



MEDIA RELEASE

FOR IMMEDIATE DISSEMINATION

BAT MALAYSIA CONTINUES TO BUILD A BETTER TOMORROW™; GEARS UP TO LAUNCH ITS VAPOUR PRODUCTS

Kuala Lumpur, 24 July 2023 – British American Tobacco (Malaysia) Berhad (BAT Malaysia or the Group) today announced its financial results for the second quarter ended 30 June 2023 (Q2FY2023).

Q2FY2023 Financial Highlights:

- *Revenue for the quarter stood at RM678.1 million, higher than the RM637.5 million recorded a year ago*
- *Profit from operations for the quarter was RM72.9 million compared to RM108.6 million in the same period last year*
- *The Board of Directors had declared a second interim ordinary dividend of 16.0 sen per ordinary share amounting to RM45.7 million, payable on 22 August 2023 to shareholders*

For the first half of the 2023 financial year (1HFY2023), BAT Malaysia primarily focused on growing its New Category segment, which offers reduced-risk* alternatives to adult smokers. To this end, the Group heightened its investment towards the launch of its vapour products, resulting in a profit from operations of RM132 million compared with RM191 million in the same period last year.

These results were achieved on the back of a revenue of RM1.07 billion for the first half of the year compared with RM1.16 billion achieved in the same period last year.

For the six-month under review, the Group recorded an overall dip in volume due to the soft market in Q1FY2023, although the Group's volume in Q2FY2023 trended upwards. The Group's Premium and Aspirational Premium brands recorded a drop in share of market of 0.8% and 0.1% respectively to 33.0% and 6.7% compared with the same period last year. Consistent with the downtrading trend observed within the legal combustible market, the Group's Value-for-Money (VFM) brands saw an increase of 0.5% share of market to 11.6%.

Nedal Salem, Managing Director of BAT Malaysia, said, "Our financial results were within expectations given the tough economic climate. However, we expect this impact to be short-term as we continue progressing into a multi-category organisation, backed by our trajectory in the New Category segment."

"To this end, the Group aims to continue growing its tobacco heating product, glo™, while preparing for the launch of Vuse, our vapour product which is currently the number one global vaping brand. Both glo™ and Vuse represent the Group's efforts to offer a choice of reduced-risk* alternatives to adult smokers. This is in line with our commitment towards building A Better Tomorrow."



“The tobacco black market continues to impact the industry, and we will continue working with the relevant authorities to bring down the incidence of black-market cigarettes which stubbornly hovers above 55%. The Group is positive that the Government will continue to drive the fight against the high level of tobacco black market and hopes that the 2024 Budget tabling will continue to see current measures like tightening controls on the importation of cigarettes, enhancing controls along the Malaysian coastline and at landing points including private jetties, and the continued implementation of a special rewards scheme for enforcement agencies be maintained. The Group remains firm that this issue is detrimental not only to public health but also to the country’s economy.”

For the remaining financial year, the Group will also be driving its sustainability agenda which is supported by four pillars that prioritise Harm Reduction, Environmental, Social and Governance. In this space, the Group will focus on driving its carbon neutrality efforts, building its community projects and work towards reducing the health impact of its business.

*(*Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.)*

ENDS

For more information on British American Tobacco Malaysia’s financial results, please visit www.batmalaysia.com

About British American Tobacco (Malaysia) Berhad

British American Tobacco (Malaysia) Berhad is the leading tobacco company in Malaysia and a subsidiary of the BAT Group, which is driving its corporate purpose of building A Better Tomorrow™ by reducing the health impact of our business through a multcategory portfolio. BAT Malaysia’s portfolio includes world-famous brands like DUNHILL, PETER STUYVESANT, ROTHMANS and KYO. BAT Malaysia employs almost 350 employees who are involved in a wide spectrum of disciplines, from generating insights, developing brands and making these available on a national level. In addition, we also set leading edge talent development practices as well as ensure a strong foundation of corporate governance and shareholder relations.

For more information, please contact British American Tobacco (Malaysia) Berhad:
Rohan Gnanaganesan, Director of Legal and Corporate Affairs at rohan_gnanaganesan@bat.com
