

Tobacco giant Imperial Brands' profits hit after Russia exit

Tobacco giant Imperial Brands has reported a sharp drop in profits following its exit from Russia and the country's associated markets in March.

In its full-year results on Tuesday (November 15), the Bristol-headquartered company said operating profits had fallen by 14.7% over the year to £2.6bn – down from £3.1bn the year before.

The maker of Gauloises and Davidoff cigarettes said adjusted group operating profit was up 1.8%, however, with growth in the company's tobacco and next-generation products offsetting a distribution decline.

The company said it had also delivered share growth in four out of five markets, with gains in the US, UK, Australia and Spain offsetting declines in Germany.

Stefan Bomhard, chief executive of Imperial Brands, said: "In line with our five-year strategy, increased investment and a more consumer-centric approach have improved delivery in both our priority combustible markets and our next generation product operations.

"At the same time, disciplined capital allocation has strengthened our balance sheet to reach our target leverage. This has enabled us to enhance shareholder returns through an ongoing share buyback programme alongside a progressive dividend."

Imperial Brands said it was "confident" its investments and initiatives would help the growth of its adjusted operating

profit to improve over the next three years, adding the acceleration in the 2023 financial year would be driven by a focus on pricing and cost savings, and further investment in its newer products.

Mr Bomhard added: “Looking ahead, we are well positioned to deliver against the next phase of our five-year strategy. The additional investment and the actions we have taken during the initial two-year strengthening phase have built stronger foundations as we face into a more challenging macro-economic environment.

“We are well placed to build on our track record of delivery over the next three years, improving returns and creating sustainable growth in shareholder value.”

READ NEXT

- [Legoland and Alton Towers owner Merlin Entertainments appoints new chief executive](#)
- [Bristol offshore robotics firm strikes deal with Japanese wind turbine business](#)
- [Group behind £140m Cornwall TV and sound studios appoints JD Sports boss and top media exec to board](#)
- [Tom Joule – who started Joules selling wellies at country fairs – hopes brand will live on as administrators called in](#)

Like this story? Why not [sign up](#) to get the latest South West business news straight to your inbox.