

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): May 8, 2023

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 May 8, 2023, Vector Group Ltd. (NYSE:VGR) (the “Company”) announced its financial results for the three months ended March 31, 2023. 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 February 25, 2021 and February 16, 2023 for reconciliations of financial measures prepared in accordance with GAAP to Non-GAAP Financial Measures.

Adjusted EBITDA, Adjusted Net Income, Adjusted Operating Income, Tobacco Adjusted Operating Income, and Tobacco Adjusted EBITDA, and financial measures for all periods presented, including the last twelve months (“LTM”) ended March 31, 2023, (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 discussions 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 our Annual Report on Form 10-K for the year ended December 31, 2022 and, when filed, in our Quarterly Report on Form 10-Q for the period ended March 31, 2023. 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.

Item 9.01. Financial Statements and Exhibit

(d) Exhibits.

Exhibit No.

Exhibit

[99.1](#)

Press Release issued on May 8, 2023, regarding financial results for the first quarter ended March 31, 2023.

[99.2](#)

Investor presentation of Vector Group Ltd. dated May 2023 (furnished pursuant to Regulation FD).

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

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: May 9, 2023



FOR IMMEDIATE RELEASE

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VECTOR GROUP REPORTS FIRST QUARTER 2023 FINANCIAL RESULTS

Continued Strong Revenue Growth in Tobacco Segment with First Quarter Tobacco Segment Revenues Increasing by 8% from Prior Year Period

First Quarter 2023 Highlights:

- **Consolidated revenues of \$334.1 million, up 7.1% or \$22.1 million compared to the prior year period.**
 - Tobacco segment revenues of \$334.1 million, up 8.1% or \$25.1 million compared to the prior year period.
 - Tobacco segment wholesale and retail market share increased to 5.7% and 5.8% from 5.2% and 5.2%, respectively, in the prior year period.
- **Reported operating income of \$74.3 million, down \$0.8 million compared to the prior year period.**
 - Tobacco segment operating income of \$78.6 million, up 1.2% or \$1.0 million compared to the prior year period, primarily attributable to the transition of the *Montego* brand strategy from volume-based to income-based.
- **Adjusted EBITDA of \$78.1 million, up 1.3% or \$1.0 million compared to the prior year period.**
 - Tobacco Adjusted EBITDA of \$80.0 million, up 3.8% or \$2.9 million from \$77.1 million in the prior year period.

MIAMI, FL, May 8, 2023 - Vector Group Ltd. (NYSE:VGR) today announced financial results for the three months ended March 31, 2023.

“Vector Group delivered strong tobacco business revenue performance in the first quarter as we continued to capitalize on favorable market opportunities to substantially increase market share and profitability,” said Howard M. Lorber, President and Chief Executive Officer of Vector Group Ltd. “Our first quarter results continue to validate our strategy of optimizing long-term profit through the effective management of volume, pricing, and market share.”

GAAP Financial Results

First quarter 2023 revenues were \$334.1 million, compared to revenues of \$312.0 million for the first quarter of 2022. The Company recorded operating income of \$74.3 million for the first quarter of 2023 compared to operating income of \$75.1

million for the first quarter of 2022. Net income for the first quarter of 2023 was \$34.7 million, or \$0.22 per diluted common share, compared to net income of \$32.5 million, or \$0.21 per diluted common share, for the first quarter of 2022.

Non-GAAP Financial Measures

Three months ended March 31, 2023 compared to the three months ended March 31, 2022

Adjusted EBITDA (as described in Table 2 attached hereto) were \$78.1 million for the first quarter of 2023, compared to \$77.1 million for the first quarter of 2022.

Adjusted Net Income (as described in Table 3 attached hereto) was \$34.0 million, or \$0.22 per diluted common share, for the first quarter of 2023, and \$26.6 million, or \$0.17 per diluted common share, for the first quarter of 2022.

Adjusted Operating Income (as described in Table 4 attached hereto) was \$74.3 million for the first quarter of 2023, compared to \$73.1 million for the first quarter of 2022.

Consolidated Balance Sheet

Vector maintained significant liquidity at March 31, 2023 with cash and cash equivalents of \$282 million, including \$52 million of cash at Liggett. Vector also held investment securities of \$107 million and long-term investments of \$45 million.

Vector continued its longstanding practice of paying a quarterly cash dividend in the first quarter of 2023, returning \$32 million to stockholders at a rate of \$0.20 per common share.

Tobacco Segment Financial Results

For the first quarter of 2023, the Tobacco segment had revenues of \$334.1 million, compared to \$309.0 million for the first quarter of 2022.

Operating Income from the Tobacco segment was \$78.6 million for the first quarter of 2023, compared to \$77.6 million for the first quarter of 2022.

Non-GAAP Financial Measures

Tobacco Adjusted Operating Income (as described in Table 5 attached hereto) was \$78.6 million for the first quarter of 2023, compared to \$75.6 million for the first quarter of 2022.

Operational Metrics

For the three months ended March 31, 2023, the Tobacco segment had conventional cigarette (wholesale) shipments of approximately 2.35 billion units, compared to 2.30 billion units for the first quarter of 2022.

According to data from Management Science Associates, for the first quarter of 2023, Liggett's wholesale market share increased to 5.7% compared to 5.2% for the first quarter of 2022. Liggett's wholesale market share is 5.5% for the last twelve months ended March 31, 2023. Compared to the first quarter of 2022, Liggett's wholesale shipments increased by 2.3% while industry wholesale shipments declined by 6%.

According to data from Management Science Associates, for the first quarter of 2023, Liggett's retail market share increased to 5.8% compared to 5.2% for the first quarter of 2022. Liggett's retail market share is 5.7% for the last twelve months ended March 31, 2023. Compared to the first quarter of 2022, Liggett's retail shipments in the first quarter of 2023 increased by 1.6% while the overall industry's retail shipments declined by 8.9%.

Non-GAAP Financial Measures

Adjusted EBITDA, Adjusted Net Income, Adjusted Operating Income, Tobacco Adjusted Operating Income, and Tobacco Adjusted EBITDA (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 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.

Reconciliations of Non-GAAP Financial Measures to the comparable GAAP financial results for the last twelve months ended March 31, 2023 and the three months ended March 31, 2023 and 2022 are included in Tables 2 through 6.

Conference Call to Discuss First Quarter 2023 Results

As previously announced, Vector will host a conference call and webcast on Tuesday, May 9, 2023 at 8:30AM (ET) to discuss its first quarter 2023 results. Investors can access the call via webcast at <https://www.webcaster4.com/Webcast/Page/2271/48350>. Please join the webcast at least 10 minutes prior to the start time.

A replay of the call will be available shortly after the call ends on May 9, 2023 through May 23, 2023 at <https://www.webcaster4.com/Webcast/Page/2271/48350>.

About Vector Group Ltd.

Vector Group is a holding company for Liggett Group LLC, Vector Tobacco LLC, and New Valley LLC. Additional information concerning the Company is available on the Company's website, 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 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 the Company to review the information we post on our website at 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 2022 Annual Report on Form 10-K and, when filed, in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023. 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)

	Three Months Ended	
	2023	2022
	March 31,	
	(Unaudited)	
Revenues:		
Tobacco*	\$ 334,145	\$ 309,048
Real estate	—	2,994
Total revenues	<u>334,145</u>	<u>312,042</u>
Expenses:		
Cost of sales:		
Tobacco*	232,286	211,537
Real estate	—	1,278
Total cost of sales	<u>232,286</u>	<u>212,815</u>
Operating, selling, administrative and general expenses	27,292	24,029
Litigation settlement and judgment expense	270	72
Operating income	<u>74,297</u>	<u>75,126</u>
Other income (expenses):		
Interest expense	(27,474)	(25,098)
Loss on extinguishment of debt	(141)	—
Equity in losses from investments	(159)	(2,242)
Equity in losses from real estate ventures	(1,893)	(1,877)
Other, net	3,620	(1,145)
Income before provision for income taxes	48,250	44,764
Income tax expense	13,509	12,222
Net income	<u>\$ 34,741</u>	<u>\$ 32,542</u>
Per basic common share:		
Net income applicable to common shares	<u>\$ 0.22</u>	<u>\$ 0.21</u>
Per diluted common share:		
Net income applicable to common shares	<u>\$ 0.22</u>	<u>\$ 0.21</u>

* Revenues and cost of sales include federal excise taxes of \$117,818 and \$116,079 for the three months ended March 31, 2023 and 2022, respectively.

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

	LTM		Year Ended		Three Months Ended			
	March 31,	2023	December 31,	2022	2023	March 31, 2022		
Net income	\$	160,900	\$	158,701	\$	34,741	\$	32,542
Interest expense		113,041		110,665		27,474		25,098
Income tax expense		63,148		61,861		13,509		12,222
Depreciation and amortization		7,060		7,218		1,692		1,850
EBITDA	\$	344,149	\$	338,445	\$	77,416	\$	71,712
Equity in losses from investments (a)		2,912		4,995		159		2,242
Equity in losses from real estate ventures (b)		5,962		5,946		1,893		1,877
(Gain) loss on extinguishment of debt		(271)		(412)		141		—
Stock-based compensation expense (c)		7,807		7,848		2,106		2,147
Litigation settlement and judgment expense (d)		437		239		270		72
Impact of MSA settlement (e)		(311)		(2,123)		(311)		(2,123)
Other, net		(7,511)		(2,746)		(3,620)		1,145
Adjusted EBITDA	\$	353,174	\$	352,192	\$	78,054	\$	77,072
Adjusted EBITDA by Segment								
Tobacco	\$	354,017	\$	351,131	\$	79,962	\$	77,076
Real Estate		7,109		8,082		62		1,035
Corporate and Other		(7,952)		(7,021)		(1,970)		(1,039)
Total	\$	353,174	\$	352,192	\$	78,054	\$	77,072

- a. Represents equity in losses recognized from investments that the Company accounts for under the equity method.
b. Represents equity in losses 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.
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.

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

	Three Months Ended	
	2023	2022
Net income	\$ 34,741	\$ 32,542
Loss on extinguishment of debt	141	—
Litigation settlement and judgment expense (a)	270	72
Impact of MSA settlement (b)	(311)	(2,123)
Impact of net interest expense capitalized to real estate ventures	(1,041)	(3,696)
Adjustment for derivative associated with guarantee	—	(1,681)
Total adjustments	(941)	(7,428)
Tax benefit related to adjustments	243	1,483
Adjusted Net Income	<u>\$ 34,043</u>	<u>\$ 26,597</u>
Per diluted common share:		
Adjusted Net Income applicable to common shares	<u>\$ 0.22</u>	<u>\$ 0.17</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.

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

	LTM		Year Ended		Three Months Ended			
	March 31,	2023	December 31,	2022	March 31,	2022		
Operating income	\$	338,181	\$	339,010	\$	74,297	\$	75,126
Litigation settlement and judgment expense (a)		437		239		270		72
Impact of MSA settlement (b)		(311)		(2,123)		(311)		(2,123)
Total adjustments		126		(1,884)		(41)		(2,051)
Adjusted Operating Income	\$	338,307	\$	337,126	\$	74,256	\$	73,075

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

	LTM March 31, 2023	Year Ended December 31, 2022	Three Months Ended March 31,	
			2023	2022
Tobacco Adjusted Operating Income:				
Operating income from Tobacco segment	\$ 348,004	\$ 347,044	\$ 78,599	\$ 77,639
Litigation settlement and judgment expense (a)	437	239	270	72
Impact of MSA settlement (b)	(311)	(2,123)	(311)	(2,123)
Total adjustments	126	(1,884)	(41)	(2,051)
Tobacco Adjusted Operating Income	<u>\$ 348,130</u>	<u>\$ 345,160</u>	<u>\$ 78,558</u>	<u>\$ 75,588</u>

	LTM March 31, 2023	Year Ended December 31, 2022	Three Months Ended March 31,	
			2023	2022
Tobacco Adjusted EBITDA:				
Operating income from Tobacco segment	\$ 348,004	\$ 347,044	\$ 78,599	\$ 77,639
Litigation settlement and judgment expense (a)	437	239	270	72
Impact of MSA settlement (b)	(311)	(2,123)	(311)	(2,123)
Total adjustments	126	(1,884)	(41)	(2,051)
Tobacco Adjusted Operating Income	348,130	345,160	78,558	75,588
Depreciation and amortization	5,801	5,901	1,377	1,477
Stock-based compensation expense	86	70	27	11
Total adjustments	5,887	5,971	1,404	1,488
Tobacco Adjusted EBITDA	<u>\$ 354,017</u>	<u>\$ 351,131</u>	<u>\$ 79,962</u>	<u>\$ 77,076</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.

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

	LTM	Year Ended	Three Months Ended	
	March 31, 2023	December 31, 2022	March 31, 2023	March 31, 2022
Revenues:				
Tobacco (a)	\$ 1,450,222	\$ 1,425,125	\$ 334,145	\$ 309,048
Real estate	12,890	15,884	—	2,994
Total revenues	<u>\$ 1,463,112</u>	<u>\$ 1,441,009</u>	<u>\$ 334,145</u>	<u>\$ 312,042</u>

a. Tobacco segment revenues include federal excise taxes of \$522,499 for the last twelve months ended March 31, 2023, \$520,760 for the year ended December 31, 2022, and \$117,818 and \$116,079 for the three months ended March 31, 2023 and 2022, respectively.



Investor Presentation

May 2023



Disclaimer



This document and any related oral presentation does not constitute an offer or invitation to subscribe for, purchase or otherwise acquire any equity or debt securities or other instruments of Vector Group Ltd. ("Vector," "Vector Group Ltd." or the "Company") or its subsidiaries and nothing contained herein or its presentation shall form the basis of any contract or commitment whatsoever.

The distribution of this document and any related oral presentation in certain jurisdictions may be restricted by law and persons into whose possession this document or any related oral presentation comes should inform themselves about, and observe, any such restriction. Any failure to comply with these restrictions may constitute a violation of the laws of any such other jurisdiction.

The information contained herein does not constitute investment, legal, accounting, regulatory, taxation or other advice and the information does not take into account your investment objectives or legal, accounting, regulatory, taxation or financial situation or particular needs. You are solely responsible for forming your own opinions and conclusions on such matters and the market and for making your own independent assessment of the information.

The following presentation may contain "forward-looking statements," including any statements that may be contained in the presentation that reflect Vector's expectations or beliefs with respect to future events and financial performance. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contained in any forward-looking statement made by or on behalf of the Company, including the risk that changes in Vector's capital expenditures impact its expected free cash flow and the other risk factors described in Vector's annual report on Form 10-K for the year ended December 31, 2022, as filed with the SEC, and, when filed, Vector's quarterly report on Form 10-Q for the quarterly period ended March 31, 2023. Please also refer to Vector's Current Reports on Form 8-K, filed on October 2, 2015, November 15, 2016, June 14, 2018, May 3, 2019, February 25, 2021, February 16, 2023 and May 9, 2023 (Commission File Number 1-5759) as filed with the SEC for information, including cautionary and explanatory language, relating to Non-GAAP Financial Measures in this presentation labeled "Adjusted".

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




Holding company with
two primary businesses



Tobacco
Offers the best value propositions in the
U.S. cigarette industry

Real Estate
Diversified portfolio of consolidated and non-
consolidated real estate investments

NYSE: DOUG

On December 29, 2021, Vector completed the
distribution to its stockholders of Douglas Elliman Inc.
as a standalone publicly traded company


GAAP financial results

Reported GAAP net income of **\$158.7 million** for
the year ended December 31, 2022 and **\$160.9
million** for the twelve months ended March 31,
2023

Reported operating income of **\$339.0 million** for
the year ended December 31, 2022 and **\$338.2
million** for the twelve months ended March 31,
2023


History of
strong earnings

\$353.2M

Adjusted EBITDA for the twelve months ended March 31,
2023⁽¹⁾

\$354.0M

Tobacco Adjusted EBITDA for the twelve
months ended March 31, 2023⁽²⁾

⁽¹⁾ Vector's net income was \$95.7 million for the year ended December 31, 2022. Adjusted EBITDA is a Non-GAAP Financial Measure. Please refer to Exhibit 99.1 to the Company's Current Report on Form 8-K, filed May 9, 2023 (Table 2), for a reconciliation of net income to Adjusted EBITDA. Please also refer to the
Disclaimer to this document on Page 2.

⁽²⁾ Vector's operating income from the tobacco segment was \$347.0 million for the year ended December 31, 2022. Tobacco Adjusted EBITDA is a Non-GAAP Financial Measure and is defined in the Company's Current Report on Form 8-K, filed May 9, 2023. Please also refer to the Disclaimer to this document on
Page 2.

Investment Highlights & Portfolio (cont.)



Maintains substantial liquidity

\$382M

of cash, marketable securities and long-term investments at holding company as of March 31, 2023

+

\$52M

of cash at Liggett as of March 31, 2023, which will be primarily used to pay Liggett's current MSA liability (\$83.7 million at March 31, 2023)

=

\$434M

of consolidated cash, marketable securities and long-term investments as of March 31, 2023



Seasoned management team

29 years

average tenure of CEO, COO, CFO and General Counsel with Vector as of March 31, 2023

7%

of Vector's equity is beneficially owned by management team and directors



MSA cost advantage

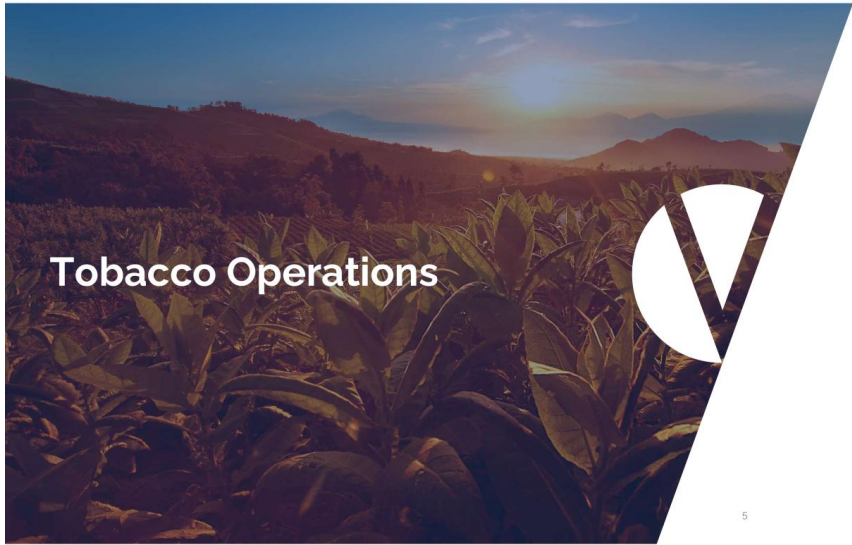


Perpetual cost advantage over the largest U.S. tobacco companies

\$160M-\$170M

annual cost advantage range from 2013 to 2022⁽¹⁾

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



Tobacco Operations

5

4th largest U.S. cigarette manufacturer, founded in 1873

Core Discount Brands
Montego, Eagle 20's, Pyramid, Grand Prix, Liggett Select and Eve

Average Retail Prices Below Leading Premium Brand



Discount Category

- Momentum and growth for brands priced in the deep discount segment
- Approximately 35% of current volumes exempt from payment due to perpetual MSA grandfathered market share

Partner Brands

- USA, Bronson and Tourney

¹⁾ Vector's operating income from the tobacco segment was \$327.6 million for the year ended December 31, 2022 and \$348.6 million for the twelve months ended March 31, 2023. Tobacco Adjusted EBITDA is a Non-GAAP Financial Measure and is defined in the Company's Current Report on Form 8-K, filed May 9, 2023. Please also refer to the Disclosure to this document on Page 8.

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

Consistent and strong cash flow

\$354.0M
Tobacco Adjusted EBITDA for the twelve months ended March 31, 2023¹⁾

\$14.6M
capital expenditures with capital requirements related to tobacco operations for the twelve months ended March 31, 2023, including \$10 million on factory modernization (below)

\$14M
current capital expenditure commitments, of which \$10 million (above) has been funded, associated with factory modernization throughout 2022 and 2023

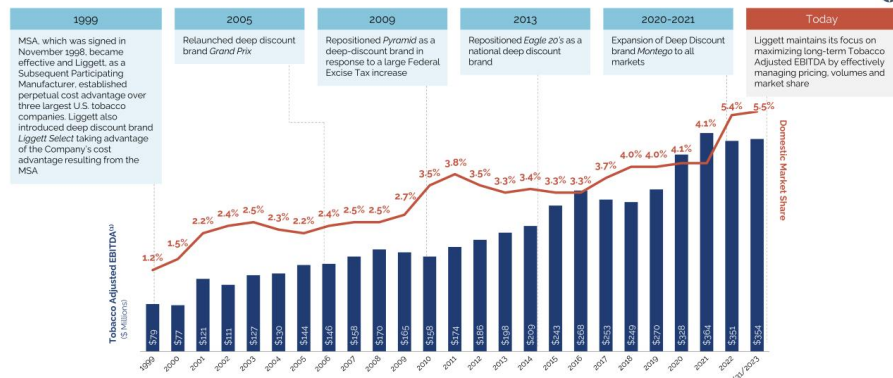
\$160M-\$170M ⁽²⁾
MSA exemption annual cost advantage range for Liggett and Vector Tobacco from 2013 to 2022

Pursuant to the MSA

- Liggett has no payment obligations unless its market share exceeds an exemption of approximately 1.65% of total cigarettes sold in the United States.
- Vector Tobacco has no payment obligations unless its market share exceeds an exemption of approximately 0.28% of total cigarettes sold in the United States

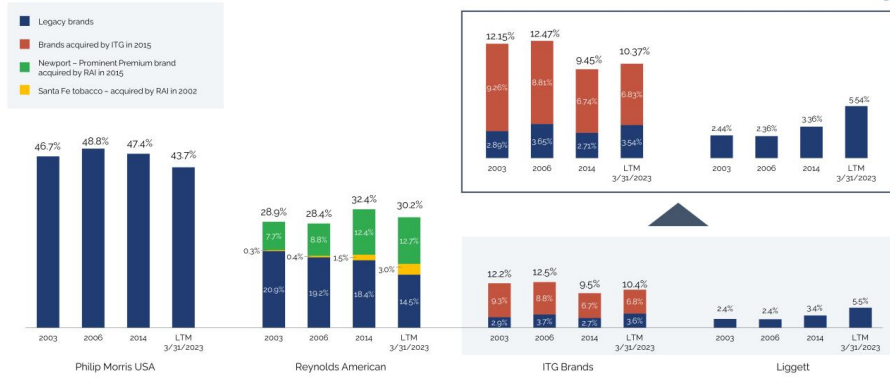
\$0.93 ⁽²⁾
current cost advantage per pack on first 1.93% of cigarettes sold in the United States compared to the largest U.S. tobacco companies

History



Source: MSA CRA wholesale shipment database.
 Note: The Liggett and Vector Tobacco businesses have been combined into a single segment for all periods since 2007.
⁽¹⁾ Vector's operating income from the tobacco segment was \$365 and \$427 for the years ended December 31, 2020, 2021 and 2022, respectively and \$540 million for the twelve months ended March 31, 2023. Tobacco Adjusted EBITDA is a Non-GAAP Financial Measure and is defined in Table 2 and Table 5 of Exhibit 99 to the Company's Current Reports on Form 8-K, filed on February 25, 2021, February 16, 2022 and May 9, 2023. Please also refer to Table 2 of Exhibit 99 to the Company's Current Reports on Form 8-K, filed October 2, 2015, November 19, 2016, and Table 5 of Exhibit 99 to the Company's Current Report on Form 8-K, filed February 16, 2021.

Adjusted U.S. Tobacco Industry Market Share^{(1), (2)}



Source: The Maxwell Report's sales estimates for the cigarette industry for the years ended 2003, February 2006, 2009, February 2007 and 2014 (March 2012) and internal estimates for LTM (last twelve months) ended 3/31/2023.
⁽¹⁾ Actual Market Share in 2003, 2006 and 2014 reported in the Maxwell Report for Reynolds American was 28.0%, 28.8% and 32.4%, respectively, and for ITG Brands, was 12.2%, 12.5% 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 Brown & Williamson, which was acquired by Reynolds American in 2004. In 2015, Reynolds American acquired Lorillard Tobacco Company, which manufactured the Parliament Premier brand and sold a portfolio of brands.
⁽²⁾ Does not include smaller manufacturers, whose cumulative market shares were 0.8%, 7.6%, 8.2% and 10.3% in 2003, 2006, 2014 and in the LTM 3/31/2023, respectively.

U.S. Cigarette Industry Volume Change by Segment⁽¹⁾

Liggett's unit sales volume was **49% in Traditional Discount** and **51% in Deep Discount**⁽²⁾

U.S. Cigarette Industry unit sales volume was **16.1% in Traditional Discount** and **12.4% in Deep Discount**⁽²⁾



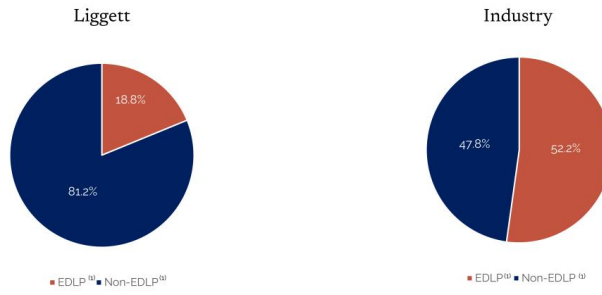
Source: Management Science Associates, Inc.'s (MSA) RIS Database for the 52 weeks ended March 31, 2023. The source for the database is reporting by tobacco distributors, who are constituents of the MSA RIS database and represent approximately 95% of distributor shipments to retailers selling cigarettes in the United States.

⁽¹⁾ For the 52 weeks ended March 31, 2023.

⁽²⁾ The Deep Discount category currently includes brands whose national average retail price is approximately 50% lower than the average of the leading Premium cigarette brands. Montego, which represented 51% of Liggett's volume for the 52 weeks ended March 31, 2023, is included in the Deep Discount category and all other Liggett brands are included in the Traditional Discount category.

⁽³⁾ 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.

Liggett's Volume is More Heavily Weighted in Non-EDLP Stores⁽¹⁾



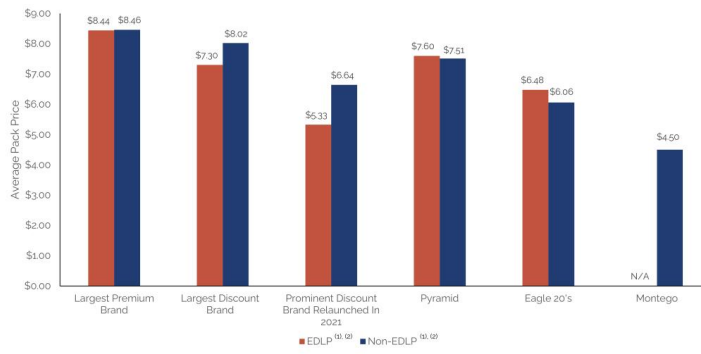
Source: MSA's RIS Database for the 52 Weeks Ended March 31, 2023.
⁽¹⁾ EDLP stores are defined as retail stores participating in R. J. Reynolds Tobacco Company's contractual trade program that requires such retail stores to price and sell an EDLP Brand to consumers, at equal to or less than the lowest price offered for any cigarette products sold in the store.

Wholesale List Price Increases in 2021, 2022 and 2023



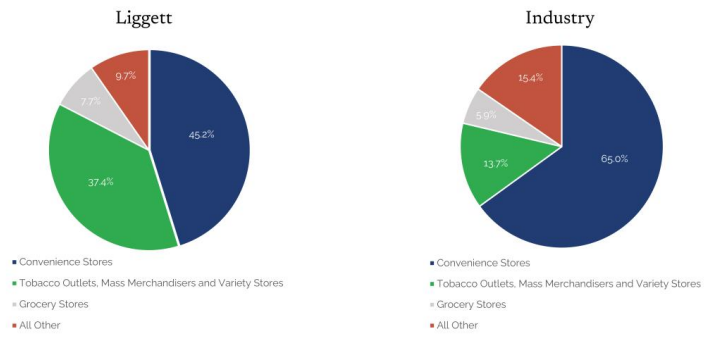
Effective Date	Action	Brands			
		Montego	Eagle 20's	Pyramid	Liggett Select, Eve and Grand Prix
		Amount per pack			
2021					
January 25, 2021	List Price increase	\$ -	\$ 0.14	\$ 0.14	\$ 0.14
June 28, 2021	List Price increase	-	0.14	0.14	0.14
September 27, 2021	List Price increase	-	0.15	0.15	0.15
2022					
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
October 26, 2022	List Price increase	0.10	0.16	0.16	0.16
2023					
January 27, 2023	List Price increase	\$ 0.10	\$ 0.16	\$ 0.16	\$ 0.16
April 28, 2023	List Price increase	0.16	0.16	0.16	0.20

Average per Pack Price (Retail)–EDLP Stores⁽¹⁾ and Non-EDLP^{(1), (2)} Stores



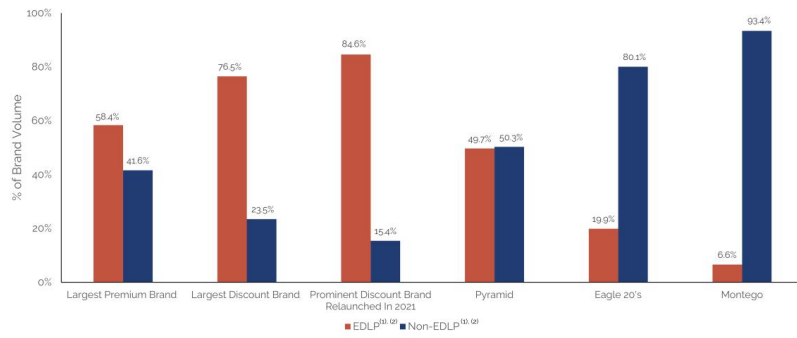
Source: Company estimates in Liggett's markets for the 12 weeks ended March 31, 2023.
⁽¹⁾ EDLP stores are defined as retail stores participating in R.J. REYNOLDS TOBACCO COMPANY'S contractual trade program that requires such retail stores to price and sell a EDLP Brand to consumers, at equal to or less than the lowest price offered for any cigarette products sold in the store.
⁽²⁾ 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: MSA's RIS Database for the 52 weeks ended March 31, 2013

Analysis of Retail Volume – EDLP^{(1), (2)} Stores and Non-EDLP^{(1), (2)} Stores



Source: MSA's IRS Database for the 13 weeks ended March 31, 2023.
⁽¹⁾ EDLP stores are defined as retail stores participating in a 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.
⁽²⁾ 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.

Tobacco Litigation and Regulatory Updates



- Litigation
 - In 2013, Liggett reached a settlement with approximately 4,900 *Engle* progeny plaintiffs
 - Liggett is paying approximately \$4.0 million annually until 2028
 - As of March 31, 2023, 17 *Engle* progeny cases remain pending
 - Liggett is also a defendant in 52 non-*Engle* smoking-related individual cases
 - There are two purported class actions and a health care cost recovery action pending, but all are inactive
 - The mayor of Baltimore recently commenced an action against Liggett and others claiming, among other things, that the failure of the defendants to use biodegradable filters in their cigarette products resulted in littering by smokers which resulted in the reduction of property values and tourism to the city
 - The Mississippi Attorney General filed a motion to enforce Mississippi's 1996 settlement agreement with Liggett and alleges that Liggett owes Mississippi approximately \$40 million in damages (including interest through March 2023). Proceedings are ongoing and Liggett posted a bond for \$24 million in June 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 and cities have passed legislation, among other things, 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 and the final rule is expected to be adopted in 2023
 - On June 21, 2022, the FDA indicated it plans to publish a proposed rule in 2023 that establishes a tobacco product standard reducing the level of nicotine in cigarettes to non-addictive levels



Real Estate Operations

Real Estate Overview



- 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 \$173 million⁽¹⁾ invested, as of March 31, 2023, in a broad portfolio of real estate ventures
- On December 29, 2021, Vector completed the distribution to its stockholders of Douglas Elliman Inc. as a standalone public company. Douglas Elliman Inc. (NYSE: DOUG) 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.

⁽¹⁾ Net of cash returned.

Real Estate Summary⁽¹⁾



(\$ in thousands)

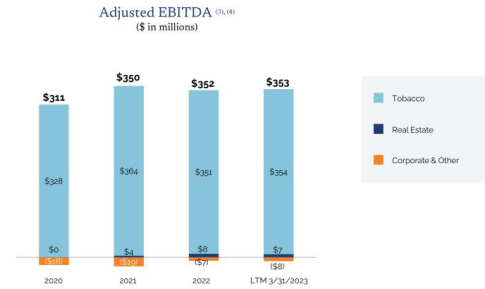
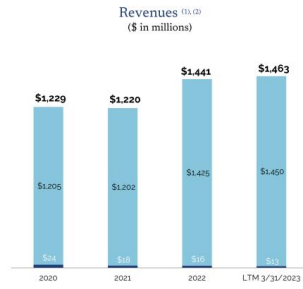
	Net cash invested	Cumulative earnings / (loss) ⁽²⁾	Carrying value ⁽²⁾	Projected construction end date	Range of ownership	Number of investments
Real Estate Investments at Cost						
All other U.S. areas	\$ 1,000	\$ -	\$ 1,000	N/A	25%	1
	\$ 1,000	\$ -	\$ 1,000			1
Condominium and Mixed Use Development (Minority interest owned)						
New York City SMSA	\$ 33,174	\$ (15,166)	\$ 18,008	2023	41% - 27.0%	5
All other U.S. areas	87,561	(8,119)	79,442	2023 - 2025	32.5% - 77.8%	11
	\$ 120,735	\$ (23,285)	\$ 97,166			16
Apartments (Minority interest owned)						
All other U.S. areas	\$ 13,117	\$ (4,347)	\$ 8,770	N/A	N/A	2
	\$ 13,117	\$ (4,347)	\$ 8,770	N/A	50.00%	2
Hotels (Minority interest owned)						
New York City SMSA	\$ 8,354	\$ (7,768)	\$ 586	2023	0.4% - 12.3%	3
International	6,048	(6,048)	-	N/A	49.0%	1
	\$ 14,402	\$ (13,816)	\$ 586			4
Commercial and Other (Minority interest owned)						
New York City SMSA	\$ 12,270	\$ (4,618)	\$ 7,652	N/A	49.0%	1
All other U.S. areas	3,074	(5,133)	8,207	N/A	16%	1
	\$ 15,344	\$ (9,751)	\$ 15,859			2
Total	\$ 164,688	\$ (40,933)	\$ 123,755			28
Summary						
New York City SMSA	\$ 53,798	\$ (27,520)	\$ 26,245			9
All other U.S. areas	104,842	(7,333)	97,509			15
International	6,048	(6,048)	-			1
	\$ 164,688	\$ (40,933)	\$ 123,755			25

⁽¹⁾ For the percentage of each real estate project owned, please refer to the "Summary of Real Estate Investments" section of Item 7 - "Management's Discussion and Analysis of Financial Condition and Results of Operations" of Vector Group Ltd.'s Form 10-Q for the period ended March 31, 2023, when filed.
⁽²⁾ Includes interest expense capitalized to real estate ventures of \$11.825.



Financial Data

Adjusted Historical Financial Data



⁽¹⁾ Revenues include federal excise taxes of \$46, \$45, \$29, and \$22, respectively.
⁽²⁾ On December 29, 2021, Vector Group Ltd completed the distribution of its real estate coverage services and PropTech investment business into a new standalone public company, Douglas Elliman Inc. (NYSE:DOUG). Through its distribution of Douglas Elliman's common stock to Vector Group Ltd stockholders, the historical results of the real estate coverage services and PropTech investment business owned by Douglas Elliman Inc. are included from revenues and are now reflected as income from discontinued operations, net of income taxes, in Vector Group Ltd's Consolidated Statements of Operations.
⁽³⁾ Vector Group Ltd for the periods presented in this table. EBITDA and EBITDA are in Non-GAAP Financial Measure. Please refer to the Company's Current Reports on Form 8-K, filed on February 26, 2022, and February 16, 2022, respectively (EBITDA) for a reconciliation of Non-GAAP Financial Measures to GAAP. Please also refer to the table on Page 22 for a reconciliation of net income to Adjusted EBITDA.
⁽⁴⁾ 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 22. 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 \$434 million⁽¹⁾ at March 31, 2023 (\$382 million, excluding cash at Liggett)
- Vector's CEO, COO, CFO and General Counsel have an average tenure of 29 years with the Company and, along with directors, beneficially own approximately 7% of Vector's common stock



Tobacco segment

- Liggett is the fourth-largest U.S. cigarette manufacturer with 5.7% wholesale market share and 5.8% retail market share for the twelve months ended March 31, 2023
- From April 1, 2013, to March 31, 2023, was the only major U.S. cigarette manufacturer to increase both market share and unit volumes
- \$354 million⁽²⁾ of Tobacco Adjusted EBITDA for the twelve months ended March 31, 2023



Real Estate segment

- New Valley owns a diversified portfolio of non-consolidated real estate investments carried at \$123 million at March 31, 2023.
- 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



⁽¹⁾ At March 31, 2023, the total amount of \$434 million includes cash at Liggett of \$52 million.
⁽²⁾ Vector's operating income from the tobacco segment was \$317 million for the year ended December 31, 2022 and \$328 million for the twelve months ended March 31, 2023. Tobacco Adjusted EBITDA is a Non-GAAP Financial Measure and is defined in the Company's Current Reports on Form 8-K (Table 1). Filed February 15, 2022 and May 9, 2023. Please also refer to the Disclaimer to this document on Page 2.

Adjusted EBITDA Reconciliation

(\$ Millions)	2020	2021	2022	3/31/2023	3/31/2022	LTM 3/31/2023
Net income attributed to Vector Group Ltd.	\$ 38.9	\$ 29.9	\$ 156.7	\$ 347	\$ 34.5	\$ 160.9
Net (income) loss attributed to Vector Group Ltd. from discontinued operations	34.0	(72.1)	-	-	-	-
Interest Expense	121.3	112.7	110.7	275	251	1131
Tax Expense	541	62.8	61.9	135	12.2	632
Net loss attributed to non-controlling interest	-	(0.2)	-	-	-	-
Depreciation and Amortization	9.1	7.8	7.2	17	1.9	7.0
EBITDA	\$ 311.4	\$ 339.5	\$ 339.5	\$ 774	\$ 717	\$ 344.2
Change in Fair Value of Derivatives Embedded Within Convertible Debt ⁽¹⁾	(5.0)	-	-	-	-	-
Equity in Earnings/Loss from Investments ⁽²⁾	(56.3)	(2.7)	5.0	0.2	2.2	3.0
Equity in Losses (Earnings) from Real Estate Ventures ⁽³⁾	44.7	(0.3)	5.9	1.9	1.9	5.9
Loss (gain) on extinguishment of debt	-	214	(0.4)	0.1	-	(0.3)
Stock-Based compensation expense ⁽⁴⁾	9.5	14.8	7.8	2.1	2.2	7.7
Litigation settlement and judgment (income) expense ⁽⁵⁾	0.3	0.2	0.2	0.3	0.1	0.4
Impact of MSA settlement ⁽⁶⁾	0.3	(2.7)	(2.1)	(0.3)	(2.1)	(0.3)
Transaction expenses ⁽⁷⁾	-	10.5	-	-	-	-
Net gains on sales of assets	(2.3)	(0.9)	-	-	-	-
Other, net	8.6	(0.7)	(2.7)	(3.6)	1.1	(7.4)
Adjusted EBITDA Attributed to Vector	\$ 311.4	\$ 350.1	\$ 352.2	\$ 781	\$ 771	\$ 353.2
Operating Income, Loss by Segment						
Tobacco	\$ 319.5	\$ 360.3	\$ 347.0	\$ 786	\$ 776	\$ 348.0
Real Estate	(6.0)	4.1	5.0	0.1	1.0	7.1
Corporate & Other	(24.5)	(43.0)	(16.0)	(4.4)	(3.9)	(16.9)
Operating Income	\$ 294.4	\$ 320.4	\$ 339.0	\$ 743	\$ 751	\$ 338.2
Adjusted EBITDA Attributed to Vector by Segment						
Tobacco	\$ 388.0	\$ 364.4	\$ 351.1	\$ 800	\$ 771	\$ 354.0
Real Estate	(0.3)	4.3	0.1	0.1	1.0	7.2
Corporate & Other	(86.4)	(88.6)	(7.0)	(2.0)	(1.0)	(8.0)
Adjusted EBITDA Attributed to Vector	\$ 311.4	\$ 350.1	\$ 352.2	\$ 781	\$ 771	\$ 353.2

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 Lakerburg Thermal Energy Services of \$5 million for the year ended December 31, 2020.

⁽³⁾ Represents equity in earnings/losses 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 tobacco litigation.

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

⁽⁷⁾ Transaction expenses include expenses incurred in connection with the Company's spin-off of Douglas Elman Inc. into a standalone public company, which occurred on December 31, 2021.

⁽⁸⁾ Some numbers may not add due to rounding.



