
Shaping the future we create
LAXAPANA PLC
Interim Financial Statements
For The Period Ended 30th September 2026
100000
LAXAPANA

Laxapana PLC

Performance Review for the Six Months Ended 30 September 2026

1. Financial Performance

For the six months ended 30 September 2026, Laxapana PLC recorded revenue of Rs. 1,913 million, in line with the corresponding period of the previous financial year. Profit Before Tax (PBT) decreased by 17% to Rs. 179 million and Profit After Tax (PAT) by 23% to Rs. 124 million, resulting in Earnings Per Share (EPS) of Rs. 1.87.

The Group's performance during the period was affected by a challenging economic environment. Rising fuel prices and higher inflation weighed on consumer demand, while elevated material prices and tighter monetary conditions slowed construction activity and delayed industrial projects.

The Group declared an interim dividend of Rs. 0.75 per share on 05 November 2026.

Financial Snapshot (Group)	Q2 FY 26/27 (LKR Mn)	Vs Q2 FY 25/26	Six Months FY 26/27 (LKR Mn)	Vs Six Months FY 25/26
Revenue	989	-2%	1,913	0%
Gross Profit	287	-4%	593	5%
GP Margin (%)	29%	0%	31%	2%
Operating Profit	84	-39%	209	-17%
OP Margin (%)	8%	-5%	11%	-2%
PBT	74	-39%	179	-17%
Earnings (PAT)	53	-46%	124	-23%
EPS (Rs.)	0.80	-46%	1.87	-23%

2. Operating Environment

The Sri Lankan economy expanded by 4.7% in the first half of 2026. However, an energy shock stemming from tensions in the Middle East drove fuel prices higher, pushing headline inflation up to 8.0% in August and September 2026. The Sri Lankan rupee recorded a year-to-date depreciation of 6.3% as of September 2026.

These conditions had a direct impact on the Group. Higher living costs constrained household purchasing power and weighed on consumer demand, while elevated material prices and tighter financial conditions slowed construction activity. As a result, Group revenue was held in line with the previous year, while the higher cost environment placed pressure on operating margins.

3. Segmental Performance

3.1 Energy and Lighting

The Energy and Lighting segment recorded steady revenue growth in the first six months of FY2026/27. This was mainly led by stronger sales of LED-related products, while the growth of the battery segment remained in line with the previous year.

The Group continues to strengthen its dealer programmes, with a focus on improving product availability and widening market reach, to support continued sales growth in the second half of the year.

3.2 Building Solutions

Performance in the Building Solutions segment, operated through the Group's subsidiary Sterling Steels (Private) Limited, declined year-on-year. Demand for building and roofing products remained subdued amid elevated material prices and tighter financial conditions, which also delayed the execution of industrial projects.

Management is closely monitoring the progress of these industrial projects, while sharpening its focus on cost control, procurement efficiency, production planning and inventory management to protect margins.

4. ESG Initiatives and Corporate Governance

The Group continued to strengthen its focus on environmental sustainability, responsible resource management and sound corporate governance. Key priorities include improving operational efficiency, reducing waste and environmental impacts, assessing sustainability-related risks and opportunities, exploring low-carbon development and progressively digitalizing sustainability data monitoring.

Underpinned by strong governance, regulatory compliance and effective internal controls, the Group is progressively integrating ESG considerations into business planning and decision-making to strengthen resilience and support sustainable long-term value creation.

5. Strategic Outlook

For the remainder of FY2026/27, the Group will focus on driving revenue growth, sustaining the improvement in gross margins and tightening control over operating costs to restore earnings momentum.

The Group remains cautious of uncertainties arising from geopolitical tensions and their potential impact on fuel prices, inflation, exchange rates and the wider Sri Lankan economy. Management will continue to monitor these developments closely and respond promptly to safeguard performance and deliver long-term value to shareholders.

S.Rajaratnam
Director

05 November 2026

LAXAPANA PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

GROUP

	Quarter Ended 30th September			Period Ended 30th September		
	Unaudited 2026 Rs.'000	**Unaudited 2025 Rs.'000**	**Variance %**	**Unaudited 2026 Rs.'000**	**Unaudited 2025 Rs.'000**	**Variance %**
Revenue from Contracts with Customers	989,157	1,013,425	-2%	1,912,932	1,909,146	0%
Cost of Sales	(702,240)	(714,925)	-2%	(1,320,111)	(1,346,540)	-2%
Gross Profit	**286,917**	**298,500**	-4%	**592,821**	**562,606**	5%
Other Income	18,752	13,383	40%	37,165	26,446	41%
Administrative Expenses	(110,962)	(93,710)	18%	(223,680)	(164,391)	36%
Distribution Expenses	(110,706)	(81,095)	37%	(196,870)	(172,695)	14%
Profit from Operating Activities	**84,001**	**137,078**	-39%	**209,436**	**251,966**	-17%
Net Finance Costs	(10,494)	(15,696)	-33%	(30,338)	(36,367)	-17%
Profit Before Tax	**73,507**	**121,382**	-39%	**179,098**	**215,599**	-17%
Income Tax Expense	(20,821)	(23,441)	-11%	(55,444)	(54,444)	2%
Net Profit for the Period	**52,686**	**97,941**	-46%	**123,654**	**161,155**	-23%
Earnings Per Share (Rs.)	**0.80**	**1.48**		**1.87**	**2.43**	

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

	Quarter Ended 30th September			Period Ended 30th September		
	Unaudited 2026 Rs.'000	**Unaudited 2025 Rs.'000**	**Variance %**	**Unaudited 2026 Rs.'000**	**Unaudited 2025 Rs.'000**	**Variance %**
Revenue from Contracts with Customers	406,678	376,644	8%	791,198	718,958	10%
Cost of Sales	(253,141)	(236,425)	7%	(474,354)	(445,430)	6%
Gross Profit	**153,537**	**140,219**	9%	**316,844**	**273,528**	16%
Other Income	18,786	16,412	14%	37,196	31,012	20%
Administrative Expenses	(51,632)	(30,255)	71%	(100,262)	(57,516)	74%
Distribution Expenses	(61,903)	(49,179)	26%	(111,292)	(97,881)	14%
Profit from Operating Activities	**58,788**	**77,197**	-24%	**142,486**	**149,143**	-4%
Net Finance Costs	(12,485)	(5,119)	144%	(21,626)	(11,362)	90%
Profit Before Tax	**46,303**	**72,078**	-36%	**120,860**	**137,781**	-12%
Income Tax Expense	(12,985)	(13,453)	-3%	(36,469)	(31,453)	16%
Net Profit for the Period	**33,318**	**58,625**	-43%	**84,391**	**106,328**	-21%
Earnings Per Share (Rs.)	**0.50**	**0.89**		**1.27**	**1.61**	

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

LAXAPANA PLC

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	Unaudited	**Audited**	**Unaudited**	**Audited**
As at	**30.09.2026 Rs.'000**	**31.03.2026 Rs.'000**	**30.09.2026 Rs.'000**	**31.03.2026 Rs.'000**
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	**322,439**	356,455	**235,593**	261,729
Intangible Assets	**11,073**	-	**5,750**	-
Work-In- Progress	**10,966**	10,966	**10,966**	10,966
Right of use Asset	**6,562**	8,165	**2,967**	-
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	**13,261**	15,318	**-**	-
Total Non-Current Assets	**984,251**	1,009,146	**1,186,244**	1,201,955
Current Assets				
Inventories	**1,142,234**	936,720	**302,563**	407,949
Amount due from Related Companies	**269,084**	201,948	**239,159**	199,934
Trade and Other Receivables	**776,411**	806,687	**202,189**	235,159
Cash and Cash Equivalents	**42,068**	91,831	**22,975**	58,921
Total Current Assets	**2,229,797**	2,037,186	**766,886**	901,963
Total Assets	**3,214,048**	3,046,332	**1,953,130**	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	**960,979**	837,324	**846,495**	762,104
Total Equity	**1,508,470**	1,384,815	**1,393,986**	1,309,595
Non-Current Liabilities				
Retirement Benefit Obligations	**82,207**	75,504	**24,527**	22,219
Interest Bearing Loans and Borrowings	**81,346**	109,807	**81,346**	109,807
Deferred Tax Liability	**146,204**	146,911	**146,204**	146,911
Lease Liability	**3,110**	2,494	**1,056**	-
Total Non-Current Liabilities	**312,867**	334,716	**253,133**	278,937
Current Liabilities				
Trade and Other Payables	**780,792**	765,487	**238,131**	413,476
Lease Liability	**4,776**	9,648	**1,949**	-
Amount due to Related Companies	**3,770**	7,941	**1,210**	1,816
Interest Bearing Loans and Borrowings	**329,377**	321,925	**51,377**	62,667
Income Tax Payable	**47,188**	73,982	**13,344**	37,427
Bank Overdrafts	**226,808**	147,818	**-**	-
Total Current Liabilities	**1,392,711**	1,326,801	**306,011**	515,386
Total Liabilities	**1,705,578**	1,661,517	**559,144**	794,323
Total Equity and Liabilities	**3,214,048**	3,046,332	**1,953,130**	2,103,918
Net Assets Value Per Share (Rs.)	**22.78**	**20.91**	**21.05**	**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

05 Nov 2026

LAXAPANA PLC

STATEMENT OF CHANGES IN EQUITY

Group	**Stated Capital**				
	Ordinary Share Capital	**Preference Share Capital**	**Revaluation Reserve**	**Retained Earnings**	**Total**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
Balance as at 1st April 2025	**546,374**	**10**	**1,107**	621,229	1,168,720
Profit for the Period	-	-	-	161,155	161,155
Balance as at 30th September 2025	**546,374**	**10**	**1,107**	**782,384**	**1,329,875**
Balance as at 1st April 2026	546,374	10	1,107	837,324	1,384,815
Profit for the Period	-	-	-	123,654	123,654
Balance as at 30th September 2026	**546,374**	**10**	**1,107**	**960,979**	**1,508,470**

Company	**Stated Capital**				
	Ordinary Share Capital	**Preference Share Capital**	**Revaluation Reserve**	**Retained Earnings**	**Total**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
Balance as at 1st April 2025	546,374	10	1,107	551,115	1,098,606
Profit for the Period	-	-	-	106,328	106,328
Balance as at 30th September 2025	**546,374**	**10**	**1,107**	**657,443**	**1,204,934**
Balance as at 1st April 2026	546,374	10	1,107	762,104	1,309,595
Profit for the Period	-	-	-	84,391	84,391
Balance as at 30th September 2026	**546,374**	**10**	**1,107**	**846,495**	**1,393,986**

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 September	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	179,098	215,599	120,860	137,781
Adjustments for ;				
Depreciation on property, plant and equipment	36,756	28,699	26,379	21,219
Depreciation on right of use assets	5,508	4,312	938	-
Amortisation of Intangible assests	717	-	-	-
Gain on disposal of property, plant & equipment	(106)	-	(106)	-
Impairment loss/(reversal) on trade receivables & amounts due from related parties	12,057	(2,566)	8,253	2,606
Finance costs	37,222	42,291	18,280	16,392
Finance income	(896)	(5,950)	(422)	(5,360)
Provision for retirement benefit obligations	7,151	2,950	2,308	807
Impairment (reversal)/loss on inventories	(2,095)	10,333	(2,095)	(352)
Operating cash flows before working capital changes	**275,411**	**295,668**	**174,394**	**173,093**
(Increase) / Decrease in inventories	(203,419)	394,785	107,481	49,272
(Increase) / Decrease in trade & other receivables	29,422	48,643	30,915	(4,511)
(Increase) / Decrease in amounts due from related companies	(78,339)	(136,157)	(45,423)	(143,226)
Increase / (Decrease) in amounts due to related companies	(4,171)	(1,859)	(606)	(276)
Increase / (Decrease) in trade & other payables	15,305	(166,004)	(175,345)	54,945
Cash generated from operations	**34,208**	**435,076**	**91,416**	**129,297**
Income taxes paid	(80,888)	(41,036)	(61,258)	(36,837)
Retirement benefit obligations paid	(448)	(484)	-	-
Interest expenses paid	(37,222)	(41,936)	(18,280)	(16,037)
Net cash flows (used in) /generated from operating activities	**(84,350)**	**351,620**	**11,878**	**76,423**
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	896	5,950	422	5,360
Proceeds from sale of property,plant & equipment	128	-	128	-
Purchase of property, plant & equipment	(16,258)	(1,288)	(7,724)	(314)
Loan advanced to related party	-	(50,000)	-	(50,000)
Net cash flows used in investing activities	**(15,234)**	**(45,338)**	**(7,174)**	**(44,954)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Lease rental paid	(8,161)	(6,345)	(900)	-
Repayments of long-term loans	(39,750)	(31,333)	(39,750)	(31,333)
Net movement in short-term loans	18,742	(245,590)	-	5,099
Net cash flows used in financing activities	**(29,169)**	**(283,268)**	**(40,650)**	**(26,234)**
Net (decrease)/ increase in cash & cash equivalent	**(128,753)**	23,015	**(35,946)**	5,235
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	**(184,740)**	84,265	**22,975**	50,230
Cash in hand & at bank	42,068	177,869	22,975	50,230
Bank overdraft	(226,808)	(93,604)	-	-
	(184,740)	84,265	**22,975**	50,230

Figures in brackets indicate deductions

The above figures are provisional and subject to audit

LAXAPANA PLC

NOTES TO THE FINANCIAL STATEMENTS

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 Sep 26		**30 Sep 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 subsequent to the interim period that require disclosure in the Provisional Interim Financial Statements, other than those disclosed below.

The Board of Directors of the Company has resolved on 5 November 2026 the payment of an interim dividend of Rs. 0.75 per share for the financial year ending 31 March 2027. As required by section 56 (2) of the Companies Act No. 07 of 2007, the Board of Directors has confirmed that the Company satisfies the solvency test in accordance with section 57 of the Companies Act No.07 of 2007, and has obtained a certificate from auditors, prior to declaring the interim dividend which is to be paid on or before 04 December 2026.

In accordance with LKAS 10, Events after the reporting period, the interim dividend has not been recognised as a liability in the financial statements as at 30 September 2026.

7 SHARE INFORMATION

7.1 PUBLIC HOLDING

The percentage of shares held by the public as at 30th September 2026 was 20.00% and the number of public shareholders as at that date was 2,441

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 30.09.2026 was Rs.582,779,463.20

7.2 SHAREHOLDINGS OF THE DIRECTORS	30 Sep 26	30 Sep 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 Sep 26	30 Sep 25
	RS.	**RS.**
Highest Price	50.00	62.50
Lowest Price	39.00	30.00
Last Traded Price	44.00	49.00

7.4 MAJOR SHAREHOLDERS AS AT 30TH SEPTEMBER 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/U.D.L.C. Udawatta	109,006	0.16%
16	Assetline Finance PLC/P.C.U.Ekanayaka	100,900	0.15%
17	Merchant Bank of Sri Lanka & Finance PLC/K. Mithulan	100,269	0.15%
18	Mr. Manimel Wadu Madhusanka Dinesh Weeraratne	100,000	0.15%
19	Cargills Bank Limited/Senthilverl Holdings (Pvt) Ltd	99,213	0.15%
20	Mr. Muthuthanthrige Stephen Angelo Fernando	96,743	0.15%
21	Mr. Jayasekara Pathiranage Minola Keshan	86,697	0.13%
22	Mr. Abeysiri Hemapala Munasinghe & Mr. Abeysiri Rajith Ruchiranga Munasinghe	75,000	0.11%
23	Mr. Abeysiri Hemapala Munasinghe & Miss. Abeysiri Vithanga Kavindi Munasinghe	75,000	0.11%
		61,563,102	**92.96%**

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
CHAIRMAN
S.D.R. Arudpragasam

DIRECTORS
S. Rajaratnam
R.C.A. Welikala
S.W. Gunawardena
A.D.T. Mendis
K.G. Punchihewa
S.B. Perera
P.Y.S.Perera

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
State 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.