



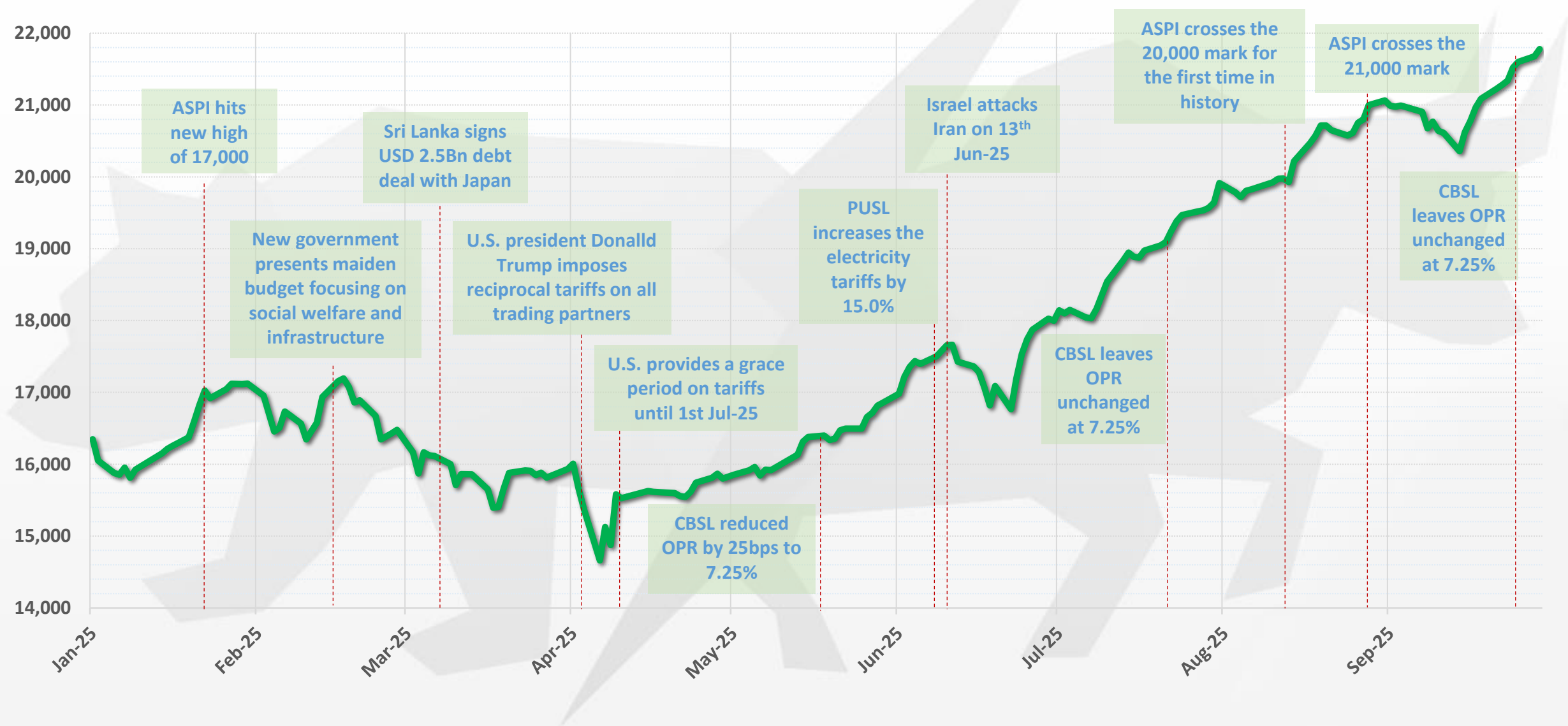
First Capital
A Janashakthi Group Company

QUARTERLY RESULTS REVIEW

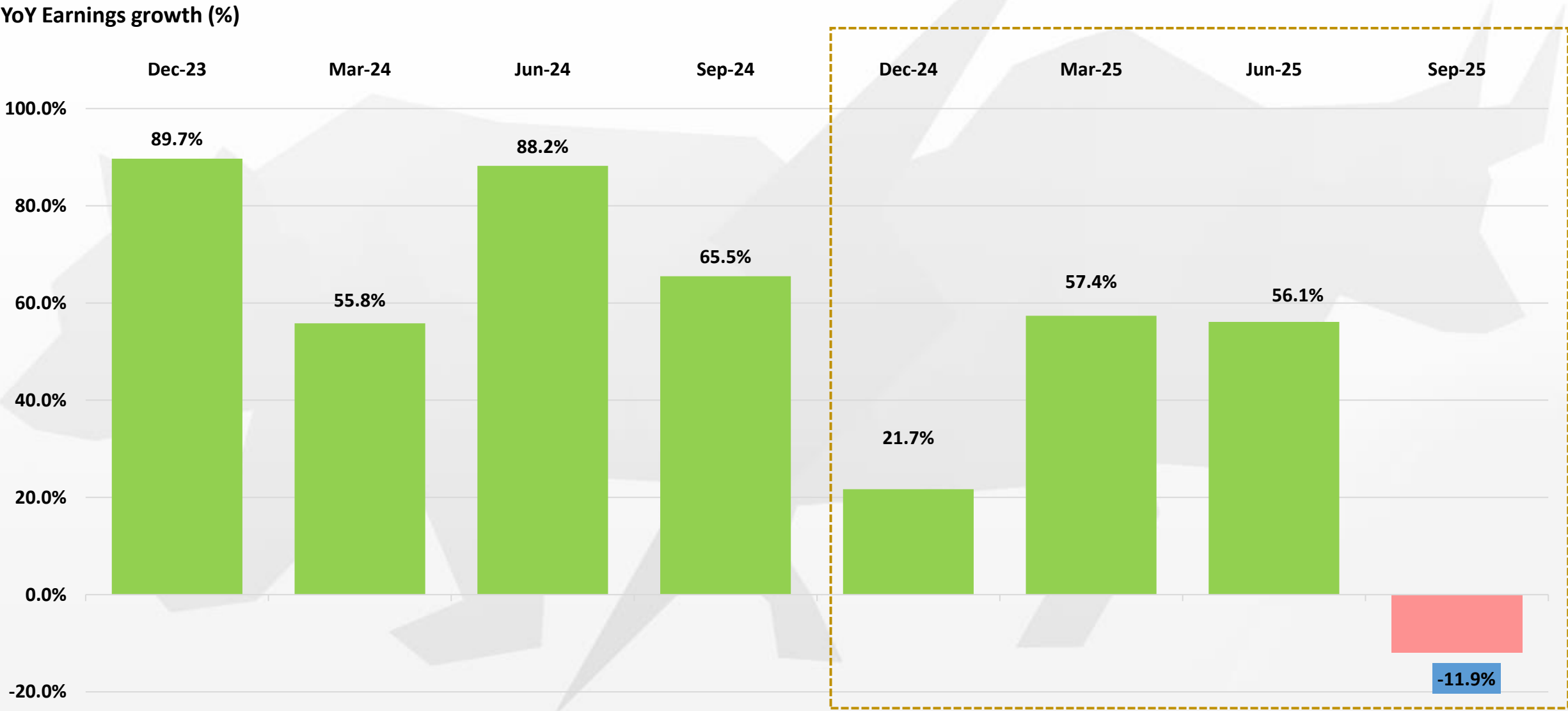
JUL – SEP 2025



ASPI performance and key highlights from Jan-25 to Sep-25



Corporate earnings decline, breaking a seven-quarter growth streak



Sep-25 quarter earnings declined by 11.9%YoY for 273 companies:

- ✓ The Sep-25 quarter recorded a 11.9%YoY decline in earnings, breaking a seven-quarter growth streak. While banking and diversified financials continued to underpin broader corporate earnings resilience, weakness in food, beverage and tobacco and capital goods weighed on aggregate performance. Notably, earnings rose 13.7%QoQ, underscoring that the underlying growth momentum remains firmly intact despite near-term sectoral headwinds.
- ✓ Key sectors that depleted quarterly earnings in Sep-25:
 1. **Food, Beverage & Tobacco (-59.6%YoY):** The food, beverage and tobacco sector saw a 59.6%YoY earnings decline, driven by broad-based pressures from disruptive weather and rising costs, particularly labor. These headwinds also led to an 8.7%QoQ contraction. However, it was the adverse base effect that triggered 117.1%YoY dip in BIL, which saw the highest dip within the sector based on absolute earning figures.
 2. **Capital Goods Sector (-71.8%YoY):** The capital goods sector posted a 71.8%YoY decline in earnings, largely driven by an unfavorable base effect from significant one-off gains at BRWN in Sep-24. Excluding BRWN, underlying sector performance remained broadly resilient. with most companies delivering earnings growth alongside a sharp 234.4%QoQ rebound.
- ✓ Diversified financials and banking, key growth catalysts in the previous quarter, maintained robust performance, emerging at the top during Sep-25 as well:
 1. **Diversified Financials Sector (+112.6%YoY):** The sector continued to thrive during the Sep-25 quarter on the back of enhanced lending and improved asset quality. LOLC, LOFC and GUAR emerged as the counters with highest earnings growth.
 2. **Banking Sector (+38.9%YoY):** The banking sector also upheld its growth trajectory also predominantly supported by the low-rate environment that propelled healthy loan-book growth. Moreover, the continued revival of the overall economy boosted asset quality which also contributed positively to the bottom-line. COMB, HNB and NDB stood out as the top performers within the sector.

Market Earnings Sector Summary – Sep 2025

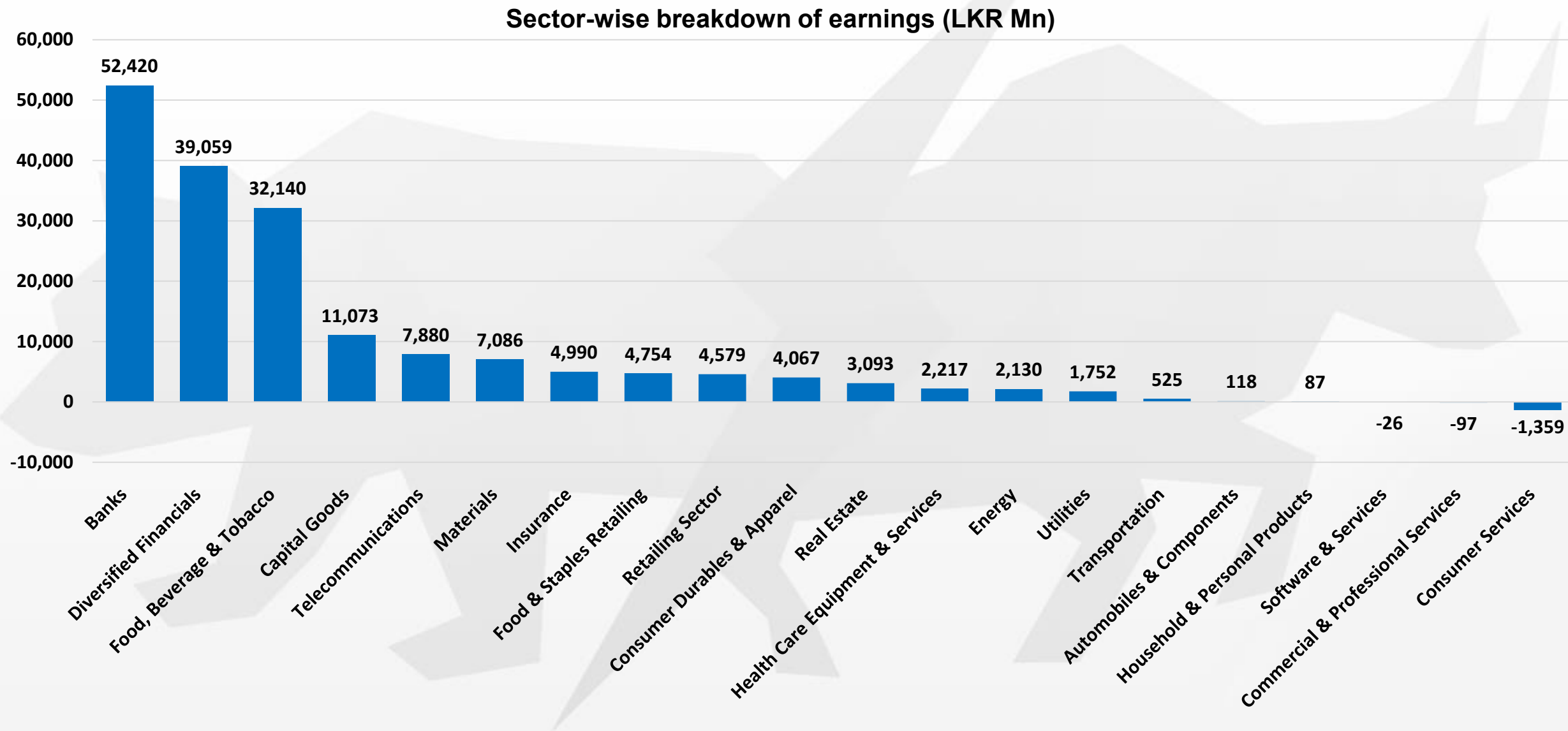
Results Update

Sep 2025

Wednesday, December 17, 2025

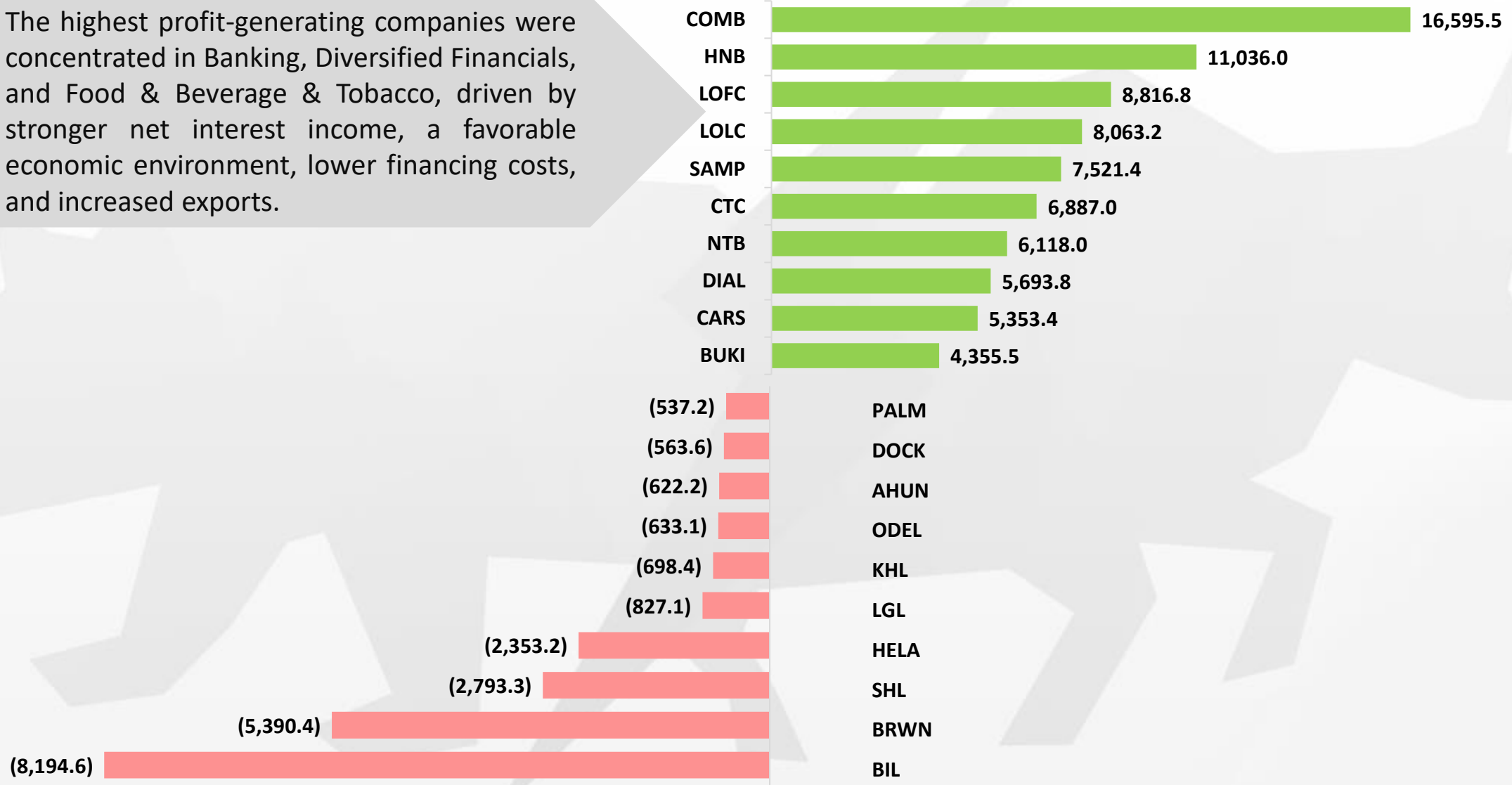
Sector	Quarter Earnings LKR 'Mn					4 Qtr Trailing	
	2QFY26	2QFY25	YoY%	1QFY26	QoQ%	PER (x)	PBV (x)
	3Q2025	3Q2024	YoY%	2Q2025	QoQ%		
Consumer Durables & Apparel Earnings	4,067	1,093	272%	294	>1000%	18.6x	2.2x
Retailing Sector Earnings	4,579	17	>1000%	1,942	136%	26.3x	2.2x
Consumer Services Sector Earnings	-1,359	-2,379	43%	-2,620	48%	64.2x	1.3x
Automobiles & Components Sector Earnings	118	165	-28%	77	55%	11.9x	1.0x
Food, Beverage & Tobacco Sector Earnings	32,140	79,555	-60%	35,188	-9%	11.5x	2.1x
Food & Staples Retailing Sector Earnings	4,754	3,403	40%	3,695	29%	22.9x	4.7x
Household & Personal Products Sector Earnings	87	191	-55%	603	-86%	18.3x	1.3x
Energy Sector Earnings	2,130	1,906	11.8%	2,005	6%	12.1x	1.1x
Diversified Financials Sector Earnings	39,059	18,376	112.6%	33,036	18%	7.9x	1.2x
Banks Sector Earnings	52,420	37,726	38.9%	49,100	7%	4.8x	0.8x
Insurance Sector Earnings	4,990	3,933	27%	4,474	12%	9.1x	1.2x
Health Care Equipment & Services Sector Earnings	2,217	1,144	94%	2,816	-21%	11.7x	1.6x
Capital Goods Sector Earnings	11,073	39,210	-72%	3,312	234%	19.9x	1.2x
Commercial & Professional Services Sector Earnings	-97	-222	56%	-187	48%	0.0x	1.0x
Transportation Sector Earnings	525	290	81%	437	20%	30.9x	15.2x
Materials Sector Earnings	7,086	6,568	8%	6,011	18%	11.9x	1.8x
Real Estate Sector Earnings	3,093	1,597	94%	4,398	-30%	10.4x	1.1x
Software & Services Sector Earnings	-26	-129	80%	-36	27%	0.0x	4.7x
Telecommunications Sector Earnings	7,880	5,587	41%	7,340	7%	13.9x	2.3x
Utilities Sector Earnings	1,752	2,223	-29.5%	1,768	-1%	26.9x	2.6x
Market Valuations						10.7x	1.4x
Market Earnings - Sep 2025	176,490	200,254	-12%	155,243	14%	273	
Market Earnings - Jun 2025	155,145	99,418	56%	182,447	-15%	275	

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



Top 10 Profit- and Loss-making companies in 3Q2025/2QFY26

The highest profit-generating companies were concentrated in Banking, Diversified Financials, and Food & Beverage & Tobacco, driven by stronger net interest income, a favorable economic environment, lower financing costs, and increased exports.



*LKR Mn

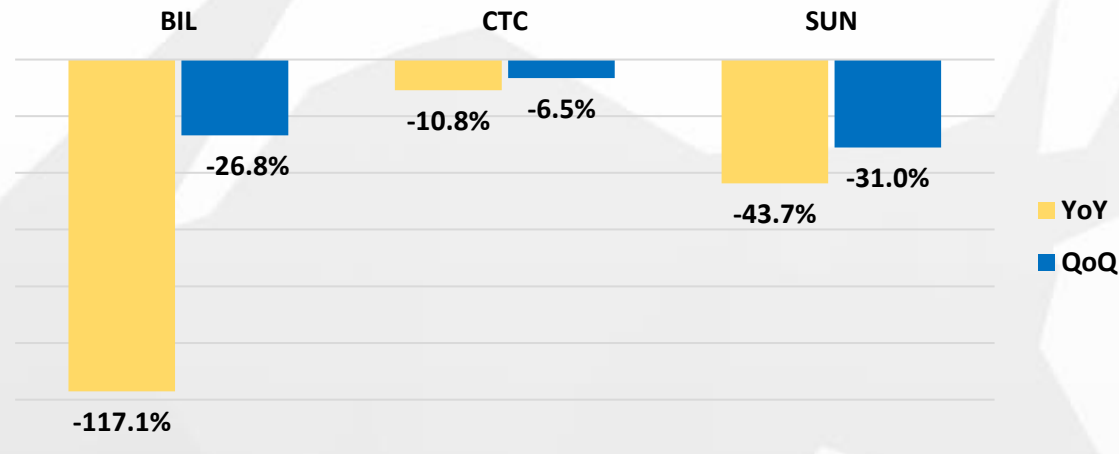
Earnings insight – Sector wise

The food, beverage, and tobacco sector recorded a 59.6%YoY earnings decline, reflecting broad-based pressures from disruptive weather and rising costs, particularly labor, which also contributed to an 8.7%QoQ contraction. BIL saw its earnings fall by 117.1%YoY, primarily reflecting an unfavorable base effect from substantial one-off gains in Sep-24, when acquisitions of investments yielded LKR 50.8Bn, compared with LKR 47.2Mn in the current quarter. Nonetheless, BIL's revenue rose nearly 90%YoY, with gross profits increasing approximately 17%, partly offset by a more than 100% rise in cost of sales. For CTC, profitability was adversely impacted by volume declines, a result of disruptive weather conditions. SUN tackled sluggish revenue growth alongside higher cost of sales, but it was a 75.1%YoY rise in income tax expenses that primarily impaired the bottom line.

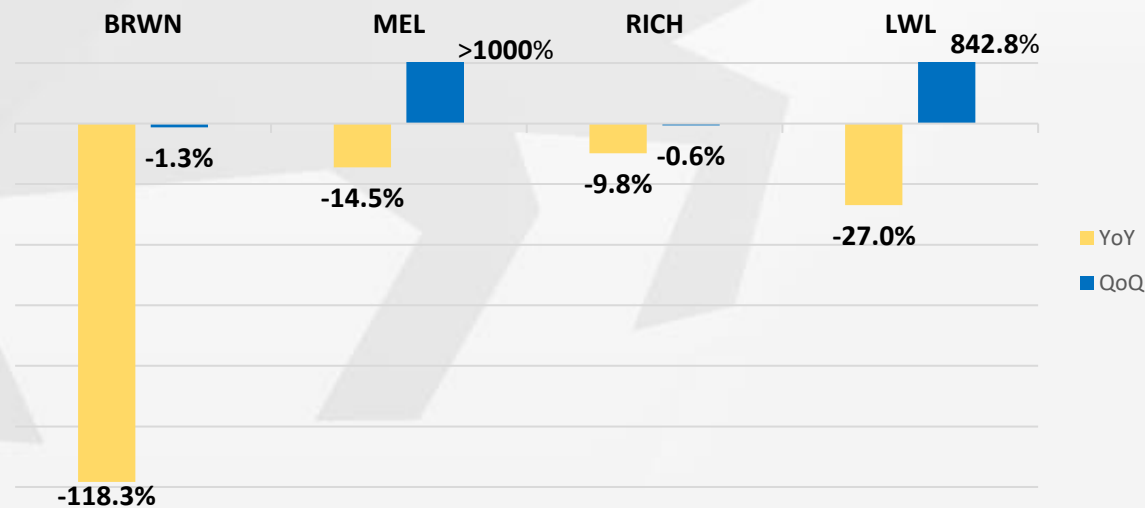
The capital goods sector posted a 71.8%YoY decline in earnings, driven by an unfavorable base effect from substantial one-off gains at BRWN in Sep-24. BRWN recorded LKR 32.8Bn in gains on bargain purchases in Sep-24, compared to just LKR 30.5Mn in Sep-25, largely accounting for its 118.3% YoY drop in quarterly earnings. Despite this, BRWN delivered a 73.1%YoY increase in revenue, though a sharp 85.9% rise in cost of sales constrained gross profits to a 40%YoY gain. MEL, RICH and LWL were among those that registered noteworthy dips in quarterly earnings. All three firms saw limited growth in revenue during the period while cots of sales showcased moderate upward movement. Earnings dip in MEL was primarily a result of other income having shrunk by 51.2% while RICH and LWL saw its bottom line adversely impacted due to higher income tax expenses (RICH) and administrative and finance expenses (LWL).

Counters with the most significant decline in earnings

Food, Beverage & Tobacco



Capital Goods

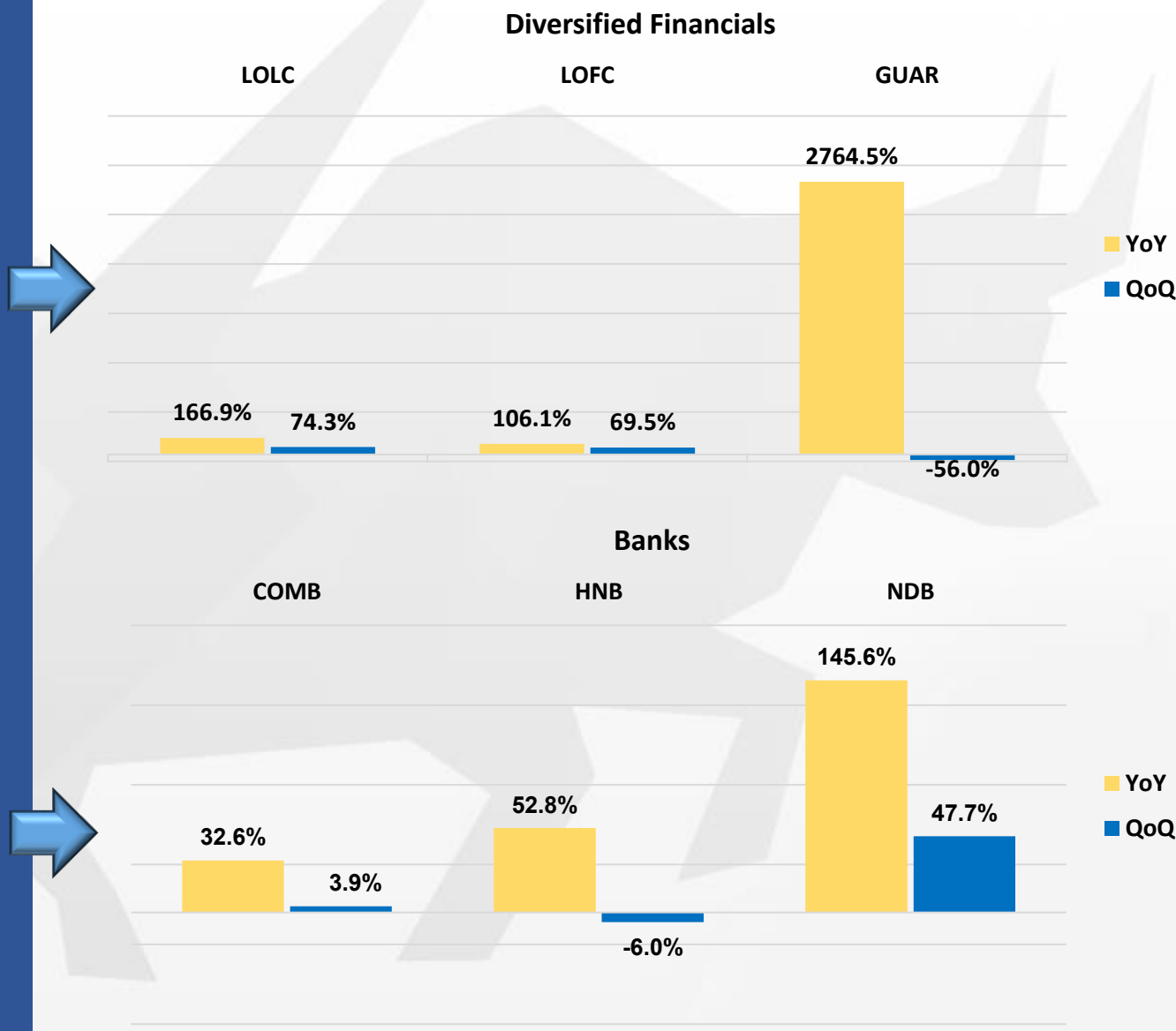


Earnings insight – Sector wise

The **diversified financials sector** delivered a standout performance, recording a 112.6%YoY increase and an 18.2%QoQ rise in earnings for Sep-25. Performance was underpinned by a softer interest rate environment, a sustained macroeconomic recovery and continued demand for imported vehicles. LOLC and LOFC led earnings growth in absolute terms, posting YoY increases of 166.9% and 106.1%, respectively. LOLC reported 17.2%YoY growth in net interest income and a 32.0% YoY expansion in gross profit, driven primarily by strong contributions from its manufacturing and trading segment. LOFC benefited from declining rates which fueled loan book expansion and margin improvement, with earnings further supported by an LKR 176.9Mn impairment reversal. Meanwhile, GUAR posted exceptional 2,764.5%YoY earnings growth, primarily driven by an LKR 1.1Bn fair value gain on financial assets amid rising equity markets.

The **banking sector** grew by 38.9%YoY also having secured a 6.8%QoQ improvement. The easing rate environment boosted loan growth, reinforcing the bottom-line. Improved net fee and commission income across most banks also emerged as a key catalyst as the sector benefitted from higher remittances and international trade flows. Finally, the continued revitalization of the overall economic apparatus, especially the revival of capital intense sectors like construction, boosted asset quality and willingness to lend. COMB, HNB and NDB emerged as the top performers of the sector. HNB in particular benefitted from an impairment reversal of LKR 2.1Bn during the quarter, which further fueled its bottom-line.

Counters with the most significant growth in earnings



Thank you!

*"SUCCESSFUL INVESTMENTS IS ABOUT
MANAGING RISKS"*



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