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Sri Lanka's largest brewer sees challenging year ahead with tourism slowdown

- Earnings up 7% to Rs.737.7mn in 1Q20
- Beer sales up 10% to Rs.11.7bn
- Pays Rs.7.2bn in Excise Duty

Sri Lanka's largest brewer saw its earnings for the quarter ended June 30, 2019 (1Q20) rising modestly but Lion Brewery PLC (LION) expects a difficult financial year ahead, following the April 21 Easter Sunday attacks

that dealt a paralysing blow to the country's booming tourism industry. LION reported earnings of Rs.9.83 per share or Rs.786.2 million for the quarter under review, against earnings of Rs.9.22 per share or Rs.737.7 million

reported for the same period, last year, which indicates an increase of 7 percent year-on-year (YoY). The beer sales for the quarter rose 28 percent YoY to Rs.11.7 billion. LION reported a gross profit of Rs.2.7 billion, up 10 percent

YoY, despite a 34 percent hike in the cost of sales. However, a 170 percent YoY spike in other expenses to Rs.230 million saw the group reporting an operating profit of Rs.1.5 billion, down 3 percent YoY.

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The interim financial accounts did not explain the reasons for the hike in other expenses. The group's net finance costs fell 59 percent YoY to Rs.125.9 million