Firm Performance During Covid-19 Outbreak Evidence from S&P SL20 Companies

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ABSTRACT

Introduction: Covid-19 pandemic is a one of main challenge faced by entire world in this century. With the general knowledge about the Covid-19 pandemic most of them know that every economic system had subjected to fall from 2019 November onwards. Sri Lanka economy also highly threat by this pandemic from 2020 March onwards. So, it is important to know how top performing listed entities in Sri Lanka able to manage these impacts from the Covid-19 pandemic.

Design/Methodology/Approach: Hence study focus on S&P SL20, sample of this study limited to 20 observations with two time periods 2019 as before Covid-19 pandemic and 2020 financial year as during the Covid-19 pandemic in Sri Lankan context. Using Regression analysis & Paired T test overall investigation conducted.

Findings: The overall regression model is significant, and it ensures that there is 75% describing ability of ROA by the explanatory variables of the model. Further paired t test statistics conclude that Firm size, Leverage levels, Debt repayment ability, Liquidity positions are not significantly difference but ROA has a significant mean difference during the Covid-19 pandemic period compare with the pre-Covid period.

Conclusion: In overall, sectors like travel & tourism, imported related manufacturing industry are not safe havens for the investments as a wise investor. But telecommunication sector, health sector and export related companies are much suitable companies for future investments until the effects of the pandemic gain under fully control.

Keywords: *Covid-19 Pandemic, Performance, Return on Assets, Firm size, S&P SL20 Companies*