

# 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
<b>Volume (Mn Sticks)</b>	<b>44,429</b>	<b>44,768</b>	 <b>-0.8%</b>
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

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

## TRANSFORMATION AGENDA

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Building talent / right capabilities  
Simplification and Digitization

## ESG STRATEGY

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Sustainability Governance  
Ethics and Integrity

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