



NESTLÉ LANKA PLC
INTERIM FINANCIAL STATEMENTS
30 June 2022



NESTLÉ LANKA PLC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

<i>For the Period Ended 30 June</i>	<i>Quarter Performance (Unaudited)</i>			<i>Year to date Performance (Unaudited)</i>		
	<i>Q2 2021</i>	<i>Q2 2022</i>	<i>%</i>	<i>2021</i>	<i>2022</i>	<i>%</i>
	<i>Rs. '000s</i>	<i>Rs. '000s</i>	<i>Change</i>	<i>Rs. '000s</i>	<i>Rs. '000s</i>	<i>Change</i>
<i>Revenue</i>	10,108,516	18,039,660	78.5	21,563,383	33,091,284	53.5
<i>Cost of Sales</i>	(7,065,373)	(11,658,288)	65.0	(14,441,594)	(21,358,250)	47.9
<i>Gross Profit</i>	3,043,143	6,381,372	109.7	7,121,789	11,733,034	64.7
<i>Other Operating Income/ (Expenses)</i>	95,865	952,366	893.4	(46,458)	(599,931)	1191.3
<i>Marketing, Selling and Distribution Expenses</i>	(1,304,468)	(1,628,092)	24.8	(2,902,033)	(3,318,769)	14.4
<i>Administrative Expenses</i>	(645,262)	(860,205)	33.3	(1,263,050)	(1,536,403)	21.6
<i>Results from Operating Activities</i>	1,189,278	4,845,441	307.4	2,910,248	6,277,931	115.7
<i>Net Finance Expense</i>	(189,743)	(3,508,632)	1749.1	(94,178)	(4,020,048)	4168.6
<i>Profit before Taxation</i>	999,535	1,336,809	33.7	2,816,070	2,257,883	-19.8
<i>Income Tax Expense</i>	(155,283)	(206,917)	33.3	(230,146)	(302,867)	31.6
<i>Profit for the Period</i>	844,252	1,129,892	33.8	2,585,924	1,955,016	-24.4
<i>Other Comprehensive Income - Net of Tax</i>						
<i>Actuarial Gain/ (Loss) on Retirement Benefit Obligations</i>	(9,100)	-	-100.0	(9,100)	-	-100.0
<i>Gain/ (Loss) on Cash Flow Hedges</i>	-	-	-	1,054	-	-100.0
<i>Total Comprehensive Income - Net of Tax</i>	835,152	1,129,892	35.3	2,577,878	1,955,016	-24.2
<i>Basic Earnings Per Share (EPS.) Rs.</i>	15.71	21.03		48.13	36.39	







Figures in brackets indicate deductions.

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Jason Avancena
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Joselito Avancena
Managing Director

29 July 2022

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Kumudu Dias
Director Finance & Control


NESTLÉ LANKA PLC
STATEMENT OF FINANCIAL POSITION

As at :	31.12.2021	30.06.2022		
	Rs. '000s	Rs. '000s		
	Audited	Unaudited		
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	7,850,323	7,895,222		
Capital Work-In-Progress	716,060	384,624		
Other Non-Current Assets	321,761	298,945		
	<u>8,888,144</u>	<u>8,578,791</u>		
Current Assets				
Inventories	6,154,678	11,434,798		
Trade and Other Receivables	2,187,972	4,583,013		
Amount Due from Related Parties	873,080	1,088,245		
Cash and Cash Equivalents	7,011,873	13,779,926		
	<u>16,227,603</u>	<u>30,885,982</u>		
Total Assets	<u>25,115,747</u>	<u>39,464,773</u>		
EQUITY AND LIABILITIES				
Equity				
Stated Capital	537,255	537,255		
Retained Earnings and Reserves	7,897,398	5,923,715		
	<u>8,434,653</u>	<u>6,460,970</u>		
Non-Current Liabilities				
Retirement Benefit Obligations	194,530	225,194		
Deferred Tax Liabilities	724,596	262,090		
Non-Current Provisions	1,023,596	996,257		
Non-Current Financial Liabilities	5,417,887	9,582,678		
	<u>7,360,609</u>	<u>11,066,219</u>		
Current Liabilities				
Trade and Other Payables	6,417,646	11,606,845		
Amount Due to Related Parties	1,988,465	6,404,138		
Current Tax Payable	728,365	973,739		
Dividend Payable	84,753	2,793,212		
Current Financial Liabilities	101,256	159,650		
	<u>9,320,485</u>	<u>21,937,584</u>		
Total Liabilities	<u>16,681,094</u>	<u>33,003,803</u>		
Total Equity and Liabilities	<u>25,115,747</u>	<u>39,464,773</u>		
As at (Rs.):				
Net asset value per share	<u>157.00</u>	<u>120.26</u>		
Market value per share during the quarter				
- Highest	1,330.00	1,097.25		
- Lowest	1,200.00	900.00		
- Last traded price (Date 31/12/2021, 30/06/2022)	1,215.50	919.00		
<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> DocuSigned by:  GBD448EB51744D3..... Joselito Avancena Managing Director </td> <td style="width: 50%; vertical-align: top;"> DocuSigned by:  4F0B2CC37D61401..... Kumudu Dias Director Finance & Control </td> </tr> </table>			DocuSigned by: GBD448EB51744D3..... Joselito Avancena Managing Director	DocuSigned by: 4F0B2CC37D61401..... Kumudu Dias Director Finance & Control
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29 July 2022				



NESTLÉ LANKA PLC
STATEMENT OF CASH FLOWS

<i>For the Period Ended 30 June</i>	2021 Rs. '000s	2022 Rs. '000s
Cash Flows from Operating Activities		
Profit before Taxation	2,816,070	2,257,883
Adjustments for :		
Depreciation of Property, Plant and Equipment	485,063	443,594
Loss/ (Gain) on sale of Property, Plant and Equipment	(13,666)	(50)
Imputed Interest cost of Staff Loan	14,332	13,641
Unrealised Loss/ (Gain) on Foreign Exchange	(135,324)	2,348,232
Interest Expense	114,046	144,905
Interest Income	(19,868)	(185,019)
Movement of Retirement Benefit Obligation (Excluding Actuarial Gain/ Loss)	50,485	38,605
Operating Profit before Working Capital Changes	3,311,138	5,061,791
Working Capital Changes		
(Increase)/ Decrease in Inventories	(1,912,794)	(5,280,120)
(Increase)/ Decrease in Trade and Other Receivables	(206,563)	(2,369,872)
(Increase)/ Decrease in Amount due from Related Parties	91,100	(215,165)
Increase/ (Decrease) in Trade and Other Payables	283,380	5,103,069
Increase/ (Decrease) in Amount due to Related Parties	1,164,191	4,376,489
Cash Generated from Operations	2,730,452	6,676,192
Income Tax Paid	(424,000)	(547,339)
Surcharge Tax Paid	-	(494,347)
Retirement Benefit Obligations Paid	(8,161)	(129,061)
Net Cash Flows generated from Operating Activities	2,298,291	5,505,445
Cash Flow from Investing Activities		
Investment in Property, Plant and Equipment	(403,428)	(434,562)
Proceeds from Sale of Property, Plant and Equipment	4,561	50
Movement of Other Non-Current Financial Assets	15,108	22,816
Net Cash Flows used in Investing Activities	(383,759)	(411,696)
Cash Flow from Financing Activities		
Repayment of Loans Obtained from Related Parties	(1,893,000)	-
Payment of Lease Liabilities	(35,299)	(39,333)
Dividend Paid	(2,949,475)	(231,546)
Interest Paid	(136,000)	(106,576)
Interest Received	5,563	146,209
Net Cash Flows used in Financing Activities	(5,008,211)	(231,246)
Net Increase in Cash and Cash Equivalents	(3,093,679)	4,862,503
Effect of Exchange Rate changes on Cash and Cash Equivalents	135,324	1,841,268
Cash and Cash Equivalents at the Beginning of the Period	2,418,114	6,975,584
Cash and Cash Equivalents at the End of the Period	(540,241)	13,679,355
Analysis of Cash and Cash Equivalents at the End of the Period		
Cash and Cash Equivalents in the Statement of Financial Position	2,827,346	13,779,926
Current Financial Liabilities for the purpose of the Statement of Cash Flows <small>[Excluding Short Term Lease Liabilities of Rs. 59,079 (2021 - Short Term Lease Liabilities Rs. 66,149)]</small>	(3,367,587)	(100,571)
Cash and Cash Equivalents in the Statement of Cash Flows	(540,241)	13,679,355


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 2021 (Audited)	537,255	5,434,999	(38,471)	5,933,783
Surcharge Tax levied under Surcharge Tax Act	-	(988,694)	-	(988,694)
Total Comprehensive Income for 6 months ended 30 June 2021				
Profit for the Period	-	2,585,924	-	2,585,924
Other Comprehensive Income/ (Expenses)	-	-	(8,046)	(8,046)
Transactions with Owners of the Company Recognised Directly in Equity				
Unclaimed Dividend Written Back	-	17,053	-	17,053
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	4,094,382	(46,517)	4,585,120
Total Comprehensive Income for 6 months ended 31 December 2021				
Profit for the Period	-	2,743,226	-	2,743,226
Other Comprehensive Income/ (Expenses)	-	-	117,613	117,613
Transactions with Owners of the Company Recognised Directly in Equity				
Unclaimed Dividend Written Back	-	-	-	-
Interim Dividend	-	-	-	-
Final Dividend	-	-	-	-
Balance as at 31 December 2021 (Audited)	537,255	6,837,608	71,096	7,445,959
Balance as at 1 January 2022	537,255	6,837,608	71,096	7,445,959
Total Comprehensive Income for 6 months ended 30 June 2022				
Profit for the Period	-	1,955,016	-	1,955,016
Other Comprehensive Income/ (Expenses)	-	-	-	-
Transactions with Owners of the Company Recognised Directly in Equity				
Unclaimed Dividend Written Back	-	14,895	-	14,895
Interim Dividend	-	(1,074,509)	-	(1,074,509)
Final Dividend	-	(1,880,391)	-	(1,880,391)
Balance as at 30 June 2022 (Unaudited)	537,255	5,852,619	71,096	6,460,970

* 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 significant currency depreciation, inflation, economic downturn and political instability
The significant rupee depreciation coupled with currency shortages, inflation, economic and political instability has impacted many businesses and economic activities across industries. The Company also has encountered the impacts in its operations and has taken necessary steps such as optimization of value chain and product portfolio; to overcome related operational and financial risks.

The Company has also proactively taken measures to reduce all non-essential expenses. However, the planned CAPEX and Sustainability projects will be continued to ensure future growth prospects of the Company and the responsibility towards the community and the environment.
4. Income Tax Expense
The Company has made provision for the income tax liability at the rates of 18% for Manufacturing Business Profits, 14% for Export Profits and 24% for Trading and Other Income and for the deferred taxation at the average rate of 18% as per the current income tax (Amendment) Act No. 10 of 2021.
5. Events Occurring After the Reporting Date
There are no material events occurring after the reporting date that require a disclosure or an adjustment to the Financial Statements.
6. Contingent Liabilities
There are no material contingent liabilities as at 30 June 2022.
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 - 6,035
- Float Adjusted Market capitalization as at 30 June 2022 : Rs. 3,974,582,890.00
- As the floated adjusted market capitalization is over Rs. 1 billion, Nestlé Lanka PLC complies under option 1 of Rule 7.14.1 (b) 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. Jaspinderjit Kaur Piara Singh	201,000	0.37
4	Seylan Bank PLC/ W D N H Perera	163,999	0.31
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	BPSS SIN-BNP PARIBAS ARBITRAGE S.N.C.	117,710	0.22
9	Employees Provident Fund	100,000	0.19
10	Ceylon Investment PLC	85,000	0.16
11	BNYM RE-GHI Holdings Maruitius	75,000	0.14
12	Mrs. Jaspinderjit Kaur Piara Singh	74,661	0.14
13	Ceylon Guardian Investment Trust PLC	60,400	0.11
14	Mr. Udeshi Harin Noraji	60,000	0.11
15	Colombo Investment Trust PLC	50,904	0.09
16	Fairfirst Insurance Limited - Technical Reserve	50,000	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	SSBT-Frank Russel Trust Company Comingled Benefit Funds Trust GNA-6QH3	37,878	0.07
20	Miss. M.P. Radhakrishnan Meenambigai Priyadarshini	36,667	0.07