



New Category Acceleration Drives Profitability Forward to 2024

Fixed Income Update Call - Preliminary Results 2022

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In particular, among other statements: certain statements in slide 4, 11, 14 and 20-21.

Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements are uncertainties related to the following: the impact of competition from illicit trade; the impact of adverse domestic or international legislation and regulation; the inability to develop, commercialise and deliver the Group's New Categories strategy; adverse litigation and dispute outcomes and the effect of such outcomes on the Group's financial condition; the impact of significant increases or structural changes in tobacco, nicotine and New Categories related taxes; translational and transactional foreign exchange rate exposure; changes or differences in domestic or international economic or political conditions; the ability to maintain credit ratings and to fund the business under the current capital structure; the impact of serious injury, illness or death in the workplace; adverse decisions by domestic or international regulatory bodies; changes in the market position, businesses, financial condition, results of operations or prospects of the Group; and direct or indirect adverse impacts associated with Climate Change and the move towards a Circular Economy.

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No statement in this presentation is intended to be a profit forecast and no statement in this presentation should be interpreted to mean that earnings per share of BAT for the current or future financial years would necessarily match or exceed the historical published earnings per share of BAT.

Important Information



Forward-looking Statements (continued)

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Additional Information

All financial statements and financial information provided by or with respect to the US or Reynolds American Inc. ("Reynolds") are initially prepared on the basis of U.S. GAAP and constitute the primary financial statements or financial records of the US business/Reynolds. This financial information is then converted to International Financial Reporting Standards as issued by the IASB for the purpose of consolidation within the results of the BAT Group. To the extent any such financial information provided in this presentation relates to the US or Reynolds it is provided as an explanation of, or supplement to, Reynolds' primary U.S. GAAP based financial statements and information.

Our vapour product Vuse (including Alto, Solo, Ciro and Vibe), and certain oral products including Velo, Grizzly, Kodiak, and Camel Snus, which are sold in the US, are subject to the Food and Drug Administration ("FDA") regulation and no reduced-risk claims will be made to these products without agency clearance.

Although financial materiality has been considered in the development of our Double Materiality Assessment ("DMA"), our DMA and any related conclusions as to the materiality of sustainability or ESG matters do not imply that all topics discussed therein are financially material to our business taken as a whole, and such topics may not significantly alter the total mix of information available about our securities.

No Profit or Earnings Per Share Forecasts

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We are building A Better Tomorrow™



From

To



50 million consumers of Non-Combustible** products by 2030



£5bn New Category Revenue 2025 & Profitability by 2024***



Carbon neutral operations Scope 1&2 by 2030^



Net zero value chain emissions by 2050^



<1% waste from direct operations to landfill by 2025^

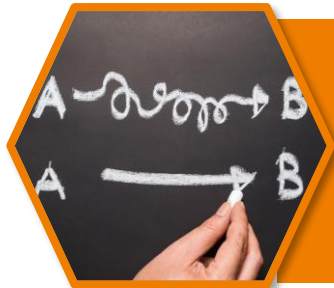
We are Delivering on Our Three Priorities



A Step Change in New Categories



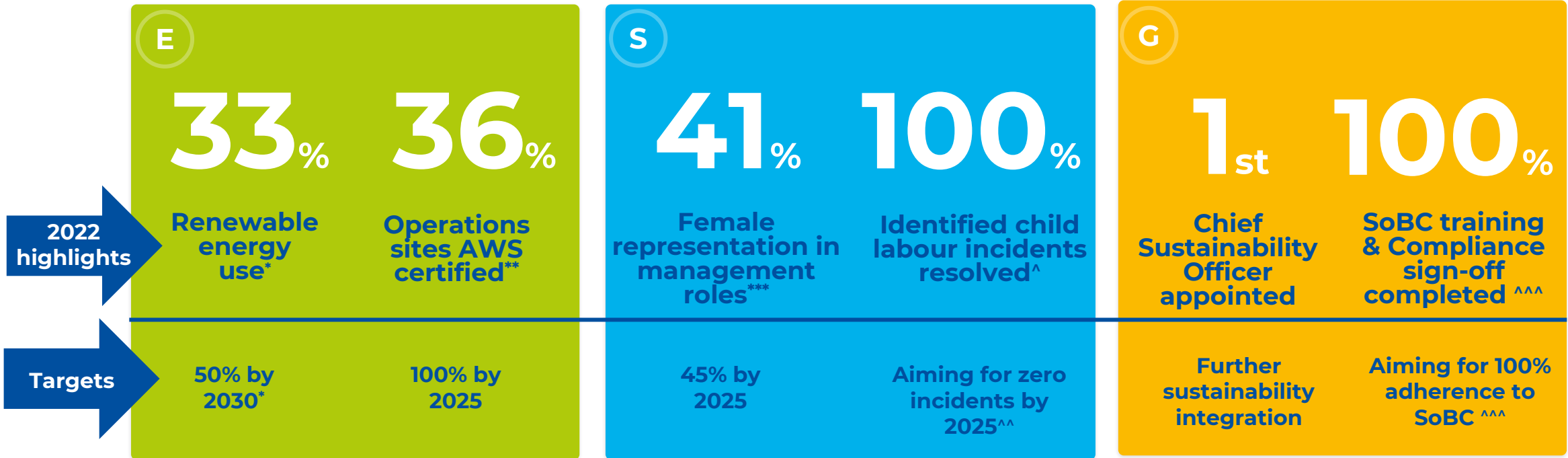
Combustible Value Growth



Simplify the Company



We are Accelerating our ESG Agenda across the Business



Continued External Recognition~



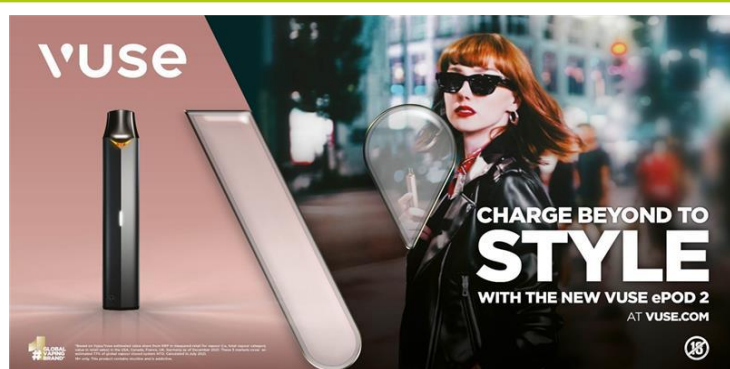
* Renewable energy target restated from 30% by 2025 to 50% by 2030. See Appendix A5. ** Alliance for Water Stewardship. ***See Appendix A9. ^ Reported as resolved by end of growing season. ^^ In our tobacco supply chain (incl. directly contracted farmers and those of our strategic third-party suppliers, representing over 80% of the tobacco purchased by volume in 2022). ^^ Standards of Business Conduct employee sign-off. ^ A rating and award is not a recommendation to buy, sell or hold securities. A rating and award may be subject to withdrawal or revision at any time. Each rating and award should be evaluated separately of any other rating. The methodologies of any rating or award presented here may not be the same as those of other ratings, awards or methodologies that may be used by our stakeholders and may emphasize different aspects of ESG practices and performance, and, thus, may not be representative of our ESG performance in all respects.

Adjusted Results Demonstrate Our Resilience



Our Multi-Category Strategy is Working...

>25% Revenue Growth* Across All Three New Category Brands



- Revenue* up +44%
- Volume up +14%
- Category Share** 35.9%

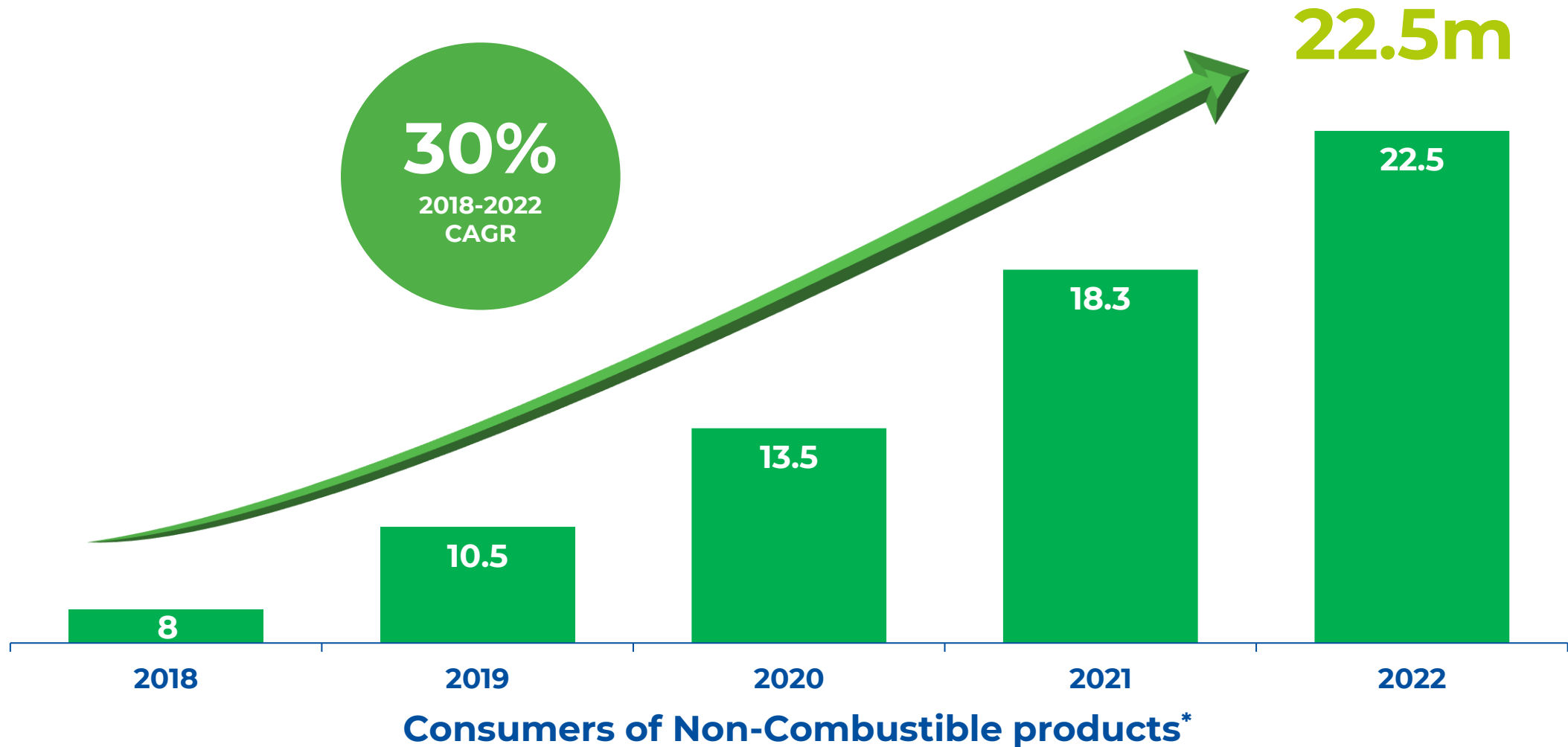


- Revenue* up +27%
- Volume up +26%
- Category Share** 19.4%



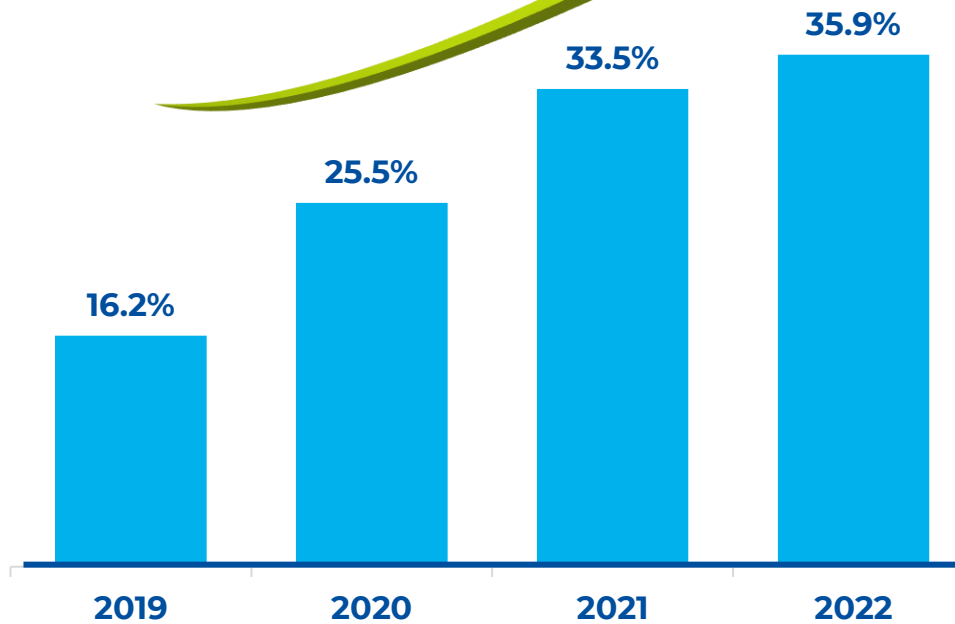
- Revenue* up +46%
- Volume up +22%
- Category Share** 30.4%

We are Well on Track to Achieve 50m Consumers of Non-Combustible Products by 2030



Vuse Extending Global Leadership**

+250 bps
Value share
growth
FY22 vs FY21

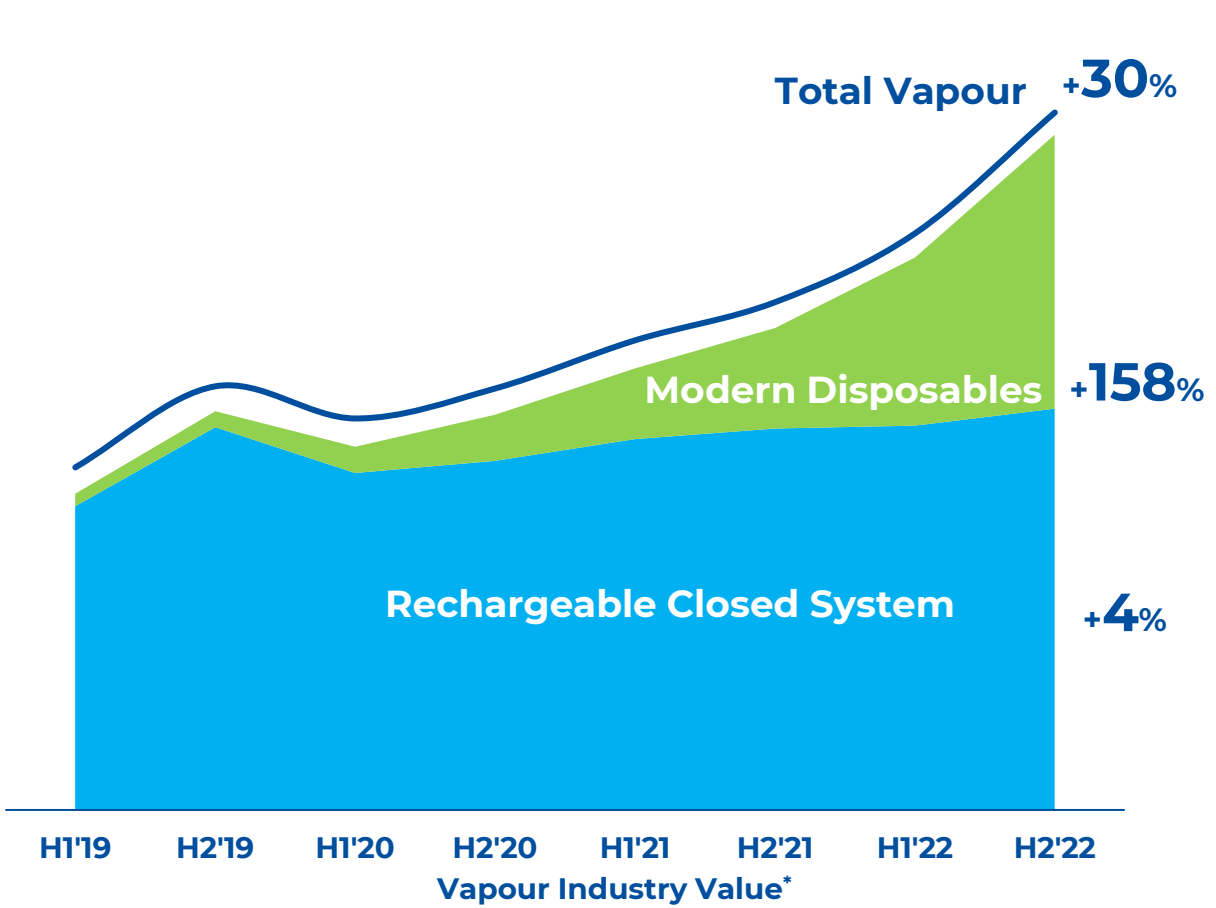


Vuse value share of total Vapour in key markets**

- Vapour revenue up **44%***, ahead of **14%** volume growth
- Vuse extends US leadership; leading in **35** states with total Vapour value share of **40.9%**, up **8.4 pts**
- Continued value share leadership of closed systems*** in key markets**
- Continued progress on driving profitability with positive contribution^ in **3** of **5** key markets
- Continued strong geo-expansion driven by Vuse Go

* Revenue growth at constant rates. See Appendix A2. ** Vapour value share across Top 5 markets: US - Marlin, Canada - Scan Data, UK - Nielsen, France - Strator, Germany - Nielsen. See Appendix A3. T5 represent 88% of Vapour industry revenue (rechargeables and disposables). *** Value share of closed systems (excluding disposables) across Top 5 markets. See Appendix A3. ^ Category contribution level: Profit from operations before the impact of adjusting items and translational foreign exchange, having allocated costs that are directly attributable to New Categories.

Modern Disposable Segment Accelerating Total Vapour Category Growth



Vuse Go

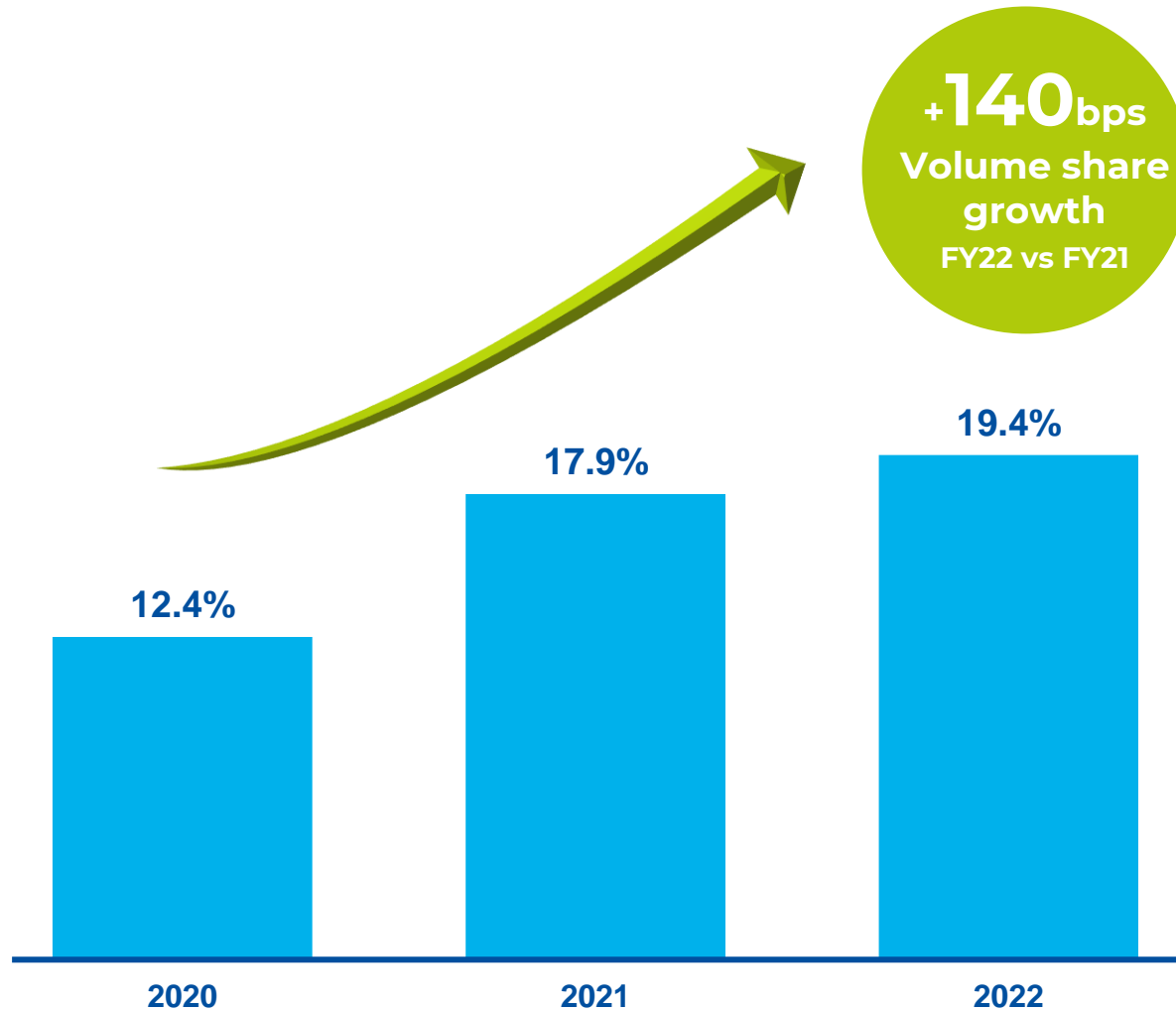
- Positioned with premium pricing
- Very limited cannibalisation
- Already #2 value share in the UK, FRA, GER, SA
- Take-Back scheme for devices
- Youth Access Prevention controls



Vuse Go Available in 24 Markets with Accelerated Geo-Expansion Planned for 2023

* Retail industry trend across Top 5 markets : US, Canada, UK, France, Germany. Top 5 represent 88% of Vapour industry revenue (rechargeables and disposables). Poly-Usage defined in Appendix A10.

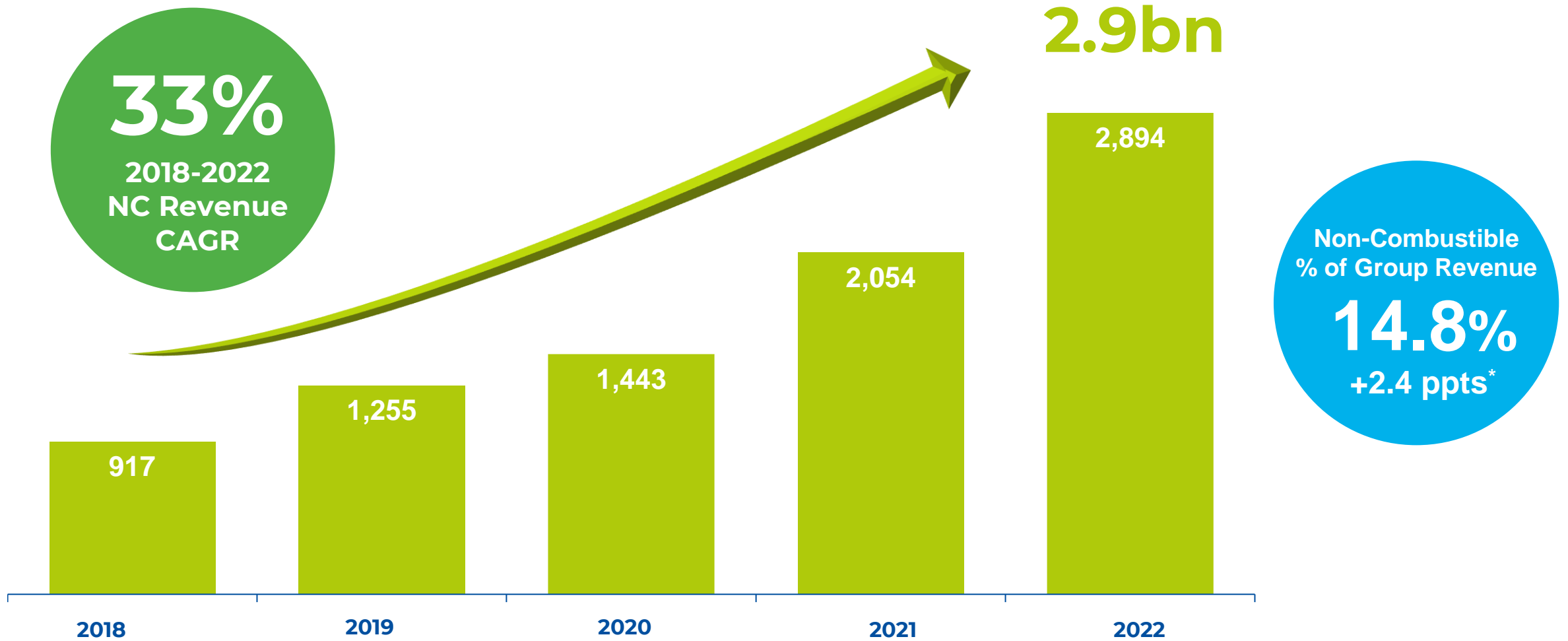
glo Continues to Make Category Share Gains



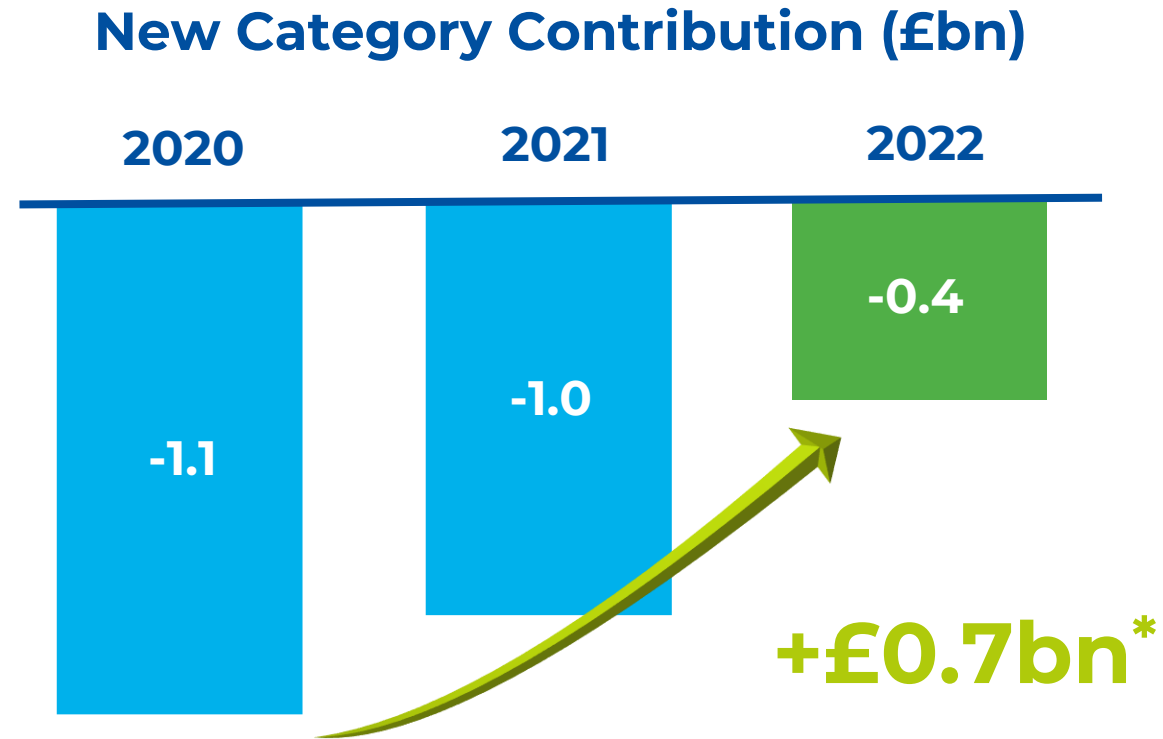
- glo revenue up **27%*** with sequential growth accelerating in H2
- glo consumables outpacing industry volume growth **1.7** times
- glo pricing increased while maintaining volume share of THP category
- Excluding Russia, our share of Top 8 markets (representing c.**82%** of total THP volumes) reached **18.7%**, up **1.1 pts**
- glo Hyper X2 available in **21** markets globally

glo volume share of THP category in key markets**

...and £5bn New Category Revenue by 2025



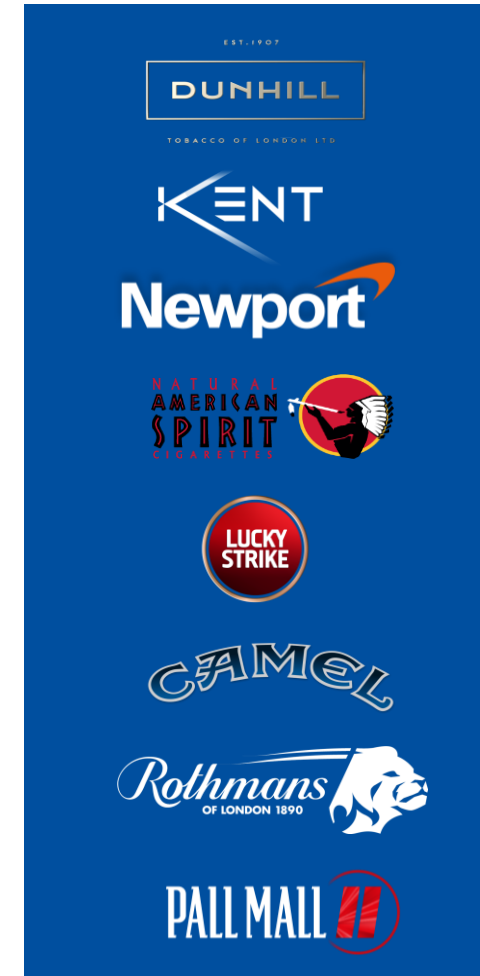
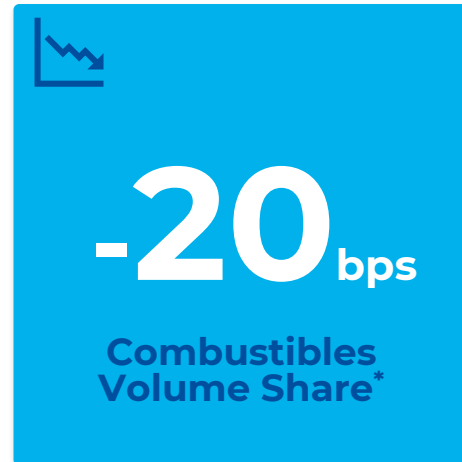
... Driving Strong Improvement in Category Contribution



While investing
>£2bn
in 2022

New Category Profitability Now Expected in 2024

Combustibles Delivered a Resilient Performance





US: Excellent Vuse Performance Offset by Macro Headwinds in Combustibles

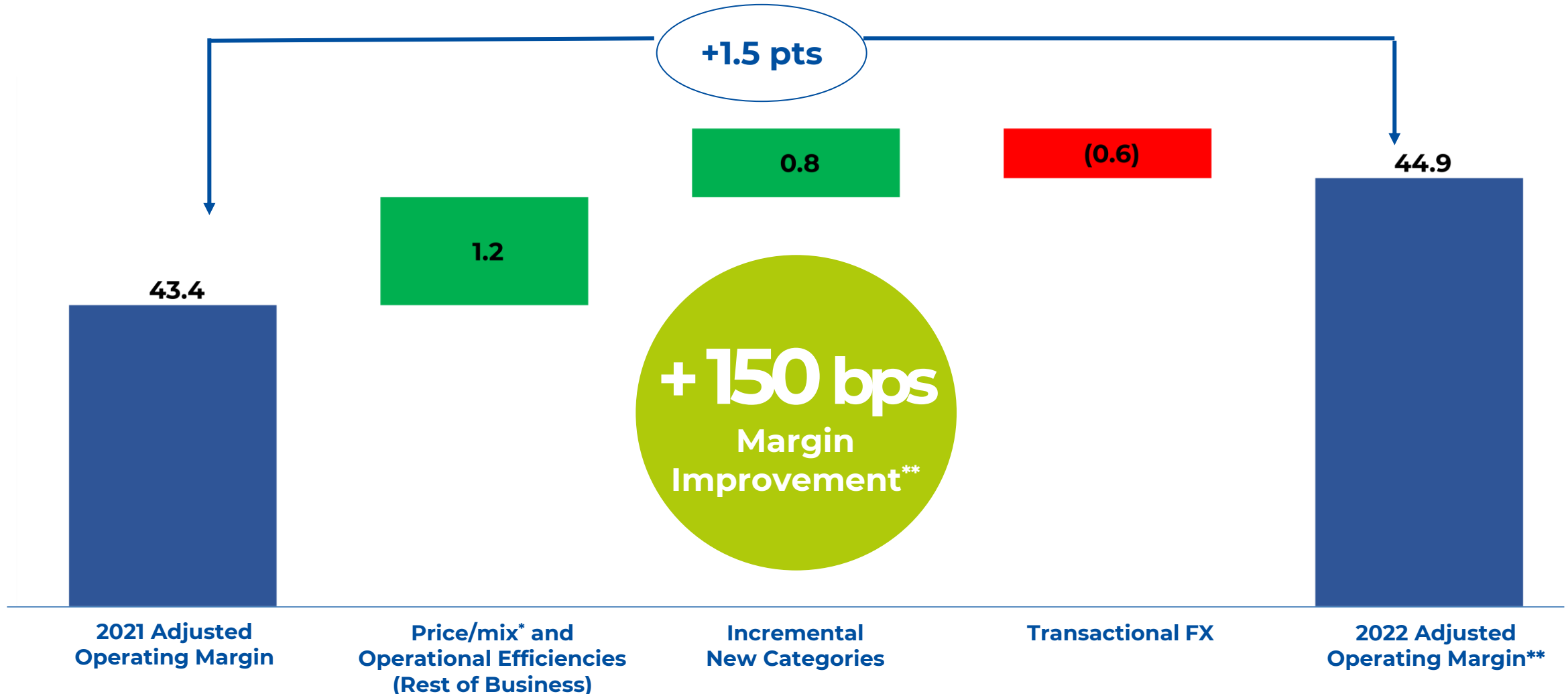


2019-22 combustible industry volume -5% CAGR

- Total Nicotine value share 37.2% up 40bps**
- Vuse value share leadership at 41%***
 - Leader in 35 states
 - 46% revenue growth*
 - Strong category contribution growth
- Macro-economic weakness driving accelerated downtrading in the combustible industry in 2022
- Combustible value share growth up 10bps
- Activated commercial plans:
 - Price laddering across all brands^^
 - Targeted investment
 - Through Revenue Growth Mgmt (RGM)
- Continued strength of Lucky Strike

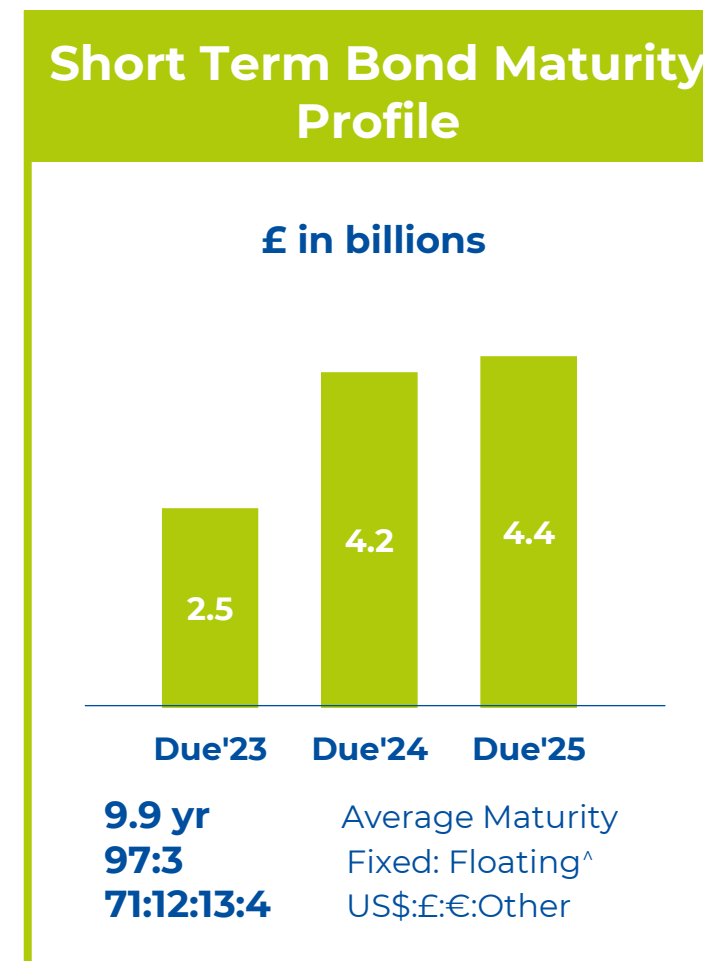
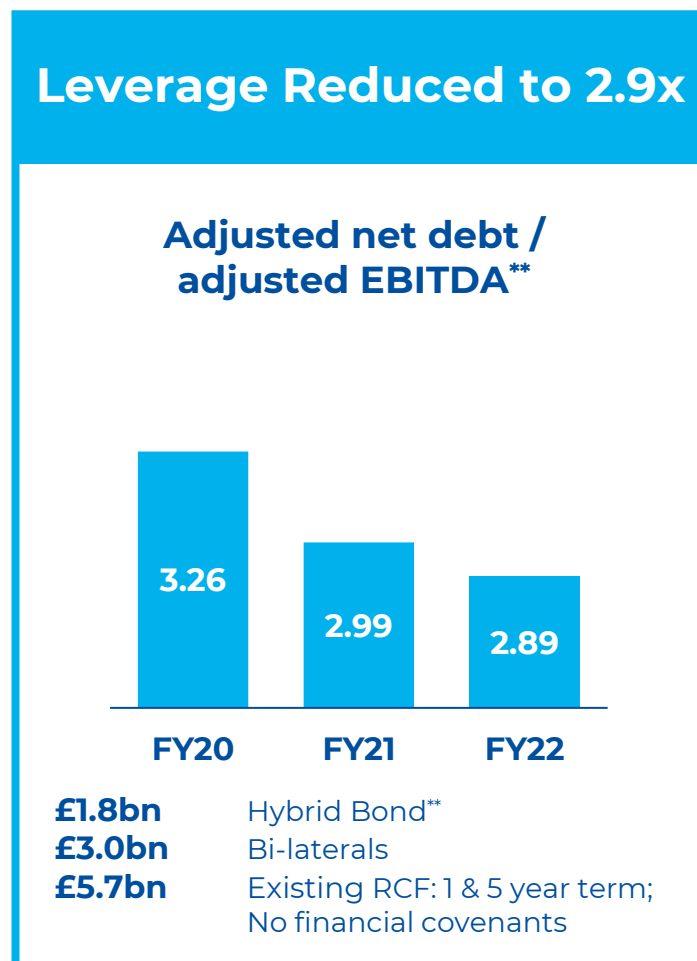
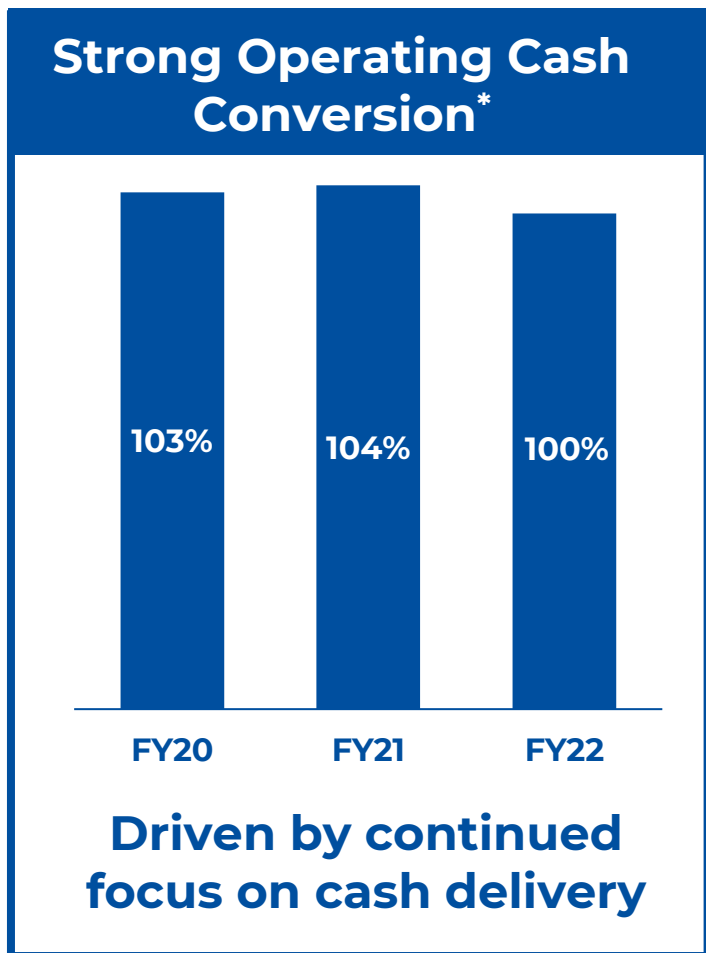
Financials growth FY22 versus FY21. Share growth versus FY21. * On a constant rate basis. See Appendix A2. ** Total nicotine value share covers: combustibles, vapour and total oral. Source: Marlin. See Appendix A3. *** Vuse value share of total Vapour FY22. Source: US Marlin. See Appendix A3. Source: Company data. ^ On an adjusted, constant rate basis. See Appendices A1 & A2. ^^ Price laddering refers to products having different recommended resale prices across the portfolio.

Strong Group Operating Margin Expansion: Successfully Offsetting Increasing Inflation



* See Appendix A4. ** On an adjusted current rate basis. See Appendix A1.

Continued Strong Operating Cash Conversion



Continue to Reduce Leverage within the 2-3x Corridor***

* See Appendices A1 & A8. ** FY21 hybrid issuance at Current FX. *** Adjusted net debt to adjusted EBITDA at current rates. See Appendix A1. ^ On a net debt basis.

2022 Continued Delivery in a Challenging Macro-Environment

2022 highlights



Transforming our business

+37% Revenue growth* **£0.6_{bn}** Contribution improvement**



Delivering robust financial results

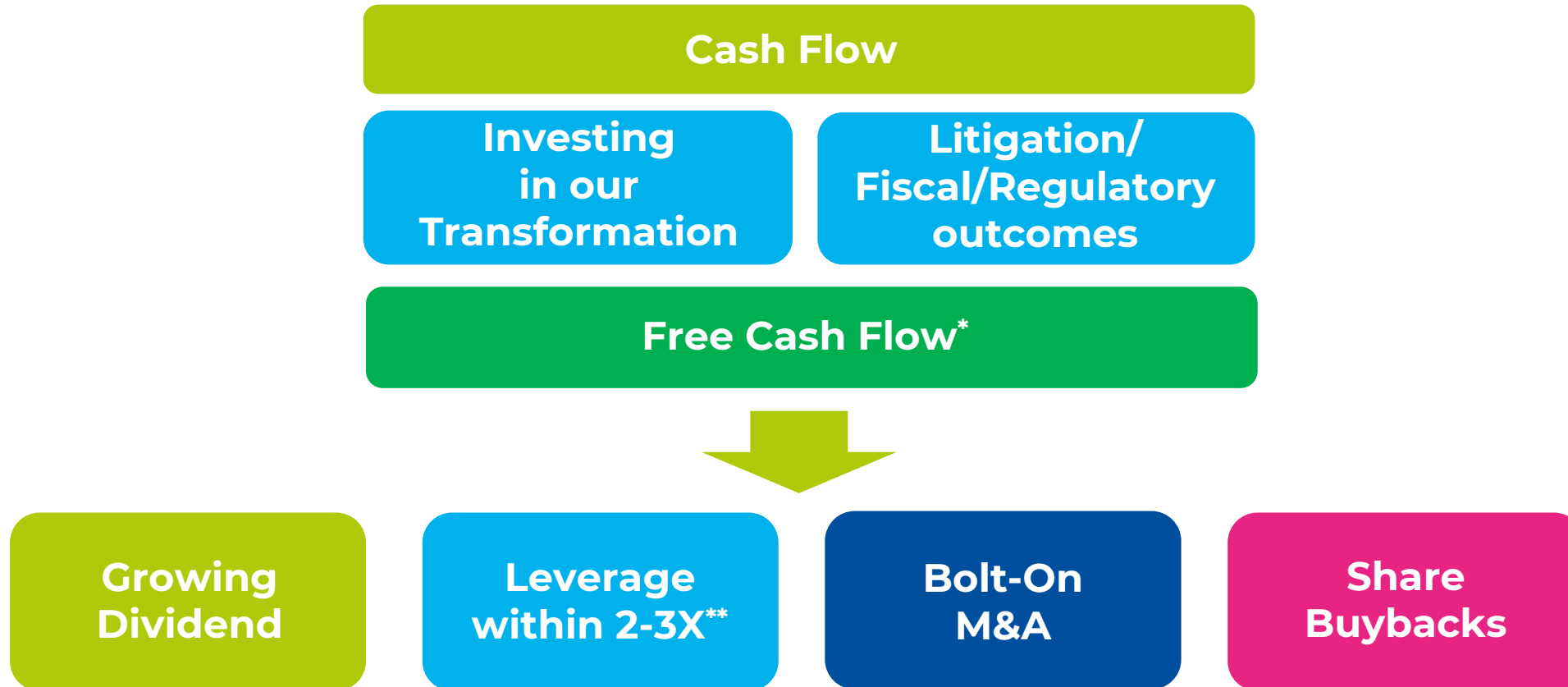
+2.3% Revenue growth* **+5.8%** Adjusted diluted EPS growth***



Successfully navigating the macro environment

£1.9_{bn} Annualised Quantum savings 2020-22 **+150 bps** Adjusted Operating Margin[^]

We are Maintaining an Active Capital Allocation Framework for 2023



+6% Dividend Growth and Further Deleverage

FY 2023 Group Guidance



3-5%

**Organic Revenue Growth*
(Excluding Russia/Belarus)****



**Mid Single Figure
Adjusted Diluted EPS Growth*****



**Continued
Deleverage**
Within c.2-3X Adjusted Net
Debt/Adjusted EBITDA^ range

**2023 performance reflects
expectations of:**

- Incremental New Category investment
- Rising interest costs
- H2'23 weighted US performance
- c.2% transactional FX headwind
- 2023 transfer of businesses in Russia and Belarus

A1: Adjusting (Adj.)

Adjusting items represent certain items which the Group considers distinctive based upon their size, nature or incidence.

A2: Constant currency

Constant currency – measures are calculated based on the prior year's exchange rate, removing the potentially distorting effect of translational foreign exchange on the Group's results. The Group does not adjust for normal transactional gains or losses in profit from operations which are generated by exchange rate movements.

A3: Share metrics

Volume share: The number of units bought by consumers of a specific brand or combination of brands, as a proportion of the total units bought by consumers in the industry, category or other sub-categorisation. Sub categories include, but are not limited to, the total nicotine category, modern oral, vapour, traditional oral or cigarette. Corporate volume share is the share held by BAT Group/Reynolds (US region). Except when referencing particular markets, volume share is based on our key markets (representing over 80% of the Group's cigarette volume).

Value share: The retail value of units bought by consumers of a particular brand or combination of brands, as a proportion of the total retail value of units bought by consumers in the industry, category or other sub-categorisation in discussion.

Total Nicotine share: The retail sales volume/value of the nicotine product sold as a proportion of total specified nicotine product volume/value in that market. In the US covers: Combustibles, vapour and total oral.

A4: Price/Mix

Price mix is a term used by management and investors to explain the movement in revenue between periods. Revenue is affected by the volume (how many units are sold) and the value (how much is each unit sold for). Price mix is used to explain the value component of the sales as the Group sells each unit for a value (price) but may also achieve a movement in revenue due to the relative proportions of higher value volume sold compared to lower value volume sold (mix).

A5: Environmental Targets

Targets cover: climate change, water and waste, sustainable agriculture. Full details are available from the latest ESG Report

[British American Tobacco - Sustainability reporting \(bat.com\)](https://www.bat.com/sustainability-reporting)

A6: Consumers of Non-Combustible Products

The number of consumers of Non-Combustible products is defined as the estimated number of Legal Age (minimum 18 years) consumers of the Group's Non-Combustible products. In markets where regular consumer tracking is in place, this estimate is obtained from adult consumer tracking studies conducted by third parties (including Kantar). In markets where regular consumer tracking is not in place, the number of consumers of Non-Combustible products is derived from volume sales of consumables and devices in such markets, using consumption patterns obtained from other similar markets with adult consumer tracking (utilising studies conducted by third parties including Kantar). The number of consumers is adjusted for those identified (as part of the consumer tracking studies undertaken) as using more than one BAT Brand - referred to as "poly users".

The number of consumers of Non-Combustible products is used by management to assess the number of consumers using the Group's New Categories products as the increase in Non-Combustible products is a key pillar of the Group's ESG ambition and is integral to the sustainability of our business.

The Group's management believes that this measure is useful to investors given the Group's ESG ambition and alignment to the sustainability of the business with respect to the Non-Combustibles portfolio.

A7: Free Cash Flow

Net cash generated from operating activities before the impact of trading loans provided to a third party and after dividends paid to non-controlling interests, net interest paid and net capital expenditure.

A8: Operating Cash Conversion

Net cash generated from operating activities before the impact of adjusting items and dividends from associates and excluding trading loans to third parties, pension short fall funding, taxes paid and net capital expenditure, as a proportion of adjusted profit from operations.

A9 Employee Definitions:

Female representation in Management: Management grade employees at grade 34 or above, as well as global graduates.

A10: Poly-usage

Refers to an adult consumer using more than one type of New Category product.

A11: Vuse/Velo advertisement disclaimers (slide 8)

Vuse Go: Disposable up to 500 puffs based on laboratory testing of newly manufactured product and may vary depending on individuals' usage behaviour. This product contains nicotine and is addictive. Comparison based on an assessment of smoke from a Vuse Vuse #1 vaping brand: Based on Vype/Vuse estimated value share from RRP in measured retail for vapour (i.e. total vapour category value in retail sales) in the US, CAN, FRA, UK, GER as of Dec 2021. These 5 markets cover an estimated 77% of global vapour closed systems revenue, calculated in July 2021. 18+ only. This product contains nicotine and is addictive.. Read wallet in pack.

Velo: This product contains nicotine, which is a highly addictive substance.