



Jose Cabrera
Global Marketing &
Portfolio Director

MARKETING AND PORTFOLIO MANAGEMENT
UNLOCKING OUR PORTFOLIO

27 JUNE 2023 – INVESTOR EVENT

New Approach To Marketing & Portfolio Strategy

To leverage marketing and portfolio as a challenger

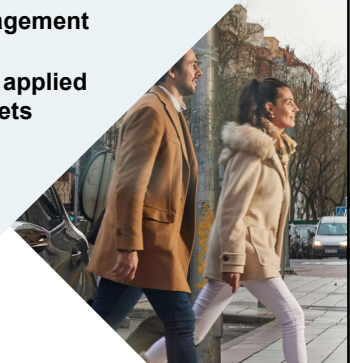
Our Past

- Investment in international brands at the expense of local brands
- Leading to many failed migrations
- Brands with similar roles competing at the same pricing
- Lack of consistency for brand positioning
- Insufficient investment



Now and the future...

- **Consumer-led**
- **Proud of our local jewels**
- **Active portfolio management**
- **Consistent approach applied across multiple markets**
- **Relevant consumer experience**
- **Smart investment**



Enhanced Central Brand Building Capabilities



With clearly differentiated roles and responsibilities

Global & central functions

Consistent portfolio strategy 	Unique brand positioning 	Insights & analytics
Creating consumer experiences 	End-to-end design 	Supported by a new agency model

Markets

Local consumer adaptation 	Local go-to-market experience 	Sales excellence
--------------------------------------	--	-----------------------------

working together with...

65 |

65

Embracing the Breadth of our Brand Portfolio



Enables us to leverage distinct consumer preferences

International brands

Local jewel brands

58%
Local jewel brands as a proportion of tobacco net revenue

66 |

66

We show up with relevant brands globally

With both our global and local jewel brands



67 |

67

Consistent Portfolio Strategy and Management

Process focused on balancing share and profit



Portfolio strategy	Three-year market ambition
	Consumer & market landscape
	Portfolio opportunities & targeting
	Portfolio classification & prioritisation
Portfolio initiatives	Brand diagnostics & challenges
	Brand response & initiatives

Clear priorities

- Brand priorities with 3-5 years perspective
- Size mid-term category & brand ambitions
- Identify key marketing mix initiatives to achieve category & brand ambitions
- Identify new business opportunities for IMB

Enables our teams to focus on where a challenge could create most value

68 |

68

Identifying New Opportunities in Markets

To which we can offer credible solutions



AUSTRALIA

Opportunity:
25-40 year old value-minded consumers

Our solution:
Launch JPS Evolve line extension

Outcome:
0.3% market share growth after six months



GERMANY

Opportunity:
capture down-traders

Our solution:
Launch Paramount

Outcome:
3.4% market share growth in category after ten months



MOROCCO

Opportunity:
Offer value to lower income smokers

Our solution:
Launch Fortuna (market leader in Spain)

Outcome:
1.7% market share after eight months



CZECH REPUBLIC

Opportunity:
target older, predominantly male smokers

Our solution:
Launch of News

Outcome:
0.8% market share after three months

69 |

69

With The Right Portfolio in Each Market

We can focus on getting the right consumer insights for each brand

- Vertical career movement
- Financial security
- Upward social mobility

- Work / life balance
- Financial independence
- Social reach

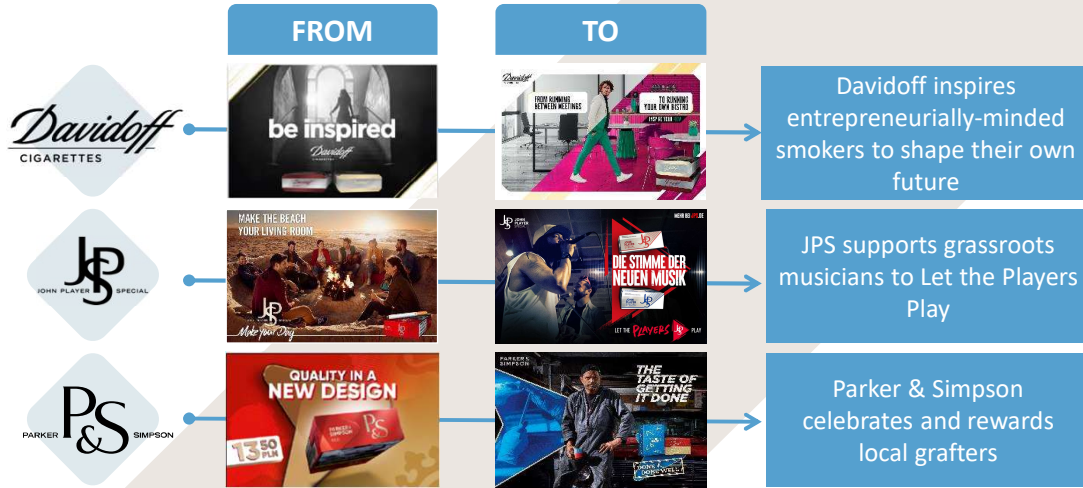


Davidoff
CIGARETTES

70

New Consumer Insights

Inspired adjusted brand positioning for our global brands



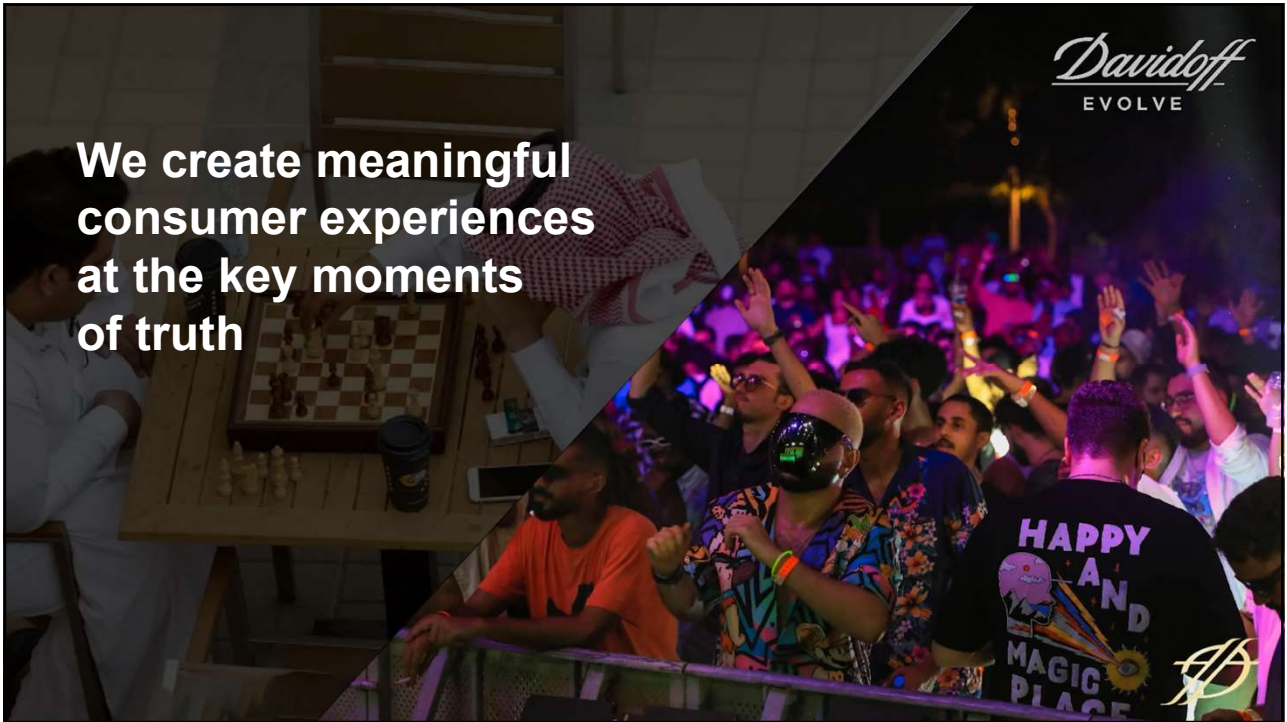
71 |

71

Stepping up our end-to-end design capabilities to bring to life modern brand worlds with ownable assets



72



We create meaningful consumer experiences at the key moments of truth

Davidoff
EVOLVE

73

A Clear Positioning for our Local Brands: Nobel



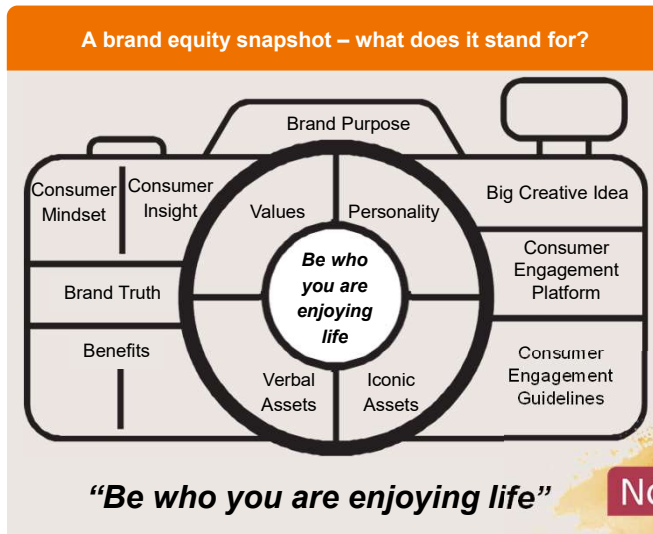
Relaunch of Nobel in the Spanish market

Understanding the consumer

Target female +25 yrs

"She wants a social smoking experience but in a less intense way in search of a trustful brand that express their true self."

74 |



74

We took an “old” brand and began a transformation starting with the package

Consideration **+1,5pp**

Brand Equity **+1,9pp**

+ modern

+ stylish

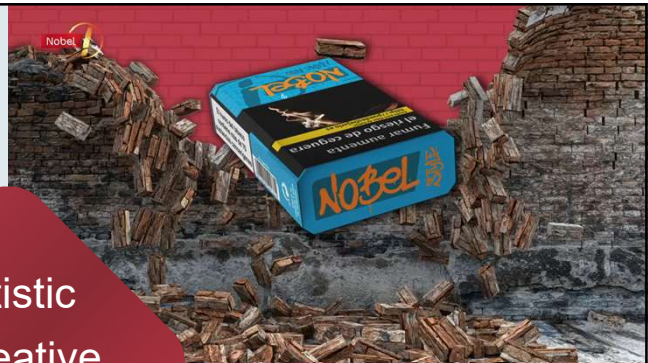
+ actual



75

Nobel began to own “modern art” via limited edition packs and campaigns highlighting the beauty of urban art

+ artistic
+ creative
+ unique



76

BREAKING MOULDS



SHAKING UP THE SECTOR

77



disruptive
+ young
+ actual

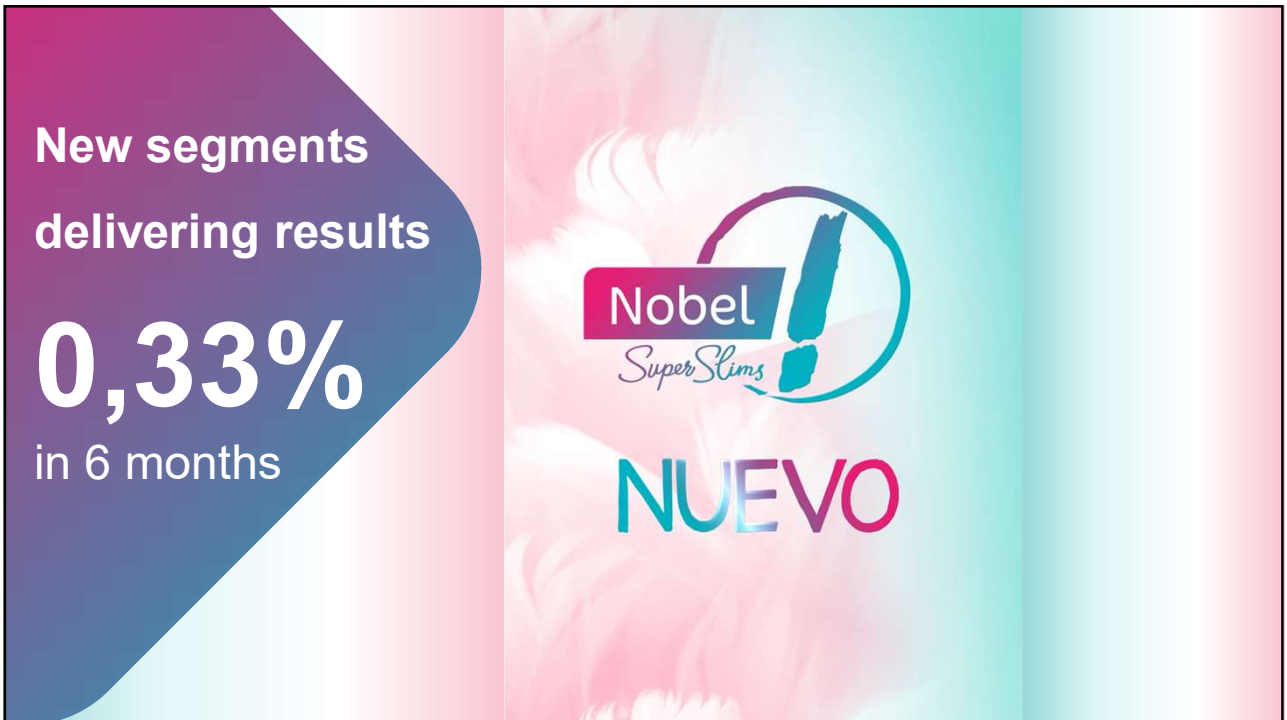
+0,41%
Since January 2021

*Sell out data from '21 to '23

78

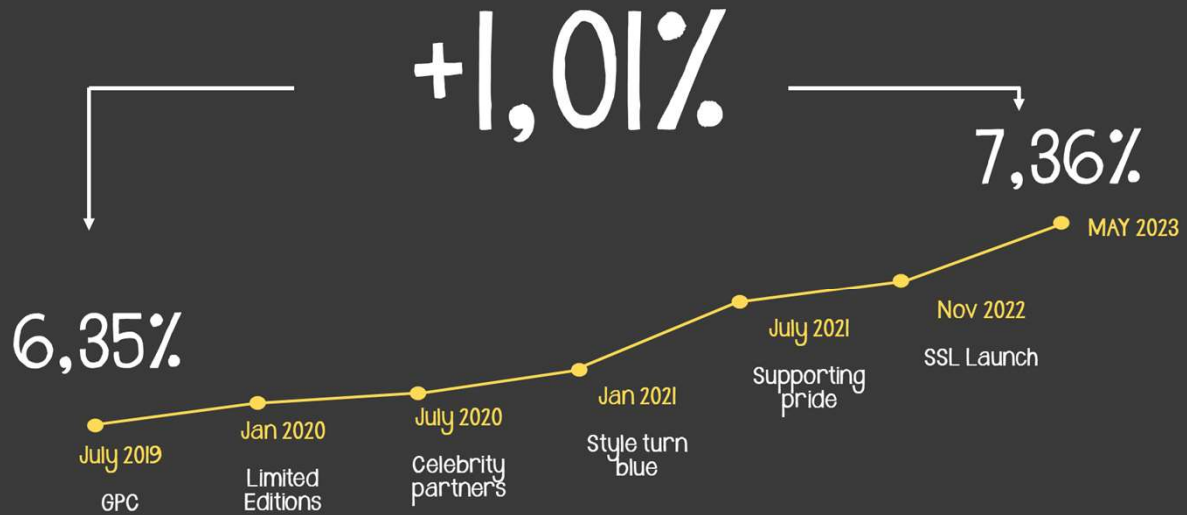


79



80

Nobel is the fastest growing brand in Spain



81

Unlocking our Portfolio – Summary

Our differentiated approach



Consumer-led; informed by *Dimensions* model ✓

Uses both global and local brands to meet distinct consumer preferences ✓

Enabling active portfolio management: clear category and brand roles ✓

Consistent approach; with market flexibility to meet local consumer needs ✓

Supported by relevant consumer experiences; to delight and engage ✓



82 |

82



Kim Reed and Rishi Dhingra
President & CEO and Executive
Vice President Marketing US

**BUILDING ICONIC BRANDS
IN THE US**

27 JUNE 2023 – INVESTOR EVENT

Bringing a New Approach to Building Iconic US Brands



Deep consumer understanding and a “challenger mindset”

Collaborating with our global consumer office to drive local excellence

Focus on core priority brands with clear plan to drive performance

Connecting with our adult consumers 1:1 via digital and retail partnerships

Investing and improving our go-to-market capabilities significantly

Renewed strategic focus, consumer led ideas and execution excellence in trade helping us grow share



A Clear Plan to Enhance Performance

Focusing behind the operational levers



SIX OPERATIONAL LEVERS IN OUR FIVE PRIORITY MARKETS

Cigarettes	1	Increase participation in premium value segment
	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



Collaborating with
Global Consumer
Office

Consumer insight

Portfolio strategy &
management

Revenue growth
management

85 |

85

US is the Largest Market for Imperial

Offering potential for building brand equity

FULL PORTFOLIO ACROSS CATEGORY AND SEGMENTS

	FMC	MMC
Premium	SALEM	STRETCH, Dutch, Double Dutch
Sub-Premium	Winston, Winston Lights, KOOL	Dutch Leaf
Value	MAVERICK	Dutch
Discount	SONOMA, CROWN	

Relative market
freedom to connect
with adult target
consumers



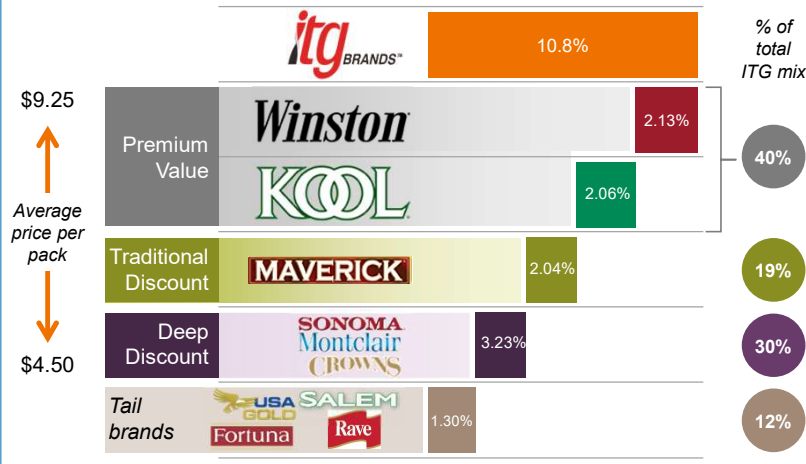
86

A Brand Portfolio to Meet a Range of Consumer Needs

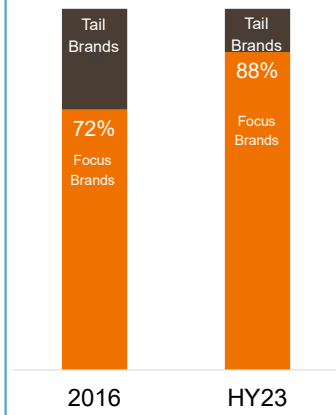
We have simplified our brand portfolio since acquisition



OUR CIGARETTE BRAND PORTFOLIO



FOCUS BRANDS % OF CIGARETTE VOLUMES



87 |

Source: HY23 MAT market share; company volume data

87

Progress in our Journey...

Deeper consumer and customer understanding to drive meaningful connections

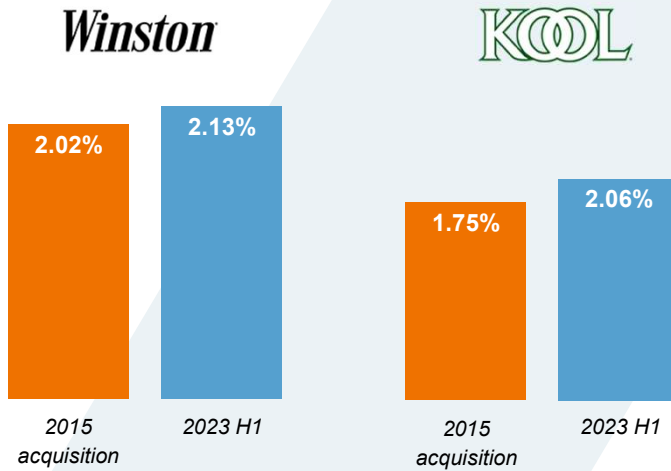


Getting closer to our consumer	Meaningful partnerships with our customers	Leveraging digital to connect with adult consumers



88 |

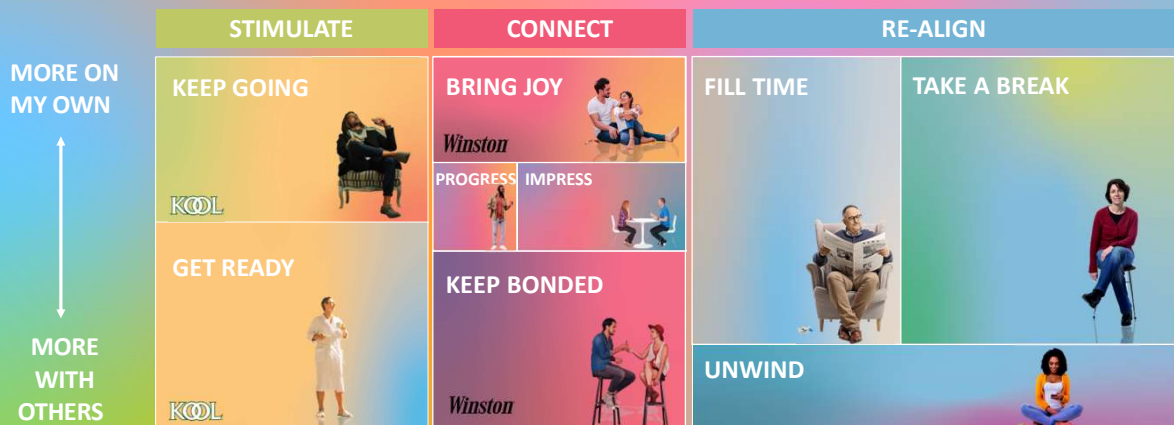
88

Winston & Kool Share has Stabilised Under Our Ownership  IMPERIAL BRANDS
 These iconic brands are an important part of our portfolio



- LATENT EQUITY WITH STRONG POTENTIAL**
- After decades of decline we have stabilised market shares
 - Strong heritage supports good consumer recognition
 - Key part of our portfolio
 - Consumer feedback provides clear drivers to address

 **Leveraging Dimensions to connect with Winston and KOOL consumers when they are most receptive**  IMPERIAL BRANDS

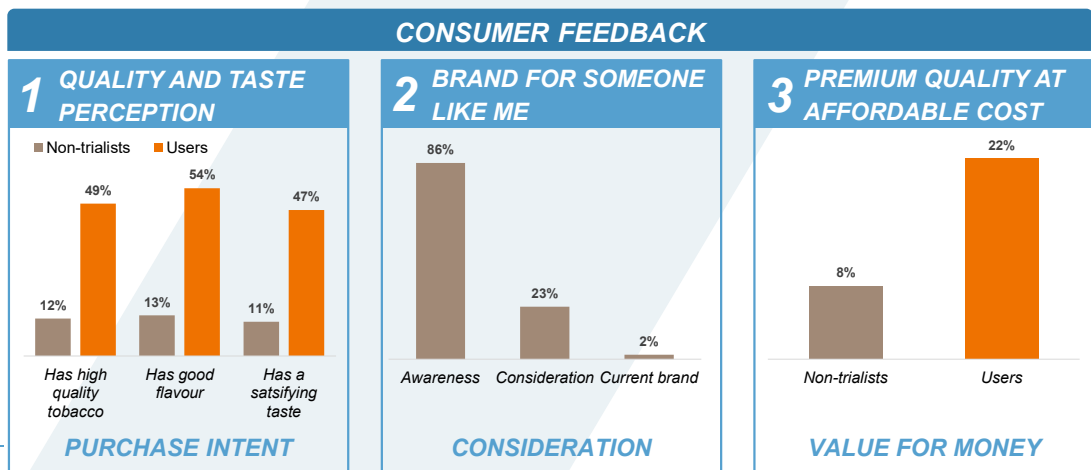




91

Addressing Winston Opportunities

Key drivers to reignite the Winston brand with target consumers



DRIVER FOR

Source: 2,645 Adult Winston Aware Non-Triers

Source: GFK/MRI November 2020 Smoker Structure

Source: 2,645 Adult Winston Aware Non-Triers

92 |

92



93



94



95

Reigniting KOOL with Adult Smokers

Increasing investment behind a consistent consumer proposition

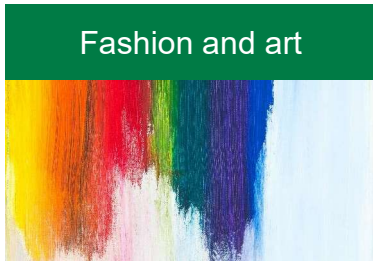


KOOL
FEEDBACK

KOOL scores highly with consumers across purchase intent metrics

Key challenge is historical brand under-investment

CLEAR PLATFORMS TO CONNECT



96 |

96



97

CONSUMER ACQUISITION THROUGH DIGITAL

THORNTONS & KOOL
\$500 GAS CARD
FUEL YOUR VIBE
ENTER FOR A CHANCE TO WIN A **\$500 GAS CARD**
100 WINNERS FROM NOVEMBER 2, 2022 THROUGH JANUARY 3, 2023
KOOL.COM/FUELYOURVIBE

KOOL COIN REWARDS
Earn 30 pack codes per month
ENTER CODES CASH IN
Find Codes Here

Intense Menthol
GET YOUR SAVINGS

KOOL COIN REWARDS
COUPONS
Green Light District Events Guided Walks
Winning **JAMES** 1,700 COIN
SURGEON GENERAL'S WARNING: Quitting Now Greatly Reduces Serious Risks to Smoking.

COUPONS BY MAIL
YOU MAY REDEEM ONLY ONE OF THE TWO AVAILABLE OPTIONS
\$2.00 OFF ONE PACK OR **\$3.00 OFF ONE CARTON** **UPCOMING 2/1/2023**

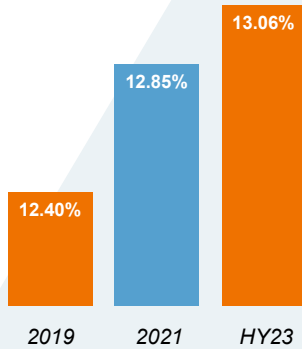
98

Winston & Kool Brand Equity Supports Market Share

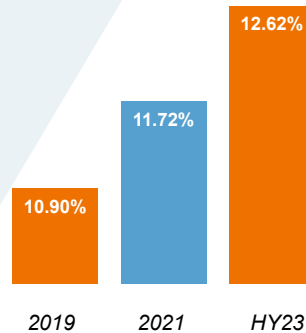


Consistently growing share of premium value segment against tough consumer back drop

Winston



KOOL



101 |

Source: MAT market share of segment

101

In Summary

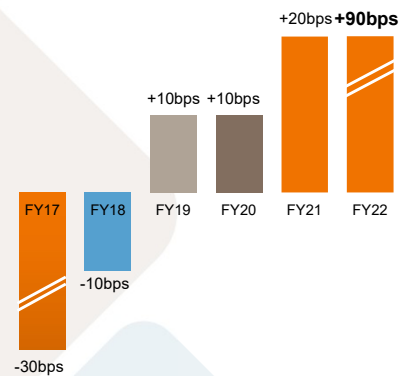


US remains attractive market with conditions

US is an attractive market for growth

- Good **affordability** with consumers
- **Relative market freedom** to connect with Adult consumers
- **Transparent**, rules based **regulatory environment**
- ITG Brands has **full portfolio** across segments and price tiers

Our Plans are delivering results



102 |

FMC Market share based on MSAi MAT

102



Melvin Ruigrok
Head of NGP

NEXT GENERATION PRODUCTS
A CHALLENGER APPROACH

27 JUNE 2023 – INVESTOR EVENT

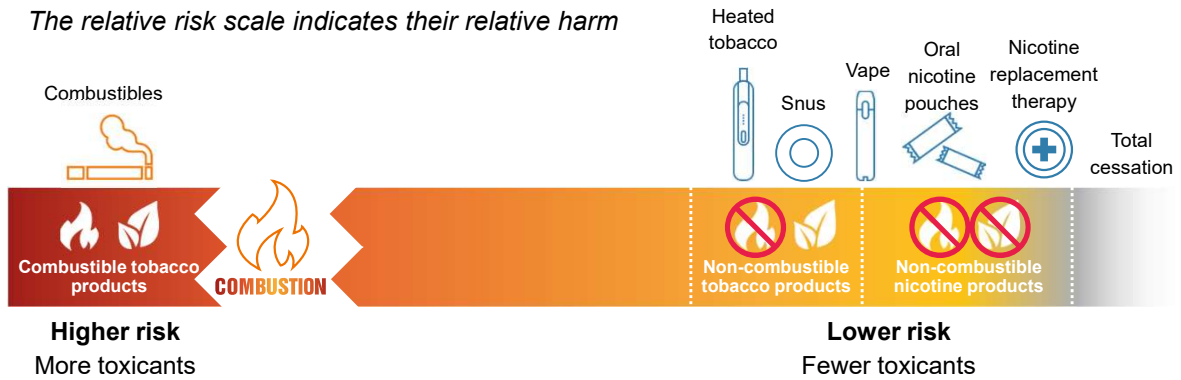
Helping Consumers on NGP Risk Continuum

Focus on harm reduction and consumer experience



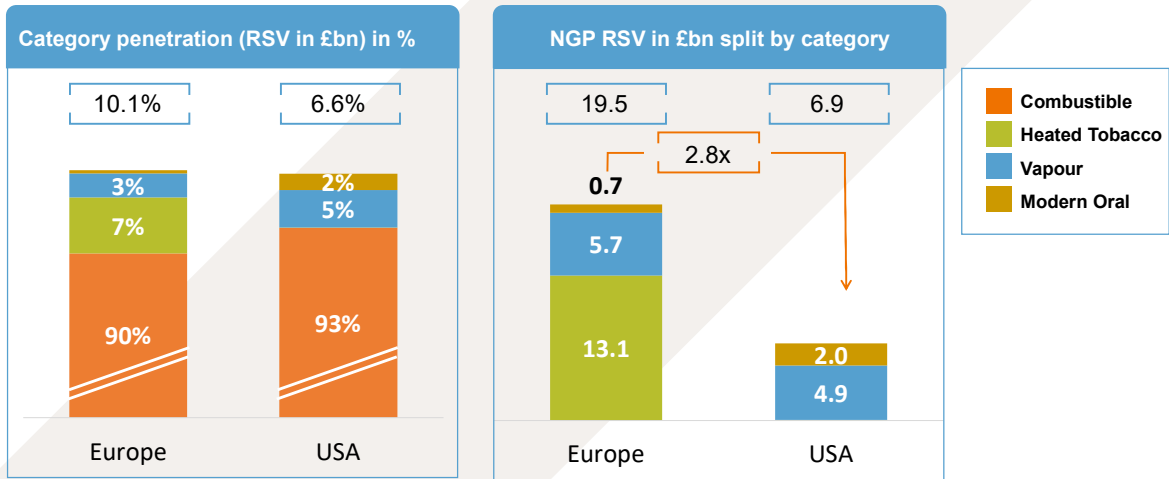
NGP provides potentially reduced risk alternatives to cigarettes

The relative risk scale indicates their relative harm



NGP Growth Accelerating Across our Footprint

Consumer adoption varies by region and market



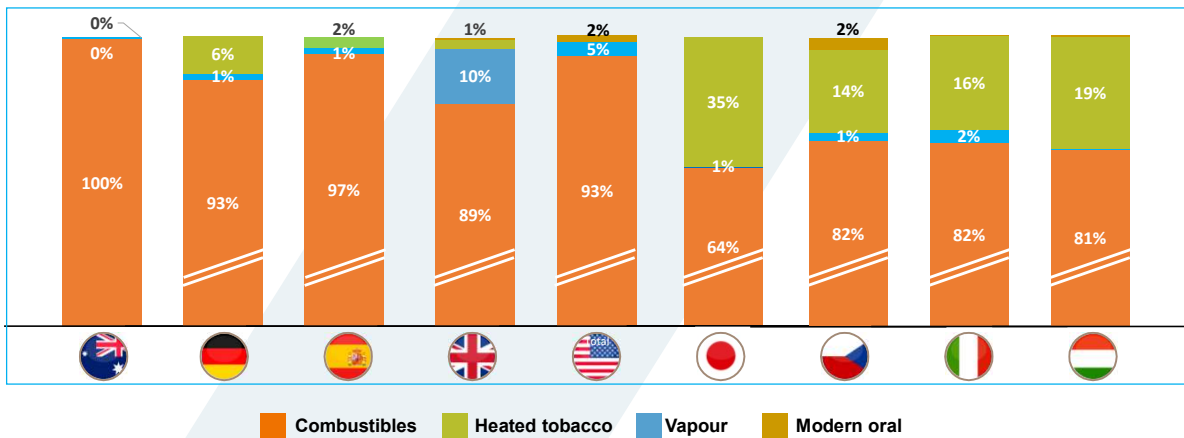
Source: Euromonitor FY22 RSV figures for combustibles (Cigarettes, Fine cut tobacco, Cigarillos, Cigars, Heated tobacco, Vapour and Modern oral)
 Note: Combustibles in the US includes MST

Consumer NGP Choices Vary by Market

NGP category penetration rates are different between markets



Category RSV Penetration Rate (FY22)



Source: Euromonitor FY22 RSV figures for combustibles (Cigarettes, Fine cut tobacco, Cigarillos, Cigars, Heated tobacco, Vapour and Modern oral)
 Note: Combustibles in the US includes MST

Differentiated, Challenger Approach

Validation of our consumer-focused approach



Targeted investment and recognised consumer acceptance are driving revenue growth

2020

- Portfolio overly focused on vapour
- Ageing vapour device
- Unfocused market launches
- Lack of disciplined investment
- Slow pace of innovation
- Declining revenue; growing losses



Now and the future...

- **Rebooted strategy** embracing a **multicategory approach**
- **Validated approach** following **consumer trials** – clear market launch criteria
- Focused and disciplined investment to **accelerate market and product roll-outs** based on data and insight
- **Innovation pipeline** delivering products at pace (e.g blu 2.0, Pulze 2.0 and blu bar)
- **Growing revenue and improving returns**

107 |

107

Building A Challenger NGP Organisation

Developed an efficient, effective and agile business with the right capabilities



Building core capabilities



Insights decoding consumer behaviour

Innovation to develop experiences

Portfolio management

Revenue growth management for efficient investment choices

Consumers at the heart



Co-creation and validation

In-home use tests

Pilot markets

Learn and adapt through roll-outs

Building strong partnerships



Brand development/creative

Product and Design

Digital

Brand activation

108 |

108

Disciplined Market Entry Strategy



As a challenger, we have clear market entry criteria

Launching in markets with established NGP categories and where we have a strong, existing route-to-market

PRODUCT		FY22	FY23
PULZE/ PULZE 2.0			
BLU 2.0			
BLU BAR			
ZONE X		5 3 3	5 3 1

109 |

109

Consumers at the Centre of our NGP



Each consumer has a clear set of motivations to consider NGP

CONSUMER NGP IN SWITCHING DRIVERS



- WELLBEING** → 90%+ fewer toxicants
- SOCIAL** → Fewer negative perceptions
- ENJOYMENT** → Greater sensorial experiences
- FLEXIBILITY** → More usage occasions
- ECONOMICS** → Lower cost of usage per session

110 |

110

Consumers at the Centre of our NGP

Clearly differentiated target consumer targeting life stages



Demand
Space Focus

CONSIDERATE BALANCERS



- 40-55 years old
- Family oriented, tech for convenience
- Simple, everyday pleasures

BRING JOY

KEEP GOING

KEEP BONDED



NEXT STEPPERS



- 30-40 years old
- Family-oriented, tech for convenience
- Nesting and adulting


BRING JOY

KEEP GOING

KEEP BONDED





LIFE EDITORS



- 25-34 years old
- Experience lovers, trend-followers
- Pleasure seekers

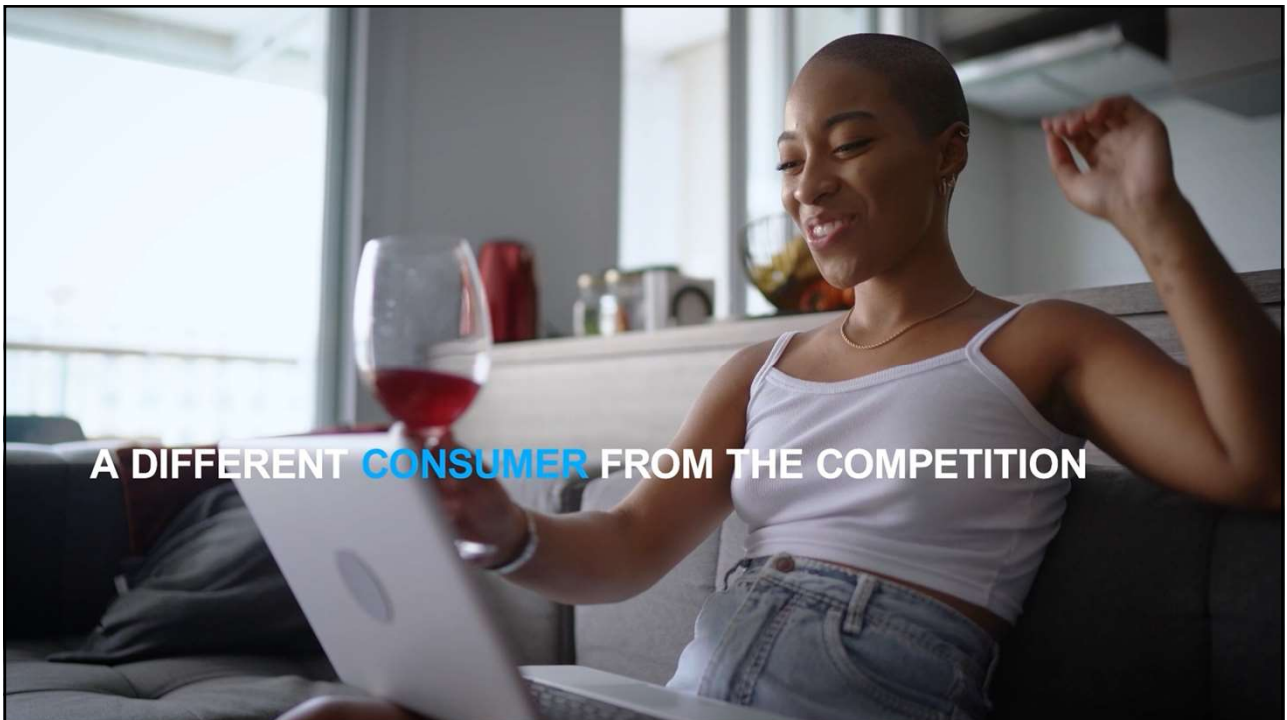
GET READY

KEEP BONDED

111 |

111



A DIFFERENT **CONSUMER** FROM THE COMPETITION

112

Building Differentiated Consumer Experiences

Ongoing consumer involvement to optimise product and brand concepts



360° consumer involvement in developing brand/product concepts, campaigns and online/ offline activation programs

Co-creation and validation



Consumers experience all our product concepts in their home environment and provide feedback for further product development

In-home use tests



Our new blu 2.0 device was tested in four cities in France with different activation mechanisms prior to scaling



We tested our new HT strategy in Greece and Czech Republic to learn with consumers and retailers

Test and learn approach

113 |

113



114



115

PULZE
HEATED
TOBACCO

WHEN DINNER
CAN WAIT,
BUT THE
STORIES CAN'T

**FEEL
THE
PULZE**

GOVERNMENT HEALTH WARNING

PULZE
HEATED
TOBACCO

NEW
PULZE 2.0

2 TASTE MODES:
INTENSE OR MILD
When the flavour
goes where the
conversation flows

By the makers of
Dunhill
CIGARETTES

**FEEL
THE
PULZE**

GOVERNMENT HEALTH WARNING

116 |

116

OUR NEW CAMPAIGN

PRODUCT LIFESTYLE HYBRID

PULZE HEATED TOBACCO NEW

1 CHARGE, 25+ SESSIONS
Uninterrupted enjoyment

FEEL THE PULZE

GOVERNMENT HEALTH WARNING

PULZE HEATED TOBACCO NEW

RICH FLAVOUR, LESS SMELL
Discover our new ID range

FEEL THE PULZE

GOVERNMENT HEALTH WARNING

PULZE HEATED TOBACCO NEW

1 CHARGE, 25+ SESSIONS
Uninterrupted enjoyment

FEEL THE PULZE

GOVERNMENT HEALTH WARNING

PULZE HEATED TOBACCO NEW

1 CHARGE, 25+ SESSIONS
Uninterrupted enjoyment

FEEL THE PULZE

GOVERNMENT HEALTH WARNING

PULZE HEATED TOBACCO NEW

RICH FLAVOUR, LESS SMELL
Discover our new ID range

FEEL THE PULZE

GOVERNMENT HEALTH WARNING

117

NEW blu.2.0 Flavours for a rich and smooth taste

Ergonomically designed for comfort

1400 Puffs per pod*

Reusable for less waste

Features:
LED indicator, power tap, magnetic pod connector, vape while charging

This product contains nicotine which is a highly addictive substance

blu. THAT'S UNLIT

NEW blu.bar Advanced ceramic pod technology

Ready to use & disposable

600 Puffs per device*

Features:
LED indicator

Flavours that blast

Compact pocket size for on-the-go convenience

This product contains nicotine which is a highly addictive substance

This product contains nicotine which is a highly addictive substance

This product contains nicotine which is a highly addictive substance

This product contains nicotine which is a highly addictive substance

This product contains nicotine which is a highly addictive substance

This product contains nicotine which is a highly addictive substance

This product contains nicotine which is a highly addictive substance

This product contains nicotine which is a highly addictive substance

blu. THAT'S UNLIT

* As measured in laboratory testing, which may vary by individual usage

118

WISE ENOUGH
 TO KNOW BETTER,
 FUN ENOUGH TO DO
 IT ANYWAY.

blu
 GET UNLIT

119

WARNING: This product contains nicotine. Nicotine is an addictive chemical.

THE ONLY THING YOU
LIGHT
 IS THE GRILL.

blu
 GET UNLIT


WARNING: This product contains nicotine. Nicotine is an addictive chemical.

THE PURE DELIGHT IN NOT
 MAKING PLANS FOR THE
WHOLE WEEKEND.
 THAT'S UNLIT.

blu
 GET UNLIT

IMPERIAL BRANDS

120



NICOTINE POUCHES
ZONE X HOT BEAT
EXTRA STRONG
SHIRACHA LIME


FLAVOUR IS THE NO. 1 DRIVER OF THE CATEGORY
57%
Of Consumers **Put Flavour First**

VALUE GROWTH
26%
CAGR for the Category Global to 2027


PRODUCT FEATURES AND FUNCTIONAL BENEFITS

- Specialist Bamboo based platform and extra soft pouch paper
- Optimal mouth feel and balanced flavour release
- 10 Distinct flavours
- Multi-sensory experiences
- Mint Cooling agents
- Boost of freshness


A FLAVOUR PIONEER
10 FLAVOURS DELIVERING MULTI-SENSORIC EXPERIENCES



EXCITE
Win consumers into BRAND FRANCHISE via exciting out of category FLAVOURS



ESSENTIAL
Provide COMPETITIVE MINT FLAVOUR to retail consumers within the BRAND FRANCHISE



EMERGING
Offer FALVOUR VARIANTS to fulfill the consumers need for repertoire consumption

121



»New Taste«
☼ Tangy Red Berries ☼

ZONE IN WITH COSMIC BLAST

ZONE X

NICOTINE POUCHES
ZONE X COSMIC BLAST
EXTRA STRONG

122



123



124

Our Responsibility: Maintain Highest Standards



Responsible NGP regulation to help consumers transition

- 1 Recognition of the role NGP plays in transitioning adult smokers to potentially reduced risk products
- 2 Excise models in proportion to the harm reduction potential of NGP
- 3 Quality standards and enforcement of those standards to protect consumers
- 4 Ongoing reinforcement of responsible marketing standards to adult smokers
- 5 Strong support for ongoing innovation and facilitating that to reach consumers
- 6 Youth access prevention and level playing field across the industry



125 |

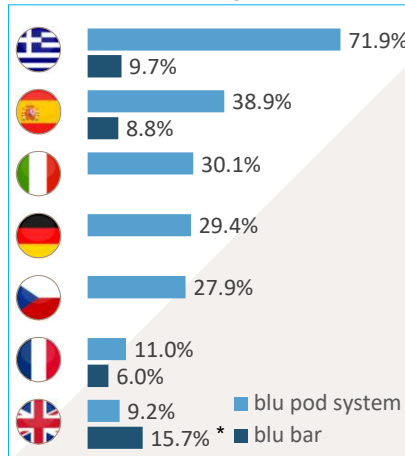
125

Positive Uptake from Consumers and the Trade

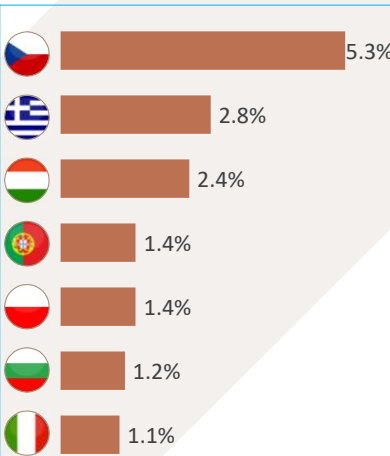


Good progress across our footprint

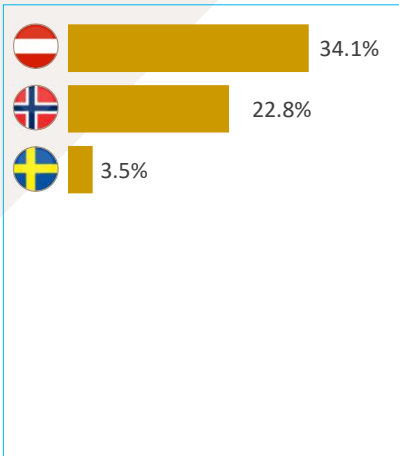
blu 2.0/ blu bar Value Segment Share



iD Volume Share of Consumables



IMB Modern Oral Volume Share



Source: iD Volume Share : (Syndicated Data with Spot, Apr'23 Vol. Share), blu/blu bar: RSV Value. Share traditional retail Apr'23 Share, MOND: Share of Trad. Retail & Hayyp combined.
* Share of blu bar in COOP

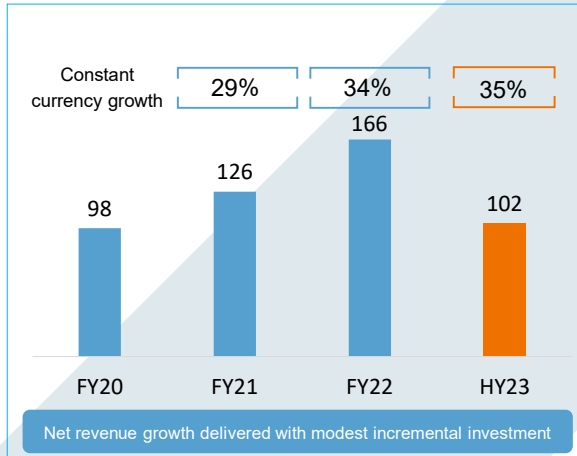
126

Momentum is Building with Consumers

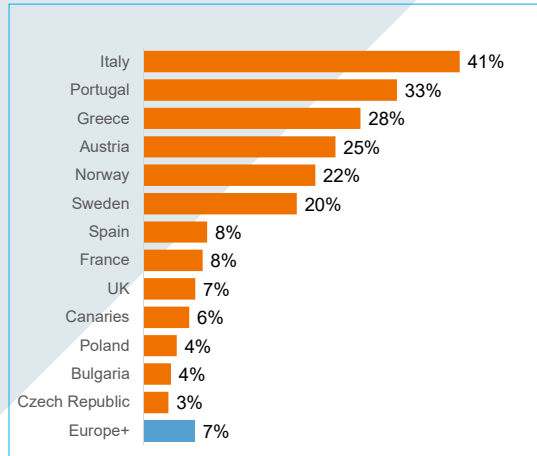
Consistent net revenue growth and progress against NGP contribution



NGP Europe £m net revenue



Top 10 markets: % NGP of total net revenue (HY23)

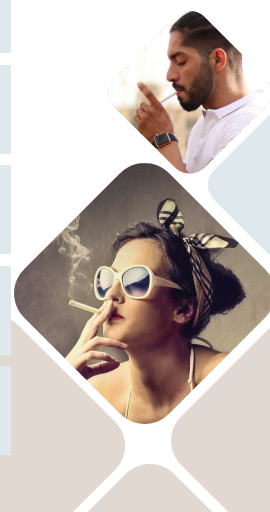


Building a Challenger NGP Business - Summary

Creating a sustainable NGP business with the consumer at the centre



- 1 Rebooted the strategy with a multicategory NGP portfolio
- 2 Validated our differentiated NGP approach with consumers
- 3 Innovation driving momentum across our categories and footprint
- 4 Focused and disciplined investment approach
- 5 Delivering acceleration in net revenue growth





Stefan Bomhard
Chief Executive Officer

Start with the Consumer
Conclusion

27 JUNE 2023 – INVESTOR EVENT



Everything Starts with the Consumer

New capabilities are creating a strong challenger business





IMPERIAL
BRANDS