

WSPM GROUP
EMPTY PACKS SURVEY
NORWAY Q2 2023

August 2023



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EMPTY PACK SURVEY RESULTS Q2 2023:
NORWAY



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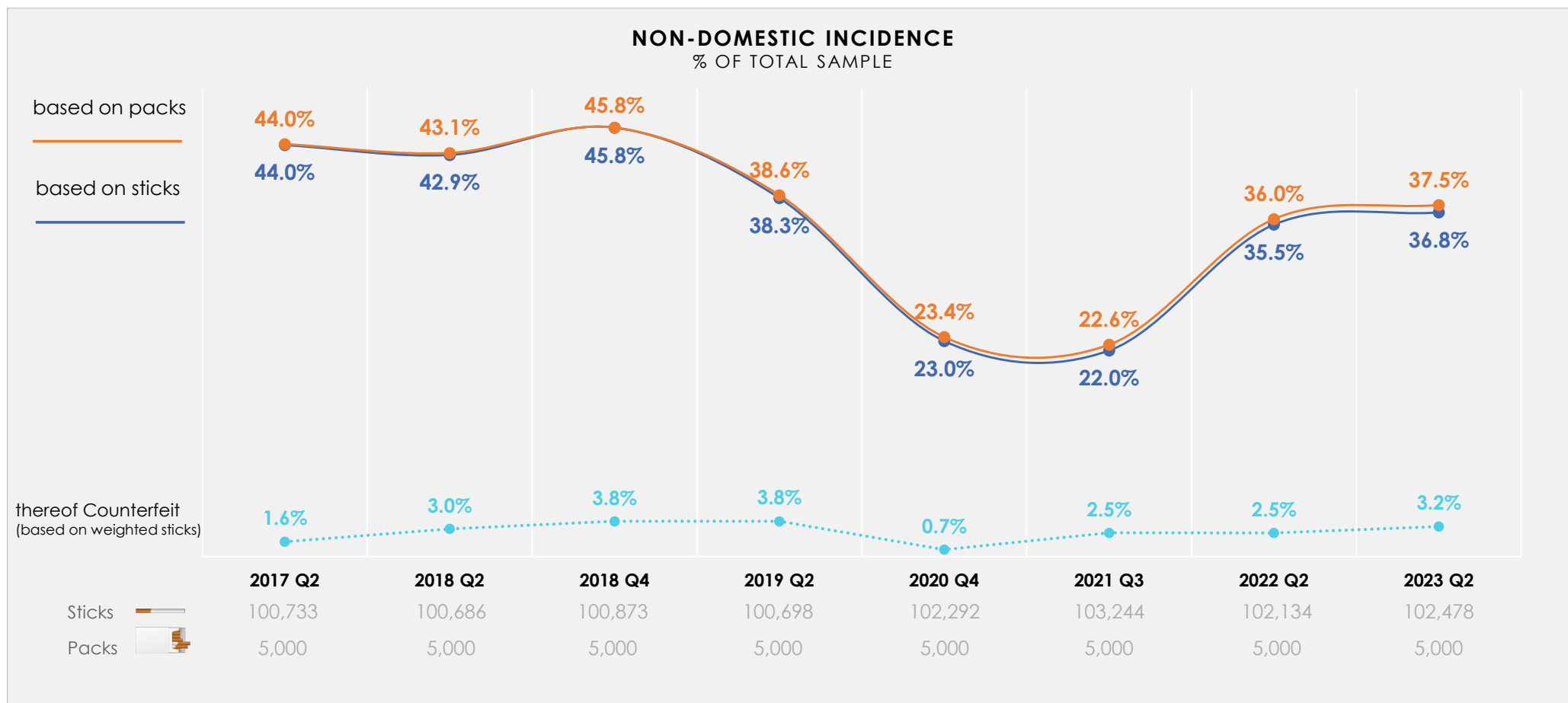
01.

EXECUTIVE SUMMARY

QUARTER 2, 2023



EXECUTIVE SUMMARY: NON-DOMESTIC TREND



TOTAL SAMPLE = DOMESTIC AND NON-DOMESTIC PACKS
EPS NORWAY – Q2 2023

EXECUTIVE SUMMARY: KEY MESSAGES



Industry overview

- **Non-domestic incidence** increased to **36.8%** (vs 35.5% in Q2 2022, 22.0% in Q3 2021).
- **Counterfeit incidence** increased to **3.2%** (2.5%, 2.5%).
- **Main non-domestic brands** found were (excl. counterfeit):
 - **MARLBORO** (PMI) with **10.8%** of all packs collected (14.4%, 9.4%).
 - **PRINCE** (BAT) with **5.4%** (3.7%, 1.2%).
 - **WINSTON** (JTI) with **3.4%** (2.6%, 2.0%).
- **Main non-domestic market variants** found were (excl. counterfeit):
 - **SWEDEN** with **10.7%** of all packs collected (8.5%, 3.8%).
 - **DUTY FREE** with **8.1%** (10.8%, 4.1%).
 - **POLAND** with **5.0%** (3.8%, 4.7%).
- **At city level**, the highest non-domestic incidence was found in **TRONDHEIM** at **41.6%** (35.7%, 20.1%), in **TROMSO** at **39.5%** (34.8%, 8.1%), and **BERGEN** at **39.0%** (36.2%, 13.9%).



EXECUTIVE SUMMARY: KEY VARIANCES

% OF TOTAL SAMPLE Based on number of sticks

— Total: 102,478 sticks (5,000 packs).

| | Q2 2023 | Q2 2022 | Q3 2021 |
|---|--------------|---------|---------|
| NON-DOMESTIC INCIDENCE | 36.8% | 35.5% | 22.0% |
| MAIN MARKET VARIANTS (excl. counterfeit) | | | |
| SWEDEN | 10.7% | 8.5% | 3.8% |
| DUTY FREE | 8.1% | 10.8% | 4.1% |
| POLAND | 5.0% | 3.8% | 4.7% |
| MAIN BRAND FAMILIES (excl. counterfeit) | | | |
| MARLBORO (PMI) | 10.8% | 14.4% | 9.4% |
| PRINCE (BAT) | 5.4% | 3.7% | 1.2% |
| WINSTON (JTI) | 3.4% | 2.6% | 2.0% |
| MAIN CITIES (excl. counterfeit) | | | |
| TRONDHEIM | 41.6% | 35.7% | 20.1% |
| TROMSO | 39.5% | 34.8% | 8.1% |
| BERGEN | 39.0% | 36.2% | 13.9% |
| COUNTERFEIT INCIDENCE | | | |
| TOTAL COUNTERFEIT INCIDENCE | 3.2% | 2.5% | 2.5% |
| BAT | 1.6% | 1.2% | 0.7% |
| PMI | 1.1% | 0.8% | 1.0% |
| JTI | 0.5% | 0.6% | 0.8% |
| IMPERIAL TOBACCO | 0.0% | 0.0% | 0.1% |



EXECUTIVE SUMMARY: INFLOW MATRIX

% OF TOTAL SAMPLE Based on number of sticks

— Total: 102,478 sticks (5,000 packs).

| | COUNTERFEIT | SWEDEN | DUTY FREE | POLAND | ROMANIA | LITHUANIA | OTHERS | Total | 2022 Q2 | 2021 Q3 |
|----------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
| MARLBORO (PMI) | 1.1% | 3.1% | 3.4% | 2.1% | 0.1% | 0.4% | 1.6% | 11.9% | 15.2% | 10.3% |
| PRINCE (BAT) | 1.6% | 3.3% | 1.8% | — | — | — | 0.3% | 6.9% | 4.9% | 1.9% |
| WINSTON (JTI) | 0.5% | 1.2% | 0.5% | 1.2% | 0.0% | 0.1% | 0.3% | 3.9% | 3.2% | 2.8% |
| KENT (BAT) | — | 0.3% | 0.2% | — | 1.1% | 0.1% | 0.2% | 1.9% | 1.5% | 0.4% |
| L&M (PMI) | — | 0.4% | 0.5% | 0.5% | 0.0% | 0.1% | 0.2% | 1.7% | 1.4% | 1.0% |
| CAMEL (JTI) | — | 0.6% | 0.4% | 0.1% | 0.0% | 0.1% | 0.4% | 1.6% | 1.6% | 1.2% |
| OTHERS | 0.0% | 1.9% | 1.3% | 1.1% | 1.0% | 0.2% | 3.3% | 8.8% | 7.7% | 4.4% |
| Total | 3.2% | 10.7% | 8.1% | 5.0% | 2.3% | 1.0% | 6.3% | 36.8% | 35.5% | 22.0% |
| 2022 Q2 | 2.5% | 8.5% | 10.8% | 3.8% | 1.7% | 0.9% | 7.3% | 35.5% | | |
| 2021 Q3 | 2.5% | 3.8% | 4.1% | 4.7% | 0.5% | 1.1% | 5.3% | 22.0% | | |

02.

METHODOLOGY

QUARTER 2, 2023



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

RESEARCH APPROACH



METHOD

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

TIMINGS

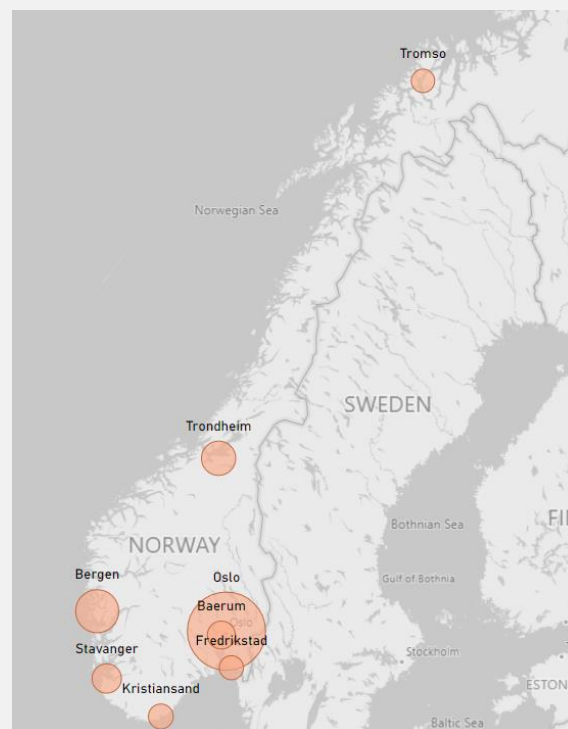
Fieldwork:
09 - 29 May, 2023

REPORTING

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

GEOGRAPHY

- The largest 8 cities
- 30.8% coverage of population

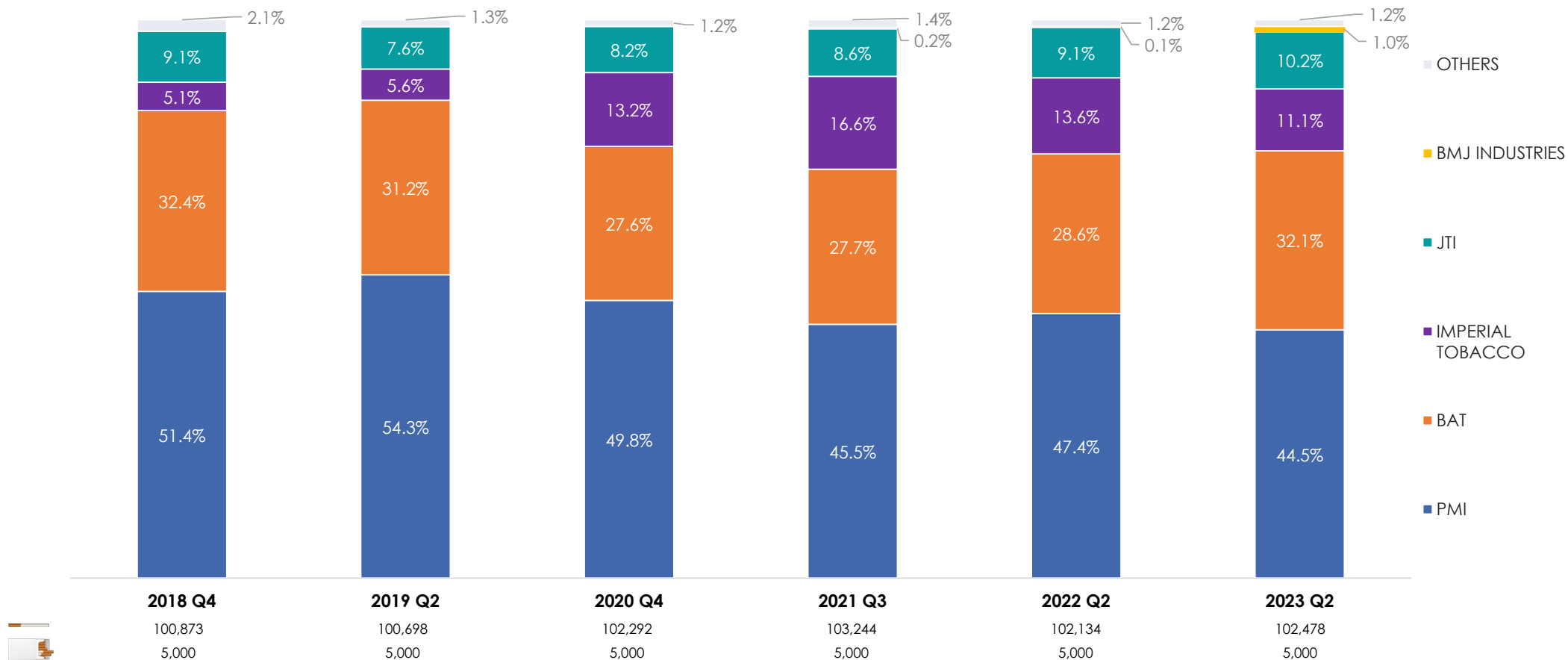


| Region | Population Covered | Sample | Weighted Sample |
|---------------------|--------------------|--------------|-----------------|
| Oslo | 634,463 | 2,012 | 2,004 |
| Bergen | 271,949 | 866 | 822 |
| Trondheim | 182,035 | 579 | 603 |
| Stavanger | 130,754 | 419 | 414 |
| Baerum | 118,588 | 376 | 369 |
| Kristiansand | 85,983 | 273 | 326 |
| Fredrikstad | 77,591 | 248 | 240 |
| Tromsø | 71,590 | 227 | 222 |
| Total Sample | 1,572,953 | 5,000 | 5,000 |



SAMPLE COMPOSITION: SHARE BY COMPANY

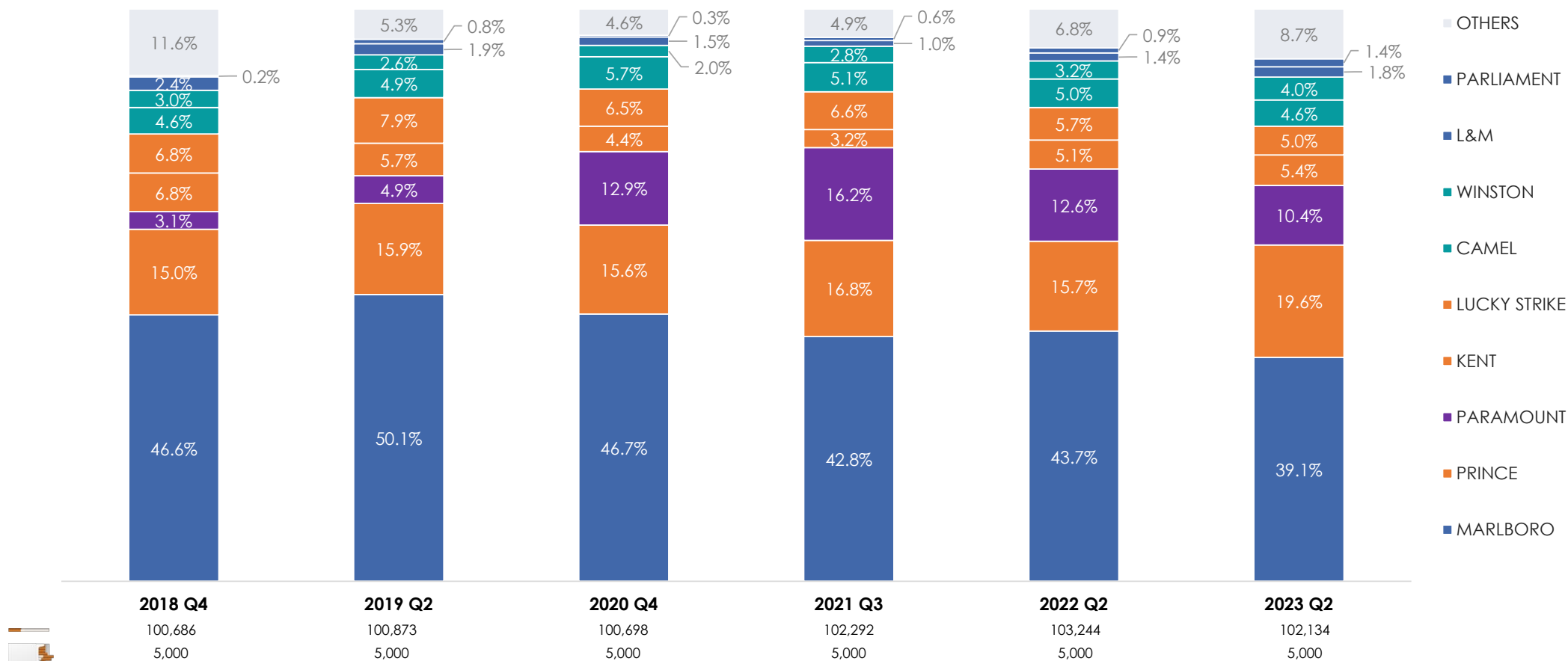
% OF TOTAL SAMPLE Based on number of sticks





SAMPLE COMPOSITION: SHARE BY BRAND

% OF TOTAL SAMPLE Based on number of sticks





03.

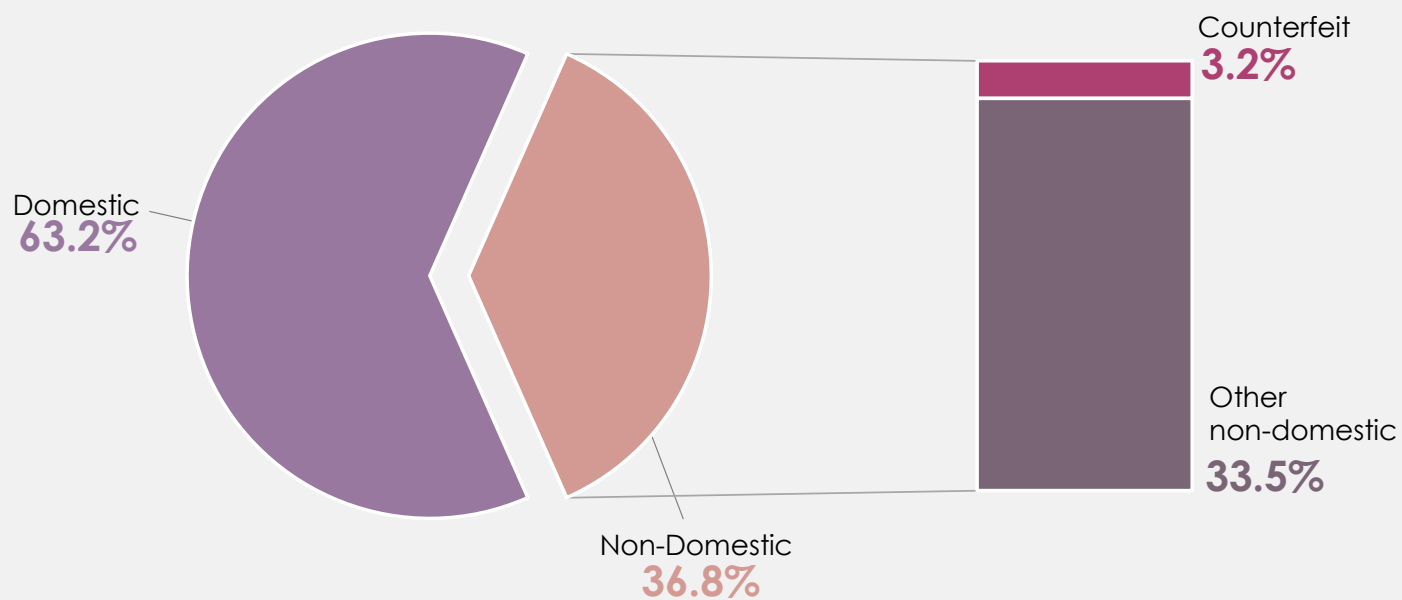
KEY RESULTS

QUARTER 2, 2023



NON-DOMESTIC: CATEGORIES

NON-DOMESTIC INCIDENCE CATEGORIES
% OF TOTAL SAMPLE

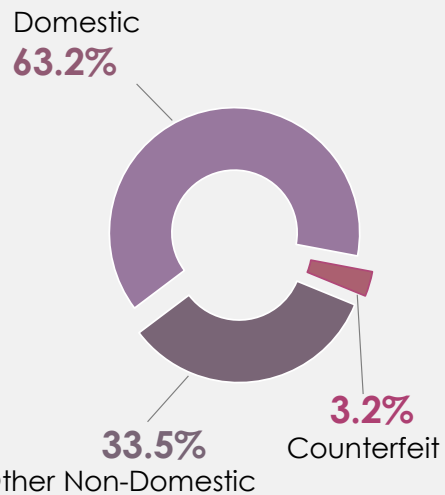


Total: 102,478 sticks (5,000 packs).



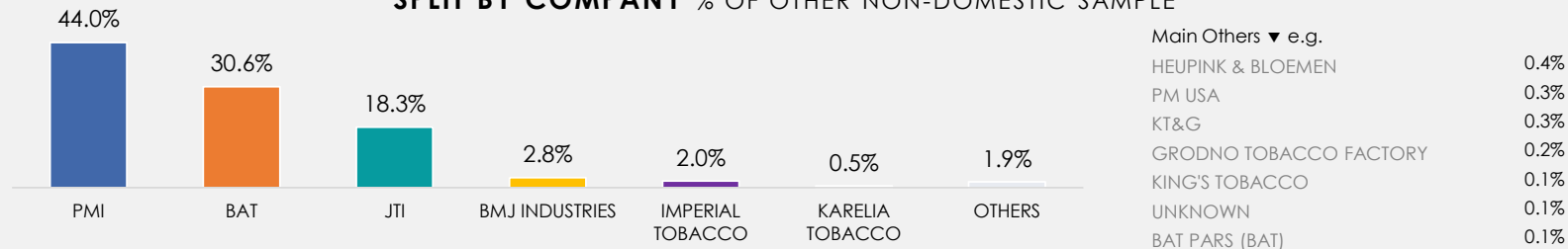
OTHER NON-DOMESTIC: BREAKDOWN

NON-DOMESTIC INCIDENCE % OF TOTAL SAMPLE



Total: 34,376 sticks (1,713 packs)

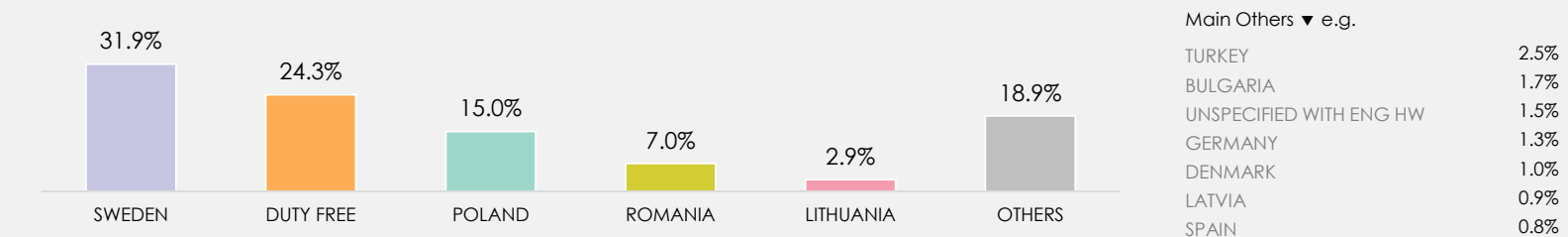
SPLIT BY COMPANY % OF OTHER NON-DOMESTIC SAMPLE



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

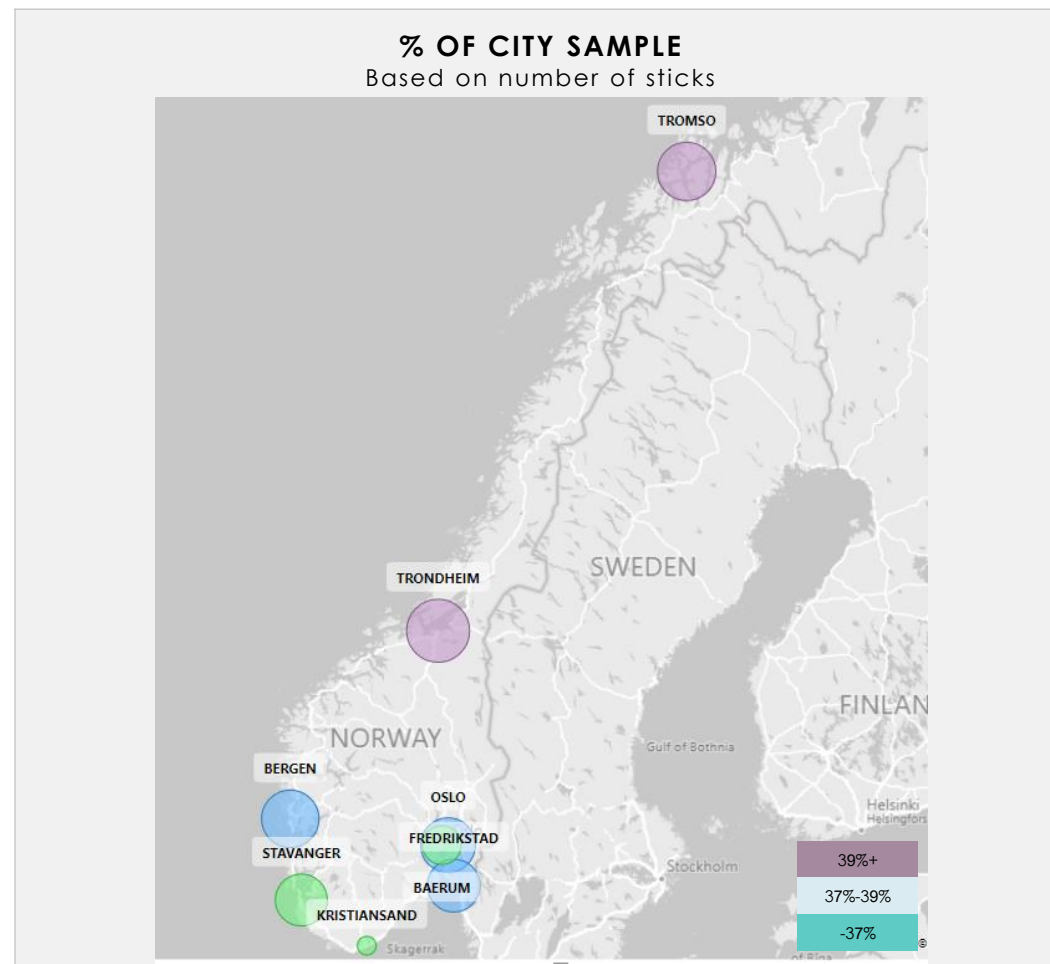
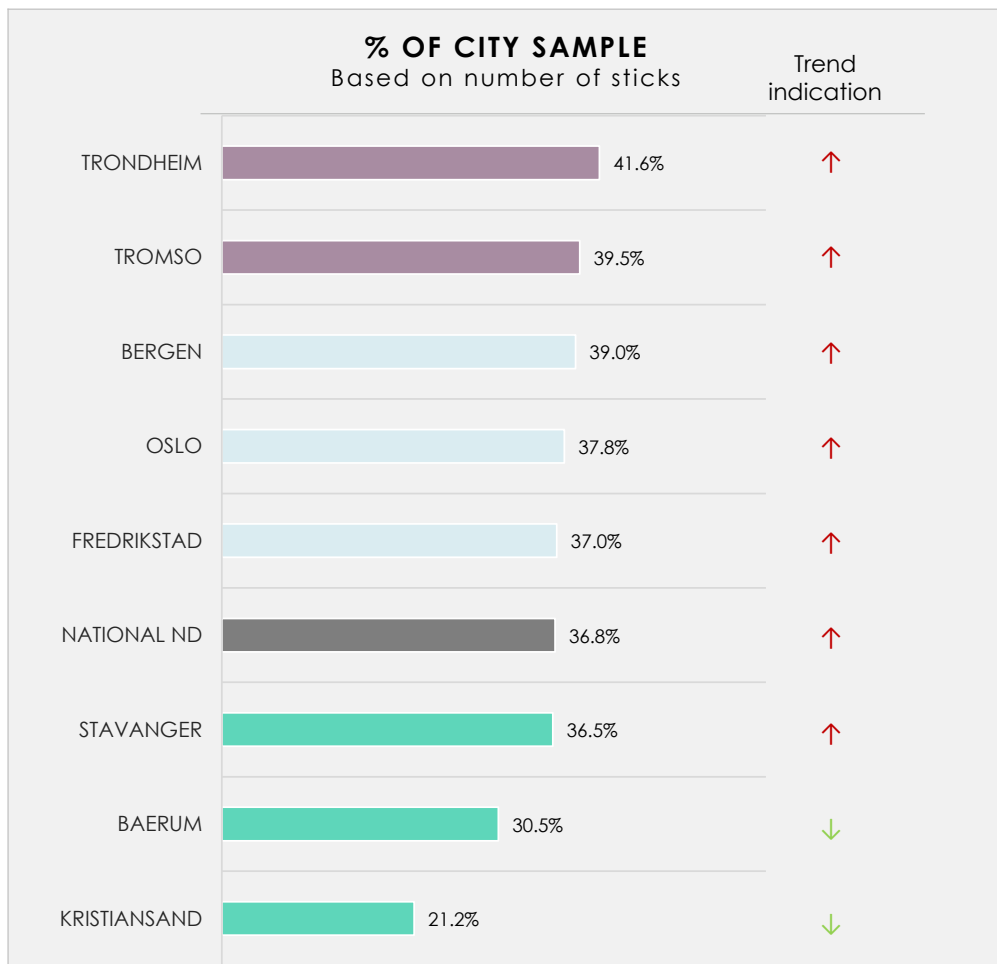
| | | | | | | | | | | | |
|--------------|-------|--------------|-------|----------|-------|-----|------|---------------------|------|---------|------|
| MARLBORO | 32.1% | PRINCE | 16.0% | WINSTON | 10.2% | MAC | 3.0% | DAVIDOFF | 1.1% | KARELIA | 0.4% |
| L&M | 5.2% | KENT | 5.7% | CAMEL | 4.8% | | | JOHN PLAYER SPECIAL | 0.3% | OME | 0.1% |
| PARLIAMENT | 4.1% | PALL MALL | 3.6% | LEVEL | 1.6% | | | WEST | 0.2% | | |
| CHESTERFIELD | 1.9% | LUCKY STRIKE | 2.9% | SOBRANIE | 0.7% | | | DUCADOS | 0.1% | | |
| PETTEROE'S | 0.5% | VOGUE | 0.9% | BLEND | 0.3% | | | BOSTON | 0.1% | | |

SPLIT BY MARKET VARIANT % OF OTHER NON-DOMESTIC SAMPLE



EMPTY PACK SURVEY Q2 2023: NORWAY

NON-DOMESTIC: BY CITY



EMPTY PACK SURVEY Q2 2023: NORWAY



NON-DOMESTIC: BY MAIN BRAND FAMILY & CITY

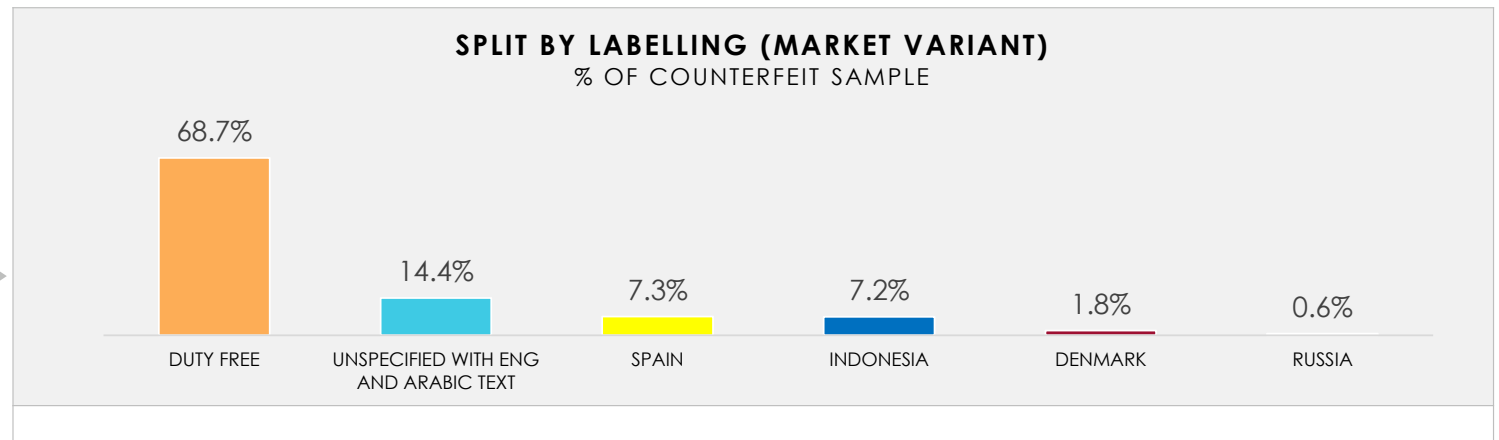
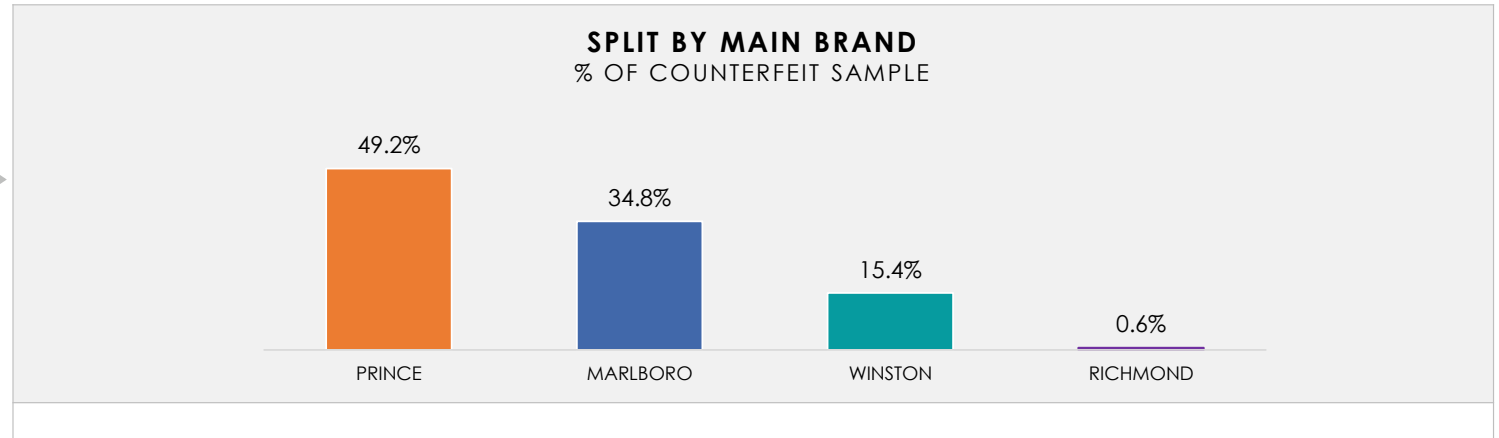
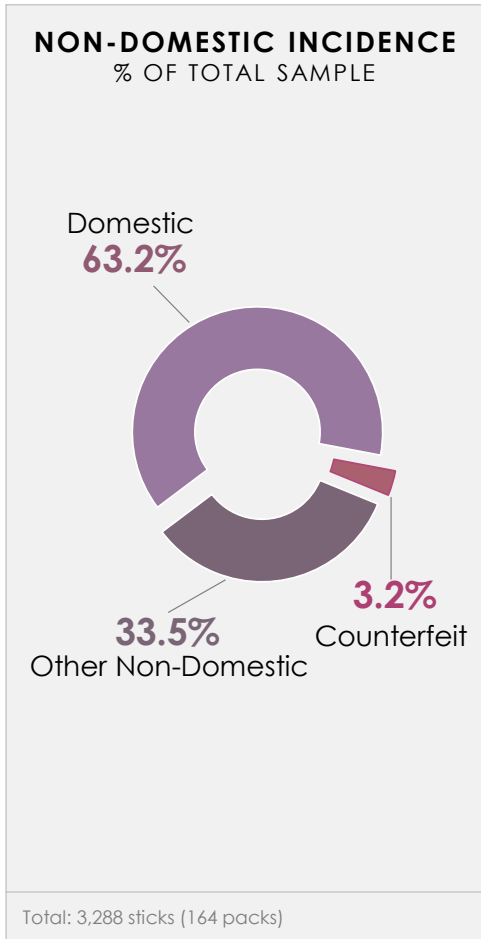
% OF TOTAL SAMPLE Based on number of sticks

— Total: 102,478 sticks (5,000 packs).

| | COUNTERFEIT | MARLBORO (PMI) | PRINCE (BAT) | WINSTON (JTI) | KENT (BAT) | OTHERS | TOTAL | 2022 Q2 | 2021 Q3 |
|--------------|-------------|-------------------|-----------------|------------------|---------------|--------------|--------------|--------------|--------------|
| OSLO | 1.2% | 4.5% | 2.3% | 1.4% | 0.6% | 5.1% | 15.1% | 14.0% | 11.8% |
| BERGEN | 0.7% | 1.9% | 0.7% | 0.6% | 0.5% | 2.0% | 6.4% | 6.3% | 2.4% |
| TRONDHEIM | 0.5% | 1.6% | 0.6% | 0.5% | 0.2% | 1.6% | 5.0% | 4.1% | 2.3% |
| STAVANGER | 0.3% | 0.8% | 0.4% | 0.3% | 0.2% | 1.0% | 3.0% | 3.0% | 1.6% |
| BAERUM | 0.1% | 0.7% | 0.2% | 0.3% | 0.1% | 0.9% | 2.2% | 2.6% | 1.5% |
| FREDRIKSTAD | 0.1% | 0.6% | 0.4% | 0.1% | 0.0% | 0.6% | 1.8% | 1.8% | 1.1% |
| TROMSO | 0.1% | 0.4% | 0.2% | 0.1% | 0.2% | 0.6% | 1.7% | 1.6% | 0.4% |
| KRISTIANSAND | 0.1% | 0.3% | 0.5% | 0.1% | 0.0% | 0.3% | 1.4% | 2.1% | 0.9% |
| TOTAL | 3.2% | 10.8% | 5.4% | 3.4% | 1.9% | 12.1% | 36.8% | 35.5% | 22.0% |
| 2022 Q2 | 2.5% | 14.4% | 3.7% | 2.6% | 1.5% | 10.7% | 35.5% | | |
| 2021 Q3 | 2.5% | 9.4% | 1.2% | 2.0% | 0.4% | 6.5% | 22.0% | | |



COUNTERFEIT: BREAKDOWN





COUNTERFEIT: BY MAIN BRAND FAMILY & CITY

% OF TOTAL SAMPLE Based on number of sticks

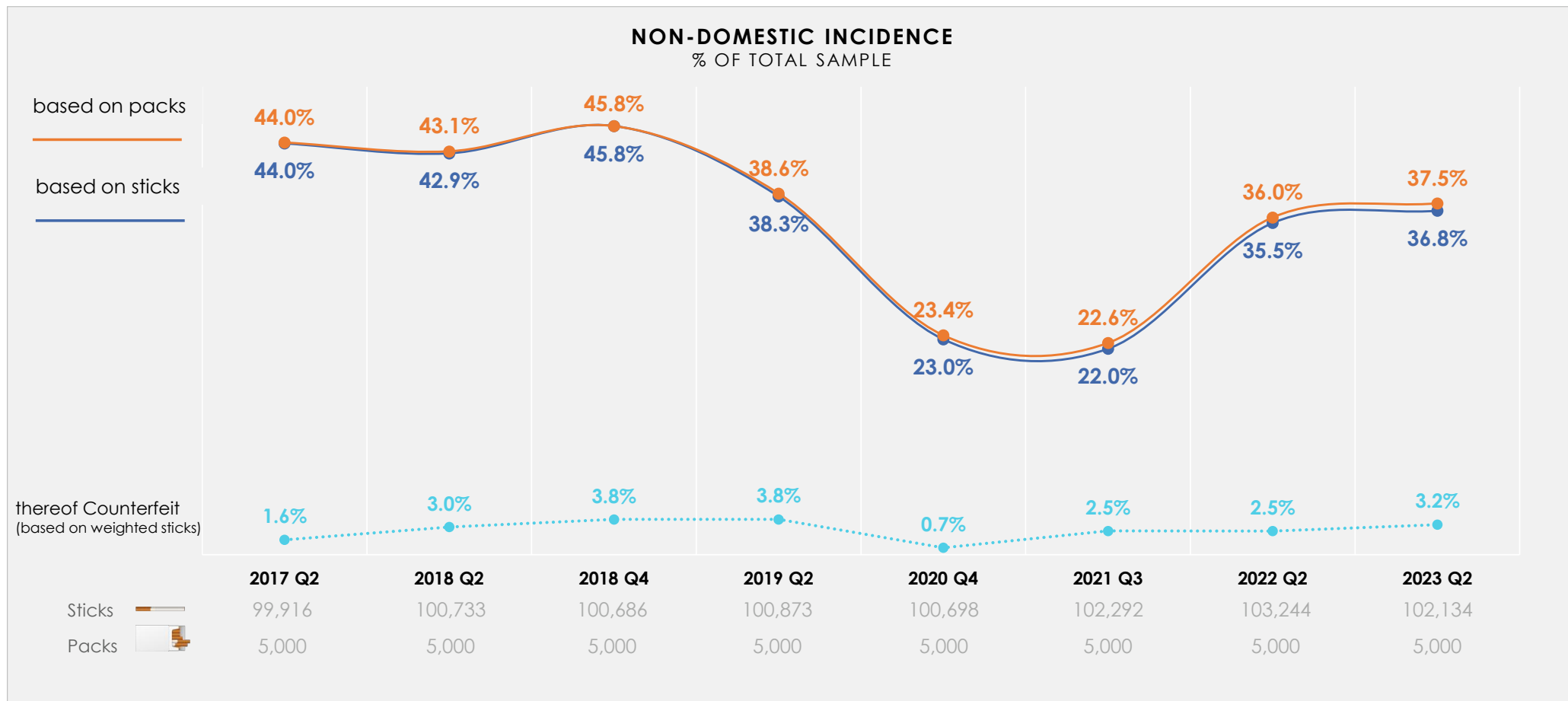
— Total: 103,745 sticks (5,000 packs)

COUNTERFEIT

| | PRINCE (BAT) | MARLBORO (PMI) | WINSTON (JTI) | RICHMOND (IMPERIAL TOBACCO) | OTHERS | TOTAL | 2022 Q2 | 2021 Q3 |
|--------------|-----------------|-------------------|------------------|-----------------------------------|----------|-------------|-------------|-------------|
| OSLO | 0.7% | 0.3% | 0.2% | — | — | 1.2% | 1.0% | 1.6% |
| BERGEN | 0.3% | 0.3% | 0.1% | 0.0% | — | 0.7% | 0.6% | 0.2% |
| TRONDHEIM | 0.2% | 0.2% | 0.1% | — | — | 0.5% | 0.2% | 0.2% |
| STAVANGER | 0.2% | 0.2% | 0.0% | — | — | 0.3% | 0.3% | 0.2% |
| KRISTIANSAND | 0.1% | — | 0.1% | — | — | 0.1% | 0.0% | 0.1% |
| TROMSO | 0.1% | 0.0% | 0.0% | — | — | 0.1% | 0.1% | — |
| FREDRIKSTAD | 0.0% | 0.1% | — | — | — | 0.1% | 0.1% | 0.1% |
| BAERUM | 0.0% | 0.0% | — | — | — | 0.1% | 0.2% | 0.2% |
| TOTAL | 1.6% | 1.1% | 0.5% | 0.0% | — | 3.2% | 2.5% | 2.5% |
| 2022 Q2 | 1.1% | 0.7% | 0.5% | 0.0% | 0.1% | 2.5% | | |
| 2021 Q3 | 0.7% | 0.9% | 0.8% | 0.1% | 0.0% | 2.5% | | |



NON-DOMESTIC: INCIDENCE TREND

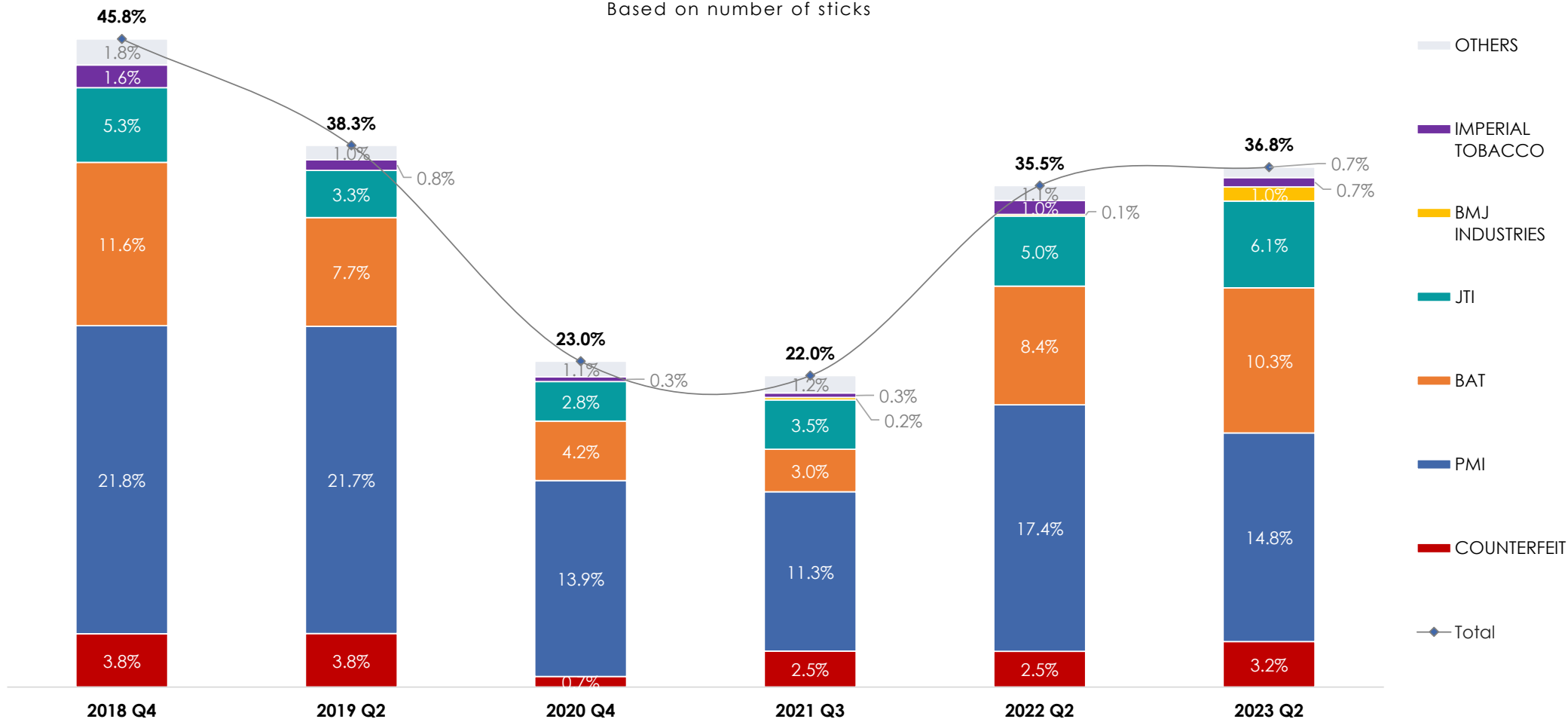


TOTAL SAMPLE = DOMESTIC AND NON-DOMESTIC PACKS
EPS NORWAY – Q2 2023



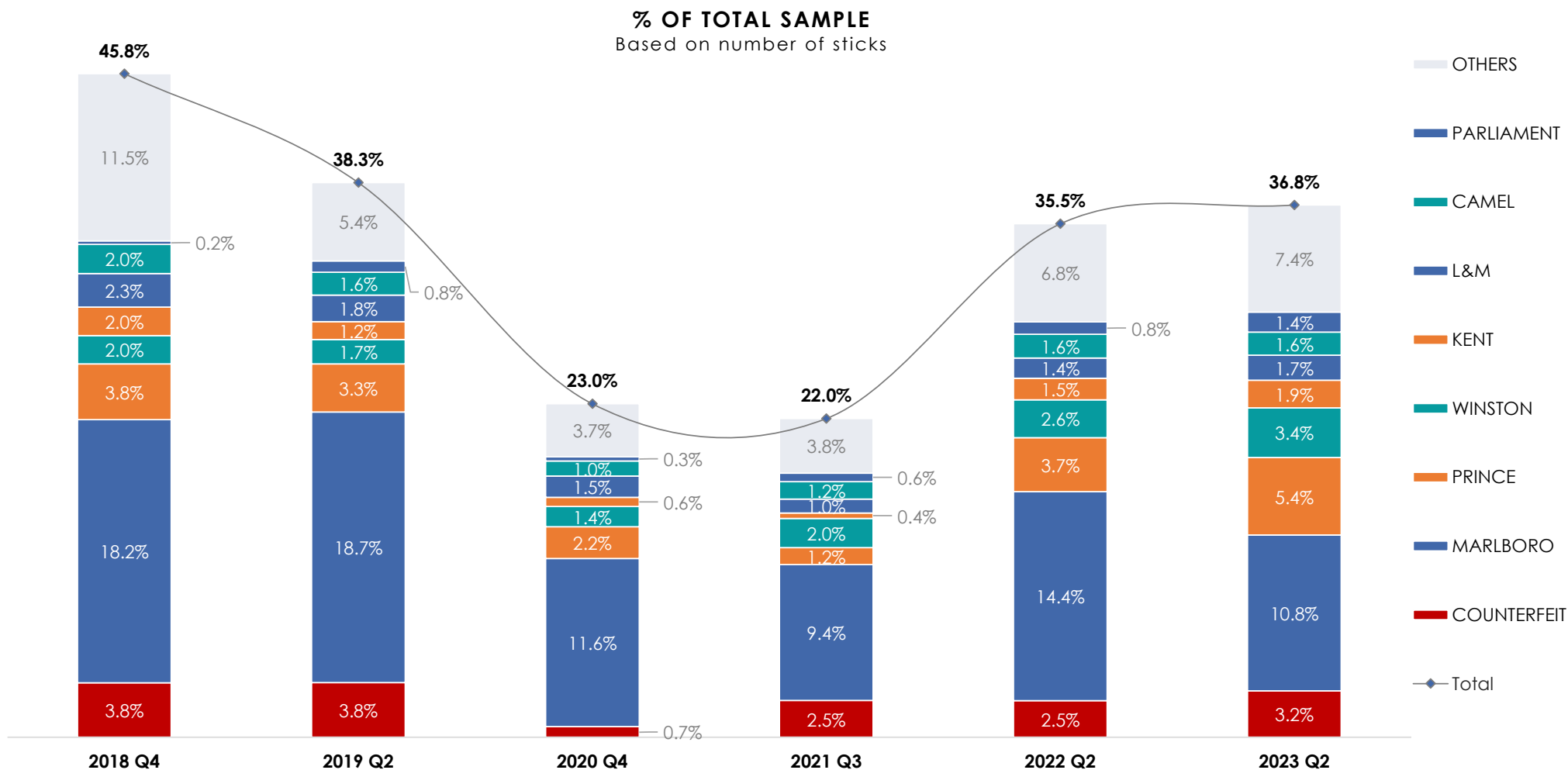
NON-DOMESTIC: COMPANY TREND

% OF TOTAL SAMPLE
Based on number of sticks





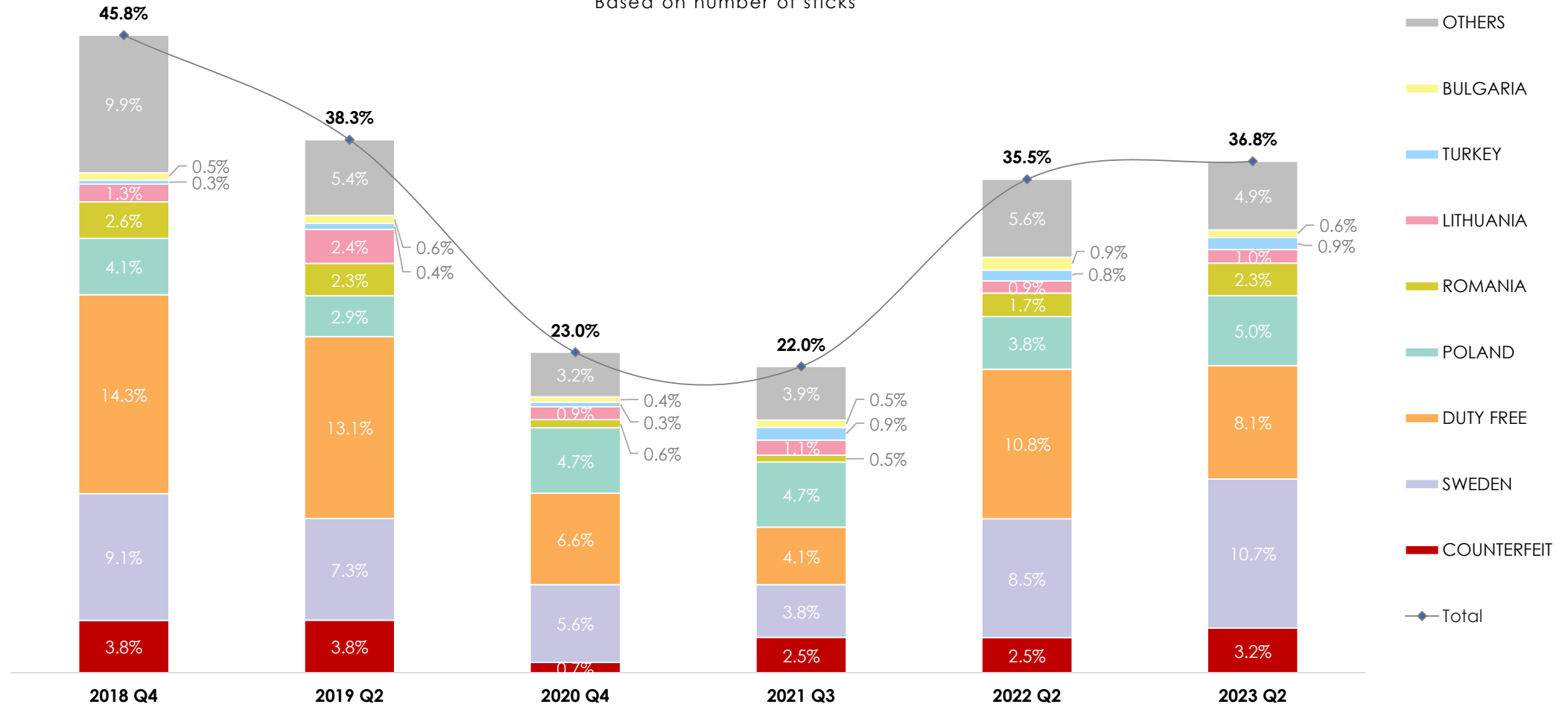
NON-DOMESTIC: BRAND FAMILY TREND





NON-DOMESTIC: MARKET VARIANT TREND

% OF TOTAL SAMPLE
Based on number of sticks



NON-DOMESTIC: CITY TREND



| SAMPLE | | | NON-DOMESTIC INCIDENCE PER CITY | | | | | | |
|--------------|--------------|----------------|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| CITY | PACKS | STICKS | 2018 Q2 | 2018 Q4 | 2019 Q2 | 2020 Q4 | 2021 Q3 | 2022 Q2 | 2023 Q2 |
| TRONDHEIM | 603 | 12,343 | 34.9% | 32.1% | 42.2% | 20.5% | 20.1% | 35.7% | 41.6% |
| TROMSO | 222 | 4,506 | 42.6% | 44.3% | 39.8% | 15.6% | 8.1% | 34.8% | 39.5% |
| BERGEN | 822 | 16,880 | 41.2% | 44.9% | 38.0% | 22.9% | 13.9% | 36.2% | 39.0% |
| OSLO | 2,004 | 41,038 | 45.6% | 53.3% | 39.6% | 27.2% | 29.3% | 34.7% | 37.8% |
| FREDRIKSTAD | 240 | 4,938 | 43.5% | 44.6% | 38.8% | 23.8% | 23.1% | 35.8% | 37.0% |
| STAVANGER | 414 | 8,483 | 40.2% | 46.4% | 32.2% | 17.4% | 19.5% | 35.8% | 36.5% |
| BAERUM | 369 | 7,544 | 44.0% | 36.1% | 33.2% | 20.1% | 19.8% | 34.2% | 30.5% |
| KRISTIANSAND | 326 | 6,745 | 47.7% | 36.9% | 35.7% | 16.2% | 15.8% | 39.3% | 21.2% |
| TOTAL | 5,000 | 102,478 | 42.9% | 45.8% | 38.3% | 23.0% | 22.0% | 35.5% | 36.8% |



04.

APPENDIX





QUARTER 2, 2023



TOTAL SAMPLE: DETAILS PER COMPANY

NUMBER OF STICKS PER CATEGORY AND COMPANY

IN % OF COMPANY TOTAL

| | NUMBER OF STICKS PER CATEGORY AND COMPANY | | | | Domestic | Genuine Non-Domestic | Non-Domestic | Counterfeit |
|---|---|--------|-------|---------------|----------|----------------------|--------------|-------------|
|  PHILIP MORRIS INTERNATIONAL | 29,320 | 15,118 | 1,146 | 45,584 | 64.3% | 33.2% | - | 2.5% |
|  BRITISH AMERICAN TOBACCO | 20,717 | 10,510 | 1,617 | 32,845 | 63.1% | 32.0% | — | 4.9% |
|  Imperial Tobacco | 10,658 | 679 | 19 | 11,356 | 93.9% | 6.0% | — | 0.2% |
|  JTI | 3,643 | 6,289 | 506 | 10,438 | 34.9% | 60.3% | — | 4.9% |
| BMJ INDUSTRIES | 1,023 | | | 1,023 | — | — | 100.0% | — |
| OTHERS | 476 | 756 | | 1,232 | 38.6% | — | 61.4% | — |



TOTAL SAMPLE: DETAILS PER BRAND FAMILY

NUMBER OF STICKS PER CATEGORY AND BRAND FAMILY

IN % OF BRAND FAMILY TOTAL

| | NUMBER OF STICKS PER CATEGORY AND BRAND FAMILY | | | | IN % OF BRAND FAMILY TOTAL | | | |
|--------------------|--|----------------------|-------------|---------------|----------------------------|----------------------|--------------|-------------|
| | Domestic | Genuine Non-Domestic | Counterfeit | | Domestic | Genuine Non-Domestic | Non-Domestic | Counterfeit |
| MARLBORO (PMI) | 27,951 | 11,018 | 1,146 | 40,114 | 69.7% | 27.5% | — | 2.9% |
| PRINCE (BAT) | 13,017 | 5,484 | 1,617 | 20,118 | 64.7% | 27.3% | — | 8.0% |
| PARAMOUNT (ITL) | 10,658 | | | 10,658 | 100.0% | — | — | — |
| KENT (BAT) | 3,537 | 1,951 | | 5,488 | 64.4% | 35.6% | — | — |
| LUCKY STRIKE (BAT) | 4,163 | 982 | | 5,145 | 80.9% | 19.1% | — | — |
| CAMEL (JTI) | 3,061 | 1,637 | | 4,698 | 65.2% | 34.8% | — | — |
| WINSTON (JTI) | 64 | 3,519 | 506 | 4,089 | 1.6% | 86.1% | — | 12.4% |
| L&M (PMI) | 84 | 1,771 | | 1,854 | 4.5% | 95.5% | — | — |
| PARLIAMENT (PMI) | 1,411 | | | 1,411 | — | 100.0% | — | — |
| OTHERS | 2,279 | 4,825 | 1,779 | 8,902 | 25.6% | 54.2% | 20.0% | 0.2% |

NON-DOMESTIC: TREND TOTAL COMPANY SAMPLE





NON-DOMESTIC INCIDENCE BY COMPANY – TREND

% OF TOTAL COMPANY SAMPLE

| | | PMI | BAT | IMPERIAL TOBACCO | JTI | OTHERS |
|---------|-----------------------------|--------------|--------------|------------------|--------------|--------------|
| Q2 2023 | N (Sticks) | 45,584 | 32,845 | 11,356 | 10,438 | 2,255 |
| | Packs | 2,262 | 1,619 | 484 | 521 | 114 |
| | Non-Domestic | — | — | — | — | 78.9% |
| | Counterfeit | 2.5% | 4.9% | 0.2% | 4.9% | — |
| | Genuine Non-Domestic | 33.2% | 32.0% | 6.0% | 60.3% | — |
| | Non-Domestic | — | — | — | — | 85.7% |
| | Counterfeit | 1.6% | 4.1% | 0.1% | 6.3% | — |
| | Genuine Non-Domestic | 36.8% | 29.4% | 7.2% | 54.8% | — |
| | Non-Domestic | — | — | — | — | 86.7% |
| Q3 2021 | Counterfeit | 2.1% | 2.4% | 0.3% | 9.7% | — |
| | Genuine Non-Domestic | 24.8% | 10.8% | 1.9% | 40.8% | — |

OTHER NON-DOMESTIC: PACK EXAMPLES

| Brand | MAC | KARELIA | APACHE |
|----------------|--|--|--|
| Company | BMJ INDUSTRIES | KARELIA TOBACCO | HEUPINK & BLOEMEN |
| Market variant | DUTY FREE | DUTY FREE | SWEDEN |
| |  |  |  |

*Unspecified are cigarettes packs which are not bearing any specific market or Duty Free labeling.

AGENCY CONTACTS



Head of BI

Tomer Touati

Tomer.Touati@wspm.org

+1-917-250-3056



Survey Project Manager

Yaki Hepstein

Yaki.Hepstein@wspm.org

+357-22-030-084



COO

Tami Vansower

Tami.Vansower@wspm.org

+357-22-030-084



CEO

Daniel Touati

Daniel.Touati@wspm.org

+357-22-030-084



WSPM GROUP

THANK YOU