



# ANNUAL GENERAL MEETING

31 MARCH 2022





# AGENDA

**01** | Report of the Board of Directors on the Company's activities during the past financial year

**02** | Adoption of the audited annual report

**03** | Appropriation of profit as recorded in the adopted annual report

**04** | Presentation of the Company's remuneration report for an advisory vote

**05** | Adoption of the remuneration of the Board of Directors and Board committees

**06** | Any proposals by the Board of Directors and/or shareholders

**6A** | Reduction of the Company's share capital



# AGENDA

**6B** | Change to Articles of Association: Election of vice-chairman optional

**07** | Election of members to the Board of Directors

**08** | Election of auditor(s)

**09** | Any other business



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SCANDINAVIAN TOBACCO GROUP

# REPORT OF THE BOARD OF DIRECTORS

COHIBA

COHIBA



# FINANCIAL HIGHLIGHTS 2021

**8,233**

DKK million

NET SALES

**18.4%**

ORGANIC EBITDA  
GROWTH  
(BEFORE SPECIAL ITEMS)

**1,391**

DKK million

NET PROFIT

**1,393**

DKK million

FREE CASH FLOW  
(BEFORE ACQUISITIONS)

**14.5%**

RETURN ON  
INVESTED CAPITAL



# DIVIDEND AND SHARE BUY-BACK

## PROPOSED DIVIDEND PER SHARE

DKK **7.50**

2020: DKK 6.50

## PROPOSED TOTAL PAYMENT

DKK**m** **700**

2020: DKKm ~625

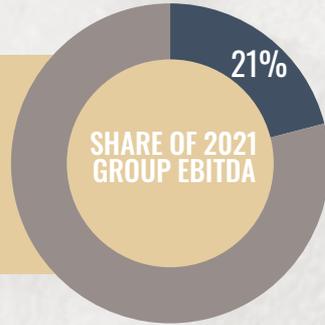
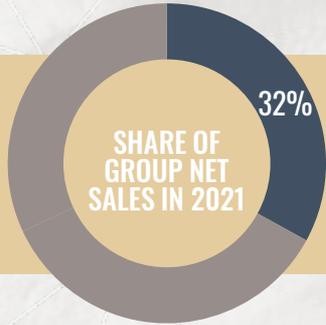
## SHARE BUY-BACK PROGRAMME 2022/23

DKK**m** **~700**

2021/22: DKKm 600



# NORTH AMERICA ONLINE & RETAIL



HANDMADE CIGARS

80%



SMOKING TOBACCO

3%



MACHINE-ROLLED CIGARS

6%



ACCESSORIES AND CONTRACT MANUFACTURING

11%

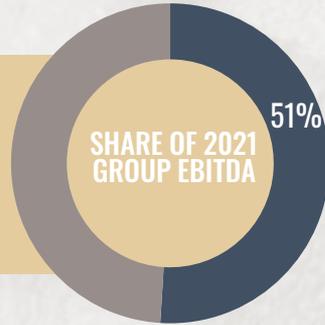
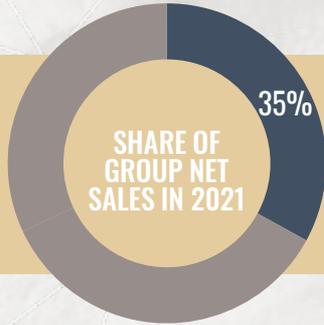


## 5 BUSINESS UNITS





# NORTH AMERICA BRANDED & ROW



HANDMADE CIGARS

29%



SMOKING TOBACCO

21%



MACHINE-ROLLED CIGARS

28%



ACCESSORIES AND CONTRACT MANUFACTURING

22%



## LEADING BRANDS

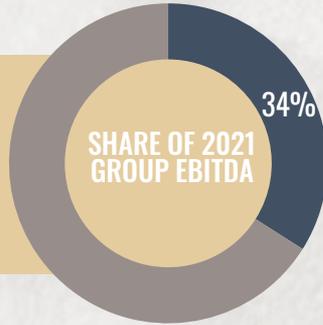
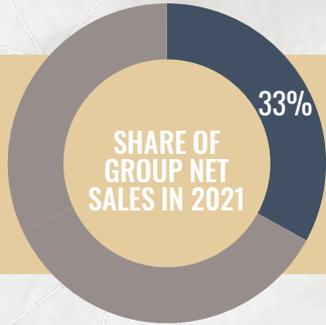


Meier & Dutch  
— M&D Wholesale Distributors, Inc. —





# EUROPE BRANDED



HANDMADE CIGARS

3%



SMOKING TOBACCO

19%



MACHINE-ROLLED CIGARS

73%



ACCESSORIES AND CONTRACT MANUFACTURING

5%



## LEADING BRANDS





# ROLLING TOWARDS 2025



PURPOSE

CRAFT THE RITUALS THAT MAKE US MORE



VISION

BE THE UNDISPUTED, GLOBAL LEADER IN CIGARS



AMBITION

LARGER COMPANY | GROWING EBITDA MARGIN | OUTSTANDING CASH GENERATION



MUST-WIN BATTLES

**GROW**  
our handmade  
cigar business

**DRIVE**  
sustainable profit growth in  
machine-rolled cigars

**INTEGRATE**  
new mergers  
and acquisitions

**SIMPLIFY**  
everything  
we do

**EMBRACE**  
a performance  
culture



ENABLERS

IT AND DATA  
CAPABILITIES AND  
INFRASTRUCTURE

LEAN, AGILE,  
EFFICIENT  
OPERATIONS

ATTRACTIVE  
EMPLOYER  
FOR TALENT

GROWTH  
INCUBATOR



VALUES

EMPOWER  
WITH PASSION

BLEND  
OUR STRENGTHS

CULTIVATE  
COURAGE

LIGHT THE  
WAY FORWARD



# MUST-WIN BATTLES



**GROW OUR  
HANDMADE CIGAR  
BUSINESS**



**DRIVE SUSTAINABLE  
PROFIT GROWTH IN  
MACHINE-ROLLED  
CIGARS**



**INTEGRATE NEW  
MERGERS AND  
ACQUISITIONS**



**SIMPLIFY  
EVERYTHING  
WE DO**



**EMBRACE A  
PERFORMANCE  
CULTURE**



# SUSTAINABILITY STRATEGY



**PEOPLE AND  
COMMUNITIES**



**PLANET**



**ETHICS**



**GOVERNANCE**



## SCOPE 1 & 2 EMISSIONS

In 2021, we made the first Group-wide measurement of our energy consumption and CO2 equivalent footprint for 2020 and 2021.

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## NEW STRATEGY

We will present a new and upgraded sustainability strategy in the first half of 2022.

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## INVESTMENT IN 2022

We are committing DKK 10-20 million in 2022 to ramp-up our sustainability initiatives.



# THE SHAREHOLDER-ELECTED MEMBERS OF THE BOARD OF DIRECTORS

## RESIGNING FROM THE BOARD OF DIRECTORS



**HENRIK BRANDT**  
Current vice-chairman



**ANDERS OBEL**



**CLAUS GREGERSEN**



**NIGEL NORTHRIDGE**



**MARLENE FORSELL**



**DIANNE NEAL BLIXT**



**HENRIK AMSINCK**



**LUC MISSORTEN**





# REMUNERATION PACKAGE FOR EXECUTIVE MANAGEMENT

**22.3**

DKK million

TOTAL COST OF  
REMUNERATION





# OUTLOOK 2022

- 1 A strong foundation for a successful 2022
- 2 Clear framework and strong set of priorities to guide our pursuit of growth
- 3 Continued investment in OneProcess, retail expansion in the US, Growth Incubator and sustainability initiatives





# FINANCIAL EXPECTATIONS 2022

0-6%

**ORGANIC EBITDA  
GROWTH**  
(BEFORE SPECIAL ITEMS)

1.1-1.4  
billion

**FREE CASH FLOW**  
(BEFORE ACQUISITIONS)

>5%

**ADJUSTED EARNINGS  
PER SHARE GROWTH**





# FINANCIAL AMBITIONS



**3%-5%**  
annual organic  
EBITDA growth

**EARNINGS**



Annual average net  
increase before acquisitions  
and sizeable investments

**FREE CASH  
FLOW**



Improve ROIC

**RETURN ON  
INVESTED  
CAPITAL**



# SHAREHOLDER RETURN POLICY



Annual growth in ordinary dividend payment

**Our shareholder return policy remains unchanged**



Dividend and/or share buy-back



SCANDINAVIAN TOBACCO GROUP

OUR PURPOSE

**CRAFT THE RITUALS THAT  
MAKE US MORE**





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# ADOPTION OF THE AUDITED ANNUAL REPORT





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# APPROPRIATION OF PROFIT AS RECORDED IN THE ADOPTED ANNUAL REPORT

**PROPOSED DIVIDEND  
PER SHARE**

**DKK 7.50**

2020: DKK 6.50

**PROPOSED TOTAL  
PAYMENT**

**DKKm 700**

2020: DKKm ~625



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# PRESENTATION OF THE COMPANY'S REMUNERATION REPORT FOR AN ADVISORY VOTE





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# ADOPTION OF THE REMUNERATION OF THE BOARD OF DIRECTORS AND BOARD COMMITTEES

For the year 2022

## Board of Directors

Annual base fee	DKK 440,000
Chairman	DKK 440,000 x 3
Vice-chairman	DKK 440,000 x 2

## Audit Committee (in addition to the annual base fee as Board member)

Chairman	DKK 440,000 x 75%
Other members	DKK 440,000 x 37.5%

## Remuneration Committee and Nomination Committee (in addition to the annual base fee as Board member)

Chairman	DKK 440,000 x 25%
Other members	DKK 440,000 x 12.5%



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# 6A

**Proposal to reduce the Company's share capital from DKK 97,500,000 to DKK 93,000,000.**

Adoption of the proposal implies amendment to the following article in the Articles of Association.

*3.1: The company's share capital is nominally DKK 93,000,000, divided into shares of DKK 1 or any multiple thereof.*





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**6B** | Change to Articles of Association: Election of vice-chairman optional

**07** | Election of members to the Board of Directors

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# 6B

**Proposal to make it optional for the Board of Directors to select only a chairman or both a chairman and a vice-chairman.**

Adoption of the proposal implies amendment to the following article in the Articles of Association.

**11.2:** *The board of directors elects a chairman and may decide to elect a vice-chairman. No member of the executive management may be elected as chairman or vice-chairman.*





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# ELECTION OF MEMBERS TO BOARD OF DIRECTORS: CANDIDATES



**HENRIK BRANDT**  
Current vice-chairman



**ANDERS OBEL**



**CLAUS GREGERSEN**



**MARLENE FORSELL**



**DIANNE NEAL BLIXT**



**HENRIK AMSINCK**





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# ELECTION OF AUDITOR(S)



**pwc**

The Board of Directors proposes to re-elect  
**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
in accordance with the Audit Committee's  
recommendation.



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SCANDINAVIAN TOBACCO GROUP

# ANY OTHER BUSINESS



Panera BREAD



SCANDINAVIAN TOBACCO GROUP

# THANK YOU





SCANDINAVIAN TOBACCO GROUP

OUR VISION

**TO BE THE UNDISPUTED  
GLOBAL LEADER IN CIGARS**