



MEDIA RELEASE

FOR IMMEDIATE DISSEMINATION

BAT MALAYSIA OPTIMISTIC OF YEAR AHEAD

Kuala Lumpur, 8 February 2023 – British American Tobacco (Malaysia) Berhad (BAT Malaysia) today announced its financial results for the fourth quarter ended 31 December 2022 (Q4FY2022).

Q4FY2022 Financial Highlights:

- *Revenue for the quarter continued to grow, recording at RM771 million, a 15.6% increase versus the preceding quarter.*
 - *Profit from operations for the quarter stood at RM100 million compared to RM116 million in the preceding quarter.*
 - *The Group's share of market stood at 51.6%, a 0.1% increase from the preceding quarter, while volume increased by 12.4%.*
-

For the full financial year (FY2022), BAT Malaysia's revenue stood at RM2.6 billion and profit from operations was RM407 million. The Group recorded an increase in 0.5% in gross profit margin compared to the previous year. Gross profit for 2022 stood at RM678 million compared to RM675 million in 2021.

To deliver on the strategy to simplify the portfolio, the Group saw a planned decline in overall market share of 0.8% compared with the same period last year primarily due to the delisting of Kent and Pall Mall brands. Annual volume fell slightly by 2% compared with 2021 where a one-off benefit in volume was observed during the Route-to-market model transition.

In line with the downtrading trend observed in the market, the Group's Value-for-Money (VFM) brands, KYO and Rothmans, captured an additional 1% share of market. Despite the contraction of the industry's overall share of premium segment by 1% during the year, the Group's Dunhill brand secured a growth of 1.1% share in this segment, indicating the premium brand's strong foothold.

For FY2022, the Board of Directors has declared a fourth interim dividend of 21 sen per ordinary share, amounting to RM60 million, payable on 7 March 2023 to shareholders.

“Despite the economic headwinds we are optimistic for the company's prospects for 2023,” said **Nedal Salem, Managing Director, BAT Malaysia.**

“With the launch of our tobacco heated product, glo™ that hit the market in February 2023 is now able to offer an alternative choice with reduced risk potential to the adult Malaysian smokers. This is in line with our commitment towards building A Better Tomorrow™.



“We are also encouraged by the new Government’s priority to implement economic reforms to stimulate growth and strengthen the foundations of the country. This in part can be achieved through reducing leakages stemming from the tobacco black market and creating a new revenue stream by implementing taxation for reduced risk products such as vape, which remains unregulated.”

“In the November 2022 Budget tabling, various measures were announced to reduce the levels of tobacco black market including the introduction of a single-entry point policy in the northern region, enhanced controls at landing points including private jetties and a special rewards scheme for enforcement to stop smuggling activities.”

“We strongly encourage the new Government to maintain these measures in the February 2023 Budget tabling, while also exploring science and evidence-based regulations to legalise the vapour market.”

ENDS

For more information on British American Tobacco Malaysia’s financial results, please visit www.batmalaysia.com

About British American Tobacco (Malaysia) Berhad

British American Tobacco (Malaysia) Berhad is the leading tobacco company in Malaysia and a subsidiary of the BAT Group, which is driving its corporate purpose of building A Better Tomorrow™ by reducing the health impact of our business through a multicategory portfolio. BAT Malaysia’s portfolio includes world-famous brands like DUNHILL, PETER STUYVESANT, ROTHMANS and KYO. BAT Malaysia employs almost 400 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.

For more information, please contact British American Tobacco (Malaysia) Berhad:
Rohan Gnanaganesan, Director of Legal and Corporate Affairs at rohan_gnanaganesan@bat.com or
Sumitra Valliappan, Business Communications & Sustainability Manager at sumitra_valliappan@bat.com
