



Strong Brands Driving New Category Acceleration

Barclays Consumer Conference 2021

Jack Bowles – Chief Executive

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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; and changes in the market position, businesses, financial condition, results of operations or prospects of the Group.

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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)

Additional information concerning these and other factors can be found in BAT's filings with the U.S. Securities and Exchange Commission ("SEC"), including the Annual Report on Form 20-F and Current Reports on Form 6-K, which may be obtained free of charge at the SEC's website, <http://www.sec.gov>, and BAT's Annual Reports, which may be obtained free of charge from the British American Tobacco website www.bat.com.

Additional 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.

No Profit or Earnings Per Share Forecasts

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Audience

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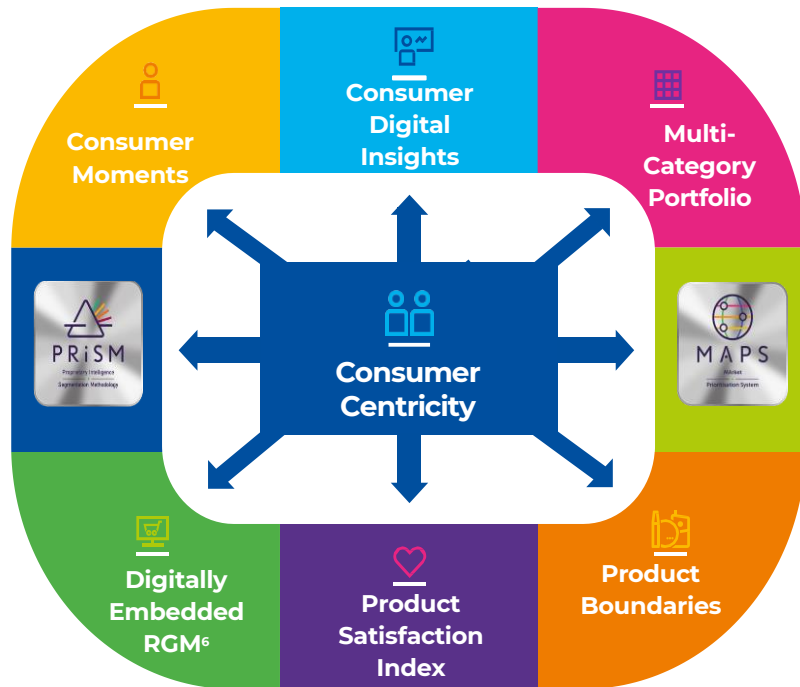
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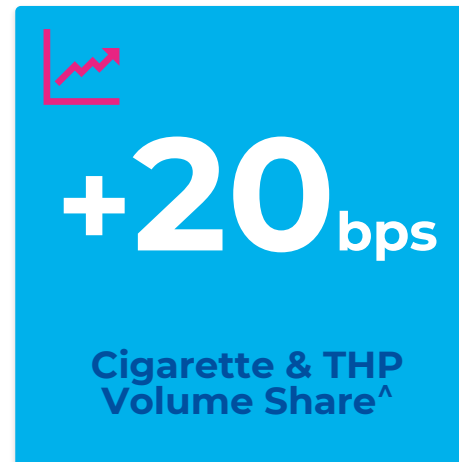
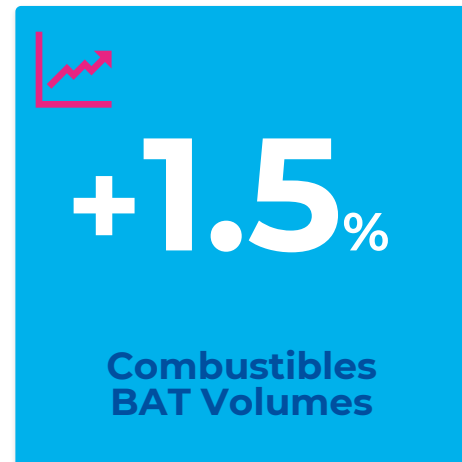
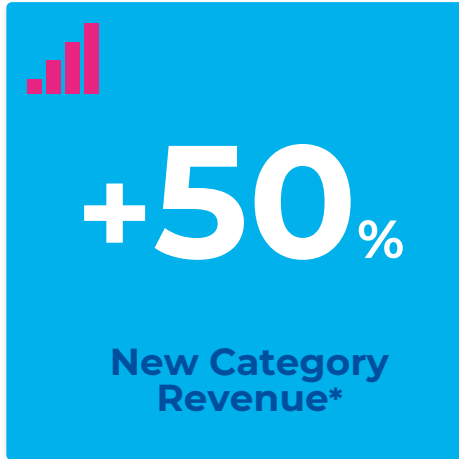
Our Established Multi-Category Strategy is Working



- ✓ New Category revenue¹ +50%; share gains in all three categories²
- ✓ 16.1m Non-Combustible consumers, our highest growth +2.6m³
- ✓ Each New Category grew share ≥ 280 bps in top markets²
- ✓ Volume growth of $\geq 70\%$ in all three New Categories
- ✓ Brand power scores⁴ up across all three New Categories

Vuse now No.1 Global Vapour brand⁵

Strong H1 2021 results



We are Building Strong Brands of the Future



Revenue up +59%**



Value share: 32%
+610bps

Consumers^ +0.9m



Revenue up +38%**

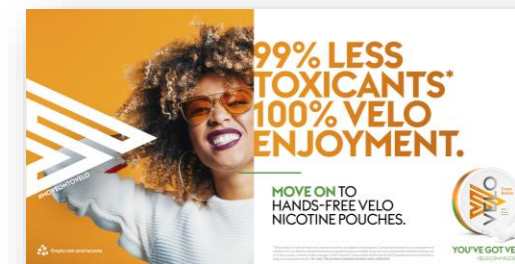


Volume share: 17%
+320bps

Consumers^ +1.2m



Revenue up +63%**

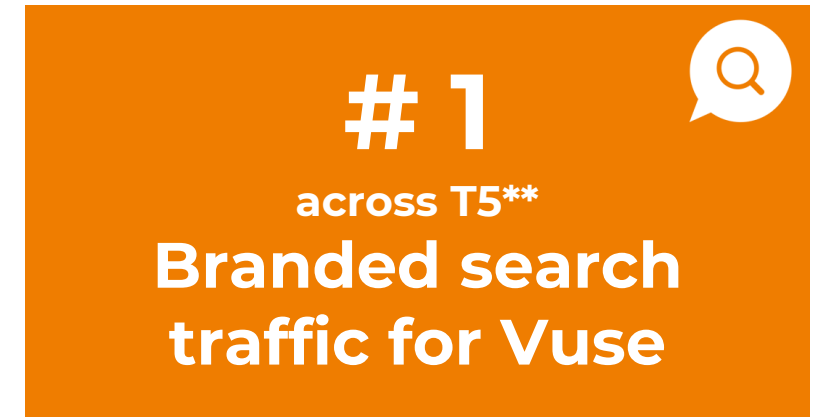
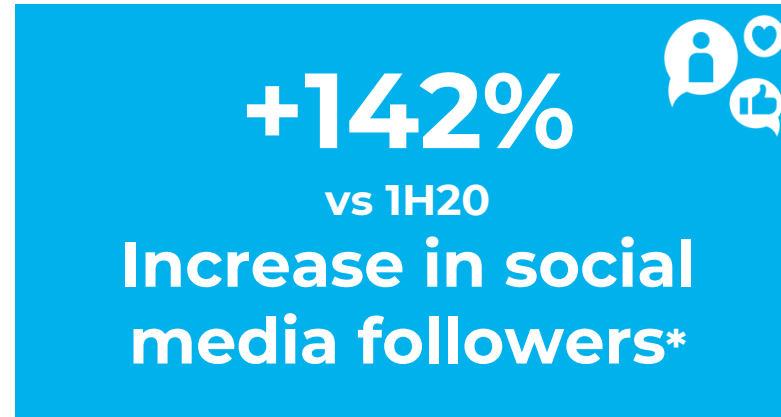
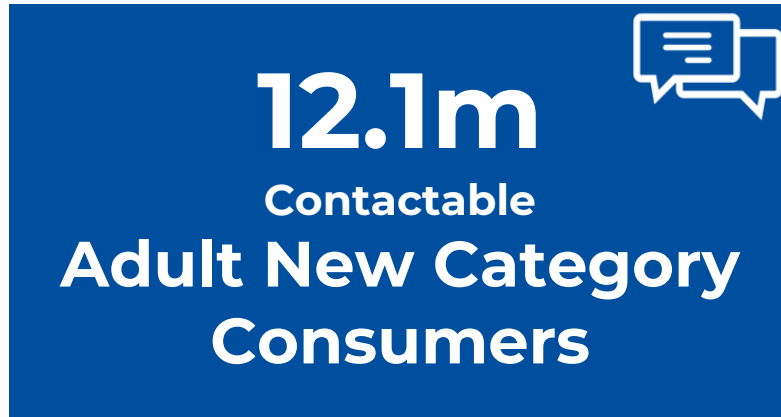


Volume share: 40%
+280bps

Consumers^ +0.7m

We are Digitalising the Whole Business at Speed

Transforming our relationships with consumers via digital



Driving value through digital



* Across age-restricted social media

** Top 5 vapour markets : US, Canada, UK, France, Germany. T5 represent c.75% of Vapour industry revenue (closed-systems). Vuse brand represents c.90% of HY21 vapour revenue. Continue to migrate remaining brands during 2021. Data source: Similar Web.

*** Strategic revenue relates to the revenue from the Group's strategic brands.

We are Rapidly Transforming the Business and Building A Better Tomorrow™



Transforming the business rapidly:

- 12% of Group revenue now in Non-Combustibles¹
- Further opportunities Beyond Nicotine



ESG is at the core of our strategy:

- 3rd highest ESG-rated in FTSE100 (Refinitiv)



Quest enabling the Enterprise of the Future:

- Quantum delivering 12 months ahead of plan

2021 is a Pivotal Year

**Accelerating
New Category
revenue
growth**

**Reducing
New Category
impact on
margin**

**Reducing
leverage to c.3x
Adj. Net Debt/
Adj. EBITDA***

**On Track for Full Year Guidance:
>5% Revenue Growth** | Mid-Single Figure EPS Growth*****

Delivering Our Purpose is Transforming BAT

From

To



Creating value for all our stakeholders



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



£5bn New Category revenue by 2025



Carbon neutral by 2030***



Eliminate unnecessary single-use plastic & all plastic packaging recyclable^ by 2025***

* Beyond refers to Wellbeing & Stimulation Beyond Nicotine. ** Consumers of Non-Combustible products definition. See Appendix A6. *** Environmental targets, carbon neutral is scope 1 & 2. See Appendix A5.
^ Reusable, recyclable or compostable.



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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

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.

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 ESG Report

[https://www.bat.com/group/sites/UK_9D9KCY.nsf/vwPagesWebLive/DOAWWEKR/\\$file/BAT_ESG_Report_2020.pdf?open&v=1](https://www.bat.com/group/sites/UK_9D9KCY.nsf/vwPagesWebLive/DOAWWEKR/$file/BAT_ESG_Report_2020.pdf?open&v=1)

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: Velo advertisement disclaimer (slide 7)

This product is not risk-free and contains nicotine, an addictive substance. Comparison based on an assessment of smoke from a scientific standard reference cigarette (approx. 9mg tar) and components released during use of a Velo pouch, in terms of the average of the nine harmful components the WHO recommends to reduce in cigarette smoke. 18+ only (or higher, depending on jurisdiction). This product contains nicotine and is addictive.

A8: Top New Category markets

Vapour value share across Top 5 vapour markets: US, Canada, UK, France, Germany. T5 represent c.75% of Vapour industry revenue (closed-system). Glo volume share across Top 9 markets: Japan, South Korea, Russia, Italy, Germany, Romania, Ukraine, Poland and Czech Republic. T9 represent c.90% of THP industry revenue. Modern Oral Volume share across Top 5 markets: US, Sweden, Denmark, Norway, Switzerland and now excludes Germany. T5 represent c.82% Modern Oral industry revenue.