

Building a Smokeless World

Preliminary Results 2025

Tadeu Marroco – Chief Executive | **Javed Iqbal** – Interim Chief Financial Officer



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In particular, among other statements: (i) certain statements in Tadeu Marroco's sections (slides 4-6, 21-22, 24, 25, 28, 30, 32-37 and 42); and (ii) certain statements in Javed Iqbal's section (slides 12, 14, 16-17 and 19-20).

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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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.

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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, free cash flow, adjusted profit from operations, New Category revenue, smokeless revenue as a proportion of total revenue, adjusted gross profit, adjusted gross margin, adjusted operating margin, adjusted diluted earnings per share (EPS), New Category return on investment (ROI), operating cash conversion and return on capital employed. The Group's management regularly reviews the 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, currency fluctuations and the performance of businesses sold or acquired that may significantly affect the user's understanding of the Group's performance when compared across period, as applicable, 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.

In addition, certain of these measures are presented on an "organic" basis, i.e., excluding businesses sold or acquired that may significantly affect the user's understanding of the Group's performance when compared across periods. Organic measures exclude the performance of such businesses in the current and comparator periods to ensure like-for-like assessment across all periods. In 2023 and 2024, organic measures exclude the performance of Russia and Belarus as those businesses (in aggregate) were deemed to be significant to the user's understanding of the financial performance. The exits in respect of other markets, including in Africa, are not deemed significant for the user's understanding.

This presentation also presents results on a "constant currency" basis, i.e., in 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.

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.

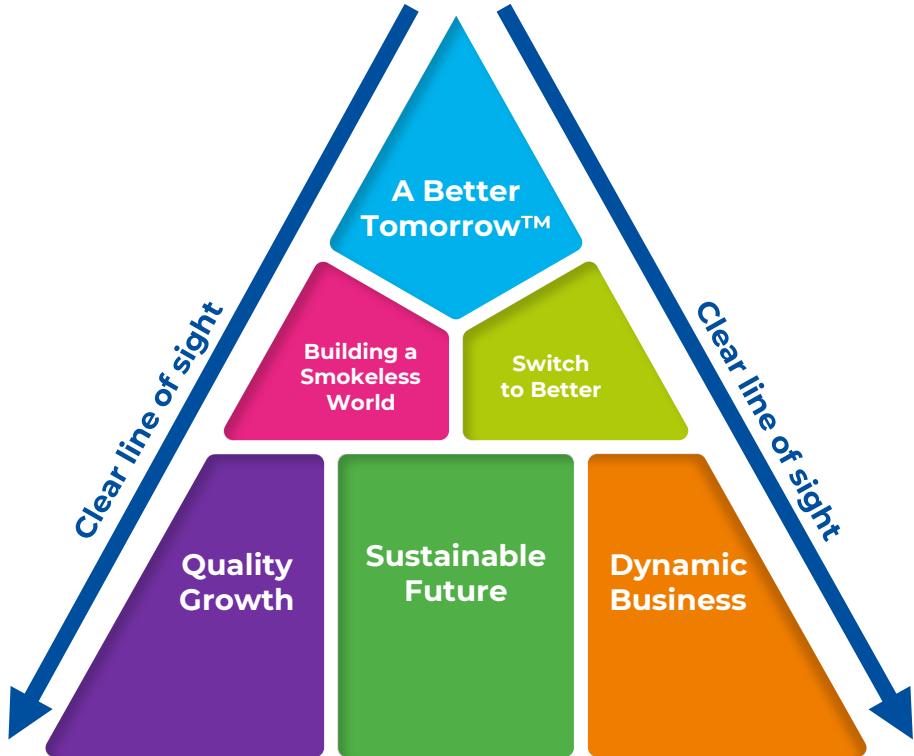
Momentum drives further confidence in 2026 delivery

Preliminary Results 2025

Tadeu Marroco – Chief Executive



Driving a sustainable transformation in 2025



- **Progress towards a Smokeless World**
 - Consumers of Smokeless* products +4.7m to 34.1m
 - Smokeless represents 18.2% of Group revenue, +70bps**
- **FY25 results at top end of guidance**
 - Return to U.S. growth and robust AME delivery
 - Excellent Velo performance in all three regions
 - Resilient combustibles performance
- **Driving increased returns on more targeted investment**
 - New Category contribution up 77% to £442m***
 - Combustibles delivery supported by cost saving initiatives
- **Investing to deliver long-term value creation**
 - Premium innovation launches in all three New Categories
 - Accelerating H2 momentum reinforces 2026 confidence
- **Committed to generating strong cash returns**
 - Continued progress on de-leverage to 2.55x[^]
 - Progressive dividend; SBB^{^^} increased to £1.3bn for FY26

Confident in delivering mid-term algorithm in 2026

Delivering on key 2025 deployment year priorities



What we said

- Continue to build track record of delivery
- Delivering Quality Growth in New Categories
 - Increasing NC returns
 - Targeted roll-out of NC innovations
- Drive value from combustibles
- Further improvement in our U.S. delivery
- Amplify proactive regulatory affairs approach
- Focus on enhanced cash flow generation

What we delivered

- FY results at top end of guidance
- Return to double-digit NC revenue growth in H2*
 - NC contribution +£193m/+77%**
 - Premium innovations in all 3 categories
- Combustibles revenue and contribution growth***
- U.S. back to revenue and profit growth**
- Leveraging Omni™, front-footed engagement
- Further deleveraging; £1.3bn SBB for FY26

Building momentum towards our mid-term algorithm

FY25 results at top end of guidance

Preliminary Results 2025

Javed Iqbal – Interim Chief Financial Officer

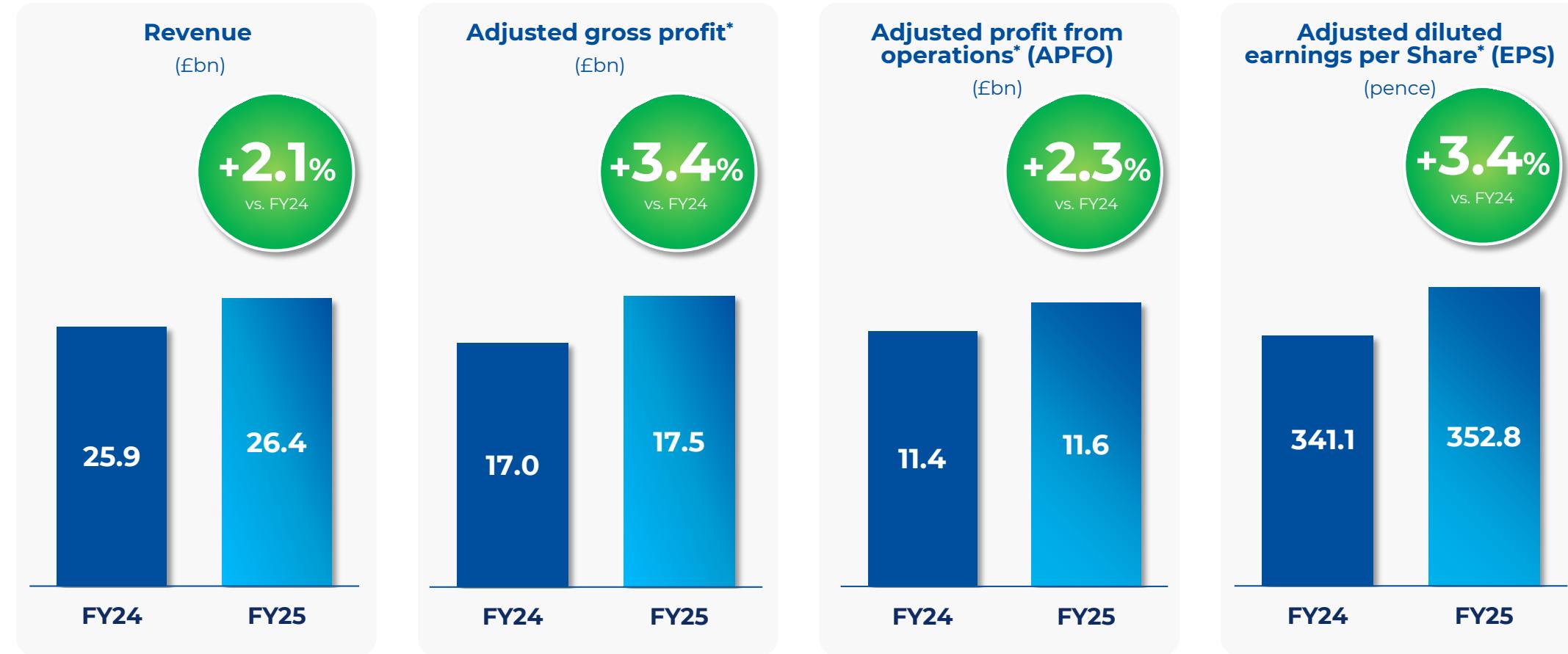


FY25 performance at top end of guidance



	Reported current currency	Adjusted for Canada current currency	Adjusted for Canada constant currency growth
New Category Revenue	£3,621m	£3,621m	+7.0%
Total Revenue	£25,610m	£25,610m	+2.1%
Profit from Operations	£9,997m	£11,279m*	+2.3%*
Operating Margin	39.0%	44.0%*	Flat*
Diluted Earnings per Share	349.1p	340.5p*	+3.4%*

FY25 performance at top end of guidance



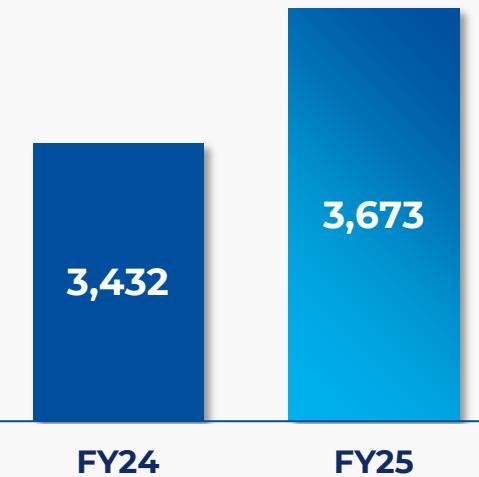
Driven by return to U.S. growth and Modern Oral globally

Delivering Quality Growth in New Categories



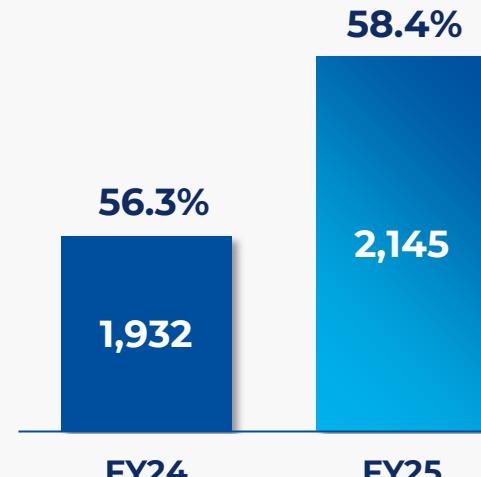
Revenue
(£m)

+7.0%
vs. FY24



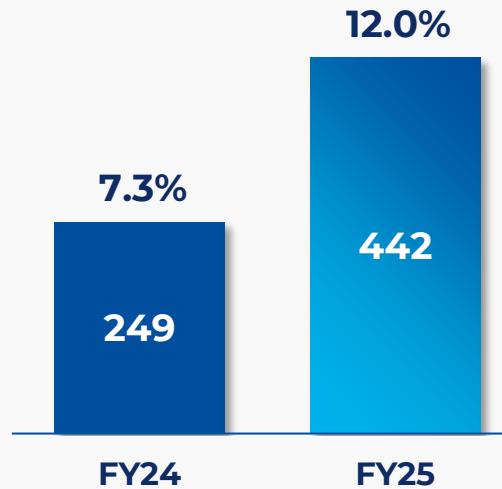
Adjusted gross profit/margin
(£m)

+11.0%
vs. FY24



Category contribution/margin
(£m)

+77.1%
vs. FY24



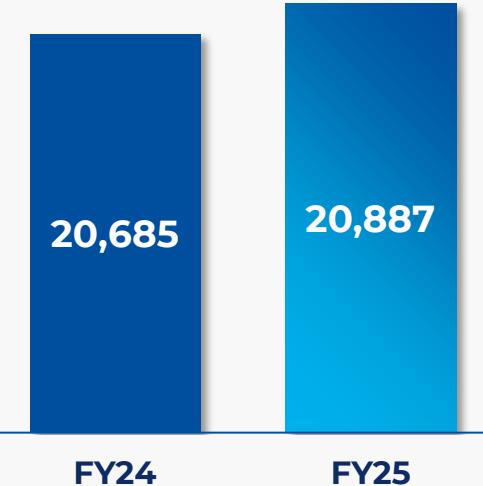
Accelerating to low double-digit revenue growth in H2*

Continuing to drive value from combustibles



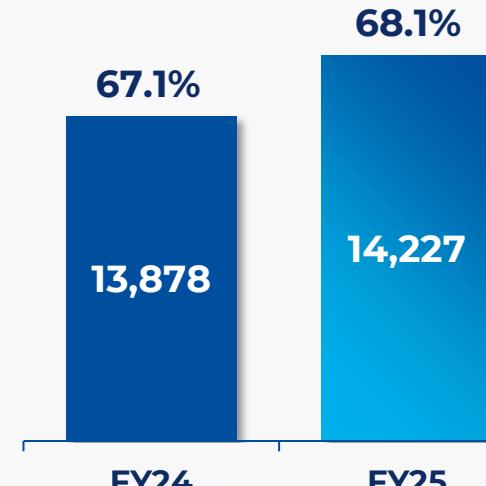
Revenue
(£m)

+1.0%
vs. FY24



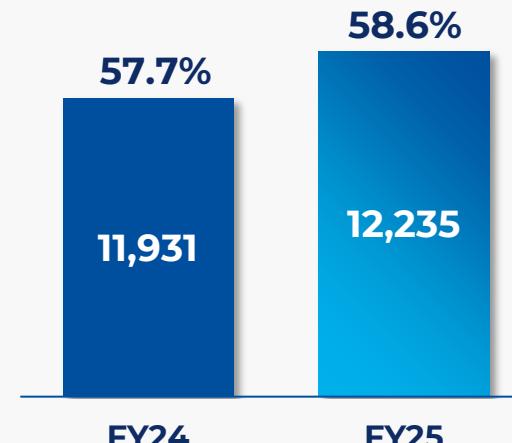
Adjusted gross profit*/margin*
(£m)

+2.5%
vs. FY24



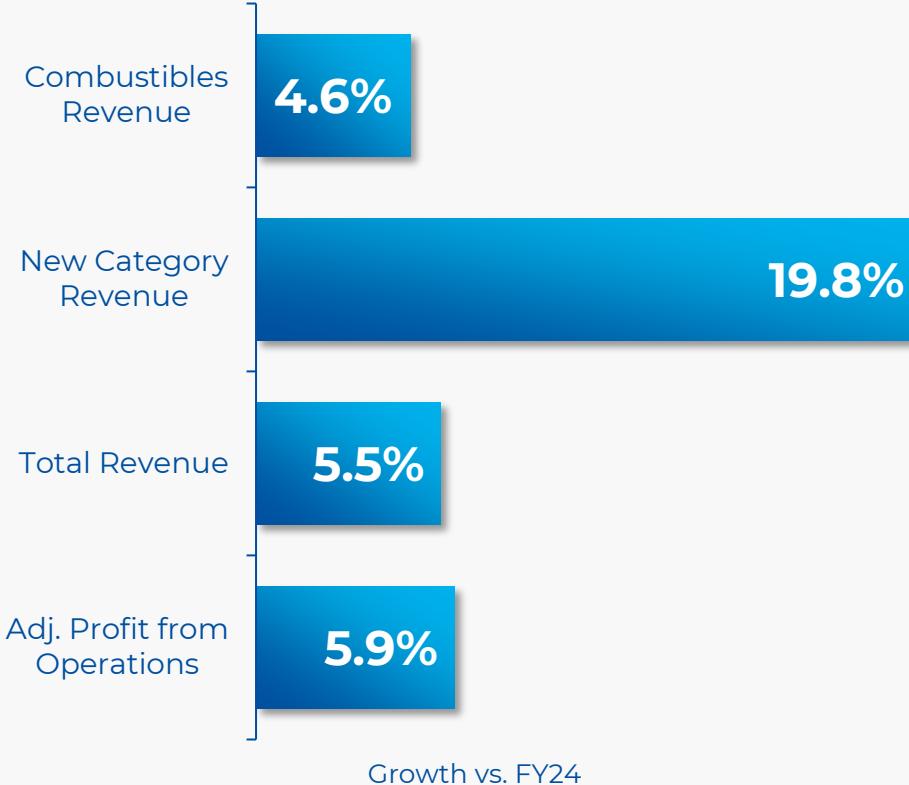
Category contribution*/margin*
(£m)

+2.5%
vs. FY24



Growth in U.S. and AME more than offset Bangladesh/Australia headwinds

U.S. back to revenue and profit growth



Combustibles

- Strong price/mix (including excise duty drawback) offset volume decline of 7.7%
- Strengthened combustibles and enhanced commercial execution underpin delivery
 - Value share +30bps, volume share -10bps (excl. deep discount +70bps)

New Categories

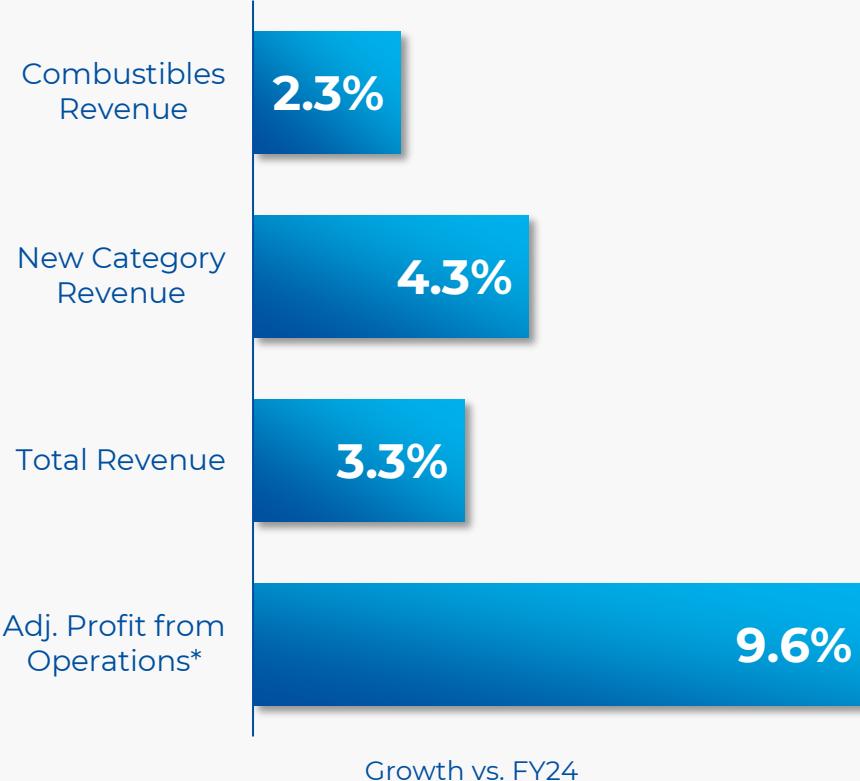
- Excellent Velo performance, MO revenue +310%; +11.6pp volume share, +9.1pp value share
- Vuse revenue -3.4%, recovering to +5.6% in H2*; value share +200bps in tracked channels
 - Supported by increased enforcement actions against U.S. illicit Vapour
- International Trade Commission's confirmation on final determination expected in Q1

Adjusted Profit from Operations

- Strong combustibles delivery
- Increased investment supporting Velo Plus roll-out
- Velo Plus delivered positive contribution within 1 year of launch

Strong combustibles recovery and excellent Velo Plus momentum

Robust AME performance



Combustibles

- Strong price/mix offset volume decline of 4.9%
 - Growth in Brazil, Türkiye and Mexico, partly offset by Germany and Canada
 - Volume share +10bps driven by Brazil and Mexico; value share -70bps

New Categories

- Clear Velo leadership (c.6x larger than #2 competitor**), revenue +17.3%
 - Continued broad based growth across Europe
- Vuse revenue -11.4%; value share -60bps:
 - Impacted by illicit in Canada; regulatory/excise changes in Europe
 - Encouraging early Vuse Ultra momentum in premium
- glo revenue +6.2%, accelerating in H2
 - Volume share -80bps: impacted by competitive dynamics and resource reallocation ahead of the launch of glo Hilo

Adjusted Profit from Operations

- Continued strong combustibles delivery
- Quality Growth agenda driving cost of sales efficiencies and improving contribution across all three New Categories

A true multi-category region delivering Quality Growth

APMEA impacted by fiscal and regulatory headwinds in Bangladesh and Australia



Combustibles

- Growth in Pakistan, Nigeria and Indonesia offset by Bangladesh and Australia
 - Volume and value share both -40bps driven by Japan

New Categories

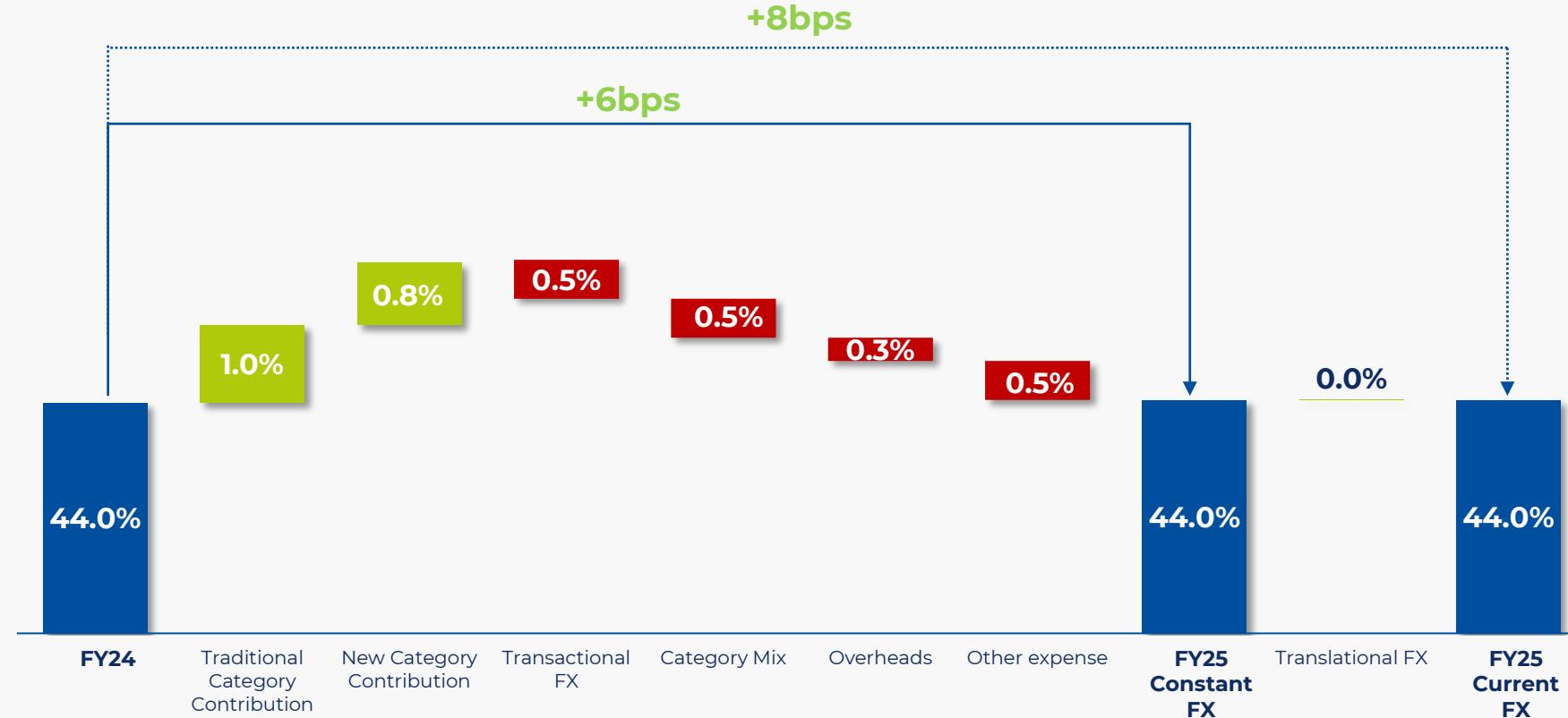
- Velo revenue +44%, led by Global Travel Retail, Pakistan and Japan
- glo revenue -3.8%, volume share -190bps
 - Impacted by highly competitive market in Japan
 - Encouraged by early glo Hilo performance in premium in Japan
- Vapour revenue -39% driven by market exits and resource allocation decisions

Adjusted Profit from Operations

- Fiscal/regulatory headwinds in Bangladesh and Australia partly offset by strong financial performances in Pakistan, Nigeria and Indonesia

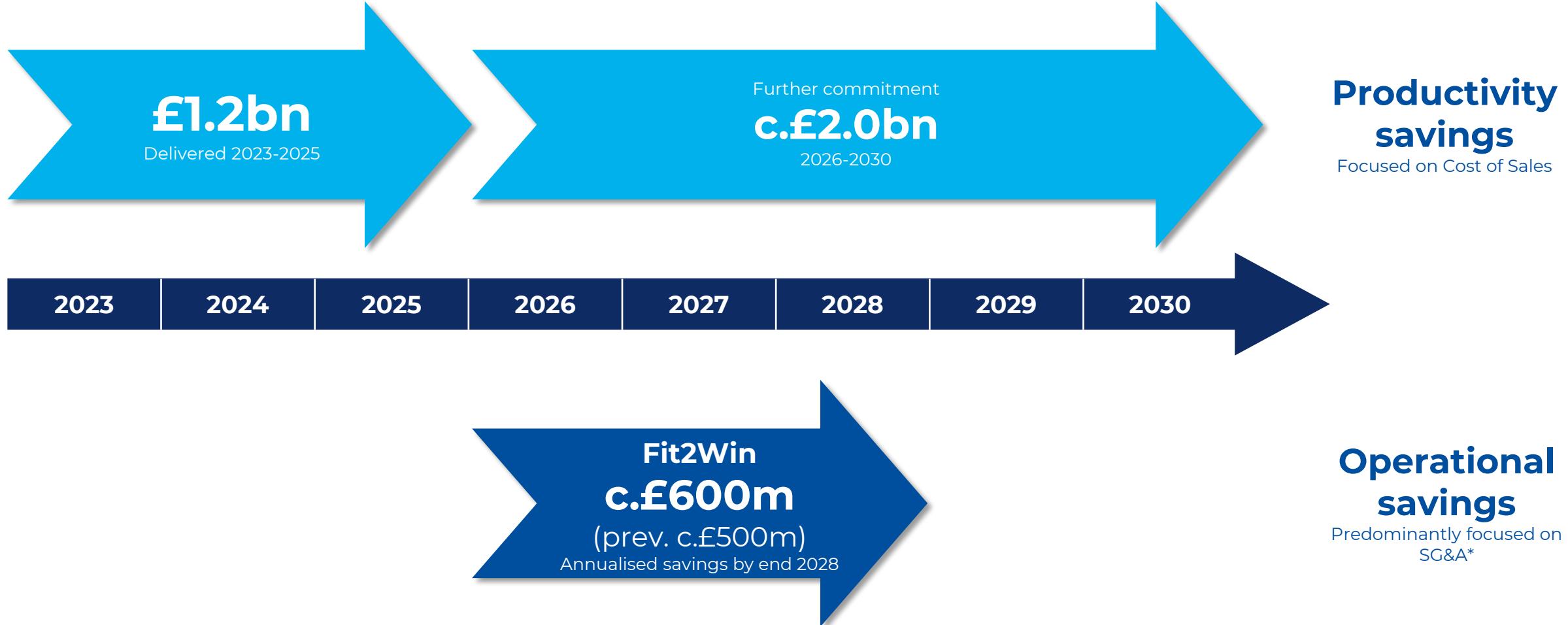
Expect FY26 performance to stabilise

Group operating margin* stable at 44%



Performance gains offset inflation, category mix and transactional FX

Increasing agility and productivity savings



Delivering strong cost savings to support investment in our transformation

Fit2Win: Reinvesting c.£600m annualised savings to drive sustainable Quality Growth

Streamlining Organisation

- Clearer accountabilities with differentiated KPIs and incentives
- Reduced layers and increased span of control

Modernising Route to Market

- More sustainable and agile service model
- Empowering teams with technology
- Factory footprint rationalisation

Optimising Overheads

- Improved cost-visibility through enhanced use of technology
- Adopting smarter processes and ways of working

Simplifying Key Processes

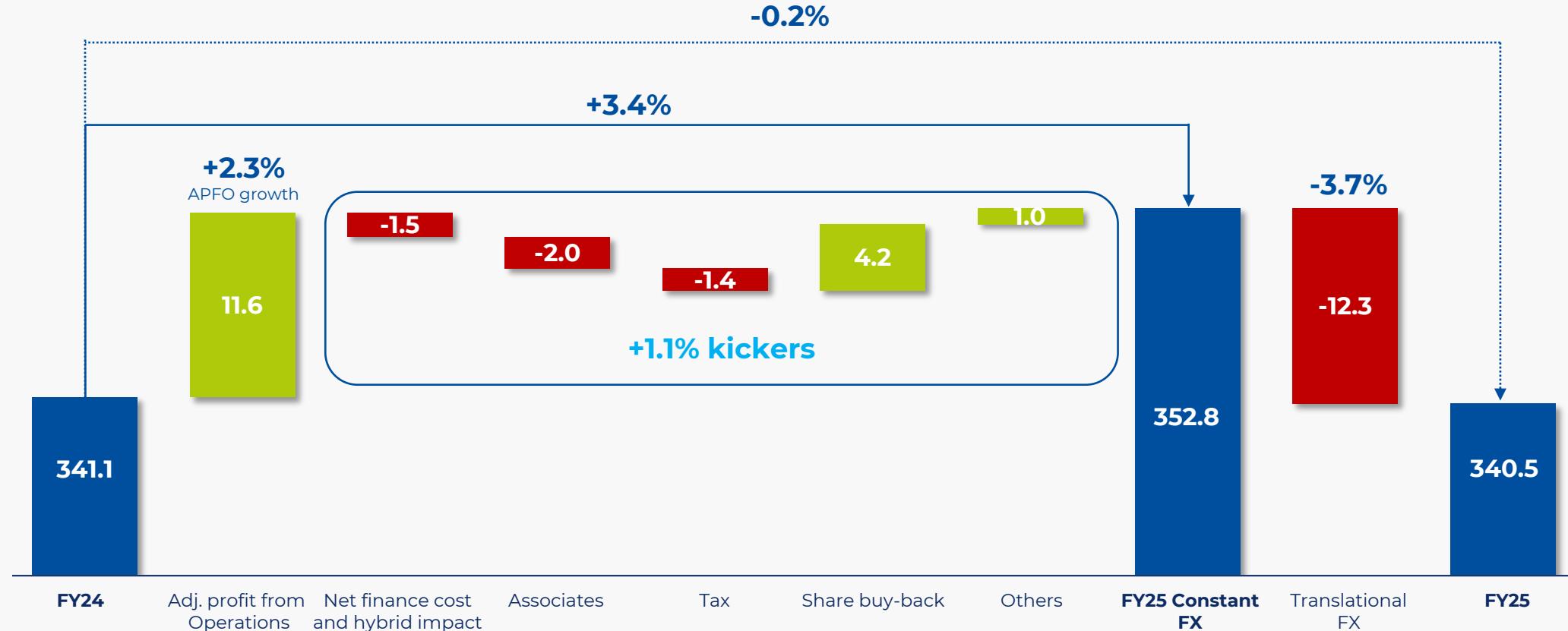
- Targeted automation
- Leveraging strategic partnerships to drive digitalisation and innovation



- ✓ Greater end-to-end ownership, visibility and accountability
- ✓ Faster, more agile execution
- ✓ Higher integration in business planning
- ✓ Superior service for customers and consumers
- ✓ Increased efficiency and cost effectiveness
- ✓ Sharper resource allocation
- ✓ Unlock cash for strategic investment and greater financial flexibility
- ✓ A modern, insights-led, technology-enabled organisation

One-off associated project costs of c.£600m

Adjusted diluted EPS* up +3.4%



Operating performance, SBB partly offset by NFC, associates and tax**

Strong cash flow generation driving enhanced financial flexibility



Cash generation

Generate >£50bn Free Cash Flow 2024-2030

Deliver business transformation

Targeted investment in business transformation

Optimise portfolio

Continuously review our footprint and drive cash flows

Progressive Dividend
+2.0% payable in 2026

Target leverage end of 2026
2.0-2.5x*

Sustainable share buy-back
£1.3bn for FY26

Assess bolt-on M&A opportunities

Share buy-back increased to £1.3bn in FY26

Returning to our sustainable financial algorithm



Mid-term algorithm

Revenue growth

3-5%

Adjusted profit from operations growth*

4-6%

Adjusted diluted earnings per share growth*

5-8%

2026 delivery at lower end of range

- Sustained U.S. revenue and profit growth
- Low double-digit NC revenue growth, led by Velo globally
- Targeted investment in priority markets:
 - Roll-out of our premium NC innovations
 - Strengthen glo in value-for-money segment
 - Combustibles portfolio rejuvenation and execution
- Continued robust delivery in AME
- Stabilising performance in APMEA through the year
- Further improvement in NC contribution
- Step up in efficiencies:
 - c.£2bn productivity savings (2026-30)
 - c.£600m annualised Fit2Win benefits (by 2028)

Investing to deliver sustainable long-term returns

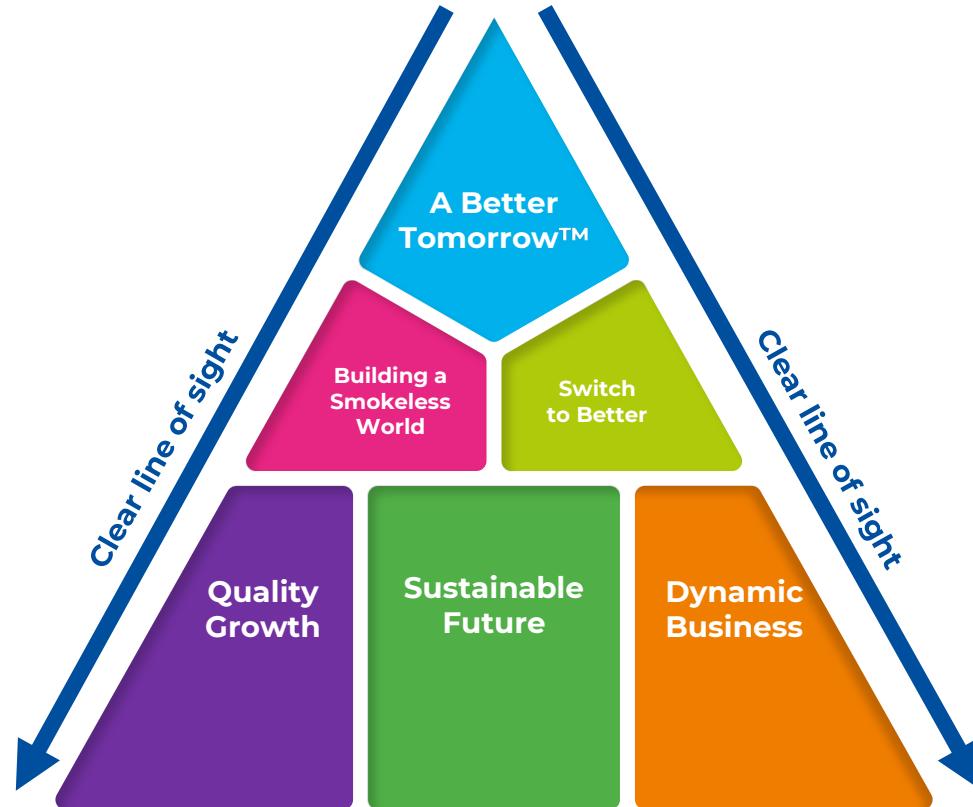
Confident in our sustainable transformation

Preliminary Results 2025

Tadeu Marroco – Chief Executive



Delivering on priorities to drive sustainable shareholder value



Building a Smokeless World

**A predominantly
Smokeless
business by 2035**

Good progress across all three strategic pillars



Building a Smokeless World

Progress made since 2023 on key priorities



Underpins confidence in delivering mid-term algorithm

U.S. Combustibles return to growth

Strengthened portfolio and sharper execution

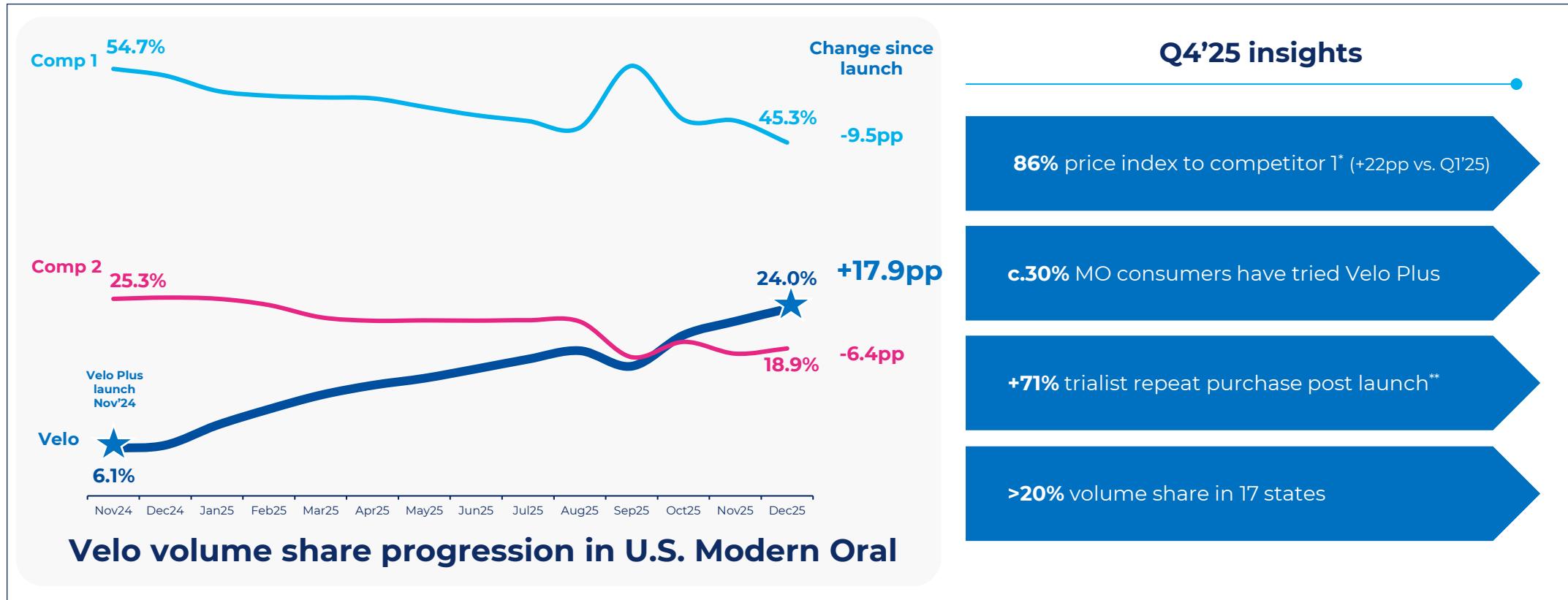
- 1 Re-addressed price gaps and indexation
- 2 Expanded contract coverage to **88%**
- 3 Increased salesforce by **c.10%**
- 4 Enhanced RGM* and digital reach
- 5 Upgraded customer reward programmes



FY25 vs. FY24 (bps)	Volume Share	Value Share
Total U.S. combustibles	-10	+30
Excl. deep discount	+70	+60
Share of AWAP**	+20	+50
vs. prior year	H1 '25	H2 '25
Combustibles revenue	+3.8%	+5.3%
Category Contribution^	+4.8%	+6.0%

Strong momentum reinforces confidence in future delivery

Velo is fastest growing brand in fastest growing New Category



Achieved #2 volume and value share position in U.S.

Further strengthening our premium portfolio in AME



Velo in Europe – Clear leadership at a premium price positioning

BAT AME volume share **63%**

c.6x larger than #2 competitor*

Share of Modern Oral category growth** **c.60%**

Over-indexed on value share **68%**



Velo Shift



Distinctive & Premium Can Design



Innovative & Comfortable Pouch



Elevated Taste Experience



Pilot launch in Sep '25 in key retail and online

1.3% Share of Category*** (Dec'25)

123% Price index to Core[^]

Positive Consumer Perception^{^^}

- ✓ Premium, Innovative
- ✓ Pouch (shape & size)
- ✓ 84% Positive/Neutral Sentiment

Continued leadership supported by consumer-led innovation focus

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



With **MYVUSE™** App

Flavour AutoTune™	CloudControl™
ClearView™ Display	Find my Vape
Usage Tracker	Device lock
Removable and replaceable battery	

Strengthening premium brand credentials*



Ultra image attributes higher than key competitors

- ✓ Premium
- ✓ Modern & Progressive
- ✓ Innovative
- ✓ New / Different

MYVUSE™ App usage



44% Conversion to Active App Usage**

97% Of App users making use of the Usage Tracker***

Premium platform driving Vuse performance

DEVICE



c.200%
avg. price index
vs. leading competitor^

PODS



c.125%
Price index vs market WAP^

Value share gains in priority markets^^ (%)



3.6

GER



Jun '25



7.8

CAN



Jun '25



2.3

FRA



Sep '25

Vuse Ultra – our most advanced vape device yet

glo Hilo: establishing premium positioning in HP



with myglo™ app

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

Attracting premium consumers with superior imagery*

% from Premium combustibles or other HP

48%



JPN

Imagery vs. Hyper Pro

INNOVATIVE

GREAT TASTE

+8pp

+6pp

80%



POL

INNOVATIVE

PREMIUM

+8pp

+11pp

Delivering Ecosystem Value

+150k app downloads

58% CONVERSION TO ACTIVE**



Strong start in key markets***

glo Hilo volume share (%)



JPN

1.4



POL

3.9



ITA

1.0

Encouraging early results in launch markets

Strengthening glo in value-for-money segment



NEW HYPER
QuickStart™
SATISFACTION
From Q2'26



QuickStart™



Improved hygiene



Longer standard session length



Connectivity



Replaceable battery

7



COMPLEMENTED WITH ENHANCED CONSUMABLES FOR STRONGER SYSTEM UPGRADE

Strengthening **high intensity tobacco** for full-flavour smokers and upgrades on **authenticity and immediacy**



Q3'26

Q4'25

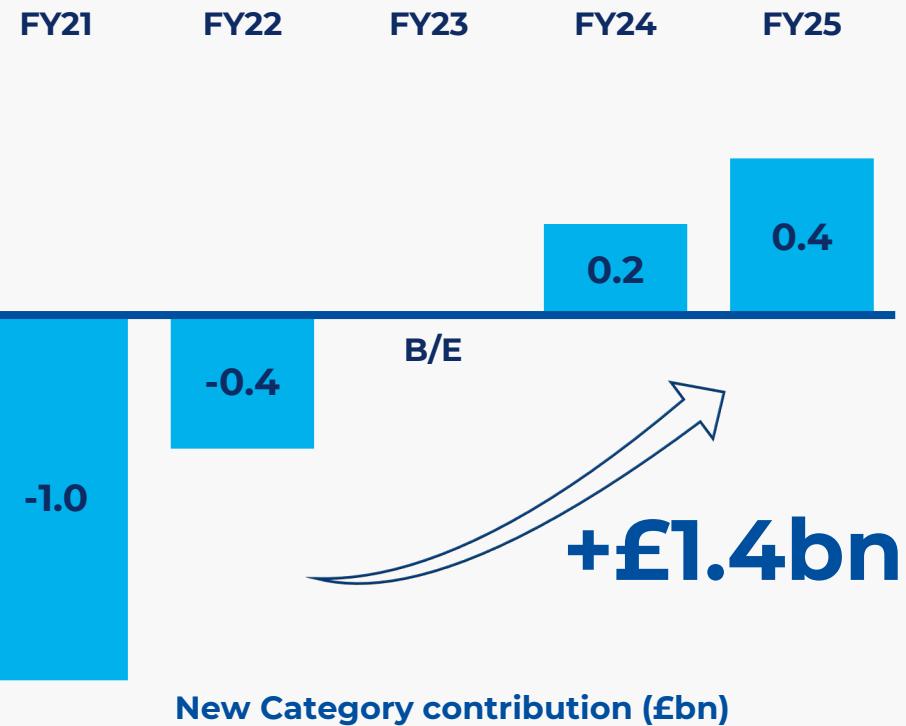


Q2'26

Expanding our HPH leadership* - newer, vibrant and bolder flavours

Next generation glo Hyper and enhanced consumables rolling out in 2026

Driving £1.4bn profitability improvement since 2021



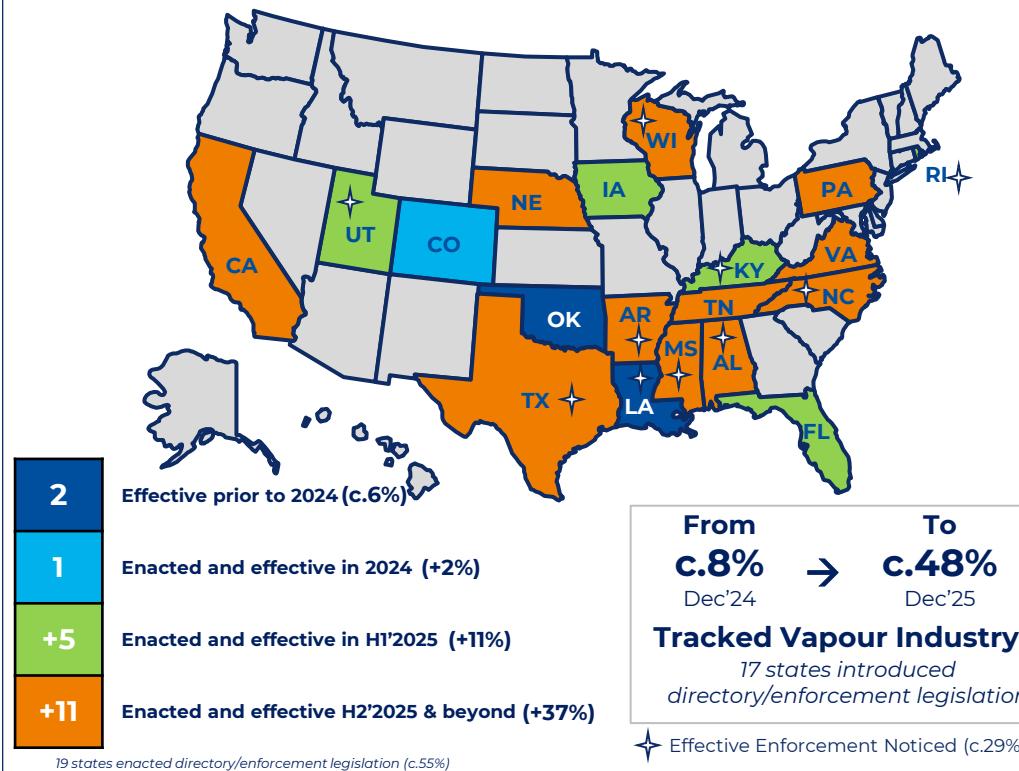
Year-on-year improvement driven by

- 1 Scale benefits
- 2 Pricing
- 3 Targeted resource allocation
- 4 Market footprint optimisation

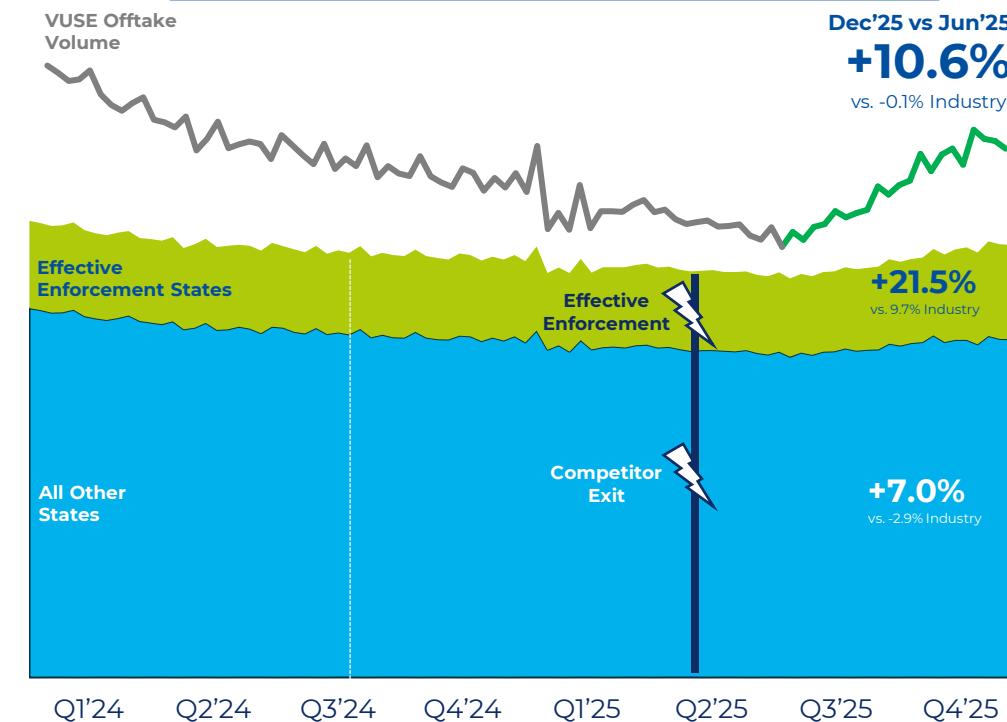
Quality Growth driving sustainable NC profitability improvement

Recent U.S. Vuse growth supported by enforcement actions

Increased federal and state enforcement...



... Supporting Vuse gains*



Vuse is well-positioned to further benefit from stronger enforcement over time

Encouraging incremental enforcement levers

FDA/DOJ Joint Task Force Actions Against Illegal Vapour

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'

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

Initial ruling/general exclusion order favourable (29 Aug 2025)

Full Commission final determination expected (Mar 2026)

60-day Presidential review (Q2 2026)

Vuse is well-positioned to further benefit from stronger enforcement over time

FDA supports THR based on science



Progress on THR agenda and FDA Regulation



Tobacco Harm Reduction

“...Nicotine itself does not cause cancer. There is no evidence that it's carcinogenic...”

“...Nicotine pouches are probably the safest way to consume nicotine...”

Robert F. Kennedy Jr.
Secretary of Health and Human Services



FDA Program to Review Nicotine Pouch PMTAs

“For adults who smoke and want to switch to a nicotine pouch product, this pilot will potentially result in a wider variety of authorized nicotine pouches”.

“This initiative represents a significant step forward in FDA's commitment to improving regulatory efficiency while upholding the agency's rigorous scientific standards for tobacco product review”.

FDA Pilot Program announced 18 September 2025

- ▶ PMTAs submitted to strengthen our pipeline
- ▶ Capitalising on BAT's leadership (ROW)



2025
Velo Plus Launch



2026+
Pipeline readiness

In Scope of Fast Track Process

Modern Oral portfolio expansion to deliver on adult consumer preferences

Strong cash flow enhancing financial flexibility and cash returns



Highly cash generative

>95%

Annual operating cash conversion

>£50bn

Free cash flow
2024-2030

Reducing leverage to within target range* by end FY26

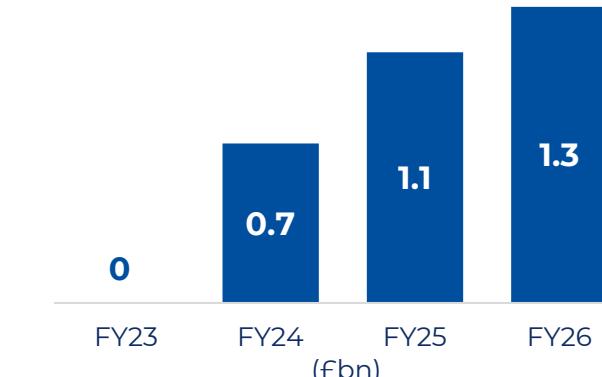
2.0-2.5x

Target range*

2022 2025
£43bn £35bn

Gross Debt

Increased share buy-backs



£1.3bn

Share buy-back announced for FY26

£34bn returned to shareholders since 2020

Revenue growth

3-5%

Adjusted profit from operations growth*

4-6%

Adjusted diluted earnings per share growth*

5-8%

1. Growing revenue sustainably

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

2. Improving profitability

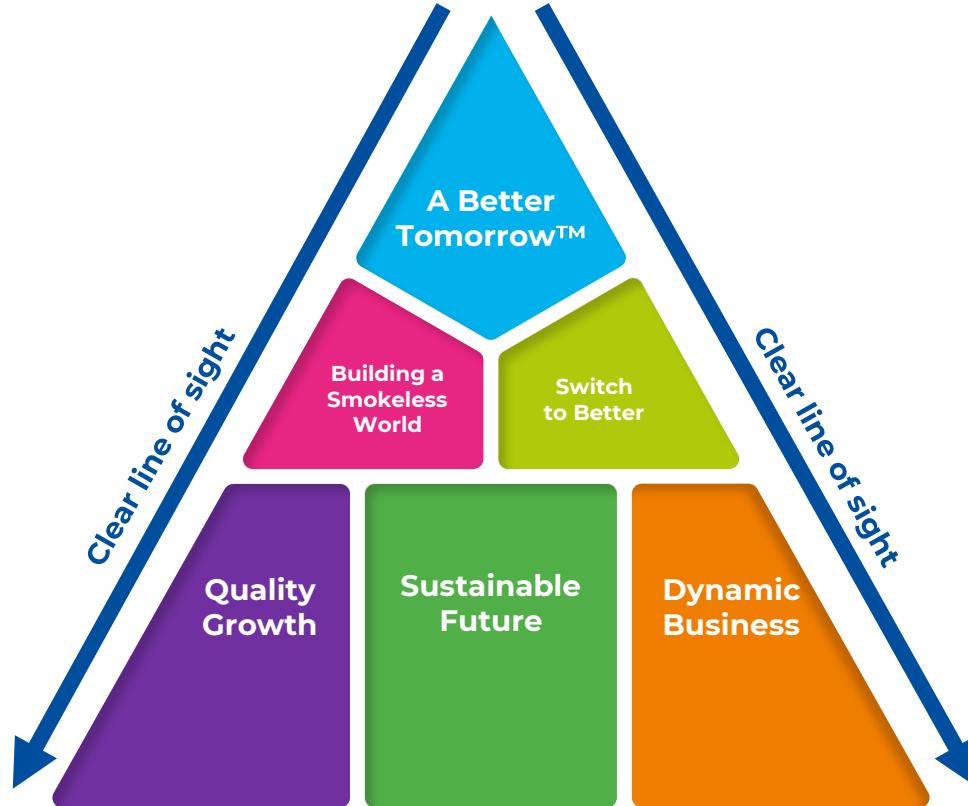
- Driven by both combustibles and New Categories
- Targeted investment in premium New Categories Quality Growth
- Step up in efficiencies:
 - c.£2bn productivity savings (2026-2030)
 - c.£600m annualised Fit2Win benefits (by 2028)

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)

Investing to deliver long-term sustainable returns

Delivering on priorities to drive sustainable shareholder value



- **FY25 delivery at the top end of guidance**
- **Return to sustainable revenue and profit* growth in the U.S.**
- **Robust AME multi-category performance; expect APMEA performance to stabilise in 2026**
- **Velo now global leader in fastest growing New Category****
- **Premium innovations launched across all 3 New Categories**
- **Increasing New Category profitability*****
- **Positive New Category regulatory progress**
- **Enhanced financial flexibility and increasing cash returns**

Confident in sustainably delivering mid-term algorithm

Q&A

Preliminary Results 2025

Tadeu Marroco – Chief Executive | **Javed Iqbal** – Interim Chief Financial Officer



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BAT presents at 2026 CAGNY conference

18 February 2026
11am ET / 4pm GMT
Join the live webcast on www.bat.com/CAGNY2026



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Appendix

Preliminary Results 2025



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Appendix: Our shares in top markets*



Cigarettes		Volume share of Cigarettes	
	FY25 volume share	Change FY25 vs. FY24 (pp)	
Group	39.5%	-0.1	
U.S.	33.0%	-0.1	
Brazil	69.8%	+1.2	
Germany	23.3%	-0.9	
Mexico	38.7%	+1.1	
Romania	50.3%	-1.9	
Japan	17.9%	-0.6	
Pakistan	80.2%	+0.1	

Vuse		Value share of Total Vapour	
	FY25 value share	Change FY25 vs. FY24 (pp)	
Group	38.8%	+0.6	
U.S.	51.7%	+2.0	
U.K.	8.7%	flat	
Canada	82.7%	-3.2	
Poland	14.4%	flat	
Germany	29.3%	+0.7	
France	54.4%	-1.0	
Spain	27.3%	-2.1	

glo		Volume share of HP	
	FY25 volume share	Change FY25 vs. FY24 (pp)	
Group	14.9%	-1.5	
Japan	15.9%	-1.9	
Italy	11.6%	-1.1	
Poland	33.7%	-1.0	
South Korea	7.9%	-2.0	
Romania	14.1%	-2.1	
Greece	10.7%	-0.8	
Czech Rep.	18.6%	+0.3	
Germany	7.5%	-1.6	
Spain	8.5%	+3.5	
Portugal	4.9%	+2.1	

Velo		Volume share of Total Oral		Volume share of Modern Oral	
	FY25 volume share	Change FY25 vs. FY24 (pp)		FY25 volume share	Change FY25 vs. FY24 (pp)
Group	17.1%	+5.8	33.4%	+7.5	
Sweden	19.1%	+1.9	56.5%	+0.3	
Norway	27.0%	+1.8	60.3%	-1.2	
U.S.	11.1%	+7.9	18.0%	+11.6	
Denmark	89.6%	+3.6	91.2%	+2.8	
Switz.	76.8%	+2.9	95.1%	-0.3	
U.K.	57.5%	+2.5	57.5%	+2.5	
Poland	80.5%	-11.8	80.5%	-11.8	

Appendix: Financial guidance for FY26



- Global cigarette industry volume expected to be down c.2%
- Lower end of our medium-term guidance ranges:
 - 3-5% revenue growth, with low double-digit New Category revenue growth
 - 4-6% adjusted profit from operations growth* - H2 weighted
 - Expected c.1% transactional FX headwind
 - 5-8% adjusted diluted EPS growth*
- We expect a translational FX headwind of c.3% on adjusted diluted EPS growth*
- Net finance costs* expected to be c.£1.8 billion, subject to interest rate volatility
- Underlying tax rate of c.25%
- Gross capital expenditure in 2026 of c.£750 million
- Operating cash flow conversion >95%
- Leverage within our 2.0-2.5x adjusted net debt/adjusted EBITDA* corridor by year end
- Commitment to dividend growth in sterling terms and £1.3 billion share buy-back

Appendix: Non-GAAP Measures Reconciliation

Adjusted Profit from Operations



	FY25 (£m)	FY24 (£m)
Profit from operations	9,997	2,736
Restructuring	66	-
Amortisation and impairment of trademarks and similar intangibles	1,584	2,279
(Credit)/charges in respect of Romania's other taxes	(15)	449
(Credit)/charges in respect of the Canada Approved Plans	(708)	6,203
Impairment charges in respect of Cuba's fixed assets	-	74
Impairment charges relating to the Group's head office in London	-	75
Impairment of goodwill	277	39
Charges in connection with disposal of associate	3	6
Pension liability management (buy-out)	28	-
Impairment on held-for-sale assets and associated costs	235	-
Charges in respect of DOJ investigation and OFAC investigation	-	4
Credit in respect of settlement of historical litigation in relation to the Fox River	-	(132)
Loss of a distribution facility in Ukraine	39	-
Other adjusting items (including Engle)	66	157
Adjusted profit from operations	11,572	11,890
Impact of translational foreign exchange	364	-
Adjusted profit from operations translated at 2024 FX rates	11,936	11,890
Adjustments in respect of Canada, translated at 2024 exchange rates	(308)	(520)
Adjusted profit from operations as adjusted for Canada, translated at 2024 FX rates	11,628	11,370

Appendix: FY25 Adjusted for Canada



Year ended 31 December 2025 (£m)	Reported	Adjusting items	Adjusted	Canada	Adjusted for Canada	Exchange	Adjusted for Canada at constant Currency
Profit from Operations							
U.S.	4,942	1,601	6,543	-	6,543	223	6,766
AME	3,433	(128)	3,305	(293)	3,012	57	3,069
APMEA	1,622	102	1,724	-	1,724	69	1,793
Total Region	9,997	1,575	11,572	(293)	11,279	349	11,628
Net finance costs	(1,819)	170	(1,649)	(54)	(1,703)	(30)	(1,733)
Associates and joint ventures	1,681	(1,239)	442	-	442	33	475
Profit before tax	9,859	506	10,365	(347)	10,018	352	(10,370)
Taxation	(2,094)	(344)	(2,438)	92	(2,346)	79	(2,425)
Non-controlling interests	(1)	(125)	(126)	-	(126)	(3)	(129)
Coupons relating to hybrid bonds net of tax	(87)	29	(58)	-	(58)	-	(58)
Profit attributable to shareholders	7,677	37	7,743	(255)	7,488	270	7,758
Diluted number of shares (m)	2,199		2,199		2,199		2,199
Diluted earnings per share (pence)	349.1		352.1		340.5		352.8

Appendix: Measuring our transformation



What we measure	How we measure it	2024	2025
Are we growing revenue?	Revenue growth (%)	+1.3%	+2.1%
Are we transforming?	Smokeless revenue/total revenue (%)	17.5%	18.2%
Are we delivering value as we grow?	Adjusted gross profit growth* (%)	+2.2%	+3.4%
Is the transformation sustainable?	New Category contribution margin (%)	7.3%	12.0%
What is the return on New Categories investment?	New Category return on investment (%) of cc	+14.6%	+25.9%
What is the return on our capital?	Return on capital employed* (%)	11.6%	12.0%
Are we delivering cash generation?	Free cash flow pre-dividend (£m)	7,901	4,048
Are we de-leveraging our business?	Adjusted net debt to adjusted EBITDA* (ratio)	2.75x	2.55x

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.

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 divestment of the Group's businesses in Russia and Belarus, the impact these businesses had 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. The exits referred to in respect of other markets, including in Africa, are not deemed significant to the user's understanding.

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.

-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. operating margin: Adjusted profit from operations as a percentage of revenue.

-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. Category contribution for FY25 is presented at constant rates, and for FY24 at FY24 rates.

-Free cash flow: Net cash generated from operating activities 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.

-Return on capital employed: Adjusted profit from operations, divided by the average total assets (less investment in associates and joint ventures) net of average current liabilities.

Price/Mix

Price/Mix is a term used by management and investors to explain the movement in revenue between periods and includes excise duty drawback. Revenue is affected by the volume (how many units are sold) and the price (how much each unit is sold for). The Group may achieve a movement in revenue due to the relative proportions of higher price volume sold compared to lower price volume sold.

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, Modern Oral, Vapour, 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 Vapour 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 rechargeable closed systems consumables and disposables revenue in 2024. **Top HP markets:** Japan – CVS-BC, South Korea – CVS, Italy – NielsenIQ, Germany – 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 Modern Oral 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 Modern Oral 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-use

-Combustibles Poly-use – refers to the use by an adult^a 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^b 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^a consumers who do not consume any Combustibles products.

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

^a 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.

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 Vapour products, Heated Products, Modern Oral and Traditional Oral.

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

^b 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.