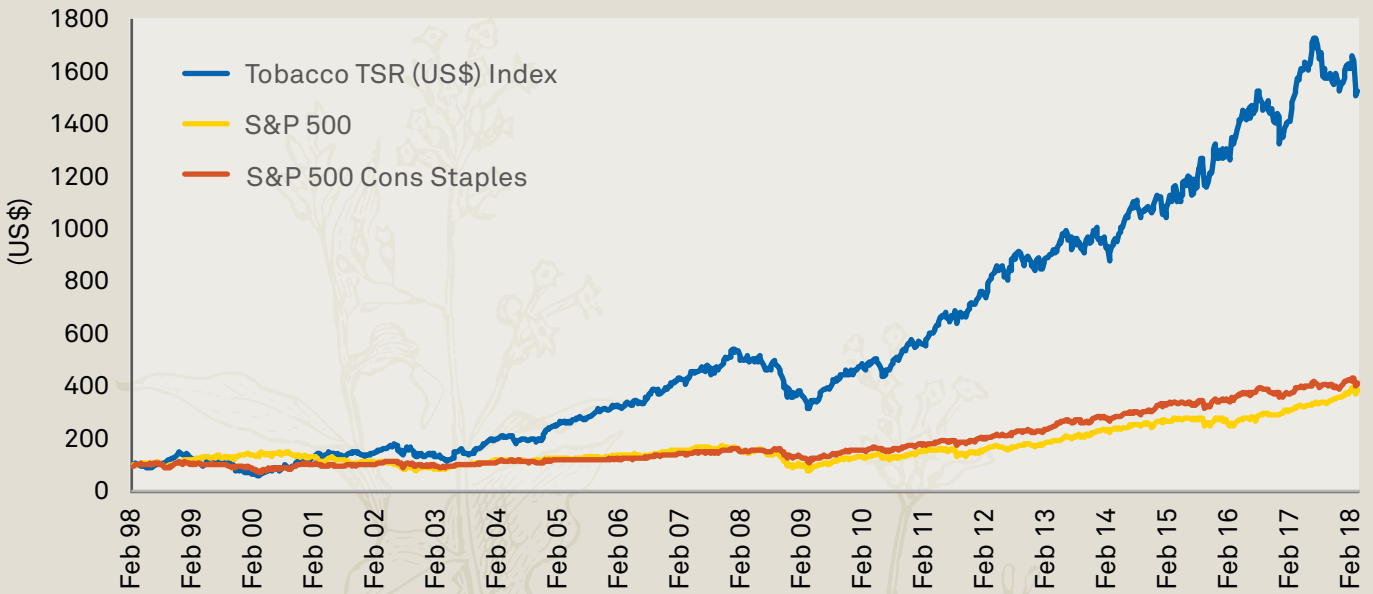


# Is the tobacco industry reinventing itself?



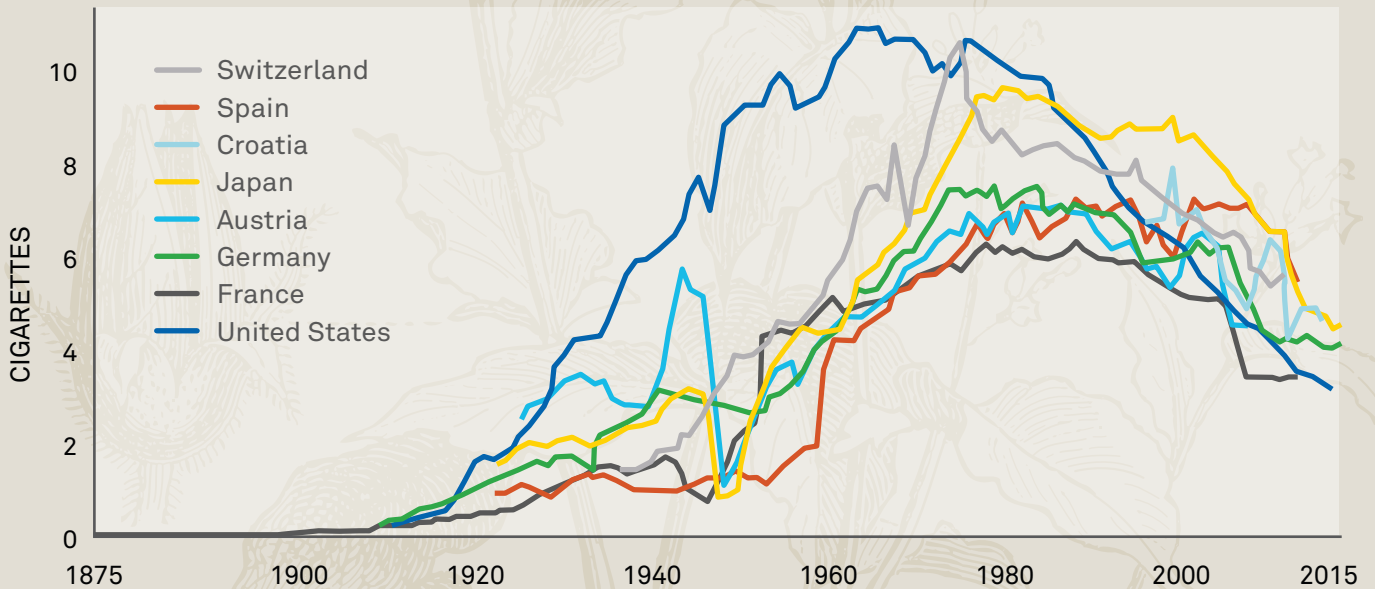
## Tobacco TSR (US\$) versus US consumer staples versus broader equities



Source: DataStream and Citi, 28 February 2018.



## Sales of combustible cigarettes per adult per day



Source: International Smoking Statistics (2017), Our World in Data, accessed March 2018.

## Smoking in numbers

**80%** UK males who smoked during the late 1940s. Women's participation rate was 40%.

**17%** UK adults who smoke today, the lowest level since measurements began.

**1975** The year the US stopped issuing cigarettes to its military personnel.

**10** The daily cigarette ration allocated to Russian military personnel.<sup>1</sup>

**£12bn** Direct tax revenues from smokers in the UK.<sup>2</sup>

**73%** The UK tax cost on a pack of 20 cigarettes costing £7.35.

**600°C** The temperature at which a traditional, combustible cigarette burns. New generation tobacco products are heated to about half of this.



New generation e-cigarettes are less harmful than traditional cigarettes. An expert independent evidence review published by Public Health England (PHE) concluded that e-cigarettes are around 95% less harmful than smoking.<sup>3</sup> Even so around 45% of people surveyed by PHE were unaware of this.

1 Wired: 'Russia fears its troops will riot if cigarette rations end', 5 March 2013

2 The Telegraph: 'When it comes to smokers' burden on the NHS, they may well contribute more in tax than they take', 18 October 2017

3 Public Health England K Department of Health: 'E-cigarettes around 95% less harmful than tobacco estimates landmark review', 19 August 2015