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# Haypp Group

Q4 2025



## Speakers



**Alexander Siljeström**  
Equity Research Analyst | Pareto



**Daniel Therrien**  
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**Morayo Adesina**  
Assistant VP and Equity Research Analyst | Barclays



**Niklas Ekman**  
Senior Equity Research Analyst | DNB Carnegie



**Operator**



**Peter Deli**  
CFO | Haypp Group

## Prepared Remarks

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**Gavin O'Dowd**  
CEO | Haypp Group

Good morning, everyone, and welcome to our Q4 2025 conference call. Our CFO, Peter Deli, and I, Gavin O'Dowd, will take you through our results. Starting at slide four, I would like to focus on four key aspects of our operational highlights. Beginning first with our nicotine pouch Q4 volume, year-on-year growth of 28%. Nicotine pouches now accounts for over 2/3 of our volume. Strong acceleration in the U.S., supported by the return of ZYN, and strong acceleration in the U.K. were important drivers. Our growth segment now accounts for over 40% of our nicotine pouch volumes. Secondly, net sales grew 19% for the period at constant rates, despite continued decline in traditional snus. Third, gross margin percentage reached 17.4% for the quarter, and gross margin amount rose by 29% in 2025 versus 2024.



**Gavin O'Dowd**  
CEO | Haypp Group

Lastly, we completed our infrastructure overhaul in December, and we can already see rapid deployment of features in January, which are valued by the consumer. Moving to the next slide, on slide five. The growth in sales was underpinned by robust growth in nicotine pouch active consumers, which in turn is being driven by both an acceleration in new consumers and continued improvement in our robust retention rates, reflecting record high consumer satisfaction rates. Moving to the U.S., I would like to cover and our performance. Starting with the U.S. environment on slide six. Category growth remains strong, with circa 35% increase in volume during Q4, off an already sizable base. The FDA's pilot program to accelerate the PMTA process has already led to marketing granted orders being granted for six products in December 2025.



**Gavin O'Dowd**  
CEO | Haypp Group

Other manufacturers are expected to have their products processed in the first half of this year. However, this doesn't guarantee that they will receive MGOs. A broader suite of improved products not only supports the category growth, but greatly enhances the value of the Haypp offer to both consumers and brand owners. The rapid growth of nicotine pouch category is leading to state tax proposals across a range of states. Among the highest of these tax levels is New York State, which is proposing a 75% tax on the wholesale price and would equate to approximately \$2 per can. In our experience across multiple markets, a step change in the consumer price tends to trigger consumers to search for better value, which greatly benefits Haypp.



**Gavin O'Dowd**  
CEO | Haypp Group

Haypp believes the taxes on nicotine pouches increase the fiscal relevance of the category for state governments, and as such, are beneficial, so long as the tax rates reflect the risk differential of nicotine pouches. Moving to the next slide, slide seven, which shows how the different components of our U.S. plan fits together. During the second half of 2025, we built up the competencies in our local U.S. organization to drive accelerated growth. In parallel, in Q4, we completed a detailed analysis of the offline nicotine pouch consumer to fully understand both their trigger points and friction points for buying nicotine pouches online. The process was very insightful in highlighting the potential of our offer to a large and growing consumer segments, and how we can refine our offer and our messaging to accelerate our growth.



**Gavin O'Dowd**  
CEO | Haypp Group

Some of the findings are already implemented, positively impacting the results, which I will share in the next slide. Many more of the refinements are planned to be implemented in the coming months, relating to both customer experience and messaging. These changes should further boost our growth rates. In addition, we intend to further accelerate new consumer on the second half of 2026 with broader consumer communication activities. Moving to the next slide, slide eight, which looks at our performance in the U.S. The continued acceleration in quarter-on-quarter growth led to a year-on-year volume growth of 95% for the quarter. The acceleration continued into this year, with circa 120% year-on-year growth in January. But part of this growth was driven by the reactivation of all ZYN consumers, who have shown strong retention rates since their return.



**Gavin O'Dowd**  
CEO | Haypp Group

The stronger signal of sustained growth rates comes from the rapid acceleration in new customers, with almost 200% year-on-year growth in the quarter, and that continued to accelerate to circa 250% year-on-year growth in January. This, combined with our highest-ever Net Promoter Score of 82, provides us with high confidence in the overall growth trajectory for 2026 and beyond. I would like to reiterate that the U.S. is our top priority market. Moving to slide nine on the U.K., which is our second priority market. ... We expect that the U.K. will be the largest nicotine pouch market in Europe by the end of this decade.



**Gavin O'Dowd**  
CEO | Haypp Group

In parallel, the pending regulatory changes bode well for both the category sustainability and especially for Haypp, as it will force all retailers to raise the bar for youth access prevention and product standards to be in line with Haypp. We continue to see acceleration in the quarter-on-quarter growth rates, driven by both increases in new consumer inflow and excellent retention rates. Much of this acceleration is attributed to the combination of dedicated resources to the market and the structural advantages of the investment in infrastructure across the group in 2025. Feeding on from there to slide 10 and infrastructure. At various points in recent quarters, I have provided an update on our progress on our infrastructure overhaul. I'm happy to say that the last piece of the jigsaw went live in December.



**Gavin O'Dowd**  
CEO | Haypp Group

Already, we can see significant improvements in our ability to launch features and bring meaningful value to our consumers and rapidly scale them across our markets. I have picked out three examples from the past months. Firstly, subscriptions. We have already improved the user experience on the subscription feature for our Scandinavian sites, and this is creating a notable uptick in new subscribers. And then we have launched this subscription service across the U.K. and Germany. Secondly, payments. We have easily onboarded a range of payment services, again, across a range of markets, effectively, simultaneously. These services are clearly appreciated by our consumers, given the take-up rates in the early weeks. And third, we launched vape on our Nettotobak store in Sweden, using our new architecture and our content creation tools to populate the majority of the content.



**Gavin O'Dowd**  
CEO | Haypp Group

The result has been our fastest-ever growth in traffic for a new category on the site, resulting in an excellent sales performance. While I highlight these as some of the many examples of what we've seen in recent weeks, I would like to also highlight that the significant effort which went into building a bespoke architecture for the nicotine category is expected to support many more such examples in the months and years ahead. Moving to slide 11, and looking at the regulatory outlook. For the U.K., I would like to reiterate the positive signs that the Tobacco and Vapes Bill is moving the industry in line with the standards which Haypp implemented many years ago. In the EU, we expect drafts for the TED and the TPD to be released in the first half of this year.



**Gavin O'Dowd**  
CEO | Haypp Group

We expect this draft to undergo significant revision in the coming years as member states and the European Parliament enter into negotiations, and we intend to keep you abreast of these negotiations. In Austria, due to legislation classifying nicotine pouches as tobacco products, sales will only be allowed via the national monopoly in licensed physical shops from mid-2026. Haypp expects to exit Austria at the end of June. Austrian sales account for less than 1% of the group's sales. In Sweden, the decision to revoke Snusbolaget Norden AB's license to sell traditional snus was upheld. Haypp fundamentally disagrees with the ruling and is appealing it to the Supreme Administrative Court. We do not expect any material financial or operational impact on our Swedish business. With that, I will now hand over to Peter for an update on our financial performance.



**Peter Deli**  
CFO | Haypp Group

Thank you, Gavin. Good morning, everyone. Let me walk you through the financial section of our Q4 results. We conclude the year with continued momentum across all key markets, supported by strong nicotine pouch demand, meaningful progress in infrastructure, and ongoing scaling investments, particularly in the U.S., that positions us well for 2026. On slide 12, let me begin with our sales development. We crossed an important milestone this quarter. Net sales surpassed SEK 1 billion for the first time in a single quarter, growing 15% reported and 19% excluding the negative exchange impact. supplier finance discounting in the U.S. reduced our reported sales by around 2.6 percentage points versus Q4 2024. We do expect price competitiveness to remain on the U.S. market, which allows us to present a more and more attractive offers to our consumers.



**Peter Deli**  
CFO | Haypp Group

Separating the ZYN impact is not straightforward in this quarter, particularly due to a sustained, very attractive ZYN offer since relaunch. We saw a clear impact on other brands' performance. A big portion of our consumers who bought other brands from us before switched to ZYN. So simply comparing Q4, excluding ZYN, versus Q4 2024 is not giving us a clear picture. Snus net revenue decline moderated in Q4 compared to Q3 as the Swedish excise-driven price effects rolled off. Nicotine pouches remained the clear growth engine, contributing 21%, excluding FX growth, while vape and heat-not-burn contributed modestly at around 2%. So overall, the top line is strong, and we are confident to maintain or even, even to accelerate this momentum into 2026. Moving to slide 13, you can see our long-term gross margin development.



**Peter Deli**  
CFO | Haypp Group

Q4 adjusted gross margin increased by nearly 0.6 percentage points year-over-year, reaching 17.7% in line with the structural trend. The key drivers remain unchanged. Increased contribution of Media and Insights and scale efficiencies in fulfillment. Part of this was offset by increased U.S. fulfillment costs and the vape inventory write-off of a specific brand in Sweden, but the overall trajectory remains firmly positive. Our annual negotiations for Media and Insights and campaign pricing support from the brand owners was completed in late 2025 for calendar year 2026. The demand for our enhanced services continues to grow significantly, enabling us to provide even better consumer offers in 2026. As I underlined in earlier quarters, the sustainability of our gross margin is the foundation for our global and U.S. growth strategy, enabling the investments required to build the next chapter.



**Peter Deli**  
CFO | Haypp Group

I also want to reiterate the core principle of our business model. The value we create is shared among our consumers, business partners, and shareholders. Our constant priority is to increase the value we deliver to consumers, which in turn depends on strengthening the value we provide to our business partners. By continually enhancing our Media and Insights offerings, we can offer greater convenience and value to consumers while supporting healthier profit margins. Moving to slide 14 and overheads. Our overhead base increased to SEK 130 million in the quarter, up 29% versus Q4 last year. The main drivers mirror what we highlighted in Q3, strengthening our U.S. local team and capabilities, ongoing investments in the Media and Insights, and brand building and online channel awareness initiatives. Just as in previous quarters, these increases are both planned and necessary.



**Peter Deli**  
CFO | Haypp Group

The U.S. business requires elevated investment intensity at this stage, but the underlying return profile, supported by strong consumer acquisition and retention, remains highly attractive. This is the first quarter where we can see the signs of scaling positively impacting the overhead as percentage of sales ratio. Over time, scale will reduce this ratio in the P&L. Moving to slide 15 and our adjusted EBIT. Adjusted EBIT in the quarter amounted to SEK 31.3 million, a 16% reduction year-over-year, with margin rates reduced from 4% to 3%. Looking on the chart on the left, let me start from a segmental EBITDA view. In our core markets where we operate at scale, we improved our profitability versus the same period last year.



**Peter Deli**  
CFO | Haypp Group

The reduction was mainly driven by the increased investments into the U.S. and U.K. markets within our growth segment and the temporary increase of investment into our emerging segment. Looking at the composition of our P&L, as we saw earlier, we maintained our robust gross margin, lifting versus last year, which enabled us to invest into the foundation of future growth manifested in the increase in marketing investments and overheads. Depreciation also increased, tied to infrastructure overhaul completed during 2024 and 2025. Our emerging segment investments reduced group-adjusted EBIT by around 1.5 percentage points in the quarter. Underlying EBIT margin for core and growth remained robust, change driven by the previously mentioned investments into the growth segment. Overall profitability remains well aligned with our investment priorities and aligned with our investment, and aligned with our long-term goals for the future. Slide 16, our core markets.



**Peter Deli**  
CFO | Haypp Group

Net sales increased to SEK 732 million, up 6% reported or 8% in constant currency. EBITDA grew 27% to SEK 77 million, lifting EBITDA margin to 10.5%. Nicotine pouches continue to reshape the segment mix. NP accounted for 57% of our core volume, up markedly from last year. Snus volume declined as expected, still impacted by underlying category contraction, but this is the first quarter where the Swedish tax-driven price reduction does not influence the comparison base. The shift toward fast-growing nicotine pouch supports improved future growth rates. Within the consumer base, we see the same dynamics. NP users grew, while Swedish snus decline offset it. We're also seeing an increase in our share of wallet from our consumers, supporting volume and top-line growth. Media revenues again supported EBITDA expansion, similar to the trend we highlighted in Q3.



**Peter Deli**  
CFO | Haypp Group

Slide 17, and our growth markets. Net sales grew 41% year-over-year to SEK 279 million, with nicotine pouch volume up 61%. As Gavin mentioned, the growth segment NP volume now represents over 40% of the total group NP volume. You can see the difference between volume and sales growth. The net negative price mix is mainly driven by U.S., where we saw a significant increase in supplier finance discounting, negatively impacting our sales, however, keeping our gross margin intact. Active consumers increased 52% to 169,000. The U.S. and U.K. were the standout performers. U.S., driven by new consumer inflow and retention. The U.K., by accelerating NP penetration, as Gavin explained earlier. EBITDA was SEK -4.4 million, with a margin of -1.6%. As in Q3, profitability reflects increased U.S. investments.



**Peter Deli**  
CFO | Haypp Group

This is exactly the pattern we expected at this stage. Strong revenue scaling, rising nicotine pouch penetration, and elevated capability investment that will reduce as a percentage of sales as we expand. On slide 18, our emerging segment. Net sales increased 40% to SEK 41 million, driven by strong Swedish and German performance. During Q4, we scaled down and ceased our operations in U.K.. We focused on inventory sell-off without replenishing sold-out SKUs. This resulted weak U.K. vape sales performance, decline versus Q3 and also versus last year. In contrast, the vape business in Sweden and Germany remained robust. We see solid new customer intake and a growing consumer base on these markets. Net sales for Sweden and Germany grew by 89% versus same period last year.



**Peter Deli**  
CFO | Haypp Group

EBITDA was SEK -15.5 million, reflecting both commercial investments, stock write-offs, and the disproportionately high share of fixed costs for the current scale of this business. On slide 19, turning to our selected KPIs. Inventory increased during Q4, similar to previous years. The increase manifested across all markets where we expected inbound price increases effective January 1st, and focused on brands with the highest level of increases. This stock build allow us to decide either to increase our price competitiveness or realize a higher gross margin during the sell-out period. Importantly, this is a temporary increase. The inventory level is going back to normal during Q1. Our accounts receivable growth was driven by the growth in Media and Insights revenue, while our closing accounts payable balance increase was driven by the inventory purchases.



**Peter Deli**  
CFO | Haypp Group

Net debt remained low at 0.6x last 12 months Adjusted EBITDA, consistent with our long-standing capital discipline. Financially, we exit 2025 in a strong position with continued growth, stable gross margin, healthy working capital, and ample capacity to support expansion. With this, I will hand back to Gavin.



**Gavin O'Dowd**  
CEO | Haypp Group

Thank you, Peter. Moving to our outlook on slide 21. In our view, the long-term future for nicotine pouches, the online channel, and Haypp Group, with its many strengths, remains very encouraging. Conditions within the U.S. and the U.K. in particular, continue to evolve in a positive direction for Haypp. Haypp Group's operating model continues to generate increasing value for our consumers, the brand owners, and while also providing margin expansion opportunities over the medium term. We expected increased regulation, sorry. The expected increase in regulatory requirements are manifesting, which further differentiates us, given our sustained focus and investment in long-term compliance.



**Gavin O'Dowd**  
CEO | Haypp Group

As we execute on the priorities outlined in our April 2025 Capital Markets Day, we remain confident that our regulatory preparedness, operational discipline, consumer-centric approach, and major growth opportunities, notably in the U.S. and the U.K., position us to create long-term value and strengthen our leadership in the category. And feeding on from there, on slide 25, I would like to touch upon the medium-term guidance from our Capital Markets Day in April 2025, which runs out to 2028. We envision revenue growth rates of 18%-25% CAGR over the period, with the U.S. market being a material contributor. This takes into account the lower reported growth rates for 2025 due to the comparatively narrower consumer base in the U.S.



**Gavin O'Dowd**  
CEO | Haypp Group

We also guide towards 5.5% EBIT at the end of the period,  $\pm 150$  basis points. While we have been materially increasing our EBIT over the past two years, we intend to reinvest into the U.S. to accelerate our market share growth over this period. I would kindly direct your attention to our CMD material, which is available on our group site, and this provides more detail behind these targets. Lastly, the company does not intend to issue a dividend over this period, instead, reinvesting surplus cash flows into the company's future expansion. Before I open up for questions, I would like to take the opportunity to thank my colleagues for their dedication and hard work in delivering these strong results. And with that, I will hand over to the operator for questions.

## Q&A

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**Operator**

... If you wish to ask a question, please dial pound key five on your telephone keypad to enter the queue. If you wish to withdraw your question, please dial pound key six on your telephone keypad. The next question comes from Niklas Ekman from DNB Carnegie. Please go ahead.

**Niklas Ekman**

Senior Equity Research Analyst | DNB Carnegie

Good morning. First question from me is regarding your like-for-like growth. You've reported this very generously here now in the previous quarters, and I know that in Q4 of 2024, you said you had 23% like-for-like growth, compared to a reported 8% organic growth. And if I simply reverse that and do the same exercise now for Q4 in 2025, it suggests a like-for-like growth well under 10%. But maybe I'm missing something here, and I'm just... you could elaborate a little bit on what you see in terms of like-for-like growth.

**Gavin O'Dowd**

CEO | Haypp Group

Yeah. Good morning, Niklas. Yeah, I see the output of that being somewhat different. I think the way you're getting to on your calculation is significantly higher. So I think there's two main factors running through this. One, we relaunched ZYN in mid-September, but as you can imagine, we didn't necessarily press the button, and all ZYN consumers came back to us. So it's been a gradual build-up and continues to be a gradual build-up at this point in time in the business. The reasoning why we don't share like-for-like numbers within it is because not only on our platform, but also across the market within the U.S., you can see a much more dynamic consumer relationship between the brands at this point in time.

**Gavin O'Dowd**

CEO | Haypp Group

So you see consumers jumping between brands much faster now than you did previously, and of course, as is always the case with online, you see it happening to an even greater extent online. For that reason, we're seeing much more cannibalization of ZYN onto our previous consumer base, which effectively makes the like-for-like number misrepresentative of the actual performance and where we're getting on. So in summary, I think if you take those two factors into account, and particularly the first one, as regards to the gradual build-up of ZYN coming back into our assortment among the consumers and recognizing how difficult it is to be able to strip it out on a real-terms basis, I would certainly have come up with a, shall we say, materially higher like-for-like growth than you've come up with there.

**Niklas Ekman**

Senior Equity Research Analyst | DNB Carnegie

Okay, that sounds fair, but I guess that works both ways, and that maybe means that the 23% like-for-like growth last year was also positively impacted by the migration from ZYN to other products, I guess.

**Gavin O'Dowd**

CEO | Haypp Group

Well-

**Niklas Ekman**

Senior Equity Research Analyst | DNB Carnegie

Maybe that number was a little overstated.

**Gavin O'Dowd**

CEO | Haypp Group

I think there's one aspect which perhaps you can view it that way, but I think the more important aspect in this one, Niklas, is that it wasn't. The first point is that it wasn't simply a case of that you're not seeing active consumers come back at the beginning, that it was growing gradually over the quarter and continues to grow in that sort of trajectory as we go forward.



**Niklas Ekman**

Senior Equity Research Analyst | DNB Carnegie

Okay, fair, fair enough. Secondly, I'm just curious about the snus decline here of a mere 3%. You've seen declines in previous quarters of kind of in the mid-teens. Was this kind of a one-off because of the kind of hoarding impact or the opposite? Would you say that the mid-teen decline that you've seen before was that the outlier?



**Gavin O'Dowd**

CEO | Haypp Group

So firstly, no, it's not 3% snus decline. I think what Peter was highlighting there in those slides is that of our group revenue, there was a decline of 3%. You also have to bear in mind that over two-thirds of our total group revenue is nicotine pouches, so hence, 3% reduction at a group level would get you in closer to a 9%-10% reduction of within the snus category itself.



**Niklas Ekman**

Senior Equity Research Analyst | DNB Carnegie

Okay, that makes sense. Very good. I'm also curious on the outlook statement here. Obviously, some strong current trading here in January, and you're also guiding for a resumed margin progression, margins trending higher. Is that something we can see already in Q1? And overall here, can you elaborate a little bit on your view on the kind of the balance between high investments in the U.S. market and margin expansion?



**Gavin O'Dowd**

CEO | Haypp Group

Yes, I am guiding towards that. We're seeing very strong performance going into 2026 so far based on what we've seen. But that is at a revenue level. I'm not guiding, or at least I don't believe I should be interpreted, that I'm guiding towards margin expansion. We're very much in the principle of that we would balance growth and margin to create long-term shareholder value on where we are. While we can see significant returns on investing into accelerating our growth, we will continue to do so. I wouldn't necessarily read this one, Niklas, as though we are guiding towards margin expansion over the short to medium term.



**Niklas Ekman**

Senior Equity Research Analyst | DNB Carnegie

I think what you're saying in the outlook statement is that you expect margins will move upward in line with your long-term 2028, 2028 guidance. So I guess that's, more, more, you're reiterating your 2028 guidance rather than-



**Gavin O'Dowd**

CEO | Haypp Group

Eight.



**Niklas Ekman**

Senior Equity Research Analyst | DNB Carnegie

-guiding for 2026.



**Gavin O'Dowd**

CEO | Haypp Group

Exactly, yes. As you said, it's just reaffirming what we've said for 2028.



**Niklas Ekman**

Senior Equity Research Analyst | DNB Carnegie

Very clear. Thank you. Last one, just if you could elaborate a little bit on this, legal dispute with the Stockholm Licensing Unit, just on potential outcomes. Obviously, the Administrative Court of Appeals, now they've upheld the decision, and if the Supreme Court does not grant you an appeal, this, I guess, would become legally binding. Do you see any implications on the rest of your group if that were to happen, if you're not allowed to appeal to the Supreme Court?



**Gavin O'Dowd**

CEO | Haypp Group

... No, we see, we want to be very clear on this. We see no financial or operational impact, no material financial or operational impact on our Swedish business on the basis of this. The vast, vast, vast majority of our operations in Sweden do not operate within that municipality or under that license and have not done so for over a year. So we do not envisage that. We do believe that the findings was wrong. We will push for the appeal more as a point of principle on where it comes through, rather than as a financial impact.



**Niklas Ekman**

Senior Equity Research Analyst | DNB Carnegie

Very clear. Thank you so much. Thanks for taking my questions.



**Gavin O'Dowd**

CEO | Haypp Group

Thank you, Niklas.



**Operator**

The next question comes from Morayo Adesina from Barclays. Please go ahead.



**Morayo Adesina**

Assistant VP and Equity Research Analyst | Barclays

Hi, guys. Thanks for taking my question. Just two from me. I think, Peter, you mentioned something on a ZYN offer. I'm not sure if I heard correctly, so just wanted to get some clarification on what that offer entails. And then secondly, just on this proposed 75% state tax on nicotine pouches in New York, obviously, you were mentioning that, you know, it could be a positive, but it needs to represent the risk differential for nicotine pouches. So just wondering what you make of that proposed 75%.



**Gavin O'Dowd**

CEO | Haypp Group

Good morning, Morayo. Let me start with the second one first, on the New York taxes piece coming through on it here. So yes, you can see a range of, state taxes getting out in the public arena for proposals for next year. I think many of them are coming in in the 20%-30% as a percentage of wholesale price, where it is. New York is perhaps the most extreme, or certainly the most extreme of any sizable state, coming in at 75%, which equates to roughly \$2 per can.



**Gavin O'Dowd**

CEO | Haypp Group

Yeah, our view on that is very much that, you know, if this category is growing, it was inevitable that there would be taxes introduced on it, which we consider to be quite, yeah, it brings the local states into the, into the, as a stakeholder, into the category as it moves forward. And our view is often what we see is a, if there is a notable uptick, such as a couple of dollars in New York, being added on to the consumer, online or offline, at any given time, then you generally see that sort of overnight change tends to activate consumers to notice that change much more than the usual 1% or 2% or 3% they get each year when it comes through on it. So hence, they will often become more aware of lower-priced channels, such as Haypp.



**Gavin O'Dowd**

CEO | Haypp Group

Of course, this increase in taxes will affect both online and offline to the same level as it comes through. Then, sorry, then you asked a question on the ZYN offer as well. I guess what people can see, looking at our sites in general, at our stores in general in the U.S., is both for ZYN and also for many other products on our platforms as well, we have had very compelling offers coming through during the fourth quarter of 2025. As such, it has been one of the driving components, I believe, to the acceleration in growth, in our consumer base of where we are.



**Gavin O'Dowd**

CEO | Haypp Group

And that is also notable when it comes to the material gap between our volume growth within the U.S. and our revenue growth within the U.S., where that supplier financed discounting going through is slowing down our revenue growth relative to our volume growth over the shorter term.



**Morayo Adesina**

Assistant VP and Equity Research Analyst | Barclays

Okay, that's clear. Thank you so much.



**Gavin O'Dowd**

CEO | Haypp Group

Thank you very much, Morayo. Thank you.



**Operator**

The next question comes from Alexander Siljeström from Pareto. Please go ahead.



**Alexander Siljeström**

Equity Research Analyst | Pareto

Good morning, guys. Just starting off here with your comments on the strong development in the M&I contracts that are updated annually. Just wondering if you can give any indication on the expected growth in M&I for growth on the core markets?



**Gavin O'Dowd**

CEO | Haypp Group

Yeah. Good morning, Alexander. So each year, throughout the year, we develop both the services for both Media and Insights back out to our suppliers, and we will often test those with a pilot supplier or two during the latter part of the year, and then bring them into our negotiations during Q4, whereby the further enhanced and improved service, combined with the underlying growth of the business, means that we would then charge more for those services as we go into the following calendar year. Now, what we don't do here is we don't strip out M&I as an explicit number within our numbers and share how they have gone, either historically in detail or forward-looking either. What we do say in general is that Media and Insights make up roughly 10% of our sales.



**Gavin O'Dowd**

CEO | Haypp Group

What we also do highlight is that Media and Insights have been growing at about twice the rate of our overall group revenue since we IPO'd. I believe it would be rational enough to assume that those sort of trajectories are what we would like to sustain for 2026 and the future years as well, and where it gets to. Does that give you a sufficient level of clarity?



**Alexander Siljeström**

Equity Research Analyst | Pareto

Yeah, I think that's fair. So you still expect it on a group level to be sort of twice the organic growth. That's fair to assume when we try to model it that way.



**Gavin O'Dowd**

CEO | Haypp Group

Exactly. That's what we have been delivering, and that's what we would like to continue to target.



**Alexander Siljeström**

Equity Research Analyst | Pareto

Yeah.



**Gavin O'Dowd**

CEO | Haypp Group

I think we did lay that-



**Alexander Siljeström**

Equity Research Analyst | Pareto

Perfect



**Gavin O'Dowd**

CEO | Haypp Group

... out a little bit in our CMD in a bit more sort of guidance levels there as well.



**Alexander Siljeström**

Equity Research Analyst | Pareto

Yeah. Thanks for that. And then, moving on to the gross margin, it was down, I think 140 basis points here sequentially. Just if you could talk a bit about the main drivers, how much is related to ZYN, and then I guess you, in the report, you mentioned overheads as well. If you just could walk us through this and what to expect here into full year 2026 as well.



**Peter Deli**  
CFO | Haypp Group

Absolutely. Good morning. So ZYN had no impact on our gross margin. It had impact on the reported sales, but on a gross margin level, it had no implication on our results. The gross margin versus the previous quarter was down because of two key items. First, some testing and piloting of different shipping options in the U.S., what we are refining no further. And as I mentioned, we had one specific brand where we had inventory problems in Sweden, which is running through the emerging market P&L, where we effectively wrote off some inventory. Again, both of these items-



**Alexander Siljeström**  
Equity Research Analyst | Pareto

Can you quantify that latter one, the write-off?



**Peter Deli**  
CFO | Haypp Group

It represented around 20% of the negative EBITDA-



**Alexander Siljeström**  
Equity Research Analyst | Pareto

Okay



**Peter Deli**  
CFO | Haypp Group

... of the emerging segment. Sub 20.



**Alexander Siljeström**  
Equity Research Analyst | Pareto

Okay. And then maybe a last one from my end. You talk a lot about the marketing investments here in the U.S. And now I'm referring to these, this sort of H2 upper funnel investments to drive penetration. Wondering if you could quantify the costs or sort of the magnitude of the investments here in H2?



**Gavin O'Dowd**  
CEO | Haypp Group

I think it's a little bit premature to be able to quantify that one at this point in time in detail, Alexander. What we will state is that we will maintain capital discipline, and we will only be prepared to invest so long as we can see a very robust return over the medium term on that money which we're placing in. But the specifics and the details of where it is, I think is a little bit premature to go through at this point in time.



**Peter Deli**  
CFO | Haypp Group

I think, Alexander, it's also fair to say that these activities on that scale might be something new for our group, so we will continuously monitor the cost of customer acquisition cost and make sure that it's in line with the consumer lifetime value, what we have, and scale the investment in line with this discipline.



**Alexander Siljeström**  
Equity Research Analyst | Pareto

Okay. Yeah, that's fair enough. And maybe just following up on that, if you could talk about sort of some of the key levers that you see in terms of driving the increased penetration in terms of marketing efforts. Is it sort of podcasts or or ads in magazines or what will be the most important drivers here? Or is that also too premature to talk about?



**Gavin O'Dowd**  
CEO | Haypp Group

So the way we, we're viewing this one, Alexander, is what we're seeing at the moment from the research we did in the latter part of last year, is that there was many aspects within our offering which were really well received by the consumer base, but perhaps somewhat misunderstood. And even tidying those up so far, we can see a material impact month-on-month on how we've been performing within the U.S. since, with very minor tweaks as it comes through. So I think it's more about going a little bit further on that over the next quarter or two, and that during the latter part of Q2, we intend to be able to test a range of different channels.



**Gavin O'Dowd**  
CEO | Haypp Group

We already have been dipping our toe into a few, but test in a more quantifiable way, a range of different channels on where we get to, and then understand where the return on those are. As we understand that level of return, that will bring us to a stage then to determine how much we would like to put the foot down when it comes to accelerating growth based on the cost and where that ties back to on the lifetime value. I think it's fair to say we're looking at a range of channels here, but needless to say, it will only ever be channels which have a disproportionately large share of their consumer base as over 25. We have been testing, for example, some on the podcast space, some in out-of-store space, in adult venues, like bars and nightclubs.



**Gavin O'Dowd**  
CEO | Haypp Group

There's been a range of different dynamics here, which we've been dipping our toe on already, and we will go a bit further on during the middle of the year.



**Alexander Siljeström**  
Equity Research Analyst | Pareto

Okay. Sounds exciting. That's it from my end. Thanks, guys.



**Peter Deli**  
CFO | Haypp Group

Thank you very much.



**Gavin O'Dowd**  
CEO | Haypp Group

Thank you.



**Operator**

The next question comes from Daniel Therrien from Deutsche Bank. Please go ahead.



**Daniel Therrien**  
Analyst | Deutsche Bank

Hi, guys. Just one quick question from me. Just in your core market segment, the commentary from the first quarter attributed the nicotine pouch volume growth to strong performance in both Sweden and Norway. However, for the following three quarters, the commentary only highlights strong growth in Norway as the driver. So could you just provide some color on the sort of dynamics in Sweden? Just thinking about how it relates to your net sales guide, if the Sweden volume growth is more moderated and alongside the snus decline. Thanks.



**Gavin O'Dowd**  
CEO | Haypp Group

Good morning. So actually, yes, we've had strong performance in both markets over that period of time. I guess the reference more to strong performance in Norway was perhaps a bit of a hangover from previous years, whereby we had experienced some struggles in Norway a couple of years ago. So it was good to remind people that we were fully back on track within Norway itself at this stage. But no, I would consider us to be showing strong performance in both markets, over 2025 in general, and of course, Q4. And then, sorry, maybe you had a question in there around snus as well? Did you? Sorry.



**Daniel Therrien**  
Analyst | Deutsche Bank

No, I was wondering if the volume growth in Sweden is fine, then that should all make sense. Thank you.



**Gavin O'Dowd**  
CEO | Haypp Group

Yeah.



**Operator**

As a reminder, if you wish to ask a question, please dial pound key five on your telephone keypad. There are no more phone questions at this time, so I hand the conference back to the speakers for any written questions or closing comments.

# Haypp Group

Q4 2025 | Feb 13, 2026 08:00



**Gavin O'Dowd**  
CEO | Haypp Group

Okay. Thank you very much for today's, for joining us for today's release. We look forward to speaking to you again in three months. Thank you.