

A portrait of Lars Dahlgren, President and CEO, sitting at a desk in an office. He is wearing a dark blue suit jacket over a light blue button-down shirt. He has a friendly expression and is smiling slightly. His hands are resting on the desk, with a small blue container in front of him. The background shows a modern office interior with large windows and glass partitions.

# Lars Dahlgren

President and CEO



# Financial summary

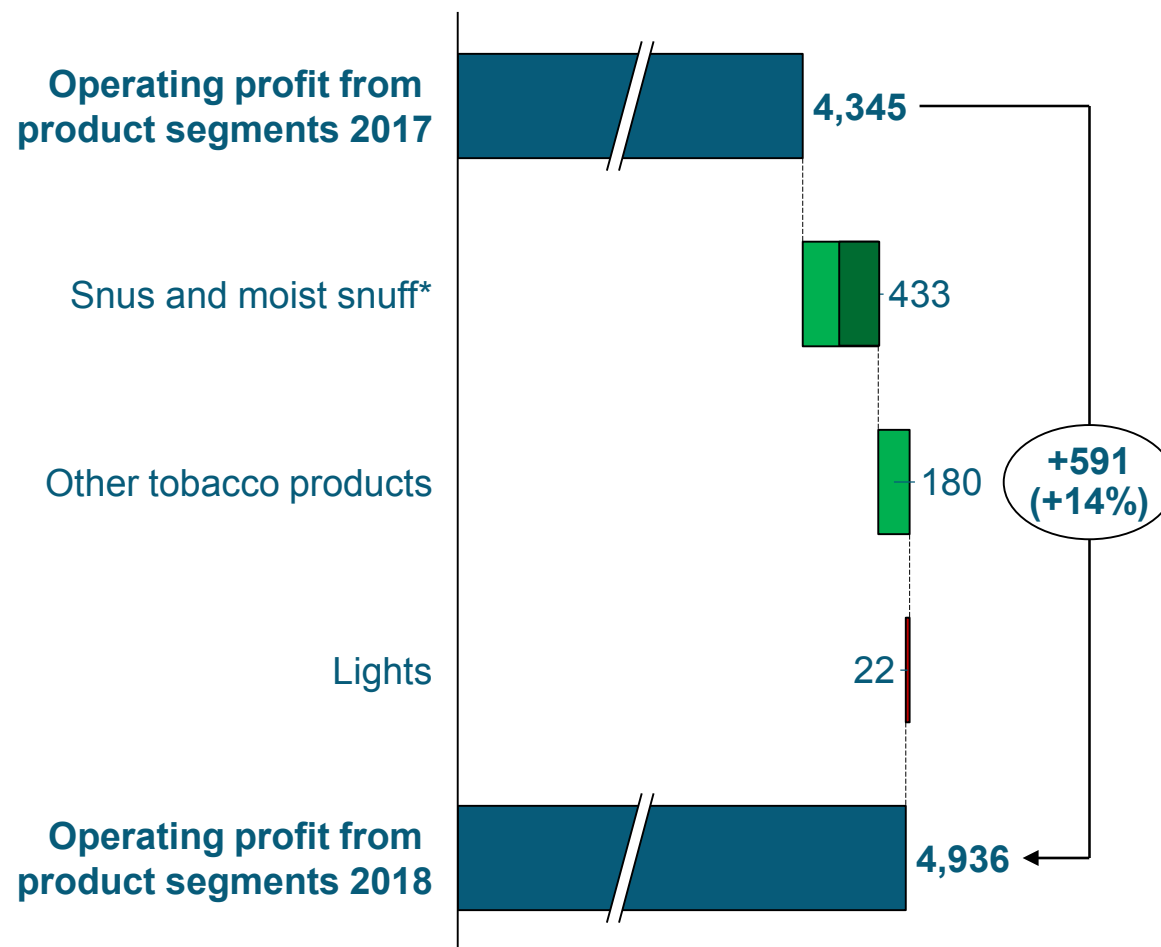
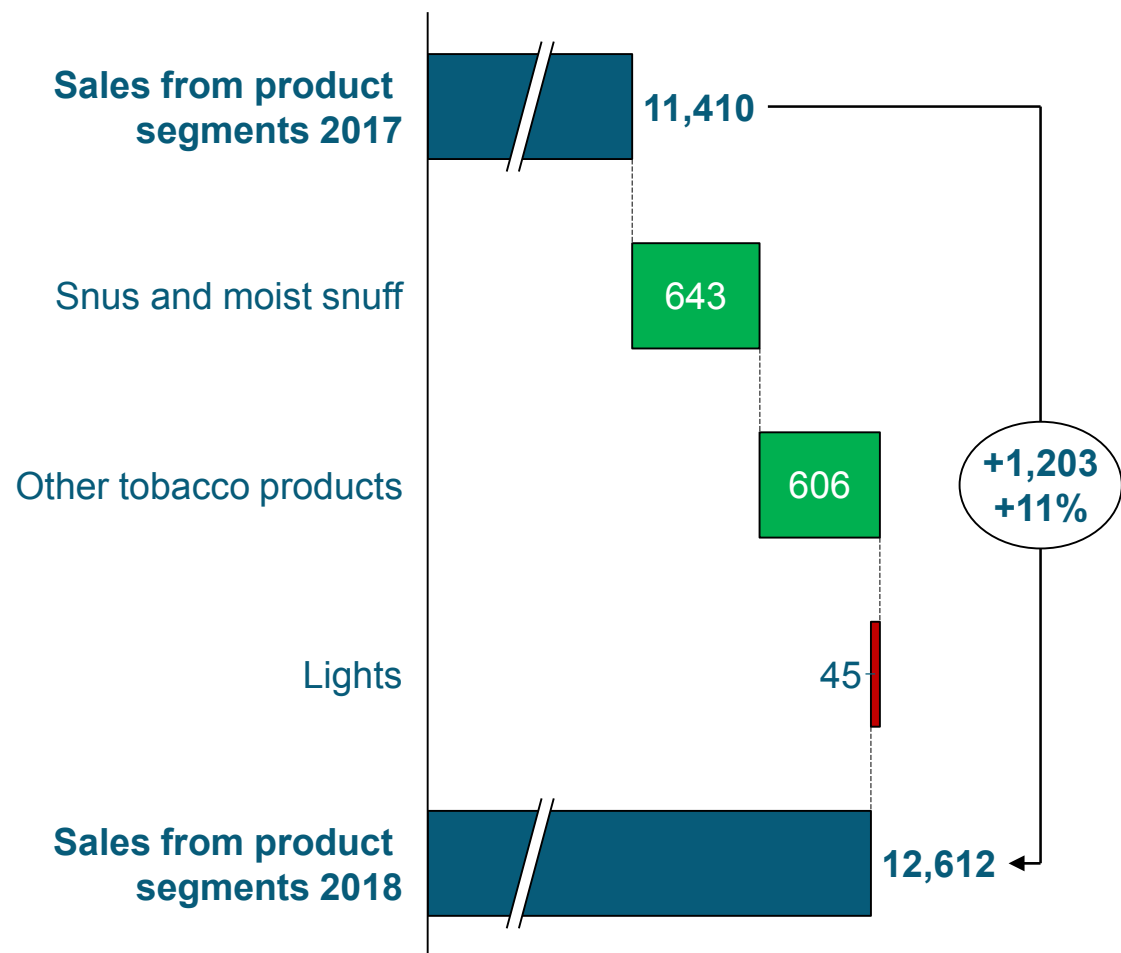
# FULL YEAR SUMMARY

- Sales increased 10 percent to 12,966 MSEK (11,751).
- Operating profit from product segments was up by 14 percent to 4,936 MSEK (4,345).
- Adjusted earnings per share increased by 26 percent to 20.63 SEK (16.40).<sup>1)</sup>

1) Excluding income from STG and larger one-time items.

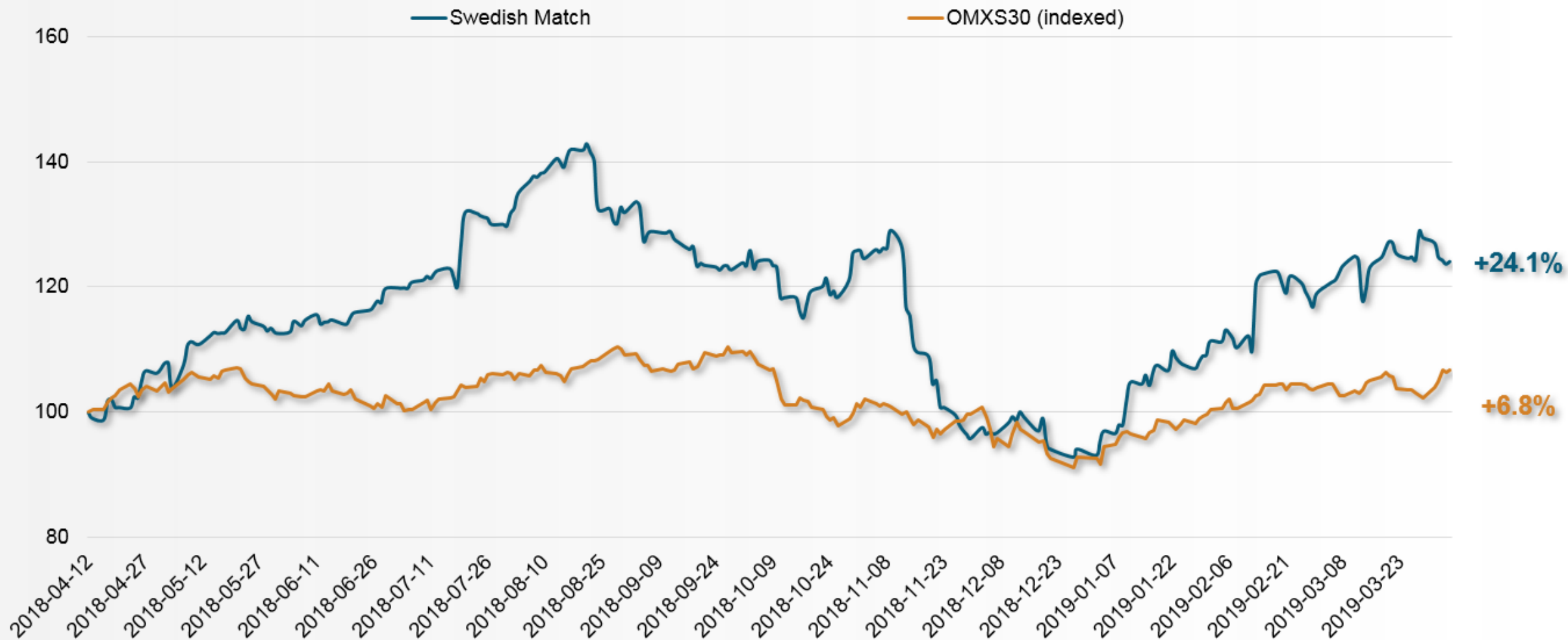


# SALES AND OPERATING PROFIT FROM PRODUCT SEGMENTS BRIDGED FROM 2017

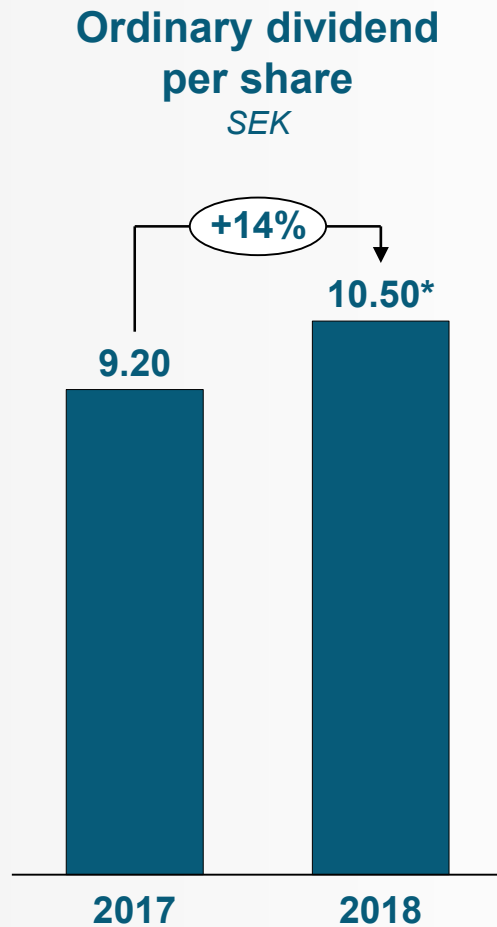


\*Dark green represents growth in Intl. snus and nicotine pouches.

# INDEXED SHARE PRICE DEVELOPMENT SINCE LAST AGM



# PROPOSED ORDINARY DIVIDEND PER SHARE



\* Board proposal.



# Highlights from the past year

GINGER  
BLOOD ORANGE

**ZYN**

NIKOTIN UTAN TOBAK

SLIM



# ☆☆☆ Swedish Match®

## A WORLD WITHOUT CIGARETTES



Altria

“Leading in Harm Reduction”



“Designing a  
Smoke-Free Future”



BRITISH AMERICAN  
TOBACCO

“We’re  
transforming  
tobacco”

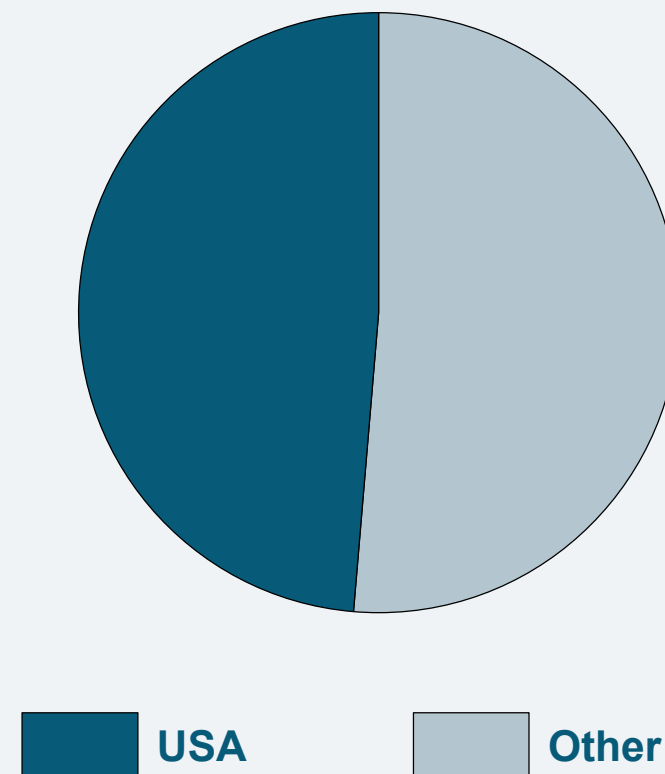


# FAVORABLE CURRENCY TRANSLATION EFFECTS FROM THE STRONGER US DOLLAR

## US dollar exchange rate

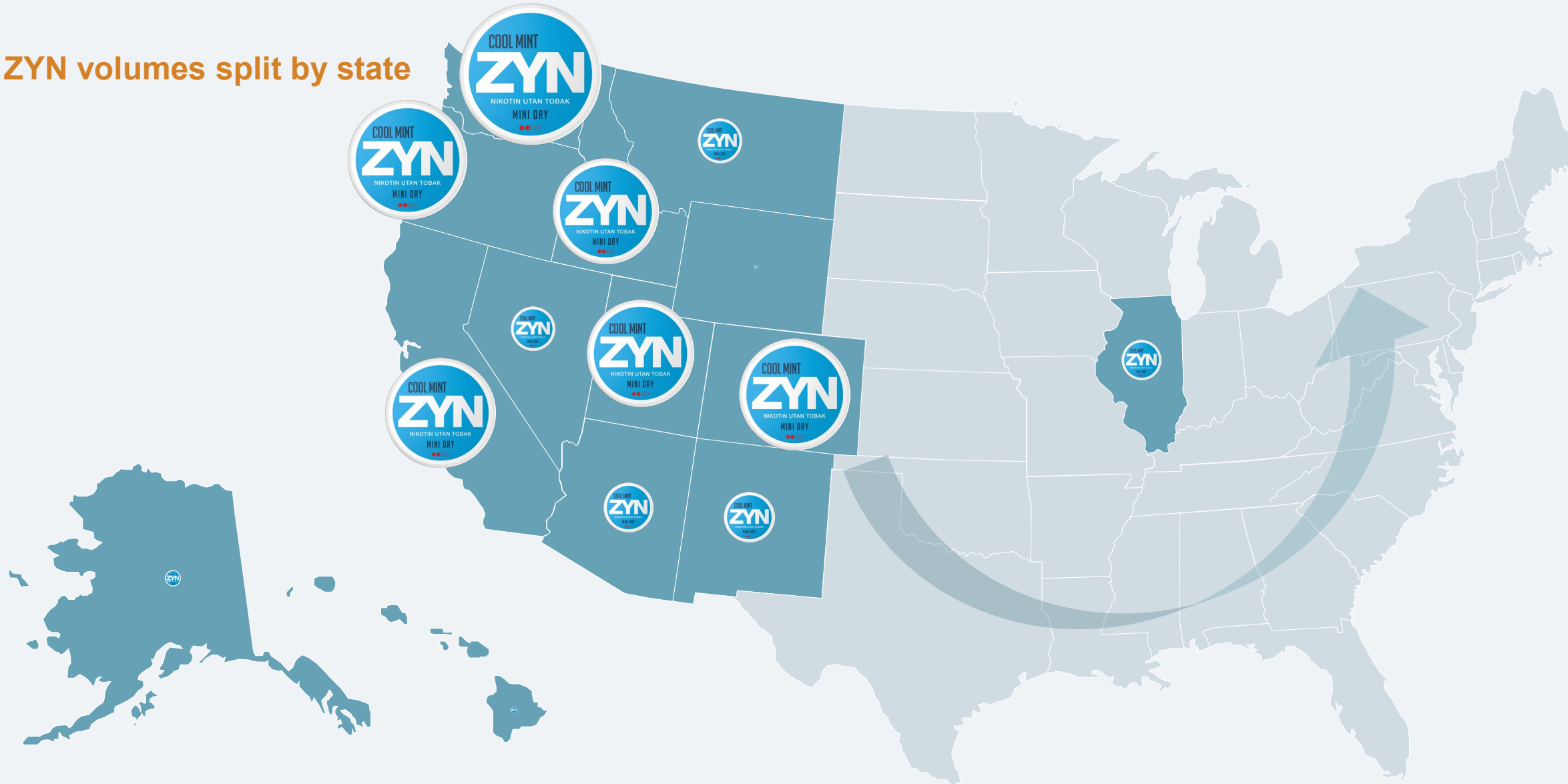


## Share of 2018 Group operating profit generated in the United States



# IMPRESSIVE GROWTH FOR ZYN NICOTINE POUCHES IN WESTERN UNITED STATES

## 2018 ZYN volumes split by state

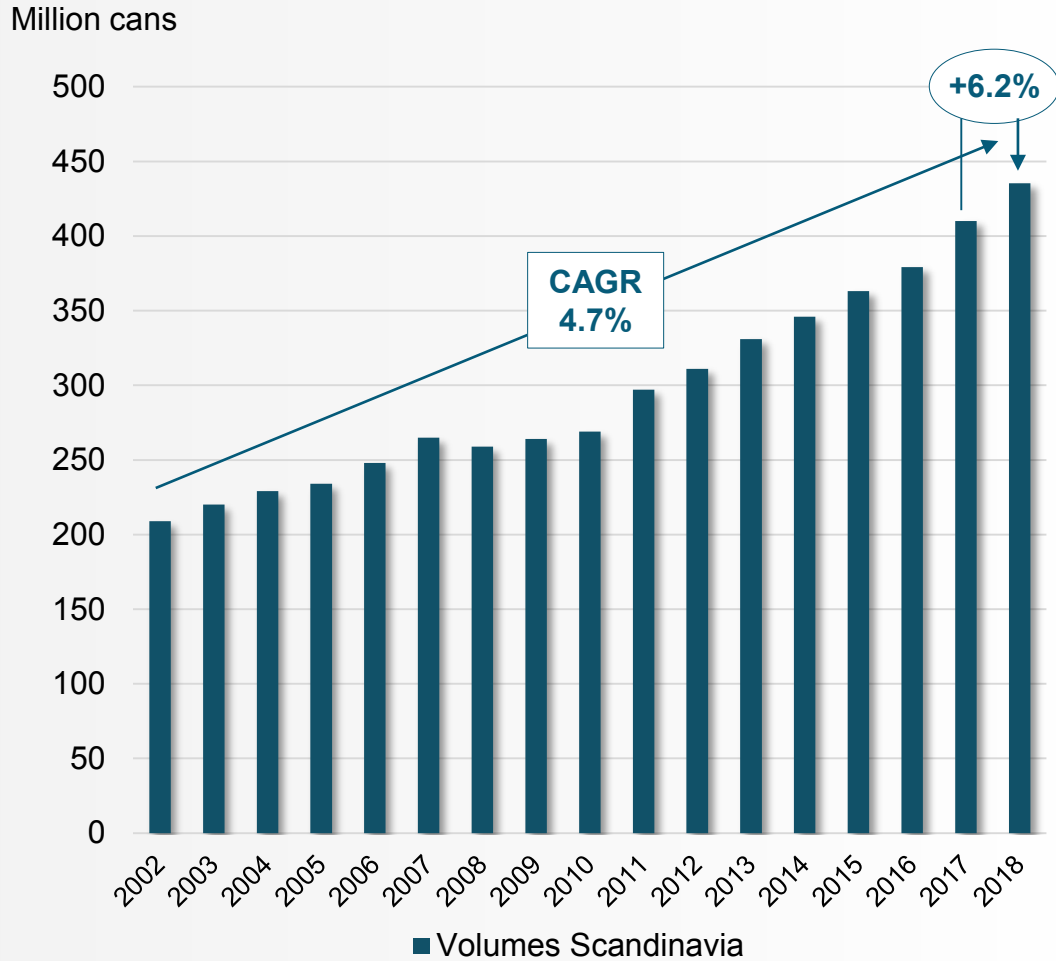


# DECISIONS TO FURTHER INVESTMENT IN ZYN PRODUCTION CAPACITY



# CONTINUED STRONG GROWTH FOR SNUS IN SCANDINAVIA

## Estimated market volume

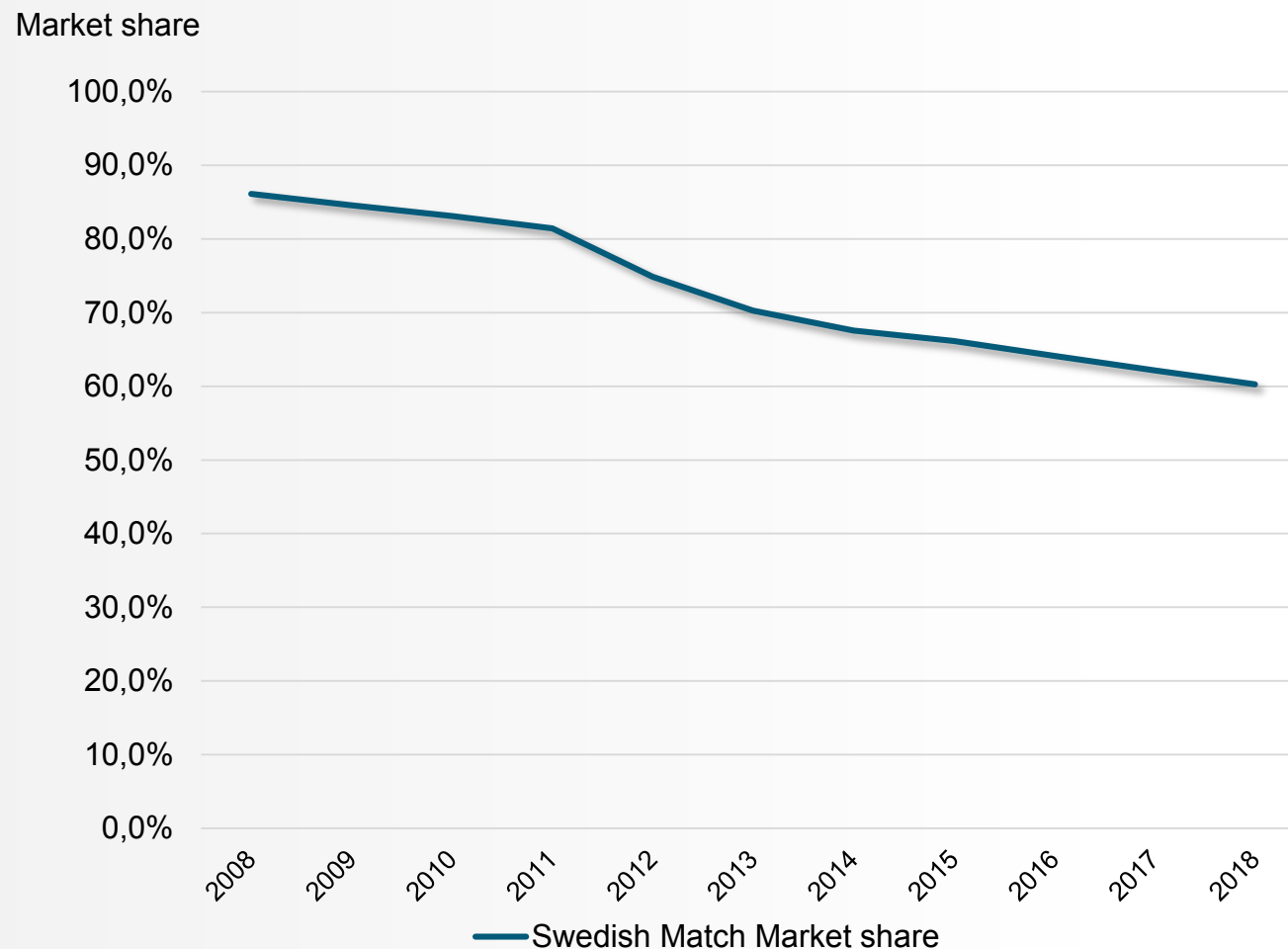


Source: Swedish Match and industry estimates; Nielsen market share data.



# CONTINUED PRESSURE ON MARKET SHARES

## Swedish Match market share in Scandinavia

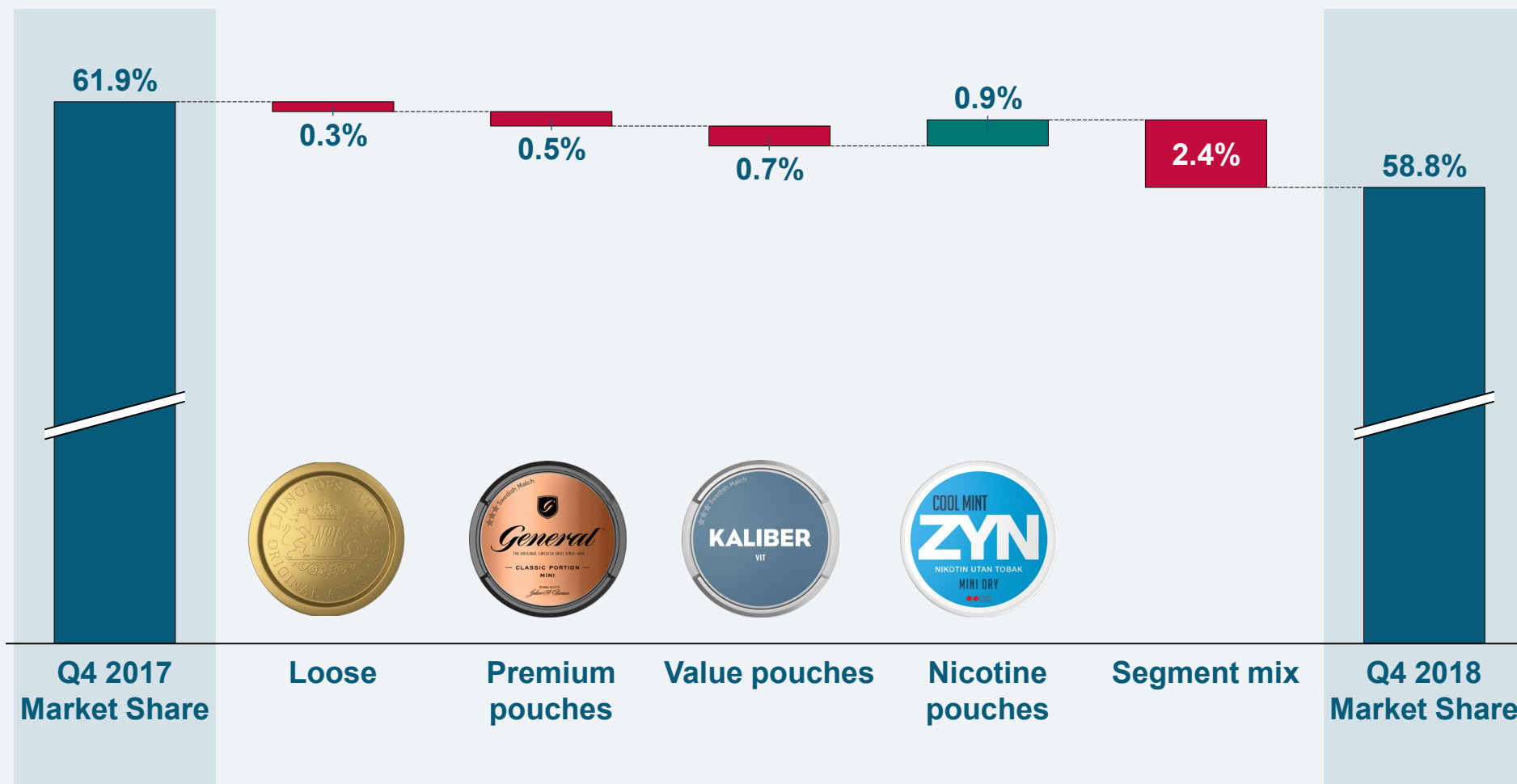


Source: Nielsen market share data (Sweden and Norway).



# SCANDINAVIA SNUS – SWEDISH MATCH MARKET SHARE DYNAMICS

Swedish Match's market share declines impacted by segment mix effects



Source: Nielsen market data.

# ACQUISITION OF GOTLANDSSNUS

Gotlandssnus develop, produces, and sells snus, as well as pouch products with neither nicotine nor tobacco

Strong brand portfolio



~4 Million cans

~50 Million SEK  
annual sales

~40 Employees

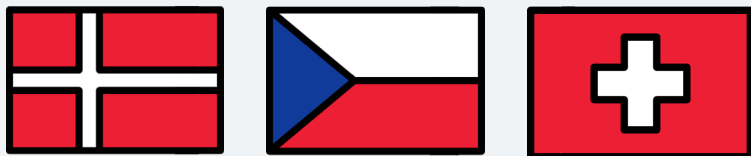
- Excellent complement to Swedish Match's portfolio
- Provides increased depth to the Company's offerings



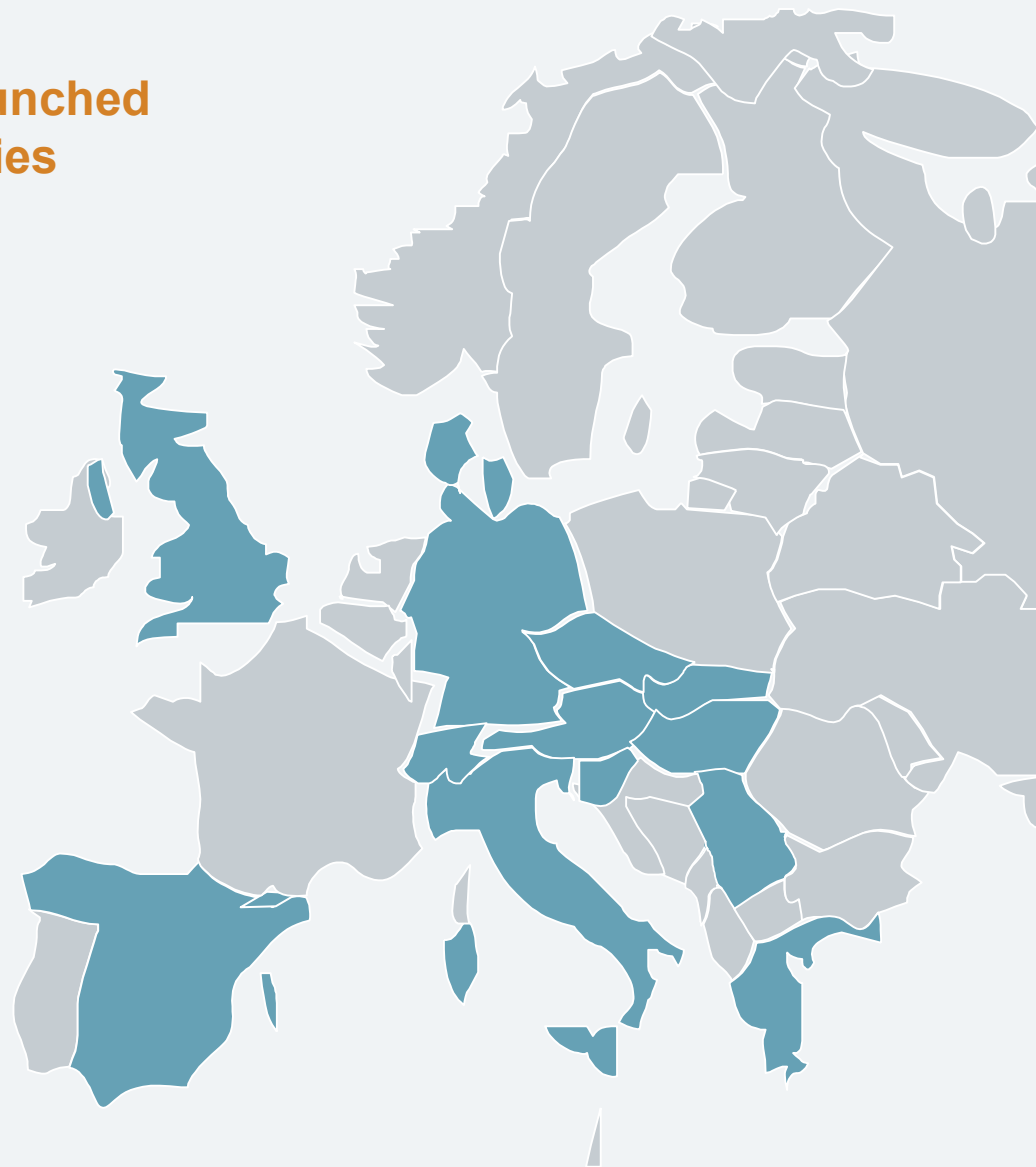
## SEVERAL INITIATIVES FOR GLOBAL EXPANSION

During 2018 and the beginning of 2019, Swedish Match has launched nicotine pouches and chew bags in several European countries

### Nicotine pouch launches



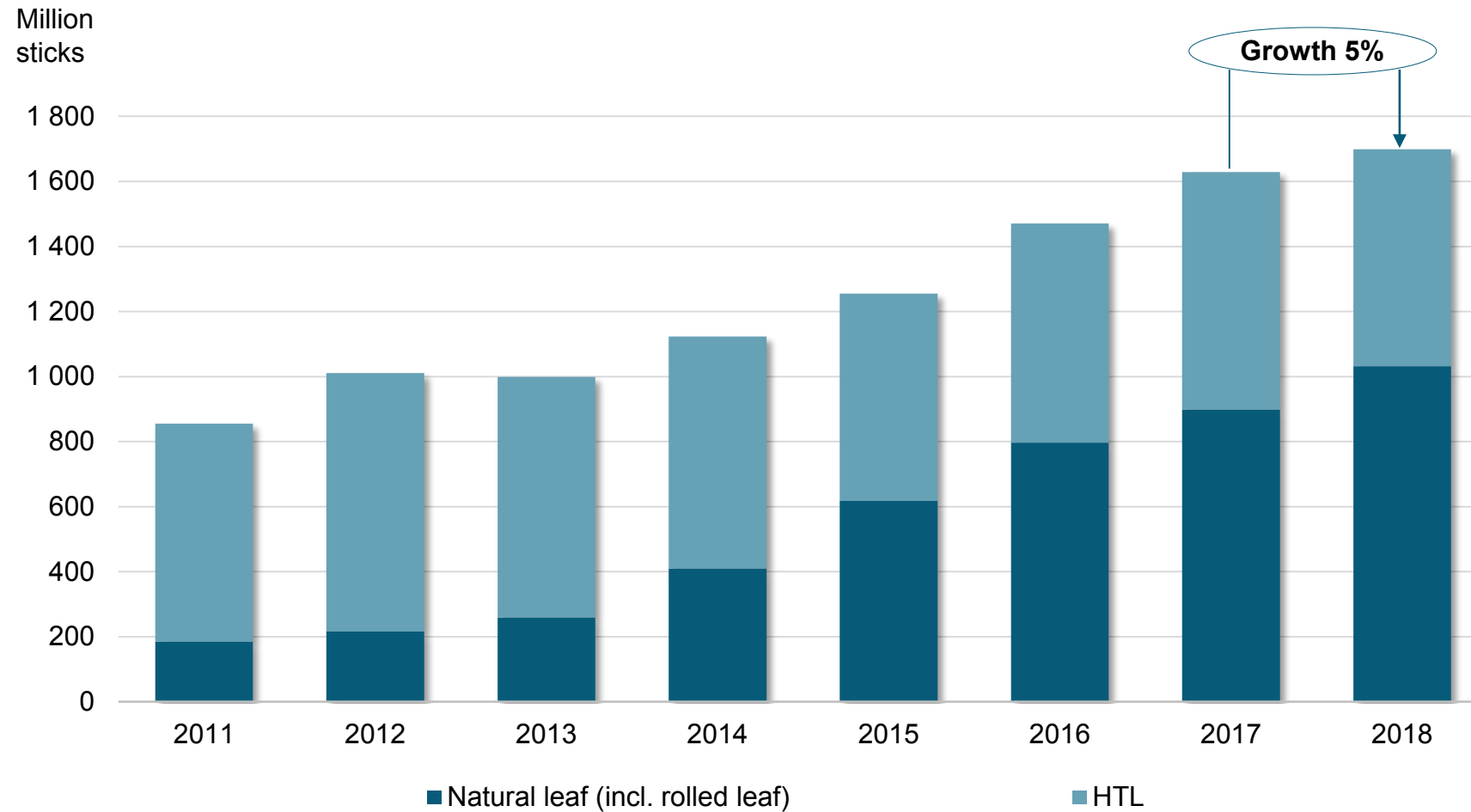
### Chew bag launches





# US CIGARS – HISTORICAL VOLUME DEVELOPMENT

2018 represents another record breaking year in terms of number of sold cigars



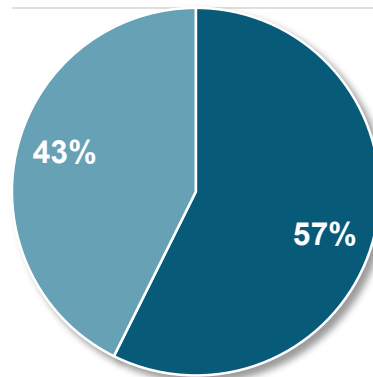
Source: Swedish Match estimates.

# US – CIGAR VOLUMES BY MARKET SEGMENT

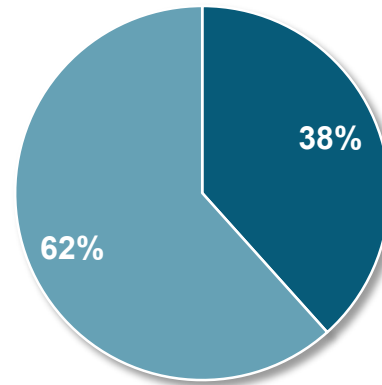
Swedish Match is well positioned in the growing Natural leaf segment

FY 2018

Swedish Match



Category



■ Natural leaf (incl. rolled leaf) ■ HTL



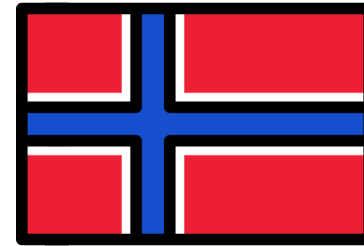
Source: Swedish Match estimates of distributor shipments to retail using CMPP data. Excluding segment for pipe cigars and 'other'.

# A YEAR OF REGULATORY OPPORTUNITIES AND CHALLENGES



Swedish Match's MRTP claim currently reviewed by FDA:

*“Using General Snus instead of cigarettes puts you at a lower risk of mouth cancer, heart disease, lung cancer, stroke, emphysema, and chronic bronchitis”*



# PROGRESS IN ALL OUR SUSTAINABILITY FOCUS AREAS

## FOCUS AREAS



## REDUCE GREENHOUSE GASES

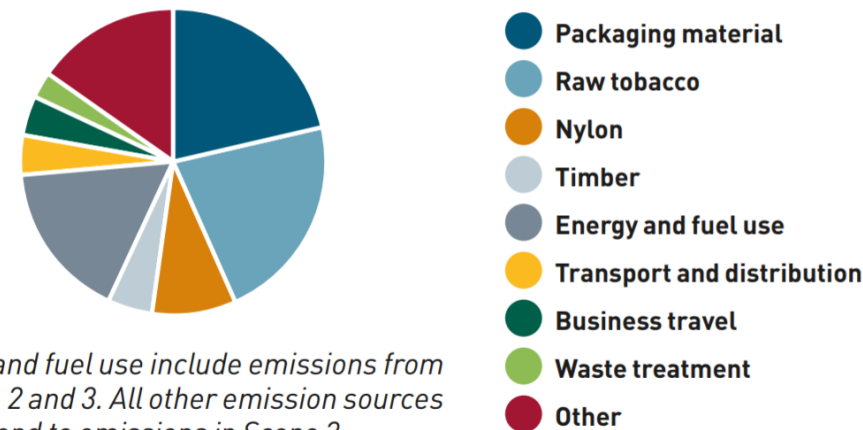
Our goal is to reflect the commitments outlined in the Paris Agreement and thereby reduce emissions of greenhouse gases in our value chain.



### Activities during 2018

- Uses 100 percent green electricity in our facilities in Gothenburg, Tidaholm and Stockholm, Sweden.
- Switched entirely from natural gas to bio gas in the Gothenburg manufacturing facility.
- Initiated programs to reduce carbon intensity for input materials (such as converting to cigar packaging with lower aluminum content).
- Initiated project to further reduce the use of nylon for lighter bodies.

### MAIN SOURCES OF GHG EMISSIONS



Energy and fuel use include emissions from Scope 1, 2 and 3. All other emission sources correspond to emissions in Scope 3.

Thank you!

