



IMPERIAL
BRANDS

INTERIM RESULTS

17 MAY 2022



DELIVERING ON OUR STRATEGIC PRIORITIES

Stefan Bomhard
CEO



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the Company for current or future financial years will necessarily match or exceed the historical or published earnings per share of the Company.

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Agenda



RESULTS OVERVIEW

Stefan Bomhard

FINANCIAL REVIEW AND OUTLOOK

Lukas Paravicini

TRANSFORMING IMPERIAL BRANDS

Stefan Bomhard

Q&A

Stefan Bomhard
Lukas Paravicini

Good Progress In Line With Five Year Plan

DELIVERING ON YOUR STRATEGIC PRIORITIES



Investment drives aggregate market share growth in top-five markets



Successful NGP trials underpin further roll-outs



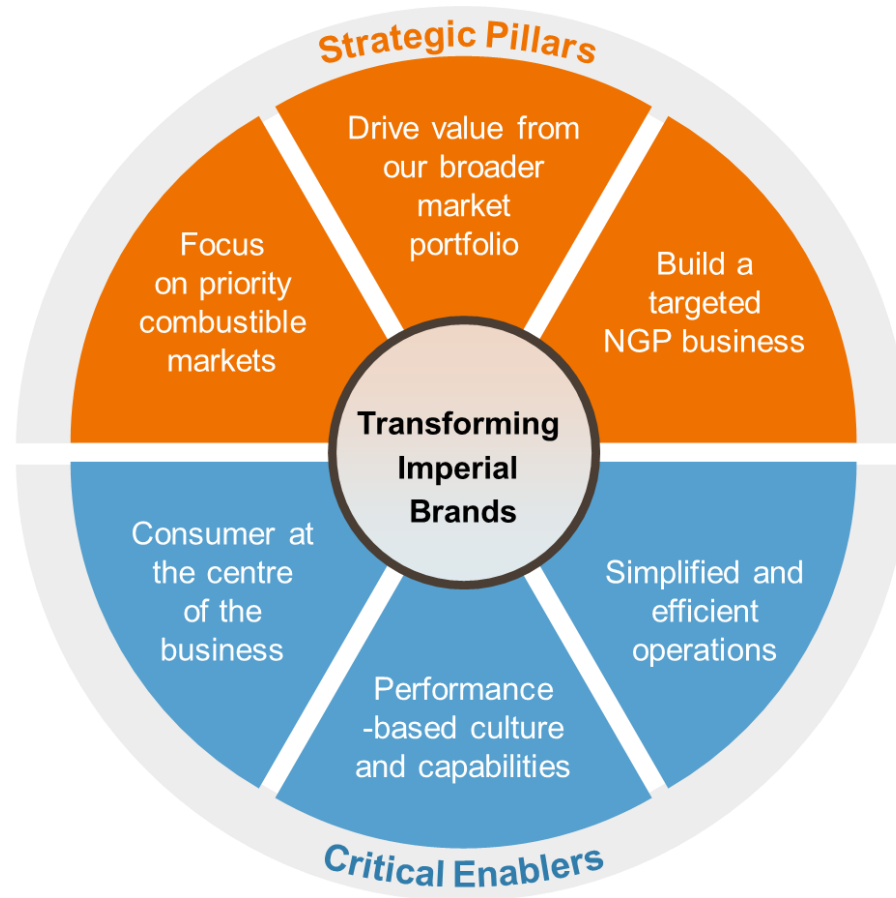
Strong cash generation enables further deleverage



On track to deliver full year results in line with guidance

Strengthening the Business

GOOD PROGRESS DELIVERING ON OUR OBJECTIVES



Strategic investment drives market share growth

Market prioritisation delivers improved performance

NGP trials validate focused, challenger approach

Consumer insights are building innovation pipeline

Culture change programme enables improved behaviours

Transformation is creating efficiencies and effectiveness

On Track with Our Five-Year Transformation



COMPLETING OUR TWO-YEAR STRENGTHENING PHASE

PHASE 1 - STRENGTHENING

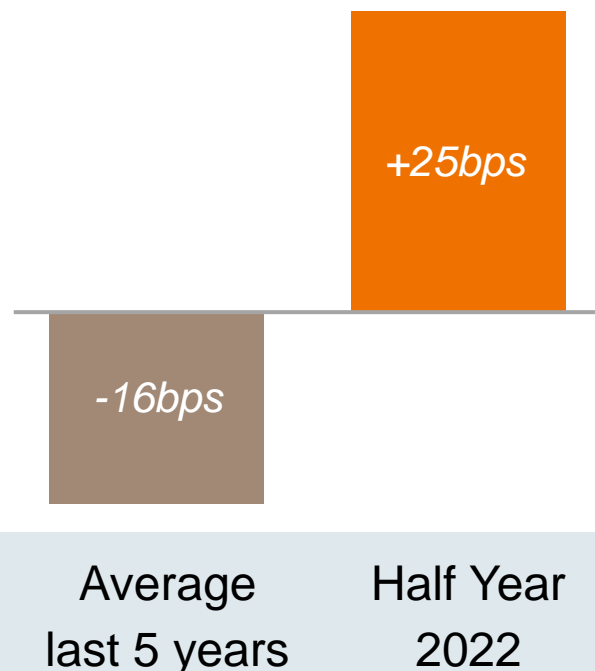


Stabilising our Priority Market Share

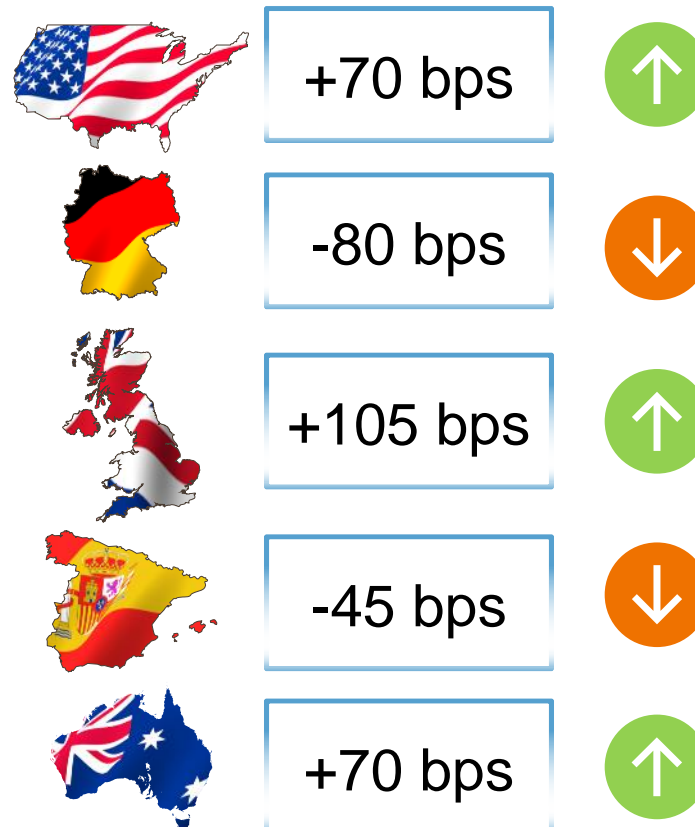
TARGETED INVESTMENT STRENGTHENING OUR SHARE OF MARKET



AVERAGE PRIORITY MARKET SHARE PERFORMANCE

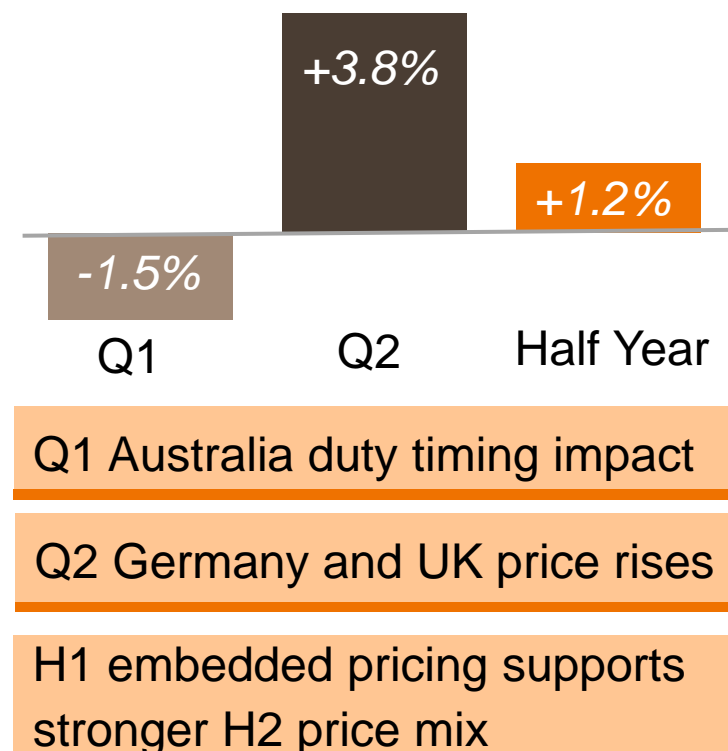


PRIORITY MARKET SHARES (6 month share Δ)



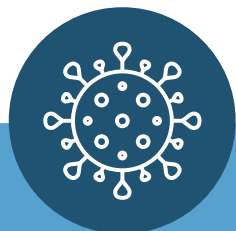
MAINTAINING PRICING DISCIPLINE

Phasing of Price Delivery



Understanding Consumer Dynamics

ACTIVELY MANAGING THE BUSINESS TO MEET EVOLVING CONSUMER NEEDS



COVID-19 UNWIND

Lifting of restrictions is causing changes to consumer buying patterns

Impact:
Already underway



INFLATIONARY PRESSURES

Inflation likely to affect purchasing power of some consumers

Impact:
Not material in H1



POTENTIALLY REDUCED HARM

Consumers continue to seek reduced harm alternatives

Impact:
Long-term/structural

Improved agility and consumer insight mean we can navigate these trends and capture opportunities

FINANCIAL REVIEW

Lukas Paravicini
CFO




Delivering Against Our Plan




INITIATIVES TO STRENGTHEN THE BUSINESS ON TRACK AHEAD OF PHASE 2


AGGREGATE PRIORITY SHARE

 **+25bps**


TOTAL NET REVENUE*

 **+0.3%**


NGP NET REVENUE*

 **+8.7%**

ADJUSTED OPERATING PROFIT*

 **+2.9%**

ADJUSTED EPS*

 **+7.7%**

ADJUSTED NET DEBT TO EBITDA

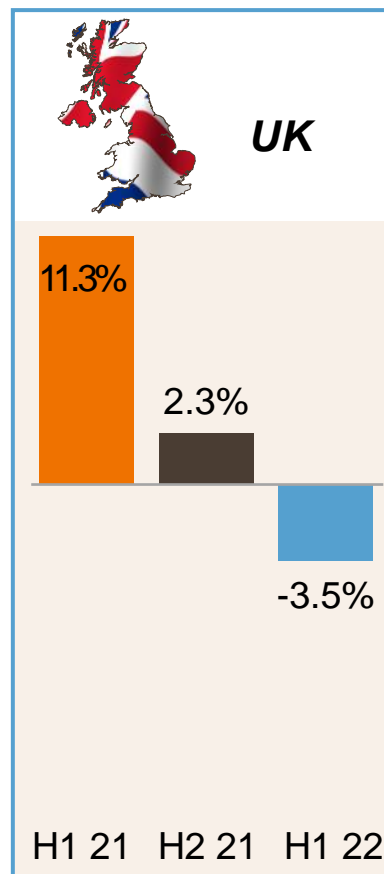
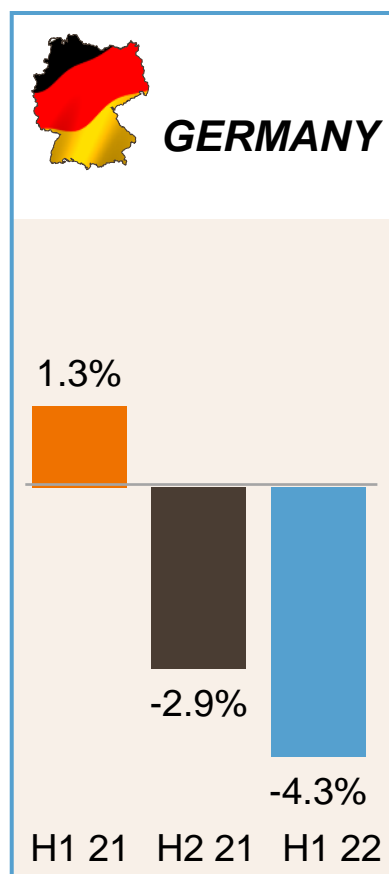
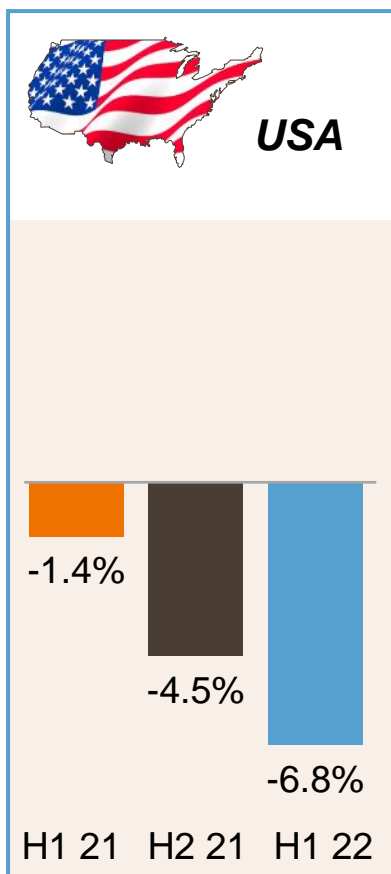
 **-0.2x**
to 2.4x

COVID-19 Market Trends Beginning to Unwind

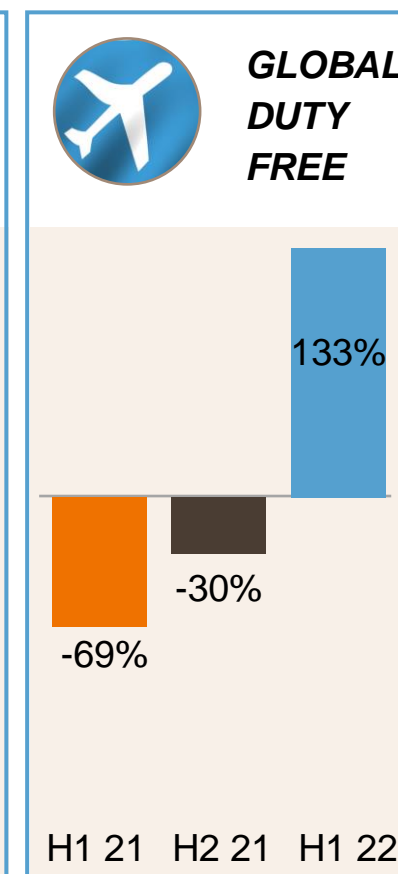
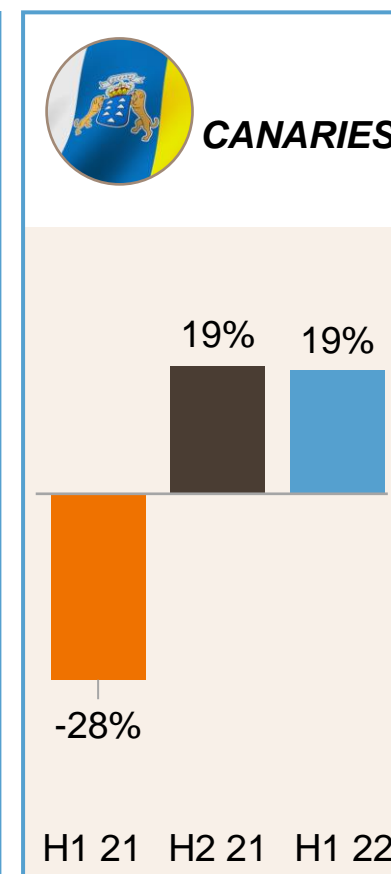
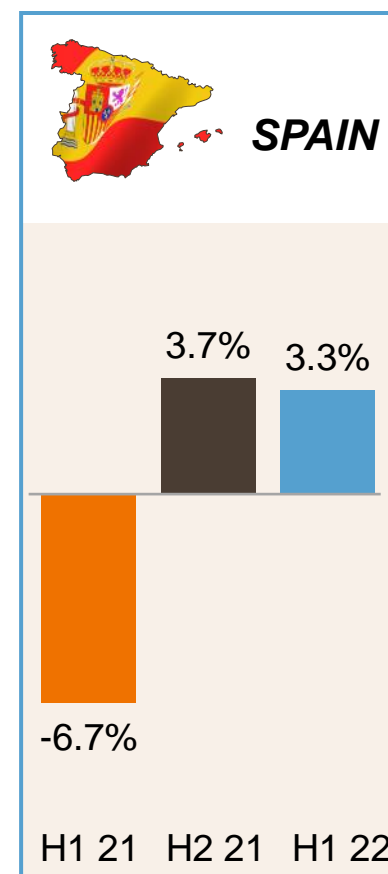
REVERTING AS EXPECTED TO HISTORICAL TRENDS



-VE impact on market



+VE impact on market



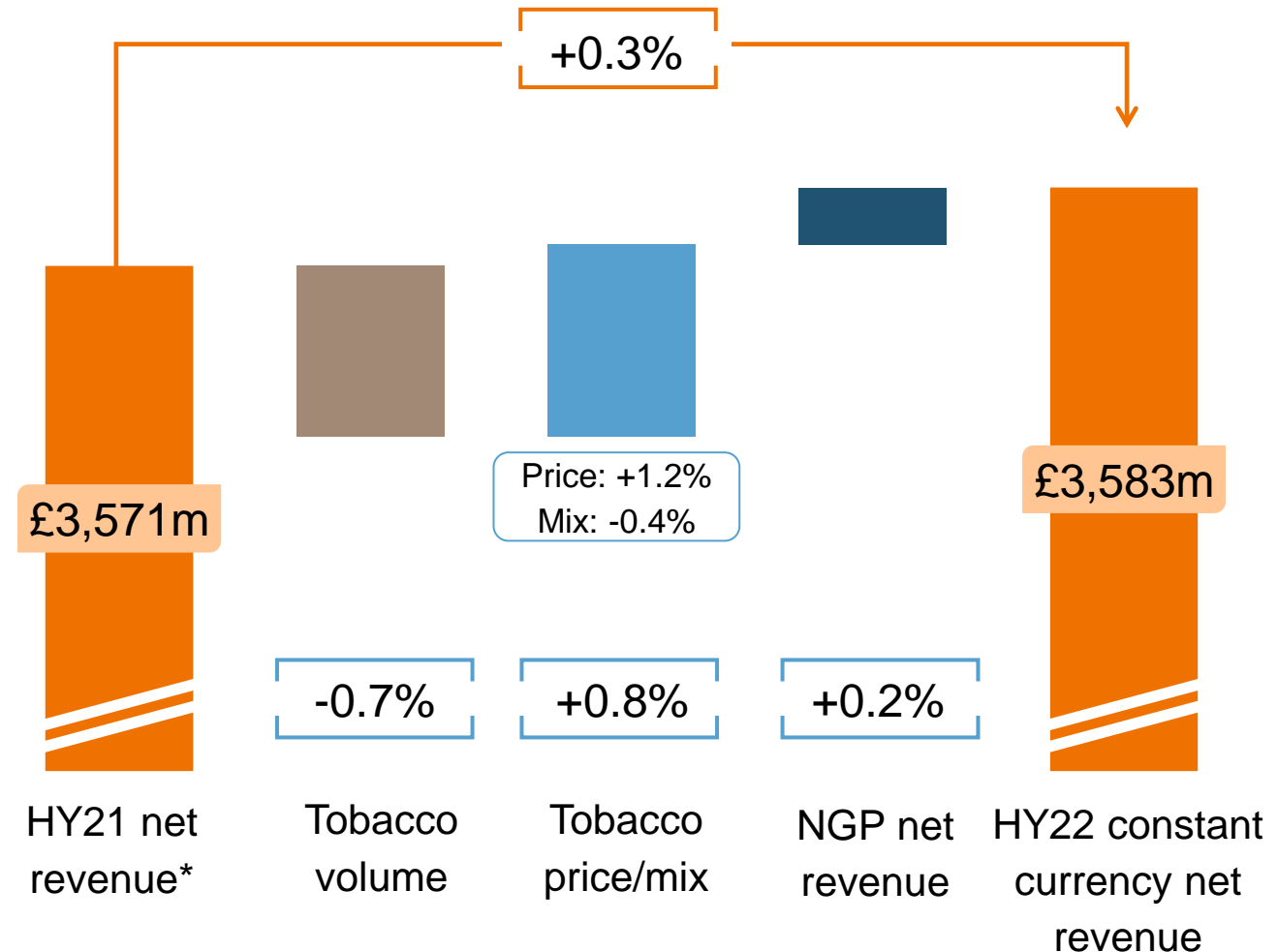
Net Revenue Growth Driven by NGP



TOBACCO PRICE MIX OFFSETS VOLUME DECLINES; STRENGTHENS IN Q2

VOLUMES REMAIN STRONG





- **-0.7% tobacco volumes**
 - Remain better than historical trend; reflecting strong performance in the US, Middle East and Australia
- **+0.1% tobacco net revenue**
 - +0.8% tobacco price/mix reflects price phasing and adverse product mix (US) and market mix (AAA)
- **+8.7% NGP net revenue growth**
 - Strong progress across all categories



Performance Driven by Americas and AAA

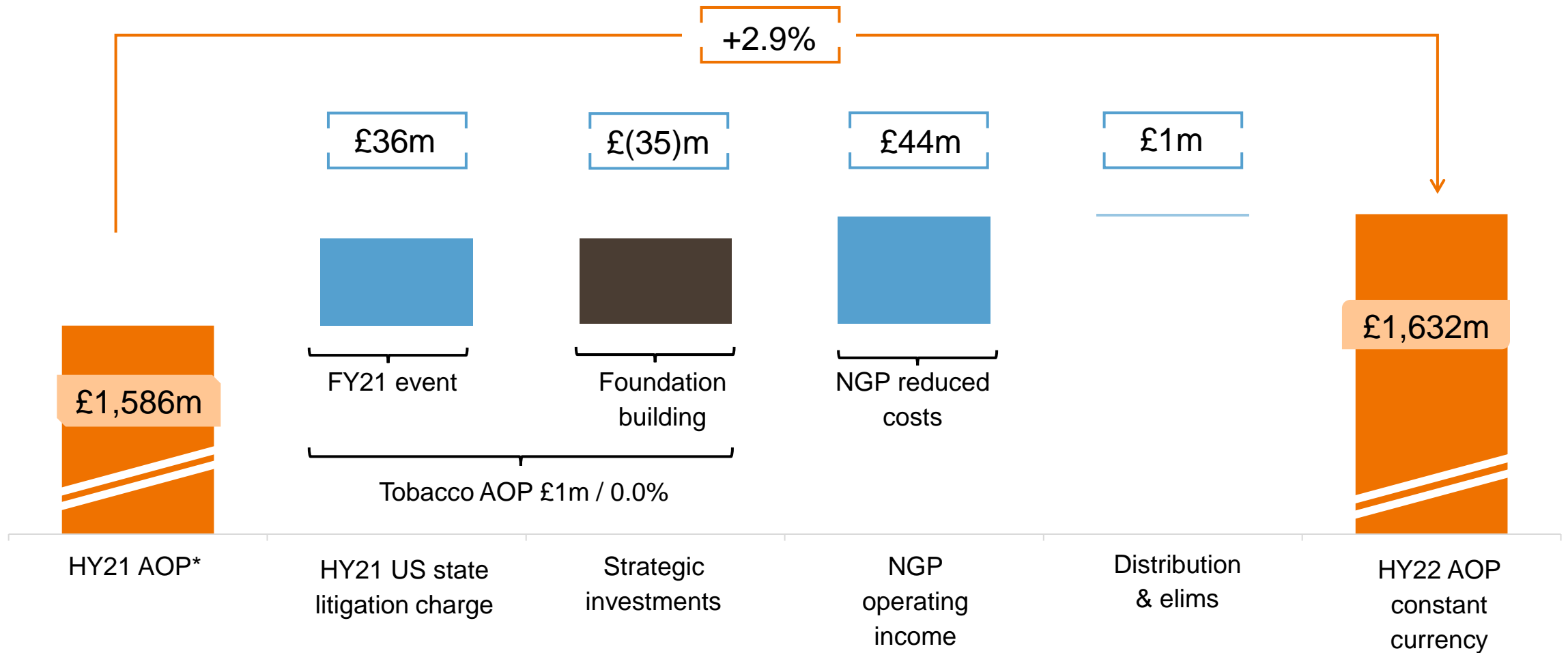
STRONG VOLUME PERFORMANCE IN AMERICAS AND AAA



| | VOLUMES | TOBACCO NR | NGP NR | |
|----------|---------|--|--------|--|
| EUROPE | -3.6% | -3.8%  | +45% | <ul style="list-style-type: none"> Price/mix impacted by price phasing Adverse geographic mix Strong NGP growth |
| AMERICAS | +3.9% | +3.2%  | -28% | <ul style="list-style-type: none"> Share gains; trade buying ahead of price rise Positive pricing offset by adverse product mix in cigarettes and mass market cigars |
| AAA | +2.6% | +4.1%  | Exit | <ul style="list-style-type: none"> Volume benefit as travel restrictions ease Price/mix supported by Africa/Middle East NGP reflects Russia and Japan exits |
| TOTAL | -0.7% | +0.1%  | +9% | |

Delivering Adjusted Profit Growth

CONTINUED INVESTMENT IN FOUNDATION BUILDING



Operating Profit: Adjusting Items as Guided

RUSSIAN OPERATION DIVESTED AS A GOING CONCERN



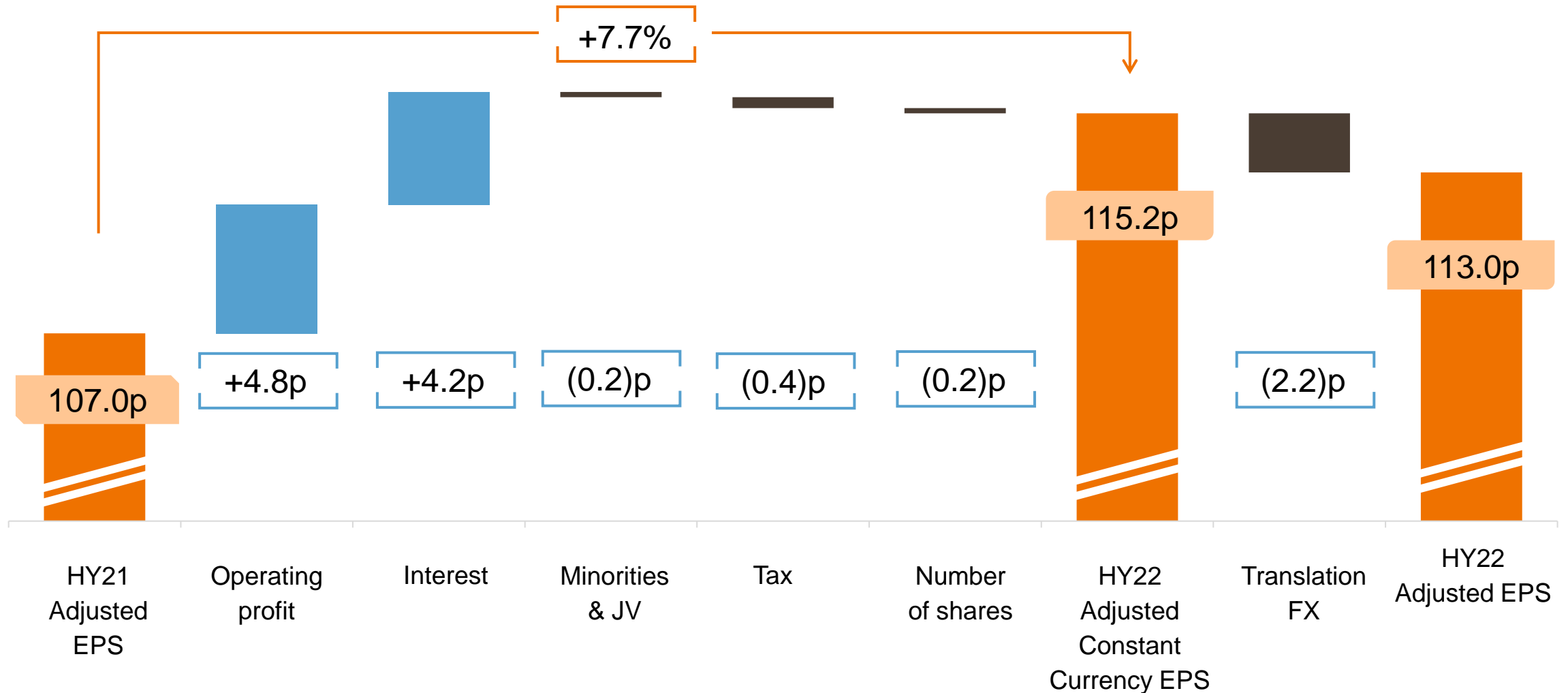
| | |
|---------------------------------------|----------------|
| HY22 Reported operating profit | £1,201m |
| Russia & associated market exit costs | £201m |
| Amortisation of acquired intangibles | £182m |
| Restructuring costs | £7m |
| Net other* | £9m |
| HY22 Adjusted operating profit | £1,600m |

Adjustments to reported operating profit

- **Russia & associated market costs**
 - Recognition of impairment and provision charge (impact on earnings: £225m)
- **Amortisation of acquired intangibles**
 - Lower annual amortisation due to certain assets now being fully amortised
- **Restructuring costs**
 - Supporting delivery of new transformation programme
 - Actions taken to date will deliver £90m annualised savings by end FY22, ahead of plan

Driving Stronger EPS Growth

WITH HIGHER OPERATING PROFIT AND REDUCED INTEREST COSTS



Resilient Cash Delivery

CONTINUED STRONG CASH FLOW GENERATION OVER LAST 12 MONTHS



CONTINUED HIGH
CASH CONVERSION

102%

12-month
cash conversion

FREE CASH FLOW
(12-MONTH)

£2.4bn

High free cash flow
enables choices

PROGRESSIVE
DIVIDEND POLICY

+1%

Delivering cash returns
for shareholders

NET CASH FLOW
(12-MONTH)

£1.3bn

Driving de-leverage
momentum

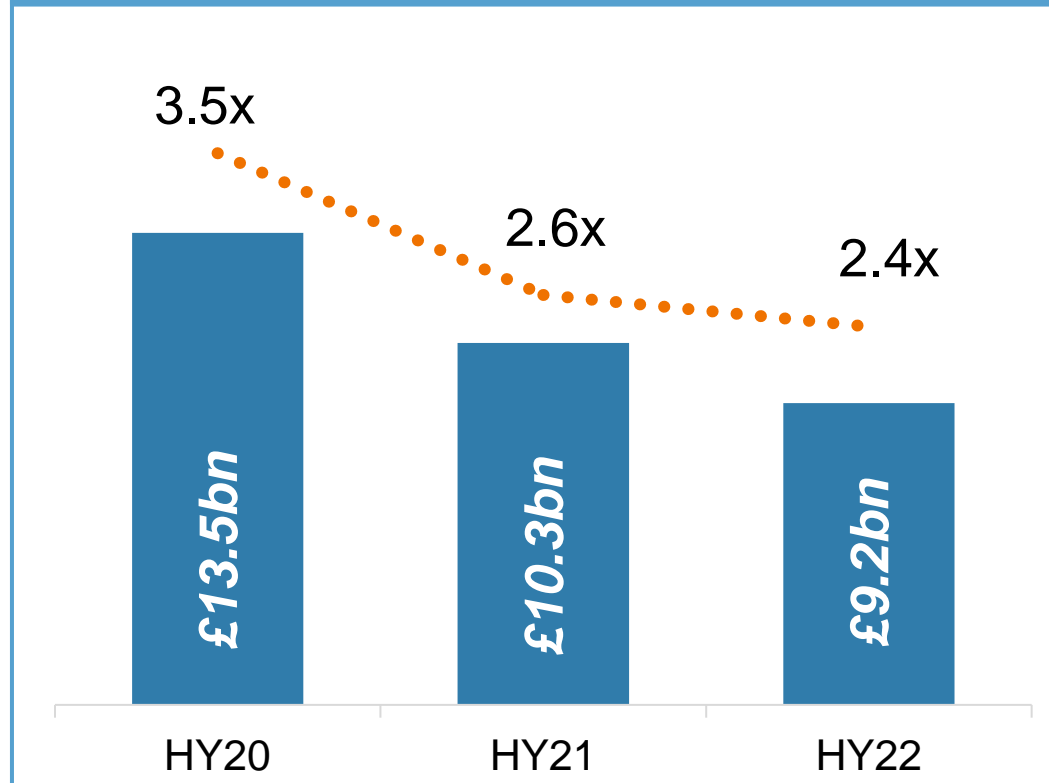
STRONG CASH GENERATION ENABLES OUR FOUR CAPITAL PRIORITIES

Strong Cash Supports Further Debt Reduction

DELIVERING 0.2 TIMES IMPROVEMENT IN LEVERAGE



Year-on-Year de-leverage Progress



Capital allocation priorities

- 1 Investing in the strategy
- 2 Strong and efficient balance sheet
- 3 Progressive dividend policy
- 4 Surplus capital returns

FY22 Outlook: On Track to Meet Full Year Expectations

FINANCIAL SUMMARY



On track to deliver in line with our revised guidance



Net revenue constant currency growth of between 0 to 1%



Adjusted operating profit at constant currency to grow c. 1%



EPS driven by profit growth, lower interest & revised tax rate expectation (c. 22%)

TRANSFORMING IMPERIAL BRANDS

Stefan Bomhard
CEO



Our Purpose, Vision and Strategy

CREATING A COMMON HIGH-PERFORMANCE CULTURE FOR IMPERIAL BRANDS



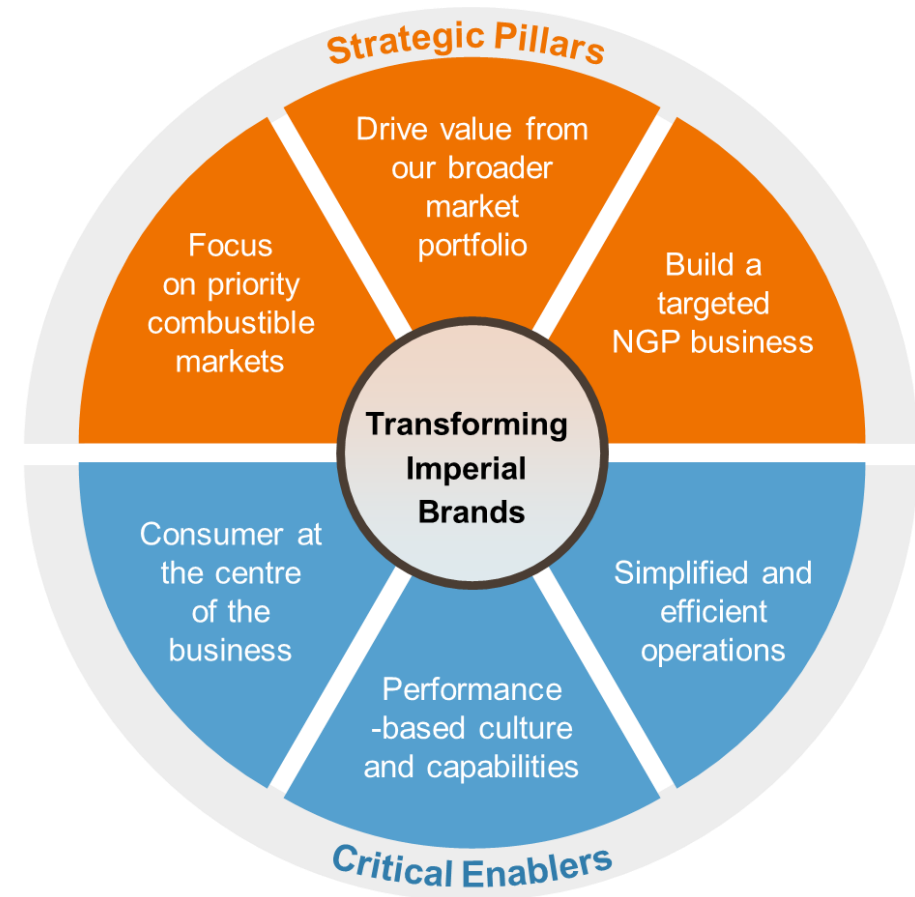
OUR PURPOSE

“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”



On Track in Implementing Our Critical Enablers



WE'VE MADE A SIGNIFICANT PEOPLE INVESTMENT

Building a Movement: Embedding our Global Change Programme

Consumer at the centre of the business

- Group Consumer Office established with key hires in place
- Consumer insight enhanced
- NGP innovation pipeline beginning to deliver

Performance-based culture and capabilities

- Comprehensive behaviour roll-out underway
- On track to cover all employees by year end
- Incentives aligned to strategy
- Improving agility

Simplified and efficient operations

- Aligning organisation behind strategy
- Restructured S&M operations
- Actions already taken to date on track to realise £90m cost savings



Start with the
Consumer



Collaborate
with Purpose



Take Accountability
with Confidence



Be Authentic,
Inclusive to all



Build
our Future

ESG: Foundations for a Responsible Business

REFRESHED APPROACH WITH THREE KEY PRIORITY AREAS



HEALTHIER FUTURES



Consumer health

Climate change

Packaging & waste



POSITIVE CONTRIBUTION TO SOCIETY



Farmer livelihoods & welfare

Sustainable responsible sourcing

Human rights



SAFE AND INCLUSIVE WORKPLACE



Employee health, safety

Diversity, equity & inclusion



Pledged to become a net zero company by 2040

>90% of our electricity supplied by traceable renewable sources

Established our first carbon neutral factory with Skruf in Sweden

Developing detailed metrics and targets for all ESG focus areas

Priority Markets: Clear Levers to Improve Performance



>25 GROWTH INITIATIVES IN OUR FIVE PRIORITY MARKETS

SIX OPERATIONAL LEVERS IN OUR FIVE PRIORITY MARKETS

Cigarettes

1 Increase participation in premium

2 Drive and rejuvenate local jewel brands

3 Optimise our approach to the value segment

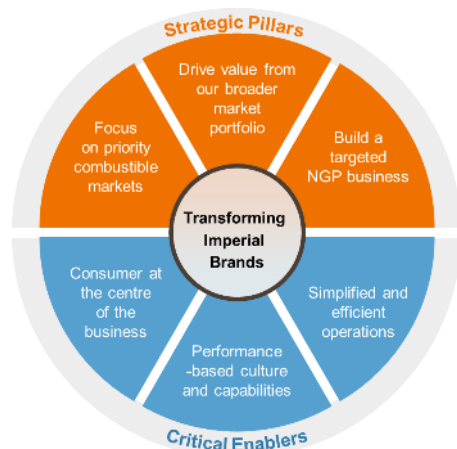
Fine-cut

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





Americas: Strong Market Share Growth

MARKET FUNDAMENTALS SUPPORT POSITIVE OUTLOOK



PERFORMANCE DRIVEN BY INVESTMENT INITIATIVES & STRATEGIC CHOICES

- Market size beginning to revert to historic trend
- Strong H1 market share growth driven by underlying share gains & seizing KT&G exit opportunity
- Kool and Maverick growth supported by strategic investment and initiatives
- Salesforce investment driving performance in under-penetrated channels and regions
- MMC performing well against strong comparator





Germany: Investing in Our Operational Levers

MARKET SIZE CONTRACTING AS TRAVEL INCREASES POST COVID



BRAND PORTFOLIO WELL POSITIONED ACROSS PRICING SEGMENTS

- Market size down against strong comparator
- Increased price competition creating tough market environment
- Successful tiering of Gauloises variants in premium segment growing share
- Consumers increasingly seeking value offers
- JPS and West investments building brand awareness but taking time to rejuvenate



IMPROVING
PRICE
PERCEPTION

VALUE MESSAGING



STORE ADVOCACY



BUILDING
BRAND EQUITY

NEW PACK DESIGN



LIMITED EDITIONS



INCREASING
RELEVANCE

NEW AD CAMPAIGN



RELAUNCH VARIANTS





UK: Initiatives Supporting Market Share Growth

MANAGING THE FULL PORTFOLIO TO MEET CONSUMER NEEDS



SHARE GAINS DRIVEN BY VALUE TIER SUCCESS & OPERATIONAL EXCELLENCE

- Market size beginning to revert to historical trends as travel increases
- Price increase in mid-March supports stronger H2 price mix
- Strategic positioning of Embassy and Richmond driving strong share growth in new value tier
- Players and Riverstone growing share in fine-cut
- Trade partnership & collaboration award



NEW VALUE GROWTH



FINE-CUT ACTIVATION



LIMITED EDITION VARIANTS



PARTNERSHIP & COLLABORATION AWARD



Spain: Focus on Revitalising Local Jewel Brands



PRICE INCREASES SUPPORT FINANCIAL PERFORMANCE

EFFECTIVELY LEVERAGING OUR LOCAL JEWELS AND INTERNATIONAL BRANDS

- First price increases achieved in five years
- Temporary price disconnect impacted H1 share
- Continued investment behind local brands
- West meeting increased demand for value
- Border trade and vending channel close to pre-COVID levels

PACKS
REINFORCING
SPANISH HISTORY



Fortuna ORIGINAL

Fumar aumenta el riesgo de ceguera

NEW UPGRADE

NATIONAL HERITAGE

URBAN
CULTURE
LIMITED EDITIONS



Nobel

QUALITY AND MODERN



West

SKS PRICING

Fumar aumenta el riesgo de ceguera

Fumar reduce la fertilidad

RELAUNCHED
FCT RANGE

REJUVENATING IN VALUE

LAUNCH OF
EXTRA KS



DUCADOS RUBIO

Fumar aumenta el riesgo de ceguera

NUEVO 20

GIFT WITH
PURCHASE

REGIONAL FOCUS



Australia: Initiatives Delivering Share Growth

MARKET DYNAMICS STABILISING AFTER PERIOD OF CHANGE



IMPERIAL POSITION STABILISING; DRIVEN BY PORTFOLIO, PRICING & ENGAGEMENT

- Affordability pressures continue to drive consumer downtrading; 5th price tier now 40% of industry volumes
- Imperial share recovery supported by launch of Lambert & Butler brand
- JPS cigarette and fine-cut tiering targeted at specific demographics
- Implementing field force transformation to drive further efficiencies
- Investing to enhance supply chain and customer delivery



L&B LAUNCHED 5th TIER



JPS FMC & FCT TIERING



FIELD FORCE TRANSFORMATION



ENHANCING INVENTORY MANAGEMENT

NGP: Trials Validate Heated Tobacco Proposition



CONSUMER AND TRADE FEEDBACK VALIDATES PRODUCT OFFERING

1 MARKET SHARE

6 MONTH iD SOM



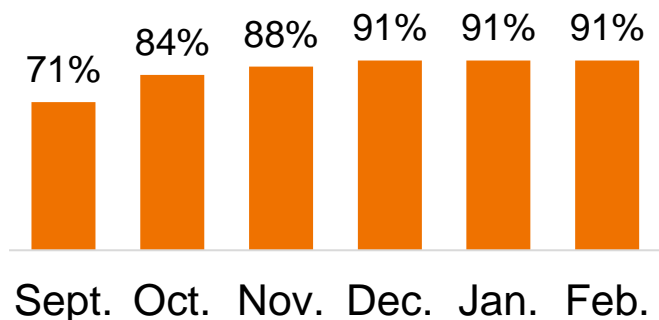
3.7%

2.8%

In 6 months we have achieved and sustained a meaningful market presence

2 DISTRIBUTION

iD WEIGHTED DISTRIBUTION



Consistent trade demand shows appetite to broaden category with more choice

3 FEEDBACK

"The devices longer battery life means I can rely on it more to be there for me during my busy life"

"iD sticks are of a good quality and flavour"

"I like the intensity and fullness of flavour the iD sticks deliver"

Consumer testing demonstrates Pulze and iD sticks resonate with a subsection of consumers

MARKET DATA VALIDATES FURTHER ROLL-OUT

NGP: Heated Tobacco Expanding Further This Year

SELECTED FURTHER MARKET ROLL-OUT AND FLAVOUR EXTENSIONS



MARKET ROLL-OUTS

MARKET SELECTION CRITERIA

Existing heated tobacco category

IMB established tobacco presence



PLANS UNDERWAY FOR FURTHER EUROPEAN MARKET LAUNCHES

FLAVOUR EXTENSIONS

5 FLAVOURS TRIALLED TO DATE



TWO FURTHER FLAVOURS LAUNCHED



NGP: blu Consumer Trials Support Further Roll-outs

EXTENDING US BLU TRIAL AND TRIALLING NEW BLU DEVICE IN FRANCE



EXPANSION OF CONSUMER MARKETING APPROACH IN USA

- Pilot trial validates further targeted expansion of new marketing approach
- Positive consumer response supports expansion across new territories



NEW BLU DEVICE LAUNCHED IN FRANCE

- Market trial of next generation blu device
- New partnership approach to innovation
- Key device features include; improved battery, smart functionalities and ergonomics
- Pipeline of innovation being developed



2022 Will Enhance Our Investment Case

CLEAR ACTIONS TO IMPROVE PERFORMANCE AND RETURNS



STATUS FY22 PRIORITIES



Increased investment in priority markets



NGP targeted trials



Embedding new ways of working



Continued focus on cash delivery



Disciplined capital allocation



INVESTMENT CASE

Revitalised tobacco business driving strong cash returns

A disciplined NGP business providing options for potential harm reduction and growth

Self-help initiatives deliver operational improvement and strengthen performance

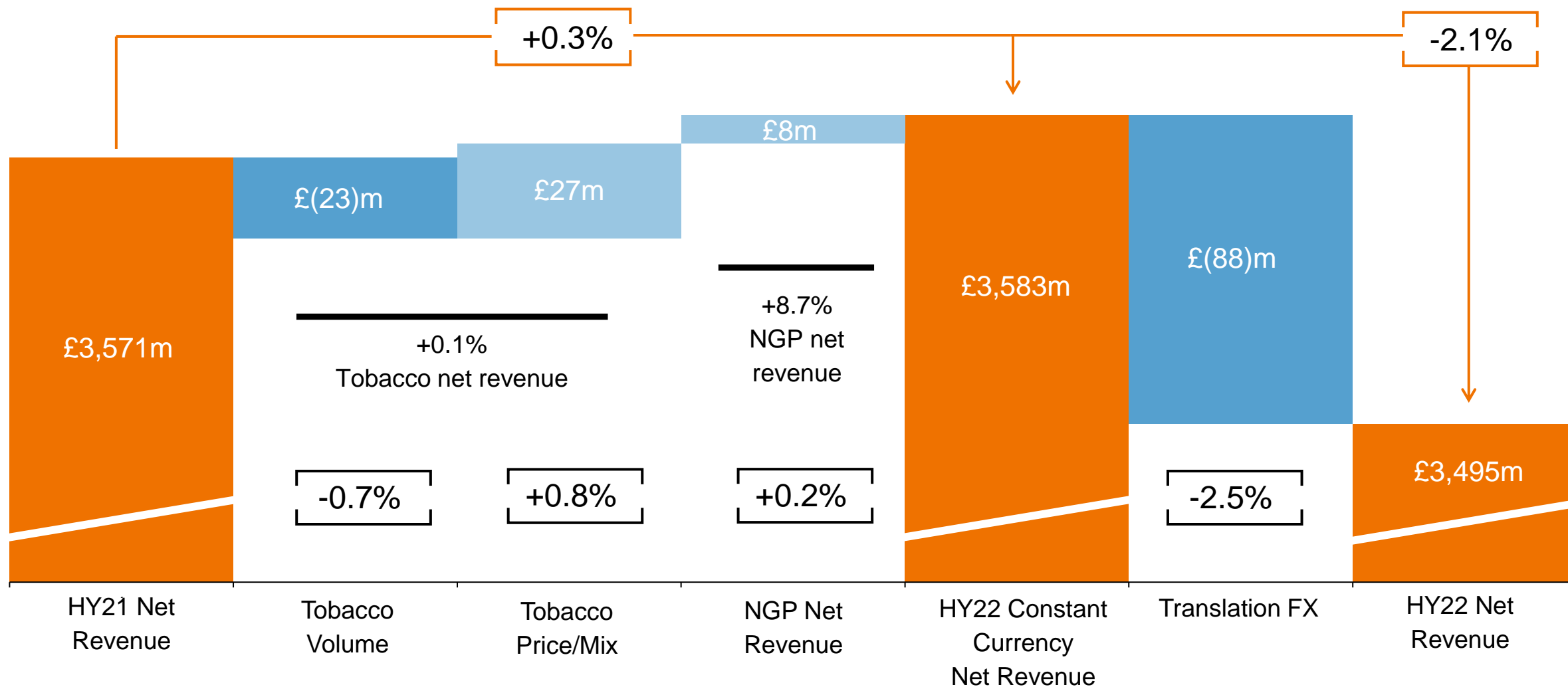
Strong sustainable cash flow generated from a high-quality portfolio

Progressive dividend supplemented by capital returns at the appropriate time

APPENDICES

***GROUP
FINANCIALS***

Net Revenue

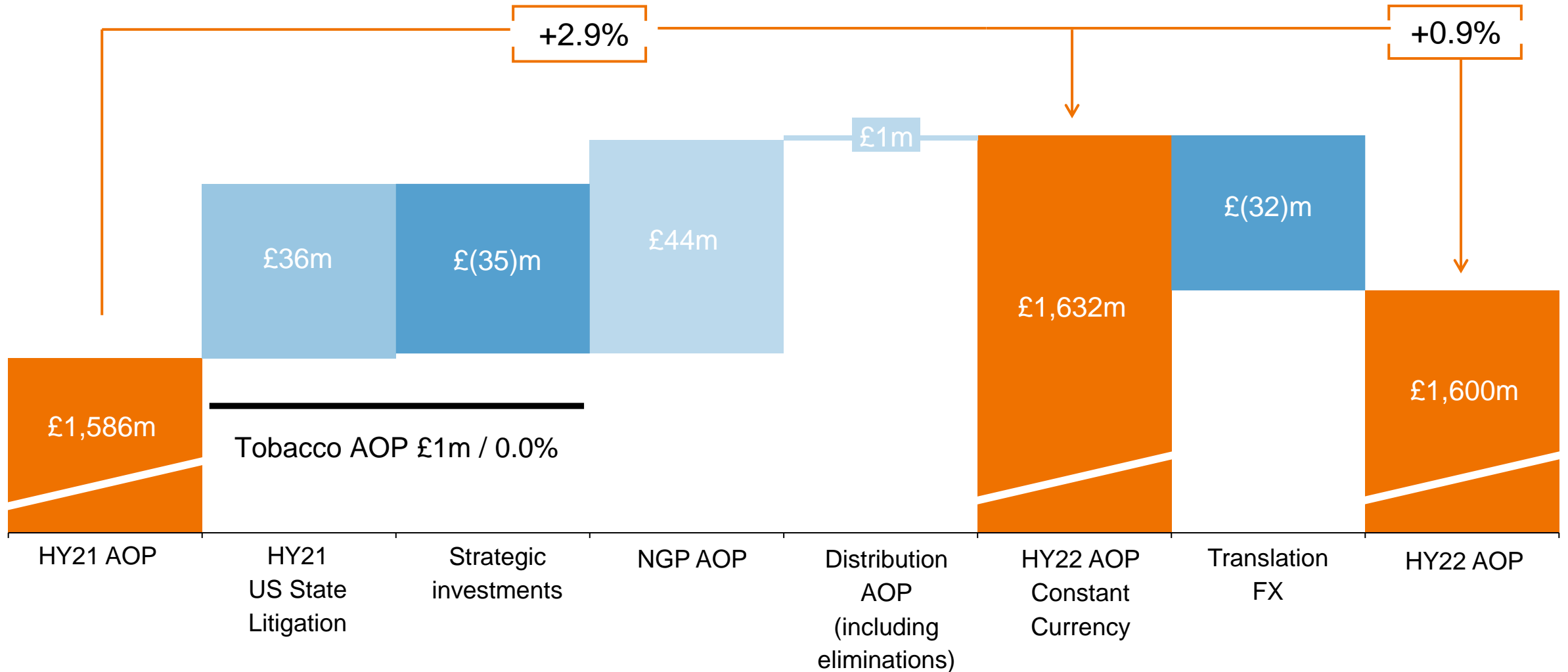


* HY21 net revenue excludes the impact of the Premium Cigar Division divestment in October 2020.

The Premium Cigar Division contributed £21 million to net revenue in 2021.

** Values are rounded which may result in numbers not casting.

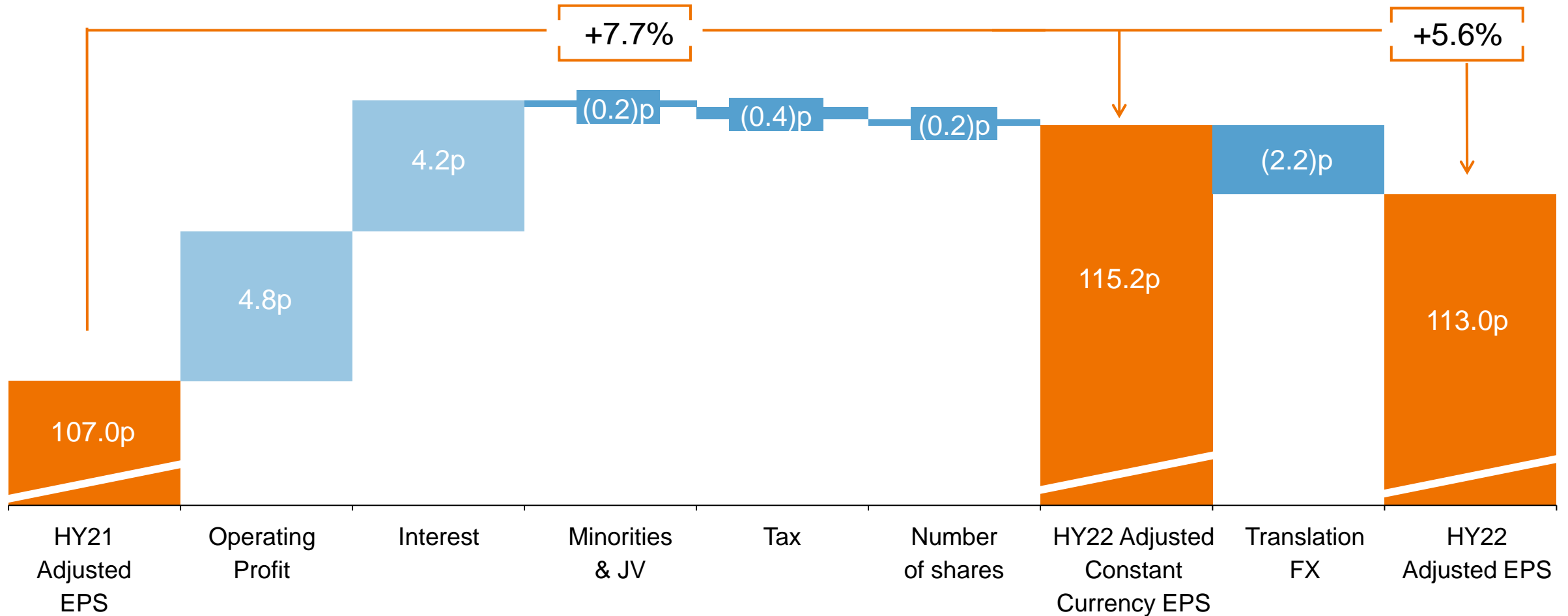
Adjusted Operating Profit



* HY21 adjusted operating profit excludes the impact of the Premium Cigar Division divestment in October 2020. The Premium Cigar Division contributed £3 million to operating profit in 2021.

** Values are rounded which may result in numbers not casting.

Adjusted Earnings Per Share



* HY21 adjusted EPS excludes the impact of the Premium Cigar Division divestment in October 2020.

The Premium Cigar Division contributed 0.6 pence to adjusted EPS in 2021.

** Values are rounded which may result in numbers not casting.

Group Adjusted Results



| | | HY21 | Premium Cigars | HY21 excl. divestment | Foreign Exchange | Constant Currency Growth | HY22 excl. divestment | Actual Δ | Constant Currency Δ |
|---------------------------------|----|-------|----------------|-----------------------|------------------|--------------------------|-----------------------|----------|---------------------|
| Tobacco net revenue | £m | 3,497 | (21) | 3,476 | (86) | 4 | 3,394 | -2.4% | +0.1% |
| NGP net revenue | £m | 95 | - | 95 | (2) | 8 | 101 | +5.7% | +8.7% |
| Tobacco & NGP operating profit | £m | 1,465 | (3) | 1,462 | (26) | 45 | 1,481 | +1.3% | +3.1% |
| Tobacco & NGP profit margin | % | 40.8% | 0.1% | 40.9% | +30bps | +120bps | 42.4% | +370bps | +290bps |
| Distribution net revenue | £m | 533 | - | 533 | (28) | (3) | 502 | -5.8% | -0.6% |
| Distribution operating profit | £m | 121 | - | 121 | (6) | 7 | 121 | +0.3% | +5.5% |
| Distribution margin | % | 22.7% | 0.0% | 22.7% | -5bps | +145bps | 24.1% | +620bps | +640bps |
| Distribution Eliminations | £m | 3 | - | 3 | - | (5) | (2) | -174.9% | -179.0% |
| Group adjusted operating profit | £m | 1,589 | (3) | 1,586 | (32) | 46 | 1,600 | +0.9% | +2.9% |

Group Adjusted Results



| | | HY22 | HY21* |
|---------------------------------|-------|----------------|--------------|
| Group adjusted operating profit | £m | 1,600 | 1,589 |
| Adjusted net finance costs | £m | (165) | (206) |
| Share of profit of JVs | £m | 4 | 8 |
| Adjusted profit before tax | £m | 1,439 | 1,391 |
| Adjusted tax rate | % | 21.9% | 23.0% |
| Adjusted EPS | pence | 113.0 | 107.6 |
| Dividend per share | pence | 42.5 | 42.1 |
| 12-month Cash conversion | % | 102% | 122% |
| Adjusted net debt | £m | (9,157) | (10,328) |

Reconciliation: Reported to Adjusted



| £m (unless otherwise stated) | Reported HY22 | Russian & associated market exits | Acquisition and disposal costs | Amort. of acquired intangibles | Excise tax provision | Fair value adj. of loan receivable | Loss on disposal of subs | Rest. Costs | Fair value losses on financial instruments | Post employment net financing cost | Brand impairment in equity a/c JV | Uncertain tax provisions | Deferred tax on unremitted earnings | Tax on unrecognised losses | Adj. attributable to non- controlling interests | Adjusted HY22 |
|--|------------------|---|---|--------------------------------------|----------------------------|--|--------------------------------|----------------|---|---|--|--------------------------------|--|----------------------------------|--|------------------|
| Operating profit | 1,201 | 201 | 5 | 182 | (10) | (2) | 16 | 7 | - | - | - | - | - | - | - | 1,600 |
| Share of profit of JV | (20) | - | - | - | - | - | - | - | - | - | 24 | - | - | - | - | 4 |
| Net finance costs | 75 | - | - | - | - | - | - | - | (236) | (4) | - | - | - | - | - | (165) |
| Profit before tax | 1,256 | 201 | 5 | 182 | (10) | (2) | 16 | 7 | (236) | (4) | 24 | - | - | - | - | 1,439 |
| Tax | (221) | - | - | (8) | - | - | (7) | (3) | (2) | - | - | (57) | (26) | 8 | - | (316) |
| Profit after tax | 1,035 | 201 | 5 | 174 | (10) | (2) | 9 | 4 | (238) | (4) | 24 | (57) | (26) | 8 | - | 1,123 |
| Minority interest | (40) | - | - | - | - | - | - | - | - | - | - | - | - | - | (14) | (54) |
| Earnings attributable to equity shareholders* | 995 | 201 | 5 | 174 | (10) | (2) | 9 | 4 | (238) | (4) | 24 | (57) | (26) | 8 | (14) | 1,069 |
| Basic EPS (pence)* | 105.2 | 21.3 | 0.5 | 18.4 | (1.1) | (0.2) | 1.0 | 0.4 | (25.2) | (0.4) | 2.5 | (6.0) | (2.7) | 0.8 | (1.5) | 113.0 |

Income Statement



| £m (unless otherwise stated) | HY22 | HY21* |
|--|--------|--------|
| Revenue | 15,362 | 15,568 |
| Adjusted operating profit | 1,600 | 1,589 |
| Russian and associated market exits | (201) | - |
| Acquisition and disposal costs | (5) | - |
| Amortisation and impairment of acquired intangibles | (182) | (211) |
| Restructuring costs | (7) | (40) |
| Excise tax provision | 10 | 1 |
| Profit on disposal of subsidiaries | (16) | 281 |
| Fair value adjustment of loan receivable | 2 | 17 |
| Share of profit of investments accounted for using the equity method | (20) | 8 |
| Net finance costs** | 75 | 414 |
| Profit before tax | 1,256 | 2,059 |
| Tax | (221) | (215) |
| Profit after tax | 1,035 | 1,844 |
| Minority interests | 40 | 38 |
| Basic EPS (pence) | 105.2 | 191.2 |
| Adjusted EPS (pence) | 113.0 | 107.6 |

* HY21 financials as reported, prior to the exclusion of contribution from the Premium Cigar Division divestment in October 2020.

The Premium Cigar Division contributed £21 million to net revenue and £3 million to adjusted operating profit in 2021.

** Including net fair value and exchange gains/losses on financial instruments and post-employment benefits net financing costs.

Balance Sheet



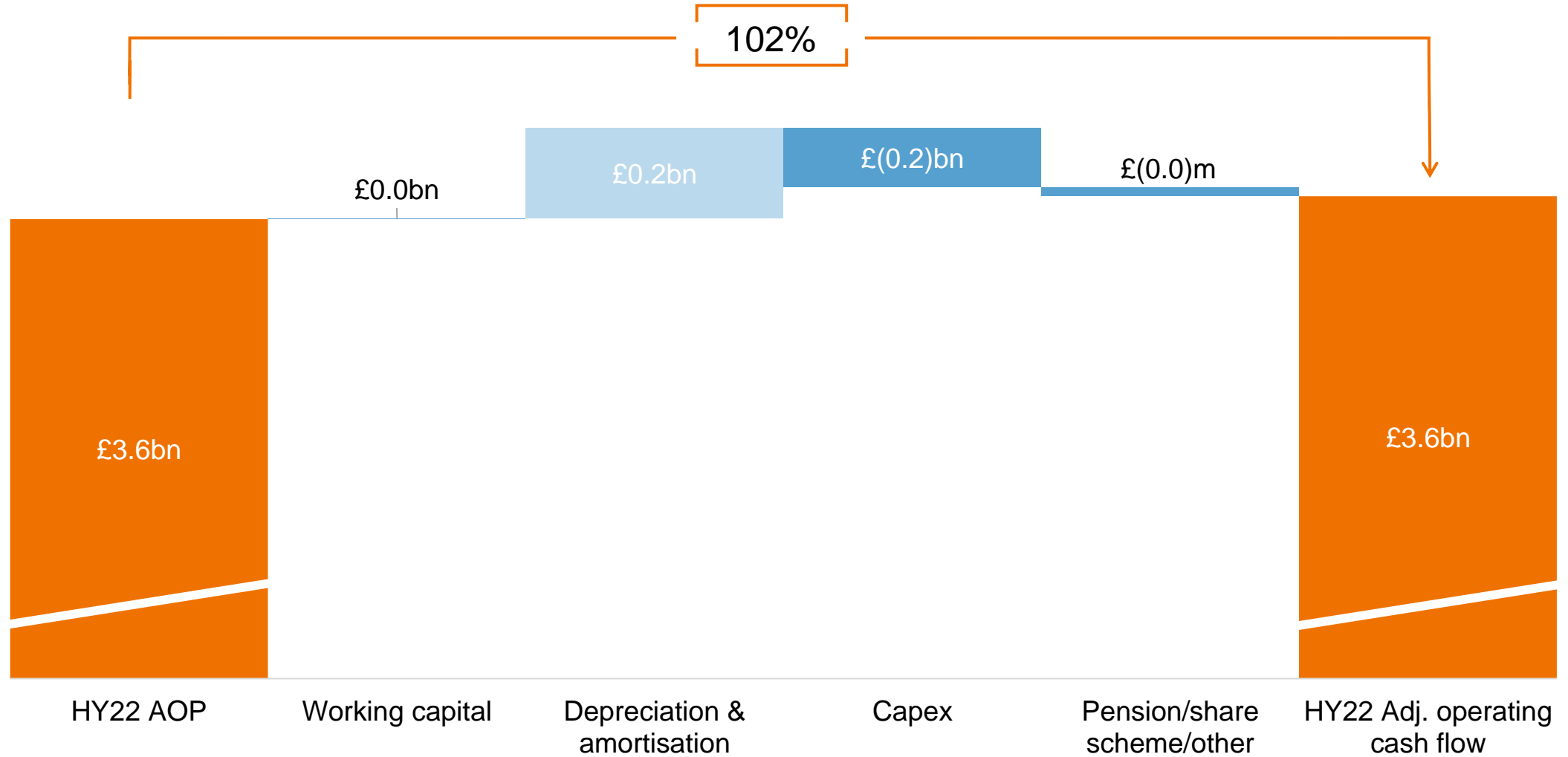
| £m | | HY22 | HY21 |
|-------------------------|-------------|----------|----------|
| Non-current assets: | tangible | 3,813 | 3,954 |
| | intangible | 16,431 | 16,753 |
| Current assets: | inventories | 4,445 | 4,575 |
| | other | 3,422 | 3,850 |
| Current liabilities | | (11,158) | (11,088) |
| Non-current liabilities | | (11,060) | (13,016) |
| Net assets | | 5,893 | 5,028 |

Cash flow



| £m | HY22 | HY21 |
|--|--------------|--------------|
| Cash flows from operating activities pre tax | 973 | 272 |
| Tax paid | (273) | (431) |
| Cash flows from operating activities | 700 | (159) |
| Net Capex | (64) | (61) |
| Purchase of subsidiaries | (13) | - |
| Repurchase of shares by Employee share ownership trusts | (1) | - |
| Net proceeds from sale of subsidiaries | 57 | 626 |
| Dividends paid (inc. minority interests) | (975) | (969) |
| Net interest paid | (242) | (255) |
| Net cash flow | (538) | (818) |
| Opening net debt | (9,373) | (11,141) |
| Closing net debt before non-cash movements | (9,911) | (11,959) |
| Non-cash movements | | |
| Exchange movement | 79 | 820 |
| Other non-cash movements including revaluation of derivative financial instruments | 141 | 156 |
| New leases and modifications | (26) | (20) |
| Transferred to assets held for disposal | (40) | - |
| Closing net debt after non-cash adjustments | (9,757) | (11,003) |

12-month Cash Conversion



12-month Cash Conversion



| £m (unless otherwise stated) | HY22 | HY21 |
|---|--------------|-------------|
| Net cash flow from operating activities | 3,026 | 3,744 |
| Tax | 662 | 745 |
| Net capex | (153) | (170) |
| Restructuring cash spend | 108 | 118 |
| Cash flow post capex pre interest and tax | 3,643 | 4,437 |
| Adjusted operating profit | 3,584 | 3,647 |
| Cash conversion (%) | 102% | 122% |
| Working capital inflow | 15 | 685 |

Net Finance Costs



| £m | HY22 | HY21 |
|--|------|-------|
| Net finance (income) | (75) | (414) |
| Adjusted for: | | |
| - interest income on net defined benefit assets | 53 | 45 |
| - interest cost on net defined benefit liabilities | (49) | (44) |
| - fair value & exchange gains on financial instruments | 236 | 619 |
| Adjusted net finance costs | 165 | 206 |

Net Debt Reconciliation



| £m | Reported HY22 | Accrued interest | Lease liabilities | Fair value of derivatives | Adjusted HY22 |
|---|------------------|---------------------|----------------------|------------------------------|------------------|
| Opening net debt | (9,373) | 140 | 251 | 367 | (8,615) |
| Free cash flow | 437 | - | (34) | - | 403 |
| Dividends paid (incl. minority interests) | (975) | - | - | - | (975) |
| Accretion of interest | 69 | (72) | 3 | - | - |
| New leases and modifications | (26) | - | 26 | - | - |
| Change in fair values | 72 | - | - | (76) | (4) |
| Transferred to assets held for disposal | (40) | - | (2) | - | (42) |
| Exchange movements | 79 | - | (3) | - | 76 |
| Closing net debt | (9,757) | 68 | 241 | 291 | (9,157) |

Foreign Exchange



| | Average | | |
|----------------|---------|---------|-------|
| | HY21 | HY22 | Δ |
| USD \$ | 1.350 | 1.346 | -0.3% |
| EURO € | 1.125 | 1.188 | +5.5% |
| AUD \$ | 1.796 | 1.853 | +3.2% |
| Russian Rouble | 101.623 | 106.380 | +4.7% |

| | Closing | | |
|----------------|---------|---------|-------|
| | HY21 | HY22 | Δ |
| USD \$ | 1.376 | 1.312 | -4.6% |
| EURO € | 1.174 | 1.182 | +0.7% |
| AUD \$ | 1.809 | 1.753 | -3.1% |
| Russian Rouble | 103.647 | 108.784 | +5.0% |

Foreign Currency

DIVISIONAL CURRENCY EXPOSURE



| Approximate weight of currency in Tobacco Net Revenue | GBP £ | EUR / EUR Linked | USD \$ | AUD \$ | Other Currencies | Other includes |
|---|-------|------------------------|--------|--------|---------------------|------------------------------------|
| Europe | 20% | 70% | 0% | 0% | 10% | Polish Zloty, Hungarian Franc, |
| Americas | 0% | 0% | 100% | 0% | 0% | |
| AAA | 0% | 25% | 15% | 20% | 40% | Moroccan Dirham, Taiwanese Dollar, |

- €0.01 (1 cent) movement in the € Euro has c. £9m impact on net revenue.

- \$0.01 (1 cent) movement in the \$ USD has a c. £11m impact on net revenue.

| Approximate weight of currency in Operating Profit | GBP £ | EUR / EUR Linked | USD \$ | AUD \$ | Other Currencies | Other includes |
|--|-------|------------------------|--------|--------|---------------------|-------------------------------------|
| Europe | 30% | 70% | 0% | 0% | 0% | |
| Americas | 0% | 0% | 100% | 0% | 0% | |
| AAA | 0% | 15% | 10% | 35% | 40% | Moroccan Dirham, New Zealand Dollar |
| Logistics | | 100% | | | | |

- €0.01 (1 cent) movement in the € Euro has a c. £5m impact on PBT.

- \$0.01 (1 cent) movement in the \$ USD has a c. £5m impact on PBT

Divisional Market Share

MAT MARKET SHARE DATA



| | HY22 | HY21 | Δ |
|-------------|--------------|-------------|----------|
| Europe | 19.3% | 19.5% | -20bps |
| Americas | 9.5% | 9.0% | +50bps |
| AAA | 10.8% | 11.1% | -30bps |
| Total Group | 13.9% | 14.0% | -10bps |

Market Share Calculation

Market share is presented as a 12 month average (MAT). Aggregate market share is a weighted average across markets within our footprint. The sources of market share information by market are continually reviewed to ensure the most accurate data available. Where any changes have been made we have restated (as denoted R) the PY number to ensure comparability

FY22 Guidance



OTHER FINANCIAL ITEMS

Financing & Cost of Debt

- Finance charge for FY22 expected to be c. £330m

Tax Rate

- Expected to be c. 22%

Capex

- Expect net capex to be c. £300m

Cash Conversion

- Expect 90 to 100% range

Foreign Exchange

- Translation FX: c. 1.5% tailwind at prevailing FX rates (USD \$1.22, EUR €1.17, AUD 1.78)

Restructuring costs

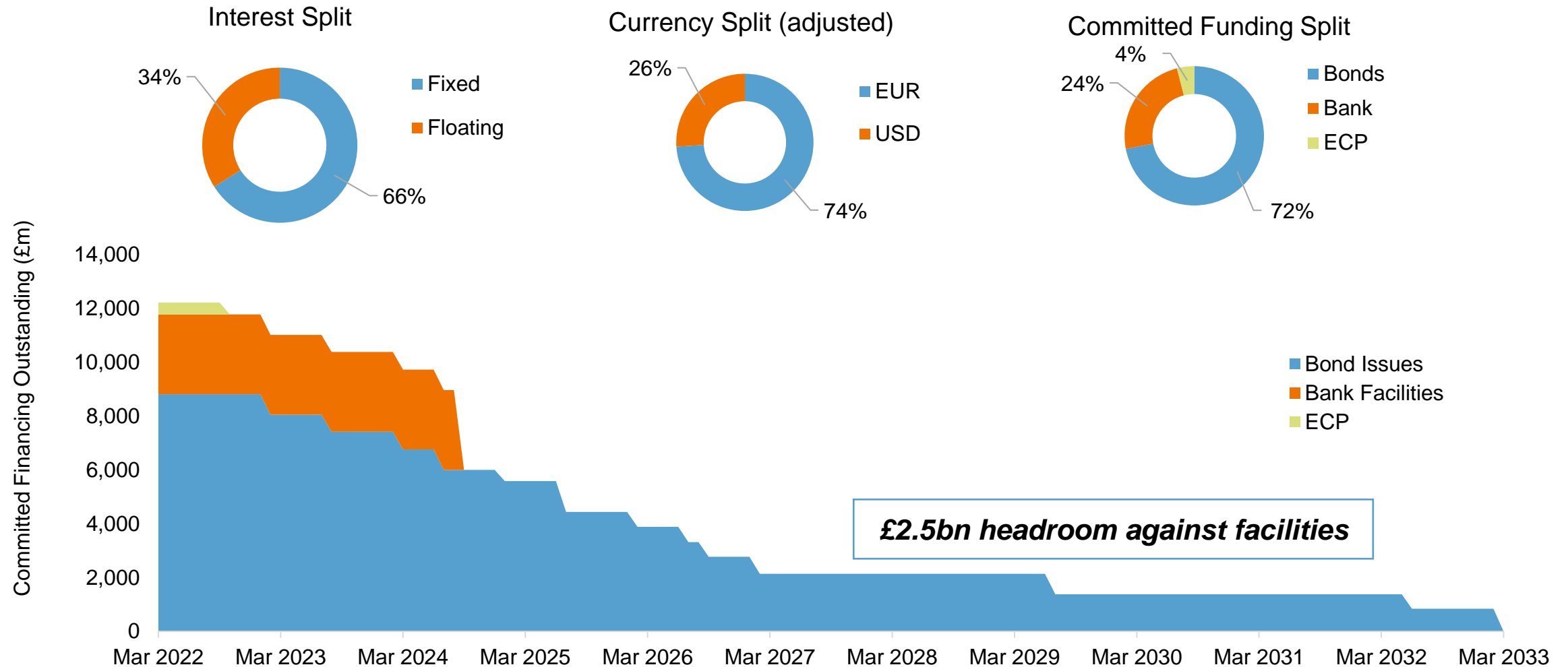
- FY22 cash cost expected at around £170m

APPENDICES

FINANCING

Financial Profile

31 March 2022



Committed Bank Facilities

31 March 2022



| Description | Maturity date | Amount (EUR m) | £m equiv. |
|--|---------------|-------------------|--------------|
| Committed 3-year Revolving Credit Facility | 30 March 2025 | 3,500 | 2,961 |
| Total | | | 2,961 |

Bond Issues

31 March 2022



| Currency of issue | Amount (ccy m) | Issuer | Coupon | Issue Date | Maturity Date | £m equiv. | Margin* |
|-------------------------------|----------------|--|--------|------------|---------------|-----------|---------|
| USD | 1,250** | Imperial Brands Finance PLC | 3.75% | Jul-15 | May-22*** | - | - |
| USD | 1,000 | Imperial Brands Finance PLC | 3.50% | Feb-13 | Feb-23 | 762 | 1.13% |
| EUR | 750 | Imperial Brands Finance PLC | 1.13% | Feb-19 | Aug-23 | 635 | 1.25% |
| GBP | 600 | Imperial Brands Finance PLC | 8.13% | Sep-08 | Mar-24 | 653 | 3.10% |
| USD | 1,000 | Imperial Brands Finance PLC | 3.13% | Jul-19 | Jul-24 | 760 | 1.20% |
| EUR | 500 | Imperial Brands Finance PLC | 1.38% | Jan-17 | Jan-25 | 423 | 1.00% |
| USD | 1,500 | Imperial Brands Finance PLC | 4.25% | Jul-15 | Jul-25 | 1,143 | 2.22% |
| EUR | 650 | Imperial Brands Finance PLC | 3.38% | Feb-14 | Feb-26 | 550 | 1.45% |
| USD | 750 | Imperial Brands Finance PLC | 3.50% | Jul-19 | Jul-26 | 570 | 1.52% |
| GBP | 500 | Imperial Brands Finance PLC | 5.50% | Sep-11 | Sep-26 | 544 | 2.72% |
| EUR | 750 | Imperial Brands Finance PLC | 2.13% | Feb-19 | Feb-27 | 634 | 1.83% |
| USD | 1,000 | Imperial Brands Finance PLC | 3.88% | Jul-19 | Jul-29 | 762 | 1.97% |
| GBP | 500 | Imperial Brands Finance PLC | 4.88% | Feb-14 | Jun-32 | 529 | 2.12% |
| EUR | 1,000 | Imperial Brands Finance Netherlands BV | 1.75% | Mar-21 | Mar-33 | 846 | 1.76% |
| Total/Weighted Average Margin | | | | | | 8,812 | 2.1% |

* Above respective final currency IBOR rate after the effects of related interest rate derivative transactions

** Bond defeased and discharged

*** 2 month Par Call notice served moving maturity from Jul to May

Glossary



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.

Tobacco Total Tobacco includes cigarettes, fine cut tobacco, cigar, traditional snus and other tobacco products.

NGP NGP includes vapour products, next generation oral nicotine including all-white oral snus

Logista Logista is a 50.01% 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.



IMPERIAL
BRANDS

INTERIM RESULTS

17 MAY 2022

