



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

Interim Results 2023

Tadeu Marroco – Chief Executive | **Javed Iqbal** – Interim Finance Director

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In particular, among other statements: (i) certain statements in Tadeu Marroco's section (slides 12-14, 17, 18 and 20-22); (ii) certain statements in Javed Iqbal's section (slides 24, 26, 27-29, 30, 33, and 37-40).

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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Important Information



Forward-looking Statements (continued)

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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.

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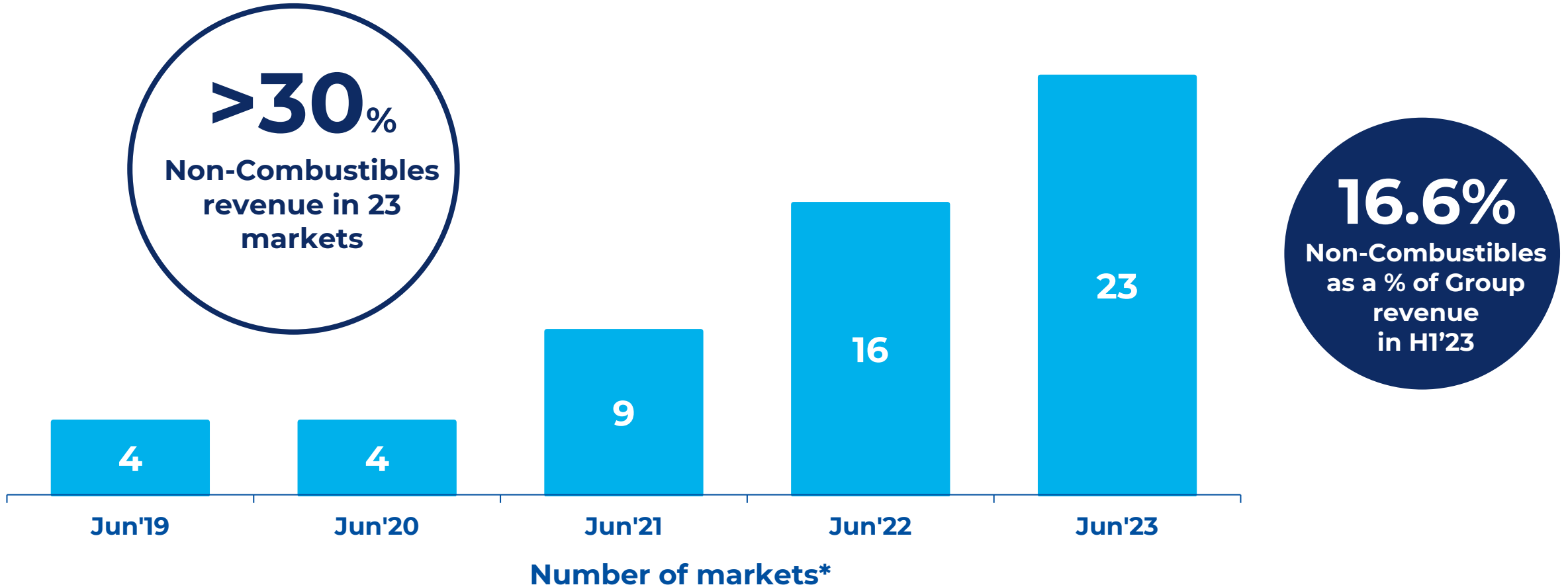
Resilient H1 performance, on track for Full Year



	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

As we continue to transform rapidly

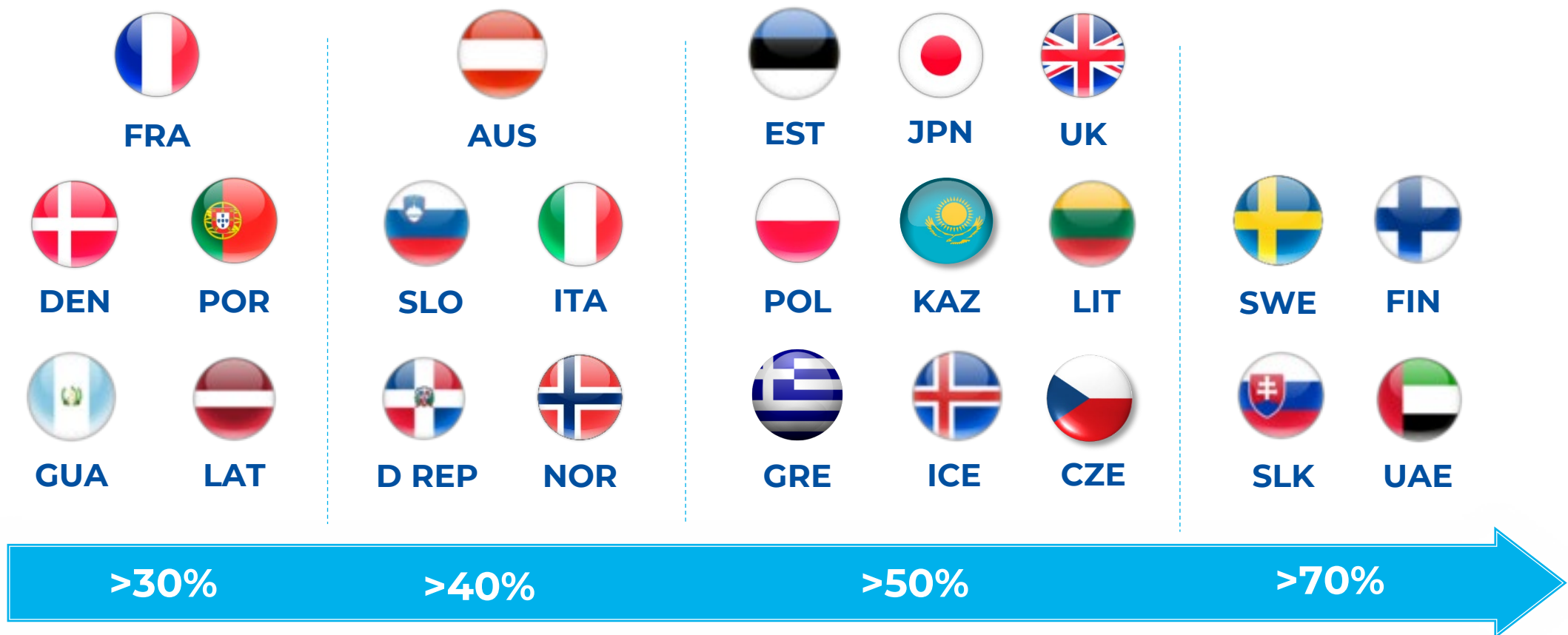


Reaching >30% Non-Combustibles revenue in 23 markets

*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.

10 weeks as Chief Executive

Interim Results 2023



Tadeu Marroco – Chief Executive

Refreshed Management team: aligned, focused, energised **BAT** A BETTER TOMORROW

Delivering Growth

Enabling Growth



Director, Legal Affairs & General Counsel
Jerome Abelman

Finance Director (Interim)
Javed Iqbal

Director, Talent, Culture & Inclusion
Recruitment underway

Director, Research & Science
James Murphy

President & CEO, Reynolds American
David Waterfield

Director, APMEA
Michael Dijanosic

Director, AME
Fred Monteiro

Director, Business Development*
James Barrett

Director, Corporate & Regulatory Affairs*
Paul McCrory

Marketing Director, Combustibles & New Categories
Luciano Comin

Director, Operations
Zafar Khan

Director, Digital & Information
Javed Iqbal

Building a culture that inspires and motivates

* Appointed with effect from 1 September 2023.

Reinforcing the power of our winning culture



Passionate teams and seamless operation at the Reynolds Operation Centre



Seeing first-hand how our colleagues around the world are shaping an inclusive culture



Market visits, showcasing our multi-category execution in action



Tour of the Warsaw Global Business Services Hub. RGM in action and simplification of supply chain operations*



“Belief in our BAT future was clearly demonstrated by everyone.”

We need to evolve to accelerate our transformation

Our unique set of strengths ...



**Deep cross-category
consumer insights**



Global footprint



**Proven multi-category
strategy**



**Established U.S. multi-
category business**



Leading brands



**Strong cash driving
sustainable dividend**

My 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

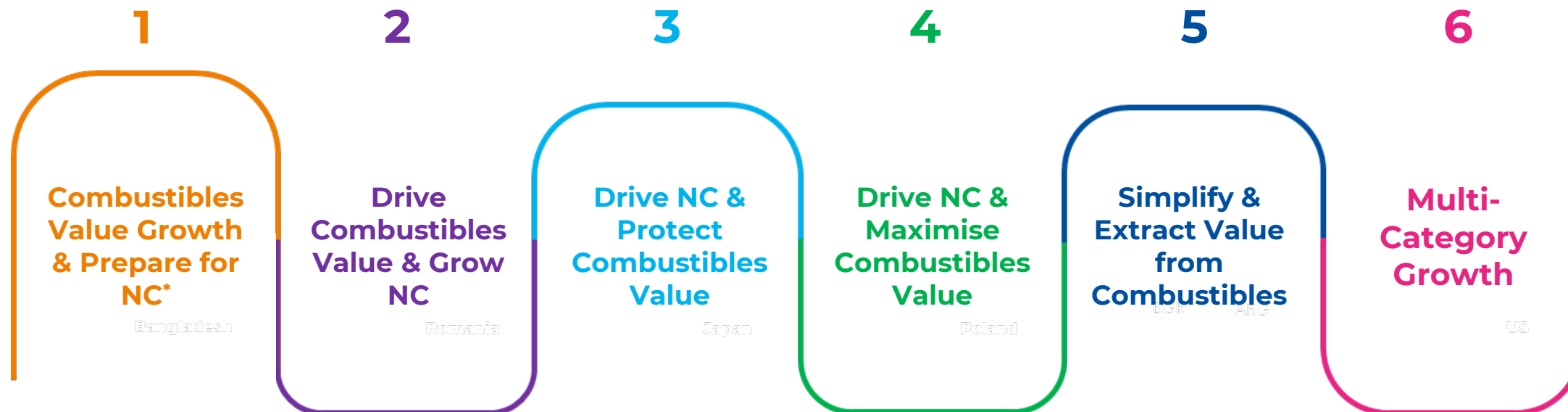
Enhance
financial
flexibility



Collaborative and inclusive culture



1. Sharpening execution:

Disciplined application of Market Archetypes



Fewer, larger, more targeted priorities

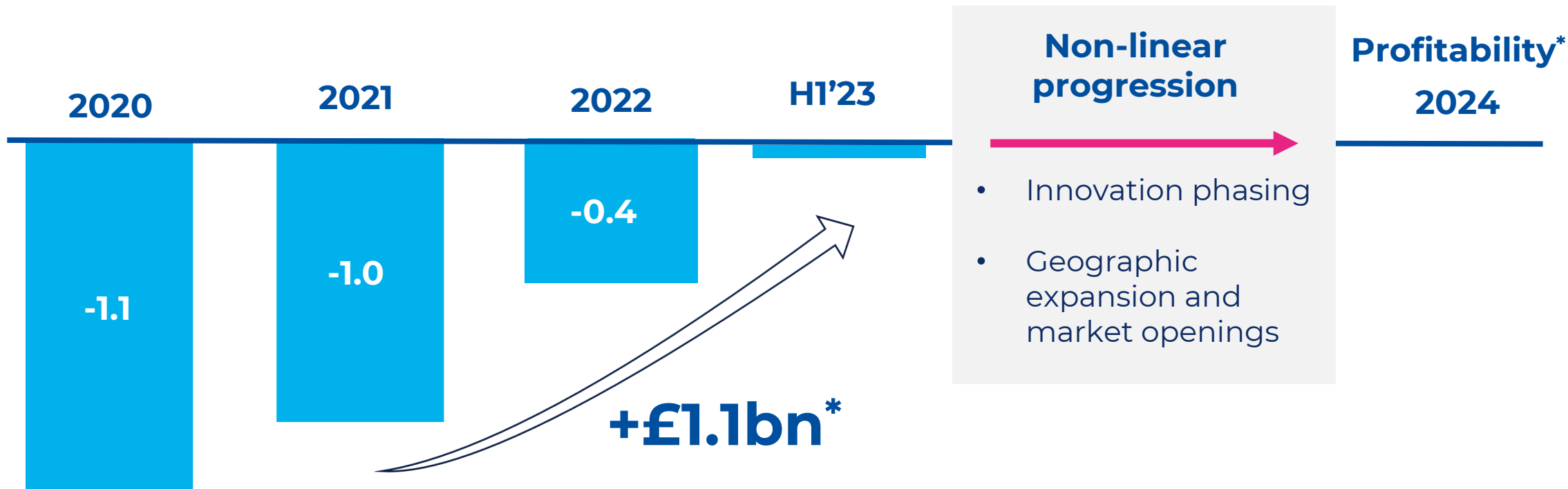
Improving delivery in key markets

	 Bangladesh H1'23 performance	 Poland H1'23 performance
	Combustibles	New Categories
Market share	Combustibles value +130bps to 88.3%	glo share** +1.3ppts to 32.5%
Revenue*	Combustibles +16%	New Category +44%
Gross Margin*	Combustibles +6%	New Category >100%
	New Categories	Combustibles
Market share	New Category regulatory uncertainty	Combustibles value +40bps to 24.8%
Revenue*	Engaging with Regulators	Combustibles +10%
Gross Margin*	-	Combustibles +6%

We will replicate this sharper execution across our footprint

2. Continuing to improve New Category profitability

New Category contribution (£bn)

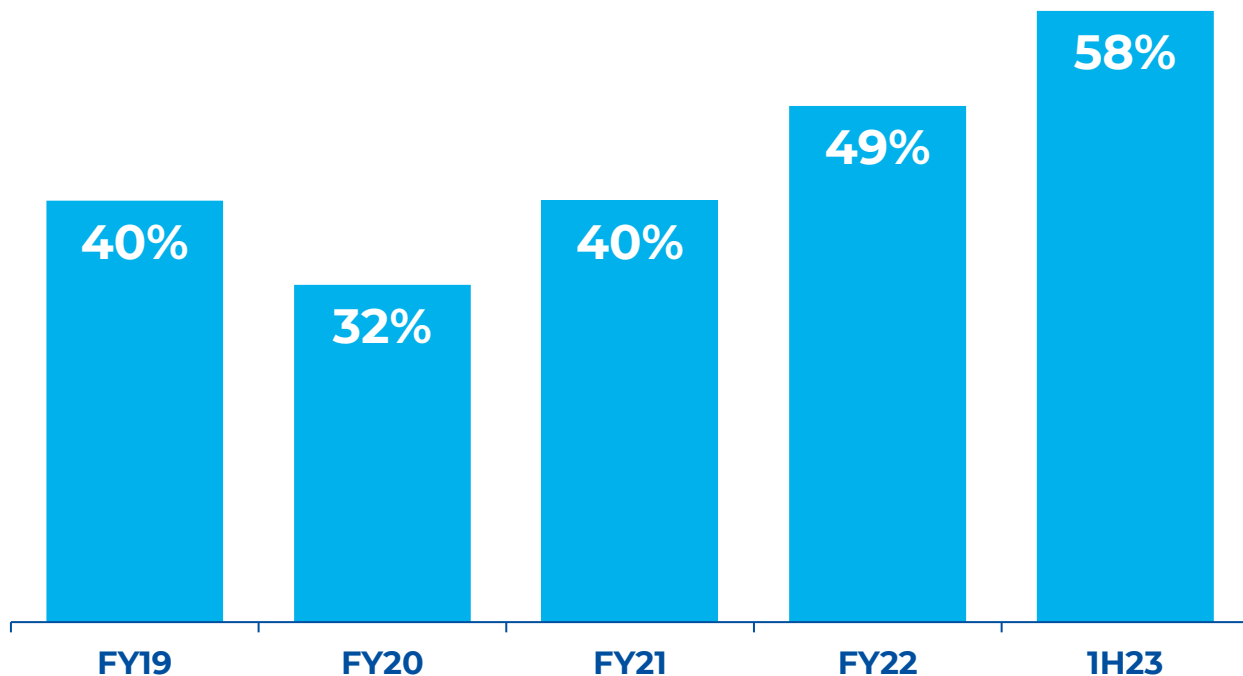


On track to deliver New Category profitability* in 2024

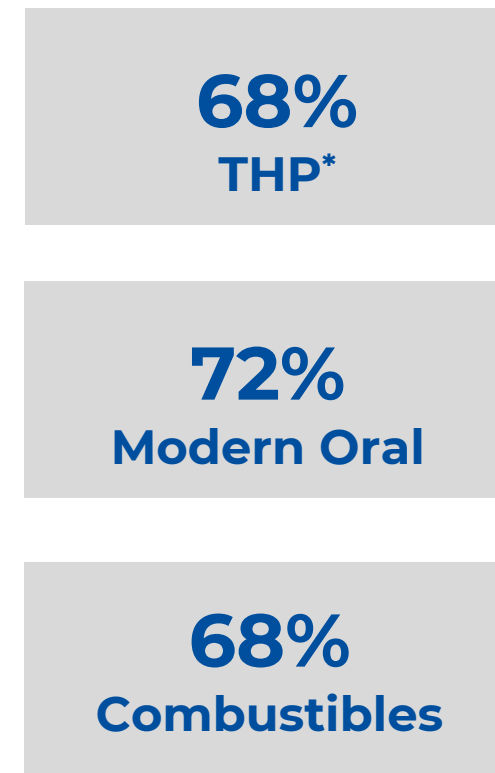
* Profitability at category contribution level: Profit from operations before the impact of adjusting items and translational foreign exchange, having allocated costs that are directly attributable to New Categories. See Appendices A1 & A2.

Vapour profitability** a key driver of our performance

Vapour Gross Margin* % progression

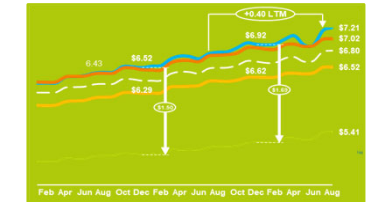
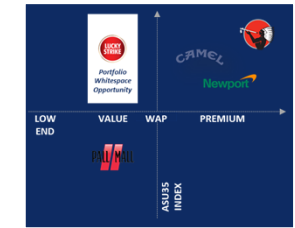
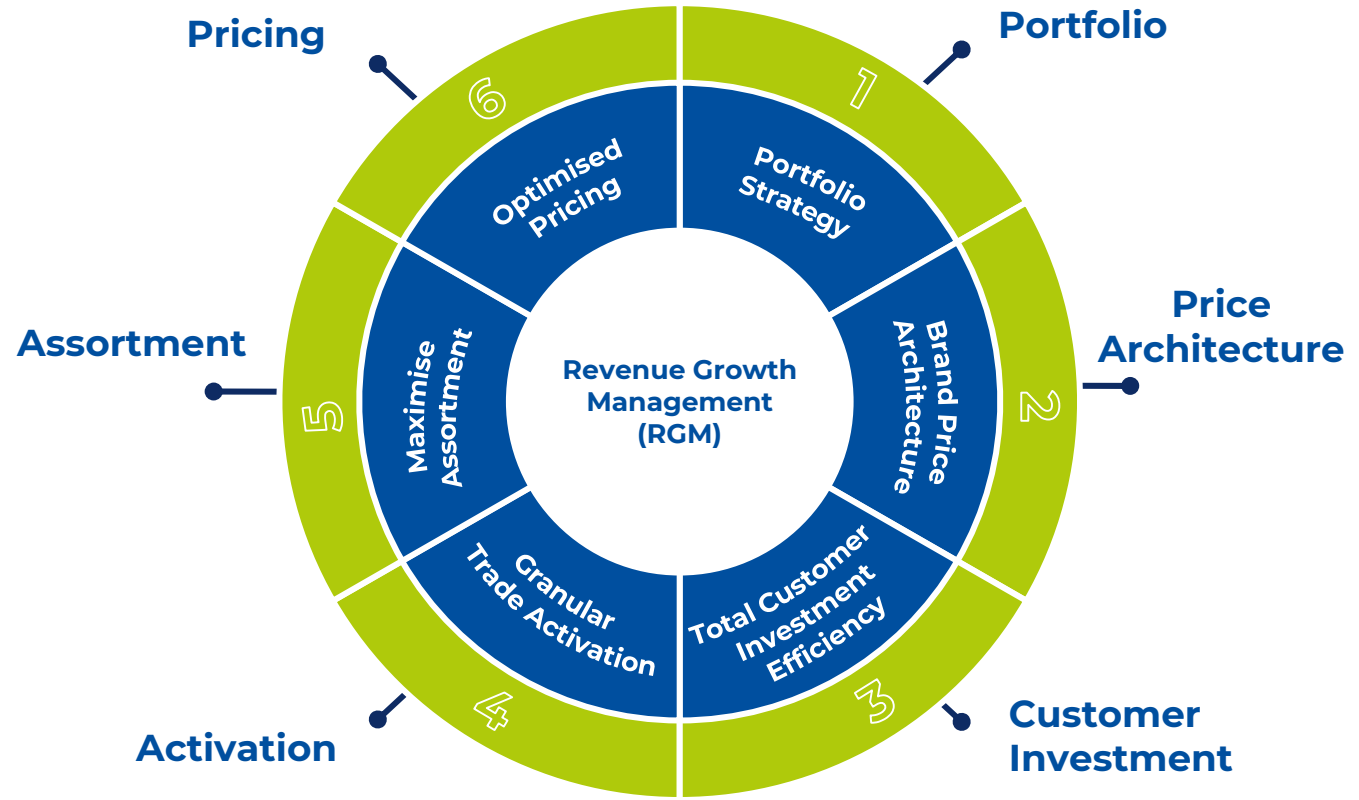
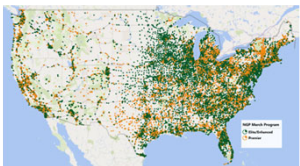


H1'23 Gross Margins



Building sustainable multi-category profit and returns

3. Driving consistent U.S. Combustibles value growth



Sharpening our execution through data-driven commercial plans

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

4. Significantly strengthening THP

GLOBAL DEVICE DEVELOPMENT CENTRE

Opened Sep. 2022 – Shenzhen, China



GLOBAL INNOVATION CENTRE

Opens Dec. 2023 – Southampton, UK



INNOVATION HUB

Opened Jun. 2023 – Trieste, Italy



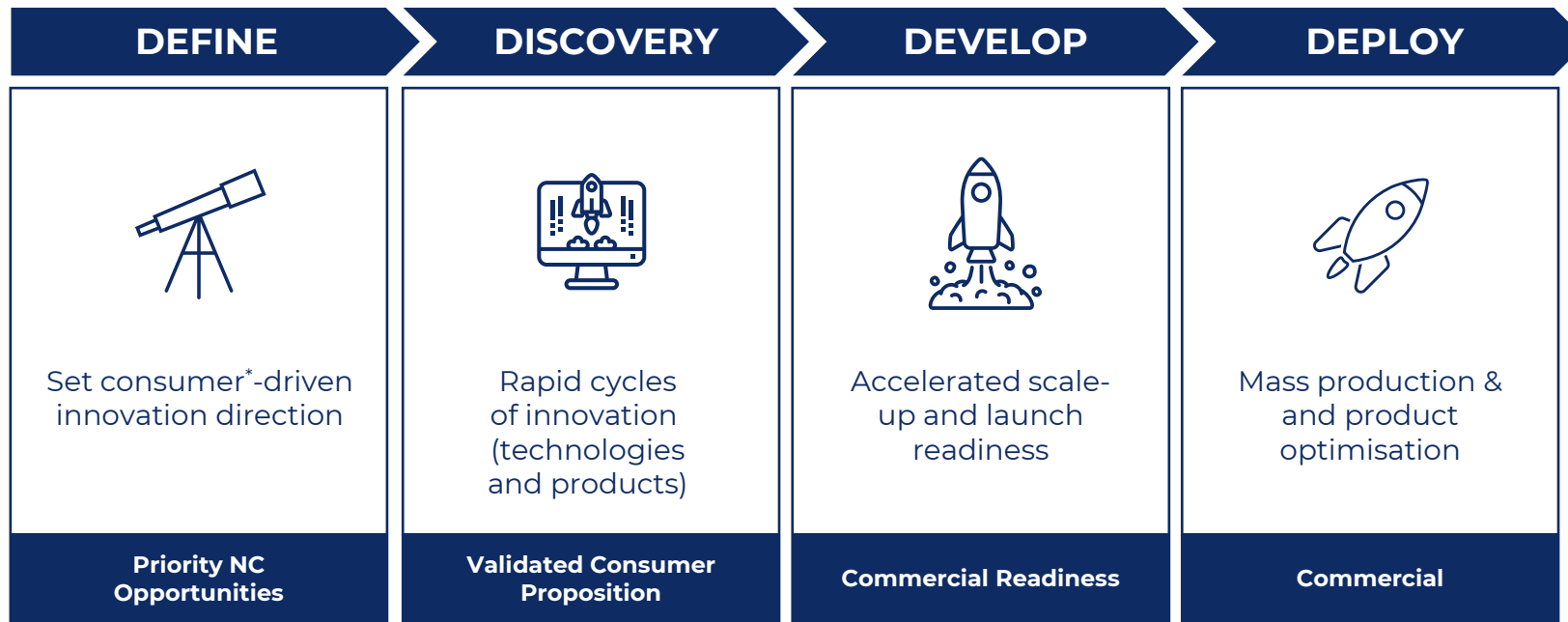
glo Hyper X2 Air is a first step in our enhanced innovation pipeline over the next 18 months



- Enhances Hyper offering
- Ultra slim card-like shape
- Our lightest device ever, 25% lighter than X2
- Same X2 functionalities
- Improved COGS

Rapidly developing our capabilities

Accelerating innovation cadence across New Categories



ACTIVE PORTFOLIO MANAGEMENT

Enhanced product lifecycle management



* See Appendix A10.

5. Lead responsible New Category development



Proactive, science-driven approach to external affairs

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*

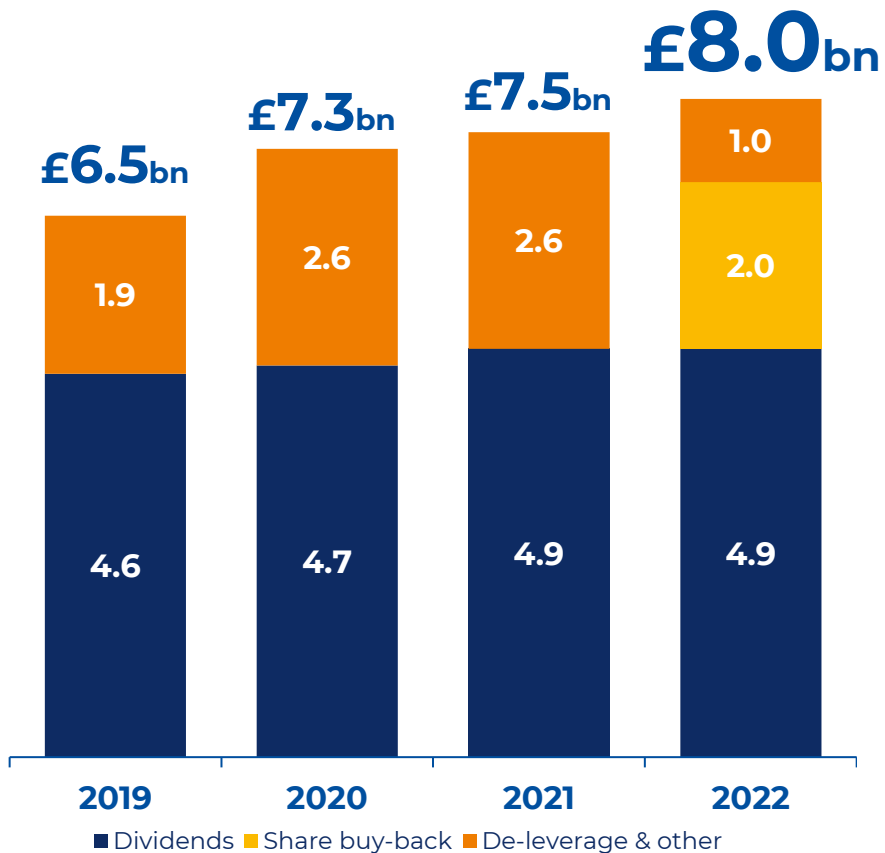


- Enhance balance sheet flexibility
 - Lower cost of funding over the long term
 - Enable sustainable shareholder returns
-
- *Attractive dividends and share buybacks*

* 2-3x Adjusted net debt to adjusted EBITDA at current rates. See Appendix A9.

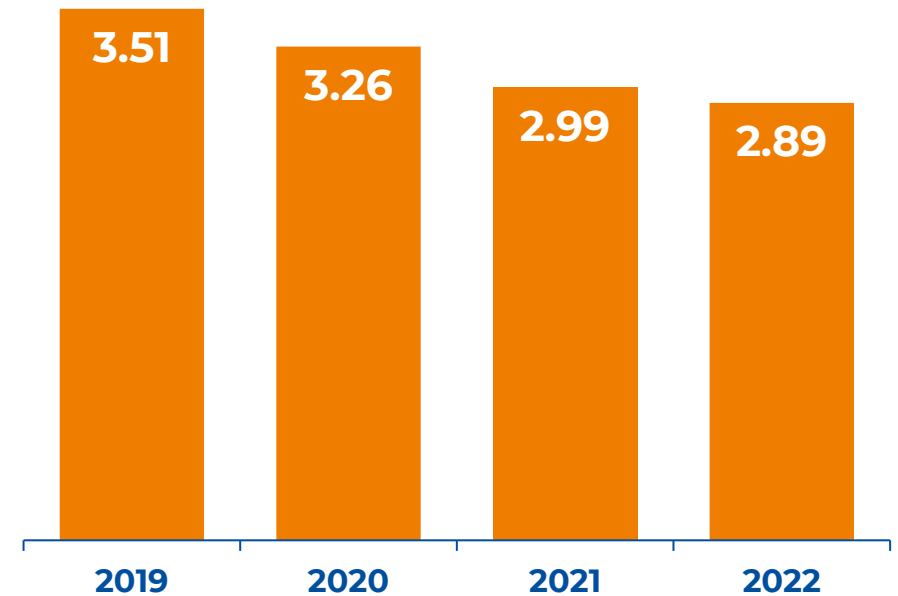
Rewarding shareholders with a growing dividend

Allocation of free cash flow*



£21bn
cash returned to shareholders

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



c. £40bn cumulative free cash flow over next 5 years

* Free cash flow at current rates. See Appendices A1 & A5. ** Adjusted net debt to adjusted EBITDA at current rates. See Appendices A1 & A9.

H1 results – Confident in FY23 guidance

Interim Results 2023

Javed Iqbal – Interim Finance Director

Javed Iqbal – Values and focus

27+ years career at BAT

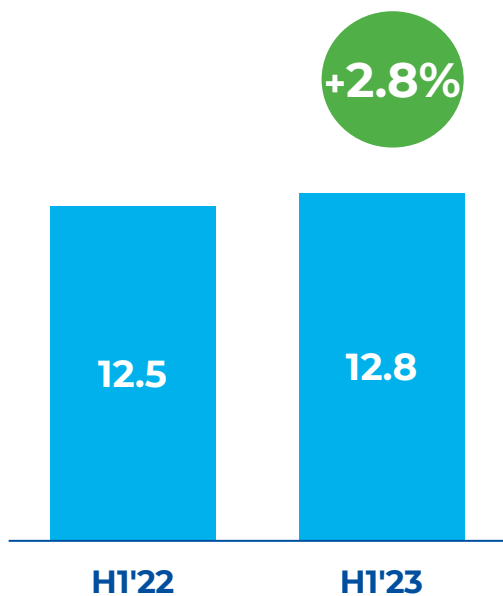
- **Diverse roles and locations**
 - Director, Digital and Information
 - Area Director, Middle East, South Asia and North Africa
 - CEO Pakistan
 - Finance Director
 - Commercial Finance

My focus areas and working style

- **Proud of my/BAT values and heritage**
 - Respect and empowerment
- **Sharpen resource allocation**
 - Digital tools (MSE*, RGM), Digital Hubs, Global Business Services
 - Digitally connected organisation
- **Focus on cash generation**

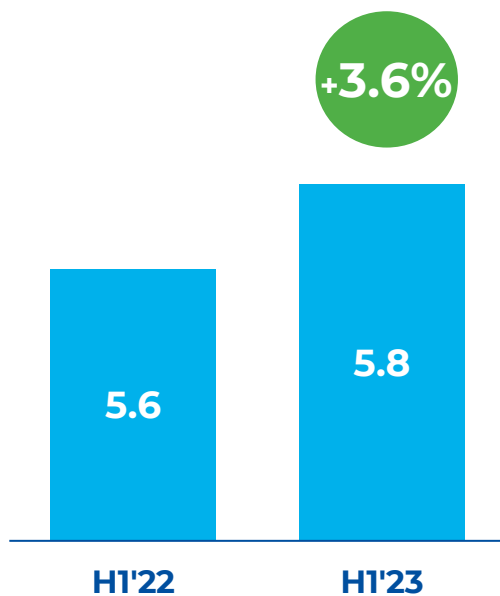
Adjusted results demonstrate continued delivery

Organic Group Revenue*



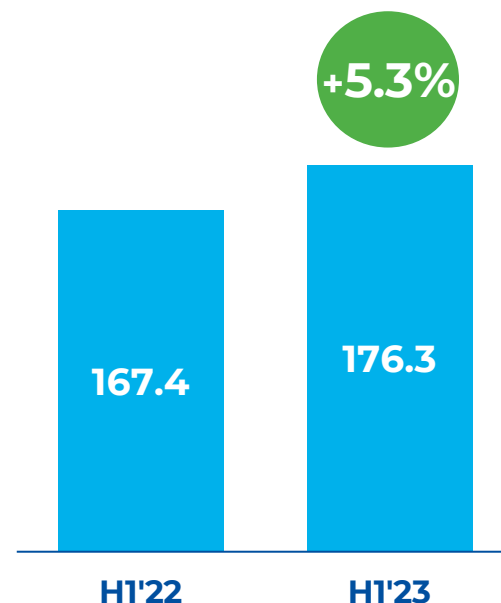
+4.2%
5 yr CAGR***

Adjusted Operating Profit**



+4.6%
5 yr CAGR***

Adjusted Diluted EPS**

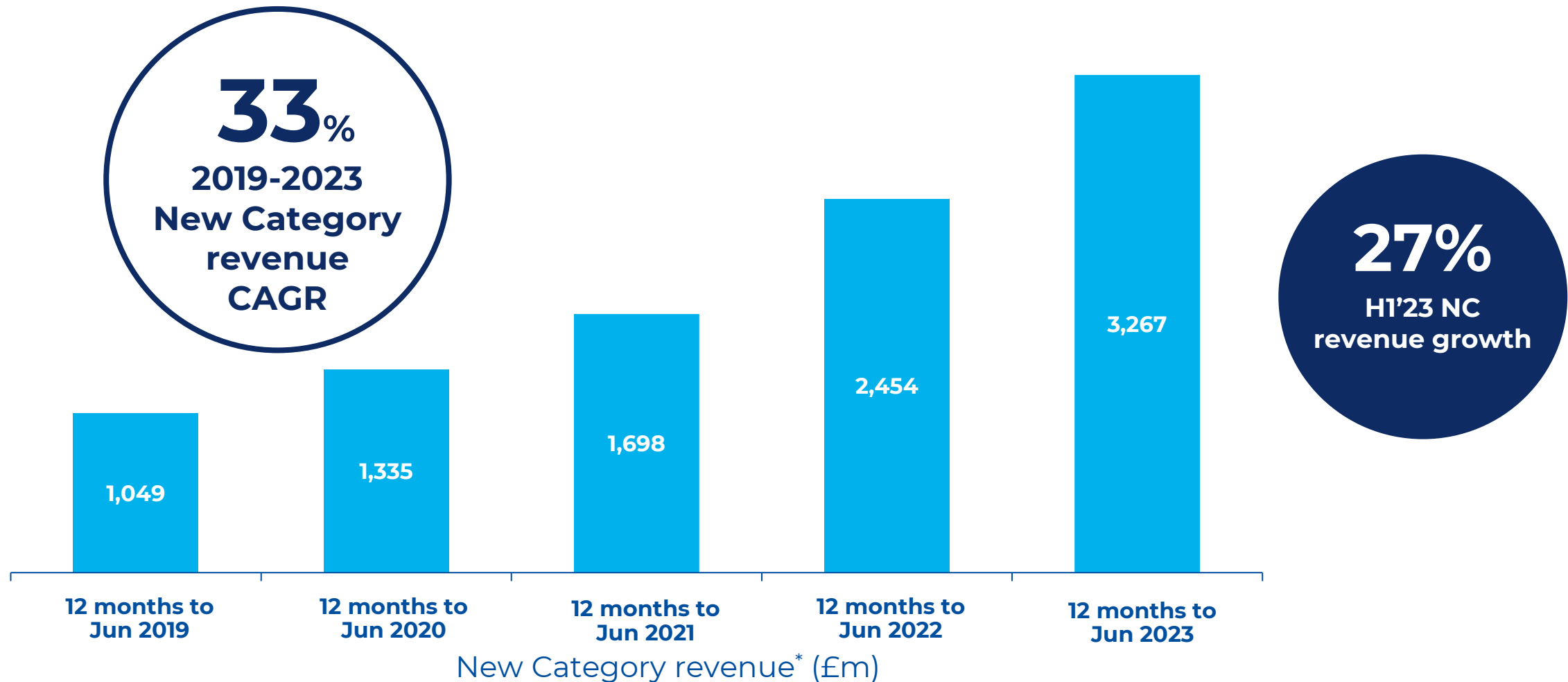


+6.2%
5 yr CAGR***

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**

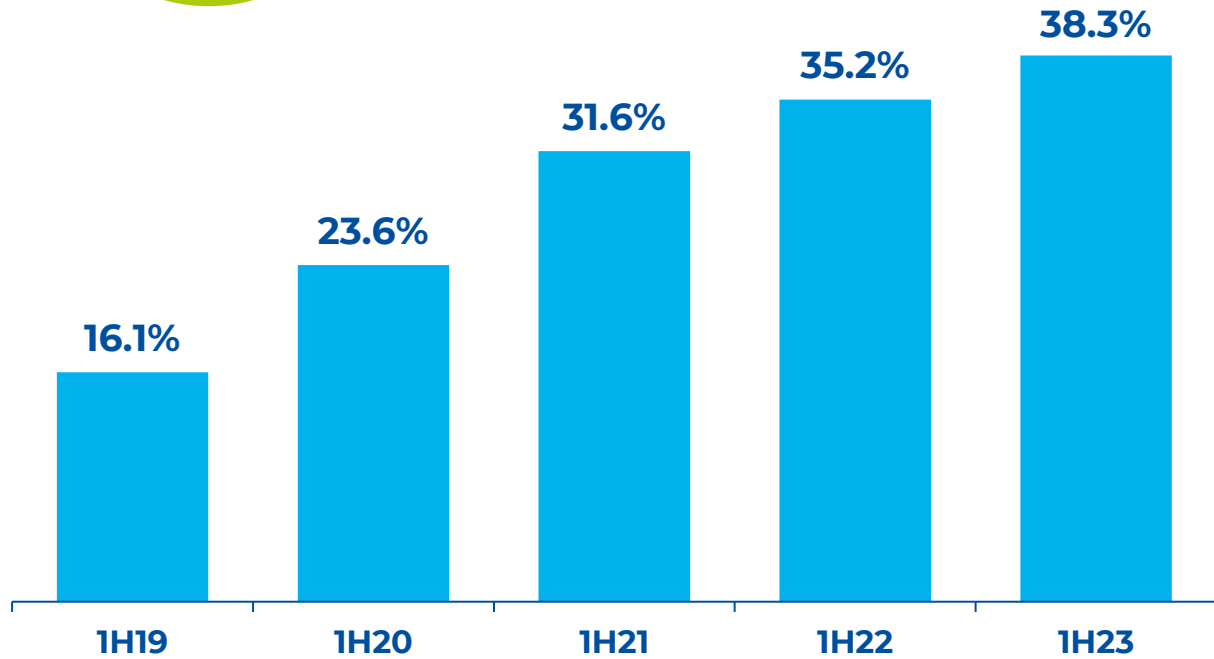
Delivering strong New Category revenue momentum



Confident in delivering £5bn New Category revenue in 2025

Clear Vapour leadership with Vuse**

+240bps
Value share
HY23 vs FY22



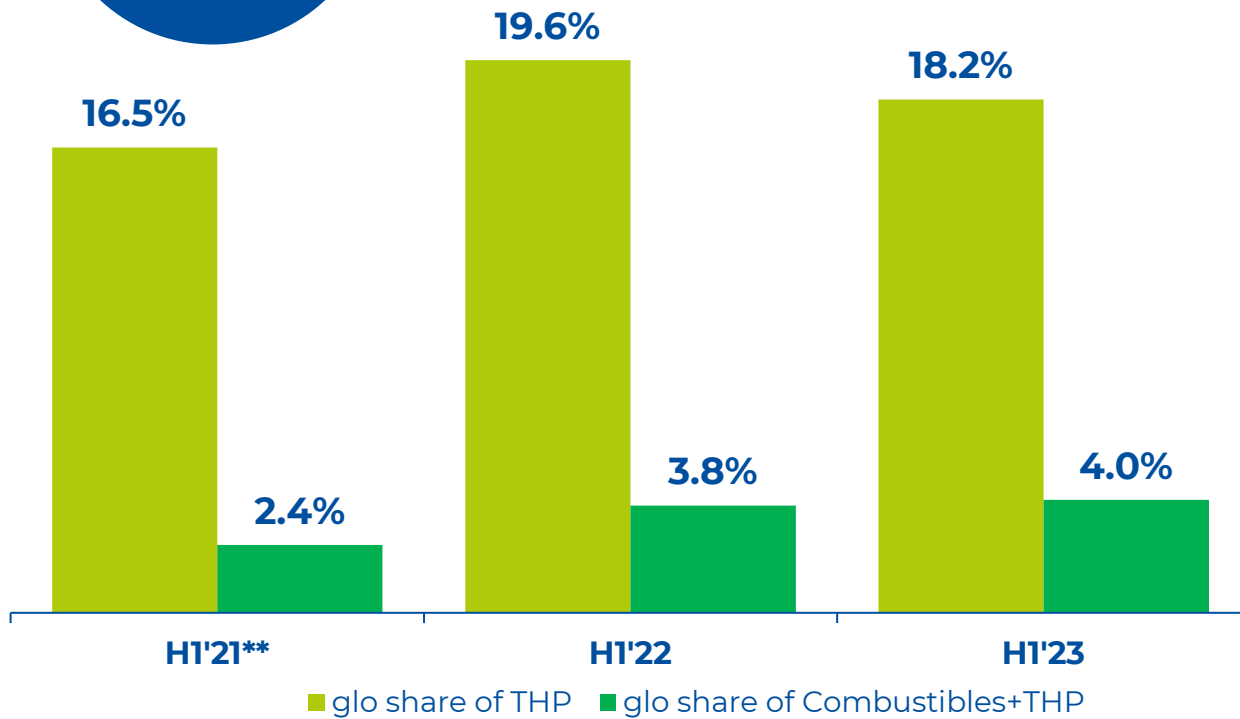
Vuse value share of total Vapour in key markets**

Vapour revenue up 36%*

- **Vuse extends U.S. leadership*****
 - Value share 46.7%, +5.7 pts
 - Leading in 36 states
- **Continued progress driving profitability^**
 - Positive contribution 3 of 5 key markets
- **Vuse Go now available in 46 markets**
 - Unlocking emerging markets, incl.: Peru, Paraguay, Colombia
- **Approaching growing modern disposables segment in a responsible way**

Activating commercial plans with glo

-110 bps
Volume share
HY23 vs FY22



glo volume share in key THP markets***

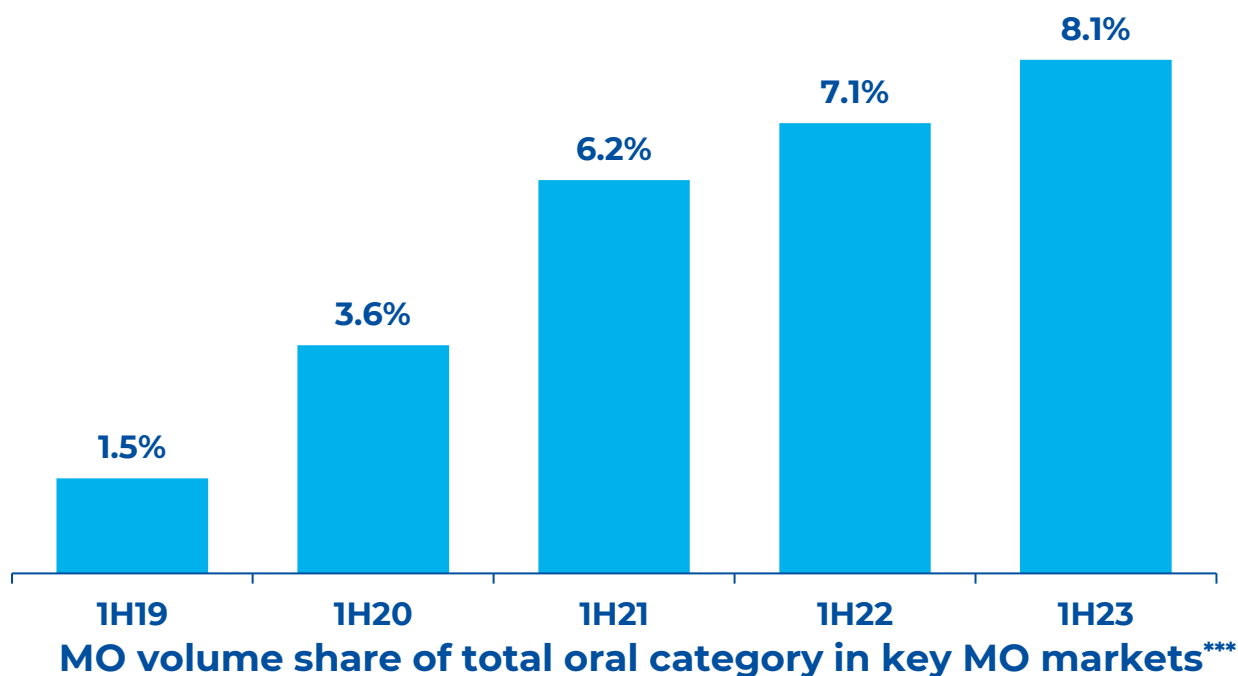
glo revenue up 10%*

- **Activating commercial plans in highly competitive markets in Japan and Italy**
- **Continued good momentum in key AME THP markets, including:**
 - Poland and Czech Republic
- **Enhancing our innovation cadence**
 - Investing in new capabilities
 - glo Hyper X2 Air launched in 9 markets
 - Further roll-outs planned in H2
- **Expanded geo footprint to 33 markets**

* Revenue growth at constant rates. See Appendix A2. ** Historical data presented on a top 9 markets basis as reported in 2021. *** Share of Combustibles + THP and THP volume. Across top 12 THP markets: Japan - CVS-BC, South Korea - CVS, Italy - Nielsen IQ, Greece - Nielsen IQ, Hungary - NDN, Kazakhstan - Nielsen IQ, Ukraine - Nielsen IQ, Poland - Nielsen IQ, Switzerland - IMS, Romania - Nielsen IQ, Malaysia - IPSOS, Czech Republic - Nielsen IQ. Top 12 markets (excl. Russia) by industry volume were adjusted in 2023, with more established THP markets Kazakhstan, Romania, Switzerland and Malaysia introduced and Russia removed in advance of the planned exit this year. As a result, H1'22 share has been rebased. The Top 12 account for c.70% of total industry THP volume in 2022. See Appendix A3.

Velo continues to drive total oral share growth

+70bps
Volume share
HY23 vs FY22

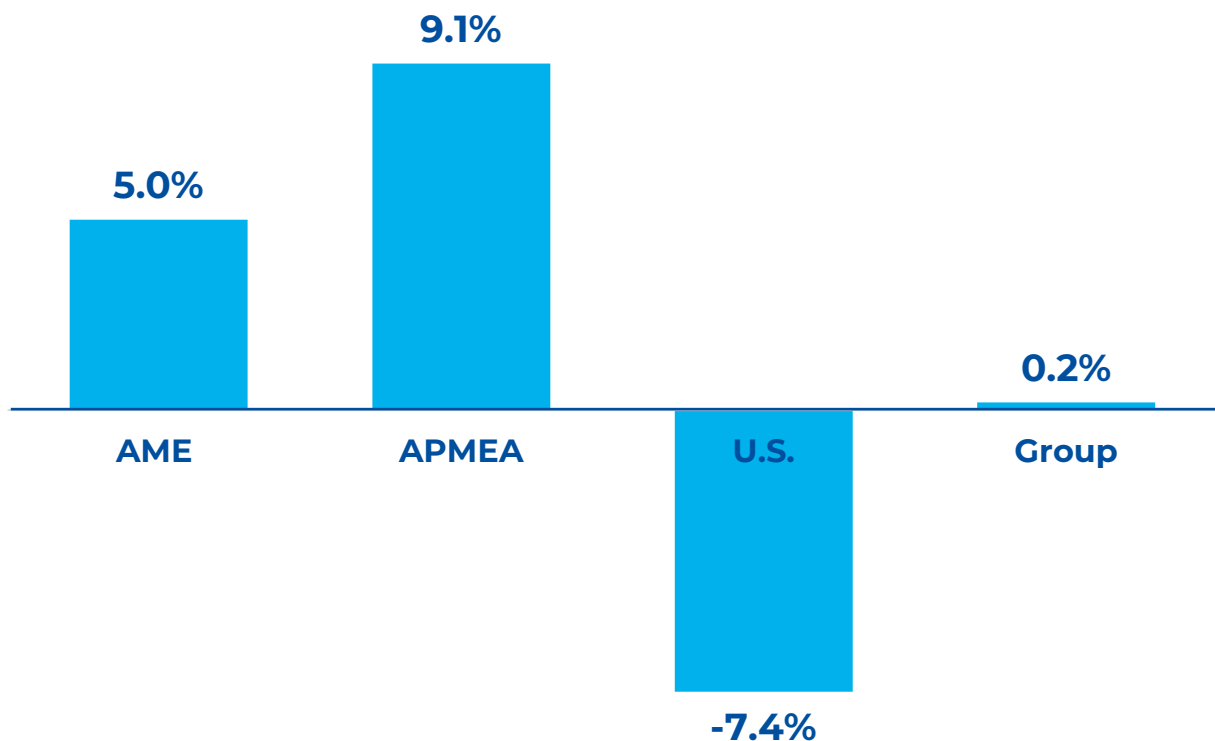


Modern Oral (MO) revenue up 42%*

- **Velo remains clear AME volume share leader****
 - Velo is the largest oral nicotine pouch brand in Sweden^
- **Unlocking EM opportunities**
 - Continued growth in Pakistan
 - Increasing consumers and average daily consumption
 - Gross margin fast approaching combustibles
 - National roll-out ahead of plan in Kenya
- **Expanded geo footprint to 29 markets**

Combustibles: Our global footprint offsets U.S.

Combustibles revenue** growth by region and globally



- YTD Volume share* +10bps
- YTD Value share* -40bps
- Combustible revenue** +0.2%
- Price/Mix*** +6.0%
- **Outside the U.S., strong brands and sharp execution driving growth**
 - Rest of world volume share* +20bps
 - Rest of world value share* -10bps
- **U.S. commercial plans driving volume share stabilisation in 2023**

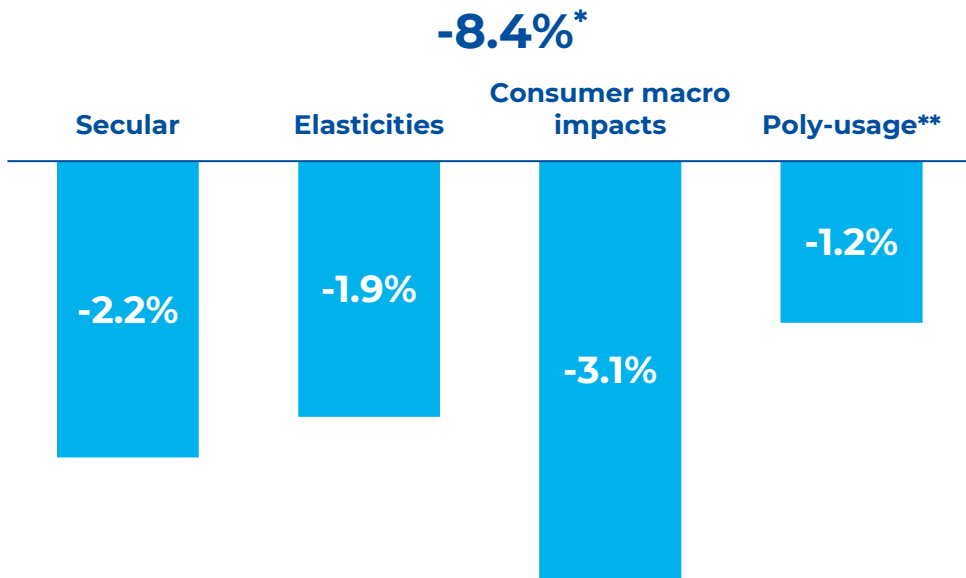


Strong performances in AME and APMEA

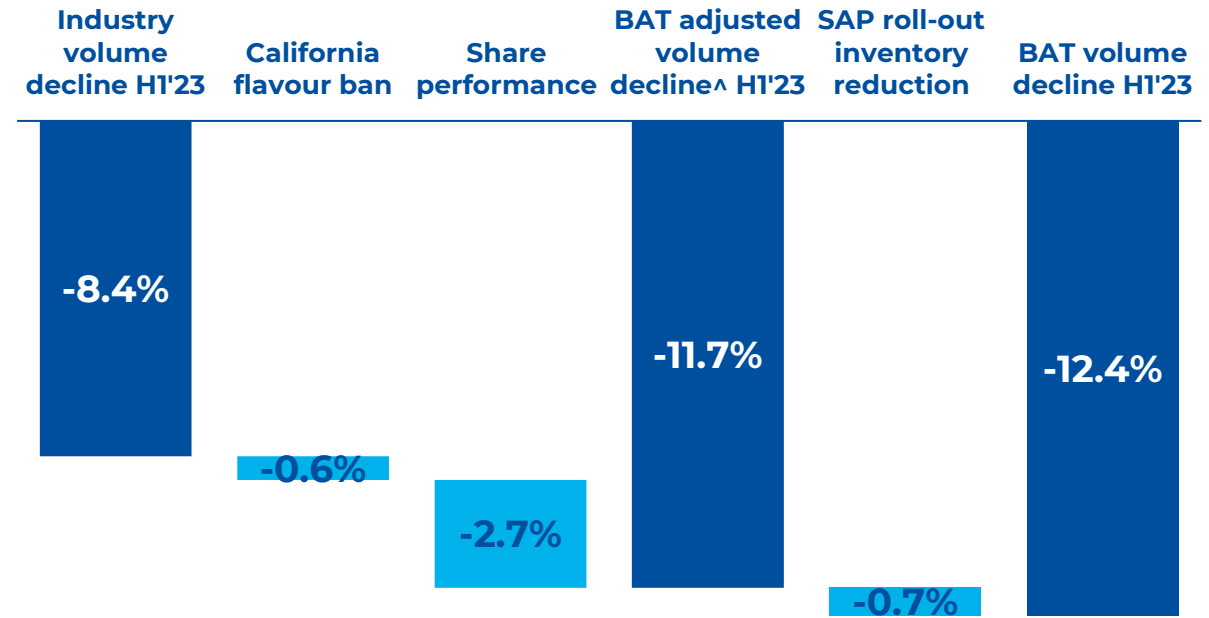
HY2023	Revenue*	Organic Revenue**	New Category Revenue*	Organic New Category Revenue**	Adjusted Profit from Operations***	Organic APFO [^]
AME	+9.1%	+10.3%	+35.9%	+40.0%	+7.8%	+4.4%
APMEA	+9.8%	+9.8%	+15.0%	+15.0%	+9.3%	+9.3%
U.S.	-5.4%	-5.4%	+21.7%	+21.7%	-0.2%	-0.2%
Group	+2.6%	+2.8%	+26.6%	+27.9%	+3.6%	+2.7%

U.S. combustibles industry impacted by continued macro-economic pressures

HI'23 drivers of industry volume decline



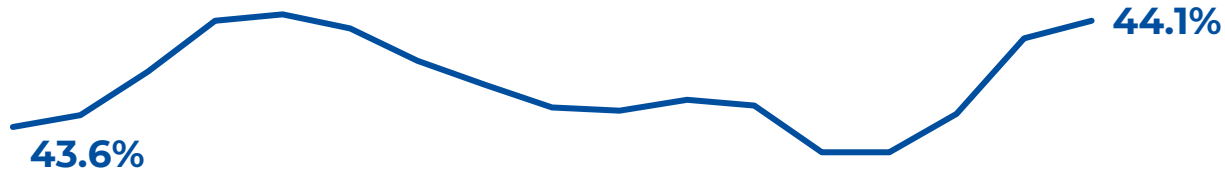
HI'23 BAT volume*** and drivers



U.S. commercial plans driving combustibles stabilisation; Continued strong Vuse performance



BAT volume share of premium stabilising

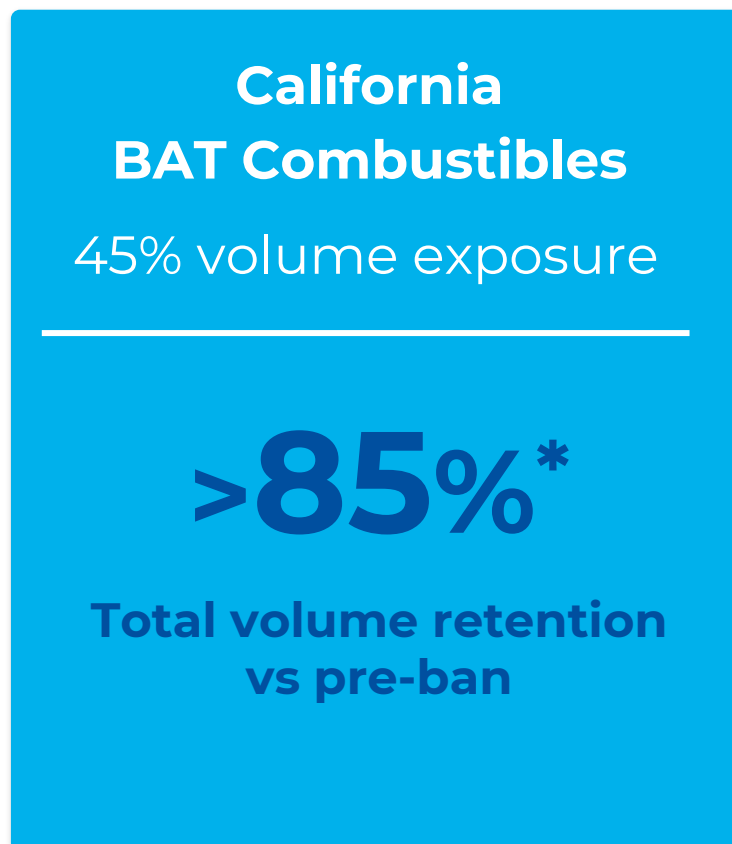


Share of premium (May'23 v Jan'23)	
Newport	+100bps
NAS	+30bps

- **Our commercial plans are starting to work**
 - Growing premium share
 - Newport and Natural American Spirit – key drivers
 - Strong performance from Lucky Strike
 - now >3% national share
- **Vuse revenue* up +23%**
 - Vuse value share leadership** at 47%
 - Leader in 36 states**
- **Adj. operating margin*** expansion +280bps**
 - Increasing Vuse profitability
 - Efficiency saving initiatives

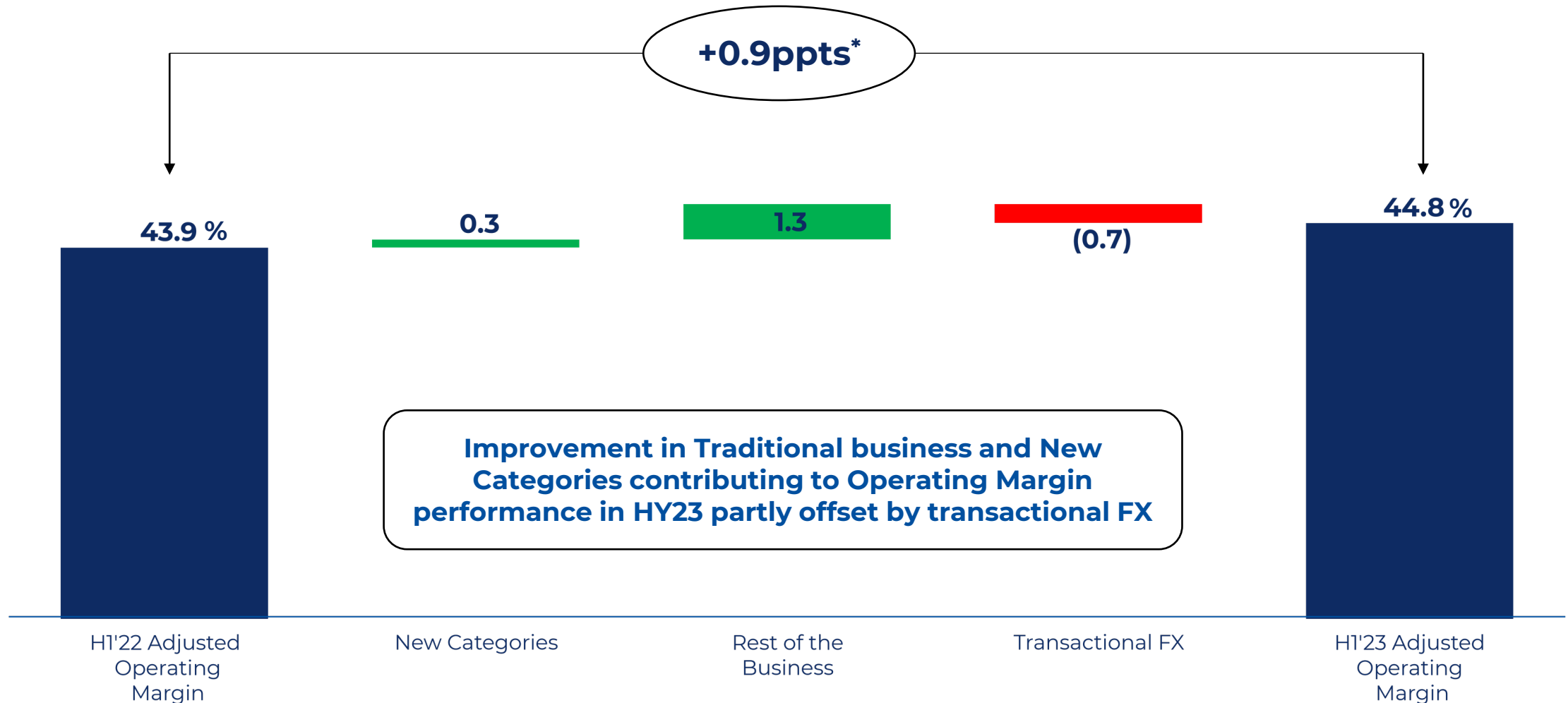
Jan 2022 Feb 2022 Mar 2022 Apr 2022 May 2022 Jun 2022 Jul 2022 Aug 2022 Sep 2022 Oct 2022 Nov 2022 Dec 2022 Jan 2023 Feb 2023 Mar 2023 Apr 2023 May 2023

California: Still adjusting across all categories post-flavour ban



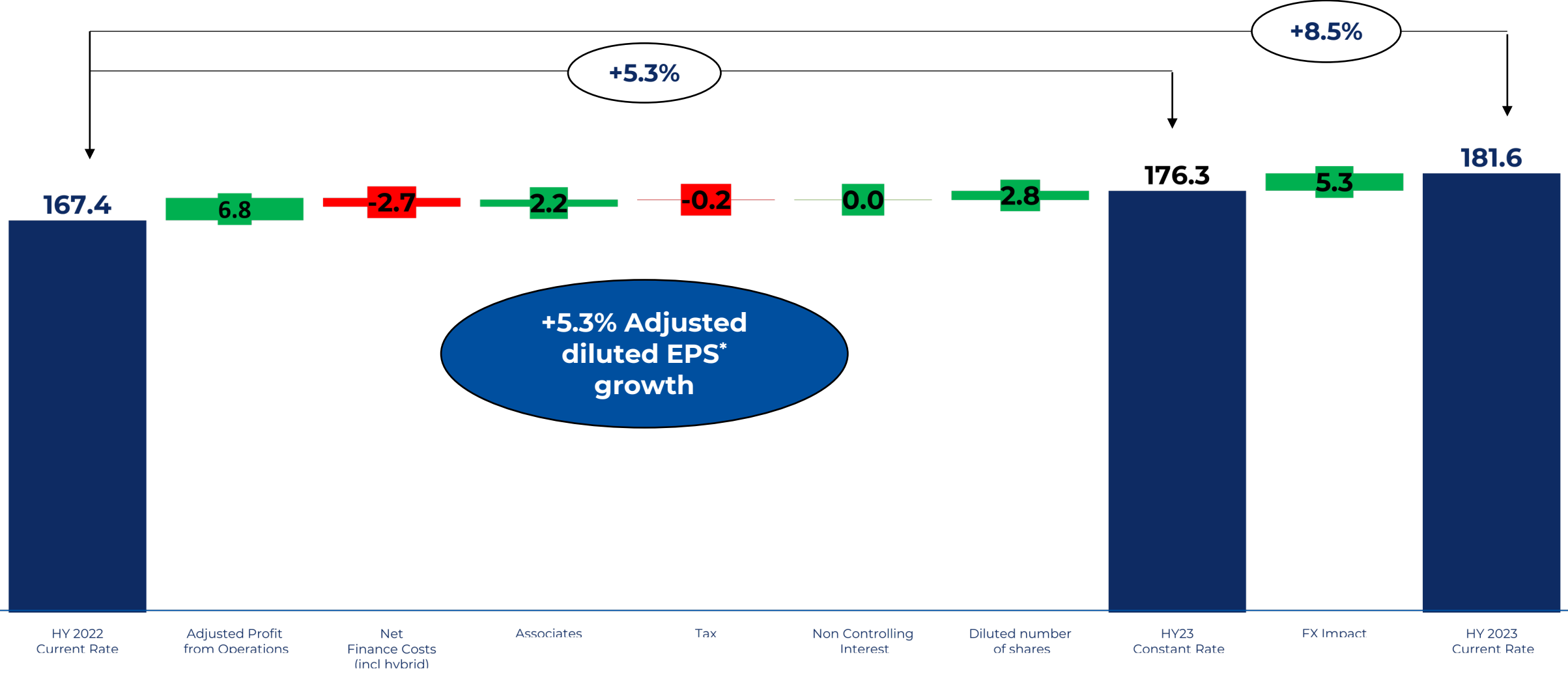
Multi-category portfolio and agile commercial response driving consumer retention

Good margin expansion: Successfully offsetting increasing NC investment and inflation



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

Solid EPS growth of +5.3%*

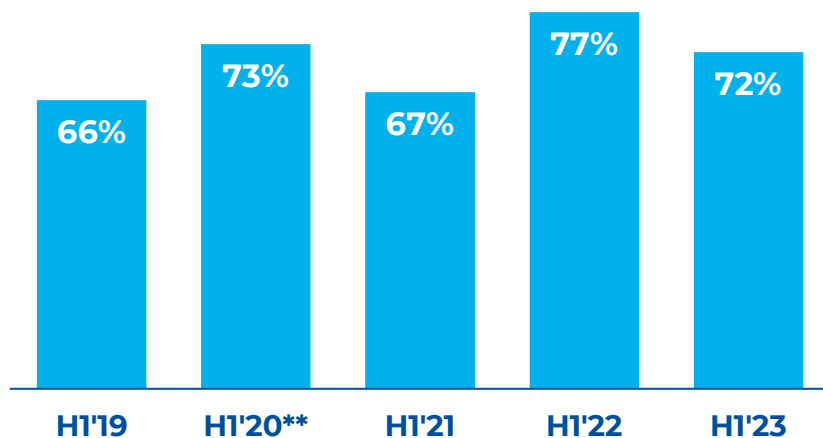


* Adjusted diluted EPS at constant rates. See Appendices A1 & A2.

Continued strong cash generation driving leverage reduction

Strong Operating Cash Conversion*

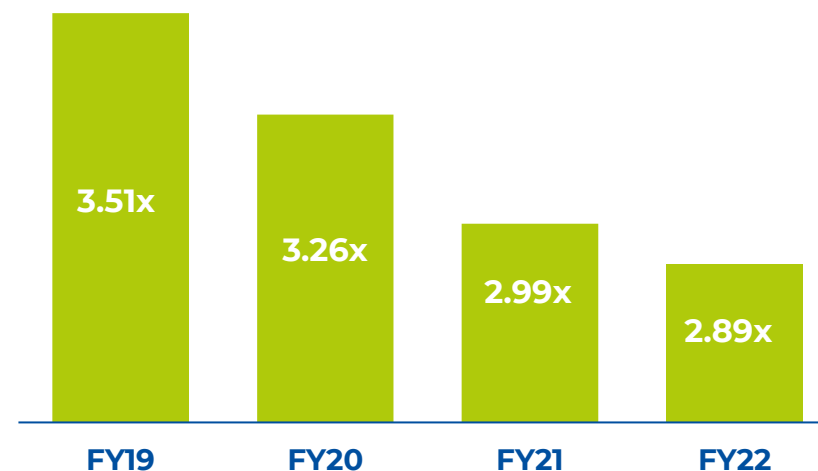
Expecting another year of strong operating cash conversion >90%*



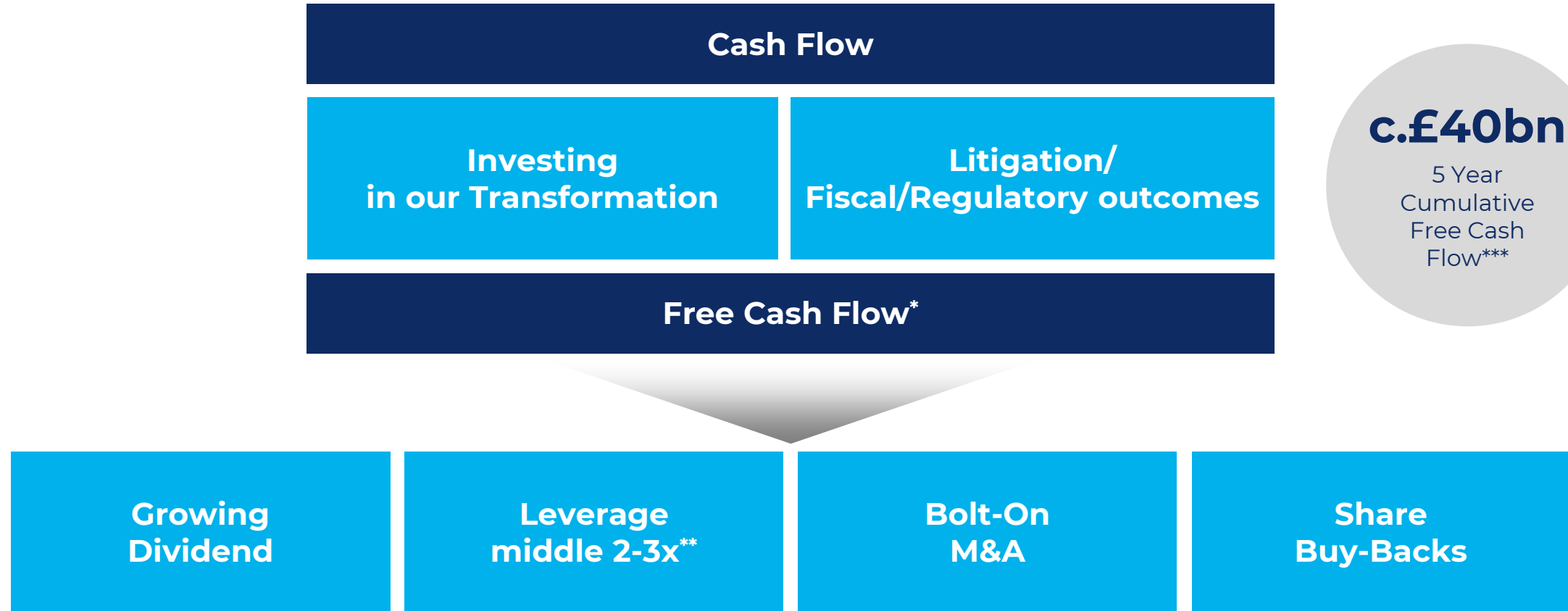
Cash flow weighted to H2, as normal

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**

Resilient H1 performance, on track for FY23 guidance

Building on strong foundations...

- We have the right strategy
- Resilient financial performance, while continuing to transform
- Strong New Category profitability progress led by Vuse
- We will continue to reward shareholders through strong, consistent cash returns
- Energised management team with much to do, excited about opportunities ahead

With more to do...

- Fixing areas of under-performance through sharpened execution
 - Drive consistent U.S. combustibles delivery
 - Strengthen THP
- Making active investment choices to enhance our capabilities and accelerate our transformation
- Evaluating all options to optimise capital allocation
- Developing a collaborative and inclusive culture

Confident in delivering long-term multi-stakeholder value

Half Year 2023: Q&A

Tadeu Marroco – Chief Executive | **Javed Iqbal** – Interim Finance Director



Appendix: Group Results excluding – Russia/Belarus – H1'23



	Group excluding Russia/Belarus H1'23	Group excluding Russia/Belarus H1'22	Growth excluding Russia/Belarus H1'23 v H1'22	Total Group Growth H1'23 v H1'22
Volume FMC & THP	278.5bn	290.5bn	-4.1%	-5.2%
	(£ Millions)	(£ Millions)		
Revenue*	12,845	12,500	+2.8%	+2.6%
NC Revenue*	1,565	1,223	+27.9%	+26.6%
APFO**	5,702	5,552	+2.7%	+3.6%
	(Millions)	(Millions)		
Consumers of Non-Combustible products***	22.2	19.0	+17%	+18%

* On a constant rate basis. See Appendix A2. ** Adjusted Profit from operations on an adjusted constant rate basis. See Appendices A1 & A2. *** See Appendix A10.

Appendix: Our category market shares in key markets*



	value share of Total Vapour			volume share of Combustibles+THP		volume share of THP			volume share of Total Oral		volume share of Modern Oral	
	H1'23 YTD value share	Change vs. FY22 pts		H1'23 YTD volume share	Change vs. FY22 pts	H1'23 YTD volume share	Change vs. FY22 pts		H1'23 YTD volume share	Change vs. FY22 pts	H1'23 YTD volume share	Change vs. FY22 pts
U.S.	46.7%	+5.7	Japan	7.3%	-0.1	18.4%	-1.7	U.S	1.3%	-0.2	4.3%	-1.6
Canada	94.4%	+4.0	South Korea	2.2%	+0.2	11.3%	-0.3	Sweden	13.7%	+2.7	56.5%	-1.5
U.K	8.8%	-1.1	Italy	2.6%	-	12.3%	-2.2	Denmark	87.2%	+0.5	91.5%	-0.7
France	38.2%	-0.6	Greece	2.9%	+0.2	11.7%	-1.6	Norway	23.1%	+1.6	63.5%	-0.6
Germany	22.5%	+1.7	Hungary	4.9%	+0.8%	14.3%	-0.1	Switzerland	65.4%	+2.1	88.5%	-4.7
			Kazakhstan	5.2%	-	46.2%	-					
			Ukraine**	3.9%	n/a	23.0%	n/a					
			Poland	4.2%	+0.7	32.5%	+1.3					
			Switzerland	0.2%	+0.2	2.9%	+2.9					
			Romania	1.4%	+0.3	18.0%	-0.4					
			Malaysia	0.03%	+0.03	0.7%	+0.7					
			Czech Rep.	2.7%	+0.7	16.8%	+2.4					

* **Top 5 Vuse markets:** U.S. - Marlin, Canada - Scan Data, UK - Nielsen IQ, France - Strator, Germany - Nielsen IQ. **Top 12 THP markets:** Japan - CVS-BC, South Korea - CVS, Italy - Nielsen IQ, Greece - Nielsen IQ, Hungary - NDN, Kazakhstan - Nielsen IQ, Ukraine - Nielsen IQ, Poland - Nielsen IQ, Switzerland - IMS, Romania - Nielsen IQ, Malaysia - IPSOS, Czech Republic - Nielsen IQ. **Top 5 Modern Oral markets:** U.S. - Marlin, Sweden - Nielsen IQ, Denmark - Nielsen IQ, Norway - Nielsen IQ, Switzerland - Scan Data (excl. SPAR, Top CC and Alligro). ** In Ukraine, January 2022 data has been rolled forward.

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: Poly-usage

Refers to a transitional period for smokers towards complete switching to potentially risk reduced nicotine products during which period such smokers reduce cigarette consumption and choose to consume one or more New Category nicotine products.

A9: 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

A10: 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.