



CREATING MOMENTS OF ENJOYMENT

Investor Presentation | First Quarter 2024 Results | 2 May 2024



SCANDINAVIAN TOBACCO GROUP



CORPORATE SUMMARY*

Market cap	Share price	Shares Outstanding
DKK 9.8 billion	DKK 113	83.8 million

Major Shareholders

Investor	Shareholding
Chr. Augustinus Fabrikker Aktieselskab	>25%
C.W. Obel	>10%
Capital Research & Management Company	>5%
Parvus Asset Management	>5%
Scandinavian Tobacco Group A/S	3.7%

Analyst Coverage



* Data as of 29 April 2024

A GLOBAL LEADER IN CIGARS

- 200 LEADING BRANDS, 11 PRODUCTION SITES
- NO. 1 HANDMADE CIGAR PLAYER IN USA
- NO. 1 MACHINE-ROLLED CIGAR PLAYER IN EUROPE
- ALMOST 1 MILLION ONLINE CUSTOMERS IN USA
- 100 DISTRIBUTION MARKETS
- STRONG M&A TRACK-RECORD



3 COMMERCIAL DIVISIONS



3 PRODUCT CATEGORIES





AGENDA

Q1 2024 Highlights

Niels Frederiksen, CEO

Update on Strategy and Key Events

Niels Frederiksen, CEO

Our Commercial Divisions

Marianne Rørslev Bock, CFO

Group Financials

Marianne Rørslev Bock, CFO

Outlook & Guidance 2024

Niels Frederiksen, CEO

Q&A Session

All



NIELS FREDERIKSEN
Chief Executive Officer



MARIANNE RØRSLEV BOCK
Chief Financial Officer



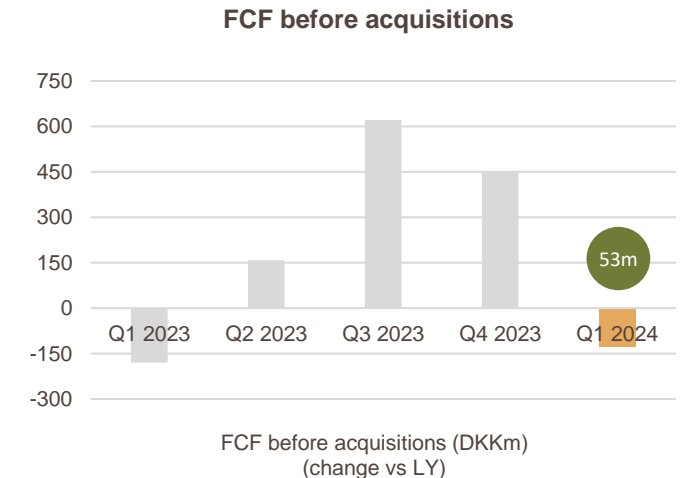
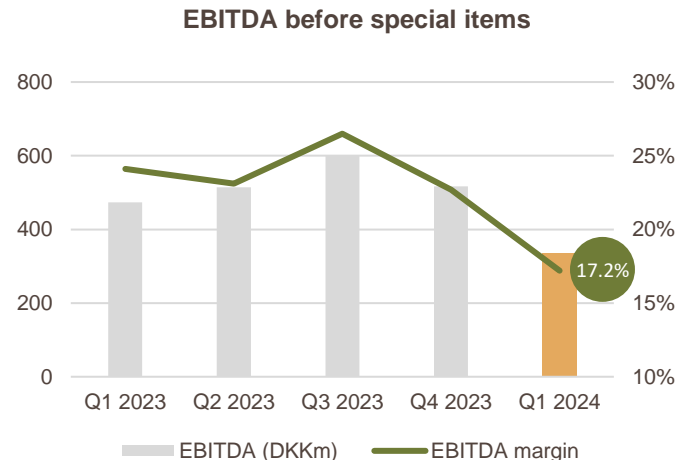
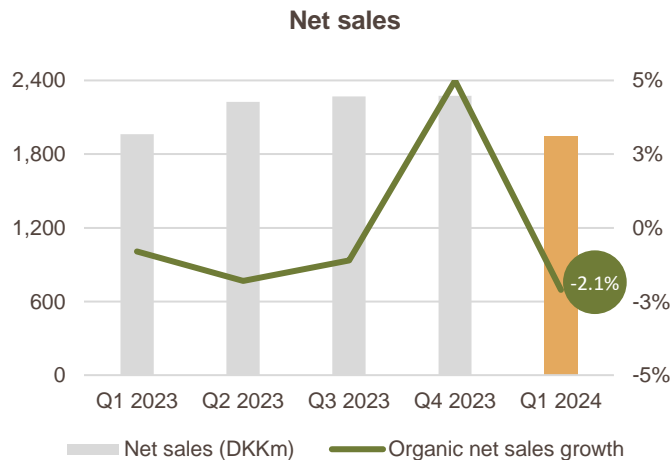
TORBEN SAND
Head of Investor Relations



Q1 2024 HIGHLIGHTS

- Slow start to the year
- Next Generation Oral doubles net sales and handmade cigars growing by 4%.
- Machine-rolled cigars deliver -15% organic net sales decline.
- Growth Enablers accounted for 11% of group net sales.
- EBITDA margins impacted by mix changes, cost inflation and investment in growth.
- Ordinary dividend payment of DKK 8.40 per share (April).
- Recovery expected in the second quarter and full year guidance maintained.

	Q1 2024	Q1 2023
Net Sales Growth	-0.7%	1.3%
EBITDA margin before special items	17.2%	24.1%
FCF before acquisitions (DKK)	-126m	-179m
Adjusted Earnings Per Share (DKK)	1.8	3.2





SCANDINAVIAN TOBACCO GROUP

STRATEGY UPDATE





ONE COMMERCIAL ORGANISATION WITH STRONG CATEGORY FOCUS

Q1 2024	Share of Group net sales	Organic Growth
Handmade cigars	37%	4%
MRC and Smoking Tobacco	46%	-12%
Next Generation Oral	5%	>100%
Other	12%	-3%
Group	100%	-2%



GROWTH ENABLERS GAINING MOMENTUM



XQS Launch in the UK 1 May



3 new Cigars International Super Stores to open in 2024

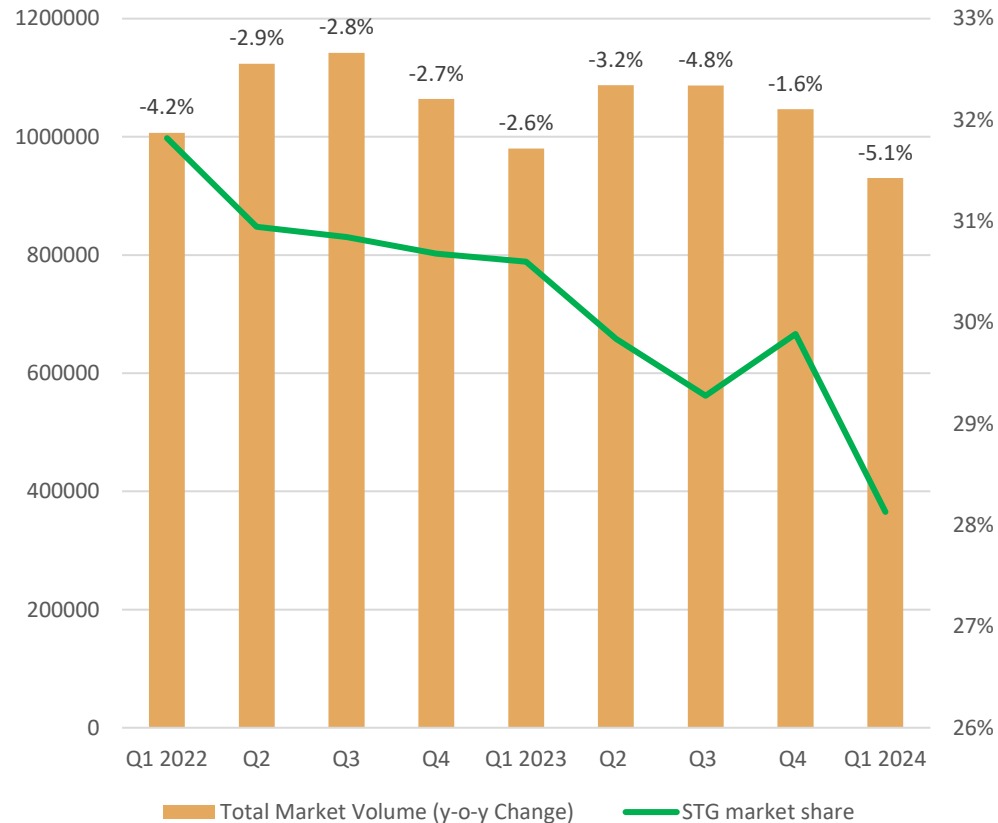


Double-digit growth in international sales of handmade cigars



MACHINE ROLLED CIGARS EUROPE

STG Key MRC markets – total volumes



Source: Nielsen data, Logista sellin data, IRI data, wholesalers data and STG estimates

- Total Market Decline -5.1% in Q1 2024
- Q1 traditionally a small quarter
- Decline rates have been in the range from -2% to -5% in recent years
- STG loses market share driven by our largest markets France, Belgium and the UK
- Current activities to recover market share are not sufficient, additional initiatives taken to regain momentum



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DIVISIONAL PERFORMANCE

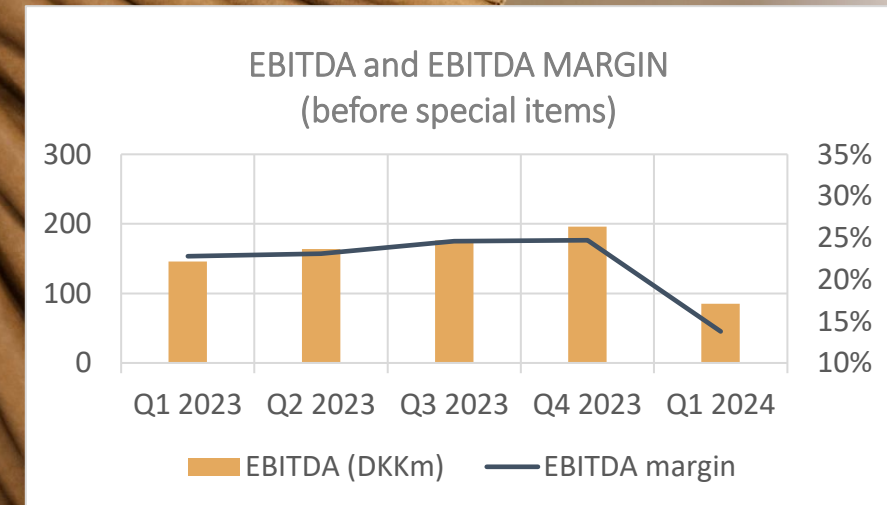
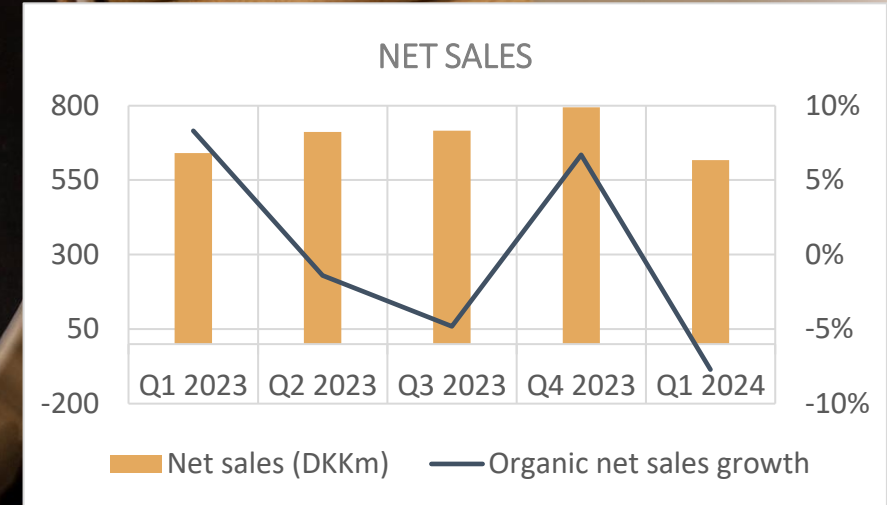




EUROPE BRANDED

Q1 2024 Highlights

- Negative organic net sales growth driven by machine-rolled cigars and smoking tobacco.
- Handmade cigars and NGO delivered strong growth.
- Our market share decreased to 28.1% with the total market decline accelerating to -5%.
- Despite healthy pricing, the EBITDA margin decreased y-o-y driven by general cost inflation, changes in mix and increasing expenses to support long-term sales growth.
- Volume decline impacts margins negatively due to fixed cost base.
- Our focus is to stabilize and regain market share in machine-rolled cigars.



KEY BRANDS





NORTH AMERICA BRANDED & ROW

Q1 2024 Highlights

- Organic net sales was negative by 6% driven by machine-rolled cigars, primarily in Canada. Volume decline in US handmade cigars was offset by pricing.
- International sales of handmade cigars deliver sound growth, while Global Travel Retail was impacted by unrest in Middle-East.
- The EBITDA margin decreased mostly as result of mix changes.
- Opening of Club Macanudo concept stores in Jakarta, Indonesia and Taipei, Taiwan supplementing the one in Kuala Lumpur, Malaysia.
- Opening of Club Macanudo concept store in Louisianaville, USA.

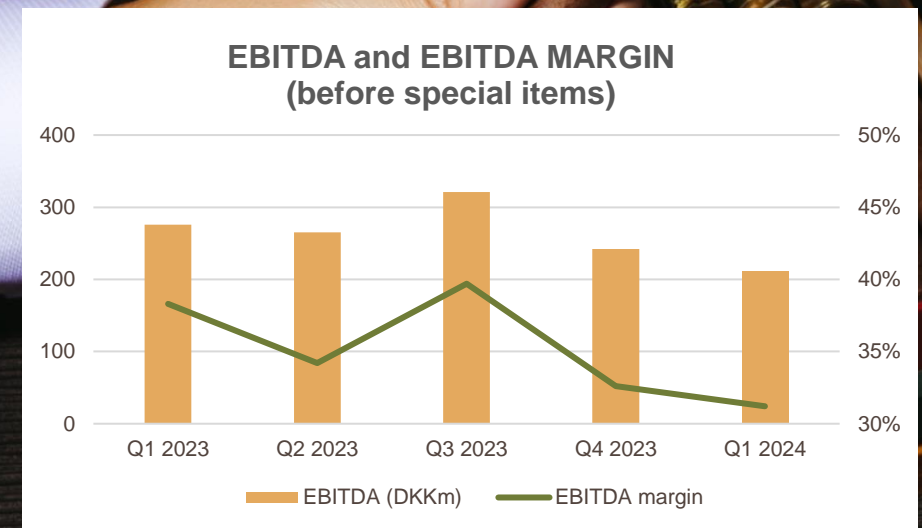
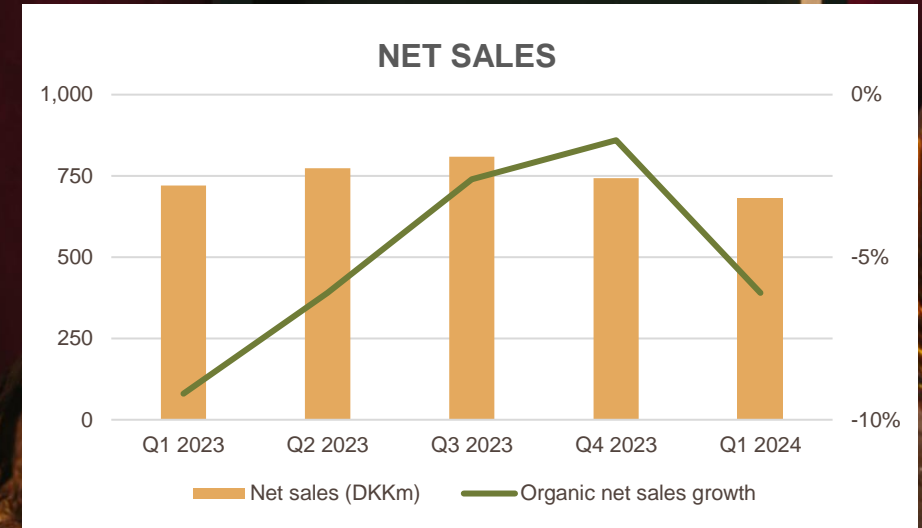
KEY BRANDS

COHIBA®

CAO®



ALEC BRADLEY





NORTH AMERICA ONLINE & RETAIL

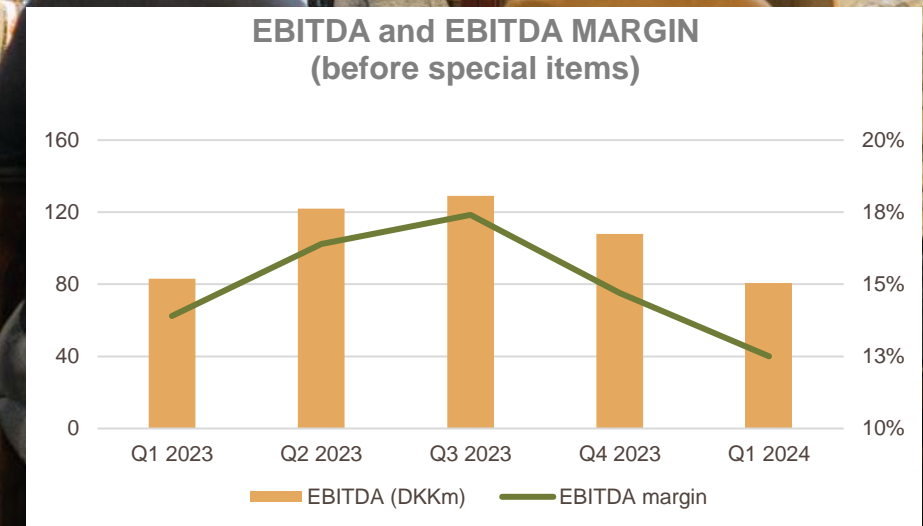
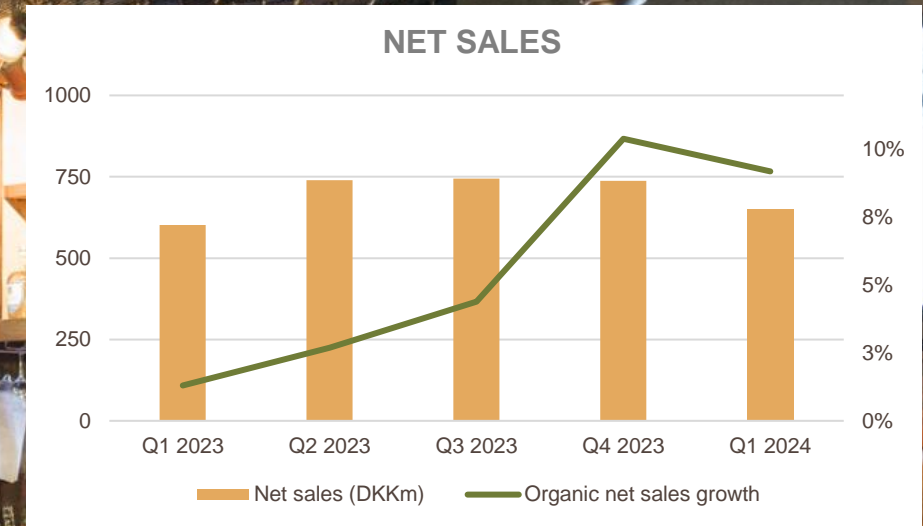
Q1 2024 Highlights

- Organic net sales growth was 9% driven by the retail stores and distribution of third-party products. The online business deliver stable volumes of handmade cigars with positive price/mix impact.
- Our Retail stores delivered double-digit net sales driven by store openings. Same-store sales was up by 4%.
- The active online customer file, indicating the underlying development of consumer activity at our websites, has stabilized following the high volatility in relation to the Covid-pandemic.
- The EBITDA margin decreased as result of mix changes.

ONLINE STORES



KEY BRANDS





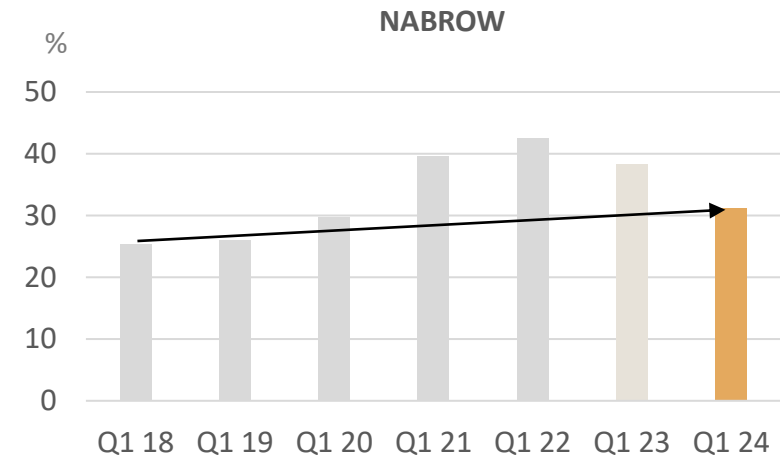
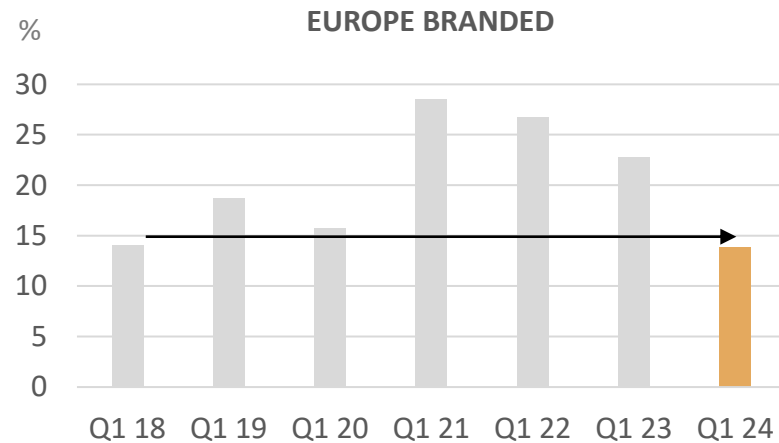
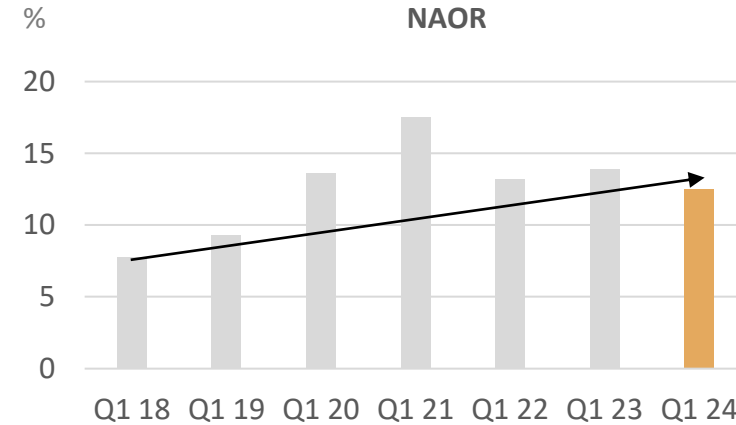
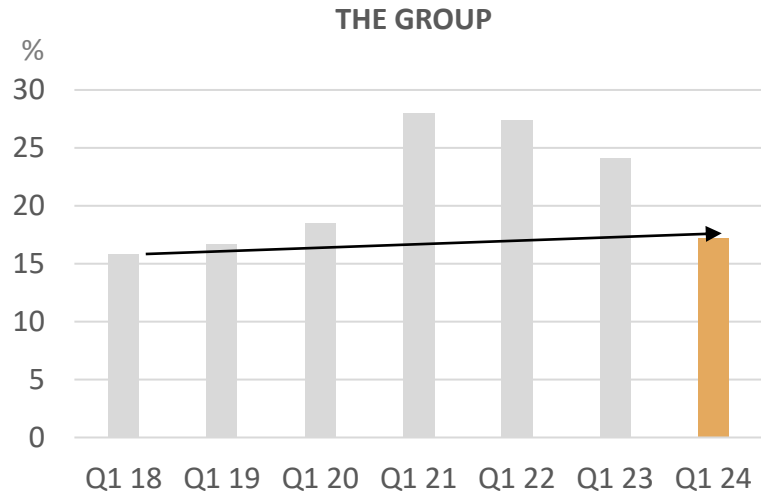
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GROUP FINANCIALS





LONG TERM TREND - EBITDA MARGINS Q1 2018-Q1 2024





Q1 2023 RESULTS

DKK million	Q1 2024	Q1 2023	FY 2023	FY 2022
Net sales	1,948	1,963	8,731	8,762
Gross profit (before special items)	881	979	4,204	4,307
OPEX	-550	-506	-2,111	-2,037
EBITDA before special items	335	474	2,106	2,270
Special items	-30	-27	-92	35
EBIT	208	358	1,638	1,953
Net financials	-54	-31	-177	-137
Net profit	125	260	1,182	1,476
Adjusted EPS (DKK)	1.8	3.2	14.4	16.0
Cash flow from operations	-71	-103	1,347	1,393
Free cash flow before acquisitions	-126	-179	1,053	1,264

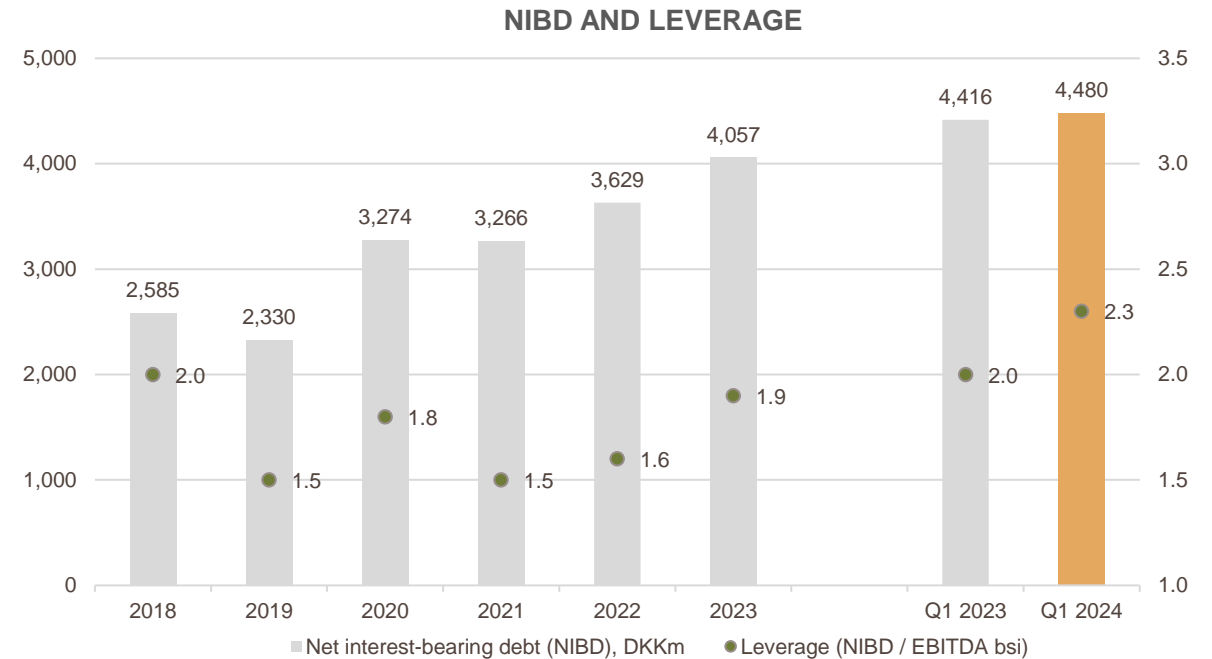
	Q1 2024	Q1 2023
Organic net sales growth	-2.1%	-0.8%
Gross margin	45.2%	49.9 %
OPEX ratio	28.2%	25.8%
EBITDA margin	17.2%	24.1%

	FY 2023	FY 2022
Organic net sales growth	0.3%	-0.8%
Gross margin	48.2%	49.2%
OPEX ratio	24.2%	23.3%
EBITDA margin	24.1%	25.9%



NET DEBT AND LEVERAGE

- Net Interest-bearing Debt (NIBD) increased by DKK 423 million to DKK 4,480 million versus year-end 2023.
- The development is primarily explained by changes in working capital and capital allocations (share buy-back).
- Leverage ratio increased to 2.3x versus 1.9x on 31 December 2023.
- The leverage ratio is expected in the level of 2.2x by year end 2024.





SCANDINAVIAN TOBACCO GROUP

OUTLOOK AND GUIDANCE 2024





OUTLOOK

With Rolling towards 2025 and beyond we aim to build a larger and more profitable company

- **Core categories to deliver flat low single digit annual net sales growth**
- **Growth enablers to deliver double digit annual net sales growth**
- **Acquisitions remain a key pillar of our strategy**

- **We adapt to fast changing consumer behaviour and create a ONE COMMERCIAL ORGANISATION**

- **Increasing investments to deliver stronger sustainable net sales growth will impact margins near-term**
- **At the end of strategy period, we expect EBITDA margin to revert towards 24%**
- **Updating our strategy plan beyond 2025 during the first half of 2025**
- **Beyond “Rolling towards 2025” we expect to continue to deliver annual net sales growth and like-for-like annual margin enhancements driven by investments in the Growth Enablers and continuous cost efficiencies**



MAINTAINING 2024 GUIDANCE*



- **Second Quarter: Expected growth in net sales and significant improvement in EBITDA versus first quarter**
- **Full-Year: Growth Enablers expected to increase to above 10% of group net sales (8%)**
- **Full-Year: EBITDA margin to be impacted by increased investments in growth, while pricing and on-going cost efficiencies partly will offset cost inflation and mix changes**
- **Full-Year: Free Cash Flow before Acquisitions impacted by DKK 300 million investments in retail expansion, track and trace and ERP implementation as well as higher working capital to support net sales growth**

* Guidance and assumption are based on current exchange rates



QUESTIONS AND ANSWERS

We are happy to take any questions from the audience now.

Visit our investor site at:
www.st-group.com/investor

FIND OUT MORE

Annual Report 2023

Our 2023 Annual Report addresses our financial performance, strategic execution and other important aspects of our business operations.



Remuneration Report 2023

Our Remuneration Report includes an overview of the total remuneration received by the Board of Directors and Executive Management.





2024 EVENT CALENDAR & CONTACT

JAN-MAR	APR-JUN	JUL-SEP	OCT-DEC
5 March 2024 Full year/Q4 2023 results	4 April 2024 Annual General Meeting 2 MAY 2024 Q1 interim report	22 AUG 2024 H1/Q2 interim report	12 NOV 2024 Q3 interim report



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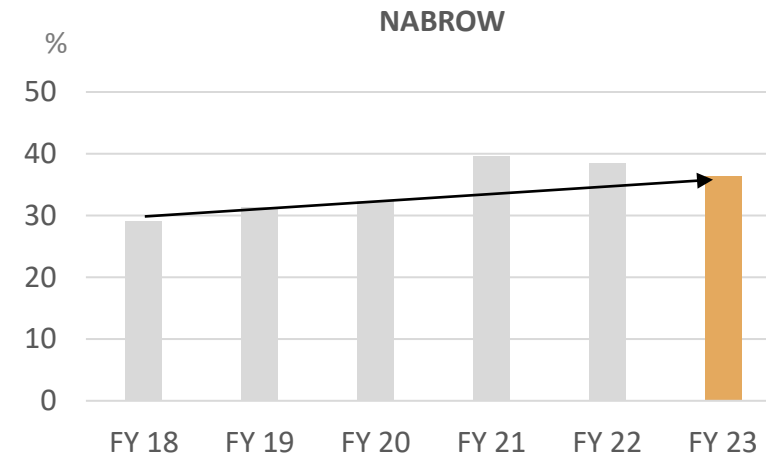
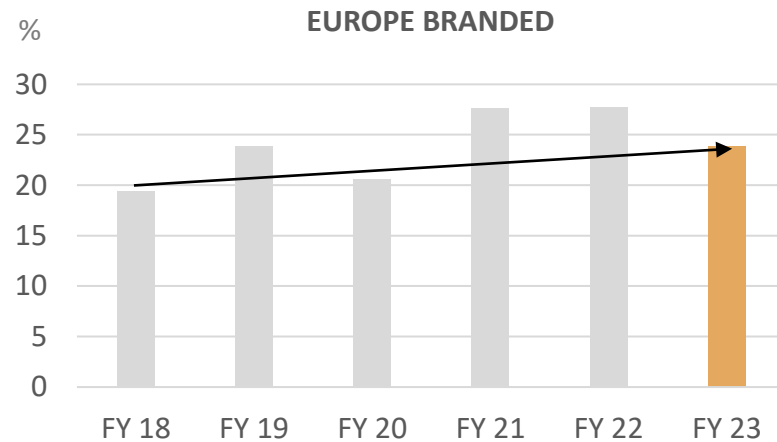
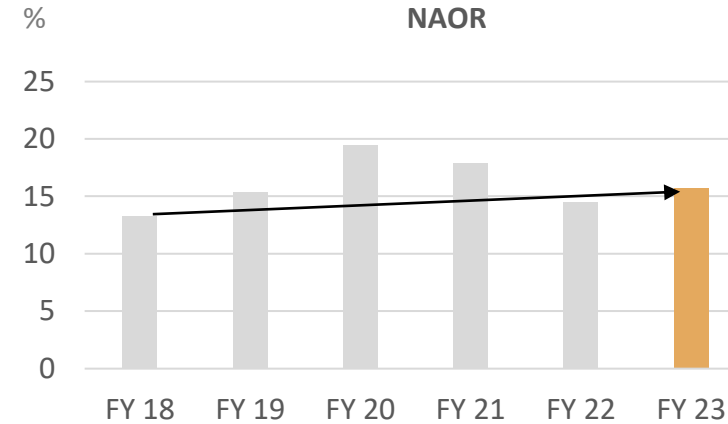
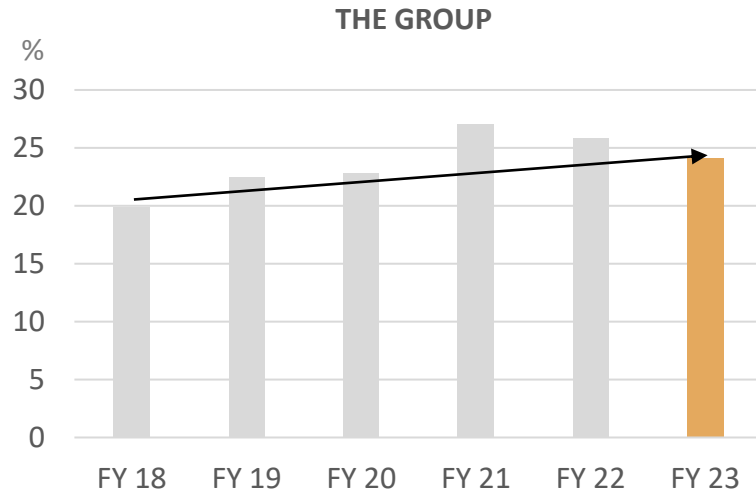


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LONG TERM TREND - EBITDA MARGINS (FY 2018-FY 2023)





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THANK YOU

