

COMPANY PRESENTATION



WHO WE ARE, WHAT WE DO

Swedish Match develops, manufactures, and sells quality products with market-leading brands in the product segments Snus and moist snuff, Other tobacco products, and Lights. With its vision “a world without cigarettes”, the Group is dedicated to the improvement of public health by offering attractive alternatives to cigarettes with its smokefree products.

Some of Swedish Match’s brands include: General (snus), Longhorn (moist snuff), ZYN (nicotine pouches), Onico (pouch products with neither tobacco nor nicotine), White Owl (homogenized tobacco leaf cigars), Game (natural leaf cigars), Red Man (chewing tobacco), Thunder (chew bags), Oliver Twist (tobacco bits), Fiat Lux (matches), and Cricket (lighters).

Production is located in seven countries with the majority of Group sales coming from Scandinavia and the US.

The Swedish Match share is listed on Nasdaq Stockholm (SWMA).



A WORLD WITHOUT CIGARETTES

We create shareholder value by offering consumers enjoyable nicotine-containing products of superior quality in a responsible way. By providing products that are recognized as safer alternatives to cigarettes, we can contribute significantly to improved public health.

HIGHLIGHTS IN SWEDISH MATCH'S HISTORY

- 1996** Listed on Nasdaq Stockholm
- 1999** Divested cigarette operations
Acquired General Cigar's operations of machine made cigars in the US
- 2008** Manufacturing agreement with National Tobacco for chewing tobacco in the US
- 2009** Divested pipe tobacco operations in South Africa
- 2010** Creation of new STG: cigars, pipe tobacco, fine cut tobacco (49% ownership), and simultaneous divestment of Swedish Match premium cigar, European cigar, and pipe tobacco businesses
- 2014** New Company vision: A world without cigarettes
- 2016** Reduced its shareholding in STG in connection with the listing of STG on Nasdaq Copenhagen and sold the final remaining shareholding in STG in 2017
- 2017** Acquired V2 Tobacco (chewing tobacco and snus business)
- 2018** Acquired Oliver Twist (chewing tobacco business) and 95% of the shareholding in Gotlandssnus (snus business)

For more information on Swedish Match's history, please visit the Company website.

SWEDISH MATCH TODAY

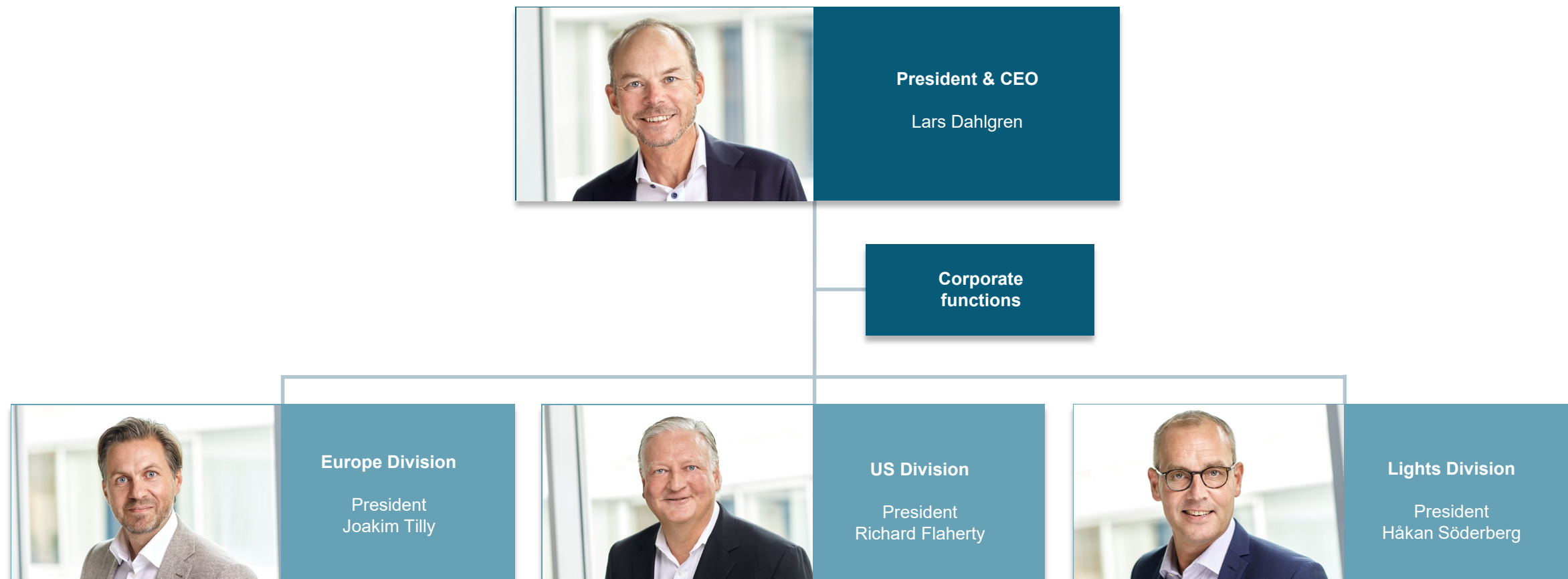
- Market leading position in the Scandinavian snus market and is the number two player for nicotine pouches.
- The third largest snus and moist snuff company in the US.
- The largest player in the US non-tobacco nicotine pouch market.
- The largest manufacturer of US chewing tobacco.
- The number two player in the US (mass market) cigar market.¹⁾
- A leading manufacturer and distributor of matches and lighters with a strong brand portfolio across the globe.
- A distribution function being the leading distributor of tobacco products on the Swedish market.

1) Swedish Match estimates based on actual shipments, excluding little cigars.

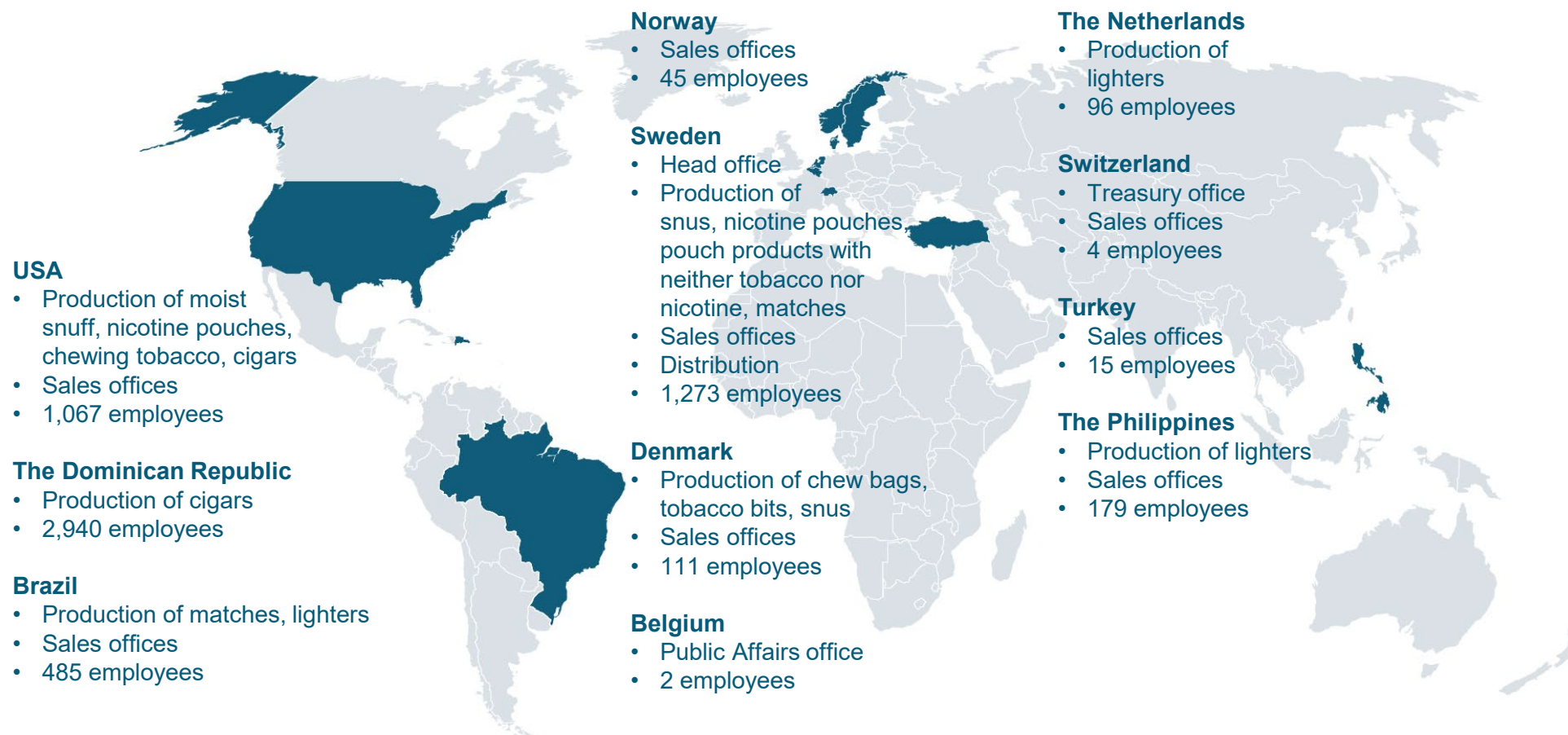


ORGANIZATION

Swedish Match's organization is made up of three divisions as well as Corporate functions.



OPERATING LOCATIONS



COUNTRIES

11

FACTORIES

15

EMPLOYEES

6,270

The number of employees refers to the average number of employees during 2019.

PRODUCT SEGMENTS AND MAIN GEOGRAPHIES¹⁾



SNUS AND MOIST SNUFF

Snus (Scandinavia, US)

Moist snuff (US)

Nicotine pouches
(Scandinavia, US)



OTHER TOBACCO PRODUCTS

Cigars (US)

Chewing tobacco (US, Europe)

Chew bags and tobacco bits
(Europe)



LIGHTS

Lighters (worldwide)

Matches (worldwide)

Complementary products
(Brazil)

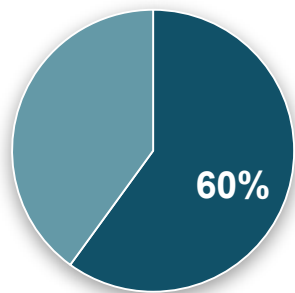
¹⁾ May exist in certain other areas other than those mentioned.

STRONG MARKET POSITIONS

SNUS AND MOIST SNUFF

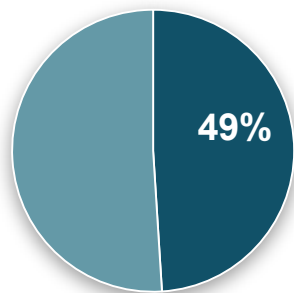
Snus
Sweden

#1



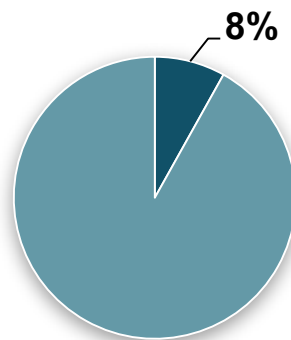
Snus
Norway

#1



Moist snuff
The US

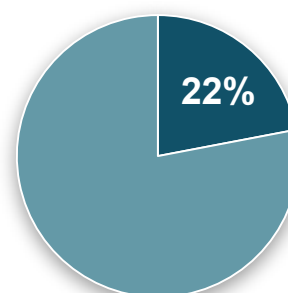
#3



OTHER TOBACCO PRODUCTS

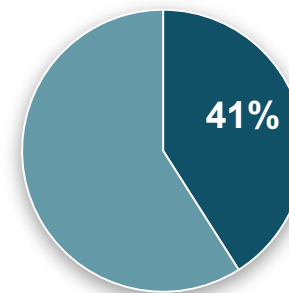
Cigars
The US

#2



Chewing tobacco
The US

#1



Source: Swedish Match estimates based on different sources, including Nielsen, and reported industry shipments. All figures refer to the full year 2019.

SWEDISH MATCH IN FIGURES 2019

SALES, MSEK

14,739

OPERATING PROFIT,
MSEK

5,307

EMPLOYEES

6,270

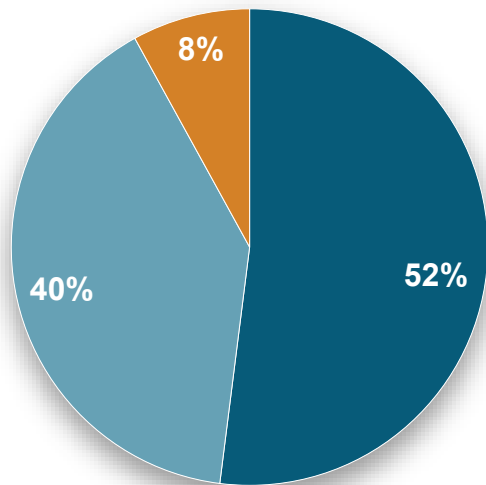
- Profit before income tax: 5,060 MSEK
- Profit for the year: 3,896 MSEK
- EBITDA from product segments: 6,312 MSEK
- EPS: 23.22 SEK
- Cash returned to shareholders¹⁾: 4,766 MSEK

¹⁾ Dividends plus share repurchases.

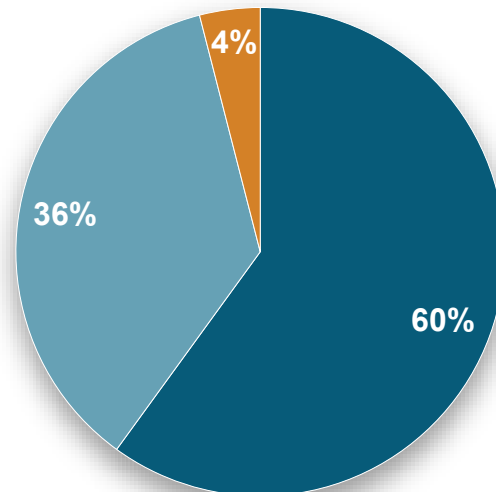


SALES AND OPERATING PROFIT IN 2019

**Sales
by product segment**



**Operating profit
by product segment**



■ Snus and moist snuff ■ Other tobacco products ■ Lights



SNUS AND MOIST SNUFF

Growth driven by innovative products and formats

- Leading position for snus in Scandinavia.
- A significant player for snus in the US.
- The third largest producer of moist snuff in the US.
- Production in Sweden (snus, nicotine pouches) and the US (moist snuff, nicotine pouches).

Main brands

Scandinavia

Snus, Sweden: General, Göteborgs Rapé, Kaliber, Kronan, Ettan, Grov, Catch

Snus, Norway: General, G.3, The Lab, Nick & Johnny

Nicotine pouches, Sweden and Denmark: ZYN

Nicotine pouches, Norway: G.4¹⁾

Pouch products with neither tobacco nor nicotine, Sweden and Norway: Onico

US

Moist snuff: Longhorn, Timber Wolf

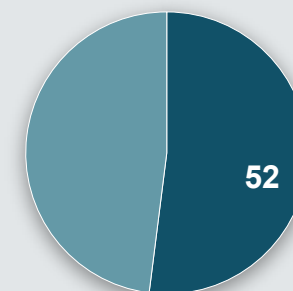
Snus: General

Nicotine pouches: ZYN

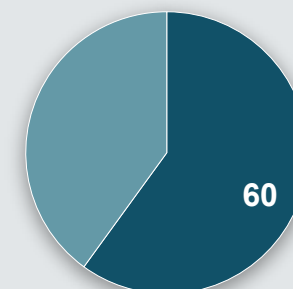


Share of product segments, full year 2019

Sales



Operating profit



1) Nicotine pouches are oral products that contain nicotine, but no tobacco. There are certain markets, like Norway, that do not currently allow nicotine pouches without tobacco. In those markets, nicotine pouches refer to products that contain small amounts of tobacco.

OTHER TOBACCO PRODUCTS

Strong player in US cigars and chewing tobacco

- The number two player in the US mass market cigar market.
- The largest manufacturer of US chewing tobacco.
- Production mainly in the US (cigars and chewing tobacco), the Dominican Republic (cigars), and Denmark (chew bags and tobacco bits).

Main brands

Cigars, the US: Garcia y Vega, Game by Garcia y Vega, 1882, White Owl, Jackpot

Chewing tobacco, the US: Red Man

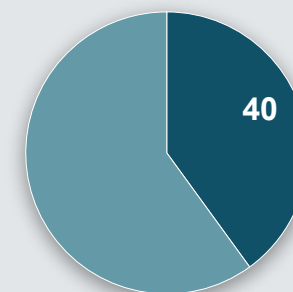
Chew bags, Europe: Thunder, General Cut

Tobacco bits, Europe: Oliver Twist

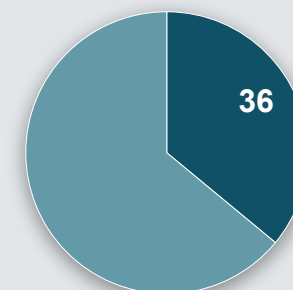


Share of product segments, full year 2019

Sales



Operating profit



Matches and lighters are sold across the globe

- Swedish Match is market leader in many markets. Match brands tend to be local and hold a strong position in their respective markets.
- Production in Brazil, the Netherlands, the Philippines, and Sweden.
- Strong presence in Latin America, especially for matches in Brazil, as well as in large parts of Europe and Asia Pacific.
- The Company also offers a portfolio of complementary products primarily in Brazil.

Main brands

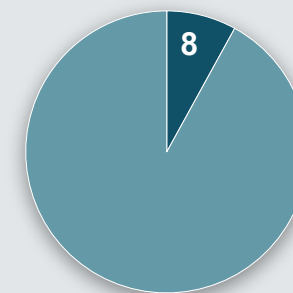
Matches: Solstickan (Sweden), Nitedals (Norway), Fiat Lux (Brazil), Redheads (Australia)

Lighters: Cricket (globally)

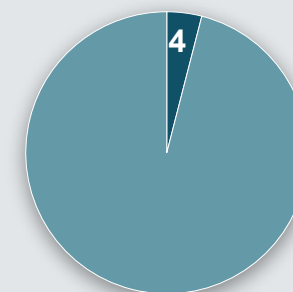


Share of product segments, full year 2019

Sales



Operating profit



OTHER OPERATIONS

Other operations consists of corporate functions providing services to the Swedish Match operating divisions. Services provided are in such areas as regulatory affairs, legal and financial services, and also includes a distribution function.

The distribution function provides services to Swedish Match in Sweden and Norway as well as to other manufacturers within the Swedish distribution network.



PRODUCT SEGMENTS FROM JANUARY 1, 2020



SMOKEFREE

Snus (Scandinavia and US)

Moist snuff (US)

Nicotine pouches (Scandinavia, US)

Chewing tobacco (US, Europe)

Chew bags and tobacco bits (Europe)



CIGARS

Cigars (US)



LIGHTS

Lighters (worldwide)

Matches (worldwide)

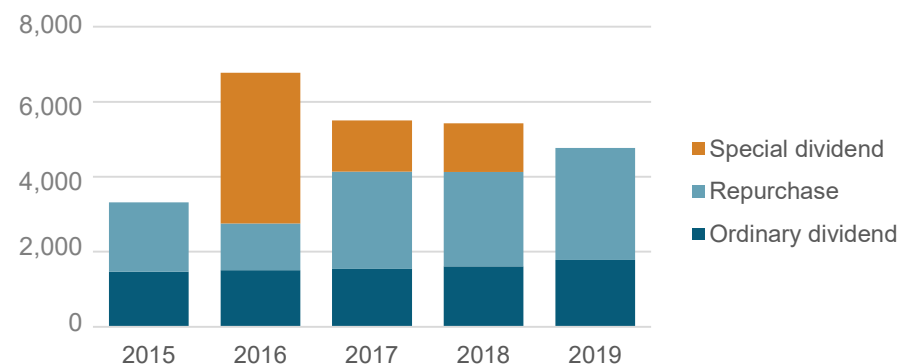
Complementary products (Brazil)

FINANCIAL STRATEGY & POLICY

Swedish Match's operations are characterized by strong cash flows

- **Financial strategy**
 - Optimize balance sheet
 - Return excess funds to shareholders
- **Financial policy**
 - Dividend policy: payout ratio of 40-60% of earnings per share
 - Maintain a net debt that does not exceed 3 times EBITA
 - Maintain an investment grade rating from Standard & Poor's and Moody's

Transfer of capital, MSEK



CORE VALUES

Swedish Match promotes a culture of openness and trust, and a healthy work environment. Our employees are actively engaged and demonstrate the Company's core values of passion, ownership, innovation and quality. Every decision the Company makes supports our strong corporate culture helping to drive a successful organization.

Passion, Ownership, Innovation, Quality

Swedish Match's core values are central to the Company's business ethics and, as such, they are demonstrated in all relations with stakeholders and are a natural part of the way the Company conducts business.



PASSION



OWNERSHIP



INNOVATION



QUALITY



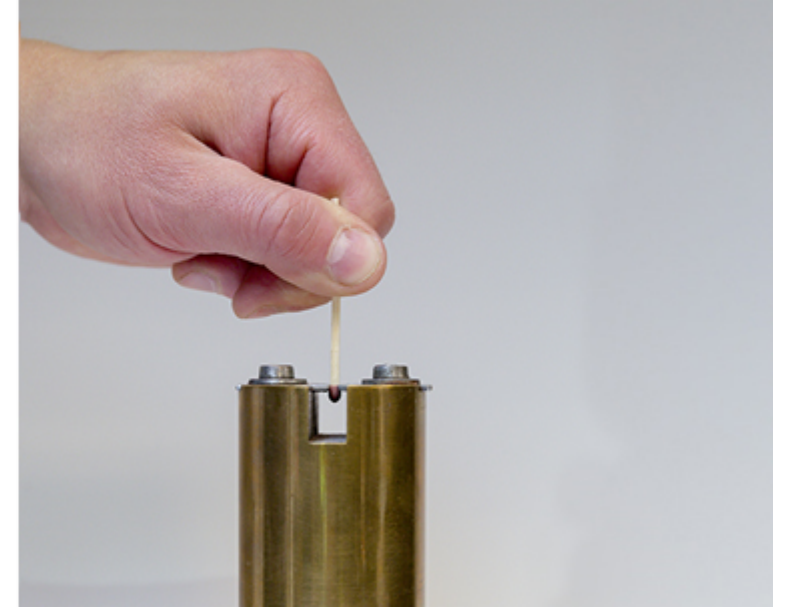
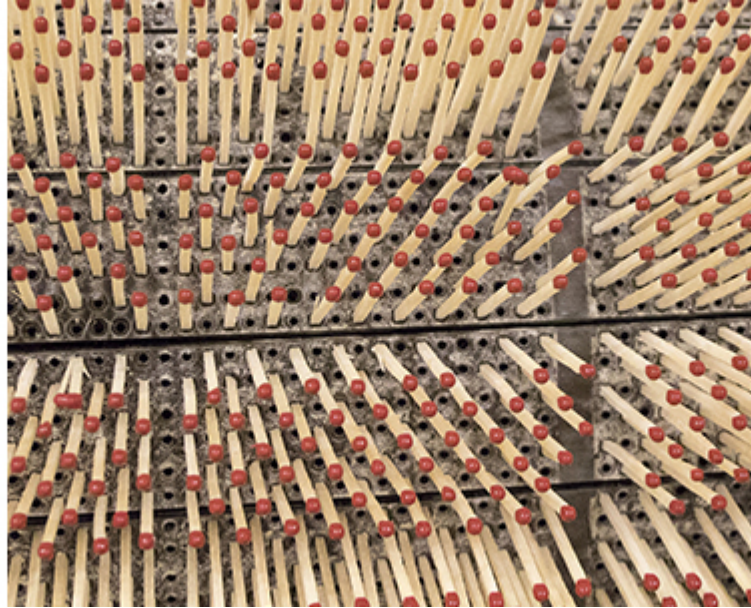
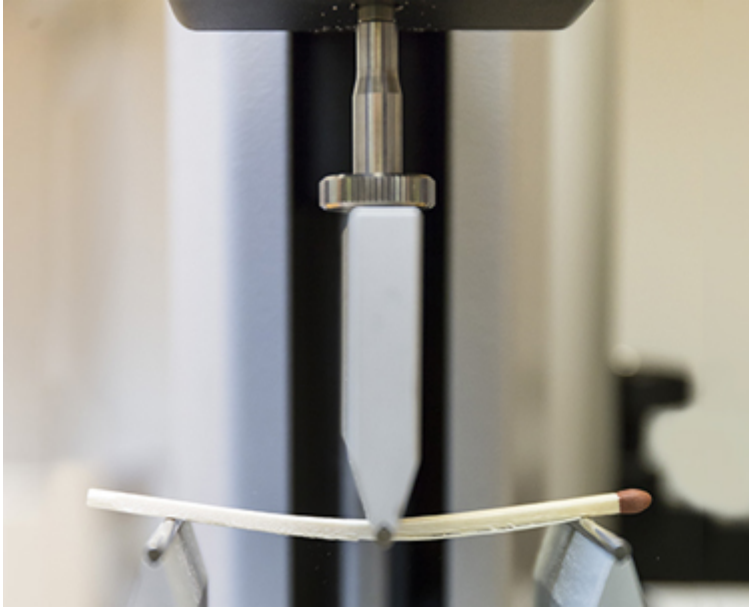
GOTHIA TEK® is the world-unique quality standard pursued by Swedish Match since 2000.

The uncompromising requirements that GOTHIA TEK® imposes on the company's snus products are based on decades of research and development, with product safety and consumer protection as the key targets.

GOTHIA TEK® is based on three cornerstones:

- Consumer care – through uniquely low limits for undesirable substances
- Quality – through 100% control from seed to can
- Openness – through information about the company's products and research results





The Swedish matches we manufacture and sell meet the world's highest quality and safety requirements.

The **MATCHTEK®** standard is an extension of the existing European match standard EN 1783:1997 (performance requirements, safety and classification). The restrictions are stricter than those in the EN 1783:1997, and the methods for analysis and testing are more complex. Our complying with this standard means our matches have been subject to rigorous quality control tests.



SUSTAINABILITY – OUR 6 FOCUS AREAS



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.



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.

OUR CODE OF CONDUCT

Our policies on practices regarding employment and labor, ethical business, the environment and workplace are based on the principles of the UN Global Compact. These policies are outlined in our Code of Conduct and underpinned by Group principles/procedures and local policies.



To be successful as a company we must act both responsibly and effectively. The Code of Conduct spells out the main principles on how we conduct business.”

Lars Dahlgren
President and CEO



OUR CONTRIBUTION TO THE UN SDGS

Our six sustainability focus areas and our overall sustainability strategy contribute to eight of the UN Sustainable Development Goals (SDGs).

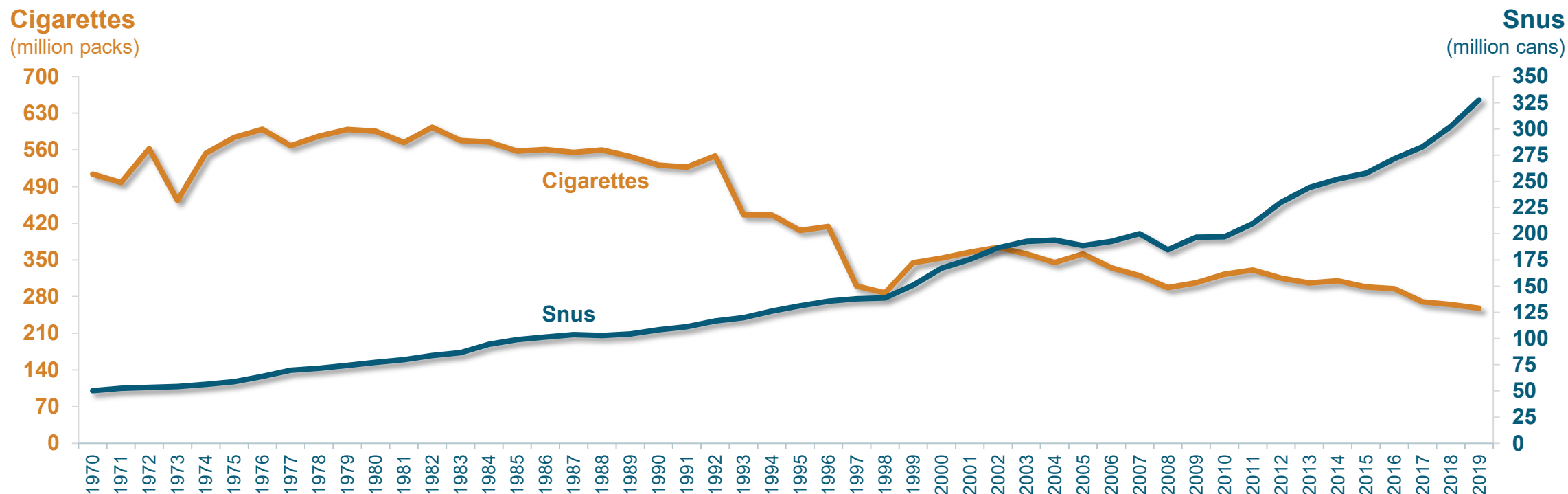
These are the areas that are material to the Company and where we believe we can have a positive impact.



HARM REDUCTION

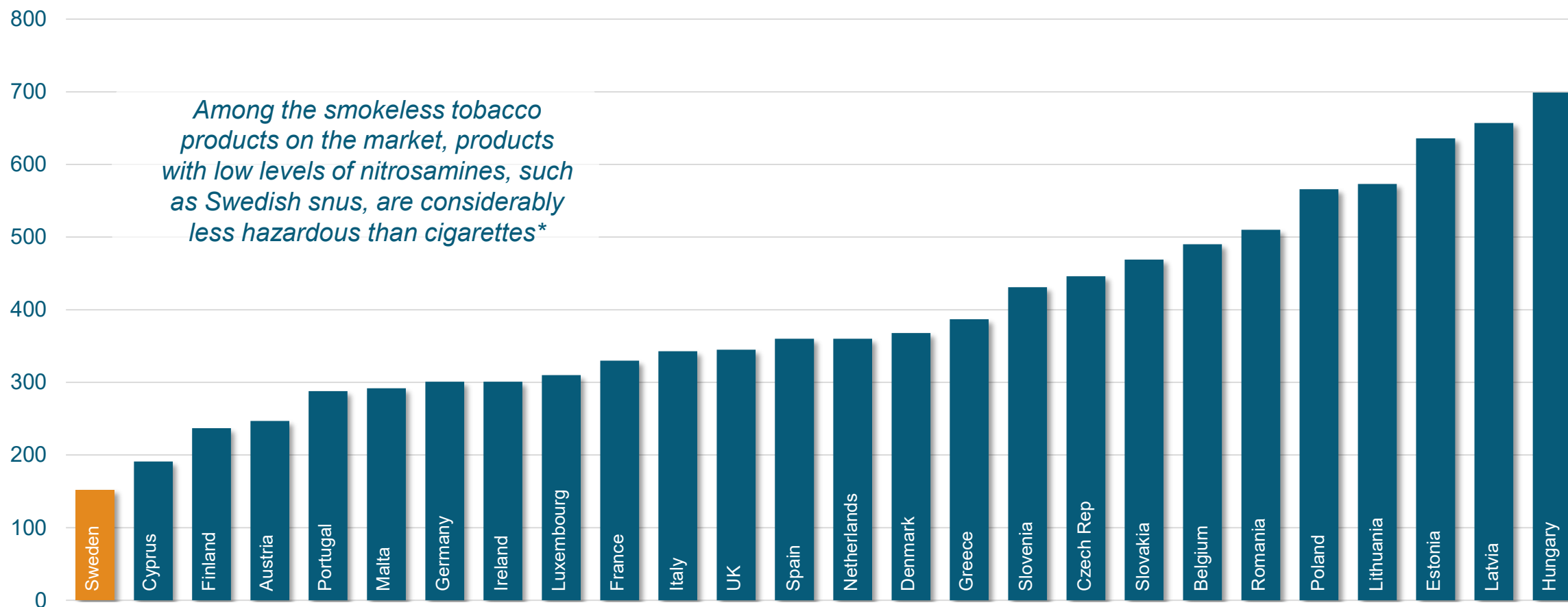
When cigarette smokers switch to safer nicotine containing products, they reduce their individual health risk. If enough smokers make the switch there is a public health gain that becomes clearly visible in public health statistics. This improvement in public health is what the scientists refer to as tobacco harm reduction.

For many years, Sweden has been highlighted as the best example of tobacco harm reduction. There has been a trend of Swedish smokers switching to snus ever since the late 1960s and as a result Sweden has the lowest incidence of tobacco related death and disease in the western world. This is especially pronounced among males since the switch to snus has been more prevalent among men. The tobacco trend seen in Sweden is known around the world as the Swedish Experience.



A VISION THAT CONTRIBUTES TO SOCIETY

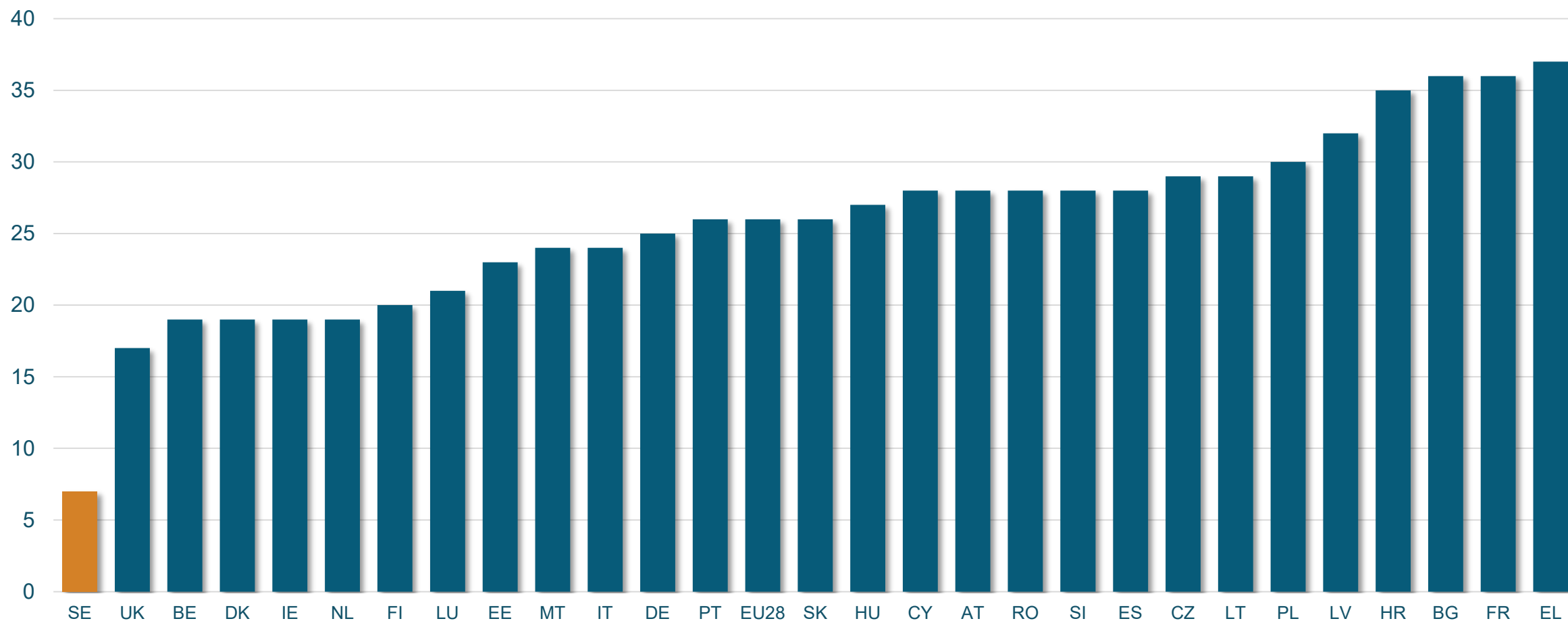
Mortality attributable to tobacco, men per 100,000 (WHO 2012)



* WHO Tob. Reg. Report 951, Scientific Basis of Tobacco Product Regulation 2008.

SMOKERS IN THE EUROPEAN UNION – MEN AND WOMEN

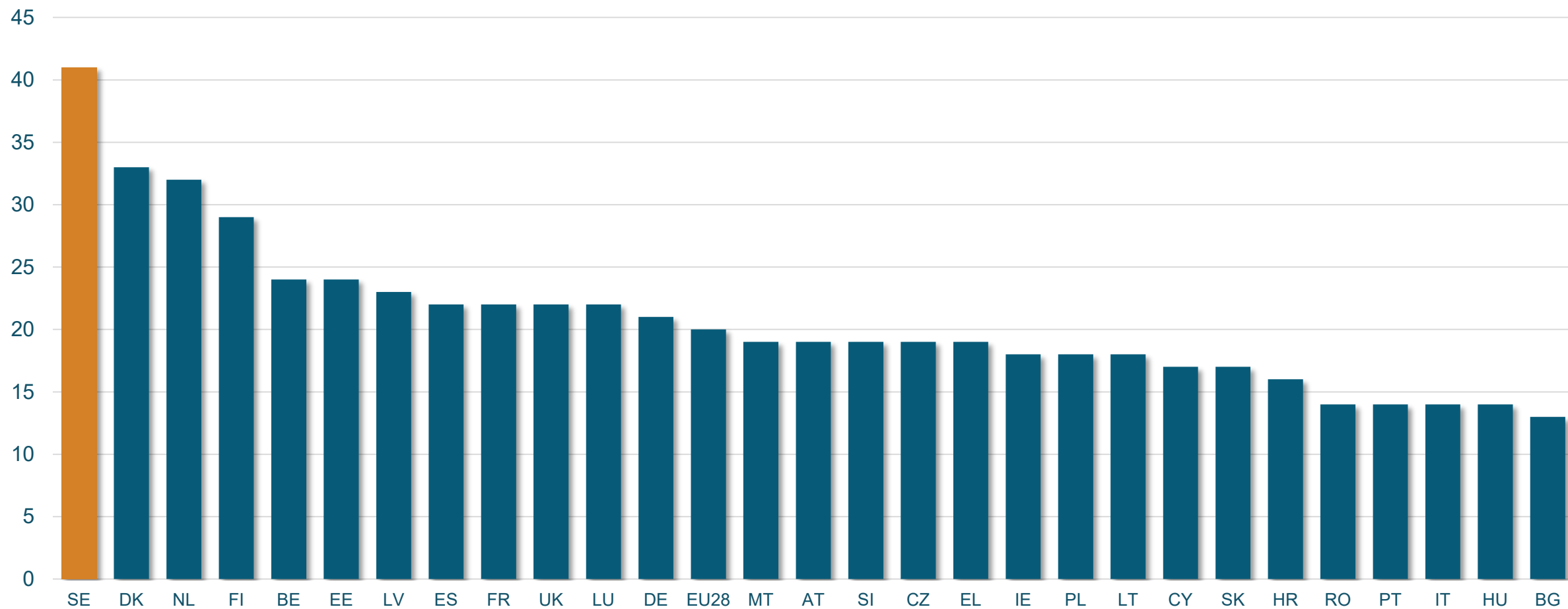
Smoking prevalence in the EU (%)



Source: Eurobarometer 458, May 2017.

EX-SMOKERS IN THE EUROPEAN UNION – MEN AND WOMEN

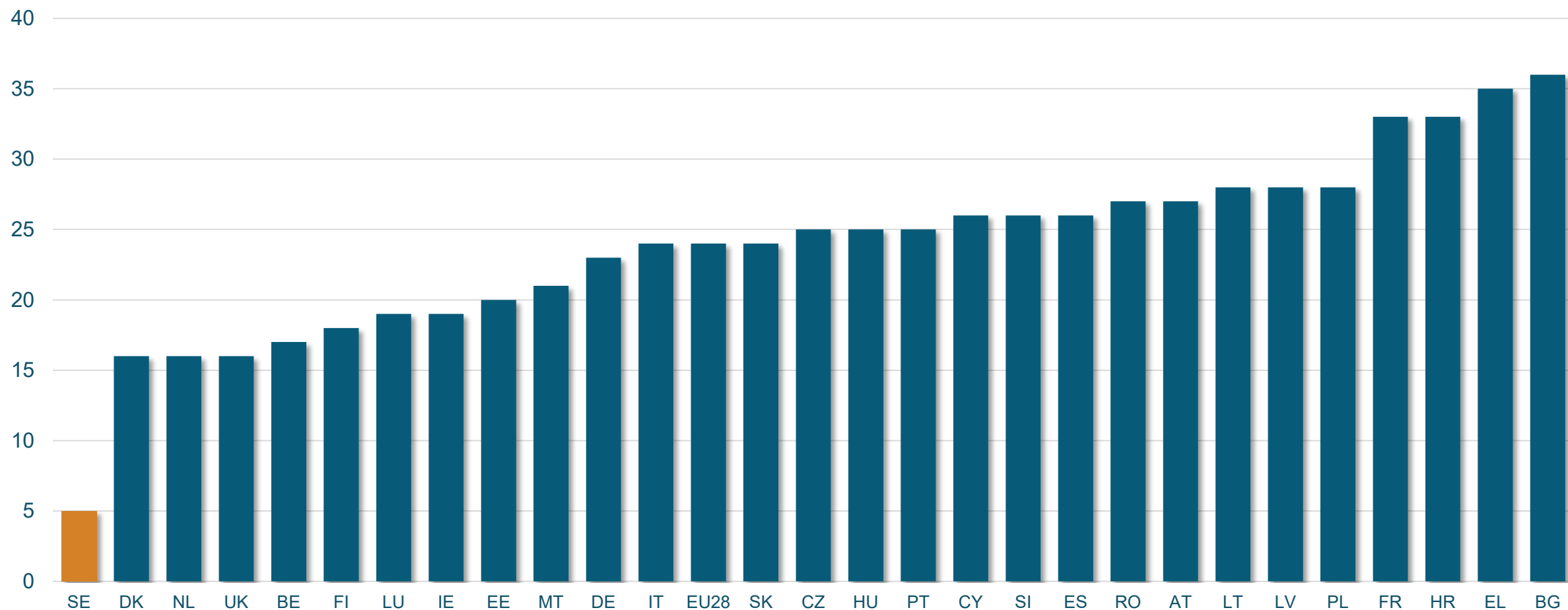
Prevalence of ex-smokers in the EU (%)



Source: Eurobarometer 458, May 2017.

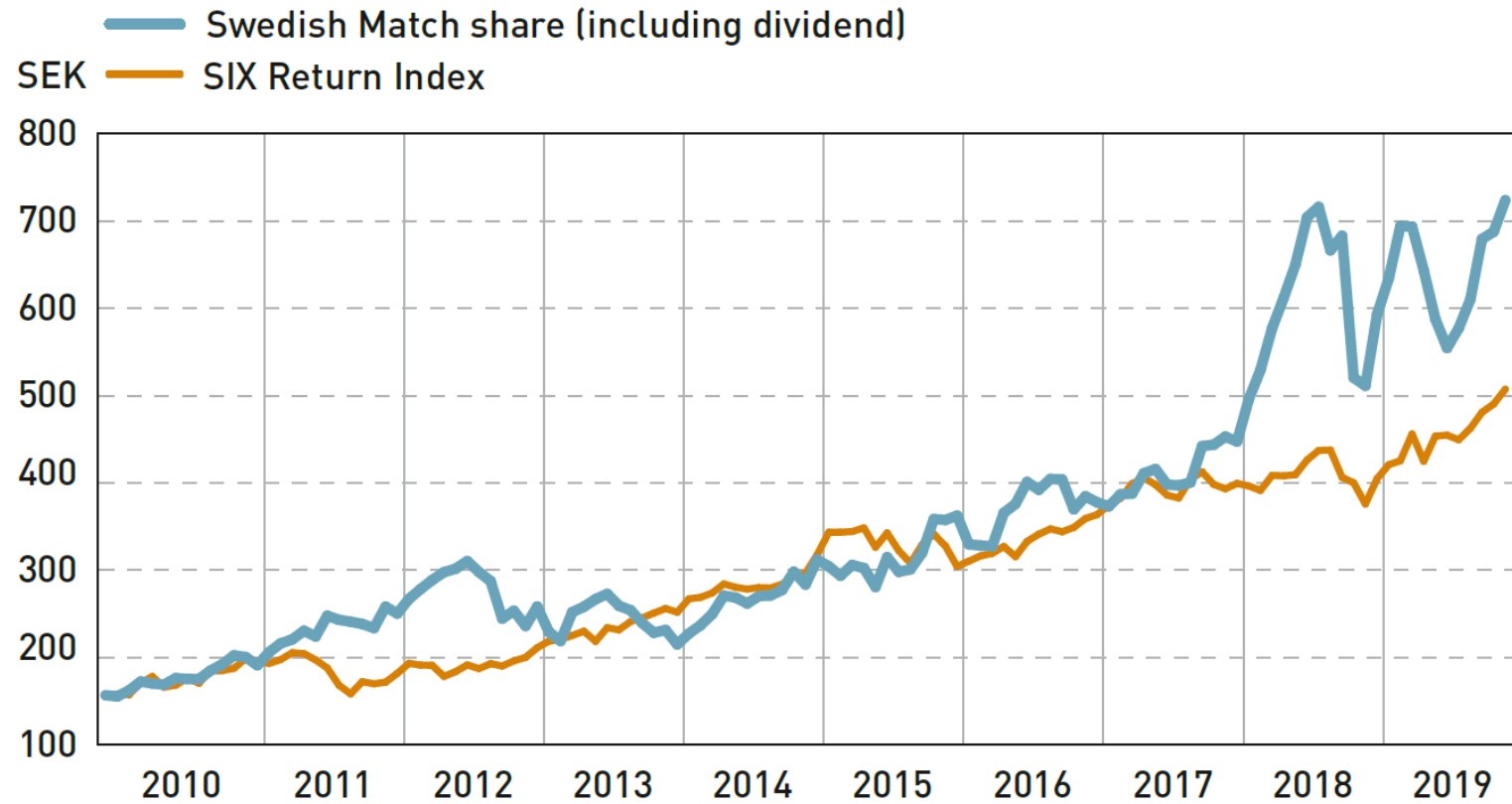
DAILY SMOKERS IN THE EUROPEAN UNION – MEN AND WOMEN

Prevalence of daily smokers in the EU (%)



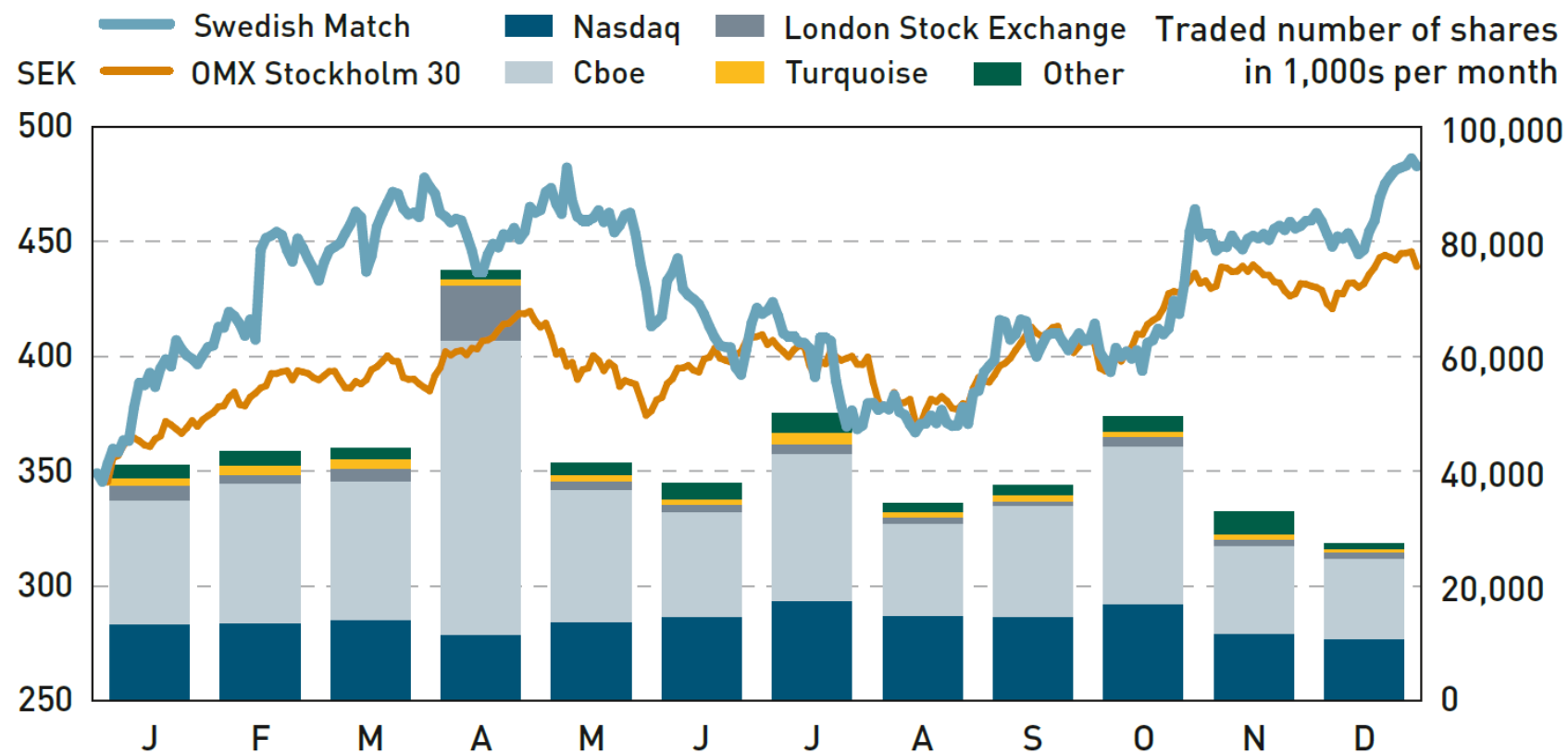
Source: Eurobarometer 458, May 2017.

TOTAL RETURN 2010-2019



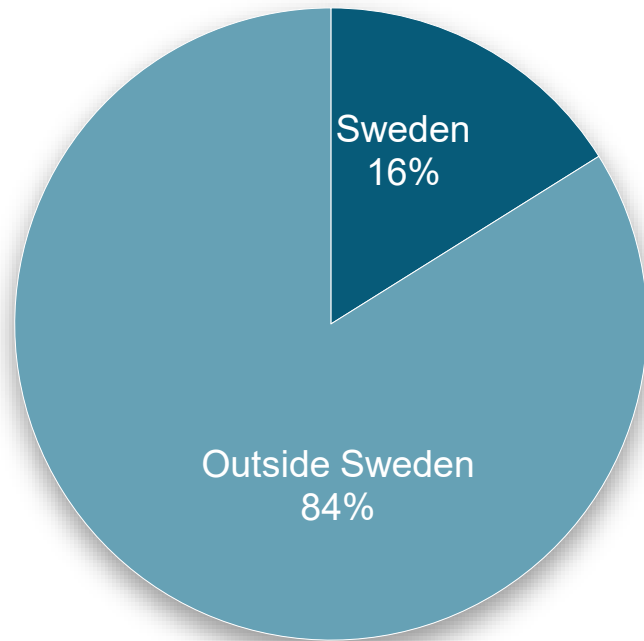
Source: Bloomberg Finance L.P.

SHARE PRICE AND TURNOVER 2019



Source: Bloomberg Finance L.P./Fidessa

SHARE HOLDINGS¹⁾



Largest shareholders	Number of shares	Holding in percent	Votes in percent
BlackRock	7,490,837	4.4	4.6
Fidelity International (FIL)	6,115,226	3.6	3.7
Cedar Rock Capital	5,794,235	3.4	3.5
Invesco	5,481,197	3.2	3.4
Vanguard	5,181,460	3.0	3.2
Nordea Funds	4,523,760	2.7	2.8
Gabelli/GAMCO	3,763,800	2.2	2.3
Cantillon Capital Management	3,190,000	1.9	2.0
Aberdeen Standard Investments	2,422,774	1.4	1.5
Goldman Sachs Asset Management	2,360,886	1.4	1.4
Subtotal 10 owners	46,324,175	27.3	28.4
Other	116,904,138	68.8	71.6
Sub total	163,228,313	96.0	100.0
Shares held by Swedish Match	6,721,687	4.0	0.0
TOTAL	169,950,000	100.0	100.0

1) Including shares held by Swedish Match. Registered direct ownership and ownership through trustees. Certain shareholders may, through custodial accounts, have had different holdings than are apparent from the shareholders' register. Totals may be affected by rounding.

Source: Monitor by Modular Finance AB, data derived from various sources including Euroclear Sweden AB and Morningstar, as of December 31, 2019.