INTERIM STATEMENT

FOR THE NINE MONTHS ENDED 31ST DECEMBER 2025

LAXAPANA



LAXAPANA PLC | Company No. PQ 170

Performance Review for the Nine Months Ended 31st December 2025 – Laxapana PLC

Overview

Laxapana PLC delivered a robust performance for the nine months ended 31 December 2025 (9MFY25/26). The Group reported consolidated revenue of Rs. 2.8 billion, reflecting a 14% increase compared to the same period in the previous year (9MFY24/25). Profit Before Tax (PBT) stood at Rs. 355 million, and Profit After Tax (PAT) at Rs. 240 million, marking year-on-year increases of 90% and 91%, respectively.

The improvement in profitability was driven by growth in volumes across key product segments, supported by economic recovery and competitive pricing strategies.

An interim dividend of Rs. 0.75 per share was paid on 21 November 2025 for the financial year ending 31 March 2026.

Financial Performance

Financial Snapshot (Group)	Q3 FY 25/26 (LKR Mn)	Vs Q3 FY 24/25	Nine Months FY 25/26 (LKR Mn)	Vs Nine Months FY 24/25
Revenue	889	↓ -9%	2,798	↑ 14%
Gross Profit	283	↑ 6%	846	↑ 32%
GP Margin (%)	32%	↑ 5%	30%	↑ 4%
Operating Profit	156	↑ 31%	408	↑ 84%
OP Margin (%)	18%	↑ 6%	15%	↑ 6%
Earnings (PAT)	79	↑ 7%	240	↑ 91%
EPS (Rs.)	1.2	↑ 7%	3.63	↑ 91%

For the quarter ended 31 December 2025 (Q3 FY25/26), Laxapana PLC recorded revenue of Rs. 889 million, representing a slight decline compared to the same quarter in the previous year (Q3 FY24/25). The marginal reduction in revenue was partly attributable to operational and market disruptions caused by Cyclone Ditwah towards the end of November 2025. Despite this revenue shortfall, Profit Before Tax (PBT) reached Rs. 140 million, and Profit After Tax (PAT) stood at Rs. 79 million, reflecting year-on-year growth of 14% and 7%, respectively. These results underscore the effectiveness of cost management strategies and the resilience of the Group's underlying profitability.

Operating Environment

During the third quarter of FY 2025/26, Sri Lanka's macroeconomic environment continued to show signs of gradual recovery and stabilization. The economy expanded, supported by improved performance in the industry, services, and agriculture sectors, with GDP growing by approximately 5.4% in Q3 2025. Overall growth reached around 5.0% during the first nine months of the year. However, this performance was partially offset by the impact of Cyclone Ditwah in late November, which caused an estimated USD 4.1 billion in damage to infrastructure, agriculture, and property, equivalent to approximately 4% of GDP.

Performance Review for the Nine Months Ended 31st December 2025 contd.

Inflation remained relatively low and below the Central Bank's long-term target, supporting price stability. Market interest rates edged higher toward year-end amid stronger credit demand and tightening liquidity, while private sector credit continued to expand in line with the economic recovery. Sri Lankan Rupee's external value was relatively stable compared with the sharp fluctuations seen in earlier years of economic stress. While there was some continued depreciation pressure against major currencies during latter part of 2025. Overall, macroeconomic conditions experienced some pressure in the final quarter due to the impact of Cyclone Ditwah.

Segment Performance

Dry Cell Batteries and LED Products

The dry cell batteries and LED segments continued to operate in a highly competitive environment, characterized by price pressures and the increasing availability of low-cost alternatives. Despite these challenges, Laxapana PLC maintained its market presence through targeted promotional activities, dealer engagement initiatives, and ongoing brand-building efforts. Sales remained stable and demonstrated growth during the quarter, reflecting the resilience of the brand and the strength of its distribution network.

Other Industrial Goods

Sterling Steels (Private) Limited (SSL), a subsidiary of Laxapana PLC, continued to demonstrate steady operational performance during Q3 FY 2025/26. Demand for purlin and roofing solutions remained consistent, supported by ongoing construction activity. Operational efficiencies and production discipline contributed to maintaining margins during the period.

Cost Management and Controls

The Group continued to prioritize cost discipline during the quarter. Administrative and operational expenses were carefully managed, with ongoing focus on improving efficiency and optimizing resource utilization. Internal controls and reporting processes were further enhanced to facilitate timely and informed decision-making.

ESG and Governance

During the nine-month period, the Group made continued strides in advancing its Environmental, Social, and Governance (ESG) initiatives, focusing on sustainability, regulatory compliance, and responsible business practices. Efforts in energy efficiency, waste reduction, and governance improvements remained active, further supporting the Group's long-term sustainability goals.

Outlook

Looking ahead to the final quarter of FY25/26, management remains cautiously optimistic. Competitive pressures and cost volatility are expected to continue, but the Group is well-positioned to navigate challenges through disciplined execution, strong brand equity, and a sound financial foundation. Strategic priorities remain focused on operational efficiency, market responsiveness, and sustainable value creation for stakeholders.

S.Rajaratnam
Director

02 February, 2026

Statement of Profit or Loss and Other Comprehensive Income - Group

For the Period ended 31st December	Quarter Ended			Nine Months Ended		
	Unaudited 2025 Rs.'000	Unaudited 2024 Rs.'000	Variance %	Unaudited 2025 Rs.'000	Unaudited 2024 Rs.'000	Variance %
Revenue	**889,239**	979,909	-9%	**2,798,385**	2,450,908	14%
Cost of Sales	**(605,812)**	(713,427)	-15%	**(1,952,352)**	(1,810,100)	8%
Gross Profit	**283,427**	**266,482**	**6%**	**846,033**	**640,808**	**32%**
Other Income	**20,055**	18,169	10%	**46,501**	67,734	-31%
Administrative Expenses	**(81,407)**	(90,310)	-10%	**(245,798)**	(253,121)	-3%
Selling Expenses	**(66,033)**	(74,839)	-12%	**(238,728)**	(233,992)	2%
Profit from Operating Activities	**156,042**	**119,502**	**31%**	**408,008**	**221,429**	**84%**
Net Finance (Cost)/ Income	**(16,254)**	2,600	-725%	**(52,621)**	(34,305)	53%
Profit Before Tax	**139,788**	**122,102**	**14%**	**355,387**	**187,124**	**90%**
Income Tax Expense	**(60,598)**	(48,072)	26%	**(115,042)**	(61,082)	88%
Net Profit for the Period	**79,190**	**74,030**	**7%**	**240,345**	**126,042**	**91%**
Earnings Per Share (Rs.)	**1.20**	1.12		**3.63**	1.90	

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

Statement of Profit or Loss and Other Comprehensive Income - Company

	Quarter Ended			Nine Months Ended		
For the Period ended 31st December	Unaudited 2025 Rs.'000	Unaudited 2024 Rs.'000	Variance %	Unaudited 2025 Rs.'000	Unaudited 2024 Rs.'000	Variance %
Revenue	**370,661**	335,023	11%	**1,089,619**	883,500	23%
Cost of Sales	**(212,894)**	(227,712)	-7%	**(658,324)**	(613,687)	7%
Gross Profit	**157,767**	**107,311**	**47%**	**431,295**	**269,813**	**60%**
Other Income	**65,179**	123,820	-47%	**96,191**	169,597	-43%
Administrative Expenses	**(31,880)**	(23,179)	38%	**(89,396)**	(73,756)	21%
Selling Expenses	**(40,649)**	(48,821)	-17%	**(138,530)**	(140,170)	-1%
Profit from Operating Activities	**150,417**	**159,131**	**-5%**	**299,560**	**225,484**	**33%**
Net Finance Cost	**(5,435)**	(11,144)	-51%	**(16,797)**	(37,699)	-55%
Profit Before Tax	**144,982**	**147,986**	**-2%**	**282,763**	**187,785**	**51%**
Income Tax Expense	**(32,814)**	(14,734)	123%	**(64,267)**	(19,486)	230%
Net Profit for the Period	**112,168**	**133,252**	**-16%**	**218,496**	**168,299**	**30%**
Earnings Per Share (Rs.)	**1.69**	**2.01**		**3.30**	**2.54**	

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

Statement of Financial Position

	Group		Company	
As At	Unaudited 31-12-2025 Rs.'000	Audited 31-03-2025 Rs.'000	Unaudited 31-12-2025 Rs.'000	Audited 31-03-2025 Rs.'000
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	383,997	324,962	288,169	219,839
Work-In- Progress	10,966	86,048	10,966	86,048
Right of use Asset	10,435	16,940	-	-
Investment Property	609,260	609,260	609,260	609,260
Trade and Other Receivables	8,982	8,556	-	-
Investment in Subsidiary	-	-	320,000	320,000
Deferred Tax Asset	9,704	10,033	-	-
Total Non-Current Assets	1,033,344	1,055,799	1,228,395	1,235,147
Current Assets				
Inventories	932,038	1,163,262	213,226	266,252
Amount due from Related Companies	242,593	107,611	238,161	102,706
Trade and Other Receivables	693,090	600,320	220,602	134,921
Financial assets at amortised cost	98,043	47,905	98,043	47,905
Current Tax Assest	-	3,665	-	-
Cash and Cash Equivalents	106,024	61,250	27,740	44,995
Total Current Assets	2,071,788	1,984,013	797,772	596,779
Total Assets	3,105,132	3,039,812	2,026,167	1,831,926
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	811,905	621,229	719,942	551,115
Total Equity	1,359,396	1,168,720	1,267,433	1,098,606
Non-Current Liabilities				
Retirement Benefit Obligations	61,219	57,280	18,605	17,395
Interest Bearing Loans and Borrowings	125,473	172,473	125,473	172,473
Deffred Tax Liability	128,619	118,877	128,619	118,877
Lease Liability	2,494	14,516	-	-
Total Non-Current Liabilities	317,805	363,146	272,697	308,744
Current Liabilities				
Trade and Other Payables	718,302	831,913	319,030	305,215
Lease Liability	13,044	10,670	-	-
Amount due to Related Companies	4,346	2,488	642	276
Interest Bearing Loans and Borrowings	463,173	641,878	138,861	98,088
Income Tax Payable	48,873	20,997	26,779	20,997
Bank Overdrafts	180,194	-	725	-
Total Current Liabilities	1,427,932	1,507,946	486,037	424,576
Total Liabilities	1,745,737	1,871,092	758,734	733,320
Total Equity and Liabilities	3,105,132	3,039,812	2,026,167	1,831,926
Net Assets Value Per Share (Rs.)	20.53	17.65	19.14	16.59

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.

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.

S.D.R. Arudpragasam
Chairman

S. Rajaratnam
Director

02 February, 2026

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 equity Rs.'000
Balance as at 1st April 2024	**546,374**	**10**	**1,107**	**567,205**	**1,114,696**
Profit for the Period	-	-	-	126,042	126,042
Balance as at 31st December 2024	546,374	10	1,107	693,247	1,240,738
Balance as at 1st April 2025	**546,374**	**10**	**1,107**	**621,229**	**1,168,720**
Profit for the Period	-	-	-	240,345	240,345
Transaction with owners of the company					
Dividends Paid	-	-	-	(49,669)	(49,669)
Balance as at 31st December 2025	546,374	10	1,107	811,905	1,359,396

Company	Stated capital				
	Ordinary share capital Rs.'000	Preference share capital Rs.'000	Revaluation reserve Rs.'000	Retained earnings Rs.'000	Total equity Rs.'000
Balance as at 1st April 2024	**546,374**	**10**	**1,107**	**489,028**	**1,036,519**
Profit for the Period	-	-	-	168,299	168,299
Balance as at 31st December 2024	546,374	10	1,107	657,327	1,204,818
Balance as at 1st April 2025	**546,374**	**10**	**1,107**	**551,115**	**1,098,606**
Profit for the Period	-	-	-	218,496	218,496
Transaction with owners of the company					
Dividends Paid	-	-	-	(49,669)	(49,669)
Balance as at 31st December 2025	546,374	10	1,107	719,942	1,267,433

Figures in brackets indicate deductions.
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Statement of Cash Flows

	Group		Company	
For the Period Ended 31st December	Unaudited 2025 Rs.'000	Unaudited 2024 Rs.'000	Unaudited 2025 Rs.'000	Unaudited 2024 Rs.'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	**355,387**	187,124	**282,763**	187,785
Adjustments for ;				-
Depreciation on property, plant and equipment	**45,866**	41,512	**34,700**	31,636
Depreciation on right-of-use asset	**6,505**	7,433	-	-
Impairment (Reversal)/loss on trade receivables and amounts due from related parties	**(6,379)**	7,794	**357**	(402)
Interest expense	**60,734**	55,366	**24,706**	41,857
Interest income	**(8,875)**	(5,494)	**(8,174)**	(1,174)
Provision for retirement benefit obligations	**4,423**	4,244	**1,210**	1,183
Dividends income	-	-	**(49,725)**	(102,000)
Provision/(Reversal) for slow moving inventories	**(6,367)**	78	**(17,052)**	13,619
Profit on sales of property, plant and equipment	-	(280)	-	(280)
Operating cash flows before working capital changes	**451,293**	297,777	**268,786**	172,224
(Increase) / Decrease in inventories	**237,591**	(323,670)	**70,078**	(139,143)
(Increase) / Decrease in trade & other receivables	**(86,957)**	(167,863)	**(86,175)**	(3,327)
(Increase) / Decrease in amounts due from related companies	**(134,982)**	8,423	**(135,455)**	-
Increase / (Decrease) in amounts due to related companies	**1,858**	(3,341)	**366**	11,126
Increase / (Decrease) in trade & other payables	**(114,135)**	513,501	**13,290**	34,549
Cash generated from /(used in)operations	**354,668**	324,828	**130,889**	75,428
Income taxes paid	**(73,430)**	(43,050)	**(48,742)**	(31,368)
Retirement benefit obligations Payment	**(484)**	(696)	-	-
Interest expenses paid	**(60,210)**	(54,050)	**(24,182)**	(40,541)
Net cash flows generated from / (used in) operating activities	**220,544**	227,032	**57,965**	3,519
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	**8,875**	5,494	**8,174**	1,174
Short term loans granted to related companies	**(50,000)**	(50,000)	**(50,000)**	(50,000)
Dividend Income	-	-	**49,725**	102,000
Proceed from disposal of property, plant and equipment	-	280	-	280
Purchase & Construction of property, plant & equipment	**(29,818)**	(3,387)	**(27,948)**	(1,908)
Net cash flows from (used in) investing activities	**(70,943)**	(47,613)	**(20,049)**	51,546
CASH FLOWS FROM FINANCING ACTIVITIES				
Long-Term Loans Obtained	-	256,000	-	256,000
Long-Term Loans- Repayments	**(47,000)**	(41,835)	**(47,000)**	(41,835)
Net movement in Short-Term Loans	**(178,705)**	(296,005)	**40,773**	(131,115)
Lease Rental Payment	**(9,648)**	(8,844)	-	-
Dividend paid	**(49,669)**	-	**(49,669)**	-
Net cash flows generated from/ (used in) financing activities	**(285,022)**	(90,684)	**(55,896)**	83,050
Net decrease in cash & cash equivalent	**(135,420)**	88,735	**(17,980)**	138,115
Cash & cash equivalents at the beginning of the year	**61,250**	48,208	**44,995**	(36,073)
Cash & cash equivalents at the end of the period	**(74,170)**	136,943	**27,015**	102,042
Cash in Hand & at Bank	**106,024**	136,943	**27,740**	102,042
Bank Overdraft	**(180,194)**	-	**(725)**	-
	(74,170)	136,943	**27,015**	102,042

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

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 2025, and also in compliance with LKAS 34 - Interim Financial Reporting.

3. Stated Capital

	31 December 2025		31 December 2024	
Issued & Fully Paid	No. of Shares	Rs.	No. of Shares	Rs.
Ordinary Shares	**66,224,939**	**546,374,085**	66,224,939	546,374,085
5% Cumulative Preference Shares	**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.

Share Information

7.1. PUBLIC HOLDING

The percentage of shares held by the public as at 31st December 2025 was 20.00% and the number of public shareholders as at that date was 2,057.
The applicable option under CSE Rule 7.13.1 (i) (a) on minimum public holding is option 5 and the Float Adjusted Market Capitalization as of 31st December 2025 was Rs.728,474,329/-.

7.2. SHAREHOLDINGS OF THE DIRECTORS

DIRECTORS' DIRECT SHAREHOLDING	31-Dec-25 No. of Shares	31-Dec-24 No. of Shares
Mr. S.W. Gunawardena	134,612	113,500
Mr. S. Rajaratnam	500,000	500,000

7.3. MARKET PRICES RECORDED DURING THE QUARTER ENDED

	31-Dec-25 Rs.	31-Dec-24 Rs.
Highest Price	68.00	28.50
Lowest Price	48.10	16.70
Last Traded Price	55.00	26.80

7.4. MAJOR SHAREHOLDERS AS AT 31ST DECEMBER 2025

	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	8,280,289	12.50%
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.	Mr. Henry Anthony Rohan Pieris	200,000	0.30%
10.	People's Leasing & Finance PLC/Dr.H.S.D.Soysa & Mrs.G.Soysa	171,745	0.26%
11.	Mr. Zoebaly Gulamabass Carimjee	143,482	0.22%
12.	Mr. Sanjeewa Wijesiri Gunawardena	134,612	0.20%
13.	Merchant Bank of Sri Lanka & Finance PLC/K. Mithulan	110,269	0.17%
14.	Mrs. Luxshmi Shermila Rajaratnam	100,000	0.15%
15.	Mr. Manimel Wadu Madhusanka Dinesh Weeraratne	100,000	0.15%
16.	Cargills Bank Limited/Senthilverl Holdings (Pvt) Ltd	99,213	0.15%
17.	Mr. Muthuthanthrige Stephen Angelo Fernando	96,743	0.15%
18.	Mr. Abeysiri Hemapala Munasinghe & Mr. Abeysiri Rajith Ruchiranga Munasinghe	75,000	0.11%
19.	Mr. Abeysiri Hemapala Munasinghe & Miss. Abeysiri Vithanga Kavindi Munasinghe	75,000	0.11%
20.	Mrs. Zenab Mohamedi Adamally	66,666	0.10%
21.	Mr. Happavana Vithanage Mohan Sunil De Silva	66,306	0.10%
22.	Mr. Mohamed Hanif Aslam Kamil	62,000	0.09%
23.	Mr. Gananathan Shankaran Mahendran	60,784	0.09%
		63,069,262	95.23%

Notes

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.

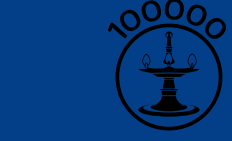
SECRETARIES
Corporate Managers & Secretaries (Private) Ltd.
8-5/2, Leyden Bastian Road,
York Arcade Building,
Colombo 1.

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 PLC

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



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