

Pakistan Tobacco Company

Corporate Briefing Session

AGENDA

1. **About PTC**
2. **Current Business Environment**
3. **2024 – H1 Financial Overview**
 - a) *Profit & Loss*
 - b) *Ratios Analysis*
4. **Outlook 2024**
5. **Q&A**

Company Overview



ABOUT PTC



As 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's vision of a Smokeless World.



BUILDING A SMOKELESS WORLD

01



02



03



AWARENESS

To create understanding with the relevant stakeholders about what Tobacco Harm Reduction (THR) is

ACCEPTANCE

To generate acknowledgment of THR as a public health strategy

RECOGNITION

To publicly endorse and defend New Categories as Reduced Risk Products

OUR PURPOSE – A BETTER TOMORROW™

Current Business Environment



BUSINESS ENVIRONMENT

FISCAL PRESSURE



GOVT. REVENUE PRESSURES
200% + EXCISE INCREASE IN FY 2022/23

**WITHOLDING TAX NEGATIVELY
IMPACTING BUSINESS**

CONSUMER AFFORDABILITY



**DECLINING CONSUMER
PURCHASING POWER**

**ILLCIT MAKING SMOKING
AFFORDABLE**

ILLCIT GROWTH



ILLCIT MARKET SHARE
56%

**MORE HEADROOM FOR
ENFORCEMENT**

RIISING COST BASE



LEAF
3X INCREASE

**INFLATIONARY PRESSURE ON
THE COST BASE**

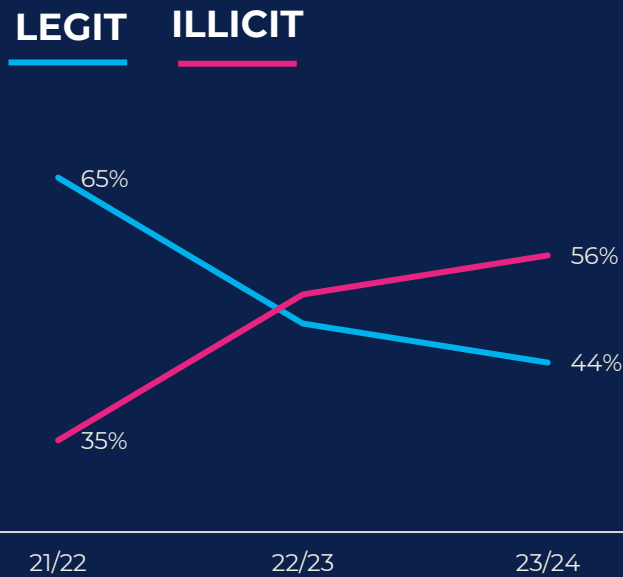
EXCESSIVE EXCISE INCREASE – PROVIDING IMPETUS TO ILLICIT

FMC EXCISE (Rs. / 1,000 sticks)

	TIER 1	TIER 2
May-22	5,200	1,650
Jun-22	5,900	1,850
Aug-22	6,500	2,050
Feb-23	16,500	5,050

**200%+
excise increase in 1 year**

IMPLICATION ON INDUSTRY



**21% decline
in legit market share**

EXCISE ON NEW CATEGORIES

	MODERN ORAL	VAPOUR
June 2024	-	Rs 10,000 per KG
Finance Bill 2024/25	Rs 1,200 per KG	Higher of Rs 10,000 per KG or 65% of Retail Price

**Significant increase in excise on
new category products**

Financial Overview

H1 2024



PROFIT & LOSS REVIEW – H1 2024 (VS. SPLY)

Net Turnover

58.2

26.2% ▲

FMC Volume (Bn sticks)

14.8

5.5% ▲

MO Volume (Mn pouches)

360.0

50.0% ▲

Profit After Tax

11.0

0.4% ▼

Earning Per Share (Rs.)

43.0

0.4% ▼

RATIO ANALYSIS – H1 2024

Gross Profit Margin

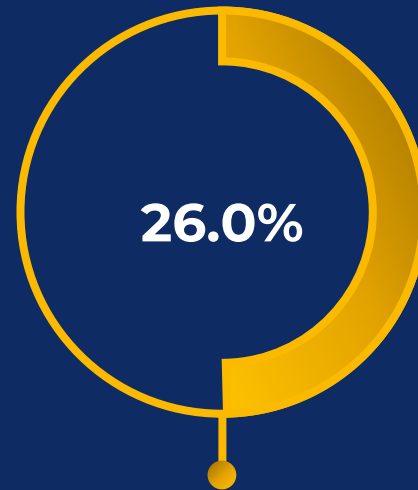


H1'23

57.8%

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

Operating Profit Margin



H1'23

39.5%

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

Current Ratio



FY'23

1.6

$\text{Current Assets} / \text{Current Liabilities}$

Dividend Per Share



H1'23

-

$\text{Dividends Paid} / \text{No. of Shares}$

Outlook 2024

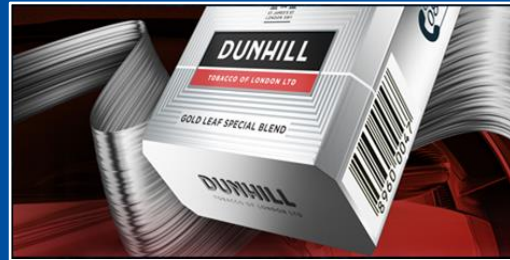


FISCAL MEASURES



Excise stability to support consumer shift to legitimate industry

TRACK AND TRACE SYSTEM



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

MODERN ORAL DELIVERY



Sustainable category growth leading to profitability

EXCISE ON VAPOUR



Legitimate players at a disadvantage as compared to illicit offerings

Q&A



Thank You