



Good food, Good life

# **NESTLÉ PAKISTAN LIMITED**

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED

30 SEPTEMBER 2021

## DIRECTORS' REVIEW REPORT TO THE SHAREHOLDERS

The Directors of Nestlé Pakistan Limited (the "Company") are pleased to submit the third-quarter report, along with the condensed interim financial statements of the Company for the nine-month period ended September 30, 2021.

### Business Performance Review:

Sales for the nine-month period ended September 30, 2021 continues to show signs of recovery, clocking a growth of 13.2% compared to the same period last year due to volume increase resulting from gradual relaxation of the COVID-19 related restrictions and overall improvement in economic activities coupled with pricing management. The Company also made further progress in the recovery of operating profit, which increased due to favorable product mix and better absorption of overheads. In addition, lower financing costs for the period has contributed towards improvement in net profit.

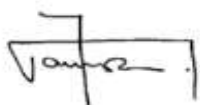
The financial performance for the nine-month period is summarized below:

	Jan – Sep 2021 PKR Million	Jan – Sep 2020 PKR Million	Change
Sales	100,359	88,670	+13.2%
Gross Profit	29,927	25,933	+15.4%
% of sales	29.8%	29.2%	
Operating Profit	15,689	11,836	+32.6%
% of sales	15.6%	13.3%	
Net Profit after tax	9,093	6,196	+46.8%
% of sales	9.1%	7.0%	
Earnings per share	200.5	136.6	+46.8%

### Future Outlook:

While the economy is showing signs of recovery and the risks from the pandemic are gradually waning, increase in commodity and energy prices have resulted in a significant increase in input costs. The situation has been further aggravated by the recent devaluation of the currency. The Management of the Company is fully cognizant of these circumstances and is taking all measures deemed necessary to manage the challenges and will continue to delight our consumers with quality products and remains cautiously optimistic about the future.

For and on behalf of the  
Board of Directors

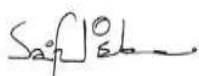


Samer Chedid  
**Chief Executive Officer**  
Lahore:

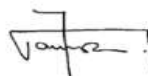
**Nestlé Pakistan Limited**  
**Condensed Interim Statement of Financial Position**  
*As at September 30, 2021*

	Note	(Un-audited) Sep 30, 2021	(Audited) Dec 31, 2020
----- (Rupees in '000) -----			
<b>Non-current assets</b>			
Property, plant and equipment	5	29,143,180	28,679,851
Capital work-in-progress		2,042,517	4,097,316
Long term loans		160,054	179,191
		<u>31,345,751</u>	<u>32,956,358</u>
<b>Current assets</b>			
Stores and spares		2,964,389	2,670,279
Stock-in-trade		17,762,449	16,252,021
Trade debts		2,095,807	1,930,333
Current portion of long term loans		121,542	134,078
Advances, deposits, prepayments and other receivables		2,660,986	1,849,981
Sales tax refundable - net		5,367,752	4,324,260
Cash and bank balances		978,104	789,055
		<u>31,951,029</u>	<u>27,950,007</u>
<b>Current liabilities</b>			
Current portion of long term liabilities		197,934	3,734,310
Short term borrowings - secured		6,000,000	6,417,473
Running finance under mark-up arrangements - secured		1,364,673	830,245
Customer security deposits - interest free		194,449	222,166
Unclaimed / unpaid dividend		3,142,482	72,121
Trade and other payables		27,445,961	26,563,482
Contract liabilities		369,329	562,263
Income tax payable		2,661,900	1,443,443
Interest and mark-up accrued		372,600	303,183
		<u>41,749,328</u>	<u>40,148,686</u>
<b>Net working capital</b>		<u>(9,798,299)</u>	<u>(12,198,679)</u>
<b>Total capital employed</b>		<u>21,547,452</u>	<u>20,757,679</u>
<b>Non-current liabilities</b>			
Long term finances - secured		12,000,000	12,081,975
Lease liabilities		115,692	34,682
Deferred taxation		783,741	1,332,919
Retirement benefits		3,346,418	3,117,661
		<u>16,245,851</u>	<u>16,567,237</u>
<b>Contingencies and commitments</b>	6		
<b>Net assets</b>		<u>5,301,601</u>	<u>4,190,442</u>
<b>Financed by:</b>			
<b>Share capital and reserves</b>			
Authorized capital			
75,000,000 (December 31, 2020: 75,000,000) ordinary shares of Rs. 10 each		<u>750,000</u>	750,000
Issued, subscribed and paid up capital		453,496	453,496
Share premium		249,527	249,527
General reserve		280,000	280,000
Accumulated profit		4,318,578	3,207,419
		<u>5,301,601</u>	<u>4,190,442</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



**SYED SAIFUL ISLAM**  
Chief Financial Officer



**SAMER CHEDID**  
Chief Executive Officer



**SYED YAWAR ALI**  
Chairman

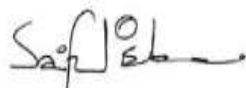
# Nestlé Pakistan Limited

## Condensed Interim Statement of Profit or Loss

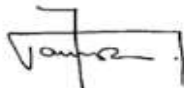
For the nine month period ended September 30, 2021 (un-audited)

	Nine month period ended		Three month period ended	
	Sep 30, 2021	Sep 30, 2020	Sep 30, 2021	Sep 30, 2020
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Revenue from contracts with customers	<b>100,358,753</b>	88,669,523	<b>34,553,907</b>	30,279,197
Cost of goods sold	<b>(70,431,714)</b>	(62,736,054)	<b>(24,220,692)</b>	(21,760,283)
<b>Gross profit</b>	<b>29,927,039</b>	25,933,469	<b>10,333,215</b>	8,518,914
Distribution and selling expenses	<b>(11,304,020)</b>	(10,642,277)	<b>(3,607,114)</b>	(3,490,249)
Administration expenses	<b>(2,933,868)</b>	(3,455,230)	<b>(941,823)</b>	(1,162,306)
<b>Operating profit</b>	<b>15,689,151</b>	11,835,962	<b>5,784,278</b>	3,866,359
Finance cost	<b>(1,421,054)</b>	(2,383,560)	<b>(421,662)</b>	(534,886)
Other expenses	<b>(1,722,727)</b>	(855,364)	<b>(761,981)</b>	(100,644)
	<b>(3,143,781)</b>	(3,238,924)	<b>(1,183,643)</b>	(635,530)
Other income	<b>257,205</b>	153,881	<b>55,316</b>	44,255
<b>Profit before taxation</b>	<b>12,802,575</b>	8,750,919	<b>4,655,951</b>	3,275,084
Taxation	<b>(3,709,891)</b>	(2,555,303)	<b>(1,346,551)</b>	(955,516)
<b>Profit after taxation</b>	<b>9,092,684</b>	6,195,616	<b>3,309,400</b>	2,319,568
Earnings per share basic and diluted (Rupees)	<b>200.50</b>	136.62	<b>72.98</b>	51.15

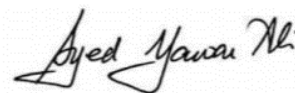
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Chief Financial Officer



**SAMER CHEDID**  
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**SYED YAWAR ALI**  
Chairman

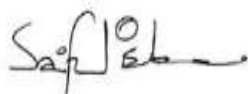
# Nestlé Pakistan Limited

## Condensed Interim Statement of Comprehensive Income

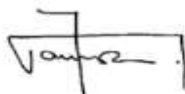
For the nine month period ended September 30, 2021 (un-audited)

	Nine month period ended		Three month period ended	
	Sep 30, 2021	Sep 30, 2020	Sep 30, 2021	Sep 30, 2020
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
<b>Profit after taxation</b>	<b>9,092,684</b>	6,195,616	<b>3,309,400</b>	2,319,568
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Items that will be reclassified subsequently to profit or loss	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>9,092,684</b>	6,195,616	<b>3,309,400</b>	2,319,568

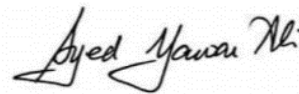
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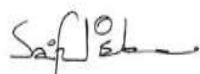
# Nestlé Pakistan Limited

## Condensed Interim Statement of Changes in Equity

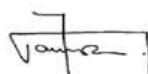
For the nine month period ended September 30, 2021 (un-audited)

	Share Capital	Capital reserves	Revenue reserves		Total
		Share premium	General reserve	Accumulated profit	
(Rupees in '000)					
<b>Balance as at January 01, 2020 (audited)</b>	<b>453,496</b>	<b>249,527</b>	<b>280,000</b>	<b>2,272,943</b>	<b>3,255,966</b>
<i>Total comprehensive income for the nine months ended September 30, 2020</i>					
Profit after taxation	-	-	-	6,195,616	6,195,616
Other comprehensive income	-	-	-	-	-
	-	-	-	6,195,616	6,195,616
<i>Transaction with owners directly recognized in equity</i>					
Final dividend for the year ended December 31, 2019 (Rs. 42 per share)	-	-	-	(1,904,683)	(1,904,683)
Interim dividend for the six month period ended June 30, 2020 (Rs. 83 per share)	-	-	-	(3,764,016)	(3,764,016)
<b>Balance as at September 30, 2020 - (un-audited)</b>	<b>453,496</b>	<b>249,527</b>	<b>280,000</b>	<b>2,799,860</b>	<b>3,782,883</b>
<i>Total comprehensive income for the three months ended December 31, 2020</i>					
Profit after taxation	-	-	-	2,688,979	2,688,979
Other comprehensive income	-	-	-	(13,939)	(13,939)
	-	-	-	2,675,041	2,675,041
<i>Transaction with owners directly recognized in equity</i>					
Interim dividend for the nine month period ended September 30, 2020 (Rs. 50 per share)	-	-	-	(2,267,480)	(2,267,480)
<b>Balance as at December 31, 2020 (audited)</b>	<b>453,496</b>	<b>249,527</b>	<b>280,000</b>	<b>3,207,420</b>	<b>4,190,443</b>
<i>Total comprehensive income for the nine month period ended September 30, 2021</i>					
Profit after taxation	-	-	-	9,092,684	9,092,684
Other comprehensive income	-	-	-	-	-
	-	-	-	9,092,684	9,092,684
<i>Transaction with owners directly recognized in equity</i>					
Final dividend for the year ended December 31, 2020 (Rs. 61 per share)	-	-	-	(2,766,324)	(2,766,324)
Interim dividend for the six month period ended June 30, 2021 (Rs. 115 per share)	-	-	-	(5,215,202)	(5,215,202)
<b>Balance as at September 30, 2021 (un-audited)</b>	<b>453,496</b>	<b>249,527</b>	<b>280,000</b>	<b>4,318,578</b>	<b>5,301,601</b>


The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



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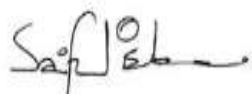
# Nestlé Pakistan Limited

## Condensed Interim Statement of Cash Flows

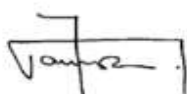
For the nine month period ended September 30, 2021 (un-audited)

		(Un-audited) Sep 30, 2021	(Un-audited) Sep 30, 2020
	Note	--- (Pak Rupees in '000) ---	
<b><u>Cash flow from operating activities</u></b>			
Cash generated from operations	7	15,415,507	17,262,960
Decrease in long term loans - net		31,673	51,623
(Decrease) / increase in customer security deposits - interest free		(27,717)	24,347
Defined benefits paid		(340,761)	(359,261)
Workers' profit participation fund paid		(646,485)	(595,787)
Income taxes paid		(3,040,612)	(1,592,787)
<b>Net cash generated from operating activities</b>		<b>11,391,605</b>	<b>14,791,095</b>
<b><u>Cash flow from investing activities</u></b>			
Fixed capital expenditure		(1,509,243)	(1,595,352)
Sale proceeds from disposal of property, plant and equipment		166,990	95,130
<b>Net cash used in investing activities</b>		<b>(1,342,253)</b>	<b>(1,500,222)</b>
<b><u>Cash flow from financing activities</u></b>			
Finance cost paid		(1,351,637)	(2,573,064)
Long term finances - net		(3,647,166)	2,852,834
Lease liabilities - net		(67,291)	(294,563)
Short term borrowings - net		(417,473)	(2,600,000)
Dividend paid		(4,911,165)	(5,668,736)
<b>Net cash (used in) / generated from financing activities</b>		<b>(10,394,732)</b>	<b>(8,283,529)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(345,380)</b>	<b>5,007,344</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>(41,190)</b>	<b>(5,822,572)</b>
<b>Cash and cash equivalents at end of the period</b>	8	<b>(386,570)</b>	<b>(815,228)</b>

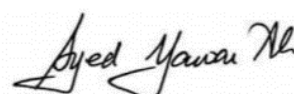
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Chief Financial Officer



**SAMER CHEDID**  
Chief Executive Officer



**SYED YAWAR ALI**  
Chairman

# Nestlé Pakistan Limited

## Notes to the Condensed Interim Financial Statements

*For the nine month period ended September 30, 2021 (un-audited)*

### 1. Legal status and nature of business

Nestlé Pakistan Limited ("the Company") is a public limited company incorporated in Pakistan - under the repealed Companies Ordinance 1984 (now Companies Act 2017) - and its shares are quoted on Pakistan Stock Exchange. The Company is a subsidiary of Société des Produits Nestlé S.A. (SPN), the Holding Company. In 2021, Nestlé S.A transferred its entire shareholding in the Company to SPN.

The Company is principally engaged in manufacturing, processing and sale of dairy, nutrition, beverages and food products including imported products. Registered office (which is also the Head Office) of the Company is situated at Babar Ali Foundation Building, 308-Upper Mall, Lahore. The Company has four manufacturing facilities located at Sheikhpura, Kabirwala, Port Qasim Karachi and Islamabad.

### 2. Basis of preparation

#### 2.1 Statement of compliance

These condensed interim financial statements comprise the condensed interim statement of financial position of the Company as at September 30, 2021 and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, the condensed interim statement of changes in equity and the condensed interim statement of cash flows together with the notes forming part thereof.

These condensed interim financial statements are un-audited and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards ("IFAS") issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act 2017; and
- Provisions of and directives issued under Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34 and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information required for annual financial statements and should be read in conjunction with the annual audited financial statements as at and for the year ended December 31, 2020. Comparative condensed interim statement of financial position is stated from annual audited financial statements as of December 31, 2020, whereas comparatives for condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and related notes are extracted from condensed interim financial statements of the Company for the nine month period ended September 30, 2020.

#### 2.2 Judgements and estimates

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions for the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgements made by the management in applying accounting policies and key sources of estimation were the same as those that were applied to and disclosed in the financial statements as at and for the year ended December 31, 2020.



**Nestlé Pakistan Limited**  
**Notes to the Condensed Interim Financial Statements**  
*For the nine month period ended September 30, 2021 (un-audited)*

**3. Significant accounting policies**

**3.1** The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended December 31, 2020, except for as mentioned in note 3.2.

**3.2** The Company adopted following new amendments to the approved accounting standards which became effective during the period, however these are not considered to be relevant or have any significant effect on the financial statements:

**New Standards, Interpretations and Amendments**

IFRS 16	Covid - 19 - related rent concessions beyond 30 June 2021
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest rate benchmark reform — Phase 2

**3.3 Standards, interpretation and amendments to published approved accounting standards that are not yet effective:**

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

<b>Standard or Interpretation</b>	<b>Effective date (annual periods beginning on or after)</b>
IFRS 3 Reference to conceptual framework — (Amendments)	January 01, 2022
IAS 16 Property, plant and equipment: Proceeds before intended use — (Amendments)	January 01, 2022
IAS 37 Onerous contracts - costs of fulfilling a contract — (Amendments)	January 01, 2022
AIP IFRS 1 First-time Adoption of International Financial Reporting Standards — Subsidiary as a first-time adopter	January 01, 2022
AIP IFRS 9 Fees in the '10 per cent' test for derecognition of financial liabilities	January 01, 2022
AIP IAS 41 Agriculture — Taxation in fair value measurements	January 01, 2022
IAS 1 Classification of liabilities as current or non-current — (Amendments)	January 01, 2023
IAS 8 Definition of accounting estimates — (Amendments)	January 01, 2023
IAS 1 and IFRS Practice Statement 2 Disclosure of accounting policies — (Amendments)	January 01, 2023
IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction — (Amendments)	January 01, 2023
IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its associate or Joint Venture — (Amendments)	January 01, 2023

**Nestlé Pakistan Limited**  
**Notes to the Condensed Interim Financial Statements**  
*For the nine month period ended September 30, 2021 (un-audited)*

The Company expects that such improvements to the standards will not have any material impact on the Company's condensed interim financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards and conceptual framework have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after January 01, 2021.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

<b>Standards</b>		<b>Effective date (annual periods beginning on or after)</b>
IFRS 1	First-time Adoption of International Financial Reporting Standard	July 01, 2009
IFRS 17	Insurance Contracts	January 01, 2023

The Company expects that above mentioned standards will not have any material impact on the Company's condensed interim financial statements in the period of initial application.

**4. Significant changes in current reporting period**

In light of ongoing COVID-19 pandemic, the Company has reviewed its exposure to business risks and has not identified any risks that could materially impact the financial performance or position of the Company as at September 30, 2021. Consequently, there is no material impact on the recognition and measurement of assets and liabilities.

	<b>(Un-audited) Sep 30, 2021</b>	<b>(Audited) Dec 31, 2020</b>
	<b>----- (Rupees in '000) -----</b>	
<b>5. Property, plant and equipment</b>		
Opening balance - net book value	<b>28,679,851</b>	30,333,121
Additions during the period / year	<b>3,741,158</b>	2,632,736
	<b>32,421,009</b>	32,965,857
Book value of property, plant and equipment disposed off during the period / year	<b>(45,601)</b>	(152,250)
Depreciation charged during the period / year	<b>(2,878,321)</b>	(4,147,235)
Impairment (charged) / reversed during the period / year	<b>(353,907)</b>	13,479
Closing balance - net book value	<b>29,143,180</b>	28,679,851

**6. Contingencies and commitments**

6.1 There has been no significant change in the status of contingencies reported in the annual audited financial statements for the year ended December 31, 2020.

**Nestlé Pakistan Limited**  
**Notes to the Condensed Interim Financial Statements**  
*For the nine month period ended September 30, 2021 (un-audited)*

	(Un-audited) Sep 30, 2021	(Audited) Dec 31, 2020
	----- (Rupees in '000) -----	
6.2 Guarantees		
Outstanding guarantees	<u>241,806</u>	<u>196,485</u>
6.3 Commitments		
6.3.1 Letters of credit		
Outstanding letters of credit	<u>919,490</u>	<u>562,147</u>
6.3.2 Commitments in respect of capital expenditure	<u>306,039</u>	<u>352,943</u>
6.3.3 The amount of future payments under Ijarah and the period in which these payments will become due are as follows:		
Not later than one year	<u>65,984</u>	<u>8,714</u>
	(Un-audited) Sep 30, 2021	(Un-audited) Sep 30, 2020
	----- (Rupees in '000) -----	
<b>7. Cash generated from operations</b>		
Profit before taxation	12,802,575	8,750,919
<i>Adjustment for non-cash items:</i>		
Depreciation on property, plant and equipment	2,878,321	3,113,563
Amortization of intangible assets	-	6,051
Increase in provision for stock in trade	27,033	264,731
Increase in provision for stores and spares	34,247	124,997
Provision for defined benefits plans	569,518	624,347
Provision for workers' profit participation fund	654,074	448,917
Provision for workers' welfare fund	278,910	227,423
Reversal of provision for doubtful debts	(1,242)	(4,000)
Gain on disposal of property, plant and equipment	(121,389)	(21,872)
Impairment on property, plant and equipment,	366,789	11,219
Exchange loss	415,135	111,722
Finance cost	<u>1,421,054</u>	<u>2,383,560</u>
Profit before working capital changes	19,325,025	16,041,577

**Nestlé Pakistan Limited**  
**Notes to the Condensed Interim Financial Statements**  
*For the nine month period ended September 30, 2021 (un-audited)*

	(Un-audited) Sep 30, 2021	(Un-audited) Sep 30, 2020
	----- (Rupees in '000) -----	
Effect on cash flow due to working capital changes <i>(Increase) / decrease in current assets:</i>		
Stores and spares	(341,238)	(306,330)
Stock in trade	(1,537,461)	1,930,585
Trade debts	(164,232)	(45,610)
Advances, deposits, prepayments and other receivables	(1,854,497)	980,803
<i>(Decrease) / increase in current liabilities:</i>		
Trade and other payables	180,845	(1,390,950)
Contract liabilities	(192,934)	52,885
	(3,909,518)	1,221,383
	<u>15,415,507</u>	<u>17,262,960</u>

**8. Cash and cash equivalents**

Cash and bank balances	978,104	996,686
Short term running finance under mark-up arrangements - secured	(1,364,673)	(1,811,914)
	<u>(386,569)</u>	<u>(815,228)</u>

**9. Transactions with related parties**

The related parties comprise of Holding Company, associated companies, other related companies, key management personnel and employees retirement benefit funds. The Company in the normal course of business carries out transactions with various related parties. Significant transactions with related parties are as follows:

	(Un-audited) Sep 30, 2021	(Un-audited) Sep 30, 2020
	----- (Rupees in '000) -----	
<b><i>Associated companies</i></b>		
General licensing fee	3,109,129	2,793,548
Dividends	6,302,223	4,454,168
Purchase of assets, goods, services and reimbursable expenses	13,089,184	13,236,863
Sale of goods	1,208,575	1,193,922
Insurance claims	16,371	10,216
Donations	1,000	-
<b><i>Other related parties</i></b>		
Contribution paid to staff retirement benefits plan	616,219	633,840
Remuneration to key management personnel	2,887,455	2,783,477

All transactions with related parties have been carried out on mutually agreed terms and conditions.

**Nestlé Pakistan Limited**  
**Notes to the Condensed Interim Financial Statements**  
*For the nine month period ended September 30, 2021 (un-audited)*

**10. Segment reporting**

Segment information is presented in respect of the Company's business. The chief decision maker allocates resources and monitors performance based on business segments.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one year.

The Company's operations comprise of the following main business segments and product categories:

**i) Dairy and nutrition products**

Milk based products and cereals

**ii) Powdered and liquid beverages**

Juices, drinking water and powdered drinks

**iii) Other products**

Confectionery and other products

**10.1 Segment analysis for the nine month period ended September 30, 2021 (un-audited)**

	<b>Dairy and nutrition products</b>	<b>Powdered and liquid beverages</b>	<b>Other products</b>	<b>Total</b>
	----- (Rupees in '000) -----			
Revenue from contracts with customers	77,180,936	23,177,817	-	100,358,753
Depreciation and amortization	(2,095,856)	(782,465)	-	(2,878,321)
Operating profit before tax and unallocated expenses	13,379,644	2,309,507	-	15,689,151
Unallocated corporate expenses:				
Finance cost				(1,421,054)
Other operating expenses				(1,722,727)
Other income				257,205
Taxation				(3,709,891)
Profit after taxation				9,092,684

# Nestlé Pakistan Limited

## Notes to the Condensed Interim Financial Statements

For the nine month period ended September 30, 2021 (un-audited)

### Segment analysis for the nine month period ended September 30, 2020 (un-audited)

	Dairy and nutrition products	Powdered and liquid beverages	Other products	Total
----- (Rupees in '000) -----				
Revenue from contracts with customers	69,843,428	18,733,836	92,259	88,669,523
Depreciation and amortization	(2,268,259)	(851,355)	-	(3,119,614)
Operating profit / (loss) before tax and unallocated expenses	11,337,620	500,195	(1,854)	11,835,962
Unallocated corporate expenses:				
Finance cost				(2,383,560)
Other operating expenses				(855,364)
Other income				153,881
Taxation				(2,555,303)
Profit after taxation				6,195,616

There is no inter segment revenue between operating segments.

### 10.2 Reportable segment assets and liabilities

#### As at September 30, 2021 (un-audited)

	Dairy and nutrition products	Powdered and liquid beverages	Other products	Total
----- (Rupees in '000) -----				
Segment assets	46,540,289	15,496,791	-	62,037,080
Unallocated assets				1,259,700
Total assets				63,296,780
Segment equity and liabilities	17,465,611	5,920,063	-	23,385,674
Unallocated equity and liabilities				39,911,106
Total equity and liabilities				63,296,780

#### As at December 31, 2020 (audited)

	Dairy and nutrition products	Powdered and liquid beverages	Other products	Total
----- (Rupees in '000) -----				
Segment assets	44,565,339	15,720,130	51,699	60,337,168
Unallocated assets				569,197
Total assets				60,906,365
Segment equity and liabilities	23,746,067	6,450,298	36,170	30,232,535
Unallocated equity and liabilities				30,673,830
Total equity and liabilities				60,906,365

**Nestlé Pakistan Limited**  
**Notes to the Condensed Interim Financial Statements**  
*For the nine month period ended September 30, 2021 (un-audited)*

(Un-audited) (Un-audited)  
Sep 30, 2021 Sep 30, 2020  
----- (Rupees in '000) -----

**10.3 Geographical segments**

Sales are made by the Company in the following countries:

Pakistan	98,655,213	87,045,298
Afghanistan	1,205,726	1,169,348
Other countries	497,814	454,877
	<u>100,358,753</u>	<u>88,669,523</u>

The Company manages and operates manufacturing facilities and sales offices in Pakistan only.

**11. Financial risk management**

The Company's financial risk management objective and policies are consistent with those disclosed in the audited financial statements of the Company for the year ended December 31, 2020.

There is no change in the nature and corresponding hierarchies of fair valuation levels of financial instruments from those as disclosed in the audited financial statements of the Company for the year ended December 31, 2020.

**12. Dividend**

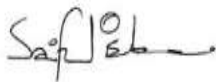
The Board of Directors in their meeting held on October 26, 2021 have proposed an interim cash dividend for the nine month period ended September 30, 2021 of Rs. 80 (September 30, 2020: Rs. 50) per share, amounting to Rs. 3,627.97 million (September 30, 2020: Rs. 2,267.50 million). These condensed interim financial statements do not reflect this dividend.

**13. General**

These condensed interim financial statements are presented in Pak Rupees which is the Company's functional and presentation currency. Figures have been rounded off to the nearest thousand of rupee.

**14. Date of authorization for issue**

These un-audited condensed interim financial statements were authorized for issue on October 26, 2021 by the Board of Directors.



**SYED SAIFUL ISLAM**  
Chief Financial Officer



**SAMER CHEDID**  
Chief Executive Officer



**SYED YAWAR ALI**  
Chairman