

Condensed interim financial information for  
the six months ended June 30, 2024



**Nestlé**

Good Food, Good Life



Good food, Good life

## NESTLÉ PAKISTAN LIMITED DIRECTORS' REVIEW

The Directors of Nestlé Pakistan Limited (the "Company") are pleased to submit the half-year report, along with the condensed interim financial statements of the Company for the six-month period ended June 30, 2024.

### Business Performance Review:

Sales for the six-month period ended June 30, 2024, stand at PKR 107.7 billion, reflecting a growth of 6.2% compared to the same period of last year. The increase in revenue was driven by broad-based growth across our brands and further complemented by demand-generating activities and a favorable portfolio mix. Due to headwinds in commodity and energy prices, gross profit as a percentage of sales has declined while an increased investment behind brands has further impacted operating profit.

The financial performance for the six-months period is summarized below:


	Jan – Jun 2024 PKR Million	Jan – Jun 2023 PKR Million	Change
Sales	107,684	101,430	6.17%
Gross Profit	39,759	38,179	4.14%
% of sales	36.92%	37.64%	
Operating Profit	19,264	21,386	-9.92%
% of sales	17.89%	21.08%	
Net Profit after tax	10,070	10,985	-8.34%
% of sales	9.35%	10.83%	
Earnings per share	222.05	242.25	-8.34%

### Future Outlook:

As part of the recent Finance Bill, several taxes have been announced that impact our operations. We are currently evaluating the impact on our business performance and future growth. Additionally, we anticipate that high commodity and input costs will persist for the remainder of the year. In light of these factors, the Company maintains a cautious outlook and will take necessary measures to manage this challenging environment.

For and on behalf of the  
Board of Directors

  
José Antonio Jr. Avanceña  
Chief Executive Officer

  
Syed Yawar Ali  
Director

Lahore

Dated: July 25, 2024

INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF NESTLE PAKISTAN LIMITED  
REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of Nestle Pakistan Limited as at 30 June 2024 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other Matters

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three-month period ended 30 June 2024 and 30 June 2023 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended 30 June 2024.

The engagement partner on the audit resulting in this independent auditor's report is Arslan Khalid.



EY Ford Rhodes  
Chartered Accountants  
Lahore: 08 August 2024  
UDIN: RR2024101914roeDn2c8

# Nestlé Pakistan Limited

## Condensed Interim Statement of Financial Position

As at June 30, 2024


	(Un-audited) Jun 30, 2024	(Audited) Dec 31, 2023		(Un-audited) Jun 30, 2024	(Audited) Dec 31, 2023
	--- (Pak Rupees in '000) ---			--- (Pak Rupees in '000) ---	
<b>EQUITY AND LIABILITIES</b>			<b>ASSETS</b>		
<u>Share capital and reserves</u>			<u>Non-current assets</u>		
Authorized capital 75,000,000 (2023: 75,000,000) ordinary shares of PKR 10 each	<b>750,000</b>	750,000	Property, plant and equipment	<b>28,942,420</b>	28,697,131
Issued, subscribed and paid up capital	<b>453,496</b>	453,496	Capital work-in-progress	<b>2,304,035</b>	3,091,540
Share premium - capital reserve	<b>249,527</b>	249,527	Deferred taxation	<b>3,110,970</b>	2,000,463
General reserve - revenue reserve	<b>280,000</b>	280,000	Long-term loans	<b>245,860</b>	270,633
Cash flow hedge reserve - revenue reserve	-	-		<b>34,603,285</b>	34,059,767
Accumulated profits - revenue reserve	<b>18,813,158</b>	9,605,034			
	<b>19,796,181</b>	10,588,057			
<u>Non-current liabilities</u>			<u>Current assets</u>		
Long-term finances - secured	<b>4,419,330</b>	7,922,288	Stores and spares	<b>4,342,859</b>	4,011,709
Lease liabilities	<b>1,495,951</b>	1,602,346	Stock-in-trade	<b>35,085,499</b>	33,438,484
Deferred taxation	-	-	Trade debts	<b>6,744,920</b>	2,232,611
Retirement benefits	<b>3,352,370</b>	3,108,871	Current portion of long-term loans	<b>132,388</b>	149,709
	<b>9,267,651</b>	12,633,505	Sales tax refundable	<b>15,030,394</b>	17,168,509
			Advances, deposits, prepayments and other receivables	<b>5,510,151</b>	5,729,408
			Cash and bank balances	<b>1,885,883</b>	1,099,714
				<b>68,732,094</b>	63,830,144
<u>Current liabilities</u>					
Current portion of long-term liabilities	<b>3,672,368</b>	124,596			
Short-term borrowings - secured	<b>9,900,000</b>	5,500,000			
Running finance under mark-up arrangements - secured	<b>1,736,129</b>	3,038,001			
Trade and other payables	<b>56,100,990</b>	56,858,675			
Contract liabilities	<b>495,254</b>	708,464			
Interest and mark-up accrued	<b>716,798</b>	469,982			
Customer security deposits	<b>273,431</b>	241,973			
Income tax payable	<b>1,286,496</b>	121,746			
Unclaimed dividend	<b>90,081</b>	90,081			
Unpaid dividend	-	7,514,831			
	<b>74,271,547</b>	74,668,349			
	<b>103,335,379</b>	97,889,911		<b>103,335,379</b>	97,889,911
<b>Contingencies and commitments</b>					

The annexed notes 1 to 13 form an integral part of these financial statements.

ETM

  
KOMAL ALTAF  
Chief Financial Officer

  
JOSELITO JR AVANCENA  
Chief Executive Officer

  
SYED YAWAR ALI  
Chairman / Director

# Nestlé Pakistan Limited


## Condensed Interim Statement of Profit or Loss

For the six month period ended June 30, 2024 (un-audited)


	Six-month period ended		Three-month period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	--- (Pak Rupees in '000) ---		--- (Pak Rupees in '000) ---	
Revenue from contracts with customers - net	107,684,120	101,430,179	53,289,217	51,838,551
Cost of goods sold	(67,925,226)	(63,251,621)	(33,269,004)	(34,030,910)
<b>Gross profit</b>	<b>39,758,894</b>	<b>38,178,558</b>	<b>20,020,213</b>	<b>17,807,641</b>
Distribution and selling expenses	(17,535,258)	(13,672,007)	(9,030,423)	(5,681,974)
Administration expenses	(2,959,412)	(3,120,909)	(1,444,761)	(1,611,978)
<b>Operating profit</b>	<b>19,264,224</b>	<b>21,385,642</b>	<b>9,545,029</b>	<b>10,513,689</b>
Finance cost	(1,570,724)	(1,366,106)	(808,352)	(752,823)
Other expenses	(1,395,928)	(2,527,290)	(642,898)	(477,191)
	(2,966,652)	(3,893,396)	(1,451,250)	(1,230,014)
Other income	306,942	94,078	34,526	6,429
<b>Profit before taxation</b>	<b>16,604,514</b>	<b>17,586,324</b>	<b>8,128,305</b>	<b>9,290,104</b>
Taxation	(6,534,748)	(6,600,397)	(3,126,032)	(3,966,066)
<b>Profit after taxation</b>	<b>10,069,766</b>	<b>10,985,927</b>	<b>5,002,273</b>	<b>5,324,038</b>
Earnings per share basic and diluted (Rupees)	<b>222.05</b>	<b>242.25</b>	<b>110.30</b>	<b>117.40</b>

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Chief Financial Officer

  
**JOSELITO JR AVANCENA**  
Chief Executive Officer

  
**SYED YAWAR ALI**  
Chairman / Director

# Nestlé Pakistan Limited

## Condensed Interim Statement of Comprehensive Income

For the six month period ended June 30, 2024 (un-audited)

	Six-month period ended		Three-month period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	--- (Pak Rupees in '000) ---		--- (Pak Rupees in '000) ---	
<b>Profit after taxation</b>	<b>10,069,766</b>	10,985,927	<b>5,002,273</b>	5,324,038
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss (net of tax)</i>				
Remeasurement loss on cash flow hedges - effective portion	-	(4,628)	-	-
Related tax	-	2,339	-	-
	-	(2,289)	-	-
<i>Items that will not be reclassified subsequently to profit or loss (net of tax)</i>	-	-	-	-
Other comprehensive loss for the period	-	(2,289)	-	-
<b>Total comprehensive income for the period</b>	<b>10,069,766</b>	10,983,638	<b>5,002,273</b>	5,324,038

The annexed notes 1 to 13 form an integral part of these financial statements.

ETM

  
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Chief Financial Officer

  
**JOSELITO JR AVANCENA**  
Chief Executive Officer

  
**SYED YAWAR ALI**  
Chairman / Director

# Nestlé Pakistan Limited

## Condensed Interim Statement of Changes in Equity

For the six month period ended June 30, 2024 (un-audited)


	Share Capital	Capital reserves	Revenue reserves			Total
		Share premium	General reserve	Cashflow hedge reserve	Accumulated profits	
----- (Rupees in '000) -----						
<b>Balance as at January 01, 2023 (audited)</b>	<b>453,496</b>	<b>249,527</b>	<b>280,000</b>	<b>2,289</b>	<b>4,784,934</b>	<b>5,770,246</b>
<i>Total comprehensive income for the six months ended June 30, 2023</i>						
Profit after taxation	-	-	-	-	10,985,927	10,985,927
Other comprehensive income	-	-	-	(2,289)	-	(2,289)
	-	-	-	(2,289)	10,985,927	10,983,638
Final dividend for the year ended December 31, 2022 (Rs. 95 per share)	-	-	-	-	(4,308,212)	(4,308,212)
<b>Balance as at June 30, 2023 (un-audited)</b>	<b>453,496</b>	<b>249,527</b>	<b>280,000</b>	<b>-</b>	<b>11,462,649</b>	<b>12,445,672</b>
<i>Total comprehensive income for the six months ended December 31, 2023</i>						
Profit after taxation	-	-	-	-	5,506,872	5,506,872
Other comprehensive income	-	-	-	-	526,344	526,344
	-	-	-	-	6,033,216	6,033,216
<i>Transaction with owners directly recognized in equity</i>						
Interim dividend for the six-month period ended June 30, 2023 (Rs. 121 per share)	-	-	-	-	(5,487,302)	(5,487,302)
Interim dividend for the nine-month period ended September 30, 2023 (Rs. 53 per share)	-	-	-	-	(2,403,529)	(2,403,529)
<b>Balance as at December 31, 2023 (audited)</b>	<b>453,496</b>	<b>249,527</b>	<b>280,000</b>	<b>-</b>	<b>9,605,034</b>	<b>10,588,057</b>
<i>Total comprehensive income for the six months ended June 30, 2024</i>						
Profit after taxation	-	-	-	-	10,069,766	10,069,766
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	10,069,766	10,069,766
<i>Transaction with owners directly recognized in equity</i>						
Final dividend for the year ended December 31, 2023 (Rs. 19 per share)	-	-	-	-	(861,642)	(861,642)
<b>Balance as at June 30, 2024 (un-audited)</b>	<b>453,496</b>	<b>249,527</b>	<b>280,000</b>	<b>-</b>	<b>18,813,158</b>	<b>19,796,181</b>

The annexed notes 1 to 13 form an integral part of these financial statements.

ETM

  
**KOMAL ALTAF**  
Chief Financial Officer

  
**JOSELITO JR AVANCENA**  
Chief Executive Officer

  
**SYED YAWAR ALI**  
Chairman / Director

# Nestlé Pakistan Limited

## Condensed Interim Statement of Cash Flows

For the six month period ended June 30, 2024 (un-audited)

	June 30, 2024	June 30, 2023
	--- (Pak Rupees in '000) ---	
<b><u>Cash flow from operating activities</u></b>		
Profit before taxation	16,604,514	17,586,324
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of property, plant and equipment	1,958,289	1,911,593
Gain on disposal of property, plant and equipment - owned	(24,019)	(7,165)
Provision for Workers' Profit Participation Fund	850,136	898,043
Provision for Workers' Welfare Fund	398,174	381,764
Increase in provision for stores and spares	143,258	109,558
(Decrease) / increase in provision for stock in trade	(176,267)	230,985
Exchange (gain) / loss unrealized	(111,238)	936,362
Provision for defined benefits plans	540,243	482,778
Finance cost	1,570,724	1,366,106
Profit before working capital changes	<u>21,753,814</u>	<u>23,896,348</u>
<i>Effect on cash flow due to working capital changes:</i>		
<i>(Increase) / decrease in current assets:</i>		
Stores and spares	(474,408)	(285,364)
Stock-in-trade	(1,470,748)	(8,691,823)
Trade debts	(4,512,309)	(712,944)
Sales tax refundable	2,138,115	(1,050,624)
Advances, deposits, prepayments and other receivables	219,257	(2,790,051)
<i>Increase / (decrease) in current liabilities:</i>		
Trade and other payables	(477,153)	3,718,818
Contract liabilities	(213,210)	(33,971)
Cash generated from operations	<u>16,963,358</u>	<u>14,050,389</u>
Decrease / (increase) in long term loans - net	42,094	(78,030)
Increase in customer security deposits	31,458	6,906
Contributions by the Company - net	(296,744)	(260,001)
Workers' Profit Participation Fund paid	(1,420,562)	(1,156,357)
Workers' Welfare Fund paid	-	(5,987)
Finance cost paid	(1,212,449)	(1,112,632)
Income taxes paid	(6,480,505)	(5,081,071)
<b>Net cash generated from operating activities</b>	<u><u>7,626,650</u></u>	<u><u>6,363,217</u></u>



# Nestlé Pakistan Limited

## Condensed Interim Statement of Cash Flows (continued)

For the six month period ended June 30, 2024 (un-audited)

June 30, 2024      June 30, 2023  
--- (Pak Rupees in '000) ---

### Cash flow from investing activities

Purchase of property, plant and equipment	(1,511,654)	(725,192)
Sale proceeds from disposal of property, plant and equipment	38,553	28,339
<b>Net cash used in investing activities</b>	<b>(1,473,101)</b>	<b>(696,853)</b>

### Cash flow from financing activities


Long-term loans obtained	-	1,461,405
Short-term borrowings obtained	12,400,000	-
Short-term borrowings repaid	(8,000,000)	-
Lease rentals paid	(89,035)	(136,064)
Dividends paid	(8,376,473)	(1,656,241)
<b>Net cash used in financing activities</b>	<b>(4,065,508)</b>	<b>(330,900)</b>


<b>Net increase in cash and cash equivalents</b>	<b>2,088,041</b>	<b>5,335,464</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>(1,938,287)</b>	<b>(3,213,893)</b>
<b>Cash and cash equivalents at end of the period</b>	<b>149,754</b>	<b>2,121,571</b>

The annexed notes 1 to 13 form an integral part of these financial statements.

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**KOMAL ALTAF**  
Chief Financial Officer

  
**JOSELITO JR AVANCENA**  
Chief Executive Officer

  
**SYED YAWAR ALI**  
Chairman / Director

# Nestlé Pakistan Limited

## Notes to the Condensed Interim Financial Statements

For the six month period ended June 30, 2024 (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, Shahr-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 Mar 31, 2024 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, 2023. Comparative condensed interim statement of financial position is stated from annual audited financial statements as of December 31, 2023, 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 three-month period ended Mar 31, 2023.

#### 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, 2023.

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**Nestlé Pakistan Limited**  
**Notes to the Condensed Interim Financial Statements**  
For the six month period ended June 30, 2024 (un-audited)

**3. Summary of material 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, 2023, 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 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments
IFRS 16	Lease Liability in a Sale and Leaseback – Amendments
IAS 7 and IFRS 7	Disclosures: Supplier Finance Arrangements - 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) Jun 30, 2024	(Audited) Dec 31, 2023
	----- (Rupees in '000) -----	
Opening balance - net book value	28,697,131	29,386,433
Additions during the period / year		
Land and building(on freehold land)	178,426	211,732
Plant and machinery	1,896,591	2,016,792
Furniture and fixtures	4,545	56,565
Vehicles	-	6,918
IT equipment	138,550	581,166
Right-of-use assets	-	427,379
	<u>2,218,112</u>	<u>3,300,552</u>
	<u>30,915,243</u>	<u>32,686,985</u>
Book value of property, plant and equipment disposed off during the period / year	(14,534)	(51,641)
Depreciation charged during the period / year	(1,958,289)	(3,894,705)
Impairment (charged) / reversed during the period / year	-	(43,508)
Closing balance - Net book value	<u>28,942,420</u>	<u>28,697,131</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, 2023.

	(Un-audited) Jun 30, 2024	(Audited) Dec 31, 2023
	----- (Rupees in '000) -----	
<b>5.2 Guarantees</b>		
Outstanding guarantees	<u>630,832</u>	<u>720,895</u>
<b>5.3 Commitments</b>		
<b>5.3.1 Letters of credit</b>		
Outstanding letters of credit	<u>6,015,678</u>	<u>9,890,632</u>
<b>5.3.2 Commitments in respect of capital expenditure</b>	<u>605,034</u>	<u>325,031</u>

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**Nestlé Pakistan Limited**  
**Notes to the Condensed Interim Financial Statements**  
For the six month period ended June 30, 2024 (un-audited)

	(Un-audited) Jun 30, 2024	(Audited) Dec 31, 2023
	----- (Rupees in '000) -----	
<b>6. Cash and cash equivalents</b>		
Cash and bank balances	1,885,883	1,099,714
Short term running finance under mark-up arrangements - secured	(1,736,129)	(3,038,001)
	149,754	(1,938,287)

**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) Jun 30, 2024	(Un-audited) Jun 30, 2023
	----- (Rupees in '000) -----	
<b>Associated companies</b>		
License fee	3,979,218	3,274,932
Dividends	702,325	3,511,624
Long term loan including interest	96,294	1,497,459
Purchase of goods, services, assets and rent expense	9,094,163	13,928,361
Sale of goods	220,800	278,016
Insurance premium	325,993	270,444
Insurance claims	19,523	28,565
<b>Other related parties</b>		
Contribution paid to staff retirement benefits plan	849,950	785,183
Remuneration to key management personnel	4,367,711	3,513,812

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

**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
- ii) Powdered and liquid beverages**  
Juices, drinking water and powdered drinks
- iii) Other products**  
Confectionery, cereals and other products

**Nestlé Pakistan Limited**  
**Notes to the Condensed Interim Financial Statements**  
For the six month period ended June 30, 2024 (un-audited)

**8.1 Segment analysis for the six-month period ended June 30, 2024 (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	84,112,553	23,156,272	415,295	107,684,120
Depreciation and amortization	1,361,575	579,529	17,185	1,958,289
Operating profit before tax and unallocated expenses	17,291,300	1,903,510	69,414	19,264,224
Unallocated corporate expenses:				
Finance cost				(1,570,724)
Other operating expenses				(1,395,928)
Other income				306,942
Taxation				(6,534,748)
Profit after taxation				<u>10,069,766</u>

**Segment analysis for the six-month period ended June 30, 2023 (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	78,398,766	22,493,543	537,870	101,430,179
Depreciation and amortization	1,303,567	608,026	-	1,911,593
Operating profit before tax and unallocated expenses	18,196,815	3,069,124	119,703	21,385,642
Unallocated corporate expenses:				
Finance cost				(1,366,106)
Other operating expenses				(2,527,290)
Other income				94,078
Taxation				(6,600,397)
Profit after taxation				<u>10,985,927</u>

There is no inter segment revenue between operating segments.

**8.2 Reportable segment assets and liabilities**

**As at June 30, 2024**

	<b>Dairy and nutrition products</b>	<b>Powdered and liquid beverages</b>	<b>Other products</b>	<b>Total</b>
----- (Rupees in '000) -----				
Segment assets	77,835,815	22,933,351	302,082	101,071,248
Unallocated assets				2,264,131
Total assets				<u>103,335,379</u>
Segment liabilities	29,883,927	7,970,218	159,244	38,013,389
Unallocated liabilities				65,321,990
Total liabilities				<u>103,335,379</u>

**Nestlé Pakistan Limited**  
**Notes to the Condensed Interim Financial Statements**  
For the six month period ended June 30, 2024 (un-audited)

As at December 31, 2023 (audited)

	Dairy and nutrition products	Powdered and liquid beverages	Other products	Total
----- (Rupees in '000) -----				
Segment assets	73,006,322	23,014,611	348,922	96,369,855
Unallocated assets				1,520,056
Total assets				<u>97,889,911</u>
Segment liabilities	38,126,515	11,608,001	218,020	49,952,536
Unallocated liabilities				47,937,375
Total liabilities				<u>97,889,911</u>
			(Un-audited) June 30, 2024	(Un-audited) Jun 30, 2023
			----- (Rupees in '000) -----	

**8.3 Geographical segments**

Sales are made by the Company in the following countries:

Pakistan	105,185,351	99,083,310
Afghanistan	1,215,500	1,013,062
United States of America	568,049	607,354
Other countries	715,220	726,453
	<u>107,684,120</u>	<u>101,430,179</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, 2023.

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, 2023.

**10. Corresponding figures**

Corresponding figures have been rearranged or classified whenever necessary for the purpose of comparison and better presentation. However, no significant reclassification have been made during the period except as given below:

Description	From	To	2023
General licensing fee (including related taxes)	Cost of goods sold	Distribution and selling expenses	3,779,548

**11. Date of authorization for issue**

These un-audited condensed interim financial statements were authorized for issue on July 25, 2024 by the Board of Directors.

**12. Dividend**

The Board of Directors in their meeting held on July 25, 2024 have proposed an interim cash dividend for the six month period ended June 30, 2024 of Rs. 111 (June 30, 2023: Rs.121) per share, amounting to Rs. 5,033. 81 million (June 30, 2023: Rs. 5,487.30 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.

  
**KOMAL ALTAF**  
Chief Financial Officer

  
**JOSELITO JR AVANCENA**  
Chief Executive Officer

  
**SYED YAWAR ALI**  
Chairman