



Lars Dahlgren
President and CEO

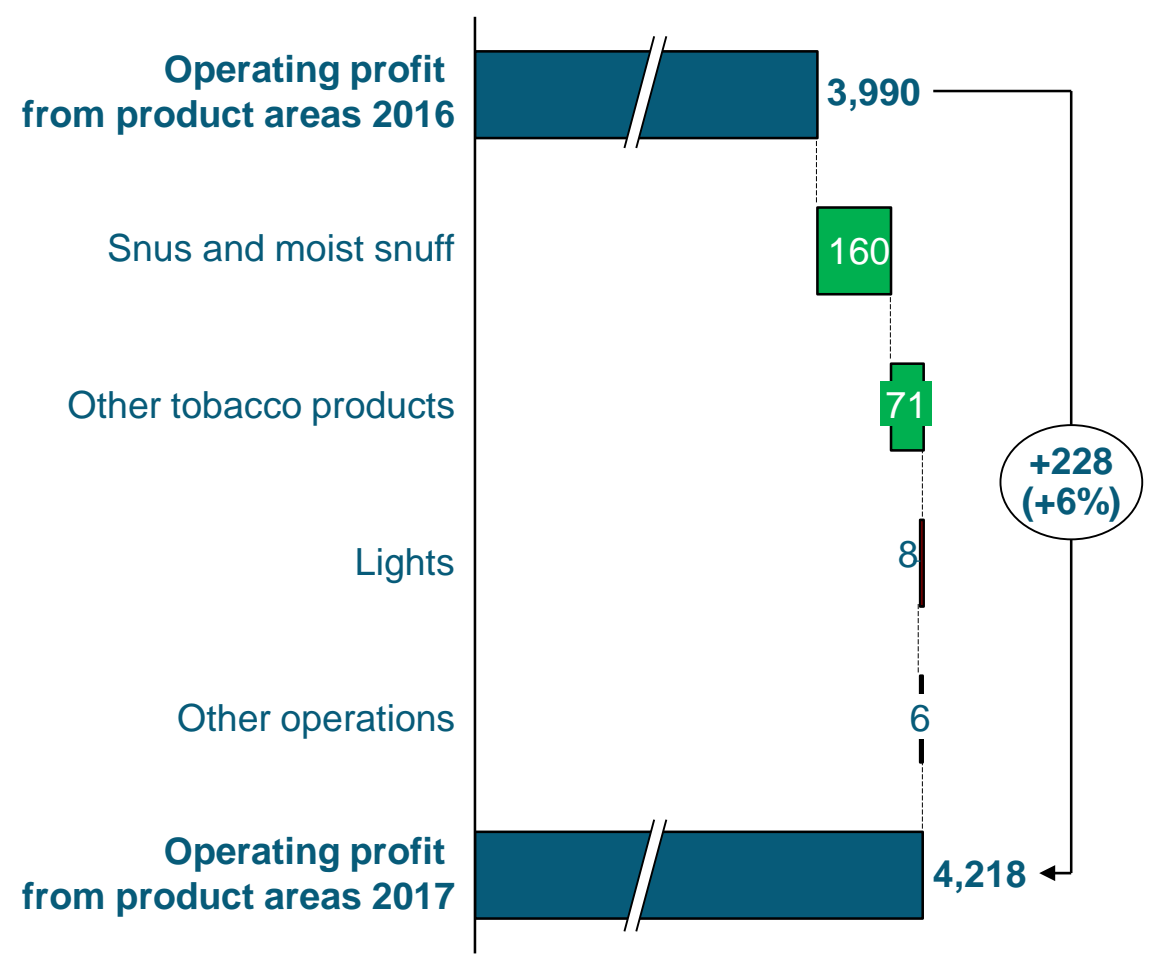
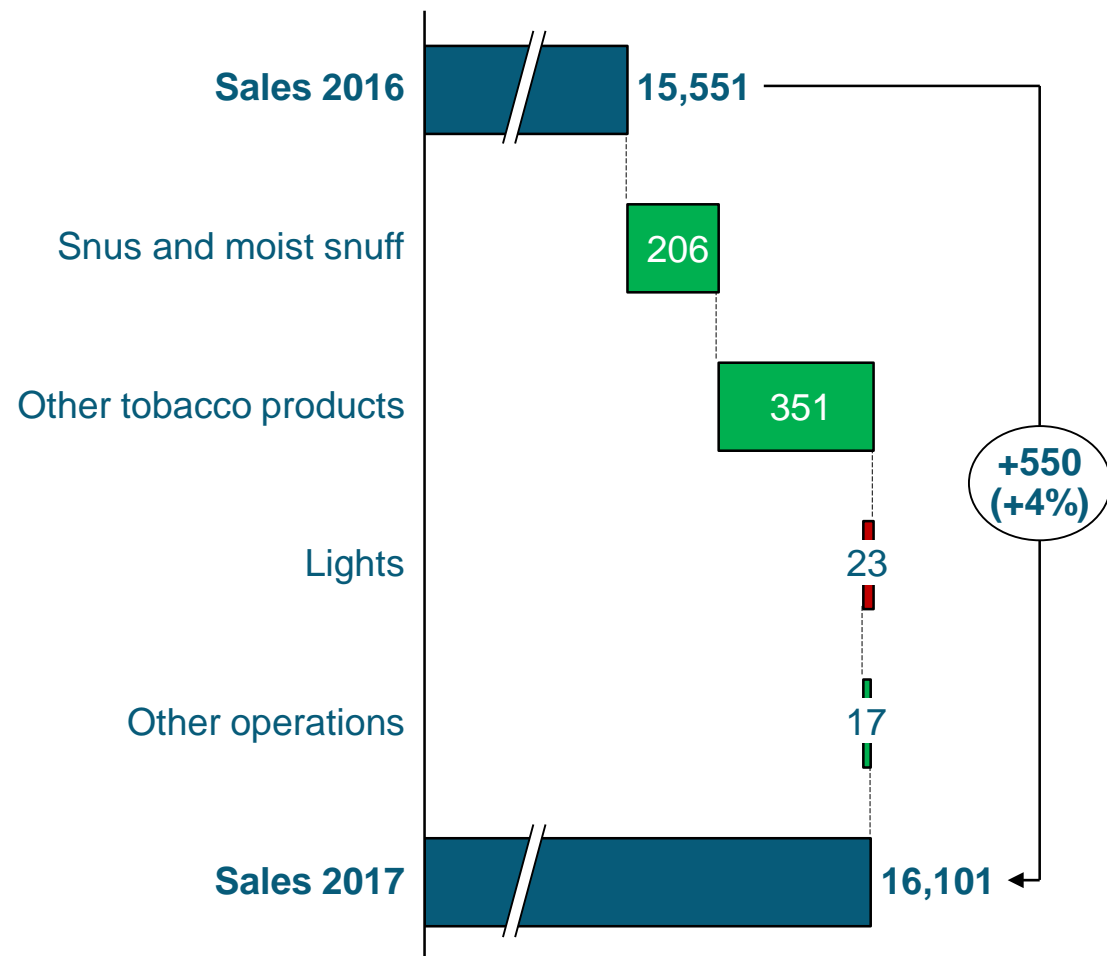
FULL YEAR SUMMARY

- Sales increased 4 percent to 16,101 MSEK (15,551).
- Operating profit from product areas was up by 6 percent to 4,218 MSEK (3,990).
- Adjusted earnings per share increased by 14 percent to 16.39 SEK (14.39).¹⁾

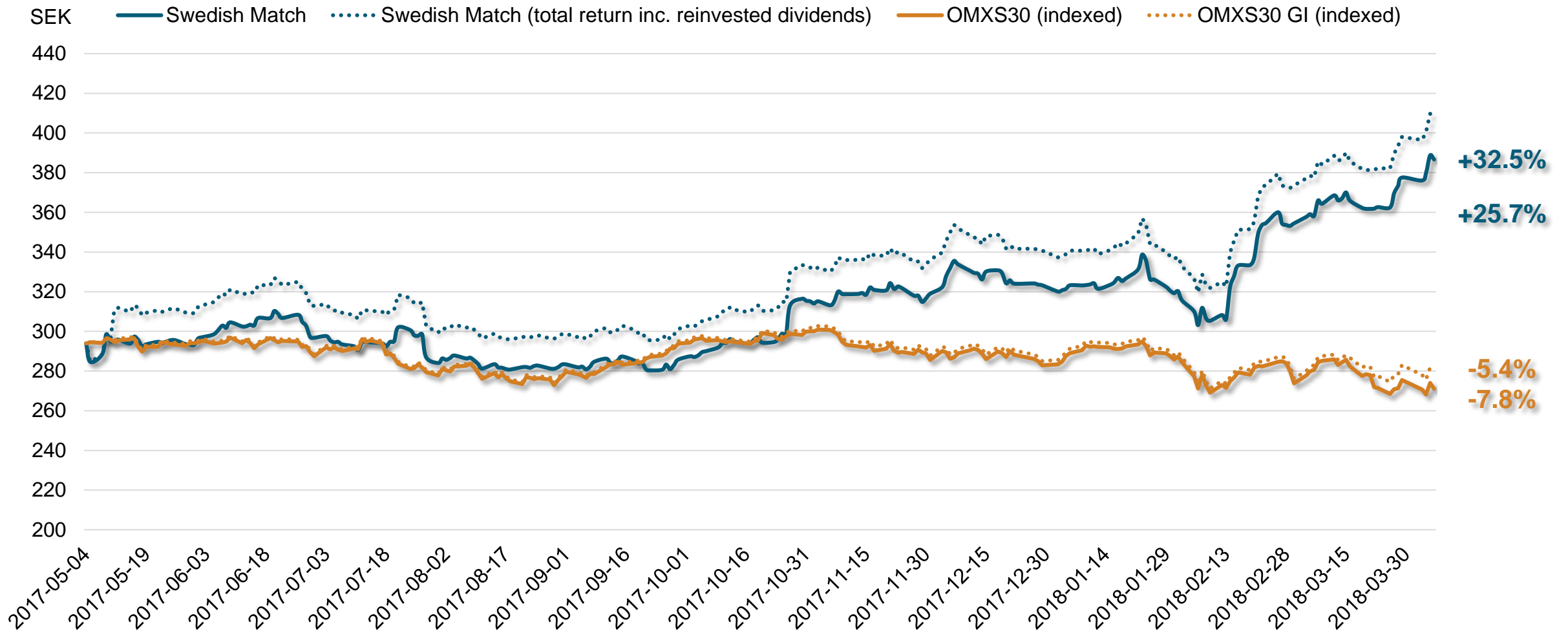
¹⁾ Excluding both larger one-time items, dividends from STG in 2017 and share of net profit in STG in 2016.



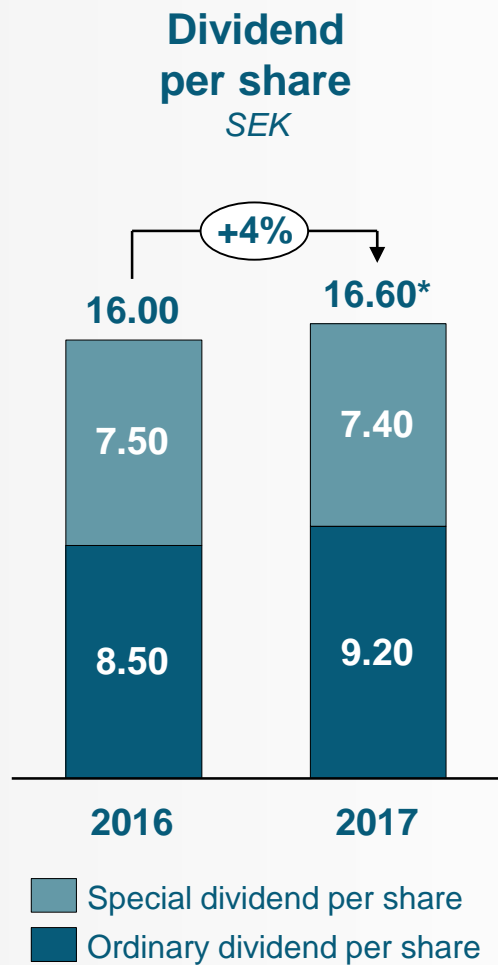
SALES AND OPERATING PROFIT FROM PRODUCT AREAS BRIDGED FROM 2016



SHARE PRICE DEVELOPMENT SINCE LATEST AGM



PROPOSED DIVIDEND PER SHARE



* Board proposal.



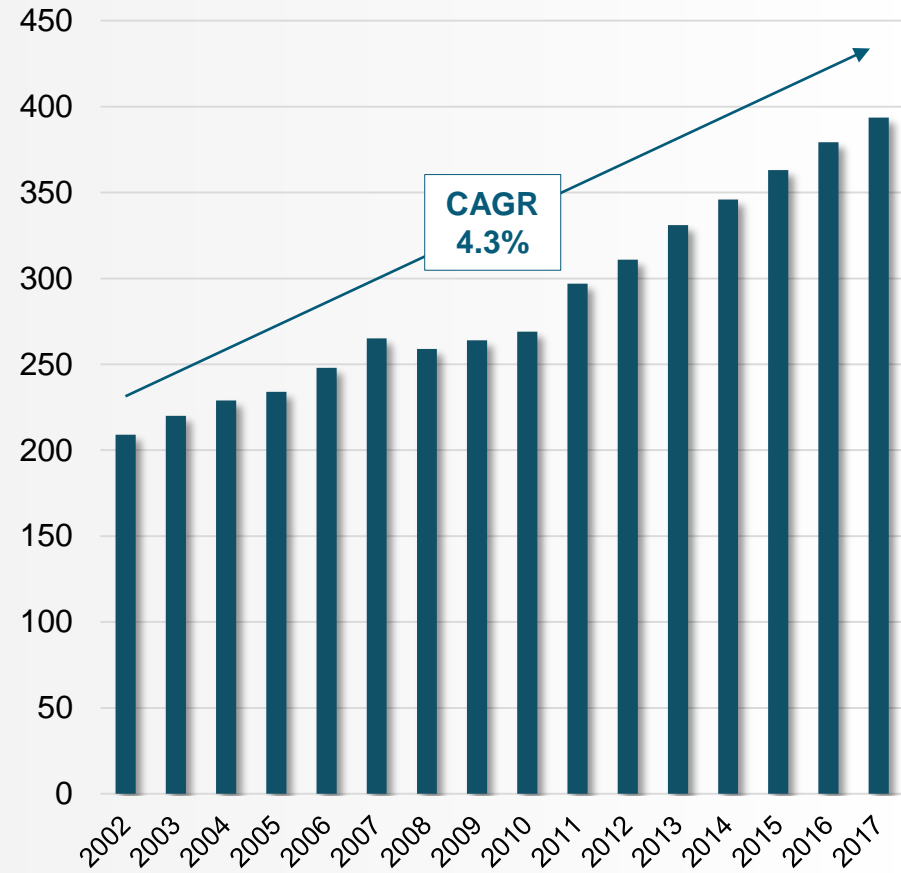


Highlights from the past year

CONTINUED STRONG GROWTH FOR SNUS IN SCANDINAVIA

Estimated market volume

Million cans

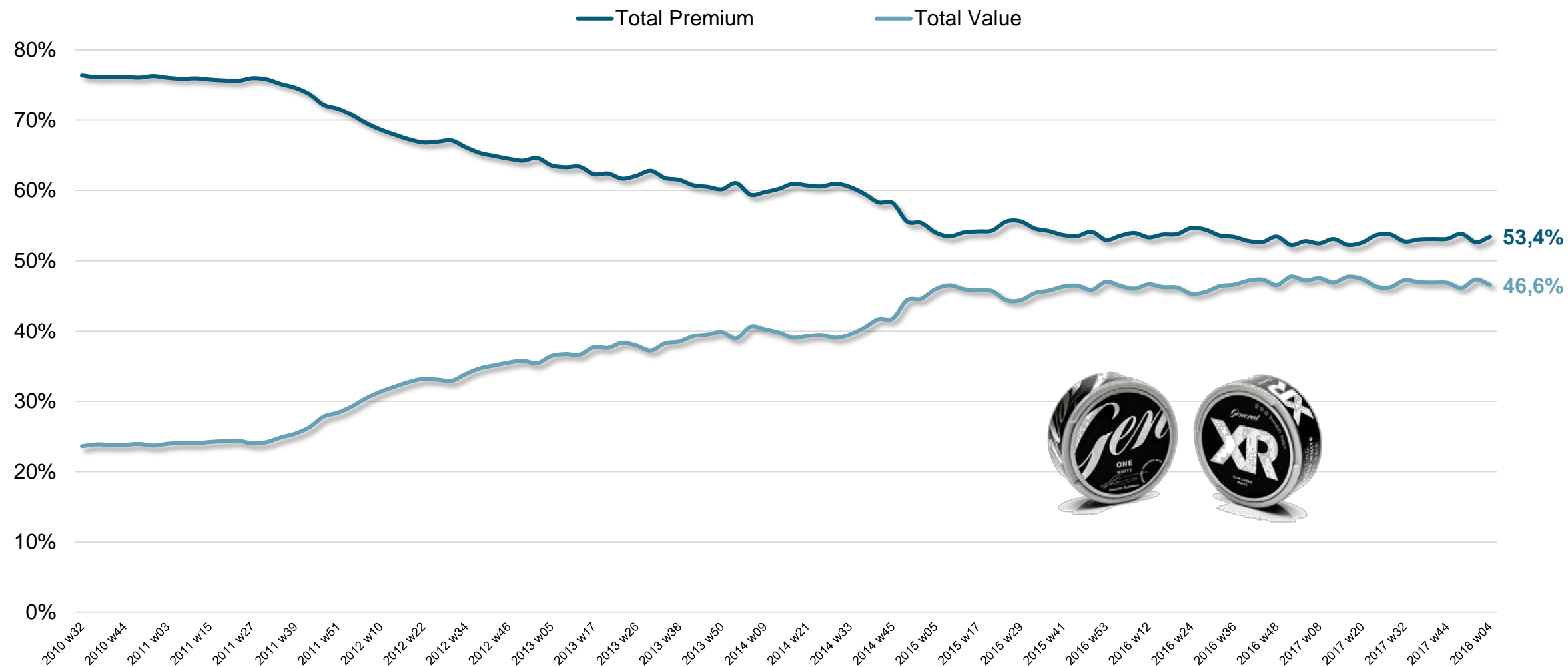


Source: Swedish Match and industry estimates.



STABLE PREMIUM SEGMENT ON THE SWEDISH SNUS MARKET

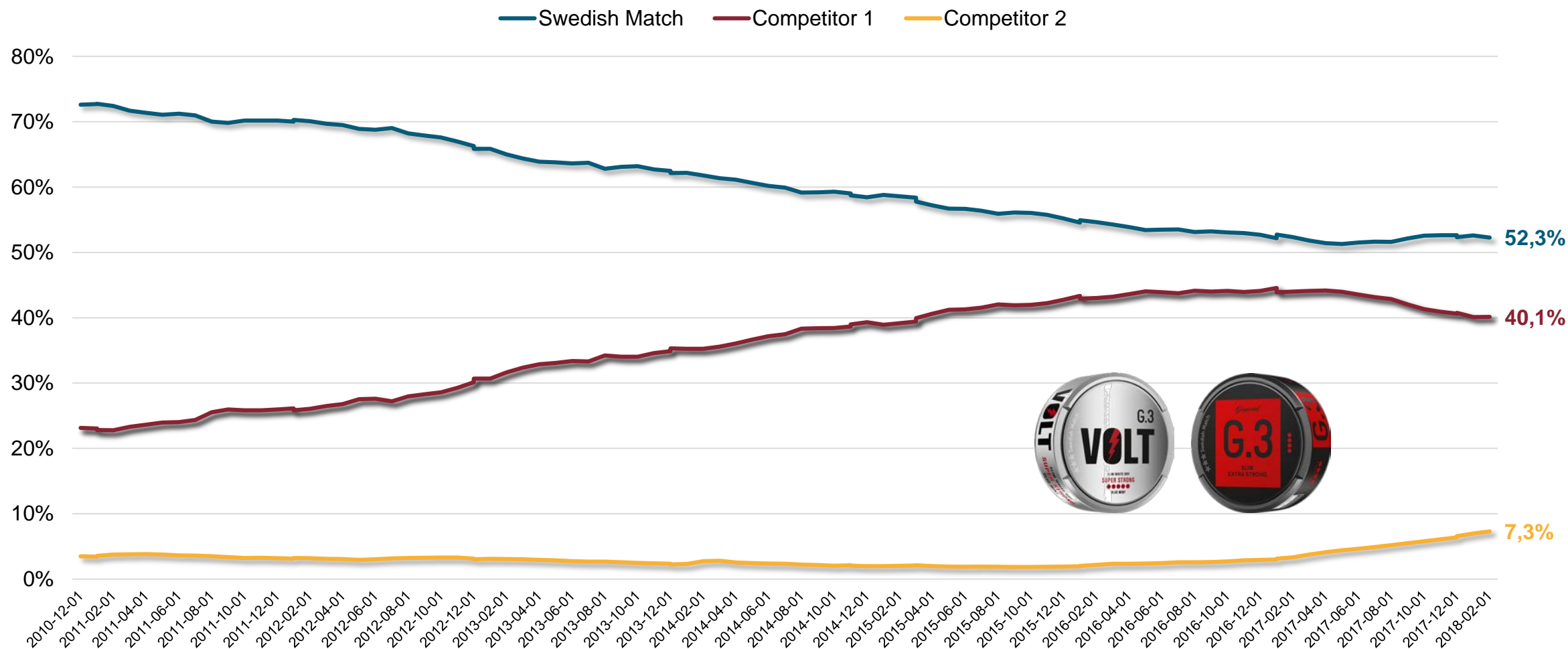
Volume share development, 4-weeks isolated



Source: Nielsen, DVH+SVH excl. tobaccoists (including nicotine free).

REVERSAL OF NEGATIVE MARKET SHARE DEVELOPMENT IN NORWAY

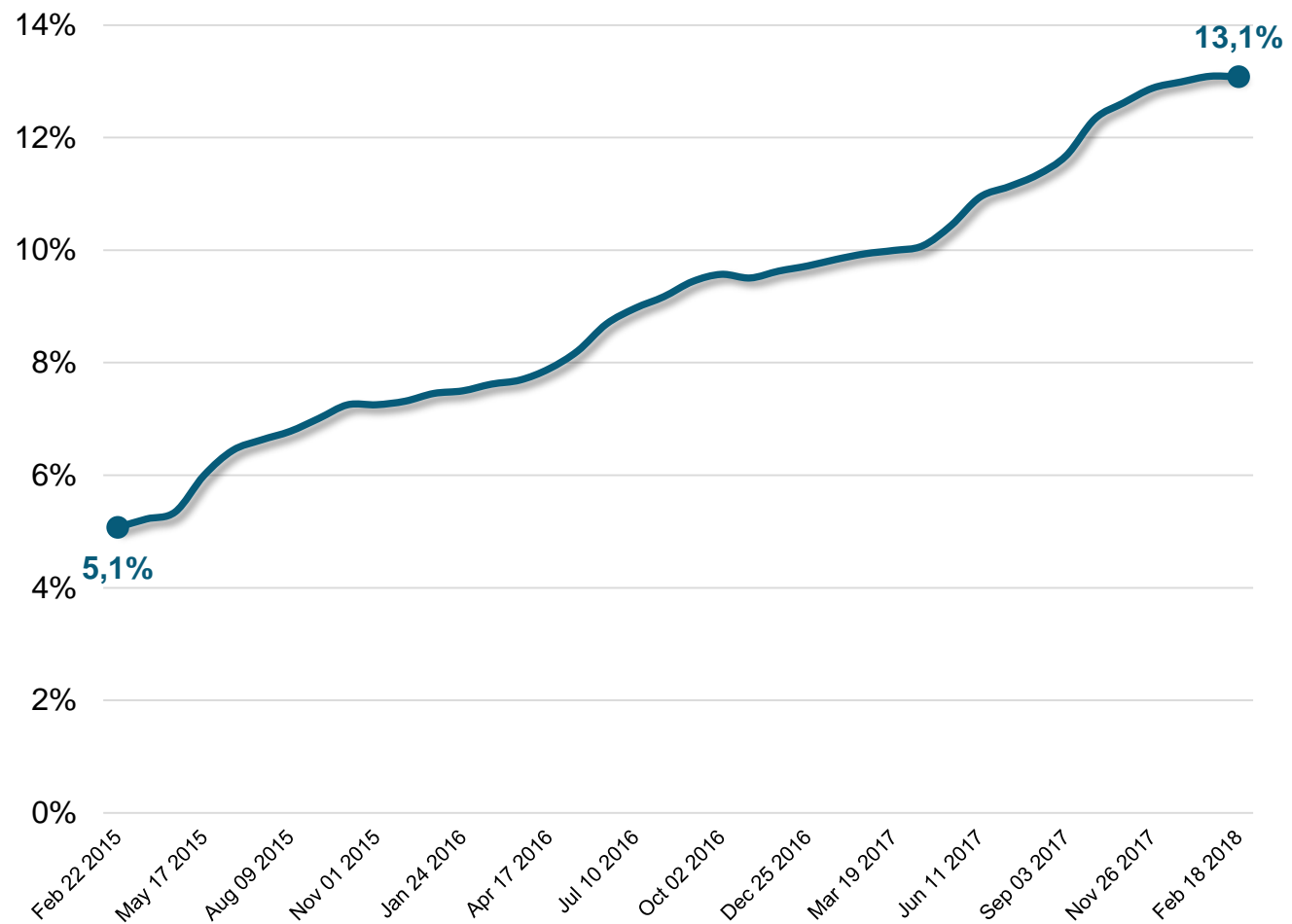
Volume share development, 4-weeks isolated



Source: Nielsen, 4-week data, DVH+KBS. Circles indicate same period prior years.

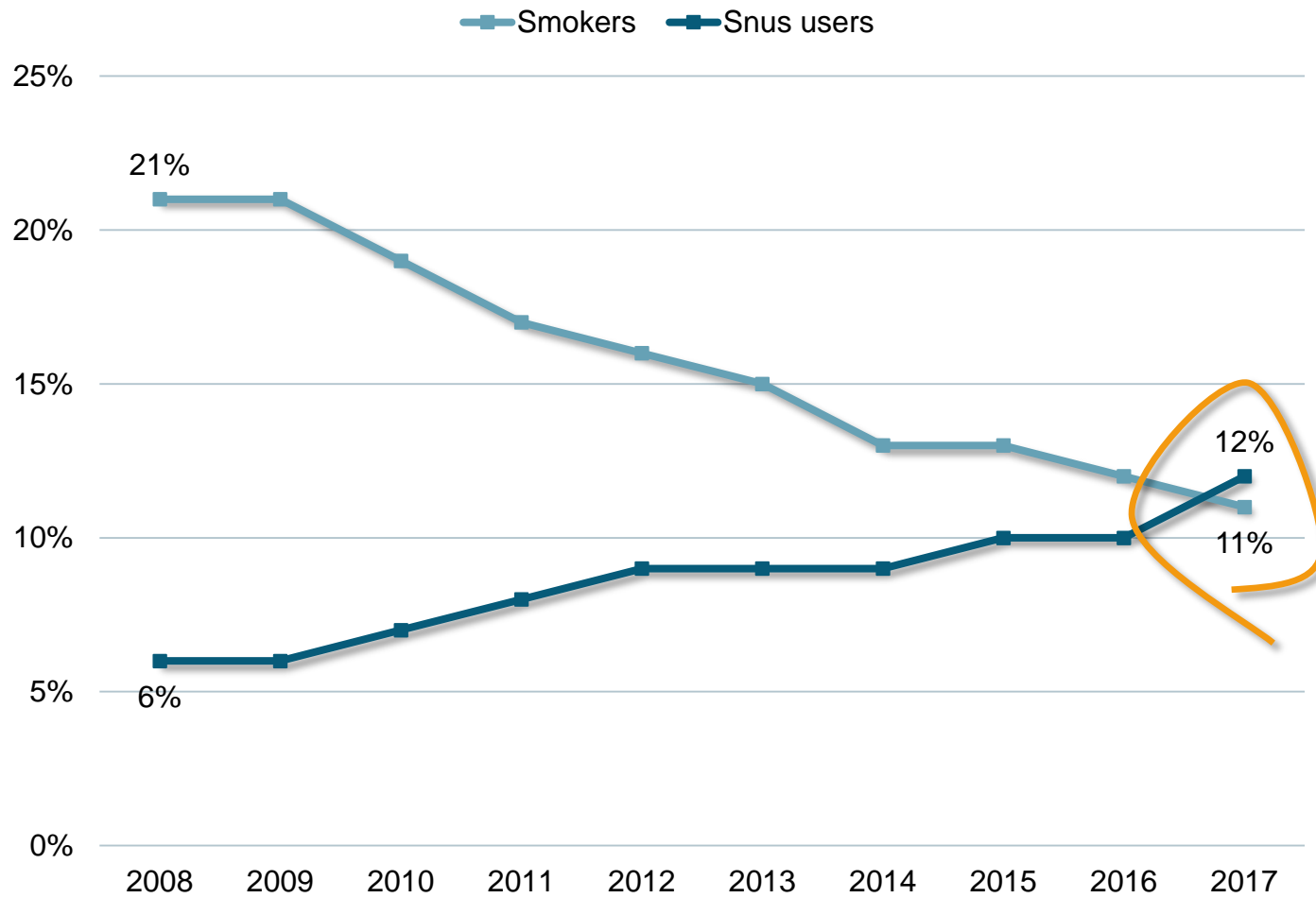
G.3 THE MAIN DRIVER BEHIND NORWEGIAN MARKET SHARE DEVELOPMENT

Volume share development, 4-weeks isolated



Source: Nielsen, 4-week data, DVH+KBS.

PREVALENCE OF DAILY USAGE OF SNUS AND CIGARETTES IN NORWAY



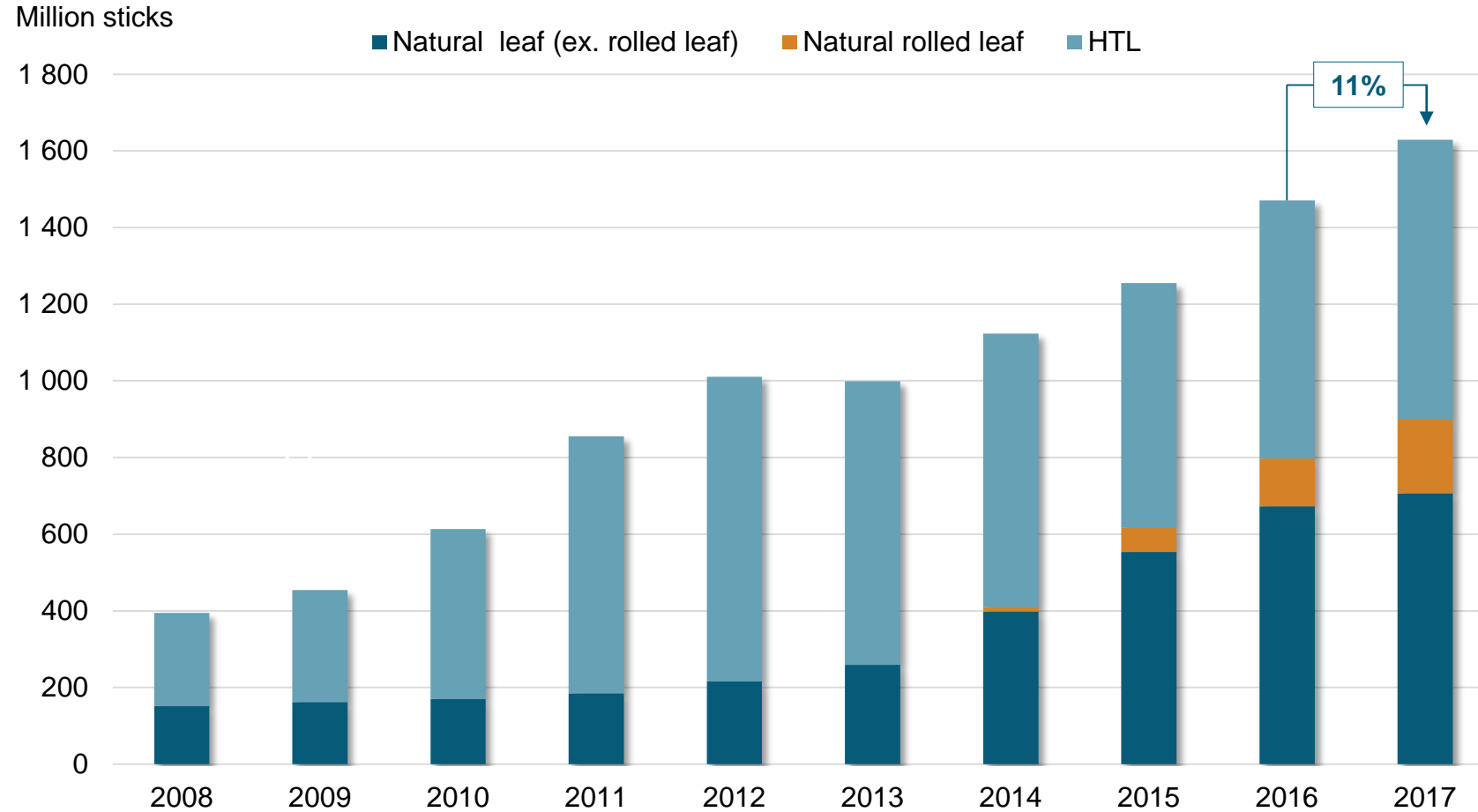
Source: Statistics Norway/The Norwegian Directorate of Health.



***Swedish Match's vision –
A world without cigarettes***

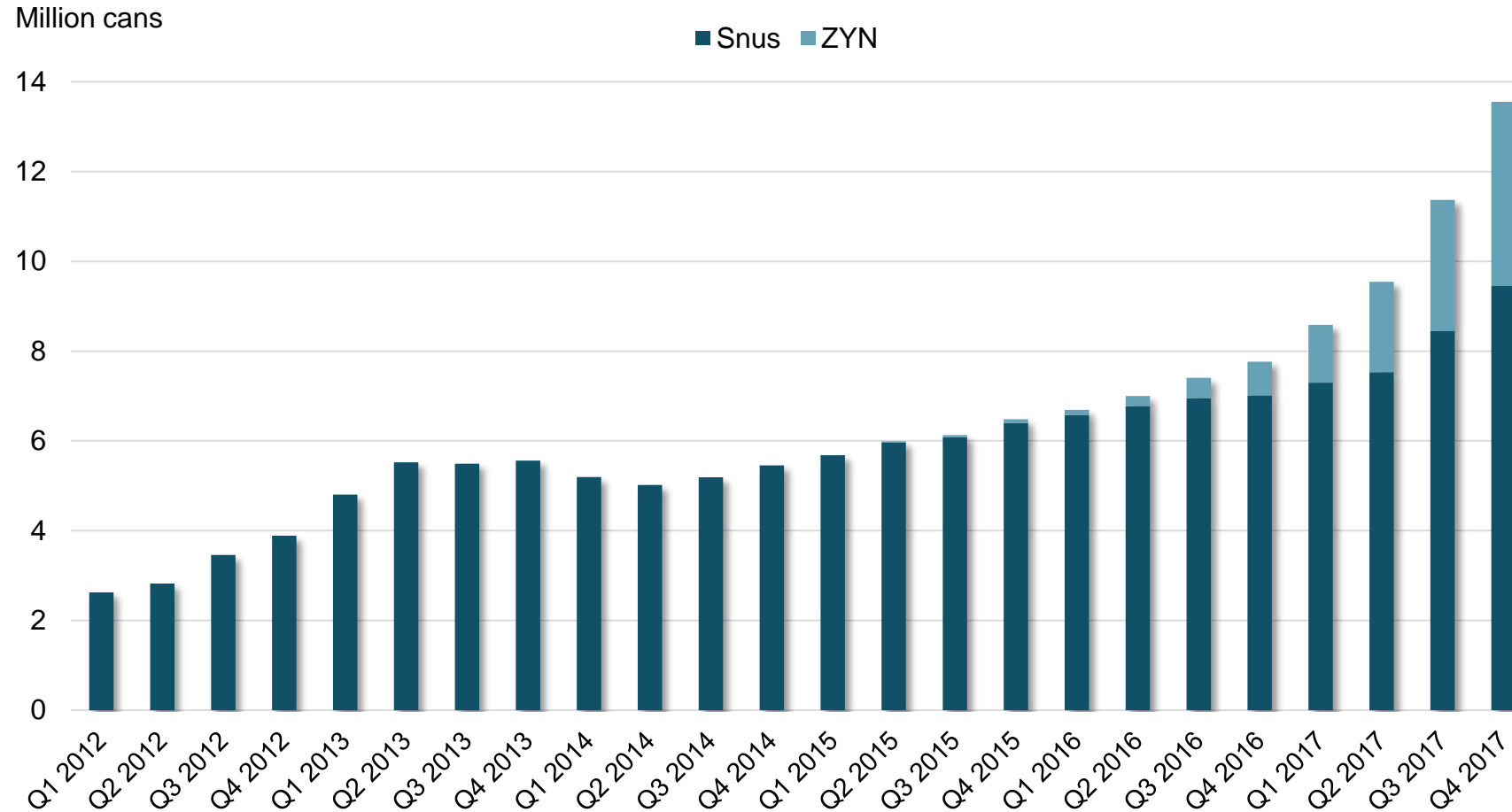
US CIGARS – HISTORICAL VOLUME DEVELOPMENT

2017 represents another record breaking year in terms of number of sold cigars



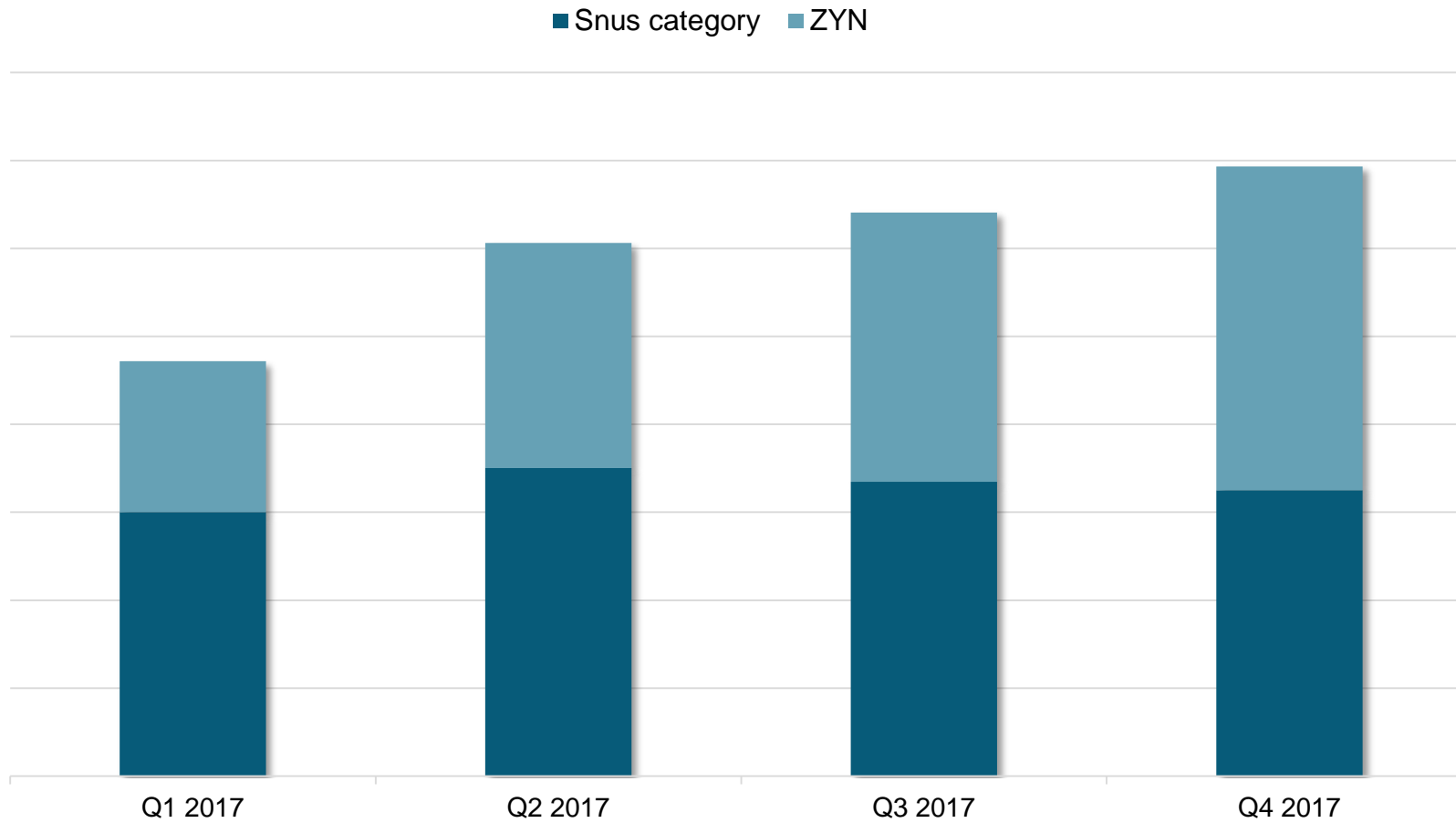
SNUS AND NICOTINE POUCH VOLUMES OUTSIDE SCANDINAVIA

Swedish Match's shipments of snus and nicotine pouches outside of Scandinavia by rolling four quarters



ZYN – VELOCITY OUTPACING SNUS CATEGORY IN STORES CARRYING BOTH PRODUCTS

Quarterly average of cans per store per week in stores carrying both snus and ZYN (3,408 stores)*



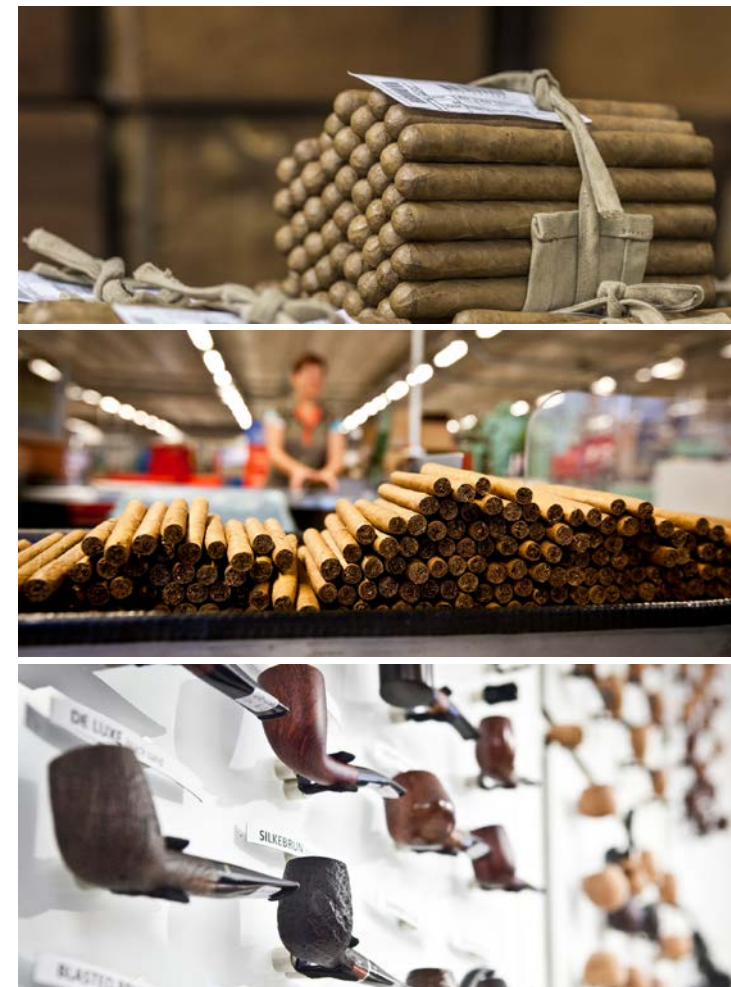
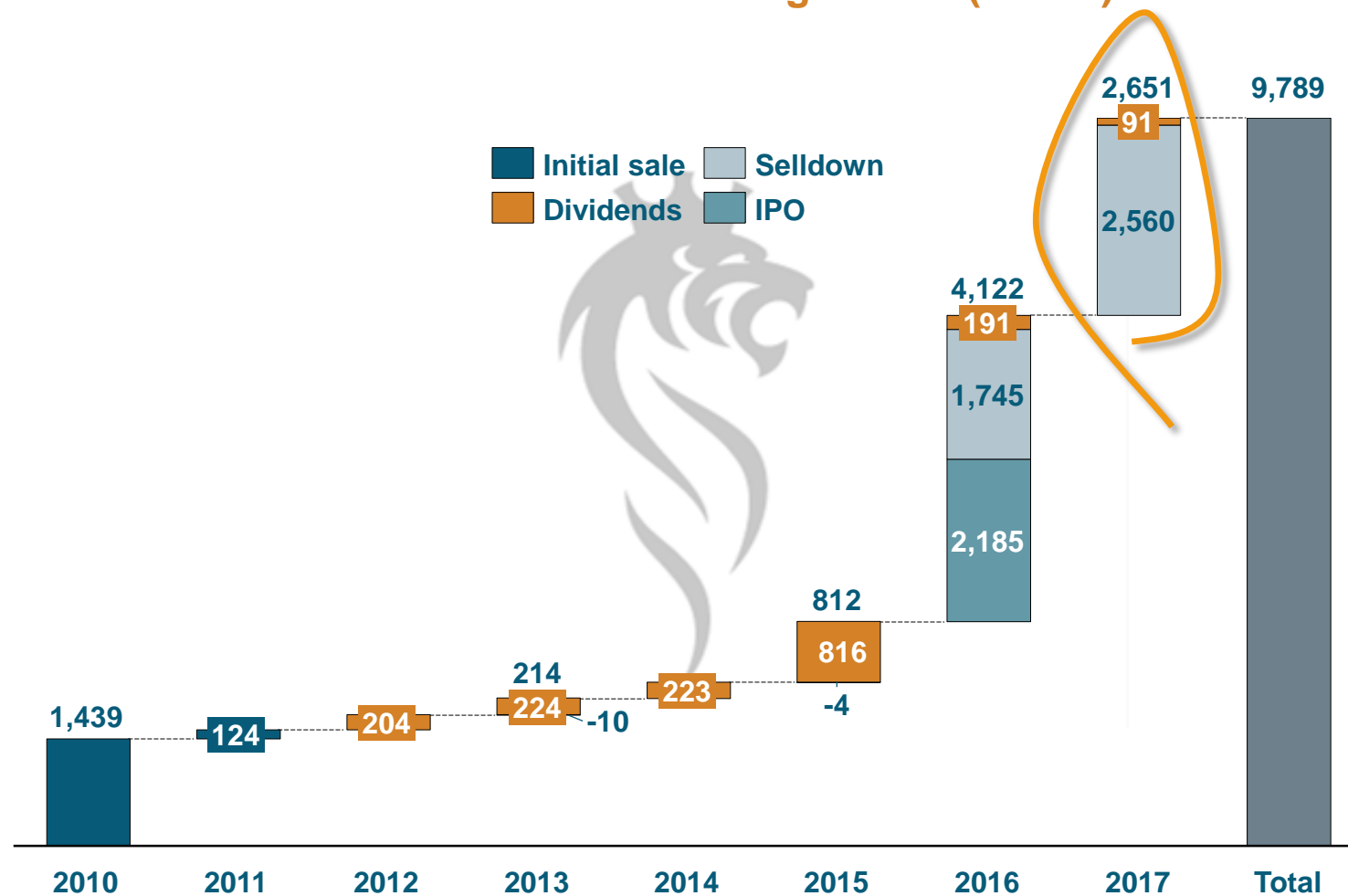
* ZYN was introduced in these stores during 2016.

ZYN – INVESTMENT IN ZYN PRODUCTION INITIATED IN OWENSBORO, KENTUCKY



FINAL SELLDOWN OF SHARES IN STG

Total return for Swedish Match's holding in STG (MSEK)



ACQUISITION OF V2 TOBACCO

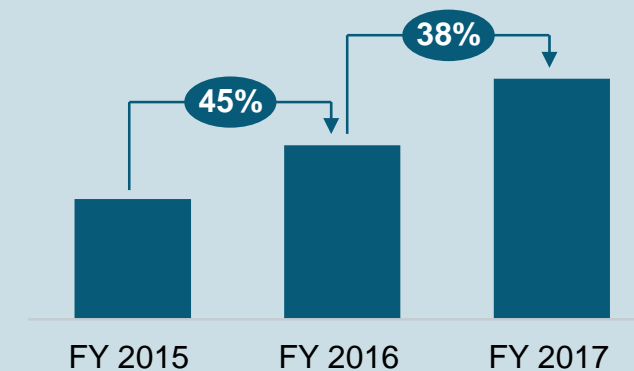
- Profitable, dynamic, and growing company with well-known brands
- State of the art production facilities in Silkeborg, Denmark
- Provides Swedish Match with scale and a stronger position for chew bags



The chew bag market in Denmark



Volume growth y-o-y*



* Source: Nielsen Denmark 4-week data, DVH/Convenience incl. HD.

ACQUISITION OF OLIVER TWIST



Denmark's oldest independent tobacco manufacturer

Develops, produces and sells chewing tobacco bits made of processed tobacco strands under the brand Oliver Twist

Annual turnover in the range of 60 MDKK, 33 employees (FTE)

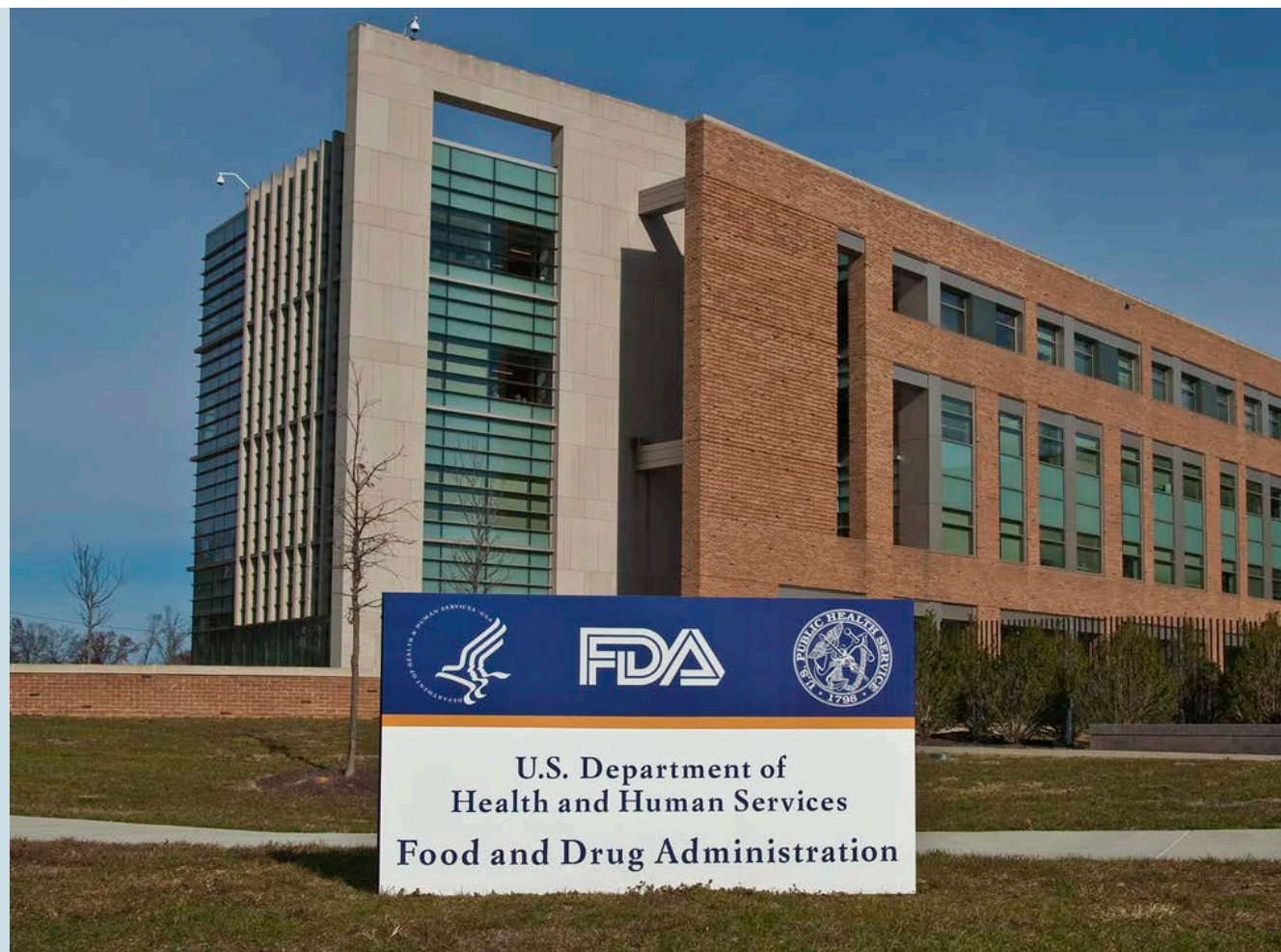
Good complement to Swedish Match's smokeless portfolio, increased depth to chewing tobacco offerings, especially in Europe



- **ECJ hearing with regard to the ban on the sale and distribution of snus within the EU on January 25, 2018.**
- **The Advocate General expected to give his opinion on April 12, 2018.**

“ Envisioning a world where cigarettes would no longer create or sustain addiction, and where **adults who still need or want nicotine could get it from alternative and less harmful sources**, needs to be the cornerstone of our efforts – and we believe it’s vital that we pursue this common ground. ”

FDA Commissioner
Scott Gottlieb, M.D



CONTINUED PROGRESS IN OUR SUSTAINABILITY WORK



Improve public health

Our goal is to eliminate cigarette use and tobacco related morbidity and mortality by offering smokers attractive sources of nicotine for recreational use (such as Swedish snus and other nicotine containing products like ZYN).



Ensure ethical business practices

At Swedish Match, we will take the necessary steps to ensure that ethical business practices are maintained within our own company and in our relationships with all outside parties.



Support equal opportunity

Our continuing objective is to be a truly open and inclusive employer. In this environment, with zero tolerance for discrimination, all employees have equal opportunity to achieve their full potential – resulting in a more diverse workplace.



Reduce greenhouse gases

Our goal is to reflect the commitments outlined in the Paris Agreement and thereby reduce emissions of greenhouse gases in our value chain.



Reduce waste

Our goal is to reduce waste generated at our own production facilities.



Eliminate child labor

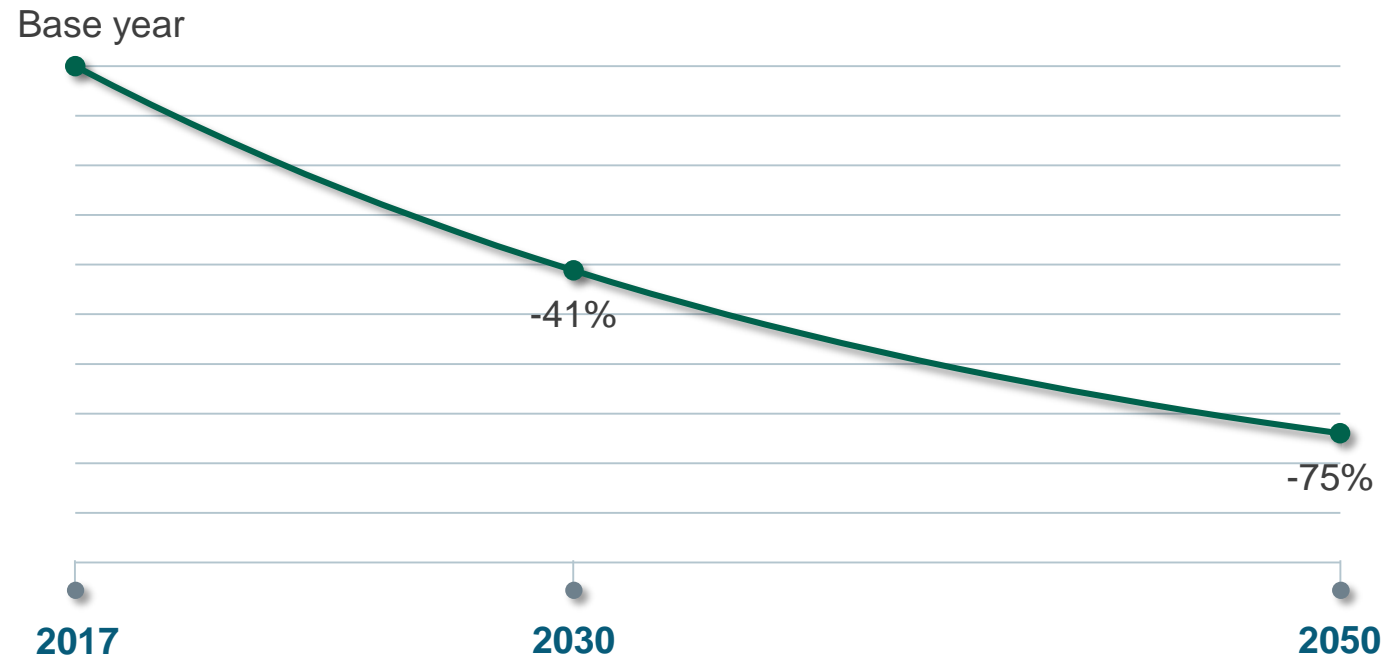
Our goal is the elimination of child labor in the Company's value chain.

LONG-TERM TARGETS FOR REDUCTION OF GREENHOUSE GAS EMISSIONS ESTABLISHED



Reduce greenhouse gases

Our goal is to reflect the commitments outlined in the Paris Agreement and thereby reduce emissions of greenhouse gases in our value chain.





Thank you!