

Tobacco

Bi-weekly snapshot: nicotine scanner trends for the 4-weeks ending Feb 10

Industry Overview

Bi-weekly scanner data for US nicotine

In the 4-weeks ending February 10, cigarette industry sales were -6.7% (volume -10.2%, price/mix +3.9%), vapor sales -12.9% (volume -17.8%, price/mix +5.9%), cigars -2.7% (volume +12.7%, price/mix -13.8%) and smokeless/oral tobacco +11.7% (volume +10.1%, price/mix +1.4%). Category sales for the prior 4-weeks (ending Jan 27) were -7.2% for cigarettes, +11.3% for oral tobacco, -11.1% for vapor, and -3.1% for cigars, suggesting improved sequential trends for cigarettes, cigars and oral tobacco. Company trends are below along with select exhibits inside.

Altria Group (MO)

MO posted 4-week sales % changes of the following : cigarettes -7.7% (volume -12.3%, price/mix +5.2%), vapor +4.5% (volume +9.6%, price/mix -4.7%), cigars flat (volume -2.9%, price/mix +3.0%) and oral/smokeless tobacco -1.6% (volume -4.3%, price/mix +2.8%). MO lost -1.2bps of volume share in cigarettes, -5.8pts in smokeless, -2.5pts in cigars and won +120bps in vapor. Downtrading and illegal vaping products continued to weigh on MO's nicotine volumes.

Philip Morris International/Swedish Match (PM)

Scanner trends indicate that PM's smokeless/oral tobacco \$ sales growth rose +63.2% (+58.9% volume, price/mix +2.7%), while its cigar sales dipped -9.5% (-25.1% volume, +20.7% price/mix). PM enjoyed a 10.3pt rise in smokeless volume share but recorded a 5.5pt share loss in cigars on strong pricing.

British American Tobacco (BAT)

BAT recorded 4-week sales % changes of the following: cigarettes -7.6% (volume -10.7%, price/mix +3.5%), vapor -8.0% (volume -14.4%, price/mix +7.5%), and oral/smokeless tobacco -4.0% (volume -10.4%, price/mix +7.2%). BAT shed -20bps of volume share in cigarettes, -5.2pts in smokeless, and won +1.7pts in vapor.

Imperial Brands (IMB)

IMB posted 4-week sales % changes of the following: cigarettes -4.6% (volume -8.9%, price/mix +4.7%), vapor -27.8% (volume -31%, price/mix +4.5%), and cigars -10.3% (volume -21.7%, price/mix +14.6%). IMB won +10bps of volume share in cigarettes, -30bps in vapor and -3.8pts in cigars.

20 February 2024

Equity

United States

Tobacco

Lisa K. Lewandowski

Research Analyst

BofAS

+1 646 855 4647

lisa.lewandowski@bofa.com

Bryan D. Spillane

Research Analyst

BofAS

+1 646 855 1979

bryan.spillane@bofa.com

Joffrey Bellicha Meller >>

Research Analyst

MLI (UK)

joffrey.bellichameller@bofa.com

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Timestamp: 20 February 2024 05:21PM EST

Bi-weekly nicotine trends

Exhibit 1: Enhanced AOC + c-store scanner trends for the 4, 12 and 52 weeks ending February 20, 2024

Altria is losing share in cigarettes, cigars and smokeless tobacco

	\$ sales			EQ volume			Price/mix			Per unit prices			Volume share			Volume share change		
Cigarettes	4W	12W	52W	4W	12W	52W	4W	12W	52W	4W	12W	52W	4W	12W	52W	4W	12W	52W
Category	(6.7)	(5.6)	(4.7)	(10.2)	(9.2)	(8.5)	3.9	4.0	4.1	\$8.95	\$8.92	\$8.80	100.0	100.0	100.0	-	-	-
Altria Group	(7.7)	(6.7)	(5.3)	(12.3)	(11.5)	(10.7)	5.2	5.4	6.1	\$9.29	\$9.26	\$9.11	47.0	47.0	47.5	(1.2)	(1.2)	(1.2)
British Am Tob	(7.6)	(6.8)	(7.8)	(10.7)	(10.3)	(11.2)	3.5	4.0	3.8	\$9.65	\$9.64	\$9.44	30.3	30.3	30.6	(0.2)	(0.4)	(0.9)
Imperial Brands	(4.6)	(2.9)	(0.2)	(8.9)	(7.0)	(4.3)	4.7	4.4	4.3	\$8.23	\$8.14	\$8.05	9.4	9.5	9.3	0.1	0.2	0.4
Vector Group	0.1	2.4	8.4	(3.8)	(1.7)	3.9	4.0	4.1	4.4	\$6.77	\$6.75	\$6.73	4.6	4.6	4.4	0.3	0.4	0.5
Vapor																		
Category	(12.9)	(10.0)	(3.0)	(17.8)	(16.3)	(16.3)	5.9	7.6	16.0	\$7.82	\$7.85	\$7.84	100.0	100.0	100.0	-	-	-
JUUL Labs	(15.9)	(15.3)	(19.3)	(22.5)	(21.5)	(27.0)	8.6	8.0	10.5	\$5.27	\$5.26	\$5.15	35.7	35.8	36.3	(2.2)	(2.4)	(5.3)
BAT/Vuse	(8.0)	(5.4)	7.1	(14.4)	(13.6)	(9.2)	7.5	9.5	17.9	\$7.51	\$7.48	\$7.34	44.4	43.9	42.9	1.7	1.4	3.4
Imperial/blu	(27.8)	(22.9)	(26.1)	(31.0)	(24.4)	(24.4)	4.5	2.0	(2.2)	\$6.44	\$6.29	\$6.07	1.3	1.4	1.6	(0.3)	(0.2)	(0.2)
Japan Tob/Logic	(12.9)	(1.2)	3.2	(16.2)	(7.0)	(3.5)	4.0	6.3	6.9	\$5.27	\$5.32	\$5.28	1.1	1.1	1.1	0.0	0.1	0.1
Altria/NJOY	4.5	0.1	(7.2)	9.6	7.2	(5.8)	(4.7)	(6.6)	(1.5)	\$5.19	\$5.09	\$5.37	4.6	4.5	3.8	1.2	1.0	0.4
Cigars																		
Category	(2.7)	(2.2)	(2.7)	12.7	13.8	7.4	(13.8)	(14.0)	(9.6)	\$2.54	\$2.55	\$2.69	100.0	100.0	100.0	-	-	-
Altria Group	0.0	0.6	2.6	(2.9)	(2.0)	(0.3)	3.0	2.6	3.0	\$5.44	\$5.45	\$5.39	15.2	15.0	16.1	(2.5)	(2.4)	(1.3)
Swisher Intl	5.3	5.3	3.6	71.6	72.1	48.9	(38.6)	(38.8)	(30.4)	\$1.47	\$1.47	\$1.69	45.0	44.6	39.6	15.4	15.1	11.0
PMI/Swedish Mat	(9.5)	(8.0)	(5.4)	(25.1)	(23.1)	(16.4)	20.7	19.6	13.3	\$3.47	\$3.45	\$3.27	10.9	11.1	12.4	(5.5)	(5.3)	(3.5)
Imperial Brands	(10.3)	(10.8)	(15.3)	(21.7)	(20.6)	(20.5)	14.6	12.4	6.6	\$5.38	\$5.31	\$5.16	8.6	8.8	9.9	(3.8)	(3.8)	(3.5)
Cheyenne Intl	8.3	9.2	(0.6)	4.6	6.2	(2.6)	3.7	3.0	2.0	\$0.53	\$0.53	\$0.52	6.4	6.4	6.6	(0.5)	(0.5)	(0.7)
Smokeless																		
Category	11.7	12.8	10.6	10.1	9.5	6.5	1.4	3.0	3.9	\$6.49	\$6.62	\$6.59	100.0	100.0	100.0	-	-	-
Altria Group	(1.6)	(0.4)	2.0	(4.3)	(3.3)	(0.7)	2.8	3.0	2.7	\$7.10	\$7.10	\$7.02	38.5	39.4	42.0	(5.8)	(5.2)	(3.0)
British Am Tob	(4.0)	(2.5)	(1.5)	(10.4)	(9.5)	(8.8)	7.2	7.8	8.1	\$7.12	\$7.12	\$7.03	22.5	23.2	25.1	(5.2)	(4.9)	(4.2)
PMI/Swedish Mat	63.2	64.0	51.3	58.9	55.2	39.8	2.7	5.6	8.3	\$5.53	\$5.87	\$5.75	33.4	31.8	27.5	10.3	9.4	6.5
Swisher Intl	8.3	12.5	16.0	(4.1)	(2.3)	6.3	12.9	15.1	9.1	\$4.07	\$4.10	\$3.81	1.5	1.5	1.7	(0.2)	(0.2)	(0.0)
Natl Atlantic Trad	3.3	6.5	9.3	0.2	1.8	4.3	3.0	4.6	4.8	\$7.09	\$7.13	\$6.98	1.3	1.3	1.4	(0.1)	(0.1)	(0.0)
Rogue Holdings	77.3	67.2	58.3	76.0	71.5	49.7	0.7	(2.5)	5.7	\$5.54	\$5.44	\$5.61	2.4	2.3	1.9	0.9	0.8	0.6

Source: NielsenIQ, Total US, AOC (all outlets combined) + convenience

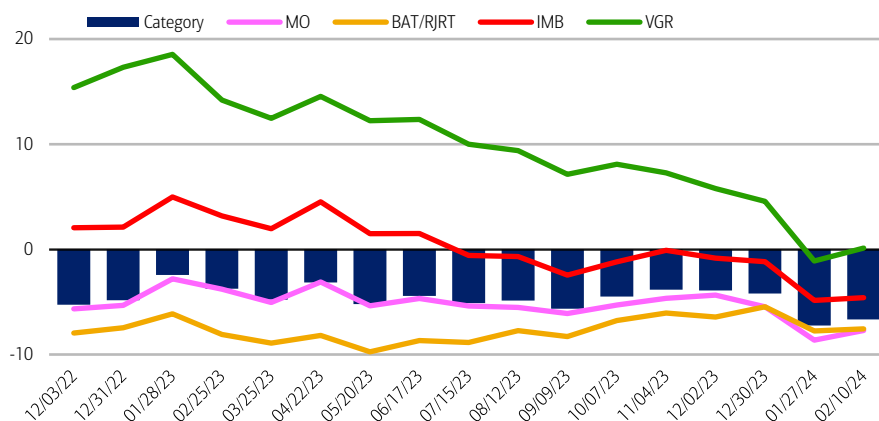
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Monthly YoY % change trends

Cigarettes

Exhibit 2: Cigarette \$ sales % YoY (in %)

Value player Vector Group is outperforming peers and the category as a whole due to downtrading



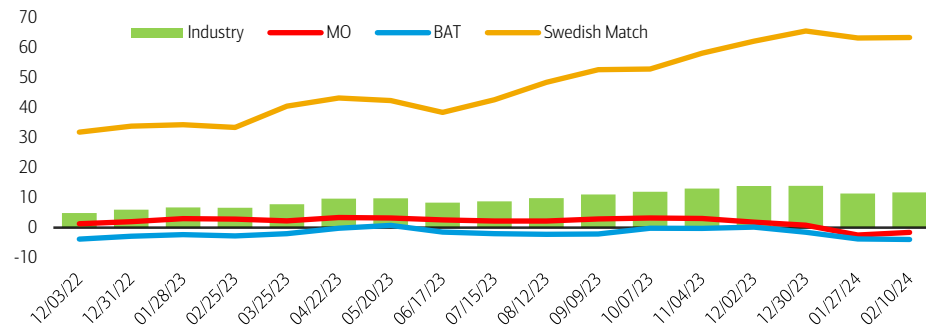
Source: NielsenIQ, Total US, AOC (all outlets combined) + convenience

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Oral nicotine/smokeless tobacco

Exhibit 3: Smokeless/oral tobacco \$ sales % YoY (in %)

Zyn is driving Swedish Match's outperformance; BAT's sales declines accelerated vs. the last 4W period



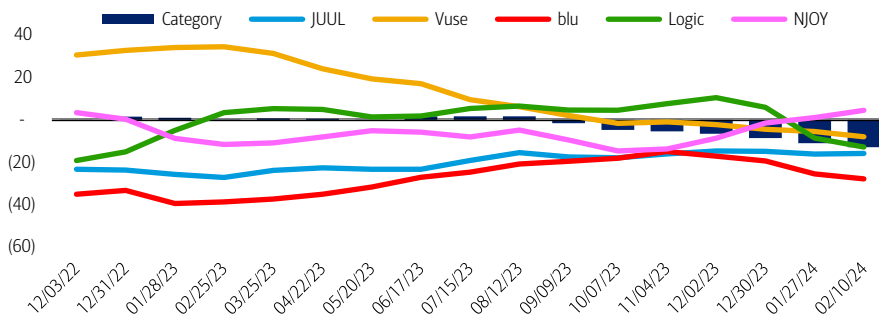
Source: NielsenIQ, Total US, AOC (all outlets combined) + convenience

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Vapor

Exhibit 4: Vapor \$ sales growth % YoY

NJOY (MO) outperformed peers this period



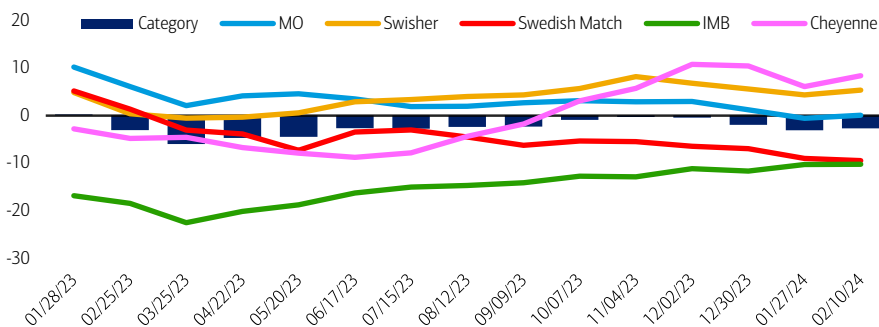
Source: NielsenIQ, Total US, AOC (all outlets combined) + convenience

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Cigars

Exhibit 5: Cigar \$ sales growth % YoY

Sales declines softened for all but PM/Swedish Match vs. the prior 4W period



Source: NielsenIQ, Total US, AOC (all outlets combined) + convenience

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