

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 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	843,597	3,780,133
	Cost of sales	(540,133)	(2,625,290)	(639,234)	(2,574,610)
	Gross Profit	136,445	1,203,254	204,363	1,205,523
	Other operating income	10,977	25,518	12,961	17,327
	Selling and distribution expenses	(269,429)	(791,820)	(309,197)	(735,957)
	Administrative and operating expenses	(60,575)	(212,188)	(32,877)	(183,177)
	Profit from Operations	(182,584)	224,764	(124,749)	303,716
	Finance Costs	(25,409)	(32,903)	(2,595)	(14,558)
	Finance Income	24,899	29,734	22,789	28,060
	Profit Before Tax	(183,094)	221,595	(104,555)	317,219
	Income Tax Expense				
	Current Tax	37,928	(51,103)	(14,557)	(78,541)
	Deferred Tax	13,831	(7,528)	(47,590)	(107,042)
	Net Profit	(131,335)	162,964	(166,703)	131,636
	Owners of the Company (Net Profit)	(125,333)	143,632	(157,622)	120,036
	Non Controlling Interest (Net profit)	(6,002)	19,332	(9,081)	11,600
D	Major Indicators	Current Period (Group)		Previous Period (Group)	
		17.07.2018 to 14.01.2019 (6 Month)	Annualized	16.07.2017 to 14.01.2018 (6 Month)	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:

- 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 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

- a) 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.
- b) The company is continuously working on upgrading IT infrastructure, enhancing transactions security, automating work processes, enhancing productivity.
- c) 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

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 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 or the omission of which shall adversely affect the informed investment decision by the investors.

Pradip Pandey
Managing Director

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

