



## **MEDIA RELEASE**

### **FOR IMMEDIATE DISSEMINATION**

# **BAT MALAYSIA DELIVERS STRONG Q1FY2021 GROWTH DESPITE STUBBORN TOBACCO BLACK MARKET**

**Bukit Damansara, 31 May 2021** – British American Tobacco (Malaysia) Berhad (BAT Malaysia) today announced its financial results for the first quarter ended 31 March 2021 (Q1FY2021).

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#### **Q1FY2021 Financial Highlights:**

- Profit from operations for the quarter under review stood at RM87 million, a 22% increase compared to the same period last year.
  - Revenue for the quarter under review increased by 18% or RM85 million to RM567 million compared to the same period last year.
  - The board of directors has declared a first interim dividend of 21.0 sen per share, totalling RM60 million to be paid out on 30 June 2021.
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**Jonathan Reed, Managing Director of BAT Malaysia, said,** “There is an early sign of positive recovery in domestic volumes due to the implementation of Budget 2021 measures, such as tobacco transshipment restrictions, to tackle the tobacco black market.”

“However, it is concerning that criminal syndicates are changing their modus operandi to circumvent the measures introduced in Budget 2021. These gangs are turning away from larger ports and moving to small jetties across the Malaysian coast to smuggle in the cigarettes. The significant price difference between expensive legal and cheap black market products must be closed to disincentivise criminal syndicates.”

For the quarter under review, BAT Malaysia saw a rise in profit from operations year-on-year leading to a revenue growth of 18% compared with Q1FY2020. This strong positive performance is a reflection of companywide efforts to further grow volume and market share while consistently streamlining operations.

The company’s total market share stood at 52.3%, registering an increase of 1.9 percentage points (ppt) compared to Q1FY2020. BAT Malaysia’s portfolio grew in all segments with Dunhill growing by 3.6ppt in the Premium segment, Peter Stuyvesant and Pall Mall by 0.8ppt in the Aspirational Premium segment and Rothmans and KYO by 4.1ppt in the value-for-money (VFM) segment.

BAT Malaysia volume outperformed the legal domestic industry by 3ppt in March 2021. This was mainly due to the strength of BAT Malaysia’s strategic brands, namely Dunhill, Rothmans and KYO. This improved performance was able to offset the impact of Covid-19 travel restrictions on the company’s duty-free business.



In 2020, BAT Malaysia had launched its new corporate purpose of building A Better Tomorrow™ which aims to create a sustainable future for shareholders and stakeholders. As part of this purpose, BAT Malaysia aims to focus on reducing the health impact of its business by offering a greater choice of less risky products to consumers.

“There have been numerous calls recently for the Government to introduce regulations for nicotine vaping products in Malaysia. Over one million Malaysians vapers are currently accessing products of unknown safety and quality standards. We fully support the establishment of an appropriate regulatory framework for nicotine vaping to ensure consumers have access to regulated and taxed products,” Reed concluded.

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For more information on British American Tobacco Malaysia’s financial results, please visit [www.batmalaysia.com](http://www.batmalaysia.com)

**About British American Tobacco (Malaysia) Berhad**

British American Tobacco (Malaysia) Berhad is the leading tobacco company in Malaysia. This strong position is built upon a portfolio of high-quality tobacco products designed to meet diverse consumer preferences. Our portfolio includes world- famous brands like DUNHILL, KENT, PETER STUYVESANT, PALL MALL and ROTHMANS. British American Tobacco Malaysia employs almost 500 employees who are involved in a wide spectrum of disciplines, from generating insights, developing brands and making these available on a national level. In addition, we also set leading edge talent development practices as well as ensure a strong foundation of corporate governance and shareholder relations. The company is part of the British American Tobacco group, which is the world’s most international tobacco group and the second largest stock market listed tobacco group by global market share.

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