

Nielsen: Tobacco 'All Channel' Data 1/27

Marlboro Volume & Share Pressures Continue

Tobacco

- Cig Industry Pricing Continues to Offset Vol Weakness As Headwind from CA \$2/pk Cig Excise Tax Continues** - Cig \$ sales declined -2.3% during the 4-wk period ending 1/27/18 (vs -0.7% for 12-wks) as industry vol declines accelerated to -6.0% (vs -4.8% for 12-wks), partially offset by pricing of +4.0% (vs 4.2% for 12-wks). We expect total cig industry vol to decline -3.3% in 2018, which is within range of historical declines of 3-4%.
- MO Cig \$ Sales Declined -4.1% on -7.6% Vol Decline As Marlboro Share Pressures Continue** - As expected, MO/Marlboro vol declines continue to surpass the industry, -7.6/-7.4% (vs -6.0% ind.) given Marlboro's strong exposure to CA. **Marlboro vol continued to decline, -7.4%** (vs -6.6% for 12-wks) which suggests CA and brand pressures persist. Supporting this theory is Marlboro's continued sharp \$ share decline of -80bps (vs -94bp Dec). We remain optimistic that Marlboro could show signs of overall share stabilization in early FY18.
- BAT Cig \$ Sales Increased +0.6% Led by +4.5% Pricing** - BAT/RJRT cig \$ sales growth of +0.6% surpassed the category (-2.3%) on both pricing & volume, +4.5%/-3.7% (vs category pricing/vol of +4.0%/-6.0%) led by Newport & Natural American Spirit (NAS). **Newport sales increased +2.8%** driven by volume growth of +0.9% (vs +4.1% for 12-wks) and moderate pricing, +1.9% (vs +1.5% for 12-wks). Newport's share rose 64bps y/y to 12.9%. **NAS** vol increased +2.5% (vs. the same for 12-wks) with strong +6.3% pricing. **Camel** \$ sales increased +1.6% as strong +6.2% pricing more than offset vol declines of -4.3% (vs -2.2% for 12-wks). **Pall Mall** vol remained weak (-7.5%) and the brand continues to lose share (-8bps to 6.8%).
- IMT \$ Sales Declined -2.0% On -4.6% Volume & Modest Pricing** - IMT's cig \$ sales declined as vol decelerated to -4.6% (vs -2.7% for 12 wks), aided by stronger vol declines from Winston (-4.4% vs -3.9% for 12-wks) and Kool (+1.5% vs +4.1% for 12-wks), and modest overall pricing of +2.7% (vs +2.5% for 12-wks). IMT \$ share remained relatively flat at 7.6% with **Winston** \$ share also flat at 2.3%, and **Kool/Maverick** gaining +11bps/6bps to 1.6% each.
- Smokeless Tobacco \$ Sales Continue to Gain Momentum** - Smokeless \$ sales grew +3.6% (vs. +5.0% 12-wks), reflecting continued consumer loyalty in the category. Notably, \$ sales of **BAT's Grizzly** (+8.5%) outpaced **MO's Copenhagen** (+3.8%) given stronger pricing (+7.9% BAT vs +5.0% Copen.) and vol (+0.6% BAT vs -1.1% Copen.).
- E-Cigs \$ Sales Rose an Impressive +97.0% Led By JUUL** - All channel e-cig category performance was driven by strong pricing/vol, +35.6%/+45.3% (vs. +33.7%/+35.9% for 12-wks) led by JUUL (No.1 at 49.6% \$ share) and BAT (No.2 at 20.5% \$ share). Notably VUSE \$ sales growth decelerated slightly to +10.1% (vs +11.5% for 12-wks) with vol softening to -7.7% (vs -7.3% for 12-wks) against strong pricing of +19.3% (vs +20.3% for 12-wks).
- Cigar \$ Sales Remain Solid at +11.1% Led By Altria's Middleton** - All channel cigar \$ sales were strong, +11.1% (vs 12.3% for 12-wks) led by No.1 **Middleton** (3.2% vol/+9.0% pricing) and No.2 **Swisher** (+7.6% vol/+1.0% pricing).

Bonnie Herzog

Senior Analyst | 212-214-5051

bonnie.herzog@wellsfargo.com

Patty Kanada, CFA

Associate Analyst | 212-214-5029

patty.kanada@wellsfargo.com

Please see page 14 for rating definitions, important disclosures and required analyst certifications. All estimates/forecasts are as of 02/06/18 unless otherwise stated. 02/06/18 12:24:32 ET

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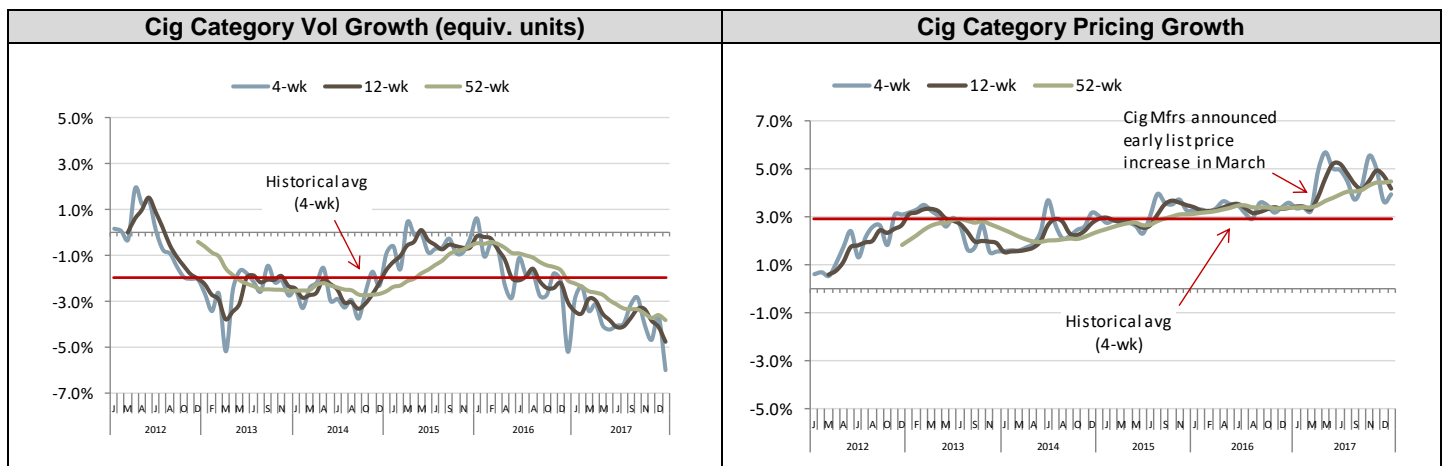


Exhibit 1. Cigarette All Channel Scanner Data Summary (52-wk Category Retail \$ Sales \$62.5B)

CIGARETTES - All Channel Scanner Data Summary																
	Retail \$ Sales Last 52 wks (\$MM)	EQ Unit Sales Δ y/y			Avg. EQ Price Δ y/y			Dollar Sales Δ y/y			Dollar Share			Unit Share		
		4-Wk	12-Wk	52-Wk	4-Wk	12-Wk	52-Wk	4-Wk	12-Wk	52-Wk	4-Wk	12-Wk	52-Wk	4-Wk	12-Wk	52-Wk
CIG CATEGORY	\$62,466	-6.0%	-4.8%	-3.8%	4.0%	4.2%	4.5%	-2.3%	-0.7%	0.5%						
ALTRIA GROUP INC	\$33,882	-7.6%	-6.8%	-4.8%	3.8%	4.3%	4.5%	-4.1%	-2.7%	-0.5%	53.8%	53.7%	54.2%	52.7%	52.5%	53.1%
MARLBORO	\$29,226	-7.4%	-6.6%	-4.7%	3.7%	4.3%	4.4%	-4.0%	-2.6%	-0.4%	46.5%	46.3%	46.8%	45.3%	45.1%	45.5%
L & M	\$2,648	-9.5%	-7.9%	-4.4%	5.2%	5.3%	6.1%	-4.8%	-3.0%	1.4%	4.2%	4.2%	4.2%	4.9%	5.0%	5.0%
VIRGINIA SLIMS	\$834	-8.0%	-6.3%	-7.1%	4.0%	4.3%	4.3%	-4.3%	-2.3%	-3.1%	1.3%	1.3%	1.3%	1.1%	1.1%	1.1%
PARLIAMENT	\$792	-6.9%	-6.7%	-5.5%	4.1%	4.3%	4.4%	-3.1%	-2.7%	-1.3%	1.2%	1.2%	1.3%	0.9%	0.9%	0.9%
BRITISH AMERICAN TOBACCO PLC	\$21,080	-3.7%	-2.0%	-3.2%	4.5%	4.5%	5.0%	0.6%	2.3%	1.7%	33.9%	34.0%	33.7%	32.8%	33.0%	32.8%
NEWPORT	\$8,066	0.9%	4.1%	1.7%	1.9%	1.5%	2.4%	2.8%	5.7%	4.2%	12.9%	13.1%	12.9%	11.8%	12.1%	11.8%
CAMEL	\$5,452	-4.3%	-2.2%	-2.9%	6.2%	5.9%	6.1%	1.6%	3.6%	3.1%	8.7%	8.7%	8.7%	8.3%	8.4%	8.4%
PALL MALL	\$4,162	-7.5%	-7.5%	-8.1%	4.5%	4.8%	5.4%	-3.4%	-3.1%	-3.1%	6.8%	6.7%	6.7%	8.0%	7.9%	7.9%
NATURAL AMERICAN SPIRIT	\$1,900	2.5%	2.5%	4.2%	6.3%	6.3%	5.8%	9.0%	8.9%	10.2%	3.1%	3.1%	3.0%	2.4%	2.4%	2.3%
IMPERIAL TOBACCO GROUP PLC	\$4,662	-4.6%	-2.7%	-3.7%	2.7%	2.5%	4.4%	-2.0%	-0.2%	0.6%	7.6%	7.6%	7.5%	7.9%	7.9%	7.7%
WINSTON	\$1,420	-4.4%	-3.9%	-1.4%	2.9%	3.9%	5.2%	1.2%	0.6%	-1.5%	2.3%	2.3%	2.3%	2.5%	2.4%	2.4%
MAVERICK	\$965	0.2%	-0.7%	-4.7%	1.0%	1.3%	3.3%	-1.6%	-0.1%	3.7%	1.6%	1.6%	1.5%	1.7%	1.7%	1.6%
KOOL	\$971	1.5%	4.1%	4.3%	3.3%	2.7%	2.9%	4.9%	6.9%	7.3%	1.6%	1.6%	1.6%	1.7%	1.7%	1.6%
VECTOR GROUP LTD.	\$1,201	-0.3%	0.1%	0.7%	2.0%	2.5%	3.5%	1.7%	2.6%	4.2%	2.0%	2.0%	1.9%	2.5%	2.5%	2.4%
PRIVATE LABEL	\$619	-11.4%	-7.2%	1.5%	8.9%	9.5%	3.5%	-3.5%	1.7%	5.3%	1.0%	1.0%	1.0%	1.5%	1.6%	1.5%
ALL OTHER MANUFACTURERS	\$1,023	-7.8%	-6.3%	2.0%	1.0%	1.3%	0.7%	-6.8%	-5.1%	2.7%	1.7%	1.7%	1.6%	2.6%	2.5%	2.5%

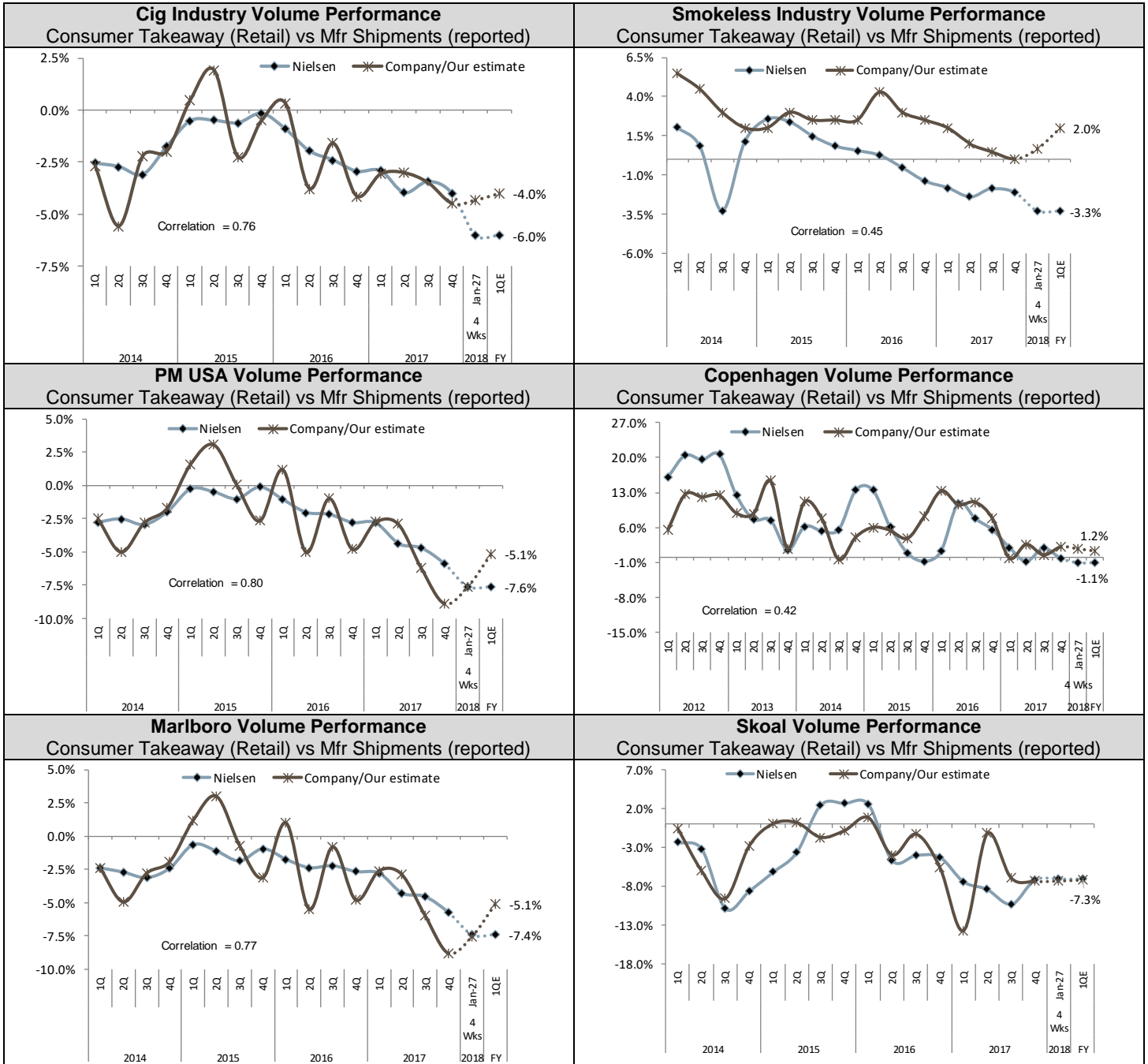
Source: Nielsen Total US xAOC Including Convenience Database and Wells Fargo Securities, LLC

Exhibit 2. All Channel Cigarette Category Volume & Pricing Performance



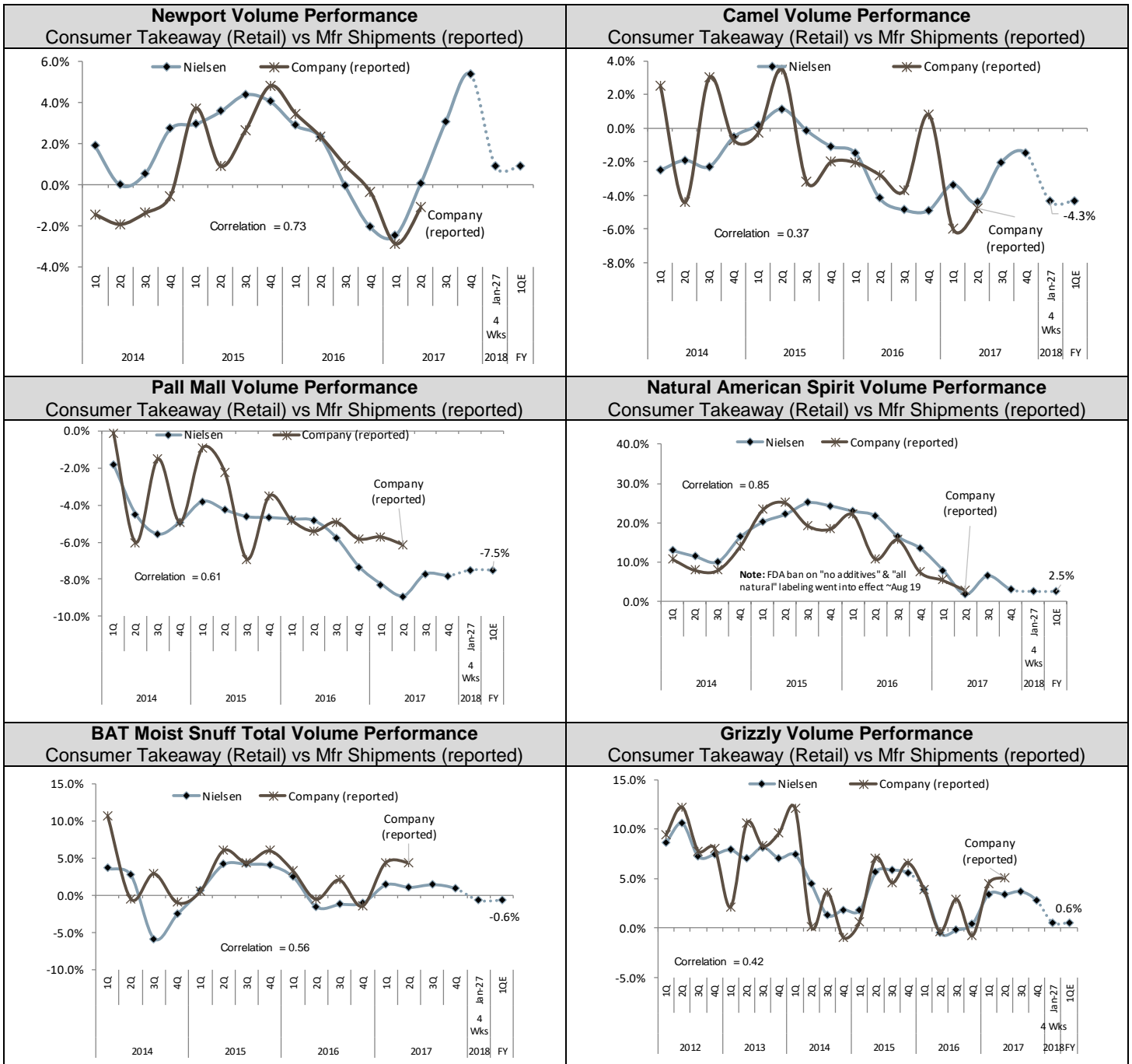
Source: Nielsen Total US xAOC Including Convenience Database and Wells Fargo Securities, LLC

Exhibit 3. MO Consumption vs Shipment Backtesting – Vol Trends at Retail (Consumer) Based on Nielsen Scanner Data vs Wholesale (Mfr) Reported



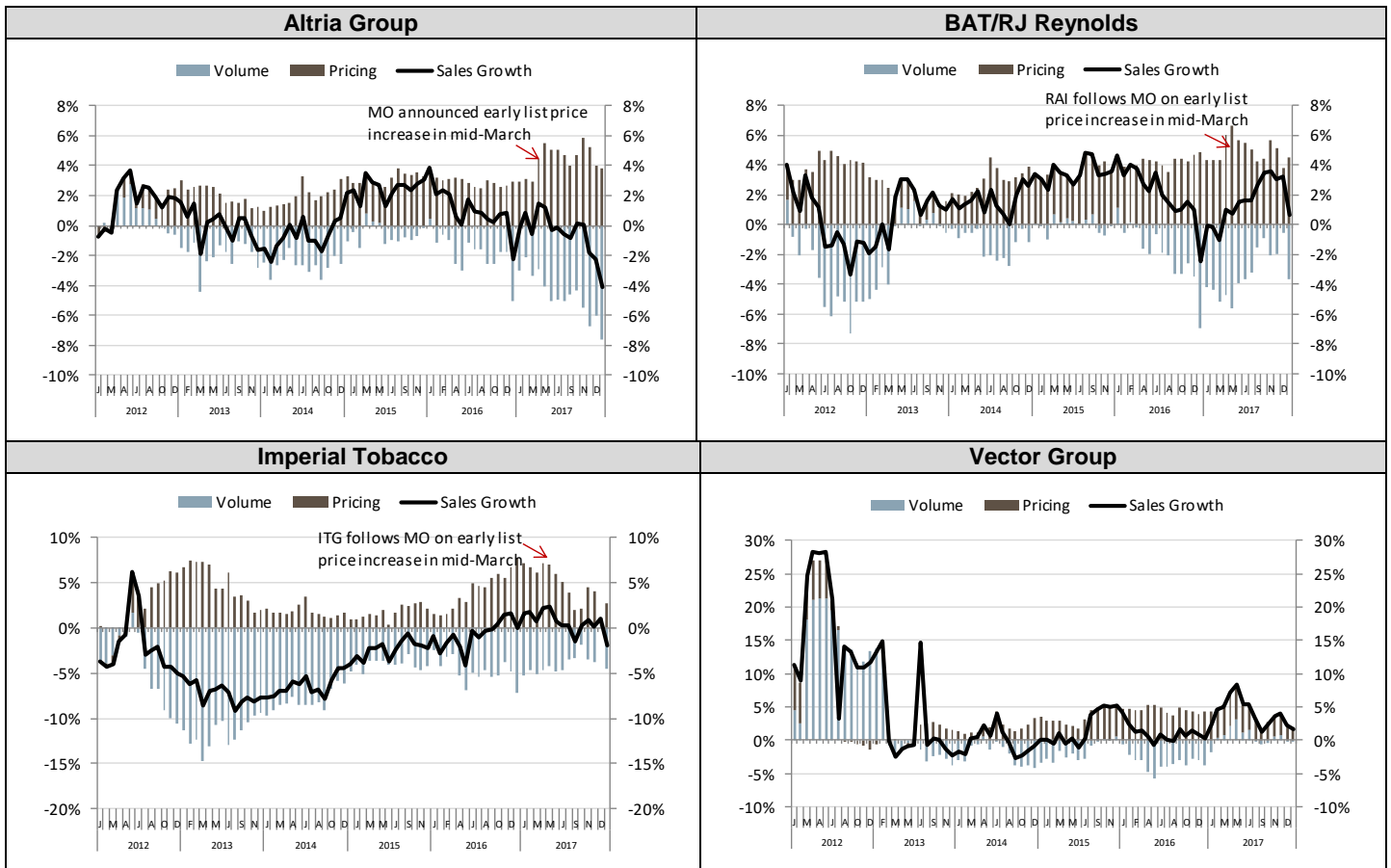
Note: (1) Smokeless industry volume performance as reported by MO is not quarterly, but either as a 6mos or 12mos look back. Therefore it's not an exact representation of the quarter, but an approximation of trends; (2) Correlations provided are for illustrative purposes only & are not necessarily statistically significant. Source: Nielsen AOC+C Database and Wells Fargo Securities, LLC estimates

Exhibit 4. BAT/RJR Consumption vs Shipment Backtesting – Vol Trends at Retail (Consumer) Based on Nielsen Scanner Data vs Wholesale (Mfr) Reported



Note: Correlations provided are for illustrative purposes only & are not necessarily statistically significant. In general, an R-squared of 0.5-1.0 indicates a strong relationship; 0.3-0.5 moderate, 0.1-0.3 weak, and -0.1-0.1 none/very weak.
Source: Nielsen AOC+C Database and Wells Fargo Securities, LLC estimates

Exhibit 5. Cig Pricing and Volume Trends by Company – All Channel, 4-Wk Periods



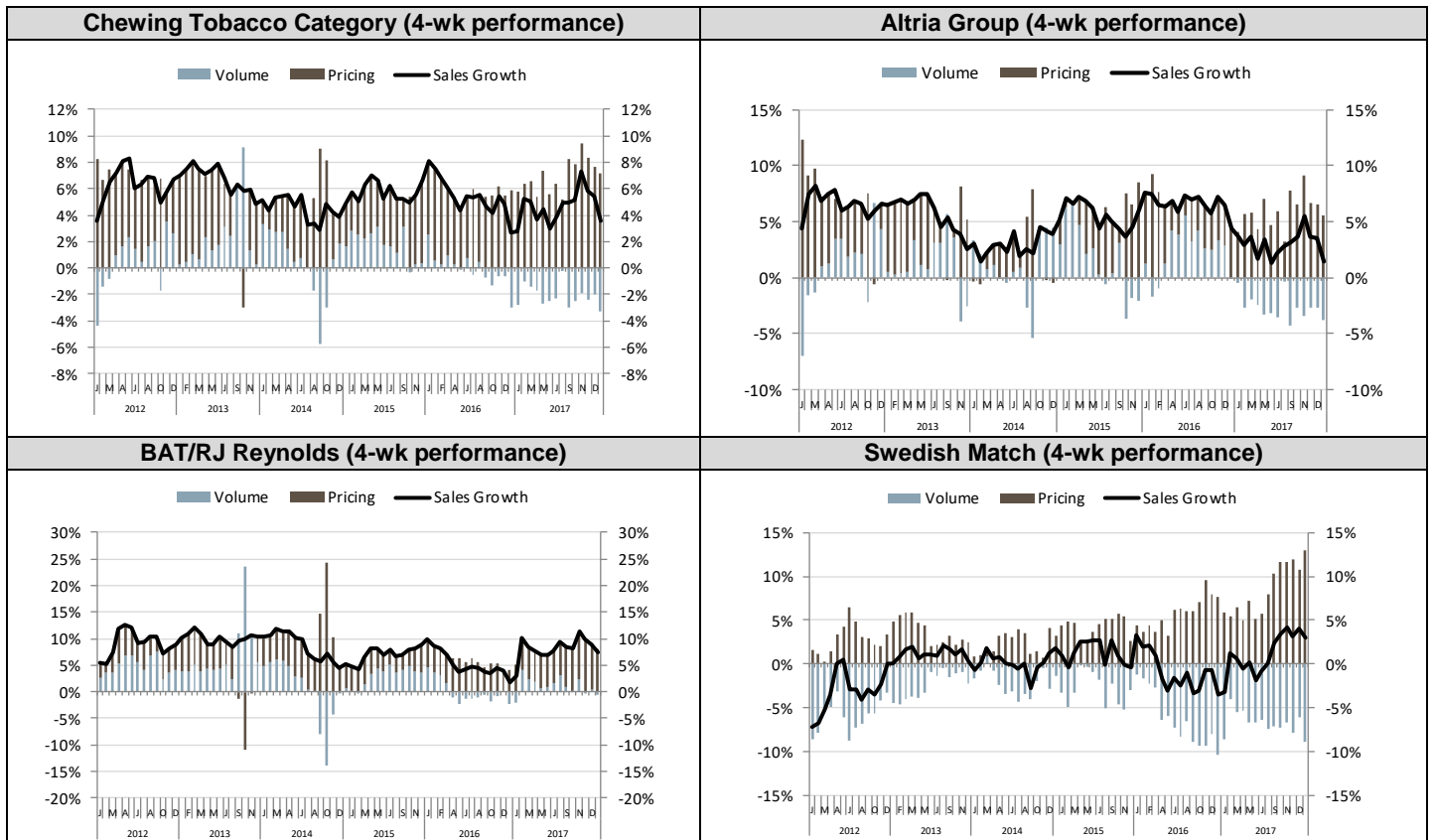
Source: Nielsen Total US xAOC Including Convenience Database, Wells Fargo Securities, LLC

Exhibit 6. Smokeless Tobacco All Channel Scanner Data Summary (52-wk Category Retail \$ Sales \$6.0B)

SMOKELESS TOBACCO - All Channel Scanner Data Summary																
	Retail \$ Sales Last 52 wks (\$MM)	EQ Unit Sales Δ/y/y			Avg. EQ Price Δ/y/y			Dollar Sales Δ/y/y			Dollar Share			Unit Share		
		Period Ended 01/27/18			Period Ended 01/27/18			Period Ended 01/27/18			Period Ended 01/27/18			Period Ended 01/27/18		
		4-Wk	12-Wk	52-Wk	4-Wk	12-Wk	52-Wk	4-Wk	12-Wk	52-Wk	4-Wk	12-Wk	52-Wk	4-Wk	12-Wk	52-Wk
CHEW TOBACCO CATEGORY	\$5,980	-3.3%	-2.5%	-2.1%	7.1%	7.7%	7.0%	3.6%	5.0%	4.8%						
ALTRIA GROUP INC	\$3,379	-3.8%	-3.1%	-2.9%	5.5%	6.2%	6.0%	1.5%	2.9%	3.0%	56.3%	56.4%	56.5%	51.9%	52.0%	51.7%
COPENHAGEN	\$2,140	-1.1%	-0.4%	0.3%	5.0%	6.0%	6.8%	3.8%	5.6%	7.2%	35.7%	35.8%	35.8%	31.8%	31.8%	31.6%
SKOAL	\$1,033	-7.1%	-6.8%	-8.4%	6.5%	6.3%	5.3%	-1.0%	-0.9%	-3.5%	17.4%	17.4%	17.3%	15.8%	15.7%	15.6%
RED SEAL	\$177	-11.1%	-11.1%	-6.1%	1.4%	4.1%	1.4%	-9.8%	-7.4%	-4.8%	2.8%	2.9%	3.0%	4.0%	4.0%	4.1%
BRITISH AMERICAN TOBACCO PLC	\$2,120	-0.6%	-0.1%	1.3%	8.0%	8.8%	7.2%	7.4%	8.8%	8.6%	35.6%	35.5%	35.5%	33.7%	33.7%	33.6%
GRIZZLY	\$1,614	0.6%	1.4%	3.4%	7.9%	8.8%	6.9%	8.5%	10.4%	10.5%	27.2%	27.1%	27.0%	28.2%	28.2%	28.0%
KODIAK	\$206	-4.6%	-5.3%	-3.9%	4.6%	5.1%	4.2%	-0.2%	-0.5%	0.1%	3.4%	3.4%	3.4%	2.6%	2.6%	2.6%
CAMEL	\$227	4.4%	2.9%	3.1%	7.3%	9.1%	7.1%	12.0%	12.3%	10.4%	3.8%	3.8%	3.8%	1.2%	1.2%	1.2%
SWEDISH MATCH AB	\$364	-8.9%	-7.6%	-6.6%	13.0%	11.9%	8.7%	3.0%	3.4%	1.5%	6.2%	6.1%	6.1%	9.3%	9.3%	9.7%
RED MAN	\$128	-11.6%	-11.6%	-10.1%	6.2%	5.1%	5.5%	-6.1%	-7.2%	-5.2%	2.0%	2.0%	2.1%	3.0%	3.0%	3.3%
LONGHORN	\$129	-6.7%	-4.7%	-0.4%	6.9%	6.1%	1.8%	-0.3%	1.1%	1.3%	2.2%	2.2%	2.2%	4.2%	4.1%	4.2%
SWISHER INTERNATIONAL INC	\$51	-7.3%	-6.7%	-9.9%	3.5%	3.2%	2.8%	-4.1%	-3.7%	-7.3%	0.8%	0.8%	0.9%	2.5%	2.4%	2.4%
KAYAK	\$15	-4.8%	-3.0%	-4.2%	-2.6%	-3.5%	-0.5%	-7.2%	-6.4%	-4.6%	0.2%	0.2%	0.3%	0.7%	0.7%	0.7%
STARR	\$10	-5.2%	-4.5%	-6.1%	2.6%	3.4%	3.4%	-2.8%	-1.3%	-2.9%	0.2%	0.2%	0.2%	0.8%	0.8%	0.8%
NATIONAL ATLANTIC TRADING CO	\$49	0.2%	1.7%	-4.3%	3.4%	4.6%	12.6%	3.7%	6.4%	8.1%	0.8%	0.8%	0.8%	2.1%	2.0%	2.0%
STOKER'S	\$32	5.4%	7.8%	1.2%	5.1%	7.6%	18.8%	10.8%	16.0%	20.8%	0.5%	0.5%	0.5%	1.5%	1.4%	1.4%
BEECH-NUT	\$9	-11.7%	-11.8%	-15.4%	0.7%	0.9%	5.0%	-11.0%	-11.0%	-10.9%	0.1%	0.1%	0.2%	0.2%	0.2%	0.3%
ALL OTHER MANUFACTURERS	\$16	-6.1%	-3.1%	1.6%	24.5%	27.5%	27.6%	16.9%	23.6%	29.7%	0.3%	0.3%	0.3%	0.5%	0.5%	0.5%

Source: Nielsen Total US xAOC Including Convenience Database and Wells Fargo Securities, LLC

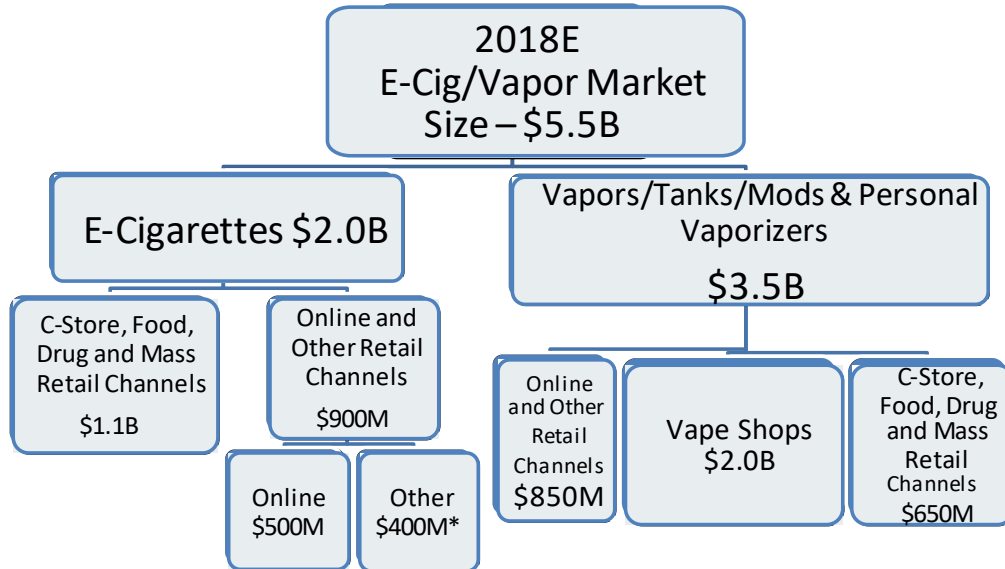
Exhibit 7. All Channel Smokeless Tobacco –Pricing & Vol Trends by Cat. & Company



Source for all pricing/volume charts: Nielsen Total US xAOC Including Convenience Database, Wells Fargo Securities, LLC

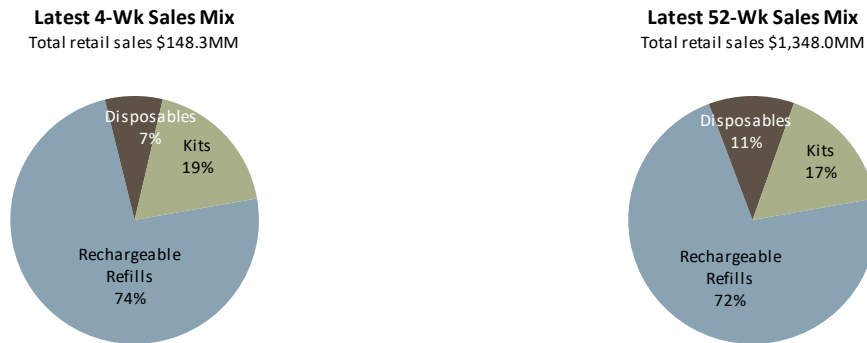
Exhibit 8. Estimated 2018 \$ Retail Sales of the U.S. Vapor Market

E-cig category dollar sales were \$134.2MM this period implying about **~\$1,348MM annual retail sales in Nielsen-tracked channels (vs \$860 last year)**. Considering we believe Nielsen underestimates the channel by an estimated 20-25%, we expect the category will grow around 25% to \$5.5B in 2018 given strengthening e-cig/vapor innovation ahead of the eventual commercialization of superior technology (read: iQOS). We expect consumers to eventually shift from e-cig/vapor to next generation reduced-risk products (RRPs), such as heat-not-burn platforms led by iQOS.



Source: Nielsen C-Store Database, Wells Fargo Securities, LLC estimates
 *Other Non-Tracked channels include tobacco-only outlets and other e-cig retail locations.

Exhibit 9. Vapor Market Breakdown by Sub-Segment – Per Nielsen E-Cig Cat. Data



Source: Nielsen Total US xAOC Including Convenience Database and Wells Fargo Securities, LLC

Exhibit 10. E-Cig All Channel Data Summary (52-wk Cat. Retail \$ Sales \$1,348.0M)

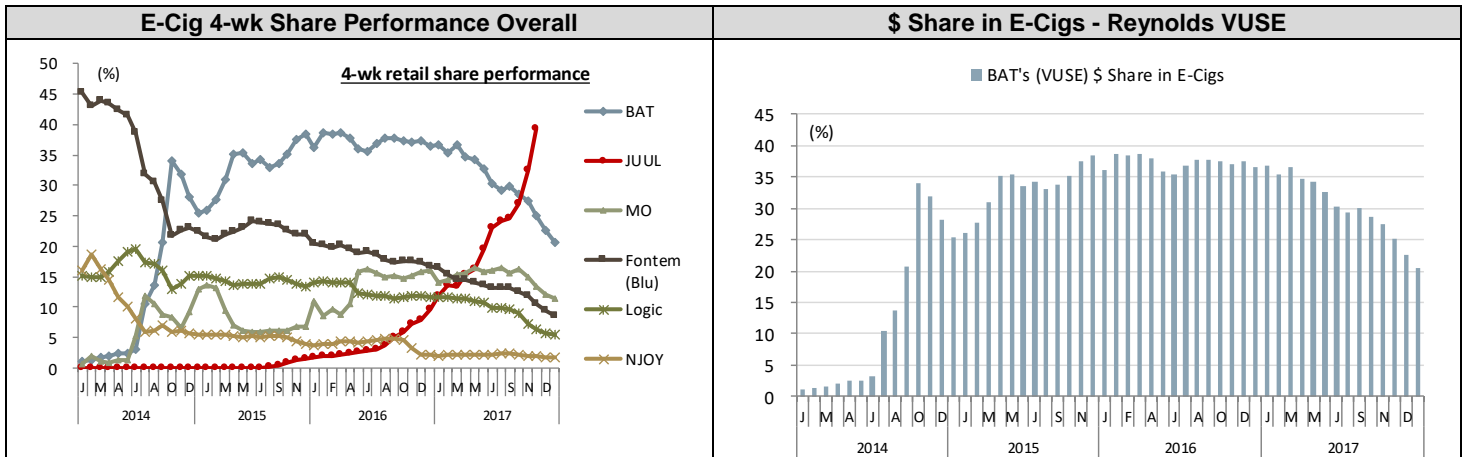
E-CIGARETTES - All Channel Scanner Data Summary																
E-CIG CATEGORY	Retail \$ Sales Last 52 wks (\$MM)	Unit Sales Δ/y			Avg. Unit Price Δ/y			Dollar Sales Δ/y			Dollar Share			Unit Share		
		Period Ended 01/27/18			Period Ended 01/27/18			Period Ended 01/27/18			Period Ended 01/27/18			Period Ended 01/27/18		
		4-Wk	12-Wk	52-Wk	4-Wk	12-Wk	52-Wk	4-Wk	12-Wk	52-Wk	4-Wk	12-Wk	52-Wk	4-Wk	12-Wk	52-Wk
	\$1,348.0	45.3%	35.9%	23.9%	35.6%	33.7%	22.5%	97.0%	82.0%	53.1%						
BRITISH AMERICAN TOBACCO PLC	\$389.3	-7.7%	-7.3%	-1.5%	19.3%	20.3%	21.0%	10.1%	11.5%	18.8%	20.5%	22.7%	29.8%	26.6%	28.4%	34.1%
JUUL LABS INC	\$387.3	716.9%	689.4%	652.6%	0.1%	6.6%	10.9%	717.7%	734.9%	718.9%	49.6%	44.8%	26.5%	30.1%	25.6%	13.9%
ALTRIA GROUP INC	\$197.8	32.9%	27.1%	42.4%	20.6%	15.2%	10.8%	60.3%	46.3%	58.6%	11.4%	12.3%	14.9%	17.6%	19.2%	21.6%
IMPERIAL TOBACCO (prev. FONTEM)	\$165.7	5.9%	5.4%	9.9%	-2.0%	-2.3%	-5.9%	3.7%	3.0%	3.6%	8.6%	9.6%	12.7%	10.4%	11.1%	12.9%
LOGIC (ow ned by Japan Tobacco)	\$118.3	28.2%	21.8%	26.8%	-28.7%	-26.6%	-13.8%	-8.5%	-10.7%	9.4%	5.4%	5.8%	9.2%	8.0%	8.0%	8.6%
NJOY, INC.	\$28.4	88.0%	76.2%	-15.0%	-7.8%	-11.9%	-0.3%	73.3%	55.4%	-15.2%	1.8%	1.8%	2.1%	3.3%	3.5%	3.3%
CB DISTRIBUTORS INC	\$17.5	-31.5%	-31.6%	-21.8%	-1.7%	2.1%	-2.4%	-32.6%	-30.0%	-23.7%	0.7%	0.8%	1.4%	1.1%	1.2%	1.7%
BALLANTYNE BRANDS LLC	\$16.7	-29.5%	-28.8%	-25.8%	14.1%	16.4%	15.6%	-19.5%	-17.1%	-13.9%	0.8%	0.9%	1.3%	0.7%	0.8%	1.0%
ALL OTHERS	\$27.1	405.3%	353.4%	206.7%	-11.6%	-11.5%	-7.1%	-28.0%	-29.5%	-26.6%	1.2%	1.3%	2.1%	2.2%	2.3%	3.0%

Source: Nielsen Total US xAOC Including Convenience Database and Wells Fargo Securities, LLC

Exhibit 11. All Channel E-Cigarette Dollar Share Trends

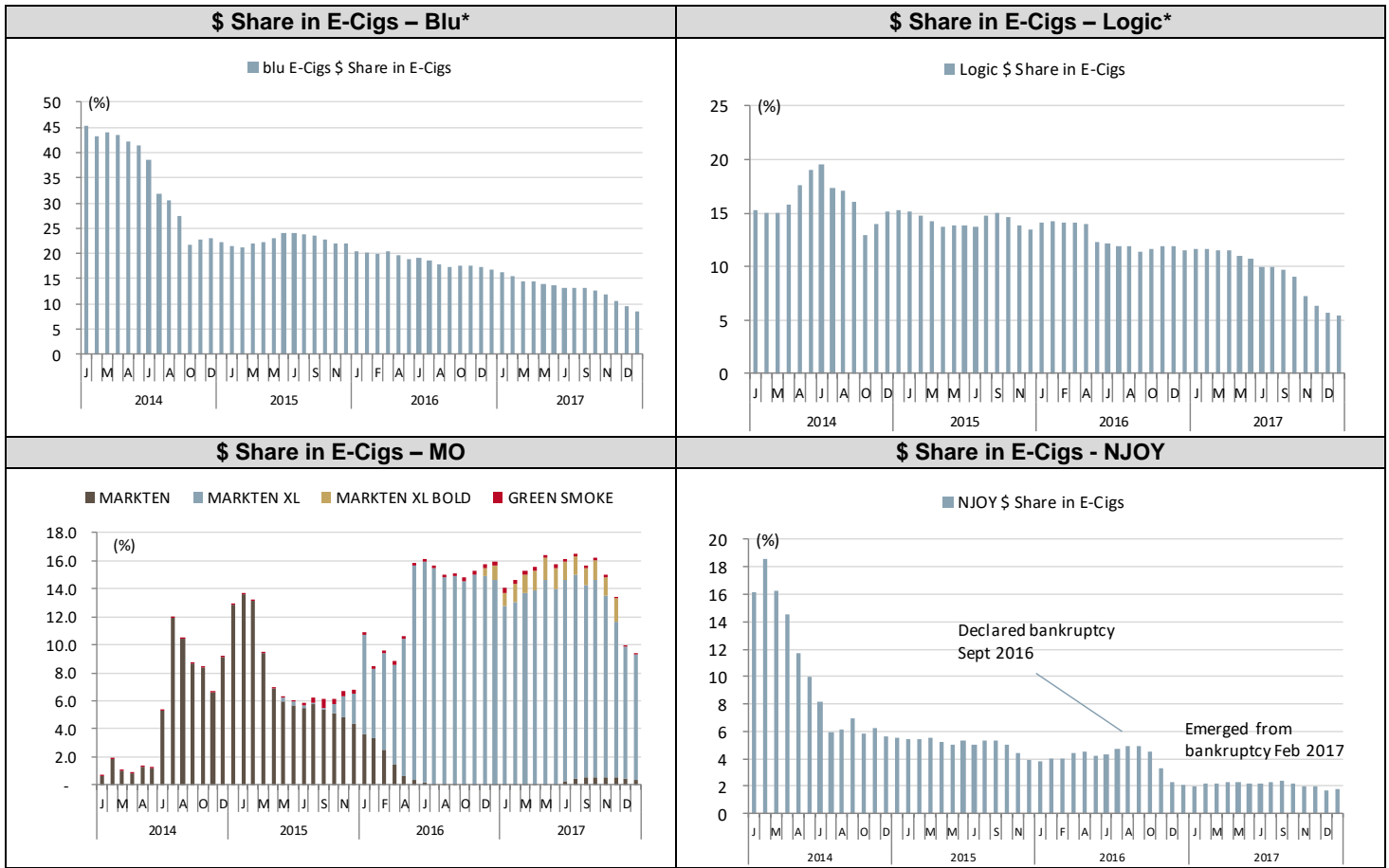
With regard to e-cig Dollar Share performance, we note that Nielsen data does not capture the impact of couponing on sales performance, as it technically happens after the point of transaction (i.e., first scanned price). While we are not clear how much this skews our ability to gauge organic brand-level performance, we believe the discrepancy could be rather significant given the magnitude of couponing we understand is occurring presently in the category. **For example, we have heard in the past of significant “coupon drops” driving sales of MarkTen XL and similar tactics employed by Logic and VUSE.** As such, we caution against placing too much emphasis on Nielsen’s reported 4-week data and instead focus on longer-term, directional trends. *We note that **NJOY emerged from Chapter 11 bankruptcy in February 2017** after filing for protection on 9/15/16.

Note: We asked Nielsen recently to start breaking out performance for JUUL since we were aware of the brand’s impressive growth trajectory.



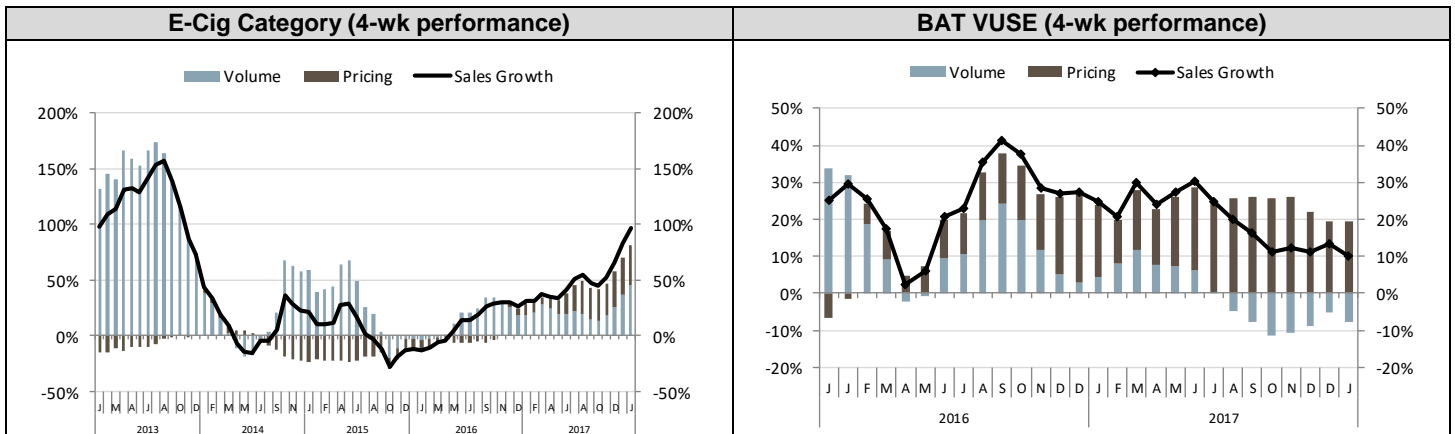
Source: Nielsen Total US xAOC/Convenience Database & Wells Fargo Securities, LLC

Exhibit 11 (cont). All Channel E-Cigarette Dollar Share Trends



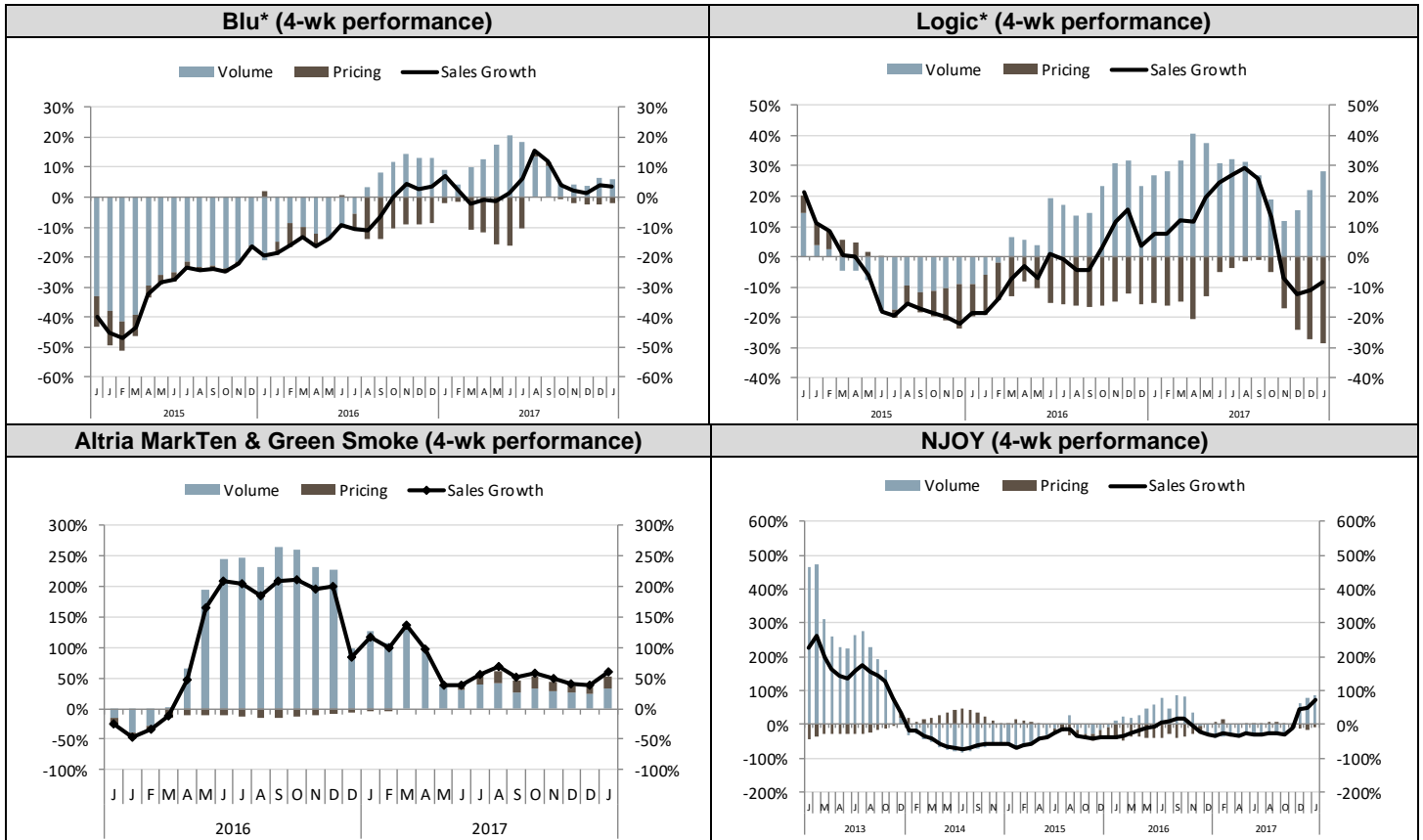
Note: blu was acquired by Imperial Tobacco as part of Lorillard’s acquisition by Reynolds American in June 2015. Logic was acquired by Japan Tobacco in July 2015. **Source:** Nielsen Total US xAOC/Convenience Database & Wells Fargo Securities, LLC

Exhibit 12. All Channel E-Cigarette Category Pricing, Volume & Sales Trends



Source: Nielsen Total US xAOC/Convenience Database & Wells Fargo Securities, LLC

Exhibit 12 (cont). All Channel E-Cigarette Category Pricing, Volume & Sales Trends



Note(*): blu was acquired by Imperial Tobacco as part of Lorillard’s acquisition by Reynolds American in June 2015. Logic was acquired by Japan Tobacco in July 2015. **Source:** Nielsen Total US xAOC/Convenience Database & Wells Fargo Securities, LLC

Exhibit 13. E-Cig Refills - All Channel Data Summary (52-wk Category Retail \$ Sales \$971.3M)

E-CIG REFILL - All Channel Scanner Data Summary																
	Retail \$ Sales Last 52 wks (\$MM)	EQ Unit Sales Δ y/y			Avg. EQ Price Δ y/y			Dollar Sales Δ y/y			Dollar Share			Unit Share		
		Period Ended 01/27/18 4-Wk	12-Wk	52-Wk	Period Ended 01/27/18 4-Wk	12-Wk	52-Wk	Period Ended 01/27/18 4-Wk	12-Wk	52-Wk	Period Ended 01/27/18 4-Wk	12-Wk	52-Wk	Period Ended 01/27/18 4-Wk	12-Wk	52-Wk
E-CIGS REFILL CATEGORY	\$971.3	53.7%	42.1%	29.6%	33.6%	31.2%	23.7%	105.4%	86.8%	61.6%						
BRITISH AMERICAN TOBACCO PLC	\$319.9	-7.8%	-8.5%	-2.9%	21.3%	21.8%	18.7%	11.9%	11.5%	14.9%	23.3%	25.9%	34.1%	30.5%	32.8%	41.1%
VUSE	\$319.9	-7.8%	-8.5%	-2.9%	21.3%	21.8%	18.7%	11.9%	11.5%	14.9%	23.3%	25.9%	34.1%	30.5%	32.8%	41.1%
JUUL LABS INC	\$292.5	719.6%	675.8%	651.4%	4.0%	5.9%	12.4%	-39.7%	-37.9%	15.5%	50.3%	45.1%	27.8%	34.1%	29.2%	16.6%
JUUL	\$292.5	719.6%	675.8%	651.4%	4.0%	5.9%	12.4%	752.8%	719.6%	728.6%	50.3%	45.1%	27.8%	34.1%	29.2%	16.6%
ALTRIA GROUP INC	\$166.2	42.2%	38.8%	60.7%	20.0%	15.0%	16.5%	70.5%	59.6%	86.6%	13.8%	14.9%	17.4%	19.6%	21.4%	23.7%
MARKTEN XL	\$141.1	19.9%	17.1%	45.1%	20.8%	16.1%	17.4%	44.8%	35.9%	69.0%	10.6%	11.7%	14.9%	15.1%	16.8%	20.3%
MARKTEN XL BOLD	\$18.8	282.1%	302.7%	941.1%	17.3%	8.6%	988.6%	348.1%	337.8%	988.6%	2.6%	2.5%	1.9%	3.7%	3.6%	2.5%
MARKTEN	\$4.2	++	++	85.6%	35.9%	22.4%	4.2%	++	++	112.4%	0.5%	0.6%	0.4%	0.7%	0.9%	0.6%
GREEN SMOKE	\$2.1	-46.0%	-42.9%	3.6%	11.7%	8.8%	13.8%	-39.7%	-37.9%	15.5%	0.1%	0.1%	0.2%	0.1%	0.1%	0.2%
JAPAN TOBACCO INC.	\$95.1	53.2%	45.5%	47.4%	-33.2%	-32.0%	-19.5%	2.4%	-1.1%	18.9%	6.4%	6.9%	10.2%	9.3%	9.4%	9.3%
LOGIC	\$95.1	53.2%	45.5%	47.4%	-33.2%	-32.0%	-19.5%	2.4%	-1.1%	18.9%	6.4%	6.9%	10.2%	9.3%	9.4%	9.3%
IMPERIAL TOBACCO GROUP PLC	\$53.8	-7.2%	-6.9%	-4.1%	1.6%	1.4%	3.5%	-5.7%	-5.5%	-0.4%	3.7%	4.3%	5.7%	2.8%	3.1%	3.8%
BLU ECIGS	\$53.8	-7.2%	-6.9%	-4.1%	1.6%	1.4%	3.5%	-5.7%	-5.5%	-0.4%	3.7%	4.3%	5.7%	2.8%	3.1%	3.8%
CB DISTRIBUTORS INC	\$14.2	-31.9%	-32.1%	-21.9%	1.3%	4.0%	0.3%	-31.0%	-29.4%	-21.6%	0.8%	0.9%	1.5%	1.2%	1.4%	2.0%
21ST CENTURY SMOKE	\$9.9	-13.0%	-15.0%	-5.5%	1.1%	5.1%	-0.7%	-12.0%	-10.6%	-6.1%	0.6%	0.7%	1.1%	0.9%	0.9%	1.3%
VAPIN PLUS	\$4.2	-55.4%	-52.2%	-39.0%	-12.2%	-9.3%	-8.3%	-60.8%	-56.6%	-43.5%	0.2%	0.2%	0.5%	0.4%	0.5%	0.8%
BALLANTYNE BRANDS LLC	\$12.6	-33.5%	-33.0%	-28.2%	14.6%	16.2%	12.6%	-23.8%	-22.1%	-19.0%	0.8%	0.9%	1.4%	0.8%	0.9%	1.2%
HAUS	\$7.5	-35.3%	-35.2%	-28.8%	7.1%	13.6%	16.4%	-30.6%	-26.4%	-16.5%	0.5%	0.6%	0.8%	0.5%	0.5%	0.8%
MISTIC	\$4.6	-36.3%	-34.9%	-31.4%	20.6%	13.0%	2.3%	-23.3%	-26.6%	-30.3%	0.3%	0.3%	0.5%	0.3%	0.3%	0.4%
ALL OTHER MANUFACTURERS	\$17.1	-14.0%	-23.8%	-45.1%	-26.9%	-21.3%	-0.1%	-37.1%	-39.9%	-44.6%	0.9%	1.1%	1.9%	1.7%	1.8%	2.3%

Source: Nielsen Total US xAOC Including Convenience Database and Wells Fargo Securities, LLC

Exhibit 14. E-Cig Disposables - All Channel Data Summary (52-wk Category Retail \$ Sales \$150.1M)

E-CIG DISPOSABLE - All Channel Scanner Data Summary																
	Retail \$ Sales Last 52 wks (\$MM)	EQ Unit Sales Δ y/y			Avg. EQ Price Δ y/y			Dollar Sales Δ y/y			Dollar Share			Unit Share		
		Period Ended 01/27/18 4-Wk	12-Wk	52-Wk	Period Ended 01/27/18 4-Wk	12-Wk	52-Wk	Period Ended 01/27/18 4-Wk	12-Wk	52-Wk	Period Ended 01/27/18 4-Wk	12-Wk	52-Wk	Period Ended 01/27/18 4-Wk	12-Wk	52-Wk
E-CIGS DISPOSABLE CATEGORY	\$150.1	8.2%	8.0%	4.6%	-3.8%	-5.1%	-3.3%	4.2%	2.5%	1.2%						
IMPERIAL TOBACCO GROUP PLC	\$101.5	9.1%	8.0%	13.8%	-0.7%	-1.1%	-6.1%	8.3%	6.8%	7.1%	71.1%	71.6%	67.7%	65.1%	65.1%	65.1%
BLU ECIGS	\$101.5	9.1%	8.0%	13.8%	-0.7%	-1.1%	-6.1%	8.3%	6.8%	7.1%	71.1%	71.6%	67.7%	65.1%	21.7%	5.0%
NJOY, INC.	\$22.0	110.3%	115.4%	7.9%	-2.8%	-8.5%	2.7%	104.4%	96.9%	10.9%	19.2%	18.0%	14.7%	21.8%	21.8%	21.8%
NJOY	\$22.0	110.3%	115.4%	7.9%	-2.8%	-8.5%	2.7%	104.4%	96.9%	10.9%	19.2%	18.0%	14.7%	21.8%	7.3%	1.7%
JAPAN TOBACCO INC.	\$12.4	-95.8%	-92.1%	-38.2%	0.1%	-1.5%	-0.1%	-95.8%	-92.2%	-38.0%	0.5%	0.9%	8.2%	0.4%	0.4%	0.4%
LOGIC	\$12.4	-95.8%	-92.1%	-38.2%	0.1%	-1.5%	-0.1%	-95.8%	-92.2%	-38.0%	0.5%	0.9%	8.2%	0.4%	0.1%	0.0%
JAK ECIG	\$11.4	6.6%	4.9%	19.6%	0.7%	1.1%	1.3%	7.4%	6.1%	21.2%	7.7%	7.9%	7.6%	11.4%	11.4%	11.4%
JAK	\$11.4	6.6%	4.9%	19.6%	0.7%	1.1%	1.3%	7.4%	6.1%	21.2%	7.7%	7.9%	7.6%	11.4%	11.4%	11.4%
ALL OTHER MANUFACTURERS	\$2.8	-46.5%	-41.8%	-54.6%	28.0%	29.2%	41.0%	-31.5%	-24.7%	-35.1%	1.5%	1.6%	1.9%	1.4%	1.4%	1.4%

Source: Nielsen Total US xAOC Including Convenience Database and Wells Fargo Securities, LLC

Exhibit 15. E-Cig Kits - All Channel Data Summary (52-wk Category Retail \$ Sales \$226.6M)

E-CIGS-KITS, BATTERIES, AND CHARGERS - All Channel Scanner Data Summary																
	Retail \$ Sales Last 52 wks (\$MM)	EQ Unit Sales Δ y/y			Avg. EQ Price Δ y/y			Dollar Sales Δ y/y			Dollar Share			Unit Share		
		Period Ended 01/27/18			Period Ended 01/27/18			Period Ended 01/27/18			Period Ended 01/27/18			Period Ended 01/27/18		
		4-Wk	12-Wk	52-Wk	4-Wk	12-Wk	52-Wk	4-Wk	12-Wk	52-Wk	4-Wk	12-Wk	52-Wk	4-Wk	12-Wk	52-Wk
E-CIGS KITS CATEGORY	\$226.6	41.7%	34.2%	18.3%	72.9%	74.8%	43.0%	144.9%	135.4%	73.3%						
BRITISH AMERICAN TOBACCO PLC	\$69.4	-7.2%	2.7%	11.6%	9.8%	8.9%	27.2%	1.9%	11.7%	41.1%	18.0%	20.6%	33.0%	27.9%	30.0%	34.1%
VUSE	\$69.4	-7.2%	2.7%	11.6%	9.8%	8.9%	27.2%	1.9%	11.7%	41.1%	18.0%	20.6%	33.0%	27.9%	30.0%	34.1%
ALTRIA GROUP INC	\$31.6	-8.4%	-14.9%	-5.1%	16.3%	8.7%	-7.2%	6.6%	-8.1%	-11.4%	6.5%	7.9%	15.3%	22.4%	25.7%	36.8%
MARKTEN XL	\$29.4	-9.3%	-16.8%	-8.2%	16.9%	9.8%	-5.7%	6.0%	-9.3%	-12.8%	6.1%	7.4%	14.2%	21.0%	23.9%	34.2%
MARKTEN	\$0.0	-73.6%	-83.8%	-97.9%	-13.4%	-8.1%	-13.5%	-77.1%	-85.5%	-98.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
GREEN SMOKE	\$0.2	-62.8%	-73.3%	-26.6%	27.0%	25.0%	14.8%	-52.7%	-66.8%	-18.7%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%
JAPAN TOBACCO INC.	\$10.8	65.6%	55.9%	42.5%	-8.3%	-0.5%	-8.1%	51.8%	55.0%	31.2%	3.4%	3.7%	5.0%	6.9%	6.4%	5.6%
LOGIC	\$10.8	64.9%	54.1%	41.7%	-8.1%	0.4%	-7.8%	51.5%	54.6%	31.0%	3.4%	3.7%	5.0%	6.8%	6.3%	5.6%
ALL OTHER MANUFACTURERS	\$114.8	-13.8%	-27.2%	-44.4%	10.7%	-2.2%	-6.7%	386.6%	411.6%	204.8%	1.0%	0.9%	1.5%	1.3%	1.2%	1.5%

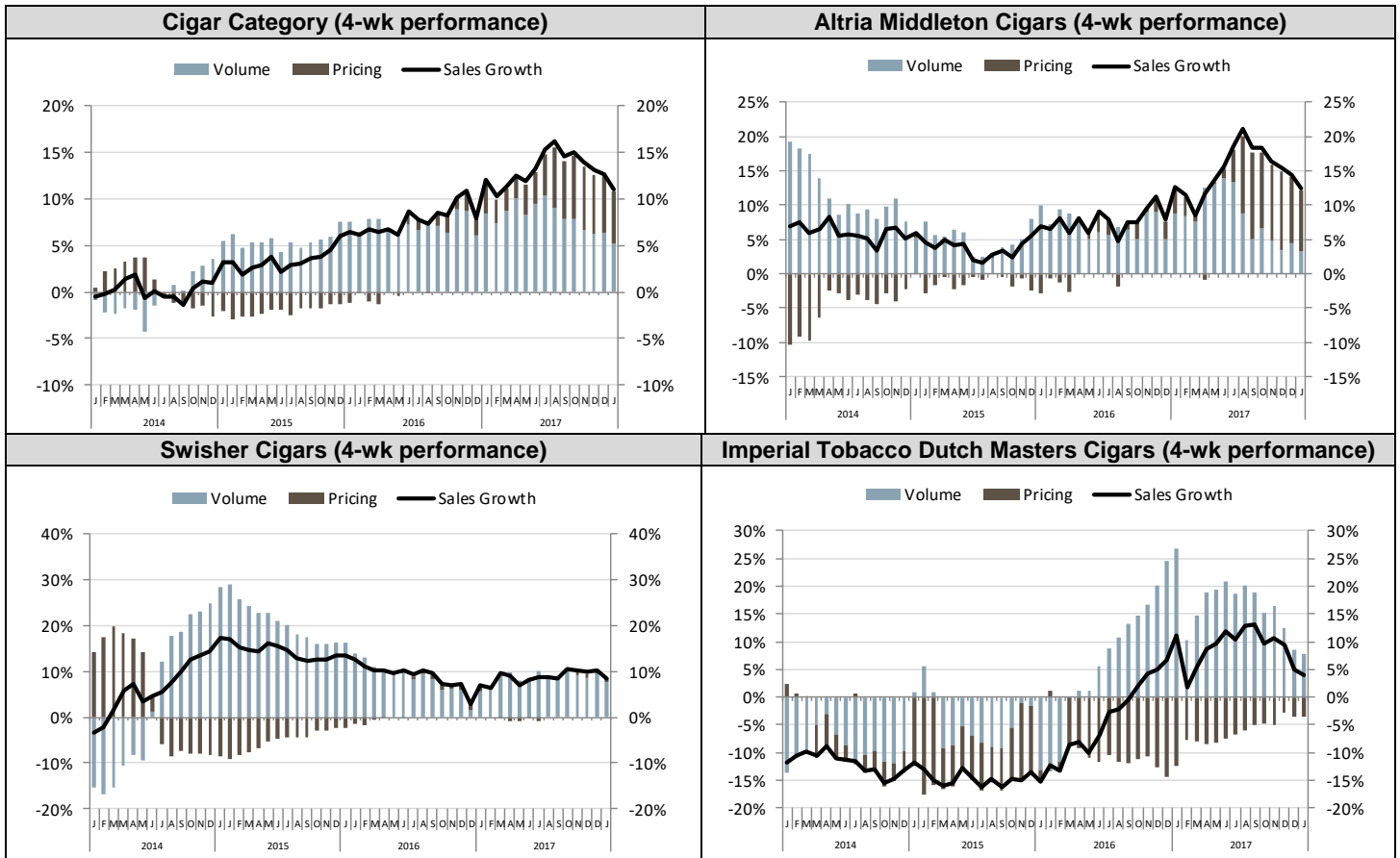
Source: Nielsen Total US xAOC Including Convenience Database and Wells Fargo Securities, LLC

Exhibit 16. Cigar All Channel Data Summary (52-wk Category Retail \$ Sales \$3.1B)

CIGARS - All Channel Scanner Data Summary																
	Retail \$ Sales Last 52 wks (\$MM)	EQ Unit Sales Δ y/y			Avg. EQ Price Δ y/y			Dollar Sales Δ y/y			Dollar Share			Unit Share		
		Period Ended 01/27/18			Period Ended 01/27/18			Period Ended 01/27/18			Period Ended 01/27/18			Period Ended 01/27/18		
		4-Wk	12-Wk	52-Wk	4-Wk	12-Wk	52-Wk	4-Wk	12-Wk	52-Wk	4-Wk	12-Wk	52-Wk	4-Wk	12-Wk	52-Wk
CIGAR CATEGORY	\$3,085	5.1%	5.9%	7.9%	5.6%	6.0%	4.8%	11.1%	12.3%	13.2%						
ALTRIA GROUP INC	\$973	3.8%	4.2%	9.1%	8.6%	9.7%	6.1%	12.8%	14.4%	15.8%	31.2%	31.2%	31.5%	17.7%	17.7%	18.2%
MIDDLETONS	\$952	3.2%	3.7%	8.1%	9.0%	10.0%	6.5%	12.5%	14.2%	15.2%	30.5%	30.6%	30.8%	17.1%	17.1%	17.6%
NAT SHERMAN	\$0	-58.5%	-53.3%	-34.5%	9.3%	12.8%	14.0%	-54.6%	-47.3%	-25.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
SWISHER INTERNATIONAL INC	\$886	9.3%	10.3%	9.9%	1.6%	1.5%	0.9%	10.9%	11.9%	10.9%	28.7%	28.8%	28.7%	30.6%	30.7%	30.5%
SWISHER	\$832	7.6%	8.6%	8.8%	1.0%	0.8%	0.1%	8.5%	9.5%	8.9%	26.7%	26.8%	27.0%	27.8%	28.0%	28.0%
SWEDISH MATCH AB	\$523	10.9%	13.1%	16.9%	-1.4%	-2.3%	-2.4%	9.2%	10.6%	14.1%	17.1%	17.1%	17.0%	16.9%	16.9%	16.4%
GARCIA Y VEGA	\$279	20.0%	22.1%	23.6%	-1.8%	-2.7%	-2.9%	18.0%	18.9%	20.1%	9.7%	9.5%	9.1%	9.3%	9.2%	8.6%
WHITE OWL	\$216	1.2%	4.2%	12.2%	-1.8%	-2.3%	-2.5%	-0.7%	1.8%	9.4%	6.6%	6.7%	7.0%	6.7%	6.9%	7.0%
IMPERIAL TOBACCO GROUP PLC	\$445	10.5%	12.3%	12.6%	9.2%	8.4%	7.6%	20.7%	21.8%	21.2%	15.1%	15.0%	14.4%	9.0%	9.0%	8.7%
DUTCH MASTERS	\$176	7.8%	9.6%	15.4%	-3.6%	-3.3%	-6.1%	4.0%	6.0%	8.6%	5.8%	5.8%	5.7%	3.8%	3.8%	3.6%
BACKWOODS	\$218	50.9%	50.7%	48.5%	2.3%	2.1%	1.6%	54.3%	53.8%	50.9%	8.1%	7.9%	7.0%	3.6%	3.5%	3.1%
CHEYENNE INTERNATIONAL LLC	\$50	1.2%	0.3%	2.4%	-5.7%	-4.8%	-2.7%	-5.0%	-4.7%	-0.3%	1.6%	1.5%	1.6%	8.6%	8.5%	8.6%
PT DJARUM	\$44	-4.0%	-4.3%	-0.6%	5.5%	4.4%	4.3%	1.3%	-0.1%	3.7%	1.4%	1.4%	1.4%	1.5%	1.5%	1.6%
PRIVATE LABEL	\$6	-10.7%	-11.8%	-4.1%	7.9%	10.8%	13.8%	-3.6%	-2.0%	9.0%	0.2%	0.2%	0.2%	0.0%	0.0%	0.0%
ALL OTHER MANUFACTURERS	\$127	-5.9%	-5.8%	-3.4%	-4.2%	-3.9%	-4.0%	-10.2%	-9.6%	-7.2%	3.8%	3.8%	4.1%	15.1%	15.0%	15.4%

Note: Nielsen data is somewhat limited in that it does not currently track online sales or specialty cigar shops, which together are estimated to make up 50% of the total U.S. cigar market. Source: Nielsen Total US xAOC Including Convenience Database and Wells Fargo Securities, LLC

Exhibit 17. All Channel Cigar Category Pricing, Volume & Sales Trends*



Source: Nielsen Total US xAOC Including Convenience Database and Wells Fargo Securities, LLC

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