TURNING POINT™
BRANDS

Investor Presentation

Q1 2024

Turning Point Brands (NYSE: TPB)

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This presentation includes certain non-U.S. generally accepted accounting principles (“GAAP") financial measures, including EBITDA, Adjusted EBITDA and Net Debt. Such non-GAAP financial measures are not in accordance with, or an alternative to, financial measures prepared in accordance with GAAP. Please refer to the Appendix of this presentation for a reconciliation of EBITDA and Adjusted EBITDA to net income and Net Debt to Debt. To supplement our financial information presented in accordance with generally accepted accounting principles in the United States, or GAAP, we use non GAAP financial measures, including EBITDA, Adjusted EBITDA and Net Debt. We believe EBITDA and Adjusted EBITDA provide useful information to management and investors regarding certain financial and business trends relating to financial condition and results of operations. Adjusted EBITDA and Net Debt are used by management to compare performance to that of prior periods for trend analyses and planning purposes and is presented to our board of directors. We believe that EBITDA and Adjusted EBITDA are appropriate measures of operating performance because they eliminate the impact of expenses that do not relate to business performance.

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COMPANY OVERVIEW

TPB: A Unique Consumer Products Growth Company

#1 Premium and Overall Rolling Paper Brand in the U.S. and Canada and #1 in MYO Cigar Wraps[1]

Segment Comprises Majority of Profit Pool and Benefits from Secular Growth Trends in Cannabinoid Consumption

#1 Loose Leaf Chew and Leading MST Value Brand[1]

9% 4-Yr EBITDA[2] CAGR

Continue to improve capital structure, invest in our business, return capital to shareholders

Significant Opportunity to Participate in the growing Modern Oral Category with a differentiated offering

CapEx ~1.5% Sales
average 2019-2023

Asset-light Business Model and Recession Resistant Products Drive Stable Cash Flow

Source: Per MSAi as of 1Q24
For period ending FY2023. See "Non-GAAP Reconciliation" in Disclaimer.

TPB is a Consumer Products company that markets strong brands

BROAD PORTFOLIO OF ICONIC AND EMERGING BRANDS

























Turning Point Brands (NYSE: TPB)

Efficient Manufacturing, Supply & Distribution Model



ASSET LIGHT APPROACH

Asset-Light approach allows TPB to maintain low overhead costs, maximize operational flexibility, and invest minimal CapEx

THIRD-PARTY SOURCING

A majority of net sales are from products manufactured by third-party manufacturers

NATIONAL DISTRIBUTION

National distribution coupled with national account sales team focused on chains and regional sales teams focused on independents maximizes breadth of reach

BEST-IN-CLASS SUPPLY CHAIN

Sourcing teams in Asia and across North American farm networks source highest quality products

B2C AND B2B CAPABILITIES

Online B2C distribution platforms reach millions of customers, B2B e-commerce platform caters to alternative stores with capabilities to deliver regulated products

Powerful Distribution Infrastructure

- Extensive Distribution Network and Data Driven Sales Organization
- North American retail presence that reaches over ~215,000 outlets + B2C online sites



National sales team selling to over 85,000 national chain stores

Regional sales team selling to over 95,000 independent convenience stores

Dedicated product sales teams

E-commerce sites selling direct to consumers on product specific platforms and online marketplaces (eg. Amazon and eBay)

zigzag.com
zigzag.ca
frepouch.com

Online B2B platform reaching alternative channel distributors and stores

wholesale.zigzag.com

TPB Business Segments

	Zig-Zag Products	Stoker's Products
	Rolling papers and Make-Your-Own ("MYO") cigar wraps	*Loose leaf chewing tobacco, moist snuff tobacco, and white nicotine pouches*
LTM Sales[1]	**$185mm**	**$147mm**
Key Brands	ZIG-ZAG, CLIPPER	Stoker's, FRE, APPALACHIA, BEECH-NUT, TROPHY, HAVANA BLOSSOM, BIG MOUNTAIN, DURANGO
Strategic Priorities	• Sustainable growth • Capture growth in cannabinoid consumption • Drive recently launched product offerings and expand penetration in e-commerce and alternative channels (head shops, dispensaries) • Evolve product portfolio to enhance consumer experience	• Capitalize on strong growth in Moist Snuff Tobacco and stability of tobacco chew • Stoker's: the leading value brand in tobacco chew with a long runway for growth in MST ▪ "Great dip at a fair price" • Growth predominantly driven by same store sales with opportunity for further expansion and distribution gains • FRĒ white nicotine pouch presents attractive opportunity in a large and growing market

Source: LTM Period Ended 3/31/24
Excludes vapor distribution business which was contributed in Q4 2022 to Creative Distribution Services, a new wholly-owned unrestricted subsidiary of TPB.

Turning Point Brands (NYSE: TPB)

Zig Zag Products: Iconic Brand with Leading Market Share

About Zig-Zag

Embedded into pop culture with a storied history that dates over 140 years

Papers

#1 premium and overall rolling paper brand sold in the U.S.[1] and Canada[2]

Wraps

Market leader in MYO cigar wraps with a majority share of the market[1]

New Product Launches

Continued roll-out of paper cones, unbleached and hemp rolling papers along with new product introductions

#1 Brand

Zig Zag owns ~34%[1] of the rolling paper market in the US and a majority of the cigar wraps market







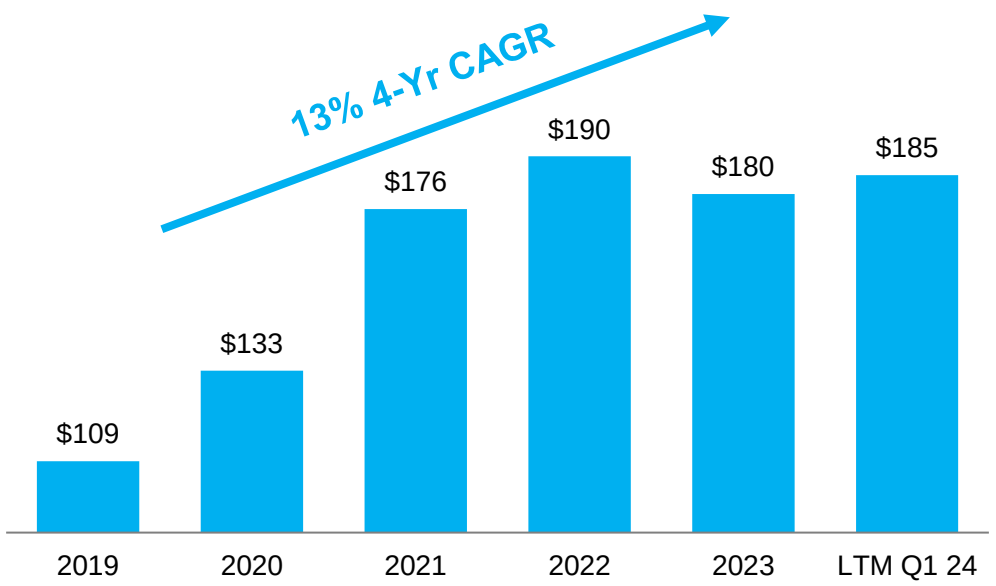
Source: Per MSAi as of L12M ending 1Q24; Management estimates

Turning Point Brands (NYSE: TPB)

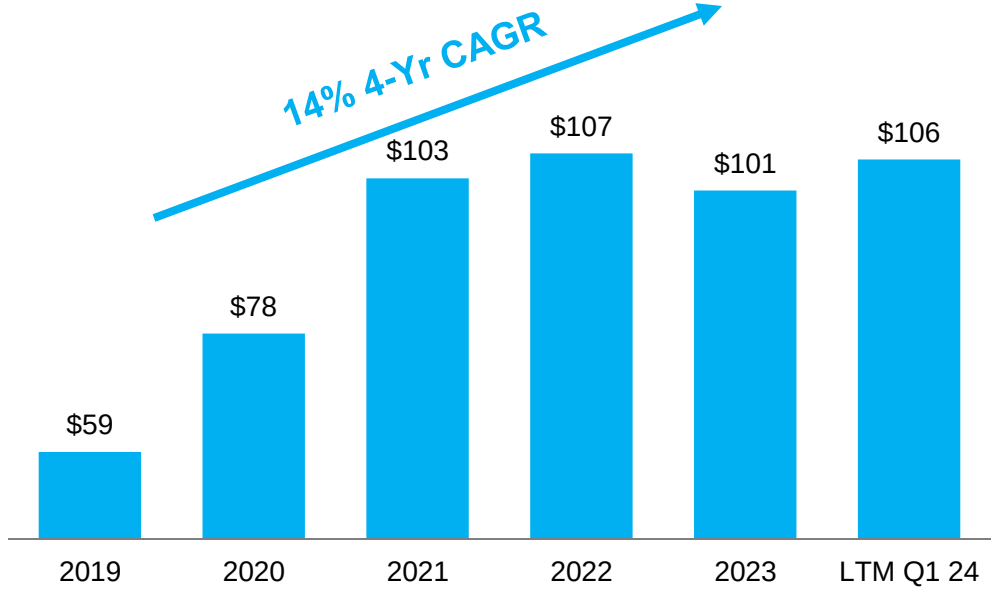
Zig Zag Products: Continued Profit and Margin Growth

Growth initiatives focused on new product introductions and channel expansions aligned with secular market growth trends

Net Sales ($M)



Adjusted Gross Profit ($M)



Figures are $'s in millions

Growth initiatives have fundamentally changed the growth profile of the segment over the last four years

Stoker’s Products: Iconic Brand with Sustained Growth

About Stoker's

Building brand equity for over 80 years. Stoker’s is the #1 loose-leaf chew brand[1] and a leading MST value brand

57%

Stoker's created the MST Tubs category and is the category leader with ~57%[1] share

Per MSAi as of 1Q24

MST TUBS

Introduced a larger tub format Moist Snuff Tobacco (MST) product driving category over the last 10+ years



MST Cans

Accelerating strength from distribution gains and same-store sales growth. Significant recent chain launches



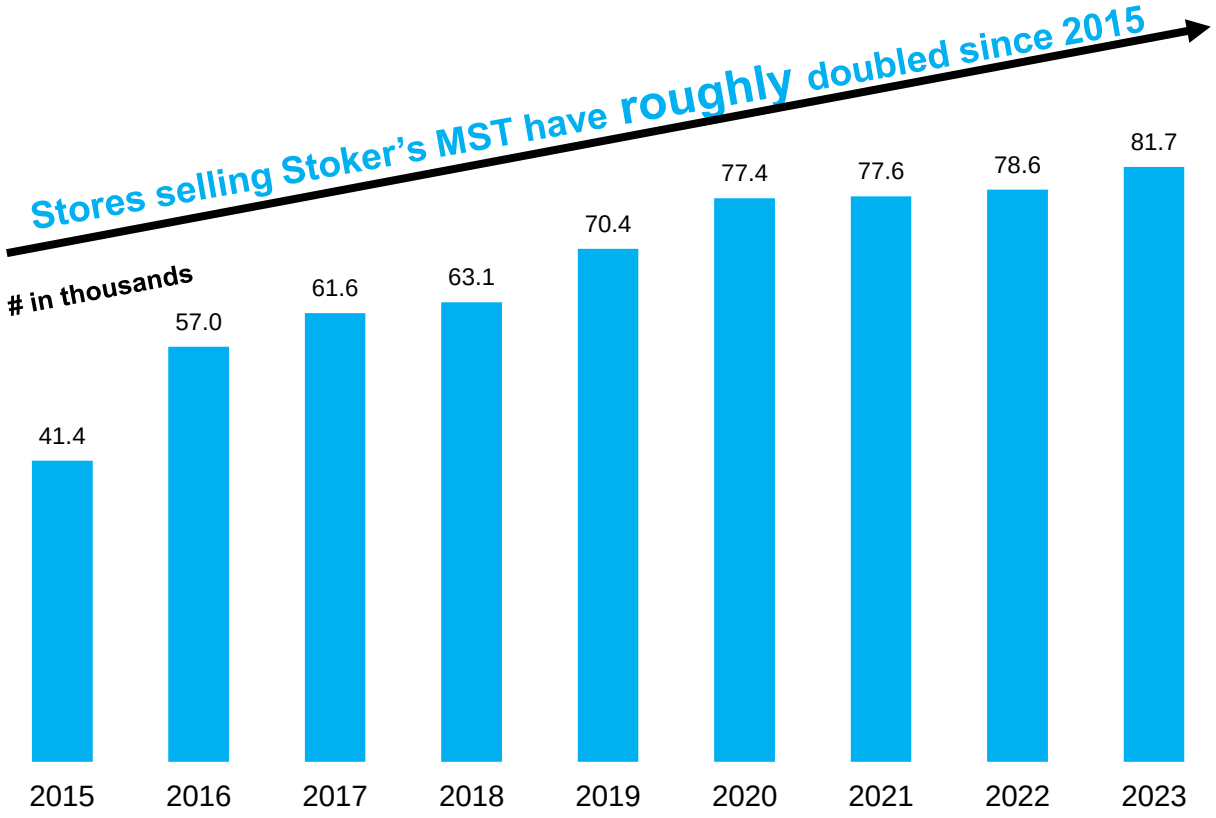
Chew

#1 discount and overall loose-leaf chew brand in the US[1]. TPB’s brands collectively hold ~36%[1] of the loose-leaf chew market



Turning Point Brands (NYSE: TPB)

Stoker's Products: Continued MST Distribution Gains



Per MSAi as of 4Q23

Long Runway for Growth

Currently in stores representing ~67%[1] of volume weighted distribution

Additional ~30-50k stores targeted for national distribution



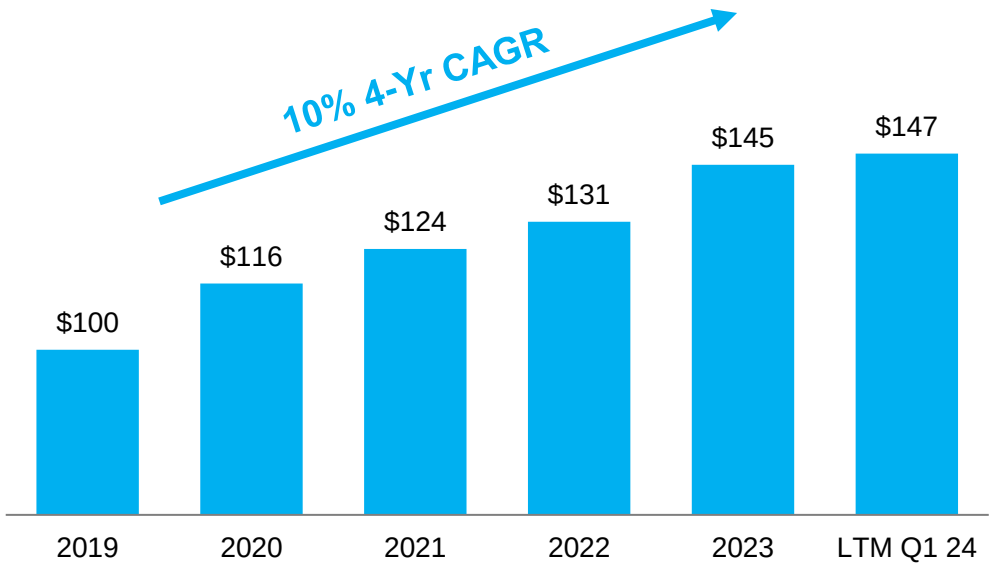


Turning Point Brands (NYSE: TPB)

Stoker's Products: Continued Profit and Margin Growth

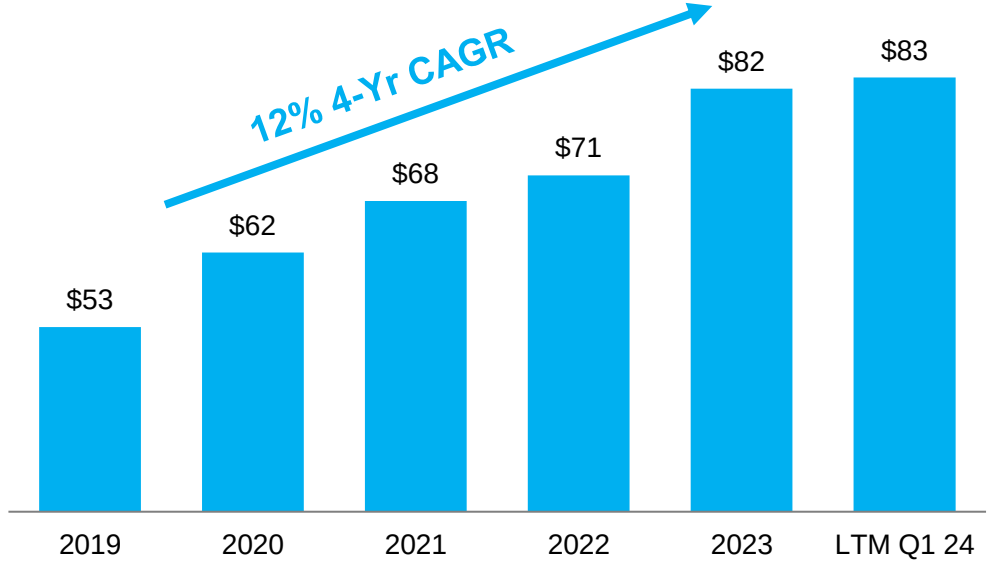
Smokeless Net Sales and Gross Profit have shown steady growth with operating leverage driven by MST volume and pricing gains.

Net Sales ($M)



Figures are $'s in millions

Adjusted Gross Profit ($M)



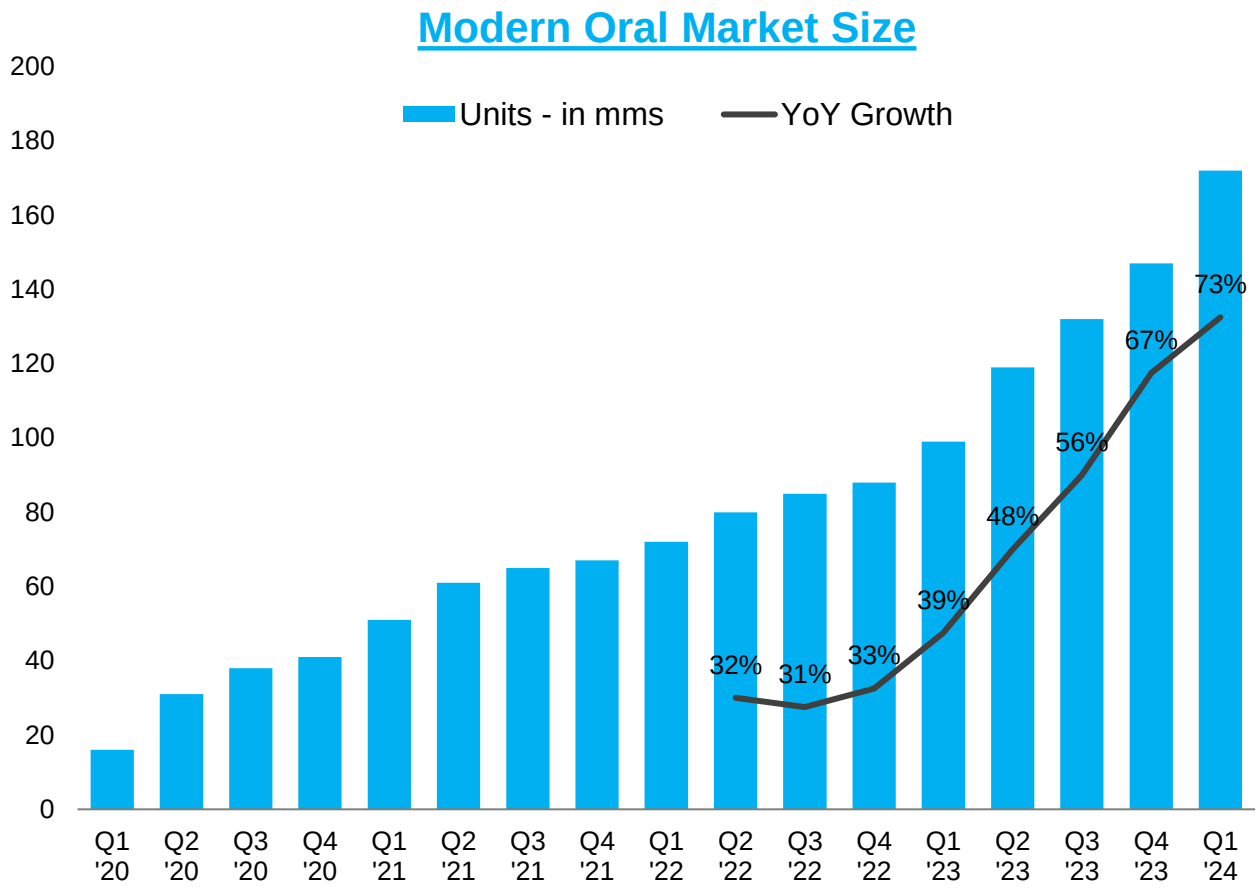
Turning Point Brands (NYSE: TPB)

Modern Oral Market – FRE

Significant opportunity with FRĒ in a large and growing market

- The modern oral market is trending towards a >$2 billion market in 2024 with strong growth trajectory
- FRĒ has a differentiated offering through its product quality, nicotine strengths and packaging sizes
- TPB has a proven playbook with Stoker's MST against larger competitors
- TPB does not require significant market share for FRE to have a meaningful impact on the bottom line
- Expanding FRĒ distribution in 2024 with both brick & mortar and digital marketing strategies





Source: MSAi as of 1Q24

Turning Point Brands (NYSE: TPB)

Financial Update

Recent Business Performance

Solid Performance from our Zig-Zag and Stoker's businesses

Recent Performance

- Q1 2024 Financial Results: Net Sales of $97.1 million (-3.9%) and Adjusted EBITDA* of $25.3 million (+21.6% YoY)
  - Net Sales for Q1 Zig-Zag and Stoker's products increased over 10% Year-Over-Year
- Generated $22.3 million of free cash flow
- Re-purchased 72,545 shares at a cost of $2.1 million during the quarter
- Reaffirming FY 2024 EBITDA guide of $95 to $100 million

Key Drivers

- Internal growth initiatives are driving a majority of the growth with core businesses outpacing market growth
- Secular trends benefitting rolling paper and wraps market; consumer down-trading benefitting Stoker's
- Alternative channel sales delivered sustainable growth
- 2024 planned expansion of Fre underway (TPB entry in the fast-growing white nicotine pouch category)

Management is focused on executing on its plan for growth and utilizing strong balance sheet and free cash flow generation towards creating shareholder value

- *See "EBITDA Adjustment Detail" slide.

Expanding Addressable Markets

Extending into large, adjacent markets provides runway for growth

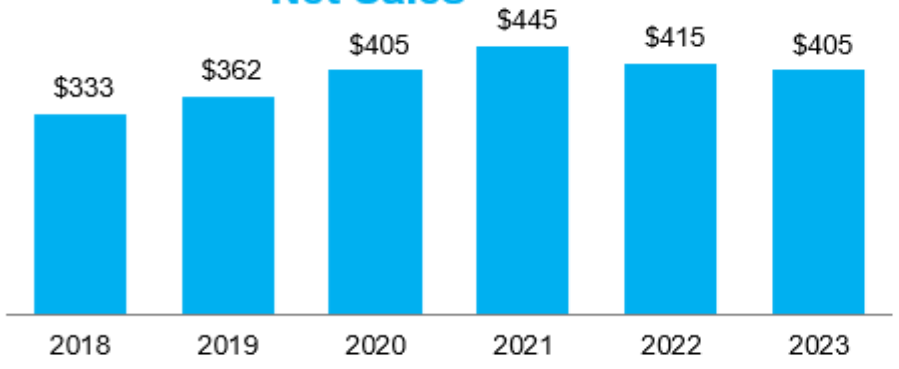
End Market	Market Size[1]	Opportunity
Alternative Channel (Headshops and Dispensaries)	~$200mm	Increase share for Zig-Zag papers (currently single-digit/low double-digit %) and other ancillary Zig-Zag products (rolling trays and other smoking accessories, apparel / merchandise, etc)
Lighters	~$500mm	Launch distribution of Clipper lighters (Q3 2022) to expand its presence in the US and Canadian markets; strong customer and consumer overlap with Zig-Zag rolling papers and wraps
White Nicotine Pouch	>$2bn	Introduce Frē including differentiated higher nicotine content offerings into a rapidly growing market
Mass-Market Cigars	>$2.5bn	Re-enter large market that is complementary to Zig-Zag cigar wraps product offering



Company estimates of manufacturer revenue opportunity in the U.S. (Lighters market includes Canada).

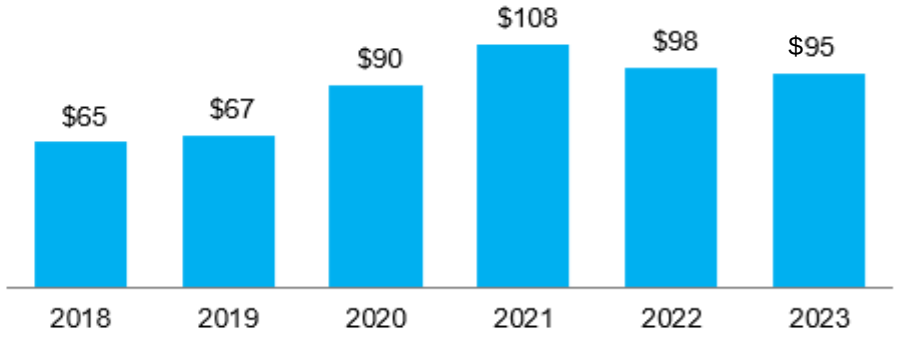
Historical Financials

Net Sales



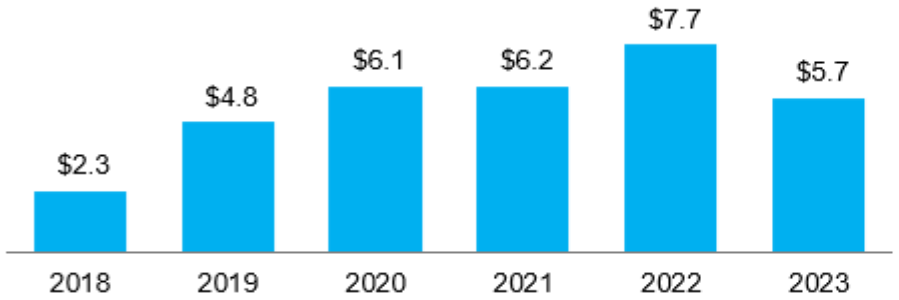
	2018	2019	2020	2021	2022	2023
Growth	16.4%	8.8%	11.9%	9.8%	-6.7%	-2.3%

Adjusted EBITDA[1]



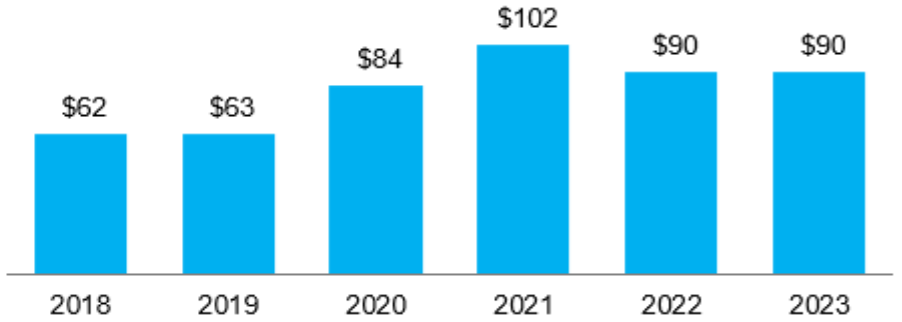
	2018	2019	2020	2021	2022	2023
% Margin	19.4%	18.6%	22.4%	24.3%	23.5%	23.5%

Capital Expenditures



	2018	2019	2020	2021	2022	2023
% Margin	0.7%	1.3%	1.5%	1.4%	1.9%	1.4%

Adjusted EBITDA[1] Less CapEx



	2018	2019	2020	2021	2022	2023
% Margin	18.6%	17.4%	20.7%	22.9%	21.7%	22.1%

Note: Figures are $ in millions.
1. See “EBITDA Adjustment Detail” slide.

Turning Point Brands (NYSE: TPB)

EBITDA Adjustment Detail

Reconciliation of GAAP Net Income to Adjusted EBITDA
($ in millions)

	2018	2019	2020	2021	2022	2023	2024 Q1
Consolidated net income	25.3	13.8	33.0	52.1	11.6	38.5	12.0
Add:							
Interest expense, net	14.8	17.3	20.2	20.5	19.5	14.6	3.5
Gain on extinguishment of debt	2.4	1.3	0.0	-2.2	-0.9	-1.7	0.0
Income tax expense	6.3	2.0	10.0	14.0	4.8	23.9	3.7
Depreciation expense	2.1	2.6	3.2	3.1	3.4	3.1	0.8
Amortization expense	1.0	1.5	1.8	1.9	1.9	3.2	0.9
EBITDA	**51.9**	**38.6**	**68.3**	**89.5**	**40.4**	**81.7**	**20.9**
Components of Adjusted EBITDA							
Corporate and vapor restructuring (a)	5.0	19.6	1.9	1.0	3.4	0.4	1.3
ERP/CRM (b)	0.0	0.0	0.0	0.0	2.0	0.6	0.1
Stock options, restricted stock, and incentives expense (c)	1.4	4.6	2.6	7.6	5.3	6.6	2.1
Transactional expenses and strategic initiatives (d)	4.5	1.8	3.1	1.3	0.8	0.2	0.0
FDA PMTA (e)	1.8	6.2	14.4	1.7	4.6	2.1	0.8
Non-cash asset impairment (f)	0.0	2.2	0.0	7.1	41.1	12.2	0.0
FET refund (g)	0.0	0.0	0.0	0.0	0.0	-4.3	0.0
Shareholder settlement (h)	0.0	-5.5	0.0	0.0	0.0	-4.0	0.0
Adjusted EBITDA	**64.6**	**67.3**	**90.2**	**108.1**	**97.6**	**95.3**	**25.3**

(a) Represents costs associated with corporate and vape restructuring, including severance.

(b) Represents cost associated with scoping and mobilization of new ERP and CRM systems and cost of duplicative ERP licenses.

(c) Represents non-cash stock options, restricted stock, incentives expense and Solace performance stock units.

(d) Represents the fees incurred for transaction expenses.

(e) Represents costs associated with applications related to FDA premarket tobacco product application ("PMTA").

(f) Represents impairment of goodwill, intangible and investment assets.

(g) Represents a federal excise tax refund

(h) Represents receivable from shareholder settlement

Turning Point Brands (NYSE: TPB)

THANK YOU