

Ceylon Tobacco Company PLC

Interim Financial Statements - 3 months ended 31 December 2023

Ceylon Tobacco Company PLC

Summary of Performance for the 3 months ended 31st December 2023

The Company's sales volume during the three months ended 31st December 2023 was lower in comparison to the same period last year, mainly due to the tax led price increases in line with the Government's revenue proposals. Despite this volume erosion, the Company further strengthened the value proposition of CTC's brands to deliver sustainable results for both the Government and its shareholders. As a result, the revenue increased by Rs. 5.5 bn for the period.

At the same time, the cost base of the Company also got impacted by the increases in other operating expenses driven by inflation, which was partially offset by the productivity savings initiatives. The Company's profit before income tax for the three months ended 31st December 2023 stood at Rs. 14.3bn, while the Company's profit after tax for the same period was Rs. 8.5bn.

Dividends

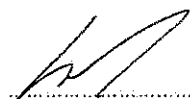
The Directors recommend a fourth interim dividend of Rs. 31.00 per share to be paid by 2nd April 2024.

CEYLON TOBACCO COMPANY PLC

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

	03 months ended 31 December		12 months ended 31 December	
	2023 Un-audited	2022 Un-audited	2023 Un-audited	2022 Audited
Turnover	53,553	40,746	200,019	167,194
Government Levies	(35,950)	(28,681)	(142,299)	(122,922)
Revenue	17,604	12,065	57,721	44,272
Other operating income	12	4	94	36
Raw material used	(1,220)	(816)	(3,707)	(3,439)
Employee benefit expense	(849)	(504)	(2,609)	(2,020)
Depreciation & amortisation expense	(141)	(83)	(486)	(365)
Other operating expenses	(1,498)	(801)	(6,460)	(5,288)
Net finance income	426	314	1,588	1,197
Profit before income tax	14,334	10,179	46,140	34,393
Income tax expenses	(5,796)	(3,824)	(18,484)	(13,924)
Profit for the period	8,539	6,355	27,656	20,469
Other Comprehensive Income				
Re-measurement of defined benefit obligation	(31)	(158)	(46)	(230)
Total other comprehensive income for the year	(31)	(158)	(46)	(230)
Total comprehensive income for the period	8,508	6,197	27,609	20,238
Earnings Per Share (basic and diluted)	45.58	33.93	147.64	109.27

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



Towhid Akbar

Finance Director

Date : 29th February 2024

CEYLON TOBACCO COMPANY PLC


Statement of Financial Position

(all amounts in Sri Lanka Rupees millions)

	31-Dec	31-Dec
	2023	2022
Assets	Un-audited	Audited
Non-current assets		
Property, plant and equipment	5,885	5,552
Intangible assets	-	-
Employee benefit asset	89	158
Other receivables	219	181
Total non-current assets	6,193	5,891
Current assets		
Inventories	6,611	6,303
Trade and other receivables	5,603	5,151
Cash and cash equivalents	24,538	24,217
Total current assets	36,752	35,670
Total assets	42,945	41,561
Equity and Liabilities		
Equity		
Stated capital	1,873	1,873
Retained earnings	9,892	15,620
Total equity attributable to equity holders	11,765	17,493
Non-current liabilities		
Unfunded retirement benefit obligation	-	0
Deferred tax liabilities	574	375
Lease liabilities	32	57
Long term borrowings	324	367
Total non-current liabilities	930	800
Current liabilities		
Trade and other payables	19,221	9,027
Lease liabilities	243	63
Current taxation	10,397	6,754
Dividends payable	-	7,108
Unclaimed dividends	389	315
Total current liabilities	30,251	23,267
Total liabilities	31,180	24,067
Total equity and liabilities	42,945	41,561
Net Asset Per Share	62.80	93.38

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

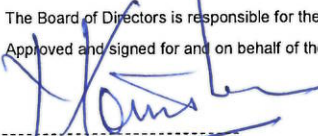
I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act, No. 07 of 2007.




 Towhid Akbar
 Finance Director
 Date : 29th February 2024

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:



 Monisha Abraham
 Managing Director and CEO
 Date : 29th February 2024



 Towhid Akbar
 Finance Director
 Date : 29th February 2024

CEYLON TOBACCO COMPANY PLC

Statement of Changes in Equity

(all amounts in Sri Lanka Rupees millions)

	Stated capital	Retained earnings	Total
Balance at 1 January 2022	1,873	7,114	8,987
Adjustment for Surcharge tax levied under Surcharge Act No.14 of 2022		(6,306)	(6,306)
Adjusted Balance at 1 January 2022	1,873	807	2,680
Profit for the period		20,469	20,469
Other comprehensive income	-	(230)	(230)
Total comprehensive income for the period	-	20,239	20,239
Transactions with owners of the Company, recognised directly in equity			
Write back of unclaimed dividends	-	-	-
Dividends	-	(3,746)	(3,746)
Total transactions with shareholders	-	(3,746)	(3,746)
Surcharge Tax adjusted balance at 30th September 2022 (Un-audited)	1,873	17,300	19,174
Profit for the period	-	(0)	(0)
Other comprehensive income	-	(0)	(0)
Total comprehensive income for the period	-	(1)	(1)
Transactions with owners of the Company, recognised directly in equity			
Write back of unclaimed dividends	-	7	7
Dividends	-	(1,686)	(1,686)
Total transactions with shareholders	-	(1,679)	(1,679)
Balance at 31 December 2022 (Audited)	1,873	15,620	17,493
Balance at 1 January 2023	1,873	15,620	17,493
Profit for the period	-	27,656	27,656
Other comprehensive income	-	(46)	(46)
Total comprehensive income for the period	-	27,609	27,609
Transactions with owners of the Company, recognised directly in equity			
Write back of unclaimed dividends	-	24	24
Dividends	-	(33,362)	(33,362)
Total transactions with shareholders	-	(33,338)	(33,338)
Balance at 31 December 2023 (Un-audited)	1,873	9,892	11,765

CEYLON TOBACCO COMPANY PLC
Statement of Cash Flows
(all amounts in Sri Lanka Rupees millions)

	12 months ended 31 December	
	2023	2022
	Un-audited	Audited
Cash flows from operating activities		
Profit before Tax	46,140	34,393
<i>Adjustments for:</i>		
Depreciation & amortisation expense	486	365
Interest expense	32	19
Interest income	(1,576)	(1,221)
Write off of property, plant & equipment	0	0
Net interest on retirement benefit obligations	23	(19)
Provision for obsolete inventories and doubtful Debts	42	38
Exchange gain from long term borrowings	(44)	5
Operating profit before working capital changes	45,103	33,580
<i>Changes in working capital</i>		
Inventories	(331)	(1,771)
Trade & other receivables	(504)	2,244
Trade & other payables	10,194	3,857
Cash generated from operations	54,461	37,911
Interest received	1,576	1,221
Interest paid	(32)	(16)
Gratuity paid - unfunded scheme	-	-
Income tax paid	(14,625)	(11,392)
Surcharge tax paid	-	(6,306)
WHT paid	(4,302)	-
Net cash generated from operating activities	37,079	21,418
Cash flows from investing activities		
Purchase and construction of property, plant & equipment	(509)	(541)
Purchase of intangible assets	-	-
Net cash used in investing activities	(509)	(541)
Cash flows from financing activities		
Proceeds from long term borrowings	-	362
Dividends paid	(36,050)	(5,489)
Unclaimed dividends paid	(3)	(6)
Payment of finance lease liabilities	(195)	(116)
Net cash outflow from financing activities	(36,249)	(5,249)
Net increase/ (decrease) in cash & cash equivalents	321	15,628
Cash & cash equivalents at the beginning of year	24,217	8,593
Increase/ (Decrease) in cash	321	15,628
Cash & cash equivalents at the end of the period	24,538	24,221
Analysis of cash & cash equivalents at the end of the period		
Cash in hand & bank balances	21,138	24,217
Short term investments	3,400	0
Total cash & cash equivalents	24,538	24,217

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 Holdings BV.

2 Basis of preparation

The condensed interim financial statements of Ceylon Tobacco Company PLC are for the twelve months ended 31 December 2023. 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 2022. 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

No material events have occurred since the end of the reporting date which would require adjustments to, or disclosure in the financial statements.

The directors recommend a fourth interim dividend of Rs.31.00 per share for 2023 and will be payable on 02nd April 2024.

6 Market Price Per share

For the 12 months ending 31 December,

	2023	2022
	Rs	Rs
Highest	1,060.00	939.50
Lowest	598.00	520.00
Last Traded	953.75	625.00

7 20 Largest Shareholders of the Company

Name of Shareholder	No. of Shares	% Holding
31 December 2023		
British American Tobacco International Holdings B.V.	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	3,267,374	1.74
J.B.Cocoshell (Pvt) Ltd	915,160	0.49
Hatton National Bank PLC - Capital Alliance Quantitative Equity Fund	394,961	0.21
Rubber Investment Trust Ltd A/C 01	327,698	0.17
Mrs J.K.P. Singh	300,256	0.16
Mr. S.P. Jayawardena	215,111	0.11
Miss N. Harnam	211,030	0.11
Invenco Capital Private Limited	202,044	0.11
Deutsche Bank AG Singapore A/C2(DCS CLT ACC FOR DEUTSCHE BANK AG SINGAPORE- PWM WM CLIENT)	175,600	0.09
Deutsche Bank AG AS Trustee For JB vantage Value Equity Fund	167,883	0.09
Odyssey Capital Partners (Private) Limited	149,883	0.08
Harnam Holdings SDN BHD	145,000	0.08
Bank of Ceylon No.1 Account	141,887	0.08
BNYM RE- GHI Holdings Mauritius	129,687	0.07
Mr. J.D. Bandaranayake	118,412	0.06
Mr. J.D. Bandaranayake	112,450	0.06
Galle Face Capital Partners PLC	105,000	0.06
Mr.A.M.Weerasinghe	103,500	0.06
Sub Total	180,359,777	96.28
Others	6,963,974	3.72
Total Shares	187,323,751	100.00

9 Computation of % of Public Shareholding

	31 December 2023
	No of Shares
<u>Parent Company</u>	
British American Tobacco International (Holdings) BV	157,590,931
	<u>157,590,931</u>
<u>Directors shareholding (including spouses & children)</u>	
Mr. S.K. Shah	-
Mrs. M. Abraham	-
Mr. Y. Kanagasabai	-
Mr. S.R. Kidd	-
Mrs. R. Rahman	-
Mr. K.D'Alwis	-
Mr. G. Tarrant	-
Mr. Towhid Akbar	-
	<u>-</u>
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	<u>29,732,820</u>
	<u>187,323,751</u>
Public Holding as a % of Issued Share Capital	15.87%
Number of shareholders holding the Public Holding	4,572
Market Capitalisation of Public Holding (Rs. Million)	28,358

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.