

British American Tobacco p.l.c.
 Incorporated in England and Wales
 (Registration number: 03407696)
 Short name: BATS
 Share code: BTI
 ISIN number: GB0002875804
 ("British American Tobacco p.l.c." or "the Company")

31 July 2020

BRITISH AMERICAN TOBACCO p.l.c.
HALF-YEAR REPORT TO 30 JUNE 2020
JSE Short-Form Announcement

MULTI-CATEGORY STRATEGY DELIVERS GROWTH IN DIFFICULT TIMES

KEY FINANCIALS

	30 June 2020	Change vs 30 June 2019
	Current rates	Current rates
Revenue	£12,271m	+0.8%
Profit from operations	£5,097m	+16.4%
Basic earnings per share (EPS)	151.2p	+22.7%
Headline earnings per share (HEPS)	151.9p	+23%
Dividend per share (quarterly - see 'Dividends' section below)	52.6p	+3.6%

Jack Bowles, Chief Executive said:

"The business is performing well in difficult circumstances as our continued focus on our three key priorities¹ has enabled us to rapidly adapt to the current environment.

1. We are building A Better Tomorrow

- 10% of our revenues come from non-combustible categories
- We are making good progress towards our target of 50 million non-combustibles consumers by 2030
- Invested an additional £250 million in New Categories marketing

2. We are continuing to deliver adjusted revenue, profit from operations and earnings growth at constant rates

- Strong cigarette price/mix (8.5%) reflects the strength of our differentiated brand portfolio
- Which offsets lower cigarette and THP volume (down 6.3%)
- And the impact of COVID-19 of approximately -4% on adjusted revenue in the first six-months of 2020

3. Multi-category consumer acquisition drives share growth

- Our Non-Combustibles consumer base increased to 11.6 million (up 1.1 million from December 2019), being an increase of 2.7 million consumers on a rolling 12 month basis from June 2019
- New categories revenue grew 12.7% (at constant rates)
- We are growing volume share in THP and value share in Vapour, with Modern oral adjusted revenue up 71% (at constant rates)

1. Three key priorities are "Driving value from Combustibles", "Ensuring a step change in New Category performance" and "Simplifying the business".

Chief Executive summary cont...

4. We are delivering excellent combustibles volume and value share growth

- Cigarette volume share (up 50 bps) and value share (up 20 bps)
- Driven by the strength of the Group's differentiated cigarette portfolio
- Strategic cigarettes and THP portfolio now accounts for 66% of total cigarettes and THP volume
- US cigarette volume share up 10 bps and value share up 30 bps

5. We are navigating COVID-19 supported by a diverse market footprint

- Consumption trends in Developed Markets (75% of Group adjusted revenue) remain robust, with good pricing and little evidence to date of accelerated down-trading
- In Emerging Markets, we are growing cigarette and THP volume share strongly, up 70 bps
- Volumes are strong where we see illicit trade reduction and can leverage our operational agility
- Weaker industry volume where there have been stricter lockdown measures (for instance South Africa)
- We continue to anticipate a full year headwind of around 3% from COVID-19 on constant currency adjusted revenue

6. We are committed

- We are on track to deliver against our 2020 guidance
- We maintain our medium-term post COVID-19 guidance of 3-5% constant currency adjusted revenue growth and high-single figure constant currency adjusted diluted EPS growth
- We are committed to our 65% dividend pay-out ratio

I would like to thank our staff, customers, partners and suppliers for working tirelessly through this difficult period. We expect the coming months to bring continued uncertainty. Nevertheless, we will continue to invest in accelerating our strategy. Building on our excellent momentum, we are confident that we will exit this crisis as a stronger and better business"

Jack Bowles, 31 July 2020

OTHER INFORMATION

DIVIDENDS

Declaration

On 27 February 2020, the Company announced that the Board had declared an interim dividend of 210.4p per ordinary share of 25p, payable in four equal quarterly instalments of 52.6p per ordinary share in May 2020, August 2020, November 2020 and February 2021.

The May 2020 dividend was paid to shareholders on the UK main register and South Africa branch register on 13 May 2020 and to holders of American Depositary Shares (ADSs) on 18 May 2020. The three remaining quarterly dividends will be paid to shareholders registered on either the UK main register or the South Africa branch register, and to holders of ADSs, each on the applicable record dates set out under the heading 'Key Dates' below.

South Africa Branch Register

In accordance with the JSE Limited (JSE) Listing Requirements, the finalisation information relating to shareholders registered on the South Africa branch register (comprising the amount of the dividend in South African rand, the exchange rate and the associated conversion date) will be published on the dates stated below, together with South Africa dividends tax information.

The quarterly dividends are regarded as 'foreign dividends' for the purposes of the South Africa Dividends Tax. For the purposes of South Africa Dividends Tax reporting, the source of income for the payment of the quarterly dividends is the United Kingdom.

Holders of ADSs

For holders of ADSs listed on the New York Stock Exchange (NYSE), the record dates and payment dates are also set out below. The equivalent quarterly dividends receivable by holders of ADSs in US dollars will be calculated based on the exchange rate on the applicable payment date. A fee of US\$0.005 per ADS will be charged by Citibank, N.A. in its capacity as depositary bank for the British American Tobacco American Depositary Receipts (ADRs) programme in respect of each quarterly dividend payment.

General dividend information

The Group recognises interim dividends in the period that they are paid. Therefore, the results for the six-months ended 30 June 2020 reflect the fourth quarterly dividend from the declaration made on 28 February 2019 (paid in February 2020) of 50.75p and the first quarterly dividend from the declaration made on 27 February 2020, of 52.6p per ordinary share as these were paid in February and May, respectively.

For the six-months ended June 2020		
	Pence per share	US\$ per ADS
Quarterly dividend – paid in February	50.75	0.657161
Quarterly dividend – paid in May	52.60	0.642403
	103.35	1.299564

Key Dates

In compliance with the requirements of the London Stock Exchange (LSE), the NYSE and Strate, the electronic settlement and custody system used by the JSE, the following salient dates for the remaining quarterly dividend payments are applicable. All dates are 2020, unless otherwise stated.

Other Information

Event	Payment No.2	Payment No.3	Payment No.4
Preliminary Announcement (included declaration data required for JSE purposes)	27 February 2020		
Publication of finalisation information (JSE)	30 June*	21 September	7 December
No removal requests permitted between the UK main register and the South Africa branch register	30 June to 10 July (inclusive)	21 September to 2 October (inclusive)	7 December to 18 December (inclusive)
Last Day to Trade (LDT) cum-dividend (JSE)	7 July	29 September	14 December
Shares commence trading ex-dividend (JSE)	8 July	30 September	15 December
No transfers permitted between the UK main register and the South Africa branch register	8 July to 10 July (inclusive)	30 September to 2 October (inclusive)	15 December to 18 December (inclusive)
No shares may be dematerialised or rematerialised on the South Africa branch register	8 July to 10 July (inclusive)	30 September to 2 October (inclusive)	15 December to 18 December (inclusive)
Shares commence trading ex-dividend (LSE and NYSE)	9 July	1 October	17 December
Record date (JSE, LSE and NYSE)	10 July	2 October	18 December
Last date for receipt of Dividend Reinvestment Plan	29 July	22 October	13 January 2021

(DRIP) elections (LSE)			
Payment date (LSE and JSE)	19 August	12 November	3 February 2021
ADS payment date (NYSE)	24 August	17 November	8 February 2021

*JSE finalisation information published on 30 June 2020 can be found on the British American Tobacco website www.bat.com.

SHORT-FORM ANNOUNCEMENT

This short-form announcement is the responsibility of the Directors of the Company. It is only a summary of the information contained in the full Half-Year Report to 30 June 2020 (the “Results Announcement”) and does not contain full or complete details. Any investment decisions should be based on consideration of the full Results Announcement available via the JSE at <https://senspdf.jse.co.za/documents/2020/JSE/ISSE/BTI/BATHY20.pdf> and on the Company’s website at www.bat.com.

Copies of the full Results Announcement may also be obtained by contacting either the Company’s registered office or the Company’s representative office in South Africa. Contact details are set out below.

SHAREHOLDER INFORMATION

FINANCIAL CALENDAR 2020

December 2020

Thursday 18 February 2021

Pre-close Trading Update

Preliminary Statement 2020

PROPOSED DATES FOR QUARTERLY DIVIDEND PAYMENTS FOR THE YEAR ENDING 31 DECEMBER 2020

Event	Payment No. 1	Payment No. 2	Payment No. 3	Payment No. 4
Last day to trade (JSE)	23 March 2021	6 July 2021	28 September 2021	21 December 2021
Ex-dividend date (JSE)	24 March 2021	7 July 2021	29 September 2021	22 December 2021
Ex-dividend date (LSE and NYSE)	25 March 2021	8 July 2021	30 September 2021	23 December 2021
Record date (JSE, LSE and NYSE)	26 March 2021	9 July 2021	1 October 2021	24 December 2021
Payment date (LSE and JSE)	12 May 2021	19 August 2021	11 November 2021	9 February 2022
ADS payment date (NYSE)	17 May 2021	24 August 2021	16 November 2021	14 February 2022

Notes:

- (1) A complete timetable for the quarterly dividend payments for the year ending 31 December 2020 and the declared amount will be included in the Preliminary Results Announcement in February 2021.
- (2) The dates set out above may be subject to any changes to public holidays arising and changes or revisions to the LSE, JSE and NYSE timetables. Any confirmed changes to the dates will be announced.

CORPORATE INFORMATION

Premium listing

London Stock Exchange (Share Code: BATS; ISIN: GB0002875804)
Computershare Investor Services PLC
The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, UK
tel: 0800 408 0094; +44 370 889 3159
Share dealing tel: 0370 703 0084 (UK only)
Your account: www.computershare.com/uk/investor/bri
Share dealing: www.computershare.com/dealing/uk
Web-based enquiries: www.investorcentre.co.uk/contactus

Secondary listing

JSE (Share Code: BTI)
Shares are traded in electronic form only and transactions settled electronically through Strate.
Computershare Investor Services Proprietary Limited
Private Bag X9000, Saxonwold 2132, South Africa
tel: 0861 100 634; +27 11 870 8216
email enquiries: web.queries@computershare.co.za

Sponsor for the purpose of the JSE

UBS South Africa (Pty) Ltd

American Depositary Receipts (ADRs)

NYSE (Symbol: BTI; CUSIP Number: 110448107)
BAT's shares are listed on the NYSE in the form of American Depositary Shares (ADSs) and these are evidenced by American Depositary Receipts (ADRs), each one of which represents one ordinary share of British American Tobacco p.l.c. Citibank, N.A. is the depositary bank for the sponsored ADR programme.
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email enquiries: citibank@shareholders-online.com
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Publications

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British American Tobacco p.l.c.

Registered office

Globe House, 4 Temple Place, London, WC2R 2PG, UK
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British American Tobacco p.l.c. is a public limited company which is listed on the London Stock Exchange, New York Stock Exchange and the JSE Limited in South Africa. British American Tobacco p.l.c. is incorporated in England and Wales (No. 3407696) and domiciled in the UK.

British American Tobacco p.l.c.

Representative office in South Africa

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FORWARD-LOOKING STATEMENTS

This announcement contains certain forward-looking statements, including “forward-looking” statements made within the meaning of Section 21E of the United States Securities Exchange Act of 1934. 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 Group operates. In particular, these forward looking statements include statements regarding the BAT Group’s future financial performance, future regulatory developments, planned product launches and 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 that could cause actual future financial condition, performance and results to differ materially from the plans, goals, expectations and results expressed in the forward-looking statements and other financial and/or statistical data within this announcement. 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; changes in domestic or international tax laws and rates and the impact of an unfavourable ruling by a tax authority in a disputed area; adverse litigation and dispute outcomes and the effect of such outcomes on the Group’s financial condition; changes or differences in domestic or international economic or political conditions; the impact of the COVID-19 pandemic; adverse decisions by domestic or international regulatory bodies; the impact of market size reduction and consumer down-trading; translational and transactional foreign exchange rate exposure; the impact of serious injury, illness or death in the workplace; the ability to maintain credit ratings and to fund the business under the current capital structure; the inability to develop, commercialise and rollout New Categories; and changes in the market position, businesses, financial condition, results of operations or prospects of the Group.

It is believed that the expectations reflected in this announcement 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. 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 announcement and the Group 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 communication is intended to be a profit forecast and no statement in this communication 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.

Additional information concerning these and other factors can be found in the Company’s filings with the U.S. Securities and Exchange Commission (“SEC”), including the Annual Report on Form 20-F filed on 26 March 2020 and Current Reports on Form 6-K, which may be obtained free of charge at the SEC’s website, <http://www.sec.gov>, and the Company’s Annual Reports, which may be obtained free of charge from the British American Tobacco website www.bat.com.

Sponsor: UBS South Africa (Pty) Ltd