



**ANNUAL GENERAL MEETING**  
**2016**

# Lars Dahlgren

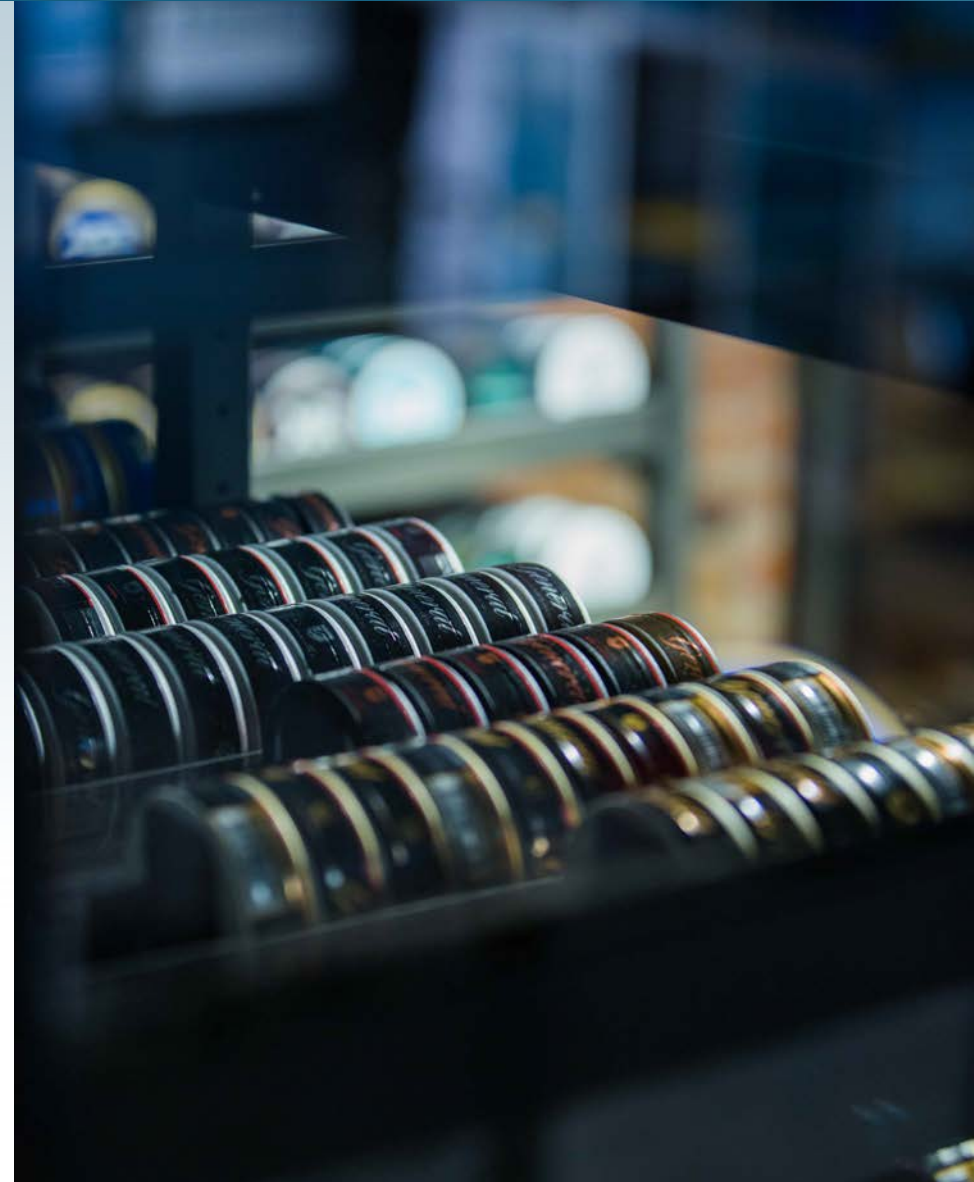
*President and CEO*





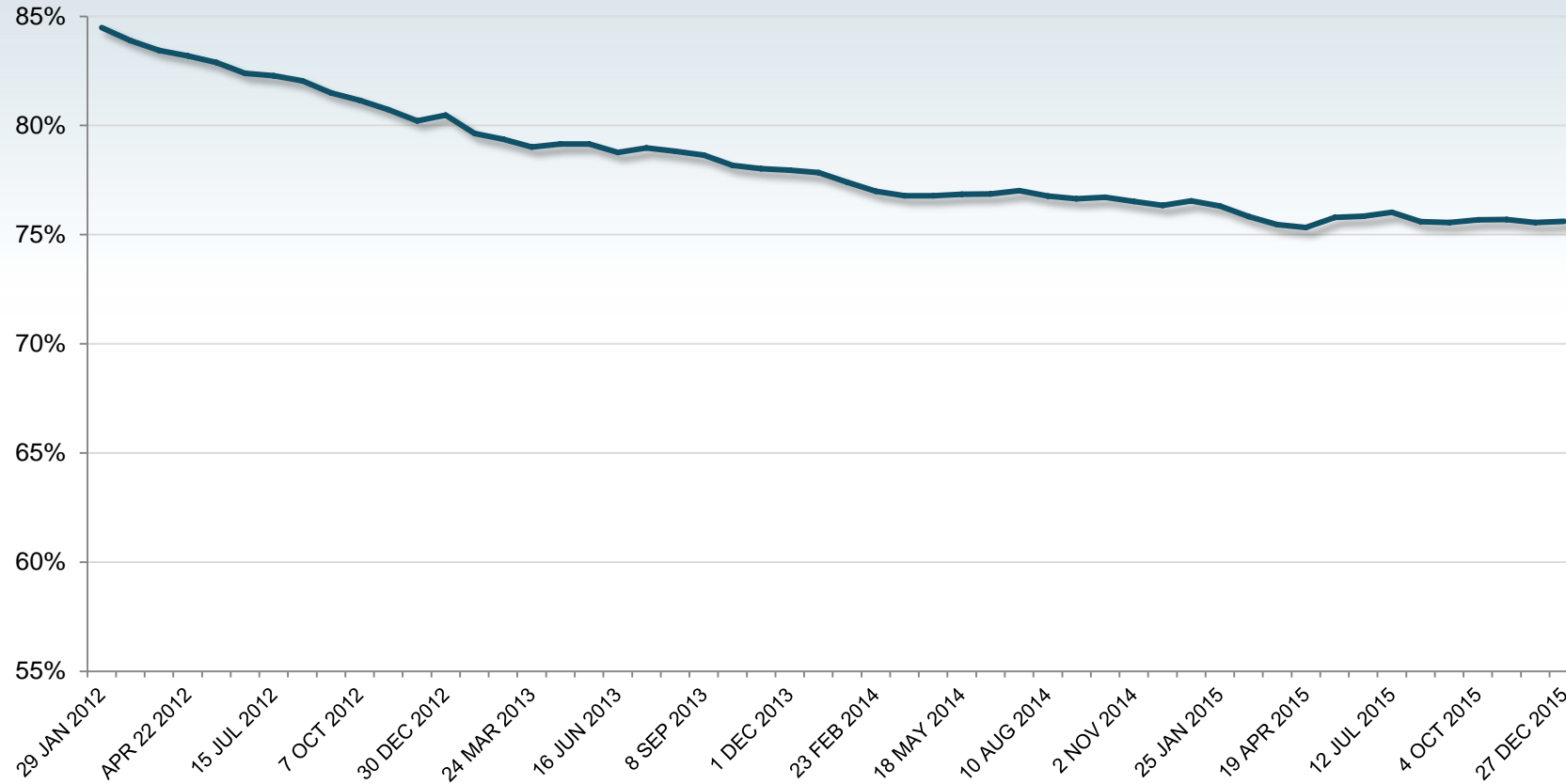
# SUMMARY OF 2015

- **Increase in sales and operating profit**
  - Sales increased by 9 percent. In local currencies, sales increased by 2 percent.
  - Operating profit from product areas increased by 7 percent. In local currencies, operating profit from product areas declined by 2 percent.
  - Basic EPS amounted to 14.48 SEK.
- **An eventful year**
  - Significant growth of the snus markets in Sweden and Norway.
  - Stabilized market share in Sweden.
  - Volume record for cigars in the US.
  - Consolidation of distribution centers in Sweden.
  - Dissolution of the joint venture SMPM International.
  - Preparations for the IPO of STG.
  - Regulatory developments.



# MARKET SHARE DEVELOPMENT IN SWEDEN

## Market share (%), value



Source: Nielsen



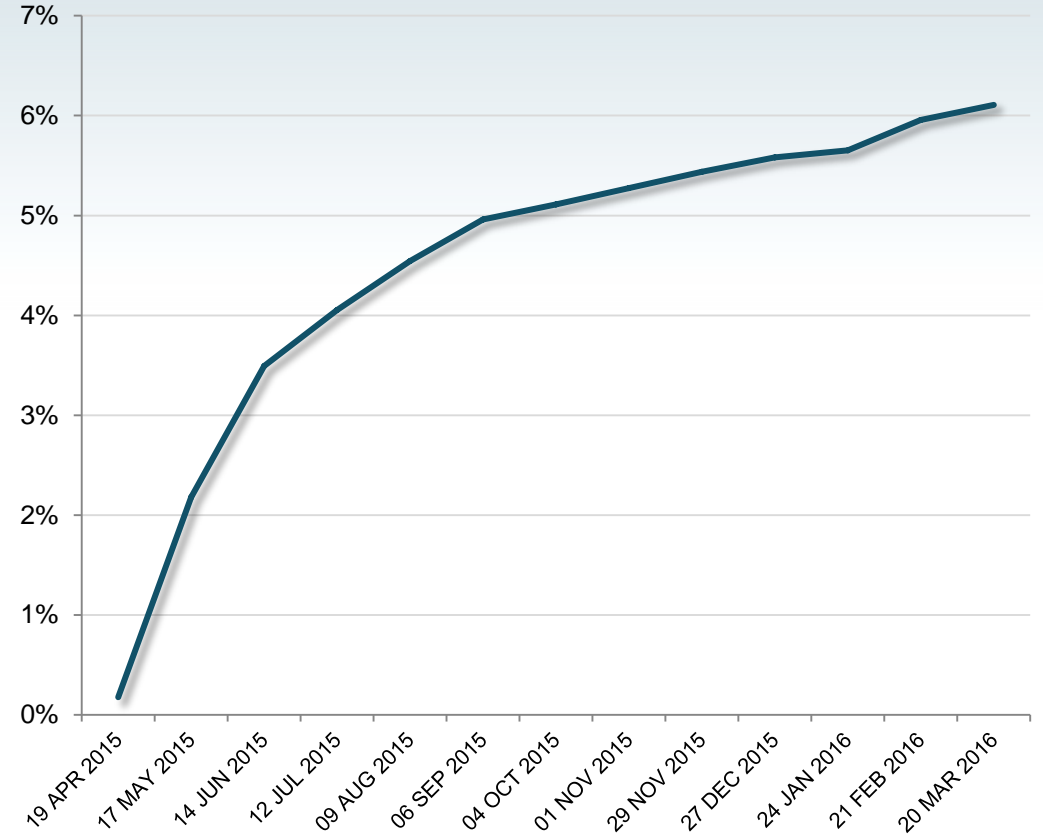
# XRANGE

is an innovative snus series at a competitive price.  
XRANGE was launched in Sweden in April 2015.



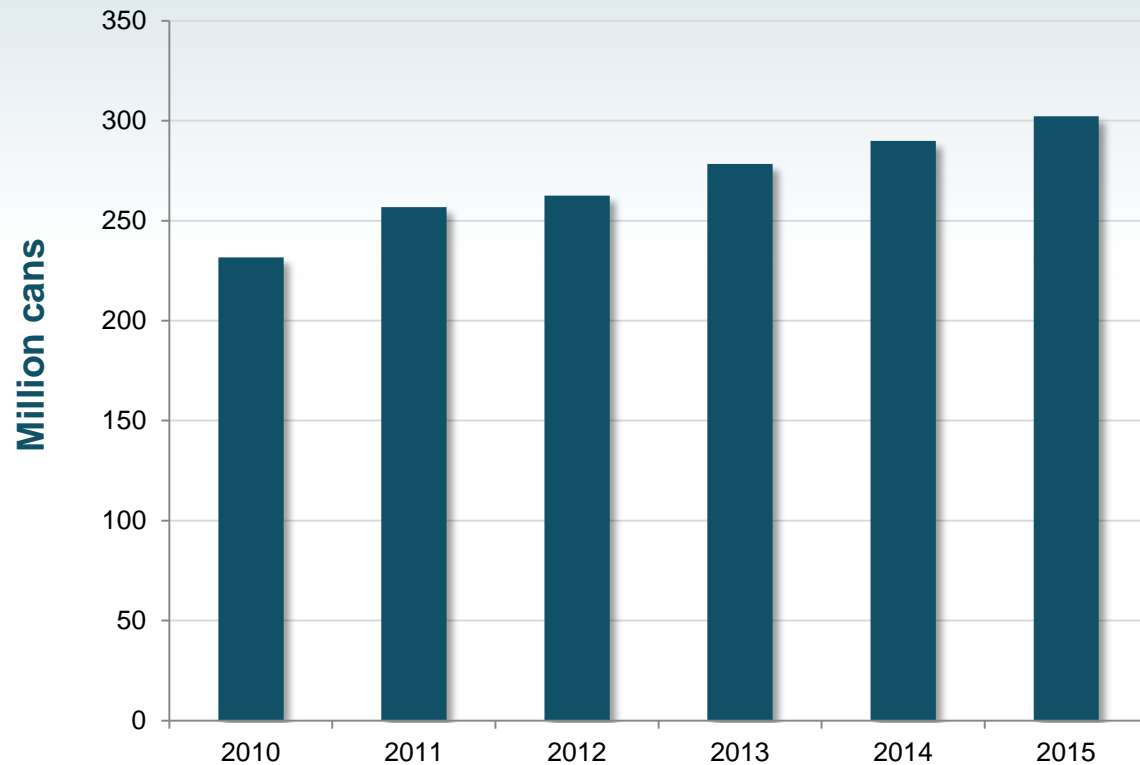
Source: Nielsen

Market share for XRANGE,  
4 weeks rolling (volume)

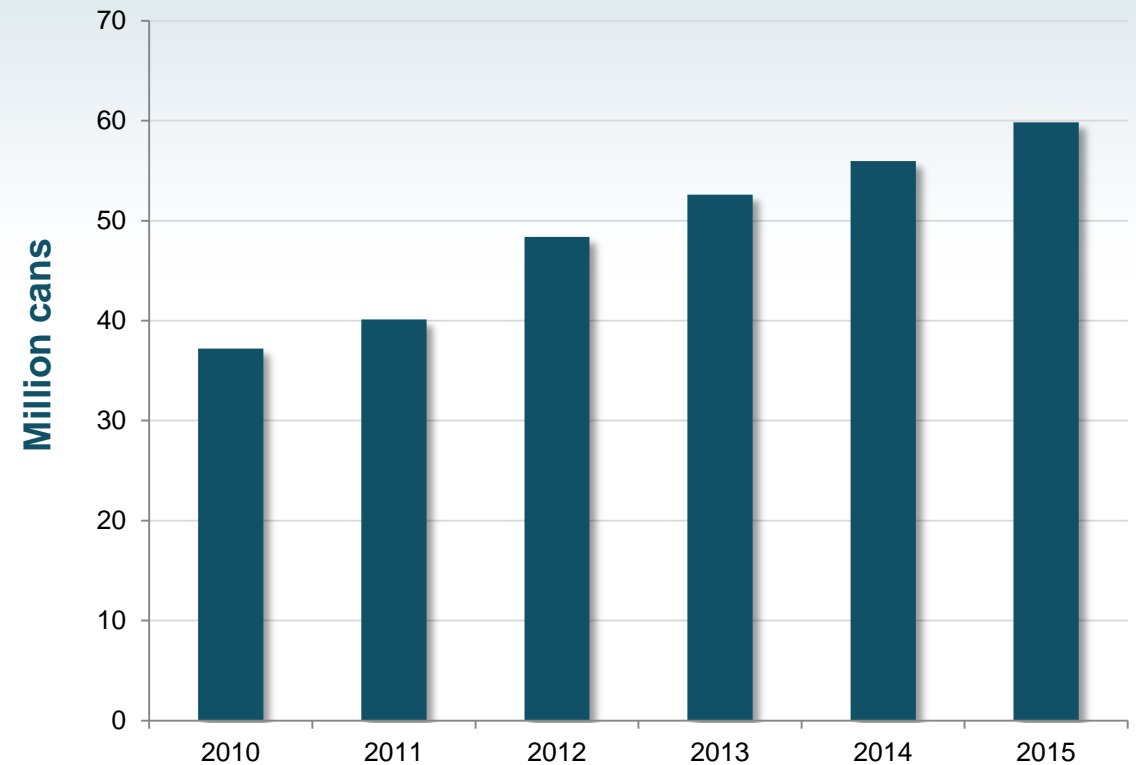


# STRONG CATEGORY GROWTH IN SCANDINAVIA DURING 2015

The number of snus users exceeded one million in Sweden for the first time



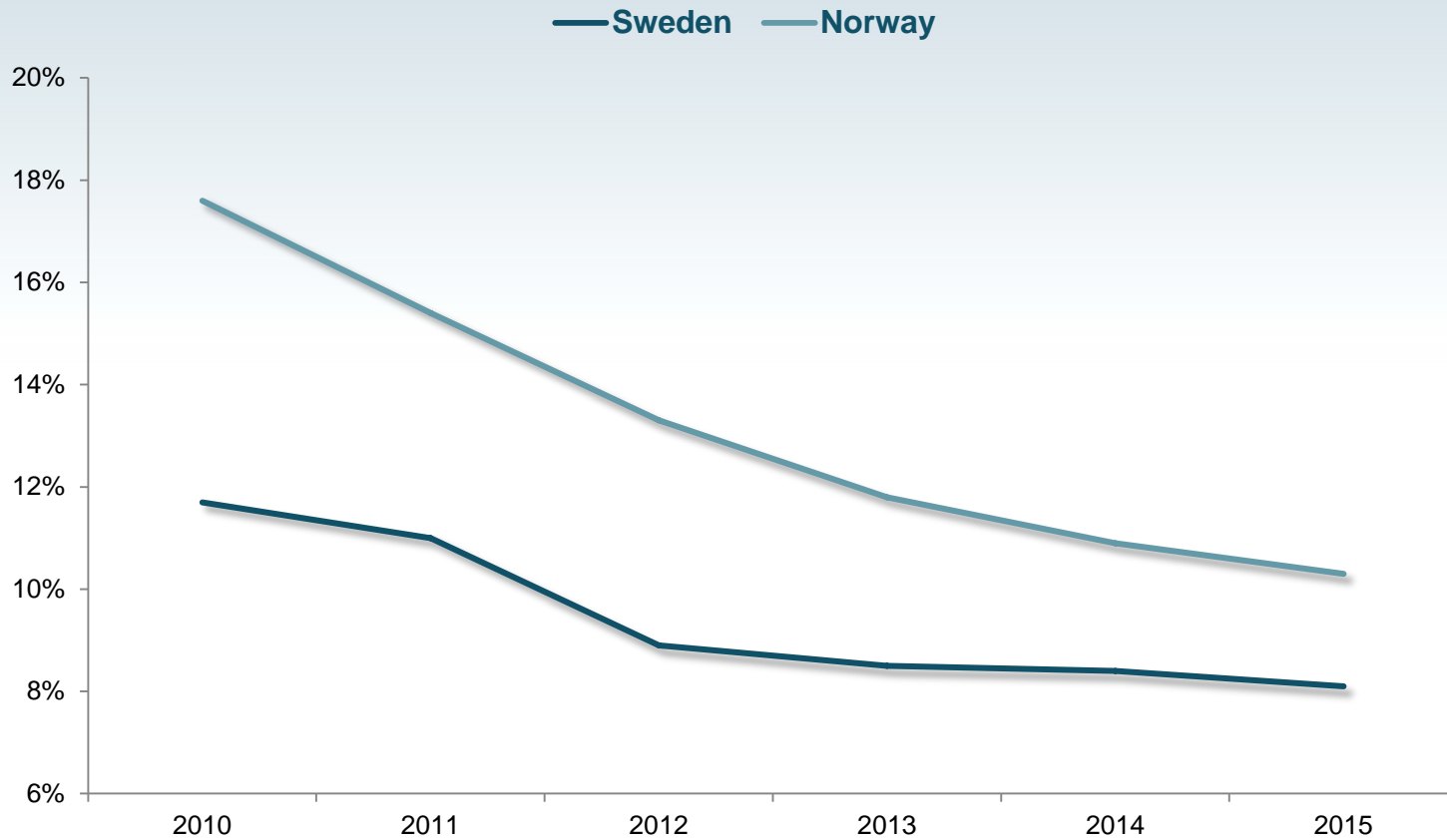
In Norway, the strong market growth continued



Sources: Nielsen and Swedish Match estimates and Ipsos.

# THE WORK TOWARDS OUR VISION CONTRIBUTES TO PUBLIC HEALTH

## Share of daily smokers in the adult population (%)



Source: Ipsos





# MORE AND MORE REGULATIONS

## En översyn av tobakslagen - Nya steg mot ett minskat tobaksbruk

ID-nummer: SOU 2016:14

Ansvarig: [Socialdepartementet](#)

Tobaksdirektivsutredningen lämnar i detta slutbetänkande ett antal förslag som syftar till att minska bruket av tobak och till att motverka illegal handel med tobak.

## Swedish tobacco company to challenge FDA demands for warning labels

Swedish Match argues moist powdered tobacco product snus should not have to carry warning labels, citing studies that say it is less harmful than cigarettes

# Vill få USA att välja prillorna

Ekonomi

## Swedish Match välkomnar skärpta snusföreskrifter

PUBLICERAD 2016-04-12

Livsmedelsverket har beslutat om gränsvärden för bland annat bly i snus. Swedish Match välkomnar skärpningen.



Helse- og omsorgsminister Bent Høie viste de ny innpakningene til snus og tobakspakker, på en pressekonferanse om for tobakksområdet. Foto: Vidar Ruud / NTB scanpix

## Høie vil gjøre røyk og snus kjedelig

Like pakker med lik skrift, advarsler og farger skal forhindre at barn og unge fristes til å bruke tobakksprodukter.

# Förslaget: Göm snuset i butiken



## Nationella riktlinjer för sjukdomsförebyggande metoder 2011

Tobaksbruk, riskbruk av alkohol, otillräcklig  
fysisk aktivitet och ohälsosamma matvanor

Stöd för styrning och ledning



### Tillståndens svårighetsgrad

För att kunna rangordna olika tillstånd i förhållande till varandra gör Socialstyrelsen en bedömning av varje tillståndets svårighetsgrad. Svårighetsgraden avgörs utifrån hur stor risken är för sjukdom, sänkt livskvalitet och förtida död vid ett visst tillstånd.

Socialstyrelsen har delat in svårighetsgraden i fyra nivåer:

- mycket kraftigt förhöjd risk
- kraftigt förhöjd risk
- måttligt förhöjd risk
- något förhöjd risk.

### De olika levnadsvanornas svårighetsgrad

Socialstyrelsens bedömning av de olika levnadsvanornas svårighetsgrad, det vill säga risk för sjukdom, sänkt livskvalitet och förtida död, redovisas i nedanstående tabell.

Tabell 2. Svårighetsgrad för respektive levnadsvana

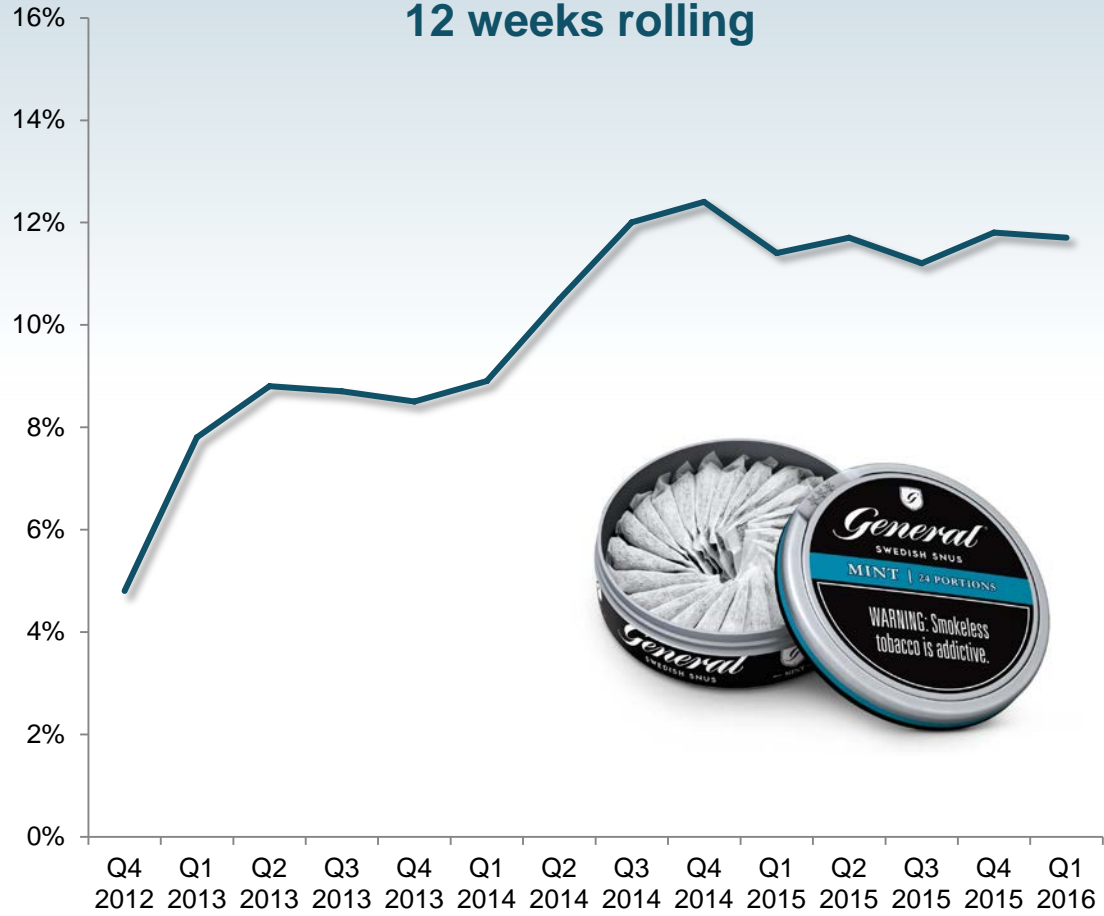
Levnadsvana	Svårighetsgrad
Daglig rökning	Kraftig till mycket kraftig
Daglig snusning	Något till måttlig
Riskbruk av alkohol	Kraftig
Otillräcklig fysisk aktivitet	Kraftig
Ohälsosamma matvanor	Kraftig

# SWEDISH MATCH'S SNUS STORES



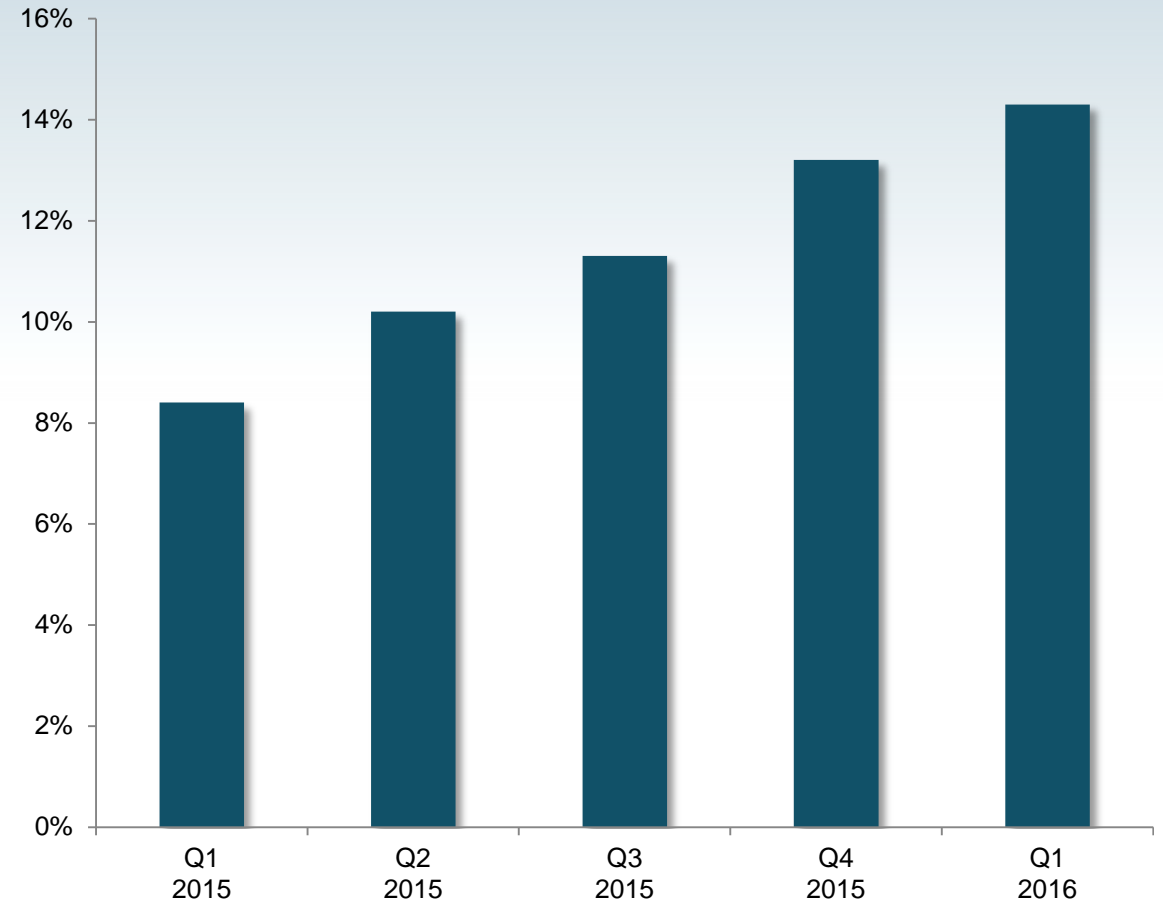
# SNUS EXPANSION CONTINUES IN THE US

## Market share for General, 12 weeks rolling



Source: Nielsen

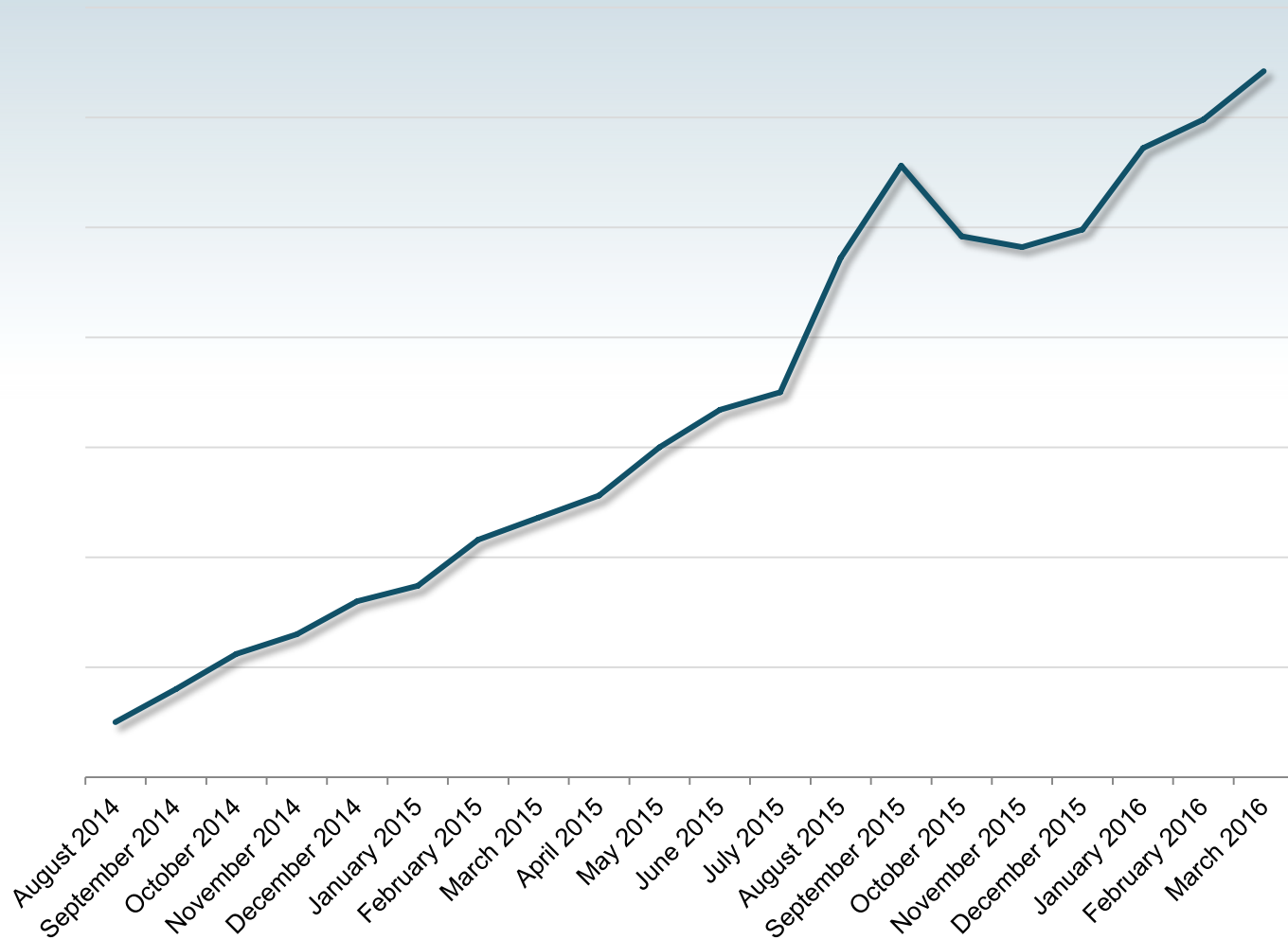
## Category growth by quarter



Source: Industry estimates

# TEST LAUNCH OF ZYN<sup>NT</sup> IN THE US

Sales in test stores, cans/store/week

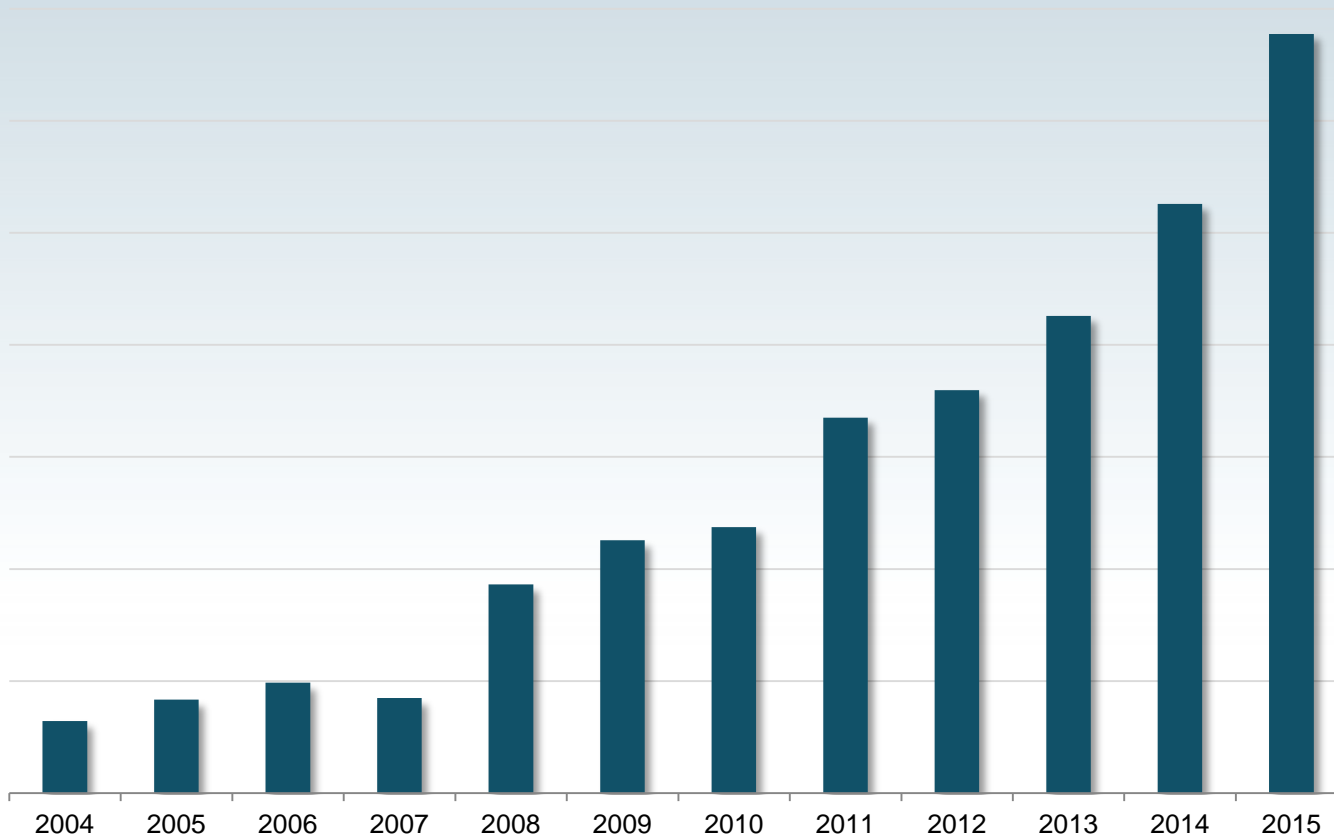


- Test of ZYN<sup>NT</sup> in the US, a nicotine pouch product without tobacco.



# LAUNCH OF CHEW BAGS IN SWITZERLAND

## Imports of smokeless products, volume



Source: Swiss Federal Customs Administration



## Innovative new products and product concepts



## Product quality and continuous improvement



# FDA APPLICATIONS FOR GENERAL SNUS IN THE US

## Applications to the US Food and Drug Administration (FDA)

Application for a Modified Risk Tobacco Product (MRTP) classification for General snus

FDA's decision is expected during 2016

Application to commercialize new snus products with the General brand through the FDA premarket tobacco application (PMTA) pathway

Application approved





## PRODUCT APPLICATIONS FOR GENERAL APPROVED BY FDA

- **Swedish Match is the first and only tobacco company in the US to have such an approval from the FDA**

*“Assuming persons who would have used other US smokeless tobacco products use these product instead, an individual using these products with reduced nitrosamine levels could decrease the excess cancer risk by 90 percent compared to use of moist snuff, 67 percent compared to use of chewing tobacco, 38 percent compared to use of US-style snus, and 92 percent compared to use of dry snuff.”*

FDA, November 10, 2015

