



MEDIA RELEASE

FOR IMMEDIATE DISSEMINATION

BAT Malaysia continues to grow Vuse, No. 1 global vaping brand*, in Malaysia

Dunhill continues to demonstrate resilience and strengthening its leadership position in the legal tobacco market

Kuala Lumpur, 24 July 2024 – British American Tobacco (Malaysia) Berhad (BAT Malaysia) today announced its financial results for the second quarter ended 30 June 2024 (Q2FY2024).

Q2FY2024 Financial Highlights:

- Revenue for the quarter was RM640 million, 5.6% lower compared to same period last year
- As the Group continued to invest into growing Vuse, No. 1 global vaping brand*, in Malaysia, profit from operations for the quarter was RM56 million compared to RM73 million in the same period last year
- The Board of Directors has declared a second interim ordinary dividend of 12 sen per ordinary share amounting to RM34.2 million, payable on 22 August 2024 to shareholders

For the quarter under review, BAT Malaysia recorded revenue of RM640 million, 5.6% lower compared with RM678 million registered a year ago. Profit from operations was RM56 million compared to RM73 million in the same period last year as the Group continued to invest into growing Vuse, No.1 global vaping brand*, in Malaysia.

The Group's Premium brand, Dunhill, continued to strengthen its market leadership in Malaysia, registering an increase of 0.4% to record 30.9% share of market compared to the previous quarter, demonstrating a resilient performance despite legal volume continuing to be impacted by consumer downtrading and shift from traditional tobacco to vapour. Its Aspirational Premium brands saw a 0.2% decrease in share of market to 6.0% whereas Value-For-Money brands share of market remained unchanged at 12.7%, compared to the previous quarter.

For the six-months under review, the Group recorded an overall dip in volume compared to first half in 2023 due to the softer market in Q1FY2024, although the Group's volume in Q2FY2024 rebounded to reflect a position of gradual recovery. Coupled with higher operating expenses as the Group invested into growing Vuse, profit from operations consequently declined by 22.3% to RM102 million.

The Board of Directors has declared a second interim ordinary dividend of 12 sen per ordinary share amounting to RM34.2 million, payable on 22 August 2024 to shareholders.

Nedal Salem, Managing Director of BAT Malaysia, said, "Our financial results were within expectations given the continued investments to grow Vuse in Malaysia. Our ambition is to build A Better Tomorrow™ and the Group remains confident that its strategic investments to grow the No.1 global vaping brand* will help to deliver sustainable growth in Malaysia."

*Based on Vuse estimated value share of vapour pods and pre-filled devices from Recommended Retail Price in total measured retail in key vapour markets: USA, Canada, France, UK, Germany, Poland and Spain as of May 2024.



“The tobacco black market continues to impact the industry as the incidence continues to hover at 54.8%. While the Group is encouraged by the intensified efforts from law enforcement agencies to enforce against the tobacco black market, the Group believes that the Government should consider addressing the issue by reviewing its taxation policies to complement its intensified enforcement initiatives in the upcoming Budget 2025 tabling.”

“The Group also believes that the Control of Smoking Products for Public Health Act 2024 is a step in the right direction for the industry and that any regulations introduced must be sensible and evidence-based to ensure that it can be enforced effectively and deliver its intended objectives, without fuelling the growth of the tobacco or vapour black market.”

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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, 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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