

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 Second Quarter (14/01/2019) of the Fiscal Year 2075/76 (FY 2018-2019)

NPR in Thousand

S.N	Particulars	As on date 14.01.2019 (Unaudited) (Group)	As on date 14.01.2018 (Unaudited) (Group)
A	ASSETS		
	Non-current assets		
	Intangible Assets	106,346	136,867
	Property, Plant and Equipment	4,996,961	3,954,138
	Financial Assets		
	Investments	112,628	112,628
	Prepayment	29,352	27,984
	Current Assets		
	Inventories	1,691,848	1,558,185
	Non Financial Current Assets		
	Prepayments	40,618	23,453
	Financial Assets		
	Advances	20,537	16,371
	Other Current Assets	335,720	282,547
	Trade receivables	68,700	159,497
	Cash and Cash Equivalents	496,162	896,033
	Total Assets	7,898,872	7,167,703
B	EQUITY AND LIABILITIES		
	Equity		
	Equity Share capital	194,889	194,889
	Reserve and Surplus	3,350,006	2,292,242
	Non Controlling Interest	103,436	88,565
	Non-current liabilities		
	Retirement Benefit Obligation	756,121	750,899
	Deferred Tax Liability	35,867	101,039
	Financial Liabilities		
	Borrowing	315,257	
	Current liabilities		
	Financial Liabilities		
	Borrowings	1,497,326	987,619
	Trade payables	909,551	1,997,278
	Other Financial liabilities	736,419	755,172
	Total Equity and Liabilities	7,898,872	7,167,703
C	Profit and Loss Account	Current Period (Group)	Previous Period (Group)
		18.10.2018 to 14.01.2019 (3 Month)	17.07.2018 to 14.01.2019 (6 Month)
		18.10.2017 to 14.01.2018 (3 Month)	16.07.2017 to 14.01.2018 (6 Month)
	Revenue from operations	676,578	3,828,544
	Cost of sales	(540,133)	(2,625,290)
	Gross Profit	136,445	1,203,254
	Other operating income	10,977	25,518
	Selling and distribution expenses	(269,429)	(791,820)
	Administrative and operating expenses	(60,575)	(212,188)
	Profit from Operations	(182,584)	224,764
	Finance Costs	(25,409)	(32,903)
	Finance Income	24,899	29,734
	Profit Before Tax	(183,094)	221,595
	Income Tax Expense		
	Current Tax	37,928	(51,103)
	Deferred Tax	13,831	(7,528)
	Net Profit	(131,335)	162,964
	Owners of the Company (Net Profit)	(125,333)	143,632
	Non Controlling Interest (Net profit)	(6,002)	19,332
D	Major Indicators	Current Period (Group)	Previous Period (Group)
		17.07.2018 to 14.01.2019 (6 Month)	16.07.2017 to 14.01.2018 (6 Month)
		Annualized	Annualized

1. Earnings per Share (NPR)	74	147	62	123
2. Market Value Per Share (NPR)	1,693	1,693	1,660	1,660
3. Price Earnings Ratio	23	11	27	13
4. Current Ratio	0.84		0.79	
5. Return on Equity	4%	9%	5%	10%
6. Return on Total Assets	2%	4%	2%	4%
7. Net Worth Per Share (NPR)	1,872		1,322	

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 is calculated on the basis of accumulated Second Quarter profit (Q2 YTD).

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.	1,065,942
Transfer fee payable to BNTL	6,609
Transfer fee receivable from BNTL	27,410

F Management Analysis

- The Profit after tax has improved by NPR 31 MM at the end of second quarter over previous year same period due to pack mix, and deferred tax.
- The company is continuously working on upgrading IT infrastructure, enhancing transactions security, automating work processes, 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

- 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.
- 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 Audit Committee and Risk Management Committee on 14th November, 2018 and Board Meetings on 15th November, 2018

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.

Pradip Pandey

Managing Director

Date: 11th February, 2019 (28th Magh, 2075)