

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 Third Quarter (13/04/2019) of the Fiscal Year 2075/76 (FY 2018-2019)

NPR in Thousand

S.N	Particulars	As on date 13.04.2019 (Unaudited) (Group)		As on date 13.04.2018 (Unaudited) (Group)	
A	ASSETS				
	Non-current assets				
	Intangible Assets	98,373		128,799	
	Property, Plant and Equipment	6,694,860		4,220,651	
	Financial Assets				
	Prepayment	29,146		29,969	
	Current Assets				
	Inventories	2,179,529		2,350,674	
	Non Financial Current Assets				
	Prepayments	69,423		55,006	
	Financial Assets				
	Advances	21,777		15,657	
	Other Current Assets	596,124		727,819	
	Trade receivables	293,451		332,227	
	Cash and Cash Equivalents	426,203		645,079	
	Total Assets	10,408,886		8,505,881	
B	EQUITY AND LIABILITIES				
	Equity				
	Equity Share capital	194,889		194,889	
	Reserve and Surplus	3,326,804		2,343,356	
	Non Controlling Interest	136,726		123,341	
	Non-current liabilities				
	Retirement Benefit Obligation	778,369		844,689	
	Deferred Tax Liability	28,246		69,964	
	Financial Liabilities				
	Borrowing	1,262,647		-	
	Current liabilities				
	Financial Liabilities				
	Borrowings	1,790,996		972,696	
	Trade payables	2,141,325		3,235,763	
	Other Financial liabilities	748,884		721,183	
	Total Equity and Liabilities	10,408,886		8,505,881	
C	Profit and Loss Account	Current Period (Group)		Previous Period (Group)	
		15.01.2019 to 13.04.2019 (3 Month)	17.07.2018 to 13.04.2019 (9 Month)	15.01.2018 to 13.04.2018 (3 Month)	16.07.2017 to 13.04.2018 (9 Month)
	Revenue from operations	1,931,667	5,760,211	2,087,013	5,867,146
	Cost of sales	(1,405,615)	(4,030,905)	(1,351,942)	(3,926,552)
	Gross Profit	526,052	1,729,306	735,071	1,940,594
	Other operating income	55,412	80,931	14,331	31,658
	Selling and distribution expenses	(345,780)	(1,137,601)	(401,254)	(1,137,211)
	Administrative and operating expenses	(59,043)	(271,231)	(91,298)	(274,475)
	Profit from Operations	176,641	401,405	256,850	560,566
	Finance Costs	(18,302)	(51,205)	(16,550)	(31,108)
	Finance Income	12,352	42,085	14,719	42,779
	Profit Before Tax	170,691	392,286	255,019	572,237
	Income Tax Expense				
	Current Tax	(36,600)	(102,540)	(59,811)	(138,352)
	Deferred Tax	(5,883)	(13,411)	80,374	(26,668)
	Net Profit	128,208	276,335	275,581	407,217
	Owners of the Company (Net Profit)	128,326	258,489	257,407	377,444
	Non Controlling Interest (Net profit)	(119)	17,846	18,174	29,774
D	Major Indicators	Current Period (Group)		Previous Period (Group)	
		17.07.2018 to 13.04.2019 (9 Month)	Annualized	16.07.2017 to 13.04.2018 (9 Month)	Annualized
	1. Earnings per Share (NPR)	133	177	194	258
	2. Market Value Per Share (NPR)	1,693	1,693	1,693	1,693
	3. Price Earnings Ratio	13	10	9	7
	4. Current Ratio	0.77	-	0.84	-
	5. Return on Equity	8%	10%	15%	20%
	6. Return on Total Assets	3%	4%	5%	6%
	7. Net Worth Per Share (NPR)	1,877	-	1,366	-

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 Pacific Refreshments Pte. Ltd.	1,546,612
Transfer fee payable to BNTL	59,703
Transfer fee receivable from BNTL	32,432

F Management Analysis

- a) The Profit after tax has declined by NPR 131 MM at the end of third quarter over previous year same period due to pack mix, and higher excise duty and factory shut down for a month for setting up of new production line.
- b) 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**

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 "Property Liability Committee Meeting and Risk Management Committee Meeting" on 11th February, 2019 and Board Meetings on 12th February, 2019

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: 10th May, 2019 (27th Baisakh, 2076)