



Delivering Today
and Building a
Better Tomorrow

Agenda

1

Building A Better Tomorrow

Jack Bowles

2

A Better Tomorrow Driving Shareholder Returns

Tadeu Marroco

3

From Our Purpose to Consumers, Brands & Capabilities

Kingsley Wheaton

4

Step Changing New Categories

Paul Lageweg

5

Combustibles Underpin Sustainable Value Growth

Chris Sijsma

6

Digital to Unlock Business Value

Marina Bellini

7

Closing Remarks and Q&A

Jack Bowles

Important Information

The information contained in this presentation in relation to British American Tobacco p.l.c. ("BAT") and its subsidiaries has been prepared solely for use at this presentation. The presentation is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction. References in this presentation to 'British American Tobacco', 'BAT', 'Group', 'we', 'us' and 'our' when denoting opinion refer to British American Tobacco p.l.c. and when denoting tobacco business activity refer to British American Tobacco Group operating companies, collectively or individually as the case may be. The information contained in this presentation does not purport to be comprehensive and has not been independently verified. Certain industry and market data contained in this presentation has come from third party sources. Third party publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of accuracy or completeness of such data.

Forward-looking Statements

This presentation does not constitute an invitation to underwrite, subscribe for, or otherwise acquire or dispose of any BAT shares or other securities. This presentation contains certain forward-looking statements, made within the meaning of Section 21E of the United States Securities Exchange Act of 1934, regarding our intentions, beliefs or current expectations concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the economic and business circumstances occurring from time to time in the countries and markets in which the Group operates.

These statements are often, but not always, made through the use of words or phrases such as "believe," "anticipate," "could," "may," "would," "should," "intend," "plan," "potential," "predict," "will," "expect," "estimate," "project," "positioned," "strategy," "outlook", "target" and similar expressions.

It is believed that the expectations reflected in this presentation are reasonable but they may be affected by a wide range of variables that could cause actual results to differ materially from those currently anticipated.

The forward-looking statements reflect knowledge and information available at the date of preparation of this presentation and BAT undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements are uncertainties related to the following: the impact of competition from illicit trade; the impact of adverse domestic or international legislation and regulation; changes in domestic or international tax laws and rates and the impact of an unfavourable ruling by a tax authority in a disputed area; adverse litigation and dispute outcomes and the effect of such outcomes on the Group's financial condition; changes or differences in domestic or international economic or political conditions; adverse decisions by domestic or international regulatory bodies; the impact of market size reduction and consumer down-trading; translational and transactional foreign exchange rate exposure; the impact of serious injury, illness or death in the workplace; the ability to maintain credit ratings and to fund the business under the current capital structure; the inability to develop, commercialise and deliver the New Categories strategy; and changes in the market position, businesses, financial condition, results of operations or prospects of the Group.

Important Information

Forward-looking Statements (continued)

Additional information concerning these and other factors can be found in BAT's filings with the U.S. Securities and Exchange Commission ("SEC"), including the Annual Report on Form 20-F to be filed on or about 26 March 2020 and Current Reports on Form 6-K, which may be obtained free of charge at the SEC's website, <http://www.sec.gov>, and BAT's Annual Reports, which may be obtained free of charge from the British American Tobacco website www.bat.com.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser. Readers are cautioned not to place undue reliance on such forward-looking statements.

No Profit or Earnings Per Share Forecasts

No statement in this presentation is intended to be a profit forecast and no statement in this presentation should be interpreted to mean that earnings per share of BAT for the current or future financial years would necessarily match or exceed the historical published earnings per share of BAT.

Additional Information

All financial statements and financial information provided by or with respect to the US or Reynolds American Inc. ("RAI") are initially prepared on the basis of U.S. GAAP and constitute the primary financial statements or financial records of the US business/RAI. This financial information is then converted to International Financial Reporting Standards as issued by the IASB and as adopted by the European Union (IFRS) for the purpose of consolidation within the results of the BAT Group. To the extent any such financial information provided in this presentation relates to the US or RAI it is provided as an explanation of, or supplement to, RAI's primary U.S. GAAP based financial statements and information.

Our vapour product Vuse (including Alto and Vibe), and certain products including Grizzly, Granit, Camel Snus, Velo and Kodiak, which are sold in the US, are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

Audience

The material in this presentation is provided for the purpose of giving information about BAT and its subsidiaries to investors only and is not intended for general consumers. BAT, its directors, officers, employees, agents or advisers do not accept or assume responsibility to any other person to whom this material is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed. The material in this presentation is not provided for product advertising, promotional or marketing purposes. This material does not constitute and should not be construed as constituting an offer to sell, or a solicitation of an offer to buy, any of our products. Our products are sold only in compliance with the laws of the particular jurisdictions in which they are sold.

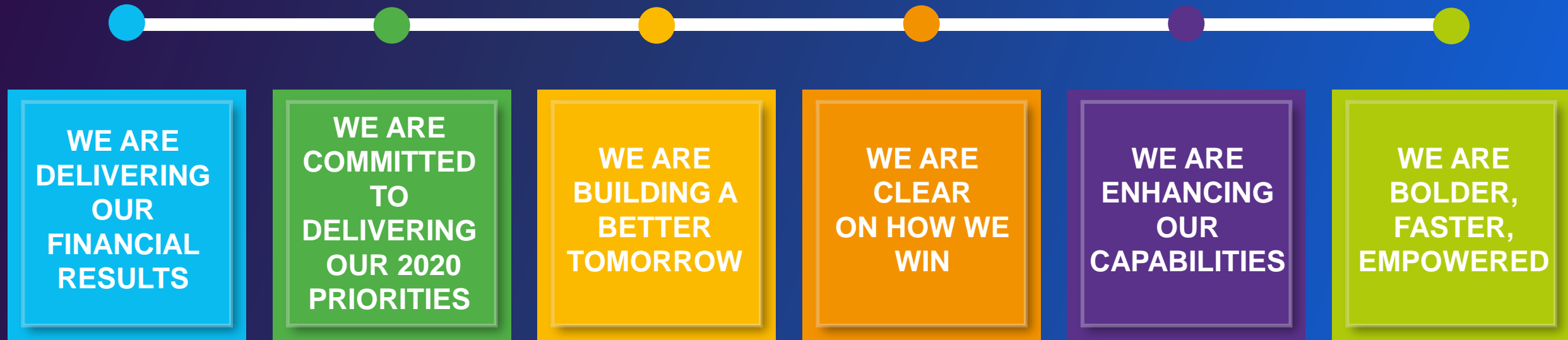
Revision

For presentation purposes within this presentation, all prior periods have been revised to be consistent with the current reporting structure. All of the information in this presentation is in respect to continuing operations, revised for the fully retrospective adoption of IFRS 15.

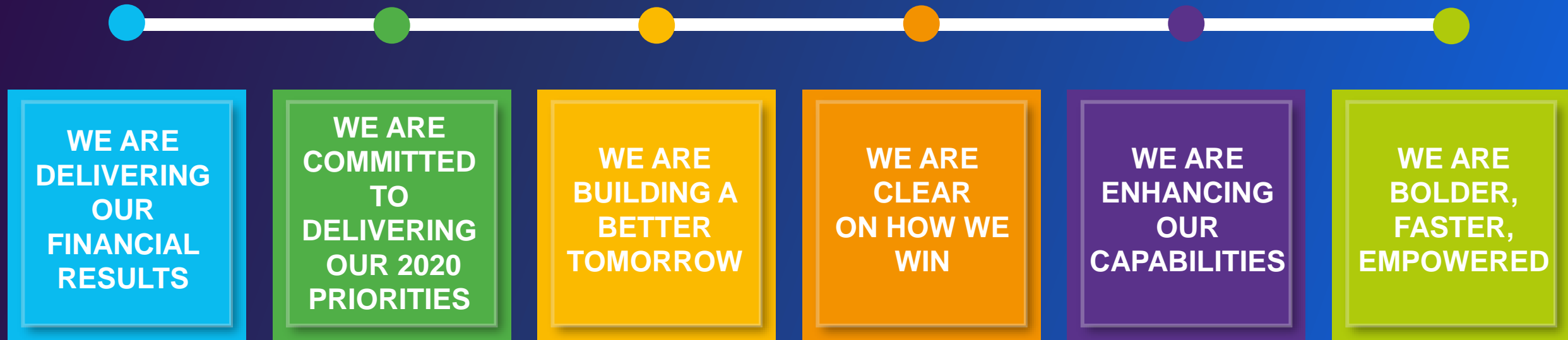
Building A Better Tomorrow

Jack Bowles – Chief Executive

Building a Better Tomorrow



Building a Better Tomorrow



In 2019, I set out Three Clear Priorities...

1

Combustible
Value Growth



2

Step-Change in
New Categories



3

Simplify the
Company



Stronger, Simpler, Faster = Commitment to Deliver

... and we have delivered on them in 2019



+20_{bps}

Corporate Volume Share*



+30_{bps}

Corporate Value Share*



+32.4%

[£1.2bn]

New Categories Revenue^



+4.6%

Combustible
Revenue Growth**



+5.6%

Revenue Growth**



+6.6%

Adjusted Profit
from Operations**



+8.4%

Constant
EPS



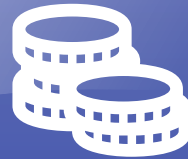
0.5x

Current
Deleveraging

We are Committed to Delivering Our 2020 Priorities



3-5%
Revenue*



**High Single
Figure**
EPS Growth



**Continue to
De-leverage**

£5bn New Categories Revenue 2023/24





Reducing the health impact of our business
through offering a greater choice of enjoyable
and less risky products for our consumers

A Strategy for Growth



A Strategy for Growth

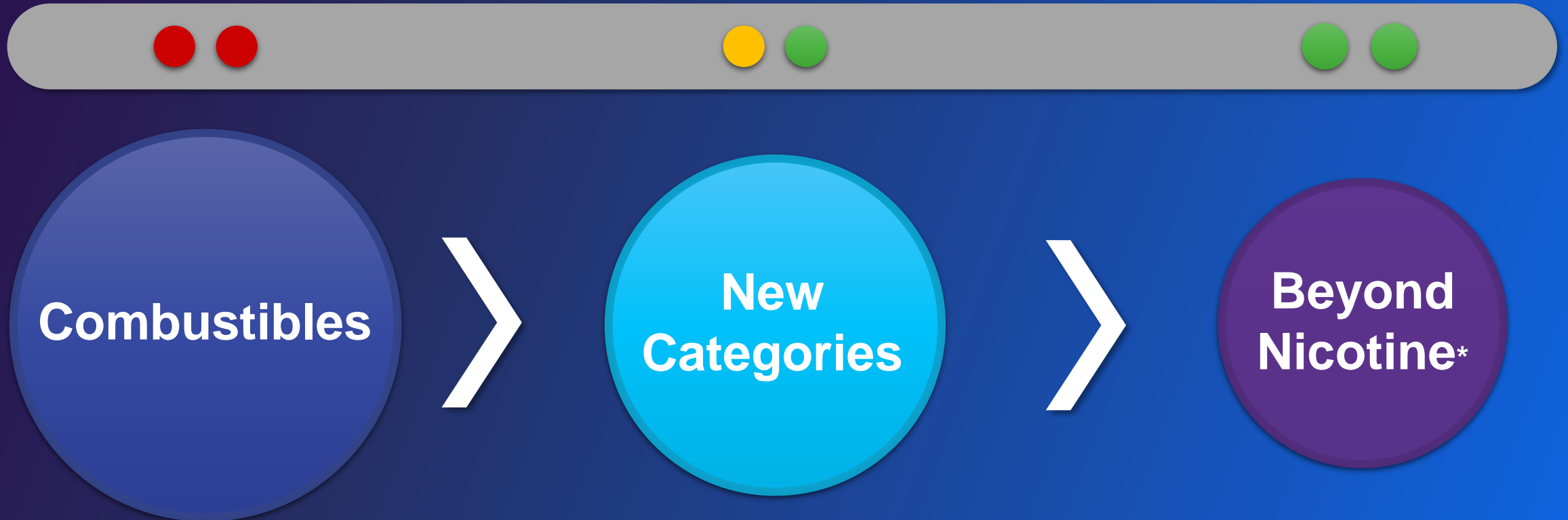


A Strategy for Growth

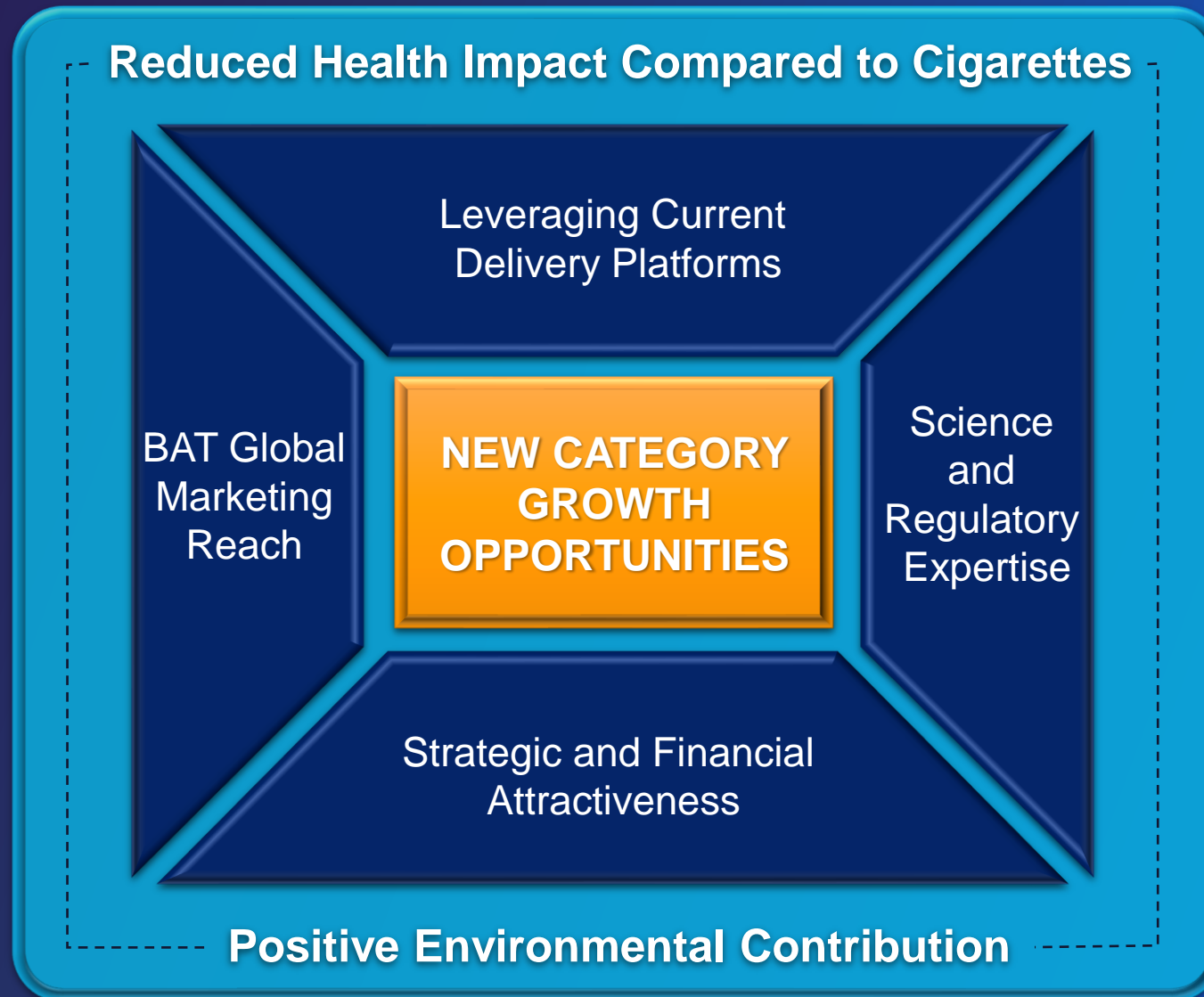


A Broader, Sustainable Portfolio to Recapture Consumer Moments

Societal Acceptance



... with Clear Boundaries for Our Portfolio Expansion



A Strategy for Growth



Our ESG Mission

*A business where **sustainability** has always been important, to one where it is **front and centre** in all that we do*

Putting Sustainability Front and Centre

H

Reducing the HEALTH impact of our business

E

**Excellence in
ENVIRONMENTAL
management**

S

**Delivering a
positive SOCIAL impact**

G

**Robust corporate
GOVERNANCE**

Big Ambitions for the Future



50 MILLION*
NON-COMBUSTIBLE
CONSUMERS BY
2030

**CARBON
NEUTRAL***
BY **2030**



A Strategy for Growth



Transforming the Organisation

Structure

Q U A N T U M

2,300

Headcount
Reduction

-40%

Lean HQ

-10

From 28 to 18
DRBUs**

£300mn Savings in 2020*

Investing in New Capabilities



300+ Management Hires
in New Capabilities In 2019



Investing in New
Capabilities across organisation

Enabled by Digital DNA

Ways of Working

PROJECT SIMPLE



Operational Process



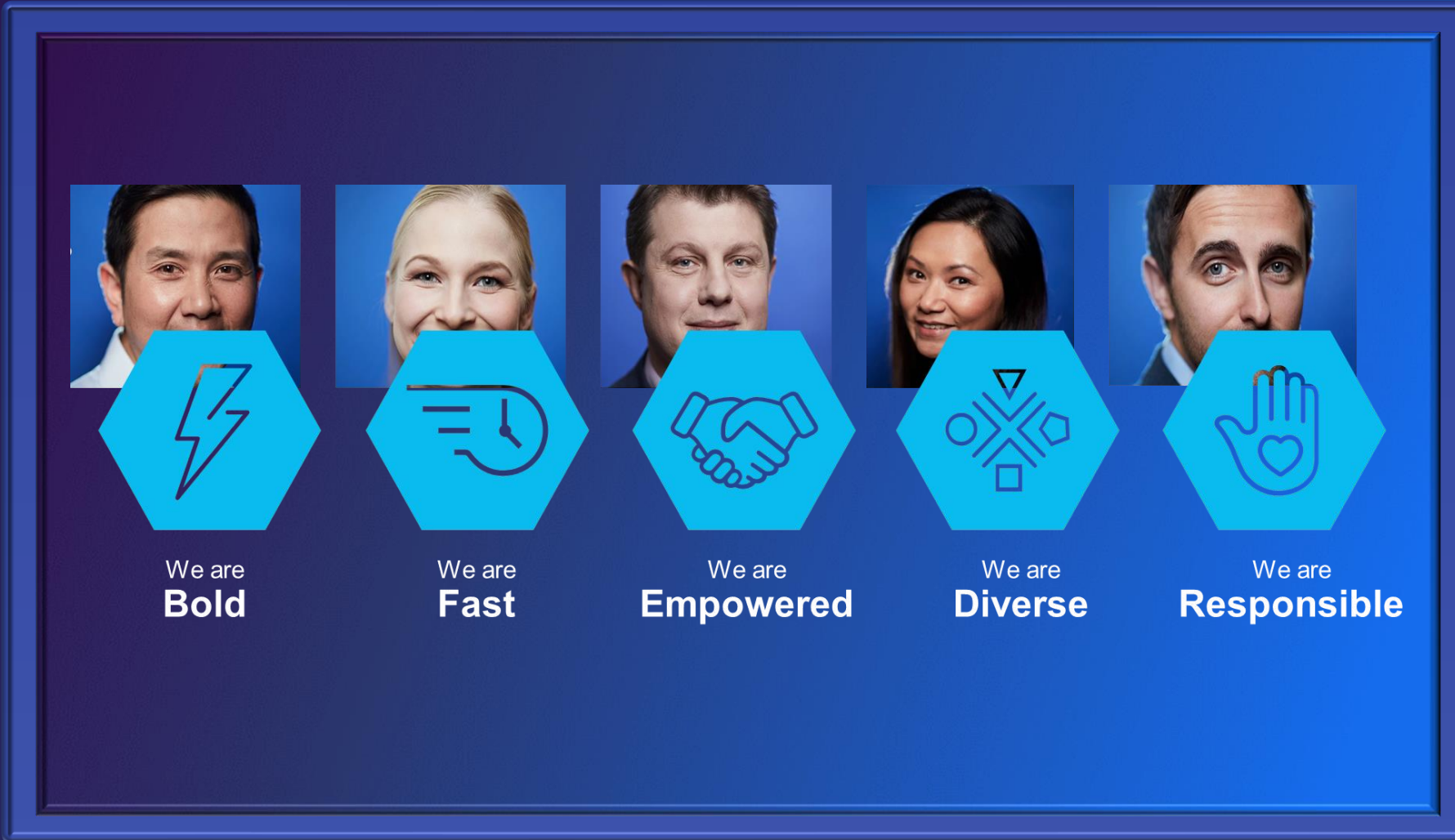
Systems



Governance

Agile and Efficient

Our New ETHOS



A Strategy for Growth



Today's BAT...



**MULTI-CATEGORY
ASPIRATION**



... Tomorrow's BAT

BAT

A BETTER TOMORROW



FINANCIAL DELIVERY

3-5% Revenue*

£5bn New Categories
Revenue by
2023/24

Deleveraging

ESG AMBITION

50 million

Non-combustible
Consumers by 2030[^]

Carbon Neutral
by 2030[^]

EFFICIENCIES

£1bn
2020-2022^{^^}

High Single Figure EPS Growth^{}**