

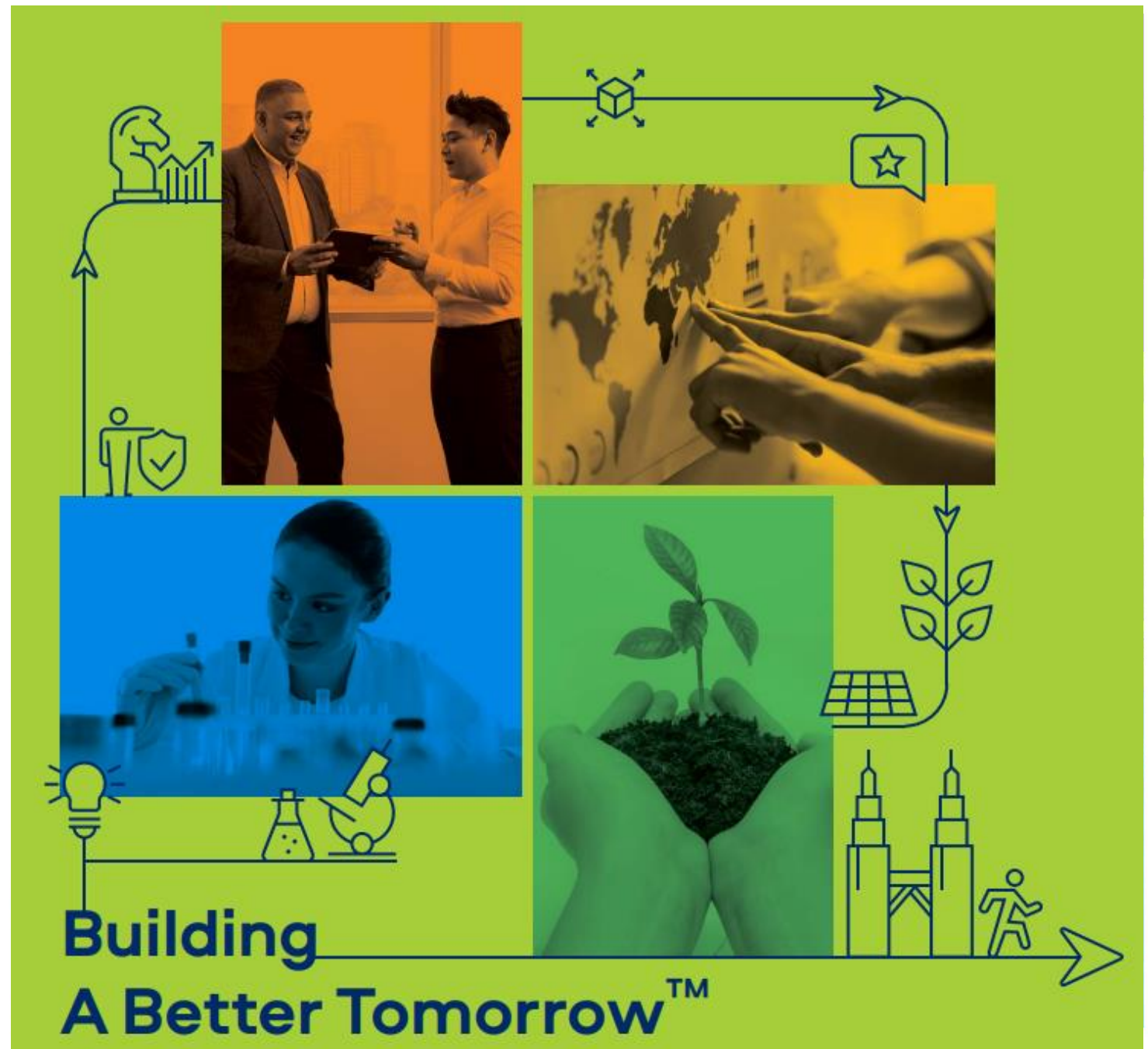


Our purpose is to build a better tomorrow by reducing the health impact of our business

A BETTER TOMORROW™

H1'24 Analyst Briefing

BAT Malaysia
26th July 2024



COPYRIGHT

© 2024 BRITISH AMERICAN TOBACCO MALAYSIA (“BATM”). ALL RIGHTS RESERVED. NO PART OF THIS DOCUMENT MAY BE REPRODUCED IN ANY FORM OR ANY MEANS WITHOUT THE PRIOR WRITTEN CONSENT OF NVT OR ANY AFFILIATE OF THE BRITISH AMERICAN TOBACCO GROUP OF COMPANIES (COLLECTIVELY, THE “BAT GROUP”).

CONFIDENTIALITY

THIS DOCUMENT IS PROPRIETARY TO NVT AND IS PROVIDED TO EMPLOYEES OF THE BAT GROUP AND CERTAIN AGENCIES AND CONTRACTORS WORKING FOR A MEMBER OF THE BAT GROUP (“RECIPIENTS”). **IT IS DISCLOSED SOLELY FOR USE BY THE RECIPIENTS FOR THE BAT GROUP’S BENEFIT AND FOR NO OTHER PURPOSES.**

UNAUTHORISED POSSESSION OR USE OF THIS MATERIAL OR DISCLOSURE OF THE PROPRIETARY INFORMATION WITHOUT THE PRIOR WRITTEN CONSENT OF NVT OR THE BAT GROUP MAY RESULT IN LEGAL ACTION.

RECIPIENTS ARE RESPONSIBLE TO CAUSE ITS DIRECTORS, OFFICERS, EMPLOYEES, CONTRACTORS, OR EXTERNAL ADVISORS TO KEEP THE DOCUMENT STRICTLY CONFIDENTIAL AND TO USE IT SOLELY FOR THE AGREED PURPOSES, AND IN SUCH A WAY AS TO PREVENT UNAUTHORIZED ACCESS BY ANY UNAUTHORIZED THIRD PARTY.

LOCAL LEGISLATION / REGULATIONS / TRADEMARKS

THE MATERIALS CONTAINED IN THIS DOCUMENT MAY PRESENT EXECUTIONS AND THEMES THAT MAY NOT BE LEGALLY PERMISSIBLE OR ACCEPTABLE IN SOME MARKETS OR WHICH MAY INFRINGE THIRD PARTY TRADEMARKS DUE TO THE NATURE OF THE MATERIALS WHICH MAY ONLY BE INTENDED FOR INTERNAL DISCUSSIONS OR REVIEW ONLY.

LIKewise, BECAUSE TOBACCO AND/OR NICOTINE PRODUCT REGULATION AND THE BAT GROUP’S VIEWS ON SOCIALLY RESPONSIBLE MARKETING CHANGE OVER TIME, PREVIOUSLY APPROVED ACTIVITIES MAY NO LONGER BE PERMISSIBLE. THEREFORE, LOCAL LEGAL AND CORA OR THEIR AUTHORISED DELEGATE’S APPROVAL MUST BE OBTAINED IN WRITING BEFORE PROCEEDING WITH ANY ACTIVITY IN MARKET.

THIRD PARTY TRADEMARKS

TRADE MARKS, LOGO DESIGNS AND/OR BRAND NAMES FEATURED IN THIS MATERIAL AND NOT OWNED BY NVT OR THE BAT GROUP ARE OWNED BY THE RELEVANT PROPRIETOR OF THE PARTICULAR TRADE MARK AND/OR BRAND NAME IN QUESTION AND ARE REFERRED TO IN THIS DOCUMENT FOR INFORMATIONAL AND/OR ILLUSTRATIVE PURPOSES ONLY.

DEFINITIONS

THE TERM "ADULT" IS DEFINED BY THE RELEVANT LOCAL LAW BUT SHALL IN NO CIRCUMSTANCE REFER TO ANY PERSON UNDER THE AGE OF 18; AND SHALL IN NO CIRCUMSTANCE REFER TO ANY PERSON UNDER THE AGE OF 21 IN THE US.

ACU / ACO:

ACU AND ACO ARE ACRONYMS FOR ADULT TOBACCO OR NICOTINE CONSUMERS UNDER OR OVER THE AGE SPECIFIED RESPECTIVELY SUCH AS ACU30: ADULT CONSUMERS UNDER 30 OR ACO30: ADULT CONSUMERS OVER 30. SUBJECT TO THE CONTENT OF THE RESEARCH, OTHER ACRONYMS MAY BE ALSO USED WHICH SHALL ONLY REFER TO ADULT TOBACCO OR NICOTINE CONSUMERS.

LIKewise, CONSISTENT WITH BAT’S RESPONSIBLE MARKETING PRINCIPLES, TERMS SUCH AS "CONSUMER", "TARGET CONSUMER", "SMOKER", "USER", "VAPER" OR "TARGET AUDIENCE" REFER ONLY TO ADULT TOBACCO OR NICOTINE CONSUMERS.

ANY REFERENCES TO TERMS SUCH AS "AVERAGE DAILY CONSUMPTION (ADC)" "DEPTH OF CONSUMPTION" OR "ACQUISITION" REFER STRICTLY TO THE ADULT CONSUMER INTERACTIONS WITH THE BAT GROUP BRANDS AND/OR PRODUCTS AND DO NOT RELATE TO ENCOURAGEMENT OF INCREASED TOTAL NICOTINE CONSUMPTION BY CONSUMERS OR COMMENCEMENT OF NICOTINE USE BY NON-TOBACCO/NICOTINE USERS.

CONSUMER RESEARCH

THIS DOCUMENT MAY CONTAIN REFERENCES TO CONVERSATIONS AND COMMENTS MADE BY ADULT CONSUMERS WHO SUBJECT TO THE RELEVANT BAT GROUP GUIDELINES AND/OR CRITERIA TOOK PART IN RESEARCH AND RELATED ACTIVITIES. INFORMATION OR ATTRIBUTIONS MAY HAVE BEEN INCORRECTLY NOTED OR INADVERTENTLY ATTRIBUTED. THESE CONVERSATIONS AND COMMENTS DO NOT REPRESENT THE VIEWS OR INTENTIONS OF THE BAT GROUP.

IN ADDITION, THESE COMMENTS ARE NOT NECESSARILY A REPRESENTATIVE SAMPLE OF ALL COMMENTS MADE, NOR MAY ANY ASSUMPTIONS BE MADE AS TO WHETHER THE SAME OR SIMILAR VIEWS WOULD BE HELD BY A BROADER GROUP OF CONSUMERS OR THE POPULATION MORE GENERALLY. CONSUMER COMMENTS CONTAINED IN THIS DOCUMENT ARE ONLY USED IN THE CONTEXT OF THE RESEARCH AND TO INFORM DISCUSSIONS ABOUT THE SUBJECT AREA.

ADDITIONAL CONSIDERATIONS

ALL PROPOSED EXECUTIONS MUST BE REVIEWED AND APPROVED BY LOCAL LEGAL PRIOR TO END MARKET ADAPTATION OR ACTIVATION.

THE FOLLOWING MATERIALS ARE STRICTLY CONFIDENTIAL AND HAVE BEEN PREPARED FOR INTERNAL DISCUSSION AND PLANNING PURPOSES ONLY. WITHOUT LIMITATION, THE TOPICS, PROPOSALS, CONCEPTS AND OTHER MATTERS DISCUSSED OR DESCRIBED HEREIN ARE NOT FINAL, ARE SUBJECT TO CHANGE AND/OR CANCELLATION AND MAY BE FOR ILLUSTRATIVE OR THEORETICAL PURPOSES ONLY.

NO DEFINITIVE PLANS OR COMMITMENTS SHOULD BE INFERRED FROM THESE MATERIALS, AND ANY PROPOSED PLANS OR COMMITMENTS ARE SUBJECT IN ALL RESPECTS TO APPLICABLE INTERNAL REVIEWS AND GOVERNANCE REQUIREMENTS.

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT LEGAL.

2024 BATM Strategy



Market Context

Inflationary pressures impacting consumer spend



Vape market remains highly fragmented

100+ Brands

1500+ SKUs

Illicit stabilizing & backflow shifting to Vapour and BWAP



Source: Nielsen Illegal Cigarettes Study

Vape specialty still primary purchase channel



Illicit vs Legal

Illicit Incidence trending downwards



Source: Nielsen Illegal Cigarettes Study

Legal Industry Volume (mns)



Source: CMTM Industry Exchange

Despite the decline in Illicit incidences, legal volume continues to be under pressure

H1 '24 Business Performance



54.8%

-0.5ppt vs Q2' 23

Illegal Incidence



-3.0%

vs. H1 '23

Legal Domestic Volume



-5.3%

vs. H1 '23

Total BAT Volume



-0.4%

vs. H1 '23
Prem -0.9% | VFM +1.1%

Share of Market

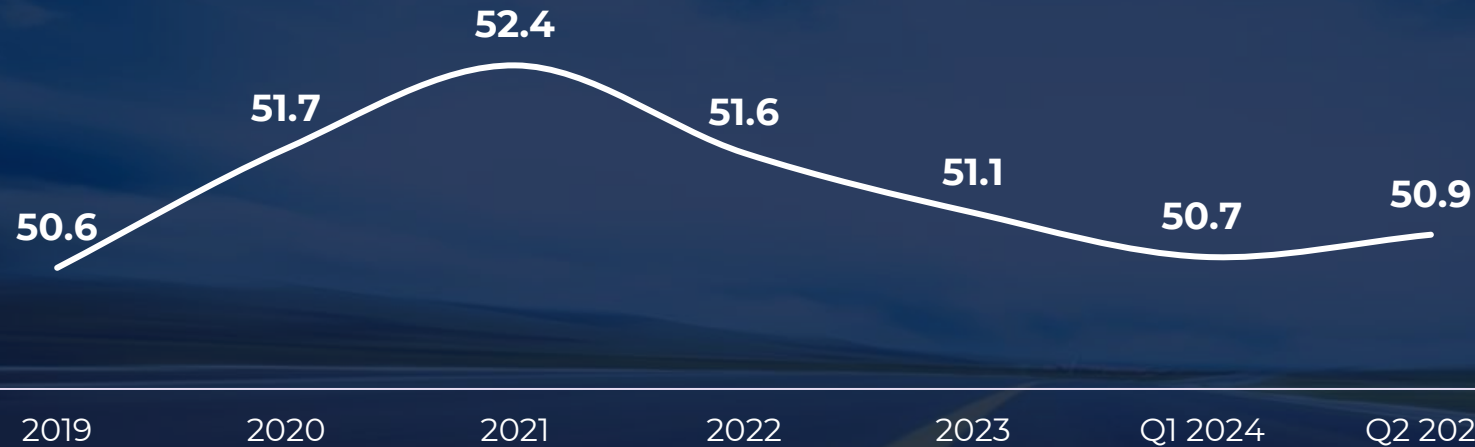
Industry

BAT

Downtrading trend continues | BAT Premium SoM under pressure

Q2 '24 Business Performance – BAT SoM (vs Q1'24)

BAT Retail Audit Share of Market (%)



Q2' 24 vs Q1' 24



+0.1ppt



+0.1ppt



-0.2ppt



Dunhill
Premium Share of Segment
+0.6ppt



Peter Stuyvesant
AP Share of Segment
-0.7ppt



Luckies
VFM Share of Segment
+1.2ppt

Source: IPSOS Retail Audit Malaysia

Vapour H1 Performance



PORTFOLIO

Flavour Rotation



ORANGE FUSION

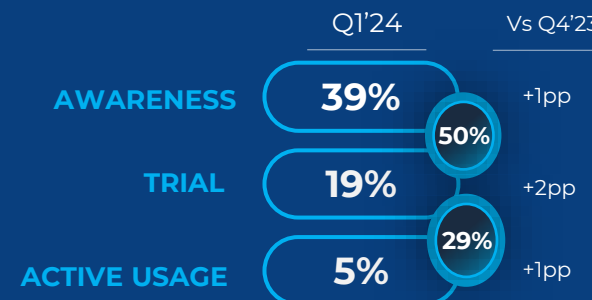


PASSIONFRUIT ICE

RCS segment is available in July



IMPROVED CONVERSION



Source: Kantar IT Q1'24 (vs Q4'23)

ESG updates

- ✓ **61% ↓** Scope 1 & 2 Emission*
- ✓ **83%** Waste Recycling*
- ✓ **62% ↓** Water Withdrawal*

*As of 31 May '24 vs baseline

AWS Certified



Carbon Neutral Year 03



World Environment Day



Awareness Session on Circular Economy



KLEAN MALAYSIA

Beyond Benih



- ✓ **12** Farm Gardens
- ✓ **~80K** Beneficiaries

Selection 10 new communities for 2024 ongoing

Employee Volunteer Event



50+ participants | **04** Gardens | **02** Days

H1 '24 Financial Performance – Highlights



-5.3%

vs H1 '23
FMC Volume



>100%

vs H1 '23
NC Volume



-1.5%

vs H1 '23
Revenue

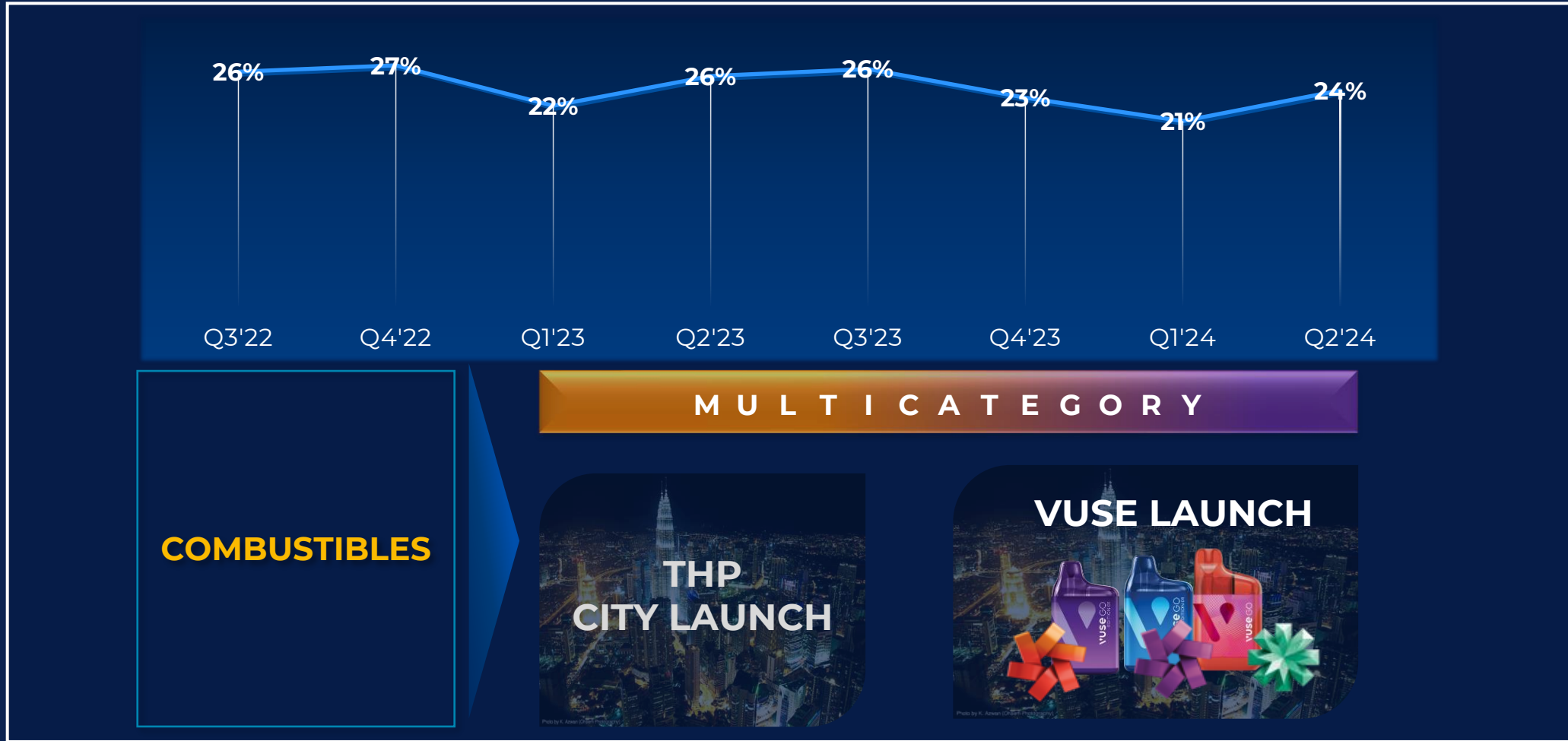


-22.3%

vs H1 '23
Operating Profit

Decrease in revenue resulting from lower volume and downtrading trends
Investment in NC impacting operating profit

GP Margin Evolution: 2022 to 2024



Lower GP margin due to FMC downtrading and NC

Q2'24 Dividend Proposal



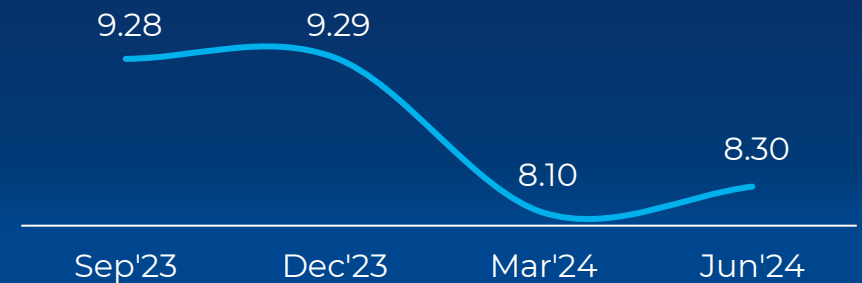
	Q2 '24	Q2'23	Var
Total BAT Volume (bn sticks)	0.89	0.97	-8%
Revenue (RM mn)	640	678	-6%
Operating Profit (RM mn)	56	73	-23%
Profit after tax (RM mn)	36	48	-25%
Earnings per share (sen)	13	17	-24%
Dividend (sen)	12 94% payout ratio	16 96% payout ratio	-25%
	2024 FY 94% payout ratio	2023 FY 92% payout ratio	

Dividend for Board's Approval

12 sen per ordinary share RM34.3mn,
payable on 22 August 2024

Dividend Yield 7%*

Share Price (RM)



* Based on last 2 quarters dividend paid out and Second interim dividend 2024 declared (Share price is based on date of announcement)



C *A BETTER*
TOMORROW™