

Grow Combustible Value

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PREMIUM SEGMENT

We will deliver long term sustainable growth by deploying our winning Global brands to meet the evolving needs of the adult nicotine consumers. In 2020, BAT Malaysia delivered a strong share growth, and thus reinforced our leadership position in Malaysia.

This was achieved via a strategic and well-positioned portfolio across all key consumer segments:

- **Dunhill** - strengthened Premium leadership and position as the number 1 brand in Malaysia
- **Rothmans** - innovations to drive growth in the Value-for-Money segment
- **KYO** - strong entry to the Value-for-Money (VFM) segment with a focused role in the moderation space

Our focus is to continue share growth momentum in combustible in order to drive revenue growth. This revenue growth will ensure we are able to re-invest in the development of New Category products in order to satisfy ever-evolving consumer needs by offering a greater choice of enjoyable and less risky products.

DUNHILL

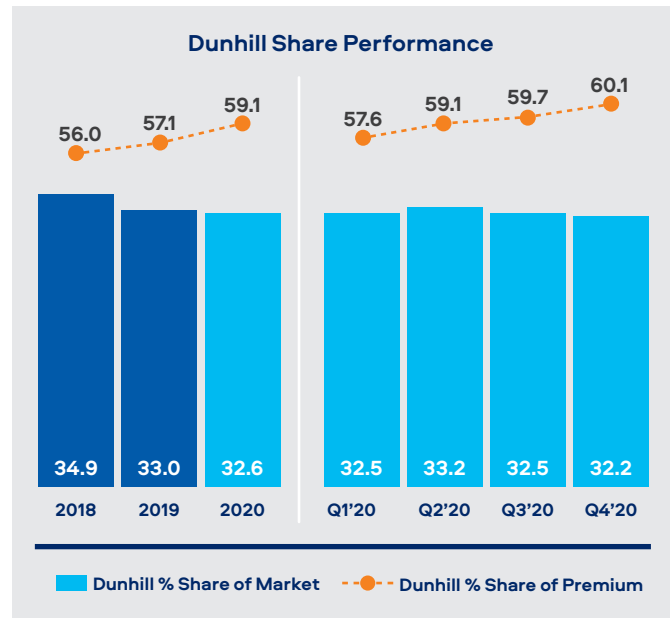
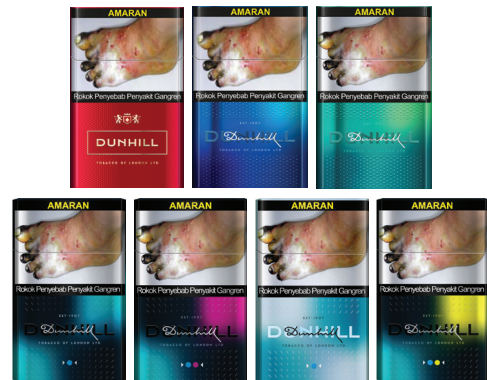
STRENGTHENING PREMIUM LEADERSHIP

Dunhill continues to strengthen its position as the leading Premium brand in Malaysia, delivering a growth of +2ppt to 59.1 percent of the Premium segment. This was accomplished by reinforcing Dunhill’s position as the benchmark brand for taste, quality, modernity, and innovation.

Dunhill Classic drove the brand’s growth by leveraging on its legacy as the number 1 SKU in Malaysia and winning in consumer moments.

The rest of the Dunhill range underwent a brand update in November 2020. The brand re-stage puts forward a new progressive expression of the new Dunhill range globally.

All these endeavours stabilised Dunhill’s market share performance and grew Premium share.



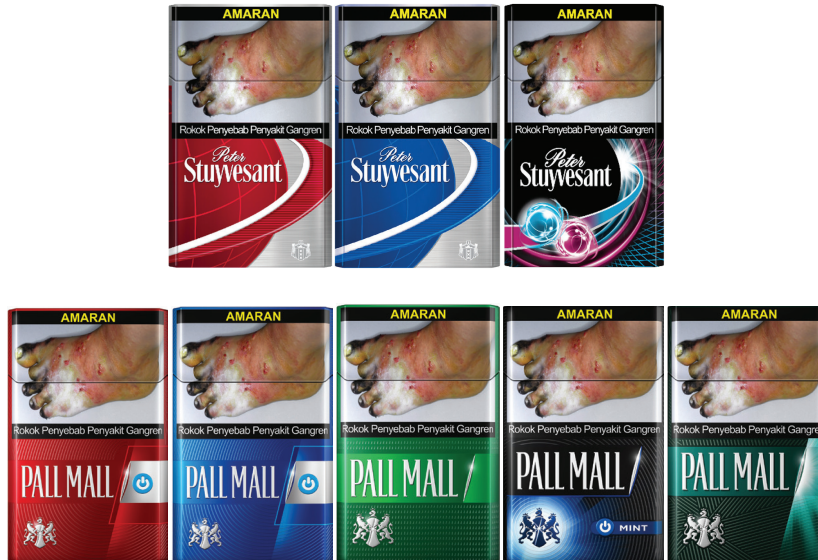
ASPIRATIONAL PREMIUM SEGMENT

Peter
Stuyvesant

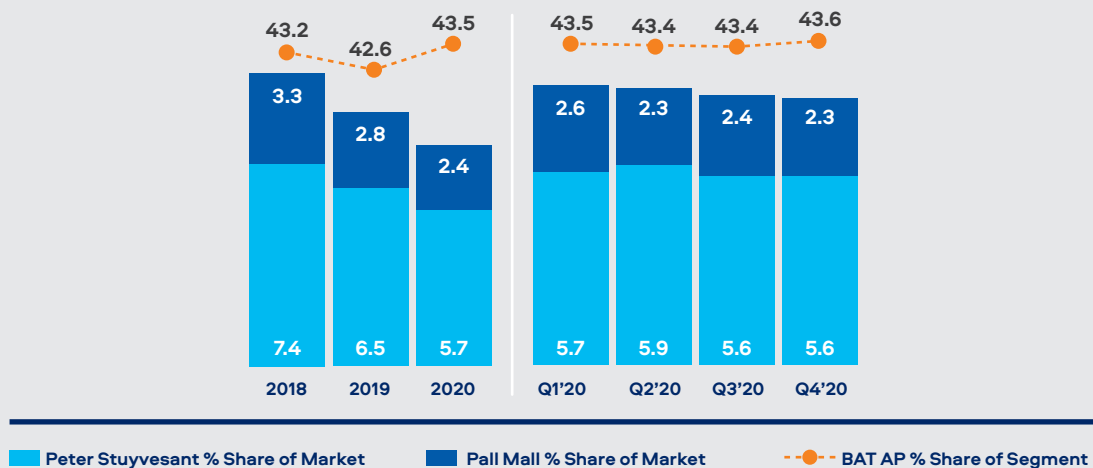
PALL MALL

RESILIENT IN ASPIRATIONAL PREMIUM

BAT Malaysia's Aspirational Premium portfolio saw growth and share of segment in 2020.



Peter Stuyvesant and Pall Mall Share Performance



VALUE-FOR-MONEY SEGMENT

Rothmans

KYO

CONTINUOUS GROWTH ACROSS ALL RANGES

Rothmans continued to be a key growth driver for the company in 2020, at +2ppt growth in market share compared to the previous year, corresponding to growth in the rapidly expanding VFM segment.

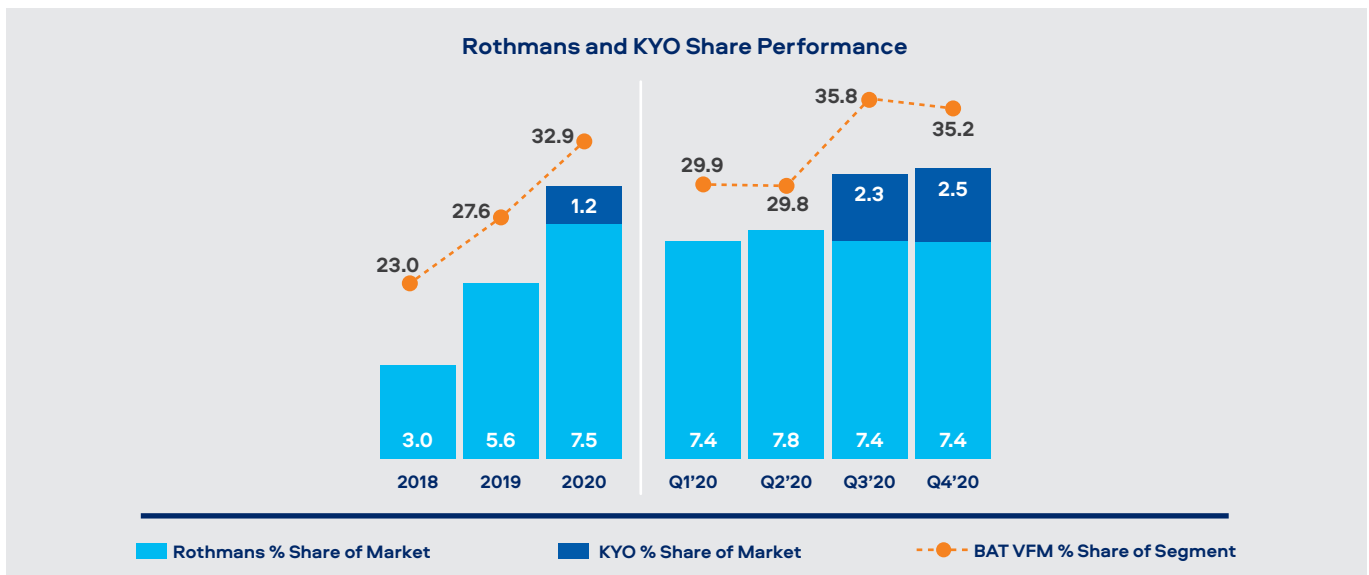
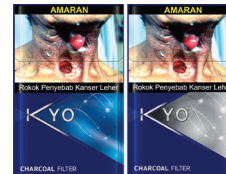
Whilst growth was seen across the entire product line-up, innovations in the sensations range led the growth momentum. Most notably, Rothmans Purple is now the largest novel capsule SKU in VFM at 1.1 percent share of market, an increase of 0.6ppt as compared to 2019. Rothmans Hokkaido Mint Menthol and Hokkaido Mint Boost too, saw a growth of 0.5ppt versus 2019.

BREAKTHROUGH IN THE VFM SEGMENT VIA NEW BRAND LAUNCH

Launched in July 2020 to boost competitiveness in the rapidly expanding VFM segment, KYO was able to complement Rothmans' growth and made a strong entry into the segment. This was achieved by a strong brand positioning via modernity and moderation cues. KYO which translates to "NOW" in Japanese, was designed in Japan and represents a brand that is ahead of the curve.

The brand debuted 2 SKUs, KYO Original and KYO Silver which features a charcoal filter.

Since its launch, KYO's performance has been exceptional, exiting the year at 2.5 percent market share and contributing to +4ppt growth in the VFM segment. KYO is now the number 1 Consideration brand in key markets like Penang and Ipoh.



(Source: Ipsos Retail Audit 2020 vs 2019, Kantar Consumer Track)