# Financial Modelling and Valuation Report


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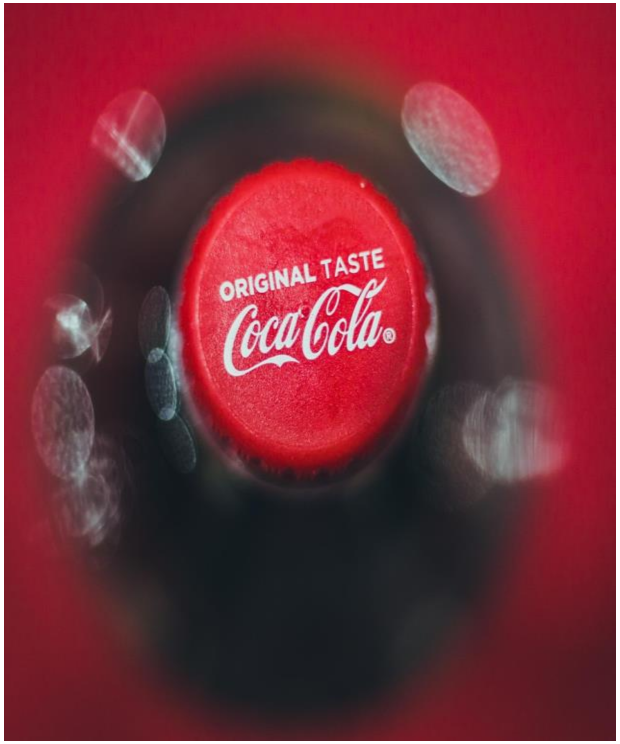


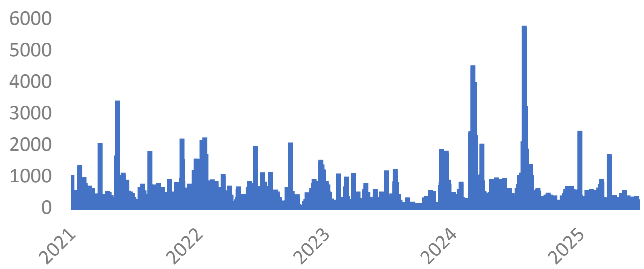

# Bottlers Nepal (Terai) Limited - One Page Profile

Recognized as one of the most prestigious multinational companies in Nepal, Bottlers Nepal (Terai) Limited (BNTL) is a publicly listed company with over 38 years of operation in Nepal. It is primarily engaged in the production, manufacture, sale, and distribution of carbonated beverages and packaged drinking water under brands such as Coca-Cola®, Sprite®, Fanta®, Coke-Zero®, and Kinley®. BNTL, along with its parent company Bottlers Nepal Limited (BNL), holds the exclusive rights as the authorized bottler and supplier of The Coca-Cola Company (TCCC) in Nepal.

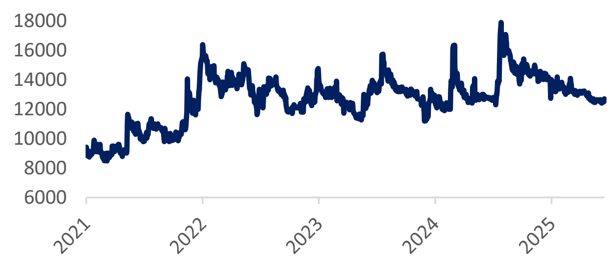
*NRS MM*

| Key Financial Metrics | 3/77 | 3/78 | 3/79 | 3/80 | 3/81 |
|---|---|---|---|---|---|
| Total Revenue | 4,693 | 6,164 | 9,114 | 9,320 | 8,771 |
| *Revenue Growth (y-o-y)* | -15.91% | 31.34% | 47.85% | 2.26% | -5.89% |
| Gross Profit Margin (%) | 25.36% | 28.53% | 26.28% | 25.32% | 24.75% |
| EBITDA Margin (%) | 16.08% | 20.65% | 18.37% | 16.47% | 14.51% |
| EBIT Margin (%) | 6.21% | 12.86% | 12.81% | 11.01% | 8.22% |
| Net Profit Margin (%) | 0.12% | 6.87% | 6.87% | 6.85% | 3.87% |
| Earnings Per Share (Rs) | 4.65 | 350.18 | 517.15 | 527.96 | 280.73 |
| *EPS Growth (y-o-y)* | -98.76% | 7426.56% | 47.68% | 2.09% | -46.83% |
| Dividend Per Share (Rs) | 40 | 0 | 0 | 60 | 60 |

**Volume - 5Y**




**Share Price - 5Y**




| Key Financial Ratios | 3/77 | 3/78 | 3/79 | 3/80 | 3/81 |
|---|---|---|---|---|---|
| Price to Earning (P/E) | 1,333.0x | 35.0x | 30.0x | 26.0x | 46.0x |
| Price to Book (P/B) | 3.3x | 5.5x | 5.6x | 4.3x | 3.8x |
| EV / EVITDA | 14.9x | 13.9x | 12.5x | 12.7x | 14.4x |
| EV / Sales | 2.4x | 2.9x | 2.3x | 2.1x | 2.1x |
| Return on Equity (%) | 0.25% | 15.74% | 18.87% | 16.35% | 8.13% |
| Return on Capital Employed (%) | 6.57% | 18.06% | 25.09% | 21.95% | 14.69% |

| Shareholding | N. Shares | Percentage | Market Value (MM) |
|---|---|---|---|
| Bottllers Nepal Limited | 1,098,427 | 90.78% | 13631.47907 |
| Other Shareholders | 111,528 | 9.22% | 1384.06248 |
| Total | 1,209,955 | 100.00% | 15015.54155 |

| Capital Structure | |
|---|---|
| **Market Capitalization** | **15015.54155** |
| Less: Cash & Equivalent | -20.09588 |
| Add: Debt | 2589.715495 |
| **Enterprise Value** | **17585.16117** |

*Note: The shareholding and market capitalization information are as of Jestha 25*

***Disclaimer: This report is made as part of educational assignment purpose only. The author of this report is not liable for any losses due to action taken on basis of this report.***

| Historical Financial Statement - Bottlers Nepal (Terai) Limited | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Years** | **3/74** | **3/75** | **3/76** | **3/77** | **3/78** | **3/79** | **3/80** | **3/81** |
| **Income Statement** | | | | | | | | |
| Revenue | 4,574.0 | 5,658.4 | 5,581.4 | 4,693.3 | 6,164.4 | 9,114.1 | 9,320.0 | 8,771.3 |
| *Revenue Growth* | | *23.71%* | *-1.36%* | *-15.91%* | *31.34%* | *47.85%* | *2.26%* | *-5.89%* |
| COGS | 2,886.7 | 3,361.8 | 3,490.3 | 3,039.8 | 3,925.6 | 6,212.2 | 6,450.6 | 6,049.0 |
| *COGS % Sales* | | *16.46%* | *3.82%* | *-12.91%* | *29.14%* | *58.25%* | *3.84%* | *-6.23%* |
| **Gross Profit** | 1,687.3 | 2,296.6 | 2,091.1 | 1,653.5 | 2,238.8 | 2,901.8 | 2,869.4 | 2,722.3 |
| *Gross Margin* | *36.89%* | *40.59%* | *37.47%* | *35.23%* | *36.32%* | *31.84%* | *30.79%* | *31.04%* |
| Other Operating income | 65.1 | 59.8 | 229.8 | 154.6 | 47.2 | 84.4 | 80.9 | 31.8 |
| Selling & General Expenses | 877.2 | 1,160.1 | 1,289.4 | 1,053.7 | 1,013.2 | 1,311.7 | 1,415.4 | 1,481.3 |
| *S&G Exp % Sales* | *19.18%* | *20.50%* | *23.10%* | *22.45%* | *16.44%* | *14.39%* | *15.19%* | *16.89%* |
| **EBITDA** | 875.3 | 1,196.3 | 1,031.5 | 754.5 | 1,272.8 | 1,674.6 | 1,534.9 | 1,272.9 |
| *EBITDA Margins* | *19.14%* | *21.14%* | *18.48%* | *16.08%* | *20.65%* | *18.37%* | *16.47%* | *14.51%* |
| Interest | 60.6 | 30.4 | 43.8 | 283.0 | 280.2 | 203.5 | 311.1 | 272.7 |
| *Interest % Sales* | *1.32%* | *0.54%* | *0.78%* | *6.03%* | *4.54%* | *2.23%* | *3.34%* | *3.11%* |
| Depreciation | 225.4 | 254.6 | 363.1 | 463.2 | 479.9 | 507.1 | 509.1 | 551.8 |
| *Depreciation% Sales* | *4.93%* | *4.50%* | *6.50%* | *9.87%* | *7.79%* | *5.56%* | *5.46%* | *6.29%* |
| **Earnings Before Tax** | 589.3 | 911.3 | 624.7 | 8.3 | 512.6 | 964.0 | 714.7 | 448.4 |
| *EBT % Sales* | *12.88%* | *16.11%* | *11.19%* | *0.18%* | *8.32%* | *10.58%* | *7.67%* | *5.11%* |
| Tax | 106.7 | 170.0 | 171.1 | 2.6 | 88.9 | 338.3 | 75.9 | 108.8 |
| *Effective Tax Rate* | *18.10%* | *18.66%* | *27.39%* | *31.83%* | *17.35%* | *35.09%* | *10.61%* | *24.25%* |
| **Net Profit** | 482.6 | 741.3 | 453.5 | 5.6 | 423.7 | 625.7 | 638.8 | 339.7 |
| *Net Margins* | *10.55%* | *13.10%* | *8.13%* | *0.12%* | *6.87%* | *6.87%* | *6.85%* | *3.87%* |
| No of Equity Shares | 1.21 | 1.21 | 1.21 | 1.21 | 1.21 | 1.21 | 1.21 | 1.21 |
| Earnings per Share | 398.86 | 612.67 | 374.83 | 4.65 | 350.18 | 517.15 | 527.96 | 280.73 |
| *EPS Growth %* | | *53.60%* | *-38.82%* | *-98.76%* | *7426.56%* | *47.68%* | *2.09%* | *-46.83%* |
| Dividend per Share | 28.4 | 25.0 | 40.0 | 40.0 | - | - | 60.0 | 60.0 |
| *Dividend payout ratio* | *5.88%* | *3.37%* | *8.82%* | *710.52%* | *-* | *-* | *9.39%* | *17.66%* |
| *Retained Earnings* | *94.12%* | *96.63%* | *91.18%* | *0.00%* | *100.00%* | *100.00%* | *90.61%* | *82.34%* |

| Historical Financial Statement - Bottlers Nepal (Terai) Limited | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Years** | **3/74** | **3/75** | **3/76** | **3/77** | **3/78** | **3/79** | **3/80** | **3/81** |
| **Financial Position** | | | | | | | | |
| Property, Plant and Equipment | 2,776.2 | 2,887.9 | 6,076.2 | 6,158.9 | 5,807.2 | 5,677.4 | 5,712.6 | 5,526.5 |
| Intangible Assets | 72.3 | 57.9 | 40.2 | 54.5 | 30.5 | 13.5 | 6.1 | 10.6 |
| Advances | - | - | 6.6 | 1.0 | 0.3 | 0.7 | 1.7 | 5.1 |
| **Total Non-Current Assets** | **2,848.5** | **2,945.8** | **6,123.1** | **6,214.4** | **5,838.0** | **5,691.5** | **5,720.5** | **5,542.2** |
| Cash and Cash Equivalents | 309.6 | 24.6 | 251.2 | 219.7 | 248.3 | 91.4 | 19.0 | 20.1 |
| Trade Receivables | 69.4 | 159.5 | 133.8 | 125.8 | 223.7 | 255.1 | 431.0 | 923.4 |
| Inventories | 858.8 | 884.9 | 861.1 | 1,086.8 | 1,114.1 | 1,496.4 | 1,887.1 | 2,710.2 |
| Other Current Asset | 117.6 | 234.3 | 377.6 | 676.3 | 614.1 | 794.3 | 1,183.2 | 900.6 |
| **Current Assets** | **1,355.3** | **1,303.4** | **1,623.6** | **2,108.7** | **2,200.2** | **2,637.2** | **3,520.3** | **4,554.3** |
| **Total Assets** | **4,203.8** | **4,249.2** | **7,746.7** | **8,323.1** | **8,038.3** | **8,328.7** | **9,240.7** | **10,096.5** |
| Borrowings | 810.6 | 496.6 | 1,599.3 | 2,245.6 | 2,070.3 | 1,842.6 | 2,776.4 | 2,589.7 |
| Trade Payables | 1,275.8 | 797.0 | 1,437.3 | 763.6 | 344.0 | 581.1 | 513.7 | 1,220.4 |
| Other Current Liability | 502.3 | 596.0 | 943.5 | 882.4 | 1,235.1 | 1,251.9 | 1,277.7 | 1,375.9 |
| **Current liability** | **2,588.7** | **1,889.6** | **3,980.1** | **3,891.6** | **3,649.4** | **3,675.5** | **4,567.8** | **5,186.0** |
| Equity Share Capital | 121.0 | 121.0 | 121.0 | 121.0 | 121.0 | 121.0 | 121.0 | 121.0 |
| Reserve and Surplus | 1,145.8 | 1,866.0 | 2,219.9 | 2,145.1 | 2,570.8 | 3,196.0 | 3,787.3 | 4,055.9 |
| Borrowing | - | - | 959.0 | 1,700.4 | 1,130.4 | 560.4 | - | - |
| Other Non Current Liability | 348.4 | 372.5 | 466.8 | 465.0 | 566.6 | 775.8 | 764.6 | 733.6 |
| **Total equity and liability** | **4,203.8** | **4,249.2** | **7,746.7** | **8,323.1** | **8,038.3** | **8,328.7** | **9,240.7** | **10,096.5** |
| **Cash Flow Statements** | | | | | | | | |
| **Operating Activities** | | | | | | | | |
| Profit for the year | 589.3 | 911.3 | 624.7 | 8.3 | 512.6 | 964.0 | 714.7 | 448.4 |
| Adjustments for non cash and non operating | 332.8 | 341.8 | 459.8 | 827.2 | 854.3 | 801.8 | 910.4 | 926.4 |
| Working capital adjustments: | | | | | | | | |
| Trade payable and other liabilities | 500.6 | (370.4) | 959.4 | (775.4) | (74.7) | 332.3 | 57.3 | 838.8 |
| Provisions | 15.4 | 28.6 | 45.1 | 41.4 | 38.4 | 34.6 | (12.6) | (52.0) |
| Trade and other receivables | 77.4 | (215.1) | 36.8 | 12.1 | (102.9) | (263.4) | (85.4) | (520.2) |
| Loans and advances | (2.6) | 7.5 | (160.3) | (297.4) | 68.3 | 52.8 | (482.8) | 290.0 |
| Inventories | (3.6) | (26.1) | 23.8 | (225.7) | (27.3) | (382.3) | (390.7) | (823.1) |
| **Cash generated from operations** | **1,509.4** | **677.7** | **1,989.3** | **(409.4)** | **1,268.8** | **1,539.8** | **710.8** | **1,108.4** |
| Direct taxes paid (net of refunds) | (71.1) | (180.0) | (138.0) | (35.1) | (11.7) | (242.9) | (146.1) | (101.0) |
| **NET CASH FLOWS FROM OPERATING ACTIVI** | **1,438.2** | **497.6** | **1,851.4** | **(444.6)** | **1,257.1** | **1,296.9** | **564.8** | **1,007.4** |
| **Investing Activities** | | | | | | | | |
| Acquisition of Property, plant and Equipmen | (435.0) | (405.0) | (3,619.2) | (617.7) | (198.5) | (451.6) | (635.1) | (459.1) |
| Purchase of Intangibles | (78.3) | (3.7) | (0.4) | (36.8) | - | - | - | (14.7) |
| Proceeds from sale of Property, Plant and Eq | 5.4 | - | 19.2 | 7.4 | 0.1 | 0.2 | 8.0 | 1.7 |
| Interest Received | 0.7 | 10.6 | 15.7 | 16.0 | 9.4 | 10.8 | 7.0 | 0.2 |
| **NET CASH FLOWS FROM INVESTING ACTIVIT** | **(507.1)** | **(398.2)** | **(3,584.7)** | **(631.2)** | **(189.0)** | **(440.6)** | **(620.1)** | **(471.9)** |
| **Financing Activities** | | | | | | | | |
| Repayment of Borrowings | (544.2) | (314.0) | 2,061.6 | 1,387.7 | (745.3) | (797.8) | 373.4 | (186.7) |
| Interest paid | (63.9) | (40.2) | (53.3) | (295.0) | (294.3) | (215.4) | (317.9) | (275.1) |
| Dividend paid | (34.3) | (30.3) | (48.4) | (48.4) | - | - | (72.6) | (72.6) |
| **NET CASH FLOWS FROM FINANCING ACTIVI** | **(642.4)** | **(384.5)** | **1,959.9** | **1,044.3** | **(1,039.5)** | **(1,013.1)** | **(17.1)** | **(534.4)** |
| INCREASE/(DECREASE) IN CASH AND CASH E | 288.7 | (285.0) | 226.6 | (31.4) | 28.5 | (156.9) | (72.4) | 1.1 |
| CASH AND CASH EQUIVALENTS, Beginning of | 20.8 | 309.6 | 24.6 | 251.2 | 219.7 | 248.3 | 91.4 | 19.0 |
| CASH AND CASH EQUIVALENTS, End of Year | 309.6 | 24.6 | 251.2 | 219.7 | 248.3 | 91.4 | 19.0 | 20.1 |

## Ratio Analysis

| Years | 3/74 | 3/75 | 3/76 | 3/77 | 3/78 | 3/79 | 3/80 | 3/81 | Average | Median |
|---|---|---|---|---|---|---|---|---|---|---|
| Historical Financial Statement - Bottlers Nepal (Terai) Limited | | | | | | | | | | |
| SalesGrowth | | 23.71% | -1.36% | -15.91% | 31.34% | 47.85% | 2.26% | -5.89% | 11.71% | 2.26% |
| EBITDA Growth | | 36.68% | -13.78% | -26.85% | 68.69% | 31.57% | -8.34% | -17.07% | 10.13% | -8.34% |
| EBIT Growth | | 44.90% | -29.02% | -56.43% | 172.22% | 47.26% | -12.14% | -29.70% | 19.58% | -12.14% |
| Net Profit Growth | | 53.60% | -38.82% | -98.76% | 7426.56% | 47.68% | 2.09% | -46.83% | 1049.36% | 2.09% |
| Dividend Growth | | -11.86% | 60.00% | 0.00% | -100.00% | 0.00% | 0.00% | 0.00% | -7.41% | 0.00% |
| | | | | | | | | | | |
| Gross Margin | 36.89% | 40.59% | 37.47% | 35.23% | 36.32% | 31.84% | 30.79% | 31.04% | 35.02% | 35.77% |
| EBITDA Margin | 19.14% | 21.14% | 18.48% | 16.08% | 20.65% | 18.37% | 16.47% | 14.51% | 18.10% | 18.43% |
| EBIT Margin | 14.21% | 16.64% | 11.98% | 6.21% | 12.86% | 12.81% | 11.01% | 8.22% | 11.74% | 12.39% |
| EBT Margin | 12.88% | 16.11% | 11.19% | 0.18% | 8.32% | 10.58% | 7.67% | 5.11% | 9.00% | 9.45% |
| Net Profit Margin | 10.55% | 13.10% | 8.13% | 0.12% | 6.87% | 6.87% | 6.85% | 3.87% | 7.05% | 6.87% |
| | | | | | | | | | | |
| SalesExpenses%Sales | 19.18% | 20.50% | 23.10% | 22.45% | 16.44% | 14.39% | 15.19% | 16.89% | 18.52% | 18.03% |
| Depreciation%Sales | 4.93% | 4.50% | 6.50% | 9.87% | 7.79% | 5.56% | 5.46% | 6.29% | 6.36% | 5.93% |
| OperatingIncome%Sales | 14.21% | 16.64% | 11.98% | 6.21% | 12.86% | 12.81% | 11.01% | 8.22% | 11.74% | 12.39% |
| | | | | | | | | | | |
| Return on Capital Employed | 40.24% | 39.91% | 17.75% | 6.57% | 18.06% | 25.09% | 21.95% | 14.69% | 23.03% | 20.01% |
| Retained Earnings% | 94.12% | 96.63% | 91.18% | 0.00% | 100.00% | 100.00% | 90.61% | 82.34% | 81.86% | 92.65% |
| Return on Equity% | 38.10% | 37.31% | 19.37% | 0.25% | 15.74% | 18.87% | 16.35% | 8.13% | 19.26% | 17.61% |
| Self Sustained Growth Rate | 35.86% | 36.05% | 17.67% | 0.00% | 15.74% | 18.87% | 14.81% | 6.70% | 18.21% | 16.70% |
| Interest Coverage Ratio | 10.7x | 31.0x | 15.3x | 1.0x | 2.8x | 5.7x | 3.3x | 2.6x | 906.85% | 451.69% |
| | | | | | | | | | | |
| Debtor Turnover Ratio | 65.9x | 35.5x | 41.7x | 37.3x | 27.6x | 35.7x | 21.6x | 9.5x | 3435.26% | 3560.47% |
| Creditor Turnover Ratio | 2.3x | 4.2x | 2.4x | 4.0x | 11.4x | 10.7x | 12.6x | 5.0x | 656.31% | 458.72% |
| Inventory Turnover | 3.4x | 3.8x | 4.1x | 2.8x | 3.5x | 4.2x | 3.4x | 2.2x | 341.70% | 347.10% |
| Fixed Asset Turnover | 1.6x | 1.9x | 0.9x | 0.8x | 1.1x | 1.6x | 1.6x | 1.6x | 138.32% | 159.28% |
| Capital Turnover Ratio | 2.8x | 2.4x | 1.5x | 1.1x | 1.4x | 2.0x | 2.0x | 1.8x | 1.9x | 1.9x |
| | | | | | | | | | | |
| Receivable Days | 6days | 10days | 9days | 10days | 13days | 10days | 17days | 38days | 14 | 10 |
| Payable Days | 161days | 87days | 150days | 92days | 32days | 34days | 29days | 74days | 82 | 80 |
| Inventory Days | 109days | 96days | 90days | 130days | 104days | 88days | 107days | 164days | 111 | 105 |
| Cash Conversion Cycle | -47days | 20days | -52days | 49days | 85days | 64days | 95days | 128days | 43 | 56 |
| | | | | | | | | | | |
| CFO/Sales | 33.00% | 11.98% | 35.64% | -8.72% | 20.58% | 16.89% | 7.63% | 12.64% | 16.20% | 14.77% |
| CFO/Total Assets | 35.90% | 15.95% | 25.68% | -4.92% | 15.78% | 18.49% | 7.69% | 10.98% | 15.69% | 15.87% |
| CFO/Total Debt | 186.21% | 136.46% | 77.76% | -10.38% | 39.64% | 64.08% | 25.60% | 42.80% | 70.27% | 53.44% |

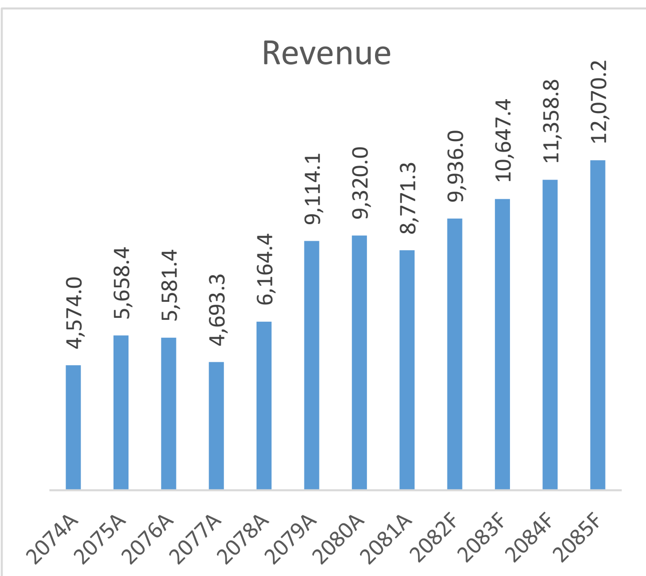
## Forecasting

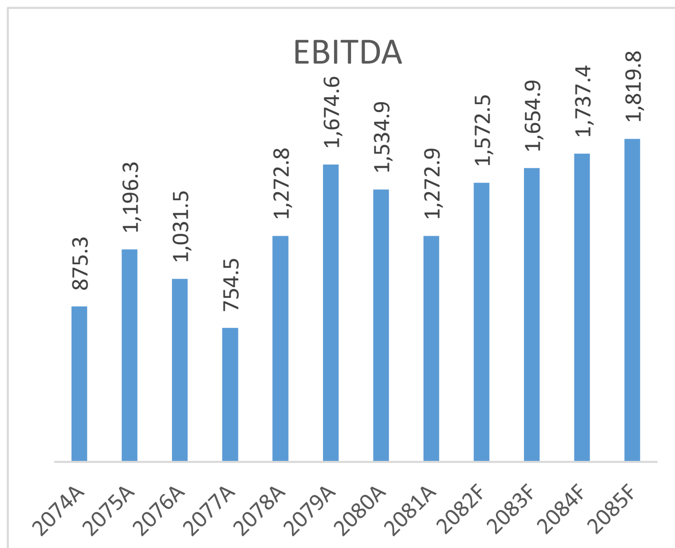
**BNT - Revenue Forecasting**

| Weight | Year | Revenue | Sales Growth |
|---|---|---|---|
| 1 | 2074A | 4,574.0 | |
| 2 | 2075A | 5,658.4 | 23.71% |
| 3 | 2076A | 5,581.4 | -1.36% |
| 4 | 2077A | 4,693.3 | -15.91% |
| 5 | 2078A | 6,164.4 | 31.34% |
| 6 | 2079A | 9,114.1 | 47.85% |
| 7 | 2080A | 9,320.0 | 2.26% |
| 8 | 2081A | 8,771.3 | -5.89% |
| 9 | 2082F | 9,936.0 | 13.28% |
| 10 | 2083F | 10,647.4 | 7.16% |
| 11 | 2084F | 11,358.8 | 6.68% |
| 12 | 2085F | 12,070.2 | 6.26% |

**BNT - EBITDA Forecasting**

| Weight | Year | EBITDA | EBITDA Growth |
|---|---|---|---|
| 1 | 2074A | 875.3 | |
| 2 | 2075A | 1,196.3 | 36.68% |
| 3 | 2076A | 1,031.5 | -13.78% |
| 4 | 2077A | 754.5 | -26.85% |
| 5 | 2078A | 1,272.8 | 68.69% |
| 6 | 2079A | 1,674.6 | 31.57% |
| 7 | 2080A | 1,534.9 | -8.34% |
| 8 | 2081A | 1,272.9 | -17.07% |
| 9 | 2082F | 1,572.5 | 23.54% |
| 10 | 2083F | 1,654.9 | 5.24% |
| 11 | 2084F | 1,737.4 | 4.98% |
| 12 | 2085F | 1,819.8 | 4.74% |



## Intrinsic Growth

| Calculation of Return on Invested Capital | 3/74 | 3/75 | 3/76 | 3/77 | 3/78 | 3/79 | 3/80 | 3/81 |
|---|---|---|---|---|---|---|---|---|
| **Current Asset** | | | | | | | | |
| Cash and Cash Equivalents | 309.554222 | 24.596265 | 251.193165 | 219.747662 | 248.292117 | 91.440582 | 19.029812 | 20.09588 |
| Trade Receivables | 69.389872 | 159.498307 | 133.768295 | 125.846265 | 223.739003 | 255.060128 | 430.985174 | 923.384395 |
| Inventories | 858.816554 | 884.929294 | 861.125131 | 1086.79771 | 1114.07167 | 1496.36679 | 1887.076286 | 2710.19907 |
| Other Current Asset | 117.577254 | 234.337156 | 377.559304 | 676.287577 | 614.129995 | 794.314856 | 1183.19732 | 900.647803 |
| **Total Current Assets** | **1,355.3** | **1,303.4** | **1,623.6** | **2,108.7** | **2,200.2** | **2,637.2** | **3,520.3** | **4,554.3** |
| **Current Liabilities** | | | | | | | | |
| Borrowings | 810.6 | 496.6 | 1,599.3 | 2,245.6 | 2,070.3 | 1,842.6 | 2,776.4 | 2,589.7 |
| Trade Payables | 1,275.8 | 797.0 | 1,437.3 | 763.6 | 344.0 | 581.1 | 513.7 | 1,220.4 |
| Other Current Liability | 502.3 | 596.0 | 943.5 | 882.4 | 1,235.1 | 1,251.9 | 1,277.7 | 1,375.9 |
| **Total Current Liabilities** | **2,588.7** | **1,889.6** | **3,980.1** | **3,891.6** | **3,649.4** | **3,675.5** | **4,567.8** | **5,186.0** |
| **Net Working Capital** | **(1,233.4)** | **(586.3)** | **(2,356.4)** | **(1,782.9)** | **(1,449.2)** | **(1,038.3)** | **(1,047.6)** | **(631.7)** |
| **Non Current Assets** | | | | | | | | |
| Property, Plant and Equipment | 2,776.2 | 2,887.9 | 6,076.2 | 6,158.9 | 5,807.2 | 5,677.4 | 5,712.6 | 5,526.5 |
| Intangible Assets | 72.3 | 57.9 | 40.2 | 54.5 | 30.5 | 13.5 | 6.1 | 10.6 |
| **Total Non Current Assets** | **2,848.5** | **2,945.8** | **6,116.4** | **6,213.4** | **5,837.8** | **5,690.9** | **5,718.7** | **5,537.0** |
| **Invested Capital** | **1,615.1** | **2,359.5** | **3,760.0** | **4,430.5** | **4,388.5** | **4,652.5** | **4,671.2** | **4,905.3** |
| **EBIT** | **649.9** | **941.7** | **668.4** | **291.2** | **792.8** | **1,167.5** | **1,025.8** | **721.1** |
| **ROIC** | **40.24%** | **39.91%** | **17.78%** | **6.57%** | **18.07%** | **25.09%** | **21.96%** | **14.70%** |

| Calculation of Reinvestment Rate | 3/74 | 3/75 | 3/76 | 3/77 | 3/78 | 3/79 | 3/80 | 3/81 |
|---|---|---|---|---|---|---|---|---|
| Net Capex | 507.9 | 408.7 | 3,600.4 | 647.2 | 198.4 | 451.4 | 627.1 | 472.1 |
| Change In Working Capital | | 647.1 | (1,770.1) | 573.5 | 333.7 | 410.9 | (9.2) | 415.8 |
| EBIT | 649.9 | 941.7 | 668.4 | 291.2 | 792.8 | 1,167.5 | 1,025.8 | 721.1 |
| Marginal Rate | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% |
| EBIT(1-T) | 545.9 | 791.0 | 561.5 | 244.6 | 666.0 | 980.7 | 861.7 | 605.7 |
| Reinvestment | | 1,055.8 | 1,830.3 | 1,220.7 | 532.1 | 862.3 | 617.9 | 887.9 |
| **Reinvestment Rate** | | **133.47%** | **325.97%** | **498.95%** | **79.90%** | **87.92%** | **71.71%** | **146.59%** |

| | |
|---|---|
| **7 Year Average** | **192.07%** |
| **7 Year Median** | **192.07%** |
| **Forecasted** | **66.33%** |

| Calculation of Growth Rate | | | | 3/77 | 3/78 | 3/79 | 3/80 | 3/81 |
|---|---|---|---|---|---|---|---|---|
| Reinvestment Rate | | 133.47% | 325.97% | 498.95% | 79.90% | 87.92% | 71.71% | 146.59% |
| ROIC | | 39.91% | 17.78% | 6.57% | 18.07% | 25.09% | 21.96% | 14.70% |
| **Intrinsic Growth** | | **53.27%** | **57.95%** | **32.80%** | **14.43%** | **22.06%** | **15.75%** | **21.55%** |

| | |
|---|---|
| **7 Year Average** | **31.12%** |
| **7 Year Median** | **22.06%** |

## Beta Regression

**Regression Beta - 2 Years Weekly**

| Bottlers Nepal (Terai) Limited Weekly Returns | | | Nepse Returns | |
|---|---|---|---|---|
| **Date** | **Closing Price** | **Return** | **Closing Price** | **Return** |
| 4/16/2023 | 11907 | | 1904.4 | |
| 4/23/2023 | 11650 | -2.16% | 1889.73 | -0.77% |
| 4/30/2023 | 11450 | -1.72% | 1869.73 | -1.06% |
| 5/7/2023 | 11670 | 1.92% | 1838.59 | -1.67% |
| 5/14/2023 | 11600 | -0.60% | 1877.32 | 2.11% |
| 5/21/2023 | 13005 | 12.11% | 1959.12 | 4.36% |
| 5/28/2023 | 12362.4 | -4.94% | 1866.34 | -4.74% |
| 6/4/2023 | 13000 | 5.16% | 1939.61 | 3.93% |
| 6/11/2023 | 13083 | 0.64% | 2042.07 | 5.28% |
| 6/18/2023 | 13431 | 2.66% | 2055.53 | 0.66% |
| 6/25/2023 | 13426 | -0.04% | 2150.99 | 4.64% |
| 7/2/2023 | 13394.6 | -0.23% | 2049.38 | -4.72% |
| 7/9/2023 | 13800 | 3.03% | 2084.93 | 1.73% |
| 7/17/2023 | 15695 | 13.73% | 2163.92 | 3.79% |
| 7/23/2023 | 14601 | -6.97% | 2126.48 | -1.73% |
| 7/30/2023 | 14405 | -1.34% | 2089.84 | -1.72% |
| 8/6/2023 | 14406 | 0.01% | 2066.05 | -1.14% |
| 8/13/2023 | 14300 | -0.74% | 2033.13 | -1.59% |
| 8/20/2023 | 13525 | -5.42% | 2013.93 | -0.94% |
| 8/27/2023 | 13377 | -1.09% | 1990.59 | -1.16% |
| 9/3/2023 | 13200 | -1.32% | 1932.45 | -2.92% |
| 9/11/2023 | 13464 | 2.00% | 2007.06 | 3.86% |
| 9/17/2023 | 13500.1 | 0.27% | 2029.78 | 1.13% |
| 9/24/2023 | 13300 | -1.48% | 2004.3 | -1.26% |
| 10/2/2023 | 13000 | -2.26% | 1956.92 | -2.36% |
| 10/8/2023 | 13000 | 0.00% | 1874.6 | -4.21% |
| 10/16/2023 | 13363 | 2.79% | 1903.84 | 1.56% |
| 10/29/2023 | 13158 | -1.53% | 1847.7 | -2.95% |
| 11/5/2023 | 12703 | -3.46% | 1852.08 | 0.24% |
| 11/20/2023 | 12590 | -0.89% | 1860.2 | 0.44% |
| 11/26/2023 | 11200 | -11.04% | 1858.53 | -0.09% |
| 12/3/2023 | 11315.1 | 1.03% | 1852.77 | -0.31% |
| 12/11/2023 | 12443.1 | 9.97% | 1994.6 | 7.66% |
| 12/17/2023 | 13100 | 5.28% | 2109.1 | 5.74% |
| 12/24/2023 | 12580 | -3.97% | 2068.9 | -1.91% |
| 1/1/2024 | 12350.2 | -1.83% | 2049.28 | -0.95% |
| 1/7/2024 | 12750 | 3.24% | 2088.99 | 1.94% |
| 1/14/2024 | 12446 | -2.38% | 2155.82 | 3.20% |
| 1/21/2024 | 12001 | -3.58% | 2084.09 | -3.33% |
| 1/28/2024 | 11900 | -0.84% | 2067.01 | -0.82% |
| 2/4/2024 | 12300 | 3.36% | 2096.38 | 1.42% |
| 2/11/2024 | 12011 | -2.35% | 2062.03 | -1.64% |
| 2/18/2024 | 13950 | 16.14% | 2005.83 | -2.73% |
| 3/3/2024 | 14000 | 0.36% | 2030.55 | 1.23% |

**Beta Drifting**

| | |
|---|---|
| Levered Raw Beta | 0.63 |
| Raw Beta Weight | 75.00% |
| Market Beta | 1.00 |
| Market Beta Weight | 25.00% |
| Adjusted Beta | 0.72 |

SUMMARY OUTPUT

| *Regression Statistics* | |
|---|---|
| Multiple R | 0.369776 |
| R Square | 0.136734 |
| Adjusted R Square | 0.128187 |
| Standard Error | 0.048776 |
| Observations | 103 |

ANOVA

| | *df* |
|---|---|
| Regression | 1 |
| Residual | 101 |
| Total | 102 |

| | *Coefficients* |
|---|---|
| Intercept | -0.000271 |
| X Variable 1 | 0.626557 |

## Weighted Average Cost of Capital

*All figures are in NRP unless stated otherwise.*

### Cost of Debt

| | |
|---|---|
| Pre-tax Cost of Debt | 10.06% |
| Tax Rate | 16.00% |
| After Tax Cost of Debt | 8.45% |

### Cost of Equity

| | |
|---|---|
| Risk Free Rate | 10.00% |
| Equity Risk Premium | 3.12% |
| Levered Beta 4 | 0.72 |
| Cost of Equity | 12.25% |

### Capital Structure

| | | Current |
|---|---|---|
| Total Debt | 2,589.72 | 14.58% |
| Market Capitalization | 15,175.82 | 85.42% |
| Total Capitalization | 17,765.5 | 100.00% |
| | | |
| Debt / Equity | | 17.06% |

### Weighted Average Cost of Capital

| | |
|---|---|
| Cost of Equity | 12.25% |
| Equity Weight | 85.42% |
| | |
| Cost of Debt | 8.45% |
| Debt Weight | 14.58% |
| | |
| **WACC** | **11.69%** |

## DCF Valuation

| Calculation of PV of FCFF | 3/81A | 3/82F | 3/83F | 3/84F | 3/85F | 3/86F |
|---|---|---|---|---|---|---|
| EBIT | 721.1 | 945.5 | 1,239.7 | 1,625.4 | 2,131.2 | 2,794.4 |
| Tax Rate | 16% | 16% | 16% | 16% | 16% | 16% |
| EBIT (1-T) | 605.7 | 794.2 | 1,041.3 | 1,365.4 | 1,790.2 | 2,347.3 |
| Less: Reinvestment rate | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |
| Free Cash Flow to Firm (FCFF) | 203.9 | 267.4 | 350.6 | 459.7 | 602.8 | 790.3 |
| Mid Year Convention | | 0.5 | 1.5 | 2.5 | 3.5 | 4.5 |
| Discounting Factor | | 0.946 | 0.847 | 0.758 | 0.679 | 0.608 |
| PV of FCFF | | 253.0 | 297.0 | 348.7 | 409.3 | 480.5 |

| | |
|---|---|
| Expected Growth | 31.12% |
| Terminal Growth | 4.5% |
| WACC | 11.69% |

| Calculation of Terminal Value | |
|---|---|
| FCFF(n+1) | 1,036.2 |
| WACC | 11.69% |
| Terminal Growth Rate | 4.50% |
| **Terminal Value** | **14,406.7** |

| Calculation of Intrinsic Value of Equity Share | |
|---|---|
| PV of FCFF | 1,788.6 |
| PV of Terminal Value | 14,406.7 |
| **Enterprise Value** | **16,195.3** |
| Add: Cash | 20.1 |
| Less: Debt | 2,589.7 |
| **Equity Value** | 13,625.7 |
| No. of shares | 1.2 |
| **Intrinsic Value of Equity Share** | **11,260.9** |

**Sensitivity Analysis: Terminal Value**

| Terminal Value \ WACC | 9.00% | 11.69% | 13.00% | 15.00% |
|---|---|---|---|---|
| 4.00% | 20724.89 | 13470.35 | 11513.83 | 9420.406 |
| 5.00% | 25906.12 | 15483.01 | 12953.06 | 10362.45 |
| 6.50% | 42123.77 | 20110.38 | 16040.94 | 12248.76 |
| 7.00% | 51812.23 | 22081.66 | 17270.74 | 12953.06 |
| 8.00% | 103624.5 | 28061.34 | 20724.89 | 14803.5 |

| | | |
|---|---|---|
| Current Share Price | 12410 | *As of 06/09/2025* |
| Premium/(Discount) | 1.1x | |

*Note: The company is special industry as defined u/s 11 of Income Tax Act 2058, the normal applicable tax rate for which is 20%. Company has further availed rebate of 20%provided to special industries employing 300 or more Nepalese employees during the year. Therefore tax rate applicable for income from special industry is 16%.*

## Comparable Company Valuation

*Figures in MM*

| Company | Ticker | Market Data: Share Price | Shares Outstanding | Equity Value | Net Debt | Enterprise Value | Financials: Revenue | EBITDA | Net Income | Valuation: EV/ Revenue | EV/ EBITDA | P/E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Bottlers Nepal Terai | BNT | 12410 | 1.21 | 15,016 | 2,569.62 | 12,446 | 8,771 | 1,273 | 340 | 1.42x | 9.78x | 44.21x |
| Unilever Nepal Limited | UNL | 46000 | 0.92 | 42,366 | (858.53) | 41,507 | 8,481 | 4,678 | 1,955 | 4.89x | 8.87x | 21.67x |
| Bottlers Nepal Limited | BNL | 15584 | 1.95 | 30,372 | 3,114.09 | 33,486 | 11,227 | 3,574 | 383 | 2.98x | 9.37x | 79.30x |
| Himalayan Distillery | HDL | 1177 | 30.73 | 36,173 | (1,239.20) | 34,934 | 4,155 | 483 | 356 | 8.41x | 72.29x | 101.60x |
| **Average** | | | | | | | | | | **4.43x** | **25.08x** | **61.69x** |
| **Median** | | | | | | | | | | **3.94x** | **9.57x** | **61.75x** |

| BNT Comparable Valuation | EV/Revenue | EV/EBITDA | P/E |
|---|---|---|---|
| Implied Enterprise Value | 34,546 | 12,187 | 23,546 |
| Net Debt | 2,570 | 2,570 | 2,570 |
| Implied Market Value | 31,976 | 9,617 | 20,976 |
| Shares Outstanding | 1.21 | 1.21 | 1.21 |
| **Implied value per Share** | **26,426** | **7,948** | **17,336** |
| | *Overvalued* | *Undervalued* | *Overvalued* |

## Monte Carlo Simulation

| Date | Close | Shorted Return | Replication | Simulated Returns |
|---|---|---|---|---|
| 12/17/2017 | 7800 | 0.114 | 1 | 0.063 |
| 7/24/2024 | 16412 | 0.100 | 2 | 0.017 |
| 2/28/2024 | 16144.7 | 0.100 | 3 | (0.019) |
| 11/15/2021 | 13007.5 | 0.100 | 4 | 0.008 |
| 11/14/2021 | 11825 | 0.100 | 5 | 0.006 |
| 5/11/2021 | 10065 | 0.100 | 6 | (0.002) |
| 12/10/2017 | 6490 | 0.100 | 7 | 0.085 |
| 5/21/2017 | 6644 | 0.100 | 8 | (0.011) |
| 5/18/2017 | 6040 | 0.100 | 9 | 0.001 |
| 5/17/2017 | 5491 | 0.100 | 10 | (0.005) |
| 5/12/2021 | 11071 | 0.100 | 11 | (0.001) |
| 11/24/2020 | 10400 | 0.100 | 12 | 0.022 |
| 2/21/2024 | 13194 | 0.100 | 13 | (0.000) |
| 11/19/2020 | 9290 | 0.100 | 14 | 0.011 |
| 2/19/2020 | 7727 | 0.100 | 15 | (0.027) |
| 2/20/2020 | 8499 | 0.100 | 16 | (0.049) |
| 11/18/2020 | 8446 | 0.100 | 17 | 0.003 |
| 5/15/2017 | 4539 | 0.100 | 18 | 0.005 |
| 5/16/2017 | 4992 | 0.100 | 19 | 0.001 |
| 12/26/2021 | 14598 | 0.098 | 20 | 0.000 |
| 9/6/2021 | 10699 | 0.092 | 21 | 0.030 |
| 5/6/2024 | 14069.8 | 0.090 | 22 | 0.008 |
| 12/2/2020 | 9599 | 0.088 | 23 | (0.012) |
| 2/27/2024 | 14677 | 0.087 | 24 | (0.000) |
| 5/23/2017 | 7354 | 0.085 | 25 | (0.015) |
| 3/5/2020 | 7423 | 0.082 | 26 | (0.013) |
| 7/25/2017 | 7300 | 0.081 | 27 | (0.008) |
| 8/16/2018 | 6075 | 0.081 | 28 | (0.007) |
| 11/16/2021 | 14051 | 0.080 | 29 | 0.054 |
| 7/20/2023 | 15695 | 0.079 | 30 | 0.014 |
| 4/8/2018 | 6167 | 0.078 | 31 | 0.060 |
| 10/31/2021 | 11104 | 0.078 | 32 | 0.026 |
| 4/30/2024 | 13500 | 0.076 | 33 | (0.009) |
| 11/17/2022 | 12700 | 0.075 | 34 | (0.004) |
| 12/6/2021 | 12600 | 0.074 | 35 | 0.029 |
| 7/23/2024 | 14920 | 0.073 | 36 | 0.003 |
| 1/19/2020 | 6650 | 0.073 | 37 | (0.055) |
| 6/29/2022 | 13050 | 0.070 | 38 | (0.017) |
| 11/9/2020 | 7350 | 0.069 | 39 | (0.000) |
| 12/22/2020 | 8550 | 0.069 | 40 | 0.047 |
| 1/26/2021 | 9750 | 0.066 | 41 | 0.026 |
| 12/29/2022 | 14650 | 0.065 | 42 | 0.013 |
| 3/25/2021 | 9500 | 0.063 | 43 | 0.041 |
| 3/10/2021 | 9019 | 0.063 | 44 | (0.014) |
| 1/3/2021 | 9422 | 0.062 | 45 | 0.003 |
| 7/29/2022 | 14115 | 0.061 | 46 | (0.015) |
| 3/4/2024 | 16344.4 | 0.061 | 47 | 0.034 |
| 1/1/2025 | 13530 | 0.061 | 48 | (0.055) |
| 7/14/2022 | 13530 | 0.061 | 49 | 0.004 |
| 7/19/2023 | 14550 | 0.060 | 50 | 0.005 |
| 12/13/2017 | 7140 | 0.060 | 51 | 0.027 |
| 10/1/2024 | 15038 | 0.059 | 52 | (0.002) |

### Calculation of Value at Risk - BNT (Simulation)

| Historical Approach | |
|---|---|
| Mean | 0.0011 |
| Std. Dev | 0.0268 |
| Min | (0.0999) |
| Max | 0.1140 |
| CMP | 12410 |

| Monte Carlo Simulation | |
|---|---|
| Mean | 0.0010 |
| Std Deviation | 0.0270 |
| Min | (0.0995) |
| Max | 0.1099 |
| CMP | 12410 |

| Percentile | Confidence | VAR | Stock Price | VAR (NRP) |
|---|---|---|---|---|
| 5.00% | 95% | -0.04349 | 12,949.7 | (539.7) |
| 1.00% | 99% | -0.06184 | 13,177.4 | (767.4) |
| 0.10% | 100% | -0.0823 | 13,431.3 | (1,021.3) |