

# COMPANY PRESENTATION





**Swedish Match** develops, manufactures, and sells quality products with market leading brands. The Group's product segments are Smokefree, Cigars, and Lights. With its vision of *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: ZYN (nicotine pouches), General (snus), Longhorn (moist snuff), Onico (pouch products with neither tobacco nor nicotine), America's Best Chew (chewing tobacco), Thunder (chew bags), Oliver Twist (tobacco bits), White Owl (HTL, homogenized tobacco leaf cigars), Game (natural leaf cigars), Fiat Lux (matches), and Cricket (lighters).

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

Swedish Match AB has its head office in Stockholm, Sweden. 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.

# HISTORY OF STRATEGIC TRANSFORMATION SINCE OUR LISTING IN 1996



Cigarette operations divested

1999



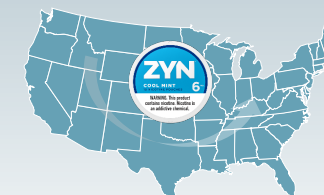
New Company Vision:  
A world without cigarettes

2014



Acquired Swedish Match Denmark, previously V2 Tobacco (chewing tobacco and snus business)

2017



US ZYN National launch

FDA MRTP Designation for General snus in the US

2019

GOTHIA TEK established



2000

Pipe tobacco operations in South Africa divested

2009

Creation of new STG (cigars, pipe tobacco, fine cut tobacco) and simultaneous divestment of Swedish Match premium cigar, European cigar, and pipe tobacco businesses

2010

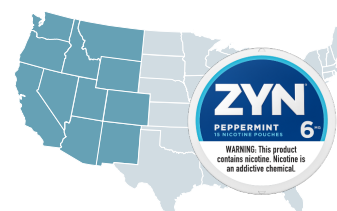
SCANDINAVIAN TOBACCO GROUP



2016

Reduced shareholding in STG in connection with the listing of STG on Nasdaq Copenhagen; remaining shares sold in 2017

Acquired patent rights for nicotine pouches. Launch of ZYN in the US



2018

Acquired Oliver Twist (chewing tobacco business) and 95% of the shareholding in Gotlandssnus (snus business)



2021

Announcement of intent to spin-off US cigar business

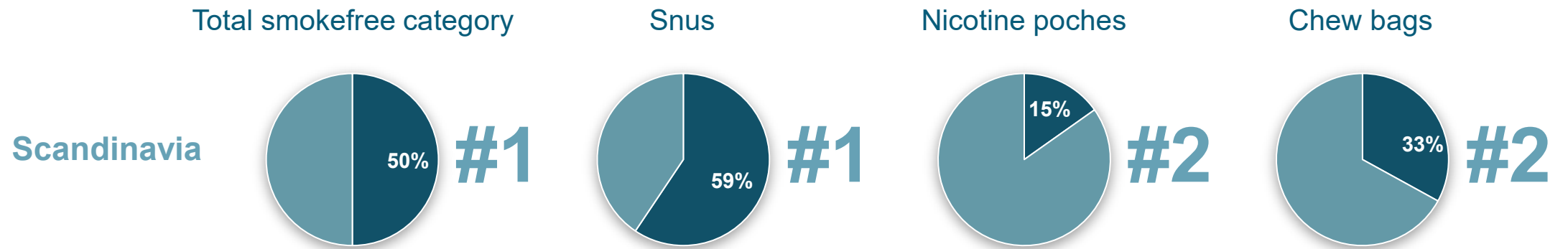
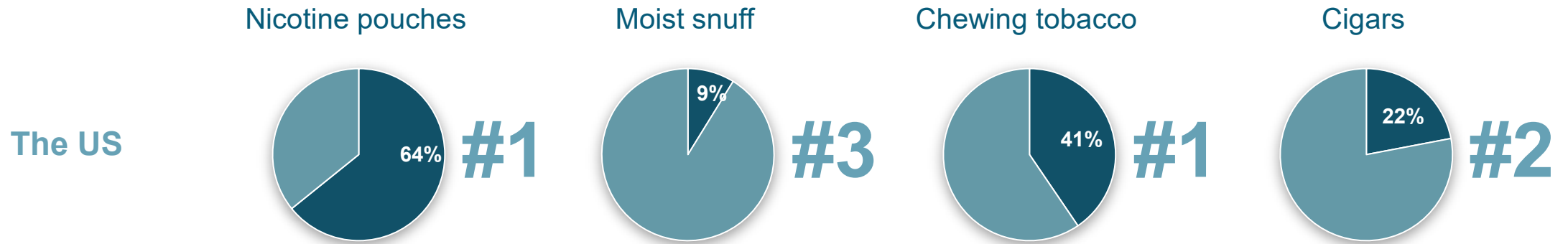
## SWEDISH MATCH TODAY

- A global company with international and local brands. The US and Scandinavia are our largest markets.
- An innovative company, with an expanding assortment of tobacco and non-tobacco products with well known brands, meeting the needs of today's adult consumer.
- Proud of our vision of *a world without cigarettes* and our commitment to provide cigarette smokers with less harmful alternatives.
- The market leader in the rapidly growing nicotine pouch category in the US, while also expanding our geographic footprint for nicotine pouches outside of the US.
- Scandinavia's largest snus manufacturer with a product portfolio of both modern and longstanding brands.
- A leading manufacturer of matches and lighters with worldwide distribution, and a strong position for machine made mass market cigars in the US.
- SMD Logistics is the leading distributor of tobacco products in Sweden.



# A GLOBAL COMPANY WITH STRONG MARKET POSITIONS

Swedish Match's largest markets for smokefree products are the US and Scandinavia. Swedish Match is also present in the US cigar market. The Company is the leading manufacturer of matches and lighters with a strong brand portfolio across the globe.

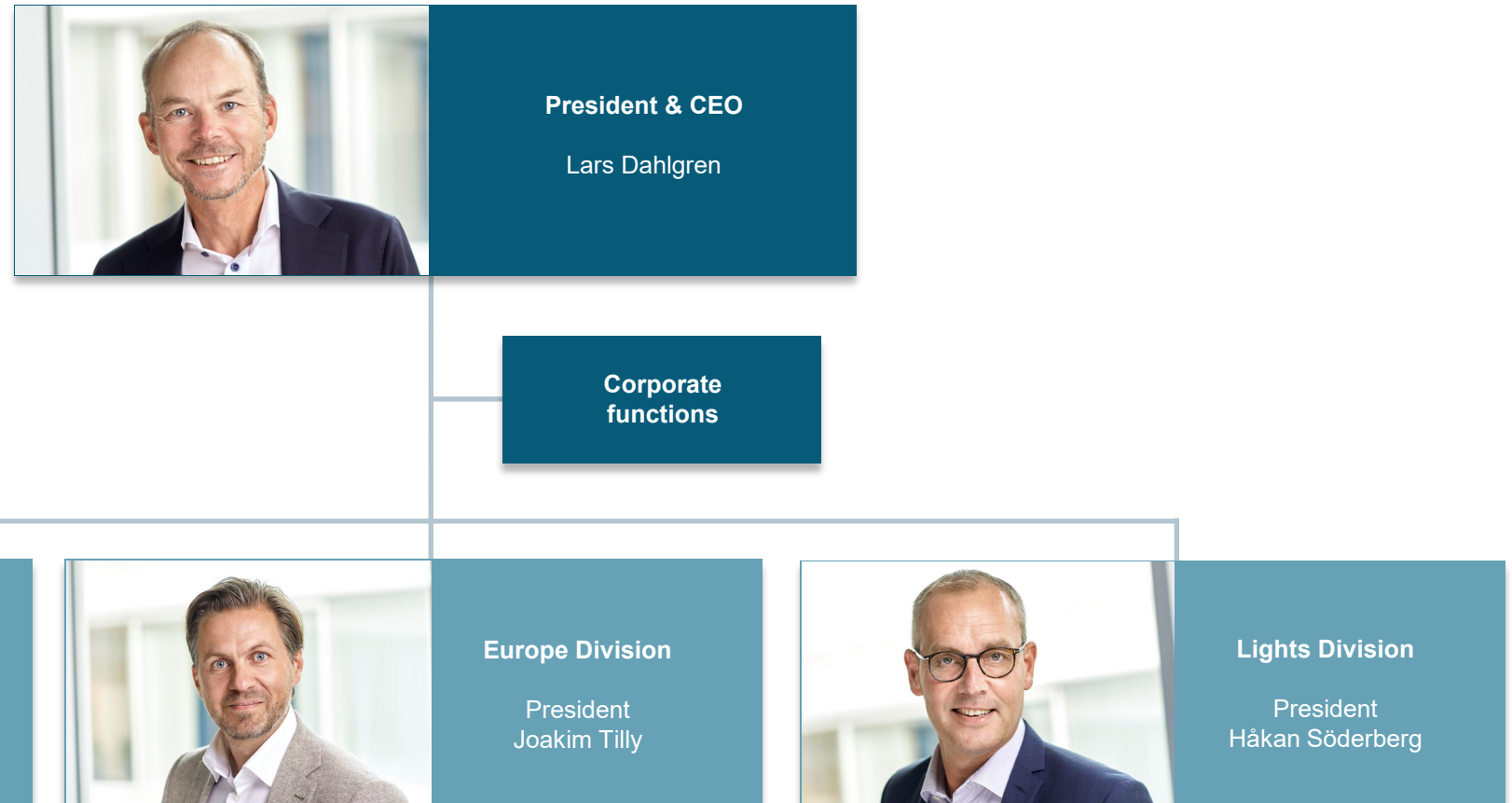


Source: Swedish Match estimates based on different sources, including Nielsen, and reported industry shipments. All figures refer to the full year 2021.



# ORGANIZATION

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



# PRODUCT SEGMENTS AND MAIN GEOGRAPHIES<sup>1)</sup>

## Smokefree

Product segment includes:

- Nicotine pouches (US, Scandinavia)
- Snus (US, Scandinavia)
- Moist snuff (US)
- Chewing tobacco (US)
- Chew bags (Europe)
- Tobacco bits (Europe)



## Lights

Product segment includes:

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



## Cigars

Product segment includes:

- Cigars (US)



1) May exist in certain other geographies beyond those mentioned.



# OPERATING LOCATIONS



COUNTRIES

11

FACTORIES

16

EMPLOYEES

7,523

*The number of employees refers to the average number of employees in specified country during 2021.*

# SWEDISH MATCH IN FIGURES 2021

SALES, MSEK

18,489

OPERATING PROFIT,  
MSEK

8,286

EMPLOYEES

7,523

- Profit before income tax: 7,941 MSEK
- Profit for the year: 6,218 MSEK
- EBITDA from product segments: 8,690 MSEK
- EPS: 3.97 SEK
- Cash returned to shareholders<sup>1)</sup>: 6,171 MSEK

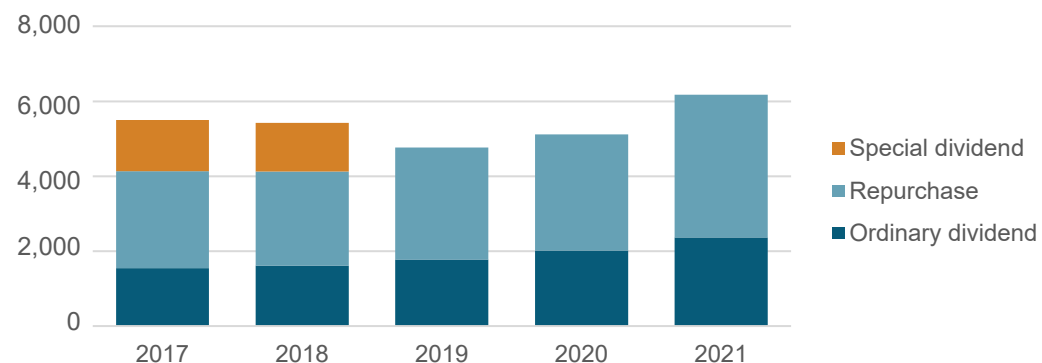
1) Dividends plus share repurchases.



## 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

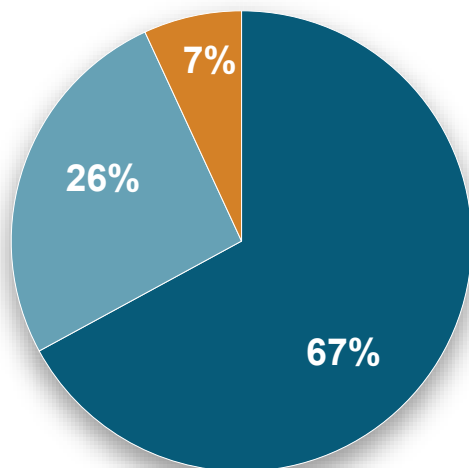
Transfer of capital, MSEK





# SALES AND OPERATING PROFIT IN 2021

## Sales by product segment

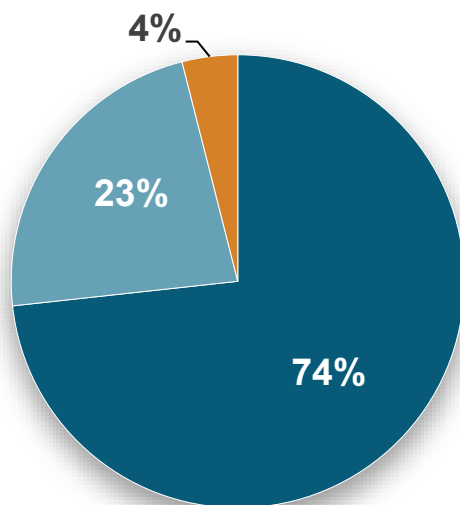


■ Smokefree

■ Cigars

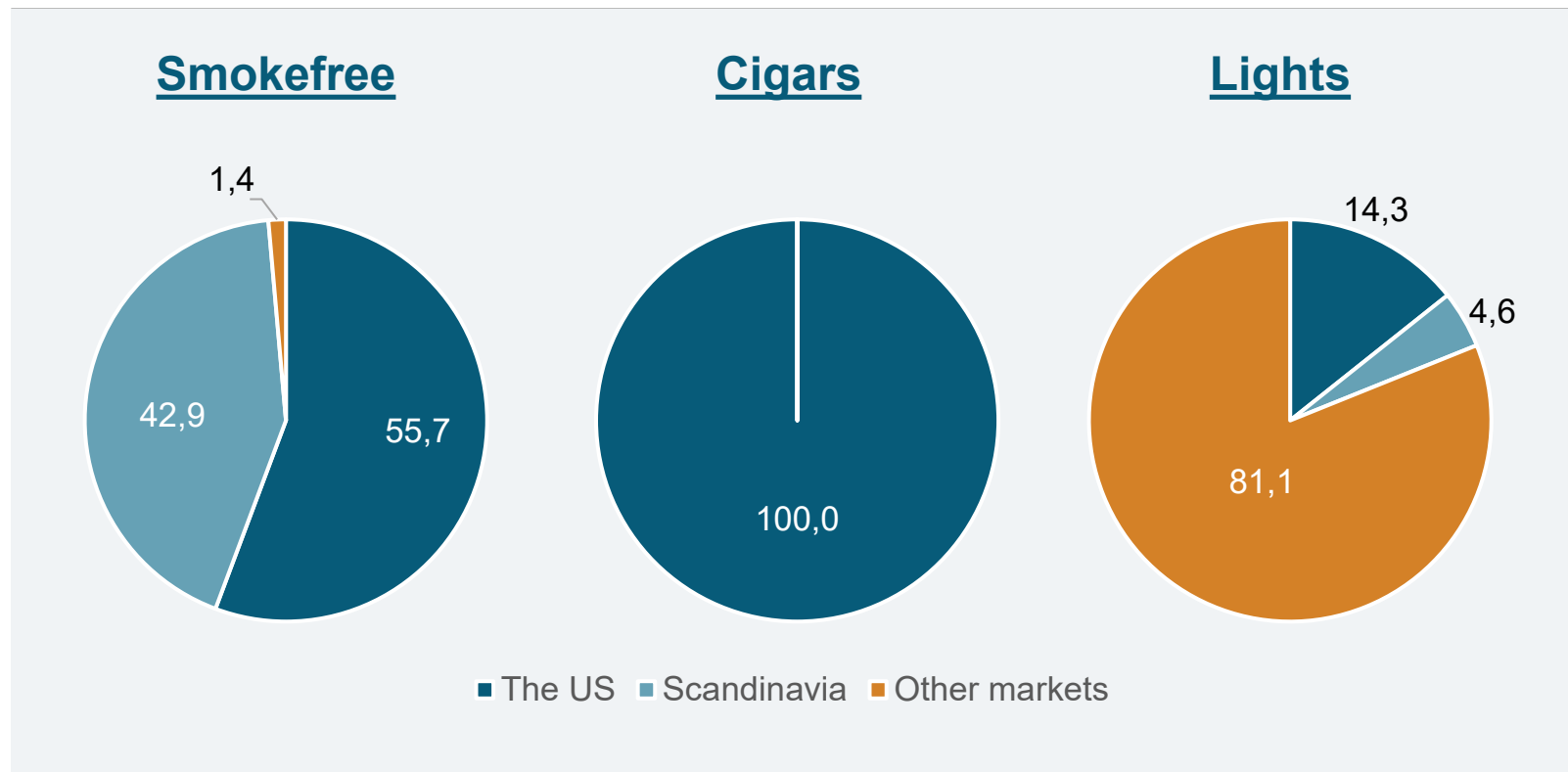
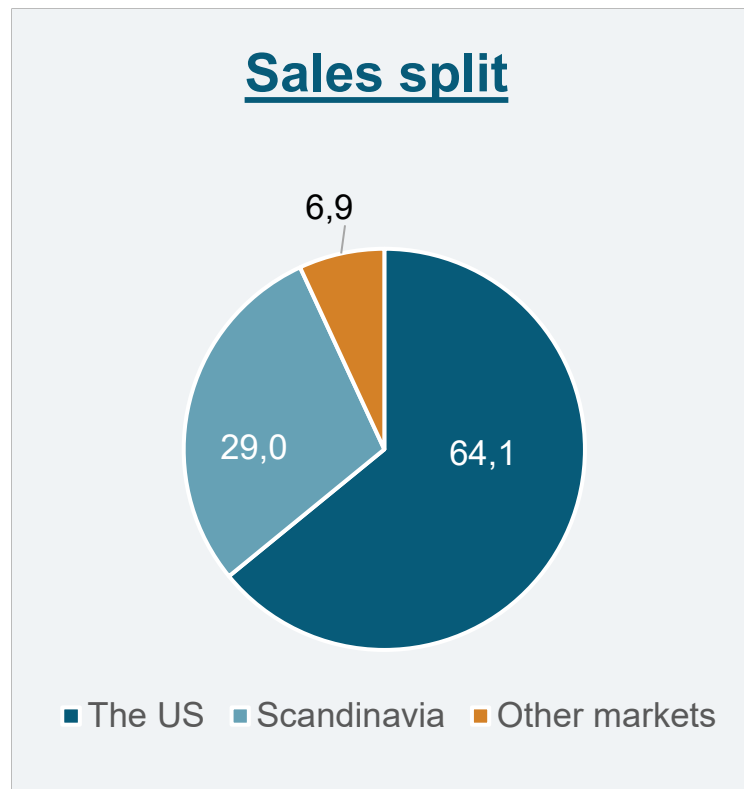
■ Lights

## Operating profit by product segment



# SALES SPLIT BY GEOGRAPHY AND PRODUCT SEGMENT

Sales split in percent, full year 2021



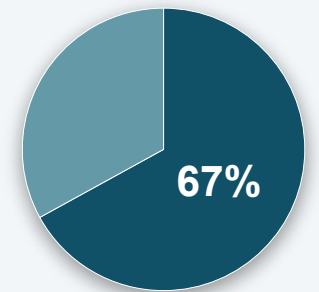
## Growth driven by innovative products and formats

- The largest player in the US nicotine pouch category and the second largest player for nicotine pouches in Scandinavia.
- Leading position for snus in Scandinavia and a significant player for snus in the US.
- The largest producer of US chewing tobacco and the third largest producer of moist snuff in the US.
- Main markets are the US, Scandinavia and other parts of Europe.
- Production in Sweden (snus, nicotine pouches, and pouch products with neither tobacco nor nicotine), the US (nicotine pouches, moist snuff, and chewing tobacco) and Denmark (snus, nicotine pouches, chew bags and tobacco bits).

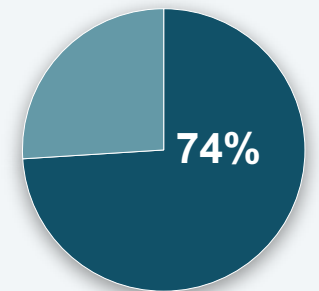


## Share of Group full year 2021

### Sales



### Operating profit





# SMOKEFREE – MAIN BRANDS AND GEOGRAPHIES

## The US

	Nicotine pouches	Moist snuff	Chewing tobacco	Snus
The US	ZYN	Longhorn, Timber Wolf	America's Best Chew, Big Duke	General

## Scandinavia<sup>1)</sup>

	Snus	Nicotine pouches <sup>2)</sup>	Chew bags	Tobacco bits	Nicotine free <sup>3)</sup>
Sweden	General, Göteborgs Rapé, Kaliber, Kronan, Ettan, Grov	ZYN, VOLT, Swave		Oliver Twist	Onico, Qvitt
Norway	General, G.3, The Lab, Nick & Johnny	G.4, ZYN		Oliver Twist	Onico, Qvitt
Denmark		ZYN	Göteborgs Rapé, Thunder	Oliver Twist	Onico, Qvitt

## Other markets

	Snus	Nicotine pouches	Chew bags	Tobacco bits	Nicotine free <sup>3)</sup>
Other markets	General	ZYN, Thunder	Thunder	Oliver Twist	Qvitt

1) Scandinavia refers to Sweden, Norway and Denmark.

2) Nicotine pouches in Norway contain a small amount of tobacco for regulatory reasons.

3) Pouch products with neither tobacco nor nicotine.

## Our 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.
- Most important markets are in Europe, Brazil, and parts of Africa.
- Production in Brazil, the Netherlands, the Philippines, and Sweden.
- The Company also offers a portfolio of complementary products, primarily in Brazil.

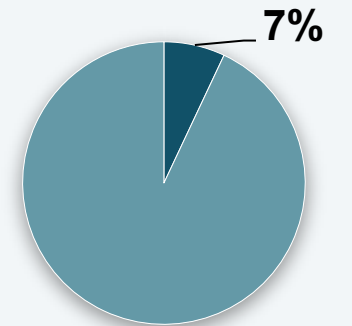
### Main brands

	Matches	Lighters
Globally	Fiat Lux (Brazil), Solstickan (Sweden), Nitedals (Norway), Redheads (Australia)	Cricket (globally)

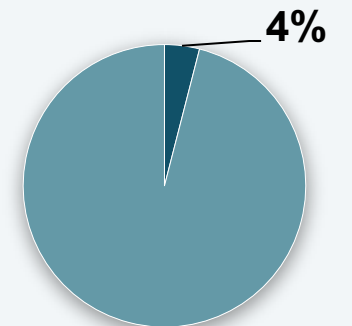


## Share of Group full year 2021

### Sales



### Operating profit



## Strong player for machine made mass market cigars in the US

- The number two player in the US.
- A strong position within both the HTL (homogenized tobacco leaf) and natural leaf cigar segments.
- Production in the US and the Dominican Republic.



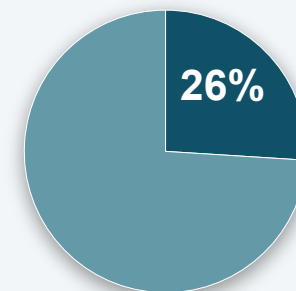
### Main brands

	Natural leaf/Rolled leaf	Homogenized tobacco leaf (HTL)
The US	Garcia y Vega, Game by Garcia y Vega, 1882	White Owl, Jackpot

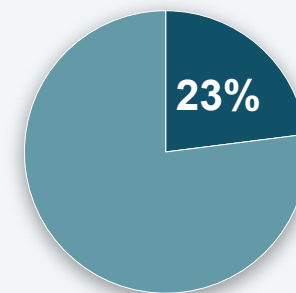
1) The Cigars product segment derives its sales and profit almost exclusively from the US operations.

## Share of Group full year 2021

### 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.



# CORE VALUES

Swedish Match promotes a culture in which our employees are actively engaged, demonstrating the Company's core values of passion, ownership, innovation and quality.

## *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





## OUR CODE OF CONDUCT

Our policies on practices regarding ethical business, employment and labor, 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 APPROACH TO SUSTAINABILITY

## Sustainability strategy

- For best impact and transparency, our sustainability strategy is founded on two basic principles – focus and organizational ownership.
- Through our strategy, we emphasize five focus areas – Improve public health, Ensure ethical business practices, Reduce environmental impact, Human rights in our supply chain, and Equal opportunity areas where we believe we have the ability to directly or indirectly influence meaningful outcomes or where adverse developments could have a negative impact on our businesses.
- Our Code of Conduct forms a foundation for our sustainability approach and efforts throughout the Group. It represents the commitment of Swedish Match and all our employees to conduct business activities in a responsible manner, demonstrating integrity and respect to our stakeholders and society as a whole.



### Improve public health

Our goal is to eliminate cigarette use and tobacco related morbidity and mortality by offering smokers attractive and safer 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.



### Reduce environmental impact

Our goal is to limit our environment footprint while growing our business. We are committed to reducing our greenhouse gas (GHG) emissions and waste along our value chain from sourcing to our own operations and continuing through consumer use.



### Human rights in our supply chain

Our goal is the elimination of child labor and other human rights violations in the Company's supply chain.

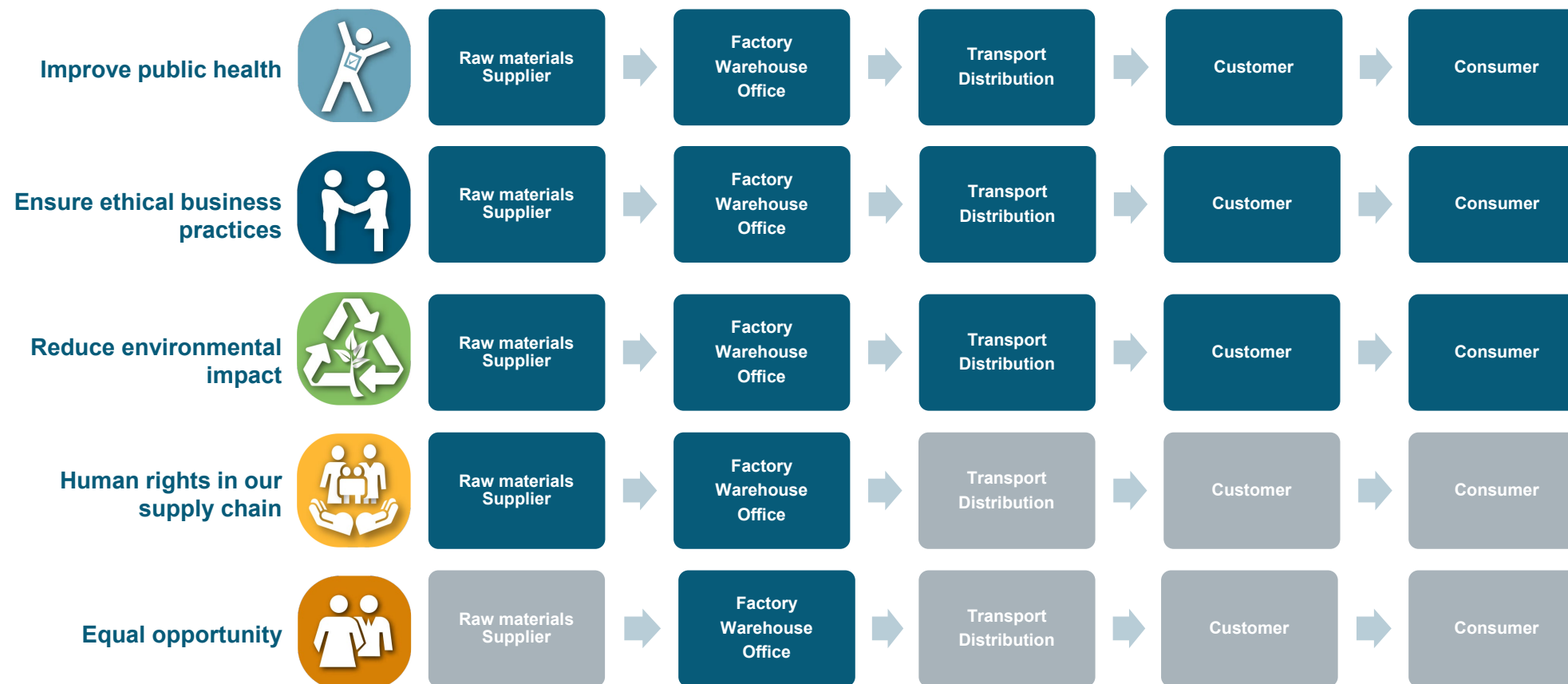


### Equal opportunity

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.



# SCOPE OF OUR FOCUS AREAS ACROSS THE VALUE CHAIN



# OUR CONTRIBUTION TO THE UN SUSTAINABILITY DEVELOPMENT GOALS (SDGs)

Nine of the UN SDGs align with our sustainability focus areas where we believe we can have a meaningful impact and where we have tangible commitments and goals connected to the detailed targets set by the identified SDGs. We also contribute to seven of the remaining eight goals<sup>1)</sup> through our general business contribution and societal engagement.

### UN Sustainability Development Goals aligned with our focus areas

Improve public health			
Ensure ethical business practices			
Reduce environmental impact			
Human rights in our supply chain			
Equal opportunity			

### UN Sustainability Development Goals aligned with our general business contribution and societal engagement

No poverty		Life below water	
Zero hunger		Life on land	
Quality education			
Clean water and sanitation			
Industry, innovation and infrastructure			

<sup>1)</sup> Swedish Match has identified that SDG 11, Sustainable cities and communities, is not specifically related to our business operations and focus areas, as we are a manufacturing company with very limited impact on e.g. urbanization, transportation and the safeguarding of natural heritages.

**GOTHIATEK®** is the world-unique quality standard pursued by Swedish Match since 2000.

The uncompromising requirements that **GOTHIATEK®** 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.

**GOTHIATEK®** is based on three cornerstones:

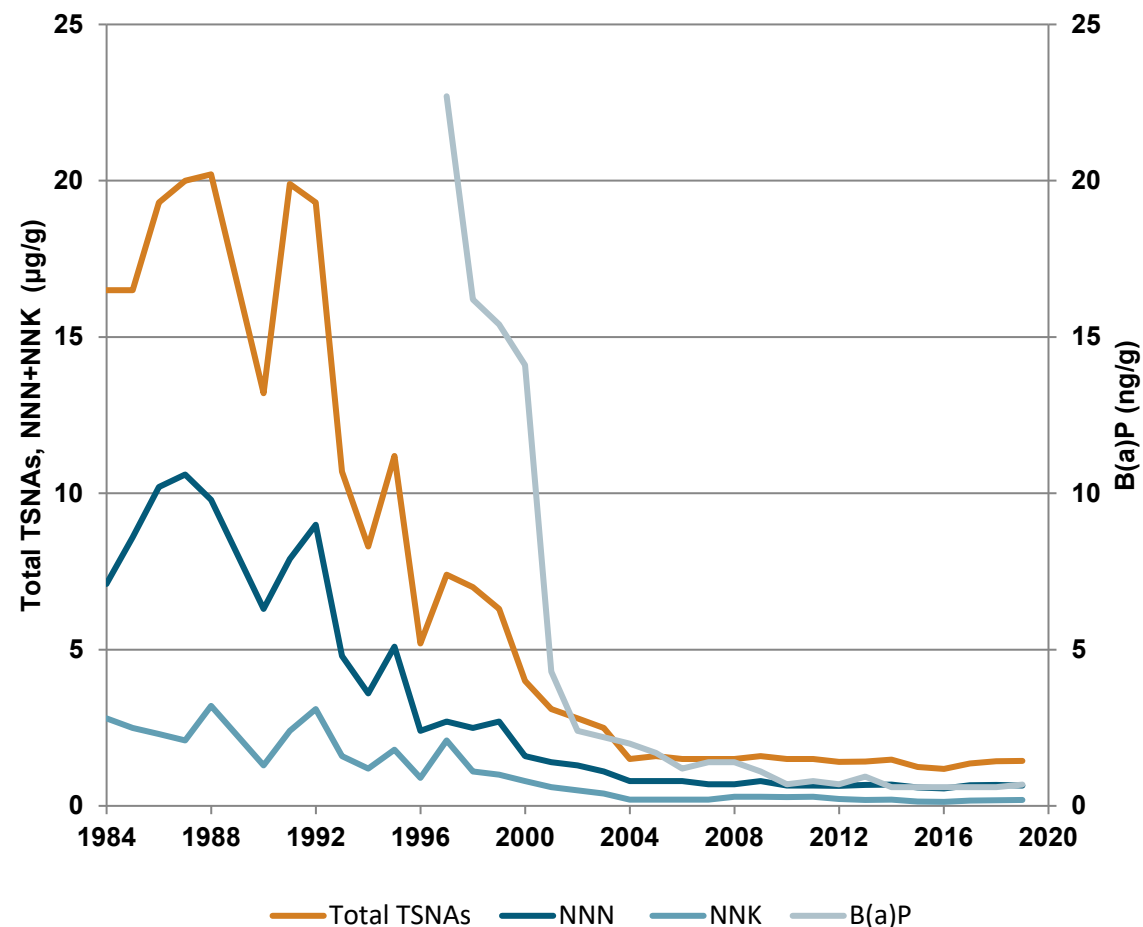
- Consumer care – through uniquely low limits for undesirable substances
- Quality – through 100% control from seed to can
- Openness – through information about the company's products and research results



## GOTHIATEK® STANDARD – Maximum levels for selected constituents

GOTHIATEK® requires that finished products shall not exceed the maximum allowable levels of certain harmful and potential harmful constituents. These constituents originate from the environment or from the tobacco plant

The maximum levels for NNN+NNK and B(a)P are currently lower than the limits recommended by \*WHO Tob. Reg. for Smokefree Tobacco Products as well as the limits prescribed by the Swedish Food Authority





## FROM LOW LEVELS OF NITROSAMINES TO ZERO

	ZYN Mini Dry*	ZYN Slim*	Snus*	India oral tobacco**	US Moist Snuff*
Nicotine mg/g	11,4	12,6	11,6	0,9 - 30,4	12
pH	8,2	8,5	8,3	5,2 – 10,1	7,7
NNN µg/g	<LOQ	<LOQ	0,38	ND – 18,6	1,1
NNK µg/g	<LOQ	<LOQ	0,10	ND – 4,9	0,41
B(a)P µg/g	<LOQ	<LOQ	<LOQ	<0,1–940	41
Arsenic µg/g	<LOQ	<LOQ	0,06	0,07-1,53	0,07
Cadmium µg/g	<LOQ	<LOQ	0,27	0,03-0,5	0,57

The ZYN products have been tested at Swedish Match laboratory which is accredited in accordance with the International Standard ISO/IEC 17025:2005

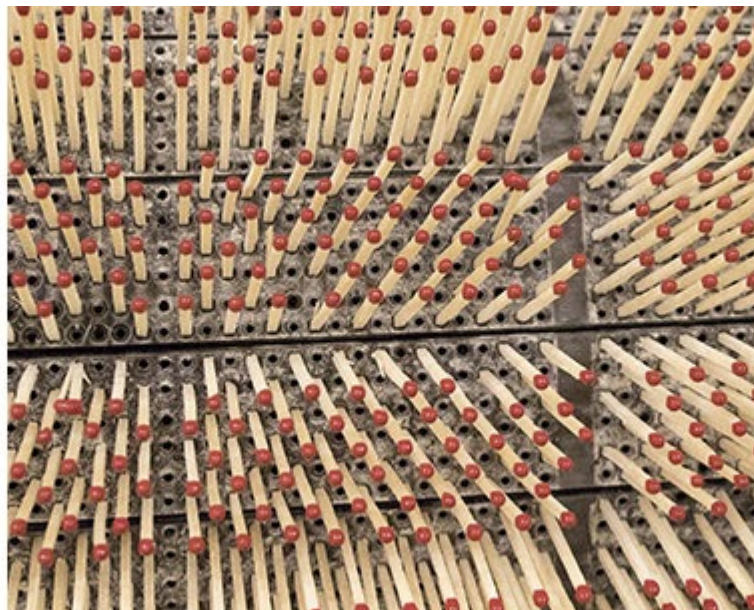
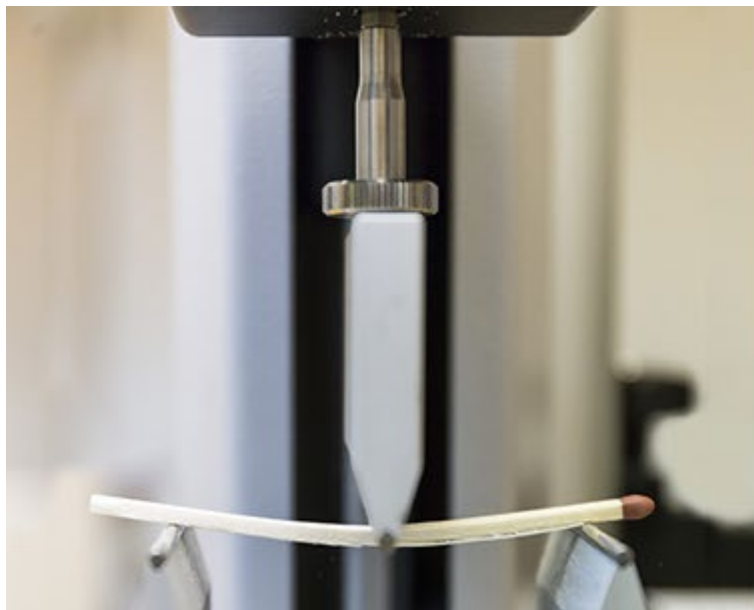
LOQ: Limit of quantification is a term used to describe the smallest concentration of a measurand that can be measured by an analytical procedure.  
Wet weight basis

LOQ NNN = 0.015 µg/g

LOQ NNK = 0.015 µg/g

LOQ Benzo(a)Pyrene = 0.6 ng/g

\* Data on file, Swedish Match, \*\*IARC Monographs on the Evaluation of Carcinogenic Risks to Humans, No. 89, Gupta 2004, Global surveillance of oral tobacco products: total nicotine, unionized nicotine and tobacco-specific N-nitrosamines, Stanfill SB, Tobacco Control 2011; May 20



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.



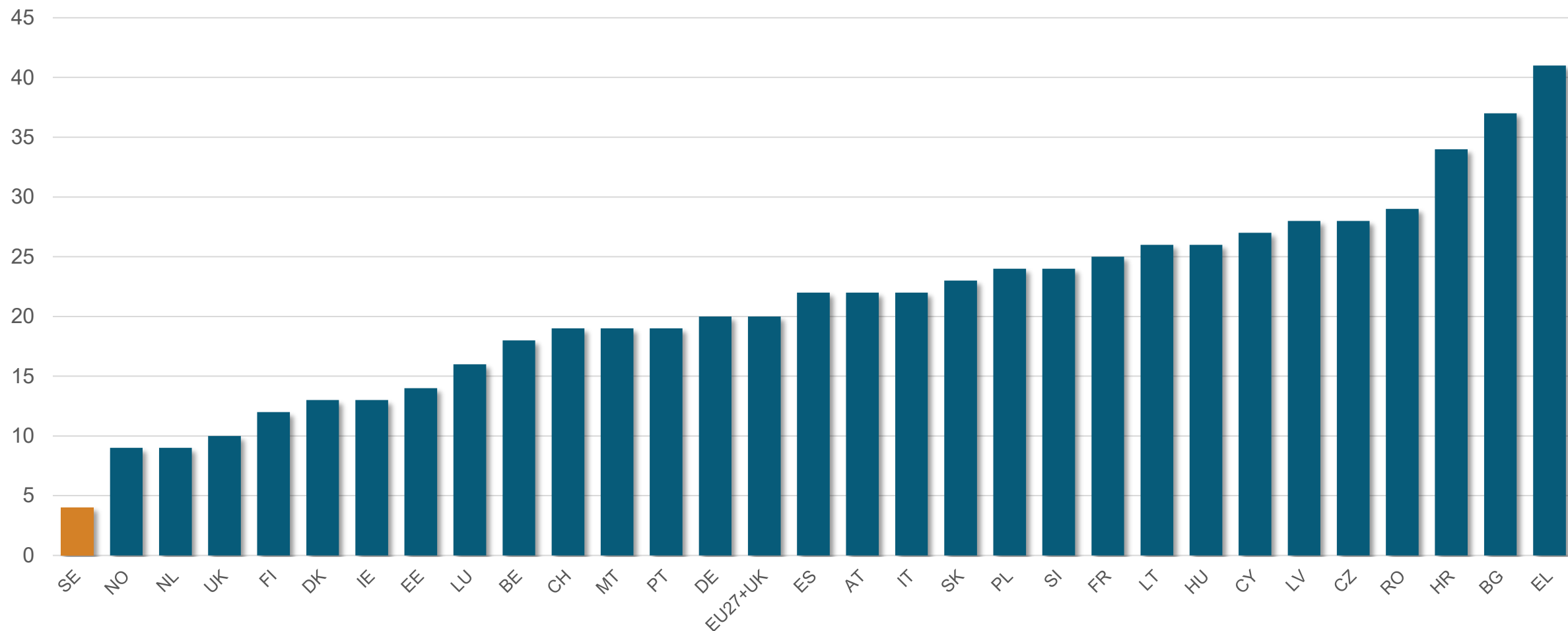
## WE PROVIDE SAFER ALTERNATIVES TO CIGARETTES

- Snus is scientifically proven to be a substantially safer alternative to cigarettes.
- The science is based both on studies of extensive epidemiologic data from Sweden and on clinical studies.
- Swedish Match's GOTHIA TEK® quality standard for snus ensures that unwanted substances are kept at very low levels and in ZYN most of these substances cannot even be detected.
- Snus products from Swedish Match were both the first products to receive approval from Food and Drug Administration (FDA) under the PMTA process and of the first products to be granted Modified Risk Tobacco Product (MRTP) designations.



# DAILY SMOKERS IN THE EUROPEAN UNION – MEN AND WOMEN

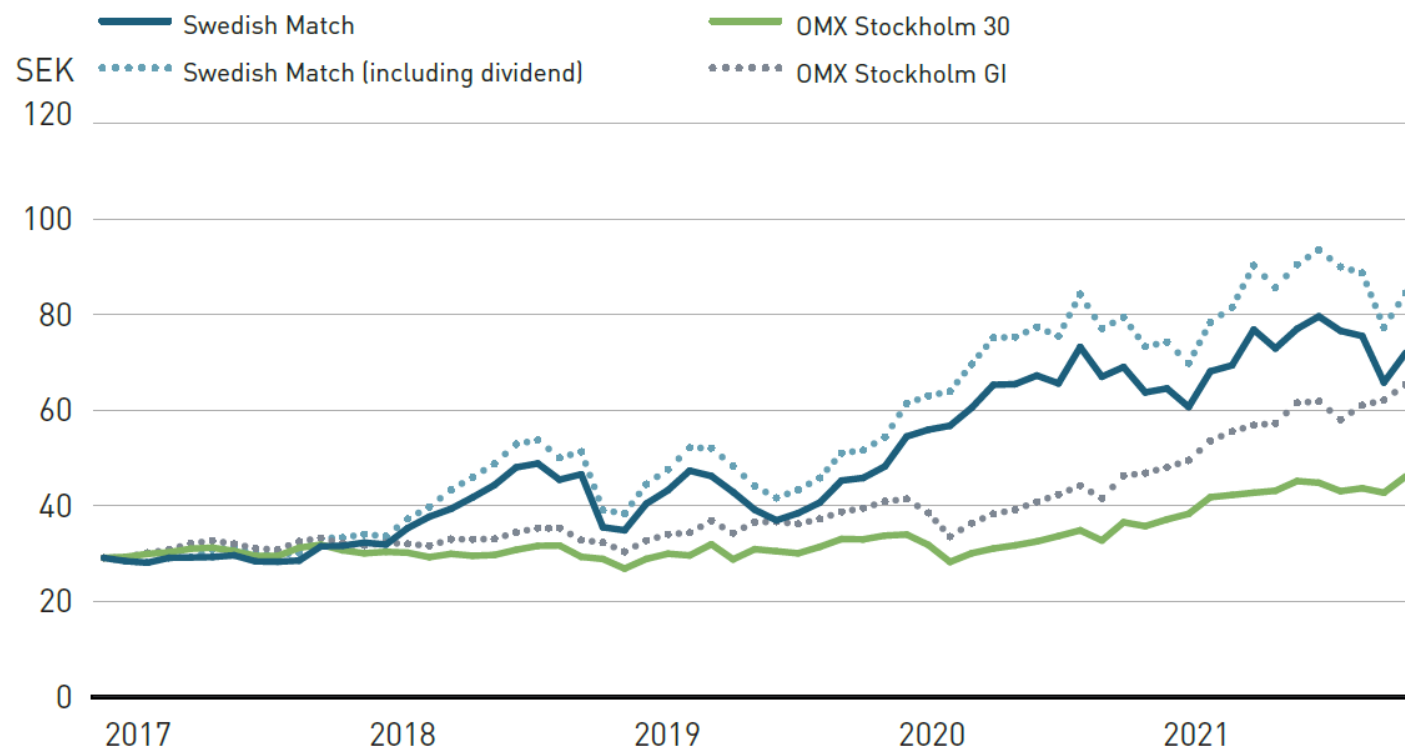
## Prevalence of daily tobacco smokers – EU27, UK, Norway and Switzerland (%)



Source: Eurobarometer 506, February 2021. Central Bureau of Statistics Norway, chart 05307, 2019. The Federal Office of Public Health Switzerland 2017.



# SHARE PRICE AND TOTAL RETURN



Source: Monitor by Modular Finance AB

Stay tuned to [swedishmatch.com](https://swedishmatch.com)

– a great place to explore our company

On our website you can find the latest press releases along with contact details for Investor Relations. You can also find information about the Group's product segments, vision and strategy, corporate governance, sustainability efforts, and more.

