



MEDIA RELEASE

FOR IMMEDIATE DISSEMINATION

BAT MALAYSIA REMAINS CONFIDENT IN BUILDING A BETTER TOMORROW™

Bukit Damansara, 3 May 2023 – British American Tobacco (Malaysia) Berhad (BAT Malaysia, the Group or the Company) concluded its 62nd Annual General Meeting (AGM) today and shared its financial performance for its 2022 financial year (FY2022).

The Group remains on course in the execution of its strategy in line with its purpose of building A Better Tomorrow™. In FY2022, BAT Malaysia delivered a commendable performance given the challenging operating environment.

Nedal Salem, Managing Director of BAT Malaysia, said, “Despite the challenging operating environment, BAT Malaysia delivered a solid performance for 2022. Although revenue was flat, our gross profit improved marginally and we significantly improved our net operating cash flow for the year.”

“Moving into 2023, in the short-term, we expect an impact from the volatile economic environment driven by inflationary pressures and disruptions on the global supply chain. We expect this challenging operating landscape to stretch disposable income, leading to downtrading from legal products to tobacco black market options.”

“Nevertheless, we are buoyed by the Government’s recent move to exempt nicotine vapour from the Poison Act 1952 and introduce excise onto nicotine vapour which signals the intent to establish regulations for vapour products. We are also encouraged by the lower levels of the tobacco black market, stemming from measures announced by the Government.

For its 2023 financial year (FY2023), the Group remains committed to driving its purpose of A Better Tomorrow™.

“In the medium term, we are confident the economic conditions will improve, the Government will introduce balanced regulations on vapour and accelerate their interventions to further reduce the tobacco black market. We aim to continue growing our tobacco heating product, glo™, which represents our efforts to offer a choice of reduced-risk* alternatives to adult smokers. We will also focus on investing in our Value-for-Money (VFM) brands, and maintaining leadership in the Premium segment.”

“We will also continue to urge the Government to establish a balanced science and evidence based regulatory framework for vapour products, and work with policymakers in the fight against the tobacco black market. With the incidence of black market cigarettes continuing to hover above 55%, we remain firm that this issue is detrimental not only to public health, but also has a significant adverse impact on the country’s economy.”



“We are steadfast in our commitment to champion our sustainability agenda which is supported by four pillars that prioritise Harm Reduction, Environmental, Social and Governance. In FY2023, we will focus on driving our carbon neutrality efforts, building our community projects and work towards reducing the health impact of our business,” concluded **Nedal**.

Full-year 2022 financial highlights:

- Profit from Operations was recorded at RM407 million for FY2022 compared with RM411 million for the previous financial year.
- Revenue remained stable at RM2.6 billion, while gross profit stood at RM678 million, an increase of 0.5% compared to RM675 million in 2021.
- The Group saw a planned decline in overall market share of 0.8% compared with FY2021 due to the delisting of Kent and Pall Mall brands. Annual volume fell slightly by 2% compared to FY2021 where a one-off benefit in volume was observed during the Route-to-market model transition.
- The Group's VFM brands, KYO and Rothmans, captured an additional 1% share of market. Despite the contraction of the industry's overall share of Premium segment by 1% during the year, the Group's Dunhill brand secured a growth of 1.1% share in this segment, indicating the premium brand's strong foothold.

For more information, visit the BAT Malaysia Annual Report [microsite](#) or download a copy of the [Annual Report](#)

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

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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 multicategory 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.

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