

WSPM GROUP

EMPTY PACKS SURVEY

NORWAY Q2 2022

October 2022



CONTENTS

EMPTY PACK SURVEY RESULTS Q2 2022:
NORWAY



01.



EXECUTIVE SUMMARY



02.



METHODOLOGY



03.



KEY RESULTS



04.



APPENDIX



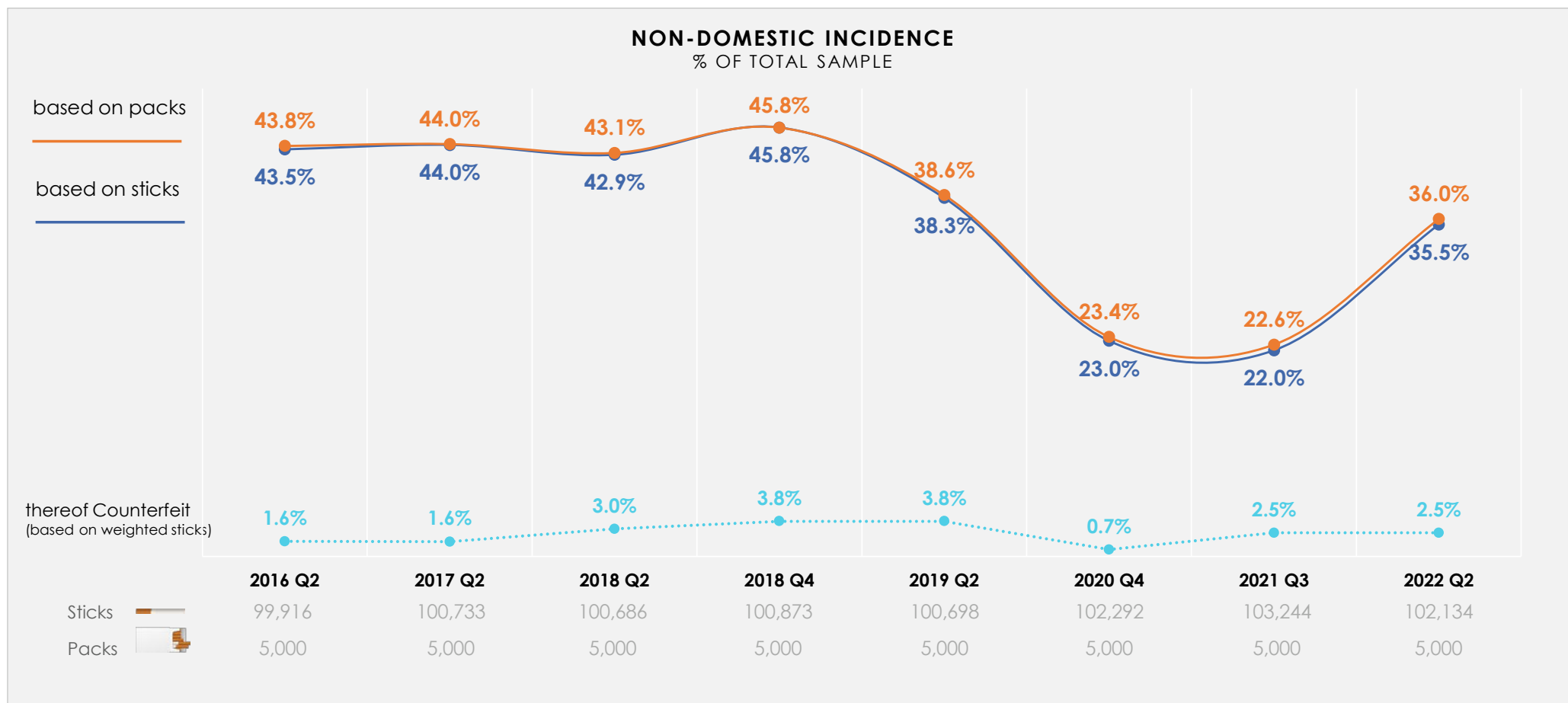
01.

EXECUTIVE SUMMARY

QUARTER 2, 2022



EXECUTIVE SUMMARY: NON-DOMESTIC TREND



TOTAL SAMPLE = DOMESTIC AND NON-DOMESTIC PACKS
EPS NORWAY – Q2 2022

EXECUTIVE SUMMARY: KEY MESSAGES

Industry overview

- **Non-domestic** incidence increased to **35.5%** (vs 22.0% in Q3 2021, 23.0% in Q4 2020).
- **Counterfeit** incidence was found at **2.5%** (2.5%, 0.7%).
- Main non-domestic brands found were (excl. counterfeit):
 - **MARLBORO** (PMI) with **14.4%** of all packs collected (9.4%, 11.6%).
 - **PRINCE** (BAT) with **3.7%** (1.2%, 2.2%).
 - **WINSTON** (JTI) with **2.6%** (2.0%, 1.4%).
- Main non-domestic market variants found were (excl. counterfeit):
 - **DUTY FREE** with **10.8%** of all packs collected (4.1%, 6.6%).
 - **SWEDEN** with **8.5%** (3.8%, 5.6%).
 - **POLAND** with **3.8%** (4.7%, 4.7%).
- At city level, the highest non-domestic incidence was found in **KRISTIANSAND** at **39.3%** (15.8%, 16.2%), in **BERGEN** at **36.2%** (13.9%, 22.9%), and **FREDRIKSTAD** at **35.8%** (23.1%, 23.8%).



EXECUTIVE SUMMARY: KEY VARIANCES

% OF TOTAL SAMPLE Based on number of sticks

— Total: 102,134 sticks (5,000 packs).

	Q2 2022	Q3 2021	Q4 2020
NON-DOMESTIC INCIDENCE (incl. counterfeit)	35.5%	22.0%	23.0%
MAIN MARKET VARIANTS (excl. counterfeit)			
DUTY FREE	10.8%	4.1%	6.6%
SWEDEN	8.5%	3.8%	5.6%
POLAND	3.8%	4.7%	4.7%
MAIN BRAND FAMILIES (excl. counterfeit)			
MARLBORO (PMI)	14.4%	9.4%	11.6%
PRINCE (BAT)	3.7%	1.2%	2.2%
WINSTON (JTI)	2.6%	2.0%	1.4%
MAIN CITIES			
KRISTIANSAND	39.3%	15.8%	16.2%
BERGEN	36.2%	13.9%	22.9%
FREDRIKSTAD	35.8%	23.1%	23.8%
COUNTERFEIT INCIDENCE			
TOTAL COUNTERFEIT INCIDENCE	2.5%	2.5%	0.7%
BAT	1.2%	0.7%	0.0%
PMI	0.8%	1.0%	0.1%
JTI	0.6%	0.8%	0.5%
IMPERIAL TOBACCO	0.0%	0.1%	0.0%

(*) Interim Report (Excluding ITL analysis).

EPS NORWAY – Q2 2022



EXECUTIVE SUMMARY: INFLOW MATRIX

% OF TOTAL SAMPLE Based on number of sticks

— Total: 102,134 sticks (5,000 packs).

	COUNTERFEIT	DUTY FREE	SWEDEN	POLAND	ROMANIA	BULGARIA	OTHERS	Total	2021 Q3	2020 Q4
MARLBORO (PMI)	0.7%	5.9%	3.9%	1.4%	0.2%	0.2%	2.8%	15.2%	10.3%	11.7%
PRINCE (BAT)	1.1%	1.9%	1.7%	—	—	—	0.1%	4.9%	1.9%	2.2%
WINSTON (JTI)	0.5%	0.3%	0.7%	1.1%	—	0.2%	0.4%	3.2%	2.8%	2.0%
CAMEL (JTI)	—	0.5%	0.7%	0.1%	—	—	0.4%	1.6%	1.2%	1.0%
KENT (BAT)	0.0%	0.5%	0.1%	—	0.8%	—	0.1%	1.5%	0.4%	0.6%
L&M (PMI)	—	0.4%	0.3%	0.5%	—	0.0%	0.2%	1.4%	1.0%	1.5%
OTHERS	0.1%	1.2%	1.2%	0.8%	0.7%	0.6%	3.2%	7.7%	4.4%	4.0%
Total	2.5%	10.8%	8.5%	3.8%	1.7%	0.9%	7.2%	35.5%	22.0%	23.0%
2021 Q3	2.5%	4.1%	3.8%	4.7%	0.5%	0.5%	5.8%	22.0%		
2020 Q4	0.7%	6.6%	5.6%	4.7%	0.6%	0.4%	4.4%	23.0%		

02.

METHODOLOGY

QUARTER 2, 2022



OBJECTIVES, PROVISIONS, LIMITATIONS

OBJECTIVES

Provide an indication on the incidence of non-domestic or illicit cigarettes consumed in NORWAY:

- Tax-paid and non-tax paid cigarettes from other countries
- Counterfeit cigarettes
- Gain information related to non-domestic or counterfeit cigarettes by: Manufacturer, City, Brand family, Market variant

PROVISIONS

- Participating companies: British American Tobacco (BAT), Imperial Tobacco (ITL), Japan Tobacco International (JTI) and Philip Morris International (PMI)
- Participating companies provided financial support for this study. WSPM Group conducted the empty pack collection independently. The market variant of all collected packs and the authenticity of the collected packs bearing their packs trademarks were examined by the participating companies
- WSPM Group assumed limited responsibility for the report findings and conclusion. The objectives and limitations of the report are set out on this page. Should any party choose to rely on the report, they do so at their own risk.
- Non-domestic includes legal allowances

LIMITATIONS

- Homes and workplaces are not covered
- No information on counterfeit incidence of non-participating companies
- The survey is designed to focus on trends rather than incidence at a single point in time

EMPTY PACK SURVEY Q2 2022: NORWAY

RESEARCH APPROACH



METHOD

Random collection from streets & public bins. Any brand, any market variant.

TIMINGS

Fieldwork:
11 May – 01 Jun, 2022

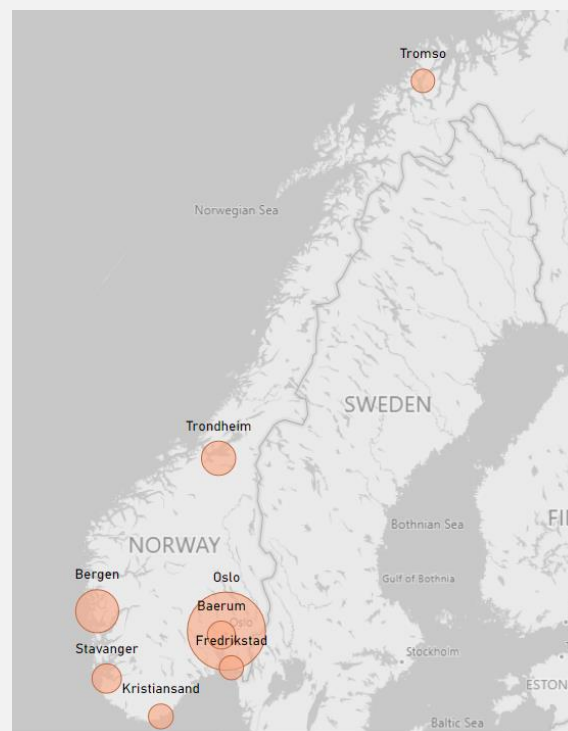
REPORTING

The results are calculated based on number of sticks equivalent to the number of packs collected.

COVID-19 – At the time of the collection in each city there were no restrictions that limited the collection operation.

GEOGRAPHY

- The largest 8 cities
- 30.8% coverage of population

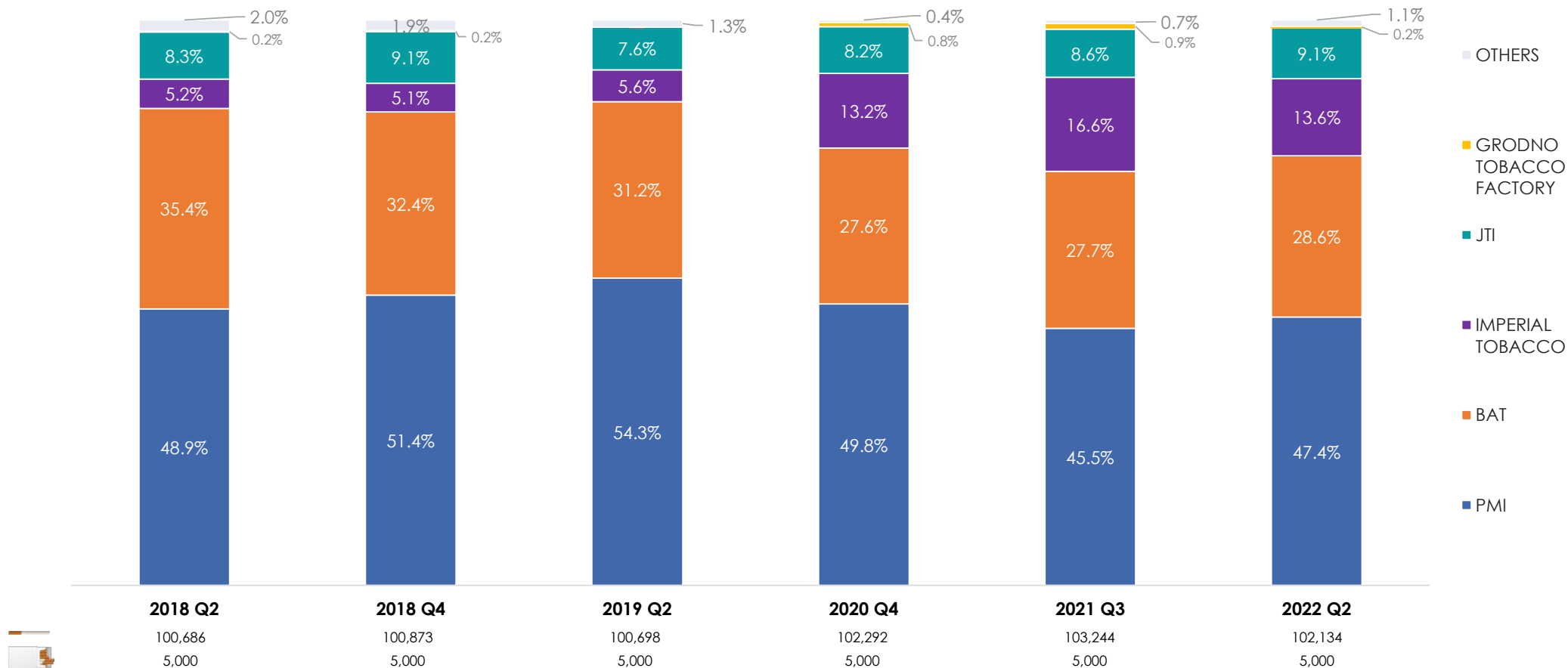


Region	Population Covered	Sample	Weighted Sample
Oslo	634,463	2,012	2,012
Bergen	271,949	866	866
Trondheim	182,035	579	579
Stavanger	130,754	419	419
Baerum	118,588	376	376
Kristiansand	85,983	273	273
Fredrikstad	77,591	248	248
Tromsø	71,590	227	227
Total Sample	1,572,953	5,000	5,000



SAMPLE COMPOSITION: SHARE BY COMPANY

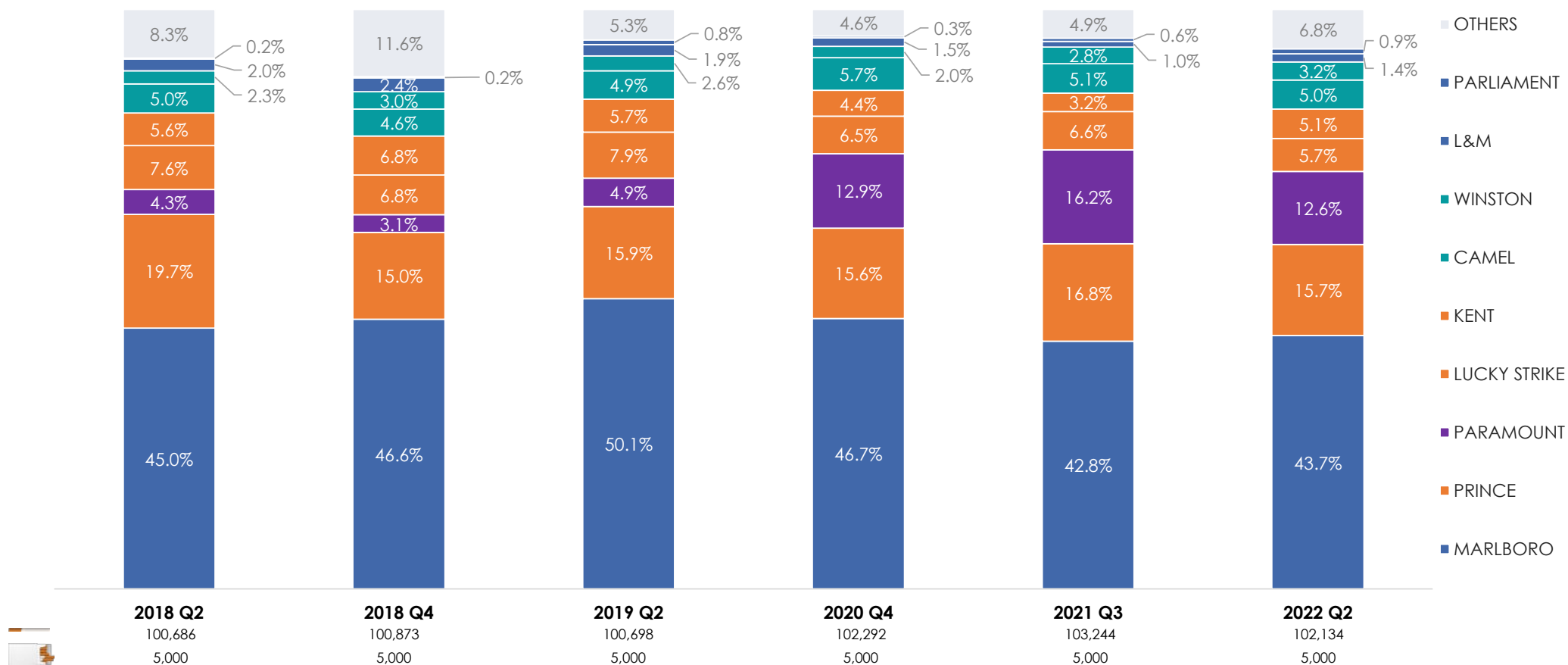
% OF TOTAL SAMPLE Based on number of sticks





SAMPLE COMPOSITION: SHARE BY BRAND

% OF TOTAL SAMPLE Based on number of sticks





03.

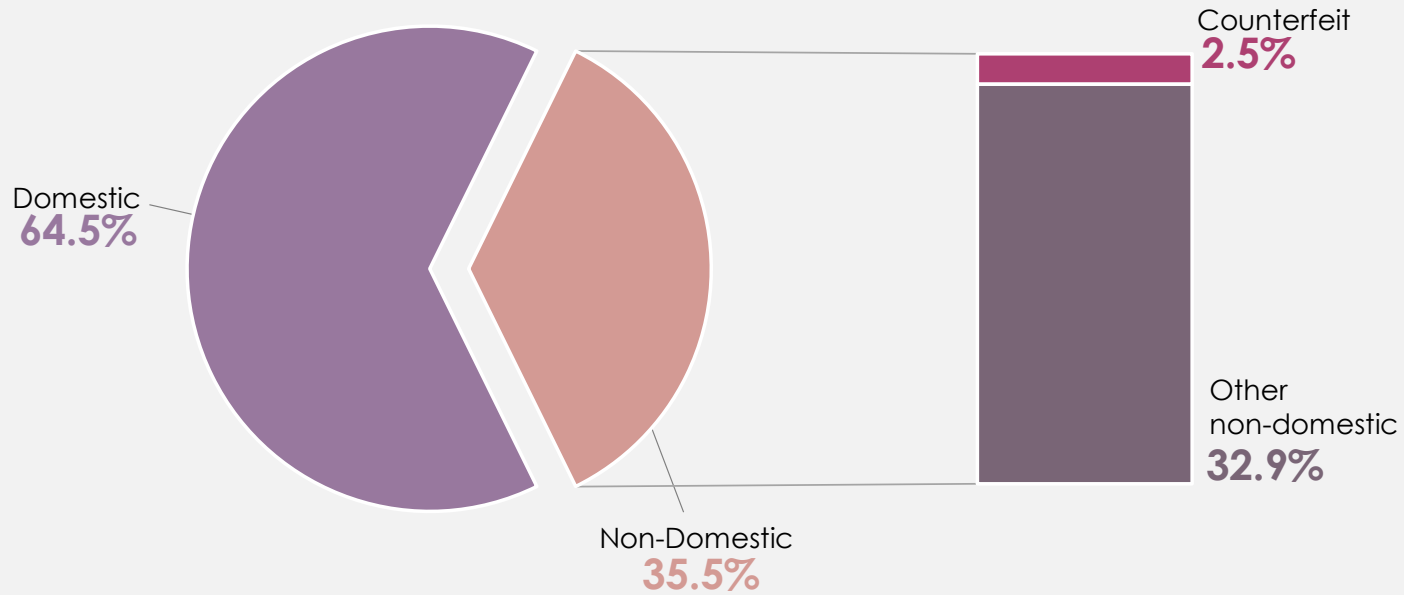
KEY RESULTS

QUARTER 2, 2022



NON-DOMESTIC: CATEGORIES

NON-DOMESTIC INCIDENCE CATEGORIES
% OF TOTAL SAMPLE

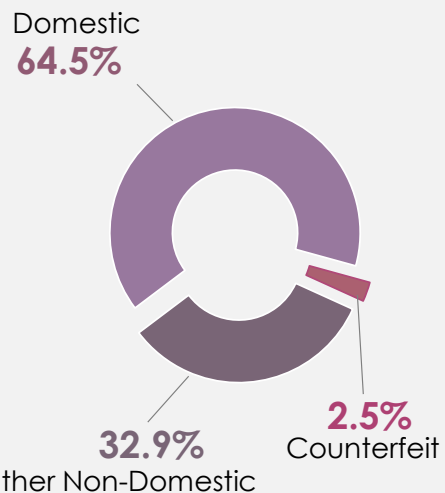


Total: 102,134 sticks (5,000 packs).



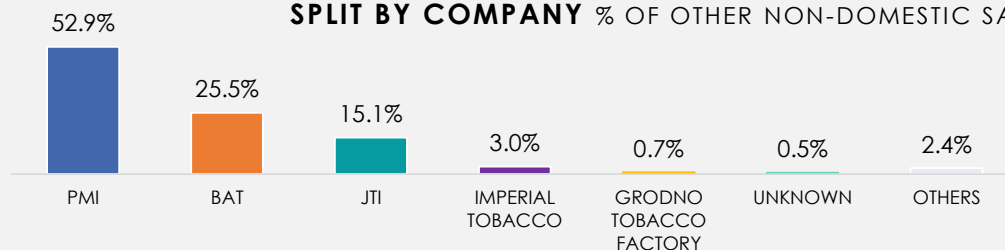
OTHER NON-DOMESTIC: BREAKDOWN

NON-DOMESTIC INCIDENCE % OF TOTAL SAMPLE



Total: 33,627 sticks (1,673 packs)

SPLIT BY COMPANY % OF OTHER NON-DOMESTIC SAMPLE



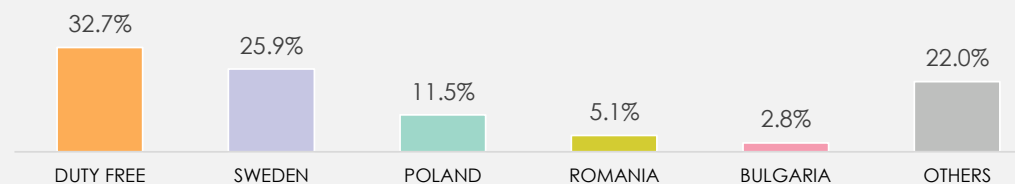
Main Others ▼ e.g.

GRAND RIVER ENTERPRISES	0.4%
PM USA	0.3%
KT&G	0.3%
R.J. REYNOLDS	0.3%
KING'S TOBACCO	0.2%
KARELIA TOBACCO	0.1%
MONUS D.O.O.	0.1%

SPLIT BY MAIN BRAND (Top 5) % OF OTHER NON-DOMESTIC SAMPLE

MARLBORO	43.8%	PRINCE	11.4%	WINSTON	7.9%	DAVIDOFF	1.1%	MINSK	0.7%	MAC	0.4%
L&M	4.3%	KENT	4.5%	CAMEL	5.0%	WEST	0.5%			1,69	0.1%
PARLIAMENT	2.6%	LUCKY STRIKE	3.4%	LEVEL	0.5%	GAULOISES	0.5%				
CHESTERFIELD	1.6%	PALL MALL	2.6%	BENSON & HEDGES	0.4%	JOHN PLAYER SPECIAL	0.4%				
PHILIP MORRIS	0.2%	DUNHILL	1.2%	LD	0.3%	R1	0.2%				

SPLIT BY MARKET VARIANT % OF OTHER NON-DOMESTIC SAMPLE

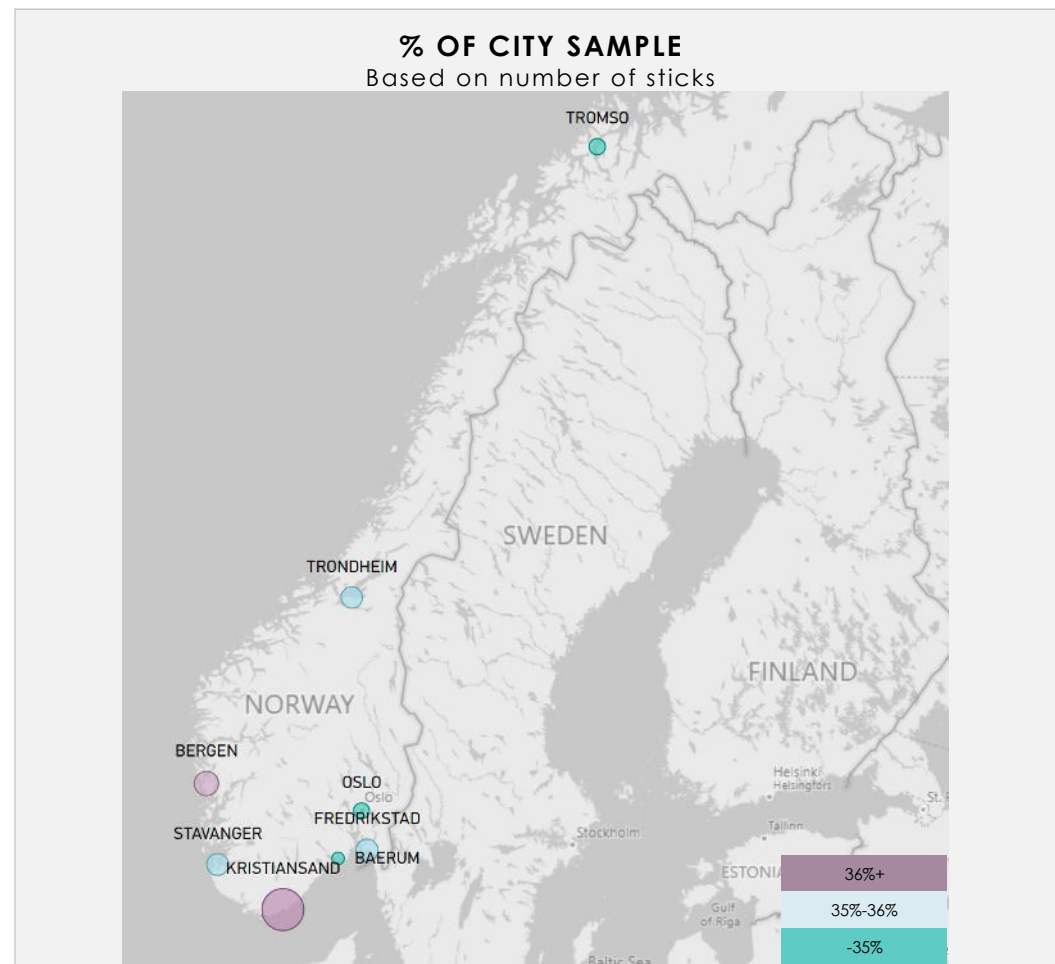
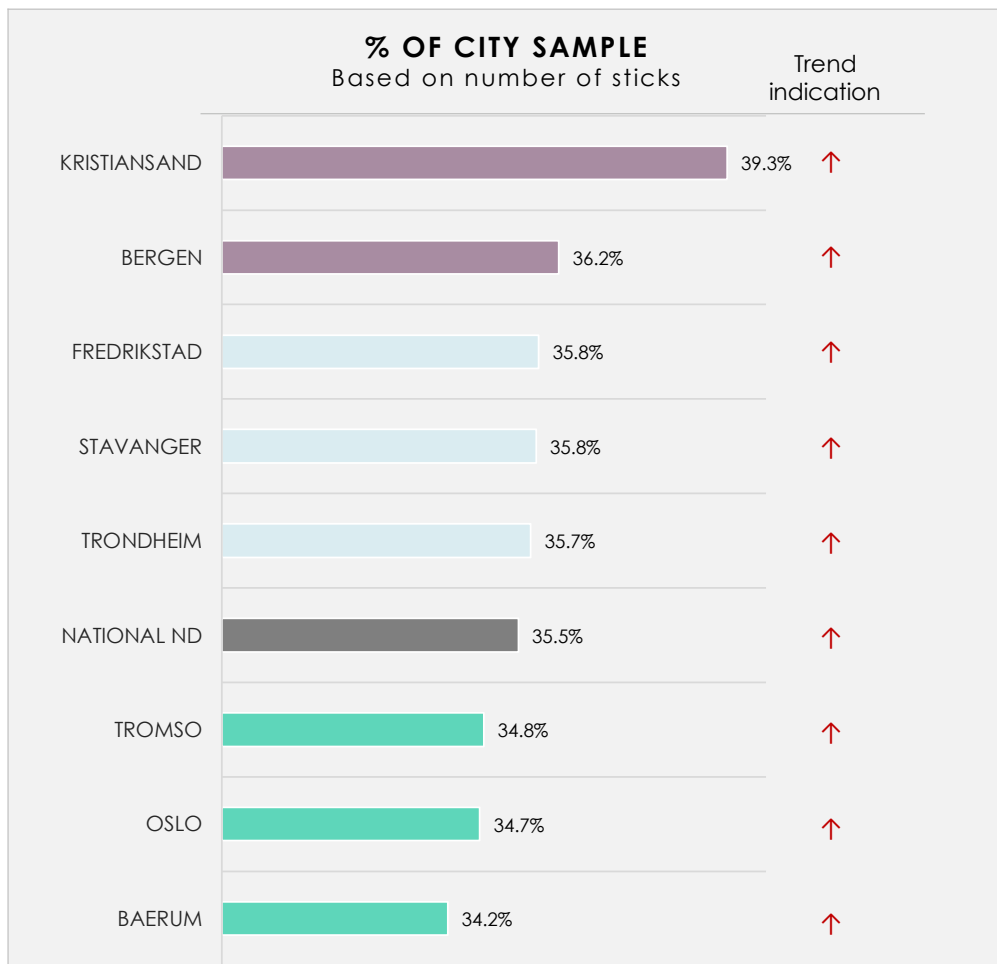


Main Others ▼ e.g.

LITHUANIA	2.6%
TURKEY	2.4%
GERMANY	1.9%
SPAIN	1.5%
DENMARK	1.2%
LATVIA	1.1%
BELARUS	0.8%

EMPTY PACK SURVEY Q2 2022: NORWAY

NON-DOMESTIC: BY CITY



EMPTY PACK SURVEY Q2 2022: NORWAY

NON-DOMESTIC: BY MAIN BRAND FAMILY & CITY



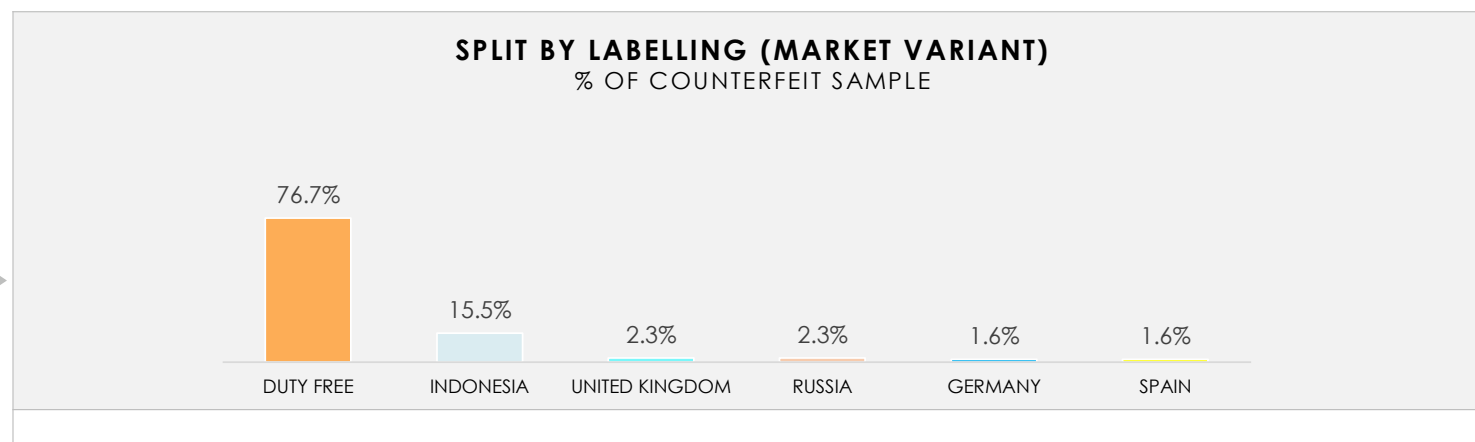
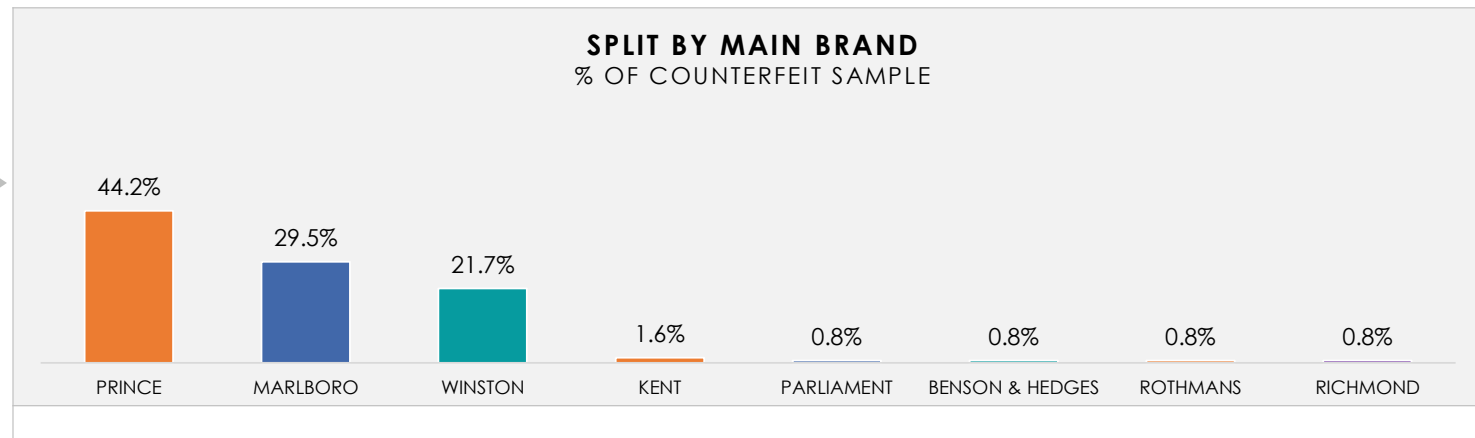
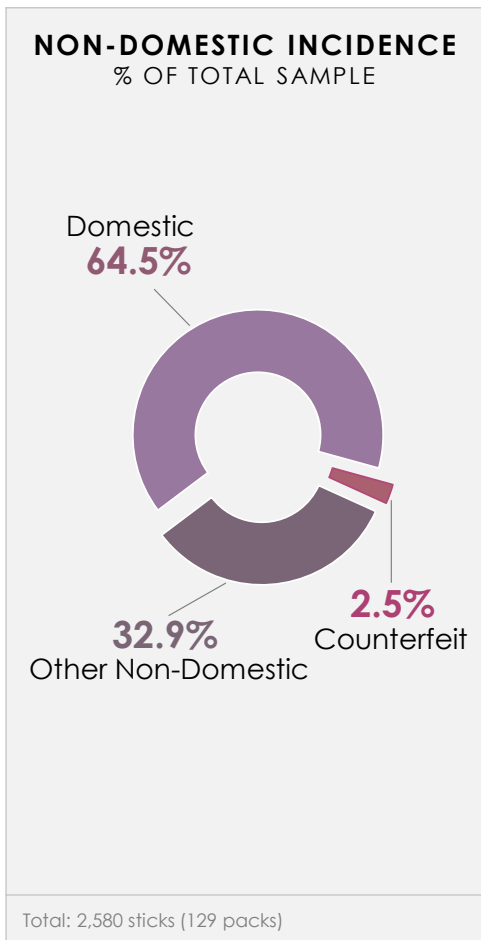
% OF TOTAL SAMPLE Based on number of sticks

— Total: 102,134 sticks (5,000 packs).

	COUNTERFEIT	MARLBORO (PMI)	PRINCE (BAT)	WINSTON (JTI)	CAMEL (JTI)	OTHERS	TOTAL	2021 Q3	2020 Q4
OSLO	1.0%	5.8%	1.6%	1.0%	0.5%	4.1%	14.0%	11.8%	10.9%
BERGEN	0.6%	2.7%	0.4%	0.3%	0.4%	1.8%	6.3%	2.4%	3.9%
TRONDHEIM	0.2%	1.8%	0.5%	0.3%	0.2%	1.1%	4.1%	2.3%	2.4%
STAVANGER	0.3%	1.4%	0.2%	0.2%	0.1%	0.8%	3.0%	1.6%	1.5%
BAERUM	0.2%	0.8%	0.3%	0.1%	0.2%	1.0%	2.6%	1.5%	1.5%
KRISTIANSAND	0.0%	0.7%	0.4%	0.4%	0.1%	0.6%	2.1%	0.9%	0.9%
FREDRIKSTAD	0.1%	0.5%	0.2%	0.3%	0.1%	0.6%	1.8%	1.1%	1.2%
TROMSO	0.1%	0.7%	0.1%	0.1%	0.1%	0.5%	1.6%	0.4%	0.7%
TOTAL	2.5%	14.4%	3.7%	2.6%	1.6%	10.5%	35.5%	22.0%	23.0%
2021 Q3	2.5%	9.4%	1.2%	2.0%	1.2%	5.7%	22.0%		
2020 Q4	0.7%	11.6%	2.2%	1.4%	1.0%	6.0%	23.0%		



COUNTERFEIT: BREAKDOWN





COUNTERFEIT: BY MAIN BRAND FAMILY & CITY

% OF TOTAL SAMPLE Based on number of sticks

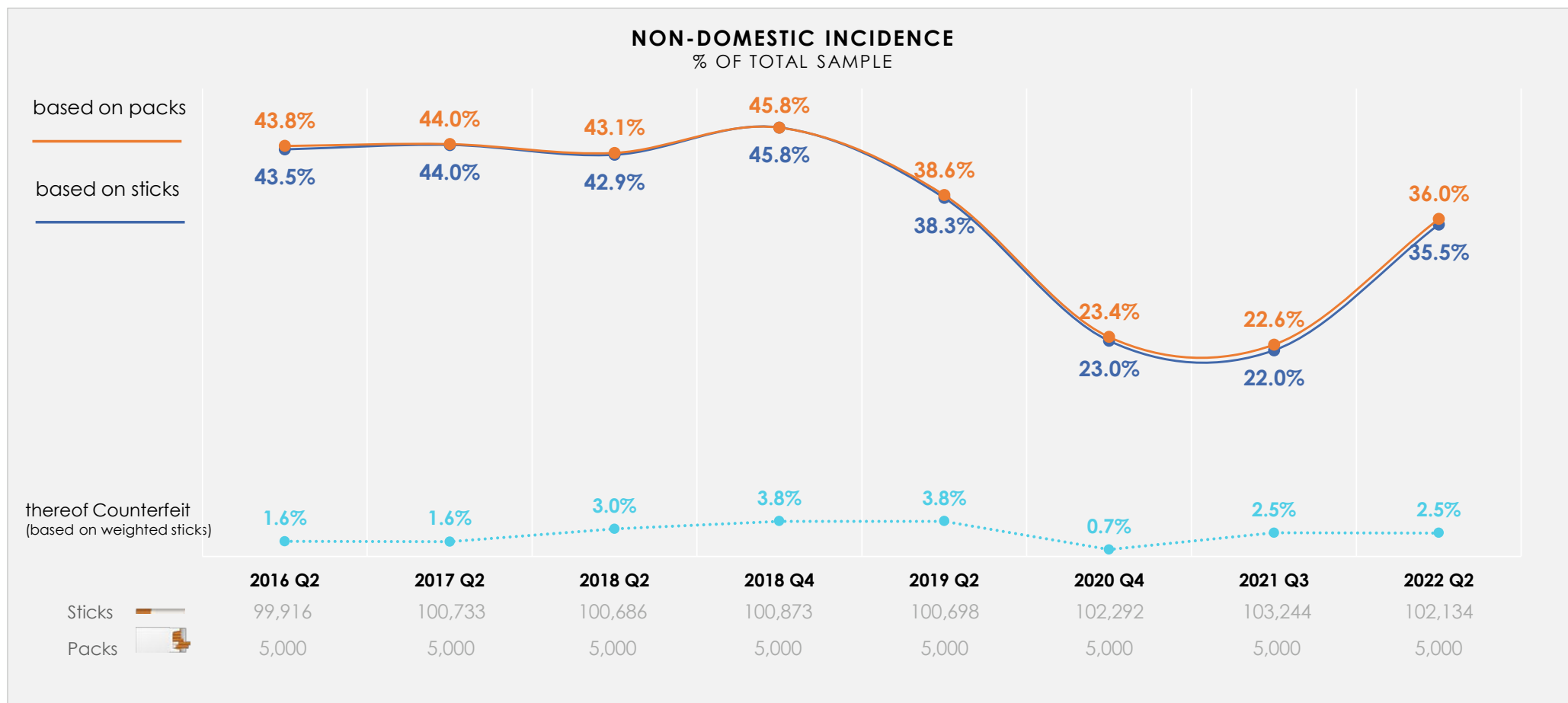
— Total: 103,745 sticks (5,000 packs)

COUNTERFEIT

	PRINCE (BAT)	MARLBORO (PMI)	WINSTON (JTI)	KENT (BAT)	OTHERS	TOTAL	2021 Q3	2020 Q4
OSLO	0.5%	0.2%	0.2%	0.0%	0.0%	1.0%	1.6%	0.5%
BERGEN	0.2%	0.3%	0.1%	—	0.0%	0.6%	0.2%	0.1%
STAVANGER	0.1%	0.1%	0.1%	—	—	0.3%	0.2%	0.0%
TRONDHEIM	0.1%	0.0%	0.1%	—	0.0%	0.2%	0.2%	0.1%
BAERUM	0.0%	0.0%	0.1%	—	0.0%	0.2%	0.2%	0.0%
TROMSO	0.1%	0.0%	—	0.0%	—	0.1%	—	—
FREDRIKSTAD	0.0%	—	0.0%	—	—	0.1%	0.1%	0.0%
KRISTIANSAND	0.0%	—	—	—	—	0.0%	0.1%	0.0%
TOTAL	1.1%	0.7%	0.5%	0.0%	0.1%	2.5%	2.5%	0.7%
2021 Q3	0.7%	0.9%	0.8%	—	0.1%	2.5%		
2020 Q4	0.0%	0.1%	0.5%	—	0.0%	0.7%		



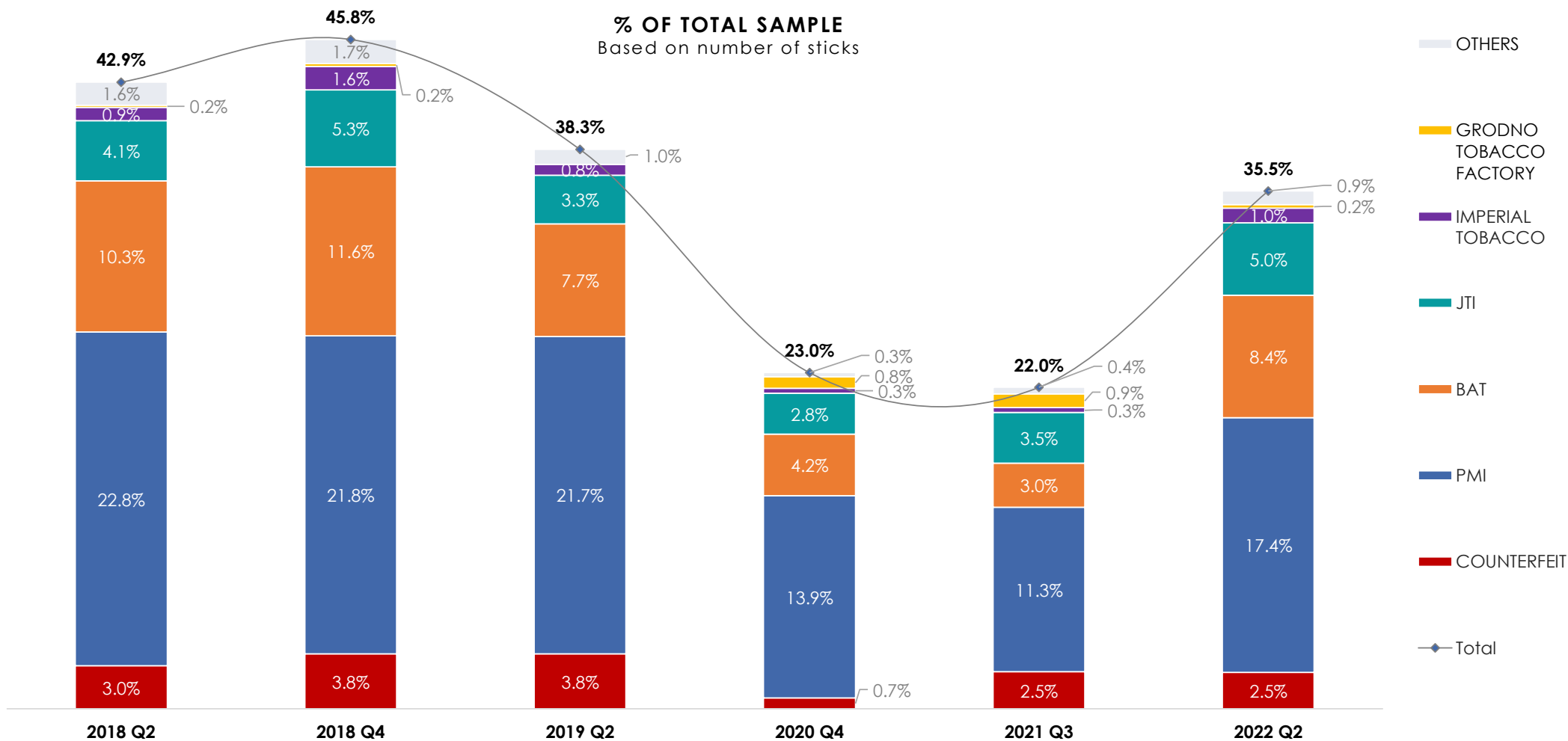
NON-DOMESTIC: INCIDENCE TREND



TOTAL SAMPLE = DOMESTIC AND NON-DOMESTIC PACKS
EPS NORWAY – Q2 2022

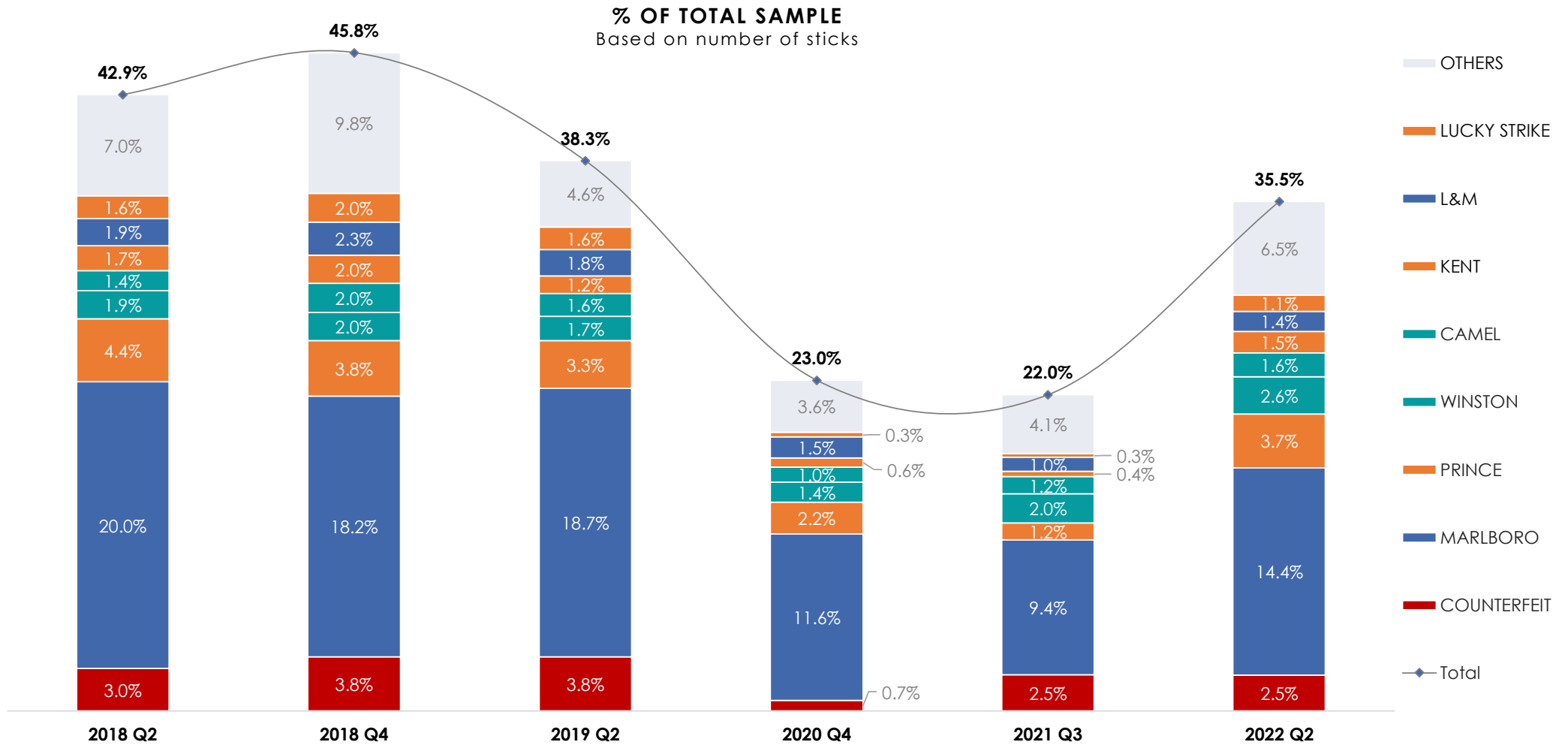


NON-DOMESTIC: COMPANY TREND



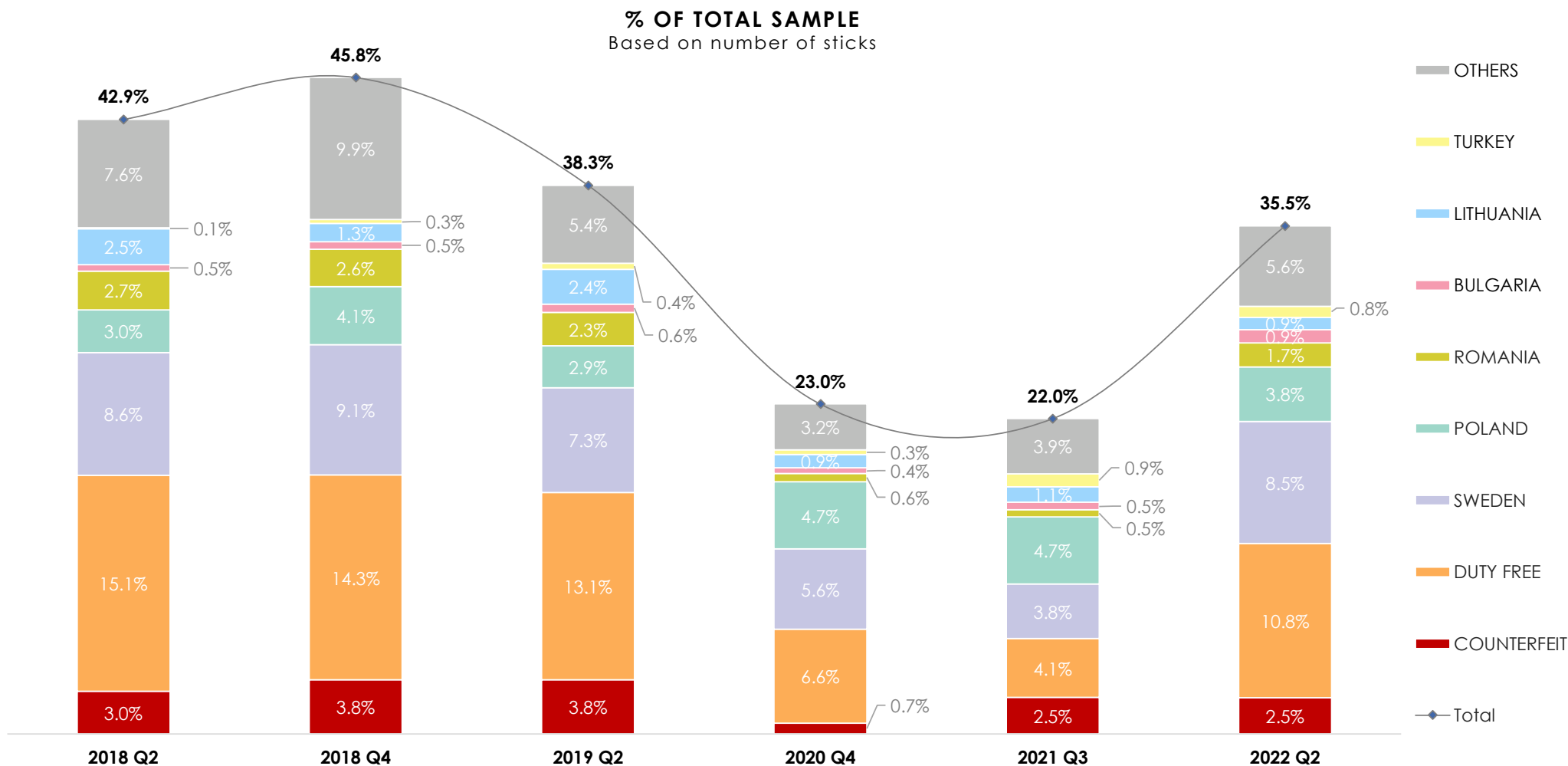


NON-DOMESTIC: BRAND FAMILY TREND





NON-DOMESTIC: MARKET VARIANT TREND



NON-DOMESTIC: CITY TREND



SAMPLE			NON-DOMESTIC INCIDENCE PER CITY						
CITY	PACKS	STICKS	2017 Q2	2018 Q2	2018 Q4	2019 Q2	2020 Q4	2021 Q3	2022 Q2
KRISTIANSAND	273	5,582	49.1%	47.7%	36.9%	35.7%	16.2%	15.8%	39.3%
BERGEN	866	17,698	43.3%	41.2%	44.9%	38.0%	22.9%	13.9%	36.2%
FREDRIKSTAD	248	5,030	48.3%	43.5%	44.6%	38.8%	23.8%	23.1%	35.8%
STAVANGER	419	8,502	42.9%	40.2%	46.4%	32.2%	17.4%	19.5%	35.8%
TRONDHEIM	579	11,830	43.0%	34.9%	32.1%	42.2%	20.5%	20.1%	35.7%
TROMSO	227	4,647	46.2%	42.6%	44.3%	39.8%	15.6%	8.1%	34.8%
OSLO	2,012	41,168	43.4%	45.6%	53.3%	39.6%	27.2%	29.3%	34.7%
BAERUM	376	7,677	43.1%	44.0%	36.1%	33.2%	20.1%	19.8%	34.2%
TOTAL	5,000	102,134	44.0%	42.9%	45.8%	38.3%	23.0%	22.0%	35.5%



04.

APPENDIX





QUARTER 2, 2022



TOTAL SAMPLE: DETAILS PER COMPANY

NUMBER OF STICKS PER CATEGORY AND COMPANY

IN % OF COMPANY TOTAL

				Domestic	Genuine Non-Domestic	Non-Domestic	Counterfeit	
	29,857	17,801	780	48,438	61.6%	36.8%	—	1.6%
	19,400	8,562	1,200	29,162	66.5%	29.4%	—	4.1%
	12,870	1,004	20	13,894	92.6%	7.2%	—	0.1%
	3,600	5,065	580	9,245	38.9%	54.8%	—	6.3%
GRODNO TOBACCO FACTORY	240			240	—	—	100.0%	—
OTHERS	200	955		1,155	17.3%	—	82.7%	—



TOTAL SAMPLE: DETAILS PER BRAND FAMILY

NUMBER OF STICKS PER CATEGORY AND BRAND FAMILY

IN % OF BRAND FAMILY TOTAL



				Domestic	Genuine Non-Domestic	Non-Domestic	Counterfeit	
MARLBORO (PMI)	29,157	14,731	760	44,648	65.3%	33.0%	—	1.7%
PRINCE (BAT)	11,100	3,820	1,140	16,060	69.1%	23.8%	—	7.1%
PARAMOUNT (ITL)	12,870			12,870	100.0%	—	—	—
LUCKY STRIKE (BAT)	4,680	1,138		5,818	80.4%	19.6%	—	—
KENT (BAT)	3,620	1,520	40	5,180	69.9%	29.3%	—	0.8%
CAMEL (JTI)	3,420	1,682		5,102	67.0%	33.0%	—	—
WINSTON (JTI)	2,660		560	3,220	—	82.6%	—	17.4%
L&M (PMI)	1,430			1,430	—	100.0%	—	—
PARLIAMENT (PMI)	860		20	880	—	97.7%	—	2.3%
OTHERS	4,591	1,195	60	6,926	15.6%	66.3%	17.3%	0.9%

NON-DOMESTIC: TREND TOTAL COMPANY SAMPLE



NON-DOMESTIC INCIDENCE BY COMPANY – TREND

% OF TOTAL COMPANY SAMPLE

	PMI	BAT	IMPERIAL TOBACCO	JTI	OTHERS
N (Sticks) 	48,438	29,162	13,894	9,245	1,395
Packs 	2,403	1,456	610	461	70
Q2 2022					
Non-Domestic	—	—	—	—	85.7%
Counterfeit	1.6%	4.1%	0.1%	6.3%	—
Genuine Non-Domestic	36.8%	29.4%	7.2%	54.8%	—
Q3 2021					
Non-Domestic	—	—	—	—	86.7%
Counterfeit	2.1%	2.4%	0.3%	9.7%	—
Genuine Non-Domestic	24.8%	10.8%	1.9%	40.8%	—
Q4 2020					
Non-Domestic	—	—	—	—	88.9%
Counterfeit	0.3%	0.1%	0.1%	6.7%	—
Genuine Non-Domestic	27.9%	15.2%	2.5%	34.1%	—

OTHER NON-DOMESTIC: PACK EXAMPLES

Brand	MINSK	MAC	THE KING
Company	GRODNO TOBACCO FACTORY	UNKNOWN	KING'S TOBACCO
Market variant	BELARUS	DUTY FREE	BULGARIA



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WSPM GROUP

THANK YOU