



PHILIP MORRIS  
(PAKISTAN) LIMITED

**CORPORATE ANALYST BRIEFING SESSION**  
**9 MONTH ENDED SEPTEMBER 2020**

DECEMBER 1<sup>st</sup>, 2020

- Tilawat
- PMI Pakistan – Snapshot
- Capital Structure
- Tobacco Industry evolution
- Financial 9 months ended September 2020
- Dealing with COVID -19
- Q&A



1

Production Facility



1

Leaf Threshing Facility

**\$ 800 Mio.**  
Invested in Pakistan since 2007

**Rs 97 bio.**  
Contribution to exchequer over 5 years

**+14 Mio. kg**  
Tobacco exported since 2017-19



**700+**  
Employees



**2,300**  
Contracted Farmers

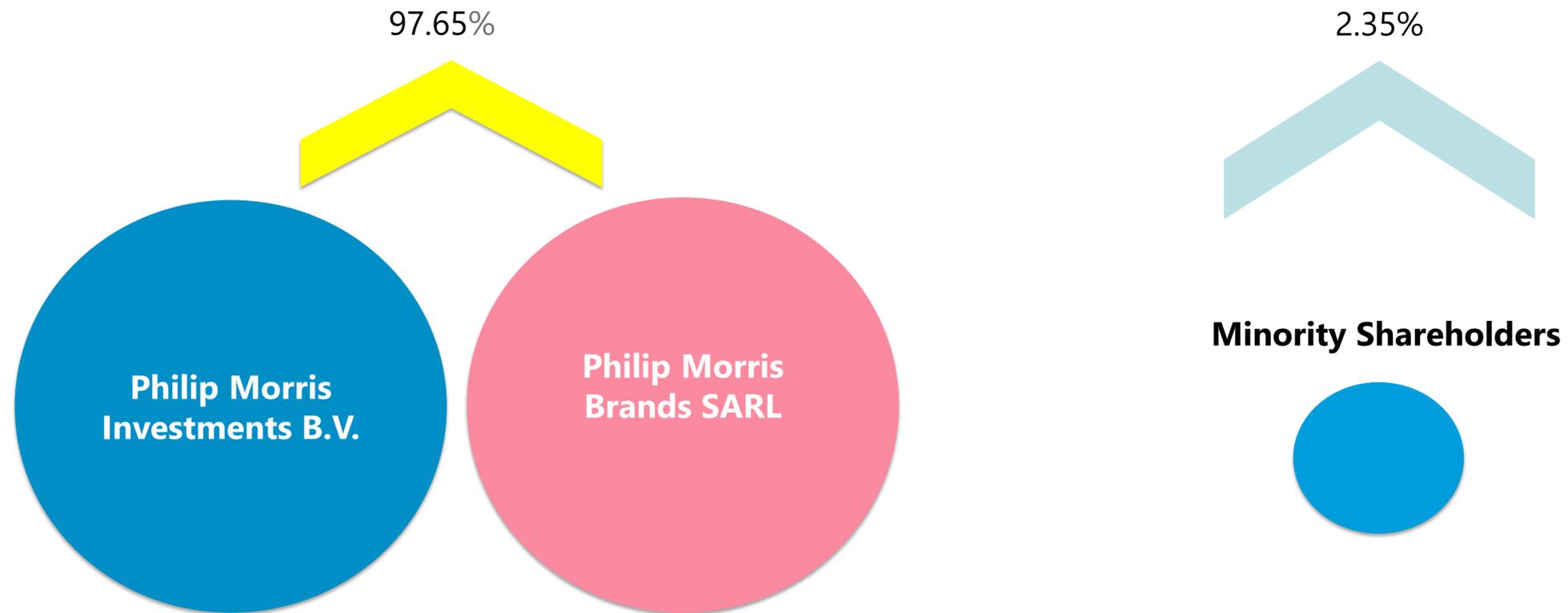


**15.9%**  
Women

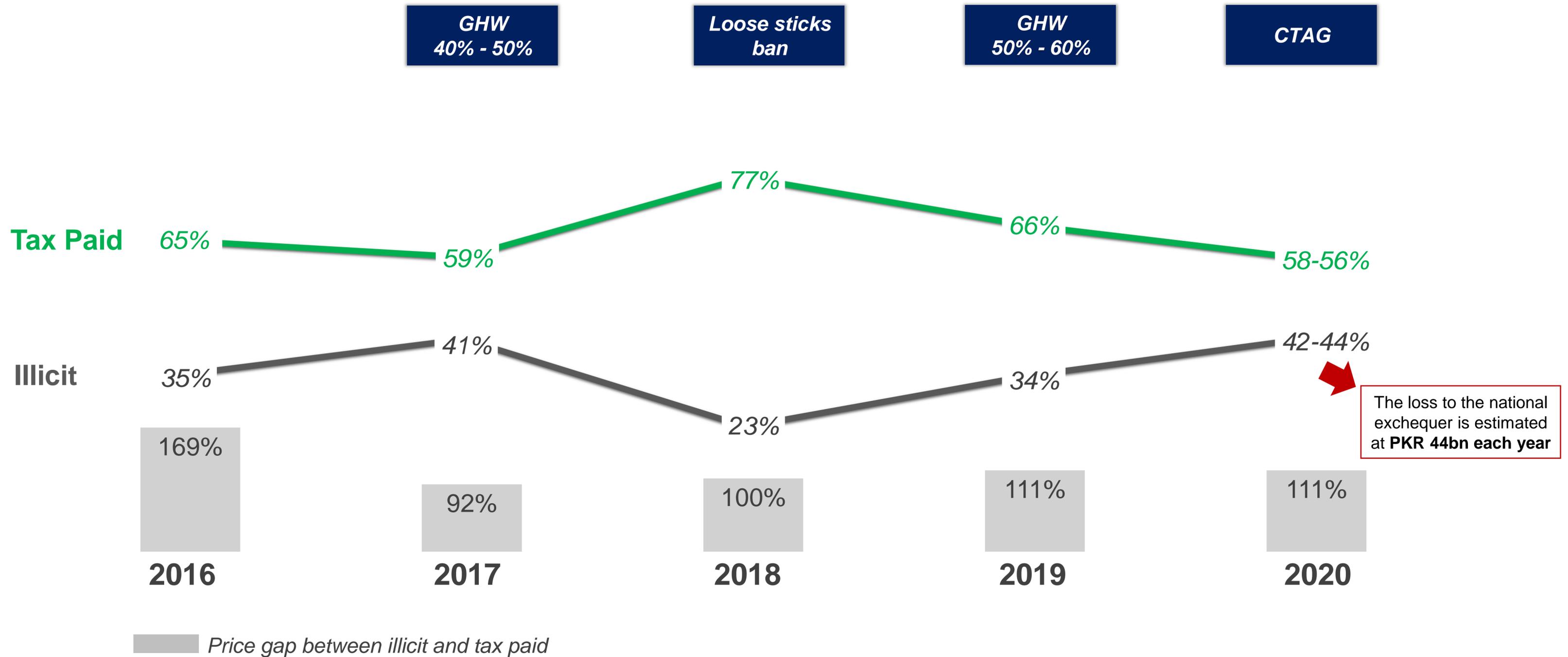
# CAPITAL STRUCTURE

<b>Authorized Shares</b>	PKR 12,000,000,000
<b>Paid up Capital</b>	PKR 11,079,803,410
<b>No. of Issued Ordinary Shares</b>	61,580,341
<b>No. of Issued Preference Shares</b>	1,046,000,000

## PHILIP MORRIS (PAKISTAN) LIMITED



# Tobacco Industry Evolution



## BOARD OF DIRECTORS

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<b>Name</b>	<b>Designation</b>	<b>Category</b>
<b>Mr. Kamran Y Mirza</b>	<b>Chairman</b>	<b>Independent</b>
<b>Mr. Roman Yazbeck</b>	<b>Chief Executive</b>	<b>Executive</b>
<b>Mr. Muhammad Zeeshan</b>	<b>Chief Financial Officer</b>	<b>Executive</b>
<b>Mr. Peter Calon</b>	<b>Director</b>	<b>Non-Executive</b>
<b>Ms. Pattaraporn Auttaphon</b>	<b>Director</b>	<b>Non-Executive</b>
<b>Dr. Ghulam Nabi Kazi</b>	<b>Director</b>	<b>Independent</b>
<b>Mr. Mirza Rehan Baig</b>	<b>Director</b>	<b>Independent</b>

## INCOME STATEMENT COMPARISON

	Jan – Sep 2020	%	Jan – Sep 2019	%	+/-	%
PKR in Millions						
<b>Net Turnover</b>	<b>11,898</b>	<b>100%</b>	<b>11,040</b>	<b>100%</b>	<b>858</b>	<b>8%</b>
Cost of Sales	(6,688)		(7,233)		545	8%
<b>Gross Profit</b>	<b>5,211</b>	<b>44%</b>	<b>3,807</b>	<b>34%</b>	<b>1,404</b>	<b>37%</b>
Dist. & Marketing Expenses	(1,481)		(1,989)		508	(26%)
Admin Expenses	(1,126)		(1,102)		(24)	(2%)
Other Expenses	(362)		(2,825)		2,463	(87%)
Other Income	283		382		(99)	(26%)
<b>Operating (Loss)/ Profit</b>	<b>2,524</b>	<b>21%</b>	<b>(1,728)</b>	<b>-16%</b>	<b>4,252</b>	<b>&gt;100%</b>
Finance Cost	(67)		(41)		(26)	63%
<b>(Loss)/ Profit Before Tax</b>	<b>2,457</b>		<b>(1,769)</b>		<b>4,226</b>	<b>&gt;100%</b>
Tax	(629)		395		(1024)	>100%
<b>(Loss)/ Profit After Tax</b>	<b>1,828</b>	<b>15%</b>	<b>(1,374)</b>	<b>-12%</b>	<b>3,202</b>	<b>&gt;100%</b>

## BALANCE SHEET & RATIO ANALYSIS

Amount in PKR Billion	2016	2017	2018	2019	Sep'20
<b>Balance Sheet</b>					
Non Current Assets	9.3	8.5	8.1	7.6	<b>7.0</b>
Current Assets	8.7	7.9	10.1	8.8	<b>11.8</b>
Total Assets	18.0	16.4	18.2	16.4	<b>18.8</b>
Share Capital	11.0	11.0	11.0	11.0	<b>11.0</b>
Total Equity	13.6	12.9	12.6	10.7	<b>12.5</b>
Current Liabilities	4.4	3.5	5.5	5.3	<b>6.0</b>
<b>Ratios</b>					
Gross Margin	42%	36%	37%	31%	<b>44%</b>
Net Margin	4%	1%	3%	-15%	<b>15%</b>
Earnings/ (Loss) per share	8.8	(1.9)	1.7	(32.2)	<b>29.7</b>
Current Ratio	2.0	2.2	1.8	1.6	<b>2.0</b>
Return on Assets	3%	1%	3%	-12%	<b>10%</b>
Return on Equity	4%	1%	4%	-18%	<b>15%</b>



## Donation to PM's COVID Relief Fund

PMPKL made a donation to the Prime Minister's COVID-19 Pandemic Relief Fund 2020 to support the government in its relief efforts



## COVID Disaster Relief

PMPKL partnered with Kashf and Paiman to provide assistance to the people during the first wave of COVID-19

## Anti Littering campaign

PM Pakistan partnered with Network of Organizations Working with Persons with Disabilities Pakistan (NOWPDP) for a project geared towards anti-littering and empowerment of people with disabilities.



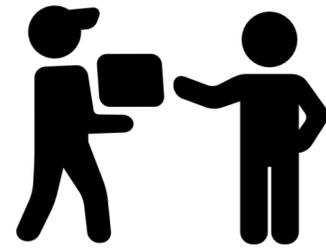
## Annual CSR Award 2020

PMPKL won an annual CSR Award from National Forum for Environment and Health for Community Development & Services.



## Winner of Employer Choice Award (HRD Asia)

PMPK won the Human Resource Director ("HRD") Asia Employer of Choice 2020 award.



## Distribution and Sales Channels

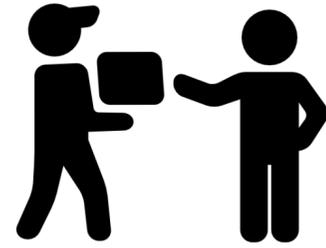
- Cigarettes distribution was hampered
- Attendance of third party sales representatives was majorly impacted due to lockdown imposed by the Government

## Employee Wellbeing/ Movement

- WFH was initiated especially for the office based roles and all offices were closed
- The Sales Force, Manufacturing and Leaf employees had skeletal operations in place on a need basis while strictly following the SOPs that were put in place

## Bank and Cash flow issues for Distributors

- Banks minimized their operations due to which Distributors were not able to deposit cash and make Pay orders
- Various Branches of Banks remained non operational with limited working hours



## Continuity of Operations and Supplies

- Cross territory distributions using other distributor/ area to service nearby areas
- Product availability through last mile service providers
- Distributor to be incentivized to ensure sufficient stock cover days (8-20 days)



## Work From Home, Employee Wellbeing

- SOPs put in place ranging from WFH with increased organization level IT support
- Employees required to work from office/ factory were ensured a sanitized environment with continuous round the clock assistance for their safety and wellbeing



## Bank and Cash flow issues for Distributors

- Extended support to the distributors, where applicable, to facilitate in business continuity during pandemic
- On-boarding of online banking channels & exploring alternative banking instruments

**THANK YOU**