Shaping the future we create

LAXAPANA PLC

Interim Financial Statements

For The Period Ended 30th June 2026

LAXAPANA

Performance Review for the First Quarter Ended 30 June 2026

Laxapana PLC

Overview

Laxapana PLC delivered a resilient performance during the first quarter of FY2026/27 despite operating in a challenging market environment amid macroeconomic uncertainties.

The Group recorded modest revenue growth during the quarter while delivering improved profitability compared to the corresponding quarter of the previous year. Management remained focused on strengthening market presence and maintaining prudent financial discipline to support sustainable long-term growth.

Financial Performance

Financial Snapshot (Group)	Q1 FY 26/27 (LKR Mn)	Vs Q1 FY 25/26
Revenue	924	↑ **3%**
Gross Profit	306	↑ **16%**
GP Margin (%)	33%	↑ **4%**
Operating Profit	125	↑ **9%**
OP Margin (%)	14%	↑ **1%**
PBT	106	↑ **12%**
Earnings (PAT)	71	↑ **12%**
EPS (Rs.)	1.07	↑ **12%**

For the quarter ended 30 June 2026, the Group recorded revenue of Rs. 924 million.

Gross profit increased by 16% year-on-year to LKR 306 million, with the gross profit margin improving to 33%. The improvement in margins was supported by a favorable product mix and pricing discipline. As a result of improved gross profitability and continued focus on operational efficiency, operating profit increased by 9% year-on-year to LKR 125 million.

Profit Before Tax and Profit After Tax both increased by 12% year-on-year to LKR 106 million and LKR 71 million, respectively. Consequently, earnings per share also improved to LKR 1.07.

Operating Environment

During the period from April to June 2026, businesses continued to operate in a challenging environment amid external economic uncertainties, fluctuations in global commodity prices, and supply chain disruptions. Rising inflationary pressures, exchange rate volatility, and higher financing costs continued to increase input costs and place pressure on overall business performance.

The Central Bank maintained a prudent monetary policy approach to preserve macroeconomic stability, manage inflation expectations, and support exchange rate resilience amid continued global economic uncertainties.

Global supply chain disruptions, freight cost fluctuations, and commodity price volatility remained key challenges during the quarter. Management continued to closely monitor these developments while implementing proactive procurement strategies, disciplined inventory management, and cost optimization initiatives to enhance operational resilience and safeguard profitability.

Segment Performance

Energy and Lighting

The Energy and Lighting segment continued to perform steadily during the quarter. Growth was supported through strengthened dealer relationships, targeted promotional activities, and sustained demand for energy-efficient LED lighting products.

The battery business also recorded satisfactory performance through improved product availability and wider market penetration.

Building Solutions

Sterling Steels (Private) Limited, a subsidiary of Laxapana PLC, continued to maintain stable operations during the quarter. Demand for roofing and steel products remained relatively steady, supported by ongoing construction activities and improved project execution. Continued emphasis on operational efficiencies and prudent cost management contributed positively towards segment profitability.

Cost Management and Controls

The Group remained focused on maintaining an efficient cost structure, with procurement costs and operating overheads closely monitored throughout the period. Initiatives to improve productivity and operational efficiency continued across business units to support sustainable performance.

Management also continued to strengthen financial reporting processes, internal controls, and performance monitoring frameworks to facilitate timely decision-making and support long-term business growth.

ESG and Governance

During the quarter, Laxapana PLC continued to strengthen its Environmental, Social, and Governance (ESG) initiatives, with a focus on sustainability, regulatory compliance, and responsible corporate governance.

The Group advanced its transition towards energy-efficient equipment by upgrading key operational assets to reduce energy consumption, improve production efficiency, and support sustainable manufacturing practices. In addition, the Group continued to adopt environmentally friendly solutions across its operations to minimize its environmental footprint.

Outlook

Management remains cautiously optimistic about the outlook for the remainder of FY2026/27. Although competitive pressures, cost inflation, and global economic uncertainties are expected to persist, the Group is well positioned to capitalize on growth opportunities through its established brands, strong distribution network, and disciplined financial management.

The Group will continue to focus on enhancing operational efficiency, expanding market presence, strengthening customer relationships, and delivering sustainable value to shareholders through prudent financial management and strategic business initiatives.

S.Rajaratnam
Director
03rd Aug 2026

LAXAPANA PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

GROUP

For the Period Ended 30th June	Unaudited 2026 Rs.'000	Unaudited 2025 Rs.'000	Variance %
Revenue from Contracts with Customers	923,775	895,721	3%
Cost of Sales	(617,871)	(631,615)	-2%
Gross Profit	**305,904**	**264,106**	16%
Other Income	18,413	13,063	41%
Administrative Expenses	(112,718)	(70,681)	59%
Distribution Expenses	(86,164)	(91,600)	-6%
Profit from Operating Activities	**125,435**	**114,888**	9%
Net Finance Costs	(19,844)	(20,671)	-4%
Profit Before Tax	**105,591**	**94,217**	12%
Income Tax Expense	(34,623)	(31,003)	12%
Net Profit for the Period	**70,968**	**63,214**	12%
Earnings Per Share (Rs.)	**1.07**	**0.95**	

Figures in brackets indicate deductions
The above figures are provisional and subject to audit

LAXAPANA PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

COMPANY

For the Period Ended 30th June	Unaudited 2026 Rs.'000	Unaudited 2025 Rs.'000	Variance %
Revenue from Contracts with Customers	384,520	342,314	12%
Cost of Sales	(221,213)	(209,005)	6%
Gross Profit	**163,307**	**133,309**	23%
Other Income	18,410	14,600	26%
Administrative Expenses	(48,630)	(27,261)	78%
Distribution Expenses	(49,389)	(48,702)	1%
Profit from Operating Activities	**83,698**	**71,946**	16%
Net Finance Costs	(9,141)	(6,243)	46%
Profit Before Tax	**74,557**	**65,703**	13%
Income Tax Expense	(23,484)	(18,000)	30%
Net Profit for the Period	**51,073**	**47,703**	7%
Earnings Per Share (Rs.)	**0.77**	**0.72**	

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LAXAPANA PLC

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	Unaudited	Audited	Unaudited	Audited
As at	30.06.2026 Rs.'000	31.03.2026 Rs.'000	30.06.2026 Rs.'000	31.03.2026 Rs.'000
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	**339,454**	356,455	**248,654**	261,729
Intangible Assets	**5,706**	-	**-**	-
Work-In- Progress	**10,966**	10,966	**10,966**	10,966
Right of use Asset	**9,423**	8,165	**3,466**	-
Investment Property	**610,968**	609,260	**610,968**	609,260
Refundable Deposit	**8,982**	8,982	**-**	-
Investment in Subsidiary	**-**	-	**320,000**	320,000
Deferred Tax Asset	**12,295**	15,318	**-**	-
Total Non-Current Assets	**997,794**	1,009,146	**1,194,054**	1,201,955
Current Assets				
Inventories	**1,082,877**	936,720	**413,777**	407,949
Amount due from Related Companies	**302,736**	201,948	**277,271**	199,934
Trade and Other Receivables	**747,515**	806,687	**199,071**	235,159
Cash and Cash Equivalents	**79,588**	91,831	**23,945**	58,921
Total Current Assets	**2,212,716**	2,037,186	**914,064**	901,963
Total Assets	**3,210,510**	3,046,332	**2,108,118**	2,103,918
EQUITY AND LIABILITIES				
Equity				
Stated Capital	**546,384**	546,384	**546,384**	546,384
Revaluation Reserve	**1,107**	1,107	**1,107**	1,107
Retained Earnings	**908,292**	837,324	**813,177**	762,104
Total Equity	**1,455,783**	1,384,815	**1,360,668**	1,309,595
Non-Current Liabilities				
Retirement Benefit Obligations	**80,068**	75,504	**23,546**	22,219
Interest Bearing Loans and Borrowings	**94,140**	109,807	**94,140**	109,807
Deferred Tax Liability	**149,100**	146,911	**149,100**	146,911
Lease Liability	**3,501**	2,494	**1,447**	-
Non-Current Liabilities	**326,809**	334,716	**268,233**	278,937
Current Liabilities				
Trade and Other Payables	**934,788**	765,487	**331,398**	413,476
Lease Liability	**8,908**	9,648	**2,008**	-
Amount due to Related Companies	**9,187**	7,941	**344**	1,816
Interest Bearing Loans and Borrowings	**156,243**	321,925	**62,667**	62,667
Income Tax Payable	**52,802**	73,982	**25,192**	37,427
Bank Overdrafts	**265,990**	147,818	**57,608**	-
Total Current Liabilities	**1,427,918**	1,326,801	**479,217**	515,386
Total Liabilities	**1,754,727**	1,661,517	**747,450**	794,323
Total Equity and Liabilities	**3,210,510**	3,046,332	**2,108,118**	2,103,918
Net Assets Value Per Share (Rs.)	**21.98**	**20.91**	**20.55**	**19.77**

The above figures are provisional and subject to audit

I certify that these Financial Statements are prepared in compliance with the requirements of the Companies Act No. 07 of 2007

Sgd
A.D.T. Mendis
Director / Group Chief Financial Officer

The Board of Directors is responsible for the preparation and fair presentation of these Financial Statements.
Approved and signed for and on behalf of the Board of Directors of Laxapana PLC.

Sgd
S.D.R.Arudpragasam
Chairman

Sgd
S.Rajaratnam
Director

03-Aug-2026

LAXAPANA PLC

STATEMENT OF CHANGES IN EQUITY

Group	Stated Capital				
	Ordinary Share Capital Rs.'000	Preference Share Capital Rs.'000	Revaluation Reserve Rs.'000	Retained Earnings Rs.'000	Total Rs.'000
Balance as at 1st April 2025	**546,374**	**10**	**1,107**	621,229	1,168,720
Profit for the Period	-	-	-	63,214	63,214
Balance as at 30th June 2025	**546,374**	**10**	**1,107**	**684,443**	**1,231,934**
Balance as at 1st April 2026	546,374	10	1,107	837,324	1,384,815
Profit for the Period	-	-	-	70,968	70,968
Balance as at 30th June 2026	**546,374**	**10**	**1,107**	**908,292**	**1,455,783**

Company	Stated Capital				
	Ordinary Share Capital Rs.'000	Preference Share Capital Rs.'000	Revaluation Reserve Rs.'000	Retained Earnings Rs.'000	Total Rs.'000
Balance as at 1st April 2025	546,374	10	1,107	551,115	1,098,606
Profit for the Period	-	-	-	47,703	47,703
Balance as at 30th June 2025	**546,374**	**10**	**1,107**	**598,818**	**1,146,309**
Balance as at 1st April 2026	546,374	10	1,107	762,104	1,309,595
Profit for the Period	-	-	-	51,073	51,073
Balance as at 30th June 2026	**546,374**	**10**	**1,107**	**813,177**	**1,360,668**

Figures in brackets indicate deductions

The above figures are provisional and subject to audit

LAXAPANA PLC

STATEMENT OF CASH FLOWS

For the period ended 30th June	Group 2026 Rs.'000	Group 2025 Rs.'000	Company 2026 Rs.'000	Company 2025 Rs.'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	105,591	94,217	74,557	65,703
Adjustments for ;				
Depreciation on property, plant and equipment	19,540	14,343	13,117	10,559
Depreciation on right of use assets	2,647	2,119	439	-
Amortisation of Intangible assests	334	-	-	-
Impairment loss/(reversal) on trade receivables & amounts due from related parties	3,878	(677)	2,384	(677)
Finance costs	16,706	23,610	7,121	8,201
Finance income	(382)	(2,674)	(227)	(2,514)
Provision for retirement benefit obligations	4,564	1,474	1,327	403
Impairment loss/(reversal) on inventories	(8,181)	19,585	(8,181)	8,900
Operating cash flows before working capital changes	**144,696**	**151,997**	**90,537**	**90,575**
(Increase) / Decrease in inventories	(137,976)	105,948	2,353	(39,094)
(Increase) / Decrease in trade & other receivables	58,318	5,968	35,234	6,996
(Increase) / Decrease in amounts due from related companies	(103,812)	(72,787)	(78,867)	(80,616)
Increase / (Decrease) in amounts due to related companies	1,246	(1,141)	(1,472)	545
Increase / (Decrease) in trade & other payables	169,301	(141,449)	(82,078)	58,720
Cash generated from /(used in)operations	**131,772**	**48,536**	**(34,293)**	**37,126**
Income taxes paid	(50,592)	(9,474)	(33,530)	(9,474)
Retirement benefit obligations paid	-	(484)	-	-
Interest expenses paid	(16,706)	(23,001)	(7,121)	(7,592)
Net cash flows generated from / (used in) operating activities	**64,474**	**15,577**	**(74,944)**	**20,060**
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	382	2,674	227	2,514
Acquisition of property, plant and equipment	(10,284)	(662)	(1,750)	-
Loan advanced to related party	-	(50,000)	-	(50,000)
Net cash flows generated from /(used in) investing activities	**(9,902)**	**(47,988)**	**(1,523)**	**(47,486)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Lease rental paid	(3,638)	(2,855)	(450)	-
Repayments of long-term loans	(15,667)	(15,667)	(15,667)	(15,667)
Net movement in short-term loans	(165,682)	(8,166)	-	17,602
Net cash flows generated from/ (used in) financing activities	**(184,987)**	**(26,688)**	**(16,117)**	**1,935**
Net (decrease)/ increase in cash & cash equivalent	**(130,415)**	(59,099)	**(92,584)**	(25,491)
Cash & cash equivalents at the beginning of the period	(55,987)	61,250	58,921	44,995
Cash & cash equivalents at the end of the period	**(186,402)**	2,151	**(33,663)**	19,504
Cash in hand & at bank	79,588	59,246	23,945	24,044
Bank overdraft	(265,990)	(57,095)	(57,608)	(4,540)
	(186,402)	2,151	**(33,663)**	19,504

Figures in brackets indicate deductions

The above figures are provisional and subject to audit

LAXAPANA PLC

NOTES TO THE ACCOUNTS

1 The figures stated above are provisional and subject to audit.

2 ACCOUNTING POLICIES.

The Interim Financial Statements have been prepared in accordance with the accounting policies and methods of computation which are consistent with those policies and methods followed during the financial year ended 31st March 2026, and also in compliance with LKAS 34 - Interim Financial Reporting.

3 STATED CAPITAL	**30-Jun-26**		**30-Jun-25**	
Issued & Fully Paid	*No. of Shares*	*Rs.'000*	*No. of Shares*	*Rs.'000*
Ordinary Shares	66,224,939	546,374,085	66,224,939	546,374,085
	1,000	10,000	1,000	10,000
		546,384,085		**546,384,085**

4 CONTINGENT LIABILITIES

There were no material contingent liabilities, which require adjustment to or disclosure in the financial statements as at the reporting period.

5 CAPITAL COMMITMENTS

There were no material capital commitments, which require adjustment to or disclosure in the financial statements as at the reporting period.

6 EVENTS OCCURRING AFTER REPORTING DATE

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements.

7 SHARE INFORMATION

7.1 PUBLIC HOLDING

The percentage of shares held by the public as at 30th June 2026 was 20.00% and the number of public shareholders as at that date was 2,447

The applicable option under CSE Rule 7.13.1 (i) (a) (1) on minimum public holding is option 5 and the Float Adjusted Market Capitalization as of 30.06.2026 was Rs.603,971,443.68.

7.2 SHAREHOLDINGS OF THE DIRECTORS

	30-Jun-26	30-Jun-25
DIRECTORS' DIRECT SHAREHOLDING	***NO. OF SHARES***	***NO. OF SHARES***
Mr. S.W. Gunawardena	134,612	134,612
Mr. S. Rajaratnam	500,000	500,000

7.3 MARKET PRICES RECORDED DURING THE QUARTER ENDED

	30-Jun-26	30-Jun-25
	RS.	**RS.**
Highest Price	53.90	32.70
Lowest Price	36.50	27.50
Last Traded Price	45.30	31.80

7.4 MAJOR SHAREHOLDERS AS AT 30TH JUNE 2026

	NAME	NO. OF SHARES	PERCENTAGE
1	E.B. Creasy & Company PLC	27,702,153	41.83%
2	Amana Bank PLC/E.B. Creasy & Company PLC	17,500,000	26.43%
3	Sampath Bank PLC/Senthilverl Holdings (Pvt) Ltd	6,523,282	9.85%
4	Hatton National Bank PLC/Sri Dhaman Rajendram Arudpragasam	6,500,000	9.82%
5	Mr. Sanjeev Rajaratnam	500,000	0.76%
6	Mr. Degiri Madhawa Pushpakumara De Zoysa	400,000	0.60%
7	Colombo Fort Investments PLC	315,000	0.48%
8	Colombo Investment Trust PLC	310,000	0.47%
9	Thread Capital (Private) Limited	205,000	0.31%
10	Mr. Henry Anthony Rohan Pieris	200,000	0.30%
11	People's Leasing & Finance PLC/Dr.H.S.D.Soysa & Mrs.G.Soysa	171,745	0.26%
12	Mr. Zoebaly Gulamabass Carimjee	143,482	0.22%
13	Mr. Sanjeewa Wijesiri Gunawardena	134,612	0.20%
14	Mrs. Luxshmi Shermila Rajaratnam	115,000	0.17%
15	Merchant Bank of Sri Lanka & Finance PLC/K. Mithulan	110,269	0.17%
16	Assetline Finance PLC/P.C.U.Ekanayaka	100,900	0.15%
17	Mr. Manimel Wadu Madhusanka Dinesh Weeraratne	100,000	0.15%
18	Cargills Bank Limited/Senthilverl Holdings (Pvt) Ltd	99,213	0.15%
19	Mr. Muthuthanthrige Stephen Angelo Fernando	96,743	0.15%
20	Mr. Jayasekara Pathiranage Minola Keshan	86,697	0.13%
21	Mr. Abeysiri Hemapala Munasinghe &Mr. Abeysiri Rajith Ruchiranga Munasinghe	75,000	0.11%
22	Mr. Abeysiri Hemapala Munasinghe & Miss. Abeysiri Vithanga Kavindi Munasinghe	75,000	0.11%
23	Mr. Warnaklulasuriya Madusanka Lakmal Tissera	73,300	0.11%
		61,537,396	**92.92%**

CORPORATE INFORMATION

NAME OF COMPANY
Laxapana PLC

LEGAL FORM
A Public Quoted Company with limited liability Incorporated in Sri Lanka under the Companies Ordinance No 51 of 1938 on 13th August 1956

COMPANY REGISTRATION NUMBER
PQ 170

BOARD OF DIRECTORS
S.D.R. Arudpragasam
FCMA (Chairman)
S. Rajaratnam
B.Sc., CA.
R.C.A. Welikala
S.W. Gunawardena
B.Sc., MBA
A.D.T. Mendis
FCCA-UK, ACA, MCSI-UK, MBA(USQ-AUS), BSc Finace Special (Hons)
K.G. Punchihewa
FCA, CPA (Aus).
S.B. Perera
FCMA/CGMA (UK) B.Sc.Mech.Eng.(Hons.)
P.Y.S.Perera
FCA,FCMA (UK)

SUBSIDIARY
Sterling Steels (Private) Limited

Credit Rating
BB+ Positive

STOCK EXCHANGE LISTING
The Ordinary Shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka.

SECRETARIES
Corporate Managers & Secretaries (Private) Ltd.
8-5/2, Leyden Bastian Road,
York Arcade Building,
Colombo 1.

REGSTERED OFFICE
98, Sri Sangaraja Mawatha,
Colombo 10.

AUDITORS
KPMG, Chartered Accountants,
32, Sir Mohamed Macan Markar Mawatha,
Colombo 3.

BANKERS
Hatton National Bank PLC
Commercial Bank of Ceylon PLC
Sampath Bank PLC
Union Bank of Colombo PLC
DFCC Bank PLC
People's Bank
Seylan Bank
Satate Bank of India

LEGAL ADVISERS
Messrs Julius & Creasy Attorneys-at-Law
P.O. Box 154,
Colombo 1.

LAXAPANA

Laxapana PLC
98, Sri Sangaraja Mawatha, Colombo 10.