



PHILIP MORRIS
(PAKISTAN) LIMITED

October 26, 2021

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

Board Meeting results for the quarter ended September 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 October 26, 2021 has approved the quarterly Financial Statements of the Company for the quarter ended September 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 nine months ended September 30, 2021, the Company's Net Turnover stood at PKR 12,789 million reflecting an increase of 7.5% versus the same period last year. During the period, the Company's contribution to the National Exchequer, in the form of excise duty, sales tax and other Government levies, stood at PKR 20,449 million (higher by 17.4% compared to the same period last year) reflecting 60.9% of nine months Gross Turnover. The Company recorded Profit After Tax of PKR 2,071 million for the nine months ended September 30, 2021 and this is equivalent to 6.2% of nine months Gross Turnover.

Unaltered excise rate on cigarettes in Jun'21 during Federal Budget 2021/22 is supporting Government Revenues and added to FBRs record revenue collection. During the first Quarter ended September 30, 2021 of the ongoing fiscal year 2021/22, the Company's contribution to the National Exchequer (July'21-Sep'21) in the form of excise duty, sales tax and other Government levies, stood at PKR 6,014 million (higher by 22.1% versus prior period). No change in excise rates also led to consumer price stability of the tax paying cigarette brands, however, the price gap between tax paid and non-tax paid brands remains very significant and non-tax paid brands continue to sell lower than the minimum price for the purposes of levy and collection of federal excise duty of i.e. PKR 63 per pack.

We are of the view that Pakistan's economy which started to gain momentum in the first half of the calendar year, is now facing serious challenges. The continuing rise of commodity and fuel prices internationally accompanied by devaluation of the PKR v/s US\$, has pushed up the inflation rate. The Country's economic challenges therefore needs greater focus by the Government as it has already eroded the purchasing power of the common man. The Management is concerned that the current volatile domestic and international economic environment might have serious consequences for the Company's operations specially, as it may divert the cigarette consumer to cheaper illicit brands to offset the decline in their income.

Yours faithfully,

For PHILIP MORRIS (PAKISTAN) LIMITED

Sana Enait Hashmi
Company Secretary



PHILIP MORRIS (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Quarter ended		Nine months period ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	------(Rupees in thousand)-----			
Turnover - net	3,565,122	3,092,488	12,789,147	11,898,758
Cost of sales	1,935,899	1,510,376	6,698,938	6,688,032
Gross profit	1,629,223	1,582,112	6,090,209	5,210,726
Distribution and marketing expenses	610,852	527,422	2,042,780	1,480,909
Administrative expenses	368,875	353,509	1,103,015	1,125,855
Other expenses	142,033	113,027	380,151	362,230
Other income	(170,445)	(85,801)	(561,797)	(282,734)
	951,315	908,157	2,964,149	2,686,260
Operating profit	677,908	673,955	3,126,060	2,524,466
Finance cost and bank charges	14,868	17,934	49,416	67,416
Profit before taxation	663,040	656,021	3,076,644	2,457,050
Taxation charge	312,037	80,457	1,005,760	628,970
Profit after taxation	351,003	575,564	2,070,884	1,828,080
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	351,003	575,564	2,070,884	1,828,080
	------(Rupees)-----			
Earnings per share				
- Basic	5.70	9.35	33.63	29.69
- Diluted	4.77	8.51	28.12	27.03