

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")

25 July 2024 – Press Release/Interim Results

British American Tobacco p.l.c.

Half-Year Report for the six months to 30 June 2024

Building a Smokeless World

On Track for Full-Year 2024 Guidance

Tadeu Marroco, Chief Executive

"We are Building a Smokeless World. We added 1.4 million consumers (to 26.4 million¹) of our Smokeless brands, now accounting for 17.9% of Group revenue, an increase of 1.4 ppts vs FY23.

Our H1 2024 performance is in line with our expectations, and we are on track to deliver our full-year guidance.

Focusing on 'Quality Growth' is delivering better returns on more targeted investments across all three New Categories. In H1 2024, we increased organic New Category contribution by £165 million (at constant rates) and I am particularly pleased with the growth of Modern Oral. We expect to deliver further improvement in revenue and profitability across our New Categories for the full year.

We welcome the FDA's marketing authorisation for our Vuse Alto device and tobacco flavour consumables, demonstrating that marketing these products are appropriate for the protection of public health. However, the continued lack of enforcement against illicit single-use vapour products in the U.S., compounded by the sale of our businesses in Russia and Belarus in 2023, means that New Category revenue is likely to be below our £5 billion ambition in 2025.

Combustibles in AME and APMEA delivered resilient organic performances with solid volume share growth. These were offset by the U.S. where, driven by our commercial investment, volume share is now showing signs of recovery and the rate of value share decline has sequentially improved, led by premium.

However, U.S. Combustibles industry volumes remain under pressure, largely driven by macro headwinds and the continued lack of effective enforcement against illicit single-use vapour products.

While there is more to do, we are making good progress and I am encouraged that our New Category launches and our first-half investments to strengthen our U.S. Combustibles portfolio are gaining traction. Together with the expected unwind of U.S. wholesaler inventory movements, I am confident this will drive an acceleration in our second-half performance.

BAT is a highly cash generative business, and we are committed to continuing to reward shareholders with strong cash returns. We have made progress in enhancing financial flexibility, enabling the initiation of a sustainable share buy-back programme.

Guided by our refined strategy, I am confident that we will progressively improve our performance to deliver 3-5% revenue, and mid-single digit adjusted profit from operations growth on an organic constant currency basis by 2026."

Half-Year Summary

- Reported revenue down 8.2% (-3.7% at constant FX), driven by the sale of businesses in Russia and Belarus in September 2023 and translational FX headwinds
- Organic revenue down 0.8% at constant rates, mainly due to investment in U.S. commercial actions and negative impact of wholesaler inventory movements
- New Categories revenue down 0.4%; on an organic constant rate basis it was up 7.4%
- Expected H2 acceleration, driven by the roll-out of product innovations, our U.S. commercial actions gaining traction in the first-half of 2024 and the unwind of wholesaler inventory movements
- Revenue from Smokeless products now 17.9% of Group revenue, up 1.4 ppts vs FY23
- New Categories contribution increased by £165 million on an organic, constant FX basis
- Robust Combustibles pricing - AME and APMEA volume and value share gains offset by the U.S.
- Reported profit from operations down 28.3% (with reported operating margin down 9.7 ppts to 34.5%), driven by higher amortisation charges related to U.S. Combustibles brands and lapping comparator inclusive of Russia and Belarus
- Adjusted organic profit from operations down 0.9% at constant FX, adjusted organic operating margin flat at 44.9%
- Reported diluted EPS up 13.8% to 200.3p largely due to one-off credits related to ITC monetisation and net finance costs
- Adjusted organic diluted EPS up 1.3% at constant FX
- Partial monetisation of ITC stake enabled the initiation of a sustainable share buy-back programme, with £700m in 2024 and £900m in 2025



Performance highlights	Reported		Adjusted ²		Adjusted Organic ³
	Current rates	vs 2023 (current)	Current rates	vs 2023 (constant)	vs 2023 (constant)
For six months to 30 June 2024					
Cigarette and HP volume share		+30 bps			
Cigarette and HP value share		-20 bps			
Consumers of Smokeless products ¹	26.4m	+1.4m			
Revenue (£m)	£12,340m	-8.2%	£12,340m	-3.7%	-0.8%
Revenue from New Categories (£m)	£1,651m	-0.4%	£1,651m	+3.1%	+7.4%
Profit from operations (£m)	£4,258m	-28.3%	£5,564m	-3.5%	-0.9%
Category contribution - New Categories (£m) ⁴			£129m	n/m	n/m
Operating margin (%)	34.5%	-9.7 ppts	45.1%	+10 bps	flat
Diluted EPS (pence)	200.3p	+13.8%	169.3p	-2.1%	+1.3%
Net cash generated from operating activities (£m)	£3,165m	-6.2%			
Adjusted cash generated from operations (£m)			£2,237m	+20.0%	
Cash conversion (%)	74.3%	+17 bps	78.4%	5.6 ppts	
Borrowings ⁵ (£m)	£40,158m	-4.8%			
Adjusted Net Debt (£m)			£32,973m	-12.4%	

The use of non-GAAP measures, including adjusting items and constant currencies, are further discussed from page **Error! Bookmark not defined.**, with reconciliation from the most comparable IFRS measure provided. Notes:

1. Internal estimate, see page **Error! Bookmark not defined.** for a discussion on the revision to prior estimates. 2. See page **Error! Bookmark not defined.** for discussion on adjusting items. 3. Organic measures exclude the performance of businesses sold (including the Group's Russian and Belarusian businesses) or acquired, or that have an enduring structural change impacting performance that may significantly affect the users' understanding of the Group's performance in the current and comparator periods to ensure like-for-like assessment across all periods. 4. n/m - not meaningful as New Categories contribution for the first half of 2023 represented losses of £12 million and £29 million on adjusted and adjusted organic bases, respectively. 5. Includes lease liabilities.

Other Information

Dividends

On 8 February 2024, the Company announced that the Board had declared an interim dividend of 235.52p per ordinary share of 25p, for the year ended 31 December 2023, payable in four equal quarterly instalments of 58.88p per ordinary share in May 2024, August 2024, November 2024 and February 2025.

The May 2024 quarterly dividend was paid to shareholders on the UK main register and South Africa branch register on 2 May 2024 and to holders of American Depositary Shares (ADSs) on 7 May 2024. 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.

The key dividend dates set out in the announcement published on 8 February 2024 relating to the three remaining quarterly dividend payments remain unchanged.

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 2024 (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/2024/JSE/ISSE/BTI/BATHY24.pdf> and on the Company's website at www.bat.com. Copies of the full Results Announcement may also be obtained during normal business hours from the Company's registered office and the Company's representative office in South Africa. Contact details are set out below.

Corporate information

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.

Registered office

Globe House, 4 Temple Place, London, WC2R 2PG, UK

tel: +44 20 7845 1000

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

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 Limited (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 listing

Merrill Lynch South Africa (Pty) Ltd t/a BofA Securities

Representative office in South Africa

Waterway House South
No 3 Dock Road, V&A Waterfront, Cape Town 8000, South Africa
PO Box 631, Cape Town 8000, South Africa
tel: +27 21 003 6712

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.

Citibank Shareholder Services

PO Box 43077, Providence, Rhode Island 02940-3077, USA

tel: +1 888 985 2055 (toll-free) or +1 781 575 4555

email enquiries: citibank@shareholders-online.com

website: www.citi.com/dr

Publications

British American Tobacco Publications

Unit 80, London Industrial Park, Roding Road, London E6 6LS, UK

tel: +44 20 7511 7797

e-mail enquiries: bat@team365.co.uk

If you require publications and are located in South Africa, please contact the Company's Representative office in South Africa using the contact details shown above.

Enquiries

For more information, please contact

Investor Relations:

Victoria Buxton +44 (0)20 7845 2012

Amy Chamberlain +44 (0)20 7845 1124

John Harney +44 (0)20 7845 1263

Jane Henderson +44 (0)20 7845 1117

BAT IR Team

Press Office:

+44 (0)20 7845 2888 | **BATplc**

BAT Media Team

Webcast and Q&A session:

BAT will hold a live webcast for investors and analysts at 9.30am (BST) on 25 July 2024, hosted by Tadeu Marroco, Chief Executive, and Soraya Benchikh, Chief Financial Officer. The presentation will be followed by a Q&A session. The webcast and presentation slides will be available to view on our website at www.bat.com/latestresults.

If you prefer to listen via conference call, please use the following dial-in details (participant passcode: BAT).

Standard International: +44 (0) 33 0551 0200

SA (toll free): 0 800 980 512

UK (toll free): 0808 109 0700

U.S. (toll free): + 1 866 580 3963

Forward-looking statements and other matters

This announcement contains certain forward-looking statements, including "forward-looking" statements made within the meaning of the U.S. Private Securities Litigation Reform Act of 1995.

In particular, these forward-looking statements include, among other statements, statements regarding the Group's future financial performance, planned product launches and future regulatory developments and business objectives (including with respect to sustainability and other environmental, social and governance matters), as well as: (i) certain statements in the Chief Executive Statement and in the Half-Year summary (both on page 1); (ii) certain statements in the Group Operating Review and Guidance (pages **Error! Bookmark not defined.** to **Error! Bookmark not defined.**); (iii) certain statements in the Category Performance Review (pages **Error! Bookmark not defined.** to **Error! Bookmark not defined.**); (iv) certain statements in the Regional Review section (page **Error! Bookmark not defined.**); (v) certain statements in the Other Financial Information section (pages **Error! Bookmark not defined.** and **Error! Bookmark not defined.**); (vi) certain statements in the Other Information (including Dividends) section (pages **Error! Bookmark not defined.** and **Error! Bookmark not defined.**); (vii) certain statements in the Notes to the Unaudited Interim Financial Statements section (pages **Error! Bookmark not defined.** and **Error! Bookmark not defined.** to **Error! Bookmark not defined.**), including the Liquidity and Contingent liabilities and financial commitments sections; and (viii) certain statements in the Other Information section (page **Error! Bookmark not defined.**).

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 announcement 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. 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 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; changes in the market position, businesses, financial condition, results of operations or prospects of the Group; direct and indirect adverse impacts associated with Climate Change; direct and indirect adverse impacts associated with the move towards a Circular Economy; and Cyber Security caused by the heightened cyber-threat landscape, the increased digital interactions with consumers and changes to regulation.

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 2023 Annual Report and Accounts and Form 20-F of British American Tobacco p.l.c. (BAT). 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 the BAT website, <http://www.bat.com>.

No statement in this announcement 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. 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 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.

All financial statements and financial information provided by or with respect to the U.S. or Reynolds American are initially prepared on the basis of U.S. GAAP and constitute the primary financial statements or financial records of the U.S./Reynolds American. This financial information is then converted to International Financial Reporting Standards as issued by the IASB and as adopted for use in the UK (IFRS) for the purpose of consolidation within the results of the Group. To the extent any such financial information provided in this announcement relates to the U.S. or Reynolds American it is provided as an explanation of, or supplement to, Reynolds American's primary U.S. GAAP based financial statements and information.

Our Vapour product Vuse (including Alto, Solo, Ciro and Vibe), and certain products including Velo, Grizzly, Kodiak and Camel Snus, 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.

25 July 2024

Sponsor: Merrill Lynch South Africa (Pty) Ltd t/a BofA Securities