



NESTLÉ LANKA PLC
INTERIM FINANCIAL STATEMENTS
30 JUNE 2021



NESTLÉ LANKA PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

<i>For the Period Ended 30 June (Unaudited)</i>	<i>Quarter Performance</i>			<i>Year to date Performance</i>		
	<i>Q2 2020</i>	<i>Q2 2021</i>	<i>%</i>	<i>2020</i>	<i>2021</i>	<i>%</i>
	<i>Rs. '000s</i>	<i>Rs. '000s</i>	<i>Variance</i>	<i>Rs. '000s</i>	<i>Rs. '000s</i>	<i>Variance</i>
<i>Revenue</i>	8,259,998	10,108,516	22.4	17,430,132	21,563,383	23.7
<i>Cost of Sales</i>	(5,679,570)	(7,065,373)	24.4	(11,885,420)	(14,441,594)	21.5
<i>Gross Profit</i>	2,580,428	3,043,143	17.9	5,544,712	7,121,789	28.4
<i>Other Operating Income/ (Expenses)</i>	(14,909)	95,865	-743.0	(25,047)	(46,458)	85.5
<i>Marketing, Selling and Distribution Expenses</i>	(938,770)	(1,304,468)	39.0	(2,279,159)	(2,902,033)	27.3
<i>Administrative Expenses</i>	(584,317)	(645,262)	10.4	(1,244,928)	(1,263,050)	1.5
<i>Results from Operating Activities</i>	1,042,432	1,189,278	14.1	1,995,578	2,910,248	45.8
<i>Net Finance Expense</i>	(66,106)	(189,743)	187.0	(114,837)	(94,178)	-18.0
<i>Profit before Taxation</i>	976,326	999,535	2.4	1,880,741	2,816,070	49.7
<i>Income Tax Expense</i>	(381,420)	(155,283)	-59.3	(641,533)	(230,146)	-64.1
<i>Profit for the Period</i>	594,906	844,252	41.9	1,239,208	2,585,924	108.7
<i>Other Comprehensive Income - Net of Tax</i>						
<i>Actuarial Gain/ (Loss)</i>	-	(9,100)	100.0	-	(9,100)	100.0
<i>Gain/ (Loss) on Cash Flow Hedges</i>	(3,835)	-	-100.0	(8,551)	1,054	-112.3
<i>Total Comprehensive Income - Net of Tax</i>	591,071	835,152	41.3	1,230,657	2,577,878	109.5
<i>Basic Earnings Per Share (EPS.) Rs.</i>	11.07	15.71		23.07	48.13	


Figures in brackets indicate deductions.

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Fabrice Cavallin
 Managing Director

10 August 2021

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Gurcharan Grover
 Director Finance & Control



NESTLÉ LANKA PLC
STATEMENT OF FINANCIAL POSITION

As at :	31.12.2020	30.06.2021
	Rs. '000s	Rs. '000s
	Audited	Unaudited
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	8,396,939	8,143,594
Capital Work-In-Progress	523,837	398,194
Other Non-Current Assets	349,027	333,919
	<u>9,269,803</u>	<u>8,875,707</u>
Current Assets		
Inventories	4,947,795	6,860,589
Trade and Other Receivables	2,045,837	2,244,625
Amount Due from Related Parties	440,332	349,232
Cash and Cash Equivalents	2,507,912	2,827,346
	<u>9,941,876</u>	<u>12,281,792</u>
Total Assets	<u>19,211,679</u>	<u>21,157,499</u>
EQUITY AND LIABILITIES		
Equity		
Stated Capital	537,255	537,255
Retained Earnings and Reserves	5,396,528	5,036,560
	<u>5,933,783</u>	<u>5,573,815</u>
Non-Current Liabilities		
Retirement Benefit Obligations	439,120	481,444
Deferred Tax Liabilities	1,036,119	717,936
Non-Current Provisions	524,089	1,046,196
Non-Current Financial Liabilities	84,460	56,776
	<u>2,083,788</u>	<u>2,302,352</u>
Current Liabilities		
Trade and Other Payables	6,225,296	6,191,987
Amount Due to Related Parties	1,893,087	3,033,537
Current Tax Payable	935,197	546,929
Dividends Payable	86,772	75,143
Current Financial Liabilities	2,053,756	3,433,736
	<u>11,194,108</u>	<u>13,281,332</u>
Total Liabilities	<u>13,277,896</u>	<u>15,583,684</u>
Total Equity and Liabilities	<u>19,211,679</u>	<u>21,157,499</u>
As at (Rs.):		
Net asset value per share	<u>110.45</u>	<u>103.75</u>
Market value per share during the quarter		
- Highest	1,348.90	1,650.00
- Lowest	1,040.00	950.00
- Last traded price (Date 31/12/2020, 30/06/2021)	1,275.00	1,303.75

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Fabrice Cavallin
Managing Director

10 August 2021

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Gurcharan Grover
Director Finance & Control



NESTLÉ LANKA PLC
STATEMENT OF CASH FLOWS

For the Period Ended 30 June	2020 Rs. '000s	2021 Rs. '000s
Cash Flows from Operating Activities		
Profit before Taxation	1,880,741	2,816,070
Adjustments for :		
Depreciation of Property, Plant and Equipment	488,487	485,063
Gain on sale of Property, Plant and Equipment	(745)	(13,666)
Imputed Interest cost of Staff Loan	24,793	14,332
Interest Expense	142,482	114,046
Interest Income	(27,770)	(19,868)
Movement of Retirement Benefit Obligation (Excluding Actuarial Gain/Loss)	40,001	42,324
Operating Profit before Working Capital Changes	2,547,989	3,438,301
Working Capital Changes		
Increase in Inventories	(1,127,110)	(1,912,794)
Increase in Trade and Other Receivables	(10,183)	(206,536)
(Increase)/ Decrease in Amount due from Related Parties	(128,177)	91,100
Increase in Trade and Other Payables	1,003,025	286,037
Increase in Amount due to Related Parties	521,261	1,164,191
Cash Generated from Operations	2,806,805	2,860,299
Income Tax Paid	(566,221)	(424,000)
Net Cash Flows Generated from Operating Activities	2,240,584	2,436,299
Cash Flow from Investing Activities		
Investment in Property, Plant and Equipment	(159,394)	(403,428)
Proceeds from Sale of Property, Plant and Equipment	840	4,561
Movement of Other Non-Current Financial Assets	1,543	15,108
Net Cash Flows used in Investing Activities	(157,011)	(383,759)
Cash Flow from Financing Activities		
Repayment of Loans obtained from Related Parties	-	(1,893,000)
Payment of Lease Liabilities	(30,538)	(35,299)
Dividend Paid	(1,611,151)	(2,949,475)
Interest Paid	(141,807)	(138,657)
Interest Received	2,977	5,536
Net Cash Flows used in Financing Activities	(1,780,519)	(5,010,895)
Net Increase/(Decrease) in Cash and Cash Equivalents	303,054	(2,958,355)
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	(113,496)	(540,241)
Analysis of Cash and Cash Equivalents at the end of the period		
Cash and cash equivalents in the statement of financial position	794,307	2,827,346
Current Financial Liabilities for the purpose of the statement of cash flows <small>[Excluding Short Term Lease Liabilities of Rs. 66,149 (2020 - Rs. 54,343)]</small>	(907,803)	(3,367,587)
Cash and Cash Equivalents in the statement of cash flows	(113,496)	(540,241)



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 6 months ended 30 June 2020				
Profit for the Period	-	1,239,208	-	1,239,208
Other Comprehensive Income	-	-	(8,551)	(8,551)
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 30 June 2020 (Unaudited)	537,255	4,640,861	49,109	5,227,225
Total Comprehensive Income for 6 months ended 31 December 2020				
Profit for the Period	-	1,707,675	-	1,707,675
Other Comprehensive Income	-	-	(76,666)	(76,666)
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 6 months ended 30 June 2021				
Profit for the Period	-	2,585,924	-	2,585,924
Other Comprehensive Income	-	-	(8,046)	(8,046)
Transactions with Owners of the Company Recognised Directly in Equity				
Unclaimed Dividend Written Back	-	17,054	-	17,054
Interim Dividend	-	(1,880,391)	-	(1,880,391)
Final Dividend	-	(1,074,509)	-	(1,074,509)
Balance as at 30 June 2021 (Unaudited)	537,255	5,072,163	(35,603)	5,573,815

* 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 including deferral of non critical CAPEX 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) Act No.10 of 2021 certified on 13 May 2021, (with retrospective effect from 01 Jan 2020) for the income and deferred taxation.

Accordingly, 18% for Manufacturing Business Profits, 14% for Export Profits and 24% for Other Income has been used as against the previous standard rate of 28%. The resultant impact has been recognised in Statement of Profit or Loss and Other Comprehensive Income.

5. Events Occurring After the Reporting Date

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

6. Contingent Liabilities

There are no material contingent liabilities as at 30 June 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 - 8.79%, Number of public shareholders - 5,908
- Float Adjusted Market capitalization as at 30 June 2021 : Rs. 6,149,913 (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	49,005,156	91.21
2	Sri Lanka Insurance Corporation Ltd - Life Fund	264,404	0.49
3	Citibank New York S/A Norges Bank Account 2	252,556	0.47
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	Employees Provident Fund	100,000	0.19
10	SSBT-Frank Russel Trust Company Comingled Benefit Funds Trust GNA-6QH3	87,873	0.16
11	Ceylon Investment PLC	85,000	0.16
12	BNYM RE-GHI Holdings Maruitius	75,000	0.14
13	Mrs. Jasbinderjit Kaur Piara Singh	74,661	0.14
14	Ceylon Guardian Investment Trust PLC	60,400	0.11
15	Mr. Udeshi Harin Noraji	58,054	0.11
16	Seylan Bank PLC/ ARRC Capital (Pvt) Ltd	52,376	0.10
17	Colombo Investment Trust PLC	50,904	0.09
18	Mr. Udeshi Morarji Meghji Joint Mrs. Asha Ajay Merchant	45,000	0.08
19	Mr. Hirdaramani Anil Kumar Lalchand	42,500	0.08
20	Commercial Bank of Ceylon PLC/ P. Subasinghe	40,000	0.07