



ANNUAL GENERAL MEETING 2021

Imperial Brands PLC

3 February 2021





Thérèse Esperdy

Chair

The Board



Thérèse Esperdy
Chair



Stefan Bomhard
Chief Executive Officer



Oliver Tant
Chief Financial Officer



Sue Clark
Senior Independent Non-Executive Director



Alan Johnson
Non-Executive Director



Bob Kunze-Concewitz
Non-Executive Director



Simon Langelier
Non-Executive Director



Pierre-Jean Sivignon
Non-Executive Director



Steven Stanbrook
Non-Executive Director



Jon Stanton
Non-Executive Director



John Downing
Company Secretary



**IMPERIAL
BRANDS**

Our Transformation to Unlock Value

New Strategy and
Five-Year Plan





Stefan Bomhard

Chief Executive Officer

Strategic review: strategy defined by Imperial for Imperial

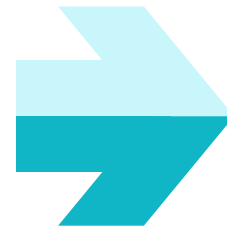


Rigorous Approach

- Fresh perspectives and expertise
- Fact-based (market, consumer, competitor)

Guiding Principles

- Developed with broader leadership team
- Leveraging our strongholds
- Learning from what went wrong in the past
- Considering all options to create value



Clear areas of future focus
where **we have a
right to win**

Strategic review: areas for improvement



Tobacco Delivery

- Share performance has been poor
- Insufficient focus on markets that drive greatest value
- Distracted by smaller markets

NGP Underperformance

- Scaling of vapour too rapid and too broad
- Lack of consumer validation
- Investment decisions lacked robust data
- Insufficient focus on heated tobacco

Performance Management

- Limited rigour in performance management
- Lack of agility and responsiveness
- Data and consumer insight not fully leveraged

Capabilities and Culture

- Not sufficiently focused on consumer needs
- Limited central marketing capabilities
- Inconsistent approach to market data and insight
- Siloed thinking, fragmented organisation

Five-year plan overview: compelling plan centred around three strategic pillars



Focus on Priority Combustible Markets

- Target increased investment in our most appealing profit pools
- Focus on defined key operational levers to unlock value

Drive Value From Our Broader Market Portfolio

- Efficiently manage broader market portfolio
- Create global processes and drive best practice sharing
- Prepare future growth engines
- Selectively rationalise portfolio

Build A Targeted NGP Business

- Focus on heated tobacco in Europe as primary growth engine
- Turnaround vapour business with focus on the US
- Oral nicotine focus on existing markets

Five-year plan overview: new ways of working to enable plan delivery



Consumer at the Centre of our Business

- Strengthen critical capabilities: marketing, innovation, digital and consumer insight
- Leverage relevant brand portfolio to address key consumer needs

Performance-based Culture and Capabilities







- Embed fact-based and collaborative ways of working
- Build a challenger mindset throughout organisation
- Invest in talent and embrace diversity and inclusivity

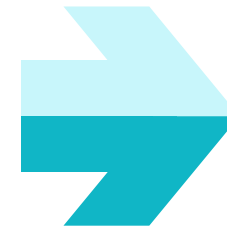
Simplified and Efficient Operations

- Simplify the organisation through global processes underpinned by technology
- Create and embed clear performance management framework that will drive agility and accountability in decision making

Opportunity to differentiate our approach



-  Focus on selected battlegrounds
-  More targeted with our investment
-  A strong retail partner
-  Relentlessly consumer focused
-  A differentiated fast follower
-  Faster, more agile decision-making



Execute with a clear
**challenger
mindset**

What our strategy will deliver



Stronger business in our five priority combustible markets

Clearly defined role for the broader market portfolio to optimise value creation

A targeted and more disciplined NGP business committed to harm reduction

New ways of working and culture that reinforce focus on consumer and delivery



Sustainable low-single digit revenue growth

Mid-single digit operating profit growth

Robust and reliable cash generation

Strong and efficient balance sheet

Enhanced cash returns

Imperial Brands: an attractive investment case



Clear strategy to rebuild credibility and create value

Revitalised tobacco business will be key driver of value creation

A disciplined NGP business committed to harm reduction and providing options for growth

Self-help initiatives deliver operational improvement and strengthen performance

Strong sustainable cash flow generated from a high-quality portfolio

Progressive dividend supplemented by capital returns over time



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