

PAKISTAN TOBACCO COMPANY

CORPORATE BRIEFING SESSION

June 2023



AGENDA

Current Business Environment

2022 Financial Overview

- a) *Profit & Loss*
- b) *Ratios Analysis*

Outlook 2023

Q&A

2022 BUSINESS ENVIRONMENT



BUSINESS ENVIRONMENT

MACRO-ECONOMIC HEADWINDS



High inflation and FX devaluation amidst political turmoil



DEPLETING FX RESERVES



FX sourcing continues to be an issue for the country



CONSUMER AFFORDABILITY



Excise-increases hindering consumer affordability



ILLICIT SECTOR









ITB and DNP benefiting from price differential



VOLATILE ECONOMIC AND POLITICAL ENVIRONMENT

2022 FINANCIALS OVERVIEW

PROFIT & LOSS REVIEW 2022

Particulars	FY 2022	FY 2021	2022 vs 2021
Volume (Mn Sticks)	44,429	44,768	 -0.8%
Net Turnover	94,862	74,988	 26.5%
Gross Profit	45,156	35,896	 25.8%
Operating Profit	32,787	25,500	 28.6%
Profit After Tax	21,321	18,862	 13.0%
Earnings per Share (Rs.)	83.45	73.83	 13.0%

KEY RATIO ANALYSIS 2022

Ratio	Formula	FY 2022	FY 2021
Gross Profit Ratio	$(\text{Gross Profit} / \text{NTO}) * 100\%$	47.6%	47.9%
Operating Profit Margin	$(\text{Op. Profit} / \text{NTO}) * 100\%$	34.6%	34.0%
Current Ratio	Current Assets / Current Liabilities	1.26	1.11
Dividend Per Share	Dividends Paid / No. of shares	48	80

2023 OUTLOOK

CHALLENGING OUTLOOK

~ 150% EXCISE INCREASE



Increase in DNP/ITB share to 42%

2.3X indexation with DNP

HIGH INFLATION & DEVALUATION



Q1 2023 average inflation **31.5%**

Q1 2023 devaluation **28%**

FX SOURCING



Country FX reserves – less than 1 month of imports

Imports only permissible on deferred payment terms (**365+** days)

MACRO VOLATILITY CONTINUES TO POSE CHALLENGES

OUR AMBITION

COMPANY STRATEGY



Growth in value / legit market share
Amplify focus on New Categories

TRANSFORMATION AGENDA



Building talent / right capabilities
Simplification and Digitization

ESG STRATEGY



Sustainability Governance
Ethics and Integrity

CONTINUED COMMERCIAL DELIVERY CATALYZED BY NEW CATEGORIES, WORLD-CLASS TALENT AND RESPONSIBLE ESG INITIATIVES