



## Company Announcement

No. 2/2019

Copenhagen, 14 March 2019

### Annual Report 2018

## Full Year Results in Line with Guidance. 4.3% Increase in Proposed Ordinary Dividend to DKK 6.00 per Share

For the full year 2018, Scandinavian Tobacco Group A/S delivered net sales of DKK 6,718 million and EBITDA before special items\* of DKK 1,304 million. This corresponds to 0.4% organic growth in net sales and 3.5% organic growth in EBITDA – and is in accordance with the financial guidance for the year. The Board of Directors proposes an ordinary dividend of DKK 6.00 per share, an increase of 4.3% compared to 2017.

### Highlights 2018

- 0.4% organic growth in net sales to DKK 6,718 million (DKK 6,464 million)
- 3.5% organic growth in EBITDA. EBITDA before special items\* was DKK 1,304 million (DKK 1,283 million)
- Special items\* was DKK -216 million (DKK -52 million)
- Net profit decreased to DKK 666 million (DKK 712 million)
- Free cash flow before acquisitions was DKK 668 million (DKK 963 million)

CEO of Scandinavian Tobacco Group Niels Frederiksen says: "2018 was a good year for Scandinavian Tobacco Group. We delivered on the financial targets for the year, saw good progress on the strategy and took significant steps in the development of our company with the launch of Fuelling the Growth, a Groupwide transformational program that will increase our commercial competitiveness and deliver net savings at a run-rate of DKK 250 million by the end of 2021 and will support our financial ambition of 3-5% average annual organic growth in EBITDA."

"Our biggest category - the handmade cigars category - continues to perform well and remains an important growth driver for our company. In 2018, we strengthened our position across the value chain in the handmade cigars category as we had a record year in the branded business, acquired online retailer Thompson Cigar and expanded our brick and mortar cigar superstore network. With these steps we are well-positioned for future growth and development in this category."

### Financial Guidance 2019

- EBITDA: Organic growth >5%
- Free cash flow before acquisitions >DKK 750 million

\* Change of terminology: EBITDA before special items (adjusted EBITDA) and special items (non-recurring items).

The annual report for 2018 is available for download on: [investor.st-group.com](http://investor.st-group.com).

## Conference Call and Webcast

A conference call and webcast will be held on 14 March 2019 at 10:00 AM CET.

Presentation materials will be available online approximately one hour before the webcast on [investor.st-group.com](http://investor.st-group.com).

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#### About Scandinavian Tobacco Group

Scandinavian Tobacco Group A/S is a world leading manufacturer of cigars and pipe tobacco with annual production of three billion cigars and 5,000 tonnes of pipe and fine-cut tobacco. Scandinavian Tobacco Group holds market-leading positions in several categories and has a portfolio of more than 200 brands providing a complementary range of established global brands and local champions.

The Group employs 7,300 people in the Dominican Republic, Honduras, Nicaragua, Indonesia, Europe, New Zealand, Australia, Canada and the US. For more information please visit [www.st-group.com](http://www.st-group.com).