



SCANDINAVIAN TOBACCO GROUP



CAPITAL MARKETS DAY
20 NOVEMBER 2025

CAPITAL MARKETS DAY AGENDA

1400 - Welcome

Torben Sand, Director of Investor Relations & Communications

1405 - Launch of Focus2030

Niels Frederiksen, Chief Executive Officer

1435 - Strategic Priorities

Régis Broersma, Chief Commercial Officer

- **Stabilise** Machine-Rolled Cigars
- **Grow** Handmade Cigars

1500 - Q&A

Executive Board

1510 - Short Break

5 minutes

1515 - Strategic Priorities

Régis Broersma, Chief Commercial Officer

- **Accelerate** Nicotine Pouch business

1525 - Delivering Value

Marianne Rørslev Bock, Chief Financial Officer

- Five-year Summary
- Financial Ambitions
- Shareholder Return Policy

1550 - Q&A

Executive Board

1625 - Closing Remarks

Torben Sand, Director of Investor Relations & Communications

IMPORTANT DISCLOSURES

FORWARD LOOKING STATEMENTS

All statements except for statements of historical fact in this presentation are forward-looking. Forward-looking statements refer to Scandinavian Tobacco Group's ("STG") current expectations and projections relating to its financial condition, results of operations, plans, objectives, future performance as well as business. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained therein. The presentation has not been independently verified and will not be updated.

MARKETING PRINCIPLES

Our Marketing Principles ensure that we develop, market and promote our products in accordance with the law and our core values. In the US, where the legal minimum age for purchasing tobacco is 21, the Group sells directly to consumer on our websites and in our retail stores. Our US retail websites ensure legal age verification of all consumers, utilizing a state-of-the-art third-party age verification solution to ensure compliance. We ensure compliance with the minimum age in our stores in the US by requesting age verification. Our Marketing Principles are ingrained in the way we work and are front of mind in our consumer-focused teams. They are reviewed annually and revised as needed. We conduct training in the Marketing Principles to the relevant functions in the Group.



FOCUS2030: THE NEXT STRATEGIC CHAPTER

OUR PURPOSE AND VISION REMAIN THE SAME

FOCUS2030

PURPOSE

CRAFT THE RITUALS THAT MAKE US MORE

VISION

BE THE UNDISPUTED & SUSTAINABLE GLOBAL LEADER IN CIGARS

FOCUS2030

SHARPENING OUR FOCUS & RAISING EXECUTION

Build a more **consumer-centric** organisation and larger **power brands**

Simplify our portfolio & business

Invest in opportunities where we have the right to win

Invest in **people, data, digitalisation** & business analytics

WHAT STG WILL LOOK LIKE IN 2030

Sustainable and stable Machine-Rolled Cigar and Smoking Tobacco business primarily focused on Europe

Growing an increasingly attractive Handmade Cigar business anchored in the U.S. – but with a stronger global footprint

Larger Nicotine Pouch business with upside opportunity in an attractive category



ROLLING TOWARDS 2025 WE MADE SIGNIFICANT ACHIEVEMENTS...

Strengthened our platform through acquisitions

MOSI, Room101, La Perla
Habana, Alec Bradley, XQS &
Mac Baren

Turned Growth Enablers into outcomes

NPs & retail expansion added to
portfolio of product offerings and
consumer touchpoints. International
HMC delivered double-digit growth

Delivered substantial Shareholder Returns

Returned more than DKK 5
billion to shareholders in
dividends & share buy-backs

Transforming through process excellence

Digital transformation of legacy ERP
landscape and ways of working

Building resilience through sustainability

Significantly advanced efforts,
especially with compliance and
climate

... WITH CHALLENGES ALONG THE WAY

Financial outcomes fell short of ambitions

Lower than expected as a result of both external and internal challenges

Machine-Rolled cigars underperformed against expectations

Declining market shares and volumes as well as lower profitability

Supply chain challenges

Affected market share and product availability after the pandemic and during ERP system rollouts

Rising costs impacted profitability

Especially in Machine-Rolled Cigars – harder to offset with pricing, OPEX growing faster than sales

Share price performance weighed on Total Shareholder Returns

Impacted by profit warnings during strategy period

WHERE WE ARE TODAY

Market leader
in Handmade
Cigars in the
U.S.

Unmatched
HMC distribution
network in the
U.S.

Market leading
positions in
MRC in
Europe

Global pipe leader
and selected
strongholds in
smoking tobacco

Significant
growth in
Nicotine Pouch
business – 4%
of total NS

Dynamic market environment & changing consumer behaviour

Financial
performance
below ambitions

Leverage ratio
above target of
2.5x

Dividend payout
ratio unbalanced
with current
earnings level



FOCUS2030: OUR THREE STRATEGIC PRIORITIES

**STABILISE
MACHINE-ROLLED
CIGARS**

**GROW
HANDMADE
CIGARS**

**ACCELERATE
NICOTINE POUCH
BUSINESS**

STRATEGIC PRIORITY

STABILISE MACHINE-ROLLED CIGARS

VALUE CHAIN

Optimise and simplify value chain to stabilise earnings

OTHER CATEGORIES

Maximise earnings in other markets, categories (fine cut and pipe tobacco) & other brands

COSTS

Drive optimisation and profitability improvements across all functions

SIMPLIFY

Continue to simplify brand portfolio, formats, SKUs, and blends based on consumer insights

INVENTORY

Optimise inventory to support commercial strategy

POWER BRANDS

La Paz, Signature, Mehari's & Panter

KEY MARKETS

Strengthen leading position in France and Spain

MARKET SHARE

Gain a minimum of 2% market share in our 7 key markets

STRATEGIC PRIORITY

GROW HANDMADE CIGARS

PRODUCTION

Optimise production lines for value vs. premium cigars

SIMPLIFY

Continue to simplify portfolio and streamline ways of working

SALES CHANNELS

Leverage existing strength for unified approach – especially online channel

RETAIL

Support own brand activation and improve store performances

POWER BRANDS

Macanudo, Cohiba, CAO & Alec Bradley

OWN BRANDS

Invest to produce, sell and distribute own brands & securing quality and availability

MARKET SHARE

Gain a minimum of 2% market share in the US with own brands

REST OF WORLD

U.S. is main focus, but growth in international markets will continue

STRATEGIC PRIORITY

ACCELERATE NICOTINE POUCH BUSINESS

CAPABILITIES

Strengthen internal capabilities in R&D and flavours

SALES CHANNELS

Leverage existing strength within sales channels for unified approach

EXPANSION

Explore entry into additional markets pending regulatory developments

KEY MARKETS

Sweden and the UK as proof of concept for broader European expansion

MARKET SHARE

Gain market share in Sweden and in the UK

PROFITABILITY

Increase profitability through scale and with an option of investing in own manufacturing

FOCUS2030 STRATEGY OVERVIEW

FOCUS2030

PURPOSE	CRAFT THE RITUALS THAT MAKE US MORE		
VISION	Be the undisputed & sustainable global leader in cigars		
AMBITION	We want to build a sustainable and growing business for the future, creating value for our consumers, employees, and shareholders		
STRATEGIC PRIORITIES	WIN with handmade cigars in the US	LEAD in machine-rolled cigars in Europe	BUILD a competitive nicotine pouch business in Europe
ENABLERS	Consumer & Customer Centricity	Data & Digitalisation	Process & Execution Excellence
	Sustainability	People Engagement	Performance Culture



DEEP DIVE INTO THE STRATEGIC PRIORITIES



SCANDINAVIAN TOBACCO GROUP



STABILISE MACHINE-ROLLED CIGARS

STRATEGIC PRIORITY

STABILISE MACHINE-ROLLED CIGARS

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MARKET SHARE

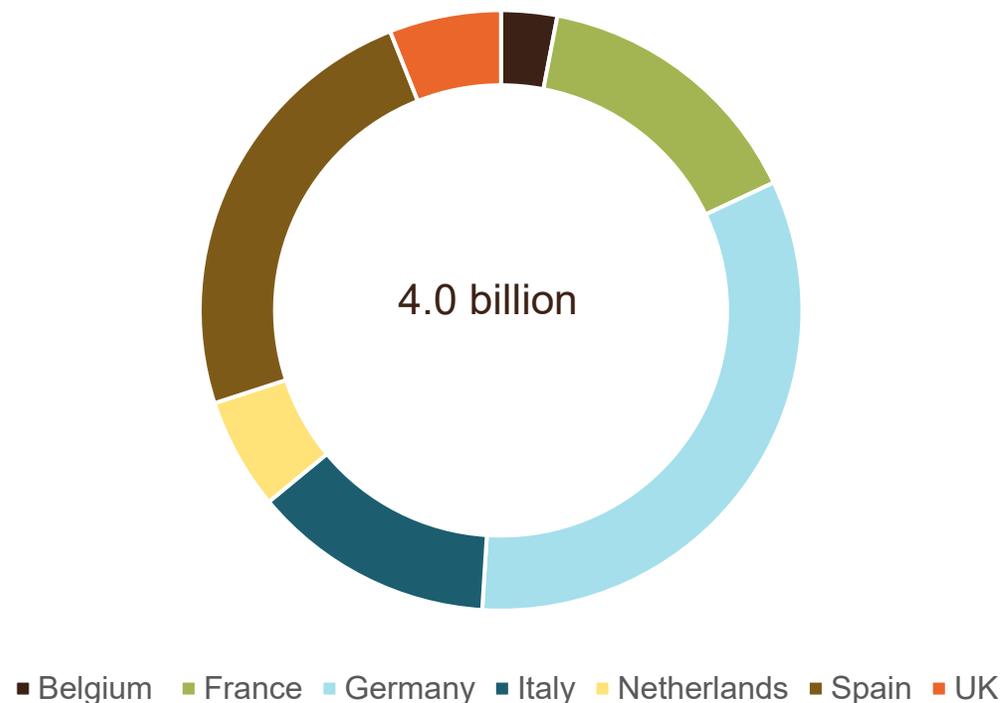
Gain a minimum of 2% market share in our 7 key markets

KEY MARKETS IN EUROPE WILL CONTINUE TO DECLINE

Key takeaways

- Key markets continue to decline at higher rate than rest of the world
- 4% CAGR volume decline (2022-2024)
- Year to date 2025 shows a better development than historical decline rate
- Higher cigarette category decline rate and poly-use between categories likely to put pressure on MRC category in the future

MRC Key Markets in EU Volume 2024



Source: Logista, IRI/Circana and Nielsen

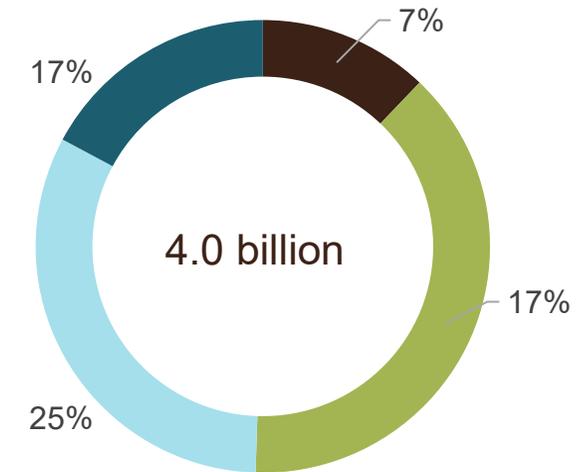
Note: STG EU markets included: Belgium, France, Germany, Italy, Netherlands, Spain and UK. Categories include all SF, PLC and LC reported within these markets.

MRC TRADITIONAL SEGMENT SOFTENING

MRC Volume – 7 Key STG Markets in Europe, 2024

Key takeaways

- Traditional segment of no filter and no flavor products is under pressure and losing its importance in consumer repertoire across MRC in EU
- Filter and flavor products are winning hearts of consumers reaching almost the same share as traditional segment
- STG is relatively stronger in the segments which is declining the most



		Relative Growth of segment	STG strength in segment
No filter & Flavour	◆	▼	●
No filter & No Flavour	◆	▼	●
Filter & Flavour	◆	▲	●
Filter & No Flavour	◆	▼	●

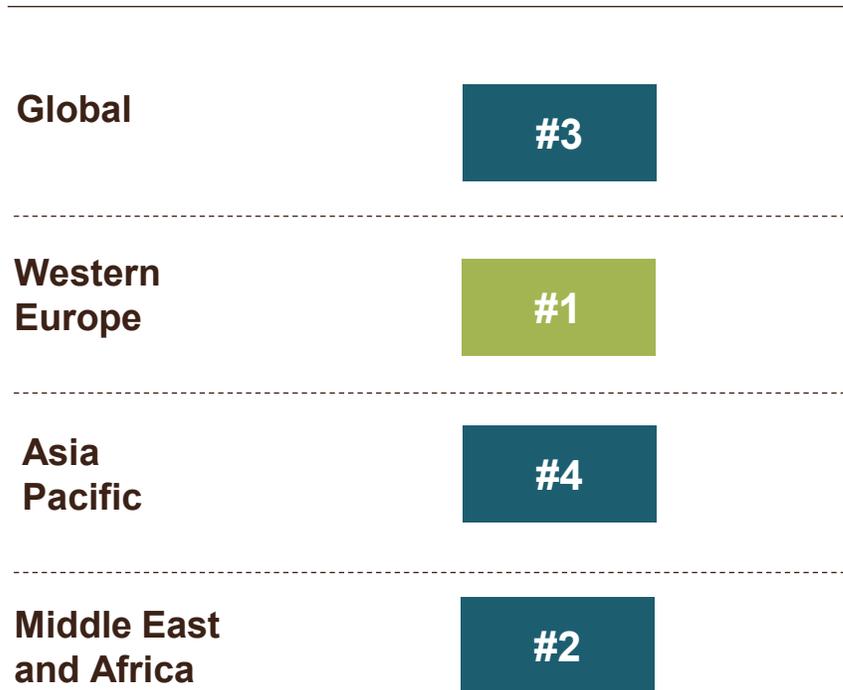
Source: Logista, IRI/Circana and Nielsen

Note: STG EU markets included: Belgium, France, Germany, Italy, Netherlands, Spain and UK. Categories include all SF and PLC while excluding LC.



STG IS NO.1 PLAYER IN EUROPE FOR MRC

MRC¹



Market share in key European markets



Source:

1 MRC - global volumes calculated by taking out HMC volumes from cigars & cigarillos volumes in Euromonitor Passport, all tobacco markets

WELL POSITIONED ACROSS EVERYDAY SMOKING MOMENTS

MRC Market Landscape
Brands positioning



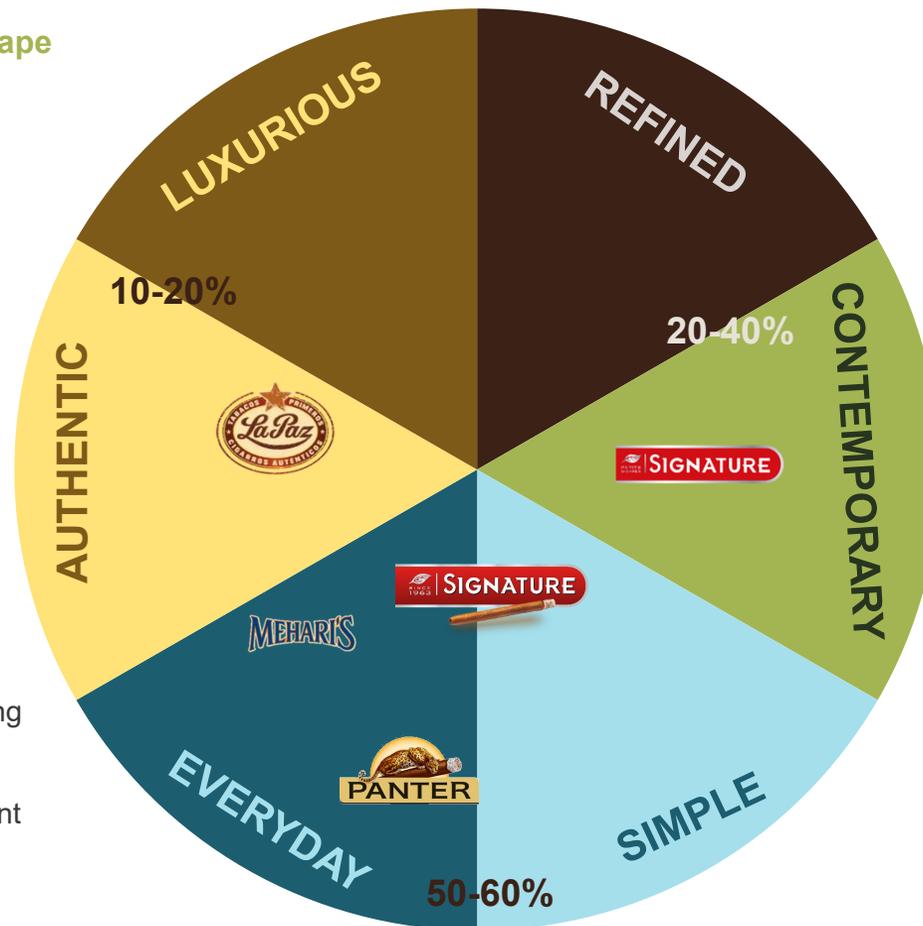
Simple Smoke & Everyday platforms across its biggest brand markets (France & UK).

Attributes are more functional nature (smooth, aromatic and easy to smoke) which drives the relevance of the brand among MRC smokers.



More sophisticated & upscale proposition, existing in Authentic Smoke platform.

Strongest of STG equities and can play significant role in increasing value share of our portfolio.



Strong in Everyday Smoke platform in Netherlands, its biggest market.

Panther can co-exist with Signature and secure strong relevance for those valuing availability, affordability and smooth smoke.



Seen as upscaled everyday smoking proposition that brings a bit more authenticity to everyday cigarillo.

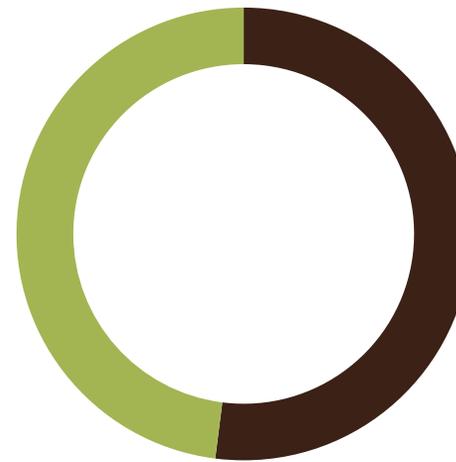
FOUR POWER BRANDS TO PROTECT & LEAD

Strong presence in geographies and by segments

- Spanning across a minimum of 17 countries (Panter) through to ~100 countries (Signature)
- Unique product specifications including flavour, blends, size & filter/no filter
- Covering different price points from Value for Money all the way up to Premium
- Four Power Brands represent significant part of total short filler portfolio

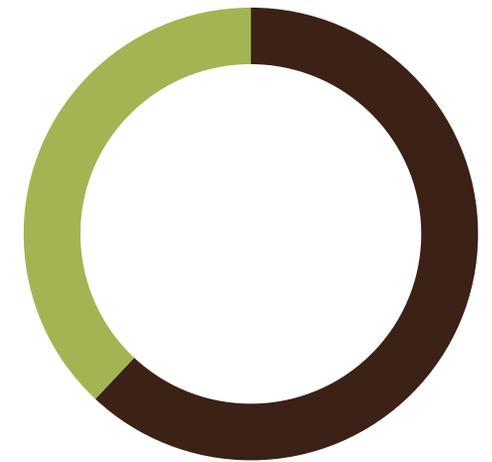


Group Net Sales



■ Power Brands ■ Remainder

Total Volume



■ Power Brands ■ Remainder



STRATEGIC ROLL OUT: SIGNATURE AS EXAMPLE

Our biggest and most profitable brand globally

- Delivering around 25% of our global short fillers volume
- Distinctive stronghold in the most relevant consumer territory 'Enjoyment' and Signature stands for: Original smooth indulgence, elevating everyday moments
- During 2025, different initiatives have been tested in France and Spain, showing very promising results, demonstrating the strong growth potential of Signature
- France YTD September '25 share of market around 14%, +0.5ppt vs. PY
- Spain YTD September '25 share of market around 12%, +1.5ppt vs. PY



AMBITIONS FOR OUR 7 KEY MARKETS IN EUROPE

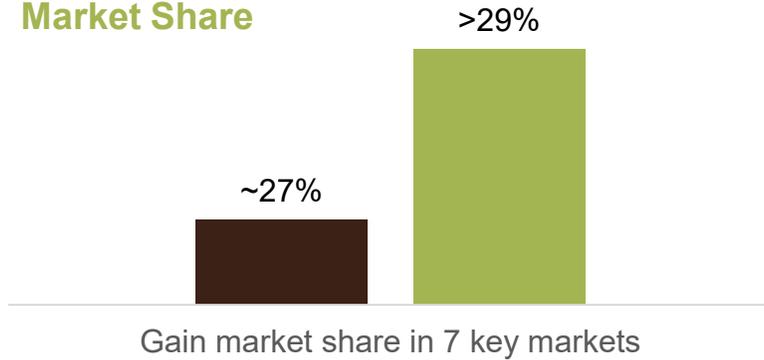
Investing in our four Power Brands

- Transforming consumer insights to innovation in our products (redesigns, limited editions, enhancements) to create more moments of enjoyment
- Adapting to a consumer centric pricing model with more consistency across brand families
- Driving efforts within existing strongholds to increase consumer relevance based on critical assessments in a local context



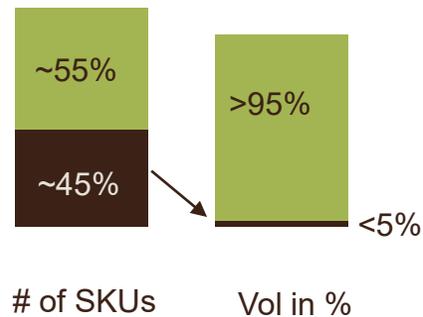
STRATEGIC LEVERS TO SUCCESS

Market Share

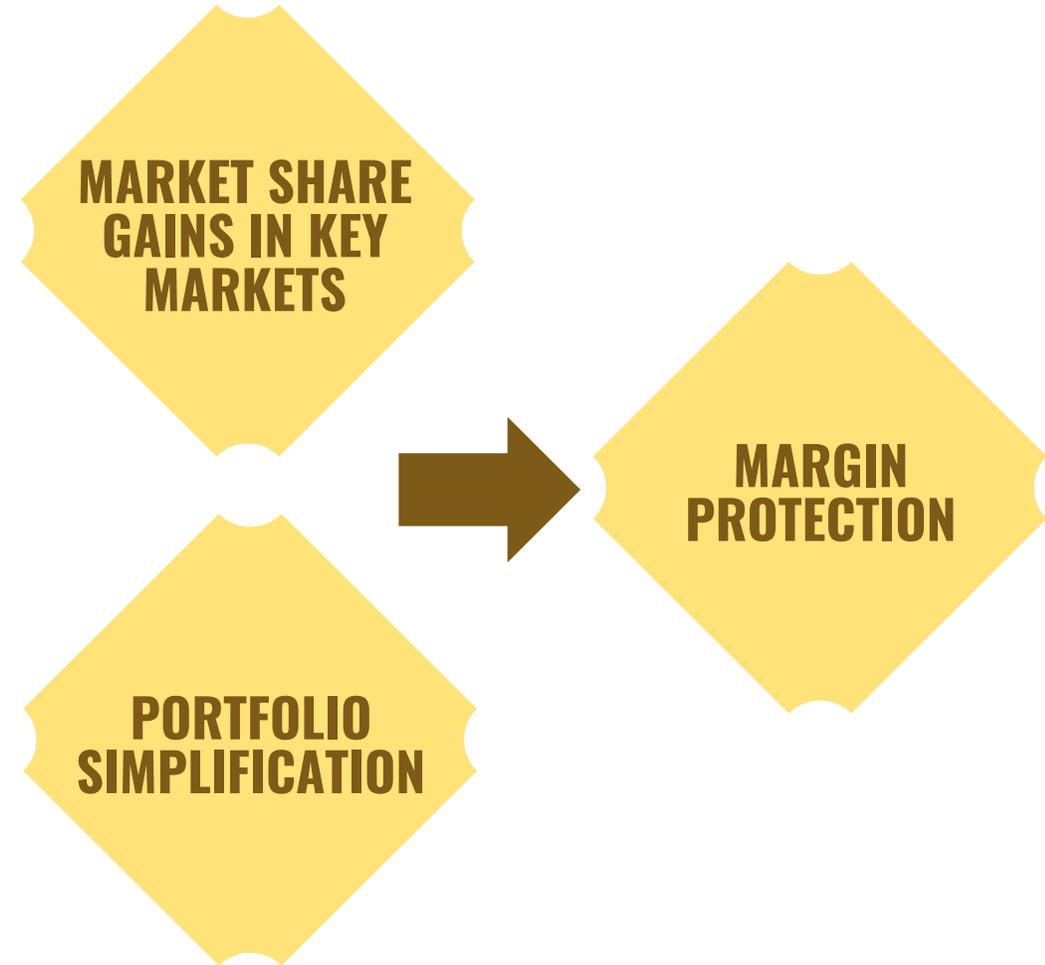
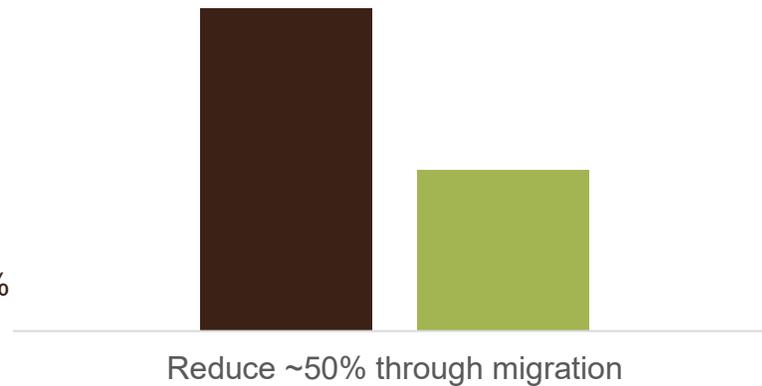


Portfolio Simplification

45% SKUs account for <5% volume



MRC Brands





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GROW HANDMADE CIGARS

STRATEGIC PRIORITY GROW HANDMADE CIGARS

PRODUCTION

Optimise production lines for value vs. premium cigars

SIMPLIFY

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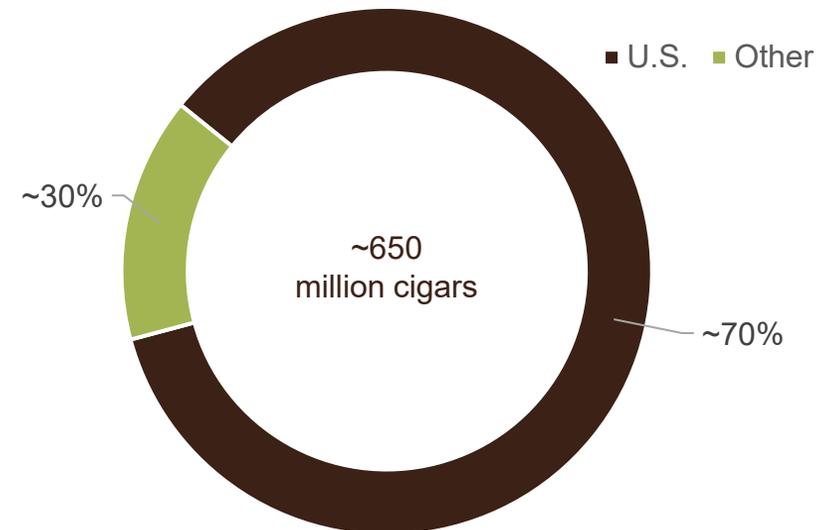
U.S. is main focus, but growth in international markets will continue

THE U.S. IS THE KEY DRIVER OF CATEGORY GROWTH

Key insights

- Market remains biggest and volume base significantly higher vs. before COVID period
- HMC in key EU markets continue to grow with Spain and Germany as biggest contributors
- Volume developments challenged post-COVID
- Total market expected to stabilise going forward

HMC U.S. & Rest Of World - Market Volume 2024



Source: US = Imports (codes 8080 & 8050, marking large premium cigars), market data and estimates from Int. HMC Expansion project

OPPORTUNITY TO INCREASE MARKET SHARE THROUGH POWER BRANDS IN THE U.S.

Total Market Share

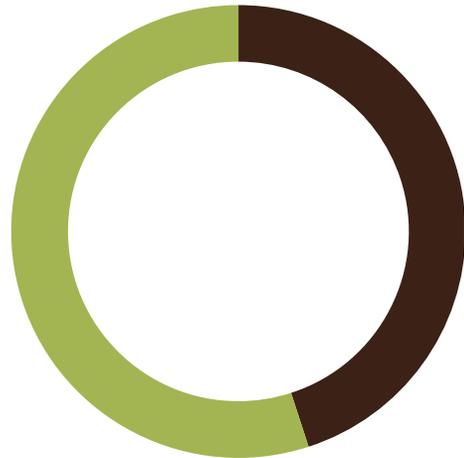


■ STG brands ■ Rest of Market

STG brands account for total of 13%

Power Brands account for 5% of total

Group Net Sales



■ Power Brands ■ Remainder

Power Brands account for ~45% of our Net Sales in U.S.



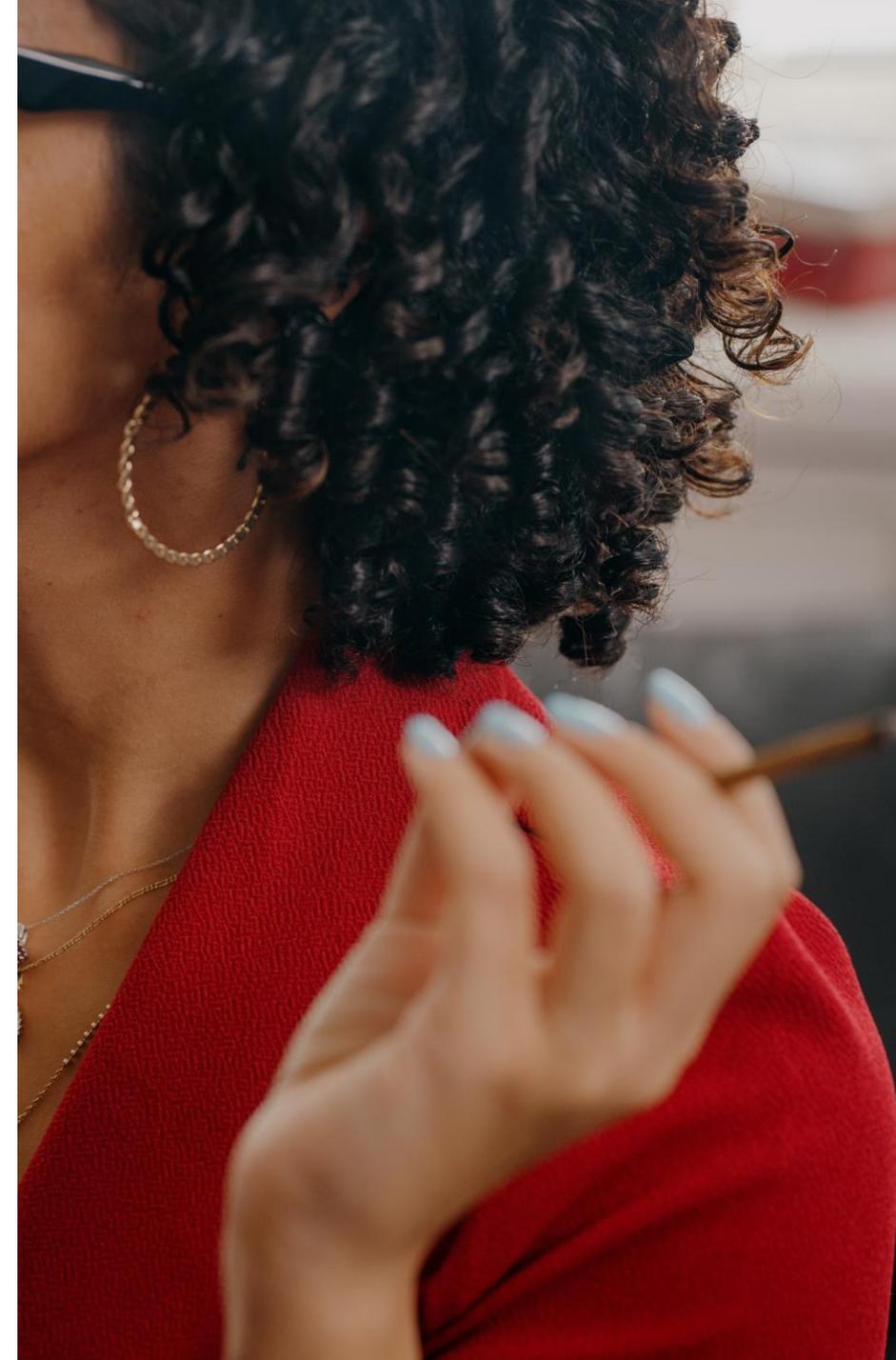
STRATEGIC LEVERS TO SUCCESS

- Targeting different price points including premium, mainstream, value for money – capturing wide consumer base
- Maximising impact with accelerated investments in Power Brands
- Driving brand positioning in both retail and online channels
- Tailored manufacturing to be competitive in both value and premium
- Streamlining ways of working
- Increasing distinctiveness of online proposition

**INCREASE MARKET
SHARE BY $\geq 2\%$**

**NET SALES
GROWTH**

**RETAIL AT SPEED
ONLINE AT SCALE**



BRANDS WELL POSITIONED TO MEET ALL CONSUMER NEEDS ACROSS HMC CATEGORY IN U.S.

Consumer loyalty

- Our portfolio covers the full spectrum of consumer demand segments
- Ambition to strengthen brand equity and reinforce emotional connections with targeted consumers
- HMC brands show breadth across emotional motivations, requiring a specific portfolio strategy

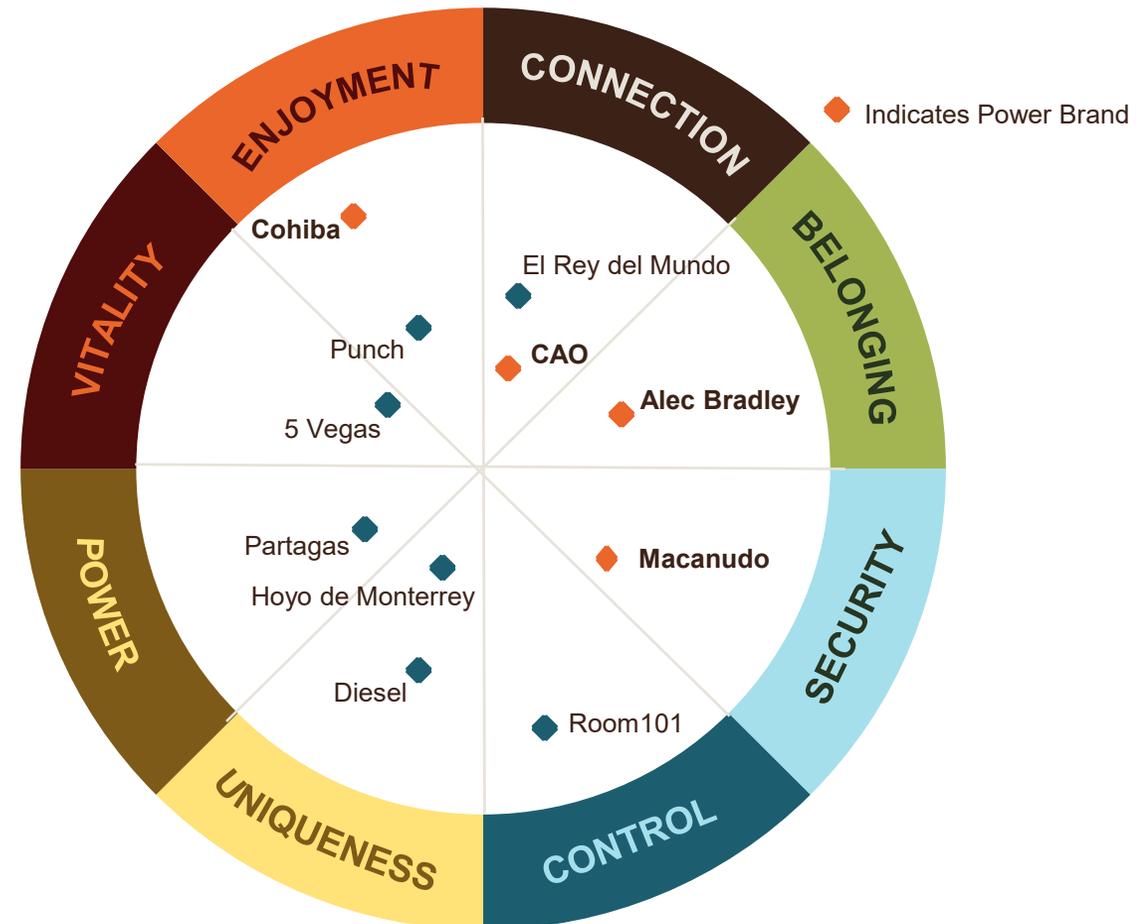
COHIBA



ALEC BRADLEY



HMC US Market Landscape, 2025



Source: US HMC market landscape & consumer segmentation study

STRATEGIC ROLL OUT: MACANUDO AS EXAMPLE

Rationale for Power Brand

- Global scale and recognition
- Broad appeal across experience levels
- Trusted, approachable entry to premium cigars
- Strong foundation for distribution and volume growth

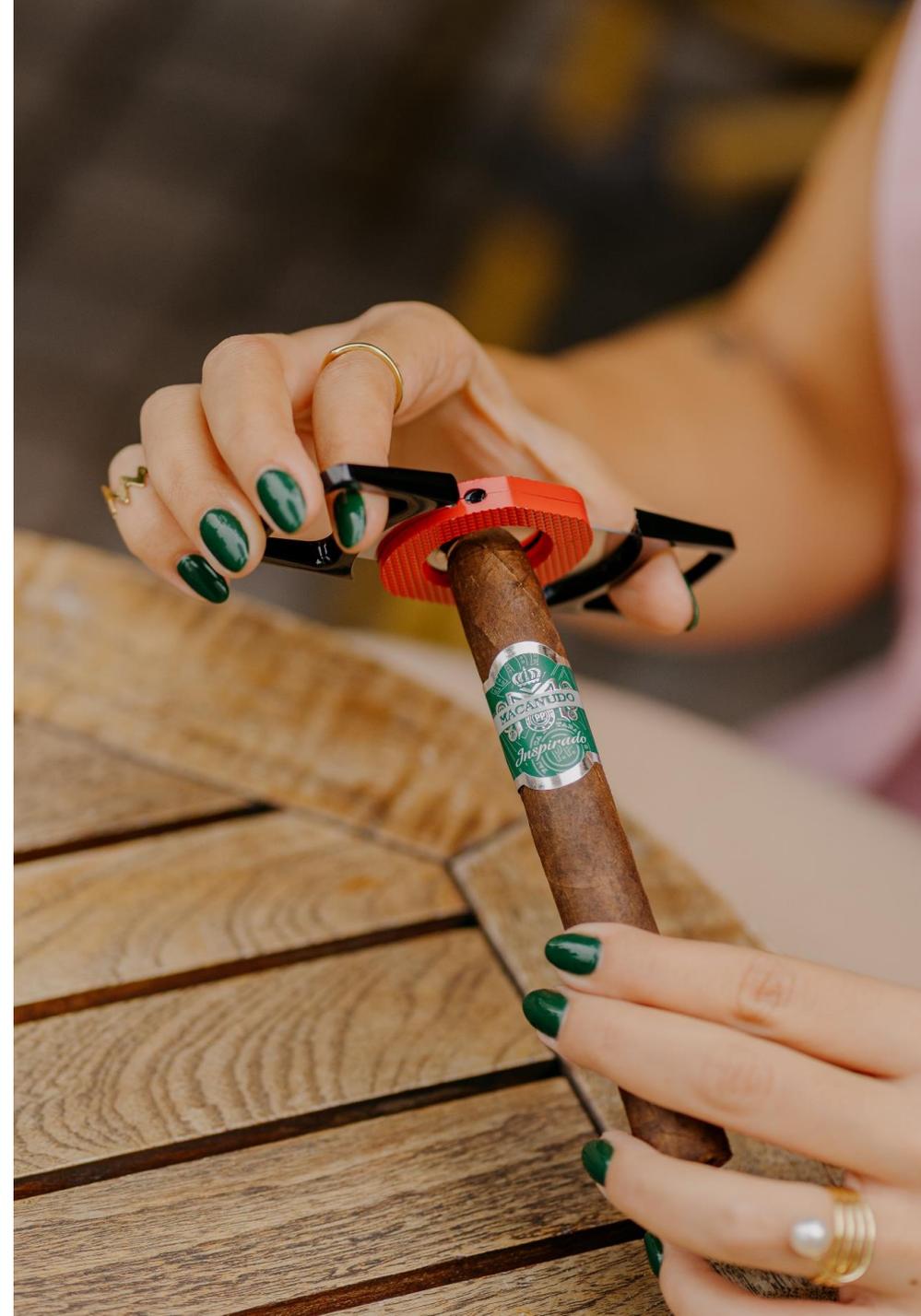
Consumer mindset

- **The approachable classic** – trusted by experienced and new smokers alike

Premium Price Tiers

7 major sub-brands

- Café
- Maduro
- Gold Label
- Vintage
- Inspirado
- Emissary
- M by Macanudo



POWER BRANDS DRIVEN BY OUR POWERFUL DISTRIBUTION

STG-owned distribution channels

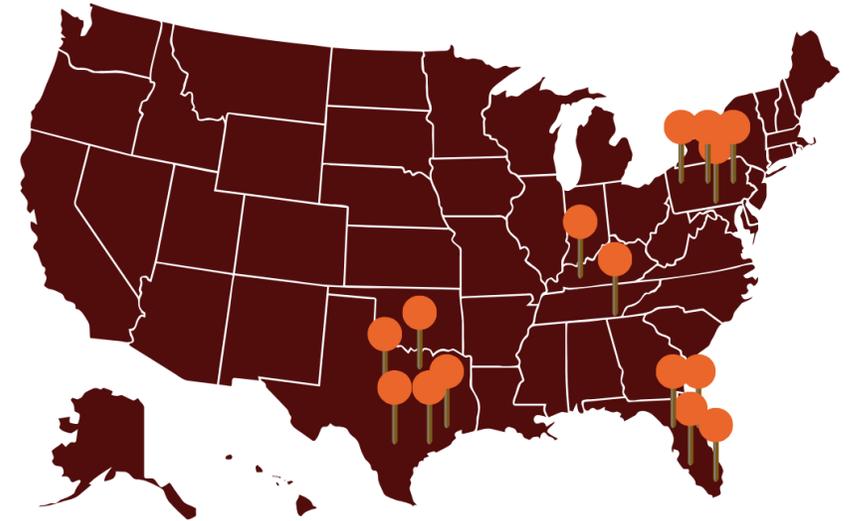
- Driving premiumisation through exclusivity
- Experience-based events and branded takeovers in retail stores
- Integrated 360° consumer engagement
- Merchandising and promotional prioritisation

Third party retail channels

- Brand visibility via better execution
- Sales training and incentives
- Promotional support through advertising and collaborations



RETAIL EXPANSION CONTINUES TO STRENGTHEN OUR MARKET PRESENCE



15 STORES ACROSS 5 STATES

2007

2012

2018

2020

2022

2023

2024

2025



Bethlehem, PA

Hamburg, PA

The Colony, TX

Fort Worth, TX
Lutz, FL
Tampa, FL

San Antonio, TX

Conroe, TX
Katy, TX

Bridgeville, PA
Jacksonville, FL
East Ridge, TN

Newport, KY
Orlando, FL

Q&A



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ACCELERATE NICOTINE POUCH BUSINESS

STRATEGIC PRIORITY

ACCELERATE NICOTINE POUCH BUSINESS

CAPABILITIES

Strengthen internal capabilities in R&D and flavours

SALES CHANNELS

Leverage existing strength within sales channels for unified approach

EXPANSION

Explore entry into additional markets pending regulatory developments

KEY MARKETS

Sweden and the UK as proof of concept for broader European expansion

MARKET SHARE

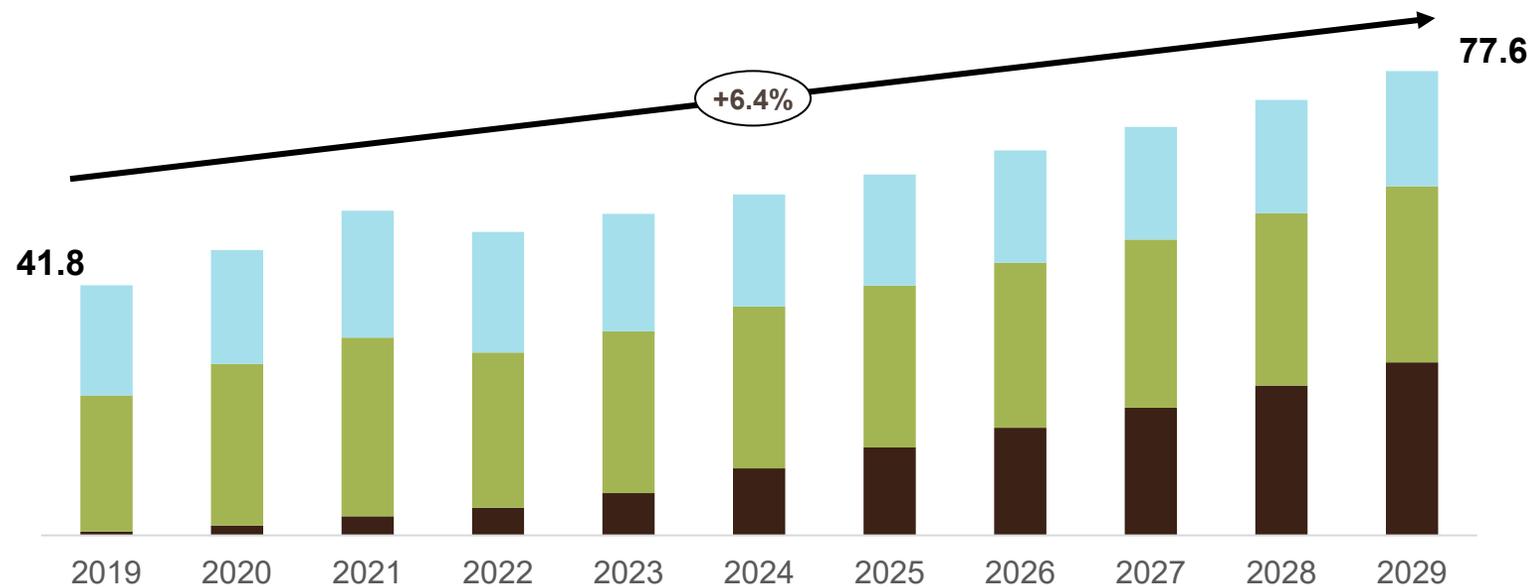
Gain market share in Sweden and in the UK

PROFITABILITY

Increase profitability through scale and with an option of investing in own manufacturing

GROWTH EXPECTED ACROSS ALL STG CATEGORIES WITH BIGGEST GROWTH IN NICOTINE POUCHES

RRP market value size, US & European markets
USD billion (RSP, y-o-y exchange rates)

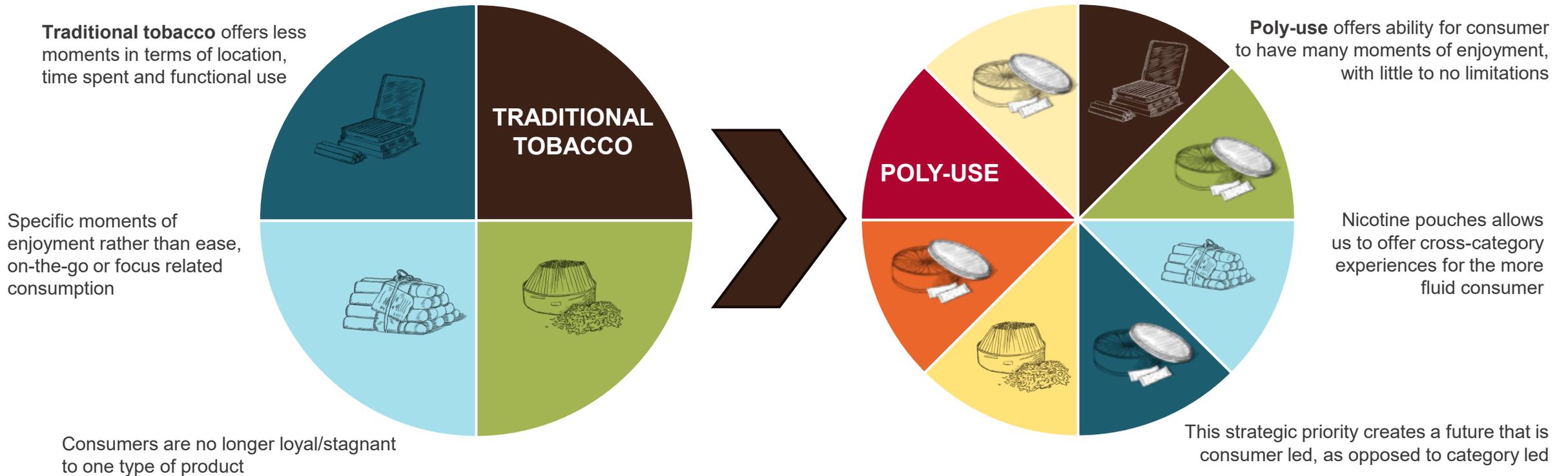


	CAGR % 2019-2024	Growth % 2025-2029
Nicotine pouches	+77.1	+18.4
Cigars & cigarillos	+0.4	+0.9
Smoking tobacco	+3.5	+2.2

Source: Euromonitor
Markets: US, Western & Eastern Europe

MULTI-CATEGORY POLY-USE DRIVING GROWTH

BUILDING COMPLEMENTARY MOMENTS TO MEET CONSUMER PREFERENCES



STRATEGIC LEVERS TO SUCCESS

- Invest in product development capabilities
- Accelerate user conversion through targeted, insight-led innovation
- Initiate new market entries within existing NP markets
- Focus on existing competitive route-to market
- Optimise investments toward relevant consumers through distribution
- Focus on brand building to position XQS as preferred contender

**PRODUCT
COMPETITIVENESS**

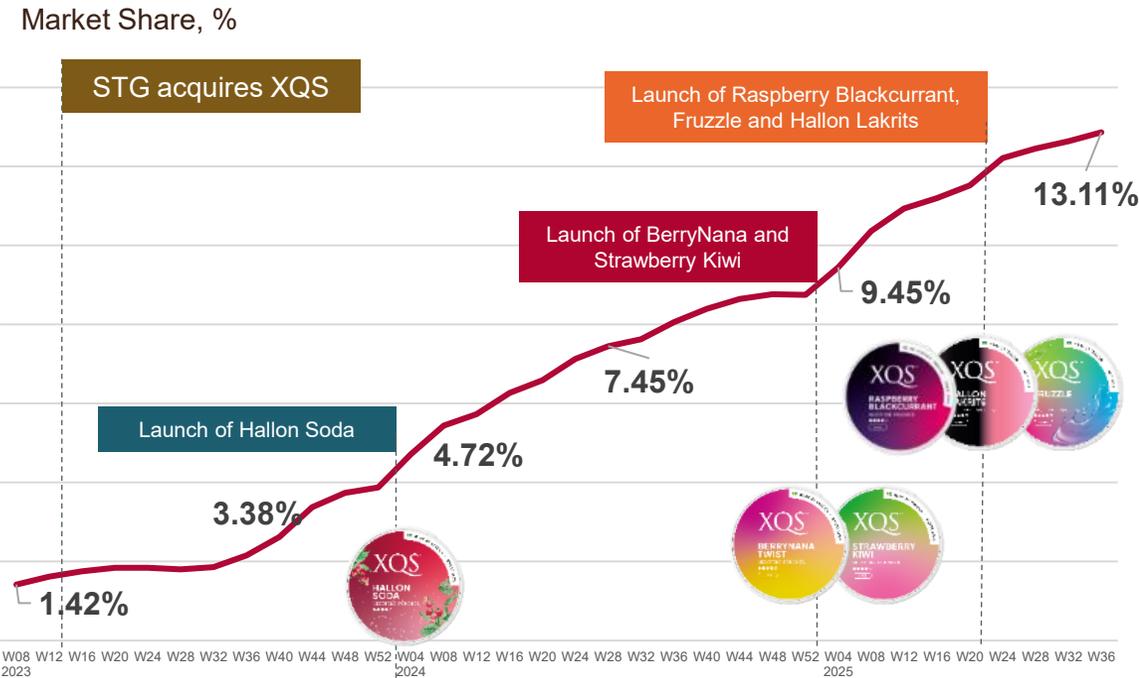
**CONSCIOUS
EXPANSION**

**EFFICIENT &
DISCIPLINED
INVESTMENTS**

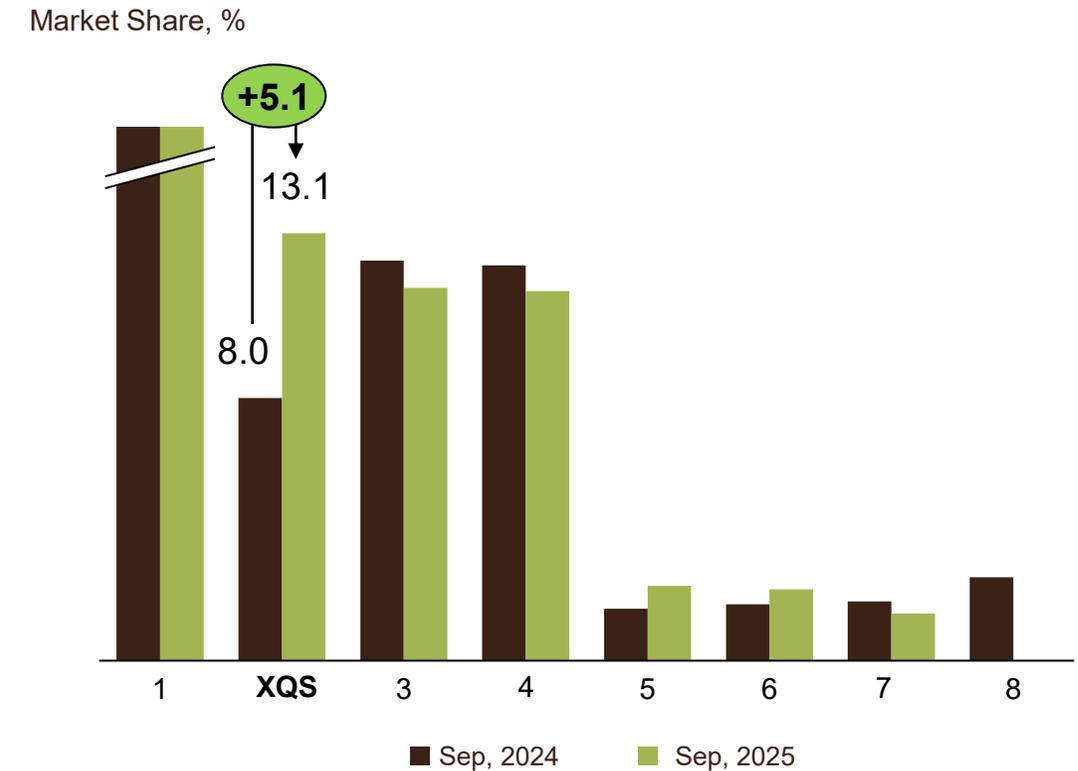


XQS NO.2 IN MOST COMPETITIVE MARKET – BOOSTED BY DISTRIBUTION EXPANSION AND INNOVATION

Latest launches driving incremental growth

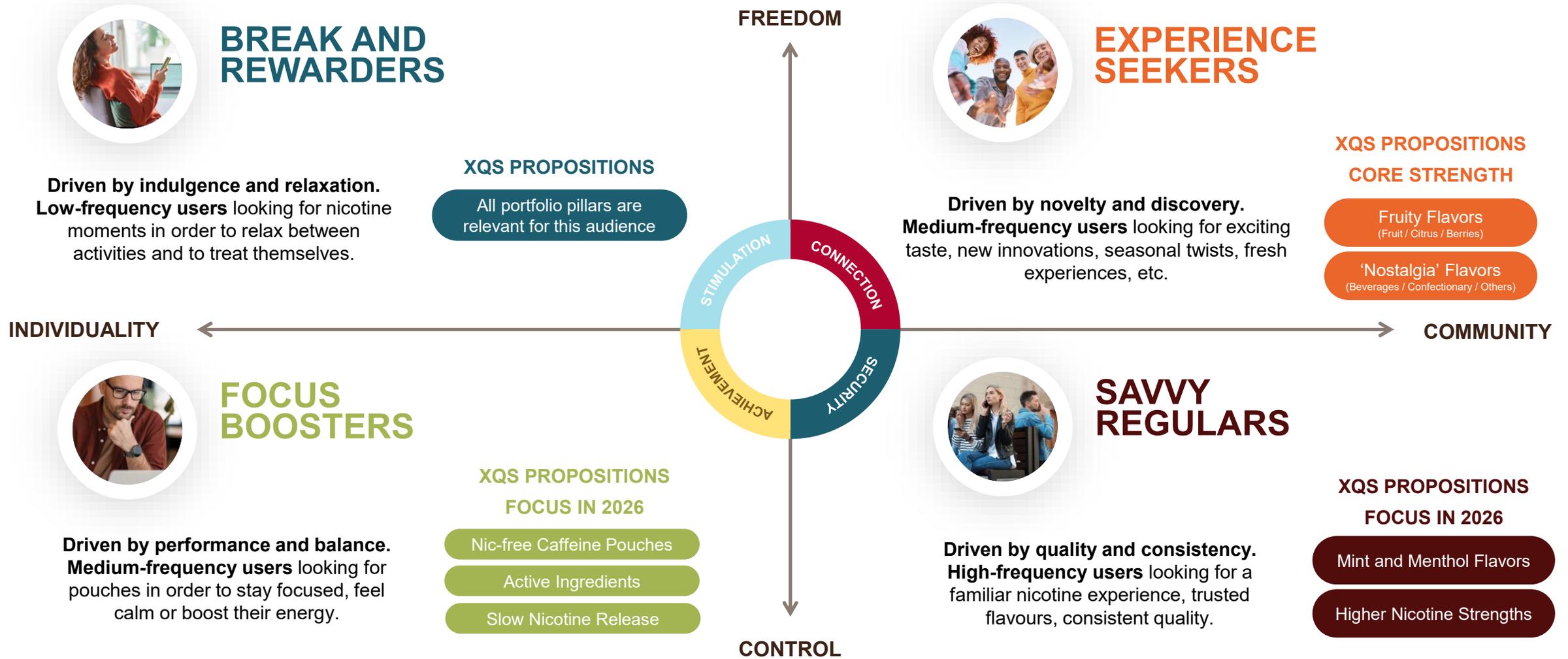


XQS maintaining the pace of the fastest growing brand



Source: Nielsen
 Note: does not include online sales
 SCANDINAVIAN TOBACCO GROUP

BUILDING A MAINSTREAM BRAND THROUGH PORTFOLIO EXPANSIONS



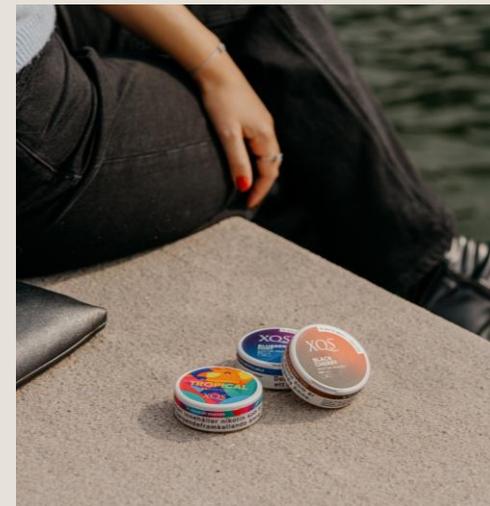
OUR STRATEGIC PRIORITIES IN SUMMARY



**STABILISE
MACHINE-ROLLED CIGARS**



**GROW
HANDMADE CIGARS**



**ACCELERATE
NICOTINE POUCHES**

A close-up photograph of several large, rectangular bales of tobacco leaves. The leaves are a rich, golden-brown color and have a textured, fibrous appearance. The bales are stacked, with some in the foreground and others receding into the background. The lighting is warm, highlighting the natural texture of the tobacco.

DELIVERING VALUE

INSIGHTS SHAPING OUR FINANCIAL AMBITIONS

**SHARPER FOCUS
ON ROIC**

Through EBIT expansion and disciplined capital management approach

**DELIVER PROFIT
AND CASH FLOW
GROWTH**

Through market share gains, strategic pricing, cost efficiency and cash flow discipline

**CREATING
OPPORTUNITIES
WITH FLEXIBLE
ALLOCATION
POLICY**

Reflecting Focus2030 priorities and to keep financial flexibility

FINANCIAL PERFORMANCE 9M 2025

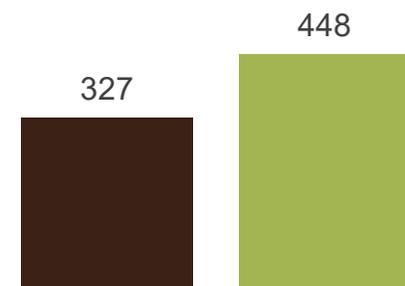
DKKm



Net sales

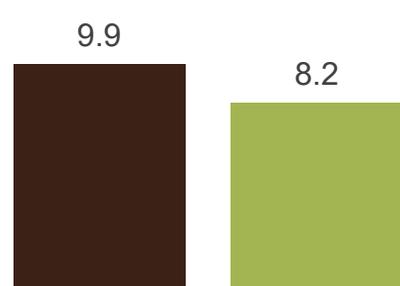
EBITDA margin

DKKm



Free Cash Flow (before acquisitions)

DKK



Adjusted EPS

■ 9M 2024 ■ 9M 2025

FINANCIAL EXPECTATIONS 2025

NET SALES

DKK 9.1-9.2 billion

FREE CASH FLOW

Before acquisitions

DKK 0.8-1.0 billion

EBITDA MARGIN

Before special items

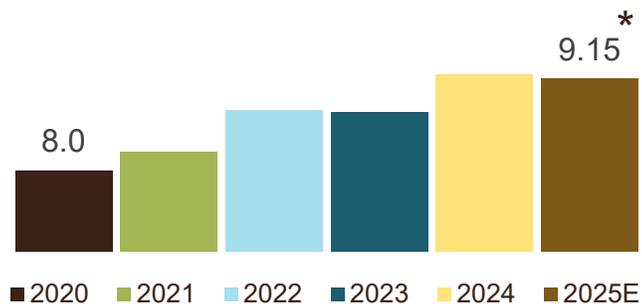
19.5-20.5%

ADJUSTED EPS

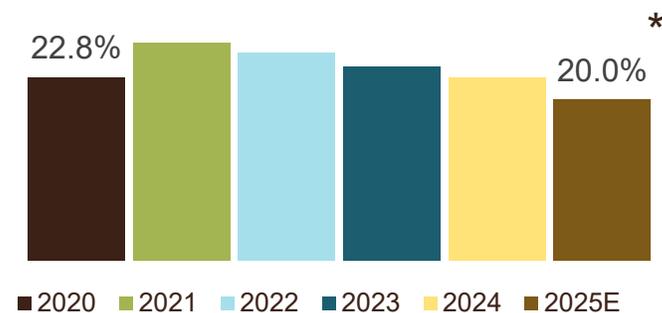
DKK 10-12

ROLLING TOWARDS 2025 FINANCIAL PERFORMANCE

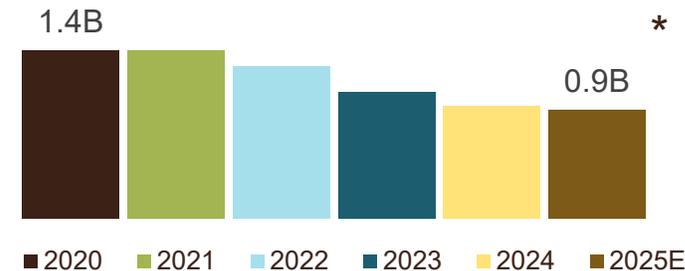
Net Sales DKK billion



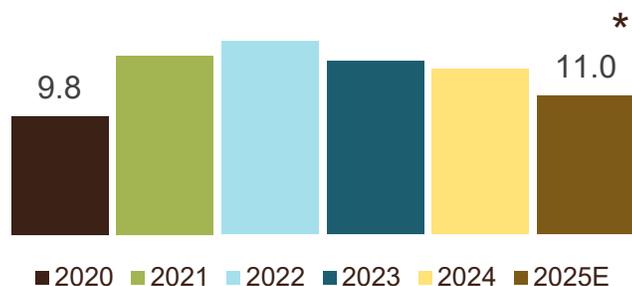
EBITDA Margin



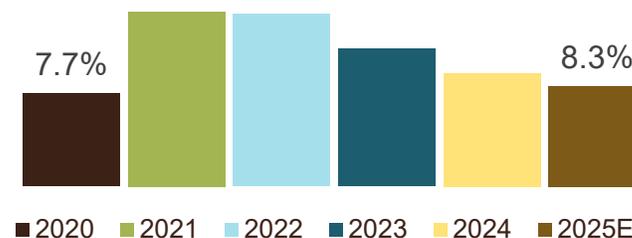
Free Cash Flow before acquisitions DKK



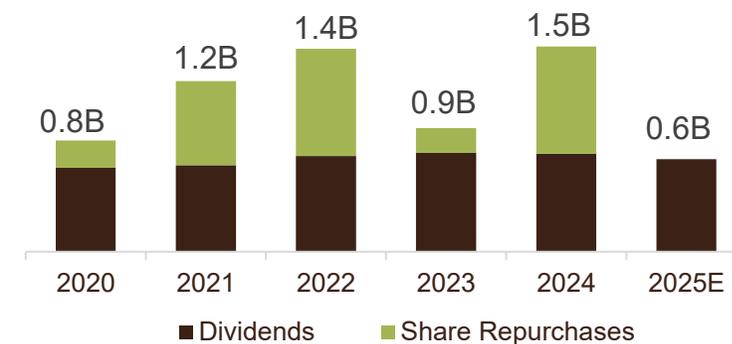
Earnings Per Share



ROIC



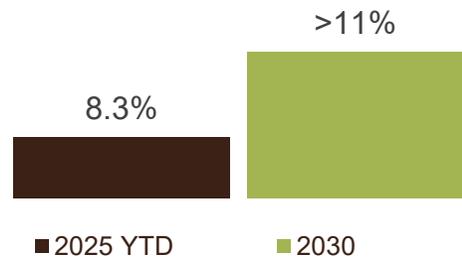
Capital Distribution DKK



* Mid-point 2025 Expectations

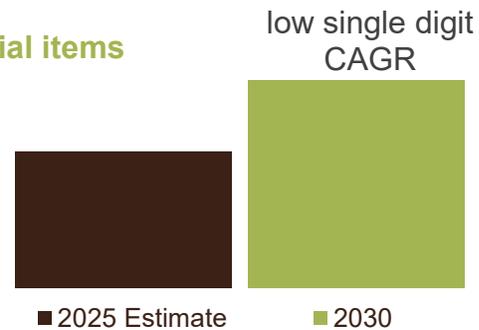
NEW FINANCIAL AMBITIONS PROVIDE FOUNDATION FOR ATTRACTIVE SHAREHOLDER RETURNS

ROIC



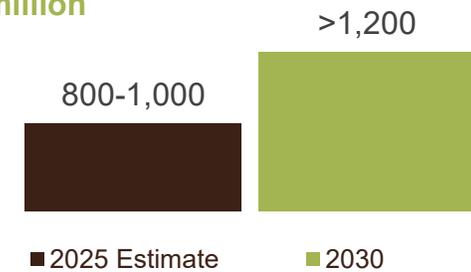
EBIT

before special items



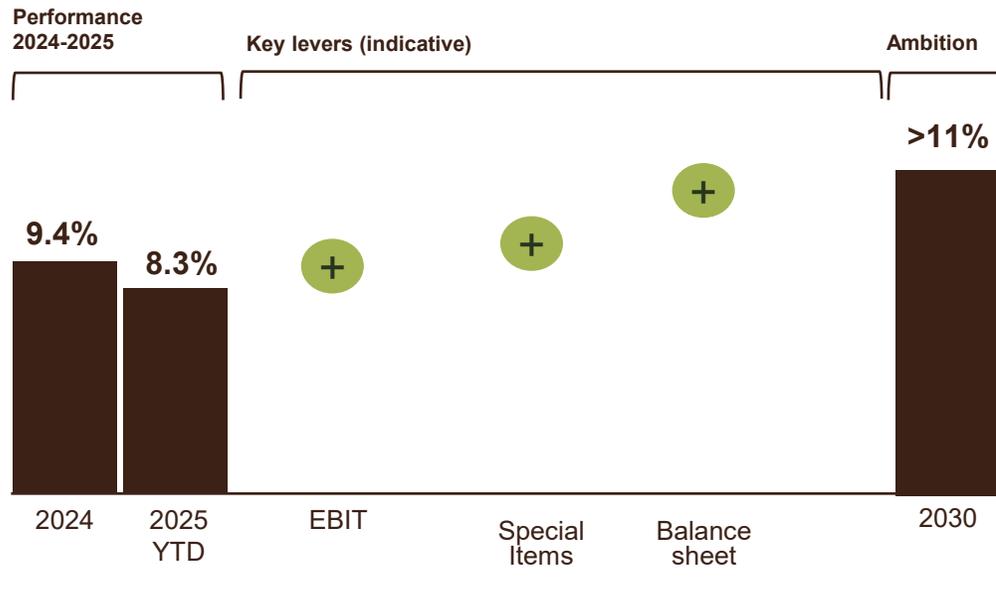
FCF

DKK million



DISCIPLINED CAPITAL ALLOCATION

ROIC %

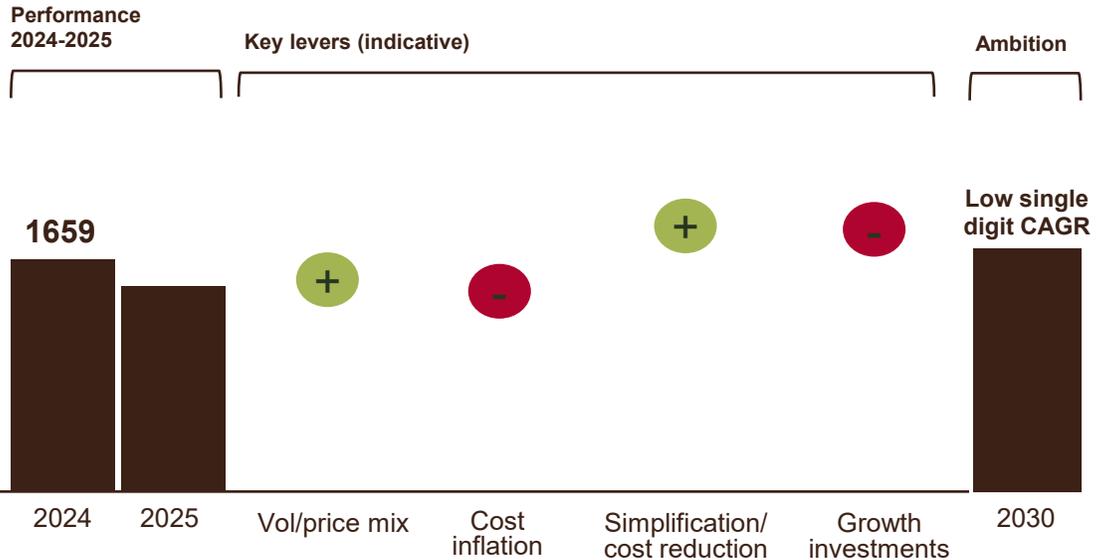


Key levers impacting ROIC

- Incremental EBIT b.s.i. growth
- Special items 2025 ~DKK 200m
- Balance sheet
- Potential divestments and acquisitions must support ROIC ambition

EARNINGS IMPROVEMENT

EBIT before special items DKKm

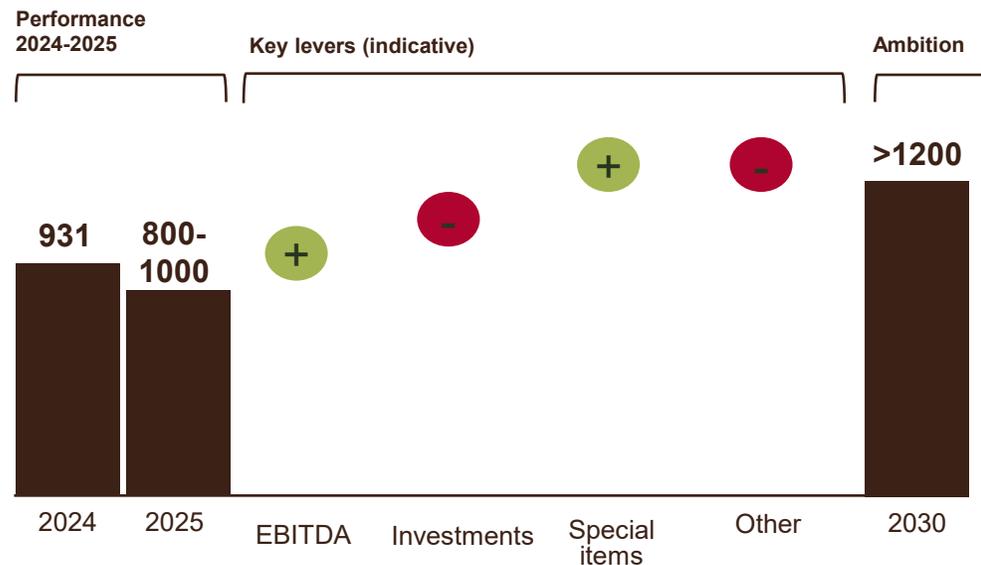


Key levers impacting EBIT

- Volumes/price mix improvements
- Cost inflation in the level of 3% p.a.
- Simplification
- Both growth investments and depreciation/amortisations to increase about DKK 100 million annually
- Efficiency program: DKK 200 million

GENERATING STRONGER FREE CASH FLOW

Free Cash Flow before acquisitions DKKm



Key levers impacting free cash flow

- EBITDA increase
- Investments ~DKK 1.5 billion 2026-2030
- Special cash items in 2025 of ~DKK 200m
- Other (tax a.o.)

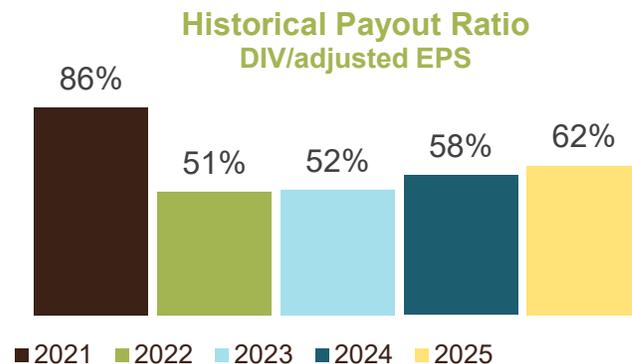
SHAREHOLDER RETURN REMAINS CORE

Adjusting policy to allow financial flexibility

Maintaining our investment grade credit rating

Payout ratio-based dividend policy

- Reflecting ambition of investing in Focus2030
- Stronger alignment with performance to ensure balanced payments
- Consistent with market practice
- Increasing headroom for share buy-back component in capital allocation



LEVERAGE RATIO
AT/BELOW 2.5X

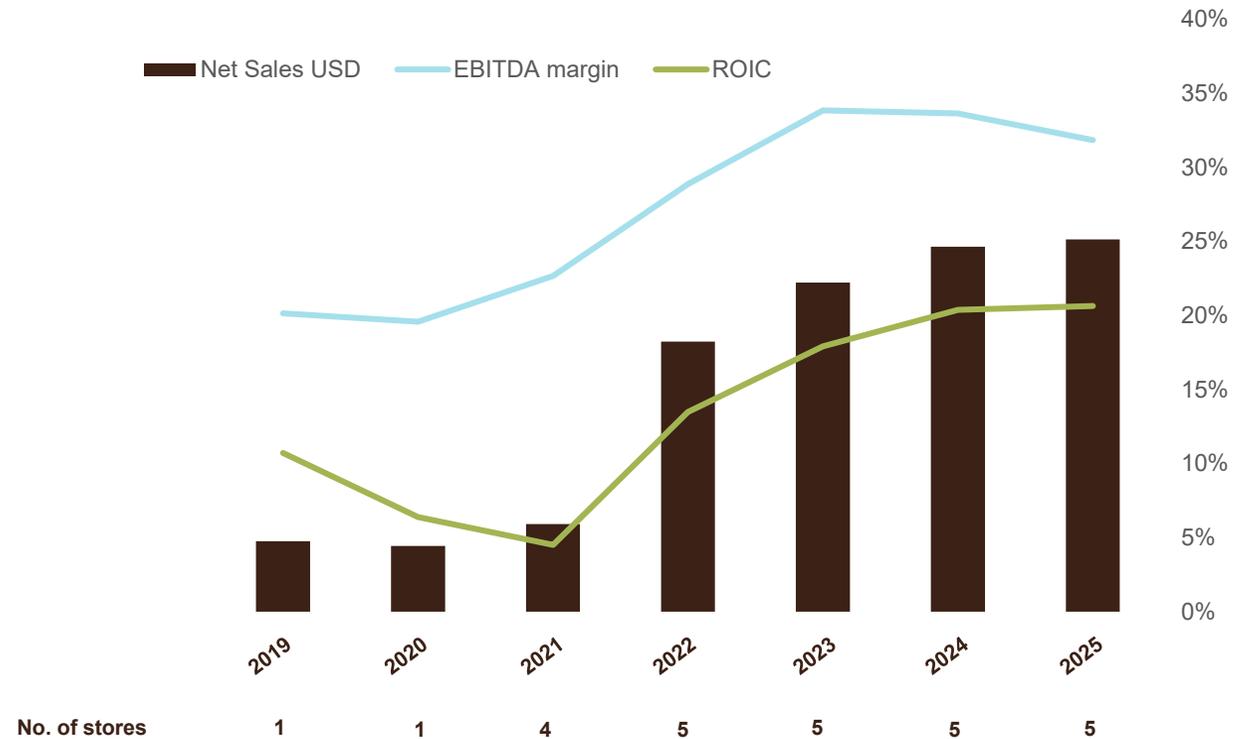
DIVIDEND PAYOUT
RATIO 40-60%

DIVIDEND &/OR
SHARE BUYBACK

RETAIL STORES

Selection examples: Stores opened >3 years

Total investment of ~ USD 37 Million



- The Colony, TX in 2018
- Fort Worth, TX in 2021
- Tampa, FL in 2021
- Lutz, FL in 2021
- San Antonio, TX in 2022

NICOTINE POUCH AMBITIONS

Financial Highlights Today

- DKK 250-300 million invested as of 2025
- Net sales exceeding DKK 400 million in 2025
- Market Shares: Sweden >13%, UK ~1%
- Gross Margin ~25-30% and EBITDA breakeven

Financial Ambitions 2030

- Market shares increasing
- Expanding to new markets
- Must deliver meaningful margin and ROIC progression



CREATING VALUE TOWARDS 2030

FOCUS

**DISCIPLINED
INVESTMENTS**

**POWER
BRANDS**

SIMPLIFY

**STRONGER
FOUNDATION**

**PROTECTING
MARGINS**

**FINANCIAL
FLEXIBILITY**

**FINANCIAL
AMBITIONS**

Q&A



SCANDINAVIAN TOBACCO GROUP

THANK YOU