

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 5, 2022

**VECTOR GROUP LTD.**

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

1-5759

(Commission File Number)

65-0949535

(I.R.S. Employer Identification No.)

4400 Biscayne Boulevard Miami Florida

(Address of Principal Executive Offices)

33137

(Zip Code)

(305) 579-8000

(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Securities Registered Pursuant to 12(b) of the Act:**

Title of each class:

Trading

Name of each exchange

Symbol(s)

on which registered:

Common stock, par value \$0.10 per share

VGR

New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02. Results of Operations and Financial Condition**

On August 5, 2022, Vector Group Ltd. (NYSE:VGR) (the “Company”) announced its financial results for the three and six months ended June 30, 2022. The full text of the press release issued in connection with the announcement is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in Item 2.02 of this Current Report on Form 8-K and the related Exhibit attached hereto are being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Item 7.01. Regulation FD Disclosure**

The Company has prepared materials for presentations to investors. The materials are furnished (not filed) as Exhibit 99.2 to this Current Report on Form 8-K pursuant to Regulation FD.

**Non-GAAP Financial Measures**

Exhibit 99.2 contains the Non-GAAP Financial Measures discussed below.

Please refer to Current Reports on Form 8-K dated May 10, 2022, March 1, 2022, May 5, 2021, and February 25, 2021 for reconciliations of financial measures prepared in accordance with GAAP to Non-GAAP Financial Measures.

Adjusted EBITDA, Tobacco Adjusted EBITDA, and financial measures for all periods presented, including the last twelve months (“LTM”) ended June 30, 2022, (hereafter, referred to as “the Non-GAAP Financial Measures”) are financial measures not prepared in accordance with generally accepted accounting principles (“GAAP”). The Company believes that the Non-GAAP Financial Measures are important measures that supplement discussion and analysis of its results of operations and enhance an understanding of its operating performance. The Company believes the Non-GAAP Financial Measures provide investors and analysts with a useful measure of operating results unaffected by differences in capital structures and ages of related assets among otherwise comparable companies.

Management uses the Non-GAAP Financial Measures as measures to review and assess operating performance of the Company’s business, and management does and investors should review both the overall performance (GAAP net income) and the operating performance (the Non-GAAP Financial Measures) of the Company’s business. While management considers the Non-GAAP Financial Measures to be important, they should be considered in addition to, but not as substitutes for or superior to, other measures of financial performance prepared in accordance with GAAP, such as operating income, net income and cash flows from operations. In addition, the Non-GAAP Financial Measures are susceptible to varying calculations and the Company’s measurement of the Non-GAAP Financial Measures may not be comparable to those of other companies.

EBITDA is defined as net income before, interest, taxes, depreciation and amortization. Non-GAAP Financial Measures include adjustments for loss on extinguishment of debt, litigation settlements and judgment expense, impact of Master Settlement Agreement settlements, and impact of net interest expense capitalized to real estate ventures (for purposes of Adjusted Net Income only). For purposes of Adjusted EBITDA only, adjustments include equity in earnings from investments, equity in earnings from real estate ventures, stock-based compensation expense, transaction expenses and other, net.

**Forward-Looking Statements**

This Current Report on Form 8-K contains forward-looking statements, which involve risk and uncertainties. The words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may be,” “continue” “could,” “potential,” “objective,” “plan,” “seek,” “predict,” “project” and “will be” and similar expressions are intended to identify forward-looking statements. The Company’s actual results could differ significantly from the results discussed in such forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include, without limitation, those discussed under the heading “Risk Factors” in the Company’s Quarterly Report on Form 10-Q for period ended June 30, 2022, when filed, and the Company’s Annual Report on Form 10-K for the year ended December 31, 2021. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Current Report on Form 8-K. The Company undertakes no obligation to (and expressly disclaims any obligation to) revise or update any forward-looking statement, whether as a result of new information, subsequent events, or otherwise (except as may be required by law), in order to reflect any event or circumstance which may arise after the date of this Current Report on Form 8-K.

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**Item 9.01. Financial Statements and Exhibit**

(d) Exhibits.

Exhibit No.

Exhibit

[99.1](#)

Press Release issued on August 5, 2022, regarding financial results for the second quarter ended June 30, 2022.

[99.2](#)

Investor presentation of Vector Group Ltd. dated August 2022 (furnished pursuant to Regulation FD).

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Cover Page Interactive Data File (embedded within the Inline XBRL document).

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VECTOR GROUP LTD.

By: /s/ J. Bryant Kirkland III

J. Bryant Kirkland III

Senior Vice President, Treasurer and Chief Financial Officer

Date: August 5, 2022



**FOR IMMEDIATE RELEASE**

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## VECTOR GROUP REPORTS SECOND QUARTER 2022 FINANCIAL RESULTS

*Achieved Approximate 15% Increase in Revenues Fueled by Continued Strong Volume and Market Share Growth*

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### Second Quarter 2022 Highlights:

- **Consolidated revenues of \$387.2 million, increased by 14.7% or \$49.6 million compared to the prior year period**
  - Tobacco Segment revenues of \$374.3 million, increased by 13.6% compared to the prior year period.
  - Tobacco Segment unit volume increase of 16.2% compared to the prior year period.
  - Liggett's wholesale and retail market share increases to 5.3% and 5.5% from 4.2% and 4.1%, respectively, in the prior year period.
- **Reported net income of \$39.2 million or \$0.25 per diluted common share, compared to \$93.3 million or \$0.60 per diluted common share in the prior year period; Adjusted Net Income from Continuing Operations of \$40.2 million or \$0.25 per diluted common share, compared to \$64.6 million or \$0.41 per diluted common share in the prior year period**
- **Reported operating income of \$90.7 million, declined by \$3.2 million compared to the prior year period**
  - Tobacco Segment operating income of \$88.3 million, declined by 14.4% or \$14.8 million compared to the prior year period, primarily attributable to the investment in *Montego's* significant volume and market share growth.
- **Adjusted EBITDA from Continuing Operations of \$95.1 million, declined by 3.9% or \$3.8 million compared to the prior year period**
  - Tobacco Segment Adjusted EBITDA from Continuing Operations of \$89.9 million, declined by 14.3% or \$15.0 million compared to the prior year period, primarily attributable to the investment in *Montego's* significant volume and market share growth.

**First Half 2022 Highlights:**

- **Consolidated revenues of \$699.2 million, increased by 14.9% or \$90.7 million compared to the prior year period**
  - Tobacco Segment revenues of \$683.4 million, increased by 14.3% compared to the prior year period.
  - Tobacco Segment unit volume increase of 17.3% compared to the prior year period.
  - Liggett's wholesale and retail market share increases to 5.3% and 5.3% from 4.1% and 4.1%, respectively, in the prior year period.
- **Reported net income of \$71.7 million or \$0.45 per diluted common share, compared to \$125.3 million or \$0.80 per diluted common share in the prior year period; Adjusted Net Income from Continuing Operations of \$66.8 million or \$0.42 per diluted common share, compared to \$99.5 million or \$0.64 per diluted common share in the prior year period**
- **Reported operating income of \$165.8 million, declined by \$4.0 million compared to the prior year period**
  - Tobacco Segment operating income of \$166.0 million, declined by 10.2% or \$18.8 million compared to the prior year period, primarily attributable to the investment in *Montego's* significant volume and market share growth.
- **Adjusted EBITDA from Continuing Operations of \$172.2 million, declined by 2.7% or \$4.7 million compared to the prior year period**
  - Tobacco Segment Adjusted EBITDA from Continuing Operations of \$167.0 million, declined by 10.0% or \$18.6 million compared to the prior year period, primarily attributable to the investment in *Montego's* significant volume and market share growth.
- **Strong liquidity with cash and cash equivalents of \$323.9 million and investment securities and long-term investments of \$167.9 million at June 30, 2022**
- **Cash dividends of \$64 million returned to stockholders at a rate of \$0.40 per common share**

**Last Twelve Months ended June 30, 2022 Highlights:**

- **Consolidated revenues of \$1.3 billion**
  - Tobacco Segment revenues of \$1.3 billion
- **Net income of \$165.9 million**
- **Operating income of \$316.4 million**
  - Tobacco Segment operating income of \$341.5 million
- **Adjusted EBITDA from Continuing Operations of \$345.2 million**
  - Tobacco Segment Adjusted EBITDA from Continuing Operations of \$345.8 million

MIAMI, FL, August 5, 2022 - Vector Group Ltd. (NYSE:VGR) today announced financial results for the three and six months ended June 30, 2022.

"Vector Group delivered strong tobacco revenue performance in the second quarter as we capitalized on favorable market opportunities to substantially increase value and market share," said Howard M. Lorber, President and Chief Executive Officer of Vector Group Ltd. "Our price-fighting *Montego* brand is now our largest brand and the third largest discount brand in the United States. This strong performance demonstrates our commitment to optimizing long-term profit through the effective management of volume, pricing, and market share growth."

**GAAP Financial Results**

*Three months ended June 30, 2022 and 2021.* Second quarter 2022 revenues were \$387.2 million, compared to revenues of \$337.6 million in the second quarter of 2021. The Company recorded operating income of \$90.7 million in the second quarter of 2022, compared to operating income of \$93.9 million in the second quarter of 2021. Net income for the second quarter of 2022 was \$39.2 million, or \$0.25 per diluted common share, compared to net income of \$93.3 million, or \$0.60 per diluted common share, in the second quarter of 2021.

*Six months ended June 30, 2022 and 2021.* For the six months ended June 30, 2022, revenues were \$699.2 million, compared to revenues of \$608.5 million for the six months ended June 30, 2021. The Company recorded operating income of \$165.8 million for the six months ended June 30, 2022, compared to operating income of \$169.9 million for the six months ended June 30, 2021. Net income attributed to Vector Group Ltd. for the six months ended June 30, 2022 was \$71.7 million, or \$0.45 per diluted common share, compared to net income of \$125.3 million, or \$0.80 per diluted common share, for the six months ended June 30, 2021.

#### ***Non-GAAP Financial Measures***

Non-GAAP financial results include adjustments for litigation settlements and judgment expense, impact of Master Settlement Agreement settlements, transaction expenses, acceleration of stock compensation expense (for purposes of Adjusted Net Income from Continuing Operations and Adjusted Operating Income only), net gains on sales of assets (for purposes of Adjusted EBITDA from Continuing Operations and Adjusted Operating Income only), and loss on extinguishment of debt (for purposes of Adjusted EBITDA from Continuing Operations and Adjusted Net Income from Continuing Operations). For purposes of Adjusted EBITDA from Continuing Operations only, adjustments include equity in earnings from investments, equity in (earnings) losses from real estate ventures, stock-based compensation expense, litigation settlements and judgment expense, impact of Master Settlement Agreement settlements, transaction expenses, and other, net. For purposes of Adjusted Net Income from Continuing Operations only, adjustments include net interest expense capitalized to real estate ventures and adjustments for a derivative associated with a guarantee. Reconciliations of non-GAAP financial measures to the comparable GAAP financial results for the last twelve months ended June 30, 2022 and the three and six months ended June 30, 2022 and 2021 are included in Tables 2 through 6.

#### ***Three months ended June 30, 2022 compared to the three months ended June 30, 2021***

Adjusted EBITDA from Continuing Operations (as described in Table 2 attached hereto) were \$95.1 million for the second quarter of 2022, compared to \$99.0 million for the second quarter of 2021.

Adjusted Net Income from Continuing Operations (as described in Table 3 attached hereto) was \$40.2 million, or \$0.25 per diluted share, for the second quarter of 2022, and \$64.6 million or \$0.41 per diluted share, for the second quarter of 2021.

Adjusted Operating Income (as described in Table 4 attached hereto) was \$90.8 million for the second quarter of 2022, compared to \$93.9 million for the second quarter of 2021.

#### ***Six months ended June 30, 2022 compared to the six months ended June 30, 2021***

Adjusted EBITDA from Continuing Operations (as described in Table 2 attached hereto) were \$172.2 million for the six months ended June 30, 2022, compared to \$176.9 million for the six months ended June 30, 2021.

Adjusted Net Income from Continuing Operations (as described in Table 3 attached hereto) was \$66.8 million, or \$0.42 per diluted share, for the six months ended June 30, 2022, compared to \$99.5 million, or \$0.64 per diluted share, for the six months ended June 30, 2021.

Adjusted Operating Income (as described in Table 4 attached hereto) was \$163.8 million for the six months ended June 30, 2022, compared to \$167.2 million for the six months ended June 30, 2021.

#### ***Last twelve months ended June 30, 2022***

For the last twelve months ended June 30, 2022, revenues were \$1.3 billion. The Company recorded operating income of \$316.4 million for the last twelve months ended June 30, 2022. Net income for the last twelve months ended June 30, 2022 was \$165.9 million.

For the last twelve months ended June 30, 2022, Adjusted EBITDA (as described in Table 2 attached hereto) were \$345.2 million. Adjusted Operating Income (as described in Table 4 attached hereto) was \$328.5 million for the last twelve months ended June 30, 2022.

#### ***Consolidated Balance Sheet***

Vector maintained significant liquidity at June 30, 2022 with cash and cash equivalents of \$323.9 million, including \$105.2 million of cash at Liggett, and investment securities of \$122.4 million and long-term investments of \$45.5 million.

Vector continued its longstanding history of paying a quarterly cash dividend in the second quarter of 2022. For the six months ended June 30, 2022, Vector returned a total of \$64 million to stockholders at a quarterly rate of \$0.20 per common share.

### **Tobacco Segment Financial Results**

For the second quarter of 2022, the Tobacco segment had revenues of \$374.3 million, compared to \$329.5 million for the second quarter of 2021. For the six months ended June 30, 2022, the Tobacco segment had revenues of \$683.4 million, compared to \$598.0 million for the six months ended June 30, 2021. For the last twelve months ended June 30, 2022, the Tobacco segment had revenues of \$1.3 billion.

Operating Income from the Tobacco segment was \$88.3 million and \$166.0 million for the three and six months ended June 30, 2022, respectively, compared to \$103.2 million and \$184.8 million for the three and six months ended June 30, 2021, respectively. Operating Income from the Tobacco segment was \$341.5 million for the last twelve months ended June 30, 2022.

### **Non-GAAP Financial Measures**

Tobacco Adjusted Operating Income (as described in Table 5 attached hereto) for the second quarter of 2022 and 2021 was \$88.4 million and \$103.2 million, respectively. Tobacco Adjusted Operating Income for the six months ended June 30, 2022 was \$164.0 million, compared to \$182.1 million for the six months ended June 30, 2021.

For the second quarter of 2022, the Tobacco segment had conventional cigarette (wholesale) shipments of approximately 2.74 billion units, compared to 2.36 billion units for the second quarter of 2021. For the six months ended June 30, 2022, the Tobacco segment had conventional cigarette (wholesale) shipments of approximately 5.04 billion units, compared to 4.30 billion units for the six months ended June 30, 2021.

According to data from Management Science Associates, for the second quarter of 2022, Liggett's retail market share increased to 5.5% compared to 4.1% for the second quarter of 2021. For the six months ended June 30, 2022, Liggett's retail market share increased to 5.3%, compared to 4.1% for the six months ended June 30, 2021. Compared to the second quarter of 2021, Liggett's retail shipments in the second quarter of 2022 increased by 21.1% while the overall industry's retail shipments declined by 9.4%. Compared to the six months ended June 30, 2021, Liggett's retail shipments for six months ended June 30, 2022 increased by 18.2% while the overall industry's retail shipments declined by 8.5%.

### **Non-GAAP Financial Measures**

Adjusted EBITDA from Continuing Operations, Adjusted Net Income from Continuing Operations, Adjusted Operating Income, Tobacco Adjusted Operating Income, Tobacco Adjusted EBITDA, and financial measures for the last twelve months ("LTM") ended June 30, 2022 ("the Non-GAAP Financial Measures") are financial measures not prepared in accordance with generally accepted accounting principles ("GAAP"). The Company believes that the Non-GAAP Financial Measures are important measures that supplement discussions and analysis of its results of operations and enhances an understanding of its operating performance. The Company believes the Non-GAAP Financial Measures provide investors and analysts with a useful measure of operating results unaffected by differences in capital structures and ages of related assets among otherwise comparable companies.

Management uses the Non-GAAP Financial Measures as measures to review and assess operating performance of the Company's business, and management and investors should review both the overall performance (GAAP net income) and the operating performance (the Non-GAAP Financial Measures) of the Company's business. While management considers the Non-GAAP Financial Measures to be important, they should be considered in addition to, but not as substitutes for or superior to, other measures of financial performance prepared in accordance with GAAP, such as operating income, net income and cash flows from operations. In addition, the Non-GAAP Financial Measures are susceptible to varying calculations and the Company's measurement of the Non-GAAP Financial Measures may not be comparable to those of other companies. Attached hereto as Tables 2 through 6 is information relating to the Company's Non-GAAP Financial Measures for the last twelve months ended June 30, 2022 and the three and six months ended June 30, 2022 and 2021.

### **Conference Call to Discuss Second Quarter 2022 Results**

As previously announced, the Company will host a conference call and webcast on Friday, August 5, 2022 at 8:30 AM (ET) to discuss its second quarter 2022 results. Investors can access the call by dialing 800-420-1271 and entering 63108 as the conference ID number. The call will also be available via live webcast at <https://www.webcaster4.com/Webcast/Page/2271/46299>. Webcast participants should allot extra time to register before the webcast begins.

A replay of the call will be available shortly after the call ends on August 5, 2022 through August 19, 2022. To access the replay, dial 800-925-9627 and enter 63108 as the conference ID number. The archived webcast will also be available at <https://www.webcaster4.com/Webcast/Page/2271/46299> for one year.



**About Vector Group Ltd.**

Vector Group is a holding company for Liggett Group LLC, Vector Tobacco Inc., and New Valley LLC. Additional information concerning the Company is available on the Company's website, [www.VectorGroupLtd.com](http://www.VectorGroupLtd.com).

Investors and others should note that we may post information about the Company or its subsidiaries on our website at [www.VectorGroupLtd.com](http://www.VectorGroupLtd.com) and/or at the websites of those subsidiaries or, if applicable, on their accounts on LinkedIn, TikTok, Twitter or other social media platforms. It is possible that the postings or releases could include information deemed to be material information. Therefore, we encourage investors, the media and others interested in our company to review the information we post on our website at [www.VectorGroupLtd.com](http://www.VectorGroupLtd.com), on the websites of our subsidiaries and on their social media accounts.

**Forward-Looking and Cautionary Statements**

*This press release includes forward-looking statements within the meaning of the federal securities law. All statements other than statements of historical or current facts made in this document are forward-looking. We identify forward-looking statements in this document by using words or phrases such as "anticipate," "believe," "estimate," "expect," "intend," "may be," "continue," "could," "potential," "objective," "plan," "seek," "predict," "project" and "will be" and similar words or phrases or their negatives. Forward-looking statements reflect our current expectations and are inherently uncertain. Actual results could differ materially for a variety of reasons.*

*Risks and uncertainties that could cause our actual results to differ significantly from our current expectations are described in our 2021 Annual Report on Form 10-K and in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2022. We undertake no responsibility to publicly update or revise any forward-looking statement except as required by applicable law.*

[Financial Tables Follow]

**TABLE 1**  
**VECTOR GROUP LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Dollars in Thousands, Except Per Share Amounts)**

On December 29, 2021, Vector Group Ltd. completed the distribution of its real estate brokerage, services and PropTech investment business into a new stand-alone public company, Douglas Elliman Inc. (NYSE:DOUG) through a distribution of Douglas Elliman's common stock to Vector Group Ltd. stockholders. The historical results of the real estate brokerage, services and PropTech investment business owned by Douglas Elliman Inc. are excluded from revenues and expenses below and reflected as income from discontinued operations, net of income taxes, in Vector Group Ltd.'s Consolidated Statements of Operations below.

	Three Months Ended		Six Months Ended	
	2022	2021	2022	2021
	(Unaudited)		(Unaudited)	
<b>Revenues:</b>				
Tobacco*	\$ 374,312	\$ 329,496	\$ 683,360	\$ 597,959
Real estate	12,890	8,058	15,884	10,583
Total revenues	<u>387,202</u>	<u>337,554</u>	<u>699,244</u>	<u>608,542</u>
<b>Expenses:</b>				
<b>Cost of sales:</b>				
Tobacco*	265,189	206,145	476,726	370,176
Real estate	6,049	7,746	7,327	8,622
Total cost of sales	<u>271,238</u>	<u>213,891</u>	<u>484,053</u>	<u>378,798</u>
Operating, selling, administrative and general expenses	25,196	29,770	49,225	59,871
Litigation settlement and judgment expense	57	—	129	5
Operating income	<u>90,711</u>	<u>93,893</u>	<u>165,837</u>	<u>169,868</u>
<b>Other income (expenses):</b>				
Interest expense	(30,724)	(28,072)	(55,822)	(56,793)
Loss on extinguishment of debt	—	—	—	(21,362)
Equity in (losses) earnings from investments	(2,311)	941	(4,553)	1,518
Equity in (losses) earnings from real estate ventures	(460)	16,610	(2,337)	18,199
Other, net	(3,094)	8,613	(4,239)	11,319
Income before provision for income taxes	54,122	91,985	98,886	122,749
Income tax expense	14,969	27,004	27,191	36,218
Income from continuing operations	39,153	64,981	71,695	86,531
Income from discontinued operations, net of income taxes	—	28,324	—	38,731
Net income	<u>\$ 39,153</u>	<u>\$ 93,305</u>	<u>\$ 71,695</u>	<u>\$ 125,262</u>
<b>Per basic common share:</b>				
Net income from continuing operations applicable to common shares	\$ 0.25	\$ 0.41	\$ 0.46	\$ 0.55
Net income from discontinued operations applicable to common shares	—	0.19	—	0.25
Net income applicable to common shares	<u>\$ 0.25</u>	<u>\$ 0.60</u>	<u>\$ 0.46</u>	<u>\$ 0.80</u>
<b>Per diluted common share:</b>				
Net income from continuing operations applicable to common shares	\$ 0.25	\$ 0.41	\$ 0.45	\$ 0.55
Net income from discontinued operations applicable to common shares	—	0.19	—	0.25
Net income applicable to common shares	<u>\$ 0.25</u>	<u>\$ 0.60</u>	<u>\$ 0.45</u>	<u>\$ 0.80</u>

\* Revenues and cost of sales include federal excise taxes of \$137,884, \$118,735, \$253,963 and \$216,449 for the three and six months ended June 30, 2022 and 2021, respectively.

**TABLE 2**  
**VECTOR GROUP LTD. AND SUBSIDIARIES**  
**RECONCILIATION OF ADJUSTED EBITDA FROM CONTINUING OPERATIONS**  
**(Unaudited)**  
**(Dollars in Thousands)**

Table 2 reflects a reconciliation of GAAP to non-GAAP financial information on a continuing operations basis. Because Douglas Elliman Inc.'s results are reflected within discontinued operations, they are excluded from the financial information provided below.

	LTM	Year Ended	Three Months Ended		Six Months Ended	
	June 30, 2022	December 31, 2021	2022	June 30, 2021	2022	June 30, 2021
Net income	\$ 165,896	\$ 219,463	\$ 39,153	\$ 93,305	\$ 71,695	\$ 125,262
Net income from discontinued operations	(33,578)	(72,309)	—	(28,324)	—	(38,731)
Interest expense	111,757	112,728	30,724	28,072	55,822	56,793
Income tax expense	53,780	62,807	14,969	27,004	27,191	36,218
Net loss attributed to non-controlling interest	(190)	(190)	—	—	—	—
Depreciation and amortization	7,411	7,816	1,793	1,992	3,643	4,048
<b>EBITDA</b>	<b>\$ 305,076</b>	<b>\$ 330,315</b>	<b>\$ 86,639</b>	<b>\$ 122,049</b>	<b>\$ 158,351</b>	<b>\$ 183,590</b>
Equity in losses (earnings) from investments (a)	3,396	(2,675)	2,311	(941)	4,553	(1,518)
Equity in losses (earnings) from real estate ventures (b)	10,286	(10,250)	460	(16,610)	2,337	(18,199)
Loss on extinguishment of debt	—	21,362	—	—	—	21,362
Stock-based compensation expense (c)	13,776	14,799	2,570	3,080	4,717	5,740
Litigation settlement and judgment expense (d)	335	211	57	—	129	5
Impact of MSA settlement (e)	(2,123)	(2,722)	—	—	(2,123)	(2,722)
Transaction expenses (f)	10,468	10,468	—	—	—	—
Net gains on sales of assets	(910)	(910)	—	—	—	—
Other, net	4,871	(10,687)	3,094	(8,613)	4,239	(11,319)
<b>Adjusted EBITDA from continuing operations</b>	<b>\$ 345,175</b>	<b>\$ 349,911</b>	<b>\$ 95,131</b>	<b>\$ 98,965</b>	<b>\$ 172,203</b>	<b>\$ 176,939</b>
<b>Adjusted EBITDA from Continuing Operations by Segment</b>						
Tobacco	\$ 345,828	\$ 364,399	\$ 89,883	\$ 104,885	\$ 166,959	\$ 185,530
Real Estate	11,696	4,125	6,873	(760)	7,908	337
Corporate and Other	(12,349)	(18,613)	(1,625)	(5,160)	(2,664)	(8,928)
<b>Total</b>	<b>\$ 345,175</b>	<b>\$ 349,911</b>	<b>\$ 95,131</b>	<b>\$ 98,965</b>	<b>\$ 172,203</b>	<b>\$ 176,939</b>

- a. Represents equity in earnings recognized from investments that the Company accounts for under the equity method.
- b. Represents equity in earnings recognized from the Company's investment in certain real estate ventures that are accounted for under the equity method and are not consolidated in the Company's financial results.
- c. Represents amortization of stock-based compensation. Included in the year ended December 31, 2021 are expenses associated with the acceleration of stock compensation in connection with the Company's spin-off of Douglas Elliman Inc. into a standalone public company.
- d. Represents accruals for product liability litigation in the Tobacco segment.
- e. Represents the Tobacco segment's settlement of long-standing disputes related to the Master Settlement Agreement.
- f. Represents expenses incurred in connection with the Company's spin-off of Douglas Elliman Inc. into a standalone public company.

**TABLE 3**  
**VECTOR GROUP LTD. AND SUBSIDIARIES**  
**RECONCILIATION OF ADJUSTED NET INCOME FROM CONTINUING OPERATIONS**  
**(Unaudited)**  
**(Dollars in Thousands, Except Per Share Amounts)**

Table 3 reflects a reconciliation of GAAP to non-GAAP financial information on a continuing operations basis. Because Douglas Elliman Inc.'s results are reflected within discontinued operations, they are excluded from the financial information provided below.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net income	\$ 39,153	\$ 93,305	\$ 71,695	\$ 125,262
Net income from discontinued operations	—	(28,324)	—	(38,731)
Loss on extinguishment of debt	—	—	—	21,362
Litigation settlement and judgment expense (a)	57	—	129	5
Impact of MSA settlement (b)	—	—	(2,123)	(2,722)
Impact of net interest expense capitalized to real estate ventures	1,685	(559)	(2,011)	(869)
Expense related to Tax Disaffiliation indemnification (c)	553	—	553	—
Adjustment for derivative associated with guarantee	(783)	—	(2,464)	—
Total adjustments	1,512	(28,883)	(5,916)	(20,955)
Tax benefit (expense) related to adjustments	(449)	151	1,034	(4,798)
Adjusted Net Income from continuing operations	<u>\$ 40,216</u>	<u>\$ 64,573</u>	<u>\$ 66,813</u>	<u>\$ 99,509</u>
Per diluted common share:				
Adjusted Net Income from continuing operations applicable to common shares	<u>\$ 0.25</u>	<u>\$ 0.41</u>	<u>\$ 0.42</u>	<u>\$ 0.64</u>

- a. Represents accruals for product liability litigation in the Tobacco segment.  
b. Represents the Tobacco segment's settlement of long-standing disputes related to the Master Settlement Agreement.  
c. Represents amounts accrued under the Company's Tax Disaffiliation Agreement related to certain tax liabilities of Douglas Elliman Inc. prior to its distribution on December 29, 2021.

**TABLE 4**  
**VECTOR GROUP LTD. AND SUBSIDIARIES**  
**RECONCILIATION OF ADJUSTED OPERATING INCOME**  
**(Unaudited)**  
**(Dollars in Thousands)**

Table 4 reflects a reconciliation of GAAP to non-GAAP financial information on a continuing operations basis. Because Douglas Elliman Inc.'s results are reflected within discontinued operations, they are excluded from the financial information provided below.

	LTM	Year Ended	Three Months Ended		Six Months Ended	
	June 30, 2022	December 31, 2021	2022	June 30, 2021	2022	June 30, 2021
Operating income	\$ 316,408	\$ 320,439	\$ 90,711	\$ 93,893	\$ 165,837	\$ 169,868
Litigation settlement and judgment expense (a)	335	211	57	—	129	5
Transaction expenses (b)	10,468	10,468	—	—	—	—
Acceleration of stock compensation expense (c)	4,317	4,317	—	—	—	—
Impact of MSA settlement (d)	(2,123)	(2,722)	—	—	(2,123)	(2,722)
Net gains on sales of assets	(910)	(910)	—	—	—	—
Total adjustments	12,087	11,364	57	—	(1,994)	(2,717)
Adjusted Operating Income	\$ 328,495	\$ 331,803	\$ 90,768	\$ 93,893	\$ 163,843	\$ 167,151

- a. Represents accruals for product liability litigation in the Tobacco segment.
- b. Represents expenses incurred in connection with the Company's spin-off of Douglas Elliman Inc. into a standalone public company.
- c. Represents expense related to the acceleration of stock compensation in connection with the Company's spin-off of Douglas Elliman Inc. into a standalone public company.
- d. Represents the Tobacco segment's settlement of long-standing disputes related to the Master Settlement Agreement.

**TABLE 5**  
**VECTOR GROUP LTD. AND SUBSIDIARIES**  
**RECONCILIATION OF TOBACCO ADJUSTED OPERATING INCOME**  
**AND TOBACCO ADJUSTED EBITDA**  
**(Unaudited)**  
**(Dollars in Thousands)**

	LTM	Year Ended	Three Months Ended		Six Months Ended	
	June 30, 2022	December 31, 2021	2022	June 30, 2021	2022	June 30, 2021
<b>Tobacco Adjusted Operating Income:</b>						
Operating income from Tobacco segment	\$ 341,510	\$ 360,317	\$ 88,332	\$ 103,179	\$ 165,971	\$ 184,778
Litigation settlement and judgment expense (a)	335	211	57	—	129	5
Impact of MSA settlement (b)	(2,123)	(2,722)	—	—	(2,123)	(2,722)
Total adjustments	(1,788)	(2,511)	57	—	(1,994)	(2,717)
Tobacco Adjusted Operating Income	\$ 339,722	\$ 357,806	\$ 88,389	\$ 103,179	\$ 163,977	\$ 182,061
<b>Tobacco Adjusted EBITDA:</b>						
Operating income from Tobacco segment	\$ 341,510	\$ 360,317	\$ 88,332	\$ 103,179	\$ 165,971	\$ 184,778
Litigation settlement and judgment expense (a)	335	211	57	—	129	5
Impact of MSA settlement (b)	(2,123)	(2,722)	—	—	(2,123)	(2,722)
Total adjustments	(1,788)	(2,511)	57	—	(1,994)	(2,717)
Tobacco Adjusted Operating Income	339,722	357,806	88,389	103,179	163,977	182,061
Depreciation and amortization	6,020	6,525	1,475	1,697	2,952	3,457
Stock-based compensation expense	86	68	19	9	30	12
Total adjustments	6,106	6,593	1,494	1,706	2,982	3,469
Tobacco Adjusted EBITDA	\$ 345,828	\$ 364,399	\$ 89,883	\$ 104,885	\$ 166,959	\$ 185,530

- a. Represents accruals for product liability litigation in the Tobacco segment.  
b. Represents the Tobacco segment's settlement of long-standing disputes related to the Master Settlement Agreement.

**TABLE 6**  
**VECTOR GROUP LTD. AND SUBSIDIARIES**  
**RECONCILIATION OF REVENUES**  
**(Unaudited)**  
**(Dollars in Thousands)**

	LTM	Year Ended	Six Months Ended	
	June 30, 2022	December 31, 2021	June 30, 2022	June 30, 2021
Revenues:				
Tobacco (a)	\$ 1,287,898	\$ 1,202,497	\$ 683,360	\$ 597,959
Real estate	23,504	18,203	15,884	10,583
Total revenues	<u>\$ 1,311,402</u>	<u>\$ 1,220,700</u>	<u>\$ 699,244</u>	<u>\$ 608,542</u>

a. Tobacco segment revenues include federal excise taxes of \$472,209 for the last twelve months ended June 30, 2022, \$434,695 for the year ended December 31, 2021, \$253,963 and \$216,449 for the six months ended June 30, 2022 and 2021, respectively.



Investor Presentation

August 2022





## Disclaimer

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Results actually achieved may differ materially from expected results included in these forward-looking statements as a result of these or other factors. Due to such uncertainties and risks, potential investors are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date on which such statements are made. The Company disclaims any obligation to, and does not undertake to, update or revise and forward-looking statements in this presentation.

# Investment Highlights & Portfolio

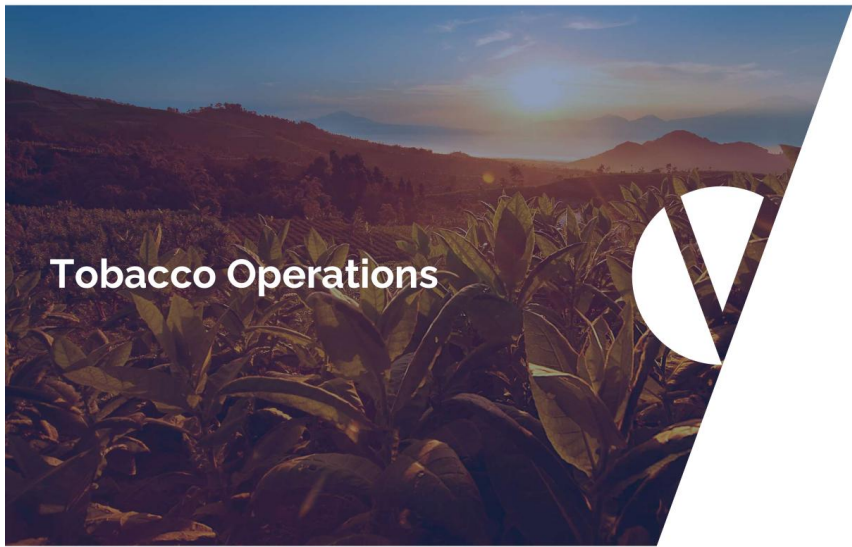


- Overview
  - Holding Company with two primary businesses: tobacco (Liggett Group) and real estate (New Valley LLC)
    - On December 29, 2021, Vector completed the spin-off of Douglas Elliman Inc. into an independent publicly traded company (NYSE: DOUG)
  - Reported GAAP net income of \$219.5 million, \$71.7 million and \$125.3 million for the year ended December 31, 2021 and the six months ended June 30, 2022 and 2021, respectively; reported operating income of \$320.4 million, \$165.9 million and \$169.9 million for the year ended December 31, 2021 and the six months ended June 30, 2022 and 2021, respectively.
  - History of strong earnings with Adjusted EBITDA of \$345.2 million for the last twelve months ended June 30, 2022<sup>(1)</sup>
    - Tobacco Adjusted EBITDA of \$345.8 million for the last twelve months ended June 30, 2022<sup>(2)</sup>
  - Diversified portfolio of consolidated and non-consolidated real estate investments at New Valley
  - Maintains substantial liquidity with cash, marketable securities and long-term investments of \$492 million (including cash of \$105 million at Liggett) as of June 30, 2022
  - Seasoned management team (CEO, COO, CFO and General Counsel) with average tenure of 28 years with Vector as of June 30, 2022
  - Management team and directors beneficially own approximately 8% of the equity of Vector
  - Perpetual cost advantage over the largest U.S. tobacco companies – annual cost advantage ranged between \$160 million and \$169 million from 2012 to 2021<sup>(3)</sup>

<sup>(1)</sup> Vector's net income was \$219.5 million and \$169.9 million for the year ended December 31, 2021 and the last twelve months ended June 30, 2022, respectively. Adjusted EBITDA is a Non-GAAP Financial Measure. Please refer to Exhibit 991 of the Company's Current Report on Form 8-K, filed August 5, 2022 (Table 2) for a reconciliation of net income to Adjusted EBITDA as well as the Disclosure to this document on Page 9. Please also refer to the table on Page 22 for a reconciliation of net income to Adjusted EBITDA.

<sup>(2)</sup> All Liggett and Tobacco financial information in this presentation includes the operations of Liggett Group LLC, Vector Tobacco Inc. and Liggett Vector Brands LLC unless otherwise noted. Vector's operating income from the tobacco segment was \$365.3 million and \$345.5 million for the year ended December 31, 2021 and the last twelve months ended June 30, 2022, respectively. Tobacco Adjusted EBITDA is a Non-GAAP Financial Measure and is defined in Tables 4 and 5 of Exhibit 991 to the Company's Current Report on Form 8-K, filed August 5, 2022.

<sup>(3)</sup> Cost advantage applies only to cigarettes sold below applicable market share exemption (approximately 1.2% of cigarettes sold in the United States).



Tobacco Operations



## Overview



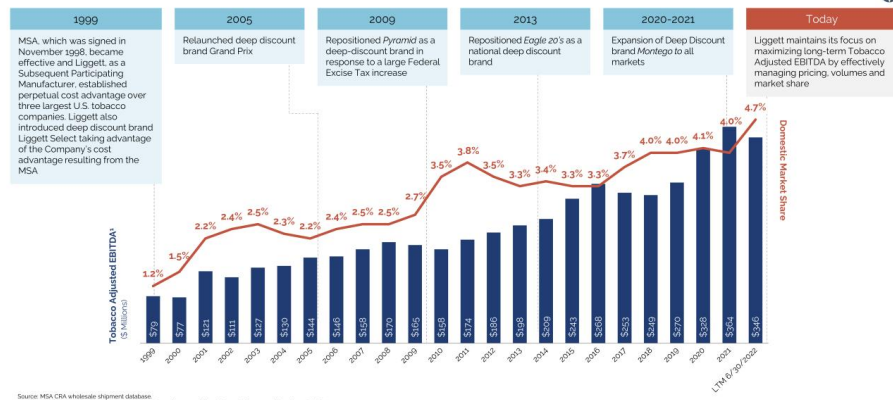
- Fourth-largest U.S. cigarette manufacturer; founded in 1873
  - Core Discount Brands – Eagle 20's, Montego, Pyramid, Grand Prix, Liggett Select and Eve
    - Today, the average retail prices of Montego, Eagle 20's and Pyramid are approximately 50%, 30% and 15%, respectively, below the average retail prices of the leading premium brands
    - Within the discount category, we continue to see momentum and growth for brands priced in the deep discount segment
    - Approximately 40% of our current volumes are exempt from payment due to our perpetual MSA grandfathered market share
  - Partner Brands – USA, Bronson and Tourney
- Consistent and strong cash flow
  - Tobacco Adjusted EBITDA of \$345.8 million for the last twelve months ended June 30, 2022<sup>(1)</sup>
  - Capital requirements with capital expenditures of \$7.3 million related to tobacco operations for the last twelve months ended June 30, 2022; current capital expenditure commitments of \$15 million associated with factory modernization throughout 2022 and 2023.
- Current cost advantage of approximately \$0.90 per pack<sup>(2)</sup> compared to the largest U.S. tobacco companies expected to maintain, or gain, market share and drive profit in core brands
  - Pursuant to the MSA, Liggett has no payment obligations unless its market share exceeds a market share exemption of approximately 1.65% of total cigarettes sold in the United States, and Vector Tobacco has no payment obligations unless its market share exceeds a market share exemption of approximately 0.28% of total cigarettes sold in the United States
  - MSA exemption annual cost advantage ranged between \$160 million and \$169 million for Liggett and Vector Tobacco from 2012 to 2021



<sup>(1)</sup> Vector's operating income from the tobacco segment was \$462.0 million and \$424.8 million for the year ended December 31, 2021 and the last twelve months ended June 30, 2022, respectively. Tobacco Adjusted EBITDA is a Non-GAAP financial measure and is defined in the Company's Current Report on Form 8-K, filed August 5, 2022. Please also refer to the Disclosure to this document on Page 2.

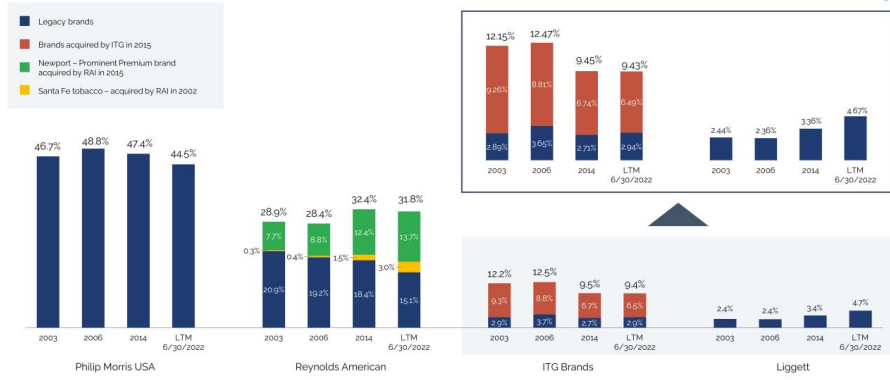
<sup>(2)</sup> Cost advantage only applies to cigarettes sold below applicable market share exemption (approximately 1.22% of total cigarettes sold in the United States).

# History



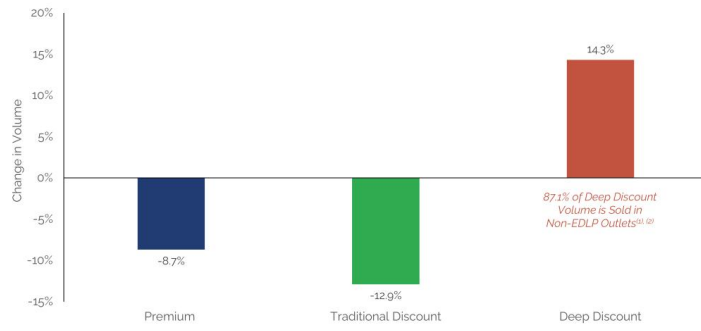
Source: MSA CDA wholesale shipment database.  
 Note: The Liggett and Vector Tobacco businesses have been combined into a single segment for all periods since 2007.  
 \* Vector's operating income from the tobacco segment was \$204, \$205, and \$245 for the years ended December 31, 2019, 2020 and 2021 and the last twelve months ended June 30, 2022, respectively. Tobacco Adjusted EBITDA is a Non-GAAP Financial Measure and is defined in Table 2 and Table 5 of Exhibit 991 to the Company's Current Reports on Form 8-K, filed on August 5, 2022. Please also refer to Table 2 of Exhibit 992 to the Company's Current Reports on Form 8-K, filed October 2, 2020, November 15, 2020, and Table 5 of Exhibit 991 to the Company's Current Reports on Form 8-K, filed March 1, 2022.

# Adjusted U.S. Tobacco Industry Market Share



Source: The Maxwell Report's sales estimates for the cigarette industry for the years ended 2003 (February 2004), 2006 (February 2007) and 2014 (March 2015) and internal estimates for LTM ended 6/30/2022.  
 Actual Market Share in 2003, 2006 and 2014 reported in the Maxwell Report for Reynolds American was 28.0%, 28.8% and 32.5%, respectively, and for ITG Brands, was 12.1%, 12.7% and 9.5%, respectively. Adjusted market share has been computed by Vector Group Ltd. by applying historical market share of each brand to the present owner of brand. Thus, the graph assumes each company owned its current brands on January 1, 2003. The legacy brands market share of Reynolds American in 2003 includes the market share of Reynolds American in 2003 which manufactured the Parliament Premier brand and sold a portfolio of brands.  
 † Does not include smaller manufacturers, whose cumulative market shares were 0.8%, 0.9%, 0.8% and 0.5% in 2003, 2006, 2014 and last twelve months ended June 30, 2022, respectively.

## U.S. Cigarette Industry Volume Change by Segment – LTM 6/30/2022

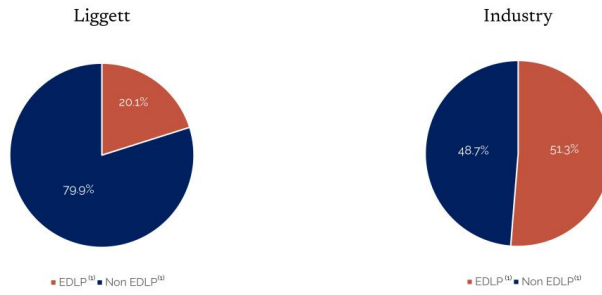


Source: Management Science Associates (MSA) RIS Database for the 52 weeks ended July 2, 2022. The source for the database is reporting by tobacco distributors, who are constituents of the MSA RIS database and represent approximately 95% of distributor shipments to retailers selling cigarettes in the United States.

<sup>1)</sup> The Deep Discount category currently includes brands whose national average retail price is at least 40% lower than the average of the leading Premium cigarette brands. Aberrigo is included in the Deep Discount category and all other Liggett brands are included in the Traditional Discount category.

<sup>2)</sup> Every Day Low Price (EDLP) stores are defined as retail stores participating in R. J. Reynolds Tobacco Company's contractual trade program that requires such retail stores to price and sell a EQLP Brand to consumers, at equal to or less than the lowest price offered for any cigarette products sold in the store.

## Liggett's Volume is More Heavily Weighted in Non-EDLP Stores<sup>(1)</sup>



Source: Management Science Associates RIS Database 52 Weeks Ended July 2, 2022  
<sup>(2)</sup> Every Day Low Price ("EDLP") stores are defined as retail stores participating in R. J. Reynolds Tobacco Company's contractual trade program that requires such retail stores to price and sell a EDLP Brand to consumers, at equal to or less than the lowest price offered for any cigarette products sold in the store.

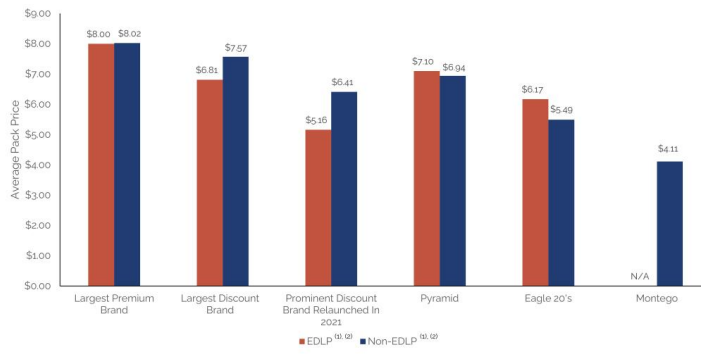


## Price Increases in 2020, 2021 and 2022



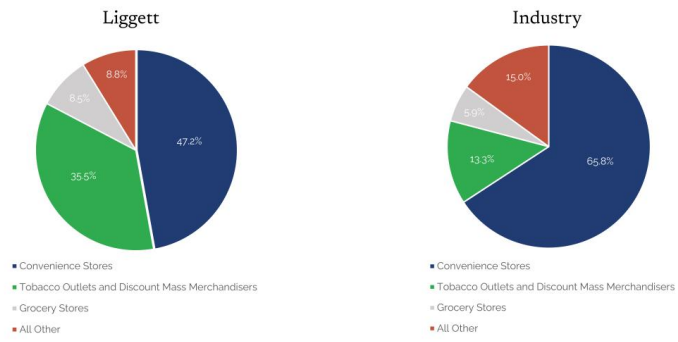
Effective Date	Action	Brands			
		Montego	Eagle 20's	Pyramid	Liggett Select, Eve and Grand Prix
		Amount per pack			
<b>2020</b>					
February 17, 2020	List Price increase	\$ -	\$ 0.08	\$ 0.08	\$ 0.08
June 22, 2020	List Price increase	-	0.11	0.11	0.11
November 2, 2020	List Price increase	-	0.13	0.13	0.13
<b>2021</b>					
January 25, 2021	List Price increase	\$ -	\$ 0.14	\$ 0.14	\$ 0.14
June 28, 2021	List Price increase	-	0.14	0.14	0.14
September 27, 2021	List Price increase	-	0.15	0.15	0.15
<b>2022</b>					
January 31, 2022	List Price increase	\$ 0.10	\$ 0.15	\$ 0.15	\$ 0.15
April 29, 2022	List Price increase	-	0.16	0.16	0.16
May 1, 2022	Promotional spending reduction	0.10	-	-	-
July 29, 2022	List Price increase	0.16	0.16	0.16	0.16

## Average per Pack Price (Retail) – EDLP Stores<sup>(1)</sup> and Non-EDLP<sup>(1)</sup> Stores



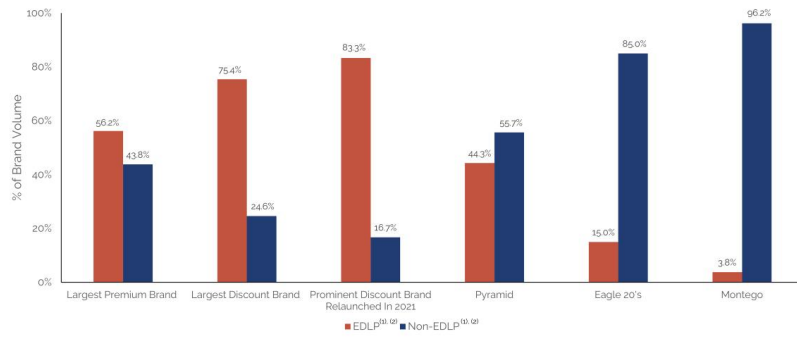
Source: Company Estimates in Liggett's markets for the 13 weeks ended July 2, 2022.  
<sup>(1)</sup> Every Day Low Price ("EDLP") stores are defined as retail stores participating in (i) Reynolds Tobacco Company's contractual trade program that requires such retail stores to price and sell a EDLP Brand to consumers at equal to or less than the lowest price offered for any cigarette products sold in the store.  
<sup>(2)</sup> Company retail pricing estimates include State Excise Tax and, as such, average brand pricing estimates may be impacted by the degree of geographic diversity in the retail store population sample.

## Liggett's Distribution is Value-Focused



Source: Management Science Associates, Inc.'s RIS Database for the 52 weeks ended July 2, 2022

## Analysis of Retail Volume - EDLP<sup>(1)</sup> Stores and Non-EDLP<sup>(1)</sup> Stores



Source: Management Science Associates, Inc.'s RIS Database for the 13 weeks ended July 2, 2022.  
<sup>(1)</sup> Every Day Low Price (EDLP) stores are defined as retail stores participating in R. J. Reynolds Tobacco Company's contractual trade program that requires such retail stores to price and sell a EDLP brand to consumers, at equal to or less than the lowest price offered for any cigarette products sold in the store.  
<sup>(2)</sup> Company retail pricing information includes State Excise Tax and, as such, average brand pricing estimates may be impacted by the degree of geographic diversity in the retail store population sample.

## Tobacco Litigation and Regulatory Updates

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- **Litigation**
  - In 2013, Liggett reached a settlement with approximately 4,900 Engle progeny plaintiffs
    - Liggett agreed to pay \$62 million in cash and annual payments of \$3.4 million from 2015 to 2028
    - As of June 30, 2022, 24 Engle progeny cases remain pending
  - Liggett is also a defendant in 61 non-Engle smoking-related individual cases and two smoking-related actions where either a class had been certified or plaintiffs were seeking class certification
  - The Mississippi Attorney General filed a motion to enforce Mississippi's 1996 settlement agreement with Liggett and alleges that Liggett owes Mississippi approximately \$38 million in damages (including interest through June 2022). Proceedings are ongoing and Liggett posted a bond for \$24 million in the quarter ended June 30, 2022. To date Liggett has been unsuccessful in its efforts to defeat this matter
  
- **Regulatory**
  - Since 1998, the MSA has restricted the advertising and marketing of tobacco products
  - Certain states have passed legislation banning the sale of menthol cigarettes
  - Family Smoking Prevention and Tobacco Control Act (2009) granted the FDA the authority to regulate (but not ban) tobacco products
    - On May 4, 2022, FDA published a proposed rule to prohibit menthol as a characterizing flavor in cigarettes
    - On June 21, 2022, the FDA indicated it plans to publish a proposed rule in May 2023 that establishes a tobacco product standard reducing the level of nicotine in cigarettes to non-addictive levels



Real Estate Operations



## Real Estate Overview

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- New Valley LLC owns interests in numerous properties and real estate projects in different asset classes, including planned communities, condominium and mixed-use developments, apartment buildings, hotels and commercial properties
- New Valley has approximately \$170 million<sup>(1)</sup> invested, as of June 30, 2022, in a broad portfolio of real estate ventures
- On December 29, 2021, Vector completed the spin-off of Douglas Elliman Inc. into an independent public company. Douglas Elliman Inc. (NYSE: DOUG) now owns the real estate brokerage, ancillary services operations and PropTech investment businesses formerly owned by Vector through New Valley. New Valley's interest in numerous real estate properties and projects remain owned by Vector.

<sup>(1)</sup> Net of cash returned.

# Real Estate Summary<sup>(1)</sup>



(\$ in thousands)

	Net cash invested	Cumulative earnings / (loss) †	Carrying value ‡	Projected construction end date	Range of ownership	Number of investments
<b>Land owned</b>						
All other U.S. areas	\$ 17,307	\$ 17,307	\$ -	N/A	100.0%	—
	\$ 17,307	\$ 17,307	\$ -			—
<b>Real Estate Investments at Cost</b>						
All other U.S. areas	\$ 1,000	\$ -	\$ 1,000	N/A	25%	1
	\$ 1,000	\$ -	\$ 1,000			1
<b>Condominium and Mixed Use Development (Minority interest owned)</b>						
New York City S/MSA	\$ 45,833	\$ 125,099	\$ 20,148	2023	42% - 37.0%	8
All other U.S. areas	72,599	121,179	89,405	2022 - 2024	12.5% - 89.1%	11
	\$ 118,432	\$ 326,278	\$ 109,553			19
<b>Apartments (Minority interest owned)</b>						
All other U.S. areas	\$ 11,500	\$ 12,248	\$ 10,975	N/A	7.8% - 50.0%	1
	\$ 11,500	\$ 12,248	\$ 10,975			1
<b>Hotels (Minority interest owned)</b>						
New York City S/MSA	\$ 8,354	\$ 17,299	\$ 1,098	2022	0.4% - 12.3%	3
All other U.S. areas	8,350	8,350	-	2022-2024	N/A	—
International	6,048	14,832	1,258	N/A	49.0%	1
	\$ 22,752	\$ 36,481	\$ 2,356			4
<b>Commercial and Other (Minority interest owned)</b>						
New York City S/MSA	\$ 4,812	\$ 12,815	\$ 7,913	N/A	45.4% - 49.0%	3
All other U.S. areas	3,696	3,801	7,487	N/A	1.6%	1
	\$ 8,508	\$ 16,616	\$ 15,400			4
<b>Total</b>	<b>\$ 134,811</b>	<b>\$ 324,887</b>	<b>\$ 108,908</b>			<b>29</b>
<b>Summary</b>						
New York City S/MSA	\$ 48,676	\$ 193,600	\$ 29,159			14
All other U.S. areas	79,828	133,99	79,489			14
International	6,307	14,832	1,210			1
	\$ 134,811	\$ 324,887	\$ 109,854			29

1) For the percentage of each real estate project owned, please refer to the "Summary of Real Estate Investments" section of Item 2 - "Management's Discussion and Analysis of Financial Condition and Results of Operations" of Vector Group Ltd.'s Form 20-F for the period ended June 30, 2022.

2) Includes interest expense capitalized to real estate ventures of \$11,568.





Financial Data



# Adjusted Historical Financial Data



<sup>(1)</sup> Revenues include federal excise taxes of \$40, \$46, \$45 and \$47, respectively.  
<sup>(2)</sup> On December 29, 2020, Vector Group Ltd completed the distribution of its real estate coverage services and digital investment business into its non-operations public company, Douglas Elliman Inc. Non-GAAP financial information through distribution of Douglas Elliman's common stock to Vector Group Ltd stockholders. The historical results of the real estate coverage services and digital investment business owned by Douglas Elliman Inc. are excluded from revenues and are now reflected as income from discontinued operations, net of income taxes, in Vector Group Ltd's Consolidated Statements of Operations.  
<sup>(3)</sup> Vector's net income for the periods presented are from EBITDA, EBITDA, and EBITDA, respectively. Adjusted EBITDA are a Non-GAAP Financial Measure. Please refer to the Company's Current Reports on Form 8-K filed on February 28, 2020, March 1, 2022, and August 2, 2022, respectively, EBITDA for a reconciliation of Non-GAAP financial measures to GAAP. Please also refer to the table on Page 27 for a reconciliation of Net Income to Adjusted EBITDA.  
<sup>(4)</sup> Adjusted EBITDA has been computed using a reconciliation of GAAP to non-GAAP financial information on a continuing operations basis. The reconciliation is located on Page 27. Because Douglas Elliman Inc.'s results are reflected within discontinued operations, they are excluded from the financial information provided above.



Summary



# Summary



## Vector Group

- Vector Group Ltd., a holding company owning Tobacco and Real Estate businesses, and holding consolidated cash, investment securities and long-term investments of \$492 million<sup>1</sup> at June 30, 2022 (\$387 million, excluding cash at Liggett)
- Vector's CEO, COO, CFO and General Counsel have an average tenure of 28 years with the Company and, along with directors, beneficially own approximately 8% of Vector's common stock



## Tobacco segment

- Liggett is the fourth-largest U.S. cigarette manufacturer with 4.7% wholesale market share and 4.8% retail market share for the last twelve months ended June 30, 2022
- From April 1, 2010, to March 31, 2020, was the only major U.S. cigarette manufacturer to increase both market share and unit volumes
- \$346 million<sup>2</sup> of Tobacco Adjusted EBITDA for the last twelve months ended June 30, 2022



## Real Estate segment

- New Valley owns a diversified portfolio of consolidated and non-consolidated real estate investments carried at \$109 million at June 30, 2022.
- New Valley's portfolio of real estate ventures exists in various markets throughout the U.S., including New York City, Miami, Los Angeles, Las Vegas and Nashville



<sup>1</sup> At June 30, 2022, the total amount (\$492 million) includes cash at Liggett of \$205 million.  
<sup>2</sup> Vector Group Ltd.'s operating income from the tobacco segment was \$260.2 million and \$341.2 million for the year ended December 31, 2021 and the last twelve months ended June 30, 2022, respectively. Adjusted EBITDA is a Non-GAAP Financial Measure. Please refer to Exhibit 991 to the Company's Current Reports on Form 8-K, filed August 5, 2022 (Tables 2 and 3) and March 1, 2022 (Tables 2 and 3), for a reconciliation of Net Income to Adjusted EBITDA and a reconciliation of operating income from the tobacco segment to Adjusted EBITDA, as well as the Disclaimer to this document on Page 2.

## Adjusted EBITDA Reconciliation

(\$ Millions)	FYE December 31,		Six Months Ended		LTM 6/30/2022	
	2019	2020	2021	6/30/2022		6/30/2021
Net income attributed to Vector Group Ltd.	\$ 101.0	\$ 92.9	\$ 219.5	\$ 71.7	\$ 126.3	\$ 159.9
Net income/loss attributed to Vector Group Ltd from discontinued operations	0.1	34.0	(72.3)	-	(38.7)	(33.8)
Interest Expense	137.5	121.3	112.7	55.8	56.8	111.8
Tax Expense	31.1	54.1	62.8	27.2	36.2	53.8
Net loss attributed to non-controlling interest	0.0	-	(0.2)	-	-	(0.2)
Depreciation and Amortization	9.2	9.1	7.8	3.6	4.0	7.5
<b>EBITDA</b>	<b>\$ 271.8</b>	<b>\$ 311.4</b>	<b>\$ 330.3</b>	<b>\$ 158.4</b>	<b>\$ 183.6</b>	<b>\$ 306.1</b>
Change in Fair Value of Derivatives Embedded Within Convertible Debt <sup>1)</sup>	(26.4)	(6.0)	-	-	-	-
Equity in Earnings/Loss from Investments <sup>2)</sup>	(7.0)	(6.3)	(2.7)	4.6	(1.5)	3.4
Equity in Losses/Earnings from Real Estate Ventures <sup>3)</sup>	27.8	44.7	(10.3)	2.3	(18.2)	10.3
Loss on Extinguishment of Debt	4.3	-	21.4	-	21.4	-
Stock-Based Compensation Expense <sup>4)</sup>	0.5	0.5	14.8	4.7	5.7	13.8
Litigation Settlement and Judgment (Income) Expense <sup>5)</sup>	1.0	0.3	0.2	0.1	-	(2.1)
Impact of MSA Settlement <sup>6)</sup>	-	-	(2.7)	(2.1)	(2.7)	(2.1)
Transaction Expenses <sup>7)</sup>	-	-	10.5	-	-	10.5
Net Gains on Sales of Assets	-	(2.3)	(0.9)	-	-	(0.8)
Other, Net	(68.7)	8.6	(10.7)	4.2	(11.3)	4.9
<b>Adjusted EBITDA Attributed to Vector</b>	<b>\$ 254.1</b>	<b>\$ 311.4</b>	<b>\$ 349.9</b>	<b>\$ 172.2</b>	<b>\$ 176.9</b>	<b>\$ 345.2</b>
<b>Operating Income (Loss) by Segment</b>						
Tobacco	\$ 261.6	\$ 319.5	\$ 300.3	\$ 166.0	\$ 184.8	\$ 341.5
Real Estate	0.6	(0.8)	4.1	7.8	0.2	11.7
Corporate & Other	(7.0)	(24.0)	(43.0)	(8.0)	(5.1)	(10.8)
<b>Operating Income</b>	<b>\$ 234.6</b>	<b>\$ 294.4</b>	<b>\$ 324.4</b>	<b>\$ 165.8</b>	<b>\$ 169.9</b>	<b>\$ 316.4</b>
<b>Adjusted EBITDA Attributed to Vector by Segment</b>						
Tobacco	\$ 270.0	\$ 328.0	\$ 354.4	\$ 167.0	\$ 186.5	\$ 345.8
Real Estate	0.8	(0.3)	4.1	7.9	0.3	11.7
Corporate & Other	(17.1)	(16.4)	(8.6)	(2.7)	(8.9)	(12.3)
<b>Adjusted EBITDA Attributed to Vector</b>	<b>\$ 254.1</b>	<b>\$ 311.4</b>	<b>\$ 349.9</b>	<b>\$ 172.2</b>	<b>\$ 176.9</b>	<b>\$ 345.2</b>

**Source Company Filings**

1) Represents income recognized from changes in the fair value of the derivatives embedded in the Company's convertible debt.

2) Represents equity in earnings recognized from investments that the Company accounts for under the equity method. Included in the amount are equity in earnings from Lohndorfer, Tailored Financial Services of \$5.4 million for the year ended December 31, 2020 and equity earnings from Castle Brands of \$4.4 million for the year ended December 31, 2019.

3) Represents equity in (losses)/gains recognized from the Company's investment in certain real estate businesses that are not consolidated in its financial results.

4) Represents amortization of stock-based compensation.

5) Represents accruals for settlements of judgment expenses in the Dingle property tobacco litigation.

6) Represents the tobacco segment's settlement of a long-running dispute related to the Master Settlement Agreement.

7) Transaction expenses include expenses incurred in connection with the Company's sale of its Dingle property to H&B Holdings, a public company, which occurred on December 10, 2021.



