



MEDIA RELEASE

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BAT MALAYSIA CAUTIOUSLY OPTIMISTIC OF 2024 DRIVEN BY NEW CATEGORY BUSINESS

Kuala Lumpur, 6 February 2024 – British American Tobacco (Malaysia) Berhad (“BAT Malaysia” or “the Group”) today announced its financial results for the fourth quarter ended 31 December 2023 (Q4 2023).

Q4 2023 Financial Highlights:

- Revenue for the quarter stood at RM636 million, lower than the RM771 million recorded in same period last year.
 - Profit from operations for the quarter under review was RM64 million compared to RM100 million in the same period last year.
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In Q4, BAT Malaysia continued its strategy of growing its multicategory portfolio driven by investments into its New Category business which offers reduced-risk* alternatives to adult smokers.

Compared to the preceding quarter, the increase in combustible volume alongside the sale of vapour products during this quarter gave rise to a 4.8% increase in revenue from RM607 million to RM636 million. In view of the Group’s major launches of its Vuse products during this quarter, sizeable investments were incurred to build brand visibility and credentials. As a result, profit from operations reported a dip of 24.5% from RM85 million to RM64 million quarter on quarter as the Group continues to charge forward into a true multicategory business.

The legal industry combustible volumes improved by 4.3% quarter on quarter. Within this legal combustibles space, the Group gained 0.3% market share within this quarter as compared with the preceding quarter contributed by the Group’s Value-For-Money brands which captured an additional 0.9% of the market share.

Overall, the Group’s strategic moves are paving the way for sustainable future growth. In line with this, the Board of Directors has declared a fourth interim dividend of 15 sen per ordinary share, amounting to RM42.8 million, payable on 5 March 2024 to shareholders.

Nedal Salem, Managing Director of BAT Malaysia, said, “Our Q4 financial performance was within expectations given the changing market trends.”

“As a result of this shift, and our commitment to grow our New Category business, we recorded a higher operating cost as we continued to invest into our multicategory business transition. Nevertheless, this short-term investment is a deliberate move aimed at growing our position as we fulfil our purpose to build A Better Tomorrow™”.



“Looking ahead, the Group is cautiously optimistic of achieving an improved financial performance, whilst we continue to invest and grow Vuse, the number one global vaping brand. The Group stands firm that harm reduction strategies are crucial in reducing the health impact of our business.”

“The Group is also supportive of the Control of Smoking Products for Public Health Bill 2023, which was passed during the parliament session in December 2023.”

“As the Government develops the regulatory framework for tobacco and vapour products under this new law, we reiterate that any regulations introduced must be sensible and evidence-based for all stakeholders to ensure that it can be enforced effectively and deliver its intended objectives, without fuelling the growth of the tobacco black market and creating a black market for vapour.”

“The tobacco black market incidence in Malaysia remained persistently high at 55.6% for 2023. The Group urges the Government to implement the measures announced in the Budget 2024 as soon as possible to combat the tobacco black market and help recover revenue leakages for the Government.”

ENDS

*(*Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.)*

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 multcategory portfolio. BAT Malaysia’s portfolio includes world-famous brands like DUNHILL, PETER STUYVESANT, ROTHMANS, KYO, LUCKIES, glo™ and VUSE. BAT Malaysia employs 280 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.

For more information, please contact British American Tobacco (Malaysia) Berhad:
Chang Yan Yi, Head of Communications at yan_yi_chang@bat.com
