

**Imperial Brands PLC Annual General Meeting  
31 January 2024**

**Thérèse Esperdy**

Good morning and welcome to our 2024 Annual General Meeting.

I'm Thérèse Esperdy, Chair of Imperial Brands' Board.

In the unlikely event of an emergency during our meeting, please follow instructions from our team and the hotel staff, who will lead you to safety.

It is now 09:30. A quorum is present, and I formally declare the meeting open.

I would like to introduce those on the stage with me today.

On my right, we have in order:

- Stefan Bomhard, Group Chief Executive
- Lukas Paravicini, Group Chief Financial Officer
- Jon Stanton, Chair of the Audit Committee
- Ngozi Edozien
- Bob Kunze-Concewitz

On my left, we have:

- Emily Carey, Company Secretary
- Sue Clark, Senior Independent Director and Chair of the Remuneration Committee
- Alan Johnson
- Diane de Saint Victor
- Andrew Gilchrist

I would like to welcome Andrew Gilchrist to his first Imperial Brands AGM.

Andrew, who was Chief Financial Officer of Reynolds American, brings to our Board two decades of experience in the tobacco sector.

He joined the Board and our Audit and People and Governance Committees last March.

You may have also seen our recent announcement of the appointment of a new Non-Executive Director, Julie Hamilton, to the Board.

Julie has over 30 years' experience in marketing, strategy and digital transformation and until recently was Diageo's Chief Commercial and Sales Director. Prior to Diageo, Julie spent 25 years at the Coca-Cola Company and I am

delighted to welcome her to the Board and People & Governance Committee upon conclusion of this AGM.

Shortly, I'll hand over to Stefan for a business overview. First, I'd like to say a few words about our progress.

The transformation of Imperial is leading to a stronger, more consistent performance.

Despite a difficult external environment, with inflation, a squeeze in consumer wallets and regulatory challenges, we continue to methodically deliver on our commitments.

During the 2023 fiscal year, we reported improved results in both combustible and new generation products.

And we are providing you, our shareholders, with sustainable, growing returns through a progressive dividend policy and an ongoing share buyback programme.

I would like to take this opportunity to thank the 25,000 people who work at Imperial – as well as our many valued business partners – for their contributions to our growing success.

We are making progress towards our purpose of forging a path to a healthier future for moments of relaxation and pleasure, with a significant scaling up of our NGP business.

And we are delivering on our other key environmental, social and governance priorities.

Among these is our goal to be a fully Net Zero company by 2040, and since our baseline year of 2017 we have reduced carbon emissions by 65 percent within the business.

Building on the programmes of previous years, the Board held meetings in Germany and Morocco, during which we had the opportunity to meet with employees and consumers.

I and my Board colleagues continue to have regular interactions with investors.

In particular, over the past year we consulted widely on our refreshed Remuneration Policy – for which today we are seeking your approval.

Sue Clark, who chairs the Remuneration Committee, has undertaken a detailed process to better understand your priorities and views.

The new policy has been developed taking into account your feedback and the Board's responsibility to ensure we reward employees appropriately, while recognising their contribution and performance.

Looking ahead, we expect the continuing benefits of our transformation to enable a further acceleration of our performance during the final two years of our five-year strategy.

And we look forward to making more progress towards our healthier future.

I will now hand over to Stefan for his review of the past year.

### **Stefan Bomhard**

Thank you, Thérèse.

And good morning, everyone.

Our fiscal year 2023 results are further evidence of strong progress against our five-year strategy.

The key headlines are:

First. Our targeted investments are driving further aggregate market share gains in our priority combustible markets.

Second. We have delivered strong pricing and grown margins – despite high inflation and squeezed consumer wallets.

Third. In new generation products, our challenger approach to innovation and disciplined execution are accelerating revenue growth.

And fourth, while once again delivering on our annual plans, we are also making good progress on our long-term transformation.

We manage this business using a balanced dashboard of operational and financial measures.

For the third year in a row, this dashboard is a sea of green with all arrows pointing in the right direction.

The figure that jumps out at me is the 3.9 percent increase in profitability, demonstrating the acceleration in profit growth we promised.

Our industry is highly competitive and characterised by shrinking volumes in our core product, so to deliver results of this quality and consistency is not easy.

At this point, I want to echo Therese's expression of thanks to our 25,000 colleagues.

Every extra basis point of market share and every pound of additional revenue is a result of the strategic focus and hard work of our teams.

What's also pleasing about this dashboard is the way it highlights how operational success in combustibles and NGP is translating directly into financial progress – and then into growing capital returns.

We have announced a 10 percent increase in our ongoing share buyback and a 4 percent rise in the annual dividend.

This is all hard evidence that our strategy is working.

This is now my fourth AGM as CEO of Imperial Brands. My first, in 2021, was held virtually because of Covid, and came very shortly after we had unveiled our strategy.

Three years on, we are making good progress against our strategic commitments.

In combustibles, we now have a track record of share stability and strong pricing.

In new generation products, we have credible offerings in multiple categories.

And there has been a step-change in financial performance and a step-change too in our capital returns to you.

As our transformation progresses, we are now able to show you the hard work of our teams... as well as some equally hard numbers.

We highlighted at our investor event in New York last summer how we are committed to placing the consumer at the centre of our business.

In insights, not only have we improved the quality, for example through the demand spaces work we previously showcased, we have also increased the quantity.

Over the past year, we have expanded our consumer tracker to cover 120,000 participants in 35 countries, a 20% increase over the previous year.

We are scaling our distinctive partnership approach to innovation – with three new hubs now open in Liverpool, Hamburg and Shenzhen.

And this is translating into a step change in the pace of new product launches.

Our investment in a new performance culture is also leading to clear, measurable returns.

Over the past year, 300 leaders took part in an intensive course lasting seven working days designed to improve their management and coaching skills.

Activities like these have supported a 10-percentage point improvement in engagement scores among our “Global Business Leaders” cohort.

Company-wide, we have maintained a benchmark-beating 74 percent engagement score.

While there is always room for improvement, this is a positive sign we are bringing our people with us on our transformation journey.

We continue to work through the legacy of this company’s acquisitive history, creating simpler, more efficient ways of working and investing in data and systems.

The savings we promised when we launched our strategy in 2021 have been delivered.

It is important to note, however, that the full upside potential of our major investment in a single data platform will take time to emerge.

In ESG, as part of our wider business strategy, we set out some challenging long-term objectives across eight priorities.

And we are now making material progress towards those objectives with reductions in carbon emissions, waste and lost-time accidents.

Delivery of these outcomes is supported by our more structured approach to ESG governance.

Our cross-functional ESG committee, which I chair, includes all the Executive Leadership Team.

This provides oversight and direction to our ESG agenda and underpins our more rigorous, performance-focused approach.

I look forward to reporting further progress at future meetings.

The past year has been for a major test of our strategy.

We faced high inflation and a squeeze on consumer wallets.

Internally, the fast pace of our transformation continued.

Amid all this we delivered growing share, strong pricing and an acceleration in NGP growth.

And we delivered a step up in financial performance and shareholder returns.

Looking ahead, there will, no doubt, be more challenges.

But we are building a track record that gives me confidence that we are now a more resilient, agile business than we were in the past.

And, as we look at our pipeline of transformation initiatives, there is more upside to come.

This future upside is an important part of our investment case.

We are building a stronger tobacco business.

We have a sustainable and growing NGP business.

And we are embracing further self-help opportunities through new ways of working and changing our culture.

All these support our growing shareholder returns.

Taken together, our dividend and buyback represent around 15 percent of our current valuation.

So, to conclude: Imperial represents an attractive opportunity to invest in a global consumer goods business, which is committed to making a difference by forging a path to a healthier future.

Thank you – I will now hand you back to Therese.