

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 (17/10/2018) of the Fiscal Year 2075/76 (FY 2018-2019)

NPR in Thousand

S.N	Particulars	As on date 17.10.2018 (Unaudited)		As on date 17.10.2017 (Unaudited)	
		Group		Group	
A	ASSETS				
	Non-current assets				
	Intangible Assets	108,915		143,828	
	Property, Plant and Equipment	4,249,482		3,875,831	
	Financial Assets				
	Investments	112,628		112,628	
	Prepayment	33,056		30,381	
	Current Assets				
	Inventories	1,339,164		1,538,193	
	Non Financial Current Assets				
	Prepayments	17,659		18,803	
	Financial Assets				
	Advances	16,025		11,827	
	Other Current Assets	101,167		115,616	
	Trade receivables	585,450		170,165	
	Cash and Cash Equivalents	451,445		1,192,448	
	Total Assets	7,014,990		7,209,718	
B	EQUITY AND LIABILITIES				
	Equity				
	Equity Share capital	194,889		194,889	
	Reserve and Surplus	3,482,236		2,513,490	
	Non Controlling Interest	121,014		95,680	
	Non-current liabilities				
	Retirement Benefit Obligation	718,779		662,703	
	Deferred Tax Liability	32,572		65,666	
	Financial Liabilities				
	Borrowing	-		-	
	Current liabilities				
	Financial Liabilities				
	Borrowings	-		58,880	
	Trade payables	1,453,007		2,795,544	
	Other Financial liabilities	1,012,495		822,867	
	Total Equity and Liabilities	7,014,990		7,209,718	
C	Profit and Loss Account				
		Current Period (Group)		Previous Period (Group)	
		17.07.2018 to 17.10.2018		16.07.2017 to 17.10.2017	
	Revenue from operations	3,151,966		2,936,536	
	Cost of sales	(2,085,157)		(1,935,376)	
	Gross Profit	1,066,809		1,001,160	
	Other operating income	14,542		4,366	
	Selling and distribution expenses	(522,391)		(426,760)	
	Administrative and operating expenses	(151,613)		(150,300)	
	Profit from Operations	407,347		428,466	
	Finance Costs	(7,494)		(11,962)	
	Finance Income	4,835		5,271	
	Profit Before Tax	404,689		421,775	
	Income Tax Expense				
	Current Tax	(89,032)		(63,984)	
	Deferred Tax	(21,358)		(59,452)	
	Net Profit	294,299		298,339	
	Owners of the Company (Net Profit)	268,965		277,658	
	Non Controlling Interest (Net profit)	25,335		20,681	
D	Major Indicators				
		Current Period (Group)		Previous Period (Group)	
		17.07.2018 to 17.10.2018		16.07.2017 to 17.10.2017	
		Quarterly	Annualized	Quarterly	Annualized
	1. Earnings per Share (NPR)	138	552	142	570
	2. Market Value Per Share (NPR)	1,693	1,693	1,660	1,660
	3. Price Earnings Ratio	12	3	12	3
	4. Current Ratio	1.02		0.83	
	5 Return on Equity	8%	31%	11%	43%
	6. Return on Total Assets	4%	17%	4%	17%
	7. Net Worth Per Share (NPR)	1,949		1,439	

Note:

- Figures are regrouped wherever necessary for consistent presentation and comparison.
- Above presented figures may vary with the audited figures if amended by the external auditors and/or regulator
- 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 Pacific Refreshments Pte. Ltd.	498,366
Transfer fee payable to BNTL	4,003
Transfer fee receivable from BNTL	15,380

F Management Analysis

- The Profit after tax has reduced by NPR 4 MM at the end of first quarter over previous year same period due to pack mix, and higher excise duty.
- The company is continuously working on upgrading IT infrastructure, enhancing transactions security, automating work processes and enhancing productivity.
- One day Less in this quarter as compared to same quarter in the previous year.

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 Not traded in the given quarter**I Risks and Challenges****Internal Problem & Challenges**

Rise in cost of operations with Inflation.

Rural distribution at effective cost.

External Problem & Challenges

Unstable tax regime under federal state.

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 Board Meeting on 21st August, 2018 and 1st October, 2018 and Audit Committee Meeting on 20th August, 2018. The Company had convened its 40th Annual General Meeting on 1st October, 2018.

K Declaration by Chairperson 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.

Shukla Wassan

Chairperson

Date: 15th November, 2018 (29th Kartik, 2075)