



PHILIP MORRIS ROMÂNIA S.R.L.



Logistics in Philip Morris Romania



Agenda

- Philip Morris in Romania
- Logistics flow
- Transportation – Overland summary

Factory evolution

1997

Legal entity & Greenfield start

2000

Greenfield fully operational

2007

Romania joined EU

2011

20 Bio cigarettes production

2014

Production capacity increase

2015

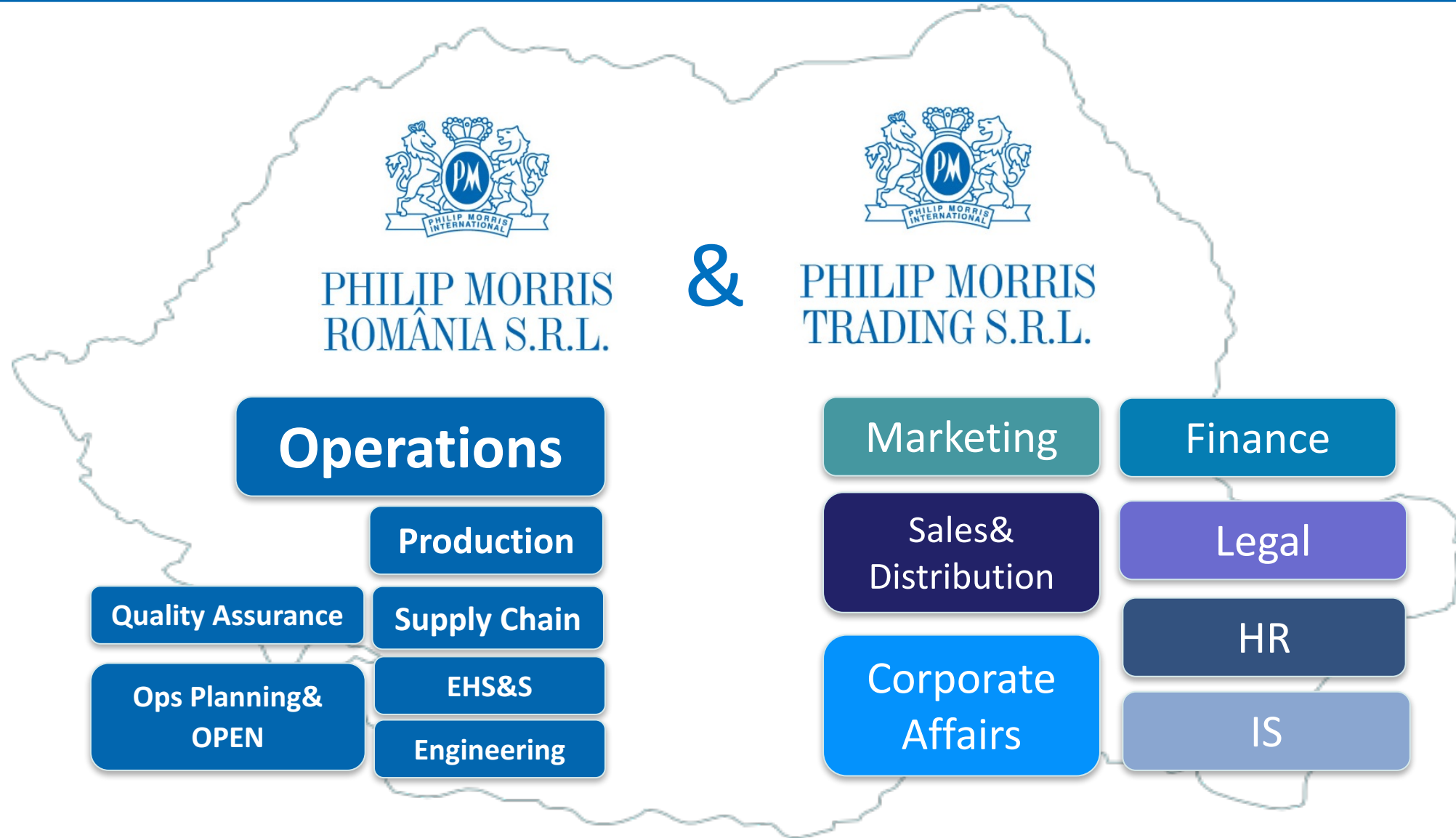
30 Bio cigarettes production

2016

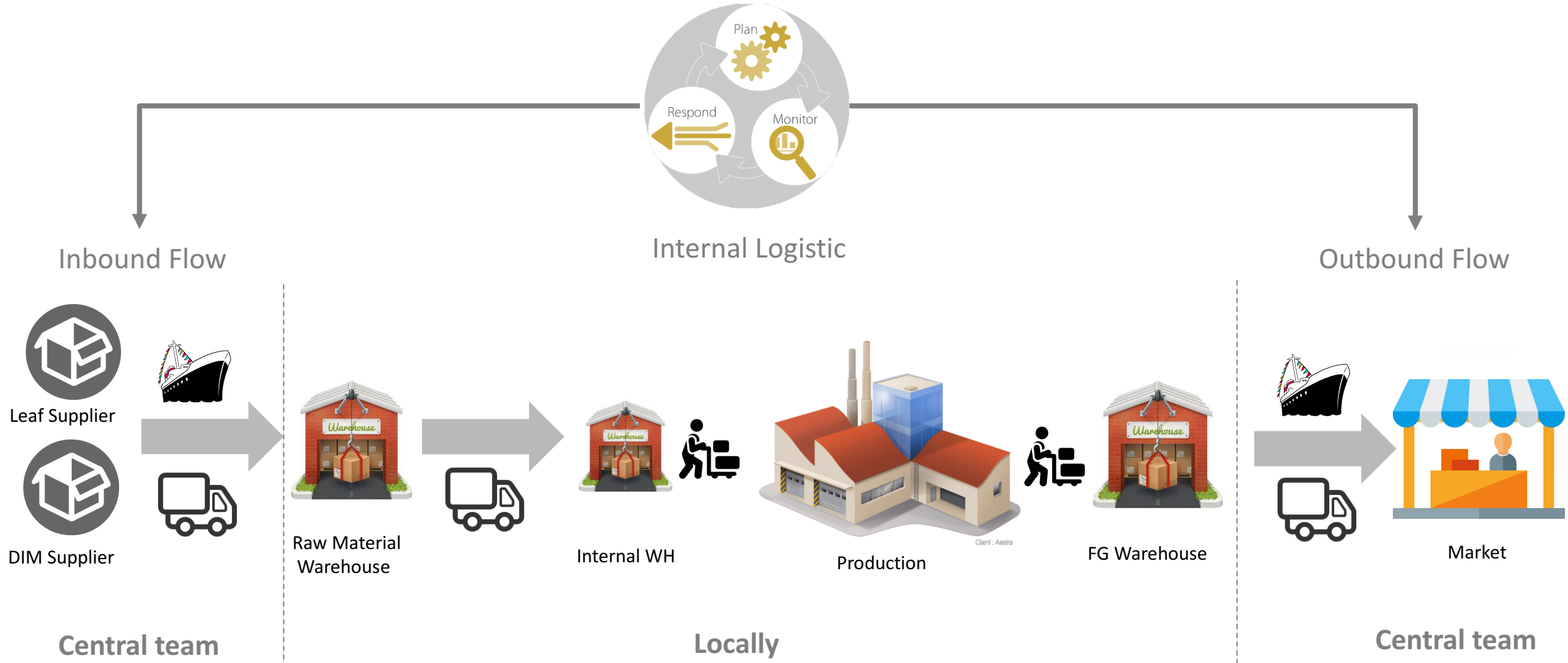
Supply Chain reorganization



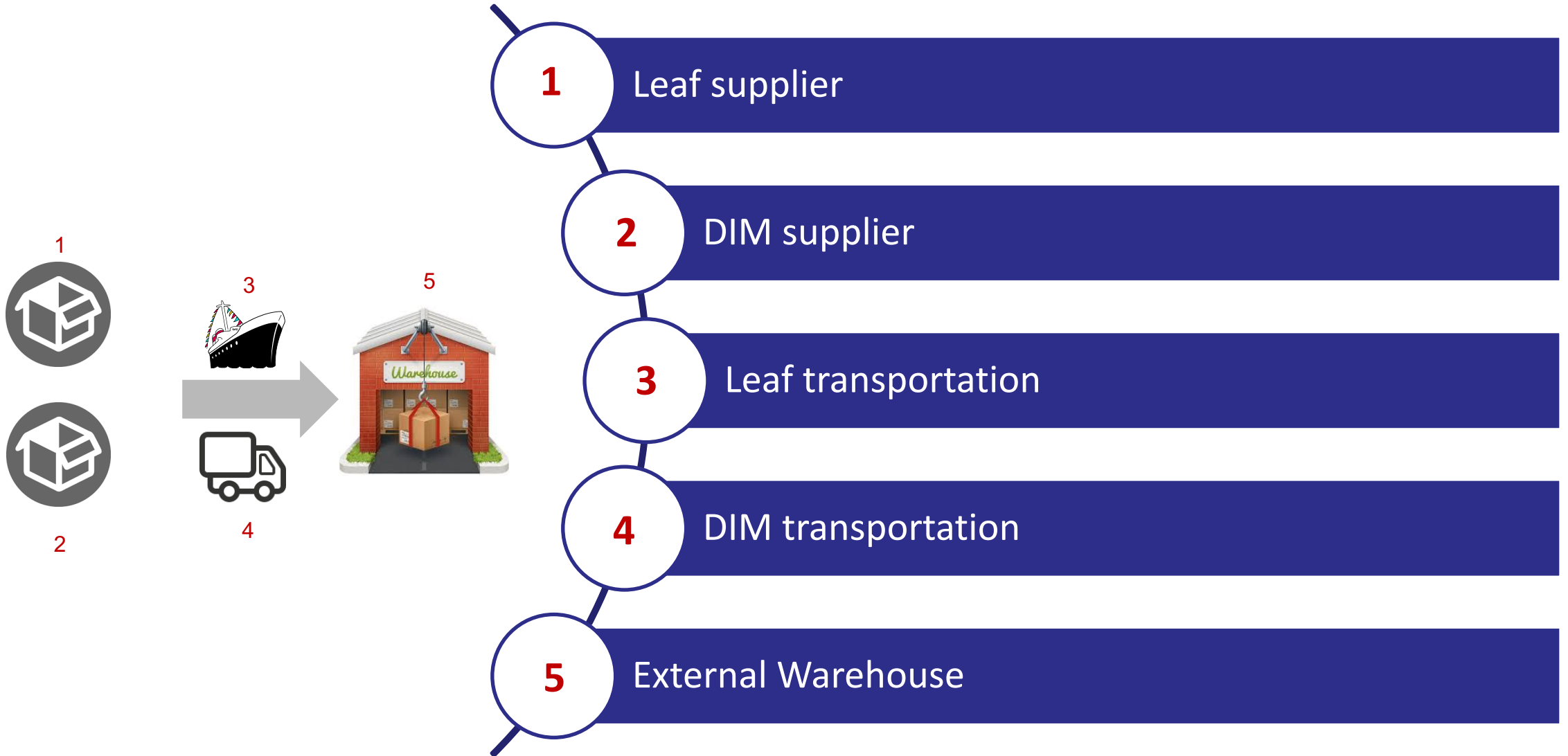
Philip Morris Entities in Romania



Logistics flow/ responsibilities



Inbound flow



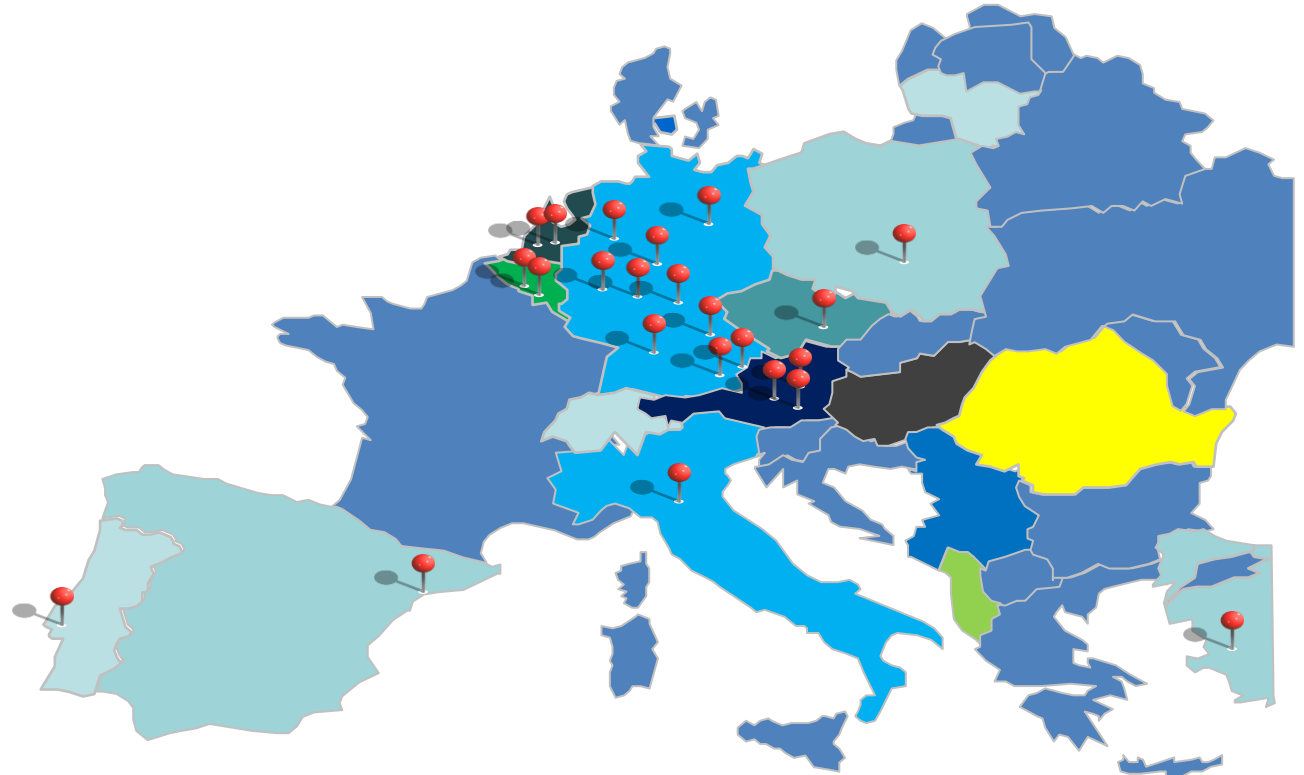
Raw materials suppliers

➤ Leaf

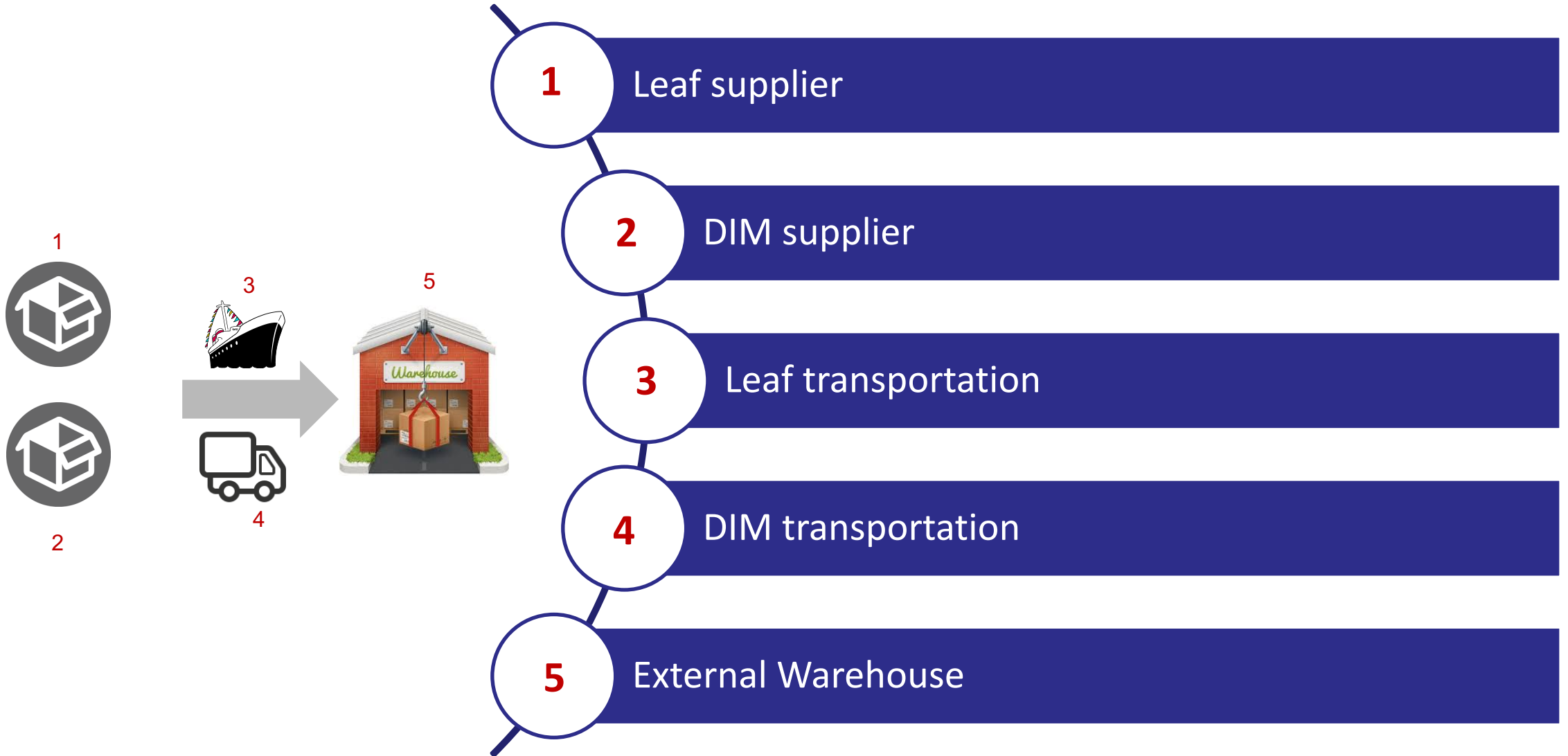
- Import from 13 countries
- Material Call Off done by Central function

➤ DIM

- 90% located in EU
- 70.000 pallets/ year
- Material Call Off done by Central function



Inbound flow



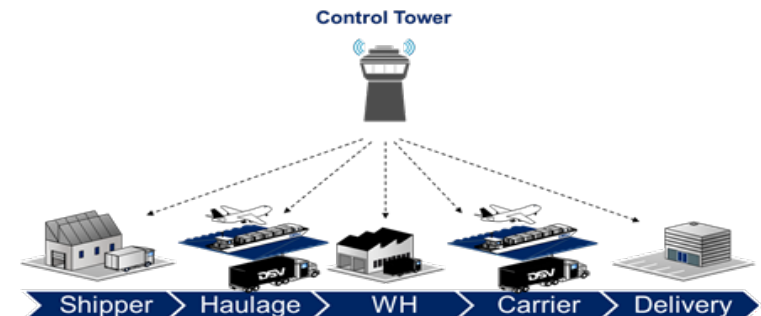
➤ Leaf

- Delivery condition FOB
- Shipment plan performed by the Central function
- 800 CTU/ year
- First EU border - Constanta port
- Customs formalities – T1 in Constanta and import documents in Otopeni

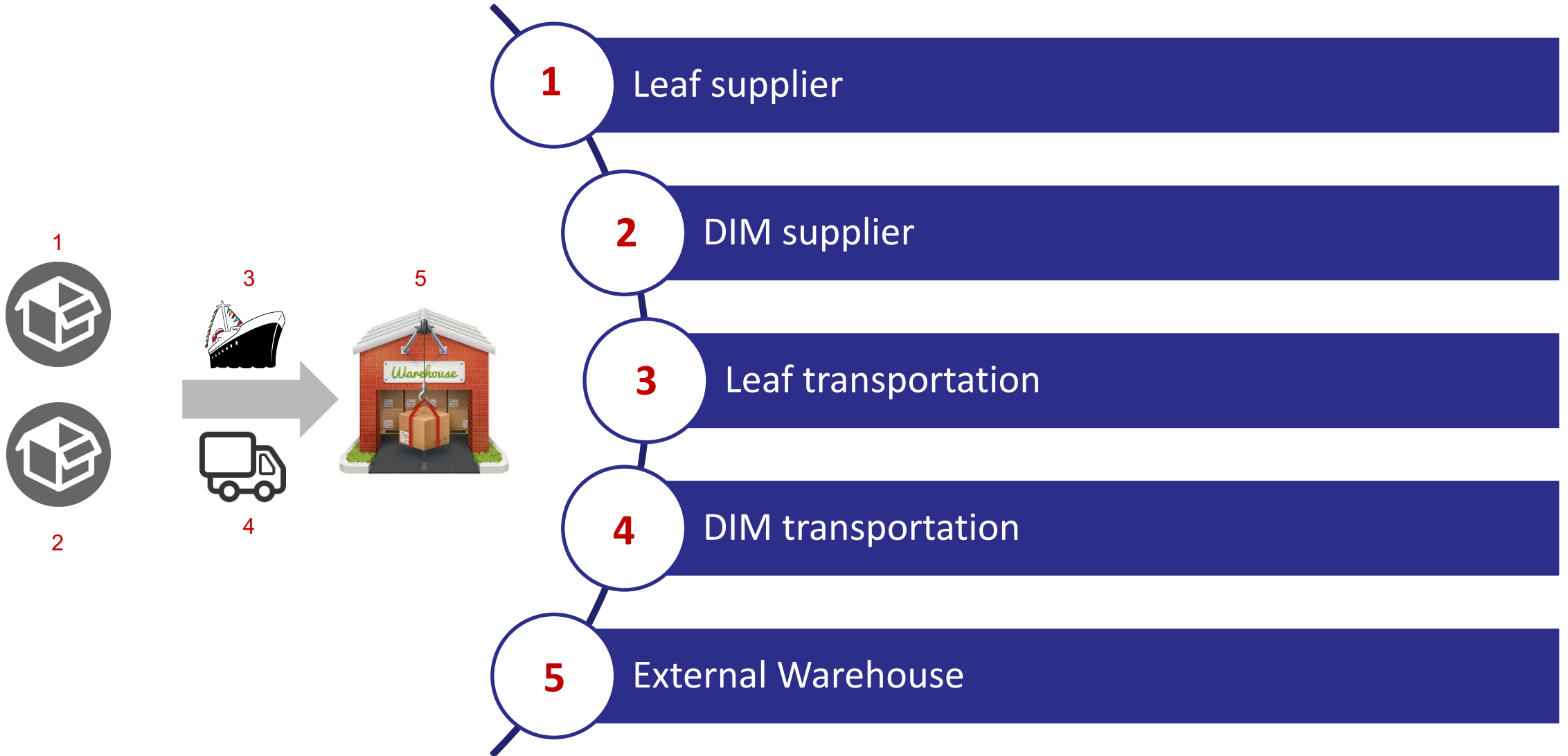


➤ DIM

- Delivery condition FCA/ DAP
- Shipment plan performed by Logistics Control Tower
- 2.000 trucks/ year
- TAPA Level 3



Inbound flow



➤ Leaf

- TAPA Level C
- Bonded/ Non bonded
- Bulk storage
- Systems used – SAP
- Operations management by LSP

➤ DIM/ Semis

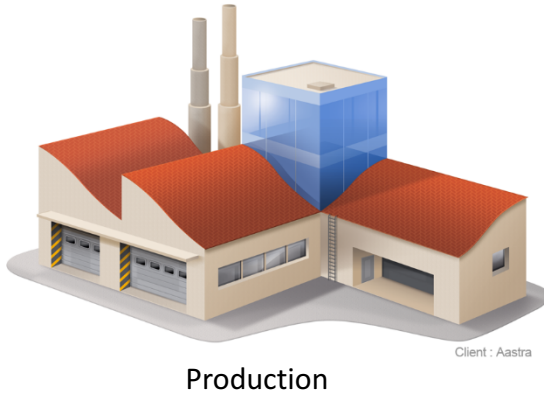
- TAPA Level A and C
- Racks and Bulk storage
- Systems used – SAP/ WMS
- Operations management by LSP



Internal Logistics/ Outbound



Internal Logistic



Outbound



➤ Shuttling

- Materials replenishment with 48 h prior production
- 10 trucks/ day
- TAPA level 1 and 3

➤ Internal buffer storage

- 1.000 sqm (NTM/ Semis products)
- Temperature/ humidity conditioned area
- Staging area in production for Leaf
- Stock coverage up to 4 days

➤ Delivery to production

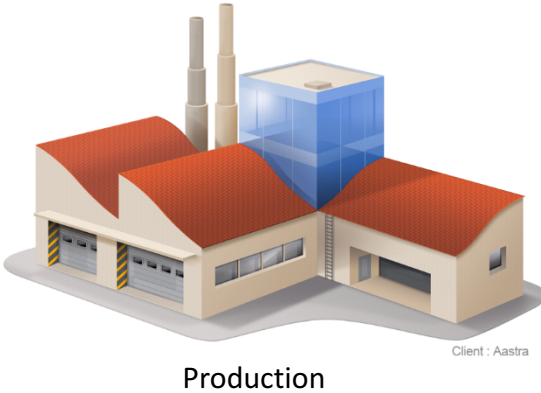
- Requirement via system from production floor
- Systems: SAP/ WMS
- Maximum 45 minutes time to deliver
- Trolleys/ pallets transfer



Internal Logistics/ Outbound



Internal Logistic



Outbound



➤ FG storage

- Shipping cases transferred to paletization equipment via conveyors
- Multiple pallets scheme
- Internal warehouse – 1.000 pallets
- External warehouse – 1.500 pallets
- Drive in racks system
- Systems: SAP/ WMS



➤ FG delivery

- Push and Pull strategy orders
- 15 markets
- Shipment planning by Logistics Control Tower
- Overland/ Sea/ Air
- TAPA level 1
- Fiscal documents submitted



Excise Movement and Control System

Transportation – Overland summary

- PMIM EU Logistics is the process owner
- 1 bidding/ year for all transport routes – PMIM
- Logistics Control Tower is planning the transportation
- TAPA 1/ TAPA 3 security requirements
- Temperature/ humidity control for FG
- Multi pick up for the Inbound

➤ Inbound (NTM/ Leaf) FCA

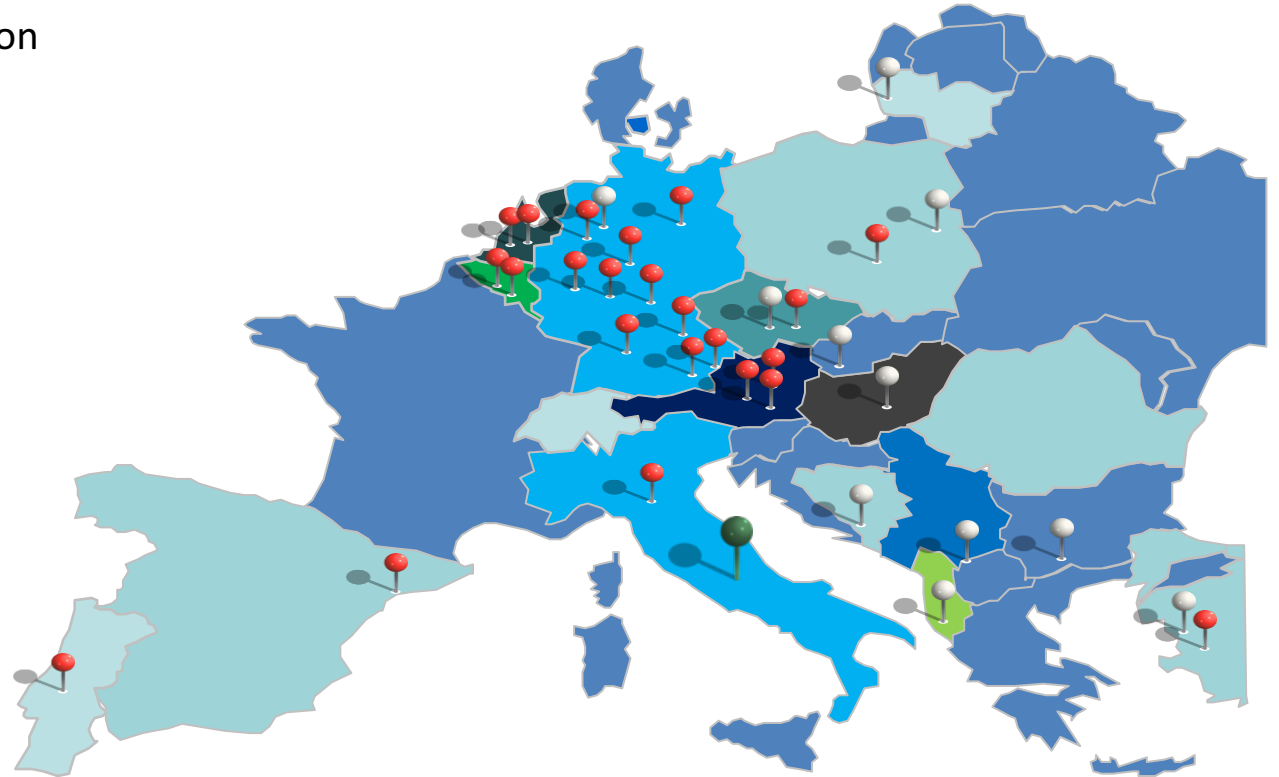
- 2,000 trucks& containers/ year

➤ Outbound (FG/ SEMI) DAP

- 600 trucks/ year

➤ Outbound (FG/ SEMI) FCA

- 1,300/ year



Quality/ Flexibility vs. Fair cost



Q/A