

# Stock

## Briefing Note



### Company Name & Ticker

**DOLPHIN HOTELS PLC | STAF.N**

### Industry

**CSE | CONSUMER SERVICES**

### Date Published

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**AMBEON**  
SECURITIES

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## 1. Executive Summary

### 1.1. Company Overview

Dolphin Hotels PLC (STAF.N) is a leading hospitality company in Sri Lanka, operating under the Browns Investments PLC with LOLC Holdings PLC as its ultimate parent. Established in 1981 and listed on the Colombo Stock Exchange (CSE) in 1982, the company is renowned for managing Club Dolphin Hotel, a premier beachfront resort located in Waikkal, Sri Lanka. With a strong emphasis on guest experience, sustainability, and operational excellence, Dolphin Hotels PLC has solidified its position as a key player in Sri Lanka's tourism industry.

With a market capitalization of LKR 2.79 Bn, Dolphin Hotels PLC maintains a strong asset base valued LKR 4.70Bn as of 31<sup>st</sup> December 2024. The company operates 154 rooms, achieving an average occupancy rate of 59% for the 2024 financial year.

Dolphin Hotels PLC primarily caters to international leisure travelers, including both short-term vacationers and long-stay guests. Additionally, the hotel attracts domestic travelers, particularly for weekend getaways and special events, leveraging its strategic location and comprehensive range of hospitality offerings.

### 1.2. Valuation Summary

The weighted average fair value of **STAF.N** is estimated at **LKR 63.69**. Based on the current market prices, STAF.N offers an **upside potential of 44.43%**. The weighted average intrinsic value has been calculated using different valuation methods: the PE-based valuation is LKR 66.22, the EV/EBITDA-based valuation is LKR 68.69 and the Net Asset Value (NAV) as of the 31<sup>st</sup> of December 2024 stands at LKR 56.17 per share. The fair value assessment shows an implied PE multiple of 12.20, calculated using the latest trailing twelve-month (TTM) earnings per share (EPS).

### 1.3. Key Financials

In 9MFY25, STAF achieved impressive growth with PAT surging by LKR 10.23Mn (7.41% YoY). EBIT saw a rise of LKR 99.79Mn (404.63% YoY) This strong performance was primarily driven by a 24.64% YoY increase in revenue, which grew by LKR 194.26Mn due to the significant recovery of the tourism industry in Sri Lanka reaching the highest tourist numbers since 2019.

EPS grew by LKR 0.16 (7.41% YoY) while the Net Asset Value Per Share grew by LKR 5.15 (10.09% YoY) as at the end of December 2024.

Gross profit and net profit margins were reported as 62.85% and 15.07% respectively. As at the end of December 2024, the Return on Assets stood at 3.15% while the Return on Equity was at 4.17%

LKR Mn	FY 22	FY 23	FY 24	9M FY 25
Revenue	283	576	1,311	984
Gross profit	203	342	908	619
Operating profit	(82)	(117)	217	124
Profit attributable to shareholders	(25)	(103)	320	148
Total assets	4,620	5,223	5,350	4,704
EPS (LKR)	(0.39)	(1.63)	5.06	2.34
NAVPS (LKR)	44.48	48.84	53.83	56.17
ROA (%)	-0.54%	-1.97%	5.98%	3.15%
ROE (%)	-0.88%	-3.33%	9.40%	4.17%

Source: Company reports

## 2. Dashboard

Company Name	Dolphin Hotels PLC
Ticker	STAF.N
Market Price (LKR)	44.10
Exchange Listed	Colombo Stock Exchange
GICS Sector	Consumer Services
Board Listed	Main Board
Listed Date	1st January 1982
No. of Shares (Mn)	63,242,954
MCAP (LKR Bn)	2.79
Public Holding	30.67%
Financial Year Ends	31st March

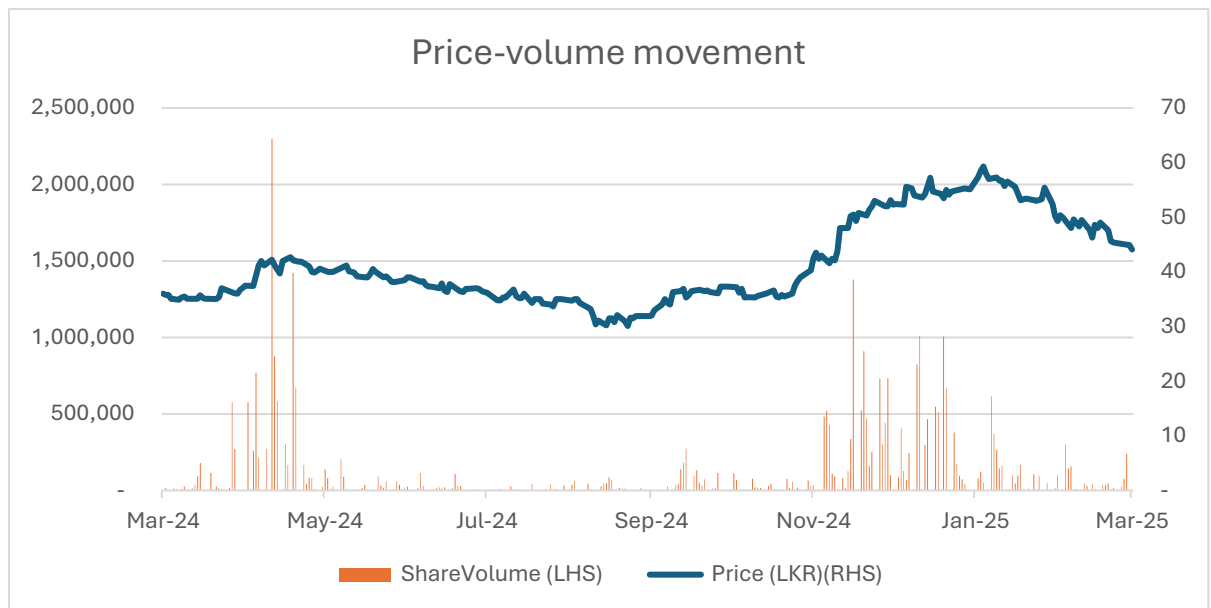
## Top 05 shareholders

Name	Percentage
Serendib Hotels PLC	69.33%
Hemtours (Private) Limited	2.67%
Dawi Investment Trust (Pvt) Ltd	1.58%
Commercial Bank Of Ceylon PLC /G.S.N.Peiris	1.11%
Guardian Equity Limited	0.79%

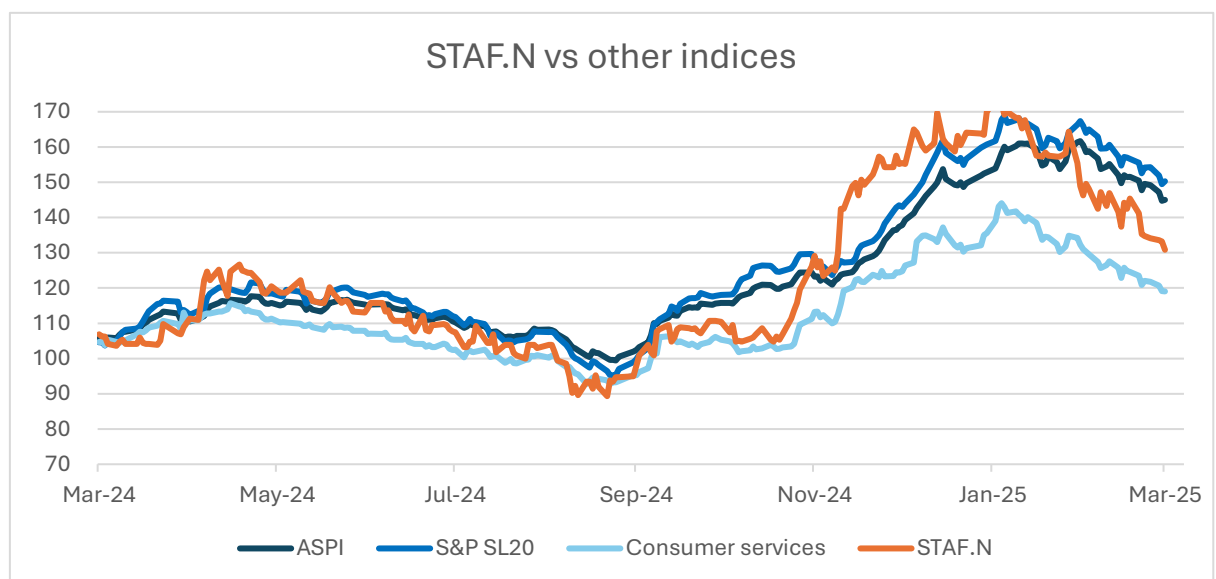
The Float Adjusted Market Capitalization as of 31.12.2024 was LKR 1053.24Mn

Key Data	
<b>Historical Returns (March 2025 - March 2024)</b>	
1-year capital gain	22.50%
1-year dividend yield	0%
1-year total return	22.50%
Beta	0.46
1-year high (LKR)	59.90
1-year low (LKR)	30.00
<b>Valuation Multiples</b>	
PE ratio	8.45
EV/EBITDA ratio	5.31
<b>Per Share Data (LKR)</b>	
EPS (TTM)	5.22
NAVPS (Sep 2024)	56.17
DPS (FY 24)	Nil
Dividend payout	Nil

Sources: CSE, Company reports



Source: CSE



Note: the chart is indexed

Source: CSE

### 3. Valuation Summary

#### 3.1. Valuation Upside

The weighted average fair value of STAF.N is estimated at LKR 63.69, which offers an upside potential of 44.43% based on the current market prices. The weighted average intrinsic value has been calculated using different valuation methods: the PE-based valuation is LKR 66.22, the EV/EBITDA-based valuation is LKR 68.69 and the Net Asset Value (NAV) as of the 31st of December 2024 stands at LKR 56.17 per share. The fair value assessment shows an implied PE multiple of 12.20, calculated using the latest trailing twelve-month (TTM) earnings per share (EPS).

Weighted average intrinsic value		LKR
PE-based valuation		66.22
EV/EBITDA based valuation		68.69
NAV (31st Dec 2024)		56.17
<b>Weighted average fair value per share (LKR)</b>		<b>63.69</b>

#### 3.2. PE-Based Valuation

Average PER of peers	12.68
TTM EPS of Dolphin Hotels PLC (LKR)	5.22
<b>Value per share (LKR)</b>	<b>66.22</b>

#### 3.3. EV/EBITDA Based Valuation

TTM EBITDA of Dolphin Hotels PLC (LKR Mn)	424.97
Average EV/EBITDA of peers	8.97
Enterprise Value (EV)(LKR Mn)	3,812.11
Less: debt (LKR Mn)	669.62
Add: cash & cash equivalent (LKR Mn)	1,201.73
Equity value (LKR Mn)	4,344.21
No of shares in Mn	63.24
<b>Value per share (LKR)</b>	<b>68.69</b>

The peers of STAF.N are listed below. The valuation process incorporates PER, and EV/EBITDA multiples.

Peer valuation multiples	PE	EV/EBITDA
The Lighthouse Hotel PLC	11.11	5.16
Fortress Resorts PLC	13.39	9.21
Beruwala Resorts PLC	8.38	11.43
Hayleys Leisure PLC	17.85	10.08
<b>Peer average</b>	<b>12.68</b>	<b>8.97</b>

Source: CSE, Company reports

## 4. Return Analysis

### 4.1. Historical Returns

#### Historical Dividends

No dividends were paid from FY19 to FY24

#### Annual Price Movement

Annual price movement (%) (April-March)	
FY25	29.71%
FY24	9.69%
FY23	6.31%
FY22	22.86%
FY21	33.88%
FY20	-28.79%

Note:

Closing prices as of 19<sup>th</sup> March 2025 are considered for calculating YTD.

From the start of FY20 to date, STAF.N has posted a total price gain of 71.60%

*Sources: CSE, Company reports*

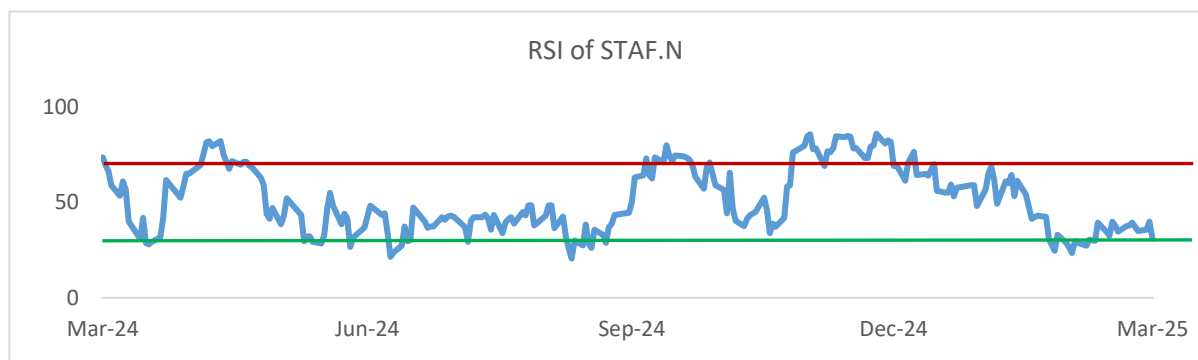
## 5. Technical Indicators

### 5.1. STAF.N Saw an Upward Trend from September 2024 before the recent pullback



Between April and May, the stock briefly surged above 40 but struggled to maintain momentum, fluctuating within a narrow range, indicating consolidation or market indecision. From June to late August, the stock experienced a prolonged downtrend signaling a negative sentiment. However, starting in mid-September, a strong reversal took place, with the stock rebounding from its lows around 30 and gaining upward momentum. By November, the stock had decisively broken above key resistance levels, entering a strong bullish phase and increased buying interest. After reaching a peak around 60 in late January, the stock has shown signs of consolidation, with minor pullbacks suggesting profit-taking or the formation of a potential resistance level.

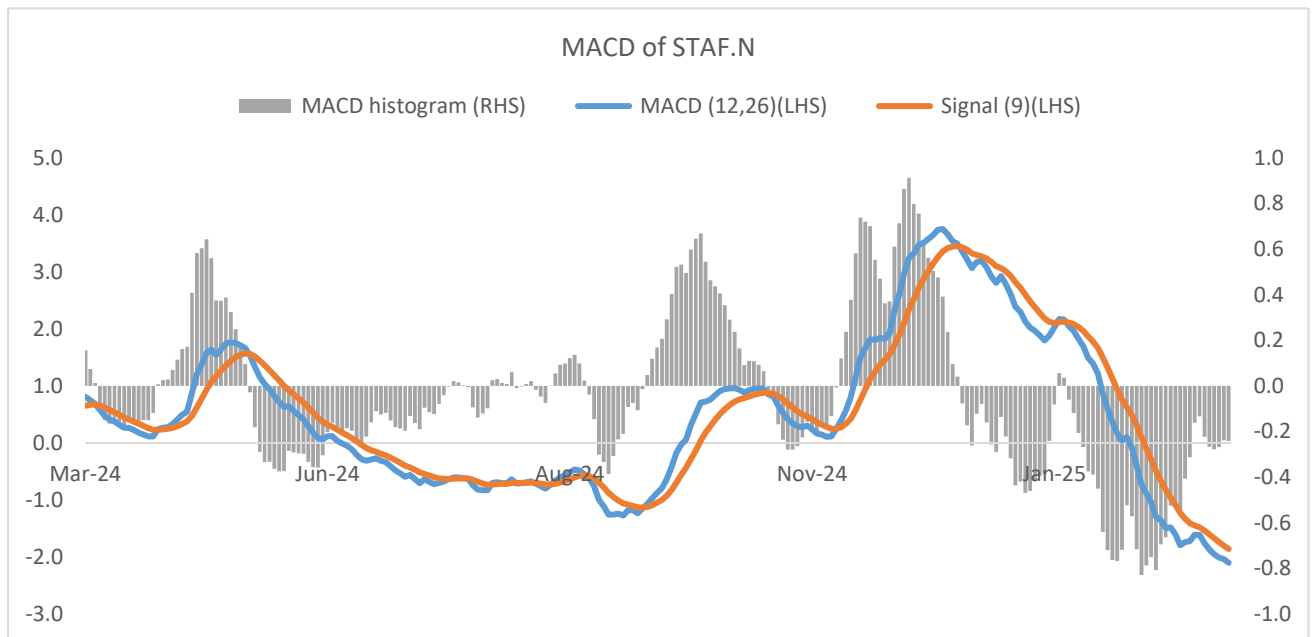
### 5.2. Relative Strength Index



The RSI of STAF.N has dropped to 31.03, indicating weakening momentum and approaching oversold conditions. The 14-day Simple Moving Average (SMA) of the RSI at 36.05 suggests that selling pressure has been dominant. This combination signals that the stock is approaching oversold conditions, with sustained weakness potentially leading to further declines. However, if the RSI stabilizes or reverses upward, it could indicate a shift in sentiment and a possible recovery.

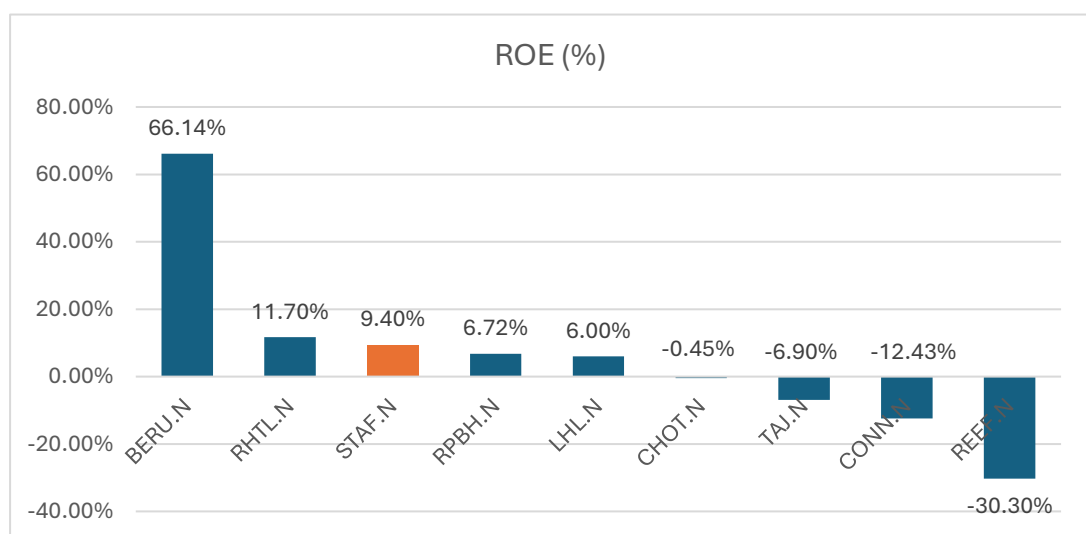
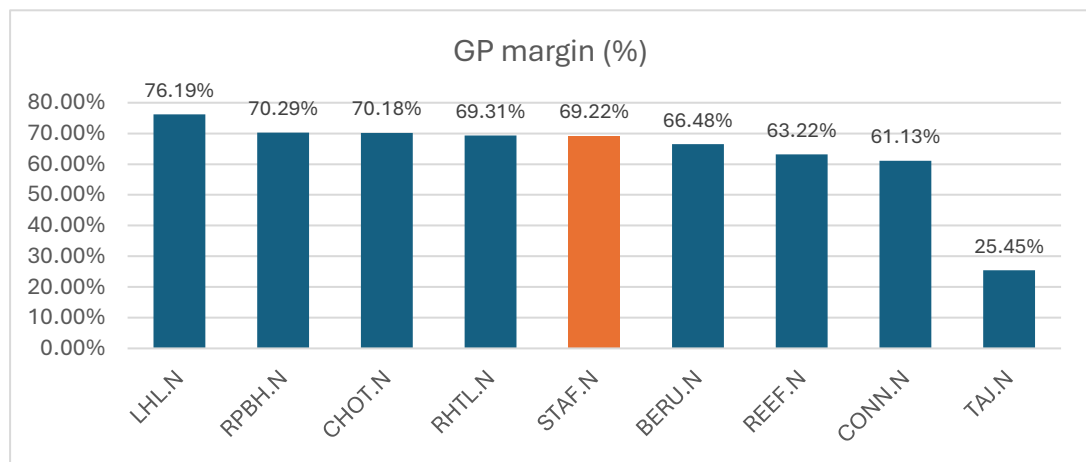
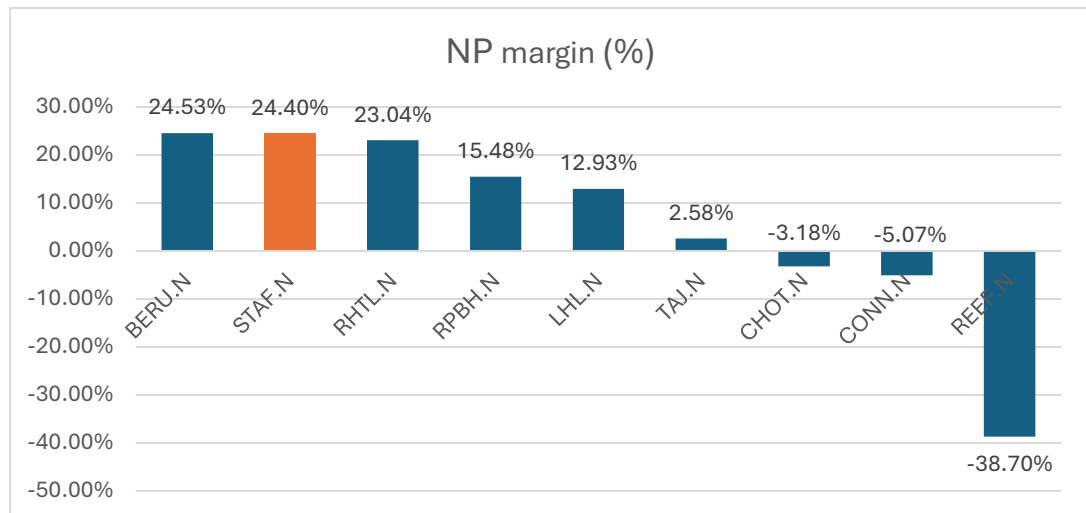


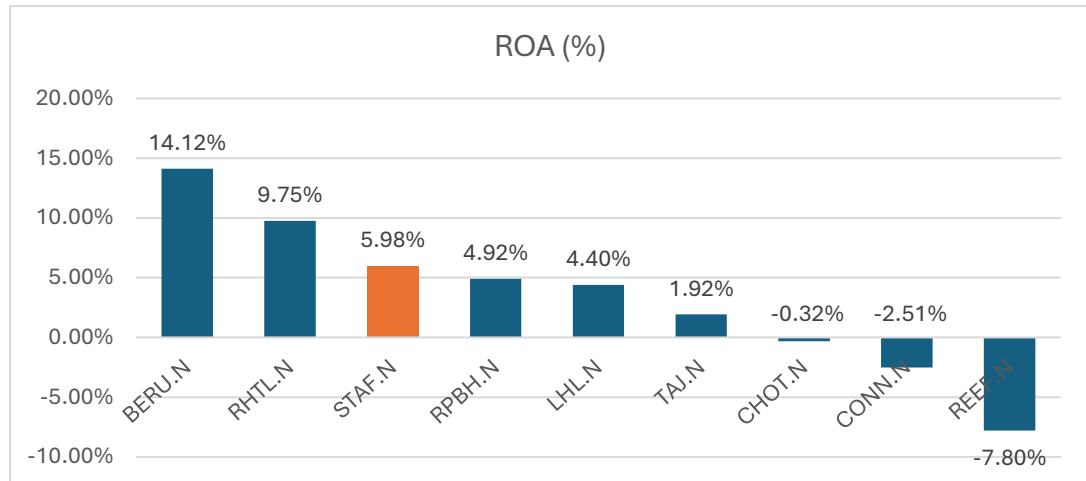
## 5.3. MACD



The Moving Average Convergence Divergence (MACD) analysis of STAF.N indicates that the stock has been experiencing bullish momentum, as the MACD line has been trending above the signal line. However, recent price movements suggest a potential shift in sentiment, as the MACD line has started to decline from its peak. Currently, the MACD line stands at -2.10, marginally below the signal line at -1.86. This narrowing gap indicates a weakening bullish trend and could signal a potential trend reversal or consolidation in the stock's price action.

## 6. Peer Comparison





Note: Peer comparison is based on FY24 data.

Source: Company reports

## 7. Financial Review

### 7.1. Major Changes Compared with the Previous Year (FY24 vs FY23):

#### Favorable Changes

- Revenue increased by 127.72% YoY with the revival of the tourism industry marking a higher number of tourist arrivals.
- The Gross profit margin increased from 59.45% in FY23 to 69.22% in FY24.
- The Net profit margin improved from -17.89% to 24.40%.
- Debt-to-equity ratio decreased from 0.30 in FY23 to 0.20 in FY24, indicating lower leverage.

#### Unfavorable Changes

- Cost of sales increased by 72.84% in FY24 to LKR 403.66 Mn, compared to LKR 233.55 Mn in FY23.
- The other operating income dropped from LKR16.02 Mn to LKR 5.49 Mn in FY24.

### 7.2. Major Changes Compared with the Previous Quarter (2Q FY25 vs 3Q FY25):

#### Favorable Changes

- Revenue increased by 20.94% from LKR 326.36 Mn to LKR 394.71 Mn in 3Q FY25.
- Gross profit margin saw a slight increase from 64.67% to 66.24% in 3Q FY25.
- Operating profit grew by 28.81%, reaching LKR 68.61 Mn from LKR 53.26 Mn.

#### Unfavorable Changes

- Net profit margin decreased to 11.88% from 25.69% in the previous quarter.
- Profits for the period declined by 44.07% to LKR 46.89 Mn compared to LKR 83.84 Mn in the previous quarter.
- Net finance income turned into a net finance expense in 3Q FY25 with a decline of LKR 52.30 Mn compared to 2Q FY25.

## 8. Environment, Social and Governance

### 8.1. Policy on Environmental Sustainability

Club Hotel Dolphin has made significant efforts in achieving environmental sustainability, placing it at the core of its operations. The hotel has undertaken multiple initiatives to reduce its environmental footprint by fostering eco-friendly practices. One of the key projects is the establishment of an Herbal Park, which enhances biodiversity and promotes sustainable land use. The hotel also revitalized its biogas system to reduce waste and generate energy more efficiently while implementing an innovative waste management program that converts waste into organic fertilizer for its gardens, reducing the environmental impact of waste disposal.

A notable environmental initiative was the planting of 100 king coconut trees across the hotel's 14-acre property. This project engaged repeat guests, allowing them to participate in the planting and witness the trees' growth over time. The hotel also partnered with local authorities to implement a dengue control program in the Waikkal area, promoting public health and environmental protection. Furthering its commitment to sustainability, Club Hotel Dolphin collaborated with the Marine Environment Protection Authority (MEPA) to conduct ocean conservation sessions, educating both tourists and the local community on the importance of preserving marine ecosystems.

### 8.2. Employee Welfare and Community Engagement

On the social front, Club Hotel Dolphin has placed a strong focus on community welfare and staff engagement. The hotel conducted awareness sessions in collaboration with the Women & Child Protection Bureau and local law enforcement, addressing critical issues surrounding child and women's health welfare.

The hotel's staff engagement has also been a standout success. By fostering a culture of shared responsibility and collective ownership, the hotel has motivated its workforce, resulting in the highest-ever service charges. This initiative enabled employees to remain in Sri Lanka, stay close to their families, and grow professionally. As a result, the hotel has been able to maintain high levels of guest satisfaction, providing exceptional service that has led to high online ratings and a loyal base of repeat guests.

## 8.3. Club Dolphin Hotel's board ensures balanced expertise, governance, and independence

## Board of Directors

Name	Directorship status	Skills and expertise
<b>Mr. W D K Jayawardena</b>	Non-Executive Director	Experienced in local and international banking and investment banking, holds an MBA in Financial Management, and is a fellow member of the Institute of Bankers and an Associate Member of the Institute of Cost and Executive Accountants, UK.
<b>Mr. D. S. K. Amarasekera</b>	Non-Executive Director	Member of the Institute of Chartered Accountants of Sri Lanka and an Attorney-at-Law of the Supreme Court of Sri Lanka. Holds a Business Administration degree from the University of Sri Jayewardenepura and is a renowned Tax Consultant.
<b>Dr. J M Swaminathan</b>	Non-Executive Director	Senior Attorney-at-Law with over 60 years of experience, a former Senior Partner at Julius & Creasy, and a legal advisor to multiple commissions and educational bodies.
<b>Mr. S. Furkhan</b>	Independent Director	Fellow member of the Institute of Hospitality, UK, and a Graduate Diploma holder from the Chartered Institute of Marketing, UK, has over 30 years of experience across Europe, South Asia, Australia, and the South Pacific.
<b>Mr. R.L.E.C. Wijeratne</b>	Non-Executive Director	Vice President of Resort Hotels at THASL, former President of the Sri Lanka Hospitality Graduates Association, and board member of the Sri Lanka Tourism Promotion Bureau, and a seasoned hotelier with over 30 years of experience.
<b>Mr. T Dharmarajah</b>	Independent Director	Fellow Member of the Institute of Chartered Accountants of Sri Lanka, Association of Accounting Technicians of Sri Lanka, and the Institute of Public Finance & Development Accountancy. Holds a BSc. Management (Sp) Degree from the University of Sri Jayewardenepura.

## Board sub-committees

Sub-committees	Members
<b>Mandatory Committees</b>	
Audit Committee	<ul style="list-style-type: none"> <li>Mr. T Dharmarajah</li> <li>Mr. S. Furkhan</li> <li>Mr. D. S. K. Amarasekera</li> </ul>
Remuneration Committee	<ul style="list-style-type: none"> <li>Mr. T Dharmarajah</li> <li>Mr. S. Furkhan</li> <li>Mr. W D K Jayawardena</li> </ul>
Related Party Transactions Review Committee	<ul style="list-style-type: none"> <li>Mr. T Dharmarajah</li> <li>Mr. S. Furkhan</li> <li>Mr. W D K Jayawardena</li> <li>Mr. D. S. K. Amarasekera</li> </ul>
Nominations and Governance Committee	<ul style="list-style-type: none"> <li>Mr. T Dharmarajah</li> <li>Mr. S. Furkhan</li> <li>Mr. W D K Jayawardena</li> </ul>

## 8.4. Related Companies

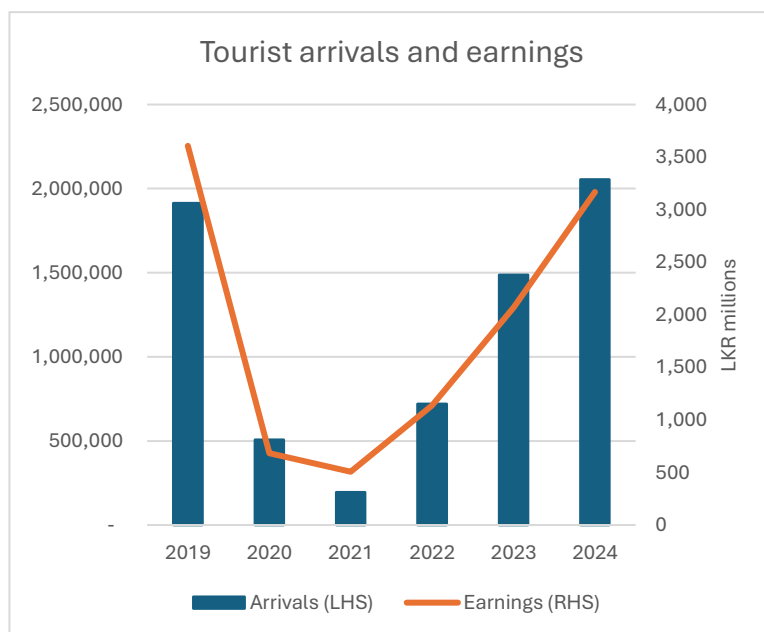
Company	Undertaking and controlling parties
Serendib Hotels PLC	Immediate parent
Eden Hotels Lanka PLC	First intermediate parent
Browns Investments PLC	Second intermediate parent
LOLC Holdings PLC	Ultimate parent

## 9. Industry & Macroeconomic Analysis

### 9.1. Tourist arrivals mark the highest number recorded for January

Sri Lanka began 2025 with a record-breaking 252,761 tourist arrivals in January, the highest ever for the month. This reflects a 21.4% increase from January 2024 and a 5.8% rise from January 2018, a peak season for the country's tourism industry. Key drivers of this growth include strengthened bilateral relations, improved air connectivity, and the revival of cruise tourism.

A significant rise in visitors from key source markets such as China, Russia, the UK, India, and Germany has played a crucial role in revitalizing Sri Lanka's tourism sector, reinforcing its position as a preferred travel destination. By March 2025, tourist arrivals surpassed 600,000, providing Dolphin Hotels PLC with opportunities for higher occupancy rates and revenue growth.



### 9.2. Tourism earnings expected to soar up to USD 5 Bn in 2025

The tourism industry marked an impressive recovery in 2024, generating USD 3.2 billion in revenue which is the highest since 2019. This reflects 52.38% year-on-year (YoY) increase achieving its revised target. December month recorded USD 362 million, the highest monthly earnings for the year reflecting 34.46% YoY increase and a 33% rise compared to November 2024.

Sri Lanka Tourism has set ambitious targets for 2025, aiming to attract 3 million tourists and generate USD 5 billion in revenue. The long-term target is to achieve 5 million arrivals and USD 8.5 to USD 10 billion in earnings by 2030.

### 9.3. Budget allocations for infrastructure developments in the Tourism industry

The Budget Proposal 2025 allocates LKR 500 million to enhance tourism through city branding, infrastructure development, and new destination promotions, aiming to attract more visitors. The expansion of Bandaranaike International Airport (BIA) Terminal 2 with Japanese investments will further boost tourist arrivals, benefiting hospitality businesses like Club Dolphin Hotel with increased occupancy.

Additionally, cultural and environmental initiatives, including a national festival promoting inter-ethnic and inter-religious harmony and Rs. 1,050 million for reforestation and mangrove conservation, will strengthen eco-tourism. As a coastal property, Club Dolphin Hotel will benefit from these sustainability efforts. A Rs. 300 million cultural event in December, coinciding with peak tourist season, is expected to drive inbound tourism, creating more revenue opportunities for the hospitality sector. These initiatives collectively enhance Sri Lanka's tourism appeal, improving infrastructure, increasing tourist footfall, and strengthening the industry's long-term sustainability.

### 9.4. Ranking and recognition received by Sri Lanka as a premier travel destination

Sri Lanka continues to receive global recognition as a top travel destination, securing the 9th spot in BBC Travel's list of the Top 10 Travel Destinations for 2025. The CEOWORLD Magazine ranked Sri Lanka as the 5th best country to visit in a lifetime in 2024. Further cementing its appeal, Sri Lanka was also voted the "Most Desirable Island in the World" at the Wanderlust Reader Travel Awards 2024 in London. These prestigious accolades highlight the island's rich cultural heritage, breathtaking landscapes, and exceptional hospitality, reaffirming its status as a must-visit global destination.



### 9.5. Airlines and connectivity

Airlines and connectivity play a crucial role in Sri Lanka's tourism industry, with Dubai, Doha, and Chennai emerging as key departure points for travelers heading to the island. Together, these airports account for 33.98% of total arrivals, underscoring their importance as major hubs linking Sri Lanka to global destinations. The high frequency of flights and strategic locations of these airports in the Middle East and South Asia ensure seamless connectivity, facilitating the steady influx of international tourists. As Sri Lanka's tourism continues to grow, these well-connected routes will remain vital in sustaining and expanding global access to the island.

### 9.6. Growth in accommodation to meet the future demand

Sri Lanka's accommodation sector is experiencing significant growth, driven primarily by small and medium enterprises (SMEs). As of June 2024, there were 4,390 accommodation establishments registered with the Sri Lanka Tourism Development Authority (SLTDA), with guest houses, homestays, and bungalows making up the bulk of the sector. These establishments accounted for 86.7% of the total accommodation stock, with guest houses contributing the largest share of 18,445 rooms. The total room capacity reached 53,378 rooms in mid-2024, highlighting the growing demand for diverse accommodation options. To support the projected rise in tourist arrivals, continued investment in both luxury and mid-range hotels, as well as upgrading existing infrastructure, will be crucial for sustaining this growth.

## 10. Financial Snapshot

## 10.1. Summary of Income Statement – Annual

LKR Mn	FY20	FY21	FY22	FY23	FY24
Revenue	728.50	349.73	282.96	575.90	1,311.44
Gross Profit	508.31	267.38	202.59	342.35	907.78
Operating Profit/loss	46.73	(61.90)	(82.42)	(116.86)	217.15
Net finance costs	15.79	25.81	46.91	135.25	171.22
Profit Before Tax	62.52	(36.08)	(35.51)	18.39	388.37
Income Tax Expense/Reversal	(18.03)	2.86	10.66	(121.40)	(68.35)
Profit/ (loss) for the Year	44.49	(33.23)	(24.85)	(103.01)	320.02

Sources: Company reports

## 10.2. Summary of Income Statement – Quarterly

LKR Mn	3Q FY24	4Q FY24	1Q FY25	2Q FY25	3Q FY25
Revenue	386.40	521.95	262.99	326.36	394.71
Gross Profit	272.97	389.77	146.00	211.07	261.46
Operating Profit/loss	57.53	192.49	2.59	53.26	68.61
Net finance costs	26.33	57.82	14.97	30.58	(21.72)
Profit Before Tax	83.86	250.31	17.56	83.84	46.89
Income Tax Expense/Reversal	-	(68.35)	-	-	-
Profit/ (loss) for the Year	83.86	181.96	17.56	83.84	46.89

Sources: Company reports

## 10.3. Summary of Statement of Financial Position - Annual

LKR Mn	FY20	FY21	FY22	FY23	FY24
<b>Assets</b>					
Property, Plant and Equipment	1,973.07	1,938.51	2,963.37	2,905.03	2,866.56
Inventories	20.65	18.64	14.39	31.56	37.78
Trade and Other Receivables	146.49	92.92	212.07	341.57	579.65
Cash and Cash Equivalents	162.54	224.10	105.43	1,466.77	1,201.73
Total Assets	3,123.78	3,223.07	4,620.17	5,223.40	5,350.35
<b>Equity</b>					
Stated Capital	316.21	316.21	316.21	948.64	948.64
Retained Earnings	1,181.96	1,152.48	1,128.35	1,026.65	1,341.28
Total equity	2,093.15	2,103.95	2,813.06	3,088.92	3,404.28
<b>Liabilities</b>					
Total borrowings	610.63	719.42	941.18	926.03	590.49
Trade and Other Payables	149.38	150.64	426.74	488.62	504.95
Income Tax Payables	6.54	8.72	7.80	0.75	54.24
Bank Overdraft	33.33	12.76	96.64	11.20	79.13
Total liabilities	1,030.63	1,119.12	1,807.10	2,134.48	1,946.07

Sources: Company reports

## 10.4. Summary of Statement of Financial Position – Quarterly

LKR Mn	3Q FY24	4Q FY24	1Q FY25	2Q FY25	3Q FY25
<b>Assets</b>					
Property, Plant and Equipment	2,865.01	2,866.56	2,844.90	2,836.45	2,824.76
Inventories	44.68	37.78	35.19	38.42	38.68
Trade and Other Receivables	847.67	579.65	476.85	558.86	682.48
Cash and Cash Equivalents	1,211.87	1,201.73	679.07	582.28	529.34
Total Assets	5,462.17	5,350.35	4,673.79	4,677.32	4,704.29
<b>Equity</b>					
Stated Capital	948.64	948.64	948.64	948.64	948.64
Retained Earnings	1,164.71	1,341.28	1,358.84	1,442.68	1,489.57
Total equity	3,226.98	3,404.27	3,421.83	3,505.68	3,552.56
<b>Liabilities</b>					
Total borrowings	841.55	590.49	16.81	1.81	1.81
Trade and Other Payables	423.14	508.71	404.38	380.16	403.02
Income Tax Payables	-	54.25	53.85	3.11	1.61
Bank Overdraft	268.75	79.13	62.67	71.62	29.31
Total liabilities	2,235.19	1,946.08	1,251.96	1,171.65	1,151.72

Sources: Company reports

## 10.5. Key Ratios - Annual

	FY20	FY21	FY22	FY23	FY24
<b>Profitability</b>					
Gross Profit Margin %	69.77%	76.45%	71.60%	59.45%	69.22%
EBIT Margin %	6.41%	-17.70%	-29.13%	-20.29%	16.56%
Net Profit Margin %	6.11%	-9.50%	-8.78%	-17.89%	24.40%
Return on Assets (ROA) %	1.42%	-1.03%	-0.54%	-1.97%	5.98%
Return on Equity (ROE) %	2.13%	-1.58%	-0.88%	-3.33%	9.40%
<b>Activity ratios</b>					
Inventory Turnover ratio (Times)	11.29	4.19	4.87	10.17	11.64
Receivables Turnover ratio (Times)	4.21	6.09	2.29	1.02	1.25
Payables Turnover ratio (Times)	1.29	1.47	0.29	0.18	0.47
Days of Sales outstanding (DSO)	86.76	59.98	159.15	357.08	291.93
Days of Inventory on hand (DOH)	32.33	87.07	75.01	35.90	31.35
Days of Payables outstanding (DPO)	282.12	248.66	1,279.54	2,078.61	776.39
<b>Gearing ratios</b>					
Debt to Assets	0.21	0.23	0.22	0.18	0.13
Debt to Equity Ratio	0.31	0.35	0.37	0.30	0.20
Interest coverage ratio (Times)	1.83	1.83	(3.65)	(3.06)	(0.89)
<b>Liquidity ratios</b>					
Current ratio (Times)	1.37	1.35	2.95	3.46	3.01
Quick ratio (Times)	1.28	1.27	2.92	3.41	2.97
Cash ratio (Times)	0.68	0.90	0.19	2.19	1.46

Sources: Company reports

## 10.6. Key Ratios – Quarterly

	3Q FY24	4Q FY24	1Q FY25	2Q FY25	3Q FY25
<b>Profitability</b>					
Gross Profit Margin %	70.64%	74.68%	55.51%	64.67%	66.24%
EBIT Margin %	14.89%	36.88%	0.98%	16.32%	17.38%
Net Profit Margin %	21.70%	34.86%	6.68%	25.69%	11.88%
Return on Assets (ROA) %	1.54%	3.40%	0.38%	1.79%	1.00%
Return on Equity (ROE) %	2.60%	5.34%	0.51%	2.39%	1.32%
<b>Activity ratios</b>					
Inventory Turnover ratio (Times)	2.95	3.21	3.21	3.13	3.46
Receivables Turnover ratio (Times)	0.56	0.73	0.50	0.63	0.64
Payables Turnover ratio (Times)	0.32	0.28	0.26	0.29	0.34
<b>Gearing ratios</b>					
Debt to Assets	0.20	0.13	0.02	0.02	0.01
Debt to Equity Ratio	0.34	0.20	0.02	0.02	0.01
Interest coverage ratio (Times)	2.18	3.33	0.17	1.74	(3.16)
<b>Liquidity ratios</b>					
Current ratio (Times)	3.03	3.01	3.39	4.02	4.30
Quick ratio (Times)	2.98	2.97	3.33	3.94	4.22
Cash ratio (Times)	1.42	1.46	1.26	1.27	1.21

Sources: Company reports

## 11. News and Corporate Actions

1<sup>st</sup> January 2025

### Club Hotel Dolphin resort crowned Sri Lanka's Best 4-Star Resort at Sri Lanka Tourism Awards

Club Hotel Dolphin was recognized as the Best 4-Star Resort in Sri Lanka at the 7th Sri Lanka Tourism Awards, organized by the Sri Lanka Tourism Development Authority (SLTDA). This prestigious accolade highlights the resort's unwavering commitment to guest satisfaction and exceptional service, setting new industry benchmarks.

Renowned for its warm hospitality, Club Hotel Dolphin boasts a loyal repeat guest base, with many visitors returning over twenty or even thirty times to relive their cherished experiences. This achievement aligns with the vision of Browns Hotels & Resorts—creating spaces that offer unforgettable stays while celebrating the true essence of Sri Lankan hospitality.

1<sup>st</sup> October 2024

### Club Hotel Dolphin Triumphs as South Asia's Top All-Inclusive Resort at SATA 2024

Club Hotel Dolphin was recognized as the Leading All-Inclusive Resort at the South Asian Travel Awards (SATA) 2024 which is considered as one of South Asia's foremost hospitality awards, celebrating excellence in travel and tourism, acknowledging those who have contributed to shaping and elevating the industry.

12<sup>th</sup> September 2024

### Appointment of Nominations and Governance Committee

As per the requirement in Section 9.10.3, the Board of Directors resolved, on 12th September 2024, to establish a new committee titled the "Nomination and Governance Committee.

*Sources: CSE, Press Release*

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