

**“Resilient Foundations, Expanding Horizons”**

Hemas Holdings PLC (HHL) is a prominent conglomerate in Sri Lanka, with a diversified portfolio spanning healthcare and mobility in Sri Lanka, while its consumer segment operates across both Sri Lanka and Bangladesh. HHL has been actively venturing into new investments, reinforcing its growth trajectory. We initiate coverage at a time when the share is trading at an attractive discount to its fair value, providing an upside of 20.99%. **BUY**

**Expansion of Thalawathugoda Hospital to drive patient volumes:** HHL is enhancing its healthcare footprint through strategic expansion of Hemas Thalawathugoda Hospital into a fully-fledged tertiary care facility, increasing bed capacity to 150 and bolstering advanced cardiac care capabilities. Supported by recent investments in Cath Labs and interventional cardiology, this expansion addresses current constraints of low repeat patient volumes and high occupancy across Hemas Hospitals, which operate with the lowest bed capacity (208) among peers. The addition of 60-70 beds at Thalawathugoda is expected to improve operational capacity, patient retention, and strengthen Hemas’ competitive positioning in the growing tertiary-care segment.

**HHL’s taps NCD growth, scaling high-margin local production to lead key therapeutic areas:** The Sri Lankan private pharmaceutical market, valued at US\$750 million, is projected to grow at a 4.1% CAGR through FY30, driven by a rapidly aging population and rising prevalence of non-communicable diseases (NCDs), which account for nearly 90% of the country’s disease burden. HHL’s Pharmaceutical Manufacturing segment is strategically positioned to capture this growth, focusing on high-demand therapeutic areas such as cardiovascular, lipid, and blood pressure management. Supported by WHO compliant facilities in Homagama (EU GMP compliant) and Mutwal with annual capacities of 2.5 billion tablets and 1.4 million liters of liquids, the company is well-equipped to scale production to meet rising demand. Leveraging flexible patent regulations in Least Developed Countries, locally manufactured drugs can achieve margins higher than imports, underscoring the segment’s strong profit potential.

**HHL to capture untapped growth in sanitary napkins and baby diapers:** The company is strategically targeting underpenetrated personal care segments—sanitary napkins and baby diapers—to drive medium-term volume and margin growth. Sanitary napkin usage in Sri Lanka remains low at 29%, well below Southeast Asian peers, highlighting substantial untapped potential. The baby diaper market is projected to grow at a ~10% CAGR through 2030, fueled by rising awareness of infant health and hygiene, urbanization, and an expanding base of working parents. Increasing hygiene awareness, urbanization, and demand for premium and eco-friendly products are expected to strengthen HHL’s topline growth and operating leverage in these high-potential segments.

**BUY**

**HHL.N**

Current price LKR 35.50

Fair value LKR 42.95 (+20.99%)

**Key data** HHL.N

**Historical return**

1-year capital gain 111.31%

1-year dividend yield 4.79%

1-year total return 116.10%

Beta 2.58

1-year high 36.20

1-year low 16.40

**Valuation multiples**

PE ratio 11.95x

PB ratio 2.08x

**Per share data**

EPS (TTM) (LKR) 2.97

NAVPS (Sep 25) (LKR) 17.06

DPS (LKR) 1.70

**Shareholding details (30th Sep 25)**

Total no of ordinary shares (Mn) 2,987

MCAP (Mn) 98,257

% held by public 36.84%

**Top 5 shareholders - HHL.N**

A Z Holdings (Pvt) Ltd. 15.75%

Amagroup (Pvt) Ltd. 15.31%

Saraz Investments (Pvt) Ltd. 14.99%

Blueberry Investments (Pvt) Ltd. 14.89%

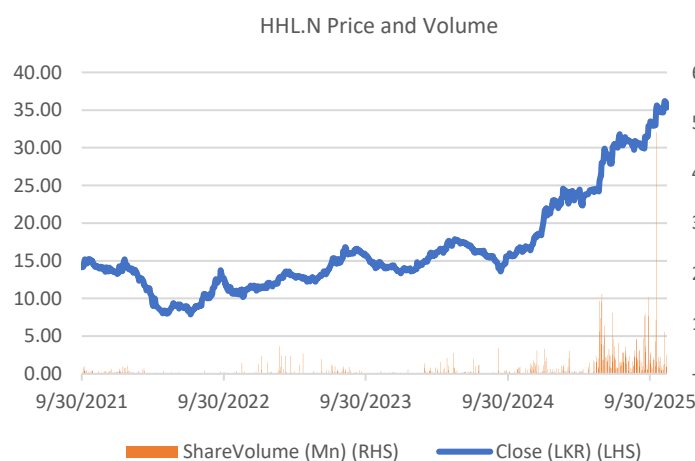
Mr. E. D. Pieris 2.21%

Sources: Company Report

**HHL eyes regional growth with majority stake acquisition in Kenya-based consumer products firm:** On 25 September 2025, HHL announced a Conditional Share Sale and Purchase Agreement to acquire a majority stake in a Kenya-based consumer products company. The acquisition represents a strategic move to expand HHL’s Consumer Products portfolio beyond Sri Lanka and Bangladesh, supporting the company’s broader regional growth ambitions.

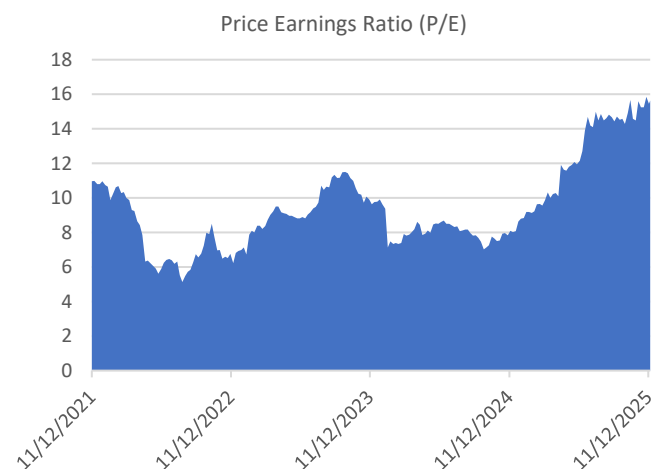
**Valuation upside:** The estimated weighted average fair value of HHL.N is LKR 42.95. The valuation provides a potential upside of 20.99% based on the current market price, indicating an attractive investment proposition for investors. The valuation strategy encompasses a combination of SOTP and relative valuation methodologies to determine the stocks' intrinsic values, considering both fundamental value and market sentiment.

| Key financials (LKR Mn) | FY23    | FY24    | FY25    | FY26F   | FY27F   | FY28F   |
|-------------------------|---------|---------|---------|---------|---------|---------|
| Revenue                 | 113,940 | 121,614 | 117,970 | 129,614 | 156,032 | 182,639 |
| Gross profit            | 31,793  | 35,997  | 37,073  | 40,180  | 49,930  | 58,444  |
| Operating profit        | 10,963  | 11,921  | 13,707  | 15,817  | 20,974  | 24,773  |
| Profit for the year     | 5,069   | 6,355   | 8,339   | 9,147   | 11,749  | 14,275  |
| Total assets            | 98,498  | 93,723  | 96,891  | 103,684 | 116,805 | 130,767 |
| EPS (LKR)               | 1.43    | 2.05    | 2.70    | 2.76    | 3.50    | 4.30    |
| NAVPS (LKR)             | 12.86   | 14.54   | 16.67   | 16.08   | 15.91   | 16.83   |
| Revenue growth          | 44.54%  | 6.74%   | -3.00%  | 9.87%   | 20.38%  | 17.05%  |
| Net profit growth       | 0.48%   | 43.10%  | 31.90%  | 2.18%   | 27.01%  | 22.87%  |
| Net Margin              | 3.75%   | 5.02%   | 6.83%   | 6.35%   | 6.70%   | 7.03%   |
| ROE                     | 11.12%  | 14.06%  | 16.19%  | 17.14%  | 22.00%  | 25.56%  |
| ROA                     | 4.33%   | 6.52%   | 8.32%   | 7.94%   | 8.95%   | 9.82%   |



Sources: CSE

Note: The Sub-division of Ordinary Shares in the ratio of one (1) share into five (5) Ordinary Shares was completed, after the reporting period, which shareholders approved on 28th April 2025.



Sources: Bloomberg

### 1. Company description

Hemas Holdings PLC (HHL), established in 1948 and listed on the Colombo Stock Exchange in 2003, is a leading diversified conglomerate with operations spanning consumer, healthcare, and mobility sectors in Sri Lanka and Bangladesh. With a rich legacy of over 76 years, Hemas has become a household name synonymous with trusted consumer brands, innovative healthcare solutions, and efficient logistics services.

As of March 2025, HHL had a market capitalization of LKR 71.7Bn, accounting for approximately 1.3% of the total CSE market cap. The Group holds a AAA (Ika) national long-term rating from Fitch Ratings with a *Stable Outlook* for the sixth consecutive year, underscoring its strong financial stability and robust cash flows.

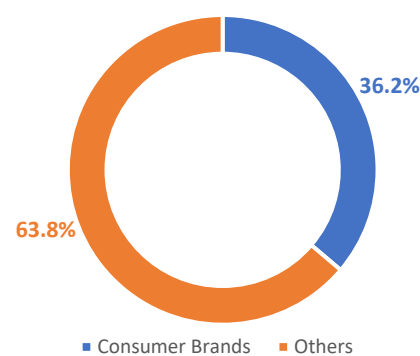
For FY25, the Group recorded Revenue of LKR 118.0Bn (-3.0% YoY) and Profit After Tax (PAT) of LKR 8.3Bn (+31.2% YoY) – its highest ever earnings. The Group maintained healthy EBITDA margins of 13.3% and ROE of 17.7%, supported by operating efficiency, lower finance costs, and improved working capital management. The asset base stood at LKR 96.9Bn with equity of LKR 50.3Bn, while gearing declined to 13.5%. In 1H FY26, Hemas sustained its growth trajectory with Revenue of LKR 60.8Bn (+11.8% YoY) and Earnings of LKR 3.3Bn (+32.5% YoY), reflecting strong performance across all business clusters.

The Group employs approximately 5,620 individuals across its operations in Sri Lanka and Bangladesh.

#### **Consumer Brands stands as a powerhouse of market-leading Sri Lankan icons and fast-growing regional brands.**

The Consumer Brands sector, contributing around 39% of Group revenue as of FY25, encompasses Home and Personal Care (HPC), Learning (Atlas), and Over the Counter (OTC) consumer products. Home and Personal Care (Sri Lanka): Houses iconic brands such as *Kumarika*, *Velvet*, *Clogard*, and *Baby Cheramy*. Despite market-wide price corrections, the business retained market leadership in key categories. New product launches included *Vivya* sunscreen, *Goya* fragrances, and *Velvet Naturals* body wash. International Operations: In Bangladesh, Hemas commands a 15.5% share of the Value-Added Hair Oil (VAHO) market through *Kumarika* and *EVA*. The segment expanded into male grooming with the *Vibe* perfume range. Learning (Atlas): Market leader in school and office stationery with brands *Atlas* and *Homerun*. In FY25, Atlas launched *PlayPalz*, its first educational toy range, and continued social initiatives such as *Atlas SipSavi* and *GuruGaru*. Atlas was awarded *School Supply Brand of the Year* for the sixth consecutive year at SLIM-Kantar People’s Awards. In 1H FY26, the Consumer segment delivered Revenue of LKR 22.0Bn (+10.9% YoY) and Earnings of LKR 2.3Bn (+25.7% YoY), supported by strong local volume growth and international expansion.

Consumer Brands Revenue as % of Total Revenue



Sources: Company Financials as of Sep 2025

**A resilient healthcare cash cow built on dominant pharma, high-quality manufacturing, and expanding specialist hospitals**

The Healthcare sector, contributing around 59.3% of Group revenue as of FY2025, is one of Sri Lanka’s largest private-sector healthcare groups, with integrated operations across Pharmaceuticals, Hospitals, and Manufacturing. It is the Market leader in prescription and over-the-counter drugs, with partnerships with over 30 global healthcare principals. In FY25, new partnerships included *Vexxa Lifesciences* and *Aculife*. Operated through *Morison PLC*, the business locally manufactures high-quality medicines, including new cardiovascular therapies such as *Cilnidipine* and *Rivaroxaban*. Hemas Hospitals in Wattala and Thalawathugoda are recognized for high-quality specialist care. The Wattala facility added state-of-the-art Catheterization Laboratory (CATH Lab) in 2025. In FY26, Hemas began expanding its Thalawathugoda Hospital to increase bed capacity and introduce specialized units in cardiology, neurology, and nephrology. In 1H FY26, revenue rose 12.2% YoY to LKR 37.7Bn, with Operating Profit of LKR 3.1Bn and Earnings of LKR 2.1Bn.

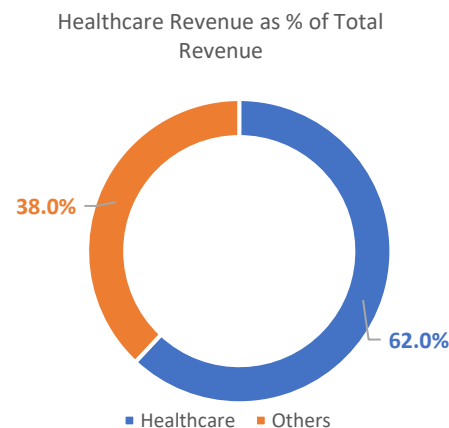
HHL also established the SLIIT-Hemas Allied Health Institute, expanding programs into Biomedical Sciences, Nursing, and Psychology to address the country’s skilled healthcare workforce gap.

**A relatively small but resilient mobility engine delivering consistent returns through growing regional shipping and revived aviation demand.**

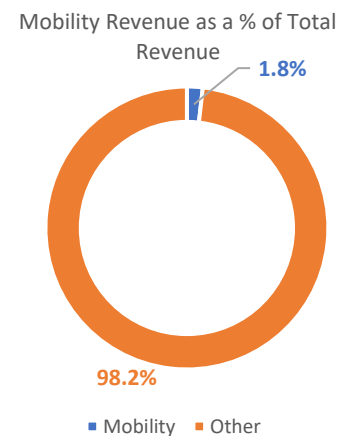
The Mobility sector, contributing to 1.7% of Group Revenue as of FY2025, encompasses Maritime and Aviation operations, providing shipping, freight forwarding, and airline representation services. The Maritime segment benefited from the launch of the China–India Express service, enhancing regional connectivity and trans-shipment volumes. The Aviation segment saw increased cargo and passenger traffic driven by higher flight frequencies and post-pandemic travel recovery.

Sustainability remains central to HHL’s strategy, guided by the Environmental Agenda 2030 and its “Enriching Lives” framework. The Group aims to recover 100% of plastic sent to market by 2030, having already recovered 2.1 million kilograms as of Q2 FY26. Renewable energy now accounts for 10.8% of total consumption. Social impact programs reached over 255,800 families in FY25, with initiatives such as: “*Api Katha Karamu*” – Sri Lanka’s largest menstrual health education program by *Fems*, reaching over 180,000 students and Piyawara Preschools Network, now expanded to 71 schools, improving early childhood education access in underserved communities.

Looking ahead, Hemas aims to accelerate regional expansion across South Asia and Africa, leverage technology and AI, and deepen its presence in healthcare manufacturing and tertiary care.



Sources: Company Financials as of Sep 2025



Sources: Company Financials as of Sep 2025

2. Industry Overview

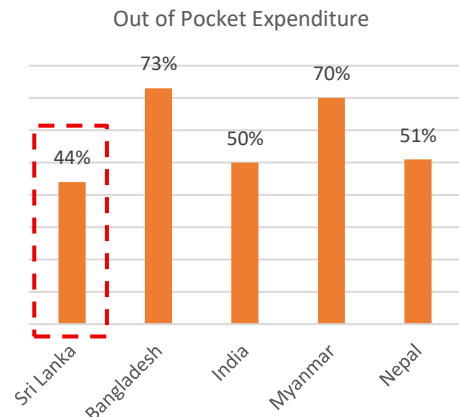
Healthcare Segment

The gradual stabilization of the Sri Lankan economy is expected to support a recovery in healthcare industry volumes over the short to medium term. In line with regional trends, the sector is likely to experience a shift from public to private spending, resulting in a higher share of out-of-pocket expenditure by consumers going forward with the increase in household disposable income.

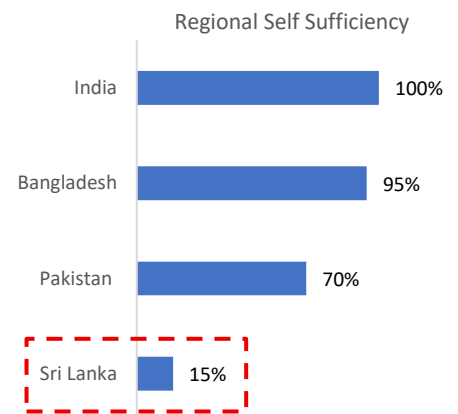
Private sector growth prospects remain strong amid structural inefficiencies in the public healthcare system. The government currently meets around 60% of the country’s pharmaceutical demand; however, recurring shortages of essential medicines continue to create opportunities for private players to expand market share. The authorities’ goal of increasing domestic pharmaceutical self-sufficiency to 40% by 2030, from the current 15%, is expected to further incentivize local manufacturing. Despite this progress, Sri Lanka still trails regional peers such as Pakistan (70%), Bangladesh (95%), and India (100%) in self-sufficiency levels. Notably, the post-COVID period has accelerated investment in localized production, as vulnerabilities in global supply chains underscored the need for greater domestic capability.

Hospitalization rates in Sri Lanka are projected to increase from 394 to 466 per 1,000 people by 2030, driving a ~20% rise in total bed demand to approximately 2,400 beds annually. Given the high public-to-private bed ratio of 94:6—well below regional peers like India of (60:40) and Bangladesh of (58:42)—capacity constraints in the public sector are expected to channel demand toward private hospitals.

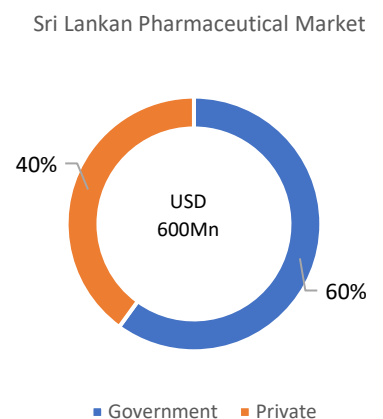
HHL’s pharmaceutical manufacturing segment is strategically positioned in the NCD (non-communicable diseases) category, a key driver of hospital admissions and mortality in Sri Lanka. Approximately 21% of the urban adult population is diabetic, with another 20% in the pre-diabetic stage, while cardiovascular disease remains the leading cause of death nationally. Sri Lanka’s rapidly aging population—among the fastest in the region—further supports rising NCD prevalence, which begins to increase gradually from age 25. Consequently, demand for private healthcare is expected to grow. Structural pressures on public hospitals, including high occupancy levels (~75% in tertiary facilities) are likely to accelerate private sector participation in addressing unmet demand.



Sources: Annual Report



Sources: Annual Report



Sources: Annual Report

Consumer Brands Segment

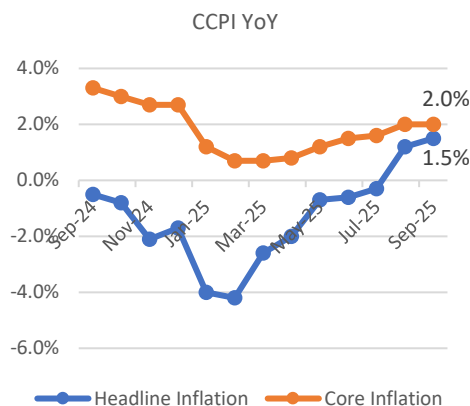
Sri Lanka’s CCPI-based headline inflation returned to positive territory in August 2025, marking an end to the deflationary trend observed since September 2024. Inflation continued its upward trajectory in September 2025, rising to 1.5% YoY from 1.2% in August, broadly in line with the CBSL’s near-term projections. The Central Bank expects inflation to gradually converge toward its 5% target over the medium term, supported by stabilizing demand and policy measures. Rising input costs due to inflationary pressure are expected to prompt price adjustments.

Distilled fatty acids derived from palm oil and liquid paraffin are key raw materials likely used in the production of soaps, shampoos, and other personal care products. According to Fitch Ratings, Malaysian benchmark crude palm oil (CPO) prices are expected to ease from 4Q25, supported by favourable weather conditions and improved yields. The agency forecasts CPO prices to average USD 950/tonne in 2025, moderating to USD 800/tonne in 2026 and USD 750/tonne beyond 2026, reflecting a normalization in global supply conditions.

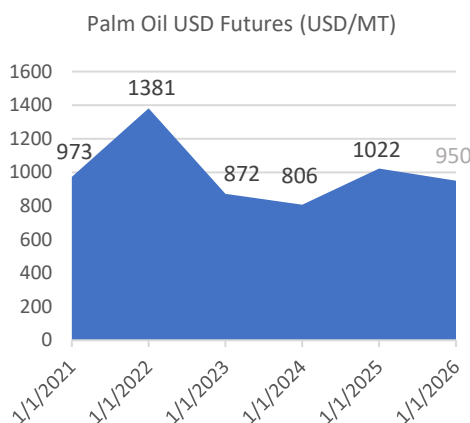
The relaxation of most of the import bans in October 2023 had resulted in an influx of competitors offering value-for-money products in certain commoditized product categories. The total imports increased by 2.6% YoY to USD 1,696.5Mn in August 2025. The import consumer goods increased by 56.5% YoY to USD 449.1mn.

The consumer landscape in Kenya is undergoing a rapid transformation, supported by the expansion of the urban middle-class population representing ~44.9% of Kenya’s population with most concentrated in major cities, increasing internet usage (~40.8% of total population as of early 2024), and the growing influence of social media on purchasing behavior. These structural shifts are reshaping consumption patterns and driving demand for modern beauty and personal care products. However, the market remains highly competitive, characterized by the strong presence of global Tier-1 players such as Unilever, Procter & Gamble, L’Oréal, Beiersdorf, Colgate-Palmolive, and Reckitt, which dominate the mass and accessible-premium segments. Alongside these multinational incumbents, a dynamic base of emerging local and niche brands — including Bu.Ke, Keyara, and SuzieBeauty — is gaining traction, particularly among younger, urban consumers seeking natural and locally inspired products.

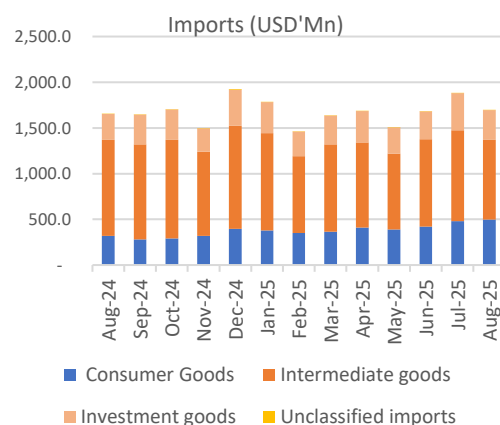
The ease of inflation and stability of Taka is expected to put downward pressure on the input prices and thereby protecting the margins. In addition, Bangladesh’s USD 1.7 bn personal care market is poised for robust growth, underpinned by a Middle and Affluent Class totaling 34 million consumers. The consumer landscape is evolving rapidly, driven by strong mobile penetration (108%), a surge in internet users from 18.4 million in 2014 to 77.4 million in



Sources: CBSL



Sources: Investing.com



Sources: CBSL

2024, rising social media influence on purchasing behavior, and accelerating urbanization (39%). These dynamics create opportunities to expand product and brand footprints, particularly by tailoring portfolios to local preferences and targeting the growing urban middle-income segment.

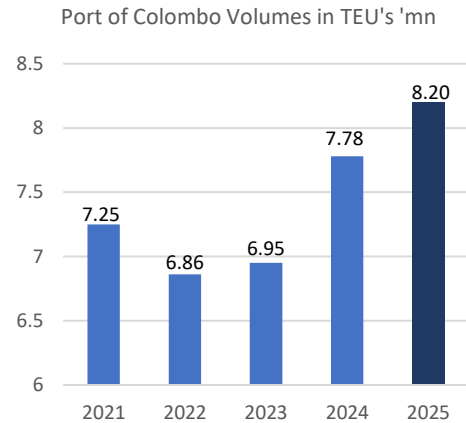
Logistics and Maritime Segment

The Port of Colombo (POC) remains a strategic shipping and logistics hub in South Asia, positioned along key maritime routes. In FY24, the port handled 7.8 million TEUs, representing a 12% YoY increase. Capacity utilization improved to approximately 86%, up from 78% in FY23, reflecting robust demand growth due to the improvement of the imports and stable macro-economic conditions. Looking ahead, the commissioning of the East and West Container Terminals between 2025 and 2028 is expected to add 6.5 million TEUs of container handling capacity per annum.

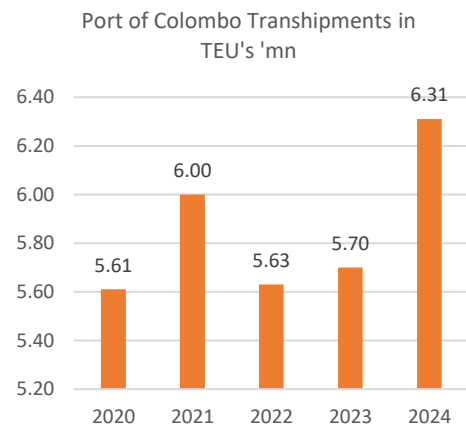
The Katunayake airport expansion offers a compelling infrastructure tailwind: the passenger terminal upgrade will lift annual capacity from ~6 million to ~15 million, while cargo handling capacity is set to double to ~500,000 metric tons by end-2025. These enhancements directly support increased air-traffic and logistics volumes. This expansion will reduce the scheduling constraints, enhance operational efficiency, and support sustainable margin growth for HHL.

In 2024, the Port of Colombo handled a total transshipment volume of approximately 6.3 million TEUs, representing a 9.7% year-on-year increase and accounting for 81% of the port’s overall container throughput. This highlights Colombo’s continued prominence as a key transshipment hub in the Indian Ocean region. However, the emergence of new, strategically located regional ports—such as the Vizhiniam International Seaport in India—introduces potential competitive pressures. These developments may divert a portion of transshipment traffic away from Colombo, potentially impacting the port’s revenue streams and, by extension, the maritime-related topline of HHL.

According to the IATA 2024 Global Passenger Survey, digital channels continue to dominate airline ticketing, with 71% of passengers booking flights online or via mobile applications. Among these, a significant proportion (53%) prefer to book directly through the airline’s own website or mobile app rather than through third-party intermediaries such as online travel agencies (OTAs) or traditional travel agents. This growing shift toward direct bookings reflects broader industry trends driven by cost savings, loyalty program incentives, and the convenience of real-time itinerary management. For General Sales Agents (GSAs) such as HHL, this trend could exert pressure on topline revenues, as the proportion of sales routed through intermediary channels diminishes.



Sources: ECONOMYNEXT



Sources: PortNews

### 3. Investment highlights

#### Healthcare Segment

#### HHL is well-positioned to tap Sri Lanka’s \$750M pharmaceutical market, driven by rapid aging and rising NCD prevalence

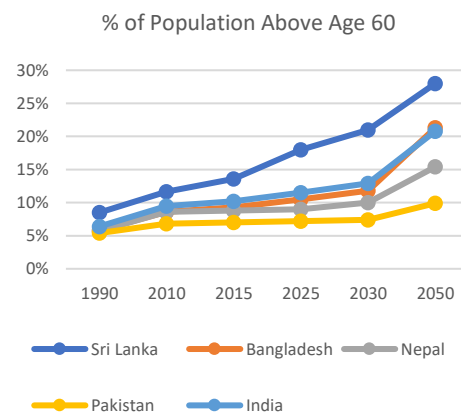
The Sri Lankan private pharmaceutical market, valued at US\$750 million, is projected to expand at a CAGR of 4.1% through FY30, underpinned by a rapidly aging population and a rising prevalence of non-communicable diseases (NCDs). With one in five Sri Lankans expected to be over 60 by 2030, the country ranks among the fastest-aging populations in the region—a demographic shift closely linked to increased NCD incidence. NCDs, including diabetes, cardiovascular, strokes and cancers, account for nearly 90% of the disease burden in Sri Lanka.

HHL’s Pharmaceutical Manufacturing segment is strategically positioned to capitalize on this trend, focusing on high-growth therapeutic areas such as cardiovascular, lipid, and blood pressure management.

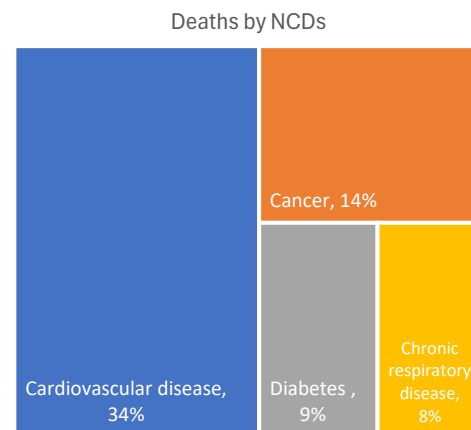
#### Morison leads branded generics with EmpaMor and a growing NCD portfolio, supported by WHO/EU-GMP facilities and scalable production

Morison entered the branded generics segment in 2021 with the launch of Empagliflozin under the brand name EmpaMor, achieving market leadership within two years. This was the first locally manufactured Sodium-Glucose Co-Transporter-2 (SGLT2) inhibitor in Sri Lanka, with the 10 mg and 25 mg variants receiving strong market acceptance. Building on this success, the company has expanded its presence in the cardiovascular and hypertension segments, launching additional non-communicable disease (NCD) molecules as shown in the table below. This strategic portfolio expansion reinforces its positioning in high-demand therapeutic areas while maintaining a focus on producing quality essential medicines at affordable prices. With state-of-the-art, WHO compliant manufacturing facilities in Homagama (EU GMP compliant) and Mutwal, boasting an annual production capacity of 2.5 billion tablets and 1.4 million liters of liquids, Morison is well-equipped to further scale its production to meet growing market demand.

| Name of the Drug                                 | Purpose   |
|--|---|
| RivoMor (Rivaroxaban Tablets 10 mg & 20 mg)      | Direct factor Xa inhibitor, preventing blood clot formation                     |
| CliniMor (Cilnidipine Tablets IP 5 mg and 10 mg) | Stops plaque-forming calcium from entering the cells of the heart and arteries. |
| BisoMor (Bisoprolol Tablets BP 2.5 mg & 5 mg)    | Treatment of hypertension, heart failure, arrhythmia and heart attacks          |



Sources: ADB



Sources: Annual Report

|   |  |
|---|--|
| MorSartan (Losartan Tablets BP 50 mg)                 | An Angiotensin II Receptor Blocker (ARB) for management of Hypertension. |
| SalMor (Salbutamol Oral Solution BP 2 mg/5 ml 100 ml) | Used for respiratory conditions.   |

Sources: Annual Report

**HHL secures 2025 government buyback after fulfilling 2024 orders**

HHL’s pharmaceutical manufacturing business successfully fulfilled all government orders for 2024 and has secured an extension of the buyback agreement for 2025, with new orders already confirmed. The allocation of buyback quotas, which is structured equitably, ensures a fair opportunity for all participants.

**HHL’s LDC strategy offers high margins, but price caps and govt procurement pose risks**

Many Least Developed Countries (LDCs) have more flexible patent regulations compared to developed markets. Certain drugs patented internationally may be eligible for local production under Trade-Related Aspects of Intellectual Property Rights (TRIPS) exceptions, allowing companies to manufacture generic or branded versions without infringing patents. By leveraging these LDC-specific patent flexibilities, pharmaceutical firms can produce locally, capturing significantly higher margins. Management notes that locally produced drugs can achieve high margins compared to the imports, highlighting the segment’s strong profit potential.

However, regulatory changes introduced under Gazette No. 2446/34, which impose a price ceiling on pharmaceutical products, create potential downward pressure on margin sustainability. With market-based pricing constrained, the company’s ability to pass through cost increases is limited, which could compress margins despite projected underlying volume growth. Additionally, the Cabinet of Ministers has approved a new procurement methodology for pharmaceuticals and medical appliances through government-to-government agreements. While aimed at improving efficiency, this policy could further exert pressure on HHL’s profitability in the segment.

**HHL sharpens focus on manufacturing while leveraging its 3,200+ pharmacy network**

The strategic transfer of Morison’s Agency business to Hemas Pharmaceuticals has allowed the company to concentrate on core manufacturing operations while enhancing segmental synergies, strengthening HHL’s overall market position. Leveraging a nationwide distribution and sales network of 3,200+ pharmacies, HHL can ensure wide product availability and maintain a competitive edge across key markets

**HHL boosts capacity and competitiveness with Thalawathugoda expansion to 140 beds**

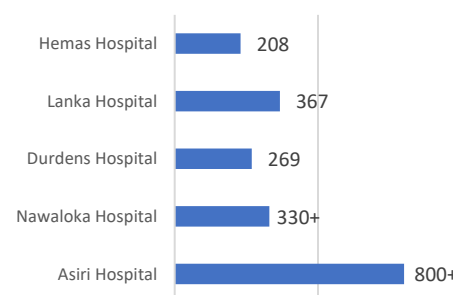
HHL is strategically expanding its specialty services and bed capacity, with Hemas Thalawathugoda Hospital being upgraded into a fully-fledged tertiary care facility, doubling capacity to 140 - 150 beds and strengthening its advanced cardiac care capabilities. This expansion builds on recent investments in Cath Labs and interventional cardiology, positioning the hospital to capture rising demand in complex care.

According to management, Hemas Hospitals is currently experiencing low repeat patient volumes, primarily due to limited bed capacity and high occupancy levels. With only 208 beds currently, the Hemas Hospitals have the lowest capacity among peers. The planned expansion of the Thalawathugoda hospital by an additional 60 - 70 beds is expected to enhance operational capacity, improve patient retention, and strengthen Hemas' competitive positioning in the healthcare segment.

The Healthcare segment's revenue is expected to expand at a CAGR of 14.8%, reaching LKR 105,848Mn, driven primarily by the Pharmaceutical Manufacturing business, which continues to leverage scale efficiencies and a strategic focus on high-growth therapeutic areas and non-communicable diseases (NCDs). Growth momentum is further supported by capacity expansions and ongoing service improvements within the Hospital segment. However, the full benefits of these capacity additions and the commercialization of new drugs in the pipeline are expected to materialize only after FY28.

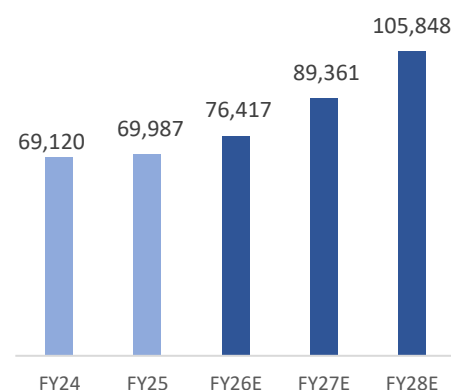
EBIT margins are projected to gradually expand to around 9%-11% in FY26-FY28, supported by pharmaceutical manufacturing segment, which has a strong margin potential. However, regulatory interventions, including price ceilings, may limit pricing flexibility and exert downward pressure on margins despite steady volume growth. Accordingly, a conservative margin forecast has been adopted.

Number of Beds in Leading Private Hospitals in Sri Lanka



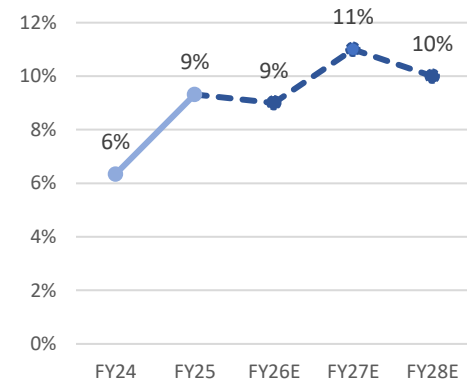
Sources: Annual Reports

Revenue (LKR'Mn)



Sources: Company Report & Ambeon Estimates

EBIT Margin



Sources: Company Reports & Ambeon Estimates

Consumer Segment

**HHL’s growth is driven by market leadership and expansion into underpenetrated personal care segments**

HHL’s domestic Home & Personal Care (HPC) segment operates within a mature product portfolio, where intensifying competition and cost-of-living pressures are shifting consumer preference toward value-oriented alternatives in certain segments such as home care. While ongoing cost-rationalization initiatives are expected to support margin stability and a modest recovery, material margin expansion remains contingent on achieving volume-led growth through innovation and new category development.

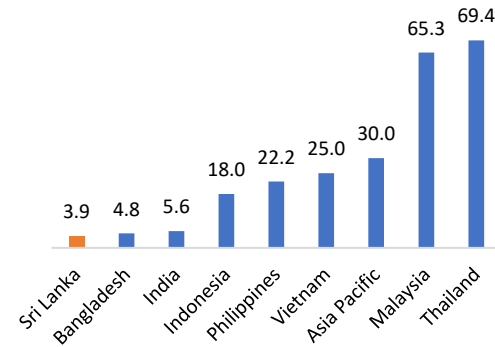
However, Sri Lanka’s per-capita expenditure on Beauty & Personal Care remains significantly below regional peers, highlighting substantial room for growth as consumer disposable incomes rise. HHL, as the second-largest player in the domestic Beauty and Personal Care market, is well-positioned to capture this expanding consumer base.

Strategic diversification into underpenetrated personal care segments such as sanitary napkins and baby diapers is expected to be a key volume and margin growth over the medium term. Sanitary napkin usage in Sri Lanka remains low at 29%, compared with 40–60% across Southeast Asian peers, indicating substantial untapped potential. With HHL holding the #2 market position, increased penetration supported by rising hygiene awareness, urbanization, and greater female workforce participation is expected to strengthen topline growth and operating leverage within the segment. Meanwhile, the baby diaper market is projected to expand at a CAGR of around 10% between 2024–2030, supported by increasing awareness of infant health and hygiene, urbanization, and the growing population of working parents. Demand momentum is further reinforced by a global shift toward premium, high-quality, and eco-friendly diaper products, with biodegradable variants gaining traction.

**Atlas is set to grow by combining market leadership, affordable products, and rising education-driven demand.**

Consumer purchasing patterns in Sri Lanka continue to favor value-for-money offerings, reflecting ongoing constraints on disposable income. The easing of import restrictions and stabilization of the LKR has increased competition in the stationery market, with new entrants offering lower-priced products of varied quality. Nevertheless, Atlas is well-positioned to maintain its market leadership by gradually expanding its product portfolio with value for money ranges. In addition, structural tailwinds from government initiatives are expected to drive growth. The mandate on early childhood education for children aged four is likely to increase pre-primary enrollment rates from 60–70% closer to the primary enrollment ratio of ~95%. Furthermore, renewed

Beauty and Personal Care Expenditure Per Capital (USD)



Sources: Annual Report

government focus on the education sector, particularly tertiary education, should help elevate tertiary enrollment rates from 23% toward the 30–35% levels observed in regional peers, providing a supportive environment for the segment’s expansion.

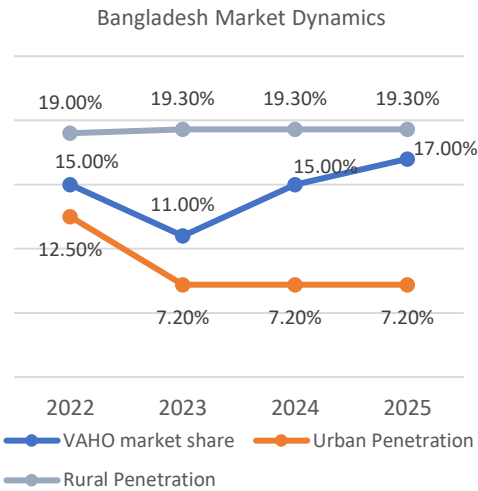
**HHL is expanding regionally with a majority stake acquisition in Kenya**

On 25 September 2025, HHL announced that it has entered into a Conditional Share Sale and Purchase Agreement to acquire a majority equity stake in a Kenya-based consumer products company. The transaction remains subject to regulatory approvals from the Competition Authority of Kenya and the Central Bank of Sri Lanka. The acquisition marks a strategic step in expanding HHL’s Consumer product portfolios beyond Sri Lanka and Bangladesh, reinforcing the company’s regional growth ambitions. The move aligns with HHL’s strategy to leverage its expertise in high-growth African markets.

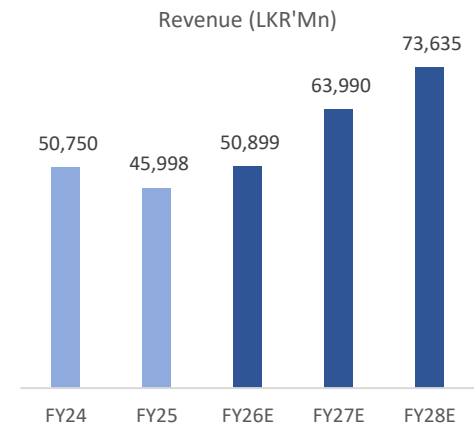
**HHL leverages strong distribution and youth-focused innovation to grow its 15.5% VAHO share in Bangladesh.**

HHL currently commands a 17.0% share of Bangladesh’s Value-Added Hair Oil (VAHO) segment, supported by broad urban and rural distribution with penetration rates of 7.2% and 19.3%, respectively. With over 90% of manufacturing conducted onshore, easing inflationary pressures and macroeconomic stability are expected to reduce input costs and alleviate margin pressures. While overall market penetration remains relatively stagnant due to price-sensitive consumers, HHL continues to invest in new product development, targeting the growing youth demographic, which constitutes 28% of the 171 million population. The company has also strengthened its distribution network, expanding sales teams to over 400 personnel and reaching more than 130,000 retail outlets, positioning it to secure additional traction and expand market share.

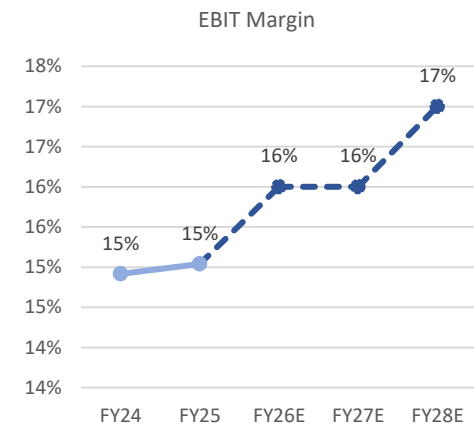
The total consumer brands revenue is expected to grow at a CAGR of 17.0% to LKR 73,635Mn in FY28E largely driven by the inorganic growth strategies such as expanding into African frontier markets and expansion into under penetrated markets. The EBIT margin is anticipated to be around the 15-17% mark in the medium term. Conservative growth is expected given the competitive pressures from cheaper alternatives and the mature portfolio however, the company is likely to benefit from the continuous investment in operational efficiency.



Sources: Investor Presentations



Sources: Company Reports & Ambeon Estimates



Sources: Ambeon Estimates

Mobility Segment

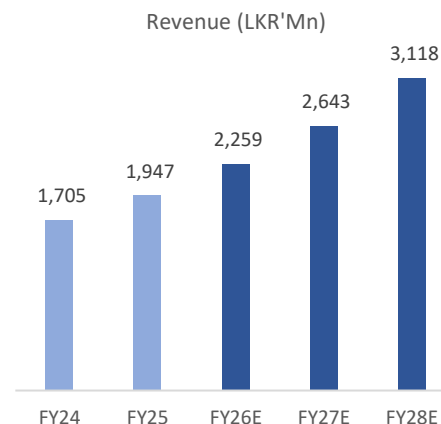
**Rising trade flows and port expansions are poised to drive a surge in cargo volumes and efficiency.**

Relaxation of import restrictions, coupled with stable macroeconomic conditions, is expected to support stronger import demand, while the positive trajectory of Sri Lanka’s export sector further underpins growth in cargo volumes. The ongoing expansion of Colombo Port’s capacity by 6.5 million TEUs per annum through the East and West Container Terminals is expected to ease scheduling bottlenecks and reduce related operational costs.

**Rising outbound travel and Emirates expanded premium service are set to fuel aviation revenue growth.**

Revenue growth in the aviation segment is primarily driven by increased outbound tourism and labor migration. Supporting this momentum, Emirates is set to introduce its retrofitted four-class Boeing 777 on the Dubai–Colombo route, marking the second daily flight offering Premium Economy seats. This improvement is expected to increase the volume growth and improve overall segment performance.

Revenue in the mobility segment is projected to expand to a CAGR of 17.0%, reaching LKR 3,118Mn by FY28, driven by higher import volumes following the relaxation of import restrictions. EBIT margins are expected to remain above 80% over FY26–FY38, consistent with historical high levels.

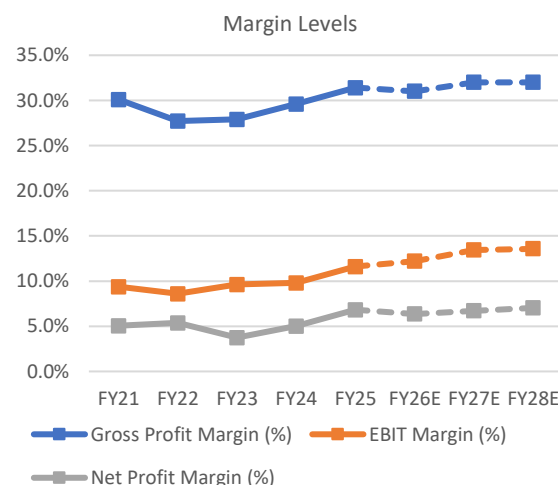


Sources: Company Reports & Ambeon Estimates

**Margins to remain stable at the historical level**

EBIT margins for FY26, especially during 2H, will be impacted by increased depreciation stemming from investments done previously, higher project related costs and rising staff costs which are in line with the expansion plans. Once the Kenyan acquisition is completed, the business will begin consolidating its financials into the Group P&L from FY 26–27. This will likely contribute to incremental revenue, along with associated operating costs and amortization of any identifiable intangibles arising from the acquisition. Once operational (Q1 FY 28–29 onward), the hospital will contribute steady revenue growth, but margins may initially be compressed as occupancy ramps up, and fixed costs remain high.

The GP margin is expected to range around 32% in FY28E, in line with the historical trend. We anticipate HHL’s EBIT margin and NP margin is expected to remain at 12%-14% and 6% -7%, respectively, during FY26E-FY28E.



Sources: Annual Reports & Ambeon Estimates

#### 4. Valuation summary

Based on a Sum-of-the-Parts (SOTP) valuation, we estimate HHL's fair value at LKR 42.95, representing a potential upside of 20.99% of its current market price of LKR 35.50. Additionally, with an estimated dividend yield of 3.0% for FY26F, the total return on investment could reach 23.99% by FY26F.

Since HHL is a diversified holding company that operates business segments with varying risk and growth profiles, an SOTP valuation is followed. We have conservative assumptions of SOTP with Risk Free Rate (Rf) assumed at 8.0%, market premium of 11.0% and CoD of 10%.

| Segment                     | Valuation Method | Valuation Assumptions |       |        | Equity Value (FY26E) |
|-----------------------------|------------------|-----------------------|-------|--------|----------------------|
|                             |                  | CoE                   | WACC  | Growth |                      |
| Consumer Brands             | DCF              | 21.0%                 | 19.3% | 4%     | 70,714               |
| Healthcare                  | DCF              | 19.2%                 | 17.6% | 5%     | 55,180               |
| Logistics & Maritime        | DCF              | 18.8%                 | 17.3% | 4%     | 9,409                |
| Others                      | DCF              | 22.2%                 | 20.3% | 3%     | (4,417)              |
| Firm Value                  |                  |                       |       |        | 130,886              |
| Less: Debt                  |                  |                       |       |        | (12,335)             |
| Add: Cash                   |                  |                       |       |        | 12,911               |
| Equity Value                |                  |                       |       |        | 131,463              |
| No. of shares               |                  |                       |       |        | 2,986                |
| <b>Fair Value per share</b> |                  |                       |       |        | <b>44.03</b>         |

Sources: Ambeon Estimates

Our valuation strategy encompasses a blend of absolute and relative valuation methodologies to gauge the stock's intrinsic value considering both fundamental value and market sentiment.

| Weighted Average Intrinsic Value Per Share        | Weights | Value Per Share |              |
|---|---------|-----------------|--------------|
| SOTP Valuation                                    | 70%     | 44.03           | 30.82        |
| PE Based Valuation                                | 15%     | 46.20           | 6.93         |
| PBV Based Valuation                               | 15%     | 34.65           | 5.20         |
| <b>Weighted Average Intrinsic Value Per Share</b> |         |                 | <b>42.95</b> |

Given below are assumptions for the relative valuations.

| <b>PE Based Valuation</b>    |              |
|------------------------------|--------------|
| Average PER of Peers         | 15.55        |
| TTM EPS of HHL.N (LKR)       | 2.97         |
| <b>Value Per Share (LKR)</b> | <b>46.20</b> |

| <b>PBV Based Valuation</b>   |              |
|------------------------------|--------------|
| Average PBV of Peers         | 2.03         |
| NAVPS of HHL.N (LKR)         | 17.06        |
| <b>Value Per Share (LKR)</b> | <b>34.65</b> |

Given below are peer PE, PBV and EV/EBITDA ratios. These multiples have been used as guidance in the valuation process.

| <b>Peer valuation multiples</b> | <b>PE</b>    | <b>PBV</b>  | <b>EV/EBITDA</b> |
|---------------------------------|--------------|-------------|------------------|
| RICH.N                          | 18.60        | 2.31        | 11.31            |
| SUN.N                           | 19.41        | 3.54        | 7.29             |
| CHL.N                           | 16.62        | 1.02        | 4.49             |
| CHL.X                           | 12.67        | 0.78        | 4.49             |
| NHL.N                           | 16.62        | 2.87        | 7.65             |
| ASIR.N                          | 11.41        | 1.58        | 7.31             |
| SINH.N                          | 24.97        | 4.64        | 10.15            |
| LHCL.N                          | 14.69        | 1.62        | 3.9              |
| MELS.N                          | 12.27        | 1.55        | 5.99             |
| HAYL.N                          | 10.90        | 1.55        | 6.49             |
| SPEN.N                          | 12.94        | 0.88        | 6.45             |
| <b>Peer Average</b>             | <b>15.55</b> | <b>2.03</b> | <b>6.87</b>      |

Sources: Company reports & CSE

## 5. Investment risks

### Currency & Imported Input Risk

Given that a portion of HHL's raw materials and inputs are imported, exchange rate stability is critical for cost predictability and margin protection. Depreciation of the Sri Lankan Rupee raises import costs, increasing production expenses and potentially compressing profit margins. Such currency-driven cost pressures can also contribute to broader inflationary trends, which may negatively affect consumer demand. Maintaining a stable and predictable exchange rate environment is therefore essential to support operational efficiency and safeguard financial performance.

### Consumer-Demand Weakness / Macroeconomic Pressure

In 2024, with the economy growing by 5.4% in the fourth quarter, Sri Lanka achieved a 5.0% GDP growth for the year, marking a significant recovery from the economic challenges faced in 2022 and 2023 which resulted in negative GDP growth during those two years. An expanding economy typically strengthens household incomes and consumer confidence, supporting higher purchasing power and demand for goods and services. For HHL, this environment underpins volume growth and business expansion across its segments. Conversely, slow or negative GDP growth can dampen consumer spending, weaken economic stability, and potentially impair debt-servicing capacity, creating broader risks for the financial system.

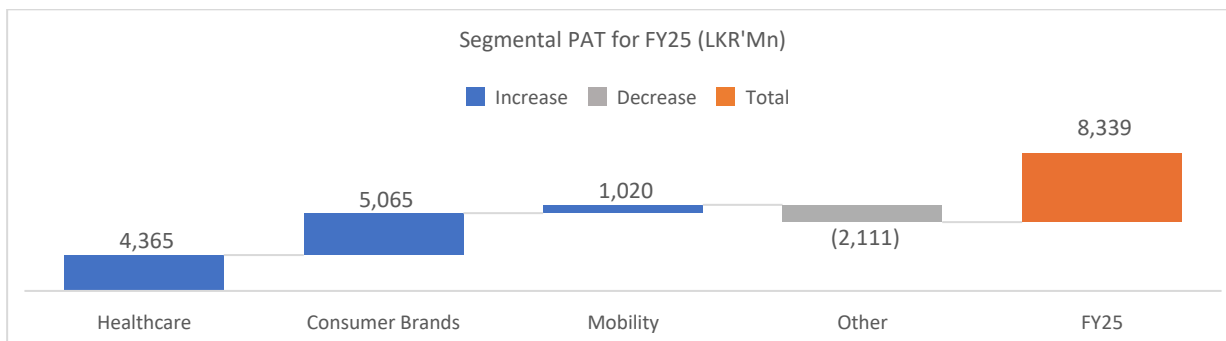
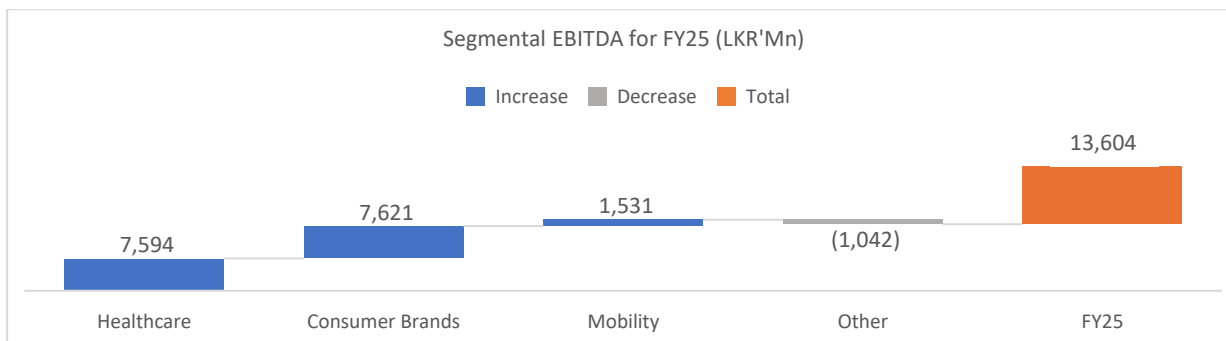
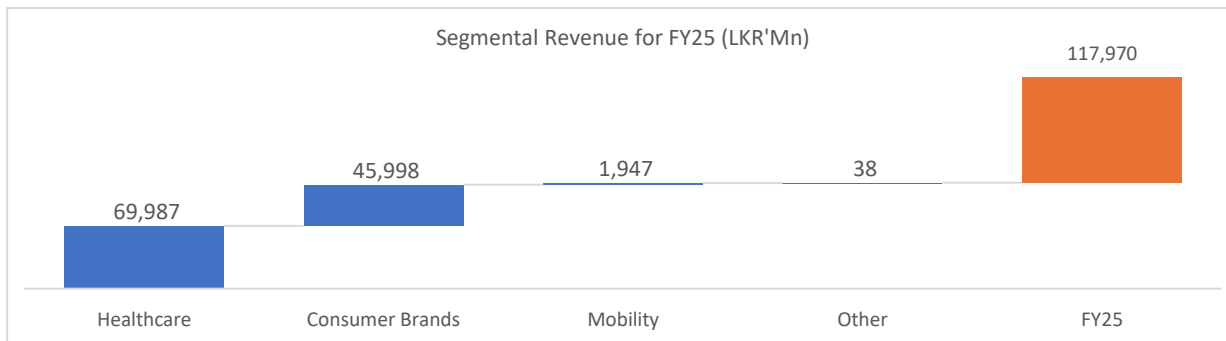
### Regulatory and Policy Uncertainty Risks

HHL's healthcare and pharmaceutical segments are exposed to regulatory and policy risks, including licensing requirements, import restrictions, and government pricing or tariff policies. Changes such as the introduction of a transparent pricing mechanism for essential medicines or adjustments to public sector procurement quotas could pressure margins. HHL is also partly reliant on government buyback agreements, which underscores the sensitivity of its financial performance to regulatory and policy developments.

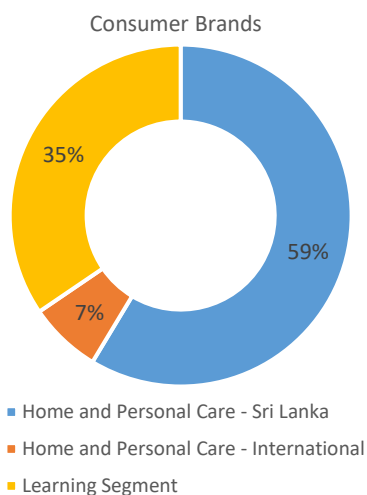
### Competitive pressures and Brand Substitution Risk

While HHL holds the leading position in its Consumer Brands and healthcare segments, competition remains intense, and brand switching is easier when consumer budgets tighten. According to industry analysis, brand loyalty may shift to "value-for-money" alternatives in challenging environment. If Hema fails to innovate or adjust pricing/mix accordingly, market share and profitability.

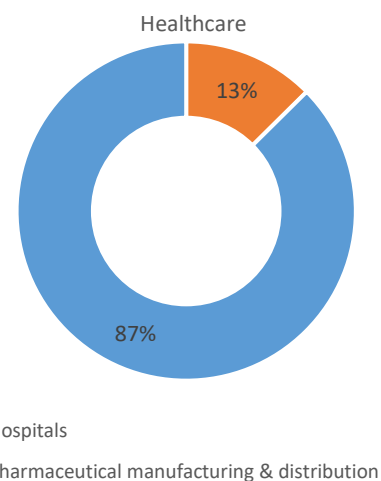
Annexure I: Segmental information



Segmental revenue by major product line

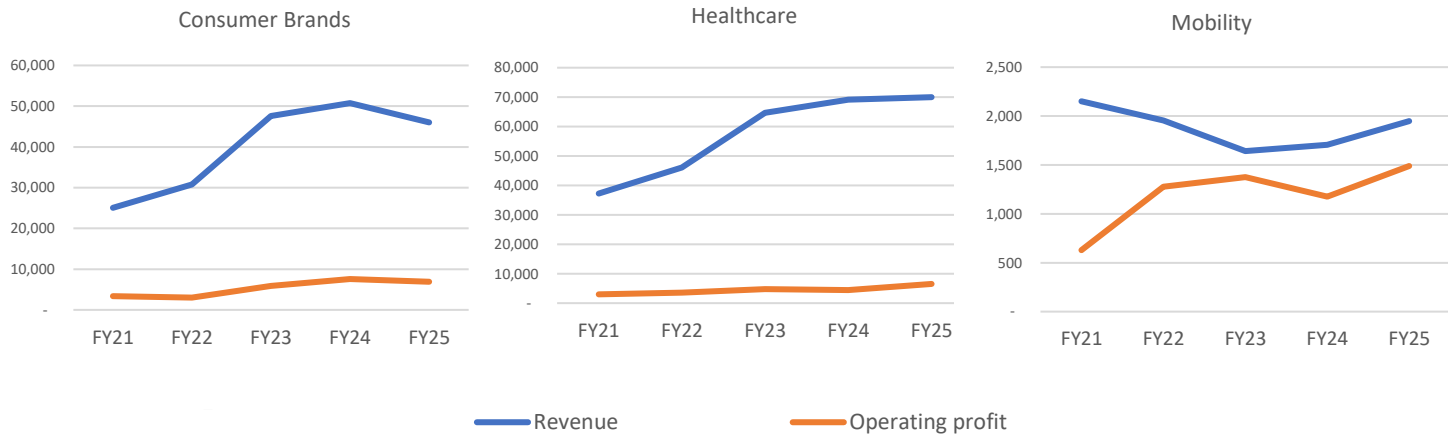


Sources: Company reports



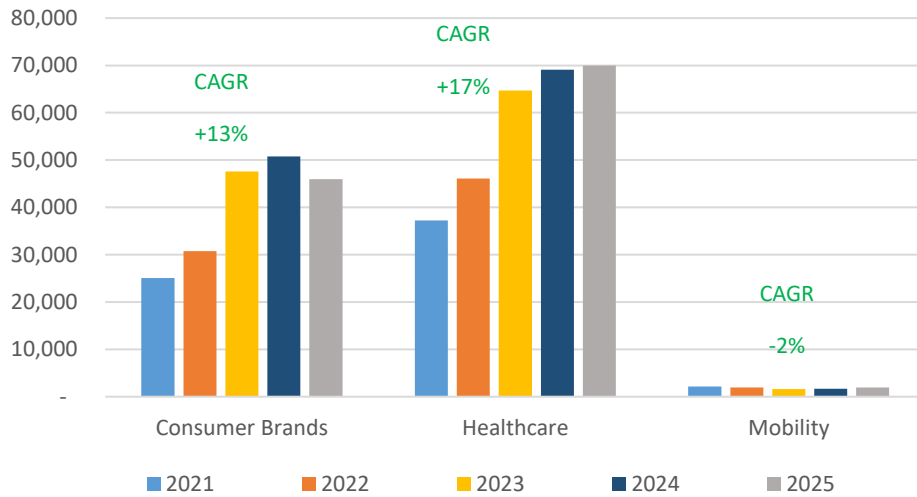
Sources: Company reports

Sales and operating profit - past performance (LKR'Mn)



Sources: Company reports

Cluster revenue and growth over the years (LKR' Mn)



Sources: Company reports

## Annexure II: Financial statements

| Statement of Financial Performance (LKR 'Mn)   | FY24          | FY25          | FY26E         | FY27E         | FY28E         |
|--|---------------|---------------|---------------|---------------|---------------|
| Revenue  | 121,614       | 117,970       | 129,614       | 156,032       | 182,639       |
| Cost of sales                                  | (85,617)      | (80,897)      | (89,433)      | (106,102)     | (124,195)     |
| <b>Gross Profit</b>                            | <b>35,997</b> | <b>37,073</b> | <b>40,180</b> | <b>49,930</b> | <b>58,444</b> |
| Other income                                   | 754           | 1,092         | 1,296         | 1,560         | 1,826         |
| Selling, Distribution & Admin Expenses         | (24,924)      | (24,911)      | (26,129)      | (31,005)      | (36,006)      |
| Share of Results of Equity Accounted Investees | 93            | 452           | 470           | 489           | 508           |
| <b>Operating Profit</b>                        | <b>11,921</b> | <b>13,707</b> | <b>15,817</b> | <b>20,974</b> | <b>24,773</b> |
| Finance Cost                                   | (3,256)       | (1,504)       | (2,274)       | (3,537)       | (4,772)       |
| Finance Income                                 | 803           | 526           | 316           | 364           | 392           |
| <b>Profit Before Tax</b>                       | <b>9,468</b>  | <b>12,729</b> | <b>13,860</b> | <b>17,801</b> | <b>20,393</b> |
| Income Tax Expenses                            | (3,113)       | (4,390)       | (4,712)       | (6,052)       | (6,118)       |
| <b>Profit for the year</b>                     | <b>6,355</b>  | <b>8,339</b>  | <b>9,147</b>  | <b>11,749</b> | <b>14,275</b> |
| Minority Interest                              | 246           | 282           | 915           | 1,292         | 1,428         |
| <b>Profit Attributable to Equity Holders</b>   | <b>6,109</b>  | <b>8,057</b>  | <b>8,233</b>  | <b>10,456</b> | <b>12,848</b> |
| <b>EPS (Basic)</b>                             | <b>2.05</b>   | <b>2.70</b>   | <b>2.76</b>   | <b>3.50</b>   | <b>4.30</b>   |
| <b>EPS (Diluted)</b>                           | <b>2.05</b>   | <b>2.70</b>   | <b>2.76</b>   | <b>3.50</b>   | <b>4.30</b>   |

Sources: Company reports, Ambeon Estimates

| Statement of Financial Position (LKR 'Mn)              | FY24          | FY25          | FY26E          | FY27E          | FY28E          |
|--|---------------|---------------|----------------|----------------|----------------|
| <b>Non-Current Assets</b>                              |               |               |                |                |                |
| Property, plant and equipment                          | 20,052        | 24,397        | 26,275         | 28,524         | 32,972         |
| Investment Properties                                  | 4,008         | 4,306         | 4,306          | 4,306          | 4,306          |
| Right of use of assets                                 | 1,314         | 1,889         | 1,889          | 1,889          | 1,889          |
| Intangible assets                                      | 3,283         | 3,333         | 3,333          | 3,333          | 3,333          |
| Lease Receivable                                       | 42            | 23            | 23             | 23             | 23             |
| Investments in JVs                                     | 1,474         | 2,154         | 2,154          | 2,154          | 2,154          |
| Other non-current financial assets                     | 210           | 255           | 255            | 255            | 255            |
| Deferred tax assets                                    | 496           | 229           | 229            | 229            | 229            |
|  | <b>30,880</b> | <b>36,585</b> | <b>38,463</b>  | <b>40,713</b>  | <b>45,160</b>  |
| <b>Current Assets</b>                                  |               |               |                |                |                |
| Inventories  | 22,775        | 21,183        | 23,277         | 27,790         | 33,005         |
| Trade and other Receivables                            | 26,299        | 25,971        | 28,459         | 33,736         | 38,693         |
| Tax receivables  | 347           | 301           | 301            | 301            | 301            |
| Lease Receivable                                       | 31            | 15            | 15             | 15             | 15             |
| Other current financial assets                         | 169           | 183           | 183            | 183            | 183            |
| Cash and cash equivalents                              | 13,223        | 12,579        | 12,912         | 13,994         | 13,336         |
|  | <b>62,843</b> | <b>60,232</b> | <b>65,149</b>  | <b>76,020</b>  | <b>85,534</b>  |
| Assets held for sale                                   | -             | 73            | 73             | 73             | 73             |
| <b>Total Assets</b>                                    | <b>93,723</b> | <b>96,891</b> | <b>103,684</b> | <b>116,805</b> | <b>130,767</b> |
| <b>Equity and Liabilities</b>                          |               |               |                |                |                |
| Stated Capital   | 7,784         | 7,824         | 7,824          | 7,824          | 7,824          |
| Other Reserves   | 103           | 76            | 76             | 76             | 76             |
| Other components of equity                             | 7,501         | 8,471         | 8,471          | 8,471          | 8,471          |
| Retained Earnings                                      | 28,044        | 33,409        | 31,648         | 31,157         | 33,883         |
| <b>Equity attributable to equity holders of parent</b> | <b>43,432</b> | <b>49,780</b> | <b>48,019</b>  | <b>47,528</b>  | <b>50,255</b>  |
| Non-controlling interests                              | 688           | 540           | 1,455          | 2,747          | 4,175          |
| <b>Total Equity</b>                                    | <b>44,120</b> | <b>50,320</b> | <b>49,474</b>  | <b>50,275</b>  | <b>54,429</b>  |
| Interest-bearing loans and borrowings                  | 5,408         | 4,617         | 6,889          | 13,482         | 16,784         |
| Other non-current financial liabilities                | 280           | 275           | 275            | 275            | 275            |
| Deferred tax liabilities                               | 2,899         | 3,474         | 3,474          | 3,474          | 3,474          |
| Employee benefit liabilities                           | 1,384         | 1,562         | 1,562          | 1,562          | 1,562          |
|  | <b>9,970</b>  | <b>9,928</b>  | <b>12,200</b>  | <b>18,792</b>  | <b>22,095</b>  |
| <b>Current Liabilities</b>                             |               |               |                |                |                |
| Trade and other payables                               | 30,848        | 31,940        | 34,797         | 40,817         | 46,022         |
| Income tax payable                                     | 1,488         | 1,441         | 1,441          | 1,441          | 1,441          |
| Interest bearing borrowings                            | 5,887         | 2,939         | 5,446          | 5,164          | 6,416          |
| Bank overdraft   | 1,410         | 317           | 322            | 311            | 359            |
|  | <b>39,633</b> | <b>36,638</b> | <b>42,006</b>  | <b>47,732</b>  | <b>54,239</b>  |
| Liabilities associated with assets held for sale       | -             | 5             | 5              | 5              | 5              |
| <b>Total Liabilities &amp; Shareholders' Funds</b>     | <b>93,723</b> | <b>96,891</b> | <b>103,684</b> | <b>116,805</b> | <b>130,767</b> |
| <b>NAVPS</b>   | <b>14.54</b>  | <b>16.67</b>  | <b>16.08</b>   | <b>15.91</b>   | <b>16.83</b>   |

Sources: Company reports, Ambeon Estimates

Annexure III: Key ratios

|                                    | FY24  | FY25  | FY26E | FY27E | FY28E |
|------------------------------------|-------|-------|-------|-------|-------|
| <b>Profitability Ratios</b>        |       |       |       |       |       |
| Gross Profit Margin (%)            | 29.6% | 31.4% | 31.0% | 32.0% | 32.0% |
| EBIT Margin (%)                    | 9.8%  | 11.6% | 12.2% | 13.4% | 13.6% |
| Net Profit Margin (%)              | 5.0%  | 6.8%  | 6.4%  | 6.7%  | 7.0%  |
| Return on Assets (ROA) (%)         | 6.5%  | 8.3%  | 7.9%  | 9.0%  | 9.8%  |
| Return on Equity (ROE) (%)         | 14.1% | 16.2% | 17.1% | 22.0% | 25.6% |
| Revenue Growth (%)                 | 6.7%  | -3.0% | 9.9%  | 20.4% | 17.1% |
| Net Profit Growth (%)              | 43.1% | 31.9% | 2.2%  | 27.0% | 22.9% |
| Dividend Payout Ratio (%)          | 23.0% | 29.6% | 24.0% | 26.0% | 23.0% |
| <b>Activity Ratios</b>             |       |       |       |       |       |
| Inventory Turnover Ratio (Times)   | 3.76  | 3.82  | 3.84  | 3.82  | 3.76  |
| Receivable Turnover Ratio (Times)  | 4.62  | 4.54  | 4.55  | 4.63  | 4.72  |
| Payables Turnover Ratio (Times)    | 2.78  | 2.53  | 2.57  | 2.60  | 2.70  |
| Days of Sales Outstanding (DSO)    | 78.9  | 80.4  | 80.1  | 78.9  | 77.3  |
| Days of Inventory on Hand (DOH)    | 97.1  | 95.6  | 95.0  | 95.6  | 97.0  |
| Days of Payables Outstanding (DPO) | 131.5 | 144.1 | 142.0 | 140.4 | 135.3 |
| Asset Turnover Ratio (Times)       | 1.27  | 1.24  | 1.25  | 1.34  | 1.40  |
| <b>Gearing Ratio</b>               |       |       |       |       |       |
| Debt to Total Assets               | 0.14  | 0.08  | 0.12  | 0.16  | 0.18  |
| Debt to Equity                     | 0.29  | 0.16  | 0.25  | 0.37  | 0.43  |
| Interest Coverage Ratio (Times)    | 3.66  | 9.11  | 6.96  | 5.93  | 5.19  |
| <b>Liquidity Ratio</b>             |       |       |       |       |       |
| Current Ratio (Times)              | 1.59  | 1.64  | 1.55  | 1.59  | 1.58  |
| Quick Ratio (Times)                | 1.04  | 1.10  | 1.02  | 1.03  | 0.99  |
| Cash Ratio (Times)                 | 0.35  | 0.36  | 0.32  | 0.30  | 0.25  |
| Cash Conversion Cycle (Days)       | 44.5  | 31.8  | 33.1  | 34.1  | 39.1  |

Sources: Company reports, Ambeon Estimates

**Annexure VI: Recommendation criteria**

The recommendations are based on the stock returns compared against the 1-year treasury bill rate as a benchmark.

|      |   |
|------|---|
| BUY  | Return of the stock > 1-year T bill rate plus 5%                      |
| HOLD | 1-year T bill rate plus 5% > return of the stock > 1-year T bill rate |
| SELL | Return of the stock < 1-year T bill rate                              |

1-year T bill rate used for comparison = 8.04%

## Abbreviations

|        |  |
|--------|--|
| CAGR   | Compound Annual Growth Rate                                    |
| CBSL   | Central Bank of Sri Lanka                                      |
| CCPI   | Colombo Consumer Price Index                                   |
| CPO    | Crude Palm Oil   |
| CSE    | Colombo Stock Exchange   |
| DCF    | Discounted Cash Flow   |
| EBIT   | Earnings Before Interest and Taxes                             |
| EBITDA | Earnings Before Interest, Taxes, Depreciation and Amortization |
| EPS    | Earnings Per Share   |
| EV     | Enterprise Value   |
| FY     | Financial Year   |
| GDP    | Gross Domestic Product   |
| GP     | Gross Profit   |
| GSA    | General Sales Agent  |
| HHL    | Hemas Holdings PLC   |
| HPC    | Home and Personal Care   |
| LDC    | Least Developed Countries                                      |
| Mn     | Million  |
| NAVPS  | Net Asset Value Per Share                                      |
| NCD    | Non-Communicable Diseases                                      |
| PBV    | Price-to-Book Value  |
| PER    | Price-to-Earnings Ratio  |
| SOTP   | Sum-of-the-Parts Valuation                                     |
| TEU    | Twenty-foot Equivalent Unit                                    |
| TRIPS  | Trade-Related Aspects of Intellectual Property Rights          |
| TTM    | Trailing Twelve Months   |
| VAHO   | Value-Added Hair Oil   |
| WHO    | World Health Organization                                      |
| YoY    | Year-on-Year   |

**AMBEON SECURITIES (PVT)  
LIMITED**

No. 100/1, 2nd Floor  
Elvitigala Mawatha,  
Colombo 08,  
Sri Lanka.

T : +94 11 532 8 100

F : +94 11 532 8 177

E : [research@ambeonsecurities.lk](mailto:research@ambeonsecurities.lk)


**Sales Team**

|                      |  |  |              |
|----------------------|--|--|--------------|
| Charith Kamaladasa   | Director/CEO                                       | <a href="mailto:charithk@ambeonsecurities.lk">charithk@ambeonsecurities.lk</a>   | 077 321 3344 |
| Niranjan Niles       | Executive Director                                 | <a href="mailto:niles@ambeonsecurities.lk">niles@ambeonsecurities.lk</a>         | 077 383 2597 |
| Romesh Priyadarshana | Vice President                                     | <a href="mailto:romeshp@ambeonsecurities.lk">romeshp@ambeonsecurities.lk</a>     | 077 254 8795 |
| Subeeth Perera       | Vice President                                     | <a href="mailto:subeeth@ambeonsecurities.lk">subeeth@ambeonsecurities.lk</a>     | 071 404 2683 |
| Chinthaka Weerathna  | Manager Investment Advisory                        | <a href="mailto:chinthaka@ambeonsecurities.lk">chinthaka@ambeonsecurities.lk</a> | 077 528 6885 |
| Pasindu Yatawara     | Manager Investment Advisory                        | <a href="mailto:pasindu@ambeonsecurities.lk">pasindu@ambeonsecurities.lk</a>     | 077 930 4624 |
| Thushan Perera       | Senior Investment Advisor                          | <a href="mailto:thushan@ambeonsecurities.lk">thushan@ambeonsecurities.lk</a>     | 077 361 8745 |
| Dilusha Gamage       | AGM Business Development & Corporate Communication | <a href="mailto:dilusha@ambeonsecurities.lk">dilusha@ambeonsecurities.lk</a>     | 077 899 3267 |

**Research Team**

|                    |                                      |  |
|--------------------|--------------------------------------|--|
| Hansinee Beddage   | Senior Manager – Investment Research | <a href="mailto:hansinee@ambeonsecurities.lk">hansinee@ambeonsecurities.lk</a> |
| Buddhi Akalanka    | Investment Research Analyst          | <a href="mailto:buddhi@ambeonsecurities.lk">buddhi@ambeonsecurities.lk</a>     |
| Kavindu Horadugoda | Investment Research Analyst          | <a href="mailto:kavindu@ambeonsecurities.lk">kavindu@ambeonsecurities.lk</a>   |

**DISCLAIMER**

Ambeon Securities has taken reasonable steps to ensure the accuracy and reliability of the information presented in this Report. While we strive for accuracy, we do not guarantee the completeness or correctness of the information. The information may be subject to change without notice, and Ambeon Securities is not obligated to update or revise the Report after its initial publication. Any updates or revisions will be made at the sole discretion of Ambeon Securities.

Ambeon Securities, its employees, and affiliates shall not be held liable for any direct or indirect loss or damage that may arise from the use of the information contained in this Report. This includes, but is not limited to, financial losses, lost profits, direct, indirect, incidental, punitive or any other consequential damages.

The information and opinions presented in this Report are for informational purposes only and should not be construed as any offer, investment advice, a recommendation to buy or sell any securities, or an endorsement of any investment strategy. Ambeon Securities does not provide personalized investment advice, and you should consult with a qualified financial advisor before making any investment decisions. This Report may contain forward-looking statements that involve risks and uncertainties. These statements are based on our current expectations and assumptions and are subject to various factors that may cause actual results to differ materially from those expressed or implied in the Report.

This Report does not take into account the specific financial situation, investment objectives, or risk tolerance of individual readers. Consequently, investments discussed in this report may not be suitable for all investors. Each reader is responsible for determining the suitability of any investment based on their own circumstances.

Ambeon Securities, its employees, and affiliates may have financial interests in the securities mentioned in this Report. These interests may change without notice, and such positions may have an impact on the opinions expressed in the Report.

This Report is intended solely for the use of the recipient and may not be reproduced, redistributed, or otherwise disseminated to any other person or entity without the express written consent of Ambeon Securities. All rights, including copyright, are reserved.

Investing in securities involves risks, including the risk of loss of principal. Past performance is not indicative of future results, and the value of investments may go up or down. These risks may include, but are not limited to, market risk, liquidity risk, credit risk, geopolitical risk, and other factors that can impact the performance of investments.

By accessing and reading this Report or downloading the Report electronically, you acknowledge and agree to the terms and conditions outlined above. If you do not agree with these terms, please refrain from using this Report. Ambeon Securities assumes no responsibility for any unauthorized use of this Report or its contents.