

PAKISTAN TOBACCO COMPANY ANAYLST BRIEFING

April 2021



AGENDA

1) Current Business Environment

2) 2020 Financials Overview

a) *Profit & Loss*

b) *Ratios Analysis*

3) A Better Tomorrow

4) Questions

CURRENT BUSINESS ENVIRONMENT

BUSINESS ENVIRONMENT



Macro-Economic Head
Winds

Uncertainty amid Covid-19



Widening Price Gap
DNP Sector

PTC VFM Brands vs. DNP
Price Gap: Rs 50/pack



Illicit Sector Share On
The Rise

DNP Growth
Counterfeit: 37.6% market share



Made In Pakistan
Initiative

Total Exports
Potential: ~ \$ 50Mn

COVID AMPLIFYING CHALLENGES IN AN ALREADY COMPLEX BUSINESS ENVIRONMENT



Complexity In Business
Operation









Compliance To Govt.
Mandated SOPs



Follow Best Practices For
Employee Safety

2020 FINANCIALS OVERVIEW

PROFIT & LOSS REVIEW FULL YEAR 2020

	FY 2020	FY 2019	20 vs. 19
Volume (Mn Sticks)	38,504	39,140	 1.62%
Net Turnover	60,891	51,975	 17.15%
Gross Profit	31,562	26,210	 20.42%
Operating Profit	21,846	17,675	 23.6%
Profit After Tax	16,492	12,889	 27.95%
Earnings per Share (Rs.)	64.55	50.45	 27.95%

RATIO ANALYSIS FULL YEAR 2020

		FY 2020	FY 2019
Gross Profit Ratio (% of NTO)	$(\text{Gross Profit}/\text{NTO}) \times 100\%$	51.8%	50.4%
Operating Profit Margin (% of NTO)	$(\text{Op. Profit}/\text{NTO}) \times 100\%$	35.9%	34.0%
Current Ratio	Current Assets/ Current Liabilities	1.27	1.38
Dividend Per Share	Dividends Paid/No. of shares	58	48

A BETTER TOMORROW



FIGHTING THE WAR AGAINST COUNTERFEIT

EVOLVING TO STAY AHEAD OF THE CURVE



App to detect PTC's counterfeit brands



Scan the pack from the front or the back using the Digimarc App



PTC logo's appearance on the screen demonstrates the authenticity of the cigarette pack

KEY SUCCESSES

+4.5MLN

TOTAL SCANS TILL DATE

+50%

REDUCTION IN
COUNTERFEIT VOLUME

+0.5MLN

COUNTERFEIT STICKS SEIZED BY
LEAS

PTC ESG STRATEGY

Focus areas

Topline Plan of Action



**Reduce the health impact of our business
ACCELERATING VELO**

VELO factory and activation channels



**Excellence in Environmental Management
CARBON NEUTRALITY AMBITION**

Zero Waste to landfill

Renewable Energy

Afforestation

Water Conservation



**Delivering a positive social Impact
HUMAN RIGHTS, HEALTH & SAFETY, FARMER LIVELIHOOD + P&C**

Women empowerment

Waste recycling

Farmer Livelihoods

Diversity & Inclusion

Zero Child labor

MDUs

Providing white collar job opportunities – GBS PK

Investing in People

Improvement in HCD index

Provision of Clean drinking water initiative

Community Investments

Safer Work Environment



**Robust corporate governance
LEADING THE CORPORATE SECTOR**

Meaningful civic participation in policy-making & regulatory engagement and maintenance of status as industry leader

Questions