



Q1 2021 Earnings - Quarterly Metrics

Smokeable	Q1 2021	△ vs. Q1 2020
Marlboro Price Gap (vs. Lowest Effective)	37%	
Marlboro Net Pack Price	\$7.66	\$0.37
Lowest Effective Price	\$5.59	\$0.07
Discount Segment Retail Share	25.3%	0.1pp
Major Manufacturer Branded Discount	14.9%	(0.4pp)
Deep Discount	10.4%	+0.5pp
PM USA Menthol Retail Share	9.7%	(0.1pp)
Estimated Weighted Average State Excise Tax per pack	\$1.88	\$0.06
PM USA Cigarette Wholesale Inventory Estimates:	(in billion units)	
End of Q1 2021	2.6	
End of Q4 2020	3.0	
End of Q1 2020	3.0	
End of Q4 2019	2.1	
Cigarette Industry Wholesale Inventory:	(in billion units)	
End of Q1 2021	7.1	
End of Q4 2020	7.0	
End of Q1 2020	7.0	
End of Q4 2019	5.1	

Note: Wholesale inventory changes are one factor PM USA uses to estimate adjusted PM USA and industry volumes.

Oral Tobacco	Q1 2021	△ vs. Q1 2020
Copenhagen Price Gap (vs Leading Discount Brand)	17%	
Copenhagen Retail Price	\$5.56	\$0.24
Leading Discount Brand	\$4.77	\$0.24

Note: All Smokeable and Oral Tobacco prices reflect IRI restatement.

Other	Q1 2021	
Capital Expenditures	\$26 million	
Ongoing Depreciation and Amortization	\$63 million	

Smokeable Shipping Days					
	Q1	Q2	Q3	Q4	FY
2020	65	65	66	66	262
2021	64	65	66	66	261

Cigarette Industry Volume Decomposition Estimates

Twelve Months Ended

	06/30/20	09/30/20	12/31/20	3/31/21
Secular Decline Rate ¹	(2.5)%	(2.5)%	(2.5)%	(2.5)%
Cigarette Price Elasticity	(1.3)%	(1.3)%	(1.4)%	(1.3)%
Additional Cross Category Movement	(0.1)%	0.2%	0.1%	(0.1)%
Macroeconomic & Other Factors	0.4%	2.1%	3.8% ²	3.9% ²
Estimated Industry Decline	(3.5)%	(1.5)%	0.0%	0.0%

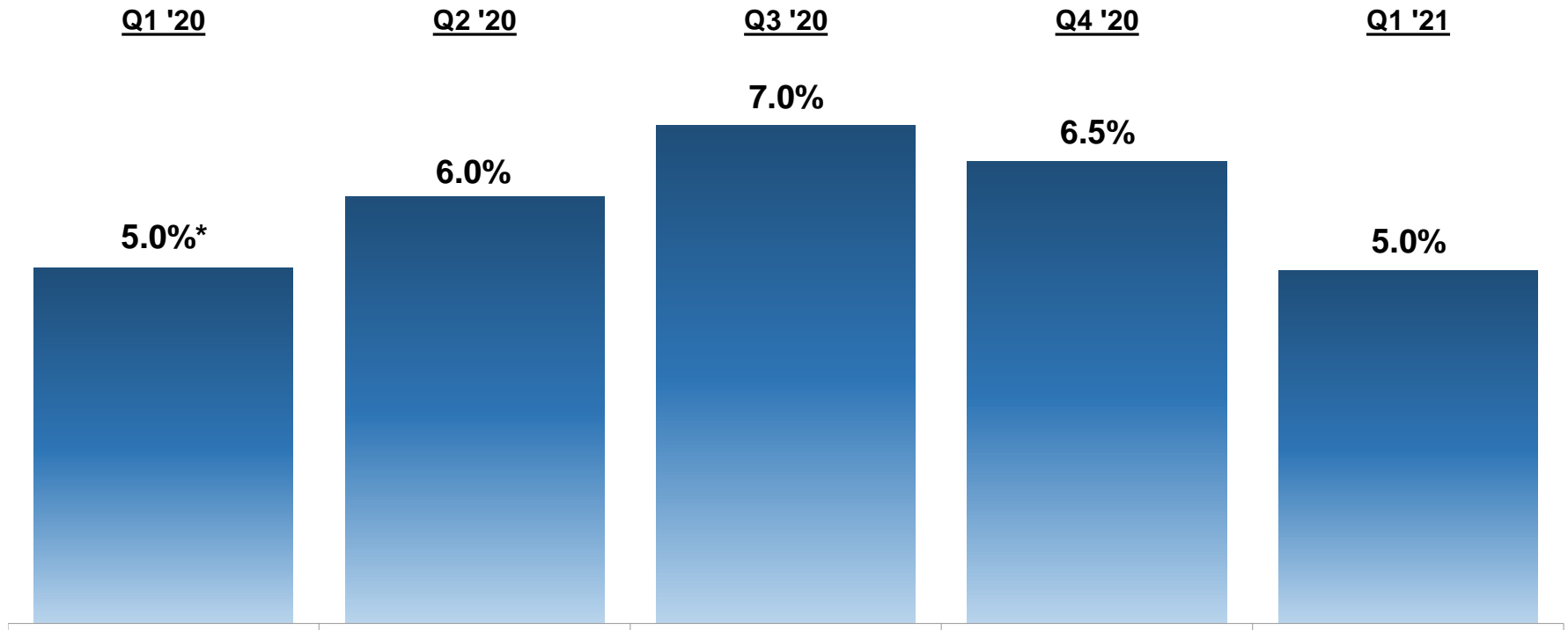
¹ Includes approximately 1% historical movement across tobacco categories

² Primarily driven by adult smoker stay-at-home practices, contributing to more tobacco usage occasions and higher tobacco discretionary spend

Source: ALCS SCMI estimates

Oral Tobacco Industry Volume Growth Estimates

Six Months Ended



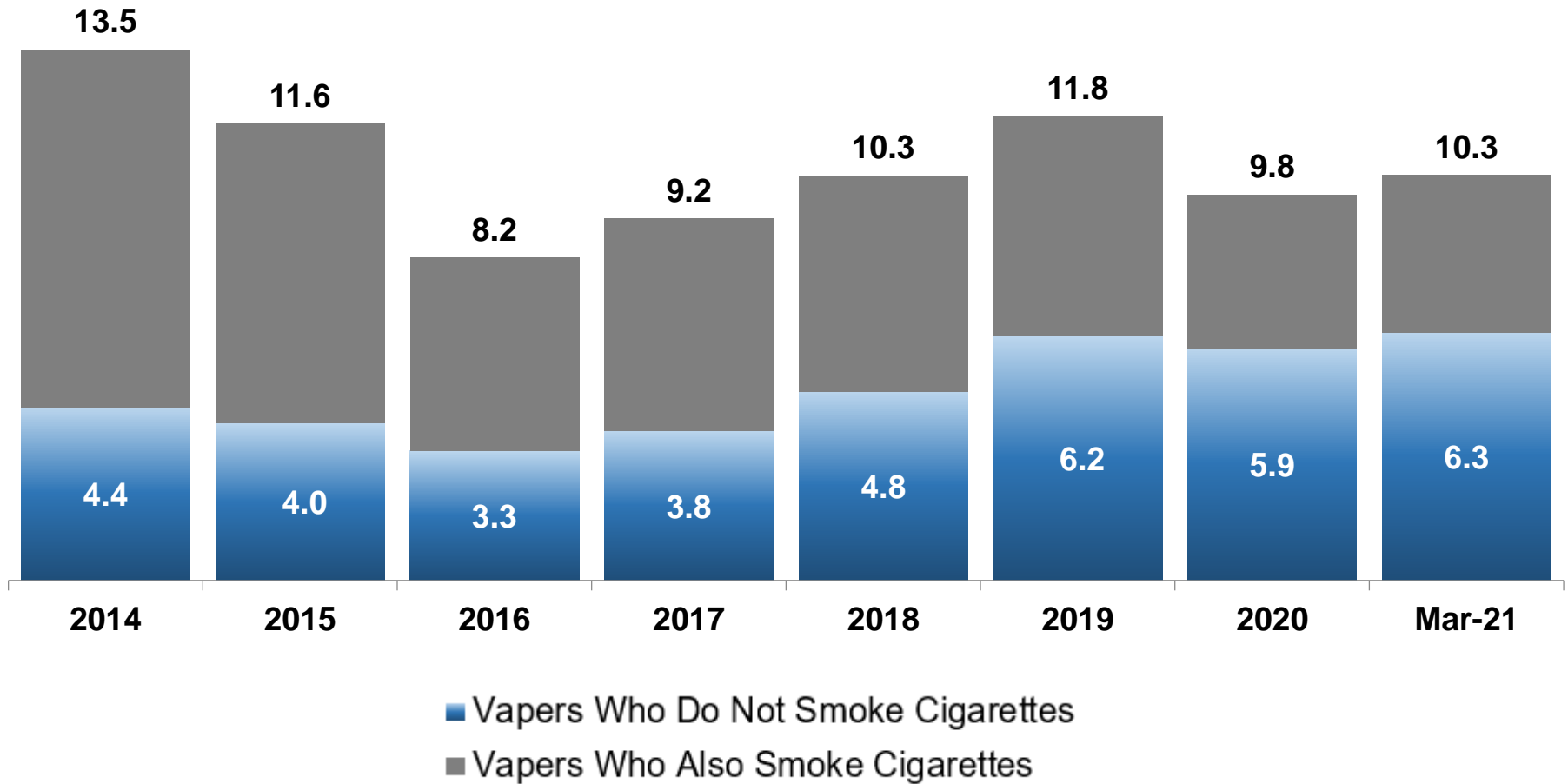
Source: ALCS SCMI estimates - rounded to the nearest 0.5%

Oral Tobacco industry includes MST, snus and oral nicotine pouch products

* Q1 2020 includes an adjustment for estimated retail loading due to COVID-19

Adult Vapers 21+ - Past 30 Day Usage

Twelve Months Ended (in millions)



Source: ATCT July 2013 to March 2021