News release
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BAT Malaysia Continues to Stabilize its Business

- *BAT Malaysia recorded a net profit of RM2.3 million in Q3FY2026, on revenue of RM302 million, marginally higher than the RM300.8 million registered in Q3FY2025.*
- *The tobacco black market accounts for 56% of total industry volume as of July 2026, easing marginally from 56.2% in May 2026 but still above the 54.4% recorded at the end of 2025.*
- *The Board of Directors has declared a third interim ordinary dividend of 2.0 sen per share amounting to RM5.7 million, payable on 28 December 2026 to shareholders.*

Kuala Lumpur, 29 October 2026 – British American Tobacco (Malaysia) Berhad (BAT Malaysia or the Group) today announced its financial results for the third quarter ended 30 September 2026 (Q3FY2026).

For the quarter under review, BAT Malaysia recorded a revenue of RM302 million. Operating expenses declined by 40% to RM46.4 million compared to the previous quarter as costs associated with the Route-to-Market (RTM) eased.

For the nine months ended 30 September 2026 (9MFY2026), the Group recorded revenue of RM977.6 million, compared with RM1.2 billion in the corresponding period last year. The Group's performance improved progressively over the course of the year, with net profit recorded in both the second and third quarters as the one-off transformation costs largely absorbed in the first half began to taper. As a result, the net loss narrowed to RM22.2 million (9MFY2026), compared with RM24.5 million (6MFY2026).

The tobacco black market remained elevated at 56% of total industry volume (Illicit Cigarettes Study, July 2026), continuing to constrain the legal market, which contracted by 3.9% in 9MFY2026 in comparison to the corresponding period in the prior year. Amid sustained illicit trade pressure, the Group's market share declined by 1.9 percentage points.

The Board of Directors has declared a third interim ordinary dividend of 2.0 sen per ordinary share amounting to RM5.7 million, payable on 28 December 2026 to shareholders.

Daniel Hsu, Managing Director, BAT Malaysia, said, "Our new Route-to-Market model has gone live, and early operational benefits are beginning to emerge, seeing higher sales-call productivity and increase in face-to-face engagement with our retailers. Our focus now is to make the model work harder for us by sharpening execution in the trade, improving distribution efficiency, reducing out-of-stock occurrences and leveraging our simplified cost base to support a more sustainable business.

Our third-quarter financial performance shows that the decisive actions we took earlier this year are beginning to take hold. Having absorbed the bulk of our one-off transformation costs in the first half, we have now delivered two consecutive profitable quarters and are progressively improving our performance, despite the decline in market share. We are not yet where we want to be, but the direction is clear.

The tobacco black market remains the single biggest drag on the legal industry, with more than half of all cigarettes consumed in Malaysia continuing to evade tax. We welcome the Government's robust enforcement allocation under Budget 2027. We will continue to engage

constructively with the relevant authorities and other stakeholders in efforts to address illicit trade."

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About British American Tobacco (Malaysia) Berhad

British American Tobacco (Malaysia) Berhad is the leading tobacco company in Malaysia and has been listed on the Malaysian stock exchange for over six decades. With a proud legacy of over 100 years in Malaysia, we are guided by the Group's purpose of creating A Better Tomorrow™—a vision that guides our transformation and sustainable long-term growth. BAT Malaysia's portfolio includes established brands like DUNHILL, PETER STUYVESANT, and ROTHMANS.