Enterprise of the Future
Transformation and Growth

Jack Bowles | Chief Executive
Tadeu Marroco | Finance and Transformation Director
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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 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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Important information

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Our vapour product Vuse (including Alto and Vibe), and certain products including Grizzly, Granit, Camel Snus, Velo and Kodiak, which are sold in the U.S., are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

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Building A Better Tomorrow™

1. We are committed to transforming BAT to reduce our health impact

2. We are uniquely positioned with our consumer-centric multi-category portfolio

3. We have the strengths, new capabilities, brands and resources to succeed

4. We are on a journey: transformation is happening. The opportunity is huge

5. We are confident in delivering our targets and building A Better Tomorrow™
We are committed to transforming BAT to reduce our health impact
Committed to Building A Better Tomorrow™

Our Purpose

To reduce the health impact* of our business

Our Commitment

To provide adult consumers with a wide range of enjoyable and less risky products*

To encourage smokers to switch completely to scientifically-substantiated reduced-risk alternatives*

* Assuming a complete switch from cigarette smoking. These products have the potential to be less risky and if they contain nicotine are addictive.
Creating the Enterprise of the Future is Key

From

Cigarettes

And
Declining Volume Growing Value

To

Multi-category CPG Nicotine & Beyond*

And
Growing Volume & Value

Building A Better Tomorrow™

*Beyond refers to Wellbeing & Stimulation Beyond Nicotine. Target market for consumer acquisition is existing adult smokers/nicotine/beyond nicotine users.
Delivering Value for all Our Stakeholders

Reducing the HEALTH impact of our business

- CONSUMER CHOICE
- WORLD-CLASS SCIENCE
- STANDARDS & REGULATION

Excellence in ENVIRONMENTAL management
- Climate change
- Water and waste
- Sustainable agriculture
- Circular economy

Delivering a positive SOCIAL impact
- Human rights
- Farmer livelihoods
- Health and safety
- People and culture

Robust corporate GOVERNANCE
- Business ethics
- Responsible marketing
- Regulation and policy engagement

...with stretching targets

- 50 million consumers of non-combustible* products by 2030
- £5bn New Category Revenue in 2025
- Carbon neutral by 2030**
- Eliminate unnecessary single-use plastic & all plastic packaging recyclable^ by 2025**

* Non-combustible consumer definition. See Appendix A
** Environmental targets. See Appendix A
^ Reusable, recyclable or compostable
Delivering for all Stakeholders in 2020

- **2020 REVENUE GROWTH**: +3.3%
- **2020 PROFIT GROWTH FROM OPERATIONS**: +4.8%
- **2020 EPS GROWTH**: +5.5%
- **CONSUMERS of Non-Combustibles**: 13.5m (+3.0m)
- **ESG INDICES**: MSCI: BBB, Sustainalytics: 27.8%
- **OPERATING CASH CONVERSION**: 103%
- **LEVERAGE REDUCTION**: -0.3x
- **DIVERSITY**: FT Index & Global Top Employer
- **DIVIDEND PAY-OUT**: 65%

A £26bn revenue, consumer-centric multi-category CPG with ESG at the centre

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*Growth versus FY19. **On an adjusted, constant rate basis. See Appendix A1 & A2. ***Adjusted, diluted EPS on a constant rate basis. See Appendix A1 & A2. **** Ratio*
Our Targets:

- **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

Growth and Transformation enabling A Better Tomorrow™

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* Medium-term growth targets. On a constant rate basis. See Appendix A2.
** Non-Combustible consumer definition: see Appendix A6.
We are uniquely positioned with our consumer-centric multi-category portfolio
Beyond multi-category... we are Consumer-Centric Multi-Category
Our well-established Multi-Category Brand Portfolio

**VAPOUR**
- **vuse**
  - #1
  - Canada, UK, France, Germany

**THP**
- **glo**
  - #2
  - Japan, Russia, Italy, Spain

**MODERN ORAL**
- **VELO**
  - #1
  - Sweden, Norway, Finland, Germany
  - #3
  - Austria, Switzerland, USA
Deep Consumer Insights to Target Distinct Consumer Spaces

One size does not fit all...
Targeting: Globally Capable, Locally Relevant

1. Consumer & Commercial Opportunity
2. Product Satisfaction Index (PSI)
3. Regulatory & Tax/Excise Environment
4. Distribution & Channel Landscape

- N. America & W. Europe Predominantly Vapour
- Northern Europe Oral
- Central & Eastern Europe Mixed Usage*
- Japan & SK Predominantly THP
- Modern Oral Emerging Potential

* Across non-combustible products. Source: Kantar & Internal Forecasts
A Large, Growing New Category Opportunity

**2020**

- **Non-Combustibles***
  - 13.5mn Consumers***
  - 17% Revenue & Consumers Share^

**~79mn Net Consumers**

**~£16bn revenue**

**2025***

- **Non-Combustibles***
  - 13.5mn Consumers***
  - 17% Revenue & Consumers Share^

**~123mn Net Consumers**

**~£29bn revenue**

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*2025 estimate based on company data, Industry Incidence Study & BAT internal estimates, excluding India and China. **Total Non-Combustibles Net Consumers excludes Poly users. Poly-usage across non-combustible products.***

^Non-Combustible consumer definition. See Appendix A5. - BAT share of revenue and consumers as a % of 2020 industry estimates.
We have the strengths, new capabilities, brands & resources to succeed
Unrivalled Outlet Reach in Our Top 40* Markets

Double the retail reach of large-cap CPGs

Outlet Reach

11m

4-5m

7m

1.5m

Channel Split

Outlet Reach

BAT

CPG

Beverages

Alcohol

Distribution power:

>180 Markets

>11m Retail Outlets

>150m daily consumer touchpoints

Note: Company share of retail sales estimated based on category channel breakdown; for 2020 where available, otherwise 2019; numbers rounded for simplicity. Channel classification: On-premise includes Bars, Restaurants, Hotels. Modern includes Super/Hypermarkets, Other Grocers, Discounters, Drug, Mixed Retailers (e.g., department stores); Convenience includes Convenience (traditional/convenience), Forecourt, Food/Drink/Tobacco Specialists, Independent Grocers; Source: Euromonitor; company financials; desk research; BCG analysis. *Top 40 markets representing c. 90% group revenue.
World-Class Capability in Science and R&D

- **2x** R&D spend since 2017
- **1,500** R&D specialists
- **£4.1bn** New Category revenue since 2017*
- **1st** Launch of e-cig, nicotine salts, CBD vaping*
- **Phase I** COVID & Flu vaccine studies

* Representative 2017 basis with a full 12 months of US acquisition, Reynolds. ** First amongst leading tobacco and nicotine global companies
Developing a New World of Digital Insights

Digital Hubs

Digital expertise & external partnerships
- Agile
- Design Thinking
- Storytelling
- Innovation
- Data Sciences
- Disruptive Technology

Customers & Consumers

Supply chain

Finance, HR, Legal

1:1 engagement with New Category consumers

Zero-touch Factories
Virtual Experts in >50% factories
End-to-end automation >5,000 SKUs

Bot Enabled Workforce
+100% work hours saved

Faster, Forward Looking, New Capabilities
## New Capabilities

- **D2C e-commerce**
- **Revenue Growth**
- **Design & Product**
- **Consumer Analytics**

Accelerating transformation
- 400+ management hires bringing new capabilities
- Learning and development at speed and scale via 100% virtual delivery

## Bold & Empowered

- Purpose driven organisation
  - With new Ethos and leadership capability
  - 80+ awards and certifications

## Stronger, Simpler, Faster

- Digitally enabled workforce
  - Simpler, faster organisation
  - Connected and empowered workforce

## Our Ethos:
- **Bold**
- **Fast**
- **Empowered**
- **Diverse**
- **Responsible**
We are on a journey: Transformation is happening. The opportunity is huge
We Have Made a Strong Start

Strong growth in New Categories

<table>
<thead>
<tr>
<th>Non-Combustible Consumers*</th>
<th>New Category Revenue</th>
<th>New Category Incremental Investment**</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.5m 2020 +29% CAGR</td>
<td>£1.4bn 2020 +43% CAGR</td>
<td>+£430m 2020</td>
</tr>
</tbody>
</table>

Powered by combustibles and simplification

<table>
<thead>
<tr>
<th>Combustible Volume Reduction</th>
<th>Combustible Revenue Growth</th>
<th>Quantum Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>-4.5% 2020 -4.5% CAGR</td>
<td>+2.8% 2020 +3.1% CAGR</td>
<td>+£660m 2020</td>
</tr>
</tbody>
</table>

Continued strong financial delivery

<table>
<thead>
<tr>
<th>EPS Growth***</th>
<th>Free Cash Flow Generated</th>
<th>Dividend Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>+5.5% 2020 +8.5% CAGR</td>
<td>£7.3bn 2020 +14% CAGR</td>
<td>£4.7bn 2020</td>
</tr>
</tbody>
</table>

CAGR over last three years ending FY20. * Non-Combustible consumer definition: See Appendix A6. ** Total New Category Investment. *** Adjusted EPS @ Constant rates of exchange
Delivered by Our 3 Operational Priorities

Step-Change In New Categories
Delivering accelerated growth in New Categories

Combustible Value Growth
Generating the investment resources and cash flow

Simplify the Company
Building the capabilities to succeed
Our Transformation Journey is Accelerating

Non-Combustible products revenue %

63%  42%  28%  27%  13%

c.15% of our developed market* revenue

Note: % Revenue by market FY2020 *OECD excluding Australia and Turkey where Non-Combustible products are unavailable
Accelerating New Category Growth and Profitability

Vapour

Establishing Vuse as the **global leader** in Vapour, with a clear pathway to **profitability**

THP

Leveraging improved consumer satisfaction & **innovation pipeline** to be the **fastest growing** THP brand

Modern Oral

Leveraging **superior international products** & accelerate US growth for **global leadership** in Modern Oral

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*Value share basis. **Volume share basis. Vuse brand represents c. 80% of FY20 vapour revenue. Continue to migrate remaining Vype brands during 2021. Velo brand represents over 50% of FY20 Modern Oral markets. Continue to migrate remaining EPOK, LYFT brands during 2021.*
Establishing Vuse as a Global Leader

**X2 value share** in T5** Markets
c.75% of Industry Revenue

<table>
<thead>
<tr>
<th>Country</th>
<th>2019-12</th>
<th>2020-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>20.0%</td>
<td>29.1%</td>
</tr>
<tr>
<td>Canada</td>
<td>28.0%</td>
<td>69.0%</td>
</tr>
<tr>
<td>UK</td>
<td>12.0%</td>
<td>17.9%</td>
</tr>
<tr>
<td>France</td>
<td>23.3%</td>
<td>40.0%</td>
</tr>
<tr>
<td>Germany</td>
<td>13.1%</td>
<td>42.0%</td>
</tr>
</tbody>
</table>

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 80% of FY20 vapour revenue. Continue to migrate remaining Vype brands during 2021.
With a Clear Pathway to Profitability

- Improved Trade Margin
  - Channel shift away from high cost vape stores
  - Front margin already reduced significantly in France and Canada
  - E-Commerce expansion
  - Subscription sales

- Reduced Cost of Goods
  - c. £100m productivity savings** delivered in 2020
  - Design for automation
  - Further scale benefits

- Marketing Spend Effectiveness
  - Global deployment of MSE Model (Marketing Spend Effectiveness)
  - Vuse migration and global brand benefits
  - Scale benefits

* Front margin refers to recommended trade margins based on recommended resale prices, not contingent on performance. ** Across New Categories
Leveraging Improved Satisfaction to Drive Accelerated Growth

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

- **Japan**: 5.9% (Dec-20), Latest weekly share: 6.3%
- **Russia**: 1.4% (Dec-20), Dec '20 city share: 4.6%
- **Italy**: 0.9% (Dec-20), Dec '20 segment share: 14%
- **Ukraine**: 1.9% (Dec-20), Dec '20 city share: 3.9%
- **Romania**: 1.2% (Dec-20), Dec '20 city share: 1.6%

Driven by Hyper: Our most successful THP launch to date

**Record Device Sales:**

- glo device volume growth: +68%
- 4.4m Hyper devices sold in 2020
Insight Driven Innovation to be the Fastest Growing THP Brand

Glo 1.0 2017

Glo Pro & Nano 2019

Glo Hyper 2020

Further Improvement in Device Appeal & Sensorials

- Device miniaturisation
- Enhanced Boost Function
- Personalisation
- Stick Format
- Flavour Pipeline

Sources: Company data consumer product tests
Leverage Superior International Product and Leadership Position

Leading* in both established and new oral markets

c.95% of Industry Revenue, including US

<table>
<thead>
<tr>
<th></th>
<th>SWE</th>
<th>NOR</th>
<th>DEN</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>64%</td>
<td>67%</td>
<td>91%</td>
</tr>
<tr>
<td>CH</td>
<td>95%</td>
<td>50%</td>
<td>87%</td>
</tr>
</tbody>
</table>

With superior products and mix

Overall Product Appeal**

<table>
<thead>
<tr>
<th></th>
<th>Established oral market</th>
<th>New to oral market</th>
</tr>
</thead>
<tbody>
<tr>
<td>VELO</td>
<td>4.7</td>
<td>4.9</td>
</tr>
<tr>
<td>Competitor 1</td>
<td>4.5</td>
<td>4.7</td>
</tr>
<tr>
<td>Competitor 2</td>
<td>4.6</td>
<td>4.2</td>
</tr>
</tbody>
</table>

*Volume share. Includes EPOK/LYFT brands in ENA. Share of Modern oral category Dec 2020. The US accounts for c.50% of Modern Oral industry revenue.

Expanded US 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>
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Nov'20

- **6K outlets Circle K Exclusivity**

Mar'21

- C.80K outlets Nationwide*

Encouraging early results, with distribution building

Velo US volume share

<table>
<thead>
<tr>
<th></th>
<th>Jul-20</th>
<th>Dec-20 w/e 24 Jan</th>
</tr>
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<tbody>
<tr>
<td>5.8%</td>
<td></td>
<td>8.5%</td>
</tr>
<tr>
<td>11.1%</td>
<td></td>
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</tr>
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</table>

* Expected

Velo Phase 2 roll-out
Exciting Product Innovation Pipelines

**Vuse**
- ePod / Alto superiority*
- CBD & Zero**
  City tests

**Glo**
- Hyper+ upgrade
- Superior neo sensorials

**VELO**
- Patented nicotine delivery system
- New strengths, flavours and formats

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* Superiority through new device upgrades including Bluetooth enabled age verification. **Zero nicotine.
Vuse brand represents 80% of FY20 vapour revenue. Continue to migrate remaining Vype brands during 2021. Velo brand represents over 50% of FY20 Modern Oral markets. Continue to migrate remaining EPOK, LYFT brands during 2021.
Beyond Nicotine: Exploring New Opportunities

Clear portfolio expansion boundaries

* Indicative assessment – assessment of Social Acceptance will be product specific
Beyond Nicotine: Leveraging our Strengths to Explore “On The Go Wellbeing & Stimulation”

Target Area

On the Go Wellbeing & Stimulation

- Boost & Energy
- Clarity & Focus
- Calm & Relax

BAT Strengths & Capabilities

- Active Distribution
- Global Reach
- Insights
- Product Stewardship
- Science & R&D
- Navigating Regulation
- M&A Expertise
- Portfolio & Brands

9 new Better Tomorrow Ventures investments closed to date
£5bn Revenue: Clear Pathway to Profitability

New Category Revenue

<table>
<thead>
<tr>
<th>FY20 BAT NC revenue</th>
<th>Category growth</th>
<th>BAT share growth*</th>
<th>FY25 BAT NC revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>£1.4bn</td>
<td>1/3</td>
<td>2/3</td>
<td>£5bn</td>
</tr>
</tbody>
</table>

Marketing Investment

<table>
<thead>
<tr>
<th>2020</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>c.80%</td>
<td>c.40%</td>
</tr>
</tbody>
</table>

Marketing investment expected to grow

But reduce as % of revenue

New Category Profitability

New Categories to be profitable** by 2025

* Volume share in THP, Modern Oral and Value share in Vapour. **Market contribution. Profit from the sales of brands after deduction of directly attributable costs (including marketing) and before allocation of overheads.
We are confident in delivering our targets and building A Better Tomorrow™
Combustibles Value Growth: Sustainable Investment Resources and Cashflows

Well positioned Strategic brands

- Premium: 36%
- Mid priced: 19%
- Value For Money: 45%

Driving value growth

- Value Share: +20 bps
- Volume Share: +40 bps

Global Leader with #1 Position

- Global Market Share: 29.8%

Brand & SKU rationalisation

- SKU Reduction Over Last 2 years: -15%

Targeted pricing with RGM

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The BAT Group does not own all brands featured in this presentation in all markets, e.g., BAT is the owner of Camel and Natural American Spirit in US only. *Estimated consumer price turnover (CPTO) Combustible Strategic Brands FY 19. **Value share in Top-40 markets. ***For FMC share definitions, See Appendix A3. ****Target for end of T1Q21 from 2Q19 baseline. +++ Revenue Growth Management.
RGM* driving sustainable value creation

RGM* powered by a data science-led approach

- Price Strategy & Settings
- Assortment Optimisation
- Trade Investments Optimisation
- Promotion Optimisation

Lead Markets

New Markets

80% of revenue to be covered by RGM* by end of 2021

Key driver of our 2-3% Combustible revenue growth**

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* Revenue Growth Management. ** On a constant currency basis. See Appendix A2.
US Combustibles: a Source of Value Growth

Strong Results

- +10 bps Volume Share
- +45 bps Value Share
- +70 bps Premium Share

Strong Brands

Newport

Highest share* & value share* growth in market (+50bps vs FY'19)

Fastest growing* brand in the market (+5% volumes vs FY'19)

Low cigarette prices relative to income**

<table>
<thead>
<tr>
<th>Country</th>
<th>Price Relative to Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>11.8%</td>
</tr>
<tr>
<td>USA</td>
<td>10.1%</td>
</tr>
<tr>
<td>Russia</td>
<td>8.8%</td>
</tr>
<tr>
<td>Germany</td>
<td>8.4%</td>
</tr>
<tr>
<td>Vietnam</td>
<td>8.1%</td>
</tr>
<tr>
<td>China</td>
<td>6.1%</td>
</tr>
<tr>
<td>Turkey</td>
<td>5.6%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>3.0%</td>
</tr>
<tr>
<td>Egypt</td>
<td>2.8%</td>
</tr>
<tr>
<td>India</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

Share growth versus FY'19. *For share definitions, see Appendix A1. **Income defined as GDP per capita ('000) / average pack price (€)

Source: Euromonitor, Oxford Economics, Company internal data
Quantum: Significant Additional Resources

Quantum 1
- Supply chain optimisation
- Organisational design
- Simplification

Quantum 2
- Operating model
- Route to market

Marketing Spend Effectiveness
Revenue Growth Management

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
FY20: Strong Results in a Challenging Year

2020 Results

- Non-Combustibles 10% of revenue
- Accelerating New Category:
  - Consumer acquisition*
  - Revenue and share** growth
- Good New Category revenue and share* growth momentum entering 2021

2021 outlook

- 3-5% revenue growth
- Retaining mid-single digit EPS growth^^ guidance given COVID uncertainties

Well positioned for continued strong delivery in 2021

* Target market for acquisition is existing adult smokers/nicotine users.
** Volume share of THP, Modern oral and Value share of Vapour.
^ Constant currency basis. See Appendix A2.
^^ On an adjusted, diluted, constant rate basis. See Appendix A1 & A2.
Continued Financial Delivery: confident in our medium-term financial algorithm post-COVID

+3% to +5% Revenue Growth*

✓ +2% to +3% Combustibles Revenue Growth*  
✓ -3% to -4% Duty Paid Industry Cigarette Volume  
✓ Continued robust price mix*** (7.6% 3 year average)  
✓ New Category Revenue Growth towards £5bn 2025 target

High Single Figure EPS growth**

✓ Progressive operating margin  
✓ Improving profitability from New Categories  
✓ Reducing Net Finance Charge as Leverage reduces  
✓ Contribution from Associates

* On a constant rate basis. See Appendix A2. ** On an adjusted, diluted, constant rate basis. See Appendix A1 & A2. *** Price/Mix definition. See Appendix AA.
Continued Financial Delivery: confident in our medium-term financial algorithm post-COVID

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.

c.£40bn
5 Year Cumulative Free Cash Flow^
Our Responsibility to Transform

1. The largest and only truly global tobacco and nicotine company
   - Present in >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
   - 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

* Includes Beyond Nicotine exploration with existing Vapour, THP and Modern Oral presence.
A Clear Framework to Accelerate Transformation

Creating the Enterprise of the Future

- Quantum Delivery
- Unleash Innovation
- Empowered Organisation
- Shaping Sustainability
- Technology & Digital

Five ‘accelerators’ to enable The Enterprise of the Future
Our Strategic Journey

Building the Foundations
2019 - 2020

- Strategy
- 3 Clear Priorities
- Capability Building
- Science and R&D
- Digital Agenda
- Financial Delivery

Accelerating our Transformation
2020 - 2021

- QUANTUM
  - Operational Delivery
  - Innovation Pipeline
  - 2030 Ambitions
  - New Ways of Working
  - Financial Delivery

Enterprise of the Future
2021 - 2025

- QUEST
  - Enterprise of the Future
  - Nicotine & Beyond
  - Societal Contribution
  - £5 Billion NC Revenue*
  - Financial Delivery

On Track for a Pivotal Year in 2021

* By 2025
Confident in delivering A Better Tomorrow™

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

* Medium-term growth targets. On a constant rate basis. See Appendix A2. ** Non-Combustible consumer definition: see Appendix A6.
Enterprise of the Future
Transformation & Growth

Jack Bowles | Chief Executive  Tadeu Marroco | Finance Director
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.