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# John Keells Holdings PLC - JKH SL

## Positive Developments Re-Rate Valuations: BUY

Recommendation	Current price	Target price
<b>Buy</b>	<b>190.00</b>	<b>234.50</b>

**JKH posted a PATMI of LKR 1.5bn in 1Q FY24 recording an 87% YoY decline (1Q FY24 included an exchange loss of LKR 359mn against an exchange gain of LKR 10.1bn in 1Q FY23) which translated to an EPS of LKR 1.06. Topline fell 11% YoY mainly due to a steep decline in transportation revenue amidst rupee appreciation and volume drop. EBIT margin remained under pressure at 2.6% due to cost escalations and the impact of volume drop while rupee appreciation adversely impacted the earnings of transportation and leisure sectors. We continue to maintain our positive stance on JKH's fundamentals driven by positive developments in the macro environment improving medium-term prospects. We revise our TP up to LKR 234.50 and recommend buy on the back of a reduction in interest rates, re-rating of valuations, and recovery of sector cashflows.**

**Promising revival of leisure sector to boost earnings:** The leisure sector continued to welcome the increasing trend of occupancy although Average Room Rates (ARRs) were impacted by the rupee appreciation. Given the pent-up demand for tourism and value-added offerings, we believe Maldives resorts will continue to deliver higher earnings amidst higher occupancy. Although numbers continued to remain below pre-pandemic levels, we believe tourist arrivals will reach closer to the pre-pandemic level in FY25E. We believe the rupee will be under pressure (due to declining interest rates and anticipated pickup in import expenditures) favoring the leisure sector earnings.

**Economic recovery to improve consumer spending:** Same-store sales recorded a 23% YoY growth driven by both footfall and ABV. We believe consumer spending will be skewed towards essential products which may limit ABV, albeit being elevated due to inflation. Given the convenience of modern trade and the availability of commodities, we expect consumer demand to stay strong and deliver resilient earnings. The pick up in consumer disposable income amidst economic recovery will support improved consumer spending. The development of expansion depends on the progress of macro conditions. Hence, we conservatively forecast 6 new outlets per year from FY24E onwards. The reduction in interest rates to ease off the finance cost pressure.

**Strong potential in the financial services sector:** The financial services sector recorded a PAT of LKR 1.5bn for 1Q FY24 driven by higher investment income for UAL and superior performance of NTB. Sri Lanka's life insurance sector is relatively underpenetrated compared to its regional peers indicating further room for growth. We believe increased awareness of insurance products will aid the life insurance sector in exploiting the untapped potential. Given the positive macro developments, we believe the banking sector is poised for credit growth and improved asset quality resulting in loan book expansion and lower impairment provisions.

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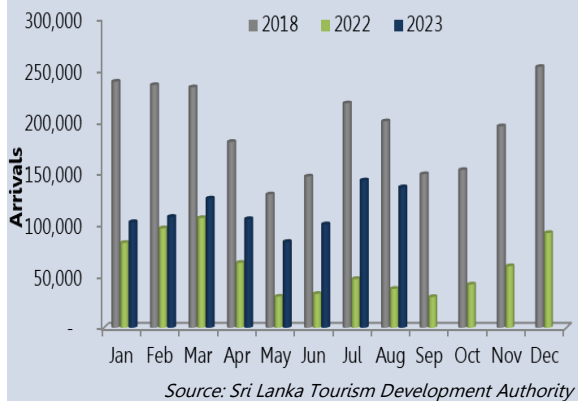
### Trading snapshot

Sector	Capital Goods
Market cap (LKR 'mn)	263,134
Market cap (USD 'mn)	814
Outstanding equity shares (mn)	1,385
Public Holding (%) - Jun'23	98.5%
52-week High/Low (LKR)	199.50/119.00
YTD ASPI return (%)	35.8%
YTD stock return (%)	40.5%
Bloomberg ticker	JKH SL

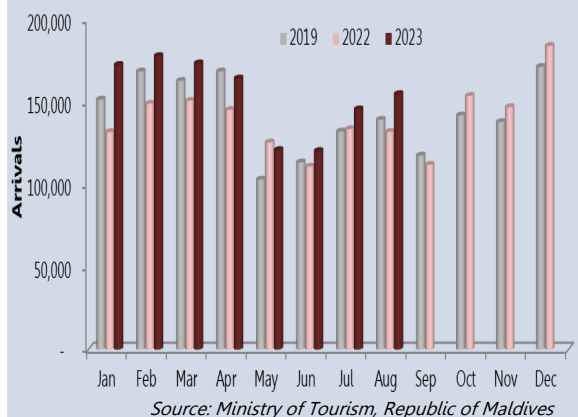
### Valuation

Valuation method	SOTP
CMP (LKR)	190.00
Intrinsic value (LKR)	234.50
FY24E DPS (LKR)	2.00
TP based on total return (LKR)	236.50
Total return (%)	24.5%
Rating	BUY

### Tourist arrivals in 2023 - Sri Lanka



### Tourist arrivals in 2023 - Maldives



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**Recovery of volume and cost stability to aid margin improvement:** Beverage and frozen confectionary volume drop slowed down in 1Q FY24 albeit being from a higher base. We believe volume will see a recovery on beverages and frozen confectionary backed by improved consumer spending. However, demand for convenience foods may remain subdued in the near term due to spending prioritization on essentials as opposed to processed meat products. Rupee appreciation and decline in raw material prices will support a recovery in margins albeit remaining lower than historical margins. We believe the gradual increase in consumer disposable income would aid sales in impulse Ice cream and CSD consumption (currently witnessing low penetration levels).

**Subdued international trade to suppress the transportation sector:** The transportation sector recorded a PAT of LKR 2.0bn mainly comprising SAGT results as bunkering recorded weak margins amidst a drop in fuel oil prices and volume. We expect bunkering business earnings to be muted amidst a correction in oil prices and subdued activity from international trade. Although rupee earnings declined on a QoQ basis due to rupee appreciation, we believe LKR will continue to be volatile against USD. We expect sector earnings to recover amidst the normalization of fuel oil prices and recovery of volume. Development of the West Container Terminal (WCT) is within the stipulated time frame and the 1st phase will be operational within 2 years. Our forecast does not account for earnings from WCT.

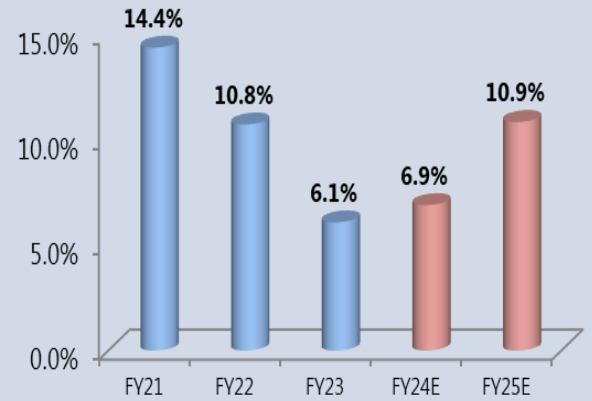
**The property segment is to rely on HCL rental income till casino operations commence:** In line with 1Q FY24, we forecast earnings from existing mall operations and rental income from HCL technologies to be primary recurring earnings for the segment. We expect a slowdown in TriZen demand due to price revisions accounting for cost escalations. However, remain optimistic about TriZen sales in the medium term due to its location and relatively cheaper prices compared to competitors in the luxury segment. The management is in the process of renting out the entertainment space to a casino operator. However, casino earnings have not been factored into our forecast.

**Financial outlook:** Group revenue is forecasted to grow at a CAGR of ~9% during FY23-25E. Although cost escalations remain a concern, top-line growth coupled with the recovery of leisure sector earnings will aid in margin stability going forward. We expect a Bottom line CAGR of ~69% on recurring earnings during FY23-25E.

**Valuation:** Based on our SOTP valuation, we have arrived at a TP of LKR 234.50 reflecting a 23.4% upside. For DCF valuations, we have used a terminal growth of 2%. We have used an equity risk premium of 7% reflecting the elevated macro risk levels while using different RFRs for each year up to the forecast period of 5 years. Our buy recommendation reflects the long-term fundamental value for JKH, taking into consideration the potential in Leisure, Retail, Financial Services, and other core businesses.

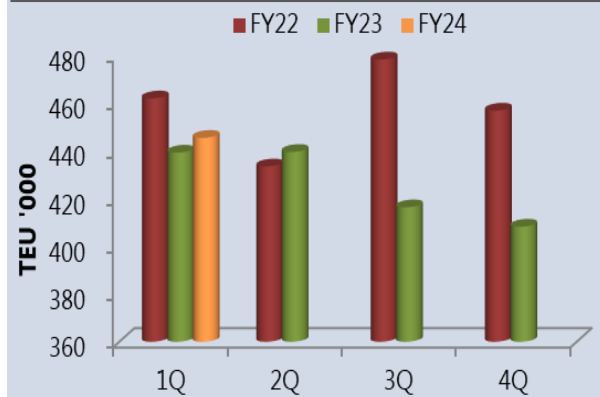
**Risks:** (1) Tightened economic conditions impacting the macro demand (2) Construction cost escalations hindering the retail expansion (3) Elevated taxes weighing down earnings and consumer disposable income (4) Rising commodity prices adding pressure on margins of consumer foods (5) Import restrictions and slower recovery of global trade tourism (6) SLFRS16 impact on earnings with the addition of leased land.

## Consumer Foods EBIT Margin



Source: JKH Financials & BRS Research

## Volumes handled at SAGT



Source: JKH Investor Presentation

## Key indicators

	FY22	FY23	FY24E	FY25E
ROE (%)	6.1%	2.4%	4.7%	6.7%
Dividend Yield (%)	1.0%	1.4%	1.1%	1.8%
P/E (x)	11.9x	24.3x	15.9x	11.3x
P/B (x)	0.6x	0.6x	0.8x	0.7x
EPS (LKR)	12.15	5.75	11.96	16.86

Source: JKH Financials & BRS Research

## ASPI vs JKH

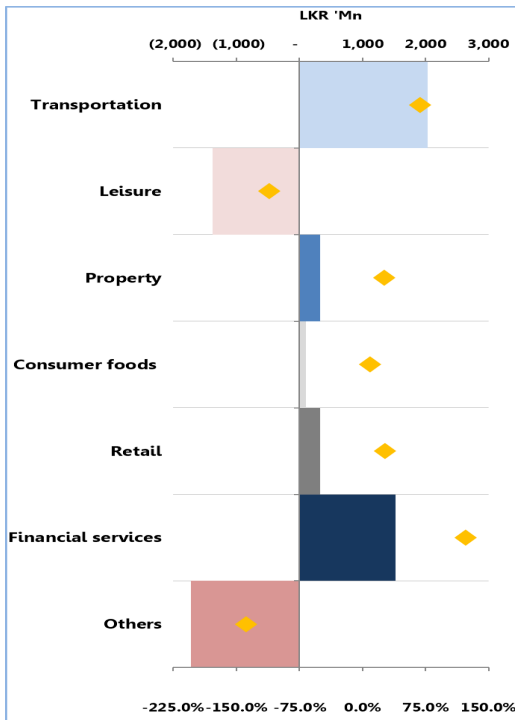


Source: CSE

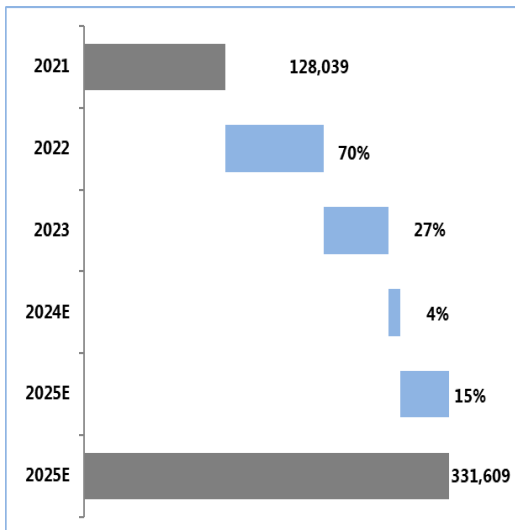
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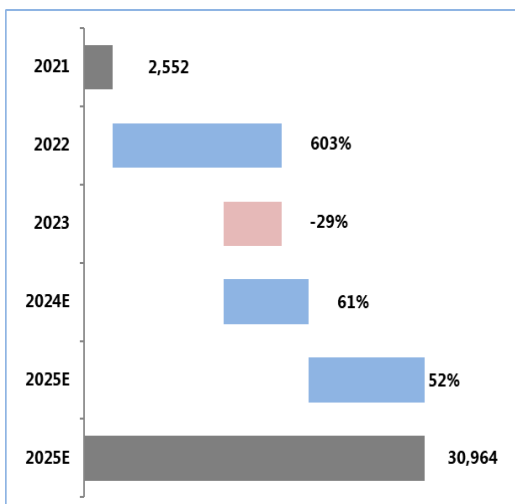
## Segmental PAT and contribution for 1Q FY24



## Revenue growth - LKR 'mn (2021-2025E)



## EBIT growth - LKR 'mn (2021-2025E)



Summary Information	2021	2022	2023	2024E	2025E
BRS EPS as adjusted (LKR)	2.59	12.15	5.75	11.96	16.86
BRS EPS growth (%)	-51.1%	369.6%	-52.7%	107.8%	41.0%
P/E (x)	57.4 x	11.9 x	24.3 x	15.9 x	11.3 x
Reported EPS (LKR)	3.62	14.93	13.12	-	-
P/E on reported EPS (x)	41.0 x	9.7 x	10.7 x	na	na
Sector PE (x)	57.4 x	11.2 x	3.7 x	na	na
NAV per share (LKR)	171.52	224.77	246.24	245.07	259.81
P/BV (x)	0.9 x	0.6 x	0.6 x	0.8 x	0.7 x
Sector PBV (x)	1.0 x	1.2 x	0.7 x	na	na
DPS (LKR)	2.00	1.50	2.00	2.00	3.50
Dividend yield (%)	1.3%	1.0%	1.4%	1.1%	1.8%
FCFF (LKR mn)	11,506	28,789	21,512	33,678	37,813
FCFE (LKR mn)	73,472	49,705	(42,352)	17,133	19,939
CFPS (LKR)	18.44	73.29	(68.06)	0.56	9.02
P/CFPS (x)	8.1 x	2.0 x	nm	337.9 x	21.1 x
Mkt price (LKR)	148.50	145.00	140.00	190.00	190.00
Weighted average shares	1,319	1,385	1,385	1,385	1,385
Average mkt cap (LKR mn)	195,805	200,813	193,888	263,134	263,134
Enterprise value (LKR mn)	299,767	325,087	375,932	445,859	436,681
EV/Sales (x)	2.3 x	1.5 x	1.4 x	1.6 x	1.3 x
EV/EBITDA (x)	28.4 x	12.3 x	15.7 x	14.2 x	10.4 x

Key Ratios	2021	2022	2023	2024E	2025E
Revenue growth (%)	-8.6%	70.3%	26.9%	3.9%	15.3%
EBIT growth (%)	-62.4%	602.7%	-29.2%	60.6%	51.9%
Gross profit margin (%)	14.8%	17.3%	17.9%	21.3%	21.6%
EBITDA margin (%)	8.2%	12.1%	8.7%	10.9%	12.7%
EBIT margin (%)	2.0%	8.2%	4.6%	7.1%	9.3%
Net profit margin (%)	2.6%	7.5%	2.8%	5.6%	7.0%
ROCE (%)	0.7%	3.8%	2.2%	3.5%	5.2%
ROE (%)	1.5%	6.1%	2.4%	4.7%	6.7%
Payout ratio (%)	77.3%	12.3%	34.8%	16.7%	20.8%
Debt/equity (%)	60.6%	71.1%	64.2%	63.3%	59.2%
Net debt/equity (%)	52.6%	55.2%	57.3%	54.1%	47.1%
Gearing (%)	37.7%	41.6%	39.1%	38.8%	37.2%
Interest cover (x)	0.5 x	2.5 x	0.7 x	1.1 x	1.9 x

## KPI Dashboard for 1Q FY24

<b>Cinnamon life residence units sold</b>	<b>Cinnamon life suites sold</b>	<b>Tri-Zen apartments sold</b>
<b>65%</b>	<b>59%</b>	<b>74%</b>
		+0.2pp from 4Q FY23
<b>TEU's handled at SAGT</b>	<b>Sri Lankan resorts occupancies</b>	<b>Maldivian resorts occupancies</b>
<b>0.45mn</b>	<b>55%</b>	<b>82%</b>
+1% YoY	+22.0pp from 1Q FY23	-4.0pp from 1Q FY23

## Segment Revenue

All numbers in LKR 'mn	2021	2022	2023	2024E	2025E
Transportation	18,403	32,550	74,480	56,581	69,816
Consumer Foods	17,004	22,790	33,776	36,885	40,355
Retail	70,763	91,056	107,056	123,577	139,668
Leisure	5,412	18,914	39,731	44,580	51,652
Property	807	35,983	2,428	2,438	3,227
Financial Services	13,601	15,686	16,203	18,909	21,859
<b>YoY growth %</b>					
Transportation	-26.6%	76.9%	128.8%	-24.0%	23.4%
Consumer Foods	-4.2%	34.0%	48.2%	9.2%	9.4%
Retail	7.2%	28.7%	17.6%	15.4%	13.0%
Leisure	-69.3%	249.5%	110.1%	12.2%	15.9%
Property	-2.3%	> +1000%	-93.3%	0.4%	32.4%
Financial Services	20.9%	15.3%	3.3%	16.7%	15.6%

## Segment EBIT

All numbers in LKR 'mn	2021	2022	2023	2024E	2025E
Transportation	864	2,258	4,254	2,065	3,172
Consumer Foods	2,451	2,452	2,060	2,553	4,390
Retail	3,382	4,983	4,463	5,578	6,983
Leisure	(7,555)	65	2,398	4,331	8,896
Property	41	2,684	(1,627)	980	1,291
Financial Services	1,773	2,867	3,627	4,829	5,963
<b>YoY growth %</b>					
Transportation	-17.7%	161.4%	88.4%	-51.4%	53.6%
Consumer Foods	-0.9%	0.0%	-16.0%	23.9%	72.0%
Retail	6.5%	47.3%	-10.4%	25.0%	25.2%
Leisure	-679.5%	100.9%	> +1000%	80.6%	105.4%
Property	123.2%	> +1000%	-160.6%	160.2%	31.8%
Financial Services	43.7%	61.7%	26.5%	33.1%	23.5%

## EBIT Margins

	2021	2022	2023	2024E	2025E
Transportation	4.7%	6.9%	5.7%	3.7%	4.5%
Consumer Foods	14.4%	10.8%	6.1%	6.9%	10.9%
Retail	4.8%	5.5%	4.2%	4.5%	5.0%
Leisure	-139.6%	0.3%	6.0%	9.7%	17.2%
Property	5.0%	7.5%	-67.0%	40.2%	40.0%
Financial Services	13.0%	18.3%	22.4%	25.5%	27.3%

## 1Q FY24 Vs 1Q FY23

Income Statement (LKR mn)	1Q FY24	1Q FY23	Change %	Comments
Net Revenue	63,778	71,516	-10.8%	Weak transportation sector topline amidst rupee appreciation, price and volume drop
Gross profit	11,084	13,806	-19.7%	
Selling & Admin Expenses	(9,455)	(10,854)	-12.9%	
EBIT	1,628	2,952	44.8%	
Finance cost	(5,345)	(3,244)	64.8%	Increased borrowing, elevated interest rates and exchange loss
Finance income	5,133	14,523	-64.7%	1Q FY23 included an exchange gain of LKR 10.1bn
Change in insurance contract liabilities	(3,133)	(1,690)	85.4%	
Profit share of associates	3,113	2,260	37.8%	Better performance of NTB and SAGT
Profit before tax	1,396	14,801	-90.6%	
Tax expense	(155)	(3,376)	-95.4%	
PAT	1,242	11,426	-89.1%	
Reported EPS (LKR)	1.06	7.88	-86.6%	

## Valuation estimates

**Our valuations are based on the following assumptions.**

- Terminal growth rate - 2%
- Risk free rate - We have considered different rates for each forecast year (taking into consideration the real risk free rate and inflation)
- Equity risk premium - 7.0%
- Beta - 0.44 for CCS, 0.24 for KFP, 0.61 for transportation and 0.42 for other segment
- We have taken a PBV multiple of 1.0x on UAL, 0.7x on NTB and 0.6x on integrated resort & property segment.

## SOTP Valuation

Sector	Equity Value (LKR 'mn)	Valuation Method	Per share
Transportation	64,359	DCF & DDM	46.47
Leisure & Property	230,018	DCF & PBV	166.09
Consumer foods	19,882	DCF	14.36
Retail	45,562	DCF	32.90
Financial services	23,409	PBV	16.90
Others	1,331	DCF	0.96
Cash & cash equivalents	23,989		17.32
Financial Investments	145,379		104.97
Debt	(229,294)		(165.57)
Equity value	324,635		
Fair Value per share (LKR)	234.50		

# Income Statement - Annual

All numbers in LKR 'mn	2021	2022	2023	2024E	2025E
<b>Net turnover</b>	<b>128,039</b>	<b>218,075</b>	<b>276,640</b>	<b>287,548</b>	<b>331,609</b>
YoY growth %	-8.6%	70.3%	26.9%	3.9%	15.3%
<b>Gross Profit</b>	<b>18,929</b>	<b>37,645</b>	<b>49,450</b>	<b>61,300</b>	<b>71,496</b>
YoY growth %	-27.4%	98.9%	31.4%	24.0%	16.6%
Gross profit margin %	14.8%	17.3%	17.9%	21.3%	21.6%
<b>EBIT excluding non-recurring items (1)</b>	<b>2,552</b>	<b>17,933</b>	<b>12,691</b>	<b>20,384</b>	<b>30,964</b>
YoY growth %	-62.4%	602.7%	-29.2%	60.6%	51.9%
EBIT margin %	2.0%	8.2%	4.6%	7.1%	9.3%
<b>EBITDA excluding non-recurring items</b>	<b>10,538</b>	<b>26,493</b>	<b>23,975</b>	<b>31,348</b>	<b>42,062</b>
YoY growth %	-8.2%	151.4%	-9.5%	30.8%	34.2%
EBITDA margin %	8.2%	12.1%	8.7%	10.9%	12.7%
Net Finance Income / (Expense)	6,020	23,771	9,097	392	1,209
Change in insurance contract liabilities	(7,032)	(6,416)	(7,650)	(8,544)	(7,355)
Share of results of associates	4,159	6,746	7,574	11,429	10,359
<b>Recurring profit before tax</b>	<b>4,057</b>	<b>23,407</b>	<b>12,251</b>	<b>23,460</b>	<b>34,976</b>
<b>Recurring Profit after taxation</b>	<b>2,562</b>	<b>16,525</b>	<b>8,558</b>	<b>16,522</b>	<b>24,318</b>
YoY growth %	-64.4%	544.9%	-48.2%	93.1%	47.2%
Earnings per share - Unadjusted (1)	3.62	14.93	13.12	12.03	17.24
Earnings per share - BRS adjusted (2)	2.59	12.15	5.75	11.96	16.86

Source: Company Financial Reports and BRS Equity Research

Note 1: Based on earnings as reported (unadjusted for non-recurring) share data adjusted for splits

Note 2: EPS adjusted for share split, consolidations, rights issue and non recurring information

# Balance sheet - March ended

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All numbers in LKR 'mn	2021	2022	2023	2024E	2025E
<b>Non Current Assets</b>					
Property Plant & Equipment	113,077	124,348	362,097	354,161	360,234
Right of use assets	40,617	53,482	54,185	51,807	53,562
Investment property	14,868	30,608	33,029	32,289	32,639
Intangible assets	4,853	5,399	5,793	5,576	5,553
Investment in associates & joint ventures	28,630	33,866	38,486	49,592	54,771
Other non current financial assets	62,590	48,690	63,957	65,674	65,674
Deferred tax assets	1,089	1,554	2,582	2,664	2,664
Other non current assets	104,580	180,920	1,571	1,591	1,591
<b>Total Non Current Assets</b>	<b>370,303</b>	<b>478,867</b>	<b>561,701</b>	<b>563,355</b>	<b>576,688</b>
<b>Current Assets</b>					
Inventories	54,296	36,225	39,095	42,827	48,112
Trade & other receivables	17,457	27,495	21,508	24,799	28,089
Amounts due from related parties	124	196	318	522	522
Other current assets	5,919	11,914	14,570	15,909	15,909
Short term investments	69,263	110,722	82,222	79,705	79,705
Cash and Cash Equivalents	19,433	52,377	25,093	33,240	45,728
<b>Total Current Assets</b>	<b>166,491</b>	<b>238,929</b>	<b>182,806</b>	<b>197,003</b>	<b>218,066</b>
<b>Total Assets</b>	<b>536,794</b>	<b>717,796</b>	<b>744,506</b>	<b>760,358</b>	<b>794,754</b>
<b>Equity and Reserves</b>					
Stated Capital	63,102	73,188	73,188	73,188	73,188
Revenue reserves	90,652	109,087	121,743	135,668	156,080
Other components of equity	72,403	129,011	146,091	130,545	130,545
<b>Shareholders funds</b>	<b>226,157</b>	<b>311,286</b>	<b>341,022</b>	<b>339,401</b>	<b>359,813</b>
Non controlling interests	16,830	18,805	19,396	19,064	19,661
<b>Total equity</b>	<b>242,987</b>	<b>330,091</b>	<b>360,418</b>	<b>358,465</b>	<b>379,474</b>
<b>Non Current Liabilities</b>					
Insurance contract liabilities	45,161	51,349	58,907	67,408	74,764
Borrowings	118,966	158,922	159,779	146,750	141,119
Lease liabilities	24,235	30,067	32,052	32,506	35,213
Deferred tax liabilities	7,720	12,016	19,688	19,635	19,635
Employee benefit liabilities	2,814	3,107	2,560	2,852	3,115
Non- current financial liabilities	3,661	2,414	20,107	23,306	26,744
Other non current liabilities	19,546	220	286	1,804	1,804
<b>Total Non Current Liabilities</b>	<b>222,102</b>	<b>258,095</b>	<b>293,379</b>	<b>294,262</b>	<b>302,394</b>
<b>Current Liabilities</b>					
Trade and other payables	35,288	43,469	29,866	42,827	48,112
Amounts due to related parties	1	2	4	93	93
Income tax payable	1,988	2,619	1,799	1,054	1,054
Short term borrowings	6,904	14,833	8,702	13,994	13,994
Current portion of interest bearing borrowings	9,507	40,624	12,839	9,221	8,947
Lease liabilities	1,472	3,459	2,259	2,354	2,599
Other current financial liabilities	2,991	-	-	-	-
Other current liabilities	1,733	4,280	5,192	4,345	4,345
Bank overdrafts	11,820	20,322	30,049	33,742	33,742
<b>Total Current Liabilities</b>	<b>71,705</b>	<b>129,609</b>	<b>90,709</b>	<b>107,631</b>	<b>112,886</b>
<b>Total Liabilities</b>	<b>293,807</b>	<b>387,704</b>	<b>384,088</b>	<b>401,893</b>	<b>415,280</b>
<b>Total Equity and Liabilities</b>	<b>536,794</b>	<b>717,796</b>	<b>744,506</b>	<b>760,358</b>	<b>794,754</b>

Source: Company Financial Reports and BRS Equity Research



# Cash flow statement

All numbers in LKR 'mn	2021	2022	2023	2024E	2025E
<b>Cash flow from operating activity</b>					
<b>EBIT</b>	<b>2,552</b>	<b>7,308</b>	<b>12,691</b>	<b>20,384</b>	<b>30,964</b>
Depreciation of property, plant & equipment	4,726	5,014	6,281	6,911	7,192
(Profit)/loss on sale of PPE	6	(62)	(14)	(9)	-
Provision for impairment losses	70	4,887	1,106	-	-
Amortisation of right of use assets	2,619	2,842	4,151	3,301	3,219
Amortisation of intangible assets	642	704	852	752	687
Defined benefit obligation	651	584	(196)	719	762
Unrealised gain on foreign exchange	12	3,781	(3,976)	183	-
<b>Operating cash flow before changes in working capital</b>	<b>4,470</b>	<b>18,846</b>	<b>13,519</b>	<b>23,772</b>	<b>35,469</b>
Changes in Working Capital	(413)	(5,327)	(755)	9,739	4,066
<b>Cash generated from Operations</b>	<b>4,058</b>	<b>13,519</b>	<b>12,764</b>	<b>33,511</b>	<b>39,534</b>
Interest received	9,071	21,402	24,591	18,560	17,137
Interest paid	(2,101)	(4,683)	(21,620)	(16,531)	(10,922)
Dividends received	4,343	3,588	5,705	4,991	5,179
Tax paid	(1,269)	(3,117)	(6,143)	(7,757)	(10,658)
Defined benefit obligation paid	(276)	(269)	(268)	(428)	(499)
<b>Net Cash from Operating Activities</b>	<b>13,825</b>	<b>30,440</b>	<b>13,281</b>	<b>32,346</b>	<b>39,772</b>
<b>Investing Activities</b>					
Purchase and construction of property, plant & equipment	(5,367)	(6,627)	(7,074)	(13,014)	(13,264)
Addition to intangible assets	(945)	(581)	(324)	(536)	(663)
Addition to lease rights	(4)	-	-	-	-
Addition to investment property	(113)	(387)	-	-	-
Increase in interest in associates	(321)	(2,947)	(2,724)	(5,552)	-
Proceeds from sale of PPE/investment property	106	1,601	401	15	-
Proceeds from sale of quoted investments held for sale	1,717	3,662	3,770	769	-
Acquisition of quoted investments held for sale	(2,358)	(3,060)	(4,134)	(705)	-
(Purchase) / disposal of short term investments (net)	(37,446)	77,079	(36,905)	(4,469)	-
(Purchase) / disposal of other non current financial assets (net)	(213)	(112)	(247)	16	-
<b>Net cash used in investing activities</b>	<b>(44,944)</b>	<b>39,363</b>	<b>(78,889)</b>	<b>(23,573)</b>	<b>(13,928)</b>
<b>Financing Activities</b>					
Proceeds from issue of shares	159	10,078	-	-	-
Share repurchases	-	-	-	-	-
Repurchase of subsidiary shares held by NCI	-	-	-	-	-
Changes in non-controlling interest	(5,999)	-	-	-	-
Proceeds from issue of convertible debentures	-	-	27,056	-	-
Dividend paid to equity holders of parent	(1,978)	(2,012)	(2,770)	(2,770)	(3,462)
Dividend paid to minority shareholders	(443)	(409)	(389)	(338)	(398)
Proceeds from long term borrowings	71,730	53,877	2,077	2,544	3,316
Repayment of long term borrowings	(6,754)	(34,947)	(45,035)	(9,500)	(9,221)
Payment of lease liabilities	(2,387)	(2,822)	(4,308)	(3,223)	(3,592)
Proceeds from/(repayment of) short term borrowings (net)	1,100	7,929	(5,278)	5,293	-
<b>Net Cash in financing activities</b>	<b>55,427</b>	<b>31,693</b>	<b>(28,646)</b>	<b>(7,994)</b>	<b>(13,357)</b>
<b>Increase/ (Decrease) In Cash and Cash Equivalents</b>	<b>24,308</b>	<b>101,496</b>	<b>(94,254)</b>	<b>779</b>	<b>12,487</b>

Source: Company Financial Reports and BRS Equity Research



# Top 20 Shareholders as of 30.06.2023

Name of the Shareholder	No.of Shares	%
1 Mr S E Captain	133,683,592	9.7
2 Melstacorp PLC	128,917,111	9.3
3 HWIC Asia Fund	119,200,760	8.6
4 Paints & General Industries Limited	94,599,690	6.8
5 Asian Development Bank	65,042,006	4.7
6 Citigroup Global Markets Limited Agency Trading Prop Securities A/C	61,904,939	4.5
7 CIC Holdings PLC	53,140,113	3.8
8 Schroder International Selection Fund	44,418,290	3.2
9 Aberdeen Standard Asia Focus PLC	36,748,572	2.7
10 Norges Bank Account 2	31,901,605	2.3
11 Mr Kandiah Balendra	19,511,476	1.4
12 Employees Trust Fund Board	18,499,897	1.3
13 Mrs C S De Fonseka	17,606,991	1.3
14 Edgbaston Asian Equity Trust	17,404,835	1.3
15 Polypak Secco Ltd	15,962,533	1.2
16 Mrs S A J De Fonseka	15,204,230	1.1
17 Chemanex PLC	14,003,780	1.0
18 Sunsuper Superannuation Fund	12,052,903	0.9
19 Fidelity Funds-Pacific	11,892,537	0.9
20 Mr K N J Balendra	10,907,628	0.8

Source: Company Financial Reports

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### **Recommendation**

#### **Expected absolute returns (%) over 12 months**

##### **Buy**

More than 10%

##### **Hold**

Between 10% and 0

##### **Sell**

Less than 0%

Expected absolute returns are based on the share price at market close unless otherwise stated. Stock recommendations are based on absolute upside (downside) and have a 12-month horizon. Our target price represents the fair value of the stock based upon the analyst's discretion. We note that future price fluctuations could lead to a temporary mismatch between upside/downside for a stock and our recommendation.

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