‘Accelerating Transformation’
Growth in New Categories and Group earnings despite COVID-19
Preliminary results 2020

Jack Bowles – Chief Executive | Tadeu Marroco – Finance and Transformation Director
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 tobacco 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.

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, including the projected future financial and operating impacts of the COVID-19 pandemic.

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 to differ materially from those currently anticipated.

In particular, among other statements: (i) certain statements in the opening section (slide 4); (ii) certain statements in the performance section (slides 17 to 27); and (iii) certain statements in the outlook section (slides 31 to 38).

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 market size reduction and consumer down-trading; adverse litigation 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 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; and changes in the market position, businesses, financial condition, results of operations or prospects of the Group.

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.

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.
Important Information

Forward-looking Statements (continued)

Additional information concerning these and other factors can be found in BAT’s filings with the U.S. Securities and Exchange Commission ("SEC"), including the Annual Report on Form 20-F and Current Reports on Form 6-K, which may be obtained free of charge at the SEC’s website, http://www.sec.gov, and BAT’s Annual Reports, which may be obtained free of charge from the British American Tobacco website www.bat.com.

Additional Information

All financial statements and financial information provided by or with respect to the US 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 US 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 US or Reynolds it is provided as an explanation of, or supplement to, Reynolds’ primary U.S. GAAP based financial statements and information.

Our vapour product Vuse (including Alto, Solo, Ciro and Vibe), and certain oral products including Velo, Grizzly, Kodiak, Camel Snus and Granit, which are sold in the US, are subject to the Food and Drug Administration (FDA) regulation and no reduced-risk claims will be made 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.
Committed to Building A Better Tomorrow™

- Today, we have a significant CPTO* base of c.£90bn
- With a strong growing base of 10% Non-Combustibles** Revenue and already 13.5mn consumers
- £5bn New Category Revenue by 2025
- 50mn Non-Combustible** Product Consumers by 2030
- Carbon Neutral by 2030***

On track for our 2025 targets

*Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive. * Estimated consumer price turnover (CPTO) FY20.
** See Appendix A6.*** ESG ambition. See Appendix A5.
Transforming, Investing and Growing

• Accelerating New Category growth:
  • Additional 3m Non-Combustibles consumers* to reach 13.5m
  • Accelerating volume growth in New Categories in H2
  • Continued growth and 20bps** value share gain in Combustibles
  • 100bps Margin expansion and c.£430m increase in New Category investment
  • £660m of savings driven by Quantum
  • Free cash flow of £7.3bn generated, 103% operating cash conversion
  • Strong results in a challenging environment

* See Appendix A6. ** FMC value share. For share definitions, see Appendix A3.
With Clear Points of Difference

1. The largest and only truly global tobacco and nicotine company
   - Present in over 180 markets
   - Including the US – 40% of global industry value and creating trends across our multi-categories

2. The only truly consumer-centric, multi-category company
   - With the global scale to leverage our insights on consumer satisfaction and taste preference

3. The only global company present in all four New Categories
   - From tobacco to nicotine and beyond

4. Building strong, unique and recognised brands of the future, specifically positioned in each category

Underpinned by the quality and diversity of our people and strong corporate ethos
Accelerating Non-Combustible consumer acquisition*

**Non-Combustible** consumer numbers

- **Vapour**: 6.7m (+1.5m or 30%)
- **THP**: 4.0m (+1.4m or 51%)
- **Modern Oral**: 1.5m (+0.7m or 79%)
- **Traditional Oral**: 3.0m (+0.1m or 5%)

Includes consumer poly-usage***: 1.7m (+0.7m or 70%)

When including poly-usage: 15.2mn

Growth driven by true multi-category performance

---

Accelerating consumer acquisition in H2

+3m Non-Combustible* consumers over 2020

13.5m FY20 Total Non-Combustible* consumers

Non-Combustible* consumers 2020 growth

Q1: +0.6m
Q2: +0.5m (COVID impact)
Q3: +0.8m
Q4: +1.1m

Growth versus FY19. Source: Company data. *See Appendix A6
FY 2020: Building A Better Tomorrow™

13.5m
Non-Combustible product consumers*

26%
Value Share In Top 5 markets**

14%
Volume share In Top 9 markets**

40%
Volume Share In Top 6 markets-

+3m
Non-Combustible product consumers*

+52%
Vapour Pod/Liquid Volume growth

+29%
THP Stick Volume growth (ex Sens)

+62%
Pouch Volume growth

Growth versus FY19. Source: Company data. * See Appendix A6 Top 5 vapour markets: US, Canada, UK, France, Germany. T5 represent c. 75% of Vapour industry revenue (closed-system). Top 6 Modern oral markets: US, Sweden, Denmark, Norway, Switzerland and Germany. Top 9 THP markets: Japan, South Korea, Russia, Italy, Germany, Romania, Ukraine, Poland and Czech Republic. T6 represent c. 90% Modern Oral industry revenue. T9 represent c. 90% of THP industry revenue. Vuse brand represents c. 80% of FY20 vapour revenue. Continue to migrate remaining Vype brands during 2021. Velo brand represents 50% of FY20 Modern Oral markets. Continue to migrate remaining EPOK, LYFT brands during 2021. ** Share definitions see Appendix A3.
Volume growth of Vapour consumables, THP sticks, and Modern Oral pouches. Vuse brand represents c. 80% of FY20 vapour revenue. Velo brand represents over 50% of FY20 Modern Oral markets. Continue to migrate remaining brands during 2021.
**FY 2020: Results Demonstrate Resilience**

<table>
<thead>
<tr>
<th></th>
<th>REPORTED FY 2020 @ Current rates</th>
<th>ADJUSTED FY 2020 @ Constant rates*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>-0.4%</td>
<td>+3.3%</td>
</tr>
<tr>
<td><strong>New Category Revenue</strong></td>
<td>+14.9%</td>
<td>+15.4%</td>
</tr>
<tr>
<td><strong>Operating Margin</strong></td>
<td>+380 bps**</td>
<td>+100 bps***</td>
</tr>
<tr>
<td><strong>Profit From Operations</strong></td>
<td>+10.5%**</td>
<td>+4.8%</td>
</tr>
<tr>
<td><strong>Diluted EPS</strong></td>
<td>+12.0%**</td>
<td>+5.5%</td>
</tr>
</tbody>
</table>

*On an adjusted, constant rate basis. See Appendix A1 & A2.*

**Prior period affected by charge in respect of the Quebec class action in Canada.*** Current rate growth
FY 2020: Delivering Today

- **Corporate Value Share**: +20 bps
- **New Category Revenue**: +15%
- **Price/Mix** (Combustibles): +7.3%
- **BAT Volumes** (FMC+THP+Hybrid): -4.3%
- **Group Revenue**: +3.3%
- **Adjusted Profit** from operations: +4.8%
- **Adjusted Diluted EPS**: +5.5%
- **Free Cash Flow**: £7.3 bn

*Share growth versus FY19. Source: Company data  
*On an adjusted, constant rate basis. See Appendix A1 & A2  
**Price/mix defined in Appendix A4  
***Free Cash flow before payment of dividends  
^See Appendix A3
Our Ethos enabled the best of BAT through COVID

**Bold & Empowered**
- Sales force adapted routes to market against disruption
- COVID-secure workplace measures in all markets
- Implemented e-learning plan
- No employees made redundant or furloughed due to COVID crisis

**Operational Agility**
- Dynamic response to supply chain disruptions & government mandated shutdowns ensured no combustibles out of stocks
- glo Hyper launch switched to digital, most successful glo a launch to date
- Tripled e-com site visits and +65% e-com revenue in 2020

**ESG Front & Centre**
- Supporting communities with testing equipment, 3D printers, & medical & hygiene equipment
- Partnering with leaf growing communities to support water supply and sanitation
- KBP: leveraging tobacco plant technology platform for potential COVID vaccine: in Phase 1 trials

**Stronger, Simpler, Faster**

**Commitment to Deliver**

Source: Company data
Tadeu Marroco
Finance and Transformation Director
Delivering revenue, profit and earnings growth* in challenging circumstances

Accelerating New Categories through H2 with good momentum into 2021

Combustibles and Quantum generating value and cashflow to invest in NCs

£7.3bn FCF, driven by operating cash conversion of 103%

Adjusted net debt/EBITDA** at 3.3x, on track for c.3x by end 2021

Mid-single digit EPS growth* guidance retained for 2021, given COVID uncertainty

Committed to our financial algorithm post-COVID and our 65% pay-out ratio

* On an adjusted, constant rate basis. See Appendix A1 & A2 ** Adjusted net debt to adjusted EBITDA at current rates. See Appendix A1.
Resilient Combustible volumes
- Outperforming the industry (+30bps volume share*)
- Strong performance in DMs

Robust pricing
- Robust pricing environment
- No accelerated downtrading
- +7.6% 3 year average price/mix

Revenue growth*** +3.3%
- Absorbing c.-2.5% COVID headwind
- Combustible revenue*** +2.8%
- New Category revenue*** +15.4%

**FMC+THP volume share. For definition see Appendix A3. ** Combustibles revenue contribution net of other revenue growth. ***On an adjusted, constant rate basis. See Appendix A1 & A2.**
Vuse: Establishing Vuse as a Global Leader

**X2 value share* in T5** Markets

**c.75% of Industry Revenue**

**Strong performance from Alto, ePod and ePen3**

Source: BAT value share of total Vapour - US Dec Marlin, Canada Dec Scan, UK Dec Nielsen, France Dec stator & Germany Dec Nielsen. *See Appendix A3 for Value share definition.**

**T5** represent c. 75% of Vapour industry revenue (closed-system). Vuse brand represents c. 80% of FY20 vapour revenue. Continue to migrate remaining Vype brands during 2021.
glo: Leveraging Improved Satisfaction to Drive Accelerated Growth

Record Volume Share Across Key Markets (c. 80% of Industry Revenue)

<table>
<thead>
<tr>
<th>Country</th>
<th>Month</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>Dec-19</td>
<td>5.0%</td>
</tr>
<tr>
<td></td>
<td>Dec-20</td>
<td>5.9%</td>
</tr>
<tr>
<td>Russia</td>
<td>Dec-19</td>
<td>0.3%</td>
</tr>
<tr>
<td></td>
<td>Dec-20</td>
<td>1.4%</td>
</tr>
<tr>
<td>Italy</td>
<td>Dec-19</td>
<td>0.1%</td>
</tr>
<tr>
<td></td>
<td>Dec-20</td>
<td>0.9%</td>
</tr>
<tr>
<td>Ukraine</td>
<td>Dec-19</td>
<td>0.5%</td>
</tr>
<tr>
<td></td>
<td>Dec-20</td>
<td>1.9%</td>
</tr>
<tr>
<td>Romania</td>
<td>Dec-19</td>
<td>0.5%</td>
</tr>
<tr>
<td></td>
<td>Dec-20</td>
<td>1.2%</td>
</tr>
</tbody>
</table>

Driven by Hyper: Our most successful THP launch to date

Record Device Sales:

- Glo device volume growth: +68%

Hyper devices sold in 2020: 4.4m
Velo: International Leadership Driven by Superior Product

<table>
<thead>
<tr>
<th>Leading* in both established and new oral markets</th>
<th>With superior products** and mix</th>
</tr>
</thead>
<tbody>
<tr>
<td>c.95% of Industry Revenue, including US</td>
<td>Overall Product Appeal</td>
</tr>
<tr>
<td>SWE 64%</td>
<td>Established oral market</td>
</tr>
<tr>
<td>NOR 67%</td>
<td>New to oral market</td>
</tr>
<tr>
<td>DEN 91%</td>
<td>VELO</td>
</tr>
<tr>
<td>CH 95%</td>
<td>4.7</td>
</tr>
<tr>
<td>DE 50%</td>
<td>4.9</td>
</tr>
<tr>
<td>CZE 87%</td>
<td>Competitor 1</td>
</tr>
<tr>
<td></td>
<td>4.5</td>
</tr>
<tr>
<td></td>
<td>Competitor 2</td>
</tr>
<tr>
<td></td>
<td>4.6</td>
</tr>
</tbody>
</table>


Velo: Expanded US Product Range to Accelerate Growth

Portfolio Strengthened by Dryft Acquisition

<table>
<thead>
<tr>
<th></th>
<th>Initial portfolio</th>
<th>Expanded portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nicotine strength (mg)</td>
<td>2 &amp; 4</td>
<td>2, 4 &amp; 7</td>
</tr>
<tr>
<td>Flavours</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>SKUs</td>
<td>4</td>
<td>28</td>
</tr>
</tbody>
</table>

Encouraging early results, with distribution building

- Nov’20: 6K outlets
  - Circle K Exclusivity
  - Velo US volume share: 5.8%
- Mar’21: c.80K outlets
  - Nationwide*
  - Velo US volume share: 11.1%

*Expected

Velo Phase 2 roll-out

- Jul-20 to Dec-20 w/e 24 Jan
COMBUSTIBLES: Delivering Value Growth

+20 bps
Corporate Value Share\(^a\)

+40 bps
Corporate Volume Share\(^a\)

+40 bps
Strategic Brand Value Share

+2.8%
Combustibles Revenue\(^a\)

+7.3%
Combustibles Price/Mix\(^*\)

66%
Strategic Brand Share of Group Combustible volume

Share growth versus FY19. FMC share. \(^a\) See Appendix A3 for share definitions. Source: Company data. \(^*\) On an adjusted, constant rate basis. See Appendix A1 & A2. \(^*\) Price/mix defined in Appendix A4. The BAT Group does not own all brands featured in this presentation in all markets, e.g. BAT is the owner of Newport, Camel and Natural American Spirit in US only.
Successfully Navigating Regulation

EU & Turkey Menthol Ban BAT nicotine consumer retention

91% - EU Menthol Industry volume retained in FMC

70% - Vapour capture of EU menthol volume outflow

109% Total nicotine retention
FMC consumers migrating to Vype

105% Total nicotine retention
Hyper growth off-setting FMC loss

91% Total nicotine retention
Significant vapour gains close to offset FMC losses

103% Total nicotine retention
Accelerated glo growth driven by Hyper

113% Total nicotine retention
Successfully transforming our multi-category portfolio

113% Total nicotine retention
Strong share growth; Kent outperforming the market

110% Total ENA nicotine retention

FMC +150k

vuse +176k

glo +105k

110% BAT total nicotine consumers retention post Menthol Bans

Source: Company data. % Retention figures reflect the number of consumers following the ban compared to the number of total nicotine consumers prior to the ban
**REGIONS: Resilient performance across the Group**

<table>
<thead>
<tr>
<th>Region</th>
<th>Adjusted Revenue*</th>
<th>Value Share**</th>
<th>Adjusted Profit from Operations*</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>+11.2%</td>
<td>+45bps</td>
<td>+15.5%</td>
</tr>
<tr>
<td>ENA</td>
<td>+2.1%</td>
<td>Flat</td>
<td>-2.4%</td>
</tr>
<tr>
<td>APME</td>
<td>-9.9%</td>
<td>+10bps</td>
<td>-7.3%</td>
</tr>
<tr>
<td>AMSSA</td>
<td>+1.4%</td>
<td>+30bps</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Group</td>
<td>+3.3%</td>
<td>+20bps</td>
<td>+4.8%</td>
</tr>
</tbody>
</table>

H2 Emerging Market volume recovery

**BAT Volume H1**

<table>
<thead>
<tr>
<th>Developed</th>
<th>Emerging</th>
</tr>
</thead>
<tbody>
<tr>
<td>GTR</td>
<td>-3.5%</td>
</tr>
<tr>
<td>-6.1%</td>
<td>-6.4%</td>
</tr>
</tbody>
</table>

**BAT Volume H2**

<table>
<thead>
<tr>
<th>Developed</th>
<th>Emerging</th>
</tr>
</thead>
<tbody>
<tr>
<td>GTR</td>
<td>-3.5%</td>
</tr>
<tr>
<td>-7.3%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

**BAT Volume Full Year**

<table>
<thead>
<tr>
<th>Developed</th>
<th>Emerging</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-3.3%</td>
</tr>
<tr>
<td>-6.7%</td>
<td>-6.4%</td>
</tr>
</tbody>
</table>

Source: Company data. BAT volume % change versus same period last year
US: A Strong Performance

Strong Brands Driving Value Share Growth

Higher Pricing Ahead of Peers enabled by Revenue Growth Management

US Combustibles Volume Share 35%, Newport Value Share 17%

YTD vapour value share up c.1.5x

OPERATING MARGIN: Releasing Funds to Support the Growth Agenda

2019 Adjusted Operating Margin: 43.1%

- Price/mix and Operational Efficiencies: +100 basis points
- Incremental New Categories: -0.9
- Transactional FX: -0.4

2020 Adjusted Operating Margin*: 44.1%

*On an adjusted current rate basis. See Appendix A1.
Quantum: Generating Significant Additional Investment Resources

Key Benefits:
- Generate resources
  Fund investments and capabilities
- Stronger, simpler, faster organisation
  Agility to operate, increased efficiency, new capabilities

On track for £1bn* benefit by 2022

* 2020-2022 target
EPS*: Growth up +5.5%, Against Significant COVID Headwind

Strong FY EPS* delivery
- Resilient APFO** growth
- Reduction in underlying tax rate to 24.9%

Resilient against headwinds
- COVID
- Higher Net Finance Costs
- Lower contribution from associates

Adjusted diluted EPS* growth
CASH: Strong Generation Driving Deleverage

**Adj. Net Debt / Adj. EBITDA**

<table>
<thead>
<tr>
<th>Opening Net Debt</th>
<th>Free Cash Flow After Divs</th>
<th>Other Cash &amp; Non-Cash</th>
<th>Closing Net Debt @ Constant Rates*</th>
<th>FX</th>
<th>Closing Net Debt @ Constant Rates*</th>
</tr>
</thead>
<tbody>
<tr>
<td>41.7</td>
<td>2.6</td>
<td>0.4</td>
<td>39.5</td>
<td>-</td>
<td>39.5</td>
</tr>
</tbody>
</table>

*On a constant rate basis. See Appendix A1.*
CASH AND DELEVERAGE: Strong Liquidity Position
>90% operating cash conversion

**Strong Operating Cash Flow Conversion**

<table>
<thead>
<tr>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>97%</td>
<td>103%</td>
</tr>
</tbody>
</table>

Cash generation led by **Combustibles**

**Strengthened Liquidity in 2020**

<table>
<thead>
<tr>
<th>£ in billions</th>
<th>£8.9bn</th>
<th>£3.4bn</th>
<th>£5.8bn</th>
<th>2.8</th>
<th>3.9</th>
<th>2.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond issuance</td>
<td>USD: Apr 7, 10 &amp; 30 yr bonds</td>
<td>EUR: Apr 4.5 &amp; 8 yr bonds</td>
<td>GBP: Jun 8 yr bonds</td>
<td>USD: Sep 5.5, 7.5, 10.5, 20 &amp; 30 yr bonds</td>
<td>Due'21</td>
<td>Due'22</td>
</tr>
<tr>
<td>Bi-laterals</td>
<td>USD: Apr 7, 10 &amp; 30 yr bonds</td>
<td>EUR: Apr 4.5 &amp; 8 yr bonds</td>
<td>GBP: Jun 8 yr bonds</td>
<td>USD: Sep 5.5, 7.5, 10.5, 20 &amp; 30 yr bonds</td>
<td>Due'21</td>
<td>Due'22</td>
</tr>
</tbody>
</table>

Successful refinancing with enhanced liquidity and extended maturities

* normalised for MSA impact in 2018
CAPITAL ALLOCATION: Our Priorities

Drivers of cash generation:
- ✓ Combustible value growth
- ✓ Working capital efficiencies
- ✓ Capex = Depreciation*
- ✓ £1bn Quantum savings 2020-2022
- ✓ >90% operating cash flow conversion**

Capital Allocation priorities:
- ✓ 65% Dividend pay-out
- ✓ Continued investment in New Categories
- ✓ Deleverage to between 2-3x Adj net debt / adj EBITDA^^

* Adjusted Depreciation, Amortisation & Impairment of Property, Plant and Equipment and Intangible assets ** Targeted annually. ^ Pre dividend payments. ^^Adjusted Net Debt to Adjusted EBITDA.
FY 2021 GUIDANCE: Resilience in an Uncertain Environment

3-5% Revenue Growth*

Mid Single Figure
EPS Growth**

Continued Deleverage
c.3X Adjusted Net Debt/Adjusted EBITDA by end 2021

Performance within guidance range dependent on

 +/- External factors:

• COVID impact
• US industry volume
• Associate performance

* On a constant rate basis. See Appendix A2  **Adjusted Diluted EPS on a constant rate basis. See Appendix A1 & A2
Jack Bowles
Chief Executive
Further Transformation Fuels Growth

Clear Commercial Priorities

- **STEP-CHANGE IN NEW CATEGORIES**
- **COMBUSTIBLE VALUE GROWTH**
- **SIMPLIFY THE COMPANY**

Good Progress in 2020

- Non-combustible Consumers* +3.0m
- Accelerating New Category performance
- Combustibles price/mix** +7.3%
- Value share*** +20bps
- Savings of £660m driven by Quantum
- Leveraging our digital capabilities

---

* See Appendix A6. ** Price/mix defined in Appendix A4. ** See Appendix A3 for share definitions. Source: Company data.
Consumer-Centric Multi-Category model

Beyond multi-category… we are consumer-centric multi-category

* Revenue Growth Management
A Clear Framework to Accelerate Transformation

Creating the Enterprise of the Future

Quantum Delivery
Unleash Innovation
Empowered Organisation
Shaping Sustainability
Technology & Digital
Confident in Medium-Term Guidance Post-COVID

3-5% Revenue Growth

High Single Figure EPS Growth
Adjusted diluted (post COVID)

£5bn New Categories Revenue by 2025

50mn Non-Combustible Consumers by 2030

Creating Shared Stakeholder and Shareholder Value

* On a constant rate basis. See Appendix A2. ** See Appendix A6.
Today, we have a significant CPTO* base of c.90bn

With a strong growing base of 10% Non-Combustibles** Revenue and already 13.5mn consumers

£5bn New Category Revenue by 2025

50mn Non-Combustible Consumers** by 2030

Carbon Neutral by 2030***

On track for our 2025 targets

---

* Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive. * Estimated consumer price turnover (CPTO) FY20.
** See Appendix A6.
*** ESG ambition. See Appendix A5.
‘Accelerating Transformation’
Growth in New Categories and Group earnings despite COVID-19
Preliminary results 2020

Jack Bowles – Chief Executive | Tadeu Marroco – Finance and Transformation Director
Appendix

A1: Adjusting (Adj.)
Adjusting items represent certain items which the Group considers distinctive based upon their size, nature or incidence.

A2: Constant currency
Constant currency – measures are calculated based on a re-translation, at the prior year’s exchange rates, of the current year’s results of the Group and, where applicable, its segments.

A3: Share metrics
Volume share: The number of units bought by consumers of a specific brand or combination of brands, as a proportion of the total 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 cigarette. Corporate volume share is the share held by BAT Group/Reynolds (US region).
Value share: The retail sales value of the product sold as a proportion of total retail sales value in that category.
Premium share: The retail sales volume of the premium product sold as a proportion of total retail sales volume of premium products in that category.
Nicotine share: The retail sales volume of the nicotine product sold as a proportion of total nicotine product volume in that category.
Exit share: The retail sales volume of the product sold as a proportion of total retail sales volume in that category at a specific period point in time.

A4: 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 value (how much is each unit sold for). Price mix is used to explain the value component of the sales as the Group sells each unit for a value (price) but may also achieve a movement in revenue due to the relative proportions of higher value volume sold compared to lower value volume sold (mix).

A5: Environmental Targets

A6: Non-Combustible consumers
The number of consumers of Non-Combustible products is defined as the estimated number of Legal Age (minimum 18 years, US: 21 years) consumers of the Group’s Non-Combustible 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 Non-Combustible products is derived from volume sales of consumables and devices in such markets, using consumption patterns obtained from other similar markets with consumer tracking (utilising studies conducted by third parties including Kantar).

The number of Non-Combustible products consumers is used by management to assess the number of consumers regularly using the Group’s New Category products as the increase in Non-Combustible products is a key pillar of the Group’s ESG Ambition and is integral to the sustainability of our business.

The Group’s management believes that this measure is useful to investors given the Group’s ESG ambition and alignment to the sustainability of the business with respect to the Non-Combustibles portfolio.
## Top BAT Market Share Movements (1)

<table>
<thead>
<tr>
<th>Market</th>
<th>SOM FY20 (%)</th>
<th>Movement (ppt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>23.4</td>
<td>0.1</td>
</tr>
<tr>
<td>Australia</td>
<td>41.9</td>
<td>0.4</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>78.3</td>
<td>9.9</td>
</tr>
<tr>
<td>Belgium</td>
<td>25.0</td>
<td>0.2</td>
</tr>
<tr>
<td>Brazil</td>
<td>74.9</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>37.8</td>
<td>0.0</td>
</tr>
<tr>
<td>Canada</td>
<td>48.1</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Chile</td>
<td>96.7</td>
<td>(0.7)</td>
</tr>
<tr>
<td>Colombia</td>
<td>54.6</td>
<td>2.3</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>20.0</td>
<td>(0.9)</td>
</tr>
<tr>
<td>Denmark</td>
<td>69.5</td>
<td>(2.0)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Market</th>
<th>SOM FY20 (%)</th>
<th>Movement (ppt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>16.0</td>
<td>(1.4)</td>
</tr>
<tr>
<td>Germany</td>
<td>20.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Indonesia</td>
<td>4.0</td>
<td>(1.7)</td>
</tr>
<tr>
<td>Italy</td>
<td>17.7</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Japan</td>
<td>18.8</td>
<td>0.9</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>15.9</td>
<td>0.0</td>
</tr>
<tr>
<td>KSA</td>
<td>31.7</td>
<td>(5.2)</td>
</tr>
<tr>
<td>Malaysia</td>
<td>51.7</td>
<td>1.1</td>
</tr>
<tr>
<td>Mexico</td>
<td>37.1</td>
<td>2.1</td>
</tr>
<tr>
<td>Netherlands</td>
<td>21.4</td>
<td>(1.1)</td>
</tr>
</tbody>
</table>
### Top BAT Market Share Movements (2)

<table>
<thead>
<tr>
<th>Market</th>
<th>SOM FY20 (%)</th>
<th>Movement (ppt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Zealand</td>
<td>70.8</td>
<td>(1.3)</td>
</tr>
<tr>
<td>Pakistan</td>
<td>76.3</td>
<td>1.4</td>
</tr>
<tr>
<td>Poland</td>
<td>27.8</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Romania</td>
<td>58.5</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Russia</td>
<td>24.5</td>
<td>0.8</td>
</tr>
<tr>
<td>South Africa</td>
<td>76.2</td>
<td>(1.0)</td>
</tr>
<tr>
<td>South Korea</td>
<td>12.2</td>
<td>0.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Market</th>
<th>SOM FY20 (%)</th>
<th>Movement (ppt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>10.4</td>
<td>(1.5)</td>
</tr>
<tr>
<td>Switzerland</td>
<td>33.4</td>
<td>(1.6)</td>
</tr>
<tr>
<td>Taiwan</td>
<td>10.8</td>
<td>0.8</td>
</tr>
<tr>
<td>Turkey</td>
<td>25.8</td>
<td>2.6</td>
</tr>
<tr>
<td>UK</td>
<td>8.6</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Ukraine</td>
<td>27.8</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Vietnam</td>
<td>29.5</td>
<td>1.1</td>
</tr>
</tbody>
</table>