

BAT Malaysia's 3Q net profit rises 23.43% to RM78.68m, pays 26 sen dividend

KUALA LUMPUR (Oct 28): British American Tobacco (Malaysia) Bhd's net profit for the third quarter ended Sept 30, 2021 (3QFY21) rose 23.43% to RM78.68 million from RM63.74 million a year ago, boosted by an increase in market share.

Quarterly revenue, however, slipped a marginal 2.31% to RM613.02 million from RM627.52 million a year ago, its filing to Bursa Malaysia showed.

The group declared a third interim dividend of 26 sen per share, amounting to RM74 million, to be paid out on Nov 25 to shareholders. This, the group said, equates to a 94% payout on its 3Q earnings per share, and a dividend yield of 7%.

"We are encouraged by our 3QFY21 performance, which marks our third consecutive quarter of financial growth. This growth momentum is a result of an increase in share of market and volume which improved our revenue and profit from operations," said BAT Malaysia managing director Nedal Salem.

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However, he noted, consumer affordability continues to remain under pressure due to the high tobacco tax rate, with 57.9% of the market dominated by the black market.

To effectively manage the issue, he said the government must enhance enforcement, not increase excise, and address the price gap between legal and black market products.

For the nine months ended Sept 30, 2021, the group's net profit climbed 26.19% to

RM213.41 million, from RM169.12 million a year earlier, while revenue grew 7.26% to RM1.78 billion from RM1.66 billion.

Consistent with the volume growth trajectory, the group's total market share stood at 52.5%, up one percentage point (ppt) from the same period last year.

BAT Malaysia said its portfolio grew in all segments, with Dunhill growing by 2.1 ppt in the Premium segment, Peter Stuyvesant and Pall Mall by 0.8 ppt in the Aspirational Premium segment, and Rothmans and KYO by 2.5 ppt in the value-for-money (VFM) segment.

"For the last quarter of the year, we will continue our purpose to build A Better Tomorrow™. We also remain steadfast in our efforts to sustain the recovery of the legal cigarette market and advocate for the introduction of a regulatory framework for reduced-risk products such as nicotine vapour," said Nedal Salem.

BAT Malaysia's share price closed 18 sen or 1.26% higher at RM14.44 on Thursday, valuing the group at RM4.12 billion.