FULL YEAR RESULTS

16 NOVEMBER 2021

IMPERIAL BRANDS

Disclaimer

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Agenda

OVERVIEW	Stefan Bomhard
FINANCIAL UPDATE AND OUTLOOK	Lukas Paravicini
BUILDING FOUNDATIONS FOR FUTURE GROWTH	Stefan Bomhard
Q&A	Stefan Bomhard Lukas Paravicini

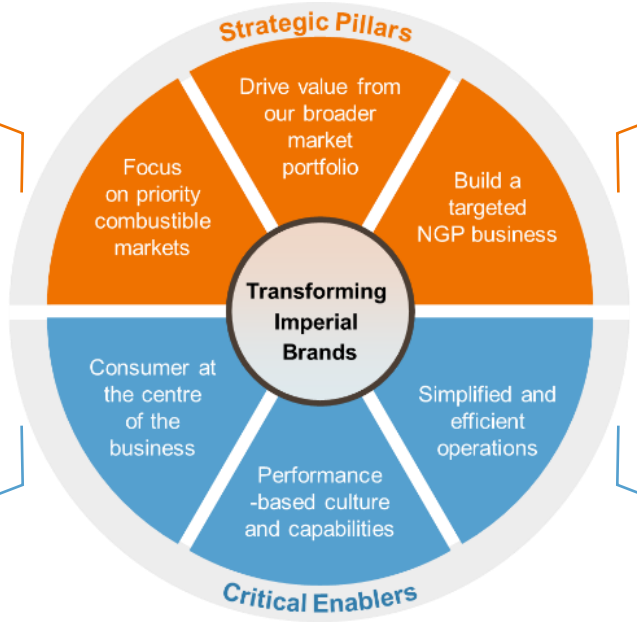
2021 Highlights

OUR TRANSFORMATION TO DELIVER OUR FULL POTENTIAL

WIDER PORTFOLIO
Greater focus delivering stronger performance

PRIORITY MARKETS
Targeted investments to stabilise market share

NGP
Targeted trials launched in line with plans



CONSUMER
New consumer office providing key insights

NEW WAYS OF WORKING
Simplified structure delivering focus and efficiencies

PERFORMANCE
Rigorous performance focus with new leadership

Strengthened Leadership Team

EXPERIENCED TEAM COMMITTED TO DELIVERING STRATEGY

Stefan Bomhard
Chief Executive Officer
Appointed: July 2020

Lukas Paravicini
Chief Financial Officer
Appointed: May 2021

Joerg Biebernick
President,
Europe Region
Joined: Nov 2017

Kim Reed
President and CEO,
Americas Region
Joined: June 2019

Paola Pocci
President, Africa, Asia &
Australasia Region
Joined: Sept 2021

Murray McGowan
Chief Strategy &
Development Officer
Joined: July 2020

Alison Clarke
Chief People & Culture
Officer
Joined: Sept 2020

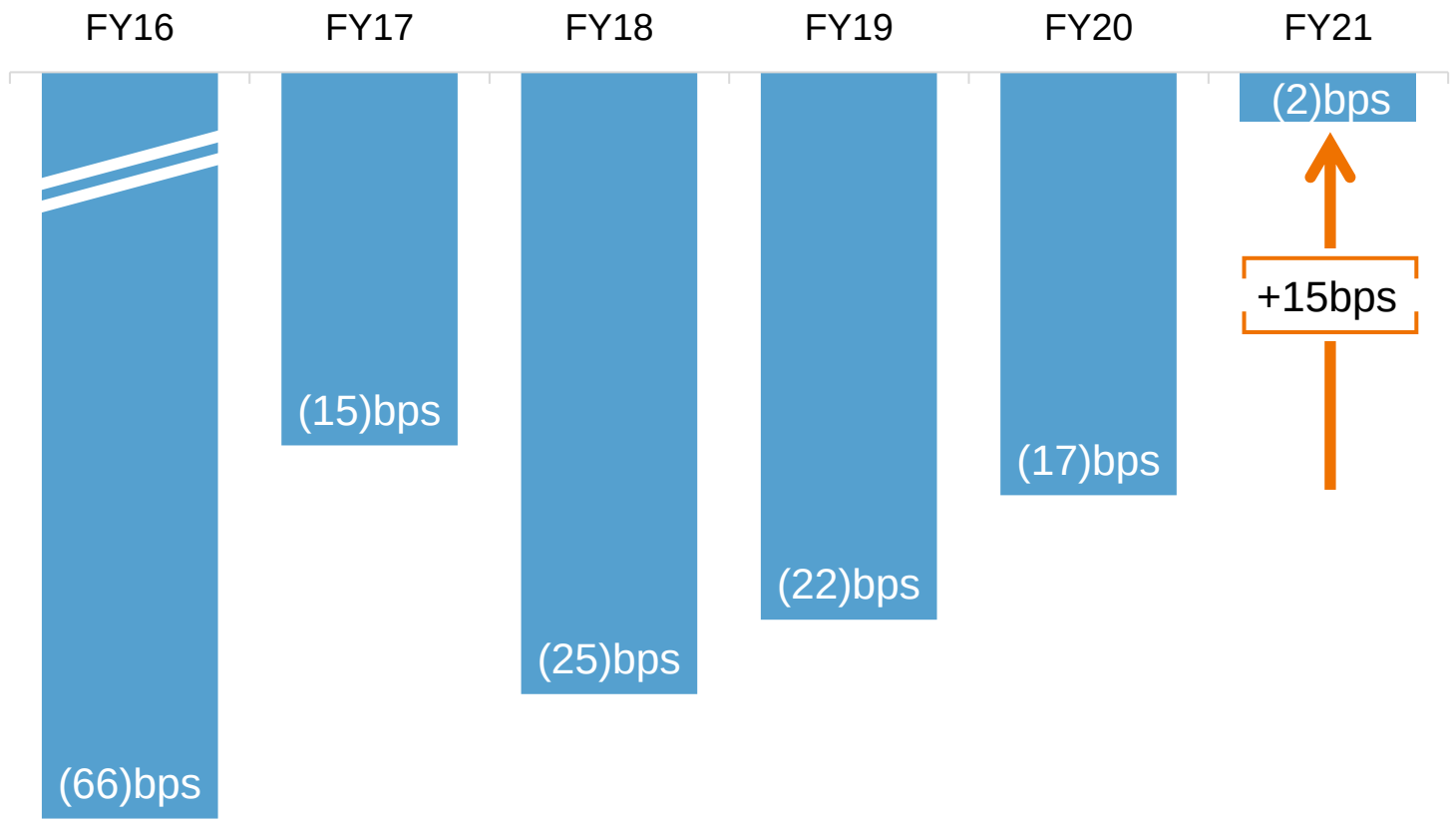
Anindya Dasgupta
Chief Consumer
Officer
Joined: May 2021

Javier Huerta
Chief Supply Chain
Officer
Joined: Feb 2021

Improving Share Trajectory in Priority Markets

SHARPER FOCUS BEGINS TO ARREST LONG-TERM SHARE DECLINES

*PRIORITY MARKET AVERAGE SHARE PERFORMANCE**



12 month share Δ

	+20 bps
	-50 bps
	+20 bps
	+10 bps
	-120 bps

** MAT weighted average market share growth of priority markets; consistent market size*

Successful Year of Delivery

A RESILIENT TOBACCO PERFORMANCE AND STRONG CASH FLOW

IMPERIAL BRANDS

TOBACCO NET REVENUE*

+1.5%

TOBACCO & NGP AOP*

+4.3%

ADJUSTED EPS*

+2.8%

FREE CASH FLOW

£1.5bn

NET DEBT TO EBITDA

-0.5x

to 2.2x *(includes 0.1x FX benefit)*

RETURN ON INVESTED CAPITAL

+130bps

to 16.5%

** Organic basis*

FINANCIAL REVIEW

Lukas Paravicini

Initial Observations

A HIGH-QUALITY BUSINESS WITH POTENTIAL

OBSERVATIONS AFTER SIX MONTHS

- High quality business
- Clear strategy to unlock value
- Strong cash flows to drive investment and shareholder returns

MY PRIORITIES

- Sustainable free cash flow generation
- Modernise finance ways of working
- Committed to transparent disclosure

Successful Year of Delivery

A RESILIENT TOBACCO PERFORMANCE AND STRONG CASH FLOW

IMPERIAL BRANDS

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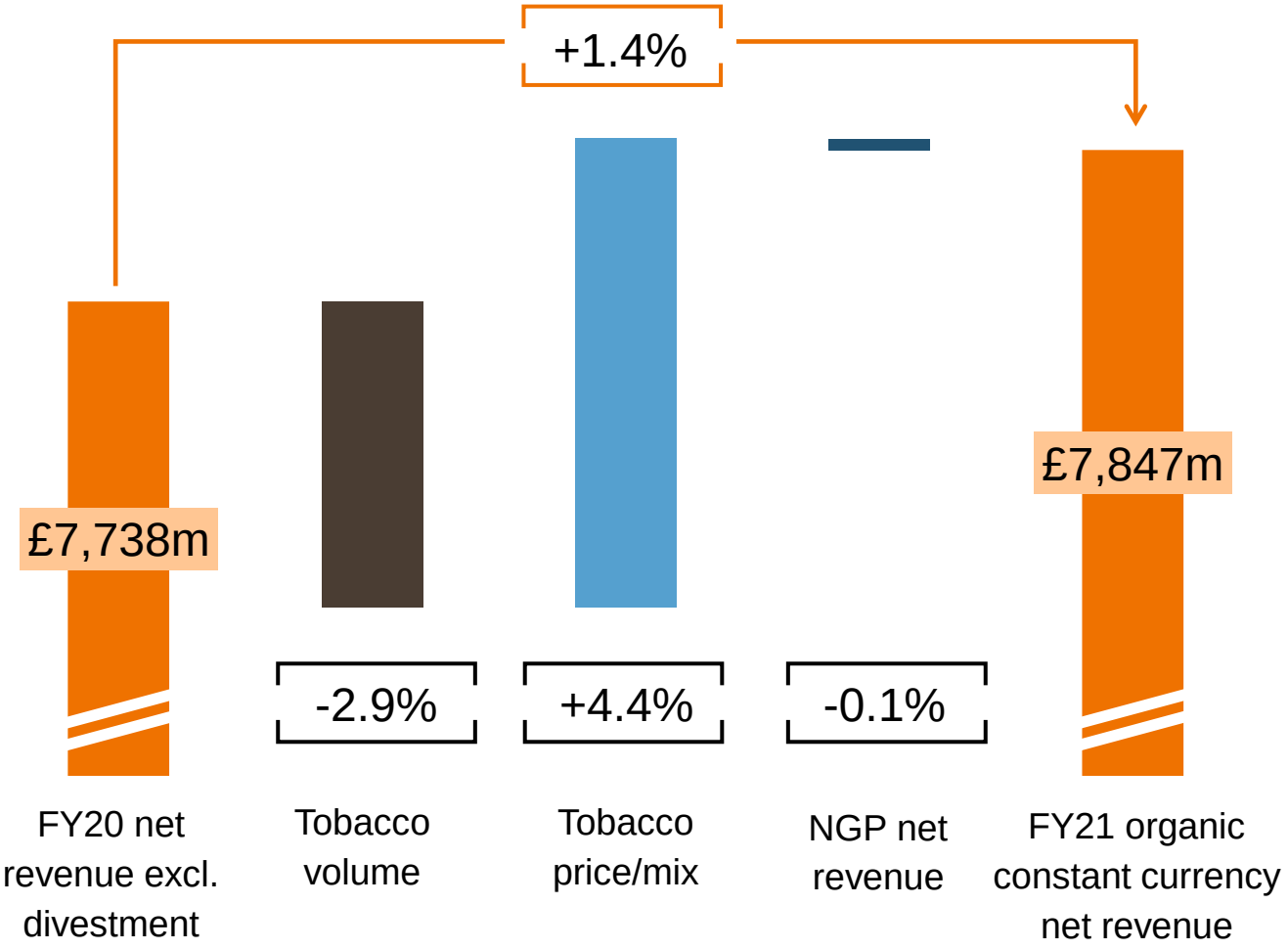
to 16.5%

** Organic basis*

Net Revenue Growth Driven by Tobacco Pricing

NGP NET REVENUE STABILISING AS WE RESET OUR FOCUS



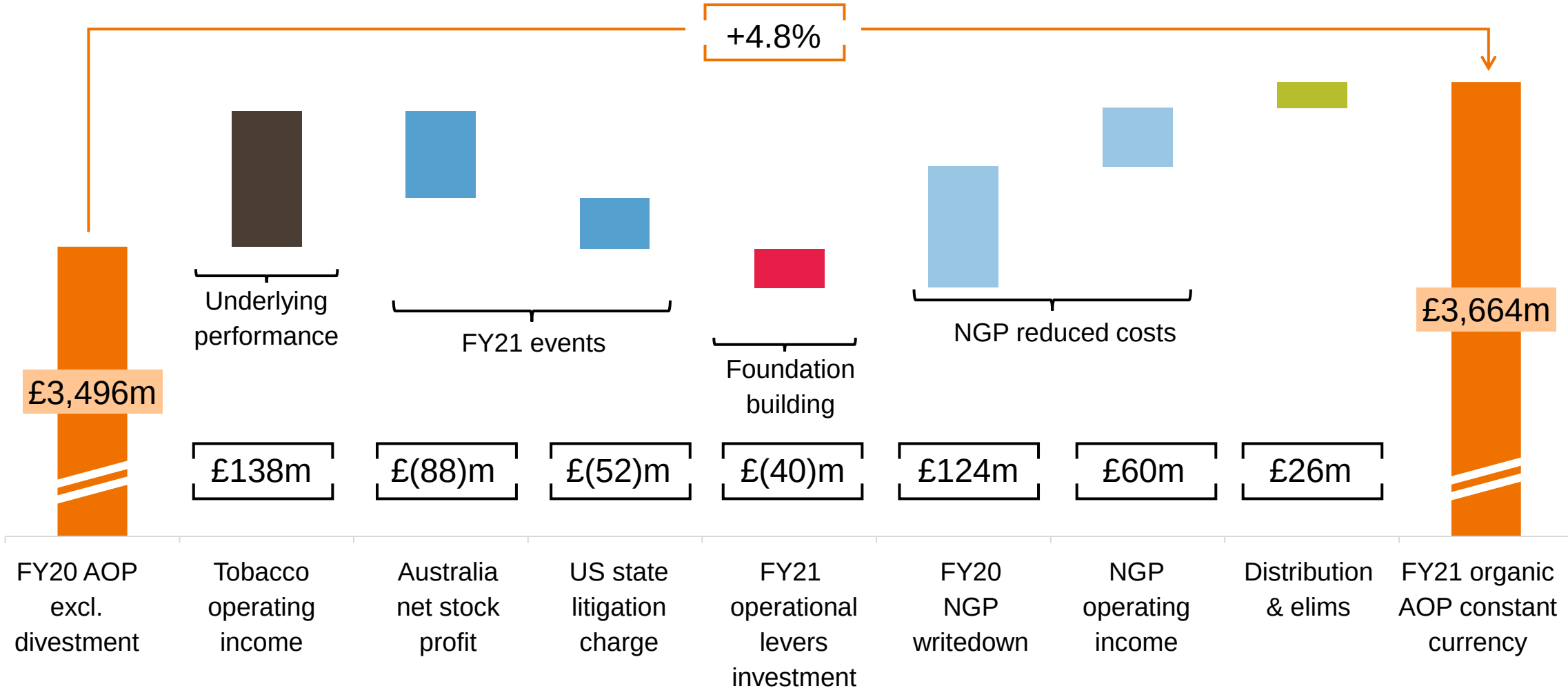
STRONG TOBACCO PERFORMANCE

- **-2.9% tobacco volumes** remain better than historical trend
- **+1.5% tobacco net revenue** excluding Australia excise change;
  - +2.7% tobacco net revenue
  - +5.6% tobacco price/mix
- **+8.6% NGP NR growth excl. exits**
  - Europe vapour growth offset by Japan and Russia exits
  - -3.9% reported NGP NR after exits

Full reconciliation of net revenue including divestment impact and foreign exchange in Appendix

Delivering Organic Adjusted Profit Growth

STRONG TOBACCO GROWTH AND REDUCED NGP COSTS



Full reconciliation of adjusted operating profit including divestment impact and foreign exchange in Appendix

Operating Profit: Adjusting Items as Guided

MAJOR CHANGE PROGRAMME ON TRACK TO DELIVER STEP-CHANGE

FY21 Reported operating profit	**£3,146m**
Restructuring costs	£257m
Amortisation and impairment	£450m
Profit on subsidiary disposal	£(281)m
*Net other**	£(2)m
Organic adjusted operating profit	**£3,570m**

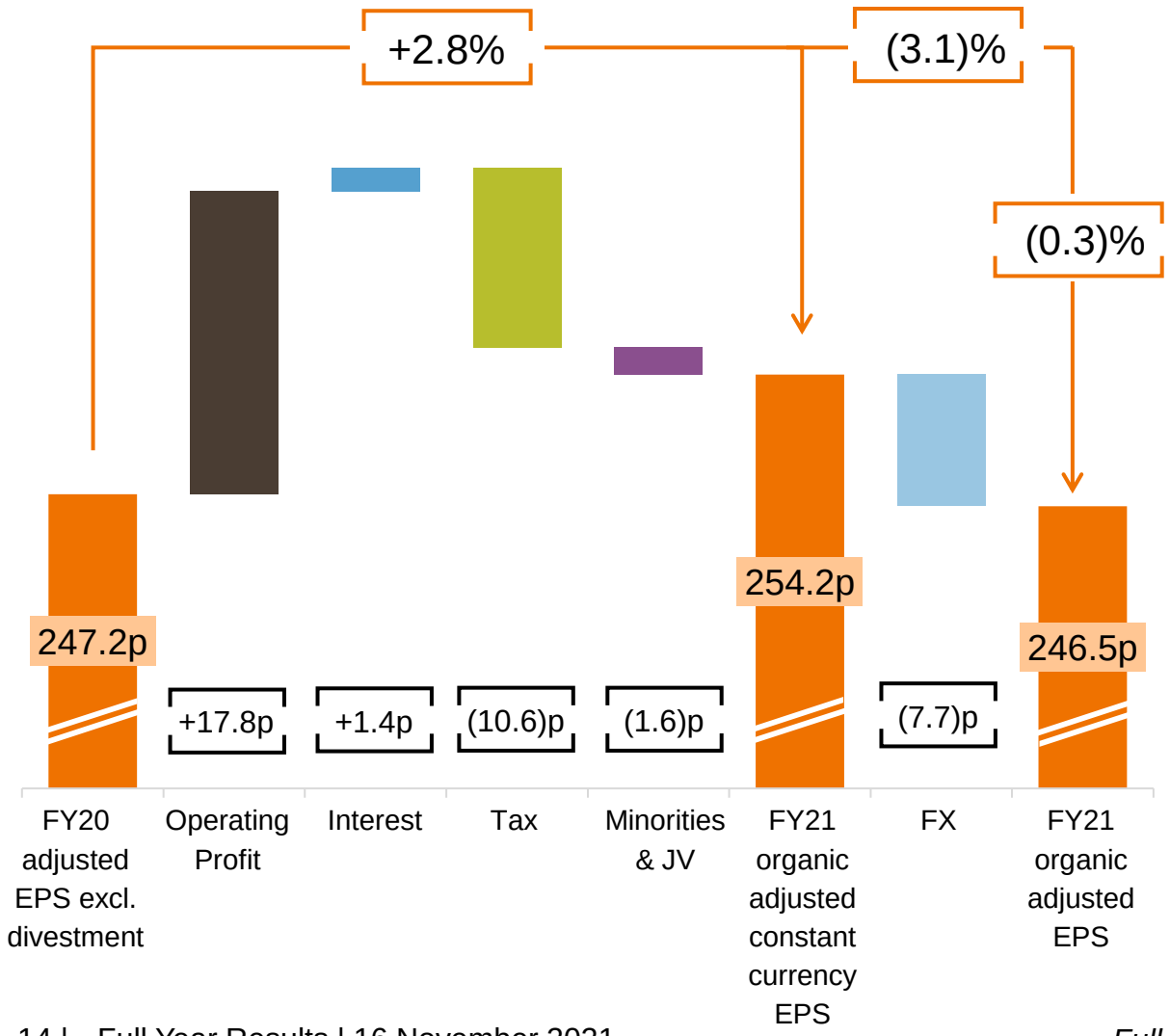
Adjustments to reported operating profit

- **Organisational change programme on track**
  - Restructuring costs in line with strategy guidance
  - Programme will deliver step-change in capabilities
  - Expect initiatives substantially completed by end FY22
  - FY21 last year of legacy cost optimisation programmes
- **£118m NGP intangible asset impairment**
  - £73m reflected in restructuring costs
  - £45m included in amortisation & impairment
- **Profit on subsidiary disposal**
  - Premium Cigar disposal proceeds as per half year

**Net other includes fair value of loan receivable movements, adjusted operating profit from the divested Premium Cigar Division, excise tax provision, acquisition and disposal costs*

EPS Up +2.8% Driven by Higher Operating Profit

PROFIT UPSIDE PARTLY OFFSET BY TAX AND EARLY BOND REPAYMENT



MANAGING INTEREST AND TAX

Good deleverage progress

- Interest saving from lower debt partly offset by early $1.25bn Jul 22 bond repayment
- Benefits gross debt, no impact on net debt
- Expect FY22 interest charge of £360m

Upward pressure on tax

- FY21 tax rate of 22.6% marginally better than guidance
- Expect upward pressure to continue in FY22

Full reconciliation of EPS including divestment impact and foreign exchange in Appendix

Continued Robust Cash Delivery

£1.5BN OF FREE CASH FLOW INCLUDES WORKING CAPITAL UNWIND

CASH

£1.5bn
Free cash-flow

+1%
Dividend growth

CASH CONVERSION

83%

Includes c. (20)% impact from FY20 working capital unwind

NET DEBT

2.2x
Net debt / EBITDA

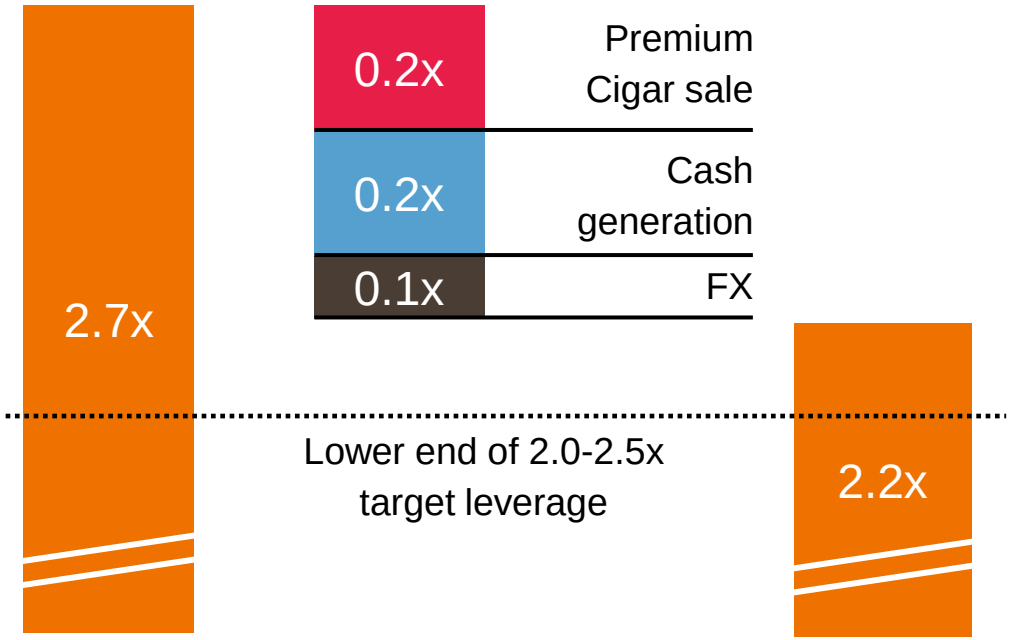
£8.6bn
Adjusted net debt

Where possible IMB operates a cash pooling arrangement with its entities, including Logista
Average Logista 12-month rolling daily benefit £2.0bn, year-end balance £1.8bn

Good Progress Towards Target Leverage

2.2X GEARING; NEARING SUSTAINABLE TARGET RANGE

Good Deleverage progress



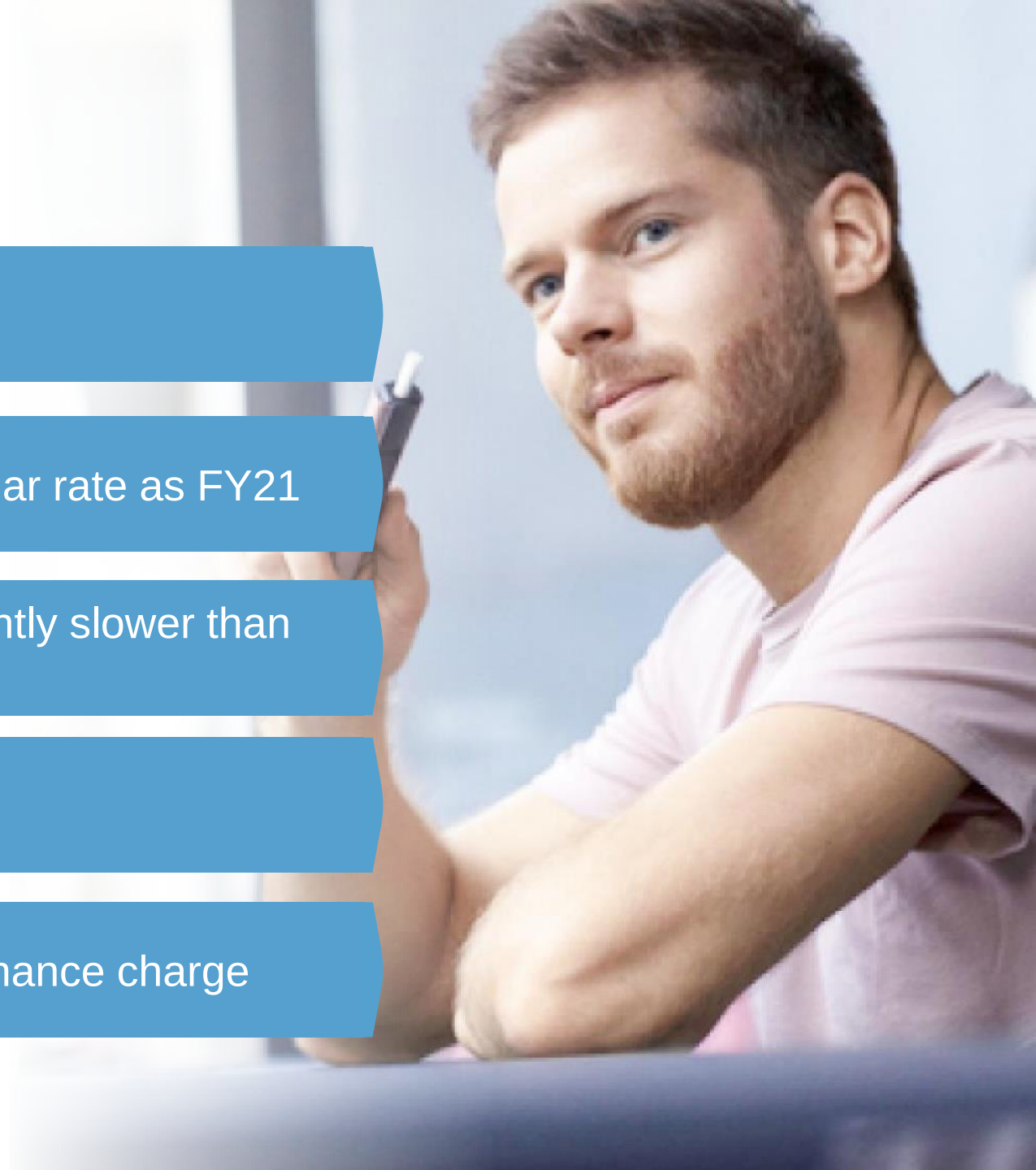
Capital allocation priorities

1. Investing in the strategy
2. Strong and efficient balance sheet
3. Progressive dividend policy
4. Surplus capital returns

FY22 Outlook

STRENGTHENING OUR FOUNDATIONS

- Delivery in line with our medium-term plan
- Net revenue constant currency growth at a similar rate as FY21
- Adjusted AOP at constant currency to grow slightly slower than revenue reflecting increased investment
- Phasing weighted to second half
- Higher tax rate (c. 24%) partly offset by lower finance charge



Strong Performance in FY21 Creates Momentum

STRENGTHENING THE BUSINESS AHEAD OF PHASE TWO

SUMMARY OF FY21

- Building the foundations
- Strengthening performance
- Rebuilding the balance sheet

BUILDING FOUNDATIONS FOR FUTURE GROWTH

Stefan Bomhard

A Clear Five-Year Plan With Two Phases

GOOD PROGRESS IMPLEMENTING PHASE ONE OF OUR STRATEGY

	FY21 TO FY22	FY23 TO FY25
	Phase One – Strengthening	**Phase Two – Improving Returns**
Strategic focus	• Increased investment in operational growth drivers • New ways of working to deliver efficiencies • Implement operational excellence improvements	• Investment and operational improvements enhance financial delivery • Refine investment to consolidate delivery • Leveraging efficiency benefits
Net revenue	Gradually improving trajectory with 5-year CAGR of 1-2%	
Adjusted operating profit	• FY22 – Flat on FY21 (excluding non-repeat of net £40m US state litigation settlement) with no margin reset necessary	• Improving profit growth • 3-year mid-single digit CAGR

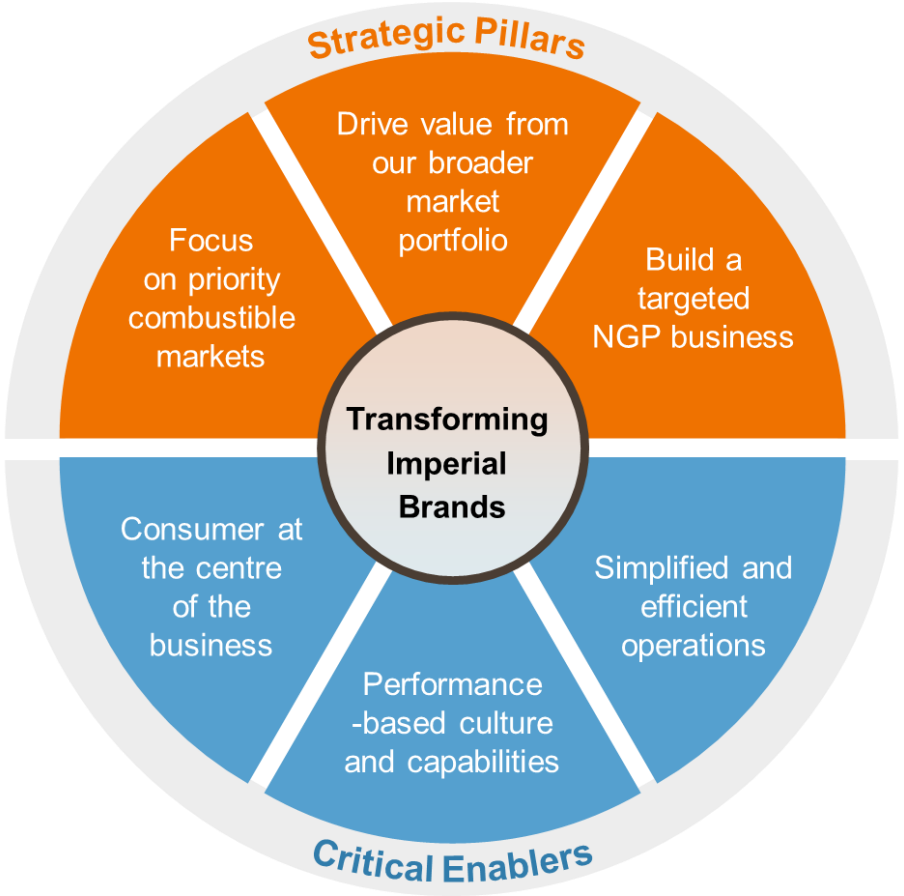
This outlook is on an organic basis

A Year of Building Connections

BUILDING FOUNDATIONS WITH COLLEAGUES, CUSTOMERS, CONSUMERS

New Purpose and Vision

CREATING A COMMON HIGH-PERFORMANCE CULTURE FOR IMPERIAL BRANDS



OUR PURPOSE

"Forging a path to a healthier future for moments of relaxation and pleasure"

OUR VISION

"To build a strong challenger business powered by responsibility, focus and choice"

ESG: Foundations for a Responsible Business

OUR PURPOSE AND VISION DEFINE OUR ESG PRIORITIES

ESG PRIORITIES

- Consumer health
- Climate & energy
- Human rights
- Farmer livelihoods & welfare
- Waste

21

PROGRESS

- Launched NGP heated tobacco and vapour trials
- Commitment to net zero by 2040
- Step change in Board and ELT diversity
- Strengthened team with new ESG Director and Board committee

22

PRIORITIES

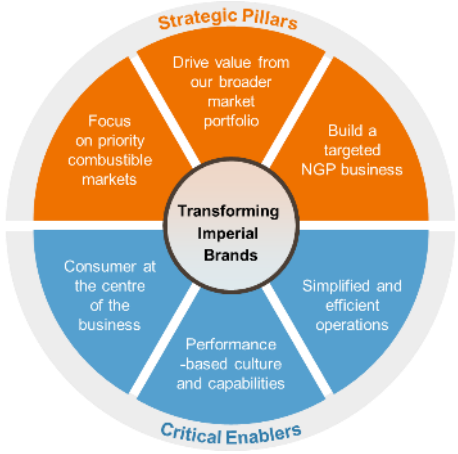
- Conclude refresh of ESG strategy and priorities
- ESG Materiality Assessment and Stakeholder Engagement
- On track for Task Force on Climate-related Disclosures (TCFD)

BUSINESS AMBITION FOR 1.5°C

FT CLIMATE LEADERS 2021

Priority Markets: Clear Levers to Improve Performance

>25 GROWTH INITIATIVES IN OUR FIVE PRIORITY MARKETS



SIX OPERATIONAL LEVERS IN OUR FIVE PRIORITY MARKETS

Cigarettes	**1** Increase participation in sub-premium
	2 Drive and rejuvenate local jewel brands
	3 Optimise our approach to the value segment
Fine-cut	**4** Maximise the potential of fine-cut tobacco category
All Combustibles	**5** Drive performance in under-penetrated channels and regions
	6 Maximise value creation through Key Accounts

USA: Delivering Share Growth and Strong Financials

INVESTMENT STRENGTHENING PERFORMANCE

CIGARETTE MARKET SHARE

+20bps to 9.1%

MASS MARKET CIGAR

+500bps

TOBACCO NET REVENUE

+10.4%

ADJUSTED OPERATING PROFIT

+8.0%

STRONG DELIVERY

- 3rd year of market share growth
- Winston and Kool share held in sub-premium category
- Sonoma and Crowns drive share growth in deep-discount segment
- Revenue driven by
  - strong cigarette pricing and
  - mass market cigar growth

INVESTING IN GROWTH DRIVERS

- Expanding coverage and distribution
- Recruitment and training of 200 new sales reps
- Winston brand equity investment test trial of new pack design Texas

USA: Mass Market Cigar Significant Growth

GAINING SHARE WITHIN A GROWING CATEGORY

CONSUMER-FOCUSED PORTFOLIO

BACKWOODS

SINCE 1912 Dutch Masters

+500bps
Category share growth (MAT)

#2
Mass market cigar volume manufacturer

+45%
Volume growth (vs LY)

FOCUS ON OPERATIONAL LEVERS DRIVES PERFORMANCE

- Leveraging our iconic heritage brands
- Engaging through point of sale, events and special edition flavours
- Meeting demand in natural wrapper segment with Dutch Leaf launch
- Investing in leaf supply and quality

Germany: Investing to Arrest Long-Term Declines

IMPROVING SHARE TREND IN RECENT MONTHS

FOCUS ON BRAND EQUITY AND SALES EXCELLENCE

- Investing to improve sales coverage and distribution
- Improved channel, regional and key account focus
- Operational changes to improve effectiveness and efficiency
- New equity campaigns to rejuvenate JPS
- Larger pack formats to meet value demand
- Market remains attractive but highly competitive

combustible share vs LY

(50)bps

FY21 combustible market share

20%

of Group net revenue

13%

Australia: Actions Are Improving Performance

IMPROVED SHARE TRAJECTORY IN RECENT MONTHS

GROWTH INITIATIVES TO IMPROVE SHARE

- Improved performance over recent months
- Initiatives have strengthened trade advocacy
- Continued success with P&S
- Launch of crushball formats and focus on new pack size variants
- New brand and product opportunities to address consumer needs

combustible share vs LY	*FY21 combustible market share*	*of Group net revenue*
(120)bps	***32%***	***4%***

Pack images are internal only

UK & Spain: Targeted Brand Strategy Drives Growth

IMPROVED SHARE PERFORMANCE FROM BRAND INITIATIVES

+20BPS COMBUSTIBLE SHARE GROWTH

- Share gain driven by Embassy brand
- Successful launch of new Embassy Signature range in dark market captures 1.8% spot share
- Tailored sales activities driven by targeted regional focus
- Increased coverage supported by existing advocacy programmes

+10BPS COMBUSTIBLE SHARE GROWTH

- Strong domestic share performance
- Share growth across brand portfolio
- Successful rejuvenation of local jewel brands
- Nobel, Fortuna, Ducados and West brands all gaining share

Driving Value From Our Broader Market Portfolio

HIGH MARGINS AND CASH FLOWS MAKE VALUABLE CONTRIBUTION

GROWING SHARE IN WIDER PORTFOLIO

- Group tobacco share up 20 bps

SPOTLIGHT ON OUR AFRICAN PORTFOLIO

- Strong set of results:
  +5% volume growth; **+20%** operating profit growth
- Brand portfolio strategy drives upside
  - Gauloises gains in North Africa markets
  - Local jewel strategy delivering share growth
- Gauloises becomes #1 brand in Morocco
- **+20%** volume growth from Fine brand in Côte d'Ivoire, supported by increased distribution

Our New NGP Approach Plays To Our Strengths

WE ARE TAKING A VERY DIFFERENT CONSUMER-LED APPROACH

We are building the foundations for a meaningful NGP business

Market Focus	*Product Approach*	*Marketing-led*	*Investment Need*
Prioritising markets with an **established category presence** and **existing route to market**	Differentiated products to **provide greater choice to existing consumers**	Investment focused on **brand building and consumer communications**	**Cost effective approach** reflects our smaller size and our ambition

Focused category/ market approach

Heated tobacco

Vapour

ZONE X

Modern oral nicotine

Heated Tobacco Trials: Czech Republic and Greece

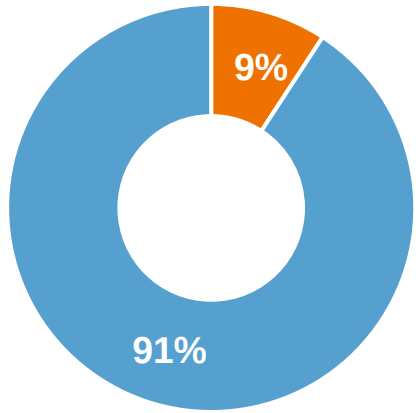
LEVERAGING OUR ROUTE TO MARKET CAPABILITIES

CZECH REPUBLIC

HT category launched **2017**

FY21 HT sticks market size **+13%** *v FY20*

IMB tobacco market share **15%**



HT % total nicotine consumption*

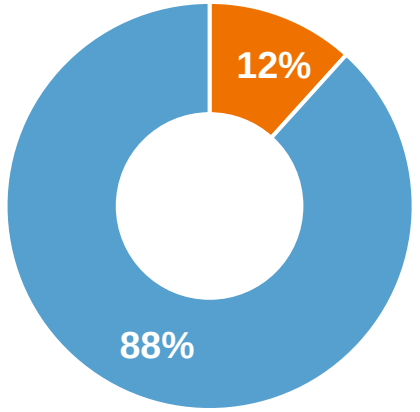
PULZE

GREECE

HT category launched **2016**

FY21 HT sticks market size **+32%** *v FY20*

IMB tobacco market share **12%**



HT % total nicotine consumption*

**Czech Republic FY21 internal estimate, Greece FY21 Nielsen – sell-out*

Delivering our Heated Tobacco Trials

CONSUMER INSIGHT WILL INFORM SCALE AND PACE OF NEXT STEPS

- Encouraging initial progress
- Achieved target distribution on trials
- Good response from trade partners and consumers
- Will be informed by consumer feedback and repurchase rates

US Consumer Trial of Refreshed blu Offer Underway

TESTING NEW CONSUMER MARKETING PROPOSITION

Out-of-home advertising

Outdoor PoS

Indoor PoS

- Building distribution in focus trial area – Charlotte, North Carolina
- New consumer marketing approach includes:
  - Refreshed packaging
  - New marketing campaign
  - Enhanced point of sale presence
  - New on-line sales platform

2022 Will Enhance Our Investment Case

CLEAR ACTIONS TO IMPROVE PERFORMANCE AND RETURNS

FY22 PRIORITIES	INVESTMENT CASE
Increased investment in priority markets	Revitalised tobacco business driving strong cash returns
NGP targeted trials	A disciplined NGP business providing options for potential harm reduction and growth
Embedding new ways of working	Self-help initiatives deliver operational improvement and strengthen performance
Continued focus on cash delivery	Strong sustainable cash flow generated from a high-quality portfolio
Disciplined capital allocation	Progressive dividend supplemented by capital returns at the appropriate time

FULL YEAR RESULTS

16 NOVEMBER 2021

IMPERIAL BRANDS

APPENDICES

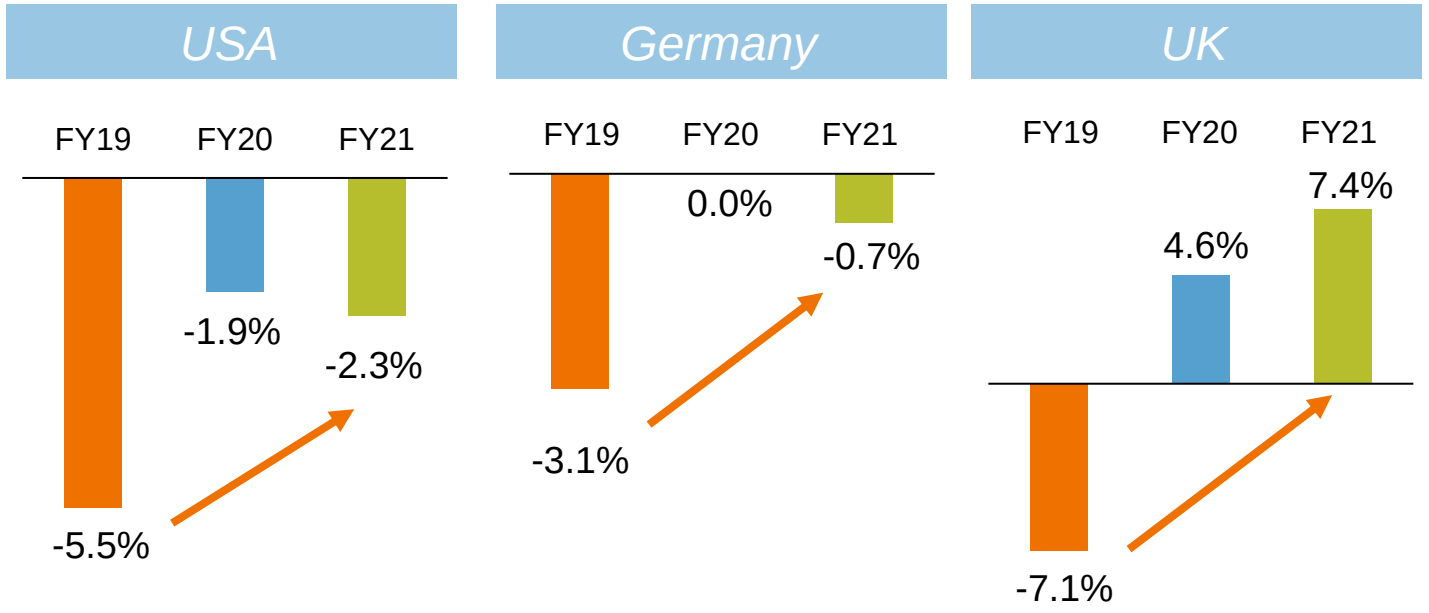
GROUP FINANCIALS

COVID-19 Has Affected Market Dynamics

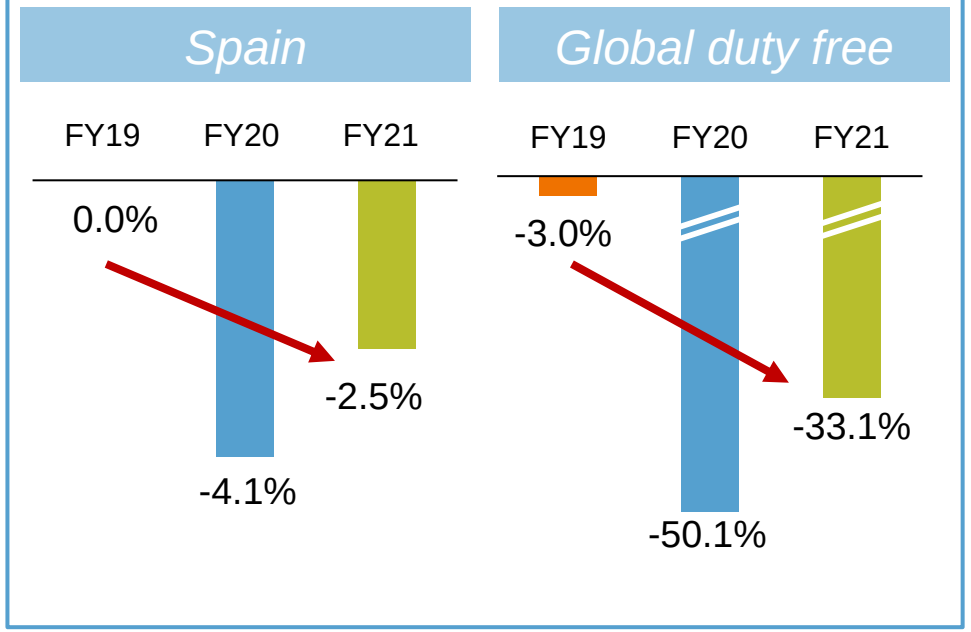
VOLUME MARKET SIZE TRENDS YET TO REVERT TO HISTORICAL NORMS

IMPERIAL BRANDS

POSITIVE IMPACT ON MARKET SIZE TREND

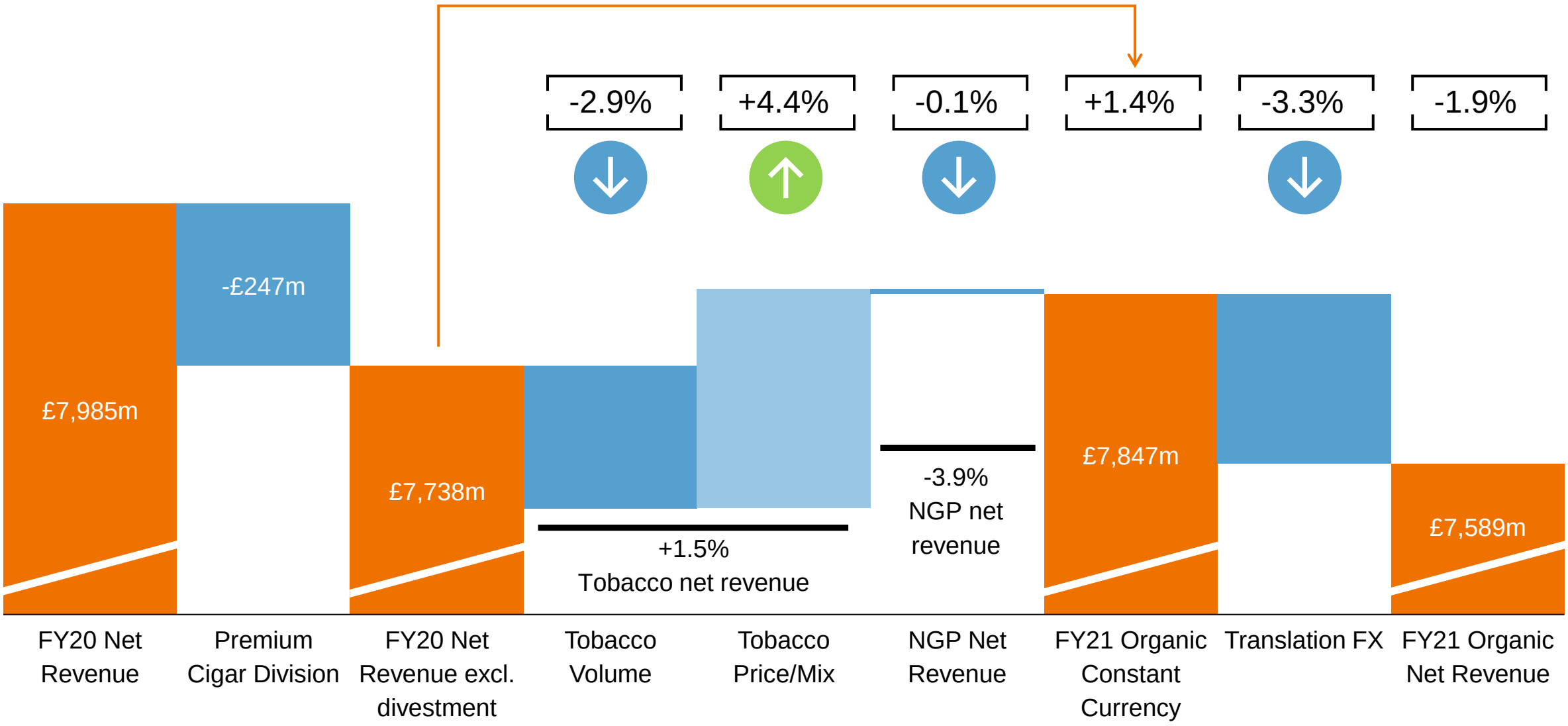


NEGATIVE IMPACT ON MARKET SIZE TREND

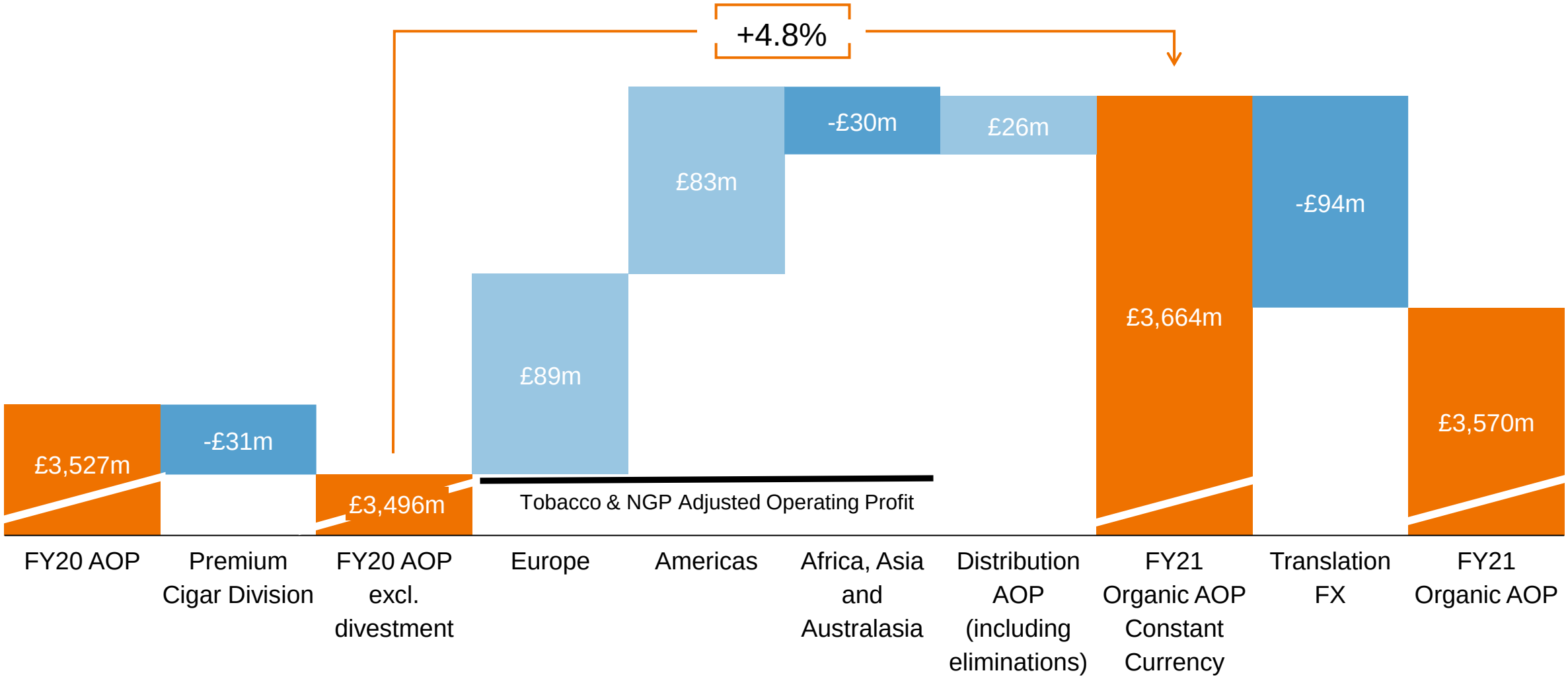


Source: Market % numbers show 12-month YOY movement in total sector volumes; Global Duty Free (GDF) shows volume movement in Imperial GDF business

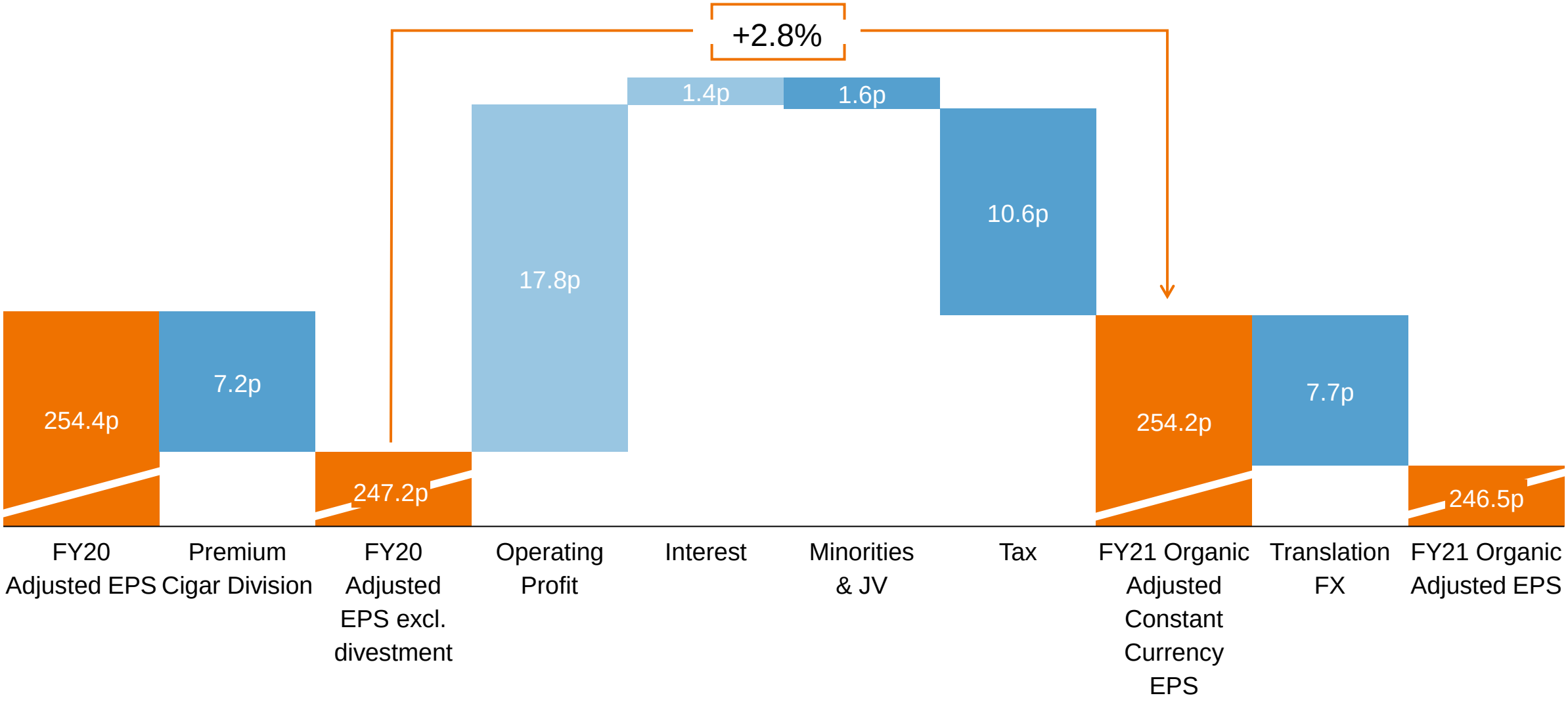
Net Revenue


-2.9%
+4.4%
-0.1%
+1.4%
-3.3%
-1.9%
£7,985m
-£247m
£7,738m
+1.5%
Tobacco net revenue
-3.9%
NGP net revenue
£7,847m
£7,589m
FY20 Net Revenue
Premium Cigar Division
FY20 Net Revenue excl. divestment
Tobacco Volume
Tobacco Price/Mix
NGP Net Revenue
FY21 Organic Constant Currency
Translation FX
FY21 Organic Net Revenue

Adjusted Operating Profit



Adjusted Earnings Per Share



Group Organic Adjusted Results

		FY20	Premium Cigars	**FY20 excl. divestment**	Foreign Exchange	Constant Currency Growth	**FY21 excl. divestment**	Actual Δ	Constant Currency Δ
Tobacco net revenue	£m	7,784	(247)	**7,537**	(253)	117	**7,401**	-1.8%	+1.5%
NGP net revenue	£m	201	-	**201**	(5)	(8)	**188**	-6.4%	-3.9%
Tobacco & NGP operating profit	£m	3,288	(31)	**3,257**	(94)	142	**3,305**	+1.5%	+4.3%
Tobacco & NGP profit margin	%	*41.2%*		***42.1%***			***43.5%***	*+140bps*	*+140bps*
Distribution net revenue	£m	1,015	-	**1,015**	(5)	59	**1,069**	+5.3%	+5.8%
Distribution operating profit	£m	226	-	**226**	(1)	33	**258**	+14.2%	+14.8%
Distribution margin	%	*22.3%*		***22.3%***			***24.1%***	*+180bps*	*+180bps*
Distribution Eliminations	£m	13	-	**13**	1	(7)	**7**	-50.3%	-50.0%
Group adjusted operating profit	£m	3,527	(31)	**3,496**	(94)	168	**3,570**	+2.1%	+4.8%

Group Organic Adjusted Results

		FY21*	FY20*
Group adjusted operating profit	£m	**3,570**	3,496
Adjusted net finance costs	£m	**(417)**	(429)
Share of profit of JVs	£m	**7**	1
Adjusted profit before tax	£m	**3,160**	3,068
Adjusted tax rate	%	**22.6%**	20.7%
Adjusted EPS	pence	**246.5**	247.2
Dividend per share	pence	**139.08**	137.71
Cash conversion	%	**83%**	127%
Adjusted net debt	£m	**(8,615)**	(10,299)

* Organic adjusted results excluding the impact of the Premium Cigar divestment.

Reconciliation: Reported to Adjusted

£m (unless otherwise stated)	**Reported FY21**	Amort. of acquired intangibles	Rest. costs	Profit on disposal of subsidiaries	Excise tax provision	Fair value adj. of loan receivable	Fair value (gains) / losses on financial instruments	Post employment net financing cost	Tax on unrecognised losses	Adj. attributable to non-controlling interests	Tax on disposal of Premium Cigar Division	Previously unrecognised tax losses	Acquisition and disposal costs	**Adjusted FY21**
Operating profit	**3,146**	450	257	(281)	(1)	(15)	-	-	-	-	-		17	**3,573**
Share of profit of JV	**11**	-	-	-	-	-	-	-	-	-	-		-	**11**
Finance costs	**81**	-	-	-	-	-	(496)	(2)	-	-	-		-	**(417)**
Profit before tax	**3,238**	450	257	(281)	(1)	(15)	(496)	(2)	-	-	-		17	**3,167**
Tax	**(331)**	(31)	(72)	-	-	-	(78)	(1)	47	-	(11)	(239)	-	**(716)**
Profit after tax	**2,907**	419	185	(281)	(1)	(15)	(574)	(3)	47	-	(11)	(239)	17	**2,451**
Minority interest	**(73)**	-	-	-	-	-	-	-	-	(43)	-	-	-	**(116)**
Earnings attributable to equity shareholders*	**2,834**	419	185	(281)	(1)	(15)	(574)	(3)	47	(43)	(11)	(239)	17	**2,335**
Basic EPS (pence)*	**299.9**	44.3	19.6	(29.7)	(0.1)	(1.6)	(60.7)	(0.3)	5.0	(4.6)	(1.2)	(25.3)	1.8	**247.1**

* Earnings attributable to equity shareholders excluding divestment of premium cigars division is £2,330m, resulting in EPS of 246.5p.

Income Statement

£m (unless otherwise stated)	FY21	FY20
Revenue	**32,791**	32,562
Adjusted operating profit	**3,573**	3,527
Acquisition and disposal costs	**(17)**	(26)
Amortisation and impairment of acquired intangibles	**(450)**	(523)
Restructuring costs	**(257)**	(205)
Excise tax provision	**1**	20
Profit on disposal of subsidiaries	**281**	-
Fair value adjustment of loan receivable	**15**	(62)
Share of profit of investments accounted for using the equity method	**11**	45
Net finance costs*	**81**	(610)
Profit before tax	**3,238**	2,166
Tax	**(331)**	(608)
Profit after tax	**2,907**	1,558
Minority interests	**73**	63
Basic EPS (pence)	**299.9**	158.3
Adjusted EPS (pence)	**247.1**	254.4

* Including net fair value and exchange gains/losses on financial instruments and post-employment benefits net financing costs

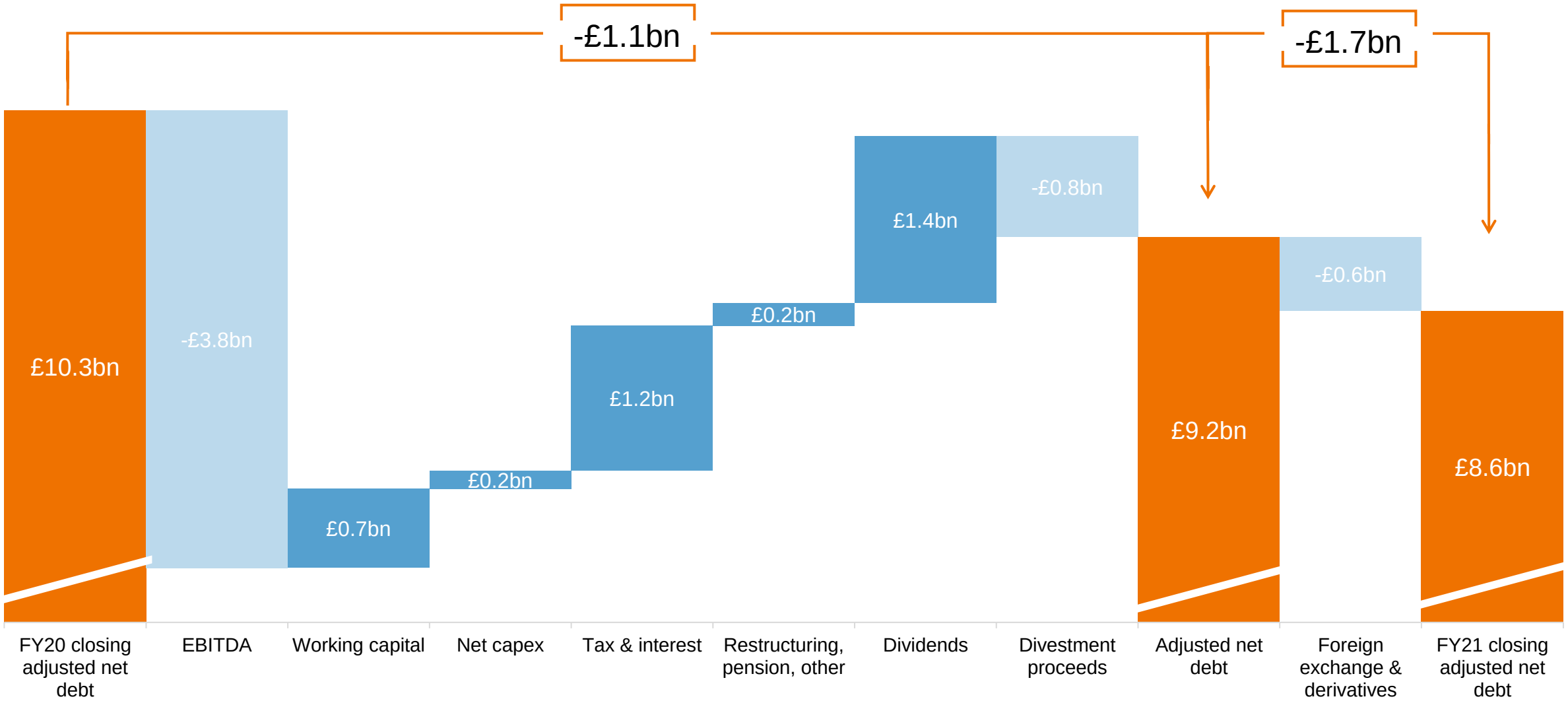
Balance Sheet

£m		FY21	FY20 Reclassified
Non-current assets:	tangible	**4,209**	4,500
	intangible	**16,674**	18,160
Current assets:	inventories	**3,834**	4,065
	other	**4,373**	5,585
Current liabilities		**(10,808)**	(12,325)
Non-current liabilities		**(12,342)**	(14,467)
Net assets		**5,940**	5,518

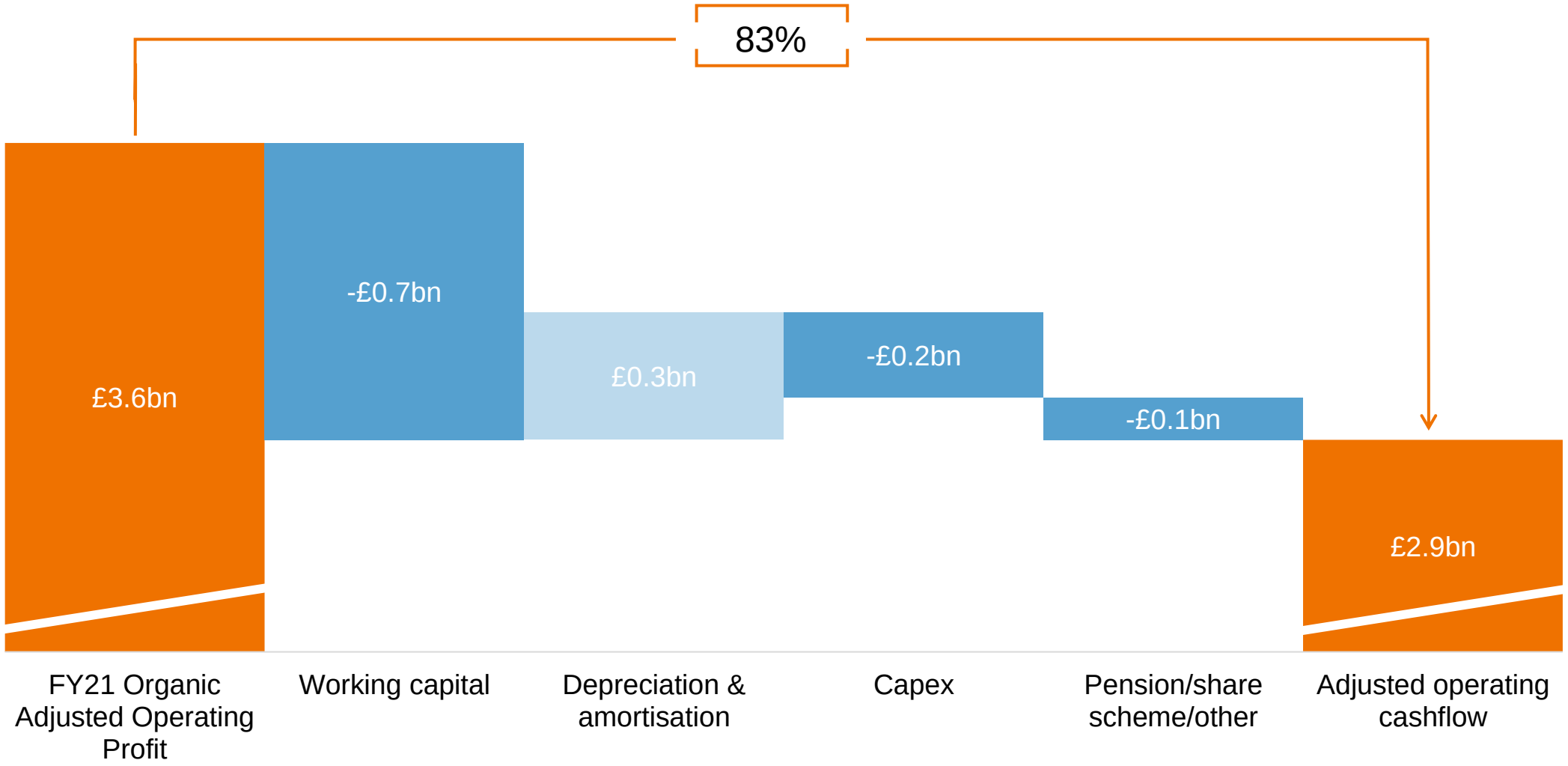
Cash flow

£m	FY21	FY20
Cash flows from operating activities pre tax	**2,987**	4,598
Tax paid	**(820)**	(568)
Cash flows from operating activities	**2,167**	4,030
Purchase of non-current assets	**(200)**	(302)
Purchase of brands and operations	**-**	(146)
Repurchase of shares	**-**	(92)
Proceeds from sale of non-current assets	**50**	28
Net proceeds from sale of subsidiaries	**845**	-
Dividends paid (inc. minority interests)	**(1,398)**	(1,838)
Deposit received from sale of asset held for sale	**-**	83
Loan to third parties	**-**	(3)
Net interest paid	**(400)**	(420)
Net cash flow	**1,064**	1,340
Opening net debt	**(11,141)**	(11,970)
Closing net debt before non-cash movements	**(10,077)**	(10,630)
Non-cash movements		
Exchange movement	**671**	(168)
Other non-cash movements including revaluation of derivative financial instruments	**59**	77
Lease liabilities	**(26)**	(358)
Transferred to held for disposal	**-**	(62)
Closing net debt after non-cash adjustments	**(9,373)**	(11,141)

Net Debt


-£1.1bn
-£1.7bn
£10.3bn
-£3.8bn
£0.7bn
£0.2bn
£1.2bn
£0.2bn
£1.4bn
-£0.8bn
£9.2bn
-£0.6bn
£8.6bn
FY20 closing adjusted net debt
EBITDA
Working capital
Net capex
Tax & interest
Restructuring, pension, other
Dividends
Divestment proceeds
Adjusted net debt
Foreign exchange & derivatives
FY21 closing adjusted net debt

Cash Conversion



12-month Cash Conversion

£m (unless otherwise stated)	FY21	FY20
Net cash flow from operating activities	**2,167**	4,030
Tax	**820**	568
Net capex	**(150)**	(274)
Restructuring cash spend	**112**	145
Cash flow post capex pre interest and tax	**2,949**	4,469
Adjusted operating profit	**3,573**	3,527
Cash conversion (%)	**83%**	127%
Working capital (outflow) / inflow	**(664)**	1,042

Net Finance Costs

£m	FY21	FY20
Net finance income/(costs)	**81**	(610)
Adjusted for:		
- interest income on net defined benefit assets	**(89)**	(99)
- interest cost on net defined benefit liabilities	**87**	104
- fair value & exchange (losses)/gains on financial instruments	**(496)**	176
Adjusted net finance costs	**(417)**	(429)

Net Debt Reconciliation

£m	**Reported FY21**	Accrued interest	Fair value of derivatives	Lease Liabilities	**Adjusted FY21**
Opening net debt	**(11,141)**	156	387	299	**(10,299)**
Free cash flow	**1,524**				**1,524**
Dividends	**(1,305)**				**(1,305)**
Net proceeds from sale of subsidiaries	**845**				**845**
Accretion of interest	**8**	(16)			**(8)**
New leases, terminations and modifications	**(26)**				**(26)**
Change in fair values	**51**		(20)	(48)	**(17)**
Exchange movements	**671**				**671**
Closing net debt	**(9,373)**	140	367	251	**(8,615)**

Foreign Exchange

	Average			Closing		
	FY20	**FY21**	**Δ**	**FY20**	**FY21**	**Δ**
USD $	1.275	1.369	+7.3%	1.283	1.346	+4.9%
EURO €	1.139	1.145	+0.5%	1.096	1.162	+6.0%
AUD $	1.882	1.821	-3.3%	1.802	1.870	+3.8%
Russian Rouble	88.152	102.069	+15.8%	100.588	98.012	-2.6%

Foreign Currency

DIVISIONAL CURRENCY EXPOSURE

Approximate weight of currency in **Tobacco Net Revenue**	**GBP £**	**EUR / EUR Linked**	**USD $**	**AUD $**	**Other Currencies**	**Other includes**
Europe	20%	65%	0%	0%	15%	Polish Zloty, Norwegian Krone
Americas	0%	0%	100%	0%	0%	
AAA	0%	20%	15%	20%	45%	Taiwan $, Moroccan Dirham, Russian Rouble

- €0.01 (1 cent) movement in the € Euro has c. £20m impact on net revenue.
- $0.01 (1 cent) movement in the $ USD has a c. £22m impact on net revenue.

Approximate weight of currency in **Operating Profit**	**GBP £**	**EUR / EUR Linked**	**USD $**	**AUD $**	**Other Currencies**	**Other includes**
Europe	30%	70%	0%	0%	0%	
Americas	0%	0%	100%	0%	0%	
AAA	0%	15%	15%	40%	30%	Moroccan Dirham, New Zealand $
Logistics		100%				

- €0.01 (1 cent) movement in the € Euro has a c. £12m impact on PBT.
- $0.01 (1 cent) movement in the $ USD has a c. £10m impact on PBT

Percentages provided are broad guidance only. They are not definitive numbers

Divisional Market Share

MAT MARKET SHARE DATA

	FY21	FY20	△
Europe	**19.5%**	19.4%	+10bps
Americas	**9.1%**	8.9%	+20bps
AAA	**11.0%**	10.7%	+30bps
Total Group	**14.0%**	13.8%	+20bps

Market Share Calculation

Market share is presented as a 12 month average (MAT). Aggregate market share is a weighted average across markets within our footprint. The sources of market share information by market are continually reviewed to ensure the most accurate data available. Where any changes have been made we have restated (as denoted R) the PY number to ensure comparability

FY20 Results Pro-Forma

REMOVING THE IMPACT OF THE PREMIUM CIGAR DIVESTMENT

	FY20 Reported	Premium Cigars	**FY20 Restated**
Volume (Bn SE)	**239.1**	(0.3)	**238.8**
Tobacco net revenue (£m)	**7,784**	(247)	**7,537**
Group Adjusted operating profit (£m)	**3,527**	(31)	**3,496**
Share of JV profits (£m)	**45**	(44)	**1**
Adjusted Profit before tax (£m)	**3,143**	(75)	**3,068**
Adjusted Earnings (£m)	**2,403**	(68)	**2,335**
Adjusted EPS (p)	**254.4**	(7.2)	**247.2**

FY21 Results Pro-Forma

REMOVING THE IMPACT OF THE PREMIUM CIGAR DIVESTMENT

	FY21 Reported	Premium Cigars	**FY21 Restated**
Volume (Bn SE)	**231.9**	-	**231.9**
Tobacco net revenue (£m)	**7,422**	(21)	**7,401**
Group Adjusted operating profit (£m)	**3,573**	(3)	**3,570**
Share of JV profits (£m)	**11**	(4)	**7**
Adjusted Profit before tax (£m)	**3,167**	(7)	**3,160**
Adjusted Earnings (£m)	**2,335**	(5)	**2,330**
Adjusted EPS (p)	**247.1**	(0.6)	**246.5**

Settlement Schedule

PREMIUM CIGAR DIVESTMENT PROCEEDS

Settlement schedule	EUR (m)
24th September 2020	**91.7**
7th October 2020	**85.7**
28th October 2020	**640.6**
29th April 2021	**250.0**
29th October 2021	**88.0**
To be confirmed on transfer of Dominican Republic facility	**69.0**
Total consideration	**1,225.0**

FY22 Guidance

OTHER FINANCIAL ITEMS

Impact of premium cigar divestment

- EPS dilution of 0.6p on FY21 (see slide 18 for full pro-forma)

Financing & Cost of Debt

- Finance charge for FY22 expected to be c.£360m

Tax Rate

- Expected to be c. 24%

Capex

- Expect net capex to be c. £300m

Cash Conversion

- Expect high 90% range

Foreign Exchange

- Translation FX: broadly FLAT at prevailing FX rates (USD $1.34, EUR €1.17, AUD 1.84)

Restructuring costs

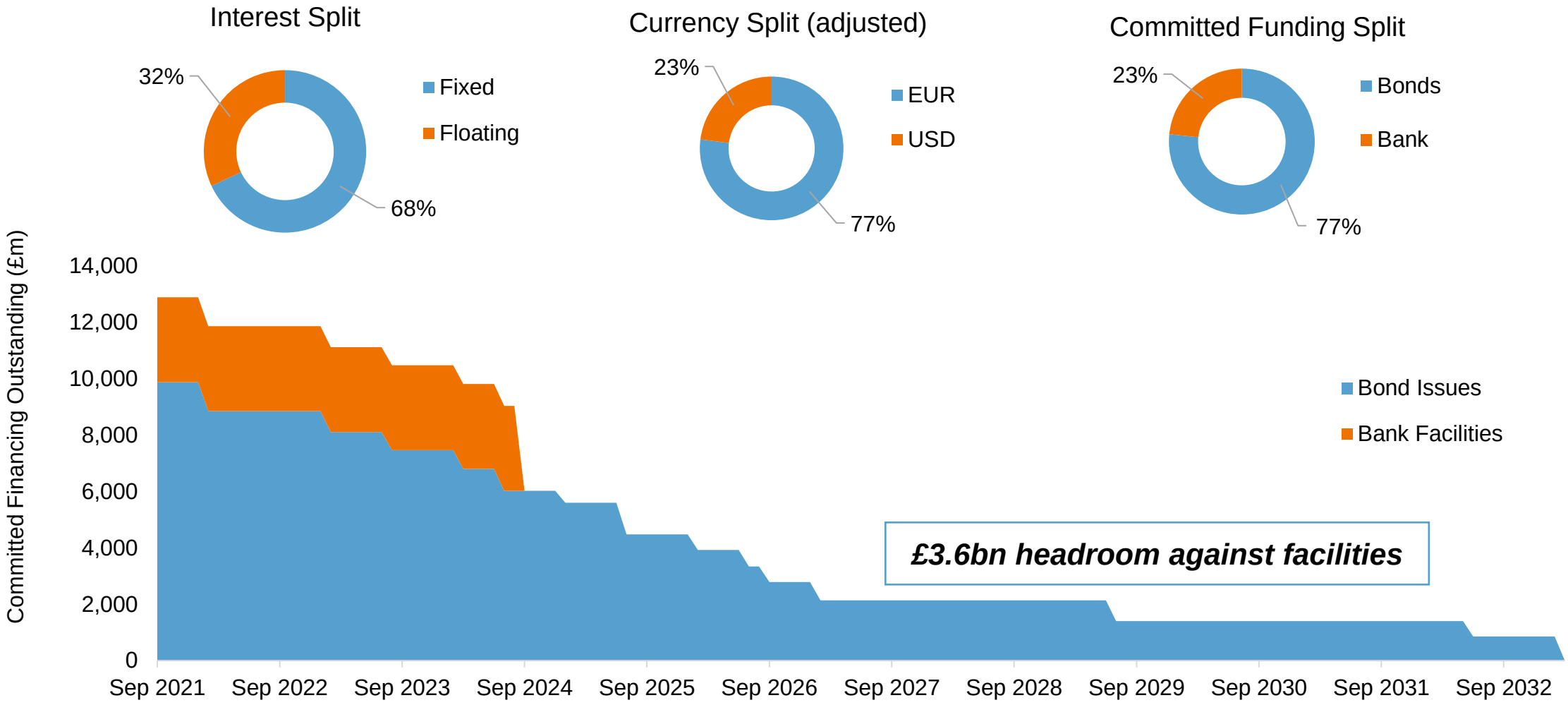
- FY22 cash cost expected at around £230m

APPENDICES

FINANCING

Financial Profile

30 SEPTEMBER 2021



Committed Bank Facilities

30 SEPTEMBER 2021

Description	Maturity date	Amount (EUR m)	£m equiv.
Committed 3-year Revolving Credit Facility	30 September 2024	3,500	3,012
Total			**3,012**

Bond Issues

30 SEPTEMBER 2021

Currency of issue	Amount (ccy m)	Issuer	Coupon	Issue Date	Maturity Date	£m equiv.	Margin*
GBP	1,000	Imperial Brands Finance PLC	9.00%	Feb-09	Feb-22	1,026	4.83%
USD	1,250**	Imperial Brands Finance PLC	3.75%	Jul-15	Jul-22	-	-
USD	1,000	Imperial Brands Finance PLC	3.50%	Feb-13	Feb-23	743	1.13%
EUR	750	Imperial Brands Finance PLC	1.13%	Feb-19	Aug-23	645	1.25%
GBP	600	Imperial Brands Finance PLC	8.13%	Sep-08	Mar-24	664	3.10%
USD	1,000	Imperial Brands Finance PLC	3.13%	Jul-19	Jul-24	773	1.20%
EUR	500	Imperial Brands Finance PLC	1.38%	Jan-17	Jan-25	430	1.00%
USD	1,500	Imperial Brands Finance PLC	4.25%	Jul-15	Jul-25	1,115	2.22%
EUR	650	Imperial Brands Finance PLC	3.38%	Feb-14	Feb-26	559	1.45%
USD	750	Imperial Brands Finance PLC	3.50%	Jul-19	Jul-26	580	1.52%
GBP	500	Imperial Brands Finance PLC	5.50%	Sep-11	Sep-26	554	2.72%
EUR	750	Imperial Brands Finance PLC	2.13%	Feb-19	Feb-27	645	1.83%
USD	1,000	Imperial Brands Finance PLC	3.88%	Jul-19	Jul-29	743	1.97%
GBP	500	Imperial Brands Finance PLC	4.88%	Feb-14	Jun-32	539	2.12%
EUR	1,000	Imperial Brands Finance Netherlands BV	1.75%	Mar-21	Mar-33	861	1.76%
		Total/Weighted Average Margin				**9,877**	**2.1%**

* Above respective final currency IBOR rate after the effects of related interest rate derivative transactions

** Bond defeased and discharged

Glossary

SE	Stick Equivalent (SE) volumes reflect our combined cigarette, fine cut tobacco, cigar and snus volumes.
Constant Currency	Change at constant currency removes the effect of exchange rate movements on the translation of the results of our overseas operations.
Tobacco	Total Tobacco includes cigarettes, fine cut tobacco, cigar, traditional snus and other tobacco products.
NGP	NGP includes vapour products, next generation oral nicotine including all-white oral snus
Logista	Logista is a 50.01% owned subsidiary and publicly listed on the Spanish stock exchanges. It is one of the largest logistics businesses in Europe, with operations extending across Spain, France, Italy, Portugal and Poland.