

IMPERIAL BRANDS PLC

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Trading update: reiterating full-year guidance; positive start to 2030 transformation.

- Robust tobacco pricing and NGP innovation expected to drive low-single-digit percent growth in tobacco & NGP net revenue in H1¹.
- Group adjusted operating profit expected to be slightly higher compared to H1 2025¹, with growth accelerating in H2, in line with previous guidance of a second-half weighted performance.
- On track to deliver at least high-single digit earnings per share growth¹ and at least £2.2 billion of free cash flow for the full year.
- Completed £0.7 billion of the FY26 £1.45 billion share repurchase, as part of “evergreen” share buyback programme to 2030
- Continued momentum towards becoming more consumer-centric, data-led, and efficient through long-term partnership with Capgemini, supply chain footprint initiatives, and further roll-out of our enterprise IT applications.

We reiterate our full-year guidance for FY26 of low-single-digit tobacco and double-digit NGP net revenue growth, three to five per cent Group adjusted operating profit growth and at least high-single-digit earnings per share growth, all at constant currency, along with at least £2.2bn in free cash flow. The conflict in the Middle East has resulted in a more uncertain geopolitical and macro environment. Whilst there has been no material business impact to date, the potential future impact during the second half remains uncertain. We continue to monitor the situation and will give a further update with our H1 results announcement on 12 May.

As guided, for H1 we expect low-single-digit percent growth in tobacco & NGP net revenue¹. Tobacco net revenue is expected to show low-single-digit percent growth¹, driven by robust pricing and low single digit combustible volume decline. We continue to build scale in NGP and expect to grow share in all three categories in H1, with NGP net revenue growth around mid-to-high single digit percent¹, with double-digit growth in both of our Europe and AAACE regions¹. This is driven by continued momentum in heated tobacco with Pulze 3.0, particularly in Italy and Greece; in vape, where our blu kit range continues to perform well; and in modern oral where new product launches in Skruf and Zone in the Nordics and UK are driving performance.

While market share remains important, we continue to balance share and value. Having successfully stabilised our aggregate share across our top five markets, we continue to evolve our approach to reflect changing market dynamics and our focus on more profitable segments, to deliver long-term, sustainable value creation. As such, we anticipate some overall modest aggregate share reduction across the top five markets in H1, alongside growth in tobacco adjusted operating profit.

Group adjusted operating profit is anticipated to be slightly higher year on year¹, with a strong performance in Europe and wider AAACE portfolio, offset by US, Australia, and Logista. Tobacco adjusted operating profit is expected to grow at a similar rate to last year¹, while NGP adjusted operating losses are expected to be moderately higher. Performance will be weighted to the second half of the year, as previously guided, with the step-up in adjusted operating profit growth underpinned by the usual flow through of embedded combustible pricing taken in the first half and the phasing of investment, as we continue to build scale.

In the US, Zone continues to perform well, maintaining volume share as we continue to build long-term brand equity, although due to heightened promotional activity, NGP net revenue is expected to be lower than

the same period last year. Tobacco and NGP net revenue and adjusted operating profit growth are expected to accelerate in the second half¹, underpinned in combustibles by the flow-through of price increases already taken in the first half and planned increases in H2; the launch in March of our new Malibu cigarette brand; and in NGP by recent new flavour launches for Zone, alongside a targeted channel strategy.

Our adjusted operating cash conversion remains strong on a 12-month basis, and we are on track to deliver free cash flow of at least £2.2 billion for the full year, in line with our guidance. Following the decision of the Supreme Court of Delaware in December 2025, a payment of \$200 million was made to R J Reynolds in the first half of the financial year, with the remaining \$234 million to be made in roughly equal instalments over the next three years.

We expect full-year leverage to remain at the lower end of our 2.0-2.5 range for net debt to EBITDA.

We currently expect translation foreign exchange to be a c. 2.0-2.5 per cent headwind on first-half earnings per share and a 0-1 per cent headwind on full-year earnings per share.

During the first half we completed the £0.1 billion remaining of the share buyback announced in October 2024 and as at 31 March 2026, we had completed £0.7 billion of our £1.45 billion share buyback for this year. Combined, this represents approximately 3.2% of the issued share capital as at 30 September 2025. We remain committed to returning surplus capital to shareholders via our ongoing “evergreen” share buyback programme, which represents an ongoing source of shareholder returns alongside our progressive dividend policy.

We are pleased to report a good start to our 2030 strategy, with strong momentum behind our execution and our transformation towards becoming a more consumer-centric, data led, agile and efficient challenger. During the first half, we began the implementation of our new long-term partnership with Capgemini and took further action to focus on our supply chain footprint, while continuing the rollout of our enterprise IT applications.

Interim results for the six months ended 31 March 2026 will be announced on 12 May 2026.

1. All growth rates are at constant currency, unless otherwise stated.

ENDS

Notes:

The Group uses 'adjusted' (non-GAAP) measures as we believe they provide a better comparison between reporting periods. The definition of our adjusted measures is unchanged from our full-year results. We also use the term 'constant currency', which removes the effect of exchange rate movements on the translation of the results of our overseas operations.

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