



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

A BETTER TOMORROW™

QUARTER 1, 2022 PERFORMANCE

10th June 2022



Agenda

1

Q1 Performance Review

2

Other Business Updates

BAT
MALAYSIA

Committed to Building
A Better Tomorrow

Our Purpose
To reduce the health impact of our products

Our Commitment
To provide a better, healthier and more enjoyable experience for our customers

To encourage smokers to make a better choice

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Q1 '22 Business Performance – Highlights



57.7 ppt
+0.5ppt vs FY '21

Illegal Incidence



-7%
vs. Q1 '21

Legal Domestic Volume



-7%
vs. Q1 '21

Total Volume



-0.5 ppt
vs. Q1 '21

Share of Market

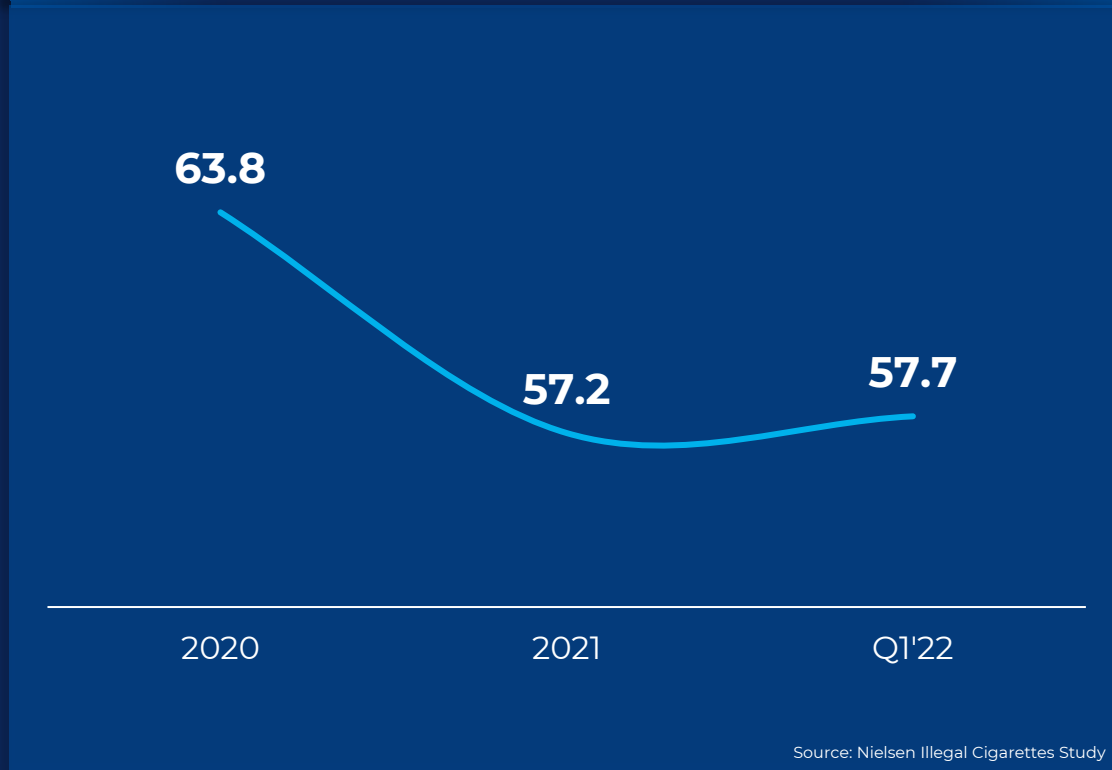
Industry

BAT

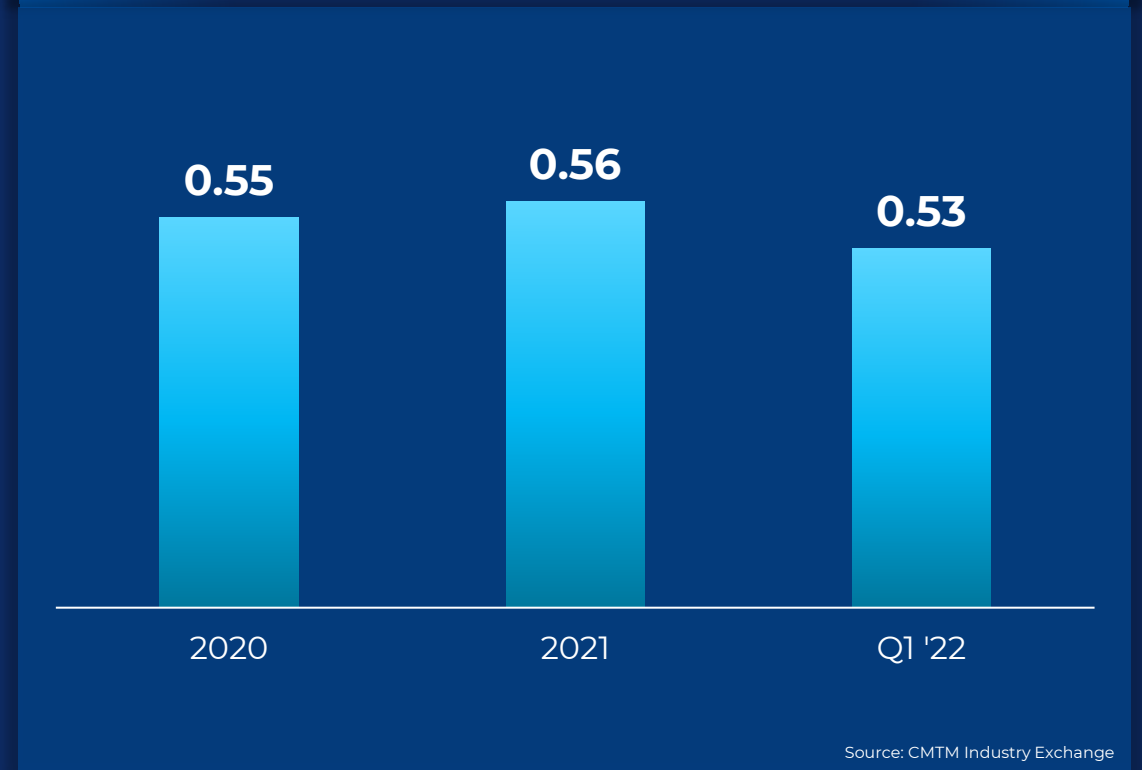
Volume Downside driven by Consumption Impact

Q1 '22 Business Performance – Illicit vs Legal

Illicit Incidence



Monthly Legal Industry Volume (bns)



Rebound of Illicit Share | Omicron Outbreak leads to Lower Consumption

Q1 '22 Business Performance – SoM



Slight Decline in Share due to Portfolio Optimization with Growth Trajectory in Strategic Segments

Q1 '22 Financial Performance – Highlights



-7%
vs Q1 '21
Volume



-8%
vs Q1 '21
Revenue



-5%
vs Q1 '21
Operating Profit

Lower Volume driving Soft Financial KPIs vs. SPLY | Cautiously Optimistic for FY

Q1 '22 Dividend Proposal

	Q1 '21	Q1 '22	Var
Total BAT Volume (bn sticks)	0.8	0.7	-7%
Revenue (RM mn)	567	522	-8%
Operating Profit (RM mn)	87	82	-5%
Profit after tax (RM mn)	63	52	-17%
Earnings per share (sen)	22.1	18.3	-17%
Dividend (sen)	21 95% payout ratio	17 93% payout ratio	-19%

Dividend for Board's Approval

17 sen per ordinary share
RM49mil, payable on 24 Jun 2022

Dividend Yield **7%***

Share Price (RM)



* Based on last 3 quarters dividend paid out and first interim dividend 2022 declared

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**Combustible
Value Growth**



**Step-Change in
New Categories**



**A Simpler &
Smarter Company**



Sustainability



Accelerate Tomorrow's Leader

Q1 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**



Continued advocacy for regulated nicotine vapour market-place



Johor Bahru factory achieved **Carbon Neutrality**



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



600 beneficiaries through flood relief

100 beneficiaries received laptops



Continued support to vulnerable communities



Annual Report 2021 successfully delivered

100% Compliance internal standards & external regulations

Sustained Efforts Required to Address the Tobacco Black Market

Supply Intervention



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

Demand Intervention



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

Regulatory Development on Vapour

Electronic Safety Standards on Device



New requirement takes effect
From 3rd August 2022

Bill to be Tabled in Parliament

Khairy To Table Tobacco Bill In July, Wants Bipartisan Support

By CodeBlue | 17 March 2022

Regulatory framework for reduced-risk products must be well considered and not drive consumers to unregulated black-market

Other Regulatory Development

Ban on smoking and sale of tobacco products including vape to anyone born after 2005



Ban on display of tobacco products at point of sale and plain packaging



Government should prioritise its efforts to stop tobacco black market in the country to address smoking prevalence instead of introducing these new policies that may not work and lead to unintended consequences

Summary

Q1 '22 was impacted by the emergence of Omicron

Our brands continue to grow across strategic price segments

Continuous efforts required to address tobacco black market as criminal syndicates move to coastal smuggling

BAT urges risk proportionate regulations on vapour

BAT is cautiously optimistic for FY 2022



Q&A

