Good afternoon and welcome to our 2020 Annual General Meeting.

I’m Thérèse Esperdy.

I was appointed Chair of Imperial Brands on the first of January, succeeding Mark Williamson, who stepped down from the role in December.

Mark served on the Board for 12 years, five of those as Chairman, and I would like to take this opportunity to thank him for his leadership and guidance over the years.

Let me now introduce your Board…….

On my very far right are Non-Executive Directors Jon Stanton and Steven Stanbrook, ...followed by Senior Independent Non-Executive Director and Chair of the Remuneration Committee, Sue Clark.

Next to Sue are Joint Interim Chief Executive Officers, Dominic Brisby and Joerg Biebernick.

On my immediate left are John Downing, Company Secretary, and Oliver Tant, Chief Financial Officer.

Next to Oliver are Karen Witts, Chair of the Audit Committee and Non-Executive Director Simon Langelier.

Today’s proceedings are being recorded.

I’ll shortly hand over to Oliver for a business overview but first I’d like to say a few words about the management changes announced earlier this week.
Back in October, former Chief Executive Alison Cooper and the Board agreed that she would step down as CEO once a suitable successor was found.

On Monday we were pleased to announce that Stefan Bomhard, currently CEO at Inchcape, would take over as Imperial’s CEO, and as a result, Alison has now left the business, along with Chief Development Officer Matthew Phillips.

On behalf of the Board, I’d like to thank them for the significant contributions they made during their 20 years with us.

Stefan will be a great addition to Imperial.

He has significant experience across multiple consumer sectors and within large multinational organisations, particularly in brand building and consumer-led sales and marketing.

He has also demonstrated strong strategic and operational leadership and has developed a track record of delivering successful transformational change during his tenure at Inchcape.

Stefan is unable to immediately join us, which is why we have appointed Dominic and Joerg as Joint Interim CEOs.

Dominic and Joerg are the divisional directors responsible for our global tobacco and NGP sales and marketing activities.

They have a wealth of experience and are fully focused on strengthening performance until Stefan arrives.

I’ll now hand over to Oliver to take you through our 2019 performance.

**Slide 3 - Oliver Tant, Chief Financial Officer**

**Oliver Tant**

Thanks, Thérèse.
Slide 4 - 2019 Performance Overview

In 2019 we remained focused on driving the performance of our tobacco business, while expanding our Next Generation Products (NGP) operations.

We achieved success in a number of areas, including further revenue and profit growth in tobacco and revenue growth in NGP.

However, overall Group results fell short of our expectations due to a challenging NGP market in the USA and lower than anticipated profit delivery in our Africa, Asia and Australasia division.

We are focused on enhancing our delivery to drive a better performance going forward.

Slide 5 - Summary Financials

This slide provides an overview of our financial performance.

Although below our expectations, NGP revenues grew 48 per cent and we continue to believe that NGP offers a significant opportunity to deliver additive growth.

Tobacco net revenue was up 1.1 per cent, while total adjusted operating profit declined 2.4 per cent, impacted by higher investment in NGP.

Earnings per share declined 1.6 per cent and cash conversion was strong at 95 per cent.

Let's now look at our tobacco and NGP results in a bit more detail.

Slide 6 - Tobacco Maximisation

We have a robust tobacco value creation model that will continue to grow profit and cash in the years ahead.
We gained share in six of our 10 priority markets and grew net revenue from our Asset Brands by 4 per cent.

These are the most important brands in our portfolio and account for 66 per cent of our tobacco and NGP net revenue.

Good results in the Americas and Europe more than offset tough trading in the triple A division, caused largely by volume declines in the Middle East and the timing of an excise windfall in Australia.

Tobacco continues to produce high margin sales growth and Imperial will continue to focus on maximising opportunities for its Asset Brands in priority markets.

Slide 7 - Next Generation Products

Growth in our NGP business was led by our vapour brand myblu, which has established leading retail share positions in Europe and Japan.

We also delivered a successful city pilot of our heated tobacco product Pulze in Japan and launched oral nicotine products in several European markets.

Overall, however, our investment in the vapour category did not yield the kind of returns we expected.

A number of factors impacted our results - an increasingly competitive environment, regulatory uncertainty in the USA and slower growth in Europe.

It's also clear that we need to improve our performance, and learnings from 2019 have helped adapt our approach and reshape our investment for 2020.

Slide 8 - Sustainability Strategy

Our sustainability strategy is central to our growth aspirations and continues to support the business by enabling growth and creating value.
The strategy focuses on three core areas: maintaining a sustainable supply of tobacco, developing potentially less harmful NGPs and behaving responsibly at all times.

These three pillars define the approach we take to addressing our environmental, social and governance responsibilities.

These are wide-ranging and include farmer livelihoods and welfare, climate and energy, human rights and health and safety.

**Slide 9 - Stakeholder Panel**

Last May, we convened an independently facilitated panel of stakeholders to review our strategy and ESG focus areas.

The panel included 14 stakeholder representatives from investors, employees, consumers, media, retailers and suppliers.

Overall, the panel felt that we are making good progress in delivering against our sustainability agenda and a report summarising the feedback we received is available on our website.

**Slide 10 - 2020 Outlook**

Looking at the outlook for 2020...tobacco will continue to be resilient, delivering modest revenue growth, high margins and strong cash flows.

Vapour remains challenging, particularly in the US where the FDA’s flavour ban - which comes into force tomorrow - will result in inventory write downs.

Given the volatility in the vapour category, the Board has implemented a further cost savings programme to address the short-term uncertainties.

More information on this and the wider performance of the business is included in a trading update issued earlier today; copies are available at the back of the room.
And as I said earlier, we’re all very focused on enhancing our delivery to drive a better performance going forward.

Thank you. I’ll now hand back to Thérèse.

**Slide 11 - Annual General Meeting**

**Thérèse Esperdy**

Thanks Oliver.

As you heard, 2019 was a challenging year for the business, but there are many opportunities for growth ahead of us and the Board will continue working with the leadership team to realise those opportunities and create value for shareholders.

Let’s now deal with the resolutions that are set out in the Notice of Meeting.

The Notice of Meeting includes resolutions 5 and 8 to re-appoint Alison Cooper and Matthew Phillips. As they have left the business, we have withdrawn these resolutions.

There are, therefore, 17 resolutions to be put to the Meeting, all of which are set out and explained in the Notice of Meeting which, with your agreement, I’ll take as read.

I intend to take questions in respect of all resolutions now and then ask you to vote on all 17 remaining resolutions, rather than propose each resolution in turn.

-------

Thank you for your questions. We will now proceed to vote on all the resolutions.

-------

The results will not be available here today; they will be announced on our corporate website as soon as possible.

Thank you for attending today’s meeting and I hope you have a safe journey home.