IMPERIAL BRANDS PLC
HALF YEAR RESULTS STATEMENT
14 MAY 2025

INVESTING IN GROWTH DELIVERING RETURNS

REPORT FOR THE SIX MONTHS ENDED 31 MARCH 2025

BUSINESS HIGHLIGHTS

- Aggregate market share gains (+6 bps) in our five priority markets – ahead of our strategic objective
- Strong tobacco pricing more than offsetting volume declines
- NGP net revenue up 15.4% with growth in all categories; NGP reported revenue up 14.7%
- Strong tobacco result at Logista offset by performance in long-distance transportation
- Adjusted and reported earnings per share up 6.0% and 0.7% respectively, driven by further share count reduction
- 12-month free cash flow of £2.4bn reflecting strong cash conversion at 99% on 12-month basis
- Capital returns underway: £1.25bn share buyback and increased interim dividend
- On track to deliver full-year results in line with guidance

FINANCIAL SUMMARY

Six months ended		Reported			Adjusted[2]			
31 March 2025		2025	2024	Change	2025	2024	Actual	Constant currency[3]
Revenue	£m	**14,604**	15,064	-3.1%	**–**	–	–	–
Tobacco & NGP net revenue[1]	£m	**–**	–	–	**3,664**	3,637	+0.7%	+3.2%
Operating profit	£m	**1,456**	1,494	-2.5%	**1,652**	1,669	-1.0%	+1.8%
Earnings per share	p	**96.7**	96.0	+0.7%	**123.9**	120.2	+3.1%	+6.0%
Net debt	£m	**(10,471)**	(10,585)	–	**(9,956)**	(10,085)	–	–
Dividend per share[4]	p	**80.16**	44.90	+78.5%	**80.16**	44.90	+78.5%	+78.5%

1. Tobacco & NGP net revenue is reported revenue less duty and similar items, sale of peripheral products and Distribution (Logista) gross profit.
2. See page 3 for the basis of presentation and the supplementary section at the end of the financial statements for the reconciliation between reported and adjusted measures.
3. Constant currency removes effect of exchange rate movements on the translation of the results of our overseas operations.
4. Dividend per share increase of 78.5%, or 35.26 pence, includes a 4.5% underlying increase and an additional 33.24 pence from the rephasing of dividend payments announced in October 2024.

STEFAN BOMHARD CHIEF EXECUTIVE

"We have delivered another six months of broad-based constant currency growth across all regions, demonstrating the strength of our distinctive challenger approach and the benefit of long-term investments in our consumer capabilities, sales execution and performance culture.

"In tobacco, we grew aggregate market share in our five priority markets by 6 basis points – ahead of our strategic objective to hold share. At the same time, we delivered strong price mix of 5.9% across our overall combustible footprint.

"In NGP, we increased market share and net revenue in all three categories to support overall NGP net revenue growth of 15.4% and adjusted operating losses reduced by 14.0%. Our modern oral portfolio has grown strongly across all markets, including further share gains from the successful roll-out of Zone in the USA.

"Our operational delivery is driving a consistent financial performance and strong cash flows, which underpin both investment in growth initiatives and enhanced capital returns to shareholders. This year, shareholders will benefit from an accelerated cash payment as we rephase the dividend to four equal instalments and from the ongoing £1.25 billion share buyback programme.

"Despite the uncertain global economic environment, we are on track to deliver our full-year results in line with our guidance, supported by tobacco pricing already taken in the first half and continued momentum in NGP.

"Looking beyond the current fiscal year, we remain committed to the plans and medium-term guidance we provided in our 2030 strategy in March. These plans set out the focused choices we will make to further strengthen our combustible and NGP businesses and generate another five years of sustainable growth and long-term shareholder value through a progressive dividend and an evergreen share buyback."

DELIVERING AGAINST OUR STRATEGIC PRIORITIES

Delivering priority market share gains alongside strong pricing

- Aggregate market share up +6 bps in our five priority markets – ahead of our strategic objective to maintain share
- German market share gains means that our two largest markets are in share growth, building on existing US performance
- Gains in USA (+10 bps), Germany (+65 bps) and Australia (+5 bps) offsetting declines in UK (-70 bps) and Spain (-90 bps)
- Our focused investment in brand equity and sales force initiatives are driving these share gains and strong pricing
- Strong pricing supporting financial delivery while managing overall market share delivery

Building a sustainable NGP business for a healthier future

- Challenger approach is delivering growth in net revenue and market share in all three categories
- Strong growth in the Europe region and USA more than offsetting temporary headwinds in AAACE region
- Modern oral growing strongly driven by the roll-out of Zone in the USA and product innovation in Europe
- Vapour sales benefiting from roll-out of new formats to support growth in key markets
- Expanding our heated product offering for Pulze 2.0 with iSenzia flavoured herbal sticks in Europe

Driving value from our broader market portfolio

- Strong pricing in our wider footprint supported a resilient performance
- Good progress in broader geographies, e.g. Africa, Central and Eastern Europe, Southeast Europe and Nordics
- Driving growth through both combustible and NGP brands

Transforming our ways of working

- Simplifying our operations with the go-live of a new ERP platform in the UK as a priority market
- Leveraging our consumer capabilities through investment in innovation and brand equity aligned to consumer insights
- Leadership coaching driving a focus on accountability and collaboration to underpin our performance-based culture
- As highlighted at our Capital Markets Day in March, we have opportunities to strengthen all our strategic enablers

RESULTS OVERVIEW*

Tobacco & NGP net revenue growth driven by resilient tobacco pricing

- Tobacco and NGP net revenue up +3.2%
- Strong tobacco pricing of +5.9% driven by a broad base of markets; tobacco net revenue up +2.7%
- Tobacco volumes down -3.2% (to 87.0bn SE) reflecting wider industry market size declines across our footprint
- NGP revenue up +15.4% as strong growth in the USA and Europe more than offset declines in AAACE
- Reported revenue declined -3.1%; reflecting volume declines in high excise markets and adverse foreign exchange

Delivering improved profitability and increased investment

- Group adjusted operating profit grew +1.8%, driven by improved profitability in tobacco and lower losses in NGP
- Reported operating profit declined -2.5% at actual rates reflecting adverse foreign exchange translation
- Tobacco adjusted operating profit increased 1.5%, driven by strong pricing offsetting volume declines and increased investment; reported tobacco operating profit down 1.8% at actual rates reflecting adverse foreign exchange
- NGP adjusted losses reduced by 14.0% to £43m despite increased investment in the roll-out of Zone in the USA; reported NGP operating losses increased 14.8% at actual rates with higher amortisation of intangibles and adverse foreign exchange
- Distribution adjusted operating profit was flat as tobacco segment growth offset weakness in long-distance transportation
- Adjusted EPS up +6.0% with higher adjusted operating profit and reduced share count more than offsetting higher tax rate
- Reported EPS increased +0.7% at actual rates benefiting from the reduced share count due to the ongoing share buyback and the lower finance costs were offset by a higher tax charge

Free cash flow supporting investment and shareholder returns

- Adjusted operating cash conversion of c. 99% on a 12-month basis
- Adjusted net debt £10bn; adjusted net debt to EBITDA on a 12-month basis improved 0.1x to 2.4x; reported net debt £10.5bn
- On track to deliver adjusted net debt to EBITDA of around 2.0 times at the year end
- Interim dividend per share up 78.5% to 80.16 pence, reflecting underlying growth of 4.5% and the rephasing of dividend to four equal instalments
- On track to grow FY25 dividend in line with underlying business performance and our progressive dividend policy
- Ongoing, multi-year evergreen buyback with £1.25bn underway this year
- Cumulative capital returns from FY21 to FY25 of c. £10bn, representing c. 67% of market capitalisation at January 2021

* All measures at constant currency unless otherwise stated

OUTLOOK

We are on track to meet the guidance and expectations for the full year despite a more uncertain global economic environment. At constant currency, we expect to deliver low-single digit growth tobacco and NGP net revenue and to grow Group adjusted operating profit close to the middle of our mid-single-digit range. Strong tobacco pricing already taken in the first half of the year and slightly lower NGP losses will support a stronger second half delivery. In NGP, we will continue to invest to drive another year of double-digit constant currency net revenue growth, while balancing our objective to build a sustainable and profitable business.

The growth in adjusted operating profits is expected to translate into at least high-single-digit earnings per share growth at the full year at constant currency supported by the ongoing share buyback and partly offset by higher adjusted finance and tax costs. At current rates, foreign exchange translation is expected to be a headwind of 2.0-2.5% to net revenue and 3.5-4.5% headwind to adjusted operating profit and earnings per share.

Looking beyond the current fiscal year, we remain committed to the plans and medium-term guidance we provided in our 2030 strategy in March. These plans set out the focused choices we will make to further strengthen our combustible and NGP businesses and generate another five years of sustainable growth and long-term shareholder value through a progressive dividend and an evergreen share buyback.

BASIS OF PRESENTATION

- To aid understanding of our results, we use 'adjusted' (non-GAAP) measures to provide a consistent comparison of performance from one period to the next. Reconciliations between adjusted and reported (GAAP) measures and further definitions of adjusted measures are provided in the supplementary information section. Change at constant currency removes the effect of exchange rate movements on the translation of the results of our overseas operations. References in this document to percentage growth and increases or decreases in our adjusted results are on a constant currency basis unless stated otherwise. These are calculated by translating current year results at prior year exchange rates.
- Stick Equivalent (SE) volumes reflect our combined cigarette, fine cut tobacco, cigar and snus volumes but exclude any NGP volume such as heated tobacco, modern oral nicotine and vapour.
- Market share is presented as a six-month average to the end of March (MHT – moving half-year trend), unless otherwise stated. Aggregate market share is a weighted average across markets within our footprint.

OTHER INFORMATION

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Analyst Presentation Webcast

Stefan Bomhard, Chief Executive, and Lukas Paravicini, Chief Financial Officer, will present the results to investors and analysts via a webcast at 09:00 (BST) on 14 May 2025. The presentation slides will be available from 07.00 (BST) on www.imperialbrandsplc.com. A webcast recording and presentation script will be available after the webcast has concluded.

The webcast will be available on https://edge.media-server.com/mmc/p/ixugocgr. To participate in the Q&A session, please register in advance via this link https://register-conf.media-server.com/register/BI5ddc582c830e461cb14e55c9e5322ef9. You will then receive the dial-in details and your own PIN to access the live Q&A session.

Cautionary Statement

Certain statements in this announcement constitute or may constitute forward-looking statements. Any statement in this announcement that is not a statement of historical fact including, without limitation, those regarding the Company's future expectations, operations, financial performance, financial condition and business is or may be a forward-looking statement. Such forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those projected or implied in any forward-looking statement. These risks and uncertainties include, among other factors, changing economic, financial, business or other market conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this announcement. As a result, you are cautioned not to place any reliance on such forward-looking statements. The forward-looking statements reflect knowledge and information available at the date of this announcement and the Company undertakes no obligation to update its view of such risks and uncertainties or to update the forward-looking statements contained herein. Nothing in this announcement should be construed as a profit forecast or profit estimate and no statement in this announcement should be interpreted to mean that the future earnings per share of the Company for current or future financial years will necessarily match or exceed the historical or published earnings per share of the Company. This announcement has been prepared for, and only for the members of the Company, as a body, and no other persons. The Company, its Directors, employees, agents or advisers do not accept or assume responsibility to any other person to whom this announcement is shown or into whose hands it may come, and any such responsibility or liability is expressly disclaimed.

DELIVERING CONSISTENTLY

BUILDING STRONG FOUNDATIONS

As we move towards the end of our current five-year plan, we can report further evidence of how our strategic choices have strengthened Imperial Brands. Our long-term investments in consumer capabilities, the improvements in our ways of working, and the development of our performance culture have supported another six-month period of operational delivery. Our performance during the first half of the 2025 fiscal year highlights both the sustainability of our combustibles business and our exciting growth opportunities in next generation products. These results are also an illustration of the resilience of the business, which is well placed to continue growing profitably in challenging macro-economic environments. We stand on firm foundations as we look ahead to the implementation of the next five-year phase of our strategy, which we unveiled in March.

DELIVERING CONSISTENT RESULTS

We have delivered broad-based growth across all three regions on a constant currency basis. Pricing more than offset volume declines, providing further confirmation of the robustness of our tobacco value creation model. At the same time, we have delivered further strong growth in NGP.

In tobacco, we delivered aggregate market share gains in our five priority markets while achieving strong pricing across our overall portfolio, up 5.9%. In NGP, we delivered further growth with net revenue up 15.4%, with all three NGP categories contributing to the improvement. This is a result of our strengthened brands and improved sales execution. As we highlighted at our capital markets day in March our success has been underpinned by our long-term investment in consumer capabilities, including a new consumer typology analysis, brand-building framework and innovation hubs. We have also driven sales excellence by upskilling our field force and introducing a more rigorous approach to individual channels.

This strong top-line performance supported a 1.8% growth in Group adjusted operating profit at constant currency, despite increased investment to support our combustible and NGP strategies and a flat profit performance at Logista. Reported operating profit at actual rates declined 2.5%, primarily reflecting adverse foreign exchange translation.

Our ongoing, multi-year share buyback further underpinned our adjusted earnings per share growth, up 6.0% on a constant currency basis, while reported earnings per share increased 0.7%.

BUILDING SCALE IN OUR TARGETED NGP BUSINESS

Our focused challenger approach in NGP yielded further good results with net revenue growth, stronger gross margin and reduced adjusted operating losses, despite higher investment.

This performance was driven by strong growth in the USA as we expanded the distribution of our modern oral pouch Zone to more than 72,000 stores from 42,000 stores in the last six months. We achieved good growth in Europe with an increased contribution from all three NGP categories, which reinforces our view that a targeted multi-category approach is necessary to meet the preferences of consumers across different markets. In the AAACE region, our NGP sales declined as a result of shipment timings and some regulatory changes, which impacted market size in Poland.

In some European markets, including Italy, Greece and Portugal, NGP now accounts for more than a quarter of our tobacco and NGP net revenue in those countries. We are also seeing promising NGP growth in some of our largest European markets, including Germany and UK.

We are expanding the roll-out of blu bar kit, which is a rechargeable, pod-based vapour device. This follows strong growth in the UK, where it has continued to take market share. We have continued to roll out iSenzia, tea-based heat sticks for use in our Pulze 2.0 device. We have now also developed Pulze 3.0, which we will begin to launch in targeted markets in the second half. In oral nicotine, continued product innovation in European markets supported further growth.

STRENGTHENING OUR STRATEGIC ENABLERS

Our operational and financial delivery has been enabled by how we have changed our ways of working. This is about three critical enablers: getting close to our consumers and using these insights to inform our investment decisions; building a performance-based culture that leverages our strengths as challenger; and leveraging our scale and data to become a simplified and efficient organisation.

We have continued to strengthen our consumer capabilities which is helping us to make better decisions based on consumer needs and preferences. This is enabled by our 1,000 strong Global Consumer Organisation, which is now well embedded into our sales and marketing organisation.

One of the key successes of the strategy has been how we have embedded a performance-based culture, which values accountability and collaboration. This has been reinforced by regular monthly business reviews which has enabled a more agile and rapid response to changes in consumer preferences, market dynamics and regulations. It has also been supported by our Connected Leadership coaching programme which helps our senior leaders unlock the full potential of their diverse teams and individuals.

We are also building the foundations that will enable us to leverage our people, process, technology and data over the next five years. These include our long-term investments in end-to-end supply chain technology, a new enterprise resource planning system replacing 60 legacy systems and shared global business services centres.

We look forward to providing further updates on how we are developing these enablers as we start to implement our 2030 strategy.

GROWING CAPITAL RETURNS

This year marks further step-up in returns for shareholders. The highly profitable nature of our business and the sustainable growth in cash flows has enabled us to commit to accelerated capital returns to our shareholders this year. This is determined by our disciplined and transparent approach to our four capital allocation priorities:

- Invest in our business to support long-term sustainable growth.
- A strong and efficient balance sheet with target leverage around the lower end of our adjusted net debt to EBITDA range of 2-2.5 times.
- A progressive dividend policy where the dividend per share will grow annually, taking into account underlying business performance.
- Return surplus capital to shareholders while maintaining our target leverage.

Our interim dividend is up 78.5% to 80.16 pence per share, reflecting our previously announced decision to rephase our dividend payments into four equal instalments as well as an underlying increase in the dividend per share of 4.5%. The rephasing has boosted our interim dividend per share by 33.24 pence per share on an underlying basis, i.e. excluding the 4.5% increase. This means shareholders will benefit from a one-time acceleration in dividend cash payments this year.

Consistent with our progressive dividend policy, we expect to grow our total FY25 dividend per share taking into account underlying business performance. Going forward, shareholders will receive the cash in four equal quarterly instalments.

Shareholders are also benefiting from our ongoing multi-year share buyback, which has contributed to earnings per share growth. In October 2024, we announced our third consecutive year of share buybacks with a £1.25 billion programme – an increase of 14% on the prior year. This will be largely completed during FY25 and will bring our total returns via buybacks under the current strategy to £3.35 billion.

At our Capital Markets Day in March, we confirmed our capital allocation framework will be unchanged for the next five-year period (FY26-FY30). We also committed to an 'evergreen' buyback, which means a buyback in each and every year over next five years to 2030. This will meaningfully reduce the capital base over time and, alongside our progressive dividend, will generate significant shareholder returns.

STEFAN BOMHARD
CHIEF EXECUTIVE OFFICER

EUROPE REGION

Aleš Struminský
President, Europe Region

		Half year result		Change	
		2025	2024	Actual	Constant currency
Tobacco volume	bn SE	**39.4**	40.3	-2.2%	
Total tobacco & NGP net revenue	£m	**1,491**	1,503	-0.8%	+2.3%
Tobacco net revenue	£m	**1,360**	1,387	-1.9%	+1.1%
NGP net revenue	£m	**131**	116	+12.9%	+17.2%
Adjusted operating profit	£m	**630**	629	+0.2%	+2.5%

HEADLINES

- Financial performance driven by pricing across multiple markets as volume decline rates continue to improve
- Strong market share growth in Germany, with declines in Spain and the UK
- Tobacco net revenue grew 1.1% at constant currency. At actual exchange rates, tobacco net revenue declined
- NGP net revenue growth reflects building scale in existing markets supported by new product launches
- Further launches of blu bar kit in new markets underway in the second half
- Adjusted operating profit growth driven by positive tobacco pricing and improved NGP gross margins.

Our results in Europe are driven by strong combustible pricing, an improvement in tobacco volume decline rates and growth in NGP net revenue. Strategic initiatives in our priority markets continue to support our combustible tobacco performance.

In Germany, we delivered strong market share growth, up 65 basis points. This was driven by the increased investment in our salesforce during last year, which has expanded our sales coverage and delivered a greater frequency of store visits. Focused brand equity investment has supported share gains in Davidoff and Paramount, while also helping to slow the market share losses across other key brands, such as JPS. In the UK, where affordability has become stretched, we used our consumer insights and strong retail relationships to successfully launch our Paramount brand in the period. In Spain, we increased prices for a third year in succession to support value creation, although this had a short-term impact on our market share. Portfolio and brand initiatives are expected to deliver an improvement in market share performance in the second half of the year.

Tobacco net revenue was up 1.1% at constant currency, reflecting price mix of 3.3% and a reduction in volume decline rates. German volumes benefited from a benign market environment combined with share growth in the period. Industry volume declines remain relatively high in the UK, which has been impacted by above inflation excise increases particularly in fine cut tobacco. Price increases taken across the region in the first half of the year will support a stronger second half. At actual exchange rates, tobacco net revenue declined -1.9%.

Our NGP portfolio has performed well, with net revenue up 17.2% at constant currency, as we continued to build scale across our existing market footprint supported by product innovations. For example, in vapour, our blu bar kit is performing well in the UK. This product gives consumers the same experience as our 1,000 puff blu bar but with a rechargeable battery. In heated tobacco, we have performed well in Italy driven by both our tobacco sticks and our flavoured non-tobacco tea-based heat sticks, iSenzia. In modern oral nicotine, we continue to innovate to meet evolving consumer preferences with the launch of a new pouch format for Zone in Sweden in March and new flavours variants of Skruf in Norway.

Tobacco and NGP adjusted operating profit for the year increased 2.5% at constant currency, mainly reflecting the flow through of the tobacco and NGP net revenue growth and reduced NGP losses.

Priority Market	Performance
Tobacco share	
Germany • 18.7% (+65 bps) • 14% of Group net revenue	The tobacco market size declined 1.7% in the period. We continue to deliver market share growth as investments in our strategic initiatives gain traction. For example, our investment in salesforce expansion supported by more detailed analysis of underpenetrated regions and channels has improved our sales coverage and enabled greater frequency of store visits. We continued to invest behind our brands across all key price segments. At the premium end, Davidoff has gained market share supported by new slim formats, while at the value end our Paramount brand continues to gain share in both cigarette and fine cut categories. We continue to support our blu brand in vapour, with the recent launch of our blu bar kit.
UK • 37.3% (-70 bps) • 7% of Group net revenue	While the tobacco market size declined 17.3% in the period, the UK market remains an important value contributor to the Group. We increased prices in the period linked to our portfolio strategy to balance value creation with market share. We launched our brand, Paramount, in the period, to meet consumer needs for value for money. Our NGP sales benefited from the successful launch of our new blu bar kit rechargeable vapour device last year. We launched blu box kit shortly after period end.
Spain • 25.9% (-90 bps) • 5% of Group net revenue	Tobacco industry volumes were flat at -0.1% in the period despite the implementation of a new excise tax structure from 1 January 2025. We increased prices across key brands to support value creation, which had an impact on our market share in the period, although we anticipate some recovery in share in the second half of the year. This will be supported by our continued investment in brand equity for our local jewel brands for example, Nobel, and in salesforce optimisation through data analysis. In vapour, we extended our blu range, launching the rechargeable blu bar kit in the period.

AMERICAS REGION

Kim Reed
President and CEO, Americas Region

		Half year result		Change	
		2025	2024	Actual	Constant currency
Tobacco volume	bn SE	**8.0**	8.5	-5.2%	
Total tobacco & NGP net revenue	£m	**1,244**	1,189	+4.6%	+5.6%
Tobacco net revenue	£m	**1,220**	1,174	+3.9%	+4.9%
NGP net revenue	£m	**24**	15	+60.0%	+60.0%
Adjusted operating profit	£m	**485**	485	0.0%	+1.0%

HEADLINES

- Cigarette share growth up 10 basis points to 10.9%
- Tobacco net revenue growth at constant currency reflects strong pricing (+10.1%) and market share gains
- Backwoods performed strongly within mass market cigars driven by product innovation, improved quality and brand equity activities
- NGP net revenue grew 60% driven by the roll-out of modern oral brand, Zone, following successful targeted launch in FY24
- Adjusted operating profit growth at constant currency reflects stronger cigarette performance offset by investment in continued rollout of Zone.

We delivered a strong performance with market share gains in both our cigarette and mass market cigars over the period, which coupled with strong pricing, has supported growth in net revenue and adjusted operating profit. We also reported strong NGP net revenue growth as we continued to roll-out our modern oral brand, Zone.

Tobacco volumes declined by 5.2% against an industry volume decline of 8.3% in cigarettes and a 4.2% fall in industry mass market cigar volumes. Industry cigarette volume declines are steeper than the long-term averages driven by macroeconomic pressures on consumer spending and increased sales of illicit vapour products.

On a constant currency basis, tobacco net revenue grew 4.9%, as strong price mix of +10.1% more than offset volumes of -5.2%.

Our cigarette performance reflects a market share gain of 10 basis points and the benefit from wholesaler inventory movements which we expect to unwind in the second half of the financial year.

Our share performance has been driven by continued investment in salesforce effectiveness and enhanced store coverage as we expand the number of stores where we sell our brands. Focused investments in brand equity and our unique position across a range of price points, particularly as consumers continue to trade down, supported our resilient performance. Our Winston brand, for example, gained share in the challenged premium segment, as we refined the brand's personality and expanded the range with the recent launch of Winston Select. This helped to offset KOOL performance in the face of increased competitor discounting in the menthol segment. In the deep discount segment, Crowns gained market share as our improved sales force execution enabled an expansion of store listings.

Our mass market cigar portfolio gained share with performance driven by product innovations with new flavour variants together with continued brand equity investment and the benefits of our expanded salesforce. At the premium end of the pricing ladder, our iconic heritage brand, Backwoods, continued to grow its share of the natural leaf segment supported by new flavours and a continued focus on quality. Backwoods performance offset weakness in Dutch due to low-price competitors.

Our NGP net revenue grew 60% on a constant currency basis, driven by the roll-out of our modern oral brand, Zone. Following its successful launch in February 2024, we have continued to expand distribution, and Zone is now available in over 70k stores. We remain close to our consumer in this competitive market and offer seven flavours across both 6mg and 9mg product formats. In vapour, our blu remains a strong brand but we have prioritised investment in Zone, given the weak enforcement of the illicit vapour market.

Adjusted operating profit grew 1.0% at constant currency as improved combustible tobacco profitability was partially offset by increased NGP investment behind the continued rollout of Zone.

AFRICA, ASIA, AUSTRALASIA AND CENTRAL & EASTERN EUROPE

Priyali Kamath
President, Africa, Asia, Australasia and Central & Eastern Europe

		Half year result		Change	
		2025	2024	Actual	Constant currency
Tobacco volume	bn SE	**39.6**	41.1	-3.8%	
Total tobacco & NGP net revenue	£m	**929**	945	-1.7%	+1.7%
Tobacco net revenue	£m	**924**	933	-1.0%	+2.5%
NGP net revenue	£m	**5**	12	-58.3%	-58.3%
Adjusted operating profit	£m	**371**	384	-3.4%	+2.3%

HEADLINES

- Tobacco net revenue growth at constant currency reflects strong price discipline with price mix 6.3%, mitigating volume declines
- Performance in Africa and Central & Eastern European clusters offset declines in Australia
- NGP net revenue performance reflects Polish market size reduction and the impact of our planned exit from the vapour market in Czech Republic
- At actual exchange rates, tobacco & NGP net revenue declined
- Adjusted operating profit delivery at constant currency reflects the strong tobacco performance offsetting the increase in NGP losses. At actual exchange rates, adjusted operating profit declined.

In this region, we remain focused on leveraging our consumer insights and capabilities in managing a broad portfolio of smaller markets. Outside of the Australian markets, the markets in our broader portfolio can be volatile in any one year, so, to deliver sustainable growth, we group them into market clusters. We prioritise the best investment opportunities based on consumer insight and data. As in larger markets, we operate with a combination of international and local jewel brands, the latter with strong heritage. Overall, the outlook for the region remains positive and some of these clusters are potential future growth engines for the Group.

During the period, tobacco volumes declined by 3.8%. Tobacco & NGP net revenue increased by 1.7% at constant currency, reflecting strong tobacco net revenue growth of 2.5%, with price mix of +6.3% mitigating the volume declines. NGP net revenue declined 58.3%, albeit a small business.

In Australia, we grew our market share by 5 basis points driven by a focused approach to revenue growth management and a clear brand offering at each of the key price points, as well as close partnership with our retail customers. This performance was delivered against a backdrop of increased industry volume declines driven by excise tax increases and growth in both illicit combustible and vaping products.

In our African markets, we grew revenue with strong innovation, route to market expansion and pricing. Our focus has been on increasing consumer engagement through support of our local jewel and key international brands. In our sub-Saharan African markets, our local jewel brands performed well, with Fine taking share in Ivory Coast and Hamilton gaining share in the growing Burkina Faso market. We have experienced market share headwinds in Morocco although the overall market growth there has offset the impact. Our Central & Eastern European cluster market size declines continued. Against this backdrop we delivered growth in net revenue and profit supported by strong tobacco pricing. In our Asia, Middle East and Turkey (AMET) cluster, pricing partially offset the market declines in Taiwan, though this should provide more support in the second half of the year.

NGP net revenue declined against a strong comparator due to shipment timings with the launch of blu bar in Poland last year, as well as market size declines in Poland. The decision last year to withdraw blu from the Czech Republic market due to regulatory changes that would have increased product costs also contributed to the year-on-year decline. In Australia, as regulations changed to allow pharmacy vapour sales without the need for a prescription, we launched our vapour brand, blu, in the period to test this opportunity.

Adjusted operating profit grew 2.3% at constant currency reflecting strong pricing in tobacco offsetting the decline in NGP net revenue. At actual exchange rates, adjusted operating profit declined -3.4%.

Priority market	Performance
Tobacco share	
Australia • 32.2% (+5 bps) • 3% of Group net revenue	While the market volume declined 31.9%, the Australian market remains an important value contributor to the Group. Against this market backdrop we leveraged our portfolio and revenue growth management capabilities to support our financial delivery and market share growth. We have a clear portfolio with different brands serving consumer needs across different price points. In the mid-price segment JPS supports profitability while Lambert & Butler's clear position in the fifth price segment has enabled us to capture down-traders from our Parker & Simpson brand. We remain category leaders in fine cut tobacco with our premium local jewel brand, Champion continuing to take market share. In NGP, we launched our vapour brand, blu, in the period as regulations changed to allow pharmacy vapour sales without the need for a prescription.

DISTRIBUTION

		Half year result		Change	
		2025	2024	Actual	Constant currency
Distribution gross profit	£m	**764**	747	+2.2%	+5.6%
Adjusted operating profit	£m	**165**	168	-1.8%	+1.2%
Adjusted operating profit margin	%	**21.6**	22.5	-88 bps	-94 bps
Eliminations	£m	**1**	3	-66.7%	-66.7%
Adjusted operating profit (inc. eliminations)	£m	**166**	171	-2.9%	0.0%

HEADLINES

- Gross profit reflects good underlying growth
- Acquisition strategy means more than 50% of gross profit comes from non-tobacco
- Performance in line with expectations
- Adjusted operating profit includes strong contribution from profit on inventory following tobacco price increases

Distribution consists of our 50.01% stake in Logista, a Spanish-listed distributor of tobacco and other convenience products and provider of freight, parcel, courier services and pharmaceutical logistics. It operates an end-to-end distribution model that covers the full value chain from collection to more than 200,000 points of sale across Europe.

Gross profit – Gross profit at £764 million was 5.6% higher on a constant currency basis with good underlying performance across Iberia and Italy, reflecting growth across both tobacco and non-tobacco-related businesses, which offset lower performance in France.

In Iberia, growth in gross profit was driven by tobacco and related products, with the former benefitting from manufacturer price increases in Spain ahead of the new tobacco excise regime effective from 1st January 2025. Transport services recorded growth year-on-year, with positive contributions from Nacex, the express courier business, and Logista Parcel, the latter supported by new capacity. This offset weakness in long-distance transport due to the decrease in activity of long-distance road transport, particularly impacting Transportes El Mosca, incorporated at the end of October 2022. Pharmaceutical distribution continues to expand both its customer base and product offering.

In Italy, gross profit was supported by good performance in tobacco manufacturer price increases offset volume declines. Retail sales benefited from NGP volumes, particularly in vapour and pharmaceutical distribution grew.

In France, gross profit reflects tobacco volume declines partially offset by manufacturers' price increases. Retail sales were impacted by the disposable vapour ban effective from 26th February.

Operating profit – Adjusted operating profit margin reduced by 94 basis points at constant currency reflecting the strong contribution from profit on inventory in tobacco following manufacturers price increases in the period offset by weakness in long-distance transportation. After eliminations, the adjusted operating profit contribution to the Group was flat on a constant currency basis. Results include £3 million profit from the disposal of assets, compared to £5 million in the same period last year. Restructuring charges of £1 million were expensed, similar to the same period last year. At actual exchange rates, adjusted operating profit declined 2.9%.

Cash – We continue to benefit from an inter-company cash pooling arrangement with Logista, which supports the Group's liquidity. On a 12-month basis, the daily average cash balance loaned to the Group by Logista was £1.6 billion, with movements in the cash position during the 12-month period varying from a high of £2.5 billion to a low of £0.5 billion, primarily due to the timing of excise duty payments. At 31 March 2025, the loan position was £1.3 billion compared to £1.3 billion at 31 March 2024.

DELIVERING RETURNS

STRENGTHENING OUR PERFORMANCE

These results reflect another period of broad-based growth across all regions, reflecting Imperial's resilient business model and the focused investment in our consumer capabilities, brand building and sales execution. In the period, we have delivered aggregate market share gains, maintained robust tobacco pricing and continued to build scale in our NGP business. This supports delivery in this last year of our five-year strategy and provides the foundations for the next five-year phase.

On a constant currency basis, tobacco & NGP net revenue grew 3.2%, and Group adjusted operating profit rose 1.8%.

Reported revenue declined -3.1%, reflecting volume declines in high excise markets and adverse foreign exchange, partly offset by growth in NGP revenues. Reported operating profit decreased -2.5%, reflecting adverse foreign exchange translation and higher amortisation of intangibles.

Cash generation remains a key focus. The free cash outflow of £517 million reported in the period was an improvement on prior year with the increase in net capital expenditure offset by lower cash taxes following a tax refund. We remain on track to deliver strong positive free cash flow at full year. Reported net debt improved by £0.1 billion to £10.5 billion and adjusted net debt/EBITDA on a 12-month basis improved by 0.1 year-on-year to 2.4 times.

In line with the ongoing, multi-year share buyback programme announced in October 2022, we initiated a further £1.25 billion of share buyback programme in October 2024. In the period, we repurchased £620 million of the £1.25 billion share buyback underway in FY25.

SUMMARY INCOME STATEMENT

	Half Year Result			
	Reported		Adjusted	
£ million (unless otherwise indicated)	**2025**	2024	**2025**	2024
Revenue/net revenue/gross profit*				
Tobacco & NGP revenue/net revenue	**9,245**	9,717	**3,664**	3,637
Distribution revenue/gross profit	**5,359**	5,347	**764**	747
Operating profit				
Total Tobacco & NGP	**1,294**	1,327	**1,486**	1,498
Distribution	**161**	164	**165**	168
Eliminations	**1**	3	**1**	3
Group operating profit	**1,456**	1,494	**1,652**	1,669
Net finance cost	**(162)**	(354)	**(199)**	(204)
Share of profit of investments accounted for using the equity method	**4**	4	**4**	4
Profit before tax	**1,298**	1,144	**1,457**	1,469
Tax	**(412)**	(229)	**(342)**	(338)
Profit for the year	**886**	915	**1,115**	1,131
Minority Interests	**(78)**	(69)	**(80)**	(71)
Earnings per ordinary share (pence)	**96.7**	96.0	**123.9**	120.2
Dividend per share (pence)**	**80.16**	44.90	**80.16**	44.90

* Reported revenue includes duty, similar items, distribution and sale of peripheral products, which are excluded from net revenue; net revenue comprises reported revenue less duty and similar items, excluding sale of peripheral products and distribution revenue. Distribution gross profit is Distribution revenue less the cost of distributing products. This was previously referred to as Distribution net revenue.

** Dividend per share increase of 78.5%, or 35.26 pence, includes a 4.5% underlying increase as well as an additional 33.24 pence from the rephasing of dividends announced in October 2024.

Alternative performance measures (APM)

When managing the performance of our business we focus on non-GAAP measures, which we refer to as alternative measures. We believe they provide a useful comparison of underlying performance from one period to the next, as GAAP measures can include one-off, non-recurring items and recurring items that relate to earlier acquisitions. These APMs are supplementary to, and should not be regarded as a substitute for, GAAP measures, which we refer to as reported measures. The basis of our APMs is explained in the accounting policies accompanying our financial statements and the APM section within the Supplementary Information.

Reconciliations between reported and adjusted measures are included in the Supplementary Information. Percentage growth figures for adjusted results are given on a constant currency basis, where the effects of exchange rate movements on the translation of the results of our overseas operations are removed.

While we believe that APMs can provide helpful information which supplements reported measures, we are also aware of the need to ensure that an appropriate balance is maintained between the two sets of reporting metrics, with adjusted disclosures not being given greater prominence than GAAP measures.

GROUP RESULTS – ADJUSTED CONSTANT CURRENCY ANALYSIS

£ million (unless otherwise indicated)	Half year ended 31 March 2024	Foreign exchange	Constant currency movement	Half year ended 31 March 2025	Change	Constant currency change
Tobacco & NGP net revenue						
Europe	1,503	(47)	35	**1,491**	(0.8%)	2.3%
Americas	1,189	(11)	66	**1,244**	4.6%	5.6%
Africa, Asia, Australasia and Central & Eastern Europe	945	(32)	16	**929**	(1.7%)	1.7%
Total tobacco & NGP net revenue	3,637	(90)	117	**3,664**	0.7%	3.2%
Tobacco & NGP adjusted operating profit						
Europe	629	(15)	16	**630**	0.2%	2.5%
Americas	485	(5)	5	**485**	0.0%	1.0%
Africa, Asia, Australasia and Central & Eastern Europe	384	(22)	9	**371**	(3.4%)	2.3%
Total tobacco & NGP adjusted operating profit	1,498	(42)	30	**1,486**	(0.8%)	2.0%
Distribution						
Gross profit	747	(25)	42	**764**	2.2%	5.6%
Adjusted operating profit including eliminations	171	(5)	-	**166**	(2.9%)	0.0%
Group adjusted results						
Adjusted operating profit	1,669	(47)	30	**1,652**	(1.0%)	1.8%
Adjusted net finance costs	(204)	6	(1)	**(199)**	2.5%	(0.5%)
Adjusted earnings per share (pence)	120.2	(3.5)	7.2	**123.9**	3.1%	6.0%

SALES PERFORMANCE

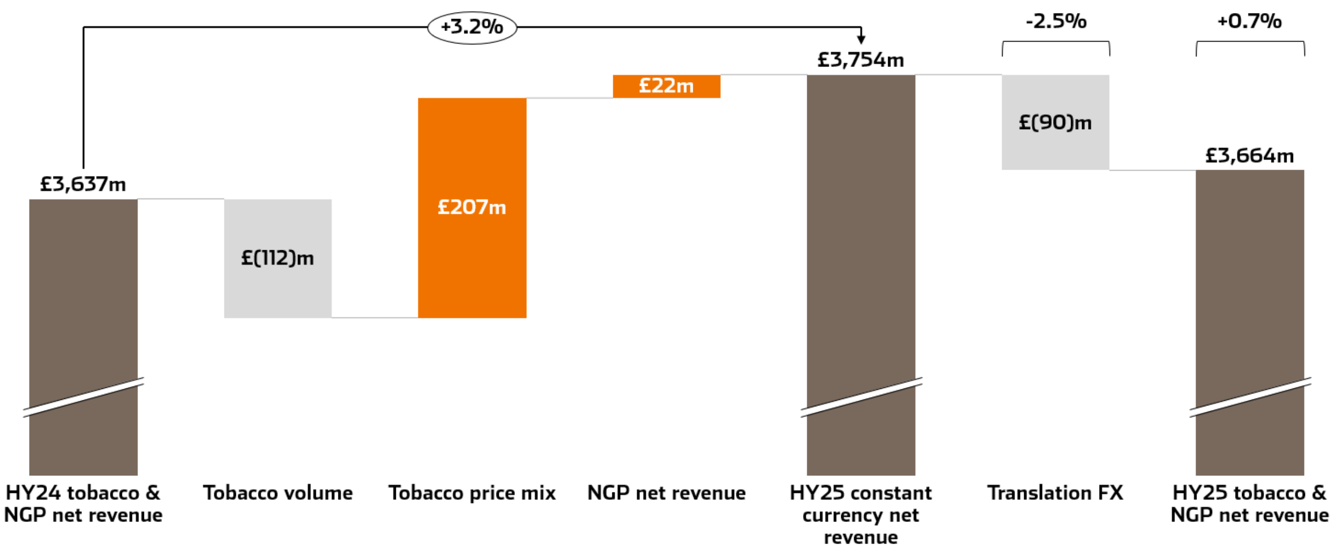
Reported revenue

(3.1%)

Tobacco & NGP net revenue

+3.2%

- Reported revenue decreased -3.1% reflecting volume declines in high excise markets and adverse foreign exchange, partly offset by growth in NGP revenues.
- Tobacco & NGP net revenue increased +3.2% at constant currency with tobacco +2.7% and NGP +15.4%.
- Tobacco volume was down -3.2%, reflecting wider industry market size declines across our footprint.
- Growth in aggregate market share in our priority markets by +6 bps.
- Tobacco price mix was +5.9% due to strong pricing.
- NGP net revenue increased +15.4% at constant currency, as strong growth in USA and Europe more than offset declines in AAACE.
- Translation foreign exchange was detrimental due to sterling strengthening against the US dollar and euro.



OPERATING PROFIT

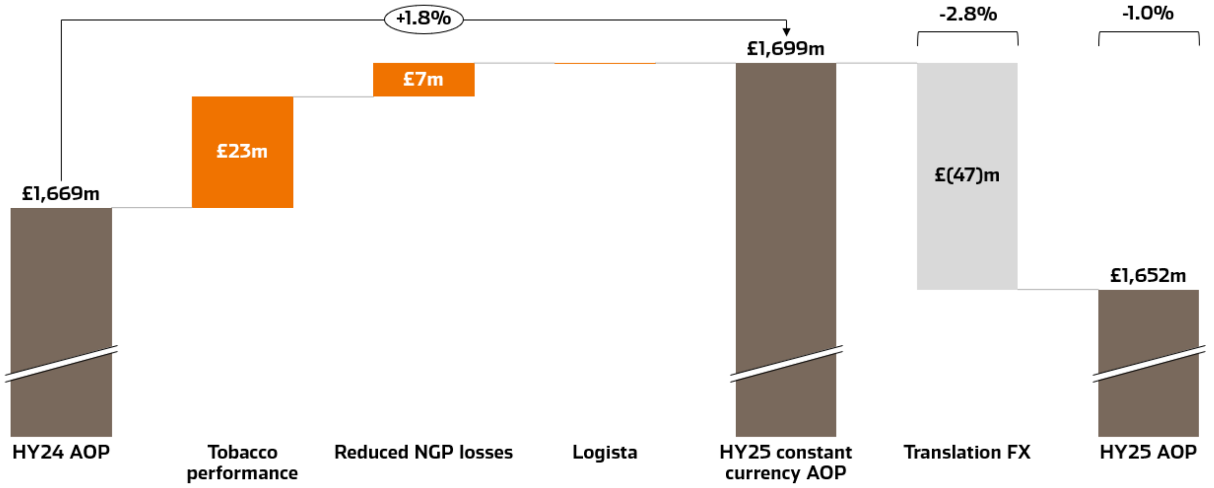
Reported operating profit

(2.5%)

Adjusted operating profit

+1.8%

- Reported Group operating profit of £1,456m declined -2.5% due to foreign exchange translation movements, partially offset by reduced losses in NGP.
- Adjusted Group operating profit increased +1.8% at constant currency driven by improved profitability in tobacco and lower losses in NGP.
- Tobacco adjusted operating profit grew +1.5% at constant currency as strong pricing mitigated volume declines; reported tobacco operating profit down 1.8% at actual rates reflecting adverse FX.
- NGP losses declined +14.0% despite increased investment in the roll-out of Zone in the USA; reported NGP operating losses increased 14.8% at actual rates with higher amortisation of intangibles and adverse FX.
- Translation foreign exchange reflects sterling strengthening against the US dollar and euro.



EARNINGS PER SHARE

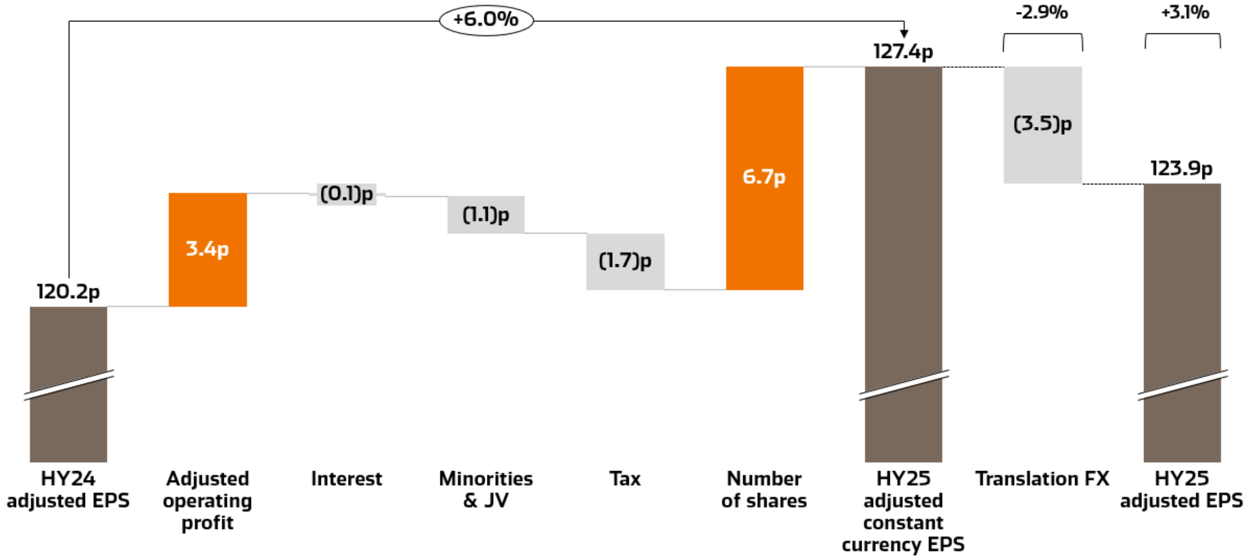
Reported EPS

+0.7%

Adjusted EPS

+6.0%

- Reported EPS increased +0.7% to 96.7 pence, benefiting from the reduced share count due to the ongoing share buyback as the lower finance costs were offset by a higher tax charge.
- Adjusted EPS was 123.9 pence, up +6.0% at constant currency with adjusted operating profit growth enhanced by reduced share count due to the ongoing share buyback more than offsetting a higher tax rate.



SUMMARY CASH FLOW STATEMENT

	Half Year Result			
	Reported		Adjusted	
£ million (unless otherwise indicated)	2025	2024	2025	2024
Group operating profit	1,456	1,494	1,652	1,669
Depreciation, amortisation and impairment	329	318	146	143
EBITDA	1,785	1,812	1,798	1,812
Other non-cash movements	(20)	(40)	(14)	(16)
Operating cash flows before movement in working capital	1,765	1,772	1,784	1,796
Working capital	(1,425)	(1,406)	(1,425)	(1,406)
Tax cash flow	(372)	(425)	(372)	(425)
Cash flows from operating activities	(32)	(59)	(13)	(35)
Net capital expenditure	(144)	(114)	(144)	(114)
Restructuring	–	–	(19)	(24)
Cash interest	(239)	(253)	(239)	(253)
Minority interest dividends	(102)	(97)	(102)	(97)
Free cash flow	(517)	(523)	(517)	(523)
Acquisitions/disposals	(78)	(40)	(78)	(40)
Shareholder dividends	(906)	(914)	(906)	(914)
Contributions to share schemes	3	–	3	–
Repurchase of shares	(620)	(605)	(620)	(605)
Net cash flow	(2,118)	(2,082)	(2,118)	(2,082)
Leases paid	(48)	(52)		
Increase in borrowings	2,128	2,166		
Repayment of borrowings	(475)	(601)		
Cash flow relating to derivative instruments	20	(69)		
Net decrease in cash and cash equivalents	(493)	(638)		

CASH FLOW

Cash outflows from operating activities were £(32) million (2024: £(59) million outflow) reflecting a lower cash tax payments following a tax refund offsetting a slight increase in working capital.

As anticipated, gross capital expenditure increased to £167 million (2024: £149 million). Capital expenditure net of the proceeds from the sale of assets, or net capital expenditure, also increased to £144 million (2024: £114 million). Net capital expenditure at the full year is anticipated to be within a range of £300 million to £350 million supporting projects to drive simplified and efficient operations in line with our strategic plan.

Adjusted operating cash conversion was 99% (2024: 97%) on a 12-month basis.

	Half Year Result	
£ million (unless otherwise indicated)	2025	2024
12-month adjusted operating profit	3,894	3,840
12-month cash flow post capital expenditure pre interest and tax	3,856	3,726
12-month adjusted operating cash conversion	99%	97%

Free cash outflow of £(517) million (2024: £(523) million outflow) improved as the increase in net capital expenditure was offset by lower cash taxes following a tax refund.

Restructuring cash costs relating to Board-approved restructuring programmes totalled £19 million (2024: £24 million) and comprised cash spend from the 2021 Strategic Review Programme of £7 million (2024: £15 million) and other programmes £12 million (2024: £9 million) including cash costs in support of the 2030 Strategy. The remaining cash spend from older strategic programmes is ongoing, although not expected to be in excess of the existing provisions.

The net cash outflow of £(2,118) million (2024: £(2,082) million) increased year-on-year, reflecting an increase in acquisition costs compared to the prior year and a higher share buyback. Acquisition costs were £(78) million (2024: £(40) million) relating to trademark and brand acquisitions, as well as deferred payment for purchase of modern oral nicotine pouches. The share buyback programme commenced in October 2022 and in October 2024 we announced a further share buyback of up to £1.25 billion of shares in FY25. The £620 million repurchase of shares includes the cash spend of £617 million associated with the remaining £1.1 billion FY24 and the start of the £1.25 billion FY25 share buyback programmes and £3 million by Logista to satisfy their share remuneration schemes.

ADJUSTED NET DEBT/EBITDA

Adjusted net debt reduced £129 million (2024: £10,085 million) year on year driven by improved working capital on a 12-month basis. On a 12-month basis, adjusted net debt/EBITDA improved by 0.1 to 2.4 times.

Reported net debt reduced by £114 million to £10,471 million (2024: £10,585 million). Excluding accrued interest, lease liabilities and the fair value of derivative financial instruments providing commercial hedges of interest risk, Group adjusted net debt was £9,956 million (2024: £10,085 million).

	Half Year Result	
£ million	**2025**	2024
Reported net debt	**(10,471)**	(10,585)
Accrued interest	**67**	62
Lease liabilities	**394**	375
Fair value of interest rate derivatives	**54**	63
Adjusted net debt	**(9,956)**	(10,085)
12-month EBITDA	**4,191**	4,112
Adjusted net debt/EBITDA	**2.4x**	2.5x

RECONCILIATION BETWEEN REPORTED AND ADJUSTED PERFORMANCE MEASURES

	Half Year Result					
	Operating profit		Net finance (costs)/income		Earnings per share (pence)	
£ million unless otherwise indicated	**2025**	2024	**2025**	2024	**2025**	2024
Reported	**1,456**	1,494	**(162)**	(354)	**96.7**	96.0
Amortisation & impairment of acquired intangibles	**183**	175	**–**	–	**21.3**	19.4
Restructuring charges	**6**	–	**–**	–	**0.7**	–
Structural changes to defined benefit pension schemes	**7**	–	**–**	–	**0.7**	–
Net fair value and exchange movements on financial instruments	**–**	–	**(33)**	135	**1.2**	4.2
Post-employment benefits net financing costs	**–**	–	**5**	5	**0.4**	0.3
Taxation settlements interest (income)/costs	**–**	–	**(9)**	10	**(1.1)**	1.1
Recognition of deferred tax assets	**–**	–	**–**	–	**4.2**	–
Uncertain tax positions	**–**	–	**–**	–	**–**	(0.6)
Adjustments above attributable to non-controlling interests	**–**	–	**–**	–	**(0.2)**	(0.2)
Adjusted	**1,652**	1,669	**(199)**	(204)	**123.9**	120.2

ADJUSTING ITEMS

The main reconciling terms of the Group's adjusted to reported operating profit are shown above.

In the period to 31 March 2025 adjusting items relate to amortisation of acquired intangibles of £183 million (2024: £175 million) across Tobacco & NGP and Distribution, closure and transfer of existing pension liabilities of £7 million and Strategy 2030 implementation costs of £6 million.

FINANCE COSTS

Adjusted net finance costs were lower at £199 million (2024: £204 million), primarily reflecting the average decrease in EUR, USD and GBP interest rates and the lower average net debt. Reported net finance costs were £162 million (2024: £354 million), incorporating the impact of net fair value and foreign exchange gains on financial instruments of £33 million (2024: losses of £135 million), post-employment benefits net financing costs of £5 million (2024: £5 million) and £9 million in interest income from taxation settlements (2024: expense of £10 million). The gains on financial instruments are primarily due to foreign exchange gains of £25 million, resulting from considerable volatility in the foreign exchange markets during the period.

Our all-in cost of debt decreased to 4.1% (2024: 4.2%).

Our interest cover increased to 10.6x (2024: 9.9x) reflecting the Group's higher adjusted EBITDA and lower net finance costs.

We anticipate adjusted net finance costs will increase in the second half of the financial year with adjusted net finance costs for the full year expected to be around £420 million.

TAXATION

Our adjusted effective tax rate is 23.5% (HY24: 23.0%) and the reported effective tax rate is 31.8% (HY24: 20.0%). The increase in the adjusted effective tax rate primarily reflects the change in profits mix to higher taxed jurisdictions. The Reported tax rate is higher than the Adjusted tax rate due to the utilisation of Deferred Tax Assets recognised in FY24 and tax arising on fair value and foreign exchange movements.

We expect our adjusted effective tax rate for the year ended 30 September 2025 to be between 23.0 to 24.0% (FY24: 22.7%).

The effective tax rate is sensitive to the geographic mix of profits, reflecting a combination of higher rates in certain markets such as the USA and Germany and lower rates in other markets.

The rate is also sensitive to future legislative changes affecting international businesses such as changes arising from the OECD's (Organisation for Economic Co-operation and Development) Base Erosion and Profits Shifting (BEPS) and increased volatility in global tax law and regulation. Whilst we seek to mitigate the impact of these changes, we anticipate there will be further upward pressure on the adjusted and reported tax rates in the medium term.

Our Group tax strategy is publicly available and can be found in the Governance section of our corporate website.

EXCHANGE RATES

Foreign exchange had a negative impact on Group adjusted operating profit and earnings per share at average exchange rates (2.8% and 2.9%, respectively) as sterling strengthened against the euro (3.3%) and US dollar (1.3%).

DIVIDEND PAYMENTS

The Group has paid two dividends in this financial year, the first being 54.26 pence per share in December 2024 and the second being 54.26 pence per share in March 2025.

In October 2024 we have announced a change to the future dividend payment profile to four equal quarterly dividend payments for FY25 onwards. This smoothing of the dividend payment profile will result in more consistent cash returns to shareholders throughout the year, compared to the current 30:70 split. This is enabled by the strong visibility of cash flows from our portfolio following the successful execution of our strategy. The change will also help to reduce our leverage variance within the year, particularly around the half year, which is partly a result of the current dividend phasing.

To create the base for future quarterly payments, the Board announced the intention to pay two interim cash dividends of 40.08 pence per share in June and September 2025. Taken as two of the quarterly equal dividend payments for FY25, this represents an increase of 4.5% over the prior year and is in line with the Group's progressive dividend policy. The two interim dividends of 40.08 pence (HY24: 22.45 pence) per share with the first payment being paid on 30 June 2025 to shareholders registered on 23 May 2025 and the second payment being paid on 30 September 2025 to shareholders registered on 22 August 2025.

Dividend payments	Amount (pence)	Ex-date	Record dates	Payment date
First interim	40.08	22-May-25	23-May-25	30-Jun-25
Second interim	40.08	21-Aug-25	22-Aug-25	30-Sep-25
Third interim	To be announced	27-Nov-25	28-Nov-25	31-Dec-25
Final	To be announced	19-Feb-26	20-Feb-26	31-Mar-26

FUNDING/LIQUIDITY

During the half year we repaid our January 2025 €500 million bond in line with its natural maturity, and we issued a new €800 million bond maturing in February 2034. The denomination of our closing adjusted net debt was materially all euro. As at 31 March 2025, the Group had committed financing in place of around £13.0 billion, which comprised 28% bank facilities and 72% raised from capital markets. During the half year the maturity date of €3,309 million of the Group's existing syndicated multicurrency facility was extended to 30 March 2028; as previously noted, one tranche of €184 million was not extended and therefore remains at its maturity date of 30 September 2025.

The Group remains fully compliant with all our banking covenants and remains committed to retaining our investment grade ratings.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk Management is the responsibility of everyone across the Group. Whilst the Board remain ultimately accountable for Risk Management, our approach is designed to enable our people to proactively identify and assess risks on an ongoing basis and to ensure the effectiveness and appropriateness of related mitigating actions. The business is supported by subject matter experts in our second line of defence to ensure the Group's control frameworks align to achieving our strategic objectives whilst operating within the Board's defined risk appetite. We are committed to strengthening the Group's risk management framework by continuously seeking opportunities to enhance and standardise the implementation of risk management and controls throughout the Group.

The Board continues to monitor the principal risks and uncertainties to which the Group is exposed. The risks and the approach to managing the risks remains consistent with that identified on pages 42 - 53 of our 2024 Annual Report and Accounts. The wording used to describe the Principal Risks has been updated, but the risks are aligned with those identified in the 2024 Annual Report and Accounts and cover the following areas:

Risk	Risk description
Pricing & Excise Change	Risks relating to the impact of future excise changes and our ability to achieve planned pricing
Regulatory Change	Risks relating to the impact of future regulatory change on our ability to produce, market and sell our products
Product Supply	Risks relating to the supply of materials and services to support our ability to operate and produce
Technology Resilience	Risks relating to the ability of IT infrastructure to support business and regulatory requirements
Product Innovation & Portfolio	Risks relating to effective product innovation aligned to consumer preferences and regulatory requirements
Consumer & Market Trends	Risks relating to the impact of changing consumer behaviour and market trends on commercial objectives
Environment	Risks relating to the impact from business operations on the natural environment in which we operate
Social	Risks relating to social considerations within and from our business operations and extended supply chain
Legal Compliance	Risks relating to compliance with laws and regulations and the management of significant legal matters
Business Transformation	Risks relating to the design, implementation and benefit realisation of organisational change initiatives

The principal risks and uncertainties are expected to be substantially the same over the remaining six months of the financial year. They continue to be closely monitored and may be subject to change.

A summary of key updates in relation to the Group's principal risks is included below.

The Group is exposed to geopolitical and economic conditions of the countries and regions in which it operates, which could impact its largest markets and may affect continuity of supply as well as impacting the Group's employees. Any adverse geopolitical or economic developments in, or affecting, the Group's key countries and regions, including, but not limited to, the outbreak of war or conflict, pandemics, inflation, volatile interest rates, recessionary conditions and changes to tariff regimes, could impact the Group, its operations and its people.

The Group continues to operate in a challenging external environment. The impact of inflation is being considered as part of a number of risks. Whilst year-on-year inflation rates have reduced, inflationary pressures in some categories continue to place pressure upon consumer disposable income, potentially creating affordability concerns. This, in turn, could result in reduced consumption, consumer downtrading or increased consumption of illicit products.

These pressures could adversely impact the size of the legitimate nicotine market with additional impacts from regulatory change, excise tax or increases in other product taxes. As anticipated, the Group has seen increased market size declines in three of the five priority markets, which have been driven by continued economic pressure impacting consumer spending, excise tax increases and a rise in illicit trade in certain markets. However, price increases across our footprint have more than offset volume declines to support net revenue growth.

Due to the volume declines seen in certain markets, there is a risk that the Group may experience an increase in the unit cost of production. The Group continues to explore potential mitigation options to manage any increased costs.

The risk of further supply chain disruptions continues to be actively considered across all regions, although there remains a risk of unexpected supply chain disruptions impacting the Group. The Group is exposed to the geopolitical, economic and climate conditions of the countries and regions in which it operates, which could impact the supply chain as a result of energy or labour shortages, raw material pricing and availability, sanctions, physical disruption to infrastructure and supply routes or increased logistics costs. Additionally, the impacts on global supply chains, financial markets, and businesses in commercial distress are being actively considered and mitigating actions taken across the business.

Regulatory change aimed at further de-normalising the consumption of tobacco and nicotine products potentially adversely impacts the Group. As well as continued introduction of more restrictive regulation for combustible tobacco, increasing regulatory maturity and complexity is being seen within NGP categories as the market for alternatives to smoking grows. There is also continued pressure on disposable and flavoured vape products, with new restrictions passed or proposed in multiple European markets. Yet whilst new regulation and higher excise taxes are being considered in some markets, there have been other instances where the threat of new legislation or regulation has diminished, such as the US menthol ban. The Group is impacted by excise and regulatory risks across all regions and appropriate mitigations continue to be applied to manage the impact of both current and future regulatory change.

Whilst the FDA's Marketing Denial Order (MDO) for tobacco and menthol flavours have been vacated and the Premarket Tobacco Product Application (PMTA) for these myblu products have returned to FDA scientific review for further consideration, there have been new MDOs issued from the FDA in connection with some flavoured disposable products, which are subject to ongoing litigation. Further, to date, no non-tobacco flavoured vapor product, including menthol, has gained a Marketing Granted Order (MGO) in the US, except for menthol NJOY products, which may pose a risk to longer-term NGP performance in the US.

The Group continues to keep abreast of and prepare for new legislative requirements, including reporting of non-financial data such as the EU Corporate Sustainability Reporting Directive (CSRD) and the IFRS Sustainability disclosure standards. The Group has established a Non-Financial Reporting Steering Committee CSRD working group to ensure we remain on track to disclose in line with any the new requirements. There is an encouraging trend for some higher tax jurisdictions to be investing more in anti-illicit trade and regulatory compliance activities. We will continue to encourage such investments as part of our efforts to seek regulation that is predictable, proportionate, and policed.

The Group continuously evaluates the risk posed by cyber criminals combined with current geopolitical tensions and the increasing proliferation of Artificial Intelligence and will continue to monitor the effectiveness of our security controls. The Group is actively implementing additional measures to further mitigate cyber risk.

Climate risks are specifically considered across the business in relation to their impact on existing risks, rather than as a risk in itself. This ensures that all risk owners consider the impacts of climate change, notably within our supply chain, on both a current and forward-looking basis. Expert second line assistance is provided by our ESG Team along with independent external advice to best understand impacts on our global footprint.

We assess geopolitical risks on the same basis as climate above. As a multinational we are exposed to a wide variety of operating environments and cultures, and so local assessment of risks and impacts form a key input to our ongoing management of geopolitical risks, with support available from second line centres of expertise. This approach ensures responsibility for identification, assessment, and mitigation of risks is consistently understood and applied across the business. In light of the recent, significant changes in USA tariff and trade policy, we are closely monitoring any impacts of current and proposed changes.

The Group continues to successfully progress with its transformation initiatives. Failure to manage both the potential short and long-term adverse impacts of these initiatives could result in material adverse effects on the Group, from both the crystallisation of risks and the failure to seize opportunities in an increasingly dynamic marketplace. Appropriate frameworks and governance continue to be applied to our change programmes to best ensure achievement of intended positive commercial and strategic outcomes.

LIQUIDITY AND GOING CONCERN STATEMENT

The Group's policy is to ensure that we always have sufficient capital markets funding and committed bank facilities in place to meet foreseeable peak borrowing requirements.

The Group recognises there can be uncertainty in the external environment, however, during past periods of disruption the Group effectively managed operations across the world and has proved it has an established mechanism to operate efficiently despite this uncertainty. The Directors consider that a one-off discrete event with immediate cash outflow is of greatest concern to the short-term liquidity of the Group.

The Directors have assessed the emerging and principal risks of the business, including stress testing a range of different scenarios that may affect the business. These included scenarios which examined the implications of:

- A one-off discrete event resulting in immediate cash outflow such as unexpected duty and tax payments; and/or other legal and regulatory risks materialising of c.£500 million;
- A rapid and lasting deterioration to the Group's profitability because markets become closed to tobacco products or there are sustained failures to our tobacco manufacturing and supply chains. These assumed a permanent reduction in profitability of 10% from 1 April 2025.

The scenario planning also considered mitigation actions including reductions to capital expenditure and dividend payments. There are additional actions that were not modelled but could be taken including other cost mitigations such as staff redundancies, working capital management, retrenchment of leases and discussions with lenders about capital structure.

Based on its review of future cash flows covering the period through to 31 May 2026, and having assessed the principal risks facing the Group, the Board is of the opinion that the Group as a whole and Imperial Brands PLC have adequate resources to meet their operational needs for a period of twelve months from the date of approval of the financial statements and concludes that it is appropriate to prepare the financial statements on a going concern basis

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that this condensed consolidated interim financial information has been prepared in accordance with UK-adopted IAS 34 and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely: an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and material related party transactions in the first six months of the current financial year and any material changes in the related-party transactions described in the last annual report.

A list of current directors is maintained on the Imperial Brands PLC website: www.imperialbrandsplc.com.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

LUKAS PARAVICINI
Chief Financial Officer

INDEPENDENT REVIEW REPORT TO IMPERIAL BRANDS PLC

CONCLUSION

We have been engaged by the Company to review the condensed consolidated interim financial statements in the Half Year Results Statement of Imperial Brands PLC for the six months ended 31 March 2025 which comprises the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement and the notes to the financial statements, including the supplementary information. We have read the other information contained in the Half Year Results Statement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated interim financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements in the Half Year Results Statement for the six months ended 31 March 2025 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

BASIS FOR CONCLUSION

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE) issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with UK adopted international accounting standards. The condensed consolidated interim financial statements included in this Half Year Results Statement has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

CONCLUSIONS RELATING TO GOING CONCERN

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

RESPONSIBILITIES OF THE DIRECTORS

The directors are responsible for preparing the Half Year Results Statement in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the Half Year Results Statement, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE REVIEW OF THE FINANCIAL INFORMATION

In reviewing the Half Year Results Statement, we are responsible for expressing to the Company a conclusion on the condensed consolidated interim financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

USE OF OUR REPORT

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP
London

13 May 2025

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

for the six months ended 31 March 2025

£ million unless otherwise indicated	Notes	**Unaudited 6 months ended 31 March 2025**	Unaudited 6 months ended 31 March 2024	Audited Year ended 30 September 2024
Revenue	3	**14,604**	15,064	32,411
Duty and similar items		**(5,943)**	(6,447)	(13,925)
Other cost of sales		**(5,529)**	(5,525)	(11,707)
Cost of sales		**(11,472)**	(11,972)	(25,632)
Gross profit		**3,132**	3,092	6,779
Distribution, advertising and selling costs		**(1,200)**	(1,174)	(2,383)
Administrative and other expenses		**(476)**	(424)	(842)
Operating profit	3	**1,456**	1,494	3,554
Investment income		**256**	286	560
Finance costs		**(418)**	(640)	(1,094)
Net finance costs		**(162)**	(354)	(534)
Share of profit of investments accounted for using the equity method		**4**	4	9
Profit before tax		**1,298**	1,144	3,029
Tax		**(412)**	(229)	(282)
Profit for the period		**886**	915	2,747
Attributable to:				
Owners of the parent		**808**	846	2,613
Non-controlling interests		**78**	69	134
Earnings per ordinary share (pence)				
• Basic	9	**96.7**	96.0	300.7
• Diluted	9	**96.2**	95.6	299.0

Investment income and finance costs for 6 months ended 31 March 2024 have been reclassified with no impact to net finance costs.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 March 2025

£ million	**Unaudited 6 months ended 31 March 2025**	Unaudited 6 months ended 31 March 2024	Audited Year ended 30 September 2024
Profit for the period	**886**	915	2,747
Other comprehensive income			
Exchange movements	**191**	(229)	(602)
Hyperinflation adjustment in the period	**2**	6	6
Current tax on hedge of net investments and quasi-equity loans	**35**	(67)	(197)
Items that may be reclassified to profit and loss	**228**	(290)	(793)
Net actuarial gains/(losses) on retirement benefits	**15**	(103)	(99)
Current tax relating to net actuarial losses on retirement benefits	**–**	2	–
Deferred tax relating to net actuarial (gains)/losses on retirement benefits	**(4)**	9	37
Items that will not be reclassified to profit and loss	**11**	(92)	(62)
Other comprehensive income / (expense) for the period, net of tax	**239**	(382)	(855)
Total comprehensive income for the period	**1,125**	533	1,892
Attributable to:			
Owners of the parent	**1,046**	472	1,783
Non-controlling interests	**79**	61	109
Total comprehensive income for the period	**1,125**	533	1,892

CONSOLIDATED BALANCE SHEET

at 31 March 2025

£ million	Notes	**Unaudited 31 March 2025**	Unaudited 31 March 2024	Audited 30 September 2024
Non-current assets				
Intangible assets		**16,050**	16,499	15,938
Property, plant and equipment		**1,590**	1,600	1,561
Right of use assets		**367**	352	362
Investments accounted for using the equity method		**56**	53	56
Retirement benefit assets	5	**361**	361	376
Trade and other receivables		**140**	101	118
Derivative financial instruments	10/11	**330**	505	330
Deferred tax assets		**869**	616	889
		19,763	20,087	19,630
Current assets				
Inventories		**4,529**	4,740	4,080
Trade and other receivables		**2,552**	2,689	2,645
Current tax assets		**271**	204	249
Cash and cash equivalents	11	**599**	668	1,078
Derivative financial instruments	10/11	**142**	158	144
		8,093	8,459	8,196
Total assets		**27,856**	28,546	27,826
Current liabilities				
Borrowings	10	**(2,766)**	(3,421)	(1,191)
Derivative financial instruments	10/11	**(131)**	(138)	(187)
Lease liabilities	11	**(86)**	(84)	(86)
Trade and other payables		**(8,443)**	(9,159)	(9,497)
Current tax liabilities		**(408)**	(338)	(412)
Provisions	4	**(74)**	(121)	(89)
		(11,908)	(13,261)	(11,462)
Non-current liabilities				
Borrowings	10	**(7,735)**	(7,273)	(7,506)
Derivative financial instruments	10/11	**(516)**	(709)	(622)
Lease liabilities	11	**(308)**	(291)	(300)
Trade and other payables		**(56)**	(2)	(86)
Deferred tax liabilities		**(800)**	(853)	(780)
Retirement benefit liabilities	5	**(792)**	(827)	(819)
Provisions	4	**(211)**	(244)	(222)
		(10,418)	(10,199)	(10,335)
Total liabilities		**(22,326)**	(23,460)	(21,797)
Net assets		**5,530**	5,086	6,029
Equity				
Share capital	6	**89**	94	91
Share premium and capital redemption		**5,851**	5,846	5,849
Retained earnings		**(1,180)**	(1,906)	(479)
Exchange translation reserve		**206**	467	(19)
Equity attributable to owners of the parent		**4,966**	4,501	5,442
Non-controlling interests		**564**	585	587
Total equity		**5,530**	5,086	6,029

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 March 2025

£ million	Share capital	Share premium and capital redemption	Retained earnings	Exchange translation reserve	Equity attributable to owners of the parent	Non-controlling interests	Total equity
							Unaudited
At 1 October 2024	**91**	**5,849**	**(479)**	**(19)**	**5,442**	**587**	**6,029**
Profit for the period	**–**	**–**	**808**	**–**	**808**	**78**	**886**
Exchange movements on retranslation of net assets	**–**	**–**	**–**	**323**	**323**	**1**	**324**
Exchange movements on net investment hedges	**–**	**–**	**–**	**(127)**	**(127)**	**–**	**(127)**
Exchange movements on quasi-equity loans	**–**	**–**	**–**	**(6)**	**(6)**	**–**	**(6)**
Hyperinflation adjustment in the period	**–**	**–**	**2**	**–**	**2**	**–**	**2**
Current tax on hedge of net investments and quasi-equity loans	**–**	**–**	**–**	**35**	**35**	**–**	**35**
Net actuarial gains on retirement benefits	**–**	**–**	**15**	**–**	**15**	**–**	**15**
Deferred tax relating to net actuarial gains on retirement benefits	**–**	**–**	**(4)**	**–**	**(4)**	**–**	**(4)**
Other comprehensive income	**–**	**–**	**13**	**225**	**238**	**1**	**239**
Total comprehensive income	**–**	**–**	**821**	**225**	**1,046**	**79**	**1,125**
Transactions with owners							
Costs of employees' services compensated by share schemes	**–**	**–**	**17**	**–**	**17**	**–**	**17**
Contributions relating to share schemes	**–**	**–**	**3**	**–**	**3**	**–**	**3**
Repurchase of shares	**(2)**	**2**	**(636)**	**–**	**(636)**	**–**	**(636)**
Dividends paid	**–**	**–**	**(906)**	**–**	**(906)**	**(102)**	**(1,008)**
At 31 March 2025	**89**	**5,851**	**(1,180)**	**206**	**4,966**	**564**	**5,530**

£ million	Share capital	Share premium and capital redemption	Retained earnings	Exchange translation reserve	Equity attributable to owners of the parent	Non-controlling interests	Total equity
At 1 October 2023	97	5,843	(674)	755	6,021	621	6,642
Profit for the period	–	–	846	–	846	69	915
Exchange movements on retranslation of net assets	–	–	–	(445)	(445)	(8)	(453)
Exchange movements on net investment hedges	–	–	–	182	182	–	182
Exchange movements on quasi-equity loans	–	–	–	42	42	–	42
Hyperinflation adjustment in the period	–	–	6	–	6	–	6
Current tax on hedge of net investments and quasi-equity loans	–	–	–	(67)	(67)	–	(67)
Net actuarial losses on retirement benefits	–	–	(103)	–	(103)	–	(103)
Current tax relating to net actuarial losses on retirement benefits	–	–	2	–	2	–	2
Deferred tax relating to net actuarial losses on retirement benefits	–	–	9	–	9	–	9
Other comprehensive expense	–	–	(86)	(288)	(374)	(8)	(382)
Total comprehensive income/(expense)	–	–	760	(288)	472	61	533
Transactions with owners							
Costs of employees' services compensated by share schemes	–	–	27	–	27	–	27
Repurchase of shares	(3)	3	(1,105)	–	(1,105)	–	(1,105)
Dividends paid	–	–	(914)	–	(914)	(97)	(1,011)
At 31 March 2024	94	5,846	(1,906)	467	4,501	585	5,086

CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 31 March 2025

£ million	**Unaudited 6 months ended 31 March 2025**	Unaudited 6 months ended 31 March 2024	Audited Year ended 30 September 2024
Cash flows from operating activities			
Operating profit	**1,456**	1,494	3,554
Dividends received from investments accounted for under the equity method	**7**	7	9
Depreciation, amortisation and impairment	**329**	318	647
Profit on disposal of non-current assets	**(4)**	(5)	(13)
Post-employment benefits	**(8)**	(29)	(45)
Share-based payments	**16**	29	46
Other non-cash items	**(3)**	(1)	(1)
Movement in provisions	**(28)**	(41)	(102)
Operating cash flows before movement in working capital	**1,765**	1,772	4,095
(Increase) / decrease in inventories	**(451)**	(297)	205
Decrease / (increase) in trade and other receivables	**74**	(286)	(318)
(Decrease) / increase in trade and other payables	**(1,048)**	(823)	213
Movement in working capital	**(1,425)**	(1,406)	100
Tax paid	**(372)**	(425)	(888)
Net cash (used in) / generated from operating activities	**(32)**	(59)	3,307
Cash flows from investing activities			
Interest received	**26**	5	15
Proceeds from sale of non-current assets	**23**	35	50
Purchase of non-current assets	**(167)**	(149)	(371)
Purchase of brands and operations	**(78)**	(40)	(42)
Net cash used in investing activities	**(196)**	(149)	(348)
Cash flows from financing activities			
Acquisition of non-controlling interests	**–**	–	(49)
Interest paid	**(265)**	(258)	(431)
Contributions relating to share schemes	**3**	–	–
Lease liabilities paid	**(48)**	(52)	(93)
Increase in borrowings	**2,128**	2,166	3,848
Repayment of borrowings	**(475)**	(601)	(3,948)
Cash flows relating to derivative financial instruments	**20**	(69)	(34)
Repurchase of shares	**(620)**	(605)	(1,020)
Dividends paid to non-controlling interests	**(102)**	(97)	(136)
Dividends paid to owners of the parent	**(906)**	(914)	(1,299)
Net cash used in financing activities	**(265)**	(430)	(3,162)
Net decrease in cash and cash equivalents	**(493)**	(638)	(203)
Cash and cash equivalents at start of period	**1,078**	1,345	1,345
Effect of foreign exchange rates on cash and cash equivalents	**14**	(39)	(64)
Cash and cash equivalents at end of period	**599**	668	1,078

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

BASIS OF PREPARATION

The condensed consolidated financial statements comprise the results of the Company, a public company limited by shares, incorporated in England and Wales, and its subsidiary undertakings, together with the Group's share of the results of its associates and joint arrangements. The Company's registered number is 3236483 and its registered address is 121 Winterstoke Road, Bristol, BS3 2LL. The financial information comprises the unaudited results for the six months ended 31 March 2025 and 31 March 2024, together with the audited results for the year ended 30 September 2024.

These condensed consolidated financial statements do not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The Auditors' Report on the statutory accounts for the year ended 30 September 2024 was unqualified with no reference to matters to which the auditor drew attention by way of emphasis and did not contain any statements under section 498 of the Companies Act 2006. The financial statements for the year ended 30 September 2024 were approved by the Board of Directors on 18 November 2024 and have been filed with the Registrar of Companies.

This condensed set of financial statements for the six months ended 31 March 2025 has been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and with UK-adopted IAS 34 Interim Financial Reporting. The condensed set of financial statements for the six months ended 31 March 2025 should be read in conjunction with the annual financial statements for the year ended 30 September 2024 which have been prepared in accordance with UK-adopted International Accounting Standards ("UK-adopted IAS").

Except for the adoption of the new standards and interpretations effective as of 1 October 2024, the Group's principal accounting policies and methods of computation used in preparing this information are the same as those applied in the financial statements for the year ended 30 September 2024, which are available on our website www.imperialbrandsplc.com.

The financial statements have been prepared under the historical cost convention except where fair value measurement is required under IFRS accounting standards (""IFRS"") as described in the accounting policies in the 30 September 2024 annual accounts. The condensed consolidated financial statements are presented in pounds sterling, the presentation currency of the Group, and the functional currency of the Company. All values are rounded to the nearest one million (£1 million) except where otherwise indicated.

RECLASSIFICATION OF INVESTMENT INCOME AND FINANCE COSTS

Prior year amounts for the six-month period ended 31 March 2024 for interest income/(cost) on net defined benefit assets/(liabilities) have been reclassified to be in accordance with IAS 19 to show the net amounts per defined benefit scheme, having previously been presented gross. Total investment income and total finance costs have been reclassified accordingly. The effect is offsetting in nature and reduces both amounts by £69 million. There is no impact to net finance costs or the other primary statements.

ALTERNATIVE PERFORMANCE MEASURES

Information on Alternative Performance Measures (APMs) is presented within the Supplementary Information section of this document.

BASIS FOR GOING CONCERN

The Group's policy is to ensure that we always have sufficient capital markets funding and committed bank facilities in place to meet foreseeable peak borrowing requirements.

The Group recognises there can be uncertainty in the external environment, however, during past periods of disruption, the Group effectively managed operations across the world and has proved it has an established mechanism to operate efficiently despite this uncertainty. The Directors consider that a one-off discrete event with immediate cash outflow is of greatest concern to the short-term liquidity of the Group.

The Directors have assessed the emerging and principal risks of the business, including stress testing a range of different scenarios that may affect the business. These included scenarios which examined the implications of:

- A one-off discrete event resulting in immediate cash outflow such as unexpected duty and tax payments; and/or other legal and regulatory risks materialising of c.£500 million
- A rapid and lasting deterioration to the Group's profitability because markets become closed to tobacco products or there are sustained failures to our tobacco manufacturing and supply chains. These assumed a permanent reduction in profitability of 10% from 1 April 2025

The scenario planning also considered mitigation actions including reductions to capital expenditure and dividend payments. There are additional actions that were not modelled but could be taken including other cost mitigations such as staff redundancies, working capital management, retrenchment of leases and discussions with lenders about capital structure.

Based on its review of future cash flows covering the period through to 31 May 2026, and having assessed the principal risks facing the Group, the Board is of the opinion that the Group as a whole and Imperial Brands PLC have adequate resources to meet their operational needs for a period of twelve months from the date of approval of the financial statements and concludes that it is appropriate to prepare the financial statements on a going concern basis.

NEW ACCOUNTING STANDARDS ADOPTED IN THE PERIOD

There have been no other amendments or clarifications to IFRS which have significantly impacted the Group's consolidated results or financial position.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and judgements associated with accounting entries which will be affected by future events. Estimates and judgements are continually evaluated based on historical experience, and other factors, including current information that helps form a forward-looking view of expected future outcomes.

Estimates involve the determination of the quantum of accounting balances to be recognised. Judgements typically involve decisions such as whether to recognise an asset or liability.

The actual amounts recognised in the future may deviate from these estimates and judgements.

ESTIMATES

Estimates relate to non-significant items involving uncertainties, such as those carrying lower risk, which have a smaller potential impact or would be expected to crystallise over a longer timeframe than a significant estimate.

The estimates relevant to the period and the remaining six months of the year include:

- Determination of the useful economic life of intangible assets;
- Amortisation and impairment of intangible assets;
- Corporate income taxes;
- Legal proceedings and disputes;
- Restructuring provisions; and,
- Impact of climate change on forecast financial information.

There are no significant estimates

JUDGEMENTS

Paragraph 122 of IAS 1 requires disclosure of judgements made by management in applying an entity's accounting policies, other than those relating to estimation uncertainty. Paragraph 125 of IAS 1 requires more wide-ranging disclosures of judgements that depend on management assumptions about the future, and other major sources of estimation uncertainty ('Significant Judgements'). The following significant judgement is disclosed in relation to these interim financial statements;

CONTROL OF LOGISTA

A key judgement relates to whether the Group has effective control of Logista sufficient that the Group can consolidate this entity within its Group accounts in line with the requirements of IFRS 10 Consolidated Financial Statements. The Group holds 50.01% of the voting shares. The Group has reviewed its control of Logista and that it is appropriate to consolidate this entity in line with the requirements of IFRS 10 'Consolidated Financial Statements'. The Group continues to have Director presence on the Board of Logista, representing 5 out of 12 Directors. The Group has powers to control as set out in the Relationship Framework Agreement which specifies certain areas of operation reserved for shareholder approval and through these measures the Group is able to exercise control of Logista. The Group has therefore concluded that it continues to be appropriate to recognise Logista as a fully consolidated subsidiary.

The other judgments relevant to the period and the remaining six months of the year include:

- Corporate income taxes;
- Deferred tax assets; and,
- Legal proceedings and disputes.

3. SEGMENT INFORMATION

Imperial Brands comprises two distinct businesses – Tobacco & NGP and Distribution. The Tobacco & NGP business comprises the manufacture, marketing and sale of Tobacco & NGP and Tobacco & NGP-related products, including sales to (but not by) the Distribution business. The Distribution business comprises the distribution of Tobacco & NGP products for Tobacco & NGP product manufacturers, including Imperial Brands, as well as a wide range of non-Tobacco & NGP products and services. The Distribution business is run on an operationally neutral basis ensuring all customers are treated equally, and consequently transactions between the Tobacco & NGP and Distribution businesses are undertaken on an arm's length basis reflecting market prices for comparable goods and services.

NOTES TO THE FINANCIAL STATEMENTS *continued*

The function of the Chief Operating Decision Maker (defined in IFRS 8), which is to review performance and allocate resources, is performed by the Board and the Chief Executive, who are regularly provided with information on the Group's segments. This information is used as the basis of the segment revenue and profit disclosures provided below. The main profit measure used by the Board and the Chief Executive is adjusted operating profit. Segment balance sheet information is not provided to the Board or the Chief Executive.

The Group's reportable segments are Europe, Americas, Africa, Asia, Australasia and Central and Eastern Europe (AAACE) and Distribution. Operating segments are comprised of geographical groupings of business markets. The main Tobacco & NGP business markets within the Europe, Americas and AAACE reportable segments are:

Europe – United Kingdom, Germany, Spain, France, Italy, Greece, Sweden, Norway, Belgium and Netherlands.

Americas – United States.

AAACE – Australia, Saudi Arabia, Taiwan, Poland, Czech Republic, Ukraine, Slovakia, Hungary, Slovenia and our African markets including Algeria and Morocco.

TOBACCO & NGP

£ million unless otherwise indicated			**Unaudited 6 months ended 31 March 2025**			Unaudited 6 months ended 31 March 2024
	Tobacco	**NGP**	**Tobacco & NGP**	Tobacco	NGP	Tobacco & NGP
Revenue	**9,422**	**187**	**9,609**	9,922	163	10,085
Net revenue	**3,504**	**160**	**3,664**	3,494	143	3,637
Operating profit	**1,356**	**(62)**	**1,294**	1,381	(54)	1,327
Adjusted operating profit			**1,486**			1,498
Adjusted operating profit margin %			**40.6**			41.2

£ million unless otherwise indicated			Audited Year ended 30 September 2024
	Tobacco	NGP	Tobacco & NGP
Revenue	21,708	376	22,084
Net revenue	7,828	329	8,157
Operating profit	3,321	(83)	3,238
Adjusted operating profit			3,587
Adjusted operating profit margin %			44.0

DISTRIBUTION

£ million unless otherwise indicated	**Unaudited 6 months ended 31 March 2025**	Unaudited 6 months ended 31 March 2024	Audited Year ended 30 September 2024
Revenue	**5,359**	5,347	11,104
Distribution gross profit	**764**	747	1,503
Operating profit	**161**	164	322
Adjusted operating profit	**165**	168	330
Adjusted operating profit margin %	**21.6**	22.5	22.0

NOTES TO THE FINANCIAL STATEMENTS *continued*

REVENUE

£ million	Unaudited 6 months ended 31 March 2025 Total revenue	Unaudited 6 months ended 31 March 2025 External revenue	Unaudited 6 months ended 31 March 2024 Total revenue	Unaudited 6 months ended 31 March 2024 External revenue	Audited Year ended 30 September 2024 Total revenue	Audited Year ended 30 September 2024 External revenue
Tobacco & NGP						
Europe	**5,296**	**4,932**	5,487	5,119	12,037	11,260
Americas	**1,592**	**1,592**	1,557	1,557	3,657	3,657
AAACE	**2,721**	**2,721**	3,041	3,041	6,390	6,390
Total Tobacco & NGP	**9,609**	**9,245**	10,085	9,717	22,084	21,307
Distribution	**5,359**	**5,359**	5,347	5,347	11,104	11,104
Eliminations	**(364)**	**–**	(368)	–	(777)	–
Total Group	**14,604**	**14,604**	15,064	15,064	32,411	32,411

The eliminations all relate to Tobacco & NGP sales to Distribution.

TOBACCO & NGP NET REVENUE

£ million	Unaudited 6 months ended 31 March 2025 Tobacco	Unaudited 6 months ended 31 March 2025 NGP	Unaudited 6 months ended 31 March 2025 Total	Unaudited 6 months ended 31 March 2024 Tobacco	Unaudited 6 months ended 31 March 2024 NGP	Unaudited 6 months ended 31 March 2024 Total
Europe	**1,360**	**131**	**1,491**	1,387	116	1,503
Americas	**1,220**	**24**	**1,244**	1,174	15	1,189
AAACE	**924**	**5**	**929**	933	12	945
Total Tobacco & NGP	**3,504**	**160**	**3,664**	3,494	143	3,637

£ million	Audited Year ended 30 September 2024 Tobacco	Audited Year ended 30 September 2024 NGP	Audited Year ended 30 September 2024 Total
Europe	3,106	260	3,366
Americas	2,793	43	2,836
AAACE	1,929	26	1,955
Total Tobacco & NGP	7,828	329	8,157

ADJUSTED OPERATING PROFIT AND RECONCILIATION TO PROFIT BEFORE TAX

£ million	**Unaudited 6 months ended 31 March 2025**	Unaudited 6 months ended 31 March 2024	Audited Year ended 30 September 2024
Tobacco & NGP			
Europe	**630**	629	1,541
Americas	**485**	485	1,235
AAACE	**371**	384	811
Total Tobacco & NGP	**1,486**	1,498	3,587
Distribution	**165**	168	330
Eliminations	**1**	3	(6)
Adjusted operating profit	**1,652**	1,669	3,911
Amortisation and impairment of acquired intangibles - Tobacco & NGP	**(179)**	(171)	(345)
Amortisation of acquired intangibles - Distribution	**(4)**	(4)	(8)
Restructuring costs - Tobacco & NGP	**(6)**	–	–
Structural changes to defined benefit pension schemes - Tobacco & NGP	**(7)**	–	(4)
Operating profit	**1,456**	1,494	3,554
Net finance costs	**(162)**	(354)	(534)
Share of profit of investments accounted for using the equity method	**4**	4	9
Profit before tax	**1,298**	1,144	3,029

4. RESTRUCTURING COSTS AND PROVISIONS

£ million	**Restructuring**	**Employment related claims**	**Other**	**Unaudited 31 March 2025 Total**
At 1 October 2024	**130**	**112**	**69**	**311**
Additional provisions charged to the consolidated income statement	**–**	**7**	**6**	**13**
Amounts used	**(13)**	**(10)**	**(2)**	**(25)**
Unused amounts reversed	**(7)**	**(5)**	**(3)**	**(15)**
Exchange movements	**–**	**3**	**(2)**	**1**
At 31 March 2025	**110**	**107**	**68**	**285**
Current	**20**	**16**	**38**	**74**
Non-Current	**90**	**91**	**30**	**211**
	110	**107**	**68**	**285**

Analysed as:

£ million	**Unaudited 31 March 2025**	Unaudited 31 March 2024	Audited 30 September 2024
Current	**74**	121	89
Non-current	**211**	244	222
	285	365	311

Restructuring provisions relate to our 2021 Strategic Review Programme and other Cost optimisation programmes.

The restructuring provision is split between 2021 Strategic review programme of £49 million (6 months to 31 March 2024: £77 million) and other programmes of £61 million (6 months to 31 March 2024: £78 million).

2021 Strategic Review Programme cash spend for the period was £7 million (6 months to 31 March 2024: £15 million). The cash spend for other programmes was £6 million (6 months to 31 March 2024: £9 million).

During the period the 2030 Strategy programme commenced. This is a multi-year programme that will incur restructuring costs. In the period ended 31 March 2025, although a total of £6 million cash spend was incurred on restructuring activities for this programme, all of these costs were incurred and paid during the period so there is no provision at the interim date.

NOTES TO THE FINANCIAL STATEMENTS *continued*

Employment related claims provisions include £22 million (6 months to 31 March 2024: £25 million) relating to local employment requirements including holiday pay and £22 million (6 months to 31 March 2024: £23 million) of distribution requirements relating to employment and duty. An amount of £63 million (6 months to 31 March 2024: £75 million) has been provided for employment related claims arising from a number of legacy legal disputes. Although the Company continues to appeal a number of these claims, the Group has resolved to engage with certain counterparties where a valid claim has been established. There are uncertainties relating to the estimation and quantification of this provision and amounts may change in the future. The associated provisions are expected to be utilised over the next 2-5 years.

Other provisions include £30 million (6 months to 31 March 2024: £34 million) relating to various local tax or duty requirements, £8 million (6 months to 31 March 2024: £8 million) of market exit provisions and £9 million for factory closure provisions (6 months to 31 March 2024: £27 million).

The provisions are spread throughout the Group and payment will be dependent on local statutory requirements.

Most of the provisions will also be utilised within the next two years, though certain employee-related and restructuring provisions may be required to be held for a period of up to 10 years where they relate to requirements to provide benefits for defined periods of time after an employee leaves employment.

5. RETIREMENT BENEFIT SCHEMES

The Group operates a number of retirement benefit schemes for its employees, including both defined benefit and defined contribution schemes. The Group's three principal schemes are defined benefit schemes. They are Imperial Tobacco Pension (ITPF), Reemtsma Cigarettenfabriken Pension Plan (RCPP) and the ITG Scheme, held by Imperial Tobacco Limited in the UK, Reemtsma Cigarettenfabriken GmbH in Germany and ITG Brands in the USA respectively.

No contributions were paid by the Group into any of the three principal schemes to fund deficits or ongoing accruals in the period to 31 March 2025.

DEFINED BENEFIT PLAN ASSETS AND LIABILITIES RECOGNISED IN THE CONSOLIDATED BALANCE SHEET

£ million	**Unaudited 31 March 2025**	Unaudited 31 March 2024	Audited 30 September 2024
Retirement benefit assets	**361**	361	376
Retirement benefit liabilities	**(792)**	(827)	(819)
Net retirement benefit liabilities	**(431)**	(466)	(443)

The movement in the net retirement benefit is mainly from actuarial gains and losses on the Group's pension assets and liabilities. The actuarial gains and losses were from the changes in principal actuarial assumptions on the Group schemes and asset losses in the three principal schemes over the period.

KEY FIGURES AND ASSUMPTIONS USED FOR MAJOR PLANS

	Unaudited 31 March 2025			Unaudited 31 March 2024		
£ million unless otherwise stated	**ITPF**	**RCPP**	**ITG Scheme**	ITPF	RCPP	ITG Scheme
Defined benefit obligation	**1,977**	**499**	**230**	2,250	534	313
Fair value of scheme assets	**(2,267)**	**–**	**(261)**	(2,536)	–	(338)
Net defined benefit (asset)/liability	**(290)**	**499**	**(31)**	(286)	534	(25)
Principal actuarial assumptions used (% per annum)						
Discount rate	**5.7**	**3.8**	**5.3**	4.9	3.4	5.1
Future salary increases	**n/a**	**3.1**	**n/a**	n/a	3.3	n/a
Future pension increases	**3.2**	**2.1**	**n/a**	3.2	2.2	n/a
Inflation	**3.1**	**2.1**	**2.3**	3.2	2.2	2.3

NOTES TO THE FINANCIAL STATEMENTS *continued*

£ million unless otherwise stated	Audited 30 September 2024 ITPF	RCPP	ITG Scheme
Defined benefit obligation	2,157	524	235
Fair value of scheme assets	(2,459)	–	(264)
Net defined benefit (asset)/liability	(302)	524	(29)
Principal actuarial assumptions used (% per annum)			
Discount rate	5.1	3.4	4.8
Future salary increases	n/a	3.1	n/a
Future pension increases	3.2	2.0	n/a
Inflation	3.1	2.0	2.3

6. SHARE CAPITAL

	Unaudited		Unaudited		Audited	
	31 March 2025		31 March 2024		30 September 2024	
	Ordinary shares 10p each		Ordinary shares 10p each		Ordinary shares 10p each	
	Number	**£ million**	Number	£ million	Number	£ million
Authorised, issued and fully paid						
1 October	**914,502,882**	**91**	968,590,194	97	968,590,194	97
Shares cancelled	**(23,562,841)**	**(2)**	(33,421,856)	(3)	(54,087,312)	(6)
Closing period	**890,940,041**	**89**	935,168,338	94	914,502,882	91

On 5 October 2023, the Board approved a £1,100 million share buyback programme in order to return capital to shareholders. Pursuant to the completion of this programme, the Group purchased 3,565,595 shares for a cost of £80 million in the period from 1 October 2024 to 29 October 2024.

On 8 October 2024, the Board approved a £1,250 million share buyback programme in order to return capital to shareholders, which is expected to be completed no later than 29 October 2025. On 30 October 2024 it was announced that in order to execute the first tranche of this buyback, the Group had entered into an irrevocable and non-discretionary arrangement with its broker Morgan Stanley & Co. International Plc ("Morgan Stanley") to buy back up to £625 million of its shares, commencing from 30 October 2024 and expected to end no later than 29 April 2025. In the period from 30 October 2024 to 31 March 2025 19,997,246 shares have been bought back and cancelled at a cost of £524 million, as part of the first tranche of the new buyback programme.

Upon completion of the purchases, all shares were cancelled and transferred to the capital redemption reserve. As at 31 March 2025, the Group has recognised a liability of £101 million for the remaining shares to be purchased. The total stamp duty costs were £3 million and the fees charged for the share repurchases were £1 million. For the half year ended 31 March 2025 the amounts recognised in the share premium and capital redemption reserves were £5,833 million (30 September 2024: £5,833 million) and £18 million (30 September 2024: £16 million) respectively.

7. TAX

PILLAR TWO

In December 2021, the OECD issued model rules for a new global minimum tax framework (Pillar Two), applicable for multinational enterprise groups with global revenue over €750 million. The legislation implementing the rules in the UK was substantively enacted on 20 June 2023 and will apply to the Group for the financial year ending 30 September 2025.

The Group has applied the mandatory exception under IAS 12 in relation to the accounting for deferred tax assets and liabilities arising from the implementation of the Pillar Two model rules.

The Group has not recorded any significant exposure to Pillar Two income taxes in those jurisdictions where the minimum tax requirement is not met, based on the forecast data. The Group is continuing to review this legislation and monitors the status of implementation of the model rules outside of the UK to assess the potential impact.

UNCERTAIN TAX POSITIONS

As an international business the Group is exposed to uncertain tax positions and changes in legislation in the jurisdictions in which it operates. The Group's uncertain tax positions principally include cross-border transfer pricing, interpretation of new or complex tax legislation and tax arising on the valuation of assets. The assessment of uncertain tax positions is subjective and significant management judgement is required. This judgement is based on current interpretation of legislation, management experience and professional advice. Until matters are finally concluded it is possible that amounts ultimately paid will be different from the amounts provided.

Management have assessed the Group's provision for uncertain tax positions and have concluded that apart from the matters referred to below, the provisions in place are not material individually or in aggregate, and that a reasonably possible change in the next financial year would not have a material impact to the results of the Group.

FRENCH TAX LITIGATION

The Group has an ongoing challenge from the French tax authorities, which is in litigation, and could lead to total liabilities of £254 million including tax, interest, and penalties. The challenge concerns the valuation placed on the shares of Altadis Distribution France (now known as Logista France) following an intragroup transfer of shares in October 2012 and the tax consequences flowing from a potentially higher value that is argued for by the tax authorities. In May 2023 the Administrative Tribunal of Montreuil issued its decision, ruling in favour of the French tax authorities. As a result, all associated liabilities including tax, interest and penalties were paid within 30 September 2024 and 31 March 2025 periods. In March 2025, the group was then successful in its appeal to the Administrative Court of Appeal of Paris. Accordingly, a receivable for a refund of the total amount paid has been booked of £254 million (including tax, interest and penalties). Despite the favourable decision for Imperial at the Court of Appeal, our assessment of the potential Supreme Court outcome remains unchanged, and the original provision of £180 million is retained (30 September 2024 provision of £111 million, comprising the original provision of £180 million less £64 million payments and FX adjustments).

STATE AID UK CFC

In April 2019, the EU Commission's final decision regarding its investigation into the UK's Controlled Foreign Company regime was published. It concluded that the legislation up until December 2018 partially represented state aid. The UK Government (along with a number of UK corporates, that made a similar application) appealed to the European Court seeking annulment of the EU Commission's decision. Based, however, on the Commission's decision and despite the appeals, the UK Government was obliged to recover the purported state aid received. In June 2022 the European General Court rejected the appeals, resulting in a subsequent appeal to the CJEU in January 2024. The CJEU handed down its decision on 19th September 2024, annulling the EU Commission decision and setting aside the judgment of the General Court, ruling that the taxation of controlled foreign companies (CFCs) regime did not constitute State Aid. During the 31 March 2025 period the group received a refund for c.£101 million state aid and c.£9 million of interest previously paid for which a receivable was recognised in the 30 September 2024 period, together with additional interest received of c.£9 million.

TRANSFER PRICING

The Group has been subject to tax audits relating to transfer pricing matters in several jurisdictions, principally UK, France and Germany. The Group holds a provision of £258 million excluding offsetting assets (30 September 2024: £245 million excluding offsetting assets) in respect of these items. In December 2021 the Group concluded a transfer pricing audit with the French tax authorities. In September 2022 the Group concluded transfer pricing audits with the UK and German tax authorities. Settlements of the French and UK audits were made during 2022. Settlement of the German audit was made during 2023. In September 2023 an additional separate transfer pricing audit was opened by the German tax authorities. Due to regulations introduced in Germany within 30 September 2024 period which could be considered to be merely of a clarifying nature rather than any new principle, the Group maintained a provision of £156 million considering the range of potential outcomes and the balance of probabilities associated with each potential outcome, the maximum potential exposure being £213 million. The Group believes the total transfer pricing provision held above appropriately provides for this and other transfer pricing issues.

8. DIVIDENDS

DISTRIBUTIONS PAID TO ORDINARY EQUITY HOLDERS WITHIN EACH FINANCIAL YEAR

	Pence per share			£ million		
	Unaudited 2025	Audited 2024	Audited 2023	**Unaudited 2025**	Audited 2024	Audited 2023
Cash:						
December	**54.26**	51.82	49.31	**455**	461	464
March	**54.26**	51.82	49.32	**451**	453	457
June	**–**	22.45	21.59	**–**	193	196
September	**–**	22.45	21.59	**–**	192	195
Total	**108.52**	148.54	141.81	**906**	1,299	1,312

The declared interim dividend for 2025 amounts to £661 million based on the number of shares ranking for dividend at 31 March 2025 at 40.08 pence per share each. This will be paid in two stages, one in June 2025 and one in September 2025.

The interim dividend in December 2025 and final dividend in March 2026 will be announced in November 2025 as part of the year end results.

The dividend paid during the half year to 31 March 2025 is £906 million (31 March 2024: £914 million).

NOTES TO THE FINANCIAL STATEMENTS *continued*

9. EARNINGS PER SHARE

£ million	**Unaudited 6 months ended 31 March 2025**	Unaudited 6 months ended 31 March 2024	Audited Year ended 30 September 2024
Earnings: basic and diluted - attributable to owners of the Parent Company	**808**	846	2,613

Millions of shares			
Weighted average number of shares:			
Shares for basic earnings per share	**835.2**	881.7	869.0
Potentially dilutive share options	**5.0**	3.4	4.9
Shares for diluted earnings per share	**840.2**	885.1	873.9

Pence			
Basic earnings per share	**96.7**	96.0	300.7
Diluted earnings per share	**96.2**	95.6	299.0

The weighted average number of shares at 31 March 2025 has reduced over and above prior period ends due to the current share buyback programme.

10. NET DEBT

The movements in cash and cash equivalents, borrowings, and derivative financial instruments in the period were as follows:

£ million	**Current borrowings**	**Lease liabilities**	**Non-current borrowings**	**Derivative financial instruments**	**Liabilities from financing activities**	**Cash and cash equivalents**	**Total** (**Unaudited**)
At 1 October 2024	**(1,191)**	**(386)**	**(7,506)**	**(335)**	**(9,418)**	**1,078**	**(8,340)**
Reallocation of current borrowings from non-current borrowings	**(553)**	**–**	**553**	**–**	**–**	**–**	**–**
Cash flow	**(986)**	**55**	**(667)**	**(20)**	**(1,618)**	**(493)**	**(2,111)**
Change in accrued interest	**10**	**(7)**	**11**	**5**	**19**	**–**	**19**
Change in fair values	**–**	**–**	**–**	**8**	**8**	**–**	**8**
New leases, terminations and modifications	**–**	**(52)**	**–**	**–**	**(52)**	**–**	**(52)**
Exchange movements	**(46)**	**(4)**	**(126)**	**167**	**(9)**	**14**	**5**
At 31 March 2025	**(2,766)**	**(394)**	**(7,735)**	**(175)**	**(11,070)**	**599**	**(10,471)**

£ million	Current borrowings	Lease liabilities	Non-current borrowings	Derivative financial instruments	Liabilities from financing activities	Cash and cash equivalents	Total (Unaudited)
At 1 October 2023	(1,499)	(349)	(7,882)	(53)	(9,783)	1,345	(8,438)
Reallocation of current borrowings from non-current borrowings	(437)	–	437	–	–	–	–
Cash flow	(1,566)	52	1	69	(1,444)	(638)	(2,082)
Change in accrued interest	29	(6)	20	12	55	–	55
Change in fair values	–	–	–	(126)	(126)	–	(126)
New leases, terminations and modifications	–	(75)	–	–	(75)	–	(75)
Exchange movements	52	3	151	(86)	120	(39)	81
At 31 March 2024	(3,421)	(375)	(7,273)	(184)	(11,253)	668	(10,585)

Average reported net debt during the period was £10,298 million (31 March 2024: £10,319 million). In the period, an €800 million bond was issued on 12 February 2025. This has been recognised as a cash flow within non-current borrowings. In addition, a €500 million bond was repaid on 27 January 2025. This has been recognised as a cash flow within the £986 million non-current borrowings together with a £1,420 million increase in short term borrowings for short-term working capital requirements.

NOTES TO THE FINANCIAL STATEMENTS *continued*

11. FINANCIAL INSTRUMENTS

The table below sets out the Group's accounting classification of each class of financial assets and liabilities:

						Unaudited 31 March 2025
£ million	**Fair value through income statement**	**Fair value through other comprehensive income**	**Assets and liabilities at amortised cost**	**Total**	**Current**	**Non-Current**
Trade and other receivables	**–**	**–**	**2,227**	**2,227**	**2,194**	**33**
Cash and cash equivalents	**–**	**–**	**599**	**599**	**599**	**–**
Derivatives	**379**	**93**	**–**	**472**	**142**	**330**
Total financial assets	**379**	**93**	**2,826**	**3,298**	**2,935**	**363**
Borrowings	**–**	**–**	**(10,501)**	**(10,501)**	**(2,766)**	**(7,735)**
Trade and other payables	**–**	**–**	**(7,576)**	**(7,576)**	**(7,576)**	**–**
Derivatives	**(564)**	**(83)**	**–**	**(647)**	**(131)**	**(516)**
Lease liabilities	**–**	**–**	**(394)**	**(394)**	**(86)**	**(308)**
Total financial liabilities	**(564)**	**(83)**	**(18,471)**	**(19,118)**	**(10,559)**	**(8,559)**
Total net financial (liabilities) / assets	**(185)**	**10**	**(15,645)**	**(15,820)**	**(7,624)**	**(8,196)**

						Unaudited 31 March 2024
£ million	Fair value through income statement	Fair value through other comprehensive income	Assets and liabilities at amortised cost	Total	Current	Non-Current
Trade and other receivables	–	–	2,313	2,313	2,291	22
Cash and cash equivalents	–	–	668	668	668	–
Derivatives	609	54	–	663	158	505
Total financial assets	609	54	2,981	3,644	3,117	527
Borrowings	–	–	(10,694)	(10,694)	(3,421)	(7,273)
Trade and other payables	–	–	(7,853)	(7,853)	(7,853)	–
Derivatives	(742)	(105)	–	(847)	(138)	(709)
Lease liabilities	–	–	(375)	(375)	(84)	(291)
Total financial liabilities	(742)	(105)	(18,922)	(19,769)	(11,496)	(8,273)
Total net financial liabilities	(133)	(51)	(15,941)	(16,125)	(8,379)	(7,746)

						Audited 30 September 2024
£ million	Fair value through income statement	Fair value through other comprehensive income	Assets and liabilities at amortised cost	Total	Current	Non-Current
Trade and other receivables	–	–	2,524	2,524	2,487	37
Cash and cash equivalents	–	–	1,078	1,078	1,078	–
Derivatives	356	118	–	474	144	330
Total financial assets	356	118	3,602	4,076	3,709	367
Borrowings	–	–	(8,697)	(8,697)	(1,191)	(7,506)
Trade and other payables	–	–	(8,659)	(8,659)	(8,659)	–
Derivatives	(733)	(76)	–	(809)	(187)	(622)
Lease liabilities	–	–	(386)	(386)	(86)	(300)
Total financial liabilities	(733)	(76)	(17,742)	(18,551)	(10,123)	(8,428)
Total net financial (liabilities) / assets	(377)	42	(14,140)	(14,475)	(6,414)	(8,061)

NOTES TO THE FINANCIAL STATEMENTS *continued*

Derivatives classified as fair value through other comprehensive income relate to cross currency swaps and foreign exchange swaps designated as hedges of foreign currency denominated net investments. The Group only designates the undiscounted foreign exchange spot element of these derivative instruments and therefore changes in fair value related to this element are posted to other comprehensive income. Changes in the fair value of these derivative instruments attributable to changes in interest rates and the effect of discounting are recognised in the income statement. The Group also designates certain external borrowings as hedges of foreign currency denominated net investments and the foreign exchange revaluation of those borrowings is recognised in other comprehensive income. The carrying value at 31 March 2025 of those borrowings included in the above table is £5,686 million (31 March 2024: £6,067 million, 30 September 2024: £4,639 million). All of the Group's net investment hedges remain effective.

The Group's derivative financial instruments which are held at fair value, are as follows.

£ million	**Unaudited 31 March 2025**	Unaudited 31 March 2024	Audited 30 September 2024
Assets			
Interest rate swaps	**319**	488	305
Forward foreign currency contracts	**4**	1	1
Cross-currency swaps	**149**	174	168
Total carrying value of derivative financial assets	**472**	663	474
Liabilities			
Interest rate swaps	**(367)**	(548)	(419)
Forward foreign currency contracts	**(2)**	(6)	(4)
Cross-currency swaps	**(278)**	(293)	(386)
Total carrying value of derivative financial liabilities	**(647)**	(847)	(809)
Total carrying value of derivative financial instruments	**(175)**	(184)	(335)
Analysed as:			
Interest rate swaps	**(48)**	(60)	(114)
Forward foreign currency contracts	**2**	(5)	(3)
Cross-currency swaps	**(129)**	(119)	(218)
Total carrying value of derivative financial instruments	**(175)**	(184)	(335)

All financial assets and liabilities are carried on the balance sheet at amortised cost, other than derivative financial instruments which are carried at fair value. Derivative fair values are determined based on observable market data such as yield curves, foreign exchange rates and credit default swap prices to calculate the present value of future cash flows associated with each derivative at the balance sheet date (Level 2 classification hierarchy per IFRS 7). Market data is sourced from a reputable financial data provider and valuations are validated by reference to counterparty valuations where appropriate. Some of the Group's derivative financial instruments contain early termination options and these have been considered when assessing the element of the fair value related to credit risk. On this basis the reduction in reported net derivative liabilities due to credit risk is £6 million (31 March 2024: £7 million) and would have been an £8 million (31 March 2024: £9 million) reduction without considering the early termination options. There were no changes to the valuation methods or transfers between hierarchies during the year. With the exception of capital market issuance, the fair value of all financial assets and financial liabilities is considered approximate to their carrying amount. The fair value of borrowings as at 31 March 2025 is estimated to be £10,350 million (31 March 2024: £10,465 million, 30 September 2024 £8,567 million). £9,192 million (31 March 2024: £8,619 million, 30 September 2024: £8,533 million) relates to capital market issuance and has been determined by reference to market prices as at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS *continued*

12. CONTINGENT LIABILITIES

The following summary includes updates to matters that have developed since the 2024 Annual Report and Accounts.

USA STATE SETTLEMENT AGREEMENTS

In November 1998, the major United States cigarette manufacturers, including Reynolds and Philip Morris, entered into the Master Settlement Agreement ("MSA") with 52 US states and territories and possessions. These cigarette manufacturers previously settled four other cases, brought by Mississippi, Florida, Texas and Minnesota, by separate agreements with each state (collectively with the MSA, the "State Settlement Agreements", with Mississippi, Florida, Texas and Minnesota known collectively as the "Previously Settled States"). ITG Brands (ITGB) is a party to the MSA and to the Mississippi, Minnesota, and Texas State Settlement Agreements.

In connection with its 12 June 2015 acquisition of four cigarette brands (Winston, Salem, Kool and Maverick, referred to as the "Acquired Brands") from Reynolds and Lorillard, ITGB has been involved in litigation and other disputes with the Previously Settled States, Philip Morris, and Reynolds in their state courts.

DELAWARE

ITGB is involved in litigation with Reynolds in the Delaware court that has jurisdiction over disputes under the Asset Purchase Agreement (APA) for the Acquired Brands. The current case in progress involves Reynolds' claim to indemnity for Florida settlement payments. The issue in this case is whether ITGB has satisfied its obligations to use "reasonable best efforts" to join the settlement with Florida under the APA and whether regardless of that "reasonable best efforts" requirement ITGB is required to indemnify Reynolds for amounts the Florida Court has required Reynolds to pay.

Following the Court's earlier opinion on liability which found against ITGB, the Court held a hearing on damages on 8-9 July 2024. The Court issued an opinion on 3 March 2025 on the matter of damages, finding in favour of Reynolds except with regard to its claim for attorney's fees. A final order reflecting the Court's opinions was issued on 9 April 2025. Damages include US$276 million through 2024, plus accrued interest of US$94 million (continuing to accrue at US$36 million annually), and future annual perpetual payments of up to US$28 million. Following this order ITGB has the right to appeal to the Delaware Supreme Court.

ITGB continues to deny that indemnity is appropriate and provided a notice of appeal to the Court on 8 May 2025 to initiate the appeal both on the question of liability and on the calculation of damages. ITGB contends that Reynolds' damages should be substantially reduced by the amount by which Reynolds' settlement payments have been reduced through operation of the "profit adjustment" by reason of ITGB not becoming a party to the Florida settlement as well as by reason of Reynolds' and third-parties' conduct. On 31 October 2023 Philip Morris USA moved to intervene in the damages determination on the theory that any profit adjustment gain belongs to Philip Morris, not ITGB or Reynolds. On 1 April 2024 the court denied intervention. Phillip Morris has subsequently appealed this matter.

OVERALL SUMMARY OF LIABILITY POSITION ASSOCIATED WITH USA STATE SETTLEMENT AGREEMENTS

The Group considers that it has a strong position on pending claims related to the Acquired Brands and the Group therefore considers that no provision is required for these matters.

PRODUCT LIABILITY INVESTIGATIONS

The Group is currently involved in a number of legal cases in which claimants are seeking damages for alleged smoking and health related effects. In the opinion of the Group's lawyers, the Group has meritorious defences to these actions, all of which are being vigorously contested. Although it is not possible to predict the outcome of the pending litigation, the Directors believe that the pending actions will not have a material adverse effect upon the results of the operations, cash flow or financial condition of the Group. This assessment of the probability of economic outflows is a judgement which has been taken by management. Consequently, the Group has not provided for any amounts in respect of these cases in the financial statements. There have been no material updates to matters in any product liability investigations in the period since the 2024 Annual Report and Accounts.

NOTES TO THE FINANCIAL STATEMENTS *continued*

13. POST BALANCE SHEET EVENTS

FRENCH TAX LITIGATION

In relation to the French Tax Litigation uncertain tax position that is discussed in Note 7, refunds of tax, interest and penalties totalling €301 million were received from the French tax authorities during the period 11 April 2025 to 6 May 2025. Subsequent to receipt, these amounts will be recorded against the related £254 million tax receivable that was recognised as at 31 March 2025.

The receipt of these refunds is a non-adjusting post-balance sheet event and does not change the accounting position as at 31 March 2025.

14. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. No related party transactions have taken place in the 6 months ended 31 March 2025 (6 months to 31 March 2024: none) that have materially affected the financial position or performance of the group during that period.

SUPPLEMENTARY INFORMATION

ALTERNATIVE PERFORMANCE MEASURES

USE OF ALTERNATIVE PERFORMANCE MEASURES

Management believes that non-GAAP or alternative performance measures provide an important comparison of business performance and reflect the way in which the business is controlled. The alternative performance measures seek to remove the distorting effects of a number of significant gains or losses arising from transactions which are not directly related to the ongoing underlying performance of the business and may be non-recurring events or not directly within the control of management.

Accordingly, alternative performance measures exclude, where applicable, amortisation and impairment of acquired intangibles, restructuring costs, fair value adjustment and impairment of other financial assets, structural changes to defined benefit pension schemes, fair value and exchange gains and losses on financial instruments, post-employment benefits net financing cost, and related tax effects and tax matters. Other significant gains or losses which are not representative of the underlying business may also be treated as adjusting items where there is appropriate justification. The alternative performance measures in this report are not defined terms under IFRS and may not be comparable with similarly titled measures reported by other companies. The alternative performance measures that are used by the Group are defined and reconciled back to the associated IFRS metrics as detailed below.

SUMMARY OF KEY ADJUSTING ITEMS

The items excluded from adjusted performance results are those which are one-off in nature or items which arose due to acquisitions and are not influenced by the day-to-day operations of the Group, and the movements in the fair value of financial instruments which are marked to market and not naturally offset. Adjusted net finance costs also excludes all post-employment benefit net finance costs since pension assets and liabilities and redundancy and social plan provisions do not form part of adjusted net debt. This allows comparison of the Group's cost of debt with adjusted net debt. The adjusted performance measures are used by management to assess the Group's financial performance and aid comparability of results year on year.

CONSOLIDATED INCOME STATEMENT ADJUSTING ITEMS

The following tables summarise the key items recognised within the consolidated income statement that have been treated as adjusting items:

Adjusting items recognised within administrative and other expenses

£ million	**Unaudited 6 months ended 31 March 2025**	Unaudited 6 months ended 31 March 2024	Audited Year ended 30 September 2024
Amortisation and impairment of acquired intangibles	**(183)**	(175)	(353)
Restructuring costs	**(6)**	–	–
Structural changes to defined benefit pension schemes	**(7)**	–	(4)
Total adjusting administrative and other expenses	**(196)**	(175)	(357)
Total non-adjusting administrative and other expenses	**(280)**	(249)	(485)
Administrative and other expenses	**(476)**	(424)	(842)

AMORTISATION AND IMPAIRMENT OF ACQUIRED INTANGIBLES

Acquired intangibles are amortised over their estimated useful economic lives where these are considered to be finite. Acquired intangibles considered to have an indefinite life are not amortised. Any negative goodwill arising is recognised immediately in the income statement. The Group excludes from its adjusted performance measures the amortisation and impairment of acquired intangibles, other than software and internally generated intangibles, and the deferred tax associated with amortisation of acquired intangibles.

It is recognised that there may be some correlation between the amortisation charges derived from the acquisition value of acquired intangibles, and the subsequent future profit streams arising from sales of associated branded products. However, the amortisation of intangibles is not directly related to the operating performance of the business. Conversely, the level of profitability of branded products is directly influenced by day-to-day commercial actions, with variations in the level of profit derived from branded product sales acting as a clear indicator of performance. Given this, the Group's view is that amortisation and impairment charges do not clearly correlate to the ongoing variations in the commercial results of the business and are therefore excluded to allow a clearer view of the underlying performance of the organisation. The deferred tax arising on intangibles which are either being amortised or are fully amortised is excluded on the basis that amortisation of intangibles is not directly related to the operating performance of the business. The related current cash tax benefit is retained in the adjusted measure to reflect the ongoing tax benefit to the Group.

Total amortisation and impairment for the period is £208 million (31 March 2024: £195 million, 30 September 2024: £399 million) of which £183 million (31 March 2024: £175 million, 30 September 2024: £353 million) relates to acquired intangibles and is adjusting and £25 million (31 March 2024: £20 million, 30 September 2024: £46 million) relates to internally generated intangibles and is non adjusting. In the period to 31 March 2025 adjusting items all relate to amortisation; £179 million (31 March 2024: £171 million, 30 September 2024: £345 million) is attributable to Tobacco & NGP and £4 million (31 March 2024: £4 million, 30 September 2024: £8 million) is attributable to Distribution.

RESTRUCTURING COSTS

Significant one-off costs incurred in integrating acquired businesses and in major rationalisation and optimisation initiatives together with their related tax effects are excluded from our adjusted earnings measures. These include restructuring costs incurred as part of fundamental multi-year transformational change projects but do not include costs related to ongoing cost reduction activity. These costs are all Board approved, and can include impairment of property, plant and equipment which are surplus to requirements due to restructuring activity. These costs are required in order to address structural issues associated with operating within the Tobacco sector that have required action to both modernise and right-size the organisation, ultimately delivering an operating model suitable for the future of the business. The Group's view is that as these costs are both significant and one-off in nature, excluding them allows a clearer presentation of the underlying costs of the business. Restructuring costs relating to the 2030 Strategy programme have been recognised in the period ending 31 March 2025. Further costs related to this programme are expected to be incurred in subsequent reporting periods and will also be treated as adjusting items.

STRUCTURAL CHANGES TO DEFINED BENEFIT PENSION SCHEMES

These are non-recurring pension scheme restructuring costs. A charge of £7 million has been incurred in the current period in relation to settlement of active member accrued defined benefits in Ireland and Australia. Current active members of both schemes have transferred their accrued defined benefit entitlements to their own defined contribution funds and now participate in the defined contribution schemes that are in operation for all other colleagues in those markets.

For the year ending September 2024, this relates to £6 million of costs following a tax legal ruling that became applicable in relation to the closure of a defined benefit retirement scheme in the UK during the prior year, £4 million of settlement losses in relation to a lump sum offered to deferred members of a defined benefit retirement scheme in Ireland, and £6 million of settlement gains following the partial buy-out of some of the pensioner and dependent population of defined benefit retirement schemes in the USA.

Adjusting items recognised within share of profit of investments accounted for using the equity method

£ million	**Unaudited 6 months ended 31 March 2025**	Unaudited 6 months ended 31 March 2024	Audited Year ended 30 September 2024
Share of profit of investments accounted for using the equity method	**4**	4	9

Adjusting items recognised within tax

£ million	**Unaudited 6 months ended 31 March 2025**	Unaudited 6 months ended 31 March 2024	Audited Year ended 30 September 2024
Deferred tax on amortisation of acquired intangibles	**5**	4	–
Tax on charges relating to legal provisions	**–**	–	2
Tax on net foreign exchange and fair value losses and gains on financial instruments	**(43)**	98	224
Tax on post-employment benefits net financing costs	**2**	2	5
Tax on structural changes to defined benefit pension schemes	**1**	–	–
Tax on interest settlements	**–**	–	(1)
Recognition and utilisation of deferred tax assets	**(35)**	–	293
Provision for state aid tax recoverable	**–**	–	101
Uncertain tax positions	**–**	5	(164)
Prior year adjustments	**–**	–	57
Other non-adjusting taxation charges	**(342)**	(338)	(799)
Reported tax	**(412)**	(229)	(282)

TAX ADJUSTMENTS RELATED TO OTHER PRE TAX ADJUSTING ITEMS

The adjusted tax charge has been calculated to include the tax effects of a number of pre-tax adjusting items including the amortisation of acquired intangibles, net foreign exchange gains and losses, fair value movements on financial instruments, restructuring costs and post-employment benefits net financing cost.

SIGNFICANT ONE-OFF TAX CHARGES OR CREDITS

The adjusted tax charge also excludes significant one-off tax charges or credits arising from:

- prior period tax items (including re-measurement of deferred tax balances on a change in tax rates); or
- a provision for uncertain tax items not arising in the normal course of business; or
- newly enacted taxes in the year; or
- tax items that are closely related to previously recognised tax matters, and are excluded from our adjusted tax charge to aid comparability and understanding of the Group's performance.

The recognition and utilisation of deferred tax assets relating to tax losses and tax credits not historically generated in the normal course of business are excluded on the same basis.

RECOGNITION AND UTILISATION OF DEFERRED TAX ASSETS

The recognition and utilisation of deferred tax assets relating to tax losses and tax credits not historically generated in the normal course of business are excluded on the same basis.

Significant one-off tax charges or credits arising from prior period items, and arising due to a change of facts and circumstances in the current year, are excluded from the adjusted tax charge. The utilisation of previously recognised Deferred Tax Assets which, upon recognition, were excluded from the adjusted tax charge, are similarly excluded.

PROVISION FOR STATE AID RECOVERABLE

Significant one-off tax charges or credits arising from prior period items are excluded from the adjusted tax charge. The receivable booked for the state aid tax recoverable in the period 30 September 2024 was refunded in full during the period 31 March 2025.

UNCERTAIN TAX POSITIONS

Significant one-off tax charges or credits arising from a provision for uncertain tax items not arising in the normal course of business are excluded from the adjusted tax charge.

DEFINITIONS AND RECONCILIATIONS OF ALTERNATIVE PERFORMANCE MEASURES

A) TOBACCO & NGP NET REVENUE

Tobacco & Next Generation Products (NGP) net revenue comprises associated revenue less duty and similar items, excluding peripheral products. Management considers this an important measure in assessing the performance of Tobacco & NGP operations.

The Group recognises revenue on sales to Logista, a Group company, within its reported Tobacco & NGP revenue figure. As the revenue calculation includes sales made to Logista from other Group companies but excludes Logista's external sales, this metric differs from revenue calculated under IFRS accounting standards. For the purposes of alternative performance measures on net revenue the Group treat Logista as an arm's length distributor on the basis that contractual rights are in line with other Third Party suppliers to Logista. Variations in the amount of inventory held by Logista results in a different level of revenue compared to that which is included within the income statement. For tobacco product sales, inventory level variations are normally not significant.

RECONCILIATION FROM TOBACCO & NGP REVENUE TO TOBACCO & NGP NET REVENUE

			Unaudited			Unaudited
			31 March 2025			31 March 2024
£ million	**Tobacco**	**NGP**	**Total**	Tobacco	NGP	Total
Revenue	**9,422**	**187**	**9,609**	9,922	163	10,085
Duty and similar items	**(5,916)**	**(27)**	**(5,943)**	(6,427)	(20)	(6,447)
Sales of peripheral products	**(2)**	**–**	**(2)**	(1)	–	(1)
Net revenue	**3,504**	**160**	**3,664**	3,494	143	3,637

			Audited
			30 September 2024
£ million	Tobacco	NGP	Total
Revenue	21,708	376	22,084
Duty and similar items	(13,877)	(47)	(13,924)
Sales of peripheral products	(3)	–	(3)
Net revenue	7,828	329	8,157

B) DISTRIBUTION GROSS PROFIT

Distribution gross profit comprises the Distribution segment revenue less the cost of distributed products. Management considers this an important measure in assessing the performance of Distribution operations.

RECONCILIATION FROM DISTRIBUTION REVENUE TO DISTRIBUTION GROSS PROFIT

£ million	**Unaudited 6 months ended 31 March 2025**	Unaudited 6 months ended 31 March 2024	Audited Year ended 30 September 2024
Distribution revenue	**5,359**	5,347	11,104
Distribution cost of sales	**(4,595)**	(4,600)	(9,601)
Distribution gross profit	**764**	747	1,503

C) ADJUSTED OPERATING PROFIT

Adjusted operating profit is calculated as operating profit amended for a number of adjustments, the principal changes are detailed below. This measure is separately calculated and disclosed for Tobacco, NGP and Distribution where appropriate.

RECONCILIATION FROM PROFIT BEFORE TAX TO ADJUSTED OPERATING PROFIT

£ million	**Unaudited 6 months ended 31 March 2025**	Unaudited 6 months ended 31 March 2024	Audited Year ended 30 September 2024
Profit before tax	**1,298**	1,144	3,029
Net finance costs	**162**	354	534
Share of profit of investments accounted for using the equity method	**(4)**	(4)	(9)
Operating profit	**1,456**	1,494	3,554
Amortisation and impairment of acquired intangibles	**183**	175	353
Restructuring costs	**6**	–	–
Structural changes to defined benefit pension schemes	**7**	–	4
Total adjustments	**196**	175	357
Adjusted operating profit	**1,652**	1,669	3,911

RECONCILIATION FROM TOBACCO & NGP OPERATING PROFIT TO ADJUSTED OPERATING PROFIT

			Unaudited 31 March 2025			Unaudited 31 March 2024
£ million	Tobacco	NGP	Total	Tobacco	NGP	Total
Operating profit / (loss)	**1,356**	**(62)**	**1,294**	1,381	(54)	1,327
Amortisation and impairment of acquired intangibles	**160**	**19**	**179**	167	4	171
Restructuring costs	**6**	**–**	**6**	–	–	–
Structural changes to defined benefit pension schemes	**7**	**–**	**7**	–	–	–
Adjusted operating profit / (loss)	**1,529**	**(43)**	**1,486**	1,548	(50)	1,498

			Audited 30 September 2024
£ million	Tobacco	NGP	Total
Operating profit / (loss)	3,321	(83)	3,238
Amortisation and impairment of acquired intangibles	341	4	345
Structural changes to defined benefit pension schemes	4	–	4
Adjusted operating profit / (loss)	3,666	(79)	3,587

RECONCILIATION FROM DISTRIBUTION OPERATING PROFIT TO DISTRIBUTION ADJUSTED OPERATING PROFIT

£ million	**Unaudited 6 months ended 31 March 2025**	Unaudited 6 months ended 31 March 2024	Audited Year ended 30 September 2024
Distribution operating profit	**161**	164	322
Amortisation of acquired intangibles	**4**	4	8
Distribution adjusted operating profit	**165**	168	330

D) ADJUSTED OPERATING PROFIT MARGIN

Adjusted operating profit margin is adjusted operating profit divided by net revenue expressed as a percentage. This measure is separately calculated and disclosed for the Tobacco & NGP and Distribution businesses where appropriate. There is no reconciliation required for this metric.

E) ADJUSTED NET FINANCE COSTS

Adjusted net finance costs excludes the movements in the fair value of financial instruments which are marked to market and not naturally offset. This measure also excludes all post-employment benefit net finance costs since pension assets and liabilities and redundancy and social plan provisions do not form part of adjusted net debt. This allows comparison of the Group's cost of debt with adjusted net debt.

IFRS 9 requires that all derivative financial instruments are recognised in the consolidated balance sheet at fair value, with changes in the fair value being recognised in the consolidated income statement unless the instrument satisfies the hedge accounting rules under IFRS and the Group chooses to designate the derivative financial instrument as a hedge.

The Group hedges underlying exposures in an efficient, commercial and structured manner. However, the strict hedging requirements of IFRS 9 may lead to some commercially effective hedge positions not qualifying for hedge accounting. As a result, and as permitted under IFRS 9, the Group has decided not to apply cash flow or fair value hedge accounting for its derivative financial instruments. However, the Group does apply net investment hedging, designating certain borrowings and derivatives as hedges of the net investment in the Group's foreign operations, as permitted by IFRS 9, in order to reduce income statement volatility.

The Group excludes fair value gains and losses on derivative financial instruments and exchange gains and losses on borrowings from adjusted net finance costs. Fair value gains and losses on the interest element of derivative financial instruments are excluded as there is no direct natural offset between the movements on derivatives and the interest charge on debt in any one period, as the derivatives and debt instruments may be contracted over different periods, although they will reverse over time or are matched in future periods by interest charges. The fair value gains on derivatives are excluded as they can introduce volatility in the finance charge for any given period.

Fair value gains and losses on the currency element of derivative financial instruments and exchange gains and losses on borrowings are excluded as the relevant foreign exchange gains and losses on the instruments in a net investment hedging relationship are accumulated as a separate component of other comprehensive income in accordance with the Group's policy on foreign currency.

Fair value movements arising from the revaluation of contingent consideration liabilities are adjusted out where they represent one-off acquisition costs that are not linked to the current period underlying performance of the business. Fair value adjustments on loans receivable measured at fair value are excluded as they arise due to counterparty credit risk changes that are not directly related to the underlying commercial performance of the business.

The net interest on defined benefit assets or liabilities, together with the unwind of discount on redundancy, social plans and other long-term provisions, are reported within net finance costs. These items together with their related tax effects are excluded from our adjusted earnings measures, as they primarily represent charges associated with historic employee benefit commitments, rather than the ongoing current period costs of operating the business.

RECONCILIATION FROM REPORTED NET FINANCE COSTS TO ADJUSTED NET FINANCE COSTS

£ million	**Unaudited 6 months ended 31 March 2025**	Unaudited 6 months ended 31 March 2024	Audited Year ended 30 September 2024
Reported net finance costs	**162**	354	534
Fair value gains on derivative financial instruments	**206**	269	513
Fair value losses on derivative financial instruments	**(198)**	(395)	(632)
Exchange gains / (losses) on financing activities	**25**	(9)	9
Net fair value and exchange gains / (losses) on financial instruments	**33**	(135)	(110)
Interest income on net defined benefit assets	**9**	11	22
Interest cost on net defined benefit liabilities	**(14)**	(16)	(33)
Post-employment benefits net financing costs	**(5)**	(5)	(11)
Tax interest income / (cost)	**9**	(10)	(10)
Effect of discounting on long-term provisions	**–**	–	(1)
Adjusted net finance costs	**199**	204	402
Comprising			
Interest income on bank deposits	**(7)**	(6)	(16)
Interest cost on lease liabilities	**7**	6	14
Interest cost on bank and other loans	**199**	204	404
Adjusted net finance costs	**199**	204	402

Prior year amounts for interest income/(cost) on net defined benefit assets/(liabilities) have been reclassified to be in accordance with IAS 19 to show the net amounts per defined benefit scheme, having previously been presented gross. Total investment income and total finance costs have been reclassified accordingly. The effect is offsetting in nature and reduces both amounts by £69 million. There is no impact to net finance costs or the other primary statements.

F) ADJUSTED TAX CHARGE

The adjusted tax charge is calculated by amending the reported tax charge for significant one-off tax charges or credits, as detailed in the table below. The adjusted tax rate is calculated as the adjusted tax charge divided by the adjusted operating profit before tax.

RECONCILIATION FROM REPORTED TAX TO ADJUSTED TAX

Reported tax for the six months ended 31 March 2025 has been calculated on the basis of a forecast effective rate for the year ended 30 September 2024.

£ million	**Unaudited 6 months ended 31 March 2025**	Unaudited 6 months ended 31 March 2024	Audited Year ended 30 September 2024
Reported tax	**412**	229	282
Deferred tax on amortisation and impairment of acquired intangibles	**5**	4	–
Tax on charges relating to legal provisions	**–**	–	2
Tax on net foreign exchange and fair value losses and gains on financial instruments	**(43)**	98	224
Tax on post-employment benefits net financing costs and income	**2**	2	5
Tax on structural changes to defined benefit pension schemes	**1**	–	–
Tax on interest settlements	**–**	–	(1)
Recognition and utilisation of deferred tax assets	**(35)**	–	293
Provision for state aid tax aid recoverable	**–**	–	101
Uncertain tax positions	**–**	5	(164)
Prior year adjustments	**–**	–	57
Adjusted tax	**342**	338	799

G) ADJUSTED EARNINGS PER SHARE

Adjusted earnings is calculated by amending the reported basic earnings for all of the adjustments recognised in the calculation of the adjusted operating profit, adjusted finance costs and adjusted tax charge metrics as detailed above. Adjusted earnings per share is calculated by dividing adjusted earnings by the weighted average number of shares.

RECONCILIATION FROM REPORTED TO ADJUSTED EARNINGS AND EARNINGS PER SHARE

	Unaudited 6 months ended 31 March 2025		Unaudited 6 months ended 31 March 2024		Audited Year ended 30 September 2024	
£ million unless otherwise indicated	**Earnings per share (pence)**	**Earnings net of tax**	Earnings per share (pence)	Earnings net of tax	Earnings per share (pence)	Earnings net of tax
Reported basic	**96.7**	**808**	96.0	846	300.7	2,613
Amortisation and impairment of acquired intangibles	**21.3**	**178**	19.4	171	40.6	353
Restructuring costs	**0.7**	**6**	–	–	–	–
Charges related to legal provisions	**–**	**–**	–	–	(0.2)	(2)
Structural changes to defined benefit pension schemes	**0.7**	**6**	–	–	0.5	4
Net fair value and exchange movements on financial instruments	**1.2**	**10**	4.2	37	(13.1)	(114)
Post-employment benefits net financing costs and income	**0.4**	**3**	0.3	3	0.7	6
Tax settlements interest (income)/cost	**(1.1)**	**(9)**	1.1	10	1.3	11
Effect of discounting on long-term provisions	**–**	**–**	–	–	0.1	1
Recognition of deferred tax assets	**4.2**	**35**	–	–	(33.7)	(293)
Provision for state aid recoverable	**–**	**–**	–	–	(11.6)	(101)
Uncertain tax positions	**–**	**–**	(0.6)	(5)	18.9	164
Prior year adjustments	**–**	**–**	–	–	(6.6)	(57)
Adjustments above attributable to non-controlling interests	**(0.2)**	**(2)**	(0.2)	(2)	(0.6)	(4)
Adjusted	**123.9**	**1,035**	120.2	1,060	297.0	2,581
Adjusted diluted	**123.2**	**1,035**	119.8	1,060	295.3	2,581

H) CONSTANT CURRENCY

Constant currency removes the effect of exchange rate movements on the translation of the results of our overseas operations. The Group translates current year results at prior year foreign exchange rates. An analysis of all key metrics can be found in the Financial Summary section of the half year results statement.

I) ADJUSTED NET DEBT

Management monitors the Group's borrowing levels using adjusted net debt which excludes interest accruals, lease commitments and the fair value of derivative financial instruments providing commercial hedges of interest rate risk. The adjusted net debt metric is used in monitoring performance against various debt management obligations including covenant compliance.

ADJUSTED NET DEBT CALCULATION

£ million	**Unaudited 31 March 2025**	Unaudited 31 March 2024	Audited 30 September 2024
Reported net debt	**(10,471)**	(10,585)	(8,340)
Accrued interest	**67**	62	95
Lease liabilities	**394**	375	386
Fair value of interest rate derivatives	**54**	63	119
Adjusted net debt	**(9,956)**	(10,085)	(7,740)

Average adjusted net debt during the period was £9,665 million (31 March 2024: £9,783 million).

J) ADJUSTED NET DEBT TO EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION (EBITDA)

This is defined as adjusted net debt divided by adjusted EBITDA. Adjusted net debt is measured at balance sheet foreign exchange rates, with a full reconciliation shown in table I above. Adjusted EBITDA is calculated as adjusted operating profit plus amortisation, depreciation and impairments. The reconciliation from adjusted operating profit to adjusted EBITDA is shown below.

£ million	**Unaudited 6 months ended 31 March 2025**	Unaudited 6 months ended 31 March 2024	Audited Year ended 30 September 2024
Adjusted operating profit (see section C above)	**1,652**	1,669	3,911
Depreciation, amortisation and impairments	**146**	143	294
Adjusted EBITDA	**1,798**	1,812	4,205

K) ADJUSTED OPERATING CASH CONVERSION

Adjusted operating cash conversion is calculated as cash flow from operations pre-restructuring and before interest and tax payments less net capital expenditure relating to property, plant and equipment, software and intellectual property rights as a percentage of adjusted operating profit.

ADJUSTED OPERATING CASH CONVERSION CALCULATION

£ million unless otherwise indicated	**Unaudited 6 months ended 31 March 2025**	Unaudited 6 months ended 31 March 2024	Audited Year ended 30 September 2024
Net cash (used in) / generated from operating activities	**(32)**	(59)	3,307
Tax	**372**	425	888
Net capital expenditure	**(144)**	(114)	(321)
Restructuring cash spend	**19**	24	43
Cash flow post capital expenditure pre interest and tax	**215**	276	3,917
Adjusted operating profit	**1,652**	1,669	3,911
Adjusted operating cash conversion	**13 %**	17 %	100 %

L) FREE CASH FLOW

Free cash flow is adjusted operating profit adjusted for certain cash and non cash items. The principal adjustments are depreciation, working capital movements, net capex, restructuring cash flows, tax cash flows, cash interest and minority interest dividends.

RECONCILIATION FROM NET CASH GENERATED FROM OPERATING ACTIVITIES TO FREE CASH FLOW

£ million	**Unaudited 6 months ended 31 March 2025**	Unaudited 6 months ended 31 March 2024	Audited Year ended 30 September 2024
Net cash (used in) / generated from operating activities	**(32)**	(59)	3,307
Net capital expenditure	**(144)**	(114)	(321)
Cash interest	**(239)**	(253)	(416)
Minority interest dividends	**(102)**	(97)	(136)
Free cash flow	**(517)**	(523)	2,434

GLOSSARY

Financial terms

Adjusted closing net debt	Adjusted closing net debt is measured at balance sheet foreign exchange rates, with a full reconciliation shown within section I of the supplementary information.
Adjusted earnings per share	This is an alternative performance measure which is defined within section G of the supplementary information.
Adjusted EBITDA	Adjusted EBITDA is calculated as adjusted operating profit plus amortisation, depreciation and impairments.
Adjusted net debt	This is an alternative performance measure which is defined within section I of the supplementary information.
Adjusted net debt to EBITDA	This is an alternative performance measure. Adjusted net debt is defined within section I of the supplementary information. EBITDA is defined within section J of the supplementary information.
Adjusted net finance costs	This is an alternative performance measure which is defined within section E of the supplementary information.
Adjusted (Non-GAAP)	Non-GAAP measures provide a useful comparison of performance from one period to the next.
Adjusted operating cash conversion	This is an alternative performance measure which is defined within section K of the supplementary information.
Adjusted operating profit	This is an alternative performance measure which is defined within section C of the supplementary information.
Adjusted operating profit margin	Adjusted operating profit margin is calculated as adjusted operating profit divided by net revenue.
Adjusted tax charge	This is an alternative performance measure which is defined within section F of the supplementary information.
Aggregate priority market share	Aggregate weighted market volume share, based on our five priority markets (USA, Germany, UK, Spain and Australia). Market volume share is presented as a 6-month average to the end of March (MHT – moving half-year trend), unless otherwise stated.
All in cost of debt	Adjusted net finance costs divided by the average net debt in the period.
Cash conversion	Cash conversion is calculated as cash flow from operations pre-restructuring and before interest and tax payments less net capital expenditure relating to property, plant and equipment, software and intellectual property rights as a percentage of adjusted operating profit.
Constant currency	Removes the effect of exchange rate movements on the translation of the results of our overseas operations. The Group translates current year results at prior year foreign exchange rates.
Dividend per share	Dividend per share represents the total annual dividends, being the sum of the paid interim dividend and the proposed final dividend for the financial year.
DBO	Dividend Benefit Obligation.
GAAP	Generally accepted accounting principles.
EBITDA	Earnings before interest, taxation, depreciation and amortisation.
EPS	Earnings per share.
Market share	Market share is presented as a 6-month average to the end of March (MHT – moving half-year trend), unless otherwise stated.
Net debt to EBITDA	Adjusted closing net debt divided by adjusted EBITDA.
Reported (GAAP)	Reported (GAAP) Complies with International Financial Reporting Standards and the relevant legislation.
Stick equivalent volumes	Stick equivalent volumes reflect our combined cigarette, fine cut tobacco, cigar and snus volumes but exclude any NGP volume such as heated tobacco, modern oral nicotine and vapour.
Tobacco & NGP Net revenue/Distribution gross profit	These are adjusted performance measures which are defined within sections A and B of the supplementary information.
Total shareholder return	Total shareholder return is the total investment gain to shareholders resulting from the movement in the share price and assuming dividends are immediately reinvested in shares.

Other

AAACE	This is a region within Imperial Brands plc focusing on Africa, Asia, Australasia and Central & Eastern Europe
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Distribution	Logistics segment
ESG	Environmental, social and governance
EY	Ernst & Young LLP
FCT	Fine Cut Tobacco
FDA	US Food & Drug Administration
FMC	Factory Made Cigarettes
HT	Heated Tobacco
HTP	Heated Tobacco Products
ITPF	Imperial Tobacco Pension Fund
MMC	Mass Market Cigars
MOND	Modern Oral Nicotine Delivery
MPI	Manufacture's Price Increase
NGP	Next Generation Products
NTM	Non-tobacco materials
Priority markets	Top 5 combustible markets USA, Germany, UK, Spain and Australia
RCPP	Reemtsma Cigarettenfabriken GmbH Pension Plan
SE	Stick Equivalent (SE) volumes reflect our combined cigarette, fine cut tobacco, cigar and snus volumes
Tobacco & NGP	Tobacco & Next Generation Products
UK	United Kingdom