



KHYBER TOBACCO COMPANY LIMITED CORPORATE BRIEFING SESSION

FOR THE YEAR ENDED JUNE 30, 2023





SEQUENCE OF PRESENTATION

- COMPANY'S OVERVIEW
- CORPORATE INFORMATION
- COMPANY'S FINANCIAL PERFORMANCE
- OPERATIONAL EFFICIENCIES
- FUTURE OUTLOOK / CHALLENGES
- Q & A SESSION



COMPANY OVERVIEW

Khyber Tobacco Company Limited ("the Company") is a public limited company incorporated in Pakistan on 15 October 1954 under the Companies Act, 1913 which was repealed and replaced by the Companies Act, 2017 and its shares are quoted on Pakistan Stock Exchange. The Company's registered office is situated at Nowshera Road, Mardan.

The Company is engaged in the manufacture and sale of cigarettes and re-drying of tobacco. The company has internationally recognized brands, a fully integrated production facility and has wealth of experience and expertise. KTC provides leaf and blended tobacco. The company has good quality cigarette brands and export quality tobacco.



COMPANY'S PROFILE

CORPORATE INFORMATION

• Board of Directors

Mrs. Samera Irfan

Mr. Rahat Ullah

Mr. Pir Waris Shah

Mr. Shahzad Javed Panni

Mr. Zia Ur Rehman

Mrs. Sonia Farooq

Mr. Khalil Ur Rehman

Chief Executive/ Executive Director

Chairman/Non-Executive Director

Non-Executive Director

Independent Director

Non-Executive Director

Independent Director

Non-Executive Director



- **Audit Committee**

Mr. Shahzad Javed Panni

Chairman

Mr. Khalil Ur Rehman

Member

Mr. Rahat Ullah

Member

Mr. Zia Ur Rehman

Secretary

- **Human Resource Committee**

Mrs. Sonia Farooq

Chairman

Mr. Pir Waris Shah

Member

Mr. Zia Ur Rehman

Secretary

- **Senior Management**

Mrs. Samera Irfan

Chief Executive

- **Company Secretary**

Mr. Pir Farhan Shah



- **Bankers**

National Bank of Pakistan
MCB Bank Limited
Askari Bank Limited
Habib Metropolitan Bank Limited
Habib Bank Limited
Samba Bank Limited

- **External Auditors**

Yousuf Adil
Chartered Accountants

- **Registered Office**

Khyber Tobacco Company Limited
Nowshera Road, Mardan
Telephone: +92-937-844636,844639

Share Registrar

CDC
Share Registrar Services Limited
CDC House, 99-B, Block B
S.M.C.H.S., Main Shahreh e Faisal
Karachi

Internal Auditors

Shahid Ahmad & Co.
Chartered Accountants



CONTRIBUTION TO NATIONAL EXCHEQUER

The Company in the financial year 2023 contributed an amount of Rs. 3.195 billion in the form of Federal Excise Duty, Sales tax, Income tax and other levies.

KHYBER TOBACCO COMPANY LTD





THE COMPANY'S FINANCIAL RESULTS

KHYBER TOBACCO COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Share capital
Unappropriated profit
Revenue reserves
Revaluation surplus on property, plant and equipment

2023
Rupees

2022
Rupees

69,226,040	48,073,640
3,352,438,743	1,352,674,467
3,312,465	3,312,465
368,963,006	360,188,752
3,793,940,254	1,764,249,324

LIABILITIES

NON CURRENT LIABILITIES

Employee retirement benefits
Deferred tax liabilities

87,810,788	63,028,927
105,942,415	146,529,103
193,753,203	209,558,030

CURRENT LIABILITIES

Trade and other payables
Unclaimed dividend
Loan from sponsors - unsecured
Provision for taxation

3,614,916,768	2,161,578,213
16,171,291	16,177,683
101,035,638	1,470,900,000
-	27,993,619
3,732,123,697	3,676,649,515

TOTAL EQUITY AND LIABILITIES

7,719,817,154	5,650,456,869
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THE COMPANY'S FINANCIAL RESULTS

NON CURRENT ASSETS

Property, plant and equipment
Long term deposits

2,744,656,198	2,043,137,650
6,237,411	4,947,411
2,750,893,609	2,048,085,061

CURRENT ASSETS

Stock in trade
Stores, spare parts and loose tools
Trade debts
Advances, prepayments and other receivables
Advance income tax
Cash and bank balances

1,706,636,284	1,869,976,979
19,357,351	16,353,232
1,407,685,764	768,673,257
746,341,728	255,309,493
2,424,234	-
1,086,478,184	679,358,847
4,968,923,545	3,589,671,808

Non-current assets classified as held for sale

- 12,700,000

TOTAL ASSETS

7,719,817,154	5,650,456,869
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THE COMPANY'S FINANCIAL RESULTS

KHYBER TOBACCO COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	Rupees	Rupees
Revenue from contracts with customers - net	7,434,547,887	2,464,709,131
Cost of sales	(4,662,752,405)	(1,662,443,302)
Gross profit	2,771,795,482	802,265,829
Administrative expenses	(237,124,008)	(149,215,846)
Selling and distribution expenses	(293,248,789)	(117,652,462)
Impairment loss on financial assets	(61,954,517)	(2,642,973)
	(592,327,314)	(269,511,281)
Operating profit	2,179,468,168	532,754,548
Other income	399,196,718	48,632,739
	2,578,664,886	581,387,287
Other expenses	(177,871,122)	(40,726,675)
Finance cost	(276,640,353)	(130,306,078)
	(454,511,475)	(171,032,753)
Profit before taxation	2,124,153,411	410,354,534
Taxation	(125,752,554)	(94,905,749)
Profit for the year	1,998,400,857	315,448,785
Earnings per share - basic and diluted	288.68	45.57



THE COMPANY'S FINANCIAL RESULTS

**KHYBER TOBACCO COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

	2023 Rupees	2022 Rupees
Profit for the year	1,998,400,857	315,448,785
Items that will not be reclassified to profit or loss:		
Surplus on revaluation of property, plant and equipment	-	277,159,799
Impact of change in tax rate on revaluation surplus	39,503,113	-
Remeasurement loss on post retirement benefits liability	(8,984,073)	(8,510,471)
Related deferred tax	771,033	(49,048,921)
	31,290,073	219,600,407
Total comprehensive income for the year	2,029,690,930	535,049,192



THE COMPANY'S FINANCIAL RESULTS

KHYBER TOBACCO COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

Share capital	Reserves			Total	
	Capital reserves	Revenue reserves			
	Revaluation surplus on property, plant and equipment	General reserves	Unappropriated profit		
-----Rupees-----					
Balance as at July 01, 2021	48,073,640	212,209,916	3,312,465	967,360,313	1,230,956,334
Total comprehensive income for the year					
Profit for the year	-	-	-	315,448,785	315,448,785
Other comprehensive income for the year	-	226,354,676	-	(8,510,471)	217,844,205
	-	226,354,676	-	306,938,314	533,292,990
Transfer from surplus on revaluation of property, plant and equipment - net of tax					
- on account of incremental depreciation	-	(72,332,596)	-	72,332,596	-
- on account of disposal	-	(6,043,244)	-	6,043,244	-
	-	(78,375,840)	-	78,375,840	-
Balance as at June 30, 2022	48,073,640	360,188,752	3,312,465	1,352,674,467	1,764,249,324
Total comprehensive income for the year					
Profit for the year	-	-	-	1,998,400,857	1,998,400,857
Other comprehensive income for the year	-	39,503,113	-	(8,213,040)	31,290,073
	-	39,503,113	-	1,990,187,817	2,029,690,930
Transfer from surplus on revaluation of property, plant and equipment - net of tax					
- on account of incremental depreciation	-	(20,319,913)	-	20,319,913	-
- on account of disposal	-	(10,408,946)	-	10,408,946	-
	-	(30,728,859)	-	30,728,859	-
Transactions with owners					
Shares issued as fully paid bonus shares	21,152,400	-	-	(21,152,400)	-
Balance as at June 30, 2023	69,226,040	368,963,006	3,312,465	3,352,438,743	3,793,940,254



THE COMPANY'S FINANCIAL RESULTS

KHYBER TOBACCO COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,124,153,411	410,354,534
Adjustments for:		
Depreciation on property, plant and equipment	168,355,772	136,330,997
Provision for staff retirement benefits	25,147,539	13,816,423
Provision for WPPF written back	-	43,023,439
Accrued liabilities written back	(23,025,824)	-
Advance from customer written back	(3,375,000)	-
Advance to supplier written off	560,343	53,885
Write off sales tax not to be claimed	9,035,649	-
Gain on disposal of property, plant and equipment	(1,671,651)	-
Impairment loss on financial assets	61,954,517	(2,642,973)
Exchange (gain) / loss	(371,124,243)	10,259,833
Finance cost	276,640,353	130,306,078
	142,497,455	331,147,682
Cash flows from operating activities before working capital changes	2,266,650,866	741,502,216



THE COMPANY'S FINANCIAL RESULTS

Effect on cash flows due to working capital changes

Decrease / (increase) in stock in trade	163,340,695	(870,668,113)
(Increase) / decrease in store and spares	(3,004,119)	(11,776,387)
(Increase) / decrease in trade debts	(267,888,264)	(590,928,276)
(Increase) / decrease in advances and prepayments	(491,592,578)	(10,597,704)
Decrease / increase in advance income tax	-	19,896,698
Increase / (decrease) in trade and other payables	1,405,184,515	957,800,445
	806,040,249	(506,273,337)

Cash generated from / (used in) operations

3,072,691,115 235,228,879

Gratuity paid	(9,349,751)	(2,940,548)
Income tax paid	(106,578,551)	(23,522,402)
Finance cost paid	(257,598,255)	(2,164,658)
WWF paid	(12,671,798)	(2,069,374)
Unclaimed dividend paid	(6,392)	(230,089)
	(386,204,747)	(30,927,071)

Net cash generated from operating activities

2,686,486,368 204,301,808



THE COMPANY'S FINANCIAL RESULTS

CASH FLOWS FROM INVESTING ACTIVITIES

Additions to property, plant and equipment	(908,212,669)	(525,040,742)
Security deposits	(1,290,000)	(180,000)
Proceeds from sale of property, plant and equipment	-	16,485,001
Net cash used in investing activities	(909,502,669)	(508,735,741)

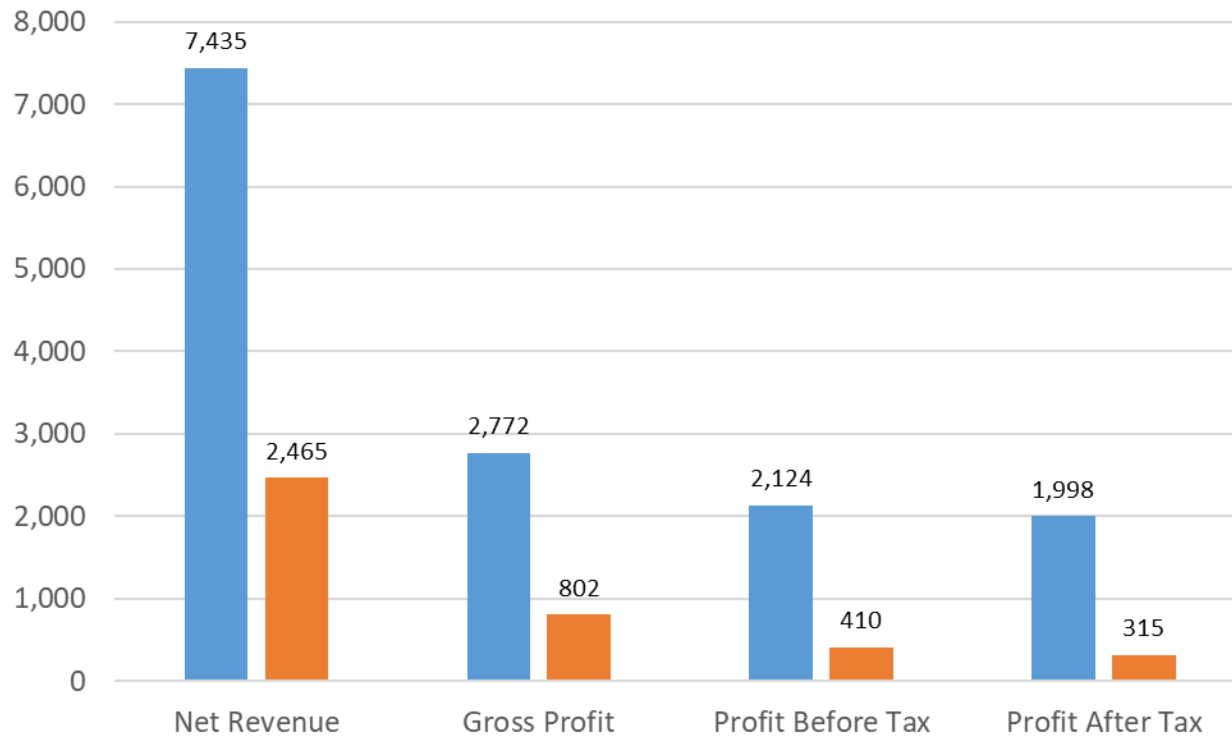
CASH FLOWS FROM FINANCING ACTIVITIES

Receipt of loan	33,000,000	471,500,000
Repayment of loan	(1,402,864,362)	(46,000,000)
Net cash generated from financing activities	(1,369,864,362)	425,500,000
Net increase in cash and cash equivalents	407,119,337	121,066,067
Cash and cash equivalents at beginning of the year	679,358,847	558,292,780
Cash and cash equivalents at end of the year	1,086,478,184	679,358,847



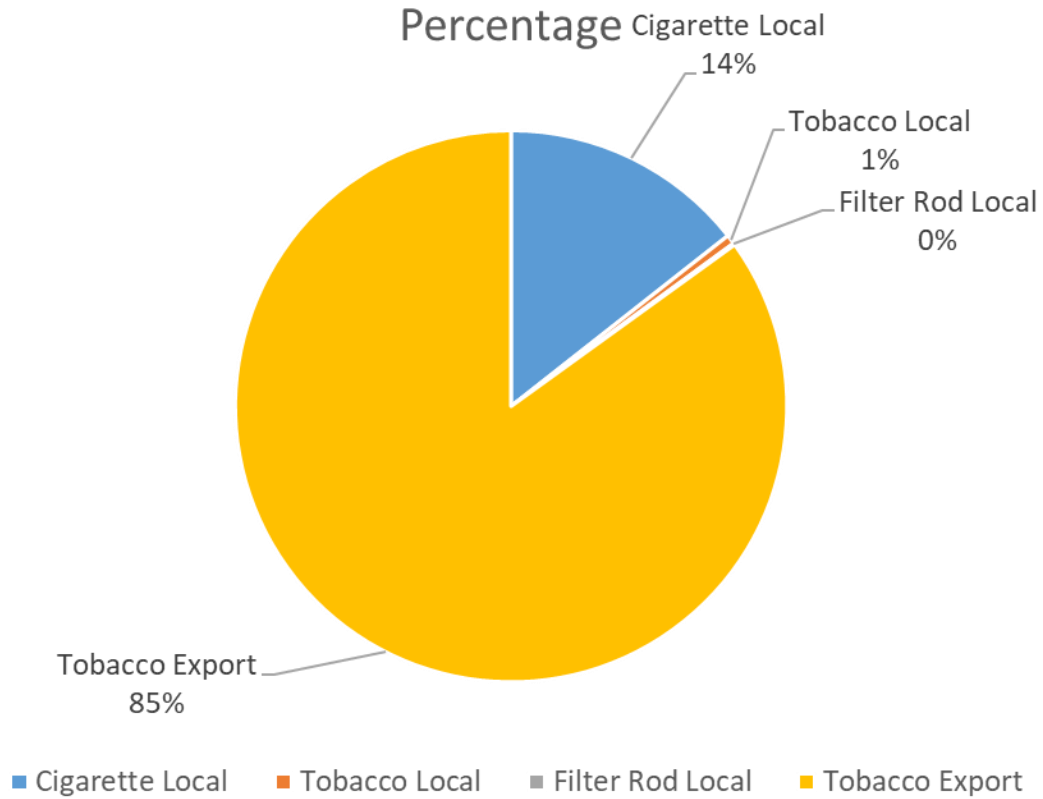
FINANCIAL ANALYSIS

Profit/Loss Chart



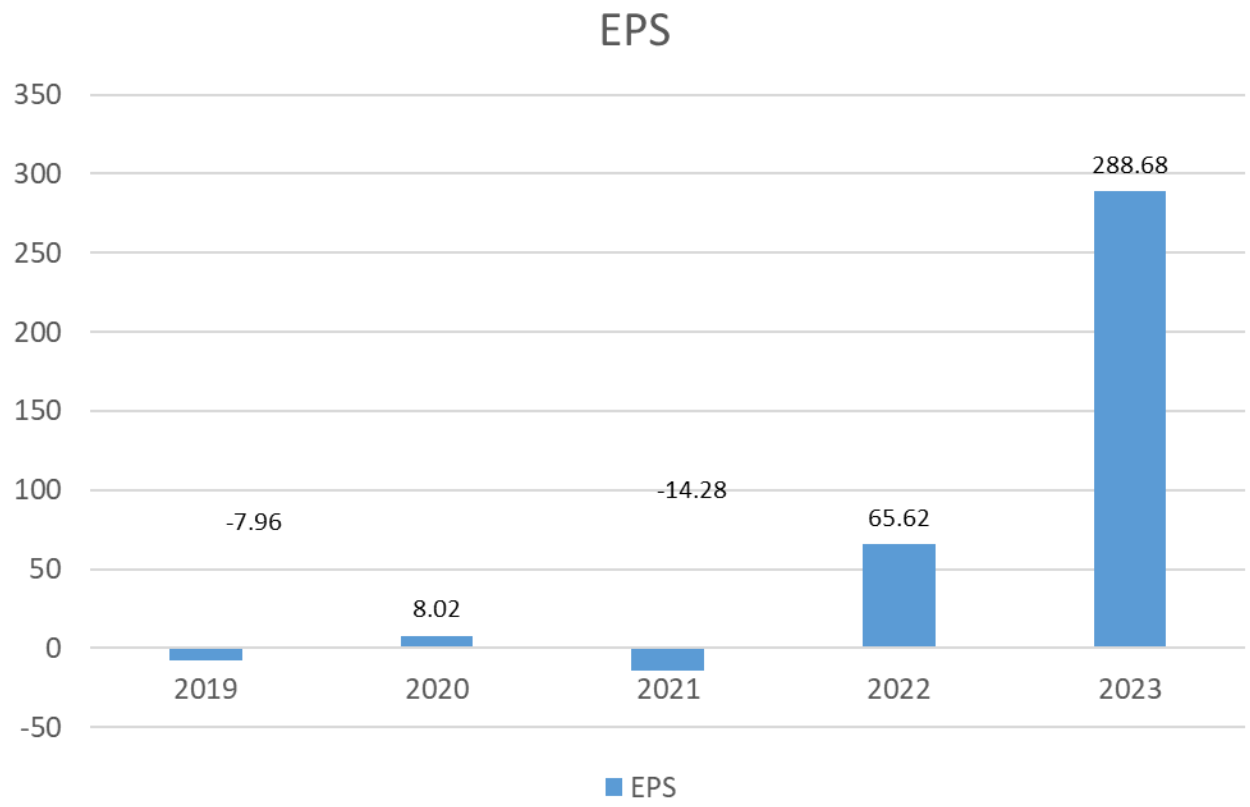


BREAKUP OF SALES (PERCENTAGE)



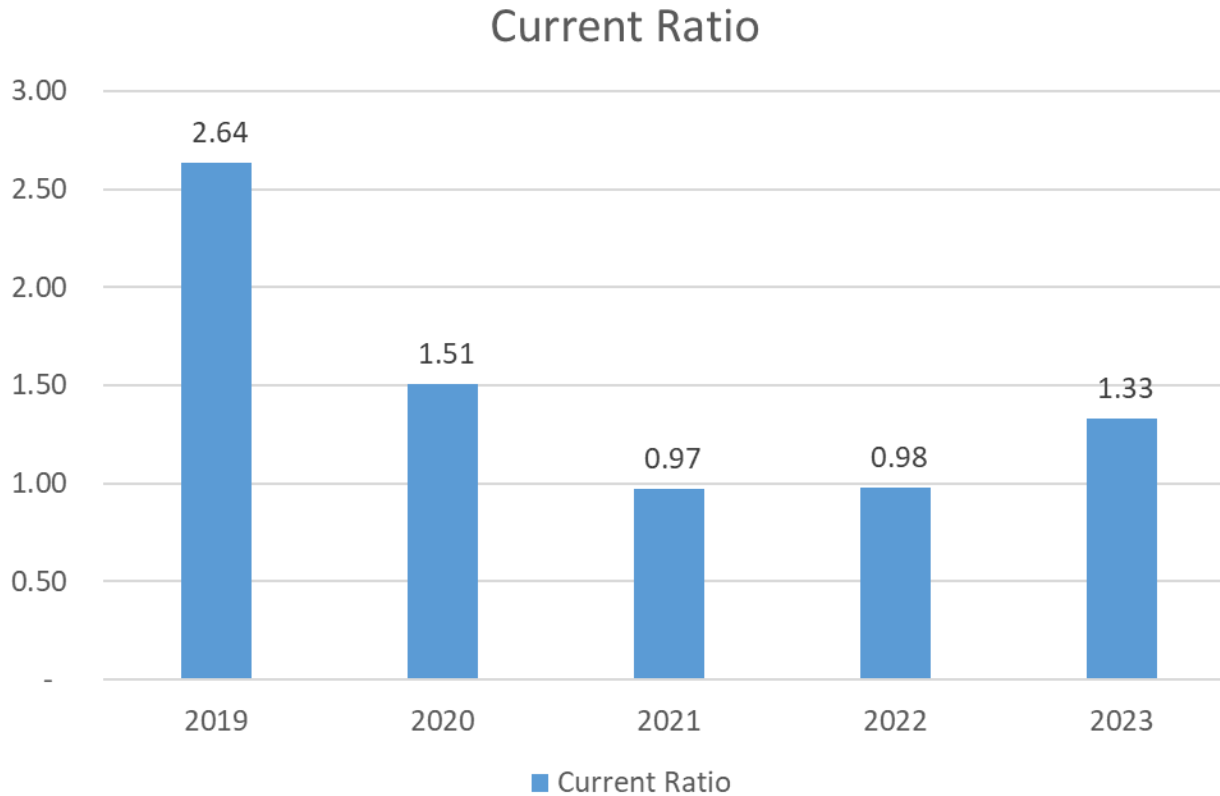


EARNING PER SHARE (EPS)



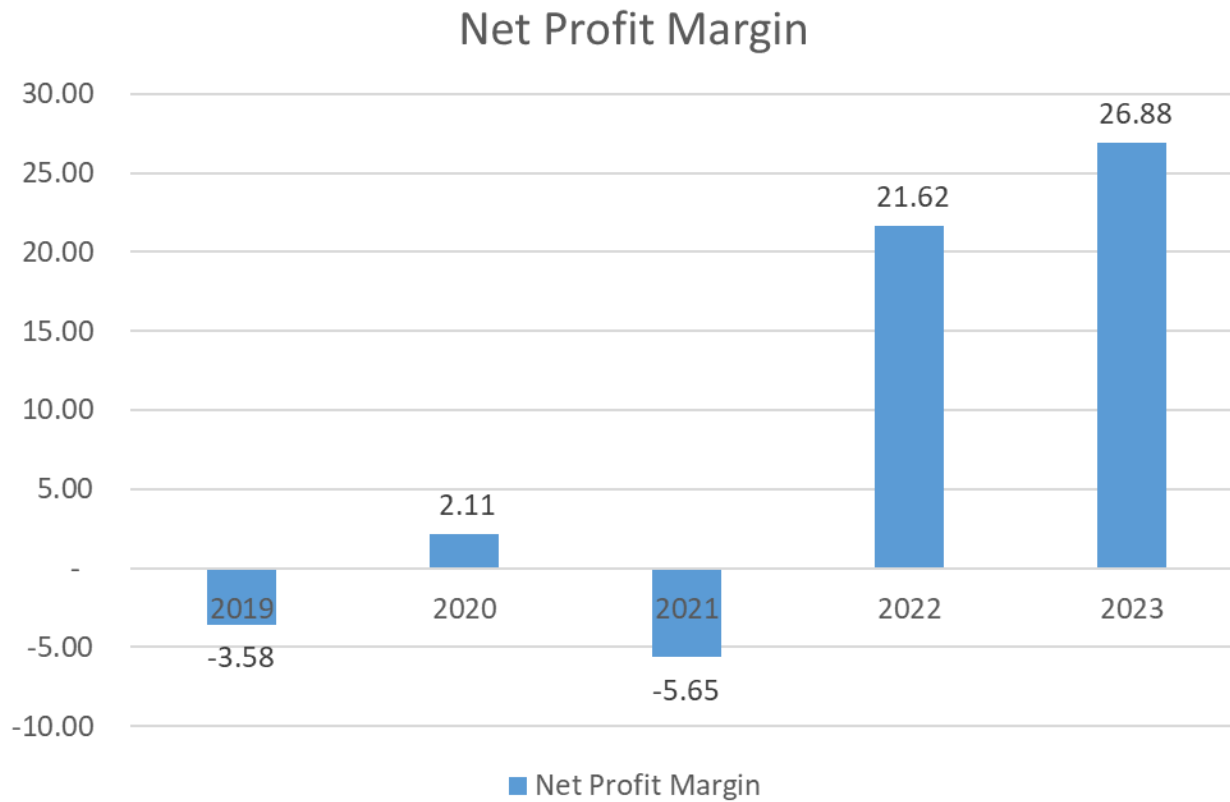


Current Ratio (Times)



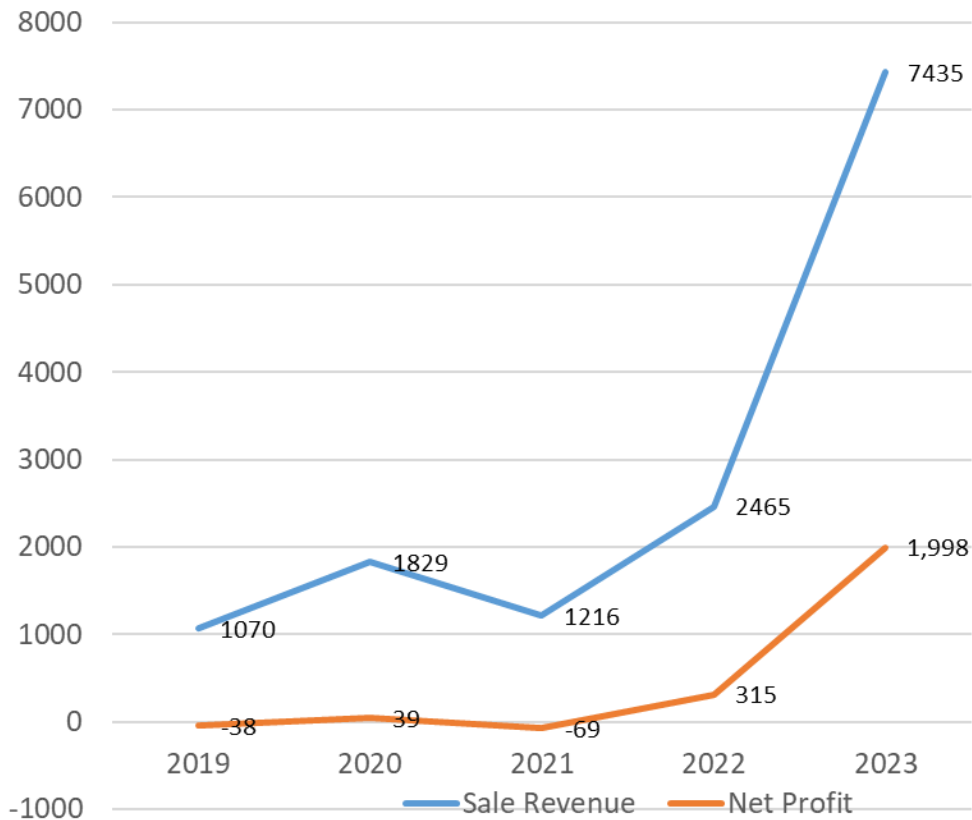


Net Profit Margin (Percentage)





Sales Revenue vs Profit for the year (Rs. in Million)





FUTURE OUTLOOK FOR KHYBER TOBACCO COMPANY IN THE TOBACCO INDUSTRY

As we look ahead, Khyber Tobacco Company (“KTC”) stands poised for a promising future in the tobacco industry, leveraging its core strengths in the manufacture and sale of cigarettes and tobacco in the local and international markets as well as its expertise in the re-drying. With internationally recognized brands and a fully integrated production facility, the company is well-positioned to thrive in an evolving market.

1. Global Recognition and Expansion:

KTC is equipped with globally recognized brands that have earned a reputation for quality and excellence. The company's commitment to international standards positions it to explore and expand its market presence on a global scale, tapping into emerging markets and strengthening its foothold in established ones.

2. Innovation and Sustainability:

In response to changing consumer preferences and a growing focus on sustainability, KTC is committed to innovation. The company aims to explore sustainable practices in both production and packaging, aligning with global efforts towards a more environmentally conscious industry.

3. Technology Integration and Operational Efficiency:

In an era of technological advancement, KTC is dedicated to integrating cutting-edge technologies into its production processes. This commitment to innovation will enhance operational efficiency, reduce costs, and contribute to maintaining the company's competitive edge in the industry.



FUTURE OUTLOOK FOR KHYBER TOBACCO COMPANY IN THE TOBACCO INDUSTRY

4. Focus on Regulatory Compliance:

Acknowledging the evolving regulatory landscape in the tobacco industry, KTC remains committed to strict adherence to all relevant regulations. Proactive engagement with regulatory bodies and a commitment to ethical business practices will further strengthen the company's reputation and foster positive relationships with stakeholders.

5. Strengthening Partnerships:

Building on its wealth of experience and expertise, KTC will actively seek collaborations and partnerships within the industry. By fostering strategic alliances, the company aims to share knowledge, access new markets, and collectively address challenges faced by the tobacco sector.

6. Brand Building on a Global Scale:

Exporting tobacco and cigarettes will be accompanied by a focused effort on brand building at the global level. KTC will invest in marketing strategies that resonate with diverse audiences, strengthening brand recognition and loyalty on an international scale.

In essence, the future outlook for KTC is characterized by a dual commitment to both domestic and international growth. By strategically exporting tobacco and cigarettes, the company aims to not only diversify its revenue streams but also to establish itself as a formidable force in the global tobacco market. This forward-looking approach underscores KTC's dedication to excellence, innovation, and responsible business practices on a worldwide scale.

In conclusion, the future outlook for KTC is characterized by a commitment to excellence, sustainability, and adaptability. The company's proactive approach to industry trends positions it as a key player in the global tobacco market, ready to embrace opportunities and overcome challenges in the years to come.



Questions & Answers