

Condensed interim financial information for
the three months ended March 31, 2025



Nestlé

Good Food, Good Life

Nestlé Pakistan Limited
Statement of Financial Position

As at March 31, 2025

	2025	2024
Note	--- (Pak Rupees in '000) ---	
EQUITY AND LIABILITIES		
<u>Share capital and reserves</u>		
Authorized capital		
75,000,000 (2024: 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
Accumulated profits - revenue reserve	22,598,891	17,600,015
	23,581,914	18,583,038
<u>Non-current liabilities</u>		
Long-term finances - secured	-	1,420,350
Lease liabilities	1,550,581	1,434,907
Long-term employee benefits	5,134,941	5,030,182
	6,685,522	7,885,439
<u>Current liabilities</u>		
Current portion of long-term liabilities	1,429,403	3,129,449
Short-term borrowings - secured	2,000,000	200,000
Running finance under mark-up arrangements - secured	6,943	660,550
Trade and other payables	53,007,530	51,542,606
Contract liabilities	594,794	1,019,490
Interest and mark-up accrued	81,929	183,410
Customer security deposits	352,836	334,804
Income tax payable	2,524,592	-
Unclaimed dividend	90,081	90,081
	60,088,108	57,160,390
	90,355,544	83,628,867
Contingencies and commitments	5.	

The annexed notes 1 to 11 form an integral part of these financial statements.

MAQSOOD AHMAD ANJUM
Chief Financial Officer

JOSELITO JR AVANCENA
Chief Executive Officer

SYED YAWAR ALI
Chairman / Director

ASSETS

Non-current assets

Property, plant and equipment	4.	29,152,622	29,407,234
Capital work-in-progress		2,955,250	2,754,932
Intangible assets		58,588	15,775
Deferred taxation		4,058,132	3,370,938
Long-term loans		368,809	256,939
		36,593,401	35,805,818

Current assets

Current portion of long-term loans		141,443	143,475
Stores and spares		4,652,481	4,446,312
Stock-in-trade		31,762,456	26,549,290
Trade debts		2,741,750	2,121,563
Tax refunds due from Government		6,421,005	9,041,779
Advances, deposits, prepayments and other receivables		4,102,049	3,198,229
Cash and bank balances	6.	3,940,959	2,322,401
		53,762,143	47,823,049
		90,355,544	83,628,867

Nestlé Pakistan Limited**Statement of Profit or Loss***For the three month period March 31, 2025 (un-audited)*

	March 2025	March 2024
	--- (Pak Rupees in '000) ---	
Revenue from contracts with customers - net	50,377,831	54,394,903
Cost of goods sold	(31,185,218)	(34,651,576)
Gross profit	19,192,613	19,743,327
Distribution and selling expenses	(8,106,641)	(8,501,509)
Administration expenses	(1,766,630)	(1,513,342)
Operating profit	9,319,342	9,728,476
Finance cost	(178,198)	(762,372)
Other expenses	(702,832)	(762,121)
	(881,030)	(1,524,493)
Other income	79,822	272,416
Profit before final tax, minimum tax differential and income tax	8,518,134	8,476,399
Final tax	-	(10,886)
Minimum tax differential	(49,119)	-
Profit before income tax	8,469,015	8,465,513
Income tax	(3,470,139)	(3,397,830)
Profit after taxation	4,998,876	5,067,683
Earnings per share basic and diluted (Rupees)	110.23	111.75

The annexed notes 1 to 11 form an integral part of these financial statements.



MAQSOOD AHMAD ANJUM
Chief Financial Officer



JOSELITO JR AVANCENA
Chief Executive Officer



SYED YAWAR ALI
Chairman / Director

Nestlé Pakistan Limited

Statement of Comprehensive Income

For the three month period March 31, 2025 (un-audited)

	March 2025	March 2024
	--- (Pak Rupees in '000) ---	
Profit after taxation	4,998,876	5,067,683
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss (net of tax)		
Remeasurement loss on cash flow hedges - effective portion		
Related tax		
Items that will not be reclassified subsequently to profit or loss (net of tax)		
Remeasurement gain on net retirement benefit liability		
Related tax		
Other comprehensive income for the year		
Total comprehensive income for the year	4,998,876	5,067,683

The annexed notes 1 to 11 form an integral part of these financial statements.



MAQSOOD AHMAD ANJUM
Chief Financial Officer



JOSELITO JR AVANCENA
Chief Executive Officer



SYED YAWAR ALI
Chairman / Director

Nestlé Pakistan Limited**Statement of Changes in Equity***For the three month period March 31, 2025 (un-audited)*

	Share capital	Capital reserves Share premium	Revenue reserves General reserve	Cash flow hedge reserve	Accumulated profits	Total
	(Rupees in '000)					
Balance as at January 01, 2024 (audited)	453,496	249,527	280,000	-	9,605,034	10,588,057
<u>Total comprehensive income for the three months ended March 31, 2024</u>						
Profit after taxation	-	-	-	-	5,067,683	5,067,683
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	5,067,683	5,067,683
Balance as at March 31, 2024 (un-audited)	453,496	249,527	280,000	-	14,672,717	15,655,740
<u>Total comprehensive income for the nine months ended December 31, 2024</u>						
Profit after taxation	-	-	-	-	9,740,288	9,740,288
Other comprehensive income	-	-	-	-	216,196	216,196
	-	-	-	-	9,956,484	9,956,484
<u>Transaction with owners directly recognized in equity</u>						
Final dividend for the year ended December 31, 2023 (Rs. 19 per share)	-	-	-	-	(861,642)	(861,642)
Interim dividend for the six-month period ended June 30, 2024 (Rs. 111 per share)	-	-	-	-	(5,033,804)	(5,033,804)
Interim dividend for the nine-month period ended September 30, 2024 (Rs. 25 per share)	-	-	-	-	(1,133,740)	(1,133,740)
Balance as at December 31, 2024 (audited)	453,496	249,527	280,000	-	17,600,015	18,583,038
<u>Total comprehensive income for the year ended March 31, 2025</u>						
Profit after taxation	-	-	-	-	4,998,876	4,998,876
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	4,998,876	4,998,876
<u>Transaction with owners directly recognized in equity</u>						
Final dividend for the year ended December 31, 2024 (Rs. 30 per share)	-	-	-	-	-	-
Balance as at March 31, 2025	453,496	249,527	280,000	-	22,598,891	23,581,914


MAQSOOD AHMAD ANJUM
 Chief Financial Officer


JOSELITO JR AVANCENA
 Chief Executive Officer


SYED YAWAR ALI
 Chairman / Director

Nestlé Pakistan Limited

Statement of Cash Flows

For the three month period March 31, 2025 (un-audited)

	March 2025	March 2024
Note	--- (Pak Rupees in '000) ---	
<u>Cash flow from operating activities</u>		
Profit before taxation	8,469,015	8,465,513
<i>Adjustment for non-cash charges and other items:</i>		
Depreciation on property, plant and equipment	1,025,985	971,118
Amortization of intangible assets	3,382	-
Gain on disposal of property, plant and equipment - owned	(23,814)	(6,048)
Provision for Workers' Profit Participation Fund	436,692	433,260
Provision for Workers' Welfare Fund	215,698	200,143
Increase / (decrease) in provision for stores and spares	41,825	(103,194)
(Reversal) / charge of provision for stock in trade - net	(62,910)	79,191
Exchange loss / (gain) - unrealized	74,329	(193,311)
Final tax and minimum tax differential	49,119	-
Provision for defined benefits plans	289,310	255,059
Finance cost	178,198	762,372
Profit before working capital changes	10,696,829	10,864,103
<i>Effect on cash flow due to working capital changes:</i>		
<i>(Increase) / decrease in current assets:</i>		
Stores and spares	(247,994)	(386,913)
Stock-in-trade	(5,150,256)	(4,230,513)
Trade debts	(620,187)	(2,776,188)
Advances, deposits, prepayments and other receivables	(903,820)	646,775
Tax refunds due from Government	1,908,941	454,474
<i>Increase / (decrease) in current liabilities:</i>		
Trade and other payables	2,645,683	2,836,257
Contract liabilities	(424,696)	185,478
	(2,792,329)	(3,270,630)
Cash generated from operations	7,904,500	7,593,473
(Increase) / decrease in long-term loans - net	(109,838)	26,881
Increase in customer security deposits - interest free	18,032	6,661
Contributions by the Company - net	(184,551)	(132,810)
Workers' Profit Participation Fund paid	(1,303,641)	(1,485,591)
Finance cost paid	(228,979)	(872,303)
Final tax and minimum tax differential paid	(49,119)	-
Income taxes paid	(920,909)	(1,629,520)
Net cash generated from operating activities	4,530,711	3,506,791

Nestlé Pakistan Limited

Statement of Cash Flows (continued)

For the three month period March 31, 2025 (un-audited)

	March 2025	March 2024
Note	--- (Pak Rupees in '000) ---	
<u>Cash flow from investing activities</u>		
Purchase of property, plant and equipment	(1,024,701)	(687,387)
Sale proceeds from disposal of property, plant and equipment	23,814	7,639
Net cash used in investing activities	(1,000,887)	(679,748)
<u>Cash flow from financing activities</u>		
Long-term loans obtained	-	-
Long-term loans repaid	(3,000,000)	-
Short-term borrowings obtained	1,800,000	1,400,000
Short-term borrowings repaid	-	(4,000,000)
Lease rentals paid	(57,660)	(72,049)
Dividends paid	-	-
Net cash used in financing activities	(1,257,660)	(2,672,049)
Net increase in cash and cash equivalents	2,272,165	154,994
Cash and cash equivalents at beginning of the year	1,661,851	(1,938,287)
Cash and cash equivalents at end of the year	3,934,016	(1,783,293)

The annexed notes 1 to 11 form an integral part of these financial statements.

MAQSOOD AHMAD ANJUM
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 three month period March 31, 2025 (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 Mar 31, 2025 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, 2024. Comparative condensed interim statement of financial position is stated from annual audited financial statements as of December 31, 2024, 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, 2024.

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, 2024.

Nestlé Pakistan Limited

Notes to the Condensed Interim Financial Statements

For the three month period March 31, 2025 (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, 2024, 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

IFRS 16	Lease Liability in a Sale and Leaseback - (Amendments)
IAS 1	Classification of Liabilities as Current or Non-current -
IAS 7 & IFRS 7	Supplier Finance Arrangements - (Amendments)
IAS 12	Accounting for Minimum Taxes and Final Taxes - (Application)

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.

(Un-audited)	(Audited)
Mar 31, 2025	Dec 31, 2024
----- (Rupees in '000) -----	

4. Property, plant and equipment

Opening balance - net book value	29,407,234	28,697,131
Additions during the period / year		
Land and building(on freehold land)	73,666	772,074
Plant and machinery	580,233	3,571,517
Furniture and fixtures	3,175	20,962
Vehicles	-	25,457
IT equipment	121,115	352,742
Right-of-use assets	-	-
	778,189	4,742,752
	30,185,423	33,439,883
Book value of property, plant and equipment		
disposed off during the period / year	(6,814)	(8,007,351)
Depreciation charged during the period / year	(1,025,987)	3,974,702
Closing balance - Net book value	29,152,622	29,407,234

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, 2024.

(Un-audited)	(Audited)
Mar 31, 2025	Dec 31, 2024
----- (Rupees in '000) -----	

5.2 Guarantees

Outstanding guarantees	630,832	630,732
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5.3 Commitments

5.3.1 Letters of credit

Outstanding letters of credit	9,019,286	8,755,356
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5.3.2 Commitments in respect of capital expenditure

	399,471	667,920
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Nestlé Pakistan Limited

Notes to the Condensed Interim Financial Statements

For the three month period March 31, 2025 (un-audited)

(Un-audited)	(Audited)
Mar 31, 2025	Dec 31, 2024
----- (Rupees in '000) -----	

6. Cash and cash equivalents

Cash and bank balances	3,940,959	2,322,401
Short term running finance under mark-up arrangements - secured	(6,943)	(660,550)
	<u>3,934,016</u>	<u>1,661,851</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)	(Un-audited)
Mar 31, 2025	Mar 31, 2024
----- (Rupees in '000) -----	

Associated companies

License fee	1,791,030	2,071,813
Interest on Long term loan	52,964	259,531
Purchase of goods, services, assets and rent expense	4,481,994	4,973,282
Sale of goods	75,529	111,675
Insurance premium	376,200	325,993
Insurance claims	10,117	18,732

Other related parties

Contribution paid to staff retirement benefits plan	443,726	407,081
Remuneration to key management personnel	2,305,623	2,160,400

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 three month period March 31, 2025 (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
- ii) Powdered and liquid beverages**
Juices, drinking water and powdered drinks
- iii) Other products**
confectionery, cereals and other products

8.1 Segment analysis for the three-month period ended March 31, 2025 (un-audited)

	Dairy and nutrition products	Powdered and liquid beverages	Other products	Total
	----- (Rupees in '000) -----			
Revenue from contracts with customers	40,161,208	10,038,343	178,280	50,377,831
Depreciation and amortization	694,078	324,157	7,750	1,025,985
Operating profit / (loss) before tax and unallocated expenses	8,510,626	791,715	17,001	9,319,342
Unallocated corporate expenses:				
Finance cost				(178,198)
Other operating expenses				(702,832)
Other income				79,822
Taxation				(3,519,258)
Profit after taxation				4,998,876

Nestlé Pakistan Limited

Notes to the Condensed Interim Financial Statements

For the three month period March 31, 2025 (un-audited)

Segment analysis for the three-month period ended March 31, 2024 (un-audited)

	Dairy and nutrition products	Powdered and liquid beverages	Other products	Total
	----- (Rupees in '000) -----			
Revenue from contracts with customers	43,524,302	10,644,406	226,195	54,394,903
Depreciation and amortization	674,483	292,038	4,597	971,118
Operating profit / (loss) before tax and unallocated expenses	8,984,183	691,172	53,121	9,728,476
Unallocated corporate expenses:				
Finance cost				(762,372)
Other operating expenses				(762,121)
Other income				272,416
Taxation				(3,408,716)
Profit after taxation				5,067,683

There is no inter segment revenue between operating segments.

8.2 Reportable segment assets and liabilities

As at March 31, 2025

	Dairy and nutrition products	Powdered and liquid beverages	Other products	Total
	----- (Rupees in '000) -----			
Segment assets	66,659,794	22,833,292	182,758	89,675,843
Unallocated assets				679,701
Total assets				90,355,544
Segment liabilities	25,712,741	8,899,050	114,216	9,013,266
Unallocated liabilities				81,342,278
Total liabilities				90,355,544

As at December 31, 2024 (audited)

	Dairy and nutrition products	Powdered and liquid beverages	Other products	Total
	----- (Rupees in '000) -----			
Segment assets	59,512,110	20,384,963	163,161	80,060,234
Unallocated assets				3,568,633
Total assets				83,628,867
Segment liabilities	24,469,811	8,468,878	108,695	33,047,384
Unallocated liabilities				50,581,483
Total liabilities				83,628,867

Nestlé Pakistan Limited
Notes to the Condensed Interim Financial Statements
For the three month period March 31, 2025 (un-audited)

(Un-audited)	(Un-audited)
Mar 31, 2025	Mar 31, 2024
----- (Rupees in '000) -----	

8.3 Geographical segments

Sales are made by the Company in the following countries:

Pakistan	49,769,984	53,351,733
Afghanistan	291,785	499,085
United States of America	27,692	252,461
Other countries	288,370	291,624
	<u>50,377,831</u>	<u>54,394,903</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, 2024.

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, 2024.

10. 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.

11. Date of authorization for issue

These un-audited condensed interim financial statements were authorized for issue on 24 April 2025 by the Board of Directors.



MAQSOOD AHMAD ANJUM
Chief Financial Officer



JOSELITO JR AVANCENA
Chief Executive Officer



SYED YAWAR ALI
Chairman