



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

# A BETTER TOMORROW™

## H2 2023 Financial & Business Updates

**Presented by:**  
**Anthony Yong (Finance Director)**  
8<sup>th</sup> February 2024





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## Market Insights

**Presented by:**  
**Anthony Yong (Finance Director)**  
8<sup>th</sup> February 2024



# Market Insights - Illicit vs Legal trends

Combustible  
Value Growth



## Illicit Incidence



Source: Nielsen Illegal Cigarettes Study

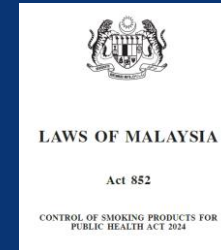
## Monthly Legal Industry Volume (mns)



Source: CMTM Industry Exchange

Legal industry volume stabilized in Q4'23

## The Control of Smoking Product for Public Health 2023 Act (“Act”) has been passed in Parliament in late 2023



**Commencement Date of Act and Introduction of Regulations**



- As the Act is structured with numerous enabling provisions, control measures will be introduced via Regulations
- We urge the MoH to hold consultation sessions with all relevant parties in developing the Regulations



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# Business Performance

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8<sup>th</sup> February 2024



# Q4 '23 Business Performance – Highlights



**55.3%**

+0.2ppt vs Q3 '23

**Illegal  
Incidence**



**+4.3%**

vs. Q3 '23

**Legal Domestic  
Volume**



**+2.0%**

vs. Q3 '23

**Total  
Volume**



**+0.3%**

vs. Q3 '23  
Prem -0.3% | VFM +0.9%

**Share of  
Market**

**Industry**

**BAT**

# FY '23 Business Performance – Highlights



**55.6%**

-1.0ppt vs FY '22

**Illegal Incidence**



**-1.0%**

vs. FY '22

**Legal Domestic Volume**



**-12.9%**

vs. FY '22

**Total Volume**



**-0.5%**

vs. FY '22  
Prem -0.9% | VFM +0.5%

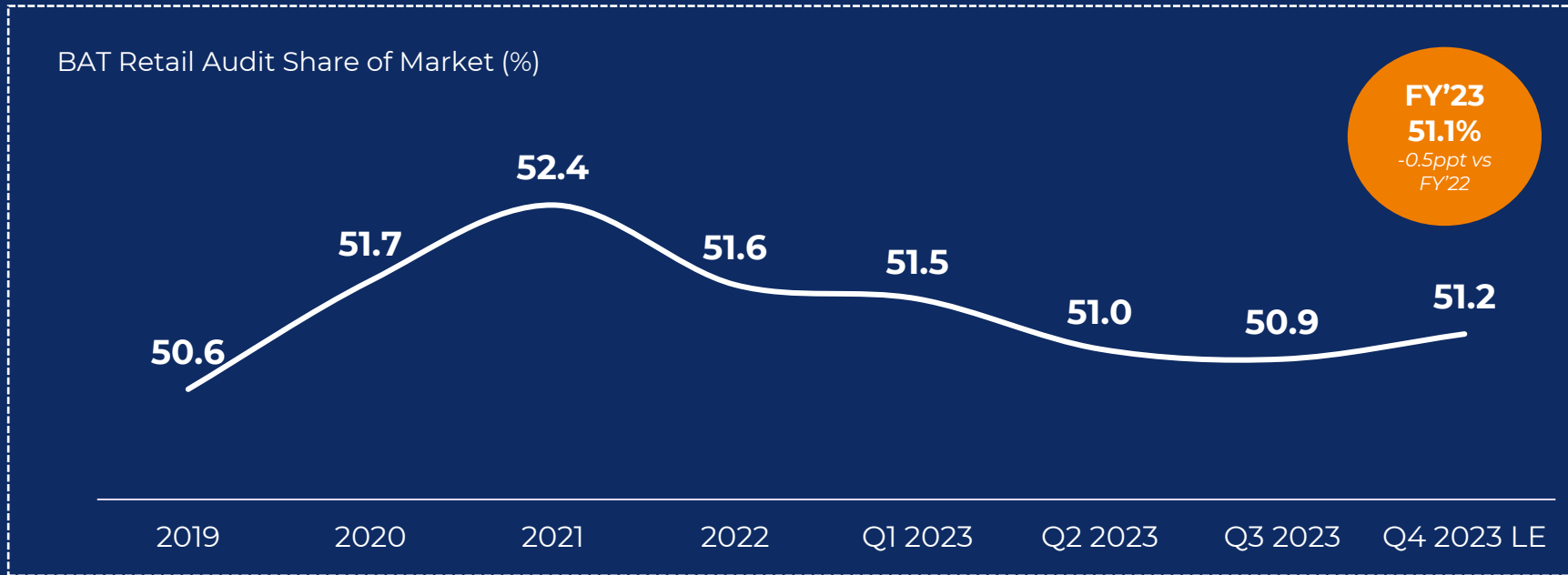
**Share of Market**

**Industry**

**BAT**

# Q4 '23 – BAT FMC Share Performance

Combustible  
Value Growth



Q4'23 LE vs Q3 '23



+0.3ppt



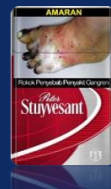
-0.4ppt



+0.1ppt



**Dunhill**  
Prem. Share of Segment  
**-0.3ppt**  
(Q4 '23 LE vs Q3 '23)



**Peter Stuyvesant**  
AP Share of Segment  
**-0.6ppt**  
(Q4 '23 LE vs Q3 '23)



**Luckies**  
VFM Share of Segment  
**+3.2ppt**  
(Q4 '23 LE vs Q3 '23)

Source: IPSOS Retail Audit Malaysia

Share performance improvement driven by Luckies



# Vapour Market Context

Step-change in  
New Categories



## Sizeable Consumer & Revenue Pool

1.8mn

Vape Users

RM2.8b

Revenue

LE '24



## Highly fragmented market



100+ Brands

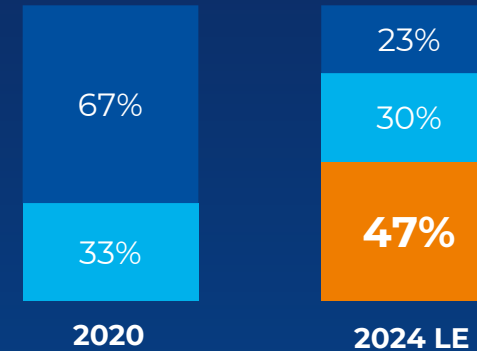


1500+ SKUs



## MoDi leading format and growing

- Open System
- Closed System
- MoDi



## Big Puff, High Nic & Fruits preferred

60%

3000+ Puffs

85%

~3% Nic



Top Flavours

Measured Retail Scan, (Q4-23), NC Track (Q3-23)

# Vuse Launch Approach

Step-change in New Categories



## MODI FOCUSED PORTFOLIO



1500 – 6 FLAVOURS  
AUGUST



3000 – 8 FLAVOURS  
OCTOBER



5000 – 5 FLAVOURS  
NOVEMBER



## PHASED LAUNCH APPROACH



## CDF: ESTABLISHING STRONG TOP FUNNEL

	VUSE	BRAND E
AWARENESS	62%	86%
TRIAL	32%	55%
ACTIVE USAGE	5%	24%
	L+10w	L+3Y



## FULL 360 IMMERSIVE CONSUMER JOURNEY



# Beyond Benih

From 2 pilots



To multiple sites



Transforming community investment



A collaborative approach to ensure sustainability



Readiness to expand





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## Financial Performance

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# Q4 '23 vs Q3 '23 Financial Performance



**+2%**

vs Q3 '23  
**Volume**



**+5%**

vs Q3 '23  
**Revenue**



**-25%**

vs Q3 '23  
**Operating Profit**

**Decline in Operating Profit relates to Investment in New Categories**

# FY '23 Financial Performance – Highlights



**-13%**

Vs FY '22  
**Volume**



**-11%**

vs FY '22  
**Revenue**



**-31%**

vs FY '22  
**Operating Profit**

**Decline in Operating Profit due to FMC weakness and Investment in New Categories**

# Q4'23 Dividend Proposed

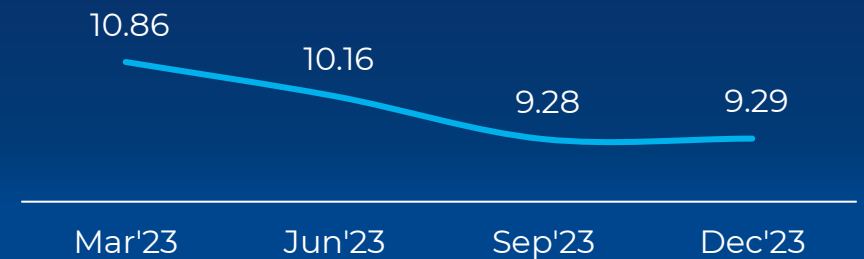


	Q4 '23	Q4 '22	Var
<b>Total BAT Volume</b> (bn sticks)	<b>0.84</b>	<b>1.06</b>	<b>-21%</b>
<b>Revenue</b> (RM mn)	<b>636</b>	<b>771</b>	<b>-17%</b>
<b>Operating Profit</b> (RM mn)	<b>64</b>	<b>100</b>	<b>-36%</b>
<b>Profit after tax</b> (RM mn)	<b>47</b>	<b>62</b>	<b>-23%</b>
<b>Earnings per share</b> (sen)	<b>17</b>	<b>22</b>	<b>-23%</b>
<b>Dividend</b> (sen)	<b>15</b> 90% payout ratio	<b>21</b> 95% payout ratio	<b>-29%</b>
	<b>2023 FY</b> 92% payout ratio	<b>2022 FY</b> 96% payout ratio	

**15 sen** per ordinary share  
RM42.8mil, payable on 5 Mar 2024

Dividend Yield 7%\*

## Share Price (RM)



\* Based on last 3 quarters dividend paid out and third interim dividend 2023 declared (Share price is based on date of announcement)

# Summary

Illicit incidence recorded downward trend for 3 consecutive years

FMC Q4 SOM performance improvement driven by Luckies

Vuse launched in 2023, multiple formats, encouraging results

Smoking regulations expected in 2024

Continue to invest and grow Vuse

