

# Transforming & Winning

CAGNY Conference 2026



**Tadeu Marroco** – Chief Executive | **David Waterfield** – President, Reynolds American

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In particular, among other statements: (i) certain statements in Tadeu Marroco's section (slides 4-6, 8, 10, 13-15, 21, 23 and 24); and (ii) certain statements in David Waterfield's section (slides 27-28, 30, 32-34, 36, 38, 42 and 43).

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 increased competition from illicit trade and illegal products; changes or differences in domestic or international economic or political conditions; the impact of adverse domestic or international legislation and regulation of tobacco, New Categories and other regulation; the impact of supply chain disruptions; adverse litigation and external investigations 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; the inability to develop, commercialise and deliver the Group's New Categories strategy; adverse decisions by domestic or international regulatory bodies, including disputed taxes, interest and penalties; the impact of serious injury, illness or death in the workplace and those who work with the business; the ability to maintain credit ratings and to fund the business under the current capital structure; translational and transactional foreign exchange rate exposure; direct and indirect adverse impacts associated with climate change (both physical and transition); the ability to deliver a viable circular business model in response to global demand, combined with increasing regulatory, stakeholder and consumer pressure; and the Group's ability to defend against Cyber & Digital actions that result in loss of confidentiality, availability or integrity of systems and data.

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The 2025 Annual Report on Form 20-F and current reports on Form 6-K, which may include other factors, are filed with the U.S. Securities and Exchange Commission ("SEC"). 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 heading "Key Information – Risk Factors" in the 2025 Annual Report on Form 20-F of BAT, which may be obtained free of charge at the SEC's website, <http://www.sec.gov> and the British American Tobacco website, [www.bat.com](http://www.bat.com).

# Important Information



## Additional Information

All financial statements and financial information provided by or with respect to the U.S. or Reynolds American Inc. ("Reynolds") are initially prepared on the basis of U.S. GAAP and constitute the primary financial statements or financial records of the U.S. business/Reynolds. This financial information is then converted to International Financial Reporting Standards as issued by the IASB for the purpose of consolidation within the results of the BAT Group. To the extent any such financial information provided in this presentation relates to the U.S. or Reynolds it is provided as an explanation of, or supplement to, Reynolds' primary U.S. GAAP based financial statements and information.

Products sold in the U.S., including Vuse, Velo, Grizzly, Kodiak, and Camel Snus, are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

## No Profit or Earnings Per Share Forecasts

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.

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## Presentation of Financial Information

To supplement the presentation of the Group's results of operations and financial condition in accordance with IFRS, the Group also presents several non-GAAP measures used by management to monitor the Group's performance: New Category contribution, New Category contribution margin, the ratio of adjusted net debt to adjusted EBITDA, adjusted profit from operations, New Category revenue, adjusted gross profit, adjusted gross margin and adjusted diluted earnings per share (EPS). The Group's management regularly reviews these measures used to assess and present the financial performance of the Group and, as relevant, its geographic segments. Although the Group does not believe that these measures are a substitute for IFRS measures, the Group does believe such results excluding the impact of adjusting items and currency fluctuations that may significantly affect the user's understanding of the Group's performance when compared across periods provide additional useful information to investors regarding the underlying performance of the business on a comparable basis.

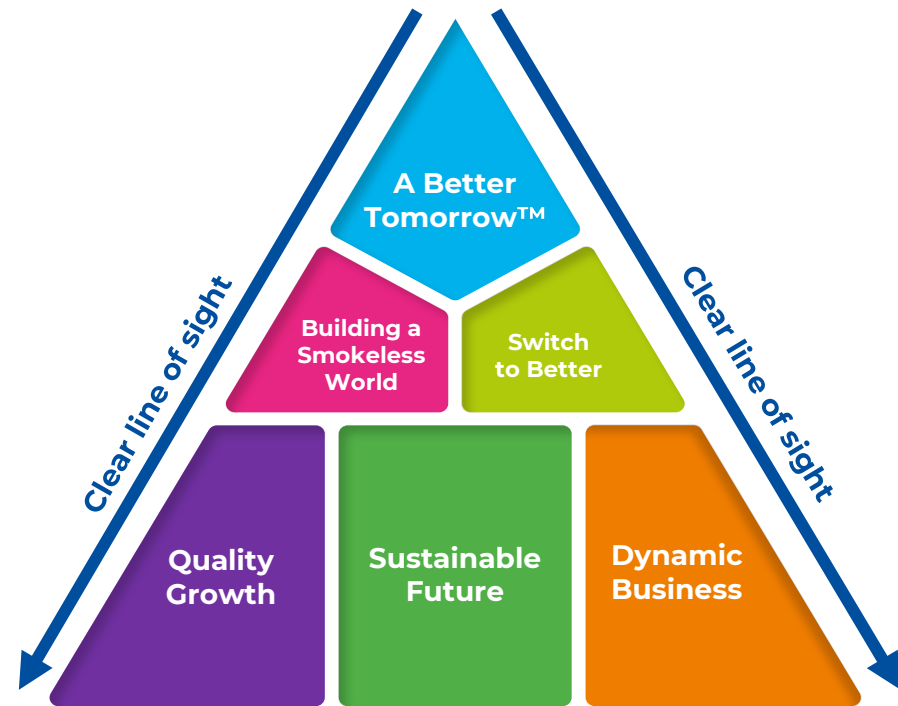
Certain of these non-GAAP measures are presented on an "adjusted" basis, i.e., before the impact of adjusting items. Adjusting items are identified in accordance with the Group's accounting policies. They represent certain items of income and expense which the Group considers distinctive based on their size, nature or incidence and which individually or, if of a similar type, in aggregate, are relevant to an understanding of the Group's underlying financial performance.

Certain of these measures are also presented on an "adjusted for Canada" basis, reflecting the removal of 100% of adjusted profit from operations of our Canadian business, excluding New Categories from both 2024 and 2025 results, to remove the distorting effect of the Canadian results as from the date all of the Group's outstanding tobacco litigation in Canada is settled, annual payments based on a percentage (initially 85%, reducing over time) of the Group's net income after taxes, based on amounts generated in Canada from all sources, excluding New Categories, will be paid out by the Group until the aggregate settlement amount is paid. Due to the initial uncertain nature of the timing of the implementation of the settlement on the Group's 2025 results, for the purposes of 2025 versus 2024 this charge is 100% of the profit after interest and tax from all sources in Canada, excluding New Categories. From 2026, this charge will be 85% of the profit after interest and tax from all sources in Canada, excluding New Categories, reducing over time.

This presentation also presents results on a "constant currency" basis, i.e., in the prior year's exchange rates, 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.

**Unless otherwise stated, absolute financials are presented at constant rates of exchange, growth in financial metrics is presented at constant rates of exchange and share data is presented versus full prior year.**

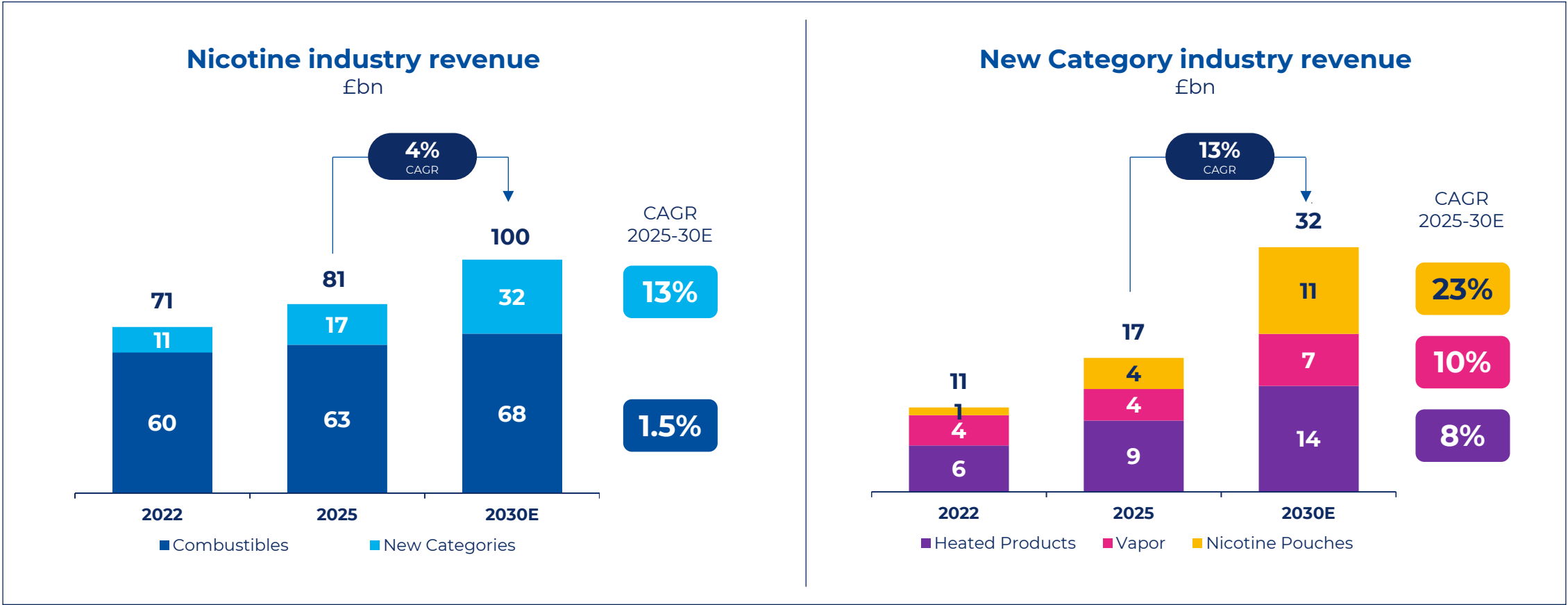
# BAT is transforming and winning



- Growing nicotine industry value driven by New Categories
- Uniquely positioned to win
  - Global multi-category portfolio
  - World-class capabilities
- Leading\* global New Category brands: Velo #1, Vuse #1, glo #2
- Significant white space growth opportunity with regulatory unlock
- Positioned to win in the U.S. – the largest global nicotine value pool
- Confident in sustainable financial delivery and cash returns

## Delivering sustainable value to shareholders

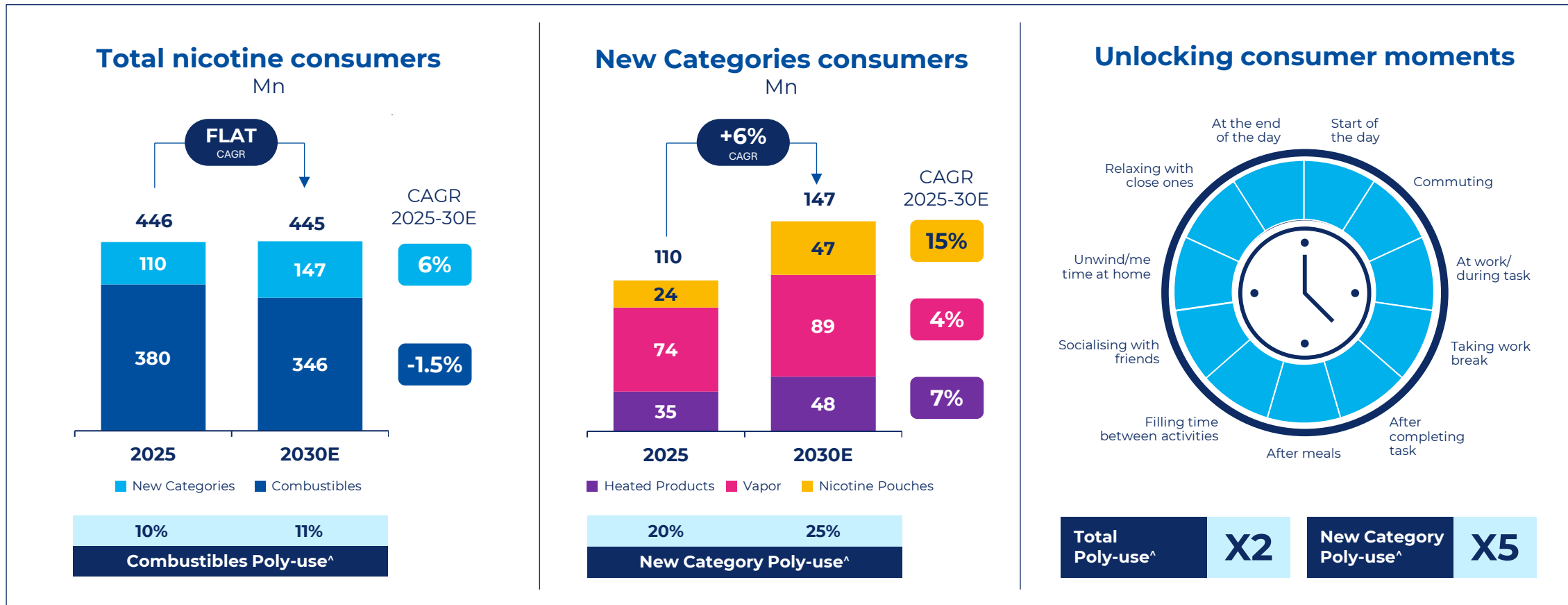
# Growing global nicotine industry value driven by New Categories



## Nicotine Pouches are the fastest growing New Category

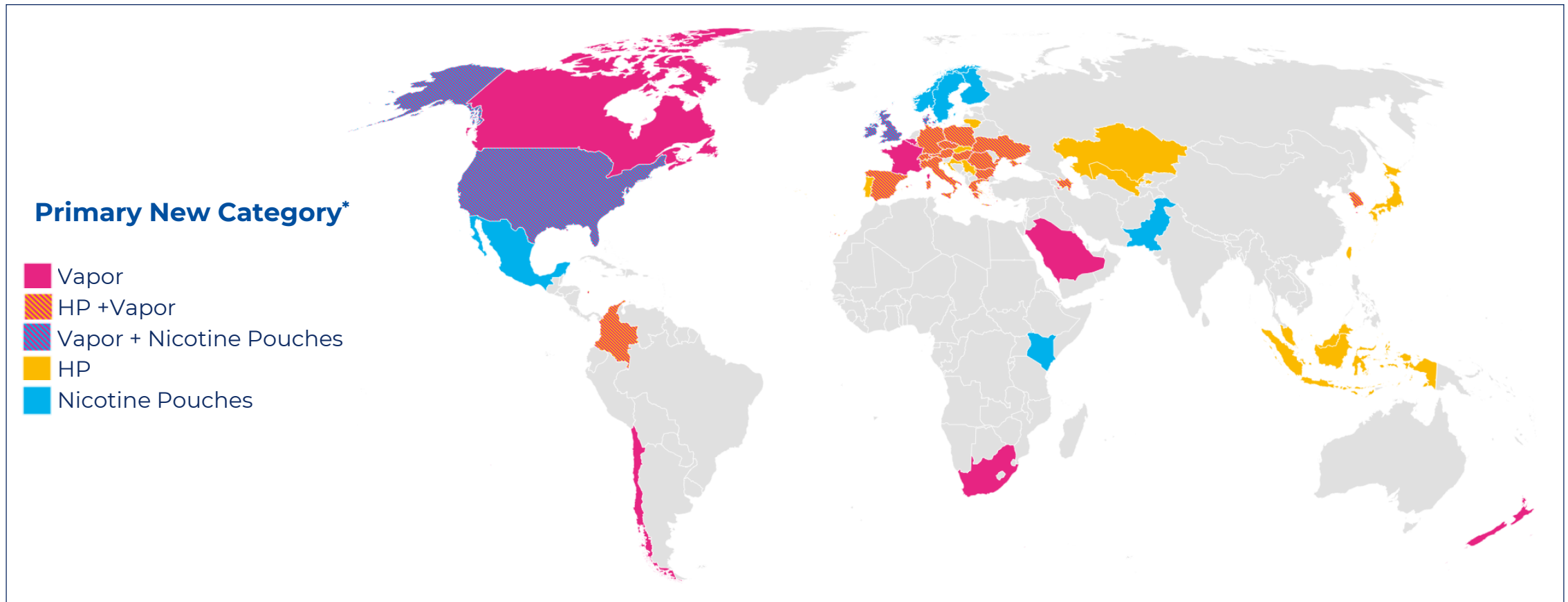
See Appendix A2 for share definitions and sources and Appendix A6. Source: Internal estimates. Includes legal categories. 2030 Vapor revenue estimate excludes large Rechargeable Closed Systems (above 10k puffs) and Open Systems. 2030 Vapor estimates assume 30% effective enforcement against U.S. illicit with those volumes moving to the legal marketplace.

# As adult smokers switch to lower-risk\* products



**Supported by increasing consumer moments and Total Poly-use**

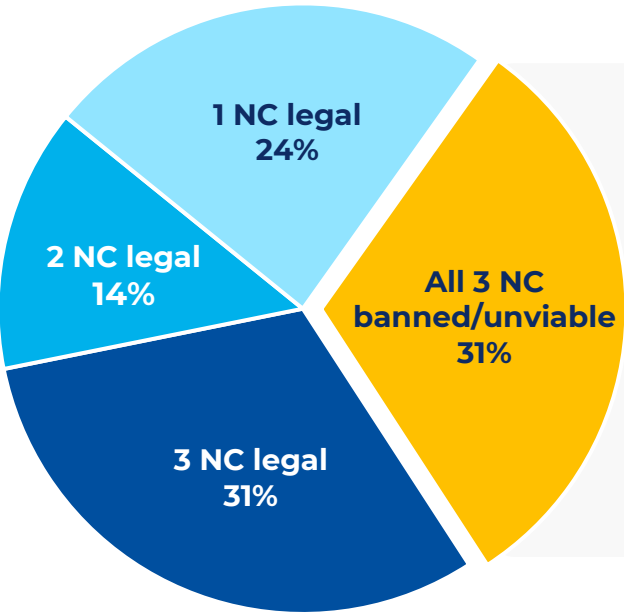
# Well-positioned for growth with our global multi-category strategy



**Maximizing our ability to switch smokers\*\* and create value**

# With significant white space opportunity

Current NC availability\*



Weighted by total combustibles volume

Largest\*\* combustibles markets currently inaccessible for NC

	Industry volume (sticks bn)	BAT combustibles volume share	BAT market position
Turkey	159	23%	#3
India^	136	74%^^^	#1
Vietnam	81	24%	#2
Brazil	75	70%	#1
Bangladesh	64	81%	#1

Top 5 account for **c.95%** of inaccessible NC market volume

Driven by future potential regulatory unlock

Source: Internal estimates. \*T50 markets plus India considered. U.S. considered as a legal market for Vapor. See Appendix A6. \*\*By combustibles volume. ^Through our associate ITC. ^^Euromonitor FY24 volume share.



# BAT has leading global positions across all categories

**VELO**



**#1**

**Volume share since Q4'25**

**Fastest growing brand in the U.S;  
leading the category in Europe**

**VUSE**



**#1**

**Value share**

**Crafting premium with Vuse Ultra  
in Rechargeable Closed Systems**

**glo**



**#2**

**Volume share**

**Growing in premium with  
distinctive glo Hilo offer**

**Combustibles**



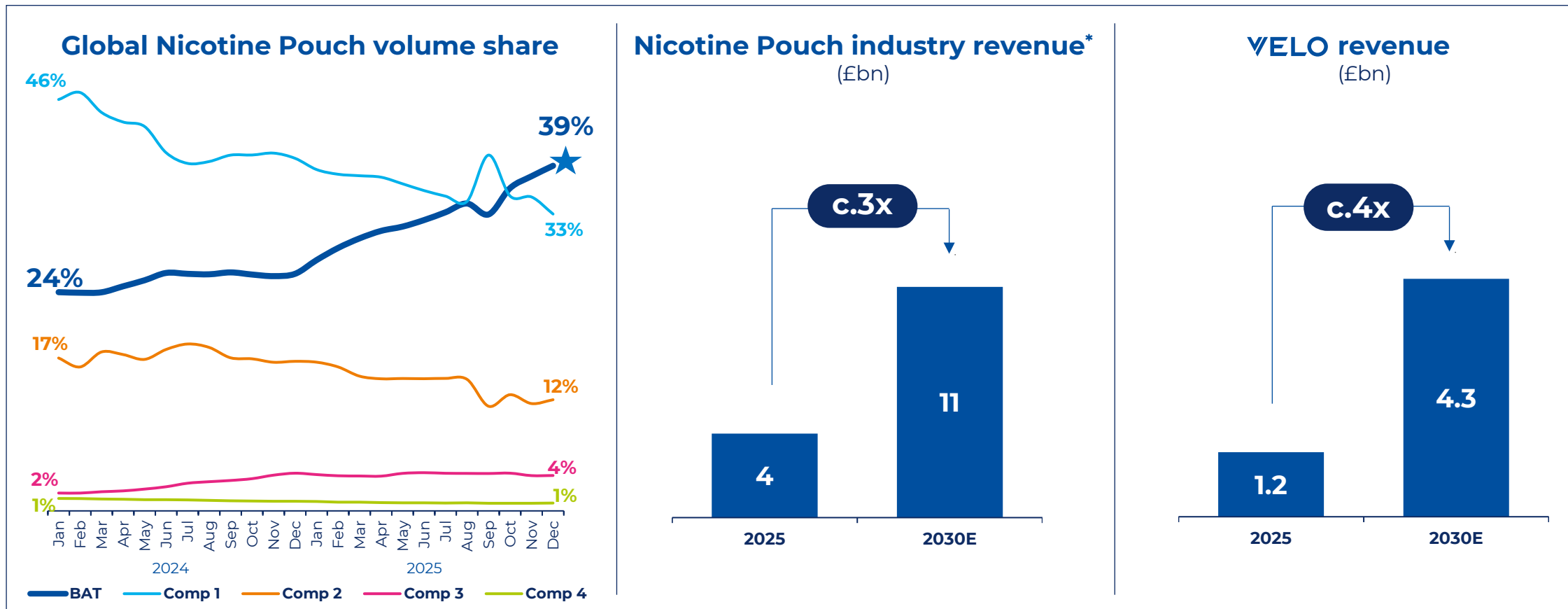
**#1**

**Combustibles revenue**

**Portfolio of powerful brands  
at scale**

## Proven brand building and marketing at scale

# Velo has achieved global category leadership

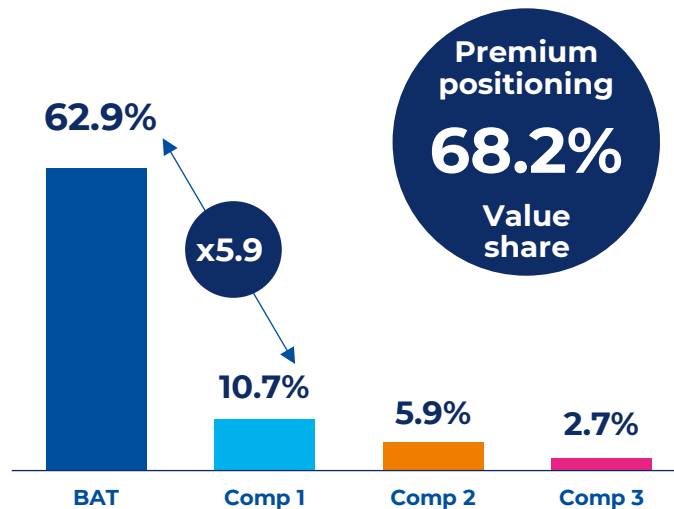


**The fastest growing brand in the fastest growing New Category**

# Velo is driving our transformation in Europe

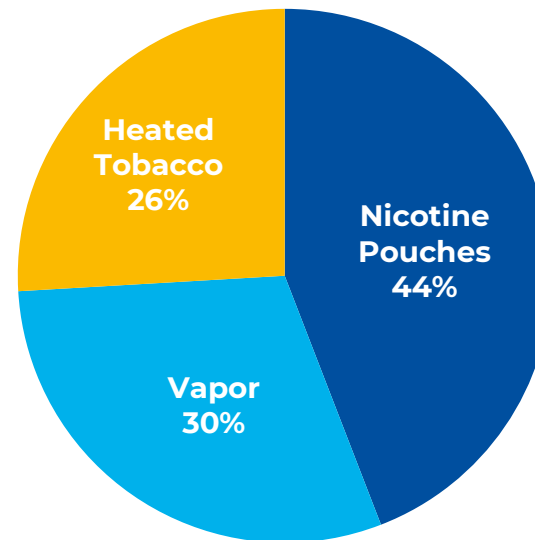
**c.6x larger than #2 competitor in Europe\***

**FY25 volume share**



**Already our largest New Category**

**FY25 revenue\*\***



**Highly profitable**

Gross profit\*\*\*  
vs  
combustibles

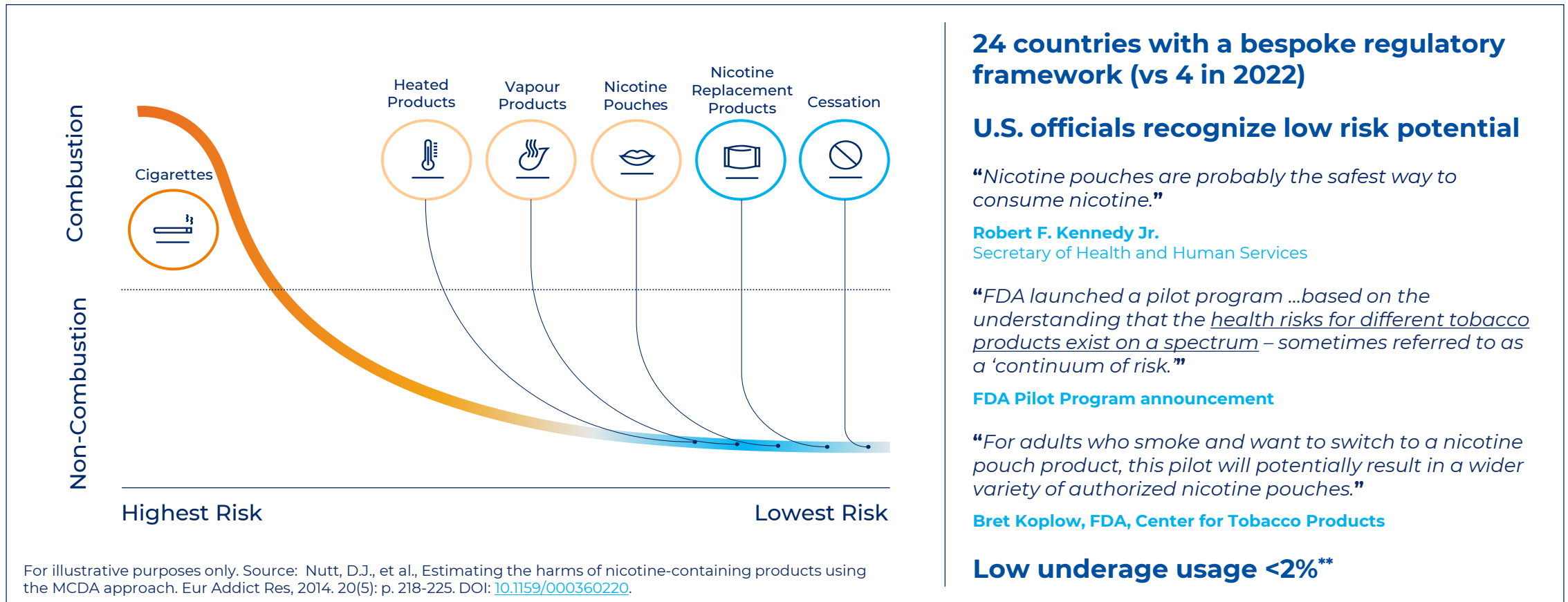
**c.3x**

Category  
contribution  
margin^

**c.40%**

**Delivered c.30% volume and revenue CAGR^^ and highly profitable**

# Nicotine Pouches are the lowest risk\* New Category



## Increasingly recognised by Governments and regulators

# Premium “Vapor Done Right” is a significant, untapped segment for further value creation

## Industry

**£4bn\***  
2025  
Revenue

- Largest NC consumer pool
- c.£7bn white space opportunity in the U.S.
- Further white space opportunity globally with appropriate regulation and enforcement

**vuse**

Our largest New  
Category

**£1.5bn**

**FY25  
Revenue**

**Ultra.**  
by **vuse**

- Establishing a premium segment
- Connectivity with **MYvuse** app
- Gaining value share in launch markets
- Further targeted roll-outs planned in 2026



**DEVICE**

**c.200%**

avg. price index  
vs leading  
competitor\*\*

**PODS**

**c.125%**

Price index vs  
market WAP\*\*\*

## Effective regulation & enforcement key to unlocking category potential

**GROWING**  
**TOMORROW**

# Premium focus in largest Heated Product profit pools

**Industry**

**£9bn\***  
2025  
Revenue

- Largest NC by revenue
- Growing high-single digit annually
- c.70% value in premium

**glo**


**Establishing premium positioning in HP**

**£0.9bn**

**FY25 Revenue**

**gloHILO**

- Breakthrough premium platform
- Connectivity with myglo app
- Distinctive first to market features
- Strong start with fast premium segment penetration in key markets
- Further market roll-outs planned in 2026



Fastest ramp-up	EasyView™ Screen
New Dual-Heating tech	EasySwitch™ Pen
Customized heating modes	No cleaning required
New TurboStart™ technology	

**Encouraging results with our breakthrough innovation, glo Hilo**

# Well-balanced portfolio of combustibles brands

## Industry

**£63bn\***  
2025  
Revenue

- Mid-term volume decline 3-4%
- Mid-term revenue growth 1-2%
- c.1 billion adult smokers globally



**COMBUSTIBLES**

**Resilient delivery**

**£20bn**

**FY25  
Revenue**

## Portfolio of global & local heritage brands



- Balanced, strong portfolio of brands across all price points
- Targeted investment & execution with RGM\*\*
- Continued focus on efficiencies
- Integrated, global supply chain to optimize agility

## Driving value supported by efficiencies

# Our transformation is enabled by six core capabilities

1

Deep cross-  
category insights

2

World-class science  
and stewardship

3

Unique R&D  
ecosystem

4

Global distribution and  
retail reach

5

Front-footed approach  
to shape the regulatory  
landscape

6

Digital  
excellence

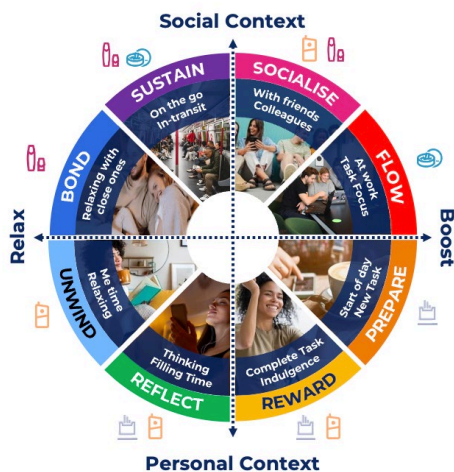
**Creating an increasingly effective competitive advantage**



# 1. Deep cross-category insights

## Actionable Insights on Consumer Moments

### Consumer Moments



## Better Foresights

### CPG Macro Trends

### Tech and Trends



### Priority Innovation Spaces

## Product Needs Mapping

### Product Space Mapping

ICY FRUIT FRUITY TROPICAL SIMPLE & MELLOW MINTY TOBACCO-  
FRUIT FRESH FUSION TANGY MIX COOLING LIKE

### Flavor insights

Rich &  
familiar

Refreshing  
flavors

## Digital Step Change

### Digital Track

Search



Social



Reviews



### Advanced AI Models For



Geo-location



Age Gating



Sentiment

### T5 For Each NC



### Digital Dashboard



## AI for Speed and Efficiency

### AI Applications



AI Led Knowledge Mgt.



Synthetic Segments



AI Led Fast Mix Testing



AI Analyst Smart Assistant

Driving faster decisions and improved capital efficiency

## 2. World-class science and stewardship

### Rigorous scientific research and evidence-based learning

#### BAT's Global Science Network by capability



Chemistry



Toxicology



Consumer Use Behaviour



Consumer Assessment



Clinical Research



Disease Assessment



Population Health Impact



Consumer Impact Science



Digital Data

#### BAT Science by numbers

**1,750**

Scientists, Researchers & Engineers (as of 2024)

**77**

Nationalities (as of 2024)

**>270**

THR Publications 2008 – Present

**9,483**

Granted patents 2012 – 2024

### Extensive scientific substantiation supports our products as reduced-risk\*

	HEATED PRODUCTS <b>glo</b>	VAPOR <b>vuse</b>	NICOTINE POUCHES <b>VELO</b>
Emissions vs Cigarette <sup>^</sup>	<b>-90% to -95%<sup>^^</sup></b>	<b>&gt; -99%</b>	<b>&gt; -99%</b>
Toxicity vs Cigarette <sup>∞</sup>	<b>-94%</b>	<b>-97%</b>	<b>-99%</b>
Exposure vs Smoking <sup>~</sup>	<b>glo -74.0%</b> <b>Quit -83.0%</b> glo exposure slightly higher than quitting	<b>vuse -77.7%</b> <b>Quit -78.2%</b> Vuse exposure comparable to quitting	<b>VELO -79.7%</b> <b>Quit -77.7%</b> Velo exposure comparable to quitting

## Scientifically substantiated products supporting THR<sup>^^^</sup>

\*See Appendix A7. <sup>∞</sup>Toxicity reductions are averaged reductions from individual Genotoxicity | Cytotoxicity | Cell Stress assays: (i) glo = -98% | -90% | -95%; (ii) Vuse = > -99% | -95% | >-98%; Velo = > -99% | -99% | >-98%. <sup>~</sup>For the avoidance of doubt, this does not imply that switching completely to BAT's Smokeless products is equivalent to quitting smoking in reducing a smoker's overall risk profile. <sup>^</sup>Comparisons with smoke from a standard reference cigarette (approximately 9mg of tar) for the average of the 9 harmful and potentially harmful constituents independently identified and prioritised for reduction in cigarette smoke. <sup>^^</sup>Based on glo and glo Hyper. <sup>^^^</sup>Tobacco Harm Reduction.

### 3. Unique R&D ecosystem



**Delivering a stronger innovation pipeline at speed**

## 4. Global distribution and retail footprint

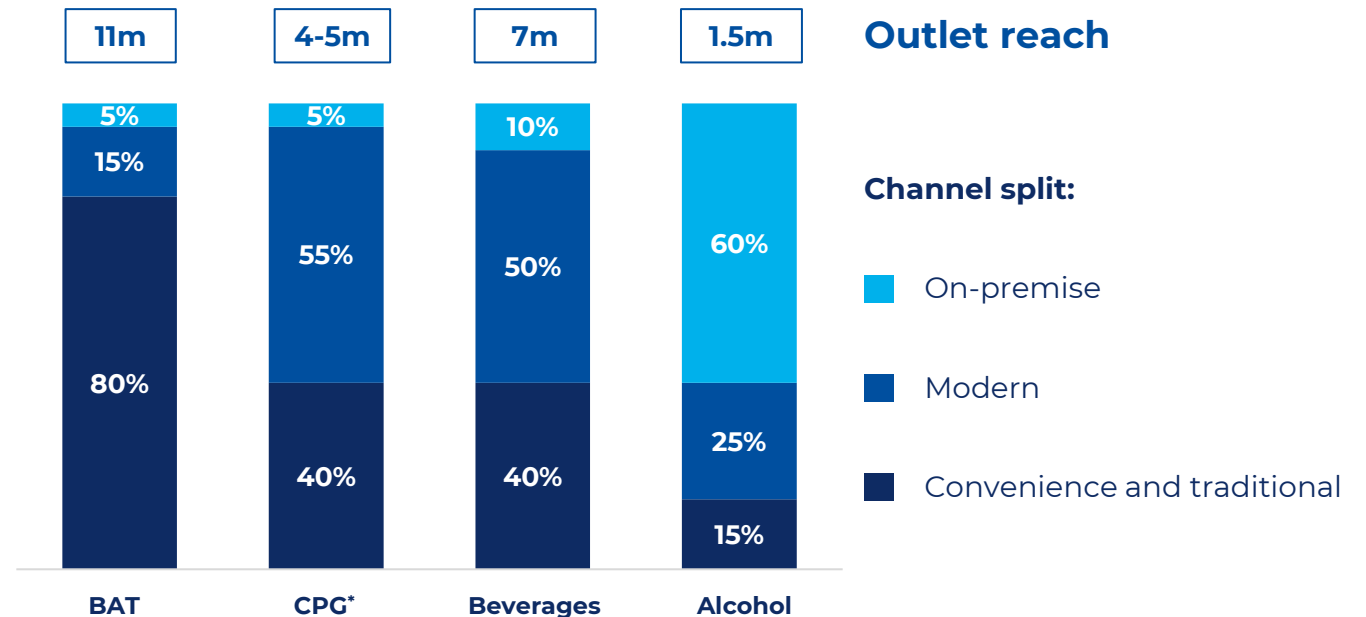


**2x** the retail reach of large-cap CPGs\*

Our brands reach consumers in  
**>140** markets

Our products are on shelf in over  
**11 million** retail outlets globally

**>150m** daily consumer  
touchpoints



**>2x more daily consumer touchpoints vs other CPGs\***

## 5. Front-footed approach to shaping regulatory landscape

### Pragmatic and forward looking regulatory engagement

- Focus on opening new markets and improving regulatory landscape
  - 24 countries with positive Nicotine Pouches framework
  - U.S. FDA positive progress
- Encourage enforcement
- Shape frameworks where New Categories are present
- New Omni Product Vigilance report launched 12 Feb 2026



### Omni™

- ✓ A world-first
- ✓ Our go-to authority for Tobacco Harm Reduction
- ✓ World-class objective science, both BAT and third party
- ✓ Engaging head on with the Big Questions in tobacco and nicotine
- ✓ An open invitation to dialogue
- ✓ Curated in a document and an online resource
- ✓ A living resource that will continue to be updated

Decades of expertise operating in complex regulatory environments

## 6. Enhanced digital capabilities and strategic partnerships

### Connected Consumer Experience

Superior consumer experience via a connected device enabled by interactive app with in-built UAP\*



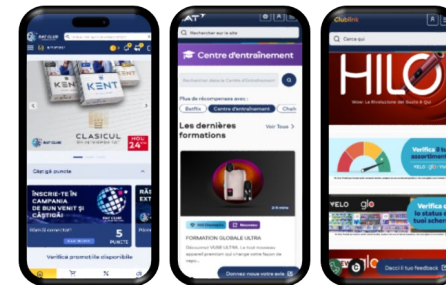
### AI Powered Insights & Foresights

Deeper consumer insights via Gen AI based synthetic 'segments' & advanced data analytics via AI agents



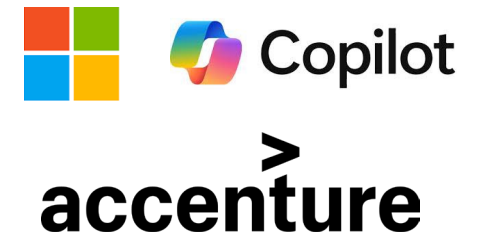
### Excellence in Commercial Execution

Digital B2B technologies leveraging AI capabilities such as image recognition and age verification



### Embedding AI

Company-wide AI training and strategic co-development of advanced tools with key partners



**Driving deeper consumer insights, agility and effectiveness**

(Video – Delivering breakthrough premium innovations)



# Confident in sustainably delivering our mid-term algorithm

**3-5%**  
**Revenue growth\***

**4-6%**  
**Adjusted profit from  
operations growth\*\***

**5-8%**  
**Adjusted diluted EPS growth\*\***

## 1. Growing revenue sustainably

- 1-2% combustibles growth\*
- Double-digit New Category growth\*

## 2. Improving profitability

- Driven by both combustibles and New Categories
- Targeted investment in premium New Categories Quality Growth
- Step up in efficiencies:
  - £2bn productivity savings (2026-2030)
  - c.£600m annualised Fit2Win benefits (by 2028)

## 3. Delivering strong financial and cash returns

- EPS supported by share buy-back and reduced net finance costs over time
- Continued strong cash generation of >£50bn (2024-2030)
- Progressive dividend +2.0% and £1.3bn share buyback announced for 2026
- Target leverage 2.0-2.5x^ by end 2026

**£34bn cash returned to shareholders since 2020**



# Transforming & Winning in the U.S.

**David Waterfield**

President, Reynolds American



# U.S. market opportunity overview



**U.S. market is the cornerstone of BAT strategy**



**U.S. is the largest growing nicotine revenue pool globally\***



**Over 60M adult U.S. consumers using nicotine products**



**Multi-category portfolio positioned to deliver value growth**



**Combustibles portfolio back to sustainable value growth**



**Velo fastest growing brand in fastest growing category**



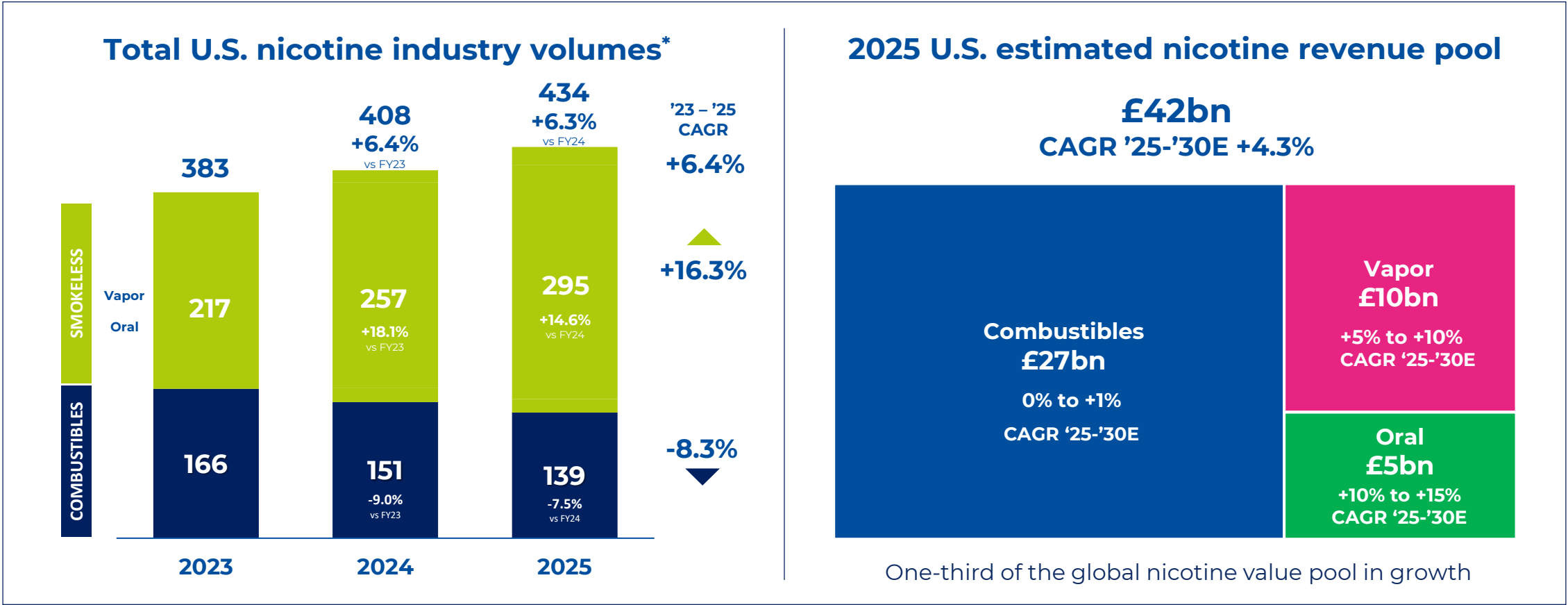
**Illegal vapor disposables enforcement increases; Vuse back to growth**



**Proven capabilities and talent behind business strategy**

\*Source: Nicotine pool outside China. Based on internal estimates | Total adult nicotine consumers based on Q3'25 Consumer Track (Kantar Research). Ownership and rights to use the brand(s) included may vary by jurisdiction. In certain territories, the brand(s) may be owned, licensed, or otherwise controlled by third parties unaffiliated with BAT.

# U.S. nicotine market in growth



## Driven by New Categories

Source: Internal estimates; Vapor includes tracked & estimated untracked channels. Volumes in cigarette stick equivalent across all nicotine categories tracked and untracked channels (includes estimated illegal disposables volume). \*In cigarette stick equivalent. Conversions as per BAT standard methodology: Combustibles 1:1, Traditional Oral 1 can: 12 sticks, Nicotine Pouches: 1 pouch: 1 stick, Rechargeable Closed Systems / Disposables 1.5 ML: 20 sticks, Open Systems: 1 ML: 4 sticks.

# BAT in pole position to win in the biggest nicotine revenue pool globally\*

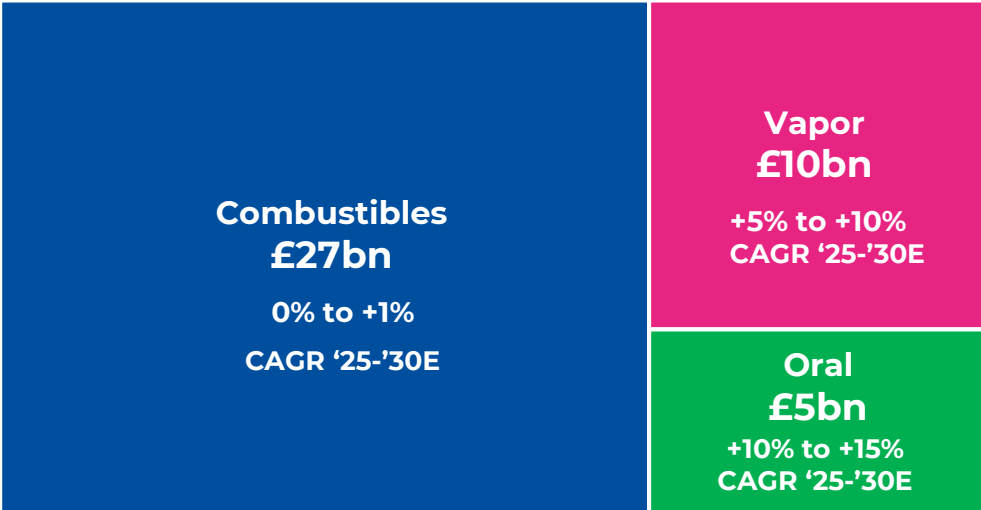
## BAT core capabilities to win in the U.S.



Integrated capabilities to leverage & scale in the U.S.

## 2025 U.S. estimated nicotine revenue pool

**£42bn**  
CAGR '25-'30E +4.3%



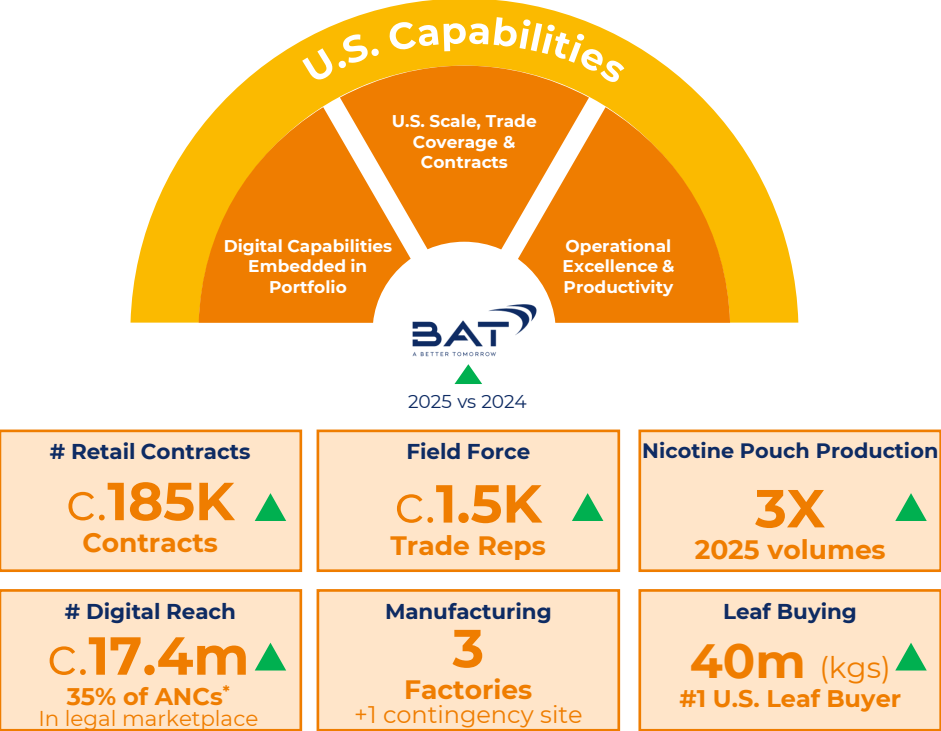
One-third of the global nicotine value pool in growth

## Leveraging a unique combination of U.S. and global capabilities

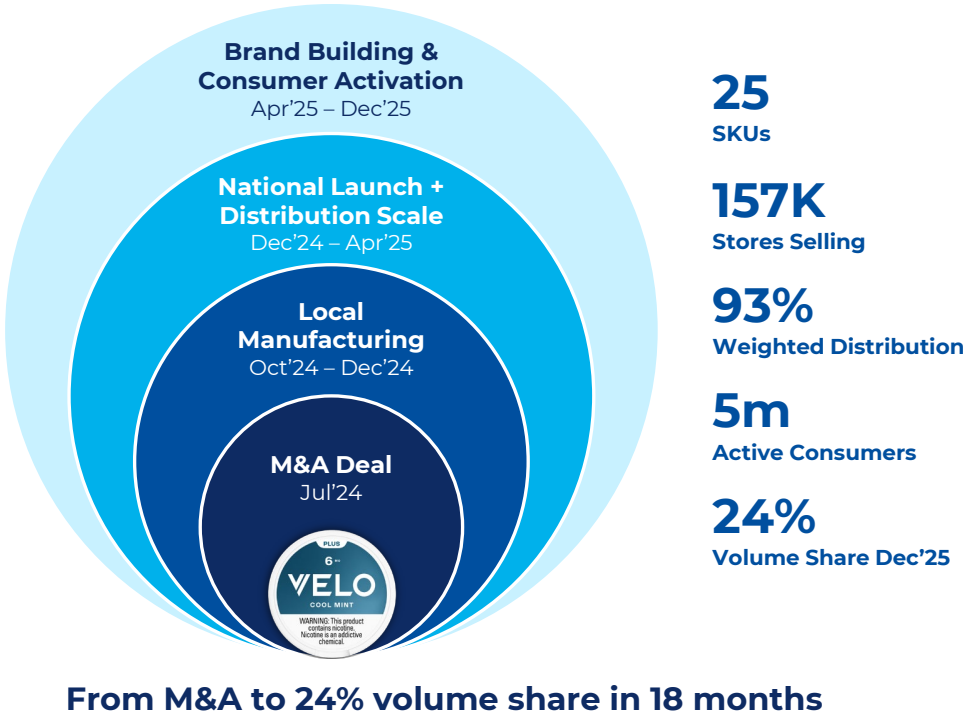
Source: Internal estimates; Vapor includes tracked & estimated untracked channels. \*Excludes China.

# Significantly investing in our U.S. capabilities

## BAT core capabilities to win in the U.S.



## Velo Plus Case Study



## Velo Plus success evidence of Reynolds execution strength

Source: Consumer Track (Kantar) Q3 2025 / Volume Share as per Retail Scan Data (Circana) December 2025 / Digital Reach includes combined Retailer & Reynolds consumer database. \*ANCs: Adult Nicotine Consumers.

# Reynolds American is the cornerstone of growth for the BAT Group

**REYNOLDS**  
**GROWING TOMORROW**

Reynolds American is investing in the U.S. economy by building next-generation capabilities and creating thousands of new jobs to support our growth.

**£2.5bn**

Investment Committed  
by 2030\*

**2,000+**

New American Jobs\*  
(direct & indirect)

**Committed to invest in the long-term growth opportunity**



# Established multi-category portfolio for growth



## U.S. Adult Nicotine Consumer (ANC) Trends

U.S. Nicotine Consumers Interacting or Migrated to New Categories\*

**65%**  
+19ppts vs 2022

U.S. Combustibles Poly-user Consumers\*

**53%**  
+7ppts vs 2022



## Reynolds Multi-Category Portfolio Trends

**32.3%**  
+106bps  
Dec'25 vs Dec'24

Reynolds Portfolio Total Nicotine Share Full Year 2025

**8.9%**  
+302bps  
Dec'25 vs Dec'24

Vapor & Oral Reynolds Portfolio Total Nicotine Share Full Year 2025

### Reynolds Total ANCs

**#1 in U.S.**  
**21.5m**  
+1.6m vs FY24

### Reynolds Smokeless ANCs

**#1 in U.S.**  
**17.3m**  
+1.8m vs FY24

### Reynolds New Categories ANCs

**#1 in U.S.**  
**11.2m**  
+2.7m vs FY24

Leading positions across U.S. nicotine

Source: Consumer Track (Kantar) Oct-Nov 2025 data | Total Nicotine Share estimates based on RSD (Circana) excludes illicit disposables and Open Systems untracked channels. Ownership and rights to use the brand(s) included may vary by jurisdiction. In certain territories, the brand(s) may be owned, licensed, or otherwise controlled by third parties unaffiliated with BAT. \*See Appendix A3. See Appendix A2 for share definitions and sources.

# Established multi-category portfolio for growth



## U.S. Adult Nicotine Consumer (ANC) Trends

U.S. Nicotine Consumers Interacting or Migrated to New Categories\*

**65%**  
+19ppts vs 2022

U.S. Combustibles Poly-user Consumers\*

**53%**  
+7ppts vs 2022



## Reynolds Multi-Category Portfolio Trends

**32.3%**  
+106bps  
Dec'25 vs Dec'24

Reynolds Portfolio Total Nicotine Share Full Year 2025

**8.9%**  
+302bps  
Dec'25 vs Dec'24

Vapor & Oral Reynolds Portfolio Total Nicotine Share Full Year 2025

### ✓ Combustibles Re-energized

Growing share of premium

Growing share of value



### ✓ Vuse Back to Growth

Leadership in 37 states

Growing 2ppts value share



### ✓ Nicotine Pouches Acceleration

Fastest growing brand

2<sup>nd</sup> largest brand



## Best positioned for future industry growth

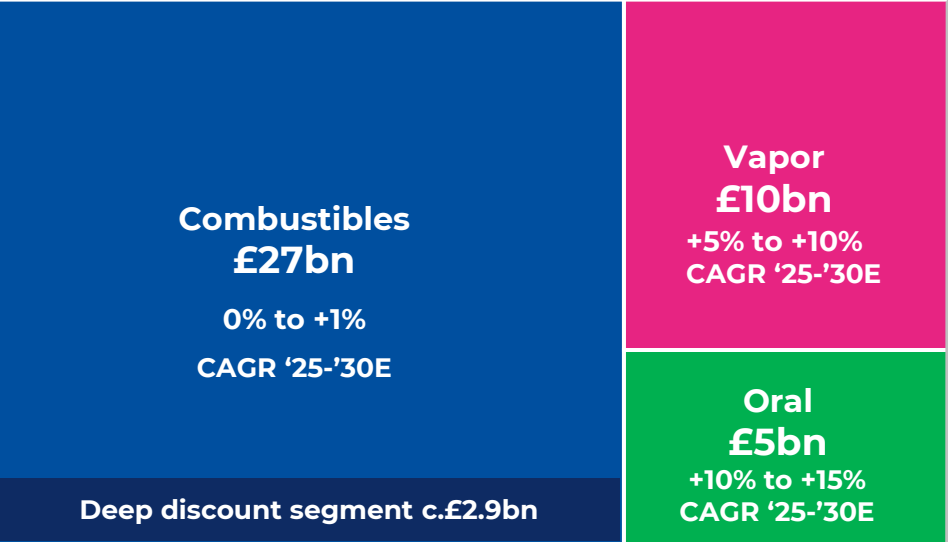
**GROWING  
TOMORROW**

Source: Consumer Track (Kantar) Oct-Nov 2025 data | Total Nicotine Share estimates based on RSD (Circana) excludes illicit disposables and untracked channels. Ownership and rights to use the brand(s) included may vary by jurisdiction. In certain territories, the brand(s) may be owned, licensed, or otherwise controlled by third parties unaffiliated with BAT. \*See Appendix A3. See Appendix A2 for share definitions and sources.



# Strong performance on combustibles strategy

## 2025 U.S. estimated nicotine revenue pool £42bn



Combustibles will remain a sizeable value pool

2025 U.S. combustibles performance		
FY25 vs FY24	Volume share	Value share
Total U.S. combustibles	-10bps	+30bps
Excl. deep discount	+70bps	+60bps
Share of AWAP*	+20bps	+50bps
	H1 '25 vs H1 '24	H2 '25 vs H2 '24
Combustibles revenue^	+3.8%	+5.3%
Category contribution^^	+4.8%	+6.0%



Driving sustainable value to fund our transformation

Source: Internal estimates; Vapor includes tracked & estimated untracked channels. \*AWAP: Above Weighted Average Price. ^At constant rates. ^^Based on internal estimates. See Appendix A1. At constant rates. See Appendix A2 for share definitions and sources. Ownership and rights to use the brand(s) included may vary by jurisdiction. In certain territories, the brand(s) may be owned, licensed, or otherwise controlled by third parties unaffiliated with BAT.

# The U.S. New Categories opportunity

## The opportunity today

2025 U.S. developing segments revenue pool estimates

**£15bn**



c.40m dynamic adult consumer base



c.65% consumer interaction / migration

## Reasons to believe



**Effective & efficient regulatory process**



**Effective enforcement**



**Vuse leadership in U.S.\* & globally**



**Nicotine Pouch innovation to replicate rest of the world success**

## The size of the prize by 2030

U.S. developing segments revenue pool estimates projected to grow in value

**£20bn – £25bn**



**Significant share of revenue pool by 2030**



**Additional £5-10bn industry value by 2030**

# U.S. Vapor market begins to formalize in 2025

## Increased Federal Enforcement Actions



“The Department of Justice today conducted a nationwide operation to **remove illicit vaping products that are being strategically distributed and sold at retailers across the country.** These illegal and unregulated products **are not safe.**”

**Attorney General Pam Bondi**  
Pictured outside Midwest Distribution after federal agents raided it

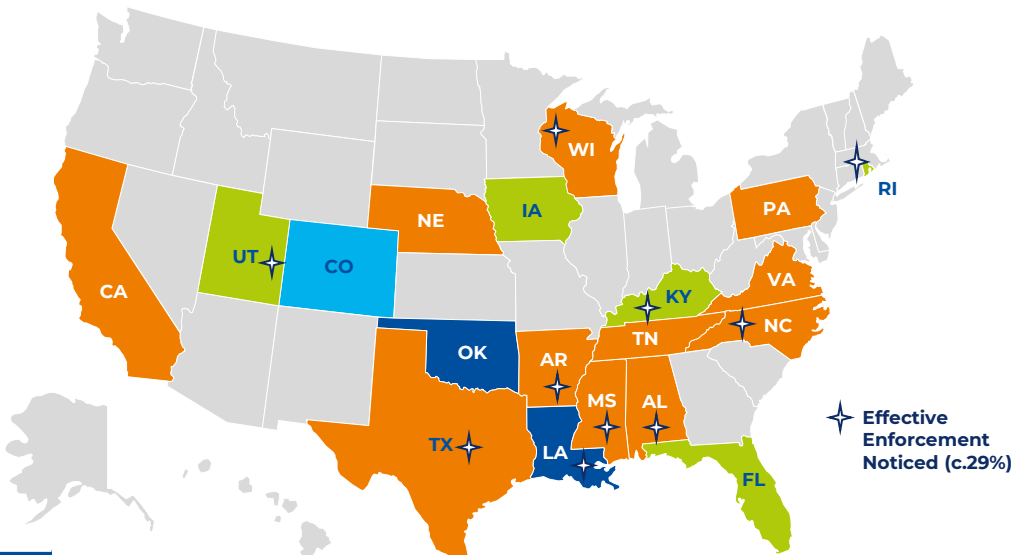
**\$86.5mn**  
worth of illegal vapes



**4.7mn**  
units of illegal vapes



## Increased State Directory/Enforcement Footprint



2	Effective prior to 2024 (c.6%)
1	Effective in 2024 (+2%)
+5	Effective in H1'25 (+11%)
+11	Effective H2'25 & beyond (+37%)

19 states enacted directory/enforcement legislation (c.55%)

### State Directory Coverage

From **C.8%** To **C.48%**  
Dec'24 Dec'25

of tracked Vapor Industry

17 states introduced directory/enforcement legislation

## Increased Federal and State regulatory and enforcement actions

Source: U.S. Customs and Border Control, CNN Sep 11<sup>th</sup> | State directory coverage based on STR (Shipments to Retail) legal industry weight of states with published directories (48%) | State Map based on enacted directory or enforcement (55%) | Effective enforcement noticed (29%) based on STR legal industry weight of states with noticeable legal industry improvements vs pre-directory / enforcement periods.

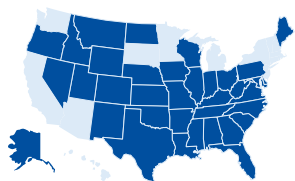
# Vuse: The market leading Vapor brand

## Leadership in U.S.\*

2025 Value Share

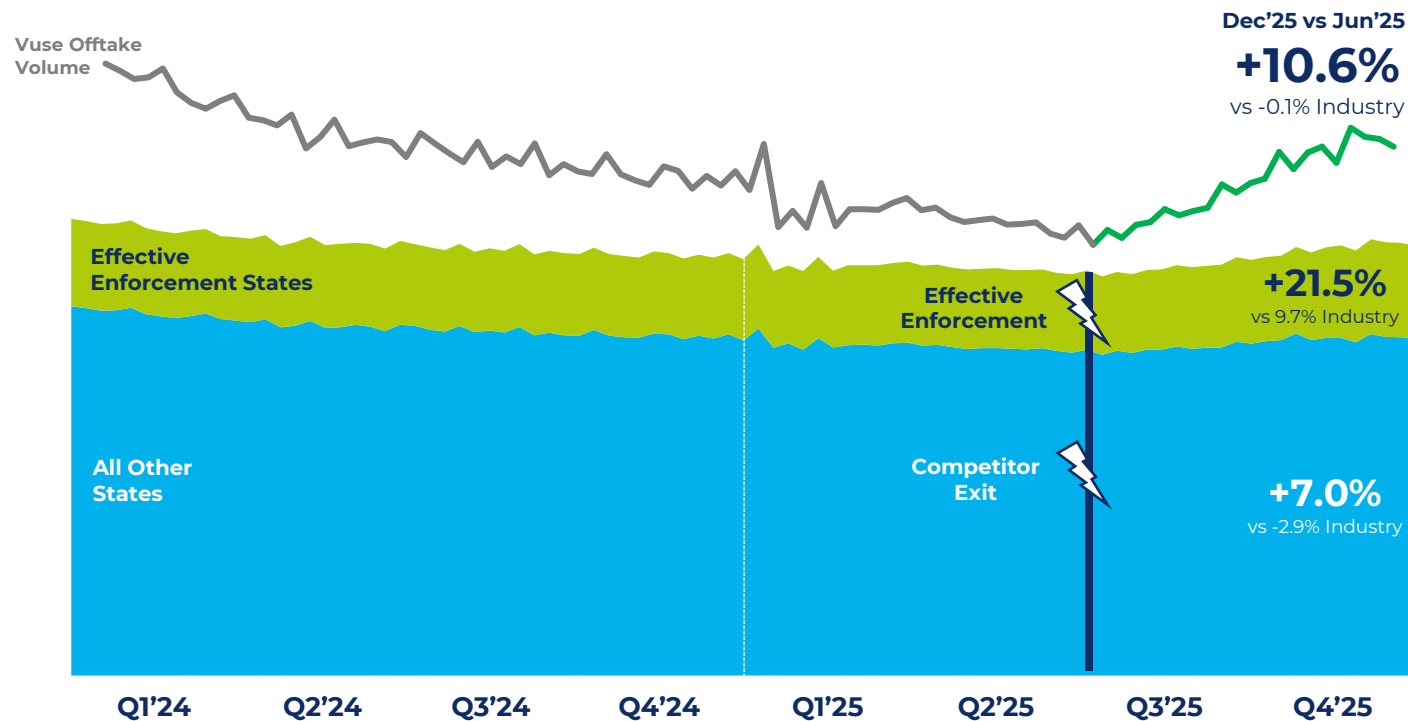
**51.7%**

+200bps vs 2024



■ Leadership in 37 states

## Best positioned to win through disruption\*\*



# Actively protecting our rights

## FDA/DOJ Joint Task Force Actions Against Illegal Vapor

FDA NEWS RELEASE

### FDA and CBP Seize Nearly \$34 Million Worth of Illegal E-Cigarettes During Joint Operation



**Washington Examiner**

Marty Makary outlines FDA crackdown on illegal foreign vape products in warning to China: 'Going to take this seriously'

**FDA U.S. FOOD & DRUG ADMINISTRATION**

FDA NEWS RELEASE

### HHS, CBP Seize \$86.5 Million Worth of Illegal E-Cigarettes in Largest-Ever Operation

## FDA Empowered to Fund Enforcement

- New law provided additional >\$200 million towards enforcement activities
- Expanded FDA authority to destroy counterfeit tobacco products
- Import authority strengthened by adding “tobacco products” to items FDA can refuse at borders
- FDA mandated to educate retailers on how to determine which ENDS\* products are legal for sale
- Semi-annual reports required from FDA to Congress

## Other Actions

### International Trade Commission (ITC)



### Patent infringement

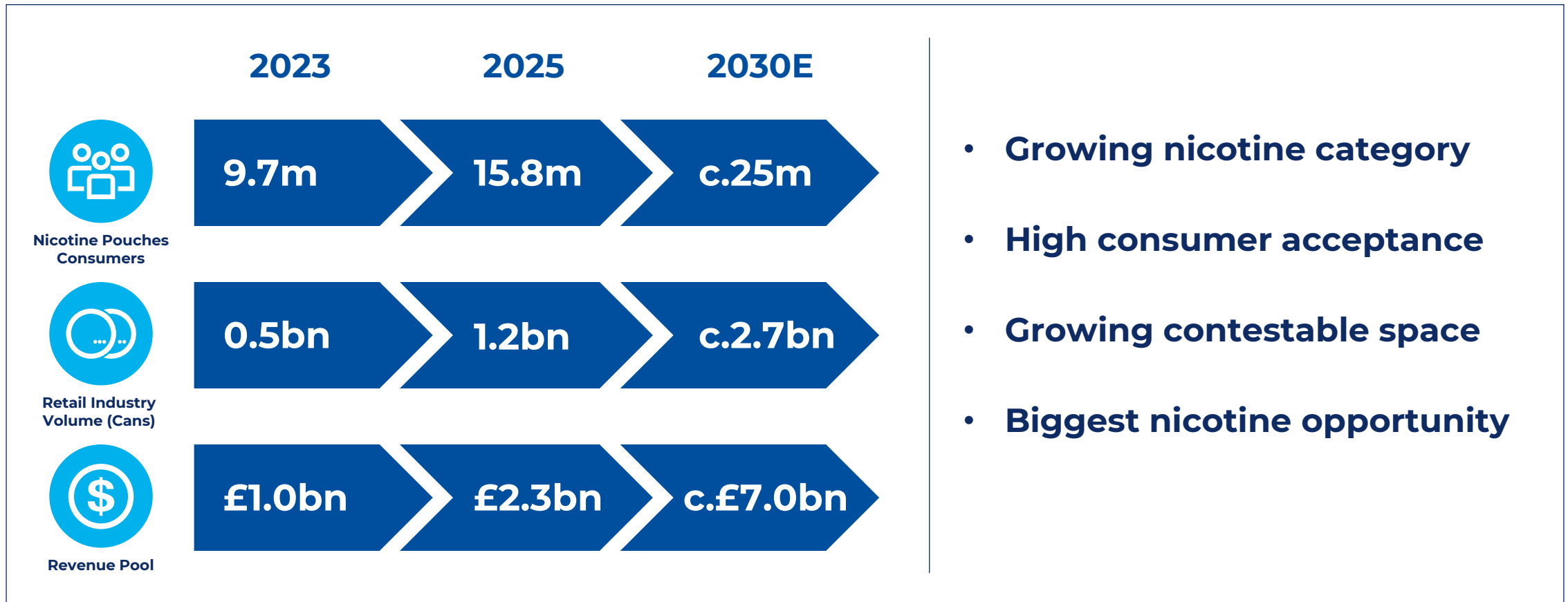
Initial ruling/general exclusion order favorable (Aug. 29, 2025)

Full Commission final determination expected (Mar. 2026)

60-day Presidential review (Q2 2026)

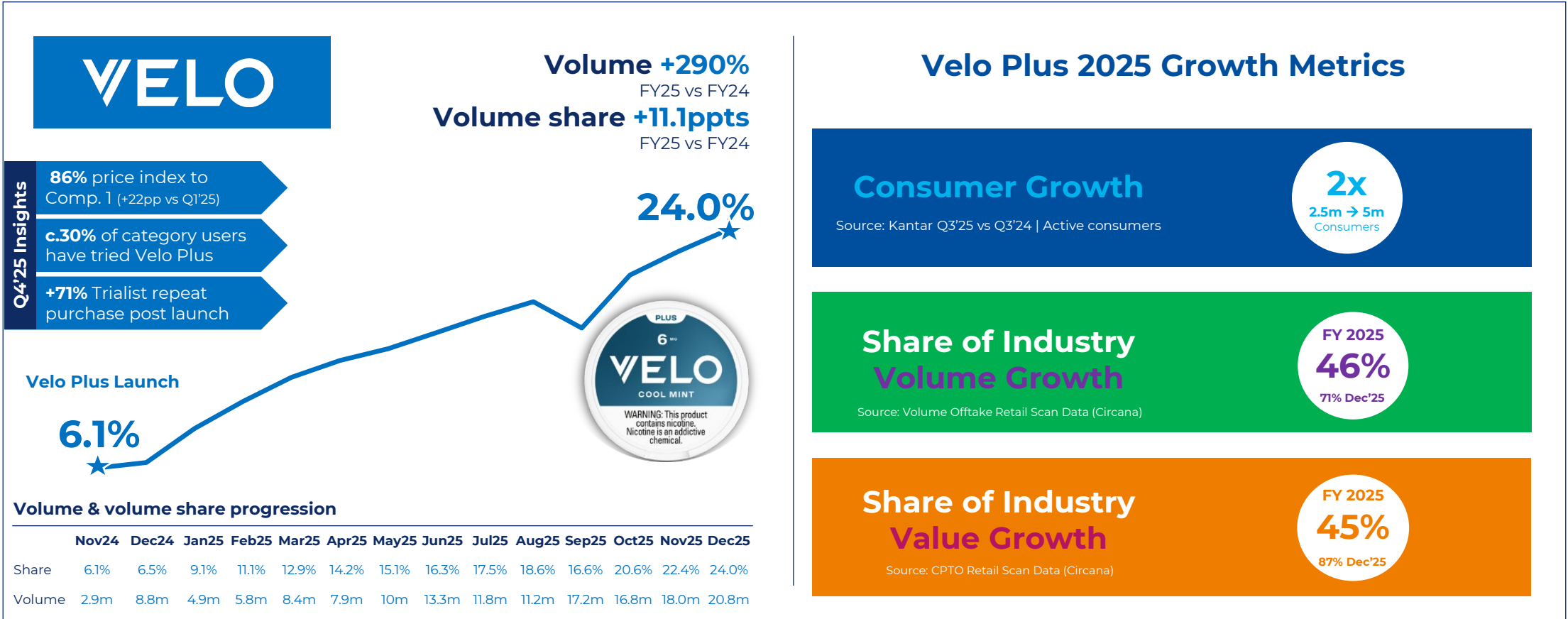
## Advocating for a level playing field

# U.S. Nicotine Pouches are the fastest growing category



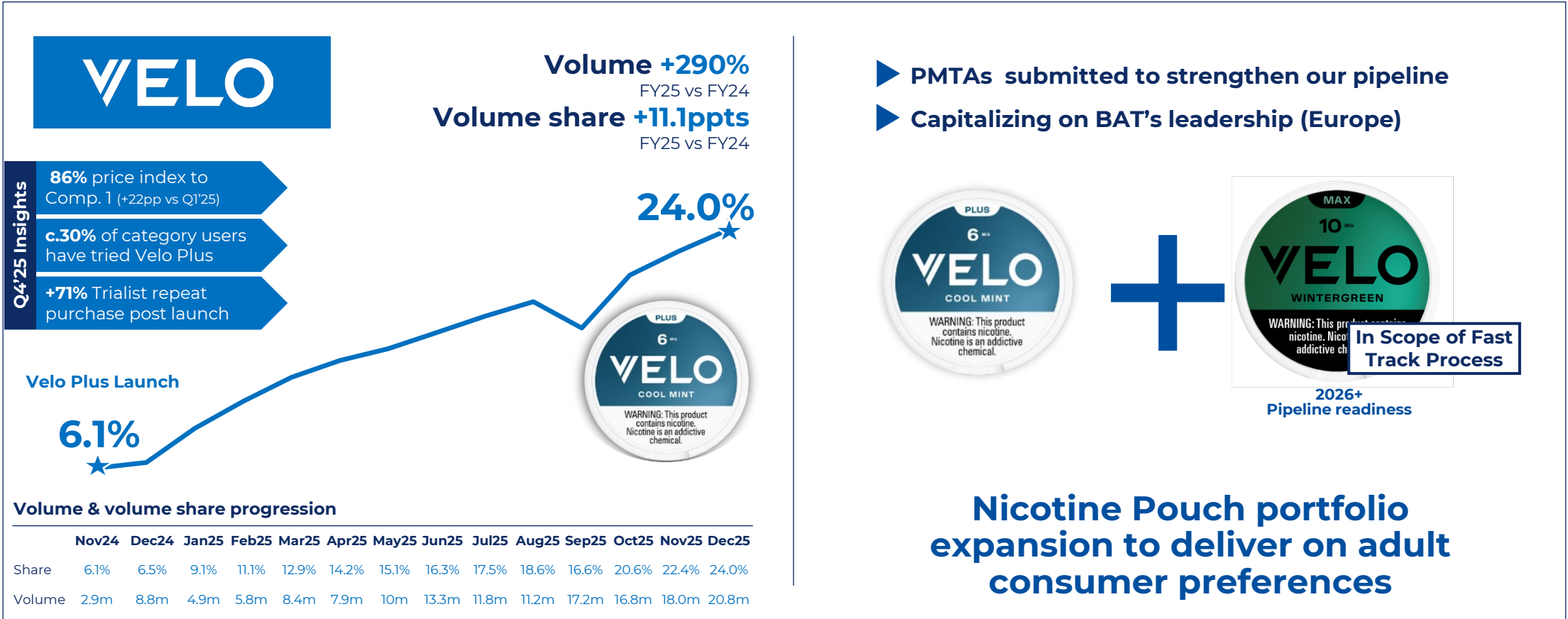
**Industry revenue expected to triple by 2030**

# Velo Plus is the fastest growing brand in the Nicotine Pouches category





# Velo Plus is the fastest growing brand in the Nicotine Pouches category



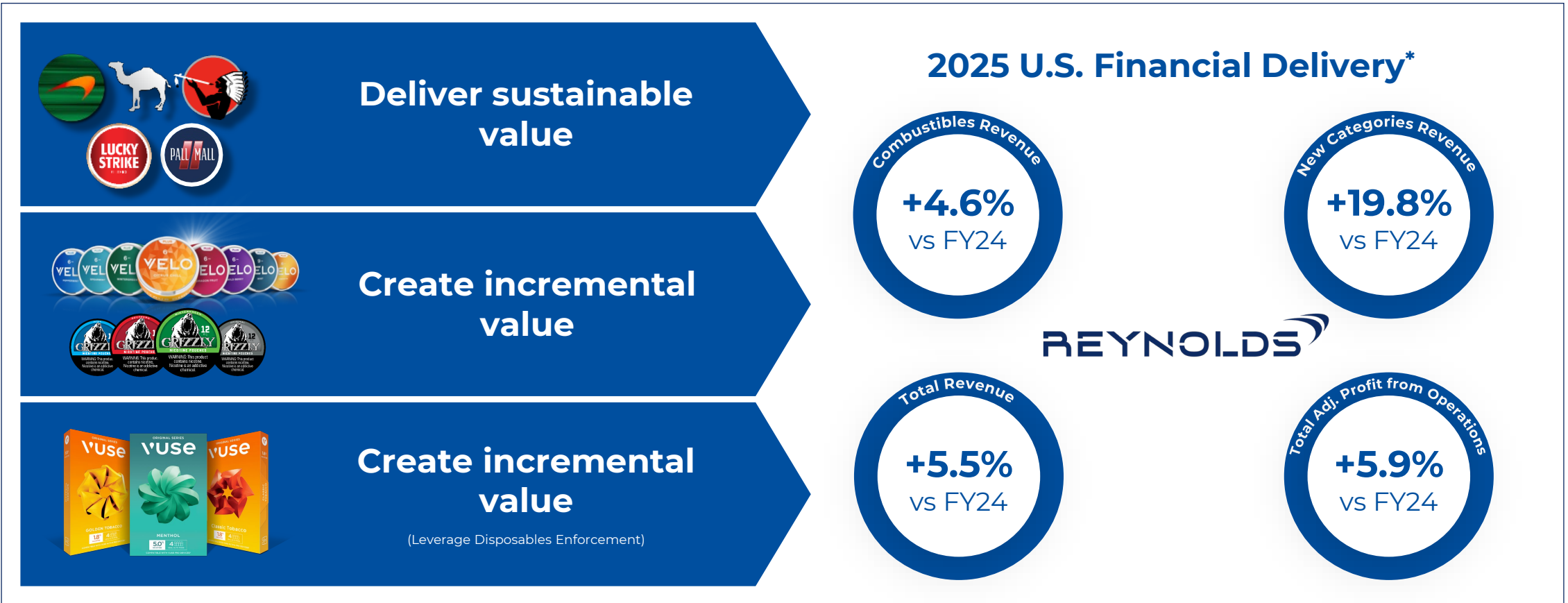
Velo Max in scope, subject to FDA approval

Source: Circana Retail scan data weekly volume share. Volume shipments to Retail based on MSAi on cans basis. See Appendix A2 for share definitions and sources.



# Transforming and delivering sustainable value

Role of category



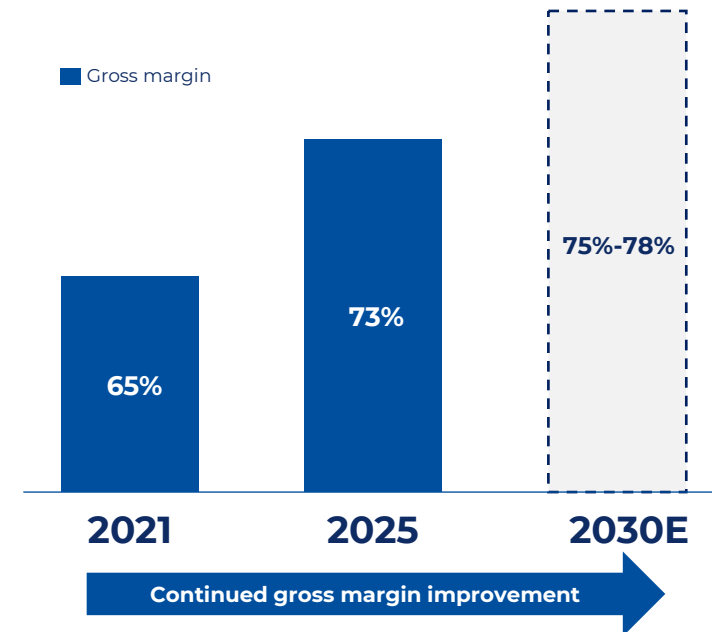
## Supporting BAT's financial delivery

# Transforming and delivering sustainable value

Role of category



## U.S. Portfolio Gross Margin Evolution



## A proven and sustainable margin expansion engine

# Reynolds American best positioned to win in the U.S.



## Integrated Capabilities



## Winning Brands



## New Categories Opportunity

2030 U.S. developing segments revenue pool estimates

**£20bn – £25bn**



Significant share of revenue pool by 2030



## The cornerstone of BAT's sustainable financial delivery

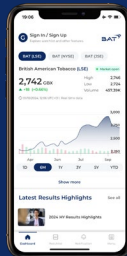
Source: Internal estimates; Vapor includes tracked & estimated untracked channels. Ownership and rights to use the brand(s) included may vary by jurisdiction. In certain territories, the brand(s) may be owned, licensed, or otherwise controlled by third parties unaffiliated with BAT.



September 29 – 30, 2026  
Winston-Salem, NC

# Capital Markets Day

# Please join us for lunch



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<https://myirapp.com/bat/>





# Appendix

Unless otherwise stated, absolute financials are presented at constant rates of exchange, growth in financial metrics is presented at constant rates of exchange and share data is presented versus full prior year.

## A1: Non-GAAP financial measures

### Adjusting (Adj.)

Adjusting items represent certain items which the Group considers distinctive based upon their size, nature or incidence.

**Adjusted for Canada:** Certain of these measures are also presented on an "adjusted for Canada" basis, reflecting the removal of 100% of adjusted profit from operations of our Canadian business, excluding New Categories from both 2024 and 2025 results, to remove the distorting effect of the Canadian results as from the date all of the Group's outstanding tobacco litigation in Canada is settled, annual payments based on a percentage (initially 85%, reducing over time) of the Group's net income after taxes, based on amounts generated in Canada from all sources, excluding New Categories, will be paid out by the Group until the aggregate settlement amount is paid. Due to the initial uncertain nature of the timing of the implementation of the settlement on the Group's 2025 results, for the purposes of 2025 versus 2024, this charge is 100% of the profit after interest and tax from all sources in Canada, excluding New Categories. From 2026, this charge will be 85% of the profit after interest and tax from all sources in Canada, excluding New Categories, reducing over time.

### 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.

### Definitions:

**-Adj. diluted earnings per share (EPS):** Earnings per share before the impact of adjusting items, after adjustments to the number of shares outstanding for the impact of share option schemes whether they would be dilutive or not under statutory measures, presented at the prior year's rate of exchange.

**-Adj. gross margin:** Adjusted gross profit as a proportion of revenue. Adjusted gross margin for FY25 is presented at constant rates, and for FY24 at FY24 rates. Adjusted gross margin for HY25 is presented at constant rates, and for HY24 at HY24 rates.

**-Adj. gross profit:** Profit from operations before the impact of adjusting items and translational foreign exchange, and before all non production/attributable distribution costs and presented excluding the inorganic performance of certain businesses bought or sold in the period.

**-Adj. profit from operations:** Profit from operations before the impact of adjusting items.

**-Category contribution:** Profit from operations before the impact of adjusting items and translational foreign exchange, having allocated costs that are directly attributable to New Categories.

**-Contribution margin:** New Category contribution as a percentage of New Category revenue on an adjusted, organic basis. Category contribution for FY25 is presented at constant rates, and for FY24 at FY24 rates. Category contribution for HY25 is presented at constant rates, and for HY24 at HY24 rates.

**-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.

**-New Category return on investment (ROI):** Calculated as marketing investments and research & development costs as a % of New Category contribution.

**-New Category revenue:** Revenue before the impact of adjusting items and translational foreign exchange, having allocated revenue directly attributable to New Categories, on a constant rate basis.

**-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.

**-Ratio of adjusted net debt to adjusted EBITDA (Leverage):** 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)/income, taxation on ordinary activities, depreciation, amortisation, impairment costs, the Group's share of post-tax results of associates and joint ventures, translational foreign exchange and other adjusting items.

## A2: Share metrics

FY25 growth vs FY24, unless otherwise stated. Volume share: The estimated number of units bought by consumers of a specific brand or combination of brands, as a proportion of the total estimated units bought by consumers in the industry, category or other sub-categorisation. Sub-categories include, but are not limited to, the total nicotine category, Nicotine Pouches, Vapor, Traditional Oral or cigarettes. Corporate volume share is the share held by BAT Group. Except when referencing particular markets, volume share is based on our top markets.

Value share: The estimated retail value of units bought by consumers of a particular brand or combination of brands, as a proportion of the total estimated retail value of units bought by consumers in the industry, category or other sub-categorisation in discussion.

Our Top markets are defined by estimated industry revenue in their relevant category. **Top Vapor markets:** U.S. – Circana Non-Syndicated RSD, Canada – Scan Data, the UK – NielsenIQ, France – Logista RA, Germany – NielsenIQ, Poland – NielsenIQ, Spain – Logista RA. These seven markets account for c.80% of global closed systems consumable revenue in 2024. **Top HP markets:** Japan – CVS-BC, South Korea – CVS, Italy – NielsenIQ, Germany – NielsenIQ, Greece – NielsenIQ, Poland – NielsenIQ, Romania – NielsenIQ, the Czech Republic – NielsenIQ, Portugal – Logista RA, Spain – Logista RA. These ten markets account for c.80% of total industry HP revenue in 2024. **Top Nicotine Pouch markets:** U.S. – Circana Non-Syndicated RSD, Sweden – NielsenIQ, Denmark – NielsenIQ, Norway – NielsenIQ, Switzerland – IMS, the UK – NielsenIQ, Poland – NielsenIQ. These seven markets account for c.90% of total industry Nicotine Pouch revenue in 2024. **Top Cigarette markets:** U.S. – Circana Non-Syndicated RSD, Germany – NielsenIQ, Japan – CVS, Romania – NielsenIQ, Brazil – Scanntech, Mexico – NielsenIQ, Pakistan – Access Retail. These seven markets account for c.60% of cigarette industry revenue in 2024. Market share is used by management to assess the relative

performance of the Group against the performance of its main competitors.

## A3: Poly-usage

**-Combustibles Poly-use** – refers to the use by an adult\* consumer of both combustibles products and potentially reduced-risk tobacco and nicotine products which for many smokers is part of a transitional period where those consumers move towards a complete switch to potentially reduced-risk† products by reducing the consumption of combustible tobacco products and replacing them with one or more potentially reduced-risk products.

**-New Categories Poly-use** – refers to the consumption of two or more potentially reduced-risk tobacco or nicotine product categories by adult\* consumers who do not consume any Combustibles products.

**-Total Poly-use** – total number of adult\* consumers consuming two or more tobacco and/or nicotine products, which may or may not include combustibles products.

\* As defined by the relevant local law but shall in no circumstance refer to any person under the age of 18; and shall in no circumstance refer to any person under the age of 21 in the U.S.

\*Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive. † Products sold in the U.S., including Vuse, Velo, Grizzly, Kodiak, and Camel Snus, are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

## A4: Consumers of Smokeless products

The number of adult consumers of smokeless products is defined as the estimated number of Legal Age (minimum 18 years) consumers of the Group's smokeless products - which does not necessarily mean these users are solus consumers of these 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 smokeless 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.

The number of consumers of smokeless products is used by management to assess the number of adult consumers regularly using the Group's New Categories products as the increase in smokeless products is a key pillar of the Group's Sustainability ambition and is integral to the sustainability of our business.

## A5: Smokeless Products

Refers to non-combustibles, including Vapor products, Heated Products, Nicotine Pouches, and Traditional Oral.

## A6: Industry Estimates

Internal estimates for revenue and consumer numbers, based on our Top 50 markets unless otherwise stated.

## A7: Reduced risk profile of our Smokeless products

\*Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive. † Products sold in the U.S., including Vuse, Velo, Grizzly, Kodiak, and Camel Snus, are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.