

# SECRETARIUS (PRIVATE) LIMITED

PV 5958

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03<sup>rd</sup> September 2026

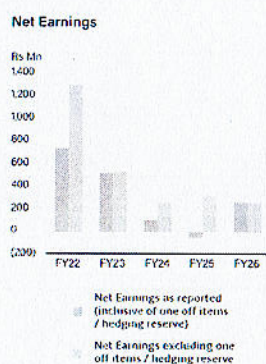
Ms. Nilupa Perera  
Chief Regulatory Officer  
The Colombo Stock Exchange  
04<sup>th</sup> Floor, World Trade Center  
Echelon Square  
Colombo 01

Dear Madam,

## ERRATA – B P P L HOLDINGS PLC - ANNUAL REPORT 2025/2026

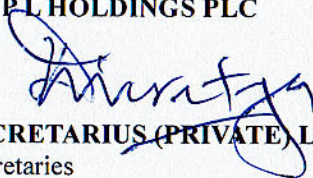
Further to the Annual Report 2025/2026 of the Company published on 02<sup>nd</sup> September 2026, we wish to inform you that an incorrect graph was inadvertently included in the **Management Discussion & Analysis** section on Page 12. Specifically, the graph presented under "Net Earnings" does not reflect the correct data.

Accordingly, the corrected table is appended below:-



The finalized copy of the Annual Report is also attached hereto for your ready reference.

Yours faithfully,  
FOR AND ON BEHALF OF  
B P P L HOLDINGS PLC

  
SECRETARIUS (PRIVATE) LIMITED  
Secretaries

Director  
SECRETARIUS (PRIVATE) LIMITED.  
PV 5958

# Management Discussion & Analysis

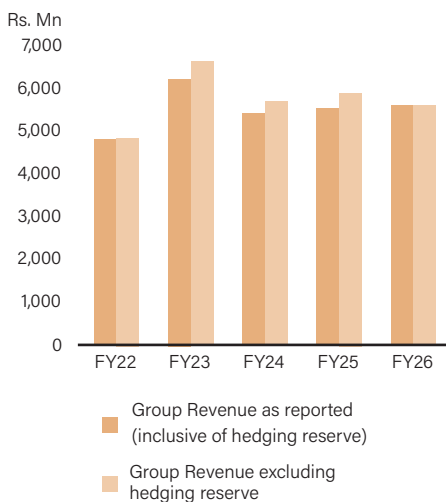
## FINANCIAL PERFORMANCE

### Revenue

Group revenue recorded for the year ended 31st March 2026 was Rs. 5.6 billion, as compared to Rs. 5.5 billion recorded in the previous financial year, an increase of 2%.

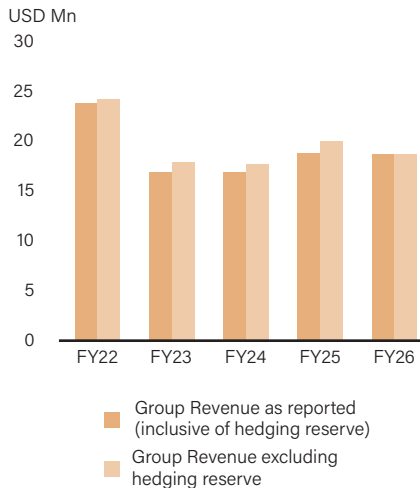
As explained in the Chairman's review, the recorded consolidated revenue for the previous year included an amount of Rs.369 million charged being the balance brought forward in the hedging reserve, in line with requirements of the Sri Lankan Accounting standards. The group revenue recorded during the year under review of Rs. 5.6 billion is a drop of 5% compared to the previous financial year when the one off hedging reserve write off against revenue is eliminated. The following graph depicts the movement in the consolidated revenues over the last 5 financial years, comparing the revenues inclusive of and excluding the one off adjustments against revenue.

### Revenue (Rs.)



The movement of consolidated revenue in US Dollar terms with and without the impact of the hedging reserve write off against the revenue is presented in the graph below

### Revenue (USD)



The revenues from the brush segment was lower than the previous year in US Dollar terms, as result of the imposition of the tariffs in the US. However, as explained in the Chairman's review, the revenues from the US has since improved from the latter part of the year under and continuous to be in line with our forecasts during the new financial year 2026/27.

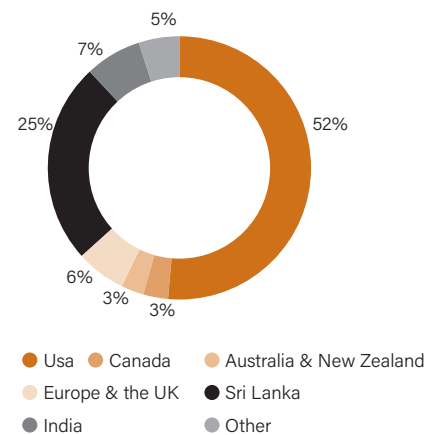
Revenues from Yarn and mono-filament segments during the year under review remained at levels similar to that of the previous year despite the challenging operating environment encountered especially within the yarn segment.

The outlook for revenue for the key segments have been detailed in the Chairman's review presented herewith.

The graphic below depicts the group revenue by key geographic markets, with the United States accounting for around 52% of the group revenue. Sales to Sri Lanka which includes indirect exports to fabric and brush manufacturers accounted for 25% of total sales, whilst India accounts for 7% of group sales.

The transition of customer base of Ravi Industries Limited subsequent to the financial year under review, provides direct access to European and Middle Eastern markets, which will enable to reduce the risks on exposure to few geographic locations. The transition of business from RIL, will also significantly increase the monthly volumes of Brush exports.

### Revenue by Region - 2026



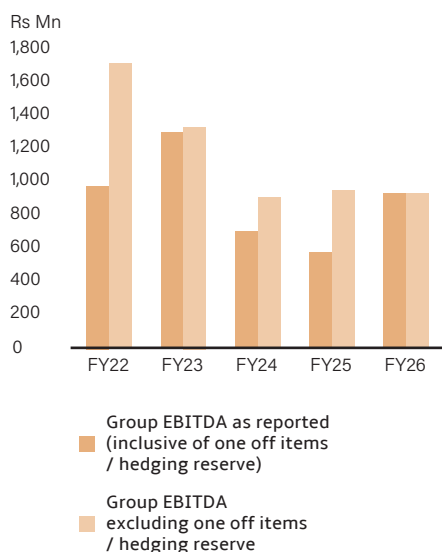
## PROFITABILITY

Many operational level initiatives are in place to enhance productivity and operational efficiencies which will not only safeguard our margins, but more importantly enhance our competitiveness in the key operating markets where price is a key buying factor. At a group level the gross margins have improved compared to the previous financial, enabled by the initiatives in place.

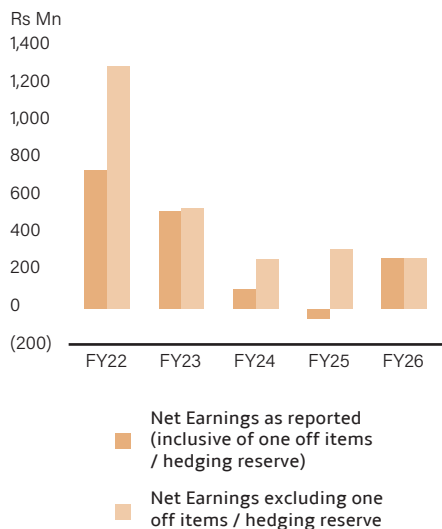
An EBITDA of Rs.902 million was recorded in the year under review from operations, as compared to Rs 569 million in the previous year. However, the EBITDA for the previous financial year after excluding the hedge reserve write off is Rs 992 million. The drop in EBITDA compared to the previous year is attributed to the impact on profitability as a result of lower revenue during the year.

The movement in EBITDA excluding one-off items and hedge reserve write-offs over the last five years is depicted in the graph below

## EBITDA



## Net Earnings



Total Finance expenses recorded during the year was Rs. 266 million as compared to Rs. 223 million in the previous year due to an amount of Rs. 95 million recorded as exchange valuation losses arising on the valuation of US Dollar denominated borrowings due to the depreciation of the Sri Lankan Rupee. The interest expenses reduced to Rs. 171 million from Rs. 229 million in the previous year, reflecting the repayment of long-term borrowings, improved working capital management as well as due to lower prevailing interest rates.

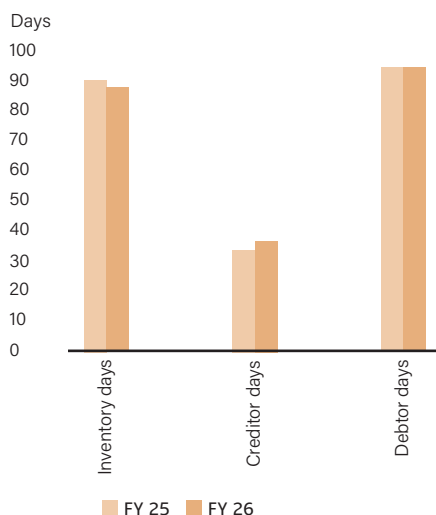
## DIVIDENDS

Your Board of Directors declared two interim dividends of 25 cents each per share amounting to a total payout of Rs 153 million during the year under review, out of the cash profits generated in the previous year.

## CASH AND CAPITAL

An amount of Rs. 934 million was generated from operations during the year under review before payment of interest and taxes. Working capital ratios remained at similar levels to that of the previous financial year, reflecting prudent working capital management and monitoring practices adopted.

## Working Capital Cycle



A net cash flow of Rs. 680 million was generated after payment of interest and income tax, being the amount available for investments in fixed assets, loan repayments and payment of dividends. An amount of Rs. 164 million was deployed for capital expenditure and other investment activities, and amount of Rs. 82 million was invested in financial assets.

## DEBT TO EQUITY

We were able to settle part of the long-term loans as well as short-term loans through prudent utilization of surplus cash generated. Accordingly, the Group debt-to-equity ratio fell to 47% from 58% at the end of the previous financial year.

We believe that the current debt levels are sustainable given the envisaged future operating cash flows and will aim to maintain within these levels as we undertake investments in new projects through a combination of debt and own funds.

## HUMAN RESOURCES DEVELOPMENT

Many initiatives have been undertaken across the operating businesses to enhance employee engagement during the year, which also promotes teamwork and cooperation across different teams and functions. One of the key areas of focus is the building of a competent set of middle management handling operational and other functional areas and ensuring the presence of a clear succession-planning framework for these positions.