

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.

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

Some of Swedish Match's brands include: General (snus), Longhorn (moist snuff), ZYN (nicotine pouches without tobacco), Onico (pouch products with neither nicotine nor tobacco), White Owl (homogenized tobacco leaf cigars), Game (natural leaf cigars), Red Man (chewing tobacco), Thunder (chew bags), Fiat Lux (matches), and Cricket (lighters).

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



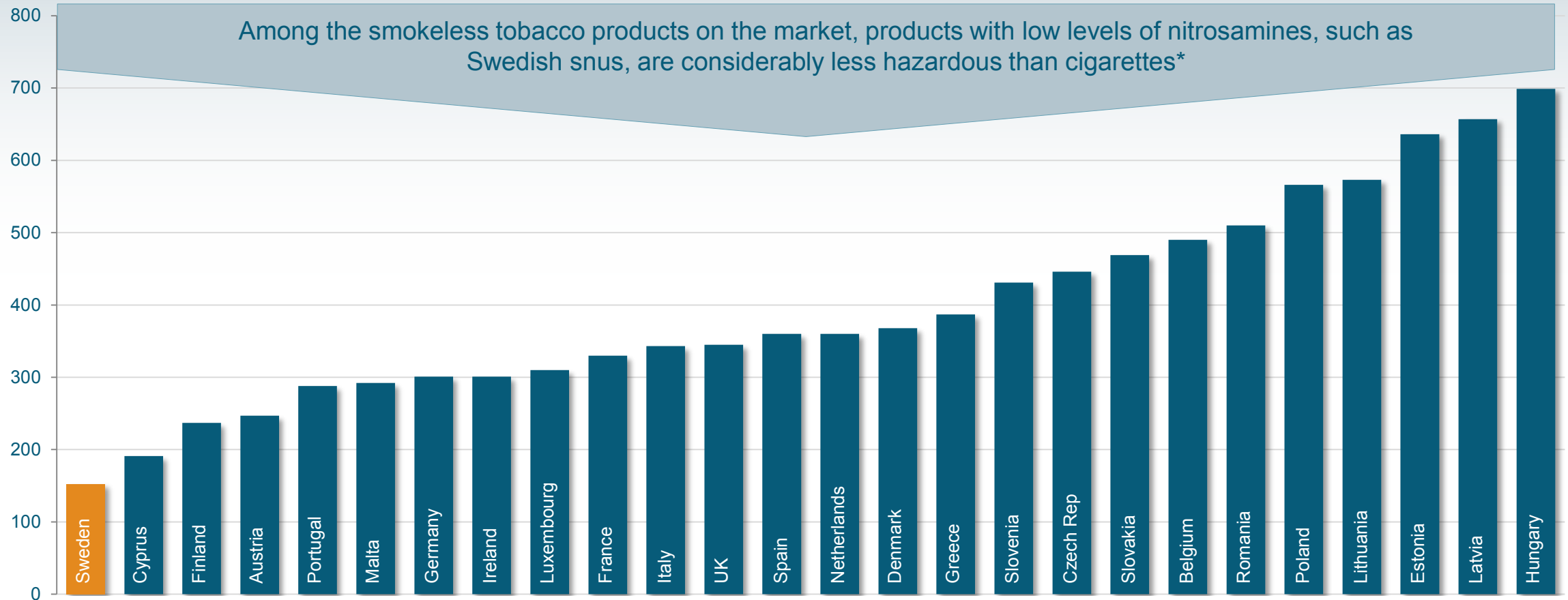


A WORLD WITHOUT CIGARETTES

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.

A VISION THAT CONTRIBUTES TO THE SOCIETY

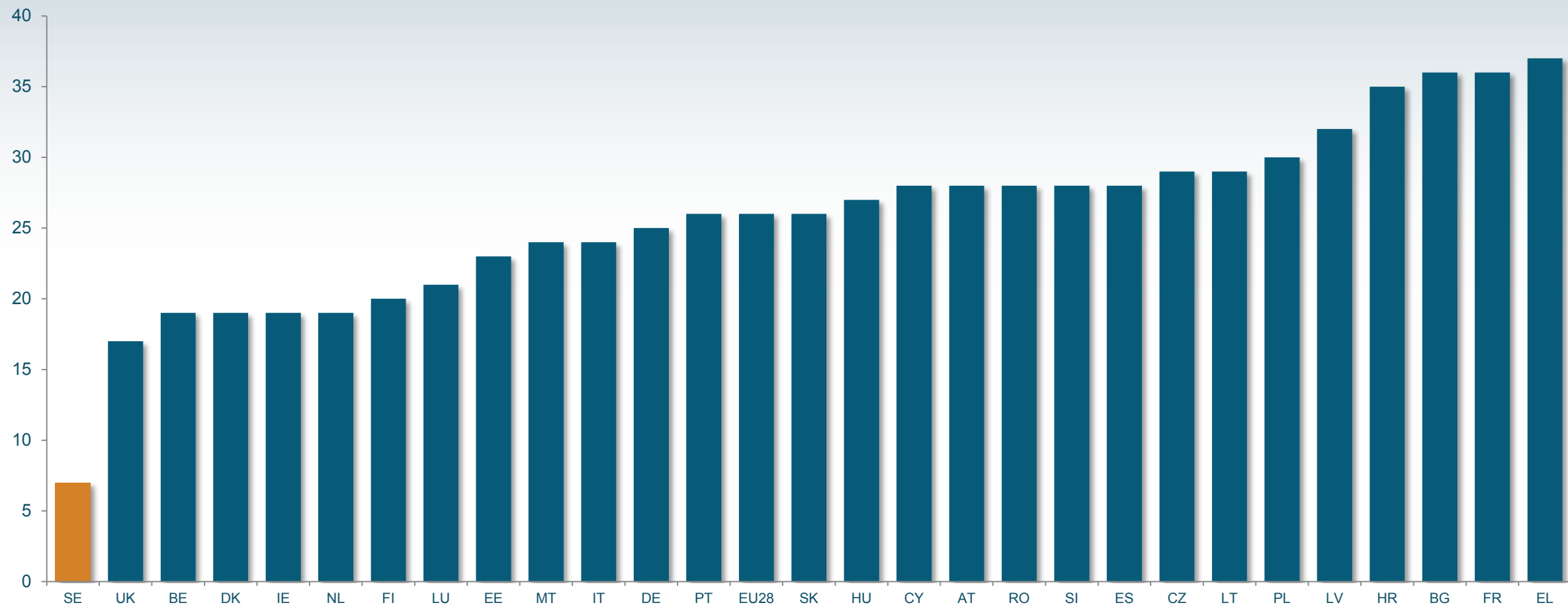
Mortality attributable to tobacco, men per 100,000 (WHO 2012)



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

SMOKERS EU28 – MEN & WOMEN

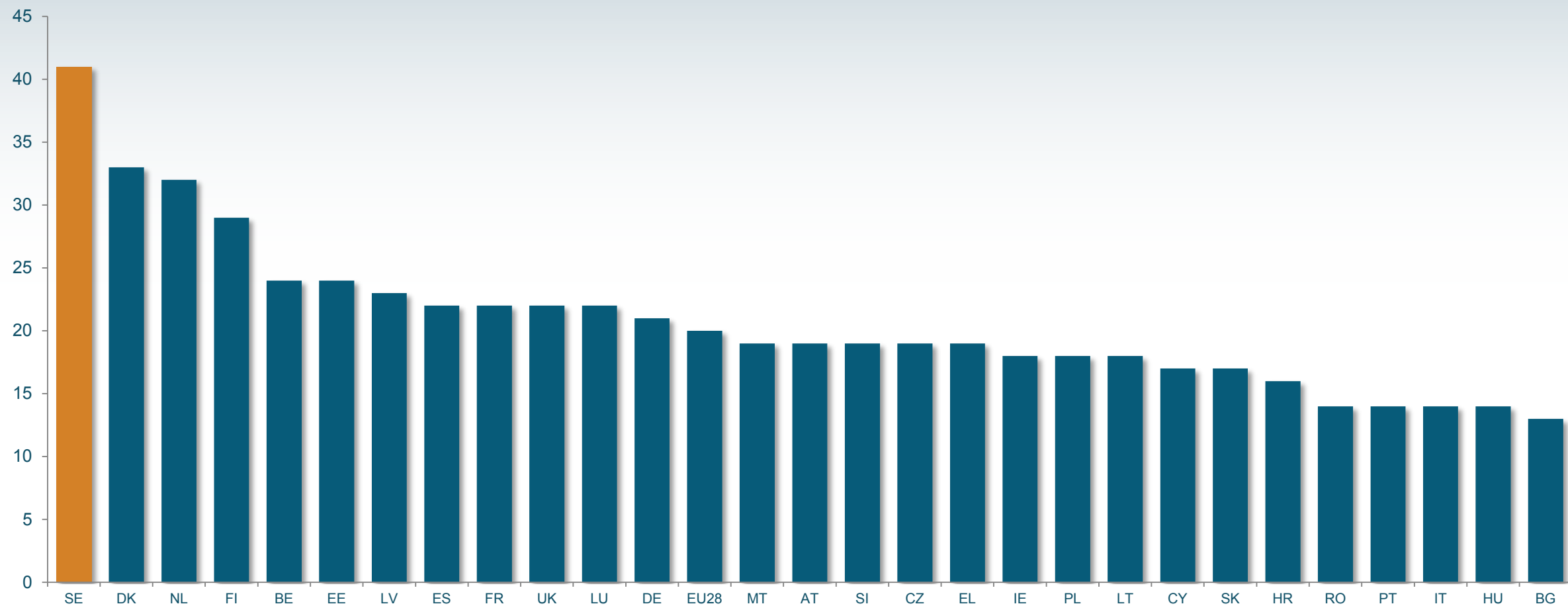
Prevalence of smoking in the EU (%)



Source: Eurobarometer 458, May 2017.

EX-SMOKERS EU28 – MEN & WOMEN

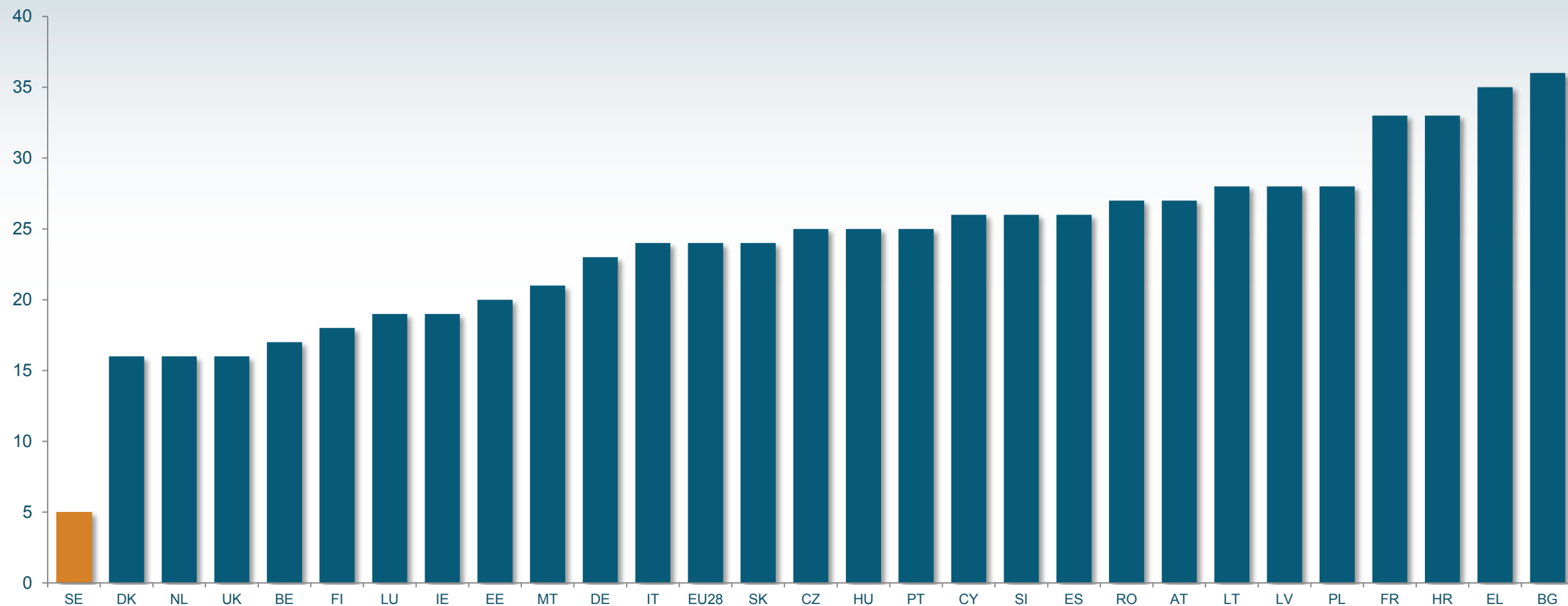
Prevalence of ex-smokers in the EU (%)



Source: Eurobarometer 458, May 2017.

DAILY SMOKERS EU28 – MEN & WOMEN

Prevalence of daily smokers in the EU (%)

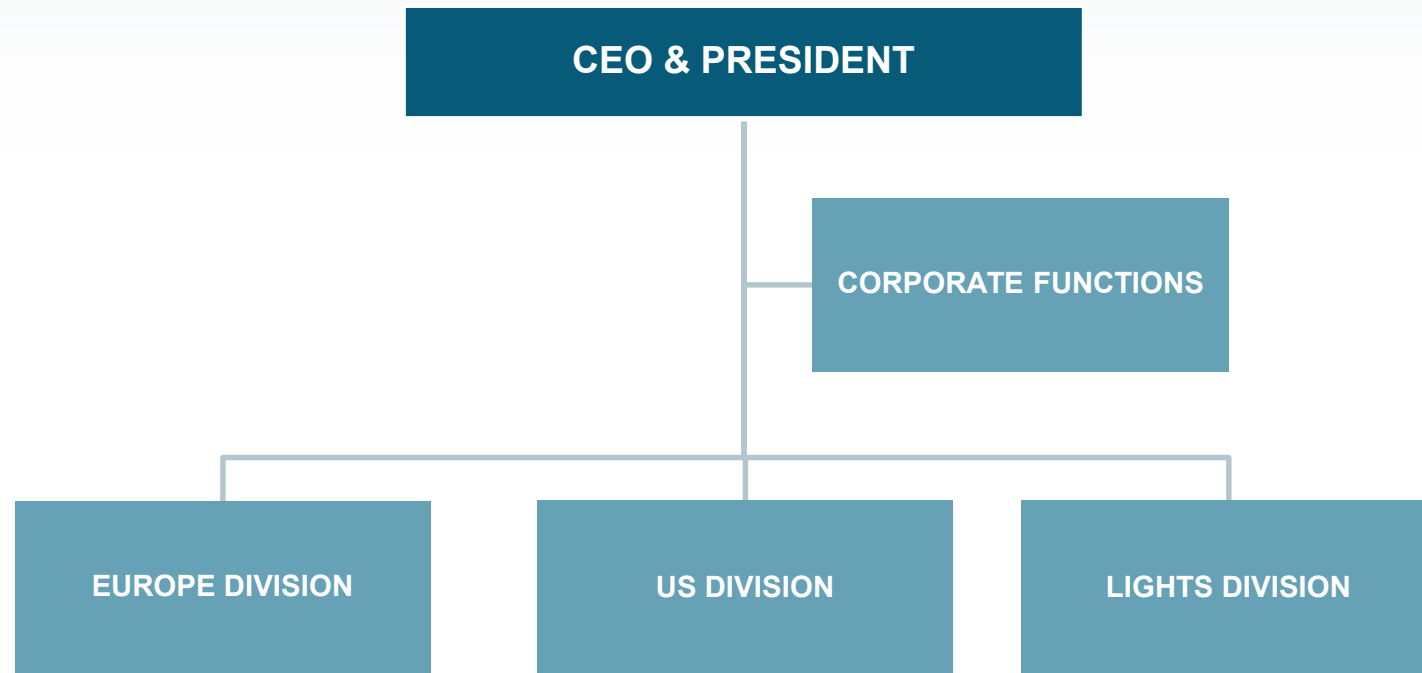


Source: Eurobarometer 458, May 2017.

ORGANIZATION

Swedish Match's organization consists of three divisions and Corporate functions.

The head office, where the CEO and Corporate functions are based, is located in Stockholm, Sweden.



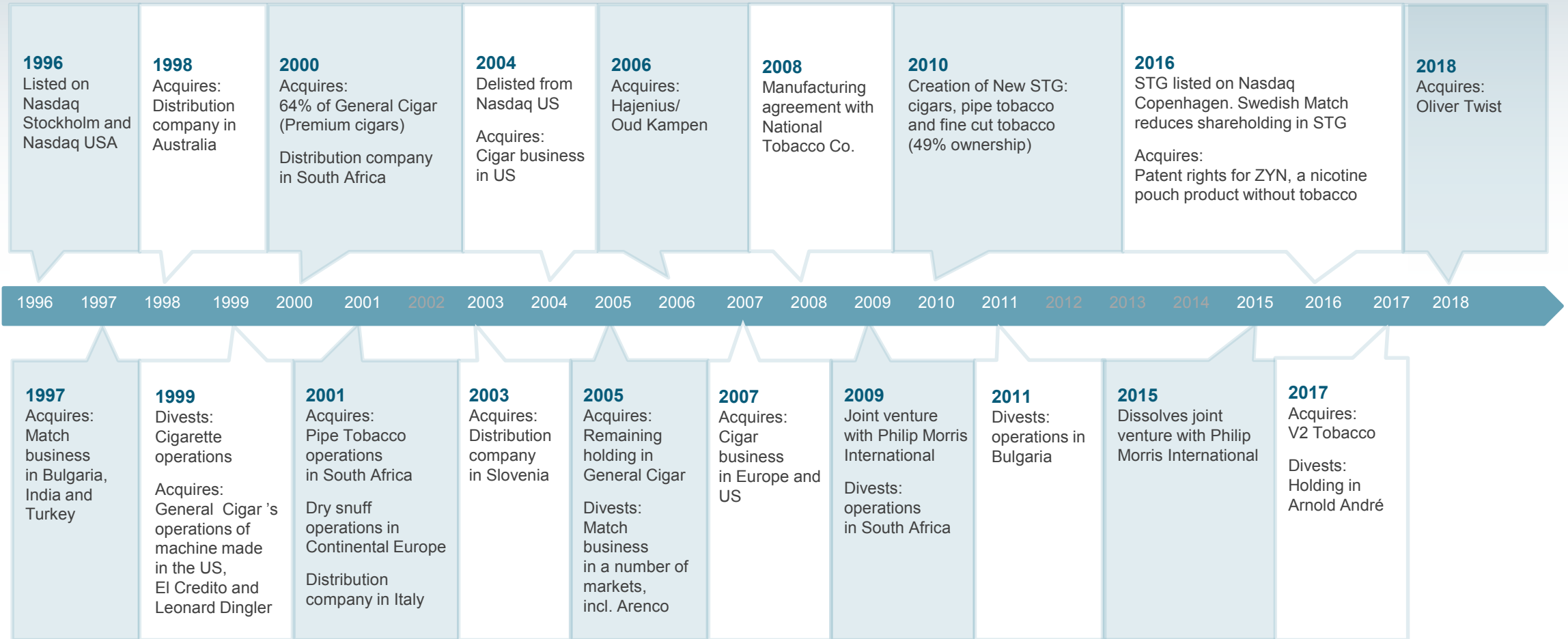
OPERATING LOCATIONS

Swedish Match has operations in eleven countries, seven of which have manufacturing facilities.



As of December 31, 2017.

COMPANY HISTORY



SWEDISH MATCH TODAY

- The largest snus manufacturer in Scandinavia, number one position.
- The third largest moist snuff manufacturer in the US.
- A significant player in the US snus and 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.



STRONG MARKET POSITIONS

STRONG MARKET POSITIONS

Swedish Match is a global company, with strong local brands. Swedish Match also has international brands, such as *General* and *Cricket*. The Company's largest markets are in Scandinavia and the US.

Snus and moist snuff

Snus
Sweden

#1



65.2%

Snus
Norway

#1



52.1%

Moist snuff
The US

#3



8.2%

Other tobacco products

Cigars
The US

#2



22.4%

Chewing tobacco
The US

#1



39.9%

Swedish Match share of market

*Market share estimates for snus in Sweden and Norway refer to Swedish Match estimates using Nielsen data (excluding tobaccoconists).
Market share estimates for moist snuff in the US refer to Swedish Match estimates using industry data, on a can equivalent basis.
Market share estimates for cigars in the US refer to Swedish Match estimates using industry data (mass market cigars excluding little cigars).
Market share estimates for chewing tobacco in the US refer to Swedish Match estimates using industry data.
All market shares are stated in volume terms and refer to the full year 2017.*

SWEDISH MATCH QUALITY STANDARDS

GOTHIAATEK®

GOTHIAATEK® is the world-unique quality standard pursued by Swedish Match since 2000. The uncompromising requirements that GOTHIAATEK® 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. GOTHIAATEK® 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



MATCHTEK®

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.



SWEDISH MATCH IN FIGURES 2017

- Sales: 16,101 MSEK
- Operating profit: 4,591 MSEK
- Operating margin from product segments: 26.2%
- Profit before income tax: 4,352 MSEK
- EBITDA: 4,599 MSEK
- Profit for the year: 3,400 MSEK
- EPS¹⁾: 16.39 SEK
- Number of employees: 5,413

1) Basic and diluted, excluding larger one time items and income from STG.



PRODUCT SEGMENTS AND MAIN GEOGRAPHIES¹⁾

Snus and moist snuff

- Snus (Scandinavia and US)
- Moist snuff (US)
- Nicotine pouches without tobacco (Sweden and US)



Other tobacco products

- Cigars (US)
- Chewing tobacco (US, Europe)
- Chew bags (Europe)



Lights

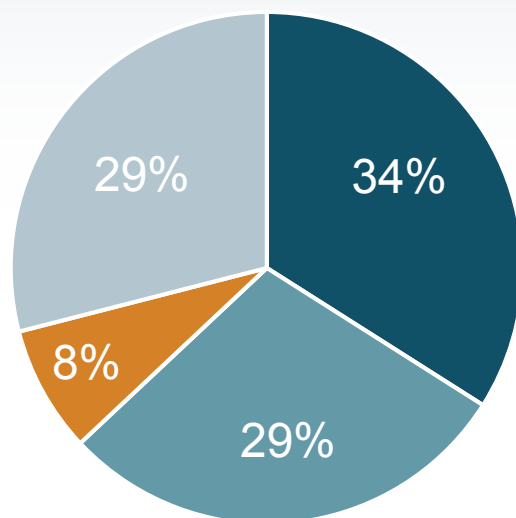
- Lighters (worldwide)
- Matches (worldwide)
- Complementary products (Brazil)



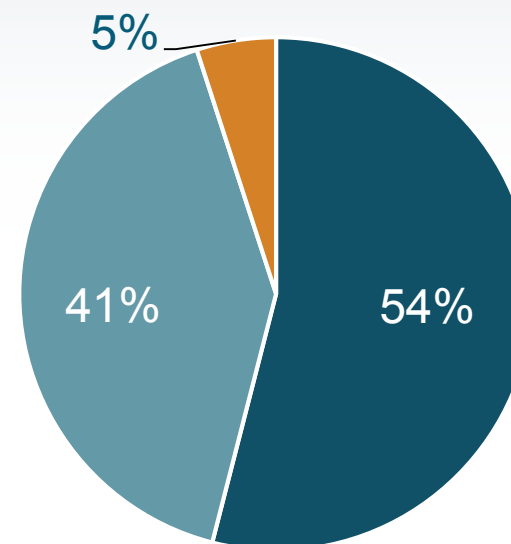
1) May exist in certain other areas other than those mentioned.

SALES AND OPERATING PROFIT 2017

Sales by product segment



Operating profit¹⁾ by product segment



■ Snus and moist snuff

■ Other tobacco products

■ Lights

■ Other operations

1) Excluding Other operations and larger one-time items.

SNUS AND MOIST SNUFF

- 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) and the US (moist snuff).

Main brands:

Scandinavia:

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

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

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

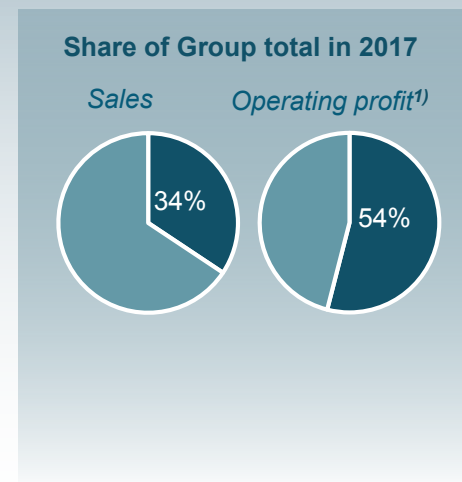
Nicotine pouches without tobacco, Sweden: ZYN

US:

Moist snuff: Longhorn, Timber Wolf

Snus: General

Nicotine pouches without tobacco: ZYN



1) Excluding Other operations and larger one-time items.

OTHER TOBACCO PRODUCTS

- 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 chewing tobacco).

Main brands:

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

Chewing tobacco: Red Man, Oliver Twist

Chew bags, Europe: Thunder, General Cut



1) Excluding Other operations and larger one-time items.

LIGHTS

- 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 market presence in Africa, Australia, Brazil, Europe, New Zealand, and parts of Asia.
- The Company also offers a portfolio of complementary products primarily in Brazil.

Main brands:

Matches: Solstickan (Sweden), Swan Vestas (UK), Tres Estrellas (Spain), Fiat Lux (Brazil), Redheads (Australia)

Lighters: Cricket (globally)



¹⁾ Excluding Other operations and larger one-time items.

OTHER OPERATIONS

Other operations consists of corporate functions providing services to the Swedish Match operating divisions. Services provided include, among other, regulatory affairs, legal and financial services as well as 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.



FINANCIAL STRATEGY

Swedish Match's operations are characterized by strong cash flows

○ Financial strategy

- Optimize balance sheet
- Return excess funds to shareholders

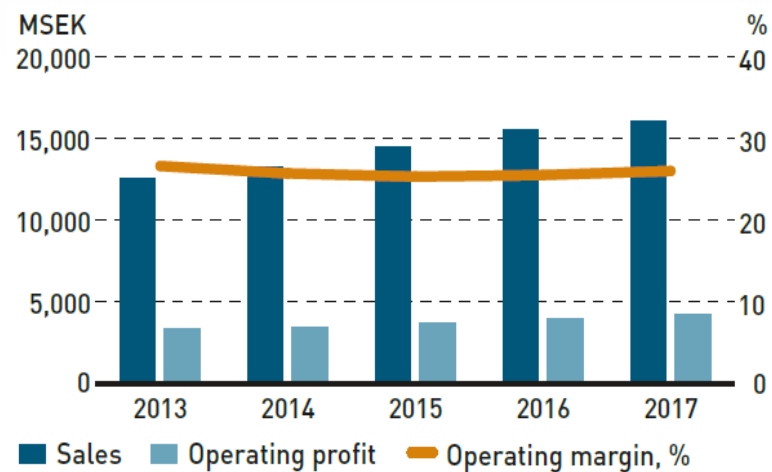
○ Financial policy

- Dividend policy: pay-out ratio of 40-60% of earnings per share
- Maintain a net debt that does not exceed 3 times EBITA
- Maintain a Standard & Poor's BBB and a Moody's Baa2 long term rating

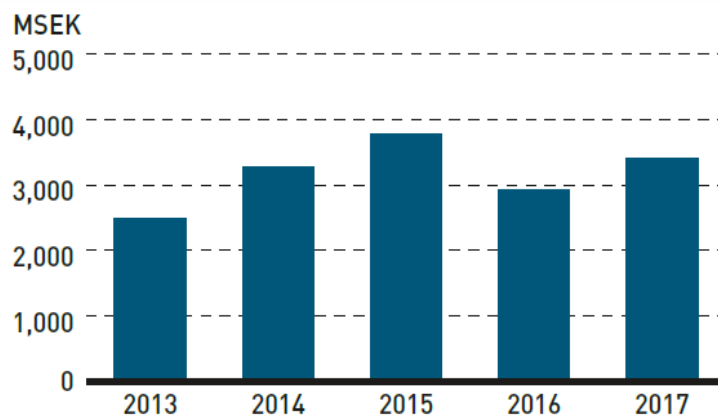


5 YEAR COMPARISON

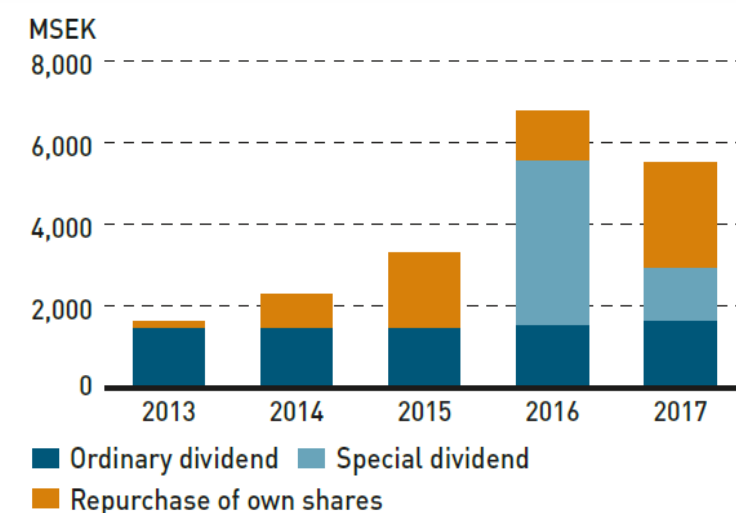
Sales, operating profit and operating margin



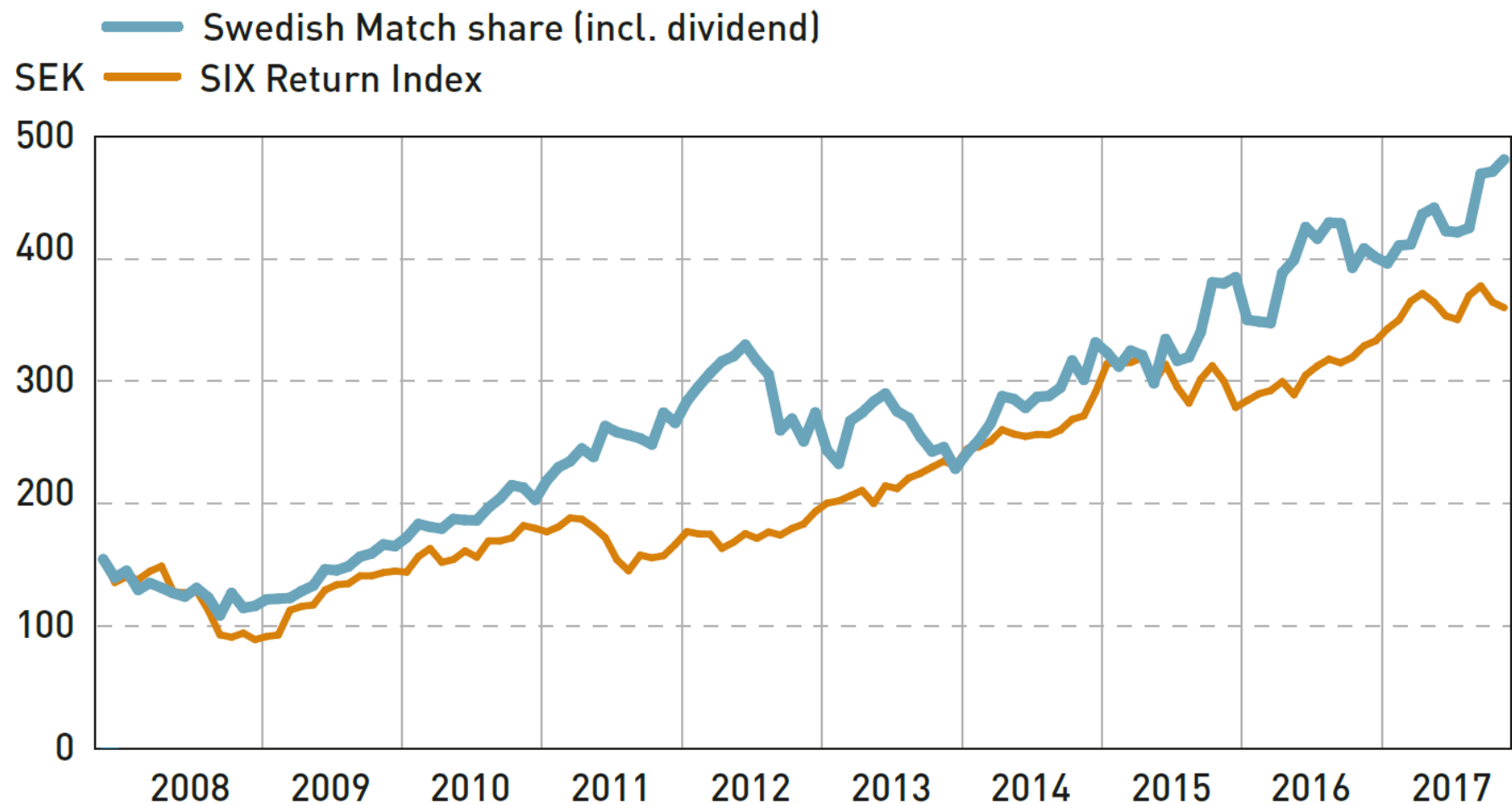
Net cash from operating activities



Cash transferred to shareholders

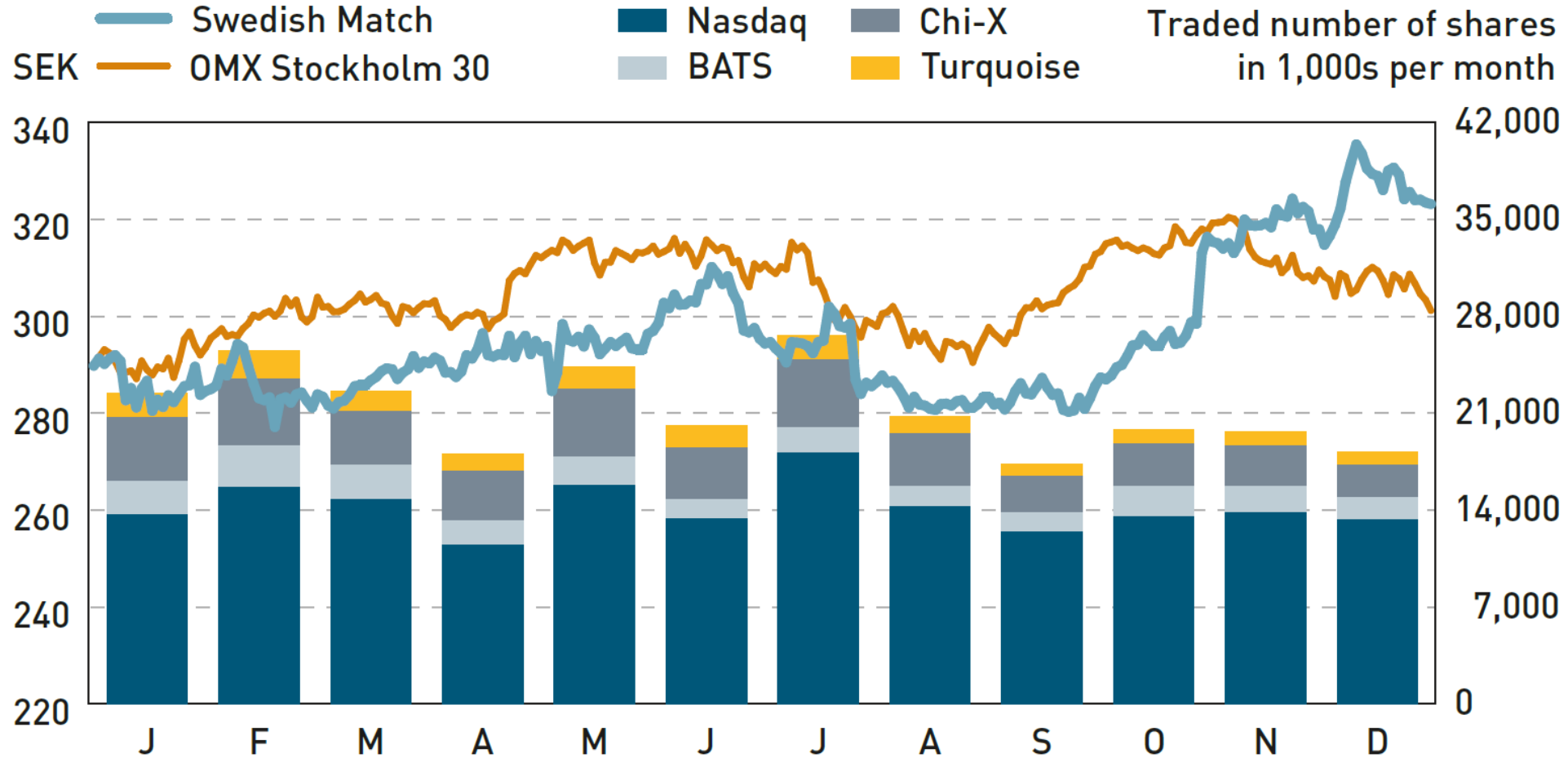


TOTAL RETURN 2008-2017



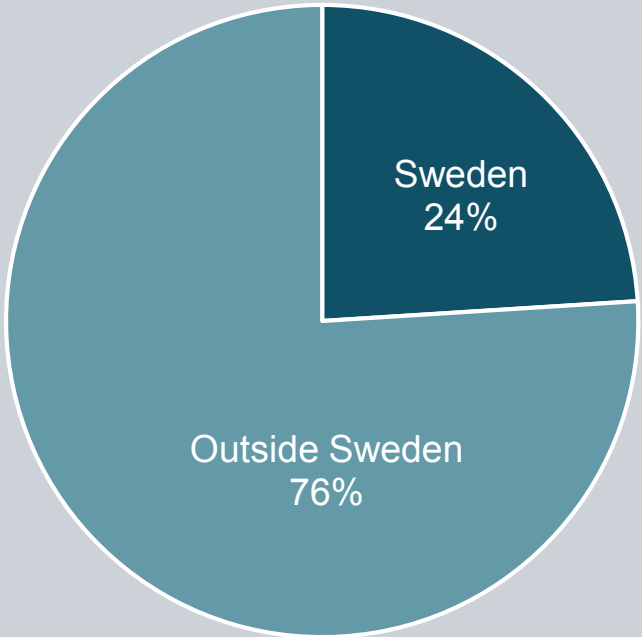
Source: SIX Financial Information

SHARE PRICE AND TURNOVER 2017



Source SIX Financial Information.

SHARE HOLDINGS¹⁾

Holding in percent	Largest shareholders	Number of shares	Holding in percent	Votes in percent
 <p>A pie chart illustrating the geographical distribution of shareholdings. The chart is divided into two segments: a smaller dark teal segment representing 'Sweden' at 24%, and a larger light teal segment representing 'Outside Sweden' at 76%.</p>	BlackRock	9,947,174	5.5	5.7
	Standard Life	6,625,629	3.6	3.8
	Oppenheimer	6,345,862	3.5	3.6
	Första AP-fonden	4,880,456	2.7	2.8
	Vanguard	4,841,022	2.7	2.8
	SEB Funds	4,572,794	2.5	2.6
	Gabelli/GAMCO	4,392,400	2.4	2.5
	Nordea Funds	4,141,254	2.3	2.4
	Invesco	3,299,025	1.8	1.9
	Stichting Pensioenfonds ABP	2,485,946	1.4	1.4
	Subtotal 10 owners	51,531,562	28.3	29.3
	Other	124,378,976	68.4	70.7
	Sub total	175,910,538	96.8	100.0
	Shares held by Swedish Match	5,889,462	3.2	0.0
TOTAL	181,800,000	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, 2017.

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.



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

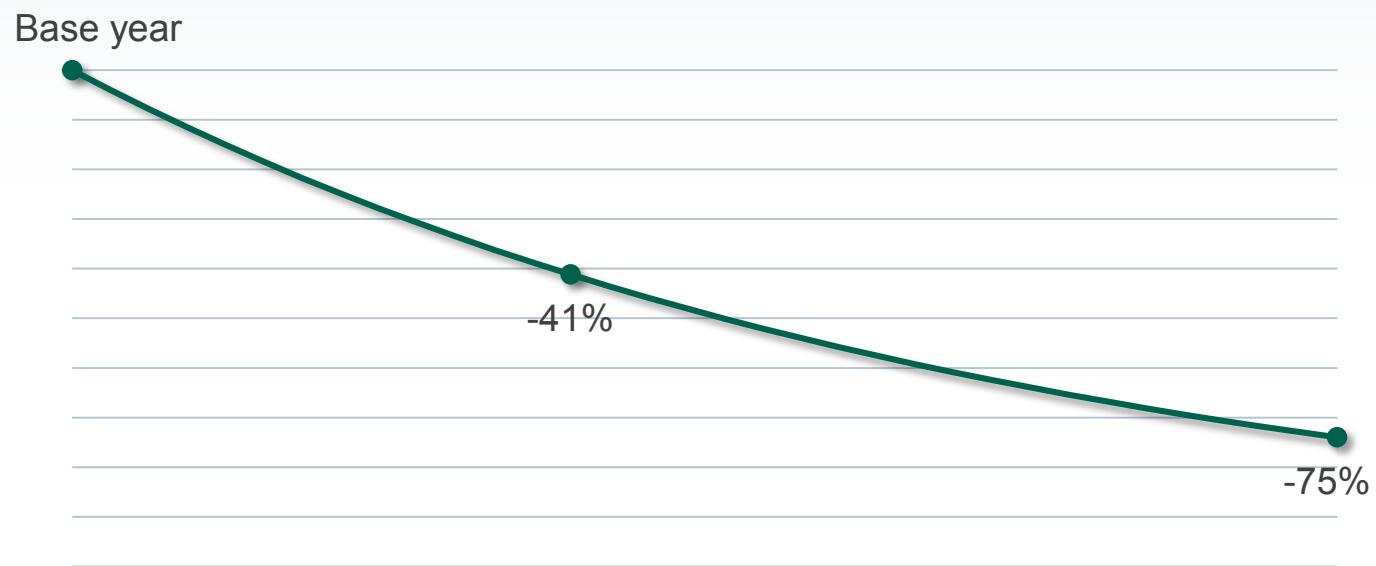
Our goal is the elimination of child labor in the Company's value chain.

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.



CORE VALUES

At Swedish Match, we believe that the success of the Company is largely impacted by the success of our employees. We believe that amazing things happen when great people work for a great company, and when those people are developed, retained, engaged and become true ambassadors for Swedish Match. Everything we do in Human Resources and every decision we make is based on those core beliefs.

Swedish Match's core values *Passion, Ownership, Innovation* and *Quality* 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

