

# HALF YEAR RESULTS 2018

Imperial Brands PLC

9 May 2018



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**Alison Cooper**  
Chief Executive

**Oliver Tant**  
Chief Finance Officer

**Matt Phillips**  
Chief Development Officer



## Strategy Delivering in Tobacco & NGP

Clear focus on brand and market priorities



- Volumes ahead of market
- Growth brands outperforming
- Continued share gains in priority markets
- Strengthening price/mix
- Good progress in rollout of *myblu*
- Strategy focus identifies divestment opportunities

# Building Momentum

Growing revenue and profit in H2



## Better 2018 environment



Lapping EUTPD



Excise Impacts

*France, Saudi, Taiwan*



Localised industry  
volume challenges



Better price/mix

## Delivering momentum

- Volumes outperforming industry
- Growth Brands share gains
- Share growing in priority markets
- Strengthening price/mix
- *myblu* launched in US, UK, Germany, France & Russia

## Expect stronger H2

- Growth in tobacco revenues
  - Share driven by Growth Brands
  - Further price/mix benefits
- Growth in NGP revenues
  - Further market expansion
  - Launch of nicotine salts
- More cost savings

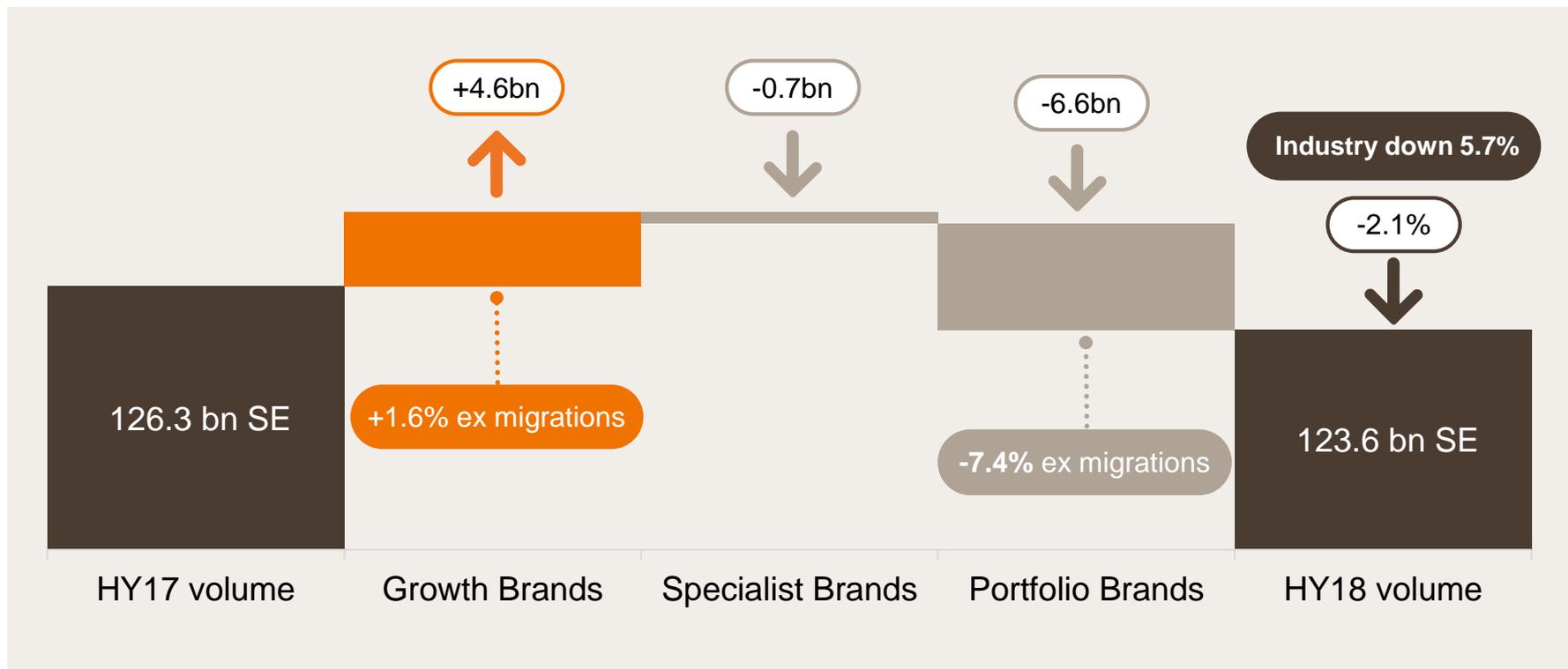
# Summary H1 Financials



	£m	% change	% constant currency
Volumes (bn SE)	123.6	-2.1%	-2.1%
Tobacco net revenue (£m)	3,531	-5.0%	-2.1%
Adjusted operating profit (£m)	1,624	-6.7%	-2.2%
Adjusted EPS (pence)	114.3	-6.2%	-1.0%
Cash conversion*	111%		
Annualised net debt reduction** (£bn)	0.9		

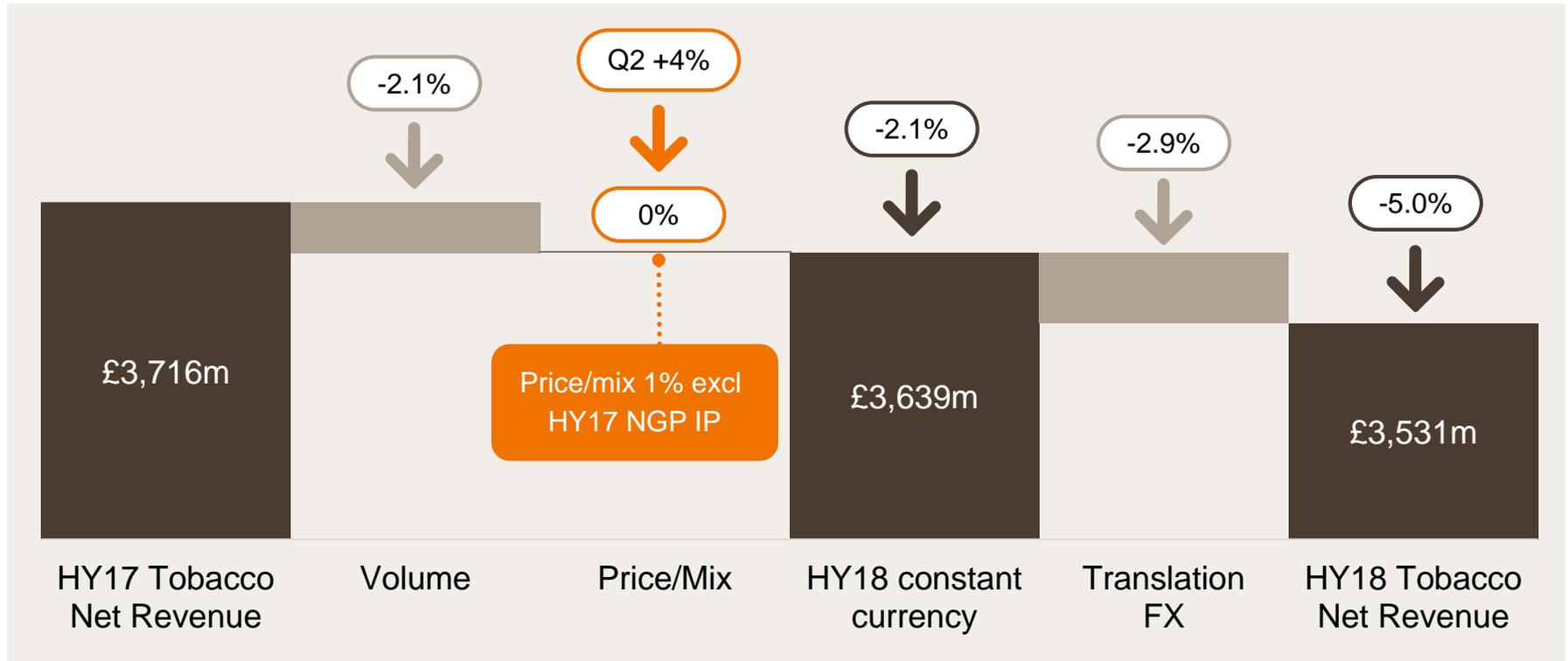
# HY18 Tobacco Volume

## Growth Brands drive volume outperformance



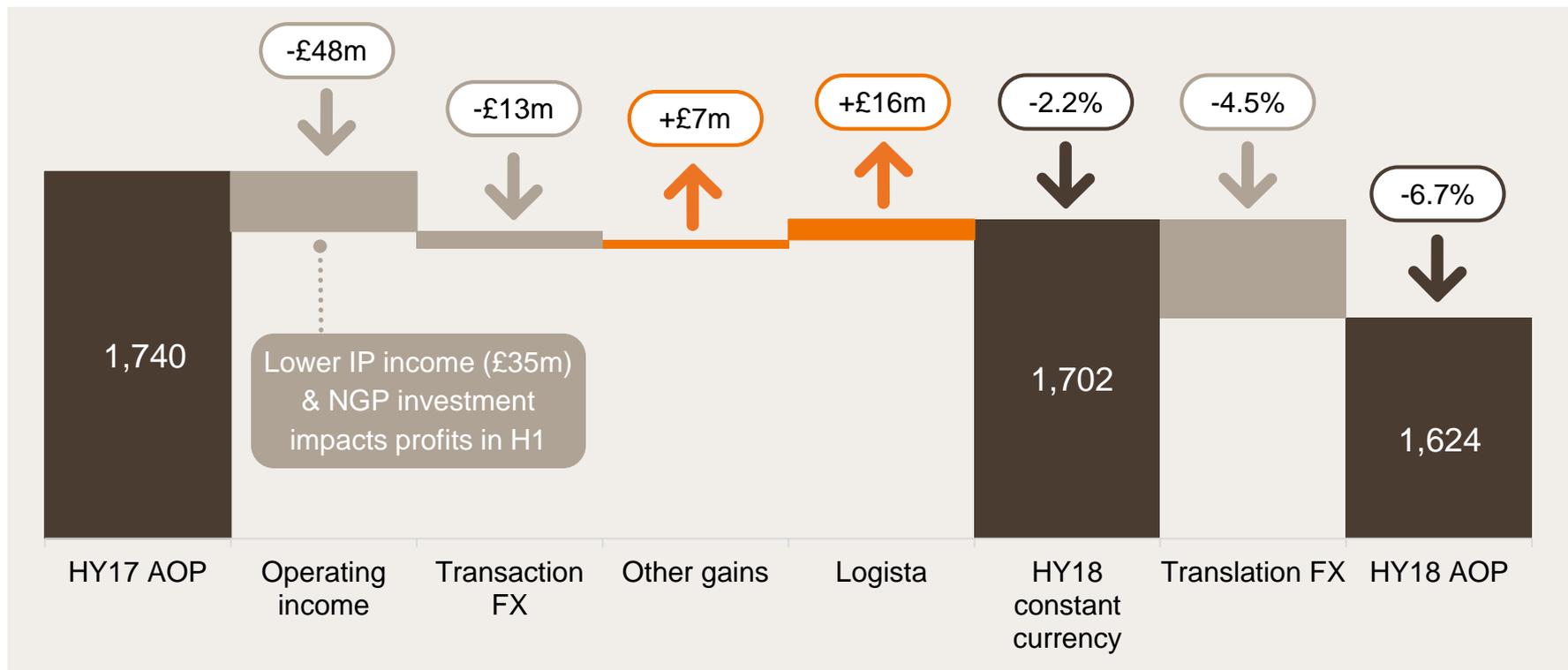
# HY18 Tobacco Net Revenue

Price/mix improving through H1



# HY18 Adjusted Operating Profit

Profit reflects NGP investment and IP



# Divisional Performance

Investments drive quality share growth



	Volume	Net Revenue	Growth Brand share	
Growth	+0.5%	-6.9%	+80 bps	<ul style="list-style-type: none"><li>• Adverse mix in Saudi &amp; Taiwan</li><li>• Lower IP income</li><li>• Volumes up: China JV &amp; Saudi</li></ul>
USA	-3.7%	+7.5%	+10 bps	<ul style="list-style-type: none"><li>• Winston, Kool &amp; Maverick share up</li><li>• Continued strong MMC performance</li></ul>
Returns	-3.0%	-3.7%	+140 bps	<ul style="list-style-type: none"><li>• Quality share growth in priority markets</li><li>• UK mix &amp; France impact revenue</li></ul>

# Cash & Balance Sheet

Capital discipline, strong cash generation



## Cash Conversion

- On track to meet FY guidance
- 95% excluding restructuring
- Dividend payout ratio 68%

## Net Debt

- £0.9bn reduction HY17 (£1.2bn inc FX)
- Working capital timing benefits
- P&H & restructuring costs
- £0.9bn pa reduction since FY14

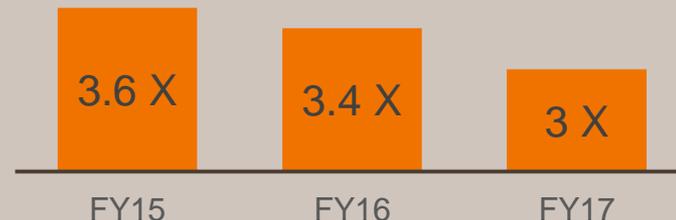
## Credit Rating

- Investment grade re-affirmed by S&P and Fitch

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The logo for Standard &amp; Poor's, with "STANDARD" in red and "&amp; POOR'S" in black, enclosed in a white rounded rectangle.

## Net Debt : EBITDA



# Outlook

Growing revenue and profit



## FY18: In line with medium-term guidance



Revenue growth supported by improving price/mix

*myblu* rollout and innovation pipeline support growth in NGP

Higher H2 margin driven by price/mix and cost savings

Cash conversion on track: 95%

# Strategy Delivering

Momentum through focused investment



## NGP Growth

Significant step up in NGP – *myblu* rollout positive initial results

Innovation pipeline supports standout consumer experience

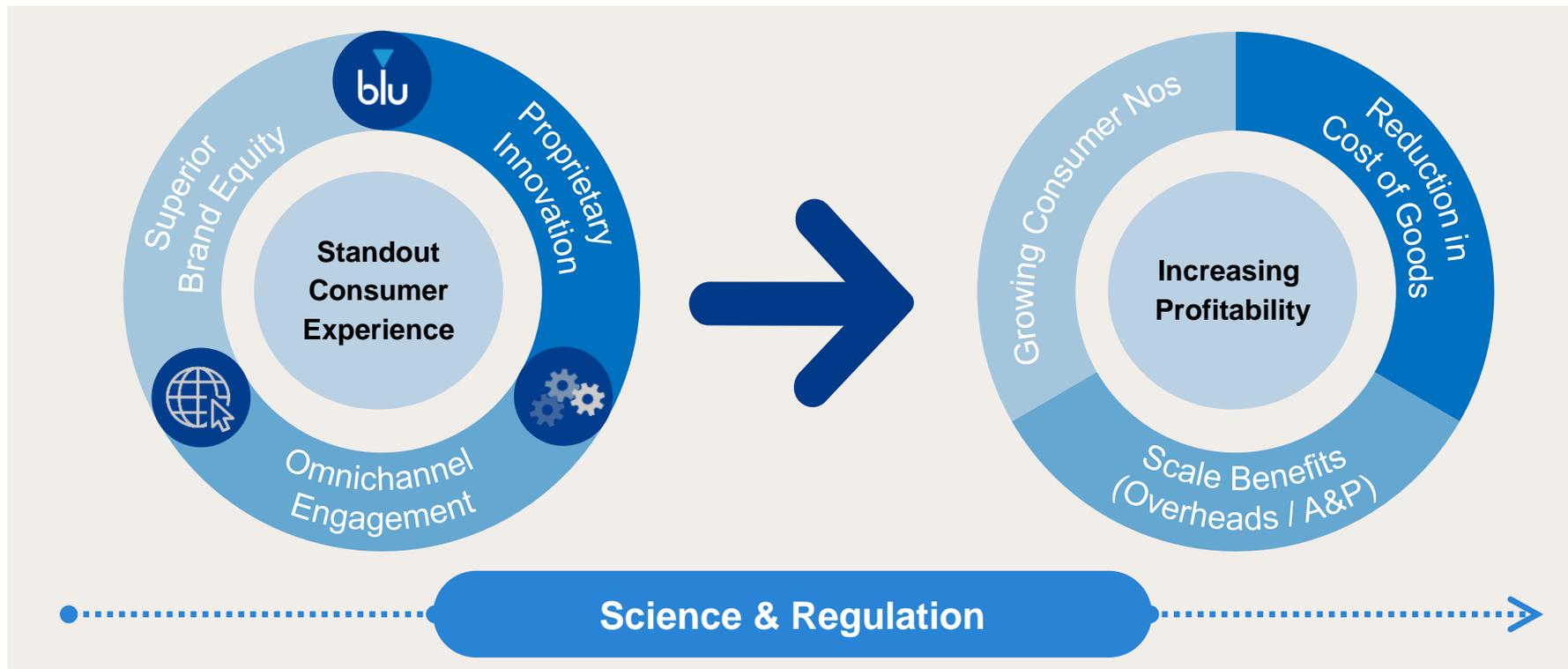
## Tobacco Maximisation

Continued share gains in priority markets - Group volumes outperform

Growth Brands gaining share and growing volumes

# Significant NGP Ambition

Additive revenue & profit opportunity



# Building blu equity

Powerful, convenient and simple



- Pod format key growth segment
- Superior product, competitive price
- Expanding international distribution
- Launches in new and existing markets

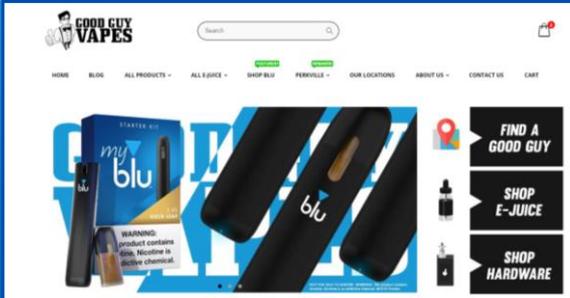


- Latest open system product
- Most powerful device in portfolio
- Superior vaping experience
- Focus on flavour range



# Building Growth in Distribution

## myblu rollout on track

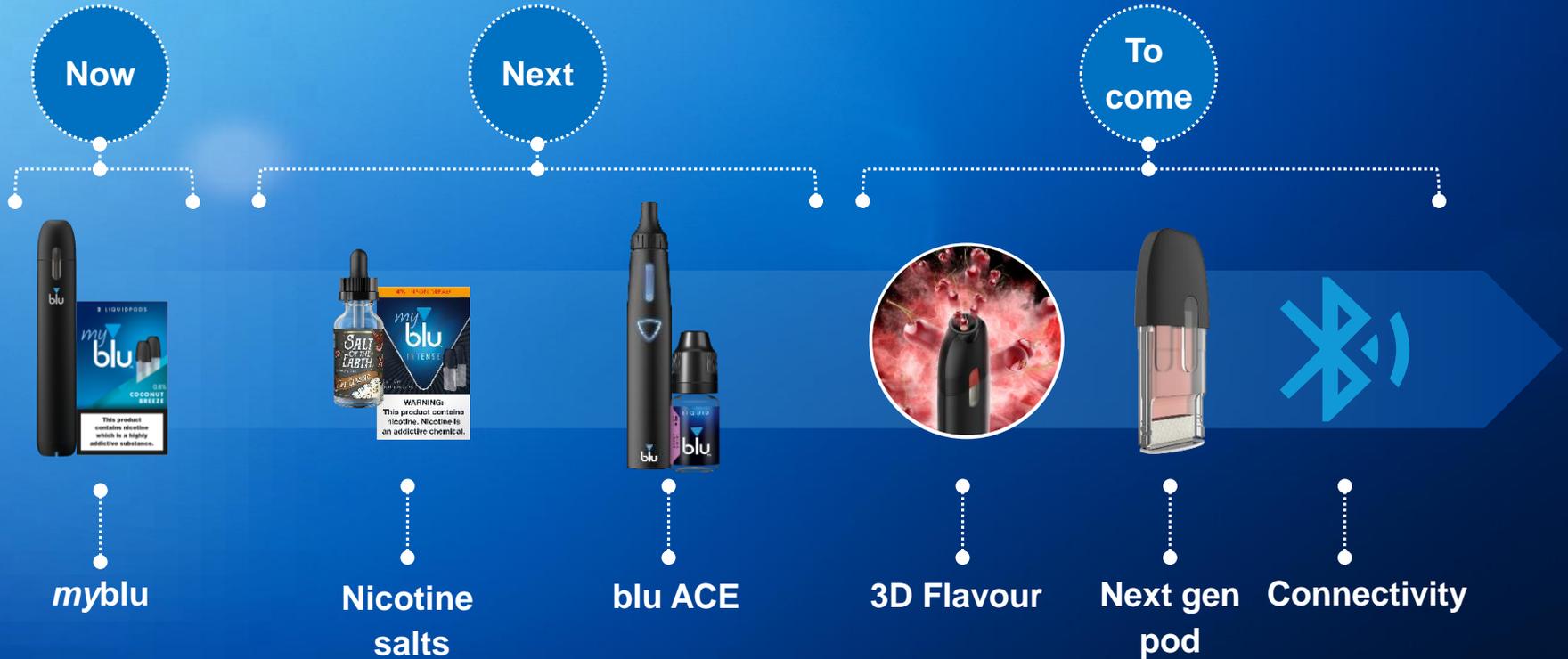


- Launched in 5 markets
- On track for 10 markets in FY18
- Growing distribution & visibility in key accounts
- Partnerships with vape wholesalers
- Listings with online retailers



# blu innovation pipeline

Building differentiated consumer experiences



# Strategy Delivering

Momentum through focused investment



## NGP Growth

Significant step up in NGP – *myblu* rollout positive initial results

Innovation pipeline supports standout consumer experience

## Tobacco Maximisation

Continued share gains in priority markets - Group volumes outperform

Growth Brands gaining share and growing volumes



# Tobacco Max: Portfolio Focus

## Growth Brands driving quality revenue



### Growth Brand Volumes

**+6.3%**  
+1.6% ex. migration

### Growth Brand Share

**+100bps**  
Up in all divisions

### Asset Brand Revenue

**+4.3%**

### Asset Brand % of Revenue

**65%**  
**+480bps**

- Successful simplification of portfolio
  - Migrations achieving c.95% retention; 69 complete
- Focused investment driving Asset Brand revenue
- Growth Brands market share now 9%
  - Driven by P&S, Winston, West





# Tobacco Max: Leverage Market Repeatable Model

## Investment delivering share gains



+10bps

JPS FMC & fine cut growth



-20bps

Winston, Kool & Maverick up,  
tail brands down, MMC up



+50bps

Driven by Players & Gold Leaf



+60bps

P&S queen size & crushball



-100bps

Temporary price impact; spot  
recovered, new launches



+490bps

West #1 brand in market



-80bps

Improving blondes share,  
dark declines



+20bps

Record JPS share



+10bps

Growth of News FMC & fine cut



+20bps

Continued growth of West



# Tobacco Max: Always On Price Strategy

## Improving price/mix momentum



### → H1: headwinds as expected

- Carry over of 2017 trading conditions
- Mix impact of excise & regulation
- Specific market pressures e.g. France, Saudi, Taiwan
- Lower Fontem IP

### → H2: normalised price/mix

- Lapping excise & regulation impacts
- Improving Q2 exit: price/mix c. +4%
- Improving trading environment

# Strategic Focus: Right Markets, Brands & Products

More active capital allocation



# Improving Momentum into H2

## Platform for FY18 growth



- Sustained share growth in markets that matter
- Delivering quality revenue through strongest brand equities
- Improving price/mix momentum
- Stepping up NGP; revenue growth in H2
- Disciplined capital approach supports 10% dividend growth

# Appendices

## Group financials



# Group Adjusted Results



		HY17	Foreign Exchange	Constant Currency Growth	HY18	Actual $\Delta$	Constant Currency $\Delta$
Tobacco net revenue	£m	3,716	(108)	(77)	<b>3,531</b>	-5.0%	-2.1%
Tobacco operating profit	£m	1,667	(80)	(54)	<b>1,533</b>	-8.0%	-3.2%
<i>Tobacco margin</i>	%	<i>44.9</i>			<b>43.4</b>	<i>-150 bps</i>	
Logistics distribution fees	£m	442	14	27	<b>483</b>	+9.3%	+6.5%
Logistics operating profit	£m	82	2	15	<b>99</b>	+20.7%	+18.3%
<i>Logistics margin</i>	%	<i>18.6</i>			<b>20.5</b>	<i>+190 bps</i>	
Eliminations	£m	(9)			<b>(8)</b>		
Group adjusted operating profit	£m	1,740	(78)	(38)	<b>1,624</b>	-6.7%	-2.2%

# Divisional Market Share

## MAT market share data



	<b>HY18</b>	<b>HY17</b>	<b>Δ</b>
Growth markets	<b>7.3%</b>	6.4%	+90 bps
USA market	<b>8.8%</b>	9.0%	-20 bps
Returns North	<b>23.4%</b>	23.6%	-20 bps
Returns South	<b>28.0%</b>	28.8%	-80 bps
Total Returns	<b>25.3%</b>	25.8%	-50 bps
Total Group	<b>14.0%</b>	13.8%	+20 bps

# Group Adjusted Results



		<b>HY18</b>	<b>HY17</b>
Group adjusted operating profit	£m	<b>1,624</b>	1,740
Interest	£m	<b>(244)</b>	(272)
Share of profit of JVs	£m	<b>19</b>	17
Profit before tax	£m	<b>1,399</b>	1,485
Tax rate	%	<b>19.5</b>	20.0
Adjusted EPS	pence	<b>114.3</b>	121.9
DPS	pence	<b>56.9</b>	51.7
Cash conversion	%	<b>110.8</b>	107.5
Adjusted net debt	£m	<b>(12,698)</b>	(13,927)

# Reconciliation: Reported To Adjusted



£m (unless otherwise stated)	Reported HY18	Amortisation of acquired intangibles	Fair value gains/(losses) on financial instruments	Post employment net financing cost	Restructuring costs	Administration of UK distributor	Tax on unrecognised losses	Adjusted non-controlling interests	Deferred tax impact of US tax reform	Adjusted HY18
Operating profit	833	526			105	160				1,624
Share of profit of JV	19									19
Finance costs	(252)		1	7						(244)
Profit before tax	600	526	1	7	105	160				1,399
Tax	(79)	(119)	(12)	(3)	(30)	(30)	24		(25)	(274)
Profit after tax	521	407	(11)	4	75	130	24		(25)	1,125
Minority interest	(30)							(9)		(39)
Earnings attributable	491	407	(11)	4	75	130	24	(9)	(25)	1,086
Basic EPS (pence)	51.7	42.8	(1.2)	0.4	7.9	13.7	2.5	(0.9)	(2.6)	114.3

# Income Statement



<b>£m (unless otherwise stated)</b>	<b>HY18</b>	<b>HY17</b>
Revenue	14,278	14,298
Adjusted operating profit	1,624	1,740
Amortisation and impairment of acquired intangibles	(526)	(554)
Restructuring costs	(105)	(284)
Share of profit of investments accounted for using the equity method	19	17
Administration of UK distributor	(160)	-
Net finance costs*	(252)	(115)
Profit before tax	600	804
Tax	(79)	(114)
Profit after tax	521	690
Minority interests	(30)	(15)
Basic EPS (pence)	51.7	70.7
Adjusted EPS (pence)	114.3	121.9

# Balance Sheet



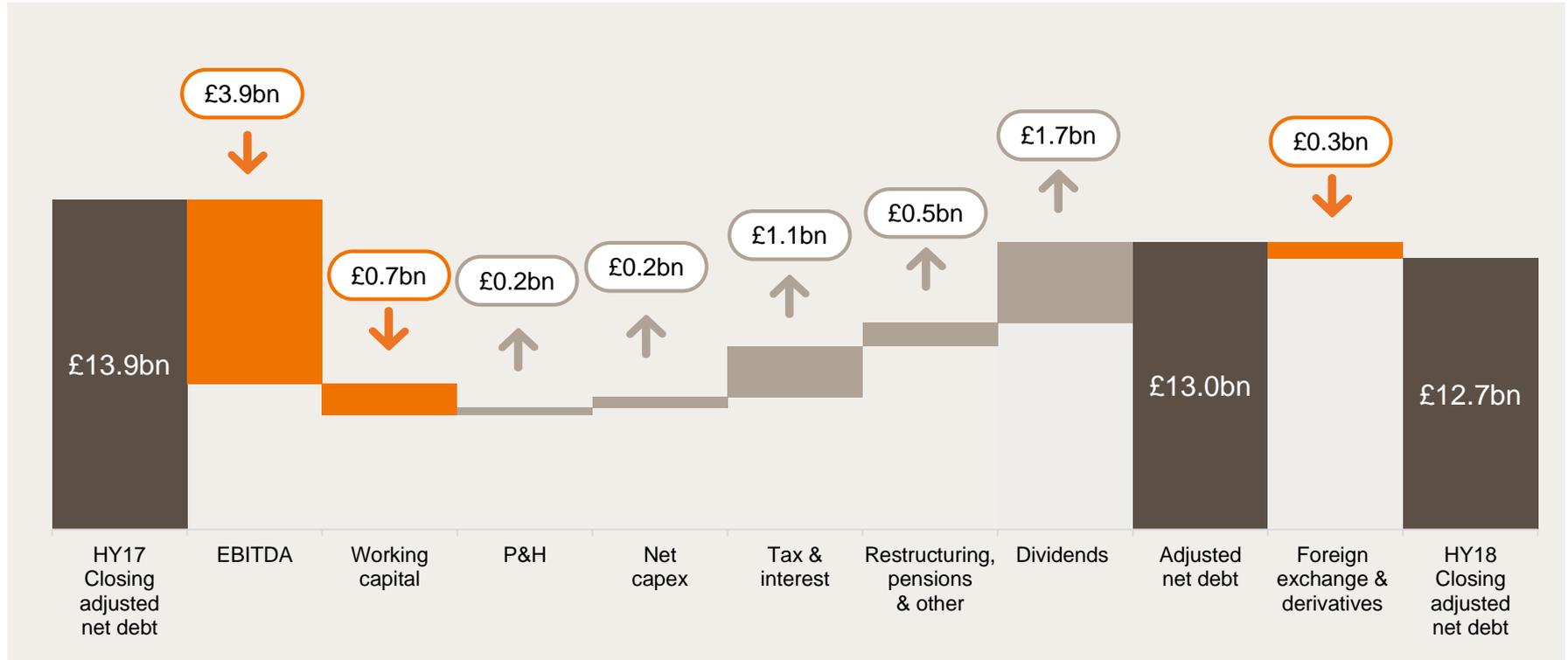
<b>£m</b>	<b>HY18</b>	<b>HY17</b>
Non-current assets: tangible	<b>4,299</b>	4,113
intangible	<b>18,876</b>	20,390
Current assets: inventories	<b>3,486</b>	3,824
other	<b>3,614</b>	3,479
Current liabilities	<b>(11,857)</b>	(10,757)
Non-current liabilities	<b>(13,059)</b>	(15,403)
Net assets	<b>5,359</b>	5,646

# Cash Flow



£m	HY18	HY17
Cash flows from operating activities pre tax	1,097	837
Tax paid	(260)	(274)
Cash flows from operating activities	837	563
Net capex	(90)	(90)
Purchase of businesses / brands	(68)	-
Repurchase of shares	(41)	-
Employee Share Ownership Trust	1	5
Loan to JV	-	(10)
Dividends paid (inc. minority interests)	(1,178)	(1,062)
Net interest paid	(299)	(332)
Net cash flow	(838)	(926)
Opening net debt	(12,490)	(13,319)
Closing net debt before non-cash movements	(13,328)	(14,245)
Non-cash movements		
Exchange movement	228	(207)
Interest accretion and derivative fair value adjustments	92	260
Closing net debt after non-cash adjustments	(13,008)	14,192

# Strengthening Balance Sheet



# 12 Month Cash Conversion



<b>£m (unless otherwise stated)</b>	<b>HY18</b>	<b>HY17</b>
Net cash flow from operating activities	<b>3,499</b>	3,410
Tax	<b>556</b>	424
Net capex	<b>(224)</b>	(206)
Restructuring cash spend	<b>208</b>	290
Cash flow post capex pre interest and tax	<b>4,039</b>	3,918
Adjusted operating profit	<b>3,645</b>	3,644
Cash conversion (%)	<b>110.8</b>	107.5
Working capital inflow	<b>652</b>	375

# Net Finance Costs



<b>£m</b>	<b>HY18</b>	<b>HY17</b>
Net finance costs	252	115
Adjusted for:		
- interest income on net defined benefit assets	64	54
- interest cost on net defined benefit liabilities	(71)	(66)
- exchange (losses)/gains	(1)	169
Adjusted net finance costs	244	272

# Net Debt Reconciliation



£m	Reported HY18	Accrued interest	Fair value of derivatives	Adjusted HY18
Opening net debt	(12,490)	208	135	(12,147)
Free cash flow	340			340
Dividends	(1,178)			(1,178)
Accretion of interest	61	(61)		-
Change in fair values	31		28	59
Exchange movements	228			228
Closing net debt	(13,008)	147	163	(12,698)

# Appendices

## Foreign Exchange



# Foreign Exchange



	Average			Closing		
	HY17	HY18	Δ	HY17	HY18	Δ
USD \$	1.240	1.359	-10%	1.250	1.408	-13%
EURO €	1.157	1.130	+2%	1.169	1.143	+2%
AUD \$	1.645	1.749	-6%	1.634	1.833	-12%
Russian Rouble	75.447	78.378	-4%	70.498	81.026	-15%

# Foreign Currency

## Divisional currency exposure



<u>Approximate</u> weight of currency in Tobacco Net Revenue	GBP £	EUR / EUR Linked	USD \$	Other Currencies	Other includes	
Returns Markets NORTH	25%	50%		25%	Australian \$ & Polish Zloty	€0.01 (1 cent) movement in the € Euro has a c. £30m impact on net revenue.
Returns Markets SOUTH		90%	10%			
Growth Markets		40%	40%	20%	Russian Rouble & Taiwan \$	\$0.01 (1 cent) movement in the \$ USD has a c. £18m impact on net revenue.
USA			100%			
<u>Approximate</u> weight of currency in Operating Profit	GBP £	EUR / EUR Linked	USD \$	Other Currencies	Other includes	
Returns Markets NORTH	40%	40%		20%	Australian \$	€0.01 (1 cent) movement in the € Euro has a c. £15m impact on PBT.
Returns Markets SOUTH		100%				
Growth Markets			80%	10%	Norwegian Krone & Taiwan \$	\$0.01 (1 cent) movement in the \$ USD has a c. £10m impact on PBT
USA			100%			
Logistics		100%				

# Appendices

## Guidance



# Guidance

## Other financial items



### Financing & Cost of Debt

- Average all-in cost of net debt expected of c.3.70%
- Debt reduction lower due to:
  - £160m P&H,
  - £200m incremental restructuring
  - £150m incremental investment in NGP

### Tax Rate

- 19.5%; expect to maintain

### Cash Conversion

- Expect to be c. 95% for FY18 (ex restructuring)

### Other Gains included in Adjusted Operating Profit

- Expected to be £50-£100m (as previously guided)
  - £40m booked in H1 re US OTP sale

### Cost Optimisation

- FY17 savings expected £100m (as previously guided)

### Foreign Exchange

- Translation FX expected 4% to 5% EPS headwind
- Transaction FX no change (£30m included in EPS guidance)

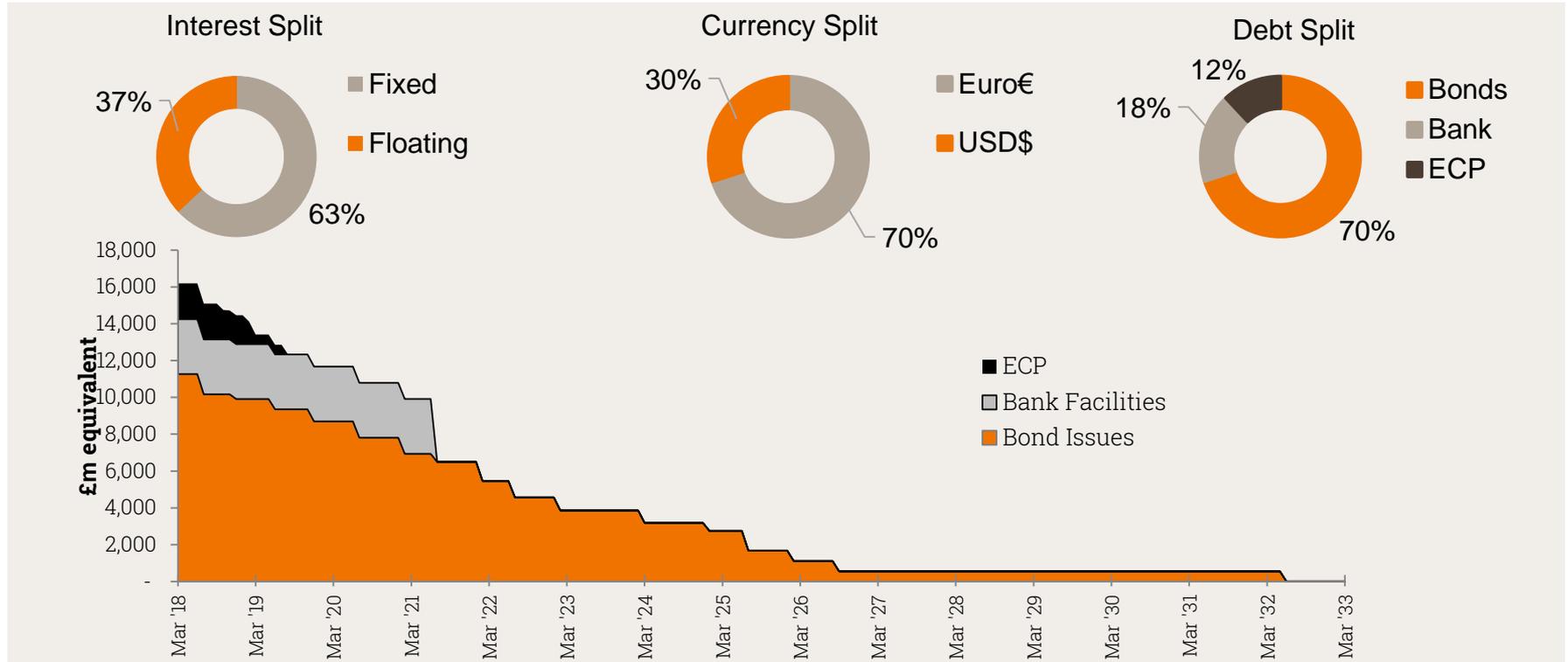
# Appendices

## Financing



# Financial profile

## 31 March 2018



# Committed bank facilities

31 March 2018



Description	Maturity date	Amount	£m equiv.
Committed 5 Year Revolving Credit Facility	Jul-21		
EUR tranche		€2,835m	£2,480m
GBP tranche		£500m	£500m
Total			£2,980m

# Bond issues

## 31 March 2018



Amount	Issuer	Coupon	Issue Date	Maturity Date	£m equiv.	Margin
€850m	Imperial Brands Finance PLC	4.500%	Jul-11	Jul-18	£744m	1.7%
\$500m	Imperial Brands Finance PLC	2.050%	Jul-15	Jul-18	£355m	1.0%
£200m	Imperial Brands Finance PLC	6.250%	Dec-03	Dec-18	£256m <sup>1</sup>	1.1% <sup>1</sup>
£500m	Imperial Brands Finance PLC	7.750%	Jun-09	Jun-19	£558m	3.7% <sup>1</sup>
€750m	Imperial Brands Finance PLC	5.000%	Dec-11	Dec-19	£656m	2.6%
\$1,250m	Imperial Brands Finance PLC	2.950%	Jul-15	Jul-20	£888m	1.4%
€1,000m	Imperial Brands Finance PLC	2.250%	Feb-14	Feb-21	£875m	1.1%
€500m	Imperial Brands Finance PLC	0.500%	Jan-17	Jul-21	£437m	0.7%
£1,000m	Imperial Brands Finance PLC	9.000%	Feb-09	Feb-22	£1,043m <sup>1</sup>	5.0% <sup>1</sup>
\$1,250m	Imperial Brands Finance PLC	3.750%	Jul-15	Jul-22	£888m	1.8%
\$1,000m	Imperial Brands Finance PLC	3.500%	Feb-13	Feb-23	£710m	1.1%
£600m	Imperial Brands Finance PLC	8.125%	Sep-08	Mar-24	£675m	3.1% <sup>1</sup>
€500m	Imperial Brands Finance PLC	1.375%	Jan-17	Jan-25	£436m	1.0%
\$1,500m	Imperial Brands Finance PLC	4.250%	Jul-15	Jul-25	£1,065m	2.2%
€650m	Imperial Brands Finance PLC	3.750%	Feb-14	Feb-26	£569m	1.5%
£500m	Imperial Brands Finance PLC	5.500%	Sep-11	Sep-26	£563m	2.7% <sup>1</sup>
£500m	Imperial Brands Finance PLC	4.875%	Feb-14	Jun-32	£548m <sup>1</sup>	2.1% <sup>1</sup>
<b>Total/Weighted Average Margin</b>					<b>£11,266m<sup>1</sup></b>	<b>2.2%<sup>1</sup></b>

## Appendices

NGP: content from recent blu event



# New Product Launches

## Powerful, convenient and simple



A SIMPLE, SMALL, SURPRISINGLY  
POWERFUL DEVICE



### QUALITY

Engineered by the trusted category pioneer



### SIMPLICITY

Sleek, convenient design, with 1 step click & go pre-filled pods



### FLAVOURFUL

Broad flavour portfolio in three strengths and nicotine salts



### SUPERIOR VAPOUR

Superior vapour production and satisfying throat hit



### POWERFUL

High performance, all day battery, that charges in 20 minutes



### GROWTH PLATFORM

Foundation of a platform for further evolutions and extensions

# New Product Launches

## Superior performance



### MYBLU IS A WINNING PROPOSITION



- ✓ Longer lasting
- ✓ More flavours
- ✓ Simpler to use
- ✓ Better value

Charge Time	~20 minutes	1 hour
Battery Life	1 day (350mAh)	½ day (200mAh)
Flavor Range	12 total of which 5 nicotine salts	5 total, only in nicotine salts
Pod Capacity	1.5ml	0.7ml
Charge Type	Micro USB	Proprietary
Kit Price	\$19.99	\$49.99

# New Product Launches

## Focus on flavours



US strength  
nicotine salts

Broad  
range of  
flavours  
and nicotine  
strengths

Selection of  
UK 0.8%

# Nicotine Delivery

## Nicotine salts

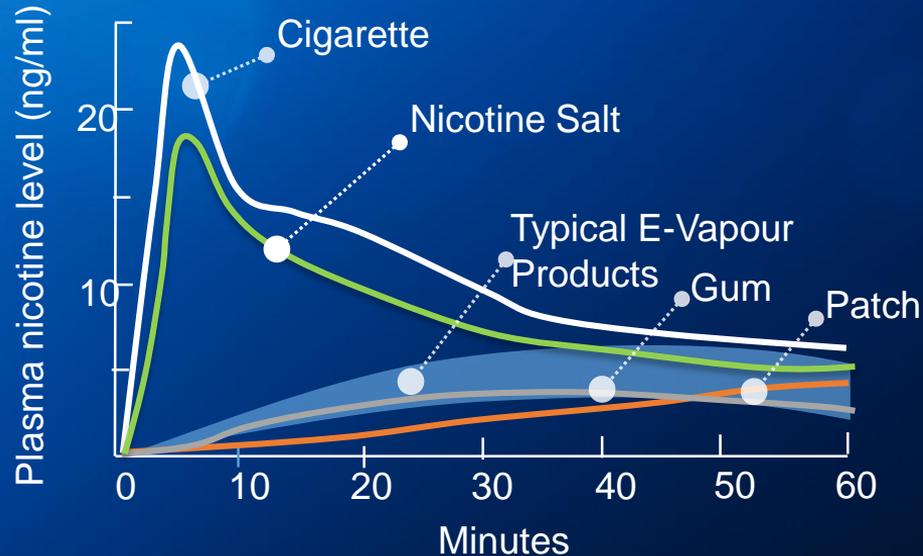
### WHAT E-VAPOUR PRODUCTS NEED:

#### SPEED

Replicating the experience of a combustible cigarette requires the nicotine to get to the brain

#### FAST

Replicate the pharmacokinetics to get the hit



# Nicotine Delivery

## Nicotine salts

### RATE OF NICOTINE EVAPORATION KEY

Traditional formulation



**Nicotine evaporates rapidly from droplets leading to:**

- 1. Harsh throat hit with higher nicotine concentrations**
- 2. Slow absorption into the blood**

Loosely bound formulation  
(tuned salt formulation)



**Nicotine evaporates slowly from vapour leading to:**

- 1. Tunable throat hit even with high nicotine concentrations**
- 2. Fast absorption into the blood via the lung**

Tightly bound formulation  
(Excess salt formulation)



**Nicotine fails to evaporate from aerosol leading to:**

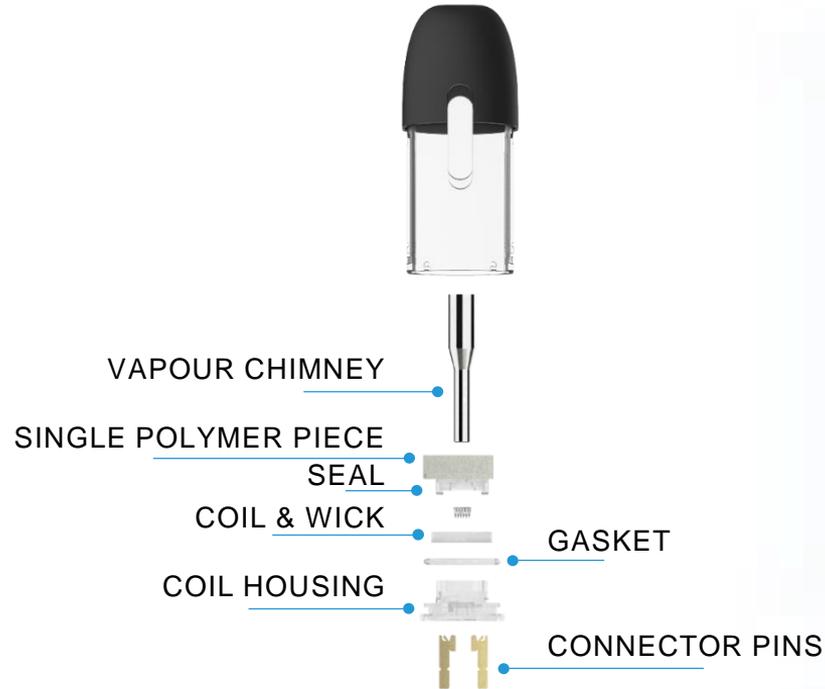
- 1. Low throat hit**
- 2. Fast absorption into the blood via the lung**
- 3. Potential exhalation of nicotine (inefficient/wasted nicotine delivery)**

# Innovation to Come

## The next generation *myblu* POD



CURRENT



TO NEXT GEN



# Innovation to Come

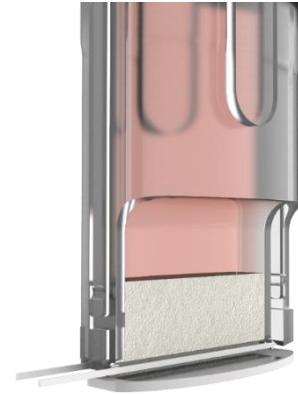
The next generation *myblu* POD



Heat



E-liquid



Airflow

# 3d Flavour™

## Innovating the flavour experience

flavour is a key  
consumer driver

Vapers are looking for true flavour

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THE MARKET TODAY:

- Only 10% of flavour is delivered to the mouth
- Flavour quality diminished through heating
- Flavour experienced as scent, not taste



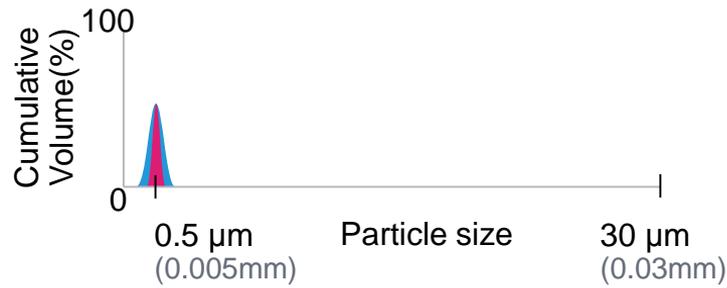
# 3d Flavour™ Particle Science



## CURRENT E-VAPOUR



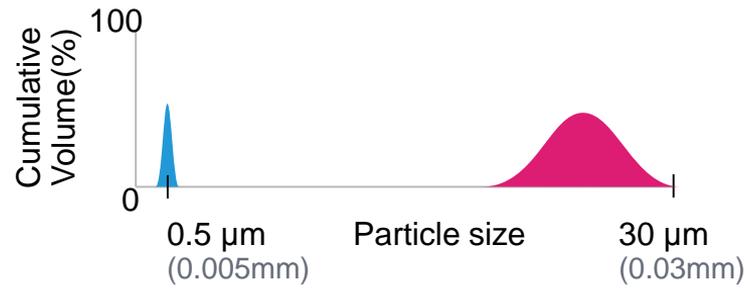
- VAPOUR & NICOTINE
- FLAVOUR



## 3D FLAVOUR™



- VAPOUR & NICOTINE
- FLAVOUR



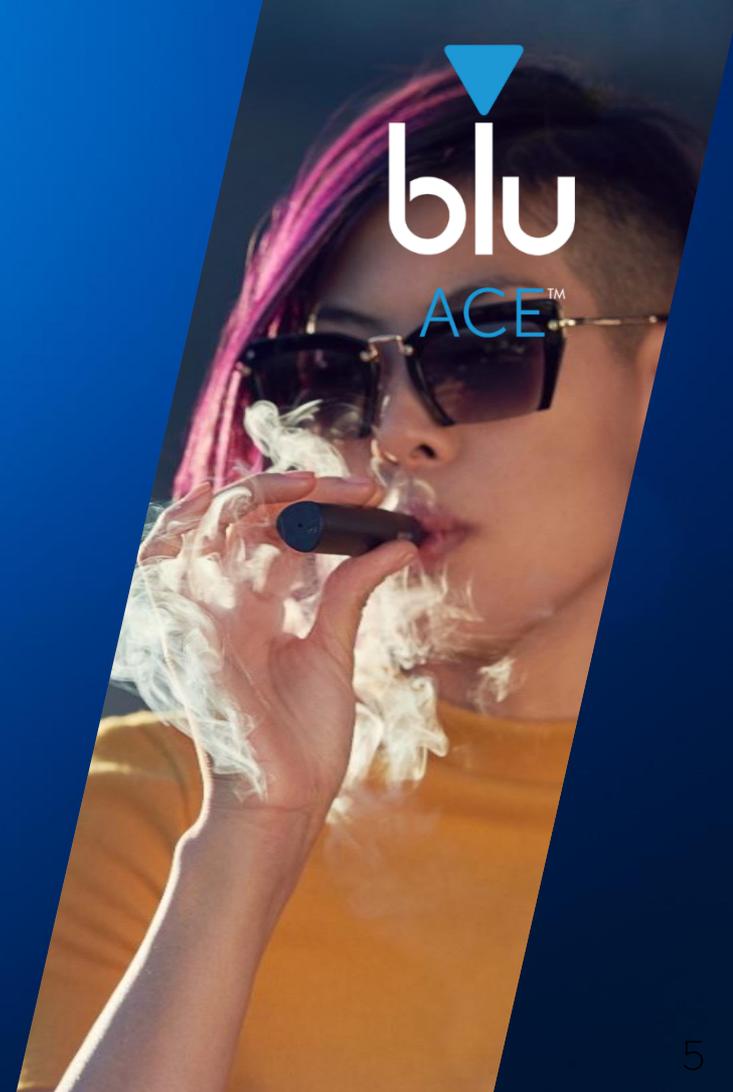
# New Product Launches

## Innovating in open systems

### KEY FEATURES



blu  
ACE™



# New Product Launches

## Innovating in open systems

### SUPERIOR PRODUCT PERFORMANCE

- ✓ More Puffs per Charge
- ✓ Superior Vapour Production
- ✓ Richer Flavours – Sub-OHM
- ✓ Built-in 2ml Liquid Tank
- ✓ Leak-Free



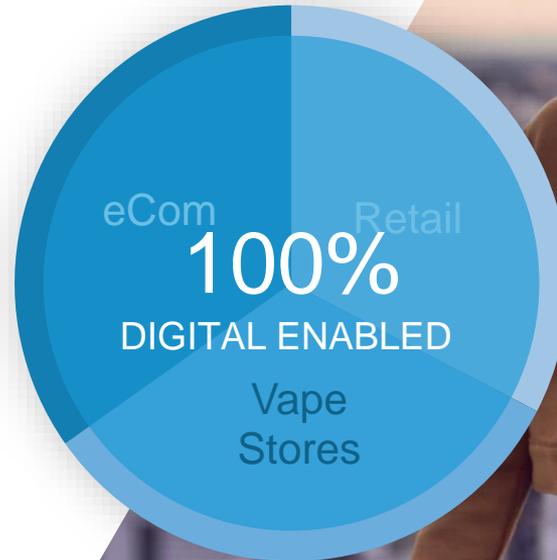
Capacity	1500 mAh	1000 mAh	650 mAh
Power	20 watts	14 watts	7-9 watts
Resistance	0.6 ohm SUB-OHM	1.5 ohm	1.9 ohm

blu  
ACE™

# Developing Omnichannel blu digital strategy



- > Digital at the heart of blu's consumer strategy
- > Driving value by personalized experiences
- > Digital as a competitive advantage



# Developing Omnichannel

## The connectivity opportunity



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### ALWAYS ON, ALWAYS CLOSE BY

E-vapour devices are always ready and live with phones, keys & wallets



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### THE BASICS ARE THERE

We already have a battery and sensors which are required for basic product usage



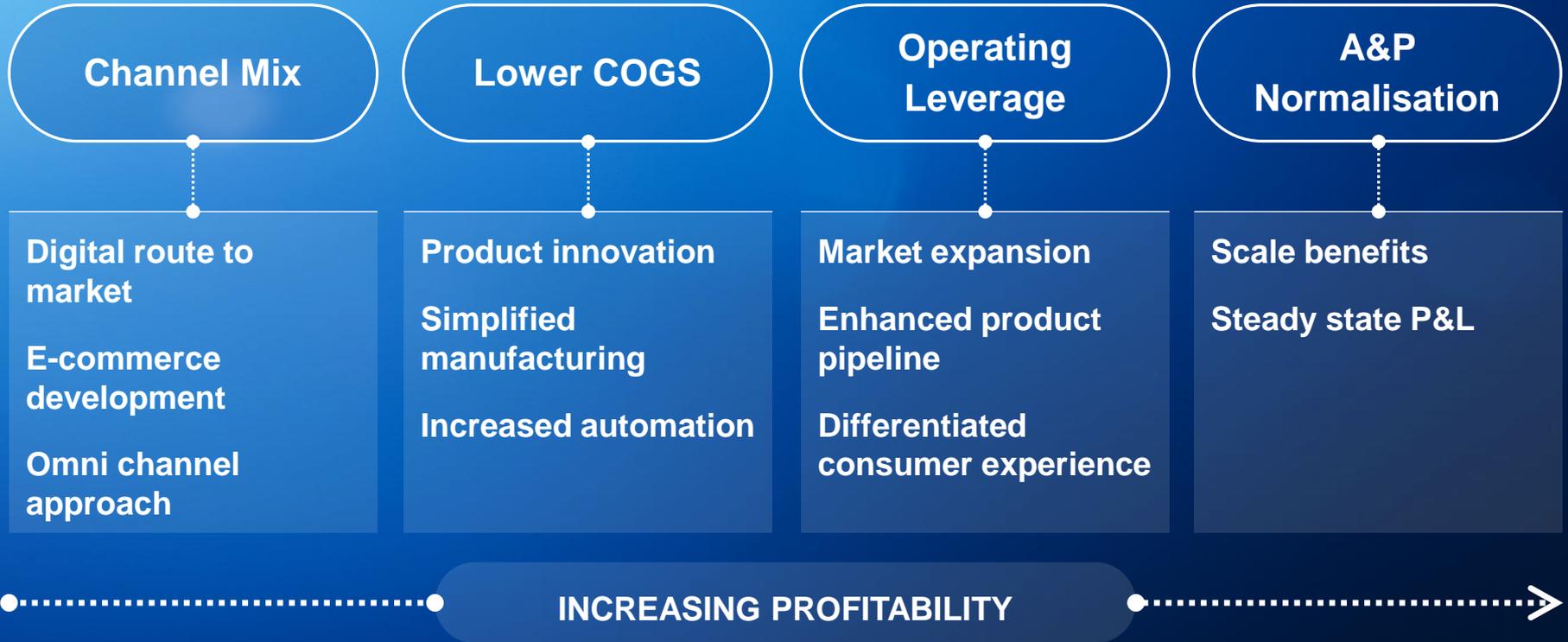
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### FIRST TO CATEGORY IDEAS

Unique ideas combined with a fully integrated digital-first approach

# Growing Profitability

Scaling gross and operating margins



# Appendices

## Other information

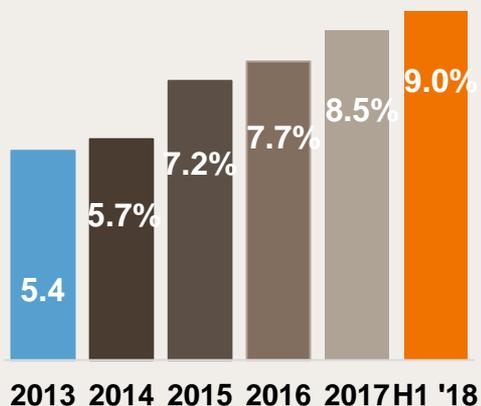


# Portfolio Simplification

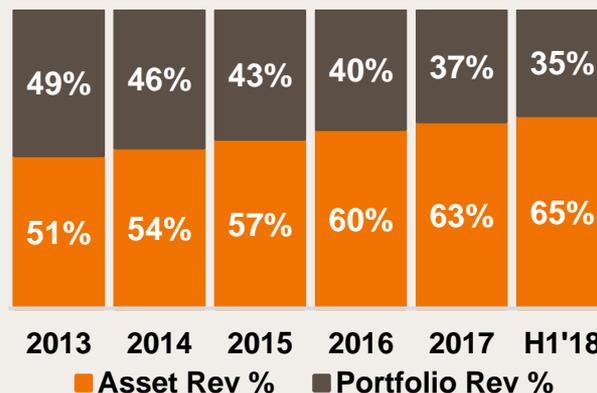


Improving quality of revenue through focus on Asset Brands

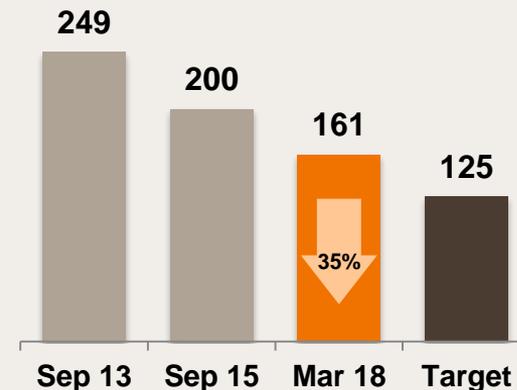
## Growth Brand Share



## Asset Brands % of Revenue



## No. of brands\*



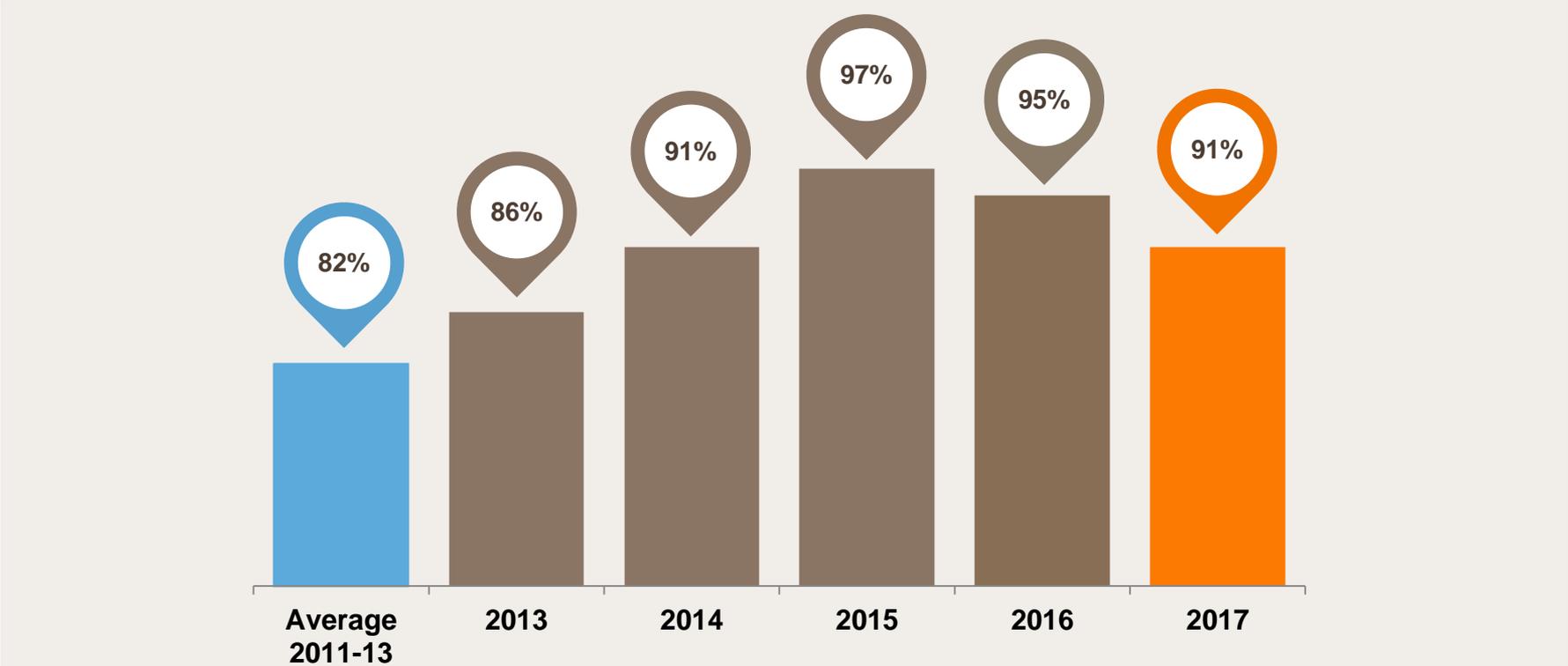
# Global Factory Footprint



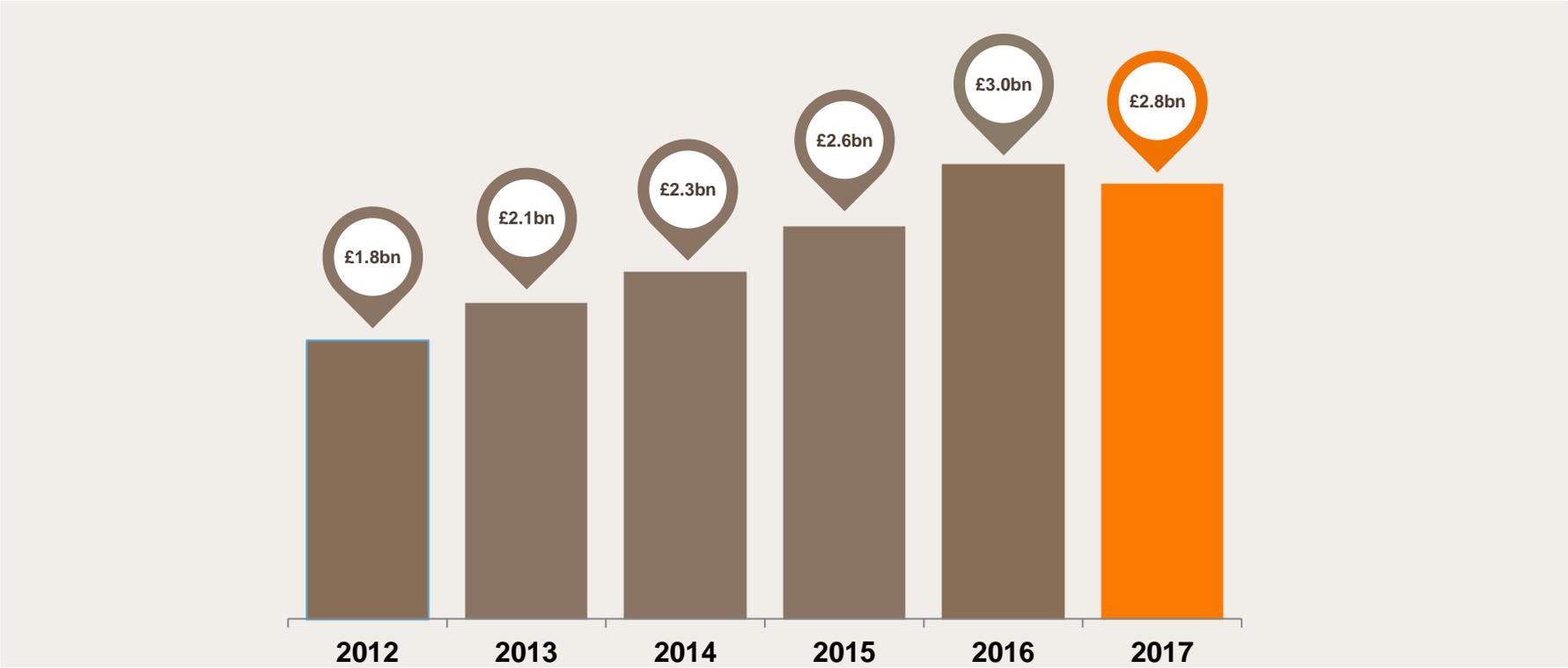
	<b>Factories</b>	<b>FMC</b>	<b>OTP</b>	<b>Snus</b>	<b>Cigar</b>	<b>Papers &amp; Tubes</b>	<b>Raw materials</b>
<b>Total</b>	<b>37</b>	<b>23</b>	<b>1</b>	<b>1</b>	<b>6</b>	<b>2</b>	<b>4</b>
<b>Europe</b>	10	4	1	1	1	2	1
<b>Eastern Europe</b>	4	4					
<b>Africa</b>	13	10					3
<b>Asia</b>	4	3			1		
<b>Americas</b>	6	2			4		

- 23 closed/sold since start of FY10
- Africa contains several small sites with making and packing capabilities with no primary processing to ensure supply and optimise local excise
- Raw materials involves tobacco threshing & printing activities

# Cash Conversion



# Free cash-flow



SE	Stick Equivalent (SE) volumes reflect our combined cigarette, fine cut tobacco, cigar and snus volumes.
Constant Currency	Change at constant currency removes the effect of exchange rate movements on the translation of the results of our overseas operations.
Total Tobacco	Total Tobacco includes cigarettes, fine cut tobacco, cigar, snus and other tobacco products.
Fontem Ventures	Fontem Ventures is our non-tobacco subsidiary focused on developing new opportunities for sustainable revenue growth.
Logista	Logista is a 60% owned subsidiary and publicly listed on the Spanish stock exchanges. It is one of the largest logistics businesses in Europe, with operations extending across Spain, France, Italy, Portugal and Poland.

# Glossary

## Growth, Specialist & Portfolio Brands



### Growth Brands

These high-quality brands have strong consumer appeal and generally well-established positions in key markets.



### Specialist Brands

These have strong positions in their own categories, appealing to specific consumer groups.



### Portfolio Brands

The remainder of our portfolio consists of local and regional brands. These Portfolio Brands either add to our revenue generation or will be migrated into Growth Brands.

# Glossary

## Main market classifications



### Growth Markets

Growth Markets are characterised by large profit and/or volume pools. We typically have shares below 15 per cent and see real potential for long-term share and profit growth.

Cambodia  
China  
Iraq  
Italy  
Japan  
Russia  
Saudi Arabia  
Taiwan  
Turkey  
Vietnam

### US Market

We manage the US as a standalone Growth Market through our dynamic new business ITG Brands.

### Returns Markets

We have relatively large shares in Returns Markets, mostly above 15 per cent. We focus on managing these strong positions, whilst driving sustainable profit growth.

#### Returns North

Australia  
Azerbaijan  
Belux  
Germany  
Ireland  
Netherlands  
New Zealand  
Poland  
UK  
Ukraine

#### Returns South

Algeria  
Austria  
Czech Republic  
France  
Hungary  
Morocco  
Portugal  
Spain  
Tunisia

# HALF YEAR RESULTS 2018

Imperial Brands PLC

9 May 2018

