

Coca-Cola BOTTLERS NEPAL LIMITED

(Authorized Bottler of The Coca-Cola Company)

Balaju Industrial District, Balaju, Kathmandu

Unaudited Financial Results (Quarterly)

As at the end of Third Quarter (13/04/2018) of the Fiscal Year 2074/75 (FY 2017-2018)

NPR in Thousand

S.N	Particulars	As on date 13.04.2018 (Unaudited) (Group)		As on date 13.04.2017 (Unaudited) (Group)	
A	ASSETS				
	Non-current assets				
	Intangible Assets	128,799		8,676	
	Property, Plant and Equipment	4,220,651		3,851,051	
	Financial Assets				
	Investments	112,628		112,628	
	Prepayment	26,492		30,724	
	Current Assets				
	Inventories	2,350,674		1,486,904	
	Non Financial Current Assets				
	Prepayments	58,482		41,950	
	Financial Assets				
	Advances	15,657		17,023	
	Other Current Assets	157,197		350,590	
	Trade receivables	332,227		392,963	
	Cash and Cash Equivalents	645,079		43,945	
	Total Assets	8,047,886		6,336,456	
B	EQUITY AND LIABILITIES				
	Equity				
	Equity Share capital	194,889		194,889	
	Reserve and Surplus	2,455,984		1,782,105	
	Non Controlling interest	123,341		96,356	
	Non-current liabilities				
	Retirement Benefit Obligation	844,689		528,872	
	Deferred Tax Liability	69,964		3,037	
	Financial Liabilities				
	Borrowing			558,000	
	Current liabilities				
	Financial Liabilities				
	Borrowings	972,696		458,597	
	Trade payables	2,665,139		1,697,402	
	Other Financial liabilities	721,183		1,017,198	
	Total Equity and Liabilities	8,047,886		6,336,456	
C	Profit and Loss Account				
		Current Period (Group)		Previous Period (Group)	
		15.01.2018 to 13.04.2018 (3 Month)	16.07.2017 to 13.04.2018 (9 Month)	14.01.2017 to 13.04.2017 (3 Month)	16.07.2016 to 13.04.2017 (9 Month)
	Revenue from operations	2,087,013	5,867,146	1,751,747	4,655,794
	Cost of sales	(1,351,942)	(3,926,552)	(1,171,501)	(3,308,592)
	Gross Profit	735,071	1,940,594	580,247	1,347,201
	Other operating income	14,331	31,658	33,057	30,745
	Selling and distribution expenses	(401,254)	(1,137,211)	(285,732)	(740,885)
	Administrative and operating expenses	(91,298)	(274,475)	(87,720)	(330,198)
	Profit from Operations	256,850	560,566	239,852	306,864
	Finance Costs	(16,550)	(31,108)	(20,402)	(51,341)
	Finance Income	14,719	42,779	320	1,201
	Profit Before Tax	255,018	572,237	219,771	256,724
	Income Tax Expense				
	Current Tax	(59,811)	(138,352)	(20,004)	(59,615)
	Deferred Tax	80,374	(26,668)	(21,777)	(19,875)
	Net Profit	275,582	407,218	177,990	177,233
	Owners of the Company (Net Profit)	257,407	377,444	161,388	153,986
	Non Controlling Interest (Net profit)	18,174	29,774	16,602	23,248
D	Major Indicators				
		Current Period (Group)		Previous Period (Group)	
		16.07.2017 to 13.04.2018 (9 Month)	Annualized	16.07.2016 to 13.04.2017 (9 Month)	Annualized
	1. Earnings per Share (NPR)	194	258	79	105
	2. Market Value Per Share (NPR)	1,693	1,693	1,660	1,660
	3. Price Earnings Ratio	9	7	21	16
	4. Current Ratio	0.82		0.74	
	5. Return on Equity	15%	20%	9%	11%
	6. Return on Total Assets	5%	7%	3%	4%
	7. Net Worth Per Share (NPR)	1,423		1,064	

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 is calculated on the basis of accumulated Third Quarter profit (Q3 YTD).

E Related Party Disclosure

During the period, the following related party transactions occurred:

Particulars	NPR in Thousand
Purchase of Concentrate from Atlantic Industries	2,167,906
Transfer fee payable to BNTL	18,229
Transfer fee receivable from BNTL	36,159

F Management Analysis

- a) The Profit before tax has increased by NPR 316 MM at the end of third quarter over previous year same period due to higher volume and pack mix
- 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.
- d) This has been regrouped from Administrative and operating expenses to Cost of sales amounting to NPR 119 MM and Selling and distribution expenses amounting to NPR 93 MM respectively
- e) One day lesser 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

Particulars	NPR
Maximum Price	1693
Minimum Price	1693
Closing Price (Last Transaction value)	1693
No. of Trades	100
Days of Trading	1

I Risks and Challenges

Internal Problem & Challenges
Rise in cost of operations with Inflation.
Rural distribution at effective cost.

External Problem & Challenges

Unstable socio-political environment under new 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.

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