

Pakistan Tobacco Company

Corporate Briefing Session

AGENDA

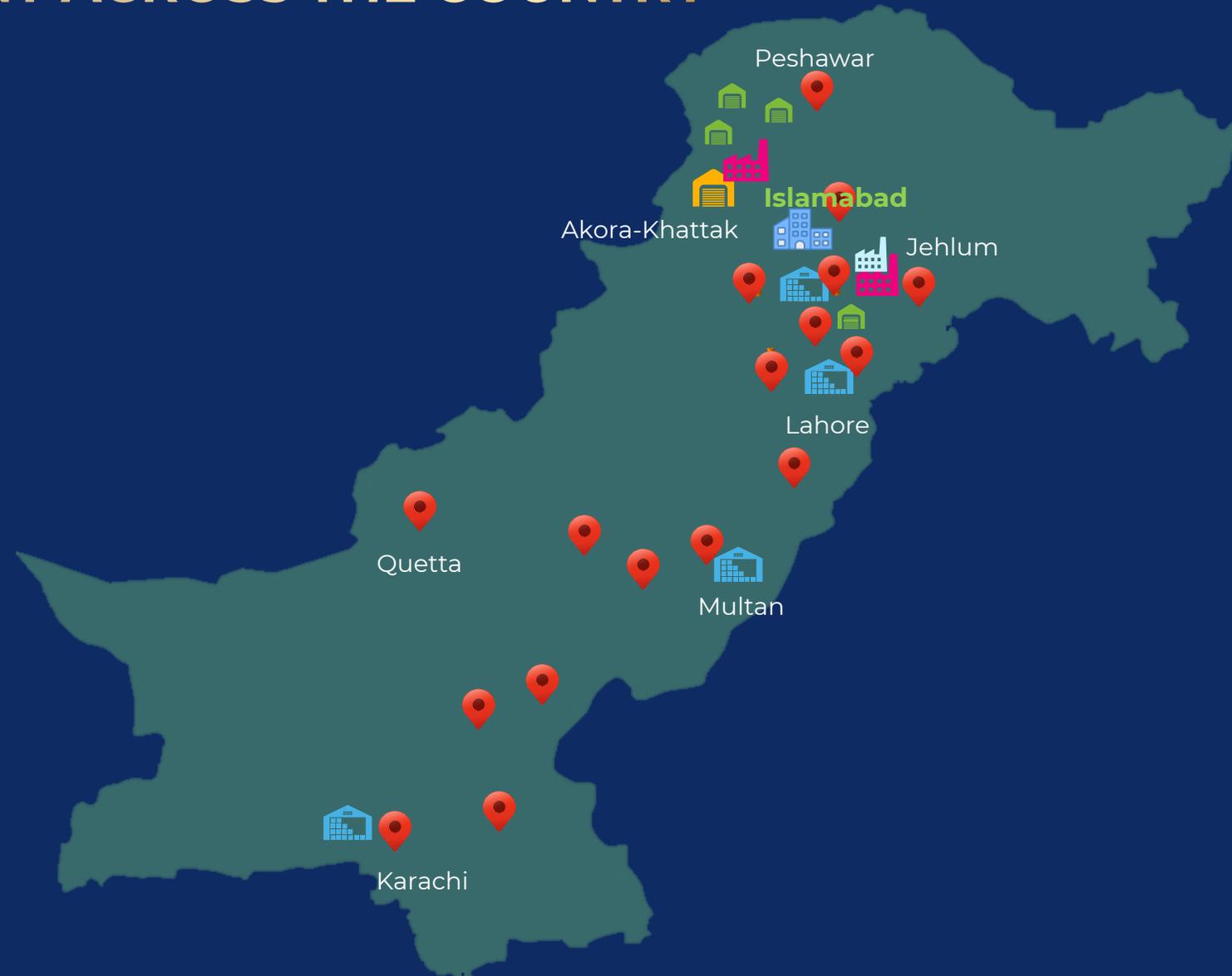
1. **About PTC**
2. **Current Business Environment**
3. **2025 – H1 Financial Overview**
 - a) *Profit & Loss*
 - b) *Ratio Analysis*
4. **Outlook 2025**
5. **Q&A**

Company Overview



PTC's FOOTPRINT ACROSS THE COUNTRY

-  HEAD OFFICE
-  LEAF REGIONS
-  GLT PLANT
-  CIGARETTE FACTORY
-  MO FACTORY
-  TRADE REGIONAL OFFICE
-  TRADE AREA OFFICE



| | | |
|--------------------------|-----------------------|----------------|
| 2 Factories | | |
| 4 Regional Sales Offices | 11 Area Sales Offices | |
| 3 Regional Leaf Offices | 9 Warehouses | 19 Leaf Depots |



A key subsidiary of BAT Group, PTC has evolved from a single warehouse to a leading FMCG company with a focus on reduced-risk products, aligning with BAT Group's vision of a *Smokeless World*.

Current Business Environment



MACRO-ECONOMIC STABILITY IS A CAUSE FOR OPTIMISM

GDP Growing

Pakistan projects GDP growth above 4% for FY 2025-26



Credit Rating Improving

 **PAKISTAN CREDIT RATING UPGRADED**

S&P RATING RAISED TO **CCC+** → **B-**
WITH STABLE OUTLOOK

PREVIOUSLY CCC+

The first upgrade in over three years, driven by reduced risks to debt payments and external liquidity.

LAST TIME WITH B- IN FEBRUARY 2019

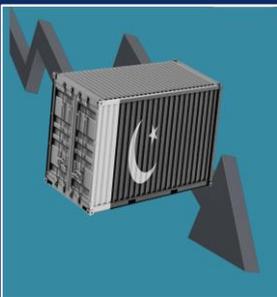
Forex Reserves Shored-up



Budget Deficit Improving



Balance of Trade Improving



Interest Rates on a Decline



Reason to Believe

Political Stability



Improved Foreign Relations With Major World Powers



INDUSTRY BUSINESS ENVIRONMENT

HIGH EXCISE INCIDENCE



**2023 EXCISE SHOCK
RESHAPED
INDUSTRY LANDSCAPE**

**EXCISE REFORMS REQUIRED
TO ENABLE LEVEL PLAYING
FIELD FOR LEGIT SECTOR**

CONSUMER AFFORDABILITY



**CONSUMER
PURCHASING POWER**

Trading Continues Below Minimum Legal
Price for Illicit

**ILLICIT MAKING SMOKING
AFFORDABLE**

GROWING ILLICIT TRADE



**ILLICIT MARKET SHARE
58%**

Track-and-Trace Ineffective in controlling
illicit trade — PKR 300 Bn a Year

**MORE HEADROOM FOR
ENFORCEMENT**

SMOKELESS WORLD

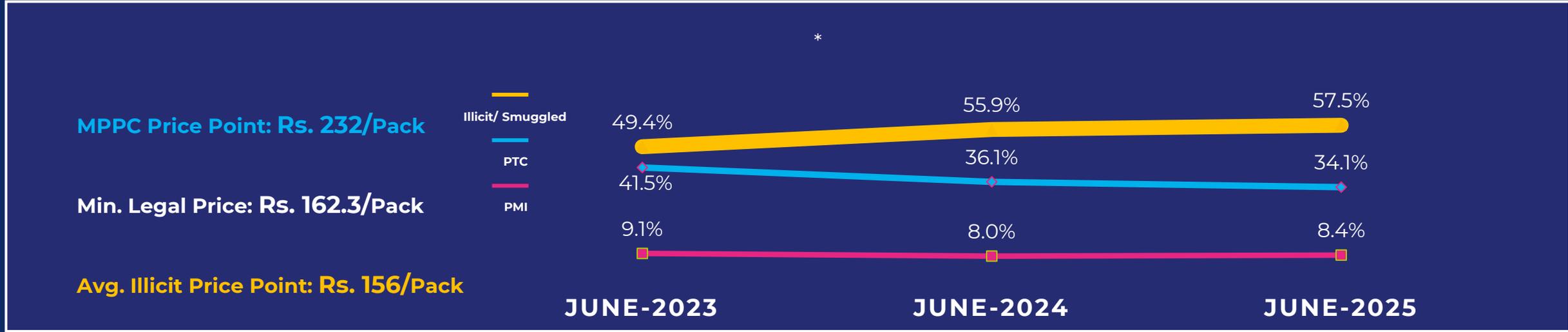


VELO ON THE RISE

Velo Hits 0.5M Consumers
Driving 4% of PTC Turnover as Pakistan
Moves Toward a Smokeless Future

**30,000 NEW CONSUMERS
ADDED**

HIGH EXCISE INCIDENCE – THRIVING ILLICIT TRADE



GROWING SMUGGLED DISTRIBUTIONS & VOLUMES

~2.5X

2021/22 vs. 2024/25

3.9 BN → 9.8 BN



Rs. 70 to Rs. 600 Price Point

Distribution Expansion

500+ SKUs

Better Pack Semiotics – No GHW

GROWING ILLICIT DISTRIBUTIONS & VOLUMES

~1.4X

2021/22 vs. 2024/25

26.1 BN → 36.2 BN



Rs. 65 to Rs. 200 Price Point

Taps Ban Violation

450+ SKUs

T&T Non-Compliance

PTC FOCUS ON CONSUMER AND SHAREHOLDER VALUE

SHARE HOLDER VALUE MAXIMIZATION

PKR **15.3** Bn Dividend
+101% VS SPLY

EXCISE STABILITY ACROSS CATEGORIES IN BUDGET '25-'26

GLT MONITORING | NON-T&T ILLEGAL |
ENFORCEMENT POWERS FOR PROVINCIAL
ADMIN. & REGULATORY AUTHORITY

EXPORTS ACCELERATION

FMC | MO | LEAF

\$ 35 MILLION IN H1 2025

+350% VS SPLY



Financial Overview

H1 2025



PROFIT & LOSS REVIEW – H1 2025 (VS. SPLY)

Net Turnover

Rs 69.4 Bn

19% ▲

Export Turnover

Rs 10.0 Bn

350% ▲

Profit After Tax

Rs 14.3 Bn

30% ▲

Earning Per Share (Rs.)

Rs 55.8

30% ▲

RATIO ANALYSIS – H1 2025

Gross Profit Margin

 **47.3%**

H1'24 **40.6%**

$(\text{Gross Profit} / \text{NTO}) * 100\%$

Operating Profit Margin

 **34.7%**

H1'24 **26.0%**

$(\text{Op. Profit} / \text{NTO}) * 100\%$

Current Ratio

 **1.9**

FY'24 **1.9**

Current Assets / Current Liabilities

Dividend Per Share

 **100.0**

H1'24 **60**

Dividends Paid / No. of Shares

Outlook 2025



FISCAL MEASURES



Excise Tax Reform and Fiscal Policy
Stability

TRACK AND TRACE SYSTEM



Point of sale T&T compliance
necessary to keep illicit trade in check

MODERN ORAL CAT. BUILDUP



Sustainable Category Growth and
Consumer Centric Products

FMC CONSUMER NEEDS



Introducing options for untapped
market segments

Q&A



Thank You

