

9 February 2026

BAT Malaysia Delivers a Resilient FY2025, Underpinned by Disciplined Execution and Strong Cash Generation

- *BAT Malaysia closed its Q4 FY2025 on a resilient footing, underpinned by disciplined execution, portfolio strength and continued focus on operational efficiency.*
- *For the quarter under review, the Group recorded a revenue of RM948 million, a significant increase from the RM653 million registered in the same period last year, primarily driven by higher shipment volumes and retail price adjustment.*
- *This increase, combined with ongoing cost optimisation initiatives, contributed to a profit from operations of RM174 million for the quarter compared with RM77 million from the same period last year.*
- *The Board of Directors has declared a fourth interim ordinary dividend of 39.0 sen per ordinary share amounting to RM111 million, payable on 10 April 2026 to shareholders.*

Kuala Lumpur, 9 February 2026 – British American Tobacco (Malaysia) Berhad (BAT Malaysia or the Group) today announced its financial results for the fourth quarter ended 31 December 2025.

The Group closed its 2025 financial year with a revenue of RM2.2 billion, reflecting the evolving regulatory landscape and transition during the year.

Operating expenses for the year declined by 16%, driven by cost optimisation efforts and lower Vuse-related costs following the transition, partially offset by higher regulatory implementation expenses. This proactive cost management helped cushion the impact of lower revenue and volume on the Group's overall performance, resulting in a profit from operations of RM304 million compared with RM279 million registered a year ago.

The legal combustible segment recorded a 1.4% decline in volume for the year despite a 3% improvement in illicit incidence, with tobacco black market share easing from 57.2% to 54.4%. The gains from reduced illicit trade were insufficient to counter ongoing structural pressures, as the legal combustible segment continued to be affected by a sustained consumer shift toward reduced-risk products. This trend, compounded by phased implementations of Public Health Act, contributed to a 1.1% decline in the Group's overall market share.

Nedal Salem, Managing Director of BAT Malaysia, said, "Our FY2025 performance reflects the resilience of our business in a year marked by market transition. By remaining focused on our core combustible portfolio and maintaining operational discipline, we delivered a solid financial outcome while strengthening the fundamentals for sustainable long-term value creation.

Strategic decisions taken during the year, including the transition out of Vuse and the acceleration of cost optimisation initiatives, were critical in sharpening our focus, strengthening cash generation and ensuring the business remains agile and resilient in a rapidly evolving regulatory environment.

The tobacco black market remains the single largest structural barrier to a sustainable legal industry and to the Government's tax revenue recovery. With illicit incidence still accounting for 54.4% of total consumption, sustained and intensified enforcement is essential.

We stand ready to continue working closely with enforcement agencies and policymakers to support stronger action that can unlock the legal market's potential and deliver long-term benefits for Malaysia.

The recent excise duty increase, effective 1 November 2025, has widened the price gap between legal and illegal tobacco products, further incentivising the tobacco black market, which remains a critical national issue.

The Group remains supportive of the Government's efforts to combat the tobacco black market and will continue working in close partnership with enforcement agencies to strengthen market integrity. The record enforcement achievements in 2025 underscore the impact of coordinated action. Looking ahead, sustained and intensified enforcement, alongside the accelerated rollout of the digital tax stamp programme, will be critical in reclaiming domestic legal market volumes, safeguarding tax revenue and building a more regulated and sustainable industry ecosystem.

Amid this evolving environment, the Group remains resilient and focused on its strategic priorities, underpinned by market leadership in the premium segment through Dunhill, disciplined execution, and a commitment to operational excellence. The Group will continue to drive sustainable growth and deliver long-term value for shareholders and stakeholders," **Nedal** concluded.

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About British American Tobacco (Malaysia) Berhad

British American Tobacco (Malaysia) Berhad is the leading tobacco company in Malaysia and has been listed on the Malaysian stock exchange for over six decades. With a proud legacy of over 100 years in Malaysia, we are guided by the Group's purpose of creating A Better Tomorrow™—a vision that guides our transformation and sustainable long-term growth. BAT Malaysia's portfolio includes established brands like DUNHILL, PETER STUYVESANT, and ROTHMANS. Today, BAT Malaysia has over 280 employees across a broad range of disciplines, from generating consumer insights and developing brands to distributing them nationwide. We are also recognised for our industry-leading approach to talent development, supported by a strong culture of corporate governance and commitment to delivering value to our shareholders.

About BAT

BAT is a leading global multi-category consumer goods business. Underpinned by world-leading science and research and development, our purpose is to create A Better Tomorrow™ by Building a Smokeless World.

Central to achieving this is the concept of Tobacco Harm Reduction (THR) – the switching of smokers, who would otherwise continue to smoke, from risky forms of combustible tobacco products like cigarettes, to lower risk profile smokeless tobacco and nicotine products. This is outlined further in Omni™, an evidence-based manifesto for change, which captures BAT's commitment and progress on THR.

BAT employs more than 48,000 people and, in 2024, generated revenue of £25.9bn, with an adjusted profit from operations of £11.9bn.

BAT's aim is to have 50 million adult consumers of its smokeless products by 2030 and generate 50% of its revenue from these products by 2035. With 30.5 million current users – including vapour brand Vuse; heated product brand glo; and modern oral (nicotine pouch) brand Velo –

BAT's new category revenues have climbed to £3.4bn in 2024, with strong progress in profitability.

BAT continues to strive towards reducing its use of virgin raw materials, enhancing the communities in which it operates and working towards net zero across its value chain by 2050. BAT received a "Triple-A" rating from CDP for its 2024 disclosures on Climate Change, Water Security and Forests; and was recently named a Financial Times Climate Leader for the fifth year running.

Forward-looking Statements

This release contains certain forward-looking statements, including "forward-looking" statements made within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements are often, but not always, made through the use of words or phrases such as "believe," "anticipate," "could," "may," "would," "should," "intend," "plan," "potential," "predict," "will," "expect," "estimate," "project," "positioned," "strategy," "outlook," "target" and similar expressions. These include statements regarding our customer target ambition, New Categories revenue targets and our ESG targets.

All such forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors. It is believed that the expectations reflected in this release are reasonable but they may be affected by a wide range of variables that could cause actual results to differ materially from those currently anticipated. A review of the reasons why actual results and developments may differ materially from the expectations disclosed or implied within forward-looking statements can be found by referring to the information contained under the headings "Cautionary Statement" and "Group Principal Risks" in the 2024 Annual Report and Form 20-F of British American Tobacco p.l.c. (BAT).

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 BAT website www.bat.com.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser. The forward-looking statements reflect knowledge and information available at the date of preparation of this release and BAT undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on such forward-looking statements.

