



Barclays Consumer Conference 2022
New Category Growth
Driving Faster Transformation

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In particular, certain statements in slides 6, and 7.

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; 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 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; and changes in the market position, businesses, financial condition, results of operations or prospects of the Group.

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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, and Camel Snus, 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

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We are Transforming and Delivering

**Transforming
our business**

**Delivering robust
financial results**

**Successfully
navigating the
macro environment**

Superior shareholder returns: Dividend growth and £2bn Buyback

H1 2022 - Transforming and Delivering

Transforming our business

- 20.4m adult consumers of Non-Combustible products*
- 45% New Category revenue growth**
- 50%+ (£281m) reduction in New Category losses***
- Strong brands powered by innovation

Delivering robust financial results

- Group revenue up +5.7%; +3.7% at constant FX**
- Reported diluted EPS down -42.9%
- Adjusted diluted EPS up +5.7% at constant FX^
- Confident in delivering FY22 guidance

Successfully navigating the macro environment

- £1.5bn Quantum savings delivered 6 months ahead of target
- 90bps improvement in adjusted operating margin to 43.9%^^
- Robust pricing – achieved c.90% of planned pricing

£3.8bn YTD cash returns to shareholders: £2.5bn Dividends and £1.3bn Buyback

Full Year 2022 – Transforming and Delivering

Transforming our business

- Continued New Category growth momentum
- Strong H2 investment plans
- Further New Category loss* reduction

Delivering robust financial results

- Revenue growth of 2-4%**
- Mid-Single figure EPS growth***
- Continued strong cash generation

Successfully navigating the macro environment

- Leveraging our organisational agility
- Quantum savings in excess of £1.5bn
- Continued pricing power^

Committed to delivering long term sustainable shareholder value

We are building A Better Tomorrow™



From

To



50 million consumers of Non-Combustible** products by 2030



£5bn New Category Revenue by 2025



Carbon neutral operations Scope 1&2 by 2030***



Net zero value chain emissions by 2050***



Eliminate unnecessary single-use plastic in our packaging & all plastic packaging recyclable^ by 2025***

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 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.

A3: Consumers of Non-Combustible Products

The number of consumers of Non-Combustible products is defined as the estimated number of Legal Age (minimum 18 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 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 - referred to as "poly users".

The number of consumers of Non-Combustible products is used by management to assess the number of consumers using the Group's New Categories 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.

A4: Environmental Targets

Targets cover: climate change, water and waste, sustainable agriculture. Full details are available from the latest ESG Report

[British American Tobacco - Sustainability reporting \(bat.com\)](https://www.bat.com/sustainability-reporting)