

MEDIA RELEASE

FOR IMMEDIATE DISSEMINATION

BAT MALAYSIA ON TRACK TO BUILD A BETTER TOMORROW™

Kuala Lumpur, 29 May 2023 – British American Tobacco (Malaysia) Berhad (BAT Malaysia) today announced its financial results for the first quarter ended 31 March 2023 (Q1FY2023). As the Group forecasted, the volatile economic environment driven by inflationary pressures and disruptions on the global supply chain, impacted BAT Malaysia's financial performance for the quarter under review.

Q1FY2023 Financial Highlights:

- *Revenue for the quarter stood at RM390 million, with positive growth achieved for Dunhill, Peter Stuyvesant and Rothmans brands*
 - *Profit from operations for quarter was RM59 million compared to RM82 million in the same period last year*
 - *The Board of Directors has declared a first interim dividend of 13.0 sen per ordinary share amounting to RM37.1 million payable on 26 June 2023 to shareholders.*
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For the quarter under review, BAT Malaysia delivered a revenue of RM390 million, a decrease of 25% compared with the RM522 million registered a year ago. This dip was a result of the Group's lower volume driven by the increase in vapour usage as well as the persistent tobacco black market.

Nevertheless, BAT Malaysia's rigorous cost rationalisation efforts to mitigate higher inflationary pressures on its cost of doing business mitigated the impact of the lower volume. Profit from operations was recorded at RM59 million compared to RM82 million in the same period last year.

Dunhill's share of premium segment grew by 0.4%, further strengthening its market leadership position. The Group's Value-for-Money (VFM) brand, Rothmans, also grew by 2.7%, while its Aspirational Premium (AP) brand, Peter Stuyvesant, registered a growth of 5.3%. Overall, the company's total market share stood at 51.5%, a decline of 0.4% compared to Q1 FY2022.

The Board of Directors has declared a first interim ordinary dividend of 13.0 sen per ordinary share amounting to RM37.1 million, payable on 26 June 2023 to shareholders.

Nedal Salem, Managing Director of BAT Malaysia, said, “Despite the economic headwinds, we are optimistic for the company’s prospects for 2023. BAT Malaysia is maintaining the growth trajectory of its strategic brands within its Premium, Aspirational Premium and Value-For-Money segments. This is in tandem with the company’s aim to deliver combustible value growth, to support its multicategory portfolio of reduced-risk products. This is in line with our commitment towards building A Better Tomorrow™.”

“To this end, we aim to continue growing our tobacco heating product, glo™, which represents our efforts to offer a choice of reduced-risk alternatives to adult smokers. We will also focus on investing in our VFM brands and maintaining leadership in the Premium segment.”

During the recent AGM, the Group also disclosed that it expects the volatile economic environment to continue impacting its financial performance in the short-term. “We expect this challenging operating landscape to stretch disposable income, leading to downtrading from legal products to tobacco black market options.

“Nevertheless, in the medium-term, we are confident that economic conditions will improve, whilst the Government looks at introducing balanced regulations on vapour and accelerating their interventions to reduce the tobacco black market.”

“We are also buoyed by the Government’s move to exempt nicotine vapour from the Poison Act 1952 and introduce excise onto nicotine vapour which signals the intent to establish regulations for vapour products. The Group continues to urge the Government to establish a balanced science and evidence-based regulatory framework for vapour products. The Group continues our work with policymakers in the fight against the tobacco black market. With the incidence of black market cigarettes continuing to hover above 55%, we remain firm that this issue is detrimental not only to public health, but also has a significant adverse impact on the country’s economy.”

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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 and a subsidiary of the BAT Group, which is driving its corporate purpose of building A Better Tomorrow™ by reducing the health impact of our business through a multicategory portfolio. BAT Malaysia’s portfolio includes world-famous brands like DUNHILL, PETER STUYVESANT, ROTHMANS and KYO. BAT Malaysia employs almost 350 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.

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