

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**

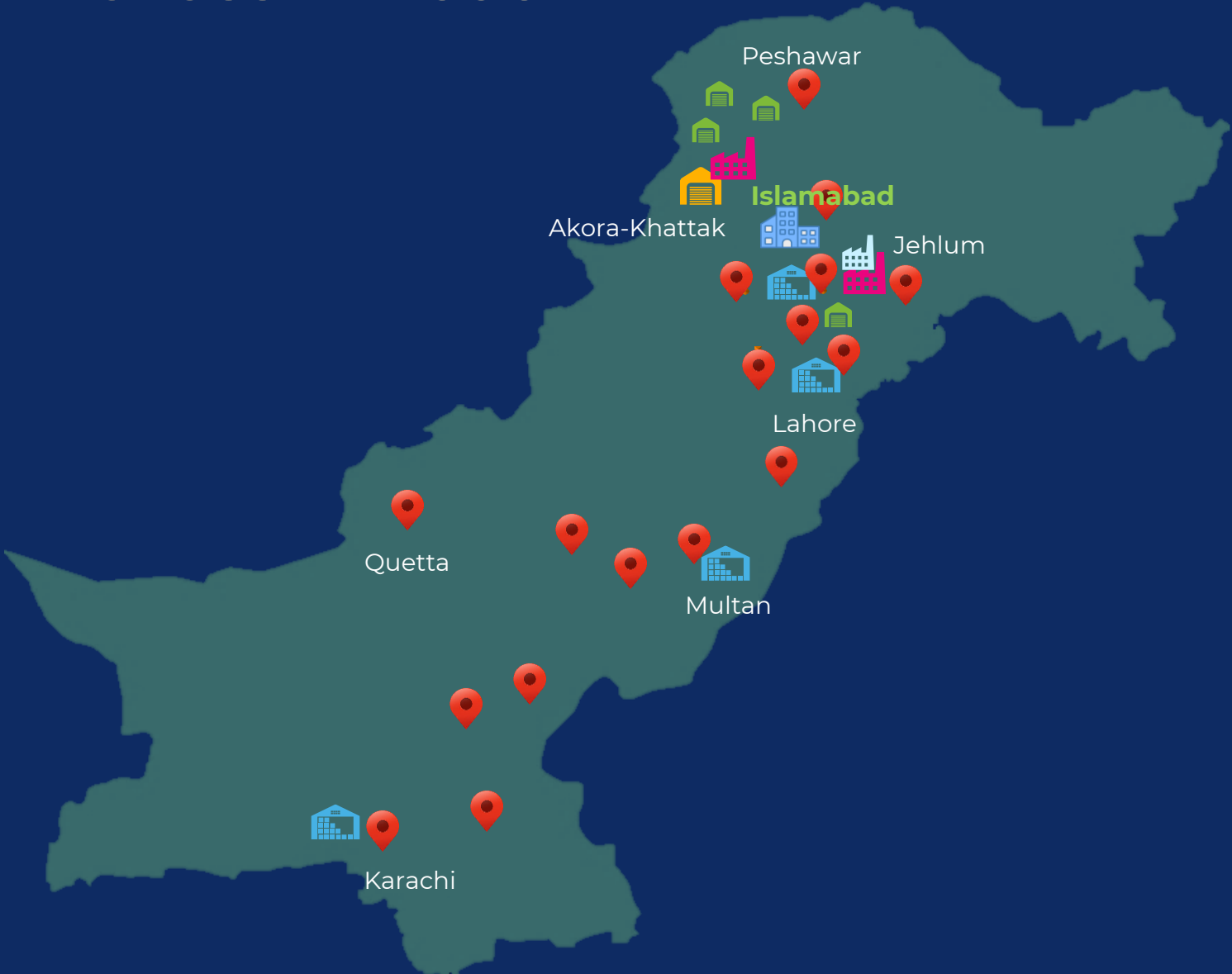
Company Overview



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



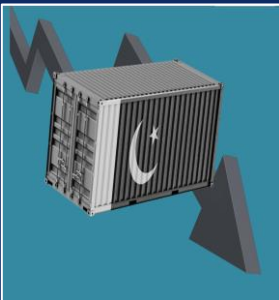
Forex Reserves Shored-up



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

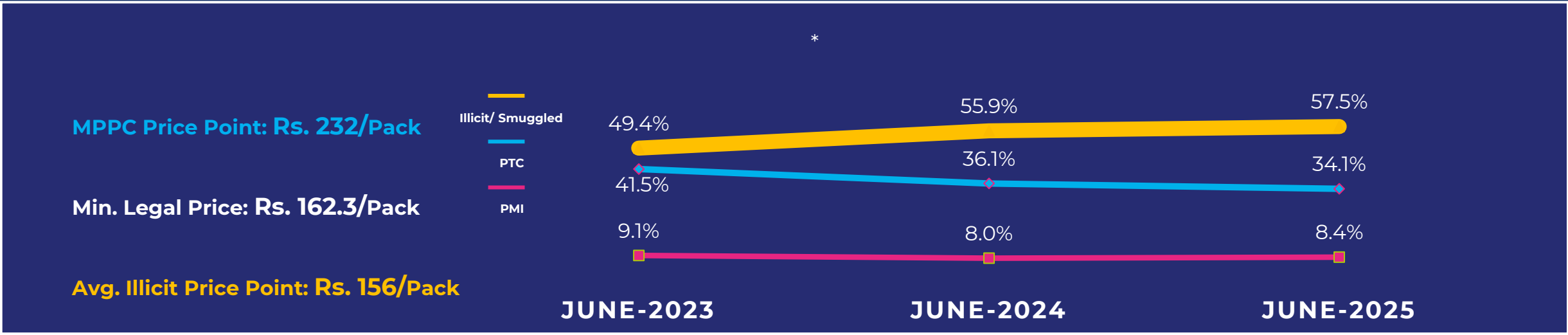


VELO ON THE RISE

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 ILLICT 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

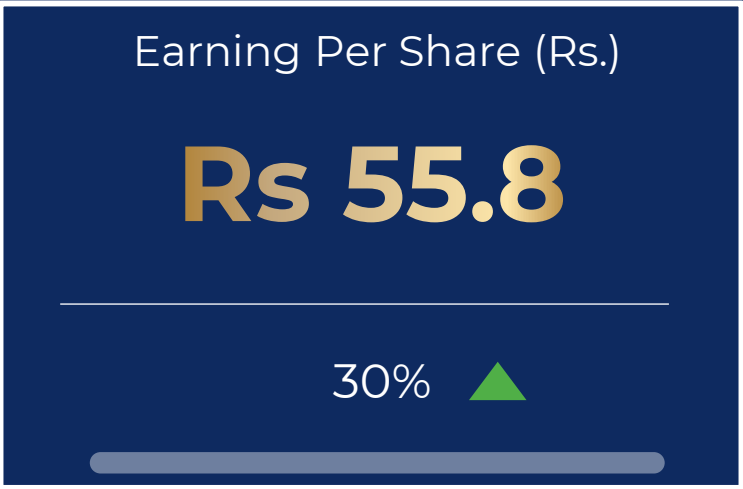
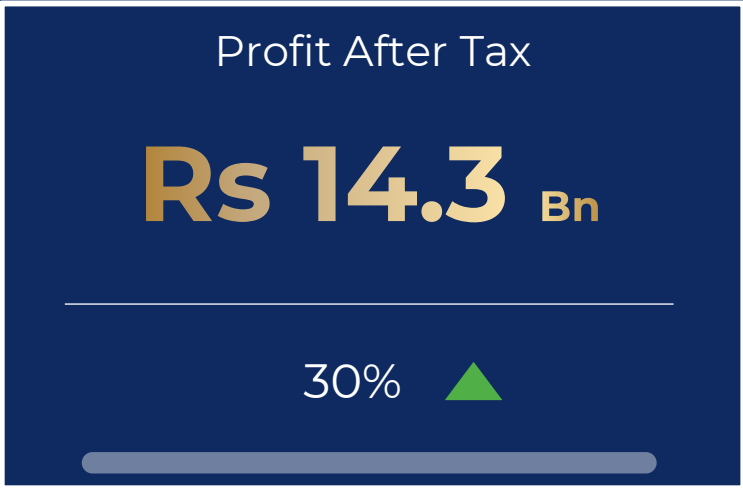
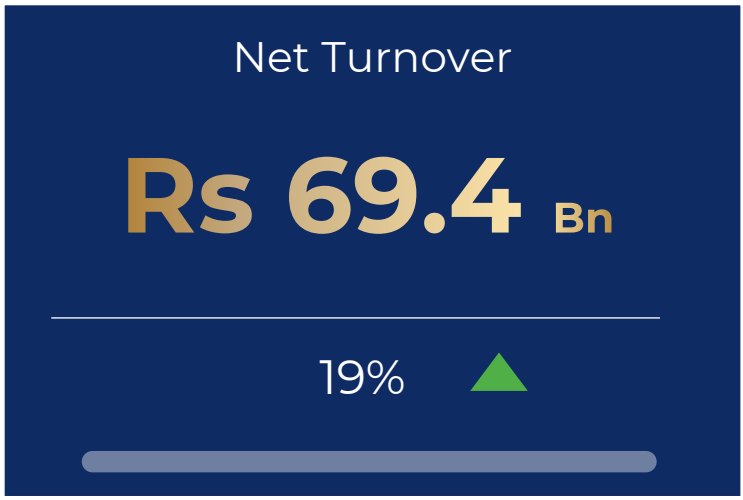


Financial Overview

H1 2025



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



Note: Above financials in PKR Bn

RATIO ANALYSIS – H1 2025

Gross Profit Margin	Operating Profit Margin	Current Ratio	Dividend Per Share
 47.3%	 34.7%	 1.9	 100.0
H1'24 40.6%	H1'24 26.0%	FY'24 1.9	H1'24 60
(Gross Profit / NTO) * 100%	(Op. Profit / NTO) * 100%	Current Assets / Current Liabilities	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

