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**Stefan Bomhard**  
Chief Executive Officer

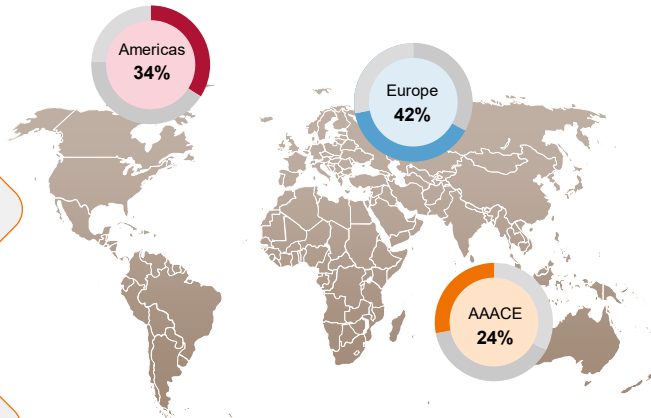
**START WITH THE CONSUMER**  
**INTRODUCTION**

27 JUNE 2023 – INVESTOR EVENT



## Imperial Brands is a Global Enterprise

With a focused, challenger mindset

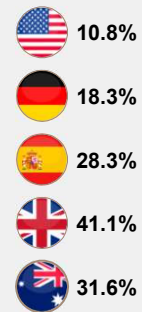


### Top five markets



70% of operating profit

H1 '23 Market Share



# A Range of Tobacco and Nicotine Offerings

We are committed to providing our consumers with diverse choices



## International Brands



## Local Jewels



## Vapour



## Heated Tobacco



## Modern Oral



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# Our Strategy, 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"



Start with the **Consumer**



Collaborate **with Purpose**



Take Accountability **with Confidence**



Be Authentic, **Inclusive to all**



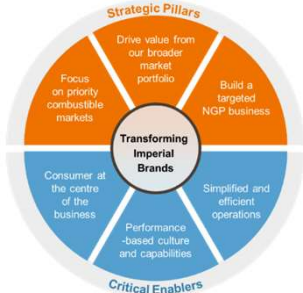
Build **our Future**

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# We Are Delivering Against Our Five-Year Strategy

And there is further upside ahead



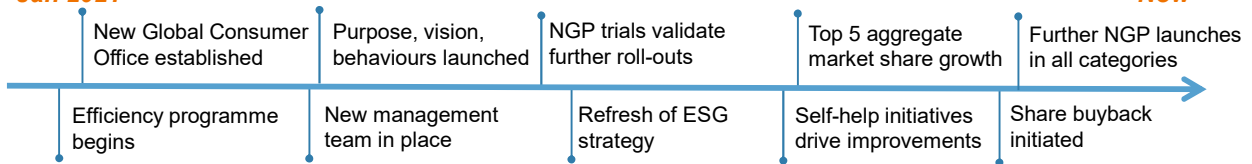
Stabilised aggregate top five market share **+49 bps**

Building NGP net revenue growth in Europe **+31%**

Driving consistent shareholder returns **£4.9bn**

Jan 2021

Now



7 | Source: Cumulative aggregate market share gains FY20-HY23; Europe NGP CAGR FY20-FY22; Cumulative dividend and share buybacks FY21-FY23

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# Executive Team has Broad FMCG Experience

We have attracted diverse talent from leading global consumer businesses

- Broadest FMCG experience of any global executive tobacco team
- Eight out of ten new to Imperial
- Combined with deep tobacco experience
- With strong capabilities in key areas
- And experience of driving corporate transformation



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# Building a Performance-Driven Culture

To drive long-term responsible growth



## OUR FIVE BEHAVIOURS



**Global Engagement Score**

**74%** ↑ 2 ppt vs global benchmark  
engagement score

**81%** ↑ 6 ppt vs global benchmark  
participation rate

**Carbon Reduction**

↓ **\*19%** ↓

**Decrease** in total absolute Scope 1 & 2 CO<sub>2</sub>e

**Scientific Assessment**

**>50**

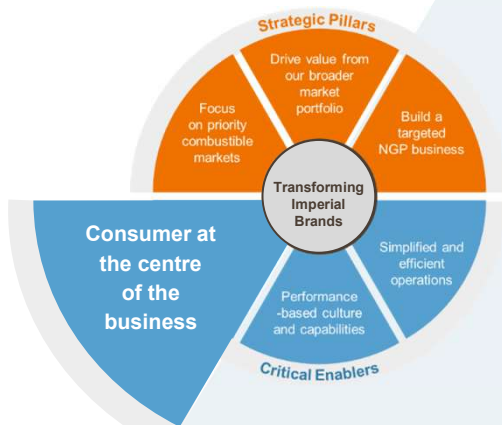
**NGP science studies** over the past two years

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# Everything Starts with the Consumer

New capabilities are creating a strong challenger business



**INSIGHTS**

Unlocking the varied moments of relaxation and pleasure

**INNOVATION**

Building a distinctive partnership approach

**MARKETING**

Connecting to global tribes and local passions

**NGP**

Being a strong challenger business to provide consumers choice

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**Andy Dasgupta**  
Chief Consumer Officer

START WITH THE CONSUMER  
CREATING A GLOBAL CONSUMER OFFICE

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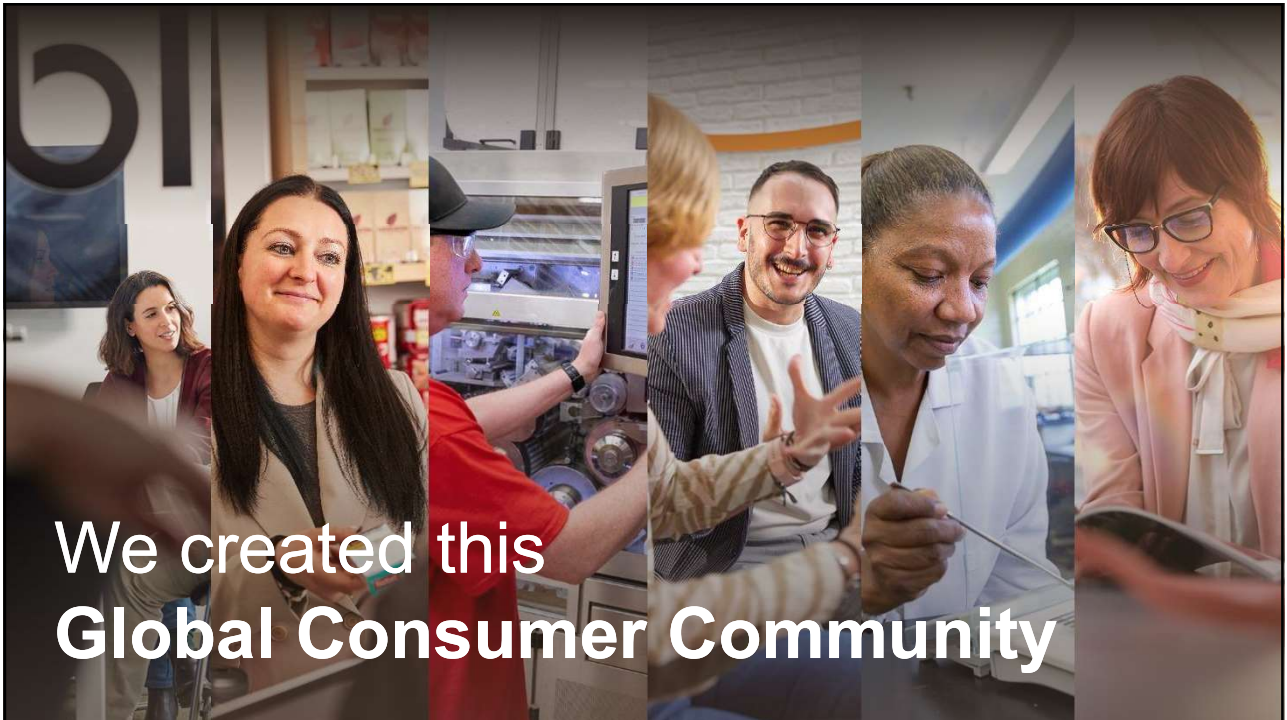
Forging a path to  
a healthier future  
for moments of  
relaxation and  
pleasure



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## A World Class Consumer Team



**Anand Singh**  
Global Insights  
Director



**Yannis Skepetaris**  
Revenue Growth  
Management  
Director



**Mattia De  
Dominicis**  
Innovation Director



**Melvin Ruigrok**  
Head of  
NGP



**Joe Thompson**  
Group Science &  
Regulatory Affairs  
Director



**Jose Cabrera**  
Global Marketing &  
Portfolio Director



**Antoine Blonde**  
Regional Marketing  
Director AAACE



**Rishi Dhingra**  
Executive VP  
Marketing US



**Cary Nombela**  
GCO Programme  
Director



**Tracy Hough**  
Chief People & Culture  
Director

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## Consumer Team has Deep FMCG Experience

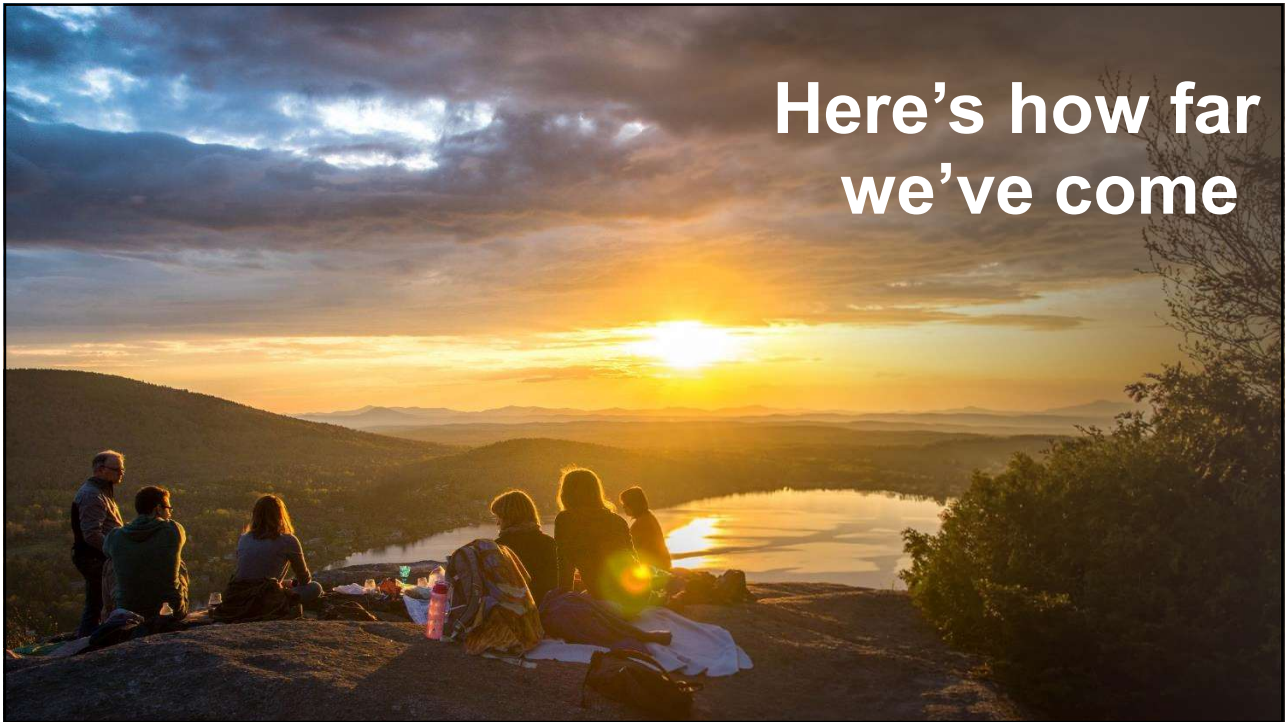
We have built a team with experience from different consumer companies



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Here's how far we've come

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## Strengthening our Capabilities

*Acquisitive history led to fragmented approach*



### Unlocking Value by Building a Global Consumer Office

#### Our Past

- Business built through acquisition
- Led to fragmented approach
- Some pockets of in-market excellence
- Not leveraged across the Group; no central marketing function
- Cost-driven approach



#### Now and the future...

- **More consistent approach;** common language
- **Significant capability build** in key disciplines
- **Decisions informed** by consumer insight
- **Leveraging successes across the Group**
- **Building speed and agility**
- **Playing to Imperial's strengths**



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## Putting the Consumer First

Building our consumer facing capabilities

Leveraging the strengths and capabilities  
of our Global Consumer Office



first

### Consumer insight

More consistent use of consumer data and insight

Bringing consumer to centre of decision making

### Revenue growth management

Bringing greater discipline and rigour across markets

Leveraging tools and best practice

Common language and approach

### Brand and portfolio management

Unlocking brand opportunities in priority markets

Brand strategy that plays to Imperial's strengths

### Innovation

Partnership model leveraging wide portfolio of partners

Expertise in flavours, devices, etc.

Innovation hub in Shenzhen

### NGP

Clear strategic focus under single leadership for first time

Consistent approach supports scale and leverages resources, e.g. consumer data

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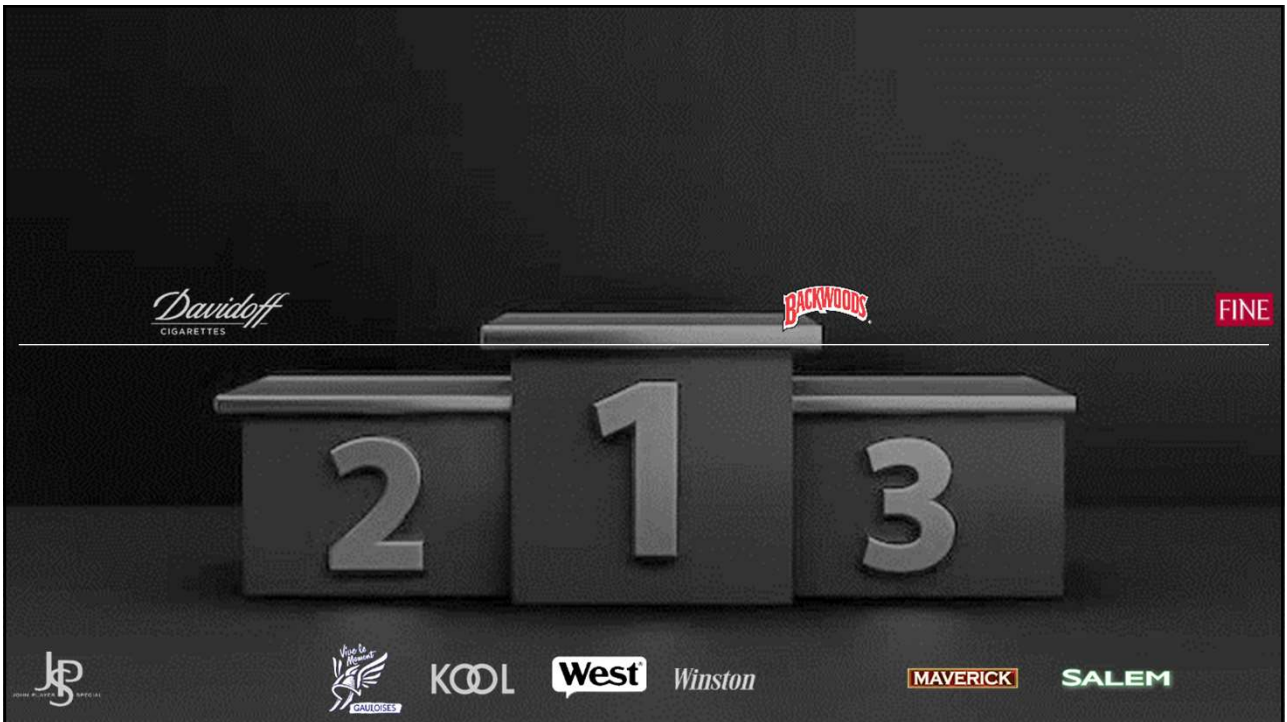
## Combustible Enhancements



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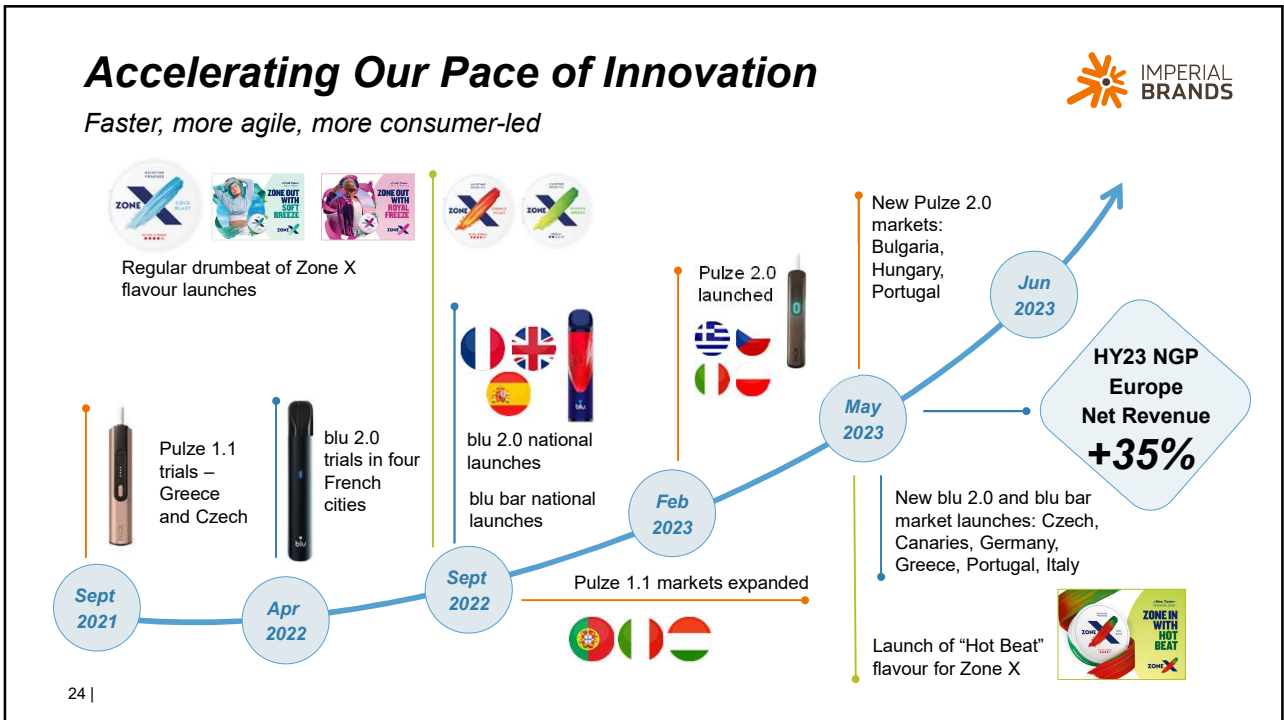


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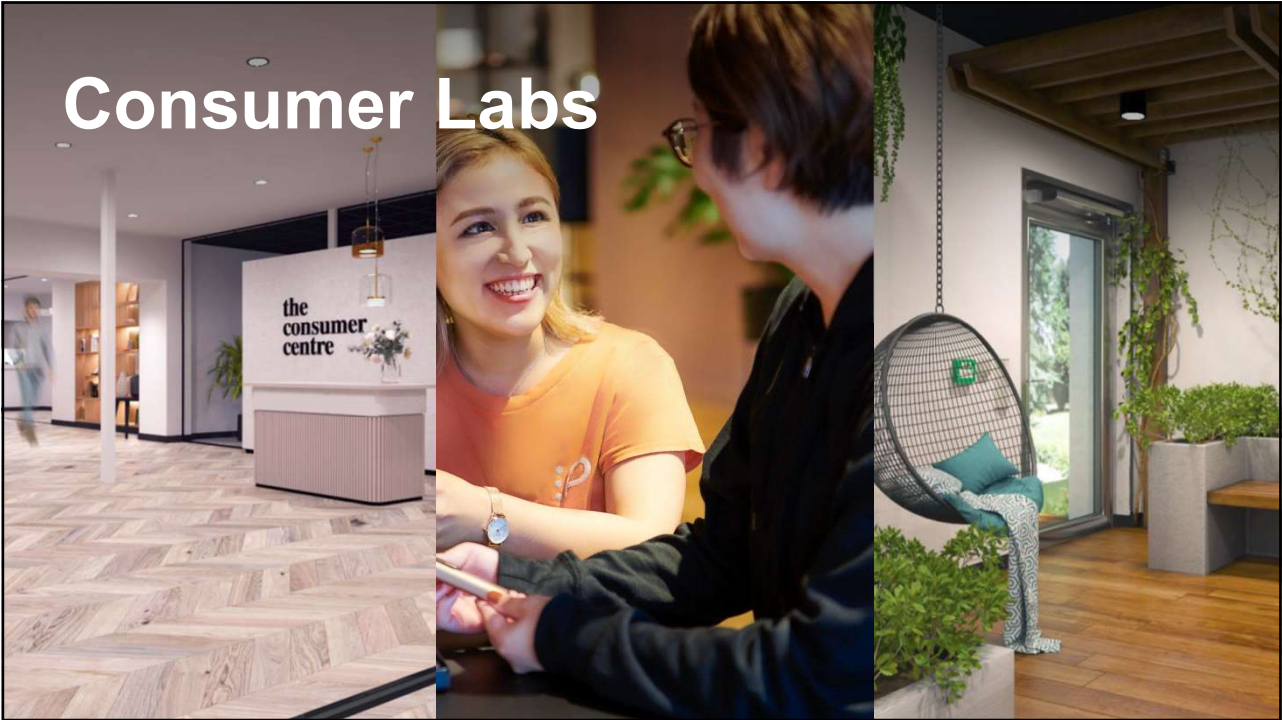
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# Consumer Labs



# Co-Creating...





**Revenue Growth  
Management**  
...allowing us to mitigate  
cost pressure

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**Integrated Science**

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**...with Everything Starting with  
the Consumer**

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**People & Planet**

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## BLU EASY RETURNS SCHEME HOW TO RETURN YOUR BLU PRODUCTS



**STEP TWO:**  
Fill in the details requested on the portal. Make sure you fill in which products you are returning – you can choose from Device, Pods/Bottles, or Mixed return.

**STEP ONE:**  
Scan this QR code to reach the Royal Mail returns portal or alternatively click [here](#).

How would you like to return your items?

Collect from me

Choose when you would like to be collected from you or just drop off your item at your preferred Royal Mail point. You will receive an email containing your freepost label, which you can print for free at the Post Office if required.

Book Appointment


Drop off your item

Drop off your item at a Royal Mail Point. You will receive an email containing your freepost label, which you can print for free at the Post Office if required.

Book Appointment

**STEP THREE:**  
Choose how you would like to return your items – either book a slot for the package to be collected from you or just drop off your item at your preferred Royal Mail point. You will receive an email containing your freepost label, which you can print for free at the Post Office if required.

**STEP FOUR:**  
Once posted you can track your parcel to see if it has reached us.



**STEP FIVE:**  
Once we receive it, we will safely process, neutralise and dispose of your items.

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**Start with the Consumer**

**9.00** **Introduction: Start with the Consumer**  
Stefan Bomhard – Chief Executive

**Creating a Global Consumer Office**  
Andy Dasgupta – Chief Consumer Officer

**Enhancing our Consumer Insights**  
Anand Singh – Global Insights Director

**A New Approach to Innovation**  
Mattia De Dominicis – Global Innovation Director

**10.20** **Break – 20 minutes**

**Unlocking our Portfolio**  
Jose Cabrera – Global Marketing and Portfolio Director

**Building Iconic Brands in the US**  
Kim Reed, President and CEO and Rishi Dhingra, Executive VP Marketing US

**NGP – A Challenger Approach**  
Melvin Ruigrok, Head of NGP

**Conclusion**  
Stefan Bomhard and Andy Dasgupta

**12.00** **Q&As**

**Brand and product experiences**

33 | All times in EST

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**IMPERIAL BRANDS**

**Anand Singh**  
*Global Insights Director*

**START WITH THE CONSUMER**

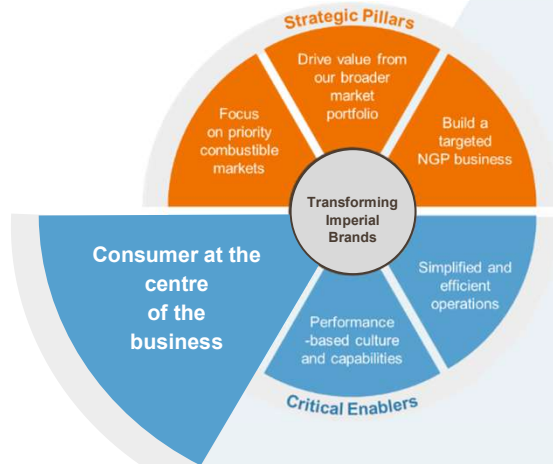
**BUILDING OUR CONSUMER CAPABILITIES**

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## Start with the Consumer

This approach enables and supports one of our critical behaviours



## BEHAVIOUR



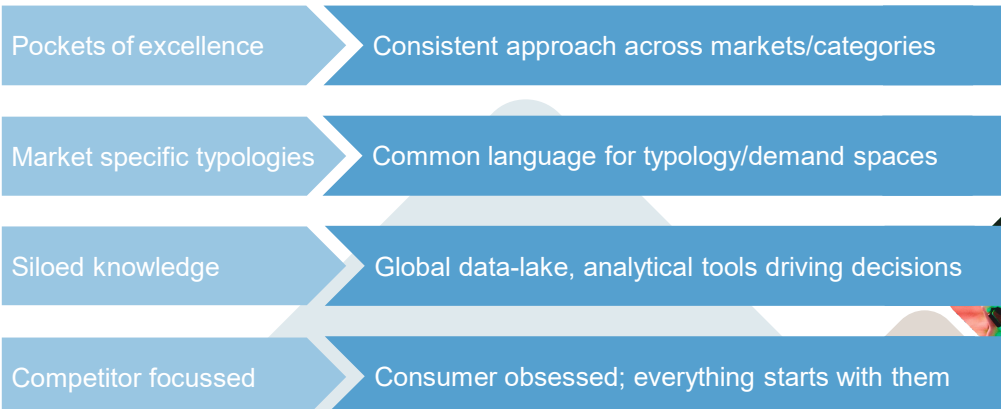
Start with the Consumer

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## Refreshed Consumer Insights Approach

Consumer centric culture now embedded in approach



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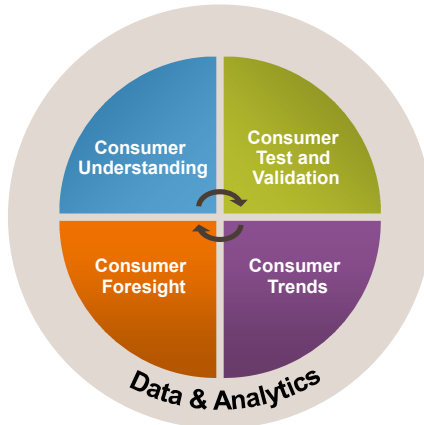
# Developed New Consumer Capabilities

More proactive through deep consumer understanding



**400+ MAN HOURS OF IN-DEPTH BOARD/EXECUTIVE CONSUMER INTERACTIONS**  
In addition to regular customer and in-store visits

**FORESIGHT & DISCOVERY SET UP AS A SEPARATE CAPABILITY**  
Deep understanding of overall consumer trends in nicotine and adjacent categories



**50+ CONSUMER RESEARCH PROJECTS INFLIGHT AT ANY POINT IN TIME**  
Plus sensory testing & pre/prototyping

**120,000 CONSUMER INTERVIEWS**  
Consumer tracker integrates typology and Dimensions

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**Consumer Feedback**  
LET US HEAR FIRST-HAND FROM CONSUMERS

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# Fulfilling Our Purpose

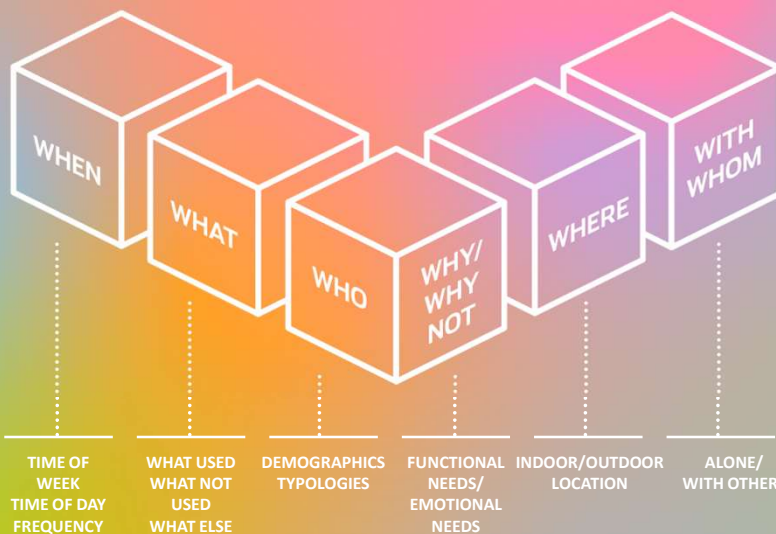
Understanding consumers during moments of consumption

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



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# DIMENSIONS

*DEMAND SPACES OFFER A NEW WAY OF THINKING AND THE OPPORTUNITY TO BETTER ADDRESS CHALLENGES*

## **Unique Context Drives Dimension Nuances**

*The same category used, but different choice drivers*









STIMULATE	CONNECT	RE-ALIGN	
<p>KEEP GOING</p> 	<p>BRING JOY</p> 	<p>FILL TIME</p> 	<p>TAKE A BREAK</p> 
<p>GET READY</p> 	<p>PROGRESS</p> 	<p>IMPRESS</p> 	<p>UNWIND</p> 
	<p>KEEP BONDED</p> 		

# GET READY

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## Unique Context Drives Dimension Nuances

*The same category used, but different choice drivers*

STIMULATE	CONNECT	RE-ALIGN	
<p>KEEP GOING</p> 	<p>BRING JOY</p> 	<p>FILL TIME</p> 	<p>TAKE A BREAK</p> 
<p>GET READY</p> 	<p>PROGRESS</p>  <p>IMPRESS</p> 	<p>UNWIND</p> 	

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# TAKE A BREAK

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## Unique Context Drives Dimension Nuances

*The same category used, but different choice drivers*

STIMULATE	CONNECT	RE-ALIGN	
<p>KEEP GOING</p> 	<p>BRING JOY</p> 	<p>FILL TIME</p> 	<p>TAKE A BREAK</p> 
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	<p>KEEP BONDED</p> 		

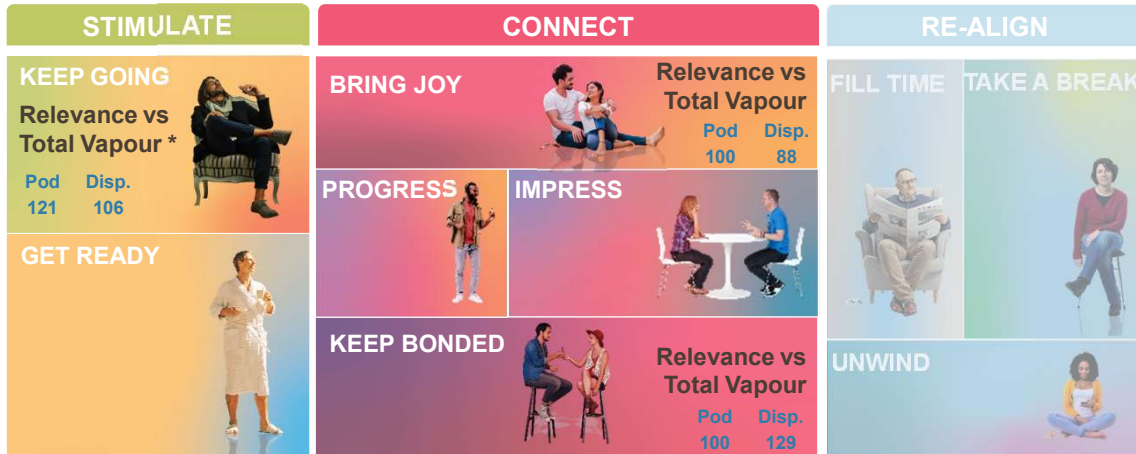
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# Improved Consumer Understanding

We can use this to position different formats meaningfully



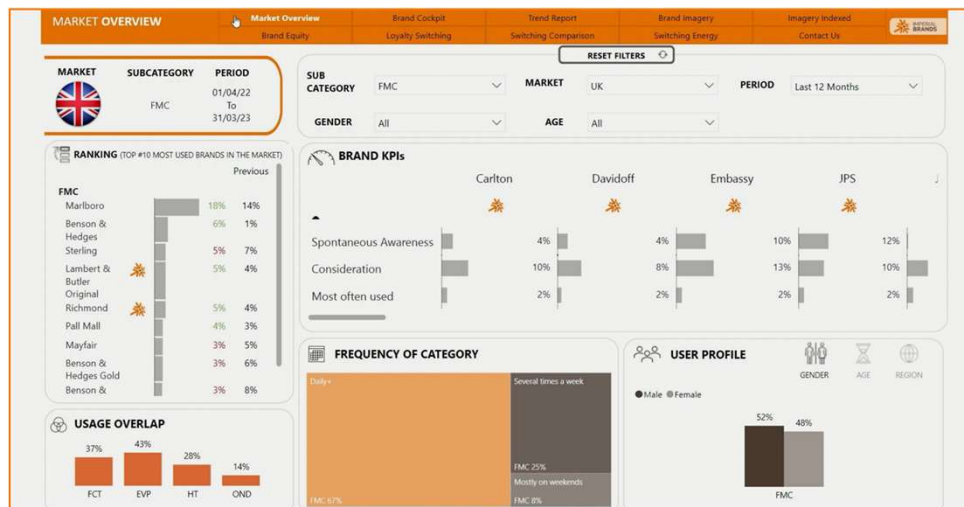
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N.B. Global Framework | \* overall vapour category indexed to 100

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# Creation of New Data and Analytics Tools

Data points widely accessible across the organisation

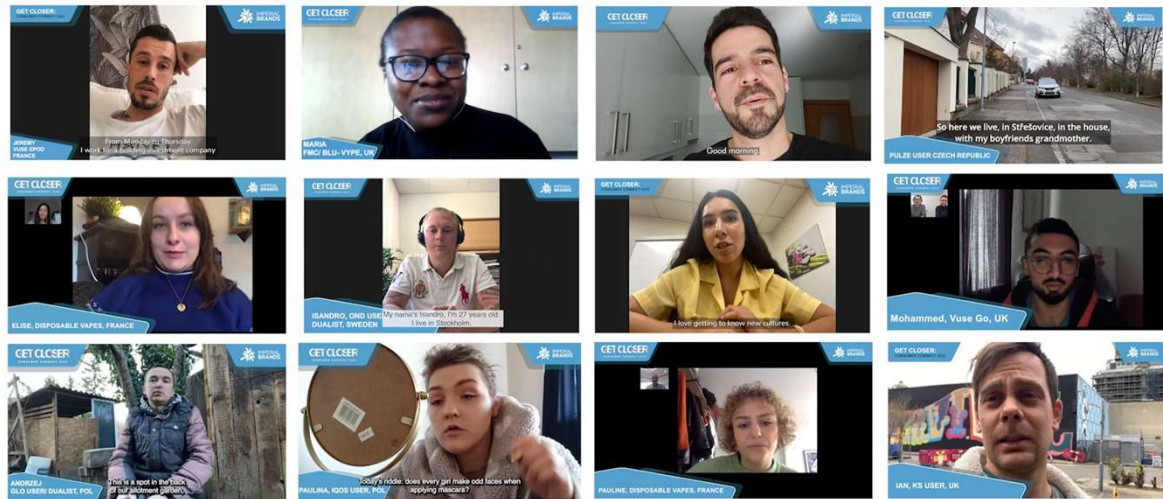


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## Enterprise-Wide Consumer Access

'Consumer connect' enables access across the organisation



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## Consumer Insights - Summary

Helping drive data-led 'consumer first' approach



Consistent global approach applied across all nicotine categories and markets ✓

Common language around consumer typologies, needs and moments ✓

Data-driven decision making; combining consumer, market and category data ✓

Combining data and qualitative consumer interactions ✓



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**Mattia De Dominicis**  
Global Innovation Director

A NEW APPROACH TO INNOVATION  
CONSUMER CENTRICITY & PARTNERSHIP ECOSYSTEM

27 JUNE 2023 – INVESTOR EVENT

## A New Approach to Innovation

A differentiated approach



**Consumer-led:** informed by *Dimensions* model

**Collaborating** internally across functions with consumer and science in mind

**Partnership model:** working as true partners rather than suppliers

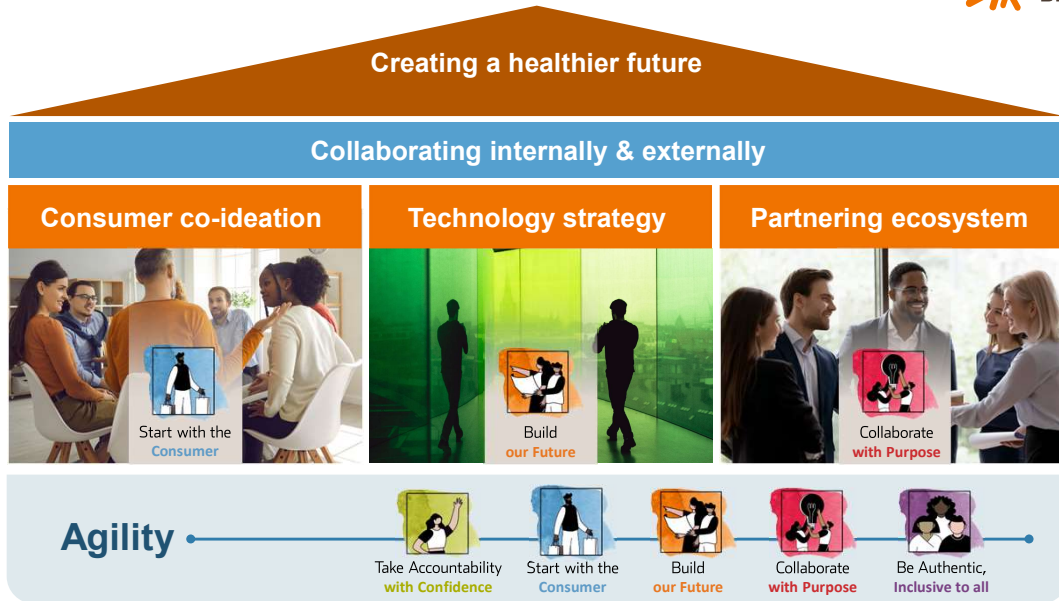
**Innovation centres** bringing together consumers, partners and Imperial

**Enhancing speed to market and agility** while looking at long term





## Enhancing Consumer Centricity as a Challenger



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## True Consumer-led Innovation

Co-ideating with consumers & partners

### Sense Hub®

Consumer centre enabling immediate feedback

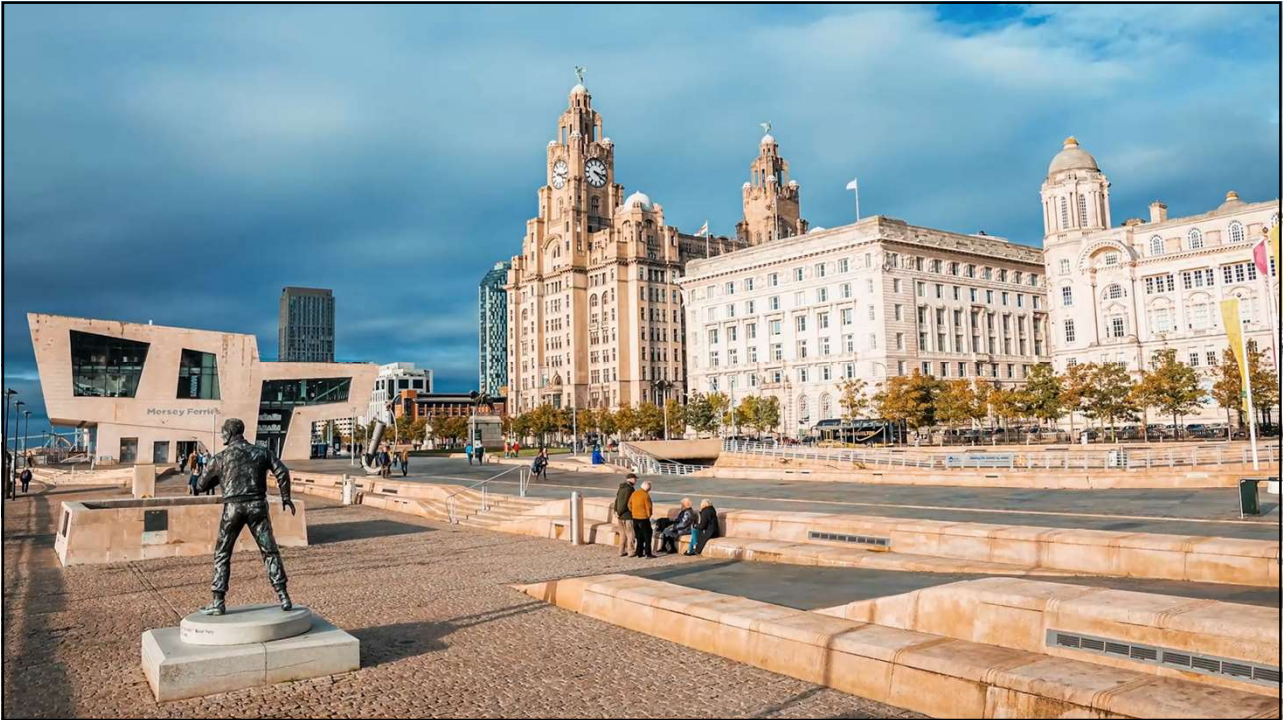
### Pre/prototyping capability

Co-located to enable fast turnaround on prototypes



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## ***True Consumer-led Innovation***

*Co-ideating with consumers & partners*

### ***Sense Hub®***

Consumer centre enabling immediate feedback

### ***Pre/prototyping capability***

Co-located to enable fast turnaround on prototypes

### ***Partnership ecosystem***

Partners working alongside consumers and Imperial

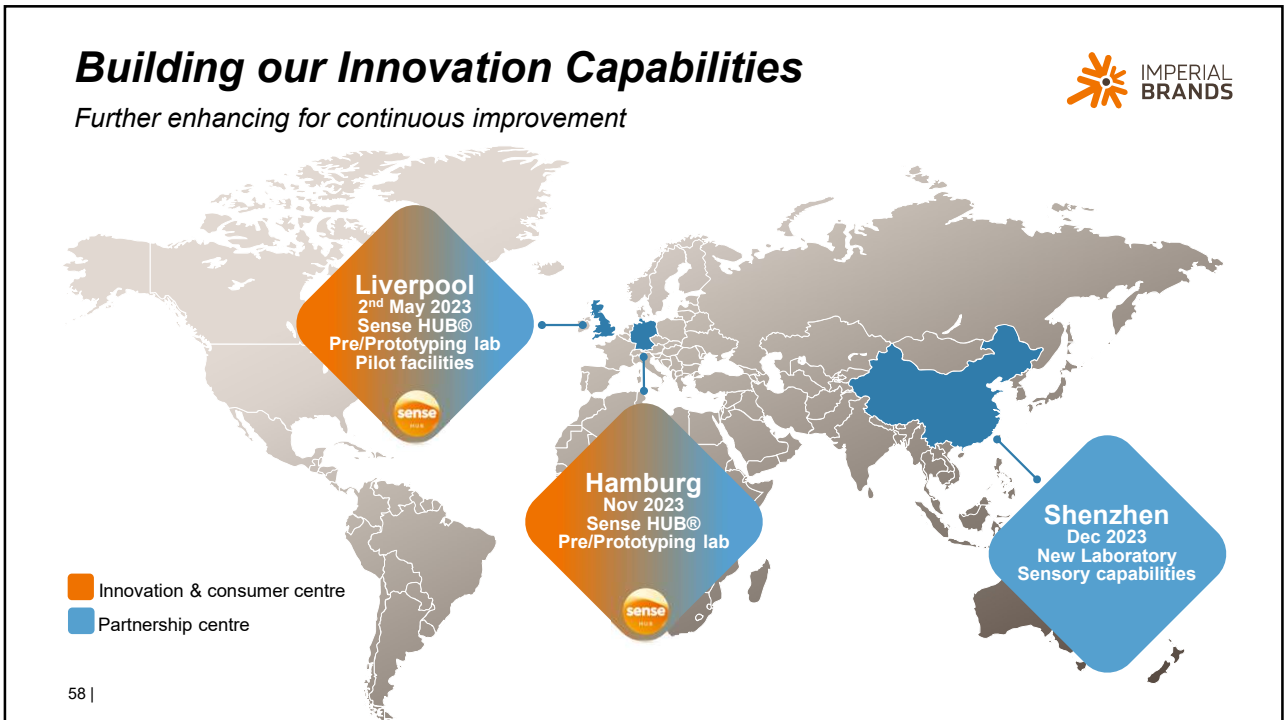


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# Modern Oral Nicotine - Zone X Innovation

Design thinking and co-ideation with flavour house partner



## Trends & consumers

- Flavour partner
- Understanding consumers
- Identifying trends
- Identifying technology



## Co-ideation with consumers

- Using qualitative approaches
- Identify range of possibilities
- Selecting best directions

## Launch of new ranges

- Launched seven variants in one year
- Identified product gap for improvement
- Preparing next year's launches

## Creating new platforms

- Range of prototypes
- Testing prototypes and concepts with consumers
- Improving prototypes



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# Heated Tobacco – Pulze Innovation

Lean start-up approach with continuous iterations for improvements



Better performance & design

Improved stick and introduction of new variants

Sustainability, convenience & premium design

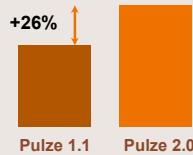
4 months less development time



Pulze 1.1

Pulze 2.0

Stick experience index



Pulze 1.1 Pulze 2.0



84% less plastic, from 41% to 92% recyclable



Pulze 1.1

Pulze 2.0

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# Vaping - Blu Bar Innovation

Scrum for speed: six months from brief to market launch & new variants



## Sprint 1: May-July '22

- Small cross functional team
- Understanding consumers
- Identifying best partner



## Sprint 3: Sept-Nov

- Production & shipment
- Finalising toxicology testing
- Releasing six flavours



## July 23

- Releasing four additional flavours



## Sprint 2: July-Aug

- Finalising proposition
- Plan for implementation
- Go to market strategy



## March 23

- Releasing five additional flavours



# A New Approach to Innovation

A differentiated approach



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