ADJUSTED PERFORMANCE MEASURES

Use of adjusted performance measures

Management believes that non-GAAP or adjusted performance measures provide an important comparison of business performance and reflect the way in which the business is controlled. The adjusted performance measures seek to remove the distorting effects of a number of significant gains or losses arising from transactions which are not directly related to the ongoing underlying performance of the business and may be non-recurring events or not directly within the control of management.

Accordingly, adjusted performance measures exclude, where applicable, amortisation and impairment of acquired intangibles, profit/loss on disposal of subsidiaries, Russian and associated markets exit, restructuring costs, acquisition and disposal costs, fair value and exchange gains and losses on financial instruments, post-employment benefits net financing cost, and related tax effects and tax matters. Other significant gains or losses which are not representative of the underlying business may also be treated as adjusting items where there is appropriate justification. The adjusted performance measures in this report are not defined terms under IFRS and may not be comparable with similarly titled measures reported by other companies. The adjusted performance measures that are used by the Group are defined and reconciled back to the associated IFRS metrics as detailed below.

Summary of key adjusting items

The items excluded from adjusted performance results are those which are one-off in nature or items which arose due to acquisitions and are not influenced by the day to day operations of the Group, and the movements in the fair value of financial instruments which are marked to market and not naturally offset. Adjusted net finance costs also excludes all post-employment benefit net finance cost since pension assets and liabilities and redundancy and social plan provisions do not form part of adjusted net debt. This allows comparison of the Group's cost of debt with adjusted net debt. The adjusted performance measures are used by management to assess the Group's financial performance and aid comparability of results year on year.

Consolidated income statement adjusting items

The following tables summarise the key items recognised within the consolidated income statement that have been treated as adjusting items:

Adjusting items recognised within administrative and other expenses

£ million	Notes	2022	2021
Russian and associated markets exit costs		**(399)**	–
Amortisation and impairment of acquired intangibles		**(349)**	(450)
Restructuring costs	5	**(197)**	(257)
Fair value adjustment to financial assets		**(37)**	15
(Loss)/profit on disposal of subsidiaries	10	**(29)**	281
Acquisition and disposal costs		**(5)**	(17)
Excise tax provision		**9**	1
Buy-out of liabilities on Irish pension scheme		**(4)**	–
Total adjusting administrative and other expenses		**(1,011)**	(427)
Total non-adjusting administrative and other expenses		**(323)**	(336)
Administrative and other expenses		**(1,334)**	(763)

Amortisation and impairment of acquired intangibles

Acquired intangibles are amortised over their estimated useful economic lives where these are considered to be finite. Acquired intangibles considered to have an indefinite life are not amortised. Any negative goodwill arising is recognised immediately in the income statement. The Group exclude from our adjusted performance measures the amortisation and impairment of acquired intangibles, other than software and internally generated intangibles, and the deferred tax associated with amortisation of acquired intangibles. Gains and losses on the sale of intellectual property are removed from adjusted operating profit.

It is recognised that there may be some correlation between the amortisation charges derived from the acquisition value of acquired intangibles, and the subsequent future profit streams arising from sales of associated branded products. However, the amortisation of intangibles is not directly related to the operating performance of the business. Conversely, the level of profitability of branded products is directly influenced by day to day commercial actions, with variations in the level of profit derived from branded product sales acting as a clear indicator of performance. Given this, the Group's view is that amortisation and impairment charges do not clearly correlate to the ongoing variations in the commercial results of the business and are therefore excluded to allow a clearer view of the underlying performance of the organisation. The deferred tax is excluded on the basis that it will only crystallise upon disposal of the intangibles and goodwill. The related current cash tax benefit is retained in the adjusted measure to reflect the ongoing tax benefit to the Group.

Total amortisation and impairment for the year is £394 million (2021: £575 million) of which £349 million (2021: £450 million) relates to acquired intangibles and is adjusting and £45 million (2021: £125 million) relates to internally generated intangibles and is non adjusting. In the year to 30 September 2022 adjusting items all relate to amortisation. £323 million (2021: £320 million) is attributable to Tobacco & NGP and £26 million (2021: £85 million) is attributable to distribution.

Profit/loss on disposal of subsidiaries/acquisition and disposal costs

Adjusted performance measures exclude costs and profits or losses associated with major acquisitions and disposals as they do not relate to the day to day operational performance of the Group. Acquisition and disposal costs, and profits or losses on disposal can be significant in size and are one-off in nature. Exclusion of these items allows a clearer presentation of the day to day underlying income and costs of the business. Where applicable and not reported separately, this includes changes in contingent or deferred consideration.

Restructuring costs

Significant one-off costs incurred in integrating acquired businesses and in major rationalisation and optimisation initiatives together with their related tax effects are excluded from our adjusted earnings measures. These include restructuring costs incurred as part of fundamental multi-year transformational change projects but do not include costs related to ongoing cost reduction activity. These costs are all Board approved, and include impairment of property, plant and equipment which are surplus to requirements due to restructuring activity. These costs are required in order to address structural issues associated with operating within the Tobacco sector that have required action to both modernise and right-size the organisation, ultimately delivering an operating model suitable for the future of the business. The Group's view is that as these costs are both significant and one-off in nature, excluding them allows a clearer presentation of the underlying costs of the business.

Russian and associated markets exit

The portion of the loss on exit of the Russian and associated markets adjusted out of operating profit was £399 million comprising a loss on transfer of Russian operations of £364 million and impairment of assets and exit costs of the associated markets of £35 million.

Fair value adjustment to financial assets

As the movement in the fair value of loan receivables associated with the investment in Auxly Cannabis Group Inc. and the movement in the investment in associate Oxford Cannabinoid Technologies Holdings plc has the potential to be significant, and do not relate to the day to day operational performance of the group, the Group has excluded these fair value movements from adjusted operating profit.

Adjusting items recognised within share of (loss)/profit of investments accounted for using the equity method

£ million	Notes	2022	2021
Impairment of intangible assets held by Global Horizons Ventures Limited		(24)	–
Other profits from investments accounted for using the equity method		9	11
Share of (loss)/profit of investments accounted for using the equity method		(15)	11

Impairment of intangible assets held by global horizon joint venture

The Group has an investment in the Global Horizon Ventures Limited joint venture company which is accounted for as an investment using the equity method. This entity held an intangible asset relating to royalties arising on the sales of a specific brand within Russia. Following the transfer of the Russian assets these royalties will cease and therefore the Group's share of this asset has now been fully impaired with a charge of £24 million.

Adjusting items recognised within tax

£ million	2022	2021
Deferred tax on amortisation of acquired intangibles	**15**	31
Tax on net foreign exchange and fair value gains and losses on financial instruments	**(183)**	78
Tax on post-employment benefits net financing cost	**–**	1
Tax on restructuring costs	**49**	72
Tax on disposal of subsidiaries	**8**	11
Recognition of tax credits	**–**	239
Provision for state aid tax recoverable	**(101)**	–
Uncertain tax positions	**63**	–
Deferred tax on unremitted earnings	**26**	–
Tax on unrecognised losses	**(8)**	(47)
Other non-adjusting taxation charges	**(755)**	(716)
Reported tax	**(886)**	(331)

Tax adjustments related to other pre-tax adjusting items

The adjusted tax charge has been calculated to include the tax effects of a number of pre-tax adjusting items including the amortisation of acquired intangibles, net foreign exchange gains and losses, fair value movements on financial instruments, restructuring costs and post-employment benefits net financing cost. The tax effect of the result of the disposal of subsidiaries has also been adjusted.

Significant one-off tax charges or credits

The adjusted tax charge also excludes significant one-off tax charges or credits arising from:

- prior period tax items (including re-measurement of deferred tax balances on a change in tax rates); or
- a provision for uncertain tax items not arising in the normal course of business; or
- newly enacted taxes in the year; or
- tax items that are closely related to previously recognised tax matters, and are excluded from our adjusted tax charge to aid comparability and understanding of the Group's performance.

The recognition and utilisation of deferred tax assets relating to tax losses and tax credits not historically generated in the normal course of business are excluded on the same basis.

Recognition of tax credits

The recognition and utilisation of deferred tax assets relating to tax credits not historically generated in the normal course of business are excluded from the adjusted tax charge.

Uncertain tax positions

Significant one-off tax charges or credits arising from a provision for uncertain tax items not arising in the normal course of business are excluded from the adjusted tax charge.

Provision for State aid recoverable

Significant one-off tax charges or credits arising from prior period items are excluded from the adjusted tax charge. The provision against the state aid tax recoverable is excluded from the adjusted tax charge on this basis.

Deferred tax on unremitted earnings

Significant one-off tax charges or credits arising from prior period items are excluded from the adjusted tax charge. The tax effect of the release of a provision for deferred tax on unremitted earnings is excluded from the adjusted tax charge on this basis.

Tax on unrecognised losses

The recognition and utilisation of deferred tax assets relating to losses not historically generated in the normal course of business are excluded from the adjusted tax charge.

DEFINITIONS AND RECONCILIATIONS OF ADJUSTED MEASURES

A) Tobacco & NGP net revenue

Tobacco & Next Generation Products (NGP) net revenue comprises associated revenue less duty and similar items, excluding peripheral products. Management considers this an important measure in assessing the performance of Tobacco & NGP operations.

The Group recognises revenue on sales to Logista, a Group company, within its reported Tobacco & NGP revenue figure. As the revenue calculation includes sales made to Logista from other Group companies but excludes Logista's external sales, this metric differs from revenue calculated under IFRS accounting standards. For the purposes of Adjusted Performance Measures on Net Revenue the Group treat Logista as an arm's length distributor on the basis that contractual rights are in line with other Third Party suppliers to Logista. Variations in the amount of inventory held by Logista results in a different level of revenue compared to that which is included within the income statement. For tobacco product sales, inventory level variations are normally not significant.

Reconciliation from Tobacco & NGP revenue to Tobacco & NGP net revenue

			2022			2021
£ million	Tobacco	NGP	Total	Tobacco	NGP	Total
Revenue	23,232	224	23,456	23,664	199	23,863
Duty and similar items	(15,628)	(16)	(15,644)	(16,218)	(11)	(16,229)
Sale of peripheral products	(19)	–	(19)	(24)	–	(24)
Net revenue	7,585	208	7,793	7,422	188	7,610

B) Distribution net revenue

Distribution net revenue comprises the Distribution segment revenue less the cost of distributed products. Management considers this an important measure in assessing the performance of Distribution operations.

Reconciliation from Distribution revenue to Distribution net revenue

£ million	2022	2021
Revenue	9,756	9,589
Cost of sales – Distribution	(8,710)	(8,520)
Distribution net revenue	1,046	1,069

C) Adjusted operating profit

Adjusted operating profit is calculated as operating profit amended for a number of adjustments, the principal changes are detailed below. This measure is separately calculated and disclosed for Tobacco, NGP and Distribution where appropriate.

Reconciliation from profit before tax to adjusted operating profit

£ million	2022	2021
Profit before tax	2,551	3,238
Net finance costs/(income)	117	(81)
Share of loss/(profit) of investments accounted for using the equity method	15	(11)
Operating profit	2,683	3,146
Russian and associated markets exit costs	399	–
Amortisation and impairment of acquired intangibles	349	450
Restructuring costs	197	257
Fair value adjustment to financial assets	37	(15)
Loss/(profit) on disposal of subsidiaries	29	(281)
Acquisition and disposal costs	5	17
Excise tax provision	(9)	(1)
Buy-out of liabilities on Irish pension scheme	4	–
Total adjustments	1,011	427
Adjusted operating profit	3,694	3,573

Reconciliation from Tobacco & NGP operating profit to adjusted operating profit

£ million	2022	2021
Operating profit	**2,472**	2,991
Russian and associated markets exit	**399**	–
Amortisation and impairment of acquired intangibles	**323**	365
Restructuring costs	**197**	249
Loss/(profit) on disposal of subsidiaries	**13**	(281)
Fair value adjustment to financial assets	**37**	(15)
Acquisition and disposal costs	**5**	–
Excise tax provision	**(9)**	(1)
Buy-out of liabilities on Irish pension scheme	**4**	–
Adjusted operating profit	**3,441**	3,308

Reconciliation from distribution operating profit to adjusted operating profit

£ million	2022	2021
Operating profit	**212**	148
Loss on disposal of subsidiaries	**16**	–
Acquisition and disposal costs	**–**	17
Amortisation of acquired intangibles	**26**	85
Restructuring costs	**–**	8
Adjusted operating profit	**254**	258

See note 7 for details of the Excise tax. See note 11 for details on amortisation and impairment, note 10 for details of acquisition and disposal costs, and note 5 for details of restructuring costs.

D) Adjusted operating profit margin

Adjusted operating profit margin is adjusted operating profit divided by net revenue expressed as a percentage. This measure is separately calculated and disclosed for Tobacco, NGP and Distribution businesses where appropriate. There is no reconciliation required for this metric.

E) Adjusted net finance costs

Adjusted net finance costs excludes the movements in the fair value of financial instruments which are marked to market and not naturally offset. This measure also excludes all post-employment benefit net finance costs since pension assets and liabilities and redundancy and social plan provisions do not form part of adjusted net debt. This allows comparison of the Group's cost of debt with adjusted net debt.

IFRS 9 requires that all derivative financial instruments are recognised in the consolidated balance sheet at fair value, with changes in the fair value being recognised in the consolidated income statement unless the instrument satisfies the hedge accounting rules under IFRS and the Group chooses to designate the derivative financial instrument as a hedge.

The Group hedges underlying exposures in an efficient, commercial and structured manner. However, the strict hedging requirements of IFRS 9 may lead to some commercially effective hedge positions not qualifying for hedge accounting. As a result, and as permitted under IFRS 9, the Group has decided not to apply cash flow or fair value hedge accounting for its derivative financial instruments. However, the Group does apply net investment hedging, designating certain borrowings and derivatives as hedges of the net investment in the Group's foreign operations, as permitted by IFRS 9, in order to reduce income statement volatility.

The Group exclude fair value gains and losses on derivative financial instruments and exchange gains and losses on borrowings from adjusted net finance costs. Fair value gains and losses on the interest element of derivative financial instruments are excluded as there is no direct natural offset between the movements on derivatives and the interest charge on debt in any one period, as the derivatives and debt instruments may be contracted over different periods, although they will reverse over time or are matched in future periods by interest charges. The fair value gains on derivatives are excluded as they can introduce volatility in the finance charge for any given period.

Fair value gains and losses on the currency element of derivative financial instruments and exchange gains and losses on borrowings are excluded as the relevant foreign exchange gains and losses on the instruments in a net investment hedging relationship are accumulated as a separate component of other comprehensive income in accordance with the Group's policy on foreign currency.

Fair value movements arising from the revaluation of contingent consideration liabilities are adjusted out where they represent one-off acquisition costs that are not linked to the current period underlying performance of the business. Fair value adjustments on loans receivable measured at fair value are excluded as they arise due to counterparty credit risk changes that are not directly related to the underlying commercial performance of the business.

The net interest on defined benefit assets or liabilities, together with the unwind of discount on redundancy, social plans and other long-term provisions are reported within net finance costs. These items together with their related tax effects are excluded from our adjusted earnings measures, as they primarily represent charges associated with historic employee benefit commitments, rather than the ongoing current period costs of operating the business.

Reconciliation from reported net finance costs to adjusted net finance costs

£ million	2022	2021
Reported net finance costs/(income)	117	(81)
Fair value gains on derivative financial instruments	1,483	508
Fair value losses on derivative financial instruments	(1,213)	(457)
Exchange (losses)/gains on financing activities	(69)	445
Net fair value and exchange losses on financial instruments	201	496
Interest income on net defined benefit assets	107	89
Interest cost on net defined benefit liabilities	(99)	(87)
Post-employment benefits net financing cost	8	2
Adjusted net finance costs	326	417
Comprising:		
Interest income on bank deposits	(9)	(18)
Interest cost on lease liabilities	6	7
Interest cost on bank and other loans	329	428
Adjusted net finance costs	326	417

F) Adjusted tax charge

The adjusted tax charge is calculated by amending the reported tax charge for significant one-off tax charges or credits arising from:

- prior period tax items (including re-measurement of deferred tax balances on a change in tax rates); or
- a provision for uncertain tax items not arising in the normal course of business; or
- newly enacted taxes in the year; or
- tax items that are closely related to previously recognised tax matters, and are excluded from our adjusted tax charge to aid comparability and understanding of the Group's performance.

The recognition and utilisation of deferred tax assets relating to losses not historically generated in the normal course of business are excluded on the same basis.

The adjusted tax rate is calculated as the adjusted tax charge divided by the adjusted profit before tax.

£ million	2022	2021
Reported tax	886	331
Deferred tax on amortisation of acquired intangibles	15	31
Tax on net foreign exchange and fair value gains and losses on financial instruments	(183)	78
Tax on post-employment benefits net financing cost	–	1
Tax on restructuring costs	49	72
Tax on disposal of subsidiaries	8	11
Recognition of tax credits	–	239
Provision for state aid recoverable	(101)	–
Uncertain tax positions	63	–
Deferred tax on unremitted earnings	26	–
Tax on unrecognised losses	(8)	(47)
Adjusted tax charge	755	716

G) Adjusted earnings per share

Adjusted earnings is calculated by amending the reported basic earnings for all of the adjustments recognised in the calculation of the adjusted operating profit, adjusted finance costs and adjusted tax charge metrics as detailed above. Adjusted earnings per share is calculated by dividing adjusted earnings by the weighted average number of shares.

Reconciliation from reported to adjusted earnings and earnings per share

	2022		2021	
£ million unless otherwise indicated	**Earnings per share (pence)**	**Earnings**	Earnings per share (pence)	Earnings
Reported basic	**165.9**	**1,570**	299.9	2,834
Russian and associated markets exit	**42.2**	**399**	–	–
Amortisation and impairment of acquired intangibles	**35.4**	**334**	44.3	419
Restructuring costs	**15.6**	**148**	19.6	185
Fair value adjustment to financial assets	**3.9**	**37**	(1.6)	(15)
Profit on disposal of subsidiaries	**2.2**	**21**	(29.7)	(281)
Acquisition and disposal costs	**0.5**	**5**	1.8	17
Excise tax provision	**(1.0)**	**(9)**	(0.1)	(1)
Buy-out of liabilities on Irish pension scheme	**0.4**	**4**	–	–
Tax on disposal of premium cigar division	**–**	**–**	(1.2)	(11)
Net fair value and exchange movements on financial instruments	**(1.9)**	**(18)**	(60.7)	(574)
Post-employment benefits net financing cost	**(0.8)**	**(8)**	(0.3)	(3)
Brand impairment in equity accounted joint venture	**2.5**	**24**	–	–
Provision for state aid recoverable	**10.7**	**101**	–	–
Uncertain tax positions	**(6.7)**	**(63)**	–	–
Deferred tax on unremitted earnings	**(2.7)**	**(26)**	–	–
Tax on unrecognised losses	**0.8**	**8**	5.0	47
Recognition of tax credits	**–**	**–**	(25.3)	(239)
Adjustments above attributable to non-controlling interests	**(1.8)**	**(18)**	(4.6)	(43)
Adjusted	**265.2**	**2,509**	247.1	2,335
Adjusted diluted	**263.3**	**2,509**	246.4	2,335

H) Return on invested capital (ROIC)

Return on invested capital measures the effectiveness of capital allocation and is calculated by dividing adjusted operating profit after tax by the annual average of intangible assets, property, plant and equipment, net assets held for sale, inventories, trade and other receivables and trade payables and other current liabilities.

The annual average is defined as the average of the opening and closing balance sheet values.

£ million unless otherwise stated	**2022**	2021	2020
Reported operating profit	**2,683**	3,146	–
Adjusting items (see reconciliation c)	**1,011**	427	–
Adjusted operating profit	**3,694**	3,573	–
Equivalent tax charge	**(827)**	(807)	–
Net adjusted operating profit after tax	**2,867**	2,766	–
Working capital	**(2,823)**	(2,523)	(3,467)
Intangibles	**17,777**	16,674	18,160
Property, plant & equipment	**1,659**	1,715	1,899
Assets held for disposal	**–**	–	1,024
Invested capital	**16,613**	15,866	17,616
Average annual invested capital	**16,240**	16,741	–
Return on invested capital	**17.7%**	16.5%	–

I) Constant currency

Constant currency removes the effect of exchange rate movements on the translation of the results of our overseas operations. The Group translate current year results at prior year foreign exchange rates. An analysis of all key metrics can be found in the Group Financial Review on pages 73-81.

J) Adjusted net debt

Management monitors the Group's borrowing levels using adjusted net debt which excludes interest accruals, lease commitments and the fair value of derivative financial instruments providing commercial hedges of interest rate risk. The adjusted net debt metric is used in monitoring performance against various debt management obligations including covenant compliance.

Adjusted net debt calculation

Management monitors the Group's borrowing levels using adjusted net debt which excludes interest accruals, the fair value of derivative financial instruments providing commercial cash flow hedges and lease liabilities.

£ million	2022	2021
Reported net debt	(8,492)	(9,373)
Accrued interest	105	140
Lease liabilities	248	251
Fair value of interest rate derivatives	85	367
Adjusted net debt	(8,054)	(8,615)

Average adjusted net debt during the year was £9,198 million (2021: £10,361 million).

K) Adjusted net debt to earnings before interest, taxation, depreciation and amortisation (EBITDA) multiple

This is defined as adjusted net debt divided by adjusted EBITDA. Adjusted net debt is measured at balance sheet foreign exchange rates, with a full reconciliation shown in table J above. Adjusted EBITDA is calculated as adjusted operating profit plus amortisation, depreciation and impairments. The reconciliation from reported Group operating profit to EBITDA is shown below.

£ million	2022	2021
Operating profit	2,683	3,146
Depreciation, amortisation and impairments	660	815
EBITDA	3,343	3,961

L) Adjusted operating cash conversion

Adjusted operating cash conversion is calculated as cash flow from operations pre-restructuring and before interest and tax payments less net capital expenditure relating to property, plant and equipment, software and intellectual property rights as a percentage of adjusted operating profit.

Adjusted operating cash conversion calculation

£ million	2022	2021
Net cash flows generated from operating activities	3,186	2,167
Tax	681	820
Net capital expenditure	(177)	(150)
Restructuring	91	112
Cash flow post capital expenditure pre interest and tax	3,781	2,949
Adjusted operating profit	3,694	3,573
Adjusted operating cash conversion	102%	83%

M) Free cash flow

Free cash flow is adjusted operating profit adjusted for certain cash and non cash items. The principal adjustments are depreciation, working capital movements, net capex, restructuring cash flows, tax cash flows, cash interest and minority interest dividends.

Net cash flows generated from operating activities to free cash flow

£ million	2022	2021
Net cash flows generated from operating activities	3,186	2,167
Net capital expenditure	(177)	(150)
Cash interest	(358)	(400)
Minority interest dividends	(89)	(93)
Free cash flow	2,562	1,524

GLOSSARY

Financial terms

Adjusted earnings per share	This is an adjusted performance measure which is defined within section G of the supplementary information
Adjusted net debt	This is an adjusted performance measure which is defined within section J of the supplementary information.
Adjusted net debt to EBITDA multiple	This is an adjusted performance measure. Adjusted net debt is defined within section J of the supplementary information. EBITDA is defined within section K of the supplementary information.
Adjusted EBITDA	Adjusted EBITDA is calculated as adjusted operating profit plus amortisation, depreciation and impairments.
Adjusted net finance costs	This is an adjusted performance measure which is defined within section E of the supplementary information.
Adjusted operating cash conversion	This is an adjusted performance measure which is defined within section L of the supplementary information.
Adjusted operating profit	This is an adjusted performance measure which is defined within section C of the supplementary information.
Adjusted operating profit margin	Adjusted operating profit margin is calculated as adjusted operating profit divided by net revenue.
Adjusted (Non-GAAP)	Non-GAAP measures provide a useful comparison of performance from one period to the next.
Adjusted tax charge	This is an adjusted performance measure which is defined within section F of the supplementary information.
Aggregate priority market share	Aggregate weighted market volume share, based on our five priority markets (USA, Germany, UK, Spain and Australia). Market volume share is calculated based on a 12-month moving annual total (MAT) volume share position from October to September. The market volume size used in the weighting calculation is based on a constant prior year end actual market size.
All in cost of debt	Adjusted net finance costs divided by the average net debt in the year.
Constant currency	Removes the effect of exchange rate movements on the translation of the results of our overseas operations. The Group translate current year results at prior year foreign exchange rates.
Dividend per share	Dividend per share represents the total annual dividends, being the sum of the paid interim dividend and the proposed final dividend for the financial year.
GAAP	Generally accepted accounting principles.
EBITDA	Earnings before interest, taxation, depreciation and amortisation
Market share	Market share data is presented as a 12-month moving average weighted across the markets in which we operate.
Net debt to EBITDA	Adjusted closing net debt divided by adjusted EBITDA.
Reported (GAAP)	Reported (GAAP) Complies with International Financial Reporting Standards and the relevant legislation.
Return on invested capital	This is an adjusted performance measure which is defined within section H of the supplementary information.
Stick equivalent volumes	Stick equivalent volumes reflect our combined cigarette, fine cut tobacco, cigar and snus volumes
Tobacco & NGP Net revenue/ Distribution Net Revenue	These are adjusted performance measures which are defined within sections A and B of the supplementary information.
Total shareholder return	Total shareholder return is the total investment gain to shareholders resulting from the movement in the share price and assuming dividends are immediately reinvested in shares.
A,A,A	Africa, Asia and Australasia
CEO	Chief Executive officer
CFO	Chief Financial officer
Distribution	Logistics segment
ELT	Executive leadership team
ERG	Employee resource groups
ESG	Environmental, social and governance
FCT	Fine cut tobacco
FMC	Factory made cigarette
KPI	Key performance indicators
LTIP	Long term incentive plans
MMC	Mass market cigar
MPI	Manufacturer's price increase
NGP	Next Generation Products
NTM	Non-tobacco materials
OND	Oral nicotine delivery category
Priority markets	Top 5 combustible markets USA, Germany, UK, Spain and Australia
PCD	Premium Cigar Division
SBTi	Science based target initiatives
SE	Stick Equivalent (SE) volumes reflect our combined cigarette, fine cut tobacco, cigar and snus volumes
STP	Sustainable Tobacco Programme
TCFD	Task force on climate-related financial disclosures
Tobacco & NGP	Tobacco & Next Generation Products