



MEDIA RELEASE

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GROUP CONTINUES BUILDING A BETTER TOMORROW WITH NEW CATEGORIES INVESTMENT

Kuala Lumpur, 23 May 2024 – British American Tobacco (Malaysia) Berhad (BAT Malaysia) today announced its financial results for the first quarter ended 31 March 2024 (Q1FY2024).

Q1FY2024 Financial Highlights:

- Revenue for the quarter was RM412 million, with positive growth achieved for Value-for-Money brands.
- Profit from operations for the quarter was RM46 million compared to RM59 million in the same period last year.
- The Board of Directors has declared a first interim dividend of 10 sen per ordinary share amounting to RM28.6 million, payable on 20 June 2024 to shareholders.

For the quarter under review, BAT Malaysia recorded revenue of RM412 million, an increase of 5.6% compared with the RM390 million registered a year ago. Profit from operations was RM46 million compared to RM59 million in the same period last year.

The Group's market share declined by 0.3% compared to the preceding quarter contributed by intensified competition and downtrading trends within the combustible space. As a result, BAT's Premium and Aspirational Premium brands recorded market share declines of 0.3% and 0.2% respectively, whereas, Value-For-Money brands captured 0.2% increase in market share mainly due to positive traction from Luckies.

The dip in profit from operations is mainly attributed to the Group's reinvestment strategy as a multicategory business. The tobacco black market is persistently high with an incidence of 55.9% in Q1'24. Additionally, the nicotine industry continues to experience consumers shifting to the growing vapour category.

The Board of Directors has declared a first interim ordinary dividend of 10 sen per ordinary share amounting to RM28.6 million, payable on 20 June 2024 to shareholders.

Nedal Salem, Managing Director of BAT Malaysia, said, "Our financial performance for Q1FY2024 is reflective of an environment impacted by a growing tobacco black market, and a notable consumer shift from traditional tobacco to vapour.

The Group remains optimistic that its financial performance will be strengthened in FY2024 as the Malaysian economy improves, backed by resilient domestic consumer spending and a recovery in exports. The Group is also confident that its strategic pivot towards offering reduced-risk* alternatives, via Vuse, will fuel its growth trajectory and drive its transition into a multicategory business.

Our ambition is to build A Better Tomorrow™, hand-in-hand with our commitment to reduce the health impact of our business. To that end, BAT Malaysia believes that the Control of Smoking Products for Public Health Act 2024 (Act 852) is a step in the right direction for the industry. However, the Group reiterates 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 or vapour black market."



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

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

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