



NESTLÉ LANKA PLC
INTERIM FINANCIAL STATEMENTS
30 September 2021



NESTLÉ LANKA PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Period Ended 30 September (Unaudited)	Quarter Performance			Year to date Performance		
	Q3 2020	Q3 2021	%	2020	2021	%
	Rs.'000s	Rs.'000s	Variance	Rs.'000s	Rs.'000s	Variance
Revenue	10,496,502	11,352,889	8.2	27,926,634	32,916,272	17.9
Cost of Sales	(6,984,877)	(7,614,054)	9.0	(18,870,297)	(22,055,648)	16.9
Gross Profit	3,511,625	3,738,835	6.5	9,056,337	10,860,624	19.9
Other Operating Income/ (Expenses)	(27,104)	24,552	190.6	(52,151)	(21,906)	-58.0
Marketing, Selling and Distribution Expenses	(1,367,595)	(1,283,168)	-6.2	(3,646,752)	(4,185,201)	14.8
Administrative Expenses	(635,544)	(614,271)	-3.3	(1,880,472)	(1,877,321)	-0.2
Results from Operating Activities	1,481,382	1,865,948	26.0	3,476,962	4,776,196	37.4
Net Finance Expense	(75,028)	(24,366)	-67.5	(189,865)	(118,544)	-37.6
Profit before Taxation	1,406,354	1,841,582	30.9	3,287,097	4,657,652	41.7
Income Tax Expense	(389,188)	(326,180)	-16.2	(1,030,721)	(556,326)	-46.0
Profit for the Period	1,017,166	1,515,402	49.0	2,256,376	4,101,326	81.8
<u>Other Comprehensive Income - Net of Tax</u>						
Actuarial Gain/ (Loss)	-	-	0.0	-	(9,100)	100.0
Gain/ (Loss) on Cash Flow Hedges	2,429	-	-100.0	(6,122)	1,054	117.2
Total Comprehensive Income - Net of Tax	1,019,595	1,515,402	48.6	2,250,254	4,093,280	81.9
Basic Earnings Per Share (EPS.) Rs.	18.93	28.21		42.00	76.34	

Figures in brackets indicate deductions.



 Joselito Avancena
 Managing Director

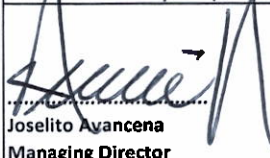



 Kumudu Dias
 Director Finance & Control

09 November 2021



NESTLÉ LANKA PLC
STATEMENT OF FINANCIAL POSITION

As at :	31.12.2020	30.09.2021
	Rs. '000s	Rs. '000s
	Audited	Unaudited
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	8,396,939	8,023,666
Capital Work-In-Progress	523,837	363,344
Other Non-Current Assets	349,027	328,147
	<u>9,269,803</u>	<u>8,715,157</u>
Current Assets		
Inventories	4,947,795	6,296,002
Trade and Other Receivables	2,045,837	2,201,930
Amount Due from Related Parties	440,332	603,363
Cash and Cash Equivalents	2,507,912	1,166,093
	<u>9,941,876</u>	<u>10,267,388</u>
Total Assets	<u>19,211,679</u>	<u>18,982,545</u>
EQUITY AND LIABILITIES		
Equity		
Stated Capital	537,255	537,255
Retained Earnings and Reserves	5,396,528	6,551,961
	<u>5,933,783</u>	<u>7,089,216</u>
Non-Current Liabilities		
Retirement Benefit Obligations	439,120	503,308
Deferred Tax Liabilities	1,036,119	690,531
Non-Current Provisions	524,089	1,046,196
Non-Current Financial Liabilities	84,460	39,718
	<u>2,083,788</u>	<u>2,279,753</u>
Current Liabilities		
Trade and Other Payables	6,225,296	5,086,272
Amount Due to Related Parties	1,893,087	2,867,225
Current Tax Payable	935,197	690,202
Dividends Payable	86,772	84,754
Current Financial Liabilities	2,053,756	885,123
	<u>11,194,108</u>	<u>9,613,576</u>
Total Liabilities	<u>13,277,896</u>	<u>11,893,329</u>
Total Equity and Liabilities	<u>19,211,679</u>	<u>18,982,545</u>
As at (Rs.):		
Net asset value per share	110.45	131.95
Market value per share during the quarter		
- Highest	1,348.90	1,400.00
- Lowest	1,040.00	1,200.00
- Last traded price (Date 31/12/2020, 30/09/2021)	1,275.00	1,250.75
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">  <p>..... Joselito Ayancena Managing Director</p> </div> <div style="width: 45%;">  <p>..... Kumudu Dias Director Finance & Control</p> </div> </div>		
09 November 2021		



NESTLÉ LANKA PLC
STATEMENT OF CASH FLOWS

<i>For the Period Ended 30 September</i>	2020 <i>Rs. '000s</i>	2021 <i>Rs. '000s</i>
Cash Flows from Operating Activities		
<i>Profit before Taxation</i>	3,287,097	4,657,652
Adjustments for :		
<i>Depreciation of Property, Plant and Equipment</i>	726,059	726,182
<i>Gain on sale of Property, Plant and Equipment</i>	(1,866)	(33,745)
<i>Imputed Interest cost of Staff Loan</i>	24,069	21,163
<i>Interest Expense</i>	211,001	146,705
<i>Interest Income</i>	(27,583)	(28,160)
<i>Movement of Retirement Benefit Obligation (Excluding Actuarial Gain/Loss)</i>	44,215	64,188
Operating Profit before Working Capital Changes	4,262,992	5,553,985
Working Capital Changes		
<i>Increase in Inventories</i>	(537,271)	(1,348,207)
<i>Decrease/ (Increase) in Trade and Other Receivables</i>	241,637	(163,841)
<i>Increase in Amount due from Related Parties</i>	(669,709)	(163,031)
<i>Increase/ (Decrease) in Trade and Other Payables</i>	472,607	(812,182)
<i>Increase in Amount due to Related Parties</i>	880,444	997,879
Cash Generated from Operations	4,650,700	4,064,603
<i>Income Tax Paid</i>	(690,221)	(634,311)
Net Cash Flows Generated from Operating Activities	3,960,479	3,430,292
Cash Flow from Investing Activities		
<i>Investment in Property, Plant and Equipment</i>	(250,745)	(479,284)
<i>Proceeds from Sale of Property, Plant and Equipment</i>	840	25,067
<i>Movement of Other Non-Current Financial Assets</i>	4,670	20,880
Net Cash Flows used in Investing Activities	(245,235)	(433,337)
Cash Flow from Financing Activities		
<i>Repayment of Loans obtained from Related Parties</i>	-	(1,893,000)
<i>Payment of Lease Liabilities</i>	(46,257)	(57,932)
<i>Dividend Paid</i>	(2,542,007)	(2,939,865)
<i>Interest Paid</i>	(209,534)	(171,127)
<i>Interest Received</i>	3,514	6,997
Net Cash Flows used in Financing Activities	(2,794,284)	(5,054,927)
Net Increase/(Decrease) in Cash and Cash Equivalents	920,960	(2,057,972)
<i>Cash and Cash Equivalents at the beginning of the period</i>	(416,550)	2,418,114
Cash and Cash Equivalents at the end of the period	504,410	360,142
Analysis of Cash and Cash Equivalents at the end of the period		
<i>Cash and cash equivalents in the statement of financial position</i>	1,009,147	1,166,093
<i>Current Financial Liabilities for the purpose of the statement of cash flows</i> <small>[Excluding Short Term Lease Liabilities of Rs. 79,172 (2020 - Rs. 55,188)]</small>	(504,737)	(805,951)
Cash and Cash Equivalents in the statement of cash flows	504,410	360,142



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 9 months ended 30 September 2020				
<i>Profit for the Period</i>	-	2,256,376	-	2,256,376
<i>Other Comprehensive Income</i>	-	-	(6,122)	(6,122)
Transactions with Owners of the Company Recognised Directly in Equity				
<i>Unclaimed Dividend Written Back</i>	-	98,723	-	98,723
<i>Interim Dividend</i>	-	(1,611,764)	-	(1,611,764)
<i>Final Dividend</i>	-	(940,195)	-	(940,195)
Balance as at 30 September 2020 (Unaudited)	537,255	4,717,834	51,538	5,306,627
Total Comprehensive Income for 3 months ended 31 December 2020				
<i>Profit for the Period</i>	-	690,507	-	690,507
<i>Other Comprehensive Income</i>	-	-	(79,095)	(79,095)
Transactions with Owners of the Company Recognised Directly in Equity				
<i>Unclaimed Dividend Written Back</i>	-	15,744	-	15,744
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 9 months ended 30 September 2021				
<i>Profit for the Period</i>	-	4,101,326	-	4,101,326
<i>Other Comprehensive Income</i>	-	-	(8,046)	(8,046)
Transactions with Owners of the Company Recognised Directly in Equity				
<i>Unclaimed Dividend Written Back</i>	-	17,053	-	17,053
<i>Interim Dividend</i>	-	(1,880,391)	-	(1,880,391)
<i>Final Dividend</i>	-	(1,074,509)	-	(1,074,509)
Balance as at 30 September 2021 (Unaudited)	537,255	6,587,564	(35,603)	7,089,216

* 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 September 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 - 8.05%, Number of public shareholders - 5,964
- Float Adjusted Market capitalization as at 30 September 2021 : Rs. 5,409,368 (Rs'000)
- As the float 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	49,400,234	91.95
2	Sri Lanka Insurance Corporation Ltd - Life Fund	264,404	0.49
3	Miss Harnam Neesha Joint Mrs. Jasbinderjit Kaur Piara Singh	200,000	0.37
4	Deutsche Bank AG - London	160,000	0.30
5	Deutsche Bank AG Singapore A/C2 (DCS CLT Acc For Deutsche Bank Ag Singapore - PWM WM Client)	154,297	0.29
6	SSBT- Al Mehwar Commercial Investments L.L.C	144,758	0.27
7	RBC Investor Services Bank - Coeli Sicav I-Frontier Markets Fund	141,342	0.26
8	Employees Provident Fund	100,000	0.19
9	Seylan Bank PLC/ W D N H Perera	90,747	0.17
10	SSBT-Frank Russel Trust Company Comingled Benefit Funds Trust GNA-6QH3	87,873	0.16
11	Ceylon Investment PLC A/C No. 2	85,000	0.16
12	BNYM RE-GHI Holdings Mauritius	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 Moraji	60,000	0.11
16	Colombo Investment Trust PLC	50,904	0.09
17	Fairfirst Insurance Limited - Technical Reserve	50,000	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