

Coca-Cola BOTTLEERS NEPAL (TERAI) LIMITED

(Authorized Bottler of The Coca-Cola Company)

Gondrang, Bharatpur-9 Chitwan, Nepal

Unaudited Financial Results (Quarterly)

As at the end of the Third Quarter (13/04/2023) of the Fiscal Year 2079/80 (FY 2022-2023)

NPR in Thousands

S.N	Particulars	As on date 13.04.2023 (Unaudited)	As on date 13.04.2022 (Unaudited)
A	ASSETS		
	NON-CURRENT ASSETS		
	Non-Financial Assets:		
	Intangible Assets	10,778	15,407
	Property, Plant and Equipment	5,673,885	5,592,945
	Financial Assets:		
	Advances	10,654	12,506
		5,695,317	5,620,858
	CURRENT ASSETS		
	Non-Financial Assets:		
	Inventories	2,493,618	1,971,919
	Prepayments	9,416	52,626
	Advances	1,277,342	898,338
	Income Tax Receivable	47,051	-
	Other Current Assets	97,095	24,658
	Financial Assets:		
	Other Current Assets	29,206	18,291
	Trade receivables	497,304	309,507
	Cash and cash equivalents	421,413	295,917
		4,872,445	3,571,257
	Total Assets	10,567,762	9,192,115
B	EQUITY AND LIABILITIES		
	EQUITY		
	Equity Share Capital	121,000	121,000
	Reserve and Surplus	3,588,249	3,087,640
		3,709,249	3,208,640
	NON-CURRENT LIABILITIES		
	Non-Financial Liabilities:		
	Deferred Tax Liability	166,032	112,861
	Financial Liabilities:		
	Retirement Benefit Obligation	480,749	484,348
	Non current Borrowing	525,407	702,907
	Lease Liabilities	94,952	-
		1,267,140	1,300,116
	CURRENT LIABILITIES		
	Financial Liabilities:		
	Retirement Benefit Obligation	67,286	67,286
	Borrowings	3,293,571	2,075,754
	Trade payables	984,511	1,347,282
	Lease Liabilities	1,246,004	1,180,178
	Income Tax Payable	-	12,858
		5,591,371	4,683,358
	Total Equity and Liabilities	10,567,762	9,192,115



Profit and Loss Account	Current Period		Previous Period	
	15.01.2023 to 13.04.2023 (3 Months)	17.07.2022 to 13.04.2023 (9 Months)	14.01.2022 to 13.04.2022 (3 Months)	16.07.2021 to 13.04.2022 (9 Months)
Revenue from operations	2,207,284	6,076,202	2,248,555	5,669,820
Cost of sales	(1,473,737)	(4,411,365)	(1,344,079)	(3,844,315)
Gross Profit	733,549	1,664,837	904,476	1,825,505
Other operating income	38,405	62,032	32,678	58,073
Selling and distribution expenses	(379,837)	(934,839)	(376,134)	(827,180)
Administrative and operating expenses	(63,525)	(203,219)	(53,474)	(172,380)
Profit from Operations	328,591	588,811	507,546	884,018
Finance Costs	(94,296)	(208,051)	(60,969)	(143,910)
Finance Income	26	4,613	4,036	7,103
Profit Before Tax	234,320	385,374	450,613	747,211
Income Tax Expense:				
Current Tax	(40,950)	(67,658)	(68,067)	(75,183)
Prior period tax adjustments	-	-	(160,563)	(163,274)
Deferred Tax	14,436	43,308	(18,393)	(2,932)
Net Profit	207,805	361,024	203,590	505,823
D Major Indicators	17.07.2022 to 13.04.2023 (9 Months)	Annualized	16.07.2021 to 13.04.2022 (9 Months)	Annualized
1. Earnings per Share (NPR)	298	398	418	557
2. Market Value Per Share (NPR)	12,054	12,054	14,000	14,000
3. Price Earnings Ratio	40	30	33	25
4. Current Ratio	0.9		0.8	
5. Return on Equity	10%	13%	16%	21%
6. Return on Total Assets	3.4%	4.6%	5.5%	7.3%
7. Net Worth Per Share (NPR)	3,065		2,652	

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 accumulated 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 accumulated unaudited profits and number of equity shares outstanding at the reporting date. Annualized ratios are calculated on the basis of accumulated Nine-months Profit.

E Related Party Disclosure

Upto the end of the third quarter, the following related party transactions have occurred:

Particulars	NPR in Thousand
Purchase of Concentrate from Pacific Refreshments Pte. Ltd.	1,976,151
Transfer fee payable to BNL	95,203
Transfer fee receivable from BNL	44,546

F Management Analysis

- The profit after tax has decreased by NPR 144.79 MM upto the end of the third quarter with respect to corresponding period of previous year, driven by increase in material cost, excise taxes, forex devaluation, increase in travel cost, diesel prices, IT infrastructure upgradation and interest cost.
- 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 this quarter along with total volume of trading of shares and number of days traded

Particulars	17.07.2022 to 13.04.2023 (9 Months)
Maximum Price (NPR)	13,900
Minimum Price (NPR)	11,732
Closing Price (NPR)	12,054
No. of Trades (Total Transaction)	556
Days of Trading	56

I Risks and Challenges

Internal Problem & Challenges

Rise in cost of operations.

Rural distribution at effective cost.

External Problem & Challenges

Market and economic slowdown due to external factors resulting in upward trend of operational costs for manufacturing sector.

Devaluation of Nepalese Rupees against the Foreign Exchange Currencies resulting in higher material cost.

Rise in cost of operations due to increase in indirect tax, commodity prices and energy price hikes caused by inflationary pressures.

Strategy

Implementation of Vxceed, a solution for Demand Chain Execution process, by the company to manage the distributor network and obtain real-time data for better decision making.

Continuous assessment of the risk exposure of the company to the internal and external factors and effective implementation of risk management procedures

Continuous development of 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 16th February 2023.

K Declaration by Chief Executive Officer 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.


Deepak Senthil Nath

Chief Executive Officer

Date: 12th May, 2023 (29th Baisakh, 2080)

