

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 6, 2024

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 7.01. Regulation FD Disclosure

The Company has prepared materials for presentations to investors. The materials are furnished (not filed) as Exhibit 99.1 to this Current Report on Form 8-K pursuant to Regulation FD.

Non-GAAP Financial Measures

Exhibit 99.1 contains the Non-GAAP Financial Measures discussed below.

Please refer to our Current Reports on Form 8-K filed on October 2, 2015, November 15, 2016, June 14, 2018, May 3, 2019, March 1, 2022, February 14, 2024 and May 2, 2024 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 certain financial measures for periods presented, including the last twelve months (“LTM”) ended March 31, 2024, (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, 2023 and in our Quarterly Report on Form 10-Q for the period ended March 31, 2024. 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.

<u>Exhibit No.</u>	<u>Exhibit</u>
99.1	Investor presentation of Vector Group Ltd. dated May 2024 (furnished pursuant to Regulation FD).
104	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 6, 2024



Investor Presentation

May 2024

Disclaimer



This document and any related oral presentation do 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" 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, 2023, as filed with the SEC, and Vector's quarterly report on Form 10-Q for the quarterly period ended March 31, 2024. 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, March 1, 2022, February 14, 2024 and May 2, 2024 (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, except as required by applicable law.

Investment Highlights & Portfolio



Holding company with two primary businesses



Liggett Vector Brands

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



New Valley Realty

Real Estate
Diversified portfolio of real estate ventures

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 **\$183.5 million** for the year ended December 31, 2023 and **\$183.6 million** for the twelve months ended March 31, 2024

Reported operating income of **\$328.0 million** for the year ended December 31, 2023 and **\$331.5 million** for the twelve months ended March 31, 2024



History of strong earnings

\$367.8M

Adjusted EBITDA for the twelve months ended March 31, 2024¹⁾

\$375.0M

Tobacco Adjusted EBITDA for the twelve months ended March 31, 2024²⁾

¹⁾ Vector's net income was \$83.5 million for the year ended December 31, 2023. Adjusted EBITDA is a Non-GAAP Financial Measure. Please refer to Table 2 of Exhibit 99.1 to the Company's Current Report on Form 8-K, filed May 2, 2024, for a reconciliation of net income to Adjusted EBITDA. Please also refer to the table on Page 23 for a reconciliation of net income to Adjusted EBITDA.

²⁾ Vector's operating income from the tobacco segment was \$367.7 million for the year ended December 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 2, 2024. Please also refer to the table on Page 23 for a reconciliation of net income to Adjusted EBITDA.

Investment Highlights & Portfolio (cont.)



Maintains substantial liquidity

\$428M

of cash, marketable securities and long-term investments at holding company as of March 31, 2024

+

\$84M

of cash at Liggett as of March 31, 2024, which will be primarily used to pay Liggett's current MSA liability (\$75 million at March 31, 2024)

=

\$512M

of consolidated cash, marketable securities and long-term investments as of March 31, 2024



Seasoned management team

30 years

average tenure of CEO, COO, CFO and General Counsel with Vector as of March 31, 2024

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

\$159M-\$170M

annual cost advantage range from 2013 to 2023⁽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

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Overview



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 \$467 million for the year ended December 31, 2023 and \$393.1 million for the twelve months ended March 31, 2024, respectively. Tobacco Adjusted EBITDA is a Non-GAAP Financial Measure and is defined in the Company's Current Report on Form 8-K filed May 8, 2024. Please also refer to the Disclosure to this document on Page 2.

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

\$375.0M
Tobacco Adjusted EBITDA for the twelve months March 31, 2024 ¹⁾

\$6.1M
capital expenditures related to tobacco operations for the twelve months ended March 31, 2024, including factory modernization described below

\$13.3M
current capital expenditure commitments, of which \$9.7 million has been funded, associated with factory modernization in 2024.

\$159M-\$170M ⁽²⁾
MSA exemption annual cost advantage range for Liggett and Vector Tobacco from 2013 to 2023

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

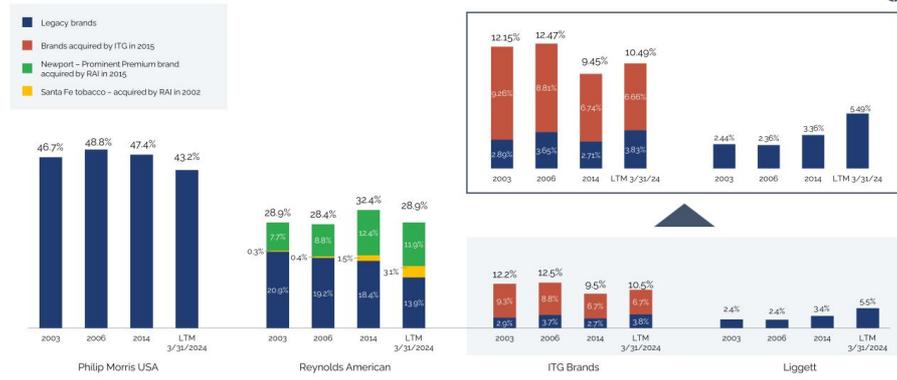
\$0.95 ⁽²⁾
2024 cost advantage per pack on first 1.93% of cigarettes sold in the United States compared to the largest U.S. tobacco companies

History



Source: MSA CDL 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 \$202.3, \$201.3, \$201.9 and \$201.7 for the years ended December 31, 2020, 2021, 2022 and 2023, respectively, and \$221.1 for the twelve months ended March 31, 2024. Tobacco Adjusted EBITDA is a Non-GAAP Financial Measure and is defined in Table 2 and Table 3 of Exhibit 99.1 to the Company's Current Reports on Form 8-K, filed on March 1, 2022 and May 2, 2024. Please also refer to Table 2 of Exhibit 99.1 to the Company's Current Reports on Form 8-K, filed October 2, 2016, November 15, 2020, and Table 5 of Exhibit 99.1 to the Company's Current Report on Form 8-K, filed February 18, 2025.

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

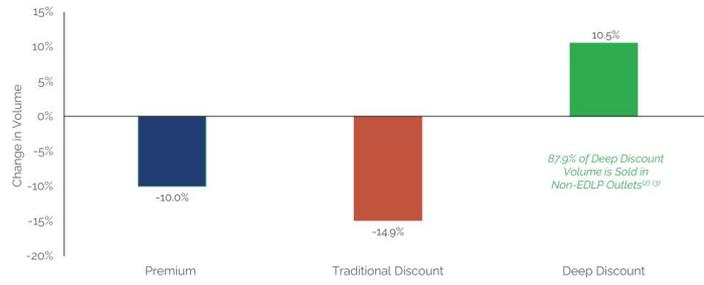


Source: The Maxwell Report's sales estimates for the cigarette industry for the years ended 2003 (February 2004), 2006 (February 2007) and 2014 (March 2015) and internal estimates for 2024.
⁽¹⁾ Actual Market Share in 2003, 2006 and 2014 reported in the Maxwell Report for Reynolds American was 20.0%, 21.0% and 21.5%, respectively, and for ITG Brands, was 2.9%, 3.7% and 2.7%, respectively. Adjusted market share has been computed by Vector Group Ltd. by applying historical market share of each brand to the present owner of each 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 Portsmouth Premium 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 11.7% in 2003, 2006, 2014 and 2023, respectively.

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

Liggett's unit sales volume was **35% in Traditional Discount** and **65% in Deep Discount**⁽²⁾

U.S. Cigarette Industry unit sales volume was **14.9% in Traditional Discount** and **14.9% in Deep Discount**⁽²⁾



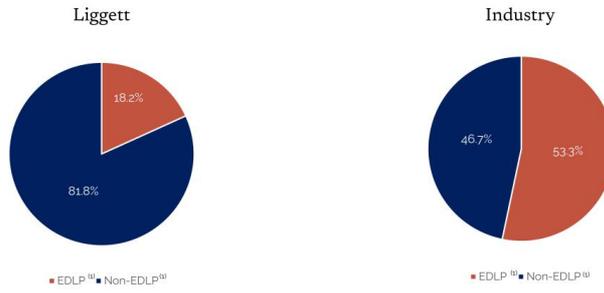
Source: Management Science Associates, Inc.'s (MSA) RIS Database for the 52 weeks ended March 31, 2024. The source for the database is reporting by tobacco distributors, who are constituents of the MSA RIS database and represent approximately 90% of distributor shipments to retailers selling cigarettes in the United States.

⁽¹⁾ For the 52 weeks ended March 31, 2024.

⁽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 60% of Liggett's volume for the 52 weeks ended December 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⁾

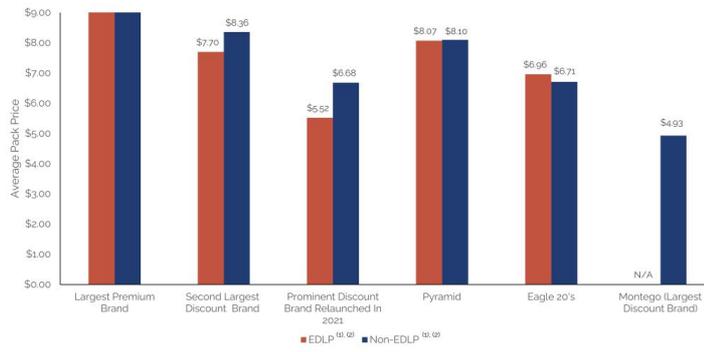


Source: MSA's RIS Database for the 52 Weeks Ended March 31, 2024.
⁽¹⁾ EDLP stores are defined as retail stores participating in R.J. Reynolds Tobacco Company's contractual trade program that requires such retail stores to price and sell an EDLP Brand to consumers, at equal to or less than the lowest price offered for any cigarette products sold in the store.

Wholesale List Price Increases - 2021 - 2024

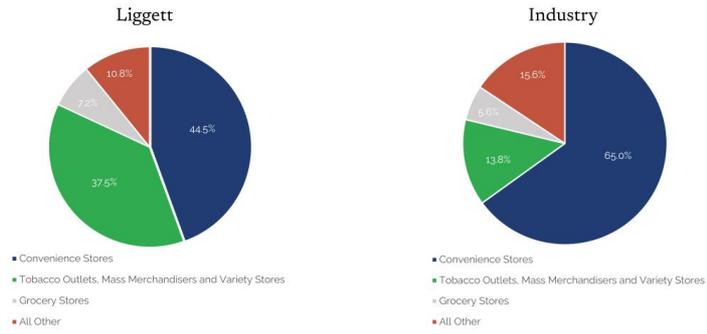
Effective Date	Action	Brands			
		Montego	Eagle 20's	Pyramid	Liggett Select, Eve and Grand Prix
		Amount per pack			
2021					
January 25, 2021	List Price increase	\$ -	\$ 0.14	\$ 0.14	\$ 0.14
June 28, 2021	List Price increase	-	0.14	0.14	0.14
September 27, 2021	List Price increase	-	0.15	0.15	0.15
2022					
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 28, 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
August 25, 2023	List Price Increase	0.10	0.16	0.16	0.20
2024					
January 26, 2024	List Price increase	\$ 0.14	\$ 0.17	\$ 0.17	\$ 0.30
April 26, 2024	List Price increase	0.12	0.17	0.17	0.30

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



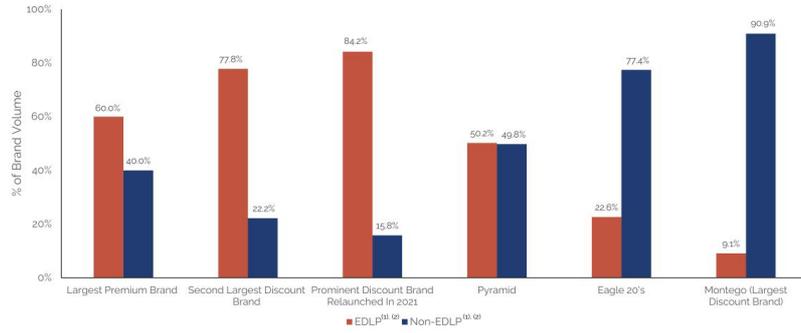
Source: Company estimates in Liggett's markets for the 12 weeks ended March 31, 2024.
⁽¹⁾ EDLP stores are defined as retail stores participating in R.J. REYNOLDS TOBACCO COMPANY'S contractual trade program that requires such retail stores to price and sell an EDLP Brand to consumers, at equal to or less than the lowest price offered for any cigarette products sold in the store.
⁽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, 2024.

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



Source: MSA's RIS Database for the 13 weeks ended March 31, 2024.
⁽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 based 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, 2024, nine *Engle* progeny cases remain pending
 - Liggett is also currently a defendant in approximately 85 non-*Engle* smoking-related individual cases; more cases continue to be filed, particularly in Massachusetts.
 - There are two purported class actions and a health care cost recovery action pending, but all are inactive
- **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
 - According to Moody's February 2024 analysis, Liggett will be less impacted by a regulatory restriction or ban on menthol than its peers due to its lower exposure to the menthol category as a percentage of volume.
 - 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 April 26, 2024, FDA announced an indefinite delay in the publication of the final rule.
 - On June 21, 2022, the FDA indicated it plans to publish a proposed rule that establishes a tobacco product standard reducing the level of nicotine in cigarettes to non-addictive levels, which was scheduled to be proposed in April 2024



Real Estate Operations

Real Estate Overview



- New Valley LLC owns interests in real estate ventures operating in different asset classes, including condominium and mixed-use developments, apartment buildings, hotels and commercial properties
- New Valley has approximately \$171 million⁽¹⁾ invested, as of March 31, 2024, 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)

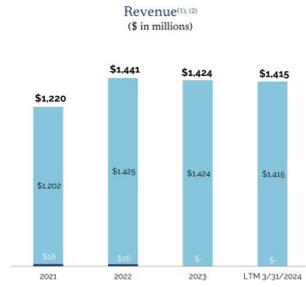
	Net cash invested	Cumulative earnings / (loss) ⁽²⁾	Carrying value ⁽²⁾	Projected construction end date	Range of ownership	Number of investments
Real Estate Investments at Cost						
United States	\$ 5,800	\$ -	\$ 5,800	N/A	10%	3
Condominium and Mixed Use Development (Minority interest owned)						
United States	\$ 119,927	\$ (28,152)	\$ 90,844	2023 - 2025	41% - 77.8%	17
Apartments (Minority interest owned)						
United States	\$ 12,870	\$ (6,043)	\$ 6,827	N/A	15% - 50%	2
Hotels (Minority interest owned)						
United States	\$ (270)	\$ 301	\$ 31	2023	0.4% - 12.3%	2
International	\$ 6,048	\$ (6,048)	\$ -	N/A	49.0%	1
	\$ 5,778	\$ (6,747)	\$ 31			3
Commercial and Other (Minority interest owned)						
United States	\$ 14,682	\$ 911	\$ 15,593	N/A	1.6% - 49.0%	2
Total	\$ 158,127	\$ (39,032)	\$ 119,095			27
Summary						
Florida	\$ 35,640	\$ 9,005	\$ 44,651			12
Tennessee	\$ 27,366	\$ 4,341	\$ 31,707			1
New York City SMSA	\$ 47,612	\$ (28,697)	\$ 18,915			8
North Carolina	\$ 7,500	\$ 910	\$ 8,410			1
Nevada	\$ 2,412	\$ 6,441	\$ 8,853			1
Alabama	\$ 11,600	\$ (4,773)	\$ 6,827			1
California	\$ 19,043	\$ (20,211)	\$ (268)			2
International	\$ 6,048	\$ (6,048)	\$ -			1
	\$ 158,127	\$ (39,032)	\$ 119,095			27

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 Annual Report on Form 10-K for the quarter ended March 31, 2024.
²⁾ Includes interest expense capitalized to real estate ventures of \$11,295.



Financial Data

Adjusted Historical Financial Data



¹ Revenues include federal excise taxes of \$435, \$215, \$485, and \$424, respectively.
² On December 29, 2023, 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 are now reflected as income from discontinued operations, net of income taxes, in Vector Group Ltd.'s Consolidated Statements of Operations.
³ Vector's net income for the periods presented was \$205, \$217, \$212, and \$212, respectively. Adjusted EBITDA was a non-GAAP Financial Measure. Please refer to Exhibit 9.1 to the Company's Current Reports on Form 8-K filed on March 1, 2022 and May 2, 2024, respectively, for a reconciliation of non-GAAP financial measures to GAAP. Please also refer to the table on Page 23 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 23. 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 **\$512 million⁽¹⁾** as of March 31, 2024 (**\$428 million, excluding cash at Liggett**)
- Vector's CEO, COO, CFO and General Counsel have an average tenure of **30 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 **5.5%** wholesale market share and **5.8%** retail market share for the last twelve months ended March 31, 2024
- Liggett was the only major U.S. cigarette manufacturer to **increase both market share and unit volumes** when comparing unit sales for the year December 31, 2013 to unit sales for the year ended December 31, 2023
- \$375.0 million⁽²⁾** of Tobacco Adjusted EBITDA for the twelve months ended March 31, 2024



Real Estate segment

- New Valley owns a diversified portfolio of non-consolidated real estate investments carried at **\$119 million** as of March 31, 2024.
- New Valley's portfolio of real estate ventures in various markets throughout the U.S., including **New York City, Miami, Los Angeles, Las Vegas and Nashville**



⁽¹⁾ At March 31, 2024, the total amount of \$522 million includes cash at Liggett of \$84 million.
⁽²⁾ Vector's operating income from the tobacco segment was \$347 million for the year ended December 31, 2023 and \$251 million for the twelve months ended March 31, 2024. Tobacco Adjusted EBITDA is a Non-GAAP Financial Measure and is defined in Exhibit 99.1 to the Company's Current Reports on Form 8-K filed March 1, 2023 and May 2, 2024. Please also refer to the table on Page 23 for a reconciliation of net income to Adjusted EBITDA.

Adjusted EBITDA Reconciliation

(\$ Millions)	2021	2022	2023	3/31/2024	3/31/2023	LTM 3/31/2024
Net income attributed to Vector Group Ltd.	\$ 219.5	\$ 158.7	\$ 183.5	\$ 34.8	\$ 34.7	\$ 183.6
Net (income) loss attributed to Vector Group Ltd. from discontinued operations	(72.1)	-	-	-	-	-
Interest Expense	112.7	110.7	108.6	27.5	27.5	108.6
Tax Expense	(52.8)	61.9	64.9	13.3	13.5	64.8
Net loss attributed to non-controlling interest	(0.2)	-	-	-	-	-
Depreciation and Amortization	7.8	7.2	7.0	1.6	1.7	6.9
EBITDA	\$ 330.5	\$ 338.5	\$ 354.0	\$ 77.2	\$ 77.4	\$ 393.9
Change in Fair Value of Derivatives Embedded Within Convertible Debt ⁽¹⁾	-	-	-	-	-	-
Equity in (Earnings) Loss from Investments ⁽²⁾	(2.7)	5.0	(1.3)	(2.1)	0.2	(3.6)
Equity in (Earnings) Losses from Real Estate Ventures ⁽³⁾	(10.3)	5.9	(2.2)	10.7	1.9	6.6
Loss (gain) on extinguishment of debt	21.4	(0.4)	0.5	-	0.1	0.4
Stock-Based compensation expense ⁽⁴⁾	14.8	7.8	10.1	3.3	2.1	11.3
Litigation settlement and judgment expense ⁽⁵⁾	0.2	0.2	18.8	-	0.3	18.7
Impact of MSA settlement ⁽⁶⁾	(2.7)	(2.1)	(0.7)	0.1	(0.3)	(0.6)
Transaction expenses ⁽⁷⁾	10.5	-	-	-	-	-
Net gains on sales of assets	(0.9)	-	-	-	-	-
Other, net	(10.7)	(2.7)	(25.0)	(6.4)	(3.0)	(28.9)
Adjusted EBITDA Attributed to Vector	\$ 350.1	\$ 352.2	\$ 353.2	\$ 82.8	\$ 78.1	\$ 357.8
<i>Operating Income (Loss) by Segment</i>						
Tobacco	\$ 360.3	\$ 347.0	\$ 346.7	\$ 83.0	\$ 78.6	\$ 375.0
Real Estate	4.1	8.0	0.3	-	0.1	0.2
Corporate & Other	(43.9)	(16.0)	(19.0)	(5.2)	(4.4)	(7.4)
Operating Income	\$ 320.4	\$ 339.0	\$ 328.0	\$ 77.8	\$ 74.3	\$ 357.8
<i>Adjusted EBITDA Attributed to Vector by Segment</i>						
Tobacco	\$ 364.4	\$ 351.1	\$ 370.6	\$ 84.4	\$ 80.0	\$ 370.6
Real Estate	4.3	8.1	0.3	-	0.1	0.3

Source: Company Files.
⁽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.
⁽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 litigation in the tobacco segment.
⁽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 Elliman Inc. into a stand-alone public company, which occurred on December 31, 2023.
⁽⁸⁾ Some numbers may not add due to rounding.

