

Resilient performance, renewed energy, full-year guidance on track

Fixed Income Update Call - Interim Results 2023

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In particular, among other statements: slides 6, 10-12 and 15-19.

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; direct or indirect adverse impacts associated with Climate Change and the move towards a Circular Economy; and Cyber Security caused by the heightened cyber-threat landscape, the increased digital interactions with consumers and changes to regulation

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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 U.S. 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 U.S. 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 U.S. 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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Resilient H1 performance, on track for Full Year

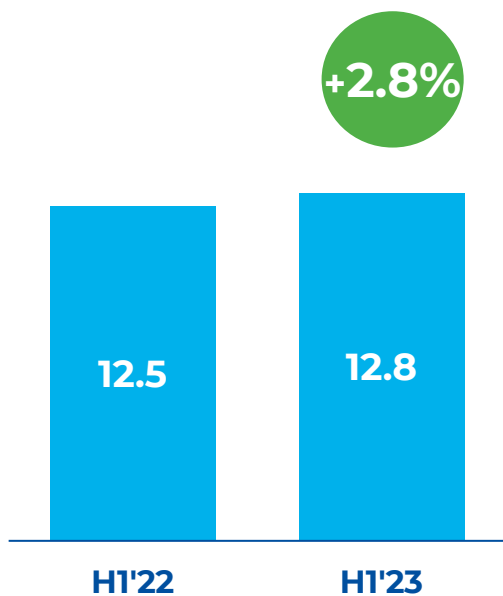


	Group Revenue	New Category Revenue	Profit from Operations / Operating Margin	Earnings per Share
Reported	+4.4% £13,441m	+29.0% £1,656m	+61.4% £5,935m <hr/> +15.6 pts 44.2%	+118% 176.0p
Adjusted Constant Currency	+2.6%* £13,201m +2.8%*** Organic	+26.6%* £1,625m	+3.6%** £5,850m <hr/> +0.4 pts** 44.3%	+5.3%** 176.3p

Delivering in a challenging environment

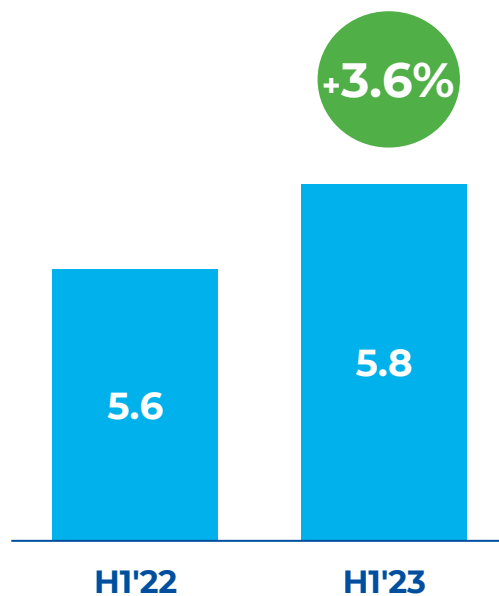
Adjusted results demonstrate continued delivery

Organic Group Revenue*



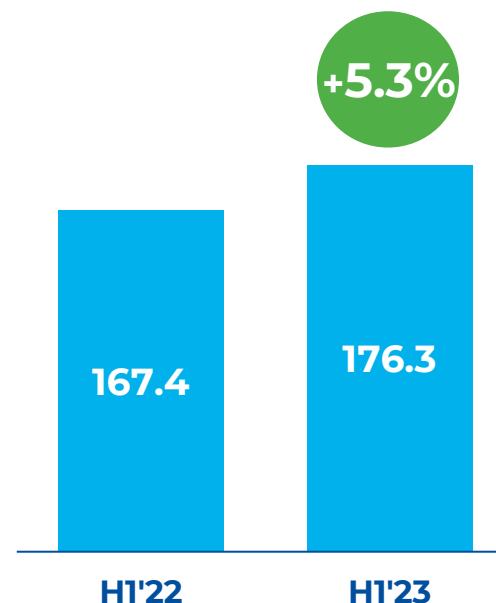
+4.2%
5 yr CAGR***

Adjusted Operating Profit**



+4.6%
5 yr CAGR***

Adjusted Diluted EPS**

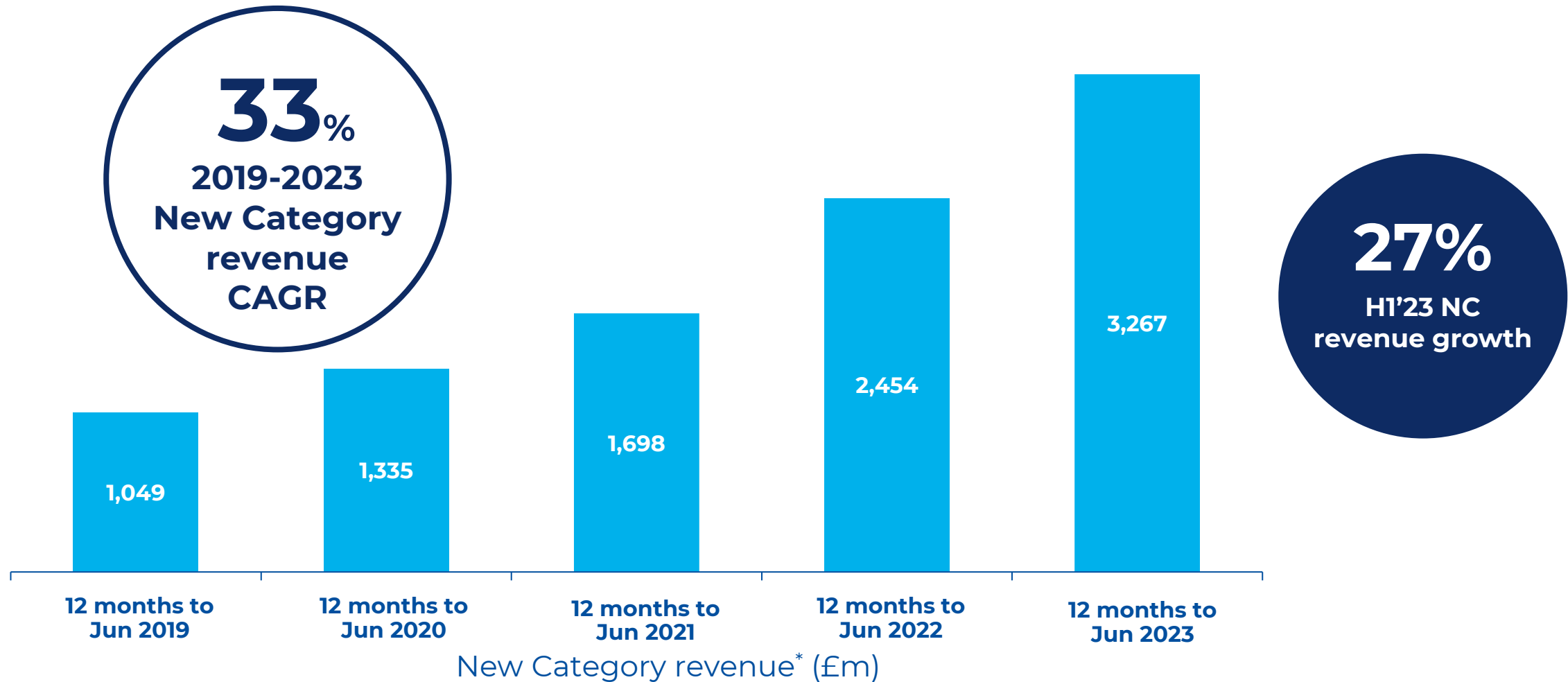


+6.2%
5 yr CAGR***

Key performance drivers

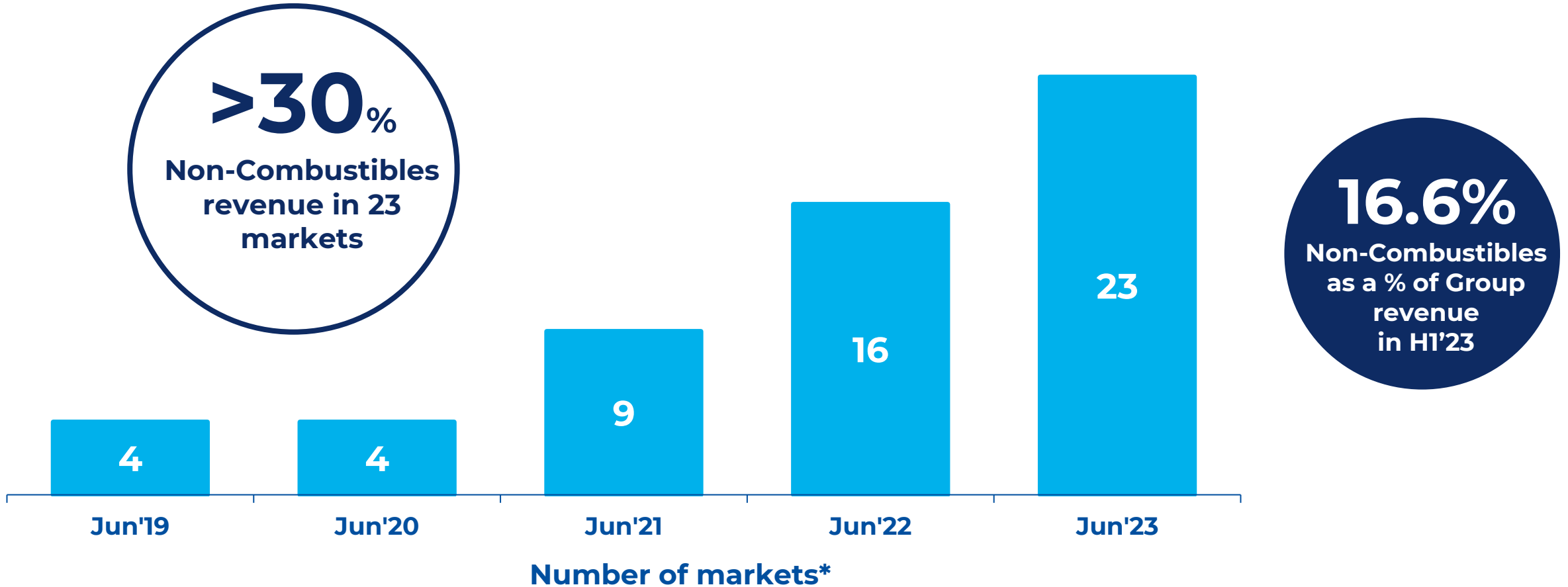
- **New Category revenue*** +26.6%**
- **Combustibles volume -5.8%**
- **Cigarette price/mix^ +6.0%**
- **+£201m New Category contribution improvement^^**
- **+40bps Group margin expansion****
- **+1.7% EPS kickers:**
 - **ITC, share count partially offset by higher net finance costs**

Delivering strong New Category revenue momentum



Confident in delivering £5bn New Category revenue in 2025

As we continue to transform rapidly

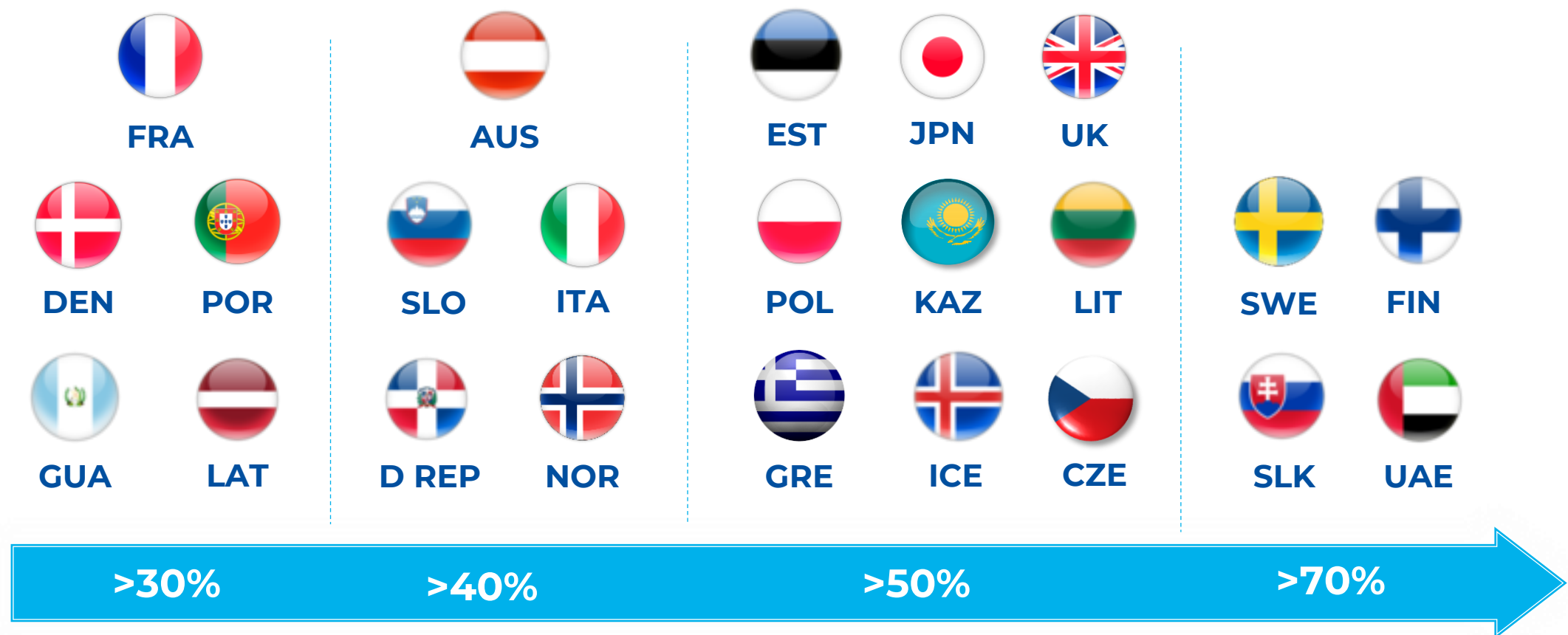


Reaching >30% Non-Combustibles revenue in 23 markets

*Number of markets with over 30% Non-Combustibles revenue as a percentage of total market revenue in H1'19 - H1'23, respectively.

With Non-Combustibles revenue significantly higher in many markets

Our Non-Combustible products revenue % H1'23*



* Revenue from Non-Combustible products as a % of total revenue in each respective market.

Our immediate areas of focus are...

1

Sharpen execution

2

Drive
profitability in
New Categories



3

Consistent U.S.
Combustibles
value growth



4

Significantly
strengthen THP



5

Lead
responsible
New Category
development



6

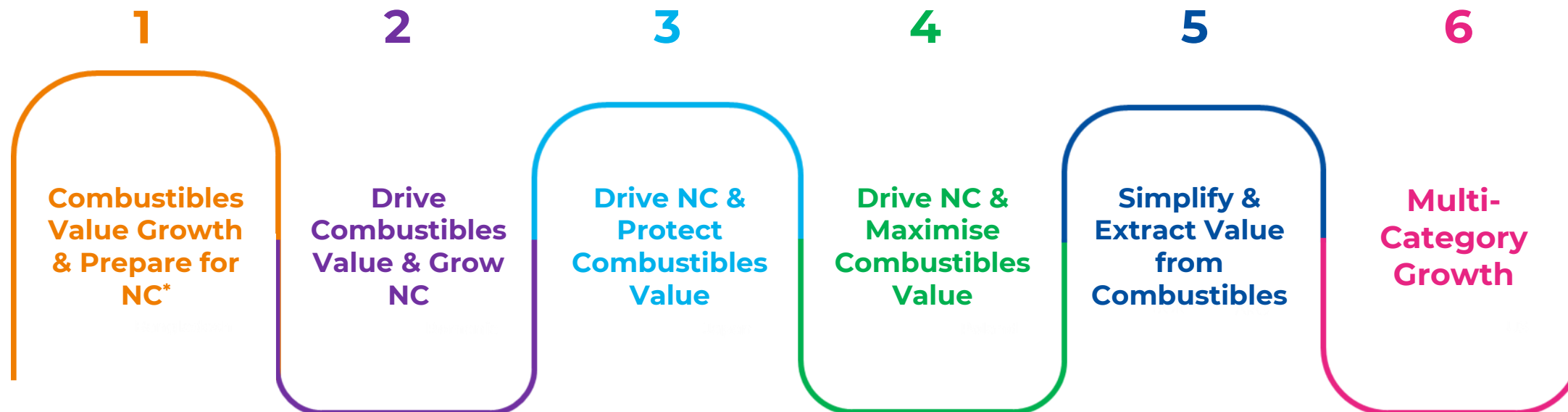
Enhance
financial
flexibility



Collaborative and inclusive culture

1. Sharpening execution:

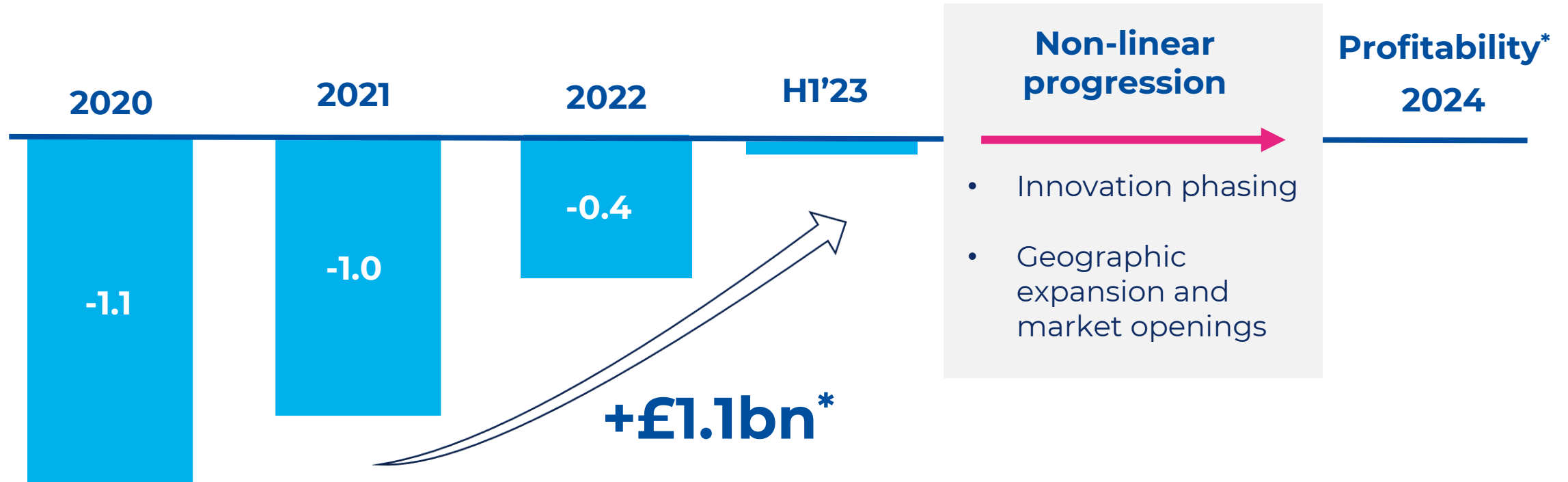
Disciplined application of Market Archetypes



Fewer, larger, more targeted priorities

2. Continuing to improve New Category profitability

New Category contribution (£bn)



On track to deliver New Category profitability* in 2024

3. Delivering early signs of U.S. Combustibles recovery



Activating focused plans to drive consistent value...

... implementing carefully and thoroughly will take time



To deliver consistent Combustibles value growth

California: Still adjusting across all categories post-flavour ban

California BAT Combustibles

45% volume exposure

>85%*

Total volume retention
vs pre-ban

Outstanding Vuse performance

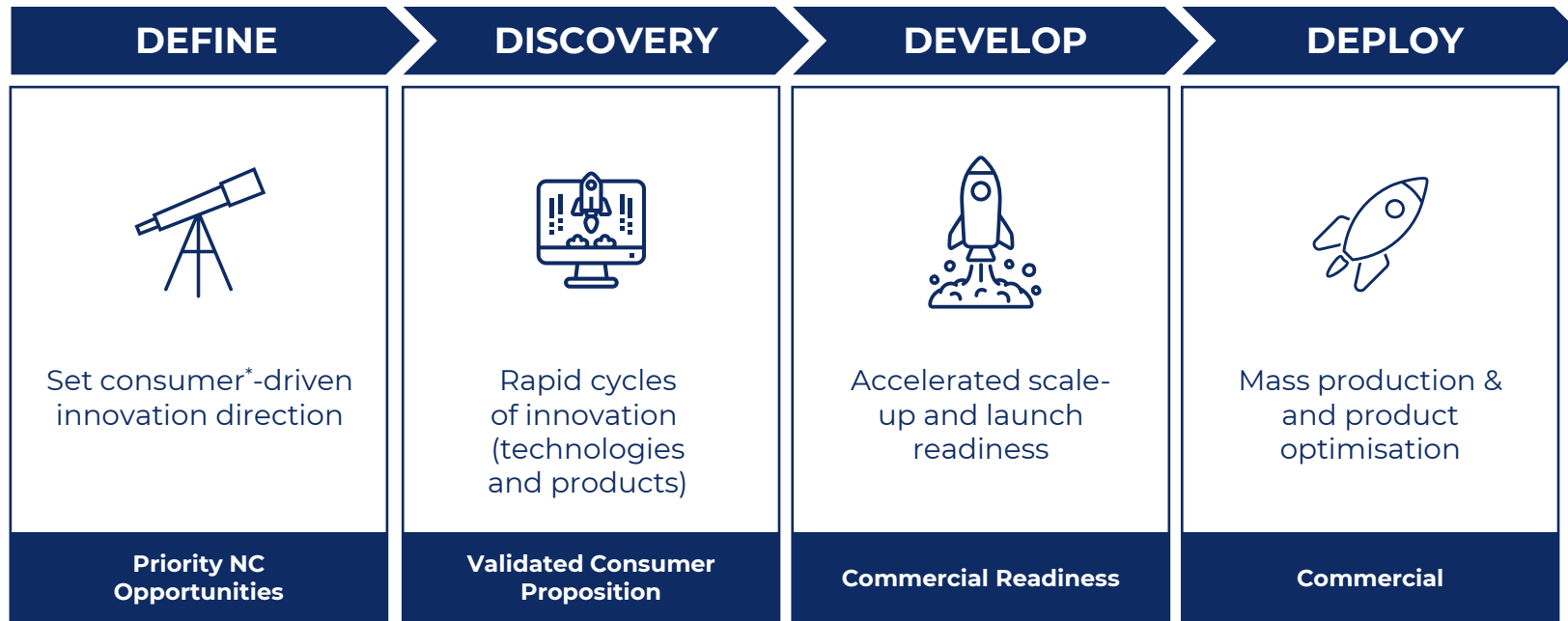
60% volume exposure

100%

Total volume retention
vs pre-ban

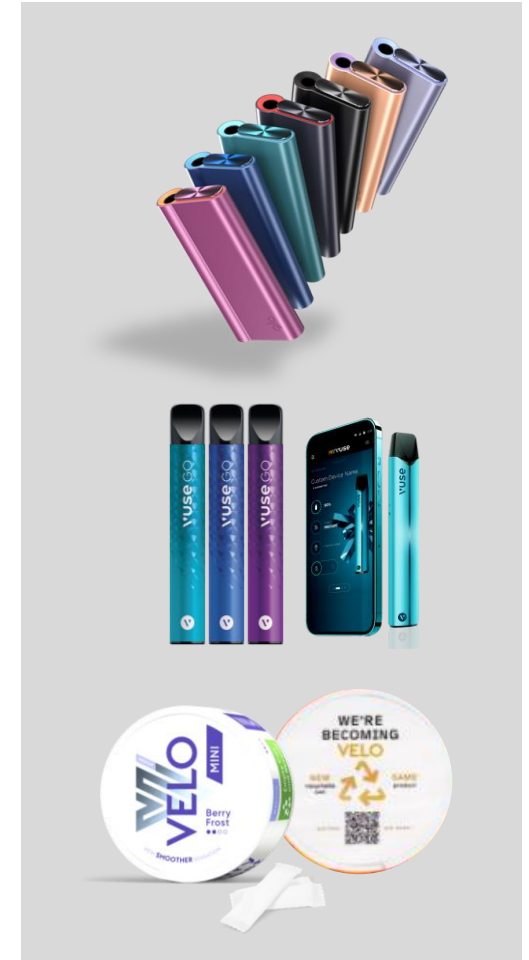
Multi-category portfolio and agile commercial response driving consumer retention

4. Accelerating innovation cadence across New Categories



ACTIVE PORTFOLIO MANAGEMENT

Enhanced product lifecycle management



* See Appendix A9.

5. Lead responsible New Category development



Proactive, science-driven approach to external affairs

* Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive. Our products as sold in the U.S., including Vuse, Velo, Grizzly, Kodiak, and Camel Snus, are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

6. Enhancing financial flexibility

Increasing agility in the near term...

...To drive long-term value creation

P&L



- Accelerate investment in transformation
 - Drive consistent combustibles value
 - Navigate regulatory developments
-
- *Delivering annual guidance*

- Sustainable multi-category growth
 - Growing financial returns
 - Supportive regulatory environments
-
- *Evolving medium-term growth algorithm*

Capital



- Focus on cash flow delivery
 - Reduce debt to middle of target range*
 - Optimise capital allocation
-
- *Attractive dividend*

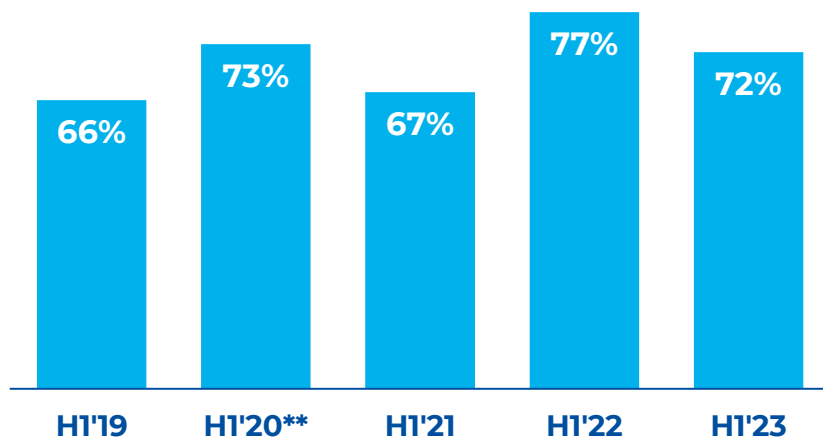
- Enhance balance sheet flexibility
 - Lower cost of funding over the long term
 - Enable sustainable shareholder returns
-
- *Attractive dividends and share buybacks*

* 2-3x Adjusted net debt to adjusted EBITDA at current rates. See Appendix A8.

Continued strong cash generation driving leverage reduction

Strong Operating Cash Conversion*

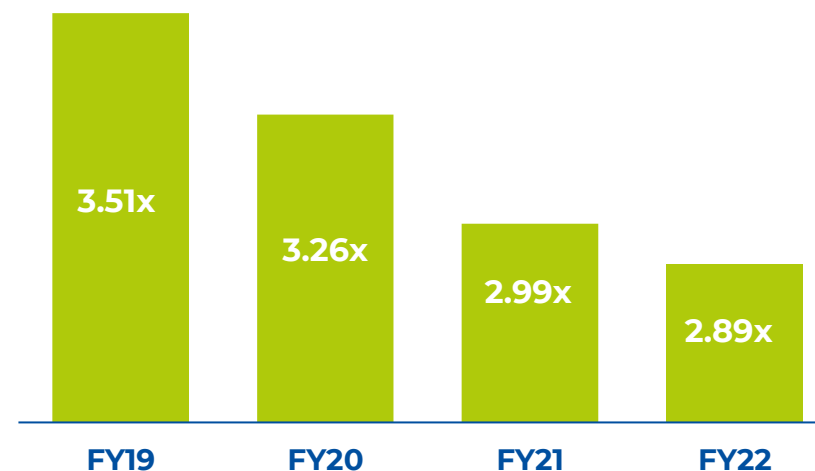
Expecting another year of strong operating cash conversion >90%*



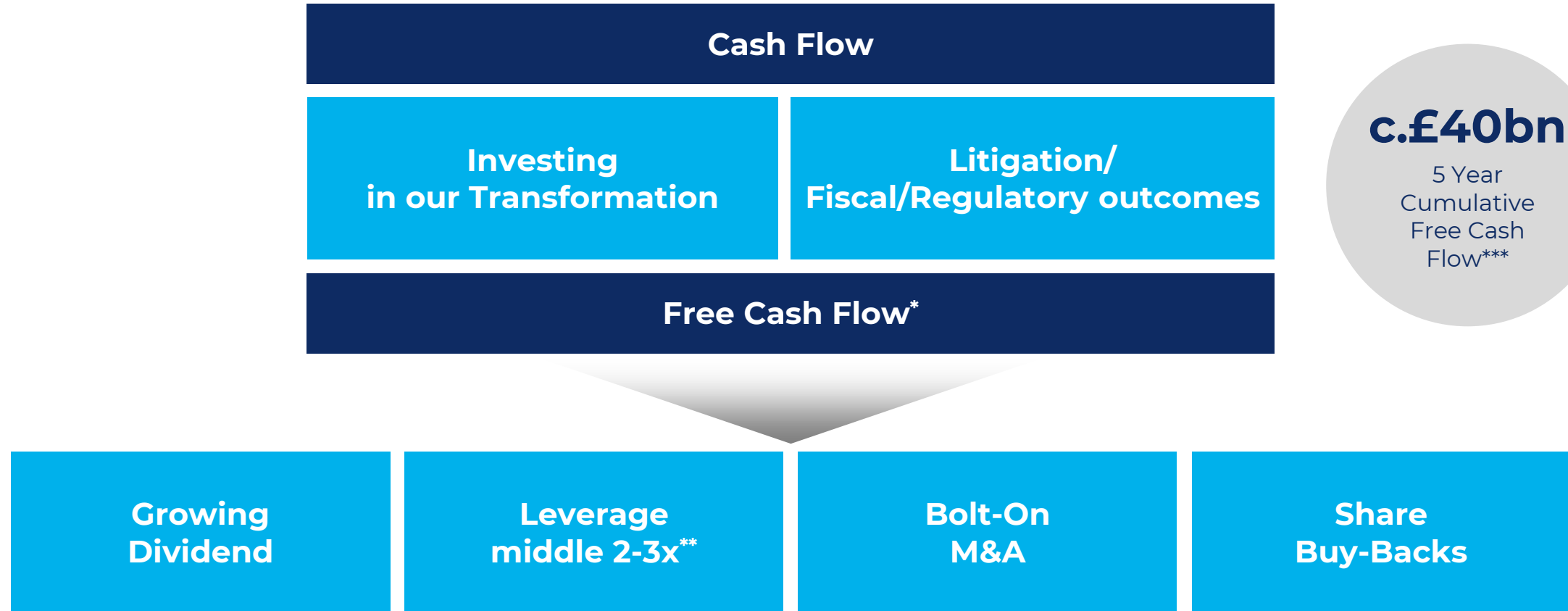
Cash flow weighted to H2, as normal

Strengthening our balance sheet alongside a manageable maturity profile

Making good progress towards middle of 2-3x adj. net debt / adj. EBITDA corridor***



Dynamic and flexible approach to capital allocation



Committed to sustainably returning cash to shareholders

On track to deliver full-year 2023 guidance



3-5%
**Organic Revenue
Growth***
(Excluding Russia/Belarus)**

- **Continued strong New Category revenue growth***
- **Organic performance expected to be H2 weighted**
 - U.S. commercial plans driving early signs of stabilisation
 - U.S. SAP-related inventory phasing in H1'22
- **>80% realised combustibles pricing in H1**



Mid Single Figure
EPS Growth***

- **Timing of Russia/Belarus exit**
- **H2 weighted New Category investment**
- **Increased net finance costs to c.£1.9bn**
- **2% transactional FX headwind on Adj. Profit from Operations**

Appendix



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

Year to date basis through May '23

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 (U.S. 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.

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: 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.

A6: 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.

A7 Organic:

To supplement the Group's results presented in accordance with International Financial Reporting Standards (IFRS), the Group's Management Board, as the chief operating decision maker, reviews certain of its results, including revenue and adjusted profit from operations, at constant rates of exchange, prior to the impact of businesses sold or held-for-sale. Although the Group does not believe that these measures are a substitute for IFRS measures, the Group does believe that such results excluding the impact of businesses sold or to be held-for-sale provide additional useful information to investors regarding the underlying performance of the business on a comparable basis and in the case of the expected sale of the Group's businesses in Russia and Belarus, the impact these businesses have on revenue and profit from operations. Accordingly, the organic financial measures appearing in this document should be read in conjunction with the Group's results as reported under IFRS.

A8: Adjusted net debt to adjusted EBITDA

Net debt, excluding the impact of the revaluation of Reynolds American Inc. acquired debt arising as part of the purchase price allocation process, as a proportion of profit for the year (earnings) before net finance costs (interest), tax, depreciation, amortisation, impairment, associates and adjusting items

A9: 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.