



NESTLÉ LANKA PLC
INTERIM FINANCIAL STATEMENTS
31 MARCH 2021



NESTLÉ LANKA PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

<i>For the Period Ended 31 March</i>	<i>Year to date Performance (Unaudited)</i>		
	2020	2021	%
	<i>Rs. '000s</i>	<i>Rs. '000s</i>	<i>Variance</i>
Revenue	9,170,133	11,454,867	24.9
Cost of Sales	(6,205,850)	(7,376,221)	18.9
Gross Profit	2,964,283	4,078,646	37.6
Other Operating Expenses	(10,137)	(142,323)	1304.0
Marketing, Selling and Distribution Expenses	(1,340,389)	(1,597,565)	19.2
Administrative Expenses	(660,611)	(617,788)	-6.5
Results from Operating Activities	953,146	1,720,970	80.6
Net Finance Expenses	(48,731)	95,565	-296.1
Profit before Taxation	904,415	1,816,535	100.9
Income Tax Expense	(260,113)	(74,863)	-71.2
Profit for the Period	644,302	1,741,672	170.3
<u>Other Comprehensive Income - Net of Tax</u>			
Gain / (Loss) on Cash Flow Hedges	(4,715)	1,054	-122.4
Total Comprehensive Income - Net of Tax	639,587	1,742,726	172.5
Basic Earnings Per Share (EPS.) Rs.	11.99	32.42	

Figures in brackets indicate deductions.

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Fabrice Cavallin

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Fabrice Cavallin
Managing Director

11 May 2021

DocuSigned by:

Gurcharan Grover

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Gurcharan Grover
Director Finance & Control


NESTLÉ LANKA PLC
STATEMENT OF FINANCIAL POSITION

As at :	31.12.2020	31.03.2021
	Rs. '000s	Rs. '000s
	Audited	Unaudited
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	8,396,939	8,178,503
Capital Work-In-Progress	523,837	544,354
Other Non-Current Assets	349,027	346,679
	<u>9,269,803</u>	<u>9,069,536</u>
Current Assets		
Inventories	4,947,795	5,520,303
Trade and Other Receivables	2,045,837	2,528,795
Amount Due from Related Parties	440,332	661,458
Cash and Cash Equivalents	2,507,912	3,858,912
	<u>9,941,876</u>	<u>12,569,468</u>
Total Assets	<u>19,211,679</u>	<u>21,639,004</u>
EQUITY AND LIABILITIES		
Equity		
Stated Capital	537,255	537,255
Retained Earnings and Reserves	5,396,528	5,258,863
	<u>5,933,783</u>	<u>5,796,118</u>
Non-Current Liabilities		
Retirement Benefit Obligations	439,120	462,044
Deferred Tax Liabilities	1,036,119	668,270
Non-Current Provisions	524,089	1,046,196
Non-Current Financial Liabilities	84,460	70,768
	<u>2,083,788</u>	<u>2,247,278</u>
Current Liabilities		
Trade and Other Payables	6,225,296	6,417,456
Amount Due to Related Parties	1,893,087	2,475,562
Current Tax Payable	935,197	644,214
Dividends Payable	86,772	92,216
Current Financial Liabilities	2,053,756	3,966,160
	<u>11,194,108</u>	<u>13,595,608</u>
Total Liabilities	<u>13,277,896</u>	<u>15,842,886</u>
Total Equity and Liabilities	<u>19,211,679</u>	<u>21,639,004</u>
As at (Rs.):		
Net asset value per share	<u>110.45</u>	<u>107.88</u>
Market value per share during the quarter		
- Highest	1,348.90	1,375.00
- Lowest	1,040.00	1,130.50
- Last traded price (Date 31/12/2020, 31/03/2021)	1,275.00	1,146.50
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11 May 2021		


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NESTLÉ LANKA PLC
STATEMENT OF CASH FLOWS

For the Period Ended 31 March	2020 Rs. '000s	2021 Rs. '000s
Cash Flows from Operating Activities		
Profit before Taxation	904,415	1,816,535
Adjustments for :		
Depreciation of Property, Plant and Equipment	247,315	234,429
Loss on sale of Property, Plant and Equipment	(359)	(4,891)
Amortization of Staff Loan	8,492	6,446
Interest Expense	65,917	60,384
Interest Income	(10,106)	(11,083)
Movement of Retirement Benefit Obligation (Excluding Actuarial Gain/Loss)	8,328	22,924
Operating Profit before Working Capital Changes	1,224,002	2,124,744
Working Capital Changes		
Increase in Inventories	(221,612)	(572,508)
Increase in Trade and Other Receivables	(925,365)	(490,706)
Increase in Amount due from Related Parties	(103,164)	(221,126)
Increase in Trade and Other Payables	362,797	330,770
Increase in Amount due to Related Parties	509,820	585,236
Cash Generated from Operations	846,478	1,756,410
Income Tax Paid	(257,622)	(211,998)
Net Cash Flows Generated from Operating Activities	588,856	1,544,412
Cash Flow from Investing Activities		
Investment in Property, Plant and Equipment	(134,583)	(158,394)
Proceeds from Sale of Property, Plant and Equipment	841	3,723
Movement of Other Non-Current Financial Assets	(2,979)	2,348
Net Cash Flows used in Investing Activities	(136,721)	(152,323)
Cash Flow from Financing Activities		
Payment of Lease Liabilities	(11,947)	(16,108)
Dividend Paid	(1,611,049)	(1,874,947)
Interest Paid	(66,019)	(64,157)
Interest Received	1,614	4,637
Net Cash Flows used in Financing Activities	(1,687,401)	(1,950,575)
Net Increase in Cash and Cash Equivalents	(1,235,266)	(558,486)
Cash and Cash Equivalents at the beginning of the period	(416,550)	2,418,114
Cash and Cash Equivalents at the end of the period	(1,651,816)	1,859,628
Analysis of Cash and Cash Equivalents at the end of the period		
Cash and cash equivalents in the statement of financial position	354,062	3,858,912
Current Financial Liabilities for the purpose of the statement of cash flows <small>[Excluding Short Term Lease Liabilities of Rs. 73,876 (2020 - Rs. 62,265) & Loan from Related Party Rs. 1,893,000 (2020 - Rs. Nil)]</small>	(2,005,878)	(1,999,284)
Cash and Cash Equivalents in the statement of cash flows	(1,651,816)	1,859,628


NESTLÉ LANKA PLC
STATEMENT OF CHANGES IN EQUITY

	<i>Stated Capital</i>	<i>Retained Earnings</i>	<i>Other Equity Reserves *</i>	<i>Total</i>
	<i>Rs. '000s</i>	<i>Rs. '000s</i>	<i>Rs. '000s</i>	<i>Rs. '000s</i>
Balance as at 1 January 2020 (Audited)	537,255	4,914,694	57,660	5,509,609
Total Comprehensive Income for 3 months ended 31 March 2020				
Profit for the Period	-	644,302	-	644,302
Other Comprehensive Income	-	-	(4,715)	(4,715)
Transactions with Owners of the Company Recognised Directly in Equity				
Unclaimed Dividend Written Back	-	98,723	-	98,723
Interim Dividend	-	(1,611,764)	-	(1,611,764)
Balance as at 31 March 2020 (Unaudited)	537,255	4,045,955	52,945	4,636,155
Total Comprehensive Income for 9 months ended 31 December 2020				
Profit for the Period	-	2,302,581	-	2,302,581
Other Comprehensive Income	-	-	(80,502)	(80,502)
Transactions with Owners of the Company Recognised Directly in Equity				
Unclaimed Dividend Written Back	-	15,744	-	15,744
Final Dividend	-	(940,195)	-	(940,195)
Balance as at 31 December 2020 (Audited)	537,255	5,424,085	(27,557)	5,933,783
Balance as at 1 January 2021	537,255	5,424,085	(27,557)	5,933,783
Total Comprehensive Income for 3 months ended 31 March 2021				
Profit for the Period	-	1,741,672	-	1,741,672
Other Comprehensive Income	-	-	1,054	1,054
Transactions with Owners of the Company Recognised Directly in Equity				
Interim Dividend	-	(1,880,391)	-	(1,880,391)
Balance as at 31 March 2021 (Unaudited)	537,255	5,285,366	(26,503)	5,796,118

* Includes Actuarial Gain/(Loss) and Results of Cash Flow Hedges



NESTLÉ LANKA PLC

NOTES TO THE FINANCIAL STATEMENTS

1. The interim financial statements have been prepared in accordance with Sri Lanka Accounting Standard - LKAS 34 Interim Financial Reporting and other applicable Sri Lanka Accounting Standards.

2. The Stated Capital consists of 53,725,463 ordinary shares.

3. Impact due to the COVID – 19

The outbreak of COVID 19 has continued to cause disruptions to many businesses and economic activities in 2021 across the globe including Sri Lanka. The Company has implemented all health & safety guidelines published by the Health Authorities in Sri Lanka and the World Health Organization for the safety of our workforce.

The Company has also proactively taken measures to reduce all non-essential expenses under these turbulent times in order to preserve cash flows.

4. Income Tax Expense

The Company has used the new tax rates included in Inland Revenue amendment bill dated 18 March 2021, (with retrospective effect from 01 Jan 2020) for the income and deferred taxation, based on the guidelines issued by the Institute of Chartered Accountants of Sri Lanka dated 23 April 2021

Accordingly, 18% for Manufacturing Business Profits, 14% for Export Profits and 24% for Other Income used as against the previous standard rate of 28%.

5. Events Occurring After the Reporting Date

There are no material events occurring after the reporting that require an adjustment to the Financial Statements.

6. Contingent Liabilities

There are no material contingent liabilities as at 31 March 2021.

7. Fair Value Measurement and Related Disclosures

There were no significant differences in the comparison made between fair value and carrying value of financial assets and liabilities.

8. Comparative information has been reclassified where necessary, to confirm to current year's presentation.



NESTLÉ LANKA PLC

NOTES TO THE FINANCIAL STATEMENTS

Additional Notes and Other Information

- Public holding percentage - 9.18%, Number of public shareholders - 5,743
- Float Adjusted Market capitalization as at 31 March 2021 : Rs. 5,654,535 (Rs'000)
- As the floated adjusted market capitalization is over Rs. 5 billion, Nestlé Lanka PLC complies under option 3 of Rule 7.13.1 (a) of Listing Rules
- The Directors of the Company hold no shares in the Company except for Mr. Mahendra Dayananda, who holds 1,000 shares as at period closing.

Names and the number of shares held by the 20 major shareholders and the percentages of such shares.

No	Names	No. of Shares	%
1	Nestlé S.A	48,793,746	90.82
2	Citibank New York S/A Norges Bank Account 2	493,037	0.92
3	Sri Lanka Insurance Corporation Ltd - Life Fund	264,404	0.49
4	Deutsche Bank AG-London	250,000	0.47
5	RBC Investor Services Bank-Coeli Sicav I-Frontier Markets Fund	241,342	0.45
6	Miss Harnam Neesha Joint Mrs. Jasbinderjit Kaur Piara Singh	200,000	0.37
7	Deutsche Bank AG Singapore A/C2 (DCS CLT Acc For Deutsche Bank Ag Singapore - PWM WM Client)	155,600	0.29
8	SSBT- Al Mehwar Commercial Investments L.L.C	144,758	0.27
9	SSBT-Frank Russel Trust Company Comingled Benefit Funds Trust GNA-6QH3	124,680	0.23
10	Employees Provident Fund	100,000	0.19
11	BNYM RE-GHI Holdings Maruitius	75,000	0.14
12	Mrs. Jasbinderjit Kaur Piara Singh	72,194	0.13
13	Commercial Bank of Ceylon PLC/P.Subasinghe	65,000	0.12
14	Union Assurance PLC-Universal Life Fund	54,718	0.10
15	Union Assurance PLC/ Account No.5 (Unit-Linked Life Insurance Fund - Equity Fund)	54,442	0.10
16	Colombo Investment Trust PLC	50,904	0.09
17	Mr. Udeshi Morarji Meghji Joint Mrs. Asha Ajay Merchant	45,000	0.08
18	Mr. Hirdaramani Anil Kumar Lalchand	42,500	0.08
19	Mr. Maheswaran Radhakrishnan	36,671	0.07
20	Miss.Radhakrishnan Andal	36,667	0.07