

Building a smokeless world

Interim Results 2025



Tadeu Marroco – Chief Executive | **Soraya Benchikh** – Chief Financial Officer

Important Information

The information contained in this presentation in relation to British American Tobacco p.l.c. ("BAT") and its subsidiaries has been prepared solely for use at this presentation. The presentation is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

References in this presentation to 'British American Tobacco', 'BAT', 'Group', 'we', 'us' and 'our' when denoting opinion refer to British American Tobacco p.l.c. and when denoting business activity refer to British American Tobacco Group operating companies, collectively or individually as the case may be.

The information contained in this presentation does not purport to be comprehensive and has not been independently verified. Certain industry and market data contained in this presentation has come from third party sources. Third party publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of accuracy or completeness of such data.

References in this document to information on websites, including the web address of BAT, have been included as inactive textual references only. These websites and the information contained therein or connected thereto are not intended to be incorporated into or to form part of this presentation.

Forward-looking Statements

This presentation does not constitute an invitation to underwrite, subscribe for, or otherwise acquire or dispose of any BAT shares or other securities. This presentation contains certain forward-looking statements, including "forward-looking" statements made within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements are often, but not always, made through the use of words or phrases such as "believe," "anticipate," "could," "may," "would," "should," "intend," "plan," "potential," "predict," "will," "expect," "estimate," "project," "positioned," "strategy," "outlook," "target" and similar expressions. These include statements regarding our intentions, beliefs or current expectations concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the economic and business circumstances occurring from time to time in the countries and markets in which the British American Tobacco Group (the "Group") operates.

All such forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors. It is believed that the expectations reflected in this presentation are reasonable, but they may be affected by a wide range of variables that could cause actual results and performance to differ materially from those currently anticipated.

In particular, among other statements: (i) certain statements in Tadeu Marroco's sections (slides 4, 5, 6, 23, 27, 29, 34, 35, 37 and 38); and (ii) certain statements in Soraya Benchikh's section (slides 10, 13, 15, 17, 18, 20-22).

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 competition from illicit trade; the impact of adverse domestic or international legislation and regulation; the inability to develop, commercialise and deliver the Group's New Categories strategy; the impact of supply chain disruptions; adverse litigation, 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; translational and transactional foreign exchange rate exposure; changes or differences in domestic or international economic or political conditions; the ability to maintain credit ratings and to fund the business under the current capital structure; the impact of serious injury, illness or death in the workplace; adverse decisions by domestic or international regulatory bodies; direct and indirect adverse impacts associated with climate change; direct and indirect adverse impacts associated with the move towards circularity; and Cyber Security risks caused by the heightened cyber-threat landscape, and increased digital interactions with consumers, and changes to regulation.

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

The 2024 Annual Report 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 headings "Cautionary statement", "Group Principal Risks" and "Group Risk Factors" in the 2024 Annual Report and Accounts and 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.

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.

Our products as 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.

Audience

The material in this presentation is provided for the purpose of giving information about BAT and its subsidiaries to investors only and is not intended for general consumers. BAT, its directors, officers, employees, agents or advisers do not accept or assume responsibility to any other person to whom this material is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed. The material in this presentation is not provided for product advertising, promotional or marketing purposes. This material does not constitute and should not be construed as constituting an offer to sell, or a solicitation of an offer to buy, any of our products. Our products are sold only in compliance with the laws of the particular jurisdictions in which they are sold.

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.

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 versus the same period in prior year at constant rates of exchange and share data is presented year-to-date versus full prior year.

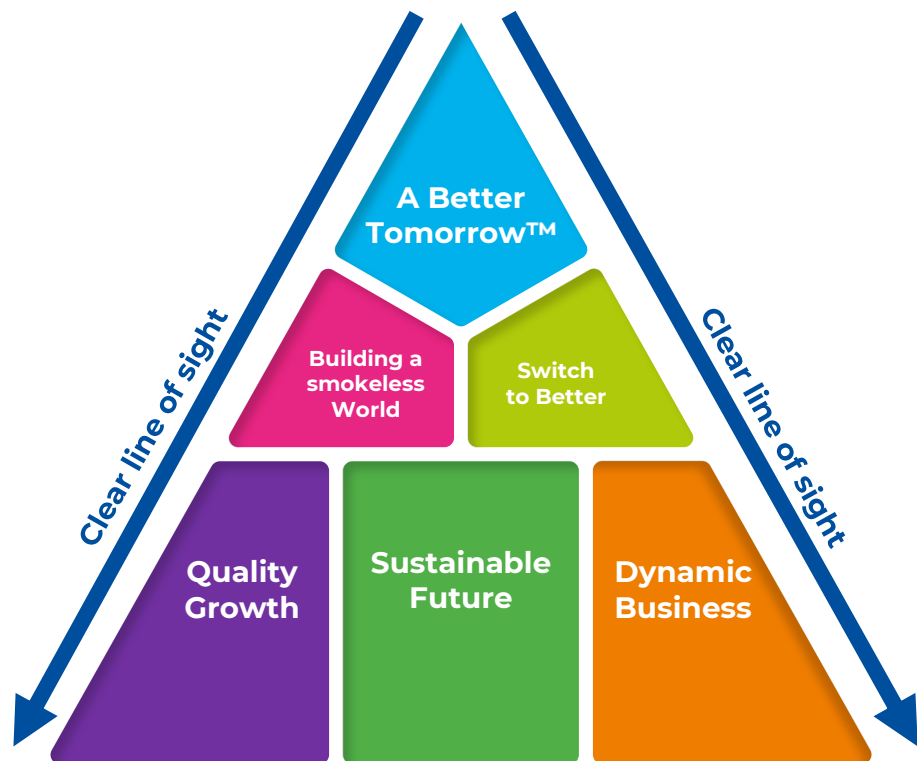
On track for FY guidance, led by the U.S. and Velo's global growth

Interim Results 2025

Tadeu Marroco – Chief Executive



Driving a sustainable transformation in HY25



- **Results delivered slightly ahead of expectations**
 - Return to U.S. growth and robust AME delivery
 - Excellent Velo performance globally
- **Progress towards a smokeless world**
 - Consumers of smokeless* products +1.4m to 30.5m
 - Smokeless represents 18.2% of Group revenue, +70bps**
- **Driving returns on more targeted investment**
 - New Category contribution margin +2.8pp to 10.6%
- **Committed to generating strong cash returns**
 - Share buy-back increased to £1.1bn for FY25
- **Confident in our sustainable transformation**
 - 2025 Deployment Year driving improved returns
 - Returning to mid-term algorithm in 2026

Investing to deliver long-term value creation

Delivering on key 2025 Deployment Year priorities

What we said

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

What we delivered in H1

- Velo Plus, glo Hilo and Vuse Ultra launches
 - NC contribution margin + 280bps
- Combustibles revenue, GM* and profit growth
- U.S. back to revenue and profit growth
- Leveraging Omni™, front-footed engagement
- Further deleveraging; SBB** +£200m to £1.1bn
- H1 results slightly ahead; On track for FY

Building momentum towards our mid-term algorithm

HY25 results slightly ahead of expectations

Interim Results 2025

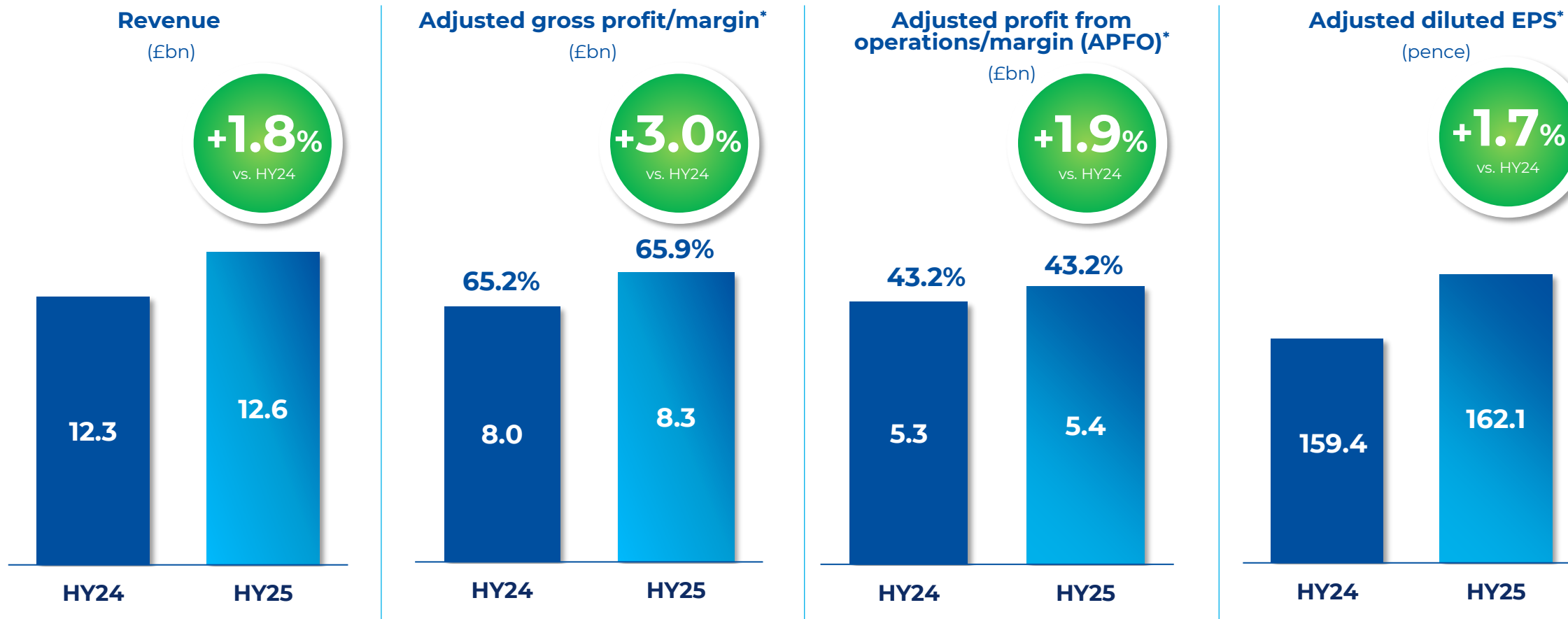
Soraya Benchikh – Chief Financial Officer



H1 performance slightly ahead of expectations

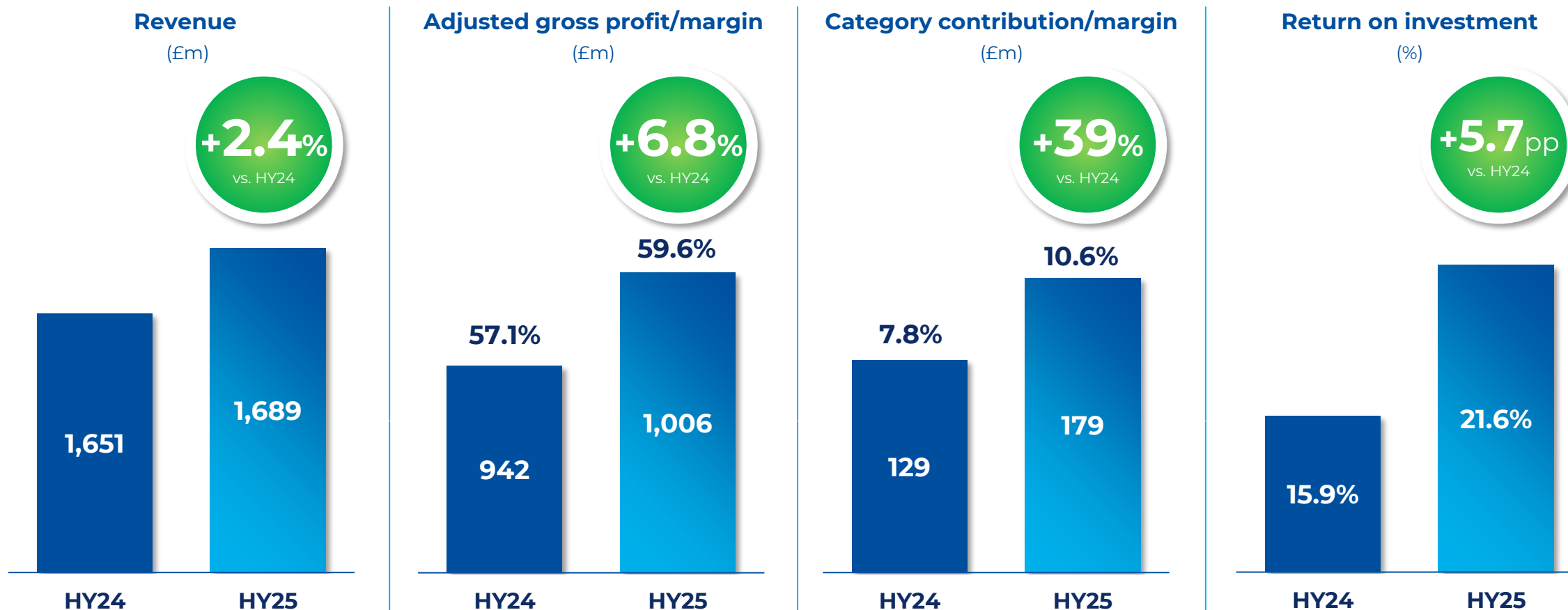
H1'25	Reported	Adjusted at constant rates	
	at current rates	Absolutes	Growth vs. HY24
Total Revenue	£12,069 _m	£12,567 _m	+1.8%
New Category Revenue	£1,651 _m	£1,689 _m	+2.4%
Profit from Operations	£5,069 _m	£5,435 _m *	+1.9%*
Operating Margin	42.0%	43.2%*	Flat*
Diluted Earnings per Share	203.6 _p	162.1 _p *	+1.7%*

H1 performance slightly ahead of expectations



Driven by strength of U.S. combustibles and Modern Oral

Delivering Quality Growth in New Categories



Expect full-year acceleration in revenue and category contribution growth

Quality Growth in action: Modern Oral in AME

Topline drivers tripling

H1'25 vs. H1'21



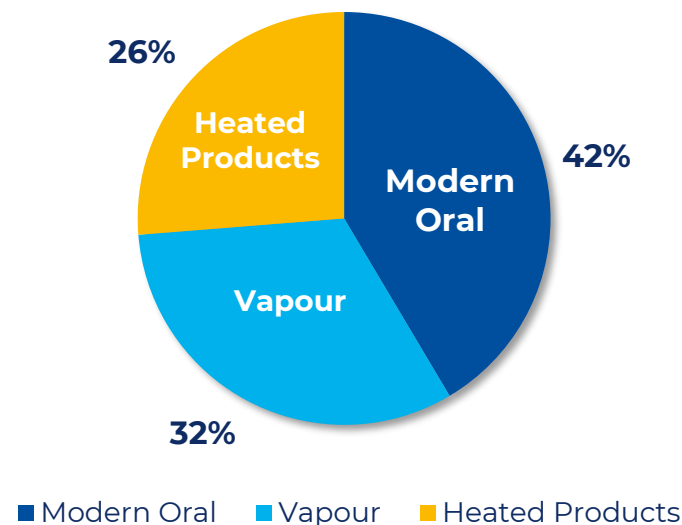
Number of consumers*

Volume

Revenue

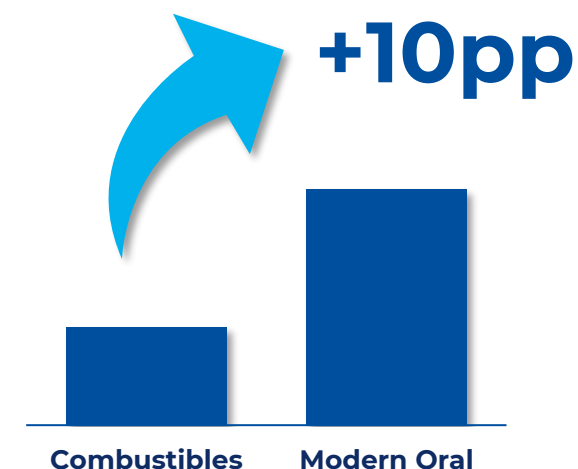
Already our largest New Category

H1'25 revenue



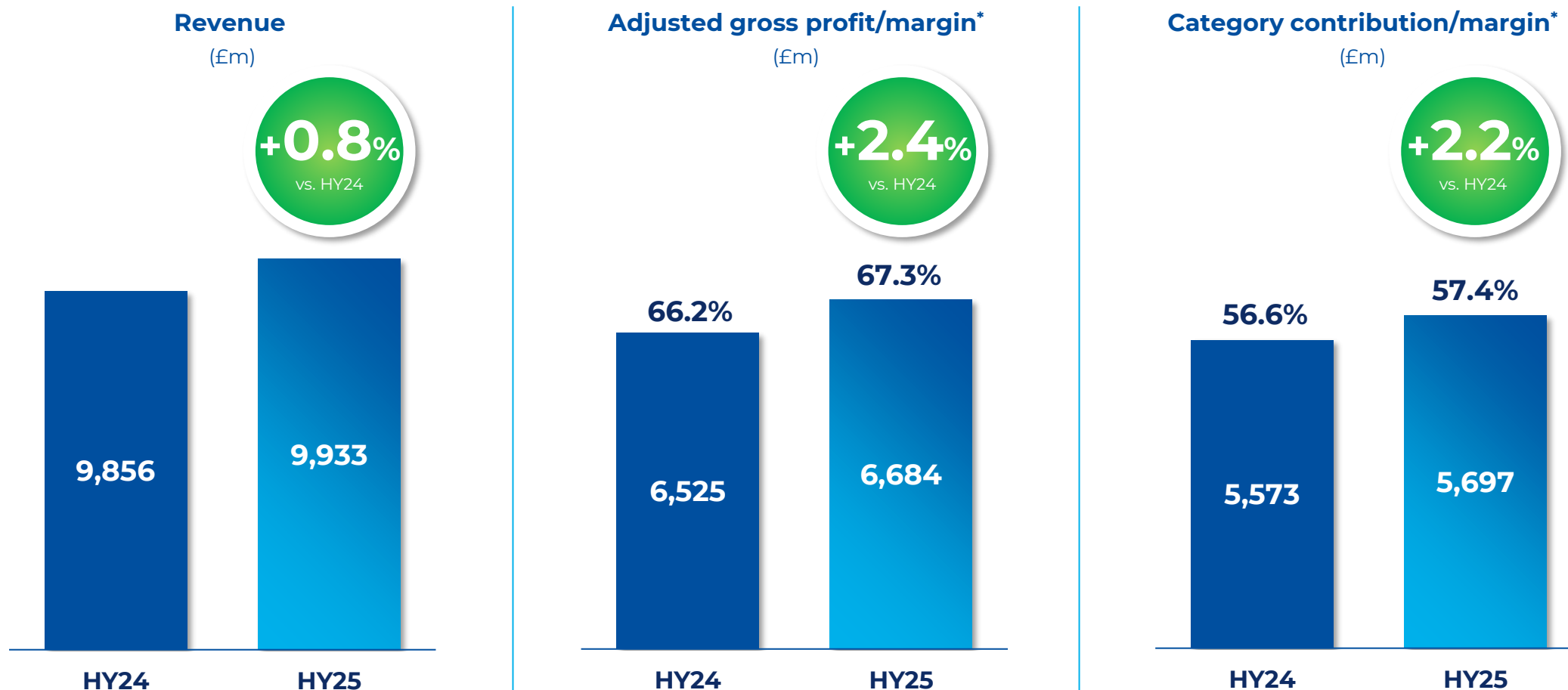
Higher gross margin than combustibles

H1'25 gross margin



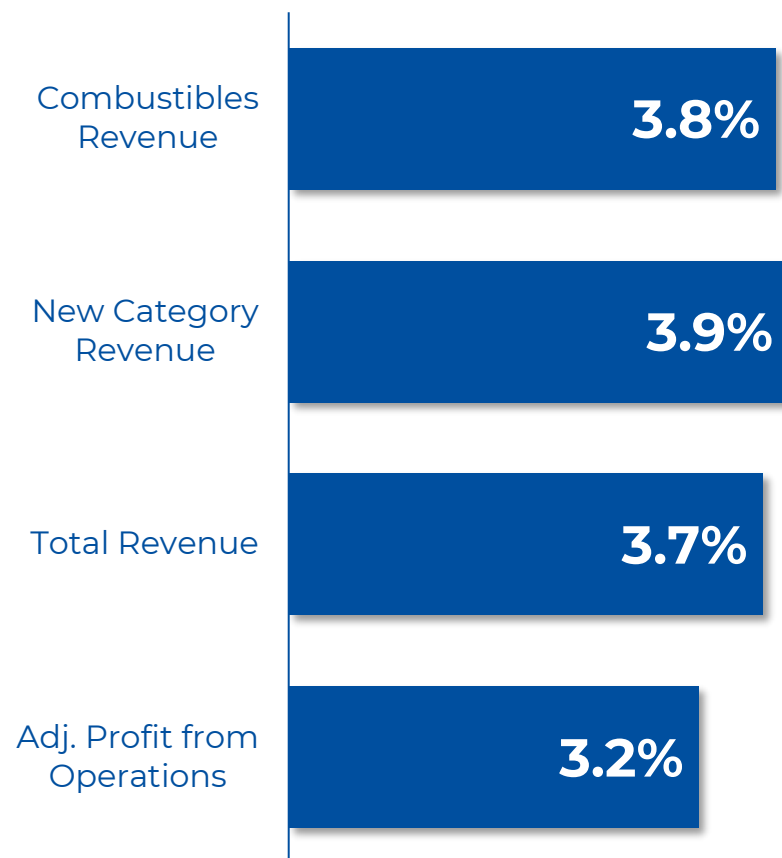
Strong top and bottom-line delivery with c.12 months payback period**

Delivering Quality Growth in combustibles



U.S. and AME growth more than offset Bangladesh and Australia headwinds

U.S. back to revenue and profit growth

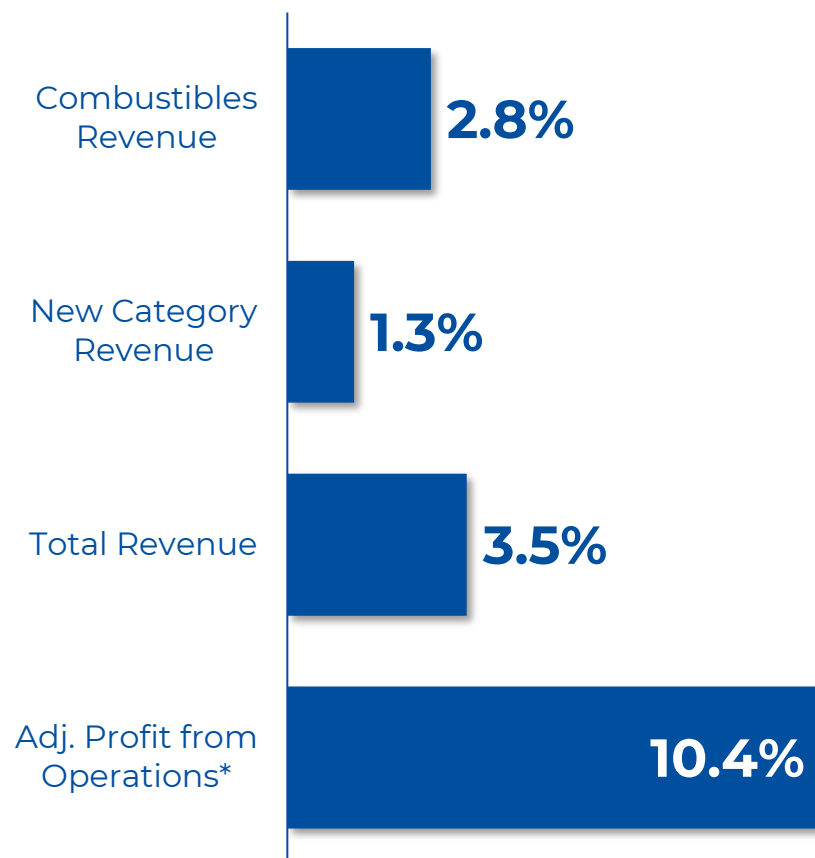


Key drivers

- **Strengthened combustibles portfolio & sharper execution**
 - Return to revenue and profit growth for first time since 2022
 - Value share +20bps
 - Volume share +10bps (+60bps excl. deep discount)
- **Velo is fastest growing brand in fastest growing segment**
 - +384% revenue growth
 - Volume share +6.8pp to 13.2%
 - Rolled out to 135k outlets (c.90% value coverage)
- **Vuse impacted by proliferation of illicit single-use products**
 - Continued value share leadership at 49.5%
 - Cautiously optimistic on Federal/FDA enforcement outlook
- **Operating profit growth driven by combustibles gains**
 - Partly offset by Vuse headwinds and Velo Plus investment

Strong combustibles recovery and excellent Velo Plus momentum

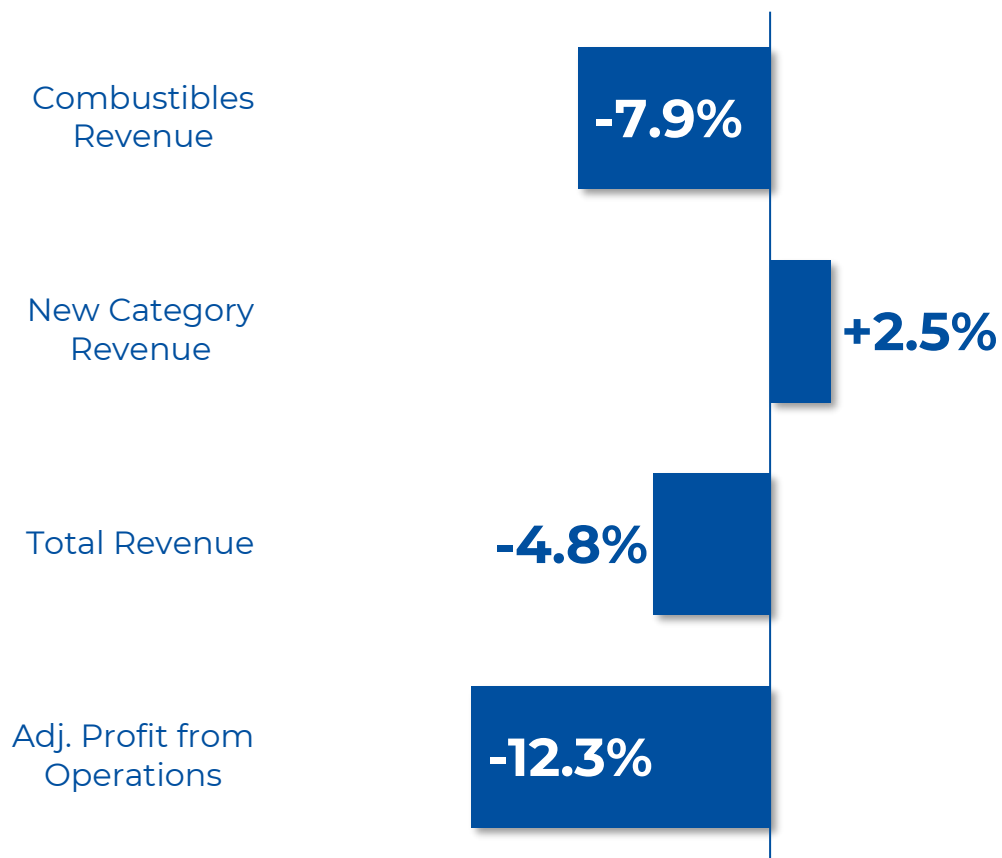
AME continued strong performance



Key drivers

- **Continued robust combustibles performance**
 - Driven by Brazil and Türkiye
- **Strong Velo volume, revenue and profitability growth**
 - 62.7% volume share leadership
- **Vapour impacted by illicit in Canada; evolving market dynamics post single-use bans**
 - Value share +30bps
 - RCS** >50% category value increase vs. same period last year
- **Accelerating glo profitability driven by resource allocation**
 - Broad-based progress across many markets
- **Higher operating profit driven by Quality Growth**
 - Combustibles operating leverage and efficiency gains
 - New Categories scale benefits and resource allocation

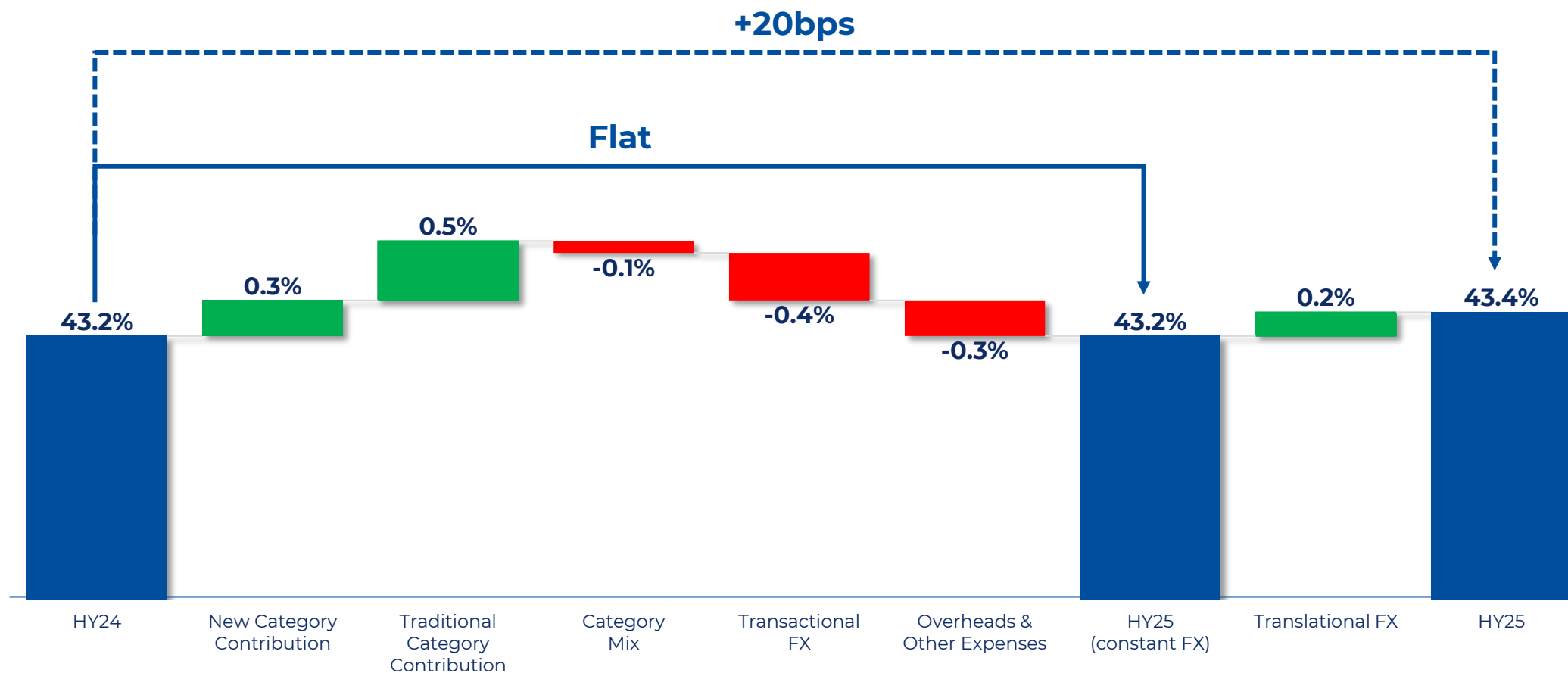
APMEA impacted by combustibles fiscal and regulatory headwinds



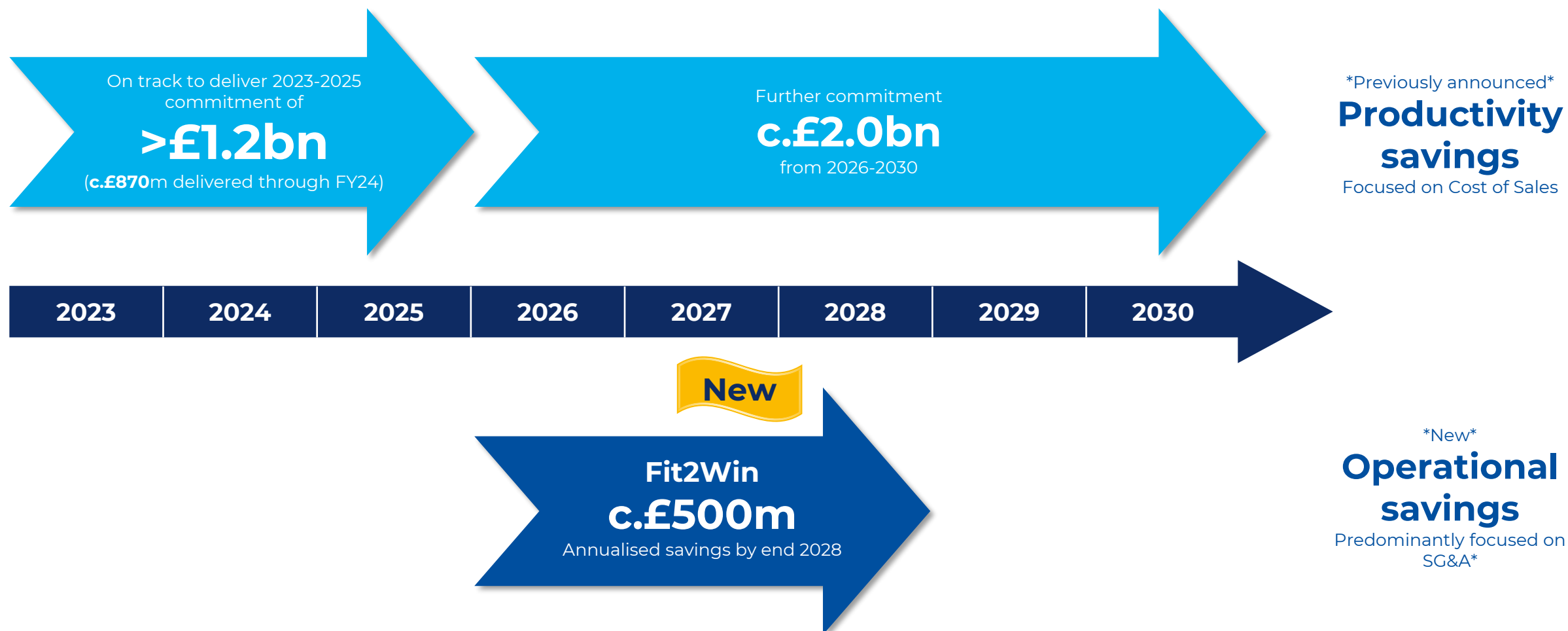
Key drivers

- **Combustibles impacted by fiscal and regulatory headwinds**
 - Significant volume declines in Australia and Bangladesh
 - Good revenue performances in Pakistan and Nigeria
- **Velo continues to lead Modern Oral category development**
 - Driven by Pakistan, South Africa and Japan
 - Regulatory enabled market expansion in Kenya and UAE
- **glo revenue growth driven by volume and pricing**
 - In Japan: -100bps volume share driven mostly by phase-out of legacy consumables
 - Increased investment ahead of glo Hilo city launch and national roll-out in H2
- **Operating profit mainly impacted by fiscal and regulatory headwinds in combustibles**

Group operating margin*: Performance gains offset inflation and transactional FX



Increasing agility and productivity savings



Delivering strong cost savings to support investment in our transformation

Fit2Win: Reinvesting c.£500m annualised savings to drive sustainable Quality Growth

Overhead optimisation

Driving cost efficiency through:

- Indirect cost optimisation
- Improved cost-visibility through enhanced use of technology
- Smarter processes and ways of working



Benefits:

- Sharpen resource allocation
- Unlock cash for strategic investment and stronger financial flexibility

Route to market

Modernising our route to market by:

- Leveraging a more sustainable and agile trade service model
- Empowering our Field Force with technology whilst automating targeted back-office processes



Benefits:

- Reduce complexity and accelerate speed to market
- Increase efficiency and cost effectiveness

Digitalisation

Simplifying key processes through:

- Targeted automation
- Leveraging data for smarter insights and actions

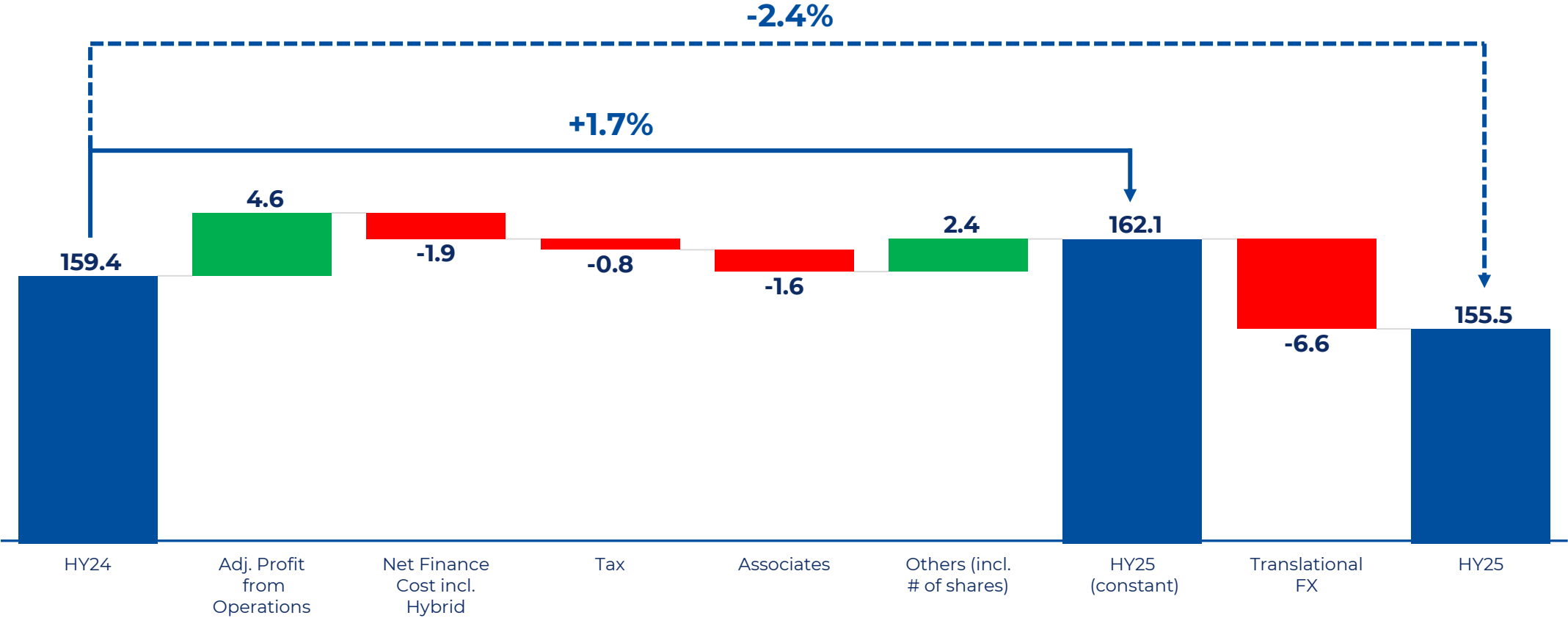


Benefits:

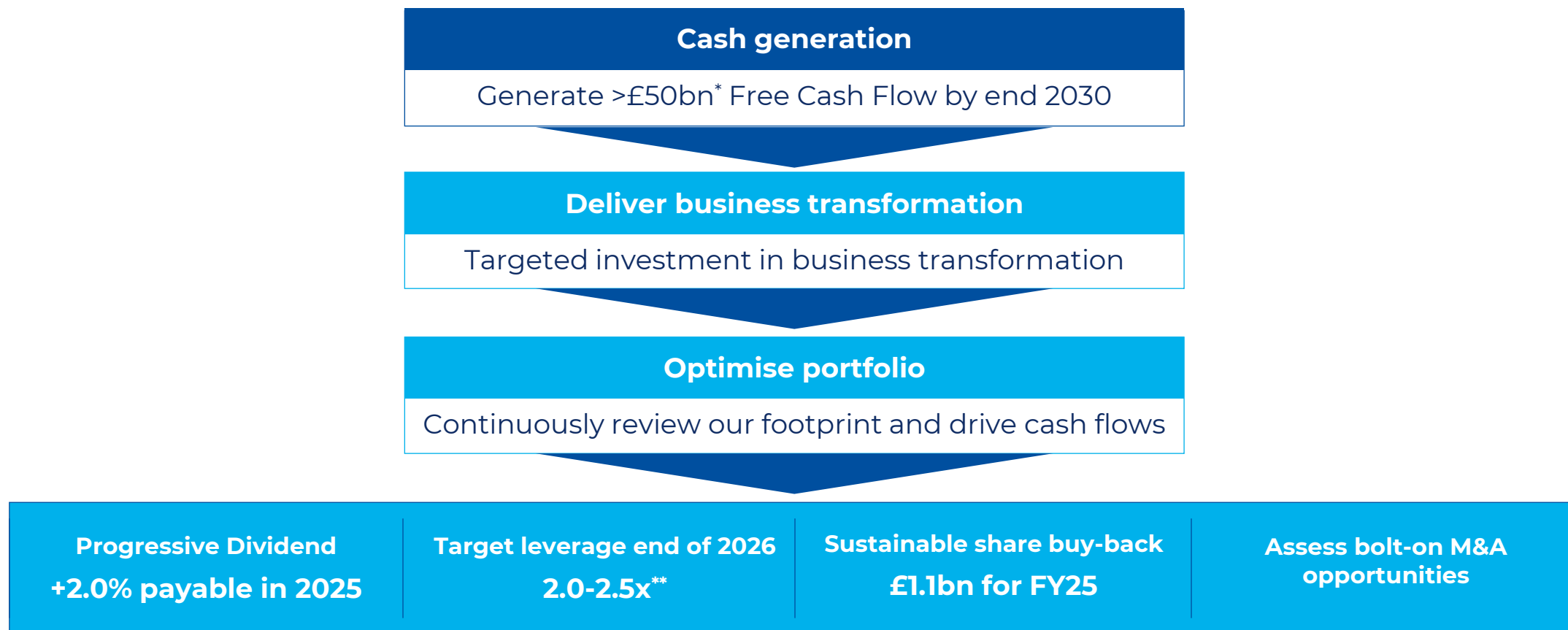
- Modern, insights-led, technology-enabled organisation
- Enhanced accountability
- Faster, stronger integrated business planning

One-off associated project costs of c.£500m

Adjusted diluted EPS +1.7%*



Strong cash flow generation driving enhanced financial flexibility



Increased share buy-back by £200m to £1.1bn

Building momentum in 2025

FY25 Guidance

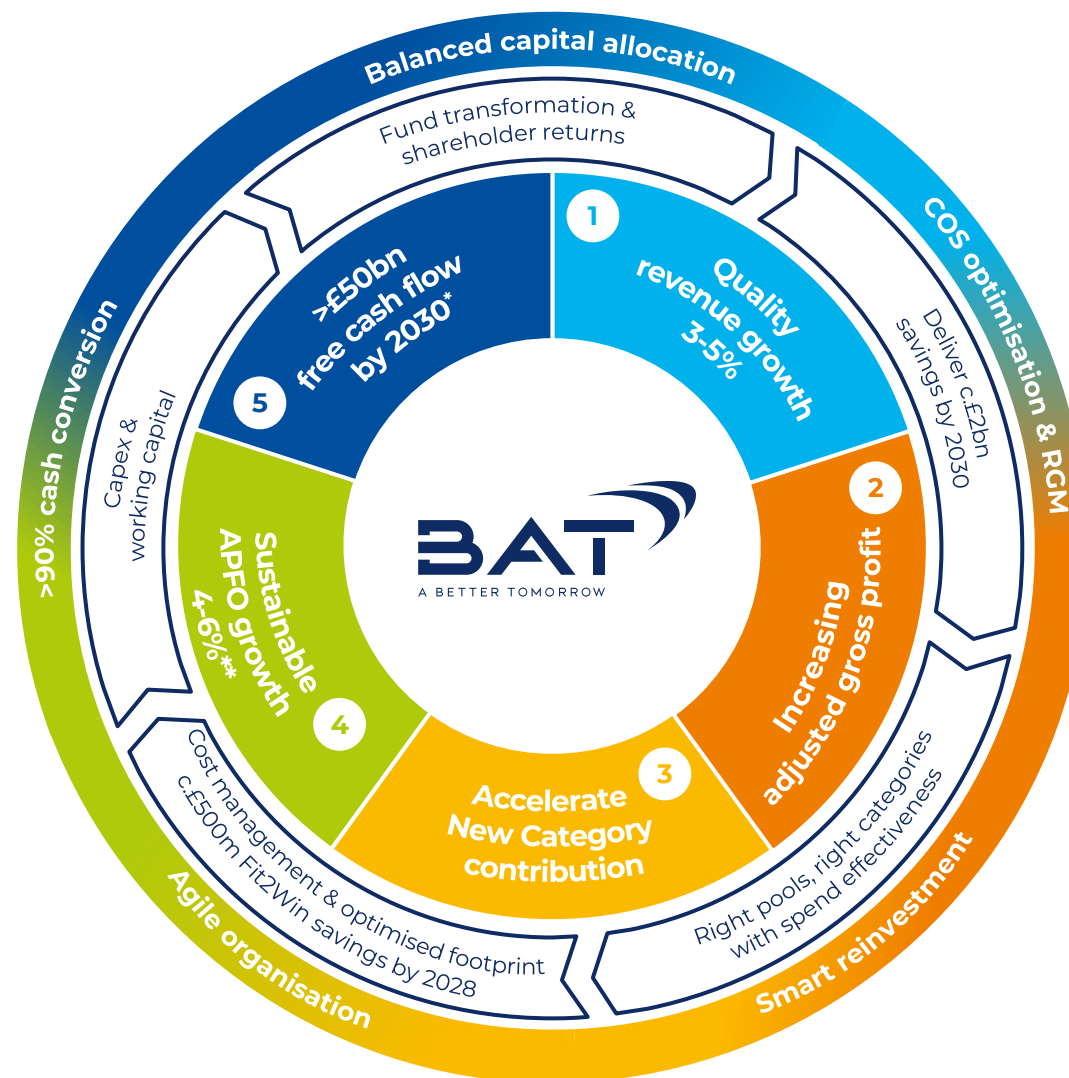
Top end of
1-2%
Revenue Growth

1.5-2.5%
Adjusted Profit from Operations* Growth

Key drivers

- **Continued U.S. momentum** driven by strengthening combustibles and Velo Plus
 - **No meaningful impact assumed** from **enforcement actions** in U.S. illicit Vapour
- **Strong Velo revenue and contribution growth** momentum
- **Premium HP and Vapour innovations roll-outs** in largest profit pools driving Quality Growth
- **Further improvement in NC Contribution**
- Continued **strong performance in AME**
- **APMEA impacted by regulatory and fiscal headwinds** in Australia and Bangladesh

Supports delivery of our mid-term algorithm in 2026



Confident in our sustainable transformation

Interim Results 2025

Tadeu Marroco – Chief Executive



Strengthened, Consumer-led, Multi-Category Portfolio



Modern Oral



Strong global growth driven by product satisfaction, brand building and distribution



Heated Products



Breakthrough premium device and reimagined consumables delivering enhanced sensorials



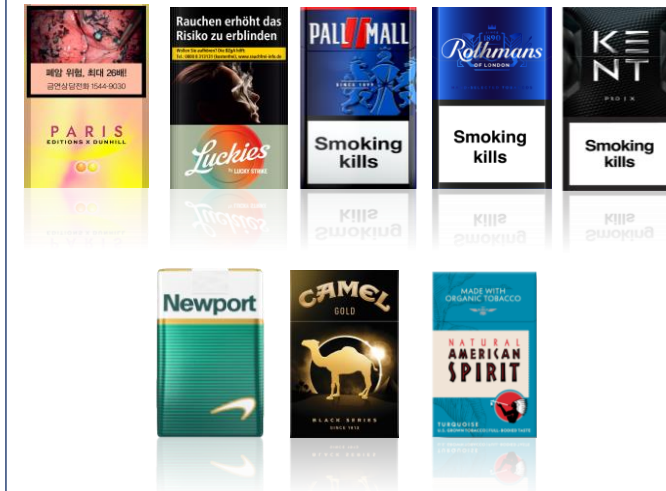
Vapour



Premium, connected customizable Vapour experience



Combustibles



Well-balanced portfolio of established brands*

Benefiting from our enhanced innovation ecosystem



The Modern Oral Category is scaling fast

Significant opportunity with global reach

% Industry volume growth HY25 vs. HY24

c.36%

Growth contribution led by U.S.



c.70%

U.S.



Rest of
World

c.30%

Growing across all regions

% Industry volume growth HY25 vs. HY24

>40%



U.S.



UK



UA



ZA



CL



MX



FI



CZ

20-40%



CH



PL



AT

<20%



SE



NO



DK



PK

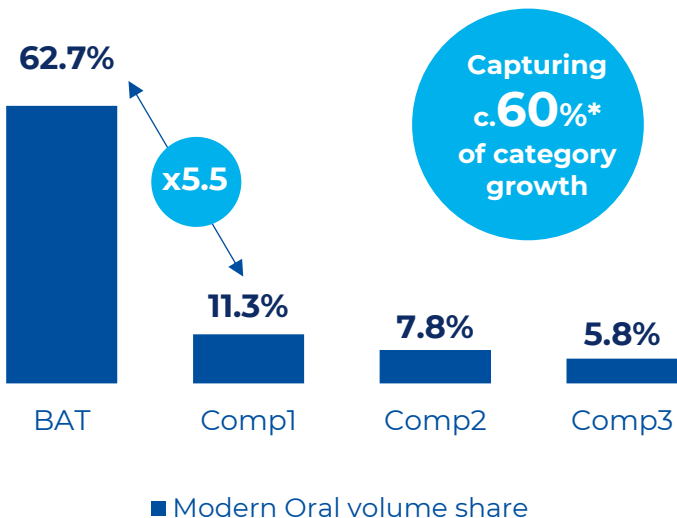
Lowest risk continuum profile* across New Categories



Velo: Fastest growing brand in fastest growing New Category

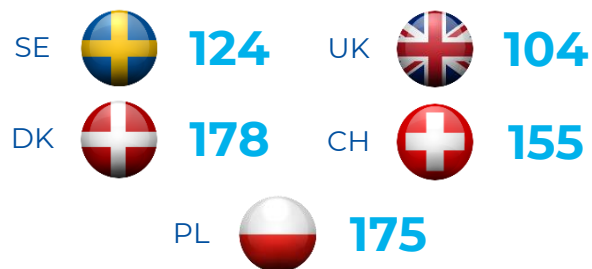


We are clear AME category leaders



Leading brand equity**

#1 Higher brand equity score
Index vs. #2 brand



Premium positioning drives over-index on value
>5pp

Fastest growing in the U.S.

From **6.9%** To **15.6%**
Nov'24 May'25

■ BAT U.S. Modern Oral volume share





Excellent Velo Plus performance since launch



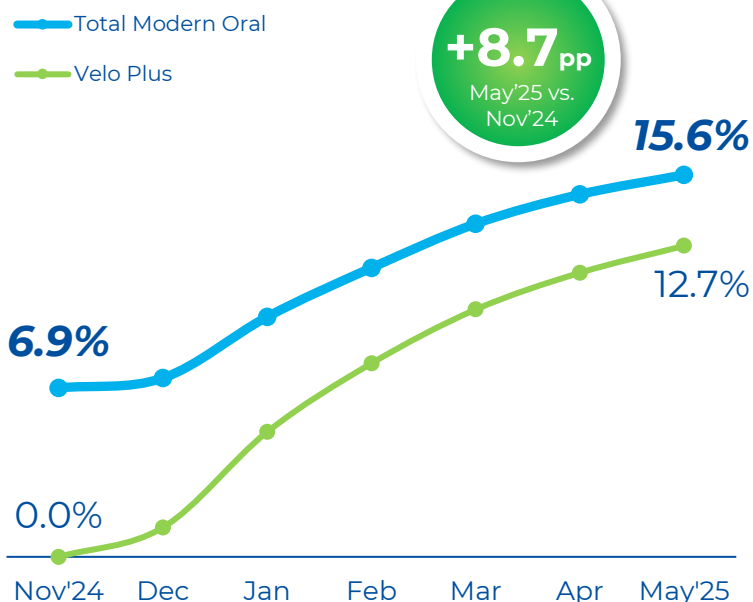
Building momentum in the U.S.



c.135k outlets
Current distribution
c.90% value coverage

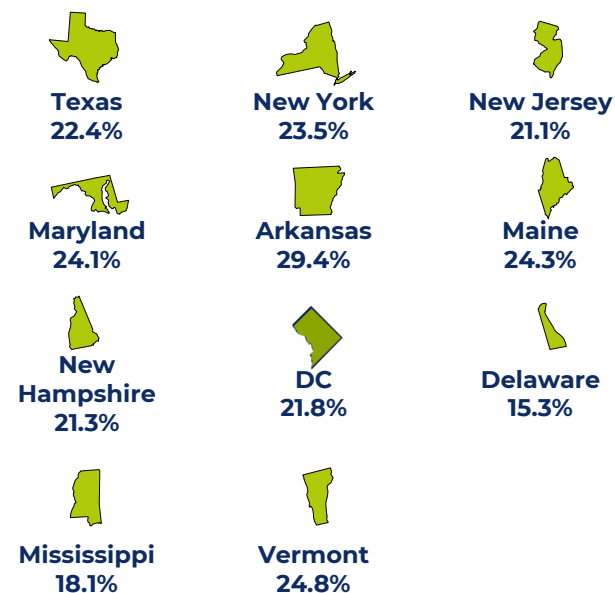
c.70%
repurchase rate*

Strong volume share gains



#3 in U.S.

Heading for #2 U.S. Modern Oral brand**



#2 in 11 states

Expect to deliver positive category contribution in first year of launch



glo Hilo – Breakthrough glo innovation



EasyView™ TouchScreen | **EasyView™ Screen**

EasySwitch™ Heating Pen

TurboStart™ Quartz Dual-Heating for TrueTaste™

Fastest* Ramp up to first puff
Less than 10" on Hilo Plus | 5" on Hilo

myglo Mobile App first ever connected glo™ device

New taste intensity. **Cigarette-like experience**





Promising initial progress in Sendai



+1.5pp
Sendai city launch
volume share*



Hilo lifts consumer perception** of glo



+6pp Brand equity uplift
58 → 64



+9pp Premium brand
57% → 66%



+11pp Appealing device design
58% → 69%



+5pp Innovative brand
66% → 71%

Targeted roll-out through H2'25



Differentiated and Premium Vuse Portfolio – Vuse Ultra



Ultra is the flagship that embodies Vuse's premium position & experience



On Device



Flavour AutoTune™

Recognises your flavour selection and adjusts device automatically for best experience



CloudControl™

Switch between low, medium, and high modes on your device (and app)



Removable battery

Simply swap out and drop it off for responsible disposal



Convenient charging

Power-up with wireless charging or USB-C fast charge



ClearView™ Display

Easily track your battery and liquid levels with a built-in screen



Through the MYVUSE™ App



Ultra Pod tracker

Get insights into your flavour usage and see your flavour preferences with Ultra Pod Tracker



Find My Vape

Easily find your device; Ping it and follow the sound



Enhanced Usage Tracker

See how often you vape and many puffs you're taking



Battery recharge reminders

Get notified when your device battery is low with Recharge Reminders



Device lock

Lock your vape on-device or through MYVUSE App for peace of mind

Vuse Ultra – Encouraging early results in Canada



Consumer quotes**

“Vuse Ultra’s **premium design** and the **MYVUSE app** made it an easy choice.”

“It’s **worth every penny.**”

“**I switched back to Vuse** after trying a competitor.”



Canada national launch – June 2025

Value Share*

2.4pp
 Vuse Ultra

Improved Perception**

Premium

+13pp

Innovative

+16pp

Easy to Use

+2pp

Ultra App Users
vs. among all

Improved App usage***

Active weekly /
monthly users

+17pp
 vs. Vuse Pro

Strengthened portfolio and capabilities drive U.S. recovery

Stronger portfolio



Newport laddering with soft-pack
Rolled out to 19 targeted states

Lucky Strike & Pall Mall Select driving branded value gains



Camel Black Series expansion

Sharpening 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 capabilities
- 5 Customer rewards



Driving U.S. Combustibles back to growth



BAT volume share

HY25 vs. FY24

Total combustibles

+10bps

Excl. deep discount

+60bps

BAT value share

HY25 vs. FY24

Total combustibles

+20bps

Excl. deep discount

+30bps



+60bps

Fastest growing brand in the U.S.



Natural American Spirit

+10bps



Flat

Soft pack +60bps



AWAP*

+40bps

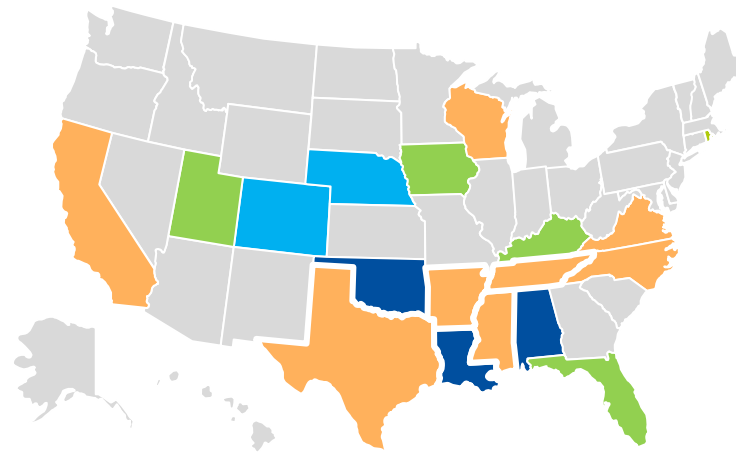


Menthol

+20bps

More States enacting Vapour directories and enforcement legislation

18 states have enacted directory/enforcement legislation



3	Effective prior to 2024
2	Enacted and effective in 2024
+5	Enacted and effective in HY25
+8	Enacted and effective beyond 2025

Representing
c.50%
of tracked Vapour
industry volume

Flavored vape juices pulled from shelves as Utah's ban is enforced



By: Ben Winslow

CBP and FDA seize nearly \$34 million of illegal E-Cigarettes during joint operation

Release Date: Thu, 05/22/2025



Vuse volume*
HY25 vs. HY24

State	Change
Alabama	+5.4%
Kentucky	+9.1%
Louisiana	+4.8%
Rhode Island	+13.4%
Utah	+5.4%

No meaningful impact assumed in our FY25 guidance

Early evidence of a more proactive Federal approach to illicit Vapour

FDA actions to address illicit Vapour...

- Updated **product classes and codes down to component/part level**
 - aiding enforcement and tracking
- **Closed loophole** enabling small shipments (<\$800) to be imported without FDA review
 - **Products must show PMTA status** (MGO/filed/stay)
- **Seizing product at port/marking shipments as unlawful** to avoid 'port shopping'
- **Evaluating further options:** e.g. inspecting customs brokers
- **... are yielding some early positive signs**
- **Driving c.40% reduction** in Vapour related U.S. shipments*
- Some **out of stocks** in key illicit brands

"Trump administration taking action on 'port shopping' to combat Chinese vape 'attack'."

Washington Examiner headline May 2025

"We are going to wipe out the illicit vapes."

Robert F. Kennedy Jr. at Senate Committee Hearing June 2025

"Our borders have been far too porous when it comes to challenges like illegal e-cigarette products from other countries."

FDA spokesperson to Reuters June 2025

"Chinese smugglers are laughing at us, and we are going to stop it."

Commissioner Makary at Senate Committee Hearing June 2025

"Illegal vapes are a major problem in the USA and the fight against illegal vapes is a top priority for the agency."

Commissioner Makary, "FDA Direct" podcast July 2025

No meaningful impact assumed in our FY25 guidance

Accelerating transformation through our digital ecosystem

"Cloud First" strategy

BAT is a global leader in cloud adoption.
85% Cloud hosting through Strategic Partnerships with SAP, Microsoft, AWS



Data-driven enterprise

BAT in partnership with Microsoft on MS Fabric, advancing our global data foundation to Next Gen technology



Investments in AI & TECH

Pioneered GenAI Lab in DIFC* to foster ecosystem & external collaboration, with AI use cases already deployed



Copilot



Dubai International Financial Centre

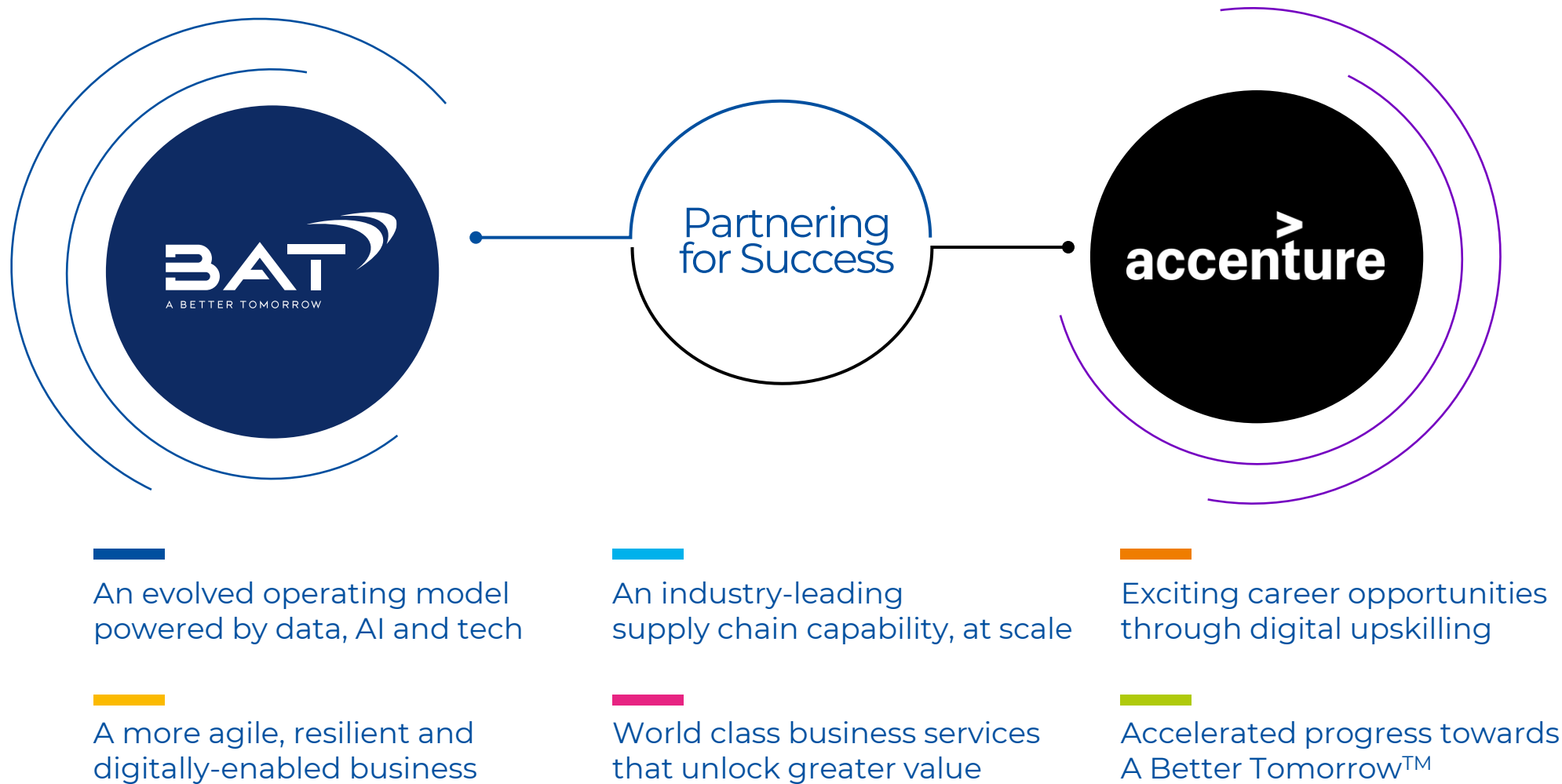
Partner strategy

40% reduction of IDT** run cost by leveraging Strategic Partnerships



Building a faster, modern, more digitally-enabled BAT

A global, strategic partnership to become future-ready



Confident in delivering our mid-term sustainable growth algorithm in 2026

2025 Deployment Year

Top end of

1 - 2%

Revenue growth

1.5 - 2.5%

Adjusted Profit from Operations Growth*

2026 Sustainable mid-term growth

3 - 5%

Revenue growth

4 - 6%

Adjusted Profit from Operations Growth*

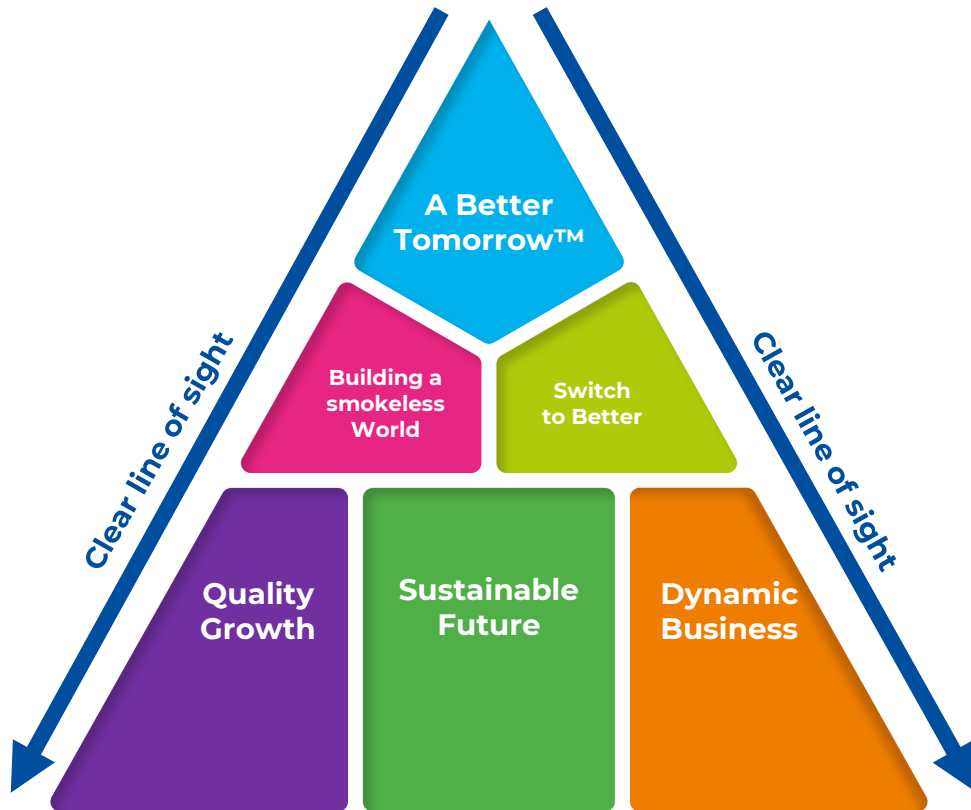
**On track for FY25
guidance**



2026 Key drivers

- **Sustained U.S. revenue and profit** growth** momentum
- **Continued strong global Velo revenue and contribution** growth
- **Accelerating New Category revenue and contribution** growth
 - Driven by innovation and lapping 2025 investment
- Continued **strong performance in AME**
- **Lapping combustibles headwinds** in Bangladesh
- **Step up in efficiencies**
 - c.£2bn COGS savings plan (2026-2030)
 - Incremental c.£500m annualised Fit2Win savings by 2028

Delivering on priorities to drive sustainable shareholder value



- Return to revenue and profit* growth in the U.S.
- Velo fastest growing brand in fastest growing New Category
- Increasing New Category profitability**
- R&D ecosystem significantly enhancing innovation
- Proactive approach to regulatory affairs
- Accelerating transformation through our digital ecosystem
- Enhanced financial flexibility and shareholder returns

Building a smokeless world

Q&A

Interim Results 2025

Tadeu Marroco – Chief Executive | **Soraya Benchikh** – Chief Financial Officer



Have you downloaded the new BAT Investor Relations App?

Available now to download for free to access live share prices, presentations, news, webcasts, create your own watchlist and download content for offline use.

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



Appendix

Interim Results 2025



Have you downloaded the new BAT Investor Relations App?

Available now to download for free to access live share prices, presentations, news, webcasts, create your own watchlist and download content for offline use.

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



Appendix: Our volume shares in Top markets*

Cigarettes			Volume share of Cigarettes	
	HY25 volume share	Change HY25 vs. FY24 (pp)		
Group	38.9%	-0.1		
U.S.	33.3%	+0.1		
Brazil	69.5%	+0.8		
Germany	19.9%	-0.9		
Mexico	38.3%	+0.6		
Romania	46.5%	-2.7		
Japan	18.3%	-0.2		
Pakistan	80.1%	0.0		

Vuse			Value share of Total Vapour	
	HY25 value share	Change HY25 vs. FY24 (pp)		
Group	38.2%	0.0		
U.S.	49.5%	-0.2		
U.K.	9.2%	+0.5		
Canada	83.8%	-2.1		
Poland	17.4%	+3.0		
Germany	28.4%	-0.2		
France	56.0%	+0.6		
Spain	29.2%	-0.2		

glo			Volume share of HP	
	HY25 volume share	Change HY25 vs. FY24 (pp)		
Group	15.7%	-0.7		
Japan	16.8%	-1.0		
Italy	12.6%	0.0		
Poland	35.1%	+0.4		
South Korea	8.6%	-1.4		
Romania	14.5%	-1.7		
Greece	11.1%	-0.4		
Czech Rep.	19.1%	+0.8		
Germany	7.8%	-1.3		
Spain	8.0%	+2.9		
Portugal	4.2%	+1.0%		

Velo			Volume share of Total Oral		Volume share of Modern Oral	
	HY25 volume share	Change HY25 vs. HY25 (pp)		HY25 volume share	Change HY25 vs. HY25 (pp)	
Group	14.6%	+3.3		30.2%	+4.4	
Sweden	18.4%	+1.3		56.0%	-0.2	
Norway	26.4%	+1.3		60.9%	-0.5	
U.S.	7.6%	+4.4		13.2%	+6.8	
Denmark	89.3%	+3.3		91.1%	+2.8	
Switz.	76.4%	+1.4		93.6%	-0.8	
U.K.	56.8%	+1.8		56.8%	+1.8	
Poland	82.9%	-9.4		82.9%	-9.4	

Appendix: Non-GAAP Measures Reconciliation

Adjusted Profit from Operations



Six months to 30 June	HY25 £m	HY24 £m
Profit from operations	5,069	4,258
Add:		
Restructuring and integration costs	13	-
Amortisation and impairment of trademarks and similar intangibles	804	1,295
Impairment of goodwill	72	-
Romania other taxes	(22)	-
Charges in connection with disposal of associate	3	6
Changes in provision in relation to Canada Proposed plan	(575)	-
Credit in respect of settlement of historic litigation in relation to the Fox River	-	(132)
Charges in respect of DOJ investigation and OFAC investigation	-	4
Other adjusting items (including Engle)	30	133
Adjusted profit from operations	5,394	5,564
Impact of translational foreign exchange on adjusted profit from operations	205	N/A
Adjusted profit from operations translated at 2024 FX rates	5,599	5,564
Adjustments in respect of Canada, translated at 2024 exchange rates	(164)	(232)
Adjusted profit from operations, as adjusted for Canada, translated at 2024 FX rates	5,435	5,332

Appendix: HY25 Adjusted for Canada

Six months to 30 June 2025 (£m)	Reported	Adjusting items	Adjusted	Exchange	Adjusted at constant currency	Canada at constant currency	Adjusted for Canada at constant currency
Profit from Operations							
U.S.	2,255	808	3,063	87	3,150	-	3,150
AME	1,969	(495)	1,474	76	1,550	(164)	1,386
APMEA	845	12	857	42	899	-	899
Total Region	5,069	325	5,394	205	5,599	(164)	5,435
Net finance costs	(969)	98	(871)	(14)	(885)	(45)	(930)
Associates and joint ventures	1,474	(1,242)	232	13	245	-	245
Profit before tax	5,574	(819)	4,755	204	4,959	(209)	4,750
Taxation	(1,009)	(95)	(1,104)	(47)	(1,151)	54	(1,097)
Non-controlling interests	(53)	(3)	(56)	(1)	(57)	-	(57)
Coupons relating to hybrid bonds net of tax	(22)	-	(22)	-	(22)	-	(22)
Profit attributable to shareholders	4,490	(917)	3,573	156	3,729	(155)	3,574
Diluted number of shares (m)	2,205		2,205		2,205		2,205
Diluted earnings per share (pence)	203.6		162.0		169.1		162.1

Appendix



Unless otherwise stated, absolute financials are presented at constant rates of exchange, growth in financial metrics is presented versus the same period in prior year 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.

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 and inorganic adjustments, 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 organic revenue. 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/attribution 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 on an adjusted, organic basis. 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.
- 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. 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 (price/mix).

A2: Share metrics

Year-to-date May’25 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 Strator, 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 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 – Retail Access. These seven markets account for c.60% of cigarette industry revenue in 2024.

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.

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 smokeless products consumers 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.