

Ceylon Tobacco Company PLC

Interim Financial Statements - 9 months ended 30 September 2024

Ceylon Tobacco Company PLC

Summary of Performance for the 3 months ended 30th September 2024

The Company's sales volume during the three months ended 30th September 2024 was lower in comparison to the same period last year. The decline in the volume is consequential to the successive price increases in excise duty and other taxes over the last two years. Due to the excessive price increases the illegal or smuggled cigarette share has increased in the market significantly in 2024. Company also took steps to export tobacco leaf which partially mitigated the loss in overall turnover.

The cost base of the Company is adversely impacted by the increases in raw material cost driven by inflation. The Company's profit before income tax for the three months ended 30th September 2024 stood at Rs. 12.9bn, while the Company's profit after tax for the same period was Rs. 7.7bn.

Dividends

The Directors recommend a third interim dividend of Rs. 40.90 per share to be paid by the 26th November 2024.

CEYLON TOBACCO COMPANY PLC

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

	03 months ended 30 September		09 months ended 30 September	
	2024 Un-audited	2023 Un-audited	2024 Un-audited	2023 Un-audited
Volume	487	473	1,395	1,743
Turnover	52,152	44,764	148,326	146,466
Government Levies	(36,220)	(31,541)	(102,656)	(106,349)
Revenue	15,932	13,223	45,670	40,117
Other operating income	(47)	56	49	81
Raw material used	(826)	(655)	(2,896)	(2,487)
Employee benefit expense	(720)	(542)	(2,030)	(1,761)
Depreciation & amortisation expense	(172)	(124)	(512)	(345)
Other operating expenses	(1,615)	(906)	(4,581)	(4,962)
Net finance income	328	311	981	1,162
Profit before income tax	12,880	11,363	36,681	31,805
Income tax expenses	(5,160)	(4,492)	(14,846)	(12,689)
Profit for the period	7,720	6,871	21,835	19,116
Other Comprehensive Income				
Re-measurement of defined benefit obligation	(18)	(4)	(34)	(15)
Total other comprehensive income for the year	(18)	(4)	(34)	(15)
Total comprehensive income for the period	7,702	6,867	21,801	19,101
Earnings Per Share (basic and diluted)	41.21	36.68	116.56	102.05

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



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Towhid Akbar

Finance Director

Date : 08th November 2024

CEYLON TOBACCO COMPANY PLC

Statement of Financial Position

(all amounts in Sri Lanka Rupees millions)

	30-Sep	31-Dec
	2024	2023
	Un-audited	Audited
Assets		
Non-current assets		
Property, plant and equipment	5,851	5,885
Intangible assets	-	-
Employee benefit asset	21	89
Other receivables	246	219
Total non-current assets	6,118	6,193
Current assets		
Inventories	5,746	6,611
Trade and other receivables	5,393	5,603
Cash and cash equivalents	25,348	24,538
Total current assets	36,487	36,752
Total assets	42,605	42,945
Equity and Liabilities		
Equity		
Stated capital	1,873	1,873
Retained earnings	9,057	9,891
Total equity attributable to equity holders	10,930	11,765
Non-current liabilities		
Deferred tax liabilities	602	574
Lease liabilities	7	32
Long term borrowings	296	324
Total non-current liabilities	905	930
Current liabilities		
Trade and other payables	19,825	19,221
Lease liabilities	72	243
Current taxation	10,432	10,397
Dividends payable	-	-
Unclaimed dividends	440	389
Total current liabilities	30,769	30,251
Total liabilities	31,674	31,181
Total equity and liabilities	42,605	42,945
Net Asset Per Share	58.35	62.81

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.



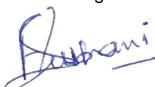
Towhid Akbar

Finance Director

Date : 08th November 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:



Fariyha Subhani

Managing Director and CEO

Date : 08th November 2024



Towhid Akbar

Finance Director

Date : 08th November 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 2023	1,873	15,620	17,493
Profit for the period		19,116	19,116
Other comprehensive income	-	(15)	(15)
Total comprehensive income for the period	-	19,101	19,101
Transactions with owners of the Company, recognised directly in equity			
Write back of unclaimed dividends	-	-	-
Dividends	-	(26,619)	(26,619)
Total transactions with shareholders	-	(26,619)	(26,619)
Balance at 30th September 2023 (Un-audited)	1,873	8,103	9,975
Profit for the period	-	8,540	8,540
Other comprehensive income	-	(31)	(31)
Total comprehensive income for the period	-	8,508	8,508
Transactions with owners of the Company, recognised directly in equity			
Write back of unclaimed dividends	-	24	24
Dividends	-	(6,743)	(6,743)
Total transactions with shareholders	-	(6,719)	(6,719)
Balance at 31 December 2023 (Audited)	1,873	9,892	11,764
Balance at 1 January 2024	1,873	9,892	11,764
Profit for the period	-	21,835	21,835
Other comprehensive income	-	(34)	(34)
Total comprehensive income for the period	-	21,801	21,801
Transactions with owners of the Company, recognised directly in equity			
Write back of unclaimed dividends	-	-	-
Dividends	-	(22,636)	(22,636)
Total transactions with shareholders	-	(22,636)	(22,636)
Balance at 30 September 2024 (Un-audited)	1,873	9,057	10,929

CEYLON TOBACCO COMPANY PLC

Statement of Cash Flows

(all amounts in Sri Lanka Rupees millions)

	09 months ended 30 September	
	2024	2023
	Un-audited	Un-audited
Cash flows from operating activities		
Profit before Tax	36,681	31,806
<i>Adjustments for:</i>		
Depreciation & amortisation expense	512	345
Interest expense	16	23
Interest income	(969)	(1,141)
Write off of property, plant & equipment	0	0
Net interest on retirement benefit obligations	34	17
Provision for obsolete inventories and doubtful Debts	191	47
Exchange gain from long term borrowings	(28)	(43)
Operating profit before working capital changes	36,437	31,054
<i>Changes in working capital</i>		
Inventories	679	113
Trade & other receivables	179	(559)
Trade & other payables	604	8,876
Cash generated from operations	37,899	39,483
Interest received	969	1,141
Interest paid	(16)	(23)
Income tax paid	(14,758)	(10,613)
WHT paid	(2,468)	(3,610)
Net cash generated from operating activities	21,626	26,378
Cash flows from investing activities		
Purchase and construction of property, plant & equipment	(477)	(142)
Purchase of intangible assets	-	-
Net cash used in investing activities	(477)	(142)
Cash flows from financing activities		
Proceeds from long term borrowings	-	-
Dividends paid	(20,138)	(30,126)
Unclaimed dividends paid	(5)	(1)
Payment of finance lease liabilities	(197)	(131)
Net cash outflow from financing activities	(20,340)	(30,258)
Net increase/ (decrease) in cash & cash equivalents	809	(4,022)
Cash & cash equivalents at the beginning of year	24,538	24,217
Increase/ (Decrease) in cash	809	(4,022)
Cash & cash equivalents at the end of the period	25,347	20,195
Analysis of cash & cash equivalents at the end of the period		
Cash in hand & bank balances	17,044	10,652
Short term investments	8,303	9,542
Total cash & cash equivalents	25,347	20,194

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 nine months ended 30 September 2024. 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 2023. 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 third interim dividend of Rs 40.90 per share for 2024 and will be payable on 26 November 2024

6 Market Price Per share

For the 9 months ending 30 September,

	2024	2023
	Rs	Rs
Highest	1,266.75	1,060.00
Lowest	1,100.00	835.00
Last Traded	1,200.00	1,010.25

7 20 Largest Shareholders of the Company

Name of Shareholder	No. of Shares	% Holding
30 September 2024		
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	747,373	0.40
Hatton National Bank PLC - Capital Alliance Quantitative Equity Fund	448,961	0.24
Rubber Investment Trust Ltd A/C 01	375,507	0.20
Employees' Provident Fund	314,000	0.17
Mrs Singh	297,233	0.16
Mr.Jayawardena Sanjeeva Praneeth	225,111	0.12
Miss N. Harnam	207,186	0.11
Deutsche Bank AG Singapore A/C2(DCS CLT ACC FOR DEUTSCHE BANK AG SINGAPORE- PWM WM CLIENT)	175,600	0.09
ODYSSEY CAPITAL PARTNERS (PRIVATE) LIMITED	149,883	0.08
Harnam Holdings SDN BHD	145,000	0.08
Deutsche Bank AG AS Trustee For JB vantage Value Equity Fund	142,883	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
Mr. O. Senanayake	100,000	0.05
Sub Total	180,342,001	96.27
Others	6,981,750	3.73
Total Shares	187,323,751	100.00

9 Computation of % of Public Shareholding

	30 September 2024
	No of Shares
<u>Parent Company</u>	
British American Tobacco International (Holdings) BV	157,590,931
	157,590,931
<u>Directors shareholding (including spouses & children)</u>	
Mr. S.K. Shah	-
Mr. S.R. Kidd	-
Mr. G. Tarrant	-
Mr. K.De Alwis	-
Mr. T. Akbar	-
Mr. H.De Silva Wijeyeratne	-
Ms. F. Subhani	-
	-
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
	187,323,751
Public Holding as a % of Issued Share Capital	15.87%
Number of shareholders holding the Public Holding	4,586
Market Capitalisation of Public Holding (Rs. Million)	35,679

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.