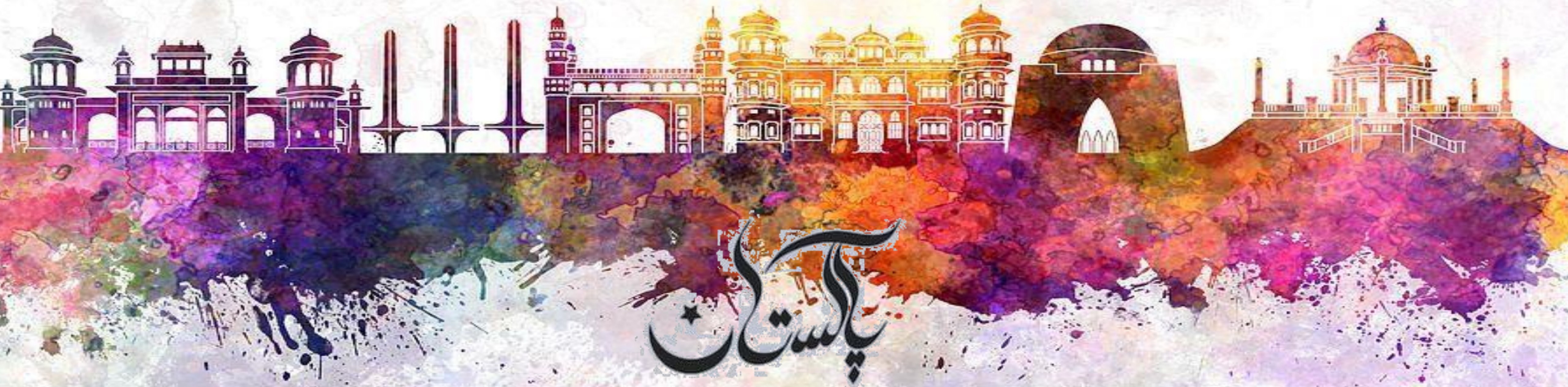




PHILIP MORRIS
(PAKISTAN) LIMITED



CORPORATE ANALYST BRIEFING SESSION

December 22nd, 2022

AGENDA

CORPORATE ANALYST BRIEFING SESSION

Economic Environment

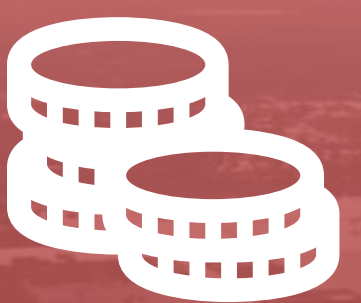
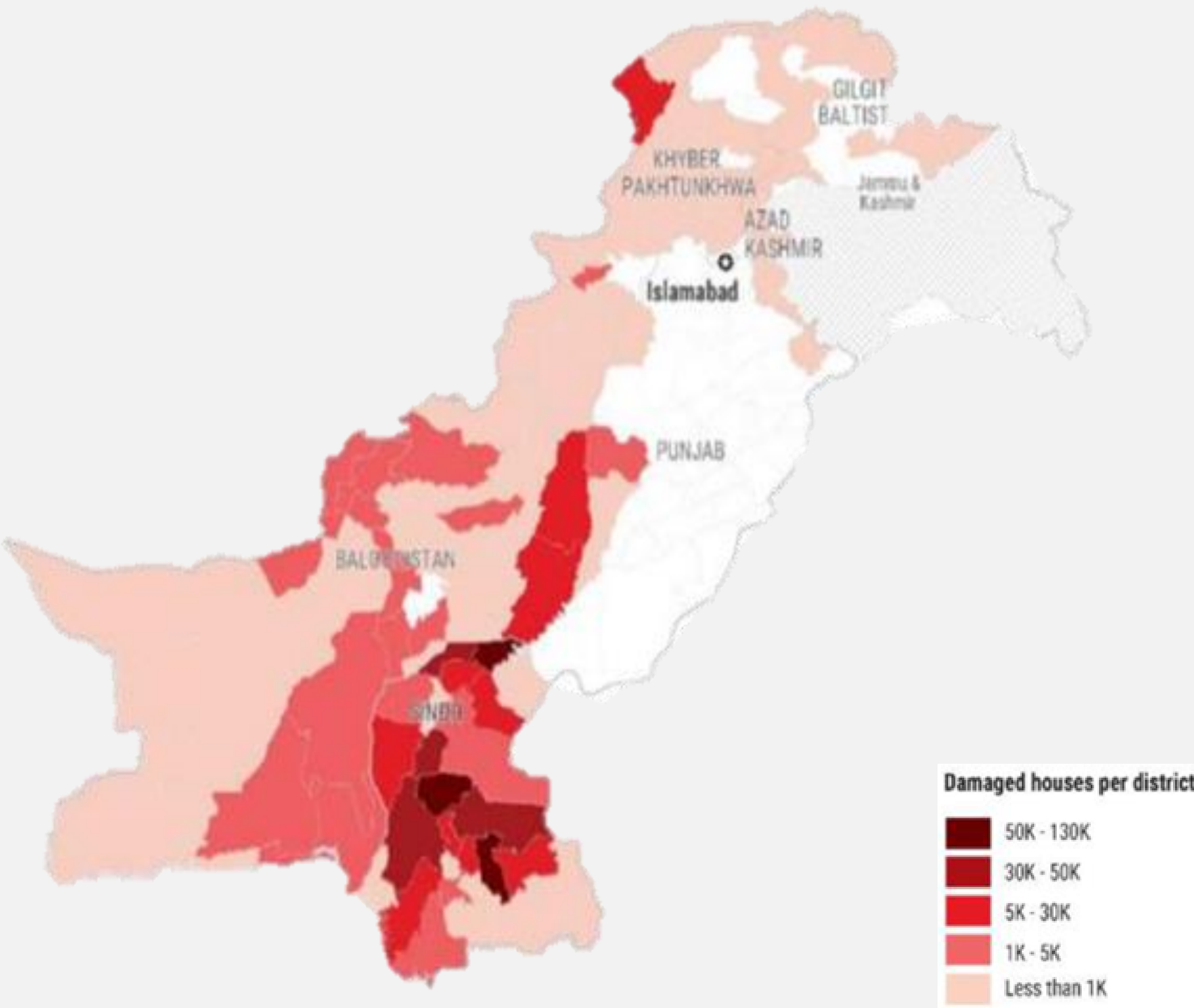
Excise & Price changes

Financial Performance 9M' 2022

Sustainability at PMPKL

Floods – Impact to the Economy

Majorly Impacted Areas



>\$30_{bio}
Economic Losses



65%
of country's food
basket affected

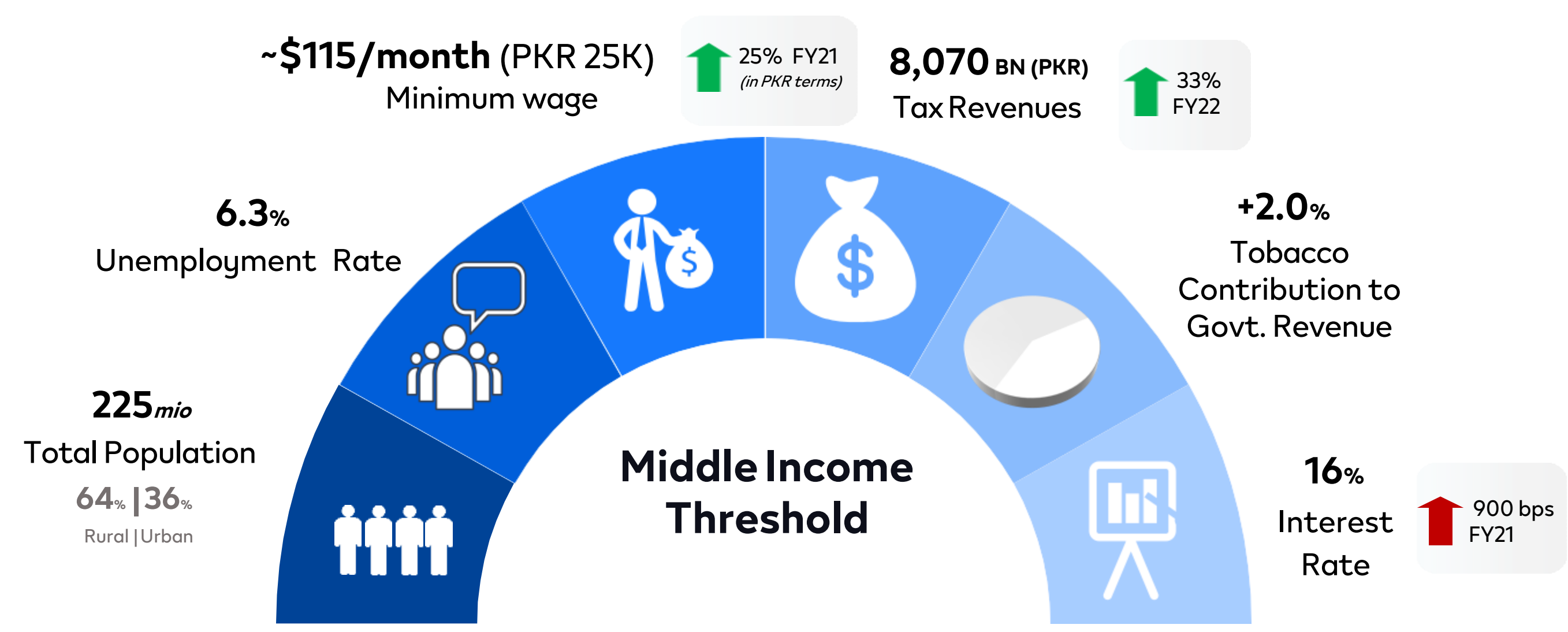


33mio
People affected

Impact on the Economy

- Domestic supply chain constrains
- Increased inflationary pressures
- Unemployment

Macro Environment



GDP OUTLOOK

2.0%
vs 6.0% in FY22

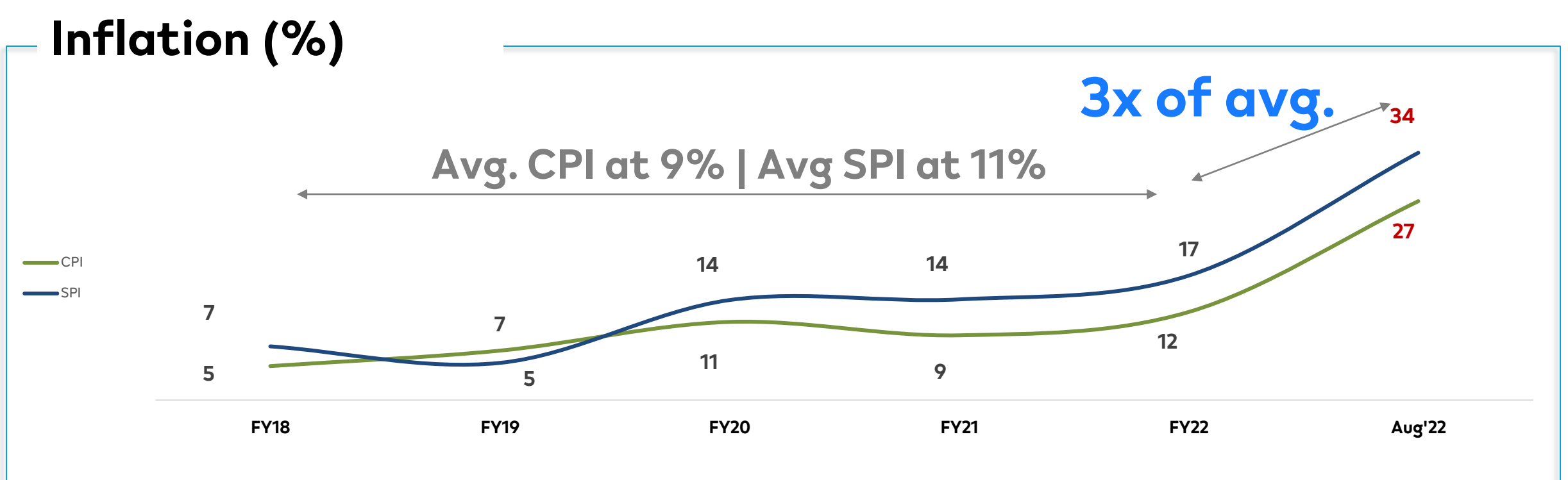
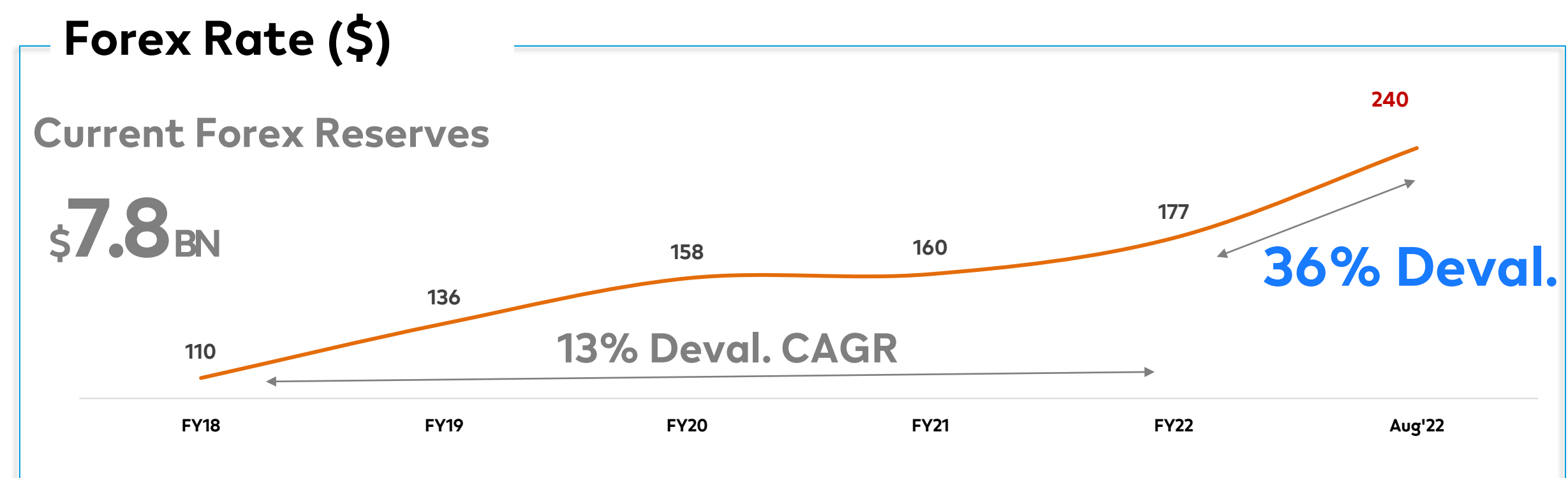
LOANS

\$1.2 bio IMF Tranche
\$2.3 bio Chinese loan
\$3 bio Saudi rollover loan
Temporary relief

PAKISTAN'S OUTLOOK

Ratings changed from **'STABLE'** to **'NEGATIVE'**

- Moody's, Finch, and S&P



AGENDA

CORPORATE ANALYST BRIEFING SESSION

Economic Environment

Excise & Price changes

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Excise & Price changes

Annual Budget Excise (PKR/pack)

Premium: + PKR 14

Value: +PKR 4

Mini Budget Excise (PKR/pack)

Premium: +PKR 12

Value: +PKR 4

Street Prices (PKR/pack)

Mar'22

Apr/May'22

Jun/Jul'22

Aug'22

Non – Tax Paid products above + 300

PKR 243

PKR 213

PKR 193

PKR 173



+ PKR 20



+ PKR 20



+ PKR 30

Crossover Price: PKR 139.5

Crossover Price: PKR 139.5

Crossover Price: PKR 155.8

Crossover Price: PKR 155.8

PKR 107

PKR 100

PKR 97

PKR 92/94



PKR 90



PKR 87



+ PKR 10



+ PKR 10



+ PKR 10

PREMIUM

VALUE



Min. Legal Price: PKR 62.8

Min. Legal Price: PKR 62.8

Min. Legal Price: PKR 70.1

Min. Legal Price: PKR 70.1

Many Non-Tax paid brands below the minimum price

AGENDA

CORPORATE ANALYST BRIEFING SESSION

Economic Environment

Brand-board & Price movement

Financial Performance 9M' 2022

Sustainability at PMPKL

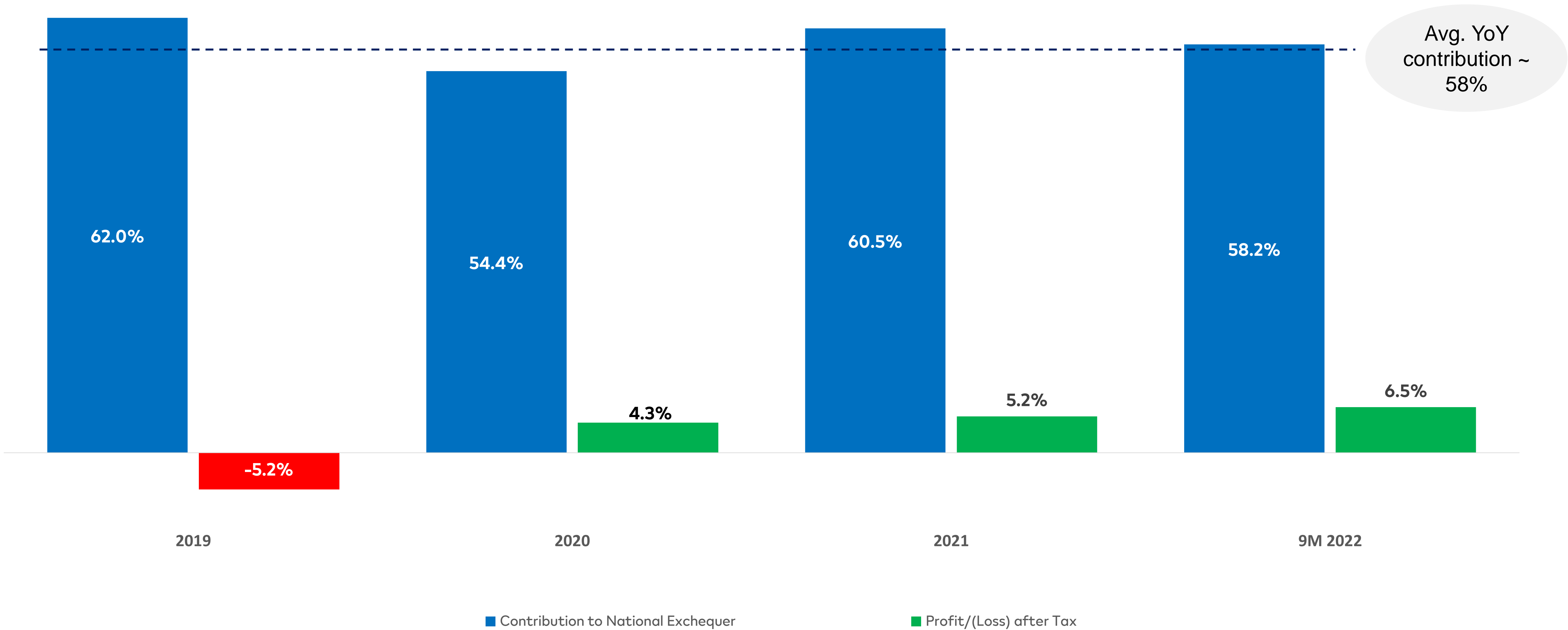
Q&A

Financials 9 months ended September 2022

	Jan – Sep 2022	Jan – Sep 2021	+/-	% var.	Key Ratios % of Revenue	%
PKR in Millions						
Net Turnover	14,966	12,789	2,177	17%		
Cost of Sales	8,088	6,699	1,389	21%		
Gross Profit	6,878	6,090	788	13%	Gross Margin	46%
Dist. & Marketing Expenses	2,113	2,043	70	3%		14%
Admin Expenses	1,018	1,103	-85	-8%		7%
Other Expenses	755	380	375	99%		5%
Other Income	-1,015	-562	453	81%		
Operating Profit	4,007	3,126	881	28%	Operating Margin	27%
Finance Cost	50	49	1	2%		
Profit Before Tax	3,958	3,077	881	29%		
Taxation Charge	1,582	1,006	576	57%		
Profit After Tax	2,376	2,071	305	15%	Net Margin	16%

CONTRIBUTION to the National Exchequer and Profit/(Loss) after Tax as a % to Gross Turnover

% of Gross Turnover



AGENDA

CORPORATE ANALYST BRIEFING SESSION

Economic Environment

Brand-board & Price movement

Financial Performance 9M' 2022

Sustainability at PMPKL

Transforming for a sustainable future



Green Energy Generation

Installation of solar panels for the generation of green electricity in its factories led to **41%** energy reduction compared with the 2018 baseline.

Conversion of boiler fuel

Conversion of boiler fuel for its Green Leaf Threshing Plant’s operation from furnace oil to Liquified Petroleum Gas (LPG) which is expected to reduce CO2 emissions by **30%** which translates into a reduction of **2200 tons** of carbon emissions in the next five years



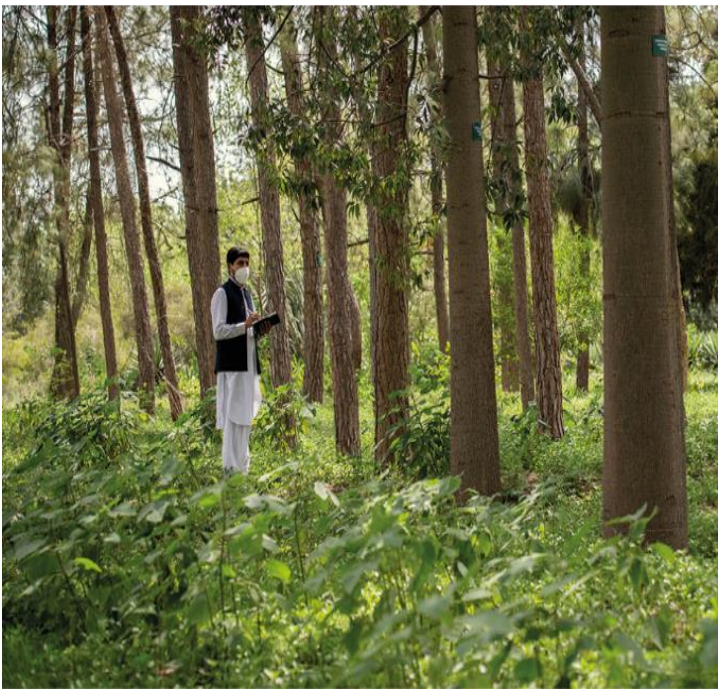
Make Your Come Back 2.0

The second phase of the Make your Comeback program was launched this year which provided an opportunity to females to join the workforce after taking a career break of more than a year.



Fuelwood and Crop Diversification

100% of PMPKL’s contracted farmers utilize wood from sustainable & fully traceable sources. This effort has been validated by a globally renowned auditing firm, PricewaterhouseCoopers.



Skills Training Program

500 young girls and boys aged 15-17 years were engaged in the skills training program with the aim of imparting lifelong skills in young girls & boys which can lead to their financial empowerment.

Leaf stringing Machines

To eliminate the Children’s involvement in stick tying activity, the PMPKL leaf team designed and developed a local machine that cannot be operated by Children and makes the stick-tying activity convenient for adult labor. The Leaf team provided **470 Stringing machines in 2022** to farmers.



World Clean-up Day-Anti-littering Campaign

To play its part in building a sustainable world this World Cleanup Day, Philip Morris (Pakistan) Limited (PMPKL), in collaboration with Pak Mission Society (PMS), a humanitarian and development organization, conducted awareness sessions, an anti-littering drive, and tree plantation drive in Sahiwal.



During the cleanup drive, **over 90 KG** of trash was collected from the litter hotspot which was then sent ahead for proper disposal. To help restore and rejuvenate the surrounding environment, more than **100 trees** were also planted in the vicinity. Coming out in support of the cause, **more than 250 volunteers** were mobilized who actively participated in the anti-littering drive. During the awareness sessions, **around 400 people** were engaged.

Recycling Facility in Islamabad

Philip Morris (Pakistan) Limited in collaboration with Pak Mission Society set up a Haryali and Khushali Hub in Islamabad.

Under the initiative, recycling of paper, plastic, organic, waste, and upcycling of clothes will be done in a way to make it marketable for sustaining the venture. The initiative aims to address the issues of Littering and Waste management.

The initiative will aim to provide awareness around waste management to 1000 households and will also provide livelihoods to 25 people by training them on recycling of waste. 50 women will also be trained on Household and community-level composting kitchen gardening, organic vegetation, and tree-plantation





Thank You