



MEDIA RELEASE

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BAT MALAYSIA CHARTS GROWTH DESPITE PERSISTENT TOBACCO BLACK MARKET

Bukit Damansara, 23 July 2021 – British American Tobacco (Malaysia) Berhad (BAT Malaysia) today announced its financial results for the second quarter ended 30 June 2021 (Q2FY2021).

Q2FY2021 Financial Highlights:

- Profit from operations for the quarter under review stood at RM193million, a 25% increase compared with the same period last year.
 - Revenue for the quarter under review increased by 13% or RM135 million compared to the same period last year.
 - The board of directors has declared a second interim ordinary dividend of 24.0 sen per share, amounting to RM69 million to be paid out on 20 August 2021 to shareholders.
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Jonathan Reed, Managing Director of BAT Malaysia, said,

“We delivered a strong quarter with significant improvements across all key metrics.”

For the first half of the year, BAT Malaysia achieved a profit from operations of RM193 million, a 25% increase from the RM154 million recorded in the same period last year. This was primarily due to the company’s 14% growth in domestic volume, which outperformed the total legal industry recovery rate of 12%. The growth in volume led to a revenue growth of 13% or RM135 million compared with the first half of 2020. Volume and revenue growth versus the same period last year reflect a differing MCO environment and embryonic progress by the government in addressing the tobacco black market.

“There are early signs that measures implemented during Budget 2021 are having a positive impact but levels of illegal cigarettes in Malaysia are still at crisis point. Over 57.9% of the tobacco market is dominated by criminal syndicates. In response to Budget measures targeting transshipment loopholes, these gangs have shifted their operations to coastal smuggling. The Government must enhance anti-smuggling enforcement in coastal areas.”

“To effectively tackle the tobacco black market, enforcement must be accompanied by measures to address affordability pressures for consumers. There must be solutions to address the significant price difference between expensive legal and cheap black market products,” Reed highlighted.



The company's total market share stood at 52.4%, registering an increase of 1.5 ppt compared with the same period last year. BAT Malaysia's portfolio grew in all segments with Dunhill growing by 2.7ppt in the Premium segment, Peter Stuyvesant and Pall Mall by 1.0ppt in the Aspirational Premium segment and Rothmans and KYO by 4.4ppt in the value-for-money (VFM) segment.

"In addition to continuing efforts to mitigate the tobacco black market, it is also critical for the Government to introduce a regulatory framework for nicotine vaping products. Regulations would provide the 1.1 million Malaysians who vape with products of known quality and safety. It would also establish a significant new revenue source for the government. As part of our purpose of building A Better Tomorrow, BAT Malaysia would support the legalisation of the nicotine vapour category," Reed concluded.

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For more information on British American Tobacco Malaysia's financial results, please visit www.batmalaysia.com

About British American Tobacco (Malaysia) Berhad

British American Tobacco (Malaysia) Berhad is the leading tobacco company in Malaysia. This strong position is built upon a portfolio of high-quality tobacco products designed to meet diverse consumer preferences. Our portfolio includes world-famous brands like DUNHILL, KENT, PETER STUYVESANT, PALL MALL and ROTHMANS. British American Tobacco Malaysia employs almost 500 employees who are involved in a wide spectrum of disciplines, from generating insights, developing brands and making these available on a national level. In addition, we also set leading edge talent development practices as well as ensure a strong foundation of corporate governance and shareholder relations. The company is part of the British American Tobacco group, which is the world's most international tobacco group and the second largest stock market listed tobacco group by global market share.

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