



2021 – A Pivotal Year Delivered; Buyback Announced

Preliminary Results 2021

Jack Bowles – Chief Executive | **Tadeu Marroco** – Finance and Transformation Director

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In particular, among other statements: (i) certain statements in the opening section (slides 6, 7, 13 and 14); (ii) certain statements in Tadeu Marroco's section (slides 16, 27, 28, 31 and 32); and (iii) certain statements in Jack Bowles' section (slides 34, 35 and 36).

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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.

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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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A Pivotal Year in 2021

**Accelerating New
Category revenue growth***

**Reducing New Category
losses****

**De-levering to c. 3x adj.
net debt/adj. EBITDA*****

A Pivotal Year delivered

Accelerating New
Category revenue growth*

51%

Revenue
growth*

Reducing New Category
losses**

c.£100m

Reduced
losses**

De-levering to c. 3x adj.
net debt/adj. EBITDA***

2.99x

Leverage

**Enabling more active capital allocation
Including £2bn Share Buyback in 2022**

Our transformation accelerated

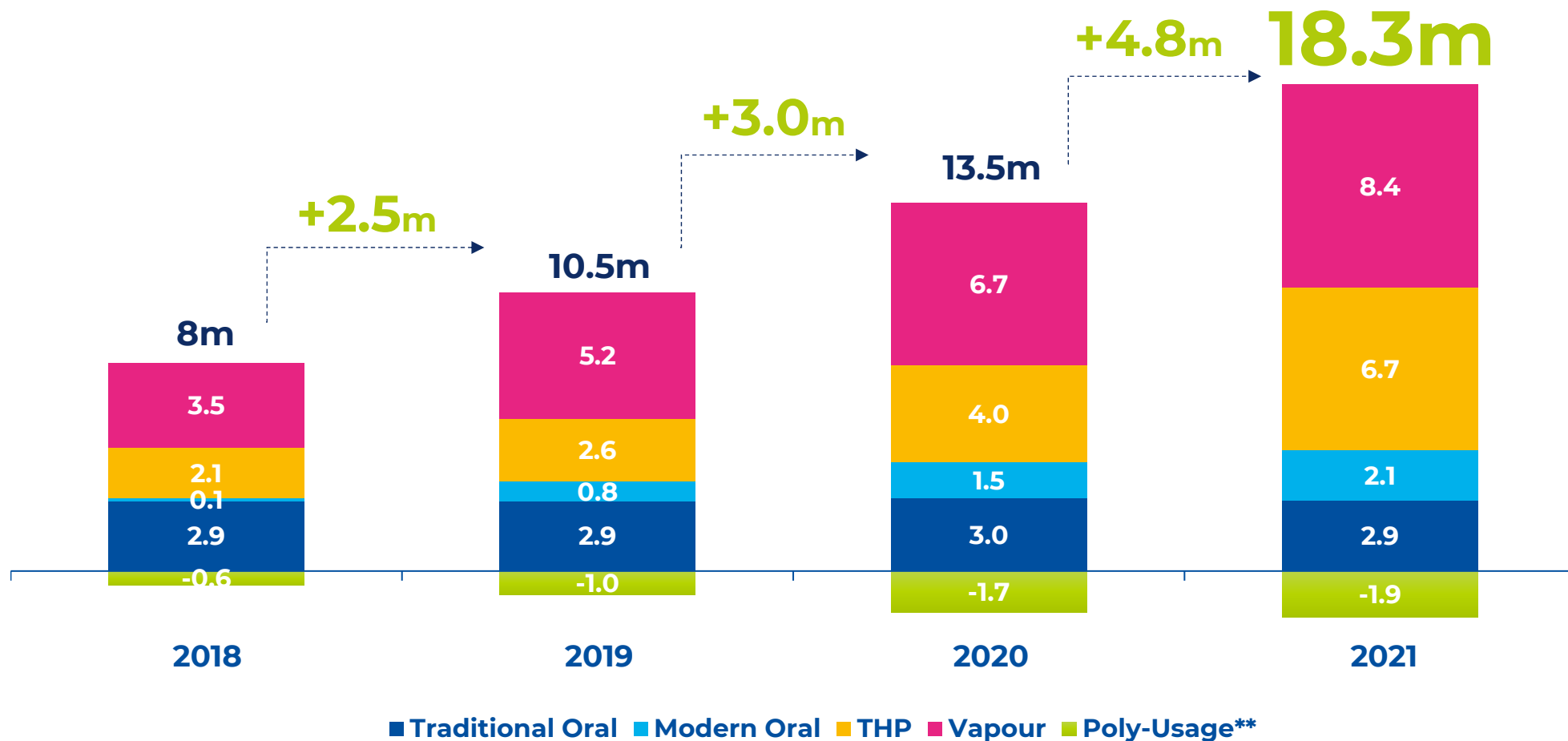


*To reduce the
health impact
of our business[^]*

- ✓ Actively encouraging smokers to switch to our reduced risk products[^]
- ✓ 51% New Category revenue growth^{*}
- ✓ Adding 4.8m adult consumers of non-combustible products^{**} to reach 18.3m
- ✓ Built a >£2bn New Category revenue business
- ✓ New Category losses reduced for the first time by c.£100m (c.10%)

On track for our £5bn New Category revenue and profitability by 2025^{*}**

With faster adult consumer acquisition*



Growth of consumers of Non-Combustible products***

Strong revenue growth across all three New Category Global Drive Brands



Global Leadership
achieved

Revenue* up +59%
Value share 33.5%**



Fastest Growing THP Brand
ambition

Revenue* up +46%
Volume share 18.1%**



Global Leadership
ambition

Revenue* up +41%
Volume share 34.7%**

We are embedding ESG in our brands

vuse

Focus areas

<p>GREENER PACKAGING</p>	<p>OPTIMISE PRODUCT DESIGN</p>
<p>POD RECYCLING</p>	<p>REDUCE CARBON</p>

glo

Focus areas

<p>GREENER PACKAGING</p>	<p>GREENER CONSUMABLE</p>
<p>DEVICE TAKE BACK SCHEME</p>	<p>REDUCE CARBON</p>

VELO

Focus areas

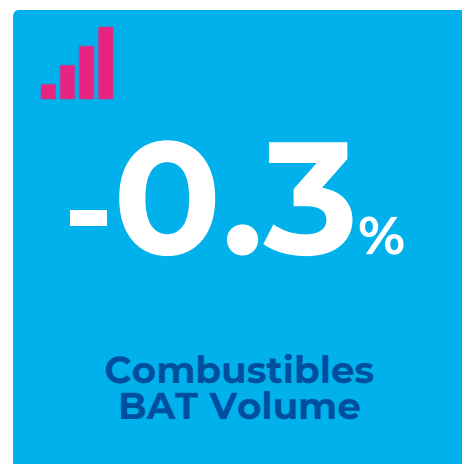
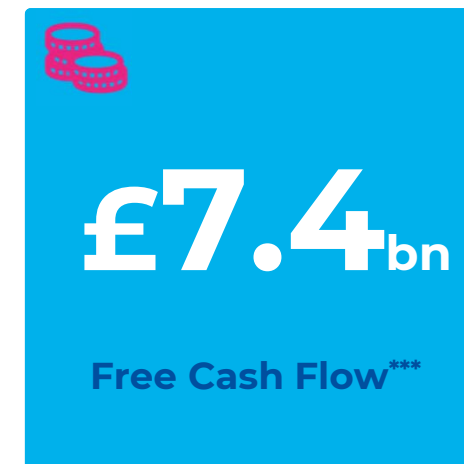
<p>GREENER PACKAGING</p>	<p>RECYCLED PLASTIC</p>
<p>GREENER POUCH</p>	<p>REDUCE CARBON</p>

While generating strong financial results

	REPORTED FY 2021 @ Current rates	ADJUSTED FY 2021 @ Constant rates*
Revenue	-0.4%	+6.9%**
New Category Revenue	+42.4%	+50.9%**
Operating Margin	+120 bps	-70 bps***
Profit From Operations	+2.7%	+5.2%
Diluted EPS	+6.0%	+6.6%

* On an adjusted, constant rate basis. See Appendix A1 & A2. ** On a reported, constant rate basis. See Appendix A2. *** Current rate growth.

Robust 2021 Results



We are now entering the next phase of our journey

New Category revenue growth and consumer acquisition*

New Category contribution to profit growth**

Active capital allocation for long-term shareholder value

Faster Transformation

To deliver shared stakeholder & shareholder value



Medium term outlook



Tadeu Marrocco

Finance and Transformation Director




A Pivotal Year - Delivered on our 2021 financial focus areas



Releasing funds to support growth agenda



Maximising marketing spend effectiveness



Generating cash to continue to deleverage the balance sheet

- ✓ c.£100m reduction in New Category losses* for the first time
- ✓ c.£500m increased** NC investment
- ✓ c.£1.3bn total Quantum savings delivered
- ✓ 104% Operating Cash Conversion***
- ✓ Reached c.3x Adj. Net Debt/Adj. EBITDA^

Enabling more active capital allocation Including £2bn Share Buyback in 2022

Revenue: Strong pricing and New Category momentum

Revenue growth* +6.9%

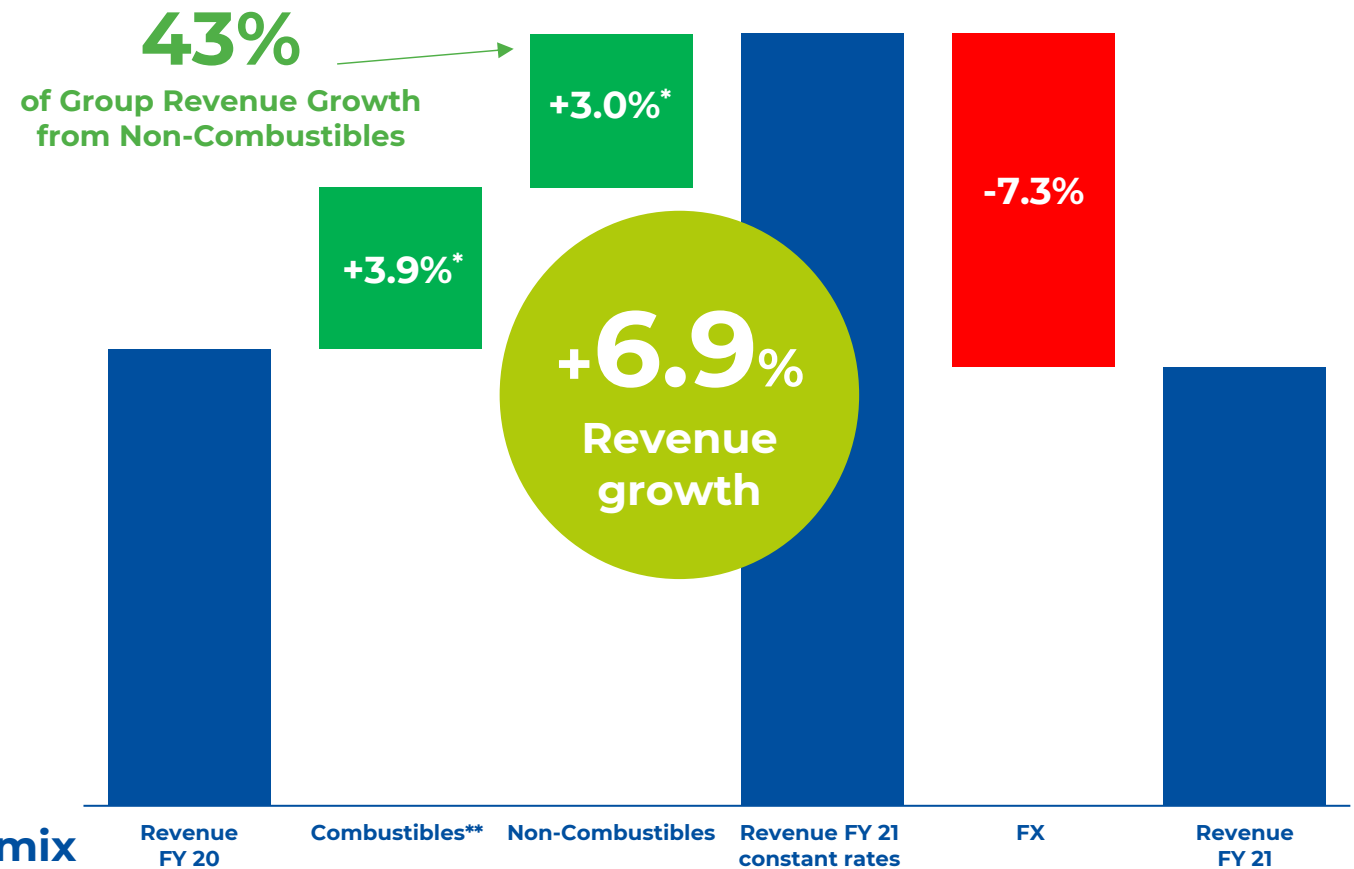
- Combustible revenue* +4.0%
- New Category revenue* +51%
 - Vapour +59%
 - THP +46%
 - Modern Oral +41%

Strong volume performance

- Accelerating NC volume
- Combustibles -10bps volume share***

Driving value from Combustibles

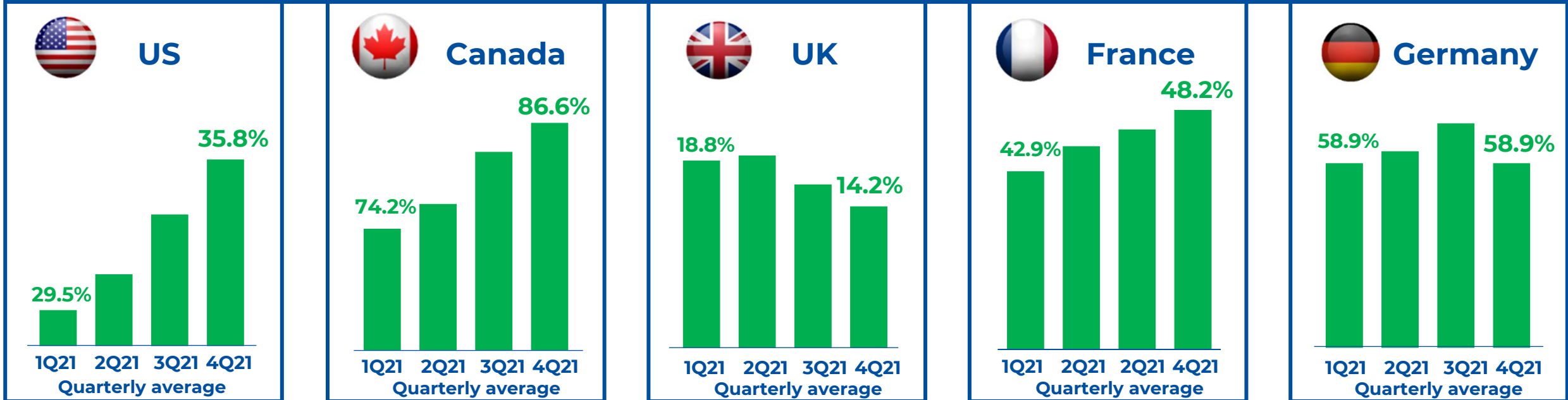
- Value share*** +10bps
- +4.3% price/mix[^], absorbing geographic mix impact



* Growth at constant rates. For definition see Appendix A3. ** Combustibles revenue contribution including other revenue growth. *** Cigarette volume and value share. See Appendix A3. ^ Price/mix defined in Appendix A4.

Vuse: Global Vapour Category Leader

Continued strong value share* across T5 Markets
(c.75% of Industry Revenue)**



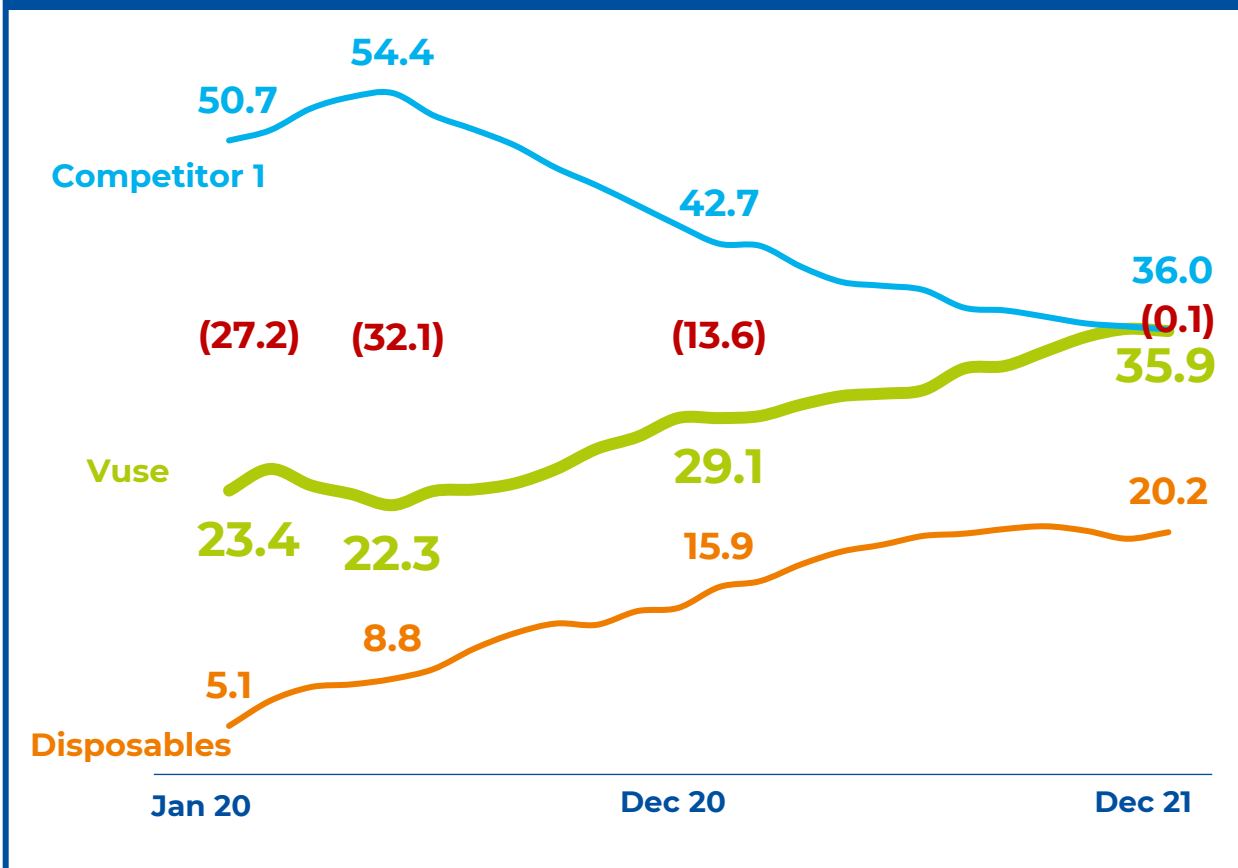
**First global carbon neutral
vape brand*****

**Continued device share^
leadership in all T5 markets****



Vuse: closes 27% value share point gap in just 2 years

Vuse US value share

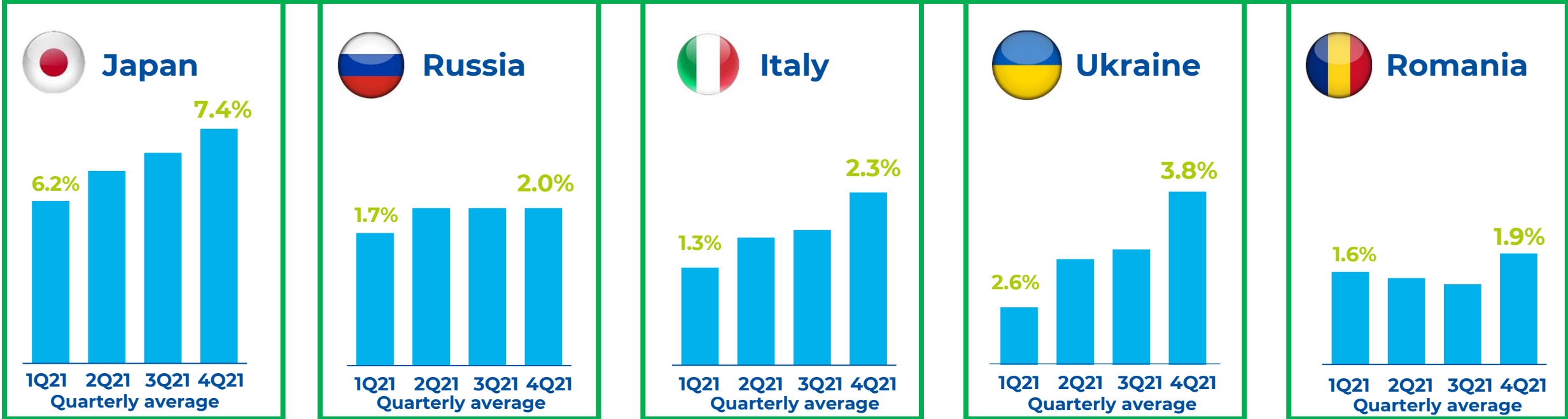


- Vuse value share reached 35.9% in Dec 2021
- Vuse achieved profitability in H2 2021*
- Number 1 device share, at 57.4% FY21
- First of its kind US FDA marketing authorisation for Vuse Solo Original Flavour
- US Vapour Industry returning to growth, up c.20%

Vuse value share leadership in 27 states in Dec 2021

glo: Hyper continues to accelerate share growth

Record glo Nicotine* Share in many key markets (c.80% of Industry Revenue)

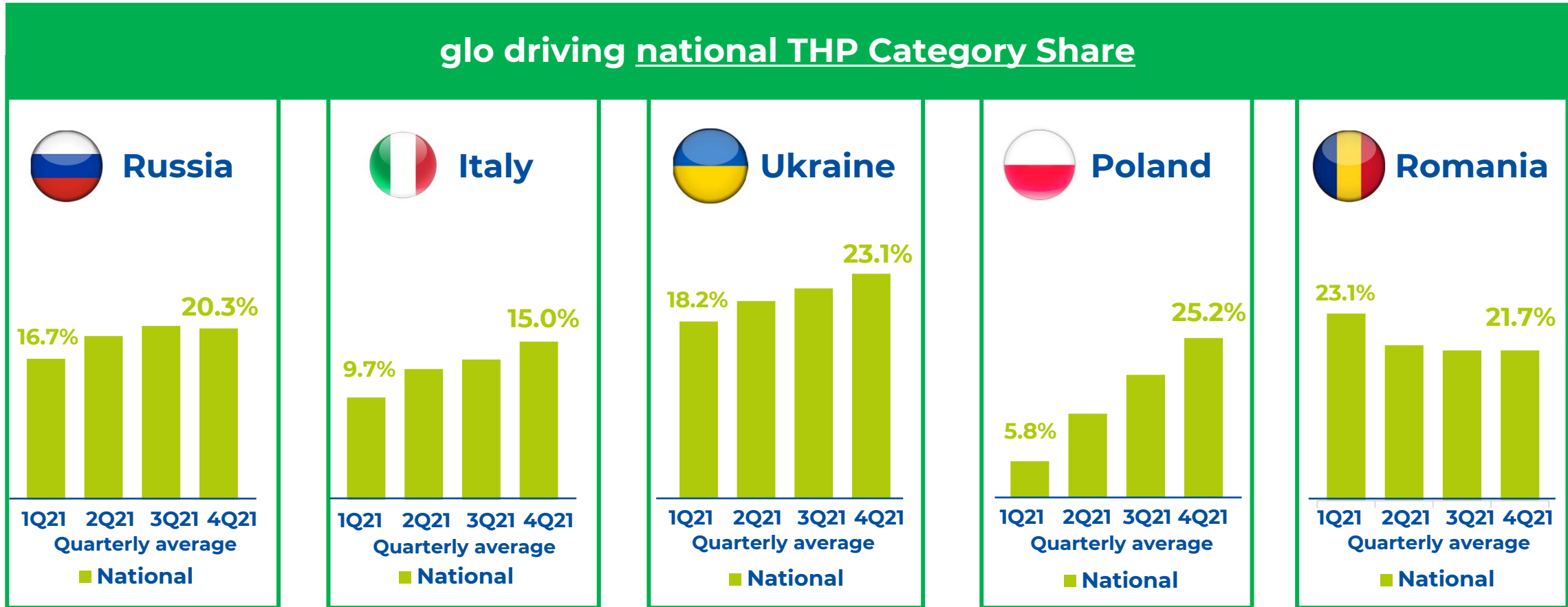


**Over 70% of volume
in glo Hyper**

**glo category share
up 480bps to 18%****

* Share of Cigarette + THP nicotine volume – monthly average of quarter share to Dec 2021. Japan – CVS-BC Vol. Share of FMC+THP+Hybrid; Russia – IMS (BAT+PMI) est. Vol. Share of FMC+THP; Italy and Ukraine - Nielsen Vol. Share of FMC+THP; Romania – Nielsen KA Vol. share of FMC+THP. See Appendix A3 for Volume share definition. ** Across Top 9 THP markets: Japan, South Korea, Russia, Italy, Germany, Romania, Ukraine, Poland and Czech Republic. T9 represent c.80% of THP industry revenue.

glo: Hyper accelerates volume and revenue growth in ENA

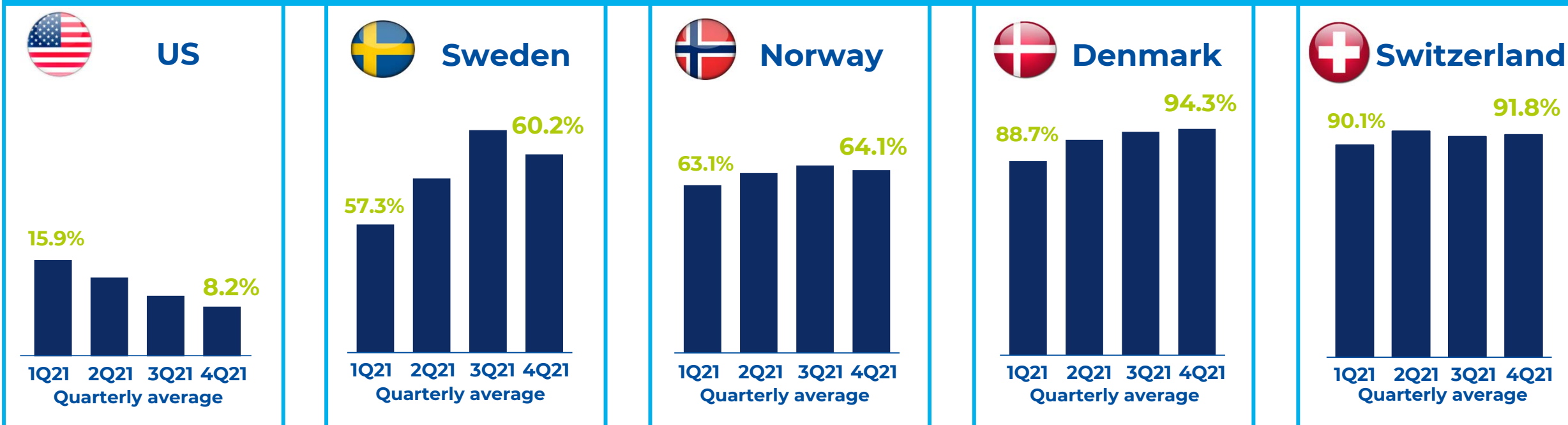


glo volume growth rate 5x THP category growth rate

glo category share in ENA up 930bps to 16.6%

Velo: Extending international leadership*

Continued Share Growth Across Key** Markets (c.80% of Industry Revenue)

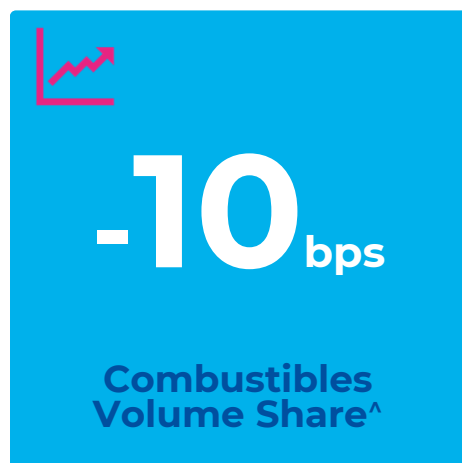
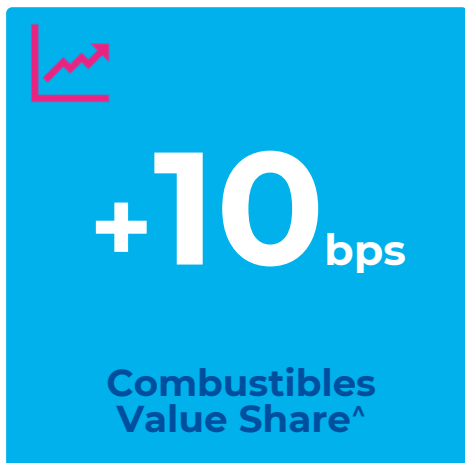


Accelerating global volume growth, up 71%

Leader in 15 of 17 ENA markets

* Volume share leadership in Top 5 markets. Velo is volume share leader in 4 of the international top 5 (i.e. excluding the US). ** Key markets: Sweden, Norway, Denmark, Switzerland, US and now excludes Germany. Volume share of Modern Oral category – monthly average of quarter share to Dec 2021. See Appendix A3 for Volume share definition. Includes EPOK/LYFT brands in ENA. Velo brand represents over 50% of FY21 Modern Oral markets. Continue to migrate remaining EPOK, LYFT brands into H1 2022.

Combustibles: Delivering value growth



[^] Share growth versus FY20. Cigarette share. See Appendix A3 for share definitions. Source: Company data. * On a constant rate basis. See Appendix A2. ** Price/mix defined in Appendix A4. The BAT Group does not own all brands featured in this presentation in all markets, e.g. BAT is the owner of Newport, Camel and Natural American Spirit in US only.

Regional Overview

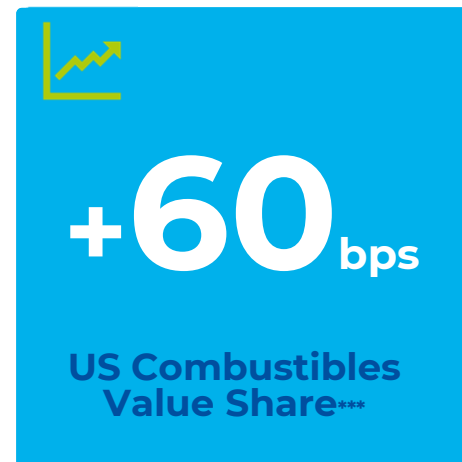
	New Category Revenue*	Revenue*	Cigarette + THP Value Share**	Adjusted Profit from Operations*
US	+53.3%	+9.2%	+60bps	+9.7%
ENA	+80.3%	+7.3%	Flat	-1.0%
APME	+14.2%	Flat	Flat	-1.1%
AMSSA	+113.8%	+7.8%	-70bps	+4.3%
Group	+50.9%	+6.9%	+20bps	+5.2%

* Constant rate basis. See Appendix A1-A2. ** Value share of cigarettes + THP v FY20, Value share of cigarettes only in US and AMSSA. See Appendix A3.

Source: Company data.

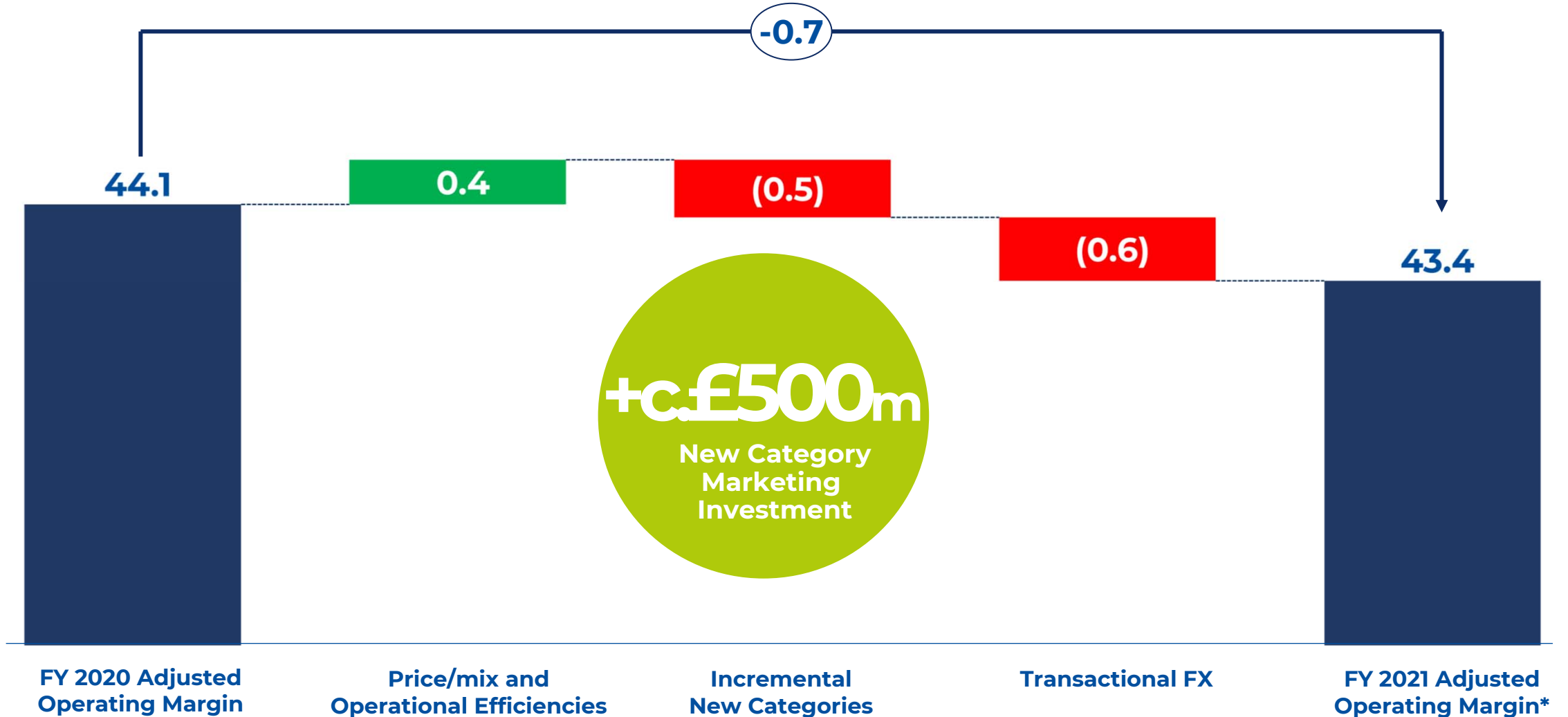


US: Continued strong performance



- Total Nicotine value share now 36%**
- Vuse close to value share leadership
- Strong value growth from combustibles enabled by Revenue Growth Management
- Strong growth in premium brands Newport and Natural American Spirit

Group Operating Margin: Strong operational performance funding New Category investment



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

Together with c.£100m reduced losses* from New Categories driven by growing scale

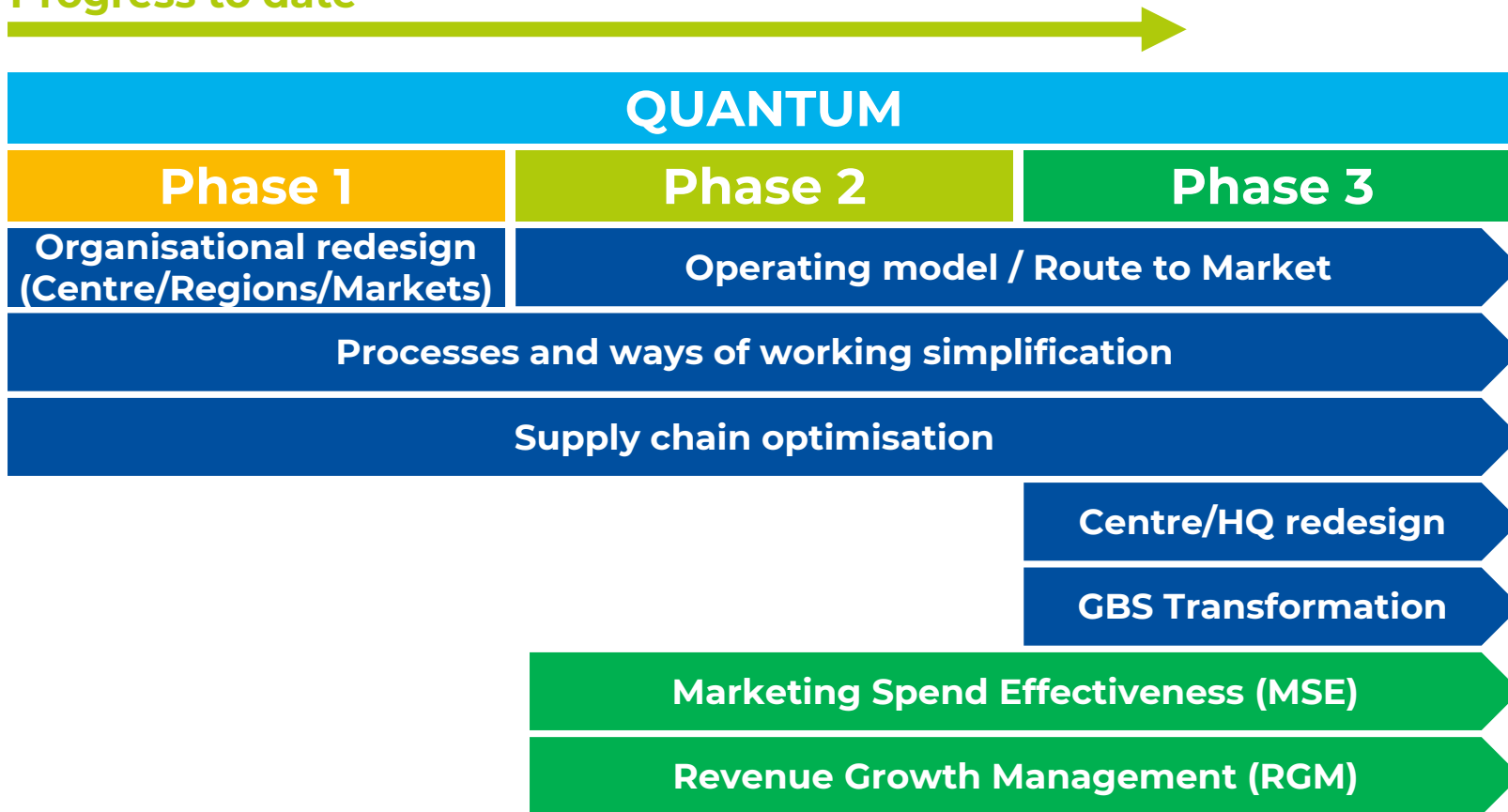
Improved Trade Margin**	<ul style="list-style-type: none">• Vuse Trade Margins improved by 31%
Reduced Cost of Goods	<ul style="list-style-type: none">• Further scale benefits• c.£220m productivity savings*** delivered in 2021• Vuse Cost of Goods reduced by 22% driven by automation
Marketing Spend Effectiveness (MSE)	<ul style="list-style-type: none">• Revenue Growth Management• Leveraging big data analytics• Consumer acquisition cost reduction<ul style="list-style-type: none">• Vuse 47% improvement• glo 25% improvement• Velo 28% improvement

Vuse achieved US profitability in H2 2021
A key milestone in our Pathway to Profitability by 2025*

Quantum: c.£1.3bn Total Savings delivered

Generating funds to reinvest in New Categories and Simplifying the organisation

Progress to date



c.£1.3bn

Savings delivered
12 months early

On track to deliver at least

£1.5bn by 2022*

~40%

Reduction in number of DRBUs

80%

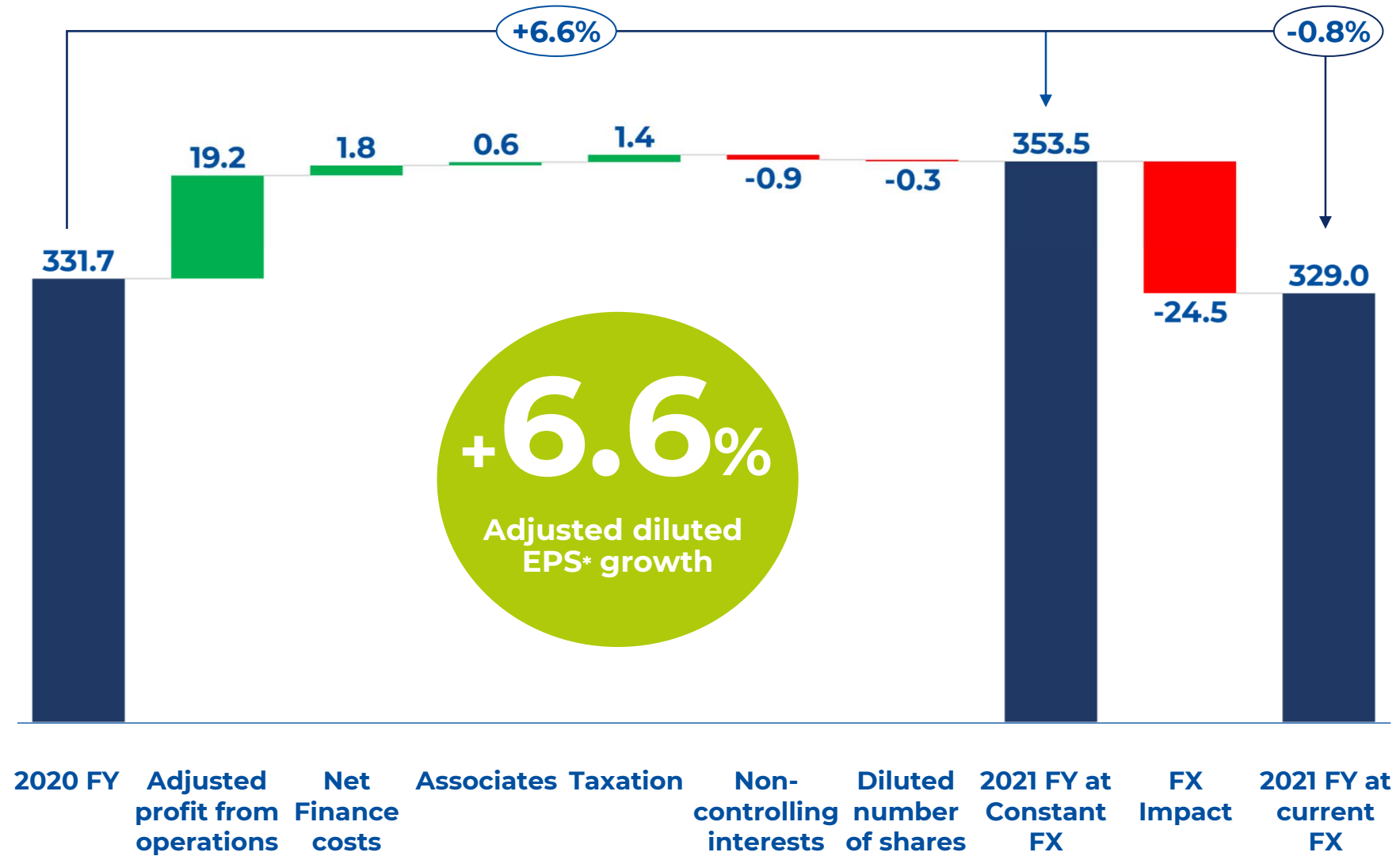
Revenue and New Categories
investment coverage by RGM
and MSE capabilities

EPS*: Growth up +6.6%

FY EPS* growth benefitting from:

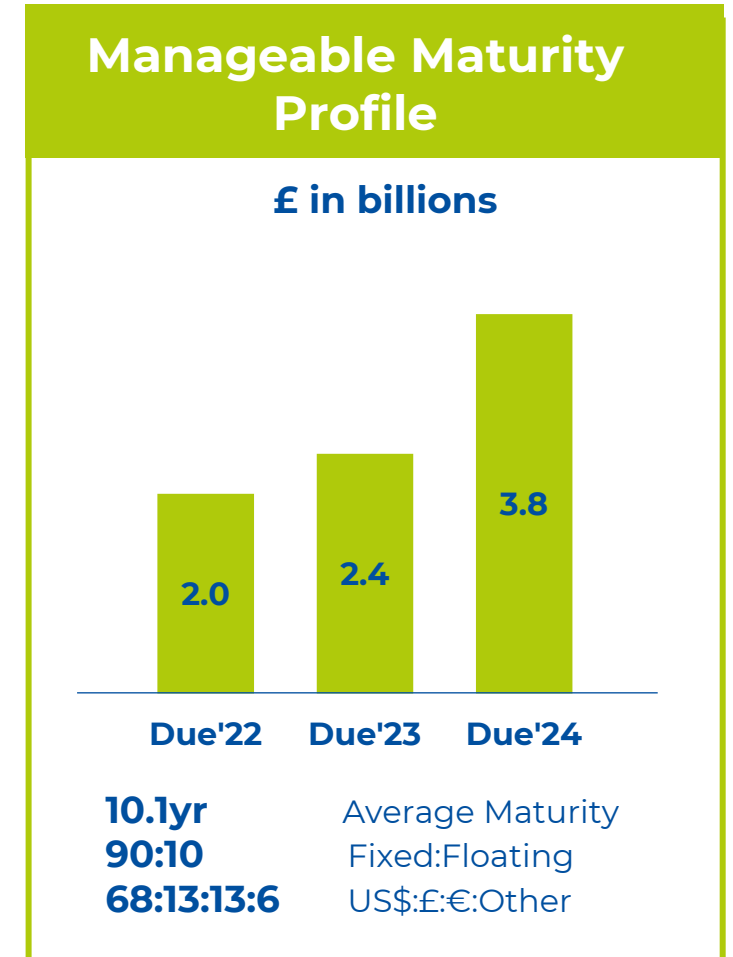
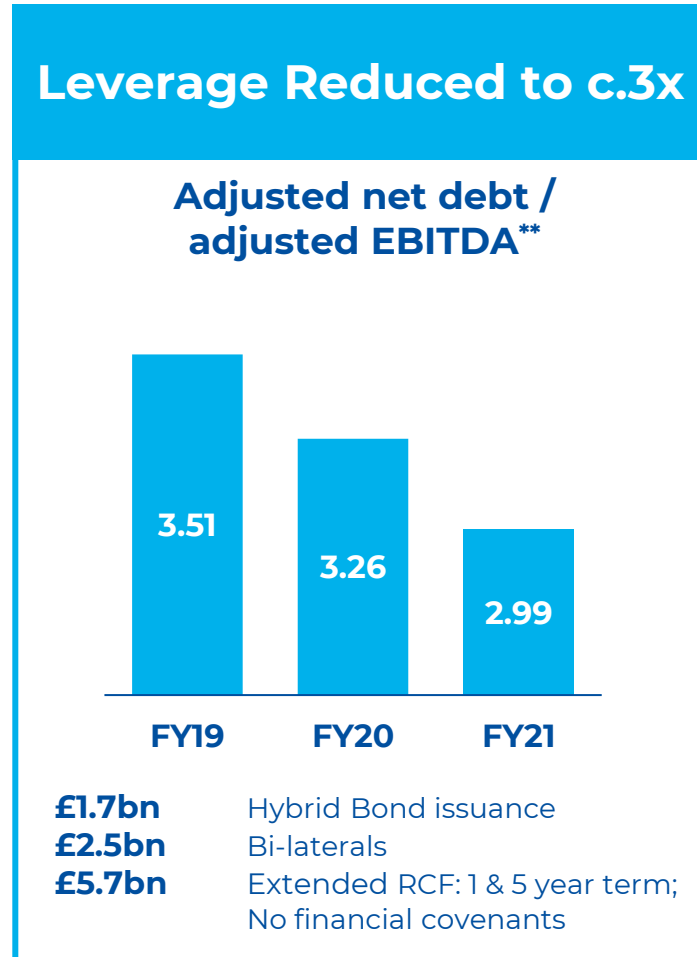
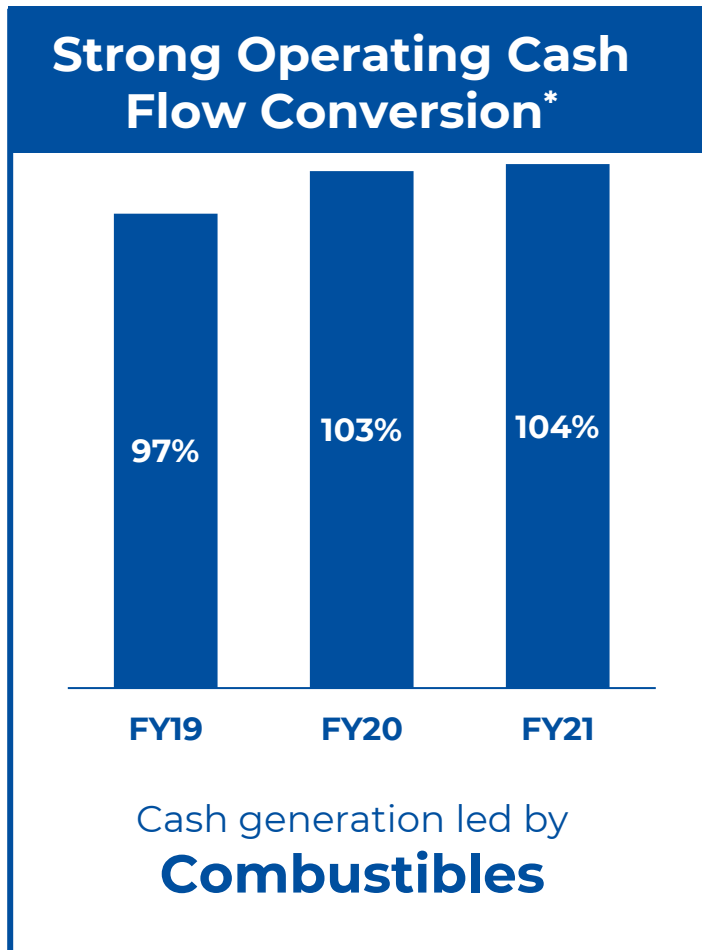
- > Operational performance growth
- > Reduction in Net Finance Cost
- > Reduction in underlying tax rate to 24.7%
- > Increase in Associate Income driven by partial COVID recovery in ITC

FX translation headwind -7.4%



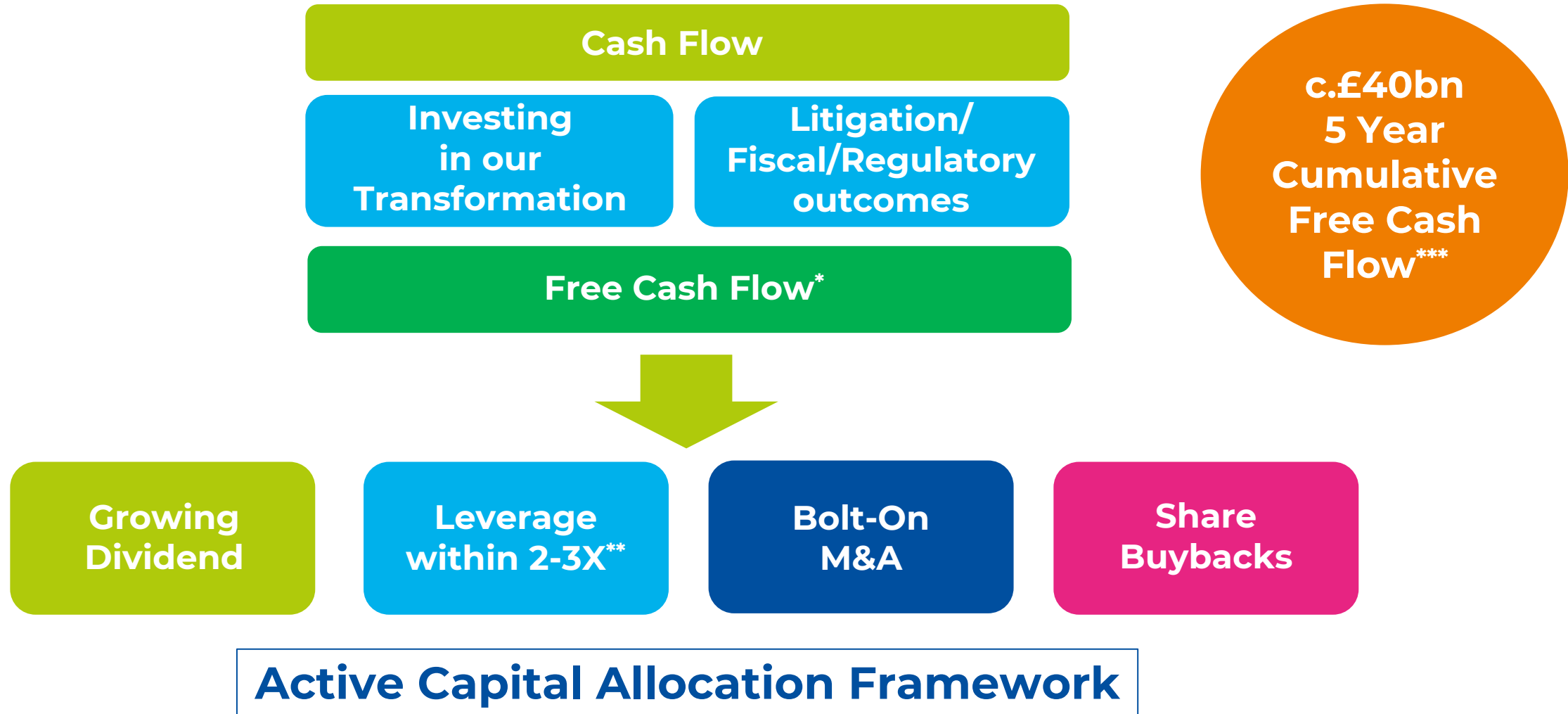
* Adjusted, diluted, EPS at constant rates. See Appendix A1 & A2.

Cash and Deleverage: c.3x target reached with strong cash conversion



* See Appendix A1 and A9. ** Adjusted net debt to adjusted EBITDA at current rates. See Appendix A1.

Committed to shareholder returns, with £2bn 2022 buyback



* Free cash flow before dividends. See Appendix A1 and A8. ** Adjusted net debt to adjusted EBITDA at current rates. See Appendix A1. ***Ambition over the next 5 years. Pre-dividend payments. See Appendix A1 and A8.

FY 2022 Guidance: Returning to HSF EPS growth



3-5%
Revenue Growth*



High Single Figure (HSF)
EPS Growth**



Jack Bowles

Chief Executive



We are Building A Better Tomorrow™



*To reduce the
health impact
of our business[^]*

- ✓ **Delivered the pivotal year in our journey**
- ✓ **We have accelerated our transformation**
- ✓ **We are on track for our key ESG targets:**
 - **£5bn New Category Revenue and profitability by 2025**
 - **50mn Non-Combustible Product Consumers* by 2030**
 - **Carbon Neutrality from our operations by 2030****
 - **Net zero value chain emissions by 2050*****

We are entering the next phase of our journey – Faster Transformation

£5bn
New Category
revenue and
profitability by
2025*

Beyond
Nicotine
opportunities

3-5% Group
Revenue
Growth***

High-Single
Figure
EPS^ growth

Cumulative
free cash
generation
c.£40bn**

Medium term outlook

We are delivering A Better Tomorrow™



From

To



50 million consumers of non-combustible** products by 2030



£5bn New Category Revenue by 2025



Carbon neutral Scope 1&2 by 2030***



Net zero value chain emissions by 2050***



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

* Beyond refers to Wellbeing & Stimulation Beyond Nicotine. Expected target market for consumer acquisition is existing adult smokers/nicotine/beyond nicotine users. ** Consumers of Non-combustible products definition. See Appendix A6. *** Environmental targets, net zero across scopes 1, 2 and 3. See Appendix A5. ^ Capable of being reusable, recyclable or compostable.



Preliminary Results 2021: Q&A

Jack Bowles – Chief Executive | **Tadeu Marroco** – Finance and Transformation Director

Top BAT Market Share Movements (1)



Market	SOM FY21 (%)	Movement (ppt)
Australia	40.7	(1.2)
Bangladesh	85.5	7.2
Belgium	25.2	0.2
Brazil	73.9	(1.1)
Canada	47.3	(0.9)
Chile	96.7	0.0
Colombia	55.9	1.3
Czech	20.9	0.8
Denmark	67.6	(1.8)
France	14.8	(1.1)
Germany	20.3	0.2

Market	SOM FY21 (%)	Movement (ppt)
Indonesia	2.5	(1.5)
Italy	17.8	0.0
Japan	20.1	1.3
KSA	27.3	(3.9)
Malaysia	52.4	0.8
Mexico	36.5	(0.6)
Netherlands	20.2	(0.4)
New Zealand	66.2	(4.5)
Pakistan	77.6	1.3
Poland	26.2	(1.6)

Top BAT Market Share Movements (2)



Market	SOM FY21 (%)	Movement (ppt)
Romania	57.9	(0.5)
Russia	23.5	0.3
South Africa	73.4	(3.1)
South Korea	12.2	0.0
Spain	10.0	(0.4)
Switzerland	33.2	(0.2)

Market	SOM FY21 (%)	Movement (ppt)
Taiwan	11.3	0.5
Turkey	26.5	0.7
UK	8.1	(0.5)
Ukraine	26.5	0.2
USA	34.38	(0.36)

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 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: Poly-usage

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

A8: 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.

A9: 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.