

Ratio Analysis

	Year to December 31 2025	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
Profitability Ratios						
Cost/Income Ratio	104.1%	89.8%	59.5%	49.6%	42.4%	59.9%
Return on equity	-7.7%	-8.3%	16.8%	17.1%	22.1%	15.8%
Return on capital employed	10.3%	10.4%	17.1%	20.1%	20.6%	19.5%
Gross profit ratio	14.3%	12.8%	16.1%	15.8%	16.8%	16.2%
Net profit/Loss to sale	-1.2%	-1.5%	3.93%	3.6%	5.5%	4.1%
EBITDA margin to sale	12.0%	10.6%	13.4%	13.9%	16.2%	14.4%
Opertaing leverage ratio	2.3	(1.2)	0.1	0.4	2.0	40.2
Shareholders Funds	14.3%	16.1%	20.6%	30.4%	28.1%	29.5%
Return on shareholder funds	-26.4%	-31.1%	70.6%	62.3%	75.1%	44.3%
Total Shareholder Return						
Liquidity Ratios						
Current ratio	0.8	0.9	1.0	1.1	1.1	1.0
Quick / Acid test ratio	0.5	0.6	0.7	0.7	0.6	0.6
Cash to Current Liabilities	(0.1)	(0.1)	(0.2)	0.0	(0.2)	(0.2)
Cash flow from Operations to Sales	0.2	0.1	0.1	0.2	(0.1)	0.2
Cash Flow to Capital Expenditure	2.7	0.4	0.4	3.4	(3.8)	1.4
Cash Flow Coverage Ratio	0.31	0.10	0.23	0.71	(0.30)	0.54
Activity / Turnover Ratios						
Inventory turnover	6.4	7.4	5.6	6.6	4.0	6.7
No. of Days in Inventory	56.7	49.0	65.5	55.3	91.0	54.6
Debtor turnover ratio	10.0	10.4	10.1	12.2	7.6	10.4
No. of Days in Receivables	36.5	35.1	36.3	30.0	48.0	35.2
Creditors turnover ratio	5.3	7.9	5.2	89.5	49.8	5.0
No. of Days in payables	69.2	46.2	69.7	4.1	7.3	72.6
Total Assets turnover ratio	0.9	0.9	0.9	1.4	1.1	1.1
Fixed Assets turnover ratio	1.5	1.5	1.7	3.2	2.8	2.1
Opertaing Cycle	23.9	37.9	32.1	81.1	131.7	17.2
Employee Productivity Ratio						
production per employee	159.69	169.81	133.71	158.02	164.76	157.42
Revenue per Employee	87,293.90	91,915.64	77,872.40	79,604.88	65,479.26	48,520.26
Staff turnover ratio	0.0%	17.6%	10.1%	12.1%	6.8%	0.6%
Spares Inventory as a % of asset cost	2.5%	1.8%	1.8%	3.0%	2.9%	3.9%
Maintenance Cost as a % of operating expenses	1.9%	2.0%	2.9%	2.5%	2.8%	3.1%

	Year to December 31 2025	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
Investment / Market Ratios						
Earnings per share (EPS)	(9.5)	(11.1)	25.2	22.3	26.9	15.8
Price earning ratio	(16.3)	(12.8)	5.7	5.8	7.6	10.3
Price to Book ratio %	0.18	0.17	0.20	0.30	0.47	0.48
Dividend %	0%	0%	60%	50%	130%	50%
Dividend Yield ratio	0%	0%	4%	4%	6%	3%
Dividend Payout ratio	0%	0%	24%	23%	48%	32%
Dividend Cover ratio	-	-	4.2	4.5	2.1	3.2
Break-up Value per share	122.9	133.5	150.1	130.4	121.3	99.9
Market value per share	154.0	142.2	144.2	128.6	203.1	162.8
Highest Market value per share during the period	165.2	152.6	161.1	202.0	236.6	198.0
Lowest Market value per share during the period	116.7	106.0	113.2	123.3	154.0	63.1
Cash Dividend per share/Stock Dividend per share	-	-	0.2	0.2	0.5	0.3
Capital Structure Ratios						
Net assets per share	122.9	133.5	150.1	130.4	121.3	99.9
Financial Leverage ratio	4.0	3.8	2.4	1.5	1.9	1.2
Weighted average cost of debt	13.6	12.7	6.1	15.5	6.7	13.0
Total Debt to equity ratio	79:21	79:21	69:31	58:42	65:35	54:46
Long Term Debt to Equity Ratio	73:27	72:28	61:39	38:62	39:61	38:62
Interest coverage	0.9	0.8	3.0	2.3	2.9	2.0

Profitability Ratios

During the period from 2021 to 2023, the Company demonstrated strong and consistent growth in profitability supported by improved operational efficiencies, prudent strategic investments and robust market demand. Key profitability indicators, including gross margins, return on equity, and return on capital employed, remained at healthy levels during this period. However, during 2024 and 2025, the Company experienced a decline in profitability primarily due to higher depreciation and finance costs associated with the commissioning of BOPP Line 5. Additionally, the imposition of a grid levy and the recognition of a prior year tax charge adversely impacted net profitability. As a result, the Company reported net losses and negative returns on equity during these years. Despite this, the company is committed to overcome all challenges and to fulfill its obligations to the shareholders.

Liquidity Ratios

The Company maintained moderate liquidity levels although a gradual weakening trend is observed over the period. The decline in current ratio to 0.8 in 2025 from 0.9 in 2024 is due to the increase in our obligations for repayment of long term loans and our suppliers. Cash flow indicators highlight that while operating cash flows remained positive, coverage ratios weakened in recent years, reflecting higher capital expenditure and financing commitments. The management continues to focus on improving working capital efficiency and maintaining adequate liquidity to support operations.

Activity/Turnover Ratios

The Company demonstrated improvements in operational efficiency over the period, particularly in inventory and operating cycle management. Inventory days reduced significantly from earlier levels, and the operating cycle improved from 131.7 days in 2021 to 23.9 days in 2025, reflecting better inventory turnover and receivables management. However, fixed asset turnover declined over the years, largely due to the addition of new capital assets, indicating that the full benefits of recent investments are yet to be realized.

Investment/Market Ratios

The Company delivered strong shareholder returns up to 2023, including consistent dividend payouts. However, due to losses in 2024 and 2025, no dividends were declared, and earnings per share turned negative. Market indicators reflect a decline in investor returns during the recent period, although the Company's underlying fundamentals and long-term growth prospects remain intact.

Capital Structure Ratio

The Company's capital structure has become more leveraged over the period, with the debt-to-equity ratio increasing to 79:21 in 2024 and 2025, compared to lower levels in earlier years. Financial leverage has also increased, leading to higher finance costs resulting in decline interest coverage ratios although it improved in 2025 slightly. The primary reason for the increased debt are the expansion project which are expected to provide long term benefits to the company and the Board remains confident that improved earnings from new capacity will enhance coverage ratios going forward.

Horizontal Analysis

	2025		2024		2023		2022		2021		2020	
	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	4,767,107	(7.9)	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
Long term financing facilities	11,032,072	(11.9)	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
Non Current Liability	678,114	(13.4)	782,913	(19.0)	966,846	(0.4)	970,594	46.2	663,679	(25.4)	889,329	135.7
Current Liabilities	16,972,407	23.2	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)
	<u>33,449,700</u>	<u>3.7</u>	<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>
Property Plant and Equipment	19,501,045	1.3	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
Other Non-Current Assets	1,052,094	2,901	35,059	(3.1)	36,169	(13.2)	41,681	216.3	13,176	(23.5)	17,234	(25.6)
Intangibles	317,350	6,697	4,669	(55.0)	10,386	(23.9)	13,648	100.9	6,793	(37.9)	10,946	(15.2)
Long term deposits	95,791	272	25,783	-	25,783	(8.0)	28,033	339.2	6,383	1.5	6,288	(38.6)
Deferred taxation	638,953	13,769	4,607	-	-	-	-	-	-	-	-	-
Current Assets	12,896,561	(0.6)	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)
Inventories	4,846,691	16.5	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
Trade receivables	3,488,686	7.0	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)
Advances and prepayments	434,754	40.8	308,870	(3.2)	319,010	198.4	106,922	(20.1)	133,819	45.6	91,901	19.7
Refunds due from government - sales tax	789,192	(58.7)	1,910,978	0.3	1,905,338	6,275.4	29,886	(91.3)	344,828	43.6	240,160	88.8
Other receivables	645,438	(5.2)	681,179	(37.8)	1,095,250	53.8	712,034	178.0	256,106	9.4	234,054	121.4
Taxation	1,388,036	(9.6)	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
Cash and bank balances	1,303,764	17.2	1,111,986	(28.7)	1,559,756	72.5	904,190	337.1	206,868	50.6	137,358	(35.3)
	<u>33,449,700</u>	<u>3.68</u>	<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>
Profit & Loss												
Revenue from Contract with Customers	30,203,691	2.7	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
Cost of sales	25,871,810	0.9	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)
Gross profit	4,331,881	14.9	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
Administration and selling expenses	2,176,776	23.3	1,766,142	17.0	1,505,286	20.2	1,251,882	30.5	960,883	8.2	887,668	13.0
Charge for expected credit loss	64,484	1.0	35,689	(196.1)	(37,145)	(212.3)	33,073	(275.1)	(18,892)	(127)	70,317	1,504.0
Operating profit	2,090,621	6.3	1,967,584	(22.3)	2,532,007	0.4	2,522,056	11.4	2,264,167	52.7	1,482,805	111.3
Other income	361,534	38.0	262,045	12.4	233,044	50.1	155,208	48.6	104,416	(36.6)	164,710	65.1
Finance Cost	2,659,889	5.6	2,519,344	177.0	909,541	(22.4)	1,171,758	41.8	826,343	2.1	808,992	(1.3)
Other expenses	26,810	1.0	-	(100.0)	147,223	18.7	123,992	(2.5)	127,134	95.6	65,011	6,242.5
Profit/(loss) before taxation	(234,544)	(19.0)	(289,715)	(117.0)	1,708,287	23.7	1,381,514	(2.4)	1,415,106	82.9	773,512	(4,146.0)
Provision for taxation	132,190	(6.7)	141,731	(80.6)	729,169	40.8	518,008	38.8	373,246	134.2	159,401	(45.2)
Profit/(loss) after taxation	<u>(366,734)</u>	<u>(15.0)</u>	<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>

Vertical Analysis

	2025		2024		2023		2022		2021		2020	
	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	4,767,107	14.3	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
Long term financing facilities	11,032,072	33.0	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
Non Current Liability	678,114	2.0	782,913	2.4	966,846	3.4	970,594	5.8	663,679	4.0	889,329	6.8
Current Liabilities	16,972,407	50.7	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
	<u>33,449,700</u>	<u>100.0</u>	<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>
Property Plant and Equipment	19,501,045	58.3	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
Other Non Current Assets	1,052,094	3.1	35,059	0.1	36,169	0.1	41,681	0.3	13,176	0.1	17,234	0.1
Intangibles	317,350	0.9	4,669	0.0	10,386	0.0	13,648	0.1	6,793	0.0	10,946	0.1
Long term deposits	95,791	0.3	25,783	0.1	25,783	0.1	28,033	0.2	6,383	0.0	6,288	0.0
Deferred taxation	638,953	1.9	4,607	0.0	-	-	-	-	-	-	-	-
Current Assets	12,896,561	38.6	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
Inventories	4,846,691	14.5	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
Trade debts	3,488,686	10.4	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
Financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
Advances and prepayments	434,754	1.3	308,870	1.0	319,010	1.1	106,922	0.6	133,819	0.8	91,901	0.7
Refunds due from government - sales tax	789,192	2.4	1,910,978	5.9	1,905,338	6.7	29,886	0.2	344,828	2.1	240,160	1.8
Other receivables	645,438	1.9	681,179	2.1	1,095,250	3.9	712,034	4.3	256,106	1.5	234,054	1.8
Taxation	1,388,036	4.1	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
Cash and bank balances	1,303,764	3.9	1,111,986	3.4	1,559,756	5.5	904,190	5.4	206,868	1.2	137,358	1.0
	<u>33,449,700</u>	<u>100.0</u>	<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>
Profit & Loss												
Revenue from Contract with Customers	30,203,691	100.0	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
Cost of sales	25,871,810	85.7	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
Gross profit	4,331,881	14.3	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
Administration and selling expenses	2,176,776	7.2	1,766,142	6.0	1,505,286	6.0	1,251,883	5.2	960,883	5.0	887,668	5.9
Charge for expected credit loss	64,484	0.2	35,689	0.1	(37,145)	(0.1)	33,073	0.1	(18,892)	(0.1)	70,317	0.5
Operating profit	2,090,621	6.9	1,967,584	6.7	2,532,007	10.2	2,522,056	10.5	2,264,167	11.9	1,482,805	9.8
Other income	361,534	1.2	262,045	0.9	233,044	0.9	155,208	0.6	104,416	0.5	164,710	1.1
Finance Cost	2,659,889	8.8	2,519,344	8.6	909,541	3.6	1,171,758	4.9	826,343	4.3	808,992	5.4
Other expenses	26,810	0.1	-	-	147,223	0.6	123,992	0.5	127,134	0.7	65,011	0.4
Profit/(loss) before taxation	(234,544)	(0.8)	(289,715)	(1.0)	1,708,287	6.9	1,381,514	5.7	1,415,106	7.4	773,512	5.1
Provision for taxation	132,190	0.4	141,731	0.5	729,169	2.9	518,008	2.1	373,246	2.0	159,401	1.1
Profit/(loss) after taxation	<u>(366,734)</u>	<u>(1.2)</u>	<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>

Combined Analysis of Horizontal and Vertical Analysis

Statement of Financial Position

Equity and Reserves

The Equity and Reserves saw a decrease of 11.1% in 2024 and 7.4% in 2025, contrasting with the significant growth observed in the previous 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 decreased by 11.9% in 2025, primarily due to the repayment of the loans and the classification of the current portion of the long term loans to current liabilities.

Current Liability

Current liabilities rose by 23.2% in 2025. This increase is significant from the 2024 and is mainly due to the increase in our trade payables to improved our working capital and also the increase in current portion of long term liability. The Company's focus is on efficient working capital management and maintaining financial stability in a changing market.

Property Plant & Equipment

The Company has made substantial investments in property, plant and equipment over the five-year period, reflecting its strategic focus on capacity expansion and operational enhancement. Significant additions were recorded particularly between 2022 and 2024, driven by projects such as the commissioning of BOPP Line 5. These investments are expected to improve production efficiency and support long-term growth.

Current Assets

Current assets have remained relatively stable overall, with fluctuations across individual components such as inventories, receivables, and cash balances. The inventories and receivables have increased in line with business growth. The Company has demonstrated improved working capital management, supported by better inventory turnover and a reduced operating cycle. Management remains focused on optimizing current asset utilization, improving receivable recoveries, and maintaining adequate liquidity to support ongoing operations.

Statement of Profit and Loss

Revenue from Contracts with Customers

The Company recorded steady growth in revenue from 2021 to 2025, reflecting strong market demand and increased production capacity. Revenue increased consistently over the period, demonstrating the Company's ability to expand its operations. The highest sales revenue was achieved in the last 5 years primarily driven by the pass-through of increased raw material prices to customers and was further supported by timely pricing decisions and the reorganization of the product portfolio.

Gross Profit

The Company maintained relatively stable gross profit margins over the five-year period, supported by consistent revenue growth and effective cost management. Gross profit increased in line with sales growth up to 2023. However, in 2024 gross margins experienced a slight decline, primarily due to rising input costs but in 2025 the margins improved by 1.5%. The Company has been able to sustain reasonable margins, demonstrating resilience in its core operations.

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 2025, the company reported a loss before taxation of Rs. 367m, a slight decline of 1.5% from the loss 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 and also by the imposition of grid levy a prior year tax charge of 241m.

Taxation

The provision for levies and taxation decreased in 2025. This decline is in line with the loss before taxation as the company had a loss resulting in a lower tax liability.