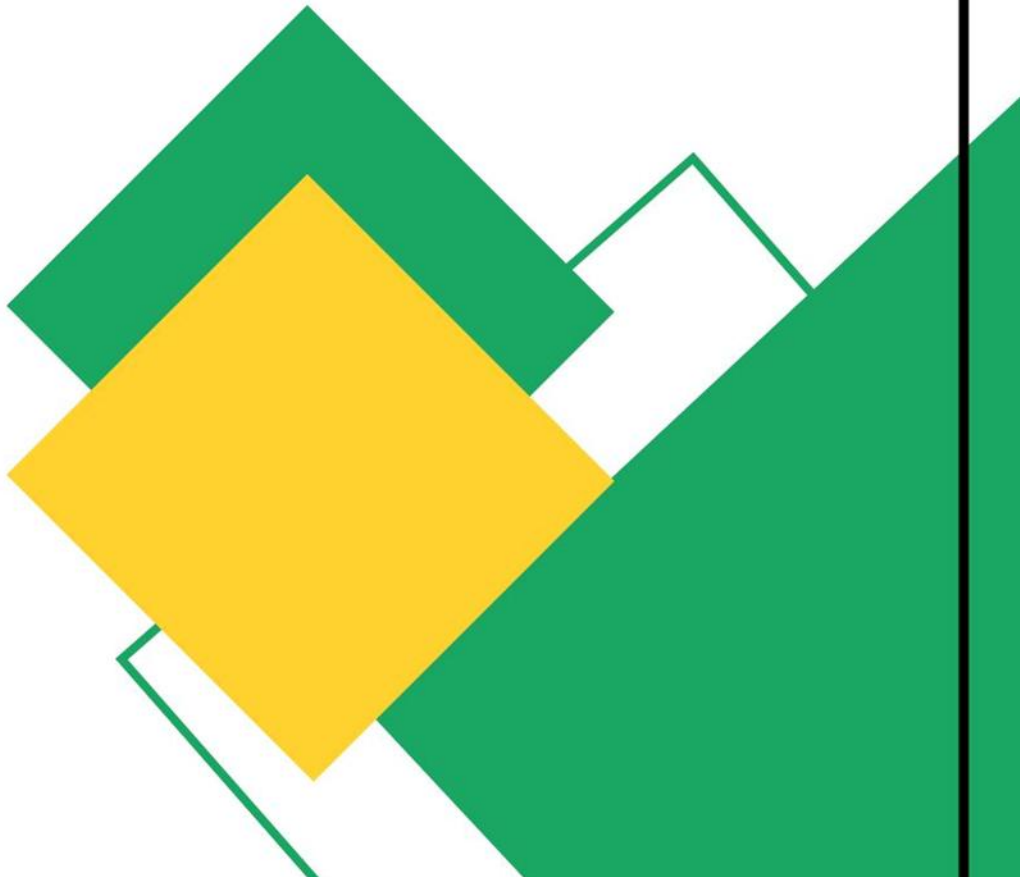




# ANALYSIS OF INITIAL PUBLIC OFFERING (IPO) OF JANASHAKTHI LIMITED

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## Analysis of Initial Public Offering (IPO) of Janashakthi Limited

### 1 Details of the IPO

Company	Janashakthi Limited
Total Number of Shares to be Offered	500,000,000 Ordinary Voting Shares
Share Issue Price	LKR 10.00 per share
Total Amount of the Initial Public Offering	LKR 5,000,000,000
Issue Opening Date	09 <sup>th</sup> April 2026
Issue Closing Date	30 <sup>th</sup> April 2026
Earliest Closing Date	09 <sup>th</sup> April 2026

### 2 Basis of Allotment

Investor Category	Percentage of Issue Allocated
Non - Retail Investors	65%
Retail Individual Investors	15%
Unit Trust Investors	10%
Janashakthi Group Employees	10%
<b>Total</b>	<b>100%</b>

'Non-Retail Investor' category shall include investors who do not fall under the 'Retail Individual Investor' or 'Unit Trust Investor' or 'Janashakthi Group Employees' categories.

As the value of the IPO is LKR 3.0Bn or more, 'Retail Individual Investor' shall mean an individual investor who subscribes for a maximum of Twenty Thousand (20,000) shares or a value of not more than Rupees Two Hundred Thousand (LKR 200,000).

### 3 Business Overview

Janashakthi Limited (JXG) is a diversified financial services company in Sri Lanka, incorporated in 1994 and headquartered in Colombo. The company has evolved through several transformations to become a well-established player in the financial sector. Its core operations include insurance, finance, and investment services, providing solutions such as life insurance, asset management, and financial advisory. Janashakthi focuses on delivering customer-centric services while ensuring long-term value creation. With a strong market presence and trusted brand reputation, the company continues to expand its portfolio and contribute to the development of Sri Lanka's financial services industry through sustainable and innovative business practices.

## 4 Main Objectives of the IPO

The primary objective of the IPO is to raise capital to support JXG's long-term strategic growth initiatives, strengthen its financial position, and enhance its capacity to expand across diversified financial services verticals.

The proceeds from the IPO will be strategically deployed towards business expansion, regional diversification, and balance sheet optimization, specifically focusing on Insurance, Microfinance, Non-Bank Financial Services (NBFI), overseas expansion, and debt retirement. Collectively, these initiatives are designed to position JXG as a diversified, resilient, and scalable financial services conglomerate, while supporting sustainable long-term value creation for shareholders.

If the total funding requirement exceeds the IPO proceeds, JXG intends to finance the shortfall through a combination of:

- Internally generated funds
- Existing cash reserves
- Bank facilities available on similar terms

Such funding decisions will be subject to Board approval, prevailing market conditions, and the Company's liquidity position.

Objective	Allocation (LKR)	Timeline
Expansion into Insurance, Microfinance & NBFI	3.5 Bn	Within 24 months
Overseas Expansion	0.5 Bn	Within 24 months
Retirement of Debt	1.0 Bn	Within 3 months
<b>Total</b>	<b>5.0 Bn</b>	

### 4.1 Expansion Across Insurance, Microfinance & NBFI

JXG intends to utilize most IPO proceeds to expand and diversify its financial services footprint across general insurance, microfinance, and NBFI sectors. This initiative is a core component of the Company's long-term growth strategy aimed at broadening its earnings base, improving scale, and strengthening its presence across complementary financial segments.

#### Key Utilization Areas

- Acquisition of licensed insurance, microfinance, and NBFI entities
- Meeting regulatory capital and solvency requirements
- Expansion of lending portfolios and underwriting capacity
- Development of technology systems and digital platforms
- Strengthening risk management and governance frameworks
- Recruitment of specialized management and technical personnel

- Funding initial operating expenses and working capital

The deployment of funds will be phased, beginning with acquisitions and capitalization, followed by operational expansion and portfolio growth.

If suitable opportunities are not identified within 24 months, the Company will refrain from deployment and disclose accordingly under CSE Listing Rules.

## **4.2 Overseas Expansion**

JXG is planning to expand its operations beyond Sri Lanka with the objective of achieving geographical diversification and reducing concentration risk. The company is specifically targeting frontier and emerging markets, with a focus on East and Southern Africa. By leveraging its expertise across investment banking, insurance, and non-banking financial institutions (NBFI) and lending services, JXG aims to establish a strong presence in these new markets.

Regional expansion opportunities are expected to be identified within 24 months from the date of listing, and the expansion strategy may be executed through a combination of acquiring existing licensed entities, establishing new operations, and making strategic capital investments.

### **Key Utilization Areas**

- Acquisition and transaction-related costs
- Licensing, regulatory, and incorporation expenses
- Capitalization of overseas entities
- Investment in technology, systems, and infrastructure
- Funding initial operating and integration costs

## **4.3 Retirement of Debt**

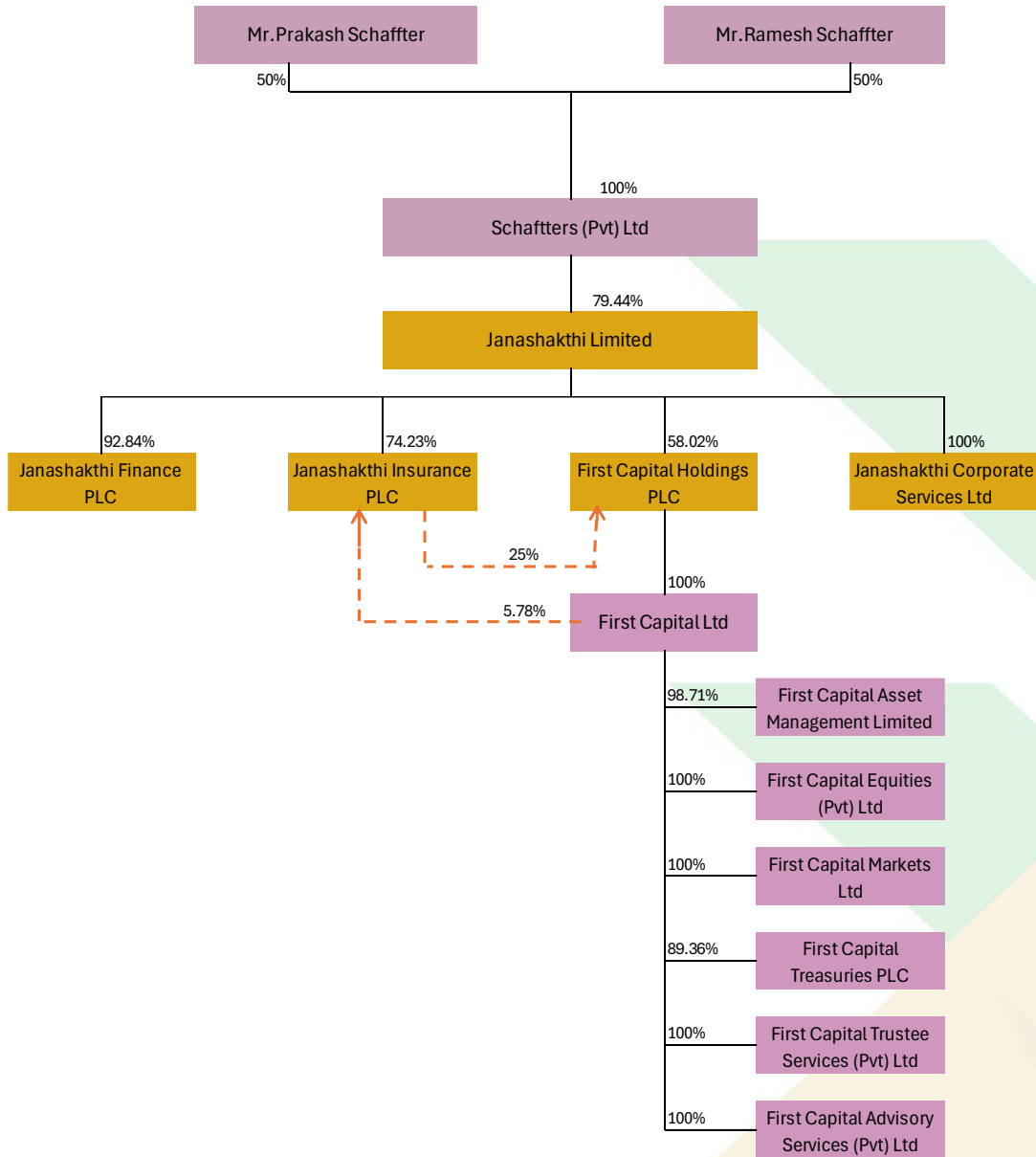
A portion of the IPO proceeds will be allocated to reducing the Company's existing interest-bearing debt, specifically its outstanding commercial papers. As of December 2025, the Company had LKR 4.2 billion in commercial papers. Through the IPO, the Company plans to settle LKR 1.0 billion of this debt, which will bring the post-settlement balance to approximately LKR 3.2 billion. This repayment is intended to strengthen the Company's balance sheet and reduce interest obligations.

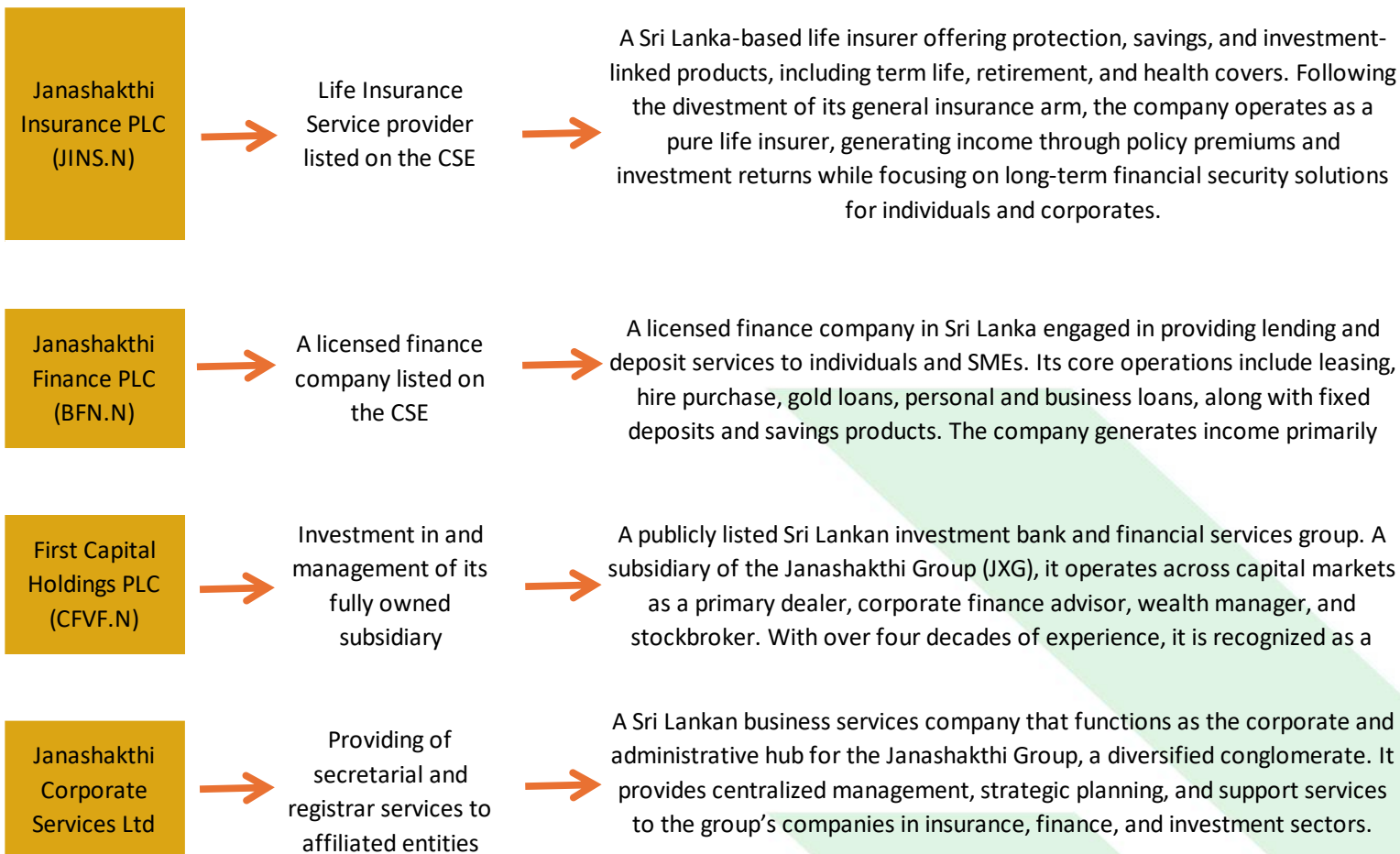
### **Key Benefits**

- Reduction in finance costs and interest expenses
- Improvement in gearing and leverage ratios
- Strengthening of cash flow and liquidity
- Enhancement of credit profile and financial resilience

The funds allocated for this purpose will be fully utilized within approximately 3 months post-listing, based on maturity profiles and cost considerations of the instruments.

## 5 Group Structure





## 6 Ownership of the Company

Post-IPO, Schaffters (Pvt) Limited is the largest shareholder of Janashakthi Limited, holding 79.44% (1.43 Bn shares). Here is the breakdown of the shareholding of Janashakthi Limited.

Name of Shareholder	Pre-IPO		Post-IPO	
	No. of Shares	%	No. of Shares	%
Schaffters (Pvt) Ltd	1,430,000,000	79.44%	1,430,000,000	62.17%
Mrs. Tarni Shameen Schaffter	50,000,000	2.78%	50,000,000	2.17%
Mrs. Manjula Mathews	40,000,000	2.22%	40,000,000	1.74%
Mr. Prakash Anand Schaffter	30,000,000	1.67%	30,000,000	1.30%
Mrs. Emily Sumithra Schaffter	30,000,000	1.67%	30,000,000	1.30%
Mr. Ramesh Schaffter	25,000,000	1.39%	25,000,000	1.09%
Mrs. Eunice Abigail Maryanne Suwenitha Schaffter	25,000,000	1.39%	25,000,000	1.09%
Mr. James Panamparampil Mathews	20,000,000	1.11%	20,000,000	0.87%
Ms. Ahalya Jaasiel Schaffter	20,000,000	1.11%	20,000,000	0.87%
Ms. Shruthi Suzanne Mathews	10,000,000	0.56%	10,000,000	0.43%
Ms. Sashi Adele Schaffter	10,000,000	0.56%	10,000,000	0.43%
Mr. Ashwin Jeshuran Chandra Schaffter	10,000,000	0.56%	10,000,000	0.43%
Ms. Tripti Shirlene Mathews	10,000,000	0.56%	10,000,000	0.43%
Ms. Sarita Davina Schaffter	10,000,000	0.56%	10,000,000	0.43%
Ms. Anjali Mathews	10,000,000	0.56%	10,000,000	0.43%
Mr. Cuthbert Tehan Anand Schaffter	10,000,000	0.56%	10,000,000	0.43%
Ms. Anika Jerusha Schaffter	10,000,000	0.56%	10,000,000	0.43%
Mr. Aakash Luke Schaffter	10,000,000	0.56%	10,000,000	0.43%
Ms. Aniera Malathi Schaffter (Represented by Guardian - Mr. Prakash Anand Schaffter)	10,000,000	0.56%	10,000,000	0.43%
Master. Mithra Aadam Schaffter (Represented by Guardian - Mrs. Tarni Shameen Schaffter)	10,000,000	0.56%	10,000,000	0.43%
Master. Ethan Samuel Schaffter (Represented by Guardian - Mrs. Eunice Abigail Maryanne Suwenitha Schaffter)	10,000,000	0.56%	10,000,000	0.43%
Mr. Dilshan Gunamini Wirasekara	10,000,000	0.56%	10,000,000	0.43%
IPO Shares	-	-	500,000,000	21.74%
<b>Total</b>	<b>1,800,000,000</b>	<b>100.00%</b>	<b>2,300,000,000</b>	<b>100.00%</b>

After the IPO, Janashakthi Limited's total number of shares will be 2.3 Bn, with the IPO issue constituting 21.74% of the total post-IPO shareholding.

Description	No of Shares	Percentage
Pre IPO	1,800,000,000	78.26%
IPO	500,000,000	21.74%
Post IPO	2,300,000,000	100.00%

### 6.1 Ownership Concentration & Control Risk

Following the IPO, Schaffters (Pvt) Ltd will remain the dominant shareholder with 62.17% ownership, despite dilution from 79.44% pre-IPO. The IPO introduces a 21.74% new public float, increasing total shares from 1.8Bn to 2.3Bn.

While dilution reduces the promoter's meaningfully, the effective control of the company remains firmly within the Schaffter family and related parties. When the holdings of other family members and related individuals are aggregated, promoter-linked ownership remains well above a simple majority.

This creates several governance implications:

- The controlling shareholder retains absolute voting power over ordinary and special resolutions, including:
  - Board appointments
  - Dividend policy
  - Strategic acquisitions and expansions
  - Related-party transactions
  - Capital raising decisions
- Minority shareholders will have limited ability to influence corporate governance outcomes, making strong independent board oversight crucial.
- Strategic direction is likely to remain promoter-driven, which can be positive for long-term vision but increases minority shareholder dependency on governance standards and transparency.

Thus, despite the IPO, Janashakthi will remain a **controlled company**, rather than a widely held public company.

### 6.2 Dilution Analysis & Its Implications

The IPO represents a primary share issue, meaning new shares are issued rather than promoters selling shares. This has two important implications:

The absence of a promoter sell-down indicates:

- Promoters are not exiting or monetizing their holdings.
- Funds are being raised for business expansion, deleveraging, and capital strengthening, which aligns shareholder interests.

However, control dilution is limited Even after issuing 500Mn new shares:

- Promoter ownership falls only **from 79.44% → 62.17%**
- Control dilution is **modest rather than transformational**

Therefore, the IPO should be viewed as capital raising rather than broadening ownership

### 6.3 Free Float Adequacy Risk

The free float post-IPO will be approximately 21.74%, which sits close to the minimum threshold required for main board listings.

This creates a key market structure risk.

A free float at this level may be considered:

- Adequate for listing compliance
- But it is relatively tight for sustained secondary market liquidity

In practical market terms:

Factor	Implication
Public float only 21.74%	Limited tradable supply
Promoter holding >60%	Low probability of large secondary sell-downs
Family ownership dispersion	Shares likely “sticky” and not actively traded

A tight float often results in:

- Lower daily trading volumes
- Wider bid-ask spreads
- Higher price volatility
- Slower price discovery

Thus, the IPO may initially experience supply-driven price movements rather than liquidity-driven market efficiency.

### 6.4 Liquidity Impact on Secondary Market Trading

The allocation structure further reinforces liquidity constraints.

IPO allocation breakdown:

- 65% non-retail investors
- 15% Retail investors
- 10% Unit trusts
- 10% Employees

This distribution indicates a heavy institutional skew.

### **Why this matters for liquidity**

Institutional investors typically:

- Invest with longer holding horizons
- Do not trade frequently unless:
  - Valuation targets are reached
  - Portfolio rebalancing occurs
  - Macro conditions change

Employee allocations are also:

- Usually long-term holdings
- Often subject to behavioral holding bias

Therefore, a significant portion of the float may become strategic or sticky capital, reducing the shares available for active trading. This could lead to:

- Lower daily turnover post-listing
- Higher volatility during buying/selling pressure
- Potential price gaps due to limited float availability

This liquidity profile is typical of Sri Lankan financial sector IPOs with high promoter retention

### **6.5 Institutional Domain – Ownership Concentration & Control (Top 20 Shareholder Analysis)**

A review of the top 20 shareholders based on the prospectus and Senfin analysis clearly indicates that ownership of JXG is overwhelmingly concentrated within the Schaffter family and closely related individuals, highlighting a strong promoter-driven ownership structure rather than a broad institutional ownership base. This concentration has direct implications for corporate governance, minority shareholder influence, free-float adequacy and post-listing liquidity.

Post-IPO, the company will have 2.3 billion shares outstanding, with only 21.74% issued to the public via the IPO, while 78.26% remains with pre-IPO shareholders. This already signals that control remains firmly with existing shareholders even after listing. The largest shareholder, Schaffters (Pvt) Ltd, will hold 62.17% post-IPO, representing an outright controlling stake. Importantly, this entity is owned equally by Ramesh Schaffter and Prakash Schaffter, each indirectly controlling 39.72% of JXG prior to IPO through the holding company, reinforcing family control over strategic decisions.

Beyond the primary holding company, the remaining top shareholders are largely immediate family members and close relatives, including spouses, children and related individuals of the Schaffter family. Several family members individually hold stakes ranging from 0.43%–2.17%, further consolidating effective voting power within the family group. Even minor shareholders within the top 20 include multiple Schaffter family members and related parties, demonstrating that ownership is not widely dispersed among independent institutional investors.

From an institutional domain perspective, this structure implies that what appears numerically as multiple shareholders is effectively a single controlling bloc. When the holdings of Schaffters (Pvt) Ltd and individual family members are aggregated, the family’s effective influence remains dominant, enabling control over board composition, strategic direction, dividend policy, capital allocation and major corporate actions.

This ownership pattern introduces a clear separation between ownership and minority shareholder influence, where public investors will hold a relatively small stake and limited voting power. The IPO therefore functions more as a capital-raising and partial liquidity event, rather than a meaningful dilution of promoter control.

## 7 Valuation

### 7.1 Summary of Valuation Results

Valuation Method	Value per Share (LKR)	Issue Price Discount / (Premium) to Valuation
Sum of the Parts (SOTP)	15.92*	37.18%

\*Mid-point of the valuation range Rs. 14.82 – Rs. 17.03

The following quantitative factors were used to determine the Issue Price.

Based on Reported Financials	Basic EPS (LKR)	Adjusted* Basic EPS	Return on Equity	NAVPS	Adjusted* NAVPS	P/E Ratio (Times) **	P/BV Ratio (Times)**
31-Mar-22	-1.05	-0.37	-8.90%	11.78	4.14	N/A	2.41
31-Mar-23	-3.16	-1.11	-41.70%	7.57	2.67	N/A	3.75
31-Mar-24	6.54	2.3	50.60%	12.93	4.55	4.34	2.20
31-Mar-25	5.52	1.94	36.30%	15.19	5.35	5.15	1.87
6 months ended 30 September 2025	3.15	1.11	N/A	18.83	6.63	N/A	1.51







\*Adjusted to reflect the 1-for-2.84 share subdivision completed on 31 December 2025

\*\*P/E Ratio and PBV of JXG is calculated on the IPO Issue Price of LKR 10.00








## 7.2 Peer Analysis

As stated in the IPO Prospectus, JXG operates as a diversified holding company and therefore does not have a directly comparable listed peer. Accordingly, a direct peer comparison at the holding company level was not performed.

Instead, peer analysis was conducted based on JXG's underlying business segments by considering listed subsidiaries and comparable companies operating within similar sectors. Accordingly, peer benchmarking was carried out using Janashakthi Finance PLC, Janashakthi Insurance PLC, and First Capital Holdings PLC, together with selected industry peers, to provide a reference comparison of financial performance and valuation multiples.

JANASHAKTHI FINANCE PLC (BFN)						
	BFN	AMF	PMB	SDF	SFCL	AAF
						
EPS-FY25 (LKR)	1.76	6.62	0.80	3.17	15.81	3.55
MPS (LKR)*	34.30	50.70	11.20	35.20	444.50	53.50
PER (x)	19.49	7.66	14.00	11.10	28.12	15.07
MARKET-CAP (LKR Bn)	7.94	6.18	4.62	5.34	40.77	6.71
ROE (%)	9.80	15.10	10.59	12.61	17.60	12.35
NAPS-FY25 (LKR)	18.86	35.01	7.51	26.36	115.05	30.43
PBV (x)	1.82	1.45	1.49	1.34	3.86	1.76

\*As of March 26, 2026

JANASHAKTHI INSURANCE PLC (JINS)					FIRST CAPITAL HOLDINGS PLC(CFVF)			
	JINS	AAIC	UAL	HASU		FCVF	CALH	LOLC
								
EPS-FY25 (LKR)	15.30	14.79	5.72	15.90	EPS-FY25 (LKR)	11.58	1.88	104.61
MPS (LKR)*	125.50	83.60	69.00	120.25	MPS (LKR)*	53.10	14.90	529.00
PER (x)	8.20	5.65	12.06	7.56	PER (x)	4.59	7.93	5.06
MARKET-CAP (LKR Bn)	28.77	26.58	40.90	18.41	MARKET-CAP (LKR Bn)	21.05	30.87	251.86
ROE (%)	21.00	38.97	14.00	18.00	ROE (%)	58.97	21.08	15.50
NAPS-FY25 (LKR)	73.47	43.20	39.66	94.22	NAPS-FY25 (LKR)	21.71	9.44	721.16
PBV (x)	1.71	1.94	1.74	1.28	PBV (x)	2.45	1.58	0.73

\*As of March 26, 2026

\*As of March 26, 2026

## 8 Industry Overview & Economic Outlook

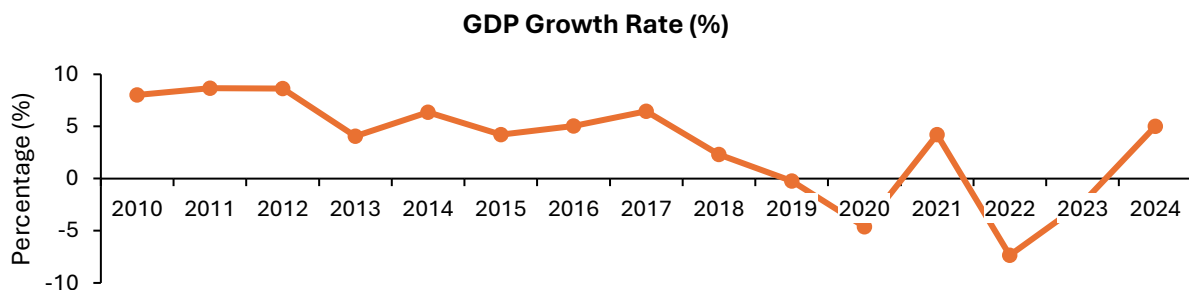
JXG operates through three main business segments: Life Insurance, Non-Bank Finance, and Investment Banking. These core areas, particularly its finance and financial services arms, are highly sensitive to changes in the macroeconomic environment and interest rate movements. As a result, economic conditions and market trends play a key role in shaping management's expectations and financial forecasts. These assumptions directly influence the valuation of each business segment and, ultimately, the overall valuation of JXG. Therefore, understanding the economic outlook is essential in assessing the company's future performance and growth potential.

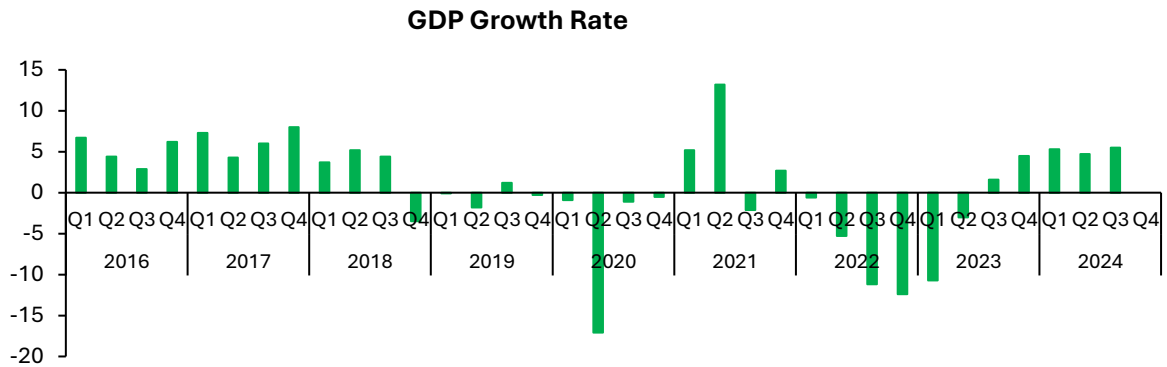
### 8.1 Sri Lanka GDP Growth

Sri Lanka recorded a year-on-year GDP growth of around 5% in 2024, reflecting a gradual recovery from the sharp economic contraction of 7.3% in 2022 and a further decline of 2.3% in 2023. With overall macroeconomic conditions stabilizing, GDP growth is expected to remain steady going forward.

However, the country faced a temporary setback due to Cyclone Ditwah and the associated severe floods in late November and early December 2025. The estimated economic loss ranges around USD 4.1 billion, or about 4% of GDP according to the World Bank. Despite this, increased government spending and private sector investment in rebuilding infrastructure, especially roads, are expected to partially offset the damage.

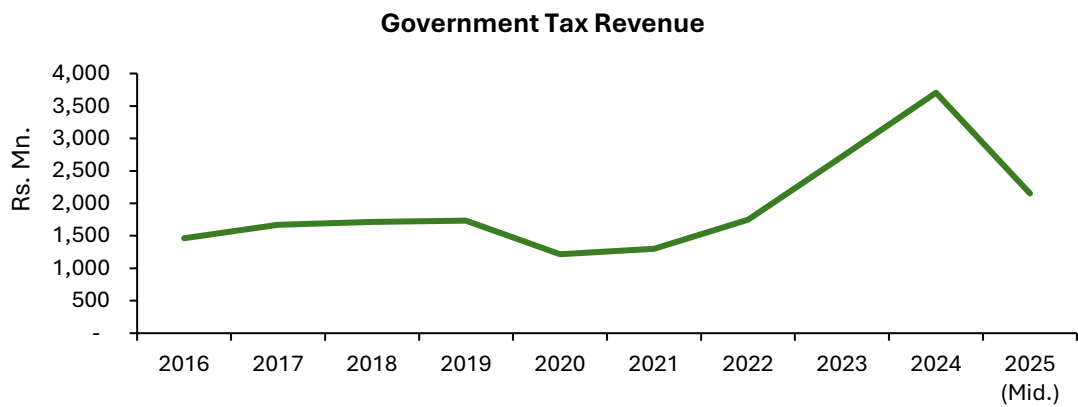
As a result, no major long-term impact on GDP growth is anticipated. The services sector continues to be the main contributor to the economy, while the short-term effects of the disaster are likely to be more pronounced in agriculture and manufacturing industries.





## 8.2 Government Tax Revenue

During the period from January to May 2025, the Government reported a notable rise in total revenue and grants compared to the same period in 2024. This increase was mainly driven by higher tax income generated by motor vehicle imports. However, this upward trend is unlikely to be sustained over the long term, as it is largely supported by temporary pent-up demand for vehicles, which is expected to decline over time.

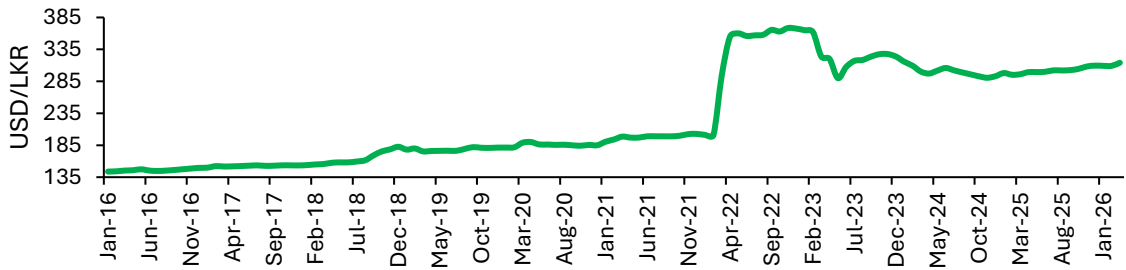


## 8.3 Exchange Rate

Beginning in January 2025, the Sri Lankan rupee started to depreciate against the US dollar due to increased demand for foreign currency, mainly following the easing of vehicle import restrictions. Consequently, the exchange rate rose to LKR 302.61 by the end of September 2025. The weakening trend continued throughout the year, with the rupee declining by about 5.7% from January to December, reaching LKR 309.99 by year end.

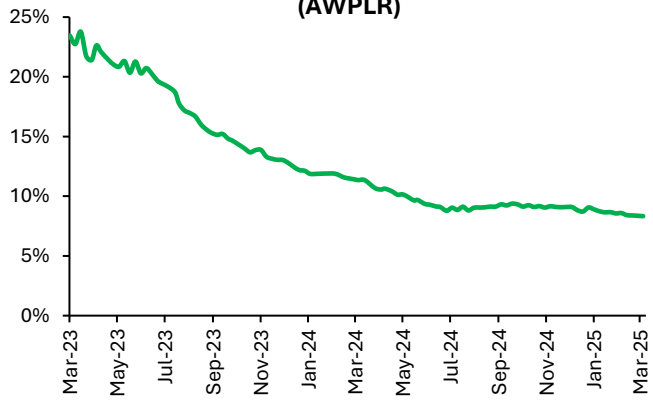
Despite these movements, significant volatility in the rupee is not expected in 2026. A gradual depreciation may continue, but the Central Bank of Sri Lanka is likely to step in if the currency weakens beyond acceptable levels.

### Exchange Rate (USD/LKR)

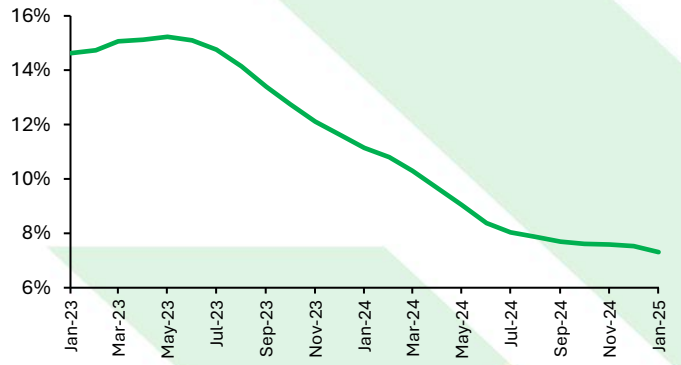


### 8.4 Interest Rate

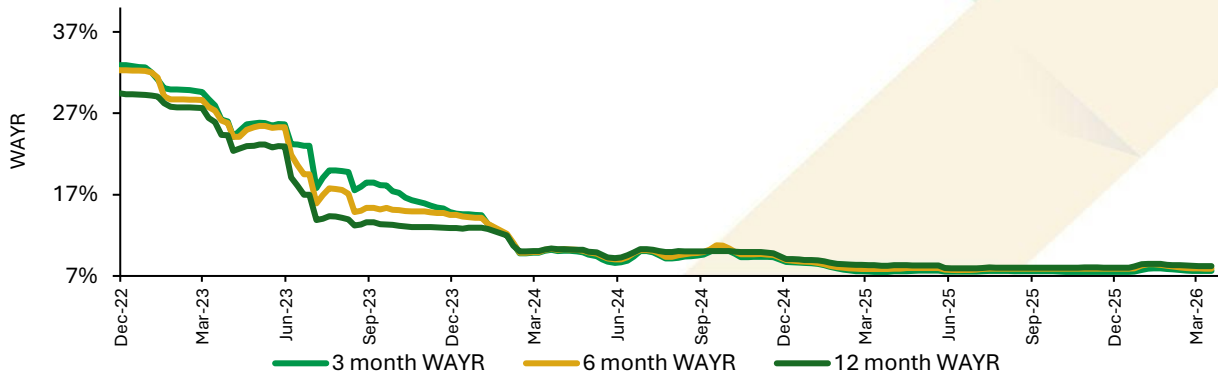
Average Weighted Prime Lending Rate (AWPLR)

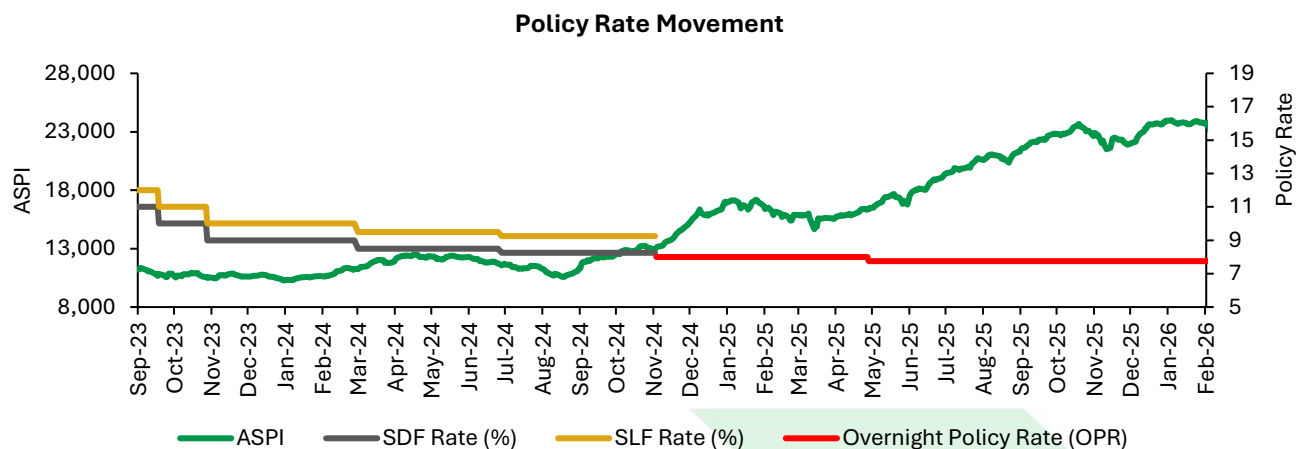


Average Weighted Deposit Rate (AWDR)



T-Bill Weighted Average Yield Rates (WAYR)





According to above market trends, interest rates have stabilized over the past two years after falling from the exceptionally high levels seen during and immediately after the economic crisis. This decline has been supported by improvements in the government’s fiscal position, a more stable external sector, and significantly lower inflation, which have allowed policy rates to ease. Market interest rates have followed this downward trend.

Although the Central Bank of Sri Lanka has acted independently in recent times, it is expected to align with government priorities by maintaining or further reducing policy rates in the short to medium term to support economic growth. The impact of Cyclone Ditwah may also encourage efforts to keep borrowing costs low. However, if government borrowing for reconstruction is higher than expected or inflation rises beyond projections, there could be a temporary increase in bond yields and lending rates. Additionally, rising private sector credit demand may place some upward pressure on interest rates in the short term.

## 9 Risk Assessment

Although the purpose of the issue is to support JXG’s long-term growth, improve its financial strength, and increase shareholder value, the actual use of the funds may involve certain risks and uncertainties. Therefore, potential investors are advised to carefully evaluate these risks and other relevant factors before making an investment decision.

### 9.1 Risks Associated with Expansion Across Insurance, Microfinance, And Non-Bank Financial Services

JXG’s planned expansion into General Insurance, Microfinance, and the NBFIs sector involves several risks related to execution, regulation, and integration. The success of acquiring or setting up licensed entities depends on identifying suitable opportunities, completing proper due diligence, agreeing on valuations, and obtaining approvals from key regulators such as the Central Bank of Sri Lanka and the Insurance Regulatory Commission of Sri Lanka. Any delays or failure in securing these approvals could affect the timeline and feasibility of the expansion plans.

The consolidation of NBFIs in line with the Central Bank's Masterplan also presents challenges, including operational and cultural differences, as well as difficulties in integrating systems. Expected benefits and synergies may take longer to achieve or may not materialize due to issues in aligning risk management practices, governance structures, and IT systems.

Furthermore, expanding into underwriting, lending, and microfinance activities increases exposure to risks such as credit defaults, higher claim levels, asset-liability mismatches, and pressure on capital requirements. Economic downturns, regulatory changes, or unexpected losses could negatively impact profitability. Additionally, newly acquired or established entities may require more capital than initially planned to meet regulatory and growth needs, which could reduce expected returns.

## **9.2 Risks Associated with Overseas Expansion**

JXG's planned expansion into frontier and emerging markets involves a range of risks, including geopolitical, regulatory, economic, and operational challenges. Different countries may experience political instability, policy changes, strict financial regulations, foreign exchange restrictions, and varying legal systems, which could impact the company's ability to operate efficiently, repatriate profits, or exit investments.

Capital transfers outside Sri Lanka require approval from the Department of Foreign Exchange of the Central Bank of Sri Lanka. Any delays, restrictions, or additional conditions could limit the timing and scale of overseas investments, especially for larger transactions that may face increased regulatory scrutiny.

The company will also be exposed to foreign exchange risk, as earnings and assets in foreign currencies may fluctuate in value, affecting profitability and financial stability. Furthermore, entering new markets without prior experience increases execution risk, with potential challenges in understanding local markets, hiring skilled talent, complying with regulations, and competing with well-established firms.

## **9.3 Risks Associated with Interim Investment of Unutilized Proceeds**

Until the IPO funds are fully utilized, the Company plans to place the remaining balance in short-term, liquid investments such as unit trusts, fixed deposits, and government treasury bills. Although these instruments are generally considered relatively safe, they still carry certain risks.

These temporary investments are subject to interest rate fluctuations, reinvestment risk, and, in some cases, credit risk. Changes in market interest rates can influence the returns earned, while liquidity constraints during periods of financial instability may affect the Company's ability to quickly reallocate funds when needed.

Additionally, the returns generated from these short-term investments may be lower than expected and may not keep pace with inflation, which could reduce the real value of the unutilised funds over time.

## 9.4 Macroeconomic, Regulatory, and Market Risks Affecting the Objectives

The ability of JXG to achieve its goals depends largely on overall economic and market conditions. Factors such as economic downturns, rising inflation, changes in interest rates, and shifts in monetary policy, as well as instability in local or global financial markets, could reduce demand for financial services, weaken asset quality, and affect investment returns.

In addition, changes in regulations related to investment banking, insurance, microfinance, or capital markets may lead to higher compliance costs, stricter capital requirements, and operational limitations. These factors could ultimately impact the company's profitability and its ability to execute growth strategies effectively.

## 10 Financial Analysis

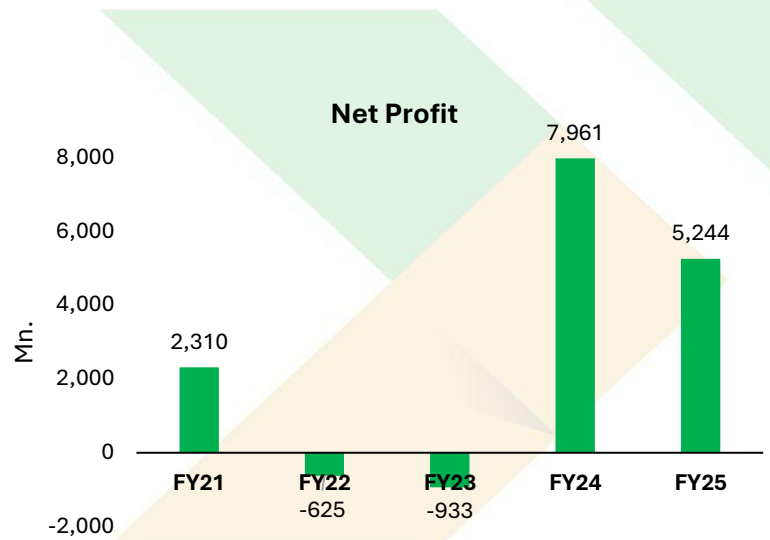
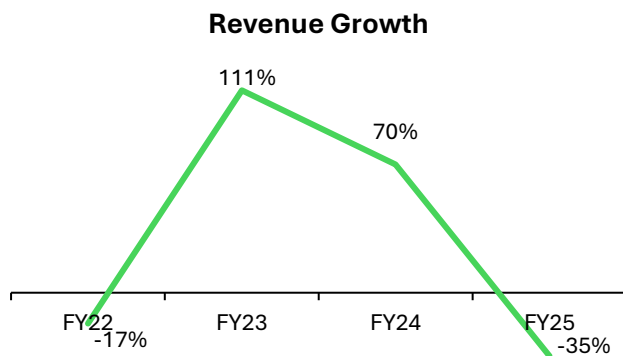
LKR (000)	FY21	FY22	FY23	FY24	FY25
Revenue	12,690,185	10,551,581	22,268,632	37,921,338	24,762,249
Cost of sales and direct expenses	-4,099,463	-3,512,654	12,670,482	12,783,838	10,009,657
<b>Gross profit</b>	<b>8,590,722</b>	<b>7,038,927</b>	<b>9,598,150</b>	<b>25,137,500</b>	<b>14,752,592</b>
<b>Benefits and losses</b>					
Insurance claims and benefits (Net)	-1,758,225	-2,134,247	-2,745,520	-3,405,033	-3,938,349
Underwriting and net acquisition cost	-860,858	-1,864,486	-1,684,008	-1,162,592	-1,662,727
Change in contract liabilities -Life	-1,584,947	-791,921	1,280,062	-2,502,624	-1,376,912
	<b>-4,204,030</b>	<b>-4,790,654</b>	<b>-3,149,466</b>	<b>-7,070,249</b>	<b>-6,977,988</b>
Other operating income	1,742,845	1,437,076	1,698,139	-580,253	2,782,229
Change in fair value of financial assets- Fair value through profit or loss	174,682	-434,569	-337,685	5,349,425	3,938,746
	<b>6,304,219</b>	<b>3,250,780</b>	<b>7,809,138</b>	<b>22,836,423</b>	<b>14,495,579</b>
<b>Operating expenses</b>					
Selling & distribution expenses	-218,085	-328,753	-348,951	-280,828	-267,867
Administrative & other operating expenses	-2,995,278	-3,397,774	-4,596,752	-7,440,728	-6,629,167
Loss on write-off of Preference shares	-	-	-300,000	-	-
Impairment charges	-109,489	-187,868	-355,365	-19,500	-17,085
<b>Profit / (Loss) from operations</b>	<b>2,981,368</b>	<b>-663,615</b>	<b>2,208,070</b>	<b>15,095,367</b>	<b>7,581,460</b>
Finance income	2,128,718	1,874,093	3,145,222	3,872,030	3,343,594
Finance cost	-1,786,532	-1,647,725	-4,643,456	-3,587,711	-2,248,074
Net finance income / (cost)	342,186	226,368	-1,498,234	284,319	1,095,520
Share of profit/(loss) from equity accounted investee (net of tax)	-	-	-	-	-
<b>Profit before Tax</b>	<b>3,323,554</b>	<b>-437,247</b>	<b>709,836</b>	<b>15,379,686</b>	<b>8,676,980</b>
Income tax expense	-1,013,414	-187,364	-1,643,317	-7,418,666	-3,432,615
<b>Net Profit for the year</b>	<b>2,310,140</b>	<b>-624,611</b>	<b>-933,481</b>	<b>7,961,020</b>	<b>5,244,365</b>

LKR (000)	FY21	FY22	FY23	FY24	FY25
<b>Total assets</b>	90,280,616	101,559,744	118,761,080	134,149,688	167,522,430
<b>Total equity</b>	12,753,993	12,362,691	10,476,069	15,303,136	17,285,608
<b>Total liabilities</b>	77,526,623	89,197,053	108,285,011	118,846,552	150,236,822
<b>Total equity &amp; liabilities</b>	90,280,616	101,559,744	118,761,080	134,149,688	167,522,430

#### Janashakthi Group JXG (Company)

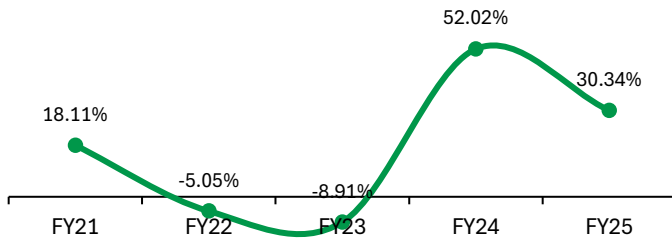
Profit After Tax (LKR Mn)	5,244	3,499
Total Assets (LKR Mn)	167,522	28,665
Total Equity (LKR Mn)	17,286	9,626
Goodwill (LKR Mn)	4,256	N/A
Working Capital (LKR Mn)	25,794	-5,386*
Short-Term Interest-bearing Borrowings (LKR Mn)	21,802	11,195
Long-Term Interest-bearing Borrowings (LKR Mn)	11,692	5,591
Debt / Equity Ratio (X)	1.94	1.74
Interest Coverage Ratio (X)	4.86	2.61
Current Ratio (X)	2.18	0.52

\*As at 31 March, the Company's current liabilities exceeded its current assets, resulting in a negative working capital position.

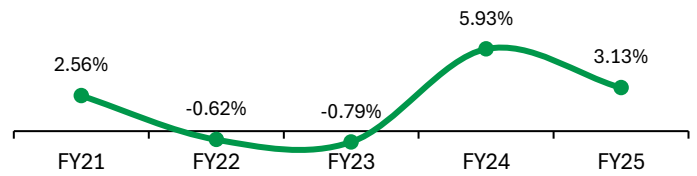


## 11 Ratio Analysis

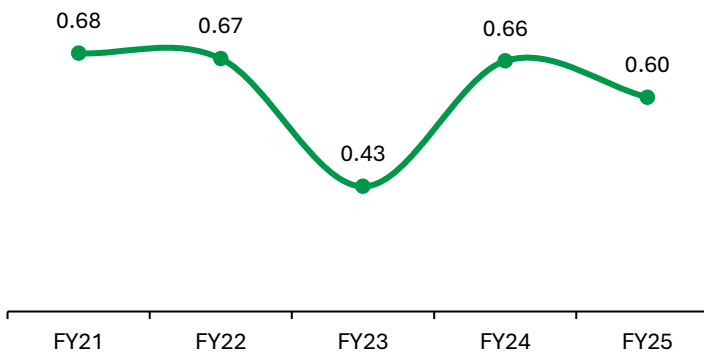
### Return on Equity (ROE)



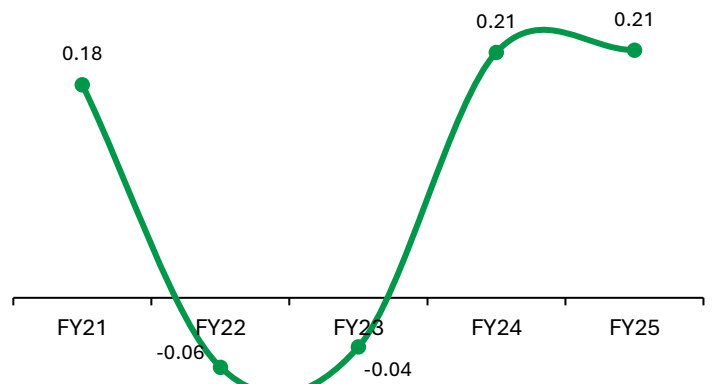
### Return on Assets (ROA)



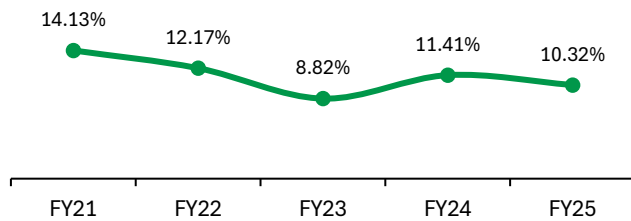
### Gross Profit Margin



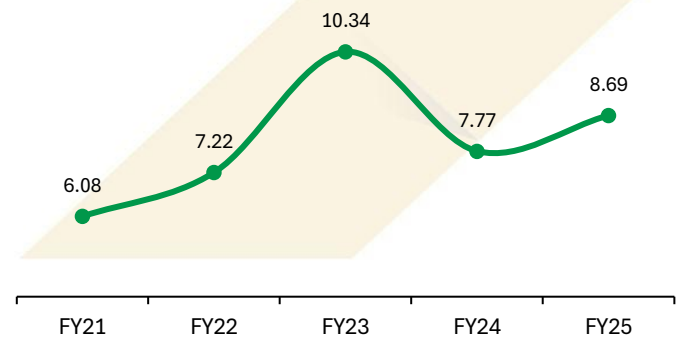
### Net Profit Margin



### Equity-to-Assets Ratio



### Debt-to-Equity Ratio



Source: Company Annual Reports, CBSL, IPO prospectus

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