Thérèse Esperdy
Chair
Oliver Tant
Chief Financial Officer
2019 Performance Overview
Growth in tobacco and NGP but overall results down

- Revenue and profit growth in tobacco; revenue growth in NGP
- Overall Group results fell short of our expectations
- NGP challenges in USA and lower profit delivery in AAA division
- Focused on driving a stronger performance going forward
### Summary Financials
Net revenue growth; profit reflects NGP investment

<table>
<thead>
<tr>
<th>Category</th>
<th>£m</th>
<th>% change</th>
<th>% constant currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>NGP net revenue (£m)</td>
<td>285</td>
<td>52%</td>
<td>48%</td>
</tr>
<tr>
<td>Tobacco net revenue (£m)</td>
<td>7,713</td>
<td>2.7%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Total adjusted operating profit (£m)</td>
<td>3,749</td>
<td>-0.5%</td>
<td>-2.4%</td>
</tr>
<tr>
<td>Adjusted earnings per share (pence)</td>
<td>273.3</td>
<td>0.4%</td>
<td>-1.6%</td>
</tr>
<tr>
<td>Cash conversion</td>
<td>95%</td>
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</tr>
</tbody>
</table>

*Change in adjusted net debt before FX and changes in fair value of derivatives*
Tobacco Maximisation
Resilient value creation model

- 6 of 10 priority markets in share growth
- Asset Brand net revenue up 4.4%
- Asset Brands account for 66% of our tobacco and NGP net revenue.
- Good results in Europe and USA

Resilient Tobacco Performance

- **VOLUME**: 4.4%
- **REVENUE**: 1.1%
- **PROFIT**: 1.8%*

FY19 Priority Market Share

- USA: +10bps
- UK: -140bps
- Spain: +10bps**
- France: -160bps
- Italy: +30bps
- Germany: -70bps
- Australia: +70bps
- Japan: +30bps

* Adjusted to exclude non-operating gains of £80m in FY18 profit up 4.0%
** Blond tobacco share +10 bps; share including dark tobacco segment -10bps YOY
Next Generation Products
Strengthening portfolio; adapting approach for 2020

- *myblu* established leading retail share positions in Europe and Japan
- City pilot of heated tobacco product Pulze in Japan
- Oral nicotine product launches in Europe
- Focused on improving performance in 2020
- Adapting approach; reshaping investment
Our Sustainability Strategy

- maintaining sustainable agricultural practices to ensure a consistent, quality supply of tobacco
- developing alternative products that are potentially less harmful to health
- behaving responsibly at all times and providing a safe and rewarding work environment for our employees
Stakeholder Panel

Annual General Meeting | 5 February 2020
2020 Outlook

- Tobacco to deliver revenue growth, high margins & cash flow
- NGP challenges in vapour including impact of FDA flavours ban
- Cost cutting programme to address short-term uncertainty
- Focused on driving a stronger performance going forward