



Our purpose is to build a better tomorrow by reducing the health impact of our business

A BETTER TOMORROW™

QUARTER 4, 2021 PERFORMANCE

8th February 2022



Agenda

1 Q4 Business Review and Financial Performance

2 Other Business Updates





Q4 Business Review



Key priorities



1 Combustible Value Growth



2 Step-Change in New Categories



3 A Simpler & Smarter Company



Key Enablers:

Sustainability



Accelerating
Tomorrow's
Leaders



2021 and Q4'21 Highlights

2021



+5%*

vs 2020

**Legal domestic
industry volume**



+5%

vs 2020

**BAT domestic
volume**



-6.1ppt

Vs 2020

**Illegal
FMC**

Source: ICS topline Nov'21

Q4'2021



+15%*

vs Q3'21

**Legal domestic
industry volume**



+15%

vs Q3'21

**BAT domestic
volume**



-2.5ppt

Vs May'21

**Illegal
FMC**

Source: ICS topline Nov'21

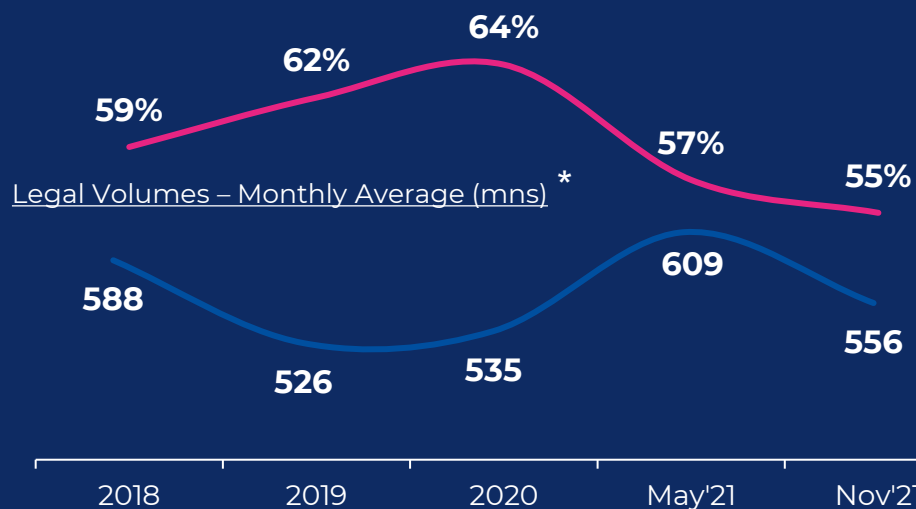
*CMTM IMS Big 3 industry exchange

Volume growth for the first time since 2002 driven by illicit backflow

Illicit remains a major threat

Transshipment restrictions and focused enforcement are driving the reduction in illicit incidence

Illicit Incidence (%)



However, illicit remains a significant threat as criminal syndicates continue to smuggle illicit through coastal

Coastal smuggling route



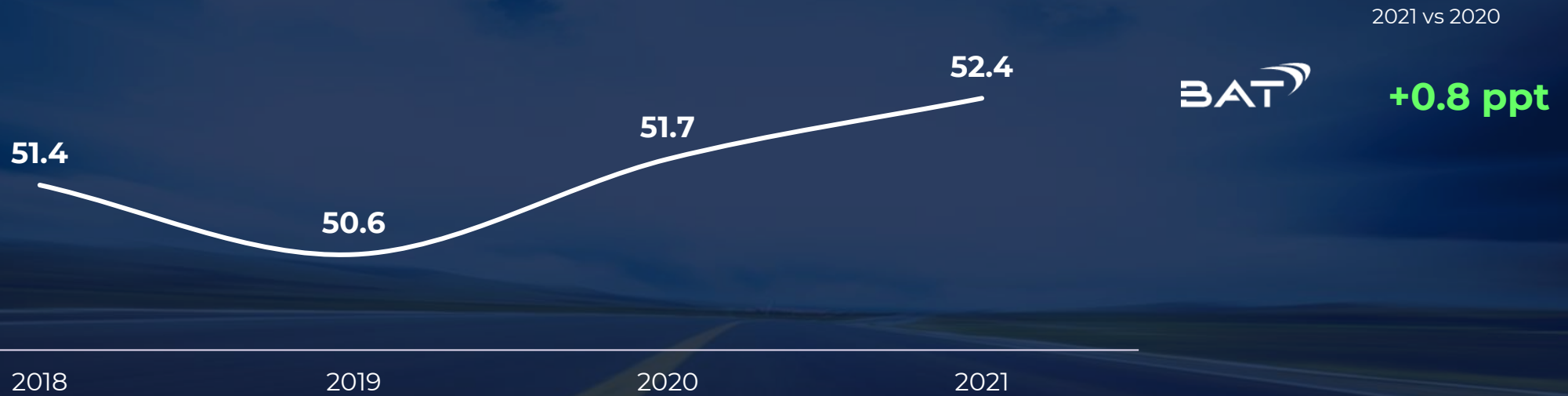
Despite monsoon season affecting east coast of Pen. Mal., criminal syndicates are quick to move their activities to west coast

* Source: CMTM Big 3 industry exchange, Nielsen ICS

Demand and sustained supply interventions required to stop the tobacco black market

Share growth momentum continues in 2021

BAT Retail Audit Share of Market (%)



Premium share of segment
+1.9ppt
(2021 vs 2020)



VFM share of segment
+1.5ppt
(2021 vs 2020)

Source: IPSOS Retail Audit Malaysia (Nov-21)

Winning portfolio strategy driving corporate share growth



Financial Performance



2021 and Q4'21 Highlights

2021



+10%

vs 2020

**Total BAT Volume
(inc. Duty Free)**



+14%

vs 2020

Revenue



+19%

Vs 2020

**Profit from
operations**

Q4'2021



+42%

vs Q3'21

**Total BAT Volume
(inc. Duty Free)**



+41%

vs Q3'21

Revenue



+2%

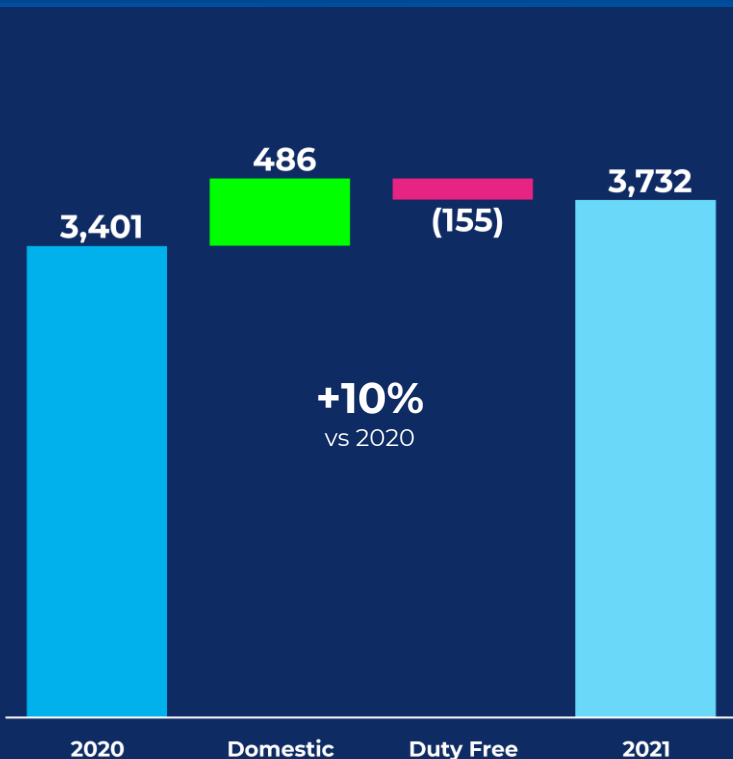
vs Q3'21

**Profit from
operations**

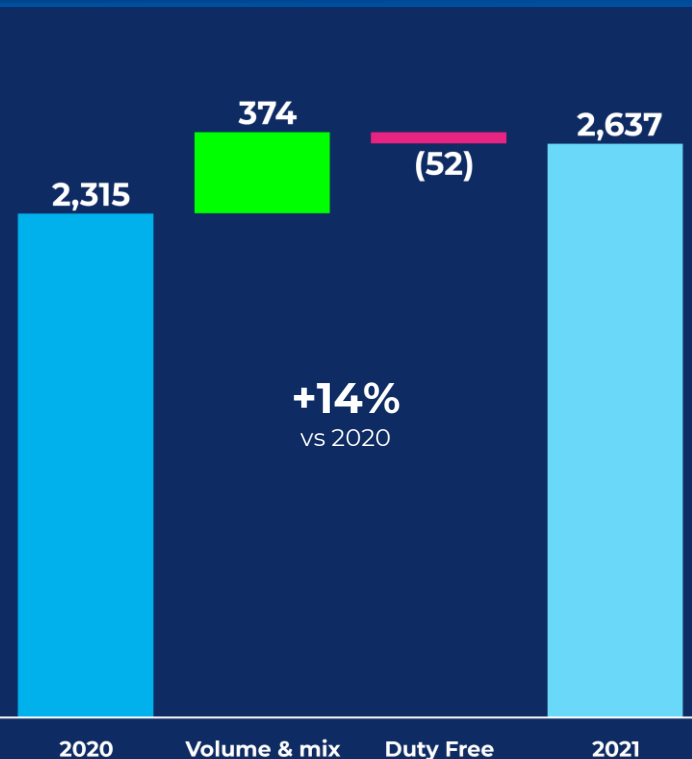
Profit growth for the first time in 6 years

2021 Financial performance

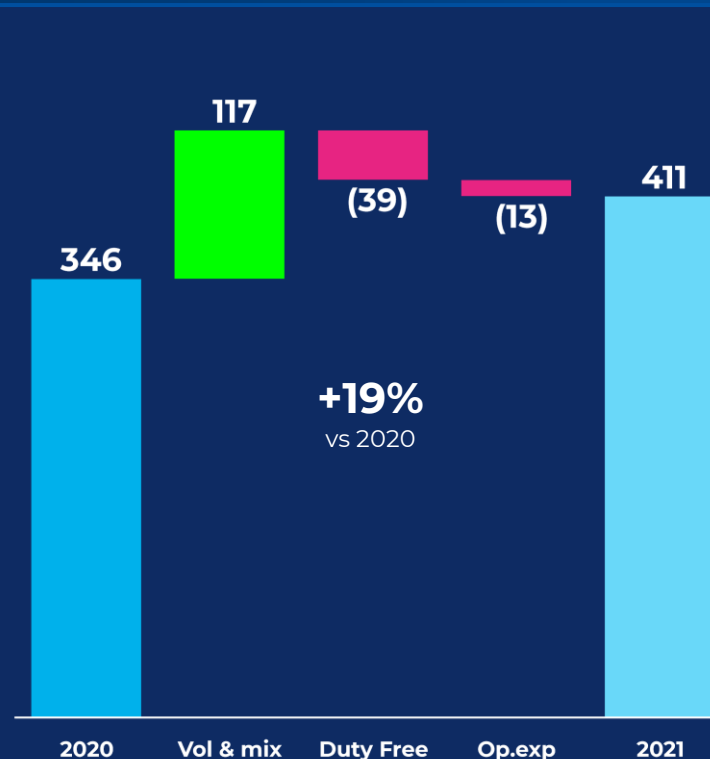
Total Volume mns



Revenue RM'mn



Profit from operations RM'mn



Positive results driven by volume growth for the first time since 2002

Dividend payout for Q4 2021

Earnings per share

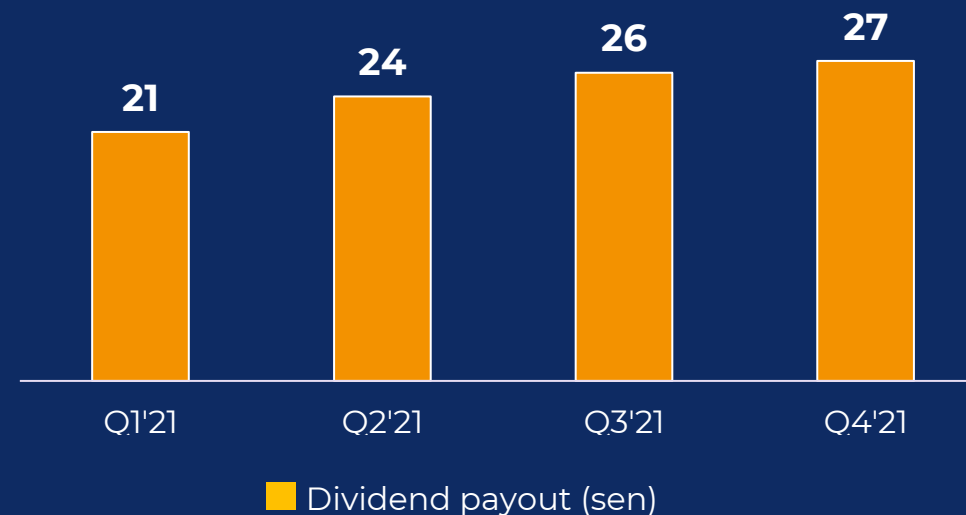
25.0 sen

Dividend

27.0 sen

Payout ratio

108%



Dividend Yield

7%

Payment scheduled for 4th March 2022

- Based on last 3 quarters dividend paid out and Q4'2021 declared



Other Business Updates



Q4 Key sustainability activities

H

Reducing the **HEALTH** impact of our business

E

Excellence in **ENVIRONMENTAL** management

S

Delivering a positive **SOCIAL** impact

G

Robust corporate **GOVERNANCE**

The need to have regulations for vaping



FTSE4Good Bursa Malaysia Index

Continued advocacy for regulated nicotine vapour market-place

All metrics relating to waste, water, energy and recycling on-track

Flood relief program to impacted families & independent retailers

Recognized for our ESG activities. Highest grading band of 4 stars.

Appropriate regulations needed for vapour products

Imposition of excise duty on vape liquids postponed, says Customs Dept

New Law Regulating Vaping, E-Cigarettes To Be Tabled Early 2022

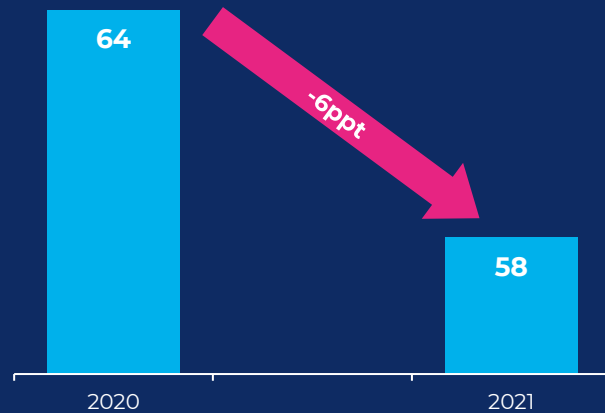
Implementation of excise on nicotine vapour has been delayed until after Government introduces regulatory framework on the vapour category

Regulatory framework must be well considered and encourage switching from traditional cigarettes and not drive consumers to cheap, unregulated black market alternatives

Government must maintain focus on tobacco black market

Progress made but tobacco black market remains a major threat

Illicit Incidence (%)



Source: Nielsen ICS

Key drivers of the reduction of illicit incidence:

- Restrictions introduced at Budget 2021
- Excise moratorium in 2021
- Increased enforcement activities

Supply and demand initiatives required to effectively address the tobacco black market

Supply



- Maintain Budget 2021 restrictions
- Focus enforcement on coastal smuggling
- Address tobacco black market syndicates

Demand



- Maintain excise rate moratorium
- Reduce price gaps between legal and tobacco black market

BAT Malaysia Summary

- ➔ **Volume growth for the first time since 2002 driven by illicit backflow**
- ➔ **Profit growth for the first time since 2015**
- ➔ **BAT brands continue to grow across all price segments**
- ➔ **Sustained consecutive quarter on quarter growth across key financial indicators**
- ➔ **Continued enforcement efforts required to clamp down on the tobacco black market as criminal syndicates move to coastal smuggling**
- ➔ **BATM is greatly encouraged by the Government's announcement to legalise vaping products and urges the Government to establish specific, science-based regulations as seen in the United Kingdom, Canada and New Zealand**
- ➔ **BATM recognised with top score in Bursa FTSE4Good ratings**

Q&A

