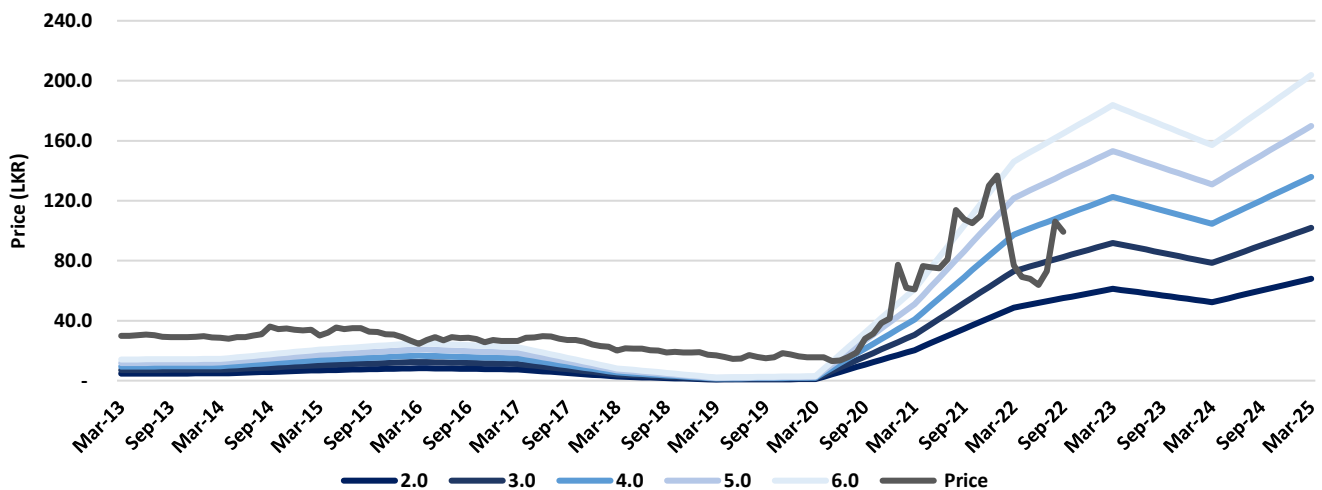
PER Valuation - HAYL

PER Based Valuation	FY23E	FY24E
Earnings (LKR 'Mn)	22,966	19,632
No. of Shares ('Mn)	750.0	750.0
EPS	30.6	26.2
Expected PER	4.0x	5.0x
Fair Value	122.5	130.9

SOTP Valuation - HAYL

Segment	Valuation Method	Valuation Assumptions				Value (LKR Mn)		Value per Share	% of Total
		Debt Ratio	CoE	WACC	Growth	Firm Value	% of Ownership		
Eco Solutions	DCF	7.9%	25.0%	23.5%	3.0%	2,399	65%	3.2	1.2%
Hand Protection	DCF	9.6%	25.0%	23.2%	3.0%	2,188	42%	2.9	1.1%
Purification Products	DCF	2.7%	25.0%	24.5%	3.0%	17,060	68%	22.7	8.8%
Textiles	DCF	21.9%	25.0%	21.0%	5.0%	11,346	59%	15.1	5.9%
Construction Materials	DCF	20.9%	25.0%	21.1%	3.0%	3,250	53%	4.3	1.7%
Agriculture	DCF	7.2%	25.0%	23.7%	3.0%	13,862	98%	18.5	7.2%
Plantations	DCF	6.5%	25.0%	23.8%	3.0%	9,425	70%	12.6	4.9%
Transportation & Logistics	DCF	25.5%	25.0%	20.3%	3.0%	34,046	90%	45.4	17.6%
Consumer & Retail	DCF	37.9%	25.0%	17.9%	4.0%	30,611	70%	40.8	15.8%
Industry Inputs	DCF	13.1%	25.0%	22.6%	3.0%	2,525	100%	3.4	1.3%
Power & Energy	DCF	16.2%	25.0%	22.0%	5.0%	1,379	30%	1.8	0.7%
Leisure	DCF	100.0%	25.0%	6.6%	3.0%	10,340	43%	13.8	5.4%
Others	DCF	45.0%	25.0%	16.3%	3.0%	54,796	95%	73.1	28.4%
Fair Value								257.6	100%
Debt								(197.6)	
Cash								64.9	
Fair Value								124.9	
Fair Value (Round Off)								124.9	

PER Chart - HAYL



Appendix I: Statement of Income and Expenses - HAYL

Statement of Income and Expenses (LKR mn)	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
P/E 31st Mar							
Revenue	219,182	210,307	241,276	338,010	458,872	529,374	624,421
Cost of Sales	-168,942	-158,325	-178,245	-258,715	-345,990	-393,854	-473,936
Direct Interest Cost	-1,265	-1,829	-1,872	-1,920	-2,753	-3,176	-3,747
Gross Profit	48,975	50,153	61,159	77,374	110,129	132,343	146,739
Other Income	2,496	1,673	1,468	1,998	1,200	-1,480	11,247
Distribution Expenses	-9,889	-10,688	-10,949	-12,515	-18,355	-26,469	-31,221
Administrative Expenses	-25,188	-24,248	-25,561	-32,842	-41,299	-47,644	-56,198
Other Expenses	-405	-418	-162	-421	-421	-421	-421
Results from Operating Activities	15,989	16,473	25,954	33,594	51,256	56,330	70,146
Finance Income	2,566	2,038	3,176	16,832	17,559	5,579	3,839
Finance Cost	-13,077	-13,047	-10,052	-14,883	-17,784	-16,051	-14,803
Net Finance Cost	-10,512	-11,009	-6,876	1,949	-225	-10,472	-10,964
Change in Fair Value of Investment Properties	114	87	196	329	329	329	329
Share of Profit of Equity Accounted Investees (Net of Tax)	176	264	253	227	249	274	302
Profit Before Financial Taxes	5,768	5,815	19,526	36,098	51,609	46,461	59,813
VAT on Financial Services	-292	-311	-292	-382	-1,032	-929	-1,196
Profit Before Tax	5,476	5,504	19,234	35,717	50,577	45,532	58,616
Tax Expense	-2,726	-2,609	-5,188	-7,618	-8,820	-9,838	-12,293
Profit for the Period	2,750	2,895	14,046	28,099	41,756	35,695	46,324
Owners of the Parent	265	372	7,637	18,257	22,966	19,632	25,478
Non-Controlling Interest	2,485	2,522	6,409	9,842	18,790	16,063	20,846

Appendix II: Statement of Financial Position - HAYL

Statement of Financial Position (LKR Mn)	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
As at 31st Mar							
Assets							
Property, Plant & Equipment	86,886	88,485	89,686	111,190	109,218	107,365	105,623
Other Non Current Assets	33,881	42,193	44,140	48,507	48,507	48,507	48,507
Total non-current assets	120,767	130,678	133,825	159,697	157,726	155,873	154,131
Inventories	39,743	42,226	53,100	82,398	94,289	108,775	128,306
Trade and Other Receivables	55,138	59,116	67,226	107,083	125,718	145,034	171,074
Short Term Deposits	3,685	3,496	7,877	19,928	21,921	20,825	17,701
Cash in Hand and At Bank	8,971	8,411	12,912	27,410	26,745	22,845	28,248
Other current assets	3,443	4,382	4,443	6,561	6,561	6,561	6,561
Total Current Assets	110,980	117,631	145,558	243,379	275,233	304,040	351,890
Total Assets	231,747	248,309	279,383	403,076	432,959	459,912	506,021
Equity and Liabilities							
Stated Capital	1,575	1,575	1,575	1,575	1,575	1,575	1,575
Total Equity Attributable to Equity Holders of the Company	40,242	39,705	47,618	67,390	86,681	103,172	124,574
Non Controlling Interest	21,637	23,152	27,580	37,897	56,687	72,750	93,595
Total Equity	61,878	62,857	75,199	105,287	143,369	175,922	218,169
Non-current liabilities							
Interest-Bearing Borrowings	39,662	52,240	51,504	63,540	58,154	58,010	57,363
Deferred Tax Liabilities	5,191	5,121	5,358	7,433	7,433	7,433	7,433
Other liabilities	12,919	15,132	15,737	17,464	17,464	17,464	17,464
Total Non-Current Liabilities	57,772	72,493	72,599	88,438	83,051	82,907	82,260
Current liabilities							
Trade and Other Payables	28,540	32,020	52,984	79,257	94,792	102,510	116,861
Current Portion of Long Term Interest-Bearing Borrowings	25,812	26,775	24,678	27,569	25,386	25,144	25,647
Short Term Interest-Bearing Borrowings	47,810	44,541	38,281	80,826	64,660	51,728	41,383
Other liabilities	9,934	9,625	15,644	21,701	21,701	21,701	21,701
Total Current Liabilities	112,096	112,960	131,586	209,351	206,539	201,083	205,592
Total Liabilities	169,868	185,453	204,185	297,789	289,590	283,990	287,852
Total Equity and Liabilities	231,747	248,309	279,383	403,076	432,959	459,912	506,021



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