

Full Year Report January – December 2021

Highlights for the full year and the fourth quarter

- Record full year sales and operating profit with double-digit growth in both revenues and earnings in local currencies across all product segments.
- Impressive performance for the Smokefree product segment with strong growth in both the US and Scandinavia. Growing demand for natural leaf cigars drove the robust full year local currency financial performance for the Cigars product segment. Strong underlying performance for the Lights product segment.
- Strong financial performance in the fourth quarter driven by Smokefree with continued strength in both the US and in Scandinavia. Sales and earnings decline for Cigars, impacted by production constraints. Increased sales and earnings for Lights.
- In local currencies, sales increased by 16 percent for the full year and by 12 percent for the fourth quarter. Reported sales increased by 11 percent to 18,489 MSEK (16,698) for the full year and by 15 percent to 4,751 MSEK (4,136) for the fourth quarter.
- In local currencies, operating profit from product segments¹⁾ increased by 19 percent for the full year and by 11 percent for the fourth quarter. Reported operating profit from product segments increased by 14 percent to 8,136 MSEK (7,160) for the full year and by 15 percent to 1,957 MSEK (1,695) for the fourth quarter.
- Operating profit amounted to 8,286 MSEK (6,991) for the full year and to 1,901 MSEK (1,650) for the fourth quarter.
- Profit after tax amounted to 6,218 MSEK (4,888) for the full year and to 1,457 MSEK (1,244) for the fourth quarter. Profit after tax of the prior year included a charge of 286 MSEK following an adverse ruling in a tax case.
- Earnings per share increased by 31 percent to 3.97 SEK (3.04) for the full year and by 21 percent to 0.94 SEK (0.78) for the fourth quarter. Adjusted earnings per share increased by 19 percent to 3.82 SEK (3.22) for the full year and by 21 percent to 0.94 SEK (0.78) for the fourth quarter.²⁾
- On September 14, Swedish Match announced its intention to spin off its US cigar business to shareholders, subject to various conditions. The separation is expected to be completed during the second half of 2022, at the earliest.
- The Board proposes to increase the dividend to 1.86 SEK per share, to be paid in two installments; 0.93 SEK per share in May 2022 and 0.93 SEK per share in November 2022.
- The outlook for 2022 can be found on page 13.

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

2) A share split (10:1) was made in May 2021. Historical share data in this report has been restated in accordance with IAS 33.

CEO Lars Dahlgren comments on full year 2021:

Breaking new records, while investing for the future

As the world around us changes and society adjusts to new ways of living and working, we at Swedish Match adapt in step with societal trends by effectively managing our portfolio of brands and products. We invest to develop and establish platforms for future growth, while at the same time striving to deliver strong financial returns for our shareholders. Swedish Match has a vision of *A world without cigarettes*, and we are committed to making important contributions on our path towards that vision. When cigarette smokers find attractive and less harmful alternatives, and choose to stop smoking altogether, they benefit, and so does society.

Through consumer insight, research and development, capital investments, product quality assurance and improvements, and with a continually evolving portfolio, we offer consumer choices that meet changing demands. We have chosen to focus our efforts on smokefree products, believing that these products can best meet consumer expectations and needs of quality, satisfaction, and harm reduction. Some of our brands and products are over one hundred years in the making, and still going strong, like *General* or *Ettan* snus, *Oliver Twist* tobacco bits, or our chewing tobacco in the US which, at 135 years old, has taken on the brand name, *America's Best Chew*, in celebration of its flagship position for taste, quality and category leadership. Snus, and now nicotine pouches, provide adult tobacco consumers with satisfying and socially acceptable alternatives to cigarettes, and consumers have increasingly turned to these varieties. Snus, for example, has enabled an entire generation of adults to practically quit cigarettes altogether. In Norway and in Sweden, the percentage of men and women who smoke has dropped dramatically over the past decade. Many have switched to snus, or, more recently, to nicotine pouches. Today, well below 10 percent of the adult populations in Sweden and Norway smoke cigarettes on a daily basis, among the lowest incident rates in the world.

We strive to be a growing, profitable company that makes tangible and meaningful contributions through our sustainability efforts. In 2021, not only did we deliver yet another year of impressive growth, but we also took notable steps towards expanding our reach and portfolio of smokefree products and engaging with the scientific community and regulators in efforts to contribute to improved public health and a better understanding of the benefits of our smokefree products, like nicotine pouches and snus. We not only work to improve public health in line with our vision, but also to make concerted efforts to reduce our environmental impacts and maintain strong and sound governance and ethical standards. Our commitments to taking a science-based target approach to greenhouse gases, committing to the Paris Treaty on climate change, or our work to ensure that we have a workplace where all feel that they have opportunities to grow and develop, free from discrimination, in an environment that celebrates diversity and gender balance, are further examples of ways we have contributed and will continue to contribute to positive change. We have taken several important steps to improve not only our work within our sustainability focus areas, but also in how we present and communicate our sustainability approach, aspirations and results, much of which will be described in our 2021 annual report.

Our sales performance in 2021 was outstanding, hitting a new all-time high. In local currencies, sales increased by double digits in each of our product segments, with the Smokefree product segment leading the way. Our nicotine pouches made a significant contribution to that growth in the US as well as in Scandinavia and Other markets. Nicotine pouches registered spectacular volume growth of more than 50 percent in both the US and Scandinavia. The total addressable market for nicotine pouches includes cigarette smokers, but also draws from other oral tobacco products, as well as from the growing pool of consumers who currently use vape products but have found our nicotine pouches to have greater appeal.

In the US, we continued to add to the number of shops where ZYN can be found, and we broadened the distribution of our assortment across the entire US market. We are seeking long-term engagement with loyal consumers and customers and are prepared to invest appropriately and adequately toward that goal. This past year, we devoted significant efforts toward loyalty and engagement with both our customers and our consumers, for example through our ZYN zone merchandising program and ZYN.com consumer loyalty program. Despite aggressive distribution expansion efforts and intense price competition from our main competitors within US nicotine pouches, ZYN stood out with its popularity and high-quality premium offering, demonstrating market share resilience throughout most of 2021.

We also see significant opportunities for nicotine pouches outside of the US, where the variety of competitive offerings and the regulatory frameworks are dynamic and diverse. In Scandinavia, we are dedicating resources to strengthen our position in nicotine pouches, while maintaining leadership with our renowned snus portfolio which in 2021 continued to demonstrate growth. Our Scandinavian nicotine pouch volume growth of 55 percent

was impressive, but still somewhat less than the growth rate for the nicotine pouch market. Growing snus volumes reflected continued strong consumer demand for traditional tobacco smokefree varieties.

Outside the US and Scandinavia, we believe that nicotine pouches are especially well positioned for meeting evolving consumer demand for reduced risk products, and with planned increased investment levels in current and new geographies we see significant opportunities for long-term growth.

Once again in 2021, as the COVID pandemic situation ebbed and flowed, and restrictions grew tighter or looser, we adapted, helping to ensure that products were on shelves and that our capacity plans and development work proceeded smoothly. In Scandinavia, alternating on-sets and reliefs of travel restrictions caused steep variations in consumers' purchasing patterns which caused logistical challenges, but for the full year, channel and market mix effects yielded a net positive financial impact compared to 2020. Our Scandinavian smokefree business, however, also delivered a solid earnings development on an underlying basis, despite increased market related investments to support growth opportunities within nicotine pouches.

For US chewing tobacco and for moist snuff, volumes in the prior year were unusually strong, bolstered by changes in consumer patterns resulting from the COVID pandemic. During the course of 2021 there was a reversion to more normal consumption patterns, most notably for chewing tobacco. Despite volume declines for US chewing tobacco reflecting normal historical patterns, operating profit held up well as a result of effective price management and operational efficiencies. For moist snuff, our investments behind pouches and our position in the value segment served us well, as volumes for our *Longhorn* brand grew notably faster than the moist snuff category development. Improved pricing further contributed to the solid financial performance of our US moist snuff business.

Our lights businesses delivered another year of sales growth for both matches and lighters, with sales in local currencies excluding acquisitions increasing by 16 percent. Operating profit grew at an even faster rate, aided by certain asset sales, cost control, and strong price mix impacts. Our match and lighter portfolios include products for many purposes, such as utility lighters, or wood-based fire lighting products that typically sell at attractive prices, provide good profitability, and are exposed to growing consumption patterns. This year we further strengthened our range and assortment of value-added lights products through the acquisition of Fire-Up, with its high-quality range of sustainable fire-lighting products.

For cigars, our shipment volumes for the year grew to another record of over 1.9 billion sticks, as we achieved a strong rebound in shipments of natural leaf varieties which were impacted by COVID-related production constraints in the prior year. The growth of natural leaf more than offset the year-on-year declines for our homogenized tobacco leaf (HTL) assortment. In the prior year, Swedish Match benefitted from its dual factory footprint when competition faced more severe supply and production issues for HTL. In the second half of 2021, a constraint on raw materials impacted Swedish Match more severely than some of our competitors, resulting in lower levels of our HTL cigar shipments than would have been the case without these supply constraints. With the cigar portfolio focused on the attractive and growing natural leaf segment, a strong segment market share and a broad assortment of high-quality products, Swedish Match's cigar business is very well positioned for growth. The 2021 delivery of double-digit sales and earnings growth, despite several supply chain related challenges, is a testament to the strength and adaptability of the cigar business of Swedish Match.

In the month of September, we announced our intent to provide the opportunity for the cigar business to operate independently, with a potential spin-off in the latter part of 2022, at the earliest. This decision to initiate preparations for a separation of cigars was taken after thorough strategic considerations. The process requires significant efforts from many of our employees, and I applaud all their work so far on this project. A separation of cigars will enable Swedish Match to have laser sharp focus on the smokefree space, while the new cigar company will be able to have its own clear priorities and take advantage of opportunities to build on its excellent platform.

The success that we experienced over this past year reflects the dedication, commitment, and creative engagement with and by all our stakeholders, with insights from consumers, reflections and conversations with our shareholders, discussions with our customers and suppliers, and most importantly passion and resolve on the part of our employees. We see change, we adapt and create change, and with that we create opportunities for growth, for our employees, our shareholders, and our impactful and purposeful progress toward a vision of *A world without cigarettes*.

Summary of consolidated income statement

MSEK	October-December		Chg %	Full year		Chg %
	2021	2020		2021	2020	
Sales	4,751	4,136	15	18,489	16,698	11
Sales from product segments ¹⁾	4,663	4,045	15	18,145	16,332	11
Operating profit from product segments ¹⁾	1,957	1,695	15	8,136	7,160	14
Operating profit, excl. larger one-time items ²⁾	1,901	1,650	15	7,986	6,991	14
Operating profit	1,901	1,650	15	8,286	6,991	19
Profit before income tax	1,818	1,570	16	7,941	6,644	20
Profit for the period	1,457	1,244	17	6,218	4,888	27
Operating margin from product segments, % ¹⁾	42.0	41.9		44.8	43.8	
Earnings per share, basic and diluted, SEK ⁴⁾	0.94	0.78	21	3.97	3.04	31
Adjusted earnings per share, basic and diluted, SEK ³⁾⁴⁾	0.94	0.78	21	3.82	3.22	19

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

2) Excluding a larger one-time item during the first quarter 2021, relating to a settlement income of 300 MSEK.

3) Adjusted earnings per share in 2021 excludes settlement income of 300 MSEK (238 MSEK net of tax) recognized in the first quarter 2021. Adjusted earnings per share in 2020 excludes a tax charge including interest of 286 MSEK related to adverse ruling in a tax case in Sweden recognized in the third quarter 2020, see Note 5.

4) A share split (10:1) was made in May 2021. Historical share data in this report has been restated in accordance with IAS 33.

The fourth quarter

(Note: Comments below, unless stated otherwise, refer to the comparison between the fourth quarter 2021 vs. the fourth quarter 2020).

Sales

Group sales and sales from product segments increased by 15 percent to 4,751 MSEK (4,136) and 4,663 MSEK (4,045), respectively. In local currencies, sales from product segments increased by 13 percent. Currency translation positively affected the comparability of sales from product segments by 107 MSEK. Sales increased for the product segments Smokefree and Lights but declined for Cigars both as reported and measured in local currency. The Smokefree product segment was the largest contributor to the sales growth, with growth in both the US and Scandinavia, as well as in Other markets. Sales of cigars declined by 10 percent in local currency, impacted by a continued shortage of certain input materials. For Lights, sales grew strongly for both matches and lighters.

Earnings

Group operating profit and operating profit from product segments increased by 15 percent to 1,901 MSEK (1,650) and 1,957 MSEK (1,695), respectively. In local currencies, operating profit from product segments was up by 11 percent. Currency translation has affected the comparison of the operating profit positively by 74 MSEK.

Operating profit grew sharply for both the Smokefree and the Lights product segments. Within the Smokefree product segment, operating profit in local currency increased in both the US and in Scandinavia, despite notably higher market related investments behind nicotine pouches in both geographies. The increase in operating profit for Lights was driven by strong performance for both matches and lighters. For Cigars, operating profit declined on lower sales and increased production cost per cigar, impacted by the strained supply situation.

The Group's net finance cost amounted to 83 MSEK (80). The income tax expense amounted to 360 MSEK (326), corresponding to a corporate tax rate of 19.8 percent (20.8). The lower tax rate for the Group in the fourth quarter of 2021 was primarily a result of a positive net tax impact of 50 MSEK relating to a favorable ruling in a tax case in Sweden. The Group's profit for the period amounted to 1,457 MSEK (1,244).

Earnings per share for the fourth quarter amounted to 0.94 SEK (0.78).

The full year

(Note: Comments below, unless stated otherwise, refer to the comparison between full year 2021 vs. full year 2020).

Sales

Group sales and sales from product segments increased by 11 percent to 18,489 MSEK (16,698) and 18,145 MSEK (16,332), respectively. In local currencies, sales from product segments increased by 17 percent, with double-digit increases for all three product segments. Currency translation negatively affected the comparability of sales from product segments by 885 MSEK. The largest contributor to the sales increase was the Smokefree product segment, with especially strong growth in the US along with higher sales in both Scandinavia and Other markets.

Earnings

Group operating profit increased by 19 percent to 8,286 MSEK (6,991) and included settlement income of 300 MSEK relating to a previously ongoing arbitration. Operating profit from product segments increased by 14 percent to 8,136 MSEK (7,160). As for sales, all three product segments contributed with double-digit growth in operating profit in local currencies. Currency translation has affected the comparison of the operating profit negatively by 376 MSEK.

The Group's net finance cost amounted to 345 MSEK (347). Excluding interest costs relating to an adverse tax ruling in Sweden in the prior year, net finance costs increased by 15 MSEK, mainly reflecting lower financial returns on surplus cash and higher interest costs. The income tax expense amounted to 1,723 MSEK (1,756), corresponding to a tax rate of 21.7 percent (26.4). The higher tax rate for the Group for 2020 was primarily a result of an additional income tax expense of 270 MSEK relating to the above-mentioned tax case. In 2021, a favorable ruling in another tax case in Sweden reduced the income tax expense by 50 MSEK for the Group. When adjusted for income in associated companies the underlying tax rate excluding items of temporary nature, was 23.0 percent (23.1). The Group's profit for the period amounted to 6,218 MSEK (4,888).

Earnings per share for the full year amounted to 3.97 SEK (3.04). Adjusted earnings per share amounted to 3.82 SEK (3.22).

Scandinavia's leader in snus, and growing with nicotine pouches

Swedish Match offers a wide range of smokefree products, both with and without tobacco, as well as nicotine-free offerings. Some well-known brands include *General* and *Göteborgs Rapé* for snus and chew bags and *ZYN* for nicotine pouches. In Sweden and Norway, Swedish Match is the market leader for snus and these two countries are also the largest markets for the Company's nicotine pouches in Europe. During the past few years Swedish Match have introduced its nicotine pouches, mainly under the *ZYN* brand, in other European countries.



Smokefree

Fourth quarter highlights:

- Sales and operating profit up by 22 and 29 percent respectively in local currencies.
- ZYN in the US drove the strong financial performance, further enhanced by robust developments in Scandinavia as well as for the US traditional smokefree portfolio.
- Higher velocities continued to drive ZYN US volume performance and the market share increased slightly compared to the third quarter.
- Sales and earnings up in Scandinavia on strong shipments for both snus and nicotine pouches, reflecting continued robust category growth.



Key data						
MSEK	October-December		Chg	Full year		Chg
	2021	2020	%	2021	2020	%
Sales	3,242	2,606	24	12,120	10,651	14
Operating profit	1,547	1,168	32	5,998	5,142	17
Operating margin, %	47.7	44.8		49.5	48.3	
EBITDA	1,668	1,269	31	6,423	5,539	16
EBITDA margin, %	51.4	48.7		53.0	52.0	
Depreciation, amortization and impairment	-121	-101		-425	-397	
Capital expenditures	253	338	-25	1,000	1,003	0

The fourth quarter

(Note: Comments below, unless stated otherwise, refer to the comparison between the fourth quarter 2021 vs. the fourth quarter 2020).

In local currencies, sales for the Smokefree product segment increased by 22 percent. Currency translation affected the sales comparison positively by 61 MSEK. Operating profit in local currencies increased by 29 percent, driven by increases in the US and Scandinavia. Currency translation positively affected comparability of the operating profit by 42 MSEK.

The US

Key data, the US						
	October-December		Chg	Full year		Chg
	2021	2020	%	2021	2020	%
Financials, MSEK						
Sales	1,854	1,361	36	6,754	5,818	16
Operating profit	919	616	49	3,352	2,802	20
Operating margin, %	49.6	45.3		49.6	48.2	
Financials, MUS\$						
Sales	210	158	33	787	632	24
Operating profit	104	72	45	391	304	28
Operating margin, %	49.6	45.5		49.6	48.2	
Shipment volumes						
Moist snuff, million cans	30.3	29.7	2	129.6	133.3	-3
Nicotine pouches, million cans	48.2	30.9	56	173.9	114.1	52
Chewing tobacco, thousands of pounds (excluding contract manufacturing volumes)	1,187	1,236	-4	5,244	5,687	-8

Market shares, the US¹⁾

Percent	October-December		Chg ppts	Full year		Chg ppts
	2021	2020		2021	2020	
Nicotine pouches	64.4	74.0	-9.5	64.2	74.8	-10.6
Moist snuff	9.0	8.7	0.3	9.0	8.7	0.2
Chewing tobacco (excluding contract manufacturing volumes)	39.9	40.5	-0.6	40.5	40.9	-0.4

1) Based on MSA distributor shipments: 13 weeks and YTD to December 26, 2021 and December 27, 2020, respectively. Figures for 2020 have been restated to reflect changes in MSA store measurements.

The strong double-digit sales and earnings developments were driven by continued momentum for nicotine pouches along with a robust development for the portfolio of traditional smokefree products, including snus.

Shipment volumes for ZYN increased by more than 50 percent, driven by higher velocities and to a lesser extent an expansion of the store base. Shipment volumes also increased on a sequential basis relative to the third quarter, despite fewer shipping days. Sales for ZYN in local currency grew by more than 50 percent and operating profit also grew strongly despite significantly higher marketing related expenses. Based on distributor shipments to retail, ZYN has demonstrated market share resilience during the year and, sequentially, compared to the third quarter, the market share increased slightly.

Shipment volumes for moist snuff increased slightly, with volume growth for pouches and tubs more than compensating for lower volumes of loose products. Sales and operating profit grew more than volumes, driven by improved pricing.

For chewing tobacco, sales and operating profit were virtually flat, with improved pricing offsetting volume declines.

Scandinavia

Scandinavia refers to Sweden, Norway, and Denmark.

Key data, Scandinavia

	October-December		Chg %	Full year		Chg %
	2021	2020		2021	2020	
Financials						
Sales, MSEK	1,346	1,217	11	5,203	4,675	11
Operating profit, MSEK	684	615	11	2,813	2,465	14
Operating margin, %	50.8	50.5		54.1	52.7	
Shipment volumes						
Snus, million cans	65.6	62.8	4	253.3	243.6	4
Nicotine pouches, million cans	5.9	3.5	70	20.3	13.1	55
Chew bags and tobacco bits, million cans	0.9	1.3	-30	3.5	4.4	-21

Market shares, Scandinavia¹⁾

Percent	October-December		Chg ppts	Full year		Chg ppts
	2021	2020		2021	2020	
Snus ²⁾	58.9	60.0	-1.1	59.4	60.0	-0.5
Nicotine pouches ³⁾	14.8	16.2	-1.4	15.2	16.0	-0.8
Total⁴⁾	48.7	52.7	-4.0	50.2	53.5	-3.3

1) Based on Nielsen data (excluding tobacconists and e-commerce): 13 weeks and YTD to December 26, 2021 and December 27, 2020, respectively. All figures have been restated to reflect changes in Nielsen store measurements.

2) Includes snus in Sweden and Norway. Snus is not allowed to be sold in Denmark.

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

4) Includes snus in Sweden and Norway, chew bags in Denmark, and nicotine pouches in all three countries.

In local currencies, sales and operating profit for Smokefree in Scandinavia grew by 8 and 7 percent, respectively. The increase in local currency sales was driven by higher volumes along with a slight increase in average price per can.

The smokefree category in Scandinavia continued to exhibit strong growth in the fourth quarter. Swedish Match's shipments increased by 7 percent. Underlying consumption of Swedish Match products is estimated to have increased by somewhat less than reported shipments, as the increase in shipment volumes was impacted by unusually low deliveries to Norwegian customers in December 2020 in anticipation of the sharp excise tax decrease effective from January 1, 2021. Despite this, deliveries to the domestic trade in Norway only grew marginally in the quarter, due to higher activity at the Swedish border trade resulting from eased travel restrictions during parts of this year's fourth quarter. Strong volume growth for nicotine pouches was the main contributor to underlying growth, and consumption of Swedish Match's snus products is also estimated to have increased.

Despite a continued high activity level to support growth of nicotine pouches, operating profit in local currencies grew almost in line with sales in percentage terms.

According to Nielsen, Swedish Match's market share of the Scandinavian smokefree category declined by less than 1 percentage point on a sequential basis relative to the third quarter of 2021. While a modest share decline was recorded for snus, the share within nicotine pouches remained stable.

Other markets

Key data, Other markets

	October-December		Chg	Full year		Chg
	2021	2020	%	2021	2020	%
Sales, MSEK	43	28	55	163	158	3
Operating profit, MSEK	-56	-62	11	-167	-125	-34
Operating margin, %	-129.3	-225.5		-102.2	-79.1	
Shipment volumes, million cans ¹⁾	2.0	1.4	42	8.0	7.9	1

1) Total shipment volumes for snus, nicotine pouches, chew bags, and tobacco bits.

For Smokefree in Other markets, sales increased from higher volumes of both nicotine pouches and chewing tobacco. Operating loss decreased despite continued investments in support of growth for nicotine pouches.

The full year

(Note: Comments below, unless stated otherwise, refer to the comparison between full year 2021 vs. full year 2020).

In local currencies, sales and operating profit for the Smokefree product segment grew by 18 percent and 21 percent, respectively, mainly driven by the strong development for ZYN in the US.

Scandinavia also delivered a solid financial development, with revenue growth of 11 percent in local currencies, benefitting from strong underlying category growth, timing effects on shipments, as well as favorable price/mix that resulted from price changes, product mix effects and channel shifts.

Other markets also contributed to the sales growth, with growth for nicotine pouches and snus more than offsetting lower sales of chewing tobacco, principally relating to halted shipments to the German market following adverse regulatory changes in 2020.

In local currencies, operating profit for the Smokefree product segment increased by 21 percent. Earnings grew strongly in both the US and in Scandinavia but declined in Other markets, principally due to increased market investments to support future growth.

Cigars

Fourth quarter highlights:

- Sales declined by 10 percent in local currency with improved average pricing only partially offsetting shipment volume declines.
- Swedish Match shipments continued to grow for natural leaf cigars but declined for HTL varieties.
- Lower sales along with higher unit production cost drove decline in operating profit in the quarter.
- Swedish Match estimates continued strong underlying demand for cigars, with industry shipments being adversely impacted by temporary supply related factors.



Key data

MSEK	October-December			Full year		
	2021	2020	Chg %	2021	2020	Chg %
Sales	1,063	1,152	-8	4,688	4,533	3
Operating profit	343	481	-29	1,841	1,796	3
Operating margin, %	32.3	41.7		39.3	39.6	
EBITDA	365	503	-27	1,927	1,883	2
EBITDA margin, %	34.3	43.6		41.1	41.5	
Depreciation, amortization and impairment	-22	-22		-86	-87	
Capital expenditures	37	26	43	94	74	27

Key data

MUSD	October-December			Full year		
	2021	2020	Chg %	2021	2020	Chg %
Sales	119	133	-10	546	493	11
Operating profit	38	55	-31	215	195	10
Operating margin, %	31.9	41.6		39.3	39.6	
EBITDA	41	58	-30	225	205	10
EBITDA margin, %	34.0	43.5		41.1	41.5	
Depreciation, amortization and impairment	-2	-3		-10	-9	
Capital expenditures	4	3	45	11	8	36

The fourth quarter

(Note: Comments below, unless stated otherwise, refer to the comparison between the fourth quarter 2021 vs. the fourth quarter 2020).

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

In local currency, sales declined by 10 percent. Increased average selling price per cigar did not compensate for the decline in shipment volumes. While shipment volumes grew for natural leaf varieties, deliveries of HTL cigars declined sharply versus elevated prior year levels and were impacted by production planning prioritization of the more attractive natural leaf segment in view of constraints brought on by shortages of certain raw materials. While we continue to work diligently to mitigate production related challenges, restrictions on certain input materials are likely to remain for some time.

Operating profit declined notably, principally as a consequence of the lower sales and further impacted by higher unit cost of production. The average production cost per cigar was adversely affected by volume absorption effects, production mix, increased prices on raw materials and temporary labor inefficiencies.

Based on MSA measures of distributor shipments to retail, total mass market cigar category volumes (excluding little cigars) declined by 5 percent in the quarter, with continued good growth for natural leaf cigars not fully offsetting declines for HTL varieties. Production and general transportation system challenges likely contributed to the lower category shipments which were not necessarily reflective of the development of underlying consumer demand. Swedish Match's market share of the cigar category (excluding little cigars) declined slightly on a sequential basis relative to the third quarter.

Shipment volumes, the US

Million sticks	October-December		Chg %	Full year		Chg %
	2021	2020		2021	2020	
Homogenized tobacco leaf (HTL) cigars	133	221	-40	732	838	-13
Natural leaf cigars	298	277	8	1,258	1,065	18
Cigars total	432	499	-13	1,991	1,903	5

Market shares, the US¹⁾

Percent	October-December		Chg ppts	Full year		Chg ppts
	2021	2020		2021	2020	
Homogenized tobacco leaf (HTL) cigars	11.8	15.5	-3.7	13.6	14.8	-1.2
Natural leaf cigars	35.8	36.0	-0.2	34.9	36.7	-1.8
Cigars total	21.5	22.6	-1.1	22.0	22.4	-0.4

1) Based on MSA distributor shipments: Mass market cigars (excluding little cigars) 13 weeks and YTD to December 26, 2021 and December 27, 2020 respectively. Figures for 2020 have been restated to reflect changes in MSA store measurements.

The full year

(Note: Comments below, unless stated otherwise, refer to the comparison between full year 2021 vs. full year 2020).

Sales grew by 11 percent in local currency with balanced contributions of higher volumes and improved pricing. While progress was achieved in addressing capacity limitations for natural leaf varieties, the above-mentioned restrictions of certain input materials adversely affected shipments of HTL volumes. Despite a higher production cost per cigar, operating profit grew in line with sales in percentage terms.

Based on MSA measures of distributor shipments to retail, total mass market cigar category volumes (excluding little cigars) increased by 3 percent for the full year, with strong growth in the natural leaf segment more than offsetting declines in the HTL segment.

Lights

Fourth quarter highlights:

- Strong sales growth on the back of higher volumes, active price management, positive portfolio mix as well as acquisition effects.
- Robust top-line development drove sharp increase in operating profit despite higher raw material costs.



Key data

MSEK	October-December		Chg %	Full year		Chg %
	2021	2020		2021	2020	
Sales	357	288	24	1,338	1,149	16
Operating profit	67	46	45	297	222	34
Operating margin, %	18.7	16.0		22.2	19.3	
EBITDA	78	54	44	339	261	30
EBITDA margin, %	21.8	18.8		25.4	22.7	
Depreciation, amortization and impairment	-11	-8		-43	-39	
Capital expenditures	16	9	81	51	29	75

The fourth quarter

(Note: Comments below, unless stated otherwise, refer to the comparison between the fourth quarter 2021 vs. the fourth quarter 2020).

Excluding currency translation effects, sales increased by 25 percent with balanced contribution from matches and lighters on improved volumes and positive price/mix effects for both categories. Sales for matches benefitted from organic growth as well as the inclusion of the Dutch fire products company Fire-Up, which was acquired during the first quarter of 2021.

Despite significantly higher raw material costs across the lights businesses, the strong sales development resulted in an operating profit increase of 35 percent in local currencies. Operating profit in local currencies increased for both matches and lighters. The acquisition of Fire-Up did not meaningfully impact the operating profit development.

Shipment volumes, worldwide

	October-December		Chg %	Full year		Chg %
	2021	2020		2021	2020	
Matches, billion sticks	15.0	14.4	4	58.5	57.3	2
Lighters, million units	82.9	80.4	3	325.2	293.4	11

The full year

(Note: Comments below, unless stated otherwise, refer to the comparison between full year 2021 vs. full year 2020).

Excluding currency translation effects, as well as the impact from the Fire-Up acquisition, sales in local currencies increased by 16 percent with solid performance for both lighters and matches.

Operating profit in the period benefitted from income relating to land sales and the resolution of indirect tax disputes amounting to about 70 MSEK in total, while the prior year period included income of a similar nature of 31 MSEK. Excluding these items and the negative effects from currency translation, operating profit increased by more than 30 percent on the back of a strong performance for lighters.

Cash flow and financing

Cash flow from operating activities for the full year 2021 amounted to 6,336 MSEK (5,607). The improved cash flow was driven by the stronger EBITDA development, the above-mentioned settlement income of 300 MSEK and lower tax payments, partly offset by negative changes in cash flow from working capital, mainly due to timing effects.

Investments in property, plant and equipment increased to 1,172 MSEK (1,126) principally benefitting the Smokefree product segment. Cash flow used in investing activities reflects the acquisition of Fire-Up, a small European manufacturer of sustainable firelighters and related products (see *Note 4*).

The Group's net finance cost amounted to 345 MSEK (347). Excluding interest costs of 16 MSEK relating to the adverse tax ruling in Sweden in the prior year period, net finance cost increased by 15 MSEK reflecting lower financial returns on surplus cash and higher interest costs.

During 2021, new bond loans of 1,813 MSEK were issued, repayments of maturing bond loans amounted to 1,553 MSEK, and early repayment of short-term bond loans amounted to 716 MSEK. As of December 31, 2021, Swedish Match had 14,851 MSEK of interest-bearing debt excluding retirement benefit obligations but including lease liabilities of 403 MSEK. The Group's interest-bearing debt at December 31, 2020 amounted to 15,523 MSEK. For further detail on the maturity profile of the debt portfolio, please see the Company's website. Net retirement benefit obligations decreased to 1,305 MSEK (1,411) as of December 31, 2021 due to positive remeasurements effects from higher discount rates and higher return on plan assets.

As of December 31, 2021, Swedish Match had 1,500 MSEK in unutilized committed credit lines. Cash and cash equivalents amounted to 2,121 MSEK (3,411) at the end of the period.

The net debt as of December 31, 2021 amounted to 14,035 MSEK compared to 13,523 MSEK at December 31, 2020.

Shareholder distributions and the share

In 2021, Swedish Match paid dividends of 2,369 MSEK to its shareholders. During the year, Swedish Match repurchased 52.8 million shares for 3,802 MSEK at an average price of 71.96 SEK, following authorization from the Annual General Meetings held in 2020 and 2021. Total shares bought back by Swedish Match since the buyback program started have been repurchased at an average price of 15.95 SEK. As per December 31, 2021, Swedish Match held 48.8 million shares, corresponding to 3.09 percent of the total number of shares. The number of shares outstanding, net, as per December 31, 2021, amounted to 1.531 billion. In January 2022, a further 2.1 million shares have been repurchased for 160 MSEK at an average price of 74.85 SEK.

In May 2021, the number of shares and votes in Swedish Match AB (publ) increased as a result of the share split (ratio 10:1) that was resolved by Swedish Match AB's Annual General Meeting on April 13, 2021, through which each existing share was divided into ten shares. The record date for the share split was May 10, 2021. Following the share split, the total number of shares in the Company amounts to 1,580,000,000 shares (previously 158,000,000 shares).

The Board of Directors will propose to the Annual General Meeting in April 2022 a renewed mandate to repurchase shares up to a total holding in treasury not exceeding 10 percent of the number of registered shares in the Company until the Annual General Meeting in 2023.

Proposed dividend per share

The Board of Directors proposes to the Annual General Meeting an increased dividend, amounting to 1.86 SEK per share (1.50), proposed to be paid in two installments of 0.93 SEK per share in May 2022 and 0.93 SEK per share in November 2022. The proposed dividend is in line with Swedish Match's ambition to continually grow dividend per share with a payout ratio normally within 40-60 percent of earnings per share, subject to adjustment for larger one-time items. The proposed dividend represents an increase of 24 percent from the prior year's dividend, and equals a payout ratio of 49 percent (47) of the adjusted earnings per share for the year. The proposed dividend amounts to 2,848 MSEK based on the 1.531 billion shares outstanding at the end of the year.

Effects from COVID-19

While longer-term effects from the pandemic are uncertain, the negative commercial, operational and financial consequences to Swedish Match have thus far been limited. Just as in the previous year, the Scandinavian smokefree business has likely benefitted financially from favorable channel mix effects that have been brought on by COVID-19 restrictions related to travel. For Cigars, since the on-set of the pandemic, consumer demand is likely to have been elevated as a consequence of changed consumption patterns. However, while it is challenging to identify and quantify any such potential effects, Swedish Match has faced production constraints in its cigar operations, partly as a consequence of the COVID-19 situation, which has led to an inability to fully meet demand. Swedish Match, like many other companies, has experienced higher costs and some difficulties in sourcing certain input materials. These challenges in relation to input materials may have been caused, at least to some extent, by direct or indirect consequences of the pandemic.

No material governmental subsidies or concessions related to COVID-19 have been sought or received by Swedish Match.

Swedish Match is closely monitoring the current situation including governmental guidelines and advice from public health authorities in every country where we operate. We continue to proactively take the steps that we believe are appropriate to mitigate potential impacts to our employees, our customers and our business, as well as to society.

Planned separation of the US cigar business

On September 14, 2021, Swedish Match announced its intention to separate its cigar business via a spin-off to shareholders and a subsequent listing on a US national securities exchange. As previously announced, Swedish Match expects to conclude the intended separation, subject to various considerations including necessary approvals, by no earlier than the second half of 2022.

The planned separation follows a structured process with both in-house resources and a full suite of financial, legal, and tax advisors, including Goldman Sachs, Latham & Watkins LLP, Mannheimer Swartling and KPMG. Multiple workstreams are proceeding concurrently to prepare for listing requirements and operational readiness of the cigar business. The operational separation efforts are centered around establishing independent sales and administrative capabilities of the new stand-alone entity, which it currently shares with Swedish Match's remaining US business. The supply chain organization of the cigar business already largely operates independently from the rest of Swedish Match's US business. The parent company of the cigar business is expected to be domiciled outside of the US and to qualify as a foreign private issuer for US listing rules.

Recruitment of key personnel is ongoing and will involve both existing Swedish Match resources and external talents. A highly qualified candidate with deep industry experience and expertise has been identified as Chairman of the board and is committed to assuming this role. In January 2022, an interim CFO with extensive financial leadership experience from a range of US-based listed companies has been retained to assist with the separation.

Swedish Match expects to incur usual and customary one-time costs associated with the separation that are expected to reduce operating profit for the Group until the intended separation is complete. Such costs will be reported as part of Other operations and amounted to 16 MSEK during the fourth quarter.

Full year 2022 outlook

With its vision of *A world without cigarettes*, Swedish Match's core business is to provide consumers with enjoyable alternatives that are both satisfying and dramatically safer than smoking. Swedish Match expects significant growth in consumer demand for safer alternatives to cigarettes. Swedish Match further expects that nicotine pouches as a category will continue to evolve as the number one choice among even more consumers seeking satisfactory experiences in the reduced risk product landscape. With the highly attractive prospects of the nicotine pouch category, Swedish Match anticipates that competitive activity will remain intense.

In the US, in Scandinavia, as well as in Other markets, Swedish Match plans to further increase investments during 2022 to capitalize on the growth opportunities, especially for nicotine pouches. Within Other markets, Swedish Match notes significant opportunities in existing as well as in certain new markets.

Capital expenditures are expected to be of a similar magnitude as in 2021. The effective underlying corporate tax rate in 2022, excluding associated companies, is expected to be around 23 percent and is not expected to be meaningfully impacted by the planned cigar separation.

Swedish Match intends to complete the separation of the US cigar business at the earliest during the second half of 2022. Transaction related costs will adversely impact Group operating profit in 2022.

The Company remains committed to returning cash not needed in operations to shareholders.

Risk factors

Swedish Match faces intense competition in all of its markets and for each of its products and such competition may increase in the future. To remain successful, the Group must develop products and brands that resonate with changing consumer trends, and price and promote its brands competitively. Restrictions on advertising and promotion may, however, make it more difficult to counteract any loss of consumer loyalty. Competitors may develop and promote new products which could be successful, and could thereby have an adverse effect on Swedish Match results of operations.

Swedish Match has substantial sales in the US, with products sourced from local US production facilities and imports from Swedish Match's production facilities in the Dominican Republic and in Sweden. Swedish Match also has operations in Brazil, Denmark, Norway, the Philippines and EMU member countries. Consequently, changes in import duties as well as in exchange rates of the euro, Norwegian krone, Danish krone, Brazilian real, the Dominican peso and in particular the US dollar may adversely affect the Group's results of operations, cash flow, financial condition or relative price competitiveness in the future. Such effects may occur both in local currencies and when such local currencies are translated into Swedish currency for purposes of financial reporting.

Regulatory developments and fiscal changes related to tobacco and other nicotine products, corporate income and other taxes, as well as to the marketing, sale and consumption of tobacco products and other products containing nicotine in the countries where the Group is operating may have an adverse effect on Swedish Match financial results.

For a further description of risk factors affecting Swedish Match, see the *Effects from COVID-19* above as well as the *Risk and risk management* section in the Report of the Board of Directors in the Swedish Match annual report for 2020, available on the Company's website.

Swedish Match AB (publ)

Swedish Match AB (publ) is the Parent Company of the Swedish Match Group. The main sources of income for the Parent Company are dividends and Group contributions from subsidiaries.

Revenue from the Parent Company for the full year of 2021 amounted to 32 MSEK (27). Profit before income tax amounted to 4,905 MSEK (5,347) and net profit for the year amounted to 4,543 MSEK (5,033). The lower profit before income tax compared to previous year was primarily related to participation in Group companies.

Net Group contributions of 2,646 MSEK (2,392) were received during 2021. During the year, the Parent Company also received dividends of 3,436 MSEK (4,185). An impairment loss on shares in a subsidiary amounting to 299 MSEK was recognized during the year corresponding to a dividend received of the same amount.

Part of the Group's treasury operations are within the operations of the Parent Company, including the major part of the Group's external borrowings. Substantially all of these loans have been hedged to fixed interest rates.

Repayment of bond loans during the year amounted to 2,270 MSEK and new bond loans of 1,813 MSEK were issued.

During the second quarter of 2021 it was resolved to split each of the Company's shares into ten shares (ratio 10:1). All references to shares and earnings per share in this document have been restated to reflect this split. During the year, the Parent Company made share repurchases of 52.8 million (48.2) shares for 3,802 MSEK (3,099).

A dividend of 2,369 MSEK (2,020) has been paid during the period.

Forward-looking information

This report contains forward-looking information based on the current expectation of the Swedish Match Group's management. Although management deems that the expectations presented by such forward-looking information are reasonable, no guarantee can be given that these expectations will prove correct. Accordingly, the actual future outcome could vary considerably compared to that stated in the forward-looking information, due to such factors as changed market conditions for Swedish Match's products and more general factors such as business cycles, markets and competition, unforeseen commercial or operational implications attributable to COVID-19, changes in legal requirements or other political measures, and fluctuations in exchange rates.

Additional information

This report has not been reviewed by the Company's auditors. The annual report for 2021 is expected to be published end of March and will be available on the Company's website swedishmatch.com and at Swedish Match's headquarters, Sveavägen 44, Stockholm. The Annual General Meeting will take place on April 27, 2022. The January-March 2022 report will be released on May 11, 2022.

Stockholm, February 16, 2022

Lars Dahlgren
President and CEO

Product segments summary and key ratios

Sales

MSEK	October-December		Chg %	Full year		Chg %
	2021	2020		2021	2020	
Smokefree	3,242	2,606	24	12,120	10,651	14
Cigars	1,063	1,152	-8	4,688	4,533	3
Lights	357	288	24	1,338	1,149	16
Sales from product segments	4,663	4,045	15	18,145	16,332	11
Other operations	88	91	-3	344	366	-6
Sales	4,751	4,136	15	18,489	16,698	11

Operating profit

MSEK	October-December		Chg %	Full year		Chg %
	2021	2020		2021	2020	
Smokefree	1,547	1,168	32	5,998	5,142	17
Cigars	343	481	-29	1,841	1,796	3
Lights	67	46	45	297	222	34
Operating profit from product segments	1,957	1,695	15	8,136	7,160	14
Other operations	-57	-45		-150	-169	
Settlement income	-	-		300	-	
Operating profit	1,901	1,650	15	8,286	6,991	19

Operating margin by product segment

Percent	October-December		Full year	
	2021	2020	2021	2020
Smokefree	47.7	44.8	49.5	48.3
Cigars	32.3	41.7	39.3	39.6
Lights	18.7	16.0	22.2	19.3
Operating margin from product segments	42.0	41.9	44.8	43.8

EBITDA by product segment

MSEK	October-December		Chg %	Full year		Chg %
	2021	2020		2021	2020	
Smokefree	1,668	1,269	31	6,423	5,539	16
Cigars	365	503	-27	1,927	1,883	2
Lights	78	54	44	339	261	30
EBITDA from product segments	2,111	1,826	16	8,690	7,684	13

EBITDA margin by product segment

Percent	October-December		Full year	
	2021	2020	2021	2020
Smokefree	51.4	48.7	53.0	52.0
Cigars	34.3	43.6	41.1	41.5
Lights	21.8	18.8	25.4	22.7
EBITDA margin from product segments	45.3	45.1	47.9	47.0

Key ratios

	Full year	
	2021	2020
Operating margin from product segments, %	44.8	43.8
Operating margin, excl. larger one-time items, %	43.2	41.9
Net debt, MSEK	14,035	13,523
Investments in property, plant and equipment, MSEK	1,172	1,126
Depreciation, amortization and impairments, MSEK	615	588
EBITA, MSEK	8,061	7,068
EBITA interest cover	24.3	21.4
Net debt/EBITA	1.7	1.9
Adjusted earnings per share, basic and diluted, SEK ¹⁾²⁾	3.82	3.22
<i>Share data</i>		
Number of shares outstanding at end of period ²⁾	1,531,235,190	1,584,070,830
Average number of shares outstanding ²⁾	1,565,379,185	1,608,665,372

1) Adjusted earnings per share in 2021 excludes settlement income of 300 MSEK (238 MSEK net of tax) recognized in the first quarter 2021. Adjusted earnings per share in 2020 excludes a tax charge including interest of 286 MSEK related to an adverse ruling in a tax case in Sweden recognized in the third quarter 2020.

2) A share split (10:1) was made in May 2021. Historical share data in this report has been restated in accordance with IAS 33.

Financial statements

Condensed consolidated income statement

MSEK	Note	October-December		Chg	Full year		Chg
		2021	2020	%	2021	2020	%
Sales	2	4,751	4,136	15	18,489	16,698	11
Cost of goods sold		-1,653	-1,460		-6,249	-5,751	
Gross profit		3,099	2,677	16	12,240	10,947	12
Selling and admin. expenses		-1,194	-1,031		-4,267	-3,968	
Share of profit/loss in associated companies		-5	4		13	13	
Settlement income		-	-		300	-	
Operating profit		1,901	1,650	15	8,286	6,991	19
Finance income		12	13		36	49	
Finance costs		-95	-92		-381	-396	
Net finance cost		-83	-80		-345	-347	
Profit before income tax		1,818	1,570	16	7,941	6,644	20
Income tax expense	5	-360	-326		-1,723	-1,756	
Profit for the period		1,457	1,244	17	6,218	4,888	27
<i>Attributable to:</i>							
Equity holders of the Parent		1,457	1,244		6,217	4,888	
Non-controlling interests		0	0		1	1	
Profit for the period		1,457	1,244	17	6,218	4,888	27
Earnings per share, basic and diluted, SEK ¹⁾		0.94	0.78		3.97	3.04	

1) A share split (10:1) was made in May 2021. Historical share data in this report has been restated in accordance with IAS 33.

Condensed consolidated statement of comprehensive income

MSEK	October-December		Full year	
	2021	2020	2021	2020
Profit for the period	1,457	1,244	6,218	4,888
<i>Other comprehensive income that may be reclassified to the income statement</i>				
Translation differences related to foreign operations	243	-719	740	-1,120
Effective portion of changes in fair value of cash flow hedges	5	-19	82	-51
Income tax relating to reclassifiable components of other comprehensive income	-1	4	-17	11
Sub-total, net of tax for the period	247	-734	805	-1,160
<i>Other comprehensive income that will not be reclassified to the income statement</i>				
Actuarial gains/losses attributable to pensions, incl. payroll tax	-35	124	369	-132
Income tax relating to non-reclassifiable components of other comprehensive income	6	-27	-91	33
Sub-total, net of tax for the period	-29	97	278	-99
Total comprehensive income for the period	1,675	607	7,300	3,629
<i>Attributable to:</i>				
Equity holders of the Parent	1,675	607	7,299	3,628
Non-controlling interests	0	0	1	0
Total comprehensive income for the period	1,675	607	7,300	3,629

Condensed consolidated balance sheet

MSEK	Note	December 31, 2021	December 31, 2020
Intangible assets		2,281	2,237
Property, plant and equipment		4,556	3,633
Right-of-use assets		388	278
Investments in associated companies		41	42
Other non-current assets and operating receivables		25	20
Other non-current financial assets and receivables	3,6	1,832	1,556
Total non-current assets		9,123	7,765
Other current financial receivables	3,6	374	219
Current operating assets and receivables	3	4,534	3,732
Cash and cash equivalents	3	2,121	3,411
Total current assets		7,029	7,362
Assets held for sale ¹⁾		-	28
Total assets		16,152	15,155
Equity attributable to equity holders of the Parent		-6,686	-7,814
Non-controlling interests		17	16
Total equity		-6,669	-7,798
Non-current financial provisions		1,397	1,268
Non-current loans	3	14,197	13,514
Other non-current financial liabilities	3,6	1,883	1,926
Other non-current operating liabilities	3	504	485
Total non-current liabilities		17,981	17,194
Current loans	3	990	1,850
Other current financial liabilities	3,6	368	653
Other current operating liabilities	3	3,482	3,257
Total current liabilities		4,840	5,759
Total liabilities		22,821	22,953
Total equity and liabilities		16,152	15,155

1) Assets held for sale in 2020 refers to land and forestry assets.

Condensed consolidated cash flow statement

MSEK	Full year	
	2021	2020
<i>Operating activities</i>		
Profit before income taxes	7,941	6,644
Share of profit/loss in associated companies	-13	-13
Dividend received from associated companies	13	10
Adjustments for non-cash items etc. ¹⁾	573	661
Income tax paid	-1,682	-2,006
Cash flow from operating activities before changes in working capital	6,833	5,296
Changes in working capital	-497	311
Net cash generated from operating activities	6,336	5,607
<i>Investing activities</i>		
Purchase of property, plant and equipment	-1,172	-1,126
Proceeds from sale of property, plant and equipment	60	39
Purchase of intangible assets	-8	-63
Acquisition of subsidiaries ²⁾	-39	-32
Changes in financial receivables etc.	4	9
Net cash used in investing activities	-1,156	-1,173
<i>Financing activities</i>		
Proceeds from borrowings	1,813	3,702
Repayment of borrowings	-2,270	-1,300
Dividend paid to equity holders of the Parent	-2,369	-2,020
Repurchase of own shares	-3,802	-3,099
Lease payments	-89	-81
Realized exchange gain/losses on financial instruments	98	-320
Other	7	-
Net cash used in financing activities	-6,612	-3,118
Net decrease/increase in cash and cash equivalents	-1,431	1,315
Cash and cash equivalents at the beginning of the period	3,411	2,370
Effect of exchange rate fluctuations on cash and cash equivalents	141	-274
Cash and cash equivalents at the end of the period	2,121	3,411

1) Non-cash items etc. mainly refer to depreciation, amortization and accrued interest.

2) Acquisition of subsidiaries in 2021 includes consideration paid for Fire-Up International B.V. (see Note 4) and in 2020 refers to the remaining consideration for Gotlandssnus, acquired in 2018.

Condensed consolidated statement of changes in equity

MSEK	Equity attributable to holders of the Parent	Non- controlling interests	Total equity
Equity at January 1, 2020	-6,324	16	-6,308
Profit for the period	4,888	1	4,888
Other comprehensive income, net of tax for the period	-1,259	0	-1,260
Total comprehensive income for the period	3,628	0	3,629
Dividend	-2,020	0	-2,020
Repurchase of own shares	-3,099	-	-3,099
Cancellation of shares	-18	-	-18
Bonus issues	18	-	18
Equity at December 31, 2020	-7,814	16	-7,798
Equity at January 1, 2021	-7,814	16	-7,798
Profit for the period	6,217	1	6,218
Other comprehensive income, net of tax for the period	1,083	0	1,083
Total comprehensive income for the period	7,299	1	7,300
Dividend	-2,369	0	-2,369
Repurchase of own shares	-3,802	-	-3,802
Cancellation of shares	-10	-	-10
Bonus issues	10	-	10
Equity at December 31, 2021	-6,686	17	-6,669

Objectives, policies and processes for managing capital

The basis for determining dividends and repurchasing of own shares is the equity of the Parent Company. Total equity in the Parent Company as per December 31, 2021 amounted to 10,280 MSEK and distributable earnings amounted to 9,891 MSEK.

In addition, before any distribution of capital to shareholders is determined, the financial position of the Group is carefully analyzed. As part of this analysis, the Board of Directors of Swedish Match has adopted certain financial guidelines and risk management procedures to ensure that the Parent Company and the Group maintain adequate liquidity to meet reasonably foreseeable requirements taking into account the maturity profile of debt obligations.

The dividend policy of the Company is a pay-out ratio of 40 to 60 percent of the earnings per share, subject to adjustments for larger one-time items. The Board has further determined that the financial policy should be, for the Group, to strive to maintain a net debt that does not exceed 3 times EBITA. The Board continually reviews the financial position of the Company, and the actual level of net debt is assessed against anticipated future profitability and cash flow, investment and expansion plans, acquisition opportunities as well as the development of interest rates and credit markets. Excess funds are returned to shareholders through dividends and share repurchases. For further information on distribution of capital to the shareholders during the period, see section *Shareholder distributions and the share* in this report.

Condensed Parent Company income statement

MSEK	Full year	
	2021	2020
Sales	32	27
Administrative expenses	-261	-275
Operating loss	-229	-248
Result from participation in Group companies	3,137	3,898
Finance income	0	0
Finance costs	-359	-345
Net finance cost	-359	-345
Profit after financial items	2,549	3,305
Appropriations ¹⁾	2,356	2,042
Profit before income tax	4,905	5,347
Income tax	-363	-314
Profit for the period	4,543	5,033

1) Appropriations consists of tax allocation reserve and Group contributions.

Condensed Parent Company statement of comprehensive income

MSEK	Full year	
	2021	2020
Profit for the period	4,543	5,033
<i>Other comprehensive income that may be reclassified to the income statement</i>		
Effective portion of changes in fair value of cash flow hedges	82	-51
Income tax relating to components of other comprehensive income	-17	11
Other comprehensive income, net of tax for the period	65	-41
Total comprehensive income for the period	4,608	4,992

Condensed Parent Company balance sheet

MSEK	December 31, 2021	December 31, 2020
Intangible and tangible assets	0	0
Non-current financial assets	31,608	31,675
Current assets	3,293	2,555
Cash and other current deposits	109	250
Total assets	35,010	34,481
Equity	10,280	11,843
Untaxed reserves	2,965	2,675
Provisions	69	93
Non-current liabilities	14,325	13,726
Current liabilities	7,371	6,143
Total liabilities	21,765	19,962
Total equity and liabilities	35,010	34,481

Note 1 – Accounting principles

This report for the Group is prepared in accordance with the Accounting Standard IAS 34 Interim Financial Reporting and applicable rules in the Annual Accounts Act. The report for the Parent Company for the same period is prepared in accordance with the Annual Accounts Act, Chapter 9 and RFR 2. Additional disclosures as required under IAS 34.16A may be found within the financial statements and related notes and in the narrative text of the interim financial report.

There are no changes to IFRS standards, amendments and interpretations of existing standards applicable as of January 1, 2021 that have had an effect on the Group's financial result or position. The accounting principles and basis of calculation in this report are the same as in the annual report for 2020.

Note 2 – Disaggregation of revenue

The main revenue streams for the Swedish Match Group arise from sale of goods manufactured by the Group. Within Lights, a small portion of the revenue also pertains to the distribution of third party products. Revenue within Other operations mainly pertains to income from logistics services for delivery of third party products to retail customers. Revenues for the sale of goods and logistics services are recognized at the point when the control of the promised good or service is transferred to the customer at the expected consideration to be received for such delivery. The expected consideration recognized reflects estimates of potential outcome of variable considerations as well as expected reimbursements for product returns.

Sales – October to December

MSEK	Segments								Other operations		Group	
	Smokefree		Cigars		Lights		Total segments					
	Oct-Dec		Oct-Dec		Oct-Dec		Oct-Dec		Oct-Dec		Oct-Dec	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
The US	1,854	1,361	1,063	1,152	49	29	2,966	2,541	-	-	2,966	2,541
Scandinavia	1,346	1,217	-	-	22	16	1,367	1,234	88	91	1,456	1,325
Other markets	43	28	-	-	286	243	329	271	-	-	329	271
Total sales	3,242	2,606	1,063	1,152	357	288	4,663	4,045	88	91	4,751	4,136

Sales – Full year

MSEK	Segments								Other operations		Group	
	Smokefree		Cigars		Lights		Total segments					
	Full year		Full year		Full year		Full year		Full year		Full year	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
The US	6,754	5,818	4,688	4,533	191	100	11,633	10,451	-	-	11,633	10,451
Scandinavia	5,203	4,675	-	-	61	51	5,264	4,726	344	366	5,607	5,092
Other markets	163	158	-	-	1,085	997	1,249	1,155	-	-	1,249	1,155
Total sales	12,120	10,651	4,688	4,533	1,338	1,149	18,145	16,332	344	366	18,489	16,698

Note 3 – Carrying value and fair value of financial assets and liabilities

Swedish Match applies IFRS 9 to classify and measure financial instruments.

The following valuation techniques of the fair value hierarchy are used in determining the fair values of the financial instruments:

Level 1 - Quoted prices (unadjusted) in active markets

Level 2 - Inputs other than quoted prices included within level 1 that are observable, either directly or indirectly

Level 3 - Inputs that are not based on observable market data

The following table shows carrying value and fair value for financial instruments per December 31, 2021.

Carrying value and fair value

MSEK	Financial instruments measured at FVTPL	Financial assets measured at amortized cost	Other financial liabilities	Cash flow hedges measured at FVOCI	Other receivables and liabilities	Total carrying value	Estimated fair value
Trade receivables	-	1,843	-	-	-	1,843	1,843
Other non-current financial receivables	-	36	-	700	601	1,337	1,337
Other current assets and financial receivables	71	92	-	43	271	476	476
Prepaid expenses and accrued income ¹⁾	-	-	-	2	153	155	155
Cash and cash equivalents	-	2,121	-	-	-	2,121	2,121
Total assets	71	4,092	-	745	1,025	5,932	5,932
Loans and borrowings	-	-	15,187	-	-	15,187	15,499
Other non-current financial liabilities	-	-	307	128	41	476	476
Other current liabilities	6	-	102	-	1,590	1,699	1,699
Accrued expenses and deferred income ¹⁾	-	-	125	45	892	1,063	1,063
Trade payables	-	-	464	-	-	464	464
Total liabilities	6	-	16,185	173	2,523	18,889	19,201

1) Accrued interest income on cash flow hedges is reported in the balance sheet as *Prepaid expenses and accrued income* and accrued interest expense on cash flow hedges is reported as *Accrued expenses and deferred income*.

Fair value measurement by level

MSEK	Level 1	Level 2	Level 3	Total
Derivative financial assets	-	816	-	816
Derivative financial liabilities	-	179	-	179

The following table shows carrying value and fair value for financial instruments per December 31, 2020.

Carrying value and fair value

MSEK	Financial instruments measured at FVTPL	Financial assets measured at amortized cost	Other financial liabilities	Cash flow hedges measured at FVOCI	Other receivables and liabilities	Total carrying value	Estimated fair value
Trade receivables	-	1,577	-	-	-	1,577	1,577
Other non-current financial receivables	-	3	-	459	473	935	935
Other current assets and financial receivables	1	69	-	-	246	315	315
Prepaid expenses and accrued income ¹⁾	-	-	-	1	115	117	117
Cash and cash equivalents	-	3,411	-	-	-	3,411	3,411
Total assets	1	5,060	-	460	834	6,355	6,355
Loans and borrowings	-	-	15,364	-	-	15,364	15,713
Other non-current financial liabilities	-	-	208	213	45	466	466
Other current liabilities	258	-	77	-	1,617	1,952	1,952
Accrued expenses and deferred income ¹⁾	-	-	122	46	850	1,018	1,018
Trade payables	-	-	409	-	-	409	409
Total liabilities	258	-	16,180	259	2,512	19,209	19,558

1) Accrued interest income on cash flow hedges is reported in the balance sheet as *Prepaid expenses and accrued income* and accrued interest expense on cash flow hedges is reported as *Accrued expenses and deferred income*.

Fair value measurement by level

MSEK	Level 1	Level 2	Level 3	Total
Derivative financial assets	-	461	-	461
Derivative financial liabilities	-	517	-	517

No transfer in or out of level 2 has been made during the fourth quarter 2021. The recognized amounts are regarded as reasonable estimates for all items measured at carrying value in the balance sheet, except for loans and borrowings, as these amounts have a long time to maturity. The fair value of loans and borrowings differ from their carrying value as a consequence of changes in the market interest rates. Items not valued at fair value in the balance sheet are measured at amortized cost. The total nominal amount of outstanding derivatives was 15,165 MSEK (14,035) of which 10,493 MSEK (9,991) was in cash flow hedges consisting of cross currency and interest rate swaps related to bond loans. The remaining 4,671 MSEK (4,044) consisted of currency swaps mainly related to the conversion of surplus cash in US dollars to Swedish kronor. Methodologies utilized in the valuation of financial instruments can be found in Note 1 in the annual report for 2020.

Note 4 – Business combinations

On February 3, 2021, Svenska Tändsticksbolaget Försäljningsaktiebolag (a subsidiary of Swedish Match AB) acquired 100 percent of the shares in Fire-Up International B.V., a Dutch company, which produces ecological firelighters (used for stoves, fireplaces, barbecues, etc.) and trades in a variety of fire-related products mainly in Europe. The company's annual revenues amounts to approximately 80 MSEK. The acquired net assets amounted to 15 MSEK and the preliminary acquisition fair value adjustments consisted of goodwill and trademarks. Complete IFRS 3 disclosures are not provided as the acquisition is not deemed to materially impact the Group's statement of income or financial position.

Note 5 – Tax related contingencies

Tax audits in Sweden

During 2017, the Swedish Tax Agency performed tax audits in a number of Swedish Match's Swedish group companies. After completing the audits, the Swedish Tax Agency decided to deny certain cost deductions in two cases. Both cases were appealed by Swedish Match but the cases were ruled in favor of the Tax Agency by the County Administrative Court in Stockholm in May 2019 and January 2020 respectively. Swedish Match subsequently appealed to the Administrative Court of Appeals in both cases. In August 2020 one of the cases was ruled in favor of the Tax Agency by the Administrative Court of Appeals and the tax charges of in total 270 MSEK and related interest costs of 16 MSEK has been paid and debited in the 2020 accounts. Swedish Match applied for leave to appeal and the leave was granted in June 2021 by the Supreme Administrative Court. In the other case, the Court of Appeal in December 2021 ruled in Swedish Match's favor, resulting in a positive net tax impact of 50 MSEK.

Resolution of indirect tax disputes in Brazil

In May 2021, Swedish Match received favorable decisions on court-cases related to indirect taxes in Brazil (principally value added taxes), including a new calculation methodology prescribed by the Brazilian tax authority. Swedish Match has assessed its recovery rights for duplicative indirect taxes under the Supreme court's decision to 37 MSEK (24 MSEK, net of taxes on income). The amount has been recognized as operating income in the Lights product segment in the second quarter 2021. In 2020, an operating income of 16 MSEK (11 MSEK, net of taxes on income) relating to additional indirect tax recoveries was recognized within the Lights product segment based on the calculation methodology issued by the Brazil tax authority at the time.

Note 6 – Alternative performance measures

Swedish Match presents several financial measures not defined under IFRS with the aim of enabling effective evaluation of the Group's financial position and performance for investors and for the Group's management. This means that these measures are not always comparable with measures used by other companies and shall therefore be considered as a complement to measures defined according to IFRS. Swedish Match applies these alternative key ratios consistently over time. The key ratios are alternative performance measures according to ESMA guidelines unless otherwise stated.

KEY RATIO	DEFINITION/CALCULATION	PURPOSE
SALES FROM PRODUCT SEGMENTS	Sales from reportable segments, which excludes Other operations	Used as a measure of sales performance of the core commercial businesses of Swedish Match, excluding the impact of Other operations (incl. Swedish distribution function).
OPERATING PROFIT/LOSS (EBIT) FROM PRODUCT SEGMENTS	Operating profit from reportable segments, excluding Other operations and larger one-time items	Used as a measure of operating performance of the core commercial businesses of Swedish Match, excluding the impact of Other operations (incl. Swedish distribution function) and items which impact comparability between periods.
OPERATING MARGIN FROM PRODUCT SEGMENTS (%)	$100 \times \text{Operating profit from product segments} \div \text{Sales from product segments}$	Used as a measure of operational profitability of the core commercial businesses of Swedish Match excluding the impact of Other operations (incl. Swedish distribution function).
LARGER ONE-TIME ITEMS	Larger one-time items are separately disclosed non-recurring income and cost which usually refer to larger capital gains or losses on divestments, larger asset impairments and restructuring costs and other larger non-recurring income and costs recognized during the period	Used to provide information regarding items which impact comparability between periods.
EBITDA	Profit for the period excluding larger one-time items, net finance cost, income tax, depreciation, amortization and impairments of tangible, intangible and right-of-use assets	Used as an alternative measure of operating performance that is not impacted by historical investments and the related accounting treatment of such investments as well as items which impact comparability between periods.
EBITDA FROM PRODUCT SEGMENTS	Operating profit from product segments excluding depreciation, amortization and impairments of tangible, intangible and right-of-use assets	Used as an alternative measure of operating performance for the core commercial businesses of Swedish Match, that is not impacted by historical investments and the related accounting treatment of such investments as well as items which impact comparability between periods.
EBITDA MARGIN (%)	$100 \times \text{EBITDA} \div \text{Sales}$	Used as an alternative measure of operating profitability.
EBITDA MARGIN FROM PRODUCT SEGMENTS (%)	$100 \times \text{EBITDA from product segments} \div \text{Sales from product segments}$	Used as an alternative measure of operating profitability for the core commercial businesses of Swedish Match.
PROFIT FOR THE PERIOD EXCLUDING LARGER ONE-TIME ITEMS	Profit for the period excluding larger one-time items	Used as an alternative measure of profit for the period of the ongoing business which is not affected by items which impact comparability between periods.
EBITA	Profit for the period excluding larger one-time items, net finance cost, tax, amortization and impairments of intangible assets	Used as a measure of operating performance relative to the financial obligations of the Group.
EBITA 12 months rolling	The aggregated profit excluding larger one-time items, net finance cost, tax, amortization and impairments of intangible assets for the 12-month period preceding the closing date	Used as a measure of operating performance relative to the financial obligations of the Group.
EBITA INTEREST COVER	$\text{EBITA} \div (\text{Interest income} - \text{interest expense})$	Used as a measure of the ability to fund interest expense.
NET DEBT	Current and non-current loans, adjusted for components of derivatives (assets and liabilities) relating to these loans + net provisions for pensions and similar obligations + current and non-current lease liabilities – cash and cash equivalents and other short-term investments	Used as a measure of net financial obligations.
NET DEBT/EBITA	$\text{Net debt} \div \text{EBITA 12 months rolling}$	Used as an indication of the duration (in years) required to fund existing net financial obligations with free cash flows from the ongoing business.
ADJUSTED EARNINGS PER SHARE	$\text{Profit for the period excluding larger one-time items net of tax} \div \text{Average number of shares outstanding}$	Used as an alternative measure of earnings per share which is not affected by items which impact comparability between periods.

EBITA and EBITDA

MSEK	October-December		Full year	
	2021	2020	2021	2020
Profit for the period	1,457	1,244	6,218	4,888
Income tax expense	360	326	1,723	1,756
Net finance cost	83	80	345	347
Operating profit for the period	1,901	1,650	8,286	6,991
Less larger one-time items	-	-	-300	-
Amortization and impairment of intangible assets	19	18	75	77
EBITA	1,920	1,667	8,061	7,068
Depreciation and impairment of tangible and right-of-use assets	150	129	540	511
EBITDA	2,070	1,796	8,601	7,580

EBITDA and EBITDA margin from product segments

MSEK	October-December		Full year	
	2021	2020	2021	2020
Operating profit for the period	1,901	1,650	8,286	6,991
Less operating loss from Other operations	57	45	150	169
Less larger one-time items	-	-	-300	-
Operating profit from product segments	1,957	1,695	8,136	7,160
Amortization, depreciation and impairment of intangible, tangible and right-of-use assets	169	146	615	588
Less amortization, depreciation and impairment of intangible, tangible and right-of-use assets for Other operations	-16	-15	-61	-65
EBITDA from product segments	2,111	1,826	8,690	7,684
Sales from product segments	4,663	4,045	18,145	16,332
EBITDA margin from product segments, %	45.3	45.1	47.9	47.0

Larger one-time items

MSEK	October-December		Full year	
	2021	2020	2021	2020
Settlement income	-	-	300	-
Total larger one-time items in operating profit	-	-	300	-
Income tax expense on settlement income	-	-	-62	-
Tax charge including interest related to an adverse ruling in a tax case in Sweden	-	-	-	-286
Total larger one-time items in net profit	-	-	238	-286

Adjusted earnings per share

Basic and diluted	October-December		Full year	
	2021	2020	2021	2020
Profit for the period attributable to equity holders of the Parent, MSEK	1,457	1,244	6,217	4,888
Settlement income, net of tax, MSEK	-	-	-238	-
Tax charge including interest, MSEK	-	-	-	286
Profit for the period attributable to equity holders of the Parent, excl. larger one-time items, MSEK	1,457	1,244	5,979	5,174
Weighted average number of shares outstanding, thousands ¹⁾	1,545,169	1,590,809	1,565,379	1,608,665
Adjusted earnings per share, SEK	0.94	0.78	3.82	3.22

1) A share split (10:1) was made in May 2021. Historical share data in this report has been restated in accordance with IAS 33.

EBITA interest cover

MSEK	Full year	
	2021	2020
EBITA	8,061	7,068
Interest income	36	49
Interest expense	-367	-379
EBITA interest cover	24.3	21.4

Net debt/EBITA

MSEK	Full year	
	2021	2020
Net debt	14,035	13,523
EBITA	8,061	7,068
Net debt/EBITA	1.7	1.9

Net debt

MSEK	Full year	
	2021	2020
Non-current loans	14,197	13,514
Current loans	990	1,850
Components of derivatives (liabilities) ¹⁾	112	420
Components of derivatives (assets) ²⁾	-851	-546
Non-current lease liabilities ³⁾	307	208
Current lease liabilities ⁴⁾	96	77
Subtotal	14,851	15,523
Net provision for pensions and similar obligations ³⁾	1,445	1,503
Net asset for pensions and similar receivables ⁵⁾	-140	-92
Cash and cash equivalents	-2,121	-3,411
Net debt	14,035	13,523

1) Included in *Other non-current financial liabilities* and *Other current financial liabilities* in the condensed consolidated balance sheet.

2) Included in *Other non-current financial assets and receivables* and *Other current financial receivables* in the condensed consolidated balance sheet.

3) Included in *Other non-current financial liabilities* in the condensed consolidated balance sheet.

4) Included in *Other current financial liabilities* in the condensed consolidated balance sheet.

5) Included in *Other non-current financial assets and receivables* in the condensed consolidated balance sheet.

Currency components of derivatives included in the net debt are recognized in the condensed consolidated balance sheet based on the total value of all components in the financial instrument, i.e. if the total value of the financial instrument is an asset, but includes a negative derivative component, that derivative component is recognized as a negative asset in the condensed consolidated balance sheet and vice versa.

Quarterly data

Consolidated income statement in summary

MSEK	Q4/21	Q3/21	Q2/21	Q1/21	Q4/20
Sales	4,751	4,778	4,505	4,455	4,136
Cost of goods sold	-1,653	-1,612	-1,514	-1,469	-1,460
Gross profit	3,099	3,166	2,990	2,986	2,677
Selling and administrative expenses	-1,194	-1,103	-1,037	-933	-1,031
Share of net profit/loss in associated companies	-5	12	3	2	4
Settlement income	-	-	-	300	-
Operating profit	1,901	2,075	1,956	2,354	1,650
Finance income	12	6	7	11	13
Finance costs	-95	-94	-92	-100	-92
Net finance cost	-83	-88	-85	-89	-80
Profit before income tax	1,818	1,987	1,871	2,265	1,570
Income tax expense	-360	-447	-430	-485	-326
Profit for the period	1,457	1,540	1,441	1,780	1,244
<i>Attributable to:</i>					
Equity holders of the Parent	1,457	1,539	1,441	1,779	1,244
Non-controlling interests	0	0	0	0	0
Profit for the period	1,457	1,540	1,441	1,780	1,244

Quarterly data by product segment

Sales

MSEK	Q4/21	Q3/21	Q2/21	Q1/21	Q4/20
Smokefree	3,242	3,100	2,955	2,823	2,606
Cigars	1,063	1,237	1,138	1,249	1,152
Lights	357	354	321	305	288
Sales from product segments	4,663	4,691	4,414	4,376	4,045
Other operations	88	87	90	78	91
Sales	4,751	4,778	4,505	4,455	4,136

Operating profit

MSEK	Q4/21	Q3/21	Q2/21	Q1/21	Q4/20
Smokefree	1,547	1,558	1,428	1,465	1,168
Cigars	343	481	458	560	481
Lights	67	60	103	67	46
Operating profit from product segments	1,957	2,099	1,988	2,092	1,695
Other operations	-57	-24	-32	-37	-45
Settlement income	-	-	-	300	-
Operating profit	1,901	2,075	1,956	2,354	1,650

Operating margin by product segment

Percent	Q4/21	Q3/21	Q2/21	Q1/21	Q4/20
Smokefree	47.7	50.3	48.3	51.9	44.8
Cigars	32.3	38.8	40.3	44.8	41.7
Lights	18.7	17.0	31.9	22.0	16.0
Operating margin from product segments	42.0	44.7	45.0	47.8	41.9

EBITDA by product segment

MSEK	Q4/21	Q3/21	Q2/21	Q1/21	Q4/20
Smokefree	1,668	1,663	1,532	1,561	1,269
Cigars	365	502	479	581	503
Lights	78	71	113	77	54
EBITDA from product segments	2,111	2,236	2,124	2,219	1,826

EBITDA margin by product segment

Percent	Q4/21	Q3/21	Q2/21	Q1/21	Q4/20
Smokefree	51.4	53.6	51.8	55.3	48.7
Cigars	34.3	40.6	42.1	46.5	43.6
Lights	21.8	20.0	35.3	25.3	18.8
EBITDA margin from product segments	45.3	47.7	48.1	50.7	45.1

Additional quarterly data

Depreciation, amortization and impairments

MSEK	Q4/21	Q3/21	Q2/21	Q1/21	Q4/20
Property, plant and equipment	124	110	109	101	105
Right-of-use assets	26	24	23	23	23
Intangible assets	19	19	18	18	18
Total	169	152	151	142	146

Net finance cost

MSEK	Q4/21	Q3/21	Q2/21	Q1/21	Q4/20
Interest income	12	6	7	11	5
Interest expense	-91	-92	-90	-93	-91
Net interest expense	-79	-86	-84	-83	-86
Other finance costs/income, net	-4	-3	-2	-6	6
Total net finance cost	-83	-88	-85	-89	-80

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Swedish Match develops, manufactures, and sells quality products with market-leading brands in the product segments Smokefree, Cigars, and Lights. Production is located in seven countries, with sales concentrated in the US and Scandinavia. The Swedish Match share is listed on Nasdaq Stockholm (SWMA).

Swedish Match's vision is a world without cigarettes. Some of its well-known brands include: *General, Longhorn, ZYN, Game, Big Duke, Fiat Lux, and Cricket.*

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