

Ratio Analysis

	Year to December 31 2024	Year to December 31 2023	Year to December 31 2022	Year to December 31 2021	Year to December 31 2020	Year to December 31 2019
Profitability Ratios						
Cost/Income Ratio	88.2%	60.3%	49.0%	42.8%	57.2%	112.3%
Return on equity	-8.3%	16.8%	17.1%	22.1%	15.8%	-9.5%
Return on capital employed	10.4%	17.1%	20.1%	20.6%	19.5%	8.7%
Gross profit ratio	12.8%	16.1%	15.8%	16.8%	16.2%	10.1%
Net profit/Loss to sale	-1.5%	3.93%	3.6%	5.5%	4.1%	-2.1%
EBITDA margin to sale	10.7%	13.3%	14.0%	16.1%	14.9%	9.1%
Operating leverage ratio	(1.1)	(0.7)	0.5	1.7	43.8	0.2
Shareholders Funds	16.1%	20.6%	30.4%	28.1%	29.5%	26.4%
Return on shareholder funds	-31.1%	70.6%	62.3%	75.1%	44.3%	-22.3%
Liquidity Ratios						
Current ratio	0.9	1.0	1.1	1.1	1.0	0.8
Quick / Acid test ratio	0.6	0.7	0.7	0.6	0.6	0.5
Cash to Current Liabilities	(0.1)	(0.2)	0.0	(0.2)	(0.2)	(0.3)
Cash flow from Operations to Sales	0.1	0.1	0.2	(0.1)	0.2	0.2
Cash Flow to Capital Expenditure	0.4	0.4	3.4	(3.8)	1.4	6.2
Cash Flow Coverage Ratio	0.10	0.23	0.71	(0.30)	0.54	0.77
Activity / Turnover Ratios						
Inventory turnover	7.4	5.6	6.6	4.0	6.7	7.6
No. of Days in Inventory	49.0	65.5	55.3	91.0	54.6	47.9
Debtor turnover ratio	10.4	10.1	12.2	7.6	10.4	7.5
No. of Days in Receivables	35.1	36.3	30.0	48.0	35.2	48.9
Creditors turnover ratio	7.9	5.2	89.5	49.8	5.0	4.8
No. of Days in payables	46.2	69.7	4.1	7.3	72.6	75.7
Total Assets turnover ratio	0.9	0.9	1.4	1.1	1.1	1.2
Fixed Assets turnover ratio	1.5	1.7	3.2	2.8	2.1	2.4
Operating Cycle	37.9	32.1	81.1	131.7	17.2	21.1
Employee Productivity Ratio						
Production per Employee	169.81	133.71	158.02	164.76	157.42	153.37
Revenue per Employee	91,915.64	77,872.40	79,604.88	65,479.26	48,520.26	46,911.40
Staff Turnover Ratio	17.6%	10.1%	12.1%	6.8%	0.6%	2.8%
Spares Inventory as a % of asset cost	1.8%	1.8%	3.0%	2.9%	3.9%	3.2%
Maintenance Cost as a % of operating expenses	2.0%	2.9%	2.5%	2.8%	3.1%	2.5%

Horizontal Analysis

	2024		2023		2022		2021		2020		2019	
	Rs '000	variance %	Rs '000	variance %	Rs '000	variance %	Rs '000	variance %	Rs '000	variance %	Rs '000	variance %
Statement of Financial Position												
Equity and Reserves	5,178,557	(11.1)	5,825,793	15.1	5,060,982	7.5	4,707,491	21.5	3,875,925	18.9	3,259,360	(12.7)
Long term financing facilities	12,521,347	55.7	8,040,687	222.8	2,491,228	(4.3)	2,603,142	22.6	2,123,085	144.0	870,002	(18.7)
Non Current Liability	782,913	(19.0)	966,846	(0.4)	970,594	46.2	663,679	(25.4)	889,329	135.7	377,377	38.6
Current Liabilities	13,780,691	2.6	13,436,927	65.0	8,141,638	(7.0)	8,757,112	39.8	6,264,771	(19.9)	7,822,735	3.9
	<u>32,263,508</u>	<u>14.1</u>	<u>28,270,253</u>	<u>69.6</u>	<u>16,664,441</u>	<u>(0.4)</u>	<u>16,731,424</u>	<u>27.2</u>	<u>13,153,110</u>	<u>6.7</u>	<u>12,329,474</u>	<u>(2.2)</u>
Property Plant and Equipment	19,258,566	29.9	14,828,915	95.9	7,571,398	9.7	6,900,023	(1.7)	7,022,510	16.3	6,038,793	(0.6)
Other Non-Current Assets	35,059	(3.1)	36,169	(13.2)	41,681	216.3	13,176	(23.5)	17,234	(25.6)	23,155	204.7
Intangibles	4,669	(55.0)	10,386	(23.9)	13,648	100.9	6,793	(37.9)	10,946	(15.2)	12,909	448.9
Long term deposits	25,783	-	25,783	(8.0)	28,033	339.2	6,383	1.5	6,288	(38.6)	10,246	95.3
Deferred taxation	4,607	-	-	-	-	-	-	-	-	-	-	-
Current Assets	12,969,883	(3.2)	13,405,169	48.1	9,051,362	(7.8)	9,818,225	60.6	6,113,366	(2.5)	6,267,526	(3.9)
Inventories	4,161,502	(6.4)	4,446,312	20.1	3,701,040	(18.3)	4,527,514	83.7	2,464,747	11.7	2,206,552	(14.3)
Trade receivables	3,259,526	13.4	2,874,497	25.9	2,283,807	(21.5)	2,910,764	71.6	1,696,150	(26.0)	2,292,142	(1.4)
Advances and prepayments	308,870	(3.2)	319,010	198.4	106,922	(20.1)	133,819	45.6	91,901	19.7	76,804	(26.4)
Refunds due from government - sales tax	1,910,978	0.3	1,905,338	6,275.4	29,886	(91.3)	344,828	43.6	240,160	88.8	127,209	(16.3)
Other receivables	681,179	(37.8)	1,095,250	53.8	712,034	178.0	256,106	9.4	234,054	121.4	105,715	(22.2)
Taxation	1,535,842	27.5	1,205,006	(8.3)	1,313,483	(8.7)	1,438,326	15.2	1,248,996	0.2	1,246,809	5.0
Cash and bank balances	1,111,986	(28.7)	1,559,756	72.5	904,190	337.1	206,868	50.6	137,358	(35.3)	212,295	383.9
	<u>32,263,508</u>	<u>14.13</u>	<u>28,270,253</u>	<u>69.64</u>	<u>16,664,441</u>	<u>(0.4)</u>	<u>16,731,424</u>	<u>27.2</u>	<u>13,153,110</u>	<u>6.7</u>	<u>12,329,474</u>	<u>(2.2)</u>
Profit & Loss												
Revenue from Contract with Customers	29,413,004	18.0	24,919,167	3.3	24,120,278	26.6	19,054,464	26.3	15,089,802	2.8	14,683,267	11.0
Cost of sales	25,643,589	22.6	20,919,019	3.0	20,313,266	28.2	15,848,306	25.3	12,649,012	(4.1)	13,193,443	11.4
Gross profit	3,769,415	(5.8)	4,000,148	5.1	3,807,012	18.7	3,206,158	31.4	2,440,790	63.8	1,489,824	8.3
Administration and selling expenses	1,766,142	17.3	1,505,286	20.2	1,251,883	30.3	960,883	8.2	887,688	12.6	788,218	14.8
Operating profit	2,003,273	(19.7)	2,494,862	(2.4)	2,555,129	13.8	2,245,275	44.6	1,553,122	121.4	701,606	1.8
Other income	262,045	12.4	233,044	50.1	155,208	48.6	104,416	(36.6)	164,710	65.1	99,781	75.8
Finance Cost	2,519,344	177.0	909,541	(22.4)	1,171,758	41.8	826,343	2.1	808,992	(1.3)	819,480	61.5
Other charges	35,689	(67.6)	110,078	(29.9)	157,065	45.1	108,242	(20.0)	135,328	13,102.7	1,025	(94.5)
Profit/(loss) before taxation	(289,715)	(117.0)	1,708,287	23.7	1,381,514	(2.4)	1,415,106	82.9	773,512	(4,146.0)	(19,118)	(108.7)
Provision for taxation	141,731	(80.6)	729,169	40.8	518,008	38.8	373,246	134.2	159,401	(45.2)	290,696	363.5
Profit/(loss) after taxation	<u>(431,446)</u>	<u>(144.1)</u>	<u>979,118</u>	<u>13.4</u>	<u>863,506</u>	<u>(17.1)</u>	<u>1,041,860</u>	<u>69.7</u>	<u>614,111</u>	<u>298.2</u>	<u>(309,814)</u>	<u>(296.9)</u>

Vertical Analysis

	2024		2023		2022		2021		2020		2019	
	Rs '000	variance %	Rs '000	variance %	Rs '000	variance %	Rs '000	variance %	Rs '000	variance %	Rs '000	variance %
Statement of Financial Position												
Equity and Reserves	5,178,557	16.1	5,825,793	20.6	5,060,982	30.4	4,707,491	28.1	3,875,925	29.5	3,259,360	26.4
Long term financing facilities	12,521,347	38.8	8,040,687	28.4	2,491,228	14.9	2,603,142	15.6	2,123,085	16.1	870,002	7.1
Non Current Liability	782,913	2.4	966,846	3.4	970,594	5.8	663,679	4.0	889,329	6.8	377,377	3.1
Current Liabilities	13,780,691	42.7	13,436,927	47.5	8,141,638	48.9	8,757,112	52.3	6,264,771	47.6	7,822,735	63.4
	<u>32,263,508</u>	<u>100.0</u>	<u>28,270,253</u>	<u>100.0</u>	<u>16,664,441</u>	<u>100.0</u>	<u>16,731,424</u>	<u>100.0</u>	<u>13,153,110</u>	<u>100.0</u>	<u>12,329,474</u>	<u>100.0</u>
Property Plant and Equipment	19,258,566	59.7	14,828,915	52.5	7,571,398	45.4	6,900,023	41.2	7,022,510	53.4	6,038,793	49.0
Other Non Current Assets	35,059	0.1	36,169	0.1	41,681	0.3	13,176	0.1	17,234	0.1	23,155	0.2
Intangibles	4,669	0.0	10,386	0.0	13,648	0.1	6,793	0.0	10,946	0.1	12,909	0.1
Long term deposits	25,783	0.1	25,783	0.1	28,033	0.2	6,383	0.0	6,288	0.0	10,246	0.1
Deferred taxation	4,607	0.0										
Current Assets	12,969,883	40.2	13,405,169	47.4	9,051,362	54.3	9,818,225	58.7	6,113,366	46.5	6,267,526	50.8
Inventories	4,161,502	12.9	4,446,312	15.7	3,701,040	22.2	4,527,514	27.1	2,464,747	18.7	2,206,552	17.9
Trade debts	3,259,526	10.1	2,874,497	10.2	2,283,807	13.7	2,910,764	17.4	1,696,150	12.9	2,292,142	18.6
Financial assets at fair value through profit or loss		-		-		-		-		-		-
Advances and prepayments	308,870	1.0	319,010	1.1	106,922	0.6	133,819	0.8	91,901	0.7	76,804	0.6
Refunds due from government - sales tax	1,910,978	5.9	1,905,338	6.7	29,886	0.2	344,828	2.1	240,160	1.8	127,209	1.0
Other receivables	681,179	2.1	1,095,250	3.9	712,034	4.3	256,106	1.5	234,054	1.8	105,715	0.9
Taxation	1,535,842	4.8	1,205,006	4.3	1,313,483	7.9	1,438,326	8.6	1,248,996	9.5	1,246,809	10.1
Cash and bank balances	1,111,986	3.4	1,559,756	5.5	904,190	5.4	206,868	1.2	137,358	1.0	212,295	1.7
	<u>32,263,508</u>	<u>100.0</u>	<u>28,270,253</u>	<u>100.0</u>	<u>16,664,441</u>	<u>100.0</u>	<u>16,731,424</u>	<u>100.0</u>	<u>13,153,110</u>	<u>100.0</u>	<u>12,329,474</u>	<u>100.0</u>
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Revenue from Contract with Customers	29,413,004	100.0	24,919,167	100.0	24,120,278	100.0	19,054,464	100.0	15,089,802	100.0	14,683,267	100.0
Cost of sales	25,643,589	87.2	20,919,019	83.9	20,313,266	84.2	15,848,306	83.2	12,649,012	83.8	13,193,443	89.9
Gross profit	3,769,415	12.8	4,000,148	16.1	3,807,012	15.8	3,206,158	16.8	2,440,790	16.2	1,489,824	10.1
Administration and selling expenses	1,766,142	6.0	1,505,286	6.0	1,251,883	5.2	960,883	5.0	887,688	5.9	788,218	5.4
Operating profit	2,003,273	6.8	2,494,862	10.0	2,555,129	10.6	2,245,275	11.8	1,553,122	10.3	701,606	4.8
Other income	262,045	0.9	233,044	0.9	155,208	0.6	104,416	0.5	164,710	1.1	99,781	0.7
Finance Cost	2,519,344	8.6	909,541	3.6	1,171,758	4.9	826,343	4.3	808,992	5.4	819,480	5.6
Other charges	35,689	0.1	110,078	0.4	157,065	0.7	108,242	0.6	135,328	0.9	1,025	0.0
Profit/(loss) before taxation	(289,715)	(1.0)	1,708,287	6.9	1,381,514	5.7	1,415,106	7.4	773,512	5.1	(19,118)	(0.1)
Provision for taxation	141,731	0.5	729,169	2.9	518,008	2.1	373,246	2.0	159,401	1.1	290,696	2.0
Profit/(loss) after taxation	<u>(431,446)</u>	<u>(1.5)</u>	<u>979,118</u>	<u>3.9</u>	<u>863,506</u>	<u>3.6</u>	<u>1,041,860</u>	<u>5.5</u>	<u>614,111</u>	<u>4.1</u>	<u>(309,814)</u>	<u>(2.1)</u>

Combined Analysis of Horizontal and Vertical Analysis

Statement of Financial Position

Equity and Reserves

In 2024, Equity and Reserves saw a decrease of 11.1%, contrasting with the significant growth observed in the previous two years. This decline reflects the impact of the year's financial performance, as detailed in the Profit and Loss analysis.

Long Term Borrowing Facilities

Long-term borrowing facilities increased by 55.7% in 2024, primarily due to the use of funds for payments to suppliers for the newly commissioned BOPP line project. This highlights the Company's strategic investment in expanding its operations while ensuring financial flexibility.

Current Liability

Current liabilities rose by 2.6% in 2024. While a smaller increase compared to previous years, it still indicates a continued trend of growing short-term obligations. This highlights the Company's focus on efficient working capital management and maintaining financial stability in a changing market.

Property Plant & Equipment

Property, Plant, and Equipment increased by 29.9% in 2024. This significant growth, the highest in the last six years, suggests continued investment in operational capacity and efficiency improvements. This aligns with the company's focus on strategic capital expenditures.

Current assets

Current assets mainly consist of trade receivables and inventories. The improved debtor turnover highlights successful recovery efforts, while the reduction in inventory days indicates more efficient stock management. As a result, current assets decreased by 3.2% in 2024, in contrast to the previous year's increase driven by higher inventory levels and receivables.

Statement of Profit and Loss

Revenue from Contracts with Customers

The Company achieved its highest sales revenue in the last 6 years, primarily driven by the pass-through of increased raw material prices to customers. This growth was further supported by timely pricing decisions and the reorganization of the product portfolio.

Gross Profit

Gross Profit decreased by 5.8% in 2024. This decline, despite revenue growth indicates pressure on margins due to rising costs of production.

Finance Cost

The Company utilizes debt obtained from banks for its working capital requirements as well as to finance capital expenditure.

Loss Before Tax

In 2024, the company reported a loss before taxation, a significant decline from the profit recorded in the previous year. This loss was mainly driven by higher depreciation and finance charges related to the commissioning of the new BOPP Line 5.

Taxation

The provision for levies and taxation decreased in 2024. This decline is in line with the loss before taxation as the company had a loss resulting in a lower tax liability.