

# **Ceylon Tobacco Company PLC**

**Interim Financial Statements - 3 months ended 30 September 2021**

## **Ceylon Tobacco Company PLC**

### **Summary of Performance for the 3 months ended 30th September 2021**

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The Company's performance in the three months ended 30th September 2021 was impacted by the movement restrictions imposed from mid of August till end of September on account of the Covid-19 pandemic third wave. Consequently, the Company's overall sales volume, turnover and Government revenue through Excise and other levies reduced in comparison to the same period last year.

Company managed to continuously review its cost base for optimization to deliver profitability and sustainable value to its shareholders. The Company's profit before income tax for the period in review recorded LKR 6.2Bn, while the Company's profit after tax for the three months ended 30th September 2021 reported as LKR 3.8Bn.

The Company is committed towards the continuation of business activities subject to strict compliance with employee health and safety guidelines and other directions of the Government and is cautiously optimistic of the future in anticipation of effective management of the Covid-19 pandemic and gradual revival of the economy.

#### **Dividends**

The Directors recommend a third interim dividend of Rs. 15.00 per share to be paid by the 10th December 2021.

## CEYLON TOBACCO COMPANY PLC

### Statement of Profit or Loss and Other Comprehensive Income (all amounts in Sri Lanka Rupees millions)

	3 months ended 30 September		9 months ended 30 September	
	2021 Un-audited	2020 Un-audited	2021 Un-audited	2020 Un-audited
Turnover	31,709	44,589	96,484	103,003
Government Levies	(23,655)	(33,558)	(72,324)	(78,135)
<b>Revenue</b>	<b>8,054</b>	<b>11,031</b>	<b>24,160</b>	<b>24,868</b>
Other operating income	11	14	28	37
Raw material used	(684)	(696)	(1,819)	(1,744)
Employee benefit expense	(367)	(470)	(1,020)	(1,016)
Depreciation & amortisation expense	(82)	(85)	(249)	(250)
Other operating expenses	(831)	(1,436)	(2,158)	(3,088)
Net finance income	115	168	340	607
<b>Profit before income tax</b>	<b>6,216</b>	<b>8,526</b>	<b>19,282</b>	<b>19,414</b>
Income tax expenses	(2,409)	(3,593)	(7,641)	(7,449)
<b>Profit for the period</b>	<b>3,807</b>	<b>4,933</b>	<b>11,641</b>	<b>11,965</b>
<b>Other Comprehensive Income</b>				
Re-measurement of defined benefit obligation	66	(15)	114	(85)
<b>Total comprehensive income for the period</b>	<b>3,873</b>	<b>4,918</b>	<b>11,755</b>	<b>11,880</b>
<b>Earnings Per Share (basic and diluted)</b>	<b>20.32</b>	<b>26.33</b>	<b>62.14</b>	<b>63.87</b>

The Notes form an integral part of these Interim Financial Statements.



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Syed Muhammad Ali Abrar  
**Finance Director**  
Date : 10th November 2021

# CEYLON TOBACCO COMPANY PLC


## Statement of Financial Position

(all amounts in Sri Lanka Rupees millions)

	30-Sep	31-Dec
	2021	2020
	Un-audited	Audited
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,967	4,682
Intangible assets	1	2
Employee benefit asset	274	181
Other receivables	110	112
<b>Total non-current assets</b>	<b>5,352</b>	<b>4,977</b>
<b>Current assets</b>		
Inventories	4,274	3,732
Trade and other receivables	6,476	3,230
Cash and cash equivalents	13,669	9,782
Asset held for sale	-	-
<b>Total current assets</b>	<b>24,419</b>	<b>16,745</b>
<b>Total assets</b>	<b>29,771</b>	<b>21,721</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Stated capital	1,873	1,873
Retained earnings	5,241	2,729
<b>Total equity attributable to equity holders</b>	<b>7,114</b>	<b>4,602</b>
<b>Non-current liabilities</b>		
Unfunded retirement benefit obligation	0	0
Deferred tax liabilities	485	396
Lease liabilities	104	84
<b>Total non-current liabilities</b>	<b>589</b>	<b>480</b>
<b>Current liabilities</b>		
Trade and other payables	11,150	7,827
Lease liabilities	133	105
Current taxation	5,271	4,967
Dividends payable	5,247	3,465
Unclaimed dividends	267	275
<b>Total current liabilities</b>	<b>22,068</b>	<b>16,639</b>
<b>Total liabilities</b>	<b>22,657</b>	<b>17,119</b>
<b>Total equity and liabilities</b>	<b>29,771</b>	<b>21,721</b>
Net Asset Per Share	<b>37.97</b>	<b>24.57</b>

The Notes form an integral part of these Interim Financial Statements.

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act, No. 07 of 2007.


  
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Syed Muhammad Ali Abrar

**Finance Director**

Date : 10th November 2021

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Approved and signed for and on behalf of the Board of Directors:

  
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Nedal Salem

**Managing Director and CEO**

Date : 10th November 2021

  
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Syed Muhammad Ali Abrar

**Finance Director**

Date : 10th November 2021

## CEYLON TOBACCO COMPANY PLC

### Statement of Changes in Equity

(all amounts in Sri Lanka Rupees millions)

	Stated capital	Retained earnings	Total
<b>Balance at 1 January 2020</b>	<b>1,873</b>	<b>2,750</b>	<b>4,623</b>
Profit for the period	-	11,965	11,965
Other comprehensive income	-	(85)	(85)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>11,880</b>	<b>11,880</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>			
Write back of unclaimed dividends	-	-	-
Dividends	-	(8,641)	(8,641)
<b>Total transactions with shareholders</b>	<b>-</b>	<b>(8,641)</b>	<b>(8,641)</b>
<b>Balance at 30 September 2020 (Un-audited)</b>	<b>1,873</b>	<b>5,989</b>	<b>7,862</b>
Profit for the period	-	3,613	3,613
Other comprehensive income	-	87	87
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>3,700</b>	<b>3,700</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>			
Write back of unclaimed dividends	-	66	66
Dividends	-	(7,025)	(7,025)
<b>Total transactions with shareholders</b>	<b>-</b>	<b>(6,959)</b>	<b>(6,959)</b>
<b>Balance at 31 December 2020 (Audited)</b>	<b>1,873</b>	<b>2,729</b>	<b>4,602</b>
<b>Balance at 1 January 2021</b>	<b>1,873</b>	<b>2,729</b>	<b>4,602</b>
Profit for the period	-	11,641	11,641
Other comprehensive income	-	114	114
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>11,755</b>	<b>11,755</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>			
Write back of unclaimed dividends	-	-	-
Dividends	-	(9,243)	(9,243)
<b>Total transactions with shareholders</b>	<b>-</b>	<b>(9,243)</b>	<b>(9,243)</b>
<b>Balance at 30 September 2021 (Un-audited)</b>	<b>1,873</b>	<b>5,241</b>	<b>7,114</b>

# CEYLON TOBACCO COMPANY PLC

## Statement of Cash Flows

(all amounts in Sri Lanka Rupees millions)

	09 months ended 30 September	
	2021 Un-audited	2020 Un-audited
<b>Cash flows from operating activities</b>		
Profit before Tax	19,282	19,414
<i>Adjustments for:</i>		
Depreciation & amortisation expense	247	251
Interest expense	14	18
Interest income	(353)	(626)
Write off of property, plant & equipment	2	-
Net interest on retirement benefit obligations	21	13
Provision for obsolete inventories and doubtful Debts	(2)	42
<b>Operating profit before working capital changes</b>	<b>19,211</b>	<b>19,112</b>
<i>Changes in working capital</i>		
Inventories	(518)	(448)
Trade & other receivables	(3,265)	(861)
Trade & other payables	3,323	7,858
<b>Cash generated from operations</b>	<b>18,751</b>	<b>25,661</b>
Interest received	353	626
Interest paid	(14)	(18)
Gratuity paid - unfunded scheme	-	(0)
Income tax paid	(7,248)	(8,921)
<b>Net cash generated from operating activities</b>	<b>11,842</b>	<b>17,348</b>
<b>Cash flows from investing activities</b>		
Purchase and construction of property, plant & equipment	(398)	(134)
Purchase of intangible assets	-	-
<b>Net cash used in investing activities</b>	<b>(398)</b>	<b>(134)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(7,422)	(12,375)
Unclaimed dividends paid	(48)	(27)
Payment of finance lease liabilities	(88)	(87)
<b>Net cash outflow from financing activities</b>	<b>(7,558)</b>	<b>(12,489)</b>
<b>Net increase/ (decrease) in cash &amp; cash equivalents</b>	<b>3,886</b>	<b>4,725</b>
Cash & cash equivalents at the beginning of year	9,782	16,845
Increase/ (Decrease) in cash	3,886	4,725
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>13,669</b>	<b>21,570</b>
<b>Analysis of cash &amp; cash equivalents at the end of the period</b>		
Cash in hand & bank balances	9,669	21,570
Short term investments	4,000	0
<b>Total cash &amp; cash equivalents</b>	<b>13,669</b>	<b>21,570</b>

# CEYLON TOBACCO COMPANY PLC

## Notes to the interim financial statements

### 1 General information

Ceylon Tobacco Company PLC is a public limited liability Company domiciled in Sri Lanka. The principal operations of the Company are manufacturing, marketing and selling cigarettes. The registered office of business is 178, Srimath Ramanathan Mawatha, Colombo 15. The ultimate holding company of Ceylon Tobacco Company PLC is British American Tobacco PLC through British American Tobacco International

### 2 Basis of preparation

The condensed interim financial statements of Ceylon Tobacco Company PLC are for the nine months ended 30 September 2021. They have been prepared in accordance with LKAS 34 - Interim Financial Reporting. These interim financial statements have been prepared in accordance with the SLFRS standards and IFRIC interpretations issued and effective as at the time of preparing these statements. The condensed interim financial statements do not include all of the information required for full annual financial statements and have not been audited.

### 3 Comparatives

Comparatives are provided for the same period last year and for the statement of financial position at the date 31 December 2020. Where necessary comparative figures have been reclassified to conform with the current year's presentation.

### 4 Contingent Liabilities

There have been no material changes to the contingent assets or contingent liabilities since the last annual reporting period.

### 5 Events Occurring after the reporting period

There were no material events that occurred after the reporting date that require adjustments or disclosure to the Financial Statements.

### 6 Market Price Per share

For the 09 months ending 30 September,

	<b>2021</b>	<b>2020</b>
	<b>Rs</b>	<b>Rs</b>
Highest	1,150.00	1,160.00
Lowest	899.25	875.00
Last Traded	900.25	950.70

7 20 Largest Shareholders of the Company

Name of Shareholder	No. of Shares	% Holding
30 September 2021		
British American Tobacco International Holdings BV	157,590,931	84.13
Philip Morris Brand SARL	15,585,910	8.32
CB NY S/A Allan Gray Frontier Markets Equity Fund Limited	2,167,374	1.16
Pershing LLC S/A Averbach Grauson & Co.	1,605,009	0.86
SSBT-AL Mehwar Commercial Investments L L C	698,258	0.37
Northern Trust Company S/A - Fundsmith Emerging Equities Trust PLC	665,017	0.36
J.B.Cocoshell (Pvt) Ltd	468,380	0.25
RBC Investor Services Bank-COELI SICAV1 - Frontier Markets Fund	398,735	0.21
Mrs Singh	306,802	0.16
Miss Harnam	211,030	0.11
Deutsche Bank AG Singapore A/C 01 (PWM WM CLIENT)	175,600	0.09
Mr. Jayawardena Sanjeeva Praneeth	154,747	0.08
Harnam Holdings SDN BHD	150,000	0.08
SSBT-Frank Russel Trust Company Comingled Benefit Fund Trust GNA	146,660	0.08
Bank of Ceylon No 1 Account	143,175	0.08
Deutsche Bank AG AS Trustee For JB vantage Value Equity Fund	134,831	0.07
BNYM RE- GHI Holdings Mauritius	129,687	0.07
SEYLAN BANK PLC/W.D.N.H.PERERA	116,435	0.06
Malship Ceylon Ltd	104,971	0.06
Mr.Ratnayake Susantha Chaminda	100,000	0.05
<b>Sub Total</b>	<b>181,053,552</b>	<b>96.65</b>
Others	6,270,199	3.35
<b>Total Shares</b>	<b>187,323,751</b>	<b>100.00</b>

8 Computation of % of Public Shareholding

	30 September 2021
	No of Shares
<b><u>Parent Company</u></b>	
British American Tobacco International (Holdings) BV	157,590,931
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	157,590,931
<b><u>Directors shareholding (including spouses &amp; children)</u></b>	
Mr. S.K. Shah (W.E.F. 1 February 2021)	-
Mr. N.L. Salem	-
Mr. U. Zahur	-
Mr. K.M.A.T. Tittawella	-
Mr. Y. Kanagasabai	-
Mr. S.R. Kidd (W.E.F. 1 February 2021)	-
Mrs. R. Rahman (W.E.F. 1 February 2021)	-
Mr. S.M.A.Abrar (W.E.F. 1 October 2021)	-
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	-
Parent Company	157,590,931
Subsidiaries or Associate Companies of Parent	-
Subsidiaries or Associate Companies	-
10% or more holding	-
Directors shareholding (including spouses & children)	-
Public Holding	29,732,820
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	187,323,751
Public Holding as a % of Issued Share Capital	15.87%
Number of shareholders holding the Public Holding	4,386
Market Capitalisation of Public Holding (Rs. Million)	26,767

The Company complies with option 1 of the Listing Rules 7.13.1(a) - Float Adjusted Market Capitalisation of Rs. 10.0Bn which requires no minimum public holding percentage.



