



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

# A BETTER TOMORROW™

# QUARTER 2, 2022 PERFORMANCE

28<sup>th</sup> July 2022



# Agenda

1

Q2 Performance Review

2

Business Updates

**BAT**  
MALAYSIA



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# Q2 '22 Business Performance – Highlights



**57.7 ppt**

+0.4ppt vs FY '21

**Illegal Incidence**



**+7%**

vs. Q2 '21

**Legal Domestic Volume**



**+6%**

vs. Q2 '21

**Total Volume**



**Industry**

**BAT**

Volume Growth with Transition into Endemic Phase

Source: Illegal Cigarettes Study (YTD Average), CMTM Big 3 industry exchange, IPSOS Retail Audit Malaysia (YTD May)

# H1 '22 Business Performance – Highlights



**57.7 ppt**  
+0.4ppt vs FY '21

**Illegal  
Incidence**



**Flat**  
vs. H1 '21

**Legal Domestic  
Volume**



**Flat**  
vs. H1 '21

**Total  
Volume**



**-0.6 ppt**  
vs. SPLY

**Share of  
Market**

**Industry**

**BAT**

Steady H1 Performance with Strong Performance in Q2

# Q2 '22 Business Performance – Illicit vs Legal

## Illicit Incidence



Source: Nielsen Illegal Cigarettes Study

## Monthly Legal Industry Volume (bns)



Source: CMTM Industry Exchange

Stabilised Illicit Share | Industry Offtake Rebound

# H1 '22 Business Performance – BAT SoM



BAT Retail Audit Share of Market (%)



Dunhill Share of Segment

**+0.9ppt**  
(YTD '22 vs SPLY)



AP Share of Segment

**-3.4ppt**  
(YTD '22 vs SPLY)



VFM Share of Segment

**+0.7ppt**  
(YTD '22 vs SPLY)

Source: IPSOS Retail Audit Malaysia

# Q2 '22 Financial Performance – Highlights



**+6%**  
vs Q2 '21  
**Volume**



**+7%**  
vs Q2 '21  
**Revenue**



**+2%**  
vs Q2 '21  
**Operating Profit**

Volume Growth Offset by Higher Operating Expenses



# H1 '22 Financial Performance – Highlights



Jan

Feb

Mar

Steady Performance despite Challenging Environment

# Q2 '22 Dividend Proposal



	Q2 '21	Q2 '22	Var
<b>Total BAT Volume</b> (bn sticks)	0.8	0.9	+7%
<b>Revenue</b> (RM mn)	596	641	+8%
<b>Operating Profit</b> (RM mn)	106	109	+3%
<b>Profit after tax</b> (RM mn)	72	73	+3%
<b>Earnings per share</b> (sen)	25	26	+4%
<b>Dividend</b> (sen)	24 96% payout ratio	25 97% payout ratio	+4%

## Dividend for Board's Approval

**25 sen** per ordinary share  
RM71mil, payable on 18 Aug 2022

Dividend Yield **9%\***

\* Based on last 3 quarters dividend paid out and second interim dividend 2022 declared (Share price is based on date of announcement)

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# Refined Strategy for Sustainable Growth



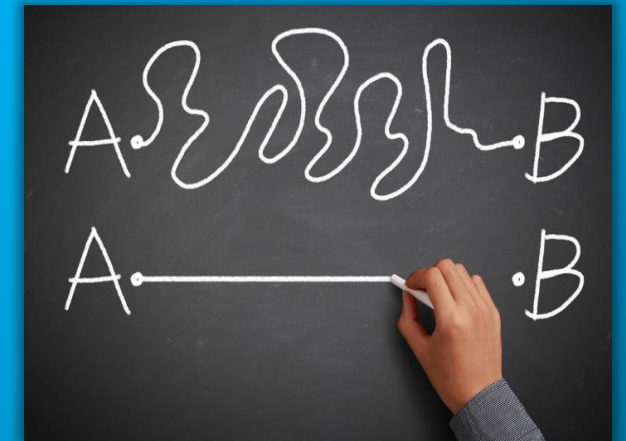
Combustible  
Value Growth



Step-Change in New  
Categories



A Simpler & Smarter  
Company



ESG Front and Center

# Q2 Key Sustainability Activities

E



**World Environment Day Celebration**



**Green Hero Challenge (Recycling)**



Capacity : **109,000 kWh/Year**  
**57%** Electricity CO<sub>2</sub> Emissions

**Solar Power System at JB Factory**

S



**Circular Economy**  
Donation of Used laptop

**100** Beneficiaries

# Concerted Efforts Required to Address the Tobacco Black Market

## Intensify enforcement to prevent black market tobacco smuggling



- Fully enforce Budget 2021 restrictions
- Dedicate a taskforce to fight coastal smuggling
- Impose strict laws against tobacco black market syndicates

## Implement right policy to arrest the demand of black market tobacco



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

## News reported that bill to regulate tobacco and vaping products tabled to Cabinet



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

No official announcement on decision made by the Government to-date

# Summary

Q2 '22 is back to growth as the country transitioned into endemic phase

Steady performance in H1 '22 despite challenging environment

Our strategic brands continue to grow across Premium & VFM segments

Continuous intensified efforts required to address tobacco black market

BAT continues to advocate for scientific & evidence-based regulations

BAT is cautiously optimistic for FY 2022





# Q&A

