

News Release

BAT's Vuse becomes the number one global vaping brand

8 September 2021

BAT today announced that Vuse is now the number one global vaping brand by value share.

Achieving global leadership in vaping marks an important milestone in the transformation of BAT and demonstrates continued strong momentum across its global New Category business. Vapour is the largest new category by revenue and number of consumers in the nicotine sector.

Vuse is the category value share leader in four of the top five vapour markets (Canada, France, Germany and the UK), and BAT's strong US momentum in vapour means Vuse is now leader by value share in 22 states, up from 20 in July².

In <u>May this year</u> BAT also announced that Vuse became the world's first global carbon neutral vape brand³, demonstrating BAT's deep and longstanding commitment to being a responsible business and reducing its impact on the environment.

Jack Bowles, Chief Executive at BAT, said:

"We are delighted that Vuse has become the number one global vaping brand. It is proof that we are building brands of the future, underpinned by strong innovation, as part of our vision for A Better Tomorrow.

"In the first half we delivered 50%⁴ New Category revenue growth and added 2.6 million consumers of our non-combustible products, our highest ever increase, to reach 16.1 million consumers. This momentum is powered by our strong global brands: Vuse, glo and Velo. Each New Category brand grew its category share by more than 280bps across key markets and recorded volume growth of 70% or more.

"Together with award-winning campaigns and digital engagement we are committed to building the most trusted vaping brand worldwide with a clear purpose."

At its Half Year results, BAT reported that its vapour business performed strongly, with revenue up 59%, volume grew by 70%, and consumer numbers up by 0.9 million to reach 7.5 million. Since December 2020, Vuse's value share is up 340bps reaching 34% in July 2021.

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¹ Based on Vype/Vuse estimated value share from Recommended Retail Price (RRP) in measured retail for vapour (i.e. total vapour category value in retail sales) in the USA, Canada, France, UK, Germany. These five markets cover an estimated 77% of global vapour closed system net turnover (NTO), calculated in June - July 2021

² Reported at BAT's Half Year results in July.

³ Based on ePod, ePen, eTank mini, Alto devices and consumables internal sales forecast (calculated March 2021) for 12 months starting from April 2021. Vuse's carbon neutrality has been independently validated by Vertis based on product Life Cycle Assessment data provided by an independent third party.

⁴ At constant rates vs H120.



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Moving and still images are available from BAT's Media Centre

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About BAT

BAT is a leading, multi-category consumer goods business, established in 1902. Our purpose is to build A Better TomorrowTM by reducing the health impact of our business which entails:

- Committing to providing adult consumers with a wide range of enjoyable and less risky products
- Continuing to be clear that combustible cigarettes pose serious health risks, and the only way to avoid these risks is not to start or to quit
- Encouraging those who otherwise continue to smoke, to switch completely to scientifically-substantiated, reduced-risk alternatives*
- Tracking and sharing progress of our transformation

The company has announced a target of increasing the number of its non-combustible product consumers to 50 million by 2030; and to achieve at least £5 billion in New Categories revenues in 2025.

^{*} Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.

[†] Our products as sold in the US, including Vuse, Velo, Grizzly, Kodiak, and Camel Snus, are subject to Food and Drug Administration (FDA) regulation and no reduced-risk claims will be made as to these products without FDA clearance