

Condensed interim financial information for
the nine months ended September 30, 2023



Nestlé

Good Food, Good Life

NESTLÉ PAKISTAN LIMITED

DIRECTORS' REVIEW

The Directors of Nestlé Pakistan Limited (the “Company”) are pleased to submit the interim report, along with the condensed interim financial statements of the Company for the nine-month period ended September 30, 2023.

Business Performance Review:

During the nine-month period ended September 30, 2023, sales recorded growth of 24.9% compared to the same period last year, increasing from PKR 120,978 million to PKR 151,153 million. This increase in sales can be attributed to broad-based growth across the Company’s products and demand generating activities. The Company’s operating profit also improved through the localization of raw and packaging materials, an increase in exports, a favorable product mix, and tighter control on fixed expenses.

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

	Jan – Sep 2023	Jan – Sep 2022	Change
	PKR Million	PKR Million	
Sales	151,153	120,978	24.9%
Gross Profit	49,680	37,822	31.3%
% of sales	32.9%	31.3%	
Operating Profit	29,633	21,586	37.3%
% of sales	19.6%	17.8%	
Net Profit after tax	15,791	11,386	38.7%
% of sales	10.4%	9.4%	
Earnings per share	348.21	251.07	38.7%

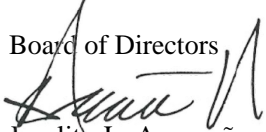
Future Outlook:

While the Pakistani rupee has shown some signs of recovery, we anticipate that external challenges such as high inflation, increased commodity prices, higher taxation, and limited foreign exchange availability for imports will continue to persist for the rest of the year. These factors may adversely impact consumption as a result of significant pressure on consumers' disposable income.

Despite these challenges, we are maintaining a cautiously optimistic view of the year ahead. The Company’s efforts will focus on accelerating our exports to remain resilient and contribute to the national economy, while continuing to delight our consumers with quality products.

For and on behalf of the

Board of Directors


Joselito Jr. Avanceña

Chief Executive Officer


Director

Dated: October 19, 2023


Nestlé Pakistan Limited
Statement of Financial Position

As at September 30, 2023

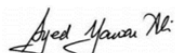
	2023	2022
Note	--- (Pak Rupees in '000) ---	
EQUITY AND LIABILITIES		
<u>Share capital and reserves</u>		
Authorized capital 75,000,000 (2022: 75,000,000) ordinary shares of PKR 10 each	750,000	750,000
Issued, subscribed and paid up capital	453,496	453,496
Share premium - capital reserve	249,527	249,527
General reserve - revenue reserve	280,000	280,000
Cash flow hedge reserve - revenue reserve	-	2,289
Accumulated profits - revenue reserve	10,780,646	4,784,934
	11,763,669	5,770,246
<u>Non-current liabilities</u>		
Long-term finances - secured	7,972,625	6,500,000
Lease liabilities	1,410,318	1,378,203
Deferred taxation	-	2,290
Retirement benefits	3,711,761	3,387,912
	13,094,704	11,268,405
<u>Current liabilities</u>		
Current portion of long-term liabilities	4,666,361	9,087,234
Short-term borrowings - secured	-	519,260
Running finance under mark-up arrangements - secured	2,758,428	3,756,401
Trade and other payables	50,072,331	43,739,673
Contract liabilities	549,177	766,154
Interest and mark-up accrued	224,119	297,289
Customer security deposits - interest free	235,777	224,225
Income tax payable	3,330,380	2,100,895
Unclaimed dividend	86,225	87,756
Unpaid dividend	12,068,427	6,034,213
	73,991,225	66,613,100
	98,849,598	83,651,751
Contingencies and commitments	5	

The annexed notes 1 to 12 form an integral part of these financial statements.


KOMAL ALTAF
Chief Financial Officer


JASON Jr. AVANCENA
Chief Executive Officer

	2023	2022
Note	--- (Pak Rupees in '000) ---	
ASSETS		
<u>Non-current assets</u>		
Property, plant and equipment	28,531,990	29,386,433
Capital work-in-progress	2,537,800	2,612,423
Intangible assets	-	-
Deferred taxation	1,290,936	-
Long-term loans	281,235	209,395
	32,641,961	32,208,251
<u>Current assets</u>		
Stores and spares	3,794,658	3,291,671
Stock-in-trade	33,895,251	27,094,551
Trade debts	2,744,282	1,989,358
Current portion of long-term loans	149,737	130,572
Sales tax refundable - net	15,009,751	11,771,112
Advances, deposits, prepayments and other receivables	9,443,314	6,623,728
Cash and bank balances	1,170,644	542,508
	66,207,637	51,443,500
	98,849,598	83,651,751


SYED YAWAR ALI
Chairman / Director

Nestlé Pakistan Limited

Condensed Interim Statement of Profit or Loss

For the nine-month period ended September 30, 2023 (un-audited)

	Nine-month period ended		Three-month period ended	
	Sep 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022
	--- (Pak Rupees in '000) ---		--- (Pak Rupees in '000) ---	
Revenue from contracts with customers - net	151,153,266	120,978,497	49,723,087	40,535,899
Cost of goods sold	(101,473,158)	(83,156,416)	(34,441,989)	(28,877,137)
Gross profit	49,680,108	37,822,081	15,281,098	11,658,762
Distribution and selling expenses	(15,458,241)	(12,223,735)	(5,565,782)	(3,999,632)
Administration expenses	(4,588,499)	(4,012,643)	(1,467,590)	(1,668,550)
Operating profit	29,633,368	21,585,703	8,247,726	5,990,580
Finance cost	(1,955,813)	(1,816,993)	(589,707)	(578,065)
Other expenses	(3,088,404)	(1,830,326)	(561,114)	(331,783)
	(5,044,217)	(3,647,319)	(1,150,821)	(909,848)
Other income	448,885	218,093	354,807	73,885
Profit before taxation	25,038,036	18,156,477	7,451,712	5,154,617
Taxation	(9,246,810)	(6,770,158)	(2,646,413)	(1,463,413)
Profit after taxation	15,791,226	11,386,319	4,805,299	3,691,204
Earnings per share basic and diluted (Rupees)	348.21	251.08	105.96	81.39

The annexed notes 1 to 12 form an integral part of these financial statements.

KOMAL ALTAF
Chief Financial Officer

JASON Jr. AVANCENA
Chief Executive Officer

SYED YAWAR ALI
Chairman / Director

Nestlé Pakistan Limited

Condensed Interim Statement of Comprehensive Income

For the nine-month period ended September 30, 2023 (un-audited)

	Nine-month period ended		Three-month period ended	
	Sep 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022
	--- (Pak Rupees in '000) ---		--- (Pak Rupees in '000) ---	
Profit after taxation	15,791,226	11,386,319	4,805,299	3,691,204
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss (net of tax)</i>				
Remeasurement gain / (loss) on cash flow hedges - effective portion	(4,628)	3,243	-	(7,090)
Related tax	2,339	(925)	-	2,028
	(2,289)	2,318	-	(5,062)
Total comprehensive income for the period	15,788,937	11,388,637	4,805,299	3,686,142

The annexed notes 1 to 12 form an integral part of these financial statements.

KOMAL ALTAF
Chief Financial Officer

JASON Jr. AVANCENA
Chief Executive Officer

SYED YAWAR ALI
Chairman / Director

Nestlé Pakistan Limited

Condensed Interim Statement of Changes in Equity

For the nine-month period ended September 30, 2023 (un-audited)

	Share Capital	Capital reserves	Revenue reserves			Total
		Share premium	General reserve	Cashflow hedge reserve	Accumulated profits	
----- (Rupees in '000) -----						
Balance as at January 01, 2022 (audited)	453,496	249,527	280,000	(2,537)	4,422,786	5,403,272
<u>Total comprehensive income for the</u>						
<u>nine months ended September 30, 2022</u>						
Profit after taxation	-	-	-	-	11,386,319	11,386,319
Other comprehensive income	-	-	-	(2,016)	-	(2,016)
	-	-	-	(2,016)	11,386,319	11,384,303
<u>Transaction with owners</u>						
<u>directly recognized in equity</u>						
Final dividend for the year ended December 31, 2021 (Rs. 90 per share)	-	-	-	-	(4,081,464)	(4,081,464)
Interim dividend for the six-month period ended June 30, 2022 (Rs. 155 per share)	-	-	-	-	(7,029,188)	(7,029,188)
Balance as at September 30, 2022 (un-audited)	453,496	249,527	280,000	(4,553)	4,698,453	5,676,923
<u>six-month period ended December 31, 2022</u>						
Profit after taxation	-	-	-	-	3,663,397	3,663,397
Other comprehensive income	-	-	-	6,842	277,800	284,642
	-	-	-	6,842	3,941,197	3,948,039
<u>Transaction with owners</u>						
<u>directly recognized in equity</u>						
Interim dividend for the nine-month period ended September 30, 2022 (Rs. 85 per share)	-	-	-	-	(3,854,716)	(3,854,716)
Balance as at December 31, 2022 (audited)	453,496	249,527	280,000	2,289	4,784,934	5,770,246
<u>Total comprehensive income for the</u>						
<u>nine-month period ended September 30, 2023</u>						
Profit after taxation	-	-	-	-	15,791,226	15,791,226
Other comprehensive income	-	-	-	(2,289)	-	(2,289)
	-	-	-	(2,289)	15,791,226	15,788,937
<u>Transaction with owners</u>						
<u>directly recognized in equity</u>						
Final dividend for the year ended December 31, 2022 (Rs. 95 per share)	-	-	-	-	(4,308,212)	(4,308,212)
Interim dividend for the six-month period ended June 30, 2023 (Rs. 121 per share)	-	-	-	-	(5,487,302)	(5,487,302)
Balance as at September 30, 2023 (un-audited)	453,496	249,527	280,000	-	10,780,646	11,763,669

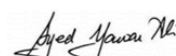
The annexed notes 1 to 12 form an integral part of these financial statements.



KOMAL ALTAF
Chief Financial Officer



JASON JR. AVANCENA
Chief Executive Officer



SYED YAWAR ALI
Chairman

Nestlé Pakistan Limited

Condensed Interim Statement of Cash Flows

For the nine-month period ended September 30, 2023 (un-audited)

	Sep 30, 2023	Sep 30, 2022
	--- (Pak Rupees in '000) ---	
<u>Cash flow from operating activities</u>		
Profit before taxation	25,038,036	18,156,477
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of property, plant and equipment	2,868,065	2,832,646
Impairment charge - net	43,876	120,628
Gain on disposal of property, plant and equipment - owned	(6,455)	(18,337)
Loss on disposal of property, plant and equipment - leased	-	20,967
Provision for Workers' Profit Participation Fund	1,279,339	929,156
Provision for Workers' Welfare Fund	548,752	426,637
Increase in provision for stores and spares	226,456	160,678
Increase in provision for stock in trade	270,721	405,516
Reversal of allowance for expected credit losses	-	(4,444)
Exchange loss unrealized	197,176	186,870
Provision for defined benefits plans	482,778	756,901
Finance cost	1,955,813	1,816,993
Profit before working capital changes	<u>32,904,557</u>	<u>25,790,688</u>
<i>Effect on cash flow due to working capital changes:</i>		
<i>(Increase) in current assets:</i>		
Stores and spares	(729,443)	(369,264)
Stock-in-trade	(7,071,421)	(6,173,575)
Trade debts	(754,924)	(962,536)
Advances, deposits, prepayments and other receivables	(6,058,225)	(2,990,825)
<i>Increase / (decrease) in current liabilities:</i>		
Trade and other payables	6,018,630	9,739,291
Contract liabilities	(216,977)	(173,214)
	<u>(8,812,360)</u>	<u>(930,123)</u>
Cash generated from operations	<u>24,092,197</u>	<u>24,860,565</u>
Increase in long term loans - net	(91,005)	(53,422)
Increase in customer security deposits - interest free	11,552	26,258
Contributions by the Company - net	(158,929)	(354,687)
Workers' Profit Participation Fund paid	(1,162,320)	(965,415)
Workers' Welfare Fund paid	(553,547)	(367,824)
Finance cost paid	(1,885,286)	(2,057,634)
Income taxes paid	(9,308,212)	(5,348,307)
Net cash generated from operating activities	<u>10,944,450</u>	<u>15,739,534</u>

Nestlé Pakistan Limited


Condensed Interim Statement of Cash Flows (continued)


For the nine-month period ended September 30, 2023 (un-audited)

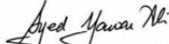
	Sep 30, 2023	- Sep 30, 2022
<i>Note</i>	--- (Pak Rupees in '000) ---	
<u>Cash flow from investing activities</u>		
Purchase of property, plant and equipment	(1,769,269)	(2,918,574)
Sale proceeds from disposal of property, plant and equipment	28,284	24,556
Net cash used in investing activities	(1,740,984)	(2,894,018)
<u>Cash flow from financing activities</u>		
Long-term loans obtained	1,472,625	6,500,000
Long-term loans repaid	(4,500,000)	(3,081,975)
Short-term borrowings obtained	519,260	1,038,520
Short-term borrowings repaid	(1,038,520)	(4,019,260)
Short term borrowings - net (less than 90 days)	-	(2,500,000)
Lease rentals paid	(267,891)	1,095,164
Dividends paid	(3,762,831)	(9,218,230)
Net cash used in financing activities	(7,577,356)	(10,185,782)
Net increase in cash and cash equivalents	1,626,109	2,659,734
Cash and cash equivalents at beginning of the period	(3,213,893)	(3,482,609)
Cash and cash equivalents at end of the period	(1,587,784)	(822,875)

6

The annexed notes 1 to 12 form an integral part of these financial statements.


KOMAL ALTAF
 Chief Financial Officer


JASON Jr. AVANCENA
 Chief Executive Officer


SYED YAWAR ALI
 Chairman / Director

Nestlé Pakistan Limited

Notes to the Condensed Interim Financial Statements

For the nine-month period ended September 30, 2023 (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, which in turn is a wholly owned subsidiary of Nestlé S.A., the Ultimate Parent Company, incorporated in Switzerland.

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 Packages Mall, Shahrah-e-Roomi, PO Amer Sidhu, Lahore, previously it was situated at Babar Ali Foundation Building, 308 Upper Mall, Lahore.

The geographical locations and addresses of the Company's manufacturing facilities are as under:

Manufacturing Facilities	Address
Sheikhupura factory	29-km Lahore – Sheikhupura Road, Sheikhupura, Pakistan
Kabirwala factory	10-km, Khanewal Road, Kabirwala, District Khanewal, Pakistan
Port Qasim factory	Plot No. A23, North Western Industrial Area, Port Qasim Karachi, Pakistan
Islamabad factory	Plot No. 32 Street No 3 Sector I-10/3 Industrial Area Islamabad, Pakistan.

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 Sep 30, 2023 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.

- 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, 2022. Comparative condensed interim statement of financial position is stated from annual audited financial statements as of December 31, 2022, 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 Sep 30, 2022.

2.2 Judgements and estimates

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. 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, 2022.

Nestlé Pakistan Limited
Notes to the Condensed Interim Financial Statements
For the nine-month period ended September 30, 2023 (un-audited)

3. Summary of 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, 2022, except 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

IAS 8	Definition of Accounting Estimates (Amendments)
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies - (Amendments)
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction - (Amendments)

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. Property, plant and equipment

	(Un-audited) Sep 30, 2023	(Audited) Dec 31, 2022
	----- (Rupees in '000) -----	
Opening balance - net book value	29,386,433	29,274,553
Additions during the period / year		
Land and building(on freehold land)	141,579	286,909
Plant and machinery	1,349,683	2,071,460
Furniture and fixtures	50,509	86,805
Vehicles	6,918	6,542
IT equipment	306,106	341,604
Right-of-use assets	224,164	1,356,641
	<u>2,078,959</u>	<u>4,149,961</u>
	<u>31,465,392</u>	<u>33,424,514</u>
Book value of property, plant and equipment disposed off during the period / year	(21,829)	(238,694)
Depreciation charged during the period / year	(2,868,065)	(3,841,930)
Impairment (charged)/ reversed during the period / year	(43,508)	42,543
Closing balance - Net book value	<u>28,531,990</u>	<u>29,386,433</u>

5. Contingencies and commitments

5.1 There has been no significant change in the status of the contingencies reported in the annual audited financial statements for the year ended December 31, 2022.

	(Un-audited) Sep 30, 2023	(Audited) Dec 31, 2022
	----- (Rupees in '000) -----	
5.2 Guarantees		
Outstanding guarantees	<u>720,895</u>	<u>749,844</u>
5.3 Commitments		
5.3.1 Letters of credit		
Outstanding letters of credit	<u>10,738,203</u>	<u>6,468,633</u>
5.3.2 Commitments in respect of capital expenditure	<u>458,618</u>	<u>606,943</u>

Nestlé Pakistan Limited
Notes to the Condensed Interim Financial Statements
For the nine-month period ended September 30, 2023 (un-audited)

	(Un-audited) Sep 30, 2023	(Audited) Dec 31, 2022
5.3.3 Commitments in respect of forward foreign currency contracts:	----- (Rupees in '000) -----	
- USD	-	181,170
- EUR	-	-
- CNY	-	54,965
	<u>-</u>	<u>236,135</u>

6. Cash and cash equivalents

Cash and bank balances	1,170,644	542,508
Short term running finance under mark-up arrangements - secured	<u>(2,758,428)</u>	<u>(3,756,401)</u>
	<u>(1,587,784)</u>	<u>(3,213,893)</u>

7. 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, 2023	(Un-audited) Sep 30, 2022
	----- (Rupees in '000) -----	
<i>Associated companies</i>		
License fee	4,938,969	3,964,081
Dividends	7,984,325	9,056,294
Long term loan including interest	7.1 1,545,834	-
Purchase of goods, services, assets and rent expense	19,591,435	14,875,699
Sale of goods	472,472	125,279
Insurance premium	270,444	240,939
Insurance claims	30,428	34,669
Donations	2,000	1,000
<i>Other related parties</i>		
Contribution paid to staff retirement benefits plan	1,209,423	648,220
Remuneration to key management personnel	5,366,615	3,972,619

7.1 This loan has been obtained from Nestle Treasury Centre Middle East and Africa Ltd., under Foreign Currency Trade Financing from Abroad (FTFA) - Import Loans, to meet capital expenditure requirement of the company. The term of loan is 3 years with the principal repayment to take place in a single lump sum instalment in March 2026. Mark-up is payable quarterly at USD Term SOFR 3 months rate + 350 bps.

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, 2023 (un-audited)

8. 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

8.1 Segment analysis for the nine-month period ended September 30, 2023 (un-audited)

	Dairy and nutrition products	Powdered and liquid beverages	Other products	Total
	----- (Rupees in '000) -----			
Revenue from contracts with customers	117,529,353	33,520,324	103,589	151,153,266
Depreciation and amortization	1,955,811	912,254	-	2,868,065
Operating profit / (loss) before tax and unallocated expenses	25,363,056	4,252,783	17,529	29,633,368
Unallocated corporate expenses:				
Finance cost				(1,955,813)
Other operating expenses				(3,088,404)
Other income				448,885
Taxation				(9,246,810)
Profit after taxation				15,791,226

Nestlé Pakistan Limited
Notes to the Condensed Interim Financial Statements
For the nine-month period ended September 30, 2023 (un-audited)

Segment analysis for the nine-month period ended September 30, 2022 (un-audited)

	Dairy and nutrition products	Powdered and liquid beverages	Other products	Total
----- (Rupees in '000) -----				
Revenue from contracts with customers	92,058,128	28,899,097	21,272	120,978,497
Depreciation and amortization	2,030,006	802,640	-	2,832,646
Operating profit / (loss) before tax and unallocated expenses	18,169,083	3,414,772	1,848	21,585,703
Unallocated corporate expenses:				
Finance cost				(1,816,993)
Other operating expenses				(1,830,326)
Other income				218,093
Taxation				(6,770,158)
Profit after taxation				11,386,319

There is no inter segment revenue between operating segments.

8.2 Reportable segment assets and liabilities

As at September 30, 2023

	Dairy and nutrition products	Powdered and liquid beverages	Other products	Total
----- (Rupees in '000) -----				
Segment assets	73,539,402	23,467,866	240,714	97,247,982
Unallocated assets				1,601,616
Total assets				98,849,598
Segment liabilities	36,423,504	11,553,749	96,753	48,074,006
Unallocated liabilities				50,775,593
Total liabilities				98,849,598

As at December 31, 2022 (audited)

	Dairy and nutrition products	Powdered and liquid beverages	Other products	Total
----- (Rupees in '000) -----				
Segment assets	61,906,942	20,789,138	72,106	82,768,186
Unallocated assets				883,565
Total assets				83,651,751
Segment liabilities	29,521,173	9,428,143	35,781	38,985,096
Unallocated liabilities				44,666,654
Total liabilities				83,651,751

Nestlé Pakistan Limited
Notes to the Condensed Interim Financial Statements
For the nine-month period ended September 30, 2023 (un-audited)

(Un-audited) (Un-audited)
Sep 30, 2023 Sep 30, 2022

----- (Rupees in '000) -----

8.3 Geographical segments

Sales are made by the Company in the following countries:

Pakistan	147,602,346	118,979,181
Afghanistan	1,450,386	1,052,473
United States of America	886,155	456,395
Other countries	1,214,380	490,448
	<u>151,153,266</u>	<u>120,978,497</u>

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

9. 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, 2022.

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, 2022.

10. Dividend

The Board of Directors in their meeting held on October 19, 2023 have proposed an interim cash dividend for the nine month period ended September 30, 2023 of Rs. 53 (September 30, 2022: Rs. 85) per share, amounting to Rs. 2,403.52 million (September 30, 2022: Rs. 3854.716 million). These condensed interim financial statements do not reflect this dividend.

11. 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.

12. Date of authorization for issue

These un-audited condensed interim financial statements were authorized for issue on October 19, 2023 by the Board of Directors.

KOMAL ALTAF

Chief Financial Officer

JASON Jr. AVANCENA

Chief Executive Officer

SYED YAWAR ALI

Chairman