

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 First Quarter (17/10/2023) of the Fiscal Year 2080/81 (FY 2023-2024)

NPR in Thousand

S.N	Particulars	As on date 17.10.2023 (Unaudited)	As on date 17.10.2022 (Unaudited)
		(Group)	(Group)
A	ASSETS		
	NON-CURRENT ASSETS		
	Non-Financial Assets:		
	Intangible Assets	13,411	27,764
	Property, Plant and Equipment	7,318,335	6,974,748
	Prepayments	25,767	-
	Financial Assets:		
	Advances	25,635	16,435
	CURRENT ASSETS		
	Non Financial Assets:		
	Inventories	2,590,100	1,919,953
	Prepayments	56,752	49,754
	Advances	3,480,602	1,391,856
	Financial Assets:		
	Other Current Assets	21,428	434,130
	Trade Receivables	1,190,788	636,551
	Cash and Cash Equivalents	1,089,595	424,843
	Total Assets	15,874,592	11,876,032
B	EQUITY AND LIABILITIES		
	EQUITY		
	Equity Share Capital	194,889	194,889
	Reserve and Surplus	5,714,563	5,188,499
	Non Controlling Interest	374,690	207,152
	NON-CURRENT LIABILITIES		
	Non-Financial Liabilities:		
	Deferred Tax Liability	80,891	6,827
	Financial Liabilities:		
	Retirement Benefit Obligation	957,399	1,054,654
	Borrowing	-	560,407
	Lease Liabilities	93,525	98,621
	CURRENT LIABILITIES		
	Financial Liabilities		
	Retirement Benefit Obligation	151,542	195,403
	Borrowings	4,233,347	933,433
	Trade Payables	1,710,657	1,216,191
	Lease Liabilities	9,347	18,062
	Other Financial Liabilities	2,353,742	2,136,946
	Income Tax Payable	-	64,949
	Total Equity and Liabilities	15,874,592	11,876,032

C	Profit and Loss Account	Current Period (Group)	Previous Period (Group)
		17.07.2023 to 17.10.2023	16.07.2022 to 17.10.2022
	Revenue from Operations	3,266,218	4,018,295
	Cost of Sales	(2,352,615)	(2,859,017)
	Gross Profit	913,603	1,159,277
	Other Operating Income	9,224	9,652
	Selling and Distribution Expenses	(507,593)	(506,016)
	Administrative and Operating Expenses	(182,943)	(189,306)
	Profit from Operations	232,291	473,607
	Finance Costs	(70,460)	(36,917)
	Finance Income	698	7,974
	Profit Before Tax	162,530	444,663
	Income Tax Expense		
	Current Tax	(55,770)	(83,744)
	Prior Period Tax Adjustments	(1,910)	(9,438)
	Deferred Tax	455	50,017
	Net Profit	105,305	401,499
	Owners of the Company (Net Profit)	93,042	372,300
	Non Controlling Interest (Net profit)	12,263	29,199

D	Major Indicators	Current Period (Group)		Previous Period (Group)	
		17.07.2023 to 17.10.2023	Annualized	16.07.2022 to 17.10.2022	Annualized
	1. Earnings per Share (NPR)	48	191	191	764
	2. Market Value per Share (NPR)	2,312	2,312	1,904	1,904
	3. Price Earnings Ratio	48	12	10	2
	4. Current Ratio	1.0		0.9	
	5. Return on Equity	1.7%	6.7%	7.2%	28.7%
	6. Return on Total Assets	0.6%	2.5%	3.4%	13.5%
	7. Net Worth per Share (NPR)		3,224		2,869

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.

E. Related Party Disclosure

Up to the end of the fourth quarter, the following related party transactions have occurred:

Particulars	NPR in Thousand
Purchase of Concentrate from Pacific Refreshments Pte. Ltd.	1,091,030
Transfer fee payable to BNTL	1,066
Transfer fee receivable from BNTL	38,817

F. Management Analysis

- The net profit has decreased by NPR 296 MM at the end of the quarter as compared to first quarter of previous year mainly due to drop in volume along with the increase in currency devaluation, rise in interest rates, diesel prices, selling and distribution cost, etc. that have increased the cost base of the company.
- 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

- 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 this quarter along with total volume of trading of shares and number of days traded**
No shares were traded during this quarter.

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 13th September 2023.

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.

G. Deepak Senthil Nath

Managing Director

Date: 10th November, 2023 (24th Kartik, 2080)