



PHILIP MORRIS
(PAKISTAN) LIMITED

August 27, 2021

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Road
Stock Exchange Building
Karachi

Board Meeting results for the half year ended June 30, 2021

Dear Sir,

We wish to inform you that the Board of Directors of Philip Morris (Pakistan) Limited (“the Company”) at its meeting held on August 27, 2021 has approved the half yearly Financial Statements of the Company for the half year ended June 30, 2021. We are pleased to announce the results that are attached herewith as **Annexure A**. The brief overview of the financial results is as follows:

Business Overview:

During the six months ended June 30, 2021, the Company's net turnover stood at PKR 9,224 million reflecting an increase of 4.7% versus the same period last year. During the six months ended June 30, 2021, the Company's contribution to the National Exchequer, in the form of excise duty, sales tax and other government levies, stood at PKR 14,435 million (higher by 15.5% compared to the same period last year) reflecting 60% of Company's half-yearly Gross Turnover. The Company recorded Profit After Tax of PKR 1,720 million for the six months ended Jun 30, 2021 (compared to Profit After Tax of PKR 1,253 million for the same period last year) equivalent to 7.2% of Company's half-yearly Gross Turnover.

No change in excise rates on cigarettes during federal budget 2020/2021 proved to be positive for Government Revenue and the Company's contribution to the National Exchequer during fiscal year (July '20-Jun'21) in the form of excise duty, sales tax and other government levies, stood at PKR 24,052 million (higher by 18.7% compared to the previous fiscal year July '19-Jun'20). No change in excise rates during the fiscal year 2020/21 also led to consumer price stability of the legitimate cigarette brands. However, the issue of non-tax paid illicit cigarette remains a challenge having a market share of 40% (approx.) resulting in an annual loss of PKR 70-77 billion (estimated) to the national exchequer.

We acknowledge the introduction of a regulatory requirement to obtain brand registration certificates for specified sectors including tobacco. We also continue to support the introduction of the Track and Trace system and strongly urge the Government for its sooner implementation.

Yours faithfully,

For PHILIP MORRIS (PAKISTAN) LIMITED


Sana Enait Hashmi
Company Secretary





**PHILIP MORRIS
(PAKISTAN) LIMITED**

Annexure A

	<u>Quarter ended</u>		<u>Six months period ended</u>	
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
	----- (Rupees in thousand) -----			
Turnover - net	4,784,234	4,607,984	9,224,025	8,806,270
Cost of sales	2,471,861	2,449,879	4,763,039	5,177,656
Gross profit	2,312,373	2,158,105	4,460,986	3,628,614
Distribution and marketing expenses	581,046	431,779	1,431,928	953,487
Administrative expenses	395,370	420,048	734,140	772,346
Other expenses	130,507	124,074	265,362	249,203
Other income	(165,336)	(107,343)	(418,596)	(196,933)
	941,587	868,558	2,012,834	1,778,103
	1,370,786	1,289,547	2,448,152	1,850,511
Finance cost and bank charges	15,388	37,378	34,548	49,482
Profit before taxation	1,355,398	1,252,169	2,413,604	1,801,029
Taxation charge	353,929	361,052	693,723	548,513
Profit after taxation	1,001,469	891,117	1,719,881	1,252,516
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	1,001,469	891,117	1,719,881	1,252,516
	----- (Rupees) -----			
Earnings per share				
- Basic	16.26	14.47	27.93	20.34
- Diluted	13.89	13.26	23.86	18.64

