

# Coca-Cola BOTTLEERS NEPAL LIMITED

(Authorized Bottler of The Coca-Cola Company)

**Balaju Industrial District, Balaju, Kathmandu**  
**Unaudited Financial Results (Quarterly)**

**As at the end of First Quarter (17/10/2017) of the Fiscal Year 2074/75 (FY 2017-2018)**

NPR in Thousand

| S.N      | Particulars                                  | As on date 17.10.2017           | As on date 16.10.2016           |
|----------|--|---------------------------------|---------------------------------|
|          |  | (Unaudited)                     | (Unaudited)                     |
|          |  | (Group)                         | (Group)                         |
| <b>A</b> | <b>ASSETS</b>                                |                                 |                                 |
|          | <b>Non-current assets</b>                    |                                 |                                 |
|          | Intangible Assets                            | 143,828                         | 8,914                           |
|          | Property, Plant and Equipment                | 3,875,831                       | 3,704,545                       |
|          | <b>Financial Assets</b>                      |                                 |                                 |
|          | Investments                                  | 112,628                         | 112,628                         |
|          | Prepayment                                   | 30,381                          | 31,144                          |
|          | <b>Current Assets</b>                        |                                 |                                 |
|          | Inventories                                  | 1,538,193                       | 1,162,618                       |
|          | <b>Non Financial Current Assets</b>          |                                 |                                 |
|          | Prepayments                                  | 18,803                          | 23,549                          |
|          | <b>Financial Assets</b>                      |                                 |                                 |
|          | Advances                                     | 11,827                          | 18,123                          |
|          | Other Current Assets                         | 115,616                         | 146,369                         |
|          | Trade receivables                            | 170,165                         | 134,472                         |
|          | Cash and Cash Equivalents                    | 1,192,448                       | 269,665                         |
|          | <b>Total Assets</b>                          | <b>7,209,720</b>                | <b>5,612,027</b>                |
| <b>B</b> | <b>EQUITY AND LIABILITIES</b>                |                                 |                                 |
|          | <b>Equity</b>                                |                                 |                                 |
|          | Equity Share capital                         | 194,889                         | 194,889                         |
|          | Reserve and Surplus                          | 2,513,490                       | 1,849,536                       |
|          | <b>Non Controlling Interest</b>              | 95,680                          | 74,998                          |
|          | <b>Non-current liabilities</b>               |                                 |                                 |
|          | Retirement Benefit Obligation                | 662,703                         | 558,675                         |
|          | Deferred Tax Liability                       | 65,666                          | 32,433                          |
|          | <b>Financial Liabilities</b>                 |                                 |                                 |
|          | Borrowing                                    | -                               | 376,000                         |
|          | <b>Current liabilities</b>                   |                                 |                                 |
|          | <b>Financial Liabilities</b>                 |                                 |                                 |
|          | Borrowings                                   | 58,880                          | 454,162                         |
|          | Trade payables                               | 2,798,478                       | 1,349,330                       |
|          | Other Financial liabilities                  | 819,933                         | 722,002                         |
|          | <b>Total Equity and Liabilities</b>          | <b>7,209,720</b>                | <b>5,612,027</b>                |
| <b>C</b> | <b>Profit and Loss Account</b>               | <b>Current Period</b>           | <b>Previous Period</b>          |
|          |  | <b>(Group)</b>                  | <b>(Group)</b>                  |
|          |  | <b>16.07.2017 to 17.10.2017</b> | <b>16.07.2016 to 16.10.2016</b> |
|          | Revenue from operations                      | 2,936,536                       | 2,013,195                       |
|          | Cost of sales                                | (1,935,376)                     | (1,412,783)                     |
|          | <b>Gross Profit</b>                          | <b>1,001,160</b>                | <b>600,412</b>                  |
|          | Other operating income                       | 4,366                           | 4,205                           |
|          | Selling and distribution expenses            | (426,761)                       | (246,611)                       |
|          | Administrative and operating expenses        | (150,299)                       | (102,048)                       |
|          | <b>Profit from Operations</b>                | <b>428,466</b>                  | <b>255,958</b>                  |
|          | Finance Costs                                | (11,962)                        | (17,118)                        |
|          | Finance Income                               | 5,271                           | 516                             |
|          | <b>Profit Before Tax</b>                     | <b>421,775</b>                  | <b>239,357</b>                  |
|          | <b>Income Tax Expense</b>                    |                                 |                                 |
|          | Current Tax                                  | (63,984)                        | (40,891)                        |
|          | Deferred Tax                                 | (59,452)                        | -                               |
|          | <b>Net Profit</b>                            | <b>298,339</b>                  | <b>198,465</b>                  |
|          | <b>Owners of the Company (Net Profit)</b>    | <b>277,658</b>                  | <b>181,887</b>                  |
|          | <b>Non Controlling Interest (Net profit)</b> | <b>20,681</b>                   | <b>16,578</b>                   |
| <b>D</b> | <b>Major Indicators</b>                      | <b>(Group)</b>                  | <b>(Group)</b>                  |
|          |  | <b>16.07.2017 to 17.10.2017</b> | <b>16.07.2016 to 16.10.2016</b> |
|          |  | <b>Quarterly</b>                | <b>Quarterly</b>                |
|          |  | <b>Annualized</b>               | <b>Annualized</b>               |
|          | 1. Earnings per Share (NPR)                  | 142                             | 93                              |
|          |  | 570                             | 373                             |
|          | 2. Market Value Per Share (NPR)              | 1,660                           | 1,660                           |
|          | 3. Price Earnings Ratio                      | 12                              | 18                              |
|          |  | 3                               | 4                               |
|          | 4. Current Ratio                             | 0.83                            | 0.69                            |
|          | 5. Return on Equity                          | 11%                             | 9%                              |
|          |  | 43%                             | 37%                             |
|          | 6. Return on Total Assets                    | 4%                              | 4%                              |
|          |  | 17%                             | 14%                             |
|          | 7. Net Worth Per Share (NPR)                 | 1,439                           | 1,088                           |

Note:

- 1 Figures are regrouped wherever necessary for consistent presentation and comparison.
- 2 Above presented figures may vary with the audited figures if amended by the external auditors and/or regulator
- 3 Quarterly earnings per share, Price earning ratio, return on equity, return on total assets and net worth per share are calculated based on quarterly unaudited profits and number of equity shares outstanding at the reporting date and Annualized earnings per share, Price earning ratio, return on equity, return on total assets and net worth per share are calculated based on annualized unaudited profits and number of equity shares outstanding at the reporting date. Annualized profit calculated basis 1st Quarter profit.

**E Related Party Disclosure**

During the period, the following related party transactions occurred:

| Particulars                                      | NPR in Thousand |
|--|-----------------|
| Purchase of Concentrate from Atlantic Industries | 437,073         |
| Transfer fee payable to BNTL                     | 5,870           |
| Transfer fee receivable from BNTL                | 7,491           |

**F Management Analysis**

- a) This Quarter Profit before tax has increased by NPR 182 MM over previous year same period
- b) Management effort is focused on cost management, efficiency improvement, Portfolio expansion and Optimum resource management
- c) The company is continuously working on upgrading IT infrastructure, enhancing transactions security, automating work processes & enhancing productivity.

**G Details Related to Legal Proceedings**

No legal case was filed in this Quarter by or against the Company.

**H Analysis of Share Transactions**

- i) **Management's view on the performance of the stocks of the body corporate**  
Price and transactions of the Company's shares are being determined by the open share market operations through a duly established Stock Exchange. Management's view on this is neutral.
- ii) **High, Low and Closing Price of the stocks of the company during each quarter of the preceding year along with total volume of trading of shares and number of days traded**

| Particulars                            | NPR            |
|--|----------------|
| Maximum Price                          | No Transaction |
| Minimum Price                          | No Transaction |
| Closing Price (Last Transaction value) | 1660           |
| No. of Trades                          | No Transaction |
| Days of Trading                        | No Transaction |

**I Risks and Challenges**

**Internal Problem & Challenges**

Rise in cost of operations with Inflation.  
Upcountry distribution at effective cost.

**External Problem & Challenges**

Unstable socio-political environment.  
Fluctuation in international fuel prices impacting packaging material cost and transportation cost.

**Strategy**

Proactively monitor the internal and external environmental changes  
Develop cost-effective distribution models for upcountry areas.

**J Corporate Governance**

The Company follows prudent Corporate Governance Practices in all business transactions. During the Quarter under review, the Company had convened one Board Meeting and Audit Committee Meeting i.e. on 22nd August, 2017

**K Declaration by Managing Director on the Truthfulness and accuracy of Information**

I, as at the date, hereby individually accept responsibility for the accuracy of the information and details contained in this report. I hereby declare that to the best of my knowledge and belief, the information contained in this report is true, accurate and complete and there are no other matters concealed the omission of which shall adversely affect the informed investment decision by the investors.

**Puneet Varshney**  
**Managing Director**  
**Date**