



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

A BETTER TOMORROW™

QUARTER 3, 2022 PERFORMANCE

17th November 2022



Agenda

1

Q3 Performance Review

2

Business Updates

BAT
MALAYSIA



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Q3 '22 Business Performance – Highlights



56.1 ppt

-1.2ppt vs FY '21

**Illegal
Incidence**



+14.8%

vs. Q3 '21

**Legal Domestic
Volume**



+9.8%

vs. Q3 '21

**Total
Volume**

Industry

BAT

Volume Growth Benefited from Illicit Reduction & Endemic Phase

YTD Q3 '22 Business Performance – Highlights



57.3 ppt

Flat vs FY '21

Illegal Incidence



+4.5%

vs. SPLY

Legal Domestic Volume



+3.1%

vs. SPLY

Total Volume



-0.8 ppt

vs. SPLY

Share of Market

Industry

BAT

Steady YTD Performance with Strong Performance in Q3

Q3 '22 Business Performance – Illicit vs Legal

Illicit Incidence



Source: Nielsen Illegal Cigarettes Study (July'22)

Monthly Legal Industry Volume (bns)



Source: CMTM Industry Exchange

Further Illicit Reduction | Industry Offtake Rebound & Normalised

Q3 '22 Business Performance – BAT SoM



BAT Retail Audit Share of Market (%)



Dunhill Share of Segment

+1.0ppt
(YTD '22 vs SPLY)



A.P. Share of Segment

-3.0ppt
(YTD '22 vs SPLY)



VFM Share of Segment

+0.6ppt
(YTD '22 vs SPLY)

Source: IPSOS Retail Audit Malaysia

Share Stabilisation | Plans in Place for Share Gain in Q4

Q3 '22 Financial Performance – Highlights



+10%
vs Q3 '21
Volume



+9%
vs Q3 '21
Revenue



+8%
vs Q3 '21
Operating Profit

Solid Results with Volume Growth and Continuous Effort on Cost Optimisation Measures

YTD Q3 '22 Financial Performance – Highlights



+3%
vs SPLY
Volume



+3%
vs SPLY
Revenue



+2%
vs SPLY
Operating Profit



+305_m RM
vs SPLY
Cash from Operations

Jan

Feb

Mar

Q3 Upside Contributes to Positive YTD Performance

Q4 '22 Dividend Proposal

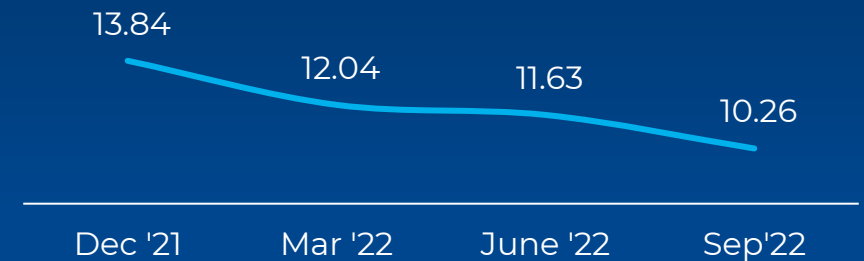
	Q3 '22	Q3 '21	Var
Total BAT Volume (bn sticks)	0.95	0.86	+10%
Revenue (RM mn)	667	613	+9%
Operating Profit (RM mn)	116	108	+8%
Profit after tax (RM mn)	75	79	-4%
Earnings per share (sen)	26	28	-4%
Dividend (sen)	25 95% payout ratio	26 94% payout ratio	-4%

Dividend approved by Board

25 sen per ordinary share
RM71mil, payable on 21st Nov 2022

Dividend Yield **9%***

Share Price (RM)



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

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Refined Strategy for Sustainable Growth



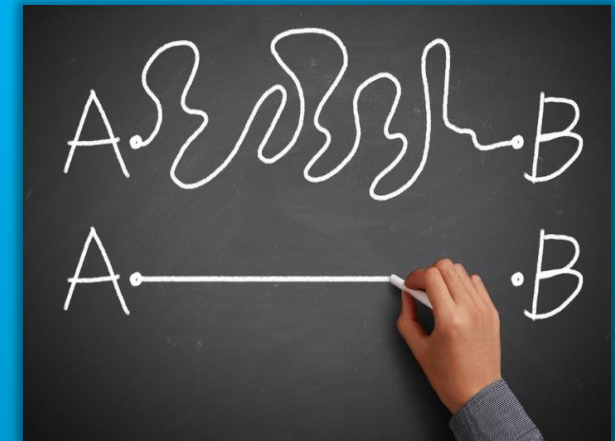
Combustible
Value Growth



Step-Change in New
Categories



A Simpler & Smarter
Company



ESG Front and Center

Q3 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



International Beach Cleanup Day (BATM Volunteerism)

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



Kick Started BATM's Flagship Community Investment Project (Community Farm Gardens to support food security among B40 communities)



Integrity Week 2022



- Platinum Silver and Most Influential People of OSH Excellence National Award

No tabling of Tobacco Bill in the recent Parliament session before the Parliament was dissolved



BAT Malaysia believes the new Government needs to **prioritise** its efforts to stop tobacco black market in the country and develop **appropriate regulatory framework** for reduced-risk products before introducing any additional controls on tobacco products

Government on the right track to tackle tobacco black market with new initiatives

Illicit incidence continues to decline



Key drivers of the reduction of illicit incidence:

- Increased in inland seizures
- Restrictions introduced at Budget 2021
- Excise moratorium in 2021

Source: Nielsen Illegal Cigarettes Study

Key initiatives required to further drive down the tobacco black market

Kastam P.Pinang rampas 10.2 juta batang rokok seludup



Kastam Johor rampas rokok seludup RM9.45 juta, terbesar tahun ini



- Focus enforcement on coastal smuggling
- Sustained efforts on inland seizures
- Maintain excise rate moratorium
- Reduce price gaps between legal and black market tobacco

New measures from Budget 2023 announcement

BAT Malaysia welcomes additional measures to address revenue leakages from cigarette smuggling



Additional measures announced:

- ✓ Special rewards scheme for enforcement to stop smuggling activities
- ✓ Enhanced controls at entry points for cigarettes including private jetties
- ✓ A Single Exit Point in the northern region for cigarettes

Re-tabling of Budget 2023 needs to maintain the measures against tobacco black market

Summary

Q3 '22 returned to normalcy following the reopening of the economy

Solid results with volume growth and cost optimisation measures

Our strategic brands continue to grow across Dunhill & VFM products

Decline in illegal incidence due to sustained intensified measures

Proposed Tobacco Bill now null and void with Parliament dissolved

Appropriate regulations needed for potentially reduced-risk products



Q&A

