



## MEDIA RELEASE

### FOR IMMEDIATE DISSEMINATION

## **BAT MALAYSIA FOCUSES ON GROWING NEW CATEGORY BUSINESS AS IT CONTINUES TO BUILD A BETTER TOMORROW™**

**Kuala Lumpur, 30 October 2023** – British American Tobacco (Malaysia) Berhad (BAT Malaysia or the Group) today announced its financial results for the third quarter ended 30 September 2023 (Q3FY2023).

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#### **Q3FY2023 Financial Highlights:**

- Revenue for the quarter stood at RM607 million, lower than the RM667 million recorded a year ago. On a quarter-to-quarter basis, revenue for Q3FY2023 declined by 10.5% from RM678 million in Q2FY2023
- Profit from operations for the quarter under review was RM85 million compared to RM116 million in the same period last year. On a quarter-to-quarter basis, profit from operations increased by 16.6% from RM73 million in Q2FY2023
- The Board of Directors has declared a third interim ordinary dividend of 19.0 sen per ordinary share amounting to RM54.2 million, payable on 28 November 2023 to shareholders

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For the first three quarters of the 2023 financial year (FY2023), the Group continued its strategy of transitioning into a multicategory business by driving investment into its New Category business, which offers reduced-risk\* alternatives to adult smokers.

Due to the above mentioned investment, the Group recorded a 29.4% decrease in its profit of operations to RM217 million compared with RM307 million a year ago. Revenue stood at RM1.7 billion compared with RM1.8 billion a year ago, due to volume weakness experienced by the Group.

The Group saw a marginal dip in its overall market share of 0.5%, while volume declined by 9.4%. Although the industry's Premium segment declined due to consumers downtrading, Dunhill remained strong, commanding above 60% share of the Premium segment. The Group's Aspirational Premium (AP) brand, Peter Stuyvesant claimed an additional 1.1% of the segment share during this period. The Group also launched Luckies within the Value-for-Month (VFM) segment during the third quarter of this year to offer more affordable options to consumers.

During Q3FY2023, the Group undertook a modest price increase in its Premium and AP segments, prompted by rising inflation and increased cost of business. This necessary step marks the first time the Group has adjusted its prices since 2018.

**Nedal Salem, Managing Director of BAT Malaysia**, said, "Our financial results were within expectations given the current economic climate in which increased inflationary pressures have stretched consumers' disposable income. Nevertheless, we are confident that our purpose to build A Better Tomorrow™ will drive long-term growth, backed by our New Category business."



"During Q3FY2023, the Group launched Vuse Go (1,500 puffs) in limited outlets, and garnered positive results. Following this, we launched Vuse Go (3,000 puffs) in October 2023 with a wider range of flavours. We look forward to expanding Vuse Go to more locations nationwide in the near future."

The Group is also encouraged by the Government's consistent efforts to tackle the tobacco black market, which remains high.

"We appreciate that the Government acknowledges the severity of the tobacco black market, and continues to implement measures to tackle this issue, which causes Malaysia to lose RM5 billion annually in uncollected taxes. We believe that the recent measures announced during the tabling of the 2024 Budget, when implemented effectively, will further play a role in tackling the high levels of the tobacco black market. The Group is also supportive of the Government's decision to maintain the current excise level, to not further fuel the tobacco black market."

"We are encouraged by the Government's commitment to regulate the vape industry in Malaysia. We strongly urge the Government to adopt policies that are evidence-based and data driven, to ensure that Malaysian vape consumers have access to reduced-risk products that are compliant with quality and safety standards. BAT Malaysia will strongly support any sensible, pragmatic regulations on vaping, in tandem with our purpose to build A Better Tomorrow," **Salem** concluded.

**ENDS**

*(\*Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.)*

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

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#### **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 multcategory portfolio. BAT Malaysia's portfolio includes world-famous brands like DUNHILL, PETER STUYVESANT, ROTHMANS, KYO, LUCKIES, glo™ and VUSE. BAT Malaysia employs almost 350 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:  
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